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Congressional Record

PROCEEDINGS AND DEBATES OF THE 96th CONGRESS, SECOND SESSION

SENATE—*Wednesday, April 30, 1980*

(Legislative day of Thursday, January 3, 1980)

The Senate met at 8:45 a.m., on the expiration of the recess, and was called to order by Hon. Edward Zorinsky, a Senator from the State of Nebraska.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Let us pray.

New mercies each returning day,
Hover around us as we pray;
New perils past, new sins forgiven,
New thought of God, new hopes of heaven.

—John Keble.

We thank Thee, our Father God, for Thy mercies which are new every morning. Here we present to Thee our hearts, our minds, our wills in Thy service for the welfare of this Nation. May Thy spirit so possess us and control us that the time of prayer and the time of work are indistinguishable.

Sustain all those who labor in the Government.

Keep ever before us the vision of the time when all men shall be gathered in one kingdom, the law of which is love and the ruler of which is the Living Lord. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. Magnuson).

The legislative clerk read the following letter:

U.S. Senate,
President pro tempore,
Washington, D.C., April 30, 1980.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable Edward Zorinsky, a Senator from the State of Nebraska, to perform the duties of the Chair.

Warren G. Magnuson,
President pro tempore.

Mr. ZORINSKY thereupon assumed the chair as Acting President pro tempore.

CLOTURE MOTION

The ACTING PRESIDENT pro tempore. Under the previous order, the Chair, pursuant to rule XXII, lays before the Senate the pending cloture motion, which the clerk will state.

The legislative clerk read as follows:

Cloture Motion

We, the undersigned Senators, in accordance with the provisions of Rule XXII of the Standing Rules of the Senate, hereby move to bring to a close debate on the conference report on H.R. 10, an act to authorize actions for redress in cases involving deprivations of rights of institutionalized persons secured or protected by the Constitution or laws of the United States.

Lloyd Bentsen, Abraham Ribicoff, Robert C. Byrd, Claiborne Pell, Bill Bradley, Joseph R. Biden, Jr., Paul E. Tsongas, Harrison A. Williams, Jr., Alan Cranston, Robert T. Stafford, Patrick J. Leahy, William Proxmire, Daniel K. Inouye, Henry M. Jackson, Birch Bayh, Dennis DeConcini, Jennings Randolph, John Glenn.

CALL OF THE ROLL

The ACTING PRESIDENT pro tempore. Pursuant to rule XXII, the Chair now directs the clerk to call the roll to ascertain the presence of a quorum.

The legislative clerk called the roll and the following Senators answered to their names:

[Quorum No. 2 Leg.]

Armstrong
Baucus
Bellmon
Bentsen
Boschwitz
Bradley
Bumpers
Burdick
Cannon
Chafee
Chiles
Church
Cochran
Cohen
Culver
Danforth
DeConcini
Dole
Domenici
Durenberger
Eagleton
Exon
Ford
Garn
Glenn
Goldwater
Hatch
Hatfield
Heinz
Helms
Huddleston
Humphrey
Inouye
Jackson
Javits
Jepsen
Johnston
Kassebaum
Levin
Lugar
Mathias
Matsunaga
McGovern
Morgan
Moynihan
Muskie
Nelson
Nunn
Packwood
Percy
Pressler
Proxmire
Pryor
Randolph
Riegle
Roth
Sasser
Schmitt
Schweiker
Simpson
Stennis
Stevens
Stevenson
Stewart
Stone
Talmadge
Thurmond
Tower
Tsongas
Wallop
Warner
Weicker
Williams
Young

The ACTING PRESIDENT pro tempore. A quorum is present.

VOTE

The ACTING PRESIDENT pro tempore. The question is, Is it the sense of the Senate that debate on the conference report on H.R. 10, an act to authorize actions for redress in cases involving deprivations of rights of institutionalized persons secured or protected by the Constitution and laws of the United States, shall be brought to a close? The yeas and nays are mandatory under the rule. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DURENBERGER. Mr. President, I have a pair with the Senator from Idaho (Mr. McClure). If he were present today, he would be voting "no." If permitted to vote, I would vote "aye." I withhold my vote.

Mr. CRANSTON. I announce that the Senator from New Hampshire (Mr. Durkin), the Senator from Alaska (Mr. Gravel), the Senator from Massachusetts (Mr. Kennedy), the Senator from Washington (Mr. Magnuson), the Senator from Montana (Mr. Melcher), and the Senator from North Carolina (Mr. Morgan) are necessarily absent.

I also announce that the Senator from Georgia (Mr. Talmadge) is absent because of illness.

Mr. STEVENS. I announce that the Senator from California (Mr. Hayakawa), the Senator from Nevada (Mr. Laxalt) the Senator from Idaho (Mr. McClure), and the Senator from Vermont (Mr. Stafford) are necessarily absent.

Mr. DANFORTH. Regular order, Mr. President.

Mr. BOREN. Regular order.

Mr. EXON. Mr. President, I ask for the regular order, please.

Mr. DANFORTH. Regular order.

The ACTING PRESIDENT pro tempore. Regular order has been called for. The clerk will tally the vote and bring it to the Chair.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

Mr. DANFORTH. Regular order. Regular order.

The ACTING PRESIDENT pro tempore. Is there any Senator in the Chamber remaining who wishes to vote?

The clerk will tally the vote.

Mr. BAYH. Mr. President, a parliamentary inquiry.

The ACTING PRESIDENT pro tempore. The vote is in progress. The parliamentary inquiry is not in order.

Mr. DANFORTH. Regular order. Regular order.

Mr. BAKER. Regular order is called for.

The ACTING PRESIDENT pro tempore. The Chair calls for the tally.

Mr. STENNIS. Am I recorded, Mr. President?

The ACTING PRESIDENT pro tempore. The Senator from Mississippi is recorded in the negative.

The clerk will present the tally.

Mr. DANFORTH. Regular order.

Mr. EXON. Mr. President, regular order.

Several Senators. Regular order.

The ACTING PRESIDENT pro tempore. Any Senators in the Chamber wishing to vote may vote.

Mr. EXON. Mr. President, may I request the regular order? We have rules in this Senate that I have always abided by, and I wish the others would do likewise.

The yeas and nays resulted—yeas 53, nays 35, as follows:

[Rollcall Vote No. 87 Leg.]

YEAS—53

Baucus
Bayh
Bentsen
Biden
Bradley
Bumpers
Burdick
Chafee
Chiles
Church
Cranston
Culver
DeConcini
Dole
Ford
Glenn
Hart
Hatch
Hatfield
Heflin
Heinz
Huddleston
Inouye
Jackson
Javits
Kassebaum
Leahy
Levin
Lugar
Mathias
Matsunaga
McGovern
Metzenbaum
Moynihan
Muskie
Nelson
Packwood
Pell
Percy
Pressler
Proxmire
Pryor
Randolph
Ribicoff
Riegle
Sarbanes
Sasser
Schweiker
Stevenson
Stone
Tsongas
Weicker
Williams

NAYS—35

Armstrong
Baker
Bellmon
Boren
Boschwitz
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Cochran
Cohen
Danforth
Domenici
Eagleton
Exon
Garn
Goldwater
Helms
Hollings
Humphrey
Jepsen
Johnston
Long
Nunn
Roth
Schmitt
Simpson
Stennis
Stevens
Stewart
Thurmond
Tower
Wallop
Warner
Young
Zorinsky

PRESENT AND GIVING A LIVE PAIR, AS PREVIOUSLY RECORDED—1

Durenberger, for

NOT VOTING—11

Durkin
Gravel
Hayakawa
Kennedy
Laxalt
Magnuson
McClure
Melcher
Morgan
Stafford
Talmadge

The ACTING PRESIDENT pro tempore. On this vote, the yeas are 53, the nays are 35. Three-fifths of the Senators duly chosen and sworn not having voted in the affirmative, the motion is not agreed to.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the motion was rejected.

Mr. BAKER. I move to lay that motion on the table.

Mr. HELMS. Mr. President, I ask for the yeas and nays.

Mr. DANFORTH. A parliamentary inquiry, Mr. President.

The ACTING PRESIDENT pro tempore. The Senator will state it.

Mr. DANFORTH. Mr. President, what is the time allowed on the vote?

The ACTING PRESIDENT pro tempore. Fifteen minutes.

Mr. DANFORTH. Is a Senator permitted to change his vote after the time for the vote has expired and regular order is called for?

The ACTING PRESIDENT pro tempore. The Senator is permitted to change his vote.

Mr. DANFORTH. After the 15 minutes have expired and regular order is called for?

The ACTING PRESIDENT pro tempore. As long as the final result has not been announced.

Is there a sufficient second for the motion to table? There is a sufficient second.

The yeas and nays were ordered.

Mr. BAKER. Mr. President, is the vote about to occur on the motion to table?

The ACTING PRESIDENT pro tempore. On the motion to table the motion to reconsider.

On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Alaska (Mr. Gravel), the Senator from Massachusetts (Mr. Kennedy), and the Senator from Washington (Mr. Magnuson) are necessarily absent.

I also announce that the Senator from Georgia (Mr. Talmadge) is absent because of illness.

Mr. STEVENS. I announce that the Senator from Rhode Island (Mr. Chafee), the Senator from Kansas (Mr. Dole), the Senator from California (Mr. Hayakawa), the Senator from Idaho (Mr. McClure), and the Senator from Vermont (Mr. Stafford) are necessarily absent.

The ACTING PRESIDENT pro tempore. Is there anyone in the Chamber who has not voted who wishes to vote?

The result was announced—yeas 37, nays 54, as follows:

[Rollcall Vote No. 88 Leg.]

YEAS—37

Armstrong
Baker
Bellmon
Boren
Boschwitz
Byrd, Harry F., Jr.
Cannon
Cochran
Cohen
Danforth
Domenici
Eagleton
Exon
Garn
Goldwater
Hatfield
Helms
Hollings
Humphrey
Jepsen
Johnston
Kassebaum
Laxalt
Long
Nunn
Packwood
Roth
Schmitt
Simpson
Stennis
Stevens
Thurmond
Tower
Wallop
Warner
Young
Zorinsky

NAYS—54

Baucus
Bayh
Bentsen
Biden
Bradley
Bumpers
Burdick
Byrd, Robert C.
Chiles
Church
Cranston
Culver
DeConcini
Durenberger
Durkin
Ford
Glenn
Hart
Hatch
Heflin
Heinz
Huddleston
Inouye
Jackson
Javits
Leahy
Levin
Lugar
Mathias
Matsunaga
McGovern
Melcher
Metzenbaum
Morgan
Moynihan
Muskie
Nelson
Pell
Percy
Pressler
Proxmire
Pryor
Randolph
Ribicoff
Riegle
Sarbanes
Sasser
Schweiker
Stevenson
Stewart
Stone
Tsongas
Weicker
Williams

NOT VOTING—9

Chafee
Dole
Gravel
Hayakawa
Kennedy
Magnuson
McClure
Stafford
Talmadge

So the motion was rejected.

The ACTING PRESIDENT pro tempore. The question recurs on agreeing to the motion to reconsider.

Mr. MOYNIHAN. Mr. President, may we have order?

The ACTING PRESIDENT pro tempore. The Senator from New York is correct. The Senate is not in order. Will Senators please take their seats.

Mr. HELMS. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD addressed the Chair.

The ACTING PRESIDENT pro tempore. There is a quorum call in progress.

Mr. ROBERT C. BYRD. Has anybody answered?

The ACTING PRESIDENT pro tempore. Yes.

The legislative clerk continued with the call of the roll.

Mr. ROBERT C. BYRD addressed the Chair.

The ACTING PRESIDENT pro tempore. The Senator from West Virginia.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent—I hope no one will object to this request—I ask unanimous consent that the order for the quorum call be rescinded for the reason that we have two Senators who have to go to Florida to participate in a ceremony with respect to—

The ACTING PRESIDENT pro tempore. Debate is not in order.

Mr. ROBERT C. BYRD. I understand that—with respect to the pilots who were lost in Iran. I hope we will get the quorum call called off and have a voice vote on reconsideration, and vote again on cloture.

Mr. DANFORTH. I object.

Mr. EXON. I object.

The ACTING PRESIDENT pro tempore. Objection is heard.

Mr. ROBERT C. BYRD. Mr. President, I thank the Senators for the courtesy that they have extended to the Florida Senators.

The ACTING PRESIDENT pro tempore. The clerk will resume the calling of the roll.

The legislative clerk resumed and concluded the call of the roll, and the following Senators answered to their names:

[Quorum No. 3 Leg.]

Armstrong
Baker
Baucus
Bayh
Bellmon
Bentsen
Biden
Boren
Boschwitz
Bradley
Bumpers
Burdick
Byrd,
  Harry F., Jr.
Byrd, Robert C.
Cannon
Chafee
Chiles
Church
Cochran
Cohen
Cranston
Culver
Danforth
DeConcini
Dole
Domenici
Durenberger
Durkin
Eagleton
Exon
Ford
Garn
Glenn
Goldwater
Hart
Hatch
Hatfield
Heflin
Heinz
Helms
Hollings
Huddleston
Humphrey
Inouye
Jackson
Javits
Jepsen
Johnston
Kassebaum
Laxalt
Leahy
Levin
Long
Lugar
Mathias
Matsunaga
McGovern
Melcher
Metzenbaum
Morgan
Moynihan
Muskie
Nelson
Nunn
Packwood
Pell
Percy
Pressler
Proxmire
Pryor
Randolph
Ribicoff
Riegle
Roth
Sarbanes
Sasser
Schmitt
Schweiker
Simpson
Stennis
Stevens
Stevenson
Stewart
Stone
Thurmond
Tower
Tsongas
Wallop
Warner
Weicker
Williams
Young
Zorinsky

The PRESIDING OFFICER (Mr. TSONGAS). A quorum has been established. The question is on agreeing to the motion to reconsider.

Mr. BAKER. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second. The yeas and nays are ordered.

Mr. BAKER. Mr. President, I make a point of order that the motion to reconsider is not in order.

The PRESIDING OFFICER. The Chair will rule that the point of order is not well taken. When a question has been decided, any Senator voting with the prevailing side or who did not vote may move to reconsider.

Mr. BAKER. Mr. President, a further point of order. Were the motion to reconsider——

The PRESIDING OFFICER. The Senate is not in order.

Mr. DOLE. Mr. President, the Senator from Kansas makes a point of order.

The PRESIDING OFFICER. The Senator from Tennessee has the floor.

Mr. BAKER. Mr. President, a parliamentary inquiry. If the motion to reconsider were, in fact, adopted by the Senate, would the Senate then proceed to another vote on cloture?

The PRESIDING OFFICER. The Senator is correct.

Mr. BAKER. I make a point of order, Mr. President, that such a second vote on cloture violates the provisions of rule XXII by putting the Senate to two cloture votes in the same day without two supporting petitions.

The PRESIDING OFFICER. The Chair rules that there is nothing in rule XXII which precludes two votes in 1 day and the rule on reconsideration allow the motion to reconsider now pending.

Mr. BAKER. Mr. President, a parliamentary inquiry. The precedent just recited by the Chair does not cover the question, however, where cloture was not invoked, does it?

The PRESIDING OFFICER. The Chair will advise the Senator that this is a case of first impression; that there are no precedents in this particular area.

Mr. BAKER. Mr. President, I sincerely believe that we are headed for a very, very unfortunate situation, because we are about to consider whether we establish a precedent that will, in effect, bypass the provisions of rule XXII with respect to two cloture votes on a single petition.

I am perfectly willing to withdraw my point of order if we can avoid this point and proceed to another cloture vote tomorrow. My point of order contests the idea that we proceed to a second cloture vote on the same cloture petition.

Mr. ROBERT C. BYRD. Mr. President, a motion to reconsider a vote on the motion to adopt cloture is in order if the motion to adopt cloture fails. If the motion to adopt cloture carries, then cloture is invoked; it cannot be disinvoked.

If the motion to invoke cloture had carried, then a motion to reconsider would not be in order. But as long as the motion did not carry, a motion to reconsider is in order. The same thing would be true in the event of an effort to override a Presidential veto.

May we have order, Mr. President.

The PRESIDING OFFICER. The Senate will be in order.

Mr. ROBERT C. BYRD. If there is a vote on an override of a Presidential veto, if the vote fails, a motion to reconsider is in order. But if the vote carries, and the President's veto has been overriden, that cannot be undone because the legislation has instantaneously become law. The same is true with cloture. There is no reason, no argument, based on precedents or on the rules, that can be successfully made to sustain the argument that a motion to reconsider in this instance is not in order.

Mr. BAKER. Mr. President, if we go ahead with this and if, in fact, this procedure is imbedded in the precedents of the Senate, the practical effect will be that you can have several votes on cloture in 1 day, provided cloture is not first invoked, simply by the methods of reconsideration. It will make a mockery of the whole business of requiring a petition, requiring notice, requiring time for debate, requiring the hour, requiring a live quorum. The whole range of protections afforded to the Senate will not be disregarded.

The PRESIDING OFFICER. The Chair states that only one motion to reconsider is in order except unanimous consent.

Mr. BAKER. Mr. President, a motion to reconsider constitutes in this case, if successful, an opportunity for the majority leader to put the Senate to two cloture votes on one petition. I make the point of order that is in conflict with and in violation with the provisions of rule XXII.

Mr. ROBERT C. BYRD. Will the Chair hear me?

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. ROBERT C. BYRD. The Senator says it gives the majority leader the opportunity to have two votes. It does not give the majority leader any special right. Any Senator who votes on the prevailing side may move to reconsider. The reason I moved to reconsider was that there were Senators who did not make the first vote. Senator MAGNUSON did not make the vote, Senator MORGAN and Senator DURKIN and Senator MELCHER did not make the vote—there may have been others—and yet there were all these cries for regular order. Those making such demands were within their rights. In moving to reconsider, I sought to give those Senators who did not get here in time to make the first vote an opportunity to vote on cloture. I am willing to ask unanimous consent to withdraw my motion to reconsider. It would require unanimous consent for me to withdraw my motion to reconsider. I will be glad to do that and to go on with the vote again tomorrow. But I have no question as to the correctness of my motion to reconsider here, not one iota.

Mr. BAKER. Will the majority leader yield?

Mr. ROBERT C. BYRD. I yield.

Mr. BAKER. I think that is a most generous offer of the majority leader. I would expect no less from a man who has the respect he has for a difficult situation. We have all been through these. It is a question that cannot be resolved in our respective points of view. To avoid submitting it to the Senate this morning without any further talk I think is a generous gesture by the majority leader. If he does, in fact, ask unanimous consent to withdraw his motion for reconsideration, I will be most pleased to engage in conversation with him to try to set a time tomorrow for the cloture vote.

Mr. ROBERT C. BYRD. Mr. President, I will make that request. I would hope that Senators would understand why I moved to reconsider. I felt that Senators who could not make the first vote—because the 15 minutes had expired—ought to be given the opportunity to make the vote on cloture.

Mr. President, there will be a cloture vote on tomorrow.

I ask unanimous consent that I be permitted to withdraw my motion to reconsider.

The PRESIDING OFFICER. Is there objection to the request?

Mr. DOLE. Reserving the right to object, I just want to say to the majority leader I do not have any quarrel with anybody, but while the Senator was trying to protect three on that side, some of us on this side who had voted were denied the right to vote on his motion because we were in places in the Capitol that did not have the lights on. I think the Senator from Kansas and the Senator from Rhode Island missed the vote and we do not appreciate that. We have been voting for cloture all week long but now we missed the vote because of some parliamentary things I do not fully understand. I am not going to object. I certainly have every respect for the Senators from Florida, but I hope the majority leader might protect those of us in this case who have been voting for cloture and who were denied the right to participate in the last vote.

Mr. ROBERT C. BYRD. I am sorry that the Senator holds me accountable for his missing a vote on a motion to table. I have no way of knowing where all 100 Senators are at any given moment. There is no debate on a motion to table. I did not ask for the yeas and nays and tried to get Senators to have a voice vote. I am sorry the Senator missed the vote.

The PRESIDING OFFICER. Is there objection? If not, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. Heflin). Without objection, it is so ordered.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there be a brief period for the transaction of routine morning business, not to extend beyond 30 minutes, and that Senators may speak therein.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MATHIAS addressed the Chair.

The PRESIDING OFFICER. The Senator from Maryland.

EDMUND S. MUSKIE, NOMINEE, SECRETARY OF STATE

Mr. MATHIAS. Mr. President, the U.S. Senate, under our Constitution shares with the President of the United States the responsibility for formulating our foreign policy. A man who has sat as a Member of this body for 22 years has necessarily participated in many foreign policy debates, has cast many votes on foreign policy questions, and has made many foreign policy decisions.

A man who has sat on the Foreign Relations Committee for more than a quarter of his 22 years in the Senate has received a basic education in foreign policy which certainly prepares him in all the fundamentals of the job of Secretary of State. Such a man has deliberated the great issues of our times and has searched his conscience for solutions.

When we add to that experience his executive experience as Governor of a great State, Governor of the State of Maine, then it is clear that Edmund S. Muskie has the potential to be a great Secretary of State.

In turning to the U.S. Senate to find a replacement for Secretary of State Vance, the President has acted wisely. In choosing Senator Muskie for that critical assignment at this critical time, he has acted with rare inspiration.

The circumstances of Cyrus Vance's departure from the councils of state dictated that his replacement be a person of exceptional moral and intellectual stature.

Senator Muskie is such a man.

Yesterday, shortly after the President announced this appointment, I heard a wave of sustained applause in the hall outside my office. It was not the kind of applause you hear after someone has made a good speech—applause that has a beginning and an end. This applause just kept on going, getting bigger and bigger.

Instinctively I knew that Ed Muskie was across the hall.

When I went over to congratulate him, I could read delight and relief in the expressions on the faces of all who crowded around him. I think that was the universal reaction when Ed Muskie was nominated Secretary of State. We breathed a great national sigh of relief.

Although we might wish that our distinguished colleague could be Secretary of State in a less troubled time, we could not wish for a Secretary of State better equipped by experience and by temperament to "take arms against a sea of troubles and, by opposing end them."

I look forward to working with Ed Muskie in the momentous task that lies before us: the task of formulating the strategic foreign policy that the future demands of a great nation.

The PRESIDING OFFICER. Is there further morning business?

THE NOMINATION OF SENATOR MUSKIE TO BE SECRETARY OF STATE

Mr. SIMPSON. Mr. President, it is with great sincerity that I look upon the nomination of our colleague, Ed Muskie, as Secretary of State. In my time here, my brief time of 5 months, I have come to serve with him on the Committee on Environment and Public Works. He has taught me much. He is fair and he is tough. That is the kind of person we need in that job at this time in our Nation's history.

I thank the Chair.

The PRESIDING OFFICER. Is there further morning business?

Mr. PRYOR addressed the Chair.

The PRESIDING OFFICER. The Senator from Arkansas is recognized.

Mr. PRYOR. Mr. President, I want to share this morning in the comments made yesterday and those comments made today about our colleague, Senator Ed Muskie. I do not know of a better appointment that the President could have made under these circumstances.

Senator Muskie is certainly one of the giants of the U.S. Senate. He is a man of deep compassion. In addition to that, he is a man who has the necessary toughness and all of the other qualifications that are going to be required today to be in that particular role at this particular time, at this moment in the history of our country. I commend the President for the appointment of Senator Muskie and I congratulate Senator Muskie and extend to him my full support in his new role and his new capacity.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. BOREN. Mr. President, I join with my other colleagues who have commended the President for his appointment of Senator Muskie of Maine to be the new Secretary of State. It has been my privilege to know Senator Muskie from my younger years, having been his next-door neighbor when I was a high school student. I can say that, in all of that time of having known him, my respect for him has grown with each passing year.

He has been a personal inspiration to me ever since I first made his acquaintance because of his sincere commitment to this country and his desire to be a public servant in the highest sense of the word. It has been a great privilege to have had this brief opportunity to serve with him as a Member of the U.S. Senate.

Again, as Senator Pryor and others have just indicated, time and time again, he has demonstrated that he has the courage to make decisions that are difficult, but to make those decisions that he feels are in the best interests of the Nation. The President has exercised great good judgment and the country is certainly well served by the nomination of Senator Edmund Muskie to be Secretary of State.

Mr. EXON addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska is recognized.

Mr. EXON. Mr. President, many of my colleagues have spoken on the floor, and I agree with everything they have said, with regard to the President's choice for Secretary of State. I have had the pleasure of knowing Senator Ed Muskie for a long, long time. Not only was he a distinguished Governor of his home State of Maine, but since he has come to the U.S. Senate, he has certainly written a record that we are all tremendously proud of.

I had the pleasure of serving on the Committee on the Budget, where Senator Muskie has been the chairman since the beginning of that committee. He has the high respect of all the members of the Budget Committee. I have talked to most of the members on both sides of the aisle of the Committee on Foreign Relations. I have talked to others in this body and in the House of Representatives. I have yet to hear any discouraging word with regard to the President's selection of our distinguished colleague, Senator Ed Muskie of Maine. I join with others and add my voice to wishing him well in what I am sure will be a very successful career as Secretary of State for these United States.

I thank the Chair.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Is there further morning business? There being no further morning business, morning business is coming to a close.

Morning business is closed.

CIVIL RIGHTS OF INSTITUTIONALIZED PERSONS—CONFERENCE REPORT

The PRESIDING OFFICER. The clerk will state the pending business.

The legislative clerk read as follows:

> Conference Report on H.R. 10, an act to authorize actions for redress in cases involving deprivations of rights of institutionalized persons secured or protected by the Constitution or laws of the United States.

Mr. BAKER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered. The Senator from West Virginia is recognized.

Mr. ROBERT C. BYRD. Mr. President, on the matter of reconsideration, I read rule XIII, the first section, down to the semicolon:

> When a question—

It does not say just certain questions. Continuing:

> When a question has been decided by the Senate, any Senator voting with the prevailing side or who has not voted may, on the same day or on either of the next two days of actual session thereafter, move a reconsideration;

Mr. President, my motion to reconsider clearly fell within the rule as I have read it. Obviously, if cloture had been invoked, it could not have been uninvoked by a motion to reconsider, because once it is invoked, the trap is sprung and it cannot be undone. But as long as the motion fails, a motion to reconsider would be in order. One motion. Of course, once that motion is decided, another such motion would not be in order on that same question.

There is nothing in the precedents that I find anywhere that would indicate that the portion of rule XIII which I have just read would not equally apply on a motion to reconsider a negative vote on a motion to invoke cloture.

The same situation would apply in the event of a vote to override a Presidential veto. If the President's veto in a given instance is overridden by a two-thirds vote of the Senate, that cannot be undone—a motion to reconsider would not be in order—because, as far as the Senate is concerned, the vetoed measure would, that instant, have become law. If the vote to override the President's veto fails, however, one motion to reconsider that negative vote would be in order, because the Senate would not have put the matter beyond the pale of action.

Mr. BAKER. Mr. President, I listened with great interest to the remarks of the majority leader. His arguments are, indeed, careful and well reasoned, as I always find them to be. I assume, since he yielded the floor, that he has no intention of proceeding further on this matter at this time, but, rather, to place in the record his view of this subject, which I appreciate.

I think, at the same time, I should place my view of this subject in the record alongside.

I believe, Mr. President, that the Chair was correct in stating that the matter at hand, that is, the question of the motion to reconsider a vote by which a cloture motion failed, is a matter of first impression.

I believe there is no precedent on this point.

The PRESIDING OFFICER. The Senator is correct.

Mr. BAKER. I believe in that view then, Mr. President, that the majority leader was very wise, indeed, and considerate in not putting the Senate today to the test of determining that matter on first impression, and I once again thank him for this.

But my view is that any logical reading of rule XXII of the Senate must be construed to mean that one cloture petition yields up one cloture vote under the carefully controlled circumstances prescribed by rule XXII.

I will not read the rule at length and I will not pursue this point very long, but I will read a part of rule XXII, section 2, which says:

> 2. Notwithstanding the provisions of rule II or rule IV or any other rule of the Senate, at any time a motion signed by sixteen Senators, to bring to a close the debate upon any measure, motion, other matter pending before the Senate, or the unfinished business, is presented to the Senate, the Presiding Officer, or clerk at the direction of the Presiding Officer, shall at once state the motion to the Senate, and one hour after the Senate meets on the following calendar day but one, he shall lay the motion before the Senate and direct that the clerk call the roll.

The section continues.

The section, obviously, does not provide that we will have only one vote in 1 day. But it does provide, Mr. President, that on the filing of the petition there will be a vote on the following day save 1.

I think that any fair reading of that excludes the prospect that there would be two cloture votes on 1 day. I think the provisions of the first two lines of section 2 of rule XXII abrogate the provisions of rule XIII in this respect in that it provides, "notwithstanding the provisions, of any other rule of the Senate."

So, simply for the purpose of embedding it in the RECORD at this point alongside the carefully reasoned arguments of the majority leader, it is my view that the point of order should have been sustained and that an appeal from it, if taken, should have been denied.

Mr. ROBERT C. BYRD. Mr. President, is not a cloture petition a motion?

The PRESIDING OFFICER. A cloture motion is a motion.

Mr. ROBERT C. BYRD. Yes.

So would not a cloture motion fall within the verbiage that I read a moment ago from rule XIII with respect to motions to reconsider "questions decided by the Senate"?

The PRESIDING OFFICER. The Chair states that there is nothing to exclude it.

Mr. ROBERT C. BYRD. I thank the Chair.

The PRESIDING OFFICER. The question is on the conference report.

Mr. BAKER addressed the Chair.

The PRESIDING OFFICER. The Senator from Tennessee.

Mr. BAKER. Mr. President, what is the pending business?

The PRESIDING OFFICER. The question is on the conference report.

Mr. BOREN addressed the Chair.

The PRESIDING OFFICER. The Senator from Oklahoma is recognized.

Mr. BOREN. Mr. President, I ask unanimous consent that the remarks which I am getting ready to make not count in terms of figuring the number of speeches which I may make on the pending business within the same legislative day.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. BOREN. Mr. President, I am very pleased that the Senate has decided today to continue debate on this important piece of legislation because I am convinced that if Members will give additional time to the study of this bill, they will recognize that while it is a well-intentioned piece of legislation, while its goals, and stated goals, are laudatory, the methods it adopts would be harmful to the very goals which it, itself, has set.

I think that with further study, many Members of this body who have voted for this piece of legislation in the past would decide to vote against it.

I think it is important we also recognize that the conference report which we have before us is a very different piece of legislation than that which passed the Senate earlier this year.

S. 10, the bill which passed the Senate earlier, described egregious and flagrant conditions, those conditions under which the Department of Justice could initiate a suit, so that these conditions could be corrected, as willful or wanton conditions, or those of gross neglect.

H.R. 10, the conference report, deletes the language on willful, wanton, or gross neglect. In other words, it broadens the conditions under which the Federal Government may initiate suit.

During the time that the Senate discussed the earlier bill, one of the points made in selling this piece of legislation was that it provided a procedure not in the existing law for consultations between the State and the Federal Government, that the Federal Government would not simply go around intervening in the affairs of States without talking it over with the State governments and local governments, and without giving the local units of government a full opportunity to correct any situation where serious abuse was present.

It was said that the Attorney General would have to give notice of a desire to investigate alleged conditions before proceeding with an investigation, that before proceeding to take legal action to go into court, filing a petition with the court, that the Attorney General, again, should consult with the elected officials of States or cities or local units of government which are affected to see whether or not that situation could be corrected without the necessity of taking legal action.

Unfortunately, the conference committee report greatly alters those provisions on notice and consultation. It weakens them to the extent as to make them virtually meaningless, in my opinion.

S. 10, earlier considered by the Senate, required the Attorney General to discuss possible costs and fiscal impacts of remedial measures with State officials. But H.R. 10, as it came from the conference committee, adds the important qualifier "to the extent feasible." In other words, there is going to be a discussion of the cost impact to the States but only to the extent deemed feasible by the Attorney General of the United States. To give this much latitude to the Attorney General in determining what he will or will not discuss with the State governments in terms of the cost impacts on them of suggested measures is, I think, to render virtually meaningless the consultation requirement.

In addition, S. 10, earlier considered by the Senate, required the Attorney General to notify the State or unit of government of minimum measures necessary to remedy any alleged conditions before he intervened in an action against State officials—in other words, before the legal action was undertaken.

H.R. 10, however, as it comes out of the conference report, adds the words "to the extent feasible and consistent with the interests of the other plaintiffs."

Again, that is another example of rendering meaningless the whole consultation process, a process of giving notice to the State governments so that, perhaps on a cooperative and constructive basis, the resources of the State and Federal Government—both the financial resources and the expertise of its units of Government—could be pooled to try to remedy any conditions that need changing.

Again, the Attorney General is given virtually absolute discretion to decide when he will or when he will not notify the State as to legal actions he intends to take.

In addition, S. 10, when it was before us, required that the Attorney General report to Congress an estimate of the fiscal impact of his action on the State. After consideration in the conference committee, however, this provision also was changed and greatly weakened. The words "when feasible" again were inserted.

Again, this creates in the Attorney General an absolute discretion to decide when he will so report.

Mr. President, I think it is very important to consider the changes which have been made, because it is essential that we have a full consideration of the cost impacts on the States or local units of government. It is absolutely essential that we have that. It is essential that we have a full consultation process between the State and the Federal Government.

Even in S. 10, which was originally before us, the provisions on notice were not nearly strong enough. I attempted at that time to require that any legal action or any investigation undertaken by the Federal Government be consistent with the notice that had been given to the State governments. In other words, if a State is notified by the Federal Government that it is coming into a State institution to investigate certain alleged abuse, the Federal Government should not be free, pursuant to a very narrow notice about one or two alleged conditions, to go on a fishing expedition to investigate anything which it suits their whim to investigate, tying up the time and resources of State official and those who are charged with the responsibility of governing these institutions.

Mr. President, those of us who have had practical experience at the State level or at the local level know how disruptive it can be to have people constantly coming into the institutions, demanding additional reports, demanding additional explanations of what is going on. Time has to be taken from the business at hand, to be spent with visiting and investigating Federal officials. This detracts from the use of resources and expertise to take care of the needs of those who are patients at these institutions or who may be inmates in these institutions, in the case of penal facilities.

I believe it is very important that we not create a situation that encourages the creation of a whole new Federal bureaucracy with license to harass and disrupt constantly the State and local institutions all across this country. So I was very disappointed at that time that we did not add the requirement that the notice be specific as to the conditions which were to be investigated and that the investigation confine itself only to those matters.

In addition, I think it is very important—again, I was disappointed that this provision was not added to the pending legislation—that the notice of intended legal action fully specify all the conditions which are deemed to be in need of correction and fully specify all the legal action which the Federal Government intends to undertake. That is not the case in the pending legislation. Notice can be given as to some actions that the Attorney General intends to take, as to some conditions that he intends to seek to correct, and yet, the petition filed with the court, the relief sought, can be broadened to encompass many other areas which were not specified in the notice.

The unwillingness of those who have been pushing for the adoption of this legislation to consider more adequate provisions on consultation and notice, I think, points up fundamentally the assumption under which they are working. That fundamental assumption is that the State governments and the local units of government—and indeed the people themselves—are utterly and totally incapable of setting adequate and humane standards for the operation of their own institutions; and that, on the other hand, all wisdom and judgment and compassion and humanitarianism reside in the Federal Government and, more specifically, in the unelected and unaccountable bureaucracy of the Federal Government.

I believe that if we examine what has happened in many Federal institutions, we will find that that assumption is not well based. That assumption is also the reason why we have had so much difficulty in the Federal system in the last few years.

There have been times, I will grant, when the States did not meet their responsibilities. There have been times when the States—some of the State governments, some of the units of local government—did not adequately protect the constitutional rights of all their citizens. There have been times, for example, when some units of government abridged the rights of individual citizens on the basis of race or creed.

Certainly as an individual Member of this body I would not condone such abuses, and I would have to say sadly that there have been instances in our history when it became necessary and absolutely essential for the Federal Government to intervene to assure and protect the constitutional rights of all citizens.

However, Mr. President, in this last decade there has been a reawakening of interest in and capability of units of State and local government. In fact, I would say that in the last decade there has been more vital experimentation with new ideas to solve the problems confronted by our society, more vitality, and more initiative in the local units of government, the cities and towns in the States, than there has been here in the Federal Government.

As the Federal Government has grown and become more formalized, as the bureaucracy has become unmanageable, there has been a tendency to choke out creativity and initiative in new ideas and new ways of approaching problems. There has been a tendency to calcify and bind up the creative process.

Mr. President, I cannot help but believe that at this particular point in time in the history of this country one of the greatest services that we could provide from the national level for our country would be to place greater trust in the people at the local level, to give local units of government greater flexibility and greater freedom to try new ideas, to confront the problems which we have.

Certainly the Federal Government has not come up with the answer in regard to the problem of crime, for example. I do not think the Federal Government by anyone's estimation has successfully come up with the answer or a series of programs to effectively break the welfare cycle in this country and to give all individuals a sense of worth by giving them an opportunity to be productive members of our society.

I do not see the evidence of the fact that with a greater shift of the funding responsibility from States and local units of government to the Federal level that our schools, our institutions of higher education have become any more innovative or any more productive in terms of meeting the needs of society.

So I would suggest, Mr. President, that this is the time that we should return to the fundamental genius of the federal system by allowing greater freedom and greater flexibility to States and local governments to meet their own responsibilities to their own citizens to try out new ideas.

At the turn of this last century some of the most innovative and creative thinking undertaken in this country was undertaken within the State governments.

I am sure that those who support this pending legislation would not decry the kind of experimentation, the creative approach to the solution of problems undertaken by people like La Follette when he was Governor of Wisconsin at the turn of the century, when the State and local units of government were pioneering the creation of programs to protect the unemployed, for example, and to try to reduce pain and suffering of individuals brought about by changing economic conditions which were not of their making.

I do not think they would complain about the vitality shown by State and local governments when they took the lead in abolishing sweatshop conditions and conditions that were so hard and harsh in terms of child labor.

So the record between what has been accomplished by the Federal Government, particularly in the area of broader social policy, and what has been accomplished by State and local government, is full of examples where the States and the local units of government have actually taken the lead and been on the cutting edge, the forefront of change.

Mr. President, I have great faith in the decency, the ability, and the creativity of the American people themselves.

I often think that we in this country are defeating ourselves even though we have immense abilities and immense creativity, that the Government has become a burden, a stifling influence on the ability of people to solve their own problems.

It is in many areas. We could look at the energy situation where the Government by discouraging production of energy here in the United States has virtually helped to create the crisis which we now have. The Government mandates on automobiles, for example, by themselves increased the consumption of oil in automobiles in this country by more than 15 percent, further contributing to an already serious shortage.

The Government has imposed taxes only on oil and gas, for example, produced in the United States, while not imposing taxes on oil produced by the large international companies overseas, taxing production here at home and by implication encouraging production abroad at a very time when we needed to be producing more here at home and producing less overseas and reducing our dependency on the Middle East and other areas.

So the Government has not always helped to solve the problems, particularly the Federal Government. In some cases it has hindered the solution of the problems which we face.

I think we are in a period of our history now that, if we could just turn loose the creativity and the spirit of individual Americans to solve our problems, without too much interference by the Federal Government, we would be much farther down the road to solution.

Like Thomas Jefferson, I believe in the democratic process. I have faith in the people and I am very proud of the fact that the founder of the political party to which I happen to belong was a man who had faith in the people themselves at the grass roots.

I sometimes get amused with the irony of it all when we hear Members stand on this floor, Members who themselves have been elected by the citizens of this country, and by implication the very same Members who trust their own political fates to the good judgment of the electorate come forward and say, "We cannot really trust the people to make any decisions for themselves. We cannot trust the people's judgment." And that is exactly what is being said here. When we really look at this piece of legislation what is being said is, "We, the Federal Government, must have the ability to go around the country setting up a team of investigators to go into the prisons, the jails, the juvenile facilities, the mental hospitals, and the other institutions of State and local government because we just cannot trust State and local officials to do the job."

Mr. President, if those who support this piece of legislation trusted State and local officials to do the job, State and local elected officials, I might add, to do the job, then there would be no reason for this legislation.

So what it says is this:

> We trust the unelected Federal bureaucrats to take care of the situation. We do not trust the State and local officials who are elected by and directly accountable to the people to do the job.

The bottom line of that statement is we do not trust the people themselves through the democratic process. We do not trust the people at the local level, in the counties, in the cities, and in the States to elect mayors and county commissioners and city councilmen and State legislators and Governors and others who will be men and women of sensitivity and compassion, who will be persons of humanitarian motivation when it comes to the treatment of institutionalized persons.

Mr. President, I can only say that I have great confidence in the people. I have great confidence in the people's judgment. I have much more confidence in the humanitarian motivation of the people of my home State and of the States here represented in the Senate, the people who voted for and elected all 100 Members of this body to serve, I have much more faith in them and their concern about the proper operation of their State institutions, than I do the unelected and unaccountable bureaucracy of the Federal Government.

I think it is pure nonsense and an insult to the democratic process itself to come forward with a piece of legislation based upon the assumption that the political process at the State and local level will not be responsive to the voices of those who want to correct any abuse which might exist in State and local institutions.

I do not see what could make less sense than that. Are they really wanting us to believe that Federal bureaucrats here in Washington who, perhaps, have never even visited a particular county or particular State or, perhaps, never even have been across the borders of a particular State have more concern about conditions in the mental hospital or the local jail or the local juvenile halfway house or the State prison than the people who live in those communities, who live in those counties and in those States?

Mr. President, if they are trying to convince me of that I must only say I remain unconvinced.

Are they really trying to lead us to believe that some paid bureaucrat in the Federal bureaucracy here in Washington cares more than the family member, for example, of those who are in those institutions?

Mr. President, I had an interesting experience when I was running for Governor of my State. One day during the course of the campaign I received an invitation to speak to a JC chapter, Junior Chamber of Commerce, in a particular town. I went to that town, Stringtown, Okla., thinking that I was speaking to the JC's of the community.

There happens to be a penal institution also in that town. When I got there I learned there was no JC chapter in the town. There was a JC chapter at the prison, and then in the midst of a busy campaign, in which every vote was going to weight in the outcome, I was scheduled to spend an entire evening speaking to a group of inmates at the penal institution, all of whom were convicted felons and none of whom could vote in the election, Mr. President.

You might imagine that I turned to the person who made out my schedule and said, "Whose brilliant idea was this? When it looks like this election is so close that it can change depending on the outcome of a few votes, you have scheduled me to spend an entire evening, and turned down invitations to speak to large groups of registered voters at other places—to spend an evening in one of our State penal institutions talking to people who could not vote?"

Well, Mr. President, my criticism was wrong from two points of view of my campaign schedule. First of all, the 3 or 4 hours which I spent with a group of inmates—they were young men under the age of 30, many of them were in an age group, I would say, of from 18 to 24 years old—was one of the most enlightening periods of time I ever spent.

We had a lengthy discussion, truly a two-way interchange between myself and that group of inmates. In listening to them and in listening to their first-hand experiences, first as to how they got into the situations in which they found themselves, what caused them to go into a life of crime, and also about conditions in the prison, the skills they needed to learn to have a chance when they came out of that institution, from that I learned a great deal. I learned more in that 4 hours of talking on a first-hand basis with that group of inmates about conditions in correctional institutions than I learned in teaching a course, Mr. President, which I once did at the college level on correctional policy in the United States.

That experience directly contributed to some of the ideas that I later put in the form of legislation and was able to get adopted while I served as Governor.

As a result of those discussions, new technical training programs, for example, were instituted for a much higher percentage of our inmates than we had ever had before. Six months ago I attended one of the first graduation exercises from those new technical courses, and I talked to a group of young inmates who, I am convinced, will lead very different lives when they come out and who are likely to have a much greater chance of becoming productive citizens because of the new programs instituted.

So, Mr. President, it was not a waste of time for me from the point of view of the information, the insight and, perhaps, the empathy which I gained toward the conditions, the situation in our correctional institutions, as a result of that visit. It would have been well worth the time spent if nothing else had come from it than that.

But there was something else interesting that happened, Mr. President, as a result of that time that I spent in the midst of a campaign with a group of inmates, none of whom could possibly vote for me, because they had been disqualified from voting because of their convictions.

In the weeks following I received a stream of letters and postcards into my campaign headquarters from a whole group of people volunteering to work in my campaign because they said they appreciated my interest in the conditions in the State penal institutions.

Mr. President, I do not think it takes a detective to figure out from whom these letters, cards, telephone calls, and expressions of support came. They came from family members of the inmates I visited with at that penal institution. I was told later when I became acquainted with one of the deputy wardens of that institution that he had never seen so many letters go out the next morning after I had had that lengthy discussion with the inmates as he saw go out the next day. They were writing home to their families, people who loved them and cared about them about our lengthy visit, about the discussion, about what they had had to say.

So, Mr. President, what I am saying is there is a built-in constituency at the State and local level, a constituency of concern for those who are in those institutions. It really happens that the concern of members of the family, and the loved ones, of those who are inmates or patients at institutions, that that love and concern really do reflect themselves in the political process at the State and local level; that there are many people who, when they go to vote, vote for or against candidates at the city, county, and State level on the basis of whether or not they think those officials would be sincerely motivated to try to improve conditions in those institutions, and to make those institutions work, to make sure that our correctional institutions are not only institutions of punishment—and there is a proper place for punishment in our society—but also that they were able to devise and to create programs which have a chance of reducing the social costs to the public in the future by making it more likely that some of those twisted and distorted lives can be reclaimed, can be rehabilitated, so that those who have fallen into antisocial behavior can someday become again positive, productive, and constructive citizens.

There is a concern, Mr. President. The democratic process works, just as I imagine if you took a poll of the Members of the Senate and said, "Do you really believe in the democratic process, do you think it is working pretty well, do you think the democratic process selected good men and women to represent the people in the Senate of the United States," I admit, Mr. President, there would be great bias in that poll, but I imagine that the average Member of this body would feel that the citizens exercised pretty good judgment in sending them here.

I would make an appeal, Mr. President, that we have the same confidence in those voters and in those citizens to elect others to positions of responsibility at the State and local level, to take care of local problems, and we have confidence in the compassion, the humanitarianism, and the sense of fairness of the citizens themselves.

(Mr. PRYOR assumed the chair.)

Mr. BOREN. So, Mr. President, I have to oppose this piece of legislation, because I think it is a slap at the democratic process itself. It is a slap at the federal system. It is an attempt to further stifle the States.

It is a further symbolic expression of the attitude that Washington has all the answers and that States and local governments are not capable of solving any problems on their own. How mistaken it is.

How much better it would be for the country if, instead of enacting measures like this which further cause confrontations between the States and the Federal Government, which further undermine good relations between our units of government, how much better it would be if we would begin to express confidence, Mr. President, in the ability of the people to solve their own problems through their own elected officials in their own matters.

That might differ, Mr. President, in Arkansas from what it would be in California or from California and what it would be in Florida or New York.

Mr. President, I would also suggest that the confidence, the seeming uncritical confidence that some of this body seems to have in the U.S. Department of Justice and the Federal Government to have the right answer about how all institutions should be run, the confidence that some have that the Federal Government has so much deep and humanitarian concern, that the bureaucrats who work for this Government have such confidence and concern that they want to turn over responsibility for all institutions at all levels in this entire country, I would say that the evidence would be that their confidence in the Federal Government is not well placed.

I want to read some comments that were made of a study of a correctional institution. I do not want to identify the correctional institution at this point, Mr. President, because I think we might build some suspense about its identity. Perhaps we should arouse some curiosity about where this horrible institution is and about who operates this institution.

Let me read from a report about this particular correctional institution, Mr. President.

It says: "In response to information from multiple sources," those conducting the investigation, and I am paraphrasing here to keep you in suspense as to the identity of the institutions and the investigating group. This group conducted a year-long investigation into this particular penal facility.

The inquiry found that this prison had become—and I am quoting here—"the setting for violent inmate murders, extensive narcotics trafficking, and various other activities."

And then the committee goes on to summarize more of their findings.

This prison "has an inmate population of 1,300 adults, is a maximum security prison, and houses the largest prison industry in the United States. Both inmates and employees of this institution testified at the hearings. In addition, the staff interviewed a cross-section of witnesses drawn from the subcommittee investigation and suggestions from the director" of the department responsible.

The "inmates testified to the availability of narcotics, alcohol, and weapons in the prison. Knives could be readily produced in the prison industry and could be hidden throughout the prison due to lax security measures. Violence and narcotics trafficking were common events. Many inmates testified that involvement in such activities was virtually impossible to avoid."

This facility "was described by some inmates as a 'country club' or like 'being on the outside.' "

In other words, any criminal activity that they wanted to engage in on the outside, they could engage in this prison because it was overcrowded, security was lax, and it was so poorly operated.

The committee report continues:

> The major drug of abuse within the facility is marijuana. Prison inmates testified that the primary source of this drug was through the prison employees. The employees would make "connections" within the prison and bring the marijuana in from the outside. Heroin and cocaine were generally smuggled in by friends and relatives at visiting times.

Prison employees testified to the lack of security within this prison. One witness candidly presented how he had been corrupted by prison inmates and served as a messenger and banker for them. He resigned—this is an employee—he resigned from this institution after his public testimony to the subcommittee.

It might have been brought under

some pressure by whatever unit of government this was that was running the operation for telling the truth to the investigative subcommittee. Continuing:

> One employee indicated that the prison administration encouraged employees to overlook illegal activities among inmates in order to keep the prison population under control.

Whoever it was that was administering this rotten institution had even encouraged the employees to overlook illegal activities. Continuing to read:

> Others expressed fear for their safety if they were to "crack down" on the inmates.

"In response to the many criticisms of" this prison "revealed in the subcommittee investigation, the prison administration instituted several major changes in prison management." And the report goes on to outline the changes.

At the close of these hearings, it was suggested that there was need for continuing oversight of this prison by the investigating subcommittee. The subcommittee staff has continued to monitor the results of major changes and security measures instituted in the prison.

Despite efforts to increase security, the staff found that there has been no significant change in the amount of violence and narcotics flow within the institution.

In other words, even after this report, even after this investigation was under way, there was still no major improvement in this institution.

It was the staff's opinion that this particular prison is too large and too old—and we have heard this about a lot of institutions, they are too big, they are too old, they are outmoded, they are overcrowded—too large and too old to enable prison officials to manage a prison population in a safe and efficient way. It was estimated that it would cost up to $44 million to renovate this prison—by the way, that is money that has yet to be spent, Mr. President. That has not been corrected yet—so that it could come in compliance with the minimum standards of a modern correctional facility.

So there is going to be a lot of expenditures in this institution which has been so poorly operated, which has been so underfunded, which has not even come up to the mark even after the investigation by the staff of this committee and by the committee itself.

Here is the bottom line, Mr. President:

> Consequently, the staff recommends that the penitentiary be closed as soon as feasible but not later than 1984.

The staff recommends that in developing a plan to close the facility the Attorney General should consider the profound effect the closure will have on prison employees and the community at large.

While it must be assured that the transition will not present undue burdens on the persons involved, it is clear the closure of the prison is a necessary though difficult step toward the development of a modern and respectable correctional facility.

Mr. President, I know that you are sitting on the edge of your chair wondering what this horrible facility is. I am sure I have aroused your curiosity about its identity. I do not feel it is proper for me to try to contain that curiosity any longer. I should reveal the identity of this institution, this prison where these horrible conditions exist, conditions like we have heard about at various institutions in the country, justifying, Mr. President, our faith in the Federal bureaucracy to send out investigative teams and to file lawsuits against the States and the local units of government who, we are told, do such a miserable job of looking after this institution, that we can have no faith in them, no faith in the people, we must have faith in the all-wise Federal Government.

Well, Mr. President, let us reveal the identity of this institution. This institution is in Atlanta, Ga. This institution is called the U.S. Penitentiary at Atlanta, Ga. It is not a State institution, Mr. President. It is not a local jail, Mr. President. It is a Federal correctional institution. It is so rotten it still has not been cleaned up. It is so bad the committee says it has to be closed because it does not meet respectable standards.

Mr. President, this same Department of Justice directly and indirectly operates this prison. The same bureaucrats oversee it in whom we are ready to deposit all of our faith and all of our confidence. This is the same group of people in whom we are asked to have such total confidence, because they care more about conditions in the institutions than even the families and loved ones who live in the States and cities where we have State and local institutions.

This is the same group of people we want to give power to, Mr. President, to have roving teams of investigators to go into all the State and local institutions in the country, decoding at their own whim whether they are going to institute lawsuits against State and local units of government; to bring court orders to tell the States and local units of government:

> You will do this, you will do that. You will spend X amount of dollars to correct the situation. You will spend Y amount of dollars to correct another situation. We are not going to worry about where you are going to get the money, Mr. Governor or Mr. Mayor. That is your problem. We are just telling you what to do. We are so all-wise and we have set our own house in order to tell you that we should have the power to go into every small town, every large city, every county, every State in this country and tell you what to do about your own business, tell you how you are going to spend the local taxpayers' money, tell you how to set the priorities of your budget, instead of allowing the democratic process to prevail.

We are so all-wise, Mr. President, that we should be entrusted with that authority? Reading:

> Do not talk to us about spending $44 million in Federal money to clean up the Federal penitentiary in Atlanta, Georgia. When there are Federal dollars, we want more time. We want to think about the impact on society. We want to think about what it will do to the employees and the community. Do not give us orders like that on a Federal institution. Just give us power, power to go in and tell every governor and every mayor to throw out your budget for this year. Do not be concerned about your budgetary priorities. We will set them here in Washington because we know more about running your business than you know yourself.

Mr. President, if there is any attitude that has brought this country virtually to its knees, it is that attitude. It is that attitude that people at the local level have no sense; that the electorate, itself, is not motivated by compassion; that people because they happen to be governors and mayors lack compassion and expertise to deal with problems.

It spills over into all other areas, that we in the Government know more about business than the businessmen and women themselves; that we know more about how to operate a small business even though most of us—and I am here referring to the Federal bureaucracy again—have never met a payroll compared to the people who have to struggle with it on a practical basis; that the people in the bureaucracy know more about farming than the people who have operated farms all their lives.

Mr. President, if there is any attitude that has brought this country almost to its knees, that helped to create many of the economic problems that we have, that helped create many of the social problems that we have, that has prevented us from dealing in new ways with the problems we have in this country, it is that arrogance, that attitude, that the Federal Government, and more particularly the unelected people in the Federal Government, have all the answers, all of the compassion, and all of the concern.

I want to tell you, Mr. President, I know there are others here, other Members of this body, our distinguished Presiding Officer among them, who have served as officials in State and local governments. Others have served as city councilmen, mayors, Governors, attorneys general, and in other capacities in State and local governments. I do not think anything magic or mystical happens to them when they come here, Mr. President. I do not believe we have been transformed in any way. I hope I do not get over this attitude. If I do get over it, I hope the people of Oklahoma will have good enough sense to find someone else to send here. But I do not believe I have any more of the answers when I became transformed into a Senator than I had before I was a Senator. I do not think I am any more all wise than I was before I got here.

I do not think on the other hand, Mr. President, I am any less compassionate than I was as a Governor when I was concerned about our prisons, our mental institutions, and our juvenile facilities. I do not think I have any more compassion now than I had then when I was Governor or a member of the legislature. I do not think there is anything automatic when we put the term "Federal" by someone's name that it makes them somehow morally superior or intellectually superior to people who serve in State or local governments. Many people have gone back and forth between the two institutions.

I do not understand, Mr. President, how sometimes those who serve as State and local officials, county officials, who work so hard to be innovative, who come to Washington and somehow do get transformed, forget that anybody back home has any sense about how to solve problems.

All I can say, Mr. President, is that I am committed to maintaining my own sense of balance and my own sense of awareness that there are other people in other places in this country, other than Washington, D.C., other than the U.S. Capitol, and even, more important, than those in the huge agencies downtown, those labyrinths of Government, that have some sense about operating Government, that have moral standards and a sense of compassion.

Mr. President, I hope every Member of the Senate will take the time to read this report on the Atlanta Penitentiary. I hope they will have time to reflect on it. I hope they will read some of the individual testimonies that are given by some of the individual inmates. It is really something.

They talk about the inmates themselves were running the prison. They talk about a man, Jewell Wesley Walters, J. W. Walters, an inmate, who talked about it. During the course of Walters' testimony, Senator NUNN, of Georgia, questioned him.

By the way, I commend the Senator from Georgia. He is not one of those who has been supporting this legislation. Maybe from his experience as a member of this investigating panel, and he was, I believe, the chairman of this investigating panel which looked into the Federal penitentiary in his own home State, he came to realize that the Justice Department was not all-wise even in the way it ran its own institutions that we should give them the power, the additional responsibility, of running every other institution in this country.

It says during Walters' testimony, Senator NUNN asked him, "Did you worry about getting caught with a knife?"

The inmate responded, "Senator I would rather get caught with it than without it."

That is a good indication of the conditions in the Federal, and I underline that, penitentiary in Atlanta. "I would rather get caught with a knife than without it."

His safety was so insecure as an inmate in that great Federal institution that he felt the need to be armed at all times and he did not seem particularly concerned about any disciplinary action if he were caught with a knife in his possession.

So, Mr. President, I hope my colleagues will put aside their biases. I hope we shall take off the blinders that, somehow, seem to be worn by so many here in our Nation's Capital—blinding ourselves to the failure of the Federal Government, blinding ourselves to the capacity of people to govern themselves, blinding ourselves to the capacities of State and local governments.

Let us think about something else, Mr. President: It is already the law—it is already the law—that the Attorney General of the United States and the Federal Government can intervene in any lawsuit brought by any inmate or patient at any State or local institution in this country. It is already the law. If just one inmate files suit about conditions in any jail or prison in this country—just one inmate files suit, just one—the Federal Government, on its own motion, can already intervene in that case on behalf of the inmate who has been institutionalized. The Federal Government can already intervene.

Mr. President, what this bill says is if he cannot find any inmate to complain—that almost boggles the imagination. Having been a Governor and pursued, in my official capacity as Governor, by inmates named in lawsuits, it is not too difficult to find an inmate in a penal institution who can complain about conditions. I am not saying there are not bad conditions sometimes. There are. There are reprehensible conditions like those in the Atlanta Federal Penitentiary that need correcting. And there were conditions in the institutions of my home State of Oklahoma that needed correcting, bad conditions. I made that my No. 1 priority when I was Governor, to get something done about cleaning up those institutions. Nobody feels more strongly than I do about doing something about those bad conditions which we have. But it is not hard to find one—one—inmate to complain.

By the way, Mr. President, as to the other kinds of institutions that we have—our mental hospitals, for example—I was visiting recently with some of our State officials in that field. They have just put additional lawyers on the payroll, lawyers who work full time to look at conditions and to talk with family members of the patients and others who are concerned with them, in the case of those patients who might not be mentally competent themselves. The office is fully staffed to look after their rights and bring any legal suits that they feel are justified.

This bill goes beyond that. It goes to the point of saying, if you cannot even find one dissatisfied inmate in your prisons or in your jails, Mr. President, if you cannot even find one, why, we want to give the Federal Government, a bureaucrat in the Department of Justice, the right to come down and sue you instead. Mr. President, conditions would have to be beyond belief before you could not find one person to complain.

I think it is ridiculous, a ridiculous intrusion into the rights of State and local governments, to give the Federal Government the right to initiate investigations and to initiate lawsuits on their own motions. In theory, if every single person in a particular community, including all the inmates of the jail, were absolutely satisfied with conditions in that jail, this bill would still give the Federal bureaucracy the right to come in and file a lawsuit against the city and county and order them to spend x amount of dollars to correct an abuse which nobody, let us say not even the one person, believes to exist.

Mr. President, to me, it is ludicrous and misleading to say that, somehow, you are not sensitive enough to the rights of those inmates in institutions if you are not for this bill. I was asked by the author of this bill the other day, on the floor—and I am certainly not belittling his motivations. They are proper. He is very sincere. I know he has very deep feeling about institutionalized persons and about their needs.

He has sincere compassion. There are very few people I have known in public life who are as sincerely motivated as he is. I would have to say I have never seen him cast a vote or make a speech on the floor of the Senate on which I did not feel he was sincerely motivated by what he thought was best for the country or right in terms of standards or ethics. I salute him for that and I think the people of his State are very fortunate, indeed, to have someone of that character and that sensitivity and honesty representing them. Mr. President, I just happen to have an honest difference of opinion with him on this particular matter.

He asked me a question, after I was saying that I thought this bill was excessive and gave the Federal Government too much power, that here, the Federal Government could go in and conduct fishing expeditions and harassing investigations on broad subjects while not even giving full and complete notice to the States, not fully consulting, not fully giving them an opportunity to correct the situation. He said, and this is the essence of his question:

> Is the Senator saying, then that we do not need any protection of rights, that we should not try to protect the constitutional rights of individuals in institutions?

Of course not, Mr. President. I am not saying that. Nor do I think it would be fair to characterize the opposition of those who oppose this bill as being against humane treatment for inmates or protection of their constitutional rights. Far from it, Mr. President. We are simply saying that there is adequate protection in the existing law. The Federal Government can already intervene in any case, use all of its vast resources in any case in which there is even just one person in an institution who files a lawsuit and complains.

What we are saying is that we do not think it is in the best interest of any of the people in this country, including the people in the institutions, to have roving teams of Federal investigators going around, bureaucrats from Washington, who do not live in the town, do not live in the State, who are not really familiar enough with the situation, who do not know enough about the State's competing demands on its limited resources, to go around making decisions on the State's budget. That is what our opposition is all about. That is what our opposition to this bill is all about.

I heard on the radio the other morning, Mr. President, as I was coming in, that the Senate was going to vote again on whether or not to stop a filibuster. It was termed a filibuster. I would prefer to call it more extensive discussion and debate in the hope that fellow Members of the Senate will come to understand the real nature of this bill.

It was said that we were going to vote on whether or not to invoke cloture on the issue of protecting the rights of people in institutions. I do not think that is a fair representation of the issue. I do not know of one person on this side of the question who does not want to protect the rights of institutionalized people, who does not want to see more human treatment, who does not want to see an end to abuses in any institution. I do not care what kind of institution it is, we would all care about it.

To me, it is a discussion of who is going to set the policies, who is going to set the budget priorities in States, in cities, in counties. Will the Federal Government? Will an unelected part of the Federal Government set the budget priority for my State or for the other 49 States represented in this body, for thousands of cities and counties across the country? Or will the people themselves set those budgetary priorities through the elective process?

I go back again, Mr. President, to the practical reality involved. Again, I think that is something that we often lose sight of as we consider legislation. We talk about the goals, we talk about the need. Then we enact legislation which, very often, has the practical effect of doing just the opposite—impeding our ability to accomplish the goal that we set out to accomplish. That is the case here, Mr. President.

Another of the basic problems confronting our country relates back to a mistaken fable that too many in the Federal Government have believed in in the past; that is, that there is a money tree somewhere and that money tree will just keep producing and producing, year after year. Or, I guess, most adequately, that there is a printing press and that if we have allocated all the money available to us here in the Federal Government and the other units of government have done the same, we can just take care of the problem by running the printing press a few more hours, a few more days and years, printing out more and more dollars all the time.

That is what has happened, Mr. President, over the past quarter century in this country. We have had a balanced budget one time.

There seems to be great belief in that fable of the renewable printing press that is a solution to all the problems.

In 1960, under the formula used to determine the amount of dollars in circulation in this country, Mr. President, that amount of money was $100 billion in 1960 circulating around and around in this country—$100 billion.

By 1970, it had risen sharply to $200 billion, and by 1979 it had reached $980 billion in circulation in this country, Mr. President.

In 1960, $100 billion; $200 billion by 1970; $980 billion in circulation by 1979, a real reflection of the belief of people in the Federal Government that we can just close our eyes to reality and run the printing presses a little longer.

Mr. President, the situation, I think, is indicative here.

Since the Federal Government is operated with deficits, it never had to make the hard choice most of us make in our individual lives. I do not need to go into that. But running deficits is the principal cause of the inflation which ravages us all.

There is a price. We are now paying it. Our country is paying in the hardest possible way.

The Federal Government has not tried to make those difficult choices we have to make as individuals, when we have so much money to live on each month and each year and we have to decide which we want most, do without some things if we have others.

State and local governments, in large measure, have to do the same thing. Most States, thank goodness, operate with requirements in their constitutions that they have balanced budgets. That means, Mr. President, that if we spend more on one part, or one function, of government, we have to spend less on another. If we spend a lot of money on education, we will not be spending as much on highways as otherwise. If we spend more on one thing, we will spend less on parks, or mental institutions, or something else, perhaps. If we spend more in one area and we have only so much money, we have to spend less in other areas.

So we set budgetary priorities, Mr. President. That is why I say the practical effect of this bill may be just the opposite of what the author intends.

Mr. President, I shared my own personal experience as a Governor with that situation. When our State came under an order to change its prisons, to do something about them, and I was in favor of that, in increasing the expenditure for prisons and the correctional facility, I had to cut expenditures somewhere else. So we have to cut some other major areas of State government receiving dollars.

If we increased by 300 percent, 400 percent, 500 percent, and that is what we did, Mr. President, we increased our spending on corrections of an order of magnitude of tripling or quadrupling it, going up 500 percent, even 600 percent in certain instances, over a 4-year period, we had to cut back spending in other areas.

There were times I agreed with what the orders said, there were abuses corrected that I agreed with. I worked as hard as I could to get the bills through the legislature to appropriate the money. But money does not grow on a tree, and in State government it is not created by running printing presses. It comes out of the pockets of taxpayers. It is difficult because they are having a hard time.

I can remember this very instance when we were ordered by the Federal court to make a certain change in the water system of one of our correctional institutions. I had to take money out of the budget for our mental institutions that I had already planned to place there, to put the heating system in our State mental hospital, and to do some new flooring and other things in terms of improving the weather stripping around the windows, to improve the conditions of our mental hospital, money I had planned to put there, I had to pull it out of that budget and spend it on the prison instead.

Why? Was it because as an elected official I sincerely believed the prison water system should have a higher priority than the health of the patients in the State mental hospital? No; because in this instance I did not.

If I had been given freedom to make that decision, and if our State legislature had been given that freedom, we would have decided that on that particular point there was greater need to improve, making physical improvements, at the State mental hospital at that time, than to spend additional money, since we had already increased the prison budget 300 percent or 400 percent, this was over and above that, and we would have given the higher priority to the mental hospital at that point.

But we could not do it? Why? Because we were under a Federal court order on the prison, not on the mental hospital.

So we do what we have to do. That is what happened.

Mr. President, if we send a roving team of Federal investigators to all the States, cities and counties, and let them decide what they will investigate first, and file an action on first, it will be by whim that budget authority is set.

Let us say they take the prison first. They get a court order, ordering the State to spend x amount of dollars on the prison. When that happens, Mr. President, there will be less dollars left for everything else. So, by putting the prison as the first order of priority, we will knock down, in order of importance, the mental institutions, special education for handicapped children, juvenile facilities, halfway houses, emergency medical services, aid to the elderly, and a lot of other things the State government also does.

Mr. President, I am not saying that it is wrong to spend money on prisons. I cannot very well say that. But I am saying that perhaps it is not as high a priority as some other programs I mentioned.

That will vary from State to State. It will be different from one State to another, and one city or another, where the prison will be in the worst condition, or in another the mental hospital, in another that special education is the greatest need.

All I say, Mr. President, is, let us leave it to the local elected officials to decide, not up to the whim of some Federal bureaucrat, to circumvent the democratic process, to get around the wishes of the people themselves, their own knowledge about local conditions and competing local needs.

Let us not let them set the budgets of States and localities by whim. Let us use the democratic process. Let us use the process the Founding Fathers established.

So, Mr. President, we have gone through this process of extending debate not to cause anyone any inconvenience, not to delay Senators from other engagements, important ones, which they may have or from other responsibilities. We have engaged in this prolonged debate for a very serious purpose and for reasons of conscience. We have engaged in its because we sincerely believe that the pending measure is not in the best interests of the country; that it will only seek to further undermine the Federal system; that it is contrary to the spirit of the democratic process; and—yes, Mr. President—because we are concerned that, as a practical matter, the way it will really work out in practice, it may actually hinder, not help, our goal of better treatment for patients in our State institutions, our mental hospitals, our institutions for juveniles; that it may actually hinder, as a practical matter, the wise and efficient use of tax dollars, stretching those dollars as far as we possibly can to upgrade the standards of all our institutions at the State and local levels; and because we believe that the Federal record is replete with failures on its own part to meet its own institutional responsibilities; because we believe the Federal Government should set its own house in order before being given the power, on a whimsical basis, to intervene in the policymaking for all the other units of Government across this country.

Mr. President, I suggest the absence of a quorum.

The **PRESIDING OFFICER**. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

RECESS UNTIL 2 P.M.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate stand in recess until 2 p.m. today.

There being no objection, the Senate, at 11:44 a.m., recessed until 2 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. MOYNIHAN).

CIVIL RIGHTS OF INSTITUTIONALIZED PERSONS—CONFERENCE REPORT

The Senate continued with the consideration of the conference report on H.R. 10.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The **PRESIDING OFFICER**. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. TSONGAS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

Mr. TSONGAS. Mr. President, I ask unanimous consent that Mary Jolly and Marcia Atcheson have the privilege of the floor for the remainder of the consideration of this conference report.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

Mr. TSONGAS. Mr. President, I suggest the absence of a quorum.

The **PRESIDING OFFICER**. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

MARKUP ON THE GRAMLEY NOMINATION

Mr. PROXMIRE. Mr. President, the Committee on Banking, Housing, and Urban Affairs met today to consider the nomination of Lyle Gramley to be a member of the Board of Governors of the Federal Reserve System. During the meeting, several members of the committee indicated that other Members of the Senate wished an opportunity to present to the committee their views on the nomination. I had already invited any Member of the Senate to testify on April 15, and not until the morning of the markup did I learn there might be others who want to make their views known.

Accordingly, the committee will meet tomorrow at 9 a.m. to continue its markup of the Gramley nomination. The committee will initially receive the views of any Member of the Senate who wants to make his views known. Thereafter, at 10 a.m. the committee will proceed to a vote on the nomination. There was no objection to this procedure on the part of the members of the committee who were present at today's markup.

THE CAMBODIAN LEGACY

Mr. PROXMIRE. Mr. President, for the past several years, events in Cambodia were shrouded in secrecy and confusion. During that time, upheaval and destruction became a way of life for millions, and the initial trickle of refugees became a torrent. For countless thousands, Thailand became their last refuge from terror. It is from this sanctuary that their story now unfolds and filters to the rest of the world.

Under the Khmer Rouge, Cambodia and its once thriving agrarian economy was plunged into a deadly and chaotic state. Millions were terrified, enslaved, and uprooted from their homes. Many lives were claimed by starvation and a litany of diseases. Yet, the most unforgivable and repulsive act of all was the systematic murder of several million peasants by this regime. Now we are learning that the tragedy did not end there, for in the wake of their wrath, the Khmer Rouge have sent hundreds of thousands fleeing into Thailand. These people have no home or material means to support themselves. Many no longer have a family. For most of them, the future holds only uncertainty and despair.

Mr. President, the Cambodian refugees are a reminder—a tragic reminder—that the human misery of brutal henchmen such as the Khmer Rouge has no end. Its sickening legacy goes on. And on.

That is why it is so essential that we act vigorously and forcefully to prevent such tragedies before they occur.

There is one clear step we can take, Mr. President, that will strengthen our hand in preventing such tragedies—ratification of the Genocide Convention. For over 30 years, this important human rights treaty has languished here in the Senate. The scenario of events in Cambodia clearly demonstrates that ratification of this convention is as essential as ever.

Mr. President, the safeguarding of lives must be one of the highest priorities of international law. It must be one of our highest priorities as well. I urge my colleagues to join me in seeking ratification of the Genocide Convention.

Mr. President, I thank the majority leader for informing me that I could have time to speak at this time, and I yield the floor.

CIVIL RIGHTS OF INSTITUTIONALIZED PERSONS—CONFERENCE REPORT

The Senate continued with the consideration of the conference report on H.R. 10.

Mr. EXON. Mr. President, I ask unanimous consent that my remarks on H.R. 10 not be counted as the first of the two speeches I am allowed on this subject in the Senate.

The **PRESIDING OFFICER**. Is there objection? The Chair hears none, and it is so ordered.

Mr. EXON. Mr. President, the matter before the U.S. Senate has to do with the authority attempted to be granted to the U.S. Justice Department to initiate lawsuits basically on their own determination, to begin a lawsuit at any time they wish, in behalf of any institutionalized person.

Mr. President, H.R. 10, which has come about because of the original passage of S. 10 in this body some months ago, does great harm—great violence, I would add—from my standpoint, knowledge, and experience with regard to the rights of the States. I know that we have very many heavy State's rights issues that come before Congress, but I believe the fact that this is a fundamental State's rights issue has probably not received the attention that I think it rightfully should.

I speak, Mr. President, as a former Governor of my State of Nebraska and as one of several in this body who has had first-hand experience, and I emphasize "first-hand experience," with regard to the heavy hand and the bureaucracy of the Justice Department that is located right here in the Nation's Capital in Washington, D.C.

Time and time again we have heard the phrase that is bantered about these days about getting the bureaucracy in Washington off of our back. If there were ever a piece of legislation that is going to place the bureaucracy of the Justice Department on the backs of all of the elected officials and the appointed officials, who have the responsibility to run the institutions that are properly authorized and run by all of the States, H.R. 10 will stand in the forefront if it becomes law.

I predict that should this body make a mistake that I was afraid it was about to make and it still might make despite the efforts of many of us to prevent that from happening, unless we can somehow arrest that we are going to come certainly in the future to the conclusion that the Senate did, indeed, make a mistake when they turned loose the high paid bureaucrats of the Department of Justice to intervene, sometimes unnecessarily, in the running of State institutions.

I referred earlier to the fact that I had had some firsthand knowledge in this regard. As the Governor of the State of Nebraska, although the record will clearly show and as the record of these proceedings will show, as documented during the hearings on S. 10, the State of Nebraska had one of the outstanding records of all of the States in bringing up the quality of our institutions at all levels. Nevertheless, the Justice Department of the United States saw fit to become involved in a lawsuit that was brought by people within the State of Nebraska to try and change the way that duly elected officials in that State saw fit to run their institutions and to appropriate the money for the running of those institutions in the State of Nebraska.

I will not go at this time into any lengthy detail, but just to set the stage, I think it would be proper for me to call to the attention of my colleagues the very excellent case in point and one point that was made by the distinguished Senator from Louisiana (Mr. LONG) during the debate on this conference report a few days ago. At that time Mr. LONG said that what we are doing with H.R. 10 is to simply tell the Justice Department that they have a free hand to be a czar, if that is their intention, involving any civil rights action or the treatment of any person in any institution of any of the States of this Union.

Senator LONG pointed out at that time that his critical objection to the bill was that if every person in the State of Louisiana, for example, were totally satisfied with the care and the treatment and the philosophy of care and treatment of any client of any institution in that State of Louisiana and if the parents and relatives of any person in those institutions in Louisiana were totally satisfied, if all of the elected and appointed officials, all of the people involved in the important medical societies and fraternities, all of the institutions pro and con on the basis of what is a proper philosophy with regard to the treatment of those in institutions, whether they are mentally retarded institutions or penal institutions, if every person in the State of Louisiana felt that everything was just excellent in that State, under H.R. 10 the Justice Department could still intervene, and if they found that there were conditions in Louisiana that should be corrected, they would have under the reasonable interpretation of this bill, if it becomes law, the power to intervene in any of those institutions where anyone in Louisiana is a client and be able to bring court action to change that solely at the discretion of the Justice Department here in Washington, D.C.

Those who are supporting this bill will certainly say, "Yes, but there are safeguards that prevent the Justice Department from moving in until they do this or until they do that." I say, Mr. President, that as a former Governor who has had experience with the bureaucracy of the Justice Department there are not enough safeguards in this bill, and I am not sure we could ever write any bill that would provide the safeguards that I think would be necessary to keep an attorney in the Justice Department from telling the Governor of a State what he can and what he should do or a legislature in any State of what they should or should not do with regard to the clients in any of the institutions of any of our sovereign States.

During the controversy in Nebraska we had a situation, as I referred to earlier, where a lawsuit was brought against the care and treatment of some children in our main facility for the treatment of mentally retarded youngsters, and that action was brought in the court, which those people certainly had the right to do, and shortly thereafter the U.S. Justice Department acting under the Civil Rights Act saw fit to become a part of this suit and the judge in this case allowed them to come in. What we found then was a case where that suit that was initiated by Nebraska residents was more or less taken over lock, stock, and barrel by the bureaucracy of the Justice Department operating out of the Nation's Capital. The unlimited amount of funds that they had were, therefore, placed behind the lawsuit. So what we had here, of course, was an involvement of the U.S. Justice Department, using the funds of the Nation's taxpayers, coming in and fighting a legal battle not only as to whether these people were being denied their civil rights, but also the larger issue in this particular case that involved the method of treatment, the philosophy of treatment with regard to these mentally retarded citizens.

Now, while all this was going on the population at this particular facility that was known as Beatrice State Home, had been reduced from about 2,200 down to about 750 people. During exactly that same time while I was the chief executive of this State we were vastly expanding the community-based program for the mentally retarded to a place where we were considered one of the best in the Nation.

In fact—I see the Senator from Massachusetts is with us on the floor today—about 6 years ago, when I was Governor, the first lady of the State of Massachusetts came to Nebraska because she was impressed with the quality of care that we in Nebraska were providing for our mentally retarded citizens. She considered it a model and came there to find out what we were doing so that she could take back some of that to the State of Massachusetts.

I only cite that because of the fact that Nebraska's treatment of its mentally retarded was well-recognized around the Nation as one of the three or four leading States in trying to develop the dual care, the community-based, program which I have strongly supported and am strongly for but, at the same time, feeling we should maintain some type of a centralized State institution for some of the mentally retarded that many professionals feel just cannot make it and would be an unnecessary drain on the resources of the community-based program.

Mr. TSONGAS. Mr. President, will the Senator yield?

Mr. EXON. I am happy to yield to my friend from Massachusetts.

Mr. TSONGAS. The Senator was gracious about Mrs. Dukakis, who was indeed the first lady of Massachusetts. In response to the well-put suggestion, I will get in touch with Kitty Dukakis and get her position on this conference report and make it available to the Senator from Nebraska.

Mr. EXON. I thank the Senator very much for that statement. I did not mention the name of Dukakis. It was the previous Governor's wife who came to Nebraska at that time.

Mr. TSONGAS. I will get both of their recommendations and give them to the Senator.

Mr. EXON. And the one before that, if the Senator will. We would be very happy to have them.

But to return to the thrust of my comments, Mr. President, I do not have any objection, I did not then and I do not now have any objection, whatsoever to any citizens in the State of Nebraska bringing proper action through a lawsuit to redress any grievance. I think that is a part of our process that I have always protected.

Frankly, I did not even become concerned when the Justice Department of the United States decided to get into this act. I had grave reservations afterward, however, when I saw how the bureaucracy of the Justice Department operated, in total disdain for not only the responsibilities but the attitudes of the duly elected officials of, in this case, the State of Nebraska.

This harkens back to the case in point I made earlier with regard to the comments to this body by the distinguished Senator from Louisiana (Mr. LONG). We have now, Mr. President, I suggest all the protection we need, and I think we need some protection, for the Justice Department to become involved when they should become involved, in maintaining and protecting the rights of the people in any institution. The only thing they have to do now, Mr. President—and I suggest that they should have that authority—is simply to ask a court, if you will, to come in to assist wherever the Justice Department of the U.S. Government feels that they could be helpful.

The real reason, if we will unmask the reason, for S. 10 and H.R. 10, and all the controversy that has brewed in the U.S. Senate, the only reason for all of this, Mr. President, is that the activists in this area were not satisfied with that arrangement we have had, and I hope we will continue to have.

No, what they want is a blank check

so that activists who are employed as attorneys for the U.S. Justice Department will be given a blank check to go into any State in the Union and initiate any lawsuit any time they think it is necessary.

That is why the statement of sound reasoning that was offered by the Senator from Louisiana is so critically important. We do not need any more protection than we have right now. There is adequate protection. Basically this is do-gooder legislation and, of course, it is always tough to stand up to oppose do-gooder legislation because when somebody wants to do something for the less fortunate you are sometimes accused in some quarters of not caring about the less fortunate people in this world of ours.

Mr. President, I would like to read to this body—it just so happens that it was very timely—a story that appeared in the Lincoln Evening Journal of last night, Tuesday, April 29, that is right on line with the point I am making.

I cited in my previous remarks, and the record of my statements and comments on this would fill several pages on the talks I have given on this subject, but once again we are back to talk about the Beatrice State Home—which has since been named the Beatrice State Development Center—which was the subject of the lawsuit, a lawsuit that is still going on to plague the new Governor of the State of Nebraska and the ongoing officials who, I think, are doing a good job in trying to take care of our less fortunate individuals.

While this lawsuit is still going on and while the State of Nebraska is still under attack supposedly—and I emphasize supposedly—for not maintaining a quality institution, here is the story that appeared last night in the Lincoln Journal. The headline is: "Program for retarded at Beatrice is praised." Let me read the article:

> OMAHA.—The Nebraska Medical Association's House of Delegates approved Monday a resolution commending the Beatrice State Developmental Center for having an "outstanding program" in treating profoundly and severely retarded persons.
>
> The resolution also said community-based programs under proper supervision serve a good purpose for treating mildly and moderately retarded persons.
>
> Association President Dr. Charles Landgraf Jr. of Hastings said that while community-based programs have their accomplishments, an increased number of retarded persons are being admitted to the state's regional mental health centers because of inappropriate placement in communities.
>
> Landgraf, the state Department of Public Institution's medical director, said the resolution was not meant as a recommendation for the Legislature to consider reducing or curtailing community-based programs.
>
> The delegates sent to the association board for study a second resolution endorsing community-based programs for the retarded that meet the same standards of medical treatment as does the Beatrice center.
>
> Endorsements of both Beatrice and community programs had been contained in one resolution submitted by the Lancaster County Medical Society. The delegates, however, decided to handle the two separately.
>
> Dr. Warren Bosley, Grand Island, said much of the emotion that made rational discussion of services for the mentally retarded nearly impossible for the last several years has subsided.
>
> Dr. J. Whitney Kelley, Omaha, said a team of professionals often is needed to work with retarded persons and is unavailable in some communities.
>
> Kelly said that in his opinion the trend is away from community placement, and that more retarded persons will be going back to larger centers.
>
> The association's annual convention continues through Wednesday.

Mr. President, I only cite that to show once again the foolhardiness of the Justice Department's becoming involved in this lawsuit, and if the Justice Department, from my own firsthand knowledge, becomes involved in a suit, in an unnecessary suit like this in Nebraska, my land, what would they do if we give them a blank check to do this in every other State of the Union?

Mr. President, the conference report on H.R. 10 simply emasculates any attempt at placing any restriction on what now appears to be a carte blanche authority of the Justice Department bureaucracy to sue States and local units of government.

The so-called restrictions on the Attorney General's authority placed in the Senate version of the bill has either been taken out of the conference or so cleverly "explained" in the conference report language to the point of making these restrictions meaningless.

The conference report language is full of verbiage giving blanket endorsement to the current and past practices of the Justice Department in this area without giving any mention to the extensive debate which took place on the floor of the U.S. Senate expressing the concerns of a variety of Senators with regard to the past and present abuses by the Justice Department of their existing authority to intervene in lawsuits against the State and local units of government.

In fact, Mr. President, you would never have guessed from reading the conference report language that there was any dissent whatsoever in the Senate regarding this issue.

Let me go through the conference report language point by point to illustrate this fact. Let me read, Mr. President, the first paragraph of the conference committee report:

> One measure of a nation's civilization is the quality of treatment it provides persons entrusted to its care. The past decade has borne testimony to the growing civilization of this country through its commitment to the adequate care of its institutionalized citizen. Nowhere is that commitment more evident than in the actions of the United States Justice Department.

Mr. President, I think that that opening paragraph probably sets up the concerns that I have with regard to this legislation. Because, once again, Mr. President, it leaves the uninformed—and I like to use that word because I do not think there is anything vicious about those on the other side of this piece of legislation—it leaves the impression that we need, somehow we desperately need the Justice Department of the United States to see that the civil rights of every person in every institution of our States are adequately protected.

I submit, Mr. President, that this one paragraph, filled with its blatantly arrogant and hypothetical assertions that nowhere in this entire country, not in any State, not in any local community, not in Congress, not in the churches of America, nowhere is the commitment to adequate care of the institutionalized more evident than the U.S. Justice Department; this statement embodies everything that is wrong and dangerous with this piece of legislation.

Adoption of the conference report is an endorsement by the U.S. Senate and the Congress for the proposition that only in Washington, only in the bureaucracy of the Nation's Capital, can the feeling and the compassion be found for those less privileged in our society. Hogwash.

This arrogance and this hypocrisy must be rejected out of hand if we are to protect any semblance of our federal system of government in this country.

I submit, Mr. President, that this one sentence—"Nowhere is that commitment more evident than in the action of the U.S. Justice Department," this one sentence in the conference report is justification enough to reject the report, even if all the rest of it were good.

Not only is this assertion of the Justice Department's unique commitment to the care of the institutionalized dangerous and wrong, it simply does not square with the debate which occurred on the floor of the U.S. Senate in February of this year.

All should recognize, Mr. President, that the Justice Department, which this conference report asserts has a unique claim to being the most committed to quality care for those residing in institutions of any group in this entire Nation, so indicates the report, is the same Justice Department that runs the U.S. Penitentiary in Atlanta, Ga., whose record is so bad, in terms of the institutionalized care for the inmates residing there, that the Congress itself has been forced to investigate, under the leadership of Senator NUNN and Senator PERCY, the shoddy administration and treatment of the inmates by the U.S. Justice Department at that facility.

There are some people shaking their heads on the floor of the U.S. Senate. I hope that they continue to shake their heads on the floor of the U.S. Senate to the place where they finally begin to shake it up and down, so that those people who have had no experience whatsoever with the Justice Department of the United States may somehow come to realize that there just might be someone who has had firsthand experience in these matters, other than some of the highly professionalized staff people who not only have been involved in the writing of this report but have had a great deal to do with the writing of the bill itself.

If the U.S. Justice Department is the sole repository of commitment to quality care for the institutionalized citizens of this country, as the conference report asserts, then I would think that evidence of this commitment could be found by example at the institutions which the Justice Department has the responsibility to run. The evidence, however, points to the contrary.

Further on in the report, Mr. President, the conference report asserts that the Justice Department's activities have "enhanced the lives of thousands of institutionalized individuals throughout the country," that "conditions have improved significantly in dozens of institutions across the Nation," that "barbaric treatment of adults and juvenile prisoners has been curbed," that "States facing the prospect of suit by the Attorney General have voluntarily upgraded conditions in their institutions," that the Justice Department's efforts have "proven effectiveness," and, finally, that "H.R. 10 insures that institutionalized citizens will be afforded the full measure of protections guaranteed them by the Constitution of the United States."

What happened, Mr. President, to the assurances the Senate received during debate on this bill that H.R. 10 was simply giving the Attorney General authority to use, in the last resort, for only those cases where the involvement of the Attorney General was absolutely necessary?

The fact is that this language in the conference report is a "call to arms" for the Justice Department to write out to all of the areas in the country, to dictate to the States the operations and policies of their institutions.

Adoption of this language will be an endorsement by the Senate that confrontation and not cooperation is the hallmark of the Congress' policy for improving conditions in the institutions, that litigation is tooled to accomplish this policy, and the States be damned on their attitude.

It is bad policy and an attack on the foundation of federalism and it must be rejected.

There are some in this body, Mr. President, that have been unable to understand why the junior Senator from Nebraska has broken from the traditional position on measures of this type. I have never before, since I have been in this body, opposed cloture. I just hope that my voice is being heard by enough of my colleagues that they will recognize that the junior Senator from Nebraska feels very, very strongly about this matter and I will certainly do everything within my power and within the rules of the U.S. Senate to do all that I can to see that this bad piece of legislation, as well-meaning as it might be in some quarters, never becomes the law of this land.

The conference committee further liberalized the areas in which the Attorney General can become involved by eliminating the Senate language which restricted the Attorney General to suits involving conditions which are "willful or wanton or conditions of gross neglect."

Despite the concern expressed on the floor of the U.S. Senate with regard to the unchecked authority by the Attorney General, the conference committee, by eliminating this definition, further loosened the reins of the Justice Department's litigation bureaucracy. But, unfortunately, Mr. President, this is only one in a long list of restrictions on the Attorney General's authority which has been watered down in the conference committee report.

Because of the legitimate and thoroughly presented concern that in the case in which it has existing authority to become involved, the Justice Department has abused its authority by attempting to go beyond those minimum measures necessary to correct the perceived and alleged constitutional infirmities.

In fact, as is clear from the record, once the Justice Department becomes involved in a lawsuit, a power grabbing attempt is invariably made by the bureaucracy within the Justice Department to dictate and manage these institutions.

As a result of this concern, language was placed into the bill which provided that the Attorney General could only seek those minimum corrective measures necessary to protect constitutional rights. Many of us in the Senate were also concerned with preventing "fishing expeditions," which are also a hallmark of the Justice Department's litigation strategy.

But what does the conference report say about this provision? "This is not intended to limit the equity powers of any court to order relief it deems appropriate. After the commencement of the suit, further investigation and discovery may indicate additional corrective measures are appropriate. Certainly it is understood that the Attorney General can return to the court to seek additional relief consistent with his authority to seek relief appropriate to insure the minimum corrective measures necessary to insure the full enjoyment of rights."

By adopting this language, Mr. President, the Senate, rather than restricting the authority of the Attorney General in an attempt to eliminate fishing expeditions, will be endorsing such litigation tactics.

One of the other concerns expressed both during committee consideration of this bill and on the floor of the Senate was the fact that although the term "Attorney General" is used in the bill, the fact is that the authority and discretion authorized by this bill will be exercised by bureaucrats buried deep within the litigation bureaucracy of the Justice Department with little or no oversight by the Attorney General whatsoever.

Therefore, early in the consideration of this bill in committee, several Members felt it was necessary to provide that the complaint and the certification filed by the Attorney General to initiate suit must in fact be personally—I emphasize "personally"—signed by him to insure some oversight by the appointed Cabinet member who received Senate confirmation. The conference committee retained the language in the bill requiring the Attorney General to "personally" sign the complaint and certifications.

However, and I emphasize however, the committee report language completely negates this legitimate attempt to require the personal signature of the Attorney General by explaining that the requirement in the bill does not really mean what it says, but rather the existing procedures set forth in 28 U.S.C. 508 (a) and (b) should be followed "if there is a vacancy in the office of Attorney General or if he is absent or disabled." The fact of the matter, Mr. President, is that by providing this loophole, the Attorney General has the ability by his own definition of "absence" to continue the existing practice of having someone else in the Justice Department chain of command review and sign these complaints. So once again we see the bureaucracy turned loose. So again we see a loosening by the conference committee of the significant and serious attempts by the Senate to place some reasonable restrictions on the authority of the Attorney General in these instances.

One of the other complaints expressed by those States who have been subject to Justice Department litigation has been that although the Justice Department comes into a State with all sorts of allegations regarding deprivations of rights occurring in institutions, the Justice Department never outlines what they believe to be the measures necessary to alleviate the alleged conditions. As a result, the bill as passed by the Senate contained a requirement that the Attorney General certify before filing suit to the State "the minimum measures which he believes may remedy the alleged conditions and the alleged pattern or practice of resistance."

Unfortunately, but nevertheless deliberately, the conference report language completely emasculates this requirement by stating that "Congress realizes that before a complaint is filed and discovery conducted, it may be impossible for the Attorney General to specify the precise measures required to correct the alleged abuses."

The point is, Mr. President, that if the Attorney General cannot specify the measures required to correct the abuses then he should not be filing a lawsuit in the first place. This was the intention of the language as adopted by the Senate and again the conference committee has emasculated this requirement in the report language again giving an endorsement to fishing expeditions and open-ended litigation and harassment by the Justice Department bureaucracy.

We also heard, Mr. President, from those States experiencing the heavy hand of the Justice Department that, on many occasions, the Department of Justice failed to consult with State officials prior to the filing of litigation to see if the controversies could be resolved without resort to the confrontation process in the courtroom. Because of this, a provision was placed in the bill requiring this consultation. But again, and unfortunately, Mr. President, the conference report language emasculates this provision by gratuitously stating that Congress intends that if the State officials prove "unwilling" to consult, then, evidently, consultation is not required.

The problem is, Mr. President, that the definition of "unwilling" rests solely within the discretion of the Attorney General or, as we all know, with the particular bureaucrat handling the particular case. Again, another loophole is created to eliminate any semblance of a reasonable restraint on the Attorney General's authority or that of his assistants in the bureaucracy.

Any reasonable person analyzing the conference report up to this point would come away with the conclusion that the conferees had done a fairly good job of providing almost unrestricted authority to the Attorney General by eliminating the effectiveness of the various restrictions placed in the Senate version of the bill. But this obviously was not enough, Mr. President, for the conference report goes on to give an almost blanket exemption to the Attorney General for his use at any time the requirements of the act prove inhibiting to the litigation strategy and tactics of the Justice Department. The conference report states that:

> At 4 points in the Act Congress has used the words, "when feasible," or "to the extent feasible" to modify actions which the Attorney General is required to take. It is the intent of the Congress that the Attorney General take these actions to the extent the actions are capable of being successfully done or accomplished.

What, in effect, this language does, Mr. President, is allow the Attorney General, in his sole discretion or the sole discretion of the bureaucrats under him, to ignore the concerns expressed by the Senate and the restrictions placed in the Senate bill whenever they decide that these restrictions are not feasible for them to undertake. Any talk, Mr. President, at this point of the various restrictions and checks on the Attorney General's authority is simply talk and more talk. It is a facade without a foundation. It is words without support.

Mr. President, the conference report also emasculates the amendment that I offered, during Senate consideration of the bill, which was adopted by the full Senate. To remind my colleagues about this, I think that they will remember that there was a series of amendments offered by rollcall vote to S. 10 when it was before this body. There were a few amendments that were adopted by the managers of the bill, but, in most instances, they turned a deaf ear to most of the amendments that were offered that were really designed to place any check on the authority of the Justice Department bureaucracy.

The Chair might remember that the only amendment that was adopted to S. 10 as it moved through the U.S. Senate was that one offered by the Senator from Nebraska. It was adopted on a move to reconsider by Senator DOLE after it was first rejected by one or two votes in the Senate. Upon the move by Senator DOLE to reconsider this, the Senate did reconsider and, on this occasion, the amendment by the Senator from Nebraska was adopted, again on a rather close vote.

Mr. President, the amendment that I offered was very simple. It said that before the Attorney General may file or intervene in a suit against a State, he must obtain a certification from the Secretary of Health, Education, and Welfare that the proposed suit would not interfere with the efforts of HEW to obtain compliance by the institution with that Agency's standards for institutional care. Let me emphasize that this amendment was a very watered-down version of a similar amendment offered in committee.

My amendment did not require an exhaustion of administrative remedies. In fact, it did not even require a filing of a compliance action against the institution by HEW. It simply required the Attorney General to consult with the Secretary of HEW and for the Secretary to determine that the proposed lawsuit would not interfere with HEW's standards enforcement programs.

Substantial funding is provided State institutions for the mentally retarded and the mentally ill by the Department of Health, Education, and Welfare basically through the medicaid program. These funds carry with them strict regulations regarding standards of care within the institution.

HEW is involved in an ongoing monitoring of these institutions to obtain and maintain compliance with these standards of care. My amendment would have insured that Justice Department action does not interfere with efforts of HEW to enforce its standards.

Mr. President, there was every reason to provide for this safeguard. Litigation should be the course of last and not first resort. Congress should emphasize cooperation, not confrontation. We should encourage and protect the efforts of the Federal agency which has expertise in the area of mental retardation and mental health. We should not allow this expertise to be impeded by a Federal agency that has no expertise in this area.

In this regard, Mr. President, as I pointed out when I first offered my amendment, my colleagues would do well to review the opinion of the Federal District Court in the case of United States against Solomon, which provides the basic impetus for S. 10.

In that lawsuit, the judge ruled that the Justice Department does not have the authority to initiate these types of lawsuits against the States. The judge stated, in a very commonsense approach, and I quote:

> This Congress has devised what it hopes will be an effective carrot-and-stick method of improving the lot of the mentally retarded in America. This court simply cannot believe that Congress intended or expected that while an elaborate plan to improve the lot of the mentally retarded was being implemented by the one federal agency (the Department of Health, Education, and Welfare) with expertise in the field of mental retardation, another government agency (the Department of Justice) with no expertise in the solution of the very difficult problems posed by mental retardation would simultaneously be making wholesale attacks on a state's mental retardation programs under the guise of protecting 13th and 14th Amendment rights. Surely, if Congress had wanted two agencies to be involved in ameliorating the states' efforts to help the mentally retarded, it would have at least provided some legislative guidance as to procedures for preventing the conflict and contradictory goals that can and do occur when two federal agencies independently act on the same matter.

That is the end of the quote of the judge.

Mr. President, during the previous debate I said that it may be that this particular judge has more confidence in the commonsense of the Congress than is warranted, and, at least with regard to the conference committee, this judge was certainly right.

Mr. President, I know that there are many for whom I have the highest respect who really believe that H.R. 10 should become law. I have talked to many of them time and time again. Many of them have very capable staff that have very legitimate concern for what I would concede have been some problems with regard to civil rights, even treatments, even the way a penal institution is run.

But I think I can simply sum up H.R. 10, as brought out by the conference and the wording of the conference committee report, as once again overreaction by the Federal Government to a problem that essentially rests with the States and, therefore, States' rights are involved.

However well meaning they are, until one has had experience with the Justice Department and how they do things, they do not fully understand or begin to realize the great concern that those of us who have seen the heavy hand of the Justice Department used in a manner that there is not a single person that serves in this U.S. Senate, or a single person that serves on the staff of any U.S. Senator, would approve of if that person knew the facts at hand.

(Mr. BUCUS assumed the chair.)

Mr. EXON. Mr. President, getting back to the Justice Department once again, somehow there has been a feeling created that this do-gooder piece of legislation, managed by the U.S. Justice Department, cannot and should not be opposed by anyone who is seriously concerned about the less fortunate people in our society, and somehow they seem to measure up the old image of the U.S. Justice Department as one of those untouchables.

This reminds me of an old television show that I used to watch in the days of yesteryear—"The FBI in Peace and War."

The Justice Department of the U.S. Government seems to be held up as something created by the Lord Almighty that could or would do no wrong and, therefore, if we give them the unlimited czar power that they seek in this bill, what harm could it possibly do?

I do not subscribe to the fact that the U.S. Justice Department is all good or that it is all bad. I happen to have a high regard for many of the things, all of the things, that the U.S. Justice Department stands for, particularly with regard to civil rights. However, I would suggest that the Justice Department of the United States, in the last resort, is simply one more bureaucracy, probably no more created by highest authority, in any better shape or form, than any other bureaucracies that concern us.

Therefore, I have been very concerned about the fact that this legislation has been about to go through the U.S. Senate after being almost waved—almost waved by sleight of hand—through the House of Representatives with little or no opposition.

I can only say that our colleagues in the other body know not what they do and have evidently, in this regard, not taken the time to find out.

If the Justice Department is all wise, as it is all powerful, and does all of the right things, I think it is only proper, Mr. President, that we look at the record of the Justice Department in some rather recent instances. I would like to cite one at this time.

The Justice Department bureaucracy has misused and abused its existing authority to intervene in lawsuits against States and local governments, and the Congress should not reward this abuse by expanding the Justice Department's authority.

An excellent and current example of this abuse of authority involves the recent lawsuit by the Justice Department against the mayor and other officials of the city of Philadelphia seeking relief against allegedly unconstitutional practices and policies of the Philadelphia Police Department. I certainly cannot and do not make any judgments regarding the practices of the Philadelphia Police Department because I simply do not have the information or evidence upon which to make such a judgment. But it is obvious from a review of the Federal District Court's opinion dismissing the lawsuit, that the Justice Department did not have sufficient evidence upon which to act either.

Senators may recall that in the middle of August 1979, the Civil Rights Division of the Justice Department held a massive news conference at which they announced the filing of a comprehensive lawsuit against the mayor and city officials of Philadelphia to correct alleged abuses of the Philadelphia Police Department. The Federal District Court Judge, Judge Ditter, on October 29, 1979, dismissed the lawsuit on the grounds that the Attorney General and the Justice Department had no authority to bring this type of lawsuit against city officials. But, as can be seen from a review of his opinion, Judge Ditter went on to outline the shocking, heavyhanded tactics used by the Justice Department and concluded that "what occurred in this case is a most regrettable example of the abuse that might result if the Attorney General were empowered to bring lawsuits of this kind."

It is clear from reading the judge's opinion that the tactics of the Justice Department, in this case, were designed to prevent the city officials named in the lawsuit from defending themselves by delaying the trial on the issues presented in their complaint to a time when a new mayor would be in office, at which point an attempt would be made to "settle" the case without ever having to prove the charges in the complaint.

As the judge pointed out in his decision—

> The Justice Department attorneys publicly vilified the individual defendants, accusing them of outrageous, conscious-shocking misconduct, while simultaneously planning a schedule for the lawsuit that would prevent these same defendants from ever answering the charges.

We all remember the headlines and the strong assertive statements which the Justice Department attorneys made when they publicly announced the filing of the lawsuit. The court itself quoted such statements as "the suit is the result of an 8-month investigation," "months of investigation were needed to gather evidence," "attorneys combed the files of the police department," and they were "prepared to produce evidence supporting the allegations" to highlight the grandstanding engaged in by Justice Department bureaucracy during the press conference announcing the lawsuit. The court further reminded us that the Deputy Attorney General in charge of the Civil Rights Division was quoted as saying:

> We have found widespread abuse of federal law, and that's why we are bringing this lawsuit . . . "We think we have ample evidence of intimidation of people by Philadelphia policemen and the coverup of this intimidation by their superiors." Similarly, this same official stated that "we have a well-thought-out and well-documented lawsuit."

But what happened to this "well-thought-out and well-documented lawsuit" when the judge met with the Justice Department attorneys and attorneys for the defendant 8 days after the lawsuit? At that meeting, the judge suggested a pretrial schedule which would have established a trial date of October 15, 1979, 2 months after the filing of this "well-thought-out and well-documented lawsuit." What was the judge told?

> I was immediately told by Government counsel that my schedule was not reasonable, that *no testimony under oath had been taken*, that *no documents had been copied*, and that *an unknown number of witnesses would have to be located, interviewed, and prepared for court*. (Emphasis added).

Shocking, to say the least; but this is exactly the type of tactics and strategy used by the Federal Justice Department which the Senate will be endorsing by the passage of S. 10. This is so because it is clear from the record of the States who have been involved in litigation of this type with the Justice Department that the Philadelphia example is the rule rather than the exception.

Is it any wonder that Judge Ditter concluded:

> What occurred in this case is a most regrettable example of the abuse that might result if the Attorney General were empowered to bring lawsuits of this kind.

I strongly urge the Senate to heed these words of warning and not expand the authority of the Justice Department to initiate suits against States and local governments, as has been the case in Nebraska, as has been the case in Philadelphia.

I say again, Mr. President, and I emphasize again—and I hope every Senator will understand this—that whether or not we agree to the conference report on H.R. 10, whether or not this measure becomes law, the Justice Department has adequate authority under the law now to begin a lawsuit where they think the civil rights of any person have been violated in any State institutions, so long as even one person in that State brings an action. I do not believe it would be improper even for the Justice Department to go into a State and attempt to initiate an action by someone in that State.

However, what we have done in this bill, unwittingly—and I think that for the most part, unfortunately, it is misunderstood by many of my colleagues—is simply to give the Justice Department a blank check to run around filing lawsuits against any State officials, elected or appointed, wherever they see fit. By the actions of the Justice Department under several administrations in the past, I hope it will be concluded that this is something we do not want to do, in the interests of justice for all.

Mr. President, I should like to insert in the RECORD some additional remarks of the judge in this case, under part 6 of his order, headed "Abuse of Power in This Lawsuit." I am reading now from the opinion of the judge:

> In the preceding sections, I have discussed the reasons why I believe that the power to maintain this lawsuit does not and should not rest with the Attorney General of the United States. The ways in which such a power might be abused have been demonstrated at length. Nevertheless, one more example of this abuse should be examined. Indeed, this example warrants special consideration, because it is to be found in the very facts and circumstances of the present lawsuit.
>
> The complaint in this case was filed on August 13, 1979. As discussed earlier, it charges the individual defendants, including Mayor Rizzo and Police Commissioner O'Neill, with personal wrongdoing in devising and perpetuating policies which result in police brutality. Since November of 1978, however, it has been well-known that the present administration will leave office on January 6, 1980.
>
> From its inception, this lawsuit has been attended by a carefully cultivated public image. Repeatedly, plaintiff's counsel made sensational public statements which created the clear impression that the investigation was completed, the evidence was all in, and the defendants' guilt had been etsablished beyond doubt. Thus, the public has been enlightened with the knowledge that "[t]he suit is the result of an eight month investigation," and that "months of investigation were needed to gather evidence." With plaintiff's senior counsel cited as the source, it has been reported that plaintiff's "attorneys combed the files of the police department," and are "prepared to produce evidence supporting the allegations." As early as August 14, 1979, the Deputy Attorney General in charge of the Civil Rights Division of the Justice Department was quoted as saying: "We have found widespread abuse of federal law and that's why we are bringing this lawsuit. . . . We think we have ample evidence of intimidation of people by Philadelphia policemen and the coverup of this intimidation by their superiors." Similarly, this same official stated that "we have a well-thought-out and well-documented lawsuit." The public was further told that "[t]o underline the importance of the suit, Attorney General Griffin B. Bell personally signed the complaint Friday in one of his last major acts before retiring.

I have been quoting from the judge and I will be quoting again from the judge in just a moment and I will so indicate.

But I wish to insert some editorial comment on my own right here.

I have just read that the judge said this:

> The public was further told that "to underline the importance of the suit, Attorney General Griffin Bell personally signed the complaint Friday in one of his last major acts before retiring."

Mr. President, I am continuing my editorial comment. Here was a case where the Attorney General himself signed a complaint and after you hear what the judge thought of an action that the Attorney General himself took in signing this complaint you will see the concern that I have of not placing unlimited authority in the Attorney General and certainly much less in those that operate the bureaucracy under that important position.

I return now, Mr. President, to quote from the judge:

> An attorney general rarely signs individual complaints. Not to be left out is the present Attorney General, Benjamin R. Civiletti, who said that "the Justice Department had been careful in preparing its police abuse suit against Philadelphia officials." He went on to describe the case as a "rather simple suit to obtain systemic relief from the top down in the [police] department. In a summary of his remarks at a press conference, Mr. Civiletti was said to have stated flatly that "some officers on the city's police force repeatedly violate the civil rights of individuals, but that the city has done very little to remedy the situation. Police officers are seldom given adequate training or subjected to proper discipline for their abuses he said. There has been a near "total failure" to deal effectively with allegations of brutality, the Attorney General stressed. 26 Crim. L. Rep. 2065 (BNA) (October 17, 1979).
>
> Thus, the Justice Department adopted a public posture of complete readiness to prove what it had alleged.

Mr. President, may I ask the majority leader for a time he would like to adjourn the Senate today?

Mr. ROBERT C. BYRD. I have no particular time in mind, but we will not recess very soon.

Mr. EXON. We will not recess very soon?

Mr. ROBERT C. BYRD. There is some other business which has to be transacted today, so the Senator may continue. I may say the Senator is not keeping the Senate in if he wishes to speak for a while. After he finishes we have other business we may transact. I should not think we will be in late unless other Senators want to speak.

Mr. EXON. I just wish to cooperate with the majority leader. I will conclude my remarks, which will be helpful, very shortly, and I will do whatever can be done to move the matter along.

The majority leader has no time set now when he would like to adjourn or recess the Senate as of today?

Mr. ROBERT C. BYRD. No, not as of now. I appreciate the courtesy of the distinguished Senator for inquiring. There is a bit of business which has to be transacted yet today, and I do not believe that I am prepared at the moment to move forward to recess the Senate. The Senator is not impinging on my time. I do not expect that the Senate will be in very late, however.

Mr. EXON. I thank the majority leader.

I am going to interrupt once again and I want the RECORD to show this so that those who have a chance to read this will know this is not the opinion of the junior Senator from Nebraska; what I am reading from is an official product of the court that reviewed actions supposedly taken by the present Attorney General and the Attorney General previous to him.

If we need any indication that we have a timely situation on our hands right now that we should not give the authority that H.R. 10 gives to the people over there right now we should take a look at what they did in this case and what a competent judge thought of their actions.

Their actions, Mr. President, involved using and abusing the news media and using and abusing citizens who worked for the police department in Philadelphia.

I suggest that at least in this case the charges that they allege remain unproven.

Now I return to quoting from the judge:

> The government's counsel publicly treated their charges as established facts, and created a distinct impression that the necessary supporting evidence was already prepared. Eight days after the complaint was filed, however, I met with counsel and suggested a pre-trial schedule which would have brought this matter to trial on October 15. I was immediately told by government counsel that my schedule was not reasonable, that no testimony under oath had been taken, that no documents had been copied, and that an unknown number of witnesses would have to be located, interviewed, and prepared for court. These protests were raised despite the much-heralded "eight month investigation" and the "ample evidence" it had produced. Since the government objected so vigorously to the timetable I had announced, I asked each side to submit a proposed pre-trial schedule. The plaintiff's response stated that the earliest possible date by which it could complete discovery was December 9, 1979. This date, of course, was only an optimum deadline, and it did not allow for delays of any type or duration. Moreover, the schedule was qualified by the statement that "[p]laintiff anticipates further discovery will be necessary concerning the actions of individual officers . . . ." Thereafter, the plaintiff vigorously opposed a motion by defendants to expedite discovery and list the case for trial before November 20, 1979.
>
> The stated ground for this opposition was that a November trial date would still not give the plaintiff enough time to satisfy its discovery needs.
>
> It is quite clear, therefore, that at the same time the plaintiff's lawyers were making their pitches to the press, they knew they would be unprepared to bring the case to trial while the Rizzo administration remained in office. In other words, it was the plaintiff's plan from the beginning that the principal, individual defendants would never be afforded the opportunity to defend themselves in the courtroom against the serious charges made in the complaint.
>
> The obvious injustice of this situation neither stayed the lawsuit nor tempered the outpourings to the media.
>
> Indeed, plaintiff's counsel have steadfastly maintained that the impending change in city administration is of no significance to this case at all. Repeatedly, plaintiff has offered the cavalier suggestion that when the new mayor and his associates take office, they can simply be substituted for the present defendants "as provided in the Federal Rules of Civil Procedure." Plaintiff's Memorandum in Opposition to Defendant's Motion to Set Trial Date, at 2. See also Pre-Trial Conference No. 1, N.T. at 21; United States Memorandum Concerning Standing, Mootness, and the Proposed Future Course of this Litigation, at 38. The plaintiff refers here to Fed. R. Civ. P. 25(d)(1) which provides in relevant part that "[w]hen a public officer is a party to an action in his official capacity and during its pendency dies, resigns, or otherwise ceases to hold office, the action does not abate and his successor is automatically substituted as a party." Plaintiff has made much of its "deliberate decision to name no one in their personal capacity." Rather, each of the individual defendants "are named only in their official capacity." Pre-Trial Conference No. 1, N.T. at 21. Thus, as plaintiff sees it, the substitution procedure of Rule 25 can be invoked in this case as a matter of mere routine.
>
> It is not difficult to see why plaintiff's position disturbs the defendants. By its terms, Rule 25(d)(1) appears applicable in the technical sense, as Mayor Rizzo will obviously be succeeded in office. Nevertheless, it is clear that neither the Mayor, nor the Commissioner, nor any of their subordinates, are named in this case as nominal defendants. Rather, this complaint charges, as indeed it must, that they are personally responsible for initiating and carrying out policies which are calculated to brutalize the population of Philadelphia. Yet, these people will never have an opportunity to defend themselves against the complaint's accusations if new defendants are substituted when the Rizzo administration leaves office. Thus, while Frank Rizzo and Joseph O'Neill are charged with willfully orchestrating a campaign of brutality and lawlessness, the government's timing precludes Rizzo and O'Neill from presenting a defense. The government's deliberate plan was that by the time the case was ready for trial, the principal defendants, the present mayor and police commissioner, would have been removed from the suit, and their successors in office would have been substituted in their place. While the new mayor might be capable of defending the City of Philadelphia, he would have no interest in clearing Frank Rizzo's name. Similarly, the new police commissioner would not be likely to champion the personal interests of Joseph O'Neill. Obviously, there would also be a change of counsel when the new defendants are substituted, thus further ensuring that those accused of wrongdoing would have no representation at the time of trial. In fact, it does not take much imagination to realize that it might well serve the political interests of the new administration to simply blame everything on its predecessors. It is entirely possible that the new mayor and his appointees would have no reason to proceed with the trial at all.
>
> The obvious course for them would be to settle this case, agreeing to change certain operating procedures in the police department and publicly accepting the principle that police brutality is wrong. The new mayor could thereby share the credit for ending the systematic police abuse which the Justice Department says exists. At the same time, the Justice Department would have avoided the responsibility of proving that this abuse existed at all.
>
> To put it bluntly, the government's timetable, in combination with its press releases, amounted to a stacked deck, the effect of which was to deny the individual defendants their day in court. Certainly, I do not question the plaintiff's right to engage in pretrial discovery. The Federal Rules of Civil Procedure do not discriminate against the Justice Department in securing that right. At the same time, I do not deny plaintiff's lawyers the right to talk to the press. The

media has an important duty to inform the people, and it is incumbent upon government officials to cooperate in the discharge of that duty. Nevertheless, the combination of these two rights in this case illustrates how power may be misused. The Justice Department attorneys publicly vilified the individual defendants, accusing them of outrageous, conscience-shocking misconduct, while simultaneously planning a schedule for the lawsuit that would prevent these same defendants from ever answering the charges. Through some of its highest ranking officials, the Justice Department created the public impression that the defendants' guilt was already documented and established. Yet, when the individual defendants demanded a speedy trial, as the only means by which they would have the chance to prove their innocence, the government objected on the ground that it needed a minimum of three to four months to discover evidence and prepare its case.

Whether the motivation here was righteous indignation or something less noble is not important. Suffice it to say that what occurred in this case is a most regrettable example of the abuse that might result if the Attorney General were empowered to bring lawsuits of this kind.

Mr. President, that is the end of the statement from the judge that I have purposefully read into the RECORD in hopes that some people will take a look at it before the fourth cloture vote on tomorrow. Because, Mr. President, I maintain that the record of the Justice Department, cited at great length by the judge from whom I have just quoted, shows that the almost unbounded faith that some people want to place in the Justice Department is not justified. Certainly, it is not justified when we are giving carte blanche authority in H.R. 10 for the Justice Department to sue at will, at taxpayers' expense, anywhere in any of the States in this Union.

Mr. President, in the interest of moving the matters of the Senate forward, I have completed my remarks, and at this time I yield the floor.

Mr. THURMOND. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HEFLIN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HEFLIN. Mr. President, I would like to enter into the RECORD a document which is entitled "S. 10-H.R. 10—Major Differences." I ask unanimous consent that it be printed in the RECORD.

There being no objection, the document was ordered to be printed in the RECORD, as follows:

S. 10-H.R. 10—MAJOR DIFFERENCES

STANDARD FOR LITIGATION I

Senate—"egregious or flagrant conditions (conditions) which are willful or wanton or conditions of gross neglect)."

House—Nothing.

Conference—"egregious or flagrant conditions" defined in report to require a substantially higher standard than appropriate for private litigation.

STANDARD FOR LITIGATION II

Senate—"pattern and practice" of deprivation of Constitutional or Federal legal rights required.

House—Nothing.

Conference—Senate language.

Private institutions

Senate—Provisions clarifying that genuinely private institutions are not covered by the bill, with extremely strong report language.

House—Nothing.

Conference—Senate statutory language and report language.

Intervention preconditions

Senate—Extensive preconditions before Attorney General can intervene in pending institutional rights litigation.

House—Nothing.

Conference—Senate language.

Minimum requirements

Senate—Provisions clarifying that Attorney General is authorized only to pursue "minimum" Constitutional conditions, not "desirable" or "comfortable" conditions.

House—Nothing.

Conference—Senate language.

Schools

Senate—Language clarifying that educational institutions for normal children are not to be covered by S. 10.

House—Nothing.

Conference—Senate language.

Attorney General signature

Senate—Requires personal authorization by Attorney General prior to litigation under S. 10.

House—Nothing.

Conference—Senate language.

Consultation with States

Senate—Detailed language imposing specific obligations upon the Attorney General with respect to pre-litigation consultation with State officials. Express provision stating that "voluntary good faith" efforts at conciliation are to be preferred to litigation.

House—General language imposing general obligations upon Attorney General with respect to pre-litigation consultation with State officials.

Conference—In most instances, adopted specific Senate language, although a couple "when feasibles" were added. Adopted Senate language with respect to "voluntary, good faith" efforts.

Fiscal impact

Senate—Requires discussion by AG with States on the matter of the costs of alternative remedial programs.

House—Nothing.

Conference—Generally adopted Senate language.

Attorney's fees

Senate—Expressly allowed attorney's fees for prevailing States and State institutions.

House—Nothing.

Conference—Senate language.

Prison grievance procedures

Senate—Clarifying language that prison grievance procedure adoption was purely voluntary by States and that the failure to adopt such standards was not evidence of a S. 10 violation.

House—Nothing.

Conference—Senate language.

Attorney General report

Senate—Detailed annual reports on legislation required by AG.

House—General reports on legislation required by AG.

Conference—Senate language.

Federal coordination

Senate—Coordination required between DOJ and Federal agencies that may be funding State institutions.

House—Nothing.

Conference—Generally adopted Senate language.

Disclaimers

Senate—Nothing in S. 10 "shall authorize" the promulgation of standards of care.

House—Nothing in H.R. 10 "shall expand or restrict" rights of litigants in private actions.

Conference—Both House and Senate disclaimers adopted.

● Mr. BELLMON. Mr. President, the Civil Rights of the Institutionalized Persons Act, if passed will transfer State government decisions from elected State officials to unelected Federal bureaucrats. Essentially, the Justice Department would be permitted to set State priorities and budget policies. This policy would make sense if it could be shown that Federal officials were gifted with greater intelligence or imbued with higher integrity than State officials. Unfortunately, recent experiences with such programs as OSHA demonstrates that the opposite is true. Federal authority to improve conditions in many facilities already exists in many cases. The Department of Health and Human Services has the authority to enforce minimum standards of care, physical environment, and physical safety for the mentally ill, retarded, disabled, chronically ill, and handicapped through its medicaid and medicare programs. If, by virtue of this authority, such standards are not adequate or are not being enforced, this problem should be addressed by the appropriate committees of Congress.

The Justice Department has participated in many suits brought to protect the civil rights of institutionalized persons. Federal district courts have caused the Justice Department to participate in such litigation and the Department has intervened in pending cases. I find no fault with the process nor do I find any need to make changes. To allow the Justice Department to initiate such suits rather than participate in pending cases would be creating another layer of bureaucracy which is totally unwarranted.

Several of my colleagues, who were also former Governors, have recently made important points regarding the inadvisability of this legislation. Experience has shown conclusively the accuracy of the old adage that authority corrupts and absolutely authority corrupts absolutely. The problem with giving the Federal bureaucracy this power is that they are answerable to no one. They never stand for election, they cannot be fired, their terms of office never run out, and their appetites for power know no bounds. In such a nebulous area as H.R. 10 attempts to cover the opportunity for mischief is virtually boundless. I urge the Senate to take whatever action is necessary to keep this bill from becoming law.●

Mr. HEFLIN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECESS UNTIL 9 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in recess until the hour of 9 o'clock tomorrow morning.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF PROCEDURE TOMORROW MORNING

Mr. ROBERT C. BYRD. Mr. President, this would mean that under the cloture rule at 10 a.m. tomorrow the Chair would ask the clerk to call the roll to establish a quorum—and that would be an automatic quorum call—and at the conclusion, when a quorum is established on tomorrow, that would mean the vote on the motion to invoke cloture would occur.

This morning 22 minutes were required to establish a quorum. We had hoped this morning that the vote would occur at about 9:30, so we came in at 8:45 and started a quorum call. The quorum was established at 9:09, I believe it was, so we got into the vote earlier than we had anticipated today. As a consequence, some Senators missed the rollcalls.

I would suggest to Senators on tomorrow that they be here by 10:15. The quorum call will begin at 10, and I would suggest they be here by 10:15 because if the rollcall begins at that time and they are not here, they would miss it.

It is conceivable that tomorrow—and, as it is at any time in the midst of a quorum call—once the Chair announces a quorum is not present, the Sergeant at Arms will be instructed to ask the Senators to present themselves on the floor, and that motion may result in a rollcall. So it is conceivable there could be a rollcall vote on tomorrow at any time after 10 a.m., a procedural rollcall vote, to secure absent Senators, a rollcall vote on a motion to instruct the Sergeant at Arms to request the attendance of absent Senators.

So my thought is that Senators should be prepared for rollcall votes at any time after 10 o'clock tomorrow morning, to be here and not miss a vote. If matters take their course, it would be somewhere around 10:15 I would suppose before any rollcall vote would be complete.

Mr. BAKER. Mr. President, I thank the majority leader for establishing a time of convening tomorrow and describing the sequence of events that may occur.

I might say for the benefit of those listening that an effort was made over some period of time today to establish a time certain for a vote on cloture tomorrow to accommodate a maximum number of Senators on both sides.

It was decided, and I agree, that this is the most realistic approach, given the requirement for the live quorum under rule XXII, and the uncertainty as to time when a quorum will be ascertained to be present.

It is my understanding then from other remarks made by the majority leader that all of us on both sides of the aisle should be on notice that the vote on cloture will occur sometime after 10 o'clock, and probably before 10:30, depending on the time required to ascertain the presence of a quorum pursuant to rule XXII, and that that quorum call will begin, do I understand, immediately after the prayer in the morning?

Mr. ROBERT C. BYRD. No. The 1 hour will run on tomorrow—the Senate will come in at 9, and the 1 hour will run. Then at 10 o'clock the clerk will call the roll to establish a quorum.

Mr. BAKER. That is what I meant to say. The leadership time will be dispensed with, and we do not foresee any other business before the hour.

Mr. ROBERT C. BYRD. That is right. The leaders' time would come out of the hour.

Mr. BAKER. I thank the majority leader. I will notify our Members through our party cloakroom that we will convene at 9: there will be an hour under the rule to begin shortly thereafter; that a quorum call to ascertain the presence of a quorum under the provisions of rule XXII will occur after the expiration of that hour, and that we expect a rollcall vote between 10 and 10:30.

Mr. ROBERT C. BYRD. Yes.

It may very well be at that time, it may appear advisable to instruct the Sergeant at Arms, to have a rollcall vote on that motion. I am tempted to say now that that will be done so that all Senators will know. If they had known that this morning, I think they would have been here in time for the cloture vote.

Mr. BAKER. Mr. President, will the majority leader yield to me a further moment?

Mr. ROBERT C. BYRD. Yes.

Mr. BAKER. Could the majority leader give me some insight as to what he might expect otherwise on tomorrow beyond the cloture vote? I am thinking particularly of the budget resolution or any other matters the majority leader might wish to bring up.

Mr. ROBERT C. BYRD. The budget resolution will not be called up tomorrow.

Mr. BAKER. I thank the majority leader.

Mr. ROBERT C. BYRD. There is the FTC matter. I do not know what to expect with reference to that. There are two or three other matters which conceivably could be called up tomorrow and could result in votes. So I would not rule out rollcall votes on tomorrow by any means.

If cloture is invoked, then that matter will be continued until there is final action thereon. But if cloture is not invoked, then I should think there may be other matters, but not the budget resolution.

Mr. BAKER. Mr. President, I thank the majority leader.

Mr. ROBERT C. BYRD. I thank the minority leader.

Mr. President, I think in order that all Senators may know what is going to occur on tomorrow, and that there be no ifs, ands, or buts about it, at 10:15 if a quorum has not been established by then or circa 10:15, maybe 10:10 or 10:20, but around 10:15, I intend to move that the Sergeant at Arms request Senators to come in for a quorum, and I would do that only for the purpose of trying to be sure that Senators did not miss the vote on cloture. If they know there is going to be a vote on instruction of the Sergeant at Arms around 10:15 they will be here for the cloture vote and they will not have the problem that developed today in which we were hoping the time would be stretched a bit, but Senators, within their rights, were calling for the regular order and the Chair announced the vote, and some of them missed the vote.

I do not like to have a rollcall vote on a motion to instruct, but I think in this case it will be understood by all Senators that it would be for their protection, and I think I should announce that now so they will know it.

Mr. President, I hope that Senators will be present on tomorrow for the cloture vote.

This will be the fourth vote to invoke cloture on the pending conference report to accompany H.R. 10, the Civil Rights of Institutionalized Persons Act.

Mr. President, I may or may not vote in support of this conference report. I probably will oppose it on my final vote. But I do not believe that we should encourage the art of the filibuster. We have just had a filibuster that lasted 3 or 4 or 5 days on the nomination of Mr. Lubbers. Now we have had this filibuster going on for several days—at least, tomorrow will be the fourth vote, as I have stated.

(Mr. STEWART assumed the chair.)

Mr. ROBERT C. BYRD. Mr. President, I do not recall—it may have occurred during my 24 years in the Senate, but I do not recall a successful filibuster on a conference report since I have been in the Senate. It may be a matter of poor recollection, but I do not recall one. So I hope the Senate will vote to invoke cloture. I hope we will not see an epidemic of filibusters. We have not been troubled with filibusters for a while, and I trust that the Senate will be through with this one on tomorrow.

If cloture had been invoked on yesterday, there would not have been any session of the Senate today, because there would have been no business that would have been taken up today. The first concurrent budget resolution will not be ready until next week. It had been our intention to get started, perhaps, on the first concurrent budget resolution by tomorrow but, in view of the nomination of Mr. MUSKIE to be Secretary of State, I have asked Mr. HOLLINGS to handle the first concurrent budget resolution. Indeed, it is his desire to wait until next week in order better to prepare himself to manage the first concurrent budget resolution on the floor.

Mr. President, there are times and issues, I suppose, when a filibuster could be expected to tie up the Senate for several days, but I personally could not see the necessity of going on and on in the case of the conference report before the Senate. It seems to me we ought either to vote it up or vote it down. I felt that way about the Lubbers nomination. I think the Senate ought to have an adequate opportunity to debate a matter, then vote the matter up or down.

From the standpoint of the leadership on this side of the aisle, I cannot welcome the prospect of filibusters tying up the Senate on this nomination, that nomination, this little bill, that little bill, this little conference report, that little conference report, and so on.

I appreciate the support of those on both sides of the aisle who have voted to invoke cloture, but, as far as I am concerned, I see this from the standpoint of looking down the road of the legislative process in the future. If a filibuster is going to succeed on this conference report, I think we may well see a fever break out in the Senate and we conceivably could see several efforts to stop measures after they have passed the Senate, but after they come back in the form of a conference report, to stop them by filibusters.

I do not think that is good for the legislative process, Mr. President. The Senate passed this bill, and of course, the bill underwent some changes in conference. I voted for this bill on passage; I am going to vote against it as a conference report. But let us have a vote up or down and get on with other business and not encourage the use of the filibuster as a way to tie up the Senate, delay the legislative process, and kill legislation or nominations, depending upon the viewpoint of a minority—a minority—who may see fit to oppose such nominations or bills or conference reports.

A minority opposing this conference report is certainly within its rights. I have, several years ago, been among those who felt constrained to engage in a filibuster. But times have changed and we have not had a filibuster for a while. There was a rash of filibusters back not too long ago, but more recently, we have not had any problems with filibusters. I hope, Mr. President, that we do not set a bad example in this instance and see a filibuster prevail on a conference report which, as I say, represents legislation that has passed the Senate, passed the House, gone to conference, and has now come back before the Senate.

It represents the resolution of the differences between the two Houses on this legislation. I respect all those who oppose it; I respect those who have resorted to the use of the filibuster in opposing it. But, as the majority leader of the Senate, I simply cannot stand by silently and not express opposition to the use of this filibuster instrument to hold up the Senate and kill legislation.

I simply have not been able to understand the awesome controversial nature of this legislation. I do not know why it has created all this brouhaha. There have been measures before the Senate, in the time I have been a Member of the Senate, where I could understand why Senators would speak at great length and go on for days and try to arouse the country to their point of view. But I have listened to the debate on this measure and have made up my mind on it. I do not think it is worth tying up the Senate over for all these days, whether one is for it or against it: just vote it up or down.

I hope that Senators will look beyond the measure itself and look at what we are doing and the kind of pattern we are setting, the kind of example we may be establishing here: Just pass a bill, we will dry-gulch it when it comes back as a conference report. We will marshal our forces and we will have a filibuster on the conference report. So we will tie up the Senate on the conference report.

Mr. President, I urge Senators to vote for cloture on tomorrow. Let us not encourage further filibusters.

Mr. President, I yield the floor.

VIEWS ON MOTION TO RECONSIDER CLOTURE VOTE

Mr. BAKER. Mr. President, this morning, a vote was taken on a motion to invoke cloture on the conference report of H.R. 10, a bill dealing with the civil rights of institutionalized persons. Three-fifths of all Senators duly chosen and sworn did not vote to impose cloture, so the motion failed.

Immediately following that vote the majority leader moved to reconsider the cloture vote. A motion to table the motion to reconsider was made and was defeated. I then made a point of order against the motion to reconsider.

The Presiding Officer responded that the motion to reconsider a failed cloture vote was without precedent, but that the rules did not explicitly preclude it, and so the motion was in order.

At that point, the majority leader wisely and graciously asked unanimous consent to withdraw his reconsideration motion. Consent was granted and the motion was withdrawn.

Mr. President, it is my firm belief that a reconsideration of the cloture vote, potentially yielding a second substantive vote on a single cloture petition, is contrary to the reason and spirit of Senate procedure.

Rule XXII carefully sets forth Senate cloture practice. The rule is specific and detailed because the Senate wishes to keep narrow the basis on which debate can be circumscribed. It draws the relationship between a cloture petition and the subsequent cloture vote it sets into motion. Reconsideration of a failed cloture vote would, in my judgment, significantly expand that relationship. For example, a motion to reconsider could be made up to 2 days after the original cloture vote, and if agreed to, would cause a second cloture vote without the required second petition ever having been filed. Such would surely be a significant departure from current cloture procedure.

Mr. President, permitting reconsideration of a negative cloture vote runs the clear risk of two votes on one petition, an extra step in curtailing debate which the Senate has thus far been unwilling to undertake.

It is customary in the Senate to move immediately to reconsider a vote by which a measure or matter was decided, and to enter a tabling motion thereon, to preclude a future reopening of a question. Such a common practice has not been applied to cloture votes because it has not been thought to be necessary. For 63 years, since the cloture rule was first established, the Senate has reasonably understood the rule to mean that one cloture petition results in one cloture vote. It may be an argument is possible that rule XIII on reconsideration, or the absence of an explicit contrary precedent, permits a reconsideration motion. Nevertheless, in view of this common, appropriate, and historical understanding, such a motion seems bad practice. To the extent that this practice is permissable, a rules change to preclude a motion to reconsider a cloture vote might be highly advisable.

Mr. President, I commend the majority leader for his characteristic statesmanship in steering the Senate clear of the difficult parliamentary controversy for the present.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. THURMOND. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. BAUCUS). Without objection, it is so ordered.

AID TO TURKEY

Mr. THURMOND. Mr. President, I support the provision of economic and military aid to Turkey, an issue that is currently being considered by the Senate Foreign Relations Committee.

With a new Soviet presence seemingly established in Afghanistan and leftist organizations at work in Iran, the strategic location of Turkey becomes even more important. Turkey's control of the Straits of Bosporus and the Dardanelles would prove invaluable should a war ever erupt in the Middle East. Turkey also provides us with extremely important and sensitive intelligence-gathering bases. Such surveillance stations are critically necessary and will assume even greater significance and importance should the Soviet Union continue its aggressive, expansionist policies in this part of the world.

Mr. President, the importance of Turkey as a member of NATO cannot be overemphasized. Turkey's armed forces are the second largest in NATO Europe, and I am deeply concerned about that Nation's ability to perform its mutual defense responsibilities effectively. Much of the Turkish Army's equipment, which dates back to World War II and the Korean conflict, is unquestionably obsolete.

We must keep in mind that the cost of modernizing the Turkish Army, which consists of 480,000 soldiers, would be a fraction of the cost of establishing an American force of even one-half that size.

Mr. President, I would also like to take this opportunity to denounce the wanton killings of Turkish diplomats by the Marxist Secret Army for the Liberation of Armenia. There is simply no place in a civilized society for such ruthless terrorist activities.

THE DEATH OF DAVID GATLING TRAXLER

Mr. THURMOND. Mr. President, one of South Carolina's most dedicated public servants, David Gatling Traxler of Greenville, S.C., passed away on March 11, 1980.

I had known David for many years, and he was both a fine man and a devoted friend.

David's distinguished record of community service in Greenville, S.C., has truly been outstanding. He spent more than three decades in government, serving four 2-year terms as mayor of the city of Greenville. He also served on the Greenville City Council, the city planning and zoning commission, and the civil service commission. At the time of his death he was serving on the Greenville Water Commission.

One of the chief accomplishments of his administration, during his tenure as mayor, was the conversion of Donaldson Center from a U.S. Air Force Base to an industrial park. He can also be credited with helping the city of Greenville become more financially stable.

David was the owner of Traxler Real Estate Co., a communicant of Christ Episcopal Church, and a World War II Navy veteran.

I extend my heartfelt sympathy to his lovely wife Julia, and his devoted son David, Jr.

Mr. President, in order that I might share with my colleagues articles and editorials from the Greenville Piedmont on March 11 and 13 and from the Greenville News on March 12, 1980, I ask unanimous consent that they be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

[From the Greenville (S.C.) Piedmont, Mar. 11, 1980]

DAVID TRAXLER, FORMER GREENVILLE MAYOR, DIES

Former Greenville Mayor David Gatling Traxler died today. He was 71.

Traxler spent more than three decades in government, holding the office of mayor from 1961 through 1969 and serving on Greenville City Council, the Greenville Planning and Zoning Commission and the Greenville Water Commission.

At his retirement from the mayor's office, Traxler, who served four two-year terms as mayor, listed the conversion of Donaldson Center from a U.S. Air Force base to an industrial park as the chief accomplishment during his tenure.

He also noted the work done under the Greenville Area Transportation Study program—including the construction of the Academy Street loop—and the city's financial stability as major accomplishments under his administration.

Former Mayor Kenneth Cass said today that the construction of the city Curb Market was another major achievement of Traxler's service as mayor.

Cass, who preceded Traxler as mayor and was a city council member during Traxler's administration, today called Traxler's death "one of Greenville's greatest losses."

"He was one of the most efficient and dedicated public officials we've ever had," Cass said. "He was a truly dedicated citizen of Greenville."

Former Mayor Jim Simkins, who was elected to his first council term while Traxler was mayor, said the council "took a hard business look at city government" under Traxler's administration.

"During those years, the council began to look in terms of seeking more professional administration," Simkins said.

Greenville Police Chief Harold Jennings today praised Traxler for standing by police when they faced unruly crowds during racial disturbances of the 1960s.

"He was the kind who wouldn't say, 'Go take care of it.' He'd go with you," said Jennings, who was a lieutenant in the detective division during Traxler's term as mayor.

Realtor E. Roy Stone Jr., who was chairman of the city Democratic Party when Traxler was elected mayor as a Democrat, today said Traxler was "an outstanding public servant."

"I feel it a personal loss, and I feel Greenville has lost an outstanding citizen," Stone said.

At a reception honoring the retiring mayor in 1969, then-Lt. Gov. John West cited Traxler for fostering city-state relationships that created "a partnership of governments for the benefit of the people."

"(He) came to Columbia not looking for a handout, but with proposals, enabling the state government and the city government to work together for mutual benefit," West told 400 people gathered to honor Traxler.

Traxler died early today at Greenville Memorial Hospital, where he was hospitalized Sunday.

He was a member of Greenville City Council from 1947 to 1949 and a member of the city Civil Service Commission from 1950 to 1961. He was a former member of the city Planning and Zoning Committee and the city Public Works Commission.

In 1970, he was appointed housing assistance administrator of the state Planning and Grants Division in Gov. Robert McNair's office.

Traxler was elected to a six-year term on the Greenville Water Commission in 1975. The commission's meeting Wednesday was postponed until next week because of his death.

He was the owner of Traxler Real Estate Co. As a boy, he was the first Eagle Scout from Greenville.

Born in Greenville, he was the son of the late David Byrd and Mary Gatling Traxler and was a communicant of Christ Episcopal Church. He was a U.S. Naval veteran of World War II and attended The Citadel and Southeastern University, where he received a law degree.

Surviving are his wife, Julia Phillips Traxler of Greenville; a brother, William Byrd Traxler Sr. of Greenville; sisters, Julia E. Traxler and Emily Traxler Purdum, both of Greenville, and Mrs. M. A. Chapman of Bella Vista, Ark.; a son, David G. Traxler Jr. of Greenville and three grandchildren.

The family asks that flowers be omitted, and that memorials be sent to a charity of the donor's choice.

The family is at the home.

Graveside services will be at 4 p.m. Wednesday in Christ Episcopal Churchyard.

[From the Greenville (S.C.) Piedmont, Mar. 13, 1980]

GREENVILLE LOSES FINE PUBLIC SERVANT

Greenville and South Carolina this week lost one of their most dedicated and effective public servants in the death of former Mayor David G. Traxler.

His service in various elective and appointive governmental capacities covered times of important change. He was noted for leadership in many difficult transitions.

More than three decades in government included one of the city's most stable economic periods, major capital additions, and perhaps most important, acquisition and development of old Donaldson Air Base after its closing and loss of personnel appeared to be a serious economic blow.

No less an indication of his strength in public office, he was a stalwart during racial disturbances which wracked Greenville in the 1960s.

The post World War II era saw decisive changes which were quickly followed by deep social advancements for which few community leaders were prepared. They could have made terrible errors in maintaining stability. That their abilities and forcefulness were available at the right time was indeed fortuitous.

Public officials such as Traxler are responsible for the economic and other foundations on which much progress has been based and on which further improvements depend.

[From the Greenville News, Mar. 12, 1980]

EX-MAYOR TRAXLER DEAD AT 71

Former Greenville mayor David Gatling Traxler died Tuesday at Greenville Memorial Hospital. He was 71.

During his more than three decades in government, Traxler served Greenville on the city council, the zoning and planning commission and the civil service commission. He was mayor from 1961 to 1969.

At the time of his death, he was serving a six-year term on the Greenville Water Commission.

Upon his retirement, Traxler listed as the chief accomplishment of his administration the conversion of Donaldson Center from a U.S. Air Force Base to an industrial park.

His other major achievements as mayor include the work done under the Greenville Area Transportation Study program—including the construction of the Academy Street loop—and the city's financial stability.

Former Mayor Kenneth Cass Tuesday cited the construction of the city Curb Market as another major achievement of Traxler's administration.

"He was one of the most efficient and dedicated public officials we've ever had," Cass said.

Mayor Jesse Helms Tuesday night ordered flags at City Hall to be flown at half-mast Wednesday in honor of Traxler.

"Greenville has lost an outstanding citizen," said E. Roy Stone, a former chairman of the city Democratic Party. "I feel it as a personal loss."

Former Mayor Jim Simkins, who was elected to his first council term under Traxler's administration, remembered Traxler for "the hard business look at city government" the council took under him.

When Traxler retired as mayor in 1969, then Lt. Gov. John West commended him for promoting city-state relationships that created "a partnership of governments for the benefit of the people.

"(He) came to Columbia," said West, "not looking for a handout, but with proposals enabling the state government and the city government to work together for mutual benefit."

Traxler was born in Greenville, a son of the late David Byrd and Mary Gatling Traxler.

He attended the Citadel and received his law degree from Southeastern University. He was a communicant of Christ Episcopal Church, a Navy veteran of World War II and the owner of Traxler Real Estate Co. As a boy, he was the first Eagle Scout from Greenville.

Surviving are his wife, Julia Phillips Traxler of the home; a son, David G. Traxler Jr. of Greenville; a brother, William Byrd Traxler of Greenville; sisters, Julia E. Traxler and Emily Traxler Purdum of Greenville and Mrs. M. A. Chapman of Bella Vista, Ark.; and three grandchildren.

Graveside services will be at 4 p.m., Wednesday in Christ Episcopal Churchyard. In lieu of flowers, memorials may be made to the charity of one's choice. The Mackey Mortuary is in charge of arrangements.

[From the Greenville (S.C.) News, Mar. 12, 1980]

David Traxler, Real Builder

Take a look at the bustling Donaldson Center. Take another look at the developing network of cross-city thoroughfares. Consider the peaceful condition of the city of Greenville. Examine carefully the city's financial books.

When you have done that, you will have some idea of why David Traxler was one of the best mayors in Greenville's history. It fell his lot to preside over city government during most of the turbulent 1960s, and to handle the potentially-disastrous closing of Donaldson Air Force Base.

He faced dire threats of economic ruin and widespread bloodshed. And he handled both with calm, telling effect.

His energetic efforts were largely responsible for city-county acquisition of much valuable equipment and capital improvements on the Donaldson property when the base closed. His patience and understanding helped to avert violent explosions which threatened on several occasions.

The man always was a builder. He operated a real estate and development firm. But he was at his best as a long-time member of City Council, as mayor and as member of several important boards and commissions.

He also was a valuable member of former Gov. Robert McNair's productive administration.

We were privileged to know Dave Traxler during some very trying times. His death yesterday leaves us sad, but grateful for the rich legacy he leaves to the city he truly loved.

QUORUM CALL

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. STEWART. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

HONORING NAVY RECRUITING IN BIRMINGHAM, ALA.

Mr. STEWART. Mr. President, in these times of increased public awareness of our military manpower needs, it is encouraging to hear of successful recruiting programs for our Armed Forces. In my mind, there is no substitute for a strong defense effort and to have a military force second to none, we must have dedicated and talented personnel. This need is being met by the Navy and I would like to make available for my colleagues a recent report by the Navy Recruiting District in Montgomery, Ala. Through the efforts of Malvin Roseman of B'nai B'rith Centennial Lodge 368 of Birmingham and WBRC–TV 6 in Birmingham, the Navy delayed enlistment program has received wide community support and recruitment success. I ask unanimous consent that the following report be included in the Record:

Montgomery, Ala.—One hundred Birmingham, Bessemer, Jasper, and Roebuck future Navy men and women were recognized by the city of Birmingham and the Montgomery, Alabama Navy Recruiting District on 23 February at the L. R. Hall Auditorium in Birmingham.

The Navy Delayed Enlistment Part attended by civic and military dignitaries and guests of the Navy men and women was sponsored by the B'nai B'rith Centennial Lodge 368 of Birmingham. The Delayed Entry Program allows young men and women to reserve a Navy job for themselves up to a year before they begin active duty, thereby allowing them to complete their education.

Captain Jim High, Commander, Navy Recruiting Area Three, who is responsible for all Navy Recruiting in the South Eastern United States and Commander F. W. Wright, Commanding Officer of the Montgomery Navy Recruiting District, presented awards to the future Navy men and women; civic dignitaries; and Birmingham, Bessemer, Jasper and Roebuck Navy recruiters.

Captain High presented Associate Recruiter Certificates and Delayed Entry Program jackets to those enlistees who assisted in the enlistment of two of their peers. Accepting certificates and jackets were: Bruce A. Woods of Birmingham: Sonja D. Whitworth of Adamsville; Andre Glover of Birmingham; and Phillip J. McCorroll of Birmingham.

In presenting the Certificates of Appreciation for recruiting support in the Birmingham area, Captain High and Commander Wright lauded the excellent recruiting support provided by Mr. Malvin Roseman, Community Affairs Chairman for the B'nai B'rith Lodge; Mr. Everett Strickland, Community Affairs Director for WBRC Television Six in Birmingham; and Lieutenant Commander Carlington McGlothan.

AUBURN UNIVERSITY'S SCHOOL OF AGRICULTURE

Mr. STEWART. Mr. President, as a member of the Senate Agriculture Committee, I have a great deal of respect for those university agriculture programs that support this Nation's farmers. One of the best agriculture schools, in my mind, is Auburn University's School of Agriculture which recently brought honor and distinction to the university and to the great State of Alabama by winning the national championship for its soil judging team.

This marks the third national championship for Auburn's soil judging team and I would like to congratulate all members of the team and especially the team coach, Dr. Ben Hajek, professor of agronomy and soils.

Mr. President, I ask unanimous consent that a resolution from the Alabama State Senate commending this Auburn University soil judging team be printed in the Record.

There being no objection, the resolution was ordered to be printed in the Record, as follows:

Resolution Commending the Auburn University Soil Judging Team for an Unprecedented Third National Championship

Whereas, the Auburn University Soil Judging Team composed of students David Bridges, Ronnie Jernigan, Donnie Parrish, Ramona Pelletier, and William Puckett in the School of Agriculture placed first in the 20th annual National Collegiate Soil Judging Contest at University Park, Pennsylvania, on April 18, 1980; and

Whereas, this was the third consecutive year that the Auburn team has placed first, which is unprecedented in the history of the contest; and

Whereas, this team was coached by Dr. Ben Hajek, outstanding soil scientist in the Department of Agronomy and Soils, who also coached the previous two years' winners; and

Whereas, this team competed against 16 regional championship teams from major universities across the nation; and

Whereas, the soil is one of our nation's most important natural resources; and

Whereas, the Number One Soil Judging Team in the nation has brought honor and distinction both to Auburn University and to the entire State of Alabama, now therefore

Be it resolved by the Senate of the Legislature of Alabama, that we commend and congratulate members of the Auburn University Soil Judging Team and their coach for this outstanding accomplishment.

Be it further resolved, that a copy of this resolution be sent to the president of Auburn University, to the Dean of the School of Agriculture, and to the team members and their coach.

PRIME MINISTER OHIRA'S VISIT

Mr. ROBERT C. BYRD. Mr. President, this week we have the honor of hosting a distinguished visitor, Prime Minister Masayoshi Ohira, of Japan. The Prime Minister is here for a round of consultations on issues of interest to the United States and Japan, our leading ally in the Pacific.

The Japanese Constitution renounces war as an instrument of national policy. But the Japanese Government has been cognizant of the need for every nation to defend itself against attacks by other nations. It has organized the highly professional Self Defense Force to protect Japan's islands. Instability in parts of Asia is growing. Without compromising its constitutional order, it would seem appropriate for Japan to consider increasing its self defense effort to meet changing circumstances.

Japan has been active in helping to meet the economic development needs of nations in Southeast Asia. The expansion of trade and aid to these nations is a major Japanese effort. An even greater Japanese effort in response to the needs of the refugees in Southeast Asia would be another welcome contribution to peace and stability in the region.

Japan is our leading trading partner outside North America. Over the years, trade issues between our two countries have been resolved in a spirit of cooperation for mutual advantage.

In response to the crises in Iran and

Afghanistan, Japan has been increasingly supportive.

Japanese companies have refused to pay the exorbitant prices Iran has demanded for oil, resulting in a cutoff of about 10 percent of Japan's oil supply. The Japanese Government has adopted diplomatic sanctions against Iran similar to those adopted by the European Community nations, and is expected to adopt economic sanctions next month unless there is decisive progress toward freeing the hostages. And in response to the Soviet invasion of Afghanistan, the Japanese Government is expected to support the boycott of the Moscow Olympic games.

These steps are in Japan's national interest. Few nations are more threatened by instability in the Persian Gulf and Southwest Asia than is Japan. These steps aline Japan with the United States and the European nations. Increasingly, the United States faces these problems with the support of our friends.

Prime Minister Ohira's visit is an opportunity to reaffirm our friendship with Japan and to further confirm our mutual determination to resolve common problems in a cooperative manner.

APPOINTMENTS BY THE VICE PRESIDENT

The **PRESIDING OFFICER.** The Chair, on behalf of the Vice President and upon the recommendation of the majority and minority leaders, pursuant to Public Law 86-420, appoints the following Senators to attend the Mexico-United States Interparliamentary Conference, to be held in Washington, D.C., May 5-8, 1980: The Senator from Idaho (Mr. McClure), and the Senator from South Dakota (Mr. Pressler).

THE DRAIZE TEST

Mr. MOYNIHAN. Mr. President, a number of thoughtful and concerned citizens have brought to my attention the cruelty of laboratory tests now being used to determine the eye irritancy potential of various cosmetics and drugs. At present, all new versions of such products must be tested in the eyes of rabbits and observed over a period of a week or more. The products are then graded for irritancy according to the degree of harm inflicted upon the rabbits' eyes. This procedure is known as the Draize test.

Thousands of rabbits are used each year for this painful test which is administered without any anesthetic or other pain reliever. There is, of course, a compelling need to test cosmetics and related substances before permitting their sale so as to identify their potential to damage the human eye during normal use. Yet, the possibility exists that alternative "in vitro" methods of testing could be developed, provided a commitment of research time and funding were made in this area. Just as pregnancy tests conducted on live rabbits were once the norm, and have now been replaced by simple chemical tests, so it may be possible—and would certainly be desirable—to replace the Draize test with a painless alternative.

The Coalition to Stop Draize Rabbit Blinding Tests, a New York-based organization, and the Humane Society of the United States, have also pointed out that there are problems with the accuracy of the Draize test. The subjectivity of human judgments involved in rating the degree of damage to the rabbits' eyes can lead to wide variations in grading for the substances being tested. A 1971 study by Carol Weil of the Mellon Institute and Robert Scala of Esso Research, involving more than a score of government and industrial laboratories, documented the discrepancies in tests conducted in different laboratories; a substance labeled a serious irritant in one laboratory, for example, was adjudged to be a nonirritant in another.

Subsequent Food and Drug Administration studies of the Draize test indicate that the test can not distinguish satisfactorily between degrees of irritancy, though it can distinguish generally between irritants and nonirritants. Plainly, further research needs to be done.

I do not mean this by any means to be a criticism of the cosmetics industry, or any other group. Animal tests are among the first and most obvious ways to identify and avoid possible harm to humans and were adopted—even required in many cases—as a way to safeguard people, albeit at the expense of some animals. With the help of such tests, the cosmetics and toiletries industries have provided us, over the years, with a broad spectrum of safe and reliable products. The industries must remain strong and the products safe. At the same time, however, it would certainly be desirable for the necessary research to proceed with less animal suffering, and I encourage research and development efforts toward this end.

Perhaps the most important research that must be done on the Draize test is in the area of searching for an efficacious substitute. We live in a country renowned for its scientific innovation. Let me take this opportunity to encourage all cognizant Federal agencies to look into alternatives, and to encourage the companies which conduct the Draize test to work cooperatively toward finding painless, reliable and cost-effective alternatives.

I ask unanimous consent that the text of the Humane Society Close-up Report on this subject be reprinted in the Record, along with a column by Cleveland Amory in the New York Post, and a column by Jane Gregory in the Chicago Sun-Times.

There being no objection, the material was ordered to be printed in the Record, as follows:

ANIMALS ARE SUFFERING: HSUS SEEKS TO END RABBIT BLINDING TESTS

Annually, 65 to 100 million animals are being used as test subjects in the laboratories of cosmetic companies, drug manufacturers, university and commercial research centers, and producers of household products. The Humane Society of the United States has taken the position that much of this testing is not only unreliable, but also results in unnecessary pain and death.

Cats, dogs, birds, rats, mice, monkeys, and rabbits are just some of the animals routinely subjected to electric shocks, rubber riot control bullets, huge doses of radiation, and chemical solutions.

The research industry has long held that the use of animals is the only "reliable" way we have of determining the safety of a cosmetic, drug, or household product. Over the years this belief has served to support scientists as they subjected animals to many tests. The American public has seen little of the massive animal suffering that has taken place in the research labs.

Today, a new debate is taking place. People from all walks of life are asking if all the suffering and death is worth it. Many research scientists have joined the ranks of those who are questioning the scientific and ethical foundation of using animals for research subjects. Scientists have developed new techniques utilizing tissue cultures, computer models, and bacteria which can be used to test the safety of substances.

One of the most outrageous tests currently being used is the Draize test to determine the *eye irritancy* of substances. Drops of soap, perfume, and other common place products are put into the eyes of albino rabbits to find out if these things are harmful to human eyes. Because of the pain and suffering which are created by the Draize test which is unreliable, The HSUS has formally asked government regulatory agencies to find alternatives to the test. "Some knowledge can be obtained at too high a price," says physiologist Dr. D. H. Smyth in his book, Alternatives to Animal Experiments.

WHAT IS THE DRAIZE TEST?

More than 35 years ago, Dr. J. H. Draize and several of his colleagues at the Food and Drug Administration (FDA) developed a test to assess the eye irritancy of chemicals and mixtures of chemicals. This Draize test is now routinely used on albino rabbits to test cosmetics, toiletries, pesticides, drugs, and other chemicals before they are put on the market.

The Draize test involves, or can involve, a great deal of pain. It provides crude information on whether or not a substance will irritate human eyes. Because of the animal suffering involved and the poor quality of the information obtained, The Humane Society of the United States along with a coalition of more than 300 local animal welfare groups has asked FDA, other agencies, and the cosmetic industry to devote time and money to the development of an alternative to the Draize test which does not involve the use of animals.

Federal regulations specify that albino rabbits must be used in eye irritancy studies. The rabbits' eyes are by no means ideal substitutes for human eyes. The corneas of rabbits' eyes are thinner than human corneas and rabbits have far less efficient tear glands. Although the nictitating membrane in rabbits' eyes may compensate for the lack of the cleansing effect of tears, this is by no means certain.

Six to nine rabbits are used for each test. One eye of each rabbit is left untreated to serve as a control, while the test substance is forced into the other eye. The rabbits may or may not be restrained in stocks, as shown in the photo. Observations are made 1, 24, 48, 72, and 168 hours after treatment. The substance is then scored on a scale ranging from 0 to 110 developed by Draize and his colleagues which relies on the following features:

(a) the development of opaqueness in the cornea,

(b) inflammation in the iris,

(c) inflammation of the conjunctivae.

The total score is meant to give some measure of the irritancy potential of the test substance.

Twenty-seven years after the Draize test had been developed, two American toxicologists conducted a major survey of its reliability. They distributed twelve compounds to twenty-four government and industrial laboratories, including Avon, Colgate-Palmolive, General Foods, American Cyanamid and the Food and Drug Directorate in Canada. Each was to follow a set procedure in assessing the eye irritancy of each compound. The Draize test was found to be unreliable.

Three of the substances were so mild that no laboratory reported them as irritants. However, there was wide variation on each of the remaining nine substances. For example, after 24 hours, one laboratory reported a median score of 7 for ethoxylated lauryl alcohol while another gave it a 79. These were the extreme scores from the twenty-four different laboratories; but it means that one would report the alcohol as being highly irritant, while another would report it as being a non-irritant. It is hardly surprising that, when the report appeared in 1971, the authors concluded that:

> "Rabbit eye and skin procedures currently recommended by the federal agencies for use in the delineation of irritancy of materials should not be recommended as standard procedures in any new regulations. Without careful reeducation, these tests result in unreliable results."

The FDA conducted a follow-up study and concluded that the data in the 1971 report was essentially correct. However, the FDA authors placed a different interpretation on the results. They argued that the 1971 study had made the mistake of using the Draize test to attempt to discriminate between different grades of irritants. Instead, the Draize test should only be used to distinguish an irritant from a nonirritant and not to determine the degree of irritancy. Using this caveat, the FDA scientists argued that the Draize test could be used to evaluate the safety of a substance in a simple pass-fail manner. Even in this pass-fail situation, here is still no guarantee that a substance which is a non-irritant in a rabbit will be a non-irritant in a human eye and vice versa.

Despite the clear problems associated with the Draize test and disagreement among scientists, it is still being recommended as a standard test for eye irritants by federal agencies.

The HSUS has sent detailed arguments to the government agencies involved, outlining why the Draize test should be dropped and asking them to immediately fund research into alternatives. As part of the arguments, the HSUS pointed out that there are three interlocking elements which lead to the inevitable conclusion that the Draize test can no longer be justified as a routine test for eye irritancy.

(1) The test will cause suffering and, in some cases, a great deal of suffering to the rabbits being used. Many toxicological technicians have expressed strong feelings against the test, especially in those instances where the rabbits scream when the test substance is introduced into the eye.

(2) The information produced by the test is crude at best and totally unreliable at worst. Where routine testing is carried out, a test should be highly reproducible, especially when many different laboratories are involved.

(3) The prospects for developing an alternative to the Draize test are very good. However, time and money are required, and no government agency or commercial organization has yet devoted sufficient time, money, or energy to the task. The techniques are available, but the will to select the best one and to validate it has, so far, been lacking.

WHAT ARE THE ALTERNATIVES?

In April, 1978, a contract research organization in England reported on the results of some preliminary work to develop a cell culture alternative to the Draize test. Three shampoos of known irritancy (low, moderate, and high) were tested. In all cases, the cell system distinguished between shampoos of high and low irritancy. The cell test did not reliably distinguish between the moderately irritant shampoo and the other two. The organization stressed that the results are preliminary and the discriminatory powers of the test need to be improved. They concluded there is "a basis for an in vitro system for the screening of severe irritants as an alternative to the Draize test." Partly as a result of this work and of consumer pressure, several cosmetic companies in England have collaborated to support further research by a single scientist on tissue culture tests for screening irritants.

THE COSMETIC INDUSTRY AND THE DRAIZE TEST

The cosmetic and toiletries industry is currently estimated at a $10 billion per annum market. About 4,000 companies manufacture and sell cosmetics. However, only ten companies control approximately three-fifths of the total market with Avon, Bristol Myers, Revlon, and Proctor & Gamble leading the industry in 1977, followed by Colgate-Palmolive, Gillette, and Chesebrough-Ponds, according to a market survey by Frost & Sullivan.

Some companies do no animal testing and yet market safe products. The reasons for this lack of animal testing differ. For example, Yardley claims to do no animal testing, but this is because their product lines have been on the market for a long time and they have developed no new products which would require additional testing. If they were to develop new products, they probably would test on animals. Some companies do no animal testing because of their ethical stand against the use of animals or animal products. However, companies which take an ethical stand against animal testing are tiny when compared to the industry giants and their products are difficult to obtain except in health food stores.

The cosmetic industry as a whole should be urged to make a positive commitment to deal with the problem of animal testing by developing and validating adequate alternatives. There have been a number of initiatives to pressure the industry into making a positive commitment to "alternatives" but, so far, without success. The most recent and probably most detailed effort was launched by the Coalition to Stop Draize Rabbit Blinding Tests. After a number of efforts to interest Revlon to seek alternatives. HSUS's Dr. Rowan and Mr. Spira of the Coalition met with the Revlon Vice-President of Public Affairs. As a result of that meeting, the Coalition was invited to put forward a proposal for Revlon's consideration.

The proposal pointed out the scientific and ethical problems of the Draize test. It asked Revlon, as one of the leaders of the cosmetic industry, to approach the Cosmetic, Toiletry and Fragrance Association with a proposal that the CTFA should organize a collaborative effort by the industry to develop an alternative to the Draize test which does not involve the use of live animals. As part of the proposal, it was suggested that Revlon should allocate one hundredth of one percent of its gross annual sales to the project as an indication of good faith.

Revlon referred the proposed to the CTFA's Committee on Pharmacology and Toxicology for consideration by a subcommittee which had been established to review short-term testing procedures for the industry. Part of Revlon's response to the Coalition's proposal reads as follows: "Neither Revlon, nor any other single company, can give any assurances as to what action, if any, this committee, or any other committee of the CTFA, may take on this matter, except to say that it will receive consideration." Neither the Coalition nor HSUS consider this to be an adequate response. If Revlon had committed funds to the idea of developing an alternative prior to referring the proposal to the CTFA, it might have stood a better chance of acceptance. Without Revlon's support, the outcome looks bleak.

HUMANE GROUPS FORM COALITION TO ABOLISH DRAIZE TEST

The creation of Henry Spira, a New York City teacher, the Coalition is sponsored by the HSUS and other national groups. Several HSUS staff members, including Dr. Andrew Rowan of the Institute for the Study of Animal Problems and HSUS President John A. Hoyt, are working closely with Mr. Spira, who is serving as coordinator. More than 300 local animal welfare groups have added their support to the Coalition in response to a national appeal.

A number of steps have already been taken by the Coalition. These initiatives include letters to federal agencies, an approach to the Cosmetic, Toiletry and Fragrance Association, and specific proposal to Revlon to help with the development of an alternative to the Draize test.

Unless the company gives some early indication that it will actively support the development of an alternative to the Draize test, the Coalition is prepared to consider other measures, including the possibility of enlisting consumer buying power by requesting concerned humanitarians to stop buying Revlon products.

THE BUREAUCRATIC MAZE AND THE DRAIZE

There are several federal agencies which require eye irritancy testing—either explicitly or implicitly. These include the Consumer Product Safety Commission, the Food and Drug Administration, and the Environmental Protection Agency. The chart outlines their areas of responsibility and the enabling legislation leading to Draize eye testing.

Both EPA and CPSC have based their eye irritancy test requirements on the Draize method in which the albino rabbit must be used. With regard to cosmetics, the FDA has no authority to require test data prior to marketing of a new product, but each new product must either be "adequately substantiated for safety" or bear a warning statement that "the safety of this product has not been determined."

Agency, enabling legislation, address, and chemicals covered:

Consumer Product Safety Commission (CPSC), Federal Hazardous Substances Act, Associate Executive Director, Hazardous Substances Identification and Analysis (CP SC), Washington, D.C. 20207, Includes general household products and consumer items consisting of mixtures of chemicals.

Environmental Protection Agency (EPA), Federal Insecticide Fungicide and Rodenticide Act (FIFRA), Office of Pesticide Programs, EPA, Washington, D.C. 20460, Pesticides.

Environmental Protection Agency (EPA), Toxic Substances Control Act (TOSCA), Office of Toxic Substances EPA Washington, D.C. 20460, Chemicals not covered by other three acts.

Food and Drug Administration (FDA) Federal Drug and Cosmetic Act, Division of Cosmetics Technology FDA, 200 C Street, S.W., Washington, D.C. 20024, Includes cosmetics, ophthalmic products and other therapeutic agents.

OHIO COURT RULES ON DRAIZE TEST

In January, 1974, the Food and Drug Administration (FDA) went to court against the producers of Beacon Castile Shampoo with Lanolin. A young girl using the shampoo had suffered eye damage after some shampoo had gotten into her eye. The Northern District Court of Ohio ruled in favor of the company. The court said FDA had: (a) failed to show that the shampoo was any more hazardous than similar products on the market, and (b) failed to show that the results of tests on rabbit eyes can be extrapolated to humans. The FDA had determined that the shampoo was an irritant by means of the Draize test.

The court also ruled FDA had failed to show that the full concentrate of shampoo might get into the user's eye under normal conditions of use and that the user would not ordinarily flush the shampoo out of the eye immediately.

In a memorandum dated February 6, 1974, the FDA legal counsel argued that the FDA should, in the future, have sound evidence and a consistent medical and scientific rationale for charging potential injury to health. The implications of this argument are that the Draize test does not provide sound evidence for the court; and, therefore, it is arguable whether the test provides evidence to establish the safety of a product.

SUPPORT HSUS EFFORTS TO STOP THE USE OF THE DRAIZE TEST

It causes pain and it's unreliable, yet government agencies and cosmetic companies are still using the Draize test. Why? Because they haven't chosen to explore potential alternative techniques. The economic incentive to find a new test for eye irritancy is not present. It's fairly inexpensive to use the rabbits. Alternatives may cost less but the difference is not enough to spur action.

Reason has not worked. Economic, social, and political pressure are the tools we must employ to end the use of this cruel test. The federal agencies and the cosmetic companies must be convinced of our determination to end the pain and suffering to defenseless creatures.

Your support is urgently needed for a victory on the Draize test.

Your individual action is important, but equally important is the united action of the Draize Coalition and The HSUS. Funds are needed to continue to carry on personal contacts, letter writing campaigns, and scholarly research required to make the research community employ alternative testing methods.

Send your tax-deductible contribution to The HSUS today. Join forces with The HSUS in this essential movement to protect our fellow creatures.

Remember, just saying you like animals is not enough!

WHAT YOU CAN DO

Buy cosmetics which have been on the market for a long time. Usually, well-established or well-known fragrances, lipsticks, powders, etc., which have been marketed for some time have not been tested on animals.

Make an effort to find out if the products you regularly use have been tested on animals. Ask sales clerks, write to the companies, read the labels.

Write to the Cosmetic, Toiletry and Fragrance Association, 1133–15th Street N.W., Washington, D.C. 20005, stating your objection to the Draize test. Ask that they orchestrate a collaborative effort by the industry to develop alternatives. They may send you a pamphlet entitled: "Animal Testing: What are the Choices?" This pamphlet is directed to the whole field of animal testing and not just the Draize test.

React to the pamphlet! Write back and explain the results on the 1971 survey which revealed the unreliability of the Draize test. Tell them about the Ohio court case. Send copies of letters and replies to The HSUS.

Write to the Food and Drug Administration stating your objection to the Draize test. Ask that FDA begin the search for an alternative now!

Write to the cosmetics companies themselves. Urge them to support the search for alternatives. Ask them to allocate one-hundredth of one percent of gross annual sales to finding an alternative as suggested by the Coalition. Stress your objections to the use of rabbits by them or companies they have contracted with for research. Remember, every letter is valuable. Some companies will initiate action after receiving very few letters.

Use the elements of this *Close-Up Report* to write a letter to the editor of your local newspaper. Send copies to HSUS.

Write letters to the editors of magazines you read, especially magazines which carry cosmetic advertising. Your letter might be printed. Or, better yet, you may give an editorial person an idea for a story.

[From the New York Post, Mar. 27, 1980]

ANIMAIL

(By Cleveland Amory)

I recently saw a picture of rabbits in what looked like old-fashioned stocks, like the ones in which they used to put criminals. They were in a laboratory. I've heard that cosmetic companies use rabbits for something, and I have two questions. Is it as awful as it looks, and is anything being done about it?

S.H.,
Yorktown Heights, N.Y.

In answer to your first question, what you probably saw was a picture of the Draize Eye Test, named after its developer. The rabbits are indeed restrained in a stock like device. This test is regularly used not only by cosmetic companies, but by just about anybody else to test anything which may be harmful to human eyes—from cosmetics to lye.

Rabbits are used because they are cheap and nobody cares about them or what happens to them, and they have the rotten luck to have eyes which are even more sensitive than our eyes are. And, as if this weren't enough, they have no tear ducts to wash away the testing substance.

Rabbits break their backs trying to escape in these stocks, and they also go blind. As philosopher Tom Regan put it, "Consider how very painful it is to get a mildly caustic substance, like face soap, in your eye. Now imagine a dose of an increasingly caustic substance regularly administered directly to your eye. And imagine that nothing is done to alleviate your pain and that, as a result of this routine, your eye is burned out of its socket. . . ."

In answer to your second question, yes, something is being done about it. No less than 300 humane organizations, perhaps the largest coalition ever, have banded together to fight this one vicious laboratory cruelty. Furthermore, they have zeroed in on just one leader in the field, Revlon. Revlon is by no means the only user of rabbits but it uses a lot of them and, as Henry Spira, coordinator of the coalition writes, "None of the 2,692 helpless rabbits forced into Revlon's Research Center, 945 Zerega Avenue, Bronx, N.Y., are given any pain relief during these shameful experiments—in which helpless rabbits are enduring terrible suffering even as you read these words."

There are, of course, other methods of testing. If you want to know more about these, I suggest you write first to Revlon, and then to me, and I will see that you have an answer to their answer. Revlon has at least ordered a committee to study it.

BEASTLY TREATMENT

(By Jane Gregory)

"I don't want to make anyone sick," said Henry Spira, quickly flipping a new slide onto the screen. The photograph was of a procedure called the Draize test in which conscious rabbits have their heads held in stocks for up to 12 days while oven cleaners, shampoos and assorted toxic chemicals are forced into their eyes.

There were other pictures—cats with electrodes implanted in their brains, beagles bred and sold for vivisection, monkeys radiated and running in a treadmill until death.

During the last few years, Spira has collected detailed documentation on how more than 300,000 laboratory animals are killed each day in the United States. That death, he notes quietly, is their only salvation after days and years of horror. Some 100 million animals annually are driven insane, suffocated, poisoned, battered, radiated, crushed, blinded, scalded and mutilated. In 85 per cent of the cases, the torture is administered without anesthesia.

The holocaust of suffering and slaughter invariably is in the name of science and research. It is unfortunate, we say, but necessary. If not animals, what? Better them than us. Well-being for humanity is the end that justifies the means.

Until recently, anyone questioning the morality of animal experimentation was usually dismissed as part of the lunatic fringe, a hopeless sentimentalist or both. Today, that perception is changing, in large part due to animal rights activists who dare to challenge not only the ethics involved but also the reliability and practical value of such research.

There are animal protection organizations, writers, public officials, scientists (including Nobel laureates), students and a variety of laymen.

And then there is Henry Spira, a man clearly in a class by himself because of the impressive list of specific reforms he has organized and pushed in a style no individual or organization has ever matched.

A political pragmatist, this English teacher given to sneakers and baggy trousers is totally dedicated.

Spira's accomplishments include spearheading the successful battle against an American Museum of Natural History program in which experimenters mutilated hundreds of living cats and kittens, slicing into their brains, cutting out their eyes, subjecting them to terminal electro-physiological studies and other horrors.

The grisly work went on in secret and cost an estimated $435,000 in grants. The purpose? Observing the changes in the altered animals' sex lives. Even after Spira started focusing public attention on the situation, the museum defended the experiments on the basis of its "freedom to study whatever it chooses without regard to its demonstrable practical value."

Spira also led the campaign to repeal New York's law requiring shelters to surrender animals to research laboratories and another effort that ended Amnesty International's electrocution experimentation. The organization, which works against political torture, was shocking pigs to determine if humans could be tortured with electric shocks without receiving permanent scars. "We convinced them that even if they found out what they were looking for, it wouldn't do them any good anyway," Spira explains. "If the torturers were worried about it, they would just kill their victims."

Spira acquired his tactical skills from long personal involvement in trade union reform, the civil rights movement and Vietnam War protests. Anyone who sends him money to help his crusade receives that contribution back. He never gets paid for his efforts. He prefers the freedom to act on his own conscience without financial strings.

A teacher in a New York public high school, he spent his youth in the Merchant Marine. Then there was a hitch in the Army during the Korean War, time on an assembly line and assorted other jobs before he worked his way through college into his teaching job.

"I've been involved in the human rights movement since I was a kid, really," he explained recently before addressing an audience gathered at the Anti-Cruelty Society, a local member of a national coalition Spira is forming to abolish the Draize test.

"About four or five years ago, I saw animal rights as an extension of the same thing I had been into. There are connections between all struggles for justice. I don't like to get pushed around myself and I don't like to see others get kicked around either. On the domination scale, animals are on the bottom of the whole heap. What gives us the right to take their lives just because we have the power to do it? Also, animals can't organize in their own defense. For me, it's a matter of consistency.

"The crucial point is that animals are not things. They have feelings. Their life means as much to them as my life means to me or yours means to you. Pleasure and pain are as vivid to them as they are to you and me. What gives me the right to mess them over unless I accept the idea that might make right, of tyranny?

"Right aren't, or shouldn't be, based on popularity or intelligence or sex or age. I think what's happening is the same thing as doing the experimental surgery on retarded children or the syphilis experiments on poor blacks or testing placebos on poor Mexican women. All these groups are vulnerable and not able to do anything about it. They can't fight back, they don't have access to power channels. And as long as there's grant money available, the experimenters don't care."

Now a strict ethical vegetarian ("I don't eat them and I don't wear them"), Spira nonetheless recognizes that appealing for support on the ground of morality alone is futile. He has, therefore, challenged the position that animal experimentation is essential to the mental and physical health of humans.

"The elegance of science can be measured by its capacity to predict. Here we are with I don't know how many hundreds of millions of animals tortured and killed and with all this killing, all this inflicting of pain and what good has it done for humans? We should be the healthiest nation on Earth.

"All behavorial testing, including Pavlov, has not done one thing to raise the quality of one person's life ever. How is it going to improve the quality of life by creating more victims?"

Medical tests are equally vulnerable, he believes. "The research community itself is questioning their validity. Nobel Prize laureate biologist James Watson has branded the war on cancer a 'total sham' and 'political log-rolling.' David Kennedy, a commissioner of the Food and Drug Administration, has stated that, 'Compared with most other contemporary biological techniques, animal testing is crude, cumbersome, and expensive.'

"We know how to produce tumors in animals but what do we know about humans? Animal testing has been institutionalized. The reason they have to keep doing these really crude experiments is that that's where the money is. The government says even if other tests are developed you still have to test animals. It's Kafka, almost as if we're programmed from the time we start slicing up frogs in school to believe that science and research is hacking up animals. Eighty to 90 percent of cancers are environmentally caused, but only about 2 percent of the funds go to studies of incidence and trends of cancer in human populations. It's crazy.

"There's no relevance between what the experimenters are doing and science. It's antiscience because they're against progress and pushing things forward. It's not rational to do tests that you know the answer to in school that have been done hundreds and millions of times before.

"In a way, the measure of a society is how it treats those who are powerless. I don't think we're doing too well."

SPIRA'S TEST CASE

Henry Spira's current campaign is aimed at abolishing the Draize eye irritation test. Here is an excerpt of his description of that issue.

"Think what it feels like to get just a little soap in your eye. Now, imagine, increasingly harsh materials being forced into your eye. And imagine being imprisoned in a coffin-like box with only your head sticking out. Think of the trauma, the panic and the burning pain. That's the life of tens of thousands of laboratory rabbits.

"And despite the unimaginable suffering, the research community itself reports that results from the Draize test are crude and unreliable. For instance, a comprehensive study by Weil and Scale of 25 laboratories found 'extreme variation' in evaluating the same chemicals on rabbits' eyes: Yet, this grotesque test has remained unchanged during the last 35 years. We want to stop the cruel Draize rabbit blindings. And we can do it together.

"To date, despite massive publicity and significant funding, not one single animal test has been displaced by alternatives, even though much research has been generated concerning the accuracy and reliability of alternatives.

"We will challenge the archaic ritual whereby regulatory agencies force the testing of every chemical on tens of millions of animals. We'll focus on a single, grotesque, massively used and particularly vulnerable live animal test, the Draize rabbit eye mutilations, as a specific, concrete target."

PROTECTION OF HUMAN SUBJECTS IN RESEARCH PROJECTS

Mr. MOYNIHAN. Mr. President, there is currently underway in the Department of Health, Education, and Welfare an effort to draft final regulations for the protection of human subjects in research projects supported by, or conducted in institutions that receive, Federal funds.

This is an undertaking with profound implications and sweeping consequences, and it warrants close attention by the Congress. For, as with most exercises of Federal regulatory power, it entails a careful balancing of quite different interests and objectives. On the one hand, human beings must be safeguarded from being harmed by research projects in which they are subjects. On the other hand, free inquiry and the advancement of knowledge require a minimum of constraints on the research enterprise. Of particular concern in the present instance is the transition from biomedical research—where the physical well-being of the subjects may be involved—to social science research, which frequently entails nothing more invasive than observation or opinion-polling.

In order to widen the understanding of these sensitive, complex and controversial matters, I ask unanimous consent that the following items be printed in full in the RECORD.

First. An article by Robert Reinhold from the April 23 1980 New York Times.

Second. An article by Prof. Ithiel De Sola Pool from the spring, 1980 issue of the Public Interest entitled "The New Censorship of Social Standards." I would note that Professor Pool, himself a distinguished scholar, has been perhaps the most thoughtful and vigilant social scientist to have participated in the debate over these matters for the past several years.

Third. A letter to F. William Dommel, Jr. of the National Institutes of Health from Prof. James Q. Wilson of Harvard University.

Fourth. A letter to Mr. Dommel from President Jack Peltason of the American Council on Education and a number of his associates, on behalf of the higher education community.

Fifth. An analysis of the proposed HEW regulations by Professor Pool, dated September 9, 1979.

Sixth. An article by Prof. Paul Seabury in the August 1979 issue of the American Spectator entitled "The New School Tie."

Seventh. An exchange of letters between myself and former HEW Secretary Califano in early 1979, dealing with the recommendations of the National Commission for the Protection of Human Subjects, recommendations that underlay the proposed regulations issued by HEW last summer and the final regulations now being prepared.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the New York Times, Apr. 22, 1980]

GUIDELINES ON STUDIES OF HUMANS STIR PROTEST

REVISED RULES WILL BE ISSUED THIS SUMMER

(By Robert Reinhold)

WASHINGTON, April 21.—A dozen little-known Federal officials begin a task tomorrow that, when it is finished this summer, will profoundly influence the way medical and behavioral research is done in this country for years to come.

The deliberations of these officials from the National Institutes of Health, the Food and Drug Administration and other agencies will be watched closely, and with some trepidation, by the scholarly world. For these powerful bureaucrats are charged with writing new Federal regulations to prevent the kinds of abuse of human beings by medical and social experimenters that have stirred wide public outrage in recent years.

An earlier version of the proposed regulations has already evoked a storm of protest—but also some praise—from scholars, particularly from social scientists and historians. Ithiel de Sola Pool, a political scientist at the Massachusetts Institute of Technology who is leading a campaign against the regulations, has called them "grossly improper" and an "unconstitutional" infringement on free speech.

The proposed regulations set forth new ground rules by which institutions receiving research money from the Department of Health, Education and Welfare must review and approve research undertaken by their professors and students.

All but certain exempted categories of human research would have to get prior approval from a special campus ethics board, called an institutional review board, or I.R.B., which must determine whether the researchers have taken care to protect the subjects from undue harm. The rules would apparently extend this concept beyond medical research, in which the possible risk from unproven drugs or novel surgery is clear-cut to the realm of social and historical research in which the risk, if any, is often indirect and very speculative.

Research is defined very broadly as any "formal investigation designed to develop or contribute generalizable knowledge." Critics contend that the regulations would carry the Federal Government far beyond its legal mandate and would trample academic freedom, curtail free speech and undermine the quality of research.

At first glance, the proposed regulations seem to invite odd situations. For example, a strict reading might force a historian seeking to interview a former President to get the approval of his school and perhaps even the written "informed consent" of the subject. Or a political scientist might have to ask permission to read the remarks of politicians in a newspaper.

Professor Pool and other scholars maintain that this would impose restrictions that would not affect them if they were journalists.

The regulation writers and their academic defenders say that such literal and absured reduction of their meaning is unwarranted. But they concede that the final regulations will have to be more precisely worded.

COMPLAINTS ABOUT RED TAPE

Research institutions have long complained that the existing regulations, dating to 1967, have bogged them down in red tape because of the need to give full ethical review to all research. The rules are so vague that different institutions have interpreted them in vastly different ways, some finding possible risk in all work and others seeing few risks. Rosalyn Yalow, a Nobel Prize-winning medical physicist at the Bronx Veterans Administration Hospital, recently complained to a Congressional committee that she had to get a review board's approval just to use urine specimens that were to be discarded. The new regulations would allow such use, along with collection of such things as nail clipping sweat and "deciduous teeth" after only a cursory review. The proposed rules call for "expedited" reviews in cases involving minimal risk.

The efforts to devise new rules for research on humans serves well to illustrate the cumbersome, even tortured, way in which policy on scientific and other matters is made in Washington. It has been eight years since Congress passed the National Research Act, setting up the National Commission for the Protection of Human Subjects of Biomedical and Behavioral Research. In 1978, the commission finally recommended new rules.

Last August the National Institutes of Health, an arm of H.E.W., substantially accepted the recommendations. The publication of the planned rules brought more than 400 written responses from scientists and institutions. When the committee completes its work on the final regulations, its proposals will be subject to further comment and to approval from many different officials including the Secretary of Health, Education and Welfare.

Charles R. McCarthy, head of the health institutes' Office for the Protection from Research Risks, is the committee's chairman.

The proposed rules are the result of some shocking reports of insensitivity on the part of physicians and scholars in the past toward the subjects of their research.

In 1963, a researcher at the Jewish Chronic Disease Hospital in Brooklyn was reported to have injected live cancer cells into elderly, noncancerous patients. In Alabama, Public Health Service doctors allowed a group of poor black men with syphillis to go untreated to study the long-term effects of that disease. In 1961, a psychologist at Yale University deceived subjects into believing that they were inflicting painful electric shocks on others in a "learning" experiment. Many gave the "shocks" but were wracked with remorse and guilt.

What has particularly enraged and perplexed scholars is that the proposed regulations give the institutional review boards the authority not only to assess the risks to subjects but to determine if the research methods are "appropriate" to the objectives of the research and the field of study. This seems to give the review board, which is made up of at least five members, including a nonscientist, the authority to judge research in areas in which it might have no expertise.

Gerald J. Lieberman, dean of research at Stanford University, calls the proposals "frightening," and argues that the quality of research should be left to the traditional method of peer review. But the stickiest point may be N.I.H.'s attempt to extend the biomedical model to the social sciences. The rules would define a human subject as anyone about whom a researcher has obtained "identifiable information." This would seem to apply even to taking notes from a newspaper. The commission originally defined it as "identifiable private information."

The regulation writers, aware of the social science problem, proposed a series of exemptions meant to relieve them of the burdens of the review process. However, in so doing they seem to have made things worse. For example, the rules would exempt research involving the observation of public behavior and the study of documents, records or pathological specimens—but only if the information is recorded so that subjects cannot be identified. This would seem to compel a scholar to get permission to read the Congressional Record.

Similarly, survey research is exempted, but only if it does not deal with "sensitive topics" such as sexual behavior or illegal conduct. Scholars point out that journalists write about such things with no restrictions.

"The root problem lies in the failure to distinguish between the kind of harm risked by some biomedical research and the kind that can occur in some social research," wrote Prof. Edward L. Pattullo, a social psychologist at Harvard, in the March issue of IRB: A Review of Human Subject Research, published by the Hastings Center. "The possible harm that inheres in most social research is of a kind that we decided long ago we must risk as the necessary price for a free society," he wrote.

But even Professor Pattullo recognizes that social research can potentially harm its subjects. Anthropologists, for example, participated in Project Camelot, a federally sponsored study of South American Indians. Innocent villagers cheerfully cooperated in the study, whose underlying purpose was to devise counterinsurgency plans against them.

Such instances have led some social scientists to support the proposed regulations. For example, Kenneth C. Prewitt, head of the Social Science Research Council, finds them "a major step forward on the whole," although he still has reservations about their application to survey research.

And Prof. Bernard Barber, a sociologist at Columbia University who has studied the behavior of the scientific profession, decries what he calls the "absolutist stand" taken by scholars like Professor Pool. "They do not ever want supervision by their colleagues," he said, "But it does not hurt to have one's consciousness raised."

Robert J. Levine, a Yale medical professor who is editor of the journal IRB, also largely supports the new rules. But he prefers to exempt certain broad areas of research, mainly social, from prior approval. Instead he suggests a mechanism by which researchers who harm their subjects in such work be punished afterward. "We spend tremendous amounts of time reviewing research that presents little problem," said Dr. Levine, who is on Yale's 24-member review board.

[From the Public Interest, Spring 1980]

THE NEW CENSORSHIP OF SOCIAL RESEARCH

(By Ithiel De Sola Pool)

This is a story of bureaucratic elephantiasis. It starts with a 1963 incident in which Sloan-Kettering researchers injected live cancer cells into patients for an experiment. This led the U.S. Public Health Service to seek ways to protect itself from possible scandalous behavior by its grantees. When it made grants, the Public Health Service required the recipient institutions to set up review boards to check that subjects in the experiments it was supporting not be subjected to untoward risks. From those reasonable precautions we have come to a point where regulations by the Department of Health, Education, and Welfare will require that a university student or professor, whether he is funded by HEW or not, secure permission from a censorship board before he even interviews anyone!

In its initial procedures the Public Health Service was sensitive to the dangers of bureaucratic oversight, and asked universities and hospitals to set up their own boards to do the policing. Then in the late 1960's and early 1970's application of the procedures was extended from Public Health Service grants and contracts to grants and contracts by any part of the Department of Health, Education, and Welfare. By 1974 the "E" and "W" parts of HEW discovered that rules and guidelines that had been drafted in the "H" part applied to them, too. By that time, "harm" to human subjects had been construed to mean not only physical harm but "psychological" and "social" harm as well. Possible breaches of confidentiality were increasingly treated as justifying Institutional Review Board (IRB) control, as much as did risks of bodily harm.

After 1974 the rules were broadened in still another way. HEW's obligation to protect human subjects was interpreted as requiring the Department to withhold grants from institutions that mistreated human subjects, whether or not the abuse took place in research that HEW was supporting.* Thus, as in affirmative action cases, HEW-aided institutions were told that they had to apply IRB procedures to all research on human subjects, not just to research done under HEW grants.

By 1974 there was enough confusion as to just what the scope of the regulations was, or what it should be, that Congress passed two amendments to the Public Health Service Act. One amendment, in what was called the National Research Act (P.L. 93–348), specifies that applications by an institution to HEW for grants or contracts must be accompanied by "assurances satisfactory to the Secretary that it has established (in accordance with regulations which the Secretary shall prescribe) a board (to be known as an 'Institutional Review Board') to review biomedical and behavioral research involving human subjects conducted at or sponsored by such entity in order to protect the rights of the human subjects of such research."

No definition of "human subject" or of "behavioral research" was given. There was no clue as to whether it included social or political research. The wording is obscure also as to what authority, if any, the Secretary has to control research. The only thing that is clear is that he or she must be assured that an IRB exists. Conscious of the confusion and the variety of ways the rules were being interpreted, Congress also, in another amendment to the Public Health Service Act, mandated the establishment of a National Commission for the Protection of Human Subjects of Biomedical and Behavioral Research.

The Secretary appointed to the Commission three M.D.'s, three lawyers, a physiological psychologist, a behavioral biologist in a medical school, a professor of bio-ethics at a medical school, a professor of Christian ethics, and a black woman. No social scientists were included, a clue perhaps to what the Secretary assumed was the Commission's field of action. But the Commission saw its task in grander terms. Unrestrained by humility or wisdom, the Commission after 42 months produced a report that can charitably be described as an ignorant exercise in unabashed authoritarianism.

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* Since this article was drafted, Joan Bernstein, General Counsel of HEW, stated in a letter to *The New York Times* that the present rules apply only to research funded by HEW, but that the proposed rules would apply to all university social research. This interpretation of the present rules is a welcome correction. Universities for some time, however, have been given the clear impression that all research is already bound by the HEW rules and have acted on that understanding. There has been considerable confusion on this issue, and it ought to be straightened out.

The Commission chose not to limit itself to protecting subjects from the medical risks with which the whole discussion began, but instead set out to assure the "ethical" conduct of research. Furthermore, it seemed obvious to the Commission that there should be no double standard. The ethical principles that applied to HEW-sponsored research should be applied to all research using human subjects. The Commission also concluded that harm was not just a medical matter; researchers could also do psychological and social harm to their subjects. According to this argument IRB's should not be limited to biomedical or experimental research but should also review social research. Even unfunded questionnaires or survey studies should be subjected to prior review. Having received this report HEW announced a rulemaking, to revise its regulations and to take account of the advice it had been given.

Political scientists, sociologists, historians, and economists, for the most part, did not even know that this attack on their freedom of action was taking place—and indeed most still do not. There had been only sporadic cases in which IRB's had tried to exercise authority beyond questions of physical risk, though the number of such cases was increasing. Internal HEW documents at that time were already referring to the frequent use of IRB's to stop research that might cause political trouble for a university, and to the growing rage of social scientists at the application of IRB procedures to them. For example, an IRB initially tried to stop Michael Ross' interview study of resistance to Boston school desegregation on the ground that the respondents' replies, if subpoenaed, might provide evidence of violation of the law. Cases like that only gradually began to enter the consciousness of the social science community.

The protests received by HEW against the rulemaking, though not many, were enough so that officials of the Department realized they had a thorny problem. The rule drafters tried to solve the problem by drawing up a list of specific kinds of research that would be exempted from review. That list went through various drafts, was leaked to the social science associations for their comments, became the focus of an internecine battle between the Secretary's office and the administration of the National Institutes of Health (NIH), but in the end kept social and interview research under prior review, though with specific exceptions.

The proposed regulations that the bureaucracy had prepared, and was pushing on the Secretary, were signed by Joseph Califano—along with a large mass of other papers—only after he was fired, and on his last day in office. Whether, as his friends aver, they slipped through inadvertently in the mass of documents, or, as his enemies assert, they represented his personal belief on which he now had to act, time pressure stopped a process of interest-group conflict that had been impeding action.

And so, on August 14, 1979, the proposed regulations appeared in the *Federal Register* and a comment period ending on November 14 was announced. The regulations are now being revised and can be expected to be finalized about a year from now in a form about which we can only speculate. Thus all we can do at present is describe the ambiguous rules now in force (which are only sporadically enforced, but which in most universities are interpreted as already requiring prior review of political and social interview studies), as well as the quite unambiguous proposed rules.

THE PROPOSED RULES ABOUT "HUMAN SUBJECTS"

The proposed HEW regulations on research using human subjects contain a definition of a human subject. A human subject is "an individual about whom an investigator (whether professional or student) conducting research obtains 1) data through intervention or interaction with the person, or 2) identifiable information." A conversation or interview is clearly interaction with a person. A file of clippings from newspapers is clearly identifiable information. So if a professor talks to a politician for his research or if a student copies down how Congressmen voted on a bill, they are both "using human subjects" and should get permission from a review board first.

The proposed regulations specify that "prior and continuing review and approval by an Institutional Review Board is required for the conduct of all research involving human subjects not funded by the Department." The sanction behind the requirement is the possible loss of HEW funding for *other projects* at the institution. In other words, the massive HEW support of American universities will be used as a sledge hammer to compel prior review of non-HEW research.

The proposed regulations extend the scope of IRB authority far beyond that necessary to prevent harm to subjects. The regulations say that: "In order to give its approval, the Board must determine that all of the following requirements are satisfied: (1) The research methods are appropriate to the objectives of the research and the field of study. . . ." *The censorship board is now to be a judge of scientific soundness!* And the proposed regulations apply to all research "by" or "at" institutions receiving HEW funds. So a university must regulate even the work of a visiting scholar or risk losing its HEW funds.

Thomas Bartlett, the President of the Association of American Universities, has described these regulations as either absurd or revolutionary. If, as is most likely, no one pays much attention to them, they are absurd. If by any chance they ever get enforced, they would be revolutionary. The regulations would change the whole nature of a university, transforming it from a loose community of independent scholars, each doing research at his own will, into a disciplined staff whose research would most certainly be controlled because the actions of each puts at risk the income of all the others.

The regulations would firmly establish prior restraint in America. The recent Wisconsin *Progressive* case (involving a magazine planning to publish an article utilizing mistakenly declassified information on building an atomic bomb) settled little in terms of the larger issues of prior restraint. At most it advanced the notion that under very extreme circumstances there may be exceptions to the general ban. But the HEW rules would establish prior restraint where the embarrassments and annoyances at issue are hardly in the class of nuclear secrets.

The regulations would reverse the ethical norms of the policy sciences. Political scientists and sociologists—like journalists—often see their public duty as that of exposing abuses perpetrated by the very persons they study. Their "human subjects" are not clients. The researcher's primary responsibility may not be to protect and help those subjects but rather to help and protect the public by exposing the "subjects." The regulations would require all research relations to conform to the model of the helping professions such as medicine. That the proposed regulations are absurd, revolutionary, and unconstitutional is so obvious that we need hardly to argue these points further.

THE GESTATION OF THE RULES

More to the point here is to seek to understand the policy processes that allowed such an onslaught on constitutional freedoms to occur, and that may still allow the regulations to be enacted. Three political mechanisms deserve to be noted:

1. The Reification of the Possible. Lauren H. Seiler and James M. Murtha in an article in Freedom at Issue (November-December, 1979) note that the Commission could have made a systematic review of the incidence of harm done by social research, but did not:

"Consideration of a few empirical studies was judged sufficient to recommend prior review of virtually all [social]. . . . A few extreme examples of research using deception were used as a primary basis for justifying regulation for virtually all empirical social research. Rather than recommending regulation from evidence of ethical abuse, the Commission used a technique which might be termed "logical possibility"—considering whether a given research strategy could possibly cause harm to subjects or violate ethical principles. Using this criterion, the Commission found potential harm or unethical behavior in all forms of human-subject research."

Not just from the Commission, but in HEW, numerous IRB's, and in casual conversations, social scientists who claim that they have an unabridgable right to do research without reference to the opinion of an IRB, are repeatedly met with the rejoinder, "Do you really think that social research can do no harm?"

Seiler and Murtha have conducted a survey on the actual evidence of harm. Only 2 percent of their sample of chairmen of sociology departments and of IRB's claimed to have *either* first-hand *or* indirect knowledge of any harm to respondents from survey research. Yet 69 percent reported that their IRB felt it necessary to modify or delete items and 49 percent to alter the methods used, and 25 percent of IRB chairmen reported that their board had banned at least one survey study.

2. *Self-Exemption*. HEW officialdom may apply the cautious logic of possibility to research in the outside world, but intramural research by parts of HEW itself is a different matter. The rule drafters—whether in an office for Protection From Research Risks at NIH, or in the General Counsel's offices at NIH or HEW—know that no regulations will survive intramural hurdles if they promise to have the same chilling effect on government research that they will have on extramural research. So in the list of exemptions one will find special escape clauses for the various interest groups within HEW:

". . . [R]esearch conducted in established or commonly accepted educational settings, involving normal educational practices, such as (A) research on regular and special education instructional strategies, or (B) research on the effectiveness of or the comparison among instructional techniques, curriculum, or classroom management."

The exemptions protecting that class of research from review will keep the experimenters in the "E" part of HEW happy.

Similarly, another clause exempts other Department interests:

". . . [R]esearch involving solely the use of survey instruments if: (A) results are recorded in such a manner that subjects cannot be reasonably identified, directly or through identifiers linked to the subjects, or (B) the research [although not exempted under clause (A)] does not deal with sensitive topics, such as sexual behavior, drug or alcohol use, illegal conduct, or family planning."

Why the words "survey instruments" and not the word "interviews"? Formal surveys are done for large organizations like HEW. And in fact, though informal interviews by an individual scholar are far less likely to do significant harm than are large-scale surveys, protecting the work of the individual scholar is of little concern to HEW.

There are other instances in the proposed regulations in which exemptions for "large scale" research are not given to small-scale research. For example, special treatment is given large-scale research on "the effects of proposed social or economic changes" as well as on "research designed to study on a large scale . . . methods or systems for the delivery of or payment for social or health services." What is being exempted here are HEW's own service-provision experiments.

HEW has special reason for wanting those experiments exempted from review—trouble with the National Welfare Rights Organization. In 1975 the latter challenged in court a Georgia Medicaid-HEW co-payment experiment on the grounds that the aid recipients who were undergoing special payment arrangements were "human subjects" and HEW had not followed its own rules requiring IRB review. In *Crane v. Mathews* a federal district court sustained this argument, and HEW chose not to appeal. One effect was to require the Governor of Georgia to establish an IRB, or utilize an existing one. He turned to one in a local university composed almost wholly of biomedical specialists. They concluded there was a risk and so the experiment was banned.

By not appealing *Crane v. Mathews*, HEW allowed a legal precedent to be established to the claim that human-subjects regulation applies to social research, but at the same time its own experiments became subject to legal harassment by such groups as welfare mothers. So the proposed rules provide HEW with an exemption against that possibility.

3. *The Game of Congressional Intent.* American courts, when interpreting ambiguous legislative mandates, have always taken account of evidence of congressional intent. In recent years, however, as the burden of legislation has grown, as issues have become more complex, and as it has become harder to get a majority vote out of Congress on complex issues, the Congress has sought short-cuts around the legislative process. The practice of authorizing executive action unless stopped by vote of Congress is one such device by which the balance of initiative between the two branches is reversed. Another is the deliberate establishment of a record of "legislative intent"—usually by means of statements on the Senate and House floors or in committee hearings—without going through the difficult process of getting a majority vote in both houses on the particular matter in question. It is a pernicious development because it gives legal sanction to the views of the small group of interested committee chairmen, who largely establish the records of intent, rather than requiring them to put their views to a plenary vote.

The issues on which legislative intent is most significant in regard to censorship of human-subjects research are whether HEW rules are intended to apply to non-HEW-funded research, and whether they are intended to apply to social and political research. HEW has claimed that its expansive regulations reflect congressional intent.

The organized academic community has made a powerful case "that Congress did not intend to authorize regulation of research not funded by the federal government." Its contention is presented in an appendix to a letter signed by officers of the American Council on Education, the Association of American Universities, the Social Science Research Council, the American Political Science Association, the American Sociological Association, the American Anthropological Association, the American Historical Association, and five other such organizations. Their statement notes that the bill that set up the National Commission for the Protection of Human Subjects treats quite differently the role of the Commission in regard to federal and non-federal research. The law tells the Commission to "develop guidelines" for "the conduct of biomedical and behavioral research involving human subjects," but it asks for "recommendations to the Secretary for such administrative action as may be appropriate to apply such guidelines to biomedical and behavioral research conducted or supported under programs administered by the Secretary."

The report of the Senate Committee on Labor and Human Resources made clear the limits of the Commission's authority:

> The Committee agrees with those witnesses who testified that the scope of the inquiry, findings, and procedure of such a national commission should cover all biomedical and behavioral research involving human subjects. But the Committee also recognizes that its jurisdiction is limited to those programs and activities defined in the Public Health Service Act, the Community Mental Health Centers Act and the Development, Disabilities Act. . . . *The Committee has therefore limited the jurisdiction of the Commission accordingly.*" [Emphasis added.]

In its analysis of the act the committee affirmed that the duties of IRB's "would include responsibility to locally establish policies of review of research *sponsored at least in part by the Department of Health, Education and Welfare.*" [Emphasis added.]

Furthermore, it is hard to conceive that if the U.S. Congress intended to impose precensorship on political and social research it would do so through the vehicle of the Public Health Service Act, after ten days of hearings limited to biomedical problems, and without the involvement of any committee but one concerned with health matters!

To a degree HEW has perceived the same points. The Commission wanted IRB censorship extended to social research, but concluded that congressional authorization was necessary for this. The proposed regulations announced by HEW operate differently on HEW-supported and other research. For the former, the rules lay out elaborate details of procedure. For non-HEW-supported research the sole requirement is that IRB's conduct "prior and continuing review" of the studies; the procedures of review are left to the universities.

But how, in light of the record, can HEW find a congressional intent for the requirement of prior and continuing review? The written record provides no answer. What is particularly disturbing is that HEW bureaucrats' "oral answers spoken softly" contain an unprovable and sycophantic claim that the chairman of the Health Subcommittee of the Senate Labor and Human Resources Committee, who happens to be a particularly potent political figure—Senator Edward Kennedy—wants it that way.

Is it true? Probably not. No serious evidence is offered. It is true that the Senate committee, in the non-action clauses of their documents, presents much high-flown rhetoric on ethics in research. The charge to the Commission begins with the instruction to "conduct a comprehensive investigation and study to identify the basic ethical principles which should underlie the conduct of biomedical and behavioral research"—a charge better suited to Iran's "Revolutionary Council" than to an American political commission. But there is at least as much reason to suspect that the alleged views of Chairman Kennedy are being used in the game of congressional intent, as there is to believe that he has any considered views on the complex of issues that carry the regulations beyond the biomedical sphere in which the Senator has had a keen interest. Yet the rule-drafting bureaucrats understand well that somewhere in the activities of the committee with which they work they must find a congressional intent, and so they try. They are doing it, after all, in what they believe to be a good cause.

HARVARD UNIVERSITY,
November 8, 1979.

F. WILLIAM DOMMEL, Jr.,
Assistant Director for Regulations, Office of Protection from Research Risks, National Institutes of Health, Bethesda, Md.

DEAR MR. DOMMEL: I write to comment on the Proposed Regulations regarding the protection of human subjects of research.

I oppose the regulations now in effect and the proposed revisions to them on the grounds that they are an unnecessary imposition on research that does not threaten in any significant way the essential rights of human subjects. You have by now, no doubt, received many letters from scholarly societies, university officials and individual professors making this argument in general terms: little would be served by repeating them.

Let me instead add a personal note, based on my own career—a career not dissimilar to that of scores of other researchers. I study persons in various organizations to learn how these organizations operate and what effect they have on public well-being. I have published books on the police (Varieties of Police Behavior), the FBI (The Investigators), political parties (The Amateur Democrat), city governments (City Politics), lobbying organizations (Political Organizations), and regulatory commissions (The Politics of Regulation). Others will have to assess their value, but I can report that in 1977 the American Political Science Association conferred on me the Charles E. Merriam Award for a scholarly career that was distinguished by the application of social science research to public policy.

Suppose, now, that the HEW regulations had been in effect when I began my first research project in 1958. Suppose that during the ensuing twenty-one years, the "Institutional Review Board" had been composed, from time to time, of persons unsympathetic to my research interests or methodology or inclined to take a narrow view of the regulations. Such a supposition is not unreasonable; men (and women) are not angels, spite and prejudice are common human attitudes, and even universities have been known to ensnare themselves in red tape. Indeed, the supposition gains strength when one realizes that in many universities, the task of serving on IRB's would in time fall precisely to those persons actuated by narrow interests or without other activities (teaching, research) to occupy their time. Dull tasks eventually attract Pecksniffs.

If you grant this supposition, then it is quite likely that much of my scholarly career would have been blighted. There would have been delays while I justified research on black politics to somebody who wondered whether I was going to be "fair," on the FBI to somebody who thought I should get a signed "informed consent" agreement from each agent, and on the police to the campus radical (or the campus reactionary) who wondered whether I had the "right attitudes." If I employed research assistants, what they did would be reviewed. Since I rarely employ standardized questionnaires, I would have to go into considerable (and speculative) detail about exactly what I would be asking persons, and why. In 1969–70, when the university was in turmoil, the IRB would probably be unable to meet (after all, our administration building was under siege and in any event everybody was thinking about other things). And the "public" member would, from time to time, turn out to be a member of some group I wanted to study (a civil rights leader, a police officer, a lawyer). They would want to know even more about what I had in mind. Throughout this entire process (if I took it seriously), I would wonder whether a casual phone call with a government official, a student research paper, or attendance at a meeting of police chiefs was or was not "research" within the meaning of the rules, and thus required IRB review.

I could, of course, have avoided all these costs by a simple expedient—resigning from the university and becoming either a journalist or a free-lance author. Then HEW would not have dared tell me it had the right to create a mechanism to pass on my work, because the First Amendment would have made such an effort patently unconstitutional.

As I prepared my letter of resignation, however, I would have wondered why the Constitution protects me only when I am not part of a university. I would have asked my friends in the law school and found no answer. There is no answer. Prior restraint on the publication of a book is prior restraint, and thus (except in the rarest circumstances) impermissible regardless of what occupation the author pursues.

Sometimes, of course, constitutional rights are set aside to achieve a more worthy purpose. I cannot publish the sailing time of ships during war. But what more urgent purpose is served by this regulation? Protecting people. From what? From, presumably, the potentially ill effects of having a conversation with me, so long as I work in a university, but not from the ill effects of having a conversation with me if I work for the Manchester Union-Leader. Now I am more puzzled—I had supposed that working for a university I would be more likely to be fair, concerned about evidence, and nonpartisan than if I worked for a newspaper with a strongly ideological slant. But the law seems to suggest that harm done in the pursuit of scholarly knowledge is a greater risk than harm done in the pursuit of partisan advantage.

Scholars can do harm: when they put dangerous drugs into the mouths of unsuspecting patients, when they use fraud and deception to attain their ends, when they steal private or governmental property. I had thought that the ordinary processes of law were sufficient to punish such behavior as might produce identifiable harm to innocent parties without fair compensation. Perhaps more laws are necessary to protect subjects of biomedical research, or similar activities. Perhaps, in short, there is a case for a narrowly drawn rule applied to federally supported research that is dangerous.

I cannot believe that there is a case for taking a vague statutory requirement and converting it into rules and procedures that subject most research at almost all universities to the prior control of government-mandated review boards.

Sincerely,

JAMES Q. WILSON.

AMERICAN COUNCIL ON EDUCATION,
Washington, D.C., November 8, 1979.

F. WILLIAM DOMMELL, Jr.,
Assistant Director for Regulations, Office for Protection from Research Risks, National Institutues of Health, Bethesda, Md.

DEAR MR. DOMMELL: On behalf of the higher education associations and professional associations for the social sciences listed below, we are writing to respond to the proposed regulations on human subjects research published in the Federal Register on August 14, 1979. Our collegial response is a demonstration of a shared concern that the proposed regulations would result in unnecessary, unfair and bureaucratically cumbersome restrictions on certain kinds of research.

We recognize that the federal government has a legitimate role in safeguarding human subjects of government-supported research from risk to health and from deceit. We agree that Institutional Review Boards (IRB's) generally have been performing their research oversight responsibilities positively and fairly. Moreover, we appreciate the fact that HEW officials already have demonstrated their willingness to consider our comments on these proposed regulations. It is in the context of agreeing over the objectives of governmental policy on research on human subjects that we bring to your attention problems in the proposed regulations, and make recommendations for revision that we believe would address the problems without in any way lessening the protection of human subjects against risk in research. Our comments do not purport to be exhaustive in their analysis of the many problems raised by the regulations, but raise only several salient issues of general scholarly concern.

The historical background and legal basis of the proposed regulations raise serious questions about their scope. A careful review of the legislative history of the National Research Service Act indicates that Congress did not intend to authorize regulation of research not funded by the federal government. Consequently, we question the validity and suggest deletion of §§ 46.101(b), 46.104(c) and 46.122 of the proposed regulations. We also question whether Congress intended to regulate in any way generalized social research. (For more detail please see attachment, "Legislative Authority for 45 C.F.R. Part 46".)

Any regulation of research involving human subjects should put forward a common-sense approach to distinguish between the most sophisticated biomedical research activity, wherein the very nature of the research might pose risks for the lives and safety of subjects, and the basic research practices in many social sciences involving, for example, interview techniques that contain virtually no danger to subjects in a research project.

While the proposed regulations try to enunciate such a standard, a substantial portion of social science research remains inappropriately included. The research in question involves personal (unstructured) interviews, public records, observation of officials and groups.

None of these techniques threatens subjects. In fact, these techniques are indistinguishable—with respect to risk—from the social science techniques that would be excluded from review in the proposed regulations.

A major difference between the research that, under the proposed regulations, would be free from review and the research that would not, is that the latter kind of research is likely to be undertaken by an individual scholar or by a professor teaching research methods.

As such, the regulations are unfair and penalize small scale research. Compliance with the informed consent requirements by such researchers—particularly where public documents are involved—would impose needless burdens in locating subjects and identifying the legal status of documents in the public domain.

We believe there is a simpler way to define the research not covered by the regulations than is set forth in either alternative A or B in Section 46.101. We recommend the following substitute language in the belief that it is more consistent with Congressional intent than the language included in the current proposal:

"These regulations do not apply to research using legally competent subjects that involves neither deceit nor intrusion upon the subject's person nor denial or withholding of accustomed or necessary resources."

There are two additional problems with these regulations. The first concerns the requirement in § 46.110(a)(1) that IRB's review research methods. The question what methodology is appropriate for addressing a research problem is a matter for the well established and scholarly acknowledged peer review method for evaluating protocols. Institutional Review Boards which are not constituted for this purpose should not be asked to assume this responsibility. Therefore, we recommend that in Section 46.110(a)(1) you delete the phrase "the research methods are appropriate to the objectives of the research and field of study."

The proposed regulations also lack any method or system for appeal of IRB decisions. Although the IRB's have worked quite well we cannot assume they are infallible. In order to accord basic procedural due process, we suggest that there be added to section 46.105 (b) the phrase "and containing a procedure for appeal from IRB decisions."

If implemented, we believe the proposed regulations would create wholly untenable administrative burdens for universities. A panoply of structures would need to be created to assure that thousands of proposed projects would be reviewed equitably by Institutional Review Boards. These additional structures would result in no increase in the protection from risk of prospective research subjects. At a time when the Administration, as well as the Congress, is seeking mechanisms to reduce existing regulatory overload, the implication of the proposed regulations for the costs of conducting research must be considered.

In closing, we do recognize that this letter raises concerns and summarizes recommendations that may be more fruitfully elaborated upon in discussion in a meeting—to be scheduled at your convenience—between officials responsible for drafting the final regulations and a representative group of the undersigned.

We look forward to working with you and your colleagues toward the development of equitable, reasonable and effective regulations in this area.

Sincerely,

J. W. PELTASON.

ANALYSIS OF HEW DRAFT IRB REGULATIONS OF AUGUST 14, 1979

(By Ithiel de Sola Pool)

The "Proposed Regulations Amending Basic HEW Policy for Protection of Human Research Subjects" which were published in the Federal Register of Tuesday, August 14, 1979, represent a substantial improvement over previous rules and draft rules, but are still grossly improper and unconstitutional.

There are three main flaws of this draft as it applies to social science (as distinct from biomedical research.) In this memorandum we shall first go through the three main issues as they appear in different parts of the draft regulations, and then go through the regulations in order.

MAIN DEFECTS

The draft regulations:

1. Extend Federal authority not only to Federally funded research, but also to policing some practices in private research which should in a free society be guided by private and professional decisions.

2. Give Institutional Review Boards authority to reject research projects not only on the grounds of possible harm to human subjects, but also on their judgment of whether "The research methods are appropriate to the objectives that research and the field of study." (Sic)

3. In violation of the First Amendment, they require prior review (i.e. censorship) on

much research that is to be conducted by interviews and other forms of speech.

1. Non-federally Funded Research.

Only three paragraphs of the draft regulations apply to research not funded by HEW. These are paragraphs § 46.101(b), § 46.104(c) and § 46.122. § 46.101(b) says:

". . . only § 46.104(c) and § 46.122 of these regulations apply to research involving human subjects which is not funded by the Department, but is conducted at or supported by any institution receiving funds from the Department for the conduct of research involving human subjects."

§ 46.104(c) simply requires institutions when they apply for a grant or contract with HEW to assure HEW that it will comply with § 46.122, which is thus the crucial statement. § 46.122 which says:

". . . prior and continuing review and approval by an Institutional Review Board is required for the conduct of all research involving human subjects not funded by the Department, if the research is conducted at or supported by any institution receiving funds from the Department for the conduct of research involving human subjects."

This requirement that non-HEW research receive prior and continuing review, while it is clearly illegal and unconstitutional as applied to speech, is in some other ways a considerable improvement over previous rules and policies. In the past it has sometimes been argued that HEW will not tolerate a double standard on the treatment of human subjects. The standards it has been said, that HEW requires for the research it funds, must be applied to all other research too. HEW has drawn back from that extreme position. The present draft rules require only "prior and continuing review" of the latter research by "an Institutional Review Board." It need not be the same Institutional Review Board, nor do all of the elaborate regulations about the procedures and standards to be applied by the Institutional Review Boards apply (under the draft rules) to reviews of research not funded by HEW. That is made clear by the statement in §§ 46.101(b) which says that only the three listed paragraphs of the rules apply to such research not funded by HEW.

That fact gives universities enormous leeway to treat research not funded by HEW much more intelligently and reasonably than in the case of HEW-funded research. The composition of the review board could be anything they want. It could establish and follow simple procedures for expedited review. It can apply different standards than those HEW lays down.

However, the one thing that a university cannot do with research not funded by HEW is allow research using human subjects to take place without "prior and continuing review", and that is precisely the requirement that is unconstitutional in some instances. We come back to that in point 3 below. Here let us further note that it is a great burden on social researchers. No little study, no matter how innocent and minor, if it deals with a human subject can be undertaken without prior review. Here are some examples of the kinds of things that would call for submission to the Review Board before it could be done.

A student doing a homework assignment or written exercise could not conduct an interview without first getting Review Board permission.

A faculty member engaged in research in which he had not intended to use human subjects runs by chance into an individual who had personal experience with the matter being studied. The faculty member may not sit down and ask him about it without getting prior approval.

These examples are so ridiculous that I am sure that I will be accused of legalism in even mentioning them. They are, however, only the extreme end of a continuum that runs all the way from such matters at one end, to administration of dangerous drugs at the other. The draft regulations make no distinctions; prior review and permission is necessary for all of them.

We conclude this section by asking whether there is any basis in statute for HEW to assume jurisdiction over research not funded by it. (I do not know whether there are some special laws regarding drugs or other biomedical matters extending authority in those instances.) Across the board, the answer is unclear. HEW's basis of claim for a limited jurisdiction over research not funded by it is the Public Health Service Act of 1974, sec. 474. It specifies that applications by an entity to HEW for grants or contracts must be accompanied by "assurances satisfactory to the Secretary that it has established (in accordance with regulations which the Secretary shall prescribe) a board (to be known as an "Institutional Review Board") to review biomedical and behavioral research involving human subjects conducted at or sponsored by such entity in order to protect the rights of the human subjects of such research."

That wording gives the Secretary authority to assure herself that such a board exists and to set up regulations for that purpose. It could be argued from the wording that the IRB has to review all research (which is what HEW claims), but not that the Secretary has authority over how the IRB conducts its business (on projects not funded by HEW). "Review" could be implemented as a periodic institutional survey quite unlike present IRB procedures. No authority over such matters is given to the Secretary. The Department, in the present draft regulations, seems to have recognized the limits of what the law allows it to do about research not funded by it; they have in general not specified procedures for non-HEW sponsored research. However, they slipped up in the inclusion of a requirement for prior IRB permission for projects, which clearly is beyond the Secretary's authority under the Act, quite aside from any Constitutional limitation regarding speech.

One could challenge in the courts whether requiring IRBs for all research is a legitimate extension of the Federal government's powers in making grants for some research. Any conclusion on what the courts would conclude is speculative. Whether it is a wise extension of Federal authority is one matter, whether it is a legal one is another, on both of which reasonable men may differ. What is clear is that Congress has not given HEW any authority to control how universities carry out their reviews for protection of human subjects when the research is not funded by HEW.

2. Review on Grounds Other than Risk to Human Subjects:

The requirements that a project must meet before an IRB may approve it are listed in ss 46.110. It says:

"In order to give its approval, the Board must determine that all of the following requirements are satisfied:

(1) The research methods are appropriate to the objectives the research and the field of study."

What is there left of academic freedom and scientific integrity if some random group of four miscellaneous scientists and one layman can substitute their judgment as to what constitutes appropriate research methods for that of the expert specialists who in the past have provided peer review, and for that of the innovative and exploring scientist himself. That the Department of Health, Education and Welfare on which so much of American life science depends could produce such an appalling document is almost beyond belief.

This has nothing to do with protection of human subjects, and is totally without basis in the law.

3. Prior Restraint on Free Speech:

That the First Amendment prohibits prior restraint (i.e. censorship) on speech except under the most extreme circumstances has been recognized by the courts from the earliest days of the country. Indeed, some early jurists (e.g. Justice Parker in Commonwealth v. Blanding, 3 Pick 304, 15 Am. Dec. 214) took the whole meaning of the First Amendment to be "to prevent all such previous restraints upon publication as had been practiced by other governments."

The First Amendment now is construed much more broadly than that, but with just as much aversion to the notion of prior restraint. While it has often been said that freedom from prior restraint on speech is not unconditional, the only case where the courts seem to be finding that the danger was sufficient to offset the First Amendment guarantee is that of the Progressive magazine which wished to publish information on how to build an H-bomb. It seems hardly possible to argue that any of the speech in which social scientists engage represents that magnitude of threat. Beyond doubt, any attempt by HEW to require researchers to get permission from a Review Board before they engage in conversation (i.e. speech) with a human subject is unconstitutional.

The draft regulations require just that. A human subject is defined in the definitions section (§§ 46.102(f)) to mean "an individual about whom an investigator (whether professional or student) conducting research obtains (1) data through intervention or interaction with the person, or (2) identifiable information." A conversation or interview is clearly interaction with a person.

Such interaction may not take place, under the draft rules, without prior review and permission from the government mandated IRB. Nothing could be more clearly unconstitutional under the First Amendment.

The present draft regulations do exempt certain limited classes of research from such review, but the exemptions do not cover the domain of speech or even the full range of interviews. The draft regulations offer two alternative sets of exemptions, and the research community is asked to comment as to which would be preferable. Alternative A is clearly preferable in that it exempts more of the interactions which HEW has no legal right to control, but even it is grossly unconstitutional.

Alternative B lists a series of kinds of survey research which will not be subjected to review. These are "product or marketing research, journalistic research, historical research, studies of organizations, public opinion polls, or management evaluations, in which the potential for invasion of privacy is absent or minimal." The list is baffling in a number of respects. Is journalistic research in which there is some danger of invasion of privacy, now to be subjected to prior review before it will be permitted? (It is hard to recall any such unabashed proposal to abolish the American free press with all its nosiness!) Or is it that since this paragraph applies only to research funded by HEW it represents no proposal to have prior review on the press, since HEW does not fund that. But in that case, why any reference to marketing research or journalistic research; these are not the sorts of things that HEW funds.

Let us leave alternative B. It is so clearly illegal and absurd that one can only assume that HEW will end up picking alternative A; HEW will presumably hope that we will all then be very thankful for what we were spared.

Alternative A exempts from review:

"(4) Research involving solely the use of survey instruments if: (A) results are recorded in such a manner that subjects cannot be reasonably identified, directly or through identifiers linked to the subjects, or (B) the research (although not exempted under clause (A)) does not deal with sensitive topics, such as sexual behavior, drug or alcohol use, illegal conduct, or family planning."

Point 1 is that the First Amendment applies to sensitive subjects too. A person has a right to talk to another person about sexual behavior, family planning, or whatever, without first having to get the permission of an IRB.

Point 2 is that by using the technical phrase "survey instruments" instead of the broader and more appropriate phrase "interviews", the draft has kept under the control of IRBs all of the most innocent and clearly constitutionally protected kinds of speech, while exempting organized quantitative surveys. It is topsy turvy. A historian interviewing someone to write his biography would be subject to prior review, but a survey of politicians would not be. An engineer talking to some workers on a factory floor to gain an understanding of a problem about a machine would be subject to prior review; a survey of workers on labor problems would not be. An economist talking to a banker about interest rates and their effect on market behavior would be subject to prior review; a poll of bankers would not be.

One might be inclined to read the last discussed absurdity as just a careless mistake in drafting by HEW rather than a bizarre philosophical bias, were it not for another manifestation of the same preference for heavily funded large scale research which appears in another of the exemptions from IRB jurisdiction. Section 46.101(c)(1) exempts:

"Research designed to study on a large scale . . . the effects of proposed social or economic change."

A modest impecunious professor who wished to learn about improvements in the welfare system, or tax reform, or energy conservation by his own personal observations and interviews would have to get permission from an IRB, whereas a large scale organized study would be left free. It is appalling enough that anyone in the United States would propose to establish a system whereby persons need to get permission to study the effects of proposed social or economic changes; it staggers the imagination that anyone would propose to require this only of "little men" and to leave free to do such studies at will only those funded to do them on a large scale!

Exemption 6 frees "research involving solely the study of documents", but only "if information taken from these sources is recorded in such manner that subjects cannot be reasonably identified." That means that before looking up information on politicians in newspapers a researcher would have to get permission from his IRB. Of course, what HEW meant by "documents" are personal records subject to privacy regulations such as hospital files or welfare files, but that is not what they said. The total insensitivity of the drafters to the American tradition of freedom is demonstrated by the extraordinary fact that they could frame a regulation which requires permission from authorities before one may read and summarize what one finds in public debates.

OTHER DEFECTS

We have now reviewed the fatal flaws in the draft regulations. In what follows we run through the material in the Federal Register to note a few other matters.

In introducing the draft regulations (on p. 47692) the document notes that HEW is considering whether to allow a researcher who is going to use human subjects but not subject them to any risk, to merely state that fact, or whether to require him to give his reasons for so believing. Once again the First Amendment and prior restraint issues come up. If a person who is being spoken to is not being subjected to any harm, no one (whether HEW, an IRB or anyone else) has the right to require the speakers to first prove that no harm will be done.

In section 46.101 (c) (1), alternative A, "Research designed to study on a large scale . . . methods or systems for the delivery of or payment for social or health services" are exempted from review. (Once again the bias in favor of large scale research.) Why only health services. Why not education, or housing, or social services?

In the same section of exemptions, the question arises as to whether "persons" means only living persons. Otherwise all historical research is under IRS prior review, because while it involves "only the study of documents", which is exemption number 6 in alternative A, it does not do so "in such a manner that subjects cannot be reasonably identified."

Informed consent is discussed in ss 46.113. Under a couple of circumstances informed consent can be given orally. One of these shows some awareness of the fact that signing a consent form may be more of a risk to the subject than the research itself. It allows oral consent when "the only record linking the subject and the research would be the consent document" and the subject does not want such a document to exist. But there are other situations where signing a consent form, or even giving oral consent is dangerous to the subject. For example, if a researcher interviews dissidents in the USSR, he is putting their neck in a noose to ask them to sign any document or even to consent explicitly to the interview. There are many countries like that, and some such situations in the USA.

The insensitivity of the drafters to the realities of overseas research is also manifest in ss 46.117 which requires that not only the original grantee institution, but also institutions co-operating with it on research comply with the HEW regulations. Such a crude attempt to impose American practices in joint research is the kind of "research imperialism" that social scientists have been struggling to avoid for decades now.

[From the American Spectator, August 1979]

The New School Tie: Prior Restraint or Perish

(By Paul Seabury)

(A young Pig was shut up in a fold yard with a Goat and a Sheep. On one occasion when the shepherd laid hold of him, he grunted and squealed and resisted violently. The Sheep and the Goat complained of his distressing cries, saying, "He often handles us, and we do not cry out." To this the Pig replied, "Your handling and mine are very different things. He catches you only for your wool, or your milk, but he lays hold on me for my very life.")—*Aesop's Fables*

This Pig tried to distinguish his plight from that of his companions in the fold yard. If for our purposes he is the American businessman, the lamb has been the American professor—at least until recently. The good shepherd indeed cares for him, cards his wool, shields him from the wolves, and makes him to lie down in green pastures. But recently the shepherd has been seen reading recipes for shish kebab.

Ten years ago, had the subject of government control of universities been discussed among tormented academics, the most plausible apocalyptic vision would have included National Guard encampments, legislative investigations, stormy show-trials of campus activists, punitive reprisals against university budgets by outraged lawmakers, and so on, Crystal balls are best at showing—or caricaturing—what we know is happening now. They often miss the underlying tendencies of things.

The picture today is very different, but also very real. Federal regulation of universities, in its infancy a decade ago, did *not* commence (as did federal regulation of business corporations) in a climate of suspicion and animosity. Universities were *not* charged by Washington legislators and bureaucrats with being malefactors of great wealth, social predators, or ruthless exploiters of the masses. At the time they were not even charged (a more credible accusation, under the circumstances) with being centers of subversion and ideological intimidation. The regulations flowered in consequence of a beneficence which soon made the universities dependent on an admiring benefactor. When in the early 1970s the regulatory process began in earnest, legislators and bureaucrats looked upon these institutions as intrinsically valuable and worthy of continued if not increased support. They regarded the universities as key social laboratories in which a new and better generation of Americans could be raised. They felt the gentle hand of the state could ease this process of improvement along by making these institutions more accessible and open; more humane; less hazardous to life and limb; more egalitarian; more responsible in their conception of the social consequences of their research; and so on.

This early attitude towards these new objects of governmental control contrasts markedly with the early punitive attitude taken by legislators and bureaucrats towards institutions of business and finance.

Yet, though starting from quite different points of view, the federal regulation of business and university today has ended up in similar quagmires of adversarial frustration and resentment. We notice that—wholly apart from the monumental and commonly shared difficulties with paperwork and compliance—the worlds of business and university both experience a massive loss of autonomy as actors in a once-free society.

We need to ascertain where our universities stand and to measure the speed by which the momentum of change impels us. Horror stories echo through faculty clubs and campus administrations, but they do not necessarily elicit understanding or sympathy from outsiders. One is reminded, in this respect, of the sage words of a man who encountered an old friend one day on the street: The friend asked, "And how is your wife?" The man replied, "Compared to what?"

If we compare our condition with the regulatory status of universities in the totalitarian world, then we can be overjoyed at our good fortune; this first generation of university regulators at least refrains from penetrating the central core of teaching and scholarship in order to direct what is fitting for students to learn and scholars to teach. The regulatory reach thus far has been largely confined to laboratory work and federally-supported scientific research, and has been motivated less by political concerns than by considerations—however justified in individual cases—of safety, accountability, and protection of subjects. The hand of the federal government *thus far* also has not intruded itself into the inner constitutional order of universities, as has long been the case in Continental European countries, to determine how and by whom basic educational decisions are made. The American professoriate is not appointed by Ministries of Education and Culture, nor are curricula inspected and approved by government agencies.

The most frequently heard complaint from administrators is not the paranoid lament about Big Brother, but is rather about having to deal with a myriad of interested, pestering federal authorities, each of which in its own way seeks to become a chef in the academic kitchen. Ironically, of course, one way to ease such complaints about too many cooks would be to *concentrate and rational-*

ize federal authority—a development which might conjure up an adversary far more formidable and purposeful than those which universities now confront. It might even be called a Department of Education—and, not surprisingly, steps are being taken in Congress to see that it will soon come into being.

We can take less comfort when we look, not sideways into academic folkways elsewhere in the world, but backwards to see whence we have come in such a short time. It is the very speed at which American universities have moved from there to here which causes the greatest surprise; if the momentum continues at its present pace, we may surmise that we are not far removed from a time when the regulatory reach will have extended deep into our porous institution, from the beachheads which it now occupies. The story of federal regulation of universities goes back only to the 1960s—less than one generation; before that time we notice a condition of freedom which is now almost unrecognizable.

The laments most often heard within the American academic community chiefly come from administrators; it is their responsibility to cope with the surge of federal authority. The next most serious complaints come from scientific researchers and experimentalists whose mode and climate of work have been severely impaired by the new regulations. Scholars in the social sciences and humanities have been less directly affected in their work by these developments, but there is no reason to suppose that this must remain true; their ability to initiate appointments of new colleagues has been gravely impaired by "affirmative action."

There now are signs that the federal regulators intend to enlarge the scope of their intervention on two widely separated fronts: college athletic programs and what is called "research on human subjects." Some academics, to be sure, today may not agree either with Plato or with contemporary sports devotees that athletics should constitute a legitimate part of a college program. But it *is* a recognized and traditional feature of most American colleges and universities. As such, it is now also subject to the meticulous and heavy-handed control of Washington officials. Here, the egalitarian regulatory intent is to be observed in a current HEW attempt either to eliminate distinctions between ("segregated") men's and women's sports or to require colleges to make expenditures on them proportional to the number of male and female athletes. Thus, substantially equal expenditures are demanded for men's and women's athletic scholarships, recruitment, equipment and supplies, travel and publicity. The salaries for men's and women's coaches are to be equalized, also.

These athletic guidelines are likely severely to damage college sports. The federal accounting system, for instance, measures only college expenditures for highly expensive intercollegiate sports like basketball and football, while ignoring the large revenues these bring in; as a natural consequence of equalization, expenditures on these men's sports would be greatly reduced in all but the rich colleges, and thus ineluctably the amount of income from them, as well as their intermural competitiveness, would sharply decline.[1] In this, as in other federal regulations, there is a seeming blindness to the incalculable costs and side-damages of abstract, single-minded reforms. Many scholars may be indifferent to football, but, to paraphrase Daniel Webster in the *Dartmouth College* case, "it may be a big sport, sir, but there are those who love it."

In the case, however, of federal regulation of research on human subjects, we see a very different monitory intention—to reduce or abolish risk to individuals who are the objects of research. HEW now intends to enlarge the scope of such regulations to include not merely the biological, medical, and behavioral sciences (already subject to such controls), but also the social sciences and humanities as well. If, as appears likely, HEW promulgates its new regulations governing "risks to human subjects," university research review boards will be federally obliged to scrutinize, approve, and police *all* campus research proposals with human beings as their subjects—to ascertain in *advance* whether the consequences of such research may pose harm to individuals (or groups). Presumably historians will be least affected since most of their subjects do not belong to the land of the living; only their reputations are susceptible to harm. In such a fashion, a doctrine of prior restraint upon scholarship comes into being, *for the best of intentions*. In this instance, as in all the others, the threat of contract cancellation is at hand as the ultimate weapon. Universities are the government's contractors; if the government wishes to dismiss them for not doing its bidding, what recourse have they?

One does not have to be a librarian or defender of absolute university autonomy to realize the danger which such regulations pose to the vital activities of universities and scholars. It might be supposed that, were such a doctrine of prior restraint promulgated on the American Fourth Estate (and for exactly the same benign purposes), an immediate consequence would be a tumult the like of which have not been heard since the *New York Times*-Ellsberg case. But universities are not newspapers; newspapers do not receive federal government handouts. The government does not endow them or hire them to do its work. The American government does not ration newsprint among them (once a favorite trick of the Perón and Allende regimes). The American press has not had a habit of responding timorously to such intrusions. But the prudential response is one which harassed university administrators are likely to adopt—and for very good reason. As a legal counsel for one major university recently wrote, in an *aide mémoire* to his chief.

DHEW might not take lightly the University's refusal to comply with the regulation even if it was acting on the advice of counsel that the regulation is most likely invalid. The competition for research dollars is so great that DHEW could "punish" the University through mechanisms over which the Universities would have no redress. Furthermore, we are presumably embroiled in various disputes with DHEW and it is possible that further University "obstreperousness" in one area might have an effect on DHEW's decisions in other areas.

Sound advice; such risks are very real. At the University of California this year, the principled and stubborn refusal of the university to release confidential personnel correspondence of certain departments to HEW inspectors (and then, of course, through the Freedom of Information Act, *urbi et orbi*) led to explicit threats of federal contract termination—in this instance, termination of delicate laboratory research in the biological sciences, in no way involved in the flap over confidentiality. In this illustrative case, had university public-health researchers been dismissed, and their facilities (including a vital cell culture laboratory) shut down, basic long-term research on botulinal toxins, San Joaquin Valley fever, and other diseases to man and beast would have come to an abrupt halt. It does not take much imagination to realize that the "human risk" implicit in such blackmail transcends the career prospects and livelihoods of the 36 laboratory scientists and their graduate students. This threat, incidentally, has not yet been rescinded. The case is still in the courts.

But to return to the "human subjects" issue: We already have institutional review boards on campus which presumably, henceforth as federal agents, will screen proposals to see that they comply with the abritrary dictates of government officials. As the General Counsel of the Johns Hopkins University notes:

> The interplay between the national bureaucratic tendencies of government auditory bodies, granting agencies and their functionaries makes the evolution of the IRB (institutional review board) "highly efficient *in terrorem* mechanism" highly probable.[2]

Some sophisticated defenders of the American university stress the unwisdom of trying to make a special case for higher education's exemption from federal rules which apply also to other institutions, such as business firms. In one important sense they are right. To engage in special pleading for exemption on grounds of the "unique" character of higher education is not likely to gain many friends. The "not us, we are different!" argument will not carry much weight with the man-in-the-street, nor with the regulators themselves, and it is certain to arouse wry amusement among higher education natural allies in the business community.

The argument resembles a dubious proposition put forward a decade ago by a distinguished American scholar when race-quota hiring was first being pressed upon colleges and universities: It was all right, he argued, for *all those other* lesser colleges and state universities—but not for us! Spare us! If racial quotas are applied to *us*, as well as to them, this will fatally damage the quality scholarship which *we* engage in. Regardless of other considerations, such as the principle of logical consistency, such a snobbish stand is strategically self-defeating—any principled resistance to outrageous regulatory demands requires the broadest possible coalition of forces; to seek to protect only the presumptively "best" from the fantasies of a federally-administered equality-of-results program is akin to claiming the right to make *triage* decisions on the battlefield when oneself is wounded. What such an argument ignores, moreover, is the possibility that many among the bureaucratic equalizers have been particularly inspired to fulfill their egalitarian ambitions precisely in the most meritocratic institutions.[3]

Yet, despite all this, a special case must be advanced with respect to the interests of the American university—precisely because this otherwise abstract issue cannot be understood by the public. The case cannot rest upon an absolute claim for autonomy. Outside observers with reasonable powers of memory have no difficulty remembering the "pigs off campus" chants of academic ideologues—including not a few faculty members—when many universities were recently convulsed with internal attacks upon their integrity. No demonstrably corrupt or internally threatened institution in a civilized society can expect that its autonomy will be respected by outsiders, especially by the state. The claim to autonomy is valid only to the extent that the university demonstrates its institutional commitments to valid goals of the pursuit of learning and teaching. We know from intimate experience and from observing universities in other settings (Latin America in particular) that the cry for autonomy too often has come from those within the university who have wished to make it a siege fortress for political movements. Even universities can degenerate into chaos or fall prey to petty tyrannies; in this they are not exempt from general laws of human nature. Academic freedom, like freedom of the press or freedom of religion, is not an absolute right. It remains legitimate only when its practitioners are committed to its essential and express tasks.

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[1] "Block that Kick," *Wall Street Journal*, April 12, 1979.

[2] Estelle Fishbein to Dr. Charles McCarthy of the National Institute of Health, February 5, 1979. It should be pointed out that these particular HEW regulations apparently are to be promulgated by the Secretary of Health, Education and Welfare in a capricious manner contrary to explicit congressional requirements: that is, without the statutorily required advance publication in the Federal Register to elicit public and professional comment. "I'll be judge, I'll be jury, said the cunning old Fury. . . ."

[3] Thus, as Soviet speechwriters are wont to say, "it is not accidental that" the Department of Health, Education and Welfare, when devising its model affirmative action plan for universities, chose to negotiate it with the Berkeley campus of the University of California, and not, say, Podunk State.

Qualities which may be virtues in politics can be vices for scholarship, and the other way around. The new regulators are bent upon achieving an egalitarian society which is simultaneously a humane society and an environmentally risk-free society. Universities, as well as business firms, are deemed to be vessels within which these admirable goals are to be achieved under the close scrutiny of public officials. Oddly enough, while their means are very different, the new regulators seek goals which bear some resemblance to those of the student militants in the sixties (and of course a strong possibility exists that there is considerable overlap between the two groups). The students, in their time, wished the university to be *the agent* to revolutionize society; the regulators now wish the university to be a *laboratory* for social change. The difference lies in the source from which the orders come. But in either case what is required of the university is that it assign to such a social role a priority which directly conflicts with its central tasks.

Scholarship and learning cherish novelty, achievement, and pride of authorship and accomplishment. As Ward Elliott has pointed out in his *The Rise of Guardian Democracy*, the best scholarship also prizes the abstract and timeless over the immediate and concrete. For good reason, one should fear the consequences of a *sophistocracy*—government by scholars.

As Elliott remarks, the scholarly preferences, "which are well-suited for expanding and sharpening knowledge, are ruinous for democratic politics, which depend for their operability on consensus, consultation and compromise, and on the exclusion from their agenda of issues which are needlessly divisive. . . ."[4] By the same token, we must fear as well the control of scholars by political governors. In the words of the late Justice Felix Frankfurter, concurring in a Supreme Court case touching on the integrity of universities:

> These pages need not be burdened with proof, based on the testimony of a cloud of witnesses, of the dependence of a free society on free universities. This means the exclusion of governmental intervention in the intellectual life of the university. It matters little whether such intervention occurs avowedly or through action that inevitably tends to check the ardor and fearlessness of scholars, qualities at once so fragile and indispensable for fruitful academic labor.[5]

JANUARY 17, 1979.

Hon. JOSEPH A. CALIFANO,
Secretary, HEW,
Washington, D.C.

DEAR JOE: We have a problem with the H.E.W. regulations governing research on human subjects. I have reviewed the report of the National Commission for the protection of Human Subjects. I understand that this month you are seeking comments on the recommendations of that Commission. My own comments is of a general nature, but extremely important. Stated as simply as possible, neither the current regulations nor the report of the Commission shows a proper appreciation of the distinctive nature of social science research and of the perverse and needlessly chilling effect that well-meaning controls may have on it.

I realize that the specific application of these regulations is up to the institutional review boards on each campus. But I also realize that they will tend in the main to follow the federal regulations as meticulously as possible, particularly as there are costly penalties for doing otherwise. Too many examples have come to my attention of reviews that fail to distinguish between invasive research methodologies and those where the only contact with the "subjects" is to observe or interview them.

I make no attempt here to comment on the appropriateness of restrictions on the former, as I understand the risks that may be posed in bio-medical research and other fields where the essence of the research procedure is a conscious alteration of the body or mind of the subjects. But I speak to you as a social scientist when I say that the heart of research in sociology, political science, anthropology, education and many related fields is the unconstrained ability of the scholar to ask questions, to record observations, and to respond, sometimes very rapidly, to changing circumstances.

Consider, for example, a political scientist trying to understand the decision-making processes of local school boards. Or the sociologist seeking to explain the response of families to various income maintenance, plans (such as we aired at the recent Public Assistance Subcommittee hearings). The difference between these research procedures and those of a pharmacologist or oncologist is not one of degree; it is a difference of kind, and federal policy needs to acknowledge this.

I do not expect the regulation-writers to understand such distinctions. But the Department must, and it must make clear to the recipients of its regulations that it understands, and expects them to, also. This is a matter of the utmost importance to scholarship. It also raises a grave constitutional issue, for in many respects there is a meaningful difference between the research methodologies of social scientists and those of journalists. Both are protected by the First Amendment.

Would it not make sense, in the course of this review, for you to convene an advisory panel of social scientists to offer their counsel to the Department? I would hope you might consider something of this sort. You might want to ask Professor Ithiel de Sola Pool of M.I.T. to help with this, and Professor Howard Higman of the University of Colorado. They have both given serious thought to these issues, as has Professor Frederick Mosteller of Harvard, President-elect of the A.A.A.S. Gilbert Steiner, James Sundquest, Richard Nathan and Martha Derthick, all of the Governmental Studies Program at Brookings, would be excellent choices. Another possibility would be Jack Peltason, a distinguished political scientist now serving as President of the American Council on Education.

I am not a newcomer to this issue. A decade ago, I wrote in Maximum Feasible Misunderstanding—a book you may recall reviewing somewhat unfavorably!—that:

> (T)here is an issue beyond objectivity. The 'movement of the social system into self-consciousness' has been accompanied by increasingly sophisticated efforts to shape and direct that system. Increasingly social scientists are recruited for such attempts; increasingly they themselves initiate them. There arises then a range of questions of ethical behavior that corresponds to the canons of professions, a quite extensive set of rules governing and protecting professional conduct. They can for example, purchase insurance for suits against malpractice. But what is malpractice with respect to a community? At what point are risks taken that are not justified?

I was then and am today in basic agreement with the purposes of these regulations. But there is a right way to go about it, and it is clear to me that we have thus far tended toward the latter.

I would hope to hear from you or one of your associates about this. I could not feel more strongly, and if suitable remedies cannot be found within the regulatory process I would not hesitate to offer appropriate legislation.

Cordially,
DANIEL PATRICK MOYNIHAN.

THE SECRETARY OF HEALTH,
EDUCATION AND WELFARE,
Washington, D.C., May 8, 1979.

Hon. DANIEL PATRICK MOYNIHAN,
U.S. Senate,
Washington, D.C.

DEAR PAT: Thank you for your letter expressing concern that regulations designed to protect human subjects may fail appropriately to differentiate between social science research and biomedical or behavioral research. In fact, the very issues you raise seemed to me so important that in mid-1978, I directed the Assistant Secretary for Planning and Evaluation and the General Counsel to undertake a thorough review of HEW regulations, codified at 45 CFR Part 46, concerning the protection of human subjects of research. One of the important elements of their study is to examine the risks and need for regulations to protect subjects of research in the social versus behavioral and biomedical sciences.

In conducting their review, the staff of these offices have contacted more than 150 researchers, including a substantial number of social scientists. As you may expect, the concerns you expressed have also been raised by others. I have asked them to contact the individuals you mentioned in your letter.

I expect the results of this review, with recommendations as to any modifications which may be warranted, within the next three months. In my consideration of the recommendations, I will give full weight to the distinctions between the social, behavioral, and biomedical sciences which you have pointed out.

Sincerely,
JOSEPH A. CALIFANO, Jr.

FEDERAL FORMULAS

Mr. MOYNIHAN. Mr. President, although the subject of Federal formulas is not intrinsically interesting, it is intrinsically important, the more so in an era of budget balancing. For there has been something approaching a tradition of compensating for the drawbacks in one Federal program not by altering the program but by enacting a new one. At a time when available resources will not sustain the existing programs, however, much less permit the creation of new ones, it stands to reason that there will be mounting interest in the terms of existing programs. And when this occurs during an election year, a natural time in which to compare promises with performance and to appraise new ideas and promises in the context of evolving conditions, there is an even stronger tendency to look into the policies that are implicit in the formulas that we have, in the budget decisions we make, and in the campaign pledges that we hear.

The first concurrent resolution on the

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[4] Ward Elliott, *The Rise of Guardian Democracy*, pp. 154–155.

[5] *Sweezy v. New Hampshire*, 354 U.S. 234, 262 (1957).

fiscal 1981 budget, as developed by the Senate Budget Committee, would have devastating consequences for the urban industrialized northeast. It would exacerbate the damaging effects of many existing programs and would vitiate the beneficial effects of other programs.

I am not alone in this view. As the votes in the Budget Committee, the many additional, supplemental and minority views contained in the committee report, and the widespread interest in various proposed amendments all indicate, a number of my colleagues seem to share my dismay.

In this context, there may be general interest in my additional views on the first concurrent resolution on the budget, fiscal year 1981; a thoughtful editorial in the New York Daily News of April 21; a characteristically insightful and incisive column by Felix Rohatyn in the April 20 Washington Post; and a forceful editorial in the April 22 New York Post; and I accordingly ask unanimous consent that these be printed in full in the Record at this point.

There being no objection, the material was ordered to be printed in the Record, as follows:

Additional Views of Senator Daniel Patrick Moynihan on the First Concurrent Resolution of the Budget, Fiscal Year 1981

The undertaking to balance the fiscal 1981 budget is altogether necessary, and in the circumstances wholly predictable. At minimum, it may be observed that in 1980 Congress, by law, mandated that this should be done. The question arises, however: why is it being done in an atmosphere of crisis, and under constraints that promised the greatest hardship for just those groups which may be judged to be in the greatest need?

For decades, it has been a maxim of fiscal theory—a doctrine shared by most political parties, or perhaps more accurately, a doctrine adopted by each successive administration of whichever party to hold office since the end of World War II—that it was entirely appropriate for the federal government to incur deficits from time to time so long as corresponding, periodic surpluses meant that over time the budget would be substantially in balance.

If this seems a truism, it may be recalled that for more than a generation following the Civil War, a Congress preoccupied with paying off the war-debt consistently ran budget surpluses, regardless of the business cycles of the time, such that deflation became a continuous problem, and a sterile dispute over monetary policies became a very part of national politics for a generation or more.

Our problem, by contrast, has been one of practice, not principle. We are now in the fifth successive administration which, while avowing the principle of a balance, and on occasion of a surplus budget, has produced only deficits. President Eisenhower's was the last administration to produce a truly balanced budget, that for fiscal year 1960.

In the meantime, economic conditions have turned against the easy predominance of the United States in the immediate postwar period. The reasons for this need not be reviewed here. What is to be noted is that while successive administrations and Congresses have spared themselves the inconvenience of producing balanced budgets at the "top" of the business cycle, and have let huge deficits accumulate during the low periods, something like a national crisis of public confidence has developed.

The most striking evidence of this crisis of confidence is that thirty states have applied to Congress to convene a Constitutional Convention to ordain a balanced budget, and three others have submitted related petitions.[1]

If it be recalled that the last such convention, and the only other, was held in 1787 in Philadelphia, and that once convened the whole of the arrangement of American government would be opened to reordering, and that another five states or so could get us there, it will be seen that this is not the time to aver that 1981 might not be just the year for a balanced budget, which while surely sound in theory, is nonetheless an et cetera. . . . The time to do it is now.

Rather, the time to do it was in January when the President submitted the Executive budget. Contrary to all expectations and prior indications, yet another deficit was proposed. Within weeks, as inflation soared, and money markets grew more tumultuous, it was clear that a major miscalculation had been made. Beginning in March, meetings between the Executive branch and Congress began preparing for a third resolution which would bring balance to the second half of fiscal year 1980, and a proper balance to fiscal 1981.

The difficulty with this process is that by turning over the first formal decisions to the Budget Committee, and doing so after the major components of the budget were already fixed, it was inevitable that the reductions agreed to would be most costly to states such as New York, and to social programs with which New York is associated. As it happened, the process acquired an aspect of vengeance altogether inappropriate to what should have been a nonpartisan and nonideological effort. As a result, although I participated in the process from the outset, in the end I voted against the result, and will attempt to revise it on the floor.

Those, in sum, are my views. For what interest there might be, I would now elaborate them somewhat.

Many of the decisions embodied in this budget are clearly unacceptable. Many of them are extremely damaging to the well-being of individuals and communities in the industrialized, urban northeast. They are more damaging than they need have been, for this resolution may be "balanced" in one sense but it is quite imbalanced in another.

That it is readily explained and easily understood although—from my standpoint—it remains unacceptable. The "big states" of the industrial urban northeast and midwest have but three votes out of twenty on the Budget Committee. Senators Riegle, Metzenbaum and I represent 37.7 million people, whilst the other seventeen members of the Committee represent 42.5 million in all. The eight Minority members of the Committee have a total of 16.8 million constituents, slightly less than the population of New York State alone.

Although such considerations in no way affected our shared insistence on balancing the budget, in dozens of specific actions the Committee slashed federal programs and activities that—whatever one may think of their individual merit—are deeply embedded in the social and economic foundations of states and cities such as Detroit, Cleveland, New York and Buffalo. Slashed deeper, if I may say, than it did in the programs and activities most closely associated with the stability and well-being of other parts of the nation.

The examples are many. I shall cite but four of the most damaging:

The Committee chose to cut the Comprehensive Employment and Training Act (CETA) program by $1 billion below current law, thus eliminating the Title VI "counter-cyclical public service employment program" by the end of the fiscal year. The result will be increased unemployment, a further deterioration in municipal services, and many more people on the welfare rolls.

As if to ensure that those rolls would not be able to accommodate the jobless, the Committee proceeded to cut $1 billion from Food Stamps and $500 million from Aid to Families with Dependent Children (AFDC). This is being done just as the economy moves into a recession and as inflation continues to erode the purchasing power of their meager incomes. I note that the three states represented by Senators Riegle, Metzenbaum and myself account for 59 percent of all the AFDC recipients and 48 percent of the Food Stamp recipients to be found in the nineteen states with Senators on the Budget Committee.

There are two reasons to be concerned by the decision to eliminate the states' share of General Revenue Sharing in fiscal 1981. (This reduction of $1.7 billion in Function 850 was the largest single cut the Committee proposed in any program.) First, it represents a willingness rather casually to treat as "just another program" a fundamental structure of our political economy whereby revenues collected by one level of government are expended by another. Second, what Washington calls the "states' share" is, frequently—as in New York—passed through directly to aid hard-pressed municipal governments. It is a considerable oversimplification to think of it as federal largesse to state governments with surpluses of their own (a much-exaggerated and oft-distorted claim, by the way, made by persons who may simply dislike the principle of revenue sharing) when its removal will have the effect of cutting deeply into the operating budgets of cities, counties, school boards and sewer districts.

My final example of an unjust decision is the proposal to slash $200 million from mass transit. As I write, the nation's largest transit system is paralyzed by a strike resulting from its inability to find the revenues to meet the understandable desire of its employees not to have their incomes drained off by inflation. Given the incontrovertibly "urban" character of mass transit, and its beneficent effects on both energy conservation and environmental quality, it is very difficult to find either reason or equity in the Committee's decision.

These are decisions that—if sustained through the rest of the budget, authorization and appropriations process—will haunt us in the future. They are not responsible decisions. One is reminded of the report by Helen Dewar of the Washington Post of April 1, describing our actions the previous day as "a bipartisan spending/slashing spree that could have created panic in the government bureaucracy". This referred, of course, to the Committee's 14–5 rejection of the mark I had offered on behalf of the Chairman for the third budget resolution for Fiscal 1980.

If these manageable reductions were unacceptable, it boded so sharp a cutback on the "controllable" portions of the budget, during the latter half of the fiscal year, as to throw into doubt the very continuity of government. It was an impulse that would have created the kind of panicky, paralyzed, erratic, and discontinuous bureaucracy that is not the norm in the executive branch but that often seems to be the impression held by those who would have less of it.

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[1] The legislatures of thirty states have passed resolutions calling for a constitutional convention to establish an amendment to limit deficit spending by the federal government. These states are: Alabama, Arizona, Arkansas, Colorado, Delaware, Florida, Georgia, Idaho, Indiana, Iowa, Kansas, Louisiana, Maryland, Mississippi, Nebraska, New Hampshire, New Mexico, Nevada, North Carolina, North Dakota, Oklahoma, Oregon, Pennsylvania, South Carolina, South Dakota, Tennessee, Texas, Utah, Virginia, Wyoming. In addition, three states—California, Illinois and Kentucky—have requested that Congress propose an amendment to balance the budget, but have not called for a convention.

In that instance, the Committee's second thoughts were more prudential. But the First Concurrent Resolution for fiscal 1981 proposed herewith is a throwback to the impulses that Ms. Dewar characterized as a "spree". It contains a set of decisions aptly described on April 3 by Lane Kirkland, Floyd Hyde, Bishop Thomas Kelly, Leon Shull, Althea Simmons and other members of the "Budget Coalition" as placing "the burden of the battle against inflation on those least able to cope with the problems of our society. If there must be austerity and sacrifice", the Coalition added, "we are willing to do our share, but the fight against inflation, must be shared by all, not carried by workers, the poor, minority groups, and the urban areas where they live."

For some time now, it has been clear that the rate of growth of the domestic public sector portion of the federal budget would have to level off, as had previously happened to the defense portion. "The growth of government is beginning to divide the population", I wrote in the "Inaugural Issue" of The New Republic in January, 1977. "(W)e are well on our way to becoming a society of public affluence and private squalor . . . We do not need more government in America . . . We do need more national standards which is something federalism can produce, and would be different from more government. We already have a huge amount of government, and the real task is making it work."

The challenge was to figure out ways of "making it work" in a period of diminished growth in its resources, rather than slashing it in ways that could only lead to its working less well. In January, 1979, when David Broder was preparing a series on the "Democratic Party in Transition", I was quoted to the effect that "the task of the Democratic Party is to manage the levelling off of the great S-curve growth in the public sector over the past 45 years."

This was foreseeable last year, and two years before that. But this challenge was not satisfactorily met, in part I believe because the people and groups who have supported—and properly supported—the growth in public services and in the public sector during the past four decades did not appear ready to face the inevitability of its levelling-off. The result was that they—we—were not prepared to manage that process in a responsible way.

They were not prepared for the "new realities" that Stuart Eizenstat of the White House had set forth in a sober and powerful address to the Woman's National Democratic Club on January 4, 1979. Consequently, they relinquished much of the influence they might have exercised over the process to those who were prepared to undertake it. The result is painfully evident in the series of votes taken by the Budget Committee. The federal domestic budget was indeed "levelled", but not in a responsible way.

One could have anticipated that the process would be painful, even bruising. Not since fiscal 1960 has the federal budget shown a genuine surplus. (The appearance of a surplus in Fiscal 1969 was due to the "windfall" resulting from the consolidation that year of Social Security and other trust fund transactions with the regular revenue-and-expenditures budget.) One does not end a twenty-one year habit of deficit spending without some discomfort. The question was how to spread that discomfort as equitably as possible, with the least damage to the structures of government itself and with a minimum of suffering on the part of those least able to bear it. This question was not satisfactorily answered by the Budget Committee.

A bit of perspective is useful. During the four fiscal years since Jimmy Carter was elected President, federal revenues have grown from $357 billion to $613 billion: a 72 percent increase. This extraordinary expansion of government was unaccompanied by any significant new social programs or major domestic legislation. That the federal government will consume in 1981 a quarter trillion dollars more than it consumed in 1977 without doing anything significantly different than it did in the earlier year suggests the degree to which we have become fixed in our present course, and the degree to which any change of course would bring discomfort.

Beyond the rapid increase in federal revenues, recent years have witnessed a worrisome deepening of our reliance on deficit financing. In the mid-sixties, notwithstanding the Vietnam War, interest on the public debt came to eight percent of federal outlays. In Fiscal 1981, under the assumptions made by the Budget Committee, it will equal twelve percent: a full $72 billion, equivalent to the entire federal budget of 1956.

For years, there were sound economic as well as fiscal arguments for a moderate federal deficit. Many persons and institutions benefitted from the security of government bonds and Treasury notes. But of late there has set in a widening gap between income and outlay, a mounting dependence on borrowing, a too-casual attitude toward debt. It was clear—it is clear—that the day of reckoning would come. The question, to repeat, was how to be responsible about it.

The answer of the Senate Budget Committee, again to repeat, may be responsible in the large—for the budget resolution that was produced does show a surplus—but not in its particulars. Consider the decision to make an across-the-board reduction of five percent in the government's own operating and administrative expenses.

This verges on denial of the principle that ours is a government of laws. The executive branch carries out laws enacted by the Congress. To deny it the resources needed to carry them out is to decide that they will not be carried out properly. If it goes unchanged, this is a decision to cut one of every twenty I.R.S. agents; customs and immigration officers; monitors of wage-and-price changes; enforcers of environmental quality standards; meat inspectors; drug testers; Veterans hospital physicians and nurses; park rangers; anti-trust lawyers; and Social Security claims processors. The result will not be a reduction in the scope of the federal government but rather in its effectiveness.

I would conclude by observing that this budget resolution is, if not responsible, at least responsive to the recent widespread demands that the federal budget be balanced. It is quite extraordinary how little note has been taken of the fact that 30 states have now "made application", as Article V of the Constitution terms it, to Congress to call a Constitutional Convention for the purpose of mandating permanent balance in the federal budget. Fourteen members of the Budget Committee represent such states. It is not surprising that the Committee would respond as it did. And it is not surprising—although in my view it is regrettable—that it would make the decisions it did. For when the President opted not to propose a balanced budget in January, he chose to leave these decisions to the Congress. He had every reason to expect that Congress would balance the budget. The Budget Committee has shown that it can and that it will. Those of us who are unhappy with the particular decisions of the Committee cannot but be troubled by the absence of timely executive leadership.

[From the Washington Post, April 20, 1980]

THE AMERICAN HAVES AND HAVE-NOTS

(By Felix G. Rohatyn)

The United States today consists of "haves', and "have-nots." The "haves" are the sunshine states, with population growth, natural resources, new industrial locations. The "have-nots" are the old industrial states of the Northeast and Midwest. Decaying urban areas with shrinking tax bases face increasing needs to provide services to a population less and less able to pay for them. Racial tensions in the ghettos combine with increasing middle-class frustrations to create a potentially explosive mixture.

In recent years, a fragile equilibrium has been maintained: New York City, which had a close brush with bankruptcy in 1975, has since reduced its deficit from $2 billion to $400 million, reduced its work force drastically and refinanced $6 billion of short-term debt. Other northeastern and mid-western cities maintained reasonable stability until the onset of the current round of inflation and recession. In the last year or so, Cleveland, Chicago, Buffalo, Philadelphia and Washington, D.C., have seen their fiscal equilibrium shattered and, as the recession deepens with inflation still in double-digit ranges, they will be faced with widening budget gaps and greater and greater social strains. New York City, which by law must eliminate its deficit in the year beginning July 1, 1981, will have to cope with a significantly higher gap due to inflation and recession. To this is added the loss of revenues caused by federal cutbacks and industrial layoffs. In half the country, we have an environment of unrelieved misery.

The actions that these cities and states will take to close their deficits are both inevitable and counterproductive. They involve a combination of local tax increases combined with service cuts and layoffs; both have the effect of driving more taxpayers out and deepening the economic downturn in the cities. From the federal government's point of view, the effect is equally counterproductive. Local tax increases reduce federal revenues, since local taxes are deductible for federal income-tax purposes. Local layoffs increase transfer payments for unemployment. Deficits are increased; the recessionary cycle is deepened.

It is in this environment that we superimpose a new phenomenon: the skyrocketing revenues (mostly in the form of severance taxes and royalties) to be collected by the oil-producing states as a result of oil-price decontrol. The Northeast-Midwest Institute has recently published a study estimating that from 1980 to 1990 the states of Alaska, Texas, California, Louisiana, Wyoming, Oklahoma. New Mexico and Kansas will collect increased tax revenues amounting to $115 billion. Alaska will, on the average. increase its annual revenues $3.3 billion per annum, over 300 percent of its current annual expenditures. Texas will, on the average, increase its annual revenues by 90 percent of its current annual expenditures. Alaska just abolished its income tax and is paying cash dividends to its citizens. An attempt was made to subject these revenues to the windfall profits tax; it failed.

Ironically, revenues to these states from a variety of federal assistance programs such as revenue sharing would actually increase because of the definition of "tax effort" in grant distribution formulas. Thus, federal assistance will increase in areas of dramatically lesser needs, while it will be reduced in those areas where need is greatest.

Much has been made recently of budget surpluses at the state and local government level. But over 60 percent of state surpluses in 1978 were concentrated in those eight states accruing more than 90 percent of revenue increases from oil decontrol over the decade. Like a domestic version of OPEC, the oil-producing states can use their vast revenues to lower other taxes, increase services, attract industry by almost unlimited means; their economies as well as the economies of surrounding states will get significant boosts.

And, like a domestic version of the Third World, the Northeast and Midwest, importers of fuel, needy for additional federal assistance, will bear the burden since, after all, this is a zero sum game. It is really not very difficult to see where this inevitably leads. Half the country nearly bankrupt, many of its major cities pools of unemployment and unrest, and the other half swimming in oil, industry and wealth. This is not the stuff of a stable democracy; it is not the stuff of a union of states. For a union to survive there must be a sense that both burdens and benefits are shared on an equitable basis.

If we wait for the crisis, as we did with OPEC and the Third World, it will be too late. A short-range and long-range program should be examined by the president and the Congress to remedy this situation. It should include:

For the short run, an institution modeled after the Reconstruction Finance Corporation of the 1930s to provide low-cost, long-term financing to permit those localities in difficulties to weather the next few years.

Federal formulas for assistance programs to be modified to provide money where it will be most needed, as suggested, for instance, in Sen. Daniel P. Moynihan's bill to revise the Medicaid matching formula.

For the long run, new permanent revenues must be funneled to the Northeast and Midwest, in the form of direct federal budgetary assistance and incentives for private industry to remain and grow. A possible source of revenue would be created by dedicating a portion of a national gas tax for that purpose.

The solution to this problem is as complex as it is vital. It clearly does not lie in letting market forces work their will since they will only exacerbate the situation. Neither is it in counting on the current recession, which will only force local actions, making matters worse, both for the cities and for the country. Urban America must be a fit place for middle-class people to live, work and bring up their children. A business-labor-government partnership must reach into the ghettos to provide employment and opportunity; a black or Puerto Rican youngster in Bedford-Stuyvesant should know that, if he stays in school and out of trouble, he will have a job. There is clearly more than enough to be done. Over the next decade, massive investments must be made in mass transit, in retooling the automobile industry, in improving our railroad system, in financing a domestic energy program. It is unthinkable that we cannot find a way for the entire country to share in this activity.

In a worldwide war of ideologies and ideas, it will be difficult to claim the virtues of our system if Philadelphia, Washington, New York and Chicago are turned into slums. None of this is easy, but there is still time. Five years from now it will be too late. This country will soon be called upon to participate in a major international financial effort to help the Third World, either through increased commitments to the World Bank, the International Monetary Fund or other similar institutions. It is an effort that will have to be made. However, on our scale of priorities, our own Third World should come first.

[From the New York Post, Apr. 22, 1980]

WASHINGTON BUDGET GAMES: A FORMULA FOR INEQUITY

The debates in Congress this week on the revised budget are an opportunity to bring common sense back into the running of this country. The House and Senate versions of the budget may be in balance financially. But they are way out of balance in terms of social equity and the burdens placed on New York and the industrialized Northeast compared with those placed on the rich Sunbelt and oil-producing states.

Are they not part of America? Shouldn't they be helping to share the national burden? As things are going, we risk becoming two nations. The Southern states, and those areas now booming with new oil profits, were pleased to receive help from the richer Northeast states during the Depression. Where is their conscience now?

As Senator Moynihan has pointed out, Congressional committees produced the revised budgets too quickly and in an atmosphere of crisis. Unless wiser counsels now prevail, they will do severe damage to individuals and cities in this area. Consider these inequities.

1. The $1 billion cut in CETA funds will increase unemployment, further diminish municipal services and add to overall federal costs every 1 percent increase in unemployment costs $20 billion in lost tax revenues and higher welfare, Medicaid and food stamp costs.

2. The $1 billion cut from food stamps and $500 million from welfare will cause increased hardships to individuals and, as the recession develops, a further fall-off in purchasing power in depressed areas. The $1.7 billion cut in the states' share of general revenue must throw New York City's budget into disarray and prevent us from achieving financial recovery next year.

3. Yet at the very time when Congress is denying funds to New York and the Northeast, even further federal largesse is being heaped on the Sunbelt and oil-producing states. Texas, Oklahoma, Louisiana, California and a few other states have just been given tax exemption on their own windfall tax on higher oil profits—$128 billion over the next 10 years.

The average annual increase in state revenues is going to be equal to the entire Texas budget of 1978. Alaska, a smaller beneficiary, has already ended income tax and given every citizen $2000.

4. This explosive growth will distort the distribution of billions more dollars of federal assistance. Because general revenue-sharing funds are calculated on a formula based on per capita tax receipts—the amount of revenue states raise on their own—the eight major oil-producing states will be rewarded by Washington with significant increases while the other 42 states get less.

But they are doing well enough already. In federal handouts for water projects, California got $240 million last year, Texas $130 million, Louisiana $82 million, Oklahoma $51 million—compared with New York's $13 million.

Even in road building funds California ($340 million) and Texas ($294 million) got more than New York ($289 million). As for defense, the figures hardly bear repeating: California $15 billion, Texas $19 billion, New York $4.5 billion.

The same embarrassment of riches prevails for the non-oil producing Sunbelt states. They all do dramatically better than New York and the Northeast states in the provision of federal funds for defense, water projects and farm subsidies—even in food stamps.

The time is long overdue to halt this gross discrimination. Let us by all means have a balanced budget. But let us have a budget that is also balanced in sharing this nation's problems as well as its wealth.

[From the New York Daily News, Apr. 21, 1980]

THE NORTH MUST RISE

("Forty two years ago a Democratic candidate ran for President in a time of economic crisis. He saw that the poverty of the South was the greatest long-term obstacle the nation had to overcome if it was ever to restore prosperity and economic justice to all the people. Today there is a different region that demands our concern. . . . If we are to restore prosperity in the Northeast, if we are to follow Franklin Roosevelt's example and rebuild the region that now demands our help, we must start with a partnership between federal, state and local governments.")

—Jimmy Carter

HARTFORD, CONN., October 3, 1976. What hyprocrisy! What a fraudulent statement- Instead of helping the North, this southern president has been working almost full time the last three years to turn it into a wasteland of crumbling factories and poverty and debt—and now, growing despair.

Nearly everything he has done—and to be fair about it, nearly everything Congress has done—has dug the grave deeper for New York and America's other big industrial cities. From terribly biased energy and economic policies to equally biased federal spending and budget-cutting programs, Washington has fought hard to impoverish the North and to enrich the new billionaire states of the South and Southwest.

Here in New York we have gone through a lot of hell to escape bankruptcy—massive layoffs, service cutbacks, crushing debts, you name it. But now, just when we were beginning to see the light, we are being driven over the cliff again by a series of ruinous developments for which the federal government is largely responsible. Instead of getting back into the black in 1982, as planned, we are facing a new deficit of more than $1.5 billion.

Well it's time to rebel while the 1980 election campaign is still rolling and the politicians are still paying some small attention to the voters. It's high time, as Felix Rohatyn has suggested, to mobilize all the political power of the industrial North—every governor and every congressman, big business and organized labor—to force Washington to reverse the unfair but progressive transfer of wealth to the sunshine belt.

No nation can long survive if one region is compelled, unjustly, to surrender its own prosperity and well-being to enrich another. People will bear heavy burdens in life—unemployment, soaring prices, taxes and numerous other frustrations—if they feel these are being shared equally. They will become sullen, resentful and finally rebellious if they sense that one group is being made to suffer in order to put another on easy street.

This is why the governmental bias against America's industrial heartland is not only unfair but dangerous. As Rohatyn puts it, the United States has already been changed into a nation of "haves" and "have-nots", with the "have-nots" forming a kind of Third World where racial tensions in the ghettos and increasing middle class frustrations are combining "to create a potentially explosive mixture."

During the Depression and such disasters as the dust bowl, the wealthy northern states generously contributed assistance programs. Then. during the war and postwar years, powerful southern congressmen continued rigging every federal formula and nearly every program to favor the South and Southwest. Although some urban programs were mounted during the 1960s, the ball was still sliced toward the once-poor but ever more prosperous sunbelt and away from the newly troubled cities of the North.

It's even worse now, as the accompanying chart shows. From one end of the bloated federal government to another, the North gets ripped off compared to other regions. And the unfairness is compounded when the same political bias is applied to the budget-cutting now being done by the President and Congress.

But this isn't all. The final crusher, the ultimate slap in the face, is the scandalous way Congress nad Carter have rigged our so-called energy program and windfall profits bill: (1) to murder oil-dependent areas like New York and New England and (2) to drown oil-rich states like Texas, Louisiana, Alaska and California in a tidal wave of tax benefits—a multi-billion dollar bonanza provided mostly by New Yorkers and other tax-beaten citizens.

It's so incredible—the tax ripoff on top of the decontrol of oil prices—that Alaska has just been inspired to wipe out its income tax and give its citizens a $2,000 dividend! Not a contribution to our defense costs or a couple of bucks to help New York but a nifty goodie for every adult Alaskan. And if Alaska is inspired, you can bet Texas is positively delirious. It will probably be forced to hand out free mortgages.

We're delirious, too, but not inspired. This whole process is terribly destructive and calls for the most urgent kind of counter action. Somehow, some way, the Northern tier states must rise up against the continuing injustice being done to them.

They must form a political coalition and develop a coordinated political action program to bring the heaviest kind of pressure to bear on the President, the other presidential candidates and everyone running for Congress. We must have a tough, clear and effective strategy for rechanneling crucial federal aid into the northern cities and to reduce the present cruel and unjust distribution of wealth.

To fail to do this will be to invite disaster—economic, political and social. It will be to create dangerous fissures in the national unity and harmony that are the essence of America's greatness.

ACHIEVING A BALANCED BUDGET

Mr. FORD. Mr. President, when the Senate recessed for the Easter nonlegislative period 2 weeks ago, I spent the entire period traveling across my State. I put more than 700 miles on a car and spent the time in towns like Wickliffe, Benton, Flemingsburg, and South Shore.

I saw hundreds of people at each place, and the mood of the individuals with whom I spoke was as somber as I have ever seen.

These people are not frustrated. They are not mad. They are downright frightened over what is going on with the economy, and they are scared because their jobs, their way of life, and their very future existence are threatened.

They are upset over the Federal Government's inability to take control of the runaway inflation that is threatening to throw our economy into shambles, and they told me so. They know that the factors responsible for our inflation directly relate to this Nation's continued dependence on foreign sources of energy and deficit Federal spending.

Congress has made considerable progress resolving both these problems, but we must intensify our efforts on both fronts if we are to achieve the desired result of bringing inflation under control.

What I am trying to convey to you is a sense of urgency that Congress take whatever actions are necessary to balance the budget for fiscal year 1981. The Nation simply cannot afford to continue on the carefree spending path of the past decade. We need to cut taxes and expenditures, and the time to do that is now.

Along with many of my distinguished colleagues, I am committed to voting for a balanced budget for the coming fiscal year. I acknowledged that this will not be an easy task, especially given the limited resources we have on hand and the growing percentage of the Federal budget which is devoted to defense spending and to uncontrollable expenditures such as social security and veterans benefits. It will require great discipline and sacrifice on the part of every American.

A balanced budget can only be accomplished if Congress is willing to act in three specific areas. First of all, we must undertake the most intensive policy evaluation of Federal activities and programs in many years. Second, we must make sure that tax moneys are used more effectively and efficiently. And, most importantly, we must terminate or reduce funding for programs which a majority of this body—including myself—have strongly supported in the past.

In spite of the difficulty of these tasks, I believe Congress is determined to balance the budget. Already, both the Senate and House Budget Committees have completed work on initial budget resolutions for the next fiscal year. They have recommended spending cuts that could produce the first Federal surplus since 1969.

But, in order to reach that goal, every tax dollar must be utilized in the most effective manner possible. We need to increase government productivity and put an end to the spiraling cost of government programs. We must eliminate mismanagement and waste throughout the governmental bureaucracy.

But our continued commitment to balancing the budget should not involve an indiscriminate, ax-swinging approach. Nor should our continued commitment to balancing the budget be sidetracked by disagreement over which services and programs should be cut. Although there will always be some disagreement, it should not preclude the termination or modification of programs which no longer justify current Federal expenditures.

Some of the choices will be painful, but there is no painless way to balance the budget. We can no longer use hesitancy and delay as a medication for the Nation's ills.

Very shortly, I plan to join Senators SASSER and PRYOR in cosponsoring a sense of the Senate resolution that will express the need for the Federal Government to reduce expenditures for travel and transportation, reduce expenditures for consultants, and collecting the debts owed to our Government. Our resolution, very simply, makes sensible recommendations about where spending must be limited and revenues increased.

The first provision of the resolution proposes a reduction of $500 million in travel and transportation expenses of Federal employees. In this respect, it is similar to a measure which I joined Senator SASSER in cosponsoring last year, which reduced by $500 million the amount budgeted for travel in the current fiscal year.

The people have reminded us again and again. There is simply too much Government travel. If we are to balance the budget, it is vital that travel by Federal employees be kept at a minimum. Every effort must be made to eliminate nonessential trips.

The second provision recommends that consultant costs be limited to an amount $500 million below the amounts included in the President's proposed 1981 budget.

A recent General Accounting Office investigation of consultant contracts with the Federal Government uncovered "serious, pervasive problems." Among other things, the study revealed questionable agency requirements for consulting services, contracts which were of questionable value to the agencies, and significant spending for consultant services in the final quarter of the fiscal year, adding further doubt about the need for those services.

The GAO report is not the first evidence of the abuses related to consultant services. But it brings to light the seriousness of those abuses and the degree to which they have been allowed to spread throughout governmental business. Last year, the Senate Civil Service and General Services Subcommittee discovered evidence of the serious and costly abuses involved in consultant employment.

Finally, the resolution urges collection of more than $1 billion in debts owed the Federal Government by various firms and individuals.

There is absolutely no reason why taxpayers should be asked to subsidize those who refuse to pay their just debts. The majority of our citizens do pay the Government what is due, and they do that when it is due. Witness the increase in traffic at all our post offices just last week. These people should not be expected to pick up the tab for firms and individuals who have the same ability to pay their debts but just refuse to do so.

Again I refer you to another GAO study conducted last year, "The Government Can Collect Many Delinquent Debts by Keeping Tax Refunds as Offsets." GAO found that the Government has been doing a poor job of collecting bad debts and goes on to recommend specific steps which we could take to increase the effectiveness of the Government's efforts in that area.

The Federal Government writes off millions of dollars—millions of dollars—every year in bad debts. The GAO estimates the figure to be as high as $500 million. Surely, a substantial part of that $500 million could be recovered if we would only improve our debt collection procedures, and I call your attention to defaulted student loans as an excellent starting place.

This provision of our resolution urges the Federal agencies to adopt the GAO recommendations for utilizing modern commercial practices for debt collection. At the same time, it retains important safeguards of the privacy of individual tax returns and other information that taxpayers are required to submit to the Internal Revenue Service. It seeks to strike a careful and appropriate balance between the right of the Government to recover delinquent amounts due, and the individual's right to privacy.

My colleagues and I urge collection of

$1 billion in revenues and cuts totaling $1 billion in Government spending. The cumulative impact of such action would be a reduction in the Nation's deficit of $2 billion. I am pleased and proud to be an original cosponsor of this resolution, and I commend Senators SASSER and PRYOR for their efforts to root out inefficient and wasteful Government spending. I call upon all my colleagues to review the recommendations set forth in the resolution and to join us in working toward its passage. It is a firm step in the right direction and should strongly encourage more effective utilization of our limited public funds.

Let me call your attention to another bill I have cosponsored, S. 2435, which rescinds funds appropriated for the purchase of office furniture and for rental of space by the Federal Government in fiscal year 1980. Much attention has recently been drawn—and justifiably so—to hearings conducted by the Senate Subcommittee on Federal Spending Practices. Those hearings have focused on flagrant abuses of furniture procurement by all Federal departments.

I was very disturbed to learn that there are over 10.5 million square feet of Government warehouse space in the Washington, D.C., area, and that the Government is currently storing not only an adequate supply of needed replacement items, but also more than enough to last for years to come. Moreover, the subcommittee heard testimony that some agencies have been hauling good, usable furniture to the dump. This is appalling, if true.

Mr. President, we need to greatly improve the management of the Federal Government. We need to do it now. S. 2435 is only one example of immediate savings which can be achieved by eliminating waste.

A series of other legislative initiatives are underway which could help balance budgets for future years. Sunset, sunrise, and regulatory reform proposals would improve congressional review and oversight of Federal spending and regulatory activities. They would enable Congress to easily terminate unnecessary programs, reduce staggering redtape, and lessen paperwork requirements.

As a member of the task force on small business, I have urged prompt Senate consideration and enactment of these measures. They will result in tremendous cost and time savings to the Government as well as the private sector.

But it is only through a combination of all these steps that we can ever really respond to the needs for a balanced Federal budget. The budget that has been approved by the Senate. I, myself, do not support every recommended reduction made by the committee, but I do back the overall resolution—you will remember that I believe in compromise—and I am committed to supporting the committee's efforts to balance the budget this year. I look forward to working with all my colleagues to achieve a balanced budget.

Already, we are taking positive actions, both individually and together, to encourage curtailed Federal spending and reduced inflation. As I stated earlier, this is not going to be an easy task, and it will require some tough decisions. But the time is now to put an end to our financial woes that are bringing unnecessary hardships to our people. Economic chaos is a daredevil game that cannot be allowed to continue.

A TIGHT, BALANCED BUDGET FOR FISCAL YEAR 1981

Mr. CRANSTON. Mr. President, last week I described on this floor a draft proposal for a tight, balanced budget for fiscal year 1981. Such a budget, I believe, is a necessity in our fight against inflation. After discussions with several other Senators, I have cut expenditures in my budget even further to offer it in final form.

My alternative budget is responsibly constructed. It takes a responsible revenue estimate, and it pares down spending to meet those reasonably anticipated revenues.

My budget is not generous, Mr. President; we cannot afford to be generous in these inflation-fighting times. My budget is realistic, tight, and frugal.

This alternative budget, which I intend to offer with the support of many of my colleagues as a substitute for the budget reported by the Senate Committee on the Budget in Senate Concurrent Resolution 86, provides more for defense than the President and Secretary of Defense are seeking to meet our national security needs. Far from cutting or shortchanging our national defense, my budget provides for a substantial real increase in defense.

At the same time my budget sensibly balances our competing national priorities so that we fulfill, to the extent feasible within severe budget constraints, our domestic program commitments.

These domestic programs include much more than so-called social programs. Energy, trade, and transportation are just three vital domestic programs that would be adversely affected by the committee budget.

The fight against inflation must be waged simultaneously on many fronts, among them these:

First. We must expand domestic production and develop energy alternatives to reduce our dependence on foreign oil. No single factor has caused more inflation of late than our dependence on OPEC-controlled oil;

Second. We must strengthen the U.S. dollar through expanded foreign trade, especially with the huge market opening in China; and

Third. We must continue to cut into our energy usage through energy conservation, and through modernizing and expanding mass transit and transportation systems to reduce our dependence on the automobile.

We can not afford to set these programs back to the degree proposed by the Senate Budget Committee. Nor can we afford to turn our backs on desperate social needs in our society—needs we are not even meeting adequately now, but which we must address, at least minimally, if we are to remain a compassionate nation, and if we hope to avoid a terribly costly disruption of our social fabric. I am referring to basic human needs for food, housing, health, education, and employment which, if they are not addressed by the Federal Government, will to a large extent not be addressed at all.

We must not add to the pain and suffering of those who have already borne the brunt of inflation, and who will suffer most from recession.

Last week I presented tentative functional totals of my budget side by side with the budget reported by the Senate Budget Committee. Today I want to examine more closely the details of these alternative budgets facing the Senate, and compare them with the budget presented by the President.

Mr. President, I was one of those who worked to establish the congressional budget process. I was deeply involved in the discussions leading to the enactment of the Congressional Budget Act of 1974, and I served on the Senate Budget Committee from the time of its creation for a period of 4 years. So I know something about the budget and the budget process.

There is another "alternative budget" circulating this week, prepared by the junior Senator from Colorado, and some of his colleagues. It abandons the budget process as a device for reconciling Federal spending with anticipated revenues, and for planning a responsible fiscal policy that will serve the needs of the Nation.

The American people must not be misled into thinking that Government can continue to provide services—insurance, farm price supports, loans, emergency relief, research grants, national security, financial assistance, and a multiplicity of other services—without taxpayers paying for them.

BUDGET TOTALS: BUDGET AUTHORITY

My budget totals $700.8 billion in new budget authority. That is $1.1 billion less than the March budget revisions presented by President Carter, as reestimated by the Congressional Budget Office.

In presenting the President's March budget, the White House said:

> The budget actions the President has proposed will not be easy. They go beyond simply trimming the fat and eliminating waste and fraud. There will have to be cuts in some very worthwhile and popular programs as well.

Yet my alternative budget saves an additional $1.1 billion in budget authority from the President's recommendations. The Senate Budget Committee's total new budget authority is $13 billion lower, primarily because the committee assumed extremely unrealistically low levels in the transportation, energy, and income security functions, which are programmatically and often technically indefensible, in addition to curtailing unreasonably other national priorities. I will discuss each of these in detail later.

OUTLAYS AND REVENUES

The alternative budget I am offering includes a very tight outlay figure of $616.8 billion, more than $5 billion under the cost of the President's March budget, as reestimated by CBO.

This budget is in balance with a very reasonable estimate of fiscal year 1981 revenues—varying by only $300 million, a variation of only four one-hundredths of 1 percent from the original mark put forth during budget markups by the chairman of the Budget Committee, the distinguished Senator from Maine.

My revenue estimate assumes enactment of slightly more of the President's administrative and legislative proposals, or alternatives to them which are likely to be enacted, than does the Budget Committee's reported estimate, and it assumes revenue reflows from a slightly more stimulative budget.

It is well within range of reasonable estimating error, as both the CBO staff and the Budget Committee staff have assured me, and it has been developed in close consultation with Treasury Department officials and the committees of appropriate jurisdiction.

The total difference between my revenue estimate and that of the Budget Committee—$3.9 billion—is a difference of six-tenths of 1 percent, well within the range of probable statistical error.

In fact, in past years the Budget Committee's revenue estimate for the first budget resolution has not come close to that degree of accuracy.

I ask unanimous consent that a table illustrating the margin of error in the committee's first concurrent resolution revenue estimates over the last 4 previous years be placed in the RECORD at this point in my remarks:

There being no objection, the table was ordered to be printed in the RECORD, as follows:

MARGIN OF ERROR—BUDGET COMMITTEE, FIRST CONCURRENT RESOLUTION: REVENUE ESTIMATES

[Fiscal years]

	SBC First Concurrent Resolution as reported	Actual	Error	Percent error
1977	362.4	357.8	+4.6	∓1.3
1978	395.6	402.0	−6.4	−1.6
1979	443.3	465.9	−22.6	−5.1
1980	503.6	[1] 528.9	−25.3	−5.0
1981	612.9			
AC	616.8			
Difference	3.9			
Percent difference	(0.6)			

[1] SBC estimate.

Mr. CRANSTON. Mr. President, in the last 3 years the revenue estimates reported by the Budget Committee for its first budget resolution have understated revenues by ever-increasing amounts, as compared with actual receipts, or—for fiscal year 1980—with the Budget Committee's latest estimates.

That is not to say that the Budget Committee is deliberately underestimating revenues. But it is to say that the art of revenue estimation is something less than precise. Last year alone, the Budget Committee reported a revenue prediction for its first concurrent resolution which was $25.3 billion too low—an error of 5 percent. In the past 2 years the cumulative error is almost $48 billion—with an average error of more than 5 percent.

Should we deprive hungry children of food or close hospitals treating veterans injured in the service of their country solely because we have attributed to the revenue estimate supplied by the committee an accuracy it cannot justly claim? I say we should not.

The error the committee made in fiscal year 1979 and repeated in fiscal year 1980 is more than six times as great as the difference between the committee's current estimates and mine.

Moreover, Mr. President, although this difference is statistically insignificant, I sincerely believe my estimate is the more accurate of the two.

Like the Senate Budget Committee, I have offered a balanced budget which has a $10 billion cushion to be available for estimating error, economic changes, or a tax cut.

But, Mr. President, unlike the Budget Committee's budget, mine has both a mathematical balance and a rational balance among competing national priorities.

Thus, I have in both senses a truly balanced budget.

THE PRIORITIES IN THE BUDGET

1. FUNCTION 050—NATIONAL DEFENSE

Mr. President, I believe the alternative budget I have presented represents sound policy throughout the budget, not just in the social areas, not just in the domestic areas of the budget, but in the national security and international affairs functions as well.

I believe that no nation surpasses ours in strength, both because we are militarily strong and because we have a free and strong economy and society that responds to the needs and to the will of our citizens.

The President's January budget request for defense for fiscal year 1981 included a 3 percent real increase over fiscal year 1980, as estimated at that time.

Two months later, in his March budget revisions, the President asked for a net increase of $4.3 billion in fiscal year 1981 defense outlays over the January request. That is the level of preparedness currently supported by the Commander in Chief and by the Secretary of Defense.

Last fall, I made a commitment to support an increase in defense spending in fiscal year 1981. Sitting in on many hours of testimony before the Senate Armed Services and Foreign Relations Committees on the SALT II treaty convinced me that our military forces needed improvement, particularly our naval and mobility forces.

The Soviet invasion of Afghanistan and concern about oil supplies from the Middle East have served to underscore the urgency of the need for these military force improvements.

Obviously, a majority of my Senate colleagues agree and intend to support an increased level of defense spending this year over the level of spending for defense in fiscal year 1980.

I propose increasing defense spending for fiscal year 1981 $2.7 billion in outlays largely by accelerating programs already in the pipeline, and $500 million in new budget authority above and beyond the increases proposed in the President's defense budget in March. My proposal provides 6 percent real growth in outlays, compared with the President's budget which provides 3 percent of real growth in outlays over present fiscal year 1980 estimates.

I am convinced that this additional real growth in defense is necessary this year. I expect Congress to initiate some defense improvements which cannot be funded at the President's budget level.

My proposal will support these added defense programs without crippling other vital priorities, while still balancing the overall Federal budget and without using any portion of the oil import fee.

By contrast, the defense funding level recommended by the Senate Budget Committee is simply too high and tries to do too much in one year. The Senate Budget Committee calls for a huge increase in new budget authority—$8.9 billion over the President's request—and an increase of $5.2 billion in outlays. This recommendation may not only cripple domestic programs this year in order to pay for this huge increase in defense, but it will bind us in future years to continued higher outlays. At least one quarter of the defense money appropriated this year will actually be spent over the next 4 or 5 years.

My own budget means that new budget authority for defense increases by $37.2 billion from fiscal year 1979 to fiscal year 1981, and by $35.5 billion in outlays.

It defies logic to argue that any defense number smaller than that recommended by the Budget Committee represents a "cut" in defense. The huge defense growth numbers proposed by the Budget Committee are numbers which the Secretary of Defense himself cannot justify. As Secretary Brown said when he gave the Senate Armed Services Committee its preview of the fiscal year 1981 defense budget, which was smaller than it is now:

> The defense program we propose has been designed around a pace of growth that the nation will be able to sustain—economically and politically, until our objectives are achieved. It reflects a recognition of the other pressing claims on our national resources—energy, social welfare, health—that we will face at a time when the need to control inflation will limit the size of the total federal budget. We cannot abandon, and have no intention of abandoning, those other national objectives.

What our Nation needs is a steady defense effort which we and our allies can depend on and plan around. What we do not need—and what Secretary Brown does not seek—is a burst of defense spending which deprives us of the ability to meet our other national commitments.

Regarding the need for a steady defense effort, Senator LAWTON CHILES' thoughtful comments during the Budget Committee's markup bear careful examination:

> We started off and we said we're going to provide a 5% growth, and now the race is to see how much more than that we can provide. Well, it seems to me like you want to chart a course, but you want that to be a steady course, and you want it to have time to build up. You want to allow yourself the time to get the capacity for that buildup, but if you just go out and throw a bunch

of money out there right now as fast as you possibly can, I think it has to be highly inflationary. I tink you could get more waste, and you're not going to get the kind of build-up that you need.

I believe that Senator CHILES' appeal for a steady course is a sound appeal. We must restrain ourselves from the temptation to make every conceivable improvement in our defense forces this year, just as we are restraining ourselves in all other areas of the Federal budget.

The defense spending level which I propose—which is higher than that requested by the Secretary of Defense—will provide a substantial improvement in our defense posture in the coming fiscal year without "bandoning those other national objectives", to use Secretary Brown's words.

2. FUNCTION 150—INTERNATIONAL AFFAIRS

Mr. President, the international affairs function of the budget includes a range of diverse security and humanitarian assistance programs that serve vital U.S. interests.

It contains far more than just "foreign aid." Funds spent under this function play a central part in our effort to strengthen the American position around the world.

My proposal for this function—$24.6 billion in budget authority—includes $5.5 billion for an increased U.S. subscription to the International Monetary Fund currently supported by the President but not reflected in his March budget. This increase is reflected in CBO's reestimate of the President's March budget. Thus, my budget authority figure is the technical equivalent of the President's March budget.

In outlays, however, my total is $200 million below the President's March budget request, and $1.2 billion below current projections for fiscal year 1980 outlays—representing a real reduction of more than 25 percent.

Nevertheless, my substitute restores 67 percent of the unsupportable cuts made by the Senate Budget Committee from the already tight Carter March budget request.

The Cranston substitute permits the United States to continue essential security assistance and humanitarian programs, while cutting back significantly on our general foreign aid.

At the level of funding supported by the Senate Budget Committee, additional severe cuts would almost certainly have to be made in purchases of grain from American farmers for the food-for-peace program, in U.S. contributions to the United Nations and the international development banks, in refugee assistance programs in Indochina, and in U.S. trade promotion programs of the Export-Import Bank which makes loans available to foreign purchasers of U.S. goods. Moreover, under the committee budget, cuts might well have to be forced in the $3.6 billion security assistance budget, which includes outlays of $500 million for foreign military sales credits to Israel and $810 million for economic support funds for Israel and Egypt.

Because nearly 60 percent of the outlays in this function result from legislation already enacted and international commitments already undertaken, only about 40 percent of the outlays will result from new 1981 authorizing and appropriating legislation.

Only $314 million of these new outlays come from all of the development assistance programs combined, except food-for-peace.

The Budget Committee proposes a $700 million outlay cut from CBO's reestimate of the tight Carter budget. The committee asserts that its proposal will leave unaffected all of the security assistance proposed by the President, including aid for Israel and Egypt. This claim is both technically and factually dubious, and many of those who support assistance for Israel are now supporting my alternative budget proposal.

My proposal restores $400 million in outlays cut from the President's request by the Budget Committee.

This provides the flexibility essential to insure that vital U.S. security assistance to allies is not cut back during this time of greatly increased international tensions, and that other vital humanitarian relief programs survive.

My proposal assumes anticipated increases in U.S. aid to Israel adopted by the House authorizing committee, but not anticipated by the Senate Budget Committee figures.

And finally, my budget assumes some funding for initiating Eximbank financing of trade with the People's Republic of China. As little as $50 million in Exim outlays directed to such an effort could permit new loan authority of up to $1 billion. That would provide thousands of new American jobs, reduce our trade imbalance, and strengthen the dollar.

3. FUNCTION 250—GENERAL SCIENCE, SPACE AND TECHNOLOGY

The President's March budget proposes a $200 million reduction in our civilian space program. The Senate Budget Committee proposes to cut $200 million below the President's March budget as reestimated by CBO, in both budget authority and outlays. Those proposals would cause curtailment of several non-Shuttle space programs.

While I believe that some delay is appropriate, and I assume in my alternative budget $100 million less in outlays than the CBO reestimate of the President's March request, I believe the civilian space program—which has been scientifically productive and well managed—deserves funding at least at the scaled back level recommended by President Carter.

Thus, I am proposing budget authority of $6.6 billion, $200 million more than the committee, and outlays at $6.2 billion, $100 million more than the committee.

4. FUNCTION 270—ENERGY

At a time when rising energy prices and dependence on imported oil have been responsible for much of our present inflation, I believe such programs as the Solar and Conservation Bank and the proposed Community Energy Efficiency Act are among the new energy programs that show the most potential for immediate results in reducing our energy dependence, in environmentally attractive ways, and at relatively small cost.

The levels of funding provided by the Budget Committee in this function unwisely lower the production or conservation of energy as a vital national priority.

A brief examination of the Budget Committee's own report makes the point all too clearly:

The Federal energy research and development effort would decline over a 5-year period at about the rate of inflation, according to the committee. The 25 major energy supply demonstrations undergoing construction or scheduled would be delayed or, in some cases, terminated.

That is at current law levels.

The Budget Committee recommendation is $300 million below current law in budget authority and $100 million below current law levels in outlays for energy supply. And, it assumes no new energy research and development activities between fiscal year 1981 and fiscal year 1985.

By the committee's own estimate, the conservation effort, at current law levels, causes technology development to decline, and would delay adoption of efficiency standards for appliances, performance standards for buildings, and promotion of energy efficiency. Yet the committee recommends funding below current law levels by $100 million.

Moreover, the Budget Committee recommends that the strategic petroleum reserve be cut by $2.3 billion in budget authority and $800 million in outlays. My budget proposes that budget authority be set at the level reestimated by CBO for the President's March budget, with outlays at $100 million less. That could be achieved by slowing purchases for the strategic petroleum reserve below the President's requested level. I believe this level is marginally acceptable.

The level proposed by the Senate Budget Committee is deficient, both as a statement of our national priorities and as a budget for critical national needs.

5. FUNCTION 300—NATURAL RESOURCES AND ENVIRONMENT

From the time of our Founding Fathers, those who have governed this Nation have been profoundly conscious of the heritage to be left to future generations.

Preservation and protection of our national parks and other scenic areas is one important way in which we carry out our commitment to those who follow us.

Limiting funds for acquisition of parks, recreation areas, and wildlife refuges, as the committee carefully explains in its report, could result in much higher eventual costs: The rate of inflation in land prices can, in many cases, be significantly higher than the overall inflation rate.

Meanwhile, we already have a backlog in currently authorized land acquisition—approximately 2.4 million acres totaling about $2 billion.

The effect of delay in these acquisitions is almost always costly; sometimes, it is fatal. Take the case of the Santa Monica Mountains Park, for example, which was approved by the Congress in 1978 and for which $35 million L. & W.C.F. dollars were earmarked in this year's budget. The failure to commence land acquisition this year means that these beautiful mountains fall to the developer bulldozer.

Yet the Budget Committee assumes deferral in fiscal year 1981 of nearly all Federal park acquisitions through the land and water conservation fund, and it provides no grants to States for similar purposes.

My alternative budget restores to function 300 the full $800 million in budget authority that was cut from the authorizing committee's request for the land and water conservation fund. It restores the totals for the function to the $12.4 billion level in budget authority in the CBO's reestimate of the President's budget for this function.

My outlay total of $12.4 billion also assumes full restoration of the L. & W.C.F. But I achieve a level $300 million lower than the CBO reestimate of the Carter budget by assuming a funding cap on all water projects.

6. FUNCTION 350—AGRICULTURE

The Budget Committee proposes, for fiscal reasons alone, to curtail our national energy effort, and to eliminate a park acquisition program previously authorized by Congress. At the same time if provides a $100 million increase over the President's budget in budget authority for agricultural research and an additional $100 million over the Carter budget which could be used for a proposed new crop insurance program.

I believe that ultimately such a crop insurance program is a good idea. And I have long been a support of more realistic levels of funding for agricultural research. I do not, however, believe this is the year for these increases in agricultural programs at the expense of the urban poor.

My budget alternative sets the budget authority in this function at $5.4 billion, as in the CBO reestimate of the President's budget. My outlay estimate is the same as that of the Senate Budget Committee.

7. FUNCTION 370—COMMERCE AND HOUSING CREDIT

The housing industry is in the throes of a severe slowdown, largely as a result of exorbitantly high interest rates. The economy is plunging toward recession. The rate of bankruptcies have increased sharply. Yet the Budget Committee has proposed a rate of funding for this function well below current law levels.

I believe new budget authority should be provided to restore the Small Business Administration, the Consumer Cooperative Bank, and miscellaneous housing credit programs to the level of funding provided for in the President's budget as reestimated by CBO.

My substitute budget holds outlays at the level provided for by the committee.

8. FUNCTION 400—TRANSPORTATION

The Budget Committee has made technically indefensible cuts in the transportation budget suggested by the administration. None of the cuts are made in the highway programs, where the Committee has merely assumed the same level of funding as the President. Instead, the committee proposes to derail Amtrak, ConRail, and the Northeast Rail Corridor, while substantially abandoning our national effort to save energy by substituting mass transit for some automobile usage.

The committee action flies in the face of our national policy commitment to save energy.

The Budget Committee assumed that collection of the windfall tax will add $18.0 billion to Federal revenues in fiscal year 1981.

Yet the budget the Committee proposal for transportation is $600 million below current law levels in budget authority and $200 million in outlays below current law levels.

Even at current law, in the words of the Committee:

> New rail systems under construction can be substantially completed [emphasis added] but choices could be required about cutting back on rail modernization and extension projects and/or on bus purchases. Federal operating subsidies . . . would be eroded by inflation, with the result that they would cover a declining percentage of the cities' transit costs. This means that local governments would have to increase expenditures and/or raise fares to defray the growing shortfall in operating costs.

Note that all these statements apply to the current law level. But the committee's funding level is far below that.

The committee's proposal is not adequate to implement the President's mass transit energy initiative.

I propose the same level of funding as in the President's March budget revisions. That amount is not generous; it is only barely adequate.

Amtrak points out that funding at the Budget Committee's level not only means no new cars—with cancellation of a purchase contract and resulting cost penalties—and no new stations or station improvements, but would also require a reduction of about one-third of current Amtrak service.

Since Amtrak is required by Public Law 96–73 to continue to operate almost every current service through fiscal year 1984, Congress would have to specify which routes are to be cut from the system.

The committee's sole justification for such massive cuts is the rising cost of Federal subsidization. But that is hardly sufficient justification. The cost of everything—as we all know only too well—is rising.

My budget alternative recognizes that mass transit is too important to the Nation as a whole, and too vital to our energy conservation efforts to view with indifference.

9. FUNCTION 450—COMMUNITY AND REGIONAL DEVELOPMENT

I basically agree with a series of assumptions the Budget Committee has made for improved targeting of programs and for cost savings.

However, I believe a $100 million increase in both budget authority and outlays are necessary to restore partially cuts made by the committee in the community development block grant program.

10. FUNCTION 500—EDUCATION, TRAINING, EMPLOYMENT, AND SOCIAL SERVICES

I have said repeatedly that while I believe strongly that we need a balanced budget, I do not believe we should balance that budget on the backs of those in greatest need in our society.

So particular attention must be paid to this funciton which includes the Federal effort for training and employment opportunities for the disadvantaged.

The administration estimates that the unemployment rate will average 7.3 percent for calendar year 1981. CBO estimates it at 7.5 percent. And CBO projects a fourth quarter 1981 unemployment rate of 7.6 percent.

In the face of these distressing statistics, the administration's revised budget was neither padded nor generous. It reduced the level of operation for the Young Adult Conservation Corps, phased out welfare reform demonstration programs, and reduced countercyclical public service jobs from 200,000 to 149,000. The resultant savings from the President's January budget will total $1.350 billion in budget authority and $840 million in outlays.

From this barely adequate base the Senate Budget Committee began its work. The committee assumed the deferral of the youth employment program until fiscal year 1982 (October 1981); phased out title VI (countercyclical public service jobs) of CETA; eliminated the Young Adult Conservation Corps; slashed $300 million out of the already underfunded summer youth employment program; cut the WIN (Work Incentive Now) program; deferred the Carter "private sector initiative"; and cut in half the administration's proposed increases in aging, ACTION, vocational rehabilitation, and social services (except for title 20 and child welfare services).

By undercutting much of the Federal effort toward employment assistance, the Budget Committee assumed savings of $3.5 billion from the Carter budget in budget authority and $2.3 billion in outlays.

Nor was Federal assistance to education spared. Under current law funding, one or more of the following outcomes will result unless State and local increases in contributions offset Federal cuts: First, the Federal share of elementary and secondary education spending will shrink to 7 percent by fiscal year 1985; second, 600,000 fewer children will be served under the title I program, or services will be reduced by 12 percent; third, the Federal share of educating a handicapped child will drop from 12 to 8 percent; and fourth, other education programs will also have to be cut back.

Yet the Senate Budget Committee proposes funding for elementary, secondary and vocational education at $300 million in outlays below the current law levels—and $700 million below current law levels for higher education.

My proposal restores funding for education, employment training and social service programs to a level approximately equal to CBO's reestimate of the Carter budget. These funds are far less than the amount necessary to meet the needs which they are designed to address. These particular programs are vital if disadvantaged people are to break the cycle of poverty.

I deeply regret not being able to do more, but I believe my substitute presents a marginally acceptable alternative in a very tight budget year.

11. FUNCTION 550—HEALTH

Programs such as community health centers, migrant health centers, the Indian Health Service, the National Health Service Corps, voluntary family planning services, and maternal and child health services help bring health services to the 26 to 30 million medically underserved people in America.

These programs help develop community resources such as emergency medical services systems development, community mental health centers, alcohol and drug abuse prevention and treatment programs, and local health planning.

These programs help us find the causes and cures of disease through support of biomedical research, help improve the quality of health care, and help support the training of needed health care personnel.

These programs protect consumers from unsafe and defective products and workers from occupational hazards.

The Indian Health Service—the primary source of health care for almost 750,000 Native Americans is a typical example of the programs shortchanged by the committee. Though often underfunded, it provides to American Indians medical care that would not otherwise be available. Without Federal services, there would be no services.

Our Native American population has never received adequate medical care—although recent efforts have been made to improve it. But if the Budget Committee has its way, those efforts will be seriously curtailed with no alternative provided.

Real funding cuts in this and other similar programs, the Budget Committee report tells us, will make it even more difficult to provide quality services and to attract personnel to medically underserved populations in both rural and urban areas.

Yet the Budget Committee has recommended a 22 percent reduction in real funding of the health services mission over 5 years; a 29 percent reduction real funding of the health research mission over 5 years; a 33 percent reduction in real funding in the health care training mission over 5 years; and a 14 percent reduction in real funding in consumer and occupational health and safety over 5 years.

The Budget Committee recommends $800 million in budget authority below its downward adjusted current law levels and $1.4 billion below its adjusted current law level in outlays in programs that are already underfunded—many of which represent the sole source of medical assistance for some of the populations they serve.

My alternative budget restores $700 million in budget authority to the health function for discretionary health care services, with commensurate outlays, to be partially offset by significant savings in medicare and medicaid through the adoption of legislation, as assumed by the Budget Committee.

12. FUNCTION 600—INCOME SECURITY FOOD

Improvements in calculating benefits led the administration to propose an $85 million reduction in the food stamp program last January.

The President estimated the program would help to improve the diet of 20.4 million low income people a month at a cost of $9.7 billion.

In its March budget revisions, the administration proposed further changes in the food stamp and child nutrition programs for a net reduction of half a billion dollars in both budget authority and outlays.

The Senate Budget Committee assumed still further reductions of $900 million in budget authority and outlays for food stamps—almost 10 percent of the program—by assuming unspecified "legislative savings." But such savings would deny 2 million low income people the benefits of the program.

The committee also assumed a $100 million cut—about 11 percent—in the maternal and infant child nutrition (WIC) programs designed to insure an adequate diet for all poor Americans, especially children, the elderly, and the disabled.

SHELTER

Function 600 contains programs to promote decent and affordable housing for low- and moderate-income individuals and families.

The President's budget set a housing target for this so-called assisted housing of 300,000 units—but the CBO estimates that the funds provided in the budget would actually build only 283,000 units.

The Senate Budget Committee reduced the target by 90,000 units down to current law levels of 210,000 units—30,000 less than last year. That is a drop of 30 percent from the President's target.

The Budget Committee cut $600 million from the low income energy assistance program, despite the fact that Congress only recently finished work on low income energy assistance legislation and allocated a portion of the windfall tax revenues to pay for it.

In addition, the Budget Committee assumed unspecified savings of $500 million in outlays from the social security program, and it underestimated outlays from the Trade Adjustment Assistance Act program by close to $1 billion.

Altogether, the committee cut from the income security function $7.1 billion in budget authority and $2.8 billion in outlays from the already stringent Carter budget as reestimated by CBO.

My amendment restores $6.8 billion in budget authority and $1.7 billion in outlays. The items I have listed are the areas where I believe the restored funds should go.

13. FUNCTION 700—VETERANS' BENEFITS AND SERVICES

As chairman of the Senate Committee on Veterans' Affairs, I have a special responsibility to assure that the Nation keeps its commitments to its veterans through programs that adequately meet their special needs. That responsibility extends to veterans, dependents, and to the survivors of those veterans who made sacrifices in service to the Nation.

Veterans benefits compensate for loss of earnings resulting from service-related disabilities; provide medical care for veterans with physical and psychological disabilities resulting from military service and for poor and elderly veterans; assist veterans in readjusting to civilian life; and provide financial aid to needy veterans of wartime service and to their survivors.

While working hard to maintain the adequacy and quality of these services, I have paid special attention to program efficiency and fiscal responsibility. But no matter how tightly the Veterans' Affairs Committee constructs its program for the year, no matter how carefully we plan savings, no matter how accurately we report our intentions to the Budget Committee in the March 15 report required under the Congressional Budget Act, and no matter how faithfully we follow up on our plans to achieve the legislative savings we have reported, the Budget Committee responds as though we had made no such achievements and attempts to reduce our funding levels well below our carefully considered estimates.

Once again they have done so despite the fact that the distinguished ranking minority member of the Senate Budget Committee, the Senator from Oklahoma (Mr. BELLMON), stated that he has become convinced in recent weeks that the Veterans' Affairs Committee was in fact making a good-faith effort to hold down spending.

Well, Mr. President, these efforts have in fact been going on for a long time.

The Budget Committee reported a mark for the veterans function $1 billion in budget authority and $400 million in outlays below the President's March budget. It is $800 million in budget authority and $600 million in outlays below the amounts recommended to the Budget Committee by the Senate Veterans' Affairs Committee in its March report.

The amounts recommended by the Veterans' Affairs Committee were precisely drawn, tight, and fiscally responsible. They reflected a carefully worked out agreement that I had reached with the administration to achieve all possible savings in administrative and construction expenditures without harming veterans programs or reducing the services to which veterans are entitled under current law. Thus, the Veterans' Affairs Committee's budget recommendations included a reduction of some $300 million in outlays from the President's January budget for fiscal year 1981 for veterans programs as currently authorized.

Acceptance of the reduced amount proposed by the Budget Committee in its place would deny to veterans a fair, badly needed, cost-of-living increase in service-connected disability compensation benefits.

It would deny to veterans a reasonable GI bill rate increase after 3 years without one.

And it would strike a devastating blow to VA health care programs.

My alternative budget restores the full amount requested by the Veterans' Affairs Committee for budget authority. But I would accept an outlay level $200 million lower than the Veterans' Affairs Committee recommendation based on certain legislative savings which the Budget Committee assumes and which I oppose, but which, realistically, I recognize has substantial support in the Senate. Should these savings not be realized, it is my view that the outlay amounts will need to be adjusted upward in the second budget resolution.

14. FUNCTION 750—ADMINISTRATION OF JUSTICE

I would restore the $100 million in the budget authority cut by the Budget Committee for the Law Enforcement Assistance Administration that will bring the program level back to that in the Carter budget.

My outlay total is the same as that reported by the Senate Budget Committee.

15. FUNCTION 850—GENERAL PURPOSE FISCAL ASSISTANCE

The Budget Committee assumes a cut in the State share of general revenue sharing, but fails to provide for the transitional assistance to local governments requested by the President.

My budget restores the budget authority recommended by the President for revenue sharing. But I assume that the new proposal for transitional assistance will start up at a slower rate than that assumed by the President. Though my outlay total is $200 million over the Budget Committee's, it is lower than that recommended by the President.

16. FUNCTION 900—INTEREST

My interest assumption is consistent with CBO's re-estimate of the President's budget request.

In all other functions, my budget would provide the same totals as the Senate Budget Committee.

Mr. President, I ask unanimous consent that a table comparing my substitute budget with those of the President, the President as reestimated by CBO, the House Budget Committee, and the Senate Budget Committee be printed at this place in my remarks.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

	Carter March budget	Carter March budget	House Budget Committee	Senate Budget Committee	Cranston Substitute
National Defense (050):					
Budget authority	164.5	164.3	160.8	174.3	165.0
Outlays	150.5	153.1	147.9	155.7	153.2
International Affairs (150):					
Budget authority	18.2	24.6	24.0	23.4	24.6
Outlays	10.1	10.2	9.6	9.5	9.9
Science and Space (250):					
Budget authority	6.6	6.6	6.7	6.4	6.6
Outlays	6.2	6.3	6.3	6.1	6.2
Energy (270):					
Budget authority	6.9	7.0	7.5	3.9	7.0
Outlays	6.9	7.1	7.1	6.8	7.0
National Resources and environment (300):					
Budget authority	12.5	12.4	12.0	11.6	12.4
Outlays	12.5	12.7	12.4	12.0	12.4
Agriculture (350):					
Budget authority	5.5	5.4	5.4	5.6	5.4
Outlays	2.0	2.3	2.3	2.3	2.3
Commerce and housing credit (370):					
Budget authority	5.6	5.7	5.1	5.1	5.7
Outlays	.4	.6	.1	.2	.2
Transportation (400):					
Budget authority	23.4	23.4	22.8	19.9	23.4
Outlays	19.0	19.3	19.5	18.2	19.0
Community and regulated development (450):					
Budget authority	9.0	9.1	9.0	8.9	9.0
Outlays	8.5	9.7	9.4	9.3	9.4
Education, training, and social services (500):					
Budget authority	33.0	32.9	33.3	29.4	32.9
Outlays	30.6	30.8	30.7	28.4	30.7
Health (550):					
Budget authority	71.1	71.6	71.5	70.9	71.6
Outlays	61.9	62.8	61.8	61.9	62.1
Income security (600):					
Budget authority	251.6	252.4	252.1	245.3	252.1
Outlays	220.1	221.1	220.1	218.3	220.0
Veterans (700):					
Budget authority	22.5	22.1	21.7	12.5	22.3
Outlays	21.4	21.3	21.2	21.0	21.4
Justice (750):					
Budget authority	4.3	4.3	4.2	4.2	4.3
Outlays	4.6	4.6	4.6	4.6	4.6
General government (800):					
Budget authority	4.9	4.7	4.7	4.6	4.6
Outlays	4.8	4.6	4.6	4.3	4.3
Fiscal assistance (850):					
Budget authority	6.8	6.8	6.2	6.3	6.8
Outlays	7.4	7.3	6.8.	6.8	7.0
Interest (900):					
Budget authority	68.4	71.8	72.2	72.2	71.8
Outlays	68.4	71.8	72.2	72.2	71.8
Allowances (920):					
Budget authority	1.7	1.6	0	0	0
Outlays	1.4	1.3	0	0	0
Undistributed offsets (950):					
Budget authority	−24.9	−24.7	−24.7	−24.7	−24.7
Outlays	−24.9	−24.7	−24.6	−24.7	−24.7
Total:					
Budget authority	691.3	701.9	694.6	687.9	700.8
Outlays	611.5	622.2	611.8	612.9	616.8
Revenues	615.4	617.3	613.8	612.9	616.8
Deficit/surplus	+3.9	−4.9	+2.0	(1)	(1)

[1] Allows for $10 billion available for cushion or tax cut.

Mr. CRANSTON. Mr. President, I believe that the alternative budget I have presented is balanced, fiscally restrained, and does a sensible job in dealing with the many pressing needs of our Nation in both foreign and domestic affairs. I hope it will be adopted by the Senate.

IMPORTS OF COAL INTO THE UNITED STATES

Mr. BUMPERS. Mr. President, over the past 5 years, Congress has been consistently concerned with the problem of increasing our use of our vast coal resources. Every energy strategy we discuss depends heavily on using coal to lessen our reliance on imported oil.

Our success in using more domestic coal has been limited. Given all the problems involved in mining, transporting and burning coal, our limited success should come as no surprise. Senators ought to be aware, however, that we are doing very well in terms of increasing our coal imports. I was amazed to discover that in 5 short years—from 1975 to 1979—imports of foreign coal into the United States increased over 300 percent.

The amounts of coal involved may not be great, but the trend is alarming. Dr. Bruce Netschert of National Economic Research Associates has given me statistics from Federal agencies which show that we imported a total of 2.058 million tons of coal in 1979 from Australia, Canada, Poland, the Republic of South Africa and other nations. Between 1972 and 1979, these coal imports were brought to Florida, Louisiana, Michigan, Minnesota, North Dakota, Wisconsin, Pennsylvania, New York, Texas, Washington, and Alabama. The overwhelming majority of our coal imports was used by the electric utility industry, including Alabama Power Co., Baltimore Gas and Electric, Central Power and Light, Gulf Power, Mississippi Power, Montaub Electric, New England Power, Public Service Co. of New Hampshire, and Tampa Electric.

Mr. President, I find the rapid increase in our coal imports to be both distressing and puzzling. Why are the coal imports increasing for a nation which has the second greatest amount of coal reserves in the world? Is the foreign coal superior to our domestic coal on the basis of heat content? Is the foreign coal imported because it is less objectionable environmentally than domestic coal? Is the foreign coal simply cheaper than domestic coal? If so, why is it cheaper to produce and transport foreign coal to the United States than it is to produce and transport domestic coal within the United States?

Senators are well aware that I advocate the building of coal slurry pipelines as a means of providing cheaper, more efficient coal transportation in many parts of the country. I strongly suspect that the steady increase in coal imports can be treaced directly to skyrocketing increases in coal transportation costs. We need to know whether American coal and American jobs are being bypassed for this reason and I hope my colleagues from the coal producing States will help us determine the facts.

Mr. President, the United States certainly has had ample warning of the dire consequences of dependence on foreign sources of energy. We simply cannot allow our rate of coal imports to continue to increase geometrically as it has in the last 5 years. We must determine the answers both to the question I have posed and to other relevant questions—then quickly remove any incentives for the use of foreign coal or disincentives for the use of domestic coal.

Mr. President, Dr. Netschert has provided me with excellent data from the Department of Energy, the Department of the Interior and the Federal Energy Regulatory Commission which I ask unanimous consent to have printed in the RECORD.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

Imports for electric utility consumption as a percent of total coal imports

	Percent
1974	26.4
1975	60.8
1976	88.5
1977	74.6
1978	87.8
1979	[a] 74.5

[a] Utility consumption for 11 months, total imports for full year.

SOURCES.—Utility Imports—FERC Form 423; Total Imports—DOE Monthly; Energy Review, March 1980.

TABLE B.—BITUMINOUS COAL IMPORTED FOR CONSUMPTION IN THE UNITED STATES, BY QUANTITY, COUNTRY OF ORIGIN, 1975–79

[Thousands of short tons]

Country	1975		1976		1977		1978		1979	
	Quantity (1)	Value, per ton (2)	Quantity (3)	Value, per ton (4)	Quantity (5)	Value, per ton (6)	Quantity (7)	Value, per ton (8)	Quantity (9)	Value per, ton (10)
Australia	117.3	$17.98			118.0		1,029.1		171.9	
Canada	190.1	31.44	59.5	$19.60	51.2		53.4		55.4	
Poland	171.7	15.03	361.6	20.82	360.7		711.1		642.0	
Republic of South Africa	370.5	15.23	781.2	11.54	807.9		1,097.9		1,130.9	
West Germany	88.4	57.39	.3	81.25	309.6		0			
Netherlands							61.6			
Other									58.0	
Total	939.7	23.07	1,203.0	14.75	1,647.0		2,953.1		2,058.2	

Source: 1975 and 1976: U.S. Department of the Interior, Bureau of Mines, Minerals Yearbook 1976, vol. I, p. 376. 1977–79: U.S. Department of Energy, Quarterly Report: Report to Congress, "Coal Imports: Quantities, Country of Origin and Point of Entry," quarterly editions 1977–79.

TABLE C.—QUANTITIES, COUNTRY OF ORIGIN, AND POINT OF ENTRY OF BITUMINOUS COAL IMPORTS FOR 1979

[Thousands of short tons]

Port of Entry	Canada (1)	Australia (2)	Republic of South Africa (3)	Poland (4)	Netherlands (5)	Other (6)	Total (7)
Florida			186.0	110			296.0
Louisiana		57.2	134.0	532		58	781.2
Michigan	9.2						9.2
Minnesota	8.8						8.8
North Dakota	30.7						30.7
Wisconsin	.3						.3
Pennsylvania		114.7					114.7
New York	.4						.4
Texas			42.0				42.0
Washington	6.0						6.0
Alabama			768.9				768.9
Total	55.4	171.9	1,130.9	642		58	2,058.2

Source: U.S. Department of Energy, Quarterly Report: Report to Congress, "Coal Imports: Quantities, Country of Origin and Point of Entry," quarterly editions for 1979. Leaders (......) denote no imports.

TABLE D.—TOTAL QUANTITY OF FOREIGN COAL DELIVERED TO ELECTRIC PLANTS, 1972 TO NOVEMBER 1979

[In thousands of tons]

	Year of purchase								
	1972–79	1972	1973	1974	1975	1976	1977	1978	1979
Total	7,542	(1)	(1)	549	572	1,065	1,228	2,593	1,534
Alabama Power Co. (SC)	913	(1)	(1)	71	37	(1)	(1)	805	(1)
Baltimore Gas & Electric	8	(1)	(1)	(1)	(1)	8	(1)	(1)	(1)
Central Power & Light (CSW)	42	(1)	(1)	(1)	(1)	(1)	(1)	(1)	42
Gulf Power	3,596	(1)	(1)	65	331	748	746	862	844
Mississippi Power (Southern Co.)	177	(1)	(1)	(1)	(1)	(1)	177	(1)	(1)
Montaup Electric	63	(1)	(1)	47	17	(1)	(1)	(1)	(1)
New England Power (NEES)	554	(1)	(1)	366	188	(1)	(1)	(1)	(1)
Public Service Co. of New Hampshire	61	(1)	(1)	(1)	(1)	(1)	(1)	61	(1)
Tampa Electric	2,128	(1)	(1)	(1)	(1)	310	305	865	649

(1) Data not available.

TABLE E.—COST PER MILLION OF FOREIGN COAL DELIVERED TO ELECTRIC PLANTS, 1972 TO NOVEMBER 1979

[Dollars per million Btu]

	Year of purchase								
	1972–79	1972	1973	1974	1975	1976	1977	1978	1979
Total	$1.362	(1)	(1)	$1.096	$1.353	$1.094	$1.277	$1.461	$1.566
Alabama Power Co. (SC)	1.541	(1)	(1)	1.429	1.518	(1)	(1)	1.566	(1)
Baltimore Gas & Electric	1.337	(1)	(1)	(1)	(1)	1.337	(1)	(1)	(1)
Central Power & Light (CSW)	1.748	(1)	(1)	(1)	(1)	(1)	(1)	(1)	1.748
Gulf Power	1.384	(1)	(1)	.994	1.471	1.087	1.283	1.464	1.642
Mississippi Power (Southern Co.)	1.304	(1)	(1)	(1)	(1)	(1)	1.304	(1)	(1)
Montaup Electric	.973	(1)	(1)	.973	.975	(1)	(1)	(1)	(1)
New England Power (NEES)	1.108	(1)	(1)	1.106	1.113	(1)	(1)	(1)	(1)
Public Service Co. of New Hampshire	1.440	(1)	(1)	(1)	(1)	(1)	(1)	1.440	(1)
Tampa Electric	1.372	(1)	(1)	(1)	(1)	1.086	1.267	1.434	1.521

[1] Data not available.

TABLE F.—COST PER TON OF FOREIGN COAL DELIVERED TO ELECTRIC PLANTS, 1972 TO NOVEMBER 1979

[Cost per ton]

	Year of purchase								
	1972–79	1972	1973	1974	1975	1976	1977	1978	1979
Total	$32.226	(1)	(1)	$26.856	$31.802	$25.894	$30.037	$34.513	$36.968
Alabama Power Co. (SC)	35.505	(1)	(1)	32.692	33.621	(1)	(1)	36.256	(1)
Baltimore Gas & Electric	31.954	(1)	(1)	(1)	(1)	31.954	(1)	(1)	(1)
Central Power & Light (CSW)	38.215	(1)	(1)	(1)	(1)	(1)	(1)	(1)	38.215
Gulf Power	32.544	(1)	(1)	24.052	34.170	25.357	29.897	34.715	38.992
Mississippi Power (Southern Co.)	29.822	(1)	(1)	(1)	(1)	(1)	29.822	(1)	(1)
Montaup Electric	23.315	(1)	(1)	23.466	22.864	(1)	(1)	(1)	(1)
New England Power (NEES)	27.641	(1)	(1)	27.739	27.462	(1)	(1)	(1)	(1)
Public Service Co. of New Hampshire	36.603	(1)	(1)	(1)	(1)	(1)	(1)	36.603	(1)
Tampa Electric	32.488	(1)	(1)	(1)	(1)	25.912	30.179	33.751	35.999

[1] Data not available.

TABLE G.—HEAT CONTENT OF FOREIGN COAL DELIVERED TO ELECTRIC PLANTS, 1972 TO NOVEMBER 1979

[Btu's per pound]

	Year of purchase								
	1972–79	1972	1973	1974	1975	1976	1977	1978	1979
Total	11,854.5	(1)	(1)	12,291.0	11,838.8	11,837.8	11,760.0	11,819.6	11,809.9
Alabama Power Co. (SC)	11,515.8	(1)	(1)	11,435.0	11,074.0	(1)	(1)	11,576.1	(1)
Baltimore Gas & Electric	11,950.0	(1)	(1)	(1)	(1)	11,950.0	(1)	(1)	(1)
Central Power & Light (CSW)	10,931.0	(1)	(1)	(1)	(1)	(1)	(1)	(1)	10,931.0
Gulf Power	11,769.4	(1)	(1)	12,098.5	11,671.0	11,662.8	11,651.1	11,853.9	11,878.4
Mississippi Power (Southern Co.)	11,445.5	(1)	(1)	(1)	(1)	(1)	11,445.5	(1)	(1)
Montaup Electric	11,978.5	(1)	(1)	12,063.0	11,725.0	(1)	(1)	(1)	(1)
New England Power (NEES)	12,507.5	(1)	(1)	12,578.8	12,376.7	(1)	(1)	(1)	(1)
Public Service Co. of New Hampshire	12,716.3	(1)	(1)	(1)	(1)	(1)	(1)	12,716.3	(1)
Tampa Electric	11,842.9	(1)	(1)	(1)	(1)	11,937.1	11,902.6	11,777.3	11,828.2

[1] Data not available.

TABLE 1.—SULFUR CONTENT OF FOREIGN COAL DELIVERED TO ELECTRIC PLANTS, 1972 TO NOVEMBER 1979

[Percent sulfur content]

	Year of purchase								
	1972-79	1972	1973	1974	1975	1976	1977	1978	1979
Total	0.836	(1)	(1)	0.680	0.582	1.001	1.009	0.847	0.775
Alabama Power Co (SC)	.589	(1)	(1)	.850	.600	(1)	(1)	.536	(1)
Baltimore Gas & Electric	.660	(1)	(1)	(1)	(1)	.660	(1)	(1)	(1)
Central Power & Light (CSW)	.430	(1)	(1)	(1)	(1)	(1)	(1)	(1)	.430
Gulf Power	.641	(1)	(1)	.725	.571	.589	.747	.626	.653
Mississippi Power (Southern Co)	.655	(1)	(1)	(1)	(1)	(1)	.655	(1)	(1)
Montaup-Electric	.675	(1)	(1)	.667	.700	(1)	(1)	(1)	(1)
New England Power (NEES)	.618	(1)	(1)	.636	.583	(1)	(1)	(1)	(1)
Public Service Co. of New Hampshire	1.790	(1)	(1)	(1)	(1)	(1)	(1)	1.790	(1)
Tampa Electric	1.008	(1)	(1)	(1)	(1)	1.265	1.262	.901	.848

[1] Data not available.

QUORUM CALL

Mr. STEWART. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. CHURCH. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. STEWART). Without objection, it is so ordered.

ED MUSKIE: A WISE CHOICE

Mr. CHURCH. Mr. President, I welcome the nomination of Senator MUSKIE to be Secretary of State.

ED MUSKIE has been a friend and colleague for many years, and I consider him superbly equipped to direct our Nation's foreign affairs in these troubled times.

He is one of the most influential Members of the Senate and one of the most respected. There can be no doubt about his capacities—his intelligence, his judgment, and his soundness of character. He has twice served on the Foreign Relations Committee and is well versed in the major issues which have faced the committee in recent years. As chairman of the Senate Budget Committee, he understands the economic challenges facing the Nation, both here and abroad—matters relating to trade, energy, and international monetary affairs.

Most especially, I am pleased that the President has reached out to the Senate for his new Secretary of State. Senator MUSKIE has been a statesman in the Senate—a man of wisdom, perseverance, and sound leadership. The President could not have made a better choice.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MATHIAS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

NARCOTICS ABUSE AND CONTROL

Mr. MATHIAS. Mr. President, under the expert guidance of its chairman, Mr. BIDEN, the Judiciary Committee's Subcommittee on Criminal Justice has compiled a remarkable record in its first year of existence. It has focused on all aspects of narcotics use and abuse—from the problems of heroin smuggling to marihuana abuse by children, from oversight of the drug enforcement agencies to organized crime involvement in drug trafficking.

At a recent hearing on Senate Resolution 207, which would establish a Select Committee on Narcotics Abuse and Control, our distinguished chairman testified on the work the subcommittee has done in the last year, as well as his reasons for opposing the creation of a select committee. I join Mr. BIDEN in his opposition to this proposal, and I ask unanimous consent that his statement be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF SENATOR JOSEPH R. BIDEN, JR.

As chairman of the Subcommittee on Criminal Justice I feel compelled to offer my observations about S. Res. 207 to create a Select Committee on Narcotics Abuse and Control. Although such a Select Committee would not directly affect the jurisdiction of our subcommittee, it will undoubtedly affect our work.

I view narcotics use and abuse as perhaps the most serious domestic problem facing our young people and the gravest potential threat to the social fabric of our Nation. In the short time that I have had oversight responsibility in this area I have come to the conclusion that those in the administration and elsewhere who have expressed optimism about the narcotics problem have overstated the case. Indeed we are in for a very significant increase in heroin use and we are already experiencing an epidemic of marijuana use among young children.

My dedication to the issue of narcotics control derives not simply from my experience in this subcommittee. As a criminal defense attorney prior to being elected to the Senate, I represented both the purveyers and victims of narcotics. Furthermore, one of the major planks in my initial election campaign in 1972 was the need for the Federal Government to become more aggressive in its efforts to gain control over the heroin epidemic which was swamping our country and which I knew from experience was the driving force behind the violent crime wave of the late 1960s.

I have only been in position to do something about the problem for approximately one year. Although I became chairman of the Subcommittee on Criminal Laws and Procedures in June of '78, it was not until Senator Kennedy reorganized the committee in early 1979 and gave our subcommittee jurisdiction over DEA in April of '79 that I really gained a firm handle on this matter. In that short year McC. Mathias, the ranking minority member and I have focused on three critical areas.

First, I have used my position on the Judiciary Committee, the Intelligence Committee, and the Foreign Relations Committee to focus on the foreign policy and intelligence aspects of international narcotics control. As this committee well knows the most socially disruptive and physically harmful narcotic is heroin—a product that is exclusively an import from foreign countries. Therefore, the first priority of the subcommittee is to understand how we use the foreign policy apparatus. The intelligence community and foreign operations of DEA to monitor and attempt to control the production and trafficking of this narcotic into the United States.

Unfortunately, I assumed this responsibility at a time when a burgeoning production in trafficking of opium began to emerge out of Southwest Asia. I committed a substantial amount of my own, and the staff's time and energies in attempting to understand this problem and to develop some international initiatives in this area. It is obvious without the cooperation of opium producing countries domestic law enforcement efforts are hopeless.

The second area where McC. Mathias and I have concentrated our energies has been one where quite frankly McC. Mathias has become much more of an expert than I, and that is the alarming consumption of marijuana among young people. We began our investigation in this area with an inquiry into the so-called "head shops" and drug paraphernalia companies, companies that are in some cases deliberately attempting to market marijuana to young adolescents. And secondly, we conducted comprehensive hearings on the health consequences of marijuana use in an attempt to re-examine the conventional wisdom that marijuana is not a significant health hazard.

These hearings, which I believe were very thorough and objective, have shaken my attitude and beliefs about marijuana and I hope all Members of the Senate will take a hard look at what we found. I might emphasize at this point that regardless of where you might come out on marijuana decriminalization, this large exposure of young people to marijuana and the drug culture combined with climbing youth unemployment should be of grave concern to us all, particularly at a time when we may be deluged with massive amounts of Southwest Asian heroin.

The third area has to do with my particular interest in the quality of narcotics intelligence collection and analysis not only at DEA but also at CIA and the other intelligence agencies. I used my position on the Intelligence Committee to order a staff task force to analyze the intelligence collection capability of DEA and the rest of the intelligence community and to prepare a report and conduct hearings on this subject earlier this year, that four-man task force interviewed 55 individuals within the executive branch and conducted a field trip to Mexico, South Florida and to the DEA Intelligence Center in El Paso and came back with recommendations for improvements in the intelligence area.

Our subcommittee has in this one year conducted eight days of hearings, actually nine if you count the one day of hearings I chaired at the Intelligence Committee. We've heard from over 75 witnesses in these hearings on all the subjects described above. Between the two foreign trips that the Intelligence Committee staff and my staff and myself have taken, we've interviewed over 25 foreign government and police officials, U.S. Embassy and DEA personnel stationed abroad.

What have been our accomplishments though?

We've begun initiatives within the NATO alliance to attempt to develop a multilateral narcotic strategy within the NATO countries. In November of this year I presented a plan to NATO which has been well received and is beginning to bear some fruit.

We've begun to insist that the administration take a more realistic look at what the possibilities are of using foreign assistance to get the Pakistanis to reduce their opium production.

Through our foreign travels we've talked with officials in the major transit countries—Turkey, Greece and Italy—to sensitize them to our concerns about this burgeoning new heroin traffic.

Just last week we held one day of hearings with DEA and questioned them rather vigorously on their ability to target the organized crime elements who are attempting to reconnect the so-called "French Connection" with this Southwest Asian heroin through Sicily.

In the near future we will be preparing a thorough staff report on our trip to the Middle East. Hopefully we will come up with additional international and diplomatic initiatives that might stem this potential heroin epidemic.

On the marijuana matter, using our hearing record on the subject, McC. Mathias is going to ask the Senate to re-examine the penalty structure for marijuana possession and the marijuana trafficking penalties contained in the new Federal criminal code bill.

On the intelligence front we will be making recommendations in the context of the general intelligence budget authorization which suggest a tightening of the quality of intelligence analysis of DEA and CIA, and an increase in coordination between those agencies and we are going to question some of the cutbacks that are taking place in the CIA right now in this area.

This summer we intend to go public with a major subcommittee study on the whole question of how present statutes and investigative techniques might be improved, in immobilizing large trafficking organizations by seizing assets. Senator Nunn has described or will describe how his committee has examined the role of IRS and the various privacy restrictions on the exchange of information and how this has hindered efforts to immobilize and seize assets. We are examining the problem from a different perspective.

Being charged with oversight of the Criminal Division and DEA we're attempting to determine why the so-called Racketeer Influenced Corrupt Organizations (RICO) statute passed by this subcommittee when Senator McClellan was chairman, is not being used more often. That statute allows a U.S. attorney to seize ill-begotten gains from narcotics trafficking. As we all know most traffickers are able to continue their trafficking enterprises from behind prison bars. It is not enough simply to arrest and convict traffickers but we must completely disrupt the trafficking apparatus.

With the assistance of GAO we are examining every single major trafficking prosecution in the last five years in which Justice sought to seize assets to determine why assets were not actually seized. We are, however, doing more than simply relying on GAO and their accounting experts to determine what's happening with the assets in these major trafficking organizations. I have members of my staff, incidentally two former prosecutors, with an accumulated ten years of experience, interviewing every assistant U.S. attorney in the country who has handled a forfeiture case in the last few years.

This massive study will result in hearings hopefully sometime in June or July at which time we will question both the Criminal Division and DEA on what one Justice official labeled as their "dismal record" in this critically important enforcement area.

I have layed out our activities thus far and our planned activities in the future simply to underscore a point that Senator Stevenson and Senator Nunn will make or have already made that it is inappropriate to create a select committee especially a select committee without legislative authority when the standing committees are making an honest effort to come to grips with the problem.

I don't contend that our program is ideal or is likely to stop major narcotic trafficking this year or next. But we are doing as well as any select committee could do, I believe, in attempting to understand the problem and to propose realistic legislative and administrative remedies for the problem.

We honestly believe that a select committee will simply duplicate what we will do. Indeed a select committee without legislative authority is likely to feel required to conduct sensational expose-type hearings. We don't feel that's what is necessary at this point. Those hearings have already been conducted in the narcotics area indeed, they were conducted several years ago by the permanent subcommittee on investigations.

The problems in narcotics control are deep seeded problems of organized crime and of agrarian poverty that forces people to turn to opium, marijuana or cocaine production when no other economic resources are available. These are the enemies upon which we should be focusing our resources and our creative energies. I am learning that there are problems at DEA and with coordination and cooperation between DEA and State and local organizations and to some extent with foreign police and with other agencies in the Federal Government.

I believe these problems are manageable. I believe that we will, in our studies, quietly and constructively lay out alternatives that the administration might follow—be it modifications in the structure of the agency or revisions in the RICO statute to make it easier to forfeit assets or hiring more financial investigators at DEA. But these remedies are remedies that can be accomplished just as easily through solidly documented staff reports and calm debates in committee and on the floor of the Senate.

We don't believe a select committee will be any more effective than the standing committees in identifying the underlying issues. However, if there are members of this committee or elsewhere in the Senate who would like to recommend additions to our agenda I would be most welcome to hear them and I am sure that Senator Nunn and the other subcommittee chairmen feel the same way.

In conclusion let me say that I do not find the debate over whether to create a select committee a constructive one. I feel that our energies and the talents of all those involved in this discussion will be better spent attempting to target their energy on the causes of the problems that I've described above.

The creation of a huge new expensive select committee is not the answer.

VIETNAM VETERANS MEMORIAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 709.

The PRESIDING OFFICER. The joint resolution will be stated by title.

The legislative clerk read as follows:

A joint resolution (S.J. Res. 119) to authorize the Vietnam Veterans Memorial Fund, Inc., to erect a memorial.

The PRESIDING OFFICER. Is there objection to the present consideration of the joint resolution?

Mr. BAKER. Mr. President, reserving the right to object—and I will not object—this calendar item is cleared on our calendar, and we have no objection to its consideration and passage.

There being no objection, the Senate proceeded to consider the joint resolution, which had been reported from the Committee on Energy and Natural Resources with an amendment on page 3, beginning with line 16, insert the following:

SEC. 5. After erection of such memorial, the Secretary of the Interior is authorized to provide funds for the operation and maintenance of the Vietnam Veterans Peace and Brotherhood Chapel near Eagles Nest, New Mexico: *Provided*, That, such funds shall be limited to the difference between actual operation and maintenance costs and the contributions for such purposes provided by the Vietnam Veterans Memorial Fund, Inc., subject to such terms and conditions as the Secretary of the Interior may prescribe in furtherance of the purpose of this Act.

So as to make the joint resolution read:

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the Vietnam Veterans Memorial Fund, Inc., a nonprofit corporation organized and existing under the laws of the District of Columbia, is authorized to erect a memorial on public grounds in West Potomac Park in the District of Columbia, in honor and recognition of the men and women of the Armed Forces of the United States who served in the Vietnam war.

SEC. 2. (a) As the site upon which may be erected the memorial authorized in the first section of this resolution, there is hereby designated a parcel of land of not less than two acres in the area known as Constitution Gardens in West Potomac Park in the District of Columbia, which parcel the Secretary of the Interior, in consultation with the Vietnam Veterans Memorial Fund, Inc., is authorized and directed to select.

(b) The design and plans for such memorial shall be subject to the approval of the National Commission of Fine Arts, in consultation with the Secretary of the Interior and the National Capital Planning Commission.

(c) Other than as to the land authorized for the erection of the memorial in subsection (a), neither the United States nor the District of Columbia shall be put to any expense in the erection of this memorial.

SEC. 3. The authority conferred pursuant to this resolution shall lapse unless the erection of such memorial is commenced within five years from the date of enactment of this resolution.

SEC. 4. The maintenance and care of the memorial erected under the provisions of this resolution shall be the responsibility of the Secretary of the Interior.

SEC. 5. After erection of such memorial, the Secretary of the Interior is authorized to provide funds for the operation and maintenance of the Vietnam Veterans Peace and Brotherhood Chapel near Eagles Nest, New Mexico: *Provided*, That, such funds shall be limited to the difference between actual operation and maintenance costs and the contributions for such purposes provided by the Vietnam Veterans Memorial Fund, Inc., subject to such terms and conditions as the Secretary of the Interior may prescribe in furtherance of the purpose of this Act.

Mr. BUMPERS. Mr. President, Senate Joint Resolution 119, as reported from the Senate Energy and Natural Resources Committee, would authorize the Vietnam Veterans Memorial Fund, Inc. to erect a memorial to the men and women of the United States who served in the Vietnam war. The memorial is to be located in the District of Columbia in the area of West Potomac Park known as Constitution Gardens.

Mr. President, regardless of our views on the morality or immorality of the war, I feel very strongly that the sacrifices of the men and women who served in Vietnam should be appropriately acknowledged. Evidently, the same sentiment is shared by most of my colleagues, as 96 Senators have joined Senator MATHIAS in cosponsoring this joint resolution.

I commend my good friend Senator MATHIAS for his work on this matter and urge my colleagues to join him and me in approving this resolution.

I yield to the Senator from Maryland.

Mr. MATHIAS. I thank the distinguished Senator from Arkansas.

Mr. President, I particularly note the enthusiastic cooperation of the Senator from Arkansas in bringing this important resolution to the floor.

Mr. President, I ask unanimous consent that the names of the following Senators be added as cosponsors of Senate Joint Resolution 119: Mr. PELL, Mr. STENNIS, and Mr. ROBERT C. BYRD.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MATHIAS. Mr. President, I believe this marks the sponsorship of this proposal by every Member of the Senate—100 Members of the U.S. Senate. The distinguished majority leader has a longer memory than I; but if this is not unprecedented, it is an extremely rare occasion, and I think it says something about the men and women who served this country in Vietnam in difficult circumstances.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield?

Mr. MATHIAS. I yield.

Mr. ROBERT C. BYRD. Mr. President, I do not often cosponsor measures. I thank the distinguished Senator from Maryland for requesting that I be given the opportunity to cosponsor this measure and for giving me that opportunity. I thank him for his authorship. I am proud to be a sponsor. There are not many measures that have 100 sponsors.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. MATHIAS. Mr. President, I am proud that the majority leader and the minority leader have offered their support to this measure.

Mr. BAKER. Mr. President, I am pleased to join with so many of my distinguished colleagues in sponsoring the legislation before the Senate today, to establish a fitting memorial to veterans of the Vietnam war.

The memorial will be erected in West Potomac Park here in Washington, and I understand it will be designed as a landscaped garden to create a living memorial in harmony with its surroundings.

In addition, the legislation calls for financial support from the Department of the Interior for the operation and maintenance of the Vietnam Veterans Peace and Brotherhood Chapel near Eagles Nest, N. Mex., following the time that the memorial here in Washington is erected.

These are splendid tributes, Mr. President, to the splendid men and women who served their country in the longest, most difficult war in American history. They are worthy of the highest tribute we can pay them.

I wish to pay special commendation to the distinguished Senator from Maryland (Mr. MATHIAS) and my distinguished colleague from New Mexico (Mr. DOMENICI) for their leadership in this legislative effort, and I urge my colleagues to join me in voting for this outstanding tribute to the men and women who served their country with such courage and valor during one of its most challenging hours.

Mr. PELL. Mr. President, I would like to take this opportunity to express my support for a memorial to be built to our countrymen who gave their lives in Vietnam.

I think that it is only appropriate that we honor these brave men, and I am pleased that our Nation's Capital has been chosen as the site for this memorial. This will be a permanent symbol of the gratitude that our Nation has for its veterans. When it is completed, I encourage all of our citizens to visit this site and pause to ponder what it means to our Nation.

Since the memorial will be created in the public park known as Constitution Gardens in the District of Columbia, I am pleased that the proposed design for the memorial will offer a landscaped garden. This is thoroughly in keeping with design of this park and will continue the all-important open appearance of the Mall. Secondly, it will allow our citizens to continue to enjoy this setting while, at the same time, enabling them to pay tribute to those who died in Vietnam.

Our country would like to forget the war in Vietnam, but we must not forget those who fought this war and those who died in this war. I believe the creation of this memorial is long overdue and will be a fitting tribute to the veterans of Vietnam.

Mr. CRANSTON. Mr. President, as chairman of the Committee on Veterans' Affairs, I am very pleased to join all of my distinguished colleagues in cosponsoring Senate Joint Resolution 119, a resolution which would authorize the Vietnam Veterans Memorial Fund, Inc.—using moneys raised through an appeal to the American people—to erect a memorial on public lands in the District of Columbia in honor and recognition of all of their comrades and especially to those who gave their lives in the Vietnam war in our Nation's Armed Forces. I wish to express my continuing support for this important legislation to pay tribute to those who served in our country's longest war—the effects of which upon the Nation and those veterans are matters of deep, continuing concern to me, to the Committee on Veterans' Affairs, and to so many others in the Congress and the country at large.

In an October 25, 1979, letter to Jan C. Scruggs, the fund's president, I noted my belief that the proposed memorial, while serving many symbolic functions, also would have the practical effect of focusing our Nation's attention on the needs of our Vietnam veterans as well as on our own efforts, as individual Americans, to come to grips with this most trying and divisive period in our Nation's history.

Mr. President, my support for this project is as strong as ever, and I am particularly gratified to see unanimous support for the memorial in the Senate so as to make it realistic to contemplate passage of the resolution in both Houses by Memorial Day 1980, an accomplishment that would be a fitting tribute to the veterans of tha war.

I think it is very important that the memorial proposed by the fund, while honoring the service and sacrifies of these veterans, will make no political statement about the Vietnam war or about the policies of our Government with respect to our participation in that conflict. This, I believe, is entirely proper and noteworthy because judgments in this regard are better made wholly apart from our feelings and expressions of tribute to and concern for those who served so faithfully and courageously in answer to our Nation's call.

In fact, Mr. President, I believe that, by keeping wholly separate our views about the war itself and those who served, we become better able to deal effectively with one of the most significant, continuing effects of the Nation's experience in that war—the physical and emotional scars and the stigma that too often slow or prevent the successful readjustment of the veteran to civilian life.

Through unreserved recognition, as this memorial would provide, of the honorable and valorous service of our Vietnam veterans, we help both to lighten the burden which many continue to bear and to create an atmosphere of genuine concern for the veteran's needs that will better enable all of us—individual Americans in our private endeavors and those of us with responsibility for programs to serve these veterans—to work constructively in meeting those needs. To the extent that we are successful in this important venture, we will have made repayment on the great debt that we owe to those who served and will have made strides toward a meaningful, lasting national reconciliation.

Thus, Mr. President, I attach great significance to Senate Joint Resolution 119 and the success of the fund in building this memorial as means to achieving extremely important national goals, and strongly support it.

The officers and many supporters of the fund are to be congratulated on their efforts and achievements up to this point. They are serving the Nation and its Vietnam veterans extremely well in a most important endeavor. I wish them well and look forward with great anticipation to the creation of the memorial.

● Mr. DOMENICI. Mr. President, to many people, Vietnam is a rapidly fading memory; a complex conflict which apathy and shame never permitted them to recognize as anything other than a national disgrace. It is my belief that today's historic passage of Senate Joint Resolution 119 will mark the beginning of the end of an attitude that too often has subjected the Vietnam veteran to discredit, disgrace and indifference. The creation of a national memorial in honor and recognition of those individuals who served in the Vietnam war will be a significant contribution toward reparation of the Nation's moral debt to Vietnam era veterans. They served their country during a painful time in a bitter war. They returned home to a country divided over the war. They never received the welcome we showered upon returning veterans of past wars. As a nation, we have not yet fully recognized those who fought in Southeast Asia for their service and sacrifice. The Vietnam veterans memorial will give recognition where it has been long due. This need is best stated by the motto of the Vietnam Veterans Memorial Fund, Inc. (VVMF), "Just as we were divided by the war, let us now be united in acknowledging those who made the ultimate sacrifice and all who served in the Vietnam conflict."

It has long been my desire to have the Government officially recognize the valor of the Vietnam veterans by establishing a national memorial in their honor. I and many of my colleagues have long thought that a Vietnam veterans memorial would provide a means to promote the healing and reconciliation of the country after the division caused by the Vietnam war. For this reason, I introduced legislation in the 94th, 95th, and 96th Congresses to authorize the Secretary of the Interior to study the feasibility and desirability of administering the Vietnam veterans chapel in Eagle

Nest, N. Mex., as a unit of the national park system. Located high in the Sangre de Cristo Mountains near Angel Fire and Eagle Nest, N. Mex., the Veterans chapel was erected as a memorial to all of the victims of conflicts in Vietnam.

Construction of the Vietnam memorial was begun in August 1968 by Dr. and Mrs. Victor Westphall, following the death of their eldest son, 1st Lt. Victor David Westphall III, USMC, in the Southeast Asian conflict. The chapel was dedicated on May 21, 1971, and has operated as the only nationally prominent memorial of the Vietnam war constructed to date.

The Secretary of the Interior recommended to Congress in September 1975 that my bill be deferred pending review of the proposal by the national park system advisory board. That board recommended against administering war memorials outside the National Capital area, and, as a result, the legislation has never been reported out of committee.

For many years, the chapel served as the sole reminder of the courage of the Vietnam veteran in the midst of a state of apathy. But as time goes by, it becomes more apparent that neither the present flow of donations nor the personal resources of the Westphall family, who constructed the chapel, can sustain and perpetuate the structure. For this reason, Senate Joint Resolution 119 contains a provision providing for operating and maintenance funds for the chapel if contributions do not meet costs. It seems only right that the Government should do at least this in light of the chapel's significance to the Vietnam veterans of the country. In fact, one could easily call the memorial at Eagle Nest the "Father" of the VVMF and Senate Joint Resolution 119.

On May 7, 1979, I received a letter from Mr. Jan Scruggs, president of VVMF informing me of the recent establishment of the fund. In the letter, Mr. Scruggs mentioned the importance of the chapel to the Vietnam veterans and advised me that in addition to creating a "permanent public monument in the Nation's Capital to the veterans of the Vietnam war," the fund's second purpose was to "contribute to the completion of the Vietnam Veterans Peace and Brotherhood Chapel." On May 25, 1979, I joined Mr. Scruggs and VVMF in a public endorsement of the fund's efforts and goals.

As Senators know, the fund has prospered and grown significantly since then. Because of their efforts, and those of Senator MATHIAS and Senator BUMPERS, author of Senate Joint Resolution 119 and chairman of the Subcommittee on Parks, Recreation and Renewable Resources, respectively, and the many others who have supported the resolution, the Vietnam veterans will be honored in the manner they have long deserved. I encourage my colleagues in the Senate to contact and encourage their colleagues in the House to act expeditiously and pass this measure, so that authorization for a national memorial may be enacted by Memorial Day, 1980.●

● Mr. HATFIELD. Mr. President, I support Senate Joint Resolution 119 which authorizes the Vietnam Veterans Memorial Fund, Inc., to erect a suitable memorial in the Nation's Capital to commemorate the victims of that most controversial and divisive war.

We must remember and honor the 57,000 who died, the 300,000 wounded, and the 100,000 handicapped or seriously disabled. This is a fitting way to remember those Americans who served in that most dangerous and difficult time.

I am proud to have been an original cosponsor of the resolution. I fully support and congratulate my friend, the senior Senator from Maryland, in his efforts to bring this legislation to the Senate and the Nation.

Mr. President, we can unite as a nation, regardless of how we felt about the war, in building a memorial to the Vietnam veterans. The Senate with its 100 cosponsors of this resolution leads the way in showing this unanimity.

I urge prompt passage of this resolution with the perfecting amendments offered by Senator MATHIAS.●

Mr. MATHIAS. Mr. President, it is eminently appropriate that we are considering Senate Joint Resolution 119 today, because it was just 5 years ago today that Graham Martin, the American Ambassador in Vietnam, boarded a helicopter and headed for the United States, thus ending the U.S. presence in Vietnam. This resolution authorizes the Vietnam Veterans Memorial Fund, Inc., to erect a memorial in the Nation's Capital in honor of the men and women of the Armed Forces of the United States who served in the Vietnam war.

Mr. President, I wish to offer some technical amendments which I believe the committee has studied and agreed to, and I will send them to the desk and ask for their immediate consideration.

Mr. President, before the clerk reports the amendment let me describe briefly what they do.

The PRESIDING OFFICER. If the Senator will suspend, the amendment is not in order until the committee amendment is acted on unless it is an amendment to the committee amendment.

The question is on agreeing to the committee amendment.

The committee amendment was agreed to.

UP AMENDMENT NO. 1053

Mr. MATHIAS. Mr. President, I send my amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Maryland (Mr. MATHIAS) proposes an unprinted amendment numbered 1053.

Mr. MATHIAS. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 2, line 5, strike "erect" and insert "establish".

On pages 2 and 3, strike section 2 in its entirety and insert the following new language:

"SEC. 2. (a) The Secretary of the Interior, in consultation with the Vietnam Veterans Memorial Fund, Inc., is authorized and directed to select with the approval of the Commission of Fine Arts and the National Capital Planning Commission on a suitable site of approximately two acres in size located in West Potomac Park known as Constitution Gardens in the District of Columbia: *Provided*, That if subsurface soil conditions prevent the engineering of a feasible foundation system for the memorial in a location in that area, then the Secretary of the Interior, in consultation with the Vietnam Veterans Memorial Fund, Inc., is authorized and directed to select a suitable site of approximately 2 acres in size located in an area of West Potomac Park north of Independence Avenue other than Constitution Gardens.

(b) The design and plans for such memorial shall be subject to the approval of the Secretary of the Interior, the Commission of Fine Arts, and the National Capital Planning Commission; PROVIDED, That if the Secretary of the Interior, the Commission of Fine Arts, or the National Capital Planning Commission fails to report his or its approval of or specific objection to such design and plans within ninety (90) days of their submission, his or its approval shall be deemed to be given.

(c) Neither the United States nor the District of Columbia shall be put to any expense in the establishment of the memorial.

On page 3, lines 9 through 12, strike section 3 in its entirety and insert the following new language:

"SEC. 3. The authority conferred pursuant to this resolution shall lapse unless (1) the establishment of such memorial is commenced within 5 years from the date of enactment of this resolution, and (2) prior to groundbreaking for actual construction on the site, funds are certified available in an amount sufficient, in the judgment of the Secretary of the Interior based upon the approved design and plans for the memorial, to insure completion of the memorial."

On page 3, at the end of section 5, add the following new sentence: "Within fifteen days of the date of transmittal to the Congress of any budget request which includes funds to carry out the purposes of this section, the Secretary of the Interior shall notify the Senate Committee on Energy and Natural Resources in writing as to the amount and proposed uses of such funds, together with his justification for such budget request."

Mr. MATHIAS. Mr. President, these changes allow for an area of West Potomac Park, other than the originally specified Constitution Gardens, to serve as the site for the memorial should soil conditions prevent the gardens from accommodating it. Furthermore, certain technical protections to safeguard the use of public park land have been added. During the past week, I have developed this alternative legislation in consultation with the National Park Service, the Senate Energy and Natural Resources Committee and the Vietnam Veterans Memorial Fund. These changes are in no way substantive, but merely technical revisions which are enthusiastically supported by all parties involved.

Last summer when I first met with the founders of the Vietnam Veterans Memorial Fund to discuss such a memorial, I was impressed by their dedication and sincerity. My faith in their cause was confirmed when some 24 of my colleagues proved eager to join with me as original sponsors of the legislation I introduced to authorize the memorial.

I do not think it really comes as a surprise to anyone that we have now gotten the 100th Member, the full membership of the Senate. Equally heartening to me is the overwhelming support we have received for this project from thousands of people across the country of all political persuasions. In addition, many outstanding Americans serve on the National Sponsoring Committee as an expression of their concern about the welfare of the Vietnam veterans.

I think it is worthwhile just to mention a few of them. Among them are Vernon Jordan, president of the National Urban League; Ruben Bonilla, national president of the League of United Latin American Citizens; Carol Burnett, who played the mother of a soldier killed in the war in the TV drama "Friendly Fire"; First Lady Rosalynn Carter and former First Lady Betty Ford; Father Theodore Hesburgh, president of the University of Notre Dame; Bob Hope; Rockey Bleier, a wounded Vietnam veteran who came back to star with the Pittsburgh Steelers; and Adm. James B. Stockdale, formerly a POW and now president of the Citadel.

This is the kind of broad support which indicates to me that this proposal is truly an idea whose time has come. This is the kind of day of reconciliation for which we have waited.

In February, the Vietnam Veterans Memorial Fund began its formal fund-raising campaign. The response from the American people has sustained its hope of completing the memorial within 2 years of passage of the legislation by Congress.

This memorial will symbolize to Vietnam veterans the concern the American people have for them and the respect they feel for their service and their sacrifice. For all Americans, this memorial will express the spirit of reconciliation and reunion that preserves us as a Nation.

The Vietnam war provoked a bitter debate at home. It divided generations and families; it severed friendships. Today, Vietnam is now far enough in the past that we can look hopefully to the reconciliation of the country after the divisions caused by the war.

I look forward to the day when the families and friends of those who died in Vietnam can come to Washington to see the names of their loved ones and comrades enshrined in this place of honor.

Passage of this legislation is a flitting way to salute all Vietnam veterans and especially the Vietnam Veterans Memorial Fund for offering this memorial to the Nation.

Mr. President, I ask unanimous consent to print in the RECORD a letter from the Department of the Interior to the chairman of the Subcommittee on Parks, which expresses the views of the Department.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. DEPARTMENT OF THE INTERIOR,
NATIONAL PARK SERVICE,
Washington, D.C., April 23, 1980.
Hon. DALE BUMPERS,
Chairman, Subcommittee on Parks, Recreation and Renewable Resources, Committee on Energy and Natural Resources, U.S. Senate, Washington, D.C.

DEAR SENATOR BUMPERS: Thank you for your letter of March 24 requesting our comments on the site selection study for the proposed Vietnam Veterans Memorial.

Because of the thorough and excellent analysis of potential sites addressed in the enclosed "Site Selection for the Vietnam Veterans Memorial" as prepared by EDAW, Inc., we have been able to evaluate the study and comment on the question of the specific site. Normally, under our procedures, this is done after enactment of the legislation.

The study identifies three site areas which rate high in the planning criteria and recommends Constitution Gardens as the most compatible location for the proposed memorial. The gardens, constructed in 1976, contain 52 acres of land whose character is a gently mounded and rolling terrain with walkways throughout. Also within the garden is a 7½-acre lake located in the eastern portion of the park. This area is a portion of the open space making up the memorial core of the Park System of the Nation's Capital.

Since the proposed memorial is of great significance, does not memorialize a single person or event, but rather a 10-year period of our Nation's history, and is envisioned as a landscaped solution emphasizing horizontal rather than vertical elements, we concur with the report which indicates that a site in Constitution Gardens is preferable. Also, the memorial will be compatible with the existing character of the park and will not conflict with the three major presidential memorials in the area.

We are enclosing suggested revisions to the Joint Resolution which incorporate our views on the involvement of the Secretary of the Interior and other Federal Agencies in the site selection and design approvals.

Briefly these revisions pertain to identifying the role of the Secretary of the Interior, the National Capital Planning Commission, and the Commission of Fine Arts in the site and design approval process. Further, the revisions provide for the approval of the design within 90 days from the date of submission to the Secretary. Also, in case subsurface soil conditions preclude placing the memorial in Constitution Gardens, there is flexibility for relocating the memorial to another location in West Potomac Park, north of Independence Avenue.

We have discussed the enclosed revision of the Joint Resolution with representatives of the Vietnam Veterans Memorial Fund who agree with its contents.

Thank you for requesting our views on this proposal.

Sincerely yours,

BILL WHALEN,
Director.

Mr. BUMPERS. Mr. President. I wholeheartedly support the amendment offered by Senator MATHIAS. The language of the first four sections of the amendment has been worked out between the Department of the Interior and the Vietnam Veterans Memorial Fund, Inc. It clarifies the location of the proposed site giving the Secretary and the Vietnam Veterans Memorial Fund, Inc. some flexibility should the subsurface soil conditions at the preferred site in Constitution Gardens prove troublesome from an engineering standpoint. The new language also strengthens the role of the Secretary of the Interior in approving the design of the memorial. Additionally, Senator MATHIAS' amendment makes it clear that the construction of the memorial will not commence until the Secretary has certified that sufficient funds have been raised to insure its completion.

Finally, the Senator's amendment includes a provision which I had originally proposed to offer with regard to the Vietnam Veterans Peace and Brotherhood Chapel near Eagles Nest, N. Mex. The committee added a new section to the resolution as introduced which authorizes the Secretary, once the memorial in Washington is completed, to provide operation and maintenance funds to this Vietnam memorial in New Mexico. The amendment being offered here makes it mandatory that the Secretary notify the Energy and Natural Resources Committee within 15 days of requesting any monies from Congress to carry out this provision. He is to provide the committee with certain information regarding the request including the amount of money requested, the proposed use of the funds, and his justification for the budget request.

In my view, the amendment offered by the Senator from Maryland (Mr. MATHIAS) is a good one and I urge its adoption.

Mr. DOLE. Mr. President, I have a statement in support of the amendment. I commend my colleague, Senator MATHIAS.

Mr. President, I am pleased to be associated with the efforts of my colleague from Maryland (Mr. MATHIAS) and as I recently learned, every other Member of the Senate, in authorizing the Vietnam Veterans Memorial Fund, Inc., to erect a memorial in the District of Columbia by public subscription to honor the U.S. men and women who served in the Vietnam war.

A TRIBUTE TO THOSE WHO SERVED

Senate Joint Resolution 119 designates a site of 2 acres in Constitution Gardens, adjacent to the reflecting pool northeast of the Lincoln Memorial. The Vietnam Veterans Memorial Fund proposes a landscaped garden as the memorial. It will enhance and be in harmony with the natural beauty of its surroundings. It is my understanding that the names of the 57,414 brave Americans who gave their lives for their country, will be appropriately displayed.

Mr. President, I believe that this country has reached a point where the bitter experience of Vietnam can be confronted, accepted, and resolved. Our national wounds must be healed.

Mr. President, this tribute to those who gave their lives for their country will allow, Americans, irrespective of their views of the Vietnam war, to acknowledge the sacrifice of those who served there.

For Vietnam veterans, the memorial will stand as testimony that the American people care about them and respect their service and their sacrifice. For all Americans this memorial will be a symbol of the reconciliation and reunion that preserves us a Nation.

Mr. President, I urge my colleagues to join me in adopting this very important measure.

Mr. WARNER. Mr. President, as a cosponsor of Senate Joint Resolution 119, I strongly urge my colleagues to support the establishment of a permanent national memorial in our Nation's Capital to honor all those Americans who served as members of our Armed Forces in the Vietnam war, and especially those 57,413 men and 1 woman who died in that war.

I am a veteran of uniformed service in World War II and the Korean war. In a very real sense, however, I also am a veteran of the Vietnam war, for it was during that troubled period of our national history that I served as Under Secretary and Secretary of the Navy. It was my signature on official orders that sent thousands of sailors and marines into combat, many of them never to return, and many more to return with crippling wounds, both physical and emotional, only to be characterized as outcasts by those who deplored that unpopular war and by those angered at losing it.

The Vietnam war has been costly to millions of Americans in a very personal way. The war destroyed many families. It alienated many people. It still lingers in our national psyche, scarring relationships between generations and social classes, friends and relatives.

We must heal this great national wound. A permanent national memorial is a positive step in that direction.

Since becoming involved with the Vietnam Veterans Memorial Fund, I have come to know and to profoundly respect its leadership. They are good, decent young men concerned about their fellows. Theirs is a selfless dedication to a project that will have deep meaning to the 2.7 million Americans who served in Vietnam and to their families.

That deep meaning is one of reconciliation, a bringing together of Americans divided by the Vietnam war. So convinced am I of the worthiness of this project and the caliber of its leaders that I have consented to serve on the Vietnam Veterans Memorial Fund's National Sponsoring Committee and have assisted in other ways to bring this memorial to a reality.

In my view, there are several elements that will make this project succeed, and it is my opinion that the project leaders are on the right track.

First, the national memorial will be tasteful and nonpolitical. A park-like setting is envisaged, one in which visitors can pay their respects in a setting conducive to reflection.

Second, the national memorial to Vietnam war veterans will be in a suitably prominent location so that it is accessible to the public, noticeable to passersby, and so conspicuous as to serve as a constant reminder of the reconciliation important to the goals of the project.

Third, the national memorial to Vietnam war veterans will list the names of each of those Americans in uniform who died there so that they will not be forgotten now or when that war is in better perspective in all our minds—now or when we are better able to grasp the significance of what happened to our Nation in its involvement in and conduct of that war.

Therefore, Mr. President, this is but a small tribute when compared to the debt we owe those who served so courageously in Vietnam, both the living and the dead. I urge my colleagues to support this Senate Joint Resolution 119, the Vietnam veterans memorial bill.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Maryland.

The amendment was agreed to.

The PRESIDING OFFICER. The joint resolution is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment and the third reading of the joint resolution.

The joint resolution was ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

H.J. RES. 119

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the Vietnam Veterans Memorial Fund, Inc., a nonprofit corporation organized and existing under the laws of the District of Columbia, is authorized to establish a memorial on public grounds in West Potomac Park in the District of Columbia, in honor and recognition of the men and women of the Armed Forces of the United States who served in the Vietnam war.

SEC. 2. (a) The Secretary of the Interior, in consultation with the Vietnam Veterans Memorial Fund, Inc., is authorized and directed to select with the approval of the Commission of Fine Arts and the National Capital Planning Commission a suitable site of approximately two acres in size located in the area of West Potomac Park known as Constitution Gardens in the District of Columbia: *Provided,* That if subsurface soil conditions prevent the engineering of a feasible foundation system for the memorial in a location in that area, then the Secretary of the Interior, in consultation with the Vietnam Veterans Memorial Fund, Inc., is authorized and directed to select a suitable site of approximately two acres in size located in an area of West Potomac Park north of Independence Avenue other than Constitution Gardens.

(b) The design and plans for such memorial shall be subject to the approval of the Secretary of the Interior, the Commission of Fine Arts, and the National Capital Planning Commission: *Provided,* That if the Secretary of the Interior, the Commission of Fine Arts, or the National Capital Planning Commission fails to report his or its approval of or specific objection to such design and plans within ninety days of their submission, his or its approval shall be deemed to be given.

(c) Neither the United States nor the District of Columbia shall be put to any expense in the establishment of the memorial.

SEC. 3. The authority conferred pursuant to this resolution shall lapse unless (1) the establishment of such memorial is commenced within five years from the date of enactment of this resolution, and (2) prior to groundbreaking for actual construction on the site, funds are certified available in an amount sufficient, in the judgment of the Secretary of the Interior based upon the approved design and plans for the memorial, to insure completion of the memorial.

SEC. 4. The maintenance and care of the memorial erected under the provisions of this resolution shall be the responsibility of the Secretary of the Interior.

SEC. 5. After erection of such memorial, the Secretary of the Interior is authorized to provide funds for the operation and maintenance of the Vietnam Veterans Peace and Brotherhood Chapel near Eagles Nest, New Mexico: *Provided,* That, such funds shall be limited to the difference between actual operation and maintenance costs and the contributions for such purposes provided by the Vietnam Veterans Memorial Fund, Inc., subject to such terms and conditions as the Secretary of the Interior may prescribe in furtherance of the purpose of this resolution. Within fifteen days of the date of transmittal to the Congress of any budget request which includes funds to carry out the purposes of this section, the Secretary of the Interior shall notify the Senate Committee on Energy and Natural Resources in writing as to the amount and proposed uses of such funds, together with his justification for such budget request.

The title was amended so as to read:

Joint resolution to authorize the Vietnam Veterans Memorial Fund, Inc., to establish a memorial.

Mr. MATHIAS. Mr. President, I move to reconsider the vote by which the joint resolution was passed.

Mr. BUMPERS. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BUMPERS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. CRANSTON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

BOLD NEW APPROACH TO THE STUDY OF AGING

Mr. CRANSTON. Mr. President, there was a remarkable meeting of scientists recently at the George Washington University. Forty scientists, representing a dozen or more separate disciplines in biomedicine, met to assess current technology for measuring and modifying patterns of aging in animals and in man.

After 2 days of sharing research data, the participants generally agreed that we are closer than most people probably realize to achieving the ability to control aspects of the aging process in humans. The great promise of this is not only that breakthroughs in biomedical research can make our later years significantly less vulnerable to disease and free from the ravages of senility, but that advances in knowledge on this front may lead to longer human lifespans.

The conference at GWU was organized and directed by a privately financed group called FIBER—the Fund for Integrative Biomedical Research. Small but very similar meetings have been held in my office in the Capitol intermittenly since mid-1978. In fact, FIBER was created by some of the participants in those meetings who were eager to move new information more rapidly from basic research into clinical applications in aging.

Frequently in the past 2 years I have encouraged research investigators to come together in my office. There they had an opportunity to air new research data and to share insights with others working in parallel and complementary studies. These meetings also were attended by people from Government, industry, and private philanthropy.

What I have learned in these meetings is astonishing to a layman. I suspect many scientists too will be surprised to learn how quickly we are closing in on the aging process by pursuing strong leads in immunology, neural and endocrine mechanisms, protein synthesis, free radical pathology, nutrition and genetics. If gerontologists and other scientists learn to pinpoint whatever it is that triggers aging and regulates its speed, the ability to enhance and extend human health and vitality will be within our grasp.

A research strategy that begins with

the aging process could very well end up providing answers for cancer and other diseases. Many scientists believe cancer is closely entwined with aging. They point out that normal cell division maintains all the body's natural repair systems. But as people age, their cells become progressively more prone to "errors" in transcription. As these errors accumulate they may result in cell death or in the transformation of a normal cell into a cancer cell.

Unfolding the mysteries of cellular and molecular changes which underly the aging process almost certainly will yield valuable information, possibly leading to cures for a host of degenerative diseases which occur with greatest frequency among the aged. Cancer is one of these. Others include atheroscerosis or hardening of the arteries, senile dementia, diabetes, stroke, neural disorders, and kidney disease.

How soon breakthroughs occur will depend in great part, I believe, on our willingness to support innovative research. Moreover, new ideas and observations must be integrated aggressively and applied across a variety of biomedical specialty areas.

There are probably several causes for aging, just as there are probably several causes of cancer. Aging can best be examined by taking advantage of the latest knowledge available to biochemists, neurologists, immunologists, molecular biologists, and many others.

We will not meet our major medical goals as quickly as we should unless we are willing to take some chances. The scientific spirit is the very spirit of innovation and adventure—an adventure into the unknown. Real progress in science almost always shatters the prevailing conventional wisdom. When there has been a breakthrough—such as the development of antibiotics or polio vaccine or manufactured insulin—the new idea first had to overcome the established notion that "it can't be done."

Research investigators must be permitted to chance a true leap of imagination. They and those who back them must be ready to be surprised, willing to take risks. They must dare to be wrong. And temporary failure must not be fatal to their professional careers.

Unfortunately, this is not an attitude currently enjoying much favor in the large institutions which pay for most of the biomedical research underway in the United States today. The present atmosphere, both among Federal granting agencies and large private foundations, is far more orthodox and conservative. Partly this is due to an innate institutional bias: Large organizations historically are slow to nurture new ideas that challenge the assumptions of the established order. But also the current mood is a consequence of a shortage of research capital.

When research dollars are scarce—as they are now and will be for some time—there is a tendency to favor safe bets. Grants too often go to those proposals that will produce highly predictable—and therefore minimal—results. Eager to show a return on investment, too many institutions tend to make grants that will enable them to point to successes, however small and predictable, rather than to risk failure on research projects that have the potential for far greater benefit.

Certainly public officials must be responsible for the wise use of public money. It is difficult for government, especially, to justify taking risks. Yet I think it must. I am distressed when I hear that many venturesome, truly original research proposals, and those that cut across scientific specialty areas, are not given a chance to prove themselves. Yet this is what I have learned from respected scientists who attend the meetings in my office.

Predictable research will not speed us toward the answers we need if we are to meet the health challenges we face now and will face in the future. Our society, with an ever-increasing number of elderly citizens, cannot afford to permit excessive orthodoxy in research management and no-growth Federal research budgets to slow or halt progress in aging research. On the other hand, if people of advanced age someday enjoy the physical health, vigor and resilience commonly associated with middle-aged people today, the United States would need not worry about increased social costs of health care and dependency. Their productivity will help us salvage much of the expense and wasted resources we now assume are inevitable with an aging population.

To bring that day nearer we must accelerate basic science investigations into the aging process. We should encourage immunologists, biochemists, molecular biologists, and geneticists to work together to test new theories of aging.

We will need to have the flexibility and the good judgment to support occasional proposals that carry a high risk of failure—but that also hold the promise of a high payoff if they succeed. But because it is so difficult to move the heavy wheels of Government, and because of our long overdue restraint in budget matters, there is now a renewed need and opportunity for the private sector to play a decisive role.

Industry and private philanthropy can do what Government increasingly is unwilling to do: that is, support potentially high-risk, potentially high-benefit research. The private sector can and should begin to compete with, and thus set a higher standard for, Government in the research field. Straight-line Federal research budgets in the years to come must not condemn us to marching in place just as we appear to be on the threshold of bold and beneficial new discoveries in the life sciences.

The group that sponsored the recent conference at George Washington University is showing a better way. Scientists and lay activists have established FIBER to act as a permanent catalyst among research investigators studying the underlying causes of human aging. They set out to create a generalist entity capable of pulling new research findings out of narrow specialized channels and forging fertile collaborations that cross and merge key scientific disciplines.

FIBER does not conduct its own laboratory research. Instead, it acts as a center without walls, helping promising researchers to obtain funds while maintaining their personal identities and facilitating their interactions with others in related fields in order to promote effective and rapid entry of new technologies into advanced experimental trials. FIBER will also work to stimulate high-risk venture capital from the private sector to quicken the pace of discovery and the beneficial application of new knowledge in the life sciences.

FIBER is led by some very talented, dedicated, and effective people. Its president and board chairman is Mr. Harvey Silbert, a prominent attorney, business and civil leader in Los Angeles. The scientific director is Dr. William Regelson, a very gifted generalist in the life sciences, a medical oncologist, and member of the faculty of the Medical College of Virginia.

I am very proud of my role in helping to launch this effort, because I believe FIBER's approach is one that may make an important difference in improving the quality of human life, and survival, for each and all of us.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. TSONGAS). Without objection, it is so ordered.

THE CALENDAR

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar Order No. 706.

Mr. BAKER. Mr. President, reserving the right to object, and I will not, the purpose of the reservation is to permit me to advise the majority leader that this calendar item is cleared on this side and we have no objection to its consideration and passage.

The PRESIDING OFFICER. Without objection, it is so ordered.

NATIONAL AQUACULTURE ACT OF 1980

The Senate proceeded to consider the bill (S. 1650) to provide for the development of aquaculture in the United States, and for other purposes, which had been reported from the Committee on Agriculture, Nutrition and Forestry, and the Committee on Commerce, Science, and Transportation, jointly with an amendment to strike all after the enacting clause, and insert the following:

FINDINGS, PURPOSE, AND POLICY

SEC. 2. (a) FINDINGS.—Congress finds the following:

(1) The harvest of certain species of fish and shellfish exceeds levels of optimum sustainable yield, thereby making it more difficult to meet the increasing demand for aquatic food.

(2) To satisfy the domestic market for aquatic food, the United States imports more than 50 per centum of its fish and shellfish, but this dependence on imports adversely affects the national balance of payments and contributes to the uncertainty of supplies.

(3) Although aquaculture currently con-

tributes approximately 10 per centum of world seafood production, less than 3 per centum of current United States seafood production results from aquaculture. Domestic aquacultural production, therefore, has the potential for significant growth.

(4) Aquacultural production of aquatic plants can provide sources of food, industrial materials, pharmaceuticals, and energy, and can assist in the control and abatement of pollution.

(5) The rehabilitation and enhancement of fish and shellfish resources are desirable applications of aquacultural technology.

(6) The principal responsibility for the development of aquaculture in the United States must rest with the private sector.

(7) Despite its potential, the development of acquaculture in the United States has been inhibited by many economic, legal, and production factors such as inadequate credit, diffused legal jurisdiction, the lack of management information, and the lack of reliable supplies of seed stock.

(8) Many areas of the United States are suitable for acquaculture, but are subject to land-use or water-use management policies that do not adequately consider the potential for aquaculture and that may inhibit the development of aquaculture.

(b) Purpose.—It is the purpose of this Act to promote acquaculture in the United States by—

(1) declaring a national policy for aquaculture;

(2) establishing and implementing a national aquaculture development plan; and

(3) encouraging aquaculture activities and programs in both the public and private sectors of the economy;

that will result in increased aquacultural production, the coordination of domestic acquacultural efforts, the conservation and enhancement of aquatic resources, the creation of new industries and job opportunities, and other national benefits.

(c) Policy.—Congress declares that aquaculture has the potential for augmenting existing commercial and recreational fisheries and for producing other renewable resources, thereby assisting the United States in meeting its future food needs and contributing to the solution of world resource problems. It is, therefore, in the national interest, and it is the national policy, to encourage the development of aquaculture in the United States.

DEFINITIONS

Sec. 3. As used in this Act, unless the context otherwise requires—

(1) the term "aquaculture" means the propagation and rearing of aquatic species in controlled or selected environments, including, but not limited to, ocean ranching (except private ocean ranching of Pacific salmon for profit in those States where such ranching is prohibited by law);

(2) the term "aquaculture facility" means any land, structure, or other appurtenance that is used for aquaculture and is located in any State. Such term includes, but is not limited to, any laboratory, hatchery, rearing pond, raceway, pen, incubator, or other equipment used in aquaculture;

(3) the term "aquatic species" means any species of finfish, mollusk, crustacean, or other aquatic invertebrate, amphibian, reptile, or aquatic plant;

(4) the term "person" means any individual who is a citizen or national of the United States or of any State, any Indian tribe, any institution of higher education, and any corporation, partnership, association or other entity (including, but not limited to, any community development corporation, producer cooperative, or fishermen's cooperative) organized or existing under the laws of any States;

(5) the term "Plan" means the National Aquaculture Development Plan required to be established under section 4;

(6) the term "Secretaries" means the Secretary of Agriculture, the Secretary of Commerce, and the Secretary of the Interior; and

(7) the term "State" means any of the several States, the District of Columbia, the Commonwealth of Puerto Rico, American Samoa, the Virgin Islands of the United States, Guam, and the Commonwealth of the Northern Mariana Islands, or any other territory or possession of the United States.

NATIONAL AQUACULTURE DEVELOPMENT PLAN

Sec. 4. (a) In General.—(1) Within eighteen months after the date of the enactment of this Act, the Secretaries shall establish the National Aquaculture Development Plan.

(2) In developing the Plan, and revisions thereto under subsection (d), beginning not later than six months after the date of enactment of this Act, the Secretaries shall consult with other appropriate Federal officers, States, regional fishery management councils established under section 302 of the Fishery Conservation and Management Act of 1976 (16 U.S.C. 1852), and representatives of the aquaculture industry. In addition, the Secretaries shall give interested persons and organizations an opportunity to comment during the development of the Plan.

(3) If the Secretaries deem it to be appropriate, they may establish, and appoint the members of, an advisory committee to assist in the initial development of the Plan. Individuals appointed to the advisory committee shall be knowledgeable or experienced in the principles and practices of aquaculture. The members of the advisory committee (other than officers or employees of the Federal Government), while away from their homes or regular places of business in the performance of services for the advisory committee, shall be allowed travel expenses, including per diem in lieu of subsistence, in the same manner as persons employed intermittently in the Government service are allowed expenses under section 5703 of title 5 of the United States Code.

(b) Contents of Plan.—The Plan shall—

(1) identify aquatic species that the Secretaries determine to have significant potential for culturing on a commercial or other basis;

(2) recommend actions to be taken by the public and private sectors (which may include, but are not limited to, research and development, technical assistance, demonstration, extension education, and training activities) that are necessary to achieve such potential. The Plan shall address the following matters, taking into account the status of aquaculture regarding the aquatic species concerned:

(A) aquaculture facility design and operation;

(B) water quality management;

(C) use of waste products (including thermal effluents);

(D) nutrition and the development of economical feeds, including natural food sources;

(E) life history, genetics, physiology, pathology, and disease control (including research regarding organisms that may not be harmful to fish and shellfish, but are injurious to humans);

(F) processing and market development;

(G) production management and quality control; and

(H) the development of adequate supplies of seed stock;

(3) include, where appropriate, research programs on the effect of aquaculture on estuarine and other water areas and on the management of such areas for aquaculture;

(4) include, where appropriate, programs to analyze, and to formulate proposed resolutions of, the legal or regulatory constraints that may affect aquaculture; and

(5) include such other research and development, technical assistance, demonstration, extension education, and training programs as the Secretaries deem necessary or appropriate to carry out this Act.

In formulating the Plan, the Secretaries shall, to the extent practicable, take into account any significant action that (i) has been, or is proposed to be, undertaken by any other Federal department or agency, any State agency, or any person; and (ii) may affect the implementation of the Plan.

(c) Actions and Implementation.—The Plan shall specify—

(1) with respect to those actions that the Secretaries determine should be undertaken, the period of time within which each such action should be completed, in order to implement the Plan; and

(2) with respect to each such action which of the Secretaries, acting individually, jointly, or collectively, has the responsibility for implementing the action.

The specifications of Secretarial responsibilities under paragraph (2) for implementing actions shall be determined on the basis of—

(A) the responsibilities conferred on the respective Secretaries by law or by any executive action having the effect of law (including, but not limited to, Reorganization Plan Numbered 4 of 1970); and

(B) the experience, expertise, and other appropriate resources that the department of each such Secretary may have with respect to the action required under the activity concerned.

(d) Revision of Plan.—The Secretaries shall undertake periodic reviews of the operation and effectiveness of the Plan. If as a result of any such review, or the aquacultural assessment required under subsection (e), the Secretaries determines that—

(1) any aquatic species not currently identified in the Plan has significant potential for aquaculture;

(2) any action specified in the Plan is not being accomplished on a successful and timely basis; or

(3) any action specified in the Plan should be terminated because its objectives have been achieved or its projected benefits do not warrant further support;

the Secretaries shall appropriately amend the Plan.

(e) Continuing Aquaculture Assessment.—The Secretaries, through the Joint Subcommittee on Aquaculture established in section 6, shall undertake a continuing assessment of aquaculture in the United States for the purpose of maintaining, on a continuing basis—

(1) a complete profile of the aquacultural industry with respect to the incidence, size, and status of commercial aquacultural enterprises;

(2) the identification of the private and public institutions and organizations involved in aquacultural research, extension, credit, and market development;

(3) the identification of the various aquatic species being cultured and a description of the status of commercial development of each of those species;

(4) to the extent practicable, the identification of aquacultural production regions, species, and markets that have significant potential for development;

(5) a catalog describing all Federal programs and activities that directly or indirectly encourage, support, or assist aquaculture; and

(6) the identification of the economic, physical, legal, institutional, and social constraints that inhibit the development of aquaculture in the United States.

FUNCTIONS AND POWERS OF SECRETARIES

Sec. 5. (a) Mandatory Functions.—In implementing the Plan, the Secretaries shall—

(1) provide advisory, educational, and technical assistance (including training) with respect to aquaculture to interested persons, and in providing such assistance, shall, to the maximum extent practicable, avoid duplication of similar assistance provided by other Federal departments and agencies and by State agencies;

(2) consult and cooperate with interested persons, Federal departments and agencies, State agencies, and regional fishery management councils established under section 302 of the Fishery Conservation and Management Act of 1976 (16 U.S.C. 1852);

(3) encourage the implementation of aquacultural technology in the rehabilitation and enhancement of publicly owned fish and shellfish stocks (including rehabilitation and enhancement by private nonprofit enterprises), and in the development of private commercial aquacultural enterprises; and

(4) prescribe such regulations as may be necessary to carry out the Plan.

(b) Discretionary Functions.—In implementing the Plan, the Secretaries may—

(1) for the purposes of assessing the biological, technical, and economic feasibility of any aquacultural system—

(A) conduct tests of the system and, if necessary, construct, operate, and maintain developmental aquaculture facilities for testing laboratory results, and

(B) conduct such other tests or analyses as may be necessary;

(2) develop methods to enhance seed stocks of aquatic species; and

(3) conduct such other tests or analyses or take such other actions as the Secretaries deem necessary or appropriate.

(c) Information Services.—(1) In addition to performing such other required functions under this Act, the Secretaries shall—

(A) establish and maintain an information service for the collection, analysis, and dissemination of scientific, technical, legal, and economical information relating to acquaculture;

(B) conduct appropriate surveys, in coordination with other Federal departments and agencies, of public and private aquacultural activities being conducted in the United States for the purpose of acquiring information on acreages, water use, production, culture techniques, and other relevant matters;

(C) arrange with foreign nations for the exchange of information relating to aquaculture and support a translation service;

(D) conduct a continuing study to determine whether existing capture fisheries could be adversely affected by competition from products produced by commercial aquacultural enterprises and include in such study—

(i) an assessment of any adverse effect, by species and by geographical region, on such fisheries, and

(ii) recommend measures to ameliorate any such effect; and

(E) report to Congress on the findings of the study conducted under subparagraph (D) in the biennial status report required under subsection (d).

(2) Any production information submitted to the Secretaries under paragraph (1)(B) shall be confidential and may only be disclosed if required under court order. The Secretaries shall prescribe such procedures as may be necessary to preserve such confidentiality. The Secretaries may release or make public any information in any aggregate or summary form that does not directly or indirectly disclose the identity, business transactions, or trade secrets of any person who submits such information.

(d) Biennial Report.—The Secretaries, through the Joint Subcommittee on Aquaculture, shall prepare on a biennial basis, and submit to Congress, a report on the status of aquaculture in the United States. Each such report shall contain a description and evalution of the actions undertaken with respect to the Plan during the reporting period, and explanation of any revisions made to the Plan under section 4(d) during the reporting period, and such other comments and recommendations as the Secretaries deem appropriate. The first report required under this subsection shall be submitted to Congress by September 30, 1981.

COORDINATION OF NATIONAL ACTIVITIES REGARDING AQUACULTURE

Sec. 6. (a) Establishment.—There is established a Joint Subcommittee on Aquaculture of the Federal Coordinating Council on Science, Engineering, and Technology (hereafter in this section referred to as the "Subcommittee") that shall be composed of the following members or their designees:

(1) the Secretary of Agriculture,

(2) the Secretary of Commerce,

(3) the Secretary of the Interior,

(4) the Secretary of Energy,

(5) the Secretary of Health and Human Resources,

(6) the Administrator of the Enivronmental Protection Agency,

(7) the Chief of Engineers,

(8) the Administrator of the Small Business Administration,

(9) the Administrator of the Agency for International Development,

(10) the Chairman of the Tennessee Valley Authority,

(11) the Director of the National Science Foundation,

(12) the Governor of the Farm Credit Administration, and

(13) the heads of other Federal agencies as appropriate.

(b) Purpose and Functions.—The purpose of the Joint Subcommittee on Aquaculture is to increase the overall effectiveness and productivity of Federal aquaculture research, transfer, and assistance programs. In fulfilling this purpose the Subcommittee shall—

(1) review the national needs for aquaculture research, transfer, and assistance;

(2) assess the effectiveness and adequacy of Federal efforts to meet those national needs;

(3) undertake planning, coordination, and communication among Federal agencies engaged in the science, engineering, and technology of aquaculture;

(4) collect, compile, and disseminate information on aquaculture;

(5) encourage joint programs among Federal agencies in areas of mutual interest; and

(6) recommend to the two sponsoring Committees (the Committee on Atmosphere and Oceans and the Committee on Food and Renewable Resources) and the Federal Council specific actions on issues, problems, plans, and programs in aquaculture.

(c) Chairman.—The Chairman of the Joint Subcommittee on Aquaculture shall serve a term of two years and shall be selected by the mutual agreement of the Chairmen of the sponsoring committees of the Federal Council.

(d) Reports.—The Subcommittee shall regularly report to the Chairmen of the two sponsoring Committees and through them to the Chairman of the Federal Council, on the Subcommittee's activities and on recommendations concerning Federal policies and programs related to aquaculture.

(e) Federal Consistency.—Each Federal department and agency that has functions or responsibilities with respect to aquaculture or has jurisdiction over any activity that affects, or that may affect, the achievement of the purpose and policy of this Act, shall, in consultation with the Subcommittee and to the maximum extent practicable, perform such function, responsibility, or activity in a manner that is consistent with the purpose and policy of this Act.

CONTRACTS AND GRANTS

Sec. 7. (a) In General.—The Secretaries may each carry out any action that such Secretary is responsible for implementing under the Plan through grants to, or contracts with, any person, any other Federal department or agency, any State agency, or any regional commission.

(b) Terms and Conditions.—Any contract entered into, or any grant made, under subsection (a) shall contain such terms and conditions as the Secretary concerned shall by regulation prescribe as being necessary or appropriate to protect the interests of the United States. No contract may be entered into, and no grant may be made under subsection (a), for any purpose that is in violation of any applicable State or local law.

(c) Limitation.—The amount of any grant made under subsection (a) may not exceed an amount equal to one-half the estimated cost of the project for which the grant is made.

(d) Audit.—Each recipient of a grant or contract under this section shall make available to the Secretary concerned and to the Comptroller General of the United States, for purposes of audit and examination, any book, document, paper, or record that is pertinent to the funds received under such grant or contract.

CAPITAL REQUIREMENTS FOR AQUACULTURE

Sec. 8. (a) Capital Requirements Study.—The Secretaries, through the Joint Subcommittee on Aquaculture, shall conduct within twelve months after the date of enactment of his Act, a study of the capital requirements of the United States aquaculture industry. The study shall—

(1) document and analyze any capital constraints that affect the development of aquaculture in the United States; and

(2) evaluate the role that appropriate Federal financial assistance does or could play in filling gaps in the normal credit market with respect to aquaculture.

The study will identify the capital needs of the United States aquaculture industry, with emphasis on the needs that are not being filled either in normal credit channels or through government programs for direct loans, loan guarantees, disaster loans, and insurance. Upon its completion, the Secretaries shall submit the results of the study to Congress.

(b) Capital Requirements Plan.—Based on the results of the Capital Requirements Study conducted under subsection (a), and within six months of the completion of the study, the Secretaries shall formulate a plan for acting on the study's findings. The plan shall include: (1) those Federal actions, if any, found to be necessary to meet financial needs unmet through normal credit channels and existing Federal programs; and (2) recommendations, if any, for legislative actions. Upon completion, the plan shall be submitted to Congress.

REGULATORY CONSTRAINTS ON AQUACULTURE

Sec. 9. (a) Regulatory Constraints Study.—The Secretaries, through the Joint Subcommittee on Aquaculture, shall conduct, within twelve months after the date of enactment of this Act, a study of the State and Federal regulatory restrictions to aquaculture development in the United States. The study shall—

(1) include a literature review and a descriptive list identifying the parameters of the issue;

(2) identify and list relevant current and pending Federal regulations restricting the development of commercial aquaculture operations;

(3) identify and list relevant current State regulations restricting the development of commercial aquaculture operations in five States selected randomly in five separate geographic regions of the United States;

(4) conduct case studies of ten commercial aquaculture operations in the United States representing a wide range of marine and fresh water species to determine the practical effects of regulatory restrictions on aquaculture; and

(5) develop a flow-chart time line using the information obtained by means of paragraphs (1) through (4) to identify those

regulations and restrictions that could have the most detrimental effect in establishing commercial aquaculture operations in the United States.

Upon completion of the study, the Secretaries shall submit its results to Congress.

(b) REGULATORY CONSTRAINTS PLAN.—Based on the results of the Regulatory Constraints Study conducted under subsection (a), and within six months of the study's completion, the Secretaries shall formulate a plan for acting on the study's findings. The plan will contain specific steps the Federal Government can take to remove unnecessarily burdensome regulatory barriers to the initiation and operation of commercial aquaculture ventures. Upon its completion, the Secretaries shall submit the plan to Congress.

AUTHORIZATIONS FOR APPROPRIATIONS

SEC. 10. For purposes of carrying out the provisions of this Act, there are authorized to be appropriated—

(1) to the Department of Agriculture—
(A) $7,000,000 for fiscal year 1981;
(B) $10,000,000 for fiscal year 1982; and
(C) $12,000,000 for fiscal year 1983;
(2) to the Department of Commerce—
(A) $7,000,000 for fiscal year 1981;
(B) $10,000,000 for fiscal year 1982; and
(C) $12,000,000 for fiscal year 1983;
(3) to the Department of the Interior—
(A) $3,000,000 for fiscal year 1981;
(B) $4,000,000 for fiscal year 1982; and
(C) $5,000,000 for fiscal year 1983.

Funds authorized by this section shall be in addition to, and not in lieu of, funds authorized by any other Act.

DISCLAIMER

SEC. 11. Nothing in this Act shall be construed to amend, repeal, or otherwise modify the authority of any Federal officer, department, or agency to perform any function, responsibility, or activity authorized under any other provision of law.

● Mr. INOUYE. Mr. President, I strongly support the passage of S. 1650, the National Aquaculture Act. This bill establishes a strong national policy in support of aquacultural development, requires planning and coordination of all Federal activities relating to aquaculture, and calls for studies of the financial and regulatory constraints which have inhibited the development of aquaculture in the United States.

The development of this bill has been a lengthy process. Two years ago, Congress passed similar legislation, but that bill was pocket vetoed by the President because it established new programs to provide financial incentives for aquaculture. While I still believe that those incentives are necessary and appropriate, I, along with other members of the Commerce and Agriculture Committees, have worked closely with the administration to develop this compromise bill. Although this bill does not establish new incentive programs, it does require that a study be performed to document the need for such programs.

This compromise bill has therefore received the strong endorsement of the administration and of all witnesses that testified before the two committees. It takes a major step in finally recognizing the potential for aquaculture to contribute to this country's and the world's food supplies and clarifies the Federal role in making that contribution. The State of Hawaii, which is a leader in the United States for aquacultural development, is currently demonstrating that potential, and with the encouragement of Congress, aquaculture can become a major source of food production throughout the country. I therefore urge my colleagues to support the passage of S. 1650, and I urge the Members of the House to act expeditiously on similar legislation.●

● Mr. BENTSEN. Mr. President, it is with great pleasure that I come here today to express my continued support for a young U.S. industry which is facing a very bright future in meeting the food needs of this country and other countries of the world in years to come. That industry is aquaculture.

I am proud to be listed as a cosponsor of this bill and as a sponsor and cosponsor of other aquaculture bills dating back to the first aquaculture bill which was introduced in the U.S. Senate. I am pleased that we have finally been able to develop a bill which will serve the needs of this vital new industry and which enjoys broad support from Congress, the administration, and from the aquaculture industry. I believe that the National Aquaculture Act of 1980 will someday be viewed by historians as a landmark piece of legislation. It provides the first statutory recognition of this vital new industry and will help this industry to grow to its true potential.

There is a tremendous untapped potential for aquaculture in the United States and throughout the world. Aquaculture has been practiced for at least 4,500 years in China and it can be dated back 100 years in this country. Commercial aquaculture production in the United States amounted to approximately 2 million pounds in 1960, and since that time it has grown to over 100 million pounds. By contrast, the world commercial fish harvest has remained relatively constant at about 70 million tons annually since 1970, and there is widespread concern that many wild species of fish are being harvested at or near their optimum sustainable yields.

However, the demand for fisheries products is increasing rapidly. Per capita U.S. consumption of fish products has increased by about 2 pounds per person since 1969. The National Oceanic and Atmospheric Administration estimates that domestic demand for seafood products will increase by 80 percent by the year 2000. NOAA also estimates that projected rates of harvesting and consumption of fisheries products will result in a worldwide storage within 3 to 10 years.

It is obvious that this threatened shortfall can only be met through the development of a successful commercial aquaculture industry in this country. The potential for this industry is quite clearly present, and just as clearly we have barely scratched the surface of our potential production. Aquaculture now accounts for some 10 percent of world fish production. In some countries aquaculture supplies as much as 40 percent of domestic fish product consumption. However, in the United States aquaculture supplies only some 3 percent of our domestic consumption needs.

The fledgling U.S. aquaculture industry now produces some 65,000 metric tons of seafood each year. The National Academy of Science estimates that this can be increased to 250,000 metric tons by 1985 and could reach 1 million metric tons by the year 2000. Such development would not only help meet the needs of the U.S. consumers with much better supplies of seafood at more reasonable prices, but it would also make a major contribution to reducing our balance-of-payments deficit. The United States now imports over half of the seafood which we consume, and this adds about $2 billion per year to our balance-of-payments deficit.

The potential for domestic business has already resulted in commercially viable aquaculture enterprises, producing catfish, trout, salmon, oysters, and crawfish among other species, here in the United States. Although very small in relation to its potential, aquaculture is already an established industry in my home State of Texas and I predict that it will be growing rapidly in the not-too-distant future.

Shrimp farming in particular has been receiving a lot of interest from researchers and private business in Texas. Scientists at Texas A. & M. University, one of our Nation's sea grant universities, have been very successful in raising shrimp in captivity using the thermal effluent from a powerplant in Corpus Christi, Tex. Success within the last few years in breeding shrimp in captivity is promising to make large scale shrimp farming operations commercially viable, and shrimp grown in the ideal conditions of the Laguna Madre may soon be supplementing the commercial catch of wild shrimp in the Gulf of Mexico.

The potential importance of aquaculture as a global food source cannot be underestimated. A large portion of the world's population goes to bed hungry each night. A shortage of food in the area where it is most needed is a critical problem in this world. Moreover, the world food shortage is much more than just a shortage of food. Most importantly it is a shortage of protein. Protein is the single most vital element in an adequate diet, and it is also the nutrient in the shortest supply worldwide. Without an adequate protein supply during infancy the human brain is not developed properly. The result is mental retardation that cannot be reversed even if protein supplies are adequate in later years.

Aquaculture produces protein. It produces a high quality protein in large amounts very, very efficiently. The stimulus to aquaculture development that this bill will give will eventually prove very important to the economies of Texas and to the United States. Even more far-reaching, however, is the mind-boggling impact which the adequate protein supply of a modern aquaculture industry could have on the developing nations of the world. Many of these nations are located in tropical areas which are ideally suited for aquaculture production.

The potential of aquaculture has been recognized by the U.S. Senate through its work on previous aquaculture bills. This bill is not as broad or as far-reaching as earlier proposals. But it is a great step forward toward the development of a viable commercial aquaculture industry in the United States.

This compromise bill, which has been over 3 years in the making, will bring much-needed coordination to the 11 Federal agencies which have direct involvement with agriculture and the 10 other agencies which have programs which are indirectly related to aquaculture.

This bill will stimulate new aquaculture projects by authorizing Federal cost-sharing grants of up to 50 percent for projects which are developed under the National Aquaculture Development Plan.

The bill also requires a comprehensive study of the capital requirements of the U.S. aquaculture industry and requires the administration to submit a plan to Congress by which the capital needs of this industry can be met.

Recognizing that no stimulus can be effective if it is countered by unnecessary bureaucratic delays and redtape, the bill mandates a study of Government regulatory restrictions to aquacultural development in the United States. The administration must then submit to Congress plans for the removal of any unnecessarily burdensome regulatory barriers to these successful developments of viable commercial aquaculture enterprises. Our experiences with existing businesses which are being strangled by Government redtape have made those of us who are deeply involved in combatting this menace painfully aware of the fatal consequences which Government overregulation can have for a budding new industry, such as our domestic aquaculture industry.

Mr. President, I believe that the boundless potential of our aquacultural resources offers an exciting challenge to the entrepreneurs of our free enterprise system. It is high time that the Government recognized the potential rewards to society from the development of this industry and acted to throw open the door to the future. This bill is a major step toward opening that door. I urge its swift consideration and enactment into law.●

Mr. MATSUNAGA. Mr. President, I rise in support of S. 1650, the National Aquaculture Act of 1980.

As a cosponsor of S. 1650—and I might add, as a longtime supporter and cosponsor of proposed aquaculture legislation spanning my previous years of service in the other body—I would like to state why I believe passage of S. 1650 is both timely and in the very best interest of the Nation. I do so with the fervent hope that my Senate colleagues will join me today in supporting this landmark legislation. Specifically, I would like to address three areas of concern which I feel merit particular attention.

First, Mr. President, as you may know, the United States at present has no comprehensive aquaculture policy despite the fact that studies indicate that the development of such a policy statement is long overdue. Second, as you may also know, Mr. President, my State, the State of Hawaii, is already moving forward with a bold aquaculture development program with the anticipation that a commercially livable aquaculture industry can be expanded in Hawaii that will attract substantial investment and thus bolster the State's economy. Finally, Mr. President, with the appropriate emphasis on energy research and applied energy technology, there are immediate opportunities to bring about major reductions in the cost of producing, harvesting and processing aquatic-based food products. This last point is of critical importance in view of the continuing steep rise in the price of oil.

If I may, permit me to elaborate more fully on each of these topics. With regard to the question of whether or not this legislation is needed, I direct your attention to two general areas of national interest. In terms of the bill's domestic considerations, the United States has not had a strong history of consuming aquatic products. However, we are increasingly being made aware of the nutritional role of these foods, and we can expect a shift to increased consumption by the U.S. population. To do this, we cannot rely on our commercial fisheries alone.

This can be seen from the status of our commercial fisheries. From 1950 to 1970, the total fish harvest for commercial operations increased from 21 million tons to about 70 million tons. Since 1970, however, the yield has remained more or less static or has actually decreased in some categories. Some authorities believe that the total world fish catch cannot much exceed the 100-million-ton level without imperiling seriously the reproductive potential of valuable commercial stocks. At the same time, it is estimated that the total demand for commercial fisheries products will more than likely eclipse the 100-million-ton level within the next two decades. Other authorities believe that serious depletion of certain commercially exploited fish has already occurred with irreversible consequences. One example cited is the bluefin tuna, whose numbers have decreased precipitously in recent years.

The only logical way to counteract such a perilous trend is to learn how to manage living aquatic resources. Aquaculture has developed technologies for managing a wide variety of plant and animal life.

The development of a marine-shrimp industry is an excellent example of this potential. Scientists at the Oceanic Institute of Hawaii recently announced that they have achieved promising results in reducing feeding costs for raising marine shrimp in a captive environment. If these preliminary experiments continue to show promise, it will provide a breakthrough of critical importance to the development of this new industry. This is an important consideration, since the United States relies heavily on the importation of shrimp, some 300 million pounds annually, to provide for its domestic consumption. With the increasing protectionism that has resulted from the 200-mile seaward boundary of the extended economic zone, a very real potential exists for future restrictions in the supply of marine shrimp. A strong U.S.-based industry would avoid shortages or unreasonable costs for this commodity.

A good case can also be made for this legislation in terms of its international considerations as this country promotes the alleviation of hunger and malnutrition throughout the world. Based on a survey conducted in 161 countries, the United Nations Food and Agriculture Organization estimated recently that the world's undernourished stood at approximately 450 million, or a quarter of the underdeveloped world. Moreover, the U.N. group also predicted that the number is likely to increase in the years ahead.

Ironically, most of the population is located in the Southern Hemipshere of the world in areas most suitable for the development of aquaculture enterprises. Nonetheless, as populations continue to increase explosively, the ability to provide them with adequate nutrition is decreasing because more land is being reclaimed from agriculture to house more people and because naturally occurring animal and plant life is being over-exploited to fill the food gap. In particular, aquatic resources are in trouble.

I realize that it would be naive to suggest that aquaculture will be a cure-all for the world's nutritional problems. But at the same time, it would be equally naive not to recognize aquaculture's potential to contribute significantly to the alleviation of this problem. Some additional statistics are worth mentioning in this context.

Besides the direct need both at home and abroad for aquaculture products, the United States has an economic interest in developing a strong national aquaculture industry. According to a 1975 National Academy of Sciences study, the United States produced 65,000 metric tons of fish through aquaculture that year. This represented slightly more than 3.4 percent of the total U.S. seafood demand. Although commercial aquaculture operations are located at various sites throughout the entire United States and its coastal waters, it is not yet a large industry (only about $100–$200 million in total worth). Nevertheless, it has been estimated that the industry will double its output by 1982 to about $375–$400 million.

Biologists at the National Marine Fisheries Service in Seattle have estimated that aquaculture developments totaling 500,000 acres could produce 20 billion pounds of fish in 25 years, enough to maintain per capita fish consumption in an expanded U.S. population of 300 million.

One estimate holds that in the United States with the present state of aquaculture technology, production by aquaculture be increased between three and five times from current production levels and that a more concentrated effort could result in a fifteen- to twenty-fold increase in production. That means that the United States could theoretically produce up to 1.4 million tons of seafood from aquaculture, given the stimulus to do so. Such a production level would account for nearly one half the present annual U.S. consumption of seafood (3.2 million tons).

A recent Senate Committee Print on Soviet Oceans Development (1976) acknowledges the Soviet's interest in aquaculture and concludes that Soviet emphasis on aquaculture is increasing for two fundamental reasons: First, the Soviets perceive that the future return from ocean fisheries will decrease as demand increases; and second, the rapid development of marine biology, ecology, and engineering has made it possible to develop aquaculture as a major component of the economy, like agriculture

Some Soviet officials have predicted that maritime areas will be eventually utilized for aquaculture "up to a depth of 100 yards and up to 1 mile off the shore by the end of the century." It is apparent, then, that the Russian emphasis on aquaculture anticipates that the production potential of the fisheries industries will dwindle while the demand for fisheries products will continue to increase. They have chosen aquaculture to help fill the anticipated supply-versus-demand gap.

Moreover, in a report prepared for congressional hearings held on the House side in 1976, two important conclusions were reached. The first was that a review of the status of aquaculture in the world indicates aquaculture projects are contributing significantly to the economies of other countries but very little to the U.S. economy, despite an extensive import market for seafood. The second conclusion was that aquaculture could coexist very profitably with agriculture in the United States and provide an added benefit by reducing the balance of payments deficit resulting from the importation of seafood and related products into the U.S. markets.

Mr. President, an additional aspect of this legislation which I believe merits attention is contained in the just-completed National Research Council report entitled "Aquaculture in the United States, Constraints and Opportunities." The statement reads as follows:

> Our analysis of the production, science, technology, economics, business, law, and administration of aquaculture indicates that, in the United States, acquaculture will have only a minor impact on food production in the near term, in comparison with other food production systems. We have been unable to make a definitive statement about the exact future role of aquaculture as a source of food in the United States. It is, however, our considered opinion that in the long term, aqaculture will be a means of increasing protein supplies. We believe that aquaculture has the potential to contribute to increased food production. If this potential is to be tested. expenditures for current programs and for research and development must be increased.

Moving to the second point I made in my opening statement, I would like to comment briefly on the bold aquaculture initiatives currently being undertaken in my home State, Hawaii. The March 1978 issue of the prestigious trade journal, "The Commercial Fish Farmer," was devoted exclusively to articles describing these initiatives. Indeed the subtitle of that issue was headlined "Aquaculture in Hawaii."

Because Hawaii experiences year-round climatic conditions favorable to aquaculture development, it has, in my view, the potential for becoming the aquaculture capital of the United States. Freshwater prawns (related to shrimp) and certain species of fish are already being produced commercially. The potential for the production of other forms of aquatic life in Hawaii is, according to all available reports, almost limitless. We have the potential for raising and producing commercially both freshwater forms (catfish, prawns, crayfish, et cetera) and saltwater forms (oysters, clams, marine shrimp, a variety of fish species such as mullet and milkfish, seaweeds, et cetera). But by all accounts, the development of this potential is going to be a costly undertaking. Land suitable for aquaculture is both scarce and expensive. Furthermore, government regulations, both Federal and local, tend both to inhibit aquaculture development and to escalate project costs. Finally, the economics of aquaculture (for example, supply versus demand; market expansion and perishability of aquaculture products) render it a risky investment.

As a developing technology, Hawaii recognizes that aquaculture programs are going to require large infusions of money for research. Specifically, funding is needed to broaden the scope of research in basic biology, genetics, disease control, and a wide range of husbandry management techniques for virtually all of the aquatic life forms identified now as having commercial potential. Like agriculture in its infancy, it is not yet known how to manage aquatic animals and plants with absolute reliability when they are crowded together in a cost-efficient, intensive aquaculture environment. Fiscal and tax incentives will also be needed to encourage the technological and commercial development of aquatic life forms under these conditions. It is asking too much of entrepreneurs and venture capitalists to produce the funds themselves to undertake the research and development costs necessary for commercial interests.

The issue of funding research and development costs for aquaculture leads me to the last topic I wish to discuss, and that is the compelling need to bring about the reduction of the energy costs associated with producing, harvesting and processing aquatic-based food products.

The development of traditional land-based agriculture has proceeded without a major concern for its energy costs. However, with today's mounting costs for oil, it is imperative that food and energy policy planners work together to promote energy efficiency. Only in this way will we be able to assure an adequate diet at a reasonable cost for people both here and abroad.

Since aquaculture is an expanding industry, it is a prime candidate for including energy considerations in its basic structure. This point has received the attention of some of our foremost food planners, including Jean Mayer, president of Tufts University, and John Bardach, a leading aquaculture authority at the East-West Center in Hawaii. The conclusions which these scientists report are important if we are to promote the successful development of a U.S.-based aquaculture industry.

What this means is that the formulation of a National Aquaculture Policy statement must include a variety of options to promote the direct savings of fuel and fuel-demanding inputs. For example, fertilizer costs may be reduced through the use of recycled organic wastes from the animal husbandry and crop production industry. Tax benefits may also be necessary at the outset to encourage such waste recycling. However, as the energy efficiency of these strategies become apparent—that is, production costs maintained at a reasonable level—those practices will spread as a natural part of aquaculture's development.

In addition, it is necessary to promote energy analyses in order to determine the proper size of aquaculture farms. In the past, cheap energy has promoted large to very large scale agricultural enterprises. However, we need to find out if small-scale operations are more energy efficient for aquaculture. The point of this critical analysis will be to encourage the construction of aquaculture operations which are consistent with the wise and minimal use of energy supplies.

With the proper research, planning, and development, the use of aquaculture as a means of supplying high-grade animal protein need not be energy expensive. In fact, if polyculture and organic waste recycling are employed, the protein produced may be cheaper in terms of energy requirements than the rearing of pigs or chickens.

In conclusion, Mr. President, I wish to express my firm belief that this great Nation of ours has the ability to provide the innovation required to develop an aquaculture industry. What is needed is a statement of national policy which will promote adequate planning, research, and development of this country's aquaculture resources. In my judgment this proposed legislation accomplishes this important objective. Mr. President, there is no question in my mind that S. 1650 will enable the United States to move ahead aggressively to establish a well managed national aquaculture program and I urge my colleagues to join me in supporting this landmark legislation.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the bill, as amended, was passed.

Mr. BAKER. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

MESSAGE FROM THE HOUSE

At 4:45 p.m., a message from the House of Representatives delivered by Mr. Gregory, one of its reading clerks, announced that the House agrees to the amendments of the Senate to the bill (H.R. 7140) to amend title IV of the Employee Retirement Income Security Act of 1974 to postpone for 1 month the date on which the Corporation must pay benefits under terminated multiemployer plans.

ENROLLED BILL SIGNED

The message also announced that the Speaker has signed the following enrolled bill:

> H.R. 7140. An act to amend title IV of the Employee Retirement Income Security Act of 1974 to postpone for two months the date on which the Pension Benefit Guaranty Corporation must pay benefits under terminated multiemployer plans.

The enrolled bill was subsequently signed by the President pro tempore (Mr. MAGNUSON).

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. FORD (for Mr. Jackson), from the Committee on Energy and Natural Resources, without amendment:

S. 1626. A bill for the relief of H. F. Mulholland and the estate of John Oakason (Rept. No. 96–671).

By Mr. RANDOLPH, from the Committee on Environment and Public Works, without amendment:

H.R. 4887. An act to authorize appropriations for the San Francisco Bay Natural Wildlife Refuge, and for other purposes (Rept. No. 96–672).

By Mr. RANDOLPH, from the Committee on Environment and Public Works, with an amendment:

H.R. 4889. An act to extend the authorization period for the Great Dismal Swamp National Wildlife Refuge (Rept. No. 96–673).

By Mr. RANDOLPH, from the Committee on Environment and Public Works, with amendments:

S. 2115. A bill to establish the Bogu Chitto National Wildlife Refuge (Rept. No. 96–674).

S. 2382. A bill to provide for additional authorization for appropriations for the Tinicum National Environmental Center (Rept. No. 96–675).

ORDER FOR STAR PRINT—S. 2606

Mr. GARN. Mr. President, on Thursday, April 24, 1980, I introduced a bill, S. 2606, to create an independent Office of Strategic Trade. Inadvertently, a small but significant error was left in the bill which was printed.

Therefore, I ask unanimous consent that the words "East-West trade" be stricken from section 5, paragraph 2, and the words "munitions control" be inserted in their place, and that a star print of this bill be printed.

The PRESIDING OFFICER. Without objection, it is so ordered.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. NELSON (for himself, Mr. Ford, Mr. Stewart, Mr. Baucus, Mr. McGovern, Mr. Durkin, Mr. Huddleston, Mr. Melcher, Mr. Hollings, Mr. Riegle, Mr. Boren, Mr. Biden, Mr. Hatch, and Mr. Weicker):

S. 2624. A bill to reform the laws relating to agency paperwork; to the Committee on Governmental Affairs.

By Mr. WEICKER:

S. 2625. A bill to amend chapter 39 of title 28 of the United States Code, relating to the appointment of a special prosecutor; to the Committee on the Judiciary.

By Mr. ARMSTRONG:

S. 2626. A bill for the relief of Major Joseph R. Williams; to the Committee on the Judiciary.

By Mr. JACKSON (by request):

S. 2627. A bill to authorize additional appropriations to the Department of Energy for civilian programs for fiscal year 1980, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. MOYNIHAN:

S. 2628. A bill to require the Secretary of the Treasury to issue guarantees with respect to the payment of the principal and interest of bonds to be issued by the Suffolk County Sewer Authority, in Suffolk County, New York, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. ARMSTRONG:

S. 2629. A bill to increase the pay, allowances, and special and incentive pays of members of the uniformed services; to the Committee on Armed Services.

By Mr. JACKSON (by request):

S. 2630. A bill to establish the Martin Luther King, Jr. National Historic Site in the State of Georgia, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. BENTSEN:

S. 2631. A bill to amend the Small Business Act to clarify the authority of the Small Business Administration to provide assistance to small businesses owned by citizens of the United States but domiciled outside of the United States; to the Select Committee on Small Business.

By Mr. TSONGAS:

S. 2632. A bill to amend the act entitled "An Act to provide for the establishment of the Lowell National Historical Park in the Commonwealth of Massachusetts, and for other purposes", approved June 5, 1978 (92 Stat. 290), in order to permit any revenues or other assets acquired by any means by the Lowell Historic Preservation Commission to be used for any authorized functions of such Commission; to the Committee on Energy and Natural Resources.

By Mr. MATHIAS (for himself and Mr. Domenici):

S. 2633. A bill to eliminate the bar of the act of state doctrine to the determination of the merits in certain cases; to the Committee on the Judiciary.

By Mr. BENTSEN (for himself and Mr. Nunn):

S. 2634. A bill to provide for making payments to certain citizens and nationals of the United States held hostage in Iran, and for other purposes; to the Committee on Foreign Relations.

By Mr. HATFIELD (for himself, Mr. Baker, Mr. Inouye, Mr. Jackson, Mr. Levin, Mr. Mathias, Mr. Pryor, Mr. Randolph, and Mr. Stevenson):

S.J. Res. 170. Joint resolution to authorize and direct the Franklin Delano Roosevelt Memorial Commission to proceed with the construction of the Franklin Delano Roosevelt Memorial, and for other purposes; to the Committee on Rules and Administration.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. NELSON (for himself, Mr. Ford, Mr. Stewart, Mr. Baucus, Mr. McGovern, Mr. Durkin, Mr. Huddleston, Mr. Melcher, Mr. Hollings, Mr. Riegle, Mr. Boren, Mr. Biden, and Mr. Weicker):

S. 2624. A bill to reform the laws relating to agency paperwork; to the Committee on Governmental Affairs.

PAPERWORK ELIMINATION AND CONTROL ACT OF 1980

Mr. NELSON. Mr. President, unnecessary and excessive Government regulation and paperwork is the biggest hidden tax in America and it must be eliminated. The business community must spend more than 84 million man-hours just to complete reporting requirements approved by either the Office of Management and Budget (OMB) or the General Accounting Office, and that figure does not include man-hours completing IRS tax forms, which constitute 75 percent of the total paperwork burden.

It has always been my belief that we can reduce Federal paperwork by as much as 50 to 75 percent and, at the same time, increase efficiency and reduce costs.

Thus, in an attempt to combat the blizzard of Government paperwork, I am today introducing the Paperwork Elimination and Control Act.

The bill will not create any new paperwork requirements for the private sector, nor should it increase Government costs. In fact, as the audit reduces Government paperwork, the cost of Government should decrease. What it will do is force the Federal bureaucracy to do its job efficiently, effectively, and with minimal intrusion into the affairs of business.

The bill would require every Federal agency to annually inventory and audit its paperwork requirements. The bill would require that the use of each form be specifically justified, that the agency state its use of the information requested and that an estimate be made of the number of man-hours necessary to complete each form. Tantamount in importance is the provision of the bill which requires an expiration date after which such forms, schedules and/or questionnaires would not be used for the collection of such information. This provision of the bill puts an effective brake on further proliferation of unnecessary and useless information.

This audit process is to be submitted to the OMB along with the agency's budget request. OMB would then be required to solicit private sector comments on the audit and critical comments would have to be satisfactorily resolved.

In other words, by tying the audit process to the budget process, we can assure prompt responsiveness to the problem.

We believe that if the Federal bureaucrats who create paperwork are required to audit every form, line by line, they will begin to have an appreciation of the hardship they are causing and take more sensible approaches to Government information needs.

The bill is based on a series of recommendations made by the Small Business Administration to the Small Business Committee and is responsive to the findings and recommendations of the White House Conference on Small Business.

The findings of an SBA survey of the paperwork burden imposed on small businesses underscores the urgency of this bill. Among the SBA findings were that small businesses file more than 305 million Federal forms a year, totalling over 850 million pages and containing more than 7.3 billion questions; that the average annual cost per small business firm is $1,270, with the total burden for the Nation's 10 million small businesses coming to $12.7 billion, roughly $10 billion of which is Federal and the balance State and local; and that 79 percent of the time, bureaucrats significantly underestimate the amount of time it actually takes a business firm to fill out a form.

We have heard, time after time, reasons why paperwork cannot be reduced. Based on personal experience, we are convinced that it can be reduced, sometimes in astounding percentages.

We have already succeeded in reducing some Federal paperwork requirements by as much as 96 percent. For example, 3 or 4 years ago, we undertook an evaluation of the paperwork required for an employer to make use of the provision in the law which permitted the employer to hire a full time student, at 85 percent of the minimum wage. We were curious at the fact that very few employers ever used the provisions of that law.

We requested the forms from the Department of Labor and found that they totalled 7½ pages or 636 lines of fine print, instructions, references to statutes, and innumerable kinds of irrelevant, complicated and time-consuming questions. We could find no justification why it was necessary that any employer who wanted to make use of this law had to complete such an onerous and burdensome form.

We wrote the Secretary of Labor and suggested that the form be reduced to postcard size with some 6 or 7 questions. The Secretary, astonished at the complexity of such a simple form, wrote back and said, "That form could be reduced to four questions." As a result, the form is now the size of a postcard and asks only four questions: name of the employer and address; type of establishment; date that establishment began operation; and finally, the name of where the full-time students will be employed. This form now takes only 2 or 3 minutes to complete and represents about a 93 percent reduction in the amount of paperwork that is required to complete one form.

In another example, the quarterly wage report, form 941, was reduced from a quarterly report to an annual report. This resulted in a 75 percent reduction of annual paperwork for small business, which is equivalent to a stack of paper 2 miles high.

And in December, we wrote the Small Business Administration and suggested that the agency's affirmative action compliance form 707 could be reduced from 19 pages to 6 or 7. In February we received agency confirmation agreeing with us.

Without reducing the information necessary to assure compliance with civil rights laws, we will save an estimated 26,000 small businesses the trouble of completing 12 pages of unnecessary paperwork. If stacked, this would equal a column of paper 13 stories high.

Only recently, working with the Interstate Commerce Commission (ICC) we succeeded in eliminating and reducing several forms. Our effort will reduce the number of man-hours necessary to complete ICC forms by 220,000 and save the transportation industry an estimated $1.5 million this year.

Last year, we were successful in reducing the Department of Energy's weatherization form by over 40 pages. So that individuals without Ph.D's in Engineering can understand and take advantage of this provision. This is proof-positive that the burgeoning paperwork requirements by agencies throughout Government can be significantly reduced.

I have before me another incredible example of excessive paperwork that is required by the Environmental Protection Agency. Here is a one-page form that must be completed by a business if they wish to be placed on a bidders mailing list, which notifies you of upcoming Government procurement contracts.

The form itself is rather simple and not terribly complicated. It asks the type of organization, the names of the officers or owners, persons who are authorized to sign bids, the type of ownership, the type of business, size of business, floor space, and so forth. This form, in and of itself, is not terribly complicated or burdensome. However, in order to complete this form, it is necessary that you read over 90 pages of instructions.

This form is only 1 of over 305 million forms submitted to the Federal Government by small business every year. These forms create over 850 million pages of paperwork and more than 7 billion questions which must be completed by business. When laid end to end, this is enough paper to stretch around the world nearly six times. Or, if stacked, it would form a column of paper 67 miles high.

But even these statistics do not tell the full story of Government's burgeoning business to complete and retain, without giving a copy to any agency. For example, the Federal Trade Commission requires that all direct sellers to the public provide a written two-page notice of the buyer's right of cancellation within 3 days and full refund within 10 days.

This regulation, which is called the "cooling-off" form, must be printed at the company's expense in duplicate and be signed by the buyer, even if the company has a more inclusive guarantee.

I have always been an ardent advocate of strong consumer protection laws, but if a company is willing to offer a more comprehensive guarantee than is required by law, so much the better.

According to statistics provided by the Direct Sellers' Association, one of their member companies, prints in excess of 27 million order forms per year, to which the "cooling-off" form, in duplicate, must be attached. During the 3½ years this rule has been in effect, this company has received only 10 notices of cancellation.

Put another way, approximately 190 million forms were printed and distributed in order to get 10 notices back.

Nationwide, over 1 billion "cooling-off" forms were printed and distributed to private purchasers, but, less than one-tenth of 1 percent were ever returned under this rule. Earlier this year the Small Business Committee requested that the Federal Trade Commission investigate the paperwork burden on small business.

In February I received a letter from the Commissioner informing me of their decision to perform an independent economic impact analysis on the "cooling-off" form. And, on April 1, I received a letter from the Internal Revenue Service agreeing with my recommendations that the 1120–DISC form could be simplified. These changes will appear in the 1980 form 1120–DISC and related schedules.

Our success in reducing these specific forms is indicative of the fact that in many cases, there is no justification for the use of the form and that the information requested is infrequently or never used.

The Paperwork Elimination and Control Act will dramatically open the Federal Government's paperwork management system for review by the private sector. It will create a complete public airing of paperwork problems. Business comments on specific forms and Government's use of the information could be heard and potential problems resolved. We may very well find out that as much as 75 percent of the information supplied is never used. By tying the auditing process to the budget process, we will be taking a major step towards assuring that frivolous paperwork requirements are eliminated.

Mr. President, I ask unanimous consent that this bill along with a copy of my letter to Secretary Miller on DISC and copies of the Treasury Department's and IRS's response to my letters be printed in the RECORD, and that the bill be appropriately referred.

There being no objection, the bill and material were ordered to be printed in the RECORD, as follows:

S. 2624

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Paperback Elimination and Control Act of 1980".

CENTRALIZED AUTHORITY OVER INFORMATION COLLECTION ACTIVITIES

SEC. 2. (a) Section 3512 of title 44, United States Code, is repealed.

(b) The first paragraph of section 3502 of such title is amended to read as follows:

" 'Federal agency' means any executive department, military department, Government corporation, Government controlled corporation, or other establishment in the executive branch of the Government (including the Executive Office of the President), or any independent regulatory agency; but does not include the General Accounting Office or the governments of the District of Columbia and of the territories and possessions of the United States, and their various subdivisions;".

DUTIES OF THE DIRECTOR OF THE OFFICE OF MANAGEMENT AND BUDGET

SEC. 3. Section 3503 of title 44, United States Code, is amended—

(1) by striking out "and" in clause (2);

(2) by striking out the period at the end of clause (3) and inserting in lieu thereof a semicolon; and

(3) by adding at the end thereof the following new clauses:

"(4) provide for increased communication between the Federal Government and the small business community with respect to Federal information collection activities; and

"(5) provide a forum for the discussion of the concerns of the small business community with respect to Federal information collection activities.".

CLEARANCE OF INFORMATION REQUESTS

SEC. 4. Section 3509 of title 44, United States Code, is amended—

(1) by inserting "(a)" before "A"; and

(2) by adding at the end thereof the following new subsections:

"(b) In carrying out the provisions of subsection (a), the Director shall require each Federal agency to include on each reporting form, application form, schedule, questionnaire, or collection method used by the agency—

"(1) an expiration date after which such form, schedule, questionnaire, or method may not be used for the collection of information;

"(2) a registration number specified by the Director;

"(3) a statement as to whether the collection of information pursuant to the form, schedule, questionnaire, or collection method is required by law, voluntary, or necessary to obtain a benefit administered by the agency; and

"(4) the name and telephone number of the officer, employee, or office of the agency designated by the head of the agency pursuant to section 3514 of this title to provide information and assistance concerning the information collection activities of the agency.

"(c) (1) In carrying out the provisions of subsection (a), the Director shall establish specific guidelines for the collection of information from small business enterprises. Such guidelines shall—

"(A) provide for the establishment of differing information collection requirements or timetables that take into account the resources available to small business enterprises;

"(B) provide for exemptions for such enterprises from particular information collection requirements where appropriate;

"(C) provide for the clarification, consolidation, or simplification of information collection requirements applicable to such enterprises; and

"(D) establish procedures for the evaluation of agency plans, forms, schedules, questionnaires, or methods for the collection of information in accordance with the criteria specified in subparagraphs (A) through (C).

"(2) In carrying out the provisions of paragraph (1), the Director shall consult with the Chief Counsel for Advocacy of the Small Business Administration.".

INFORMATION CONTACT CONCERNING REPORTING REQUIREMENTS

SEC. 5. (a) Chapter 35 of title 44, United States Code, is further amended by adding at the end thereof the following new section:

"§ 3513. Information collection contact in Federal agencies

"The head of each Federal agency shall designate an officer, employee, or office of the agency to provide information and assistance concerning the information collection activities and requirements of the agency. The head of the agency shall establish a telephone number for such designated officer, employee, or office at which the calling party may telephone the agency without charge.".

(b) The table of sections for such chapter is further amended by adding at the end thereof the following new item:

"3513. Information collection contact in Federal agencies.".

FEDERAL BUSINESS REQUIREMENTS LOCATOR SYSTEM

SEC. 6. (a) Chapter 35 of title 44, United States Code, is further amended by adding after section 3513 (as added by section 5(a) of this Act) the following new section:

"§ 3514. Federal Business Requirements Locator System

"(a) For purposes of this section, the term—

"(1) 'data profile' means a synopsis of the questions contained in an information collection requirement or of the information maintained pursuant to a recordkeeping requirement, and such related items as the official name of the requirement, the name of the Federal agency which established and administers the requirement, the provision of law or regulation authorizing the requirement, a description of the information collected or maintained pursuant to the requirement, and such other material as the Director determines necessary to identify, obtain access to, and use the data contained in the profile;

"(2) 'recordkeeping requirement' means a requirement imposed by a Federal agency on ten or more persons outside the Federal Government to maintain records concerning identical data; and

"(3) 'System' means the Federal Business Requirements Locator System established pursuant to subsection (b).

"(b) The Director of the Office of Management and Budget shall develop, establish, and maintain in the Office a Federal Business Requirements Locator System. The System shall serve as the authoritative register of all information collection and recordkeeping requirements. The System shall include—

"(1) a catalog of data profiles of each information collection and recordkeeping requirement;

"(2) an index for such System which classifies each such requirement according to (A) the standard industrial classification for each industry to which such requirement applies and (B) such other classifications as the Director determines appropriate; and

"(3) a communications function which permits access to the data profiles in the System.

"(c) In developing and administering the System, the Director shall—

"(1) promulgate rules requiring the head of each Federal agency to prepare and submit to the Director in a form specified by him a data profile for each existing and proposed information collection and recordkeeping requirement which classifies each such requirement according to (A) the standard industrial classification for each industry to which such requirement applies and (B) such other classifications the Director determines appropriate;

"(2) compare data profiles for proposed information collection and recordkeeping requirements against existing data profiles in the System, and make available the results of such comparison to—

"(A) Federal agency officials who are planning information collection activities;

"(B) relevant Federal agency reports clearance officers; and

"(C) on request, members of the public;

"(3) utilize the results of the comparison made under paragraph (2) in carrying out the provisions of this section and section 3509 of this title; and

"(4) upon request, provide any person with a list of the Federal information collection and recordkeeping requirements applicable to a business within a particular standard industrial classification.

"(d) The data profiles of information collection and recordkeeping requirements shall be used to—

"(1) identify duplication in existing or proposed information collection and recordkeeping requirements;

"(2) locate existing information collection and recordkeeping requirements that may meet the needs of a Federal agency and thereby assist the Director in carrying out his responsibilities under chapter 35 of this title and promote Federal agency sharing of information to avoid duplication;

"(3) provide a central coordination mechanism for Federal information collection activities;

"(4) catalog the information collection and recordkeeping requirements required of various industries in order to permit business enterprises to obtain data concerning information collection and recordkeeping requirements applicable to such enterprises; and

"(5) monitor the total information collection and recordkeeping requirements imposed on the public by the Federal Government so that effective action can be applied to reduce such requirements.".

(b) The table of sections for such chapter is further amended by adding after the item relating to section 3513 (as added by section 5(b) of this Act) the following new item:

"3514. Federal Business Requirements Locator System.".

AGENCY INFORMATION COLLECTION ANALYSES

SEC. 7. (a) Chapter 35 of title 44, United States Code, is further amended by adding after section 3514 (as added by section 6(a) of this Act) the following new section:

"§ 3515. Annual analysis of information collection activities

"(a) Each year, the head of each Federal agency shall prepare an analysis of the information collection activities of the agency. Such analysis shall include, for each reporting form, application form, schedule, questionnaire, or other collection method used by the agency—

"(1) a specification of the provision of law or regulation authorizing the collection of the information through such reporting form, application form, schedule questionnaire, or collection method;

"(2) a statement as to whether such information is available from any other Federal agency;

"(3) a description of the use by the agency of such information and why collection of such information is necessary; and

"(4) an estimate of the number of manhours, and related costs, necessary to complete such reporting form, application form, schedule, or questionnaire or to comply with such collection method.

"(b) The head of each Federal agency shall submit the information collection activities analysis required by subsection (a) to the Director of the Office of Management and Budget with the request for appropriations submitted under section 215 of the Budget and Accounting Act, 1921.

"(c) (1) Within 30 days after the receipt of an information collection activities analysis under subsection (b), the Director of the Office of Management and Budget shall publish in the Federal Register a summary of the analysis with a notice which states that the analysis is available to the public and which solicits comments from the public concerning the analysis.

"(2) Within six months after the date of publication of a notice under paragraph (1), the Director shall publish in the Federal Register a summary of comments received under such paragraph with respect to any such information collection activities analysis and his response to such comments. In any case in which a comment received pursuant to such paragraph indicates that the person submitting the comment disagrees with any of the data or conclusions contained in the analysis, the Director shall make a determination as to the validity of the disagreement and shall publish a statement in the Federal Register summarizing the pertinent provisions of the comment and the analysis and explaining his determination with respect to the issue raised by the comment.".

(b) The table of sections of such chapter is further amended by adding after the item relating to section 3514 (as added by section 6(b) of this Act) the following new item:

"3515. Annual analysis of information collection activities.".

NOVEMBER 30, 1979.

Hon. G. WILLIAM MILLER,
Secretary of the Treasury,
Washington, D.C.

DEAR MR. SECRETARY: The problem of increasing federal paperwork requirements is of particular concern to the Small Business Committee and the small business community which bears a disproportionate share of the paperwork burden. Enclosed is a review of the DISC reporting requirements and suggestions for improving DISC forms. This review is part of the Committee's continuing effort to reduce this burden and was prepared in consultation with tax experts and representatives of the Citizens Committee on Paperwork Reduction. If fully adopted, the ten suggestions would result in more than a 30 percent reduction in the DISC reporting burden.

We would appreciate your prompt review of these suggestions and receiving your comments on them at your earliest convenience.

Sincerely,

GAYLORD NELSON,
Chairman.

DEPARTMENT OF THE TREASURY,
Washington, D.C.

HON. GAYLORD NELSON,
U.S. Senate,
Washington, D.C.

DEAR MR. CHAIRMAN: This is in further response to your letter to Secretary Miller dated November 30, 1979, transmitting your comments on and criticisms of the DISC reporting requirments. I share your concern about increasing federal paperwork requirements and greatly appreciate your constructive suggestions for improving DISC forms. I am attaching a point-by-point response to your recommendations.

Our understanding is that you are not seeking to change the basic tax law, but you are trying to lighten the burden of compliance wherever possible. We have supported your suggestions wherever possible. We have modified your recommendations slightly by splitting one of them into two parts and by including an additional idea developed in discussions with your staff. Two of the suggestions—consolidation of Forms 2952 and 3646 and elimination of country detail from Schedule N of Form 1120—DISC—deserve particular mention because implementation of these should result in significant reductions in the cost of record keeping and return preparation. We have opposed proposals which, we believe, would increase the burden of compliance or are necessary to administer the income tax laws and to carry out the intent of Congress in other areas.

We have sent a copy of your letter and our response to the Internal Revenue Service, which has final authority over tax form changes. You may want to contact Gerald Portney, Assistant Commissioner (Technical), about the progress of these recommendations.

Sincerely,

DONALD C. LUBICK.

DEPARTMENT OF THE TREASURY,
Washington, D.C.

Hon. GAYLORD NELSON,
U.S. Senate,
Washington, D.C.

DEAR MR. CHAIRMAN: This is in response to your letter of March 17 asking for a progress report on proposed changes to the DISC reporting requirements.

We are implementing the changes to Form 1120–DISC and related schedules that were agreed to by Mr. Lubick in his February 11 letter to you. These changes will appear in the 1980 Form 1120–DISC and related schedules.

We are also in agreement that Forms 2952 and 3646 should be consolidated. Because of the scope of the changes, this project will take more time. Our present plans call for the development of a new form to consolidate the information currently required on Forms 957, 958, 959, 2952 and 3646. However, it appears that changes in legislation may be required before the consolidation can be made. If so, we will be in further contact with you through Mr. Lubick's office as this project progresses.

Sincerely yours,

GERALD G. PORTNEY,
Assistant Commissioner.

Mr. FORD. Mr. President, the burden of Government paperwork on businesses and the American taxpayer has reached absurd proportions. It is excessive and unnecessarily duplicative.

Instead of keeping paperwork at a minimum, most Federal agencies have imposed excessive and duplicative requirements. Little consideration is ever given to the cost, both in dollars and in time spent filling out agency forms and questionnaires.

Time and time again, businessmen have expressed to me their concern about the mountains of Federal forms which they are required to file each year. Their claims have been substantiated in congressional hearings and Government studies. Numerous studies have estimated that American businesses are spending millions of hours each year and billions of dollars responding to Federal requirements. Others suggest that these figures do not even come close to measurin the true cost of complying.

Many Federal agencies have already taken meaningful steps to eliminate unnecessary paperwork requirements. Those agencies deserve to be commended for their efforts. Additional steps, however, are sorely needed to properly and efficiently manage the Government's information collection procedures. Federal agencies need to better coordinate their efforts and to continue to search for new ways to reduce the unnecessary burdens and costs of Government reporting requirements.

What is perhaps even more disturbing is that many Federal agencies are requiring businesses to report information which is to varying degrees available in the files of other agencies. In my view, this goes to further prove that heaps of worthless forms can be eliminated. As my distinguished colleague and chairman of the Small Business Committee, Mr. NELSON, stated earlier this month on the Senate floor: "Government paperwork could be cut 50 to 75 percent and at the same time improve the quality of the information submitted." I share that view and want to reaffirm my commitment to minimizing reporting requirements to the extent practicable and possible.

In an effort to achieve this goal, I am joining Senator NELSON today in introducing the Paperwork Elimination and Control Act, legislation aimed at bringing Government paperwork under control.

The bill standardizes the Government's system for information collection and recordkeeping requirements. It establishes the Federal business requirements locator system, a priority of the Commission on Federal Paperwork. It would provide documentation to business and the Federal Government of what information is required and what information has already been collected.

The information locator system is designed to eliminate duplicative reporting requirements, application forms and questionnaires. It would allow, whenever possible, the use of one single form to gather information for many different offices and departments.

This legislation assigns the Office of Management and Budget responsibility for paperwork review and coordination activities. Paperwork requirements of all Federal agencies, departments and independent commissions would for the first time be reviewed and coordinated by a single office.

OMB would be required to establish specific guidelines for the collection of information from small businesses. Those guidelines would:

Provide for the establishment of differing information collection requirements or timetables that take into account the resources available to small businesses;

Provide for exemptions for small businesses from particular information collection requirements where appropriate;

Provide for the clarification, consolidation, or simplification of information collection requirements applicable to small businesses; and

Establish procedures for the evaluation of agency plans, forms, schedules, questionnaires, or methods for collection of information.

In formulating the guidelines, OMB is required to consult with the Small Business Administration's Office of Advocacy, strengthening and expanding that Office's role in the regulatory process as recommended by the White House Conference on Small Business.

This legislation also forces the Federal Government to provide the information needed to contact the office or department which initiates a particular form. The information is very important. Some of the animosity surrounding Federal paperwork requirements is the result of confusion about the proper procedures for compliance or a question about the actual need for the information requested. The procedures established by this legislation will enable the businessman to directly contact the responsible Federal agency, and a person within that agency who is familiar with the form. A toll free number will be established for this purpose.

In addition, this legislation is intended to make the Federal Government more accountable for its actions. The same type of accountability that small businessmen are subjected to time after time as the result of requirements of Federal agencies.

As a member of the Senate Task Force on Small Business, I have become more acutely aware of the paperwork burden which every small business faces. Paperwork reduction is one of the priority items on the agenda of the task force. Also, this legislation we are introducing today is a direct response to the White House Conference on Small Business.

By Mr. WEICKER:

S. 2625. A bill to amend chapter 39 of title 28 of the United States Code, relating to the appointment of a special prosecutor; to the Committee on the Judiciary.

● Mr. WEICKER. Mr. President, on February 7 I introduced S. 2272, the Public Prosecutor Act of 1980, which would create the office of an independent, permanent public prosecutor.

In introducing that legislation, I stated that a permanent, independent prosecutor to investigate and prosecute allegations of Government misconduct was necessary to "reassure the American public that Federal investigations into top Government officials will be carried out fairly and impartially, without even the merest possibility of deference to political office."

Why is a permanent, independent prosecutor needed to dispel the perception of an unequal system of justice that treats the powerful few in a manner different from other citizens suspected of breaking the law? Because the mechanism created by the Ethics in Government Act of 1978 for the appointment of temporary special prosecutors has proven to be unresponsive.

Why has the mechanism proven to be

unresponsive? Because the Attorney General plays the central role in the process of appointing a special prosecutor. And, as I was told by Assistant Attorney General Philip Heymann in a hearing held by the State, Justice, Commerce, the Judiciary and Related Agencies Appropriations Subcommittee, the Justice Department does not even have to tell Congress whether it has investigated allegations of criminal wrongdoing by Government officials. These matters are left entirely to the discretion of the Attorney General.

Let us look at the record. Only one special prosecutor has been appointed since the inception of the Ethics in Government Act. That was Arthur Christy, assigned to investigate allegations of cocaine possession by White House Chief of Staff Hamilton Jordan.

When was the special prosecutor named? On November 29, 1979—to probe charges of cocaine use in June of 1978—well over a year earlier. And, if the Attorney General had had his way, the prosecutor's jurisdiction would have been limited to investigating a single incident involving use. Fortunately, the court expanded the prosecutor's powers to include investigation of any cocaine possession by Mr. Jordon.

Now let us look at some of those cases where the Attorney General failed to recommend the appointment of a special prosecutor.

He recommended that a "special counsel—not a special prosecutor—be named to investigate "Peanutgate"—campaign financing irregularities by the Carter campaign. The difference between a "special counsel" and a "special prosecutor?" The "special counsel" does not have the requisite authority to investigate vigorously and thoroughly criminal allegations. This certainly does not show a commitment to insure equal justice under the law.

Nor was a prosecutor named to investigate allegations that fugitive financier Robert Vesco had tried to bribe members of the Carter administration to intercede on his behalf. The result? A Federal grand jury, on the last day of its 18-month term, decided not to return an indictment. The grand jury foreman, who earlier charged that the Justice Department prosecutors had staged a "cover up," maintained that even at the end the grand jury was being manipulated by the Government. Along the way, the investigation was transferred from the public integrity section of the Justice Department to a U.S. attorney's office. This certainly does not show a keen interest on the part of the Government to thoroughly investigate the charges.

Nor was a special prosecutor recommended to investigate allegations that Libyan diplomats stationed in New York City had attempted to bribe persons close to President Carter to secure export licenses for military transportation aircraft. Or, maybe Justice never investigated this. I do not really know. I was simply told by Assistant Attorney General Heymann—at the Appropriations Subcommittee hearing—that he could not tell me, or the public, what the Justice Department had done. Why? Because, unlike the Jordan case, the Justice Department did not feel there was enough public clamor to warrant their asking the court permission to make public their recommendations. I will return to this matter shortly.

Last month we were told that Attorney General Civiletti would not recommend the appointment of a special prosecutor to investigate Secretary of the Treasury William Miller. This case provides a classic example of the difficulty posed by one Cabinet official passing on information relating to the criminal activities of another cabinet official. Serious allegations about the propriety of Mr. Miller's conduct while a corporate executive were made in a complaint filed in Federal court by the Securities and Exchange Commission. Furthermore, Mr. Miller was accused of making false and misleading statements to a Senate committee. Yet no special prosecutor was named pursuant to the Ethics in Government Act.

Mr. President, I am more convinced today than ever that this country needs a permanent, independent public prosecutor to investigate allegations of impropriety by those either in the executive or legislative branches. However, I realize that there is no great desire among my colleagues to tackle this major overhaul. I am afraid that the reform which is needed to restore the faith of the American people in the integrity of their Government will not be accomplished in the near future.

Yet there are glaring inadequacies in the Ethics in Government Act which can be readily corrected to make it more effective. As Assistant Attorney General Heymann indicated in his testimony before the Appropriations Subcommittee, the Attorney General does not have to inform Congress whether an investigation into allegations of impropriety by a Government official has been conducted. Thus, Congress is unable to carry out its oversight responsibilities. In addition, as evidenced by the appointment of Mr. Christy to investigate allegations of cocaine possession by Mr. Jordan, the temporary special prosecutor appointed under the act might be in a position where he is subject to being compromised due to a Federal investigation into illegal activities in which he may be involved.

Accordingly, I am today introducing legislation to amend the Ethics in Government Act of 1978. This legislation would require the Attorney General to notify the Senate and House Judiciary Committees whenever an investigation is initiated under the Act, as well as notifying them of the results of the investigation. This information would remain confidential unless a committee determines that disclosure of the information would not prejudice the rights of any individual.

This legislation would also amend the Ethics in Government Act to require any person who is offered the position of special prosecutor to notify the three judge panel making the appointment of any Federal investigation, or civil action to which the United States is a party, in which the person has an actual or potential involvement as a party. If the person is involved in such an action, other than as counsel to a party, the three judge panel would be prohibited from appointing the person as special prosecutor.

The testimony of Assistant Attorney General Heymann before the State, Justice, Commerce, Judiciary, and Related Agencies Appropriations Subcommittee on March 10 clearly shows why Congress should be notified of any investigations commenced under the Ethics in Government Act and the results of the investigation. During the course of the hearing I attempted to ascertain whether the Attorney General had ignored a recommendation made by the Public Integrity Section of the Department of Justice to appoint a special prosecutor to investigate allegations that Libyan diplomats stationed in New York City had attempted to bribe persons close to President Carter to secure export licenses for military transportation aircraft.

Mr. Heymann refused to answer any questions concerning this matter, relying on, among others, the provision of the Ethics in Government Act which prohibits any documents supplied to the three judge panel from being disclosed without the court's permission. When asked why materials pertaining to the Hamilton Jordan investigation had been made public, Mr. Heymann observed that the Justice Department had asked the court to make that information public.

Thus, under present law, it is left entirely up to the Attorney General to determine whether Congress or the public will even know whether there have been allegations of high-level misconduct, whether these allegations have been investigated, and the results. Mr. Heymann acknowledged this fact in the following colloquy in which we engaged during the hearing:

> Senator WEICKER. But in effect what you are telling me . . . is that the mechanism for the special prosecutor is totally within the hands of the Administration and there is no reason for anybody to ever find out whether or not the mechanism has even been contemplated or whether it has been used, or whatever?
>
> Mr. HEYMANN. I think that is correct, Senator Weicker. The mechanism, let me now be very specific, as Congress enacted it, it imposed the heavy moral duty on the Attorney General, by heavy moral duty, I mean it required him to take certain actions where very little was shown in the way of wrongdoing, what has been called the hair trigger of the special prosecutor bill.
>
> *But it left it to his determination*, subject to public criticism, whether those minor requirements for triggering the Act had been satisfied. *There is no judicial review* and the matter is not made public unless the Court acquiesces. *In that sense, it is left completely to the Attorney General.* (emphasis added)

In a letter to me, Attorney General Civiletti went on to say that—

> The Justice Department should not comment on the existence or nonexistence of a (recommendation to appoint a special prosecutor) except on those occasions when we (the Justice Department) have sought and obtained leave to disclose a filing.

Mr. President, how can Congress perform its oversight mandate when the Attorney General may invoke—at his sole discretion—the Ethics in Government

Act as a screen to congressional questions? At present, he can simply say to a congressional committee, "I can't answer that question without a court order," knowing full well that the court will not issue an order permitting disclosure unless he asks for one.

I am further concerned by the apparent constitutional infirmities with this aspect of the Ethics in Government Act. Without a court order allowing disclosure of information, the Attorney General does not have to account for expenditures incurred in connection with investigations into allegations of Governmental misconduct. This "shroud of secrecy" violates article I, section 9, clause 7 of the Constitution, which provides that—

> No money shall be drawn from the Treasury, but in consequence of appropriations made by law; and a regular statement and account of the receipts and expenditures of all public money shall be published from time to time.

Mr. President, my amendment to the Ethics in Government Act would enable Congress to perform its oversight mandate by requiring the Attorney General to inform the Senate and House Judiciary Committees whenever an investigation is commenced into allegations of Government misconduct under the act. In addition, the results of the investigation would have to be disclosed to the committees. The amendment would not violate the rights of any individuals under investigation or jeopardize the success of the investigation as the information would remain confidential unless a committee determined that disclosure "will not * * * prejudice the rights of any individual." This standard conforms to an existing provision in the act.

My legislation would also amend the act to require any person under consideration for appointment as Special Prosecutor to advise the three judge panel of any Federal investigation, or civil action to which the United States is a party, in which the person was involved or had reason to believe would become involved, other than as an attorney for a party. The three judge panel would be prohibited from appointing as Special Prosecutor anyone involved in a Federal investigation.

The situation involving Arthur Christy, who has been appointed to investigate the Hamilton Jordan matter, shows the necessity of these changes. One month prior to being appointed special prosecutor, Mr. Christy's law firm was subpenaed by the Justice Department's Organized Crime Strike Force for the eastern district of New York. The subpena sought documents in possession of Christy's firm that pertained to "the Government's evidence * * * that his firm was used to engage in transactions which made it appear that $100,000 embezzled (from a teamster's fund) was a loan * * *" The firm has been ordered by the court to comply with the subpena.

The Justice Department has indicated that neither Mr. Christy nor his firm are a target of the investigation. I have no reason to believe otherwise. However, I am concerned about the public's perception of the matter. They have every reason to wonder how one can impartially investigate the President's Chief of Staff when he is at the same time involved in an investigation being conducted under the overall supervision of a member of the executive branch—the Attorney General. The potential conflict is apparent.

My legislation would avoid this conflict by prohibiting the appointment as special prosecutor of a person involved in a Federal investigation. Thus, the American public would be assured that the special prosecutor would be impervious to pressures by officials in the executive branch, thereby furthering equal application of the law and engendering faith in the fairness of Government.

I urge my colleagues to closely examine the changes I have proposed in this legislation. Their immediate enactment is crucial to enhance the effectiveness of the Ethics in Government Act. I also urge my colleagues to look beyond these adjustments to the major overhaul which is needed to insure that the public trust in Government is maintained—the creation of a permanent, independent public prosecutor.

Mr. President, I ask unanimous consent that the text of the bill, together with the pertinent portion of the transcript of the March 10 hearing of the State, Justice, Commerce, the Judiciary and Related Agencies Appropriations Subcommittee and my correspondence with Attorney General Civiletti, be printed in the Record.

There being no objection, the bill and material were ordered to be printed in the Record, as follows:

S. 2625

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 591 of title 28, United States Code, is amended by adding at the end thereof the following:

"(c) The Attorney General shall notify the Committees on the Judiciary of the Senate and the House of Representatives whenever an investigation is initiated on the basis of specific information received under the provisions of subsection (a) of this section. The information contained in such notification shall not be disclosed to any third party.".

(b) Section 592 (b)(1) of such title is amended by adding at the end thereof the following: "In addition to notifying the division of the court specified in section 593(a) of this title, the Attorney General shall notify the Committees on the Judiciary of the Senate and the House of Representatives.".

(c) Section 592 (b)(3) of such title is amended to read as follows:

"(3) Such memorandum shall not be disclosed to persons other than an individual employed by the division of the court, the Department of Justice, or Members or employees of the Committees on the Judiciary of the Senate and the House of Representatives, unless—

"(A) leave is granted by the division of the court upon the request of the Attorney General; or

"(B) a committee determines that disclosure of such memorandum to the public will not, in the committee's judgment, prejudice the rights of any individual.".

(d) Section 593 (b) of such title is amended—

(1) by inserting "(1)" immediately after "(b)"; and

(2) by adding the following at the end thereof:

"(2) The division of the court shall notify the Committees on the Judiciary of the Senate and the House of Representatives of the appointment of a special prosecutor under paragraph (1). The special prosecutor shall, within 15 days from the date of appointment, disclose to the Committees on the Judiciary of the Senate and the House of Representatives the identity and nature of each Federal investigation and each civil or criminal action to which the United States is a party, in which he is involved, or in which he has reason to believe he is likely to become involved, other than as counsel to a party in the investigation or action.".

(e) Section 593 (d) of such title is amended to read as follows:

"(d) (1) Any person who is offered a position of special prosecutor shall, prior to the appointment to such position, notify the division of the court of the identity and nature of each Federal investigation and each civil or criminal action to which the United States is a party, in which he is involved, or in which he has reason to believe he is likely to become involved, other than as a counsel to a party in the investigation or action.

"(2) The division of the court may not appoint as a special prosecutor—

"(A) any person who holds or recently held any office of profit or trust under the United States; or

"(B) any person who is involved in any Federal investigation or any civil or criminal action to which the United States is a party, other than as a counsel to a party in the investigation or action.".

STATE, JUSTICE, COMMERCE, JUDICIARY AND RELATED AGENCIES SUBCOMMITTEE HEARING—MARCH 10, 1980

Senator Weicker. While we have Mr. Heymann here, I have some questions that relate to another matter.

The United States Attorney's Office for the Southern District of New York has conducted an investigation into allegations that Libyan diplomats stationed in New York City had attempted to pay up to $30 million in bribes to persons close to President Carter in an attempt to secure export licenses for military transportation aircraft. This bribery scheme, allegedly directed by Robert L. Vesco, had as targets Hamilton Jordan, Deputy Secretary of State Warren Christopher and Democratic National Committee Chairman John White.

Did the United States Attorney for the Southern District of New York request additional funds to continue this investigation?

Mr. Heymann. The reference, Senator Weicker, is to an early stage in that matter when it was being run simultaneously by Attorneys for the Southern District of New York, the Criminal Division, some attorneys in Florida, the FBI as investigators and investigators in New York.

The funding for purchase of information had to come from the only source of funding readily available, which was the Federal Bureau of Investigation. Most such requests were granted. There was one towards the end that was denied. I myself thought that it was about time to stop funding the particular source of information who could have gone on asking for funds forever, but the FBI refused to give funds on an indefinite basis and there have been stories, including one in a New York magazine making much of the final shutoff of payments to a particular source of information.

Senator Weicker. Did the Public Integrity Section of the Department of Justice recommend to you that a special prosecutor be appointed to investigate the Libyan bribery scheme?

Mr. Heymann. I don't think I should and I won't, Senator Weicker, even comment on either my recommendations or the recommendations of anyone else in the channel on special prosecutor matters. I think the Attorney General ought to enjoy the lonely splendor and pain of calling special prosecutor matters himself and not be subjected to, you know, not be subjected to challenge not on the merits but on the grounds that the fraud section recommended this, I recommended that, that the Deputy recommended this. On every one of these there are four recommendations.

Senator WEICKER. I will repeat my question as to whether or not the Public Integrity Section of the Department of Justice recommended that a special prosecutor be appointed. I know the answer. There is no great secret here. Can we have the answer as a matter of record?

Mr. HEYMANN. I would decline to answer that.

Senator WEICKER. Why?

Mr. HEYMANN. I think it is a matter of the internal deliberations of the Department of Justice that it is very important to be kept private, almost exactly the same as if I approve an indictment for someone or disapprove an indictment in a particular case. In those circumstances, I don't think the recommendations to me should be made public.

I would say, Senator Weicker, that the newspaper accounts here, which have been stated with complete certainty, are frequently inaccurate, including every one I have seen, every newspaper account.

Senator WEICKER. Including the article in the New York magazine, which says that: "the press's oversight was not the result of ignorance, for although Heymann has repeatedly refused public comment on his actions in this case, he did tell two Washington reporters in an off-the-record briefing that a memorandum had been forwarded to the three-judge panel, explaining the Department's refusal to appoint a special prosecutor to investigate the Libyan scheme."?

Mr. HEYMANN. I believe that is untrue.

Senator WEICKER. Either you had an off-the-record conversation with two Washington reporters or you didn't.

Mr. HEYMANN. The latter is easy to tell you, Senator Weicker. At one point after The New York Times had broken this story, two New York Times reporters: one named Kaiser, who wrote that piece; another named Phil Talbin, came into my office and said, we have a substantial number of allegations, a substantial number of factual statements that we are about to write as a story.

One was who recommended the special prosecutor and had not and the other was about the funding, and I can't remember the other. There were about seven of them. Five of their factual statements at least were flatly wrong, false, untrue; no, where it should be yes; yes, where it should be no.

My Deputy, Mr. Nathan, and I said to them on that occasion we are not going to sort out which of your statements are true or false because that is telling the facts of the investigation. We will tell you that your story is substantially overwhelmingly false.

On that basis, it is my understanding that The New York Times refused to print the story from which you are now reading today. The New York magazine did print it.

Senator WEICKER. It would be rather helpful to have you answer my questions since I don't want to go on the comments of members of the press.

Mr. HEYMANN. Those were the two.

Senator WEICKER. But I still would like to have the answer. Maybe Mr. Rooney can tell me whether or not the Public Integrity Section of your own Department recommended the special prosecutor be appointed.

Mr. HEYMANN. I don't think Mr. Rooney knows.

Mr. ROONEY. I do not.

Senator WEICKER. Who knows?

Mr. HEYMANN. I know.

Senator WEICKER. Why don't you tell me?

Mr. HEYMANN. Because I think it is a matter of executive privilege, Senator Weicker. I don't believe recommendations to the Attorney General on special prosecutor matters should be made a matter of elective record and certainly should not be made public. I did not disclose them to Mr. Kaiser or Mr. Talbin, although the——

Senator WEICKER. Look, I am a member of the United States Government like you are. We are all trying to go ahead and see that the laws are enforced. I also have something to do with the policies involved as far as the government is concerned.

I have asked you a very simple question as to whether or not your own agency made a recommendation for the appointment of a special prosecutor, to which you are declining to answer on the basis of executive privilege.

Mr. HEYMANN. My reason is that the Attorney General deserves to be judged and criticized on the merits of his decision whether to appoint a special prosecutor or not in every case. In every case there are recommendations from the following people: Bob Richter, who handles these matters in the Public Integrity Section; the Chief of the Public Integrity Section, Jack Keen; the Deputy in charge of Public Integrity and Fraud, Philip Heymann, head of the Criminal Division; and an Associate Deputy Attorney General No. 5; the Deputy Attorney General No. 6, and Special Assistant to the Attorney General No. 7, and then the Attorney General sits down and makes the decision.

We shouldn't spread out those seven recommendations. I mean I have no sense of privacy about what the Public Integrity Section did in this case, we shouldn't spread out the seven.

We shouldn't spread them out if they are divided and we shouldn't spread them out if they are unanimous, whether the Attorney General agrees or disagrees.

He is criticized or praised on the basis of the merits of his decision. I would be happy to go back and see if he disagrees with my judgment on it, because I have never discussed it with him.

Senator WEICKER. So in effect what you are saying is the Attorney General refused to go ahead and appoint a special prosecutor?

Mr. HEYMANN. No, I am not saying that. I am saying that I won't say anything on that subject. I am saying I won't say who recommended what or whether there were recommendations or whether there was a report filed. There is a statutory, I perhaps should have begun here, Senator Weicker, the statute you passed required secrecy about special prosecutor matters unless the Court authorizes it. We are bound by the statute to maintain secrecy.

Senator WEICKER. Did you submit a memorandum to the Special Divsion of the U.S. Court of Appeals for the District of Columbia containing a summary of the information received by the Department, the results of the investigation, and the reasons for the Department's refusal to appoint a special prosecutor to investigate the Libyan bribery scheme? Isn't that required by Section 592?

Mr. HEYMANN. It is required if there is specific information of a sort that triggers the Act. I don't think it has ever been revealed whether in this case a report was filed——

Senator WEICKER. Was a report filed?

Mr. HEYMANN. I am prohibited by statute from answering that question, Senator Weicker. The statute specifically says that.

Senator WEICKER. It is funny how the lid comes down when allegations are filed against members of the Administration, whether it be Mr. Civiletti on the subject of Treasury Secretary Miller or you on the subject of the Libyan situation—I will tell you, Mr. Heymann, this is the reason why I have been out in front so long for the creation of an independent, permanent special prosecutor. I don't think any Administration is inclined, or of the mind, to put it that way, to use the kindest term, to investigate itself.

Counsel makes the comment that the appointment of a special prosecutor in the case of Mr. Jordan was made public.

Mr. HEYMANN. Oh, when we go to the Court, if we go to the Court, we file special pleading, asking that the matter, that we have their permission to make the matter public. That was done in the case of Mr. Jordan and with their permission we do make it public. The same was done in an earlier presidential matter.

Senator WEICKER. But in effect what you are telling me, to give me some guidance here for future legislation, is that the mechanism for the special prosecutor is totally within the hands of the Administration and there is no reason for anybody to ever find out whether or not the mechanism has even been contemplated or whether it has been used, or whatever?

Mr. HEYMANN. I think that is correct, Senator Weicker. The mechanism, let me now be very specific, as Congress enacted it, it imposed the heavy moral duty on the Attorney General, by heavy moral duty, I mean it required him to take certain actions where very little was shown in the way of wrongdoing, what has been called the hair trigger of the special prosecutor bill.

But it left it to his determination, subject to public criticism, whether those minor requirements for triggering the Act had been satisfied. There is no judicial review and the matter is not made public unless the Court acquiesces. In that sense, it is left completely to the Attorney General.

However, in any realistic sense, it is obviously not. If you think of the Hamilton Jordan matter, when you are talking about allegations that are widely publicized and widely explored and when you have a public statute with something like a hair trigger to it, I do not agree with you that there is a basis for concern about whether this Attorney General or future Attorney Generals are going to comply with or be bound by the special prosecutor legislation.

Senator WEICKER. So really it depends on the degree of the public clamor. It is almost a question of law many decibels we get from the public on any particular issue. Apparently Jordan invoked some sort of a response whereas the Libyan situation, and the Miller situation, have not.

Is that what we are dependent on, the public hue and cry?

Mr. HEYMANN. No. I think the decibel level was really quite irrelevant. What happens in each of these matters, perhaps it is worth describing, is that as soon as we get wind of any allegation against a covered individual, and once in awhile one will slip by us, but once we get wind of any allegation against a covered individual, this set of recommendations that I described to you gets underway with the FBI investigating, with lawyers of the Public Integrity Section or sometimes the Fraud Section do work on deciding whether there is anything specific—the statute after all requires specific information, concrete factual allegation of wrongdoing.

And they get to work and they decide whether that is in fact triggered. Now it gets triggered very easily. That is is the way the statute was written.

On the basis of a number of recommendations, something that would make it impossible for any Attorney General to cover up, absolutely impossible if he wanted to cover up. On the basis of a number of written recommendations the Attorney General has to decide—incidentally, recommendations plus an investigation goes on all this time with FBI agents and everybody else out there trying to dig up the facts.

At the end of it the Attorney General has to decide whether the matter is so unsubstantiated as not to warrant any further investigation or is not to warrant prosecution, a very tough standard.

If he determines that, there will be a written record for all posterity of the basis on which he determined it.

Senator Weicker. Where is this written record?

Mr. Heymann. Filed, if the Act has been triggered, that determination has to be filed with the three-judge court.

Senator Weicker. Was the Act triggered in the case of this Libyan situation?

Mr. Heymann. That, I won't tell you because the statute, and you wouldn't want me to tell you when I point out to you that the statute itself, the Special Prosecutor Act, forbids disclosure without consent of the court.

Senator Weicker. I believe you. I believe you are knowledgeable in law. But then how does the public ever know?

Mr. Heymann. How does it ever know what? It knows whether the Special Prosecutor is appointed; it knows when a Special Prosecutor wasn't appointed. It knows automatically 90 days after any allegation surfaces that a Special Prosecutor, I can't quite rely on 90 days—at the end of 90 days after an allegation which is specific and which does trigger the Act, at the end of the 90 days the Attorney General has to report to this court, to three judges, either appoint a Special Prosecutor or don't for this reason.

Now, if they are going to appoint a Special Prosecutor it may take them a few weeks to appoint one, but at the end of the 90 days, plus a few weeks, unless I am getting confused, which sometimes I do, the public will know there was a Special Prosecutor appointed with respect to those actual allegations they read about or there wasn't.

In other words, either one appears on the scene or one doesn't.

Senator Weicker. The public has no knowledge at all up until that point, and only then, when it is requested by the Attorney General to be disclosed?

Mr. Heymann. When you appoint a Special Prosecutor——

Senator Weicker. It would be disclosed, but as to whether or not the mechanism is triggered, the public won't even know that.

Mr. Heymann. What the public doesn't know is precisely that. What the public doesn't know is whether we have said which of the following two things: The Attorney General has said, whether he has said that this information, this allegation is so unreliable, so general, too questionable for any of a number of reasons that the Act wasn't even triggered or whether he has said the Act was triggered but after 90 days investigation, I have concluded it is so unsubstantiated as to warrant further investigation.

That is a rather subtle distinction that is not too important to be analyzed, but that is the only distinction that the public doesn't know.

Senator Weicker. I might have further questions for the record on this point. I think one thing is clear to me, whatever the mechanism is, it is inadequate. It is totally inadequate as to what was sought to be protected against.

You fellows are calling the shots on your own people. That is what it boils down to. The idea in the Ethics of Government Act was to try to have some sort of a mechanism which in effect guaranteed that there was going to be one standard of justice for everybody.

It was also enacted on the general assumption, which is correct, that Cabinet members will not sit in judgment on Cabinet members, and Administrations on themselves. But to that extent there is no independence in this process at all. This process is still very much wound up or is in the hands or in the judgments of the political appointees of this Administration.

Mr. Heymann. On a basis that is easily and readily subject to public criticism.

Senator Weicker. How can there be public criticism if there is no public knowledge?

Mr. Heymann. There is public knowledge that there were allegations.

Senator Weicker. Here is an article in a magazine, and a lot of other people have talked about this, yet in effect the Congress can't find out whether anybody at the Justice Department gave this matter consideration or not, never mind what the result was. I am not blaming you, obviously you are using the law in its strictest sense, that is fine, and I expect you to uphold the law in its strictest sense. But for that very reason I say the mechanism is inadequate considering what it was that was sought to be protected against.

Well, there might be further questions on this as a matter of the record, but certainly I think the record is good enough for my purposes in the legislative sense to substantiate that obviously some change is called for.

I think both of us are interested, I have no doubt, to protest against a person being smeared willy-nilly across the pages of the press without any substantiation. But on the other hand, under the present system, there is no guarantee that justice is going to be done even if there is substance to back up the allegation.

Mr. Heymann. If I may just say one sentence just to make my position clear and I think it is clear, and that is that the check in the system is that the Attorney General has to stand up and say that certain factual allegations which are almost always public are so unsubstantiated as not even to warrant further investigation.

Senator Weicker. Has he said that in the matter that I raised with you, of the Libyan bribery allegations?

Mr. Heymann. I can answer that in the following way. Wherever no special prosecutor has been appointed, you can assume that he has said that or he has said something even more extreme that there was never enough substance to the investigation even to put the Act into consideration.

Senator Weicker. So both in the case of the Libyan matter and in the case of the Secretary of the Treasury Miller, can I assume that this was the determination of the Attorney General?

Mr. Heymann. I don't want to say anything about the specific cases for the reasons I have said. I am saying wherever you know that no sepcial prosecutor has been appointed you can be certain.

U.S. Senate,
Washington, D.C., March 18, 1980.

Hon. Benjamin R. Civiletti,
Attorney General of the United States, U.S. Department of Justice, Washington, D.C.

Dear Mr. Attorney General: During the course of a hearing held by the State, Justice, Commerce, the Judiciary and Related Agencies Subcommittee of the Senate Committee on Appropriations on March 10, 1980, I posed a series of questions to Assistant Attorney General Philip B. Heymann pertaining to allegations that Libyan diplomats stationed in New York City had attempted to bribe persons close to President Carter to secure export licenses for military transportation aircraft. Mr. Heymann refused to answer these questions, stating that he thought "the Attorney General ought to enjoy the lonely splendor and pain of calling special prosecutor matters himself" as well as claiming executive privilege with regard to certain matters.

I indicated at the end of my dialogue with Mr. Heymann that I would have additional questions to be included in the record for the hearing. The additional questions follow, and I would appreciate your response to them.

With regard to the alleged Libyan bribery scheme:

1. Did the United States Attorney for the Southern District of New York make a request for additional funds to continue his office's investigation into these allegations, which was denied?
2. If additional funds were denied to the United States Attorney for the Southern District of New York to continue the investigation, how much was requested and why was the request denied?
3. Did the Public Integrity Section of the Department of Justice recommend that a special prosecutor be appointed to investigate the Libyan bribery scheme?
4. Did you make an application pursuant to the Ethics in Government Act of 1978 for the appointment of a special prosecutor in this matter?
5. If you did not make an application for the appointment of a special prosecutor and the Public Integrity Section had recommended such an appointment, why was the recommendation of the Public Integrity Section disregarded?
6. Did you submit a memorandum to the Special Prosecutor Division of the U.S. Court of Appeals for the District of Columbia pursuant to the Ethics in Government Act of 1978 containing a summary of the information received by the Department of Justice with regard to this matter and the results of its investigation?
7. If such a memorandum was submitted, did it indicate that the Public Integrity Section of the Department of Justice had recommended the appointment of a special prosecutor to investigate these allegations?
8. Did you make a motion under the Ethics in Government Act of 1978 for leave of the Court to disclose the Report which you filed with it? If not, why?

With regard to the appointment of a special prosecutor to investigate allegations of cocaine use by Hamilton Jordan, please inform me why you sought, in your Report to the Special Prosecutor Division of the U.S. Court of Appeals for the District of Columbia, to limit the jurisdiction of the special prosecutor to "the allegation of cocaine use by Hamilton Jordan at Studio 54 in New York City on June 27, 1978". In light of a CBS television newscast, which was aired prior to the date of your Report to the Court, in which allegations were made that Mr. Jordan had used cocaine in a 1977 party in Beverly Hills, why did you not recommend that the special prosecutor be empowered to investigate "any other related or relevant allegation" that Mr. Jordan had violated federal drug laws, which the Court authorized on its own initiative?

This letter, and your response to my questions, will be included in the record of the Subcommittee's hearing.

Sincerely,
Lowell Weicker, Jr.,
U.S. Senator.

Office of the Attorney General,
Washington, D.C., March 31, 1980.

Hon. Lowell Weicker, Jr.,
Committee on Appropriations, U.S. Senate, Washington, D.C.

Dear Senator Weicker: I have your letter of March 18, 1980, containing follow-up questions pertaining to a March 10 hearing of the Subcommittee on State, Justice, Commerce, the Judiciary and Related Agencies, at which Assistant Attorney General Philip B. Heymann testified before you.

In regard to questions (1) and (2), I cannot add detail beyond the statement made by Mr. Heymann at this time because the matter relates to an ongoing grand jury investigation in the Southern District of New York. At the conclusion of that investigation, I will be happy to respond more fully.

In regard to questions (3)–(8), you must be aware that in addition to the problems posed by any discussion of an ongoing investigation, I am constrained by the fact that the existence and contents of any memorandum or application filed with the Special Prosecutor Division of the U.S. Court of Appeals pursuant to the Ethics in Government Act of 1978 cannot by law be revealed except by leave of the Court. See 28 U.S.C. § 592(d)(2) ("No application or any other documents, materials, memorandums supplied to the division of the court under this chapter shall be revealed to any individual outside the division of the court or the Department of Justice without leave of the division of the court").

To comply with this requirement of confidentiality, the Department should not comment on the existence or nonexistence of a filing with the Special Prosecutor Division of the Court, except on those occasions when we have sought and obtained leave to disclose a filing. I am thus presently unable to answer questions (3)-(8) of your letter.

With regard to your question on the Department's application for the appointment of a special prosecutor to investigate the alleged use of cocaine by Hamilton Jordan, my recommendation to the Court concerning the jurisdiction of the special prosecutor was based on my conclusion that only one allegation warranted further investigation. For reasons explained in detail at page 3 of my Report to the Court of November 19, 1979, which I was granted leave to make public by order of the Court on November 29, 1979, and which was thereafter released to the public, I found three other allegations to be unsubstantiated and not warranting further investigation, and thus not sufficient to constitute separate jurisdictional grounds for special prosecutor proceedings. Of course, the special prosecutor and any prosecutor has authority to pursue any facts related or relevant to the matter within his jurisdiction. A copy of my report and pertinent orders is enclosed.

Yours truly,

BENJAMIN R. CIVILETTI,
Attorney General.●

By Mr. JACKSON (by request):

S. 2627. A bill to authorize additional appropriations to the Department of Energy for civilian programs for fiscal year 1980, and for other purposes; to the Committee on Energy and Natural Resources.

● Mr. JACKSON. Mr. President, by request, I send to the desk for appropriate reference a bill to authorize additional appropriations to the Department of Energy for civilian programs for fiscal year 1980, and for other purposes.

Mr. President, this draft legislation was submitted and recommended by the Department of Energy, and I ask unanimous consent that the bill and the executive communication which accompanied the proposal from the General Counsel be printed in the RECORD.

There being no objection, the bill and letter were ordered to be printed in the RECORD, as follows:

S. 2627

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Department of Energy Authorization for Supplemental Appropriations Act for Fiscal Year 1980—Civilian Applications."

SEC. 2. Funds authorized to be appropriated for fiscal year 1980 under this Act supplement appropriations to the Department of Energy under Title I of Public Law 96-69 and Title II of Public Law 96-126.

TITLE I—RESEARCH AND DEVELOPMENT

SEC. 101. Funds are authorized to be appropriated for fiscal year 1980 in accordance with section 660 of the Department of Energy Organization Act for operating and capital equipment expenses for the following fossil fuel program:

(1) Coal, $24,000,000.

SEC. 102. Funds are authorized to be appropriated for fiscal year 1980 in accordance with section 660 of the Department of Energy Organization Act for operating expenses for the following supply research and development programs:

(1) Solar, $6,156,000;
(2) Nuclear Fission, $7,000,000;
(3) Low-Head Hydroelectric, $5,000,000;

SEC. 103. Funds are authorized to be appropriated for fiscal year 1980 in accordance with section 660 of the Department of Energy Organization Act for supply research and development plant and capital equipment, including planning, construction, acquisition, or modification of facilities, including land acquisition; and acquisition and fabrication of capital equipment not related to construction, as follows:

(1) Nuclear Fission.

(A) Advanced Nuclear Systems capital equipment not related to construction, $2,500,000.

TITLE II—REGULATION AND INFORMATION AND OTHER ACTIVITIES

SEC. 201. Funds are authorized to be appropriated for fiscal year 1980 in accordance with section 660 of the Department of Energy Organization Act as follows:

(1) to the Economic Regulatory Administration for expenses, $45,523,000, plus such sums as may be necessary for gasoline rationing expenses.

SEC. 202. Funds are authorized to be appropriated for fiscal year 1980 in accordance with section 660 of the Department of Energy Organization Act for expenses for the Federal Energy Regulatory Commission as follows:

(1) Federal Energy Regulatory Commission expenses, $2,300,000.

SEC. 203. Funds are authorized to be appropriated for fiscal year 1980 in accordance with section 660 of the Department of Energy Organization Act for expenses for the following energy information program:

(1) Energy Information expenses, $20,200,000.

TITLE III—COMMERCIALIZATION AND RELATED ACTIVITIES

SEC. 301. Funds are authorized to be appropriated for fiscal year 1980 in accordance with section 660 of the Department of Energy Organization Act for expenses for the following commercialization and related conservation activities programs:

(1) Buildings and Community Systems, $2,569,000;
(2) Transportation, $1,000,000;
(3) Estate and Local, $16,823,000; and
(4) Energy Information Campaign, $7,000,000.

TITLE IV—OTHER DEPARTMENTAL ACTIVITIES

SEC. 401. Funds are authorized to be appropriated for fiscal year 1980 in accordance with section 660 of the Department of Energy Organization Act for operating expenses for the following uranium enrichment activities programs:

(1) Diffusion Operations and Support, $307,600,000.

SEC. 402. (a) Funds are authorized to be appropriated for fiscal year 1980 in accordance with section 660 of the Department of Energy Organization Act for operating expenses for Departmental administrative activities programs as follows:

(1) Management and Support, $3,383,000.

(b) Funds are authorized to be appropriated for fiscal year 1980 in accordance with section 660 of the Department of Energy Organization Act for Departmental administrative activities plant and capital equipment, including planning, construction, acquisition, or modification of facilities, including land acquisition; and acquisition and fabrication of capital equipment not related to construction as follows:

(1) In-House Energy Management.

(A) Project 80-DA-06, Alternate Energy Source, Pantex Plant, $3,300,000; and

(B) Project 80-DA-07, Alternate Energy Source, Pinellas Plant, $1,550,000.

DEPARTMENT OF ENERGY,
Washington, D.C., April 16, 1980.

Hon. WALTER F. MONDALE,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: Enclosed is proposed legislation "to authorize additional appropriations to the Department of Energy for civilian programs for fiscal year 1980" in accordance with section 660 of the Department of Energy Organization Act.

The funds requested to be authorized have been derived from the DOE FY 1980 Supplemental Request to the Congress and represent the additional funds needed beyond those funds already appropriated to the Department for FY 1980 by title I of Pub. L. No. 96-69 and title II of Pub. L. No. 96-126. The total amount of authorization sought above the appropriation level is $455,904,000.

The Office of Management and Budget has advised that this legislative proposal is in accord with the program of the President.

Sincerely,

LYNN R. COLEMAN,
General Counsel.●

By Mr. MOYNIHAN:

S. 2628. A bill to require the Secretary of the Treasury to issue guarantees with respect to the payment of the principal and interest of bonds to be issued by the Suffolk County Sewer Authority, in Suffolk County, N.Y., and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

Mr. MOYNIHAN. Mr. President, I am pleased to introduce the Senate companion piece to H.R. 6963, a bill to permit the Federal Government to guarantee the bonds of the Southwest Sewer District Authority of New York. This bill was introduced in the House of Representatives by Congressman DOWNEY.

The Southwest Sewer District is in financial difficulty, and the burden is being placed on the residents of Suffolk County.

Congressman DOWNEY has developed an ingenious, innovative approach to help relieve the financial burden of its citizens, and the cost to the Federal Government is negligible.

I am pleased to support his efforts.

By Mr. JACKSON (by request):

S. 2630. A bill to establish the Martin Luther King, Jr. National Historic Site in the State of Georgia, and for other purposes; to the Committee on Energy and Natural Resources.

● Mr. JACKSON. Mr. President, by request, I send to the desk for appropriate reference a bill to establish the Martin Luther King, Jr., National Historic Site in the State of Georgia, and for other purposes.

Mr. President, this draft legislation was submitted and recommended by the Department of the Interior, and I ask unanimous consent that the bill and the executive communication which accompanied the proposal from the Secretary be printed in the RECORD.

There being no objection, the bill and letter were ordered to be printed in the RECORD, as follows:

S. 2630

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) in order to protect and interpret for the benefit, inspiration, and education of present and future generations the places where Martin Luther King, Jr., was born, where he lived, worked, and worshiped, and where he was buried, and in recognition of the unique contribution of the Martin Luther King Jr., Center for Social Change, in fostering such efforts, there is hereby established the Martin Luther King, Jr., National Historic Site in the State of Georgia. The national historic site shall consist of that real property in the City of Atlanta, Georgia, within the boundary generally depicted on the map entitled "Martin Luther King, Jr., National Historic Site Boundary Map," numbered NASM/SERO/20,109–A, and dated April 1980, together with the property known as 234 Sunset Avenue, Northwest: *Provided,* That the property in front of the Martin Luther King, Jr., Community Center of Atlanta shall not be deemed to be included within the site unless and until such property is donated to the United States for the purposes of the site by the City of Atlanta. The map referred to in this section shall be on file and available for public inspection in the offices of the National Park Service, Department of the Interior.

(b) In furtherance of the purposes of the national historic site the Secretary of the Interior (hereinafter referred to as the "Secretary.") is authorized to establish the Martin Luther King, Jr., Preservation District, which shall consist of the properties within the Martin Luther King, Jr., Historic District.

SEC. 2. (a) The Secretary shall administer the Martin Luther King, Jr., National Historic Site and Preservation District in accordance with the provisions of this Act, the Act of August 25, 1916 (39 Stat. 535), as amended and supplemented, and the Act of August 21, 1935 (49 Stat. 666), as amended. Within the national historic site the Secretary is authorized—

(1) to acquire by donation, purchase with donated or appropriated funds, transfer or exchange, lands and interests therein, except that property owned by the State of Georgia or any political subdivision thereof, property owned by the widow of Martin Luther King, Jr., and property owned by the Martin Luther King, Jr., Center for Social Change may be acquired only with the consent of such owner: *Provided,* That with respect to properties owned by the Center for Social Change, the Secretary shall have the first right of refusal to purchase such property for a purchase price not exceeding the fair market value of such property on the date it is offered for sale. Property may be acquired pursuant to this Act subject to such conditions and reservations as in the judgment of the Secretary are not inconsistent with the purposes of this Act and the administration of the national historic site, including, in the event that the burial site of Martin Luther King, Jr., is acquired, the condition that his widow may be interred therein.

(2) to convey a freehold or leasehold interest in any property, for such sums as he deems appropriate, and subject to such terms and conditions and reservations as will assure the use of the property in a manner which is, in the judgment of the Secretary, consistent with the purposes of this Act and the administration of the national historic site. The Secretary shall offer the last owner of record a reasonable opportunity to purchase or lease, as appropriate, the property proposed to be conveyed prior to any conveyance under this paragraph.

(3) to enter into cooperative agreements with the owners of properties of historical or cultural significance, pursuant to which the Secretary may mark, interpret, improve, restore, and provide technical assistance with respect to the preservation and interpretation of such properties. Such agreements shall contain, but need not be limited to, provisions that the Secretary shall have the right of access at reasonable times to public portions of the property for interpretive and other purposes, and that no changes or alterations shall be made in the property except by mutual agreement. The authorities in this paragraph shall also be available to the Secretary with respect to properties within the Martin Luther King, Jr., Preservation District; and

(4) to provide security and law enforcement services as authorized by law.

(b) The Secretary may, in carrying out his authorities with respect to the interpretation of properties within the national historic site and the preservation district, accept the services and assistance, with or without reimbursement therefor, of qualified persons and entities to the extent he deems necessary and appropriate. Funds appropriated for the purposes of this Act may be expended for the improvement, restoration, and maintenance of properties in which the Secretary has acquired a leasehold interest.

(c) Notwithstanding any other provision of law, the Secretary shall give first preference to the Martin Luther King, Jr., Center for Social Change with respect to any contract for a concession to sell books, postcards, tapes of similar type mementos within the historic site, provided that agreement can be reached on terms and conditions acceptable to the Secretary.

SEC. 3. (a) There is established in the Department of the Interior the Martin Luther King, Jr., Advisory Commission (hereinafter referred to as the "Commission"). The Commission shall consist of nine members, seven of whom shall be appointed by the Secretary for terms of three years as follows:

1. three members appointed from recommendations submitted by the governing body of the Martin Luther King, Jr., Center for Social Change;

2. one member appointed from recommendations submitted by the Governor of the State of Georgia;

3. two members appointed from recommendations submitted by the Mayor of the City of Atlanta, Georgia; and

4. One member appointed by the Secretary who shall be Chairman of the Commission.

In addition to the foregoing members, Mrs. Coretta Scott King, or such other appropriate family member as may be designated by the immediate family of Martin Luther King, Jr., and the Director of the National Park Service shall be ex-officio members of the Commission.

(b) Any vacancy in the membership of the Commission shall be filled in the same manner in which the original appointment was made. Members of the Commission shall serve without compensation as such, but the Secretary may pay expenses of Commission members reasonably incurred by them in carrying out their responsibilities under this Act upon presentation of vouchers signed by the Chairman of the Commission. Necessary administrative services and expenses shall be provided to the Commission by the Department of the Interior.

(c) The function of the Commission shall be to advise the Secretary with respect to the formulation and execution of plans for the national historic site and the preservation district, including advice with respect to the consummation of cooperative agreements, the interpretation of properties, and the use and appreciation of the national historic site and the preservation district by the public. The Secretary shall consult with the Commission from time to time with respect to the development of plans for and the administration of the national historic site and the preservation district.

(d) The Commission shall terminate ten years from the date of enactment of this Act.

SEC. 4. There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

U.S. DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., April 18, 1980.

Hon. WALTER F. MONDALE,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: The Department of the Interior respectfully submits for the consideration of the United States Congress draft legislation to establish a Martin Luther King, Jr. National Historic Site in Atlanta, Georgia.

We recommend that the enclosed draft bill be referred to the appropriate committee for consideration, and we strongly recommend that it be enacted.

With the tragic death of Dr. King on April 4, 1968, our Nation was deprived of one of its greatest leaders, a man who had dedicated his life to social change toward equal rights for all Americans through the principle of nonviolence. His life and work are commemorated by the Martin Luther King, Jr. Memorial Site in Atlanta, Georgia, adjacent to the Ebeneezer Baptist Church where he served as copastor. A block away is located the birthplace and boyhood home of Dr. King. These few blocks of Atlanta are presently recognized as a National Landmark because of their close association with the life of this distinguished American.

One of the highest honors our Nation affords its outstanding citizens is the designation of sites for inclusion in the National Park System to commemorate their life, work, and contribution. For that reason, it is with deep honor and satisfaction that I offer draft legislation to the Congress to establish the Martin Luther King, Jr. National Historic Site.

Under proposed legislation, the National Park Service would be authorized to develop and interpret significant features within the area surrounding the Martin Luther King, Jr. birthplace and gravesite, located east of Atlanta's central business district. The proposed 23.5-acre historic site would be bounded generally by Jackson, Edgewood, Howell and Old Wheat Streets and include the Martin Luther King, Jr., Memorial and Center for Social Change, the Ebeneezer Baptist Church, and many buildings within the historic environs of the King family home such as Victorian and "shotgun" row houses, an 1895 fire station, and Our Lady of Lourdes Catholic Mission. Also authorized for later inclusion and administration as a separate unit of the historic site would be Dr. King's residence at 234 Sunset Avenue, Northwest, in Atlanta, which is presently owned and occupied by his widow, Mrs. Coretta Scott King.

The basic concept underlying the proposed park is the use of cooperative agreements with private organizations and individuals. Interpretation for the visitor would focus on the birthplace, the living memorial to Dr. King embodied in the Center for Social Change (expected to be completed by the end of 1981), and the gravesite. An interpretive visitor center would be developed, possibly as part of the Center for Social Change complex.

Cooperative agreements with the center would be negotiated to allow use of its facilities for audiovisual presentations and possibly as a staging area for tours throughout the national historic site. Interpretation of the Martin Luther King, Jr., Memorial would be principally the responsibility of the National Park Service. Security and law enforcement services throughout the site would be provided as authorized by law.

Within the boundaries of the Martin Luther King, Jr., National Historic Site, authority would be provided to acquire through lease, purchase, exchange or donation, all properties or interests therein to preserve the neighborhood surrounding Dr. King's birthplace. Property maintained in a manner compatible with the historic area would not, be acquired unless necessary for preservation, interpretation and administration of the historic area. Land acquisition will attempt to minimize the dislocation of area residents, and shall be conducted in a manner which will encourage restoration and preservation by individuals and groups other than the Federal Government. Management shall encourage preservation through the adaptive use of historic structures, negotiation of cooperative agreements for technical and other assistance and the use of facade easements as alternatives to Federal acquisition.

While the key sites, such as the King birthplace, need not be acquired, the Federal Government would retain the right of first refusal on any property owned by the King family or the Center for Social Change that becomes available for purchase. Consistent with law and Administration policy, no Federal funds would be used for the operation, maintenance, or rehabilitation of any active churches within the historic site.

Within the greater vicinity of the national historic site, there would be authorized for establishment the Martin Luther King, Jr. Preservation District comprising properties within the Martin Luther King, Jr., Historic District. As within the boundary of the national historic site, authority would be provided to enter into cooperative agreements with property owners for the improvement, restoration, and interpretation of significant or outstanding cultural or historical properties, in return of assurance of reasonable public access and guarantees that no modification of the affected property will occur without mutual consent. Unlike the Martin Luther King, Jr., National Historic Site, Federal acquisition would not be authorized within the preservation district. It is anticipated that work within the historic site will provide a stimulus for the surrounding preservation district.

To assist in the execution of the proposed legislation, there is to be established within the Department of the Interior, the Martin Luther King, Jr., Advisory Commission consisting of nine members, including Mrs. Coretta Scott King, or other appropriate family members, and the Director of the National Park Service. The Commission shall advise on matters affecting the formulation and implementation of plans for the national historic site and the preservation district, including the consummation of cooperative agreements, the interpretation of properties, and the use and appreciation of the historic site and adjoining preservation district. The Commission will serve for a period of ten years.

The projected land acquisition cost for the Martin Luther King, Jr., National Historic Site would total $3.5 million based on the assumption that all 23.5 acres of the site were acquired in fee title. Development costs over the next five years are estimated at $920,000. Operation and maintenance expenses for the same period will total approximately $3,480,000. Visitor use is expected to rise over the next five years from the present 250,000 to between 500,000 and 750,000 persons.

The concepts embodied in this legislation have been developed in conjunction with the King family and the Center for Social Change. The proposed legislation also has the support of the Mayor of Atlanta and the Governor of the State of Georgia. Establishment of the Martin Luther King, Jr., National Historic Site through the enactment of this legislation will be a fitting National tribute to the work of a great American.

The Office of Management and Budget advises that the enactment of this legislation would be in accord with the program of the President.

Sincerely,

CECIL D. ANDRUS,
Secretary.●

By Mr. BENTSEN:

S. 2631. A bill to amend the Small Business Act to clarify the authority of the Small Business Administration to provide assistance to small businesses owned by citizens of the United States but domiciled outside of the United States; to the Select Committee on Small Business.

● **Mr. BENTSEN.** Mr. President, I am submitting a bill today that will authorize the Small Business Administration to provide loans and loan guarantees to small businesses that are owned by U.S. citizens but which are domiciled abroad and are engaged in activities that enhance U.S. exports. This will give U.S. exporters abroad the same access to SBA programs that domestic small businesses currently enjoy.

I think this will significantly expand exports by American small businesses and help improve our balance of payments.

It is well known that American small businesses are on the cutting edge of technology and produce goods that are highly innovative and competitive. In many industries, the role played by small businesses generates the innovative, high-technology products that would compete very successfully in foreign markets, as well as in the United States itself.

But all too often we lose these foreign markets because innovate small businesses simply find it too difficult to crack them. They do not have the resources to establish worldwide sales and service organizations, as larger corporations do. They do not have access to financing on world markets.

Small business exports depend on a coterie of U.S. entrepreneurs who have set up businesses in a variety of foreign countries and who act as manufacturers representatives or wholesalers for U.S. producers, and who develop foreign markets for U.S. goods. These individual entrepreneurs abroad are experts on what goods and services may be most appropriate for the countries in which they reside, but as Americans their natural proclivity is to turn to the United States, and to American small businesses in particular, for these goods and services. Many of these traders have been very successful and contribute significantly to American exporting.

For example, one American trader in Japan accounts for over $20 million in exports of paper pulp a year from the United States. He also accounts for $5 million yearly in measuring devices.

An American importer in Hong Kong has introduced many American products into that market, such as "Best Test Rubber Cement and Champion Paper."

An American in Australia started his own business in 1957 and is now a large factor in importing pneumatic tools, heavy earth-moving spare parts, and tractors. He is manufacturing representative for a dozen American companies, including Aero-quip and Shurline.

An American trader in Tokyo imports to Japan, Korea, and Taiwan such American products as LCD displays, LED digits, glass tubes, wood grain vinyl, and other products from American companies.

But, according to spokesmen for these American businessmen, they are limited in their ability to generate new markets for American products because they do not have access to adequate financing. Foreign banks are not interested in making loans to U.S. small businesses, even though they may be located in their countries. Branches abroad of U.S. banks deal exclusively in the wholesale money market and are not equipped to make loans to U.S. small businesses. Furthermore, U.S. banks prefer to lend to domestic businesses because the loans can be guaranteed by the Small Business Administration.

By letting SBA guarantee loans to U.S. businesses in the export business abroad, these businesses will find it much easier to obtain the financing they need to expand their markets. This will help open up new markets for U.S. exports, improve our balance of payments, and open up numerous job opportunities for American workers in American businesses that produce goods and services for export.

I ask unanimous consent that the bill be printed in the RECORD at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2631

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 2 of the Small Business Act is amended by adding at the end thereof the following:

"(e) The Administration shall provide the assistance authorized by this Act with respect to small business concerns which are owned by citizens of the United States, which are domiciled outside the United States, and which are engaged in activities which foster or aid the export of goods and services produced in the United States.".●

By Mr. MATHIAS (for himself and Mr. DOMENICI):

S. 2633. A bill to eliminate the bar of the act of state doctrine to the determination of the merits in certain cases; to the Committee on the Judiciary.

INTERNATIONAL JUDICIAL PROTECTION ACT

● **Mr. MATHIAS.** Mr. President, today I am introducing a bill that has potentially important implications for the American hostages who are now being held in Iran. Although all of our efforts must be centered on the one powerful objective of securing the release of the hostages unharmed, we in Congress can take another action that ultimately may help us to deal with such criminal acts in a manner that befits our long tradition as a law-abiding nation.

Many Americans do not realize that if one of the many plundered victims of Attila the Hun were able to bring Atilla before the bar of justice in a U.S. court, the judge would probably dismiss the case. This oddity in U.S. jurisprudence under which Attila would have gotten off scot-free is known in the trade as the act of state doctrine. It prevents our courts from hearing cases that allege that a foreign government official violated international law. We should act now to free our courts from the restraints of this legal anachronism.

A recent case reminded me of this anomaly in our courts, and strengthened my resolve to do something about it. The case was brought by Dr. Joel Filartiga, the father of a boy who allegedly had been tortured, then murdered, by a police officer in Paraguay. By chance, the officer had moved to the United States, and the bereaved father brought suit against him in New York for violating his son's human rights. The statute under which Dr. Filartiga brought his suit gives U.S. courts jurisdiction over cases brought by aliens alleging violation of international law. Under the act of state doctrine, however, U.S. courts will not "sit in judgment" on the act of a foreign government or official. Dr. Filartiga's case could be dismissed, even if the court has the power to hear it.

All of this is not to try the case of the Paraguayan officer on the floor of the Senate. Besides the merits of the case, the judges sitting in New York will also need to consider close questions of whether the statute on which the suit is based actually does give the court the power to hear human rights cases such as the Filartiga case. They will need to debate issues of foreign sovereign immunity. These are the kinds of issues our courts wrestle with every day.

To insure that this is done in the interest of justice, and to put an end to dismissals by reflex under the act of state doctrine, Senator DOMENICI and I now introduce a bill that directs judges to decide cases before their courts according to the relevant law. We call this bill the International Judicial Protection Act, and it should put our courts in step with the courts of advanced legal systems around the world. It would permit the United States, to the limited extent possible in our legal system, to participate in the development and application of international law. A barricade across the courtroom door is no way to dispose of litigants who have the right to be inside.

The world that crowds in on us from all directions today is one in which some governments exploit helpless aliens, and issue discriminatory expropriation decrees. In a letter to me dated January 8, 1980, Prof. Don Wallace, Jr., of Georgetown's International Law Institute wrote:

> The enactment of a bill that would limit the act of state doctrine, and enable the courts of the United States to declare and apply international law, would permit this country to contribute to the progressive development of international law throughout the world.

Such a demonstration is by now long overdue. The alternative might be a sad spectacle, where U.S. courts, by their very abstention, encourage violations of human rights and international law. The time has come to deal with the outmoded act of state doctrine. This confused doctrine of judicial abstention does harm to us as a nation, and it does harm to the individual men and women who are denied redress in our courts. America prides itself on being a country ruled by the law, where equal justice under law is available to all. We praise our independent judiciary for its renditions of just decisions untainted by political influences. I find it ironic that by shirking a responsibility taken on by other judiciaries around the world, U.S. courts announce that they will take no part in the development or application of international law.

America today is seen drawing back from active participation in a world of open borders and global markets that we helped create. The United States is alone among those nations with advanced legal systems in adhering to this version of the act of state doctrine. Having adopted a practice with roots in 17th century England, our courts have not adapted it to 20th century America. They have, perhaps unwittingly, disputed Mr. Justice Frankfurter's statement that "no court can make time stand still." We in Congress can free our courts from their self-imposed harness, and allow them to apply their wisdom and justice to controversies that need adjudication. It will harmonize our practice with the rest of the civilized world.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2633

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

That this Act may be cited as the "International Judicial Protection Act."

SEC. 2. FINDINGS AND DECLARATION OF PURPOSE.

The Congress finds and declares that the act of state doctrine should not be invoked to preclude the application of international law, including international law concerning the protection of persons and property; and that the act of state doctrine is conceptually and legally separate and distinct from the defense of "foreign sovereign compulsion." The Congress further declares that it is the purpose and intent of this Act to eliminate any bar of the act of state doctrine to the application of international law in the determination of the merits of any case.

SEC. 3. RESTRICTIONS ON THE ACT OF STATE DOCTRINE.

Title 28, Chapter 111, United States Code, is amended by inserting after Section 1656 the following new section:

"Section 1657. Elimination of the act of state doctrine in certain cases.

No court in the United States shall decline on the ground of the federal act of state doctrine to make a determination on the merits in any case in which the act of State is contrary to international law."

SEC. 4. APPLICATION OF INTERNATIONAL LAW.

(a) For purposes of this section, international law shall mean the law referred to in Article 38 of the Statute of the International Court of Justice as further refined by such acts of Congress heretofore or hereafter adopted to clarify principles of international law to be applied to U.S. courts, administrative bodies, and executive officers.

(b) In any case involving a violation of international law by a foreign state with respect to the personal, property, or contractual rights of a person not a national of that state, courts in the United States in deciding such cases shall apply principles and rules of international law.

SEC. 5. FOREIGN SOVEREIGN COMPULSION DEFENSE.

Nothing in this Act shall be deemed to modify the foreign sovereign compulsion defense, which shall continue to remain fully available in U.S. courts.

SEC. 6. REPEAL OF OTHER ACT: EFFECTIVE DATE.

(a) Effective on the date of enactment of this Act, Section 620(e)(2) of the Foreign Assistance Act of 1961, as amended (Title 22, Chapter 32, Section 2370(e)(2)) is repealed.

(b) The provisions of this Act shall become effective on the date of its enactment and shall apply to all cases where a final judgment has not been rendered.●

By Mr. BENTSEN (for himself and Mr. NUNN):

S. 2634. A bill to provide for making payments to certain citizens and nationals of the United States held hostage in Iran, and for other purposes; to the Committee on Foreign Relations.

HOSTAGE COMPENSATION ACT

● Mr. BENTSEN. Mr. President, the unfortunate and tragic events in Iran during the past 6 months, culminating in the aborted rescue attempt last Thursday, have brought anguish and a sense of despair to all Americans, as surely as it has brought no relief for the hostages. Their reported dispersion to several holding points throughout Iran must add greatly to their despair and discouragement.

The hostages are innocent victims of events totally out of their hands. While fulfilling their duties as public servants, they were literally swept up in a tide of Islamic indictment. The burden they shoulder obviously goes far beyond the call of duty. They are, in effect, prisoners of war, although most of them are not military personnel, but civilians. The fact, as reports from visitors have attested, that the hostages can remain reasonably stable throughout this long period is remarkable and a tribute to their bravery and determination to see this episode through to its rightful conclusion.

We in America should remain strongly committed to doing everything we can to free the hostages. It is not only a matter of utmost national concern and duty, but it involves the maintenance and strengthening of our national security.

With this in mind I submit that one means of increasing the pressure on the Iranian Government and militants and, at the same time, give some degree of comfort to the hostages and those most intimately associated with their fate—their families—is to use a portion of the frozen Iranian assets to compensate the hostages. Eligible recipients of Iran's money would also include families of those brave and dedicated servicemen who died while attempting last week to release the hostages from captivity.

On behalf of Senator NUNN and myself, Mr. President, I would like to introduce at this time the "Hostage Compensation Act." Its purpose would be to compensate in a fair and just manner hostages by using Iranian funds held in this country. In this manner it would put financial pressure on Iran; coupled with decreased oil earnings this should put increasingly effective strain on Iran's budget. The bill would be designed to increase compensation after being signed into law, thereby sending the Iranians a message that any further delay in the release of the hostage hurts them even more. Our budget is not strained in the least; as a matter of fact, this bill provides that any excess would be returned to the Treasury of the United States.

Briefly, this bill works like this:

A fund is established under the Secretary of the Treasury containing $1 billion in blocked Iranian funds. Each hostage and other U.S. citizens detained in Iran—thus covering any of those who are hiding in that country—shall receive $200 daily from the fund from the date of capture through the effective date of the act. For any period of time after the effective date of the act, they shall receive $500 daily for each day they are held. The Secretary of the Treasury shall pay a sum, to be set by the President, from the fund to the family or estate of U.S. military personnel killed while on duties related to the hostage situation. The Secretary of the Treasury shall also make payments from the fund to offset Federal agency outlays related to the hostage situation. And all funds left over from such payments shall go into the Treasury's general revenues after deducting administrative costs for the funds.

Mr. President, on behalf of Senator NUNN, I welcome any of my colleagues to suport this bill.●

By Mr. HATFIELD (for himself, Mr. BAKER, Mr. INOUYE, Mr. JACKSON, Mr. LEVIN, Mr. MATHIAS, Mr. PRYOR, Mr. RANDOLPH, and Mr. STEVENSON):

S.J. Res. 170. A joint resolution to authorize and direct the Franklin Delano Roosevelt Memorial Commission to proceed with the construction of the Franklin Delano Roosevelt Memorial, and for other purposes; to the Committee on Rules and Administration.

FRANKLIN DELANO ROOSEVELT MEMORIAL

Mr. HATFIELD. Mr. President, during the Senate's recess for the Easter holiday, the American public paid tribute to former President Franklin Delano Roosevelt upon the 35th anniversary of his death on April 12, 1945, after beginning his fourth term in office. The American people truly felt a deep loss at the death of this charismatic leader, who served as President longer than any other individual who had held that office. Although many of the former President's policies and programs were controversial, there can be no denial of the fact that his leadership was vital in guiding this country through various crises in the 1930's and 1940's. Although we pay tribute to this great man every April, it is flitting that we honor him all year long. Today, I am submitting a resolution, first proposed in the 95th Congress, to authorize commencement of the construction of the Franklin Delano Roosevelt Memorial in West Potomac Park beside the Tidal Basin in Washington, D.C.

The importance of the construction of this memorial goes beyond party ties or political philosophies. Mr. Roosevelt was not my party's candidate for the Presidency, nor were our political philosophies in agreement. My earliest political experiences were those of opposing Mr. Roosevelt's election. In fact, as a fourth grader, I was initiated into politics as a member of a class seeking the reelection of President Hoover. Four years later, in my first gambling venture, I suffered a betting loss of six milkshakes because of my support of Alf Landon. My first political party office was the chairmanship of the young Republicans for Wendell Willkie in 1940, and I cast my first vote for President for Thomas Dewey in 1944.

Although I was on the other side of the fence politically from Mr. Roosevelt, I still remember the great thrill that I felt when, as a midshipman in the U.S. Navy during World War II, I had the opportunity to engage in conversation with the First Lady, Mrs. Eleanor Roosevelt, while traveling on a train from New York City to Poughkeepsie. My memories of Mrs. Roosevelt from that meeting, as well as various other occasions when, as Governor of the State of Oregon, I had the opportunity to welcome her to our State, are of a very gracious and magnificent woman. Since that time, I have come to know and to hold in respect each of the children of the former President, as well as his grandchildren.

Moreover, I think that all the Members of this body, along with the American public, regardless of our political philosophy or persuasion, recognize that Mr. Roosevelt occupied a very important place in our life in leading the country through many crises, from depression through war.

As a member of the Roosevelt Memorial Commission (which is probably the longest existing Commission we have ever had in the history of this Nation), I was involved in the process that at long last resulted in a decision concerning an appropriate memorial to the late President. Since the Commission was established in 1955, it has labored under the excellent leadership of the Honorable Eugene Keogh, the former Representative from New York. Mr. James Rowe, a long time personal friend and associate of the late President, has also given great amounts of time to his work on the Commission. While I mention only these two individuals, I would like to add that every member of the Commission has worked diligently toward achieving this milestone in its work.

After joining the Commission in 1971, I became convinced that the Commission had resigned itself to a program and a project that, to me, was less than imaginative. I do not say that as a criticism, but only as an observation. I, therefore, suggested an approach with which we had had success in developing the Portland Civic Center in Portland, Oreg. After screening many firms across the Nation, seven were selected to submit conceptual plans. In 1975, the firm of Lawrence Halprin and Associates, the same firm that had created the marvelous center in the city of Portland, was chosen to design the memorial. I might say that this organization certainly has worked well with the Commission and with the several departments and agencies of the Federal Government whose counsel and advice we have sought. The National Park Service has provided invaluable assistance, and advice or approval has been received at various different points from the Department of Transportation, the National Capitol Planning Commission, the Department of Health, Education, and Welfare and the Fine Arts Commission.

The design approved by the Memorial Commission is not a building from which visitors will stand apart, but a memorial park which reaches out and involves the people; symbolic of the personality of Franklin Roosevelt, a man always involved and concerned with the people. Water is a central part of the design, symbolizing the importance of water in FDR's life; as Secretary of the Navy, during the time of his illness with polio, and in the Warm Springs, Ga. experience with water therapy. Roosevelt's interest in conserving natural resources is symbolized by the many plantings throughout the memorial. In addition, it will contain, in sculpture and inscription, representations of his most important contributions as President.

In sponsoring this resolution, I am joined by Senator BAKER, Senator INOUYE, Senator JACKSON, Senator LEVIN, Senator MATHIAS, Senator PRYOR, Senator RANDOLPH, and Senator STEVENSON.

It is our hope that all Members of this body will recognize the importance of this memorial. This is not a partisan matter, nor is it an attempt to vindicate all of the policies and actions of the late President. Instead, the construction of this memorial would recognize the place in American history held by Franklin Roosevelt. His imprint upon our Nation has been equal to that of our greatest leaders and is deserving of appreciation by all. I urge my colleagues to support the proposed memorial as a continuing part of our awareness of our American heritage.

I take great pleasure and honor, as a member of the Franklin Delano Roosevelt Memorial Commission, in submitting this resolution for the establishment and the construction of the Franklin Delano Roosevelt Memorial.

Mr. LEVIN. Mr. President, I am pleased to cosponsor the legislation introduced by Senator HATFIELD to authorize the construction of a Franklin Delano Roosevelt Memorial.

Franklin Delano Roosevelt was elected to the Presidency in 1932 when our Nation and the world were in the depths of the greatest depression in recorded history. He taught us that we had nothing to fear but fear itself and infused us with confidence so that we could rise from the depths of dispair to lead the world and our Nation to an unparalleled prosperity. His legislative programs were so innovative that most contemporary measures seek merely to modify or extend programs that were introduced during his administration.

In the light of his singular contributions to the development of our Nation, it is incomprehensible that no suitable monument has yet been erected in our Nation's Capital. We have the Washington Monument, the Lincoln and Jefferson memorials, the Theodore Roosevelt and Kennedy memorials, and memorials to other great Americans. Nevertheless, I can search in vain in our Nation's Capital for a suitable memorial to remind us of the incomparable contributions of one of the greatest of all men who helped to restore our economy and who brought us to the successful completion of a world war against totalitarian tyranny. He was also the person who served us as President longer than any other.

Mr. President, recently I was in London with a group of our colleagues. Senator Pryor and his wife, my wife, both named Barbara, and I went to visit the Roosevelt memorial, I believe in Grosvenor Square in London. We placed some flowers at the foot of the statute and talked to each other about the shame that no suitable memorial exists in our own Capital for this great American. We decided that day that we would try to do something to correct that.

We came back and spoke with a number of our colleagues and found out that Senator Hatfield had indeed taken an interest in this matter and was intending to introduce a bill.

I know that Senator Pryor is one of the cosponsors of this bill today, and I am delighted to join with him and others in cosponsoring Senator Hatfield's bill.

It is said that these monuments to our past are expensive. I say that they pay for themselves in the pride that they engender and in the courage that they give us to believe that we can overcome our fears and our divisions.

I am also aware that President Roosevelt requested that there not be a memorial built after him. He wanted a very simple tablet or stone somewhere in the city. In this regard, I think he was wrong. I think that President Lincoln, if he had been asked, would have been aghast at the idea that a large monument would be built to him with a sculpture 10 or 20 times life size. This is very much unlike President Lincoln. Yet I think that that memorial has made an inestimable contribution to the life of this country.

I hope that we shall do at long last the right thing—not exactly what President Roosevelt wanted and not the thing which is the least expensive, but the thing which is most appropriate for our history.

ADDITIONAL COSPONSORS

S. 938

At the request of Mr. Mathias, the Senator from South Carolina (Mr. Hollings) was added as a cosponsor of S. 938, a bill to revise section 1 of the Clayton Act to expand the scope of the antitrust laws, and for other purposes.

S. 1543

At the request of Mr. Nelson, the Senator from Wyoming (Mr. Wallop) was added as a cosponsor of S. 1543, a bill relating to tax treatment of qualified dividend reinvestment plans.

S. 1843

At the request of Mr. Cranston, the Senator from New York (Mr. Moynihan) was added as a cosponsor of S. 1843, a bill to provide for Federal support and stimulation of State, local, and community activities to prevent domestic violence and provide immediate shelter and other assistance for victims of domestic violence, for coordination of Federal programs and activities pertaining to domestic violence, and for other purposes.

S. 2112

At the request of Mr. Thurmond, the Senator from New Mexico (Mr. Schmitt), the Senator from West Virginia (Mr. Randolph), the Senator from Oklahoma (Mr. Bellmon), and the Senator from Utah (Mr. Hatch) were added as cosponsors of S. 2112, a bill to amend the Surface Mining Control and Reclamation Act of 1977 relating to maps and plans of lands to be mined.

S. 2392

At the request of Mr. Lugar, the Senator from Utah (Mr. Garn), the Senator from Kansas (Mrs. Kassebaum), the Senator from Oklahoma (Mr. Bellmon), the Senator from Oklahoma (Mr. Boren), the Senator from Arizona (Mr. Goldwater), and the Senator from Texas (Mr. Tower) were added as cosponsors of S. 2392, a bill to repeal the Federal requirement of incremental pricing under the Natural Gas Policy Act of 1978.

S. 2586

At the request of Mr. Church, the Senator from Indiana (Mr. Bayh) was added as a cosponsor of S. 2586, a bill to amend the Internal Revenue Code of 1954 to provide for repayment of the oil import fee in the case of certain uses of gasoline.

SENATE JOINT RESOLUTION 119

At the request of Mr. Mathias, the Senator from Rhode Island (Mr. Pell), the Senator from Mississippi (Mr. Stennis), and the Senator from West Virginia (Mr. Robert C. Byrd) were added as cosponsors of Senate Joint Resolution 119, a joint resolution to authorize the Vietnam Veterans Memorial Fund, Inc. to erect a memorial.

SENATE JOINT RESOLUTION 152

At the request of Mr. Mathias, the Senator from Kentucky (Mr. Ford) was added as a cosponsor of Senate Joint Resolution 152, a joint resolution to authorize and request the President to designate the week of September 21 through 27, 1980, as "National Cystic Fibrosis Week".

SENATE RESOLUTION 406

At the request of Mr. Eagleton, the Senator from South Carolina (Mr. Hollings) was added as a cosponsor of Senate Resolution 406, a resolution relating to the need of farmers for emergency credit assistance on reasonable terms and conditions.

SENATE RESOLUTION 407

At the request of Mr. Stevens, the Senator from Maryland (Mr. Sarbanes), and the Senator from Maine (Mr. Cohen) were added as cosponsors of Senate Resolution 407, a resolution to express the sense of the Senate that it offer its congratulations to Americans who participated in the 2nd Olympic winter games for the physically handicapped in Geilo, Norway.

SENATE CONCURRENT RESOLUTION 91—SUBMISSION OF A CONCURRENT RESOLUTION OF DISAPPROVAL OF REGULATIONS RELATING TO GRANTS TO STATE EDUCATIONAL AGENCIES

Mr. PELL submitted the following concurrent resolution, which was referred to the Committee on Labor and Human Resources:

S. Con. Res. 91

Resolved by the Senate (the House of Representatives concurring), That the final regulations submitted to the Congress 1980 pertaining to grants to State educational agencies for educational improvement, resources, and support authorized under title IV of the Elementary and Secondary Education Act of 1965, are disapproved by the Congress pursuant to the provisions of section 431(d) of the General Education Provisions Act on the grounds that the regulations are inconsistent with the laws and are returned to the Commissioner of Education to be modified or other wise disposed of as provided in section 431(e) of the General Education Provisions Act.

● Mr. PELL. Mr. President, today I am submitting a resolution of disapproval of the regulations issued by the Commissioner of Education for title IV of the Elementary and Secondary Education Act—Educational Improvement, Resources, and Support. Authority to disapprove regulations which are inconsistent with the law is contained in section 431(d) of the General Education Provisions Act.

The question at issue concerns the definition of "instructional equipment" eligible for support contained in section 134.4 of the regulations. This definition allows the purchase of physical education equipment with funds appropriated under title IV–B of the act.

Section 421 of the act authorizes funds—

> (1) for the acquisition of school library resources, textbooks, and other printed and published instructional materials for the use of children and teachers in public and private elementary and secondary schools which shall be used for instructional purposes only; and
>
> (2) for the acquisition of instructional *equipment* and materials suitable for use in providing education *in academic subjects* for use by children and teachers in elementary and secondary schools which shall be used for instructional purposes only. (Emphasis added.)

Thus, any equipment authorized by the law must not only be used for instructional purposes but also be related to an academic subject offered by the school. While the regulations deal with the instructional nature of physical education programs, they do not address the question of whether physical education is generally considered an academic subject.

That the Congress did not consider physical education equipment eligible for funding is clearly stated in House Report No. 95-1137 (95th Cong., 2d Sess.). That report draws a clear distinction between materials eligible to be purchased under subsection (1) of section 421 and equipment of a nonacademic nature which would not be eligible under subsection (2):

> Although acquisition of materials designed to impart knowledge relating to music education or physical education could be viewed as acceptable uses of IV-B funds, the Committee does not view band instruments or gym mats and parallel bars as acceptable uses of these funds.

The proposed regulation allows for the purchase of band instruments which are used in an instructional program. I have no quarrel with this interpretation, since the definition of "academic subjects" specifically includes reference to the arts. However, I believe that inclusion of physical education equipment is a clear violation of the law and of congressional intent.

I therefore propose that the Congress disapprove the regulation and return it to the Commissioner for amendment to comply with the law.●

SENATE RESOLUTION 414—SUBMISSION OF A RESOLUTION COMMENDING THE NATIONAL FORENSIC LEAGUE ON ITS GOLDEN ANNIVERSARY TOURNAMENT

Mr. STEWART submitted the following resolution, which was referred to the Committee on the Judiciary:

S. RES. 414

Whereas June 1980 will mark the 50th Anniversary of the National Forensic League;

Whereas the League has over 500,000 members including several Senators and Representatives; and

Whereas the Golden Anniversary Tournament of the League to be held in Huntsville, Alabama, during the week of June 15, 1980, will be attended by about twelve hundred debate champions and their coaches representing forty-seven States: Now, therefore, be it

Resolved, That the Senate commends the National Forensic League on its Golden Anniversary.

Mr. STEWART. Mr. President, this year marks the 50th anniversary of the National Forensic League. Since its inception in 1925, this League has made an immeasurable contribution to this Nation's social and political well-being. The more than 500,000 members of the National Forensic League represent some of our most outstanding leaders and some of our most gifted young people. Members of the League include House majority leader, JIM WRIGHT, and several distinguished Members of this body. My colleague from the great State of Oklahome, DAVID BOREN, is a league member. Senator JOHN CULVER and my colleague from Alabama, Senator HEFLIN, are also National Forensic League members. In addition, the list of members includes Governors, Cabinet officers, and Americans from all walks of life.

The motto of the National Forensic League is "Training Youth for Leadership." The league provides this training for our future leaders by supporting public speaking and debate in the high schools of our great Nation. No one can deny the importance of rational debate in a free, democratic society. Ours is a society in which important and passionate policy issues can be, and are, resolved in a dispassionate and rational manner. The National Forensic League has done much in its 50-year history to perpetuate the skills and values which have enabled Americans to settle their differences without bloodshed or violence. These values and skills have contributed to the continued vitality of our Republic and have been a safeguard against tyranny.

Rational debate and public speaking are fundamental manifestations of the most cherished right of the American people. It is a right that only a precious few in other countries may exercise. Yet it is a right that we Americans often take for granted. This right is the right to freedom of speech, and it is the very cornerstone of any free society. The National Forensic League is to be commended for championing the right of free speech and impressing upon our young people the critical importance of exercising that right.

In this, the golden anniversary tournament of the National Forensic League, I am especially proud of the fact that the league will be holding its tournament in Huntsville, Ala. The selection of Huntsville as the site for this year's tournament is especially significant because it is the first time in the history of the league that the tournament has been held in the Deep South. From June 15 to June 20, more than 1,200 debating champions and their coaches will be coming to Huntsville for the purpose of deciding on the best high school debaters in this country. Those who will be competing have already distinguished themselves in their respective States and have shown their skill and perseverance by reaching the national competition.

Mr. President, today I am submitting a resolution commending the National Forensic League on the occasion of their golden anniversary tournament. This resolution is but a symbolic tribute to an organization that has done so much during its 50-year history to keep this country free. I urge my colleagues in this body to support this resolution.

AMENDMENTS SUBMITTED FOR PRINTING

CRIMINAL CODE REFORM AND REVISION ACT OF 1979—S. 1722

AMENDMENT NO. 1724

(Ordered to be printed and to lie on the table.)

Mr. SIMPSON submitted an amendment intended to be proposed by him to S. 1722, a bill to codify, revise, and reform title 18 of the United States Code, and for other purposes.

Mr. SIMPSON. Mr. President, I want to submit this afternoon an amendment which I hope will command the attention of many of my colleagues. It concerns the Criminal Code, S. 1722, of which I am a cosponsor. Our committee has worked diligently on that particular legislation. In hurried progress to complete the processing of the bill through the Judiciary Committee prior to reporting it to the Senate something happened. To paraphrase it, "a funny thing happened on the way to this forum."

Picture this scenario: A man informs his boss that unless the boss gives him $100,000 within 24 hours he will burn his boss' house to the ground. Is there any Member of this body who would believe that such an act should go unpunished—that this would-be arsonist and extortionist should not go to jail? I seriously doubt that.

Now let us just change that scene just a bit: This same fellow tells his boss that unless he grants that man and his fellow workers a $10-an-hour pay raise, they will burn his house to the ground. Would not commonsense impel you to believe that his threatened act of arson also constituted extortion, and ought to be punished as such? I believe it would.

Unfortunately, section 1722 of the proposed Criminal Code tells us that it would not.

There is no justification at all for this unwarranted special interest group exemption from the criminal laws of this country. I do not address the issue of being one of "pro-labor" or "anti-labor"—or "pro-business" or "anti-business." There is simply no reason to exempt organized labor from the provisions of the extortion section; no more reason than there would be to allow the chairman of the board of the corporation to threaten to burn down the union president's home unless the demanded pay raise were immediately reduced by $5 per hour. The law must apply to all—with equal force.

There must be no special interest group exceptions. Equal justice under law demands no less.

There are those who will insist that these matters ought best be left to State prosecutors—that the Federal Government ought not to interfere. To them I say, "Why then bother having a Federal Criminal Code at all?" With the exception of those peculiarly "Federal offenses," such as espionage, treason, sabotage, or counterfeiting, all of the offenses delineated in this bill may, in virtually all instances, be equally prosecuted by State or local authorities.

There is a twofold answer to that argument. First, there is very often an overriding Federal interest in preventing acts of extortion committed in the context of labor-management collective bargaining negotiations. The legislative history of the Landrum-Griffin Act, and the record documented by former Attorney General and Senator Robert Kennedy in his excellent book, "The Enemy Within" is sufficient proof of that need.

Second, this bill will inevitably and hopefully become a model for the States to follow in any revisions of their criminal codes within their own jurisdictions. If we were to make a "special case" for exempting unions from the extortion laws, then it is regrettably possible that the States would follow our poor example—and there then might be no protection for anyone involved in the situation giving rise to this criminal act, at any level of our Federal system. That is a most dangerous precedent to set—but it is one that I fear that opponents of this amendment silently support, but are fearful of expressing.

The argument will no doubt be made that, in the course of virtually any type of labor dispute that there will be random acts of violence. Random acts of violence are not acceptable during negotiations among Senators or other groups within the society. Why should they then be acceptable acts of human behavior during negotiations between labor and management in collective bargaining?

And it makes absolutely no difference to me whether that violent act is initiated by the chairman of the board of the corporation or by the union president.

However, I am told by some who are allegedly "better versed" in the long history of labor-management relations that such violence is a "historic tradition"—and as American as apple pie. Very well, I do not wish to chop down any more cherry trees than absolutely essential. Therefore, this amendment will apply only to 13 specific and violent felonies:

Any offense in violation of chapter 16, subchapter A (homicide offenses).

Section 1611 (maiming).

Section 1613 (aggravated battery).

Section 1615 (terrorizing).

Section 1621 (kidnapping).

Section 1622 (aggravated criminal restraint).

Section 1701 (arson).

Section 1702 (aggravated property destruction).

Section 1711 (burglary).

Section 1712 (criminal entry).

Section 1721 (robbery).

Section 1831 (leading a riot).

An attempt or conspiracy to commit any of these offenses.

These are extremely serious felonies, some of which are punishable up to 20 years in prison. Surely opponents of this amendment cannot seriously explain to us that these crimes such as arson and kidnapping ought to be an accepted part of labor-management relations in this Nation. I cannot buy that one.

In order to further assure that this amendment does not become a hindrance to the orderly processes of collective bargaining—which concept I will always support here, just as I did in my legislative years in the Wyoming State Legislature—it also retains the current language of the bill that requires that the Attorney General or the Deputy Attorney General, or the Assistant Attorney General for the Criminal Division specifically approve an indictment filed under this revised section 1722.

This is the only section in the Criminal Code that would have such a "prior clearance" provision, but I am reluctantly willing to accept that condition as a basis for restoring what must surely be perceived as a real degree of fairness to this bill. I trust that, on that basis, there objectively ought not to be serious further opposition to its adoption.

OSAGE TRIBE MINERAL RIGHTS—S. 2407

AMENDMENT NO. 1725

(Ordered to be printed and referred to the Committee on Environment and Public Works.)

Mr. BELLMON submitted an amendment intended to be proposed by him to S. 2407, a bill to authorize the Secretary of the Army to acquire, by condemnation proceedings or otherwise, such interests in the oil, gas, coal, or other minerals owned by the Osage Tribe of Indians needed for the Verdigris River and tributaries project, Oklahoma and Kansas, and the project for the Shidler Reservoir, Salt Creek, Okla.

DEVELOPMENT AND SECURITY ASSISTANCE AUTHORIZATIONS, 1981—S. 2423

AMENDMENTS NOS. 1726 THROUGH 1731

(Ordered to be printed and referred to the Committee on Foreign Relations.)

Mr. PELL submitted six amendments intended to be proposed by him to S. 2423, a bill to amend the Foreign Assistance Act of 1961 and the Arms Export Control Act to authorize development and security assistance programs for the fiscal year 1981, and for other purposes.

NOTICES OF HEARINGS

SELECT COMMITTEE ON SMALL BUSINESS

● Mr. NELSON. Mr. President, the Select Committee on Small Business will hold a hearing on the Small Business Energy Conservation Act of 1980, on May 2, 1980.

The hearing will begin at 9 a.m., in room 424 RSOB.●

SELECT COMMITTEE ON SMALL BUSINESS

● Mr. NELSON. Mr. President, the Select Committee on Small Business has postponed its May 7, 1980, full committee hearing on the Impact of Government Procurements until further notice.●

SELECT COMMITTEE ON SMALL BUSINESS

● Mr. NELSON. Mr. President, the Select Committee on Small Business will hold a markup to consider pending legislation, including S. 918.

The meeting will begin at 2 p.m. in room 424 of the Russell Senate Office Building on May 7, 1980.●

SUBCOMMITTEE ON ENERGY RESEARCH AND DEVELOPMENT

● Mr. JACKSON. Mr. President, I would like to announce for the information of the Senate and the public, the scheduling of a public hearing before the Energy Research and Development Subcommittee of the Committee on Energy and Natural Resources.

The hearing is scheduled for May 7, 1980, beginning at 2 p.m., in room 3110 of the Dirksen Senate Office Building.

Testimony is invited regarding the following bills which are presently before the subcommittee.

The measures are:

H.R 507, to authorize Federal participation in stream rectification, Trinity River Division Central Valley project, California, and for other purposes.

H.R. 2111, to extend the service area for the Sacramento Valley Canals, Central Vallejo project, California.

S. 2431, to amend the Emergency Fund Act (Act of June 26, 1948, 62 Stat. 1052). Public Law 80–790.

S. 2545, to authorize certain additional measures to assure accomplishment of the objectives of title II of the Colorado River Basin Salinity Control Act, and for other purposes.

S. 2546, to authorize the Secretary of the Interior to design and construct a gunite lining on certain reaches of the Bessemer Ditch in the Vicinity of Pueblo, Colorado, to prevent or reduce seepage damage on adjacent properties.

S. 2616, to amend the Crooked River Project Act of August 6, 1956, as amended.

For further information regarding the hearings you may wish to contact Mr. Russell R. Brown, of the committee staff on extension 202/224–2366. Those wishing to testify or who wish to submit a written statement for the hearing record should write to the Research and Development Subcommittee, room 3106, Dirksen Senate Office Building, Washington, D.C. 20510 (attention Russell R. Brown).●

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON THE JUDICIARY

Mr. EXON. Mr. President, I make the following requests on behalf of the distinguished majority leader (Mr. ROBERT C. BYRD).

Mr. President, I ask unanimous consent that the Committee on Judiciary be authorized to meet during the session of the Senate today to hold a hearing on S. 2377, the Department of Justice authorization for fiscal year 1981.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. EXON. Mr. President, I ask unanimous consent that the Committee on Energy and Natural Resources be authorized to meet during the session of the Senate today to consider legislation on the potential for improved automobile fuel economy between 1985 and 1995, and to markup S. 1637, a bill to establish competitive oil and gas leasing in favorable areas within producing geologic provinces, and S. 2332, a bill authorizing appropriations to the Department of Energy for civilian programs for fiscal year 1981 and fiscal year 1982.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON ANTITRUST

Mr. EXON. Mr. President, I ask unanimous consent that the Subcommittee on Antitrust of the Committee on Judiciary be authorized to meet during the session of the Senate today to hold a hearing on S. 2477, a bill which provides for nondiscrimination in insurance.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON SCIENCE, TECHNOLOGY AND SPACE

Mr. EXON. Mr. President, I ask unanimous consent that the Science, Technology and Space Subcommittee of the Committee on Commerce, Science and Transportation be authorized to meet during the session of the Senate today to hold a hearing on S. 2015, the Transportation Energy Efficiency Act.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

Mr. EXON. Mr. President, I ask unanimous consent that the Committee on Commerce, Science and Transportation be authorized to meet during the session of the Senate today to hold a hearing on the Coastal Zone Management Act authorization.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON FOREIGN RELATIONS

Mr. FORD. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Thursday, May 1, 1980, to hold a markup on S. 2271, the International Monetary Fund; S. 2423, the International Development and Security Cooperation Act of 1980; S. 2422, International Financial Institutions; and S. 2588, legislation authorizing appropriations for Peace Corps.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

THE WHALE OIL, CHICKEN, AND ENERGY SYNDROME

● Mr. ARMSTRONG. Mr. President, America's ingenuity and creativity—to say nothing of our economic productivity—are being stifled by Federal regulations. Regulations have become so burdensome and expensive that they are literally depriving our Nation of its economic heritage of progress and growth.

As I was reflecting on this horrible trend, I recalled a great speech delivered some years ago by Walter B. Wriston, chairman of the First National City Corp. I dug a copy of Mr. Wriston's text out of my files this morning, and I want to share his thoughtful comments with my colleagues.

Mr. President, I ask that the text of Mr. Wriston's address be printed in the RECORD.

The address follows:

Anyone in our society whose eyesight and hearing are not totally impaired is likely to believe that we are on a collision course with Doomsday. Certainly the energy shortage has produced no scarcity in the rhetoric of crisis. Considering the amount of time and space devoted to predictions of impending disaster, it would appear that the media have sought to validate a variation on Gresham's law: Bad news drives out good.

The compulsion of the media to turn every scrap of bad news into a full-blown crisis distorts our perspective. It neglects to remind us that troubles may be news, but they are by no means new. This negative emphasis ignores the decisive role of human ingenuity in a free society. One of our distinguished historians, Barbara Tuchman, recently put it this way: "The doomsayers work by extrapolation; they take a trend and extend it, forgetting that the doom factor, sooner or later, generates a coping mechanism. . . . You cannot extrapolate any series in which the human element intrudes; history, that is the human narrative, never follows, and will always fool, the scientific curve." How right is her insight; alarmist's curves frequently are based upon downward trends. As early as the sixth chapter of Genesis some believed the world was headed downhill. The doomsayers were already looking back upon better times: "There were giants in the earth in those days."

Prophets of doom have a second weakness. They fail to appreciate man's inherent ability to adjust and innovate. The British economist Thomas Malthus predicted in 1798 that the imbalance between population growth and food production would cause the world to starve to death. The doomsayers called it Malthus' iron law. As time has proved, it was neither iron nor law. Like many of our current crop of transient experts, Malthus fell into the oldest trap of all in the prognostication game. He underestimated everyone's intelligence but his own; he was incapable of imagining that out of the Industrial Revolution would come reapers, threshers, combines and tractors. He did not foresee the era of cheap energy. Nor did he envision chemicals and fertilizers creating such abundance that foolish governments would pay farmers *not* to cultivate the soil.

A third fault accounts for the inability of the doomsayers accurately to predict what will happen. They cling to the belief that there are accepted absolutes in a world of rapidly changing value systems. As the French poet, Paul Valery, put it, we often tend to be marching backward into the future.

Examples abound. A Presidential commission appointed by Herbert Hoover in 1929 later reported to Franklin D. Roosevelt on how to plot our course through 1952. The report was in 13 volumes prepared by 500 "researchers." The summary required 1,600 pages. Yet there was not a word about atomic energy, jet propulsion, antibiotics, transistors or many other significant developments. The World's Fair of 1939, which was dedicated to the World of Tomorrow, not only failed to suggest any of these advances, but did not even entertain the idea of space travel. Herman Kahn's opus on the year 2000 never mentioned pollution, nor was there any real emphasis on the energy shortage. The people who have come closest to predicting the future are some of the science fiction writers, unencumbered by elaborate research or prestigious committees, but with the courage to dream. Jules Verne's wild imagination proved to be more prophetic than the calculations of Malthus.

Our later-day Malthusians, whose forecasts are often dignified with computer print-outs, which substitute for ox entrails in modern day occult prediction, appear oblivious to the fact that man, given the proper incentive and freedom to act, has repeatedly found substitutes for dwindling materials. The United States was denied 90 percent of its sources of natural rubber during World War II, but technological ingenuity created synthetic rubber which is now more widely and flexibly used than the natural product. One of the most common substances in the world is bauxite, but it was not regarded as much of an asset until the way to make aluminum was perfected. Coal was not even considered a resource before the Steam Age, nor was uranium highly valued before the Atomic Age. Since the Industrial Revolution, resources have grown exponentially, step by step, with man's ability to apply fresh technology to his needs. These experiences of yesterday are relevant today. I do not assert that history repeats itself, but offer a reminder that the human story did not begin with today's crisis.

Energy is no exception. Few Americans even remember that from the time of the American Revolution until the Civil War, a major source of artificial lighting was the whale oil lamp. No one should have needed a Congressional commission to predict that the supply of whale oil could not forever keep pace with the demand of a growing nation.

The tragedy of our Civil War disrupted whale oil production and its price shot up to $2.55 a gallon, almost double what it had been in 1859. Naturally there were cries of profiteering and demands for Congress to "do something about it." The government, however, made no move to ration whale oil or to freeze its price, or to put a new tax on the "excess profits" of the whalers who were benefiting from the increase in prices. Instead, prices were permitted to rise. The result, then as now, was predictable. Consumers began to use less whale oil and the whalers invested more money in new ways to increase their productivity. Meanwhile men with vision and capital began to develop kerosene and other petroleum products. The first practical generator for cutdoor electric lights was built in 1875. By 1896 the price of whale oil had dropped to 40 cents a gallon. Whale oil lamps were no longer in vogue; they sit now in museums to remind us of the impermanence of crisis. This cycle, repeated in thousands of other instances, is one which the rulers of the Persian-Arabian Gulf area might well bear in mind.

My capsule review of the whale oil "energy crisis" is one of an infinite series demonstrating the ability of the free market to solve problems of scarcity. Shortgages, then and now, can often be eliminated when prices are allowed to exercise their age old functions—motivate the consumer to consume less and the producer to produce more and spur on someone to develop a new product that is better and cheaper. Shortages become a crisis when government intervenes to frustrate the ability of the free market to function. A free market is not chaos, but a continuous economic referendum; essentially it represents the decision of an infinite number of individuals expressing in action their opinions of values.

Government intervention destroys that path to a democratic decision. The result is non-economic. No one who saw it on television last year will soon forget the wholesale drowning of baby chicks. It was done because the government froze the price of grown chickens at a level which made it uneconomic for farmers to raise and sell them. Government seems loath to learn from experience in tampering with a free market. Drowning the chicks was a rerun of the plowing under of "surplus" cotton and grain and the slaughter of piglets a generation ago. Yet the "liberals" were the exponents of the destruction of such animals. This slaughter was predicated upon the proposition that governments are smarter than markets—which all history refutes. Anyone observing the consequences in our country of price and wage controls can have few illusions left about the efficiency of government-controlled markets. Yet many businessmen and labor leaders applauded this strangling of enterprise at the time controls were initiated.

To a large extent, what we call the energy crisis was made in Washington, just as was the beef shortage and the chicken shortage. A scarcity of energy in the United States was assured as early as 1954, when Congress empowered the Federal Power Commission to set an artificially low wellhead price on natural gas to be used in interstate commerce. This low price ceiling overstimulated consumer demand and discouraged producer initiative—an infallible guarantee of an eventual shortage. It was the chicken syndrome on a grand scale. Likewise, a ceiling on mortgage rates has a great political appeal, but when the government creates inflation, rates rise and the frozen rate becomes the rate at which you cannot borrow money to build your house.

Federal stop-go policies on mining coal, drilling for oil, and the construction and licensing of nuclear energy plants not only have curbed incentive, but also have created a climate of doubt and dilemma. Substituting bureaucratic regulation for the marketplace has always created uncertainty and served first to produce and then to intensify shortages. Whenever our system appears to falter by not providing our accustomed relative abundance at a low price, the people who distrust freedom always stand ready with the simplistic solution: The government should intervene.

There is a paradox in the fact that those who look to government to remedy every economic grievance in our society also want government to get out of their personal lives and stop telling them how to run their affairs. They cannot have it both ways. They cannot ask more and more government intervention in what ought to be a free market and still insist on more and more freedom for themselves as individuals. No people have ever preserved political liberty for very long in an environment of economic dictatorship. We often learn too late that freedom is indivisible.

In America we have what is described as a free enterprise economy, at least in comparative terms. Nevertheless our government today regulates more business practices than most other democracies. This may seem incredible, but it becomes clear when you call the roll. The American bureaucracy regulates the utilities which produce heat, light and power; the railroads (or rather what's left of them); trucking companies, airlines, broadcasters, drug firms, dry cleaners, automobile manufacturers, meat packers, film makers, farmers, brokers, banks and a host of other enterprises. Most of these industries are highly competitive, but government has decreed that they serve a variety of objectives other than selling their products at the lowest possible price. It is not a bad rule of thumb for our Citibank lending officers to remember that the longer an industry has been government regulated, the worse credit risk it tends to become.

Overregulation is partly our own fault. Our history sometimes reveals a cycle. We let something run wide open until the law of compensating forces operates. Businessmen sometimes fail to anticipate or even respond to the demands of the consumer. If this continues too long, the public becomes angry. Typically, then, the industry or the labor union that is perceived to be out of control forms a "self-regulating" group to set standards and police its own activity. These self-regulatory groups usually fail to respond quickly and strongly enough, so that pressure continues to mount and the government steps in. Currently, people of the accounting profession, who could not even agree among themselves on how to book a tax credit, have set up a sort of supreme court of accounting practice to bring order out of chaos. Maybe they can salvage their influence, but unless they are quick and firm, the SEC will take over and thenceforth do it for them. Lawyers who let some of their brethren disrupt the decorum of the courtroom without effective censure are moving into the same zone of trouble. So also are those bar associations who see nothing wrong with publicly recommending people as judges before whom they themselves will soon practice. Failure to reform themselves and to perceive how rapidly our value systems change will create volumes of regulations we will all live to regret.

The legal precedent upon which much of our regulation is still based was established in 1670, when Lord Chief Justice Hale declared that "property does become clothed with a public interest, when used in a manner to make it of public consequence, and affect the community at large." Defining the public interest in precise terms has occupied the time and attention of generations of judges and lawyers, economists and accountants, businessmen, labor leaders and politicians at a cost of billions of dollars to government and industry. With the passage of time, the doctrine of public interest has become buried beneath an avalanche of charges and briefs, statistics and analyses.

The regulator is always adjured to serve the public interest. Sooner or later he usually develops into both judge and jury, and often into prosecutor as well. Congress should legislate. The Executive should enforce the law. The courts should interpret the conflict. Instead of this, Congress does it best to bypass both executive and judicial branches and create separate institutions that combine legislative, executive and judicial functions, thus defying the basic rule of the Constitution—the separation of powers. The new regulatory body then makes rules with the force of law, and an administrative judge, who is often an officer of the regulatory body, then becomes prosecutor, judge and executive all at the same time. The regulatory body substitutes its opinion for the judgment of the free market. As time goes on, the bureaucracy changes the active verb "to compete" into the passive "to be regulated." This process tends to create a rigid, backward-looking system—which is neither business-oriented nor consumer-oriented. Instead it is bureaucracy-oriented.

Time and again when there is opportunity to introduce a new technology, or a new service to meet public need, the regulator's first question is not whether the consumer or the public will be better served, but rather whether or not what is new fits into the regulatory pattern. Can it be regulated? Will it require a new statute? Does it call for a shift in policy? The result has often been that what the regulator cannot regulate, he will not approve.

The Eurodollar market is a perfect example. Its birth and continued health is a monument to overregulation. Congress, in its economic wisdom, decreed that American banks could not pay interest on demand deposits. Italian banks, owned by their government, had a cartel which put a floor of 7 percent under interest rates charged to borrowers. There is a lot of daylight between zero return and 7 percent—and so the dollars moved away from zero toward a better rate of return. Extreme regulation on two sides of the Atlantic unintentionally created a new market. The bureaucrats of the world, who by definition dislike free markets, have been worrying about this flow of funds ever since. They no longer really want it to go away, since it helped finance the European postwar boom; on the other hand they would like to regulate it. Its very existence undermines their argument that nothing can work for the good of the world without government control.

Many industries continue to be regulated as though they were monopolies, whereas in fact new competitors have long since taken away a good share of their business. Free competition which grows up outside the reach of the regulator creates a whole new situation with the odds heavily stacked against the regulated. The railroads were put at a disadvantage when the truckers began to siphon off revenues; so were the scheduled airlines when the chartered flights began to invade the market of the regular carriers. Instead of welcoming the competitive challenge posed by new industries, or applauding the new benefits to the public, the regulatory reflex was to reach out and regulate the new lot also—permitting no industry to either win or lose on is merits, but causing the public to pay the check for poorer service and higher costs.

Creativity, particularly the invention and application of new technology, requires brains, capital and hard work. Reward runs with risk but the regulatory system is not receptive to change. Thereupon talented people move on to areas where talent is rewarded. With some notable exceptions, the history of railroad regulation is a classic example of this. It also demonstrates opposition to change through improved technology.

Before the Interstate Commerce Commission clapped the railroads into a regulatory straitjacket, railroads were pioneers in technology—creating the standard track gauge, new freight cars and safety devices. One of the first acts of the ICC was to tell the railroads that rails should be made of domestic iron—not imported steel which at the time was far more durable. Time after time, efforts of the railroads to improve efficiency through the introduction of new and applied technology were hampered by infuriating and costly delays in regulatory decisions. The regulators expended their efforts in getting tariffs which distinguished between horses for slaughter and horses for draught, between rates for sand used for cement and sand used in glass-making. This bureaucratic concern with trivia, instead of key issues, at a time of trouble can only be compared to the steward's obsession with rearranging the deck chairs on the Titanic. Predictably, many railroads chugged slowly down the road to ruin.

Now more than ever, we need efficient healthy railroads; so the King Canutes of the ICC issue 20 pages of regulations! If the situation were not so serious, it would be funny. Louis Menk suggested delicately to the ICC what the problem was. "It has become hellishly unworkable, a dismal failure that has made a shambles of our national railroad system. . . . I take issue with the erosive system of regulation that has wasted a substantial portion of this nation's rail system and threatens the rest of it." With the return on capital of our national railways under 3 percent, investors are not standing in line to buy railway securities. Things could be worse—the government could own and operate the railroads. Japan does and we hear how fast and clean they are. What you do not so often hear is that Japan employs 450,000 people for about 13,000 miles of track; the Union Pacific with roughly 9,500 miles of track employs 28,000 people. Government productivity is not so good, even in Japan.

Our current energy crisis furnishes another fork in the road. If you look beyond the panic and concentrate on the problem there are a number of ways we can go. We can create a new ICC for oil and gas with the absolutely predictable result that the current market dislocations will become institutionalized, and temporary scarcity will be regulated into permanent shortages. The 1973 chicken syndrome should still be fresh in our minds, and we may yet have time to prevent our government from repeating the same mistakes with energy that we made with price and wage controls.

The other way to go is to permit the enormous innovative talents of the American people to function. Just as Malthus' iron law was relegated to the library stacks by the fantastic increase in agricultural productivity, and the invention of kerosene and practical electric generators took the whale oil lamps out of the homes of America and put them in the musuem, our current energy problem will also be solved in a myriad of ways that no one here can now forsee—if we let the free market operate. Whether it is whale oil, baby chicks or energy, control by a bureaucracy is no match for the free market in the allocation of human and material resources for the good of all.●

REDUCING GLOBAL POPULATION GROWTH

● Mr. CRANSTON. Mr. President, the distinguished Senator from Hawaii (Mr. Inouye) has been selected legislator of the month by the Population Action Council because of his strong advocacy of meaningful humanitarian assistance to improve the quality of life in the third world and his recognition that reducing global population growth is essential to this effort.

As chairman of the Foreign Operations Subcommittee of the Senate Appropriations Committee, Senator Inouye has demonstrated his commitment to improving conditions for the poorest of the poor—not only because it will enhance world stability and security, but because it is a matter of human decency.

His commitment to improving the quality of life was expressed clearly in his remarks to the Population Action Council when that organization honored him as legislator of the month. I ask that a copy of his remarks be printed in the Record.

The statement follows:

Remarks of Senator Daniel K. Inouye

Thank you, Mr. Fornos. (Director of Population Action Council.)

I know that this group of people are among the best informed in the world on the dimensions of the population problem. So, I am not going to recite the litany of population growth statistics which we all know and which we all find so alarming. Instead, I would like to share with you some of my concerns and to speak briefly about those aspects of the population crisis which reveal the human—the individual—tragedy of continued high levels of population growth.

Let us first agree on one thing: Despite the fact that the annual rate of increase in population growth has slowed in recent years, annual increments in population growth are still rising. Thus, while it is tempting to take comfort and assurance from the unprecedented decline in birth rates, we must recognize that barring disaster, world population is bound to double and may even triple.

The flood tide of world population is still rising. At the present annual rate of increase—about 1.7 to 1.9 percent—an additional 80 million persons must be supported by the world's diminishing resources each year. This yearly increase, which will continue throughout the remainder of this century and well into the next, threatens to inundate entire economies and societies and to drown the hopes and aspirations of countless millions for a better life.

No one knows, of course, what it will be like to live in a world having two or three times as many people as today. In geographic distribution, United Nations projections indicate that the proportion of people living in developing countries will continue to rise in the remainder of this century—from 66 percent in 1950 to 78 percent in 2000. And it is in the developing world that today we find the most acute expression of the population crisis.

The vast majority of people in the developing world are continually undernourished. In the period 1968–1977, a painfully achieved food production increase of 2.9 percent a year was largely offset by a population increase of 2.6 percent. In many countries, particularly in Africa, population growth outpaced increases in food production and the people were even more destitute.

In the present day, the lack of meaningful employment in rural areas has caused millions to swarm to already overcrowded cities. Sprawling shantytowns with no sanitary facilities and inadequate water supplies have grown like festering sores on the body politic. The people living in the shantytowns are acutely aware of the disparity of wealth and poverty around them. The potential for unrest and political turmoil among economically destitute urban masses is alarming.

In rural area, conditions are even more critical. The press of population and intensified efforts to increase food production have led to a crippling cycle of environmental degradation. Depletion of the soil through intensive farming often leads to slash-and-burn agriculture, which, in turn, leads to accelerated soil erosion. Deforestation—both to expand croplands and to provide cooking and heating fuel—and overgrazing have left millions of acres as barren wastelands which can be recovered only with vast expenditures of money and lengthy periods of time.

In the developing world so many people are caught in the swirling vortex of absolute poverty—the maelstrom of unemployment and urban overcrowding, of overburdened public services and overtaxed environment—that the probability of famine, of epidemic disease, of political and social unrest, rises with every passing day. Some observers of the explosive conditions in the developing world today have concluded that the world will never see another doubling of population—that population density will reach a critical mass long before that occurs.

This leads me to two specific points that I would like you to consider. First, the growing population of the world presents a challenge which must be faced now—not tomorrow or next year, but now. For this reason, the Foreign Operations Subcommittee, which I am privileged to chair, has argued that the United States should concentrate and expand its efforts to provide "direct" population planning assistance (delivery of family planning services to rural areas, procurement of contraceptives, and other forms of assistance that have an immediate, direct impact) and we have suggested that "indirect assistance" (research, data collection, and other long-term socio-economic studies) should be funded only where there are specific research objectives and only when such activities are of a problem solving nature directly related to overcoming barriers to our bilateral population planning programs. We believe it is of paramount importance to recognize that 85 percent of the people in the developing countries do not have the benefit of services utilizing existing knowledge and existing techniques for population planning.

Second, I want to note the vital role played by organizations such as The Population Action Council. Bureaucracies move ponderously slowly. The prodding, the encouragement, the direction that groups such as The Population Action Council provide can be, and often is, of invaluable assistance in getting the bureaucracy to move. Through the information provided in your publication Popline, through your conferences, and through the countless individual contacts that your members make, The Population Action Council is making a direct and substantial contribution to the solution of the world's population problem. For this, it is I who should honor you.

Let me conclude with a sobering thought. Population stabilization is not an end in and of itself. If the governments of the world do not take prompt and effective measures to slow the momentum of population, they will be abdicating their responsibilities to the harsh dictates of nature. The population of the world will stabilize. The question is whether it will stabilize as a result of starvation and disease, or as a result of strong, purposive actions by governments making the means and knowledge of family planning available to their people. If, as is not yet certain, the developing countries are able to gain control of their birth rates, they will at least have the prospect of improving the quality of life for their people.

That is my hope. And I know it is yours. Let us continue to work together to enlist the cooperation and resources of the governments of the world in meeting this great challenge. I pledge to you my continued efforts. I will not turn away before the challenge of controlling the world's population growth is met and won.

Thank you.●

GOV. LUIS MUNOZ MARIN: CHAMPION OF PUERTO RICAN DEMOCRACY

● Mr. McGOVERN. Mr. President, I was saddened to learn of the passing this morning of Luis Munoz Marin, former Governor of Puerto Rico. Governor Munoz Marin was a towering political figure in Puerto Rico's modern history. He was responsible for developing the Commonwealth relationship which has linked our two countries for so many years. As the first elected Governor of Puerto Rico under the Commonwealth self-rule plan, Mr. Munoz Marin not only guided the political modernization of the island but he also turned his creative talents to the social and economic development of Puerto Rico. His administration organized Operation Bootstrap which launched Puerto Rico's economy into the industrial era.

The achievements of Luis Munoz Marin take on an even greater significance when they are considered in the historical context of Latin America as a whole. He fostered a belief in democracy at a time when many if not most of the other states in Latin America had turned to military dictatorship and repressive regimes. He believed in democratic institutions not just for Puerto Rico but for the peaceful evolution of the entire region. He made Puerto Rico into an example. Along with Betancourt of Venezuela and Figueres of Costa Rica, Governor Munoz Marin is rightly known as the Father of Latin American democracy.

I had the honor of meeting Luis Munoz Marin only late in his life. During my study mission to Latin America in 1978, I spent several hours at his home discussing political trends in the region and American attitudes toward the Panama Canal treaties and other key issues. Although the signs of his illness were evident even then, he was an alert and wise counselor who helped me to gain a better understanding of the democratic process in Latin America.

Mr. President, Gov. Luis Munoz Marin was a great statesman. His vision of democracy and social justice influenced Puerto Rico's institutions and extended to all of Latin America and, through his work with President Kennedy in the Alliance for Progress, to the

United States and the American people as well. We shall miss this great champion of human rights.●

NAVAL PETROLEUM RESERVE STOCKPILING OIL: A FOOTNOTE

● Mr. DOLE. Mr. President, on April 23, I introduced S. 2598, a bill designed to put a halt to the net depletion of our naval petroleum reserves at Elk Hills and Teapot Dome. As the Government continues to sell oil from our reserves to private companies on the west coast, they are at the same time removing a vital link in our strategic posture. Our naval petroleum reserves were envisioned to provide as a reserve in time of war for our oil fired naval ships. While the years the need for a reserve specifically designated for naval use may have declined; the need for a strategic petroleum reserve to serve as a form of energy insurance in the event of an Arab embargo or similar supply interruption has dramatically increased.

In view of current world conditions and our all-too dependent state on foreign crude it is hard to believe that the administration is currently depleting our only real strategic reserve at the rate of approximately 130,000 barrels per day for nonstrategic purposes.

Mr. President, today's Washington Post carried an editorial which points out the folly of this policy of "energy insecurity" and I commend it to my colleagues. I ask that the editorial be printed in the Record.

The editorial follows:

Stockpiling Oil: A Footnote

In California, the federal government is producing oil from its Elk Hills reserve and selling it to commercial refiners. On the Gulf Coast, the same federal government has run out of imported oil to put into its strategic reserves. The obvious solution, as we recently argued in this space, is to use the Elk Hills oil for the reserve. Several readers have asked whether it wouldn't be simpler and better to shut down the Elk Hills wells and leave the oil in the ground until an emergency might require it. The answer is a technical point, but one worth noting here.

When an oil well taps into a natural reserve, in layers of sand and porous stone, its production rate is limited by geology. Attempting to produce too fast will wreck the well and damage the reserve. The government's share of the Elk Hills production currently runs about 128,000 barrels of oil a day. Increased drilling and advanced technology can raise that rate a bit over the coming year. But beyond that, the engineers cannot force the pace.

In contrast the strategic reserves are being held in artificial underground caverns like huge tanks. Recovery rates there are limited only by the size of the pumps. The present pumping system was tested last week, and moved one million barrels of oil from the caverns into commercial terminals in 21 hours. Since it was a test, the oil was then poured back into the caverns. But in a crisis—another embargo by exporting countries, for example—that oil would move from the terminals to refiners and on to consumers.

Over the next year, working at its maximum rate, the Elk Hills field will produce some 50 million barrels of oil for the government. If that oil went into the strategic reserve, it could be fed into the national distribution system in six or seven weeks. The reserve in the caverns doesn't increase the amount of American oil available. But it makes that oil available much faster.

When the government auctioned off the last batch of Elk Hills oil at the beginning of the year, the prices were shockingly high. How can the United States urge OPEC to hold down prices, when the United States government itself is selling oil for more than any member of OPEC charges? The government can avoid that dilemma by taking the oil off the market and putting it into the reserve, to be accessible—quickly—when the country needs it.●

SOCIAL SECURITY AND SUPPLEMENTAL SECURITY INCOME BENEFICIARIES TO RECEIVE 14.3 PERCENT COST-OF-LIVING ADJUSTMENT

● Mr. NELSON. Mr. President, more than 35 million social security beneficiaries will receive a 14.3-percent cost-of-living adjustment in July.

This increase is based upon the rise in prices from the first quarter—January, February, and March—in 1979 to the first quarter in 1980.

The cost-of-living adjustment will provide welcome relief for older Americans, disabled persons, and survivors because they have been especially hard hit by the double-digit inflation during the past year. Many are already struggling on limited incomes.

On an individual basis, the cost-of-living adjustment will increase average monthly social security benefits from: $289 to $330 for a retired worker alone; $493 to $563 for an aged couple; and $271 to $310 for an aged widow.

Mr. President, I ask that a table describing the impact of the 14.3-percent cost-of-living adjustment for social security and SSI beneficiaries be printed in the Record.

The table follows:

Monthly social security benefits: Impact of 14.3 percent cost-of-living adjustment

	Present Law Rate	14.3 Percent Cost-Of-Living Increase
Maximum benefit for worker retiring in 1980 at age 65	$572.00	$653.80
Minimum benefit for worker retiring at age 65	133.90	153.10
Average benefit, retired worker alone	289.00	330.00
Average benefit, retired couple	493.00	563.00
Average benefit, aged widow	271.00	310.00
Average benefit, mother and two children	680.00	778.00
Average benefit, disabled worker with wife and children	637.00	728.00
Average benefit, all disabled workers	323.00	370.00

Monthly supplemental security income payments standard (Federal)

	Present Law Rate	14.3 Percent Cost-Of-Living Increase
Qualifying individual	$208.20	$238.00
Qualifying couple	312.30	357.00

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DISSIDENT TRIALS IN TAIWAN

● Mr. CHURCH. Mr. President, I submit for the Record, a statement by Senator Kennedy concerning trials of dissidents in Taiwan. Senator Kennedy asked that I insert this statement of concern in his absence.

Mr. President, I wish to associate myself with his remarks. While I have been a firm defender of Taiwan's security, I hope that the harsh sentences meted out in this instance will be reduced in the name of compassion and in the interest of free political expression.

The statement follows:

Statement by Senator Kennedy

I am deeply concerned by the recent sentencing of eight Taiwanese political dissidents to lengthy prison terms.

I had been encouraged by reports from observers of the trials, who informed me that, even though coerced confessions were admitted as evidence, the defendants were allowed to speak freely in their defense. The handling of the trials, and the compassionate temporary release of Lin Yi-hsiung following the brutal murder of his mother and two of his daughters, gave renewed hope for continued political liberalization in Taiwan.

Although the death penalty was not imposed, the severity of the sentences—life for Shih Ming-teh, 14 years for Huang Hsin-chieh, and 12 years for each of the other six, including people who had received advanced legal and professional degrees from American graduate schools—will impede any sense of movement toward national reconciliation and moderation.

I am also greatly disturbed by today's indictment on charges of sedition of the Reverend C. M. Kao, General Secretary of the Presbyterian Church in Taiwan and a well-known believer in democracy and human rights. Reverend Kao has been a consistent advocate of peaceful political change for the island, and friends of Taiwan will simply not understand a judgment against this respected church leader.

I sincerely hope that new positive steps can be taken and that the appeals process will allow for reduced sentences and renewed movement toward political liberalization, which had been halted by the repressive crackdown in the wake of the "Kaohsiung incident." I also hope that the indictment of Reverend Kao will be reconsidered. As a staunch supporter of the security of Taiwan, I believe it is important that such progress can be made for the Taiwanese people; otherwise, discontent and political tension in Taiwan may increase.●

BIG SUR COAST NATIONAL SCENIC AREA

● Mr. CRANSTON. Mr. President, last Thursday, April 24, the Senate Energy and Natural Resources Committee held hearings on my bill, S. 2551, to establish the Big Sur Coast National Scenic Area in the State of California. Since there is considerable public interest in this legislation to protect one of the most scenic and undeveloped coastlines in the United States, I want to share with my colleagues my statement at that hearing.

The statement follows:

STATEMENT BY SENATOR ALAN CRANSTON

Mr. Chairman, I deeply appreciate your taking the time from your busy schedule to chair today's hearing on S. 2551, my bill to establish the Big Sur Coast National Scenic Area in the State of California. The Big Sur Coast truly is a national treasure. The rights of homeowners must be safeguarded. So should the rights of all Americans, and all posterity, to enjoy the fantastic stretch of undeveloped coastline—the longest and most scenic in the contiguous 48 states.

Each year more people visit the Big Sur Coast than Yellowstone or Yosemite—nearly 3 million Americans a year make the incredibly beautiful drive along California State Highway 1 overlooking the Pacific Ocean.

Those who know and love Big Sur want to preserve it the way it is today. This is especially true of the residents of the immediate area—although, of course, they have a variety of views about how to go about doing so. With local citizen support, the State of California and the local county governments are doing everything they can to protect the Big Sur Coast through zoning and the local coastal program being developed under the California Coastal Act.

But in spite of these efforts, piecemeal residential and commercial development is occurring which—over a period of time—will alter the existing character of the Big Sur Coast and degrade its natural beauty. Tourist visitation and associated vehicular traffic are also seriously impacting the fragile coastal ecosystem of Big Sur.

The California Coastal Commission readily acknowledges that there are certain limitations on the state's ability to control land uses along the Big Sur Coast effectively and that it is going to take more than local regulation and tax dollars to protect Big Sur permanently. According to Michael Fisher, Executive Director of the California Coastal Commission, it appears extremely likely that the long-run benefits of federal assistance in the protection of Big Sur could be of great value in complementing those measures which will be contained in the local coastal program.

While it will be possible to regulate development carefully under the California Coastal Act, the Commission advises me further that we must face the fact that even this limited degree of development over the long run will still inevitably result in substantial changes in some aspects of Big Sur's existing physical and community character. I agree with Michael Fisher that regulatory programs, by their very nature, are impermanent, and if our objective is to pass the Big Sur Coast on to future generations, regulations alone will be a chancey guarantee.

Unfortunately, Mr. Fisher is unable to be here today to testify on behalf of the California Coastal Commission. However, he has asked me to submit for the record his letter of support of S. 2551, and an accompanying letter to Congressman Leon Panetta which outlines the status of the current regulatory and resource management proposals and their possible implications for long-term protection of Big Sur. Among other things, these limitations include the lack of funds to acquire lands essential to protect ocean views from Highway 1 and legal constraints on the state's ability to manage traffic on Highway 1 and minimize highway congestion.

In summary, he says "The entire nation will benefit from efforts directed at preserving the priceless resources of Big Sur; we wish to give you as much encouragement as possible in moving toward that goal. . . . It is our view that your legislation is extremely well thought-out and carefully directed toward most pressing problems of Big Sur. Your proposal to establish a National Scenic Area and to employ the Forest Service as the responsible agency will meet the major need of the Big Sur, especially the protection of its vast scenic and natural resources. Your legislation also contains the proper degree of restraint in the exercise of federal authority that is required to be responsive to local concerns. All in all, we praise the care with which you have drafted the proposed statute."

Mr. Chairman, S. 2551 would establish a Big Sur Coast National Scenic Area administered by the U.S. Forest Service. Included within the scenic area would be about 70,000 acres of private lands in Monterey County south of the Mal Poso Creek; the entire Monterey District of the Los Padres National Forest, about 410,000 acres; the Hunter Liggett Military Reservation, about 168,000 acres; some state park lands and property owned by the University of California; and about 50,000 acres of land in San Luis Obispo County north of San Simeon owned by the Hearst Corporation. In all, more than 100 miles of magnificent coastline in Monterey and San Luis Obispo County would be protected.

I am aware that the Hearst Corporation is opposed to the inclusion of any of its land within the scenic area. I had originally included the property within the boundaries of the scenic area because it is generally considered ecologically part of the Big Sur Coast which extends all the way to San Simeon and the beginning of the four-lane highway. Inclusion of the northern portion of the Hearst Ranch may make sense from the standpoint of coordinated management—for what happens at one end of scenic Highway 1 impacts at the other. At the same time, I recognize that there is a difference between the situation in Monterey County where there are hundreds of landowners and multiple pressures for development and San Luis Obispo County where there is one property owner whose development may be restricted by highway capacity and limited water supplies.

The California Coastal Commission does not address this issue in its testimony although Executive Director Michael Fisher tells me he is quite interested in protection of the scenic highway corridor on both sides of the Monterey/San Luis Obispo County line. I've begun discussions with the Hearst Corporation on an appropriate southern boundary for the Big Sur Coast National Scenic Area and hope that we can reach a satisfactory agreement. In the meantime, I hope this Committee will seek additional information from the California Coastal Commission, the Forest Service, and other witnesses on this boundary issue to clarify whether there are compelling management and resource protection needs for inclusion of this land.

I would now like to comment briefly about Forest Service land acquisition contained in S. 2551. The bill provides that the state and local lands within the scenic area be acquired only by donation or exchange and that the military lands be transferred to the Forest Service automatically whenever the Department of Defense determines it has no further need for the property.

Regarding the private lands within the scenic area, the bill provides for both fee title acquisition and purchase of scenic easements or other interests in land. When it is the best use of tax dollars, I anticipate that less than fee title acquisition would be used to purchase scenic easements or development rights to accomplish our objective of preservation.

Generally, I contemplate land acquisition on a willing buyer, willing seller basis. I have written into the legislation strict controls on the use of condemnation. To repeat, there must be no use of condemnation except under the very limited circumstances specifically mentioned in the bill. That use would be carefully circumscribed in the following ways:

First, prior to the adoption of a comprehensive plan for the management and development of the scenic area, condemnation could occur only if the Secretary of Agriculture finds that a property has undergone a change in use that is substantially incompatible with the use of the area as a national scenic area. Second, after the adoption of the comprehensive plan, condemnation can be used only if there is a new use of the property that is inconsistent with the comprehensive plan, or if the property has been identified in the land acquisition plan and the owner of the property has not given the Secretary of Agriculture the right of first refusal when the property is disposed of to anyone other than a direct linear descendant. Third and finally, the Secretary of Agriculture can use condemnation to acquire no more than 5% of the total private lands necessary for public access and recreational use.

Some local landowners have expressed objections to the provision concerning the government's right of first refusal if a sale is contemplated to a party who is not a direct lineal descendant. I appreciate their concerns—and to some extent I share them. But this appears to be a reasonable means of achieving the objectives of this Act. There may be other appropriate ways to do so and I'm sure the Committee will want to explore this matter in depth.

The legislation does not specifically preclude acquisition of existing, occupied structures, but it was my intention to preclude the use of condemnation for this purpose. I do not believe that we should purchase people's homes against their will even to protect the beauties of the Big Sur Coast or to provide good public access and recreation use in Big Sur. I do believe the government should be able to purchase existing structures for these purposes—from a willing seller. I believe there will be few such cases. I thus recommend that the condemnation language in the bill be clarified accordingly.

Mr. Chairman, I believe that with these amendments the stringent limitation on condemnation authority will protect the private property owners on the Big Sur Coast, and ensure that they will know what kinds of new activities and changes in use of their land are incompatible with the scenic area by reference to the comprehensive plan.

I am also aware that the local interests are concerned about the extent of possible development by the Forest Service along the Big Sur Coast. Development clearly is not the intent of my legislation. My only purpose is to perpetuate the existing scenic and agrarian character of the coast, not to encourage recreational development. In order to ensure that the Forest Service does not overdevelop the Big Sur Coast, I would like to see the bill amended to limit the amount of land that can be acquired for administrative purposes. The U.S. Forest Service advises me that it already has committed 69 acres of land within the Monterey District of the Los Padres National Forest to administrative use, and has another 27 acres on the coast for administrative purposes—employee housing, offices, visitor information, warehouses, and fire stations—for a total of 96 acres. I believe that there should be a ceiling of 100 acres total for administrative use. That would mean that no more than 4 additional acres could be acquired for this purpose at the very most. This is a small amount of land compared to the over 700,000 acres within the boundaries of the proposed Big Sur Coast National Scenic Area.

Finally, I'd like to add a comment on the visitor transportation plan element of the comprehensive plan for the management and development of the scenic area. I am merely proposing that the Forest Service, in consultation with the advisory commission set up under the bill, study the need for some kind of visitor transportation system. I personally question the appropriateness of any suggestion that visits to Big Sur be limited to busing people through the area and this definitely is not mandated nor contemplated in the legislation. I do believe that there needs to be coordination among federal, state and local agencies with respect to visitor use of Highway 1, and I feel that the comprehensive plan should look at this issue.

Mr. Chairman, I continue to support the other provisions of my bill as originally introduced. This includes, among other things, the development of a comprehensive plan by the Secretary of Agriculture for the management and development of the Big Sur Coast National Scenic Area, and the preparation of a federal land acquisition plan as part of that comprehensive plan; the appointment of a citizens' advisory commission by the Secretary of Agriculture to work in joint partnership with the federal government in the preparation of the comprehensive plan so as to ensure continued local involvement in the planning process for the Big Sur Coast; the authority for the Secretary to lease back for grazing or other agricultural use any agricultural lands acquired by the federal government to perpetuate the pastoral character of the Big Sur Coast; and authorization of monies from the Land and Water Conservation Fund over a ten-year period since it is anticipated that land acquisition would take place over time as owners of property identified in the land acquisition plan decide to sell. I understand that for management purposes, the Forest Service will recommend that the boundaries of the Los Padres National Forest be adjusted to include all the lands within the Big Sur Coast National Scenic Area, and I have no objection to the bill being amended in this regard.

Mr. Chairman, because the Big Sur Coast is truly a national treasure, I strongly believe the federal government should take these steps now to protect the scenic beauty of the Big Sur Coast. Right now, because the state and local governments and local residents themselves already have done so much, we have a unique opportunity to act before there is significant degradation or even a major threat to the resource. But as I stated in the beginning of my testimony, if we wait, their efforts will unravel and then we will be asked to deal with a state of emergency and to arrest development already underway. And as more development takes place—including the possible subdivision of one or another of the larger ranches on the Big Sur Coast—with a consequent increase in land values, the cost of federal land acquisition will be substantially more for significantly less land.

Mr. Chairman, I think that in the years to come we will all look back and be extremely proud to have played a major role in the endeavor to protect the magnificent Big Sur Coast for all time for all Americans. I hope that you will act favorably on the legislation, and I look forward to working with you and the Committee staff on any changes needed in the legislation. Again, my thanks for your helpfulness, and the opportunity to testify.●

POSTAL SERVICE MUST LISTEN TO WHAT PEOPLE WANT

● **Mr. McGOVERN.** Mr. President, there is a strong consensus in South Dakota, and I suspect in other States as well, that we need full 6-day mail service.

The current problems in this area began when the Congress and the administration determined that the Federal budget for the 1981 fiscal year must be brought into balance. This is a worthwhile goal, and I support it.

But, everytime we begin to balance the budget it seems that the prime candidates for major reductions are individual entitlements to the elderly, those in need and the social services, together with cutbacks in vital public services.

The current budget balancing act is no exception. When the President submitted his budget for fiscal year 1981 last January, it contained a public subsidy of some $1.6 billion for the U.S. Postal Service (USPS).

As part of a revised budget, the administration then recommended that the Postal Service subsidy be cut by some $250 million. The House Budget Committee figures call for a $836 million reduction and the Senate Budget Committee has recommended a $583 million cut.

Responding to these proposed reductions in public subsidy payments, postal officials indicated that full 6-day mail service would probably be ended, and we would have 5-day service instead. Although the likely day to be eliminated would be Saturday of each week, the Postmaster General left open the option to select a weekday instead.

After meeting with the Board of Governors of the U.S. Postal Service, the Postmaster General then announced that USPS would request a substantive increase in postal rates from the Postal Rate Commission. It was thought that these increases would bring in an additional $3.7 billion in postal revenues to be used to meet rising wage and transportation costs. For the average citizen, the most visible portion of the proposed rate hike would be in an increase in the cost of a first-class stamp from 15 to 20 cents. None of the anticipated $3.7 billion in anticipated additional revenues, however, would be used to retain full 6-day mail service.

Mr. President, the U.S. Postal Service is playing a dangerous game. Rather than try to reach an accommodation with the budget reduction process and maintain full 6-day postal services, USPS has elected to place the entire burden of retaining the service on the Congress and the administration in terms of a public subsidy for that service while, at the same time, going ahead with a substantive rate increase.

I have long felt that the Board of Governors of the U.S. Postal Service should be abolished, and the Postmaster General, once again, should serve by Presidential appointment, subject to confirmation by the Senate. This is the only way that the people, through their elected representatives, are going to have some voice in their own Postal Service.

The U.S. Postal Service is already sailing troubled waters in their unsuccessful efforts to become involved in electronic mail. Now they are telling us that service must be cut back to 5 days per week.

At risk here is the integrity of the private express statutes, which I support, and which have provided a monopoly for the Postal Service on the delivery of first-class mail.

If that monopoly is ruptured, then postal service as we know it today will cease to exist. Yet, the very guardians of that policy—the U.S. Postal Service itself—seems to be recommending, by their very actions, that they cannot or will not provide the service desired by the American people.

I would caution postal managers that their failure to recognize that their primary responsibility is to provide the services requested and needed by the citizens of this country may well, over time, cost them the protection they need through the private express statutes.

Mr. President, this very point is made in a thoughtful April 23, 1980, editorial from the Brookings, S. Dak., Daily Register.

I ask that the editorial be printed in the RECORD.

The editorial follows:

POSTAL PLEA SOUNDS FAMILIAR

The Postmaster General of the United States says that the mailing rate for first class letters will have to go to 20 cents soon, if that bureaucratic giant is to avoid bankruptcy.

Customers everywhere will recall this as a story that has become just about as familiar as "Goldilocks and the Three Bears."

Only five years ago, it cost only 10 cents to mail such a letter. Since that time, the rate has climbed to 13 cents and then, only two years ago, to 15 cents. Should it continue upward at this speed, we can expect to pay 40 cents to mail a letter by 1990. An even dollar is something to look forward to along with a new millennium.

If there are some of you who have come to regard increases in mailing costs as a situation where nothing changes except the numbers, you might be happy to know that the Postal Service has added a new twist.

An accident of timing may well be responsible for the letter cost going up by five cents at approximately the same time that we begin getting used to doing without Saturday mail.

We feel forced to conclude that as long as the Postal Service hears the reassuring shrieks of agony from border to border, they can safely assume that we are not hatching a plot to turn the letter mail responsibility over to United Parcel Service.

But without meaning to contribute to another peaceful night's sleep for national postal officials, we feel inclined to again vent some agony in this space.

It remains very difficult for us to understand how the Postal Service can be telling us that we must soon do without any Saturday mail service at all, while they continue to stuff our mailboxes with infamous "junk mail".

Although the Postmaster General assures us that bulk mail rates would be pushed upward almost 18 percent by his pending price recommendations, such increases do not seem to be making much of a dent in the total number of pieces of mail Postal Service personnel are handling each year. And it seems to us that there are more than a few qualifiers for bulk permits who ought to be shut off ahead of the average citizen.

It is difficult to understand also how rates can go up at the same time the quality of service seems to be going down. We are not suggesting that the mailmen in Brookings aren't doing their jobs, but we certainly harbor some suspicions about the performance of the average employee in the large city mail terminals.

Finally, we are left to marvel at how United Parcel Service, which now has an office in Brookings, has so efficiently moved into the business of transporting packages.

At the same time as we try to figure out why it can often take seven days to get a letter from New York to South Dakota one month and three days another month, United Parcel is more and more chosen as an alternative for things that won't fit in envelops.

The management horrors perpetrated by bureaucratic giants are no less familiar a story than "Goldilocks" or the need for postal rate increases.

But the day may soon come when someone will suggest that United Parcel be offered the letter mail business without expecting to get a laugh. And the day may soon come when nobody will laugh either.●

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, are there any orders for the recognition of Senators on tomorrow?

The PRESIDING OFFICER. There are none.

RECESS UNTIL 9 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the order previously entered, that the Senate stand in recess until 9 o'clock tomorrow morning.

The motion was agreed to; and at 5:05 p.m., the Senate recessed until Thursday, May 1, 1980, at 9 a.m.

HOUSE OF REPRESENTATIVES—*Wednesday, April 30, 1980*

The House met at 10 a.m.

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

O Lord God, we humbly confess that we are not always the men and women You would have us be, nor do we do those things that bring harmony between people. Save us from false pride that causes us to think more highly of ourselves than we ought. Give us penitence so that we can honestly see our faults and better understand our nature, that cleansed of our weakness, we may focus on those goals that are worthy of our calling, and so help ease the hurt of humankind and bring reconciliation and peace to all. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

Mr. BAUMAN. Mr. Speaker, pursuant to clause 1, rule I, I demand a vote on agreeing to the Speaker's approval of the Journal.

The SPEAKER. The question is on the Chair's approval of the Journal.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. BAUMAN. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 358, nays 10, not voting 64, as follows:

[Roll No. 201]

YEAS—358

Abdnor
Addabbo
Akaka
Albosta
Alexander
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Anthony
Archer
Ashbrook
Ashley
Aspin
AuCoin
Badham
Bafalis
Bailey
Baldus
Barnard
Barnes
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Beilenson
Benjamin
Bennett
Bereuter
Bethune
Bevill
Biaggi
Bingham
Blanchard
Boggs
Boland
Bolling
Boner
Bonior
Bonker
Bouquard
Bowen
Brademas
Breaux
Brinkley
Brodhead
Broomfield
Brown, Calif.
Brown, Ohio
Broyhill
Burgener
Burlison
Burton, Phillip
Butler
Byron
Campbell
Carney
Carr
Carter
Chappell
Cheney
Clausen
Cleveland
Clinger
Coelho
Collins, Ill.
Collins, Tex.
Conable
Conte
Conyers
Corcoran
Corman
Cotter
Coughlin
Courter
Crane, Daniel
Crane, Philip
D'Amours
Daniel, Dan
Daniel, R. W.
Danielson
Dannemeyer
Daschle
Davis, Mich.
de la Garza
Deckard
Derrick
Derwinski
Devine
Dickinson
Dicks
Dixon
Donnelly
Dougherty
Downey
Drinan
Duncan, Oreg.
Duncan, Tenn.
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Emery
English
Erdahl
Erlenborn
Ertel
Evans, Del.
Evans, Ga.
Evans, Ind.
Fary
Fascell
Fazio
Fenwick
Ferraro
Findley
Fish
Fisher
Fithian
Flippo
Florio
Foley
Ford, Tenn.
Fowler
Frenzel
Frost
Fuqua
Gaydos
Giaimo
Gilman
Ginn
Glickman
Gonzalez
Gore
Gradison
Gramm
Gray
Green
Grisham
Guarini
Gudger
Guyer
Hagedorn
Hall, Ohio
Hall, Tex.
Hamilton
Hammerschmidt
Hance
Hanley
Hansen
Hawkins
Hefner
Heftel
Hightower
Hillis
Holland
Hollenbeck
Holt
Hopkins
Horton
Howard
Hubbard
Huckaby
Hughes
Hyde
Ireland
Jeffords
Jenkins
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kelly
Kemp
Kildee
Kindness
Kostmayer
Kramer
LaFalce
Lagomarsino
Latta
Leach, Iowa
Leath, Tex.
Lederer
Lee
Lehman
Lent
Levitas
Lewis
Livingston
Loeffler
Long, La.
Long, Md.
Lott
Lowry
Lujan
Luken
Lundine
Lungren
McClory
McCormack
McHugh
McKay
McKinney
Madigan
Maguire
Markey
Marks
Marlenee
Marriott
Martin
Mathis
Matsui
Mattox
Mavroules
Mazzoli
Mica
Michel
Mikulski
Miller, Calif.
Miller, Ohio
Mineta
Minish
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Mottl
Murphy, N.Y.
Murphy, Pa.
Murtha
Musto
Myers, Ind.
Myers, Pa.
Natcher
Nedzi
Nichols
O'Brien
Oakar
Oberstar
Obey
Ottinger
Panetta
Pashayan
Patten
Patterson
Paul
Pease
Perkins
Petri
Peyser
Pickle
Porter
Preyer
Price
Pritchard
Pursell
Quillen
Railsback
Ratchford
Regula
Reuss
Rhodes
Richmond
Rinaldo
Roberts
Robinson
Rodino
Roe
Rose
Rostenkowski
Roth
Rousselot
Roybal
Royer
Rudd
Runnels
Russo
Sabo
Santini
Satterfield
Sawyer
Scheuer
Schroeder
Schulze
Sebelius
Sensenbrenner
Shannon
Sharp
Shelby
Shumway
Shuster
Simon
Skelton
Smith, Iowa
Smith, Nebr.
Snowe
Snyder
Solarz
Solomon
Spence
Stack
Stangeland
Stanton
Stark
Steed
Stenholm
Stewart
Stokes
Stratton
Studds
Stump
Swift
Symms
Synar
Tauke
Taylor
Thomas
Traxler
Udall
Ullman
Van Deerlin
Vander Jagt
Vento
Walgren
Wampler
Watkins
Weaver
Weiss
White
Whitehurst
Whitley
Whittaker
Whitten
Wilson, Tex.
Winn
Wirth
Wolff
Wolpe
Wright
Wyatt
Wydler
Wylie
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Mo.
Zablocki
Zeferetti

NAYS—10

Burton, John
Forsythe
Gingrich
Goodling
Harkin
Jacobs
Lloyd
Mitchell, Md.
Quayle
Walker

NOT VOTING—64

Ambro
Anderson, Ill.
Applegate
Atkinson
Brooks
Buchanan
Cavanaugh
Chisholm
Clay
Coleman
Davis, S.C.
Dellums
Diggs
Dingell
Dodd
Dornan
Edwards, Okla.
Ford, Mich.
Fountain
Garcia
Gephardt
Gibbons
Goldwater
Grassley
Harris
Harsha
Heckler
Hinson
Holtzman
Hutto
Ichord
Jeffries
Kazen
Kogovsek
Leach, La.
Leland
McCloskey
McDade
McDonald
McEwen
Murphy, Ill.
Neal
Nelson
Nolan
Nowak
Pepper
Rahall
Rangel
Ritter
Rosenthal
Seiberling
Spellman
St Germain
Staggers
Stockman
Thompson
Trible
Vanik
Volkmer
Waxman
Williams, Mont.
Williams, Ohio
Wilson, Bob
Wilson, C. H.

☐ 1010

So the Journal was approved.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

MESSAGE FROM THE SENATE

The message from the Senate, by Mr. Sparrow, one of its clerks, announced that the Senate disagrees to the amendments of the House to the bill (S. 2009) entitled "An act to designate certain public lands in central Idaho as the River of No Return Wilderness, to designate a segment of the Salmon River as a component of the National Wild and Scenic Rivers System, and for other purposes," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. JACKSON, Mr. CHURCH, Mr. BUMPERS, Mr. HATFIELD, and Mr. McCLURE to be the conferees on the part of the Senate.

☐ 1020

REQUEST FOR PERMISSION FOR COMMITTEE ON THE JUDICIARY TO SIT TODAY DURING 5-MINUTE RULE

Mr. DANIELSON. Mr. Speaker, I ask unanimous consent that the Committee on the Judiciary may sit today during the 5-minute rule.

The SPEAKER. Is there objection to the request of the gentleman from California?

☐ This symbol represents the time of day during the House Proceedings, e.g., ☐ 1407 is 2:07 p.m.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

Mr. ROUSSELOT. Mr. Speaker, I object.

The SPEAKER. Objection is heard. The Chair will state that it requires 10 Members to object.

(Messrs. RUDD, TAUKE, GINGRICH, BAUMAN, MYERS, of Indiana, MICHEL, LATTA, and KRAMER, Mrs. SNOWE, and Mr. SENSENBRENNER also objected.)

The SPEAKER. A sufficient number have objected.

Objection is heard.

REQUEST FOR PERMISSION FOR COMMITTEE ON THE JUDICIARY TO SIT DURING THE MORNING TODAY

Mr. DANIELSON. Mr. Speaker, I ask unanimous consent that the Committee on the Judiciary be permitted to sit during the morning of today.

The SPEAKER. Is there objection to the request of the gentleman from California?

Mr. ROUSSELOT. Mr. Speaker, I object.

The SPEAKER. Objection is heard. The Chair will state that it requires 10 Members to object.

(Messrs. RUDD, TAUKE, GINGRICH, BAUMAN, MYERS of Indiana, MICHEL, LATTA, and KRAMER, Mrs. SNOWE, and Mr. SENSENBRENNER also objected.)

The SPEAKER. A sufficient number have objected.

Objection is heard.

PERMISSION FOR SELECT COMMITTEE ON INTELLIGENCE TO SIT TODAY DURING GENERAL DEBATE

Mr. BRADEMAS. Mr. Speaker, I ask unanimous consent, at the request of the gentleman from Massachusetts (Mr. BOLAND), chairman of the Select Committee on Intelligence, that that committee be granted permission to sit today during general debate.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

CONGRATULATIONS TO PRESIDENT CARTER ON CHOICE OF SENATOR EDMUND S. MUSKIE FOR SECRETARY OF STATE

(Mr. BRADEMAS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BRADEMAS. Mr. Speaker, I take this time to congratulate President Carter on his nomination of Senator EDMUND MUSKIE, of Maine, for the position of Secretary of State. Like many Members of the House of Representatives, I have known Senator MUSKIE for a long time; indeed, for all of the 20 years that he has served in the other body.

Senator MUSKIE is a man of great intelligence, great stability of character, great strength of purpose. He has served with distinction on a number of committees in the Senate, most significantly as chairman of the Committee on the Budget, in which capacity he has given outstanding service to the Senate, to Congress as a whole, and to our country.

Mr. Speaker, ED MUSKIE, of Maine, is a man of unswerving dedication to our national interest, and I believe that he will be an outstanding Secretary of State.

GENERAL LEAVE

Mr. BRADEMAS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the subject of my 1-minute speech.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

AN ALTERNATIVE FOR THE HOME MORTGAGE MARKET

(Mr. MOTTL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MOTTL. Mr. Speaker, the Federal Home Loan Bank Board recently finalized regulations which will allow federally regulated savings and loan associations to offer renegotiable, or "rollover" home mortgages.

The renegotiable mortgages would be reviewed every 3, 4, or 5 years with the original interest rate being adjusted upwards or in what I feel will be rare instances, downward, according to the prevailing interest rates in force at the time of the review.

Rollover mortgages could go up as much as 5 percent over a normal 30-year mortgage.

All of us have received mail from worried constituents who fear savings and loans will end up offering only "rollover" mortgages. I have introduced legislation today that would require savings and loan associations to offer the consumer a choice between "rollover" and fixed rate mortgages.

It may be that some homebuyers may want to "roll the dice" on a renegotiable mortgage in hopes interest rates will decline, but I feel they should have the option of financing their homes with fixed rate mortgages as well.

Making both fixed rate and renegotiable mortgages available to the consumer is the only fair way to help millions of people realize the American dream of owning their own homes.

HOUSE SHOULD VOTE DOWN CONABLE AMENDMENT AND GRAMM-HOLT SUBSTITUTE

(Mr. SIMON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SIMON. Mr. Speaker, as we proceed to vote on the Conable amendment and the Gramm-Holt amendment a little later on today, I wish my colleagues could have been present this morning for testimony before our Select Subcommittee. The Commissioner of Rehabilitation from the State of Arkansas pointed out that one of those rehabilitated in Arkansas during the first 20 years of that organization's existence was a paraplegic, who became a physician. My colleague from Arkansas (Mr. HAMMERSCHMIDT) probably knows him. That physician has paid more in taxes since that time, has more than paid for the entire first 20 years of the rehabilitation program in the State of Arkansas.

Those are the kinds of services my colleagues in the House should not be cutting.

TRIBUTE TO LUIS MUÑOZ MARÍN

(Mr. CORRADA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CORRADA. Mr. Speaker, it is with great sadness that I inform the Members of the House that Don Luis Muñoz Marín, the first elected Governor of Puerto Rico, passed away this morning at 3 a.m., in San Juan.

Don Luis Muñoz Marín was a four-term Governor of Puerto Rico, governing the island from 1949 to 1964. Furthermore, he was instrumental in developing a course of action which resulted in having Congress allow Puerto Rico to approve our own constitution, which he proclaimed officially on July 25, 1952.

Don Luis Muñoz Marín was born on February 18, 1898. He was the son of Don Luis Muñoz Rivera, who served in Congress with great distinction as the third Resident Commissioner of Puerto Rico. Don Luis was a journalist, poet, and one of our most distinguished political figures in the 20th century. He was elected to the Senate of Puerto Rico in 1940 and reelected to that position in 1944. He was President of the Puerto Rican Senate until elected Governor of Puerto Rico in the elections of 1948 after Congress passed a law allowing the people of Puerto Rico to elect our own Governor.

Don Luis Muñoz Marín served the people of Puerto Rico with great dedication for more than three decades. He came to political leadership at a time the island was stricken with extreme poverty and with great vision developed significant economic policies that helped bring about the transformation of the island from a poor agrarian society to an industrialized society.

If I were to make a comparison between Don Louis Muñoz Marín and a U.S. mainland figure I would say that he meant to us what President Franklin Delano Roosevelt meant to the United States. And in fact his stature as a politician was often compared to that of great leaders of the 20th century—men like President Roosevelt, Winston Churchill, Charles DeGaulle.

Today I must recognize that Puerto Rico had, in the leadership of Don Luis Muñoz Marín, what we needed in the decades of the forties, the fifties, and the sixties, since it was necessary for the island to go through a process of economic, social, and political growth that would result in greater progress and prosperity for the island. We are now approaching another important era in the history of Puerto Rico as we move to strengthen our ties with the United

States through innovative and creative Puerto Rican and Federal policies which may result in restoring and furthering the economic growth and social strength of the Puerto Rican society at the same time we move forward to accomplish true political dignity and equality for the people of Puerto Rico as citizens of the United States. While I fully support statehood for Puerto Rico and not the Commonwealth status which Don Luis Muñoz Marín so much helped to bring about, there are many lessons we have learned from him, including his sense of dedication to the well being and prosperity of all Puerto Ricans and the honesty and integrity with which he served our people.

I extend my heartfelt condolences to his widow, Doña Inés Mendoza de Muñoz Marín, to his children, his grandchildren, and to all the members of his family.

Mr. BOLLING. Mr. Speaker, will the gentleman yield?

Mr. CORRADA. I am happy to yield to the gentleman from Missouri.

Mr. BOLLING. Mr. Speaker, the gentleman does not overstate the case. I had the privilege of knowing the late Governor somewhat and knowing a great deal about him. There are many people who know if he had been a mainlander there is a very real chance that he could have been President. He was a man of enormous quality, tremendous ability, a great political leader in every possible way.

Mr. CORRADA. I thank the gentleman for his expressions.

Mr. RHODES. Mr. Speaker, will the gentleman yield?

Mr. CORRADA. I yield to the distinguished minority leader.

Mr. RHODES. Mr. Speaker, I wish to express my personal sorrow at the death of the former Governor of Puerto Rico, the Honorable Luis Muñoz Marín. I knew him personally. I had great regard and great respect for him as an individual and as a citizen of both Puerto Rico and the United States. He certainly will be missed.

Mr. CORRADA. I thank the gentleman.

PROPHETIC WORDS?

(Mr. MICHEL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MICHEL. Mr. Speaker, Recently I came across a passage in a political speech that reads as follows:

> When Harry Truman was in the White House a sign on his desk said, "The buck stops here." There was never any doubt about who was captain of the ship. Now no one seems to be in charge. No one is responsible. Every time another ship runs aground . . . the Captain hides in the stateroom while the crew argues about who is to blame.

That quote was from Presidential Candidate Jimmy Carter, on September 6, 1976.

Speaking of Presidents, last night's news conference was yet another example of the White House press corps' seeming inability to formulate questions that elicit informative answers. The questions resembled slow gopher ball pitches which the President hit over the fence with ease. There wasn't one high hard one or breaking pitch in the batch.

Perhaps the next news conference should have questions asked by trained trial lawyers. At least they know how to phrase a question.

☐ 1030

PROVIDING FOR TECHNICAL CORRECTIONS TO AMENDMENTS MADE IN ORDER BY HOUSE RESOLUTION 642

Mr. BOLLING. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 649 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 649

Resolved, That during the further consideration of the concurrent resolution (H. Con. Res. 307) setting forth the congressional budget for the United States Government for the fiscal years 1981, 1982, and 1983 and revising the congressional budget for the United States Government for the fiscal year 1980, in the Committee of the Whole House on the State of the Union: (1) it shall be in order for Representative Mitchell of Maryland to offer a substitute printed in the Congressional Record of April 23, 1980, and for Representative Solarz of New York to offer a substitute printed in the Congressional Record of April 24, 1980, to the amendment in the nature of a substitute by Representative Obey of Wisconsin in lieu of their substitutes made in order by H. Res. 642; and (2) it shall be in order for Representative Latta of Ohio and for Representative Rousselot of California each to offer the amendments in the nature of a substitute printed by them in the Congressional Record of April 23, 1980, in lieu of their amendments in the nature of a substitute made in order by H. Res. 642. The provisions of H. Res. 642 shall apply to such substitutes and to such amendments as if they were the substitutes and amendments originally made in order by said resolution.

The SPEAKER pro tempore. The Chair recognizes the gentleman from Missouri (Mr. BOLLING) for 1 hour.

Mr. BOLLING. Mr. Speaker, I yield the usual 30 minutes for purposes of debate only to the gentleman from Ohio (Mr. LATTA), pending which I yield myself such time as I may consume.

House Resolution 649 provides further for the consideration of House Concurrent Resolution 307, the first concurrent resolution on the budget for fiscal year 1981. The resolution was ordered reported by the Rules Committee on April 28, 1980 by a voice vote.

I say "provides further" because, on April 23, 1980, the House adopted House Resolution 642, the rule providing for consideration of House Concurrent Resolution 307. That rule made in order certain amendments and substitutes as printed in the CONGRESSIONAL RECORD of April 21, 1980.

The rule before us today, House Resolution 649, allows that technical changes to correct mathematical inconsistencies and to conform with the new debt limit procedure be made to four of the substitutes made in order, namely those of Representatives LATTA, MITCHELL, ROUSSELOT, and SOLARZ.

I would like to emphasize that we are talking only about technical changes. As printed in the CONGRESSIONAL RECORD of April 21, the substitutes offered by Representatives SOLARZ and MITCHELL contained errors of mathematical consistency, that is, the function totals did not add up to the aggregates. These substitutes were corrected and reprinted in the RECORD of April 23 in the case of Mr. MITCHELL and the RECORD of April 24 in the case of Mr. SOLARZ. No changes were made in the substance of the substitutes. The rule we are now considering simply makes in order the substitutes as corrected and reprinted.

The substitutes of Representatives LATTA and ROUSSELOT as printed in the RECORD of April 21, contained no debt limit figure for fiscal year 1980 as does the budget resolution reported from the budget committee. This is a violation of our new debt limit procedure which was adopted by the House last September. These two substitutes were corrected and reprinted in the RECORD of April 23. No changes were made in the substance of the substitutes. The rule we are now considering simply makes in order the substitutes as corrected and reprinted.

The technical changes in these four substitutes will allow the House to consider the substitutes as intended by the Members offering them and as intended by the Committee on Rules. All other provisions of the original rule, House Resolution 642, remain unchanged.

Mr. Speaker, an attempt was made to obtain unanimous consent to accomplish the purpose of this rule. Frankly, I was surprised that, first, it was not allowed and, second, that a second unanimous-consent request the other day to have until midnight tonight on the rule was not allowed. For some reason there is an attempt to make this matter into an issue when no issue exists. That is why I obtained unanimous consent to read a statement so that I would make no mistakes as to the dates and the numbers. To be very precise, this is an entirely technical matter which the House has already made clear its will is that this pass.

Mr. LATTA. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I agree with the statement just made by the chairman of the Committee on Rules in every regard. I want also to point out that an effort will be made to vote down the previous question on this rule. If the previous question is voted down, the prospects for a balanced budget coming out of the House this year will become considerably dimmer. I do not think that the people in this House want to see that happen.

The Committee on Rules crafted originally what I thought was a very balanced rule and took care of most of the amendments that were of substance that were to be offered. Realizing that many amendments could be offered to a $600 billion-plus bill, and believing that we could be here for maybe 3 weeks debating every single amendment that might be offered, I concurred with the request by the chairman of the Committee on the Budget to limit or to attempt to limit the number of amendments that would be offered, and we got an agreement on that. Naturally, there were amendments that the chairman of the Committee on the Budget and members of the majority side of the Committee on the Budget would like to have seen offered that were not made in order. The same holds for this side of the aisle. For example, I would like to have seen the amendment proposed by the gentleman from Illinois (Mr. MICHEL) made in order, but it was not made in order and we are past that point at this time. We have disposed of the fiscal year 1980 matter and now we are ready to take up 1981. To vote down the previous question and to bring in other amendments at this time would be a serious error.

☐ 1040

I want to emphasize that I support the previous question notwithstanding the fact that I have to take issue on this matter with my good friend, the gentleman from Maryland (Mr. BAUMAN). The gentleman has some amendments he would like to see made in order but I just cannot see that at this time. Above all we need a balanced budget. We are on that course now and we want to keep on that course. We want to dispose as rapidly as we can of this issue before us now. I hope that we can pass this rule to allow these technical amendments that the gentleman from Missouri (Mr. BOLLING) the chairman of the Committee on Rules has outlined.

Mr. RHODES. Mr. Speaker, will the gentleman yield?

Mr. LATTA. I will be happy to yield to our minority leader.

Mr. RHODES. Mr. Speaker, I wish to associate myself with the remarks of the gentleman from Ohio. I think there is no more important an issue facing this country, from a domestic standpoint at least, than the absolute necessity of having a balanced budget for 1981 at the lowest possible figure of expenditures and revenue. While I personally would have great sympathy with some of the amendments which might be adopted or which might be offered, nevertheless I think that we all have to set our own sense of priorities. My sense of priorities is this: one, the defense of the country; second, the control of inflation, and for the control of inflation a balanced budget is an absolute necessity. Again, I associate myself with the remarks of the gentleman from Ohio. I intend to vote for the previous question when the time comes.

Mr. CONABLE. Mr. Speaker, will the gentleman yield to me?

Mr. LATTA. I will be happy to yield to the gentleman from New York.

Mr. CONABLE. I also would like to associate myself with the remarks of the gentleman. His position is absolutely correct. I support the previous question.

Mr. DEVINE. Mr. Speaker, will the gentleman yield?

Mr. LATTA. I yield to the gentleman from Ohio.

Mr. DEVINE. Mr. Speaker, the only thing that troubles me about this proposed rule that is "just technical in nature," is the fact that yesterday, the gentleman from Connecticut (Mr. GIAIMO), the respected chairman of the Committee on the Budget, also offered a purely technical amendment which added $3.1 billion in budget authority and $4.6 billion in outlays. Is this the same type of a technical amendment that is going to cost billions and billions more?

Mr. LATTA. If my friend from Ohio will yield, let me say these are purely technical amendments. They are not the same type of technical amendments that will cost $4.6 billion as was offered yesterday. I would not be supporting them otherwise, let me assure my friend.

Mr. DEVINE. Mr. Speaker, with that assurance I will follow the leadership of my good friend from Ohio (Mr. LATTA).

Mr. LATTA. Mr. Speaker, I yield 5 minutes to the gentleman from Illinois (Mr. DERWINSKI).

Mr. DERWINSKI. Mr. Speaker, I support the Bauman substitute rule since it will free us from the parliamentary shackles which now prevent us from dealing selectively and responsibly with a postal problem which has generated considerable constituent mail.

Adoption of the substitute rule will permit an amendment to be offered which will provide for economies in postal operations, but at a level which will permit the continuation of 6-day mail delivery. The amendment will reduce postal appropriations for the coming fiscal year by $200 million and will restore program reduced funding for fiscal years 1982 and 1983 as provided for in the Postal Reorganization Act of 1970.

In its rush to strike a balanced budget, our Budget Committee, without fully understanding the ramifications of their actions, recommended cuts totaling $836 million in postal appropriations for fiscal year 1981. This was done without consultation with top postal management, the Post Office and Civil Service Committee or any person familiar with postal problems.

If the Postal Service is forced to absorb the cuts recommended by the Budget Committee, it will have to eliminate 6-day mail delivery, make other service cuts, and increase rates for educational, charitable, religious and various other worthwhile nonprofit organizations and institutions. It was Congress, not the Postal Service, which provided the lower rates for the nonprofit organizations which rely heavily on the mail for financial support.

With a postal rate increase now pending before the Postal Rate Commission, we will be serving notice to the taxpayers and mail users that they are going to pay higher rates for reduced service. If the Postal Service is forced to eliminate its 6-day mail delivery schedule, large volume mailers will have to explore alternate delivery methods—a move which would result in the loss of considerable postal revenue which could only be offset by higher postal rates.

Adoption of the Bauman substitute will permit us to deal with a complex problem in a reasonable and responsible manner. It will give us an opportunity to vote for an amendment which will permit continuation of the type of mail service the public expects.

Mr. LATTA. Mr. Speaker, I yield 5 minutes to the gentleman from Maryland (Mr. BAUMAN).

Mr. BAUMAN. Mr. Speaker, I am reminded of the story of the mother who was caught up in the patriotic fervor at the beginning of World War I when the U.S. boys were all lining up in the streets of various cities to march off to war. Quite a few of them had no training in military activities or marching. She spied her boy marching in the ranks there, obviously out of step. She pointed at him and say, "Is that not wonderful, there is my son. Everybody is out of step but him."

Well, Mr. Speaker, I feel like the errant son. It seems like I am out of step but everybody else is in step. We shall see when the vote comes.

Mr. Speaker, I am flattered that the leaders, the undisputed leader of the Committee on Rules, its chairman, the minority leader and the minority conference chairman would all stand up and oppose my position, but that is nothing new in the course of my career. I want to first of all assure my leader, the gentleman from Arizona (Mr. RHODES), that I, too, am for a balanced budget. But I see nothing inconsistent with permitting the previous question to be voted down and the very strong possibility that we will be able to achieve a balanced budget after the passage of the new rule that I would propose.

First of all, Mr. Speaker, let me explain to the Members the problem we face with regard to the rule. This particular rule is before us because of the ironclad control that the majority leadership wanted to have over the budget process. By the first rule governing debate and amendments some Members were made more equal than others. One of them was my good friend and colleague, the gentleman from Ohio (Mr. LATTA), who has his substitute and he may achieve victory before this debate is over. I understand the gentleman's position in supporting his hands-across-the-aisle position today.

Mr. Speaker, my proposed rule simply says that, whether one is for or against these three amendments that I make in order—and I do not make in order, I would inform the House, the so-called Michel amendment because we dealt with the 1980 budget yesterday—whether we are for or against the Law Enforcement Assistance Administration funding or veterans funding or the Saturday mail delivery and whether we are for or against our churches and their preferred mail situation at this point, at least let the House have a right to vote on these amendments at some point in our deliberation. I am not committing myself to vote for all three amendments. That would depend upon the final outcome of the budget. But at least we should have a chance to vote.

Mr. Speaker, what is involved here is legislative freedom. We are told that the House is not sufficiently responsible to vote on these issues. My plea is that we vote no on the previous question in order to add a few names to the chosen few who can offer substitutes and amendments. I want to let the gentleman from New Jersey (Mr. Rodino), the distinguished chairman of the Committee on the Judiciary, offer an amendment; the gentleman from Illinois (Mr. McClory) perhaps could offer an amendment. How about the gentleman from New York (Mr. Hanley)? That gentleman is retiring this year. He is a very respected Member and has been chairman of that committee for some years. Why not let him or the gentleman from Illinois (Mr. Derwinski) at least try to restore Saturday mail delivery.

Now, when we vote on the previous question we cannot tell all of the organizations and citizens involved in these amendments that we did not know what the vote was, because I am telling you what it is. You are voting on Saturday mail delivery, you are voting on whether you want to honor our commitment to American veterans, you are voting on whether or not you want local officials to have more or less money on LEAA, the Law Enforcement Assistance Agency. That is what you are voting on and you are also voting on legislative freedom.

I urge you, I urge you to vote no on the previous question, then we will offer a perfectly fair rule that will allow us to carry this out.

Mr. LAGOMARSINO. Mr. Speaker, will the gentleman yield?

Mr. BAUMAN. Before I yield to my friend, the gentleman from California (Mr. Lagomarsino), may I say that I think we have a chance to win. Why else do we see all this heavy artillery arrayed against us? They do not bring out the big guns unless they are worried and so I say, with my little popgun here "Pop!" Let us vote this new rule in and allow us to have legislative freedom. That is the issue here.

Mr. LAGOMARSINO. Will the gentleman now yield?

Mr. BAUMAN. I now yield to the gentleman from California (Mr. Lagomarsino).

Mr. LAGOMARSINO. Mr. Speaker, I thank the gentleman for yielding.

□ 1050

Mr. Speaker, I want to commend the gentleman from Maryland for standing up to the leadership of both the majority and minority in this House. I associate myself with his remarks and support his call to vote down the previous question. But on the other hand, my colleagues, I think that the courageous thing here might well be to not vote the way the gentleman is asking us to because the people of this country want their congressmen to stand up and be counted on these issues.

Mr. BAUMAN. I take back my time.

Mr. LAGOMARSINO. I think we should vote down the previous question because I think the people of this country, the organizations that are interested in this budget, especially the ones the gentleman enumerated, that is LEAA, Saturday mail delivery, the churches, are entitled to know whether or not the Members of this Congress are willing to at least vote on those issues and not cover them up in the myriad of other amendments involved in this budget process. So, I commend the gentleman from Maryland for his opposition and for his courage, and I join him in asking that the previous question be voted down.

Mr. BAUMAN. I revise my estimate of the gentleman from California.

Mr. Speaker, I say this: We were told by the chairman of the Rules Committee, the distinguished gentleman from Missouri, that these are only technical amendments.

The SPEAKER. The time of the gentleman from Maryland has expired.

Mr. LATTA. Mr. Speaker, I yield 3 additional minutes to the gentleman from Maryland.

Mr. BAUMAN. How liberal of the gentleman from Ohio. I thank him for his uncharacteristic liberality.

I would just say that we were told that these were technical amendments. I urge the Members to read the 26 pages of technical amendments that this technical rule makes in order. Two of the amendments simply allow us to have a nearly $1 billion national debt. That apparently is just a technical matter, and another amendment changes every figure, of which there are many, from millions to billions. That, of course, too is said to be technical. Highly technical, I would say.

Mr. RHODES. Mr. Speaker, will the gentleman yield?

Mr. BAUMAN. I yield to my leader.

Mr. RHODES. Mr. Speaker, I thank my friend for yielding to me for a slight pop right back. The pop is this: I think what the gentleman from Maryland is really saying that he would have preferred an open rule for the consideration of this resolution.

Mr. BAUMAN. That is true.

Mr. RHODES. I do not disagree with that. However, I think we should both realize that if indeed there were an open rule, we probably would be making a career out of this budget process similar to the way we did last year and the year before. I submit to the gentleman from Maryland that looking ahead, as statesmen must and he is, that we should understand that if we indulge in this exercise year after year with an open rule, that the days of the budget process are numbered.

Maybe the gentleman thinks that would not be too bad an idea. I happen to think it would be a terrible idea. I think the budget process, while far from perfect, has resulted in some changes in the attitudes in this House and some changes in trust that have been very beneficial and good for the country. So, while I certainly do not in any way deprecate the stand my good friend from Maryland has taken, I think that for the good of the country and the good of the House that we should, with great reluctance, oppose his position and vote for the previous question.

Mr. BAUMAN. Well, I thank my leader for his comments. It allows me to agree with him on something this morning. That is, I too agree that the budget system should be pursued and not scrapped. The process can be improved in many ways, and one of those ways is embodied in my plea to vote no on the previous question and let the Members work their will. A large dose of freedom never hurt anybody. I do know that there is an attitude abroad in the leadership of the majority party which I hope is not infecting the minority leadership. It is embodied in a line from the Broadway musical "Fiorello," when the politicians discover that LaGuardia actually was nominated. In the play the line is, "I got a feeling people can do what they want to, but it ain't democratic."

That is the problem I have today. We can apparently do what we want to in this Congress as long as we do what we are told.

Mr. RHODES. I am glad the gentleman was not thinking of the aria in "The Little Tin Box."

Mr. BAUMAN. That also has some significance in this budget debate but I will not explore that. Let me close by pleading on behalf of our veterans, or mail carriers, our mail users, our law enforcement officials and victims of crime, that you vote no on the previous question.

Mr. LATTA. Mr. Speaker, I yield 2 minutes to the gentleman from Arkansas (Mr. Hammerschmidt).

Mr. HAMMERSCHMIDT. Mr. Speaker, I oppose the previous question, and support the Bauman substitute rule. This rule would allow four additional amendments, among them one to restore funds to the Veterans' Administration. As the ranking member of the Veterans' Affairs Committee, I can assure this body that such an amendment is vitally needed.

There are two issues at work here, Mr. Speaker. First is the right of the full House to debate certain portions of the budget that involve Federal commitments to those who have served. The previous question severely limits this right. The second question concerns the amounts placed in the budget itself with respect to veterans programs. It is not reasonable that the Budget Committee restrict these budget amounts unilaterally, without giving the House itself the right to debate the merits of such drastic cuts.

I believe the majority of this body supports a balanced budget, Mr. Speaker. I certainly do, and have for many years. But we should not in our haste to balance the budget do damage to the earned benefits of those who have served us with honor. It would be shortsighted, especially in these times when our military has so much difficulty attracting volunteers, and when our servicemen are leaving the active ranks in droves because they feel our Government is abandoning them.

The Veterans' Affairs Committee scrutinized the administration's original budget and found it to be almost $800 million short. After that, the administration cut 322 million more dollars, including an additional $200 million from the medical care for those who have served. The Budget Committee has closely followed the administration's proposal, and disregarded the recommendations of the Veterans' Affairs Committee.

Mr. Speaker, I recognize the right of this Congress to make its own judgments regarding budget amounts for our veterans, but this is not what has occurred. The Congress has not been allowed to examine the differences between two committees who disagree by more than a billion dollars as to what is necessary to care for those who have served—an essentially Federal obligation, I might emphasize.

For these reasons, Mr. Speaker, I must oppose the previous question, and urge my colleagues to do likewise.

Mr. LATTA. Mr. Speaker, I yield myself 1 minute.

Let me point out to my good friend from Maryland that we are being democratic in this House. The first thing we did was to adopt the rule. The Members of this House had an opportunity to vote on that rule, and we adopted it. So, there was a democratic process being followed.

Secondly, let me say to my good friend from Maryland that I cannot quite follow his logic when he says that we are leaving people out when he only proposes to allow three more amendments. If he really wanted to be democratic with his effort now, he would be asking for a completely open rule so that everybody could offer amendments of their choice.

Mr. BAUMAN. If the gentleman will join me, I will offer that substitute.

Mr. LATTA. No, I will not join the gentleman; I am just saying that if he really wanted to be democratic, he would propose an open rule and give the House another opportunity to vote on that question. But, we are beyond that, and I think the only thing to do now is to vote for the previous question.

Mr. BOLLING. Mr. Speaker, I yield 5 minutes to the gentleman from New York (Mr. OTTINGER).

Mr. OTTINGER. Mr. Speaker, I thank the chairman of the Rules Committee for yielding to me.

Mr. Speaker, I rise in strong support of the rule and in opposition to the proposal of the gentleman from Maryland (Mr. BAUMAN) to vote down the previous question on the rule. I think that what we see here is an attempt to use the need to make technical amendments to the numbers in the rule in order to try to undo a rule which was overwhelmingly passed by this House.

I would like to point out to my colleagues that the veterans and law enforcement assistance and postal subsidies amendments which I strongly support are just sweeteners in this. The real effort here is to make in order the Michel amendment, which would be devastating to the cities, working people and the poor.

Mr. BAUMAN. Mr. Speaker, I just want to correct the gentleman. My proposed rule does not make in order the Michel amendment.

Mr. OTTINGER. The gentleman's rule does not make in order the Michel amendment?

Mr. BAUMAN. It does not.

Mr. OTTINGER. Then I misunderstood. It only makes in order the other three at this juncture. I apologize to the gentleman for my error. An earlier version of the gentleman's alternative rule had included the Michel amendment.

I would like to point out to my colleagues that the House will have an opportunity to restore the full funding for the Veterans' Administration, the Law Enforcement Assistance Administration, and the postal subsidies; those funds are restored in full in my amendment, the Ottinger amendment, which will be considered later. A good portion of those funds as well are restored in the Obey amendment.

To try and undo what was done before in adoption of the rule, and open up an entirely new vista for the consideration of the House at this time, I think would be unwise. I urge defeat of the effort to turn down the previous question and urge support of the rule.

● Mr. McCLORY. Mr. Speaker, I rise in support of my colleague from Maryland (Mr. BAUMAN) and others to permit this body to consider several very important amendments to House Concurrent Resolution 307. Each of these amendments would have an enormous impact on the people of this country and each amendment merits individual consideration.

One of these amendments involves the Law Enforcement Assistance Administration. Crime is a severe problem in this country. It is a national problem. Solving that problem imposes a Federal responsibility, as well as local investigative and enforcement obligations consistent with our traditional system of government. State and local law enforcement agencies depend on LEAA cooperation, monitoring, evaluating, and limited funding to enhance effective law enforcement. Unlike some other programs, LEAA provides welcome assistance and support rather than intrusion into local affairs.

The Justice System Improvement Act of 1979 authorized the LEAA program for an additional 4 years. It sets up a series of national priority grants designed to promote test programs which could be replicated by the States. To encourage State participation, a 50-percent match in funds is required. The funding provided in the 1979 act reduced by almost 50 percent the previous funding level.

There are countless useful and effective programs which will be eliminated if LEAA funds are reduced. These include "sting" programs, community anticrime initiatives, drug treatment programs, and court corrections projects. LEAA has also sponsored training of State and local law enforcement officers at State and regional programs and at the FBI Academy at Quantico, Va. Without LEAA, some localities will simply not be able to have access to these sessions. Yet, virtually all participants have found that such training experiences improve their ability to do their jobs.

There has been some talk about LEAA's use of taxpayer funds to purchase hardware often unrelated to the kinds of street crime against which LEAA directed its initial efforts. These claims have no recent validity. The law which we passed last year prohibits such expenditures.

LEAA is a dependable, effective, and improved instrument in the continuing fight against crime. It is also the only federally funded program designed to help States and localities in performing their law enforcement responsibilities. If we erase it from our budget, law enforcement will suffer. Because LEAA makes a valuable contribution and because it was so recently reauthorized by this body, it is imperative that we consider its funding separately—on its own merits—which are substantial. By voting "nay" on the previous question we can permit the House to work its will on the issue of continued funding for LEAA.●

Mr. BOLLING. Mr. Speaker, I move the previous question on the resolution.

The SPEAKER. The question is on ordering the previous question.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. BAUMAN. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make a point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 225, nays 180, not voting 27, as follows:

[Roll No. 202]

YEAS—225

Addabbo
Akaka
Alexander
Anderson, Calif.
Andrews, N.C.
Annunzio
Anthony
Applegate
Ashley
Aspin
AuCoin
Bailey
Baldus
Barnard
Barnes
Beard, R.I.
Bedell
Beilenson
Benjamin
Bennett
Bevill
Biaggi
Bingham
Blanchard
Boggs
Boland
Bolling
Boner
Bonker
Brademas
Breaux
Brodhead
Brown, Calif.
Broyhill
Burlison
Burton, Phillip
Carr
Cavanaugh
Chappell
Chisholm
Clay
Clinger
Coelho
Collins, Ill.
Conable
Conyers
Corman
Cotter
Courter
Danielson
Daschle
de la Garza
Derrick
Devine
Dicks
Dingell
Dixon
Donnelly
Drinan
Duncan, Oreg.
Early
Eckhardt
Edgar
Edwards, Calif.
English
Ertel
Evans, Ga.
Fary
Fascell
Fazio
Fenwick
Ferraro
Fisher
Fithian
Flippo
Florio
Foley
Ford, Tenn.
Fowler
Frenzel
Frost
Fuqua
Gephardt
Giaimo
Gibbons
Ginn
Glickman
Gonzalez
Gore
Gray
Guarini
Gudger
Hamilton
Hance
Harris
Hawkins
Hefner
Heftel
Hightower
Holland
Hollenbeck
Holt
Howard
Hubbard
Hughes
Ichord
Ireland
Jenkins
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, N.C.
Jones, Okla.
Kastenmeier
Kogovsek
Kostmayer
LaFalce
Latta
Lederer
Lehman
Levitas
Lewis

Lloyd
Long, La.
Long, Md.
Luken
Lundine
McCloskey
McCormack
McHugh
McKay
Maguire
Markey
Matsui
Mattox
Mavroules
Mazzoli
Mica
Mikulski
Mineta
Minish
Mitchell, Md.
Moakley
Mollohan
Moorhead, Pa.
Mottl
Murphy, N.Y.
Murphy, Pa.
Murtha
Musto
Myers, Pa.
Natcher
Neal
Nedzi
Nolan
Nowak
Oakar
Obey
Ottinger
Panetta
Patten
Patterson
Pease
Perkins
Peyser
Pickle
Preyer
Price
Pritchard
Rahall
Rangel
Ratchford
Regula
Reuss
Rhodes
Richmond
Roe
Rose
Rostenkowski
Roybal
Russo
Sabo
Santini
Scheuer
Seiberling
Shannon
Sharp
Shuster
Simon
Skelton
Smith, Iowa
Solarz
Spellman
Stack
Staggers
Steed
Stewart
Stockman
Stokes
Stratton
Studds
Swift
Synar
Traxler
Udall
Ullman
Vanik
Vento
Walgren
Watkins
Waxman
Weaver
Whitley
Wilson, Bob
Wilson, Tex.
Wirth
Wolff
Wolpe
Wright
Wyatt
Yates
Yatron
Young, Mo.
Zablocki
Zeferetti

NAYS—180

Abdnor
Albosta
Andrews, N. Dak.
Archer
Ashbrook
Atkinson
Badham
Bafalis
Bauman
Beard, Tenn.
Bereuter
Bethune
Bonior
Bouquard
Bowen
Brinkley
Broomfield
Brown, Ohio
Buchanan
Burgener
Burton, John
Butler
Byron
Campbell
Carney
Carter
Cheney
Clausen
Cleveland
Coleman
Collins, Tex.
Conte
Corcoran
Coughlin
Crane, Daniel
D'Amours
Daniel, Dan
Daniel, R. W.
Dannemeyer
Davis, Mich.
Deckard
Dellums
Derwinski
Dickinson
Dougherty
Downey
Duncan, Tenn.
Edwards, Ala.
Edwards, Okla.
Emery
Erdahl
Erlenborn
Evans, Del.
Evans, Ind.
Findley
Ford, Mich.
Forsythe
Gaydos
Gilman
Gingrich
Goodling
Gradison
Gramm
Green
Grisham
Guyer
Hagedorn
Hall, Ohio
Hall, Tex.
Hammerschmidt
Hanley
Hansen
Heckler
Hillis
Hinson
Hopkins
Horton
Huckaby
Hyde
Jacobs
Jeffords
Jeffries
Jones, Tenn.
Kelly
Kemp
Kildee
Kindness
Kramer
Lagomarsino
Leach, Iowa
Leach, La.
Leath, Tex.
Lee
Lent
Livingston
Loeffler
Lott
Lowry
Lujan
Lungren
McClory
McDade
McDonald
McEwen
McKinney
Madigan
Marks
Marlenee
Marriott
Martin
Mathis
Michel
Miller, Calif.
Miller, Ohio
Mitchell, N.Y.
Moffett
Montgomery
Moore
Moorhead, Calif.
Myers, Ind.
Nichols
O'Brien
Oberstar
Pashayan
Paul
Petri
Porter
Pursell
Quayle
Quillen
Railsback
Rinaldo
Ritter
Roberts
Robinson
Rodino
Roth
Rousselot
Royer
Rudd
Runnels
Satterfield
Sawyer
Schroeder
Schulze
Sebelius
Sensenbrenner
Shelby
Shumway
Smith, Nebr.
Snowe
Snyder
Solomon
Spence
Stangeland
Stanton
Stark
Stenholm
Stump
Symms
Tauke
Taylor
Thomas
Trible
Vander Jagt
Volkmer
Walker
Wampler
Weiss
White
Whitehurst
Whittaker
Whitten
Williams, Mont.
Williams, Ohio
Winn
Wydler
Wylie
Young, Alaska
Young, Fla.

NOT VOTING—27

Ambro
Anderson, Ill.
Brooks
Crane, Philip
Davis, S.C.
Diggs
Dodd
Dornan
Fish
Fountain
Garcia
Goldwater
Grassley
Harkin
Harsha
Holtzman
Hutto
Kazen
Leland
Murphy, Ill.
Nelson
Pepper
Rosenthal
St Germain
Thompson
Van Deerlin
Wilson, C. H.

□ 1110

The Clerk announced the following pairs:

On this vote:

Mr. Thompson for, with Mr. Charles H. Wilson of California against.

Mr. Rosenthal for, with Mr. Leland against.

Mr. St Germain for, with Philip M. Crane against.

Mr. Pepper for, with Mr. Dornan against.

Mr. Garcia for, with Mr. Fish against.

Mr. Diggs for, with Mr. Goldwater against.

Mr. Nelson for, with Mr. Grassley against.

Messrs. ERLENBORN, SOLOMON, KILDEE, JONES of Tennessee, LEE, and RODINO, and Mrs. BYRON changed their votes from "yea" to "nay."

So the previous question was ordered.

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

FIRST CONCURRENT RESOLUTION ON THE BUDGET—FISCAL YEAR 1981

Mr. GIAIMO. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the concurrent resolution (H. Con. Res. 307) setting forth the congressional budget for the U.S. Government for the fiscal years 1981, 1982, and 1983 and revising the congressional budget for the U.S. Government for the fiscal year 1980.

The SPEAKER. The question is on the motion offered by the gentleman from Connecticut (Mr. GIAIMO).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the concurrent resolution (H. Con. Res. 307), with Mr. BOLLING in the chair.

The Clerk read the title of the concurrent resolution.

The CHAIRMAN. When the Committee rose on Tuesday, April 29, 1980, pending was the amendment offered by the gentleman from New York (Mr. CONABLE).

□ 1120

Mr. CONABLE. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I would like to refresh the memory of this body about the pending amendment.

POINT OF ORDER

Mr. WYDLER. Mr. Chairman, I make the point of order that the Committee is not in order.

The CHAIRMAN. Permit the Chair to say that he believes that every Member has a right to be heard in the Committee of the Whole. It is not a matter of the Chair desiring order. It is a matter of Members deserving order so that there can be a reasonable procedure; and the Chair proposes to see to it that each Member is given an opportunity to express himself. It will be a great deal easier for everybody if the Committee comes to order a little bit more quickly.

The Chair will conclude by saying he does not hesitate to call names if he must.

Mr. CONABLE. I thank the Chairman for his diligence on behalf of the House.

The CHAIRMAN. The Chair recognizes the gentleman from New York (Mr. CONABLE).

Mr. CONABLE. Mr. Chairman, my purpose in rising is only to refresh the memory of my colleagues about the pending amendment.

This amendment restores the States' share of revenue sharing and cuts a portion of the categorical grants, those categorical grants which go primarily to the State itself and not to localities and individuals, by an amount equivalent to the restored revenue-sharing money.

The amendment is cost neutral. It does not add to Federal outlays. The purpose is to give the State some flexibility to deal intelligently with the cutbacks in Federal funding which will affect them in the upcoming fiscal year. Many of us fear the needs and priorities of the State may not be reflected in some of the cuts we are making here at the Federal level.

Restoring State revenue sharing gives the States some flexible funds which they can allocate according to where the cuts pinch them the tightest.

The total of Federal programs which will be subject to the 5-percent cut under this amendment comes to $33.7 billion. Apportioning the cut throughout these State grant programs will be more readily absorbed than the abrupt cutoff of State revenue-sharing funds.

Each State has its own pattern of use for State revenue sharing, but on the average, some 60 percent is passed through to local governments and school districts, education being the major beneficiary nationally of the State's share of revenue sharing.

Let us clear up a few misunderstandings. It has been alleged that States have enormous surpluses in their budgets. They do not. Only a few States, primarily those energy-producing States which are now reaping the benefits of oil decontrol, are running surpluses. The rest are generally just about breaking even. Some show a slight surplus, because constitutionally they are required to have balanced budgets and must maintain a small cushion to avoid deficits.

It has been alleged in a speech opposed to my amendment that it is impossible to predict the harmful effect of the amendment, because we cannot be sure which programs will be cut. That is true. This budget process cannot mandate line items.

I have set out this proposal only as a rationale for what I am trying to achieve here. I have available here in the chamber for any who care to see them, factsheets detailing which programs I urge be specifically exempt from cuts under my amendment. The exempt programs are primarily those which benefit individuals or which go almost entirely to local governments, even though they may pass through the State as a conduit.

It is my intention, as I have stated on several occasions, to make the 5-percent cut in areas which go almost entirely to State governments.

Frankly, if the best the opponents to this amendment can come up with is, "We do not know how it will come out," they really do not have much of an argument to make.

It is my contention then, in summary, instead of whacking out State revenue sharing entirely, it is far better to pare off 5 percent from the $33 billion of Federal grant-in-aid programs specifically to State governments, programs which do not directly impact individuals or local governments on the whole, so that the States can establish their own priorities for where spending cuts ought to be made.

We are dealing in functional fields, however, as a matter of actuality.

I am offering my amendment and this explanation of it simply so the Members will understand the rationale back of it.

Mr. EDGAR. Mr. Chairman, will the gentleman yield?

Mr. CONABLE. I yield to the gentleman from Pennsylvania.

Mr. EDGAR. I would like to commend the gentleman in the well for his amendment and rise in support of the gentleman's amendment.

I think the gentleman has crafted an amendment which encourages the process of balancing the budget while at the same time focusing in on restoring some of the State revenue sharing, and it moves to a position which I and some members of the Northeast-Midwest Congressional Coalition have been very interested in; and that is either to fully fund the State share of revenue sharing, which in most instances in our region gets passed directly back to local government or providing a period of time in which we can wean the States off of the State share of revenue sharing and permit them to make the adequate adjustments necessary in their programs.

I commend the gentleman for his statement.

The CHAIRMAN. The time of the gentleman from New York (Mr. CONABLE) has expired.

(At the request of Mr. SNYDER and by unanimous consent, Mr. CONABLE was allowed to proceed for 1 additional minute.)

Mr. SNYDER. Mr. Chairman, will the gentleman yield?

Mr. CONABLE. I yield to the gentleman from Kentucky.

Mr. SNYDER. I thank the gentleman for yielding.

The gentleman indicates the amendment is cost neutral, that what you add for revenue sharing for the States will come out of categorical grants to the States.

Mr. CONABLE. That is right.

Mr. SNYDER. Is the amendment crafted so that it is cost neutral for each State, or is it crafted so it will be possible to take more out of one State in the categorical grant programs than they would give back in revenue sharing?

Mr. CONABLE. No. It is intended to be cost neutral with respect to each State.

Mr. SNYDER. That is the intention.

Mr. CONABLE. That is correct.

Mr. SNYDER. I think it is a good amendment. I commend the gentleman.

Mr. WYDLER. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, the amendment before us is very simple. It restores funding for State government revenue sharing without adding to the budget. Instead of adding to the budget, we chose to trim certain programs which already go to State governments by 5 percent in order to fund the amount necessary for the State share of revenue sharing. However, we would not reduce those programs in the $92 billion Federal aid budget to States and localities which are classified as aid to individuals. I repeat, we would not affect those programs classified by OMB as "aid to individuals."

What are those programs which OMB calls aid to individuals? Totaling $36.9 billion according to the House Budget Committee, these programs are: Medicaid; child nutrition; AFDC; subsidized housing; the unemployment trust fund; low-income energy assistance; programs of the alcohol, drug abuse and mental health administration; rural housing; special milk; the women, infants and children or WIC program; refugee aid; congregate housing; State nursing home construction grants; State or locally administered section 8 housing; and, food stamp administration. Again, these programs would not be cut.

Other programs which aid individuals such as food stamps, social security and medicare are not considered here since these programs are not considered aid to States and localities. As such, these programs would not be affected.

Next, we would not cut certain programs which go to local government, totaling $19.4 billion. These are: CETA, including the President's youth initiative; the local share of general revenue sharing; community development block grants, urban development action grants; urban mass transit grants; and, economic development assistance.

In addition the title XX social services grant program which goes to State governments totaling $2.9 billion would not be cut. Again, all these programs are not subject to the 5-percent reduction.

All totaled, we would not touch $59 billion in grants out of the total $92 billion in aid to States and localities as classified by OMB.

We propose to pay for the State share by trimming the remaining $33 billion in State and local aid budget by 5 percent. The remaining programs are primarily State grants for highways, education, health, and water.

Rather than eliminate State revenue sharing entirely, would it not be better and more responsible for this body to cut other State grant programs by a small amount in order to fund the State share? In this way, the programs which rely upon State revenue sharing at both the State and local level will not be automatically terminated. On the other hand, a 5-percent reduction in grants which States already receive would not impair the overall effectiveness of these programs.

Why is this a better way to go? First, State revenue sharing supports a variety of programs at both the State and local levels. A quick examination of how each State government spends its money will reveal that education, health, and social service programs are high on the list. As a consequence, elimination of State revenue sharing is going to hurt people—your constituents and mine.

But it is also going to hurt local government. Treasury Secretary Miller testified just last week that as much as $1.4 billion of the State share of general revenue sharing actually winds up in local coffers, for local programs. This is a tremendous revenue loss coming at a time when the national economic picture is anything but rosy. And yet some want to eliminate the State share and pretend it will not hurt people. It will. I frankly do not understand this.

Now some will come before this body and say we should not give the States any revenue sharing because overall they have a surplus. They will beguile you with such phrases as "this is deficit sharing, not revenue sharing." Such simplistic notions can be dismissed quite easily. First of all, State surpluses in the past have resided in the coffers of just a few States, primarily energy-producing ones now benefitting from oil decontrol. The majority of other States are not really as secure. But secondly and most importantly, State governments remain eligible for hundreds of individual grant programs from the Federal Government, spending billions of dollars each year, and yet no one seems to be up here and complaining about this. All they point to is State revenue sharing. No one says "let's cut the States out of this program or that program because it has a surplus." No. The constant refrain is "let's cut revenue sharing." The truth of the matter really is that those that subscribe to that argument are really against the local share also. And a vote against the State share of revenue sharing is really a vote against the local governments as well. This is especially true since Secretary Miller told us last week that over 60 percent of the State share actually winds up at the local level.

Lastly, consider what has already been done. Of the $17 billion in cuts made by the House Budget Committee, approximately $6.9 billion would come out of State and local programs. About $5 billion, or 72 percent of the cuts, are made on State government programs directly. Continuation of revenue sharing will allow Governors and State legislatures the continued flexibility necessary to adjust to these cuts.

This amendment is supported by the National Governors Association, the National Conference of State Legislatures, the National Association of Counties, the

American Federation of State, County and Municipal Employees, and the Southern Growth Policies Board.

This amendment does not hurt people. It does not hurt local governments. It does not add to the budget and it deserves your support.

□ 1130

The CHAIRMAN. The time of the gentleman from New York (Mr. WYDLER) has expired.

(By unanimous consent, Mr. WYDLER was allowed to proceed for an additional 5 minutes.)

Mr. OTTINGER. Mr. Chairman, will the gentleman yield?

Mr. WYDLER. I do yield to the gentleman from New York.

Mr. OTTINGER. Mr. Chairman, I thank the gentleman for yielding.

What bothers me is that, in the colloquy with the gentleman from New York (Mr. CONABLE) yesterday, he made it clear that there could be no binding effect on what programs would be cut or by how much. The Appropriations Committee in its wisdom could eliminate any of the programs that it did not like and set its own priorities.

Even if the Appropriation Committee did follow the priorities that have been recommended by my friend, the gentleman from New York (Mr. CONABLE), nevertheless, you would have cuts in education programs, community action programs, agricultural extension, and many other programs that I think have high value.

With respect to the New York situation, or those of any other State, I suppose it is more or less the same. We pass through only 60 percent of the State revenue-sharing funds, so that you would have real cuts that would be very hurtful to the localities, because they would be lacking 40 percent which they now achieve.

For those reasons, even though I like the concept of State revenue sharing and I am a supporter of it, and my amendment would restore full funds for State revenue sharing, I have grave doubts about proceeding on this path.

Mr. WYDLER. Well, I am afraid I might agree with the gentleman if I thought his approach was going to succeed; but I think we have to make a decision in this budget and decide here on the floor today where we put our priorities. I think we have to face the fact that we are going to have to come up with a balanced budget. If we try to offer a program that is going to just add $2.3 billion to the budget, we are very likely to lose such an amendment. I think reality leads us to that decision.

The CHAIRMAN. The time of the gentleman from New York (Mr. WYDLER) has again expired.

(At the request of Mr. DOWNEY, and by unanimous consent, Mr. WYDLER was allowed to proceed for 2 additional minutes.)

Mr. WYDLER. Mr. Chairman, I am only suggesting this to the gentleman. I know the problem that a great many people feel about being for this, because you are forcing some cuts in the budget, as well as adding this money in it. You are redefining where it is going to be spent.

I think most of the people, given a choice, will stick to the revenue sharing concept, mainly because it gives them the flexibility to adjust. That is the important point and that is why so many groups at all levels support the purpose of this amendment.

Mr. Chairman, I yield to the gentleman from New York (Mr. DOWNEY).

□ 1140

Mr. DOWNEY. I thank the gentleman for yielding.

I find myself in the unusual and pleasant position of supporting my colleague from Long Island.

Mr. WYDLER. I thank the gentleman.

Mr. DOWNEY. I want to congratulate him for offering, along with the gentleman from upstate New York, this amendment.

I do not want to inject regionalism into this debate, but it is clear from my position as serving on the Northeast-Midwest Coalition, the task force on the budget, that the analysis we have done with this amendment, it is clear for those of us in the Northeast that we prosper from it. I think the gentleman's point about the recognition that we are going to have a balanced budget, and have to work within that framework, is sound reasoning.

In our community of Long Island there is no question but that the State revenue-sharing programs provide jobs, provide services, and go to mitigate what is the highest property tax rate in the United States. So I would agree and say to the gentlemen, both gentlemen from New York, that this is important, and it is important for the Northeast. It is particularly important for New York.

Mr. WYDLER. I thank the gentleman for his remarks. It is a delight to be on the same side with him on any issue.

Mr. CONABLE. Mr. Chairman, will the gentleman yield?

Mr. WYDLER. I am happy to yield to the gentleman from New York.

Mr. CONABLE. Mr. Chairman, I thank the gentleman for his remarks. I would not want there to be any implication that this is in any way regional. As far as I am concerned, my support is philosophical and administrative. My feeling is the administrative practices involved in revenue sharing, the cost to the government and the utility of the money far excels that of the categorical grant programs.

Mr. WYDLER. I thank the gentleman.

Mr. PANETTA. Mr. Chairman, I move to strike the requisite number of words and I rise in opposition to the amendment.

Mr. Chairman, the problem of balancing the budget is to try to do it with regards to realistic spending reductions. Contained in the budget proposal as it comes to the floor is $16 billion worth of spending reductions that we feel target at legitimate areas to be questioned by the committees that are responsible for those areas. Secondly, we think they are realistic in terms of achieving those kinds of spending reductions.

I think those issues have to be considered in weighing exactly how realistic spending reductions and budgets are going to be achieved in this process.

Revenue sharing, State revenue sharing was included because we felt this was a legitimate area to be questioned, to be reviewed by the Committee on Government Operations because, indeed, a majority of the States have surpluses and are in a much better fiscal condition than the U.S. Government. For that reason, this is a legitimate area that ought to be questioned as a result of that particularly when the Federal Government is borrowing to provide those funds and running large deficits. So it is a legitimate area that should be looked at.

Secondly is the issue of how realistic is the Conable amendment in terms of replacing this revenue sharing with a 5-percent reduction on some very popular categorical programs. The fact is that there are philosophical issues involved here by virtue of the categorical versus general revenue funding. I support the thrust of general revenue funding but the fact is we are dealing with some categorical programs that the Congress and the country have supported for many years and the Appropriations Committee has supported for many years.

I would urge my colleagues to look at the list of potential programs to be reduced by 5 percent in order to establish just how realistic it is that there will be a 5-percent reduction across these categorical programs in order to replace $1.7 billion for revenue sharing. Let me run through that list. I think it is extremely important.

In the Department of Agriculture we are talking about reducing the Agricultural Marketing Service, we are talking about reducing Animal and Plant Health Inspection Service. We are also talking about reducing the Commodity Credit Corporation, the Cooperative State Research Service, the Extension Service, the rural community fire protection, rural water and waste disposal, the national forest and school funds, rural development planning, watershed and flood protection programs. This is just in the Department of Agriculture alone. These are programs that have served rural America for many years and are extremely important to rural America.

Is the Appropriations Committee indeed going to reduce these programs by 5 percent? Will the States, in many instances urban States, will those legislatures in turn then redirect those funds to the same areas? That is another question that needs to be asked.

In the Department of Commerce we have reductions in the drought assistance program, the minority business enterprise, the National Oceanic and Atmospheric Administration, the National Telecommunication and Information Adminstration, again categorical programs that are extremely important and that are popular in this institution because they serve a valid need. Also we have the Community Action program.

In the Department of Defense there are reductions in the Corps of Engineers.

the Flood Control Act of 1954. Indeed, are there going to be reductions with regard to funds provided by the Corps of Engineers for flood control? I do not think so.

In the area of the Department of Energy, the Environmental Protection Agency.

In the area of education, the educational development; education for the handicapped; elementary and secondary education; emergency school aid; higher education; Indian education; library resources; occupational, vocational, and adult education; and on down the list.

This is true for the Department of Housing and Urban Development, the Department of Interior, the Department of Justice, the Department of Labor. These are important programs that have been targeted in areas of need. Whether my colleagues agree or disagree with the issue of categorical versus general funding, the reality is that these are popular categorical programs that are not going to be that easily reduced as far as the appropriation process is concerned.

Let me mention another problem. That is the fact that in many of these categorical areas we already have obligations to be met. There are contracts that have been made. In some instances we are talking about 2- and 3-year contracts and commitments particularly with regard to sewage and waste disposal. So, are those commitments going to be reduced? No. They cannot be.

The CHAIRMAN. The time of the gentleman from California has expired.

(By unanimous consent Mr. PANETTA was allowed to proceed for 2 additional minutes.)

Mr. PANETTA. So, we are going to be pulling these funds out of very limited areas as the result of that.

My concern with this amendment is that the result will be that we will not only add $1.7 billion back into the State revenue sharing, but we are going to keep $1.7 billion in categorical aid programs, and we will not have achieved any kind of spending reduction in this area.

It is for those very real and realistic reasons that I urge my colleagues to vote against the Conable amendment.

Mr. CONABLE. Mr. Chairman, will the gentleman yield?

Mr. PANETTA. I am pleased to yield to the gentleman from New York.

Mr. CONABLE. Mr. Chairman, does the gentleman have any doubt if we were to ask the State Governors and the State legislatures "Which would you rather have cut, your share of revenue sharing or 5 percent of the categorical grants that are listed as suggestions to the Appropriations Committee" what their answer would be?

Mr. PANETTA. I think, as the gentleman knows, the State legislatures and the State Governors obviously would like the broadest flexibility to deal with funding. But that has been the problem. Despite revenue sharing, we have not wiped out these categorical programs. They are still in existence, and the reality is they will continue to be funded in this institution.

What I am looking at, and what I am looking for is a realistic way to achieve the spending reductions. I do not think this is the way to do it.

Mr. CONABLE. I think we have to assume the amendment means something though. It is intended to mean something, and it is intended to try to provide a choice which would give the flexibility to the States that would facilitate their administration of Federal grants-in-aid.

Mr. PANETTA. I understand the gentleman's goals and I would share in his hopes. I just do not think it is realistic.

Mr. KINDNESS. Mr. Chairman, will the gentleman yield?

Mr. PANETTA. I am pleased to yield.

Mr. KINDNESS. Mr. Chairman, the gentleman makes a good point I think with respect to one part of the failing of the amendment. But there is another unexpressed underlying problem here. Many of the programs that are slated for cuts are programs in which this Congress has placed an obligation upon States and local governments to perform in a certain manner.

□ 1150

The CHAIRMAN. The time of the gentleman has expired.

(At the request of Mr. KINDNESS, and by unanimous consent, Mr. PANETTA was allowed to proceed for 2 additional minutes.)

Mr. KINDNESS. If the gentleman will yield further, the problem that is faced by both State and local governments, but very largely local governments, is that they have these obligations to be met, such as basic water and sewer facilities under the Department of Housing and Urban Development. That would be reduced by this proposal. There are several others—the Agricultural Extension Service, the Cooperative State Research Service. These are programs that are essentially federally established and create an obligation for State participation, but there is a formula for that participation. These are not all such programs that are listed in that category to be reduced, but a large number of them are. That is one of the things that causes me to be very reserved about this.

Mr. PANETTA. The gentleman raised the concern I mentioned because I think there are problems that are here. Commitments have been made on the basis of State sharing. There are in many instances here 2- and 3-year and sometimes 4-year contracts for distribution of funds. I just do not think we are going to be able to pick up that $1.7 billion in order to replace the revenue sharing, and we are going to probably involve some serious legal questions that would arise by virtue of the commitments that have been made.

Mr. KINDNESS. I thank the gentleman.

Mr. PANETTA. I thank the gentleman from Ohio.

Mr. BROWN of Ohio. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise in support of the Conable-Wydler amendment to restore State revenue sharing in the fiscal year 1981 budget. I am particularly supportive of the fact that the amendment calls for reinstitution of State revenue sharing without adding any additional spending to the budget. Since most of us agree that it is necessary at this time to balance the budget, the Conable-Wydler amendment could not have come at a better time.

What makes this amendment particularly appealing is the way it is constructed. The amendment would reduce grants in aid to States but not those programs within the Federal aid budget which are considered to be aid to individuals. In addition, the amendment would not touch the major programs which are exclusively local grant aid, like CETA, local revenue sharing, community development and mass transit grants. Rather, the Conable-Wydler amendment seeks to trim 5 percent from the over $33 billion in other programs that fall within the category of State and local aid.

I at one time sat on the Committee on Interstate and Foreign Commerce with the wonderful former Member of Congress, a gentleman by the name of Don Brotzman, and every time we would get into some passionate discussion of a witness across the table about the importance of his particular program, Don would lean over and say:

> Hell hath no fury like a vested interest masquerading as a moral principle.

I thought that was particularly appropriate in those circumstances, and it is particularly appropriate in the circumstances of the discussion immediately preceding my taking the well.

The proposal in this amendment is to cut 5 percent out of some specific programs that do not get into the transfer payment area. The fact of the matter is we are not cutting programs wholesale in this amendment. The proposal in this amendment is to trim 5 percent out of some specific programs that do not get into the transfer payment area. If those programs do not have 5 percent fat in them, I will eat your hat. I think that we have an obligation to try to adjust the expenditure of funds from this Congress, of the public's money, in a way in which we think it would be most effective. Why did we take up revenue sharing in the first place? We took up revenue sharing because we found that the Congress raises money, that is, the Federal Government raises money very effectively, but it expends it very poorly because we frequently have no judgment, at least not as good judgment of what the real need is. Certainly, our judgement is not as good as that of the people who run local communities and the States. So we decided we would give them a portion of the money, without restriction, to spend for those things which they think they have a priority for but for which they do not have the money.

Let me go back to that question of whether the States really do have the money. Some Members of Congress have attempted to attach significance to the fact that States have been projecting unobligated balances while the Federal Government was projecting a deficit. This analogy ignores important differences in State and Federal Government finance.

States always project an unobligated balance in the general fund, regardless of their fiscal condition and regardless of whether the economy is in a recession or in an inflationary stage. The existence of a balance is not a function of economic prosperity but of uncertainty about the future. Unlike the Federal Government, 48 States are constrained from incurring deficits in their general operating funds and therefore cannot deal with unforeseen economic downturns or other emergencies that might occur during the year unless they have a balance. But this does not mean States are free of debts. Unlike the Federal Government, States separate capital investments and operating expenditures and incur debts through their bonded indebtedness capital budgets, which are used to finance long-term projects.

Indeed, State debts totaled $102.6 billion in 1978, the last year for which data are available. Total operating expenses for all of those individual States in 1979 were $114.5 billion. In addition, State and local governments had unfunded liabilities in their pension systems of $150 billion to $175 billion, and the State portion of the Federal-State unemployment trust funds were in deficit by an estimated $4.2 billion. None of these fiscal pressures is fully reflected in their operating budgets. Several Members of Congress, including Senate Majority Leader ROBERT BYRD and recent Senate Budget Committee Chairman EDMUND MUSKIE, who has now given up that rather difficult job for the simple life of being Secretary of State, have noted that States might well be in deficit if they used the Federal accounting system and that the Federal Government might well show a balance if it used the States' system.

Whatever the accounting system used, once the decision is made to operate on a balanced budget, it becomes necessary to set aside some funds as a margin of safety. As Gov. Richard Snelling of Vermont wrote to Senate Joint Economic Committee Chairman LLOYD BENTSEN last year, if the Federal Government were required to balance its budget, the Federal Government "also would probably have to deliberately budget a year-end balance as a protection against contingencies such as a revenue shortfall or unforeseen needs for higher spending." When President Carter submitted his plan to balance the budget last March 14, he said of the revenues to be raised by the oil import fee, now estimated at about $12 billion—

> I do not intend to use these revenues to balance the budget or as a substitute for necessary spending cuts. But these revenues, which will begin accruing immediately, will give the budget a margin of safety—ensuring that it remains in balance even if conditions or estimates change.

Why do I find the Conable-Wydler approach preferable to the Budget Committee's recommendation that State revenue sharing be eliminated entirely? First, I think you have to look at what State revenue sharing is being used for. For instance, in my State, Ohio, State revenue sharing payments are used to support local education programs. Obviously, the elimination of revenue sharing will mean less for education for Ohio and many other States. Such a cutback will make it impossible to adjust State and local programs without the imposition of new taxes by those governments on an already overtaxed public.

However, a 5-percent reduction in grants to the same set of recipients, namely State governments, would not seriously impair the overall effectiveness of these programs. In fact, continuation of State revenue sharing, because it is flexible money, would enable the Governors to adjust State resources and programs in the most economical and efficient way possible.

A second major reason to support this amendment is that State revenue sharing is an important component of our overall Federal, State, and local aid systems. The Advisory Commission on Intergovernmental Relations, on which I serve, recently adopted a position in full support for the continuation of both the State and local portions of revenue sharing. This is a judgment that was made after years of study and thorough analysis of our intergovernmental aid system.

The ACIR, in testimony delivered by President Carter's appointee, former New York Mayor Abraham Beame, who is Chairman of the Commission, recently stated that the elimination of "State government share, to the needs of Federal fiscal restraint, is precisely the wrong policy." State governments are doing more and more to aid their localities and, in fact, reduction of State revenue sharing would discourage this trend. States have taken over much of the fiscal responsibility once left largely to local government. As late as 1959, 20 State governments raised less than half of State and local tax revenue. By 1978, however, there were only four States where local tax revenue collections outstripped that of the State.

The administration last week proposed their revenue-sharing bill which calls for the elimination of State governments from the program. In lieu of State participation, however, the administration is suggesting a $1 billion program over 2 years which is intended to assist those local governments which will lose revenue due to the elimination of the State share. I would point out that at the same time, Treasury Secretary Miller testified that the revenue loss to localities due to loss of the State share "may be as high as $1.4 billion" each year. But the administration is only offering $1 billion over 2 years to make up that loss. Indeed, if you are concerned about your local communities and school districts, I would suggest that the State share of revenue sharing is a much better deal.

If that does not convince you, I would suggest that you take a look at the administration's proposal. Do you know how they plan to allocate that money to each State? Well, they got a chart from the Bureau of Census which lists the amount of aid, excluding education aid, which each State delivers to their local governments. Under the administration's proposal, each State would receive an amount according to the total of local aid delivered within a State as a proportion to the amount of local aid delivered by all States nationwide.

Aside from the fact that New York and California would receive 40 percent of the money under this scheme, it is basically unfair to those States which spend money on local education aid since the administration's formula would not credit State aid for education.

I would suggest to Members in this body that if you are concerned about education and the amount of aid which local school districts are going to receive under the administration's proposal, you had better oppose it. In a State like Ohio or Illinois which spends its money on local education, the administration's allocation formula would not give any credit for that effort.

On the other hand, education programs in Illinois and Ohio and other States are greatly benefited by the way in which those States spend their revenue-sharing dollars. If you care about education, the Conable-Wydler amendment is the only way to go.

Members should also consider one last point. In making the recommendation for the elimination of State revenue sharing, the administration has ignored the advice not only of the Advisory Commission on Intergovernmental Relations, but of its own group in OMB which has studied problems existing our $92 billion Federal aid system to States and localities. It has been recommended that programs could be operated more efficiently and economically if we resist the temptation to constantly add individual grant programs to the already over burdened grant system. One prime example of this, once again, is education funding. Would it not have been less costly to take the programs which will be administered by our newest bureaucratic behemoth, the Department of Education, and funnel that money to support education in the form of block grants? This is what the President's own team in OMB suggested; this is what the ACIR has advocated; and yet we have not done it.

Now some will argue that we have more control in the Congress over the individual grant programs than we do block grants. Frankly, I think this is rubbish because I cannot see that we have much control over the Washington bureaucracy anyway. And yet we spend more and more money here in Washington to administer these programs each year. The new Department of Education, with its 12 new executive level positions and 90 new supergrade positions, will only increase that trend.

The amendment before us, however, offers us an opportunity to say enough is enough, to leave some of the discretion and judgment in the hands of the States to decide what is best for each individual State.

I urge your support.

Mr. GIAIMO. Mr. Chairman, I move to strike the last word and will speak in opposition to the amendment.

My colleagues, I ask you to vote down this amendment and for very good reasons. First of all, the very name, revenue sharing. The Federal Government is being asked to share revenues, which it does not have, with States and local governments. I think it is wrong in principle. Certainly I think it is wrong for the Federal Government to go out and borrow money and give it to the States for programs that the States in many instances are well able to finance themselves. It has been said that some of them are running surpluses. I am not going to get into that surplus and deficit argument. The fact is some States are.

Mr. Chairman, let me say something else. There are 13 States that pass through 100 percent of their share of revenue sharing to the communities. The remainder of the States passed through anywhere from 15 to 27 percent while using the rest for State purposes including reduction and avoidance of new States taxes.

Forget all of that. Let us get back to the origins of revenue sharing. I mentioned yesterday that it was part of the new Federal concept back in 1972. I remember the debates and I remember them well. What happened was to install a new program called revenue sharing to give Federal money to all of the communities and States of the land whether or not in fact they needed it. And the argument is, of course, that they need it; they have to hold down real estate taxes and so forth. The result, however, was a lessening of the amount of money which went to the areas both urban and rural which had the highest degrees of poverty. They lost out by this new type of program. For years we had designed categorical type programs designed to alleviate poverty and suffering in areas where it existed, whereas this new program gave a nice little bag full of money to a whole host of communities whether or not they needed it and in addition gave it to the States whether or not they needed it. The States in some instances recognizing the inequities passed through money to the communities, but, again, without determining whether in fact they needed it or not.

Now, Mr. Chairman, we are hearing about the Northeast problem. Let me take my own congressional district. I have a congressional district that has the city of New Haven with a high degree of poverty and needs help and has been cut ever since this program came into existence. I have a city like West Haven and cities like Hamden and Milford and Stratford which need help. But I will say that my own town of North Haven, which gets revenue sharing, does not need the help that these cities do. Some of my other suburban towns that do not have the poverty problems are getting revenue sharing and they do not have the problems that our urban centers or our areas of rural poverty have. That is what is basically inherently wrong with this program.

Mr. CONABLE. Mr. Chairman, will the gentleman yield?

Mr. GIAIMO. I yield to the gentleman.

Mr. CONABLE. I have two questions of my distinguished chairman. First, is this a balanced budget or is it not?

Mr. GIAIMO. Yes; it is.

Mr. CONABLE. If it is a balanced budget then I submit we are not borrowing the money that goes to revenue sharing. That may have been the case in the past but if this is a balance budget, the argument is an argument of the past.

Now, Mr. Chairman, the second question I would like to ask is, does not the gentleman from Connecticut feel it possible that State and local government also can be an instrumentality for the alleviation of want; that all charity does not originate in the motivations of the Central Government and that frequently our State and local governments are able to provide more flexibility for their citizens' needs than we wise philosopher kings on the Potomac?

Mr. GIAIMO. That is possible but not likely. Rather, what is likely is that States like to hold down their own tax efforts and in fact look to Washington for moneys which they would otherwise have to raise themselves.

Mr. CONABLE. This is a basic disagreement of a philosophical nature.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. GIAIMO was allowed to proceed for 4 additional minutes.)

Mr. GIAIMO. I yield further to the gentleman from New York (Mr. CONABLE).

Mr. CONABLE. I understand the gentleman comes from the Committee on Appropriations and feels that any distribution of money unaccompanied by major regulation and control is an abrogation of the power of his position. Yet I have to say that, believing in democracy, I believe there are other levels of government also that participate in wise and humane motives.

Mr. GIAIMO. Let them raise their own money and fund their own programs.

Mr. CONABLE. Even with regressive taxation?

Mr. GIAIMO. Even if it is regressive taxation. And we should fund the necessary programs which are Federal responsibilities or we should not fund them at all and not tax our people to pay for them or for other programs.

Now, Mr. Chairman, let me get to another point. They talk about 5-percent cuts and they would have you believe it is not going to affect very serious programs. It certainly is going to affect a whole host of agricultural programs according to the list they put out:

Agricultural Marketing Service, the Extension Service, the rural water and waste disposal, watershed and flood prevention operations. It is going to affect the minority business enterprise program. I am just picking out some. The community action programs. It is going to affect the abatement and control for the Environmental Protection Agency. It is going to affect disaster relief. It is going to affect the American Printing House for the Blind—maybe they cannot stand a 5-percent cut but that is what is proposed. The same is true of the Center for Disease Control, Preventive Health Service, and a whole host of educational programs including elementary and secondary education, education for the handicapped, interior programs, justice programs, labor programs, transportation programs, and on and on and on.

Now, Mr. Chairman, I do not think we should continue down this road. I think it is no secret that I am not a fan of revenue sharing. I never have been because I thought it was wrong for the Federal Government to be handing out money it never had, to States and municipalities. However, certainly while we can make a case for municipalities because they are in need, both rural and urban, the fact is the States ought to be able to row their own boat and stop looking to the Federal Government to bail them out.

□ 1210

And yes, we are going to be in surplus this year, so that does not negate from the philosophical difference which I have with the gentleman from New York on this issue of sharing revenues. I think we should not have this in the Federal Government. The States have become dependent upon it. The Governor of Massachusetts, who ran against revenue sharing several years ago, was in to see me several weeks ago in support of this amendment. That is what happens in our States. They get used to it. It is easy to look to Washington.

I believe that we have got to spend money in areas of need, and I think we do not have enough money to spend in areas of very real need. Certainly, one of the areas that is least justifiable in this budget is revenue sharing. Of all the programs that our committee has recommended cuts in, I submit to you, my colleagues, if we had to boil it down to one program, to defeat and destroy the one with the lowest priority, in the opinion of our committee it is revenue sharing for the States. Now is the time for Congress to act and say, "This is the end of that program. We have much higher priority demands for our money."

Mr. BEREUTER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the amendment offered by my colleague from New York, Congressman CONABLE. His amendment would allow each State to retain its current share of general revenue-sharing moneys if it accepted an equivalent reduction in certain categorical aid funds.

This member's support for the achievement of a balanced budget through limitation of Government spending is certainly well-documented. I intend to vote with that position in mind as we consider the various amendments to the first concurrent budget resolution.

Despite my position advocating a reduction in Government spending, I strongly disagree with the position of those who believe that the States' share of revenue sharing should be eliminated. Of all Federal aid to State and local government programs, the revenue sharing program has proven to be the most effective. It should be continued; accordingly, I support the Conable amendment.

Yesterday, we had some discussion as to whether or not the father of revenue sharing was the Johnson administration or the Nixon administration. Actually, the father was Henry Clay, going back to 1837. I am very pleased that my colleague from Ohio, Mr. BROWN, has addressed once again some of the points about general revenue sharing that need to be made. One is about the constitutional mandates that most States have prohibiting indebtedness or requiring a balanced budget. He also ably made the distinction once again, which I would reiterate, concerning difference in most States between operating budgets and capital budgets.

Yesterday, we also heard some comment about the huge budget surpluses of the States. I would suggest to the Members that if they take a look at where those huge budget surpluses are rolled up, they would find that a great percentage of the so-called State budget surpluses are in four States: Florida, Texas, California, and Alaska. That size of budget surpluses are indeed uncommon.

In the last 2 years I had the opportunity to chair the Urban Development Committee of the National Conference of State Legislatures. I saw the progress that has been made by the States on State assistance programs for political subdivisions and on improved enabling legislation for their political subdivisions.

My interest in the revenue-sharing program began prior to its creation by Congress in 1972. At that time, I conducted extensive research into the concepts behind establishment of such a program and the justifications that led to passage of the State and Local Fiscal Assistance Act of 1972.

As I learned then, revenue sharing is not a new experiment. The American experience with revenue sharing dates back to 1837 when Henry Clay convinced Congress to share revenue with the States in order to limit President Jackson's initiative in spending a $28 million Federal Government surplus. The financial panic of 1838 ended that brief experiment after only 9 months of operation.

The modern revival of the concept is usually attributed to a 1964 effort led by Dr. Walter Heller and a subsequent study headed by Joseph Pechman. They conceived a plan to stimulate the economy and avoid expected fiscal drag by sharing the upcoming fiscal dividend with the States. Heller subsequently explained his objectives in devising the revenue sharing plan. It was designed to:

First. Not only relieve immediate pressures on State-local treasuries, but make their revenues more responsive to economic growth;

Second. Build up the vitality, efficiency, and fiscal independence of State and local governments;

Third. Increase the progressivity of our Federal-State-local tax system;

Fourth. Reduce economic inequalities and fiscal disparities among the States;

Fifth. Stimulate State and local tax efforts; and

Sixth. Insure that the plight of local, and especially urban governments will be given full weight.

Now, let us face reality. Revenue sharing has never been a popular program with the Congress. The Members have just heard typical oppositions to it expressed here only a few minutes ago. In 1972, an unprecedented coalition of State and local budget interest groups came together and with the help of the administration, pushed the revenue-sharing program to passage.

Why is it unpopular? Because revenue sharing does not allow Members of Congress, to "bring home the bacon" to their constituents, in a very visible fashion, as they can with the categorical grant programs. That is the reason it is not popular with Congress.

One of the other unfortunate aspects of eliminating general revenue sharing for States would be to create, or reemphasize the traditional suspicions and a divisiveness between the political subdivisions and the States. They came together to support general revenue sharing. It is working, and our States are now transferring many of those Federal revenue sharing dollars to their cities and other political subdivisions. We drive a wedge between the States and the political subdivisions when we eliminate general revenue sharing for the States.

The general revenue-sharing program launched a new era in State-Federal fiscal relations. It has been an overwhelming success, achieving almost universal support from State and local government officials.

Revenue sharing is an example of federalism at work—working well. It is an example of the provision of Federal dollars to States and local governments with decisionmaking left at the local level. It is based on the premise that Washington does not have all the answers—that all wisdom does not reside in the heads of Federal bureaucrats or Members of Congress. Rather, it builds on the belief that local people are frequently, even typically, best equipped to devise programs and policies suited to the distinct needs of their local communities. Operated with a minimum of administrative overhead (approximately 0.1 percent of total funds), the revenue-sharing program delivers the maximum amount of dollars to the State and local governmental units in the quickest, simplest, and most effective manner.

While categorical aid programs, in a general and theoretical sense, have their legitimate role in Federal-State relations they lack the flexibility exemplified by the revenue-sharing program and lock State and local governments into spending priorities established by distant policymakers—often with dubious results. You can be certain that a categorical program tailored for the needs of urbanized, industrialized areas will often be inappropriate for rural States, and vice versa.

All too often categorical grants pose an administrative nightmare to State and local government officials. Hundreds of grant-in-aid programs confront local officials with their differing matching requirements, timing difficulties, and confusing application procedures. Proliferation of programs, excessive information costs, undue complexity, and a serious lack of coordination go hand in hand with our current nonsystem of categorical grant programs. Furthermore, administrative costs are estimated to be 70 times higher than that for general revenue sharing in some categorical grant programs.

Even more distressing is the manipulability of the categorical grant program system. The categorical grant program is especially subject to inequitable manipulation by those governmental units with professional grantsmen, political muscle or incestuous technocratic relationships.

Finally, a most serious fault of the categorical grant program must be highlighted. Since these categorical aid programs are enacted and continue to be implemented in the absence of any discernible, overall national strategy, it is not surprising that their objectives and results, when identifiable, are often contradictory.

The CHAIRMAN. The time of the gentleman from Nebraska has expired.

(By unanimous consent Mr. BEREUTER was allowed to proceed for 3 additional minutes.)

Mr. BEREUTER. Mr. Chairman, despite these faults, many people still favor categorical grants and oppose the "no-strings attached" revenue sharing program, often because of the mistaken belief that these revenue sharing funds are used for somewhat frivolous or unnecessary programs or capital construction projects. That perception, is clearly in error. My home State Nebraska, for example, has, for the last 2 years chosen to pass a major share of its revenue sharing funds to local school districts.

Elimination of these general revenue-sharing funds, therefore, would cause serious problems for local budgetmakers. Failure to recognize this and to sustain the positive features of federalism embodied in the revenue sharing program would be a serious mistake by this body.

It should also be made clear that the States are not unwilling to make their share of sacrifices in the battle against inflation. Speaker George Roberts of New Hampshire, president of the National Conference of State Legislatures, has made that position known publicly. In endorsing the Conable amendment, Roberts stated:

> We urge your support for "Conable" as the best way to help States absorb their fair share of cuts to reach a balanced budget.

The State's share of revenue sharing constitutes only a small portion of the $96.3 billion of Federal grant-in-aid outlays to State and local governments. Nevertheless it is perhaps the most important share. Certainly, I say without a doubt, it is the most effectively utilized of the Federal dollars sent to the States and their political subdivisions. To eliminate that share in favor of less effective, more costly categorical aid programs would truly result in false economy. I therefore, urge my colleagues to support the Conable amendment.

Mr. CONABLE. Mr. Chairman, will the gentleman yield?

Mr. BEREUTER. I yield to the gentleman from New York.

Mr. CONABLE. Mr. Chairman, I would like to compliment the gentleman on the statement he is making. He was not here when the revenue-sharing proposal originally was debated and adopted. He has done his homework well, and understands the rationale behind this extremely valuable program. I think his support is particularly valuable for that reason.

Mr. BEREUTER. I thank the gentleman.

In doing that, I would like to make it clear that I do not discourage the use of categorical programs entirely.

□ 1220

We need a proper mix of categorical grant programs, general revenue sharing, and various types of block grant programs. Mr. Chairman, I would say in conclusion, that we have, in the last few minutes, heard the usual criticism about sharing revenue that we do not have. As a matter of fact, we are sharing revenue every single time we appropriate funds for a categorical grant program. We are sharing $96.3 billion in grant programs—mostly through categorical grants; it too is money you could say the Federal Government does not have.

The only real question is: Do we want to continue to go ahead with a small part of that shared money and in revenue sharing and continue to place some reasonable share of decisionmaking in the hands of elected State or local officials, or do we want to keep those decisions—and let us be frank—in the hands of Federal bureaucrats? That is a basic question we are now addressing. I vote for some reasonable balance of decisionmaking by local and State elected officials who are closer to the situation.

The general revenue-sharing program deserves to be continued for both States and their general-purpose political subdivisions. I urge your support for the Conable amendment.

Mr. OTTINGER. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, I rise in reluctant opposition to the amendment offered by my colleague, the gentleman from New York (Mr. CONABLE).

I tend to favor State revenue sharing, and in the amendment which I will offer later I incorporate full restoration of funds for State revenue sharing. I tend, however, to sympathize with the priorities with respect to revenue sharing described in the very eloquent and strong statement of the chairman of the Committee on the Budget, the gentleman from Connecticut (Mr. GIAIMO).

The thing that really bothers me about this amendment is that there is no obligation whatsoever to follow the guidelines that the gentleman from New York has set forth in making the cuts to categorical programs. We will have those cuts in categorical programs made at the complete discretion of the Committee on Appropriations, and the Committee on Appropriations in the past has not always had the greatest solicitude for the programs for cities and the programs for working people and poor people on whom I would place priority. So they can cut completely any of these categorical programs that they may choose.

Second, even if the Appropriations Committees do follow the guidelines that were suggested by the gentleman from New York (Mr. CONABLE) and by my other colleague from New York (Mr. WYDLER), I would like to point out that some of those cuts would be very, very damaging. I would like to take a look at the principal items that would be subject to cut according to their guidelines. I would point to those programs with a half billion dollars or more that would be subject to their cut.

Community action programs have already been severely cut. In my communities many of those agencies are going to have a very great difficulty functioning on programs which are of vital necessity to poor people, nutrition programs for senior citizens, WIC programs providing milk to pregnant women, and the like. Community action would be one of the items subject to cuts: $523 million.

The construction of waste water treatment plants is one of the larger items. The figure is $3.950 billion. This program is undertaking very important projects, as for example the huge efforts to process waste in the New York metropolitan area which is going to have to stop dumping its waste in the Hudson Bight next year.

The programs of the Office of Education would just be decimated. The largest item there is elementary and secondary education for $3.387 billion.

Mr. CONABLE. Mr. Chairman, will the gentleman yield?

Mr. OTTINGER. I will yield very briefly, and then I can yield later.

Mr. CONABLE. Mr. Chairman, I ask only to be allowed to submit the fact that the entire sum is not cut in the suggestion. It is only 5 percent.

Mr. OTTINGER. No, I said they are subject to cut.

Mr. CONABLE. Subject to cut.

Mr. OTTINGER. Subject to cut. The gentleman is completely accurate, but the largest sums, therefore, would be cut very substantially.

For example, taking 5 percent of elementary and secondary education, which is roughly $3.5 billion, we are cutting out a substantial amount of money. We are cutting out over $170 million.

The education for the handicapped would be subject to cut. There we are finding our local school boards already have problems because we have appropriated such a small amount. We reneged on our promise to our school districts to fund the changes we mandated.

Mr. CONABLE. Mr. Chairman, will the gentleman yield again?

Mr. OTTINGER. I will yield briefly.

Mr. CONABLE. Mr. Chairman, we are not cutting $1 billion in elementary and secondary education.

Mr. OTTINGER. It is 5 percent of $3.387 billion, or about $170 million.

Mr. CONABLE. Yes, it is 5 percent of that amount.

Mr. OTTINGER. Mr. Chairman, on the item of education for the handicapped, our school systems are finding that they have to cut back in other programs because their funds are not adequate; there is a backlash developing as a result among the parents of nonhandicapped children who feel that their education is being curtailed to pay for handicapped children, and expenses that we in the Federal Government mandated. That is a $641 million appropriation that would be subject to cut.

Then there is the human development item in HEW, $1.859 billion. Then there is in the Department of Labor the employment services item. This is a time when we want to get people on jobs. That is $728 million which would be subject to the cut.

Then we have temporary employment assistance, $1.926 billion.

The Federal Aviation Administration item is $620 million. There are vastly insufficient funds there in order to be able to provide safety in our airways. Everyone of us has to fly back to our districts every week, and many of our constituents' lives are at stake. Adequate radar and instrument landing systems are not provided at many of our airports because of shortage of FAA funds.

We have the Highway Trust Fund, which has been severely cut already in the budget. We are providing inadequate funds at the present time for State departments of highways for the purpose of safety and maintenance. That is more than $7 billion subject to cuts under the Conable amendment.

So, Mr. Chairman, even if the formula is followed, we are going to have very severe cuts as recommended by the author of the amendment, from important categorical programs with no assurance whatever that the Committee on Appropriations is in fact even going to follow that guideline. I think we are taking too much of a risk in restoring the State revenue sharing and making such categorical cuts as the Committee on Appropriations may decide.

The CHAIRMAN. The time of the gentleman from New York (Mr. OTTINGER) has expired.

(By unanimous consent, Mr. OTTINGER was allowed to proceed for 1 additional minute.)

Mr. OTTINGER. Mr. Chairman, lastly, I would like to point out that even in my own State, where a large proportion of the State revenue-sharing funds are indeed passed through, 40 percent was retained by the State. A large State bureaucracy is maintained, and that 40 percent does not go down to the local communities to assist them meet their people's needs. Only 60 percent of the funds go through. So even there we are not fully restoring by any means the amount which would be cut from the categorical programs.

Mr. Chairman, on balance I urge that we defeat the Conable amendment.

Mr. KINDNESS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise somewhat regretfully to oppose the amendment in that I originally felt that it was an amendment that ought to be supported until I heard all the arguments by its proponents. Then I realized that we are talking here in a classic confrontation about budget cutting and budget balancing.

Revenue sharing, general revenue sharing to the States, is a categorical grant. Let us face it. It is a category of Federal money going to State government officials in order for them to have flexibility to provide for the needs of the people they serve and represent, but it is a category that is very special.

Mr. CONABLE. Mr. Chairman, will the gentleman yield?

Mr. KINDNESS. I yield to the gentleman from New York.

Mr. CONABLE. Mr. Chairman, I object to the gentlemen's characterization of revenue sharing as a categorical grant. A categorical grant is something quite different.

Mr. KINDNESS. Mr. Chairman, I wish the gentleman would allow me to express myself, and then I will yield for him to object to the words I use, if the gentleman still wishes to differ with me.

I would suggest to the gentleman that if we cannot eliminate the funds for States in the general revenue sharing program, then we cannot balance the budget. We are only weighing general revenue sharing for the States against certain other categories of expenditure, and there are indeed other categories.

I think we make a mistake when we say that general revenue sharing is very different. It is a category of assistance for State and local government officials to meet the needs that they can peculiarly serve only with this flexible kind of Federal assistance. "Categorical grants" is only the terminology we employ in a very sophisticated way.

I suggest further, however, that we have gone far enough down this road to test general revenue sharing, and it ought to be phased out anyway. We have found this about general revenue sharing: I have worked with it at the local and State levels and now at the Federal level, as many of us here have done, I am sure, and I have found that it does in fact build a growing dependence on the part of State and local governments on federally collected revenues.

It would make far more sense for us to have in the first place an effective tax credit approach that would facilitate the use of locally raised revenues by State and local governments rather than have the Federal Government collecting the money and then shoveling it back out to the States.

□ 1230

Indeed, I have proposed this type of legislation and would hope that, as revenue sharing is phased out in the future, it would be supplanted by an income-tax credit type of approach which would allow the taxpayer who needs this relief to decide whether money should be spent for a particular category of expenditure. The choice ought not to be here. It ought not to be with State and local governmental officials nearly as much as it ought to be with the taxpayer. Today taxpayers need relief. One way that we could ease the burden of the taxpayers all over this country is to allow them to make the choice of what category of spending they will support.

Mr. CONABLE. Mr. Chairman, will the gentleman yield?

Mr. KINDNESS. I yield to the gentleman from New York.

Mr. CONABLE. Mr. Chairman, obviously the gentleman is a purist, and I respect purists. But for him to suggest that we should dump the revenue-sharing program and go instead to something that is not even in the books, rather than pass my amendment which moves away from the poison of centralism, Federal control of the expenditure of money, is for him, in my view, to cut off his nose to spite his face. In fact, we have two types of programs. Revenue sharing is a category of aid as the gentleman suggests. But a categorical program is controlled from Washington on a matching fund basis, skews local priorities and tends to dissipate discretionary money at a local level rather than augmenting it. Therefore, categorical grants tend to impose rigidity on a Federal system which was designed to keep as many decisions close to the people as possible. The Federal system is being subverted by $92 billion of categorical grants. It is being helped by $7 billion of revenue funding. Why cut the helpful type of program to protect the type which is poisoning our system?

Mr. KINDNESS. Mr. Chairman, if I may reclaim my time, I thank the gentleman for repeating those remarks that have been considered in this debate already. But I do not think it has been said sufficiently up to now that it is not purism that we are after; it is balancing the budget. If we cannot at least cut out general revenue sharing to the States, then we cannot balance the budget.

Mrs. SNOWE. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the amendment offered by my colleagues from New York, Mr. CONABLE and Mr. WYDLER.

The amendment would prevent the House from making a very serious mistake, cutting out the State share of revenue sharing. It will do so in a very responsible manner. It will not increase total budget outlays, rather it will restore the States' share, $1.7 billion in fiscal year 1981, by a 5-percent cut in categorical grant programs for which States are primarily eligible. It is important to note that the 5-percent cut will not affect programs considered as aid to individuals like AFDC, medicaid, food stamps, or title XX social services. Moreover it will not alter funding for local aid programs like CETA, local revenue sharing, mass transit of community and economic development. I think this is a responsible approach and I urge my colleagues to support it.

This debate brings on a feeling of déjà vu in that we fought the same battle last year. I regret that it is necessary to do the same this year, but it comes as no surprise given the administration's irresponsible actions regarding this program.

While it comes as no surprise, I still do not understand why it is necessary to defend a program that is one of the most cost effective in existence, has strong support from State and local governments, and is philisophically sound. I am certainly in favor of a balanced budget, but it strikes me as a bit absurd that in trying to achieve that goal we are eliminating one of the few Federal programs that works and works well.

We are going to be judged today, not only on what we do, that is balance the budget, but how we do it. I, for one, do not want to go back to my constituents and try to explain the Alice in Wonderland logic that led to the elimination of a program that works. The public's confidence in Congress is low enough without telling them that. They do not want to hear that the operation was a success but the patient died. Let us keep the States' share of revenue sharing alive.

Revenue sharing is the cheapest and easiest grant-in-aid program to administer at the Federal level. Administrative costs account for only one-tenth of 1 percent of total program cost. Or, for every dollar spent, $5,263 are put to work. There are few regulations, and no bureaucracy as only 200 people at Treasury administer the program. Revenue sharing has grown at an average rate of about 3 percent a year since it was authorized in 1972. Whereas categorical grants, which have higher overhead costs and which account for nearly 80 percent of all Federal aid, have grown at nearly 14 percent a year in the same period. This shows that the revenue sharing program, unlike other entitlement programs, has been controllable. In fact, because of inflation, the revenue sharing dollar in 1980 is worth 40 percent less in real terms than the same dollar in 1972.

The program has strong support from all affected, and this amendment is supported by the National Governors Association, the National Conference of State Legislatures, the National Association of Counties, the American Federation of State, County and Municipal Employees, and the Southern Growth Policies Board.

The National Governors' Association Committee voted unanimously in favor of the amendment last week. They indicated they are not asking for more Federal aid, just more flexibility that is provided by revenue sharing. For the last 2 years, the Governors have recommended that the budget be balanced by consolidating related categorical programs. They are obviously willing to take the cut in categorical grants to keep the flexibility of the revenue sharing funds.

I think this is important because it demonstrates the importance of this program from a philosophical standpoint. The role of the States is fundamental to our constitutional system. The tendency for the past 15 years has been to cut the States out and have Federal grant funds go directly to the localities. To further weaken the States' role by cutting their share of revenue sharing would be a mistake. Revenue sharing was started as a broad formula grant for general purposes, intended to increase independence and flexibility of action for the States and localities, and decrease Federal influence. Cutting the States out of this program of decentralized decisionmaking can only have adverse effects.

These adverse effects would be wide ranging because State revenue sharing supports a variety of education, health, transportation and social programs at both the State and local levels. Approximately 40 percent of the States' share of $2.3 billion is passed through to local governments. In my State of Maine, the State uses its $15.6 million share for municipalities for their teacher pension plans. Governor Hughes of Maryland estimated that ending the State share would have the effect of adding $1 billion to the property tax burden faced by taxpayers. The U.S. Conference of Mayors recently surveyed 100 of the Nation's larger cities and indications are that more than three out of four are facing, or will soon face, financial problems. Obviously, they will have an even harder time if either the State or local revenue sharing program is cut.

The rationale for cutting the State share basically misses the point. The argument is made that the States do not need the money and aggregate budget figures are cited as proof. Last year, the States' $4.3 billion projected surplus was given as proof that the States did not need revenue sharing funds. Looking at the aggregate is misleading because most of that projected surplus was in five States. And, as Governor Hughes of Maryland pointed out in his testimony before the Subcommittee on Intergovernmental Relations and Human Resources of the Government Operations Committee, 48 of the 50 States have legal constraints against incurring deficits and must maintain balances to deal with emergencies. Moreover, the aggregate budget surplus figures do not include certain unfunded pension fund obligations currently owed by the States, estimated at $175 billion. The key point is that the original intent of the program was that all State and local governments were eligible, and need was never a necessary criterion for eligibility. The program was originated to return decisionmaking authority to the States and localities.

I think it is clear that a return of this decisionmaking authority to the States and localities is preferable to letting the administration work its will on the revenue sharing program. The administration's vacillation and procrastination regarding revenue sharing has placed the entire program in jeopardy. In January, they were for the States' share. in April they are against it. After a month of hearings, the administration came before our subcommittee to tell us they had dropped the State share. and they had made some formula changes in the program. But, unfortunately, they have no printouts to tell us the impact of the various program changes. To soften the impact of the loss of the States' share, they are going to distribute $500 million to the hardest hit localities, a convenient plan in an election year. Given the present legislative schedule, this tampering could kill the entire revenue sharing program, a program that works and works well.

Today, I would urge my colleagues not to start the beginning of the end of an effective program. Support the Conable-Wydler amendment and restore the States' share of the revenue sharing program.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. CONABLE).

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. CONABLE. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 192, noes 225, not voting 15, as follows:

[Roll No. 203]

AYES—192

Abdnor
Addabbo
Ambro
Andrews, N. Dak.
Ashbrook
Atkinson
Badham
Bafalis
Bauman
Beard, R.I.
Beard, Tenn.
Bereuter
Boland
Brinkley
Broomfield
Brown, Ohio
Broyhill
Buchanan
Burgener
Butler
Byron
Campbell
Carney
Cheney
Clausen
Cleveland
Clinger
Coleman
Collins, Tex.
Conable
Conte
Corcoran
Coughlin
Courter
Crane, Daniel
Crane, Philip
D'Amours
Daniel, Dan
Daniel, R. W
Dannemeyer
Daschle
Davis, Mich
Derwinski
Devine
Dickinson
Donnelly
Dougherty
Downey
Duncan, Tenn.
Early
Edgar
Edwards, Ala.
Emery
Erdahl
Erlenborn
Evans, Del.
Fenwick
Findley
Fish
Fisher
Flippo
Forsythe
Frenzel
Gaydos
Gilman
Gingrich
Goldwater
Goodling
Gradison
Gramm
Green
Grisham
Guarini
Hagedorn
Hamilton
Hance
Hanley
Hansen
Harsha
Heckler
Hillis
Hinson
Hollenbeck
Holt
Hopkins
Horton
Huckaby
Hyde
Ichord
Jeffords
Jeffries
Kelly
Kemp
Kostmayer
Kramer
LaFalce
Lagomarsino
Latta
Leach, Iowa
Lee
Lent
Lewis
Livingston
Lloyd
Loeffler
Lott
Lungren
McClory
McCloskey
McDade
McDonald
McEwen
McHugh
Madigan
Marks
Marlenee
Marriott
Martin
Mathis
Mavroules
Michel
Miller, Ohio
Mitchell, N.Y.
Moore
Moorhead, Calif.
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Ind.
Nichols
Nowak
O'Brien
Pashayan
Paul
Petri
Porter
Pritchard
Pursell
Quayle
Quillen
Railsback
Ratchford
Regula
Rinaldo
Ritter
Robinson
Roth
Rousselot
Royer
Rudd
Russo
Satterfield
Sawyer
Schulze
Sebelius
Sensenbrenner
Sharp
Shelby
Shumway
Shuster
Smith, Nebr.
Snowe
Snyder
Solomon
Spellman
Spence
Staggers
Stangeland
Stanton
Stark
Stratton
Symms
Tauke
Taylor
Thomas
Trible
Vander Jagt
Walgren
Walker
Wampler
Whitehurst
Whittaker
Williams, Ohio
Wilson, Bob
Winn
Wolff
Wolpe
Wydler
Wylie
Yatron
Young, Alaska
Zeferetti

NOES—225

Akaka
Albosta
Alexander
Anderson, Calif.
Andrews, N.C.
Annunzio
Anthony
Applegate
Archer
Ashley
Aspin
AuCoin
Bailey
Baldus
Barnard
Barnes
Bedell
Beilenson
Benjamin
Bennett
Bethune
Bevill
Biaggi
Bingham
Blanchard
Boggs
Bolling
Boner
Bonior
Bonker
Bouquard
Bowen
Brademas
Breaux
Brodhead
Brown, Calif.
Burlison
Burton, John
Burton, Phillip
Carr
Carter
Cavanaugh
Chappell
Chisholm
Clay
Coelho
Collins, Ill.
Conyers
Corman
Cotter
Danielson
Davis, S.C.
de la Garza
Deckard
Dellums
Derrick
Dicks
Diggs
Dixon
Dodd
Drinan
Duncan, Oreg.
Eckhardt
Edwards, Calif.
Edwards, Okla.
English
Ertel
Evans, Ga.
Evans, Ind.
Fary
Fascell
Fazio
Ferraro
Fithian
Florio
Foley
Ford, Mich.
Ford, Tenn.
Fowler
Frost
Fuqua
Garcia
Gephardt
Giaimo
Gibbons
Ginn
Glickman
Gonzalez
Gore
Gray
Gudger
Guyer
Hall, Ohio
Hall, Tex.
Hammerschmidt
Harkin
Harris
Hawkins
Hefner
Heftel
Hightower
Holland
Howard
Hubbard
Hughes
Ireland
Jacobs
Jenkins
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kildee
Kindness
Kogovsek
Leach, La.
Leath, Tex.
Lederer
Lehman
Levitas
Long, La.
Long, Md.
Lowry
Lujan
Luken
Lundine
McCormack
McKinney
Maguire
Markey
Matsui
Mattox
Mazzoli
Mica
Mikulski
Miller, Calif.
Mineta
Minish
Mitchell, Md.
Moakley
Moffett
Mollohan
Montgomery
Moorhead, Pa.
Mottl
Musto
Myers, Pa.
Natcher
Neal
Nedzi
Nelson
Nolan
Oakar
Oberstar
Obey
Ottinger
Panetta
Patten
Patterson
Pease
Pepper
Perkins
Peyser
Pickle
Preyer
Price
Rahall
Rangel
Reuss
Richmond
Roberts
Rodino
Roe
Rose
Rosenthal
Rostenkowski
Roybal
Runnels
Sabo
Santini
Scheuer
Schroeder
Seiberling
Shannon
Simon
Skelton
Smith, Iowa
Solarz
St Germain
Stack
Steed
Stenholm
Stewart
Stockman
Stokes
Studds
Stump
Swift
Synar
Thompson
Traxler
Udall
Ullman
Van Deerlin
Vento
Volkmer
Watkins
Waxman
Weaver
Weiss
White
Whitley
Whitten
Williams, Mont.
Wilson, Tex.
Wirth
Wright
Wyatt
Yates
Young, Fla.
Young, Mo.
Zablocki

NOT VOTING—15

Anderson, Ill.
Brooks
Dingell
Dornan
Fountain
Grassley
Holtzman
Hutto
Kazen
Leland
McKay
Murphy, Ill.
Rhodes
Vanik
Wilson, C. H.

☐ 1240

The Clerk announced the following pairs:

On this vote:

Mr. Rhodes for, with Mr. Fountain against.

Mr. Grassley for, with Mr. Charles H. Wilson of California against.

Mr. Dornan for, with Mr. Leland against.

Mr. RANGEL and Mr. LONG of Maryland changed their votes from "aye" to "no."

Mr. McHUGH changed his vote from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

PERSONAL EXPLANATION

● Mr. FOUNTAIN. Mr. Chairman, I was unavoidably absent from the House today from 10 a.m. to 1 p.m. During this time, I missed three rollcall votes. Had I been present, I would have voted as follows: Rollcall No. 201, to approve the Journal of yesterday's proceedings, "yea"; rollcall No. 202, to order the previous question on House Resolution 649, "yea"; rollcall No. 203, the Conable amendment to House Concurrent Resolution 307, "no", as my pair herein indicates.●

□ 1250

The CHAIRMAN. Pursuant to House Resolution 649, the following amendments and substitutes are in order in lieu of the amendments and substitutes made in order by House Resolution 642, if offered, by each of the Members named below:

First. A substitute by Representative Mitchell of Maryland printed in the Congressional Record of April 23, 1980, and a substitute by Representative Solarz printed in the Congressional Record of April 24, 1980, to the amendment in the nature of a substitute by Representative Obey of Wisconsin; and

Second. Amendments in the nature of a substitute by Representative Latta of Ohio and Representative Rousselot of California printed in the Congressional Record of April 23, 1980.

AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. OBEY

Mr. OBEY. Mr. Chairman, I offer an amendment in the nature of a substitute.

The Clerk read as follows:

Amendment in the nature of a substitute offered by Mr. Obey: Strike all after the resolving clause and insert in lieu thereof the following:

That the Congress hereby determines and declares, pursuant to section 301(a) of the Congressional Budget Act of 1974, that for the fiscal year beginning on October 1, 1980—

(1) the recommended level of Federal revenues is $614,600,000,000, and the amount by which the aggregate level of Federal revenues should be decreased is $10,300,000,000 and the amount by which the aggregate level of Federal revenues should be increased is $4,300,000,000.

(2) the appropriate level of total budget authority is $695,700,000,000;

(3) the appropriate level of total budget outlays is $612,500,000,000;

(4) the amount of the surplus in the budget which is appropriate in the light of economic conditions and all other relevant factors is $2,100,000,000;

(5) the appropriate level of the public debt is $926,800,000,000 and the amount by which the statutory limit on such debt accordingly be increased is $30,100,000,000; and

(6) the appropriate level of total gross obligations for the principal amount of direct loans is $60,600,000,000 and the appropriate level of total commitments to guarantee loan principal is $79,600,000,000.

Sec. 2. Based on allocations of the appropriate level of total new budget authority and of total budget outlays as set forth in paragraphs (2) and (3) of the first section of this resolution, the Congress hereby determines and declares pursuant to section 301(a)(2) of the Congressional Budget Act of 1974 that for the fiscal year beginning on October 1, 1980, the appropriate level of new budget outlays authority and the estimated budget outlays for each major functional category are as follows:

(1) National Defense (050):
(A) New budget authority, $160,900,000,000;
(B) Outlays, $148,000,000.
(2) International Affairs (150):
(A) New budget authority, $24,000,000,000;
(B) Outlays, $9,600,000,000.
(3) General Science, Space, and Technology (250):
(A) New budget authority, $6,700,000,000;
(B) Outlays, $6,300,000,000.
(4) Energy (270):
(A) New budget authority, $7,500,000,000;
(B) Outlays, $7,100,000,000.
(5) Natural Resources and Environment (300):
(A) New budget authority, $12,300,000,000;
(B) Outlays, $12,500,000,000.
(6) Agriculture (350):
(A) New budget authority, $5,400,000,000;
(B) Outlays, $2,300,000,000.
(7) Commerce and Housing Credit (370):
(A) New budget authority, $5,200,000,000;
(B) Outlays,—$100,000,000.
(8) Transportation (400):
(A) New budget authority, $22,900,000,000;
(B) Outlays, $19,500,000,000.
(9) Community and Regional Development (450):
(A) New budget authority, $9,000,000,000;
(B) Outlays, $9,400,000,000.
(10) Education, Training, Employment and Social Services (500):
(A) New budget authority, $33,600,000,000;
(B) Outlays, $31,000,000,000.
(11) Health (550):
(A) New budget authority, $71,500,000,000;
(B) Outlays, $61,800,000,000.
(12) Income Security (600):
(A) New budget authority, $252,100,000,000;
(B) Outlays, $220,100,000,000.
(13) Veterans Benefits and Services (700):
(A) New budget authority, $21,800,000,000;
(B) Outlays, $21,300,000,000.
(14) Administration of Justice (750):
(A) New budget authority, $4,200,000,000;
(B) Outlays, $4,600,000,000.
(15) General Government (800);
(A) New budget authority, $4,700,000,000;
(B) Outlays, $4,600,000,000.
(16) General Purpose Fiscal Assistance (850):
(A) New budget authority, $6,700,000,000;
(B) Outlays, $7,300,000,000.
(17) Interest (900):
(A) New budget authority, $72,200,000,000;
(B) Outlays, $72,200,000,000.
(18) Allowance (920):
(A) New budget authority,—$400,000,000;
((B) Outlays,—$400,000,000.
(19) Undistributed Offsetting Receipts (950):
(A) New budget authority,—$24,600,000,000;
(B) Outlays,—$24,600,000,000.

Sec. 3. Pursuant to section 301(b)(2) and 310 of the Budget Act:

(a)(1) the House Committee on Agriculture and the Senate Committee on Agriculture, Nutrition, and Forestry shall recommend program reductions for fiscal year 1981 in reported or enacted laws, bills, and resolutions that reduce spending by $520,000,000 in budget authority and $520,000,000 in outlays and are instructed to report on or before June 15, 1980, such recommendations to effectuate reductions in corresponding new budget authority for fiscal year 1981, budget authority initially provided for prior fiscal years, and new or existing spending authority for programs within the jurisdiction of those committees;

(2) the Senate Committee on Agriculture, Nutrition, and Forestry shall reduce spending for fiscal year 1981 in enacted laws, bills, and resolutions by $533,000,000 in budget authority, and $507,000,000 in outlays and is instructed to report on or before June 15, 1980, its recommendations for changes in new budget authority for fiscal year 1981, budget authority initially provided for prior fiscal years, and new or existing spending authority contained in enacted laws, bills, and resolutions within the jurisdiction of this committee sufficient to accomplish the reduction required by this subsection;

(b) the House Committee on Armed Services and the Senate Committee on Armed Services shall reduce spending for fiscal year 1981 in enacted laws, bills, and resolutions by $3,263,000,000 in budget authority and $3,188,000,000 in outlays and are instructed to report on or before June 15, 1980, their recommendations for changes in new budget authority for fiscal year 1981, budget authority initially provided for prior fiscal years, and new or existing spending authority contained in enacted laws, bills, and resolutions within the jurisdictions of those committees sufficient to accomplish the reduction required by this subsection;

(c) the House Committee on Education and Labor shall reduce spending for fiscal year 1981 in enacted laws, bills, and resolutions by $839,000,000 in budget authority and $785,000,000 in outlays, and is instructed to report on or before June 15, 1980, its recommendations for changes in new budget authority for fiscal year 1981, budget authority initially provided for prior fiscal years, and new or existing spending authority contained in enacted laws, bills, and resolutions within the jurisdiction of this committee sufficient to accomplish the reduction required by this subsection;

(d) the House Committee on Interstate and Foreign Commerce shall reduce spending for fiscal 1981 in reported or enacted laws, bills, and resolutions by $200,000,000 in budget authority and $270,000,000 in outlays and is instructed to report on or before June 15, 1980, its recommendations for changes in new budget authority for fiscal year 1981, budget authority initially provided for prior fiscal years, and new or existing spending authority contained in reported or enacted laws, bills, and resolutions within the jurisdiction of this committee sufficient to accomplish the reduction required by this subsection;

(e) the House Committee on Post Office and Civil Service and the Senate Committee on Governmental Affairs shall reduce spending for fiscal year 1981 in enacted laws, bills, and resolutions by $3,639,000,000 in budget authority and $4,204,000,000 in outlays and are instructed to report on or before June 15, 1980, their recommendations for changes in new budget authority for fiscal year 1981, budget authority initially provided for prior fiscal years, and new or existing spending authority contained in enacted laws, bills, and resolutions within the jurisdictions of those committees sufficient to accomplish the reduction required by this subsection;

(f)(1) the House Committee on Public Works and Transportation and the Senate Committee on Environment and Public Works shall recommend program reductions for fiscal year 1981 in enacted laws, bills, and resolutions that reduce spending by $400,000,000 in outlays and are instructed to report on or before June 15, 1980, such recommendations to effectuate reductions in corresponding outlays for programs within the jurisdiction of those committees.

(2) the House Committee on Public Works and Transportation shall reduce spending for fiscal year 1981 in enacted laws, bills, and resolutions by $150,000,000 in budget authority and $150,000,000 in outlays and is instructed to report on or before June 15, 1980, its recommendations for changes in new budget authority for fiscal year 1981, budget

authority initially provided for prior fiscal years, and new or existing spending authority contained in reported or enacted laws, bills, and resolutions within the jurisdiction of this committee sufficient to accomplish the reduction required by this subsection;

(g) the House Committee on Veterans' Affairs and the Senate Committee on Veterans' Affairs shall reduce spending or recommend program reductions for fiscal year 1981 in enacted laws, bills, and resolutions by $300,000,000 in budget authority and $300,000,000 in outlays and are instructed to report on or before June 15, 1980, their recommendations to reduce spending, or to effectuate reductions, in new or corresponding budget authority for fiscal year 1981, budget authority initially provided for prior fiscal years, and new or existing spending authority contained in enacted laws, bills, and resolutions within the jurisdictions of those committees, or for programs within the jurisdictions of those committees, sufficient to accomplish the reduction required by this subsection;

(h) the House Committee on Ways and Means shall reduce spending for fiscal year 1981 in reported or enacted laws, bills, and resolutions by $717,000,000 in budget authority and $1,869,000.000 in outlays, and is instructed to report on or before June 15, 1980, its recommendations for changes in new budget authority for fiscal year 1981, budget authority initially provided for prior fiscal years, and new or existing spending authority contained in reported or enacted laws, bills, and resolutions within the jurisdiction of this committee sufficient to accomplish the reduction required by this subsection;

(i) the Senate Committee on Commerce, Science, and Transportation shall reduce spending for fiscal year 1981 in enacted laws, bills, and resolutions by $150,000,000 in budget authority and $150,000,000 in outlays and is instructed to report on or before June 15, 1980, its recommendations for changes in new budget authority for fiscal year 1981, budget authority initially provided for prior fiscal years, and new or existing spending authority contained in enacted laws, bills, and resolutions within the jurisdiction of this committee sufficient to accomplish the reduction required by this subsection;

(j) the Senate Committee on Finance shall reduce spending for fiscal year 1981 in enacted laws, bills, and resolutions by $917,000,000, in budget authority and $2-069,000,000 in outlays and is instructed to report on or before June 15, 1980, its recommendations for changes in new budget authority for fiscal year 1981, budget authority initially provided for prior fiscal years, and new or existing spending authority contained in enacted laws, bills, and resolutions within the jurisdiction of this committee sufficient to accomplish the reduction required by this subsection.

(k) the Senate Committee on Labor and Human Resources shall reduce spending for fiscal year 1981 in enacted laws, bills, and resolutions by $306,000,000 in budget authority and $349,000,000 in outlays and is instructed to report on or before June 15, 1980, its recommendations for changes in new budget authority for fiscal year 1981, budget authority initially provided for prior fiscal years, and new or existing spending authority contained in enacted laws, bills, and resolutions within the jurisdiction of this committee sufficient to accomplish the reduction required by this subsection; and

(l) the House Committee on Ways and Means and the Senate Committee on Finance shall increase revenues for fiscal year 1981 in reported or enacted laws, bills, and resolutions by $4,200,000,000 and are instructed to report on or before June 15, 1980, their recommendations for changes in revenues for fiscal year 1981 contained in reported or enacted laws, bills, and resolutions within the jurisdictions of those committees sufficient to accomplish the increase required by this subsection.

SEC. 4. In accordance with section 301(b) (1) of the Budget Act, no bill or resolution providing new budget authority for fiscal year 1981 or providing new or existing spending authority described in section 401(c)(2) (C) of the Budget Act in excess of the allocation of the appropriate levels of total budget outlays and total new budget authority submitted pursuant to section 302(b) of the Budget Act, shall be enrolled until Congress has complicated action on the second budget resolution for that fiscal year as required to be reported under section 310 of the Budget Act; and, if a reconciliation bill or reconciliation resolution, or both, are required to be reported under section 310(c), until Congress has completed action on that bill or resolution, or both.

SEC. 5. The Congress sets forth the following budgetary levels for fiscal years 1982 through 1983—

(1) the recommended level of Federal revenues is as follows:

Fiscal year 1982: $694,800,000,000;

Fiscal year 1983: $804,100,000,000;

and the amount by which the aggregate levels of Federal revenues should be increased or decreased is as follows:

Fiscal year 1982: +$300,000,000;

Fiscal year 1983: $000,000,000;

(2) the appropriate level of total new budget authority is as follows:

Fiscal year 1982: $767,300,000,000;

Fiscal year 1983: $864,500,000,000;

(3) the appropriate level of total budget outlays is as follows:

Fiscal year 1982: $683,100,000,000;

Fiscal year 1983: $775,400,000,000;

(4) the amount of the surplus in the budget which is appropriate in light of economic conditions and all other relevant factors is as follows:

Fiscal year 1982: $11,700,000,000;

Fiscal year 1983: $28,700,000,000;

(5) the appropriate level of the public debt is as follows:

Fiscal year 1982: $954,200,000,000;

Fiscal year 1983: $970,600,000,000.

(b) Based on allocations of the appropriate level of total new budget authority and of total budget outlays for fiscal years 1982 and 1983 as set forth above, the appropriate level of new budget authority and the estimated budget outlays for each major functional category are respectively as follows:

(1) National Defense (050):

Fiscal year 1982:

(A) New budget authority, $182,100,000,000;

(B) Outlays, $166,500,000,000.

Fiscal year 1983:

(A) New budget authority, $203,900,000,000;

(B) Outlays, $185,600,000,000.

(2) International Affairs (150):

Fiscal year 1982:

(A) New budget authority, $16,200,000,000;

(B) Outlays, $10,000,000,000.

Fiscal year 1983:

(A) New budget authority, $15,900,000,000;

(B) Outlays, $10,700,000,000.

(3) General Science, Space, and Technology (250):

Fiscal year 1982:

(A) New budget authority, $6,900,000,000;

(B) Outlays, $6,700,000,000.

Fiscal year 1983:

(A) New budget authority, $7,000,000,000;

(B) Outlays, $6,900,000,000.

(4) Energy (270):

Fiscal year 1982:

(A) New budget authority, $8,600,000,000;

(B) Outlays, $10,500,000,000.

Fiscal year 1983:

(A) New budget authority, $10,200,000,000;

(B) Outlays, $11,700,000,000.

(5) Natural Resources and Environment (300):

Fiscal year 1982:

(A) New budget authority, $13,400,000,000;

(B) Outlays, $13,200,000,000.

(A) New budget authority, $13,900,000,000;

Fiscal year 1983:

(B) Outlays, $13,600,000,000.

(6) Agriculture (350):

Fiscal year 1982:

(A) New budget authority, $6,300,000,000;

(B) Outlays, $4,200,000,000.

Fiscal year 1983:

(A) New budget authority, $4,300,000,000;

(B) Outlays, $5,200,000,000.

(7) Commerce and Housing Credit (370):

Fiscal year 1982:

(A) New budget authority, $5,500,000,000;

(B) Outlays, $2,300,000,000.

Fiscal year 1983:

(A) New budget authority, $5,700,000,000;

(B) Outlays, $2,300,000,000.

(8) Transportation (400):

Fiscal year 1982:

(A) New budget authority, $22,300,000,000;

(B) Outlays, $20,500,000,000.

Fiscal year 1983:

(A) New budget authority, $24,500,000,000;

(B) Outlays, $22,200,000,000.

(9) Community and Regional Development (450):

Fiscal year 1982:

(A) New budget authority, $9,200,000,000;

(B) Outlays, $9,000,000,000.

Fiscal year 1983:

(A) New budget authority, $9,500,000,000;

(B) Outlays, $9,300,000,000.

(10) Education, Training, Employment, and Social Services (500):

Fiscal year 1982:

(A) New budget authority, $36,500,000,000;

(B) Outlays, $33,900,000,000.

Fiscal year 1983:

(A) New budget authority, $41,000,000,000;

(B) Outlays, $39,300,000,000.

(11) Health (550):

Fiscal year 1982:

(A) New budget authority, $83,100,000,000;

(B) Outlays, $70,100,000,000.

Fiscal year 1983:

(A) New budget authority, $119,000,000,000;

(B) Outlays, $103,300,000,000.

(12) Income Security (600):

Fiscal year 1982:

(A) New budget authority, $289,900,000,000;

(B) Outlays, $249,600,000,000.

Fiscal year 1983:

(A) New budget authority, $318,400,000,000;

(B) Outlays, $274,600,000,000.

(13) Veterans Benefits and Services (700):

Fiscal year 1982:

(A) New budget authority, $23,400,000,000;

(B) Outlays, $22,800,000,000.

Fiscal year 1983:

(A) New budget authority, $25,000,000,000;

(B) Outlays, $24,400,000,000.

(14) Administration of Justice (750):

Fiscal year 1982:

(A) New budget authority, $4,300,000,000;

(B) Outlays, $4,500,000,000.

Fiscal year 1983:

(A) New budget authority: $4,400,000,000;

(B) Outlays, $4,500,000,000.

(15) General Government (800):

Fiscal year 1982:

(A) New budget authority, $5,000,000,000;

(B) Outlays, $4,700,000,000.

Fiscal year 1983:

(A) New budget authority, $4,900,000,000;

(B) Outlays, $4,800,000,000.

(16) General Purpose Fiscal Assistance (850):

Fiscal year 1982:

(A) New budget authority, $6,400,000,000;

(B) Outlays, $6,400,000,000.

Fiscal year 1983:

(A) New budget authority, $6,500,000,000;

(B) Outlays, $6,500,000,000.

(17) Interest (900):

Fiscal year 1982:

(A) New budget authority, $73,600,000,000;

(B) Outlays, $73,600,000,000.

Fiscal year 1983:

(A) New budget authority, $76,500,000,000;

(B) Outlays, $76,500,000,000.

(18) Allowances (920):

Fiscal year 1982:

(A) New budget authority, $1,900,000,000;

(B) Outlays, $1,900,000,000.

Fiscal year 1983:

(A) New budget authority, $3,600,000,000;

(B) Outlays, $3,600,000,000.

(19) Undistributed Offsetting Receipts (950):

Fiscal year 1982:

(A) New budget authority, —$27,300,000,000;

(B) Outlays, —$27,300,000,000.

Fiscal year 1983:

(A) New budget authority, —$29,700,000,000;

(B) Outlays, —$29,700,000,000.

"Sec. 6. Sections 1 and 2 of Senate Concurrent Resolution 53 are revised to read as follows:

Section 1. That the Congress hereby determines and declares, pursuant to section 310 (a) of the Congressional Budget Act of 1974, that for the fiscal year beginning on October 1, 1979—

(1) the recommended level of Federal revenues is $528,800,000,000, and the amount by which the aggregate level of Federal revenues should be increased is $100,000,000;

(2) the appropriate level of total new budget authority is $660,300,000,000;

(3) the appropriate level of total budget outlays is $571,600,000,000;

(4) the amount of the deficit in the budget which is appropriate in the light of economic conditions and all other relevant factors is $42,800,000,000; and

(5) the appropriate level of the public debt is $896,700,000,000, and the amount by which the statutory limit on such debt should accordingly be increased is $17,700,000,000.

Sec. 2. Based on allocations of the appropriate level of total new budget authority and of total budget outlays as set forth in paragraphs (2) and (3) of the first section of this resolution, the Congress hereby determines and declares pursuant to section 310(a) of the Congressional Budget Act of 1974 that, for the fiscal year beginning on October 1, 1979 the appropriate level of new budget authority and the estimated budget outlays for each functional category are as follows:

(1) National Defense (050):

(A) New budget authority, $142,500,000,000;

(B) Outlays, $134,200,000,000.

(2) International Affairs (150):

(A) New budget authority, $15,800,000,000;

(B) Outlays, $10,700,000,000.

(3) General Science, Space, and Technology (250):

(A) New budget authority, $6,100,000,000;

(B) Outlays, $5,900,000,000.

(4) Energy (270):

(A) New budget authority, $40,300,000,000;

(B) Outlays, $6,400,000,000.

(5) Natural Resources and Environment (300):

(A) New budget authority, $12,300,000,000;

(B) Outlays, $13,200,000,000.

(6) Agriculture (350):

(A) New budget authority, $5,000,000,000;

(B) Outlays, $5,900,000,000.

(7) Commerce and Housing Credit (370):

(A) New budget authority, $5,000,000,000;

(B) Outlays, $6,100,000,000.

(8) Transportation (400):

(A) New budget authority, $21,000,000000;

(B) Outlays, $20,100,000,000.

(9) Community and Regional Development (44):

(A) New budget authority, $8,700,000,000;

(B) Outlays, $9,200,000,000.

(10) Education Training, Employment and Social Services (500):

(A) New budget authority, $59,900,000,000;

(B) Outlays, $30,100,000,000.

(11) Health (550):

(A) New budget authority, $59,900,000,000;

(B) Outlays, $56,500,000,000.

(12) Income Security (600):

(A) New budget authority, $224,800,000,000;

(B) Outlays, $191,700,000,000.

(13) Veterans Benefits and Services (700):

(A) New budget authority, $21,000,000,000;

(B) Outlays, $20,300,000,000.

(14) Administration of Justice (750):

(A) New budget authority, $4,300,000,000;

(B) Outlays, $4,400,000,000.

(15) General Government (800):

(A) New budget authority $4,500,000,000;

(B) Outlays, $4,400,000,000.

(16) General Purpose Fiscal Assistance (850):

(A) New budget authority, $8,800,000,000;

(B) Outlays, $8,800,000,000.

(17) Interest (900):

(A) New budget authority, $65,100,000,000;

(B) Outlays, $65,100,000,000.

(18) Allowances (920):

(A) New budget authority, $1,000,000,000;

(B) Outlays, $900,000,000.

(19) Undistributed Offsetting Receipts (950):

(A) New budget authority, —$22,500,000,000;

(B) Outlays, —$22,300,000,000."

Sec. 7. The Congress urges the President to study and review the current inflation measure for indexing Federal programs, and to submit his findings and recommendations for the most appropriate cost-of-living measure within sixty days after passage of this budget resolution.

Mr. OBEY (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the Record.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. OBEY. Mr. Chairman, before I begin to describe my amendment, I would like to take this opportunity to say a word about the chairman of the Budget Committee who, as we all know, has announced that he will be leaving the Congress at the end of the session. I think it is especially appropriate to say this in light of the appointment of Senator Muskie yesterday to be our next Secretary of State.

For the last 3 years the budget process has been dominated and has been guided by Senator Muskie in the Senate and our colleague, the gentleman from Connecticut, Bob Giaimo, in the House. On two occasions I have found myself in disagreement with the chairman on major questions involving the budget, but most of the time we have stood shoulder to shoulder. I want to say that in my judgment there are few Members of this House who have been throughout their career a greater force for good than has been the chairman of the Budget Committee, the gentleman from Connecticut, Bob Giaimo. He is one of the three or four people in this House most responsible for the Congress eventually emerging in a leading role in trying to end the war in Vietnam. I think without him it is safe to say the Appropriations Committee would not be nearly as democratic in the way it functions as it is today.

I think it is also safe to say that he has been a voice against waste wherever he has found it, both in his capacity as a member of the Defense Appropriations Subcommittee and in his capacity as the chairman of the Budget Committee.

Most importantly, he has been a strong chairman. The budget process cannot survive and the Congress cannot survive as an institution which effectively deals with the budget unless it does have a strong budget chairman. The gentleman from Connecticut, Bob Giaimo, has been that in the years that he has served as chairman of the committee.

Before he and I clash for one last time, I would simply like to say that I would like to voice my respect for the gentleman from Connecticut and to say that I know when my time comes to leave the House I will consider one of the most fortunate aspects of my career in this institution to be the fact that I was able to serve 11 years of my time here with the gentleman from Connecticut, Bob Giaimo.

Now, Mr. Chairman, I would like to explain my amendment very briefly. The amendment is a rather straightforward one. It retains the budget surplus. It retains the balance. In fact, it adds to the surplus to the tune of $100 million.

I should say, by the way, that I am offering this amendment on behalf of Congressmen Simon, Solarz, Brodhead, D'Amours, Oberstar, Stack, Shannon, Spellman, Brown, Dixon, Seiberling, Barnes, Stark, Green, Lowry, Drinan, Downey, Ottinger, and Fisher.

We essentially do three things. We reduce Federal spending by $400 million by making reductions in Government film purchases; by making reductions in the amount of money that the Government pays for consultants, and by making reductions in Government printing.

We raise $800 million by passing a more modest version of a piece of legislation which this House passed last year by a vote of 355 to 66. That legislation was a reform in the foreign oil tax credit. This legislation, as I say, is a more modest reform than was that amendment which passed by such a huge margin just a year ago.

What we then do is to take the $400 million that we have saved from nonessential bureaucratic expenditures, take the $800 million that we pick up by reducing the oil companies ripoff on their privilege to deduct from their U.S. taxes the taxes paid abroad, and then use that to make some very minimal restorations in programs that I think are of high priority in the social and defense needs of the country.

We provide in function 050 for an increase for military personnel to expand incentives for recruiting military reservists. We add about $60 million in that item to strengthen the military reserves, because as we all know at this point our reserve strength is one of the great weaknesses in our military manpower situation.

We then try to restore one-half of the

cut in the land and water conservation fund.

The CHAIRMAN pro tempore (Mr. SHARP). The time of the gentleman from Wisconsin (Mr. OBEY) has expired.

(By unanimous consent, Mr. OBEY was allowed to proceed for an additional 5 minutes.)

Mr. OBEY. Mr. Chairman, we then restore $15 million in outlays for rural and elderly housing programs.

We add $50 million for mass transit to take into account the fact that mass transit is, in fact, reduced because of what we have done on the obligational ceiling on highways and in our judgment at a time of energy shortage we should not be reducing our efforts in the mass transit area.

We restore one-third of the cut in impact aid. That amount is sufficient to reimburse localities for the additional pressures on their property tax base which they feel from educating students from families with incomes of less than $12,000 a year.

We restore a portion of the cuts in the youth education and training programs, $144 million in outlays. And we avoid the 2 million meals per year reduction which would be provided for senior citizens under our Federal elderly nutrition programs.

We also restore $50 million of the cut which was made in the emergency fuel assistance program.

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We restored $40 million additional to the CHAP program so we can begin the expanded program of screening children for learning and sight disabilities with the beginning of the school year in 1981 rather than having to wait a few months into the year in order to achieve administrative efficiency in that program and to meet that basic need a little faster.

We restore the personnel cut which was made in the VA hospitals, and we provide a small increase in medical and prosthetic research at the VA, an item which has not been increased in 5 years.

The one remaining item that we have is a partial, and I emphasize partial restoration of revenue-sharing funds. This budget resolution cuts approximately $2.7 billion from revenue sharing, both general revenue sharing and countercyclical. We attempt to restore $500 million of that $2.7 billion so that the Committee on Government Operations is able to add to the revenue-sharing pie in whatever way they choose. My own hope, frankly, would be we could ease the situation which localities are going to face because they are going to experience a loss of revenue-sharing funds because many States pass through their revenue sharing to localities. But in the end, that will be decided by the Government Operations Committee.

Mr. CONABLE. Mr. Chairman, will the gentleman yield?

Mr. OBEY. I am happy to yield to the gentleman.

Mr. CONABLE. Mr. Chairman, I would like to ask the gentleman about his intentions in this respect: I know he said the $500 million revenue-sharing money should be put back in whatever way is deemed appropriate by the Committee on Government Operations. Certainly the legislative history of this effort should guide that committee to some extent. There is a remarkable coincidence of the $500 million and the amount the administration wants to put into countercyclical revenue sharing exclusively for the cities that are hard hit by unemployment. Is the gentleman's intention that this money should be used for that or distributed throughout the States generally as part of the States' share of the revenue sharing money? That sum, incidentally, is $2.3 billion, not $2.7 billion.

Mr. OBEY. That is correct. As the gentleman knows, the administration does have a specific proposal which would assign this $500 million in a specific way.

Mr. CONABLE. To the cities. The political opportunities are better there.

Mr. OBEY. Not just to the cities, but to localities. I would personally prefer that approach. In my own judgment, that approach is going to have very difficult sledding in this Congress and I would suspect that there would be some other accommodation reached in the committee chaired by the gentleman from Texas (Mr. BROOKS).

But if I could reclaim my time just to finish the explanation of my amendment, I would like to make clear that I am offering this amendment because I am trying to build a broader consensus for the very difficult job ahead in terms of actually accomplishing a balanced budget.

The CHAIRMAN pro tempore. The time of the gentleman from Wisconsin has expired.

(By unanimous consent Mr. OBEY was allowed to proceed for 3 additional minutes.)

Mr. OBEY. Mr. Chairman, there are severe reconciliation requirements in this budget resolution. There are severe actions which many committees are going to be asked to take if in fact this balanced budget resolution is going to be anything but a promise. I very strongly believe that we strengthen our ability to do that throughout the entire budget process if my amendment is adopted because of the number of additional supporters which that will bring to final passage of the budget resolution.

I would also point out that on substance I think it is easy to defend virtually every one of the items in this amendment. I will be happy to do that at a later date, once the other substitutes are cleared away and disposed of. But I want to point out in addition that most of the items in this amendment are supported by the administration, they are contained in the administration's own budget, in their revised budget, not their original budget. The President is in support of this amendment.

We have as additional supporters of this legislation the Farmers Union, the National Council on Senior Citizens, the American Association of Retired Persons, the AFL–CIO, the Children's Defense Fund, the National Association of Counties, the League of Cities, the Rural Housing Coalition, the National Wildlife Federation, and some 60 organizations who are trying to restore a little better balance in the way this budget resolution deals with the very critical problems which we face in dealing with our national economy.

• Mr. CAVANAUGH. Mr. Chairman, I rise in support of the amendment. The Obey amendment is particularly deserving of support because it allows the Congress to rectify several of the current inequities in the budget resolution and at the same time display unquestionable fiscal sobriety at a time when restraint is imperative.

As you know, the amendment would provide $715 million in outlays to programs whose cuts are inordinately severe, even for a barebones budget. The remaining $85 million left of the $800 million in new revenues further enlarges the proposed $2 billion surplus contained in the budget resolution. The additional revenues in this proposal are obtained not from cuts to other programs or from higher taxes, but through foreign oil tax credit reform. In other words, this is not a question of robbing Peter to pay Paul; it is simply an arrangement by which those who are least vulnerable to the perils of current economic conditions contribute reasonably toward the relief of those who are most vulnerable.

One section of society in need of such relief is federally impacted school districts. If enacted the $270 million cut requested in the budget resolution would reduce the number of children of military personnel, Federal civil servants, Indians, and children residing in low-rent housing now benefiting from impact aid by as much as 85 percent, from 2.25 million to only 330.000 pupils. As some of you may know, the President has empaneled a Commission to study the impact aid program. The wisdom of authorizing drastic cuts in impact aid before the Commission has reported its findings is, at best, dubious. The Obey amendment would restore one-third of the cut in impact aid funding, forestalling the premature extinction of that important program.

Another victim of inequitably burdensome budget cuts in fiscal year 1981 is the land and water conservation fund. Delaying the needed expansion of our parks and recreation system would be disastrous as the inflation rate for land acquisition and construction has historically been much higher than the general inflation rate, and LWCF purchases that are possible today could well be impossible tomorrow. Yet a look at the budget resolution reveals massive cuts for 1981 in LWCF funding, with $150 million lopped off the President's original $614 million outlay request, and this coming on top of a $251 million recission in fiscal year 1980 budget authority. This seems to me rather untimely in light of the fact that Americans are turning to the great outdoors now more than ever as we become more fitness oriented and appreciative of our Nation's natural beauty, not to mention the good sense a day at the park makes economically. To punish the LWCF with these crippling cuts at this time is irresponsible from an environment as well as a recreational standpoint. I submitted an amendment to the Rules Committee which would have taken $200 million out of the water resource funding, distributing $100 million to the LWCF and $50 million to other discretionary programs, resulting in a $50 million outlay reduction. Although I am disappointed that my amendment was not ruled in order, I believe that the Obey amendment's proposal to restore one-half of the cut in the LWCF, totaling $755 million in outlays, will, along with the other function 300 restorations, reaffirm our commitment to the environment while maintaining our commitment to fiscal restraint.

I have mentioned that the $800 million in additional revenues will come from reforming the foreign oil tax credit. Having recently reviewed the almost frighteningly high profits reported by some of the major oil companies in the first quarter of 1980, I am even more confident now than a year ago, when 354 of my colleagues and I voted for an amendment to make similar revisions in the tax code. that this sacrifice on the part of the oil companies is a reasonable one, and that we are not asking too much of them.

It is clear that we in Congress must back up our promises to reduce inflation with a hard look at Federal expenditures in fiscal year 1981. But we must be as diligent as possible in assuring that no segment of the society is disproportionately affected by our decisions, especially those segments already hit hardest by the economic problems which by balancing the budget Congress is attempting to rectify. I am convinced that the Obey amendment is a major step toward providing those assurances.●

AMENDMENT OFFERED BY MR. MITCHELL OF MARYLAND AS A SUBSTITUTE FOR THE AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. OBEY

Mr. MITCHELL of Maryland. Mr. Chairman, I offer an amendment as a substitute for the amendment in the nature of a substitute.

The Clerk read as follows:

Amendment offered by Mr. MITCHELL of Maryland as a substitute for the amendment in the nature of a substitute offered by Mr. OBEY: Strike all after the resolving clause and insert in lieu thereof the following:

Concurrent resolution setting forth the congressional budget for the United States Government for the fiscal year 1981, 1982, and 1983 and revising the congressional budget for the United States Government for the fiscal year 1980

Resolved by the House of Representatives (the Senate concurring), That the Congress hereby determines and declares, pursuant to section 301(a) of the Congressional Budget Act of 1974, that for the fiscal year beginning on October 1, 1980—

(1) the recommended level of Federal revenues is $613,900,000,000, and the amount by which the aggregate level of Federal revenues should be decreased is zero;

(2) the appropriate level of total new budget authority is $698,000,000,000;

(3) the appropriate level of total budget outlays is $613,900,000,000;

(4) the amount of the surplus in the budget which is appropriate in the light of economic conditions and all other relevant factors is zero;

(5) the appropriate level of the public debt is $926,800,000,000 and the amount by which the statutory limit on such debt should accordingly be increased is $30,100,000,000; and

(6) the appropriate level of total gross obligations for the principal amount of direct loans is $60,800,000,000 and the appropriate level of total commitments to guarantee loan principal is $81,400,000,000.

SEC. 2. Based on allocations of the appropriate level of total new budget authority and of total budget outlays as set forth in paragraphs (2) and (3) of the first section of this resolution, the Congress hereby determines and declares pursuant to section 301(a)(2) of the Congressional Budget Act of 1974 that, for the fiscal year beginning on October 1, 1980, the appropriate level of new budget authority and the estimated budget outlays for each major functional category are as follows:

(1) National Defense (050):

(A) New budget authority, $155,000,000,000;

(B) Outlays, $144,800,000,000.

(2) International Affairs (150):

(A) New budget authority, $24,000,000,000;

(B) Outlays, $9,600,000,000.

(3) General Science, Space, and Technology (250):

(A) New budget authority, $6,700,000,000.

(B) Outlays, $6,300,000,000.

(4) Energy (270):

(A) New budget authority, $7,300,000,000;

(B) Outlays, $6,900,000,000.

(5) Natural Resources and Environment (300):

(A) New budget authority, $12,000,000,000;

(B) Outlays, $12,400,000,000;

(6) Agriculture (350):

(A) New budget authority, $5,400,000,000;

(B) Outlays, $2,300,000,000.

(7) Commerce and Housing Credit (370):

(A) New budget authority, $5,300,000,000;

(B) Outlays, $100,000,000.

(8) Transportation (400):

(A) New budget authority, $22,800,000,000;

(B) Outlays, $19,500,000,000.

(9) Community and Regional Development (450):

(A) New budget authority, $9,200,000,000;

(B) Outlays, $9,600,000,000.

(10) Education, Training, Employment and Social Services (500):

(A) New budget authority, $35,000,000,000;

(B) Outlays, $32,600,000,000.

(11) Health (550):

(A) New budget authority, $71,500,000,000;

(B) Outlays, $61,800,000,000.

(12) Income Security (600):

(A) New budget authority, $257,900,000,000;

(B) Outlays, $222,200,000,000.

(13) Veterans Benefits and Services (700):

(A) New budget authority, $21,700,000,000;

(B) Outlays, $21,200,000,000;

(14) Administration of Justice (750):

(A) New budget authority, $4,700,000,000;

(B) Outlays, $4,700,000,000.

(15) General Government (800):

(A) New budget authority, $4,700,000,000;

(B) Outlays, $4,600,000,000.

(16) General Purpose Fiscal Assistance (850):

(A) New budget authority, $7,200,000,000;

(B) Outlays, $7,700,000,000.

(17) Interest (900):

(A) New budget authority, $72,200,000,000;

(B) Outlays, $72,200,000,000.

(18) Allowances (920):

(A) New budget authority, $000,000,000;

(B) Outlays, $000,000,000.

(19) Undistributed Offsetting Receipts (950):

(A) New budget authority, —$24,600,000,000;

(B) Outlays, —$24,600,000,000.

SEC. 3. Pursuant to sections 301(b)(2) and 310 of the Budget Act: (a)(1) the House Committee on Agriculture and the Senate Committee on Agriculture, Nutrition, and Forestry shall recommend program reductions for fiscal year 1981 in reported or enacted laws, bills, and resolutions that reduce spending by $100.000,000 in budget authority and $100,000,000 in outlays and are instructed to report on or before June 15, 1980, such recommendations to effectuate reductions in corresponding new budget authority for fiscal year 1981, budget authority initially provided for prior fiscal years, and new or existing spending authority for programs within the jurisdiction of those committees; and (2) the Senate Committee on Agriculture, Nutrition and Forestry shall reduce spending for fiscal year 1981 in enacted laws, bills, and resolutions by $433,000,000 in budget authority and $407,000,000 in outlays and is instructed to report on or before June 15, 1980, its recommendations for changes in new budget authority for fiscal year 1981, budget authority initially provided for prior fiscal years, and new or existing spending authority contained in enacted laws, bills, and resolutions within the jurisdiction of this committee sufficient to accomplish the reduction required by this subsection.

(b) the House Committee on Armed Services and the Senate Committee on Armed Services shall reduce spending for fiscal year 1981 in enacted laws, bills, and resolutions by $3,263,000,000 in budget authority and $3,188,000,000 in outlays and are instructed to report on or before June 15, 1980, their recommendations for changes in new budget authority for fiscal year 1981, budget authority initially provided for prior fiscal years, and new or existing spending authority contained in enacted laws, bills, and resolutions within the jurisdictions of those committees sufficient to accomplish the reduction required by this subsection.

(c) the House Committee on Education and Labor shall reduce spending for fiscal year 1981 in enacted laws, bills, and resolutions by $539,000,000 in budget authority and $486,000,000 in outlays, and is instructed to report on or before June 15, 1980, its recommendations for changes in new budget authority for fiscal year 1981, budget authority initially provided for prior fiscal years, and new or existing spending authority contained in enacted laws, bills, and resolutions within the jurisdiction of this committee sufficient to accomplish the reduction required by this subsection.

(d) the House Committee on Interstate and Foreign Commerce shall reduce spending for fiscal year 1981 in reported or enacted laws, bills, and resolutions by $200,000,000 in budget authority and $270,000,000 in outlays and is instructed to report on or before June 15, 1980, its recommendations for changes in new budget authority for fiscal year 1981, budget authority initially provided for prior fiscal years, and new or existing spending authority contained in reported or enacted laws, bills, and resolutions within the jurisdiction of this committee sufficient to accomplish the reduction required by this subsection.

(e) the House Committee on Post Office and Civil Service and the Senate Committee on Governmental Affairs shall reduce spending for fiscal year 1981 in enacted laws, bills, and resolutions by $3,639,000,000 in budget authority and $4,204,000,00 in outlays and are instructed to report on or before June 15, 1980, their recommendations for changes in new budget authority for fiscal year 1981, budget authority initially provided for prior fiscal years, and new or existing spending authority contained in enacted laws, bills, and resolutions within the jurisdiction of those committees sufficient to accomplish the reduction required by this subsection.

(f)(1) the House Committee on Public Works and Transportation and the Senate Committee on Environment and Public Works shall recommend program reductions for fiscal year 1981 in enacted laws, bills, and resolutions that reduce spending by $400,000,000 in outlays and are instructed to report on or before June 15, 1980, such recommendations to effectuate reductions in corresponding outlays for programs within the jurisdiction of those committees; and (2) the House Committee on Public Works and Transportation shall reduce spending for fiscal year 1981 in enacted laws, bills, and resolutions by $150.000,000 in budget authority and $150,000,000 in outlays and is instructed to report on or before June 15, 1980, its recommendations for changes in new budget authority for fiscal year 1981, budget authority initially provided for prior fiscal years, and new or existing spending authority contained in reported or enacted laws, bills, and resolutions within the jurisdiction of this committee sufficient to accomplish the reduction required by this subsection.

(g) the House Committee on Veterans Affairs and the Senate Committee on Veterans Affairs shall reduce spending or recommend program reductions for fiscal year 1981 in enacted laws, bills, and resolutions by $400,000,000 in budget authority and $400,000,000 in outlays and are instructed to report on or before June 15, 1980, their recommendations to reduce spending, or to effectuate reductions, in new or corresponding budget authority for fiscal year 1981, budget authority initially provided for prior fiscal years, and new or existing spending authority contained in enacted laws, bills, and resolutions within the jurisdictions of those committees, or for programs within the jurisdictions of those committees, sufficient to accomplish the reductions required by this subsection.

(h) the House Committee on Ways and Means shall reduce spending for fiscal year 1981 in reported or enacted laws, bills, and resolutions by $717,000,000 in budget authority and $1,869,000,000 in outlays, and is instructed to report on or before June 15, 1980, its recommendations for changes in new budget authority for fiscal year 1981, budget authority initially provided for prior fiscal years, and new or existing spending authority contained in reported or enacted laws, bills, and resolutions within the jurisdiction of this committee sufficient to accomplish the reduction required by this subsection.

(i) the Senate Committee on Commerce, Science, and Transportation shall reduce spending for fiscal year 1981 in enacted laws, bills, and resolutions by $150,000,000 in budget authority and $150,000,000 in outlays and is instructed to report on or before June 15, 1980, its recommendations for changes in new budget authority for fiscal year 1981, budget authority initially provided for prior fiscal years, and new or existing spending authority contained in enacted laws, bills, and resolutions within the jurisdiction of this committee sufficient to accomplish the reduction required by this subsection.

(j) the Senate Committee on Finance shall reduce spending for fiscal year 1981 in enacted laws, bills, and resolutions by $917,000,000 in budget authority and $2,069,000,000 in outlays and is instructed to report on or before June 15, 1980, its recommendations for changes in new budget authority for fiscal year 1981, budget authority initially provided for prior fiscal years, and new or existing spending authority contained in enacted laws, bills, and resolutions within the jurisdiction of this committee sufficient to accomplish the reduction required by this subsection.

(k) the Senate Committee on Labor and Human Resources shall reduce spending for fiscal year 1981 in enacted laws, bills, and resolutions by $106,000,000 in budget authority and $149,000,000 in outlays and is instructed to report on or before June 15, 1980, its recommendations for changes in new budget authority for fiscal year 1981, budget authority initially provided for prior fiscal years, and new or existing spending authority contained in enacting laws, bills, and resolutions within the jurisdiction of this committee sufficient to accomplish the reduction required by this subsection, and

(l) the House Committee on Ways and Means and the Senate Committee on Finance shall increase revenues for fiscal year 1981 in reported or enacted laws, bills, and resolutions by $24,700,000,000 and are instructed to report on or before June 15, 1980, their recommendations for changes in revenues for fiscal year 1981 contained in reported or enacted laws, bills, and resolutions within the jurisdictions of those committees sufficient to accomplish the increase required by this subsection.

SEC. 4. In accordance with section 301 (b)(1) of the Budget Act, no bill or resolution providing new budget authority for fiscal year 1981 or providing new or existing spending authority described in section 401 (c)(2)(C) of the Budget Act in excess of the allocation of the appropriate levels of total budget outlays and total new budget authority submitted pursuant to section 302 (b) of the Budget Act, shall be enrolled until Congress has completed action on the section budget resolution for that fiscal year as required to be reported under section 310 of the Budget Act; and, if a reconciliation bill or reconciliation resolution, or both, are required to be reported under section 310(c), until Congress has completed action on that bill or resolution, or both.

SEC. 5. The Congress sets forth the following budgetary levels for fiscal years 1982–1983—

(a)(1) the recommended level of Federal revenues is as follows:

Fiscal year 1982: $700,000,000,000;

Fiscal year 1983: $809,000,000,000;

and the amount by which the aggregate levels of Federal revenues should be increased or decreased is as follows:

Fiscal year 1982: +$300,000,000;

Fiscal year 1983: $000,000,000.

(2) the appropriate level of total new budget authority is as follows:

Fiscal year 1982: $768,400,000,000;

Fiscal year 1983: $862.500,000,000;

(3) the appropriate level of total budget outlays is as follows:

Fiscal year 1982: $684,700,000,000;

Fiscal year 1983: $773,400,000,000.

(4) the amount of the surplus in the budget which is appropriate in light of economic conditions and all other relevant factors is as follows:

Fiscal year 1982: $15,300,000,000;

Fiscal year 1983: $35,600,000,000.

(5) the appropriate level of the public debt is as follows:

Fiscal year 1982: $950,600,000,000;

Fiscal year 1983: $963,700,000,000.

(b) Based on allocations of the appropriate level of total new budget authority and of the total budget outlays for fiscal years 1982 and 1983 as set forth above, the appropriate level of new budget authority and the estimated budget outlays for each major functional category are respectively as follows:

(1) National Defense (050):

Fiscal 1982:

(A) New budget authority, $178,000,000,000;

(B) Outlays, $162,400,000,000.

Fiscal year 1983:

(A) New budget authority, $199,600,000,000;

(B) Outlays, $181,300,000,000.

(2) International Affairs (150):

Fiscal year 1982:

(A) New budget authority, $16,200,000,000;

(B) Outlays, $10,000,000,000.

Fiscal year 1983:

(A) New budget authority, $15,900,000,000;

(B) Outlays, $10,700,000,000.

(3) General Science, Space, and Technology (250):

Fiscal year 1982:

(A) New budget authority, $6,900,000,000;

(B) Outlays, $6,700,000,000.

Fiscal year 1983:

(A) New budget authority, $7,000,000,000;

(B) Outlays, $6,900,000,000.

(4) Energy (270):

Fiscal year 1982:

(A) New budget authority, $8,100,000,000;

(B) Outlays, $10,200,000,000.

Fiscal year 1983:

(A) New budget authority, $9,200,000,000;

(B) Outlays, $10,900,000,000.

(5) Natural Resources and Environment (300):

Fiscal year 1982:

(A) New budget authority, $13,400,000,000;

(B) Outlays, $13,200,000,000.

Fiscal year 1983:

(A) New budget authority, $13,900,000,000;

(B) Outlays, $13,600,000,000.

(6) Agriculture (350):

Fiscal year 1982:

(A) New budget authority, $6,300,000,000;

(B) Outlays, $4,200,000,000.

Fiscal year 1983:

(A) New budget authority, $4,300,000,000;

(B) Outlays, $5,200,000,000.

(7) Commerce and Housing Credit (370):

Fiscal year 1982:

(A) New budget authority, $5,700,000,000;

(B) Outlays, $2,500,000,000.

Fiscal year 1983:

(A) New budget authority, $5,900,000,000;

(B) Outlays, $2,500,000,000.

(8) Transportation (400):

Fiscal year 1982:

(A) New budget authority, $22,300,000,000;

(B) Outlays, $20,500,000,000.

Fiscal year 1983:

(A) New budget authority, $24,500,000,000;

(B) Outlays, $22,200,000,000.

(9) Community and Regional Development (450):

Fiscal year 1982:

(A) New budget authority, $9,400,000,000;

(B) Outlays, $9,300,000,000.

Fiscal year 1983:

(A) New budget authority, $9,700,000,000;

(B) Outlays, $9,700,000,000.

(10) Education, Training, Employment, and Social Services (500):

Fiscal year 1982:

(A) New budget authority, $37,500,000,000;

(B) Outlays, $35,400,000,000.

Fiscal year 1983:

(A) New budget authority, $42,000,000,000;

(B) Outlays, $38,500,000,000.

(11) Health (550):

Fiscal year 1982:

(A) New budget authority, $83,100,000,000;

(B) Outlays, $70,100,000,000.

Fiscal year 1983:

(A) New budget authority, $119,000,000,000;

(B) Outlays, $103.300,000,000.

(12) Income Security (600):

Fiscal year 1982:

(A) New budget authority, $292,600,000,000;

(B) Outlays, $252,300,000,000.

Fiscal year 1983:

(A) New budget authority, $319,200,000,000;

(B) Outlays, $275,400,000,000.

(13) Veterans Benefits and Services (700):

Fiscal year 1982:

(A) New budget authority $23,400,000,000;

(B) Outlays, $22,800,000,000.

Fiscal year 1983:

(A) New budget authority, $25,000,000,000;

(B) Outlays, $24,400,000,000.

(14) Administration of Justice (750):

Fiscal year 1982:

(A) New budget authority $4,900,000,000;

(B) Outlays, $4,800,000,000.

Fiscal year 1983:

(A) New budget authority, $5,000,000,000;

(B) Outlays $5,000,000,000.

(15) General Government (800):

Fiscal year 1982:

(A) New budget authority, $5,000,000,000;

(B) Outlays, $4,700,000,000.

Fiscal year 1983:

(A) New budget authority $4,900,000,000;

(B) Outlays, $4,800,000,000.

(16) General Purpose Fiscal Assistance (850):

Fiscal year 1982:

(A) New budget authority, $7,500,000,000;

(B) Outlays, $8,000,000,000.

Fiscal year 1983:
(A) New budget authority $8,500,000,000;
(B) Outlays, $8,500,000,000.
(17) Interest (900):
Fiscal year 1982:
(A) New budget authority, $73,600,000,000;
(B) Outlays, $73,600,000,000.
Fiscal year 1983:
(A) New budget authority $76,500,000,000;
(B) Outlays, $76,500,000,000.
(18) Allowances (920):
Fiscal year 1982:
(A) New budget authority, $1,900,000,000;
(B) Outlays, $1,900,000,000.
Fiscal year 1983:
(A) New budget authority $3,600,000,000;
(B) Outlays, $3,600,000,000.
(19) Undistributed Offsetting Receipts (950):
Fiscal year 1982:
(A) New budget authority, —$27,300,000,000;
(B) Outlays, —$27,300,000,000.
Fiscal year 1983:
(A) New budget authority, —$29,700,000,000;
(B) Outlays, $29,700,000,000.

SEC. 6. Section 1 of Senate Congressional Resolution 53 is revised as follows—

(a)—

(1) the recommended level of Federal revenues is $528,800,000,000, and the amount by which the aggregate level of Federal revenues should be increased is $4,300,000,000;

(2) the appropriate level of total new budget authority is $660,200,000,000;

(3) the appropriate level of total budget outlays is $571,500,000,000;

(4) the amount of the deficit in the budget which is appropriate in the light of economic conditions and other relevant factors is $42,700,000,000;

(5) the appropriate level of the public debt is $896,700,000,000, and the amount by which the statutory limit on such debt should accordingly be increased is $17,700,000,000.

(b)—

(1) National Defense (050):
(A) New budget authority, $142,500,000,000;
(B) Outlays, $134,200,000,000.
(2) International Affairs (150):
(A) New budget authority $15,800,000,000;
(B) Outlays, $10,700,000,000.
(3) General Science, Space and Technology (250):
(A) New budget authority, $6,100,000,000;
(B) Outlays, $5,900,000,000.
(4) Energy (270):
(A) New budget authority, $40,300,000,000;
(B) Outlays, $6,400,000,000.
(5) Natural Resources and Environment (300):
(A) New budget authority, $12,300,000,000;
(B) Outlays $13,200,000,00.
(6) Agriculture (350):
(A) New budget authority, $5,000,000,000;
(B) Outlays, $5,900,000,000.
(7) Commerce and Housing Credit (370):
(A) New budget authority, $11,600,000,000;
(B) Outlays, $6,100,000,000.
(8) Transportation (400):
(A) New budget authority, $21,000,000,000;
(B) Outlays, $20,100,000,000.
(9) Community and Regional Development (450):
(A) New budget authority, $8,700,000,000;
(B) Outlays, $9,200,000,000.
(10) Education, Training, Employment and Social Services (500):
(A) New budget authority, $29,900,000,000;
(B) Outlays, $30,000,000,000.
(11) Health (550):
(A) New budget authority, $59,900,000,000;
(B) Outlays, $56,500,000,000.
(12) Income Security (600):
(A) New budget authority, $224,700,000,000;
(B) Outlays, $191,700,000,000.
(13) Veterans Benefits and Services (700):
(A) New budget authority, $21,000,000,000;
(B) Outlays, $20,300,000,000.
(14) Administration of Justice (750):
(A) New budget authority, $4,300,000,000;
(B) Outlays, $4,400,000,000.
(15) General Government (800):
(A) New budget authority, $4,500,000,000;
(B) Outlays, $4,400,000,000.
(16) General Purpose Fiscal Assistance (850):
(A) New budget authority, $8,800,000,000;
(B) Outlays, $8,800,000,000.
(17) Interest (900):
(A) New budget authority, $65,100,000,000;
(B) Outlays, $65,100,000,000.
(18) Allowances (920):
(A) New budget authority, $1,000,000,000;
(B) Outlays, $900,000,000.
(19) Undistributed Offsetting Receipts (950):
(A) New budget authority, —$22,300,000,000;
(B) Outlays, —$22,300,000,000.

SEC. 7. The Congress urges the President to study and review the current inflation measure for indexing Federal programs, and to submit his findings and recommendations for the most appropriate cost-of-living measure within 60 days after passage of this budget resolution.

Mr. MITCHELL of Maryland (during the reading). Mr. Chairman, I ask unanimous consent that the amendment offered as a substitute for the amendment in the nature of a substitute be considered as read and printed in the RECORD.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Maryland?

There was no objection.

Mr. MITCHELL of Maryland. Mr. Chairman, my amendment is a balanced budget and it differs from the Budget Committee recommendation in that—

Revenues are increased by $100 million;

Budget authority is increased by $3.4 billion;

Outlays are increased by $2.1 billion; and

The debt subject to limit is the same as the Budget Committee recommendation, $926.8 billion.

We are able to increase revenues by $100 million because we focus on tax expenditures that are inflationary and deter our productivity, to generate an additional $2.5 billion above the House Budget Committee recommendation. As some of you know, the CBO identified 20 separate tax expenditures from which additional revenue can be raised. My substitute does not attempt to deal with any of the 20 tax expenditures identified by CBO. However, it deals with the potential of nine different tax expenditure areas which could increase revenues by more than $14 billion.

By way of illustration, in fiscal year 1981 we shall lose $480 million through deferral of income of controlled foreign corporations and $600 million from special tax relief provided to U.S. citizens who work in foreign countries.

One provides a tax deferral of U.S. tax liability on a foreign subsidiary's income as long as the income is reinvested in that foreign subsidiary or some other foreign subsidiary rather than remitted to the U.S. parent corporation. The other provides a special tax relief to the U.S. citizens who work for these foreign subsidiaries. They may deduct from the tax base certain added expenses incurred abroad for housing, education, general cost-of-living differentials, home leave travel, as well as a special $20,000 foreign earned income deduction. The $1.2 billion projected fiscal year 1983 revenue loss from these two special foreign tax expenditures not only reduce our revenue base but are incentives for U.S. corporations to invest abroad rather than bolstering our domestic capital market.

They also generate foreign growth and productivity to the exclusion of U.S. economic growth and development. In similar fashion, expensing of research and development costs, will cause us to lose $2 billion in revenue in fiscal year 1981 and that loss will rise to $2.5 billion by fiscal year 1983. This tax expenditure subsidizes product failure by allowing the costs of developing new consumer products to be expensed as research and development tax expenditures. A recent Senate Budget Committee document suggests that of the total amount claimed as expenses of research and development tax expenditure costs, about 10 percent is legitimate basic research while 90 percent is product development. Because product development expenses are written off as tax expenditures and subsequently passed through as price increases, it becomes profitable for firms not to maximize their development efforts. As such, our tax system effectively rewards product failure and inefficiency with tax advantages.

OTHER TAX EXPENDITURES

Expensing of research and development expenditures:			
Corporate	1,980	2,230	2,490
Individual	40	45	50
4a. Exclusion of interest on State and local government pollution control bonds:			
Corporate	245	270	295
Individual	265	290	320
b. Exclusion of interest on State and local industrial development bonds:			
Corporate	335	395	455
Individual	360	430	490
c. Exclusion of interest on State and local housing bonds:			
Corporate	975	1,320	1,715
Individual	200	270	350
d. Exclusion of interest on general purpose State and local debt:			
Corporate	3,900	4,335	4,815
Individual	2,625	2,915	2,340
5. Capital gains treatment of certain timber income:			
Corporate	400	440	485
Individual	115	125	140
6. Capital gains treatment of royalties on coal:			
Corporate	10	10	15
Individual	90	100	110
7. Capital gains treatment of iron ore:			
Corporate	10	10	10
Individual	10	10	10
8. Exemption of credit union income	115	125	140
9. Excess bad debt reserves of financial institutions	965	1,015	1,090

BUDGET FUNCTIONAL DIFFERENCES

370	National Consumer Co-op Bank	+0.1	+0.1
	SBA direct loan assistance	+.1	+.1
	Subtotal	+.2	+.2
450	CD block grants	+.1	+.1
	Discretionary development and assistance programs	+.1	+.1
	Subtotal	+.2	+.2
500	Higher education	+.2	+.2
	Youth education—employment initiative		+.2
	CETA	+1.0	+1.0
	Discretionary programs	+.5	+.5
	Subtotal	+1.7	+1.9

BUDGET FUNCTIONAL DIFFERENCES—Continued

600	Welfare reform	+1.1	+1.1
	Food stamps	+.4	+.4
	Low-income energy assistance	+.2	+.2
	Child nutrition	+.1	+.1
	Unemployment benefits to former CETA workers	+.2	+.2
	Discretionary programs	+.1	+.1
	54,500 additional sec. 8 units (new and existing)	+3.7	
	Subtotal	+5.8	+2.1
750	LEAA	+.5	+.1
850	Antirecession fiscal assistance initiative	+1.0	+.9

If we but partially close some of these tax loopholes, we can balance the budget for the health and well being of our citizens. In my substitute, budget authority is increased by $3.4 billion and outlays are increased by $2.1 billion. The increases are focused on six budget functions. Let us examine more specifically where some of these increases will go:

AMENDMENT

My amendment will increase SBA's direct loan authority by $100 million.

Just last week the Federal Reserve issued a new policy to assist small and agricultural businesses through these hard economic times. Unfortunately, the predominant number of small socially and economically disadvantaged businesses are not beneficiaries of capital from private lending institutions. They must rely on the Federal Government if they are to survive. SBA has recognized this void in its guaranteed loan program and thus has focused on assistance under the direct loan program.

At a time of rising unemployment we cannot cut jobs. Black teenage unemployment has not been below 30 percent for a decade. Black male unemployment, consistently twice that of white male unemployment, exceeds 10 percent.

	December 1979	March 1980
Nonwhite races	11.3	11.8
Nonwhite males	8.6	9.3
Nonwhite teenagers	34.3	37.9
White teenagers	13.9	13.8
White workers	5.1	5.4

We cannot balance the budget and leave the military budget untouched. The military budget is not sacrosanct. There is waste in the military budget. Let me give a few examples:

First, Management and inventory control of small arms;

Second. Better management of shipbuilding contracts;

Third. Military communications program; and

Fourth. MX missile (the Budget Committee made some reductions. The program should be re-evaluated with an estimated cost of $56 billion.)

There are scores of other illustrations. We can reduce the military function by $5.8 billion in budget authority and $3.1 billion in outlays without endangering our national security.

With all due respect to the members of the House Budget Committee, the budget recommendation is a flagrant example of misplaced national priorities.

Last week during the debate on the budget, I attempted to point out that the number of frustrated, angry, hopeless, alienated people in America is growing. I believe their numbers are increasing because those who have sought jobs and cannot find them, those who want decent homes and cannot get them and those who want to secure an education and cannot do so. All of those people have witnessed over the years, the withering Government support for programs which gave them at least, a reason to hope. Now today, they see a budget resolution which imposes Draconian cuts in the very programs which once gave them hope.

I cannot, and I hope you will not support a budget resolution which plunges a dagger, an economic dagger, into the poor, the elderly, we who are minorities, and/or the working poor.

You have an alternative. You can cast your vote for my substitute (which is a balanced budget) and thereby begin to reset our national priorities.

Do not vote for a budget crafted in an atmosphere of budget cutting frenzy.

But I urge you to vote out of fiscal awareness, and compassion, and rationality. I urge that you vote for the Mitchell substitute.

☐ 1310

The CHAIRMAN pro tempore. The time of the gentleman has expired.

(By unanimous consent, Mr. MITCHELL of Maryland was allowed to proceed for 10 additional minutes.)

Mr. FORD of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. MITCHELL of Maryland. I yield to the gentleman from Tennessee.

Mr. FORD of Tennessee. I thank the gentleman for yielding. I would like to associate myself first with the gentleman's remarks and say I fully support his substitute for the Obey amendment. I will ask the gentleman from Maryland (Mr. MITCHELL) would he generate all of the revenue that would be needed through tax expenditures to bring about this balanced budget concept with his substitute, or would we have a transfer of funds from some other areas within the budget itself?

Mr. MITCHELL of Maryland. Yes, I do. I will not generate all of it from just tax expenditures. I think we have got to look at the military in the same fashion as we look at every other program that this Congress deals with. I intend to address the cuts in the military.

Mr. FORD of Tennessee. I thank the gentleman very much. Again, I would like to say, Mr. Chairman, that I fully support the Mitchell amendment today and say that in the six or seven areas where he really addresses the real need for this Congress and for this Federal Government to really face up to the fact that there are those who need programs that are needed in this budget, this Mitchell substitute will bring about the needed changes in the budget to address the real needs of the problems of the poor people in America. With that, Mr. Chairman, I thank the gentleman from Maryland for yielding.

Mr. MITCHELL of Maryland. I thank the gentleman.

I could go on and on and on and on giving illustrations of waste and duplication in the military. I say we can cut this military budget. That is the major distinction between my amendment and the amendment of the gentleman from Wisconsin (Mr. OBEY). He does not touch the military budget, and I say we can. We can take $5.8 billion out in budget authority and $3.1 billion out in outlays without endangering our national security.

Mr. OBEY. Mr. Chairman, will the gentleman yield?

Mr. MITCHELL of Maryland. I yield to the gentleman from Wisconsin.

Mr. OBEY. I thank the gentleman for yielding. I just want to correct one point. It is not quite true that I do not touch the military budget. In fact, I have a slight increase in function 050 for the military reserves and also the veterans' function.

Mr. MITCHELL of Maryland. I thank the gentleman for his comments. Generally Obey and Mitchell are in tandem. We are not on this one. I think the pristine, pure, intellectual ability of my friend has somehow or another shifted just a little bit, and I hope it will get back on track so we can look at this military budget.

The CHAIRMAN. For what purpose does the gentleman from New York (Mr. SOLARZ), a member of the committee rise?

Mr. SOLARZ. Mr. Chairman, I wish to offer an amendment as a substitute for the amendment in the nature of a substitute.

The CHAIRMAN. The Chair will advise the gentleman that his substitute amendment will not be in order until a vote is taken on the substitute amendment offered by the gentleman from Maryland (Mr. MITCHELL). The gentleman will withhold.

☐ 1320

Mrs. COLLINS of Illinois. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise in support of the Mitchell substitute. I find this to be a well-drafted piece of legislation that gets to the heart of what I consider to be the needs of all the American people, not just a select few who, if you will, work in the Pentagon. At a time in this country when we find a rapidly increasing rate of inflation that impacts severely on the poor and on minorities and on all others who are the least fortunate; at a time when we see a rapidly diminishing economy; at a time when we have a reduced standard of living brought on by galloping inflation; yes, at a time when we are a country that is trying to come to grips with the human needs of all people, I do not see how we can possibly vote for any kind of legislation other than the kind that has been presented to us here today by my distinguished colleague from Maryland. His is a substitute which deals with the issues, with the needs of the people. It is a substitute that does not hold any particular group, such as the advocates for increased military spending being sacrosanct as the gentleman has said.

In fact the Mitchell amendment is an attempt to save some of the social and domestic program that are a vital must for this Nation's well-being, if not survival. Health services, housing, employment, education, community development are to a large degree doomed without passage of this amendment.

Mr. Chairman, there are probably going to be more arguments and there have been arguments that we need a stronger defense capability. I would not disagree with that. I believe in national security. I believe we need to be the strongest Nation on the Earth militarily. However, by the same token, Mr. Chairman, we need to continue to be the strongest Nation when it comes down to the human needs of our people as well as those who live outside of our borders and beyond our shores. How can we stand up today and welcome people from all over this world, all over the universe, to come to our shores, and not take care of Americans who were born right here and who have every right to expect that we will continue the kind of needs programs for their development as well as for everybody else. To do otherwise would be not only ridiculous, it would be ludicrous.

Mr. Chairman, I applaud my colleague for his very valiant effort to right wrongs that will be heaped upon the aged, the poor, the minorities if the resolution passes as it is now written. I will do everything I can to work for passage of this great amendment.

Mr. Chairman, this is the only substitute that I can possibly support. To do anything less than that would not give full credit to this substitute and would be doing less than serving well, all the people of this Nation. To not pass this amendment will not only be insensitive to the needs of Americans, it will be an act of absolute insanity.

Mr. STEWART. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in strong support of the Mitchell amendment. There have been many amendments presented to the budget resolution (H. Con. Res. 307). However, Mr. MITCHELL's amendment is the only measure before our body that is designed to adequately meet the human needs of the economically disadvantaged and the elderly of the United States.

Neither the Budget Committee's recommendations nor the administration's recommendations insure that the needs of the poor and elderly are being addressed adequately in the fiscal year 1981 budget.

In January the President submitted the fiscal year 1981 budget message to the Congress to begin the annual federal budget process. Initially, the administration's budget projections showed a deficit of more than $16 billion.

However, the January rise in consumer prices showed the inflation rate at a staggering 18.2 percent. As a result, the administration began to intensify its efforts to slow the skyrocketing inflation rate.

The administration, alarmed at the high rate of inflation, decided to take a number of steps in an attempt to reduce inflation. Its initial move was to make further reductions in an already inadequate Federal budget. The administration's revised recommended budget reductions would bring the budget into balance and show an estimated $5.5 billion surplus.

This budget resolution is assured to further burden the economically disadvantaged and the elderly. The President has seemingly sided with those individuals and organizations who are calling for a balanced budget. Moreover, many are under the false impression that a balanced budget will significantly curb the inflation rate.

According to the General Accounting Office a balanced budget would only reduce the inflation rate by an estimated two-tenths of 1 percent.

Beyond the insignificant change in the inflation rate, the reduction in Federal spending would place a tremendous burden on the economically disadvantaged and the elderly. Budget cuts, deferrals, and deletions will cause massive unemployment and will be a catalyst in bringing on another deep recession.

The House Budget Committee has plotted a reckless course in moving to slash domestic Federal programs while at the same time increasing defense expenditures. According to the Congressional Budget Office, the Defense Department will realize a 5.6-percent real growth in fiscal year 1981 expenditures if the Appropriations Committee abides by the Budget Committee's recommendations. I plan to vote against any amendment to reduce domestic program funding.

I specifically deplore the following measures the Budget Committee and the administration are taking in the 1981 Federal budget:

The elimination of essential programs such as the Youth Conservation Corps, Law Enforcement Assistance Administration grant program, countercyclical assistance initiative, and the unemployment benefits for former CETA employees;

The delay of effective dates for essential new initiative programs such as youth education, employment initiative, child health assurance program (CHAP), the welfare reform program, medicare-medicaid program expansion, and the inland energy impact assistance program; and

Other program reductions which include sizable cuts in the Comprehensive Employment and Training Act, and cuts in higher education programs.

The Mitchell amendment will restore funds for these programs to their current funding levels.

The Budget Committee has increased entitlement programs an average of 5 percent, but that token increase is not enough to compensate those poor and elderly individuals who benefit from the entitlement programs. I stated earlier that the inflation rate stands at 18.2 percent. A 5-percent increase still would leave the poor and elderly to bear an average inflation rate of 13.2 percent, which is unacceptable. The advent of the Iranian situation, the Soviet invasion of Afghanistan, and the loss of so-called key strategic positions around the world have given the hawks in Congress and around the country a reason to demand significantly increased defense spending.

The events of the past year have alarmed the Congress and the administration to the point that increased defense spending is virtually guaranteed. There are defense systems, however, that are literally wasting billions of tax dollars. Many new weapons systems have not yet proven their full capabilities.

According to the Congressional Budget Office, the XM1 tank, the MX weapon system, and the Aegis cruisers are but three weapons which the Defense Department insisted that it must have at a time when major reservations were being expressed about the capabilities of these systems. By delaying the production of just these three weapons systems, the Federal Government would realize a savings of $5 billion. This is enough to provide funds for all of the social programs that have been deleted from the President's fiscal 1981 budget.

The major cause of inflation is the rising price of petroleum. Decontrol of prices on domestic oil and the lack of a sound oil import policy have resulted in excess profits for domestic and foreign oil companies. The administration has continued to use the price gouging by oil companies as the primary reason for our inflation woes. However, rising costs of housing, medical care, and food are also major contributors to rising prices in every sector of the economy.

We are still without a hospital cost containment bill which will control rapidly rising medical costs. The housing industry has been plagued with rapidly rising costs of building materials and labor which pushes the cost of homes out of the reach of the average family.

The Federal Reserve Board has chosen to adopt a very tight monetary policy as well as tight controls on credit. The monetary and credit controls are designed to slow the economy, thus to slow inflation. However, the slowing of the economy will slow industrial production, thus resulting in massive layoffs. The massive layoffs will swell the unemployment rate, which is predicted to reach 7.5 percent by the end of 1980 according to the Congressional Budget Office. I do not advocate fighting inflation in a manner which will result in massive unemployment.

The tight credit controls will serve to push those families in the lower end of the middle-income bracket into an economic situation which is undesirable. If the administration and Congress do not move with all deliberate speed to push toward the goals of the Full Employment and Balanced Growth Act for full production, increased real income, high productivity, and attainment of price stability, I believe there will be a tremendous uproar coming from all classes of people in this country who will be hurt during the coming recession.

With a less than adequate Federal budget, soaring inflation, and an oncoming recession, I do foresee the possibility of widespread civil unrest during 1981. Civil unrest may not be limited to the inner-city urban poor. I predict some problems from the middle class as well.

Mr. Chairman, I deplore the inadequate budget recommendations from the administration and the Budget Committee. I call for the restoration of those programs which are intended to aid the economically disadvantaged and the elderly. I do not want to see civil unrest in this country because we were not perceptive enough to grasp the ramifications of our own domestic situation here in the United States. I urge the adoption of the Mitchell amendment.

☐ 1330

Mr. GRAY. Mr. Chairman, I move to strike the requisite number of words, and I rise to speak in favor of the Mitchell of Maryland amendment.

Mr. Chairman, my colleagues, I serve on the House Budget Committee, but as we went through those deliberations—and I commend the chairman, Mr. Giaimo—and when we came to the end of working for 3 straight days, it became very clear to me that what we were doing was attempting to reach a balanced budget, and balancing it primarily at the expense of certain groups in our society; and thus, I voted against, in committee, that budget resolution.

As I look at the various amendments that are offered, I believe that the only one that addresses the needs of all of our citizens, that seeks a balanced approach, that seeks to share the burden equitably with everyone in the society, is the Mitchell of Maryland amendment. For what we have done in the House Budget Committee is to come forth with a resolution that allows certain areas of our budget to escape the budgetary scalpel of austerity, and allowed certain areas to feel deep cuts. We say we must tighten our belts. Yes, we understand that; I understand that. I am for fiscal responsibility. But, do we tighten the belt around the waist of some constituencies and around the neck of other constituencies?

It is clear, when one looks at the House budget resolution, that what we have done is that we have tightened the belt around the necks of the poor, the elderly, the people who reside in urban communities, and the minorities. And yet, at the same time we go to the American public and offer a budget resolution that has a $2 billion surplus.

How can we say to the poor in this Nation who are suffering, who need better health care, who need better job programs—not just blacks, but whites, Hispanics—that this is the right path, and we have got a $2 billion surplus?

I know there are those who argue that we must beef up our defense. I want a good defense. I enjoy the liberties and the freedoms that we have in our society, and I want to protect them. They argue that in light of Afghanistan, in light of Iran, we must increase it dramatically. But, I ask this body, does the MX missile deal with the crisis in Afghanistan and in Iran? Is someone seriously thinking about pushing a button to launch that missile, an MX missile system that is going to take $1.5 billion in outlays next year out of our budget when we cannot even find a State that is willing to accept that system? Some even suggest that it is impossible to build it, and even when it is built, it will be outdated and will cost this country $50 billion to $80 billion.

☐ 1340

Does anyone seriously believe that an MX missile system is going to deal with the crisis in Afghanistan or Iran? If they do, then they are sadly mistaken.

What about the Roland missile system which the Committee on Armed Services in the House just last year voted to terminate? We put into our budget over $400 million in outlays for that system, although the Committee on Armed Services just last year in this House said, "Let's terminate it. It's not worth the investment."

Mr. MAGUIRE. Mr. Chairman, will the gentleman yield?

Mr. GRAY. I will yield in a moment, when I have finished.

So I say to those who say we must not cut defense, because there is no fat there or because of the international crisis, that they are wrong. There is some fat there. Let us look there, too. Let us all bear the burden, not just the poor, not just the elderly, not just the urban communities, and not just the minorities.

Mr. Chairman, I have in my district an unemployment rate among adults of over 25 percent, and among young people it is over 65 percent.

The CHAIRMAN. The time of the gentleman from Pennsylvania (Mr. Gray) has expired.

(By unanimous consent, Mr. Gray was allowed to proceed for 1 additional minute.)

Mr. GRAY. Mr. Chairman, to repeat, I have an unemployment rate of over 65 percent among young people in my district.

Am I to go back and tell them that this body makes the laws of this land and tries to achieve a balance has said to those people that we would rather have a $2 billion surplus? Am I to say to them, "We will cut job training, cut food programs, and cut housing programs, rather than meet your needs"?

Mr. Chairman, I say that we cannot do that. I say it would be immoral for us to do that. Let us seek a balanced approach where all in our society bear the burden.

The CHAIRMAN. The time of the gentleman from Pennsylvania (Mr. Gray) has again expired.

(On request of Mr. Maguire, and by unanimous consent, Mr. Gray was allowed to proceed for 2 additional minutes.)

Mr. MAGUIRE. Mr. Chairman, will the gentleman yield?

Mr. GRAY. I yield to my colleague, the gentleman from New Jersey.

Mr. MAGUIRE. Mr. Chairman, I want to thank the gentleman from Pennsylvania (Mr. Gray) very much for his excellent statement.

It seems to me that one of the things we are learning about defense, particularly after the painful last few days, is that we need to have conventional equipment that we can move around the world effectively, that we need to have trained personnel retained in the military services, and we need to build up our Reserves that are trained to be ready to move if necessary, but we do not necessarily help ourselves a great deal by continuing to be mesmerized by these gigantic projects such as a nuclear aircraft carrier. The Chief of Naval Operations just recently, at a forum in my district, indicated that he would not spend an additional $2 billion on that item if he had it; he would put it in personnel.

I was out at the Strategic Air Command, and the general in charge of the Strategic Air Command said that he would not build the B–1 bomber.

The gentleman from Pennsylvania (Mr. Gray) has made some excellent points about the MX missile system. I want to ask the gentleman, why is it that we continue not to be able to make these kinds of distinctions as we analyze the defense budget and determine our priorities in this country?

Mr. GRAY. Mr. Chairman, I think basically that part of our problem is that we really do not understand what is happening internationally, and thus there are those who believe the response to an Iran or an Afghanistan is through the creation of new nuclear weaponry.

Certainly as we look at that situation and at the events of just the past few days, if anything, what we need to do is look at our conventional systems in the defense budget and see where they can be strengthened. Certainly a nuclear aircraft carrier would not have helped those helicopters in Iran. Certainly I do not think any Member here would have wanted to respond to Afghanistan by pressing a button and having some missiles run around a track and then have one of them launched.

The CHAIRMAN. The time of the gentleman from Pennsylvania (Mr. Gray) has again expired.

(By unanimous consent, Mr. Gray was allowed to proceed for 1 additional minute.)

Mr. GRAY. So, Mr. Chairman, what I am saying is that those of us who want to see fiscal responsibility, and who understand that need, are really saying that we can accomplish that goal without weakening defense by applying the budgetary scalpel of austerity to the defense function as well as to the other functions, as we have already done.

Mr. MAGUIRE. Mr. Chairman, if the gentleman will yield further, I am sure the gentleman will agree that what we are looking for is cost effectiveness.

Mr. GRAY. We are looking for cost effectiveness and more bang for the buck in all of our programs. I think that is the appropriate approach on the defense side as well as on the social spending side and on the side of tax expenditures.

Mr. MAGUIRE. Mr. Chairman, I thank the gentleman.

Mr. MILLER of California. Mr. Chairman, I move to strike the last word, and I rise in support of the amendment.

Mr. Chairman, I rise in support of the Mitchell amendment, and I want to thank the gentleman from Maryland (Mr. Mitchell) for introducing that amendment because, as always, in our discussions on the budget, he has provided us with alternatives.

In this instance the gentleman has provided us with the alternative to take stock of ourselves as a Nation, get away from the political rhetoric, and get away from the speeches which insist that somehow if we spend money on domestic

America, we are only spending money, that if we spend money for children's education, spend money for our senior citizens, or spend money for health care, we are simply spending money, but in other areas it is somehow not equated as the same action and it is a holier act or a better act.

I think the Mitchell amendment gives us a chance to examine that and gives us a chance to determine that in fact what we are talking about in this amendment is our ability, our integrity, or our guts to invest in America. It gives us a chance to invest in young children, to invest in pregnant women, and to make determinations in this Congress that children whose parents happen to be poor need not be born with low birth weight expectancies and need not experience disproportionately high chances of birth defects or mental retardation, but that there are programs we have that can help in those situations.

We have just seen the women, infants, and children special supplemental food program (WIC) audited—and the Committee on the Budget recognized this in its proposal—and we found that they have cut infant mortality among the participants in that program in half. Now, I want to ask the Members of this Congress if they think that is a wise investment, after we have shown we can cut mortalities of participants in that program by half. Yet hundreds of thousands of low-income mothers still will not be able to participate in that program.

The Harvard School of Public Health just released a study which said that for every dollar we spend in this program we save $3 in later hospitalizations and later medicare expenditures, in SSI expenditures, and for institutionalizing those children who are severely retarded or who have birth defects and need this kind of help.

The gentleman from New Jersey (Mr. MAGUIRE), the Member who spoke earlier, has worked very hard on the child health assessment program.

We can defer that for another year, and for those hundreds of thousands of young people who do not receive medical care in this country, we can let them go on for another year. But what will be the real price tag of failing to invest in them?

We talk a great deal about investment and capital, and we say that we have to create capital and capital goods in this country. I do not disagree with that. But what about the creation of investment in human beings in this country?

This is a very interesting point at a time when we have a rally of 200,000 Christians on the Mall. The Lord never suggested that we shrink the table. It was suggested time and again that the table must be made larger so that others can feed from it.

Mr. Chairman, I think these are the choices we have today. If we want to continue to cut back on housing starts, if we want to continue to cut back on low-income housing and on health care for low-income people, we only create the problems of the future. We only create the children who have a difficult time learning in school. We create the children who cause disruptions in class, and we create the crime problem of tomorrow.

We will see these children again. We will see the poor again. But then, rather, we will see them in the health clinics and we will see them in the juvenile crime system, and if the juvenile crime system is not properly funded, we will see them in the adult criminal system. And if that does not work properly, then we will see them in penal institutions for the rest of their lives.

So let us not think that we get rid of the poor, that we get rid of the child with an inadequate education, or that we get rid of the child who has had inadequate health care. We will see them again for the rest of their lives. As the ad on TV says, the question is: "Do you want to pay me now, or do you want to pay me later?"

Mr. Chairman, let me tell the Members what the choices are, and let us just look at one case.

□ 1350

If we provide funds for adequate foster care, we know that 80 percent of those children can be diverted from that system, can be adopted and can become the wards of a family, and they can become participating members. However, if we fail to provide the money to divert these children from the foster care system, long-term institutionalization for one child, I think, in New York now runs about $35,000 a year. In California it runs about the same. Some institutions in Florida were charging up to $50,000.

The CHAIRMAN. The time of the gentleman from California (Mr. MILLER) has expired.

(By unanimous consent, Mr. MILLER of California was allowed to proceed for 3 additional minutes.)

Mr. MILLER of California. So do you want to pay $50,000 a year or $30,000 a year to keep a child in an institution, or would you like to provide a little upfront money so that perhaps the child could be adopted into a loving family and that family can have a child and assume the responsibility for the child? Those are the choices. We can defer the maintenance until the country falls down. I think what we have entered into here is a period of deferred maintenance, that we are starting to put off, to rescind, to defer, to postpone. And what we are doing is extracting a tremendous human cost.

I again would like to thank the gentleman from Maryland (Mr. MITCHELL) for offering this amendment which recognizes that a tremendous reinvestment must go on in this country after 200 years. We are not building rental housing, we are certainly not building moderate-income housing, and credit is not available. The budget is designed so that it will continue not to be. And yet we read in the morning papers that an agent of the Federal Government, Mr. Volcker, is aranging a line of credit at $800 million for two brothers who speculate in the silver market. Well, who is going to speculate on behalf of these children, and on behalf of single parents? We read this morning about the Head Start program that is returning dividends on the education of young children, that is allowing them to raise their reading scores. Last year we cut it back. This year we got a big increase, but this year we are only where we were last year. So there are a lot of gains here, and I think the gentleman from Maryland (Mr. MITCHELL), the gentleman from Wisconsin (Mr. OBEY), the gentleman from New York (Mr. SOLARZ), and others, are trying to suggest to this Congress that we better look at our investment policies right here at home as to the future that we hope to elicit for our children and the society that they will live in.

Mr. MAGUIRE. Mr. Chairman, will the gentleman yield?

Mr. MILLER of California. I yield to the gentleman from New Jersey.

Mr. MAGUIRE. Mr. Chairman, I want to thank the gentleman for his leadership on children's issues in this Congress and in the country.

I just want to underline a point that the gentleman made, and I appreciated his reference to me in that connection. The data that we have show that if we have preventive strategy for health care for children, we save 40 percent of the medicaid dollars that have to be spent for those kids later.

The same thing with toxic waste disposal. If we have no program to deal with that problem, then we spend 10, 20, 50 times more later of taxpayers' money, of private money, to clean up where we failed.

So the gentleman has put his finger right on the key issue, which is: Are we deferring all of the maintenance on our country and its people that is going to multiply in cost later on?

I think the gentleman is absolutely right in his statement and I want to endorse the Mitchell of Maryland amendment.

Mr. MILLER of California. I thank the gentleman.

Mr. Chairman, I think we call this the invest in America first amendment.

Mr. CONABLE. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I do not wish to deal in detail with the amendment or the substitute, but I am somewhat dismayed by the constant assumption that seems to be made by many people in this body that only the Federal Government can confer benefits upon poor people.

It seems to me that at the end of that assumption lies a totally paternal Government that immobilizes the poor for the benefit of those who already have it made, that discourages upward movement through work and family by taking over family obligations and by providing constantly increasing Government services so that people will not have to aspire to the American dream but can accept Government as the ultimate provider and arbiter of their lives.

It seems to me that we must question this assumption, the assumption that only Government is beneficent and that only Government can provide jobs. In fact, one of our great difficulties in this country is that assumption has led us along the road to bankruptcy to such a degree that our private sector has lost its creativity, has lost its ability to provide permanent jobs, the opportunities that can provide upward mobilitiy.

Mr. Chairman, I am not a Marxist, but I do believe that a government too paternal is going to work to the detriment ultimately of the poor who should be able to aspire to the dignity of independence, to the dignity of work, to the dignity of upward movement and competition with the so-called upper classes. I deeply regret that the assumption is made that our system cannot provide benefits and opportunities for the poor except through Government intervention.

Mr. MITCHELL of Maryland. Mr. Chairman, will the gentleman yield very briefly for a question?

Mr. CONABLE. Yes, I yield to the gentleman. I respect the gentleman and his motivations. I understand his concerns about programs that alleviate want. I agree that there are programs that have that effect, but I think we must preserve, however, a balance between the alleviation of want and the opportunities of a free society to provide for upward movement.

Mr. MITCHELL of Maryland. Mr. Chairman, will the gentleman yield now?

Mr. CONABLE. I yield to the gentleman.

Mr. MITCHELL of Maryland. Mr. Chairman, this Member has no hesitancy in saying that if our system worked perfectly, I would lead the fight to destroy all the Government programs, because they would not be needed. However, it does not work perfectly. There are dysfunctional aspects of the system.

If the gentleman will recall during the debate, I lauded the private sector for creating a million new jobs a year for the last 3 years. Three million jobs were created in the private sector, and that is the genius of America. But those jobs did not get down to black men or black women because unfortunately racism still stands at the hiring gate. As long as that condition remains, we have to rely on the Federal Government.

I am with the gentleman. I would hope that the private sector would solve the problem. But it has not done so.

Mr. CONABLE. Mr. Chairman, I thank the gentleman for what he has said.

I would like to add only this additional thought: As to whether or not the military expenditures in the budget are appropriate, any amount spent for the military is a waste if it is not needed. If it is needed, the most terrible waste in the world would be not to meet that need, and thus to lose the freedom our system insures. So the question again is one of balance and not whether or not the economic aspects of military preparedness should in fact be controlling over other programs with economic impact as well.

Mr. CLAY. Mr. Chairman, will the gentleman yield?

Mr. CONABLE. I yield to the gentleman from Missouri.

Mr. CLAY. Mr. Chairman, I will ask the gentleman: Is not the fundamental purpose of any government to provide services and benefits for those who cannot provide them for themselves?

Mr. CONABLE. That is an entirely appropriate purpose of the Government.

Mr. CLAY. Then I do not understand the gentleman's position.

Mr. CONABLE. My point is only that we must preserve the degree of balance that will not destroy the vitality of the private sector.

Mr. CLAY. But the Mitchell of Maryland substitute is arguing that it ought to be passed because it will provide services for people who cannot provide them for themselves and the private economy has not seen fit to provide them.

Mr. CONABLE. I understand the purpose of the Mitchell of Maryland amendment.

Mr. OTTINGER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I would like to add my voice in favor of the Mitchell of Maryland amendment and of the Obey amendment which underlies it. I congratulate my friend from Maryland for again offering the House a meaningful choice in budget priorities.

It just seems to me that the cuts that are being proposed by the Budget Committee are so counterproductive to the basic strength of this country. This country did not achieve its position of prominence that it presently enjoys by means of military adventurism. Indeed, in the formative days of our country, we had a strict nonintervention policy.

The United States did achieve its predominance by being a land of opportunity which offered a better chance for people to get ahead, regardless of their race or color or their creed, than any other country on Earth. We still have a situation where people pour to our borders, escaping repressive regimes, escaping regimes which do not do as well by their people, seeking entry into the United States to enjoy its freedoms and its opportunities.

What these very severe cuts in the very basic programs for allowing people to advance and get jobs is doing is undermining the basic strength of this country. I believe that very, very firmly. The Budget Committee cuts deprive our great country of its promise.

Take a look at the programs that are being restored by the Mitchell amendment. They certainly are not programs which are designed to subject people to lives on the Government dole. Quite the contrary. They are programs designed to make people self-sufficient and independent.

☐ 1400

One of the principal programs restored by the Mitchell amendment is for education. Indeed, all over our land and in the State of New York, the educational systems are having a hard time financing an adequate education for children so that they can become self-sufficient, so that they can participate effectively in the private enterprise system.

What you are finding is that the local communities, with the proposition 13 fever that swept through the land with respect to local taxes, can no longer provide adequate educational opportunities for our children. Programs like the Elementary and Secondary Education Act have become critical; the alternatives are deteriorating education for our children or increased local property taxes, neither of which are acceptable.

Or take the education of the handicapped program for which the Mitchell amendment restores funding. At the present time our school systems simply cannot afford to make those modifications in their programs and in their buildings to be able to accommodate those handicapped children, and we have reneged on the promises, that we made when we passed the Education for All the Handicapped Act, to assist the school districts in order to be able to meet that obligation. To the extent that we renege on that, it means either the handicapped needs are not going to be met, and they will be in violation of law and lose their entire educational funds; or they are going to have to pass additional local taxes.

What we are doing by cutting education funds is shifting burdens on to the local communities or depriving children of educational opportunities.

The Mitchell amendment restores housing and credit funding cuts. We have a desperate shortage of housing in our country. It is one of the principal pushers of inflation. Housing inflation has increased at almost double the rate of our general inflation. If, indeed, we promote the further construction of housing, we are going to create further shortages. We are going to have worse inflation, not better inflation. Again, we are not going to be meeting the needs of our people.

It just seems to me that in these areas, as the gentleman from California (Mr. MILLER) pointed out so well, with respect to the children's programs, we are going to be counterproductive economically from the point of view of cutting these programs, counterproductive socially, counterproductive from the point of view of enhancing the basic strength of this country, which I think is vital we maintain.

As the gentleman from California pointed out, if you cut youth employment programs, for example, you will end up needing to hire more police, build more jails, finance more drug rehabilitation programs; you will spend more money, have more inflation, more human suffering and a much less desirable America.

With respect to the military budget, it ought to bear its share of budget cuts to achieve a balanced budget. We are engaged in all kinds of programs that seem to me to be totally irrelevant to our essential national defense. I think we ought to be spending more for things like a mobile strike force the President has proposed; but I think that the investment in things like the MX missile are totally irrelevant to our security, a total waste of funds, a mindless accession to the military industrial complex. If we do not maintain the basic strength of our society, the strength of our economy, we are not going to protect our security or be able to afford an adequate defense.

I think these educational, training, job, health and housing programs are essential to our economy and to our Nation. I think the basic source of strength of the economy of this country is the fact that we did do right by our people, that our workers were historically better paid than those of other countries, and those workers, contributing to our society, enabled them to participate, pay taxes, and buy the goods which our industry produces; and they produced our economic strength.

If you impoverish people, as indeed what is going on now, if you put millions of people on unemployment, you are going to undermine our military strength as well as the economic strength. You are going to produce a declining diminished America unable to meet the needs of its people.

America needs revitalization now more than ever, not retrenchment. It needs full employment and full-scale operation of our business and industry if we are to meet the challenge of our future, restore our competitiveness with Japan and Europe, and even balance our budget.

I urge adoption of the Mitchell amendment.

Mr. NOLAN. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise in support of the Mitchell amendment.

It has been implied here that somehow the Federal budget confers benefits on people. I would like to say with regard to that, it is not really a matter of philosophy what the budget does, but as a matter of fact what the budget does is set in force motions which determines where opportunities are going to be in our society.

Again, that is not so much a matter of philosophy as it is a matter of fact.

You cannot go and collect over $600 billion from a variety of different individuals and enterprises in different amounts without determining who has how much money and how much wealth.

By the same token, you cannot turn around and spend some $600-odd billion without determining who is going to have wealth and who is going to have opportunity.

Now the fact is that we have developed a budget that provides additional new moneys for military ventures and requires us to cut back on social and human development measures.

Now, those hard, cold budget realities set in motion certain fórces, and the increase in defenses on the military set in motion a force that is resulting in the proliferation of nuclear weapons to the point where it threatens the survival of the world itself.

The gentleman who is now a professor emeritus at Harvard University, who was head of the explosive division in the Manhattan Project that developed the atomic bomb, recently was quoted as saying that, given the geopolitical conditions in the world and proliferation of nuclear weapons, in his judgment it would be a major miracle if the world did not experience a nuclear war by the year 2000.

He went on to say it would be a minor miracle if that war did not result in a holocaust. So that is one of the forces that has been set in motion by this budget.

In addition to that, the United States is now shipping more conventional arms around the world than at any other time in our peacetime history.

As we look around the world, what do we see? We see conflict after conflict in every area of the world, threatening the security and the peace in those parts of the world and in the long run the peace and security of the world at large.

So that is one of the things that has been set in motion by this budget. That is one of the things the Parren resolution seeks to address by taking some of the money away from the military and redirecting those moneys to efforts directed at human development; to try to provide people with the kind of education, the kind of health, the kind of housing, the kind of job opportunities that give them an opportunity to become constructive, useful, productive members of our society in a way that gives them their own self-respect and their own dignity and in a way that the rest of society, the rest of the world, can benefit.

Unless I am sorrowfully mistaken, and I quite frankly know I am not, it was the Democratic Party, and it was the President of this country, who is also a Democrat, who promised this country, and got elected on the promise that he was going to cut back on military expenditures, that he was going to cut back on military ventures around the world, and that our party was going to recognize that human development was the key and the cornerstone to our own domestic security and our influence in the world.

We were going to have a new foreign policy where we did not send arms, but we sent human rights and sent human development.

What are we doing now as a party? We are reneging on that promise. We are cutting back on those efforts. That is what we are doing.

What are we doing as a party? We are cutting back on the human developments in our own country while we expand the military in this country and around the world.

I submit to my fellow Democrats that if we want to have the respect and the confidence of the voters at election time, we have got to have the decency and the common sense to live up to the promise and rhetoric of our campaigns. That is what the Mitchell amendment does.

We had better have the integrity to live up to our promises, or I warn my fellow Democrats we are headed for a rude awakening when the people go to the polls in November of 1980.

Ms. OAKAR. Mr. Chairman, will the gentleman yield?

Mr. NOLAN. I yield to the gentlewoman from Ohio.

Ms. OAKAR. I wish to associate myself with the gentleman's remarks, especially as it concerns the militarizing of the world.

The CHAIRMAN. The time of the gentleman from Minnesota (Mr. NOLAN) has expired.

(At the request of Ms. OAKAR and by unanimous consent, Mr. NOLAN was allowed to proceed for 2 additional minutes.)

Ms. OAKAR. Mr. Chairman, will the gentleman yield further?

Mr. NOLAN. I yield to the gentlewoman from Ohio.

Ms. OAKAR. I get very chagrined when I see, in terms of our national priorities, that we are willing to give billions of dollars away in terms of foreign aid for military weapons, yet we will cut programs for our own people; the elderly, for example, will see a cut to provide the meals for them, that we do not provide the services in order for the elderly to get to the meals.

□ 1410

So I think that it is a question of national priority and it is a question of what we really do for our own people in terms of their human needs. We are on a collision course in terms of our national priorities. I certainly urge support for this amendment and amendments similar that show a concern for the American people. Of course, one of my special concerns is for our older Americans who do not have the opportunities to receive more income and who are living on their limited pensions. They are the poorest people in this country. If we cannot supply a decent meal for older people, then I wonder where, indeed, our own terms of morality about our older people really are. I believe we will be judged morally and historically on the manner in which we set our national priorities.

So I want to support the remarks of the gentleman and support the amendment of the gentleman from Maryland.

Mr. MOFFETT. Mr. Chairman, will the gentleman yield?

Mr. NOLAN. Yes.

Mr. MOFFETT. Mr. Chairman, I also would like to compliment the gentleman and say that in a way it makes me very sad to see the gentleman in the well giving this speech, because it reminds me that the gentleman is going to be leaving this Chamber and this House at the end of this session of his own free will, I might add.

It reminds me of the extent to which, regardless of what the ideological differences might be with other Members and so forth, that all of us should understand that the gentleman from Minnesota, more than anyone I can remember serving with here, is sincerely and genuinely a man of peace, a man of compassion, and a man of commonsense.

It reminds me also as a Member from a State that is heavily dependent upon defense expenditures, it reminds me of the insanity of the arms race. It reminds me of the very, very sad game that is going on and that has gone on for a number of years with the Defense Establishment.

The CHAIRMAN. The time of the gentleman from Minnesota (Mr. NOLAN) has expired.

(At the request of Mr. MOFFETT, and by unanimous consent, Mr. NOLAN was allowed to proceed for 2 additional minutes.)

Mr. MOFFETT. Mr. Chairman, if the gentleman will yield further, there is a game going on with the Defense Establishment and with the pushing of weaponry in the name of national security, without ever really stepping back and having the courage to say that there are other ways of strengthening our defense and the core of our defense and our readiness without goldplating the entire defense system and wasting the money that we waste and at the same time we could strengthen our national security if we really believed that our national security is jeopardized with senior citizens who do not have food to eat and who are being pushed down the economic ladder and are unable to pay their health bills, even with medicare, and with hungry people and with children without education and all those things. It does not mean that the Federal Government is the answer to all those things. It does not mean that we can throw money at the problem; but every Member in this Chamber knows that this game is not on the level and it is a very bad game.

There are many times on defense votes in this Chamber when there are a majority of Members who admit privately to their colleagues that it is a very bad amendment, but they do not dare to vote against it, because they do not want to go home and face this group or that group who is going to accuse them of being against national security. It is a very sad and a very dangerous game that we are playing in this Chamber.

Now we are exacerbating the problem and we are worsening the problem, because we are saying that at the same time we are going to continue this crazy game of throwing money at defense and then somehow having people believe that they can sleep more soundly at night and that we are really more secure; at the same time we are doing that, at the other end we are also pushing people farther down the economic ladder who need help.

It does not mean that we have to embrace the New Deal in every aspect or that our party cannot adapt to changing circumstances; but the gentleman is absolutely correct when he talks about a party's responsibility.

We are not losing support as a party because of Ronald Reagan or George Bush pulling our people over to them. We are losing support because we are in an identity crisis and people do not know what in the world the Democratic Party stands for any more.

I am glad that the gentleman has thought to point that out.

Mr. STOKES. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, as a member of the Budget Committee, I rise in support of the Mitchell substitute.

I want to commend my distinguished friend from Maryland for offering this substitute and I want to associate myself with his articulate statement in the well.

I support the Mitchell substitute because in my judgment it is the best of the alternatives to be considered by us today. I say this because the gentleman from Maryland's substitute sets in perspective the prevailing political and economic realities by redirecting our national and budgetary priorities with some degree of equity.

The Mitchell substitute does not differ from the Budget Committee's recommendation in seeking overall spending restraint and in providing for tax relief. It too recognizes the need for fiscal restraint and fiscal responsibility on the part of the Congress. This amendment does differ from the House Budget Committee mark though, in the distribution of Federal resources among spending areas by providing greater emphasis in meeting our Nation's human needs. It does differ from the Budget Committee's mark from the standpoint that while in balance, the Mitchell budget is not balanced on the backs of our cities, our poor, our elderly and handicapped and our socially disadvantaged.

While the health, employment, education, training, and social service functions combined represent approximately 15 percent of total Federal spending for fiscal year 1981, total spending for defense represents over 24 percent of total budget outlays allocated for fiscal year 1981. For the past few years we have witnessed, and in fact have signed-off on arbitrary and capricious real increases in defense spending, while funding for our most important programs, those programs aimed at ameliorating the plight of our Nation's poor and needy go lacking. There is no justification for the billions upon billions of dollars spent on antiquated weapon systems for war, when the war on poverty, the war on unemployment, the war on hunger in this country has not been won.

The Mitchell substitute recognizes our misguided spending and budget priorities, by reducing defense spending by the justifiable amount of $5.3 billion in budget authority and $3.1 billion in outlays, and increasing those resources devoted to human capital investment by $6.6 billion in budget authority and $5.4 billion in outlays. This redistribution of resources will go far to meet our Nation's human needs.

One issue that is of particular interest to me, and which is addressed by the Mitchell amendment, is that of unemployment.

As most of you know, the unemployment rate traditionally amounts to twice the national average among black males over 20 years of age, and presently stands at 37.9 percent among black teenagers. In my district black youth are unemployed in excess of 55 percent. This grim fact is not only true of Cleveland, but also in every major industrial urban area in the country. Daily we are hearing of plant closings and layoffs by the thousands. Yet, the Budget Committee recommended to cut funding for housing assistance, CETA jobs, economic and small business assistance, and revenue sharing, which all act as job producers.

The Mitchell substitute restores those resources cut from the President's January budget which have a direct impact on employment, and thus restores employment opportunities for many who would otherwise be out of work. To agree with the cuts recommended by the Budget Committee, is to agree to reduce the number of employment opportunities that exist in this country. And, to cut jobs, the primary source of income, is to deny livelihood.

In closing, I would be remiss if I did not at least mention the issue of tax expenditures. In fiscal year 1981, it is projected that the Federal Government will forego more than $207 billion in tax expenditures because of special deductions, exclusions, or loopholes. Much has been said about the equity of the House Budget Committee's recommended spending reductions, that everyone will share equally in the burden of balancing the budget.

Well one close look at the House Budget Committee's recommendation will show that there is no real equity. Clearly, this year's debate focused on the spending side of the budgetary process, with only token attention given to the revenue side. The Budget Committee's vote to eliminate $3.5 billion of tax reform from their recommendations and reconciliation eliminated what little equity remained in their resolution.

The CHAIRMAN. The time of the gentleman from Ohio (Mr. STOKES) has expired.

(By unanimous consent, Mr. STOKES was allowed to proceed for 2 additional minutes.)

Mr. STOKES. Mr. Chairman, the Mitchell substitute is an equitable alternative to the House Budget Committee's recommendation. It is equitable not only from the standpoint of clearly defining and setting our national priorities, but also from the standpoint of spreading the financial burden of balancing the budget. The Mitchell substitute includes $2.5 billion of additional revenue through tax reform. While this figure is seemingly insignificant given the magnitude of a $207 billion tax expenditure budget, it is another step toward a more equitable and fiscally responsible approach to meeting our Nation's needs in the coming fiscal year.

I urge each of you here today to join me in supporting the Mitchell substitute.

□ 1420

Mr. OBERSTAR. Mr. Chairman, I move to strike the last word and rise in support of the Mitchell amendment and the Solarz substitute if the Mitchell amendment does not succeed. I do so because what we are facing is a budget of retreat. It is a retreat from the progress toward social and economic justice that we in this country and in this Democratic Party have made since the days of Franklin D. Roosevelt.

The battle cry of this election year has become "Balance the budget." I am for a balanced budget if that is going to stretch paychecks to buy more, if it will bring prices down. But I am not for a balanced budget if it will further reduce an already diminished standard of living, if it is going to cause more pain for those hardest hit by soaring costs of energy and food and fuel and housing, if it is going to compel a cruel and unnecessary choice between unrestrained military spending and the needs of a people battered by inflation, and now by rising recession.

We must be careful that fighting inflation does not warp our sense of social and economic justice. We must avoid breaking our social compact with the Nation's have-nots, with the one-third of

Americans who do not have passbook savings, with those who have no family to turn to in time of economic distress, with those who have no insurance policies to cash in.

While all of us suffer from inflation, let us remember that the poor have no reserves of suffering. Inflation's effect on the economy is devastating, but its effect on people is corrosive. It turns us inward. It makes us more selfish, turns us away from the needs of others and away from a just society.

The burdens in this budget are unequal. No sacrifices are asked of the big corporate interests in America, there is no retreat here from the investment tax credits, from the depreciation allowances, from oil and gas depletion allowances, and from the entertainment deductions and other tax bonanzas that the wealthy and the major corporations enjoy. Little is asked of those who already have much.

The budget assumes that somehow the poor and the unemployed, the elderly, the disabled, the youth, the blacks, the minorities, the veterans are to blame for the country's economic condition. Those who have the least, who have no powerful lobbies to speak for them, are being asked to do without.

A woman caller on a radio talk program at WMFG radio in Hibbing, that I appeared on recently, stated it in plain, simple English when she said, "Mr. Oberstar, you know, California's proposition 13 wanted to take from the poor, from the low income group. They were the ones they thought they could take the money from, and now it seems as though Congress is following that idea, that now when there must be economies somewhere, especially if there is talk about balancing the budget, why must it come out of the low income group? How about the affluent, beginning at the top and getting some of the money from those who have more than they really need? Why," she said, "must we take it for granted that some of these Government programs that have been such a blessing to the poor, that they must be cut out?"

The Mitchell amendment achieves a balanced budget, but it does so with a sense of economic justice, within the framework of social justice in this land, because it spreads the burdens equitably to those who can bear the burden.

In the depths of the Depression Franklin D. Roosevelt charted the course for us. He said, "The test of our progress is not whether we add more to the abundance of those who have much; it is whether we provide enough for those who have too little." This is what the Mitchell amendment is all about, providing enough for those who have too little.

Mr. MITCHELL of Maryland. Mr. Chairman, will the gentleman yield?

Mr. OBERSTAR. I am happy to yield to the gentleman from Maryland.

Mr. MITCHELL of Maryland. Mr. Chairman, that was certainly one of the most eloquent and moving statements that I have heard in this Chamber in a very long period of time. The tragedy was that many Members were not here to hear it, and some who were here turned deaf ears to it and simply refused to listen.

This is one Member who wants to personally thank you for making your statement. Your statement restores, in part, my faith in this institution in which we serve, and restores, in part, my faith in this system that governs us. It was a magnificent statement.

Mr. OBERSTAR. I thank the gentleman. More faith will be restored in the system by a vote in favor of the Mitchell amendment.

Mr. RANGEL. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the substitute.

Mr. Chairman, let me join in congratulating the gentleman from Maryland (Mr. Mitchell) for coming up with some idea to at least stay within the framework of the goal of this body to balance the budget and, at the same time, allow us to return to our home districts with some degree of pride and dignity.

I served in the New York State legislative body for half a dozen years before I came to the Congress and I was allowed to believe that it was only in the Halls of the Congress that legislators felt secure enough to do what was right for all of the people in the United States without having to yield to the political pressures that we found in local and State legislative bodies. Because of these things we founded a national income tax system, social security, medicaid, medicare. Programs that probably would not get off the ground in many localities, but because all of us could come together and appropriate the fact that we represent a different type of constituency even within the committee system, we could work out with some degree of pride some method that would secure the well-being of the overwhelming majority of the people of the United States.

Yet somehow we have managed to get caught up in our own rhetoric where one party insists on balancing the budget and the other party runs and disregards their own philosophy and tries to outdo the minority party by showing "We can do it faster and better." The Budget Committee outdoes the President's Committee, and now we are having everyone believe in the country that balancing the budget somehow is going to have a psychological impact on inflation and that the people that are going to be provided with the benefits of this psychological warfare are the poor and the powerless people in this Nation.

Well, I suspect that this shows that the U.S. Congress is involved in the same type of petty politics that we have charged to local and State bodies, and that this hope that we are perpetrating on the American people will allow a lot of people to get reelected, but certainly they do not believe that they can return home and say that they were able to have any impact on inflation, even though they made certain that only some of the people would have to sacrifice.

☐ 1430

So it is not really a question of balancing the budget. God knows, those of us who voted for the windfall profit tax realize that. It is not just $227 billion over the next decade we are talking about. But the assumptions that we made on the price of a barrel of oil are so invalid that we will double that amount in terms of revenue. The fact that we have inflation means that without an increase in taxes Americans are paying more than their share in income taxes. So it is not a question of bringing in the money to pay for the services; it is a question of providing a political hoax to show that people are suffering. We look and see who is suffering in this Nation as a result of this reelection year for all of us. We find that the people with the least amount of power, the people who can least bring about meaningful political change, are the people who are going to suffer, so that we can say that it is a budget that cuts everybody, but it cuts the poor the most. We will not have generals and admirals on the welfare lists; we will have a lot of people who will never be able to make it unless they receive the benefits which this Congress has seen fit in the past to support. But I think that history is going to have to record that a nation that was so concerned with its national security that it felt, without even looking at the armaments, that it should increase the defense budget would soon find out that the best asset that this country has is its American people and that we are allowing that asset to erode at the cost of our reelection.

I think the gentleman from Maryland (Mr. Mitchell) has given us an opportunity to join in ending the hoax and saying that we are balancing the budget, but at least we know that in playing this political game we have not given way to all of our principles, because we are protecting those people who unfortunately cannot politically protect themselves as well as we seem to be able to do.

Mr. STRATTON. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I have sat for some time to listen to this debate with a great deal of interest. It is clear that those who are supporting the amendment feel that defense is something that we have too much of, that it really is not necessary, and that we can easily dispense with it in order to achieve some of the additional social programs that the gentleman from Michigan has been referring to, as well as his eloquent supporters.

But it seems to me that before we let that point of view permeate the Congressional Record, it might be well to read to my colleagues a very wise piece that appeared in the Washington Post just this morning by the editor of the Commentary Magazine, Norman Podhoretz. This is what Mr. Podhoretz has to say:

> Military power, we have been told over and over again, is obsolete in an interdependent world. Yet the Soviet Union, and many other nations too (Vietnam and Cuba, to name only two), are finding uses enough for this "obsolete" instrument of international conflict, while we for our part are humiliated in spirit and menaced by a threat to the most vital of all our economic interests.
>
> To face these facts—to absorb them, to think about their implications—leads inexorably to the conclusion that the United States is doomed unless we undertake a mas-

sive program to restore our military capabilities all across the board. Those who oppose such an effort naturally prefer to dwell on other things. And as they argue about the War Powers Act and deplore the president's refusal to seek the permission of the Germans and the French before trying to rescue our hostages, the time we still have left to profit from the true lesson of Iran—and of Afghanistan before it—slips relentlessly by.

Mr. Chairman, those I think are very profound words that ought to be considered by the House, and they ought particularly to be considered when we get to the Gramm-Holt substitute which represents a reasoned and responsible effort to restore these military capabilities of ours which are being lost, as Mr. Podhoretz has said, and which are relegating the United States to a second-class power, and on which we are going to have to act and act quickly if America is to be restored to the kind of world power that we hope and suppose it to be.

Mr. MITCHELL of Maryland. Mr. Chairman, will the gentleman yield?

Mr. STRATTON. I yield to the gentleman from Maryland.

Mr. MITCHELL of Maryland. I thank the gentleman for yielding.

I just want to make the record clear that no one is opposing a strong America. The question is whether we provide a sufficient amount of money. I would ask the gentleman to comment on funds in excess of $100 billion—$100 billion—that have gone to the military not yet obligated to any program, and not yet expended for any program. One hundred billion dollars. Does that not represent a commitment?

Mr. STRATTON. The gentleman is just playing with numbers. Obviously, we cannot build a carrier in 1 year. The unexpended funds that he refers to have been appropriated for programs that may take 2 or 3 or 4 or 5 years. The gentleman knows that this kind of a game is played every year, but it does not mean a single thing. The money he refers to is funny money.

Mrs. COLLINS of Illinois. Mr. Chairman, will the gentleman yield?

Mr. STRATTON. I yield to the gentlewoman from Illinois.

Mrs. COLLINS of Illinois. I thank the gentleman for yielding. I am not playing any games, and I certainly want to know what has happened to all of the money that we have been sending to the military all of this time. I have been here 7 years, and every time there is a military budget issue on the floor, it passes this House of Representatives. If we do not have military capability, why do we not have it?

Mr. STRATTON. The gentlewoman is well aware that up until the last year or so every military request that came to this House from the Committee on Armed Services or from the Pentagon has been cut by the Congress of the United States. It has been cut particularly in operation and maintenance funds, which is one of the reasons why some of our weapons today are not up to snuff. But the most important thing, let me say to the gentlewoman, is about the size of our military power is how it compares with the size of the Soviet Union. The Soviets have been spending 50 percent more every year for defense than we have been spending. As a result we are well behind the Russians today. If that is the way we are going to continue, we are going to be in deep and serious trouble.

Mr. DELLUMS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the Mitchell amendment as perhaps the most rational of all the amendments that have been placed before us. I am not even sure that it goes the distance that I think it ought to go to make the human statement that needs to be made as we enter the decade of the 1980's. I would echo the sentiments of all the statements made by my distinguished colleagues who preceded me in the well, who spoke eloquently with respect to this amendment, who spoke eloquently in opposition to the whole concept embraced in the budget reported to the floor. But I shall not attempt to repeat those comments but try to make three statements that have not been made here.

A few moments ago there were a number of young people sitting in the gallery, scores of them. When I looked around everywhere in the gallery where young people sat I noted that the overwhelming majority of them were sound asleep. That to me makes more than a symbolic statement. It speaks to the reality of what is going on down here. These are young, energetic children who obviously were not tired but bored to death at hearing people over 30 not addressing their reality and their misery and their future. I cite a case in point. A few days ago a report came out that indicated that in this country 17 million—not 17,000 but 17 million—children live in debilitating poverty in this country—17 million. Not one time have I heard my colleagues advocating cutting the budget address the reality that 17 million of our little human beings live in debilitating poverty. This budget does not address that reality. The same day that report came out, another report indicated that the number of young GI's—not the admirals and the generals but the privates and the Pfc's—a substantial number of our young GI's are depending on welfare and food stamps because they cannot sustain themselves in the American military.

☐ 1440

We are prepared to ask young people to serve, and last week we even voted to put money up to register them for the draft. So I do not blame these young people for falling asleep, looking at the business of this Congress. All we are interested in doing is making them cannon fodder for some military folly and we are not even prepared to take care of them adequately when we do that. We are certainly not even interested in those who are not in the military, if 17 million of them could live in excruciating poverty and we are prepared to do nothing about it.

Mr. Chairman, I think we have to search our hearts and minds and our souls to determine why it is we find ourselves at this place engaged in expedient politics—in cynical politics. We have all heard the rumors here. Many of our colleagues have said, "We know balancing the budget is not going to deal with the misery, but I do not want to go home carrying the burden of being a big spender so at least give me a vote so I can go home and say 'I voted for a balanced budget.'"

Mr. Chairman, intellectually, emotionally and spiritually we know that this is a big incredible, cynical game.

Having said this I would like to respond to two comments made by my colleague on the other side of the aisle, the gentleman from New York (Mr. CONABLE). A few moments ago Mr. CONABLE made two statements. He spoke to the issue of our military needs and the gentleman raised the important question of the nature of government in our lives. I would like to try to speak to both of them. First, regarding the question of the military the gentleman from New York said that our military budget should reflect our needs. What I am saying and what I think the Mitchell substitute suggests loudly and clearly is that this military budget in no way addresses the national security needs nor the vital interests of this country. We are engaging in some marble-counting contest here: Who has this many missiles and who has that many missiles. We should never be attempting to determine America's defense needs on the basis of a straight-out comparison with the Soviet Union. Their needs are different.

Mr. Chairman, the Soviet Union has China on their border. All of us in this room ought to know, if we do not, that for a number of years the Soviets and the Chinese have been hostile to each other. Canada is not our enemy. We do not have thousands of troops along our border.

The CHAIRMAN. The time of the gentleman has expired.

(At the request of Mr. OTTINGER and by unanimous consent, Mr. DELLUMS was allowed to proceed for 5 additional minutes.)

Mr. DELLUMS. Mr. Chairman, the point I seek to make to my colleagues and to the American people is that a simple comparison of the United States and the Soviet Union is just that, simple and simplistic and it does not deal with the reality of their needs as against ours.

To compare my family's needs with the family needs of some other Member of Congress would be absurd. I am married with three children. Comparing my needs with the needs of a bachelor on the floor of Congress makes no sense. To compare America's military needs with the needs of the Soviets is equally absurd. We must rationalize America's military budget on the basis of what is indeed in our best interests and what are our vital interests.

Mr. Chairman, I would suggest in the 1980's if we care about those children who fall asleep in the Gallery of the House of Representatives, the 17 million children who live in debilitating poverty, that we would not be engaging in the madness of heightening the rhetoric of war but be prepared to demonstrate that America's strength lies not in our capacity to wage war but in our capacity to risk peace.

Mr. Chairman, it is the only hope of this Nation and the world. To engage in this absurd macho contest around the world will only bring a nuclear holocaust. It is not a sign of weakness to talk about peace in the world. America's greatest strength lies not in our capacity to drop a nuclear weapon. We have already engaged in that insane act once in history. Let that be the last time. Our strength lies in our capacity to understand that there are mechanisms by which we can deal with and communicate with human beings in the world. The world is becoming increasingly smaller and increasingly interdependent. Any rational, sane person taking a picture of the world with a camera in their minds and their eyes must begin to see that the world of the eighties is not the world of the fifties, and in the world of the eighties the problems that confront humankind are not military issues.

Mr. GIAIMO. Mr. Chairman, will the gentleman yield?

Mr. DELLUMS. I yield to my colleague.

Mr. GIAIMO. The gentleman made a reference to an insane act that we performed once.

Mr. DELLUMS. Dropping a nuclear weapon on human beings.

Mr. GIAIMO. Let me just tell the gentleman that that insane act as the gentleman calls it probably saved millions of American lives in 1945 and probably mine was one of them.

Mr. DELLUMS. Mr. Chairman, there were many options available to this country. To drop a weapon killing thousands and thousands of human beings still in my estimation is a sad commentary on our capability and I would not retreat from that. We had the capacity to end that war in many different ways. We did not have to drop that bomb on human beings and I would incidentally point out to my colleague we did not drop this bomb on Europeans, we dropped it on Third World people.

Mr. Chairman, I would like to make this point: Peace, it seems to me, is a mechanism by which we can demonstrate and display our strength in the world. Engaging in nuclear holocaust does not make sense to me. Spending billions and billions of dollars is absurd. A number of my colleagues have traveled into this well and with rather microscopic intensity looked at the social programs in this budget, showing where we could cut $1 million, $2 million, $18 million but in the next breath would indicate that over the next 5 years we ought to increase the military budget by between 4.5 and 5.5 percent. Without even stopping to figure what those calculations really mean.

Mr. Chairman, to talk about spending the absurd amount of over $1 trillion in a 5-year period to me is rather ludicrous. Most American people have: First, no concept of the danger of modern war; and second, no concept of the economics of modern war.

Mr. Chairman, if we have the capacity to educate them it is my honest belief that within the framework of the democratic society the overwhelming majority of the American people would reject this warlike mentality that is pervasive in this body and at this point pervasive in the country.

However, it stresses the ignorance, not the understanding what is going on here. Over $2 trillion in the decade of the 1980's on some kind of general notion about spending money on war when there are 17 million of our children living in debilitating poverty and we are prepared to back away from them is something I find absurd.

Now, finally, Mr. Chairman, the gentleman from New York (Mr. CONABLE) raised the question of the role of government in the lives of people, suggesting that government should not take care of all the needs of the country. Let us for a moment stipulate that. However, certainly the founding persons of this country indicated that one of the significant and important roles of government was to promote the general welfare. I interpret that to mean that either on the one hand we directly intervene, helping human beings programmatically, or we engage in establishing policies that allow our people to function.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. DELLUMS was allowed to proceed for 2 additional minutes.)

Mr. DELLUMS. Either we intervene directly into people's lives with very specific programs or we intervene by the establishment of policy that would indeed allow our people to function and grow and realize their fullest potential as human beings. It seems to me that what the Mitchell substitute is making an effort to say is that we are doing neither, we are retreating from many direct interventions into people's lives by cutting programs, by not initiating new ones, or we have embraced in this budget a set of policies not calculated to expand the capability of this economy, thereby expanding the capability of our society. So, even if one argues that the Government should not deal with all of the problems of people's lives, I would suggest that we have a profound obligation if one steps back and defines the role of government as the collective expression of the people's will to do whatever the majority of people decide it wants to do.

If the majority of the people decide they want to address the human misery of our country, then that is what we ought to do. We do not have to do that by directly intervening programmatically across the board, we can establish policies that allow other instrumentalities and institutions in our society to contribute to that if we so decide.

Mr. Chairman, we come together in a society based upon the notion of mutual interdependence and interrelationships. That is the only reason why we come together in the government, that we can mutually survive, mutually grow and face our common destinies together as human beings. This budget is a retreat from that. This budget is a retreat into the madness and into tht hysteria of war. It is a retreat away from social commitment.

Mr. Chairman, let me make one other point: A couple of my colleagues entered into a colloquy suggesting that at this point the Democratic Party is having a crisis.

☐ 1450

I would like to be even a little more specific. I think that many of the programs that we have, many of the programs that we implemented in the fifties and sixties that we defined as liberal programs, really did not work then and many of us know that they do not work now.

The CHAIRMAN. The time of the gentleman from California has again expired.

(By unanimous consent Mr. DELLUMS was allowed to proceed for 2 additional minutes.)

Mr. DELLUMS. I am prepared to join in with my colleagues on both sides of the aisle to cut away those programs that do not work. It makes sense. That is not simply in the purview of the right wing or the conservatives or whatever. It should be the concern of all of us. I think that there are some "liberal programs" that addressed the symptoms and not the causes.

They did not work then and they do not work now, but the sad reality is that all we are doing is slashing and cutting, and we are not really talking about making a substantial alternative to the programs so that in the decade of the 1980's we indeed achieve what we did not achieve in the seventies, the sixties, the fifties, the forties—I can only go back to 1935, my birth date—which is the achievement of a just system.

This budget is balanced on the backs of poor people. We all know that. The inflation-fighting assumptions in this program only speak to the bond market, not to less fortunate human beings. Sure, they will probably bring down the interest rate, but not bring down the inflation rate for starving human beings. There are four causes of inflation: Food, energy, housing, health care. This budget does not address that. We all know that. These are specific areas in our economy that need to be addressed programatically and with policy, but this absurd notion of simply balancing the budget will not do it.

The concern I have is, what are the American people going to say when they wake up one morning and realize that we have balanced the budget but we have not changed those circumstances but, in many cases, we have rendered those circumstances even more devastating.

I join all my colleagues to cut away the waste, corruption, and fraud; programs that do not work, but let us join together in trying to pose an alternative. That makes sense. The right wing of this country does have an alternative. To those of us on the left, we must pose an alternative.

Mr. GIAIMO. Mr. Chairman, I ask unanimous consent that all debate on the Mitchell of Maryland amendment end in 15 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Connecticut?

Mr. WEISS. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

Mr. GIAIMO. Mr. Chairman, I move that all debate on the Mitchell of Maryland amendment end in 15 minutes.

The CHAIRMAN. The question is on the motion offered by the gentleman from Connecticut (Mr. GIAIMO).

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. GIAIMO. Mr. Chairman, I demand a recorded vote, and pending that, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. A quorum is not present. Pursuant to the provisions of clause 2 of rule XXIII, the Chair announces that he will reduce to a minimum of 5 minutes the period of time within which a vote by electronic device, if ordered, will be taken on the pending question following the quorum call. Members will record their presence by electronic device.

The call was taken by electronic device.

The following Members responded to their names:

[Roll No. 204]

Abdnor
Addabbo
Akaka
Albosta
Alexander
Ambro
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Anthony
Applegate
Archer
Ashbrook
Ashley
Aspin
Atkinson
AuCoin
Badham
Bafalis
Baldus
Barnard
Barnes
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Beilenson
Benjamin
Bennett
Bereuter
Bethune
Bevill
Biaggi
Bingham
Blanchard
Boggs
Boland
Bolling
Boner
Bonior
Bonker
Bouquard
Bowen
Brademas
Breaux
Brinkley
Brodhead
Broomfield
Brown, Calif.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burlison
Burton, John
Burton, Phillip
Butler
Byron
Campbell
Carney
Carr
Carter
Cavanaugh
Chappell
Cheney
Chisholm
Clausen
Clay
Cleveland
Clinger
Coleman
Collins, Ill.
Collins, Tex.
Conable
Conte
Conyers
Corcoran
Corman
Cotter
Coughlin
Courter
Crane, Daniel
Crane, Philip
D'Amours
Daniel, Dan
Daniel, R. W.
Danielson
Dannemeyer
Daschle
Davis, Mich.
de la Garza
Deckard
Dellums
Derrick
Derwinski
Devine
Dickinson
Dicks
Diggs
Dingell
Dixon
Dodd
Donnelly
Dougherty
Downey
Duncan, Oreg.
Duncan, Tenn.
Early
Edgar
Edwards, Ala.
Edwards, Calif.
Edwards, Okla.
Emery
English
Erdahl
Erlenborn
Ertel
Evans, Del.
Evans, Ga.
Evans, Ind.
Fary
Fascell
Fazio
Fenwick
Ferraro
Findley
Fisher
Fithian
Flippo
Florio
Foley
Ford, Mich.
Ford, Tenn.
Forsythe
Fountain
Fowler
Frost
Fuqua
Garcia
Gaydos
Gephardt
Giaimo
Gilman
Gingrich
Ginn
Glickman
Goldwater
Gonzalez
Goodling
Gore
Gradison
Gramm
Grassley
Gray
Green
Grisham
Guarini
Gudger
Guyer
Hagedorn
Hall, Ohio
Hall, Tex.
Hamilton
Hammerschmidt
Hance
Hanley
Hansen
Harkin
Harris
Harsha
Hawkins
Hefner
Heftel
Hightower
Hillis
Hinson
Holland
Hollenbeck
Holt
Hopkins
Howard
Hubbard
Huckaby
Hughes
Hyde
Ichord
Ireland
Jacobs
Jeffords
Jeffries
Jenkins
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, N.C.
Jones, Tenn.
Kastenmeier
Kelly
Kemp
Kildee
Kindness
Kogovsek
Kostmayer
Kramer
LaFalce
Lagomarsino
Latta
Leach, Iowa
Leach, La.
Leath, Tex.
Lederer
Lee
Lehman
Lent
Levitas
Lewis
Livingston
Lloyd
Loeffler
Long, La.
Long, Md.
Lott
Lowry
Lujan
Luken
Lundine
Lungren
McClory
McCloskey
McCormack
McDade
McEwen
McHugh
McKay
McKinney
Madigan
Markey
Marks
Marlenee
Marriott
Martin
Mathis
Matsui
Mattox
Mavroules
Mazzoli
Mica
Michel
Mikulski
Miller, Calif.
Miller, Ohio
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Montgomery
Moore
Moorhead, Calif.
Mottl
Murphy, N.Y.
Murphy, Pa.
Murtha
Musto
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nelson
Nichols
Nolan
Nowak
O'Brien
Oakar
Oberstar
Obey
Ottinger
Panetta
Pashayan
Patten
Patterson
Paul
Pease
Pepper
Perkins
Petri
Peyser
Pickle
Porter
Preyer
Price
Pritchard
Pursell
Quayle
Quillen
Rahall
Railsback
Rangel
Ratchford
Regula
Reuss
Rhodes
Richmond
Rinaldo
Ritter
Roberts
Robinson
Rodino
Roe
Rose
Rosenthal
Rostenkowski
Roth
Rousselot
Roybal
Royer
Rudd
Runnels
Russo
Sabo
Satterfield
Sawyer
Schulze
Sebelius
Seiberling
Sensenbrenner
Shannon
Sharp
Shelby
Shumway
Shuster
Simon
Skelton
Smith, Iowa
Smith, Nebr.
Snowe
Snyder
Solarz
Solomon
Spellman
Spence
St Germain
Stack
Staggers
Stangeland
Stanton
Stark
Steed
Stenholm
Stewart
Stockman
Stokes
Stratton
Studds
Stump
Swift
Symms
Synar
Tauke
Taylor
Thomas
Thompson
Traxler
Trible
Udall
Ullman
Van Deerlin
Vander Jagt
Vento
Volkmer
Walgren
Walker
Wampler
Watkins
Waxman
Weaver
Weiss
White
Whitehurst
Whitley
Whittaker
Whitten
Williams, Mont.
Williams, Ohio
Wilson, Bob
Wilson, Tex.
Winn
Wirth
Wolff
Wolpe
Wright
Wyatt
Wydler
Wylie
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Mo.
Zablocki
Zeferetti

□ 1510

The CHAIRMAN. Four hundred and five Members have answered to their names, a quorum is present, and the Committee will resume its business.

PARLIAMENTARY INQUIRY

Mr. MITCHELL of Maryland. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. MITCHELL of Maryland. Mr. Chairman, so many Members rushing in on the floor are asking what the vote is on that is coming up. Would the Chair explain definitively what we will be voting on immediately?

The CHAIRMAN. The chairman of the Committee on the Budget, the gentleman from Connecticut (Mr. GIAIMO), has made a motion to close debate in 15 minutes on the Mitchell of Maryland substitute. The vote will be on that motion if a recorded vote is ordered.

Mr. MITCHELL of Maryland. I thank the chairman.

RECORDED VOTE

The CHAIRMAN. The pending business is the demand of the gentleman from Connecticut (Mr. GIAIMO) for a recorded vote. Does the gentleman from Connecticut (Mr. GIAIMO) persist in his demand for a recorded vote?

Mr. GIAIMO. I do, Mr. Chairman.

A recorded vote was ordered.

The CHAIRMAN. Five minutes will be allowed for this vote.

The vote was taken by electronic device, and there were—ayes 109, noes 310, not voting 13, as follows:

[Roll No. 205]

AYES—109

Addabbo
Akaka
Albosta
Alexander
Anthony
Applegate
Aspin
Barnard
Beard, R.I.
Beilenson
Benjamin
Bennett
Bevill
Biaggi
Blanchard
Bolling
Bowen
Brademas
Breaux
Burlison
Conte
Corman
Cotter
D'Amours
Daniel, Dan
Daniel, R. W.
Danielson
Dingell
Duncan, Oreg.
English
Ertel
Evans, Ind.
Fary
Fascell
Fithian
Flippo
Florio
Foley
Forsythe
Frost
Gaydos
Giaimo
Gibbons
Ginn
Glickman
Gonzalez
Gore
Gramm
Hall, Ohio
Hall, Tex.
Hamilton
Hance
Hanley
Harsha
Holland
Huckaby
Ireland
Jenkins
Johnson, Calif.
Jones, Okla.
LaFalce
Leath, Tex.
Lehman
Lloyd
Long, La.
Long, Md.
Luken
McCormack
Mattox
Mollohan
Montgomery
Moorhead, Pa.
Mottl
Murphy, N.Y.
Murtha
Nedzi
Nelson
Nichols
Patterson
Price
Rahall
Roberts
Russo
Sabo
Sharp
Shelby
Simon
Skelton
Smith, Iowa
Snyder
Solarz
Staggers
Steed
Stenholm
Stratton
Stump
Swift
Taylor
Traxler
Ullman
Volkmer
Watkins
White
Wilson, Tex.
Wirth
Wright
Wyatt
Yatron
Zablocki

NOES—310

Abdnor
Ambro
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Archer
Ashbrook
Ashley
Atkinson
AuCoin
Badham
Bafalis
Bailey
Baldus
Barnes
Bauman
Beard, Tenn.
Bedell
Bereuter
Bethune
Bingham
Boggs
Boland
Boner
Bonior
Bonker
Bouquard
Brinkley
Brodhead
Broomfield
Brown, Calif.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burton, John
Burton, Phillip
Butler
Byron
Campbell
Carney
Carr
Carter
Cavanaugh
Chappell
Cheney
Chisholm
Clausen
Clay
Cleveland
Clinger
Coleman
Collins, Ill.
Collins, Tex.
Conable
Conyers
Corcoran
Coughlin
Courter
Crane, Daniel
Crane, Philip
Dannemeyer
Daschle
Davis, Mich.
de la Garza
Deckard
Dellums
Derrick
Derwinski
Devine
Dickinson
Dicks
Diggs
Dixon
Dodd
Donnelly
Dougherty
Downey
Drinan
Duncan, Tenn.
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Edwards, Okla.
Emery
Erdahl
Erlenborn
Evans, Del.
Evans, Ga.
Fazio
Fenwick
Ferraro
Findley
Fish
Fisher
Ford, Mich.
Ford, Tenn.
Fountain
Fowler
Frenzel
Fuqua
Garcia
Gephardt
Gilman
Gingrich
Goldwater
Goodling
Gradison
Grassley
Gray
Green
Grisham
Guarini
Gudger
Guyer
Hagedorn
Hammerschmidt

Hansen
Harkin
Harris
Hawkins
Heckler
Hefner
Heftel
Hightower
Hillis
Hinson
Hollenbeck
Holt
Hopkins
Horton
Howard
Hubbard
Hughes
Hyde
Ichord
Jacobs
Jeffords
Jeffries
Jenrette
Johnson, Colo.
Jones, N.C.
Jones, Tenn.
Kastenmeier
Kelly
Kemp
Kildee
Kindness
Kogovsek
Kostmayer
Kramer
Lagomarsino
Latta
Leach, Iowa
Leach, La.
Lederer
Lee
Lent
Levitas
Lewis
Livingston
Loeffler
Lott
Lowry
Lujan
Lundine
Lungren
McClory
McCloskey
McDade
McDonald
McEwen
McHugh
McKay
McKinney
Madigan
Maguire
Markey
Marks
Marlenee
Marriott
Martin
Mathis
Matsui
Mavroules
Mazzoli
Mica
Michel
Mikulski
Miller, Calif.
Miller, Ohio
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Moore
Moorhead, Calif.
Murphy, Pa.
Musto
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nolan
Nowak
O'Brien
Oakar
Oberstar
Obey
Ottinger
Panetta
Pashayan
Patten
Paul
Pease
Pepper
Perkins
Petri
Peyser
Pickle
Porter
Preyer
Pritchard
Pursell
Quayle
Quillen
Railsback
Rangel
Ratchford
Regula
Reuss
Rhodes
Richmond
Rinaldo
Ritter
Robinson
Rodino
Roe
Rose
Rosenthal
Rostenkowski
Roth
Rousselot
Roybal
Royer
Rudd
Runnels
Satterfield
Sawyer
Scheuer
Schroeder
Schulze
Sebelius
Seiberling
Sensenbrenner
Shannon
Shumway
Shuster
Smith, Nebr.
Snowe
Solomon
Spellman
Spence
St Germain
Stack
Stangeland
Stanton
Stark
Stewart
Stockman
Stokes
Studds
Symms
Synar
Tauke
Thomas
Thompson
Trible
Udall
Van Deerlin
Vander Jagt
Vento
Walgren
Walker
Wampler
Waxman
Weaver
Weiss
Whitehurst
Whitley
Whittaker
Whitten
Williams, Mont.
Williams, Ohio
Wilson, Bob
Winn
Wolff
Wolpe
Wydler
Wylie
Yates
Young, Alaska
Young, Fla.
Young, Mo.
Zeferetti

NOT VOTING—13

Anderson, Ill.
Brooks
Coelho
Davis, S.C.
Dornan
Holtzman
Hutto
Kazen
Leland
Murphy, Ill.
Santini
Vanik
Wilson, C. H.

□ 1520

So the motion was rejected.

The result of the vote was announced as above recorded.

Mr. SAWYER. Mr. Chairman, I move to strike the last word.

The CHAIRMAN. The House will be in order. Members will please take their seats.

The Chair has made it clear he will call names, if necessary.

Mr. SAWYER. Mr. Chairman, I had the misfortune of having the leadership desk duty here, and I have sat now for some 2½ hours listening to proponents of the Mitchell amendment do everything from decry our having dropped an atomic bomb on Japan in World War II, picking it out as a Third World nation, as opposed to Europe.

I have heard that we are balancing the budget on the backs of the poor, and frankly while I had no intention of addressing this subject or speaking, it finally got to me, and I had to ask the Chairman for recognition or seek recognition.

First of all, let me talk about the somewhat offbeat subject of dropping an atomic bomb on Japan. The gentleman in the well who was decrying that he was about 8 or 9 years old at the time. I happen to have been right off the coast of Japan with the Task Force 38, throwing in air strikes and getting under air attack almost every day. We had millions of men staging or staged already in Okinawa in the operating plans for the invasion of Kuyshua.

Millions of Americans would have died in that attack, and probably tens of millions of Japanese would have died, because those of you who had any contact with the Japanese knew that surrender, no matter what, was not within their category of alternatives. So that as to why we dropped it on Japan, which is hardly now, and certainly was not then either, a Third World nation, instead of Europe, is for the simple fact that the war in Europe had ended before we developed the atomic bomb. So I just say I have kind of listened to enough of that argument.

Now on the balancing the budget on the backs of the poor, certainly everyone bleeds for the unemployed, and certainly there are many, many involuntary unemployed, mostly cyclical or frictional at the moment, for whom we have substantial benefits already in place in the form of the Trade Act and the unemployment and food stamps and various other things.

The problem is that instead of balancing it on the backs of the poor. we have unbalanced it on the backs of the working men, the taxpayers, that we have made it so attractive for a certain element of the unemployed to not work that they will not work; and they can make more money through the welfare payments, the food stamp benefits, medicaid and so forth, that they keep from taking reasonably paying or menial paying jobs; and they do not.

I think what we have done, if you look at the budget resolutions that came up, we have not balanced this even by doing any significant cutting.

What we have done as opposed to the $600 billion revenue we had estimated by the President, the Office of Management and Budget in January, we have increased it by additional taxes, active and prospective on the American taxpayer of $28 billion more. That is where the balance came from.

I just say that I have listened to enough of this argument that we are balancing it on the backs of the unemployed or the unemployable.

We have, with our welfare programs in my opinion, devastatingly damaged the people who they were designed to help. We have made it more attractive not to work than to work in a menial job.

When the head of the household is not working or providing, he shoves off. You have got a mother who cannot control teenage boys or teenage girls on the streets.

You create a whole generation of unemployables, and you create an institutionalized poor who have lost their upward mobility.

If you had ever had the privilege of serving as an urban prosecutor, which I did, you will see this total institutionalization, the creation of unemployability in generations who are now growing up with no head of the household present and no model to model on and get any work ethic from.

I just say, and I said I did not intend to make a speech on this subject, but I have heard about all I could take and just felt impelled to say something back.

Thank you, Mr. Chairman.

□ 1530

Mr. WEISS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, at the outset, I want to extend two comments of appreciation, one to the gentleman from Maryland (Mr. MITCHELL) for having offered this substitute amendment, which I think forces us to confront the realities of economic life in the United States at this time.

The second expression of appreciation is to our colleagues on the other side of the aisle for their vote to hold off a Draconian limitation on debate.

It seems to me, sometimes, as I listen to our distinguished colleague, the chairman of the Budget Committee that his idea of the proper way to consider adoption of the budget resolution would be for him to go into a room by himself, decide on what the budget ought to be, come out on the floor and explain it to us and then have us vote aye or nay.

Now, I think that perhaps the last vote demonstrates that the House is not quite ready to abdicate its role and its responsibility. I am grateful to all the Members, but especially to the Members on the other side of the aisle, who voted "no" on the motion to limit further debate to 15 minutes.

Mr. Chairman, some Members have taken exception to the suggestion that this budget is being balanced on the backs of the poor. Well, all we have to do is to look at the various programs that are being cut back in the Budget Committee's proposal. Notice the delay of implementation of the child health assurance programs; the annual instead of semiannual adjustments for inflation in food stamp benefits; the restrictive changes in public assistance benefit determination; the elimination of unemployment benefits for former CETA employment; the tightened eligibility for low-income energy assistance; the deferral of the program for welfare reform and assistance; those are only some of the programs which were intended to benefit the neediest and the poorest among us. Of course, the irony about all of that is that in that effort to balance the budget through these measures we are guaranteeing that the budget itself cannot possibly be balanced. For while these cuts totaling some $13 billion are being offered in order to reduce inflation, we have been told by the Congressional

Budget Office that their actual impact will be to reduce inflation by less than two-tenths of 1 percent. The real name plan of the administration to fight inflation is to create a recession. If we caused the loss of jobs of perhaps 10 or 12 million Americans, we might perhaps bring the inflation rate down; but we should be aware of the fact that the Congressional Budget Office has pointed out that every 1-percent increase in unemployment, will create an additional cost to the Federal budget of $25 billion for welfare costs, food stamps, unemployment insurance and similar expenditures.

It has been conservatively estimated that the unemployment rates as projected by the Budget Committee resolution itself will go up by 2 percent. That means an additional $50 billion that are built in to the cost of this budget, and that is the amount by which this budget is going to be unbalanced.

What do we do to deal with those additional millions of unemployed Americans? The budget resolution says that we are going to cut back on the very employment programs, which would provide jobs for them. It does not make any sense, because either we provide jobs and training for people or we put them on the welfare rolls. Either way, we will add to the cost of the Federal budget. If we are truly concerned about our fellow Americans, then we ought to be providing them with jobs and training, rather than forcing them onto the welfare rolls.

Mr. PHILLIP BURTON. Mr. Chairman, will the gentleman yield?

Mr. WEISS. I would be pleased to yield to my distinguished colleague.

Mr. PHILLIP BURTON. Mr. Chairman, I would like to associate myself with the gentleman's remarks and join with him in the commendable effort of our distinguished colleague from Maryland (Mr. MITCHELL) and urge our colleagues to support his important amendment.

Mr. WEISS. Mr. Chairman, I thank the gentleman for his comments. His support is very important.

Mr. Chairman, I want to make just one or two brief comments on the other side of the Mitchell proposal; that is, to continue a balanced budget approach, but instead of taking it out on the poor, to cut some of the excess expenditures in the defense portion of this budget.

We have been witnessing via the public press and media a very profound debate in the very States where the M–X missile program is supposed to be instituted. The Governors and the peoples of the States affected have said clearly and unequivocally that they do not want those programs, those trenches, those missiles on subway cars to be running through their territory.

The CHAIRMAN pro tempore (Mr. MAZZOLI). The time of the gentleman from New York (Mr. WEISS) has expired.

(By unanimous consent, Mr. WEISS was allowed to proceed for 3 additional minutes.)

Mr. WEISS. Mr. Chairman, there is in this current budget proposal before us a billion and a half dollars in outlays for the MX program. Now, it seems to me that rather than defer child health assistance programs on the ground that we cannot afford them, certainly we ought to be able to defer a billion and a half dollars in the MX program where we know that there is no likelihood at all that that billion and a half dollars could be spent in this coming fiscal year, if at any time at all.

I also want to comment on the sensitive issue which has been raised by the gentleman from California (Mr. DELLUMS), which apparently has struck some negative responsive chords on the part of some Members. In the course of his statement he attempted to demonstrate what happens to us as a society and as a nation, when we become callous as to where a nuclear armaments race can lead us. He used as an example our dropping of an atomic bomb in 1945 on Hiroshima. The distinguished gentleman from Michigan took offense at that, as did the distinguished chairman of the Budget Committee, because they said that dropping those bombs was necessary to save American lives and Japanese lives.

I think that the point that must be made and that the gentleman from California was trying to make is that we could have demonstrated the awesome power of this new weapon without dropping it on a civilian population center. The Japanese would have been bright enough to get the point if we dropped it as a demonstration on some uninhabitated area.

I had occasion, Mr. Chairman, to visit Hiroshima in the summer of 1947; while serving with the Army. In 1947, Hiroshima was absolute rubble, interspersed with thousands upon thousands of cylindrical pieces of pastel colored paper, each of which denoted where it was known that a Japanese man, woman or child had been killed. It has been accepted as fact that at least 100,000 Japanese civilians lost their lives by the dropping of that one bomb and the estimates go perhaps as high as 200.000. I had occasion last year to visit Hiroshima again. Hiroshima has been rebuilt and it is today a very modern city. But the people of that city, I think, understandably, still live their lives looking backwards to that day of destruction in August 1945.

It seems to me that what the gentleman from California was saying is that in the midst of the armament race that we are in, this nuclear arms race, that we also ought to be looking backwards and that we ought to take heed as to where we might be heading in the course of trying constantly to outdo some other nation in the pursuit of military superiority.

The CHAIRMAN pro tempore. The time of the gentleman from New York (Mr. WEISS) has again expired.

Mr. WEISS. Mr. Chairman, I ask unanimous consent to proceed for 2 additional minutes.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from New York?

Mr. GIAIMO. Mr. Chairman, reserving the right to object, and I am not going to object to the gentleman's remarks, because I am going to try to be a little more gentlemanly than I think he was in regards to me at the beginning of his statement, I will not object; but I am going to announce that from here on out I think I am going to object to additions to the 5-minute rule.

Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from New York (Mr. WEISS) to proceed for 2 additional minutes?

There was no objection.

Mr. WEISS. While I regret the fact, Mr. Chairman, that my distinguished colleague took exception to some of my comments I did not mean to be ungentlemanly toward him. I simply wanted to indicate where his request seem to be leading us.

I must point out that at this late hour, when we have had some 2½ days of debate, to suddenly take the position that no longer will he agree to requests for extensions to 5-minute statements, I think also raises some questions as to the democratic nature of the process that we are engaged in. I hope that the gentleman would rethink his position.

□ 1540

To conclude the substantive part of my statement, Mr. Chairman, it seems to me if we really want to be a society that cares for its survival, both domestically and internationally, then we ought to take heed of the pain which this budget will cause millions upon millions of Americans who are less able to fight back—the children, the poor, our senior citizens. It seems to me we ought to take the occasion to look very carefully at our defense budget, as the Mitchell substitute proposes, so that we can lessen the pain, by taking some of the excess expenditures out of the military budget and transferring those funds to meet our human needs.

Mr. GINGRICH. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I am delighted to have a chance to talk on the Mitchell amendment. I was glad to join my more independent colleagues on the Democratic side in rejecting an effort to choke off debate.

We face today two equally important concerns for our citizens: The concern first of defending our citizens, as was pointed out earlier by the gentleman from New York (Mr. STRATTON); and the concern, second, to provide our citizens with decent homes, decent jobs, decent neighborhoods, which is the complete intent of the gentleman from Maryland (Mr. MITCHELL).

The truth is we need more of both defense and of jobs, of arms and of homes. It is a comment on the management of this economy by the current leadership that we face a collapse in homes, a collapse in jobs, and a collapse in our ability to sustain our national defense.

I reject the strategy of deliberately designing recessions, of deliberately fashioning defense budgets that are inadequate, of fashioning governing programs that do not deliver the services, and yet cost both the taxpayer and the constituent.

I want to announce that I will vote "present" on the Mitchell amendment specifically to say that while I disagree with certain policies of the gentleman from Maryland, I agree entirely with the thrust of his argument that we do face a crisis in large parts of American society, that we do face citizens who will feel betrayed and left behind by their Government, and that it is time that we stop being trapped in the policies of the past, the arguments of the past. It is time we faced the realities of the present and we begin shaping the policies of the future. I believe we have to signal that we do care about jobs, about housing, about hope for our children. It is time for a new generation to reject the maneuvers of the traditional leadership and open a new dialog of hope for all Americans.

Mr. MITCHELL of Maryland. Mr. Chairman, will the gentleman yield?

Mr. GINGRICH. I yield to the gentleman from Maryland.

Mr. MITCHELL of Maryland. Mr. Chairman, I know the gentleman disagrees with portions of my amendment, but a very interesting development occurring in this House in which Members on that side and Members on this side are gradually moving toward some kind of an understanding, out of which I hope we will begin to solve the problems of people. That is the encouraging part about the debate and the statement the gentleman has made, and I appreciate the gentleman's statement. I think it is time to make some alliances now.

Mr. GINGRICH. Let me say I appreciate very much what the gentleman from Maryland has said. I think it was a commentary on the mood of this House that Members on both sides of the aisle just a few moments ago rose to reject the leadership's effort to cut off debate by a 3-to-1 margin. There is a clear desire, I think, and we are still learning, and we are inarticulate, and we are not certain how to do it yet, but there is a desire on both sides, right and left, to get rid of the shibboleths of the center to get rid of assumptions about how we have to do things, and to try from a new angle and a new approach to fashion a majority that really cares about solving our problems instead of just talking about them.

I appreciate very much the opportunity my colleagues on the Democratic side have given to me to speak by joining with the Republicans in rejecting an effort to choke off debate.

Mr. EDWARDS of California. Mr. Chairman, I move to strike the requisite number of words, and I rise in favor of the amendment.

Mr. Chairman, I would like to take this opportunity to express my support for the substitute amendment introduced by my colleague from Maryland. Also, I would like to thank Mr. MITCHELL for giving us this opportunity to express our desires to meet the needs of the American people during this time of budget austerity.

I do not think any of us in this Chamber are opposed to the idea of balancing the budget. I think we recognize its necessity both in terms of fiscal policy, and also, perhaps more importantly, as a means of sending a signal to the American public and business community that we are serious in our fight against inflation.

Our differences in opinion are centered on where to make cuts. I would argue that Mr. MITCHELL has presented us with the most viable means of making the necessary cuts while still meeting the needs of the American people. After all, the recent preoccupation with balancing the budget stems from its importance in fighting inflation. And what is the most inflationary portion of the Federal budget? Clearly, it is military expenditures. Yet, we vote to increase the portion of the budget for military hardware. The logic here escapes me.

Mr. Chairman, I suggest it is time to challenge this new gospel that all military spending increases are good. What is needed is not increased expenditures but rather major changes in thinking and military planning.

In the New Republic of April 26, 1980, Steven L. Canby, a Washington military analyst, points out:

> More defense spending will only serve to ease immediate pressures, allow continuation of outmoded practices, and divert attention from a necessary reappraisal of the status quo.

I agree with Mr. Canby's assessment. Our military planners are too reliant on high technology weapons systems, which require large support systems to back them up. This is a system geared to slow-paced warfare, not the type of high-tempo conflicts which are much more likely in today's world. Under this system, although NATO in 1978 outspent the Warsaw Pact countries by $20 billion, the results are numerically inferior combat forces. Clearly, then, the need is not to continue to increase military expenditures, but to rethink out defense strategies and to get the most effective use of our military dollar.

The amendment offered today by Mr. MITCHELL recognizes this reality. Further, it attempts to lower the impact of our fiscal restraint on the poor and unemployed in our country. This is particularly essential when we consider that the only other tool in our inflation fight, the Federal Reserve's policy of maintaining exorbitant interest rates, also penalizes the same groups which are the target of the original budget resolution. I know it will take strong action to bring down the inflation rate, but let us at least share the burden, rather than placing it on those who can least afford it.

Mr. MITCHELL's amendment provides us with a means to achieve fiscal restraint, and send the proper message to the Nation, without jeopardizing the welfare of our needy Americans. It shows short-term restraint while maintaining a long-term perspective of the needs of our country. To me, it is the best proposal available.

Mr. BADHAM. Mr. Chairman, will the gentleman yield?

Mr. EDWARDS of California. I yield to the gentleman from California.

Mr. BADHAM. I thank my friend and distinguished colleague from California for yielding on this point. I would say to the gentleman simply this, that your Armed Services Committee has looked at the budget. We have looked at it almost every day since January. I would suggest to the gentleman that with the careful and hard work that has gone on in that budget process in the authorizing Committee on Armed Services that if we look at it again and we rethink it, the gentleman's aims, whatever they are, might not be satisfied because every time we do scrutinize that budget, we come to the realization that there is more that is drastically needed for the defense of our Nation. So if we keep looking at it, we are going to keep raising it. And properly so.

Mr. EDWARDS of California. I appreciate what the gentleman is saying.

Mr. BADHAM. Because it is proper for the defense of our country.

Mr. EDWARDS of California. I appreciate the fact the gentleman from California points out, that the Armed Services Committee is willing to take a good, hard look at the military budget in the sense and in the area I suggest. We, the NATO nations and the United States, spend more money in the defense of Eastern Europe than the Soviets do. Why then do they have three times as many tanks and twice as many ships? Someday I would hope that the gentleman from California and the Armed Services Committee would answer that question. I would like to know.

□ 1550

Mr. CONYERS. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. Chairman, this amendment has served several important purposes, the major one of which was to develop a debate that I think will probably be as important as any around this first budget resolution. Within the Mitchell amendment two overriding issues are addressed. In restoring cuts in domestic programs, it seeks to forestall the effects of the House budget resolution, which will further aggravate the impact of the 1980 recession on the cities, the millions of present and future unemployed citizens, and those disadvantaged persons and distressed communities whose very income for survival will be wiped out by the combination of the recession itself and the cuts in the domestic programs called for in this House resolution. It is important that this issue be addressed squarely today, and I think it is important that the majority of Members in this body determined that we needed the time appropriate to do so.

In addition, this amendment also addresses the gross distortion in the budget's priorities that permits an increase in the defense budget at the expense of domestic programs that alone offer some hope to citizens in their daily lives. My colleague who preceded me in the well was making one vital point. That is that the amount of money spent on defense has no necessary relationship to national security. Spending an additional 5 percent in real dollar terms on the defense budget does not mean that we will be 5 percent stronger, and it seems to me that this logic is open for very careful consideration.

The calamity that awaits the national economy, as we enter upon yet another recession, is already unfolding in my city and State. We are reeling in Detroit under the twin impact of stagnating inflation and runaway unemployment, an unemployment rate of 14 percent in the city, more than twice the national rate; a city with a deficit of $60 million, even though drastic cuts in programs and personnel are already in effect; 23 percent of the adult black labor force continue jobless; 50 percent of the teenagers and 60 percent of the black teenagers are unemployed. Michigan has already the largest caseload for public assistance of any State in the Nation; more than one-quarter of the Detroit citizenry now receive some form of direct public assistance. The Detroit industrial base continues to erode as a result of plant closings and the basic weaknesses of the auto industry. Detroit and Michigan have already reached a situation comparable to the worst years of the last recession, and now we are debating a budget resolution, which will certainly contribute to the spread of the conditions that now plague Detroit and Michigan to every other urban center in the country.

Mr. Chairman, I urge that we regain our sense of decency and prudence and support the Mitchell amendment, which will at least provide the cities and the most vulnerable citizens within them some defense against a recession. The time has come that the hypocrisy of more money for the military and systematic reductions in almost every domestic program be turned back. The citizens of this country are not sleeping as this debate goes on. They are aware of what is happening. I say to the majority party and its leadership, please, let us not debate Hoover economics as the majority party position. There is a "no win" in what we are doing. We already have suspended Humphery-Hawkins by direction of the President of the United States. We are now predicting freely that there will be an increase in the unemployment rate, and so we are now at our wits' end. I urge the Members to join in the support of the Mitchell amendment to the first budget resolution.

Mr. STOCKMAN. Mr. Chairman, I move to strike the last word.

Mr. Chairman, as I have listened to this debate, I have increasingly come to the conclusion that the author of this amendment, the gentleman from Maryland (Mr. MITCHELL) is right after all although possibly for some of the wrong reasons. But I think he is essentially correct when he says the majority resolution on the floor before us is a phony balanced budget and that it will be a disaster, an economic disaster for this country and, I would only add, for not only the cities and the officially poor who are receiving assistance payments or other support from the Government, or a Government job, but for all of the people, all of the American people as we look ahead to the next 10 or 15 or 18 months and see what is in store as a result of this policy and the like policies that have preceded it.

If we need any evidence of that, I would call the attention of the House to the fact that this morning the leading indicators were published, and they took the second largest plunge in history, 2.6 percent, and that indicates that the coming recession will be far more severe, and the amount of hardships and unemployment in this country will be far worse than was even imagined or forecast a few weeks ago.

I would further suggest that I have in my hands before me the latest forecast for the next six quarters from Data Resources, Inc., one of the leading econometric firms in the country and a firm we all use as we try to project the impact of fiscal policy. If we look at that, what do we see? We see them now forecasting—and this is the latest forecast—a 7.8-percent unemployment rate by November of this year and over 9 percent by late spring of 1981. That is the kind of policy that we have before us, or that is the consequence of the policy that we have had in the past and the one that is embodied in this budget.

I will also have to say, though, to the author of this amendment and those who have supported it, that I do not think they prove the proposition that this resolution balances the budget on the backs of the poor people simply by listing those programs, food stamps or welfare numbers, or CHAPS, or some of the others that are going to be cut, because as I listened to the gentleman from New York, for instance, list off those programs that were cut by the committee, I was reminded of that old saw about whether the gas tank is half empty or half full.

It seems to me, at least to be correct in this debate and to get things in perspective, we should look not only at the $14 billion the committee cut, but we ought to ask what remains in that budget, that $612 billion, that we are going to spend domestically and defensewise next year, and we at least ought to remind ourselves that despite some of the cuts that were made, or the deferrals of some of the programs that were mentioned, there is still in this budget for next year $335 billion for human resources programs. And I am talking about income transfers and assistance payments, health and education, and jobs and manpower, and social services. That excludes all of the items like highways and sewers and energy projects and farm subsidies, the hard items in the budget.

There is $335 billion in this budget even with the cuts for human resources and support programs for the cities and the poor, and I do not think we should overlook that. And I do not think we should minimize the effort that is being made.

We should also realize that that represents an $80 billion increase over the outlay level for the same human resources programs from 1979, $80 billion over 2 years from the budget that we just closed the books on 7 months ago, last October. That is a 30-percent gain in outlays, and even if we assume that the inflation rate will be 10 or 11 percent, still there is a major real gain in these programs of 8 or 9 percent, and I think some of those who are objecting to the cuts would be hard pressed to point to any other area of the budget that over 2 years has had an 8- or 9-percent gain in real terms beyond inflation—certainly not defense, certainly not energy, and certainly not agriculture. I think they would be even harder pressed to find any area in the private sector, wage and salary earners, small businessmen, or big businesses, that have had those kinds of income gains over the last 2 years.

Let me return to the original point. I think that this amendment at least raises the question that this House ought to consider, and that is by simply driving the economy deeper into stagflation, maintaining the high inflation rates that we have today, and causing the economy to collapse into a deepening recession, laying people off, we are certainly not going to solve the problems of this country, and we are going to cause the kind of unnecessary debate that we have had here today about defense versus human needs, about guns versus butter, about poor people versus admirals. I happen to believe that this country has got enough resources in our hundred million labor force, in our industry and our technology—to do both—but we will achieve neither with the kind of high-spending, high tax policy represented by the majority budget resolution.

The CHAIRMAN. The time of the gentleman has expired.

Mr. STOCKMAN. Mr. Chairman, I ask unanimous consent that I be permitted to proceed for 1 additional minute.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

Mr. GIAIMO. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

□ 1600

Mr. FAUNTROY. Mr. Chairman, in my 21 years as a minister and more than 10 years now as a formal politician, I have learned that if you want to turn people on, talk nonsense. If you want to turn people off, talk sense. I have come to appeal to the Members of this Congress to stop turning the American people on with a lot of nonsense. I come to appeal to this body to stop telling the people that by cutting this budget by $20 billion we are going to deal with inflation in our Nation.

We all know if we cut the budget by $25 billion it is going to decrease inflation by at best two-tenths of 1 percent. Let us tell the people that. Let us stop telling the American people that we can balance this budget with programs that are going to put 2 million people out of work this year. Let us stop telling them nonsense and tell them the sense that if we are going to balance this budget with high interest rates and putting 2 million people out of work that we are going to have to pay $50 billion in lost taxes and unemployment compensation and welfare.

Let us stop talking nonsense to the American people. Let us stop telling them that by raising interest rates we are going to be able to deal with inflation. We are only going to put in the housing industry alone a million more people out of work and lose $25 billion more in tax resources.

Mr. Chairman, let us stop talking nonsense to the American people. Let us start talking some sense to them. Let us say what the Joint Economic Committee of the U.S. House of Representatives and Senate have concluded, that if we are going to deal with inflation we must put people to work. Let us give them a sensible understanding of the position, that inflation is a function of too much demand chasing too little supply and that, therefore, the way to deal with inflation is to put people to work producing that which is in short supply. Let us say to them what the Joint Committee has concluded: The problem in this Nation is not that we have too many people on food stamps, not that we have too many young people working in the summer, not that we have too many public service jobs targeted for areas of high employment.

Mr. Chairman, the problem is that over the past 15 years we have experienced a steady decline in economic performance, in productivity, in manufacturing output, in manufacturing design. The result is that neither the American people nor the people of the world are buying what we make.

Mr. Chairman, when we refer to Germany and Japan let us tell the American people while we were going to the Moon they were making better mousetraps. They made better mousetraps in the area of electronics and automobiles and in industry.

Just a few months ago I went out to buy my son a portable radio for Christmas. I saw on one shelf an RCA, AM and FM, $37. On another shelf, something called Sanyo with AM–FM tape recorder and three speakers, $27.

Now, Mr. Chairman, I love America and I want RCA to make money. But when I saw a better mousetrap I bought it. Most of the American people this year are going to buy a better mousetrap in the auto industry. Even if we give $1.7 billion tax benefits to Chrysler, the people are going to buy Datsun and Toyota and if they are looking for a motorcycle they are going to buy Kawasaki and Suzuki.

We have to tell the American people the truth, that we have been outproduced. I hope that my colleagues on the right will join us in an effort to awaken the American people and tell them if we are going to get out of this inflation, we are going to have to put people to work, we are going to have to have a monetary policy that enables our industries to retool and put people to work to be competitive with our adversaries abroad.

Mr. Chairman, if we are going to have an end to inflation we have to have some control, not allow the major oil companies to make billions of dollars in profits and buy up Montgomery Ward stores that are going to sell more Suzukis and Sanyos and Kawasakis and Datsuns and Toyotas.

Mr. Chairman, the time has come for us to talk sense to the American people. I stand here to urge my colleagues to the left and the right to join us in putting the American people to work and putting an end to the nonsense that the problem in this country is that we try to do too much for the least of these, the little ones in this country.

Mr. Chairman, it was a Methodist minister who on one occasion said that **on some issues cowardice asks the question, is it safe to take a position;** expediency asks the question, is it politic; **Vanity asks the question, is it popular; but conscience asks the question, is it right.**

Mr. Speaker, I ask my colleagues on both sides of the aisle, with respect to the Mitchell amendment and the enormous problems facing the American economy, I ask for a vote for the Mitchell substitute. Not because it is safe or popular or politic but because conscience and good sense tells us that it is right.

Mr. SEIBERLING. Mr. Chairman, I move to strike the last word.

Mr. Chairman, the context in which this debate is taking place includes the obvious need to increase defense expenditures, and, while I support an increase in defense expenditures, I think we need to put this in proper perspective in order to understand that we have not exactly starved the Pentagon to date.

As a matter of fact, I understand there is about $100 billion in unobligated funds sitting in the Treasury waiting for the Pentagon to obligate them and another $26 billion of unexpended funds. So there is a total of about $126 billion we have appropriated for the military that has not yet been spent or even obligated. This number has grown with each year that I have been in Congress. To put this in a little better perspective, I would like to call your attention to a recent study by the Democratic Study Group, copies of which are available in the Democratic Cloakroom. It is entitled "Fiscal Year 1981 Defense Spending."

Mr. Chairman, this document points out that the peace dividend which was supposed to occur after the Vietnam war ended never in fact materialized and that although the overall cost of the U.S. military dipped slightly between fiscal year 1969 and fiscal year 1971, the Pentagon's budget surpassed the Vietnam war peak by fiscal year 1973 and, beginning with that year, the Department of Defense budgets have grown steadily, including the administration's fiscal year 1981 request. Including that request, military spending will have increased by over $85 billion, or 108 percent, in 8 years.

Mr. Chairman, through the last Republican administration budget, defense spending grew by 40 percent or by about $31 billion over 1973. Since taking office President Carter has presided over a nearly 50-percent increase in military spending, or about $54 billion over fiscal year 1977 including his current request.

Mr. Chairman, it took 16 years, from fiscal year 1960 to fiscal year 1976 for the Pentagon's budget to double in size. In the 6 years between fiscal year 1976 and fiscal year 1982 it is projected to double again and then double once more by the end of the 1980's. Does this look like we have been starving the military?

As a matter of fact, Mr. Chairman, the DSG report goes on to point out that in the Department of Defense posture statement in January, Secretary Brown indicated that projected military spending in fiscal years 1981 through 1985 will amount to $1 trillion. The DSG report compares recommendations for budget authority for the defense function for fiscal years 1981, 1982, and 1983 with fiscal year 1980. It shows that the House budget proposal for Defense for fiscal year 1981 would amount to a 13-percent increase, the administration's would be a 14-percent increase, and the Senate's a 21-percent increase. In terms of budget authority by fiscal year 1983, the House proposal for Defense would be a 43-percent increase, the administration's a 45-percent increase, and the Senate's a 63-percent increase.

Therefore, Mr. Chairman, voting for the Mitchell amendment is not going to make much of a dent in any of those astronomical increases in the proposed budget for the Defense Department.

□ 1610

Now, constituents whom I know personally, who have worked for the Defense Department, have come to me to report shocking waste in the military establishment. They report that in Germany, for example, there are offices with four general officers and a panoply of other officers, noncommissioned officers and civilians who have supposedly the responsibility for real estate procurement. Yet the West German Government does all the work and this elaborate U.S. military office has virtually nothing to do. This same sort of situation exists in every NATO country.

I served in the Army for 4 years in war time. Even in war time many professional military, not most but some, looked on their career as a "gravy train." It is safe to say that today there are thousands—I say thousands—of people in the military and the defense industries who are riding that gravy train. If we had a really tough system of oversight and accounting—one that really rode herd on the Defense Department, maybe we could bring an end to this kind of waste. Surely we can ask the Defense Department to do so.

I am for increasing military pay and benefits so that we can make the volunteer system work, and I will support what is absolutely needed for the Defense Department. But there is so much waste in the military, who have the biggest single program in the Federal budget, that we can afford to make a reasonable cut and not diminish our military preparedness.

Therefore, I think the amendment of the gentleman from Maryland is very well conceived, and I urge Members' support for it. And incidentally, I urge their opposition to the incredible increases in the military budget that would come through from other amendments that are going to be offered later, such as that of the gentlewoman from Maryland (Mrs. HOLT). It is almost unbelievable that the minority party, that has consistently sung the song of fiscal responsibility, would be talking about huge spending increases for the defense function and huge tax cuts in the same breath, and now are talking about doing more for the underprivileged and the unemployed.

You cannot have it three ways, gentlemen. Something has got to give, and it seems to me that the amendment of the gentleman from Maryland strikes a reasonable balance, and I urge its adoption.

Mr. FORD of Tennessee. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the Mitchell amendment once again, and would say that because of the general debate that has taken place on this floor today, two things have been made clear. One is that the balancing of the budget would have no minimal effect on inflation. The other is that the feeling in this country and in this body is that the budget must be balanced. Given those two facts, it becomes terribly important for us to insure that a balanced budget does not undercut this Nation's commitment to the less fortunate citizens in America.

I was somewhat terrified to see the specific cuts proposed; cuts like a deletion in the youth conservation program and an increase of only $150 million for the youth employment, when youth unemployment is almost at a figure of 3 million; a budget cut of over 150,000 CETA jobs while we are forecasting another 1.5 million unemployed this year if we balance the budget; a cut in the school lunch program, and a reduction in the funding of elementary and secondary education programs; the elimination of the LEAA grant program; the elimination of the proposed initiatives for the countercyclical assistance to localities; a tightening of the food stamp eligibility criteria while food prices continue to soar; a reduction in the community development block grant program and rehabilitation loan program; a phase-out of the welfare reform demonstration program which has proved beyond a doubt the need of a permanent program.

Mr. Chairman and my colleagues, I say that we cannot support these and many other cuts, deferrals, and deletions. That is why I do support the Mitchell amendment, because his amendment recognizes the commitment to the less fortunate. It restores funds for income security programs; it restores funds for youth education and training; it restores funds for community development. In short, it recognizes that the budget can be balanced without increasing unemployment; without increasing the suffering of our elderly and our poor, and without sacrificing our cities.

The Mitchell amendment results in a balanced budget. It does this by closing loopholes, and thus more equitably distributing the burden of a balanced budget. The goal of a balanced budget is admirable, but in achieving this goal we cannot ignore the economic reality.

We must assure that a balanced budget does not turn out to be a terrible mistake for us and for the American people, and that it turns out to be meaningless as far as inflation is concerned, and one that only results in suffering for the American public. I urge my colleagues in the House today to vote for the Mitchell substitute to the Obey amendment, and ask that my colleagues today, when they vote, think in terms of their constituents; think in terms of the American public.

Mr. HARKIN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I believe I rise in support of the Mitchell amendment, but I do have some questions which I do not believe were addressed in all of the speeches. I wonder if the gentleman from Maryland would respond to some questions.

Mr. MITCHELL of Maryland. I would be delighted.

Mr. HARKIN. I notice in budget authority for fiscal year 1981 that the committee had recommended an increase over last year of $18.3 billion, and then in looking at the Mitchell amendment it reduces this budget authority by $5.8 billion; so instead of an $18.3 billion increase in budget authority for the military, we would have a $12.5 billion increase. Is that correct?

Mr. MITCHELL of Maryland. That is correct, which means that there is no cut.

Mr. HARKIN. So, in other words, the President told us at the White House a couple of weeks ago that he was firmly convinced that by the middle of this summer we would have inflation down to around 10 percent, and keep it in that area for the remainder of this year and next year. If that is the case, then the gentleman's $12.5 billion increase would in fact be a real increase in military spending.

Mr. MITCHELL of Maryland. If the President achieves that inflation goal, that is indeed what would happen.

Mr. HARKIN. So, I was concerned about the gentleman's amendment, that it would be a deep cut in the military that would really affect the military, but that is not the case?

Mr. MITCHELL of Maryland. Many of the speakers who have spoken in support of my amendment have indicated that they want a strong national defense, and I do not think they would support my amendment if indeed it would be requesting a cut in the military functions.

Mr. HARKIN. I am glad to have that cleared up, because I was concerned about that; but I see that in fact this would, if anything, be a push—or let us say be an incentive—for the President and for us to reduce inflation if in fact we want to keep a strong military. This would be another strong incentive for us to hold inflation down.

Mr. MITCHELL of Maryland. The gentleman is absolutely correct. The dollar figure that we have given, if indeed there is a real push to reduce inflation and keep it down, then obviously the military is going to fare better.

Mr. HARKIN. Another question, then, aside from that point. I understand that the gentleman calls for a deletion of the scheduled social security tax rate increase from 12.26 percent to 13.3 percent, which would go into effect, as I understand, next year.

□ 1620

Mr. MITCHELL of Maryland. That is correct.

Mr. HARKIN. That would mean, then, that the wage earners of this country would actually have a benefit from that; they would have more take-home pay?

Mr. MITCHELL of Maryland. By accomplishing that, we would almost give a tax break.

Mr. HARKIN. They would have more spendable income?

Mr. MITCHELL of Maryland. Precisely.

Mr. HARKIN. They would be able to go out and buy more?

Mr. MITCHELL of Maryland. The gentleman is precisely correct.

Mr. HARKIN. And we would put people to work building and manufacturing the things people want to buy.

Mr. MITCHELL of Maryland. We would do all of those good things.

Mr. HARKIN. Mr. Chairman, while I first rose and said that I believed I would support the gentleman, I am absolutely convinced now that I will support the gentleman's amendment.

It will give us all a strong incentive to reduce inflation to keep our military strong, it will halt these increases in the regressive social security tax, it will put people to work, not on welfare, and it will keep our budget balanced.

Mr. RODINO. Mr. Chairman, I rise in strong support of the amendment offered by our distinguished colleague from Maryland (Mr. MITCHELL).

I stated at the beginning of our debate on this budget resolution that I stand ready to support fair and realistic spending reductions in the struggle to halt inflation. But I do not believe that the committee resolution meets the critical economic situation we face in an equitable, reasonable or sensible manner.

As presented to the House, House Concurrent Resolution 307 attempts to balance the budget and contain inflation by so drastically slashing funds for social and economic programs that the lives of millions of our citizens will be directly and immediately severely damaged and placed in jeopardy. The cuts will devastate those most in need—the elderly, the unemployed, the young, the disabled.

We have committed ourselves to providing adequate food, nutrition and health assistance, essential supplementary income, decent housing, better educational opportunities and training and access programs for employment—to single out only the most basic needs for survival. Yet, the disastrous cuts in the budget resolution will create human suffering and misery and make a mockery of the principles of humanity and compassion for those in need, which our Nation cherishes.

The Mitchell "human needs budget alternative" targets Federal spending to meet the immediate needs of those citizens who must rely upon Federal programs to exist and for a hope to find a better life in our economic system. It increases funds for such crucial programs as welfare assistance, food stamps, low-income energy assistance, subsidized housing, CETA and youth education and employment programs, the antirecession fiscal assistance program and the LEAA grant programs.

The LEAA program is of particular concern to me since just last year the Committee on the Judiciary reported an austere LEAA authorization which was approved by the House by a 304-to-83 vote. With the increase in crime and the documented fact that unemployment is a significant factor in the crime rate, it is obvious that this is no time to eliminate the only direct Federal assistance program to help local communities fight crime.

Failing adoption of the human needs budget alternative, I will support the amendments offered by our colleagues from New York (Mr. SOLARZ and Mr. OTTINGER). They represent considerable improvement over the committee budget resolution.

But I am convinced, Mr. Chairman, that adoption of the human needs budget alternative is imperative if we are to prevent privation of our Nation's disadvantaged and their abandonment of hope and confidence in their country and their aspirations for a better future.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Maryland (Mr. MITCHELL) as a substitute for the amendment in the nature of a substitute offered by the gentleman from Wisconsin (Mr. OBEY).

The question was taken; and the Chairman announced that the ayes appeared to have it.

RECORDED VOTE

Mr. GIAIMO. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 74, noes 313, answered "present" 32, not voting 13, as follows:

[Roll No. 206]

AYES—74

Addabbo
Benjamin
Bingham
Bonior
Brodhead
Brown, Calif.
Burton, John
Burton, Phillip
Carr
Cavanaugh
Chisholm
Clay
Collins, Ill.
Conyers
Dellums
Diggs
Dingell
Dixon
Downey
Drinan
Early
Edwards, Calif.
Ford, Mich.
Ford, Tenn.
Garcia
Gray
Green
Harkin
Hawkins
Holtzman
Johnson, Colo.
Kastenmeier
Kildee
Lederer
Lehman
Lowry
Lundine
McHugh
Maguire
Mikulski
Miller, Calif.
Minish
Mitchell, Md.
Moakley
Moffett
Myers, Pa.
Nolan
Nowak
Oakar
Oberstar
Ottinger
Patten
Perkins
Rahall
Rangel
Reuss
Richmond
Rodino
Rosenthal
Roybal
Sabo
Schroeder
Seiberling
Shannon
Simon
St Germain
Stark
Stewart
Stokes
Studds
Thompson
Vento
Weiss
Yates

NOES—313

Abdnor
Akaka
Albosta
Alexander
Ambro
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Anthony
Applegate
Archer
Ashbrook
Ashley
Aspin
Atkinson
AuCoin
Badham
Bafalis
Bailey
Baldus
Barnard
Barnes
Bauman
Beard, R.I.
Bedell
Beilenson
Bennett
Bethune
Bevill
Biaggi
Blanchard
Boland
Bolling
Boner
Bonker
Bouquard
Bowen
Brademas
Breaux
Brinkley
Brown, Ohio
Broyhill
Burgener
Burlison
Butler
Byron
Campbell
Carney
Chappell
Cheney
Clausen
Cleveland
Clinger
Coelho
Coleman
Collins, Tex.
Conable
Conte
Corman
Cotter
Coughlin
Crane, Daniel
Crane, Philip
D'Amours
Daniel, Dan
Daniel, R. W.
Danielson
Dannemeyer
Daschle
Davis, Mich.
Davis, S.C.
de la Garza
Deckard
Derrick
Derwinski
Devine
Dickinson
Dicks
Dodd
Donnelly
Duncan, Oreg.
Duncan, Tenn.
Eckhardt
Edgar
Edwards, Ala.
Emery
English
Erdahl
Erlenborn
Ertel
Evans, Del.
Evans, Ga.
Evans, Ind.
Fary
Fascell
Fazio
Ferraro
Fish
Fisher
Fithian
Flippo
Florio
Foley
Forsythe
Fountain
Fowler
Frenzel
Frost
Fuqua
Gaydos
Gephardt
Giaimo
Gibbons
Gilman
Ginn
Glickman
Gore
Gradison
Gramm
Grassley
Grisham
Gudger
Guyer
Hagedorn
Hall, Ohio
Hall, Tex.
Hamilton
Hammerschmidt
Hance
Hanley
Hansen
Harris
Harsha
Heckler
Hefner
Heftel
Hightower
Hillis
Hinson
Holland
Hollenbeck
Holt
Hopkins
Horton
Howard
Hubbard
Huckaby
Hughes
Hutto
Hyde
Ichord
Ireland
Jacobs
Jeffries
Jenkins
Johnson, Calif.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kelly
Kindness
Kogovsek
Kostmayer
Kramer
LaFalce
Latta
Leach, Iowa
Leach, La.
Leath, Tex.
Lee
Lent
Levitas
Lloyd
Loeffler
Long, La.
Long, Md.
Lott
Lujan
Luken
Lungren
McClory
McCloskey
McCormack
McDade
McDonald
McKay
McKinney
Madigan
Markey
Marlenee
Marriott
Martin
Mathis
Matsui
Mattox
Mavroules
Mazzoli
Mica
Michel
Miller, Ohio
Mineta
Mitchell, N.Y.
Mollohan
Montgomery
Moorhead, Calif.
Moorhead, Pa.
Mottl
Murphy, N.Y.
Murphy, Pa.
Murtha
Musto
Myers, Ind.
Natcher
Neal
Nedzi
Nelson
Nichols
O'Brien
Obey
Panetta
Pashayan
Patterson
Pease
Pepper
Petri
Peyser
Pickle
Porter
Preyer
Price
Pursell
Quayle
Quillen
Railsback
Ratchford
Regula
Rhodes
Rinaldo
Ritter
Roberts
Robinson
Roe
Rose
Rostenkowski
Roth
Royer
Rudd
Runnels
Russo
Santini
Satterfield
Sawyer
Scheuer
Schulze
Sebelius
Sensenbrenner
Sharp
Shelby
Shumway
Shuster
Skelton
Smith, Iowa
Smith, Nebr.
Snyder
Solarz
Solomon
Spellman
Spence
Stack
Staggers
Stangeland
Stanton
Steed
Stenholm
Stratton
Stump
Swift
Symms
Synar
Taylor
Traxler
Trible
Udall
Ullman
Van Deerlin
Volkmer
Walgren
Wampler
Watkins
Waxman
Weaver
White
Whitehurst
Whitley
Whittaker
Whitten
Williams, Mont.
Wilson, Bob
Wilson, Tex.
Winn
Wirth
Wolff
Wolpe
Wright
Wyatt
Wylie
Yatron
Young, Alaska
Young, Fla.
Young, Mo.
Zablocki
Zeferetti

ANSWERED "PRESENT"—32

Bereuter
Boggs
Broomfield
Buchanan
Carter
Corcoran
Courter
Dougherty
Edwards, Okla.
Fenwick
Findley
Gingrich
Goldwater
Gonzalez
Goodling
Jeffords
Kemp
Lagomarsino
Lewis
Livingston
Marks
Moore
Paul
Pritchard
Rousselot
Snowe
Stockman
Tauke
Thomas
Vander Jagt
Walker
Williams, Ohio

NOT VOTING—13

Anderson, Ill.
Beard, Tenn.
Brooks
Dornan
Guarini
Jenrette
Kazen
Leland
McEwen
Murphy, Ill.
Vanik
Wilson, C. H.
Wydler

☐ 1630

The Clerk announced the following pairs:

On this vote:

Mr. Charles H. Wilson of California for, with Mr. Beard of Tennessee against.

Mr. Leland for, with Mr. Wydler against.

Mr. CARNEY changed his vote from "aye" to "no."

So the amendment offered as a substitute for the amendment in the nature of a substitute was rejected.

The result of the vote was announced as above recorded.

The CHAIRMAN. The Committee will rise informally.

The SPEAKER resumed the chair.

The SPEAKER. The Chair lays before the House the following enrolled bill:

H.R. 7140. An act to amend title IV of the Employee Retirement Income Security Act of 1974 to postpone for 2 months the date on which the Pension Benefit Guaranty Corporation must pay benefits under terminated multiemployer plans.

The SPEAKER. The Committee will resume its sitting.

FIRST CONCURRENT RESOLUTION ON THE BUDGET—FISCAL YEAR 1981

The Committee resumed its sitting.

AMENDMENT OFFERED BY MR. SOLARZ AS A SUBSTITUTE FOR THE AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. OBEY

Mr. SOLARZ. Mr. Chairman, I offer an amendment as a substitute for the amendment in the nature of a substitute.

The Clerk read as follows:

Amendment offered by Mr. SOLARZ as a substitute for the amendment in the nature of a substitute offered by Mr. OBEY. Strike all after the resolving clause and insert in lieu thereof the following:

That the Congress hereby determines and declares pursuant to section 301(a) of the Congressional Budget Act of 1974, that for the fiscal year beginning on October 1, 1980—

(1) the recommended level of Federal revenues is $619,200,000,000, and the amount by which the aggregate level of Federal revenues should be decreased is $10,300,000,000 and the amount by which the aggregate level of Federal revenues should be increased is $27,700,000,000;

(2) the appropriate level of total budget authority is $700,200,000,000;

(3) the appropriate level of total budget outlays is $617,200,000,000;

(4) the amount of the surplus in the budget which is appropriate in the light of economic conditions and all other relevant factors is $2,000,000,000;

(5) the appropriate level of the public debt is $926,800,000,000 and the amount by which the statutory limit on such debt should accordingly be increased is $30,100,000,000; and

(6) the appropriate level of total gross obligations for the principal amount of direct loans is $60,600,000,000 and the appropriate level of total commitments to guarantee loan principal is $79,600,000,000.

SEC. 2. Based on allocations of the appropriate level of total new budget authority and of total budget outlays as set forth in paragraphs (2) and (3) of the first section of this resolution, the Congress hereby determines and declares pursuant to section 301 (a)(2) of the Congressional Budget Act of 1974 that for the fiscal year beginning on October 1, 1980, the appropriate level of new budget outlays authority and the estimated budget for each major functional category are as follows:

(1) National Defense (050):

(A) New budget authority, $160,850,000,000;

(B) Outlays, $147,950,000,000.

(2) International Affairs (150):

(A) New budget authority, $24,200,000,000;

(B) Outlays, $9,800,000,000.

(3) General Science, Space, and Technology (250):

(A) New budget authority, $6,700,000,000;

(B) Outlays, $6,300,000,000.

(4) Energy (270):

(A) New budget authority, $7,700,000,000;

(B) Outlays, $7,200,000,000.

(5) Natural Resource and Environment (300):

(A) New budget authority, $12,150,000,000;

(B) Outlays, $12,500,000,000.

(6) Agriculture (350):

(A) New budget authority, $5,400,000,000;

(B) Outlays, $2,300,000,000.

(7) Commerce and Housing Credit (370):

(A) New budget authority, $5,700,000,000;

(B) Outlays, $550,000,000.

(8) Transportation (400):

(A) New budget authority, $23,050,000,000;

(B) Outlays, $19,750,000,000.

(9) Community and Regional Development (450):

(A) New budget authority, $9,150,000,000;

(B) Outlays, $9,500,000,000.

(10) Education, Training, Employment and Social Services (500):

(A) New budget authority, $34,650,000,000.

(B) Outlays, $32,000,000,000.

(11) Health (550):

(A) New budget authority, $71,900,000,000;

(B) Outlays, $62,200,000,000.

(12) Income Security (600):

(A) New budget authority, $253,850,000,000;

(B) Outlays, $221,850,000,000.

(13) Veterans Benefits and Services (700):

(A) New budget authority, $21,700,000,000;

(B) Outlays, $21,200,000,000.

(14) Administration of Justice (750):

(A) New budget authority, $4,200,000,000;

(B) Outlays, $4,600,000,000.

(15) General Government (800):

(A) New budget authority, $4,700,000,000;

(B) Outlays, $4,600,000,000.

(16) General Purpose Fiscal Assistance (850):

(A) New budget authority, $6,700,000,000;

(B) Outlays, $7,300,000,000.

(17) Interest (900):

(A) New budget authority, $72,200,000,000.

(B) Outlays, $72,200,000,000.

(18) Allowances (920):

(A) New budget authority, $0,000,000;

(B) Outlays, $0,000,000.

(19) Undistributed Offsetting Receipts (950):

(A) New budget authority,—$24,600,000,000;

(B) Outlays, —$24,600,000,000.

SEC. 3. Pursuant to sections 301(b)(2) and 310 of the Budget Act:

(a)(1) the House Committee on Agriculture and the Senate Committee on Agriculture, Nutrition, and Forestry shall recommend program reductions for fiscal year 1981 in reported or enacted laws, bills, and resolutions that reduce spending by $120,000,000 in budget authority and $120,000,000 in outlays and are instructed to report on or before June 15, 1980, such recommendations to effectuate reductions in corresponding new budget authority for fiscal year 1981, budget authority initially provided for prior fiscal years, and new or existing spending authority for programs within the jurisdiction of those committees;

(2) the Senate Committee on Agriculture, Nutrition, and Forestry shall reduce spending for fiscal year 1981 in enacted laws, bills, and resolutions by $233,000,000 in budget authority, and $200,000,000 in outlays and is instructed to report on or before June 15, 1980, its recommendations for changes in new budget authority for fiscal year 1981, budget authority initially provided for prior fiscal years, and new or existing spending authority contained in enacted laws, bills, and resolutions within the jurisdiction of this committee sufficient to accomplish the reduction required by this subsection;

(b)(1) the House Committee on Armed Services shall reduce spending for fiscal year 1981 in enacted laws, bills, and resolutions by $3,263,000,000 in budget authority and $3,188,000,000 in outlays and is instructed to report on or before June 15, 1980, its recommendations for changes in new budget authority for fiscal year 1981, budget authority initially provided for prior fiscal years, and new or existing spending authority contained in enacted laws, bills, and resolutions within the jurisdiction of this committee sufficient to accomplish the reduction required by this subsection;

(b)(2) the Senate Committee on Armed Services shall reduce spending for fiscal year 1981 in enacted laws, bills, and resolutions by $460,000,000 in budget authority and $460,000,000 in outlays and is instructed to report on or before June 15, 1980, its recommendations for changes in new budget authority for fiscal year 1981, budget authority initially provided for prior fiscal years, and new or existing spending authority contained in enacted laws, bills, and resolutions within the jurisdiction of this committee sufficient to accomplish the reduction required by this subsection;

(c) the House Committee on Education and Labor shall reduce spending for fiscal year 1981 in enacted laws, bills, and resolutions by $301,000,000 in budget authority and $274,000,000 in outlays, and is instructed to report on or before June 15, 1980, its recommendations for changes in new budget authority for fiscal year 1981, budget authority initially provided for prior fiscal years, and new or existing spending authority contained in enacted laws, bills, and resolutions within the jurisdiction of this committee sufficient to accomplish the reduction required by the subsection;

(d) the House Committee on Interstate and Foreign Commerce shall reduce spending for fiscal 1981 in reported or enacted laws, bills, and resolutions by $200,000,000 in budget authority and $270,000,000 in outlays and is instructed to report on or before June 15, 1980, its recommendations for changes in new budget authority for fiscal year 1981, budget authority initially provided for prior fiscal years, and new or existing spending authority contained in reported or enacted laws, bills, and resolutions within the jurisdiction of this committee sufficient to accomplish the reduction required by this subsection ;

(e) the House Committee on Post Office and Civil Service and the Senate Committee on Governmental Affairs shall reduce spending for fiscal year 1981 in enacted laws, bills, and resolutions by $2,803,000,000 in budget authority and $3,368,000,000 in outlays and are instructed to report on or before June 15, 1980, their recommendations for changes in new budget authority for fiscal year 1981, budget authority initially provided for prior fiscal years, and new or existing spending authority contained in enacted laws, bills, and resolutions within the jurisdictions of those committees sufficient to accomplish the reduction required by this subsection;

(f) the House Committee on Public Works and Transportation and the Senate Committee on Environment and Public Works shall recommend program reductions for fiscal year 1981 in enacted laws, bills, and resolutions that reduce spending by $400,000,000 in outlays and are instructed to report on or before June 15, 1980, such recommendations to effectuate reductions in corresponding outlays for programs within the jurisdiction of those committees;

(g) the House Committee on Veterans' Affairs and the Senate Committee on Veterans' Affairs shall reduce spending or recommend program reductions for fiscal year 1981 in enacted laws, bills, and resolutions by $400,000,000 in budget authority and $400,000,000 in outlays and are instructed to report on or before June 15, 1980, their recommendations to reduce spending, or to effectuate reductions, in new or corresponding budget authority for fiscal year 1981, budget authority initially provided for prior fiscal years, and new or existing spending authority contained in enacted laws, bills, and resolutions within the jurisdictions of those committees, or for programs within the jurisdictions of those committees, sufficient to accomplish the reduction required by this subsection;

(h) the House Committee on Ways and Means shall reduce spending for fiscal year 1981 in reported or enacted laws, bills, and resolutions by $267.000.000 in budget authority and $1.419.000.000 in outlays, and is instructed to report on or before June 15, 1980, its recommendations for changes in new budget authority for fiscal year 1981, budget authority initially provided for prior fiscal years, and new or existing spending authority contained in reported or enacted laws, bills, and resolutions within the jurisdiction of this committee sufficient to accomplish the reduction required by this subsection;

(i) the Senate Committee on Finance shall reduce spending for fiscal year 1981 in enacted laws, bills, and resolutions by $467,000,000 in budget authority and $1.619,000,000 in outlays and is instructed to report on or before June 15, 1980, its recommendations for changes in new budget authority for fiscal year 1981, budget authority initially provided for prior fiscal years, and new or existing spending authority contained in enacted laws, bills, and resolutions within the jurisdiction of this committee sufficient to accomplish the reduction required by this subsection;

(j) the Senate Committee on Labor and Human Resources shall reduce spending for fiscal year 1981 in enacted laws, bills, and resolutions by $306,000,000 in budget authority and $349,000,000 in outlays and is instructed to report on or before June 15, 1980, its recommendations for changes in new budget authority for fiscal year 1981, budget authority initially provided for prior fiscal years, and new or existing spending authority contained in enacted laws, bills, and resolutions within the jurisdiction of this committee sufficient to accomplish the reduction required by this subsection; and

(k) the House Committee on Ways and Means and the Senate Committee on Finance shall increase revenues for fiscal year 1981 in reported or enacted laws, bills, and resolutions by $27,600,000,000 and are instructed to report on or before June 15, 1980, their recommendations for changes in revenues for fiscal year 1981 contained in reported or enacted laws, bills, and resolutions within the jurisdictions of those committees sufficient to accomplish the increase required by this subsection.

SEC. 4. In accordance with section 301(b)(1) of the Budget Act, no bill or resolution providing new budget authority for fiscal year 1981 or providing new or existing spending authority described in section 401(c)(2)(C) of the Budget Act in excess of the allocation of the appropriate levels of total budget outlays and total new budget authority submitted pursuant to section 302(b) of the Budget Act, shall be enrolled until Congress has completed action on the second budget resolution for that fiscal year as required to be reported under section 310 of the Budget

Act; and, if a reconciliation bill or reconciliation resolution, or both, are required to be reported under section 310(c), until Congress has completed action on that bill or resolution, or both.

Sec. 5. The Congress sets forth the following budgetary levels for fiscal years 1982 through 1983—

(1) the recommended level of Federal revenues is as follows:

Fiscal year 1982: $694,800,000,000;

Fiscal year 1983: $804,100,000,000;

and the amount by which the aggregate levels of Federal revenues should be increased or decreased is as follows:

Fiscal year 1982: +$300,000,000;

Fiscal year 1983: $000,000,000;

(2) the appropriate level of total new budget authority is as follows:

Fiscal year 1982: $767,300,000,000;

Fiscal year 1983: $864,500,000,000;

(3) the appropriate level of total budget outlays is as follows:

Fiscal year 1982: $683,100,000,000;

Fiscal year 1983: $775,400,000,000;

(4) the amount of the surplus in the budget which is appropriate in light of economic conditions and all other relevant factors is as follows:

Fiscal year 1982: $11,700,000,000;

Fiscal year 1983: $28,700,000,000;

(5) the appropriate level of the public debt is as follows:

Fiscal year 1982: $954,200,000,000;

Fiscal year 1983: $970,600,000,000.

(b) Based on allocations of the appropriate level of total new budget authority and of total budget outlays for fiscal years 1982 and 1983 as set forth above, the appropriate level of new budget authority and the estimated budget outlays for each major functional category are respectively as follows:

(1) National Defense (050):

Fiscal year 1982:

(A) New budget authority, $182,100,000,000;

(B) Outlays, $166,500,000,000.

Fiscal year 1983:

(A) New budget authority, $203,900,000,000.

(B) Outlays, $185,600,000,000.

(2) International Affairs (150):

Fiscal year 1982:

(A) New budget authority, $16,200,000,000;

(B) Outlays, $10,000,000,000.

Fiscal year 1983:

(A) New budget authority, $15,900,000,000;

(B) Outlays, $10,700,000,000.

(3) General Science, Space, and Technology (250):

Fiscal year 1982:

(A) New budget authority, $6,900,000,000;

(B) Outlays, $6,700,000,000.

Fiscal year 1983:

(A) New budget authority, $7,000,000,000;

(B) Outlays, $6.900,000,000.

(4) Energy (270):

Fiscal year 1982:

(A) New budget authority, $8,600,000,000;

(B) Outlays, $10,500,000,000.

Fiscal year 1983:

(A) New budget authority, $10,200,000,000;

(B) Outlays, $11,700,000,000.

(5) Natural Resources and Environment (300):

Fiscal year 1982:

(A) New budget authority, $13,400,000,000;

(B) Outlays, $13,200,000,000.

Fiscal year 1983:

(A) New budget authority, $13,900,000,000;

(B) Outlays, $13,600,000,000.

(6) Agriculture (350):

Fiscal year 1982:

(A) New budget authority, $6,300,000,000;

(B) Outlays, $4.200,000,000.

Fiscal year 1983:

(A) New budget authority, $4,300,000,000;

(B) Outlays, $5,200.000,000.

(7) Commerce and Housing Credit (370):

Fiscal year 1982:

(A) New budget authority, $6,050,000,000;

(B) Outlays, $2,850,000,000.

Fiscal year 1983:

(A) New budget authority, $6,250,000,000;

(B) Outlays, $2,850,000,000.

(8) Transportation (400):

Fiscal year 1982:

(A) New budget authority, $22,300,000,000;

(B) Outlays, $20,500,000,000.

Fiscal year 1983:

(A) New budget authority, $24,500,000,000;

(B) Outlays, $22,200,000,000.

(9) Community and Regional Development (450):

Fiscal year 1982:

(A) New budget authority, $9,200,000,000;

(B) Outlays, $9.000.000,000.

Fiscal year 1983:

(A) New budget authority, $9,500,000,000;

(B) Outlays, $9,300,000,000.

(10) Education, Training, Employment, and Social Services (500):

Fiscal year 1982:

(A) New budget authority, $36,500,000,000;

(B) Outlays, $33,900,000,000.

Fiscal years 1983:

(A) New budget authority, $41,000,000,000;

(B) Outlays, $39,300,000,000.

(11) Health (550):

Fiscal year 1982:

(A) New budget authority, $83,100,000,000;

Outlays, $70,100,000,000.

Fiscal year 1983:

(A) New budget authority, $119,000,000,000;

(B) Outlays, $103,300,000,000.

(12) Income Security (600):

Fiscal year 1982:

(A) New budget authority, $289,900,000,000;

(B) Outlays, $249,600,000,000.

Fiscal year 1983:

(A) New budget authority, $318,400,000,000;

(B) Outlays, $274.600,000,000.

(13) Veterans Benefits and Services (700):

Fiscal year 1982:

(A) New budget authority, $23,400,000,000;

(B) Outlays, $22,800,000,000.

Fiscal year 1983:

(A) New budget authority, $25,000,000,000;

(B) Outlays, $24.400,000,000.

(14) Administration of Justice (750):

Fiscal year 1982:

(A) New budget authority, $4,300,000,000;

(B) Outlays, $4,500.000,000.

(15) General Government (800):

Fiscal year 1982:

(A) New budget authority, $5,000,000,000;

(B) Outlays, $4,700,000,000.

Fiscal year 1983:

(A) New budget authority, $4,900,000,000;

(B) Outlays, $4.800,000,000.

(16) General Purpose Fiscal Assistance (850):

Fiscal year 1982:

(A) New budget authority, $6,400,000,000;

(B) Outlays, $6,400,000,000.

Fiscal year 1983:

(A) New budget authority, $6,500,000,000;

(B) Outlays, $6.500,000,000.

(17) Interest (900):

Fiscal year 1982:

(A) New budget authority, $73,600,000,000;

(B) Outlays, $73,600,000,000.

Fiscal year 1983:

(A) New budget authority, $76,500,000,000;

(B) Outlays, $76.500.000,000.

(18) Allowances (920):

Fiscal year 1982:

(A) New budget authority, $1,900,000,000;

(B) Outlays, $1.900,000,000.

Fiscal year 1983:

(A) New budget authority, $3,600,000,000;

(B) Outlays, $3.600,000,000.

(19) Undistributed Offsetting Receipts (950):

Fiscal year 1982:

(A) New budget authority, −$27,300,000,000;

(B) Outlays, −$29,700,000,000.

Fiscal year 1983:

(A) New budget authority, −$29,700,000,000;

(B) Outlays, −$29,700,000,000.

Sec. 6. Section 1 of S. Con. Res. 53 is revised as follows:

(a)(1) the recommended level of Federal revenues is $528,800,000,000, and the amount by which the aggregate level of Federal revenue should be increased is $100,000,000;

(2) the appropriate level of total new budget authority is $660,500,000,000;

(3) the appropriate level of total budget outlays is $571,600,000,000;

(4) the amount of the deficit in the budget which is appropriate in light of economic conditions and all other relevant factors is $42,800,000,000; and

(5) the appropriate level of the public debt is $896,700,000,000, and the amount by which the statutory limit on such debt should accordingly be increased is $17,700,000,000.

(b)(1) National Defense (050):

(A) New budget authority, $142,500,000,000;

(B) Outlays, $134,200,000,000.

(2) International Affairs (150):

(A) New budget authority, $15,800,000,000;

(B) Outlays, $10,700,000,000.

(3) General Science, Space, and Technology (250):

(A) New budget authority, $6,100,000,000;

(B) Outlays, $5,900,000,000.

(4) Energy (270):

(A) New budget authority, $40,300,000,000;

(B) Outlays, $6,400,000,000.

(5) Natural Resources and Environment (300):

(A) New budget authority, $12,300,000,000;

(B) Outlays, $13.2000,000,000.

(6) Agriculture (350):

(A) New budget authority, $5,000,000,000;

(B) Outlays, $5,900,000.000.

(7) Commerce and Housing Credit (370):

(A) New budget authority, $11,600,000,000;

(B) Outlays, $6.100,000.000.

(8) Transportation (400):

(A) New budget authority. $21,000,000,000;

(B) Outlays, $20.100.000.000.

(9) Community and Regional Development (450):

(A) New budget authority, $8,800,000,000;

(B) Outlays. $9.200.000.000.

(10) Education, Training, Employment and Social Services (500):

(A) New budget authority. $30,000,000,000;

(B) Outlays, $30.100,000,000'

(11) Health (550):

(A) New budget authority, $59,900,000,000;

(B) Outlays, $56,500.000.000.

(12) Income Security (600):

(A) New budget authority $224,800,000,000;

(B) Outlays, $191.700.000.000.

(13) Veterans Benefits and Services (700):

(A) New budget authority, $21,000,000,000;

(B) Outlays, $20.300,000.000.

(14) Administration of Justice (750):

(A) New budget authority, $4,300,000,000;

(B) Outlays. $4.400.000.000.

(15) General Government (800):

(A) New budget authority, $4,500,000,000;

(B) Outlays. $4.400.000,000.

(16) General Purpose Fiscal Assistance (850):

(A) New budget authority, $8,800,000,000;

(B) Outlays. $8.800,000,000.

(17) Interest (900):

(A) New budget authority, $65,100,000,000;

(B) Outlays, $65.100.000,000;

(18) Allowances (920):

(A) New budget authority, $1,000,000,000;

(B) Outlays, $900.000,000.

(19) Undistributed Offsetting Receipts (950):

(A) New budget authority, $22,300,000,000; 000;

(B) Outlays. $22.300.000,000.

Sec. 7. The Congress urges the President to study and review the current inflation measure for indexing Federal programs, and to submit his findings and recommendations for the most appropriate cost-of-living measure within sixty days after passage of this budget resolution.

Mr. SOLARZ (during the reading). Mr. Chairman, I ask unanimous consent that the amendment offered as a substitute for the amendment in the nature of a substitute be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

□ 1640

Mr. SOLARZ. Mr. Chairman, given the political and parliamentary realities which confront the Congress, it seems to me fairly obvious that we are going to end up, when this process is completed, with a budget resolution for fiscal 1981 which is truly balanced for the first time in several years.

So the real question that confronts the Congress is not whether to balance the budget but how to balance the budget. Given a 20-percent rate of inflation, I can recognize the need for a balanced budget as part of a larger and more comprehensive effort to do something about the problem of inflation in our country.

But what I cannot recognize, and what I do not accept, is the need for a budget resolution which is balanced on the backs of the poor, the young, the elderly, and the other deprived and distressed cities and citizens of our country.

Like the budget resolution which was reported out by the Budget Committee, my substitute provides not only for a balanced budget, but for a budget with a surplus of $2 billion, but unlike the substitute which was just defeated, which was offered by my very good friend from Maryland (Mr. MITCHELL), my substitute not only does not provide for a cut in defense spending, but actually provides for a modest $60 million increase in defense outlays for fiscal 1981 in order to provide some additional incentives for the recruitment of people into the Reserves, which, as most of us know, are suffering from serious shortfalls in terms of the total number of people we need in the Reserve Forces available to our country.

In other words, my substitute, unlike the substitute offered by the gentleman from Maryland (Mr. MITCHELL), does not pose the alternative of guns versus butter, but attempts instead to provide for a balanced budget through a variety of mechanisms which I will shortly describe without in any way reducing the level of defense spending.

Unlike the resolution reported out by the House Budget Committee, however, which balances the budget exclusively through expenditure reductions, my substitute would provide for a balanced budget through a combination of expenditure reductions on the one hand and tax reforms on the other.

Mr. STRATTON. Mr. Chairman, will the gentleman yield?

Mr. SOLARZ. I yield to the gentleman from New York.

Mr. STRATTON. When the gentleman says his plan would add $60 million to the defense budget, if I might, let me quote a great statesman, the President of Pakistan, President Zia: "That is peanuts."

Mr. SOLARZ. But unlike the President of Pakistan, I trust that my good friend frm New York would not reject it, because obviously every additional dollar that we can prudently spend on defense would add to our national security.

As I was trying to say, the budget substitute which I offer would be balanced through a combination of expenditure reductions on the one hand and tax reforms on the other. It would accomplish this miraculous feat by restoring about $5.4 billion in outlays that had previously been cut by the Budget Committee in a wide variety of essential domestic programs that the Budget Committee cut not just to the bone, but the marrow, and through an increase of $5.4 billion in revenues through the elimination of a number of tax loopholes which probably should have been eliminated a long time ago.

In specific, at a time when State and local governments are reeling under the impact of record rates of inflation and a developing rescession, it would provide for a restoration of about $1 billion.

The CHAIRMAN. The time of the gentleman from New York (Mr. SOLARZ) has expired.

(By unanimous consent, Mr. SOLARZ was allowed to proceed for 5 additional minutes.)

Mr. SOLARZ. My substitute would restore about $1 billion in programs which benefit State and local governments. At a time when we anticipate, in the assumptions contained in our own budget resolution, an increase of 1½ percent at the very least in the unemployment rate, my substitute would provide for a restoration of $800 million in jobs programs for the unemployed and, at a time when there are millions of vulnerable Americans who, because of age or income are incapable of adequately caring for themselves, my substitute would restore $2.4 billion in programs for the poor and the elderly.

The substitute would finance these restorations by requiring the Committee on Ways and Means, through the reconciliation procedure, to report out $5.4 billion in tax reforms, which it could choose from a potential list of approximately $13 billion worth of tax reforms, including such perennials as the oil depletion allowance, the expensing for the intangible cost of oil drilling, and possibly even the elimination of tax deductions for interest payments on credit card bills.

I want to emphasize that the Committee on Ways and Means would not be obligated to enact any particular tax reform, but it would be able to pick and choose from a list of about $13 billion worth of tax reforms a grand total of $5.4 billion of tax reforms, which would equal the $5.4 billion my substitute would restore in a variety of essential domestic programs.

I would suggest that in economic terms there is absolutely no difference whatsoever in terms of its impact on inflation of a budget resolution which is balanced exclusively by spending cuts and a budget resolution which is balanced primarily by spending cuts, because under the terms of my substitute, the budget gap would still be closed primarily by expenditure reductions and only incidentally by tax reforms, given the fact that under the terms of my substitute the budget would be balanced with approximately $11 billion worth of cuts and $5 billion worth of increased taxes through the enactment of tax reforms.

In psychological terms, there is absolutely no difference whatsoever between a budget which is balanced, as it is in the resolution reported out by the committee, exclusively through expenditure cuts, and a budget which is balanced, as it is in my substitute, through a combination of expenditure reductions and tax reforms.

□ 1650

Now, it will be argued, as it was in the Budget Committee, that my substitute is unrealistic because there is absolutely no chance that the Committee on Ways and Means will report out the necessary legislation to increase taxes by $5.4 billion through the elimination of these various tax loopholes.

It seems to me that if it is realistic to instruct, as we do in this budget resolution through the reconciliation procedure, the Committee on the Post Office to report out legislation saving $2.8 billion, presumably through pay reform legislation; if it is realistic to require the Committee on Education and Labor to report out savings of $500 million, presumably through changes in the school lunch program; if it is realistic to require the Appropriations Committee to report out legislation saving $500 million, presumably through limitations in spending on highway programs; and if it is realistic to require the Veterans Committee to report out legislation saving $400 million, presumably through changes in medical benefits for veterans, then I cannot for the life of me understand why it is not realistic through the utilization of precisely the same procedure, that is, reconciliation, to require the Committee on Ways and Means to report out legislation providing for the elimination of tax loopholes which would generate $5.4 billion in new revenues, compensating for the $5.4 billion in restorations included in my substitute, thereby maintaining the principle of a balanced budget, and a $2 billion surplus, but in the process restoring $5.4 billion in a variety of desperately needed domestic programs.

The CHAIRMAN. The time of the gentleman from New York (Mr. SOLARZ) has expired.

(By unanimous consent, Mr. SOLARZ was allowed to proceed for 2 additional minutes.)

Mr. SOLARZ. Mr. Chairman, I would simply say in conclusion that the budget resolution which was reported out of our committee is a resolution which says "yes" to the rich, but "no" to the poor. It says "yes" to the oil companies, but "no" to the recipients of low-income energy assistance. And it says "yes" to the three martini lunch, but "no" to the recipients of food stamps.

My substitute, on the other hand, provides for a balanced budget. It provides for a $2 billion surplus. It does not cut into defense, so it avoids the guns versus butter argument, because I happen to agree with those who believe that we can both provide for a strong defense and at the same time take care of our essential domestic needs. It does it by eliminating a variety of tax loopholes. To those who say that is not realistic, I say that where there is a will, there is a way. If we can force the other committees to report out through the reconciliation procedure the necessary legislation, there is no reason we cannot do it with the Committee on Ways and Means.

Mr. BIAGGI. Mr. Chairman, will the gentleman yield?

Mr. SOLARZ. I yield to my friend, the gentleman from New York.

Mr. BIAGGI. Mr. Chairman, I would like to commend the gentleman for his amendment. At least it deals with some concerns of many of the Members of the House.

Unlike the amendment offered by the gentleman from Maryland (Mr. Mitchell), which cuts military funding and expresses exclusive concern for the social programs which are so vital to a large portion of our population, this amendment does not cut the military appropriations. Contrarywise, it even increases it some $60 million, which in my judgment is a significant departure, which gives a greater degree of acceptability to the gentleman's amendment.

The one area of concern, however, is the question of raising taxes.

The CHAIRMAN. The time of the gentleman from New York (Mr. Solarz) has again expired.

(At the request of Mr. Biaggi, and by unanimous consent, Mr. Solarz was allowed to proceed for 2 additional minutes.)

Mr. BIAGGI. Mr. Chairman, will the gentleman continue to yield?

Mr. SOLARZ. Yes.

Mr. BIAGGI. Mr. Chairman, given the fact that the people of our Nation are simply fatigued with their tax burden, but also recognizing that we have an obligation to the disadvantaged of our country, perhaps a reasonable tax increase might be palatable; but the gentleman's amendment deals with a very speculative prospect. The question is whether the Committee on Ways and Means will produce the legislation that will produce the revenue necessary to make the gentleman's amendment viable.

Mr. SOLARZ. Mr. Chairman, I would say to the gentleman that under the terms of my substitute, which utilizes the reconciliation procedure, the Committee on Ways and Means is obligated to report out that legislation.

The budget resolution before us mandates the Committee on Education and Labor, the Veterans Committee, the Committee on Appropriations, the Committee on the Post Office, to report out legislative savings, and under the rules of the House they must do so. I am simply saying that if we are going to order those committees to report out legislation so the budget can be balanced, there is no reason we cannot order the Committee on Ways and Means to report out some of these tax reforms, so the budget is balanced as well.

I am not talking about increasing taxes on the average American. I am talking about the possibility of eliminating the oil depletion allowance at a time when even after the windfall profit tax, because of the more than 100-percent increase in the price of oil, the oil corporations in this country are making substantially more in profits than they made a year ago before the windfall profit tax was even enacted.

Mr. BIAGGI. I understand the gentleman's argument. I heard it in the gentleman's initial presentation, which is most clear; however, producing revenue raising legislation is a very difficult matter given the temper of the people of our Nation. Legislation that is essential in order to make the gentleman's program a viable one.

The CHAIRMAN. The time of the gentleman from New York (Mr. Solarz) has again expired.

(At the request of Mr. Biaggi, and by unanimous consent, Mr. Solarz was allowed to proceed for 1 additional minute.)

Mr. SOLARZ. The point I am trying to make to the gentleman, and I think the gentleman raises a very serious question, is that if we look at the legislation the other standing committees are being required to report out, we will find that it is just as realistic to expect the Committee on Ways and Means to report out the tax reforms I call for as it is, for example, to expect the Committee on Post Office and Civil Service to report out pay reform legislation. In other words, we are requiring standing committees to report out legislation they consistently have rejected. The only way they are going to report it out is because they are under a mandate to do so. Now, maybe they will not. Maybe the whole reconciliation procedure will fail.

Mr. BIAGGI. I am aware of all that; but if the gentleman will yield further, the Committee on Ways and Means poses a very special problem from a very practical application of the gentleman's suggestion.

Aside from that, I am convinced of the merits of the gentleman's argument and I say that the gentleman's amendment is superior, to the Parren amendment to the extent that it deals with all the segments that are concerned.

The CHAIRMAN. The time of the gentleman from New York (Mr. Solarz) has again expired.

(At the request of Mr. Simon, and by unanimous consent, Mr. Solarz was allowed to proceed for 2 additional minutes.)

Mr. SIMON. Mr. Chairman, will the gentleman yield?

Mr. SOLARZ. I would be happy to yield.

Mr. SIMON. Mr. Chairman, I simply want to commend the gentleman from New York. I voted for the Mitchell amendment. I am voting for this one, simply because I think we have our priorities somewhat out of order.

I would point this out, and I am under no illusion that is likely to carry by any overwhelming majority; but if through some rare insight this should achieve a majority, then we have to go to conference and it is much more likely that the end result would be close to where the House position is right now if the amendment of the gentleman from New York were to carry; so that those who believe that we have come close to a fairly sound position, I think, might want to consider supporting the gentleman from New York.

Mr. OTTINGER. Mr. Chairman, will the gentleman yield?

Mr. SOLARZ. I yield to my good friend, the gentleman from New York.

Mr. OTTINGER. Mr. Chairman, I would like to also congratulate the gentleman on his amendment and point out that the revenue aspects of this amendment are not new taxes.

I think my colleague, the gentleman from New York, expresses some concern about that. What we are asking is that the people who have gotten tax breaks over the years through the tax code, the same thing as an expenditure—they are frequently referred to as tax expenditures—share in the burden of balancing the budget.

My amendment does the same thing as the amendment of the gentleman from New York (Mr. Solarz). There is no reason why people who got depletion allowances or foreign tax credits or intangible drilling cost expensing privileges through the tax code should not bear some burden when we have to cut back.

That is what the gentleman from New York is doing. I think it is fair—it is equitable and it is realistic to mandate that on the Committee on Ways and Means, just as we mandate unpalatable cuts on the other committees.

My amendment goes further and restores entirely the President's budget.

Certainly the amendment of the gentleman from New York (Mr. Solarz) goes in the right direction and I think balances the budget on a much sounder basis. I am pleased to support it.

Mr. ZEFERETTI. Mr. Chairman, will the gentleman yield?

Mr. SOLARZ. I am happy to yield to my other friend, the gentleman from New York.

Mr. ZEFERETTI. Mr. Chairman, I rise in support of the amendment proposed by my colleague from New York (Mr. Solarz).

I first want to express my strong support for a balanced Federal budget as a tool in our fight against raging inflation. While it is clear to me that restricted Federal spending is not the cure-all solution to our economic woes, it does serve as a symbolic example to the American people of Congress determination to tighten our belts in the fight against inflation.

I support the final figures reached by the Budget Committee which, if strictly adhered to, will result in a $2 billion surplus in the Federal Treasury. However, I cannot agree with the concept of significantly reducing the funding of a number of programs vital to the health and well-being of our poor and aging. These reductions will prove especially debilitating in our urban areas.

It makes little sense to me why Congress should eliminate billions of dollars in grants to States and local governments as a weapon to reduce inflation. Such a loss in revenue will only lead to severe hardships for a number of areas, particularly our urban centers. The funding of a number of necessary programs will then have to be made up by the State and local governments, resulting in an increased tax burden on our already financially strapped citizenry. In other words, actual spending will not be significantly affected under the Budget Committee proposal; it will only be laterally shifted from the Federal Government to State and local entities, many of which can ill afford to absorb further drains on their budgets. Such a "rob Peter to pay Paul" concept can hardly be expected to put a brake on our economy.

In addition, vital public services such as mass transit and education programs will be adversely affected under the proposal.

There is no doubt our Nation is now in the midst of a long-awaited recession, and I feel that a cutback in the funding of jobs programs at a time when a number of industries are laying off thousands of workers is not now advisable.

I can appreciate the work that has been done by my colleagues on the committee who have tackled the somewhat thankless job of determining those Federal expenditures that must be curtailed. I agree with the end result of their labor: A Federal budget with a surplus of some $2 billion. But I must differ with their decision to make significant cuts in "people programs." During these days of skyrocketing prices, it is the poor and our senior citizens living on fixed incomes who bear the brunt of our expanded economy. They must not now be forced to make greater sacrifices in the name of fiscal austerity.

The Solarz amendment permits the funding of these programs while still achieving our goal of a budget surplus. In addition, the proposal leaves basically untouched our spending for a strong national defense, and I wholeheartedly feel that our defense budget must not be trimmed.

The fight against inflation requires significant sacrifices on the part of all Americans, but our budget cuts must not discriminate against any one segment of our society, such as our cities. For this reason, I support the Solarz substitute.

Mr. CORRADA. Mr. Chairman, I rise in support of the amendment offered by my distinguished colleague from New York, as a substitute for the Obey amendment.

The amendment proposes long overdue tax reforms and in this way offers a balanced budget which is more equitable than that proposed by the committee in that it requires those in our society who benefit from tax loopholes to bear some of the burden of fighting inflation and balancing the budget along with those who through no fault of their own are in need of assistance from important Federal programs.

This amendment, Mr. Chairman, restores the cuts which have the most direct impact on the poor who are already suffering the most from inflation.

It would restore $500 million in CETA funds, $400 million in food stamps, $360 million in the CHAP program, $500 million in revenue sharing programs for local governments, low income energy assistance, youth employment and many other important social programs in the fiscal year 1981 budget.

This amendment restores the cuts which have the most impact on those who are currently being thrown out of jobs by the recession and provides some relief to localities whose finances are suffering under these times of economic distress.

I believe that this is a sensible, viable, and humane approach to a balanced budget and I urge my colleagues to vote for the amendment.

□ 1700

The CHAIRMAN pro tempore (Mr. McHugh). The question is on the amendment offered by the gentleman from New York (Mr. Solarz) as a substitute for the amendment in the nature of a substitute offered by the gentleman from Wisconsin (Mr. Obey).

The question was taken; and the Chairman pro tempore announced that the noes appeared to have it.

RECORDED VOTE

Mr. SOLARZ. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 65, noes 352, answered "present" 1, not voting 14, as follows:

[Roll No. 207]

AYES—65

Addabbo
Beard, R.I.
Biaggi
Bingham
Brodhead
Burton, Phillip
Chisholm
Clav
Collins, Ill.
Conyers
Daschle
Dellums
Diggs
Dixon
Downey
Drinan
Early
Eckhardt
Edwards, Calif.
Florio
Ford, Mich.
Ford, Tenn.
Garcia
Gray
Harkin
Hawkins
Heckler
Holtzman
Kastenmeier
Kildee
Lederer
Lowry
Lundine
McHugh
Maguire
Markey
Mikulski
Miller, Calif.
Mitchell, Md.
Myers, Pa.
Nolan
Nowak
Oakar
Oberstar
Ottinger
Patterson
Rangel
Reuss
Richmond
Rodino
Rosenthal
Sabo
Scheuer
Shannon
Simon
Solarz
Stark
Steed
Stewart
Stokes
Studds
Walgren
Weiss
Williams, Mont.
Zeferetti

NOES—352

Akaka
Albosta
Alevander
Ambro
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Anthony
Applegate
Archer
Ashbrook
Ashley
Aspin
Atkinson
AuCoin
Badham
Bafalis
Bailey
Baldus
Barnard
Barnes
Bauman
Bedell
Beilenson
Benjamin
Bennett
Bereuter
Bethune
Bevill
Blanchard
Boggs
Boland
Bolling
Boner
Bonior
Bonker
Bouquard
Bowen
Brademas
Breaux
Brinklev
Broomfield
Brown, Calif.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burlison
Butler
Byron
Campbell
Carney
Carr
Carter
Cavanaugh
Chappell
Cheney
Clausen
Cleveland
Clinger
Coelho
Coleman
Collins, Tex.
Conable
Conte
Corcoran
Corman
Cotter
Coughlin
Courter
Crane, Daniel
Crane, Philip
D'Amours
Daniel, Dan
Daniel, R. W.
Danielson
Dannemeyer
Davis, Mich.
Davis, S.C.
de la Garza
Deckard
Derrick
Derwinski
Devine
Dickinson
Dicks
Dingell
Dodd
Donnelly
Dougherty
Duncan, Oreg.
Duncan, Tenn.
Edgar
Edwards, Ala.
Edwards, Okla.
Emery
English
Erdahl
Erlenborn
Ertel
Evans, Del.
Evans, Ga.
Evans, Ind.
Fary
Fascell
Fazio
Fenwick
Ferraro
Findley
Fish
Fisher
Fithian
Flippo
Foley
Forsythe
Fountain
Fowler
Frenzel
Frost
Fuqua
Gaydos
Gephardt
Giaimo
Gibbons
Gilman
Gingrich
Ginn
Glickman
Goldwater
Gonzalez
Goodling
Gore
Gradison
Gramm
Grassley
Green
Grisham
Guarini
Gudger
Guyer
Hagedorn
Hall, Ohio
Hall Tex.
Hamilton
Hammerschmidt
Hance
Hanley
Hansen
Harris
Harsha
Hefner
Heftel
Hightower
Hillis
Hinson
Holland
Hollenbeck
Holt
Hopkins
Horton
Howard
Hubbard
Huckaby
Hughes
Hutto
Hyde
Ichord
Ireland
Jacobs
Jeffords
Jeffries
Jenkins
Johnson, Calif.
Johnson. Colo.
Jones, N.C.
Jones. Okla.
Jones, Tenn.
Kelly
Kemp
Kindness
Kogovsek
Kostmayer
Kramer
LaFalce
Lagomarsino
Latta
Leach, Iowa
Leach, La.
Leath, Tex.
Lee
Lehman
Lent
Levitas
Lewis
Livingston
Lloyd
Loeffler
Long, La.
Long, Md.
Lott
Lujan
Luken
Lungren
McClory
McCloskey
McCormack
McDade
McDonald
McEwen
McKay
McKinney
Madigan
Marks
Marlenee
Marriott
Martin
Mathis
Matsui
Mattox
Mavroules
Mica
Michel
Miller, Ohio
Mineta
Minish
Mitchell, N.Y.
Moakley
Mollohan
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Mottl
Murphy, N.Y.
Murphy, Pa.
Murtha
Musto
Myers, Ind.
Natcher
Neal
Nedzi
Nelson
Nichols
O'Brien
Obey
Panetta
Pashayan
Patten
Paul
Pease
Pepper
Perkins
Petri
Peyser
Pickle
Porter
Preyer
Price
Pritchard
Pursell
Quavle
Quillen
Rahall
Railsback
Ratchford
Regula
Rhodes
Rinaldo
Ritter
Roberts
Robinson
Roe
Rose
Rostenkowski
Roth
Rousselot
Roybal
Royer
Rudd
Runnels
Russo
Santini
Satterfield
Sawyer
Schroeder
Schulze
Sebelius
Seiberling
Sensenbrenner
Sharp
Shelby
Shumway
Shuster
Skelton
Smith, Iowa
Smith, Nebr.
Snowe
Snyder
Solomon
Spellman
Spence
St Germain
Stack
Staggers
Stangeland
Stanton
Stenholm
Stockman
Stratton
Stump
Swift
Symms
Synar
Tauke
Taylor
Thomas
Thompson
Trible
Udall
Ullman
Van Deerlin
Vander Jagt
Vento
Volkmer
Walker
Wampler
Watkins
Waxman
Weaver
White
Whitehurst
Whitley
Whittaker
Whitten
Williams, Ohio
Wilson, Bob
Wilson, Tex.
Winn
Wirth
Wolff
Wolpe
Wright
Wyatt
Wvdler
Wylie
Yates
Yatron
Young, Alaska
Young, Fla.
Young. Mo.
Zablocki

ANSWERED "PRESENT"—1

Burton, John

NOT VOTING—14

Abdnor
Anderson, Ill.
Beard, Tenn.
Brooks
Dornan
Jenrette
Kazen
Leland
Mazzoli
Moffett
Murphy, Ill.
Travler
Vanik
Wilson, C. H.

□ 1710

Messrs. HARRIS, VOLKMER, BONIOR of Michigan, and VENTO changed their votes from "aye" to "no."

Mr. WILLIAMS of Montana, Mrs.

COLLINS of Illinois, Mr. PATTERSON, and Mr. LOWRY changed their votes from "no" to "aye."

So the amendment offered as a substitute for the amendment in the nature of a substitute was rejected.

The result of the vote was announced as above recorded.

☐ 1720

Mr. PEPPER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, during the 32 years I have been privileged to be a Member of one or the other of the Houses comprising our Nation's Congress and as my record will attest, my primary concern has been to balance the budget of the human beings that make up the people of this country. Consequently, I have spoken more to my colleagues about an effort to balance the human budget, to make a better life available to our people than about balancing the fiscal budget of our Government.

Mr. Chairman, we have now come to a period where, if we do not put our fiscal affairs in order, if we do not in short balance our fiscal budget we can hardly predict what may be the economic chaos in our country.

Mr. Chairman, those of us who have hopes and dreams that we may yet live to see a better life for many millions of our fellow Americans will have no reason whatever to cherish such faith if the fiscal affairs of our Government are in such disorder that the economy is approaching serious collapse. Consequently, Mr. Chairman, I think it is the resolve of this House and no doubt will be of the other body that we are, and I hope within the next few days, going to show the American people that we can and we will and that we have balanced the budget of our Government.

Mr. Chairman, in the process of balancing that budget, obviously there have been areas that have been painfully hurt. I want to commend the distinguished chairman of the Budget Committee, the leadership of this House, those who have worked with them, upon the concern that they have shown for the human effect, the ill effect on human beings of this country that such cuts might bring about. I believe those painful cuts have been diminished very commendably. However, I think there is still room for some improvement. I believe the Obey amendment does offer a balanced budget and at the same time furnishes a little amelioration of the painful effects upon reductions imposed upon the people of this country who still need a great deal of help.

For example, Mr. Chairman, one of the proposals of the Obey amendment is to maintain the nutrition program of this country available under the Older Americans Act, at the present level of 108 million meals. If I may say so, I was the original author of the nutrition program for the elderly of this country. It only reaches half of the people who deserve to have the benefit of it now. If we can save 2 million meals by the Obey amendment and not jeopardize the balancing of the budget, it seems to me reasonable that we should do so. That is one of the ameliorating benefits of the Obey amendment: the cost the meals would incur on account of the high cost of living would reduce the number of meals for the elderly from 108 million meals as of now, to 106 million meals. The Obey amendment will keep the number at 108 million meals. That is one desirable effect of it.

Mr. Chairman, one of the great shortages in our country today is in housing. I look for the time when prosperity comes back to America and we will be able to put the strength of the Government behind housing programs to make it possible for every American to live in a decent abode. We cannot, of course, do that right now but the Obey amendment does retain 3,000 housing units in the rural areas and for the elderly people. That is not a lot, but that is 3,000 people and that means a lot to those 3,000 if we can save that many housing units and I would commend the Obey amendment upon doing that.

The CHAIRMAN pro tempore (Mr. McHUGH). The time of the gentleman has expired.

(By unanimous consent, Mr. PEPPER was allowed to proceed for 1 additional minute.)

Mr. PEPPER. Mr. Chairman, in other areas of the country there is a greater need than there is in my district for fuel assistance for the elderly people. The Obey amendment would put back at $50 million the amount of funds that will be available to aid the elderly in having the heating that they need in the winter months.

Therefore, Mr. Chairman, I am simply saying, without reducing in any sense of the word the balancing of the budget, by providing enough to take the place of the money that he puts back, he removes from the cut, Mr. OBEY is to be commended upon lightening the blow a little bit upon millions of our elderly citizens who have already had rained upon their heads and hearts a generation of the slings and arrows of troubles and problems.

In these years that should be their golden years, if we can lighten their load a little bit I believe we should be anxious to do so; and I commend Mr. OBEY upon his amendment and give it my hearty support.

Mr. SIMON. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the Obey amendment. Mr. Chairman, this amendment is sound. We are going to have some real needs this coming fiscal year as we project where our economy is going. Some of the changes that were made by the committee, frankly, bother me, but I am realistic and know there is no chance of restoring some of the cuts. For example, I do not happen to think it makes sense to be cutting back on title VI jobs, public service jobs, by 25 percent when we know there is going to be more unemployment. However, I recognize that for the wrong reasons title VI is not popular. What the amendment offered by the gentleman from Wisconsin does is to say, let us not eliminate the Young Adult Conservation Corps, let us not eliminate some of these youth job programs, let us not eliminate or reduce the elderly nutrition item of which the gentleman from Florida (Mr. PEPPER) referred. My friends, those of you who are concerned about doing this in practical ways, this amendment it does it in such a way that the most conservative Member of this body can support.

Mr. Chairman, let me say candidly, the last few weeks in the House, I have personally been somewhat down in mood. In part that is because of the priorities we have taken in the budget, in part because of what has happened in Iran, and a variety of other things. I ask myself the same question that many of you ask yourselves, why am I here?

There are two ways of answering that question. One is that we are here to preserve the status quo. But I think the answer for most of us is that we want to make the American dream a reality for everyone in this country and the Obey amendment at least permits us to inch in that direction and I hope we accept the gentleman's amendment.

Mr. RATCHFORD. Mr. Chairman, will the gentleman yield?

Mr. SIMON. I yield to the gentleman from Connecticut.

Mr. RATCHFORD. I want to applaud the gentleman and Congressman OBEY for offering this amendment because I think in an effort to achieve a consensus we have to look at the broad spectrum of America.

☐ 1730

There are many needs, as good a job as the Budget Committee has done, that go unmet unless this amendment is adopted. As the gentleman has pointed out, if we are going to do more in the area of revenue sharing, where a bit more is needed; if we are going to do more for elderly programs; if we are going to do more for veterans benefits; if we are going to do more for housing, the only vehicle we now have as this debate continues is the Obey amendment. So, I see it as an attempt not only to achieve consensus, but an attempt to arrive at social concern that is represented not only by speeches, but by figures in a budget.

So, I applaud the gentleman from Wisconsin, and I urge support for the amendment.

Mr. BRODHEAD. Mr. Chairman, will the gentleman yield?

Mr. SIMON. I yield to the gentleman from Michigan.

Mr. BRODHEAD. Mr. Chairman, I rise in support of the amendment. I think the gentleman has made an excellent presentation. I urge my colleagues to approve the amendment.

Mr. SIMON. I thank the gentleman.

Mr. MARRIOTT. Mr. Chairman, will the gentleman yield?

Mr. SIMON. I yield to the gentleman from Utah.

Mr. MARRIOTT. Mr. Chairman, I just have a question on authorizing revenue sharing. Does this put back in the bill the regular revenue sharing, or countercyclical?

Mr. SIMON. That is up to the authorizing committee. We simply recognize that there were some needs that are going to exist because of the elimination of the State revenue sharing, and we let the authorizing committee write whatever legislation it wishes to write.

Mr. MARRIOTT. Is it the gentleman's opinion that will probably be countercyclical?

Mr. SIMON. I assume there would be a countercyclical element to it.

Mr. MITCHELL of Maryland. Mr. Chairman, will the gentleman yield?

Mr. SIMON. I yield to the gentleman from Maryland.

Mr. MITCHELL of Maryland. Mr. Chairman, my amendment was defeated. I regret that, but at least the Obey amendment does do a little bit more in terms of protecting the interests of the working people and those who need help. I would like to associate myself with the remarks of the gentleman in the well.

Mr. SIMON. I thank my colleague from Maryland, not only for his remarks, but for his leadership.

Mr. OBEY. Mr. Chairman, will the gentleman yield?

Mr. SIMON. I yield to the gentleman from Wisconsin.

Mr. OBEY. Mr. Chairman, I would simply like to express my appreciation to the gentleman in the well for his support all through this process, and urge support of the amendment.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

(At the request of Mr. LATTA and by unanimous consent, Mr. SIMON was allowed to proceed for 1 additional minute.)

Mr. LATTA. Mr. Chairman, will the gentleman yield for a question?

Mr. SIMON. I yield to the gentleman from Ohio.

Mr. LATTA. I was listening with interest to the gentleman's answer to the question about revenue sharing. Is the gentleman supporting this revenue-sharing add-on of $500 million?

Mr. SIMON. I am.

Mr. LATTA. May I ask how the gentleman could support this add-on of $500 million when he could not support the Conable amendment?

Mr. SIMON. I would be very pleased to. It is because this add-on does not take money away from handicapped and a lot of other programs that I believe in.

Mr. LATTA. That is the answer?

Mr. SIMON. It is an excellent answer, I will say to the gentleman from Ohio.

Mr. LATTA. I thank the gentleman.

Mr. GIAIMO. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, I rise in opposition to this amendment not because I am not sympathetic with what my good friend from Wisconsin is trying to do. I appreciate what he is trying to do. He is trying to preserve and add some more money and some programs that we have cut. Also, he is being a good soldier, I believe, in trying to save some money for—let us call it an urban package, that $500 million revenue sharing—it would be whatever an authorizing committee decided it would be. Now that we have cut out revenue sharing and the countercyclical program is out, there are those who believe that there has to be some tiding-over money. There are those who think we need some money to tide us over, and I certainly cannot argue that cities do need some money.

I know that the President is in support of this amendment and of this money, and of the proposal of Mr. OBEY, but you know, you cannot make an omlet without breaking eggs, some great general once said; and you cannot fashion a budget that is in balance without reductions. And, we have reductions in the budget that we present to you.

We have reductions all along the line, and we have tried to share the cuts equitably without putting them all on the backs of the poor, as some have suggested. There is well over $350 billion in the committee's budget that goes to cities and communities and rural areas and to the poor and sick and disabled and old.

I submit to the Members that we have done the best that can possibly be done. What my friend's amendment would do would be to put in about $1.2 billion in outlays in these various areas: Impact aid, mass transit, veterans, military personnel, youth programs, and so-called revenue sharing—about $1.2 billion, which he would then offset with about $425 million in savings which he would find in consultants' expenses, printing, and film procurement.

Well, I do not think that $425 million is going to happen because we have already squeezed out of this budget about all we think can be squeezed, so that it is not going to happen, that offset of $425 million, against the $1.165 billion or $1.2 billion in outlays.

Then further, he suggests a pickup in revenues of $800 million reflecting a foreign oil tax credit reform. We are asking the Ways and Means Committee and the Finance Committee of the other body to do a great deal of revenue finding in this budget, and I do not think we are going to be able to ask them to find an additional $800 million in foreign tax credit reform. Therefore, we will not have an offset of $800 million. In fact, what we will have will be an additional $1 billion in expenditures, therefore bringing the surplus down and approaching a deficit.

But, there is one other big argument that I would like to get into, and that is this: I think the committee is presenting to the Members the high-water mark of what we can hope to get in spending for the types of programs that this amendment addresses. If Members look at what has happened in the other body, in their budget resolution, they will find that they have cut drastically below us in many of the areas to which this amendment is addressed. It is the height of folly to think that we can add here when we are going to have all we can do in conference with the other body to hold the line on expenditures at the level which your committee is recommending to you.

In other words, we will have all we can do to hold what we are bringing to you, let alone the add-ons which this amendment calls for. So, for those reasons I ask that you vote against this amendment and support the committee resolution as the best possible the House can go to conference with.

Mr. LATTA. Mr. Chairman, I move to strike the requisite number of words, and rise in opposition to the amendment.

Mr. Chairman, let me say that I concur in everything that the chairman of the Budget Committee has just said. It is quite odd that these amendments keep reappearing, and the particular form they take from time to time. We had quite a discussion in the Budget Committee the night the budget resolution was reported about a billion-dollar amendment the people downtown wanted to add. Before the evening was over, they had cut their add-on figure down to $500 million.

□ 1740

Mr. Chairman, after the resolution was reported, I received some calls from downtown saying they wanted $500 million. If they only want $500 million, why do we see the figure here of $1 billion? It would have been cheaper to have settled for the $500 million in the Budget Committee. But it was the majority thinking in the Committee on the Budget that they did not need the money.

I think it is high time we take a look at the spending figures between fiscal year 1980 and fiscal year 1981. We hear all these arguments about putting the burden on the backs of the poor, the sick, and the elderly, but let us just look at the figures in the income security function. On yesterday this House passed the Giaimo amendment which puts the income security outlays for 1980 at $191.7 billion.

Now, how much does this resolution for fiscal year 1981 increase this function? Well, it increases this function to $220.1 billion. This is $220.1 billion for this particular function in 1981, as opposed to $191.7 billion, and this is an increase of $28.4 billion in 1 year's time.

I do not think this is putting much stress on anybody, and it really doesn't indicate we are attempting to do much about inflation. If people in low-income brackets are suffering from anything today, it is from an 18½-percent inflation. They have to go to the grocery store, just like you and I, and they see these prices going up and up. They have to buy clothing and other necessary items, and they see the prices keep going up. It seems that those who argue that we ought to spend more and more and more each and every year seem to forget that these people whom they say they are attempting to help are the ones who are really hurt by our 18.5-percent inflation.

I would hope that we are not going to have an add-on here of over $1 billion. I do not care how we figure it, we have $1 billion in additional spending involved. The proponents are using the same rationale that was turned down in the Committee on the Budget.

Mr. Chairman, if we want to report out of this House this year a resolution in balance, I urge with the Members on that side as well as the Members on this side, not to start adding on additional spending as is being attempted with this Obey amendment, all at the behest of the White House.

Mr. GEPHARDT. Mr. Chairman, I move to strike the requisite number of words.

Mr. ULLMAN. Mr. Chairman, will the gentleman yield?

Mr. GEPHARDT. I yield to the chairman of the Committee on Ways and Means.

Mr. ULLMAN. Mr. Chairman, I appreciate the gentleman's yielding.

Mr. Chairman, I rise to say that the Committee on the Budget and the chairman of the Committee on the Budget have brought us a package that is not easy. It is a tough package, but it is one that we ought to support. There are no easy answers if we wish to have a responsible budget, and what is represented by this amendment is an effort to find some easy way out.

I want to say that last year we held extensive meetings and hearings on the foreign tax credit. The administration has been working for a whole year, trying to put together a set of regulations and recommendations to the Congress. It is a very difficult and a very sensitive area, but we are working on it, and we will have a proposal dealing with the foreign tax credit. The committee will live up to that obligation.

But for goodness sake, there is not this amount of money which can be raised from changes to the foreign tax credit, Mr. Chairman, this is not the place to do it, and I urge the Members to reject this amendment and stay with the committee on its sound, responsible proposal.

Mr. GEPHARDT. Mr. Chairman, I thank my committee chairman for that statement.

Mr. Chairman, I would like to preface my statement by commending the gentleman from Wisconsin (Mr. OBEY) for his amendment and for the work and the diligence that he offers to the House and to the Committee on the Budget. I know that it is normal to start talks of this kind with words of that kind, but I feel very strongly that the gentleman from Wisconsin has added immeasurably to the product that the Committee on the Budget has produced in the past and has produced this year.

I certainly agree with the thrust of what the gentleman is trying to do with his amendment. I understand what he is trying to accomplish. I certainly would hope that in the future we could accomplish many of the things he has set out to accomplish in this amendment. But in my view it would be irresponsible to conclude that we could pay for the program increases that he has included in his amendment with the increase of $800 million of revenues from the foreign tax credit on oil.

I have been a supporter of the legislative proposals that have been made by the Treasury Department to increase revenue from the foreign tax credit on oil. I will continue to support those proposals. The Treasury Department is in the process of changing its basic proposal on the foreign tax credit on oil. It is unclear at this point as to exactly how much revenue we can pick up. I think we can pick up about $500 to $600 million in fiscal year 1981. I hope that is the case, and we will work on the committee to make that be the case.

But I am also here to tell the Members that the other proposals that have been made by the Committee on Ways and Means through the budget have now gone through the hearing stage, and those proposals are meeting with a lot of disagreement. I point to the changes on withholding of dividends and interest to pick up $3.4 billion in fiscal 1981. We had a hearing on that today, and I would submit to the Members that if it gets out of the Committee on Ways and Means—and I think that is unclear—it will have very tough sailing on the floor of the House.

We have had hearings on increasing aviation user fees in general aviation. I intend to vote for those changes, just as I intend to vote for the changes in withholding of dividends and interest. But I submit to the Members that we are going to have a very difficult time picking up that amount of almost $4 billion in revenue which we are using to balance this budget.

If we add to that another $800 million when the best we can pick up is $500 million, we are simply increasing the margin of error in actually realizing a balanced budget.

I realize and I sympathize with the gentleman's argument that we are asking all the other committees to do a lot of cutting in programs that affect people, and that, therefore, we should rightfully ask the Committee on Ways and Means to cut programs—and that is certainly what these tax expenditures are for—that affect people who are very wealthy.

I agree with that thought, but we must be realistic about what we can achieve.

I am more than willing to vote for the changes in foreign tax credit on oil, I am more than willing to vote for the withholding of dividends and interest, I am willing to vote for the aviation user fee increases, and I am hopeful that we can enact them all. But I think, to be coldly realistic about it, this House and the Senate are not going to enact all those increases in revenue that we put in the budget.

Mr. Chairman, to add another one in the amount of $800 million, when the best we can hope for is $500 million, is not really responsible.

Mr. BRODHEAD. Mr. Chairman, I move to strike the requisite number of words.

Mr. SHANNON. Mr. Chairman, will the gentleman yield?

Mr. BRODHEAD. I am happy to yield to the gentleman from Massachusetts.

Mr. SHANNON. Mr. Chairman, I would just like to say as a member on the Committee on Ways and Means that I worked long and hard last year, along with the gentleman from Missouri and along with the committee chairman, to bring about the changes that are proposed in the Obey amendment with regard to the foreign tax credit on the oil companies.

I was frankly surprised that we had the difficulty that we did, but I would submit to the House that the situation has changed dramatically. Nobody would have thought just a few months ago that we would need anywhere near a balanced budget at this time. Nobody would have thought that we would be asking the American people to bite the bullet in so many ways as we are in this budget today. I would say that if we can do that, then we should be able to confront this issue once again and we should be able to ask the oil companies to bite the bullet just as well.

Mr. Chairman, I think there is a lot of support now in the Committee on Ways and Means for this change. I think we can do it this year, if we can balance this budget, and I would hope the Members of the House would support the Obey amendment and would support the same change they supported last year and then go back and try again.

Mr. STARK. Mr. Chairman, will the gentleman yield?

Mr. BRODHEAD. I yield to the gentleman from California.

Mr. STARK. Mr. Chairman, I rise in support of the substitute to House Concurrent Resolution 307 offered by the gentleman from Wisconsin. I would like to address myself particiularly to the proposal to raise $800 million in additional revenues through modest reforms in the foreign tax credit.

To begin with, I would like to emphasize that this proposal is indeed a very modest one. Last year, this House voted 355 to 66 to call for a repeal of the foreign tax credit. That would have raised an estimated $1.2 billion. And that amendment to the first budget resolution was itself a modest proposal in light of the findings of the House Committee on Government Operations in the 95th Congress. In its report "Foreign Tax Credits Claimed by U.S. Petroleum Companies" the committee states that "IRS decisions permitting U.S. petroleum companies abroad to claim foreign tax credits in lieu of deductions has cost the U.S. Treasury over $7 billion since 1974."

Why make the modest reforms called for in this substitute? There are four good reasons.

First, it is quite clear that for more than 20 years U.S. multinational oil companies have been claiming foreign tax credits that Congress never intended for them to have.

Second, it is likely that the oil companies have used the foreign tax credit to escape U.S. taxes on domestic profits by moving profits from the domestic accounting catagory, to the foreign operattions catagory for tax accounting purposes. Here is an example, provided by the Congressional Research Service, of how domestic source income can escape U.S. tax through creative accounting. Assume company X has an overseas subsidiary located in Nigeria which sells Nigerian crude oil to a company X refinery in the United States. Production cost may be about $1.50 per barrel but the Nigerian crude is likely to be sold to the U.S. refinery at, or near the world price—in excess of $25 per barrel, plus transaction costs. The profits—the difference between the production costs and sale price to the U.S. refinery, are entered into the corporate accounts along side other foreign transactions including the sale of foreign oil to non-U.S. markets, foreign refinery and retail profits, and oil tanker operations. Yet in this example, most of the profits come directly from the sale of the Nigerian oil to the U.S. refinery; that is, from the U.S. market. Instead, they are reported as foreign earnings—eligible for the generous foreign tax credit—and the money which should go into the U.S. Treasury, goes into the coffers of the oil rich nations.

Third, it is time for Congress to rethink its position that all U.S. companies should, as a matter of course, escape all U.S. tax liability on their so-called foreign source income. Taxes are the price Americans pay for the cost of Government. Right now the oil companies are paying no U.S. taxes on their foreign source income—yet, it is obvious that their foreign operations are benefiting from the activities of the Federal Government. The one that comes most readily to mind is the number of men and women in the U.S. armed services who apparently stand ready to move into the Middle East and the Persian Gulf should there be any serious threat to U.S. petroleum supplies—and, incidentally, the profits of the oil companies.

Lastly, the choice presented by the substitute of the gentleman from Wisconsin is clear: If the multinational oil companies are forced to start paying a few dollars in taxes to the U.S. Treasury, we can afford to increase outlays for revenue sharing, youth program, land and water conservation projects, rural and elderly housing, mass transit, veterans assistance, child health care, and fuel assistance. Or, we can vote down the Obey substitute and tell our mayors and city officials, our poor and elderly, our veterans, and our children that when push comes to shove—the oil companies are untouchable.

I urge adoption of the proposal that the Ways and Means Committee be directed to come up with some modest reforms of the foreign tax credit.

☐ 1750

Mr. BRODHEAD. Mr. Chairman, I thank my colleague, the gentleman from California, and my colleague, the gentleman from Massachusetts, for their excellent contributions to this debate.

Let me just say, Mr. Chairman, that this is a tough budget. We have all been through that. But we know there are a number of cuts that are made in a lot of different areas. What the gentleman from Wisconsin (Mr. OBEY) is talking about in his amendment is trying to restore a very small part of some of those cuts that have been made, to try to take care of some of these needed human service programs and to try to do something about the problems of the cities.

It seems to me that if people all along the line are being asked to make sacrifices on behalf of a balanced budget that it is not unreasonable for us to ask the major oil companies in the United States, who are enjoying record levels of profits to give up a bit of the unusual tax advantages that they enjoy, and this particular tax advantage that they enjoy, really, many people have argued—and I think a credible case can be made—provides a distinctive for domestic oil exploration, as opposed to oil exploration in foreign countries.

So I think it is a very reasonable and a very modest request. I think it is one that, if the House so instructs, the Committee on Ways and Means could easily do, without doing any damage to our economy, without doing any serious damage to the revenues of the oil companies.

I thank my colleagues for their patience, and I urge adoption of the amendment.

Mr. OBEY. Mr. Chairman, will the gentleman yield?

Mr. BRODHEAD. I yield to my colleague, the gentleman from Wisconsin.

Mr. OBEY. Mr. Chairman, I would just like to observe that a fellow I served with in the Wisconsin Legislature a number of years ago, a fellow by the name of Harvey Dueholm, observed once that the poor and rich get the same amount of ice but the poor get theirs in the wintertime.

I would like to prove Harvey wrong, and I think the best way we can prove him wrong is by passing this amendment which will ask the oil companies to share some of the largesse which is represented by the headlines we have seen in the newspapers the last few days about the incredible increase in profits. Exxon doubling its profits to $1.9 billion in one quarter.

The chairman indicated that I was trying to be a good soldier on an item in this resolution. I would suggest that I have enough confidence in the Committee on Ways and Means to believe that if this House dictates the necessities do so, they will be good soldiers also in the name of budget fairness and budget equity. You cannot ask to cut elderly meals by 2 million meals a year in this country, you cannot ask to cut back on elderly housing and rural housing while you are not asking the oil companies to share just a smidgin of the load, and that is all we are trying to do with this amendment.

Mr. BAUMAN. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I have listened carefully to the debate today on the various substitutes, and one factor that seems to be totally overlooked is a new estimate provided by the Congressional Budget Office yesterday.

I would ask unanimous consent, Mr. Chairman, to read a document.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Maryland?

There was no objection.

Mr. BAUMAN. Mr. Chairman, I read from an article by Tom Edsall in this morning's Baltimore Sun which begins:

> Supposedly balanced budgets on the floor of the House and Senate are both in deficit, according to revised estimates by the Congerssional Budget Office.
>
> The cost of federal programs in 1981 will be about $3.5 billion more than was anticipated when the House and Senate Budget Committees agreed on revenue and spending targets about a month ago, according to the CBO.
>
> "No matter what we do, we don't seem to be able to keep up with the increased spending," James R. Capra, chief of the CBO's projection unit, said.
>
> The consequence for the version of the budget currently under debate in the House—

And that is the committee's budget—

> is that instead of a $2 billion surplus, the measure is about $1.5 billion in the red.

Now, what that means, if this is an accurate description of the situation, is that not only is the committee budget $1½ billion in deficit and is not a balanced budget, but the Obey substitute now before us, which is premised on many of the same major assumptions, though it does readjust many of the categories, including revenue and spending areas, is also $1½ billion in deficit.

So if there has been some concern on the part of you as individual Members of the House that you wanted to vote for a balanced budget, you cannot possibly vote for this substitute now before us and achieve that goal because, according to the Congressional Budget Office, it is already $1½ billion in deficit. Based on the experience that we have had in the last year or two of budget forecasts by CBO and others, it is very likely that this substitute is in deficit many, many billions of dollars.

Mr. GIAIMO. Mr. Chairman, will the gentleman yield?

Mr. BAUMAN. I yield to the gentleman from Connecticut.

Mr. GIAIMO. Mr. Chairman, the gentleman is not quoting the Congressional Budget Office. The gentleman is quoting some gentleman by the name of James R. Capra, who happens to work for CBO.

Mr. BAUMAN. Indeed, he heads the budget projections unit, which is a very responsible position.

Mr. GIAIMO. Now, the gentleman can find anyone he wants giving his opinions on a whole range and a whole host of subjects.

Mr. BAUMAN. I have heard such questionable opinions here all day today.

Mr. GIAIMO. The point is that the CBO estimate is on target with ours. There will be reestimates, as the gentleman knows, periodically. There will be another reestimate by CBO and there will be one by the administration in midyear. We all live and die by reestimates in this business, as the gentleman knows. It depends on what the economy does. But it is wrong to take a statement from some gentleman, whomever he may be. James R. Capra perhaps likes to get his name in the paper and therefore issues his opinion of what he thinks the budget of the United States is going to be. It is not worthy of our attention.

Mr. BAUMAN. Mr. Chairman, do I understand the gentleman to be endorsing the Obey amendment at this point, based upon his comments?

Mr. GIAIMO. Now, the gentleman is much more intelligent than he sounds. He knows very well that I am against the Obey amendment.

Mr. BAUMAN. I was trying, in my small way, to offer some solace to the gentleman. And because the estimate I quoted went to his own committee bill, he suddenly became concerned, as I have noticed he is very concerned about many matters on occasion today. We have several hundred employees in the Congressional Budget Office. I assume, based on what the gentleman has said, that Miss Rivlin will fire Mr. Capra some time later this afternoon. But this is a reliable reporter and a reliable newspaper. And I suspect that the CBO reestimate may be just as good as the estimate that the gentleman from Connecticut used. Unfortunately for the gentleman, I choose at this point to rely on the latest statistics offered by the official organization that this Congress finances to give it budget information. Now, if the gentleman can come in and disprove me tomorrow with Miss Rivlin's latest estimate—and I have no doubt that a letter will be written—please do so. But at the moment I am under the impression that the Obey substitute will provide an unbalanced budget and we should oppose that.

I think that is what the gentleman from Connecticut said in his attack on the Obey substitute just a few minutes ago for other reasons, that it would not provide a balanced budget.

Mr. GIAIMO. Mr. Chairman, will the gentleman yield?

Mr. BAUMAN. I yield to the gentleman.

Mr. GIAIMO. Mr. Chairman, the gentleman from Maryland does not like to make mistakes, I know that very well.

Mr. BAUMAN. Oh, I have made a good many in my time, but not this time.

Mr. GIAIMO. I want to save the gentleman from making a mistake. You do not have an official estimate. All you have is a statement from some person by the name of James Capra who works for Miss Rivlin. But there is no CBO reestimate.

Mr. BAUMAN. And if the gentleman has his way I have a suspicion there will be no James Capra by tomorrow. The truth hurts.

Mr. PEYSER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I have listened a long time, as many of the Members have, to what has been happening on the floor and the various proposals. It really seems to me that this is the last chance—on the Obey amendment—that many of us, who are trying to be moderate and reasonable and answering some of the very, very basic needs of our people, have to support an amendment and pass an amendment—and I think the Obey amendment can be passed—to provide just enough more and in certainly no way any lavish treatment for the programs that this amendment addresses, namely, programs in education, programs for the elderly, programs for mass transit, programs for defense and others.

As I listened to the gentleman from Florida (Mr. PEPPER) talk about the elderly and his own commitment and concern for a balanced budget, I really can find it hard to understand how we are going to vote to create the kind of problems for the senior citizens of this country that the lack of the Obey amendment would bring about. It just does not seem possible. to me, that this Congress is going to do that.

□ 1800

Now I know this is not going to be easy. I have heard several people say in the last 10 minutes, "You know, this is not easy to do. What we have done is not easy to do."

The chairman of the Budget Committee and some members of the Committee on Ways and Means, the chairman, have said they have struggled very hard to reach the point that they have reached.

I suggest that if their struggle is hard, it is infinitesimal to what the struggle is going to be for many people to survive reasonably.

I am not saying they will not survive, but to survive reasonably. With a little more struggle, I am certainly convinced that the Committee on Ways and Means can come up with some solutions. I would rather have that committee undergo the struggles and the hardship than I would for the millions of elderly and millions of young people who will suffer.

Now, there is one other element that really has not been laid stress on that I think is very important and that speaks to the middle-income people.

There is no question that on the local communities, the villages, towns, cities in our country, and I am not talking about necessarily the huge cities—I am talking about small cities around the country—are going to lose money by the loss of the State revenue-sharing program.

That money is basically replaced in this amendment, and if it is not replaced, these villages, towns, and cities are going to be faced with a very basic problem of raising taxes, and these are property taxes. This is where middle America gets hit and gets hit repeatedly.

I do not see the reason for it. I do not understand how we can say, "Well, we have done the best we can do. It was not easy, but let us let it go at that." I think we can do better.

Mr. QUILLEN. Mr. Chairman, will the gentleman yield?

Mr. PEYSER. I yield to the gentleman from Tennessee.

Mr. QUILLEN. I thank the gentleman for yielding.

Do I understand that the gentleman is for restoration of revenue funds?

Mr. PEYSER. I very much would support the moneys going to the villages, towns, and cities that would be passing through to them from revenue sharing.

I would have supported the Conable amendment this morning if in one hand it had not taken the money away from programs——

Mr. QUILLEN. We are not talking about the Conable amendment.

How about the Quillen amendment that restored revenue sharing to the States which accrued to the cities, towns, and counties by taking it out of foreign aid? The gentleman talked against it. Is the gentleman being inconsistent?

Mr. PEYSER. Not at all. I would talk against that again. It is obvious, as a matter of fact much to my surprise, that I thought the gentleman's amendment was going to get a much heavier support on his own side of the aisle, but with only 146 Members, including a reasonable number of Democrats, obviously his argument did not stand very well.

Mr. QUILLEN. Evidently, when the gentleman is on the floor, he objected to my amendment. Now the gentleman is speaking for the other. I would just like to have consistency.

The CHAIRMAN pro tempore. The time of the gentleman from New York (Mr. PEYSER) has expired.

(By unanimous consent, Mr. PEYSER was allowed to proceed for 2 additional minutes.)

Mr. PEYSER. I appreciate the gentleman's comments. I think I am being fully consistent.

I am not willing to sacrifice a program that is letting this country survive in a hopefully free world for this. The cost the gentleman was putting on it was far too high.

I would like to conclude by saying that I have also heard a number of people make statements just now on the floor that are sort of killing the Obey amendment with kindness and express a great interest in why it is such a worthwhile amendment but not now. I would like to suggest that it is now, that it is the time. The point has been made very clear. I do not want to make an attack on the oil companies, even though I have little sympathy with their situation, but sacrifice can be made that will not hurt either the oil companies or any other related industry by gaining a little more money from their revenues.

I am convinced there is nobody in this Congress who would not be, shown the proper way, willing to take that step. There may be a few who have special interests in this area, but I think the clear majority would support that change.

I urge the passage of the Obey amendment. I urge the recognition that this is our last chance to; First, balance the budget; and, second, give the people of this country, young and old and middle income alike, a chance to get through the next fiscal year in a reasonable fashion.

I yield back the balance of my time.

Mr. JONES of Oklahoma. Mr. Chairman, I rise in opposition to the Obey amendment. I do so for one central reason. Central to this whole question of a balanced budget is a credible balanced budget, one that will live up under the stress of the revenue and spending that will carry forward in fiscal year 1981.

The major flaw with the Obey amendment is that the revenue-raising portion to pay for all of the new spending simply is not credible, and it makes in essence a sham out of this particular budget proposal.

Now, the Obey substitute is very familiar. It is a very tempting siren song, because what it says is that we can basically keep the defense spending where the committee recommended it; and we can add back funds in all these social and domestic programs, and we can do so with really not having to pay much of a price, without any pain, without having to tighten our belt, because somebody else is going to pay for it, one of our favorite targets on the floor, the oil companies.

They are going to pay for it in a very remote way through something called the foreign tax credit. It is going to raise $800 million and pay for all these good things.

The problem is, even though it sounds good, it cannot achieve the $800 million revenue that it promises.

I have checked with the staff of the Committee on Ways and Means, with the Joint Committee on Taxation, and said:

> What if—what if—we pass the pending proposal the Treasury had made, or what if we passed the impending proposal that Treasury may make to tighten up the foreign tax credit; how much will we raise? Will we raise $800 million?

I am told we will not. We might raise $200 million. We might raise $300 million. With a lot of luck, we might even raise $500 million, but we will not raise the amount of money that the Obey substitute says we will raise.

How do we do it? First of all, the foreign tax credit only amounts to $1.2 billion, the whole tax credit.

So to raise the kind of money we are talking about to pay for the new spending programs means we virtually would have to repeal the foreign tax credit.

Is that going to happen? Not likely. If it did happen, is that a painless way to handle the situation? No; because the elderly, the young, they are going to be paying that price in higher energy costs. It is going to be passed on.

I agree with the previous speaker. The oil companies are not going to suffer particularly. They are going to pass the costs on.

What if we did repeal the foreign tax credit to meet these revenue estimates? What would that mean? All that would mean is that the American oil companies would be disadvantaged in competing for foreign oil, a lot of which we need to keep this economy and country going, and would be disadvantaged in relation to foreign oil companies. We would probably be buying at higher prices from foreign oil companies.

Who pays the price of that? The very people who this substitute is intended to help.

Now, let us be realistic about this. The committee budget already calls for the Committee on Ways and Means to raise over $4 billion in new revenues to balance this budget. Now, it is problematical at best that this House is going to go on record to support a 15-percent withholding of interest and dividend income.

□ 1810

It is problematical at best that this House and the other body will have the courage to support the President's oil import fee: that is, $10-plus billion.

It is problematical at best that this House and the other body are going to raise revenues by putting new fees on general aviation and new taxes on railroad retirement. This is what the committee is already asking us to do: and the Obey substitute says let us do that plus the foreign tax credit on oil.

It is just not realistic. It sounds good, but I think we could be better advised to follow the carefully crafted coalition-supported committee budget resolution, because I think that is our best chance at having a true, genuine balanced budget that will stand up through fiscal year 1981.

The CHAIRMAN pro tempore (Mr. McHugh). The time of the gentleman from Oklahoma (Mr. Jones) has expired.

(At the request of Mr. Regula, and by unanimous consent, Mr. Jones of Oklahoma was allowed to proceed for 2 additional minutes).

Mr. REGULA. Mr. Chairman, will the gentleman yield?

Mr. JONES of Oklahoma. I yield to the gentleman from Ohio.

Mr. REGULA. Mr. Chairman, I would like to use the time to ask the gentleman from Wisconsin to yield for a question.

I note in the reconciliation language in the gentleman's amendment, as shown in the Congressional Record, it says that the Committee on Ways and Means shall increase revenue, et cetera, by $4.2 billion.

Now, the question I have is, Would this in effect take care of the $800 million? Because if I am not mistaken, the committee resolution, if you take out the $18 billion, some of the windfall profit and so on, it is also $4.2 billion; so am I correct in saying that we may end up mandating the spending but not mandating through the reconciliation process the $800 million?

Mr. JONES of Oklahoma. I yield to the gentleman from Wisconsin.

Mr. OBEY. No; I do not think we could wind up in effect mandating that for the following reasons:

First, the item is $4.2 billion, rather than $4.3 billion, as you will find in another section of the bill.

Mr. REGULA. I noticed this.

Mr. OBEY. That is different from the user fees.

Mr. REGULA. I understand that.

Mr. OBEY. Actually, it is included in the reconciliation to the same extent that the committee's instructions in the specific items themselves are included for reconciliation, that that portion of the amendment we are talking about can be accomplished by administrative action, not requiring Ways and Means Committee action.

Fourth, there is a technical error in that number, because of the rush to the 5 o'clock deadline which was imposed on people who got their amendments into the Printing Office and because the Budget Committee staff did not make the necessary adjustment, there is a technical problem; but that can easily be handled in conference and would have to be handled in conference, or else some of the items would have to be peeled out.

Mr. REGULA. But the gentleman does agree the language does not mandate the reconciliation of $800 million.

Mr. OBEY. It would not mandate the entire $800 million, because of the nature of the information that can take place. We ought to provide for part of it, and if the amendment is adopted by the House, that can easily be accommodated in conference, and if you did not, you would have to take out some additional spending items.

Mr. HARRIS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the amendment and to try to bring some realization to this Congress as to what is going on with regard to obligated and deobligated funds in the budget that I am afraid not a whole lot of people have understood, it would have been my pleasure during the consideration of this budget resolution to have offered an amendment that would have restricted all budgets with respect to end of the year spending not to exceed 20 percent of the annual budget in the last 2 months of the fiscal year. A lot of folks, I am afraid, do not understand the impact if we would have imposed such a requirement. Unfortunately, the rule does not permit me to offer that amendment. The rule, however, does not prohibit me from supporting the Obey amendment and telling you that the Obey amendment will balance the budget if we place the necessary discipline upon the expenditures of the Federal executive agencies.

I will now read to you from a GAO report that I received just 1 hour ago. The GAO report refers to the Department of Housing and Urban Development, which last year spent 47.2 percent of its annual budget in the last 2 months of the fiscal year.

How, do you say, were they able to spend almost half their budget in the last 2 months of the fiscal year? The answer is they did not spend that. They reported that. The fact of the matter is that as the GAO went over their account, and now I will read from the GAO report, they found that HUD had an $18 billion surge of obligations in the last month of fiscal year 1978.

You heard me right, an $18 billion surge in expenditures in the last month of the fiscal year 1978.

The GAO went on to say:

> In examining the causes for this increase, we found that about $16.5 billion was in one appropriation account entitled "Annual Contributions for Assisted Housing."
>
> After further analysis, we found HUD—

And I am quoting from the GAO—

> has been recording obligations for this housing account and reporting them to the Treasury, Office of Management and Budget and Congress, when in reality there was no legal obligation on the part of the United States Government.
>
> The Assisted Housing Account includes such programs as lower income housing and public housing. Obligations for these programs have been based on "notification" and "reservation" letters.
>
> GAO advises that they questioned HUD accounting officials about letters and they agreed that the obligations are questionable.

Now, I would like to quote for you a paragraph from the GAO report:

> We believe the notification and reservation letters are not legally sufficient to constitute obligations. In reporting obligations based on these letters, we believe HUD could have misled the Congress on its needs for additional budget authority the next fiscal year by understating the balance available for obligation. This gives the impression that HUD has carried out its mission by actually contracting for assisted housing to a greater extent than it has. An indication of the tentative nature of these obligations is the ease with which large amounts are deobligated and reobligated in subsequent periods.

Hear me. For example, HUD says during fiscal year 1979 HUD deobligated and then reobligated about $7 billion. Do you see the ploy?

HUD has money available in September of fiscal year 1978. They say it is obligated. They have written off some letters of reservation after the fiscal year changeover. They have saved the money. They than say, "We deobligate it. We have got $7 billion more to spend than Congress thought we had to spend."

This, I repeat, is the GAO report I received 1 hour ago.

During fiscal year 1979, HUD deobligated and then reobligated about $7 billion of fiscal year 1976, 1977, and 1978 obligations. HUD officials said they expect to deobligate and then reobligate many billions of dollars during fiscal year 1980.

Mr. REGULA. Mr. Chairman, will the gentleman yield?

Mr. HARRIS. I yield to the gentleman from Ohio.

Mr. REGULA. Are these obligations in many instances consulting type contracts? I know the gentleman is interested in that subject.

Mr. HARRIS. There is a possibility some are.

The CHAIRMAN. The time of the gentleman from Virginia (Mr. HARRIS) has expired.

(By unanimous consent, Mr. HARRIS was allowed to proceed for 3 additional minutes.)

Mr. HARRIS. There is a possibility some are, but more of them are direct programs for housing and they are done by simple letters of reservation, saying to a group that is interested in a housing program, "Continue with your plans. We are obligating this amount of money for you, but then we may take it back in a couple months."

May I just finish my statement with the final paragraph in the GAO report, received 1 hour ago and signed by the Comptroller General of the United States:

> Until a study and review of this practice by HUD is accomplished, the General says, we believe that HUD is in no position to accurately advise the Congress on what the unobligated balance is of this account or the new obligational authority needed. We suggest, the General says, that the House and the Senate Appropriations Committees consider deferring any action on HUD's current appropriation requests for this account until HUD can report to the Congress an accurate and complete statement of valid obligations as required by law.

□ 1820

The point, as I have been trying to preach for a year, there is a bunch of end-of-the-year spending which is not really spending, it is simply obligations to get by the fiscal year and not tell Congress how much they have spent. The point: if we start putting the discipline on them for them not to do this, we will in fact save money this year and next year in the billions.

Documented from the Comptroller General of the United States, dated today, received an hour ago, $7 billion of obligated accounts in HUD this year which will probably be unobligated as soon as the fiscal year passes.

Mr. GIAIMO. Mr. Chairman, will the gentleman yield?

Mr. HARRIS. I would of course yield to the chairman of the Budget Committee.

Mr. GIAIMO. I want to commend the gentleman for what he is trying to do. I know that he and I have talked about this and it is of concern. It is something we should address ourselves to. We did in the budget, as the gentleman knows, put it in the report, and we would hope that the Appropriations Committees would work on this and we would work on this with the gentleman. It is something that really should be addressed because it is something that ought to be terminated or curtailed.

Mr. HARRIS. I thank the gentleman for his comments. I do wish that the Rules Committee had permitted me to offer an amendment that would cut in on this and really put a discipline on. The Rules Committee decided that it would not be appropriate.

I think it is appropriate when we discover through an official GAO report that over $7 billion was obligated and then deobligated by HUD in the past fiscal year, and they plan to do exactly the same thing, by the GAO report statement, in fiscal year 1980. I think it is appropriate we do something about that.

The CHAIRMAN pro tempore. Time of the gentleman from Virginia has expired.

(At the request of Mr. ROUSSELOT and by unanimous consent, Mr. HARRIS was allowed to proceed for 3 additional minutes.)

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. HARRIS. I am happy to yield to my colleague from california.

Mr. ROUSSELOT. Mr. Chairman, I think the presentation of the gentleman has been very thoroughly researched. It is rather a concern to many of us that believe that in a lot of cases agencies do overcommit and do not actually need as many outlay dollars as they claim they do.

Is the gentleman telling us it is only HUD that is lying to us?

Mr. HARRIS. I do not know to what extent the various agencies use this to present to the Appropriations Committees that they have obligated funds when they actually have not obligated them. I do not know.

Mr. ROUSSELOT. So the gentleman is not sure it is just HUD?

Mr. HARRIS. I do know that the Environmental Protection Agency spent 41.2 percent of its budget in the last 2 months of the last fiscal year.

Mr. ROUSSELOT. Forty-one percent?

Mr. HARRIS. Forty-one point two percent, if I may say to the gentleman from California.

I do know that the Department of Commerce and other agencies of this Government are obligating and spending in excess of 30 percent of their annual budget in the last 2 months of the fiscal year. I do know that the Secretary of the Treasury, former Secretary of the Treasury Blumenthal said this practice is an absolute scandal and we should do something about it.

I do know I have amendments in a bill pending that would start cutting in on this practice. I do know we could save literally $13.2 billion from the last fiscal year if they had not spent over 20 percent in the last 2 months of the fiscal year.

Mr. ROUSSELOT. Did the gentleman say $13 billion?

Mr. HARRIS. Those seven agencies spent that much in the last 2 months of the fiscal year.

Mr. ROUSSELOT. But I heard the gentleman correctly, $13 billion?

Mr. HARRIS. If I may say to the gentleman, $13.2 billion.

Mr. ROUSSELOT. That is a lot of money, $13.2 billion.

Mr. HARRIS. In my book it is. Of course, in California terms it may not be as much. In Virginia terms it is quite a bit.

Mr. ROUSSELOT. To me it is plenty.

Let me ask the gentleman if he voted for the rule.

Mr. HARRIS. May I say to the gentleman I do not know whether that is relevant or not, but the answer is no.

Mr. ROUSSELOT. I am glad to hear that.

Mr. BURLISON. Mr. Chairman, will the gentleman yield?

Mr. HARRIS. I am happy to yield to the gentleman from Missouri.

Mr. BURLISON. Mr. Chairman, I would like to commend the gentleman on the work he has done. Would not the gentleman say that HUD has maintained what we might term a slush fund as a result of this practice?

Mr. HARRIS. It looks like it is a slush fund in terms of between $7 billion and $8 billion.

Mr. BURLISON. Let me say to the gentleman that back about 4 years ago I found in the Appropriations Subcommittee on Defense that this is precisely what the CIA had been doing for years with its reserves for contingencies. By careful timing of deobligations and transfers, our subcommittee was misled as to the balances in the reserves.

Mr. HARRIS. A very analogous situation.

Mr. BURLISON. We put a stop to it in no uncertain terms. We prohibited, by floor amendment, further deobligation and transfer into the reserve. Funds get there now only by direct appropriation. I want to commend the gentleman. We ought to do the same thing with respect to HUD. The gentleman has done a good piece of work.

Mr. ALBOSTA. Mr. Chairman, will the gentleman yield?

Mr. HARRIS. I am happy to yield to the gentleman from Michigan.

Mr. ALBOSTA. Mr. Chairman, I just happened to be in an airplane last weekend with an Army officer who was a purchasing officer.

The CHAIRMAN pro tempore. The time of the gentleman from Virginia has again expired.

(At the request of Mr. ALBOSTA, Mr. HARRIS was allowed to proceed for 1 additional minute.)

Mr. HARRIS. I am happy to yield further to the gentleman from Michigan.

Mr. ALBOSTA. Mr. Chairman, that Army officer happened to make the statement to me that during the last month before their budget runs out or they get a new one, the word is spread all over that they must purchase everything they can, put out contracts and everything, to get away with that money.

I am wondering if we should not also find a way to stop that if it is unnecessary purchasing just to do away with the money.

Mr. HARRIS. If I may say to the gentleman, if he is not a cosponsor of H.R. 4717 he may want to be a cosponsor of H.R. 4717. May I say this end of fiscal year spending spree is not a new phenomena in Washington. I happen to know about it because the present procurement officers have come to me over and over again and said, "Congressman HARRIS, help us to stop doing this. The people upstairs keep making us do it up to midnight on September 30. Please help us to stop."

Mr. ALBOSTA. If that will help cure the problem, the gentleman can put my name on the bill right away.

Mr. HARRIS. The gentleman's name will be on the bill.

Mr. PANETTA. Mr. Chairman, I move to strike the last word and rise in opposition to the amendment.

Mr. Chairman, with regard to the pending amendment, the Obey amendment, I think the point is that in trying to achieve a balanced budget, as we are obviously going to do, whether it is through the adoption of substitutes or the adoption of the proposal as proposed by the committee, the real challenge is going to be to make a balanced budget real. That will be the challenge that will face the Congress and this Government.

We have already seen through the probability of reestimates that we will have problems. We will see through the probability of problems within the economy that we will have problems with revenues. It will be a great challenge to try to achieve $9 billion in savings which are already proposed in the budget. It will be difficult to try to achieve the revenues that are already proposed here.

The biggest test we face on this whole issue is not simply to be here and to vote a first budget resolution which sets broad targets we can all agree to; the real test is going to be to make it real, which will be determined within the next few months either through the process of reconciliation, it will be determined in the Appropriations Committees, it will be determined in the authorizing committees. It is a significant test that faces this institution.

The problem I have with the Obey amendment is that in addition to the challenges already being faced by this budget, it adds an additional amount either in terms of $800 million in revenues, as well as additional expenditures.

The gentleman from Wisconsin has, indeed, been a dedicated and hard-working member of the committee, but he also participated for 8 days in meetings with the administration, committee chairmen, members of the Budget Committee, in what was perhaps the most thorough, line-by-line review of a budget at the leadership level that has ever gone on in this Congress. Issues were looked at, priorities were discussed and programs were analyzed to try to determine where reductions could be made that would not impact seriously on social programs, that would not impact on defense, to try to find that balance in order to achieve a balanced budget.

The House committee has essentially adopted those recommendations. Now what happened was that during the course of the debate in the Budget Committee there was some concern about what would happen to the urban communities that were impacted by virtue of eliminating countercyclical and eliminating State revenue sharing.

□ 1830

At that time there was a suggestion that we ought to try to reach for $500 million as a fund to assist urban communities. I think there is legitimacy to that argument, and I supported that effort at the time, but it was rejected by the committee. The problem now is that we are not only talking about the $500 million but in addition to that $600 million in additional expeditures. I am not sure how to be able to pick and choose among various reductions to provide an additional $600 million as the gentleman from Wisconsin has done. He has not talked about CETA; he has not talked about LEAA; he has not talked about welfare reform, or public works, or student aid, or a myriad of other programs that were reduced in this budget. So it is difficult now to come back and provide an additional $600 million that hopefully will pick up support for what is the real issue which is the restoration of $500 million.

Mr. OBEY. Mr. Chairman, will the gentleman yield?

Mr. PANETTA. I yield to the gentleman from Wisconsin.

Mr. OBEY. I thank the gentleman for yielding. Is the gentleman suggesting we should have tried to add money for CETA in this bill?

Mr. PANETTA. No. This gentleman is suggesting that it is very difficult as we try to come back over the spending reductions to pick and choose which of them ought to be added to and which of them ought not to be added to.

Mr. OBEY. If the gentleman will yield further, I think it is pretty obvious what the mood of this House on CETA is.

Mr. PANETTA. There is no question about that, but there is also the issue of how you pick and choose what areas ought to be increased in order to please certain constituencies out there. The fact is we are going to get a balanced budget only if we can stick with the revenue figures, only if we can stick with the reduction figures, and only if we can avoid the tremendous pressure that is going to come from special interests to increase every area. There is not a special-interest group that has not come here to Capitol Hill and said, "Yes, we are for a balanced budget, but don't take it from our particular area." That kind of pressure has to be resisted. This amendment is a test of that pressure, and I hope the Members will reject the amendment.

Mr. REGULA. Mr. Chairman, will the gentleman yield?

Mr. PANETTA. I yield to the gentleman from Ohio.

Mr. REGULA. I thank the gentleman for yielding. Would the gentleman agree that the impact of this matter will be to mandate the spending but in fact not mandate the revenue increase because of the failure to include the $800 million in the reconciliation language?

Mr. PANETTA. That is an additional problem I can see by virtue of the reconciliation process. I think it is going to be tough enough, realistically speaking, to get that $4.2 billion to begin with.

Mr. STOCKMAN. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise in opposition to the amendment, but I have to confess that the author of the amendment has cooked up here an artful brew of the good, the bad, and the indifferent that makes the amendment appear attractive on the surface until we really stop to take some time to examine it. I think we ought to reject it anyway because I do not believe we need this amendment to incorporate the one constructive part, and that is the $425 million savings for consultants, printing, and film making. As the chairman of the Committee on the Budget indicated a moment ago, the Appropriations Committees are going to be forced to make deep reductions in those areas anyway simply to stay under whatever outlay ceilings we impose. In fact, I would suggest to the gentleman from Wisconsin (Mr. OBEY) that if he were really serious about this, about excess overhead and the consulting boondoggles that are going on all over this town, what he should really do is propose a windfall profit tax levy on the beltway bandits that are stacked 10 stories deep all the way around route 495, because that would bring in some real budget-balancing revenues. As far as the indifferent element of the gentleman's amendment, he would pluck another $800 million from the oil companies by curtailing the foreign tax credits. And why not? Their pockets are so deep and so big that we will never get to the bottom of them anyway, so why not go ahead? In fact, I would suggest we ought to go the gentleman one better here as well. Why do we not just come right out and make the oil companies Deputy Internal Revenue Service agents and put them officially in the business of collecting taxes, because that is where we are heading anyway.

I would remind this House that in 1980 the oil companies will collect—and I underscore "collect"—$11 billion in new oil import fees. They will collect $13 billion in State and Federal gasoline taxes. They will collect $16 billion in windfall profits taxes. They will collect $4 billion in State severance taxes and another $30 billion in State and Federal income taxes. So we might be running out of oil in this country, but we certainly have struck what is a veritable tax gusher—$74 billion worth—this year alone, a trillion dollars worth of tax revenues from energy production over the next decade. So I guess if the gentleman from Wisconsin (Mr. OBEY) wants to drill just another little revenue wildcat, it will not hurt anything until somebody asks, "Who pays, after all, in the final analysis?" Is it the stockholder, or is it the consumer? Is it the guy with the bulging pockets or the empty pockets? We are not asking that; we are just levying more taxes and spending more money and pretending it will not make any difference.

That leads to the third element of the gentleman's plan, and that is to provide $1.2 billion in additional walking-around money to insure that there is a minimum degree of orderliness and good behavior around the social spending trough, and I think this House should make no mistake about it, this amendment is entirely for the purposes of political pacification of the domestic spending lobbies who walked out of the House Committee on the Budget proceedings with their plates quite full already, but still grasping for more. So we have here an amendment that is not based on any burning policy issues, and in that sense I would contrast it clearly with the Mitchell amendment—the Mitchell amendment said more butter and less guns—or even with the Solarz amendment which said more taxes and more spending, or more for the cities. There was a clear policy issue involved. But not this amendment. There has not been any major contention made during the debate that any major program or any major need or any major problem has been seriously short changed. What we have here instead, is a chef's stew consisting of table scraps for the disgruntled—$15 million for senior housing, $15 million for mass transit, $75 million for urban and State parks, $100 million for impact aid, et cetera, et cetera. But when someone asks for a third helping, it seems to me we ought to inventory what he has already gotten.

I would remind this House, despite all the rhetoric of austerity, of budget cutting and deprivation that we have heard regarding these programs over the last day or two, the fact is that this committee resolution before us provides $335 billion for human resources programs, and that is income support, and that is education and manpower and jobs and social services and health. It does not count any of the highway, any of the sewer, any of the farm subsidies, or the energy projects and hard domestic money in the budget. Three hundred and thirty-five billion dollars for human resources alone. That is a gain of $80 billion over what we spent in fiscal year 1979.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. STOCKMAN was allowed to proceed for 4 additional minutes.)

Mr. STOCKMAN. That $335 billion in this budget already for human resources is a gain of $80 billion over what we spent in fiscal year 1979, the budget that we just closed the books on 7 months ago. That is a 30-percent increase in spending for these programs. Even if we have 10- or 11-percent inflation, it is an 8-percent gain in real terms even after inflation over 2 years. I would like to have the author of this amendment suggest to the House one other area of the budget where we have had that kind of real increase in spending in that 2-year period from 1979 to 1981. Certainly it has not been defense; it has not been energy; and it is not agriculture, obviously. I do not think you are going to find anybody in the private sector who has had that kind of gain here, 30 percent in 2 years, 8 percent in real terms. You can come to the same conclusion if you look at the individual items. This amendment adds $40 million for the elderly housing and for some nutrition programs. But I think this House ought to recall that in this budget already by way of social security for retirees, by way of medicare, by way of one-half of the medicaid budgets that go to the elderly, by way of food stamps, the Older Americans Act, and housing subsidies, we now have $143 billion for the 25 million Americans who are over age 65 in this country in the budget already. That is $6,000 per capita, $12,000 per couple, $15,000 in taxable income equivalent that we are already spending in all of these programs.

Now it would also add $50 million for fuel assistance. I think the House ought to remember that in 1977 we did not spend a single dime; in 1979 we spent $180 million; last year we spent $1.6 billion; and this budget provides $2.2 billion this year. Yet the gentleman from Wisconsin (Mr. OBEY) says that we are not meeting the needs; we are not meeting our obligation and wants to add more. I think you can go on down the line.

The gentleman provides some money for the startup of CHAPS. What he does not say is that we are now spending $30 billion, State and Federal, under the medicaid program to provide services, health services, hospitalization, physicians, and so forth, to low-income people. What the gentleman wants to do instead is start up another entitlements program after we just witnessed yesterday the announcement that one of the entitlements programs we have, Trade Adjustment Assistance, has grown from $300 million to $1.4 billion in 6 months, a 400-percent increase. Yet the gentleman wants to start up another entitlements program and add on $400 million in an area where we are already spending an enormous amount of money.

□ 1840

I would suggest there is no justification for these extras, there is no policy rational, there is no argument, there are just scraps that have fallen off the table that are compacted or coalesced together here in an amendment to prove a point politically that the spending lobbies who went away disgruntled and for no good reason can come to the floor of this House and work their will. This is a political gesture. There is no policy basis for this amendment and I think we ought to be willing to stand here and say that you are not coming back for a third helping because the cupboard is bare and it is about time that we told some of these groups that that is the case and the two helpings are enough.

Mr. SOLOMON. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I find myself in somewhat of a dilemma on how to vote on this amendment. The dilemma is, half of the amendment is very good, that half which repeals the foreign oil tax credit, and the other half being bad which would increase spending by almost $1 billion and we should not be doing that today.

Of course, Mr. Chairman, this dilemma was caused by the modified rule which this resolution carried to the floor which prohibits any amendments to this amendment. To refresh our memories, last year during the consideration of this resolution, the gentlewoman from New York (Ms. HOLTZMAN), introduced the same amendment that we have before us today, the same as the Obey amendment which called for an increase in social programs of $1 billion and repealed the foreign oil tax credits to pay for it. At that time I offered an amendment to her amendment.

Mr. OBEY. Mr. Chairman, will the gentleman yield?

Mr. SOLOMON. I yield to the gentleman from Wisconsin.

Mr. OBEY. Mr. Chairman, the gentleman is in error. This amendment is not identical to the Holtzman amendment. The Holtzman amendment went much further than does this amendment. It went to the tune of $1.2 billion of the foreign oil tax credit. This amendment only asks reform of $800 million out of the $3 billion ripoff that they are getting.

Mr. SOLOMON. Mr. Chairman, I must agree with the gentleman from Wisconsin to a certain extent but the figures and the concept are exactly the same.

Mr. Chairman, my point was that last year because we had an open rule, we had the opportunity to strike the increase in spending and still repeal the foreign oil tax credit, which we should do.

Now this year we do not have that opportunity to offer a perfecting amendment which would remove the increased spending and still repeal the foreign oil tax credit

Mr. Chairman, I think that is a shame because that amendment overwhelmingly passed this House last year and we know what the sense of this House is.

Mr. Chairman, the point is this, that we are in a serious situation as far as imported oil is concerned and one of the major reasons why we do not produce oil in this country today, which surprised me when the gentleman from Colorado and some other oil producing Congressmen got up and spoke in opposition to this amendment, was because if we are going to discourage major multinational oil companies from importing oil into this country regardless of the price and they not even caring about the price, then we are going to have to repeal this provision which no other business in America is entitled to.

Mr. Chairman, the royalties they pay for the oil that they purchase is not a tax and never was. It is simply an agreement that was entered into with the U.S. Treasury Department and the major oil companies in this country.

Mr. OBEY. Mr. Chairman, will the gentleman yield?

Mr. SOLOMON. I yield to the gentleman from Wisconsin.

Mr. OBEY. Is it not true this was really a gimmick designed by the U.S. Treasury to in fact hide foreign aid to Saudia Arabia and other OPEC countries?

Mr. SOLOMON. Yes; it is in my opinion, it most certainly is but the point is this: If we are going to encourage major oil companies or small oil companies to produce oil in this country then we have to give them the incentive by taking away the tax loophole that we now give the multinational oil companies for purchasing foreign oil regardless of what price they pay and bringing it back here and putting that price on the heads of all of the American people.

Mr. Chairman, I firmly believe that if we were to repeal the foreign oil tax credit that the stockholders in the oil companies would then find that it is going to be more profitable to research, to find, to drill and produce oil in this country and it would be much more profitable than buying the oil overseas.

I do not think it is fair for the oil companies to receive this tax credit when every other national business in this country and overseas, if they have a doing-business expense such as buying material to produce goods, they are able to write that off as a business expense but they still pay the U.S. obligation on the profits of that organization.

Mr. Chairman, under this system, if a major national oil company has a profit of let us say $100 million and they have purchased $100 million worth of oil from the Arab countries, then they can take the $100 million that they have paid, which is just a normal business expense, and apply it to their U.S. tax obligation and pay no taxes at all, which has happened in the past. This should be repealed. We should not be forced to vote on that issue when it is tied in with the other Obey provision which does increase spending.

Mr. Chairman, I am still in the dilemma. I do not know how I am going to vote but I would hope that sometime in the future we would have the right to vote on this issue of foreign oil tax credits as an issue within itself.

• Mr. DODD. Mr. Chairman, I rise in support of the Obey substitute to the House Budget Committee resolution, which I believe provides the best opportunity to achieve a balanced budget, reduce wasteful spending in areas of marginal importance, and maintain those essential programs that contribute to our economic health and national security.

We all know that the United States is facing a wide range of challenges which are more serious than any we have faced since World War II. Since the mid-sixties, U.S. prosperity at home and leadership abroad has come under increasing attack from many sides. Our once-almighty dollar, the symbol of our economic strength and productivity, continues its slide in the wake of almost daily reports of global turmoil. Our inflation rate now approaches 18 percent. The cost of foreign oil has increased uncontrollably, further contributing to inflationary expectations. And, perhaps most importantly, the American people are rapidly losing faith in the ability of government and business alike to provide for a brighter future. Due in large part to inflation, the rate of savings and investment in the United States is lower than in almost all other industrialized nations. Without sufficient saving and investment, our Nation will continue to experience high inflation and low productivity.

There is no question that the entire country—government, business, and the public at large—must save more and borrow less. We must hold the line on unnecessary consumption and government expenditures today so we may invest for the future.

We all know that America's greatest hope lies in the efficient operation of the private enterprise system. It is this system which has produced the world's greatest technological innovation and provided the world's highest standard of living. Unfortunately, we Americans have become so accustomed to this high standard of living that we have paid far too little attention to controlling waste in the public and private sectors alike.

Now we are faced with what amounts to an economic emergency, with inflation running rampant and productivity declining to its lowest point in recent years. If we in Government are to provide an example of fiscal discipline to the American public during this emergency, it is imperative that we put our house in order, eliminate wasteful spending and balance the budget. However, it is also imperative that we do not balance the budget on the shoulders of the working people, the poor, the handicapped, and the elderly. We cannot afford to balance the budget at the expense of programs that upgrade our national defense, create job opportunities, provide for the health, education, and welfare of our children and senior citizens, fulfill our obligations to those who have served in our Nation's Armed Forces, protect our environment, and insure that people do not freeze during the winter.

But we can balance the budget by eliminating bureaucratic waste and fat. In my opinion, the Obey amendment, more than any other budget recommendation, provides a balanced perspective and addresses these crucial issues. This amendment would, for starters, reduce outlays by $425 million for consultants, printing, and film procurement. As you know, the waste incurred in these budgetary areas is legendary; we are paying thousands of high Government officials who, instead of providing their own expertise, relegate these official duties to consultants, at high cost to the taxpayer. It is also obvious that far more material is printed for the Federal Government than can possibly be used productively, and the Government has a filmmaking reputation that rivals that of Hollywood.

In addition, the House of Representatives voted last year 355 to 66 to limit the foreign oil tax credit. There are many good reasons for this limitation, not the least of which is that continuation of the credit encourages exploration for and consumption of foreign oil rather than American oil. By limiting this credit, we can raise $800 million in revenues that would not have to be extracted from the working public. The Obey amendment restates the intention of the House to limit that credit.

Thus, while balancing the budget and keeping actual outlays $4 billion below the Senate budget resolution, we can provide additional funding to programs of major importance to our Nation as a whole and individuals and communities across the Nation.

For example, the Obey amendment would restore $200 million for youth education and employment programs, essential if we are ever to break the iron grip of unemployment among our young people. According to some estimates, it costs the Federal Government $20 billion for each 1 percent added to the unemployment rate. Obviously, we cannot cure deficit spending by adding to the unemployment rate.

Obey would restore $25 million in outlays for EPA construction grants. This is crucial for States which depend on these grants to finance sewer construction and other environmental projects. Connecticut presently has only enough funds for 1 more month of sewer construction. Under the House Budget Committee resolution, EPA construction grants for the rest of fiscal year 1980 would be completely cut off, but Obey would restore an important $25 million for this purpose nationwide.

Obey would restore $90 million of the $102 million cut from impact aid by the President. These funds are of extreme importance to those school districts with large numbers of military dependents whose parents live and work on a military base.

Obey would have the Federal Government follow more closely its moral obligation to the veterans of this Nation by providing an additional $75 million in outlays for veterans' benefits and services, thus restoring those funds cut from the VA hospital staff and increasing GI bill education benefits by an additional 2 percent. Also, Obey would provide an additional $60 million for a more intensive reservist recruitment drive. The shortage of qualified reservists has long been one of the most serious problems facing our military. This effort is of great importance if we are to begin improving the readiness of our army to field adequate forces in the event of a conflict.

Obey would also restore or increase a total of $115 million for programs that relate to basic human survival needs—$50 million for low-income fuel assistance so fewer people have to face the stark choice between heating and eating, $40 million for the child health assurance program, which would provide coverage superior to existing medicaid coverage for low-income children and pregnant women, and restoration of $25 million for elderly nutrition and social services.

As I pointed out earlier, our Nation is facing many stark economic choices, and no segment of our society looks forward to having their Federal funds cut off. But, as I also stated earlier, we owe it to our Nation to insure that these necessary cuts are distributed as fairly as possible. I strongly believe that the Obey amendment, in addition to firmly containing Federal spending, meets this test of fairness and thus provides a better opportunity to effectively fight inflation than does the House Budget Committee resolution. However, if the Obey amendment fails, it is my intention to provide total support for the House Budget Committee resolution.●

The CHAIRMAN. The question is on the amendment in the nature of a substitute offered by the gentleman from Wisconsin (Mr. OBEY).

The question was taken; and the Chairman announced that the ayes appeared to have it.

RECORDED VOTE

Mr. GIAIMO. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 201, noes 213, not voting 18, as follows:

[Roll No. 208]

AYES—201

Addabbo
Akaka
Ambro
Anderson, Calif.
Andrews, N. Dak.
Annunzio
Applegate
Aspin
Atkinson
AuCoin
Bailey
Baldus
Barnes
Beard, R.I.
Bedell
Beilenson
Benjamin
Biaggi
Bingham
Blanchard
Boland
Boner
Bonior
Bonker
Bouquard
Brademas
Brodhead
Brown, Calif.
Brown, Ohio
Buchanan
Burton, John
Burton, Phillip
Byron
Carr
Cavanaugh
Chisholm
Clausen
Clay
Cleveland
Clinger
Coelho
Collins, Ill.
Conte
Corman
D'Amours
Daschle
Davis, Mich.
Dellums
Dicks
Diggs
Dingell
Dixon
Dodd
Donnelly
Dougherty
Downey
Drinan
Duncan, Tenn.
Early
Eckhardt
Edgar
Edwards, Calif.
Emery
Erdahl
Ertel
Evans, Del.
Evans, Ind.
Fary
Fazio
Ferraro
Fisher
Florio
Foley
Ford, Mich.
Ford, Tenn.
Frost
Garcia
Gaydos
Gilman
Gonzalez
Gore
Gray
Green
Guarini
Hagedorn
Hall, Ohio
Hanley
Harkin
Harris
Hawkins
Heckler
Heftel
Hollenbeck
Holtzman
Horton
Howard
Hughes
Jeffords
Johnson, Calif.
Jones, Tenn.
Kastenmeier
Kildee
Kogovsek
Kostmayer
Lederer
Lent
Lowry
Lujan
Lundine
McDade
McHugh
Maguire
Markey
Marks
Mathis
Matsui
Mavroules
Mica
Mikulski
Miller, Calif.
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Mollohan
Mottl
Murphy, N.Y.
Murphy, Pa.
Musto
Myers, Pa.
Natcher
Nedzi
Nolan
Nowak
Oakar
Oberstar
Obey
Ottinger
Patten
Patterson
Pease
Pepper
Perkins
Petri
Peyser
Price
Pursell
Quillen
Rahall
Rangel
Ratchford
Richmond
Rinaldo
Rodino
Roe
Rosenthal
Roybal
Sabo
Santini
Scheuer
Schroeder
Seiberling
Shannon
Simon
Smith, Iowa
Snowe
Solarz
Solomon
Spellman
Spence
St Germain
Stack
Staggers
Stark
Steed
Stewart
Stokes
Studds
Swift
Tauke
Thompson
Traxler
Udall
Van Deerlin
Vento
Volkmer
Walgren
Wampler
Waxman
Weaver
Weiss
Williams, Mont.
Williams, Ohio
Wolff
Wolpe
Wyatt
Yates
Yatron
Young, Alaska
Zablocki
Zeferetti

NOES—213

Abdnor
Albosta
Alexander
Andrews, N.C.
Anthony
Archer
Ashbrook
Ashley
Badham
Bafalis
Barnard
Bauman
Bennett
Bereuter
Bethune
Bevill
Boggs
Bolling
Bowen
Breaux
Brinkley
Broomfield
Broyhill
Burgener
Burlison
Butler
Campbell
Carney
Carter
Chappell
Cheney
Coleman
Collins, Tex.
Conable
Conyers
Corcoran
Cotter
Courter
Crane, Daniel
Crane, Philip
Daniel, Dan
Daniel, R. W.
Danielson
Dannemeyer
Davis, S.C.
de la Garza
Deckard
Derrick
Derwinski
Devine
Dickinson
Duncan, Oreg.
Edwards, Ala.
Edwards, Okla.
English
Erlenborn
Evans, Ga.
Fascell
Fenwick
Findley
Fish
Fithian
Flippo
Forsythe
Fountain
Fowler
Frenzel
Fuqua
Gephardt
Giaimo
Gibbons
Gingrich
Ginn
Glickman
Goldwater
Goodling
Gradison
Gramm
Grassley
Grisham
Gudger
Guyer
Hamilton
Hammerschmidt
Hance
Hansen
Harsha
Hefner
Hightower
Hillis
Hinson
Holland
Holt
Hopkins
Hubbard
Huckaby
Hutto
Hyde
Ichord
Ireland
Jacobs
Jeffries
Jenkins
Johnson, Colo.
Jones, N.C.
Jones, Okla.
Kelly
Kemp
Kindness
LaFalce
Lagomarsino
Latta
Leach, Iowa
Leach, La.
Leath, Tex.
Lee
Lehman
Levitas
Lewis
Livingston
Lloyd
Loeffler
Long, La.
Long, Md.
Lott
Luken
Lungren
McClory
McCloskey
McCormack
McDonald
McEwen
McKay
McKinney
Madigan
Marlenee
Marriott
Martin
Mattox
Michel
Miller, Ohio
Mineta
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Murtha
Myers, Ind.
Neal
Nelson
Nichols
O'Brien
Panetta
Pashayan
Paul
Pickle
Porter
Preyer
Pritchard
Quayle
Railsback
Regula
Rhodes
Ritter
Robinson
Rose
Rostenkowski
Roth
Rousselot
Royer
Rudd
Runnels
Russo
Satterfield
Sawyer
Schulze
Sebelius
Sensenbrenner
Sharp
Shelby
Shumway
Shuster
Skelton
Smith, Nebr.
Snyder
Stangeland
Stanton
Stenholm
Stockman
Stratton
Stump
Symms
Synar
Taylor
Thomas
Trible
Ullman
Walker
Watkins
White
Whitehurst
Whitley
Whittaker
Whitten
Wilson, Bob
Wilson, Tex.
Winn
Wirth
Wright
Wydler
Wylie
Young, Fla.
Young, Mo.

NOT VOTING—18

Anderson, Ill.
Beard, Tenn.
Brooks
Coughlin
Dornan
Hall, Tex.
Jenrette
Kazen
Kramer
Leland
Mazzoli
Moffett
Murphy, Ill.
Reuss
Roberts
Vander Jagt
Vanik
Wilson, C. H.

□ 1900

The Clerk announced the following pairs:

On this vote:

Mr. Charles H. Wilson of California for, with Mr. Jenrette against.

Mr. Moffett for, with Mr. Dornan against.

Mr. Leland for, with Mr. Kramer against.

Mr. Beard of Tennessee for, with Mr. Vander Jagt against.

Mr. PRICE changed his vote from "no" to "aye."

Mr. LEHMAN changed his vote from "aye" to "no."

So the amendment in the nature of a substitute was rejected.

The result of the vote was announced as above recorded.

AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. OTTINGER

Mr. OTTINGER. Mr. Chairman, I offer an amendment in the nature of a substitute which has been printed in the RECORD and is made in order by the rule.

The Clerk read as follows:

Amendment in the nature of a substitute offered by Mr. OTTINGER: Strike all after the resolving clause and insert in lieu thereof the following:

That the Congress determines and declares, pursuant to section 301(a) of the Congressional Budget Act of 1974, that for the fiscal year beginning on October 1, 1980—

(1) the recommended level of Federal revenues is $630,300,000,000 and the amount by which the aggregate level of Federal revenues should be increased is $23,700,000,000;

(2) the appropriate level of total budget authority is $713,000,000,000;

(3) the appropriate level of total budget outlays is $628,300,0000,000;

(4) the amount of the surplus in the budget which is appropriate in the light of economic conditions and all other relevant factors is $2,000,000,000; and

(5) the appropriate level of the public debt is $926,800,000,000 and the amount by which the statutory limit on such debt should accordingly be increased is $30,100,000,000.

SEC. 2. Based on allocations of the appropriate level of total new budget authority and of total budget outlays as set forth in paragraphs (2) and (3) of the first section of this resolution, the Congress determines and declares pursuant to section 301(a)(2) of the Congressional Budget Act of 1974 that for the fiscal year beginning on October 1, 1980. the appropriate level of new budget authority and the estimated budget outlays for each major functional category are as follows:

(1) National Defense (050):

(A) New budget authority, $162,800,000,000;

(B) Outlays, $149.300,000,000.

(2) International Affairs (150):

(A) New budget authority, $24,600,000,000;

(B) Outlays, $9,800,000,000.

(3) General Science, Space, and Technology (250):

(A) New budget authority, $6,900,000,000;

(B) Outlays. $6.400,000,000.

(4) Energy (270):

(A) New budget authority, $8,000,000,000;

(B) Outlays, $8,700.000,000.

(5) Natural Resources and Environment (300):

(A) New budget authority, $13,300,000,000;

(B) Outlays. $13,100.000,000.

(6) Agriculture (350):

(A) New budget authority, $5,500,000,000;

(B) Outlays, $2,400.000.000.

(7) Commerce and Housing Credit (370):

(A) New budget authority, $6,100,000,000;

(B) Outlays, $900,000.000.

(8) Transportation (400):

(A) New budget authority, $23,600,000,000;

(B) Outlays, $20,500.000.000.

(9) Community and Regional Development (450):

(A) New budget authority, $9,900,000,000;

(B) Outlays. $9,900,000,000.

(10) Education, Training, Employment and Social Services (500):

(A) New budget authority, $35,000,000,000;

(B) Outlays, $62.400,000,000.

(11) Health (550):

(A) New budget authority, $72,200,000,000.

(B) Outlays, $62,400,000.000.

(12) Income Security (600):

(A) New budget authority, $254,100,000,000;

(B) Outlays, $222,800,000,000.

(13) Veterans Benefits and Services (700):

(A) New budget authority, $22,100,000,000;

(B) Outlays, $21,400,000,000.

(14) Administration of Justice (750):

(A) New budget authority, $4,700,000,000;

(B) Outlays, $4,700,000,000.

(15) General Government (800):

(A) New budget authority, $4,800,000,000;

(B) Outlays, $4,700,000,000.

(16) General Purpose Fiscal Assistance (850):

(A) New budget authority, $9,600,000,000;

(B) Outlays, $9,600,000,000.

(17) Interest (900):

(A) New budget authority, $72,200,000,000;

(B) Outlays, $72,200,000,000.

(18) Allowances (920):

(A) New budget authority, $2,200,000,000;

(B) Outlays, $1,700,000,000.

(19) Undistributed Offsetting Receipts (950):

(A) New budget authority, −$24,600,000,000;

(B) Outlays, −$24,600,000,000.

SEC. 3. (a) The first section of the concurrent resolution entitled "concurrent resolution revising the Congressional budget for the United States Government for the fiscal years 1980, 1981, and 1982", approved November 28, 1979 (S. Con. Res. 53), is amended by striking out paragraphs (1), (2), (3), (4), and (5) and inserting in lieu thereof the following:

(1) the recommended level of Federal revenues is $528,800,000,000, and the amount by which the aggregate level of Federal revenues should be increased is $4,300,000,000;

(2) the appropriate level of total new budget authority is $661,100,000,000;

(3) The appropriate level of total budget outlays is $571,600,000,000;

(4) the amount of the deficit in the budget which is appropriate in the light of economic conditions and all other relevant factors is $42,800,000,000; and

(5) the appropriate level of the public debt is $896,700,000,000, and the amount by which the statutory limit on such debt should accordingly be increased is $17,700,000,000.

(b) Section 2 of such concurrent resolution is amended by striking out paragraph (1) and all that follows through the end of the section and inserting in lieu thereof the following:

(1) National Defense (050):

(A) New budget authority, $145,100,000,000;

(B) Outlays, $134,400,000,000.

(2) International Affairs (150).

(A) New budget authority, $13,800,000,000;

(B) Outlays, $11,200,000,000.

(3) General Science, Space, and Technology (250):

(A) New budget authority, $6,200,000,000;

(B) Outlays, $5,900,000,000.

(4) Energy (270):

(A) New budget authority, $41,000,000,000;

(B) Outlays, $7,200,000,000.

(5) Natural Resources and Environment (300):

(A) New budget authority, $12,600,000,000;

(B) Outlays, $13,000,000,000.

(6) Agriculture (350):

(A) New budget authority, $5,000,000,000;

(B) Outlays, $5,100,000,000.

(7) Commerce and Housing Credit (370):

(A) New budget authority, $10,200,000,000;

(B) Outlays, $6,200,000,000.

(8) Transportation (400):

(A) New budget authority, $21,000,000,000;

(B) Outlays, $20,600,000,000.

(9) Community and Regional Development (450):

(A) New budget authority, $9,400,000,000;

(B) Outlays, $9,100,000,000.

(10) Education, Training, Employment and Social Services (500):

(A) New budget authority, $31,300,000,000;

(B) Outlays, $30,700,000,000.

(11) Health (550):

(A) New budget authority, $60,300,000,000;

(B) Outlays, $56,600,000,000.

(12) Income Security (600):

(A) New budget authority, $223,400,000,000;

(B) Outlays, $190,100,000,000.

(13) Veterans Benefits and Services (700):

(A) New budget authority. $21,200,000,000;

(B) Outlays, $20,700,000,000.

(14) Administration of Justice (750):

(A) New budget authority, $4,400,000,000;

(B) Outlays, $4,600,000,000.

(15) General Government (800):

(A) New budget authority, $4,900,000,000;

(B) Outlays, $4,900,000,000.

(16) General Purpose Fiscal Assistance (850):

(A) New budget authority, $8,900,000,000;

(B) Outlays, $8,900,000,000.

(17) Interest (900):

(A) New budget authority, $64,500,000,000;

(B) Outlays, $64,500,000,000.

(18) Allowances (920):

(A) New budget authority, $100,000,000;

(B) Outlays, $100,000,000.

(19) Undistributed Offsetting Receipts (950):

(A) New budget authority,−$22,200,000,000;

(B) Outlays, −$22,200,000,000.

Amend the title so as to read: "Concurrent Resolution setting forth the Congressional budget for the United States Government for the fiscal year 1981 and revising the Congressional budget for the United States Government for the fiscal year 1980.".

Mr. OTTINGER (during the reading). Mr. Chairman, I ask unanimous consent that the amendment in the nature of a substitute be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. OTTINGER. Mr. Chairman, I am offering an amendment which adopts exactly the President's fiscal year 1981 budget proposed in January 1980, updated by the current figures supplied by the Congressional Budget Office and balanced by making tax reforms from a list of some $30 billion of tax loopholes that have long been suggested by tax experts.

I would like to say that my budget is probably the best documented of any budget that has been offered. This heavy book documents the budget item by item and supports the administration's position on every single item that is in this budget.

The President of the United States said of this budget just 2½ months ago: This budget is—and I quote—

> Prudent and responsible . . . this budget recognizes that equitable budget restraint is essential in our efforts to control inflation; that the unemployed should not bear the cost of our anti-inflation efforts; and most importantly, that we continue to pursue the goals of full employment, price stability and balanced growth.

Mr. Chairman, this is the last chance the members of this committee will have to restore some of the very damaging and drastic cuts that were made by the Committee on the Budget. This is the only budget that restores the full amount for veterans' benefits. It is supported by the Paralyzed Veterans of America and, with respect to this restoration, by other veterans' groups of the country.

This is the only amendment which restores the very damaging cuts in the Postal Service, and it is supported by the American Postal Workers Union, the National Rural Letter Carriers, and five other postal organizations.

This is the only budget that fully restores the cuts in job programs, job training programs and it is supported by the AFL–CIO, the UAW, the Machinists, the ILGWU, the AFGE, and a coalition of 147 public interest groups.

This is the only budget which will fully restore the drastic cuts that were made in assistance to our cities. It is supported by the U.S. Conference of Mayors, the National Urban League, and the National Urban Coalition.

This is the only budget that will restore the cuts that were made in health care funding, in funding for education, and in funding for the education of the handicapped that is so significant in school budgets. It is supported by the Coalition for Health Funding, the American Nurses Association, the National School Boards Association, and the AFT. It is supported, in addition, by many civic groups, including the League of Women Voters, the National Association of Social Workers, and the National Women's Political Caucus.

Mr. Chairman, let me quote from a letter that was received from Ray Denison, director of the Department of Legislation of the AFL–CIO:

> If the Ottinger substitute is not accepted, we would then urge that you reject a budget which makes spending cuts that will destroy 500,000 jobs, lower incomes, reduce purchasing power, as well as deepen and prolong the recession.

Mr. BIAGGI. Mr. Chairman, will the gentleman yield?

Mr. OTTINGER. I yield to the gentleman from New York.

Mr. BIAGGI. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I commend the gentleman from New York (Mr. OTTINGER) for this amendment and am sympathetic with his objectives, but I am concerned about that portion of the gentleman's amendment that assumes the institution of Coast Guard user charges for commercial shippers who utilize Coast Guard navigational aids. It does not seem to me to be prudent to base the budget resolution on such a doubtful assumption. Doubtful, because it is highly unlikely that legislation authorizing such user charges can be developed and enacted before the beginning of the next fiscal year.

It is apparent to me that there are a number of complex factors that must be taken into consideration in the development of user charge legislation for navigational aids. I can see that extremely difficult problems would arise in attempting to fairly allocate the costs of aids to navigation to the various users. On what basis would the fees be determined, and how would they be collected?

While there is a great deal of merit to the proposition that those who receive extraordinary services from the Government should pay for them, I have grave doubts that aids to maritime navigation are in that category. We must remember that those aids are not only for the benefit of ships and boats and their owners, but are also for the benefit of the general public. The facilitation of maritime commerce benefits the public generally, since it insures the more expeditious movement of both imports and exports. The enhancement of the safety of maritime commerce also benefits the public generally. When an aid to navigation helps prevent a tanker from running aground and spilling oil in the harbor or on the beaches, that aid is benefitting the public as well as the ship and its owner. How do we allocate the costs of aids to navigation as between the public and commercial shippers?

The budget resolution report speaks in terms of charging commercial shippers. Commercial shippers could well argue that this would unfairly single them out to bear the entire burden when maritime aids to navigation clearly also benefit fishing vessels and recreational vessels. Should they share the costs?

It is questions and considerations such as these that make me approach this proposition with extreme caution. Under the circumstances, I believe the wiser course would be not to base the budget resolution for fiscal year 1981 on the assumption that user charge legislation for maritime aids to navigation will be enacted during this session.

□ 1910

Mr. OTTINGER. If I may reclaim my time, because I have only limited time, what we have provided is a suggested list of possible ways that the committees could raise revenue. We are not saying that you have to accept any one revenue proposal. I include it as a possible way to raise revenue to balance the budget. It is not mandated.

Mr. PERKINS. Mr. Chairman, will the gentleman yield?

Mr. OTTINGER. I yield to the gentleman from Kentucky.

Mr. PERKINS. Mr. Chairman, I personally wish to compliment the distinguished gentleman for offering this amendment restoring so many cuts that would otherwise bring about unemployment and do much damage to our economy.

The CHAIRMAN. The time of the gentleman from New York (Mr. OTTINGER) has expired.

(By unanimous consent, Mr. OTTINGER was allowed to proceed for 5 additional minutes.)

Mr. OTTINGER. Mr. Chairman, I offer this amendment out of the very sincere conviction that what this country needs is revitalization and a very substantial investment in energy self-sufficiency to really tackle the problem of inflation. We need to become more productive so that we can compete effectively with the Japanese and the Europeans, who have modernized their plants and equipment and who today are stealing our domestic markets and a great many of our potential foreign markets.

I think that the cut proposed by the Budget Committee and the even more drastic cuts that will be offered tomorrow call for a shrinking, shriveling America, a much smaller economy that will not meet the challenges of the future.

I would like to strongly endorse the concept that was made by my colleague, the gentleman from New York (Mr. KEMP) in one of the most brilliant and inspiring speeches that I have heard on the floor of this body, saying that indeed we will not meet the needs of our future, indeed we will not even balance the budget, we will not be able to tackle inflation unless we make the investments necessary for an expanding economy that will provide the jobs that are needed for our people, that will provide for the modernization of our plants and equipment, that will see us able to compete effectively in the world markets.

While I do not entirely subscribe to the way that he would get at that, I think that that is essential. We presently have an economy that is in shambles. We have millions of people who are out of work at the present time and a budget that will throw a couple of million additional people out of work. When those people are out of work they will unbalance this budget or any of the other budgets that have been proposed. For every 1-percent increase in unemployment, it is now estimated by the Congressional Budget Office that we add something like $20 billion to the deficit.

So we are going to cycle downward, we are going to retrench, we are not going to meet the challenges of the future. And I think that that would be a tregedy. Indeed, as the economic policies are being pursued now, we already have the construction industry on its uppers. That is always the way recessions and depressions start. We have 200,000 people out of work in the automobile industry.

We are going to be confronted very shortly, I think by the time of the second budget resolution, with a real tragedy in this country, with millions of people out of work, with thousands and thousands of small businesses in bankruptcy, and even many of our larger institutions in trouble. Then do you know what is going to happen? This Congress is going to unite, and we are going to go on another big spending binge and we are going to have this country on a roller coaster such as we have had with economic cycles in the past.

I think that is totally unnecessary. I think the President's original budget was the minimum needed for this country.

Mr. SEIBERLING. Mr. Chairman, will the gentleman yield?

Mr. OTTINGER. I yield to the gentleman from Ohio.

Mr. SEIBERLING. Mr. Chairman, I think the gentleman has made a very cogent statement here. While, as he knows, it was my inclination not to support his amendment, in view of the decision which narrowly defeated the Obey amendment, it seems to me that the only alternative, if we want to see the kinds of programs funded that our party has stood for for many, many years, is to support the gentleman's amendment.

Mr. OTTINGER. I thank the gentleman for his support.

Mr. SEIBERLING. So I will support it, and I hope that it succeeds.

Mr. OTTINGER. Mr. Chairman, I would like to point out that this is by no means a radical budget. It is Jimmy Carter's budget submitted and supported by him extensively, a budget that just 2½ months ago many of us felt was insufficient to meet the needs of the country. It provides for the same $2 billion surplus that the Budget Committee does and leaves aside the $10½ billion in the imported oil fee, which I do not support. I feel that if that fee is voted down, it ought to be replaced with tax reforms such as I have proposed to give us the money that is necessary to have a Conable-Jones bill, or something like it, hopefully targeted to meet the capital needs of this country, to see us invest in the modernization of our equipment and to become energy self-sufficient.

Mr. Chairman, if you believe as I that current inflation is the result of the $90 billion we will pay this year for imported oil, from the loss of industrial productivity, from housing shortages, from inefficient medical delivery systems and from monopolization in many key industries;

If you believe as I that slashing the energy, housing and transportation budgets will aggravate inflation—that cutting job programs will result in increased unemployment, welfare payments and crime—that cutting programs for education, health care, veterans, the elderly and the poor is unconscionable and will jeopardize the strength of our Nation as a land of opportunity—and that cutting programs for the Nation's beleaguered cities will endanger our entire economic structure, threatening massive bankruptcy and deep depression;

If you believe as I that the budget cuts proposed by the President and the Budget Committee will have, as they themselves concede, an inconsequential 0.1 to 0.2 percent effect on inflation at enormous economic and social cost; and

If you believe as I that our Nation needs a massive revitalization effort, not slashing cuts that will result in a shrinking shriveling economy.

I urge you to support the Ottinger alternative budget.

Mr. BAUMAN. Mr. Chairman, will the gentleman yield?

Mr. OTTINGER. I yield to the gentleman from Maryland.

Mr. BAUMAN. Mr. Chairman, the question I want to put to the gentleman from New York is similar to the one I asked him the other day in one of his other speeches.

The gentleman says that this is the Carter budget. The last gentleman who offered a substitute, the gentleman from Wisconsin (Mr. OBEY), said that his was the Carter budget. I am sure that the committee will claim that theirs is the Carter budget.

Could we get the real Carter budget to stand up?

The CHAIRMAN. The question is on the amendment in the nature of a substitute offered by the gentleman from New York (Mr. OTTINGER).

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. OTTINGER. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 70, noes 336, not voting 26, as follows:

[Roll No. 209]

AYES—70

Addabbo
Anderson, Calif.
Barnes
Beard, R.I.
Bingham
Bonior
Brodhead
Burton, John
Burton, Phillip
Chisholm
Clay
Collins, Ill.
Conyers
Dellums
Diggs
Donnelly
Downey
Drinan
Eckhardt
Edwards, Calif.
Florio
Ford, Mich.
Ford, Tenn.
Garcia
Gray
Hawkins
Johnson, Calif.
Kastenmeier
Kildee
Kogovsek
Lederer
Markey
Mavroules
Miller, Calif.
Mitchell, Md.
Moakley
Nolan
Nowak
Oakar
Oberstar
Ottinger
Patten
Pepper
Perkins
Rahall
Rangel
Reuss
Richmond
Rodino
Rosenthal
Roybal
Scheuer
Seiberling
Shannon
Solarz
Staggers
Stark
Stewart
Stokes
Studds
Thompson
Udall
Vanik
Vento
Waxman
Weiss
Williams, Ohio
Yates
Yatron
Zeferetti

NOES—336

Abdnor
Akaka
Albosta
Alexander
Ambro
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Applegate
Archer
Ashbrook
Ashley
Aspin
Atkinson
AuCoin
Badham
Bafalis
Bailey
Baldus
Barnard
Bauman
Bedell
Beilenson
Benjamin
Bennett
Bereuter
Bethune
Bevill
Biaggi
Blanchard
Boggs
Boland
Bolling
Boner
Bonker
Bouquard
Bowen
Brademas
Breaux
Brinkley
Brown, Ohio
Broyhill
Buchanan
Burgener
Burlison
Butler
Byron
Campbell
Carney
Carr
Carter
Cavanaugh
Chappell
Cheney
Clausen
Cleveland
Clinger
Coelho
Coleman
Collins, Tex.
Conable
Conte
Corcoran
Corman
Cotter
Coughlin
Courter
Crane, Daniel
Crane, Philip
D'Amours
Daniel, Dan
Daniel, R. W.
Danielson
Dannemeyer
Daschle
Davis, Mich.
Davis, S.C.
de la Garza
Derrick
Derwinski
Devine
Dickinson
Dicks
Dingell
Dixon
Dodd
Dougherty
Duncan, Oreg.
Duncan, Tenn.
Early
Edgar
Edwards, Ala.
Edwards, Okla.
Emery
English
Erdahl
Erlenborn
Ertel
Evans, Del.
Evans, Ga.
Evans, Ind.
Fary
Fascell
Fazio
Fenwick
Ferraro
Findley
Fish
Fisher
Fithian
Flippo
Foley
Fountain
Fowler
Frenzel
Frost
Fuqua
Gaydos
Gephardt
Giaimo
Gibbons
Gilman
Gingrich
Ginn
Glickman
Goldwater
Gonzalez
Goodling
Gore
Gradison
Gramm
Grassley
Green
Grisham
Guarini
Gudger
Guyer
Hagedorn
Hall, Ohio
Hamilton
Hammerschmidt
Hance
Hanley
Hansen
Harkin
Harris
Harsha
Heckler
Hefner
Heftel
Hightower
Hillis
Hinson
Holland
Hollenbeck
Holt
Holtzman
Hopkins
Horton
Howard
Hubbard
Huckaby
Hughes
Hutto
Hyde
Ichord
Ireland
Jacobs
Jeffords
Jeffries
Jenkins
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kelly
Kemp
Kindness
Kostmayer
Lagomarsino
Latta
Leach, Iowa
Leach, La.
Leath, Tex.
Lee
Lehman
Lent
Levitas
Lewis
Livingston
Lloyd
Loeffler
Long, La.
Long, Md.
Lott
Lowry
Lujan
Luken
Lundine
Lungren
McClory
McCloskey
McCormack
McDade
McDonald
McEwen
McHugh
McKay
McKinney
Madigan
Maguire
Marks
Marlenee
Marriott
Martin
Mathis
Matsui
Mattox
Mica
Michel
Mikulski
Miller, Ohio
Mineta
Minish
Mitchell, N.Y.
Mollohan
Montgomery
Moore
Moorhead, Calif.
Mottl
Murhpy, N.Y.
Murphy, Pa.
Murtha
Musto
Myers, Ind.
Natcher
Neal
Nedzi
Nelson
Nichols
O'Brien
Obey
Panetta
Pashayan
Patterson
Paul
Pease
Petri
Peyser
Pickle
Porter
Preyer
Price
Pritchard
Quillen
Railsback
Ratchford
Regula
Rhodes
Rinaldo
Ritter
Roberts
Robinson
Roe
Rose
Rostenkowski
Roth
Rousselot
Royer
Rudd
Runnels
Russo
Sabo
Santini
Satterfield
Sawyer
Schroeder
Schulze
Sebelius
Sensenbrenner
Sharp
Shelby
Shumway
Shuster
Simon
Skelton
Smith, Iowa
Snowe
Snyder
Solomon
Spellman
Spence
St Germain
Stack
Stangeland
Stanton
Steed
Stenholm
Stockman
Stratton
Stump
Swift
Symms
Synar
Tauke
Taylor
Thomas
Traxler
Trible
Ullman
Van Deerlin
Vander Jagt
Volkmer
Walgren
Walker
Wampler
Watkins
Weaver
White
Whitehurst
Whitley
Whittaker
Williams, Mont.
Wilson, Bob
Wilson, Tex.
Winn
Wirth
Wolff
Wolpe
Wright
Wyatt
Wydler
Wylie
Young, Alaska
Young, Fla.
Young, Mo.
Zablocki

NOT VOTING—26

Anderson, Ill.
Anthony
Beard, Tenn.
Brooks
Broomfield
Brown, Calif.
Deckard
Dornan
Forsythe
Hall, Tex.
Jenrette
Johnson, Colo.
Kazen
Kramer
LaFalce
Leland
Mazzoli
Moffett
Moorhead, Pa.
Murphy, Ill.
Myers, Pa.
Pursell
Quayle
Smith, Nebr.
Whitten
Wilson, C. H.

☐ 1930

So the amendment in the nature of a substitute was rejected.

The result of the vote was announced as above recorded.

● Mr. DRINAN. Mr. Chairman, the House is on the verge of approving the first nondeficit budget since the congressional budgetary process began in 1974. But a balanced budget need not be a merciless one. Blacks, the poor, the handicapped, the elderly and the very young are already staggering from the effects of inflation. Let us not crush them completely with fiscal austerity.

The price of necessities—food, fuel, housing, and medical care—is already surging past the general inflation rate. Now is not the time to slash programs that help low-income people, the people who spend so much of their incomes for necessities. With inflation raging, and only 4 percent of private pensions protected by cost-of-living clauses, now is not the time to cut programs for the elderly.

The cost of attending private colleges and universities is increasing more rapidly than family income. It is not the right time to cut back on financial aid to students. The economy is tottering toward recession. Is this the time to cut back jobs programs as well?

The Ottinger amendment balances the budget without completely turning the Government's back on those who most need its protection. I commend the gentleman from New York (Mr. OTTINGER) for pointing out which wasteful programs can be cut. He has pointed out how revenue can be raised in a fair way. The budget does not have to be merciless.

I am particularly pleased that this amendment incorporates my proposal to increase the cigarette excise tax by a dime. If consumption remains stable, this tax will raise an additional $3 billion per year, bringing the annual total revenue from the cigarette tax to $5.4 billion. Since cigarette smoking costs the Treasury $5 to $8 billion annually in health care and disability expenses, it is altogether appropriate to place the economic burden of smoking on smokers.

The Federal cigarette excise tax has not been raised since 1951 when it was increased to 8 cents a package, or 37 percent of the average retail price. Today, the Federal cigarette tax constitutes only 14 percent of the retail price of a package of cigarettes. The 10-cent increase I propose will raise the tax to 27 percent, still well below the level established almost two decades ago.

Mr. Chairman, this amendment is the last opportunity we will have to demonstrate that fiscal austerity in the face of recession does not equal economic short-sightedness. I hope that my colleagues will accept a budget that preserves our ability to respond to human and economic needs.●

● Mr. RATCHFORD. Mr. Chairman, I rise today to express my strongest support for the Obey amendment to House Concurrent Resolution 307, the first budget resolution for fiscal year 1981.

We face an extremely difficult task in the months ahead as we try to shape a balanced budget for next year. There is little question of the importance of reaching a balanced budget, as a symbol of discipline in the fight against inflation. I remain confident that this house will endorse a balanced budget, but the challenge is to draft a budget responsive to our most pressing national needs.

Chairman GIAIMO of the House Budget Committee has shown invaluable leadership in bringing a balanced budget proposal to the floor. We must now shape a concensus in the House—developing priorities which we all can live with, and which respond to pressing domestic as well as international needs.

If we are to hold the budget in balance through 1981, we must support the Obey amendment, for the Obey amendment responds to needs that we ultimately cannot ignore. The amendment would restore $740 million in spending cuts which cut too deeply in these difficult economic times—in revenue sharing passed on to localities, in programs for youth employment, in rural and elderly housing, in fuel assistance and elderly nutrition programs, in veterans benefits and mass transit programs. The Obey amendment moves the balanced budget toward a responsible budget, one which does not abandon our collective responsibilities to those Americans most in need.

The issue in the Obey amendment is not a balanced budget, for the amendment leaves the budget in balance for fiscal year 1981. Rather, the issue before us today is one of prudence and compassion—and as we enter a recession, we cannot afford to neglect our domestic problems.

Mr. Chairman, I strongly urge my colleagues to approve the Obey amendment, and to give us a balanced budget we all can live with. The alternative is to throw this body into a bitter and divisive conflict, one which will destroy the consensus which is so essential in our fight against inflation.●

● Mr. DERWINSKI. Mr. Chairman, I support the Conable amendment to the budget resolution which would restore $2.3 billion in budget authority and $1.7 billion in outlays for the State share of general revenue sharing.

I am a strong supporter of the concept of revenue sharing and was one of its original cosponsors. My State of Illinois has made excellent use of its State revenue-sharing funds, and Governor Thompson of Illinois has expressed his support of the Conable amendment, which he believes will ease the problems the States will face in adjusting to massive cuts in Federal aid next year.

Cutting State revenue-sharing funds will make our States more dependent on categorical grant programs, thus perpetuating the bureaucratic machinery necessary to track, apply for and account for Federal funds.

Illinois has used a substantial portion of its State revenue-sharing funds for education. Therefore, I consider a vote for the Conable amendment a vote for continuing the fine educational system we have been able to build in the State of Illinois with the aid of revenue-sharing funds.●

● Ms. HOLTZMAN. Mr. Chairman, I rise in support of the amendments offered to the first budget resolution (H. Con. Res. 307) by Mr. Mitchell, Mr. Solarz, and Mr. Obey. Although there are some items in each of those amendments with which I disagree, they have earned my support because, within the confines of a balanced budget, each of the authors has attempted to reorder and redirect our national priorities in what I consider to be a more appropriate direction. The amendments would provide additional help for financially troubled cities, for the elderly, for mass transit, for the unemployed and for needy children, and would restore many of the unjustified cuts made in these areas by the House Budget Committee.●

AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MRS. HOLT

Mrs. HOLT. Mr. Chairman, I offer an amendment in the nature of a substitute.

The Clerk read as follows:

Amendment in the nature of a substitute offered by Mrs. Holt: Strike all after the resolving clause and insert in lieu thereof the following:

That the Congress hereby determines and declares, pursuant to section 301(a) of the Congressional Budget Act of 1974, that for the fiscal year beginning on October 1, 1980—

(1) the recommended level of Federal revenues is $613,800,000,000, and the amount by which the aggregate level of Federal revenues should be decreased is $10,300,000,000 and the amount by which the aggregate level of Federal revenues should be increased is $22,300,000,000;

(2) the appropriate level of total budget authority is $694,800,000,000;

(3) the appropriate level of total budget outlays is $611,800,000,000;

(4) the amount of the surplus in the budget which is appropriated in the light of economic conditions and all other relevant factors is $2,000,000,000;

(5) the appropriate level of the public debt is $926,800,000,000 and the amount by which the statutory limit on such debt should accordingly be increased is $30,100,000,000; and

(6) the appropriate level of total gross obligations for the principal amount of direct loans is $60,600,000,000 and the appropriate level of total commitments to guarantee loan principal is $79,600,000,000.

Sec. 2. Based on allocations of the appropriate level of total new budget authority and of total budget outlays as set forth in paragraphs (2) and (3) of the first section of this resolution, the Congress hereby determines and declares pursuant to section 301 (a)(2) of the Congressional Budget Act of 1974 that for the fiscal year beginning on October 1, 1980, the appropriate level of new budget outlays authority and the estimated budget outlays for each major functional category are as follows:

(1) National Defense (050):
(A) New budget authority, $166,600,000,000;
(B) Outlays, $153,000,000,000.
(2) International Affairs (150):
(A) New budget authority, $23,200,000,000;
(B) Outlays, $9,000,000,000.
(3) General Science Space, and Technology (250):
(A) New budget authority, $6,700,000,000;
(B) Outlays, $6,300,000,000.
(4) Energy (270):
(A) New budget authority, $7,400,000,000;
(B) Outlays, $7,000,000,000.
(5) Natural Resources and Environment (300):
(A) New budget authority, $11,800,000,000;
(B) Outlays, $12,200,000,000.
(6) Agriculture (350):
(A) New budget authority, $5,400,000,000;
(B) Outlays, $2,300,000,000.
(7) Commerce and Housing Credit (370):
(A) New budget authority, $5,100,000,000;
(B) Outlays, —$100,000,000.
(8) Transportation (400):
(A) New budget authority, $22,800,000,000;
(B) Outlays, $19,500,000,000.
(9) Community and Regional Development (450):
(A) New budget authority, $9,000,000,000;
(B) Outlays, $9,400,000,000.
(10) Education, Training, Employment and Social Services (500):
(A) New budget authority, $31,300,000,000;
(B) Outlays, $29,000,000,000.
(11) Health (550):
(A) New budget authority, $71,300,000,000;
(B) Outlays, $61,600,000,000.
(12) Income Security (600):
(A) New budget authority, $251,500,000,000;
(B) Outlays, $219,500,000,000.
(13) Veterans Benefits and Services (700):
(A) New budget authority, $21,700,000,000;
(B) Outlays, $21,200,000,000.
(14) Administration of Justice (750):
(A) New budget authority, $4,200,000,000;
(B) Outlays, $4,600,000,000.
(15) General Government (800):
(A) New budget authority, $4,700,000,000;
(B) Outlays, $4,600,000,000.
(16) General Purpose Fiscal Assistance (850):
(A) New budget authority, $6,200,000,000;
(B) Outlays, $6,800,000,000.
(17) Interest (900):
(A) New budget authority, $72,200,000,000;
(B) Outlays, $72,200,000,000.
(18) Allowances (920):
(A) New budget authority, —$1,700,000,000;
(B) Outlays, —$1,700,000,000.
(19) Undistributed Offsetting Receipts (950):
(A) New budget authority, —$24,600,000,000;
(B) Outlays, —$24,600,000,000.

Sec. 3. Pursuant to sections 301(b)(2) and 310 of the Budget Act:

(a)(1) the House Committee on Agriculture and the Senate Committee on Agriculture, Nutrition, and Forestry shall recommend program reductions for fiscal year 1981 in reported or enacted laws, bills, and resolutions that reduce spending by $1,120,000,000 in budget authority and $1,120,000,000 in outlays and are instructed to report on or before June 15, 1980, such recommendations to effectuate reductions in corresponding new budget authority for fiscal year 1981, budget authority initially provided for prior fiscal year 1981, budget authority provided for prior fiscal years, and new or existing spending authority for programs within the jurisdiction of those committees;

(2) the Senate Committee on Agriculture, Nutrition, and Forestry shall reduce spending for fiscal year 1981 in enacted laws, bills, and resolutions by $533,000,000 in budget authority, and $507,000,000 in outlays and is instructed to report on or before June 15, 1980, its recommendations for changes in new budget authority initially provided for prior fiscal years, and new or existing spending authority contained in enacted laws, bills, and resolutions within the jurisdiction of this committee sufficient to accomplish the reduction required by this subsection;

(b) the House Committee on Armed Services and the Senate Committee on Armed Services shall reduce spending for fiscal year 1981 in enacted laws, bills, and resolutions by $3,263,000,000 in budget authority and $3,188,000,000 in outlays and are instructed to report on or before June 15, 1980, their recommendations for changes in new budget authority for fiscal year 1981, budget authority initially provided for prior fiscal years, and new or existing spending authority contained in enacted laws, bills, and resolutions within the jurisdictions of those committees sufficient to accomplish the reduction required by this subsection;

(c) the House Committee on Education and Labor shall reduce spending for fiscal year 1981 in enacted laws, bills, and resolutions by $839,000,000 in budget authority and $786,000,000 in outlays, and is instructed to report on or before June 15, 1980, its recommendations for changes in new budget authority for fiscal year 1981, budget authority initially provided for prior fiscal years, and new or existing spending authority contained in enacted laws, bills, and resolutions within the jurisdiction of this committee sufficient to accomplish the reduction required by this subsection;

(d) the House Committee on Interstate and Foreign Commerce shall reduce spending for fiscal 1981 in reported or enacted laws, bills, and resolutions by $200,000,000 in budget authority and $270,000,000 in outlays and is instructed to report on or before June 15, 1980, its recommendations for changes in new budget authority for fiscal year 1981, budget authority initially provided for prior fiscal years, and new or existing spending authority contained in reported or enacted laws, bills, and resolutions within the jurisdiction of this committee sufficient to accomplish the reduction required by this subsection;

(e) the House Committee on Post Office and Civil Service and the Senate Committee on Governmental Affairs shall reduce spending for fiscal year 1981 in enacted laws, bills, and resolutions by $3,639,000,000 in budget authority and $4,204,000,000 in outlays and are instructed to report on or before June 15, 1980, their recommendations for changes in new budget authority for fiscal year 1981, budget authority initially provided for prior fiscal years, and new or existing spending authority contained in enacted laws, bills, and resolutions within the jurisdictions of those committees sufficient to accomplish the reduction required by this subsection;

(f)(1) the House Committee on Public Works and Transportation and the Senate Committee on Environment and Public Works shall recommend program reductions for fiscal year 1981 in enacted laws, bills, and resolutions that reduce spending by $400-000,000 in outlays and are instructed to report on or before June 15, 1980, such recommendations to effectuate reductions in corresponding outlays for programs within the jurisdiction of those committees;

(2) the House Committee on Public Works and Transportation shall reduce spending for fiscal year 1981 in enacted laws, bills, and resolutions by $150,000,000 in budget authority and $150,000,000 in outlays and is instructed to report on or before June 15, 1980, its recommendations for changes in new budget authority for fiscal year 1981, budget authority initially provided for prior fiscal years, and new or existing spending authority contained in reported or enacted laws, bills, and resolutions within the jurisdiction of this committee sufficient to accomplish the reduction required by this subsection;

(g) the House Committee on Veterans' Affairs and the Senate Committee on Veterans' Affairs shall reduce spending or recommend program reductions for fiscal year 1981 in enacted laws, bills, and resolutions by $400,000,000 in budget authority and $400,000,000 in outlays and are instructed to report on or before June 15, 1890, their recommendations to reduce spending, or to effectuate reductions, in new or corresponding budget authority for fiscal year 1981, budget authority initially provided for prior fiscal years, and new or existing spending authority contained in enacted laws, bills, and resolutions within the jurisdictions of those committees, or for programs within the jurisdictions of those committees, sufficient to accomplish the reduction required by this subsection;

(h) the House Committee on Ways and Means shall reduce spending for fiscal year 1981 in reported or enacted laws, bills, and resolutions by $717,000,000 in budget authority and $1,869,000,000 in outlays and is instructed to report on or before June 15, 1980, its recommendations for changes in new budget authority for fiscal year 1981, budget authority initially provided for prior fiscal years, and new or existing spending authority contained in reported or enacted laws, bills, and resolutions within the jurisdiction of this committee sufficient to accomplish the reduction required by this subsection;

(i) the Senate Committee on Commerce, Science, and Transportation shall reduce spending for fiscal year 1981 in enacted laws, bills and resolutions by $150,000,000 in budget authority; and $150,000,000 in outlays and is instructed to report on or before June 15, 1980 its recommendations for changes in new budget authority for fiscal year 1981, budget authority initially provided for prior fiscal years, and new or existing spending authority contained in enacted laws, bills, and resolutions within the jurisdiction of this committee sufficient to accomplish the reduction required by this subsection;

(j) the Senate Committee on Finance shall reduce spending for fiscal year 1981 in enacted laws, bills, and resolutions by $917,000,000 in budget authority and $2,069,000,000 in outlays and is instructed to report on or before June 15, 1980, its recommendations for changes in new budget authority for fiscal year 1981, budget authority initially provided for prior fiscal years, and new or existing spending authority contained in enacted laws, bills, and resolutions within the jurisdiction of this committee sufficient to accomplish the reduction required by this subsection.

(k) the Senate Committee on Labor and Human Resources shall reduce spending for fiscal year 1981 in enacted laws, bills, and resolutions by $306,000,000 in budget authority and $349,000,000 in outlays and is instructed to report on or before June 15, 1980, its recommendations for changes in new budget authority for fiscal year 1981, budget authority initially provided for prior fiscal years, and new or existing spending authority contained in enacted laws, bills, and resolutions within the jurisdiction of this committee sufficient to accomplish the reduction required by this subsection; and

(l) the House Committee on Ways and Means and the Senate Committee on Finance shall increase revenues for fiscal year 1981 in reported or enacted laws, bills, and resolutions by $22,200,000,000 and are instructed to report on or before June 15, 1980, their recommendations for changes in revenues for fiscal year 1981 contained in reported or enacted laws, bills, and resolutions within the jurisdictions of those committees sufficient to accomplish the increase required by this subsection.

SEC. 4. In accordance with section 301(b)(1) of the Budget Act, no bill or resolution providing new budget authority for fiscal year 1981 or providing new or existing spending authority described in section 401(c)(2)(C) of the Budget Act in excess of the allocation of the appropriate levels of total budget outlays and total new budget authority submitted pursuant to section 302(b) of the Budget Act, shall be enrolled until Congress has completed action on the second budget resolution for that fiscal year as required to be reported under section 310 of the Budget Act; and, if a reconciliation bill or reconciliation resolution, or both, are required to be reported under section 310(c), until Congress has completed action on that bill or resolution, or both.

SEC. 5. The Congress sets forth the following budgetary levels for fiscal years 1982 through 1983—

(1) the recommended level of Federal revenues is as follows:

Fiscal year 1982: $694,800,000,000;

Fiscal year 1983: $804,100,000,000;

and the amount by which the aggregate levels of Federal revenues should be increased or decreased is as follows:

Fiscal year 1982: +$300,000,000;

Fiscal year 1983: $000,000,000;

(2) the appropriate level of total new budget authority is as follows:

Fiscal year 1982: $768,300,000,000;

Fiscal year 1983: $842,000,000,000;

(3) the appropriate level of total budget outlays is as follows:

Fiscal year 1982: $684,400,000,000;

Fiscal year 1983: $753,200,000,000;

(4) the amount of the surplus in the budget which is appropriate in light of economic conditions and all other relevant factors is as follows:

Fiscal year 1982: $10,400,000,000;

Fiscal year 1983: $50,900,000,000;

(5) the appropriate level of the public debt is as follows:

Fiscal year 1982: $955,500,000,000;

Fiscal year 1983: $948,400,000,000.

(b) Based on allocations of the appropriate level of total new budget authority and of total budget outlays for fiscal years 1982 and 1983 as set forth above, the appropriate level of new budget authority and the estimated budget outlays for each major functional category are respectively as follows:

(1) National Defense (050):

Fiscal year 1982:

(A) New budget authority, $187,000,000,000;

(B) Outlays, $171,600,000,000.

Fiscal year 1983:

(A) New budget authority, $209,400,000,000;

(B) Outlays, $191,400,000,000.

(2) International Affairs (150):

Fiscal year 1982:

(A) New budget authority, $16,200,000,000;

(B) Outlays, $10,000,000,000.

Fiscal year 1983:

(A) New budget authority, $15,900,000,000;

(B) Outlays, $10,700,000,000.

(3) General Science, Space, and Technology (250):

Fiscal year 1982:

(A) New budget authority, $6,900,000,000;

(B) Outlays $6,700,000,000.

Fiscal year 1983:

(A) New budget authority, $7,000,000,000;

(B) Outlays, $6,900,000,000.

(4) Energy (270):

Fiscal year 1982:

(A) New budget authority, $8,500,000,000;

(B) Outlays, $10,400,000,000.

Fiscal year 1983:

(A) New budget authority, $10,100,000,000;

(B) Outlays, $11,600,000,000.

(5) Natural Resources and Environment (300):

Fiscal year 1982:

(A) New budget authority, $13,200,000,000;

(B) Outlays, $13,000,000,000.

Fiscal year 1983:

(A) New budget authority, $13,700,000,000;

(B) Outlays, $13,400,000,000.

(6) Agriculture (350):

Fiscal year 1982:

(A) New budget authority, $6,300,000,000;

(B) Outlays, $4,200,000,000.

Fiscal year 1983:

(A) New budget authority, $4,300,000,000;

(B) Outlays, $5,200,000,000.

(7) Commerce and Housing Credit (370):

Fiscal year 1982:

(A) New budget authority, $5,500,000,000;

(B) Outlays, $2,300,000,000.

Fiscal year 1983:

(A) New budget authority, $5,700,000,000;

(B) Outlays, $2,300,000,000.

(8) Transportation (400):

Fiscal year 1982:

(A) New budget authority, $22,300,000,000;

(B) Outlays, $20,500,000,000.

Fiscal year 1983:

(A) New budget authority, $24,500,000,000;

(B) Outlays, $22,200,000,000.

(9) Community and Regional Development (450):

Fiscal year 1982:

(A) New budget authority, $9,200,000,000;

(B) Outlays, $9,000,000,000.

Fiscal year 1983:

(A) New budget authority, $9,500,000,000;

(B) Outlays, $9,300,000,000.

(10) Education, Training, Employment, and Social Services (500):

Fiscal year 1982:

(A) New budget authority, $33,700,000,000;

(B) Outlays, $31,200,000,000.

Fiscal year 1983:

(A) New budget authority, $38,200,000,000;

(B) Outlays, $36,500,000,000.

(11) Health (550):

Fiscal year 1982:

(A) New budget authority, $83,000,000,000;

(B) Outlays, $70,000,000,000.

Fiscal year 1983:

(A) New budget authority, $94,800,000,000;

(B) Outlays, $79,100,000,000.

(12) Income Security (600):

Fiscal year 1982:

(A) New budget authority, $289,200,000,000;

(B) Outlays, $248,900,000,000.

Fiscal year 1983:

(A) New budget authority, $317,700,000,000;

(B) Outlays, $273,900,000,000.

(13) Veterans Benefits and Services (700):

Fiscal year 1982:

(A) New budget authority, $23,400,000,000;

(B) Outlays, $22,800,000,000.

Fiscal year 1983:

(A) New budget authority, $25,000,000,000;

(B) Outlays, $24,400,000,000.

(14) Administration of Justice (750):

Fiscal year 1982:

(A) New budget authority, $4,300,000,000;

(B) Outlays, $4,500,000,000.

Fiscal year 1983:

(A) New budget authority $4,400,000,000;

(B) Outlays, $4,600,000,000.

(15) General Government (800):

Fiscal year 1982:

(A) New budget authority, $5,000,000,000;

(B) Outlays, $4,700,000,000.

Fiscal year 1983:

(A) New budget authority $4,900,000,000;

(B) Outlays, $4,800,000,000.

(16) General Purpose Fiscal Assistance (850):

Fiscal year 1982:

(A) New budget authority, $6,400,000,000;

(B) Outlays, $6,400,000,000.

Fiscal year 1983:

(A) New budget authority, $6,500,000,000;

(B) Outlays $6,500,000,000.

(17) Interest (900):

Fiscal year 1982:

(A) New budget authority, $73,600,000,000.

(B) Outlays, $73,600,000,000.

Fiscal year 1983:

(A) New budget authority, $76,500,000,000;

(B) Outlays, $76,500,000,000.

(18) Allowances (920):

Fiscal year 1982:

(A) New budget authority, $1,900,000,000;

(B) Outlays, $1,900,000,000.

Fiscal year 1983:

(A) New budget authority, $3,600,000,000;

(B) Outlays, $3,600,000,000.

(19) Undistributed Offsetting Receipts (950):

Fiscal year 1982:

(A) New budget authority, —$27,300,000,000;

(B) Outlays, —$27,300,000,000.

Fiscal year 1983:

(A) New budget authority, —$29,700,000,000;

(B) Outlays, —$29,700,000,000.

SEC. 6. S. Con. Res. 53 is revised to read as follows:

(a) (1) the recommended level of Federal revenues is $528,800,000,000 and the amount by which the aggregate level of Federal revenues should be increased is $4,300,000,000;

(2) the appropriate level of total new budget authority is $660,200,000,000;

(3) the appropriate level of total budget outlays is $571,600,000,000;

(4) the amount of the deficit in the budget which is appropriate in the light of economic conditions and all other relevant factors is $42,800,000,000;

(5) the appropriate level of the public debt is $896,700,000,000 and the amount by which the statutory limit on such debt should accordingly be increased is $17,700,000,000.

(b) (1) National Defense (050):

(A) New budget authority, $142,500,000,000;

(B) Outlays, $134,200,000,000.

(2) International Affairs (150):

(A) New budget authority, $15,800,000,000;

(B) Outlays, $10,700,000,000.

(3) General Science, Space, and Technology (250):

(A) New budget authority, $6,100,000,000;

(B) Outlays, $5,900,000,000.

(4) Energy (270):

(A) New budget authority, $40,300,000,000;

(B) Outlays, $6,400,000,000.

(5) Natural Resources and Environment (300):

(A) New budget authority, $12,300,000,000;

(B) Outlays, $13,200,000,000.

(6) Agriculture (350):

(A) New budget authority, $5,000,000,000;

(B) Outlays, $5,900,000,000.

(7) Commerce and Housing Credit (370):

(A) New budget authority, $11,600,000,000;

(B) Outlays, $6,100,000,000.

(8) Transportation (400):

(A) New budget authority, $21,000,000,000;

(B) Outlays, $20,100,000,000.

(9) Community and Regional Development (450):

(A) New budget authority, $8,700,000,000;

(B) Outlays, $9,200,000,000.

(10) Education, Training, Employment and Social Services (500):

(A) New budget authority, $29,900,000,000;

(B) Outlays, $30,100,000,000.

(11) Health (550):

(A) New budget authority, $59,900,000,000;

(B) Outlays, $56,500,000,000.

(12) Income Security (600):

(A) New budget authority, $224,700,000,000;

(B) Outlays, $191,700,000,000.

(13) Veterans Benefits and Services (700):

(A) New budget authority, $21,000,000,000;

(B) Outlays, $20,300,000,000.

(14) Administration of Justice (75):

(A) New budget authority, $4,300,000,000;

(B) Outlays, $1,400,000,000.

(15) General Government (800):

(A) New budget authority, $4,500,000,000;

(B) Outlays, $4,400,000,000.

(16) General Purpose Fiscal Assistance (850):

(A) New budget authority, $8,800,000,000;

(B) Outlays, $8,800,000,000.

(17) Interest (900):

(A) New budget authority, $65,100,000,000;

(B) Outlays, $65,100,000,000.

(18) Allowances (920):

(A) New budget authority, $1,000,000,000;

(B) Outlays, $900,000,000.

(19) Undistributed Offsetting Receipts (950):

(A) New budget authority, —$22,300,000,000;

(B) Outlays, —$22,300,000,000.

SEC. 7. The Congress urges the President to study and review the current inflation measure for indexing Federal programs, and to submit his findings and recommendations for the most appropriate cost-of-living measure within sixty days after passage of this budget resolution.

Mrs. HOLT (during the reading). Mr. Chairman, I ask unanimous consent that the amendment in the nature of a substitute be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentlewoman from Maryland?

There was no objection.

Mr. GIAIMO. I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. BOLLING, Chairman of the Committee of the Whole House on the State of the Union, reported that the Committee, having had under consideration the concurrent resolution (H. Con. Res. 307) setting forth the congressional budget for the U.S. Government for the fiscal years 1981, 1982, and 1983 and revising the congressional budget for the U.S. Government for the fiscal year 1980, had come to no resolution thereon.

REQUEST TO MEET AT 10 O'CLOCK TOMORROW

Mr. ROSTENKOWSKI. Mr. Speaker, I ask unanimous consent that when the House adjourns today, it adjourn to meet at 10 o'clock tomorrow morning.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

Mr. BAUMAN. Mr. Speaker, reserving the right to object, may I ask the gentleman from Illinois, if we come in at 10 o'clock tomorrow morning, what time can we expect to adjourn?

Mr. ROSTENKOWSKI. Mr. Speaker, if the gentleman will yield, certainly we would like to conclude the consideration of this legislation. We are in hopes, naturally, that we will conclude before 5:30 in the afternoon; however, if there are obvious delaying tactics, that would certainly delay the possibility.

Right now, it is the intention of the leadership to adjourn the House tomorrow at 5:30, whether the legislation is concluded or not.

Mr. BAUMAN. Well, further reserving the right to object, I certainly know of no one who ever engages in delaying tactics in this House and I would not countenance that myself; but we might reach a point about 5 o'clock tomorrow where another hour or two would conclude and many Members, I know in conversation with both of us, have mentioned that they have reservations for planes at 3:30 or 4.

It seems to me a matter of this import ought to be voted by most of the Members of the House, even if it means putting it off until next week.

Mr. ROSTENKOWSKI. Well, I could not agree more with the gentleman, except that any reservations made at 3 or 4 o'clock in the afternoon are certainly done with full knowledge that it would be the intention of the leadership to work until at least 5:30 tomorrow night.

Mr. BAUMAN. But habits are hard to break, and if I could have the gentleman's guarantee that we will conclude at 5:30, no matter where we are, I think that would simplify the request.

The SPEAKER. The answer to that is "no."

Mr. BAUMAN. Well, Mr. Speaker, I object.

The SPEAKER. Objection is heard.

The House will meet at 11 o'clock tomorrow morning.

REQUEST FOR PERMISSION TO FILE CONFERENCE REPORT ON H.R. 2313, FEDERAL TRADE COMMISSION IMPROVEMENTS ACT OF 1979

Mr. SCHEUER. Mr. Speaker, I ask unanimous consent that the managers may have until midnight tonight to file a conference report on the bill (H.R. 2313), Federal Trade Commission Improvements Act of 1979.

The SPEAKER. Is there objection to the request of the gentleman from New York?

Mr. ROUSSELOT. Mr. Speaker, reserving the right to object, could the gentleman explain what this conference was about? Is this the FTC bill?

Mr. SCHEUER. Exactly.

Mr. ROUSSELOT. What if we do not get consent tonight, what happens?

Mr. SCHEUER. Getting consent tonight would expedite our process in going before the Committee on Rules. As the gentleman knows, the FTC has to engage in a sort of a lugubrious process now of closing down at midnight and putting their files in storage, when it is perfectly common knowledge that we have achieved a consensus on the conference report with the House and Senate conferees, that we are going to hopefully get a rule tomorrow or Tuesday and come before this House. We are putting them to an inordinate expense in what is strictly a dog and pony show that is not real. In terms of the taxpayers' interest, I think we ought to cut it short and getting unanimous consent to file our report tonight, rather than waiting for a prescribed period, will cut our losses on this absurd and totally unnecessary wastage of the taxpayers' funds.

Mr. ROUSSELOT. Well, further reserving the right to object, did the gentleman get agreement with our colleague, the gentleman from Illinois (Mr. Russo) on this issue? How are we coming along on that?

Mr. SCHEUER. I did not see any need to get agreement from the gentleman from Illinois (Mr. Russo) on the question of asking for unanimous consent.

Mr. ROUSSELOT. I notice the gentleman from Illinois (Mr. Russo) is not here, and I know the gentleman was somewhat concerned.

Mr. SCHEUER. Yes; the gentleman from Illinois (Mr. Russo) was unhappy at some of the compromises that we made. A lot of other people were unhappy. I am unhappy myself at many of the compromises that were made; but that is the process. That is the conference process. When we try to achieve unanimity between the House and the Senate, very frequently not everybody is satisfied and that is the way it worked out in the case of the gentleman from Illinois (Mr. Russo).

Mr. ROUSSELOT. Mr. Speaker, I am constrained to object.

The SPEAKER. Does the Chair understand that the gentleman from California objected?

Mr. ROUSSELOT. Yes, Mr. Speaker.

The SPEAKER. Objection is heard.

AGENT ORANGE: THE CONTINUING VIETNAM WAR

(Mr. PANETTA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

● Mr. PANETTA. Mr. Speaker, the war in Vietnam continues for many Vietnam veterans who were exposed to agent orange. This time, these veterans are fighting for compensation to cover medical treatment for diseases associated with agent orange and its contaminant, dioxin. Dioxin, of course, has been proven to be carcinogenic and teratogenic—causing birth defects—in laboratory animals. In addition, the U.S. Environmental Protection Agency this past year banned the use of dioxin due to its association with abnormally high rates of birth defects and miscarriages.

During the 10-year period between 1962 and 1971 the Air Force sprayed over 10 million gallons of agent orange over much of Vietnam, exposing an estimated 2.4 million American soldiers and perhaps several thousand marines. But these loyal veterans have been told by the Veterans' Administration that the burden of proof is on them. Under current law, there is no "presumption" that a particular illness resulted from exposure to agent orange during service. Without proving that the illness is service connected the veteran does not receive compensation. The problem is that it is all but impossible for a veteran to prove that his illness is related to a service-connected exposure to agent orange which occurred more than 10 years ago.

As a veteran of the Vietnam era, and as a member of the Caucus of Vietnam Veterans in Congress, I have been deeply disturbed at the reluctance of our Government to make good on its commitments to Vietnam veterans. The war itself was bad enough. Why can we not begin to take responsibility for meeting the legitimate needs of these veterans? Because of my concern for the welfare of these veterans, I have advocated the enactment of a number of important reforms in VA programs to serve the needs of Vietnam veterans. The ongoing readjustment counseling program is a step in the right direction, but more progress is needed. I am 1 of 48 Members who has cosponsored legislation introduced by Congressman Daschle to include exposure to agent orange in the list of VA recognized diseases which are presumed to be service connected.

That list already contains over 40 diseases. Inclusion of agent orange on that list would be a major step in winning the confidence of the Vietnam veteran in the integrity of the U.S. Government. Failure to move forward on this issue would only serve to reinforce the veteran's conviction that the Government is not to be trusted. Alienation is not what we need during these times of national tragedy and challenge. We can least of all afford to turn our backs on those who served with dignity in a war which divided the country.

So I hope that my colleagues will cosponsor H.R. 6377 to include agent orange-related illnesses on the VA's presumed list. It is truly the least we can do for those who have suffered enough pain and trauma because of their service to the country.●

KISSINGER ON FOREIGN AFFAIRS

(Mr. COLLINS of Texas asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. COLLINS of Texas. Mr. Speaker, the events of the past week give America cause to reevaluate our foreign policy. When Henry Kissinger was Secretary of State, America had a sound, consistent foreign policy. At the recent American Society of Newspaper Editors meeting, Henry Kissinger outlined and summarized his views on where we have been and where we are going. With the current changes in the State Department, the Kissinger viewpoint should be studied.

I considered Cyrus Vance the most capable member of President Carter's Cabinet. It was a setback for the Nation with his resignation from the Cabinet. However, we can all understand the frustrations of Cyrus Vance. We hope that Senator Edmund Muskie will serve as well as the new Secretary of State.

The Kissinger period as Secretary of State was one of the greatest eras of the Department of State. Kissinger established America's prestige and leadership throughout the world.

To summarize the Kissinger statement, I read an excellent report in Time magazine. Here is the way Time summed up the Kissinger viewpoint:

Dour Tour—Kissinger Gives His World View

The contrast between the two approaches to U.S. foreign policy could hardly have been more marked. President Carter, addressing the American Society of Newspaper Editors, concentrated almost entirely on two specific crises, Iran and Afghanistan, and strongly defended his actions in each. The next speaker, former Secretary of State Henry Kissinger, went far beyond those issues to deliver a sweeping global critique. He charged the Administration with lacking a world view that would produce a consistent policy and offered one of his own in a dour tour d'horizon of impressive scope.

"I happen to agree with President Carter that the danger to our country is the gravest in the modern period," said Kissinger. "We are sliding toward a world out of control, with our relative military power declining, with our economic lifeline increasingly vulnerable to blackmail, with hostile radical forces growing in every continent, and with the number of countries willing to stake their future on our friendship dwindling." To reverse these trends, said Kissinger, the U.S. must grapple with four interrelated issues:

(1) The Balance of Military Power. It is shifting so rapidly against the U.S., said Kissinger, that in a future confrontation "like that in Cuba in 1962 or the Mideast alert in 1973, it will be the Soviet Union which will possess the quantitative superiority in strategic weapons." The dan-

ger, he said, "is less an imminent nuclear attack on us than an increased Soviet willingness to run risks in local conflicts." In such cases, said Kissinger, Soviet superiority in conventional arms could no longer be offset by a credible threat of U.S. nuclear retaliation. "The present Administration has compounded the problem by systematically deprecating the role of power, by canceling or stretching out every strategic program it inherited."

(2) The Geopolitical Equation. Said Kissinger: "By this I mean the alignments and assessments that determine whether moderates friendly to us or radicals hostile to us dominate key regions; whether our alliances are vital or sliding toward lassitude." He left no doubt which way he thought the tide was running: "Precariously situated countries in the Middle East see the Soviet-supported Cuban advance coming up through Africa to Ethiopia right across the Red Sea. To them the Soviet invasion of Afghanistan now overshadows the Persian Gulf like the northern arm of a great pincer. And they see no effective resistance. Somewhere, somehow, the United States must show that it is capable of rewarding a friend or penalizing an opponent." Otherwise, he said, the "inevitable effect is to accelerate the demoralization of all moderate allies, driving friends toward neutralism and neutrals toward radicalism."

(3) Revolutionary Upheaval. The Carter Administration, said Kissinger, has encouraged revolts against right-wing regimes in the belief "that by demonstrating our moral values and concern for human rights we will gain the approbation of mankind and thus outflank the Soviets. [But] reality is more complex. It is a hard fact that some societies whose security is vital to us—particularly in the Persian Gulf—are governed by authoritarian conservative regimes." While the U.S. should not defend the status quo everywhere, "Iran should teach us that humane values are not necessarily served by the overthrow of conservative regimes."

(4) U.S.-Soviet Relations. "We have confused the Soviet leaders by inconsistent pronouncements and unpredictable reactions. We repeatedly rejected 'linkage,' which would have made progress in areas in which the Soviets had a stake, such as trade or SALT, dependent on Soviet restraint in exploiting tensions. [But] when Soviet troops moved to the Khyber Pass, we suddenly rediscovered linkage with a vengeance." In negotiations with the Soviet Union, the U.S. should try to "spell out the limits of acceptable conduct," offering concessions only after making clear that "the era of proxy forces, military pressures and encouragement of terrorists must be ended."

In conclusion, Kissinger held out one hope: in five years or so, "the certainty is that Soviet domestic problems will mount" and limit foreign adventurism. "The Kremlin's dilemma is that one cannot run a modern economy with total planning, but it may also be impossible to run the Soviet system without such planning." But that hope also implies a threat: the Soviets will be tempted to push their advantages to the limit in the intervening period. So in the next five years, Kissinger warned, "we face a period of maximum danger."

☐ 1940

IMPACT OF WORLDWIDE RECESSION

The SPEAKER pro tempore (Mr. MUSTO). Under a previous order of the House, the gentleman from Pennsylvania (Mr. GAYDOS) is recognized for 60 minutes.

Mr. GAYDOS. Mr. Speaker, I rise today to discuss a matter of significant importance to all the members of the Congressional Steel Caucus, as well as every Member of the House of Representatives. These matters involve the impact of the worldwide recession on the steel industry, the suspension of the trigger price mechanism, and the administration of the new trade laws.

Prior to the enactment of the Trade Agreements Act of 1979, the officers of the Congressional Steel Caucus delivered testimony before the House Trade Subcommittee regarding the multilateral trade pact and its implementing legislation.

In that testimony, we presented our views about the importance of the trade pact in the context of the implementing legislation and its potential impact on the domestic steel industry.

While we recognized that wholesale dumping, various forms of Government subsidization, and other unfair trade practices would never be completely eliminated, we believed that the ability of our domestic laws to offset the effects of unfair trade practices should not be impeded.

During floor debate, I joined my colleagues in support of this legislation particularly with regard to a number of provisions to tighten administration of the antidumping and countervailing duty laws, to restrict authority to resolve cases "politically," and to better insure that cases are resolved strictly on their merits.

However, I qualified my support by cautioning my colleagues that the trade pact, together with necessary changes contained in the implementing legislation, was not a complete solution to all our international trade problems.

I expressed the view that our expectations must be governed by the economic realities of a threatening worldwide recession and the impact it may have on our domestic steel industry. In previous discussions, my colleagues in the caucus concurred that it would be unwise to lift the trigger price mechanism prematurely. Therefore, we recommended its retention to allow sufficient time for the multilateral trade pact and implementing legislation to take full effect.

Finally, we observed that the effectiveness of this legislation required firm commitment from the administration to administer and enforce our trade laws fairly.

The Trade Agreements Act passed by an overwhelming margin in the House, 395 ayes to 7 noes, reflecting broad consensus on the part of Government, business, and labor in favor of the more liberal trade policy represented by the multilateral trade negotiations.

Today, it is apparent that our worst expectations may be coming true concerning the impact of a worldwide recession on the domestic steel industry, the life expectancy of the TPM and certain potentially harmful events related to the administration of the new trade law.

At this point in time, the international economic situation, as it affects our domestic steel industry is still not encouraging. For example, the share of our market supplied by foreign producers is currently running at a rate of 16.2 percent and is expected to increase.

Since 1969, employment in production and sales of steel products has declined 17 percent from 544,000 to 449,000 in 1978 (a total of 95,000 jobs). In addition, the often mentioned statistic still holds true—approximately 4,000 to 5,000 domestic steel employees are displaced for every 1 million tons of steel imports.

It is sad that the United States is the only modern industrial nation that cannot fulfill its domestic steel requirements. It is clear that imports have contributed significantly to the erosion of the American steel industry's ability to meet the needs of the domestic market.

On March 21, 1980, United States Steel Corp. filed a series of antidumping petitions against seven European nations, prompting the Commerce Department to suspend the trigger price mechanism for monitoring prices of imported steel.

The caucus is convinced that the Commerce Department's decision to suspend the TPM will have a negative, long-term impact on the health of the domestic steel industry and the general economy, contributing to further plant closings, job losses, and community dislocations. Two and a half years of progress will be quickly eroded as domestic producers begin to take lengthy and costly legal steps against foreign steel producers with no guarantee of success in stopping the flow of unfairly priced imports.

In particular, the smaller steel producers will be unable to compete against Government-owned or subsidized foreign steel producers who are certain to continue to unload their excess steel inventories in this country at prices below their production costs.

The trigger price mechanism was originally designed as a supplementary technique to provide the industry with quicker, more comprehensive relief from unfair trade practices than existed. It was never intended to act as a substitute for traditional procedures under our trade laws. In this regard, it has provided limited benefit for the industry by offering a partial method for insuring that imports represent fair competition in the domestic market.

It makes no sense to eliminate a useful trade enforcement tool and thereby penalize an entire industry because a corporation justifiably wishes to exercise its legal prerogatives. Accordingly, we firmly believe that the TPM, in conjunction with recent refinements in the trade laws, can effectively deal with unfairly priced steel imports if proper adjustments are made to account for its deficiencies.

Accordingly, we have recommended that the trigger price mechanism be retained, that the program be refined to account for steel imports from the EEC, and that the administration coordinate the TPM with the enforcement of our newly enacted trade laws.

U.S. STEEL CASE

The U.S. Steel petitions are the first major ones to be filed under the recently enacted Trade Agreements Act. They are the first real test of that statute and the intent of Congress that the law provide an efficient and fair remedy from the effects of dumping in the American market.

On April 17, 1980, the U.S. International Trade Commission held a staff conference to hear general public testimony in connection with the U.S. Steel petitions against the Europeans. Together with the other officers of the caucus, I presented testimony on the present condition of the domestic steel industry and the importance of the ITC proceedings.

We took extreme care not to comment on the merits or demerits of the U.S. Steel case inasmuch as the decision to initiate an antidumping investigation had been reached a week earlier, and in our judgment, it would be improper to impose any views on the case to the commission.

On the deadline for filing written statements, April 23, 1980, the Department of Justice and the Council on Wage and Price Stability submitted comments on the various aspects of the pending ITC investigation.

We are concerned about the injection of these agencies' views into these proceedings. While both executive branch agencies have the right to submit statements to the Trade Commission based on a "proper interest" in these matters, there is a real concern about the appearance of these coordinated filings as a signal by the administration to the ITC that the petitions should be dismissed without a thorough investigation of the allegations of injury to the domestic steel industry.

The Trade Agreements Act of 1979 was carefully designed to separate the administration of individual cases filed under this law from the trade policy functions of the Federal Government. However, the coordinated filings of these two agencies, with little opportunity for rebuttal by "interested parties" may well be perceived as an effort to inject policy considerations into the ITC's independent adjudicatory function—precisely the situation which the recent law was structured to eliminate.

It is our view that the Trade Agreements Act was intended to provide a procedure for a thorough and objective review of complaints of injury from unfair import competition based on well defined statutory criteria. We firmly believe that the domestic steel industry, the communities in which it has facilities, and our Nation are entitled to just such a full and objective hearing without interference by other agencies of the U.S. Government.

The effective administration and fair enforcement of our trade laws is vital to the health of our domestic industries and, therefore, we have contacted the President and requested him to confirm to us that the briefs submitted by the Justice Department and the Council on Wage and Price Stability do not represent any effort on the part of the administration to affect the determination of the International Trade Commission.

We will keep the membership advised of any new developments and will report back when we have received a response. I can assure my colleagues in the House of Representatives that we will continue to closely monitor the administration and enforcement of our trade laws.

□ 1950

At this time I yield to my colleague, the gentleman from Pennsylvania (Mr. WALGREN).

Mr. WALGREN. Mr. Speaker, I thank the gentleman for yielding. I just want very briefly to say how much I think as one member of the leadership that the gentleman in the well and the gentleman from Indiana (Mr. BENJAMIN) and other officers of the Steel Caucus have given to the House in those efforts to restrain steel imports. I would like to associate myself with the remarks of the gentleman from Pennsylvania (Mr. GAYDOS). It is really very distressing and frustrating to wonder why we cannot get the administration to come with us fully in the enforcement of the laws Congress has passed with respect to trade imports, especially when those imports have such a harmful effect on the people we represent.

Just yesterday we went through a technical budget amendment requiring an increase in the deficit of some $4 billion or thereabouts, a substantial part of which was to fill up the cap for trade adjustment assistance one more time. It is plain to all of us that that has a direct impact on the defiit, to say nothing of a direct impact of unemployment on the problems of people in our communities. So it is with frustration that I object to the administration's approach to the enforcement of the laws in the steel protection area and hope that we can make some progress through the unity of the Steel Caucus in the future.

Again, I thank the gentleman for yielding.

Mr. GAYDOS. I do want to mention at this time that we have approximately 125 signatures on the letter to the President, regarding the Justice Department and Council on Wage and Price Stability briefs.

At this time I would like to recognize the gentleman from Indiana (Mr. BENJAMIN) who as chairman of the executive committee of the Congressional Steel Caucus, has demonstrated persistent, creative, and effective leadership in dealing with the many complex and sensitive steel issues that affect our Nation. I commend the gentleman from Indiana for his hard work and dedication, I now yield to the chairman of the executive committee, Mr. BENJAMIN.

□ 2000

Mr. BENJAMIN. Mr. Speaker, I am particularly appreciative of the remarks of the gentleman in the well, the outstanding chairman of the Steel Caucus of the House of Representatives. I commend him and congratulate him on his statement today. I join him in this special order.

I support and subscribe fully to the tenets, the philosophy, the concepts and the specifics of the gentleman's statement and congratulate the gentleman on being the finest exponent in this Congress for a viable steel industry.

Mr. Speaker, I also rise to discuss what I consider to be an unwarranted intrusion by the Department of Justice and the Council on Wage and Price Controls into what should be a simple administrative determination. Recent amendments to our trade policies have attempted to separate the administration of individual cases filed under the antidumping legislation from the trade policy functions of the Federal Government.

The executive committee of the House Steel Caucus yesterday sent the President a letter indicating our concern about the recent injection of views by Justice and COWPS and the interpretation which may be made that their views are those of the administration.

It appears to me that if Justice and COWPS feel it necessary to testify, maybe Labor should testify as well regarding the effects of imports on our labor market and Commerce should testify as well regarding the effects of imports on the balance of trade. In fact, we could have attorneys from each of the agencies and departments put together briefs explaining their viewpoints and could bog the International Trade Commission (ITC) down so thoroughly they will never have a chance to take an objective look at the facts to determine if the "facts reasonably indicate that an industry in the United States could possibly be suffering material injury * * *" (Ways and Means Committee report, page 52 on Trade Agreements Act of 1979.)

The Antidumping Act as amended by the Trade Act Agreements of 1979 directs the ITC to look at a variety of factors, including whether the volume of imports is significant, whether there has been a significant increase in the volume of imports absolutely or relative to production or consumption in the United States, whether there has been significant price undercutting, and whether there has been price suppression or depression. In assessing the impact on an industry, the act directs the Commission to examine all pertinent economic factors, including the effect on sales, return on investment, cash flow, profits, ability to raise capital and employment, among others. In laying out this range of factors Congress intended that the Commission aproach its task with flexibility so that the special problems and characteristics of an industry would receive full attention and consideration.

These provisions allow the ITC to thoroughly review the petitions which are presented before them in an effort to insure that domestic industries are not being unfairly injured by import competition.

The Department of Justice has taken it upon itself to review the petitions and to "conclude that the ITC should dismiss each of these petitions at the conclusion of this preliminary investigation because each fails to set forth sufficient evidence to demonstrate a reasonable indication of material injury, or threat thereof, to the domestic steel industry by reason of the imports described in the petition."

Justice has indicated that they have a "proper interest" in the subject matter of this preliminary investigation due to their special responsibility within the executive branch for preventing undue interference with competition, and for protecting the interest of consumers and taxpayers against excessive costs arising from unduly restricted markets.

How can Justice be serving to promote the public interest if they are vetoing the investigation of the ITC into unfair trade practices which are damaging our domestic industries.

It is ITC's position to determine if there are indeed unfair trade practices occurring which are causing injury. If the Justice Department or COWPS have information which would help the ITC in making such a determination, by all means they should relay this information to ITC, but please refrain from editorializing.

For Justice to be making recommendations on how the ITC should decide and the criteria they should use for investigation should the ITC decide to continue their investigation is not only presumptuous but an attempt to apply undue pressure on ITC.

I am equally concerned that the ITC should view the briefs submitted by Justice and COWPS as a reflection of the administration's policies. If Justice and COWPS are not speaking for the administration then this should be made perfectly clear to ITC and all involved.

When I testified before the ITC on April 17 I shared with ITC my concerns on the state of our domestic steel industry. I submitted the facts and figures I had collected to them for their review and consideration. I pointed out to the ITC the fact that approximately 4,700 steelworkers employed in March of last year are not employed today in northwest Indiana. I pointed out that if each ton of steel represents 4,000 to 5,000 steelworkers jobs, then the total cost in jobs for Northwest Indiana in the past years is 11,000 to 13,750 jobs.

My statement concluded that—

> The plight of the steel industry in this Nation, and particularly in northwest Indiana, demands your attention, consideration and deliberation under the full use of United States Law.

I do not presume to tell the ITC what decision they should make or how they should make it, even though Congress designed the structure for making such a decision. Such a decision must be left in the hands of the ITC if we are to insure that everyone involved should receive a fair and thorough hearing, without the unnecessary element of political pressure.

Thank you for allowing me to share my views with you today.

Mr. GAYDOS. Mr. Speaker, I wish to thank the chairman of the executive committee.

At this time I recognize the gentleman from Pennsylvania (Mr. BAILEY), my colleague from an adjacent congressional district and an active member of the caucus.

Mr. BAILEY. Mr. Speaker, May I take just a short time to state my strong and unequivocal support for my very able chairman the gentleman from Pennsylvania (Mr. GAYDOS) for the remarks he has made here today.

Mr. Speaker, the issue, often touted, is succinctly stated, as the chairman stated earlier in his statement, one of fair trade. I cannot add to what has been said here today except to urge broad and hopefully unanimous support here in the Congress for the views expressed by the gentleman from Pennsylvania (Mr. GAYDOS) and the gentleman from Indiana (Mr. BENJAMIN) which I heartily endorse.

Mr. GAYDOS. Mr. Speaker, I want to thank the gentleman from Pennsylvania (Mr. BAILEY).

Mr. Speaker, I now yield to a member of the executive committee, the gentleman from Pennsylvania (Mr. MURTHA).

Mr. MURTHA. Mr. Speaker, I want to join the gentleman from Pennsylvania (Mr. GAYDOS) and the gentleman from Indiana (Mr. BENJAMIN) in chiding the administration for allowing the Department of Justice to insinuate that there is no injury in these dumping charges. For instance, I have 12.1 percent unemployment in my district. All they have to do is come down to Johnstown, Pa., and they will find out there is substantial injury which evolves from foreign dumping.

Mr. Speaker, I had the pleasure of talking to a Japanese legislator in my office today. I very forcefully brought to his attention the fact that steel dumping from Japan and Europe is very detrimental to the workers in this country and something has to be worked out.

I think the work that has been done by the Steel Caucus and the work that has been done by the gentleman from Pennsylvania (Mr. GAYDOS) as chairman and the work done by the gentleman from Indiana (Mr. BENJAMIN) has been instrumental in keeping down the amount of foreign imports, helping to keep American jobs in America. The thing that concerns me is the Department of Justice has taken it upon itself to insist that there is no injury. That is absolutely incorrect.

Mr. Speaker, I understand they are not speaking for the administration. In talking to some of the economic advisors at the White House today, they tell me that the Department of Justice was absolutely not speaking for the White House in this particular instance. I know we sent a letter from our executive committee today and I hope they will be able to clear that up. I am hopeful that the ITC will rule that there has been substantial injury and will be able to go forward with these cases. In the end I ultimately predict we will be able to work something out to restore the trigger price mechanism.

Mr. Speaker, I want to say that I applaud the work done by our chairman, the gentleman from Pennsylvania (Mr. GAYDOS) and the work done by the members of the Steel Caucus. One hundred seventy Members have worked with the administration, with the unions, and with the companies to try to do something to keep steel at an unfair price out of the United States.

I commend our chairman and I hope we will be able to get this straightened out and that ITC will rule there is injury and we will be able to get on with getting Americans back to work.

Mr. GAYDOS. The gentleman's comments remind me of some facts which the Justice Department should have examined in its recent brief. I am referring to our recent consideration of the budget and the increasing costs of trade adjustment assistance. If there is no injury to our domestic industries from imports, then why is there a need to make substantial increases in trade adjustment assistance for the unemployed. The point is that workers are indeed losing their jobs due to imports of color televisions, shoes, and steel products.

I think that it is important to remember that as steel imports take a greater share of our domestic market, the more dependent we become on foreign sources of steel. This situation becomes particularly critical when a worldwide steel shortage develops and we are forced to pay premiums for steel to meet our domestic needs. In the end, our domestic steel capability is diminished, our national security is endangered, and the consumer has to pay higher prices for products.

Mr. Speaker, I yield to the gentleman from Pennsylvania (Mr. BAILEY), my colleague.

Mr. BAILEY. Mr. Speaker, I thank my chairman, the gentleman from Pennsylvania (Mr. GAYDOS).

Mr. Speaker, allow me to add one little experience I had. I had occasion a year or so ago to speak with Secretary Marshall concerning some of the problems in the steel industry. The issue of productivity came up. Of course, tied to the issue of productivity was the fundamental concept, the fundamental problem in the industry of capital formation. It is very difficult for us as members of the steel caucus to blame an industry that is fighting unfair competition, not having sufficient profit margin available to it, especially given some of our environmental restrictions which we as a government have placed upon the industry, for them to meet the requirements, the necessary capital formation requirements to make the reinvestment that makes it a profitable and healthy industry when it is facing a dumping situation; that is, unfair allocations by foreign governments into their industries, selling their products here below cost.

☐ 2010

I just would like to take this opportunity again to compliment my chairman, JOE GAYDOS, and the Honorable ADAM BENJAMIN of Indiana, for all the work and leadership they have provided me as a new Member of Congress. It has provided a great education for me.

Mr. GAYDOS. I thank my colleague.

Mr. Speaker, I want to close by restating the intention of the Congressional Steel Caucus to closely monitor the administration and enforcement of our trade laws to assume their effectiveness. Thank you, Mr. Speaker.

GENERAL LEAVE

Mr. GAYDOS. Mr. Speaker, I ask unanimous consent that I may be permitted to revise and extend my remarks, and that all Members may have 5 legislative days in which to revise and extend their remarks, and include extraneous matter, on the subject of my special order.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

DISTURBING RESULTS OF THE DEPARTMENT OF ENERGY EMPLOYEES' SURVEY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Iowa (Mr. TAUKE) is recognized for 5 minutes.

● Mr. TAUKE. Mr. Speaker, the results of an opinion survey of DOE employees' perception of the Department of Energy are disturbing. As a Government agency run in the interest of the public, the DOE should be an organized, efficient, and effective institution. Instead, the survey results suggest that the Department is ineffectual, lethargic, biased, and mismanaged.

Ninety-four percent of the employees surveyed feel the merit promotion system at DOE does not insure the promotion of the best qualified candidate. Ninety-five percent believe certain candidates are preselected for jobs that are posted as vacant. Obviously, the employees view the merit promotion system as a complete failure.

Sixty-five percent of the employees believe their supervisors practice discrimination and 72 percent feel the equal employment program to be ineffectual. This should give us reason to investigate to determine if discrimination is a common practice at DOE.

Workers are also critical of the leadership of the DOE. Eighty percent perceive the management at DOE to be either poor or exhibit no leadership. Forty-eight percent of the employees believe the DOE to be in a state of chaos.

Finally, 67 percent of those surveyed are presently considering leaving DOE. Clearly, this high level of worker dissatisfaction shows major problems with management-labor relations at DOE and with the civil service system.

Agencies such as DOE carry out the work of the Government, and if Government is to be responsive, its agencies must be effective. I believe further investigation of the problems at DOE and of the civil service system is necessary to insure that Government is carrying out the public's wishes efficiently and effectively.●

CUBAN REFUGEES YEARN FOR FREEDOM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. PORTER) is recognized for 10 minutes.

● Mr. PORTER. Mr. Speaker, the following inscription in the Statue of Liberty is from "The New Colossus" by Emma Lazarus:

> Give me your tired, your poor,
> Your huddled masses yearning to breathe free,
> The wretched refuse of your teeming shore.
> Send these, the homeless, tempest-tost to me,
> I lift my lamp beside the golden door!

Mr. Speaker, in the wake of recent events in Iran, there is being played out on the pages of American history a story of immense importance just 90 miles from our coast. Over 10,000 Cubans, denied for 20 years the rights to cast ballots at the polls as promised originally by "maximum leader" Castro, have voted with their feet, joining Cubans numbering now almost 1 million who have fled the "Communist paradise" near our shores. We have seen a number of contrasts between communism and democracy. West Germany and East, South Korea and North, the Republic of China and the Peoples Democratic Republic of China. But none bears any greater witness to the bankruptcy of communism than the difference between the original promise of Fidel and the reality of the world he has created.

But, Mr. Speaker, what is our Government doing as people take to the open sea and its dangers—the only way made available to them by the maximum leader? Are we welcoming these people—this precious resource of belief in the majesty and truth of democracy? No, Mr. Speaker, we are not holding out our hands, we are not welcoming these refugees from a brutalized, tyrannical society. Rather we are threatening to penalize those who have worked to bring about a Dunkirk evacuation to carry these courageous people to freedom.

Mr. Speaker, the President of the United States—the President of a nation founded on flights from tyranny, a nation of refugees from totalitarianism—should wade out into the Atlantic Ocean to welcome with open arms these homeless, tempest-tost.

Have we so lost our understanding of what this Nation is and stands for that the extraordinary exodus from Cuba cannot shine in our eyes and in the eyes of people everywhere in the world yearning to be free in the torchlight of our Statute of Liberty. God help us if liberty is not as precious to us as to those beyond our shores who seek it and seek our help.●

ON THE DEATH OF LUIS MUNOZ-MARIN, PUERTO RICO'S FIRST ELECTED GOVERNOR

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. CLAUSEN) is recognized for 5 minutes.

● Mr. CLAUSEN. Mr. Speaker, with profound regret, I learned today of the death of Luis Munoz-Marin, Puerto Rico's first elected Governor. As a mainland member of the Ad Hoc Advisory Group on Puerto Rico, which Governor Munoz-Marin cochaired, I had the honor to experience firsthand his exemplary form of statesmanship. I know that other congressional members of that group—Senator Marlow W. Cook, Senator J. BENNETT JOHNSTON, Senator James L. Buckley, Congressman THOMAS S. FOLEY, and Resident Commissioner Jaime Benitez—share my deep grief.

Luis Munoz-Marin was first elected Governor of Puerto Rico in 1948 and served four terms in that capacity until his retirement in 1964. One of his greatest achievements was the conceptualization and formulization of the "commonwealth" association, hailed by many at that time as one of America's most notable political experiments. With imagination, he created "Operation Bootstrap" in the late 1940's, an economic program to enhance Puerto Rico's industrial development. Today, because of his foresight, Puerto Rico now possesses the most prosperous economy in the Caribbean.

Although I mourn his passing, his quest for social justice and human dignity will constitute his everlasting memorial. His life's work typifies for the Nation selfless dedication to society's betterment. May we all take heed and emulate his example.●

FORMER PRESIDENTS FACILITIES AND SERVICES ACT OF 1980

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from North Carolina (Mr. PREYER) is recognized for 5 minutes.

● Mr. PREYER. Mr. Speaker, during the 95th Congress I introduced legislation that was ultimately adopted as the Presidential Records Act of 1978. The legislation was prompted by the need to clarify the question of the ownership of Presidential papers. The shortcomings of the traditional view of private ownership of these records were of course thrust upon us all by the 1974 agreement between General Services Administrator Arthur Sampson and former President Nixon that acknowledged Mr. Nixon to be owner of the tapes and papers of his administration and gave him great license concerning the control and disposition of those materials.

Today I am introducing another important measure dealing with our former Chief Executives, called the Former Presidents Facilities and Services Reform Act of 1980. This legislation is designed to address a tradition which, though of more recent vintage, has become unnecessarily costly to the taxpayer. Its purpose is to place limits and restrictions on the many services and allowances provided to our former Presidents.

This bill is a companion to S. 2408, introduced by Senator CHILES and Senator PRYOR. The proposal, which evolved from 3 days of Senate hearings last November, is designed to halt the steep escalation in the cost of providing pensions and office allowances to former Presidents, physical protection, and the maintenance of Presidential libraries and museums. The total expenditure for these rose from approximately $64,000 in 1955 to a projected $22,000,000 in 1981.

The legislation would establish a central Presidential library in lieu of the current system allowing separate Presidential libraries to be set up for each succeeding administration; place ceilings on funds authorized for the staffs and office expenses of former Presidents; and limit the duration of Secret Service protection. Additionally, the bill bars the use of Federal funds by former Chief Executives for partisan political or income-generating purposes.

I believe the legislation represents a good attempt at balancing the needs of former Presidents and taxpayer interest in placing reasonable controls on Government expenditures. I support the thrust of this proposal and urge its full consideration by my colleagues.●

NATIONAL PARK SERVICE DIRECTOR BILL WHALEN: AN APPRECIATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. PHILLIP BURTON) is recognized for 5 minutes.

● Mr. PHILLIP BURTON. Mr. Speaker, Bill Whalen is leaving the post of Director of the National Park Service after 3 years of dedicated effort in this demanding job. I would like to call the attention of my colleagues to the accomplishments of Director Whalen during his administration.

The national park system has gone through a time of unprecedented growth under Director Whalen's leadership. The addition by Presidential proclamation of over 42,000,000 acres of superlative resources in Alaska more than doubled the size of the system at one stroke. This great expansion has placed burdens on the operating funds and personnel of the agency which are unavoidable, but the Director has moved rapidly to provide the needed presence for the agency in Alaska.

During this same time Congress has authorized major new responsibilities for the Service. Under Director Whalen's leadership, the National Park Service now has the opportunity to serve an enlarged urban constituency in both the Atlanta and Los Angeles metropolitan areas, due to the addition of the Chattahoochee River and Santa Monica Mountains National Recreation Areas. The expansion of Redwood National Park and the careful restoration of the enlarged area now being carried out by the agency will finally result in a national park there which is truly worthy of the name. Acts of Congress establishing the Lowell National Historical Park and securing protection for the Appalachian Trail have required new directions in cooperative management for the service in making these projects a reality. The many other new units of the national park system authorized last Congress, as well as numerous expansions of existing areas, have meant increased demands have been made of the agency and its leadership. In the 96th Congress, Director Whalen has presided over the addition of Channel Islands National Park to the national system.

I want to commend Bill Whalen for his leadership in other progress that has been made in the National Park Service. Some of these areas are:

A significant improvement in the opportunities made available for minority and female employees within the agency, including the first appointment of a black person as Chief of the U.S. Park Police and the first female regional director;

The establishment of a special populations division in the agency, and an expanded commitment to making the parks accessible to citizens who have not been able to enjoy the benefits of these areas;

The personal leadership of the Director in providing increased resource protection for the parks, including his leadership within the Department in defending air and water quality protection for the parks;

The forthright decisions he has made on such difficult issues as the Colorado River management plan in Grand Canyon National Park to insure that there will be continued opportunities for superlative experiences within the parks;

The upgrading of the ability of the agency to manage concession operations in the parks, including the initiative at Yellowstone National Park to reverse the decline in concession service to the park visitor;

The action of the Director to seek public involvement in the land acquisition program of the Agency; and

His personal leadership in moving forward important new legislative initiatives, such as his work to make a Martin Luther King, Jr., National Historic Site a reality.

Mr. Speaker, I commend Director Whalen for these and his many other accomplishments during his tenure as Director. Bill Whalen is a young executive with much to offer his country in public service. I look forward to working with Bill in whatever his future assignments may be.

The National Park Service is a remarkable Federal Agency composed of highly dedicated employees with a great sense of mission. I am confident that the agency will move ahead to build on the gains that have been made under Bill Whalen's leadership.●

EXPORT-IMPORT BANK FINANCING NOTIFICATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from North Carolina (Mr. NEAL) is recognized for 15 minutes.

● Mr. NEAL. Mr. Speaker, I am submitting to the House today a notification from the U.S. Export-Import Bank on proposed financing to make possible the sale of $600 million worth of U.S. goods and services to the Israel Electric Corp., Ltd., for construction of a power station at Zikim.

The Eximbank proposes to extend direct credits totaling $300 million for the first purchases by Israel Electric and has made a preliminary commitment to provide credits of the same amount for later purchases. The major U.S. suppliers will be Combustion Engineering, Inc., and the Westinghouse Corp.

This financing notification was referred to me as chairman of the Banking Committee's Subcommittee on International Trade, Investment and Monetary Policy. Section 2(b) (3) (i) of the Export-Import Bank Act of 1945, as amended, requires that the Bank notify the Congress of proposed loans or financial guarantees or combinations thereof of $100 million or more. Unless the Congress determines otherwise, the Eximbank may give final approval to the transaction after 25 days of continuous session of the Congress following notification.

I am submitting for the RECORD copies of correspondence from the Eximbank giving the terms and details of the proposed transaction. I would welcome any comments or questions my colleagues might have about this financing proposal.

The material follows:

EXPORT-IMPORT BANK
OF THE UNITED STATES,
Washington, D.C., April 23, 1980.

Hon. STEPHEN L. NEAL,
Chairman, Subcommittee on International Trade, Investment and Monetary Policy, Washington, D.C.

DEAR MR. CHAIRMAN: In accordance with Section 2(b) (3) (i) of the Export-Import Bank Act of 1945, as amended, I have reported to the President of the Senate and the Speaker of the House of Representatives on an application currently pending consideration by the Bank. I am taking the liberty of providing you with a copy of this statement.

Sincerely,
JOHN L. MOORE, Jr.

EXPORT-IMPORT BANK
OF THE UNITED STATES,
Washington, D.C., April 23, 1980.

SPEAKER OF THE HOUSE OF REPRESENTATIVES,
The Speaker's Room, Washington, D.C.

DEAR MR. SPEAKER: Pursuant to Section 2(b) (3) (i) of the Export-Import Bank Act of 1945, as amended, Eximbank hereby submits a statement to the United States Senate with respect to the following transaction involving U.S. exports to Israel.

A. DESCRIPTION OF TRANSACTION

1. Purpose

Eximbank is prepared to make available a credit of $170,000,000 to the Israel Electric Corporation Limited (IEC), Haifa, Israel, for the purchase of United States goods and services valued at $200,000,000 to be used by IEC for the construction of the new Southern Power Station at Zikim. Eximbank is also prepared to make available a credit of $30,000,000 to IEC to finance a portion of the local costs required for this project. The major United States suppliers will be Combustion Engineering, Inc. and Westinghouse Corporation.

The total construction costs of the Project are estimated to be $1,549,000,000. It is expected that an additional purchase of goods and services from the United States aggregating $300,000,000 will be required for the project. The remainder of the project cost which is comprised of local and third country goods and services will be provided in the form of supplier credits from West Germany, loans from non-Israeli and Israeli banks and local banks and IEC's own resources.

In addition to the credits proposed herein, Eximbank also has outstanding a preliminary commitment to provide (i) a direct credit of $255,000,000 to finance the aforementioned additional $300,000.000 of United States goods and services for the project and (ii) a direct credit of $45,000,000 to finance a portion of the local costs associated with the additional United States orders. A decision on the procurement of these U.S. goods and services is expected to be made by the IEC in October 1980.

2. Identity of parties

(a) Borrower: IEC is a government owned public utility responsible for generating and supplying electricity throughout Israel. They have been the recipient of Eximbank assistance in the past.

(b) Guarantor: The State of Israel will unconditionally guarantee payment of the indebtedness of IEC under the direct credits.

3. Nature and use of goods and services

The project will consist of four 550 MW units and all associated facilities. The goods to be exported and financed under the Credit are principally boilers and generators. The United States originated services consist of installation services, technical services, ocean freight charges on U.S. flag vessels and premiums for transit insurance underwritten by U.S. insurers.

The four units are scheduled to begin by December 31, 1986, 1987, 1988 and 1989. The exact commercial operation dates of the last two units, however, remain tentative.

B. EXPLANATION OF EXIMBANK FINANCING

1. Reasons

The Eximbank direct credits of $170,000,000 and $30,000,000 will facilitate the export of $200,000,000 of United States goods and services.

This transaction will have a favorable impact on employment for substantial numbers of United States workers, as well as on the United States balance of trade. None of the goods to be exported is in short supply in the United States, and Eximbank perceives no adverse impact on the United States economy from the export of these goods and services.

Combustion Engineering, Inc. and Westinghouse Corporation rely on foreign sales to maintain staffs while United States power equipment sales are depressed. Combustion Engineering, Inc. estimates that the order of four boilers will expend over 500,000 man-hours of labor. With respect to Combustion Engineering, Inc., the following table details the labor expended and that city's unemployment rate as of August 1979.

Unemployment location	Percentage rate	Man-hours
Chattanooga, Tenn	7.1	$50,000
East Chicago, Ind	5.2	40,000
St. Louis, Mo	5.7	95,000
Monongahela, Pa	5.8	20,000
Total		505,000

Using the Bureau of Labor Statistics assumption that $1 million worth of exports results in 83,200 man-hours of employment, this credit and the preliminary commitment result in over 41 million man-hours of employment.

Manufacturers from Canada and West Germany actively supported by the official export credit agencies in these countries, as well as from the United States have vigorously competed to obtain the contracts of supply. Although the boilers and generators have been awarded to U.S. suppliers, the turbines for the project have been awarded to a supplier in West Germany.

IEC plans construction of the new Southern Power Station to meet projected demand for power during the late 1980's. The demand increases are expected to continue increasing at 6.5 percent per year through 1986, such that the 1986 demand will reach 3045 MW. Eventual revised demand projections for 1990 may cause a change in the scheduling of the 3rd and 4th units at Zikim. With the exception of the coalfired Hadera northern plant, the bulk of IEC's power generation comes from three main oil-fired stations: Haifa, Eshkol, and Reading. Inasmuch as the country's supply of imported oil is constrained by political factors, IEC is planning to expand the supply of imported coal to fire the proposed "Southern Station" at Zikim. Much of the coal for the proposed plant is to be supplied from the United States.

2. The financing plan—Direct credits

The total cost of United States goods and services to be purchased under the proposed Credit for this project will be financed as follows:

	Amount	Percent of U.S. costs
Cash	$30,000,000	15
Eximbank credit	170,000,000	85
Total	200,000,000	100

(a) Eximbank Charges: The Eximbank credit will bear interest at the rate of 8.75 percent per annum, payable semi-annually. A commitment fee of 0.5 percent per annum will also be charged on the undisbursed portion of the Eximbank direct credit.

(b) Repayment Terms: The Eximbank credit will be repaid by IEC in 24 semiannual installments beginning June 30, 1988 which is the estimated mean in-service date of the four units.

The direct credit of $30,000,000 to finance local costs for the project will be repaid on the same terms and conditions as the credit for United States goods and services, i.e. an interest rate of 8.75 percent, a commitment fee of 0.5 percent, and in 24 semiannual installments beginning June 30, 1988.

3. The financing plan—Preliminary commitment

The financing plan under the Preliminary Commitment for the project is as follows:

	Amount	Percent of U.S. costs
Cash	$45,000,000	15
Eximbank credit	255,000,000	85
Total	300,000,000	100

(a) Eximbank charges: The Eximbank credit would bear interest at the rate of 8.75 percent per annum, payable semiannually. A commitment fee of 0.5 percent per annum will also be charged on the undisbursed portion of the Eximbank credit.

(b) Repayment terms: The Eximbank direct credit would be repaid by IEC in 24 semiannual installments beginning June 30, 1988, which is the estimated mean in-service date of the four units.

The direct credit of $45,000,000 to finance local costs for the project would be paid on the same terms and conditions as the credit for United States goods and services, i.e., an interest rate of 8.75 percent, a commitment fee of 0.5 percent and in 24 semiannual installments beginning June 30, 1988.

Attached is certain additional information on Eximbank activity in and economic data on the country involved in this transaction.

Sincerely,

John L. Moore, Jr.

Eximbank exposure in Israel as of March 31, 1980

[In millions of dollars]

Short-term insurance	$10.0
Medium-term insurance	1.6
Medium-term guarantees	6.5
Cooperative financing facility	39.8
Financial guarantees	222.6
Direct credits	192.0
Total	472.5

HISTORY

Eximbank was one of the first creditors of the new State of Israel in 1948 and has never had a default on a direct credit in 32 years of experience with public and private Israeli importers of U.S. goods and services.●

LONG ISLAND COUNCIL JROTC SECOND ANNUAL FIELD MEET

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from New York (Mr. Ambro) is recognized for 5 minutes.

● Mr. AMBRO. Mr. Speaker, I would like to take just a moment to point out to my colleagues an event which is occurring Saturday, May 17 in my Long Island, N.Y., congressional district that should serve as an inspiration to all of us.

On that day, the administrators and instructors of the Long Island Council of the Junior Reserve Officers Training Corps and the Air Force Association will hold the Second Annual JROTC Field Meet at Glen Cove High School in my Third Congressional District.

Since May 17 is Armed Forces Day, there is no more appropriate time for such a demonstration of patriotism and loyalty to this great Nation.

There are eight public high schools on Long Island that have Air Force or Navy JROTC programs, cumulatively enrolling over 900 cadets. These units are staffed by a select group of officers who each have more than 20 years of active duty experience.

The morning activities, featuring athletic and academic competition, will be followed by a formal military review of the participating units, inspection, competitive drills and the awarding of trophies. The U.S. Merchant Marine Academy Band, which also comes from Long Island and is recognized as one of the Nation's outstanding marching bands, will perform at the military review.

The support given to this event last year and the interest demonstrated in this, only the second year that it has been held, demonstrates the pride of all Long Islanders in the efforts and outstanding contributions our cadets and officers are making in the development of leadership and character in our young people.●

A TRIBUTE TO MILLIE DeMARCO

(Mr. AMBRO asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

● Mr. AMBRO. Mr. Speaker, I would like to take just a moment from the pressing business of this Chamber to bring to the attention of my colleagues the selfless devotion to the betterment of mankind of one resident of my Long Island, N.Y., congressional district, Mildred DeMarco of Farmingdale.

It is easy for those of us who labor full time in the service of our fellow citizens to lose sight of the contributions of those who must of necessity restrict their voluntary public service to evenings and weekends. For Millie DeMarco, helping the March of Dimes has been just such a labor of love for more than two decades.

This compassionate, devoted woman has been associated with the March of Dimes' Long Island chapter in both Nausau and Suffolk Counties on Long Island during that period. A member of the Long Island March of Dimes board of directors for 24 years, she now serves as treasurer of the organization and has chaired fundraising activities too numerous to mention to finance the war against birth defects. Her lifetime of contributions will be recognized by the Long Island March of Dimes on Sunday, June 8 at a special dinner dance in her lovely hometown of Farmingdale, the center of my congressional district. A March of Dimes scholarship also will be established in Millie's honor to be awarded to a graduating senior from Farmingdale High School.

Mr. Speaker, I ask all of my colleagues in this Chamber to join me in a tribute to this warm, wonderful woman—Mildred DeMarco of Farmingdale. I am proud to count her among my constituents, my supporters and my friends.●

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. Murphy of Illinois (at the request of Mr. Wright), for today, on account of illness in the family.

Mr. Hutto (at the request of Mr. Wright), until 4 p.m. today, on account of attending memorial services for five of the eight men killed in the rescue effort in Iran.

Mr. Fountain (at the request of Mr. Wright), until 1 p.m. today, on account of a necessary absence.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. Ambro, for 5 minutes, today (at the request of Mr. Bailey).

(The following Members (at the request of Mr. Sensenbrenner) to revise and extend their remarks and include extraneous material:)

Mr. Tauke, for 5 minutes, today.

Mr. Kemp, for 15 minutes, today.

Mr. Collins of Texas, for 10 minutes, today.

Mr. Porter, for 10 minutes, today.

Mr. Clausen, for 5 minutes, today.

(The following Members (at the request of Mr. Lowry) to revise and extend their remarks and include extraneous material:)

Mr. Gonzalez, for 15 minutes, today.

Mr. Annunzio, for 5 minutes, today.

Mr. Preyer, for 5 minutes, today.

Mr. Phillip Burton, for 5 minutes, today.

Mr. Zablocki, for 10 minutes, today.

Mr. Neal, for 15 minutes, today.

Ms. Holtzman, for 5 minutes, today.

Mr. Zablocki, for 60 minutes, on May 1.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. Corrada, to revise and extend his remarks, preceding the vote on the Solarz amendment.

Mr. Fountain, to include a personal statement in the Record immediately following the vote on the Conable amendment.

Mr. McClory, to revise and extend his remarks in connection with the motion on the previous question on the rule that was presented earlier today.

Mr. Rodino, to revise and extend his remarks at that point in the Record prior to the vote on the Mitchell amendment.

(The following Members (at the request of Mr. Sensenbrenner) and to include extraneous matter:)

Mr. Tauke.

Mr. Wydler.

Mr. Kemp in two instances.

Mr. Collins of Texas in three instances.

Mr. Lungren.

Mr. Michel in three instances.

Mr. Ashbrook in two instances.

Mr. Bob Wilson.

Mr. Paul in two instances.

Mr. Snyder.

Mr. Royer in two instances.

Mr. Courter.

Mr. Dougherty in two instances.

Mr. Pritchard.

Mr. Grisham.

Mr. Porter.

Mr. Duncan of Tennessee.

Mr. Lagomarsino.

Mrs. Smith of Nebraska.

(The following Members (at the request of Mr. Lowry), and to include extraneous matter:)

Mr. Atkinson.

Mr. Cotter in two instances.

Mr. Wolff in five instances.

Mr. Pease.

Mr. Addabbo.

Mr. Shelby.

Mr. Harris.

Mr. Hamilton.

Mrs. Schroeder.

Mr. Vento.

Mr. Lundine in two instances.

Mr. de la Garza in 10 instances.

Mr. Solarz in three instances.

Mr. Long of Louisiana in two instances.

Mr. Pepper.

Mr. Gaydos.

Mr. Florio.

Mr. Alexander.

Mr. Bowen.

Mr. Lehman.

Mr. Ratchford.

Mr. Jones of Oklahoma.

Mr. Sharp.

Mr. Moorhead of Pennsylvania.

Mr. Traxler.

Mr. Nolan.

Ms. Mikulski.

Mr. Roe.

Mr. Mazzoli.

Mr. McDonald.

Mr. Won Pat.

Mr. Peyser.

Mr. Weiss.

ADJOURNMENT

Mr. BAILEY. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 8 o'clock and 15 minutes p.m.) the House adjourned until tomorrow, Thursday, May 1, 1980, at 11 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

4256. A letter from the Deputy Director, Office of Management and Budget, Executive Office of the President, transmitting a report that the appropriation to the Environmental Protection Agency for fiscal year 1980 for "Salaries and expenses" has been apportioned on a basis which indicates the necessity for a supplemental estimate of appropriation, pursuant to section 3679(e)(2) of the Revised Statutes, as amended; to the Committee on Appropriations.

4257. A letter from the Assistant Secretary of the Navy (Manpower, Reserve Affairs and Logistics), transmitting notice that a study has been conducted of the operation and maintenance of motor vehicles at the Naval Station, Mayport, Fla., and that a decision has been made that performance of that function under contract is the most cost-effective method of accomplishing it, pursuant to section 806 of Public Law 96–107; to the Committee on Armed Services.

4258. A letter from the President and Chairman, Export-Import Bank of the United States, transmitting a statement describing a proposed transaction involving nuclear facilities with Union Electrica, S.A. (Spain), pursuant to section 2(b)(3)(iii) of the Export-Import Bank Act of 1945, as amended; to the Committee on Banking, Finance and Urban Affairs.

4259. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 3–176 to establish the fund accounting framework and financial policy for the District of Columbia, pursuant to section 602(c) of Public Law 93–198; to the Committee on the District of Columbia.

4260. A letter from the Chief of Justice of the United States, transmitting amendments to the Federal Rules of Civil Procedure, pursuant to 28 U.S.C. 2072, together with an excerpt from the Reports of the Judicial Conference of the United States containing the Advisory Committee notes (H. Doc. No. 96–306); to the Committee on the Judiciary and ordered to be printed.

4261. A letter from the Acting Comptroller General of the United States, transmitting a report on financial and other constraints preventing Eximbank from consistently offering competitive financing for U.S. exports (ID-80–16, Apr. 30, 1980); jointly, to the Committees on Government Operations and Banking, Finance and Urban Affairs.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. WHITTEN: Committee on Appropriations. H.R. 6245. A bill to amend the Food and Agriculture Act of 1977 to establish certain loan levels whenever the export sales of certain commodities are suspended, and for other purposes (Rept. No. 96–877, pt. 2). Referred to the Committee of the Whole House on the State of the Union.

Mr. WHITTEN: Committee on Appropriations. H.R. 6382. A bill to amend the Agricultural Act of 1949 to establish a land diversion payment program, applicable with respect to the 1980 crop of feed grains (Rept. No. 96-878, pt. 2). Referred to the Committee of the Whole House on the State of the Union.

Mr. WHITTEN: Committee on Appropriations. H.R. 6815. A bill to amend the Agricultural Act of 1949 by increasing loan rates for corn and wheat, providing encouragement for greater participation in the farmer-held reserve program for those commodities, and for other purposes (Rept. No. 96-879, pt. 2). Referred to the Committee of the Whole House on the State of the Union.

Mr. WHITTEN: Committee on Appropriations. H.R. 6877. A bill to amend the Agricultural Act of 1949 by increasing loan rates for corn and wheat, and for other purposes (Rept. No. 96-880, pt. 2). Referred to the Committee of the Whole House on the State of the Union.

Mr. FUQUA: Committee on Science and Technology. H.R. 6615. A bill to amend the National Ocean Pollution Research and Development and Monitoring Planning Act of 1978 to authorize appropriations to carry out the provisions of such act for fiscal year 1981; with amendments (Rept. No. 96-893, pt. 2). Referred to the Committee of the Whole House on the State of the Union.

Mr. FUQUA: Committee on Science and Technology. H.R. 6616. A bill to amend the Marine Protection, Research, and Sanctuaries Act of 1972 to authorize appropriations to carry out the provisions of such act for fiscal year 1981, and for other purposes; with amendments (Rept. No. 96-894, pt. 2). Referred to the Committee of the Whole House on the State of the Union.

Mr. BINGHAM: Committee on Foreign Affairs. H.R. 5737. A bill to amend the International Claims Settlement Act of 1949 to allow recovery by U.S. nationals for losses incurred in Vietnam; with amendment (Rept. No. 96-915). Referred to the Committee of the Whole House on the State of the Union.

Mr. PRICE: Committee on Armed Services. H.R. 6974. A bill to authorize appropriations for fiscal year 1981 for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons and for research, development, test, and evaluation for the Armed Forces, to prescribe the authorized personnel strength for each active duty component and the Selected Reserve of each Reserve component of the Armed Forces and for civilian personnel of the Department of Defense, to authorize the military training student loads, to authorize appropriations for fiscal year 1981 for civil defense, and for other purposes; with amendments (Rept. No. 96-916). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. PHILLIP BURTON (for himself, Mr. Akaka, Mr. Heftel, and Mr. Johnson of Colorado):

H.R. 7217. A bill to enact certain provisions relative to units of the national park system in the State of Hawaii, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. PHILLIP BURTON:

H.R. 7218. A bill to establish the Martin Luther King, Jr. National Historic Site in the State of Georgia, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. BINGHAM (for himself and Mr. Zablocki):

H.R. 7219. A bill to authorize appropriations for the fiscal year 1981 to meet the obligations of the United States under the International Natural Rubber Agreement; to the Committee on Foreign Affairs.

By Mr. BROWN of Ohio:

H.R. 7220. A bill to amend the Internal Revenue Code of 1954 to extend for 2 years the period during which governing instruments may be amended to meet the requirements for a gift of a split interest to charity; to the Committee on Ways and Means.

By Mr. BUTLER:

H.R. 7221. A bill to designate certain lands in the State of Virginia as wilderness, to limit the designation of such lands as class I for purposes of the Clean Air Act, to permit continued oil and gas exploration, development, and leasing in such areas, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. EDWARDS of Alabama:

H.R. 7222. A bill to direct the Secretary of Transportation to designate an additional 6.25 miles of highway connecting I-10 and I-65 near Mobile-Prichard, Ala., as part of the Interstate Highway System; to the Committee on Public Works and Transportation.

By Mr. MOTTL:

H.R. 7223. A bill to amend the Home Owners' Loan Act of 1933 to provide that a Federal savings and loan association may not offer a renegotiable rate mortgage to any person unless such association also offers such person a standard mortgage instrument; to the Committee on Banking, Finance and Urban Affairs.

By Mr. PREYER:

H.R. 7224. A bill to reform the laws relating to former Presidents; jointly, to the Committees on Government Operations, House Administration, Post Office and Civil Service, and the Judiciary.

By Mr. QUILLEN:

H.R. 7225. A bill to amend title 39 of the United States Code to provide for door delivery of mail to the physically handicapped, and for other puropses; to the Committee on Post Office and Civil Service.

By Mr. ROE:

H.R. 7226. A bill to authorize the National Water Resources Policy and Development Act of 1980, to direct the Water Resources Council to act as the coordinating body for a program of water resources assistance to the States; jointly, to the Committees on Agriculture, Interior and Insular Affairs, and Public Works and Transportation.

By Mr. WON PAT:

H.R. 7227. A bill to establish a Commission on Federal Laws to study the application of the laws of the United States to Guam, the Virgin Islands, and American Samoa; to the Committee on Interior and Insular Affairs.

By Mrs. SMITH of Nebraska:

H.R. 7228. A bill to amend the Internal Revenue Code of 1954 to exclude from gross income interest on industrial development bonds the proceeds of which are to be used to provide facilities for the production of alcohol for use in the production of gasohol or other fuel; to the Committee on Ways and Means.

H.R. 7229. A bill to amend the Internal Revenue Code of 1954 to exempt independent producers and royalty owners from the windfall profit tax on the first 1,000 barrels of daily production; to the Committtee on Ways and Means.

By Mr. COURTER:

H. Con. Res. 323. Concurrent resolution commending the personnel who took part in the attempt to rescue the American hostages being held illegally in Iran; jointly, to the Committees on Armed Services and Foreign Affairs.

By Mr. GARCIA (for himself and Mr. Corrada):

H. Con. Res. 324. Concurrent resolution expressing the gratitude of the Congress for the untiring efforts of the late Governor of Puerto Rico, Don Luis Munoz Marin, to foster ties between Puerto Rico and the United States; to the committee on Post Office and Civil Service.

By Mr. GUARINI:

H. Con. Res. 325. Concurrent resolution expressing the sense of the Congress that the Postmaster General should distribute postal material relating to the 1980 summer Olympics currently in the possession of the U.S. Postal Service with the word "boycott" superimposed thereon; to the Committee on Post Office and Civil Service.

By Mr. MARRIOTT (for himself, Mr. Santini, Mr. Johnson of Colorado, Mr. McKay, Mr. Simon, Mr. Lagomarsino, and Mr. Stark):

H. Con. Res. 326. Concurrent resolution to require that certain information be provided before Congress approves any request for withdrawal or use of public lands for deployment of the MX missile system; jointly, to the Committees on Interior and Insular Affairs and Armed Services.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 1918: Mr. Carter, Mr. Ireland, Mr. Yatron, and Mr. Edwards of Alabama.

H.R. 3764: Mr. Bailey, Mr. Breaux, Mr. Ford of Tennessee, and Mr. Mollohan.

H.R. 4576: Mr. Stenholm, Mr. Leland, Mr. Hance, Mr. Steed, Mr. Corcoran, Mr. Chappell, Mr. Loeffler, Mr. Bedell, and Mr. Whittaker.

H.R. 4646: Mr. Whitley and Mr. Whitten.

H.R. 5225: Mr. Patterson.

H.R. 5407: Mr. O'Brien and Mr. Dornan.

H.R. 5499: Mr. Wolpe, Mr. Cavanaugh, Mr. Downey, Mr. Ottinger, Mr. Fauntroy, Mr. Evans of the Virgin Islands, Mr. Marriott, and Mr. Albosta.

H.R. 5862: Mr. Cavanaugh, Mr. Leach of Louisiana, Mr. Ford of Tennessee, Mr. Shumway, Mr. Spence, Mr. Ritter, and Mr. Kramer.

H.R. 6034: Mrs. Heckler, Mr. Kogovsek, Mrs. Snowe, and Mrs. Spellman.

H.R. 6163: Mr. Moakley, Mr. Richmond, Mr. Whitehurst, Mr. Lagomarsino, Mr. Murphy of Illinois, Mr. Addabbo, Mr. Barnes, Mr. Ottinger, Mr. Edwards of Oklahoma, Mr. Mitchell of Maryland, Mr. Hagedorn, Mr. Fauntroy, Mr. Corrada, Mr. Rangel, Mr. Frost, Mr. Gray, Mr. Lundine, Mr. Ambro, Mr. Carter, Mr. Porter, Mr. Goldwater, Mr. Pashayan, Mr. Pepper, Mr. Hutto, and Mr. Simon.

H.R. 6461: Mr. Campbell, Mrs. Spellman, and Mr. Daniel B. Crane.

H.R. 6466: Mr. Gramm, Mr. Devine, Mr. Shelby, Mr. Collins of Texas. Mr. Wyatt, Mr. Snyder, Mr. Benjamin, Mr. Whitehurst, Mr. Lee, Mr. Broyhill, Mr. Hansen, Mr. Hillis Mr. Jeffries, Mr. Kramer, Mr. Archer, Mr. Symms, Mr. Guyer, Mr. Rousselot, Mr. Kemp, Mr. Kindness, Mr. Ritter, Mr. Gudger, Mr. Royer, Mr. Quayle, Mr. Leath of Texas, Mr. Lagomarsino, Mr. Hopkins, Mr. Broomfield, Mr. Grisham, Mr. Williams of Ohio, Mr. Applegate, Mr. Hance, Mr. Evans of Georgia, Mr. Butler, Mr. Duncan of Tennessee, Mr. Robinson, Mr. Atkinson, Mr. Wampler, Mr. Dan Daniel, Mr. Robert W. Daniel, Jr., Mr. Bailey, Mr. Corcoran, Mr. Derwinski, Mr. Madigan, Mr. Dannemeyer, Mr. Lott, Mr. Frenzel, Mr. Watkins, and Mr. Miller of Ohio.

H.R. 6625; Mr. Nedzi, Mr. Stenholm, and Mr. Carr.

H.R. 6683: Mr. Simon and Mr. Tauke.

H.R. 6704: Mrs. Chisholm.

H.R. 6858: Mr. Coelho, Mr. Murphy of Illinois, Mr. Mottl, Mr. Pepper, Mr. Vento, Mr. Scheuer, Mr. Benjamin, Mr. LaFalce, Mr. Mitchell of Maryland, Mr. Leach of Louisiana, Mr. Seiberling, Mr. Roybal, Mr. Bonior of Michigan, Mr. Ottinger, Mr. Harris, Mr. Evans of Georgia, Mr. Hughes, and Ms. Mikulski.

H.R. 7074: Mr. Young of Alaska, Mr. Winn, Mr. O'Brien, Mr. Conyers, Mr. Grisham, Mr. Lagomarsino, Mr. Forsythe, Mr. Albosta, Mr. Richmond, Mr. Horton, Mr. Barnes, and Mr. Findley.

H.J. Res. 470: Mr. Albosta, Mr. Ambro, Mr. Anderson of Illinois, Mr. Annunzio, Mr. Barnes, Mr. Benjamin, Mr. Bennett, Mr. Bethune, Mr. Boland, Mr. Bonior of Michigan, Mrs. Bouquard, Mr. Breaux, Mr. Brown of Ohio, Mr. Brown of California, Mrs. Byron, Mr. Chappell, Mr. Clausen, Mr. Cleveland, Mr. Courter, Mr. Daniel B. Crane, Mr. D'Amours, Mr. Dodd, Mr. Donnelly, Mr. Duncan of Oregon, Mr. Edgar, Mr. English, Mr. Ertel, Mr. Fascell, Ms. Ferraro, Mr. Fish, Mr. Fowler, Mr. Frost, Mr. Gephardt, Mr. Giaimo, Mr. Goldwater, Mr. Gore, Mr. Gradison, Mr. Hall of Texas, Mr. Hawkins, Mr. Heftel, Mr. Holland, Mr. Hollenbeck, Mr. Hubbard, Mr. Huckaby, Mr. Hutto, Mr. Ichord, Mr. Jenkins, Mr. Kazen, Mr. Leath of Texas, Mr. Livingston, Mr. Lloyd, Mr. Lott, Mr. Lundine, Mr. Lungren, Mr. Markey, Mr. Matsui, Mr. Mavroules, Mr. Mazzoli, Mr. McClory, Mr. McCloskey, Mr. McCormack, Mr. Mitchell of New York, Mr. Mottl, Mr. Murphy of Pennsylvania, Mr. Myers of Pennsylvania, Mr. Nelson, Mr. Nowak, Mr. O'Brien, Mr. Panetta, Mr. Ratchford, Mr. Rhodes, Mr. Roberts, Mr. Rodino, Mr. Rose, Mr. Skelton, Mr. Snyder, Mr. Spence, Mr. Stenholm, Mr. Stratton, Mr. Vander Jagt, Mr. Watkins, Mr. Waxman, Mr. Weiss, Mr. Whitehurst, Mr. Charles Wilson of Texas, Mr. Yatron, Mr. Zablocki, Mr. Fisher, Mr. Jenrette, Mr. Kildee, Mr. Steed, Mr. Phillip Burton, Mr. Solarz, Mr. Downey, and Mr. Lowry.

H.J. Res. 501: Mr. McCormack, Mr. Matsui, Mr. Santini, and Mr. Young of Florida.

H. Res. 635: Mr. McClory, Mr. Addabbo, Mr. Andrews of North Dakota, Mr. Bailey, Mr. Benjamin, Mr. Bonior of Michigan, Mr. Brinkley, Mr. Phillip Burton, Mr. Carter, Mrs. Chisholm, Mr. Corman, Mr. Danielson, Mr. Daschle, Mr. Evans of the Virgin Islands, Mr. Hall of Texas, Mr. Hopkins, Mr. Johnson of California, Mr. Kindness, Mr. Lagomarsino, Mr. Lowry, Mr. McCormack, Mr. Madigan, Mr. Mitchell of Maryland, Mr. Mottl, Mr. Murphy of Pennsylvania, Mr. Perkins, Mr. Rahall, Mr. Roth, Mr. Thompson, Mr. Vento, Mr. Whitehurst, Mr. Williams of Montana, Mr. Winn, and Mr. Wolpe.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

S. 1309

By Mr. ULLMAN:

—Strike out section 127 and insert in lieu thereof the following:

DISCLOSURE PROVISIONS

Sec. 127. (a) (1) Subsection (1) of section 6103 of the Internal Revenue Code of 1954 (relating to disclosure of returns and return information for purposes other than tax administration) is amended by adding at the end thereof the following new paragraph:

"(7) Disclosure of certain return information by Social Security Administration to Department of Agriculture and to State food stamp agencies.—

"(A) In general.—The Commissioner of Social Security may disclose return information from returns with respect to net earnings from self-employment (as defined in section 1402), wages (as defined in section 3121(a) or 3401(a)), and payments of retirement income which have been disclosed to the Social Security Administration as provided by paragraph (1) or (5) of this subsection—

"(i) upon request, to officers and employees of the Department of Agriculture, and

"(ii) upon written request, to officers and employees of a State food stamp agency.

"(B) Restriction on disclosure.—The Commissioner of Social Security shall disclose return information under subparagraph (A) only for purposes of, and to the extent necessary in, determining an individual's eligibility for benefits, or the amounts of benefits, under the food stamp program established under the Food Stamp Act of 1977.

"(C) State food stamp agency.—For purposes of this paragraph, the term 'State food stamp agency' means any agency described in section 3(n) (1) of the Food Stamp Act of 1977 which administers the food stamp program established under such Act."

(2) (A) Subparagraph (A) of section 6103 (p) (3) of such Code (relating to records of inspection and disclosure) is amended by striking out "(1) (l) or (4) (B) or (5)" and inserting in lieu thereof "(1) (l), (4) (B), (5), or (7)".

(B) Paragraph (4) of section 6103(p) of such Code (relating to safeguards) is amended by striking out "(1) (3) or (6)" in so much of such paragraph as precedes subparagraph (A) thereof and inserting in lieu thereof "(1) (3), (6), or (7)".

(C) Clause (i) of section 6103(p) (4) (F) of such Code is amended by striking out "(1) (6)" and inserting in lieu thereof "(1) (6) or (7)".

(D) The first sentence of paragraph (2) of section 7213(a) of such Code is amended—

"(i) by striking out "or any educational institution" and inserting in lieu thereof "any educational institution, or any State food stamp agency (as defined in section 6103(1) (7) (C))", and

"(ii) by striking out "subsection (d), (1) (6), or (m) (4) (B)" and inserting in lieu thereof "subsection (d), (1) (6) or (7), or (m) (4) (B)".

(3) The amendments made by this subsection shall take effect on the date of the enactment of this Act.

(b) (1) Section 303 of the Social Security Act is amended by adding at the end thereof the following new subsection:

"(d) (1) The State agency charged with the administration of the State law—

"(A) shall disclose, upon request and on a reimbursable basis, to officers and employees of the Department of Agriculture and to officers or employees of any State food stamp agency any of the following information contained in the records of such State agency—

"(i) wage information,

"(ii) whether an individual is receiving, has received, or has made application for, unemployment compensation, and the amount of any such compensation being received (or to be received) by such individual.

"(iii) the current (or most recent) home address of such individual, and

"(iv) whether an individual has refused an offer of employment and, if so, a description of the employment so offered and the terms, conditions, and rate of pay therefor, and

"(B) shall establish such safeguards as are necessary (as determined by the Secretary of Labor in regulations) to insure that information disclosed under subparagraph (A) is used only for purposes of determining an individual's eligibility for benefits, or the amount of benefits, under the food stamp program established under the Food Stamp Act of 1977.

"(2) Whenever the Secretary of Labor, after reasonable notice and opportunity for hearing to the State agency charged with the administration of the State law, finds that there is a failure to comply substantially with the requirements of paragraph (1), the Secretary of Labor shall notify such State agency that further payments will not be made to the State until he is satisfied that there is no longer any such failure. Until the Secretary of Labor is so satisfied, he shall make no further certification to the Secretary of the Treasury with respect to such State.

"(3) For purposes of this subsection, the term 'State food stamp agency' means any agency described in section 3(n) (1) of the Food Stamp Act of 1977 which administers the food stamp program established under such Act."

(2) Paragraph (2) of section 304(a) of the Social Security Act is amended by striking out "subsection (b) or (c)" and inserting in lieu thereof "subsection (b), (c), or (d)".

(3) The amendments made by this subsection shall take effect on January 1, 1983.

EXTENSIONS OF REMARKS

FINANCIAL CONDITION OF AMERICAN CITIES

HON. WILLIAM S. MOORHEAD

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 30, 1980

● Mr. MOORHEAD of Pennsylvania. Mr. Speaker, the Fiscal and Intergovernmental Policy Subcommittee of the Joint Economic Committee, of which I am chairman, has produced some of the best analytical data available on the condition of our cities, large and small. The subcommittee's latest report is based on a survey of 302 cities with population of 10,000 or more, covering such elements as their current budgets, their work force, their revenue sources, and their borrowing.

The survey reveals no grave or general crisis in municipal finance, I am glad to say. But it does disclose some very serious problems, including a rather general tendency of current expenditures to rise more rapidly than current revenues despite negligible growth in municipal work forces and wage increases that have averaged a good deal less than in the private sector.

Another problem is the shift away from the property tax as a prime source of revenue. To the extent cities have increased reliance on sales and income taxes, they are more vulnerable to recession. To the extent they are raising more revenues through user charges, the burden tends to fall more heavily on those with low incomes.

Mr. Speaker, this most recent survey, which covers the 1978-80 period of actual and planned budgets, provides some extremely important information as we in Congress are shaping the general revenue program for the next 5 years and as we look for ways of cutting back the Federal budget. My own conclusion is that cities need help as much as ever and that better targeting is more important than ever. I am inserting in the RECORD at this point the summary of the subcommittee's survey results.

INTRODUCTION AND SUMMARY

This report is a reflection of the Subcommittee's continuing interest in and commitment to analyzing the fiscal condition of American cities. Conducted jointly by the Government Finance Research Center of the Municipal Finance Officers Association and the Subcommittee, this survey is intended to provide an up-to-date and comprehensive picture of recent trends in city government finances.

The survey was mailed to 539 cities with populations of 10,000 or more, of which 302 responded. Throughout, the data are reported on the basis of city size. To enhance comparability, the New York City data are not included in this report. (Additional discussion of the methodology of the survey can be found in the Methodology Section.)

The major findings are:

For all cities, current expenditures are rising faster than current revenues. As a result, the percentage of cities with operating deficits increased between 1978-1979 and by 1980 a greater proportion of cities are anticipating deficits than are anticipating surpluses.

In the wake of Proposition 13 and similar measures, city property tax receipts declined in absolute terms and as a proportion of total city revenues in fiscal year 1979. Although property tax receipts are anticipated to rebound somewhat in 1980, their overall significance in city budgets has greatly diminished in the past two years.

Federal funds used for city operating purposes have declined both absolutely and as a proportion of current total revenues for all sizes of cities except the largest cities during the period under review. Federal aid to the largest cities increased slightly in absolute terms while declining relative to other revenue sources.

Reductions in property tax and Federal aid revenues are being partially offset by increases in local non-property taxes, as well as by new and increased user charges and State aid.

In terms of their balance sheets, cities evidently have been successful in strengthening their overall asset position in 1978 and 1979 and have maintained good levels of liquidity. However, a sustained move toward operating deficits could erode these positions and subject cities to cash-flow problems.

City capital outlays, buoyed by Federal grants, generally increased between 1978 and 1979. Further increase is planned for 1980, especially by the largest cities, as cities plan to catch up on deferred capital spending plans. However, these plans are contingent on increases in long-term borrowing and, for the largest cities, a dramatic upsurge in Federal grants for capital purposes. Failure to borrow and to receive Federal capital grants will torpedo the anticipated growth in such spending.

In contrast to general government activity, expenditures and revenues of self-supporting city enterprises (such as water, sewer, electric, and transit utilities) have grown sharply over the period for cities of all sizes. However, growth in expenditures has outstripped revenue growth. As a result, the operating revenues net of operating expenditures have dropped rapidly, especially in the case of the largest cities. Failure to reverse this trend could halt the capital spending plans of many city enterprises, especially in times of tight monetary conditions.

City long-term borrowing has been erratic during the period 1978 and 1979, a pattern anticipated to continue into 1980. Most noticeable—and in keeping with the surge in enterprise capital spending—has been the growth in long-term debt incurred for enterprise activities. As a result of low levels of borrowing for general government purposes, there has been practically no growth in such (usually tax-supported) debt outstanding.

For all cities, the simple average of the change in their total workforces between 1978-1979 was only 0.9 percent and the change in their full-time, permanent workforces averaged only 2 percent. For 1980, the small and largest cities plan reductions in full-time workers and all cities foresee reductions in their total workforces, including part-time and CETA workers.

Except for small cities, all cities experienced large reductions in their CETA workforces in 1979. All categories of cities are projecting further large reductions in 1980.

Police, fire, and sanitation expenditures increased at a greater rate than total expenditures between 1978 and 1979, and the same trend is projected for 1980. Wages and salaries, however, lagged the increase in the total of such expenditures and, in all cases, fell well short of the rate of inflation.

CONCLUSIONS

Despite the fact that the period under study was one of economic recovery, cities, generally, have not flourished. An increasing proportion of cities experienced operating deficits in 1978 and 1979, a trend which is projected to continue in 1980.

In the coming decade, one can expect a growing number of cities to experience severe fiscal stress. Most cities enhanced their solvency in recent years as a result of three factors: national economic recovery, increased direct Federal assistance, and deferred capital expenditures. These factors, however, are changing. For most cities, the unexpectedly high rate of inflation will probably increase city expenditures more than revenues.

Generally, projected city budgets have tended to be conservative, with revenues intentionally underestimated and expenditures overstated. As a result, a greater number of cities tend to budget for operating deficits than actually realize them. However, the unexpectedly high rate of inflation this year may ultimately force expenditures to meet or exceed budgeted amounts. For example, the modest wage and salary increases in 1979 (an average of 4.9 percent in the largest cities) indicates that negotiated settlements in 1980 may exceed budget projections.

Also, increased reliance on cyclically sensitive income and sales taxes and user charges renders more and more cities vulnerable to fiscal stress in economic downswings. In addition, Federal aid to cities has tapered off and is rapidly declining in real terms, a trend not likely to be reversed in the near future. Finally, expenditures which have been deferred will ultimately need to be made to maintain a viable city operation. It seems likely that employees will demand compensatory increases in 1980 to make up for losses to inflation. In addition, because in past years capital expenditures have frequently been deferred to adjust for revenue shortfalls, the deterioration of the capital plant in many cities has reached a critical state. Capital expenditures, therefore, may be deferred in the future, only at the risk of physical collapse.

Above and beyond these potential problems, it appears that the burden of substituting user charges and sales and income taxes for property taxes is likely to be borne by the lower income populations. These taxes and fees are generally a flat rate from which none of the population is exempted. If services previously provided by the general fund are now placed on a user-pays-cost basis, lower income residents are likely to be

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

more adversely affected than higher income individuals.

While the fiscal outlook for cities is stern, there are some favorable prospects on the horizon. It is clear that cities have already begun to retrench. They will not be caught by surprise. City workforces are getting leaner. Cities are attempting to hold the line on expenditures and already rely more on user-pays-cost revenues. In addition, Federal aid dependency is already in decline and cities consequently have begun the process of adjusting to less assistance from that source. Thus, because many cities have begun the retrenchment process, further retrenchment may not be as difficult or as disruptive as initial efforts may have been.●

AN AMERICAN BALLAD

HON. CLAUDE PEPPER

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 30, 1980

● Mr. PEPPER. Mr. Speaker, Mr. Everett Milstead, who is now 85 years old, is a talented gentleman and an uncle of one of my valued staff members, Mrs. Cheryl Langley. He wrote his first verse at age 4 years and wrote a song which was published at age 6. Not only was he a prodigy whose poetry and songs began to appear in public print at age 6, but he has gone on to become an eminent poet. Hundreds of his poems and articles have appeared in several hundred publications throughout America and in many foreign nations. His books of poetry include "Forty-Seven Sonnets," which sold three printings in less than 10 months and continues in demand. He published another book of poetry when he was 75 years old, a touching collection entitled "Fifty Pleasant Sonnets." In addition to being a prolific writer of verse and a composer of songs, Mr. Milstead taught singing for 23 years. He also shared his remarkable talent by teaching younger poets in the techniques of putting their thoughts on paper.

Everett Milstead has devoted his life to creativity and to people. His deep love for his country and its people are clearly evident in his beautiful poem, "An American Ballad." In these troubled times for our country, it will be inspiring to all who read this RECORD as it was to me. Mr. Speaker, I insert the uplifting words of this outstanding poet, Everett Milstead, in the RECORD immediately following these remarks:

AN AMERICAN BALLAD

Thank God for Our America
Where citizens are free;
The land whose happy people sing
"My Country 'Tis of Thee,"
Where opportunities are spread
Before all types of men,
And everyone can lift his head
To bow it not again.

Where men of humble station
Can advance to stations great,
Encouraged by their fellow man,
Unhampered by the state.
Where laborer and wealthy man
Each reaps a proper share;
No nation has a finer plan
Or lighter loads to bear.

America, the land of Peace
Where might does not make right;
Yet evermore prepared for war
And not afraid to fight.
Thank God for Our America;
Thank God that we are free
And let us keep this land of ours,
Sweet Land of Liberty.

—EVERETT MILSTEAD.●

PORTUGAL'S SUPPORT OF U.S TRADE EMBARGO AGAINST IRAN

HON. DAVID R. BOWEN

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 30, 1980

● Mr. BOWEN. Mr. Speaker, I want to express my own sense of gratitude for Portugal's recent decision to take the lead among our friends and allies in supporting a trade embargo against Iran. Portugal, an old nation but a new democracy, has demonstrated that it is indeed a trustworthy friend of our country.

Portugal's action required courage and some degree of sacrifice. Portugal receives 6.6 percent of her oil from Iran, and during the past year, in at least one quarter, that percentage reached as high as 20 percent. Portugal is faced with serious domestic problems that make its action even more impressive. Inflation there has been running at 24 percent. Unemployment has reached 15 percent. The democratic alliance, the governing coalition led by Prime Minister Francisco Sa Carneiro, is also faced with the challenge of a pro-Soviet Communist Party.

In spite of these problems, in fact, the same kinds of problems that concern many other Western nations, Portugal has demonstrated its commitment to the Western alliance and to the principle of international law that protects the diplomatic personnel of all nations.

This is not the first time that Portugal has shown its value as a NATO ally. The U.S. military facility located on the Azores is a vital midocean base for the NATO defense effort, and the NATO Iberian Atlantic Command is located in Lisbon. When many others would not, the Portuguese allowed us to use their bases for air transport during the Arab-Israeli conflict in 1973.

The European Economic Community and Japan have now taken steps to follow Portugal's lead, and we all hope they will follow through with this commitment, especially in light of the tragic outcome of our attempted rescue and the apparent unlikelihood that another such rescue effort would succeed. But today I want to draw particular attention to the courageous action Portugal has taken on its own to support the trade embargo, demonstrating clearly and unmistakably that this is not just an issue between the United States and Iran, but that Iran has taken an action that must be deplored by all civilized nations.

We have done much to help our allies in the past, and now they must realize that we must all work together in time of trouble, a trouble that affects them as much as it does us. Portugal has proven that it is a true friend, and it deserves warm thanks both from our Government and from our people.●

THE RESCUE FAILURE AND THE BUDGET

HON. NEWT GINGRICH

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 30, 1980

● Mr. GINGRICH. Mr. Speaker, the disastrous failure of the mission to rescue our citizens in Iran is an obvious cause of pain to us all. It is all the more painful when we realize that the failure of the operation was in no small part caused by congressional negligence. The sad truth is that because this House has refused to fund adequately our military forces, when the crunch came, America failed.

The sad spectacle in Iran should come as no suprise. For years the House has heard Mrs. HOLT and Mr. STRATTON warn us of the inadequacy of the quality and quantity of our military manpower and the low level of readiness of our conventional weapons. And the Pentagon verified these warnings with its Nifty Nugget exercise which showed the United States physically incapable of meeting its military commitments to NATO.

The implications of the failed Iranian operation are clear. We have seen there the dress rehearsal for future military failures on a catastrophic scale.

Our course of action is clearly indicated. We must reverse the budgetary neglect of our military strength which has brought us to this crisis. Of the budget proposals before us, only House Concurrent Resolution 314, the Latta budget, will provide the minimal funds required for national survival and a sound economy.

I urge everyone to read the insightful article on the Iran debacle written by Norman Podhoretz, which appeared in the Washington Post of Wednesday, April 30, 1980.

LESSON OF FAILURE

What is the lesson of the failed American attempt to rescue the hostages in Iran? To judge from much of the published comment, it is that the president should have subjected himself to a series of consultations before going ahead.

Thus some have said that the president would have been wise to share the burden of responsibility with Congress. Others have strongly suggested that wise or not such consultations were required by the War Powers Act and that the president probably exceeded his authority and may have broken the law in acting without congressional cooperation.

Yet another line of argument has been that the president should have consulted not only with Congress but with our allies as well. After all, the only reason they finally agreed to economic sanctions against Iran was to head off military action by the United States; according to this argument, therefore, the president was breaking a promise to the allies by ordering the commando raid and should at least have given them an opportunity to talk him out of it in advance.

The odd thing is that all these criticisms have invariably been accompanied by an acknowledgment that if the rescue effort had succeeded, there would have been universal rejoicing and applause. And indeed, can anyone imagine Sen. Frank Church complaining about violations of the War Powers Act or Cyrus Vance resigning in response to the sight of the American hostages returning to the United States in the company of their heroic liberators? If that is so, however, it means the real issue is not a failure to consult but a failure to plan and execute the operation properly.

At this stage it is impossible to say what exactly went wrong with the operation and why. Yet we do know that a high proportion of the helicopters used—three out of eight—broke down and that no backup was available. Whatever the cause of the breakdowns may have been—whether faulty maintenance procedures or the scarcity of properly trained mechanics or even bad luck—the fact remains that the operation revealed a surprisingly low level of technical efficiency.

As for the lack of backup, Gen. Yitzhak Rabin (who as prime minister of Israel in 1976 had a hand in staging the spectacular rescue of the hostages held in Entebbe) has expressed astonishment at a plan that did not take account of how sensitive helicopters are "and how vulnerable to technical failure." Perhaps, as Edward Luttwak has suggested, the reason so small a number of helicopters was sent on the mission is that the president was being overly cautious. But even so, the technical judgment involved was grossly unreliable.

In other words, whatever else may have come into play, the collapse of this operation must be ascribed in large measure to inadequacies in the very area that Americans have always been assumed to excel—the mechanical and the technological.

The lesson, then, of the aborted rescue attempt in Iran is that the military capability in this country has deteriorated to a greater degree than had previously seemed evident even to some of us who have been worrying about the decline of American power for the past five years and more.

That the United States had lost its edge over the Soviet Union in strategic nuclear weapons was already clear long before Iran; that we lacked the conventional forces to defend the oil fields of the Middle East against a direct Soviet assault seemed probable; that we had destroyed the CIA's ability to counter an indirect Soviet assault was equally likely; that we had all but lost the will to use force under any conceivable circumstances was blatantly obvious from our supine response to the act of war committed against us by Iran nearly six months ago (and also became manifest in the timid handling of the rescue operation itself).

Now to this dismal and ominous catalog of diminished military capabilities, we can add a decline in mechanical and technological competence.

There has been a great reluctance in our political culture to face up to these facts. At every stage they have been denied, and when denial has become rationally impossible, they have been dismissed as insignificant.

Military power, we have been told over and over again, is obsolete in an interdependent world. Yet the Soviet Union, and many other nations too (Vietnam and Cuba, to name only two), are finding uses enough for this "obsolete" instrument of international conflict, while we for our part are humiliated in spirit and menaced by a threat to the most vital of all our economic interests.

To face these facts—to absorb them, to think about their implications—leads inexorably to the conclusion that the United States is doomed unless we undertake a massive program to restore our military capabilities all across the board. Those who oppose such an effort naturally prefer to dwell on other things. And as they argue about the War Powers Act and deplore the president's refusal to seek the permission of the Germans and the French before trying to rescue our hostages, the time we still have left to profit from the true lesson of Iran—and of Afghanistan before it—slips relentlessly by.●

A TRIBUTE TO THE CUNARD FAMILY OF GLOUCESTER COUNTY

HON. JAMES J. FLORIO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 30, 1980

● Mr. FLORIO. Mr. Speaker, it is a distinct honor and privilege to bring to the attention of my colleagues and constituents a remarkable event which will take place in the heart of my congressional district on Saturday evening, May 1. At that time, the 15th biennial reunion of the 75 family units comprising the Cunard family of Gloucester County will gather together at the United Methodist Church in Almonesson.

The roots of the Cunard family intertwine with the history of South Jersey and our Nation. The majority of its members can trace their heritage to Samuel Cunard who emigrated to South Jersey prior to the Revolutionary War. Eventually, the family's forebears settled in Gloucester County where they helped shepherd the county's growth and prosperity. Counted among their ranks are judges, lawyers, prosecutors, ministers and—to add the spice of variety—a clown troup known throughout the Northeast. This family is distinguished by the host of members who have been active in the civic affairs of the county. They perpetuate a longstanding tradition of community service.

On the occasion of the Cunard 15th biennial reunion, I particularly offer my congratulations and best wishes to the family's most senior member, Elmira Cunard, who attained the grand age of 101 years on her last birthday. To all, I extend warm wishes for a prosperous, healthy, and rewarding future.●

HELEN KELLER NATIONAL CENTER

HON. LESTER L. WOLFF

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 30, 1980

● Mr. WOLFF. Mr. Speaker, the current efforts to balance the Federal budget for fiscal year 1981 require all branches of our Government to tighten their belts and necessitate the reduction or elimination of a number of useful and important programs affecting all walks of American life. The cuts currently being proposed have been made in the face of increased defense spending. There exist within these budget cuts a number of proposed decreases in Federal funding which I, as an elected public servant, cannot accept. One of these cuts affects the famed Helen Keller National Center for Deaf-Blind Youths and Adults.

It escapes me how we can even seriously consider denying the desperately needed Federal funds requested by this educational institution for the visually and aurally handicapped. The figure that now stands in the budget for the school is $2.5 million. That is the same amount that the Government has funded them for the last several years. This past funding has not taken into account the increasing needs of the center for qualified staff, supplies, or even the ravages of inflation. The amount set forth in the current budget proposal is $2.1 million lower than what the Center requires for fiscal year 1981 if it is to continue its fine performance in helping to bring our handicapped citizens into productive and happy lives in American society.

The center, in its efforts to limit its requests for Federal assistance, has not raised the salaries of its employees over the last several years. Thus, the standard of living of these dedicated health care specialists has steadily declined in the face of our growing inflation rate. The center has reached the limit of this means of maintaining low spending, and now faces the pending breech of a union contract for lack of payroll funds. They are requesting a $370,000 emergency supplemental for fiscal year 1980, and this too is likely to be denied in the spirit of fiscal conservatism that has swept the Hill. I fail to see how we, the elected representatives of the American people, can allow the financial ruin of the Nation's best educational institution for the deaf-blind for the dubious goal of balancing a waste-burdened Federal budget.

The funding request of the Helen Keller Center for fiscal year 1981 totals $4,689,426. The relative insignificance of this figure is clearly demonstrated by comparing it to the astronomical expenditures this Nation is prepared to make for defense in fiscal year 1981: XM-1 tanks at more than $1 million apiece, Trident submarines at over $1 billion apiece, and the proposed MX missile system at $30 to $50 billion. Will our consciences allow us to deny necessary Federal aid to a school for the handicapped in order to raise defense spending and still balance the budget? Mine will not.●

TRIBUTE TO KIWANIS CLUB

HON. WILLIAM R. RATCHFORD

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 30, 1980

● Mr. RATCHFORD. Mr. Speaker, I would like to take this opportunity to offer my tribute to the Kiwanis Club of Meriden, Conn. On May 12, 1980, this organization will mark its golden anniversary.

For the last half century, the Meriden Kiwanis Club has provided its services faithfully to the young and old, to its community and to the Nation. The men of this organization are of good character and standing in their community, and are dedicated to voluntary service to their community under the motto "We Build."

Through their continuing efforts, the members of the Meriden Kiwanis Club do build a better place to live for all of us. They work with retarded children, and grant scholarships and student loans to young adults in Meriden to build a strong future for the community. They work with senior citizens to ease the problems and enrich the lives of the older citizens of Meriden.

I am proud to recognize the efforts of the fine gentlemen of the Meriden Kiwanis Club on this, the 50th anniversary of the organization, and I am gratified to have such a fine service organization located in Connecticut's Fifth Congressional District.

Without question the club's continuing efforts deserve the highest praise. I speak not only for myself, but also for the many friends of the club, in congratulating these outstanding public servants and wishing them years of continued success in their dedicated endeavors.●

DOES LANGUAGE SHAPE THOUGHT OR DOES THOUGHT SHAPE LANGUAGE?

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 30, 1980

● Mr. ASHBROOK. Mr. Speaker, a change in language does not affect reality but it does affect how reality is perceived. A recent ruling by a Fairfax judge that the term "unborn child" could be used instead of a "fetus" is a case in point.

In medical terms, a fetus is an unborn human being of a certain gestational age, but in layman's language, the term "unborn child" more meaningfully describes preborn human life in the womb and could be applied to that life at any time during the period of pregnancy.

Last week, the Washington Post reported that in the case of a northern Virginia physician charged with performing an illegal abortion the judge so ruled, in spite of "vigorous objections from the doctor's attorney."

This is only one battle in the war of words that has surrounded the abortion controversy since it began more than a decade ago. Other verbal shots have been fired in this war to create an illusion of respectability for a practice that would otherwise be totally unacceptable in the public mind. Preborn life used to be called potential life. The aborted baby—a dead child—has been called fetal tissue or the product of pregnancy. Abortion itself has been wrapped in the euphemistic label "termination of pregnancy."

"What's in a name?" Shakespeare asked. "A rose by any other name would smell as sweet." Such was his observation about reality in contrast to the language used to describe it. His message was clear: Reality exists as it is. Its shapes, textures, conditions, relationships, and proportions are what they are, regardless of exaggerations or understatements or of misleading labels that may be assigned to any of its parts.

But in Shakespeare's time people were more directly involved in what was happening rather than in listening to reports. Today, our involvement is considerably less direct. Communication has become the order of the day to such an extent that we rarely have a chance to actually know the reality that is being described to us. We must rely more and more on what we read and hear rather than on what we experience. The language that is used to describe something has become critical. If something is called by a nice name, people tend to think it is nice. If it is called by a new name, they tend to think it is new. How something is described affects how the reality of it is perceived. The abortion controversy should be examined in terms of what abortion really is rather than in terms of the illusions its advocates have tried to create.

The text of the Washington Post article follows:

"UNBORN CHILD" PHRASE ALLOWED IN VIRGINIA TRIAL

(By Joe Pichirallo)

A Fairfax judge ruled yesterday that the prosecution in the case of a Northern Virginia physician charged with performing an illegal abortion may use the term "unborn child" despite vigorous objections from the doctor's attorney.

The term was used repeatedly by chief Fairfax prosecutor Robert F. Horan Jr., at a pretrail hearing in Fairfax Circuit Court yesterday for Dr. Chris Simopolous, whose trial on a charge of performing the abortion on a 17-year-old girl is scheduled to begin today.

Horan "has no right . . . try to covert an unviable fetus into an infant," argued defense attorney Roy Lucas. "Use of that word is medically improper . . . [and] potentially inflammatory to jurors," he said.

Simopolous, 42, who has offices in Woodbridge and Falls Church, is charged with violating Virginia law that requires performing second-trimester abortions—those done after the 13th week of pregnancy—in a hospital. He is accused of performing an abortion on the 17-year-old at his Falls Church American Woman's Clinic last November. The girl was five months pregnant at the time, according to the prosecution, and her dead fetus was later found in a wastebasket at a Springfield motel, where she went after the doctor injected her with a salt solution.

Horan, noting that the Virginia abortion statutes use "unborn child," argued that the law gives him a right to use the term rather than the word fetus.

"It is a child," Horan said. "It's not a giraffe. It's not a monkey, nor is it a goat."

Simopolous, he said, intended "to kill that unborn child."

Circuit Judge F. Bruce Bach said he will permit Horan to continue to refer to the fetus as an "unborn child." "I certainly wouldn't require the prosecutor to refrain from using terms that the statute uses," Bach said.

At yesterday's hearing, Simopolous' attorneys challenged the constitutionality of the Virginia abortion laws, saying they place an unnecessary hardship on minors and restrict their ability to get legal abortions. The judge said he will rule on that challenge today.

If convicted, Simopolous could be sentenced to as long as 10 years in prison.●

IN RECOGNITION OF AUGUST D. PISTILLI

HON. JAMES J. FLORIO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 30, 1980

● Mr. FLORIO. Mr. Speaker, I would ask my colleagues to join with me today in recognizing the achievements of Mr. August D. Pistilli, founder and president of the American Dredging Co. of Camden. Mr. Pistilli will receive the "Distinguished Engineer Award" this Friday from the South Jersey Chapter of the American Society of Civil Engineers.

Each year the society selects one from its ranks who has rendered significant service to his community and demonstrated excellence in the practice of his profession. Mr. Pistilli has served as past president of both the World Dredging Association and the South Jersey section of the American Society of Civil Engineers. Among his other noteworthy accomplishments, he has been director of the Society of American Military Engineers; a member of the faculty of Cornell University, and has acted as a special consultant to the Department of Defense. Further, he has been a special consultant on port and canal facilities to the Governments of Japan, Sweden, Columbia, Canada, Honduras, South Africa, and Turkey.

Mr. Pistilli has amply demonstrated his commitment to the city of Camden. While other businesses have left the city, Mr. Pistilli relocated his corporate offices in Camden. In so doing, he has contributed to the rebirth of the city of Camden.

On this occasion, my congratulations and thanks are extended to Mr. Pistilli for his service to his community and his country.●

A TRIBUTE TO ISABEL PATTERSON

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 30, 1980

● Mr. ANDERSON of California. Mr. Speaker, a wise person once wrote, "The only thing wealth does for some people is make them worry about losing it." I am proud to recognize today one person, Isabel Patterson of Long Beach, Calif., as one individual who has been more concerned with opposite thoughts—finding ways to give her wealth away. She has always been one to give in other ways, too, as she has consistently given her time and talents to civic affairs.

In appreciation for all this woman has done, her many friends and admirers will hold a "Tribute to Isabel Patterson Dinner" on May 8. I take time today to share with my colleagues some of the remarkable things this woman has done. They vividly show why she is so deserving of the dinner to be held in her honor.

It was in 1942 that Isabel Patterson came to Long Beach from Texas with only $200 and few prospects for a job. She succeeded in finding work, saved her money and made her initial investment in buying property.

After a temporary move out of Long Beach, she returned to the city, enrolled in college, and earned her teaching credentials. While education was her career, real estate increasingly drew her attention.

In 1955 she started selling real estate and became remarkably successful. In the first year she tripled her income. In 1957 she opened her own real estate office and then came a long chain of increasingly prosperous years. The rewards came only after much hard work, taking on each job fully. At times, she personally took up hammer, nails, and the paint needed to get the job done.

Just as impressive as her achievements in the business world are her gifts to her community. She donated money to establish the Isabel Patterson Child Development Center at California State University, Long Beach. Her donations have established a trust to the university valued at more than $1 million. An endowment she created of $30,000 is helping athletics at the Long Beach University and $7,000 from her brother's estate has created a loan fund for students.

Mr. Speaker, this woman's life has embodied the best qualities of humility and generosity. The honors she will receive on May 8 are ones she most certainly deserves. My wife, Lee, joins me in offering congratulations and our appreciation to Isabel Patterson for the wonderful work she has done. We hope all her future years are happy and rewarding.●

NEED FOR QUICK RETURN TO DEMOCRACY IN SOUTH KOREA

HON. STEPHEN J. SOLARZ

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 30, 1980

● Mr. SOLARZ. Mr. Speaker, because of the tremendous interest in the Congress regarding the changes occurring in South Korea, I would like to bring to the attention of my colleagues an article which recently appeared in the Asian Wall Street Journal Weekly concerning the appointment of Lt. Gen. Chun Doo-Hwan as the head of the South Korean Central Intelligence Agency.

The article's title: "General's New Job Is Raising Concern About Outlook for Korean Democracy" aptly summarizes the reaction of many Koreawatchers to this appointment which makes General Chun the most powerful man in Korea. Many of us have looked hopefully for a rapid return to a civilian government in that country which has a long and special relationship with the United States.

The article follows:

GENERAL'S NEW JOB IS RAISING CONCERN ABOUT OUTLOOK FOR KOREAN DEMOCRACY

(By Norman Thorpe)

SEOUL.—Lt. Gen. Chun Doo-Hwan's appointment as head of the Korean Central Intelligence Agency is compounding doubts about whether South Korea will move toward democracy.

Gen. Chun, commander of the tough Defense Security Command, was named to the additional post of acting director of the KCIA by President Choi Kyu-Hah.

The step makes it clear that Gen. Chun is the most powerful man in South Korea. He now holds the two most powerful positions in the country, and no one has the power base to challenge him.

The 48-year-old Gen. Chun's new KCIA post gives him direct control over civilian political affairs as well as military security, which he already handled. It provides him with the authority to play an overt role in civilian politics. Previously, he could do this only behind the scenes.

Two less prominent generals have served successively as acting directors of the KCIA since October, when KCIA Director Kim Jae-Kyu was removed under charges of assassinating President Park Chung Hee.

The word "acting" in Gen. Chun's new title is necessary because the law prohibits the KCIA director from holding another government job, an official spokesman said.

Though South Korea is rewriting its constitution and planning elections to foster more democratic government, there has been concern that the military might interfere in this process.

On Dec. 12, Gen. Chun and other officers seized control of the military from their superiors. They arrested Gen. Chung Seung-Hwa, army chief of staff and martial law commander. Later, Gen. Chung was charged with complicity in the assassination of President Park and sentenced to seven years in prison.

After the Dec. 12 incident, the senior U.S. general in Korea, John Wickham Jr., said Gen. Chun's seizure of power was "without constitutional authority and . . . raised serious concern about stability within the military and responsiveness of the military to civilian authority. It also aroused apprehension among the general public in Korea."

Since then, Gen. Chun has kept a low profile. Military censors have usually kept his name and picture out of newspapers, and when he was awarded a third star last month, his promotion was kept secret, although another general's was publicized.

Nonetheless, there has been continued uncertainty as to whether the military will allow political development to proceed without interruption. Officers in Gen. Chun's clique have repeatedly emphasized that they won't tolerate any political instability. Since the transition to a new government isn't expected to be smooth, some observers fear the military might simply be waiting for a pretext to step in.

Gen. Chun's appointment to the KCIA post is being widely publicized in Seoul, suggesting that his prominence won't be downplayed any longer.

His assumption of civilian authority could be a step toward preparing to revoke martial law, which has been in effect since October. It also could mean more importance for others close to him, particularly his regional faction.

Gen. Chun's appointment as acting KCIA director wasn't a complete surprise. There have been rumors since late December that he might become head of the KCIA, but a Defense Ministry spokesman denied these in a meeting with foreign reporters in January.●

RETAIL MERCHANTS SUPPORT CAPITAL COST RECOVERY ACT

HON. JAMES R. JONES

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 30, 1980

● Mr. JONES of Oklahoma. Mr. Speaker, the ranks of those in the battle for increased American capital formation and productivity continue to grow. I am extremely pleased to announce to my colleagues that the National Retail Merchants Association has added their name to the long list of endorsements of H.R. 4646, the Capital Cost Recovery Act. Their support is another important push forward for enactment of this legislation, and I appreciate their endorsement of our bill.

The NRMA recognizes that if we are to regain a vigorous economy, then an improved climate for capital formation and increased productivity must exist. H.R. 4646 will foster just such a climate. It will create jobs and lift our sagging economy—goals I am sure my colleagues hope we can achieve. My colleagues now have the opportunity, through swift enactment of this legislation, to help achieve these goals. I commend to them the words of the senior vice president for governmental affairs of the NRMA, Mr. Verrick O.

French. His letter of endorsement follows:

NATIONAL RETAIL
MERCHANTS ASSOCIATION,
Washington, D.C.

Hon. JAMES R. JONES,
U.S. House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN JONES: I am writing to express the strong support of the National Retail Merchants Association for H.R. 4646, the Capital Cost Recovery Act ("CCRA").

The CCRA properly recognizes the relationship between rapid recovery of capital investment and American productivity—a relationship long appreciated by our world competitors. That recognition is particularly appropriate in light of the significant recent decline in American productivity gains and in nonresidential business investment.

Of major importance, from our viewpoint, is the inclusion of structures and buildings in the bill. Retailers do not invest as heavily in capital goods—especially machinery and equipment—as do manufacturers. Instead a significant portion of our capital is invested in buildings. Enactment of the CCRA would be especially appropriate and timely in view of the fact that the 95th Congress declined to extend the investment tax credit to the construction of new retail buildings. In this connection, NRMA also strongly supports H.R. 4041 and 4042, which would extend the investment tax credit to tangible property used as an integral part of retail structures, and to the construction of new retail buildings.

Because retailing is labor intensive, tax incentives provided to it will be magnified by a very substantial factor as they are transformed into jobs. According to a recent study by the Northwestern University Graduate School of Management, $100 million of capital investment in the distribution sector will produce approximately 3,800 jobs—more than three times the number of jobs the same investment in the manufacturing sector will yield. This difference results from the fact that retailers require substantially more support in the way of clerks, stockkeepers, drivers, packers, buyers, and other personnel than do manufacturers for the same capital investment.

Equally significant, increased employment in retailing would benefit prospective workers most in need of employment opportunities. At present, retailing provides many of the jobs held by those most likely to be unemployed—the unskilled, the young and part-timers. Every job created in retailing through greater capital investment therefore helps disproportionally to reduce "structural" unemployment.

Retailing creates jobs with great efficiency. A recent study by the Bureau of Economic Analysis concluded that in 1975 retailing and wholesaling required about $10,000 (in constant 1958 dollars) to create a single job, whereas manufacturing required nearly $20,000 per job. Stimulating retail investment therefore will have a particularly salutary effect on employment. This is especially true in view of the fact that an increasing proportion of new workers are employed in retailing: Specifically, retailing employs one of every six workers in the economy as a whole, but was responsible for nearly one of every four new jobs created between 1970 and 1976.

Finally, increased capital investment in more efficient retail structures, which lowers the distribution cost of a product, will stimulate demand and economic growth in exactly the same way as will increased capital investment in more efficient machinery in the manufacturing sector. Because retailing is highly competitive, lower costs achieved through efficiency result in lower prices to consumers. An efficient distribution system creates a market and exerts a strong "pull-through" effect on manufacturing. Without efficient distribution, there could be no mass production or mass consumption. Conversely, an inefficient distribution system has a dampening effect, by increasing costs and impeding product flows that may more than offset incentives granted to the manufacturing sector. The full benefits of capital investment will not be realized if the goods manufactured as a result of increased industrial investment cannot be delivered and marketed to consumers in the most efficient possible manner. Accordingly, any tax incentives designed to improve the economic climate of American business must take into account the special needs of retailing. The proposed Capital Cost Recovery Act does so.

NRMA also supports the secondary aim of the CCRA—to simplify the application of depreciation and the investment credit under the tax code. Eliminating the salvage value concept, the placed-in-service requirement and the half-year convention, as well as divorcing the capital cost recovery from the concept of useful life, are highly desirable. These changes in current law will make the capital recovery system available to many NRMA members who, as small businessmen, have been prevented by unnecessarily complicated procedures and extensive recordkeeping requirements from making full use of the existing capital recovery provisions of the Code.

By way of background, NRMA is a national, nonprofit trade association whose 3,500 members operate more than 35,000 chain, department and specialty stores across the country. Our members have annual sales in excess of $100 billion, and employ approximately 2.5 million workers. Two-thirds of NRMA's members are small businesses with annual sales under $1 million.

Capital formation is essential to U.S. growth, prosperity and productivity. NRMA stands ready to assist in any way possible to expedite enactment of this exemplary legislation.

Sincerely,

VERRICK O. FRENCH,
Senior Vice President,
Governmental Affairs.●

MICHAEL AND MARGARET McLAUGHLIN—50TH WEDDING ANNIVERSARY

HON. MARTY RUSSO

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 30, 1980

● Mr. RUSSO. Mr. Speaker, little did Michael McLaughlin know when he first met the lovely Margaret Brady in Swinford, County Mayo in Ireland, that their paths were destined to cross again nearly 7 years later and half a continent away in the United States.

Michael emigrated to Chicago, Ill., in 1927 and Margaret arrived in 1928. They met by chance at a dance in the Chicago area, and resumed what would prove to be a long and fruitful relationship. After a 2-year courtship, they were married on April 30, 1930, in St. Philip of Neri Church in Chicago by Father W. J. Kinsella.

Michael and Margaret now have a large and happy family, with five children: Margaret, married to Stanley Filipczak; the late Robert William McLaughlin married to Patricia; James McLaughlin, married to Kathleen; and John McLaughlin married to Pamela. They also have 17 grandchildren: David, Beth, Linda, Barbara, William, Michael, Janet, Laura, Michele, Debra, Lisa, Amy, Jamie, Colleen, Kristin, Marc, and Jon.

I am sure that Michael and Margaret have given as much love and affection to their friends and neighbors as they have to their children and grandchildren, and I join a large number of well-wishers as I take this opportunity to congratulate Margaret and Michael on the occasion of their 50th wedding anniversary on April 30, 1980.●

A DIFFERENT KIND OF FALLOUT FROM THREE MILE ISLAND

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 30, 1980

● Mr. MICHEL. Mr. Speaker, there can be little doubt that the trouble at the Three Mile Island nuclear powerplant was one of the most widely reported events of our time. What is not known, however, is that the media scare stories proved to be fables. That is what the New York Times—not known as an uncritical friend of nuclear power—calls these scare stories. Concerning the "rumors of frightening physical damage" at Three Mile Island, the Times editorially stated:

> None of these allegations have held up under careful scrutiny by disinterested authorities.

But the public is not aware of the careful investigations made by authorities. The result is that there is now a bureaucratic de facto moratorium on nuclear powerplant operating licenses. Shirley Hobbs Scheibla of Barron's has recently written of this aspect of the nuclear story. This fallout of misinformation is threatening our energy policies.

At this point I include in the RECORD, "Nuclear Fabulists," from the New York Times, April 18, 1980, and "Three Mile Island Fallout," by Shirley Hobbs Scheibla of Barron's, March 10, 1980:

NUCLEAR FABULISTS

Those scare stories about radiation damage from the accident at Three Mile Island look increasingly farfetched. Federal officials have said all along that little radiation escaped, posing virtually no threat to public health. Their judgment has been supported by all major investigations of the accident. But rumors of frightening physical damage to human and animal infants persist.

None of these allegations have held up under careful scrutiny by disinterested authorities. The only real health damage detected so far has been psychological. For example, a report made public yesterday says that many of the community's residents remained distressed for months and resorted to sedatives and alcohol for relief. Their anxiety could only have been heightened by the "experts" and critics who have issued alarming statements about radiation hazards based on scant or distorted data.

The most worrisome charge has been that radiation from the crippled reactor has already caused an increase in infant mortality and thyroid defects in newborn babies. Those fears were effectively laid to rest by state and Federal health investigators, as reported in The Times by Jane Brody. The concern about infant mortality was based largely on raw statistics showing an increase in the number of infant deaths within a ten-mile radius of the reactor after the accident. But those numbers in themselves are meaningless; there was also an increase in the total number of births. The rate of infant deaths remained normal.

Similarly, the concern over thyroid disease was based on unevaluated statistics showing, in three counties, a possibly abnormal number of children born with thyroid defects. But on investigation, most of these cases were attributed to hereditary defects or other circumstances predating the nuclear accident. Four counties equally close to the reactor, or closer, had no such cases at all.

Reports of bizarre deformities among farm animals and wildlife have also been circulating. Worried farmers and at least one veterinarian have described animals born with legs or eyes missing, stillbirths, spontaneous abortions, defective bone structures and strange sudden deaths. Many blame the reactor. But the Pennsylvania Department of Agriculture investigated 100 farms within five miles of the reactor last May and found only five with any unusual problems among the livestock. These were attributed to viral infections or to feed and poor nutrition; there was no evidence of radiation damage.

Several long-term studies are still under way. But for now the public can draw considerable reassurance from these negative findings. It is not only apologists for the nuclear industry who say that radiation damage has been negligible; so do health officials whose main concern is the public's safety, and agriculture officials whose mission is protecting farmers and livestock.

What is not at all reassuring is the behavior of "experts" who have inflamed public fears by dealing recklessly with statistics. Dr. Gordon MacLeod, who was Pennsylvania's Secretary of Health at the time of the accident but was later forced to resign by the Governor, irresponsibly publicized some of the raw data suggesting the existence of health problems. And Dr. Ernest Sternglass, a perennial campaigner against nuclear power, is accused by neutral health authorities of mishandling data to demonstrate health damage. Even in nuclear fables there are people who cry wolf.

Three Mile Island Fallout

(By Shirley Hobbs Scheibla)

WASHINGTON.—Four nuclear power plants ready to go on stream but idled by the de facto moratorium on operating licenses are costing consumers an extra $10–$15 million a month per plant for replacement fuel. Stockholders are bearing the brunt of up to $5 million a month for each plant in capital costs, with no return. The meter, so to speak, has been running for several months, or ever since the highly publicized accident at Three Mile Island.

In June three more plants will be ready to go on line. By that time, absent a moratorium, the seven plants (which altogether represent an investment of nearly $5 billion) would be able to supply capacity of 7,300 megawatts. That would be a substantial increase over the 52,300 MW now provided by the nation's 72 licensed reactors. In addition, nine reactors on the brink of construction are affected by the moratorium.

The dampening effect on future U.S. development of nuclear power is likely to make it more difficult for the U.S. to compete economically with at least six other nations. The six recently met to weigh the implications of Three Mile Island. They nevertheless decided to go full speed ahead with nuclear plants as a cheap source of energy.

LICENSE FOR TVA PLANT

Although Congress has voted down a moratorium, and President Carter has urged its end, the stalemate continues. The Nuclear Regulatory Commission (NRC) last month issued a low-level (5%) fuel-loading license for the Sequoyah plant of the Tennessee Valley Authority. It now is preparing to issue similar licenses for the rest of the four aforementioned plants, with the next one expected to go to Potomac Electric Power Co.'s North Anna 2 plant in about two weeks. According to NRC Commissioner Joseph M. Hendrie, full operating licenses for the seven plants won't come until the second half of the year. (They're likely to be issued one after the other; each would follow about six months after the low-level loading license, assuming no hitches develop.)

Since no one was killed or injured at Three Mile Island, and there was no environmental damage, what's the justification for the moratorium? The answer is that both the government and industry found that they had concentrated so much on preventing big accidents that they were not prepared for a series of small mishaps.

The nuclear utilities have responded by funding an Institute for Nuclear Power Operations to launch a systematic evaluation of their operations. It is to industry's advantage, of course, to put its house in order; another Three Mile Island might well spell the doom of nuclear power. (A power failure at Florida Light & Power Co.'s plant at Crystal River, Fla., on Feb. 26 caused an emergency shutdown. No damage to the reactor or the atmosphere resulted, however, and NRC officials attributed this to improved training of operators since Three Mile Island.) The utilities also are working on a mutual insurance plan to pay for replacement power after an accident.

A MOVING TRAIN

Why is NRC taking so long to set regulatory matters right? On Capitol Hill and elsewhere, it is said that the five NRC commissioners hold such widely disparate views that they're incapable of reaching expeditious decisions. Some decisions they have reached are troublesome. For example, the industry complains that equipment doesn't exist to meet some of NRC's new emergency rules. Moreover, the latter change so often that P. Lee Starkey of Virginia Electric Power Co. (Vepco) says complying with them is like trying to paint a moving train.

Now the new Federal Emergency Management Agency (FEMA) is worsening the delays. For instance, it insists that state emergency plans be reworked although already approved by NRC. (Federal approval of such plans is a prerequisite for licensing.)

Chairman Morris K. Udall of the House Interior Committee has introduced a comprehensive bill to revise drastically federal policy on virtually every aspect of nuclear power. Among other things, it specifies that NRC shall issue no new construction permit without the fulfillment of certain conditions, or three years, whichever comes first. Hearings are slated to begin in mid-March. To date, the reaction from both industry and Congress is mixed. Since the bill is so controversial, it is virtually certain to undergo changes.

The Senate, which expects to come up with its own measure, has launched a year-long study, with the first phase expected to surface this month. Meanwhile, President Carter any day now is likely to make his own legislative recommendations, including strengthening the role of the NRC chairman.

Where utility companies have gone beyond the point of no return with their plants, they continue to struggle with the regulators. That's especially true for utilities which have completed plants that are now standing idle. However, according to J. Hugh Devlin of Morgan Stanley & Co., the confidence of nuclear investors is extremely fragile. Last November he warned Congress that an extended moratorium will make it difficult, if not impossible, to finance completion of units.

One reason why the moratorium is taking so long is that NRC has concentrated first on looking at plants already in operation. It is especially concerned about those in densely populated areas, notably Indian Point, about 40 miles from New York City, and the Zion plant in the Chicago area. Indian Point is owned by Consolidated Edison Co., Zion by Commonwealth Edison Co.

NRC now is weighing whether to require particularly stringent safety rules for them or to shut them down. Acting NRC Chairman Victor Gilinsky told *Barron's:* "While we realize the tremendous investment involved, and wouldn't do it lightly, we don't rule out the possibility of closing those plants or curtailing their operations." NRC already has closed some other plants for a few weeks or days to improve their safety precautions, including all three of Vepco's that have operating licenses.

REPORTS ON THE ACCIDENT

On the other hand, Commissioner Hendrie predicted that NRC won't close Indian Point or Zion. He believes it will settle for making safety measures more stringent. Hendrie points out that there are no low population sites in Europe, which is very enthusiastic about nuclear power.

While confusion reigns in Washington, the public seems equally perplexed over exactly what happened at Three Mile Island. Media reports have been contradictory and inaccurate. Now, however, thanks to the issuance of two lengthy reports, an observer can piece together what actually took place. To put it simply, three valves, one after the other, stuck in closed position. This partially shut off the water for the steam generators and automatically shut down the reactor. Then a valve stuck open on the pressurizer. Because pressure was lost, the water supposed to keep the reactor cool started boiling. It took four or five days to get the cooling started again.

Without the cooling, there was probably some melt-down of the nuclear core and a slight release of radioactivity. But the average dose of radiation in the site area was less than 1 percent of the annual dose from natural background radiation and medical practice. The chief health effect was short-lived mental stress.

In January, a Special Inquiry Group headed by Mitchel Rogovin, member of the law firm of Rogovin, Stern & Huge, completed a lengthy report on Three Mile Island for NRC. It said that two previous incidents, as did Three Mile Island, involved misleading information from instruments when valves stayed open.

LOST INFORMATION

The Rogovin report said that when a valve stuck open at Three Mile Island on March 28, 1979, "alarms were of little use due to the number that were flashing and their almost random location * * *. The control room has over 750 alarms, significantly more than the Babcock & Wilcox simulator on which Met Ed operators practice * * *. Those that might have told the operators about the valve * * * could not be seen from the main console or main panels. An audible alarm went off but it is the same for all alarms so there was no reason for operators to single out the reactor coolant drain tank alarms * * *. Soon after the accident began, the read-out and display computer got so far ahead in printing out alarms that operators had to 'dump' its memory in order to get up to date. Information about events and trends that might have helped them diagnose the accident was consequently lost."

A Presidential commission, headed by Dartmouth president John G. Kemeny, came to a similar conclusion when it issued its report last October. It also found that "NRC accumulates vast amounts of information on the operating experience of plants. However, prior to the accident there was no systematic method of evaluating these experiences, and no systematic attempt to look for patterns that could serve as a warning of a basic problem."

According to both the Kemeny and Rogovin reports, during the first week after the accident, NRC lacked reliable information on the extent of the danger. It believed there was a greater release of radiation than actually took place. It also erroneously thought that there was imminent likelihood of the explosion of a hydrogen bubble within the reactor vessel.

The Rogovin report said that most of the news media didn't understand what they heard, with the result that "many of the stories were so garbled as to make them useless as a source of information * * *. There were * * * a few notable examples of irresponsible reporting and some of the visual images used in the reporting tended to be sensational."

Since the accident at Three Mile Island, NRC has not issued a single construction permit or operating license, although it has not announced a formal moratorium. Rep. John T. Myers (R., Ind.), ranking minority member of the House Appropriations Subcommittee on Energy, says he believes this is illegal. Congress has turned down every proposal for a moratorium. President Carter also favors ending the moratorium. Altogether, 95 nuclear power plants are under construction and 21 are awaiting construction permits.

Commissioner Hendrie was NRC chairman until recently, when President Carter replaced him with Commissioner John F. Ahearne, an interim appointment, until the President can decide what to do about nuclear power plant regulation. Carter is said to favor strengthening the role of the NRC chairman. The NRC statute now gives each of the five commissioners "equal responsibility and authority in all the decisions and actions of the Commission."

Here is how Hendrie explained the de facto moratorium: "In the latter half of 1979, there were recurrent initiatives for a legislative moratorium involving all kinds of odd times—I kept saying a moratorium was a dumb idea* * *. By October, NRC thought it had sorted out the Three Mile Island lessons well enough. But the Kemeny people said to wait for their report and recommendations. That made it hard to move ahead. And now we have to factor in the Rogovin report."

SAVING: $5 MILLION A MONTH

The first break in the moratorium came with the issuance of the low-level fuel-loading license for TVA's Sequoyah I plant. Sequoyah has been ready for operation since Nov. 15. TVA spokesman John Slater says Sequoyah I will replace coal-fired generation at a saving of $5 million a month.

NRC was just about ready to act on Sequoyah I earlier last month when the Federal Emergency Management Agency (FEMA) questioned whether protection was adequate within a 10-mile radius of the plant. It also pointed out that the State of Tennessee lacks an approved emergency plan. But the Commission doubted whether all this was necessary for a low-fuel loading license, since no danger is linked to it.

Because NRC expected Sequoyah I to establish the pattern for licensing other plants ready for operation, Vepco thought it was all set for an operating license for its North Anna 2. NRC had approved the emergency plan by the State of Virginia; and the plant has been ready to go since last June. But Hendrie reveals that FEMA now wants to re-do the approved emergency plan for Virginia and all other states before NRC allows low-level fuel-loading. "Our intention," explains the commissioner, "was to phase in the new safety regulation after the low-level licensing."

FEMA notwithstanding, Hendrie expects that Sequoyah will have a full operating license by fall and that licenses for the other plants will follow. They include Salem 2 in New Jersey, owned by Public Service Electric & Gas Co.; North Anna 2, in Virginia; Diablo Canyon 1, in California, Pacific Gas & Electric Co.; McGuire 1 in North Carolina, Duke Power Co.; LaSalle 1 in Illinois, Commonwealth Edison Co.; and Zimmer 1 in Ohio, Cincinnati Gas & Electric Co.

VOTER PREFERENCE

While the companies consider low-level licenses better than nothing, Rep. Myers condemns them as "not economically feasible." During the recent Congressional recess, he said he asked the people in his district whether they would prefer to live next door to a nuclear power plant or send their young people to fight for fuel. All of them chose the former.

Congress is unlikely to step in to end the moratorium, since just about everything in the mill on Capitol Hill is of a long-range nature. However, several influential members of Congress, including Representative Myers, have been prodding NRC for a quick end to the moratorium.

Industry chieftains take a dim view of the outlook. On this score, Stanley Ragone, president of Vepco, states: "If I had to decide whether to build a nuclear plant in 12 to 15 years, I wouldn't do it. If it is to go into service prior to 1983, I would have so much committed that I would have to go ahead. [There's no way to convert a completed plant to coal.] Our North Anna plants 3 and 4 are both about 10 percent completed, so they're halfway between the 1983 date and 12 to 15 years off. We've asked a consultant to do a study on the feasibility of converting the two plants to coal."

Vepco has spent over a half-billion dollars on North Anna 2. Back in November, the Vepco president wrote to all members of NRC, with copies to President Carter and members of Congress. He said in part: "As you well know, North Anna 2 reflects the most recent NRC licensing requirements. Its sister unit has performed in an outstanding manner through its first refueling period, and there is no reason to believe similar performance should not be expected from Unit 2." The letter also warned that inability to operate Anna 2 might possibly impair Vepco's ability to serve its customers.

To replace the power needed from North Anna 2, Vepco at first brought coal-fired generation from the Appalachian Power Co., part of the American Electric Power System. Appalachian had the power available because, unlike Vepco, its peak power demands fall in the winter. But with the coming of winter, this course no longer was available and Vepco had to use its own oil-fired generation. Ragone figures this will eat up about 30,000 barrels a day for six months, at a cost of between $12 and $13 million a month. "In addition, any delay in the commercial operation date adds about $4 million per month to the completed cost of the project, which will have to be borne by our rate payers over the life of the unit."

In comparison, the cost of the damaged unit at Three Mile Island is stupendous. The Kemeny report put it "in a range of $1 to $2 billion," if it can be put back into operation. Otherwise, it added, the cost would be much larger. The problem now is to learn the full extent of the damage and how to clean it up without releasing radioactivity.

Chairman W. Wilson Goode of the Pennsylvania Public Utility Commission says his agency has decided to take the costs of the damaged Three Mile Island unit out of the rate base, so that they won't be passed on to customers. The Commission favors having insurance pay costs of replacement power and cleanup. It also would have utilities supply replacement power at cost. (Three Mile Island is run by Metropolitan Edison, a subsidiary of General Public Utilities. In February, GPU, blaming regulatory inaction on allowing recovery of costs, announced that it was omitting its regular dividend.)

American Nuclear Insurers and Mutual Atomic Energy Liability Underwriters, two insurance pools, so far have paid claims of over $1 million in connection with the accident, primarily for living expenses of families which evacuated the area around the plant. Rep. Ted S. Weiss (D.-L., N.Y.) says more extensive evacuation could have triggered personal and property damage suits ranging from $3 billion to $17 billion.

PAUSE BUT NO PARALYSIS

A communique issued at the end of the meeting of six nations in Tokyo last June said that the accident at Three Mile Island should give the nuclear industry pause but not paralyze it. The countries included Canada, France, Italy, Japan, the United Kingdom and West Germany.

More recently, the Atomic Industrial Forum, after an international survey, reported that in the past year and a half, nuclear power plant operating capacity outside the U.S. rose nearly 25 percent to 70,200 MW.

R. E. Kirby, chairman of Westinghouse Electric Corp., recently declared that a second Three Mile Island could change the public's reasonable fear into hostility. "But," he added, "the pubic must also be told that it will have to choose—from time to time and place to place—between nuclear energy and some tough alternatives. Alternatives like inflation, higher unemployment, no economic growth and national insecurity."●

IN MEMORY OF MRS. GENEVA WASHINGTON, "SHE CAME, SHE SAW, SHE CONQUERED"

HON. WILLIAM LEHMAN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 30, 1980

● Mr. LEHMAN. Mr. Speaker, there are many words of commendation and praise that I could say about the late Mrs. Geneva Washington, my dear friend and constituent. But, I think Mr. Robert Doran, Chief of Social

Work Service at the Miami Veterans' Administration Medical Center, says it best.

I'd like to share Mr. Doran's remarks with those who knew, or may not have known, the splendor of Mrs. Geneva Washington:

Geneva Washington, a very special person.

A beautiful person in every sense of the word.

An outstanding individual who was respected by all who saw her and beloved by all who knew her.

Most of us here knew her only since her transfer to our Medical Center in 1976. A few short years,

But she came,
She saw,
She conquered us.

I say she saw because so frequently in her sincere, outgoing manner I would see her clasp someone's hand in greeting, then say, "It's so good to see you". In another sense of the word I believe she saw and understood things in a way that sighted persons do not. She had a very unique appreciation of life and of people.

She conquered us. She conquered us with her personality, her charm, her humor, her courage, her capability and knowledge; and her wisdom. Geneva also captivated us with her interest in so many different things, and with her genuine concern for other people and their well being.

It wasn't too many months ago that Bob Odell put together the documentation and initiated the nomination recommending to the Federal Executive Board of South Florida that Geneva receive some recognition. Because of her outstanding contribution that Board, which comprises 45 different Federal Agencies, selected Geneva for the 1979 Federal handicapped Employee of Year Award for this section of the country. She also was subsequently selected as 1 of the 6 most outstanding Handicapped Employees in the entire V.A. System. The Administrator of Veterans Affairs learned of Geneva and when he came to the Florida Area he made a special point of seeking her out so that he could talk with her; and also to commend her.

These were all very much deserved recognitions, and yet from a different perspective many of us didn't think of Geneva as having a handicap.

She made the most out of her life, and created opportunities and success where others, under similar circumstances would have given up and failed. She had an inner security and strength that generated to others. She encountered situations in her life which would have been beyond the endurance of many of us. But, she faced her trials and tribulations and coped with them, always maintaining a poised, friendly, cheerful approach in her relationships with people.

Geneva chose to be a social worker as her life's work. A profession that has a basic goal the helping of other people. Was she successful in achieving this goal?

It is not always easy to measure the full outcome of one person's efforts to help others, but with Geneva we know she was highly successful in accomplishing this goal. Veterans, families and fellow V.A. employees were continually commenting on the meaningful help they received from her.

Another example of her far reaching and positive influence is that when an article appeared in the newspaper last summer about Geneva, we subsequently learned of individuals who had clipped out the article and picture of her, framing it and keeping it out on display in their homes because she was so greatly admired and because she served as such a strong inspiration to people.

Yes, she accomplished her goal of helping others, and she did it in a remarkedly skillful way.

Since the good a person does continues on, her accomplishments and the fine example she set will continue to influence each of us in the future, and because of this Geneva Harrison Washington shall not be forgotten by any of us who have been blessed with the good fortune of knowing her.●

DRAFT REGISTRATION

HON. PHILIP R. SHARP

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 30, 1980

● Mr. SHARP. Mr. Speaker, last week the House debated and passed a proposal for premobilization draft registration. I have serious concerns about our military preparedness and about our inability to keep trained military personnel, and I believe we must be prepared to institute a draft in wartime; nevertheless, I opposed this particular proposal.

Because we did not have an opportunity to vote for what I considered the best choice during debate, I would like to take this opportunity to explain my position and my vote in more detail.

We were asked to approve $13.7 million for a rather meaningless post office registration system. A less costly and less intrusive postmobilization option was proposed by the subcommittee, but the parliamentary situation did not allow it to come to a vote of the full House. I would have supported that option.

Briefly, the preferred solution would have been to take the Selective Service System out of deep standby and prepare for a rapid registration after mobilization becomes necessary. It would not have required registration now, but it would help us prepare for a more rapid registration if needed. This could have been done at a cost of only $4.7 million, and it would not delay inductions by any significant amount of time.

The President's proposal, which was passed by the House, only asks young men to register at their post offices; it does not make any provision for a systematic updating of addresses that change. Since 25 percent of our people change their addresses each year, this system is seriously flawed.

The subcommittee's postmobilization option, which I favored, and which was also the course originally recommended by the Director of Selective Service, is a much less expensive, less intrusive, more cost-effective improvement in our present Selective Service System. Either plan would provide enough draftees quickly in a national emergency. It does not seem wise, therefore, to spend the extra money, to disrupt people's lives, for a very few days' advantage in preparedness.●

THE LATTA BUDGET MEANS ECONOMIC GROWTH

HON. NEWT GINGRICH

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 30, 1980

● Mr. GINGRICH. Mr. Speaker, today the Wall Street Journal examined the various budget proposals before this body and endorsed the approach proposed by our colleague from Ohio, Mr. LATTA.

As we face the possibility of serious recession, I think it is important we think carefully about the choice we face. I hope each Member takes time to consider the Journal's case for an economic growth budget:

BUDGETING FOR ECONOMIC GROWTH

It's budget resolution time again on Capitol Hill, with the budget committees and legislators laying out an economic blueprint for the coming year. We hope they can pay some attention to the ideas now percolating through the economics profession, which were especially notable at an important conference last weekend at Harvard University.

We express this hope without much faith, for as House debate opens on a budget resolution a familiar ritual seems to be developing. The Budget Committee is promising a balanced budget for fiscal year 1981, based largely on a growth in tax revenues of almost $100 billion. And even this balance is not likely to outlast the First Budget Resolution.

To see why, consider the fate of the 1980 budget. The Second Budget Resolution for fiscal year 1980 was passed last autumn to govern the fiscal year from October 1979 to October 1980. Yet here we are seven months into the fiscal year, and the House is busy at work on third and fourth budget resolutions for 1980. The third resolution, known as the revision of the budget, ups spending more than $19 billion, raising the official deficit to $38.2 billion. The fourth resolution, known as the Giaimo amendment, kicks in another $4.6 billion and raises the deficit to $42.8 billion. After the House gets through packing the spending into the 1980 budget, it will then balance the budget for the First Budget Resolution fiscal year 1981.

House Republicans, foreseeing the inevitable growth in spending over the year, want to start from a lower level. And they want a cut in tax rates to protect real income from the rising tax burden. Their substitute budget resolution increases defense spending by $4.5 billion, holds the growth in overall spending $14 billion below the Budget Committee version, allows for both accelerated depreciation and a 10 percent cut in personal income tax rates and still balances the budget.

Without getting into specifics, the general direction sketched by the Republican substitute corresponds to the thinking of the conference on American competitiveness sponsored by Harvard, the Senate Subcommittee on International Trade led by Senators Ribicoff and Roth, and the New York Stock Exchange. American competitiveness and productivity, ran the consensus, can only be restored by basing economic policy in the 1980s on supplyside economics.

The participants—an influential group of congressional, business, labor and academic leaders—felt that a tax cut targeted on the supply side of the economy and effective in 1981 is not inconsistent with a balanced budget. The conference's task force on productivity, employment and standard of living, chaired by Rep. Jim Jones, felt that the need to encourage investment is so pressing that "a tax cut should take precedence over a balanced budget," which is a way of saying that if Congress doesn't want a deficit it can cut spending.

Overall the conference recommended aggregate tax reductions over the 1981-83 period of about $100 billion in gross revenues (without feedbacks) split evenly between individual and business reductions. Steve Entin of the Joint Economic Committee staff pointed out that even a cut of this size was peanuts compared to an approximate $340 billion growth in tax revenues projected over the same period.

Senator Ribicoff told the conference that "increasing productivity is good for every segment of society"—thus casting aside divisive debate about who benefits from tax cuts.

Senator Lloyd Bentsen made it clear that it is our competitors who benefit from the high and rising U.S. tax burden. As a result of bad tax policy, "We are asking the American worker to do tomorrow's job with yesterday's tools." Pulled down by lagging productivity, we are becoming "an also-ran in the race for economic opportunity."

Otto Eckstein of Data Resources, Inc. reported that growth in the personal income tax burden had driven 2 million people out of the work force and that the lack of a supply-side policy during the last 8 years had increased the core rate of inflation. Martin Feldstein of the National Bureau of Economic Research said that the tax burden on non-financial corporate income was one-third higher today than during the 1960s.

As Dean Henry Rosovsky told the conference, becoming less competitive is the symptom of a serious national disease. If recognized and treated in time, it can be cured. This week the House could take the first steps toward a cure by pushing to reduce the growth in the tax burden, in terms of both government spending and tax rates. The House can put American productivity on the road to recovery by adopting the substitute to the Budget Committee's First Budget Resolution in fiscal year 1981. As the conference demonstrated, there's ample support for the treatment.●

DRAFT REGISTRATION

HON. JOSEPH L. FISHER

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 30, 1980

● Mr. FISHER. Mr. Speaker, I wish to make a few comments on the resolution adopted by the House last week, which transfers $13.3 million in appropriated funds to the Selective Service for reinstating draft registration for young men. After listening to the floor debates, to numerous people in the Selective Service and other Government agencies, and after much soul searching, I decided to vote against the measure.

It has always made practical good sense to me to be prepared for possible future emergencies. For this reason, I initially looked at the proposal to preregister young people favorably. I had a number of reasons for doing so. The proposal was for registration, not a draft, which would have no basic effect on the lifestyles of the young people being registered. The only requirement would be for individuals to fill out a form at a local post office with their names and addresses. No draft card would be issued, no classification or examination would be required. In my opinion, there was no danger that the registration would be, in the words of some, "tantamount to a draft." The resolution itself contains a prohibition against using the specified funds to begin actual induction of young men into the armed services. A subsequent action by the Congress would have to be taken prior to any draft. This prohibition was one of the requirements I had established before I would support a registration proposal. On the surface, then, it appeared to be a resolution that I could feel comfortable supporting.

As debate continued, however, I began to have doubts about the bill. I read reports and listened to my colleagues expound on the meaninglessness of a registration which appeared to be merely a symbol of U.S. military resolve. I began to suspect that neither the agencies involved nor the administration itself had a clear and positive idea as to how much time would be saved by an early registration. Officials at the White House were initially quoted as saying that early registration would save from 90 to 100 days; in contrast the Selective Service Administration, in a January in-house document, stated that only 7 days would be saved by early registration.

As I studied the registration matter further, I noted that evidence was submitted to the House Appropriations Subcommittee showing that the Defense Department itself would be unable to begin to process the first new inductees until at least 30 days after mobilization began. This projected 30-day timelag seemed to remove much of the justification for early registration. In addition to this, some of my colleagues in the House pointed out during final debate on the resolution that if early registration were reestablished, those young men who did not register would be subject to as much as a 5-year jail sentence. This seemed harsh punishment indeed for failing to comply with a peacetime registration.

Quite a few young men who live in northern Virginia, nearly all of whom convinced me they would consent willingly to be drafted in circumstances more closely approaching war than now exist, urged me not to vote for this bill. They argued that, if any substantial number refused to preregister, which they thought to be likely, then exactly the wrong message would go out from this country to the rest of the world.

All in all, I believe that the registration proposal that was put before the House was not well thought out. What I thought were credible arguments in favor of registration melted away in the face of later evidence. In spite of this evidence, which was enough to convince me to vote against House Joint Resolution 521, the resolution still passed the House by a vote of 219 to 180. I hope that the administration will take heed of the testimony offered against the registration proposal, will reexamine its position on this issue, and will make adjustments accordingly. I shall monitor the whole situation closely as time goes on and be prepared to vote for a draft registration or even a draft if in my judgment either becomes necessary.●

THE LAWMAKERS

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 30, 1980

● Mr. MICHEL. Mr. Speaker, Paul Duke, whose long and distinguished journalistic career is known to all who follow politics, is currently engaged in a new and promising adventure in electronic journalism.

His new show is entitled "The Lawmakers." Like most good ideas, the one inspiring "Lawmakers" is so simple, so self-evident that we wonder why it has not been thought of before.

Basically, "Lawmakers" uses videotape footage of House floor proceedings, coverage of major committee action and interviews with Representatives and Senators to give a weekly summary of what is happening on the Hill.

As I said, it is a simple idea—but it is also a brilliant one. This is exactly the kind of congressional coverage the American people deserve and what they have not been getting. Congressional action is treated by the major networks in brief snips and bits of famous faces. There is little or no continuity to a story about a bill making its way through the committee system.

"Lawmakers," in short, seek to inform the American people about what is going on in Congress. It is being shown on public television, channel 26, here in Washington, but there are plans to have it televised nationwide in May. Paul Duke has my best wishes as he pioneers a new format in electronic journalism.●

APRIL 30TH COMMEMORATION DAY FOR VIETNAMESE

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 30, 1980

● Mrs. SCHROEDER. Mr. Speaker, today, April 30, is the fifth anniversary of the fall of South Vietnam.

The Vietnamese community in Denver held a commemorative ceremony April 26 at Abraham Lincoln High School. I am pleased to be able to share with my colleagues one of the addresses that was given at the ceremony.

The address follows:

ADDRESS BY THE REPRESENTATIVE OF THE VIETNAMESE STUDENT COMMUNITY OF COLORADO

Distinguished guests, ladies and gentlemen, dear friends, I have been selected by the Vietnamese Student bodies of the University of Colorado at Boulder and Denver, and of the Community College of Denver to express our views on this Commemorative Day of April.

Five years ago, April 30 marked the day South Vietnam was lost to the Communists as a result of dispute among international powers. From that day on, April 30 has become a day of National Mourning to all Vietnamese, to the cause of freedom and human rights. But April 30 should never be a cause for defeatism, obsession and despair. It should always remind us that the right cause will prevail in the end. The Vietnamese have always been a heroic and indomitable people.

Five centuries ago, our national hero Nguyen Trai, after he had helped Emperor Le Loi defeat the Chinese invasion and recover the National Sovereignty, stated: "Vietnam is a country with a rich cultural heritage; the country is at times subject to foreign domination, at times enjoying freedom and independence, but she never ran out of heroes." In the course of our nation's 4000 years' history, this is not the first time that our people have suffered from domination and repression. We have survived 1000 years of Chinese domination and 100 years of French domination and we will overcome the Communist repression. With this faith in mind, we won't let the country's present state of affairs discourage us. On the contrary, we should struggle to our utmost because we know that when winter has come, spring is around the corner.

Ladies and gentleman, dear friends, April 30 marked the day we were forced to leave our homeland. In leaving our country, we can't help asking ourselves: "How would we feel about our country now that we are thousands of miles apart; what should we do for our country and our people?" The answer is simple and obvious: Our motherland needs all of us, our motherland is expecting us to get involved to assume responsibility. If we don't struggle for our country, who is going to struggle for us? If we are not ready to rebuild our country, who is going to rebuild it for us? Don't say that the responsibility is too much for us to fulfill, because we are all responsible for what has happened to our country. Don't claim that we don't have the abilities because if we don't make full use of our abilities, there is no one else's ability that can substitute for ours.

For years we have hesitated. While we are hesitating, our people are suffering more and more. While we are spending freely, our younger brothers at home have no warm clothes in winter, our parents subsist on poor foods and go to bed hungry each night. While we are having a good time dancing and in night clubs, other young Vietnamese are fighting and dying in battles in the frontier areas. While we are driving in comfortable cars, our relatives are dying of thirst and are drowning by the thousands in the high sea. Can we, who have successfully settled down in America, enjoy peace of mind in our peaceful oasis? How much longer are we going to wait?

Dear friends, with the fall of South Vietnam, we are like those birds whose nest is broken, whose flight is disorganized. Decades of war with its inherent deceits and treacheries have made us lose our faith. Being repeatedly deceived, we tend to look at one another with suspicion. It is not easy for us to get together. But the need for us to be united is obvious. Without unity, we cannot function effectively. Then why can't we get organized on the common denominator of anti-Communism? Let us open our hearts, let us get together with an open mind.

Dear friends, the task of national recovery is a long and difficult one. It cannot be realized so long as all the overseas Vietnamese and inland forces are not united. In the meantime, there are many endeavors of common interest we can pursue. We can denounce to nations of the free world and the American people and government the violation of human rights by the Communist Authorities in Vietnam. We can appeal to the nations of the free world to be more tolerant towards our boat people. We can help the newly arrived refugees settle down and become contributing members of their new society. We can help preserve our cultural heritage and particularly to keep alive the struggle for freedom and human rights in ourselves and our descendants.

Ladies and gentleman, dear friends, April 30 is the commemorative day honoring all those have died for freedom. If we have not died for our country, then let us us live for our country, yes, let all of us live for our country.

Thank you for your attention.●

THE HOSTAGE CRISIS WORSENS

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 30, 1980

● Mr. HAMILTON. Mr. Speaker, insert my Washington Report for Wednesday, April 30, 1980, into the CONGRESSIONAL RECORD:

THE HOSTAGE CRISIS WORSENS

The United States faces a worsening crisis in Iran, where 50 Americans have been held hostage since last November. The full effects of our aborted rescue mission are still unfolding, and they may not become evident for several days yet. The resignation of Secretary of State Cyrus Vance appears to be just one. Hoosiers share my concern about the situation. They deeply regret the loss of life, and they deplore the continued imprisonment of our diplomatic personnel in violation of every principle of international law and human decency.

Since the beginning of the crisis, President Carter has taken many economic and political steps to secure the hostages' safe release. He has ceased the sale of all military equipment and spare parts to Iran, cancelled deliveries of some $300 million in military equipment bound for Iran, stopped all our purchases of Iranian oil, frozen all Iranian assets in this country, set in motion procedures to deport Iranian students not studying in accordance with the terms of their visas, and broken diplomatic relations with Iran, expelling all its diplomats. In addition, Mr. Carter has initiated official economic sanctions prohibiting exports, except for food and medicine, from the United States to Iran, blocked all Iranian imports into the United States, inventoried claims against Iran and Iranian assets with an eye to paying reparations to the hostages and their families, invalidated almost all visas issued to Iranians for future entry into this country, halted all but a few financial transactions between Americans and Iranians, outlawed the use of American passports for travel to Iran, and closed American offices of Iranian airline, oil, and gas companies.

I approve of these steps, and I believe that they are beginning to have a serious impact on Iran. That nation has been hurt economically, and it has been isolated within the international community. I also approve of Mr. Carter's efforts to free the hostages through diplomatic and private channels. In my view, no effort should be spared in this regard. I welcome and support the decision of our allies to impose their own economic and political sanctions on Iran. The sanctions will be implemented in mid-May, and their effects will be felt shortly thereafter. If all the measures I have mentioned fail to secure the hostages' safe release, however, we must consider all remaining economic, political, and military options open to us. Included are the embargo of exports of food and medicine, the interruption of communications, further commando raids, and the mining of Iranian ports.

It has been evident since the beginning of the crisis that military measures might become necessary. We have known that the risks of taking such measures include extreme jeopardy to the hostages' lives, further disruption of the oil supplies of our allies, the generation of anti-American hostility in other Moslem nations, and the possibility that the Soviet Union will gain influence in Iran and ultimately the entire Persian Gulf. But there are also risks inherent in the failure to use military force. That Iran might escape punishment for its misdeeds would humiliate the United States and reduce its power abroad. It would make the United States seem helpless in the face of provocation. The United States would pay a heavy price if it did not preserve its reputation for protecting its citizens and interests. If another military move is called for, the mining of Iranian ports appears to be the least dangerous but most immediately rewarding option open to us.

I understand the pressures on the President to engage in military action, and I fervently wish that our rescue effort had succeeded. The mission's failure exacted a heavy cost: the lives of eight brave American soldiers. Continuation of the mission in the circumstances could have resulted in a catastrophe for everyone, however.

I remain deeply worried about the well-being of the hostages, especially since the failed rescue mission. While the conditions of their captivity could be much better, recent visits to them indicate that they appear unharmed and are adequately fed. We should do everything we can to assure their safety and continued well-being, and we should be as helpful as possible to their families. We should be planning now for ways to ease their return to normal life at home. With my support, a bill has been introduced in Congress to give the hostages and their families a broad range of financial benefits.

It is clear that the hostages have become embroiled in the domestic politics of a country rapidly approaching chaos. The hostages have in fact become pawns in a struggle for political control of Iran. Throughout the crisis there has been, in effect, no legally constituted authority in Iran that has been both able and willing to resolve differences by peaceful negotiation. At times it seemed to us that such an authority was emerging, and during those times we held back in order to see what would result. Nothing has resulted, so more action against Iran is in order. In the process of trying to deal with Iran's bickering religious and civilian leaders, we have exhausted many avenues of relief. We must continue to press ahead insistently, not allowing the failure of our rescue mission and the sorrow we feel to paralyze our resolve to act.

Too much is at stake for us to give up.●

THE IMMORALITY OF THE DRAFT

HON. RON PAUL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 30, 1980

● Mr. PAUL. Mr. Speaker, Lawrence J. Brady, former Director of the Office of Export Administration at the Department of Commerce, was forced out of his position in January of this year. Mr. Brady made the fatal mistake of calling the attention of the public to the policy of this Government to subsidize the transfer of military technology to the Soviet Union and other Communist countries.

On March 2, 1980, Mr. Brady made a speech to the Veterans of Foreign Wars in which he made the following statement:

> While the Carter Administration calls for registration and perhaps the draft of our young men and women, they are still promoting the sale of strategic technology and equipment to the Soviet Union.
>
> Now, I am not here to discuss the merits of draft registration; I don't know the facts. But as a father, who is being asked by President Carter, to see his children register, and perhaps be sent to war—a war we invite through our weakness—while the Federal Government permits military technology to be shipped to the Soviet Union is, in my opinion, nothing short of immoral.

Mr. Speaker, I include excerpts from Mr. Brady's speech in the RECORD at this point:

ADDRESS BY LARRY BRADY TO THE VETERANS OF FOREIGN WARS

I'm here to talk to you this morning about my unsuccessful fight from within the Federal bureaucracy to shut off the flow of U.S. technology and equipment to the Soviet war machine.

On January 21st of this year I resigned from my position as Deputy Director of the Office of Export Administration in the Commerce Department. I resigned after many years of public service because I could no longer serve within an agency that time after time failed to protect the security interests of the American people.

I am going to describe what happens to senior Executive officials who "blow the whistle" on this administration, who try to tell the truth to Congress and the American public.

And there is irony to this story, too. For President Carter, who ran for office in 1976 on a platform of protecting whistle-blowers in government, turned his back when I needed help.

In 1978 the President signed into law the Civil Service Reform Act, which implemented the first major restructuring of the federal personnel system in nearly one hundred years. The legislation contained provisions, strongly supported by President Carter, to protect whistle-blowers from reprisals when they identify waste or wrongdoing in government when testifying before Congress.

On May 21st of this year President Carter made a major speech in which he encouraged Federal employee to show courage and step forward when they detected problems in their agencies. Three days later I did just that. I appeared before Congress to testify with appointed Administration officials from the Commerce Department to answer questions from the House Armed Services Committee about Soviet misuse of U.S. technology sold for peaceful purposes. The Carter appointees told the Armed Services Subcommittee that nothing was amiss in the U.S.-Soviet trading relationship, and that military production at the Soviet Union's Kama River truck plant—which contains U.S. equipment—did not violate any understandings between our two governments, that it was not illegal "diversion" of American technology.

Now, the Commerce officials know this was not true, and the Committee suspected it was not true. Nonetheless, the Commerce Department and other agencies that day began an extensive and well-coordinated effort to withhold this information from Congress and the American people.

At the hearings I was asked by Rep. Ichord if I agreed with the testimony of my superiors. At the point I made a fateful decision; I told the truth. I told the Committee that the Kama River plant—which was designed, built and financed with U.S. assistance—was systematically diverting engines and vehicles to the military in direct violation of agreements the U.S.S.R. had signed with our government. This was a fact that the Commerce Department had done its level best to keep from the American public, as I was soon to learn.

From that day when I blew the whistle my career in government was finished. The next nine months turned into a nightmare until I resigned early this year. The day after I testified, my boss threatened me with the loss of my job. Within three weeks of my testimony, a "new management team" was assigned to run the Office of Export Administration and I was demoted to Deputy Director and most of my duties were taken away.

I was told to shut-up and not to talk to the press. The cover-up was already taking shape. The Commerce Department kept up the pressure, because they had a terrible secret to hide.

The fact of the matter is that, over the past ten years, the Soviet Union, with the assistance of the Commerce Department, has been systematically buying our most sophisticated technology and illegally diverting it to their military forces.

I would like to quote the Under Secretary of Defense for Research and Engineering, Dr. William Perry:

"The Soviet Union appears to be conducting a 'cream skimming' operation—buying relatively few products to get Western technology and then copying that technology to make their own products. Thus the sale of technology to the Soviet Union has been of relatively small benefit to the Western world, but of very great benefit to the Soviet Union—both directly and indirectly assisting their military objectives."

This will not shock many of you, who remember when just before World War II Japan bought our scrap steel, which they later returned to us in the form of shrapnel and artillery shells.

No, there is nothing new about trading with the enemy. What is new is the failure of this administration to put an end to the madness. Instead, they turned on the employees who tried to inform Congress and the American people and violated their rights as career officers in government.

The Russians were not the enemy to the Commerce Department; I was. If you have any doubts on this score, you must read the report prepared by the Special Counsel's office of the Merit Systems Protection Board, which conducted a five-month investigation that upheld my allegations.

It is not important what happened to Larry Brady. What is important is that at a time when the forces of aggression are again on the march, and the free nations of the world are in greater danger than ever before, the policies of this administration are those of retreat, appeasement, and cowardice.

Can we be surprised that today the American flag is used to carry out the trash by those who occupy our embassy in Teheran? Can we be surprised that the Soviet leadership treats our President with open and cynical contempt?

When Soviet motorized divisions carried in trucks from the Kama River plant rolled into Afghanistan on Christmas Eve last year, I was sure that the Commerce Department and the Administration would finally admit that they were wrong, and that the time had come for a change in our Soviet trading policies. But what would you think if I told you that we are still, I repeat still, sending technology to the Kama River and other military plants.

I would today like to sweep aside the veil of secrecy created by the Commerce Department which hides the nature of our trading relationship with the Soviet Union and debunk some of the myths they propagate.

Fact: The Commerce Department argues that large numbers of American workers and American companies gain from East-West trade and that such trade improved our balance of payments account. This is false. The truth is that the sophisticated equipment we sell to the U.S.S.R. amounts to only a tiny portion of our manufactured exports—even to communist countries. Our exports of high-technology items to the Soviet Union constitute only three-tenths of one-percent of our total exports worldwide. In short, American companies do not need Soviet business; there are plenty of friendly countries to sell equipment to.

Fact: The Commerce Department argues that Kama River is the only plant in the U.S.S.R. engaged in military production that receives our technology. But Kama River is only the tip of the iceberg. The Zil truck complex, which is still licensed to receive U.S. equipment, is now turning out a wide variety of military vehicles being used in Afghanistan, including tanks, mobile missile launchers and armoured personnel carriers.

Fact: The Commerce Department argues that if we do not sell the Russians the rope with which they can hang us, other countries will—the French, the Germans, or the Japanese. Therefore, we should sell equipment, they argue, even when it is being used against us. Don't buy this argument, for two reasons. First, we have the best and most sophisticated technology in the world in key areas such as computers. Other countries do not have it to sell to the U.S.S.R. unless they obtain it from the subsidiaries of U.S. companies abroad.

Second, there are laws on the books which prohibit such transactions; they just need to be enforced. We and our major allies maintain a list of equipment which may not be sold to the Soviet Union and its satellites. But in the past few years, the United States has been leading the race to sell this equipment to adversary nations. In 1979, the State Department requested nearly two-thirds of the exceptions to that list. The leaks can be stopped—if we have the will.

And don't be fooled by recent press accounts that the President, after the invasion of Afghanistan, has adopted a new "get tough" policy with the Russians by placing a temporary "embargo" on the shipment of high-technology items to the Soviet Union.

Let me give you reasons very briefly, why this much publicized "embargo" is in fact a charade.

First, it does not apply to the Soviet satellites, such as East Germany, Hungary, Bulgaria and others. What the Russians cannot get from us, they will get from the countries under their control, which can still purchase the most sophisticated of U.S. technology.

Second, the "embargo" only applies to those technologies which require a so-called validated license from the Commerce Department. Almost all of the equipment sent by us to the Soviet Union is shipped without any government regulation or control, and will not be affected by the "embargo." Let me give you an example.

Just two weeks ago, the Ingersoll-Rand corporation was given the green light by the Commerce Department to ship a 200-foot assembly line to the Kama River military plant. Our intelligence sources tell us that the Kama plant has manufactured 300 prototype V-12 engines, which are normally installed in tanks.

Third, the so-called "embargo" will soon be relaxed, according to the Commerce Department. Keep your eye on the newspapers in the next few weeks, and you will read about some big deals that will be moved from the back burner to the front burner. I read in the New York Times, just a couple of days ago that the Carter Administration wants the U.S.-U.S.S.R. Trade Council to continue its operations in Moscow and Manhattan, "but on a back-burner, able to function again when the time is right," to quote the story.

I also read that Armand Hammer, Chairman of the Occidental Petroleum Company, has just returned from a meeting with Soviet Party Chief, Leonid Brezhnev. The peace offensive may already have begun.

* * * * *

In conclusion. I would like to stress that the current foreign and strategic policy of the United States is one of symbolism:

Symbolic embargoes on technology sales while shipments to Soviet military plants continue.

A symbolic get-tough posture to the Soviets without the military resources to back it up.

A symbolic draft registration of our youth while failing to shut off financial and technological assistance to the Soviet war machine.

A symbolic gesture of help to the Afghani freedom fighters while new American assembly lines are being readied for shipment to the very military plant that manufactured the invader's equipment.

While the Carter Administration calls for registration and perhaps the draft of our young men and women, they are still promoting the sale of strategic technology and equipment to the Soviet Union.

Now, I am not here to discuss the merits of draft registration; I don't know the facts. But as a father, who is being asked by President Carter, to see his children register, and perhaps be sent to war—a war we invite through our weakness—while the Federal government permits military technology to be shipped to the Soviet Union, is, in my opinion, nothing short of immoral.

Yes, Gentlemen, we know that our government can ensure peace. And hopefully, we always remember history. There is but one road to peace, that is: "Peace through Strength."●

OLDER AMERICANS MONTH, MAY 1980

HON. WILLIAM R. COTTER

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 30, 1980

● Mr. COTTER. Mr. Speaker, our Nation has officially designated May as "Older Americans Month." This is a time when we give special recognition to our senior citizens and pay tribute to their many contributions.

The senior citizens of this country are indeed one of the most valued segments of our society. Through their diligence, loyalty, and hard work, this Nation has grown into the most powerful, influential, and affluent country in the history of the world. They have contributed freely and enthusiastically of themselves for the good of our economy and society and have served this country well in its times of need.

Unfortunately, the accomplishments and contributions of our senior citizens have largely been taken for granted. In a society that concentrates on the needs and virtues of youth, the problems of our older Americans are often shamefully ignored.

Mr. Speaker, the present plight of many of our Nation's elderly can only be described as tragic. One out of every six persons aged 65 or older exists on a poverty-level income. Skyrocketing medical costs mean that only slightly more than 50 percent of the medical costs of our senior citizens are covered by medicare programs. In addition, many of our senior citizens live in substandard housing in deteriorating neighborhoods.

While the Members of Congress can look back with pride on the many measures passed to aid our senior citizens, we must also look ahead in responding to the problems and challenges facing the aged of today and tomorrow.

Older Americans Month is a time during which each of us should ponder how we have responded to our responsibilities to the senior citizens of America. It is our duty to lend willingly the assistance they require to live out the remainder of their existence usefully, meaningfully, and with dignity.●

MINNESOTA RECIPIENT OF PEABODY AWARD

HON. BRUCE F. VENTO

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 30, 1980

● Mr. VENTO. Mr. Speaker, it is with great pride that I announce that Minnesota Public Radio is a recipient of the coveted George Foster Peabody Award for a documentary on involuntary mental commitment. Written and produced by Greg Barron, it is the second such award they have received in the last 3 years.

The Peabody is considered the most prestigious award in the broadcast industry. The award winning program, originally aired in August 1979, explores the process of involuntary commitment by following the personal experiences of three former patients committed against their will.

Documentaries like this serve as an admirable example of the high-quality programing that broadcasting is capable of producing.

I extend my congratulations to Minnesota Public Radio and Producer Greg Barron for their significant achievement, and my best wishes for their continued success.

I wish to bring to the attention of my colleagues the following article from the St. Paul Sunday Pioneer Press:

MPR WINS ITS SECOND PEABODY

Minnesota Public Radio Saturday was named recipient of its second George Foster Peabody Award in three years for a documentary on involuntary mental commitment written and produced by Greg Barron.

"The Way to 8-A," one of five radio programs to win a 1979 Peabody, was a 35-minute program that took five months to produce, said Barron, 33, a senior producer for MPR.

The Peabody is considered the most prestigious award in the broadcast industry. Barron and MPR associate producer David Carlton Felland won a 1977 Peabody for "The Prairie Was Quiet," a sound portrait of the American prairie.

The mental commitment program, originally aired in August 1979, explores the process of involuntary commitment by following the personal experiences of three former patients committed against their will.

Barron said he was pleased with the documentary because it achieved his goal of being interesting enough to keep people's attention while getting across a lot of information.

"It allowed people who hadn't been heard from to be heard," he said.

Barron noted he was "absolutely surprised and pleased" with the award. "I'm overwhelmed."

The award will be presented at an April 30 meeting of the Broadcast Pioneers in the Hotel Pierre, New York City. "The Way to 8-A" will be rebroadcast on the MPR network at 7 p.m. May 5 and 11:30 p.m. June 10.

Other recipients of 1979 Peabodys, awarded by the University of Georgia, are:

CBS News, New York, for "CBS News Sunday Morning," hosted by Charles Kuralt; and for coverage of the Boston Symphony's trip to China.

ABC-TV, New York, for "Valentine," a love story about two elderly people; and for "Friendly Fire," a dramatization of an American family's involvement in the Vietnam War.

NBC-TV, New York, for "Dummy," the story of an illiterate, deaf black youth arrested as a murder suspect; and for "When Hell Was In Session," the story of Navy Cmdr. Jeremiah Denton, a Vietnam prisoner of war.

WTTW-TV, Chicago, for a documentary about age discrimination; and for a program about a high school in the years following a desegregation crisis.

Roger Mudd of CBS News, for an interview with Sen. Edward Kennedy.

Robert Trout of ABC News, for his nearly 50 years as a broadcast commentator.

Sylvia Fine Kaye, a Beverly Hills, Calif., television producer, for her program, "Musical Comedy Tonight."●

MEMORIAL OBSERVANCE HONORS VICTIMS OF KATYN FOREST MASSACRE

HON. CLEMENT J. ZABLOCKI

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 30, 1980

● Mr. ZABLOCKI. Mr. Speaker, on April 27, 1980, I was privileged to participate in ceremonies in Milwaukee commemorating the 40th anniversary of the deliberate and brutal annihilation of 15,000 Polish Army officers who with their troops surrendered to the invading Soviet Army in the fall of 1939. These gallant men, who valiantly resisted the surprise attack against their beloved nation by the Nazi hordes and Soviet troops until overpowered by the aggressors, were murdered in coldblood by their captors.

Mr. Speaker, we must never forget the victims of this act of genocide, remembering also the thousands of their comrades who "disappeared" in the Soviet Union without a trace. From time to time it is necessary to review the events of the past so that they will remain prominent in the minds of the leadership of our great Nation and thereby influence future courses of action and decisions.

Only the frequent rededication to the principles of freedom for which these brave men gave their lives will insure that their sacrifice will not have been in vain. It is for this reason, Mr. Speaker, that I wish to share with my colleagues the remarks of Mr. Aloysius Mazewski, president of the Polish American Congress, on this occasion, as well as my own, together with the resolution adopted by the patriotic organizations which sponsored this memorial observance.

The article follows:

THE 40TH ANNIVERSARY OF KATYN FOREST MASSACRE

(By Aloysius Mazewski)

The Katyn Massacre is a singularly savage and abhorrent crime not only against the Polish nation, but against entire humanity.

It is not only an act of premeditated genocide that will forever blot the pages of man's history on earth.

In the vast panorama of humanity's struggle for dignity, justice, brotherhood and a viable world in terms of progress and reverence for life—the Katyn Massacre stands in bold and terrifying relief as the unresolved, unexpiated and hastily covered up crisis of the conscience of the 20th century mankind—a forever disturbing knowledge that is gnawing at the hearts and minds of men of good will everywhere.

We all know the facts:—the Soviet secret service wantonly, without any cause or provocation, murdered 15,000 Polish officers, intellectuals, educators and professional men in the Katyn-Ostashkov area. Some four thousand mutilated bodies were found in the Katyn Forest. The rest of the victims remain in unknown graves.

We also know that the guilt of the Soviet Union in this crime has been established beyond any shadow of doubt by both—the Polish authorities in London during the closing months of World War Two, and later, by the House of Representatives Select Committee.

In the mass of incontrovertible evidence, Russia stands before the world as the perpetrator of this ghastly crime of genocide.

Yet the Russian masters, the Polish blood on their hands, were accepted without any protest in international councils and conference.

In the minds of honest and concerned men everywhere, Russia stands accused of the Katyn Massacre.

Yet—neither in the diplomatic chancelleries of great powers, is one word even whispered about this horrifying Soviet guilt.

Diplomatic sophistry tells us that the time is not opportune for pressing charges against the Soviets in this matter. Four decades have elapsed since the discovery of the Katyn mass graves. In these decades, the statesmen and diplomats of the West played havoc with human conscience by pretending that the evil of the Soviet design against the basic human decency does not exist.

And this compromising with evil as exemplified in the Katyn Massacre will remain a deeply disturbing factor in international relations as long as it remains unpunished and hidden under the cloak of diplomatic expediency.

And those nations which choose to accept the knowledge of the Katyn crime in silence, carry an irreducible moral debt on their historical ledgers. And sooner or later, in one form or another, this debt will have to be paid.

For once we accept a compromise in moral issues involving the conscience, the dignity, and the responsibilities of man, then we are opening the floodgates of lawlessness, irresponsibility and anarchy in both external and internal affairs of the nation.

It is, therefore, fitting, proper, and incumbent upon us of Polish heritage, upon us, who more poignantly than any other group, understand the terrifying meaning of the Katyn Massacre—to be the pangs of conscience of the modern man, to tell him that the Katyn crime is the beginning of an evil which, if unchecked by the law of truth and judgment, could, under the communist direction and conspiracy, engulf entire humanity.

REMEMBER THE KATYN FOREST MASSACRE

(By CLEMENT J. ZABLOCKI)

The tragic story of the Katyn Forest massacre began on September 1, 1939, when Hitler invaded Poland. Outnumbered and overpowered, the Polish armies fought bravely to resist the aggressor, when—in violation of the Soviet-Polish Treaty of Nonaggression—the Red Armies moved into Poland.

The Communist forces invaded Poland on September 17, 1939 under the guise of friendship. Through radio and other propaganda means, the Russian authorities assured the Polish people that they were coming into Poland in order to prevent complete Nazi domination of that country.

Many Polish soldiers, with their backs against the wall, believed what the Russians were saying. They felt, at least, that it would be better to surrender to "friendly" Russians, than to capitulate to the Nazis, and be put into Nazi concentration camps.

In the Fall of 1939, therefore, over 300,000 Polish soldiers capitulated to the Russians. They surrendered their arms with the understanding that they would be demobilized, and returned home as soon as possible. This did not happen: Out of the 300,000 Polish soldiers who surrendered to the Russians, only 25,000 were ever seen again; 275,000 Polish soldiers disappeared. We can guess as to what happened to them, and we have enough evidence to show that they died in slave labor camps in Siberia and other places in Russia. I shall tell you more about the 25,000 who survived later.

Now among the 300,000 Polish soldiers, they were approximately 15,000 Polish Army officers. These officers were immediately segregated by the Russians in the Fall of 1939. They were placed in three special camps: one at Kozielsk, near the Smolensk and near the Katyn Forest, and 5,000 Polish officers were imprisoned there. The second camp was located at Starobielsk, near Kharkov, and it housed 4,000 officers. The third camp was established at Ostashkov, near Kalinin, and 6,400 Poles were imprisoned there. All this happened in the Fall of 1939.

During the next few months, the 15,000 Polish army officers remained in the three camps I have just named. They were allowed to write to their families in some instances, and their families received news of them up to April, 1940. Since that month, not a word was heard either from—or about—these men.

Now I want to make one thing clear. These 15,000 men were hand-picked by the Russians. They included every officer which showed leadership and love for Poland. Priests, serving in the capacity of chaplains, were included in this group. The flowerhood of Polish leaders—for many of these men, before Hitler attacked Poland—were civilian professors, doctors and leaders in their communities—all these men were imprisoned in the three camps.

You know the next step. On June 22, 1941, Hitler attacked Russia. The Russians—their backs against a wall—began to look for help wherever they could find it. Their situation was so critical that they made an agreement with the Polish government in exile, providing for the organization of a Polish army in Russia, to help them fight the Nazis. The Poles thought—very understandably—that the 300,000 Polish soldiers who surrendered to the Russians in 1939 would now be freed by the Communists, and permitted to organize under General Anders.

So General Anders, and General Sikorski, went to Russia. They were told by the Communists that orders were issued, granting amnesty to all Polish soldiers and officers who were imprisoned in any Russian camps, or working on any Russian projects. These men were to be instructed to report to General Anders

General Anders set up his headquarters, and waited. He waited a month, then two months. Still no sight of the 300,000 Polish soldiers. Finally, after long delay, these men started reporting to him. Within a year, 25,000 Polish soldiers reported to Anders. Then their arrivals stopped. No more men came, nor were ever heard from.

From the reports which General Anders submitted to his government in London, we learned of the conditions of the 25,000 Poles who reported to him in Russia. These men had been assigned by the Communists to slave labor camps, and they came to General Anders starved, diseased, crippled. There were very few who could take up army duties. And there was not one officer among them!

General Anders did not know what to do. He reported the situation to General Sikorski who went to see Stalin. He told Stalin about the condition of the Poles who reported to General Anders, and about their small number. In particular, he pointed out that not one officer reported for duty, and reminded Stalin that there were supposed to be 15,000 Polish officers someplace in Russia.

Stalin told him that those officers were supposed to be released, and he personally called the chief of the Russian NKVD, telling him that he wanted all Polish officers released immediately from any camp in which they may have been imprisoned.

Encouraged by this, General Sikorski left Stalin, and both he and General Anders expected to see the Polish officers reporting to the camp. They waited a month, then two months. Still no sight of even one Polish officer. They repeatedly reported this situation to Russian authorities, pleading with them for the release of the Polish officers. But no one seemed to know what happened to these 15,000 men. They were not in any camp. They just vanished into thin air. And the Russians couldn't say what happened to them.

While this went on, the Germans were occupying a large part of Russia. If you remember, Hitler attacked Russia in June, 1941. By August, of that year, German troops reached Smolensk, occupying the area in which Katyn forest was located. They established their headquarters in a castle on the Dnieper River—the same castle which was earlier used as NKVD headquarters by the Russians.

As soon as Germans occupied the Katyn area, they heard rumors from the Russian peasants that the Katyn forest was a burial ground for the Communists. The Germans paid little attention to those rumors. In fact, there was not even one report which mentioned them.

And then came the winter of 1943. It was one of the most severe winters that people in Europe had ever remembered. It was so cold, that even the wolves around the Katyn area, unable to find food, attacked human beings when they put their foot outside the door of their homes.

These starved, frozen wolves uncovered the burial ground in the Katyn forest. A German patrol, going through the forest one day, saw some bones and clothing dug up from the frozen ground by the wolves. They reported it to the headquarters. The German officers couldn't do anything since the ground was frozen, so they waited till Spring. When Spring came, they uncovered the graves, and found thousands upon thousands of Polish officers laying in a mass grave. There were 20 layers of bodies in the grave—each body laying face down, with hands tied behind its back, and with a bullet hole in its head.

The Germans began to investigate, and they prepared a big propaganda drive, to be based on the Russian murder of Polish army officers at Katyn. Goebels himself—the chief of Nazi propaganda—was placed in charge. If you remember, the year 1943 was a very crucial year of the war. The Allied military leaders—including our American military generals—were disheartened. While our papers played up every little Allied victory, and while to the people at home here it appeared that the Allies were assured of an ultimate victory over the Nazis, our military staffs were not so optimistic. In their reports, they admitted that the outcome of the war hung on a very delicate balance, with Hitler holding all of Europe, and with the Allies unable to move forward.

It was at this crucial moment that the Germans decided to use every bit of advantage they could get out of the Katyn massacre. They wanted to prove that the Russians did it—to awaken the world to the horrible crime that the Communists committed—and to divide the Allies who were struggling to hold back victorious German armies in Russia and in the Southern theater.

The German officers in the castle on the Dnieper River began to question all Russian peasants living in the area. From the station master of nearby railroad Station Gniezdovo, they learned that, between January and April of 1940, thousands of Polish army officers arrived from the direction of the Kozielsk camp. Each day, he told them, between 50 and 200 Polish officers would arrive at the station, and, heavily guarded, they would be put on buses and taken to the castle on the Dnieper River. There, it appears, these men were subjected to last questioning. After the interrogation, they were taken, one by one, into the forest, and never came out again. Four Russian soldiers escorted each Polish officer into the Katyn forest, and murdered them there in cold blood, with a shot through the head.

Later investigation showed that practically every one of the 5,000 Polish officers who were imprisoned in the Kozielsk camp was buried in the Katyn forest. The Germans invited international representatives of the medical profession to come and examine the bodies. The Polish Red Cross was also invited. These men identified each body by the documents and personal belongings found on them and compiled the list. The Polish government in London has a complete list of all the men who were murdered there.

What happened to the other 10,000 Polish Army officers, imprisoned in the Ostashkov and Starobielsk camps?

The reports compiled later tell us that the 6,400 Polish officers imprisoned at Ostashkov were taken by the Russians to the White Sea, put on barges, and towed off shore. Then the artillery on the shore massacred and drowned these helpless men.

Additional reports lead us to believe that the 4,000 Polish officers imprisoned in the Starobielsk camp met the fate similar to that of Katyn forest. They were shot and buried in mass graves in the vicinity of Kharkov.

This is the story of Katyn. May this tragedy never be forgotten. May the sacrifices of these heroes inspire all who strive for freedom!

Mr. Speaker, the resolution I referred to earlier was unanimously adopted by representatives of the Polish Army Veterans Association, the Polish Veterans of World War II, the Katyn Memorial Observance Committee, and representatives of other civic and service organizations at the Katyn Memorial Observance. The resolution follows:

Katyn Memorial Observance Resolution

On the 40th Anniversary of the Katyn Massacre, one of the most brutal acts of genocide in World War II—we veterans of that war—representing numerous Veteran Organizations; and gathered here today at Polish Army Veterans Association Post No. 94 Hall, Milwaukee, Wis., on April 27, 1980 adopted the following resolution.

Whereas, the Katyn Forest Massacre serves as a historical reminder of the ruthless means used by Communist aggressors in their quest for power; and

Whereas, 5,000 Polish Patriots—Polish Army Officers—were removed from various Soviet detention centers and taken to the Katyn Forest area there brutally and barbarically killed by Soviet Security Police, their bodies dumped ignominiously into a large open pit type grave; and

Whereas, 10,000 other Polish prisoners of war captured by Russian forces are still unaccounted for and are logically assumed to have met the same tragic fate of their counter-parts; and

Whereas, such Soviet barbaric trangressions and wanton actions of genocide cannot be continued to be condoned by Free World nations: Therefore be it

Resolved, That the Polish Army Veterans Association, the Polish Veterans of World War II, Inc. and the Katyn Memorial Observance Committee soundly deplore and vigorously protest the hideous crimes that the Soviet Security Police committed at the Katyn Forest site; and be it further

Resolved, That these Veterans Organizations, in solid concert and complete unison, call these horrible attrocities to the attention of the people of the Nations of the Free World; and be it further

Resolved, That the United States and other Countries of the World are vigorously urged to support further and continued investigation of these violent and tragic Soviet actions and crimes; and be it further

Resolved, That the testimony, evidence and findings of the Congressional Committee that investigated the happenings of the Katyn Forest Massacre be forwarded to the United States Delegates to the United Nations and that those findings be presented to the appropriate United Nations agencies for their consideration and action; and be it further

Resolved, That the President of the United States be requested to instruct the U.S. Delegation to the United Nations to seek the establishment of an International Committee to investigate other mass murders and crimes against humanity.

Walenty Wozniak,
Polish Army Veterans Association.
Zygmunt Kwasieborski,
Polish Veterans of World War II.
Edmund G. Banasikowski,
Katyn Memorial Observance Committee.●

TRIBUTE TO HON. KIYOSHI MATSUO, COUNCILMAN, FOSTER CITY, CALIF.

HON. BILL ROYER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 30, 1980

● Mr. ROYER. Mr. Speaker, on the evening of April 26, 1980, many friends will join together to recognize Hon. Kiyoshi Matsuo for his 11 years of community service to Foster City.

Like Reston, Va., and Columbia, Md., Foster City, Calif., is one of the few totally planned communities in the United States.

An architect by profession, Kiyoshi Matsuo was appointed a member of the Architectural and Site Planning and Review Board, the precursor to Foster City's Planning Commission, in 1969. He was appointed to the City Council of Foster City in 1973. He was subsequently elected to the council in 1974, and in 1977 served as mayor. When Kiyoshi Matsuo retired from the City Council of Foster City on April 14, 1980, he was the longest serving councilman in the city's history.

In his 11 years of service, Kiyoshi Matsuo earned the respect, admiration, and love of the people of Foster City. He guided the destiny of Foster City through the 1970's. There would not be a lack of confidence in government today if elected officials followed Kiyoshi Matsuo's example. Integrity is his hallmark. He always performed his civic duties in a quiet and respectful manner. Kiyoshi Matsuo was a man of few words, but when he spoke, everyone listened.

Kiyoshi could not have served Foster City without superb support from his wife Dorothy and daughter Holly and son Kirk.

Foster City has proclaimed April 26, 1980, as "Kiyoshi Matsuo Day."

Kiyoshi Matsuo is truly an outstanding member of the Foster City community and deserves the recognition he will receive at his testimonial dinner. I am proud to join his many friends in paying him tribute.●

WASTEWATER TREATMENT PROGRAM PROBLEMS IN POSTVILLE, IOWA

HON. THOMAS J. TAUKE

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 30, 1980

● Mr. TAUKE. Mr. Speaker, the city of Postville, which is located in Iowa's Second Congressional District, has experienced difficulty with the Environmental Protection Agency's administration of the municipal wastewater treatment works construction grants program. The requirements of this program are causing problems for cities like Postville all over the country.

The following is a prepared statement by Ida D. Harris, mayor of Postville, Iowa, for the Republican regional platform hearing held in Davenport, Iowa, on April 18, 1980. I think my colleagues will find this statement very informative and will be convinced that there is a real need to restructure this grant program to preclude further economic and environmental damage to our country.

STATEMENT OF MAYOR IDA D. HARRIS

We would like to comment on the Municipal Wastewater Treatment Works Construction Grants Program as administered by the U.S. Environmental Protection Agency (EPA). Specifically, we would like to address some of the difficulties being experienced by municipalities, particularly the City of Postville, Iowa, in attempting to meet the requirements of this program. First, let us preface this presentation with a bit of history as to how the City first became involved.

The City of Postville currently operates two wastewater treatment plants. A three-cell, controlled discharge lagoon system was constructed in 1970 to serve two meat processing industries. Service to all other users is provided by a mechanical plant which was constructed in 1950, some 30 years ago. The physical condition of the mechanical plant is very poor. As a result the City must periodically replace equipment and make other costly repairs in an effort to maintain a reasonable degree of treatment.

Approximately 60 percent of the sewer lines in the City of Postville were constructed in 1915, over 75 years ago. Another 30 percent were built between 1923 and 1960. Many of the older lines are severely deteriorated, some to the point of collapse. During wet weather periods, storm water leaks into the sewer system to the point where the capacity of the sewer lines is exceeded, causing backup of raw sewage into basements. The only solution currently available is to pump the excess flow from various manholes in the system to relieve the backup problem. This "solution" simply moves the health hazard from the basements into the streets. This raw sewage eventually finds its way into storm sewers which carry it directly to the local streams further increasing stream pollution.

In an effort to repair the sewer lines and construct a new wastewater treatment plant, the City of Postville retained a consulting engineer on December 7, 1972. This effort was made in spite of the fact that the then current freeze of grant funds placed the entire burden for financing this work on the City.

The freeze of grant funds was eventually removed. However, in the meantime while planning work was being pursued, the regulations governing the grant program underwent many changes. One of the most significant was that each phase of the work was to be approved by EPA before proceeding. Without this prior approval, the City would forfeit the chance for reimbursement under the grant program. This approval condition was to be the forerunner of seemingly endless delays to the City's planning efforts.

Another significant change was the implementation of EPA's Facility Planning requirements which were to encompass the Infiltration/Inflow or I/I Analysis and the Sewer System Evaluation Survey (SSES).

With the implementation of these new requirements, the scope of planning work was re-defined, a grant application was submitted and approval to proceed was requested. This approval in the form of a Step 1 grant offer from EPA, was received on January 16, 1976, over three years from the time the City made its first attempt to solve its problems.

The infiltration/inflow work was completed in the summer of 1976 and the final report was submitted to the regulatory agencies on November 5, 1976.

The basic conclusion of the Infiltration/Inflow Analysis report was to proceed with an SSES. EPA approval for this work was received on March 31, 1977 and field work on the SSES was subsequently initiated.

At that point in time the program was progressing well and all parties involved were optimistic. Our optimism was short lived as on December 19, 1977, the City received a letter from Iowa Department of Environmental Quality (DEQ). The letter simply stated that the receiving stream for the City's treated waste had been designated as "high quality waters." As a result a higher degree of wastewater treatment would be required. The letter then advised that further Facility Planning work be deferred until new treatment limits could be defined. Except for the cleaning and television inspection phase of the SSES, which was then in progress, all further work was halted as requested by Iowa DEQ.

A public meeting was finally held on February 1, 1979 in an attempt to resolve the "high quality waters" dilemma by establishing a stream antidegradation policy. To date, this matter has not been resolved and establishment of an antidegradation policy has been deferred indefinitely pending additional field studies of the receiving streams.

A periodic basin plan review by Iowa DEQ, without further consideration of the antidegradation matter, has resulted in the establishment of new treatment standards for the Postville plant. The City was advised of these new standards on February 19, 1980. It is ironic to note that these "new" standards, which took over two years to formulate, are the same as those established by the agencies in November, 1976.

Following EPA approval of the new standards, Facility Planning work may be resumed, presumably in the fall of 1980. Unfortunately, the situation has now taken another turn for the worse. First, there is some indication that grant funds may not be available to finance the remaining Facility Planning work. Second, revisions to the system used to establish the City's priority for receiving subsequent grants has also been revised. The latest target dates for Step 2 and Step 3 grants for Postville are March 31, 1986 and September 30, 1987 respectively. Even if Facility Planning is allowed to proceed this fall, construction of a new treatment plant and rehabilitation of the sewer system could not be accomplished before early 1990, almost 17 years after planning was initiated by the City. Even this date is optimistic as further delays could result from lack of Federal funding or additional changes in the grant program.

To date, over $70,000 (local money plus grant funds) has been spent on Step 1 Facility Planning, and still we are not done. Also, in the past 2½ years the City of Postville has spent in excess of $80,000 for repairs and improvements to its treatment facilities. This work was all accomplished with local funds without the benefit of any grant assistance. Substantial additional expenditures of local funds will be required over the next 10 years just to maintain the existing plant and sewer system in operating condition.

With the completion of projects currently under way, the City of Postville will have outstanding some $429,000 in General Obligation bonds; almost one-half of its legal G.O. capacity. The only other method available for financing of plant improvements is sewer revenue bonds. Both of these methods result in increased costs to the citizenry. In view of the current economic situation, any cost increase is very unpopular.

The current grant program with its inherent changes and delays is also extremely costly. At the current rate of inflation, the eventual cost of the new facilities for the City of Postville will be over 2½ times that if construction were to proceed today. This is, of course, a direct cost to the citizenry since the grant system which serves to finance such improvements is tax supported.

The indirect costs to the City as a result of the delays caused by the grant system are also substantial. Without adequate sanitary sewage service, the City is at a definite disadvantage when it comes to attracting new industry. Because of the deteriorated condition of the existing facilities, the City may even be forced to place a moratorium on further residential development. Such restrictions on the growth of a City inevitably results in the economic decline of the entire area.

To avoid such economic disaster and to ensure that the fight to control pollution of the nation's streams will not be lost, it is imperative that restructuring of the grant program be given serious consideration. Something must be done to ensure that, in the future, cities will not have to wait 17 years to see their efforts bear fruit.●

MORRIS MEADOR

HON. RICHARD C. SHELBY

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 30, 1980

● Mr. SHELBY. Mr. Speaker, it is my pleasure to join with my fellow Alabamians in honoring one of our true State heroes, Morris Meador.

On Saturday, April 26, Morris was inducted into the Sports Hall of Fame at the University of Southern Mississippi in recognition of the distinguished sports career he led while a student there.

We in Alabama already knew of Morris' potential from his years at Choctaw County High School in the Seventh Congressional District from which he graduated in 1958, after lettering in football, baseball, and basketball, serving as football captain for 2 years, and playing in the Black Belt Conference for all three sports. At USM, Morris continued to wow his fans as No. 1 defensive halfback, No. 1 punter, and alternate starter quarterback. After a tour with the Denver Broncos and a coaching stint at USM, along with military duty which included involvement with the service team, Morris came home to Choctaw County.

Now married and the father of three, Morris Meador has been as successful in the cattle and lumber businesses as he was on the playing fields. The laurels from USM are well-deserved—and we in Alabama, and especially Choctaw County, are proud to say that Morris is a "hometown boy".●

OTA STUDY REFUTES BATF CLAIMS FOR EXPLOSIVES TAGGING

HON. GENE SNYDER

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 30, 1980

● Mr. SNYDER. Mr. Speaker, the Office of Technology Assessment has just released the results of their 10-month analysis of the proposed explosives tagging program. It clearly supports the Public Works Committee's decision to delete authorization for this program from H.R. 2441, the Antiterrorism Act.

The report is filled with references to uncompleted testing, poorly documented tests, safety problems, and cost increases of such an extent that, even under optimum conditions, "* * * marginal companies and product lines might be eliminated." The report estimates the minimum yearly costs for an OTA-designed "baseline" tagging program—which does not correspond to any of the authorization legislation before the Congress—at $45 million. Minimum costs for tagging all commercial explosives were estimated at $268 million per year.

There also appear to be major discrepancies between the testimony given to the Aviation Subcommittee by the Bureau of Alcohol, Tobacco, and Firearms and the facts as determined by OTA.

BATF testified repeatedly that all necessary tests were completed last year on dynamite and black powder, and that they would, if permitted, require those products to be tagged immediately. OTA reports that no single explosive has been subjected to all necessary safety tests, that important data is lacking on the long-term effects of tags in dynamites, that ballistics tests on black powder are inadequate, and that it would be at least another year before the necessary testing could be completed.

OTA also reports evidence that the tags react with some types of gunpowders and one high explosive. One corporation has already filed a $2 million claim for damages against BATF's program contractor, alleging that the inadvertent use of experimentally-tagged explosives in a normal commercial operation caused an explosion that destroyed their plant, endangering the lives of nine workers.

BATF testified that it was impossible to detonate ammonium nitrate/fuel oil (ANFO) bombs—ammonium nitrate not being covered by the program—without the use of high explosives, which would be tagged. OTA reports this is not the case; ANFO can be detonated with materials not included in the tagging program.

BATF testified that it would be difficult and "dangerous" to remove the tags from explosives. OTA reports that for powdery explosives it is both easy and safe; requiring less than an hour's work.

BATF testified that making some of the tags nonmagnetic would forestall their removal from gunpowders; OTA found even nonmagnetic tags to be easily removable. BATF further suggested that the tags could be made opaque prior to an explosion to prevent removal by use of a black light, as the tags are fluorescent. OTA found this would make no difference as far as removal from gunpowder is concerned, but would interfere with quality control operations at both the tag and explosives manufacturing facilities, and would raise the price of the tag an undetermined amount.

BATF testified that no additional recordkeeping would be required for the tracing procedures necessary to utilize identification tagging; OTA estimated a minimum cost increase of 38 cents per pound for rifle powder due in increased recordkeeping. They also estimated an overall price increase of 10 percent for explosives if their "baseline" program were implemented, with the figures going as high as 15 to 20 percent for blasting caps, detonating cord, and boosters. I emphasize again, these are minimum cost increases; OTA has identified cost elements of the tagging program for which they were unable to develop viable figures due to lack of data.

If all this negative information were not sufficient, OTA identified a number of countermeasures which would enable terrorists and professional criminals to completely circumvent the program; some of these options would also be available to the less knowledgeable bombers. BATF testimony as to increases in arrest rates for bombers were labeled "simply guesses" for which no data was available to permit OTA to evaluate.

OTA also found that BATF's projected tag recovery process—the use of a black light to spot the tags—is unlikely to be workable in real-life conditions. Instead, laboratory recovery procedures would be necessary. It is typical of BATF's entire approach to this program that their designated recovery process would not work.

Finally, OTA stated that if Congress were to mandate the program at this time, on the assumption that the problems could be resolved, it "may be inappropriate" for BATF or the Treasury Department to be able to decide when it is safe to implement the program.

I would certainly agree with the conclusion. However, I do not believe that is likely to be the question for the Congress—I cannot conceive of the Congress passing such an expensive boondoggle at this time.

We would be much better served by determining whether the testimony we received from BATF was a result of ignorance on their part, or an attempt to deceive the Congress. If ignorance, I would have grave doubts about their ability to ever manage explosives research programs. They have been regulating the industry for at least 10 years, and if they, and their hired consultants, know as little about explosives as their testimony indicated, I would doubt their competence to even continue their regulatory activities, let alone be entrusted with a major new program in the field.

If there was an attempt to mislead the Congress, I believe we will know how to deal with that situation.

I might note that if BATF had directed its research and money toward the detection of untagged explosives, as several other agencies are doing—undoubtedly in a more competent manner—we could well have a workable explosives detector by now. However, since detectors could be operated by local police, this would have given BATF nothing to regulate and would not have required them to dispatch agents all around the country investigating bombings. Accordingly, they directed their effort toward a program which followed their regulatory jurisdiction, one which if implemented would require their personnel to investigate most bombings and further regulate the explosives industry. As a result, instead of a workable explosives detector, we have the complete mess I have just described.

I hope the Appropriations Committee looks into this situation.●

PAPA FAMILY'S PATRIOTISM

HON. EUGENE V. ATKINSON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 30, 1980

● Mr. ATKINSON. Mr. Speaker, at this time when America is facing an international crisis of no small dimensions, I would like all of us to recall another time when this great Nation was confronted by a more serious threat. I would also like us all to pay tribute to one family's remarkable contribution to this Nation's fight against fascism and tyranny. I am speaking about World War II and the services of the Papa family of Lawrence County, Pa.

Ralph and Rose Papa came to this country when they were 14 years old. They lived on 11th Street in West Pittsburgh, Pa. It was there that they raised a family of 10. Many Americans have large families, but I doubt that few can claim the great sense of duty and dedication to the principles of liberty and democracy which was exhibited by the family of Ralph and Rose Papa. Eight of their sons served in the Armed Forces of the United States between the years of 1941 and 1946. The services of this brave family should stand as a glowing reminder to all foreign antagonists of the fortitude and patriotism of the American people. Of this, the Papas are a shining example.

The eight sons who served were: Frank R. Papa, Merle W. Papa, Roy J. Papa, Peter J. Papa, Angelo A. Papa, Ralph M. Papa, Alfred V. Papa, and Carmen J. Papa. Another brother, Lewis J. Papa, was refused service because of dependency and because he was the last brother at home. The 10th child was Anna Papa, now Mrs. Anna Panella.

I feel that the service of this remarkable patriotic family speaks for itself, but I would like to dedicate their accomplishments in the Congressional Record with these two quotes from two great Americans:

> For without belittling the courage with which men have died, we should not forget those acts of courage with which men have lived. The courage of life is often less dramatic than the courage of the final moment; but it is no less a magnificent mixture of triumph and tragedy. A man does what he must, in spite of personal consequences, in spite of obstacles and dangers and pressures, and that is the basis of all human morality.—John Fitzgerald Kennedy "Profiles in Courage," Ch. 11.
>
> Whensoever hostile aggressions require a resort to war, we must meet our duty and convince the world that we are just friends and brave enemies.—Thomas Jefferson, December 3, 1806.

Let all nations take note that there are many people in this country who have the patriotic sense of duty which the Papa family exhibited in the last war. It is people like the Papas which have made this country the great foe of all countries and dictators who would oppose freedom and democracy.●

LUCIEN NEDZI'S SPEECH

HON. BOB WILSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 30, 1980

● Mr. BOB WILSON. Mr. Speaker, on Saturday, April 26, 1980, the U.S.S. *Michigan*, a Trident ballistic missile submarine, was christened and launched in Groton, Conn. The principal speaker for the event was my friend and colleague on the House Armed Services Committee, the Honorable Lucien Nedzi of Michigan.

In my over 20 years of service in the Congress I have heard a number of speeches at ship christenings and launchings. Some speeches have been good, others not so good. The applause is generally polite and short. The reaction to Lucien Nedzi's speech was different. People seemed to be listening, and in the end the applause was firm, loud, and sustained. It was an appropriate speech for the times, and particularly for the moment.

I am inserting the speech in the Record so that others who were not there can share its thoughtful message.

The Christening of the U.S.S. "Michigan"

For much of man's history there has been a direct relationship between seapower and national supremacy.

This assessment of the importance of seapower is still valid. Indeed, the striking power, speed, and, hopefully, the invulnerability of our nuclear submarines can be said to be absolutely critical to our security and survival as a nation.

After 19 years in the House of Representatives and 3 years in the service of my country in two wars, it is a particularly touching experience and honor for me to represent the Congress and my home state at this rare and auspicious ceremony, the christening of the U.S.S. *Michigan*.

I have had the brief opportunity, moreover, to see the list of previous launchings of Fleet Ballistic Missile Submarines and the distinguished names of previous sponsors. I am pleased that my wife Peggy will be in the company of, among others, Alice Roosevelt Longworth, Mrs. John F. Kennedy, Mrs. George C. Marshall, Miss Marian Anderson, Mrs. Hubert Humphrey, and Mrs. John Glenn.

I especially want to salute the men and women who conceived this project, who managed it, and who worked on this enormously complicated submarine. Yours is no routine assignment. You are, rather, asked to be pioneers in concept and in craftsmanship, taking your skills to the outer edges of knowledge and execution.

As you know, the Trident class submarine is the largest and most powerful in the world. It is also the most expensive.

The development and deployment of the Trident is at the heart of our nuclear strategy. It is simply indispensable.

Because of its firepower and range, it will have more "sea room" than our older submarines and be less detectable, less vulnerable, less dependent on foreign bases.

The development of the Trident is no isolated phenomenon. It touches upon so many areas of American life: military strategy, nuclear policy, foreign policy, budget balancing, the economy, the allocation of resources. At a time of sudden and shattering disturbances at home in the automobile and construction industries, should we hold back on some of our military and development plans?

Is the Trident too big and too expensive? How many should be built? Should we use the money for more and smaller and less expensive combat ships? These are ongoing questions in an ongoing debate.

The late Lyndon Johnson used to say, "Doing the right thing is easy. It's knowing what the right thing is that's difficult."

I deeply believe that the overwhelming majority of our elected and appointive officials earnestly, almost desperately, want to do the right thing. They would also prefer rational discourse with those who differ rather than an exchange of slogans and shouts.

Few problems come to us neat and clean. In the 1980s we will be bedeviled by complicated and often unexpected problems, especially abroad, where we will often have to choose between poor alternatives, and subtle and perhaps unpopular balances between conflicting interests.

The arms race should be cited. U.S. "hawks" advocate aggressive procurement policies and aggressive military tactics and strategies. I have "occasionally" differed with them. However, my far greater concern is about Soviet "hawks" with monstrous military might undeterred by adequate U.S. capabilities. Hence, my support of and the necessity for responses such as the U.S.S. *Michigan*. To assume that the Soviets will not respond to our responses is unrealistic and so where does it end? The answer is quite obvious and regardless of the serious tensions which discourage rational dialogue, we cannot foresake the pursuit of fair, verifiable arms limitations agreements. The nuclear arms race is a race without a winner.

Another example of a new and complicated problem for us is what to do about the Indian Ocean and the Persian Gulf. I was recently out there with a study mission.

We all know that the oil of the Persian Gulf is precious for Western Europe and Japan, and is also of very substantial significance to us. I know many of you share the concern aroused by the Soviet occupation of Afghanistan.

The nations of the Persian Gulf and Indian Ocean are militarily weak. Some rely dangerously on imported labor. Almost all want our arms. Almost all fear the Soviet Union and are pessimistic about Soviet intentions. And almost all want a "no-lose contract" from us with little or no risk for them. They want us there, but they don't want to see us.

We have, in other words, an "over the horizon" appeal. But we need forward basing and a place for our men to rest. Obviously, morale problems and maintenance problems will accumulate. We are negotiating forward bases. Our best young military professionals are confronting the unprecedented challenge of designing long distance airlift and sealift and rapid deployment forces.

Yes, all this costs money—and other programs, military and social, must be squeezed and juggled.

As a great power, we can influence events but we can't always control them.

Walter Lippmann once told us that "in many of the great religious and ideological conflicts of mankind there has been no victory, no defeat, no solution and no settlement—only an untidy living with unsettled business."

I view this as realistic rather than defeatist and I believe we can and will make progress. There will always be some unpalatable items on our plate. There will also be an occasional breakthrough.

We sometimes tend to underestimate ourselves as a nation. We are, after all, a democracy that is debating within itself all the time—and it's brought to you nightly on television news.

But all is not roses for the Soviets and the communist bloc, and that's for sure.

Again and again they fail in agriculture.

Again and again, in the competition of quality production and propriety, West Germany beats East Germany, Western Europe beats Eastern Europe, and Japan and Taiwan beat almost everybody East and West.

The pull of western ideas and culture are at work in communist lands and in the Soviet Union itself.

China has opened diplomatic and commercial relations with the U.S. and the West to a degree not dreamed of a few years ago.

Egypt, militarily the strongest Arab nation, has rejected the Soviets and drawn closer to the West.

Cuba, a regional "showplace" for communism, has suffered the recent embarassment of thousands of desperate people risking all to leave.

Finally, in Afghanistan, the Soviets move was, in George Kennan's words, "Executed with incredible political clumsiness". Geopolitically it may be a temporary or permanent plus. Politically and morally, however, they will pay a heavy price for a long time. Most of the world sees the Soviet invasion in terms reminiscent of that line from Sophocles: ". . . hiding brutal purpose in specious argument."

As a member of the House Armed Services Committee I must tell you I am deeply concerned about the matter of American military personnel.

Without skilled, dedicated, and fairly paid men and women in our military, plans, budgets, and hardware, no matter how well conceived, will flounder.

Last year, for the first time since the beginning of the all-volunteer force, all four services failed to meet their enlistment requirements. The Navy has failed to meet its recruiting goals for most of the last 36 months.

Indeed, women make up 6 percent of the military. Without them, the shortfall in the all-voluntary force would have been even more vivid.

I am perhaps old fashioned. Wouldn't it be better to have a cross-section of Americans in the service? Haven't we strayed too far from the concepts of the citizen-soldier and democratic acceptance of duty? It is right that minority youths should find themselves in high disproportion in the combat arms-infantry and tanks? And what can be said about the troublesome fact that a majority of new Members of Congress have not experienced the personal experience and occasional hardships of military service—and how this gap shapes their attitudes towards the military and our military needs?

After much reflection, I believe registration is a prudent step. I find that opposition to it is regrettably more often emotional than reasoned.

But registration will not get us the numbers. Quite frankly, retention is a more serious problem. The most serious manpower challenge is to retain a high proportion of skilled people to fill the increasingly complex needs of our Navy, Army, Air Force, and Marines.

It is not an easy problem, nor a popular subject. We must nevertheless discuss, decide, and act.

Like it or not, jittery economy or not, inflation or not, we are the leading democracy in the world and we simply cannot take a holiday.

Our basic goal remains a peaceful world, preferably of free and independent states, with economic, political and social justice.

Still, it gets down to the fact that we must necessarily consider each situation on terms of our own interests and capabilities. We should keep our lines open to our adversaries and make it our mission, besides, to understand the historic forces at work in every corner of the world. Learning and information and sensitivity are our allies and can unlock many doors.

Somehow, we must summon up the nation's discovered and undiscovered abilities and the cascading vitality of our people.

Carl Sandburg once wrote, in "The People, Yes."

"Breeds run out and shining names no longer shine.
Tribes, clans, nations have their hour
Hang up their records and leave . . ."

The United States is not yet ready to hang up its record and leave. We are a young nation, and we are early in our hour.

It is no mere accident, in my judgement, that the United States remains the best hope of mankind. There is something deep in our national character that has responded and demands that we will respond.

And so, on this day of christening, when the elements of science, freedom, adventure and commitment meet to add to our might, let us hope that the U.S.S. *Michigan* will protect our values and our people. And that when this great ship is retired on some distant day it will have helped preserve the peace ever vigilantly, yet never having fired its awesome nuclear punch in anger.

Thank you.●

THE IRRECONCILABLES

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 30, 1980

● Mr. MICHEL. Mr. Speaker, the Washington Post recently published a lead editorial concerning one of the major problems of the budget process. I refer to the problem of reconciliation, that hoped-for meeting of the minds—not to mention the budgets—between the overall budget resolution and the ultimate vote of budget figures made by each committee and each Representative. Congress, says the Post, "needs to set its own goals—and stick to them."

I could not have put it more succinctly. I have, on innumerable occasions, put it more forcefully and perhaps more vehemently because I have for too long seen the budget process mocked and trampled upon by a refusal to go along with those originally low budget figures. But I am grateful to the Post for saying in a few words—and with its considerable prestige—what many of us have been saying loud and long for years.

At this point I wish to insert in the Record "The Irreconcilables" from the Washington Post, April 25, 1980.

[From the Washington Post, Apr. 25, 1980]

The Irreconcilables

As the first floor debates on the 1981 budget heat up in both houses of Congress, it is important to remember that they involve two very different disputes. One is substantive—guns versus butter, or who gets what. The second concerns procedures and jurisdictions: the budget committees are trying to make Congress stick to the decisions it has already reached on the budget totals through the legislative year.

In a way, it is the second, less exciting argument that is the more important. Can the federal government discipline itself? Few Americans seem now to believe it really can.

The issue around which the fight is forming is called "reconciliation." This is the requirement that any individual act of Congress—appropriation bills, new authorizations and so on—follow the expenditure amounts permitted various parts of the government in the overall budget resolution. Budget committees in both houses are trying to get this requirement imposed early in the year, so that members of Congress won't be tempted to (1) vote for budget balance in May and (2) vote thereafter for every budget-breaking bill their constituents might like between May and October.

There is some basis for this anxiety. Since the congressional budget process was established in 1974, the votes generally have been conservative on the overall totals, which were not binding, and then considerably more liberal on each sub-part. As a result, expenditures have always exceeded what was planned, and the final reckoning came too late in the year to matter.

The budget committees are on the right track. Devastating as the effect might be on some of the members' operating style, if Congress is to be even slightly coherent on budget matters, it needs to set its own goals—and stick to them.●

DISTINGUISHED SCIENTISTS CALL FOR RESPONSIBLE U.S. ROLE IN NUCLEAR FUEL CYCLE

HON. JOHN W. WYDLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 30, 1980

● Mr. WYDLER. Mr. Speaker, last week a panel of distinguished scientists, including seven Nobel Prize winners, wrote the President a most constructive and sensible letter on the question of nuclear fuel reprocessing and allocation policy. These scientists took the point of view that only by working in partnership with other countries and convincing them of our intention to safeguard nuclear materials while remaining a reliable supplier can this Nation play a meaningful role in minimizing proliferation. This approach will also serve the cause of international energy supply and the related need for economic stability.

I urge my colleagues to read the letter to the President from the Scientists and Engineers for Secure Energy.

Scientists and Engineers for
Secure Energy, Inc.,
New York, N.Y., April 11, 1980.

The President,
The White House,
Washington, D.C.

Dear Mr. President: The conclusions of the two year, twenty-one nation International Nuclear Fuel Cycle Evaluation [INFCE] suggest to us that the United States should immediately develop an effective and meaningful nuclear fuel reprocessing and allocation policy.

Indeed, in its final report, the hard-working INFCE group, which you helped create, states *inter alia:*

"[Reprocessing] is an essential preliminary to many of the possible fuel cycles.

"To date, no country has selected [the no-reprocessing] concept.

"The basic technology is . . . well established. Some countries have built, are building, or plan to build reprocessing plants on a major industrial scale . . .

"[Some] developing countries are aiming at obtaining their independence in the nuclear fuel cycle in the near future and therefore mainly require transfers of technology."

We, therefore, believe that the well being of the community of nations and peace in the world will best be secured if you initiate the following steps:

1. Issue a declaration, on behalf of the United States, reaffirming our previous commitment, made in the Nuclear Non-Proliferation Treaty, binding us to active participation in the development and implementation of international programs allowing all nations access to adequate fuel supplies and necessary technologies for commercial production of nuclear power under strict and comprehensive safeguards.

2. Establish a domestic Presidential Commission of experts to prepare—in light of the INFCE analysis—detailed recommendations concerning the scope and intensity of United States participation in the production and international management of nuclear fuels and the supervision of their commercial utilization;

3. Urge the Nuclear Regulatory Commission to promptly proceed with, and conclude, the Generic Environmental Statement on Mixed Oxide Fuels [GESMO] as a necessary prerequisite for rational fuel cycle management; and

4. If the outcome of GESMO is favorable to reprocessing, direct the Nuclear Regulatory Commission to exercise its statutory duties regarding reprocessing license applications.

For those who fear reprocessing because of proliferation, the INFCE analysis provides a combination of reassurance with realism:

"Proliferation is primarily a political and not a technical matter. . . . International measures aimed at reducing the risk of proliferation . . . already exist.

[D]iversion risks encountered in the various steps of the F[ast] B[reeder] R[eactor] fuel cycles present no greater difficulties than in the case of the L[ight] W[ater] R[eactor] with U-Pu cycle, or even of the once-through cycle . . .

"Safeguards requirements in thorium-based fuel reprocessing and refabrication plants would be similar to those in the reference U-Pu system and the same methods of accountancy supplemented by containment/surveillance would have to be used.

"Effective international safeguards are an essential feature of the nuclear power industry. . . . The experience gained to date can provide a useful basis for the evolution of the new and improved techniques of accountancy, containment and surveillance that are needed for the special requirements of future industrial-scale plutonium handling facilities."

To best serve the cause of international health, economic stability, and progress within a just, safe, and secure world, it seems to us, therefore, the United States must play an active and imaginative leadership role in advancing the peaceful uses of atomic power. The initiatives suggested in this letter would immediately achieve this goal.

We urge you to consider the proposed steps and use the great powers of your office to launch the New International Energy Cooperation of the Eighties.

Sincerely,

Robert Adair, Yale University; Hans Bethe, Cornell University; Felix Bloch, Stanford University; David Bodansky, University of Washington; Harvey Brooks, Harvard University; Creighton Buck, University of Wisconsin; Lee Du Bridge, President Emeritus, Cal. Tech.; Albert Gold, Polytechnic Inst. of N.Y.; Robert Hexter, University of Minnesota; Robert Hofstadter, Stanford University; Erich Isaac, CCNY of CUNY; Herbert Kouts, Brookhaven Lab.; Jack Kyger, Argonne National Lab.; Leona Libby, UCLA; W. F. Libby, UCLA; John McCarthy, Stanford University; Robert Mulliken, University of Chicago; James Rainwater, Columbia University; Norman Rasmussen, MIT; Frederick Seitz, Rockefeller University; Edward Teller, Hoover Institute; Miro M. Todorovich, BCC of CUNY; James Van Allen, University of Iowa; Alvin M. Weinberg, Oak Ridge Institute; Eugene Wigner, Princeton University.●

THE CONGRESSIONAL BLACK CAUCUS 1980 LEGISLATIVE AGENDA

HON. CARDISS COLLINS

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 30, 1980

● Mrs. COLLINS of Illinois. Mr. Speaker, I am inserting into the RECORD the Congressional Black Caucus legislative agenda for the 2d session of the 96th Congress. This is the sixth legislative agenda presented by the Congressional Black Caucus. In previous agendas we have raised the major issues facing blacks and other underrepresented constituencies in the legislative process.

This year we are centering our attention on the issue which is of overwhelming importance to the constituents we represent, the issues of full employment and economic policy. We have made it our top priority in past agendas yet neither the Congress nor the administration have moved to implement policies which will resolve the economic crisis facing the country.

The disastrously high rates of inflation and unemployment which were referred to in the past have continued to mount. It is time to implement the provisions of the Humphrey-Hawkins Act to move us toward full employment, reduced inflation, and balanced growth. The text of the Congressional Black Caucus 1980 legislative agenda follows:

1980 CBC LEGISLATIVE AGENDA

For the past five years, the Congressional Black Caucus has issued a Legislative Agenda spelling out the priority issues of concern to the Black community and to others facing similar economic and social problems. As we look back over these Agendas, it is striking to see that the issues have not changed—full employment, civil rights, urban and rural development, education, health, welfare reform, relations with Third World nations, energy, criminal justice and, encompassing all other issues, Federal budget priorities.

It is even more striking that the fundamental position of Black Americans in this country has not changed. Black families earn less than 60 percent that earned by white families. Nearly a third of Black Americans live below the poverty level. Black unemployment is at 12 percent by official figures, twice that of white Americans as it has been for over thirty years. Life expectancy for Blacks is more than five years shorter than for whites. Nearly five times as many Black Americans as white Americans live in substandard housing. The list can go on and on.

Nonetheless, the response of Congress has been dismal. Proposition 13 mentality pervades the Congress. Anti-civil rights amendments are offered with greater and greater frequency. Defense spending rises rapidly in response to perceived threats, but spending for documented, long-standing actual harm to millions is decreased.

Therefore, the 1980 Congressional Black Caucus Legislative Agenda has one single priority—full employment and the implementation of economic policies which will remove the disparities for Black Americans and improve the economic condition of all Americans who have suffered economic oppression.

In making full employment implementation our single legislative priority for 1980, we are not ignoring other legislative issues which will come before Congress. Some of our major concerns are listed at the conclusion of this Agenda. These issues remain critical in their own right, and we have spoken to each in the earlier Legislative Agendas.

FULL EMPLOYMENT

Reducing the astronomically high rate of unemployment in the Black community while controlling inflation is the absolute priority for the Black community. The framework of economic policy to achieve that goal was enacted into law as the Full Employment and Balanced Growth Act of 1978. It requires a fundamental shift in economic policy away from attempting to control inflation by slowing down the economy, inducing credit crunches, raising interest rates, creating shortages and scarcities and slashing the domestic budget.

There are three essential aspects this year for moving toward a full employment economy: (1) Preparation of a comprehensive economic plan which specifies policies and projects in each economic sector for investments and activities to create jobs while limiting price increases. (2) Passage of a Congressional Budget Resolution which provides adequate funds for domestic social programs which will themselves create jobs. (3) Passage of major new Youth Employment legislation to substantially reduce the 36.8 percent official Black youth unemployment rate and the 16.9 official overall youth unemployment rate. A comprehensive program which provides every youth seeking employment with a job and training is within our capacity, and it is vital to the progress and security of our nation.

Some have tried to tell us that a 6 percent unemployment rate is "full" employment, ignoring the Black official unemployment rate of 12 percent, and unofficial unemployment rate estimated at 25 percent.

The white male unemployment rate in December 1979 was 3.7 percent. If that level of unemployment can be reached for white males, it can be reached for every other group in this nation. To do otherwise is immoral, unjust and unacceptable.

OTHER MAJOR LEGISLATIVE PRIORITIES

A number of other important legislative issues are before Congress this year. The Congressional Black Caucus has expressed its position on each of these matters in the past, and will continue to do so in further statements during the coming year. These issues include:

King Holiday Bill.

Ratification of the Full Voting Representation for the District of Columbia Constitutional Amendment.

Fair Housing Act Amendments to Provide Cease and Desist and Other Powers to HUD and Legislation to Protect Low-Income Residents Against Displacement in Urban Neighborhoods Undergoing Change.

Opposition to Anti-Civil Rights Amendments Offered Annually to the Labor-HEW Appropriations Bill and other Legislation.

Criminal Code Reform Which Does Not Violate Basic Civil Liberties.

Protecting and Strengthening Historically Black Colleges and Universities.

Furthering Majority Rule in Southern Africa, Increased Economic Assistance to Third World Nations and Opposing a Peacetime Military Draft or Draft Registration.

Revision of the Communications Act of 1934 so as to Provide Greater Opportunities for Minorities in the Communications Field.

An Accurate 1980 Census Count and Political Boundary Redistricting based on the Census which Maximizes Black Political Power. Adjustment of Federal Fund Allocations to Take Account of Any Census Undercount of Minorities.

Legislation to Further an Energy Policy Which Does Not Use Price to Further Conservation, but Rather Shares the Burden of Conservation Equitably. Continuation of Subsidies to Lower-Income Persons to Pay Utility Bills. An End to Oil Price Decontrol.

Opposition to Attacks on the Federal Trade Commission and Strengthening of Laws to Protect the Low-Income Consumer.●

THE SPIRIT OF HELSINKI, VIGIL 1980

HON. HERBERT E. HARRIS II

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 30, 1980

● Mr. HARRIS. Mr. Speaker, I am glad to have this opportunity to join with many of my colleagues and participate in "The Spirit of Helsinki, Vigil 1980." It is clear to me that these speeches are serious reminders to the Soviet Union that we in the United States will not abandon our friends in Russia who are denied their basic human rights.

I speak today on behalf of Victor and Batsheva Yelistratov. Their loving relatives live in my congressional district and I have been working on this case for a number of years. Victor and Batsheva are a source of strength to all refusenik families living in the U.S.S.R. Although Victor was fired from his job and must constantly search for work, he and Batsheva fearlessly aid those in need. Victor has traveled miles from Moscow to try and help the pentacostals and he has tried to visit some of the prisoners of conscience. Because of his efforts, he is concerned that he could be arrested and jailed on some trumped up charge.

The Yelistratovs deserve our attention. They have been trying to leave Russia for at least the last 8 years and are still being told that Victor possesses information vital to the state. This is a stale excuse and one that is not true. The Soviets simply do not want these two people to emigrate—to be able to join their family in the United States—under the terms of the Helsinki agreement which officials of that country signed in August 1975.

My efforts on behalf of Victor and Batsheva will continue until they are free to leave and come to this country and my district where their family resides. I know I want to meet these brave individuals and I hope I will be able to report to you that they were permitted visas before the Vigil of 1981 begins.●

THE CIA AND THE EPA

HON. RON PAUL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 30, 1980

● Mr. PAUL. Mr. Speaker, I would like to call the attention of my colleagues to an article that appeared in the May 12 issue of Forbes. It seems that the CIA is not only using its spy satellites to photograph the United States and Americans, but it is also providing those photographs to the EPA. I would like to raise two questions. First, why and under what authority is the CIA photographing the United States, and second, why and under what authority is the CIA providing those photographs to the EPA?

The article follows:

BIG BROTHER STRIKES AGAIN

(By Allan Sloan)

No one in Washington likes to talk about U.S. military satellites, on or off the record. National security, you understand. About all most people know is that satellite cameras take fabulously detailed pictures of things around the world that affect American interests—troop movements, missile-launching sites, that sort of thing. Forbes has learned, however, that U.S. military satellites are not only watching Russians—they're watching us, too. The same supersecret technology that takes pictures so detailed that photo analysts can tell when the Russian corn crop has blight or when a Russian tank force shows up on the Iranian border is also photographing American industrial plants. Some of the photos are routinely turned over to government agencies, from the U.S. Geological Survey to the Environmental Protection Agency, provided that civilians who come near the pictures have top-secret security clearances and vow not to discuss the pictures with anyone who is unclassified.

At present, this sharing of information between defense and civilian agencies is less sinister than silly—another instance of bureaucratic clumsiness, of well-intentioned people doing what comes naturally. But left unchallenged it has potential for serious mischief, as one company, Dow Chemical, has already learned.

It's not clear why the military takes pictures of the U.S., though it is probably for practice and to compare Russia's facilities to America's. The pictures, some from satellites, others from reconnaissance planes flying missions over the U.S., pass from military to civilian hands at meetings of the Committee for Civil Applications of Classified Overhead Photography of the U.S. The committee, formed in 1976 to prevent abuse of classified military photographs, is so obscure few people know it exists. It consists of middle-level civil servants from seven agencies, with military people sitting in. The EPA's man on the committee, Albert Trakowski, a retired Air Force lieutenant colonel, has sworn the committee is so secret that even its members' identities are a matter of national security.

But the committee's chairman, Roy Fordham of the Geological Survey, sees things differently, and freely discussed the committee during a recent interview in his office in Reston, Va. If Fordham is a superspook, he hides it well. He wore a tie with flowers on it and plaid doubleknit trousers, and talked happily about the technology of mapmaking. He's a forestry graduate of Syracuse University—hardly the Ivy League type the CIA is famous for. Fordham said that for years, to save on photo costs, the Geological Survey got mapmaking pictures from the military's reconnaissance flights over the U.S.—practice missions, he says. The committee, formed at the suggestion of the Rockefeller Commission that investigated the CIA in 1975, made the informal arrangement a formal one and brought in other agencies. Fordham refused to discuss satellites, citing national security. But the committee has seven members, each of whom, of course, has subordinates and superiors. So do the military people. With all those people in the know, it's no secret that the Civil Applications Committee gets satellite photos that have been sanitized to obscure the location and capabilities of the satellites that took them.

The EPA has used military satellite pictures to monitor civilian industries. The agency also takes its own enormously detailed pictures of U.S. industrial facilities. These practices would still be secret had the EPA not messed with Dow, one of the nation's most feisty and outspoken companies. During the Vietnam War, Dow made napalm and Agent Orange because the government asked it to. Three years ago, it cut off its corporate contributions to Central Michigan University after CMU students paid Jane Fonda $3,000 for a campus speech denouncing business.

Dow has been fighting with the EPA for years over pollution from the generating plants that produce electricity and process steam for the Huge Dow chemical complex in its hometown of Midland, Mich. Dow had planned to close its generators in 1975 and use nuclear energy from two plants Consumers Power Co. is building across the Tittabawassee River from the chemical complex. But the nuclear plants have turned into a nightmare for the power company and are now scheduled for a 1984 startup—provided Consumers can get financing to complete them. While Consumers struggles, Dow runs its obsolescent, admittedly dirty generators and battles the EPA and the State of Michigan's clean-air people.

In February 1978, after Dow refused to let an EPA team make a second trip through its powerhouses, the EPA retaliated by hiring the Abrams Aerial Survey Co. of Lansing, Mich. to photograph the power plants. Abrams got some chemical plants in its photographs, in such great detail that Dow claims trade secrets could be stolen if the pictures, which are subject to access by others under the Freedom of Information Act, made their way into the wrong hands. A month after the flight, Dow sued in federal court in nearby Bay City, Mich., going on the offensive for a change against the EPA. Dow says it offered to drop the suit if the EPA surrendered the pictures of the chemical facilities and kept only the power plant pictures. The EPA's lawyer doesn't remember it that way. In any case, the suit proceeded. The judge in Bay City impounded the pictures—which are vastly more detailed than the one below—and Dow kept prodding the EPA. Because Bay City is out of the way, and pretrial proceedings are usually dull, few people other than lawyers have read the depositions taken by Dow from EPA employees.

The depositions provide all anyone needs to find people who will confirm—off the record, of course, so as not to jeopardize security clearances—that the EPA gets military satellite pictures.

The depositions on file in Bay City, confusing and conflicting as they are, show the EPA blundered into its latest battle with Dow. The EPA bureaucrat who ordered the pictures thought his boss wanted them, even though the pictures had nothing to do with enforcement actions against Dow. The boss doesn't remember asking that Dow be overflown, but does recall he was so pleased with the pictures that he displayed one in his office. Dow found out about the EPA's snooping only because Abrams Aerial does work for Dow, and told the company about the overflight.

The depositions and Freedom of Information Act cases brought against the EPA as a result of the Dow suit show that the EPA, which boasts that its pictures are at least as good as military reconnaissance photos, has photographed dozens of industrial facilities, some apparently in enough detail to allow trade secrets to be derived from the pictures. Why did the EPA take them? Because the technology is there, and so are the EPA people to use it.

The EPA runs a surveillance operation of its own based in Las Vegas, and develops pictures in borrowed space at a semiclassified military facility, Vint Hill Farms, near Warrenton, Va. The EPA is the only civilian agency there. The Las Vegas operation started in 1959 to track fallout from atom bomb tests, and was absorbed by the EPA when the agency was founded in 1971. The aerial photography missions, flown by military pilots through 1979, began with pictures of oil slicks, but evolved into high-resolution picture-taking of individual facilities, too. One EPA man, David McNelis, implied in his deposition that some EPA pictures make their way to the CIA, which is barred from operating inside the U.S. "With the CIA, or any agency of the U.S. government, we would exchange technology at any opportunity we have," McNelis testified. He refused to discuss specific exchanges. Another EPA man said enforcement actions have been taken as the result of pictures obtained through the Civil Applications Committee, but refused to be specific. Because many of the EPA people engaged in surveillance have military or CIA backgrounds, it's easy to see how information might pass among the EPA, CIA and the military, outside any committee, without leaving a paper trail to trace.

Stephen Gage, an EPA assistant administrator, does not rule out the possibility that EPA and CIA people talk to each other outside formal channels. "It's an old-boy network," he said. Gage insisted he had no idea, until the Dow suit, that EPA's pictures could be exposing company secrets. "The last thing we'd want to do is naively make trade secrets available," he said.

Sophisticated aerial pictures may stop some pollution here and there, but at what price? Maybe there was a reason to take pictures of Dow's complex, though no legitimate one comes to mind. But why take tremendously detailed pictures from just 1,200 feet up? Why take detailed pictures of dozens—if not hundreds—of facilities that aren't even the subject of enforcement action? "My suspicion," says Stephen Gage, "is that the use of this detailed photo equipment is overkill."

That's putting it mildly.●

WASHINGTON STATE NEIGHBOR'S AGAINST CRIME

HON. JOEL PRITCHARD

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 30, 1980

● Mr. PRITCHARD. Mr. Speaker, I would like to bring to the attention of my colleagues an organization in my district which has been very successful in deterring crime in neighborhoods. The following description of the program was written by Jenny Hayes who is the project coordinator for the group, Washington Neighbor's Against Crime.

The article follows:

WASHINGTON STATE NEIGHBOR'S AGAINST CRIME

Washington Neighbor's Against Crime (WNAC) is a crime prevention program based in Seattle that has successfully reduced the crime rate for participating households by 48 to 61 percent by encouraging neighbors to work together in a carefully prescribed program of self-help.

The program's primary work is educational and devoted to encouraging citizen volunteers to become involved in the criminal justice system by serving in crime prevention, victim assistance, and other programs and related services.

Initiated in 1975, this nonprofit, anticrime organization stresses citizen participation in neighborhood and business blockwatches. Community volunteers are heavily utilized as hosts for neighborhood blockwatch meetings and as blockwatch captains and assistant captains. Program participants are encouraged to mark their driver's license numbers on high risk and big ticket items by using an engraving tool. The Washington State Crime Watch decal is then placed on windows and doors around the home and has proven an effective deterrent to would be burglars.

Annual victimization surveys are conducted in participating neighborhoods by volunteers. These surveys keep track of criminal activity in the blockwatch and increases awareness as the results are shared with the blockwatch members.

Crime information for each target area is also gained by the staff from the police reports available at the City Police Department. Any information found that is pertinent to specific blockwatch groups is relayed to blockwatch captains and assistants as Crime Alerts.

Blockwatch groups using these and other crime prevention techniques are 15 times less likely to be victimized by crime than nonparticipating households in the target neighborhoods. One reason for this is that it is always highly stressed that households learn to recognize occurrences and behavior patterns which are potentially threatening to persons and property and to learn what to do to safeguard themselves and their neighbors.

WNAC believes that crime is an environmental concern and that people have the right to live in a wholesome, more crime-free environment. This program promotes change by encouraging friendly cooperation between neighbors through working together to reduce and prevent crime, lessening neighborhood tensions, bringing people together in the spirit of mutual assistance, combating neighborhood deterioration and juvenile delinquency, and laboring to achieve and maintain a better, more crime-free environment. The program also encourages full utilization of the Police Department and other local community organizations.

WNAC has worked closely with the Seattle Police Department, the Seattle Law and Justice Planning Office, and a Program Consultant who has helped form and provide staff assistance to the new Mayor's Neighborhood Crime Control Council.

Other activities of WNAC include arranging community workshops and seminars, publishing the newsletter—The Victim's Voice, making regular press releases and public service announcements, and carrying out crime-specific educational programs.

Funding for WNAC has previously come on a project-by-project basis to carry out specific tasks by the Office of Community Crime Prevention Programs, Law Enforcement Assistance Administration of the U.S. Department of Justice. Two grants provided for the operation of the Queen Anne Neighborhood Watch Program in Seattle, Washington and a sister program in Federal Way, Washington. These grants have also been used to fund a program consultant to provide technical assistance to a total of nine neighborhood crime prevention projects which are funded by LEAA. Donations have come from local churches, area businesses, private citizens, and corporations. The program utilizes staff from college and high school work-study programs, CETA, neighborhood volunteers, and senior citizens.

No property or person can ever be totally crime-proof, but people can be educated to be prepared and protected which will reduce the increase of crime as this program has successfully shown.●

DR. PAUL ROSCH

HON. PETER A. PEYSER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 30, 1980

● Mr. PEYSER. Mr. Speaker, I would like to take this opportunity to commend a constituent of mine, Dr. Paul J. Rosch, for having been designated the "1980 Man of the Year" by the Yonkers Jewish Community Center. Dr. Rosch is a man of many accomplishments and has been a member of the board of governors of the Jewish Community Center for many years. He has been instrumental in the development of that agency, which serves over 5,000 people annually and is one of the largest recreational institutions in the entire Yonkers community.

Dr. Rosch's accomplishments, both professionally and in public service, are impressive to say the least. I will only mention a few of his many achievements. Dr. Rosch is senior attending physician and director of the Endocrine Clinic at St. John's Riverside Hospital in Yonkers. He is a member of the Governor's advisory board on physician associates and special assistants and is medical consultant to Hudson View Nursing Home as well as serving as chairman of the medical review board of the city of Yonkers.

Dr. Rosch presently serves as president of the American Institute of Stress as well as chairman of the board of the International Foundation for Biosocial Development and Human Health. These two organizations include on their boards four Nobel laureates, two U.S. Senators, as well as distinguished scientists and educators from all over the world. The distinguished doctor is also listed in "Who's Who in America" and the "Dictionary of International Biography" as the coauthor of several medical texts and publications.

Long active in community affairs, Dr. Rosch served as a commissioner of the Yonkers youth board and served

as chairman of the Yonkers community action program for 3 years. As a result of this outstanding work with the community action program he was awarded a Certificate of Outstanding Commendation by the Office of Economic Opportunity and the Department of Labor.

A husband and father of six children, Dr. Rosch has dedicated himself not only to a life of personal achievement, but fortunately for us all, he has generously used his many talents in service to the entire community. In behalf of myself and my constituents I want to congratulate Dr. Rosch on having been designated "1980 Man of the Year" by the Yonkers Jewish Community Center.●

AMERICAN CITIZENS ABROAD

HON. BILL ALEXANDER

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 30, 1980

● Mr. ALEXANDER. Mr. Speaker, I insert into the RECORD some more issues dealing with the taxation of American citizens living and working abroad:

Issue No. 52

Short title: Inadequacy of Rules for Capital Gains Tax Shelter on Sale of a Home Retained in the USA by Americans Assigned Abroad.

Summary of the problem: Some American citizens, when they are assigned abroad, retain possession of their residences in the United States with the intention to return to reside in them after the overseas assignment is terminated. It often occurs that upon completion of the overseas assignment, during which no residence was purchased abroad, the American is assigned to a new location in the United States remote from the residence that was maintained while abroad.

U.S. tax practice insists upon the fact that a residence that is sold can only be protected for capital gains if the owner resided for a requisite period of time in the dwelling before the sale. The returning American cannot qualify for this residency period and hence has no sheltering of any capital gain from sale of the retained residence for the purpose of purchasing a new residence where he will be henceforth employed.

ACA's question: If sheltering capital gains from the sale of a residence is the intent, why does the present U.S. tax practice penalize overseas Americans who cannot meet the stipulated residency tests, but who in all other respects meet the intent of the statute? Does not this unfair treatment of overseas Americans constitute just the sort of disincentive to being willing to move abroad that we should be preventing?

We ask the President to consider modifying the capital gains shelter rules to help overseas Americans be more willing to accept new assignments at home and abroad without fear of being abused by inflexible tax treatment. Specifically, we suggest that consideration be given to allowing overseas Americans to maintain a principal abode in the United States while they are abroad, and to be credited with constructive residence in this abode while they are abroad for purposes of meeting the prior residence or occupancy test when the dwelling is sold upon their return from abroad.

We suggest that this rule apply not only to those who go abroad maintaining a dwelling at home, but also suggest that the rule be so structured as to permit Americans living overseas who need to shelter such capital gains from sale of a residence at home or abroad but who are precluded from doing this by the purchase of a residence abroad be also enabled to purchase a suitable residence in the United States which is intended for subsequent use upon return to the U.S. from abroad.

Issue No. 53

Short title: Discriminatory Customs Treatment for Purchases of Gifts Abroad by Americans Resident Abroad Returning for a Holiday in the USA.

Summary of the problem: Whenever it is to the advantage of the United States overseas Americans have to fulfill obligations on the basis of citizenship. When it comes to rights, or benefits, however, there is frequently a discrimination on the basis of where an American resides.

This discrimination exists in the Customs Rules that apply to how much dollar value purchases of gifts abroad can be brought duty-free into the United States. Returning U.S. residents are allowed up to $300 under the new Customs Rules. Americans who are residents abroad are treated the same way as foreigners who are resident abroad and are limited to only $100 of such duty-free gifts.

ACA's question: Why is there this discrimination in the Customs Rules against Americans abroad? What definition of equity necessitates this discrimination?

Issue No. 54

Short title: Problems of Obtaining Rulings of Overseas Residence Status for Customs Purposes When Returning From Residence Abroad.

Summary of the problem: Each year thousands of overseas Americans move back to the United States after having lived for various periods of time abroad. These returning Americans must decide in advance whether to bring back possessions that have been purchased abroad, or whether to sell these goods abroad. One of the principal factors that will often determine this choice is whether or not duty must be paid on the goods when they arrive in the U.S.A.

It is very difficult to obtain a ruling from the Customs Service in advance concerning the overseas residence status that will be considered to apply to any U.S. citizen returning from abroad. While there are some Customs Service representatives assigned to Embassies abroad, they are most reluctant to give any such rulings, and usually insist that the returning American wait until he arrives at the Port of Entry to the U.S. for a definitive ruling from the Customs Inspector who is met upon entry.

This situation is a major, and unnecessary, inconvenience for overseas Americans. It can cause needless confusion, anxiety and economic loss.

ACA's question: Why cannot the Customs Service define overseas residence requirements in such a way that such determinations can be easily made abroad?

Issue No. 55

Short title: Discriminatory Treatment of Some Overseas Americans in the Definition of Overseas Residence for Customs Purposes.

Summary of the problem: In addition to the problem of obtaining an advance ruling on overseas residency status for an American planning to return to the U.S. after residing abroad for Customs purposes (see Issue 54 above), there is a discriminatory distinction made between those returning from foreign employment when the government is the employer and those returning from civilian employment.

Returning Government employees are generally considered to have qualified for duty-free entry of goods acquired abroad if the period of residence abroad was 140 days. Returning Americans who do not work for the government usually have to prove that they have been abroad at least three years.

ACA's question: What principle of equity justifies making such a discriminatory distinction? And, why has this distinction been made?

Issue No. 56

Short title: Use of Voting from Abroad as a Criteria for Determining the Overseas Residence Status of Americans Returning From Abroad.

Summary of the problem: In addition to the problems of returning overseas residents for U.S. Customs purposes (see Issues 54 & 55 above) already mentioned, there is a further practice of the Customs Service that is a threat to the overseas franchise.

One of the most difficult rights that overseas Americans have fought to obtain is the right to be able to vote in Federal Elections in the United States. This right was finally established in 1975, but many overseas Americans refused to exercise the franchise in 1976 because of ambiguities in State tax laws. In came as a most unpleasant surprise to learn that the Customs Service also has adopted a practice of using the right to vote from abroad as a criteria for determining whether or not an American living overseas was a resident for Customs purposes.

One of the questions that a returning American can be asked at the Port of Entry is whether or not he registered and voted in U.S. elections while he was abroad. A positive reply can be used to disallow a claim that this American was really a resident in a foreign country for Customs duty purposes.

ACA's question: Why are the myriad bureaucracies of the U.S. Government allowed such unencumbered license to ask such questions about the use of the overseas voting right? This question should be forbidden to the Customs Service and to any other bureaucrat for any definitional purposes.●

THE GIAIMO BUDGET WILL HURT SENIOR CITIZENS

HON. NEWT GINGRICH

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 30, 1980

● Mr. GINGRICH. Mr. Speaker, the proposal in the Giaimo budget to withhold taxes on savings account interest and dividends will hurt people who can afford it the least—senior citizens.

According to the Treasury Department, the Government will overwithhold to the tune of $5 billion under this proposal.

That is money which will be taken out of the small amount of interest people earn on savings accounts these days and whatever they earn from dividends and kept by the Government until a tax return is filed.

In effect, the Government is now forcing the 72 million people who file tax returns to loan the Government

that $5 billion—interest free. This is reminiscent of the Middle Ages, when absolute monarchs would force their subjects to give them loans without any hope of getting back interest.

Of course, even worse is that the overwithholding will affect people who do not have to file a return right now. Some senior citizens earn only a small amount in savings account interest or dividends—and yet they will have taxes withheld on these small earnings unless they manage to file a form with the U.S. Treasury and their bank and whatever body pays them dividends.

The Latta budget rejects this withholding proposal, while the Giaimo budget includes this idea.

The Latta budget will help senior citizens by preventing any move toward this unneeded withholding proposal.●

POLISH CONSTITUTION DAY

HON. BARBARA A. MIKULSKI

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 30, 1980

● Ms. MIKULSKI. Mr. Speaker, I rise to pay tribute to Polish Constitution Day, the anniversary of which falls on May 3. On May 3, 1791, Poland adopted a new and progressive constitution which embodied the great ideas of democracy, justice, and freedom. In fact, many of the ideals represented in this constitution are also essential components of America's Constitution, principles which we cherish today. Free Poles throughout the world continue to celebrate Polish Constitution Day as an important reminder to all that Poland was one of the first pioneers of progressive thought in Europe. It is an unfortunate fact of history that although the Polish people have cherished freedom, tyrannical neighbors and leaders have made Polish liberty more a dream than a reality.

Through the long history of the United States, freedom-loving Polish immigrants have contributed their skill and hard work to make this country great. They have actively worked for our Nation's freedom and have defended it on battlefields since it was born.

Today, when we honor Polish Americans in history who have made great contributions to our Nation and our world, we quite appropriately look toward two great American war heroes, Thaddeus Kosciuski and Casimir Pulaski. While it is vital to recognize the crucial accomplishments of these two brave and dedicated men, I feel that we should not overlook the work of many other great Poles. For example, Madam Curie performed landmark research on radiation from which even today people around the world derive enormous benefits. Madam Curie holds the remarkable honor of being the only physicist in history to receive two Nobel prizes.

Second, we should not forget Dr. Marie Zakrzewska, a Polish American of the 19th century who was one of the first women physicians in the United States. Despite enormous obstacles, she established two outstanding hospitals in the United States and helped to establish a third. Finally, I want to pay tribute to the great accomplishments of all of the Polish nuns and priests in America who played such an important role in teaching us about the old world in Poland while at the same time preparing us to be good citizens in our new home.

In this time, Polish Americans can be very proud of the vital role which many of our compatriots are playing in Government, particularly in the shaping of our foreign policy. I know that I shared the thrill of many when I learned about the appointment of my good friend, Senator EDMUND MUSKIE, as our new Secretary of State. Another powerful and prominent Polish American who has been helping to shape foreign policy for the past several years is Congressman CLEMENT ZABLOCKI, the chairman of the House Foreign Affairs Committee.

On the local level in Baltimore, we can be very proud of the appointment of a great Polish American and distinguished lawyer, M. Albert Figinski, as a judge on the supreme bench of Baltimore City. Already, in his short tenure, Judge Figinski has brought to the court great wisdom, compassion, and honor.

In spite of the invasions and occupations of the Polish nation through history, the spirit of the Polish people remains strong. Although our homeland remains under the shadow of Soviet domination, the Polish people still commemorate the Polish Constitution and honor the rich contributions of Poles around the world. It is my hope that the great principles of freedom and democracy embodied in the Polish Constitution will in the near future become not just a dream but a reality on Polish soil.●

LAST CALL FOR SUNSET COSPONSORS

HON. GILLIS W. LONG

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 30, 1980

● Mr. LONG of Louisiana. Mr. Speaker, the budget choices we face in the course of this lengthy debate on the first budget resolution are difficult for everyone. But our performance as an institution in these trying times is crucial.

Our foremost national priority is to attack the root causes of our current economic problems. This translates into discipline for us as individual Members and as an institution.

Congress can no longer rely on ad hoc efforts to make budget cuts and bring Federal spending under control. We must put forth a sustained effort to weigh carefully not only new spending initiatives but also to review just as carefully the peformance of existing programs. The budget explosion of recent years has not come from new programs. Existing programs are the engines of growth in the Federal budget.

If we are to improve our control over Federal spending, Congress must embrace a more systematic method of oversight. Enactment of effective sunset legislation will direct committees to focus more attention on weeding out waste and inefficiency from good programs and to kill undesirable programs. It will also cause committees to compare the ways programs perform and to eradicate duplicative activities.

Mr. Speaker, I am very pleased to announce that markup on H.R. 5858, the Sunset Review Act, coauthored by Congressman BUTLER DERRICK and myself, and cosponsored by 194 Members, will be marked up on Tuesday, May 6. I invite cosponsorship by additional Members who are committed to the elimination of unnecessary Federal programs and unwise Government spending. To join the sunset crusade, call extension 51037 without delay.●

FAMILY FARM DEVELOPMENT ACT

HON. RICHARD NOLAN

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 30, 1980

● Mr. NOLAN. Mr. Speaker, at a time when inflation, high interest rates, and an inadequate commodity price policy are creating a financial crisis in rural America and driving more farmers off the land, Congress must respond by immediately increasing the commodity loan rates if serious economic upheaval is to be averted. The failure of Congress to enact an adequate farm program during the past 4 years has brought on the crisis and, therefore, it is up to Congress to act with dispatch and raise the loan rates.

Congress also must begin to consider such bills as the Family Farm Development Act which are designed to strengthen the family farm system, thus reversing the trend toward fewer and larger farms.

A summary of the Family Farm Development Act follows:

THE FAMILY FARM DEVELOPMENT ACT: A SUMMARY

TITLE I: FAMILY FARM DEVELOPMENT SERVICE

This Title establishes a Family Farm Development Service within the USDA to focus attention on the family farmer's problems. This Service would have the authority to: (1) Coordinate activities within the USDA concerning development and maintenance of small and moderate-sized family farms; (2) Evaluate the impact of USDA activities on small and family farmers and communicate this evaluation to the Congress annually with recommendations for changes; (3) Develop a national long-term plan to provide the incentives for the development and application of technical assistance programs designed to improve the energy efficiency, productivity, conservation practices, marketing capabilities and economic viability of small and medium-sized family farms; and report this plan to Congress in 3½ years; (4) Set up a Family Farm Assistance Board to provide research and education grants.

TITLES II AND III: RESEARCH, EDUCATION, DEMONSTRATION AND TRAINING PROGRAMS

A. Research programs

The USDA, through the Family Farm Development Service, will give grants to organizations, individuals, colleges and universities, agencies of a state or local government and other federal agencies to conduct research concerning small and moderate-sized family farms. This research shall include the following: (1) Why the number of farms in this country has declined and how this trend could be reversed; (2) Land ownership; (3) How to enhance the life-style of small and moderate-sized family farmers, including community services; (4) How to develop energy efficient, appropriate farm techniques and technologies that are low-in-cost and environmentally protective; (5) How to increase and improve nutrient levels and humus content of the soil, increase soil productivity and reduce nutrient run-off and water pollution from farming; (6) How to improve methods of integrated pest control; (7) Studies of agricultural methods used in other countries and potential application in the U.S.

B. Education, training, and demonstration programs

The FFDA creates several new programs and amends old ones in order to change the emphasis of existing education and demonstration programs, including: (1) Broadening the small farm extension program (often called the "para-professional program") to include every state. It will give small farmers financial, managerial, credit, bookkeeping, marketing, conservation and cropping assistance. The para-professionals shall be local people, preferably small farmers themselves, to the greatest extent possible; (2) Establishing Farm Demonstration and Training Centers in rural areas of each state to help train new farmers in improved methods of small and moderate-sized farming and simultaneously demonstrate the new methods and technologies being researched which are energy-efficient, low-in-cost, and environmentally protective; (3) Training at least one USDA agent per state to work with small and family farmers to install and operate appropriate technology on the farm, (4) Establishing a program to teach and demonstrate sustainable agriculture and integrated pest control methods, soil and water conservation methods, and methods which increase the humus content of the soil to family farmers; (5) Authorizing the creation of a new USDA "Apprenticeship Program" to provide instruction in agricultural practices geared toward application on small- and medium-sized family farms.

TITLE IV: FARMERS HOME LOAN PROGRAMS

This title changes Farmers Home Loan programs so that they offer low interest, balloon repayment loans to farmers who initiate sustainable agriculture techniques or integrated pest management programs. It also makes loans available to farmers who want to install appropriate technology on their farms.

TITLE V: TAX CODE AMENDMENTS

The Family Farm Development Act changes the Internal Revenue Code to help prevent non-farm corporations and outside investors from using losses or expenses from farming to offset profits earned off the farm. To do this, the FFDA makes the following changes in tax laws: (1) The total amount of tax deductions allowable for a farmer cannot exceed an amount equal to the sum of gross income derived from farming plus a maximum of $17,500 in non-farm gross income. In cases where non-farm income exceeds $17,500 (the current median national income), the allowable non-farm income total will be reduced by that excess, but not below zero; (2) Farmers whose gross income from farming exceeds $100,000 would have to use accrual (as opposed to cash) accounting methods to determine taxable income; (3) Foreign investors will be required to pay capital gains on profits made from the purchase or sale of farm or other rural land; (4) Foreign investors will be required to report farm or rural land buildings, sales or acquisitions to the I.R.S.

TITLE VI: GRANTS TO COMMUNITIES FOR FAMILY FARM OWNERSHIP

This title provides for federal grants through the Farmers' Home Administration, to county or city governments or local community development organizations for the purchase of farmland. The grant recipient will establish a revolving loan fund which can then sell the land to new, small or limited resource family farmers. The land can be sold in parcels no larger than the smaller of 640 acres or twice the average farm size in the county in which the parcel is located. A board made up of representative members of the local community will administer and oversee the program in each community.

TITLE VII: SMALL SCALE ALCOHOL PRODUCTION

This title sets up a program of federally-insured, low interest loans available to communities, non-profit organizations, cooperatives, individuals and community development corporations (CDC) for the construction of small scale (i.e., plants whose capacity is 500,000 gallons per year or less) alcohol plants. (Alcohol, when combined with gasoline, produces gasohol). Under this title plants can be operated in one of several ways: on the farm for direct use by a farmer or group of farmers; in a community, run by a community development corporation or cooperative, etc., or as a portable unit operated by a farmers' cooperative, a CDC, etc., for use of farmers in a specified geographical area.

TITLE VIII: NEW FARM MARKETING PROGRAMS

This title creates several marketing programs and expands some existing ones. The title broadens the authority of the Farmer Cooperative Service to give small and moderate-sized family farmers the technical assistance and information necessary to establish marketing cooperatives. The title also directs the Agricultural Marketing Service to evaluate its programs in order to determine the extent to which they aid small and moderate-sized family farmers and to determine ways they could be made more useful to such farmers.

Under this title, the National School Lunch Program is changed so that states can use a portion of the federal allotment they are given to purchase federal surplus commodities to create a fund with which to purchase state-grown surplus commodities.

This title also establishes a Federal-State Direct Marketing Program that will permit a state government or private non-profit organization to submit a proposal to USDA for the creation of a state-wide marketing system. Programs will be funded on a 75/25 federal-state or federal-nonprofit institution basis. Program monies will be awarded for a three-year period and will cover the establishment and operation of marketing systems. Selection will be made on a competitive grant basis.

TITLES IX AND XI: FOOD PRICE REVIEW BOARD/ UNFAIR TRADE PRACTICES

These two titles of the FFDA would do the following: (1) Set up a Food Price Review Board housed in USDA, which would have oversight authority over increases in food prices. Board would represent the interests of farmers, consumers, the food industry and federal agencies. This Board would conduct hearings to investigate causes of food price increases. It would also have the authority to recommend to the President that he roll back food prices if increases are found to be unwarranted; (2) Require that the USDA publish regularly for all major food commodities a comparison of consumer retail prices and prices received by farmers for those commodities on a unit price basis. This information would be posted in all retail food stores under regulations to be established by the USDA.

TITLE X: LEGAL SERVICES TO FARMERS AND RURAL PEOPLE

The Family Farm Development Act would increase the funding to the Legal Services Corporation by $30 million to provide legal services to rural people, with an emphasis on farmers, particularly for problems related to the ownership and operations of farms. $1 million of these funds will fund research and dissemination of that research on legal/administration issues related to the ownership and operation of farms. Legal Services Corporation will be required to publish a report each year documenting its services and programs to farmers and rural people.●

GAS FROM GOO

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 30, 1980

● Mr. LAGOMARSINO. Mr. Speaker, I would like to bring to the attention of my colleagues the following article from Time, April 28, regarding heavy oil:

GAS FROM GOO

At first glance, it looks like any other oilfield, with acre upon acre of pumps rhythmically nodding up and down as they suck up the crude oil trapped in rock below the surface. But the Guadalupe, Calif., oil patch 50 miles northwest of Santa Barbara is no ordinary oilfield. Like a growing number of production sites in California and Texas, Guadalupe is producing a gloppy goo that looks more like asphalt than normal petroleum. This is so-called heavy oil, a once rejected energy source that oilmen now believe may help diminish the nation's dependence on imported petroleum.

The potential supplies of heavy oil are vast. Venezuela alone has untapped deposits perhaps equal to the total known world oil reserves of 642 billion bbl. But heavy crudes have a much higher sulfur content and less potential energy value than the lighter grades normally used for making gasoline or heating oil. Until recently, energy companies left the heavy oil in the ground because it was too costly to produce and refine into useful petroleum products. But skyrocketing petroleum prices now mean that even heavy oil has become economical; engineering breakthroughs are also making it more profitable.

By going after domestic heavy crude, the U.S. could double its present oil reserves of

29 billion bbl. The leading heavy oil producer is Shell Oil, which is already pumping 85,000 bbl. of it per day. That is about 20 percent of the company's total U.S. output and nearly half the nation's total heavy oil production. The company last year paid an estimated $3.5 billion for the Kern County oilfields of Belridge Oil Co., which are believed to contain up to 375 million bbl. of heavy crude, by far the largest such deposit in the country. One of Shell's toughest competitiors is California's Union Oil, which operates the Guadalupe field.

Plentiful though it is, heavy oil poses problems that begin with getting it out of the ground. Because the crude is so sticky, less than 10 percent of it will flow to the surface by conventional pumping methods. One way to liquiefy the goo is to force superheated steam into deep crude wells for as long as two weeks at pressures as high as 2,500 lbs. per sq. in. The extraction also requires huge amounts of energy. Just to heat enough steam to liquefy and then force three barrels of heavy oil up a well shaft can take as much as one barrel of oil or its energy equivalent in the form of natural gas or coal.

The complications continue at the refinery. Heavy oil molecules, compared with those in lighter crudes, have a higher proportion of carbon atoms and fewer hydrogen atoms. Since the energy potential of oil depends on the number of hydrogens, 40 percent to 50 percent of a barrel of heavy oil comes out as low-energy, low-priced products, such as industrial fuel oil and bunker oil for ships. Getting more gasoline requires a multimillion-dollar investment in complex equipment to break down these heavy residual fuels.

Despite these drawbacks, oilmen still see heavy crude as a necessary fuel for the future. Last month Ashland Oil of Kentucky announced the development of a new process to convert heavy oil molecules into light ones and sharply improve gasoline yields. The company's first full-scale commercial treatment plant will go into production in 1982. Ashland estimates that this method could eventually reduce the nation's crude oil imports by 25 percent or more. The race to exploit heavy oil reflects a new spirit of enterprise that could uncap the nation's almost boundless resources and make the U.S. less dependent upon a handful of Arab shieks.●

THE SIDE OF BEEF

HON. VIRGINIA SMITH

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 30, 1980

● Mrs. SMITH of Nebraska. Mr. Speaker, although he has since offered an apology of sorts, the Nation's chief inflation fighter, Alfred Kahn, did not endear himself in cattle country when he recently told a network television audience that one of the ways to cope with inflation was to stop buying beef.

The extent of indignation cattle producers and their families felt has been duly expressed in a letter to Mr. Kahn by Mrs. Pat McGinley of Oshkosh, Nebr.

I have received a copy of Mrs. McGinley's letter in which she points out a few facts Mr. Kahn apparently did not consider when he made his intemperate statement.

Under leave to extend my remarks, I ask that Norma McGinley's letter to Alfred Kahn be printed in the RECORD. I am certain that its contents will be enlightening to my colleagues.

The letter follows:

OSHKOSH, NEBR.,
April 14, 1980.

DR. ALFRED KAHN,
Adviser to the President on Inflation, The White House, Washington, D.C.

DEAR DR. KAHN: I am writing to you as a very concerned citizen. I recently saw your appearance on the "Today" show. You were asked what advice you would give the consumer to cope with inflation. Your answer was to stop buying beef.

My husband and I are ranchers in the Sandhills of Nebraska. Besides being cattle producers, we are also consumers, such as the ones you were directing your answer to on the "Today" show.

Dr. Kahn, why did you specifically pick out beef as a food item to stop buying in order to cope with inflation? I would like to hear your reasoning behind such a statement.

The cattle prices have been slowly declining during the past several weeks. Suryeys that are done by various national groups, also show that the consumer's beef consumption is also declining. The cattlemen are going broke because of such anti-beef statements as yours. For too many years, the consumer has been used to a cheap food policy; and they feel that they should continue to eat for nothing. But when it comes time to accept the pay raise each year, they stand with outstretched hands. But they don't feel that they should pay a realistic price for the food items they purchase each week.

Does the consumer complain about the price of the colored TV; the boat they use for their recreation; the new car parked in their garage; the cigarettes, pop, beer, whiskey, snack food items, convenience items such as paper towel and foil they purchase so freely each week?

Midwest Nebraska had the toughest winter in history last year; and just went through one of the worst blizzards this winter with a large number of livestock loss. Dr. Kahn, I wish you would have been here to ride out horseback into a raging blizzard to try and locate the old mother cows that were giving birth to calves during the storm. You could have helped bring them back into the ranch—if they were still alive—and try to nurse them back to a healthy calf so that hopefully they would live long enough to become feeder cattle; and then go on to a feed lot and be fattened so that eventually you would have beef on the meat counters in Washington, D.C.

Cost of production on the Nebraska Sandhills Ranch has accelerated along with inflation the same as everything else in the Nation. It is taking the same numbers of gallons of diesel fuel to operate the tractors and feeding equipment that it did last year or five years ago. There are not many changes that can be made in a ranching operation to cut down on cost of production. So we are victims of inflation just as you are.

The cattle industry has always prided itself on being one of the few remaining "FREE ENTERPRISE SYSTEMS"; but with people such as you in influential positions in Washington, I wonder how long Agriculture and specifically the cattle industry will be able to survive..

Perhaps when you go to the meat counter in your favorite store or to your favorite restaurant and there is no beef available, you will retract your statement to the American consumer and issue another statement, "BEEF IS HIGH—COMPARED TO WHAT?"

Sincerely,

MRS. PAT MCGINLEY.●

CONGRESSIONAL SALUTE TO THE GERACI FAMILY OF AMERICA UPON THE CELEBRATION OF THE 50TH ANNIVERSARY OF THE FOUNDING OF ITS MOST PRESTIGIOUS ITALIAN-AMERICAN ORGANIZATION, THE GERACI CITIZENS LEAGUE OF PASSAIC-CLIFTON, NEW JERSEY, 1930-80

HON. ROBERT A. ROE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 30, 1980

● Mr. ROE. Mr. Speaker, one of our most prestigious Italian-American organizations—the Geraci Citizens League of Passaic-Clifton—will gather together in tribute to the outstanding contributions the family of Geraci has made over the past half-century to the American dream which have truly enriched the historical, educational, and cultural heritage of our community, State, and Nation.

On Saturday, May 3, one of the largest, most unique family reunions, nationally and internationally, will be held at the Cottage Inn, Lodi, N.J., when the Geraci family will gather its kinsmen from all over our Nation and the historic village of Geraci in Sicily, the country of their ancestors, to celebrate their golden jubilee anniversary reunion.

Mr. Speaker, the Geraci League was founded in Passaic, N.J., in 1930 when a group of citizens from the mountain village of Geraci Siculo in Sicily, decided to band together for their mutual interests. Sparkplugging the theme was Bartolo Paruta who was assisted in his planning by Giovanni Torregrossa, Giuseppe Filippone, Domenico Mangia, Filippo J. Silvestri, Marianno Baldanza, Frank Lomauro, Pietro Chichi, Domenick Paruta, Giuseppe Castello, Giacomo Sammarco, Ignazio Cancellieri, Natale Savasta, and Salvatore Lomauro.

It is truly my great pleasure to commend to you the members of the Geraci family, the officers and members of the Geraci Citizens League who have diligently worked together over this past one-half century sharing not only the treasures of family reunions as they count their blessings but the solace and comfort of family togetherness in thanksgiving to God and to America and to the land of their birth—with special plaudits to the Honorable Salvatore Lomauro, the only survivor of the original founders of the Geraci Citizens League. The members of the Golden Anniversary Celebration Committee are, as follows:

The Honorable: Connie Hawthorne, President of the league since 1976, Michael N. Corradino, Treasurer of the League, Mary Mangia, Anthony Spallina, Sarah Murgia, Joseph Vetri, Secretary of the League, and Josephine Mazzara.

Mr. Speaker, the story of the Geraci family is typically American. The pioneering, enterprising, freedom-loving Geracesi comprised of all nationalities in all walks of life depict the story of America.

At the turn of the century when the tides of immigration reached American shores, many Geracesi settled in the Passaic area; others trekked westward to Colorado, Texas, and California. Today, hundreds of descendants of the original arrivals and the founders are still to be found in the north Jersey area and there are thus more Geracesi living in New Jersey than in the historic village in Sicily. The May 3 date is also appropriate because it holds special religious significance to the Geracesi—it is the Feast of the Crucifixion, a day of the greatest religious significance and the major religious observance of the Geracesi community. The archpriest of Geraci Siculo, who heads the spiritual life of the community, has been invited to attend the golden jubilee celebration.

Mr. Speaker, I would like to insert at this point in our historical journal of Congress the story of the American Geracesi as related to me by Michael N. Corradino, as follows:

Geraci—A Land and its People

Once designated a province and then a county, Geraci sleeps lazily atop an impressive rock mountain; as high as Colorado's city of Denver, hidden from history in the secret recesses of the Madonie mountains in north-central Sicily.

Legend has it that in the early days of Greek colonization, about 550 B.C. it was known as "Jerax", meaning high habitat of the vultures. Its coat of arms shows the huge bird astride two scaling ladders signifying that even that creature needed ladders to soar to the heights of the commune.

Through the centuries, the island of Sicily was crisscrossed by warring powers: Greeks, Carthaginians from Africa, Romans, Vandals from Central Europe, Byzantines, and the Saracens who brought Muslim culture to the island.

Most notable were the event that transpired from the eleventh century. It was 1061 when Roger de Hauteville (Altavilla), one of twelve sons of Trancred of Normandy, invaded Sicily where he instituted law and learning and advanced the teachings of the Catholic Church. His son, Roger II, who reigned from 1105 to 1154, continued and expanded the enthusiastic patronage of his illustrious father. During the Norman regime, castles, and fortifications, chapels and cathedrals, institutions of learning were founded and constructed. The ruins of a castle and chapel are found near San Giacomo at the highest point in Geraci. The chapel of St. Ann was constructed first to house the forehead relic of the Saint brought to Geraci by the Ventimiglia family and later transferred by them to the mother church in Castelbuono, a nearby community they also established.

A beam of the Norman sunray struck Geraci when Roger of Barneville, married Eliusa, whose father, Count Serlone of Geraci, was a nephew of the "Great Count". Roger was also related to the Altavilla family and took active part in the Crusades, particularly in the liberation of Antioch from the infidels. He died in 1098 and was interred in the church of St. Peter in Antioch.

The mother church, St. Maria Maggiore, which has since undergone several renovations, was first constructed in Geraci around 1100 and portions of the "matrice" can still be recognized in its original form.

Years passed and Sicily came under the rule of the German, Frederick II, the French Angevins (most notoriously known for the "Sicilian Vespers" of 1282). The Aragons of Spain were called on to reject the French and in 1412, Sicily came under the rule of a Spanish viceroy. Apart from localized revolts, Sicily had no history for three hundred years, although it came under the rule of several other monarchies until Garibaldi's successful campaign in 1860 for a united Italy bore fruit. A certain Roger of Geraci is recorded as having taken successful part in the Messina rebellion against Queen Margaret of Sicily about 1168. Her husband, William "The Bad", son of Roger II, died in 1166.

Little is known about the mountain village with its steep cobbled streets winding precariously between ancient and modern houses. Geraci is poor in industry but rich in the culture of its chapels and churches with their magnificent statuary and paintings, some of which go back almost a millenium. There is no commerce but dozens of little shops peek-a-booing from the recesses of ancient buildings. Young people leave to seek their fortunes in the industry of northern Italy, or other countries, or even other continents. And so we find the elderly man leisurely running the small shop or basking in the sun that strikes the Piazza del Popolo, or taking care of that delightful agricultural setting known as "la campagna".

So it was perfectly natural as the nineteenth century drew to a close that young people would emigrate to that great land of opportunity across the sea. Letters from America were eagerly looked for—there was always news about how well the writers were doing, how much money could be made, how good life was! And in the early 1890's, the tide of immigration began. As the Geracesi arrived on American shores, many stayed near the New York area, setting up homes in Passaic, and others went westward—to Colorado, to Texas, to California. They mined coal, built railroads, drove herds of cows across the plains, ran small general stores with peddler-wagon delivery service—and survived. The numbers increased many-fold after 1900. It is important to note on April 4, 1903, a mutual aid society known as the "Societa di M. S. Geracese" was formed and one of the founders was Rosario Lomauro, father of Salvatore (mentioned above) and grandfather of Rosario F. Lomauro, attorney, and a past president of the Geraci Citizens League. Those who left families in Geraci found employment and out of meager stipends put away enough to be able to send for their loved ones. In later years, those who went back to visit were to relate stories of great success in their adopted land. Others never went back—never saw their families again. Many achieved prominence and success in business and the professions in the new land.

And so the colony of Geracesi continued to grow and the Passaic area seemed to be the center of that growth. It soon became apparent that a firmer link was needed to keep friends together. The answer was evident—a league—an organization representative of all those immigrants who had come to American shores from Geraci.

Bartolo Paruta, a distinguished white-haired barber, spoke to a small group of friends and the more he talked the more convincing his points of view. Those who listened intently and agreed included merchants, builders, bakers, tradesmen, macaroni makers and an attorney. And so it happened. The germ of an idea—the birth of a brotherhood. There were fourteen who championed the cause of the "Lega di Cittadini Geracese"—the Geraci Citizens League—Paruta, Giovanni Torregrosso, Giuseppe Filippone, Domenica Mangia, Filippo J. Silvestri, Marianno Baldanza, Frank Lomauro, Salvatore Lomauro, Pietro Chichi, Domenick Paruta, Giuseppe Castella, Giacomo Sammarco, Ignazio Cancellieri, and Natale Savasta.

It became an official family, with constitution and by-laws properly drawn up, in 1930—the height of America's great depression. The bond that brought them together was to endure for a half a century. And it held—firmly. The League became involved in local matters that concerned Italians generally and Geracesi particularly. Its presence was felt and respected in both the Italian and the American community. Some of its sons reached professional heights that brought recognition and admiration.

The first choice to lead the organization as its first president was attorney, Filippo J. Silvestri, who set a firm foundation for those who succeeded him over the next 50 years.

Two years later, in 1932, wives, daughters and sisters of the men decided to form an auxiliary. Mrs. Rosina Baldanza was its first president.

There were family picnics, Italian "Carnivale" parties, evening serenades, Mother's Day dinners. Thanksgiving Day dinners, Christmas parties—and most notable of all—the St. Joseph "devozione", the devotional supper and dance for which the League gained an enviable reputation. The women spent countless hours preparing sauce, fennel and fish; cooking, cleaning and getting the Club's headquarters at 653 Main Avenue (third floor up!), Passaic, ready for the big event. And as the years went by, the response to the St. Joseph event kept growing and it became necessary to find a larger dining area. The tradition has been maintained all these many years and there is no indication of any loss of interest by the Geracesi as time goes by. In later years, the women's auxiliary and the men's League were to merge into one.

In 1939, a group of young people, anxious to follow in the footsteps of their elders, formed the Geraci Junior League, later know as the Geraci Youth Organization. Michael N. Corradino was elected as its first president. When the war came in 1942, the group disbanded as its young men and women left for military service. On May 9, 1943, the League dedicated the Honor Roll to the Geraci youth "in Service"—109 sons and 1 daughter. Six of these sons were of the Joseph Gangi family—all in service at the same time.

Members of the League responded generously to the War Relief Drives for Italy. And when the Italian government was faced with the threat of a communist takeover, hundreds of letters sent by League members resulted in a 30-1 victory over the communist party in Geraci, which also helped to turn the tide throughout Italy. A pet project of the League has been the support of the Orphanage of St. Anthony in Geraci. Clothing in abundance has been donated, and hundreds of dollars raised to help ease the financial problems of the home for the children.

As the years have sped by, older members have passed away and new, younger Geracesi, some freshly arrived from the "old country," have stepped in to fill the gap. Today, after 50 years, the Geraci Citizens League continues as a strong, viable organization of men and women who still feel the need for a common bond—and who finds pleasure in filling that need. Their reasons are still the same as those that were formulated by the original fourteen founders, whose vision has stood the test of time.

And so we salute those fourteen valiant men who saw the vision and gave it being; we congratulate the octogenarian founder Salvatore Lomauro who joins us in this golden jubilee celebration; and we extend our best wishes to the present membership of the Geraci Citizens League for another half century of well being and continued growth. Salute e sempre avanti!

Mr. Speaker, in extolling the vastness and grandeur of America's heritage, the inner greatness of an American family is most poignantly manifested in the American experience of the Geraci family and I appreciate the opportunity to present this statement to you for reflection and thanksgiving on the importance of family life here in America. The Geraci family is indeed to be congratulated for their outstanding service to our country and the shining example they have established for all of us in their daily pursuits as Americans.

As the Geraci family gather together on Saturday, May 3, I know you and our colleagues here in the Congress will want to join with me in sending our warmest greetings and felicitations to all of them in national recognition of the splendor and magnificence of family life which they have gently intertwined with the wonders of the Almighty and the promising, challenging rewards of our representative democracy.

We do indeed salute the Geracies for their many contributions to the quality of life here in America and extend our best wishes and warmest regards to all of them as they commemorate the 50th golden anniversary of the founding of the Geraci Citizens League of Passaic-Clifton, N.J.●

A TRIBUTE TO AIR FORCE CAPT. CHARLES T. McMILLAN II, KILLED IN THE ATTEMPTED RESCUE OF AMERICANS HELD HOSTAGE IN IRAN

HON. JOHN J. DUNCAN

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 30, 1980

● Mr. DUNCAN of Tennessee. Mr. Speaker, last week saw eight American servicemen make the ultimate sacrifice for their country. Among those killed in Iran was Air Force Capt. Charles T. McMillan II, a resident of the Corryton community in Knox County.

Captain McMillan was the navigator of the ill-fated C-130 Hercules transport plane which exploded when it collided with a helicopter as American troops were leaving Iranian soil. He will be remembered as a hero in the finest traditions of other outstanding Tennesseans like Sgt. Alvin York, Andrew Jackson, Sam Houston, and Davy Crockett. Tennesseans have long been known as volunteers, and Captain McMillan continued that fine and proud tradition.

Captain McMillan was the only child of Charles and Nora McMillan, a couple which typifies the best of this Nation. Captain McMillan had always loved to fly, had graduated from the U.S. Air Force Academy, had completed both pilot and navigator training schools, and was well on his way to compiling an outstanding career in the Armed Forces of the United States.

I personally visited with Captain McMillan's parents this past weekend, and want my colleagues to know that I share with Mr. and Mrs. McMillan their tremendous feeling of loss. I am sure all of the Members of this body will join with me in extending our sincerest sympathies to Captain McMillan's parents, his young wife, and other surviving relatives and friends. Join with me in honoring the memory of a young man who made the supreme sacrifice for his Nation.●

FTC—R.I.P

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 30, 1980

● Mr. ASHBROOK. Mr. Speaker, I would like to call to my colleagues' attention a rare phenomenon in the city of Washington. At midnight tonight a Federal agency will actually go out of existence. In a city where the life of a Federal agency is the closest thing to eternity on Earth, this is on the par with the parting of the Red Sea. In fact, it is like the parting. In this case fiscal providence is parting a vast sea of redtape and regulation from which private initiative can once again venture forth to make America a land of promise.

I harbor no illusions. At this moment the leadership of both the House and Senate are working feverishly to bring the so-called compromise on the Federal Trade Commission to both Chambers. This compromise is, as usual, a total capitulation to the bureaucrats. I hope my colleagues look carefully at this proposal before they are stampeded into resurrecting the FTC.

What happened? How could the seemingly invincible FTC die such an ignominious death? For those who are bewildered I will explain. It seems that the U.S. Constitution provided that the Congress have the power of the purse for the Federal Government. What this means is that if the Congress refuses to vote funds for any given agency, program, or project, those specific entities cease to exist. This is what has been called sunset. The mythmakers have tried their best to make the voters and taxpayers of the United States think some sort of new law must be passed to create such power. The death of the FTC destroys that myth. The power of the budget is the power of setting policy. Obviously this Congress has now decided that the FTC has sufficiently overstayed its welcome in the regulatory wonderland of the Federal triangle to deserve this timely demise. Now that the myth is shattered, even if the leadership moves to resurrect this rogue agency, the Congress can now reassert its rightful role in oversight and budgeting. This is a day of liberation for the budget process. No longer can bureaucrats play brinkmanship with their budgets for we have shown that the Congress can stand firm to bureaucratic browbeating. This liberation may not last. With liberation comes responsibility. The Congress will no longer be able to say its hands are tied when everyone sees our hands free. However, if we are truly serious about serving the citizens of the Nation, and not just the bureaucrats of this city, we will willingly accept this reestablishment of our original role in the Nation. I certainly welcome this turn of events, and find it long overdue. May the FTC, and the myth of bureaucratic eternity, rest in peace.

I submit, for the RECORD, today's "Federal Diary" from the Washington Post that further explains the end of the FTC:

TIME—AND MONEY RUN OUT FOR FTC

(By Mike Causey)

Washington Sick Joke: There is this guy who has trouble keeping a job. He has been years finding himself.

First he worked for a Packard plant until it shutdown. Then the New York Herald Trib hires him two days before it folds. Later he sells Edsels. For awhile he is in the clothing business—Nehru suits. Then he joins the Stassen for President campaign. Finally he signs on with Chrysler.

Then one day the happy federal form arrives. He calls his aging mother (reversing the charges) long distance:

"It's me, mom," says he.

(Slightly audible groan) "What?" says she.

"I've got great news," says he.

"What?" says she.

"I've landed this terrific federal job. With the government. No kidding," says he.

"With the government," says she. "Thank God!"

"It means I can pay you and pop back, at last," he says. "And marry Peggy Sue. It means security for life. I start Monday. A regular paycheck."

"Great son," says she. "I'm so proud. Where will you be working?"

"At the Federal Trade Commission," says the reformed loser. End of story.

The unfunny part of it is that the Federal Trade Commission is in a heap of trouble. Unless Congress acts with undue speed, the FTC is temporarily out of business as of midnight tonight. Finished. Kaput.

Because of a congressional budget squabble, the FTC has been living on borrowed time, and operating on borrowed money (from a sister agency, the International Communication Agency). FTC's funds ran out about 45 days ago and Congress let it take a $9.8 million short-term loan from the ICA to meet FTC's payroll for 1,700 employees, continue trying cases in court, writing memos and doing other things federal agencies do.

That money, and authority to operate, expires at midnight. And the Attorney General has ruled that FTC will be in violation of the law if it brings in people to do anything other than finish up their affairs, turn off the water and straighten the blinds.

Congress frequently practices brinkmanship with federal agencies, holding up funds or refusing to approve budgets for a variety of reasons. HEW—and other agencies—have missed payrolls because of Senate-House squabbles over abortion funding, or in some cases whether the Senate and House budget conferees will meet on the Senate side of the Capitol, or the House side.

In past these exercises have become routine. Almost comic, except to workers whose paychecks are held hostage. Well, the Attorney General says the game is over. It stops now, and forever more, says Benjamin Civiletti.

Either Congress empowers an agency to function and pay its people, or it doesn't. In which case, he said in a letter to the president, the Justice Department will uphold the law that forbids agencies to operate when they don't have money or authorization from Congress.

Many members of Congress think the Senate and House should perform their budget functions on time, or take payless paydays with other federal workers. The Justice Department apparently agrees.

The department's message to Congress is simple: either fund government operations on time, or shut the machinery off. Don't ask people to work, and disburse money illegally, on the promise that—some day—they will be paid.●

TRIBUTE TO HON. FRANK B. BLUM, JUDGE OF THE SAN MATEO COUNTY SUPERIOR COURT

HON. BILL ROYER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 30, 1980

● Mr. ROYER. Mr. Speaker, the residents of San Mateo County, which comprises all of my 11th Congressional District, mourn the passing of Hon. Frank B. Blum, who served with distinction as a judge of the Superior Court of the State of California in and for the county of San Mateo for over 18 years.

A native of San Francisco, Judge Blum commenced his illustrious legal career in the private practice of the law in Daly City, in the northernmost city in the district. He quickly entered the field of public service, serving as the city attorney of Daly City from 1949 to 1957. It was in this latter year that he was appointed to the superior court bench in San Mateo County, and his service to the people of our county in that capacity stands as his greatest memorial.

He was many times the presiding judge of the San Mateo County Superior Court, acknowledged throughout the State of California as having one of the most scholarly, effective benches. He was the cofounder of the county's court of conciliation, which provides counseling in domestic relations matters. Throughout the legal community, Judge Blum's legal knowledge, fairness, and evenhanded dispensation of justice was universally acknowledged.

In 1975 Judge Blum retired from the bench, and fulfilled one of his lifelong dreams—he opened a private law office with his son, Frank, Jr. Even in the private sector, Judge Blum was always ready to sit pro tempore, or as an arbitrator, to assist the citizens of the county in a peaceful, just resolution of their disputes.

Frank Blum had a multitude of engaging attributes. He was a positive, affable man, with a good word for everyone. He was a dedicated family man, deeply devoted to his lovely wife Lois, and his children, Frank, Jr., William, and Dian. Those of us who were privileged to view him in both of his worlds, public and priviate, marveled at his indefatigable energy and his manifest love of life and his fellowman.

Mr. Speaker, I join with the many thousands who shed a tear at his passing. I salute his memory as a man that I was honored and proud to know. I commend to my colleagues, and to the bench, bar, and citizens of the county of San Mateo, the lessons to be learned in emulating his precepts. We will all miss you, Frank, but we are all better persons because we knew you.●

MacNEIL/LEHRER INTERVIEW WITH ROBERT MUGABE

HON. STEPHEN J. SOLARZ

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 30, 1980

● Mr. SOLARZ. Mr. Speaker, on April 17, Zimbabwe celebrated its independence under the leadership of Robert Mugabe. As a member of the official U.S. delegation which visited Zimbabwe, I was privileged to share in the joyousness which peace has brought to the Zimbabwean people.

During this time, I had an opportunity to meet with Prime Minister Mugabe and other Zimbabwean leaders. I was very impressed with Mr. Mugabe's desire to heal the country's wounds and work toward a path of peace and prosperity for his nation.

On March 24, 1980, Mr. Mugabe appeared on the MacNeil/Lehrer Report. The conciliatory tone which Mr. Mugabe expressed to me in Zimbabwe was particularly evident in this interview, and this should lay the basis for mutually beneficial relations with the United States. I would like to share the text of this interview with my colleagues:

INTERVIEW WITH ROBERT MUGABE

ROBERT MACNEIL. Salisbury, Rhodesia, capital of the last European colony in Africa, soon to be capital of the new state of Zimbabwe. Tonight, from his private house in Salisbury, we talk to Marxist guerrilla leader Robert Mugabe, Zimbabwe's prime minister designate. The government of Zimbabwe, Rhodesia, today ended general mobilization and released thousands of men from active military service. It was a further step towards normalization in the African nation where 20,000 people were killed in the seven year war to end white rule. Now that there has been a ceasefire and national elections, the government said there was no longer need for a large standing army. The man who led much of the guerrilla struggle, Robert Mugabe, is now the prime minister designate, having won a landslide victory in parliamentary elections. The active question is how he will use that power to rule his nation of 6 million blacks and 200,000 whites when the British formally hand over their last African colony on April 18th. Robert Mugabe is a teacher, who spent 10 years in prison for political activities. He holds five degrees, three earned by correspondence while in jail. He is a Catholic and a Marxist. In his first major American television interview since the election, Mr. Mugabe talked with Jim Lehrer and me earlier today from Salisbury.

Mr. LEHRER. Mr. Prime Minister, welcome. Your government is to take control on April 18th. Are preparations for this on schedule, sir?

Mr. MUGABE. Yes; they are. We are very busy just now preparing for independence.

Mr. LEHRER. You asked the British governor for a one month delay until the 18th. Why was that?

Mr. MUGABE. It was necessary for us to have him here. But at first we wanted him to continue because it would give us more time to prepare ourselves for the actual takeover. And then there was the question of giving the necessary reassurance to all sections of the community, especially to our white community here. I think his presence has done quite a lot of good, and it has helped us to create some degree of confidence, which we need at this stage.

Mr. LEHRER. I see. There have been reports that you've had some difficulty in finding qualified people to man the civil service. Has that problem been resolved?

Mr. MUGABE. No, we haven't looked into the question of making any adjustments or alterations. I don't think we'd run short of men, as such. But the issue is that really we would like to familiarize ourselves first with the actual work involved in every one of the departments, study the structure, study what has gone on, see how we can apply our own policies through the departments.

Mr. LEHRER. I see. What about these strikes in the last several days of industrial workers? What is behind that? Have you been able to determine that?

Mr. MUGABE. Well, I think it's our own people, supporters actually, who think the fact that we have won the elections means that we are already in a position to deliver the goods. I think it's just a misunderstanding. They think they are entitled immediately to raises in their salary scale and to the improvement that they have awaited in their conditions of service.

Mr. LEHRER. Have you been able to assure them that "just be patient a little while longer"—Is that—

Mr. MUGABE. That's what we're trying to do, to give them the necessary assurance. We cannot, at this stage, actually look into their problems. We are not yet in control. The governor still is. And we'll have to start the process after independence.

Mr. LEHRER. Do you anticipate eventually disarming the basic civilian population of Zimbabwe?

Mr. MUGABE. The civilian population has arms for purposes of self-defense. It is not yet really an important issue to look into the question whether the civilian population should be armed, or not armed. I don't think it's really relevant. Those who need arms always apply for them, and the law provides that, where they can show the necessity for having these arms, they should be provided with arms. We don't see the necessity of disarming anybody at this stage.

Mr. LEHRER. Yeah. You had of course two major rivals in the popular election. Mr. Nkomo and Bishop Muzaewa. Are you confident now of their support? Are you—Do you feel that the three of you are together now?

Mr. MUGABE. The two of us are together, Mr. Nkomo and myself. That means of course, Zanu and Zapu are together in a coalition, but we've broadened our coalition to include two members of the white community as well, one of whom comes directly from the Rhodesia front. And I think this is the kind of broad support we envisaged earlier on. I think we've got it. And on this basis, the government is going to move on to other matters requiring attention.

Mr. LEHRER. I see. Ian Smith, as you know, the former prime minister, has said he would be willing to serve in your government. Do you see a role for him in your new government?

Mr. MUGABE. No, really. It's not a question of whether a particular individual should serve in our government or not. True, Mr. Smith might have wanted to be included, but the way we looked at it was much broader than a view that concentrates on individuals. What we tried to do was to link the two African parties which had emerged as the major parties, as a result of the elections, and also draw from the white community certain personalities, respected amongst them, whom we feel would add to the national concept that we have in mind, and to broad unity that we'd like to achieve.

Mr. LEHRER. As you know, of all the candidates going into the election, you were the one that was reportedly the most feared by the white population of Zimbabwe. Do you think that fear was justified?

Mr. MUGABE. No it wasn't. I don't see any reason why anybody should have entertained any fear about me in particular or about my party. We have never been racialistic in outlook. We have never hated individuals. We have always been opposed to the system, and those naturally who were in favor of a system which is oppressive might have misinterpreted our attitude. It was not directed at them personally, but at the system of which they were superintendents.

Mr. LEHRER. I see, Robin?

Mr. MACNEIL. Prime Minister, one reason why you were perhaps feared politically was your reputation as a Marxist and there's been a lot of speculation before and since your election about how you intended to implement your form of Marxism in Zimbabwe. Can you enlighen us on that? How are you going to apply Marxist principles to Zimbabwe?

Mr. MUGABE. Yes, we have never denied that we have derived certain principles in our political thinking from Marxism and Leninism. We have never denied that. And we shall never deny it. We are proud we have derived certain fundamental principles which we believe are humanitarian in character. But we have never said that they are the only principles which matter. We've always added that such principles as we derive from any philosophy must be adapted to our own situation, and they're not the only principles. We have also derived definitely Christian principles and principles from our own tradition. A blend of the three makes our own socialist outlook and socialist philosophy. This is how we have approached our problem here, and this is how we are adapting ourselves. We don't have any bluebook from anybody, nor blueprint at all, except that which we conceive to be based on the realities of our own country.

Mr. MACNEIL. I see. Is one of the principles multi-party, democratic government?

Mr. MUGABE. It is at the present moment, because that is what we have accepted under the Lancaster House agreement. The constitution requires that we be a multiparty democracy. And we have pledged ourselves in honoring every clause of that constitution.

Mr. MACNEIL. You said "at the moment".

Mr. MUGABE. Yes, at the moment. I don't know what happens tomorrow. In any case, should we ever conceive the idea of a one-party state, it has to come from the people. We believe that it must be democracy the whole way through. Whatever you do must have the consent of your people. They must give you the final imprint to your decisions.

Mr. MACNEIL. So, you don't exclude the possibility of moving towards a one-party state at some time in the future?

Mr. MUGABE. That's not relevant just now. But what happens tomorrow, of course, I cannot tell you.

Mr. MACNEIL. I see. On implementing other principles, others of your principles, you and your supporters have spoken of land reform, have spoken of sharing Zimbabwe wealth more equally among the wider population. How are you going to move to do that?

Mr. MUGABE. The land reform is a simple matter, because under the constitution the government is authorized or has power to acquire land, provided it pays the necessary compensation. And there is of course a lot of unused land in the country, land which is unoccupied. Some is under absentee ownership. This is the land we are going to get for purposes of land resettlement before we can consider the necessity of acquiring any other forms of land. And hence we are going to proceed to examine what land is available, and what funds are available, before we can start the resettlement program. In terms of the sharing of wealth, well, this is one aspect, this is one way in which we would want to do it, insure that there is now equitable distribution of land, but we do not intend to seize any land that is being properly used. In other words, private farmers can continue, whether they be black or white. Then, of course we come to industry, to industry and commerce. Well, we would want to insure that the conditions of work are comparable, that at least there is a basic wage which enables a person with a family to make a living, and to have at least the ability to look after his family.

Mr. MACNEIL. Do you intend to nationalize the basic means of production in Rhodesia, to have them owned by the public?

Mr. MUGABE. No, really. We don't intend to do that. I've already stated that we have no intention of nationalizing private property. Some nationalization has already taken place in respect of quite a number of services. Education and health are principally state, although private enterprise is allowed to play its part. There are some private schools and some private hospitals and clinics. We won't interfere with that kind of private work. It's only supplementary, really, to what the state is trying to do for the people.

Mr. MACNEIL. If you are going to leave so much in the private sector, land that is privately owned and worked, industry which is privately owned, which Marxist principles are going to apply to the economy?

Mr. MUGABE. The socialist principles we'd like to apply in respect of land, I think, will find application as we start our land resettlement. What we intend to do is not to compell people to come together and constitute collective units in agriculture. We persuade them, we educate them into doing that, and we believe it's the only really most economic way of getting the peasants to cultivate their land and do so economically. But otherwise, there is no intention on our part to compell anybody. This is the area where we believe we can make a start with some of our socialist principles.

Mr. MACNEIL. You mentioned, talking to Jim Lehrer a moment ago, that some of the people now on strike were your supporters who thought since the revolution was victorious they should immediately see the spoils of that. The blacks in Rhodesia outnumber the whites, who still own much of the property and wealth, 30-to-1. How are you going to be able to share that pie so that the expectations of your supporters are met?

Mr. MUGABE. All the wages have got to be fair. There's got to be participation, as much as possible, in all activities of the state by the people generally. And we would want to insure that in the public service there is no racial distinction, that there is some advancement for the African people, the African workers there, and generally that in industry and in the mining sector and agriculture, where private enterprise is concerned, the workers have fair wages and better conditions of service. I think that kind of participation will insure that a trend at least has come into existence towards equitable distribution of the wealth.

Mr. MACNEIL. Do you see what's been called the "crisis of expectations" in the wake of your revolution as being a problem for your government?

Mr. MUGABE. I don't think it is a problem just now. Immediately we start moving, people will see that really we have policies which bring them better benefits than they have enjoyed so far. We are going to make education free. We are going to make health, medical service free. We are also going to insure that there is more land distributed amongst them. If we work on wage policy and insure that there is at least fair pay—a person gets what he deserves. Well, I think these will be indications to the people that we are bringing new changes, and that tomorrow will see better improvements, still.

Mr. LEHRER. Mr. Prime Minister, what sort of relations do you want to have with South Africa?

Mr. MUGABE. In respect of international relations, our policy is that of non-alignment. And in respect of our immediate neighbors, we would like to pursue a policy of coexistence, and hence in respect of South Africa, we would pursue a policy of non-interference in each other's affairs. As long as South Africa is prepared to refrain from interfering with our internal affairs, we shall accordingly reciprocate and not interfere in their internal affairs. I think this is the type of policy we believe works and can make for the necessary harmonious relations between us and South Africa. In respect of our trade links, I think we could—our view is that we shall continue to use South African routes and whatever trade has been established between us and South Africa will continue.

Mr. LEHRER. I see. There were some South Africa troops in Zimbabwe. Are they still there?

Mr. MUGABE. I'm under the impression just now that most have moved out. If any are still there, you can rest assured that they are on their way out.

Mr. LEHRER. I see. When you say you want to have a peaceful coexistence with South Africa, is that possible. I mean, do you feel that you can deal with a country that endorses apartheid?

Mr. MUGABE. If we say we shall pursue a policy of coexistence with South Africa, we are not necessarily accepting the philosophy of apartheid. We know that apartheid is abominable. It is repugnant to the whole international community. It is repugnant to the generality of the people of Zimbabwe, and we cannot therefore actually espouse it. Nor can we condone it. But we accept that South Africa is a geographical reality, and as such we must have some minimum relationship with it. And we believe that we cannot ignore that reality, and we cannot ignore the historical ties that have existed between them and ourselves, and we cannot ignore the economic reality that our country has been linked with South Africa over years, you see, in trade and commerce.

Mr. Lehrer. Mr. Prime Minister. Have you considered what you might do if the members of the black majority in South Africa came to you and said, "Please, Mr. Mugabe, help us do in our country what you accomplished in Rhodesia."

Mr. Mugabe. That would be a legitimate appeal, if they came to us and said we should help them do what we have done here. I would regard it as a legitimate appeal. But it's not one which I can provide a response to. It's the whole of Africa which should be summoned to deal with the problem in South Africa. Through the OAU we shall pledge ourselves to do all we can to assist the liberation struggle in South Africa. But as a single country, we cannot be seen to be taking up arms against South Africa, which is not our responsibility. It is the responsibility of the South Africans themselves and through the OAU, through the non-aligned movement at the United Nations, we should do our best to give them the necessary assistance.

Mr. Lehrer. Have you any communications, direct or indirect, from the South African government, saying to you what you have just said about them? In other words, expressing a desire for a peaceful coexistence?

Mr. Mugabe. No direct response. We are not in touch with them. But from some of the statements they have made, I think they have accepted the policy of coexistence.

Mr. Lehrer. You have said that you can coexist with South Africa. As you know, many western countries, particularly the United States, have been criticized in the past, even by blacks here in the United States, for continuing to trade and have normal relations with South Africa. Do you feel that the United States and other western countries should continue on the same basis that you are planning to continue?

Mr. Mugabe. Whether the United States should continue to carry on trade with South Africa is not a matter the Zimbabweans should decide. It's entirely a matter for the United States. But, obviously, where there is a decision, or an agreement, by the international community, say by the United Nations, to impose definite sanctions on South Africa, well, that's a different matter. The United States is duty bound to comply with the requirements of the agreement, and if that were to happen, we would have ourselves to examine our position and, where we can assist we will certainly do so. But, of course, it must be realized that our position is different from that of the United States. South Africa is our neighbor here. Our rail lines go to two South African ports, and our trade has been linked with South Africa for quite a long time, which is a different matter with the United States. South Africa is not their geographical neighbor, and they don't have the difficulty, therefore, of being unable to isolate South Africa geographically. In our case, we have to accept that the phenomenon of oneness, this phenomenon of being contiguous to South Africa, which is not quite the case with the United States.

Mr. MacNeil. If you had to make a prediction, Prime Minister, how long would you say apartheid would last in South Africa?

Mr. Mugabe. I cannot say, but, given the fact that the struggle here is won, that the effect of our victory here might be to bring about some transformation, there's only—on the part of the majority of people of South Africa, but also of the majority of the Afrikaaner population in South Africa. Given that phenomenon, then, one would like to believe that change will come to South Africa sooner than other people think.

Mr. MacNeil. You mean voluntary and peaceful change?

Mr. Mugabe. Well, whatever change comes will amount to change easily, as long as it transforms the prison system. Whether it will be peaceful, I think, depends entirely on what those in government decide to do.

Mr. MacNeil. Your policy of non-alignment, Prime Minister, does that mean non-alignment which would permit you to seek aid or assistance equally from the eastern bloc or the west?

Mr. Mugabe. I think the policy of non-alignment implies that the country which is pursuing such a policy has the right to determine the size of aid from any member of either bloc. One doesn't have to go in equal shares. If we get of $1 billion from the United States, then we must get an equal amount from the Soviet Union. I don't think these go by that kind of balance. What we have in mind is really we'll get whatever aid we can from either bloc, from the two sides regardless of the balances you have in mind. However, we will get this aid on the condition that it has no strings attached to it. Because we cannot have aid with the effect of which is to force us to follow the policies of a member of either bloc.

Mr. MacNeil. How does the United States stand now in black African eyes as you see it. The Carter administration has maintained, along with the British, fairly consistently, the belief that the Rhodesian, Zimbabwe situation could only be solved with the inclusion of you and Mr. Nkomo. That having now been achieved, the solution having been reached, how does the United States look to you in its African diplomacy?

Mr. Mugabe. Our view is that the United States has played an honorable role. Since the anglo-American proposals we have not—we have had no cause to quarrel with the United States. I think their position, or their stance, has been very correct. We have welcomed their involvement behind scenes, in the whole exercise at Lancaster House. We welcome their participation in the election exercise behind scenes. We know certain pressures were brought to bear on the British government to make them reasonable in their approach. And perhaps this is one source of pressure which, added onto the other sources of pressure which made the British steer an objective course. I believe that the rôle which the United States has played has in fact made us regard the United States as an ally rather than as an opponent. Regardless of the past, the fact that there's been trade with the legal, that the United States has flouted the opinion of the United Nations, we believe that the Carter administration has made amends, and we are poised ourselves for better relations with the United States. I think the position is the same on their part.

Mr. MacNeil. Well, thank you.

Mr. Mugabe. We welcome the fact that they are going to give us some aid towards our land and agricultural resettlement program.

Mr. MacNeil. Well, Prime Minister, thank you. That's the end of our time. Thank you very much for joining us this evening. Good night, Jim.

Mr. Lehrer. Good night, Robin.

Mr. MacNeil. That's all for tonight. We will be back tomorrow night. I'm Robin MacNeil. Good night.●

CONGRATULATIONS TO THE RANCHO McNALLY FEDERATED REPUBLICAN WOMEN'S CLUB

HON. WAYNE GRISHAM

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 30, 1980

● Mr. GRISHAM. Mr. Speaker, I would like to take this opportunity to congratulate the Rancho McNally Federated Republican Women's Club on their 13th anniversary this month of April.

The club is made up of 83 active members, 13 of which are from the charter delegation. They are active in all aspects of the community including the city beautification program, the Business Professional Women's Club, VFW Memorial Service and an ongoing effort to form student Republican groups for our community.

They have been a strong voice in the community, dedicated to involve and encourage women and young people in the workings of our government. Their group sponsors several programs which offer unique opportunities to the youth of La Mirada such as internship programs in Government offices and congressional page sponsorships.

Their organization over the years has been instrumental in educating the public regarding issues which face our legislators. They have been extremely active in registering voters, encouraging women to run for elective office, and supporting their central committees during elections. I am very proud to have such an active community group in my hometown, and wish them the heartiest of congratulations.●

UNITED STATES-TERRITORIAL COMMISSION NEEDED

HON. ANTONIO BORJA WON PAT

OF GUAM

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 30, 1980

● Mr. WON PAT. Mr. Speaker, over the years the residents of the various U.S. territories have been included by the Congress in legislation designed for the most part for the entire country.

Many, including myself, are concerned, however, that Guam and other territories are hindered by our inclusion in certain Federal laws. It has been our experience that applying the same standards to Guam that are applied to the States is often counterproductive. Conditions in the islands are often very different; yet, current Federal law does not take this into account or provide for flexibility. Many of these laws are cumbersome, archaic, and obnoxious and no longer relevant to the national security interests of the United States.

The blanket applicability of some laws also hinders our political development. This is a serious problem which has created considerable tension between the Federal Government and island governments. If Guam and our sister territories are to develop a firm political system which can help us prosper, we cannot afford to have our hands tied by Federal officials who sit 9,000 miles away from our day-to-day problems of running a government.

Because of a growing concern in the islands that Washington is not seriously concerned about our problems, today I am introducing legislation which asks for the establishment of a commission on Federal laws to study the applicability of the laws of the United States to Guam, the Virgin Islands, and American Samoa. My legislation is also concerned with the growing need for more local control and initiatives and hope that the commission will address these concerns for improved territorial-Federal relationship.

This bill is basically similar to legislation which President Carter said he would send to Congress in his recent statement on territorial policy. The bill I introduce today was drafted only after considerable consultation with the White House and reflects a mutual concern that the issue of how Federal laws impact on the territories must be reviewed in the near future.

Because of the need to act in a timely manner I have acted now to introduce the proposal in the hopes that Congress will be able to include this measure in its schedule for the 96th Congress. It is imperative that we do not wait any longer to establish the Federal Laws Review Commission. To do so would only increase the frustration of the territories in their relations with the Federal Government and possibly impose a needless roadblock to an equitable solution of this crisis.

In the case of Guam, it is important to note that we are not calling for just another study commission to spend the taxpayers' dollars on a useless study. Guamanians are American citizens and they have certainly served this Nation well in time of peace and war. But they still cannot vote for President; they still do not have a voting Member of Congress; nor can they feel free to establish close political and economic ties with other Pacific and Asian governments on matters of interest only to us.

The United States is in the process of putting together a law review commission for the Commonwealth of the Northern Mariana Islands. It is also time to do this for other territories. I am confident that Congress will favorably view my proposal once it has been given appropriate study.●

DEVELOPMENT OF THE CORPORATE STATE

HON. TED WEISS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 30, 1980

● Mr. WEISS. Mr. Speaker, in a recent speech before the Humanist Society of Metropolitan New York, Mr. William W. Winpisinger, international president of the International Association of Machinists and Aerospace Workers (AFL-CIO), discussed the development of the corporate state and its relationship to the economy.

This address merits the attention of every Member of Congress.

The address follows:

Labor in the 1980's will, if present trends continue, be in a death-struggle with the corporate state. Simply put, the corporate state is government-owned and controlled by powerful, private, corporate interests, with society thereby dominated.

The corporate state promotes class struggle for a division of wealth and income and access to resources. It pits the rich and powerful residing at the top of the economic pyramid against those dwelling below that ignoble apex.

Globally, the corporate state features economic forces operating to promote and hasten annihilation.

The corporate state is more than Fortune's 500 or the great European and Japanese business combines and Swiss banks. It is more than those vast multinational corporate entities, interlaced, interlocked and intertwined, though they are. It is more than huge banks holding nations, governments, cities and politicians hostage to their lending policies, interest rates, and investment portfolios, though that is an important feature of the corporate state, too.

The corporate state is more than the colleges and universities which it endows. It is more than the professors and graduate students who vie for its research grants, projects and scholarships.

It is more than the monopolistic metropolitan dailies, magazines and electronic media which it either owns or influences through its advertising.

It is more than its client states in the Third World, whose leaders and governments are created, supported and armed to protect its interests within their respective borders.

The corporate state is all those things. But it is also a mentality; a mindset; a value system; a syndrome.

The corporate state is a consciously elitist culture, with an ingrained and rigid behavioral code—behavior motivated by the narrow quest for profit maximization, market and resource control and self-aggrandizement.

The corporate state is not individualistic; it is collectivist to the extreme. It is not humanitarian. It is animalistic.

It is not democratic; it is essentially totalitarian.

The corporate state is not an open society; it is a closed one.

It is South Africa; Nicaragua under Somoza; Argentina; Chile; and possibly even the United States.

We see the corporate state when President Carter appoints Lloyd Cutler, corporate lawyer and lobbyist, as General Counsel in the White House. We see it when he appoints Hedley Donovan, editor-in-chief of Time, as Special Council in the White House. We see it in numerous other posts, such as when Carter names Charles Duncan, Texan with oil connections, to head the Department of Energy, when he appoints a military man to head the Arms Control and Disarmament Agency, and when the Business Roundtable kills Labor Law reform.

We see the corporate state when domestic programs for basic human needs receive the budgetary ax and arms programs for client states are increased; when an inflation control program exempts energy, food, housing and health care—four basic necessities of life—from price and profit restraint. We see it when the many are asked to sacrifice much and a few sacrifice not at all.

For those of us who champion economic and social justice, we are forced to resort to Madison Avenue's sloganeering: why go elsewhere to be cheated? We can trust the corporate state to do that.

Nearly 15 percent of the American people live below the government's artificially low poverty line. Another 15 percent live on less than $11,000 a year, the marginal edge of poverty. That means nearly one third of our people are ill-fed, ill-housed, ill-clad, and have little or no access to decent health and dental care. Inflation in the basic necessities of life—energy, utilities, transportation, food, housing and health care—is twice the inflation rate for non-necessity items. That cruelly compounds inflation's impact on those Americans.

At the other end of the income scale, Fortune magazine admits that an American family is not wealthy unless it makes $75,000 a year, adjusting for inflation. Less than one percent of the adult population meets the test.

At the top of the pyramid, just one percent of the people own and control 33 percent of the nation's wealth. At the bottom, 60 percent of the people own only 8 percent of the wealth, and that primarily consists of consumer durables, such as cars and refrigerators. These inequities in income and wealth distribution constitute a social stratification that seriously impairs the functioning of democracy.

Official government policy declares unemployment is necessary to combat inflation. How do we square the work ethic with that? We've used high unemployment to combat inflation for nearly a decade now. We've had mini-recessions, mild recessions, one severe recession, and we're into the middle of another one. As a national policy, stagflation is hypocritical, bankrupt and bereft of intelligence.

The Department of Defense employs five million people to plan, prepare and wage war—a war with no winners.

There is not a single individual working for the Federal Government to plan and prepare for peace.

The Arms Control and Disarmament Agency does not plan for peace. It prepares disarmament agreements and strategies.

In 1980, total military outlays will sap 57 cents of every federal tax dollar. That is 51 percent of all federal fund outlays.

More jobs are created per $1 billion spent in the civilian sector of the economy, than are created by $1 billion spent in the defense sector. Contrary to popular conception, the Pentagon is an empty pork barrel when it comes to jobs.

Technology has been displacing human labor wholesale for the past decade. Yet, as our defense workers are displaced and made redundant by the thousands, they are given no new employment, no guaranteed income or benefits replacement, no retraining opportunities.

When defense contracts are cancelled, weapons become obsolete or procurement shifted overseas, the contractors never lose. They receive indemnity payments in lieu of profits. Only workers lose.

In the defense industry, we have socialism for the corporations and free enterprise for the workers—another case of national hypocrisy and upside-down priorities, which must be changed.

The intelligent way out of this dilemma is through an ongoing Economic Conversion program now pending in Congress.

Simply put, we need central planning, similar to that which we put in place when the nation mobilized for World War II. We had a War Production Board then to determine priorities and allocate resources. We need a similar agency for socially useful peacetime production. We had mandatory price and profit controls.

This nation needs centralized economic planning and controls, which cannot possibly be executed without encroachment on vested interests, corporate prerogatives and traditional property rights.

As Franklin D. Roosevelt said over 45 years ago, "The country needs, and, unless I mistake its temper, the country demands bold, persistent experimentation." FDR preserved the system. Now it's out of whack and malfunctioning again. This time the animus is global in nature and structure. We need to form coalitions. We need to build bridges to coworkers, friends, neighbors, other organizations. We need to develop constituencies at the grass roots level and demonstrate at the local level.

We need to work with church groups in all our coalitions. It wasn't the poor or unemployed Christ threw out of the Temple. Money changers provoked his only fit of rage. And the American clergy and laity are waking up to that.

Since King Corp has replaced King George, we believe our program is in the tradition of the American Revolution and the trade union movement and makes our political system viable.●

A BILL TO PROTECT U.S. SEAMEN UNDER THE SOCIAL SECURITY PROGRAM

HON. WILLIAM R. COTTER

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 30, 1980

● Mr. COTTER. Mr. Speaker, I am introducing a bill today which enables foreign subsidiaries of U.S. domestic parent corporations to provide U.S. seamen the same protection under the social security insurance program that is currently afforded all other U.S. citizens. Most U.S. seafarers already contribute to and benefit from the social security program, but certain seamen are excluded from participation. U.S. seamen working aboard foreign-registered vessels owned by the foreign subsidiary of a U.S. domestic corporation are not covered by our Social Security System.

As modern technology improves ship capabilities, ship operations have become increasingly complex. Vessel owners recognize the need to provide highly qualified personnel to pilot and crew the ship and increasingly request U.S. merchant seamen. These officers and crewmen, many who are graduates of the U.S. Merchant Marine Academy, State academies, and union vocational schools, receive the specialized training necessary to maintain and operate modern vessels. Such seamen now crew the highly complex, specially designed liquefied natural gas (LNG) ships which bring natural gas into the United States from Algeria. The LNG ships are U.S.-crewed but foreign-owned and these U.S. seamen do not have social security coverage.

The nature of the work requires U.S. merchant seamen to transfer jobs frequently. If seamen work exclusively on U.S.-registered vessels, they are, of course, covered by social security. However, seamen who transfer from domestic vessels to a U.S.-owned foreign-registered vessel, lose social security coverage for as long as they work aboard the foreign-flag ship. This bill would enable the foreign subsidiary to extend the social security protections now enjoyed by most working Americans to the U.S. merchant seamen it employs.

Current law allows foreign subsidiaries of U.S. domestic parent corporations to provide social security coverage to its U.S. citizen employees through a special agreement with the Internal Revenue Service. Unfortunately, social security laws do not provide coverage for U.S. seamen working aboard foreign vessels owned by foreign subsidiaries of a U.S. domestic parent corporation. Such a foreign subsidiary is unable to take advantage of the special agreement provisions of the Internal Revenue Code and cannot provide social security insurance coverage to its employees who are U.S. citizens.

Further, other laws pertaining to U.S. seamen make it impossible for an eligible foreign subsidiary to deduct the employee share of the FICA payroll taxes associated with social security coverage. The legislation introduced today would allow eligible foreign subsidiaries to deduct and withhold from the wages of U.S. seamen the amounts equivalent to the taxes imposed by the Social Security Act. This bill would amend title II of the Social Security Act and chapter 21 of the Internal Revenue Code to make it clear that service performed by a U.S. citizen outside the United States on a vessel owned by a foreign subsidiary of a domestic corporation constitutes covered employment for social security purposes if such service is performed under a coverage agreement entered into with such corporation as authorized by section 3121(L) of such code, and that FICA contributions may be withheld from the renumeration paid for such service.

At this point, some 300 U.S. merchant seamen are being denied social security coverage. For the benefit of my colleagues, I am inserting a copy of this legislation:

H.R. —

A bill to amend title II of the Social Security Act and chapter 21 of the Internal Revenue Code of 1954 to make it clear that service performed by a United States citizen outside the United States on a vessel owned by a foreign subsidiary of a domestic corporation constitutes covered employment for social security purposes if such service is performed under a coverage agreement entered into with such corporation as authorized by section 3121(l) of such code, and that FICA contributions may be withheld from the remuneration paid for such service.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 210(a)(4) of the Social Security Act is amended by striking out "Service performed" and inserting in lieu thereof "Service (other than service with respect to which an agreement entered into pursuant to section 3121(l) of the Internal Revenue Code of 1954 applies) which is performed".

SEC. 2. The fourth sentence of section 3121(l)(1) of the Internal Revenue Code of 1954 (relating to agreements entered into by domestic corporations with respect to certain employees of foreign subsidiaries) is amended by striking out "such agreement shall provide" and inserting in lieu thereof "such agreement may (notwithstanding section 10 of the Act of June 26, 1884, and section 12 of the Act of March 4, 1915 (46 U.S.C. 599 and 601)) provide for the deduction and withholding from the remuneration of employees of amounts equivalent to the taxes imposed by section 3101, and shall provide".

SEC. 3. The amendments made by this Act shall apply with respect to service performed after the month in which this Act is enacted.●

FTC FALLS INTO THE "BUDGETARY TWILIGHT ZONE"

HON. GILLIS W. LONG

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 30, 1980

● Mr. LONG of Louisiana. Mr. Speaker, the current predicament we find ourselves in with regard to the authorization of the Federal Trade Commission illustrates what may be in store for us if we are not careful in how we draft sunset legislation. Inclusion of an automatic termination provision in sunset legislation could bring the entire Government into the "budgetary twilight zone" that the FTC now finds itself.

House-Senate conferees have finally agreed upon a long-awaited authorization for the beleaguered agency, but Congress probably will not be able to act in time to forestall a threatened shutdown of FTC operations. The Attorney General has issued an opinion that the FTC, under provisions of the Antideficiency Act, will have to cease most operations during any lapse in funding. Such funding lapses could become commonplace if all program authorizations were subject to the automatic termination provisions that have been proposed for inclusion in a sunset bill. Consider the effect on public safety of even a temporary lapse in the authority of the Federal Aviation Administration or the Food and Drug Administration. If the authority of the Securities and Exchange Commission or the Commodity Futures Trading Corporation were to unexpectedly lapse, there could be havoc in financial markets.

Regardless of one's views on the performance of the Federal Trade Commission, one must recognize that its on-again, off-again funding has not been without costs to the agency's organization and morale. FTC Chairman Michael Pertschuk has noted that the transitory nature of the FTC's budget authority has made it very difficult to attract and retain qualified staff. The end-result puts the FTC into the budgetary twilight zone—leaving the Agency, the Congress, and the public in doubt as to the status of the agency's funding. Including automatic termination provisions in a sunset bill could place the entire Government in this predicament. The costs of such uncertainty to both the public and private sector would likely outweigh the benefits of sunset. Automatic termination will not necessarily terminate, but will certainly complicate by potentially placing all Government programs and tax expenditures in the untenable position of the FTC.

Our experience with the FTC illustrates two points. First is the continuous need for congressional oversight over the agencies. Second is that surely there is a better way to perform that oversight than placing an agency's budget authority into eternal limbo. Sunset legislation can greatly streamline and improve Congress oversight capabilities. But inclusion of an automatic termination procedure in any sunset bill will only send us further into the budgetary twilight zone.●

CARTER ADMINISTRATION TURNING COLD SHOULDER TO CUBAN REFUGEES

HON. JOHN EDWARD PORTER

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 30, 1980

● Mr. PORTER. Mr. Speaker, 4 years ago President Carter campaigned for the Presidency on a platform that emphasized freedom and human rights as a cornerstone of U.S. foreign policy. Today, however, the emphasis of our foreign policy has taken an abrupt turn away from such considerations.

Nowhere is this more evident than in the administration's lack of positive response to the massive emigration of Cuban refugees from Fidel Castro's tyrannical rule. The United States has long upheld a tradition of providing a haven to victims of political oppression. Yet the administration has chosen to turn a cold shoulder to thousands of Cuban exiles who have jeopardized their lives by going to sea in small boats bound for American shores and freedom.

Rather than ordering a fleet of naval ships into the area for a full-scale rescue operation, the administration has chosen to dispatch a token number of Coast Guard cutters to help watch over the small boats. As the clouds darkened and the swells grew in size, numerous small craft began to capsize leaving no survivors behind in the turbulent water. The end result of all this is chilling camera footage on the network evening news of overturned boats and floating life-jackets, perhaps another all too fitting symbol of this administration of symbols without substance.

Yesterday's edition of the Wall Street Journal carried an excellent editorial on the Cuban "Boat People" which I share with my colleagues. I would encourage them carefully to consider the tragic example the United States is setting by virtually ignoring this suffering and this search for freedom and human rights.

The editorial follows:

OUR BOAT PEOPLE

Every American ought to pause this week to ask what we would think of West Germany if it established a $1,000 fine for any of its citizens caught helping someone over the Berlin Wall. For this is what the American government threatens to do to those Americans now helping Cubans who want to flee Castro's workers' paradise.

Our government was quick to criticize Malaysia and Thailand for hesitating in providing refuge for those fleeing tyranny in Vietnam and Cambodia. But now that we are faced with an influx of our own boat people, this vastly larger and wealthier society is showing a nasty streak. It talks of collecting $3 million in fines for boat owners violating immigration laws, and of slowing the influx to a trickle.

In the process, it has allowed a scene of incredible ugliness to develop in Key West. A traffic has developed in human freedom, as Cubans already resident in America bargain with boat owners to ferry their relatives to America. Small boats set off in the teeth of a storm; a 24-foot boat is discovered capsized with a life jacket the only remaining sign of crew or passengers, and other capsized boats have since been found.

It was not always such. In opening the gates to Cubans who want to leave, Castro is repeating the ploy he first tried in 1965. Rather than be embarrassed by the wave of refugees, President Johnson met the challenge. Speaking at the base of the Statue of Liberty, he proclaimed an "Open Door" policy for Cubans. The fishing boats gave way to an airlift, with the U.S. offering free air transportation from Havana for up to 4,000 refugees a month, with no time limit.

The Open Door policy died from disuse sometime during the Ford administration, but even before the incident at the Peruvian embassy in Havana touched off the latest flood, the Carter State Department seems to have adopted an attitude of downright hostility toward people fleeing Cuba. Last year, the U.S. seemed embarrassed when Castro allowed a group of freed political prisoners to emigrate. Washington moved extremely slowly on granting them visas (deterred in part by legitimate Justice Department worries that Castro had planted agents in the group). When Costa Rica offered the group asylum, the State Department let it be known that it would continue to process visas only in Havana.

This attitude makes us vulnerable to the kind of propaganda reversal Castro is trying to pull off. Embarrassed by the spontaneous surge to get out from under his rule, he is now hoping to maneuver the Carter administration into doing his dirty work. He has encouraged, and perhaps instigated, the illegal flotilla so that U.S. immigration will be the ones to arrest refugees, not himself, and he can say to the Cubans left behind that even the Americans think the exiles are "undesirables."

So far the Carter administration has fallen four square into the trap. It talks of "internationalizing" the refugees, of the expenses of resettlement, of the social impact on Dade County. Immigration officials complain that Castro is sending us prison inmates. These concerns are more than negligible, but they can be met with a minimum of imagination and effort. America has assimilated immigrants before.

In particular, the Cuban refugees from the 1960s have made an impressive contribution to the United States, and there is every prospect that the refugee wave of 1980 will do the same. For all the variety of motives to be found in such a massive human phenomenon, it is in the final analysis a witness for freedom. If President Carter wants to redeem all of his own rhetoric about human rights, he ought to get his officials to stop talking about fines, start working on a Johnson-style airlift, and go down to Key West to shake hands with the next group of refugees to come off the docks.●

JEWISH HERITAGE

HON. JAMES A. COURTER

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 30, 1980

● Mr. COURTER. Mr. Speaker, I would like to commend my colleagues in the House of Representatives for taking swift and decisive action by passing House Joint Resolution 474, proclaiming Jewish Heritage Week.

As the resolution indicates, the month of April commemorates many important and historical events in the annals of the Jewish people. Events and holidays, such as Passover, the Warsaw ghetto uprising, Israel Independence Day, and Solidarity Sunday for Soviet Jewry all occur during the month of April. The Jewish people and American Jewry in particular, have made enormous contributions to the world and our Nation in virtually every field of human endeavor. Their sufferings and successes, their will to survive against all odds, and their strong desire to strengthen America by their spirit and creativity are well served by having designated this past week as Jewish Heritage Week. May we all continue to benefit from the contributions of American Jewry to our Nation. I am proud to have cosponsored and supported this legislation.●

ISABEL PATTERSON, PHILANTHROPIST

HON. DAN LUNGREN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 30, 1980

● Mr. LUNGREN. Mr. Speaker, on May 8, 1980, community leaders and citizens of Long Beach, my home town, will hold a special tribute honoring one of our leading citizens, Isabel Patterson.

For years, our community has benefited greatly because of her generous philanthropies to our city, our schools, and our charities.

She has given unselfishly to everything from the Long Beach State University—where she was one of the first students—to the home for battered children.

It is all part of her philosophy that, "* * * the more you give, the more you receive."

Isabel came to California in 1942 with $200 in her pocket.

With $4,000 in bonds she saved during the war she made a modest investment in Long Beach real estate, which launched her on the career that eventually made her a fortune.

She began selling real estate in 1955. In 1957, she opened her own business in Belmont—a location in which she operated for the next 23 years.

"Long Beach has been good to me, and in return, I want to be good to Long Beach. I dearly love this city," Isabel is fond of saying.

Among her important philanthropies are:

A gift of $260,000 to establish the Isabel Patterson Child Development Center on the campus of California State University, Long Beach.

Two trusts of a total estimated value of $1.25 million, to California State University, Long Beach.

A gift of $150,000 to the city of Long Beach to construct the city's Bicentennial tower.

Provisions for generous gifts to the YMCA, Boys Club, St. Mary's Hospital, the Bay Shore Community Church, and the Red Cross.

Full athletic scholarships and, in 1979, a gift for an endowment of $30,000, the largest single gift ever received by the 49'er Athletic Foundation, California State University, Long Beach.

Establishment of the Perry M. Wheeler Student Loan Fund to provide loans to students at the California State University, Long Beach.

"When I speak to a person who has received a scholarship," Isabel says, "I suggest that when that person has graduated and has a good job, he should try to provide funds for a scholarship. In this way, the gift is passed on from one generation to another."

Isabel has given of herself to the city of Long Beach for many years.

Now, it is our turn to honor her.

I want to thank her, on behalf of all the citizens of Long Beach, for her unselfish devotion to our community and her inexhaustible goodwill.

She has given us another legacy as important as her financial resources: the model of an independent, generous, self-made woman for our young people to follow.●

THE SPIRIT OF HELSINKI, VIGIL 1980

HON. CHARLES F. DOUGHERTY

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 30, 1980

● Mr. DOUGHERTY. Mr. Speaker, in view of the increased international tension created by Soviet aggression in Afghanistan, it is more important than ever that those of us concerned with human rights continue to protest the violations within the Soviet Union of the basic rights of Soviet Jews and others who are suffering because of their religious beliefs or ethnic backgrounds.

The Soviets continue to pay lip service to the human rights they agreed to uphold by signing the Universal Declaration of Human Rights at Helsinki. But the actions of the Soviet Government prove otherwise. One of their most flagrant violations of the Helsinki agreement is the denial of emigration visas to Soviet Jews who desire to join relatives in Israel. Despite Kremlin pledges, Soviet Jews who dare to embarrass the Soviet Union by applying for exit visas are harassed by the loss of jobs, the disconnecting of telephones, nondelivery of mail, vilification in the Soviet media, intimidation of their children in the schools, illegal house searches, detentions, interrogations, and arrests.

Mr. Speaker, it is imperative that we continue to focus public attention on the plight of prisoners of conscience—Soviet citizens who are imprisoned for their human rights activism and refuseniks—Soviet Jews who have been denied exit visas.

One young refusenik is Ilya Essas, a 30-year-old mathematician from Moscow. His wife, Anya, was an architect until 1973 when she was dismissed from work on applying for exit visas. Ilya had given up his career as a mathematician and had entered the Moscow Yeshiva. However, when the chairman of the Jewish religious community found out that Essas intended to go to Israel he was expelled from the Yeshiva.

One of the most prominent activists in Moscow, Ilya's home has been raided several times by the KGB. His books on Jewish culture and scores of private letters have been confiscated. These acts in themselves constitute a violation of the Helsinki Final Act. Ilya has been a signatory to many letters appealing to the Soviet Government to abide by the international agreements it has signed. He and other victims of Soviet discrimination demonstrate extraordinary courage as they continue to take great risks to appeal to their own Government and to communicate with the outside world.

Mr. Speaker, on behalf of Ilya Essas and other Soviet Jews who are suffering because they dare to champion the cause of human rights, I call on the Soviet Government to release all prisoners of conscience, immediately grant visas to those refuseniks who have been waiting more than 5 years and review remaining refusenik cases, end the harassment of Soviet Jews who apply to emigrate, and end the cultural deprivation of Jews living in the Soviet Union.●

A TRIBUTE TO KENNETH RATHJE

HON. BOB TRAXLER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 30, 1980

● Mr. TRAXLER. Mr. Speaker, it is my pleasure to call the attention of this Congress and our Nation to the accomplishments and achievements of Mr. Kenneth Rathje who is leaving the Saginaw County UAW-CAP Council after several years of dedicated service to begin his new job as labor coordinator of the Michigan United Way. Ken is a close friend of mine and, as I have known and admired his work for some time now, I want to take this opportunity to pay him the tribute he so rightly deserves.

Ken was born in Bay Port, Mich., which is in the beautiful Thumb area of my congressional district. He completed his high school education in Pigeon, Mich., and then moved to Saginaw where he attended Delta College. Since his graduation and throughout his adulthood Ken has given his community the benefit of his energies and the commitment of his caring. While employed at the Chevrolet Metal Castings Grey Iron Plant in Saginaw as a journeyman millwright, Ken became involved in the activities of his union local. He has served as a member of the UAW Community Services Committee, the Saginaw County United Way General Board, the A. & B. Committee, the board of directors, the Goals and Allocations, and Nominating Committees of the United Way of Michigan.

In these times when our Nation seeks direction and leadership, the contributions of Ken Rathje and his wife Dorothy are highly valued not only by his grateful colleagues but by the entire community. Ken has served on the Stewardship Committee and as the recording secretary of Bethlehem Lutheran Church. He serves on the CETA Advisory Council and presently is the chairman of the council. Currently, he is a member of the Saginaw

Valley United Labor-Education Committee, the Delta College Board of Associates, the Arthur Hill High School Parents Advisory Committee, and the NAACP Saginaw Chapter.

Ken has remained a constant source of inspiration and guidance through turbulent times and has been an active participant in our political process. Since 1960 he has been a precinct delegate and has played an important role in each political campaign at every level. He has served as treasurer of the Saginaw Democratic Party, delegate to State conventions and is presently on the executive board of the Saginaw County Democratic Party.

Ken has been the mainstay of union leadership in Saginaw. Beginning as a trustee of local 668, he was elected chairperson of the Saginaw UAW-CAP Council in 1969 and consistently reelected each time he ran for the office. In 1973 he organized the Saginaw County United Labor Committee and a year later was elected chairperson of the committee. Ken is also presently a member of the FEPC Committee of local 668, the A. Phillip Randolph Institute and the Labor Council for Latin American Advancement.

I know that Ken's leadership in the Saginaw UAW-CAP Council will be missed. He held a most demanding position but never failed those he served. The example he has set for his fellow citizens should be emulated by every citizen in every community. Our Nation would certainly benifit from the contributions of more outstanding citizens such as Ken.

Mr. Speaker, I have spoken on the floor of the House of Representatives on other occasions on behalf of the interests of my congressional district. It has indeed been a special pleasure for me to speak of the great contributions of one of our leading citizens and calling the attention of the Congress to the dedication of Mr Kenneth Rathje.

In the months ahead, Ken will face many new challenges where he can use his talents. I want to join with the Saginaw community and all his colleagues in wishing him and his family health, happiness, and fulfillment in all their coming years.●

INNOVATIVE STUDENTS PUT US INTO NEW MARKETS

HON. STANLEY N. LUNDINE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 30, 1980

● Mr. LUNDINE. Mr. Speaker, the link between university research and development and the private sector is an important block in the foundation upon which the United States must build to innovate and improve our Nation's declining rate of productivity performance.

There is no substitute for dedicated individuals in universities across the country and in the private sector who realize the mutual benefits that can accrue to us all from cooperation and a coordinated effort to introduce new products into the marketplace.

I am proud to bring to your attention today an example of university-private sector cooperation in action and of what innovation can mean for job creation and increased U.S. competitiveness.

Alfred University, in Alfred, N.Y., has long been a recognized national leader in the ceramic area, but it is people like Bill Crandall, director of the Alfred University Research Foundation, who are critical to this success story. Since coming to Congress, Bill has chaired a small group of individuals across my congressional district from universities, business, and public interest groups who advise me from time to time on energy and scientific matters. I have benefited many times from Bill's advice on important issues and think we can all learn by the example he sets through his accomplishments. I commend this article from the April issue of Inc. to your attention:

[From Inc., April 1980]

INNOVATIVE STUDENTS PUT US INTO NEW MARKETS

(By K. Robert Burger)

I haven't been in school in 20 years, but that's exactly where I found the technology for Hotwork's newest product line. Two years ago, Bill Crandall, director of Alfred University Research Foundation, called me with some big news. I'm a member of the university's board of trustees, but Crandall wasn't talking education this time. He was talking business.

Finding companies to manufacture university-developed products is part of Crandall's job. He told me that the College of Ceramics, my alma mater, was experimenting with the design and production of nonstick clay bakeware. The foundation was looking for a private industry contract, and Crandall was offering Hotwork an opportunity to license the product.

Hotwork is a combustion engineering company that provides goods and services to steel, glass, and nonferrous metal industries. Consumer-oriented bakeware was slightly out of our line of work, but I'd seen great things come of cooperative ventures between universities and smaller businesses, and I wanted a closer look. If the product was a money-maker, Hotwork would benefit from the profits and the university would benefit from the royalties. As a trustee, I enjoyed the prospect of buying an idea from the college.

Still, I have some rules I never break. First, I make certain I'm thoroughly versed in a potential product's technology. Second, I have to know how to market the product I plan to manufacture. At Hotwork, we knew very little about ceramic bakeware, but Bill Crandall helped us work our way into the business.

He said that Copco, a New York City cookware marketing firm, could advise us on the state of the art. I got in touch with Copco chairman Sam Farber. He convinced me that cookware was a hot product, and that this clay bakeware was worth our serious consideration. Copco could distribute the finished product, saving us the trouble of learning to market to consumers.

To guarantee continuing advice from the foundation, we knew we had to establish a Hotwork subsidiary near the university in Alfred, N.Y. We were willing to offer 5 percent to 10 percent of sales in royalties, based on the foundation's sustained support and the continued development of new designs by students in the College of Ceramics.

We had to find a building to house Hotwork Ceramics, and we were concerned about start-up costs. Crandall introduced us to the Industrial Development Agency in Hornell, N.Y., a town badly in need of jobs. The IDA, anxious to have us locate there, offered us a low-interest loan to purchase one of several unoccupied buildings. We had nearly settled on a site when General Electric suddenly required all the space the IDA had available in Hornell. But the IDA offered to build us a new structure on the same terms.

We thought we'd be in production by spring, but bad weather caused unexpected delays. Heavy snows and building construction began simultaneously, slowing our schedule by several months.

Production finally began last summer, and we project Hotwork Ceramics' first-year net sales at $1 million, compared with $12 million projected net sales for Hotwork Inc.'s industrial products. Hotwork Ceramics now manufactures eight styles of bakeware, and I expect the number to continue growing.

I would definitely consider another product idea from the Research Foundation. As a trustee, I'm pleased to see the benefits reaped by the university. Students have a chance to take a close look at the workings of the industry and to experience a small company's growing pains. In addition, as a businessman, I'm convinced that industry is missing an important opportunity if it fails to develop academe's technical resources.●

ASSASSINATION ATTEMPT AGAINST TURKISH AMBASSADOR

HON. STEPHEN J. SOLARZ

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 30, 1980

● Mr. SOLARZ. Mr. Speaker, I would like to take this opportunity today to express both my grief and my outrage over the recent assassination attempt against the Turkish Ambassador to the Vatican. This violent attack on the Ambassador's life, carried out on April 17, 1980, is the latest in a series of assassination attempts against Turkish diplomats and their family members for which various Armenian terrorist groups have claimed responsibility over the past 4 years.

The wave of violence against Turkish diplomats has included assassinations in Paris, Vienna, Los Angeles, and Beirut, as well as the recent attempt in Rome. Ten Turkish citizens have lost their lives in what appears to be a concerted effort to terrorize the Turkish Government.

Despite the historical enmity between Turks and Armenians, the tragic legacy of hostilities between the two groups in the early part of this century, there is no justification for the killing of innocent victims. At a time when 53 Americans are being held hostage in Iran, Americans can identify completely with the plight of our Turkish allies. It seems to me that with political violence reaching new heights across the globe, the United States should do its utmost to halt terrorist acts around the world.

Terrorism is a threat to all governments, regardless of politics or ideology. The United States in cooperation with other nations, should take the necessary steps for a global antiterrorism campaign. We should strive to wipe out acts of violence everywhere, to eradicate the brutal terrorism which not only undercuts stability but takes innocent lives as well.●

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an interim procedure until the computerization of this information becomes operational, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Thursday, May 1, 1980, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

MAY 2

9:00 a.m.

Agriculture, Nutrition, and Forestry

Agricultural Research and General Legislation Subcommittee

To continue hearings on the price volatility of the silver futures market.

1202 Dirksen Building

*Governmental Affairs

Permanent Subcommittee on Investigations

To continue hearings on the use of violence by organized crime.

5110 Dirksen Building

Select on Small Business

To hold hearings on the proposed Small Business Energy Conservation Act.

424 Russell Building

9:30 a.m.

Commerce, Science, and Transportation

Science, Technology and Space Subcommittee

To resume hearings on S. 2015, proposed Transportation Energy Efficiency Act, and on proposed amendments thereto.

235 Russell Building

10:00 a.m.

Appropriations

Agriculture, Rural Development and Related Agencies Subcommittee

To resume hearings on proposed budget estimates for fiscal year 1981 for programs administered by the Department of Agriculture.

1114 Dirksen Building

Appropriations

HUD-Independent Agencies Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1981 for the Department of Housing and Urban Development.

1318 Dirksen Building

Energy and Natural Resources

Business meeting, to continue consideration of S. 2332, authorizing funds for fiscal years 1981 and 1982 for civilian programs of the Department of Energy, and other pending calendar business.

3110 Dirksen Building

Environment and Public Works

To hold hearings on a proposed Federal building construction prospectus in Jamaica, Queens, New York, on a proposed Federal construction prospectus for the Nuclear Regulatory Commission in the Washington, D.C. area, and on a Federal building prospectus for repairs and alterations in Laguna Niguel, California; to be followed by consideration of S. 2134, to provide for the acquisition of certain property in the District of Columbia as an addition to the grounds of the U.S. Supreme Court.

4200 Dirksen Building

Governmental Affairs

To hold hearings on S. 1814, to establish the National Center for Afro-American History and Culture in Wilberforce, Ohio.

3302 Dirksen Building

Joint Economic

To hold hearings on the employment-unemployment situation for April.

6226 Dirksen Building

MAY 5

10:00 a.m.

Banking, Housing, and Urban Affairs

Business meeting, to consider pending calendar business.

5302 Dirksen Building

Energy and Natural Resources

Energy Regulation Subcommittee

To hold hearings to review the Federal gasoline allocation process.

3110 Dirksen Building

Environment and Public Works

Business meeting, to consider pending calendar business.

4200 Dirksen Building

Governmental Affairs

Permanent Subcommittee on Investigations

To resume hearings on the topic "Organized Crime and the Use of Violence."

6226 Dirksen Building

2:00 p.m.

Appropriations

Transportation and Related Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1981 for the U.S. Coast Guard and National Highway Traffic Safety Administration.

1224 Dirksen Building

Environment and Public Works

To hold hearings on S. 2412, to develop an effective oil recycling program to promote resource recovery and enhance the quality of air, water, and land resources.

4200 Dirksen Building

MAY 6

9:30 a.m.

Agriculture, Nutrition, and Forestry

Agricultural Credit and Rural Electrification Subcommittee

To hold oversight hearings on the activities of the Rural Electrification Administration, focusing on the opportunities for energy conservation by rural electric cooperatives, and the effects of conservation on the ability of those cooperatives to remain financially sound.

324 Russell Building

Appropriations

Agriculture, Rural Development, and Related Agencies Subcommittee

To resume hearings on proposed budget estimates for fiscal year 1981 for the Department of Agriculture.

1318 Dirksen Building

10:00 a.m.

Appropriations

Interior and Related Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1981 for the Office of Water Research and Technology, Department of the Interior.

1224 Dirksen Building

Banking, Housing, and Urban Affairs

Business meeting, to consider pending calendar business.

5302 Dirksen Building

Commerce, Science, and Transportation

To hold hearings on the nomination of Thomas G. Allison, of Washington, to be General Counsel of the Department of Transportation.

235 Russell Building

Energy and Natural Resources

Business meeting, to resume consideration of S. 2332, authorizing funds for fiscal years 1981 and 1982 for civilian programs of the Department of Energy, and other pending calendar business.

3110 Dirksen Building

Environment and Public Works

Business meeting, to consider pending calendar business.

4200 Dirksen Building

2:00 p.m.

Appropriations

Military Construction Subcommittee

To resume hearings on proposed budget estimates for fiscal year 1981 for military construction of the DOD.

1223 Dirksen Building

MAY 7

10:00 a.m.

Appropriations

Interior and Related Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1981 for the U.S. Geological Survey.

1224 Dirksen Building

*Appropriations

Transportation and Related Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1981 for the Federal Highway Administration.

1318 Dirksen Building

Banking, Housing, and Urban Affairs

Business meeting, to consider pending calendar business.

5302 Dirksen Building

Energy and Natural Resources

Business meeting to continue consideration of S. 2332, authorizing funds for fiscal years 1981 and 1982 for civilian programs of the Department of Energy, and other pending calendar business.

3110 Dirksen Building

Environment and Public Works

Business meeting, to consider pending calendar business.

4200 Dirksen Building

10:30 a.m.

*Commerce, Science, and Transportation

Merchant Marine and Tourism Subcommittee

To hold hearing on H.R. 6613, to prohibit the regulation of collective bargaining agreements by the Federal Maritime Commission.

235 Russell Building

Judiciary

Business meeting, to consider pending legislation and nomination.

2228 Dirksen Building

2:00 p.m.

*Appropriations

Agriculture, Rural Development and Related Agencies Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1981 for research and educational programs administered by the Department of Agriculture.

1318 Dirksen Building

Energy and Natural Resources

Energy Research and Development Subcommittee

To hold hearings on H.R. 507, to construct and maintain a sand dredging system on the Trinity River, and a dam system on the Grass Valley Creek, both in California; H.R. 2111, to include the Yolo-Zamora Water District in the Central Valley project for the Sacramento Valley Canals, California; S. 2431, to provide an emergency fund to assure continuous operation of all projects governed by the Federal reclamation laws; S. 2545, to assure accomplishment of the objectives of title II of the Colorado River Basin Salinity Control Act; S. 2546, authorizing funds for the design and construction of gunite lining on the Bessemer Ditch in Pueblo, Colorado; and S. 2616, to provide additional functions and reallocation of storage space under the Crooked River Project, Oregon.

3110 Dirksen Building

Select on Small Business

Business meeting, to consider pending calendar business.

424 Russell Building

MAY 8

10:00 a.m.

Appropriations

Interior and Related Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1981 for fossil programs of the Department of Energy.

1224 Dirksen Building

Commerce, Science, and Transportation

Business meeting, to consider pending calendar business.

235 Russell Building

Energy and Natural Resources

Business meeting, to continue consideration of S. 2332, authorizing funds for fiscal years 1981 and 1982 for civilian programs of the Department of Energy, and other pending calendar business.

3110 Dirksen Building

Environment and Public Works

Business meeting, to consider pending calendar business.

4200 Dirksen Building

Foreign Relations

Closed hearings on the current situation in Iran.

S-116, Capitol

2:00 p.m.

Judiciary

To hold hearings on pending nominations.

2228 Dirksen Building

MAY 9

9:30 a.m.

Commerce, Science, and Transportation

Science, Technology and Space Subcommittee

To resume hearings on S. 2015, proposed Transportation Energy Efficiency Act, and on proposed amendments thereto.

235 Russell Building

MAY 13

10:00 a.m.

Appropriations

Interior and Related Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1981 for the National Park Service.

1224 Dirksen Building

Energy and Natural Resources

Business meeting, to resume consideration of S. 2332, authorizing funds for fiscal years 1981 and 1982 for civilian programs of the Department of Energy, and other pending calendar business.

3110 Dirksen Building

Special on Aging

To resume hearings to explore initiatives to stimulate opportunities for continued work for older persons.

6226 Dirksen Building

MAY 14

9:30 a.m.

Commerce, Science, and Transportation

Science, Technology and Space Subcommittee

To resume hearings on S. 2015, proposed Transportation Energy Efficiency Act, and on proposed amendments thereto.

235 Russell Building

10:00 a.m.

Appropriations

Interior and Related Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1981 for the Department of the Interior.

1223 Dirksen Building

Energy and Natural Resources

Business meeting, to continue consideration of S. 2332, authorizing funds for fiscal years 1981 and 1982 for civilian programs of the Department of Energy, and other pending calendar business.

3110 Dirksen Building

2:00 p.m.

Appropriations

Transportation Subcommittee

To resume hearings on proposed budget estimates for fiscal year 1981 for the Department of Transportation.

1224 Dirksen Building

MAY 15

10:00 a.m.

Appropriations

HUD-Independent Agencies Subcommittee

To resume hearings on proposed budget estimates for fiscal year 1981 for the Department of Housing and Urban Development, and Independent Agencies.

1318 Dirksen Building

Appropriations

Transportation Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1981 for the Department of Transportation.

1224 Dirksen Building

MAY 16

10:00 a.m.

Appropriations

HUD-Independent Agencies Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1981 for the Department of Housing and Urban Development, and Independent Agencies.

1318 Dirksen Building

MAY 20

9:30 a.m.

Commerce, Science, and Transportation

Science, Technology and Space Subcommittee

To hold hearings for considering the effect of proposed legislation to regulate recombinant DNA research on the freedom of scientific inquiry and the conduct of basic research.

235 Russell Building

10:00 a.m.

Appropriations

Interior and Related Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1981 for the Office of the Secretary and the Office of the Solicitor, Department of the Interior.

1223 Dirksen Building

MAY 21

9:00 a.m.

*Veterans' Affairs

To resume hearings on the Federal Government's efforts to assist Vietnam-era veterans in readjusting to society, and the use of excepted appointments for disabled veterans.

412 Russell Building

10:00 a.m.

Energy and Natural Resources

Business meeting, to consider pending calendar business.

3110 Dirksen Building

MAY 22

9:30 a.m.

Labor and Human Resources

Child and Human Development Subcommittee

To hold oversight hearings to examine issues affecting infant mortality, and preventable birth defects.

4232 Dirksen Building

MAY 29

9:30 a.m.

*Veterans' Affairs

To hold hearings on proposed legislation to establish a cost-of-living increase for service-connected disability compensation.

412 Russell Building

JUNE 11

9:30 a.m.

*Veterans' Affairs

To hold oversight hearings on the activities of the Inspector General of the Veterans' Administration.

412 Russell Building

SENATE—*Thursday, May 1, 1980*

(Legislative day of Thursday, January 3, 1980)

The Senate met at 9 a.m., on the expiration of the recess, and was called to order by Hon. ROBERT MORGAN, a Senator from the State of North Carolina.

PRAYER

The Reverend Kermit R. Olsen, minister, First Baptist Church, Beloit, Wis., offered the following prayer:

Let us pray.

O God, our help in ages past, our hope for years to come, we pause at this sacred moment to acknowledge Thy divine sovereignty in our lives and to link our finite minds with Thy infinite mind in prayer.

We thank Thee that, when we turn unto Thee with unconditional love, Thou art there and we are able to draw upon Thy guidance for direction and purpose in our personal lives and for our Nation.

In our deliberations this day, may we say and do what is pleasing in Thy sight. Thou then, who are a tower of strength to all who put their trust in Thee, we pray for inner quietude in a confused, chaotic, strife-ridden, and distraught world. Help us to think clearly and act wisely in all situations for the benefit of all mankind. Knowing that the best defense of democracy is its rendition, we pray for a clearer vision and resolute determination to make justice prevail.

Help us to strive for human rights and the equality of opportunity for people everywhere. O Thou, who are our creator, father of our lives, throw the horizons of Thy greatness around us and fill us with Thy inner power.

We pray in the spirit of Jesus, who called Thee Father. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. MAGNUSON).

The assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., May 1, 1980.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable ROBERT MORGAN, a Senator from the State of North Carolina, to perform the duties of the Chair.

WARREN G. MAGNUSON,
President pro tempore.

Mr. MORGAN thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE MAJORITY LEADER

The ACTING PRESIDENT pro tempore. Under the previous order, the majority leader is recognized.

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Journal of the proceedings be approved to date.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I yield 5 minutes of my time to Mr. BAKER.

RECOGNITION OF THE MINORITY LEADER

The ACTING PRESIDENT pro tempore. The Senator from Tennessee is recognized.

Mr. BAKER. Mr. President, I thank the majority leader. I do not think I need additional time beyond that granted under the standing order to the two leaders. I intend to yield 5 minutes of that aggregate time to the Senator from Connecticut (Mr. WEICKER), who is not yet on the floor, but is expected shortly.

OUR TROUBLED ECONOMY

Mr. BAKER. Mr. President, with the world in turmoil and with our attention riveted on international events, it is too easy to pay too little attention to the economic crisis which afflicts millions of families in the United States.

The most recently published Consumer Price Index showed that the cost of living is still rising by more than 18 percent a year. The Consumer Price Index has risen by 1.4 percent in each of the first 3 months of 1980, and there is no relief in sight.

Yesterday, the Department of Commerce reported a 2.6-percent decline in the economic index used to predict future economic performance. In layman's terms, this decline means the economy is slowing down. It is the sharpest 1-month decline in 5½ years. It is evidence of a deepening recession.

These statistics, discouraging as they are, do not gage the depth of the American family's distress as well as does a less noticed statistic provided me by Dr. Michael Boskin, a distinguished economist at Stanford University.

Dr. Boskin, an expert in the relationship of Government activity with general economic activity, advises me that the real spendable earnings of the average American family fell 7.9 percent in the last 12 months.

In other words, the purchasing power of the average family, adjusted for wage and salary increases, taxes and inflation, was reduced by almost 8 cents on the dollar in the last year alone.

This is the most precipitate decline in purchasing power the American family has experienced in the last 40 years.

To defend themselves against this onslaught of high taxation and even higher inflation, Americans are shortchanging their own future economic security.

The personal savings rate of the average American family stands today at no more than 3.3 percent—about half the average rate of savings in the 1960's. By comparison with other major Western nations, Japan is saving at a rate of almost 25 percent, West Germany 18 percent, France 15 percent.

Investments, predictably, are also declining in this country. By adding so little to our capital stock, we are seriously impairing productivity growth, future wage increases, and the hope of an improved standard of living. And because our investment rates, like our savings rates, lag so far behind those of our major trading partners, our competitors can incorporate American technological advances into their economies—and thus improve their productivity—faster than we can.

These conditions stand in stark and discouraging contrast to the economic history of the American people. For a full century, the American standard of living doubled with each generation, and the United States led the world in productivity advances.

But, in the decade of the 1970's we saw no real improvement at all in our standard of living. And now, in the beginning of the 1980's, we find that our standard of living is actually declining.

Mr. President, things simply cannot go on this way. The very foundation of our economic system is rotting away, and unless we begin now to rebuild it, that system may well collapse in the 1980's as it did in the 1930's.

Surely we must concern ourselves with crises abroad, Mr. President, but there is an enormous economic crisis here at home that demands our urgent attention and our effective action, as well.

Mr. President, I yield to the Senator from Connecticut such portion of the remaining time I have under the standing order and that time yielded to me by the majority leader.

The ACTING PRESIDENT pro tempore. The Senator from Connecticut.

Mr. WEICKER. I thank my good minority leader. I wish he were speaking out as the Presidential candidate of the Republican Party, not the minority leader.

Mr. BAKER. If the Senator will yield to me, I share with him that wish, but I also state the reality of the fact that I tried everything I knew and it did not work.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

SENATE RESOLUTION 415—SUBMISSION OF A RESOLUTION RELATING TO CHRYSLER LOAN GUARANTEES

Mr. WEICKER (for himself, Mr. BELLMON, and Mr. HEINZ) submitted the following resolution, which was referred to the Committee on Appropriations:

S. RES. 415

Whereas, Section 4 of the Chrysler Loan Guarantee Act of 1979 (Public Law 96-185) requires that prior to the issuance by the Chrysler Loan Guarantee Board of any commitment to guarantee the payment of principal and interest on loans to the Chrysler Corporation, Chrysler must secure both first, new loans from United States banks, financial institutions, and other creditors, and second, an extension of the full principal amount of any loans committed to be made to Chrysler but not outstanding as of October 17, 1979; and

Whereas, the failure to meet these conditions will increase the likelihood of default on any loans guaranteed, should they be provided, thereby increasing the risk and cost to the Federal Government and the American taxpayer:

Now, Therefore, Be It

Resolved, that it is the sense of the Senate that should loan guarantees be extended based on a financing plan submitted to the Chrysler Loan Guarantee Board which does not meet these conditions of the Act, then Congress should not appropriate funds for the payment of principal and interest on loans guaranteed pursuant to the Act.

Mr. WEICKER. Mr. President, I am submitting for myself, Senator BELLMON and Senator HEINZ, a sense of the Senate resolution in an attempt to insure that the congressional intent in enacting the Chrysler Corporation Loan Guarantee Act of 1979 is satisfied.

According to the act, the Chrysler Corporation Loan Guarantee Board may not issue commitments for any of the $1.5 billion in Federal loan guarantees authorized under the act until Chrysler has submitted to the Board "a satisfactory financing plan which meets the financing needs of Chrysler, and which includes an aggregate amount of nonfederally guaranteed assistance of at least $1,430,000,000." Section 4(c)(1) of the act provides that the $1.43 billion shall include:

"At least $500,000,000 from United States banks, financial institutions, and other creditors, of which—

(A) at least $400,000,000 shall be new loans or credits, in addition to the extension of the full principal amount of any loans committed to be made but not outstanding as of October 17, 1979; and

(B) at least $100,000,000 shall be concessions with respect to outstanding debt of the Corporation.

Thus, Chrysler is required by law to secure both new loans and an extension of the full principal amount of those loans committed but not outstanding as of October 17, 1979.

In its report on the legislation, the Senate Banking Committee fully explained these conditions. The report stated:

At least $400 million is to come from new loans or credits, which are to be in addition to the extension of the full principal amount of any loans committed to be made but not outstanding as of October 17, 1979. The latter language is intended to make it clear that the Committee expects there to be made available the full amount of the $567 million revolving credit committed to the Chrysler Parent Corporation prior to October 17, of which only $408 million has been drawn down to date. Thus, under the conditions of this subsection, the remaining $159 million would have to be extended to the Corporation (or an equivalent amount from other lenders), and at least $400 million in new loans or credits over and above the amount of that existing commitment would be required to be made available.

The report also made it clear that the $400 million in new loans or credits are to be in addition to, and distinguished from, concessions such as "reductions in interest rates, lengthening of maturities, deferrals of payment of principal and interest, or conversion of outstanding debt to equity."

Despite the clear intent of the Senate in approving this legislation, it is reported that Chrysler has submitted financing plans to the Loan Guarantee Board which do not provide for either new loans by U.S. banks, financial institutions, and other creditors or for the extension of the remaining $159 million in revolving credit committed to Chrysler. Instead, the plans call for the lenders to reduce interest charges on existing loans. In short, there is no provision for the infusion of new funds from creditors. Only the concession, and not the new loan, requirement of section 4 (c)(1) of the act would be met.

Mr. President, the Loan Guarantee Board is presently considering the operating and financing plans submitted by Chrysler to determine whether they are satisfactory and, accordingly, whether commitments to guarantee the payment of principal and interest on loans will be issued.

It is conceivable, indeed likely, that the Board will approve the plans and authorize issuance of the loan guarantees even though the plans do not call for new loans or extension of the remaining $159 million in revolving credit. This finding will undoubtedly be justified on the basis of language which states that the "Board may, as necessary, modify the amounts of assistance required to be provided."

Mr. President, Congress gave the Board flexibility to modify the amounts, but it did not give the Board power to ignore the guidelines. As the Senate report indicated, the Board "is authorized to allow some discretion." Clearly, by ignoring the requirement in the act that new loans be made available, the Board would be exceeding its powers.

Indeed, testifying on behalf of the Loan Guarantee Board before the State, Justice, Commerce, the Judiciary and Related Agencies Subcommittee of the Appropriations Committee, Assistant Secretary of the Treasury Altman admitted:

I must say that we obviously were contemplating new money. But there is no point in my beating around the bush. The financial institutions as a whole, which include commercial institutions and both foreign and domestic banks, have so far shown limited or no willingness to provide truly fresh loans as compared to stretching out and reducing the costs of and putting concessions on existing loans.

Mr. President, throughout the debate on the Chrysler bailout, it was understood that, before the Federal Government would extend any aid, those parties with an existing economic stake in Chrysler would have to contribute. Chrysler's hundreds of U.S. lenders have a large stake in the future of Chrysler. Clearly, they should be required—as the law mandates—to provide the new funds Chrysler so badly needs to provide relief from its losses and costly product programs.

This resolution simply reiterates the congressional intent in passing the Chrysler Loan Guarantee Act of 1979. It states that, as required by the act, prior to any federally guaranteed loans being authorized Chrysler must secure new loans from its lenders and an extension of the principal amount of loans committed but not outstanding as of October 17, 1979. It further recognizes that if these conditions are not met, the likelihood of default will increase drastically. Accordingly, it provides that the Senate will not appropriate funds for the payment of principal and interest on loans guaranteed under the act unless these conditions of the act are met.

Mr. President, the resolution will not deny Chrysler the relief Congress authorized last December. It simply calls upon the Chrysler Corporation Loan Guarantee Board to abide by the letter—and the spirit—of the act authorizing Federal aid. I urge the favorable consideration of this resolution.

Mr. President, I ask unanimous consent that a copy of a letter sent yesterday by Senator BELLMON to the Secretary of the Treasurer Miller, be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
COMMITTEE ON THE BUDGET,
Washington, D.C., April 30, 1980.

Hon. G. WILLIAM MILLER,
Member, Chrysler Loan Guarantee Board, Department of the Treasury, Washington, D.C.

DEAR MR. SECRETARY: In view of the Chrysler Loan Guarantee Board meetings this week, I would like to express to you my concern that the Chrysler "financial plan" may not adhere both to the statutory requirements and the spirit and intent of the Chrysler Loan Guarantee Act of 1979. The provisions of the Act, particularly Section 4, were carefully designed to assure both that the Chrysler Corporation had sufficient financial resources to return to solvency and that those groups which already have an economic interest in Chrysler's future share the Federal government's financial risk.

Reports concerning the reluctance of these groups, particularly the commercial banks, to increase their financial investment in Chrysler are not very encouraging. In my view, the Act is very explicit in requiring that Chrysler must secure (a) new loans from U.S. and foreign banks, financial institutions, and other creditors; and (b) an extension of the full principal amount of any loans committed to be made to Chrysler but not outstanding as of October 17, 1979. The Act further states that Chrysler must have reasonable prospect of remaining a viable corporation after 1983.

I realize that the deliberations surrounding the Chrysler guarantees are exceedingly complex and that the economic environment has served only to make the final decision of the Board more difficult. I also recognize that the Board can exercise some flexibility regarding the amounts of financial support due from the various identified sources. However, if loan guarantees are extended based on a financial plan that clearly does not meet the conditions and intent of the Act, it will be difficult to get Congress to approve funds for payment of principal and interest on loans guaranteed pursuant to that Act.

Sincerely,

HENRY BELLMON.

Mr. WEICKER. Mr. President, I now yield such time as may be required by Senator HEINZ.

The ACTING PRESIDENT pro tempore. The Senator from Pennsylvania is recognized.

Mr. HEINZ. Mr. President, first, I commend my distinguished colleagues of the Senate Banking Committee which brought forth the original Chrysler aid proposal after a number of weeks of very careful scrutiny before reporting that legislation to the floor. I, therefore, wish to join Senators WEICKER and BELLMON in cosponsoring this resolution and in urging my distinguished colleagues to support it, as well.

Passage of this resolution is essential to insure that the intent of Congress—which is clearly spelled out in the Chrysler Loan Guarantee Act—is not thwarted by the Loan Guarantee Review Board charged with carrying out the provisions of the act. And equally important, during these times when we are contemplating spending cuts in a number of social programs important to us all, important not only to Members of the Senate, but important to the people that we serve, we must insure that any taxpayer dollars which may be committed to Chrysler Corp. under legislation duly passed by Congress are not wastefully and irresponsibly spent.

Mr. President, when the Banking Committee after much deliberation decided to report a bill aiding Chrysler, it did so provided that the company was able to meet certain conditions. The basic principles underlying these conditions, the specifics of which I shall not dwell upon here, are these:

First. Those with the greatest stake in the survival of Chrysler Corp.—workers, management, suppliers, dealers, stockholders, and lenders—and not the American taxpayer should take the greatest risk and bear the greatest burden in restoring the company to viability.

Second. Taxpayer dollars in the form of Federal loan guarantees should only be committed if the company is able to demonstrate that its long-term viability can be restored.

Unfortunately, the compromise package to which the House and Senate hastily agreed just before Christmas in the few remaining minutes before the Christmas recess, under some pressure—because Chrysler claimed that it would go bankrupt by January—here it is May 1—without the loan guarantees—violated these principles in some respects. For example, in the heat of the Senate's rush to pass a bill the greater part of the wage freeze provision in the bill melted right out of the bill. Despite higher than expected fourth quarter losses experienced by Chrysler and a worsened outlook for the auto industry as a whole, the dollar amount of the overall aid package—private and Government dollars—was reduced.

And—after intense lobbying by representatives of Chrysler Corp.—my amendment which the Senate had accepted, requiring a substantial equity offering as a condition of loan guarantees, was deleted from the bill in conference. The purpose of this amendment was to insure that the company's equity base and long-term viability were enhanced, that the taxpayers' investment was adequately protected, and that the stockholders of the company contributed their fair share to restoring Chrysler's viability, and, most important—thereby avoiding setting a dangerous precedent which would make similar Federal bailouts attractive to the thousands of companies which face bankruptcy every year.

Still, despite these omissions, the bill in its final form retained at least some semblance of the basic principles upon which the Banking Committee had at least initially—rightfully, I believe—insisted.

Unfortunately, Mr. President, these principles—which are explicitly mandated in the legislation—are in jeopardy of being violated. The aid package which the company has submitted to the Review Board contains no new commitments of funds by Chrysler's major lenders. Such commitments are absolutely necessary as an indication that the company will be viable over the long term and to insure that taxpayer dollars—$1.5 billion which might be spent for other purposes—are not the only ones at stake.

I find it unthinkable that the Review Board would give serious consideration to such a proposal which so clearly violates the intent of Congress as set forth in the Loan Guarantee Act. When the Banking Committee approved loan guarantees for New York City, it did so only after knowing, in advance, exactly what outside commitments had been made.

In the case of Chrysler, the committee was not able to review the outside financial commitments which had yet to be negotiated; therefore, the committee stipulated that these outside commitments be in place before the Review Board committed any Federal Loan guarantees.

The need for these outside financial commitments is made all the more pressing by the report made by the Transportation Department on Chrysler's operating plan which suggests that many of the assumptions made by the company in its proposal are "optimistic."

In closing, Mr. President, I strongly urge my distinguished colleagues to support this resolution. At a time when many unmet social needs are being sacrificed because of the need to control Federal spending, regulation, and intervention in the capital markets, to allow the Chrysler aid proposal to escape careful scrutiny would seem to me to be the height of fiscal irresponsibility. That is a depth to which I would not like to see the U.S. Senate or Congress sink.

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I yield back the remainder of my time.

CIVIL RIGHTS OF INSTITUTIONALIZED PERSONS—CONFERENCE REPORT

The ACTING PRESIDENT pro tempore. The Senate will resume consideration of the unfinished business, which will be stated by title.

The assistant legislative clerk read as follows:

Conference report on H.R. 10, an act to authorize actions for redress in cases involving deprivations of rights of institutionalized persons secured or protected by the Constitution or laws of the United States.

Mr. METZENBAUM. Mr. President, I speak at this time not to address myself to the substance of this measure, which I support totally and of which I am a cosponsor, but, rather, to address myself to the fact that the majority leadership of the Senate and Senator BAYH, the principal sponsor of the measure, have worked zealously and hard to bring debate on this matter to a close so that the matter can be voted upon and passed.

It is a fact that the majority leader has been involved in attempting to bring the debate to a close. Today, I think we will vote for the fourth time on the issue of cloture.

I have myself stood on this floor on occasion and mounted what I considered to be a consumer oriented debate. Having said that, however, I say at the same time that I do not subscribe to the defeat of legislation by filibuster. I say also that when and if the rules of the Senate are to be changed, I will totally support such a change.

Here, we have a situation in which more than a majority of the Senate want to pass this measure. It is a piece of legislation that has to do with the concerns and rights of people who are in institutions, people who have no one else to speak for them, except as provided under this measure.

I think it speaks well for the Democratic leadership of the Senate, the majority leader, that he has put his shoulder to the wheel in attempting to bring the issue to a conclusion. Day after day, the issue has been here for cloture;

and day after day, many of us have worked zealously—not nearly as zealously as the majority leader and the principal sponsor—in order to bring the debate to a close.

With respect to the principal sponsor, I doff my hat to him.

There is no secret about the fact that the Senator from Indiana has a distinguished record in this body and is an able Senator who has served his State well. I think we owe it to the dedication and the determination of the Senator from Indiana to see to it that this measure is passed by the Senate, that cloture is effectuated, that debate close, and that the Members of this body, a majority of whom want the measure to be enacted, have an opportunity to do so.

It is appropriate at this time to commend the principal sponsor of this measure as well as the majority leader and all others who have supported him in this endeavor to effectuate cloture and to pass this very important bill.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. STEVENS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. STEVENS. Mr. President, what is the time situation now?

The ACTING PRESIDENT pro tempore. We are not under controlled time at this point.

Mr. STEVENS. It is my understanding that this is the hour preceding the live quorum on the motion for cloture.

The ACTING PRESIDENT pro tempore. The Senator is correct. The live quorum call will occur at 10 o'clock, but at this point we are not under controlled time.

Mr. STEVENS. Who has control of the time, Mr. President?

The ACTING PRESIDENT pro tempore. There is no controlled time at this point. Any Senator seeking recognition is entitled to it.

Mr. STEVENS. I thank the Chair.

MOTHER JOSEPH

Mr. STEVENS. Mr. President, today is a very special day for the Sisters of Providence and the State of Washington, as well as the State of Alaska. It brings us great pride to know that the statue of Mother Joseph will be added to Statuary Hall in a presentation scheduled for later today. The State of Washington has chosen to honor Mother Joseph and I am informed that she joins four other women who share the same privilege in having a statue commissioned in their name.

Alaska owes a great debt to Mother Joseph, as it was a result of her efforts that the first health care facilities were established in our pioneer days.

Mother Joseph was a pioneer in the health care field for all of the western territories. She led a group of five sisters of Providence westward arriving in Fort Vancouver in 1856. Within months of their arrival they established the first hospital in the northwest and one of the first schools. Within 50 years these pioneering women had built 11 hospitals, 7 medical training schools, 5 Indian schools, 20 orphanages, homes for the aged and shelters for the mentally ill. This was all done before the turn of the century.

The Sisters of Providence opened the first hospital in Alaska in Nome in 1902, Fairbanks in 1920, and the last one in Anchorage in 1939. Today, Providence Hospital in Alaska employs 1,200 people and provides 250 beds to serve our people. We are proud that five Sisters of Providence still serve in our hospital today.

It is a distinct honor for all of us who are connected with these two States to participate in the dedication ceremonies today in the Rotunda. I, on behalf of all Alaskans, express congratulations to the State of Washington and to our two colleagues from Washington, Senator MAGNUSON and Senator JACKSON, for honoring such an inspiring woman in this extraordinary way.

Mr. President, my family owes a special debt to the Sisters of Providence. It was at St. Joseph's Hospital that my first children were born and it was to the Sisters of Providence Hospital in Anchorage that I was taken following my accident in Anchorage in December 1978.

The people of Providence Hospital proved to me on many occasions their ability to provide the most excellent health care delivery service that I think is provided anywhere in our Nation, and I hope that the Members of the Senate will take occasion to view the statue of Mother Joseph as it enters Statuary Hall today.

CIVIL RIGHTS OF INSTITUTIONALIZED PERSONS—CONFERENCE REPORT

The Senate continued with the consideration of the conference report on H.R. 10.

(Mr. RIEGLE assumed the chair.)

Mr. STEVENS. Mr. President, on the subject of the conference report on H.R. 10, which would authorize the Attorney General to involve himself in the control and management of almost every State institution in this country, I have opposed cloture and shall continue to do so.

The proponents can call this bill what they want, but the name does not change what the bill does.

The discussion of this legislation during the past several days has been very enlightening. We have heard from our colleagues who have had to deal with the Justice Department under the kind of confrontational circumstances which H.R. 10 would create and encourage. It is most interesting to note that almost every one of those who have criticized the conduct of the Department of Justice in these cases and this type of legislation which would condone and encourage this type of conduct, oppose the legislation.

Seldom does the Senate have the opportunity to really understand the ramifications of legislation before we act on it, but in this instance we have the opportunity because of the experiences of Members of the Senate. We can, I feel, predict how the Justice Department would use the new power of litigation which would be given to them by H.R. 10, and I hope that we will continue to scrutinize this bill because of the manner in which it would be utilized.

We should not be lulled into the belief that this bill is merely aimed at addressing the kinds of horror stories that some have reported to justify the grant of this new power to the Department of Justice.

In the opinion of the Alaskans who have reviewed the legislation, the legislation goes far beyond just the types of horror stories that we have heard. It is the far-reaching considerations which concern those of us from Alaska. The bill would give the Justice Department carte blanche to dictate to the States how people in State institutions must be treated. The problem with this approach is that it assumes that there is but one acceptable way to care for institutionalized persons and that only the Justice Department knows which is the correct way. This problem is amplified because H.R. 10 covers not only the attempts to address conditions of confinement in institutions but allows the Justice Department to promulgate and enforce the Justice Department theory on the treatment of institutionalized persons. This is the fundamental problem of H.R. 10.

I do not believe that there is a Federal agency singularly qualified to make such decisions for all people throughout our country, for every institution is maintained for this purpose by each State.

We feel that the Justice Department could use its litigation power under this bill to coerce States into adopting its theory of treatment, and we are not talking about what might happen under H.R. 10 but what is happening right now as the Justice Department embroils itself in suits against State institutions.

We could talk here at length about theoretical problems and about the theoretical benefits of this legislation, but in real terms this legislation will mean the Department of Justice will have to demand enormous increases in funds in order that they may make enormous increases in expenditures of Federal funds. In all likelihood they will use those funds to demand that the States close many of their institutions, institutions that are already lacking as far as the total funding is concerned on the State level, and

I feel that the giving of the Justice Department authority to close even these limited number of institutions is wrong.

As I stated, it is our information that this action is actually being taken by the Department of Justice now. It is what is happening today. Until the Nation realizes that the ramifications of H.R. 10 are real, it is our opinion that this legislation has not been discussed enough.

It is our hope that the Senate will not terminate debate on this conference report and that H.R. 10 will not become law in this session of Congress.

I do not mean my criticism of H.R. 10 to be an attack on any person who has supported it, those who proposed this legislation, or even the people in the Justice Department who are pursuing their concept of what is the proper treatment for institutionalized persons in this country.

This is a country of freedom. It is a country in which we all should be able to express our points of view concerning the proper treatment for institutionalized persons.

The problem really is as to whether we should authorize the Justice Department to be the one sole source of the decisionmaking power as to what is the proper treatment for institutionalized persons.

It is the diversity of our Federal system, I think, that actually will bring about the improvement of our system of treatment of institutionalized persons, and we should not confer upon any one segment of our society, particularly on the Federal level, the power to decide what is or is not proper treatment in any State institution.

The issues of H.R. 10 rise above personalities. They go to the fundamental question of whether or not a Federal bureaucracy is, in fact, the proper policeman for State institutions. Even if one of us were to question the assumption that States should be allowed to manage their own institutions, that concern still does not mean that the Justice Department is the proper entity to supervise every one of those State institutions. And even if we were to overlook the serious questions of Justice Department action in the past in litigation against States, we must look at the track record of the Department of Justice in managing Federal institutions before giving such power to the Justice Department to oversee the management of State institutions.

Mr. President, I am not persuaded by arguments that say that this bill will offer more protection to institutionalized persons in State institutions. In reality, many of the safeguards that are in this version of S. 10 to protect the States were deleted in conference. I voted against the bill when it came to the Senate and went to conference. In my opinion, it is worse now than when it left the Senate to go to conference, and I would not support it then and I certainly would not support it now.

The bill is not a bill to protect the States. In my opinion, it is not a bill to protect those who are in State institutions. It is a bill to increase the power of one Federal department, and to give that Federal department the authority to make decisions which, I think, would be conferred in a manner that is too broad for any Federal department to have such power over State institutions, particularly under our federal system as it exists.

The States really do not want this bill. My State does not want this bill. It is truly the Justice Department that wants this bill because the Justice Department is the only beneficiary of the bill.

Mr. President, I spent a substantial portion of my life working for the Justice Department as a U.S. attorney, and I attempted then, and I still attempt now, to try to understand the proper balance in the relationship between our States and the Federal Government, particularly between those who have the privilege of representing our Federal Government in the States.

This is a very difficult relationship, and it is one that would be very seriously harmed, I think, by the provisions of H.R. 10. It will pit the Federal attorneys against an array of State attorneys in trying to determine which government, either the Federal Government or the State government, is correct in its approach to the needs for institutionalized persons in every area of the country.

I do believe that a State such as mine has unique circumstances. We ought to be able to view those unique circumstances and to determine what can be done to meet the needs of institutionalized persons consistent with our lifestyle and consistent with our economy and with the geography of our State.

My State is one-fifth the size of the United States. To have people in Washington be given the power to determine that every institutionalized person in Alaska should be treated precisely as every institutionalized person in Los Angeles or New York or Miami or somewhere else throughout the country, I think is wrong.

This power that would be granted to the Department of Justice under this bill, as I said, is too broad. It is a power which, I think, is unwarranted.

To create additional Federal bureaucratic power at this time at the cost of Federal taxpayers, taxpayers who are, incidentally, also State taxpayers, and which would end up by supporting the course of litigation on both sides under this bill, I think is wrong.

After all, it is the State taxpayers who support the State system, and the States are attempting to do the best they can under our Federal system to meet their responsibilities, particularly their responsibilities to institutionalized citizens.

We should approach the problems of institutionalized persons through incentives for cooperation rather than mandating confrontation between attorneys to argue over which form of government, the Federal Government or the State government, is best designed to meet their needs.

It seems to me to be entirely unproductive at this point in time to authorize additional Federal powers in this field, particularly as we approach a time when I would foresee that for a period of years we will be in very tight circumstances.

Why should the taxpayers, both the State taxpayers and the Federal taxpayers—and normally they are the same people in each State—support attorneys who will spend endless hours in confrontation, legal confrontation, tying up State courts and Federal courts, trying to determine which is the proper approach to deal with the rights and needs of institutionalized persons?

Mr. President, it is my hope that we will reject this conference report. The one way we know to reject it is to not permit the matter to come to a vote because in this instance it is apparently a minority of those who are here who represent the States that, incidentally, if you look at the attorneys general of the Nation, it is a majority of the attorneys general of the Nation who will oppose this bill, H.R. 10. I hope the time will come when we will start to listen to those people who are trying to protect the rights of institutionalized persons in State institutions and not confront them with the specter of just expanding the litigation approach. The litigation approach is counterproductive.

The assistant secretary for mental retardation for the State of Louisiana, for instance, made these comments, and I am quoting from a statement of Otto Estes. He said:

> One of the major lessons to be learned from the recent litigation is that the pursuit of broad social change through court action is an extremely complex undertaking. From our vantage point, the suits have been a useful device for dramatizing societal neglect and abuse, which has gone on for far too long; on the other hand, litigation has not proven to be a particularly successful method for causing fundamental changes in the range, extent and quality of treatment and habilitative services delivered to mentally retarded citizens in institutional settings.

Mr. President, that is precisely what this bill tries to do. It tries to set up a means for bringing about social change through litigation. If we want to bring about social change through Federal action we should have the courage to introduce bills and to debate that social change, and to pass a Federal law which mandates that type of change.

To set up a system whereby that change will come about because of the decision of individual Federal judges throughout the United States, I think is wrong.

The assistant secretary for mental retardation of the State of Louisiana went on, and again I quote from his statement:

> Searching for the elusive ingredients of a high quality program, federal judges have often found themselves becoming increasingly immersed in the day-to-day administrative affairs of the facility. Well-meaning

attempts to eliminate impediments to change have often led to further delays and inaction, which, in turn, have resulted in the issuance of even more detailed court edicts. The ensuing tug-of-war between plaintiffs, defendants and the court has led to lengthy impasses during which conditions in the facility stagnate, staff morale dips and all parties to the suit (including the top leadership personnel of the state agency and the facility) are forced to spend an inordinate portion of their time responding to the litigation rather than developing and implementing more effective methods for delivering client services. In such situations the ultimate losers, of course, are the residents of the facility.

Mr. President, again I think that comment demonstrates that the real ultimate losers are, of course, the taxpayers who would be financing both the plaintiffs—that is, the Federal attorneys—and the defendants, who are the State attorneys, for representing those who are managing the State institutions.

To inject a court into that situation of trying to use the litigation power of the Federal Government to coerce change on the State level is obviously going to lead to stagnation, as the representative of the State Division of Mental Retardation in Louisiana, Mr. Estes, stated.

He further went on to say:

In considering the present legislation, one question which [the Senate] should examine is: what is the appropriate role of the federal courts in mandating administrative and legislative actions on the part of the sovereign states. Obviously, access to the courts is a fundamental right of any citizen and it would be contrary to our system of justice to deny this right to persons in institutional settings. On the other hand, the courts are ill-equipped to assume de facto operational authority for complex, multi-faceted state programs. Certainly, our experience with right-to-treatment cases indicates that litigation is far from a cure-all for current program deficiencies and, in some instances, tends to exacerbate already difficult situations.

Another lesson of the litigation is that changes in any particular institutional setting cannot be pursued without considering the overall impact on the state's system for delivering services to the mentally retarded. It is fruitless, for example, to force a state to reduce the population of an existing residential treatment center only to find that the "deinstitutionalized" residents end up in settings where they receive as bad or worse care and services. Similarly, it makes little sense to create a special class of beneficiaries of a particular suit only to discover the increased costs of care for such individuals is being achieved by denying similarly situated persons in the state access to even minimal services. A couple of examples will help to illustrate this point:

As a result of a ruling by the U.S. District Court for Eastern Louisiana in the case of *Gary W.* vs. *State of Louisiana, et. al.*, the state is obligated to contract with the LSU School of Medicine for the completion of a comprehensive, multi-disciplinary assessment on each member of the plaintiff class (at an average cost to the state of $400 per client). If the results of these assessments led to the development of high quality service plans, it would be money well invested. Unfortunately, provider agencies found the initial assessment reports of little practical value in programming for class members and, as a result, this costly operation has been of very limited benefit to members of the class. Further, the state is required to give priority to class members in the provision of needed services. Since human and financial resources are finite (despite sizable budgetary increases in recent years), we are forced to serve class members first, even in cases where the needs of non-class members are clearly more pressing.

Similarly, all increased funding voted by the Nebraska Legislature in recent years have been earmarked for carrying out the deinstitutionalization goals set forth in the consent decree in the case of *Horacek and the United States* vs. *Exon*. As a result, no inroads have been made in transferring retarded nursing home residents to more appropriate residential settings—despite the fact that a recent study indicates that 500 of the 900 current retarded residents in nursing homes should be transfered to smaller, community-based facilities and the general awareness that the placement priority of some of these persons is higher than residents in the state institution at Beatrice. Ironically, the annual number of placement from Beatrice State Developmental Center has actually declined since the consent decree was entered into (an average of 115 annually between 1970–75; 75 annually since 1975), even though the cost per client placed has doubled.

As attorneys for the plaintiffs have gained more experience, they have attempted to address this problem by expanding the definition of the class. The problem is that the litigation becomes even more complex and time consuming, again to the detriment of the facility's clients.

Finally, while litigation can induce change by forcing responsible state administrators and legislators to respond to an independent, external force, it can also obscure the need for legislative and administrative action and distort the internal allocation of scarce resources. For example, the energy and resources committed to engaging in the litigation often detract from the state's capability to commit time and resources to the improvement of other components of the state's system.

This problem is exemplified by the experience of one state school for the retarded in Texas. When legal action against the school began, officials were required to respond to over 300 interrogatories. These requests for information were so demanding, so vague and so general in nature that answering them completely immobilized the entire top and mid-level management of the Texas Department of Mental Health and Mental Retardation for four months. All other activities of these key administrators came to a grinding halt while the Department responded to the litigation.

Dealing with a more immediate concern, the states need the help of Congress and the Administration in resolving the many funding dilemmas surrounding the establishment of alternative living environments for mentally retarded individuals. As the General Accounting Office pointed out in its 1977 report on deinstitutionalization of the mentally disabled, "In the absence of a national strategy or management system to implement deinstitutionalization, federal officials responsibile for other programs that affect deinstitutionalization generally (1) were not aware of the national goal or had not received instructions on implementation, (2) had not implemented their programs to help achieve the goal, (3) had not undertaken joint efforts directed at deinstitutionalization, or (4) had not monitored or evaluated their programs' impact on deinstitutionalization." As a result, a number of key federal programs continue to contain provisions which encourage institutionalization of mentally retarded persons.

One glaring illustration of the negative impact of these disjointures in federal policy can be found in the federal-state Medicaid program. In 1977 HEW paid the states over $900 million in reimbursements on behalf of Medicaid-eligible residents in public institutions for the mentally retarded, which were certified as intermediate care facilities under Title XIX of the Social Security Act. Despite the ongoing efforts of our Association, the National Governors' Conference and other interested groups, Departmental officials thus far, have refused to issue clear policies making residents in small, community-based facilities (group homes, hostels, etc.) eligible for ICF/MR reimbusements. As a result, the program—the federal government's largest single source of support for mental retardation services—tends to reward the states for maintaining residents in large, isolated congregate care facilities—even though the Administration contends that it favors deinstitutionalization and the Justice Department seeks to achieve this objective through the federal courts!

To demonstrate the disastrous consequences this lack of interagency coordination can have at the state level, we would call the Subcommittee's attention to the current situation in Nebraska. In 1978 the Nebraska Legislature appropriated $2.4 million to renovate and remodel buildings at Beatrice State Developmental Center to bring the facility into compliance with federal Medicaid (ICF/MR) standards. However, Justice Department attorneys, acting on behalf of plaintiffs in the suit, went to court and obtained an injunction against the expenditure of the construction funds at Beatrice on the grounds that the funds should be used to expand community alternatives rather than "perpetuating" state-operated institutions. Meanwhile, HEW has threatened to cut off Title XIX aid on behalf of Beatrice residents if the planned renovations are not completed!

Solving such problems may not be as politically attractive as authorizing the Justice Department to sue the states, but from our perspective, it is a more essential component of a broad-gauged strategy for upgrading services to the mentally retarded.

If one accepts the limitations of litigation as a strategy for affectuating social change, the next logical question is: what role should the Justice Department plan in future right-to-treatment suits?

From our perspective, the critical policy issue which we must address is: would the protection of the rights of institutionalized persons be materially advanced by granting the Justice Department authority to file or intervene in right-to-treatment suits? Witnesses for the Justice Department and private plaintiffs have stated that active Justice Department involvement is essential to the pursuit of such litigation. We disagree.

An examination of the history of such cases indicates that the Department initially became involved in the Wyatt case at the request of the Federal District Court for Northern Alabama, rather than as part of a carefully planned strategy of litigation. Subsequently, the Department filed several "right-to-treatment" cases on its own behalf and entered others as a plaintiff intervenor. Thus far, however, the real impetus for identifying and seeking out new litigative targets in the field of mental health and mental retardation has come primarily from a small cadre of private attorneys associated with public interest law firms.

Any objective assessment of the current picture, we believe, will convince the Senate that the scope of litigative activities has expanded sharply over the past few years, in most instances with only peripheral Justice

> Department involvement. For example, in 1976, when the Justice Department's authority to file such suits was called into question by federal district court decisions in the Solomon and Mattson cases, only a handful of states faced class action suits brought on behalf of residents in public mental retardation institutions. Today, such suits have been filed in over half the states. Perhaps, more importantly, the scope and complexity of such cases has grown geometrically in the intervening years.
>
> There appears to be no shortage of interested parties prepared to file such suits. On the contrary, it has become the "in" thing for advocacy groups to do these days. Indeed, one state mental retardation director currently is the named defendant in twenty-three pending cases—a number of them major class action suits. These facts appear to refute the argument that current litigative efforts will flounder and fail unless the Justice Department is granted the authority provided for in S. 10.
>
> Further, we should not overlook the fact that the Department of Health, Education and Welfare and the Legal Services Corporation are currently expending several million dollars annually to support litigation on behalf of patients in mental institutions. For example, as a result of 1975 amendments to the Developmental Disabilities Act, each state is required to establish a statewide protection and advocacy system for developmentally disabled persons (including the mentally retarded). One major function of these P and A agencies, which in FY 1979 will receive a total of $3 million in federal support, is to pursue legal remedies to safeguard the rights of disabled persons—in both institutional and non-institutional settings.

Thomas Rath, the attorney general for the State of New Hampshire, has expressed himself articulately on problems of the litigation approach of S. 10:

> My concern about S. 10 is that it would result in the formulation of a federal policy concerning the treatment of institutionalized persons through litigation. I believe that such a policy would be fragmented, and I object to the formulation of policy against the states in an adversarial process, rather than with their cooperation and mutual agreement.
>
> I do not share the "conviction" of Assistant Attorney General Drew S. Days, III, that litigation is "an appropriate and necessary means by which the rights of [institutionalized] persons may be vindicated." Mr. Days expressed the opinion of the Department of Justice that states are incapable and unwilling to improve their institutions and that litigation is necessary to force, or at least encourage, the states to make such improvements. While I will agree that all governments, state and federal, are not now blessed with an abundance of resources, I do not believe that the states are unwilling to resolve problems in this area. Moreover, I do not think that the process of litigation is the appropriate way to obtain cooperation from the states or to achieve constructive change in the area of institutional services.
>
> My primary objection to the formulation of policy through litigation is that it has been my experience that litigation hardens positions; it does not make them more flexible. It is very difficult for a state to cooperate with the federal government when the United States is taking an adversarial position against it. This is particularly true where, as in our case, the United States takes sides in litigation which the state is attempting to settle or in a case where the United States intervenes in litigation involving personal damage claims. Where policy is sought to be made by litigation, federal experts, who might otherwise be in a unique position to offer to a state the technical or financial asssitance contemplated by this legislation, become witnesses against the state and are therefore unavailable to assist the state in resolving the problems to which this legislation is addressed. Moreover, litigation in this area has a detrimental effect on settlement possibilities because it involves political considerations inherent in conflicts between state and federal governments.
>
> For these general reasons, I oppose this legislation as an attempt to create federal policy in the area of institutional services and programs by an adversarial process against the states, particularly where Congress has already established a detailed and effective system of administrative penalties under various federal spending programs covering this same area.

Dr. Alan Stone, of Harvard Law School, has attacked this litigative approach to policy formulation:

> Another issue arises directly out of my evaluation of the recent litigation attempting to develop constitutional rights of persons confined in state institutions. The pattern this litigation has now taken is not so much the development of individual constitutional rights in any traditional sense; rather, much of the litigation looks to the particular state institution under consideration and the plaintiff and defendant essentially are forced to develop policy for that institution. That policy does not take into account the will of the state legislature, the fiscal status of the state, the needs of other institutions not covered in the litigation, or the needs of other mentally disabled persons who do not happen to be in institutions at the time the litigation is brought. What I mean to emphasize is the litigation has taken the form not of arguing specific constitutional rights of all citizens, but rather what one sees is the development of massive consent decrees that set standards and structure every aspect of capital investment, personnel hiring practices, living conditions, etc., in a particular institution. These court standards may or may not be compatible with standards set by HEW, or by the Joint Commission on Accreditation of Hospitals. Essentially the court ends up taking on the policy decision making role that is supposedly the province of the state Commissioner of Mental Health. Unfortunately, the judge may not feel responsible for all of the state institutions, and thus litigation may result in distortions and gross inequities with money being taken from some institutions to cover improvements mandated by the court in other institutions.
>
> The basic point I want to emphasize here is that the result of this litigation is to usurp from the executive and legislative branches of state government the policy making role for mental health services.

The cost problem points out one of the many problems of the H.R. 10 approach. Its basic premise is policy formulation through litigation. This approach is counterproductive. We see this sentiment reflected by all who have dealt with policy formed through litigation. John Murphy, the deputy attorney general for the State of California, has stated:

> The serious consequences of United States Department of Justice participation would be the realignment of the respective sovereignties, the United States and the State, as courtroom adversaries. This is unnecessary; it is a mistake. H.R. 10 presupposes that the attorneys and investigators of the United States Department of Justice will have access to the confined persons and their institutions, particularly since Section 2 of the bill requires that an effort be made to consult with state officials on the supporting facts giving rise to the alleged unconstitutional conditions.
>
> California has no objection to any reasonable access—our public institutions are operated by public agencies which must answer to the public. But providing access, cooperating in federal investigations, and holding conferences with federal officials is not uncommon today. Particularly, where federal money is dispensed, such scrutiny is necessary. However, the spirit of a cooperative effort to solve the problems of the helpless, should not be blended with the coercive element of a threatened lawsuit. In the study of the care due the infirm, ill, disabled and handicapped, reasonable men, including experts in the social sciences, sometimes disagree on methods and means. Supplying the federal conferees with the "big stick" to prosecute can only chill the openness necessary for meaningful consultation and negotiation.
>
> Our experience has been in the trial court, i.e., on the firing line. Trials involving conditions of confinement are difficult—for the parties, for the lawyers and for the trial judges. Plaintiffs' psychiatrists against defendants' psychiatrists; OSHA experts challenging OSHA experts; plaintiffs' photographs compared with defendants' photographs. An expert will testify that his inspection of an 80-bed institution revealed a burned-out light bulb, a cracked tile and a dead fly, and another expert will draw therefrom conclusions that the facility is inadequately lighted, dilapidated and unsanitary. It is very difficult to recreate in a courtroom, in an adversary proceeding, the physical and psychological conditions of an institution at a particular point in time.
>
> California, so far as our records disclose, has not opposed the United States Department of Justice in litigation involving institutions. We do not anticipate such litigation. However, we are concerned that the possibility of lawsuits with the United States will adversely affect the cooperative and open-exchange relationships we seek with United States Attorneys and the Federal Bureau of Investigation.
>
> Federal litigation is time-consuming and cumbersome. Trial preparation problems can be expected because the aggrieved person or persons are institutionalized. While federal discovery procedures are intended to expedite trial, their effect is often to the contrary. A final decision often takes years, and, during pendency of the action, administrators may be reluctant to initiate changes bearing on the subject of the litigation. Adverse parties and their lawyers become embroiled in the controversy, sometimes with long-standing impact on relationships.
>
> The last assumption of S. 10 is that litigation is the ultimate solution. We disagree. Government officials and employees have been inundated with federal lawsuits. Nevertheless, most of the improvements in our system and its institutions have been brought about by legislative and administrative actions. Providing the United States Attorney General with a vehicle to bring actions against state and local governments can only encourage resort to the courtroom, and more litigation. Comprehensive and cooperative planning, participated in by all government entities, has thus far been the most successful means to the end which is commonly desired, namely, good care and treatment for institutionalized citizens.

Mr. President, it appears to me that there is no reason to educate attorneys in a program that is designed to try and promote services to institutionalized persons.

It further occurs to me, as one who spent over 4 years representing the Federal Government in litigation, that that is about all that would be accomplished by H.R. 10.

It does seem to me, further, to put this in the situation where attorneys—and I am one—where attorneys are involved both on the State and Federal level to the extent that they go before a judge, who is also an attorney, and, in effect, through the argument between two attorneys before another attorney, determine what is best for institutionalized persons in State institutions.

That system is designed to fail. That is not our expertise. We are supposed to be able to try and assist our clients to solve problems, or at least to resolve disputes. But when we use a mechanism to try and establish a program through litigation, I think we are abusing not only the court systems and the judicial process, but we are certainly abusing the rights of people which the State institutions are created and maintained to assist.

Mr. President, Ellis Katz, the acting director at the Center for the Study of Federalism at Temple University, has studied the effect of H.R. 10 on State-Federal relations. He has commented:

> My major difficulty with this bill is that it relies on litigation as the principal tool to achieve institutional change. Litigation, whether instigated by a private citizen or by the Attorney General, is an appropriate method—although not the only one—to remedy deprivations of individual rights. But the experience of the last several years should teach us that it loses its effectiveness as the difficulty of specifying rights and remedies increases.
>
> The conditions that led to findings of "cruel and unusual punishment" in *Holt* v. *Sarver*, *Pugh* v. *Locke* and other similar cases, did not result from malicious actions of identifiable individuals. Rather, they resulted from inadequate funding, decentralized administration, a lack of public awareness about the condition of institutionalized persons, and a lack of knowledge about what to do with individuals who commit serious crimes or are mentally incompetent.
>
> Consequently, remedying the deplorable conditions found in institutions will require action by state legislatures, vigorous action by the states' governors, greater attention by county and municipal officials, and support from the public. While court orders directing institutional change may be one way of making public policy, it is a poor substitute for responsible action by locally elected political leaders.
>
> Thus, the goal of the federal government should be the encouragement of enlightened policy by state and local political leaders who ultimately bear responsibility for the operation of their penal and mental institutions. Such a federal policy should be guided by two principles. The federal government has a right to expect that the conditions of institutionalized Americans will be improved quickly and that such improvement will be long-lasting. The federal government should avoid unnecessary conflict with the states unless it is absolutely convinced that a more cooperative approach will be futile.

Addressing his second principle, Ellis Katz said:

> H.R. 10, I believe, also fails the second principle that I have suggested—that of using a cooperative approach rather than one predicated on conflict. I believe that the states and their localities are capable of responsible and decent action in this area. It serves no useful purpose to suggest that the states have had 200 years to act in this area. The federal government has had the same 200 years to remedy the deplorable conditions that exist in its prisons and other institutions, but its record, while better than that of some states, is worse than that of others. In light of the numerous court decisions in recent years that have ordered the closing of state facilities, I think that 1980 represents a unique opportunity for the federal government and the states to work together to forge a meaningful set of policies to address these issues.
>
> I cannot even begin to sketch the details of such a set of policies, but I think that the institutions for the development and implementation of such policies are already in place.
>
> For example, if the federal government is serious about addressing this issue, I would just remind you that the Law Enforcement Assistance Administration (LEAA) could be given the financial resources to work with state and local officials to bring about significant and lasting change in our nation's prisons. By using the "carrot" of federal funds, coupled with extensive technical assistance, LEAA has worked with the states to produce significant reform of state courts. If state court procedures and structures can be changed in this way, then I believe that state prison systems can be reformed as well.
>
> Similarly, the Department of Health, Education and Welfare (DHEW) has broad responsibilities in the areas of mental health and retardation. In my own state of Pennsylvania, the Woodhaven Center (a facility for the developmentally disabled operated by Temple University under contract from the state) is an excellent example of what can be produced from the joint efforts of the federal government and the states.
>
> There are other possibilities. The National Governors Association, for example, could be given support to develop a state-based approach to institutional reform. Similarly the constituencies of the National Conference of State Legislatures and the National Association of Counties have both responsibility for and interest in improvement of their penal and mental institutions.
>
> My point is simply this: litigation, while useful for some purposes, is unlikely to be effective in this case and will further aggravate federal-state tensions. I suggest that an approach that stresses financial incentives and technical assistance rather than litigation and conflict, is more likely to produce significant, long-lasting benefits in this important policy area.
>
> What I have just said has been an attempt to explain in general my opposition to litigation as the principal means of achieving institutional reform and to present at least an outline of what I believe would be a more fruitful approach. Let me now spend a few minutes addressing some of the particular features of H.R. 10.
>
> First, the bill gives the Attorney General a roving commission to launch investigations into thousands of state and local institutions. The bill requires only that the Attorney General have "reason to believe" that a state or political subdivision is subjecting an institutionalized person to extraordinary or flagrant conditions. Most similiar legislation with which I am familiar requires some objective condition before the Attorney General can act. Such an objective standard, I believe, is especially important here since the Attorney General is empowered to act directly against fundamental state institutions.
>
> Second, just as there is no objective standard indicating when the Attorney General may commence an action, there is no standard to indicate when he is to end it. By this, I mean two things:
>
> (1) If the Attorney General can commence an action, is he to continue to be the principal litigant during implementation? Even beyond this, once there has been a finding of unconstitutional deprivation and a remedy has been implemented, will the Attorney General be permitted to oversee the administration of the institution to make sure that there is no "backsliding?"
>
> (2) I am much more concerned about the "second wave" of cases than those that have been decided over the past two or three years. That is to say, don't we run the risk of constantly escalating standards from one case to the next? For example, may the Attorney General use Judge Johnson's standards from Alabama as the basis of a remedy in, let us say, Indiana, and then use the standards developed in Indiana to come back into Alabama?
>
> Third, I am afraid that the certification procedure provided in section 2 of the bill, while elaborate, will not work. First of all, notification is required 49 days before the filing of a legal action, which I assume, will be some time after the Attorney General has conducted an extensive investigation and satisfied himself that legal action is desirable. Thus, notification and consultation may become a mere ritual in the inevitable march to court. Secondly, such notification is unlikely to produce a very useful response from the state since it will have already been made clear that the state is about to become a defendant in a law suit. I am not arguing that this is a necessary scenario, but it is a likely one since the principal tool in the hands of the Attorney General is litigation.
>
> Fourth, the bill makes little distinction among types of institutions—penal or mental, short- or long-term care, state or county, etc. While there are surely similarities among all institutions, there are also important distinctions. For example, detention facilities are often holding facilities in which no rehabilitation effort is expected and people are confined for short periods of time. Prisons are usually used to house people who have received long sentences and require facilities that are not required in other settings. To the extent that these differences are significant, they may require different procedures and remedies.
>
> In summary, I am sure that the Senate is aware of the precedent-making nature of this legislation. The concept of rights is an expanding notion. If the Attorney General is given authority to sue in the defense of the rights of institutionalized persons, then it is an easy step to empower him to sue to protect the rights of persons in other situations.
>
> For example, would it not be sensible to give the Attorney General the right to sue a state supreme court on behalf of indigent criminal defendants because of an allegedly inadequate public defender system; or on behalf of civil litigants because of delay on a court's civil calendar?
>
> The rights of institutionalized persons are important and deserve the immediate attention of responsible policymakers. There are better ways of directing the attention of the policy-making community to this matter than holding the judicial gun to their heads. There are alternatives which, I believe, will better serve the needs of institutionalized persons for significant and enduring reform and will respect principles of federalism and political accountability. I urge the Senate to consider those alternatives before taking the precedent-making approach found in this bill.

Mr. President, I hasten to add that my criticism of H.R. 10 is not meant to be an attack on any particular person or persons in the current Justice Department.

But if we pass H.R. 10 this coercive litigation authority will be at the disposal of anyone who later serves in the Justice Department. The issues in H.R. 10 rise above individual personalities to a fundamental question of whether or not a Federal bureaucracy is the proper policeman for every State institution. Even if one were to question the assumption that States should be allowed to manage their own institutions, that concern still does not mean that the Justice Department is the proper entity to supervise those State institutions. Even if we were to overlook the serious questions of Justice Department action in litigation against the States, the track record of the Justice Department in managing Federal institutions creates a presumption against giving any more power to the Justice Department.

Mr. President, I am unpersuaded by arguments that this bill offers more protection to the States. In reality many of the safeguards amended into S. 10 by the Senate to protect the States have been deleted in conference. This bill is not a bill to protect the States. If anyone has any doubts about that, just look at who is lobbying for this bill. The States do not want this bill; but the Justice Department does—because the Justice Department, not the States, will be the true beneficiary of this legislation.

Mr. President, there is another compelling reason to oppose H.R. 10. This is exactly the type of legislation which disturbs the American people who are tired of seeing bad legislation being passed with the best of motives. H.R. 10 will do two things which most Americans do not want. It will create more Federal bureaucratic power and it will cost the American taxpayers who must bear the litigation expense of both sides when the Federal Government sues a State. This is especially unacceptable when there are more productive ways to help our institutionalized citizens, through cooperation rather than confrontation.

Mr. President, let me close by saying, again, that my State has extraordinary problems and, at times, I am compelled to come to the Senate to talk about our problems in order to seek special consideration from the Federal Government to help us deal with our problems.

This is one instance in which the State government has come to me and told me that they think that we are better qualified to analyze our problems and that the State has committed its resources to a rather unique system of delivery of services to those people who need to be institutionalized.

We are proud of that system and we are prepared to modernize it and to maintain it to meet the needs of our system. But we just do not see why the Congress should attempt to authorize the Department of Justice to come before Federal courts in our State to try and tell our State what it must do or even further to attempt to close instiutions which are the best that we can maintain under our circumstances, both from the point of view of climate and geography and economic capability.

We think we can define the needs of our people and do our best to meet those needs. We do not need to be faced with the prospect of increasing litigation in order to prove either our capacity or desire to properly treat institutionalized persons in our State.

Mr. METZENBAUM. Mr. President, has the Senator from Alaska yielded the floor?

Mr. STEVENS. Yes, I have yielded the floor.

Mr. METZENBAUM. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

CLOTURE MOTION

The PRESIDING OFFICER (Mr. HEFLIN). One hour having passed since the Senate convened, the clerk will state the motion to invoke cloture.

The legislative clerk read as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of Rule XXII of the Standing Rules of the Senate, hereby move to bring to a close debate on the conference report on H.R. 10, an act to authorize actions for redress in cases involving deprivations of rights of institutionalized persons secured or protected by the Constitution or laws of the United States.

Lloyd Bentsen, Abraham Ribicoff, Robert C. Byrd, Claiborne Pell, Bill Bradley, Joseph R. Biden, Jr., Paul E. Tsongas, Harrison A. Williams, Jr., Alan Cranston, Robert T. Stafford, Patrick J. Leahy, William Proxmire, Daniel K. Inouye, Henry M. Jackson, Birch Bayh, Dennis DeConcini, Jennings Randolph, John Glenn, John A. Durkin.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent, if it requires unanimous consent, that the clerk repeat the name and the vote of each Senator once the rollcall vote begins on the motion to invoke cloture.

The PRESIDING OFFICER. Without objection, it is so ordered.

CALL OF THE ROLL

The PRESIDING OFFICER. Pursuant to rule XXII, the Chair now directs the clerk to call the roll to ascertain the presence of a quorum.

The legislative clerk called the roll and the following Senators answered to their names:

[Quorum No. 4 Leg.]

Baker
Bayh
Byrd, Harry F., Jr.
Byrd, Robert C.
Church
Danforth
Exon
Ford
Glenn
Goldwater
Hart
Hatch
Havakawa
Heflin
Helms
Inouye
Jackson
Jepsen
Johnston
Magnuson
Melcher
Metzenbaum
Pell
Ribicoff
Sasser
Schmitt
Schweiker
Stafford
Stennis
Stevens
Thurmond
Williams
Young

The PRESIDING OFFICER. A quorum is not present.

Mr. ROBERT C. BYRD. Mr. President, I move that the Sergeant at Arms be instructed to request the attendance of absent Senators. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from West Virginia. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Oklahoma (Mr. BOREN) and the Senator from Alaska (Mr. GRAVEL) are necessarily absent.

Mr. STEVENS. I announce that the Senator from Idaho (Mr. MCCLURE) and the Senator from South Dakota (Mr. PRESSLER) are necessarily absent.

The PRESIDING OFFICER. Is there anyone else in the Chamber that desires to vote?

The result was announced—yeas 94, nays 2, as follows:

[Rollcall Vote No. 89 Leg.]

YEAS—94

Armstrong
Baker
Baucus
Bayh
Bellmon
Bentsen
Biden
Boschwitz
Bradley
Bumpers
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Chafee
Chiles
Church
Cochran
Cohen
Cranston
Culver
Danforth
DeConcini
Dole
Domenici
Durenberger
Durkin
Eagleton
Exon
Ford
Garn
Glenn
Hart
Hatch
Hatfield
Hayakawa
Heflin
Heinz
Helms
Hollings
Huddleston
Humphrey
Inouye
Jackson
Javits
Jepsen
Johnston
Kassebaum
Kennedy
Laxalt
Leahy
Levin
Long
Lugar
Magnuson
Mathias
Matsunaga
McGovern
Melcher
Metzenbaum
Morgan
Moynihan
Muskie
Nelson
Nunn
Packwood
Pell
Percy
Proxmire
Pryor
Randolph
Ribicoff
Riegle
Roth
Sarbanes
Sasser
Schmitt
Schweiker
Simpson
Stafford
Stennis
Stevens
Stevenson
Stewart
Stone
Talmadge
Thurmond
Tower
Tsongas
Wallop
Warner
Williams
Young
Zorinsky

NAYS—2

Goldwater
Weicker

NOT VOTING—4

Boren
Gravel
McClure
Pressler

So the motion was agreed to.

The PRESIDING OFFICER. With the addition of Senators voting who did not answer the quorum call, a quorum is now present.

The question is, Is it the sense of the Senate that debate on the conference report on H.R. 10, an act to authorize actions for redress in cases involving deprivations of rights of institutionalized persons secured or protected by the Constitution or laws of the United States, shall be brought to a close? The "yeas" and "nays" are automatic under the rule.

The clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Oklahoma (Mr. BOREN), the Senator from Alaska (Mr. GRAVEL), and the Senator from North Carolina (Mr. MORGAN) are necessarily absent.

I further announce that, if present and voting, the Senator from Oklahoma (Mr. BOREN) would vote "nay."

Mr. STEVENS. I announce that the Senator from Idaho (Mr. MCCLURE) and the Senator from South Dakota (Mr. PRESSLER) are necessarily absent.

Mr. TOWER. Regular order, Mr. President.

Mr. THURMOND. Regular order.

The PRESIDING OFFICER. If there are any other Senators in the Chamber who desire to vote and who have not yet cast their votes, let them come forward and do so.

Mr. THURMOND. Regular order, Mr. President.

Mr. ROBERT C. BYRD. Mr. President, I vote "aye."

Mr. THURMOND. Regular order.

Mr. TOWER. Regular order.

The PRESIDING OFFICER. If there are any other Senators in the Chamber who desire to vote, let them come forward and vote.

Mr. STEWART. Mr. President, I vote "aye."

Mr. THURMOND. Regular order, Mr. President.

Mr. MATSUNAGA. Mr. President, am I recorded?

The PRESIDING OFFICER. The Senator from Hawaii (Mr. MATSUNAGA) is recorded in the affirmative.

Mr. THURMOND. Mr. President, the time is up.

The PRESIDING OFFICER. Regular order. Are there any other Senators desiring to vote?

Mr. BOSCHWITZ. Mr. President, "aye."

Mr. DOLE. Mr. President, "no."

Mr. THURMOND. The time is up, Mr. President.

The PRESIDING OFFICER. Are there any other Senators desiring to vote?

Mr. TOWER. Regular order.

Mr. THURMOND. Mr. President, the time is up.

The PRESIDING OFFICER. The regular order is for the clerk to tally the vote. Let the clerk tally the vote.

Mr. THURMOND. The clerk has tallied the vote. He has it there. The time is up.

Mr. LEAHY. Can we clear the well, Mr. President?

Mr. THURMOND. Mr. President, the time is up.

Mr. HATFIELD (after having voted in the affirmative). On this vote I have a pair with the Senator from Idaho (Mr. MCCLURE). If he were present and voting, he would vote "nay." If I were permitted to vote, I would vote "yea." Therefore. I withdraw my vote.

The PRESIDING OFFICER. Are there any other Senators desiring to vote? The clerk will tally the vote.

Mr. PACKWOOD. Mr. President, "aye."

The PRESIDING OFFICER. Are there any other Senators desiring to vote? The clerk will tally the vote.

Mr. ROBERT C. BYRD. Mr. President, regular order.

Mr. PACKWOOD. Mr. President, "no."

The PRESIDING OFFICER. The Senator from Oregon has voted.

Are there any other Senators desiring to vote?

Mr. DANFORTH. Regular order.

Mr. THURMOND. Regular order.

The PRESIDING OFFICER. Regular order has been called for. The clerk will tally the vote.

Mr. METZENBAUM. Mr. President, I make the point of order that the well be cleared.

The PRESIDING OFFICER. The Senator is correct. The well will be cleared.

Mr. THURMOND. Regular order.

The PRESIDING OFFICER. The well will be cleared.

Mr. EXON. Mr. President, I ask for the regular order once again.

The PRESIDING OFFICER. If there are Senators desiring to vote, let them do so. If not, the clerk will tally the vote.

The clerk has tallied the vote. On this vote the "yeas" are 59, the "nays"——

Mr. CANNON. Mr. President, "aye."

The PRESIDING OFFICER. The clerk will retally the vote.

On the call for regular order on this vote——

Mr. EXON and Mr. DOLE addressed the Chair.

The yeas and nays resulted—yeas 60, nays 34, as follows:

[Rollcall Vote No. 90 Leg.]

YEAS—60

Baucus
Bayh
Bentsen
Biden
Boschwitz
Bradley
Bumpers
Burdick
Byrd, Robert C.
Cannon
Chafee
Chiles
Church
Cranston
Culver
DeConcini
Durenberger
Durkin
Ford
Glenn
Hart
Hatch
Heflin
Heinz
Huddleston
Inouye
Jackson
Javits
Johnston
Kassebaum
Kennedy
Leahy
Levin
Lugar
Magnuson
Mathias
Matsunaga
McGovern
Melcher
Metzenbaum
Moynihan
Muskie
Nelson
Pell
Percy
Proxmire
Pryor
Randolph
Ribicoff
Riegle
Sarbanes
Sasser
Schweiker
Stafford
Stevenson
Stewart
Stone
Tsongas
Weicker
Williams

NAYS—34

Armstrong
Baker
Bellmon
Byrd,
Harry F., Jr.
Cochran
Cohen
Danforth
Dole
Domenici
Eagleton
Exon
Garn
Goldwater
Hayakawa
Helms
Hollings
Humphrey
Jepsen
Laxalt
Long
Nunn
Packwood
Roth
Schmitt
Simpson
Stennis
Stevens
Talmadge
Thurmond
Tower
Wallop
Warner
Young
Zorinsky

PRESENT AND GIVING A LIVE PAIR, AS PREVIOUSLY RECORDED—1

Hatfield, for.

NOT VOTING—5

Boren
Gravel
McClure
Morgan
Pressler

The PRESIDING OFFICER. On this vote, the yeas are 60, the nays are 34. Three-fifths of the Senators duly sworn and chosen having voted in the affirmative, the motion is agreed to.

Mr. BAKER. Is the clerk sure about the Dole vote?

The PRESIDING OFFICER. The clerk will check to see how Senator DOLE voted.

Mr. DOLE. I voted "no" and then "aye."

The PRESIDING OFFICER. The Senator is recorded as voting "nay." Is that correct? Is the recording of the Senator's vote correct as it presently stands?

Mr. DOLE. I voted three times.

The PRESIDING OFFICER. The Senator is listed, according to the clerk, in the negative. Does the Senator desire to change his vote?

The Parliamentarian advises that the vote is now closed.

Mr. HELMS. Mr. President, "aye."

Mr. ROBERT C. BYRD. The vote is already closed, Mr. President.

Mr. HELMS. No; it is not.

Mr. ROBERT C. BYRD. The Chair announced it.

The PRESIDING OFFICER. The Parliamentarian advises that the vote has already been announced and that it will take unanimous consent to change the vote, and the Chair rules in accordance with the directions from the Parliamentarian.

What is the business before the Senate now?

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Cloture having been invoked, the debate is now 100 hours on this issue of the conference report.

Who yields time?

Mr. ROBERT C. BYRD. Mr. President, if it is the desire of Senators to enter into an agreement as to a time for voting on the conference report I would be very happy to entertain any suggestions. In the meantime, I suggest the absence of a quorum. I withhold my suggestion.

Mr. BAYH addressed the Chair.

The PRESIDING OFFICER. The Senator from Indiana.

Mr. BAYH. Mr. President, we have seen here an extensive discussion of a very critical issue. We have seen those on both sides of this issue fight a hard and as fair and as tough a fight as I have ever seen in my 18 years in the Senate, and I want to say to the Senator from Missouri, the Senator from Nebraska, the Senator from Oklahoma, the Senator from South Carolina, the minority leader, and others that I have the greatest respect for the way in which they fought this battle.

As is often the case when feelings are strong and the principle of the issue is deeply felt by those on both sides, sometimes things are said, and sometimes temptation is had to resort to certain parliamentary undertakings to try to prove the case.

I hope we can get all of that out of our system now and that the Senate can go on and do its business.

I would ask those of the opposition who have fought this battle as vigorously as I have ever seen fought to not hold any personal acrimony in their hearts for the Senator from Indiana because I think it is a really well-fought issue. But when you get right down to it now, Mr. President, we are faced with thousands of children, thousands of youth, thousands of elderly folks who are institutionalized, and we are trying to find a way in which we can assure that the States in question will handle this responsibly.

I hope in what dialog we have here that we make sure the RECORD is written to indicate that is what we intend.

Mr. President, I guess I should conclude because those on the other side really do not have any desire to try to make the record the way we want to make it, to make sure their concerns are alleviated, so let us get about the business of passing this legislation.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

Mr. BAKER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DOLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. PRYOR). Without objection, it is so ordered.

Mr. DOLE. Mr. President, I guess it is in order to start on our hour at this time.

The PRESIDING OFFICER. The Senator is correct.

Mr. DOLE. Mr. President, let the Senator from Kansas make it very clear that I am for this legislation. I am a cosponsor of the bill. I feel very strongly that it is a good bill and commend the distinguished Senator from Indiana, Senator BAYH, and others.

But I must say, as one who has been around a while, I was a little more than distressed at some of the parliamentary maneuvers that occurred yesterday and again today. So the Senator's vote against cloture was an expression, the only expression the Senator from Kansas had to express my displeasure and opposition to the procedure, not the bill.

I would hope that would be understood by the proponents and opponents of the legislation. I believe that it is good legislation. I am a cosponsor of the legislation. I am an ardent advocate of the rights of the handicapped and the institutionalized.

This Senator sees a need for some statutory authority to be given to the Attorney General to initiate and intervene in suits brought against the State institutions on behalf of institutionalized persons.

H.R. 10 is based on the assumption that there is a need for the Attorney General to become involved on behalf of the institutionalized because the States themselves are unwilling or unable to do so themselves, and because the Attorney General possesses the resources and skills necessary to protect those citizens in court.

Mr. President, there are some who question this fundamental assumption. They question the need for this legislation because they believe the States themselves can protect their institutionalized citizens. The Senator from Kansas does not intend to impugn the integrity or intentions of the State governments, but is compelled to point out that the fundamental reason why State attorneys general will not initiate or intervene in a suit on behalf of their institutionalized is that they would have to sue the State itself. It is highly unlikely that one branch of the State would sue the other. State resources are scarce. Political factors would militate against such action.

Yet we are faced with testimony before the Constitution Subcommittee which indicates that abuses take place against inmates of State institutions and that nothing is being done about it. Faced with this fact, the question is what are we in the Congress obligated to do?

Congress has recognized the need to enact legislation supporting the institutionalized. The Developmentally Disabled Assistance and Bill of Rights Act, the Rehabilitation Act of 1973, the Education of All Handicapped Children Act of 1975 are but some examples of this national commitment. Because of the unique inability of the institutionalized to assert their own rights, it is only fitting that we approve the conference report at this time.

The institutionalized often lack financial resources to assert their rights. Many are unaware of their legal rights. Privately funded public interest groups and legal services are inadequate to provide assistance. Thus there is need for the Justice Department's resources and skill.

While there is clearly a need for some legislation, the Senator from Kansas feels it is necessary to reach a middle ground, cooperative framework which would elicit the active cooperation of States in rectifying the problems at State institutions. We must be careful not to trample over States' rights, or to bring about an antagonistic relationship between the Attorney General and the States.

CONSULTATION

Mr. President, although the Senator from Kansas was not one of the conferees that considered H.R. 10, the Senator from Kansas feels that the Attorney General should consult with the appropriate officials on fiscal costs and impacts of his proposed action "when feasible." This addition to the original bill by the conference is in keeping with the Senator from Kansas' desire to cut wasteful Government spending and put the brakes on inflation.

INITIATION OF ACTIONS

In its original Senate version, the bill provided that in order for the Attorney General to bring suit, the conditions in the subject institution had to be "egregious or flagrant conditions—conditions which are willful or wanton or conditions of gross neglect." The conference version deletes the reference to willful or wanton conditions of gross neglect. Even without such qualifications this provision establishes a standard for the Department of Justice's involvement that reflects congressional sensitivity to the fact that a high degree of care must be taken when one level of sovereign government sues another in our Federal system. This standard does not expand or restrict the existing rights of plaintiffs other than the United States and serves to narrowly focus this bill to these specific problems.

CERTIFICATION

To further limit the scope of this bill, the certification requirements of section 4 insure that before litigation is undertaken pursuant to this statute, State and local officials will be adequately apprised of the Attorney General's concerns and will have an opportunity to consult with him or his designee in an effort to resolve their problems before any complaint is filed.

An important part of these certification provisions is the requirement that, at least 49 days before filing suit, the Attorney General notify in writing not only the institution director but the Governor and Attorney General of the State or local officials in analogous positions. In this way, this legislation emphasizes the States have the primary responsibility for correcting unconstitutional conditions in their own institutions and develop the necessary remedies to correct the alleged conditions through informal and voluntary methods.

The other notice and certification provisions of this section of the bill also serve to reiterate the primary role of the States in correcting such conditions, to insure the consideration of a broad range of imaginative remedies, and to insure that the Attorney General and State officials work harmoniously to deal with this human tragedy.

INTERVENTION

The conference observed that, while the Attorney General might not always be permitted to intervene, there had only been 1 case in 34 in which his standing to intervene had been challenged. Thus, the conference decided that the States' interests ought to be protected by certain procedural restrictions on Attorney General intervention.

Generally, under section 5 of this act, the Attorney General must wait 90 days after the commencement of a civil action before he files a motion to intervene, but the court may shorten or waive that period in the interest of justice.

When the Attorney General seeks to intervene in the context of this act, he is required to give proper notification to the State and relevant officials. Therefore he must certify that at least 15 days previously he has notified the appropriate State officials of his intention to intervene and of the alleged supporting facts giving rise to the alleged conditions, and, to the extent feasible, of the minimum measures which he believes may remedy the alleged conditions. The minimum measures which he seeks should be consistent with the interests of the other plaintiffs to whom he is of course required to give timely notice. Once again, these provisions are not intended to delay or prejudice the rights of the other plaintiffs in the ongoing suit.

Finally, Mr. President, the Senator from Kansas would like to urge his colleagues to consider the necessity for imposing both a "carrot" and a "stick" in addressing the problems of the institutionalized. This legislation offers a stick to the States by authorizing Federal intervention and raising the possibility of court orders. However, court orders will not necessarily produce actual reforms unless adequate funds exist to implement such reforms.

We must recognize the fact that poor conditions often exist in State institutions because of a lack of funds. The Senator from Kansas plans to introduce legislation that will provide financial assistance and authority to States, to remedy physical and program defects in their facilities that have spawned the kind of litigation that this bill is designed to prevent.

Our Nation has a historic commitment to provide humane and decent care to its institutionalized citizens. This legislation is squarely within that noble tradition. It is the fervent hope of the Senator from Kansas that his colleagues will accept the report of the conference on this legislation.

We have had all of the parliamentary shenanigans, and I think that is probably an understatement. We have seen the will of the majority speak; not with a clear voice, but they have spoken.

I suggest that we ought to go ahead and pass H.R. 10, because, as I said at the outset, it is a bill that I think is not unreasonable. I do not foresee the dangers of some of the opponents.

Again, I would suggest that it is time for action and I hope that we could reach some agreement.

Mr. BAYH. Mr. President, will the Senator from Kansas yield?

Mr. DOLE. Mr. President, I am happy to yield to the Senator from Indiana.

Mr. BAYH. Mr. President, I want to thank my friend from Kansas. I have known him for a long time. I know the real concerns he has about the whole question of States' rights and I understand the political reality of his State and the leadership role that he has played in his party.

I must say that I particularly appreciate the careful attention he has given this bill. He and the Senator from Utah have examined it carefully and, frankly, have helped us to make a better bill.

As the one who originally introduced this bill, I have to confess to you that I think we went much too far. I was not familiar with the kind of abuse that has been so adequately and so dramatically portrayed to us by the Senator from Missouri, the Senator from Oklahoma, and the Senator from Nebraska. If it had not been for that, I think we would be out here passing a bill that would have gone much too far.

I do not want to prolong the Senator's remarks, but I want to say I think he has touched it. We have done a great deal to make this bill workable so that, in the final analysis, the Federal Government role is as it should be; namely, a court of last resort.

I think what we are going to have is a lot more voluntary compliance, notice in advance, and more harmonious relationships, and that is what we should have had in the first place.

This business of raids in the middle of the night, knock on the door, and asking for files by the FBI, there is no place for that in our system.

What we have done here, as the Senator from Kansas knows, is to keep that from happening in initiated suits or intervening suits which are going to continue if we do not pass this law. I just want to thank the Senator for the contribution he has made here. It has been a significant role.

Mr. DOLE. Mr. President, I thank my distinguished colleague.

Again, I commend him for his efforts. I also commend the distinguished Senator from Utah, Senator HATCH.

I would just underscore, not in any defensive way, that the Senator from Kansas did support cloture three times. But it seemed to the Senator from Kansas that we might be in the process of changing precedent around here, and it got to be a question of whether or not those of us on either side agreed with what might be in the making with the possibility of two cloture votes on one day. It seemed to me that the only way to express my disapproval of any such efforts—and the efforts have not been finalized, I hope they are not—was to register my opposition on the cloture votes.

But I want to underscore again my strong support for the bill itself. I would hope that we could reach some agreement and pass the bill. Others who may have voted for cloture may be against the bill, but this Senator supported cloture three out of four times, and he strongly supports the bill. I thank my colleague.

Mr. ROBERT C. BYRD. Mr. President, I have heard some reference to the parliamentary situation of yesterday. That situation, unfortunately, developed because the 15-minute rollcall vote began earlier than had been anticipated. Senators demanded the regular order when 15 minutes had expired. It was my desire to give Senators who had not voted on that cloture motion a chance to vote. So I made the motion to reconsider, which is unquestionably a proper motion. The rule is clear, rule XIII, that a motion to reconsider can be made on the question. The motion to reconsider a negative vote on the motion to invoke cloture is no exception to that rule.

As I explained yesterday, if cloture had been invoked, then that action by the Senate could not have been undone by a motion to reconsider, and a motion to reconsider would then not have been in order.

There are those who maintain that because there was no precedent, that the motion to reconsider was not in order. But the fact that there was no precedent has no bearing on the case whatsoever. There is no precedent to the contrary. The book on Senate procedure, which is filed with precedents, some 1,040 pages or thereabouts, would never have become a book of precedents if the Senate had not set precedents from time to time. All precedents have to have a beginning. There has to be a first precedent for any precedents to accumulate. The common law was made up of precedents, and precedents of the Senate really are, I should think, probably more used, more useful, overall than are the rules of the Senate themselves in the day-to-day governance of Senate procedure.

The Senate may have set a precedent yesterday, but the Senate has set many precedents over its 191 years of existence.

Some precedents are overruled by the Senate from time to time, but there is nothing about a negative cloture vote that would make it an exception to rule XIII which provides for a motion to reconsider the vote on a question.

I have been concerned at times when Senators seem to quarrel with the Chair or with the rules or precedents themselves, without justification. I would daresay that any careful study of the rules precedents would leave no one any reason to justify an argument against the motion to reconsider yesterday. The Chair ruled on the point of order raised against the motion, and ruled that the motion was in order.

Mr. President, does not the ruling of the Chair yesterday still stand notwithstanding the fact that I, by unanimous consent, withdrew my motion to reconsider?

The PRESIDING OFFICER. The point of order was ruled on yesterday and at this time stands as a precedent of the Senate.

Mr. ROBERT C. BYRD. Mr. President, I yield the floor.

Mr. McCLURE. A parliamentary inquiry, Mr. President.

The PRESIDING OFFICER. The Senator will state it.

Mr. McCLURE. The parliamentary inquiry would be that the ruling of the Chair was precedent established by the Chair to the effect that a motion to reconsider is in order. Am I correct?

Mr. BAKER. Will the Senator yield to me on that?

Mr. McCLURE. I am happy to yield to the Senator.

The PRESIDING OFFICER. The precedent was set but the defeated motion to invoke cloture is subject to a motion to reconsider.

Mr. McCLURE. Perhaps there was no ruling established or set with respect to the other side of that, that the cloture motion which was agreed to is not subject to a motion to reconsider. Is that correct?

The PRESIDING OFFICER. There has been a precedent set. The Chair in 1971 held that a motion to reconsider the vote by which the Senate invoked cloture would not be in order.

Mr. McCLURE. Then what the Chair is saying now is that this motion to reconsider, then, is a one-way street in which, if it fails, it will be reconsidered, but if it passes, it cannot be reconsidered.

The PRESIDING OFFICER. The reason for that is that cloture having been invoked, all other business is excluded, which includes such business as a motion to reconsider.

Mr. McCLURE. I thank the Chair for the statement.

Mr. President, certainly, the Senator from West Virginia is correct, that precedents may be established and that if precedents have not been established in areas where the question has not been raised at a prior time, it is entirely appropriate to establish precedents. We were, however, I think, deprived of the opportunity to question that precedent yesterday upon the request of the Senator from West Virginia to withdraw the motion to reconsider. Any Member of the Senate could have objected. That was not this Senator's desire at that time, had I been present. I was unavoidably absent at that time, but it would not have been my intention at that time to make a fight concerning the inequality and illogic of such a ruling. It is not my point at this time to do so now.

But, Mr. President, I am concerned when we, under circumstances such as that yesterday, do establish a new precedent that, perhaps, ought to be debated dispassionately under different circumstances, when all Members of the Senate have the opportunity to participate and know what is going to happen.

In saying that, certainly, I do not want to indicate that there was anything unethical or underhanded in the way it came up. It just happened. I do not question that at all. My only point in making any comment today about it is that this is a matter to which the Senate may wish to address itself at some future time, which, of course, we cannot do under the rules.

Mr. BAKER. Mr. President.

The PRESIDING OFFICER. The Senator from Tennessee.

Mr. BAKER. Mr. President, I recall that, when I practiced law, one of the earliest lessons I learned was that in many cases the law was whatever the judge said it was. My concern yesterday was that the precedent might be whatever the Chair established and that the Senate would concur therein by action on an appeal. So, it was my request to the majority leader that he consider withdrawing that motion to reconsider.

He did that. When you read the RECORD of yesterday, it is clear that the reason for the withdrawal of the motion for reconsideration was not to avoid further imbedding such an action in the precedents of the Senate. I think that was wise, because, while it is some precedent on the basis of the Chair's statement on yesterday, it is my interpretation that it is not much of a precedent. In that the rule of the Chair was complete, in that the principal and operative part of the ruling of the Chair was that there was no precedent to the contrary, in that the ruling of the Chair was not appealed from and that the majority leader withdrew his motion for reconsideration, I believe we reduced to the lowest possible level the precedential value of yesterday's ruling.

I agree with the distinguished Senator from Idaho that, someday, we may want to clarify that matter further. But yesterday, it was my fervent wish that we not do it in the heat of battle, that we not do it on the floor without further consideration, that we not do it in a fit of temper and not do it hastily.

I do disagree with the distinguished majority leader that the Senate has spoken with a loud voice. It is my interpretation of the proceedings on yesterday that that does not constitute very much of a precedent. I maintain now that the only fair interpretation of rule XXII as it presently stands is that one cloture petition may logically yield up only one cloture vote on any given day, and that a vote on a motion to reconsider a failed cloture vote circumvents the provisions of rule XXII and should be out of order. That is still my interpretation.

I freely concede, as the majority leader has just stated, that the Chair has ruled on some basis or other that the motion to reconsider was in order, as I understand it, because no precedent to the contrary existed. But, Mr. President, I shall continue to contend that to permit a motion to reconsider in the wake of a failed cloture vote amounts to a subversion of the intent, rule XXII, as it now exists. I rather expect that I shall have a disagreement on this point with the majority leader, but I want the RECORD to disclose that that is my view.

I do not believe the action of the Senate on yesterday, as disclosed in this RECORD today, constitutes a precedent which should be relied upon to support a contention that a motion to reconsider can be made against a failed cloture motion.

Mr. ROBERT C. BYRD. Mr. President, the distinguished minority leader may contend all he wishes to contend, he may make whatever point he wishes to make, he may express whatever view he wishes to express. That is his business, his right, his duty if he so sees fit. The fact remains, the Chair made a clear ruling on yesterday. It may be the minority leader's interpretation, but it was not mine, that the reason for my withdrawing my motion to reconsider was so as not to imbed "the procedure in the precedents."

That is his interpretation. It is not mine. My reason for withdrawing the motion to reconsider was simply that I had some Senators on this side of the aisle who had to leave. I had the two Florida Senators who had to go to Florida to attend a ceremony with respect to pilots involved in the unfortunate and abortive raid in Iran. Those Senators had already stayed beyond the time that they should have stayed and they were being put in the position of possibly missing the ceremony conducted in their State. That was my reason for withdrawing the motion to reconsider.

I see no point in continuing this discussion except to say, Mr. President, that the same principle that upholds the Chair's position on yesterday would uphold the Chair's position if there were a vote to override a Presidential veto. If a vote to override a Presidential veto fails, then a motion to reconsider the vote is in order. But if the Senate overrides a Presidential veto, then a motion to reconsider would not be in order because the trap would have been sprung; it would not be undone as far as the Senate is concerned. Under the Constitution, the Senate would have acted to make the matter become law, regardless of the President's opposition and regardless of his veto. The same thing would hold true in the case of a cloture vote, as I have said.

Mr. President, I am satisfied with the Chair's ruling. It is as much a ruling as is any other ruling by the Chair. Contrary to what the distinguished minority leader stated, I did not say that the "Senate had spoken." I said that the Chair had ruled. The Senate may very well have spoken on yesterday had the Chair's ruling been appealed, and I would have been happy to have had it speak on yesterday to nail down the Chair's ruling.

Mr. President, I do not care to carry on the discussion any further. Those who wish to discuss it further may do so.

Mr. BAKER. Mr. President, I do not wish to prolong it, either, except to say I disagree with the majority leader.

Mr. ROBERT C. BYRD. I understand that.

Mr. BAKER. I think the Record speaks for itself and the reasons why the majority leader agreed to my suggestion that he withdraw the motion for reconsideration also stand.

What was inside his mind, I cannot say. But I am suggesting, Mr. President, for this RECORD and those who read it in the future, that we avoided the Senate speaking on an issue that would cause grievous damage to the meaning and intent of rule XXII. On page S. 4341 the Presiding Officer is quoted as saying:

> The Chair rules that there is nothing in rule XXII which precludes two votes in 1 day and the rule on reconsideration allow the motion to reconsider now pending.

I respectfully request, Mr. President, an opportunity to examine the transcript of yesterday. I do not recall that ruling in that language. I shall reserve further comment on it until I see the original typed script. Then I may wish to resume the colloquy on this point.

Mr. HELMS. Mr. President, I yield myself such time as I may require, including time for a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. HELMS. Mr. President, the distinguished majority leader has just alluded to what I hope was merely his opinion, that the Chair's ruling with respect to reconsideration of a cloture vote also applies to overriding a veto. My parliamentary inquiry is this: Is there a precedent to confirm the majority leader's assertion in this regard?

The PRESIDING OFFICER. The precedent as regards the vetos is as follows:

> The vote on the reconsideration of a vetoed bill may be reconsidered, when the first vote loses, as was done in the case of S. 53, for the improvement of the Patapsco River in the 34th Congress, after the first vote to override the veto had failed to carry.

Mr. HELMS. I thank the Chair for that clarification.

I assume that is the only precedent in that regard?

The PRESIDING OFFICER. That is the only precedent in the 1974 issue.

Mr. HELMS. I beg the Chair's pardon?

The PRESIDING OFFICER. That is

the only precedent in the 1974 Senate procedure.

Mr. HELMS. I see.

Mr. President, I surely agree with the ruling of the Chair, once the constitutional three-fifths have been achieved, it should not be in order for there to be a reconsideration.

I do differ, not that it matters to the majority leader, but I do differ with him on the cloture motion, because we cannot get around the fact, Mr. President, that what we had yesterday were two cloture votes on one cloture petition.

We can slice it any way we want to and put all sorts of whipped cream on top of it and lament the fact that Senators were coming and going, for whatever reason, but the fact is that we had two cloture votes on one cloture petition.

I realize that the judgments are made on the basis of voting strength, and if it had been put to a test——

Mr. ROBERT C. BYRD. Will the Senator yield?

Mr. HELMS. Let me finish, if the Senator will, for just one moment.

If it had been put to a test, the majority leader would have won.

But I venture to guess, Mr. President, that, at some time in the future, the Chair's ruling will be overturned by the Senate, because it does not make sense to this Senator for there to be two cloture votes on one cloture petition.

I yield to my friend.

Mr. ROBERT C. BYRD. Mr. President, the distinguished Senator has the right——

Mr. HELMS. I cannot hear my friend.

Mr. ROBERT C. BYRD. The distinguish Senator has the right to his viewpoint, a perfect right.

Mr. HELMS. I certainly agree with the Senator on that.

Would the Senator use his microphone so I can hear?

Mr. ROBERT C. BYRD. Yes. Oh, yes.

Mr. HELMS. I thank the Senator.

Mr. ROBERT C. BYRD. The distinguished Senator has the right to his viewpoint, a perfect right.

Mr. HELMS. I thank the Senator.

Mr. ROBERT C. BYRD. But the ruling of the Chair yesterday was not made on the basis of voting strength.

Mr. HELMS. The Senator has a right to his opinion on that.

Mr. President, I do not desire any dispute with my good friend from West Virginia on this. But, as I said earlier, we cannot get around the fact that there were two cloture votes on one cloture petition, and that is the basis.

Mr. ROBERT C. BYRD. As is the case on any other measure on which there is a motion made to reconsider.

Mr. HELMS. A cloture petition and a cloture vote are separate and apart from any other act of legislation.

But we disagree, and we disagree agreeably, and I appreciate the Senator's comments.

Now, Mr. President, I strongly oppose this conference report because, among other things, it would grant the Attorney General the standing to initiate suits on behalf of persons in the State institutions. This bill creates no new rights for institutionalized persons, but it merely does the thing we ought not be doing in this Congress, and that is further centralizing power in Washington, D.C.

Senate approval of this measure is a reaffirmation of the dangerous philosophy that Washington knows best and Washington can do better than the States.

This Senator denies that with all of the vehemence that he possesses.

This bill will simply increase the power of the Justice Department and, in doing so, it will diminish the rights and authorities of the States.

I say to the Senate that this is a dangerous procedure, and it ought not happen.

There are many reasons to oppose H.R. 10. But my primary opposition is based on three factors.

One, the basic premises underlying this bill are wrong.

Two, action by the Justice Department under present law has been excessively intrusive, and that has been demonstrated over and over again, on both sides of the aisle, during this debate.

Three, the negative impact of H.R. 10 makes it unacceptable.

First. The basic premises of the bill are incorrect.

H.R. 10 is based on two assumptions: First, that States are unwilling and incapable of protecting their institutionalized citizens and second, that the Attorny General is in the best position to protect these citizens. Both assumptions are incorrect.

Mr. President, I listened on several occasions to my distinguished friend from Oklahoma (Mr. BOREN), a former distinguished Governor of his State. Over and over again, he eloquently said why this is bad, and Senators ought to have been attentive to Senator BOREN, but they were not.

Senator BOREN challenged the assertion that State officials are incapable and unwilling to do their duty.

This assertion, apparently, was heartily endorsed by supporters of this bill because the Senate Judiciary Committee report on S. 10 concluded:

> (Reported information documents) the need for active Federal involvement which is especially crucial in light of the demonstrated inability of State and local governments to insure adequate protection of their institutionalized citizens.

That is a quote from the committee report from the Judiciary Committee.

Mr. President, that is the same old story. That is how the Federal Government took over the schools in this country. That is how the Federal Government imposed forced busing, which as all but wrecked the quality of public education in this country. That is how the Federal Government has intruded with its bureaucratic meddling and inhibited the free enterprise system to the point that small businessmen find it difficult even to survive. And here we go again saying that we know better in Washington, D.C., and State and local officials are unwilling or are unable

I say, "Poppycock."

The best government in this country, Mr. President, is on the local and State level because the officials of local and State governments are closest to the people.

I deny that all wisdom resides in Washington, D.C., and, as I said the other day, I sometimes wonder if any wisdom resides here.

Mr. President, you can pull the threads from the fabric of what has happened to this country, and you can see that the chaos that lies just ahead—economic and otherwise—was created right here where we work in the Congress of the United States.

My State of North Carolina operates on a balanced budget; the Federal Government does not. The Federal debt is approaching $900 billion today because—if I may use the words of the Judiciary Committee report—the U.S. Congress and the U.S. bureaucracy were unwilling or unable to act responsibly in terms of spending.

So I think it is ridiculous for any contention to be made, explicit or implicit, that we should turn over more power to Washington, D.C., and centralize more power in the Federal bureaucracy, including the Department of Justice, which is fairly adroit at harassment and intimidation, and the record makes that clear. Yet, this measure, this conference report, would do precisely that.

Thomas Jefferson said:

> Indeed, I tremble for my country when I reflect that God is just.

I tremble for my country when I consider that we are now paying for the mistakes made by Congress, year after year, permitting centralization of power in Washington, D.C., encouraging Federal bureaucrats to swarm across the land, intruding upon the prerogatives and the responsibilities of local and State officials.

A little later, Mr. President, I am going to insert in the RECORD a letter from the attorney general of my State. But at this point I will read just one paragraph from the letter, written on May 14 of last year, to the distinguished Senator from South Carolina (Mr. THURMOND) by the attorney general of North Carolina. He said, in part:

> It is my opinion that Senate Bill 10 is an unwarranted intrusion into the affairs of the states and was written in the belief that states are incapable of or unconcerned with providing proper care for institutionalized persons in their custody.

Then the attorney general of North Carolina said this, and I think he was absolutely correct:

> I think this is a blatant affront to the dignity of the states and directly contrary to the principles of federalism, which is a part of the foundation principles of federalism, which is a part of the foundation of our constitutional form of government.

Then he said—and this is the attorney general of North Carolina writing to Senator THURMOND:

> I should think the United States Attorney General would be busy enough in assuring that the constitutional rights of persons in federal custody are not violated and does not need the additional responsibility of overseeing the fifty states.

The attorney general of North Carolina perhaps was guilty of an understatement.

Back to the remarkable declaration contained in the Senate Judiciary Committee report, the one which said,

> The need for active Federal involvement is especially crucial in light of the demonstrated inability of State and local governments to insure adequate protection of their institutionalized citizens.

Mr. President, the person who wrote that statement should be compelled to go to see a Federal prison. Let the Federal bureaucracy sweep around its own door; because not only is that statement in the committee report on S. 10 directly contradicted by various officials who testified as to the great strides being made by the States in the area of institutionalized treatment, but also, it is a patent example of arrogance which all too often has been reflected in the action of the Justice Department in this area.

At a time when many of us feel that the Federal bureaucracy already is too powerful, it seems incredible to me that Congress would increase the power of one of the most criticized bureaucracies in the Federal Government, the U.S. Department of Justice, to interfere with State efforts.

The second assumption underlying this bill—that the Attorney General should serve as the bureaucratic watchdog over State institutions—is also unwarranted. Currently, Federal correctional institutions are under the control of the Attorney General. Yet there are problem conditions in these very Federal institutions. Before Congress grants the Justice Department this new power over the State institutions, it would be a good idea to have the Attorney General prove that he can adequately handle his current responsibilities.

Second. Action by the Justice Department under present law has been excessively intrusive. While the supporters of H.R. 10 portray the record of the Justice Department action in this area as totally effective, that is neither the truth nor the full story.

Perhaps the best documented example of unacceptable conduct by the Justice Department occurred in the State of South Carolina. Despite the forward-looking attitude and the commitment of the State of South Carolina, the Justice Department decided to involve itself in South Carolina institutions. The Justice Department did this in 1974 by intervening in a suit filed by several patients at the State hospital. With full knowledge that the State institution was represented by the State attorney general's office, the Justice Department, without notice to the State Department of Mental Health or to the State attorney general, sent the FBI directly to the State hospital with a demand for access to all patient records. When the court was notified of this action, Federal Judge Robert Hemphill stated:

> This action was taken without notice to defendants' attorneys and this court hastens to "condemn" such conduct by the "Department of Justice" as "highly improper" and "patently unethical." (emphasis added)

However, the story does not end here. For 4 years, the Justice Department subjected the State of South Carolina to tremendous expense, harassment, and intimidation. Including the $56,000 spent just to answer the first set of interrogatories from the Justice Department, the total legal costs of the State exceeded $100,000.

After all of these costs had been incurred, the case was dismissed. The sad commentary is that the patients, not the Justice Department, were the real losers. Unfortunately, this type of counterproductive action is still occurring and in all likelihood will grow under H.R. 10.

Third. The negative impact of H.R. 10 makes it unacceptable.

While I have outlined two major problems with this bill, I have several other areas of concern. I am concerned that this bill will allow the Justice Department, through a system of selective litigation, to establish Federal policy for the institutionalized persons in this country. The need for broad, national policy decisions in this area is questionable, but in any event, this decision should be left to the elected representatives in Congress, and not the judiciary.

In two areas, the language of this bill is misleading. First, while the bill purports to allow Federal intervention only where there are flagrant conditions existing in State institutions, the Justice Department will use this authority to attack State commitment procedures and statutes. Second, while the committee has attempted to narrowly define the term "State action" in this bill, in an effort to exempt small, basically private healthcare institutions, this is no guarantee that these institutions will remain exempt from scrutiny by the Justice Department. State action is a flexible, growing concept and the Attorney General, in policing State institutions, will use its expanding meaning. Past actions of the Justice Department in States which have made strong commitments to improving institutional conditions, combined with an expanding concept of State action, could lead to ramifications far beyond the expectations of any member of the committee.

I must also comment on the impact of H.R. 10 on federalism. The shift from cooperation to conflict leads to a glaring objection to this legislation, which is the further erosion of our federal system of government. We do not need to repeat arguments made many times in the past that our governmental system operates on a concept of division of powers between the National Government and the States. The right to control its institutions, especially prisons, is a power logically held by each State. Under present law, when constitutional violations are asserted, the aggrieved party can present his case to the courts. This bill would permit the Justice Department to seek its own cases and initiate suit without a complaining party. In fact, under H.R. 10, the sole basis for a Justice Department suit could be a complaint from within the Justice Department. In effect, all State institutions for care or confinement would be policed by the Justice Department.

Mr. President, the attorney general of my own State, the Honorable Rufus Edmisten, fully recognizes the problems with this legislation. He addressed his concerns in a letter to Senator THURMOND last year, and I ask unanimous consent to have the letter printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

STATE OF NORTH CAROLINA,
DEPARTMENT OF JUSTICE,
Raleigh, May 14, 1979.

Re Senate bill 10.
Hon. STROM THURMOND,
U.S. Senate,
Washington, D.C.

DEAR SENATOR THURMOND: Last year one of the attorneys in my office researched Senate Bill 1393 which as amended is exactly the same as Senate Bill 10 which was reintroduced by Senator Bayh. It is my opinion that Senate Bill 10 is an unwarranted intrusion into the affairs of the states and was written in the belief that states are incapable of or unconcerned with providing proper care for institutionalized persons in their custody. I think this is a blatant affront to the dignity of the states and directly contrary to the principles of federalism, which is a part of the foundation of our constitutional form of government.

I should think the United States Attorney General would be busy enough in assuring that the constitutional rights of persons in federal custody are not violated and does not need the additional responsibility of overseeing the fifty states. Moreover, in a time when the citizens are demanding a reduction in the size of the bureaucracy, this bill runs counter to the wishes of the taxpayer.

I am enclosing a copy of a letter to Senator Morgan on Senate Bill 1393. This letter was written at my direction and I fully concur with its contents. I am also enclosing a copy of my remarks to the Senate Committee on the Judiciary on the "Civil Rights Improvement Act," which I understand either will be or has already been reintroduced. The comments I made on that bill are in many respects equally applicable to S. 10.

Thank you for giving me this opportunity to comment on this bill. If I can be of further assistance to you in this or any other matter, please do not hesitate to call upon me.

With highest regards, I remain
Yours truly,
RUFUS L. EDMISTEN,
Attorney General of North Carolina.

Mr. HELMS. Mr. President, there is simply no need for this legislation. I have consistently opposed legislation since coming to Congress which, in my view, is not needed and which simply gives an agency of the Federal Government more authority than it now has. This bill clearly falls into that category and it should be defeated.

Mr. President, in the interest of time, I shall not speak further on this matter. The die is cast.

The vote on this conference report will not occur, really, when the time has run out. The matter was decided when Senators voted to shut off debate. Senators who voted for cloture, for whatever reason they give for shutting off debate in this matter, were voting to increase centralization in Washington, D.C. They were voting to increase the intrustion of the Federal Government into the rights and authorities of the States and the local governments all across this land, and no other face can be put on it.

That was not a parliamentary procedure, as some Senators go home and attempt to explain. That was the substantive vote just a few minutes ago, when

60 Senators voted to shut off debate. They were voting to expand the Federal bureaucracy. They were voting to centralize further power in Washington, D.C., and specifically with the Justice Department. Let no mistake be made about it: The 60 Senators knew what they were doing.

Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER (Mr. BAYH). The Senator from Utah.

Mr. HATCH. Mr. President, I have very little to add in this battle on H.R. 10, the institutionalized civil rights bill. I think it is a very, very important piece of legislation and one which should and I hope with all my heart will be administered fairly and with recognition of the high degree of proof that is essential in order to bring any action thereunder.

In that regard, I shall read into the RECORD at this point an April 29, 1980 letter from Benjamin R. Civiletti, Attorney General of the United States, to the Honorable BIRCH BAYH:

DEAR MR. CHAIRMAN: As the Senate continues its consideration of the Conference Report to accompany H.R. 10, Civil Rights of Institutionalized Persons, I want to reiterate that the Department of Justice intends to exercise the litigating authority to be granted by this legislation with utmost discretion and full regard for the legitimate rights of states and other public entities.

As you know, the legislation contains extensive pre-filing requirements, including certification to the court that appropriate state officials were given full notice of the Department's intention to investigate and possibly file suit. A similar certification would be required prior to intervention in ongoing litigation.

No other federal civil rights statute has comparable prelitigation restrictions. For example, neither the fair housing, voting rights, equal employment, nor the school desegregation civil rights statutes require advance notice to an affected governmental entity before suit is filed by the Attorney General. Nor, of course, is there any minimum time after notice before suit can be filed under these statutes. Unlike these other statutes, H.R. 10 also requires pre-suit consultation and advice about how the alleged violations could be corrected and thus eliminate the need for suit.

All of these procedural requirements would, of course, supplement our obligation to determine that the abuses in the affected institution were extremely grave and so widespread that they were systemic to the operations of the institution.

We share your eloquently expressed conviction that without such authority, those rare state and local entities that grossly violate the rights of their citizens, may do so with impunity. The record amassed during consideration of this legislation proves that no humane government can permit such abuses of individual rights to continue unattended. H.R. 10 will permit the Department of Justice to bring into court those governmental entities whose practices offend the consciences of us all. We will do so only with the greatest possible sensitivity to the integrity of our federal system, while recognizing that no issue of states rights can supersede the basic human rights to which this legislation is addressed.

Sincerely,

BENJAMIN R. CIVILETTI,
Attorney General.

Mr. President, this has been a hard fought battle, and I certainly commend those who have fought so hard against this bill. I think they have raised many concerns and many important points with regard to this legislation.

Their fears, I hope, will be unjustified.

We have deliberately written this bill as stringently as we could to make sure that this bill will not become an oppressive tactic by the Federal Government for more Federal intrusion into the lives of the States and particularly the State institutions in this case.

I think that the bill has many safeguards to prohibit any wholesale indiscriminate bringing of actions in cases that are not as the Attorney General says gross violations of the rights of citizens.

I think that is what this legislation stands for. It is to stop those egregious, willful, wanton, gross, and flagrant actions that were disclosed to our committee during long periods of time during which we considered the testimony in this matter.

It is extremely important that the courts who may have to interpret this legislation give every consideration to the legislative records in this matter and the concerns of our fellow Senators on both sides of this issue, concerns that are very important, concerns that are well thought out, and concerns which affect all of us.

I for one will be very careful to watch everything undertaken pursuant to this bill, assuming that it is enacted by the Senate.

I, for one, do not want this piece of legislation, assuming it is enacted by the Senate, to be misused or to become a precedent in any manner. It is only to be used to clear up those matters that any normal, sensible person would agree should be cleared up, only where constitutional civil rights have been violated, and I believe that is an important aspect.

I believe the chairman of our subcommittee, Senator BAYH, would join me at any time in the future, if this statute is abused, in changing it and in bringing it to the point where the courts and everybody else concerned have to recognize the concerns of our fellow Senators here today on both sides of the aisle.

I have such great respect for those who have argued against this piece of legislation; I respect their viewpoints and their right to express those viewpoints. I respect the hard-fought battle they have waged, and the tremendous effort they have undertaken.

To think that this bill would have to go through four cloture votes indicates there are strong feelings on both sides of this question, strong bipartisan feelings on both sides of this question.

I think we must consider all that has been said on this matter, and certainly the agreement between those who have been such strong proponents of this matter, that this bill should not be used in an intrusive or any other manner, and that the States should not suddenly find themselves constantly beset with Federal actions for incidental or for other matters that are actions that are not serious in nature or not grossly wanton in nature.

With that, I certainly share my full respect for all concerned in this matter, to the leadership on both sides and for the hard-fought approach that has occurred here today. I respect those who have voted for this bill by voting for cloture, and I respect those who have voted against this bill by voting against cloture. It is very important that the viewpoints of both sides be considered, and especially the view point of those of us who have made it clear, we think in the legislative record, how seldom this statute really should be used, and only in those cases that are the most gross violations of constitutional civil rights.

Mr. ROBERT C. BYRD. Mr. President, I congratulate Mr. BAYH and Mr. HATCH on their able managership of the bill and the conference report. I also express my appreciation to them for the work they have done, even though, as I have stated, I may in the final analysis vote against the conference report.

I admire them and respect them for the efforts they have made and for the skill they exhibited in handling the bill and the conference report and the matter of cloture. I want to say also, Mr. President, to those who have differed with respect to cloture that I respect their views. I respect the fine spirit of Senator THURMOND and others. It is always easy to exhibit a fine spirit when one wins. It is not quite so easy when one loses, but I have to say that, as always, Senator THURMOND has demonstrated that he can win or he can lose and he can still smile. He will fight to the end. But if he loses a battle he will just smile and fight another battle another day.

These legislative battles do from time to time get a little heated, and Members naturally take these matters seriously as, indeed, they should.

But the cloture vote is over. The leadership is attempting to arrive at a time, perhaps on Monday, when the Senate can have a final vote on the conference report. Mr. THURMOND has urged a vote early next week, possibly Monday or Tuesday, and I think this would be agreeable to Mr. HATCH, according to his indications to me. Mr. BAYH is also considering the possibility.

Therefore in the meantime, in order that all parties may continue to work together with respect to agreeing on a time for a vote on Monday, I am about ready to suggest that the Senate stand in recess until 2 p.m. so as to expedite that agreement, if no Senator seeks the floor.

Mr. THURMOND. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. I yield.

Mr. THURMOND. I wish to thank the able majority leader for his kind words. I would have to congratulate him, too, for his victory in this matter. He is a very influential Senator, and I am not too sure that cloture would have been applied on this matter if he had not injected himself into it so actively.

At any rate, I was just wondering now if the Senator wishes to lay the bill aside until we decide what will be done, when it will be voted on, so that we can go about doing other things until that determination is made.

Mr. ROBERT C. BYRD. Mr. President,

I would suggest we stand in recess—I do not make the request yet, but I suggest, if I may say to the distinguished Senator, that we stand in recess—until 2 p.m., and by that time we may be able to agree on an hour on Monday to vote.

Mr. THURMOND. I wish to thank the majority leader.

Mr. ROBERT C. BYRD. I thank the Senator. This will give us a little time, and we need that time in contacting other Senators.

● Mr. KENNEDY. Mr. President, I wholeheartedly support the conference report on H.R. 10 and urge its immediate adoption by my colleagues. As a cosponsor, I wish to extend my special thanks to Senators BAYH and HATCH and the other conferees who guided this bill through tough conference negotiations and who have brought us back a conference report which preserves our will and intent when we passed the Senate measure so strongly 2 months ago.

The provisions of this bill have been studied and debated and refined for over 3 years. The Judiciary Committee alone held 8 days of hearings and took testimony from scores of witnesses; the full Senate debated this measure for 3 days. The case is overwhelming: Right now—today—the most fundamental civil rights of thousands of our institutionalized are being flagrantly violated and there is often nothing that anyone can effectively do about it. By civil rights I mean the most basic expectations one may rightfully have been housed—usually involuntarily—in a public facility—minimal heat, nutrition, clothing, sanitary facilities and care.

H.R. 10 will give the Department of Justice the procedural standing to enforce in court our constitutional promise of equal protection to our most vulnerable citizens—the institutionalized.

This bill makes no startling changes in Federal/State relations. The Department of Justice has always been the appropriate agency for our people to turn to for the vindication of their fundamental rights. Congress, in the past, has not hesitated to give such authority to the Attorney General where evidence has shown a widespread denial of such rights. We have done it in the context of discrimination in voting, education, employment, housing and public services.

So please, let us insure fundamental fairness to the handicapped, the elderly, the mentally ill and to all other citizens who through infirmity, poverty or other circumstance find themselves in public institutions. Through the passage of this bill, we promise them what is already rightfully theirs and is often unlawfully denied—the protections of the Constitution and the Bill of Rights.

I deeply thank the State officials, the doctors, the administrators, the personnel, and the concerned public interest groups who have helped us formulate this bill. Most importantly, I thank the brave patients and residents of institutions who have brought us their problem and asked us to address their need. I, for one, will not make them wait any longer. I vote yes on this measure and urge all my colleagues to join me.●

● Mr. SIMPSON. Mr. President, I rise to speak in opposition to the approval of the conference report on the bill to provide for changes in the civil rights of the institutionalized.

As I noted in my opening statement during the hearings on this legislation before the Senate Judiciary Committee, this is an area of my interest.

I have been, as the new boy on the block, catching up and reviewing the legislative history of S. 10 in its past efforts in the Congress. In reviewing that legislative background, it is apparent to me that we are addressing a very important need.

I happen to have, in my own State, reviewed this area. We had grave deficiencies with our one penal institution, so much so that finally the various activity groups were able to actually close our penitentiary and state that the courts should open the doors of that institution and turn them loose unless corrections were made. Which action does get one's attention.

Then we met that request with a new penal institution.

After 20 years of practicing law, I am convinced we are addressing a very genuine problem.

It is a genuine problem, Mr. President, but I am not convinced that this conference report really addresses the needs of the institutionalized.

Let me, by way of explaining my position, read from the additional views I submitted when S. 10, the companion measure in this body, was ordered reported by the Judiciary Committee on which I serve.

I said at that time:

In my years of legislating and practicing law I have learned to become most wary when examining issues which are presented while enmeshed in "horror stories" obviously intended to touch every fine human emotion. I trust my colleagues might agree with me in observing that we have seen enough bad legislation passed for the best of motives. I trust they might also agree that actions taken based on narrow perspectives often have a very harmful long run effect.

We are urged by the proponents of this legislation to believe that the States are absolutely immobilized to correct deficiencies in this area and that State institutions seem to make a practice of utilizing clubs, boiling water, electric shock, and other bizarre methods of treatment. Certainly there may be abuses. These have been carefully highlighted—and rightly so. But I do not believe that plain barbarism is common in State institutions in America.

When abuses do occur, I believe they are usually brought swiftly to light by neighbors, relatives, reporters, and sympathetic institutional employees and public officials, including employees of the Federal agencies, such as HEW—which provides Federal funds. Governors and legislators then have a clear history of doing the very best they can to respond and improve conditions, usually with quite limited resources. I served in a State legislature for 14 years. As others who have served in such bodies know, the State legislatures consist of responsible, conscientious persons doing the hard jobs they were selected to perform—and often in "citizen legislatures."

I do not believe that interference by the Justice Department into areas of State sovereignty—especially in the absence of additional resources being provided—is likely to result in any significant improvement in the condition of persons residing in State institutions. In fact, the initiation of Justice Department investigations and litigation would likely divert away considerable attention, time, and resources of our State institutions and officials. Consequently, S. 10's grant of new power to the Justice Department at the expense of the State's is surely not justified.

Mr. President, my own State of Wyoming has joined in questioning the efficacy of this legislation.

The attorney general of the State of Wyoming has noted, in a letter to Senator STROM THURMOND, the ranking minority member of the committee that it is his view that we should be spending tax dollars to help our citizens, rather than sue them.

The letter from Attorney General John D. Troughton reads:

CHEYENNE, WYO.,
July 13, 1979.

Re S. 10, H.R. 10.
Hon. STROM THURMOND,
U.S. Senate
Washington, D.C.

DEAR SENATOR THURMOND: The State of Wyoming, while supporting the objectives of the "institutions bill" with regard to fully protecting the rights of institutionalized persons, vehemently objects to the procedure for correction envisioned by the bill. In line with the position announced by the National Association of State Mental Health Program Directors, we believe that there exist far more reasonable alternatives to the litigious solution suggested by this legislation.

The practical problems which the bill raises are overwhelming, it seems possible, for instance, that the justice department might prevail in litigation against a political subdivision, resulting in an order that the subdivision take corrective action far beyond its means to accomplish. I am advised that Congressman KASTENMEIER's amendment to allow federal financial assistance to the defendant State or subdivision failed to pass, indicating that while the Federal Government is granted the right to make the initial determination that an egregious condition exists, there is no concomitant duty to lend assistance in any meaningful way.

But the elected representatives of the States can support a bill which suggests a proceduer which has cost one State $56,000 to answer one set of interrogatories, when that same amount would probably have corrected the egregious condition, appears to be a sterling example of an exercise in counterproductivity.

This is, after all, a nation of States. It seems as though some of our Congressmen forget that they are elected to represent the people of those States, and not to bludgeon them with needless lawsuits.

I sincerely hope that the U.S. Congress will recognize the pitfalls inherent in this legislation and take proper steps to enact law which puts the Federal Government and the States on the road to a cooperative solution. The disagreements which this State has had with the Federal Government are well known to all. I believe that these differences are, to a large degree, the result of precipitous action taken by our lawmakers without due regard for the legitimate interests of the several States, and the special conditions which exist in each.

Why not spend the tax dollars of the people of this State to help them, rather than to sue them.

Sincerely yours,
JOHN D. TROUGHTON,
Attorney General.

Mr. President, Senator THURMOND has called the attention of the Senate to the effect this legislation can have on State-Federal relations.

Acting director of the center for the study of federalism at Temple University, Ellis Katz, has commented in a manner that bears careful study and attention. It is a clear rationale, in my opinion, for taking great care in this area.

Katz has noted:

My major difficulty with this bill is that it relies on litigation as the principal tool to achieve institutional change. Litigation, whether instigated by a private ctizen or by the Attorney General, is an appropriate method—although not the only one—to remedy deprivations of individual rights. But the experience of the last several years should teach us that it loses its effectiveness as the difficulty of specifying rights and remedies increases.

The conditions that led to findings of "cruel and unusual punishment" in Holt against Sarver, Pugh against Locke and other similar cases, did not result from malicious actions of identifiable individuals. Rather, they resulted from inadequate funding, decentralized administration, a lack of public awareness about the condition of institutionalized persons, and a lack of knowledge about what to do with individuals who commit serious crimes or are mentally incompetent.

Consequently, remedying the deplorable conditions found in institutions will require action by State legislatures, vigorous action by the States' Governors, greater attention by county and municipal officials, and support from the public. While court orders directing institutional change may be one way of making public policy, it is a poor substitute for responsible action by locally elected political leaders.

Thus, the goal of the Federal Government should be the encouragement of enlightened policy by State and local political leaders who ultimately bear responsibility for the operation of their penal and mental institutions. Such a Federal policy should be guided by two principles. First, the Federal Government has a right to expect that the conditions of institutionalized Americans will be improved quickly, and that such improvement will be long-lasting. Second, the Federal Government should avoid unnecessary conflict with the States unless it is absolutely convinced that a more cooperative approach will be futile.

In my view, S. 10 falls under both of these principles. While the decisions in Holt and Pugh have already had some impact, the scope of the problem should be kept in mind. There are probably in excess of 8.000 penal and mental institutions operated directly by States, counties, or municipalities in the country today. Drew Days, the Assistant Attorney General, has indicated that he contemplates filing only 7-to-10 actions each year. Given the apparent scope of the problem, Mr. Days' estimate of his activity, the complicated nature of these legal proceedings, the certainty of appeals, and the problems associated with implementation, the case-by-case approach of S. 10 does not hold out much hope for rapid change.

Mr. President, I think all of us can agree that it is of very real importance to continued amiable State-Federal relations and that this legislation, if passed, will do great harm to that process. My colleagues are aware of this important—and delicate—balance and should carefully consider how far this legislation will go in destroying the fabric of cooperation and responsiveness on behalf of the several States.

It has been pointed out that local officials and our State officials are much more interested in the inmates of their institutions than persons in Washington, D.C. who would have jurisdiction and responsibility for the new program.

As a former State legislator, I am well aware of the strong feelings that most State officials have as it relates to unnecessary Federal intrusion into State affairs and I feel the legislation will aggravate this situation. The Department of Justice, under terms of this bill, will have the authority, not only to come in if a suit is brought where they can intervene in behalf of the plaintiff or as amicus curiae in the suit, but they can actually initiate the suit.

I am convinced that this will provide for all sorts of mischief and I caution the Senate not to allow itself to take this position.

And there are other good reasons for not moving forward on this conference report all as spelled out by the National Association of Attorneys General.

Let me read a part of that group's memorandum on S. 10.

That memorandum says:

To all Senators.

Re S. 10, civil rights of institutionalized persons.

I am writing to bring to your attention the Association's views on S. 10 which we understand has been scheduled this week for Senate debate and final vote. This bill would authorize the Attorney General of the United States to commence, or intervene in, actions alleging deprivation of the constitutional rights of persons institutionalized in State prisons, juvenile detention centers, nursing homes, and facilities for the mentally ill, retarded, and handicapped.

Throughout the debate on the merits of S. 10, this association has opposed the bill in the belief that its underlying concept is unsound. Every attorney general supports the goal of improving the conditions of persons confined to institutions. But the perceived litigation/confrontation approach taken in S. 10 would simply delay improvement. Solutions to these problems are urgently needed but the quick-fix "let the feds sue them" answer at the heart of S. 10 is unrealistic, unworkable, and unfair.

S. 10 would authorize the Department of Justice to commence a program of litigation against State and local governments. We believe that the adversary approach of pitting Federal and State lawyers against each other is counterproductive and serves only to further strain the delicate balance of federalism. The tools of legal combat—exhaustive discovery techniques, protracted trials and lengthy appeals—make any benefits which may result far from immediate for institutionalized persons. Defending these actions would result in even more work for already thin State legal staffs and even higher legal costs for the taxpayers. In addition to the strain on scarce State resources in defending these suits, the Justice Department resources would be diverted from other important civil rights work to do these cases, cases which would be avoided with serious intergovernmental cooperation.

We believe that there is a serious question of the appropriateness of Congress throwing its responsibility for formulating social policy to the Attorney General and the Justice Department which was not established, nor does it have the expertise . . . to handle this task. Litigation is a hit and miss way to develop a sensible national policy in this area and trial lawyers who are always anxious for a real trial, are risky choice for ensuring dispassionate decisions in the national interest.

We urge the Senate to reject the adversarial, litigation approach envisioned in S. 10 and to examine more constructive and effective long-term solutions for the problems of institutionalized persons. Litigation as an exclusive remedy can assure no real change in this area and should be used only as a last resort, rather than as a primary tool; 2 years ago we proposed that a national commission in institutions be established which would involve State, local, and Federal Governments working together, not suing each other, to assess the adequacy of legal representation for institutionalized individuals and to recommend specific improvements and methods of financing them. This was not a delaying tactic; we proposed a Presidential commission along the lines of the President's Three Mile Island or antitrust review commission.

A study of both Federal and State institutions would provide an updated factual framework as a basis for real reform, a more constructive proposal than the hit or miss theory suggested in S. 10. State officials including Governors, attorneys general, mental health administrators, and legislatures, should be consulted and actively involved in the development of any legislation which would affect the operation and financing of their State institutions. The commission approach which would stimulate positive State responses is infinitely preferable to a Federal Government litigation gun pointed at the States.

Although significant improvements in S. 10 were adopted by the Constitution Subcommittee and by the Judiciary Committee, the shortcomings already described are further dramatized by the fact that S. 10 does not authorize any dollars to help finance improvements. Further, it is disturbing that there has been no assessment of the economic impact upon the States of the changes envisioned under S. 10 nor has attention been paid as to how the States will pay for these changes.

Federal, as well as state institutions, need money to buy more physicians, more psychiatrists, more beds, more janitors, more renovations of existing facilities and more construction of new ones. It is not an exaggeration to say that this bill carries a multi-billion dollar price tag.

Final consideration of a bill which will have a very significant cost impact upon the States, before a complete assessment of the fiscal facts has been made, is unwise and unsound. In our view, the approach taken in S. 10 is equivalent to putting a bandaid over a blister; it simply patches over the problems rather than cures long-term ills.

Mr. President, to sum up, then, let me just say that I am concerned that we are traveling down the wrong path as it relates to the rights of institutionalized persons.

I must reiterate my very real concern that interferences by the Justice Department and the takeover of State prerogatives is incorrect and self-defeating. This interference into areas of State sovereignty is quite capable of causing a great number of problems relating to the closely-held and highly coveted doctrine of State sovereignty, a doctrine that I believe in and support fully.

And one of the most telling arguments, in my opinion, against passage of the conference report is that there will really be no significant improvement in the conditions of persons who reside in State institutions and if the States lose the jurisdiction that seems implicit here those persons can—in the long-run—suffer rather than have their lot improved. That would be a real tragedy, Mr. President, and one that we should guard against.

For these reasons, I respectfully urge the Senate to reject the pending conference report.●

● Mr. PACKWOOD. Mr. President, I found myself in the uncomfortable position today of having to vote against cloture. It is uncomfortable—and unfortunate—for a number of reasons. Uncomfortable, because it is my policy to support cloture. With very few exceptions I have supported cloture. In fact, I have already voted three times to invoke cloture on this particular bill, H.R. 10. So it makes me uncomfortable to have to deviate from my personal policy on this issue.

It is unfortunate, Mr. President, because I find myself in this position for the second time in less than 6 months, and for very similar reasons.

In December of last year, I found myself having to vote against cloture, as a matter of principle, in protest against the actions of the majority leader to overturn precedent on a cloture vote. On that day, the majority leader sought to postpone a cloture vote which should have occurred, to avoid a vote at 1 in the morning. The majority leader succeeded in postponing the vote, and I voice my protest, expressing my hope that the majority would refrain from such action in the future.

Yesterday, the majority leader sought not merely to change precedent, but to set precedent where none existed by moving to reconsider a cloture vote. Mr. President, I simply cannot sit silently and allow this kind of action to occur. I must protest this casual tampering with the rules of the Senate at the whim and will of the majority.

Six months ago, the bill was H.R. 3919, but the issue was the same. On that day, Mr. President, I elaborated on my philosophy concerning filibusters and cloture, and made clear my objection to the majority leader's action. I will not cover that ground again today. Let it suffice to say that I am distressed and disturbed by the action of the majority to circumvent the rules and traditions of the Senate in order to reach agreement on this bill. I am displeased that I must once again set aside my personal policy in order to register my vehement protest against the tactics of the majority. I am dismayed that I must vote against cloture on H.R. 10, but even more dismayed by the actions which occurred yesterday on the floor of the Senate.●

RECESS UNTIL 2 P.M.

Mr. ROBERT C. BYRD. Mr. President, I therefore ask unanimous consent that the Senate stand in recess until the hour of 2 p.m. today.

There being no objection, the Senate at 12:07 p.m. recessed until 2 p.m.; whereupon the Senate reassembled when called to order by the Presiding Officer (Mr. PRYOR).

CIVIL RIGHTS OF INSTITUTIONALIZED PERSONS—CONFERENCE REPORT

The Senate continued with the consideration of the conference report on H.R. 10.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. FORD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. FORD. Mr. President, I ask unanimous consent that I may speak out of order at this time.

The PRESIDING OFFICER. Without objection, it is so ordered.

FEDERAL TRADE COMMISSION AMENDMENTS—CONFERENCE REPORT

Mr. FORD. Mr. President, I am sending to the desk the conference report relating to the authorization for the Federal Trade Commission.

We have labored long and hard to arrive at this compromise between the House and the Senate conferees. The basic conference report, I think, does not satisfy any one of the members of the conference committee. The statement that was made in the closing minutes of the meeting yesterday, that perhaps this is the way it should be, is correct.

The House must act first, and I understand that they are filing the conference report today and that it will be printed in the RECORD. Therefore, Mr. President, we are not asking that the conference report be printed in the RECORD on the Senate side, since it would be a duplication, and this will save the expenditure of the printing of this piece of legislation in the Senate.

I hope the House will move quickly with the continuing resolution. I believe everyone understands that the House must act first as it relates to the resolution for the continuation of funding.

Mr. President, I want to make it part of the RECORD that our conference report is at the desk and that we await the decision of the House.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there be a brief period for the transaction of routine morning business, not to extend beyond 30 minutes, and that Senators may speak therein.

The PRESIDING OFFICER. Without objection, it is so ordered.

S. 2637—COMPENSATION OF THE SECRETARY OF STATE

Mr. RIBICOFF. Mr. President, on behalf of myself, Senators CHURCH, GLENN, JAVITS, PERCY, PRYOR, and STEVENS, I send a bill to the desk and ask unanimous consent that it lay on the desk pending further disposition today.

Mr. STEVENS. Mr. President, I have no objection to it being at the desk.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STEVENS. Mr. President, may I inquire of the distinguished Senator from Connecticut, as chairman of our committee, is this the bill that deals with the problem relating to Senator MUSKIE's appointment and the salary question? Is it identical to the provisions that the Senate adopted at the time of the Saxbe nomination as Attorney General?

Mr. RIBICOFF. We have followed the Saxbe precedent. The salary provisions are completely identical. It has the agreement of Senator CHURCH who asked me to present this matter and submit a statement in his behalf.

Mr. STEVENS. Mr. President, on behalf of the minority leader and myself, we are pleased to cosponsor this arrangement. We think it is fair, providing it is identical to the treatment we gave to Senator Saxbe at the time he took similar action to resign from the Senate to take an appointment to the Cabinet. And we are prepared to act on it now if the Senate wishes to do so.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield?

Mr. RIBICOFF. I am pleased to yield.

Mr. ROBERT C. BYRD. Mr. President, I hope the Senate can act very shortly on this matter. I do have to clear it with a Senator who had asked to be notified before it is called up.

Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of the bill Mr. RIBICOFF introduced.

The PRESIDING OFFICER. Is there objection to the request of the Senator from West Virginia?

There being no objection, the Senate proceeded to consider the bill (S. 2637), to insure that the compensation and other emoluments attached to the office of Secretary of State are those which were in effect January 1, 1977, which was read the first time by title and the second time at length.

● Mr. CHURCH. Mr. President, I welcome the nomination of Senator MUSKIE to be Secretary of State.

He has been a close friend and colleague for many years, and I consider him superbly equipped to direct our Nation's foreign affairs in these difficult times.

I am very pleased that the President has reached out to the Senate for his new Secretary of State. Senator MUSKIE has been a statesman in the Senate—a man of intellect, wisdom, perseverance, and strong leadership. The President could not have made a better choice.

I fully support the bill now under consideration and urge its passage. The rest of my statement deals with the constitutional aspects of this legislation.

Mr. President, we are today considering a bill which would reduce the compensation and other emoluments attached to the office of the Secretary of State to those which were in effect on January 1, 1977. The necessity for this measure arises as a result of the President's announced intention to appoint our distinguished colleague from Maine, ED MUSKIE, to be the Secretary of State. However, since the compensation of the Secretary of State was increased by Congress, during his current term in office, Senator MUSKIE is presently ineligible for appointment under the terms of article I, section 6, clause 2 of the Constitution. That provision reads:

> No Senator or Representative shall, during the Time for which he was elected, be appointed to any civil Office under the Authority of the United States, which shall have been created, or the Emoluments whereof shall have been increased during such time; and no Person holding any Office under the United States, shall be a Member of either House during his Continuance in Office.

The simple effect of this bill is to lift the technical disqualification from office holding imposed by the clause in a manner which is in total conformity with the purpose and spirit of the constitutional provision and consonant with unchallenged past practices of the Congress.

No one denies the impeccable credentials and long record of distinguished public service that qualifies Senator MUSKIE for the office of Secretary of State. Nor is there any question that when Senator MUSKIE participated in the process of raising executive compensation in 1977 he had any thought whatsoever that he might one day benefit from that action. In these circumstances, then, can it seriously be contended that if Congress now strips the office in question of all material enhancements since the beginning of Senator MUSKIE's term, that his appointment would still offend either the letter or spirit of the Constitution? I think not and I believe a close historical analysis of the adoption of article I, section 6, clause 2 bears me out.

The debates in the Convention of 1787 reveal that there was a twofold purpose in rendering Members of Congress ineligible to hold offices which either were created during the time for which they were elected or whose emoluments were increased during such period. This provision was designed, first, to protect the people from such Senators or Representatives who might be willing to create offices or increase salaries in order that they might enjoy them; and, second, to remove an obvious enticement by which an executive might gain unwarranted advantage over the legislative branch of the Government. Confirmation of this purpose is to be found in Joseph Story's "Commentaries on the Constitution of the United States" (Da Capo Press Reprint Edition, 1970), where he states (Section 864, p. 330):

> The reasons for excluding persons from offices, who have been concerned in creating them, or increasing their emoluments, are to take away, as far as possible, any improper bias in the vote of the Representative, and to secure to the constituents some solemn pledge of his disinterestedness.

On its face, therefore, it seems clear that the very statement of the purposes of the provision support the remedial legislation now proposed. For if the object was to prevent Members from increasing the salaries of offices and then becoming beneficiaries of such increase by executive appointment, it obviously follows that the repeal of the law which increased the salary of the Secretary of State would remove the case of Senator MUSKIE from the reason of the rule, and I think it is plain that it would remove his case from the operation of the rule as well.

But further investigation into the evolution of the provision during the early debates reveals a concurrent consideration of the delegates that sheds additional informative light on the intended scope of the prohibition. A preliminary draft of article I, section 6, clause 2 provided that Members of Congress would be ineligible for any State or Federal office during their term of service, and, with respect to Federal offices, for an additional year, whether or not there had been an increase in an emolument. "Farrand, Records of the Federal Convention" (hereafter referred to as "Farrand"), volume 1, pages 20–21, 217, 228–229. Thereafter several attempts to remove the disqualification clause in its entirety, or to modify it, were defeated. Farrand, volume 1, pages 275–377, 379–382, 386–390, 391–394. The leading proponent of modification was James Madison. He proposed that disqualification attach only where an office was created or the compensation of an old office was increased, arguing, with the support of several others, that while it was necessary to guard against office seeking and executive influence, too broad a bar would discourage the most capable men in the nation from seeking election to the national legislature, which would be a natural training ground for future members of the executive branch. Madison's position is described as follows:

> Mr. Madison had been led to this motion as a middle ground between an eligibility in all cases, and an absolute disqualification. He admitted the probable abuses of an eligibility of the members, to offices, particularly within the gift of the Legislature. He had witnessed the partiality of such bodies to their own members, as had been remarked of the Virginia assembly by (his colleague) (Col. Mason). He appealed however to (him) in turn to vouch another fact not less notorious in Virginia, that the backwardness of the best citizens to engage in the legislative service gave but too great success to unfit characters. The question was not to be viewed on one side only. The advantages and disadvantages on both ought to be fairly compared. The objects to be aimed at were to fill all offices with the fittest—characters, and to draw the wisest and most worthy citizens into the Legislative service. If on one hand, public bodies were partial to their own members; on the other they were as apt to be misled by taking characters on report, or the authority of patrons and dependents.
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> All who had been concerned in the appointment of strangers on these recommendations must be sensible of this truth. Nor wd. the partialities of such Bodies be obviated by disqualifying their own members. Candidates for office would hover round the seat of Govt. or be found among the residents there, and practise all the means of courting the favor of the members. A great proportion of the appointments made by the States were evidently brought about in this way. In the general Govt. the evil must be still greater, the characters of distant states, being much less known (throughout the U. States) than those of the distant part of the same State. The elections by Congress had generally turned on men living at the seat of (the fedl) Govt. or in its neighbourhood.—As to the next object, the impulse to the Legislative service, was evinced by experience to be in general too feeble with those best qualified for it. This inconveniency wd. also be more felt in the Natl. Govt. than in the State Govts as the sacrifices reqd. from the distant members wd. be much greater, and the pecuniary provisions, probably, more disproportiate, It wd. therefore be impolitic to add fresh objections to the (Legislative) service by an absolute disqualification of its members. The point in question was whether this would be an objection with the most capable citizens. Arguing from experience he concluded that it would. The Legislature of Virga would probably have been without many of its best members, if in that situation, they had been ineligible to Congs. to the Govt. & other honorable offices of the State.
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> My wish is that the national legislature be as uncorrupt as possible. I believe all public bodies are inclined, from various motives, to support its members; but it is not always done from the base motives of venality. Friendship, and a knowledge of the abilities of those with whom they associate, may produce it. If you bar the door against such attachments, you deprive the government of its greatest strength and support. Can you always rely on the patriotism of the members? If this be the only inducement, you will find a great indifferency in filling your legislative body. If we expect to call forth useful characters, we must hold out allurements; nor can any great inconveniency arise from such inducements. The legislative body must be the road to public honor; and the advantage will be greater to adopt my motion, than any possible inconvenience. (Farrand, Vol. 2, pp 489–492).

Mr. Pickney also made the argument that congressional ineligibility was:

> Inconvenient because the Senate might be supposed to contain the fittest men. He hoped to see that body become a School of Public Ministers, a nursery of statesmen—(Farrand, Vol. 2, p. 283).

Although Madison's proposal was initially rejected, it was subsequently reintroduced, debated again, and carried on a close vote. The reasons stated by the proponents of the change were exactly the same as those that Madison had previously advanced. Farrand, volume 2, pages 489–492.

Thus it is apparent that the compromise ultimately reached adds a dimension of meaning and scope to the prohibition. It may now be seen as a provision aimed not simply at guarding against office seeking and executive influence but also at preserving the opportunity of Members of Congress for public service in appointive civil offices. Seen in this light, then, this bill would at once overcome the evil regarding emoluments by preventing Senator MUSKIE from obtaining the benefit of the 1977 salary increase and any other emoluments, without at the same time wastefully barring him from offering his services to the country in an appointive office.

Those who would contend that the repeal of the law increasing the salary of the Secretary of State will not render Senator MUSKIE eligible might base their contentions on the clause which declares, "or the emoluments whereof shall have been increased during such times." Reading that language in the light of the aforementioned purposes, it seems plain to me that it contemplates a continuing condition, and applies, therefore, in a case only where an officer would enjoy the increased emoluments. In the event of the enactment of this bill and the appointment of Senator MUSKIE, he will not "be appointed to any civil office * * * the emoluments whereof shall have been increased." This bill does not attempt to repeal a fact, but seeks to repeal a condition created by a legislative enactment, and there is no gainsaying that if Congress has created such a condition it can remove it as well.

Indeed, Congress has done this very thing several times in the past virtually without challenge. The first such instance involved the appointment of Senator Lot M. Morrill as Secretary of Treasury. Senator Morrill was elected to the Senate in 1871 for a term ending in 1877. In 1873, Cabinet officers' salaries were raised from $8.000 to $10,000, but then reduced to $8,000 in 1874.

Nevertheless, Senator Morrill's nomination was confirmed by the Senate without any challenge based on article I, section 6, clause 2.

A second instance involved the appointment by President Taft of Senator Philander Knox as Secretary of State. A measure with the same purpose as the bill under consideration today was passed by the Congress in February 1909 in order to permit Senator Knox's appointment in March to the incoming administration of President Taft without offending the purpose of the Emoluments Clause (35 Stat. 626). Senator Knox had been elected in 1905 for a term expiring on March 3, 1911. In 1907 the compensation of the Secretary of State had been increased from $8,000 to $12,000. The bill passed the Senate without debate (43 CONGRESSIONAL RECORD 2205), although debated at some length in the House (42 CONGRESSIONAL RECORD 2390–2402, 2403, 2408–2415). An unofficial opinion of Assistant Attorney General Russell (commenting on the bill reducing the Secretary of State's compensation to $8,000) reasoned that because the sole purpose of the prohibition was to destroy the expectation a Representative or Senator might have that he would enjoy the newly increased emolument, that purpose would be fully satisfied. He argued that, "if the increase is made . . . and then unmade, he cannot get, or hope for, anything more than if there had been no such increase." (43 CONGRESSIONAL RECORD 2403). This reasoning prevailed. After passage of the remedial legislation, Senator Knox was nominated and confirmed as Secretary of State.

Further, the precedent established by the appointment of Senator Hugo Black to the Supreme Court is worthy of some consideration. During Senator Black's term of office, Congress strengthened the retirement benefits of Supreme Court justices. During that same term, the Senator was nominated to the Court. At the time, there was considerable discussion whether that increase in retirement benefits constituted an increase in the emoluments of that office within the scope of the Emoluments Clause. The Senate confirmed the nomination, apparently agreeing with the Attorney General that Senator Black was nevertheless eligible because the purpose of the clause was served since "inasmuch as Mr. Black was only 51 years old at the time and so would be ineligible for the 'increased emolument' for 19 years, it was not as to him an increased emolument." See Corwin, Annotated Constitution at 133, New York Times, August 14, 1937, page 1, column 3.

Finally, and most recently, I may point to the precedent of the appointment of Senator William Saxbe to be Attorney General in 1973, under circumstances exactly similar to the present situation. In the same manner proposed today, Senator Saxbe's salary was reduced for the remainder of his Senate term while he occupied that office.

These precedents support an interpretation of article I, section 6, clause 2, which consistent with the intent of the Framers, permits a Member of Congress who does not receive any prohibited benefits to accept an office in the United States.

Finally, a word may be said on the proper construction of this particular constitutional provision. I have heard a great deal lately on strict or liberal interpretations of clauses of the Constitution. I am well aware of the facile ability of learned advocates to turn up precedents for rules of construction to fit almost any situation. But I view the Constitution as a practical instrument of government, meant by its Framers to endure for ages.

Thus far it has served us well for over 180 years primarily because its interpreters have sought to avoid constructions which would yield pernicious results, particularly in cases for which the Constitution does not explicitly provide. Chief Justice Marshall was well aware that many Federal constitutional provisions do not spell out contingencies in great detail, requiring that a court deduce or infer a great deal from the general object of the provisions. In *McCulloch* v. *Maryland,* 17 U.S. 316 (1819), Marshall stated the principle from which all constitutional construction must begin:

> A constitution, to contain an accurate detail of all the subdivisions of which its great powers will admit, and of all the means by which they may be carried into execution, would partake of the prolixity of a legal code, and could scarcely be embraced by the human mind. It would, probably, never be understood by the public. Its nature, therefore, requires, that only its great outlines should be marked, its important objects designated, and the minor ingredients which compose those objects be deduced, from the nature of the objects themselves. . . . (W)e must never forget that it is a constitution we are expounding.
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> 17 U.S. 316, 406 (1819).

In the same vein, the Chief Justice, in a case decided the same year, commented on the instances when a strict literal approach would be inappropriate:

> But although a particular and a rare case may not, in itself, be of sufficient magnitude to induce a rule, yet it must be governed by the rule, when established, unless some plain and strong reason for excluding it can be given. It is not enough to say that this particular case was not in the mind of the convention when the article was framed, nor of the American people when it was adopted. It is necessary to go farther, and to say that, had this particular case been suggested, the language would have been so varied as to exclude it, or it would have been made a special exception. The case being within the words of the rule, must be within its operation likewise, *unless there be something in the literal construction so obviously absurd or mischievous, or repugnant to the general spirit of the instrument, as to justify those who expound the Constitution in making it an exception, Dartmouth College* v. *Woodward,* 17 U.S. (4 Wheat) 644 (1819) (emphasis supplied).

I am of the firm belief that a reading of the emoluments clause which would deny the effectiveness of this bill in removing the current disqualification of Senator Saxbe would be, in Marshall's words "obviously absurd," "mischievous," and "repugnant to the general spirit" of the clause. This provision was not intended, as its history plainly demonstrates, to effect a wholesale disqualification of an entire Congress from appointive office. The compromise which was effected from an earlier proposal which would have absolutely barred Members during their term plus 1 year clearly indicates that no such result was intended.

Further, the prohibition finally adopted the limit to three narrowly defined circumstances. We do no injustice to the Framers or damage to the constitutional instrument by reading the emoluments prohibited in a manner consistent with reality and reason, in a manner consistent with the preservation of the orderly processes of government.

I therefore urge the Senate to pass this bill and cause no further delay in rendering Senator MUSKIE the greatly deserved honor of appointment as Secretary of State.●

Mr. RIBICOFF. Mr. President, the bill which has been sent to the desk would reduce the salary and other emoluments of the Secretary of State to that which was in effect on January 1, 1977. I am introducing this bill on behalf of myself and Senators CHURCH, GLENN, JAVITS, PERCY, PRYOR, and STEVENS. The legislation provides that this reduced rate of pay shall be effective through noon on January 3, 1983, or until a successor to the individual who next holds the office of Secretary of State is appointed.

In addition, the legislation provides that any person aggrieved by an action of the Secretary of State may bring an action to contest the constitutionality of the appointment and that the courts shall give such suits expedited consideration.

The President has announced his desire to appoint our friend and colleague, Senator MUSKIE, to be Secretary of State. However, the Constitution prohibits any Member of Congress from taking a position in the executive branch if the salary for that job "shall have been" increased during the Congressman's term. Under the Constitution and the precedents, the administration believes Senator MUSKIE's nomination may not be made until this problem is resolved.

Therefore, I urge the Senate to act immediately to consider this bill so that the Senate may quickly proceed to consider the nomination. Under the circumstances, I believe it is vital that there be no delay in the submission of this nomination.

Mr. President, I move the passage of the bill.

Mr. STEVENS. Mr. President, on the understanding which I have previously stated that this measure is identical in its treatment to Senator MUSKIE that which was accorded to Senator Saxbe I join on behalf of Senator BAKER and myself in supporting the measure and urge its adoption.

Mr. RIBICOFF. Mr. President, may I assure the acting minority leader that it is on all fours and we followed completely the procedures in the Saxbe proceeding.

Mr. STEVENS. I appreciate that, and I am grateful to the Senator from Connecticut for stating it.

The PRESIDING OFFICER. The bill is open to amendment. If there be no amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill (S. 2637) was ordered to be engrossed for a third reading, read the third time, and passed, as follows.

S. 2637

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the compensation and other emoluments attached to the office of Secretary of State shall be those in effect January 1, 1977, notwithstanding any increase in such compensation or emoluments under (1) the Federal Salary Act of 1967 (Public Law 90–206; 81 Stat. 642) or the Executive Salary Cost-of-Living Adjustment Act (Public Law 94–82; 89 Stat. 419) taking effect during the period beginning at noon of January 3, 1977, and ending at noon of January 3, 1983, or (2) any other provision of law, or provision which has the force and effect of law, if such increase becomes effective during that period.

(b) Subsection (a) of this section shall be effective during the period beginning on the enactment of this Act and ending the earlier of noon of January 3, 1983, or the date on which the first individual appointed to the office of Secretary of State after the enactment of this Act ceases to hold that office.

SEC. 2. (a) Any person aggrieved by an action of the Secretary of State may bring a civil action in an appropriate United States district court to contest the constitutionality of the appointment and continuance in office of the Secretary of State on the ground that such appointment and continuance in office is in violation of article 1, section 6, clause, 2, of the Constitution. The United States district courts shall have exclusive jurisdiction, without regard to the sum or value of the matter in controversy, to determine the validity of such appointment and continuance in office.

(b) Any action brought under this section shall be heard and determined by a panel of three judges in accordance with section 2284 of title 28, United States Code. Any review of the action of a court convened pursuant to such section shall be by petition of certiorari to the Supreme Court.

(c) Any judge designed to hear any action brought under this section shall cause such action to be in every way expedited.

(d) This section applies only with respect to the Secretary of State who is first appointed to that office after the enactment of this Act.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. RIBICOFF. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

LOOKING TOWARD SPACE

Mr. HEFLIN. Mr. President, the Honorable James A. Michener has written an article, "Looking Toward Space," which appeared in the May 1980 issue of Omni magazine.

I ask unanimous consent that this article by the famous novelist James Michener be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

LOOKING TOWARD SPACE

(By James A. Michener)

There seem to be great tides that operate in the history of civilization, and nations are prudent if they estimate the force of those tides, their genesis, and the extent to which they can be utilized. A nation that guesses wrong on all its estimates is apt to be in serious trouble, if not on the brink of decline. Filled with speculation, men with clever minds can make remarkable contributions.

Toward the middle of the fifteenth century, nations faced problems comparable to those faced by individuals like Columbus, Vasco da Gama, and Sebastian Cabot. They had to decide whether they wanted to participate in the exploration of the world and, if so, to what degree of commitment. Those nations like Portugal and Spain that made early and fast decisions gained empires of fantastic richness. Others, like disunited Germany and Italy, which did not perceive the possibilities, suffered grave disadvantages and never caught up. England and France were very tardy, but in the end the first made a stunning recovery, the latter never did.

I am not primarily interested in either the exploits of a few daring captains or the economic advantages of the nations they represented. The more lasting effect was on the spirit of the times, that wonderful enlarging of the human consciousness when it realized that the old definitions no longer applied, when it knew that the world consisted of a great deal more than Europe. To have missed the explorations was regrettable, but to have missed this spiritual awakening would have been disastrous. France and Sweden are excellent examples of nations that did little of the manual work but that reaped the intellectual rewards of the period. One might almost argue that Portugal and Spain dragged home the raw material for France and Sweden to codify and digest, proving that any nation can participate in the great swing of civilization according to its peculiar capabilities. Portugal provided daring sea captains. England provided able administrators. France provided the philosophers. Those that provided nothing lost an entire cycle of historical experience, from which they never recovered.

Nor do I think that the rewards resulting from participation in a great cycle need be permanent, reaching down to all generations. I am quite content if my nation gains enlightenment or riches or advantages of other kinds for a respectable period. It can't be the hullabaloo of a single day or week, nor the celebration without foundation of some accidental accomplishment with little subsequent meaning. But if a nation responds to a challenge, succeeds in its effort, garners the rewards for a sensible period, and then loses the commanding position, I think no harm has been done. The nation has gleaned from that experience about all that it was destined to achieve, and a great good has been accomplished, because then the nation is prepared psychologically to tackle the next big problem when it comes along. And it surely will, for the life of any nation since the beginning of history has been a record of how it confronted the great challenges that inevitably came its way.

History is a grand mix of concepts, actions, organizings, and commitments that determines the extent to which any nation can achieve a good life for its citizens, and I believe without question that if a nation misses the great movements of its time, it misses the foundations on which it can build for the future.

One word of caution. I am not here speaking of either fad or fashion. I am not extolling the attractive ephemeral. And I am certainly not sponsoring the idea that was so fashionable in the 1930s that German Nazism represented "the wave of the future." Anyone who subscribed to that idea had a very limited view of what the future of the human race could be, and few fashionable ideas have ever crumbled so fast and so disastrously. The senate of any nation is obligated to discern the merely fashionable when it offers itself and to reject it.

Suppose that all I have said is true, which would be a miracle equal to those I've been discussing. Where does that leave the United States in relation to its space program? I am competent to comment on only three of its aspects, leaving the more technical details to others.

Are there nonmilitary advantages to be gained from a space program? The high technical requirements for success in space are so fundamental that spinoff rewards are almost automatic. Radio, television, medical instrumentation, miniaturization, watches, new food processes, communications, health advances, and improvement in clothing are some of the few advantages that I myself have gained because of the space program, and I am speaking only of small items that can be comprehended and used by the individual.

If one considers the larger items, such as intercontinental communications satellites, the mapping of weather patterns, the analysis of soils and forests, the exploration for minerals, including oil, the management of fisheries, and the like, the potential rewards are multiplied many times.

I have followed our past space adventures about as carefully as an uninstructed layman could, and I have a rather imaginative mind, but I anticipated almost none of these significant by-products, and I doubt that any of us can predict where the next contributions will be made.

I have heard one impressive argument against what I am saying now. A man of some probity said, "If we had applied our scientific brains to these problems, we could have solved them all at one tenth the cost." He is right. Had Congress 20 years ago set aside a substantial budget, and had it authorized the assembling of a body of top scientists, and had it provided them with spacious laboratories and told them, "Devise a computerized navigational instrument that will operate regardless of where in space it is stationed," this could surely have been done. But neither Congress nor the human mind works this way. It is only when great felt needs spur the imagination that certain accomplishments become possible. As a project by itself, few of the bonuses cited above would have materialized; as part of a national effort with a clearly defined goal, they all came into being, and others like them will follow.

Are there military advantages to be gained from a space program? I would be terrified today if only Russian and Chinese vehicles were orbiting in space. Their military advantage would be so tremendous that we might almost suffer as a nation a kind of psychological shock from which we might never recover, for we would certainly be at their mercy.

I fear that potentials of space warfare have yet to be impressed upon the American public. We do not realize the overwhelming advantage a nation would enjoy if it alone commandeered space, if it alone could direct by radio beam when and where an object or its cargo were to be brought down to Earth. Any nation that allowed its enemies such a superiority would soon find itself doomed.

But if all nations have the capacity to utilize space defensively, then the peril is diminished and reasonable arrangements can be worked out. But only through parity can we fully succeed in this endeavor.

Therefore, the United States must have a sensible space program, whether it wants one or not. To fail to keep up with new developments in this field would be disastrous, and any presidential administration that permitted a lag should be resoundingly condemned. We have to know what the capabilities of space are, and we have got to retain our proficiency in using them.

Are there spiritual advantages to be gained from a space program? The spirit of man and the resolve of a nation are tenuous things, to be fortified by the strangest experiences or destroyed by the most unanticipated accidents. Outward events influence them, but inner resolve usually determine outcomes. A novelist sees men and women destroy themselves because the will to survive has been lost; a historian watches nations go down because of fatal wrong choices that sap the national energy. Usually the tragedy occurs when inner convictions are lost or when a sense of frustration or waning purpose prevails.

It is extremely difficult to keep a human life or the life of a nation moving forward with enough energy and commitment to lift it into the next cycle of experience. My own life has been spent chronicling the rise and fall of human systems, and I am convinced that we are all terribly vulnerable.

I do not for a moment believe that the spiritual well-being of our nation depends primarily upon a successful space program. There are, as William James said, moral equivalents to war, moral substitutes for any charismatic national experience. I am sure we could, as a nation, attain great spiritual reassurance from rebuilding our cities or distributing our farm produce better. And my experience in the arts has taught me to be suspicious of late fashions or high styles. Space programs are stylish today and run the risk of being abused.

But I also believe that there are moments in history when challenges occur of such a compelling nature that to miss them is to miss the whole meaning of an epoch. Space is such a challenge. It is the kind of challenge William Shakespeare sensed nearly 400 years ago when he wrote:

> There is a tide in the affairs of men,
> Which, taken at the flood, leads on to fortune;
> Omitted, all the voyage of their life
> Is bound in shallows and in miseries.
> On such a full sea are we now afloat,
> And we must take the current when it serves
> Or lose our ventures.

We risk great peril if we kill off this spirit of adventure, for we cannot predict how and in what seemingly unrelated fields it will manifest itself. A nation that loses its forward thrust is in danger, and one of the most effective ways to retain that thrust is to keep exploring possibilities. The sense of exploration is intimately bound up with human resolve, and for a nation to believe that it is still committed to forward motion is to ensure its continuance.

I doubt there is a women or a man who honestly believes that the United States could ever fall backward, as other nations have within our lifetime. Intuitively we feel that we are exempt. Yet for us to think so is to fly in the face of all history, for many nations at their apex were inwardly doomed, because their willpower had begun to falter, and soon their vulnerability became evident to all. Enemies do not destroy nations; time and the loss of will bring them down.

Therefore, we should be most careful about retreating from the specific challenge of our age. We should be reluctant to turn our back upon the frontier of this epoch. Space is indifferent to what we do; it has no feeling, no design, no interest in whether we grapple with it or not. But we cannot be indifferent to space, because the grand, slow march of our intelligence has brought us, in our generation, to a point from which we can explore and understand and utilize it. To turn back now would be to deny our history, our capabilities.

I was not overly impressed when men walked upon the moon, because I knew it to be out there at a specific distance, with specific characteristics, and I supposed that we had enough intelligence to devise the necessary machinery to get us there and back. But when we sent an unmanned object hurtling into distant space, and when it began sending back signals—a chain of numbers, to be exact—that could be reassembled here on Earth to provide us with a photograph of the surface of Mars, I was struck dumb with wonder. And when computers began adjusting the chain of numbers, augmenting some, diminishing others, so that the photographs became always clearer and more defined, I realized that we could accomplish almost anything out in the farthest reaches of space.

My life changed completely on the day I saw those Mars photographs, for I had participated in that miracle. My tax dollars had helped pay for the project. The universities that I supported had provided the brains to arm the cameras. And the government that I helped nourish had organized the expedition. I saw the universe in a new light and myself and my nation in a new set of responsibilities. My spirit was enlarged and my willingness to work on future projects fortified.

No one can predict what aspect of space will invigorate a given individual, and there must have been millions of Americans who did not even know Mars had been photographed. But we do know that in previous periods when great explorations were made they reverberated throughout society. Dante and Shakespeare and Milton responded to the events of their day. Scientists were urged to new discoveries. And nations modified their practices in accordance with these discoveries.

All the thoughts of men are interlocked, and success in one area produces unforeseen successes in others. It is for this reason that a nation like ours is obligated to pursue its adventure in space. I am not competent to say how much money should be spent. I am not competent to advise on how the program should be administered. But I am convinced it must be done.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

CIVIL RIGHTS OF INSTITUTIONALIZED PERSONS—CONFERENCE REPORT

The Senate continued with the conference report.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

THIRTY-MINUTE RECESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate stand recessed for 30 minutes.

There being no objection, the Senate, at 2:29 p.m., recessed until 2:59 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. CHILES).

ORDER OF BUSINESS

The PRESIDING OFFICER. The Senate will come to order.

Mr. STENNIS. Mr. President, what is the pending order of business, please?

The PRESIDING OFFICER. The conference report on H.R. 10 is the pending business.

Mr. STENNIS. Mr. President, I understand that cloture has been invoked on this item.

The PRESIDING OFFICER. The Senator is correct. Each Senator is entitled to 1 hour.

Mr. STENNIS. I thank the Chair.

Mr. President, may I submit the question of unanimous consent that I have already spoken to the Senator from West Virginia about? I expect to speak 20 to 25 minutes, if it is agreeable. I ask unanimous consent that I be permitted to speak 25 minutes on an extraneous matter and that it be charged to the 1 hour allotted me under the bill?

The PRESIDING OFFICER. Is there

objection? Without objection, it is so ordered.

The Senator is recognized.

Mr. STENNIS. Mr. President, first, I ask unanimous consent that a member of my staff, James Jordan, be granted privilege of the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE CUBAN REFUGEE SITUATION

Mr. STENNIS. Mr. President, the matter that concerns me and causes me to ask for recognition now on the extraneous subject is the Cuban refugee situation.

My concern is not limited to that one item, but to the entire problem that will not go away. I am not angry about it. I am not aroused beyond reason in any way. But I believe it is one of the gravest problems that we have before us today. On the whole matter of immigration, we have not tried hard enough to do enough about it to be effective with real policies.

Mr. President, for a long while the attitude of the people of the United States is well reflected in the inscription on the Statue of Liberty—

> Give me your tired, your poor,
> Your huddled masses yearning to breathe free,
> The wretched refuse of your teeming shore.
> Send these, the homeless, tempest-tossed to me.
> I lift my lamp beside the golden door!

Our generosity is legend throughout the world and we are not coming to the end of our generosity. The United States accepts more immigrants and more refugees than the rest of the free world combined. Our free society is the goal of most immigrants in the world, but our people have recognized that there must be numerical limits to the immigration permitted to our country. The law recognizes this need for a numerical ceiling, and actually imposes one in the letter of the law.

The numerical quota expresses the concerns for resources and environment and the impact on American workers. Immigration is a significant component of population growth in the United States. In recent years, the combination of legal and illegal immigration has composed up to half of our annual increase in population. To protect and preserve the resources of the United States our population growth must be slowed, and that part of population growth which comes from immigration must be controlled, and not allowed to grow without any bounds.

Those of us who are concerned about American workers, about the cost of Government and the cost of providing social services to Americans, and about the preservation of the beauty and the wealth of our Nation must care about immigration to the United States. For these reasons, I feel compelled to speak on the Cuban refugee situation, to try to do something about it, to express this problem, as I say, including the refugee situation in Cuba.

Mr. President, last week, in an act of cruel inhumanity—the Cuban Government violated its agreement to allow the immigration of 10,000 Cubans who had gathered at the Peruvian Embassy in Havana seeking asylum from the economic and political conditions in Cuba. On April 18, the Castro government suspended orderly flights from Cuba to Costa Rica, which had agreed to accept the people seeking refuge at the Peruvian Embassy.

The suspension of flights touched off a wave of illegal immigration from Cuba to the United States. According to the Immigration and Naturalization Service, 4,218 aliens had landed at the Truman Annex Docks at Key West, Fla., by 4 p.m. April 30, and have applied for political asylum in this country. From Key West, the alien asylum applicants are transported to the Youth Fair Pavilion near Miami. At the pavilion, the refugees are being interviewed and processed by the Immigration and Naturalization Service personnel. The processing consists of completing a request for political asylum, obtaining a biographical statement from the aliens and establishing identification. If it is determined that the alien is a convicted criminal or narcotics violator, he is detained by the Immigration and Naturalization Service for further investigation and appropriate legal action. The others are placed in a temporary parole status for 60 days. Parole is not admission for permanent residence, and there is no numerical ceiling on those who may be paroled.

Under certain circumstances, an alien paroled into the United States may adjust his status to that of an alien lawfully admitted for permanent residence if he is eligible for an immigrant visa and a visa is available under the Immigration and Nationality Act's numerical limitation. In the case of Cuban refugees, an alien may adjust within 1 year.

It appears that allowing aliens to land in the United States in the manner which is now being permitted in the current Cuban situation encourages increasing numbers of illegal immigrations. Each day has brought increasing numbers of illegal boats to the United States.

There are reports that more than 1,700 boats are anchored in the Cuban Port of Mariel, awaiting to ferry more refugees across the 90-mile span between Cuba and the Florida Keys and the docks at Key West are filled to capacity.

Under the provisions of the Refugee Act of 1980, which was passed by the 96th Congress and signed into law on March 17, 1980, 50,000 persons per year may be admitted as refugees. There is also a provision in the law that provides for additional refugees in an emergency, if the Congress is consulted and it is determined that there is a need beyond the 50,000. In the case of this recent Cuban immigration to the United States, refugees may under the law enter and seek political asylum and be placed in a temporary parole. However, it is unlawful to assist in the transport of these refugees. Boat owners and boat operators who are transporting Cubans to the United States are in violation of U.S. immigration laws and as such are subject to arrest and seizure. According to the Immigration and Naturalization Service, until the 28th, no seizures or arrests had been made. Now three seizures of vessels by the U.S. Customs Service have been made. The main extent of enforcement of the law has been to serve Notices of Intentions to Fine to the vessels which have landed refugees in the United States. The fine is $1,000 for each undocumented alien.

Mr. President, the situation which I have described poses a serious dilemma in the execution of U.S. law. I am talking now about a matter that is already the law. The law provides for a limitation on the number of people legally allowed to immigrate to this country. The dilemma is that it appears that we cannot enforce the law, and the reasons we cannot enforce the law are twofold. First, it is politically unacceptable for our society to reject fellow humans who seek refuge in this country, once they are here.

I use the word "politically" a little out of its usual context. By that I mean that it is a very sensitive situation. That is why the law provided for the facts of life and requires that these temporary permits first have to be established beyond our own borders; because once these individuals are here, this special, additional, sensitive problem is created. We have the relatives and friends who often are interested and involved; and when these massive numbers come over like this, something beyond any reasonable anticipation, it compounds all those problems, magnifies them tenfold, twentyfold—a thousandfold, we might say.

Second, the law enforcement agencies, the Coast Guard, the Customs Service, and the Immigration and Naturalization Service do not have sufficient equipment or manpower to cope with unusual surges of refugees like the current Cuban situation.

Mr. President, I understand the Government agencies have figures that I could use here which would show that they are on the job, that they are doing their duty, and that they are screening and finding the criminals. But I will not go into figures here.

I am talking about a broader program which we must give our attention to. For the time being I will stay away from figures, as such. However, I believe that the Federal and local agencies are trying to cope with this problem, but they are overwhelmed.

In my judgment, we must come to grips with the realities of political refugees. The purpose of immigration laws is to insure order and validity to the admission of aliens who seek refuge in the United States. The Cuban situation is out of control. Hundreds of unseaworthy craft are navigating the waters between Cuba and the United States to carry desperate people at great risks. Some of this is prompted by the desire to make the quick dollar. These boats are unseaworthy—that is a mild term to use—and they are creating more of a problem than they possibly could solve, regardless of their intention. While there are accounts of unusual personal sacrifice and courage which tear at our hearts, it must also be said that there are stories of profiteering and opportunity taking which are repugnant. The heavy loss of human lives at sea is a real risk in this situation. Already, there are reports that the recent storms in that area took a heavy toll.

The Select Committee on Immigration and Refugee Policy was established by Public Law 95–412 to study the U.S. immigration laws and to make recommendations. It is my hope that this commission, which has been constituted for more than a year, will consider emergency political refugee situations and will soon arrive at a recommendation for legislation. Meanwhile, I call on my colleagues to join me in an appeal for enforcement of the law that we already have. I believe that unsafe passage of these desperate people from Cuba to the United States must be stopped. We must insist on enforcement of the law. We are bound by it ourselves, and we will have to insist that others be bound. I call for the United States to work with the Governments of Cuba and Costa Rica to provide for organized and safe transportation of aliens to Costa Rica for further resettlement by the United Nations High Commission on Refugees. Refugees seeking political asylum must be resettled by international organizations. Our Government cannot and should not alone try to handle these situations on an ad hoc basis after the aliens have landed.

There is just so much we can stand, so much that we should be called upon to stand. If we do not call a halt here and keep this problem within the law that already has been agreed upon and is most generous indeed, the whole structure of the law will collapse and bring about conditions far worse than those at present, and it will bring about a reaction right here on this floor and in the other body—and throughout the country, of course—which might lead to very extreme legislation.

The current condition of allowing illegal transportation over treacherous waters outside the normal immigration processing is inhumane and unfair. It is inhumane to force desperate people to risk their lives and pay exorbitant fees to boat owners to make a trip which may end in tragedy. It is unfair to those who have applied through normal procedures for immigration to our country within the quotas established by law. While we must be sensitive to human suffering in the world, we should not encourage false hopes and high risks in desperate people. This would be the most cruel of any immigration policy.

Mr. President, I make no further comments at this time. I wanted to bring these matters together for the benefit of my colleagues, to bring together the facts of life as to what actually is happening, a quick review of what the law is, and show that our agencies are trying to do something about it; but that, in fact, they are overwhelmed.

Of course, the main victims now are the areas of our great Nation that are closest to the shoreline of Cuba. These areas have to bear the added burden; and, in fact, they have had to bear it for years and years.

I want our Nation to be as generous as we reasonably can under the circumstances, and I know that the people I have the privilege of representing feel that way about it. I have been quiet, not fully active at times in the past when I should have been more active, perhaps more concerned on this issue. I am thankful that I have the generosity of feeling for humanity that runs through the minds and the feelings of all us. We are willing to share, to a reasonable degree, the great blessings that have come to us in the way of political freedom in a relatively prosperous country.

But I tell you right now, Mr. President, at some point we are going to have to draw effective lines, not just paper language, or laws to put in the books, but effective laws that are enforceable and are enforced.

America must be for Americans who are here and those that are legally admitted. We are willing to share. We are sharing. We have shared over the past decades since our country was born under its present form and system of Government, and I certainly do not want to blow out that great light of human feeling and idea of being willing to share.

So in the name of sharing I plead for complete review. I am not on a committee that works in this field, and we have mighty good committees and members. But there must be a review, as I see it, of the entire structure of immigration policy in the light of these recent developments.

We might as well get ready. The prospects are that we are going to have unemployment far more pronounced than now and we are going to probably have it soon. But I want to emplasize a long-range view as well as the short range. It is one of the unhappy facts of history that we have not done enough about our immigration policy. I feel that we can make some adjustment between our spirit of generosity and willingness to share with those that are less fortunate and our own duty to self-preservation and for preserving the fruits of our system and our land for the benefit of ourselves and those who will share our future.

Mr. President, how much time have I taken?

The PRESIDING OFFICER. The Senator took 23 minutes.

Mr. STENNIS. I thank the Chair and I thank the Senator for the allotment of time. I will seek the floor later on the pending matter but I yield the floor now, Mr. President.

CIVIL RIGHTS OF INSTITUTIONALIZED PERSONS—CONFERENCE REPORT

The Senate continued with the consideration of H.R. 10.

Mr. COCHRAN. Mr. President, what is the business before the body at this time?

The PRESIDING OFFICER. The business before the body is the conference report on H.R. 10, on which cloture has been invoked.

Mr. COCHRAN. Mr. President, on February 26 of this year, I rose in this Chamber to express my views in opposition to this legislation that is now the subject before the Senate.

Since that time, the bill has passed and the Senate conferees, including me and others from the Judiciary Committee, have met with Members of the House of Representatives to try to iron out differences between the House and Senate versions.

In these 2 months since my original remarks on the subject my views have not changed. The fact of the matter is I think I have become stronger in my view that there are some basic principles of Federal-State relations involved in this question and a definition of the appropriate responsibilities of each which are extremely important and should be carefully considered before we pass and approve this conference report.

Both the Federal Government and the several State governments, of course, have specific individual responsibilities for protection of the rights of the citizens of the United States.

What we are doing, though, if this conference report is approved, is making the Justice Department select from among all the States and localities throughout this great country of ours those places where it is going to threaten to bring and actually bring lawsuits to force construction of public facilities, or changes the management of public facilities, and this is necessarily going to require the imposition of new taxes, the raising of new revenues, and the allocation of resources in a different way from those planned and approved by local and State officials.

Obviously, if local elected officials were disposed to allocate resources in a different way this would obviate the Justice Department's force in trying to dictate how those funds should be spent. Obviously local officials right now are not prepared to do the things that we assumed the Justice Department wants to force them to do under this legislation.

What it gets right down to, Mr. President, is what the local citizens want done in terms of allocation of resources for public institutions.

Several times, during the course of the debate on this legislation in committee and on the floor, several of our colleagues who have served as State officials, former Governors, such as Senator Boren, Senator Exon and Senator Laxalt, and former State attorneys general, such as Senator Danforth and Senator Morgan, have all expressed opposition to this legislation because the responsibility for these matters is properly in the hands of State and local officials instead of the Department of Justice.

We would all like to help promote a harmonious and good working relationship, a partnership, in effect, between and among all aspects of government, Federal, State, and local, to make sure that the legitimate interests, rights, and concerns of our citizens are protected and to help assure that the quality of life for all our citizens is enhanced.

Given that specific goal that we all share, I wonder whether it is in the best interests of that ambition for us to give the Department of Justice the right to go into a small town, a community, a county, or a State and begin investigating whether or not all the criteria decided upon by the Justice Department here in Washington which should be met by an institution are being met and then impose the will of the Federal Government through litigation, if they want to, unrestrained by Congress, unrestrained by any other power. I do not think so.

It cannot be in the best interests of that ambition for us to permit this new authority to be reposed in the Department of Justice.

This legislation assumes that having the Department of Justice file lawsuits is the best way to protect the rights of institutionalized persons.

Mr. President, I remember the other day having a visit with one of the distinguished citizens of the State of Mississippi who now serves as the Chief Judge of the Court of Appeals for the Fifth Circuit, Judge J. P. Coleman, one of the most admired and revered public servants in the United States. He told me the absolute inundation of that court of appeals by petitions from institutionalized persons, mostly people in penal institutions, filing writs, petitions, applications, not only to review sentences, to review the trials that were held, some many years before, some many months before, but also complaining of conditions in institutions. He told me that it takes a great part of that court's time to handle the large number of these petitions.

Yet the proponents of this legislation would tell us that there is not an appropriate avenue under our legal system for bringing those complaints or bringing those concerns to the attention of the courts. They argue that we now have to give the Department of Justice the power to institute on its own litigation, lawsuits, in the Federal court system, to bring to the attention of our Government unmet needs in public institutions.

I suggest that it is not necessary to do that. It is being done now by legal services groups all over this country, by individual lawyers who are petitioned by those and members of the families of those who may be in public institutions where their civil rights or their constitutional rights allegedly may be violated.

If there are such problems, there are sufficient avenues at the present time available for that to be brought to the attention of the administrative branch of Government, the judicial branch of Government, and certainly to the Congress, where we guarantee that these rights can be asserted.

I suggest too there is written into this legislation, between the lines, a notion by the proponents that Washington has more wisdom, Washington has more sensitivity than State and local governments and people at the local level who are charged with the responsibility of taking care of folks in these public institutions.

I do not agree with that premise and I think it is wrong. I do not think, for instance, that all wisdom resides and reposes here in Washington, let alone in the Department of Justice. Indeed, before the Federal Government starts dictating corrections policy all over the country it should put its own house in order.

The Bureau of Prisons in the Department of Justice has numerous problems in its facilities around the country. But that fact is ignored in this bill. What we are doing in this legislation is saying the Federal Government is going to be that government entity which sets the example in sensitivity, which sets the example in concern for the welfare of institutionalized persons.

That is the suggestion here in this legislation, that Washington does a better job protecting the concerns and constitutional rights of institutionalized persons.

Well, is that really true? A congressional report recently was received, and it was brought to the attention of this body by the distinguished Senator from South Carolina (Mr. THURMOND). This report dealt with some serious problems at the Federal penitentiary in Atlanta. Here is a quote from that report:

> The Atlanta penitentiary is too large and too old to enable prison officials to manage a prison population in a safe and efficient way. It was estimated that it would cost up to $44 million to renovate the Atlanta penitentiary so that it is in compliance with the minimum standards of a modern correctional facility. Consequently, the report recommends that the penitentiary be closed as soon as feasible, but not later than 1984. Closure of the prison also has been suggested by the House Judiciary Committee and the Bureau of Prisons.

Mr. President, that clearly indicates to me that the Federal Government itself is not devoting or allocating the funds necessary to keep its own prisons up to minimum standards. Let us do first things first. If the Federal Government has an obligation to maintain a prison system for those who violate Federal criminal laws and are incarcerated as a result of judgments of our Federal courts, then it is up to this Congress, it is up to the Department of Justice in this town, to see that it is done in a way that protects the constitutional rights of those who are going to be institutionalized.

Now, before a good enough job is done with that mission and that responsibility, this Congress has now decided that it is this same Department of Justice, it is this same Federal Government, that ought to dictate to little towns, counties, and States across this great land how they ought to run their jails, what they ought to do to protect the rights of the institutionalized persons in these localities and States.

This report on the Bureau of Prisons indicates how absurd that is. It is hypocritical to give the Department of Justice additional authority to force the States and local governments to allocate funds in a way decided upon by the Department of Justice when the Bureau of Prisons is in such a sorry state.

The conditions in another Federal prison, Mr. President, made news last week. That news was in the form of a Supreme Court ruling in the case of Carlson against Green. The original suit was brought by the mother of a deceased inmate of the Federal prison in Indiana seeking damages against the Federal prison by alleging her son, while a prisoner, suffered personal injuries from which he died, and that the prison officials violated his eighth amendment rights by failing to give him proper medical attention.

The eighth amendment to the Constitution prohibits punishment which is cruel and inhuman. She had sought to bring this action directly under the eighth amendment. Do you know who opposed her right to claim damages under the Constitution? The Department of Justice in Washington. The Department of Justice attorneys claimed there was no such right to bring the action against the Government under the eighth amendment. If a complaint had to be filed and litigated, it should have been brought under the Federal Tort Claims Act, and there was no standing to bring this action.

The Supreme Court did not agree with that, and in the opinion the Supreme Court also detailed some of the facts of the case, and I will read them. The Court said:

> The mother alleged that the prison officials, being fully apprised of the gross inadequacy of medical facilities and staff at the Federal corrections center in Terre Haute, Indiana, and of the seriousness of Jones' chronic asthmatic condition, nonetheless kept him in that facility against the advice of doctors; failed to give him competent medical attention for some 8 hours after he had an asthmatic attack; administered contraindicated drugs, which made his attack more severe; attempted to use a respirator known to be inoperative, which further impeded his breathing, and delayed for too long a time his transfer to an outside hospital. Complainant further alleges that Jones' death resulted from these acts and omissions; that prison officials were deliberately indifferent to Jones' serious medical needs, and that their indifference was in part attributable to racial prejudice.

Mr. President, I am not saying those facts are true, but I am saying that those are the allegations which were made in this legal action which was filed for redress of wrongs allegedly committed in a Federal correctional institution, and just reported by our U.S. Supreme Court last week.

The legal issue, as I mentioned earlier, which was presented to the Supreme Court did not center around a dispute as to whether these allegations were true or not, but rather turned on a technical legal point as to whether or not the mother could maintain this action as a claim for damages directly under the eighth amendment or whether the suit had to be brought under the Federal Tort Claims Act.

The Justice Department here in Washington opposed the mother's constitutional claim and argued that she should have brought the suit under the tort claims statute.

The Supreme Court decision was a 5-to-4 vote, permitting the mother of the deceased prisoner to bring her suit under the Constitution directly.

Mr. President, I have mentioned this case of Carlson against Green because the facts, as alleged in the action, raise a serious question about whether or not problems of protecting constitutional rights in Federal institutions are being solved by the Federal Government or whether they are being ignored and pushed under the rug and the attention of the people of this country diverted from that problem to the States and local governments, where you have a small town and a jail that has been there for 20 years. The big lawyers in their fancy suits from Washington go all the way down there and say to those townspeople:

> You have got to build a new jail house because you are violating the constitutional rights of these prisoners.
>
> You may have one or two in there for a while intermittently, and so this town has to stop its library funds, it has to shut down the fire department, it has to stop fixing the potholes in the streets while it votes a bond issue, and get all the tax money that little town can stand, in order to build a new jail because the Department of Justice lawyers are going to sue you to force you to do that.

I am suggesting that is not government for the people; that is not the kind of government we ought to be running and supporting.

If the Federal Government has an obligation, it has the initial obligation in these matters to straighten out its own house. And allegations such as these that I have referred to from the Terre Haute, Ind., Federal prison ought to be corrected if they exist. If these allegations are true, they ought to be set straight before we proceed to put the Department of Justice in the business of dictating to every town, every county, and every State how they ought to run their business.

Let us straighten out the Federal Government's business first and then demonstrate by example that we have a standing to make any complaint. There has been no demonstration to this Senator that the Federal Government has a greater sensitivity to the needs and interests of institutionalized persons than do local and State officials.

There have been some very strained relations engendered by an oppressive Department of Justice in some areas of the country. Those incidents have already been very eloquently described by the Senator from Missouri, Senator DANFORTH, the matters that came to his attention when he served as an attorney general in that State; and by the distinguished Senator from Oklahoma, Senator BOREN, when he served as Governor of the State of Oklahoma.

We probably all have personal experiences which we can recall of Washington lawyers coming down and threatening to sue and trying to push around local and State officials over how they are allocating resources.

I think we need to promote a better relationship between Federal, State, and local elected officials. This legislation is not going to do it. It is going to make local and State government officials reluctant to take any initiatives on their own.

Why take the political heat? Let me ask a practical question: Why would a mayor of a town take the political heat and go out among the local townspeople and say, "We have got to get together and do something about the jailhouse. It is rundown. Somebody was in here the other day complaining that we are going to be liable in a lawsuit if we don't improve this situation."

Well, is the mayor going to go out and try to put his political future in jeopardy, pushing the local people to vote for a bond issue, to levy new taxes, to improve that situation? Or will the tendency be for him to say, "Well, there is a law on the books in Washington that makes this the responsibility of the Department of Justice to decide when the rights of institutionalized persons have been so transgressed that a lawsuit is required to be filed. There is a law on the books now called the Rights of Institutionalized Persons. Let us let Washington, then, send its lawyers down here and threaten this lawsuit or actually file the lawsuit and make us spend the money in that way," rather than taking the political initiative and running the political risk of telling the local constituency that he would rather see the tax money being spent on the jail than on the city library or the school system or these programs for senior citizens, all of which are very popular?

It strikes me as unwise, impractical, to presume that passing this legislation is going to encourage improvements of facilities at the local and State level for institutionalized persons. It is just not going to do it. It is going to have, as a practical matter, the reverse effect.

I have the highest regard for the distinguished Senators who are urging this body to approve this conference report; to affirm our concern for those who are in institutions, who cannot, in many cases, speak for their own interests, make their own complaints when their rights are being violated; those in mental institutions, those who are handicapped and who are too sick to be able to initiate these actions.

I have that same concern and that same sensitivity. I am convinced all Members of this body share that sensitivity.

Nobody is trying to outdo anybody in concerns for the ill, the handicapped, the infirmed or those who are in prison. We want to have a Government that cares and that demonstrates that care and concern by action.

The Federal Government needs to clean up the Federal facilities, the Federal correction institutions. The State governments need to clean up their institutions.

But to give the Department of Justice the big sledge hammer and to place the Attorney General and the head of this Department up above everybody and say that this is the final arbiter, he or she has the final say so, is beyond the scope of our mandate as a legislative body.

It is going to tear down, if it is approved, the Federal-State relationship which is so important in this system of ours.

We are going to see more lawsuits. You cannot argue that. If this legislation is passed, you are going to see more lawsuits. Does anybody disagree with that? Of course not.

That breeds confrontation. There is not going to be a working together. All of the niceties that have been written in a few amendments—and I applaud the amendments because they do improve the legislation—about notice, about not being heavy handed, about the good intensions that ought to be demonstrated, the ability to work out problems short of litigation, all of that is written into the law.

But is it going to result in fewer lawsuits? No. There will be many, many, many more than we are having now. There will be many, many more confrontations, bitter fights, arguments over allocations of resources and who is right and who is wrong and, "Well, I'll just see you in the courthouse."

That will be the aura that will surround the Federal-State efforts to improve facilities to protect the constitutional rights of institutionalized persons if we approve this conference report.

Two months ago, when I was speaking in this Chamber against the passage of this legislation initially, I was concerned that passage of this bill would be obnoxious to most local officials being confronted with a new kind of power, a new kind of imposition of Federal power. I am convinced more than ever that that will be the practical result.

We are not going to be encouraging support among local elected officials for new initiatives in the field of penal reform and correctional changes to institutions, but I wish that were what we were doing.

There is a desperate need for improvement of these facilities all over the country. But it is up to the local elected officials to decide how tax revenues are allocated.

In my State we have a lot of poverty. Last week, I was visiting two senior citizens groups in my State, one at a nutrition site in a small town of Runnelstown, Miss. There were 20 to 30 older citizens there.

Later in the day, I visited another group of retired persons.

The point I am making is those individuals have unmet needs. In my State 350,000-plus citizens over 60 years of age live at or below the poverty level. We have a low tax base in our State. We could use some new tax revenues allocated to help bolster our nutrition programs for older citizens, to help with housing needs, to help with unmet transportation needs, to help in the battle against unnecessary institutionalization. Why not allocate funds to help prevent unnecessary institutionalization?

Well, these are needs that are not fully met now. I am afraid that with the passage of a bill like this, which permits the Department of Justice to stir up new litigation—that is their business, filing lawsuits, not penal reform or institutional reform but filing lawsuits, that is what they are in business to do—it gives that Department the right to come in and force the allocation of funds away from senior citizen programs, efforts to prevent unnecessary institutionalization, and many other worthwhile and needed programs at the community level. And all in the name of doing something good for the people at the local level—improving the quality of lives of our citizens.

This is counterproductive legislation, Mr. President, because it is not going to make a constructive contribution to improving the opportunities for a better quality of life of folks at the local level, not in my State. I am convinced it is not going to do one thing good, but it has the potential of doing a lot of evil.

We are going to see a hardening of attitudes, Mr. President, unfortunately, as a result of this legislation if it is approved. There will be a natural reluctance to do those things that need to be done voluntarily when there is this sledge hammer available to the Department of Justice to force local governments to do unpopular things. The tendency will be to leave it to the Department of Justice to take the heat, to leave it to Washington. "We can blame it on them. Why take the initiative ourselves? Why try to convince the local citizens that we need to allocate these resources in an unpopular way?"

That worries me considerably.

We are at a point now where I believe throughout the country there is a renewed sense of responsibility and dedication of public officials at the local and State levels. In some towns, you know, it is hard to get somebody to run for mayor. In one of our small towns in Mississippi the term of the mayor was up and he was not going to run for reelection. They could not get anybody to run. You have heard of them holding elections and nobody coming. Well, they had filing day, and nobody showed up. It is tough to do these jobs. You do not make any money as a mayor, as a member of the board of aldermen, or in the county government in most places in the United States. And now, in addition to giving these dedicated citizens, people who have a sense of responsibility, the obligation to help run a government with limited resources, we are going to put the might and power of the Department of Justice in a position to force the allocation of resources in a way that is not going to promote the kind of quality of life that these officials are trying to bring to those towns and counties. It will really be a thankless job.

Most of these local officials, Mr. President, I am convinced are trying to do what is right, not only for citizens in the community, the taxpayers, but those who are less fortunate, those who really do not have political power, as such, for those who are institutionalized. There is a renewed commitment, I am convinced, throughout the country to improve situations.

The Department of Justice does not have to go to Mississippi, Missouri, Oklahoma, or Nebraska and dictate to these local and State officials who are conscientious and doing everything in their power to set matters straight and improve the lives and the opportunities of institutionalized persons. That is not necessary.

But here the Congress is rising up in holy indignation, in holy horror, with its hands raised, saying, "Oh my goodness, we have to act. We have to do something."

What are we doing? Are we sending money? Are we improving the resource position of these local institutions, these State institutions? Are we helping them? Of course not. We are not doing anything that simple. We are not doing anything like sending money.

We are sending lawyers with big briefcases and fancy striped suits into these towns and into these States, threatening them with lawsuits.

Is that really going to help a lot of institutionalized people in my State—to get the State sued?

It is going to be counterproductive. It will harden attitudes.

We are going to give the big Department of Justice up here in the sky in Washington new unlimited powers—unlimited and unrestrained—to impose, almost arbitrarily, their will. I am opposed to it and I do not think we ought to pass this bill.

For those reasons, Mr. President, I seriously urge my colleagues to vote against this conference report.

Our time for talking about it is running out. I am confident we will live to regret the day we provoked disunity, disharmony, in our Federal-State relations by the passage of this legislation.

I yield back the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. MOYNIHAN. Mr. President, I am happy to yield such time to the majority leader as he may require.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that I may speak on a nongermane matter.

The PRESIDING OFFICER. Without objection, it is so ordered.

PRIME RATE UNJUSTIFIABLY HIGH

Mr. ROBERT C. BYRD. Mr. President, it is a recognized axiom in financial circles that, during periods of rising interest rates, the "prime," or best rate charged by banks, generally goes up faster than short-term rates. During periods of falling interest rates, the prime rate generally comes down more slowly than other interest rates.

The axiom also holds that during periods of rising rates, bank profits tend to shrink; and during periods of falling rates, bank profits tend to surge.

Over the last 3 weeks, we have witnessed a decline in short-term interest rates. Since early April, rates on 3-month certificates of deposit have fallen from more than 18 percent to 12½ percent. CD's are large deposits left at a bank for a specified period of time. Together with Federal funds, Eurodollars, and Federal reserve discount money, they are an important source of marginal funding for large banks.

As a rule, the rate which banks must pay for CD's and other short-term sources of funds, combined with the demand for loans, determines the prime rate.

However, even though the banks' cost of marginal funds has tumbled more than 5 percentage points, and even though loan demand is terribly sluggish, the prime rate charged by most banks has fallen only 1 percentage point—from 20 percent to 19 percent.

If the economy were sending signals of increased activity, and, thereby, signaling increased loan demand, one might understand the banks' reluctance to reduce their prime rate. In an expanding economy, reducing the cost of money would be likely to increase loan demand significantly.

But this economy is not expanding. It is contracting. Factory orders were down 0.9 percent in March. Final sales are down. Unemployment is rising. This slowdown of the economy is responsible for driving interest rates down at such a rapid pace.

The banks know this. Their large corporate borrowers are going to commercial paper markets to borrow. Large corporations can borrow money directly from the public by issuing commercial paper at an interest rate of 12 percent.

Smaller companies do not have access to commercial paper markets. They have to borrow directly from banks. Therefore, this "lag" in the prime rate is being paid for by medium-sized and smaller companies. In these stormy economic times, unjustifiably high interest rates are one burden which smaller firms could well do without.

Many observers have attributed the recent plummet in interest rates to a loosening of monetary policy by the Federal Reserve but, ever since October 6, 1979, the Federal Reserve has said it would permit a relatively moderate and constant growth in the money supply, and let interest rates go where demand for money would push them. In its February 19, 1980, report, the Fed outlined a growth in the basic money supply of between 3.5 percent and 6 percent per year.

During the 4 weeks ending April 9, 1980, the basic money supply grew at an annual rate of only 1.8 percent from the 4 weeks ending January 9, 1980.

In other words, because of sluggish loan demand, the supply of money was growing more slowly than the bottom range established by the Fed. The Fed has been acting to pump more money into the system to get the growth of money up to its announced range. It has not changed its policy. The Fed is not driving down interest rates. Slack loan demand is driving down interest rates. And it is time that our major banks recognize this fact, and drop their prime rates.

A rapid, significant reduction in the prime rate will have psychological impact on financial markets of pushing other rates, both short and long term, down farther. This will decrease the banks' cost of money and allow them to keep dropping the prime.

I have never been comfortable with the notion of sustained high interest rates and the waste of human potential and economic capacity which they bring. So, now that rates are falling, I hope they will keep falling. Now that the bond market is reviving, I hope that it will become robust. Now that the economy is confronting a recession, interest rates must fall to a level which will induce a healthy level of economic activity.

The banks have a critical, central role to play in this process. No institution in the society has more to lose if the economy tumbles into a deep recession. The profits they might realize in the short term by holding their prime rate at an artificially high level would be a drop in the bucket compared to the wave of loan writeoffs they will face if this economy turns down sharply.

The Congress will be watching the banks with great interest over the next several weeks in the hope that the prime rate will come down.

Mr. President, I suggest the absence of a quorum.

THE PRESIDING OFFICER (Mr. Exon). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that Mr. Eric Mackey be granted privilege of the floor for the duration of this day on the consideration of the legislation now before us.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MOYNIHAN. I thank the Chair.

UNANIMOUS-CONSENT AGREEMENT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the FTC continuing resolution comes over today from the House, it be taken up immediately and proceeded with, that there be 1 hour of debate to be equally divided between Mr. Hollings and Mr. Weicker, that there be no amendments thereto, and that a rollcall occur up or down on the FTC resolution today.

The PRESIDING OFFICER. Is there objection?

Mr. STEVENS. What was that last?

Mr. ROBERT C. BYRD. That the vote up or down occur on it today.

Mr. STEVENS. Mr. President, I would like to reserve the right——

Mr. ROBERT C. BYRD. A rollcall vote.

Mr. STEVENS (continuing). To object until we have the rest of the package stated.

Mr. ROBERT C. BYRD. Exactly.

Provided further——

The PRESIDING OFFICER. That rule XII, paragraph 4, be waived.

Mr. ROBERT C. BYRD. Yes.

Provided further, Mr. President, that the pending conference report be set aside until Tuesday of next week; that there be 6 hours of debate on the conference report on next Tuesday, to be equally divided between Mr. Bayh and Mr. Thurmond; that no amendments thereto be in order; that a vote occur on the conference report either on the expiration of the 6 hours or upon the times having been yielded back.

Provided further, that on Monday the Senate proceed to the consideration of the first concurrent budget resolution; and that at the close of business on Monday that resolution be set aside and that the Senate resume its consideration of that resolution on Tuesday upon the disposition of the conference report on H.R. 10.

Mr. STEVENS. Reserving the right to object, and I shall not object, may I inquire if the Senator from South Carolina is in agreement with this with regard to H.R. 10.

Mr. THURMOND. Mr. President, I am in agreement with regard to H.R. 10. I have talked to some of those most interested, the distinguished Senator from Nebraska and the distinguished Senator from Missouri, and some others, and I feel this will meet their approval.

Mr. ROBERT C. BYRD. Mr. President, it will be understood that if the agreement is entered into, the further proceedings under the cloture rule would be vitiated automatically.

The PRESIDING OFFICER. The Senator is correct.

Mr. STEVENS. Mr. President, reserving the right to object——

Mr. ROBERT C. BYRD. Will the Chair indulge me and let the time be charged against me for a moment?

This would provide further, Mr. President, that there would be no consideration of the conference report on H.R. 10 tomorrow.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. STEVENS. I thank the Chair, and I thank the majority leader.

Mr. ROBERT C. BYRD. I thank the distinguished acting Republican leader, as well as Mr. Helms and Mr. Thurmond.

Mr. President, I make a revision—to wit, that the time on the debate on the FTC matter, on the minority side, be under the control of Mr. Young or his designee.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. THURMOND. Mr. President, I inquire of the distinguished majority leader as to the 6 hours. Is there any particular time that he wants that to begin or end?

Mr. ROBERT C. BYRD. That had not been discussed. I would like to start on Tuesday as early as 10, possibly 9, but I am not fussy about that. I would like to start no later than 10 on the conference report.

Mr. THURMOND. Mr. President, 10 o'clock will suit us.

Mr. STEVENS. Mr. President, we hope that the 6 hours will not be used, and we may be able to bring about a vote earlier than would be indicated, which would indicate that the time would expire at 4 o'clock. There has been a request to have the vote on that matter earlier. We will try to accommodate Senators on that. I think the majority leader may have a similar request.

Mr. ROBERT C. BYRD. I thank the Senator. I agree with him.

Mr. THURMOND. It is possible that the full 6 hours will not be used. However, several Senators want to speak, and I am trying to protect their rights.

Mr. ROBERT C. BYRD. That is understood.

I thank the distinguished Senator from South Carolina (Mr. Thurmond). I already have thanked Mr. Stevens and Mr. Helms. I also thank, on my side of the aisle, Mr. Magnuson, chairman of the Committee on Appropriations; Mr. Hollings, with respect to FTC and budget, and Mr. Bayh, who is the manager of the conference report on H.R. 10. I also thank all other Senators who had a part in the agreement.

FEDERAL TRADE COMMISSION AMENDMENTS — CONTINUING RESOLUTION

Mr. ROBERT C. BYRD. Mr. President, I understand that the continuing resolution on the FTC will reach the Senate Chamber at circa 5:30 p.m., so there will be a rollcall vote today around 6:30 p.m. on the adoption of that conference report.

I ask unanimous consent, now that the agreement has been entered into——

Mr. STEVENS. Mr. President, will the Senator withhold that for a moment?

Mr. ROBERT C. BYRD. Yes.

Mr. STEVENS. I want to make sure that my understanding is correct.

Once the FTC conference report is received, it will become, upon the motion of the majority leader, the business to be reviewed by the Senate today. After the 1 hour has expired, there will be an up-and-down vote on that proposal, and no other motions and no amendments will be in order.

The PRESIDING OFFICER. The Senator is correct.

Mr. ROBERT C. BYRD. Mr. President, it is part of the understanding that the vote on the continuing resolution on FTC will be a rollcall vote.

Mr. STEVENS. Yes.

Mr. ROBERT C. BYRD. Therefore, in order to consummate that understanding, I ask for the yeas and nays on final passage of the continuing resolution on FTC, at such time as that point is reached.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. ROBERT C. BYRD. Mr. President, I thank all Senators.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the conference report now be set aside and that the Senate resume the consideration of morning business, and that Senators may speak therein up to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Saunders, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

MESSAGE FROM THE HOUSE

At 5:22 p.m., a message from the House of Representatives delivered by Mr. Berry, one of its reading clerks, announced that the House has passed the following bill, without amendment:

S. 2637. An act to ensure that the compensation and other emoluments attached to the office of Secretary of State are those which were in effect January 1, 1977.

The message also announced that the House has passed the following joint resolution, in which it requests the concurrence of the Senate:

H.J. Res. 541. Joint resolution making additional funds available by transfer for the fiscal year ending September 30, 1980, for the Federal Trade Commission.

The message further announced that the House has agreed to the following concurrent resolution, in which it requests the concurrence of the Senate:

H. Con. Res. 324. Concurrent resolution expressing the gratitude of the Congress for the untiring efforts of the late Governor of Puerto Rico, Don Luis Munoz Marin, to foster ties between Puerto Rico and the United States.

ENROLLED JOINT RESOLUTION SIGNED

The message also announced that the Speaker has signed the following enrolled joint resolution:

H.J. Res. 541. Joint resolution making additional funds available by transfer for the fiscal year ending September 30, 1980, for the Federal Trade Commission.

The enrolled joint resolution was subsequently signed by the President pro tempore (Mr. MAGNUSON).

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-3681. A communication from the Comptroller General of the United States transmitting, pursuant to law, a report entitled "What Foods Should Americans Eat? Better Information Needed On Nutritional Quality Of Foods"; to the Committee on Agriculture, Nutrition, and Forestry.

EC-3682. A communication from the Deputy Director of the Office of Management and Budget, Executive Office of the President, transmitting, pursuant to law, a report on the reapportionment of certain Coast Guard appropriations on a basis indicating a need for supplemental appropriations; to the Committee on Appropriations.

EC-3683. A communication from the Deputy Director of the Office of Management and Budget, Executive Office of the President, transmitting, pursuant to law, a report on the reapportionment of an account of the Office of Management and Budget on a basis that indicates a need for a supplemental appropriation for fiscal year 1980; to the Committee on Appropriations.

EC-3684. A communication from the Assistant Secretary of the Navy (Manpower, Reserve Affairs, and Logistics, transmitting, pursuant to law, a report on the study with respect to converting the operations and maintenance of motor vehicles function at the Naval Station, Mayport, Florida, and the decision that performance under contract is the most cost-effective means of accomplishing it; to the Committee on Armed Services.

EC-3685. A communication from the Deputy Director, Legislative Liaison, Department of the Air Force, transmitting, pursuant to law, a report on revenues derived from recovered materials for fiscal year 1979; to the Committee on Armed Services.

EC-3686. A communication from the Acting Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Financial And Other Constraints Prevent Eximbank From Consistently Offering Competitive Financing For U.S. Exports; to the Committee on Banking, Housing, and Urban Affairs.

EC-3687. A communication from the President and Chairman of the Export-Import Bank of the United States, transmitting, pursuant to law, a report on a certain transaction of the Bank involving U.S. exports to Spain; to the Committee on Banking, Housing, and Urban Affairs.

EC-3688. A communication from the Director of the Administrative Office of the United States Courts, transmitting, pursuant to law, the first report on applications by government authority for delayed notice and customer challenge under the provisions, of the Right to Financial Privacy Act of 1978; to the Committee on Banking, Housing, and Urban Affairs.

EC-3689. A communication from the President of the United States Railway Association, transmitting, pursuant to law, the quarterly report on the status of the Rail Act valuation proceedings for the quarter ending March 31, 1980; to the Committee on Commerce, Science, and Transportation.

EC-3690. A communication from the Secretary of the Interior, transmitting, pursuant to law, a report on an application by Texaco, Inc. for repayment of excess royalties on various offshore leases in the Gulf of Mexico; to the Committee on Energy and Natural Resources.

EC-3691. A communication from the Secretary of the Interior, transmitting, pursuant to law, a report on an application by Forest Oil Corporation for repayment of excess royalties for a gas lease in offshore Louisiana; to the Committee on Energy and Natural Resources.

EC-3692. A communication from the Secretary of the Interior, transmitting, pursuant to law, a report on an application by Texaco Inc., for repayment of excess oil royalties for a lease in offshore Louisiana; to the Committee on Energy and Natural Resources.

EC-3693. A communication from the Secretary of the Interior, transmitting, pursuant to law, a report on an application by Mobil Oil Corporation for repayment of excess gas royalties for a lease in offshore Louisiana; to the Committee on Energy and Natural Resources.

EC-3694. A communication from the Secretary of the Interior, transmitting, pursuant to law, his determination on a proposed refund of excess royalty payments to the Shell Oil Company; to the Committee on Energy and Natural Resources.

EC-3695. A communication from the Secretary of the Interior, transmitting, pursuant to law, his determination on a proposed refund of excess oil royalty payments to Chevron U.S.A. Inc.; to the Committee on Energy and Natural Resources.

EC-3696. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Industrial Cogeneration—What It is, How It Works, Its Potential"; to the Committee on Energy and Natural Resources.

EC-3697. A communication from the Assistant Secretary of the Interior, transmitting, pursuant to law, notification of a project proposal from the State of Montana under the Small Reclamation Projects Act of 1956; to the Committee on Energy and Natural Resources.

EC-3698. A communication from the Federal Cochairman of the Coastal Plains Regional Commission, transmitting, pursuant to law, the 12th Annual Report of the Commission; to the Committee on Environment and Public Works.

EC-3699. A communication from the Federal Cochairman and the State Cochairman of the New England Regional Commission, transmitting, pursuant to law, the Annual Report of the Commission for fiscal year 1979; referred to the Committee on Environment and Public Works.

EC-3700. A communication from the Federal Cochairman and the State Cochairman of the Southwest Border Regional Commission, transmitting, pursuant to law, the Annual Report of the Commission for fiscal year 1979; referred to the Committee on Environment and Public Works.

EC-3701. A communication from the Comptroller General, transmitting, pursuant to law, a report entitled "Prospects for a Stronger United States-Mexico Energy Relationship"; to the Committee on Foreign Relations.

EC-3702. A communication from the President of the Overseas Private Investment Corporation, transmitting, pursuant to law, the Corporation's Annual Report for 1979; to the Committee on Foreign Relations.

EC-3703. A communication from the Chairman of the Council of the District of Columbia, transmitting notification that a transmission of March 27, 1980 had been erroneously signed by the Mayor, and that the Mayor requested that it be regarded as a "pocket vetoed" measure and not validly transmitted to the Congress; to the Committee on Governmental Affairs.

EC-3704. A communication from the Deputy Assistant Secretary of Defense for Administration, transmitting, pursuant to law, an Air Force proposal for a new records system under the Privacy Act; to the Committee on Governmental Affairs.

EC-3705. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Wider Use of Better Computer Software Technology Can Improve Management Control and Reduce Costs," April 19, 1980; to the Committee on Governmental Affairs.

EC-3706. A communication from the Secretary of Health, Education, and Welfare, transmitting, pursuant to law, an investigative report into alleged financial misconduct in the National Institute of Child Health and Human Development; to the Committee on Governmental Affairs.

EC-3707. A communication from the Chairman, Council of the District of Columbia, transmitting, pursuant to law, Act 3-176, "District of Columbia Fund Accounting Act of 1980" and committee report, adopted by the Council on April 1, 1980; to the Committee on Governmental Affairs.

EC-3708. A communication from the Chief Justice of the United States, transmitting a draft of proposed amendments to the Federal Rules of Civil Procedure; to the Committee on the Judiciary.

EC-3709. A communication from the Director, Administrative Office of the United States Courts, transmitting, pursuant to law, the annual report of the Director for calendar year 1979; to the Committee on the Judiciary.

EC-3710. A communication from the Acting Secretary of the Interior, transmitting, pursuant to law, a report on administration of the Freedom of Information Act during calendar year 1979; to the Committee on the Judiciary.

EC-3711. A communication from the Acting Associate Attorney General, transmitting, pursuant to law, a report on administration of the Freedom of Information Act for calendar year 1979; to the Committee on the Judiciary.

EC-3712. A communication from the Secretary of Labor, reporting, pursuant to law, on the exemption from the overtime provisions of the Fair Labor Standards Act for "any employee of an employer engaged in the operation of a common carrier by rail and subject to the provisions of Part I of the Interstate Commerce Act"; to the Committee on Labor and Human Resources.

EC-3713. A communication from the U.S. Commissioner of Education, transmitting, pursuant to law, final regulations for law-related education programs; to the Committee on Labor and Human Resources.

EC-3714. A communication from the Chairman of the Board, Student Loan Marketing Association, transmitting, pursuant to law, the association's annual report for the year ending December 31, 1979; to the Committee on Labor and Human Resources.

EC-3715. A communication from the U.S. Commissioner of Education, transmitting, pursuant to law, final regulations amending the Family Contribution Schedules for use during the 1980-81 award period, under the Basic Educational Opportunity Grant Program (20 U.S.C. 1070a, Subpart I of Part A of Title IV of the Higher Education Act of 1965, as amended, P.L. 92-318, amended by P.L. 92-482, Education Amendments of 1976, and P.L. 95-566, the Middle Income Student Assistance Act); to the Committee on Labor and Human Resources.

EC-3716. A communication from the Secretary of Labor, reporting, pursuant to law, on the exemption from the overtime provisions of the Fair Labor Standards Act provided in section 13(b)(1) for "any employee with respect to whom the Secretary of Transportation has power to establish qualifications and maximum hours of service pursuant to the provisions of section 204 of the Motor Carrier Act, 1935; to the Committee on Labor and Human Resources.

EC-3717. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Increased Federal Efforts Needed to Better Identify, Treat, and Prevent Child Abuse and Neglect," April 19, 1980; to the Committee on Labor and Human Resources.

EC-3718. A communication from the Secretary of Health, Education, and Welfare, transmitting a draft of proposed legislation to make improvements in the Medicare and Medicaid programs, and for other purposes; to the Committee on Labor and Human Resources.

EC-3719. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "An Analysis of Concerns in Federal Education Programs: Duplication of Services and Administrative Costs," April 30, 1980; to the Committee on Labor and Human Resources.

EC-3720. A communication from the Administrator, Veterans Administration, transmitting a draft of proposed legislation to amend title 38, United States Code, to eliminate provision of outpatient dental treatment for service-connected noncompensable dental conditions which are unrelated to service trauma or prisoner-of-war status; to the Committee on Veterans' Affairs.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. McGOVERN, from the Committee on Agriculture, Nutrition, and Forestry, without amendment:

S. 2639. An original bill to mitigate the adverse effects of the suspension of trade with the Union of Soviet Socialist Republics on United States agricultural producers, and for other purposes (Rept. No. 96-676).

U.S. FARMERS MUST NOT BE LEFT HOLDING THE BAG ON EMBARGOES

Mr. HELMS. Mr. President, I am pleased to have coauthored S. 2639, the Agricultural Trade Suspension Adjustment Act of 1980, a bill which adopts many of the provisions contained in S. 2356—a proposal that I introduced on February 27, 1980. The Agricultural Trade Suspension Adjustment Act of 1980 represents a reasonable way to mitigate the adverse effects of agricultural trade embargoes on the farmers of this country. Moreover, it can achieve such results without an undue drain on the U.S. Treasury.

The Carter administration's decision to suspend shipments of agricultural commodities to the Soviet Union was a precedent-shattering course of action, the full effects of which will not be known for some time to come. I believe that the President's decision to employ food as a weapon against the Soviets may have opened the door to future use of our agricultural production system for the maintenance of national security and the attainment of foreign policy objectives.

While I recognize and appreciate the need to challenge those aggressors who seek to force their will and political philosophy on others, I am also sensitive to the sacrifices that American citizens are required to make in order to lend substance to those challenges. Particularly, I am concerned that the American farmer will have to shoulder a disproportionate share of the burden if policymakers decide to rely on our agricultural largesse as a foreign policy tool.

Mr. President, the American farmer depends upon agricultural exports for almost one-third of his income. The threat of restricted or suspended international sales of U.S. agricultural commodities, therefore, jeopardizes the immediate economic well-being of rural America. Moreover, the specter of potential trade embargoes contributes to America's image as an unreliable supplier thereby undercutting the farmer's efforts to replace lost sales through the development of new markets for his products.

If the Federal Government is to use food as an instrument on foreign policy, it must take steps to mitigate the effects of such economic warfare on the American farmer. Measures taken to mitigate the impacts of agricultural trade embargoes must not be subject to ad hoc decisionmaking. They are best exercised in a consistent fashion according to comprehensive rules that have been laid down in advance. Otherwise, Mr. President, the farmer will be ill prepared to cope with a future of uncertainty and unpredictability.

This bill is premised on the notion that certainty with respect to the rules of the game provides all parties with the opportunity to make the adjustments needed for the most efficient exercise of their responsibilities. The certain knowledge that the Federal Government has the tools to alleviate the effects of its interference in export markets will allow the farmer to make planting and marketing decisions without having to divide the intentions of those in the State Department. Similarly, such certainty will enable those charged with making foreign policy to confront international emergencies head on without concern that domestic politics will compromise our national security.

Mr. President, the Agricultural Trade Suspension Adjustment Act of 1980 operates on two levels to allay the farmer's fear that he will be sacrificed for the sake of foreign policy.

On an immediate level, this bill forces the current administration to make good on its promise to shield the American farmer from the adverse effects of the Soviet grain embargo.

To attain this end, this bill requires the Secretary of Agriculture to make available price support loans of not less than $3.30 per bushel for wheat and $2.25 per bushel for corn to producers who place their 1979 through 1981 crops of wheat and feedgrains in the farmer-held grain reserve. These increased loan levels, in conjunction with the waiver of interest charges on such loans, would coax more grain off the market and into the farmer-held reserve—a measure that would help strengthen farm prices.

In addition, this bill requires the Commodity Credit Corporation to acquire not less than 4 million tons of wheat by June 1, 1980, and up to 10 million tons of corn by October 1, 1980, at prices not less than pre-embargo levels.

It is not enough, however, Mr. President, for the Government to simply buy excess grain. The Government must make sure that the stocks of federally owned grain are sufficiently isolated from the market so that they have no disruptive effect on cash prices. This bill, therefore, sets forth specific rules that provide for orderly disposal of the Government-owned grain.

The 4 million tons of wheat acquired by the CCC would be placed in a food security reserve and thereby isolated from the domestic cash market. The food security reserve would be in existence for 5 years during which time stocks would be released only for purposes of providing emergency food-assistance to foreign countries under the Public Law 480 food for peace programs. Whenever stocks of wheat were released from the food security reserve, the reserve would be replenished.

The quantities of corn purchased by the CCC would be sold for use in the production of motor fuel at not less than the release price for corn, or if the fuel conversion price for corn is higher than the release price for corn, at not less than the fuel conversion price. The fuel conversion price, as defined in the bill, would be the price for a commodity that would make gasohol using alcohol produced from the commodity competitive in wholesale price with nonleaded gasoline.

While the above measures address the immediate problems created by the Soviet grain embargo, they do not provide any prospective remedies for future agricultural trade suspensions that might be imposed against Iran or other countries. Now that agricultural trade embargoes for national security and foreign policy purposes are a reality, it is essential, Mr. President, that we include in our legislative repertoire comprehensive rules for dealing with the adverse effects of future trade suspensions.

With this in mind, the Senate Agriculture Committee included in this bill provisions for a mechanism that would operate on a prospective level.

The mechanism would work as follows:

First, the Secretary of Agriculture would be given the authority to establish a gasohol feedstock reserve and/or a food security reserve whenever the President suspends the commercial export sales of U.S. agricultural commodities for national security or foreign policy purposes.

Second, the Secretary, if he chooses to exercise the above authority, would be required to place in the gasohol feedstock and food security reserves that portion of the suspended commercial export sales of the commodity that should be removed from the market to mitigate the adverse effects of the suspension.

Third, the Secretary would be required to sell stocks from the gasohol feedstock reserve at the fuel conversion price—a price that will permit gasoline-alcohol mixtures using alcohol produced from an agricultural commodity to be competitive with the wholesale price of nonleaded gasoline. The Secretary would be required to release stocks from the food security reserve only for purposes of providing emergency assistance and urgent humanitarian relief to foreign countries under Public Law 480 programs.

Fourth, the Secretary, without regard to any prior announcement made by him to the contrary, would be allowed to announce a cropland set-aside program for an agricultural commodity if he deemed such action to be in the public interest as a result of a suspension of commercial export sales of such commodity.

It is important to note that the prospective gasohol feedstock and food security reserves would not be permanent reserves that would overhang the market. The kind and amount of commodities placed in such reserves would be determined by the suitability of the commodities for use in alcohol production and food assistance programs and by the quantities of the commodities required to be isolated from the market so as to mitigate the adverse effects of the trade suspension on farmers. Once the acquired stocks had been disposed of, they could not be replaced until another trade suspension was imposed. Clearly, these reserves are designed to help the farmer, not to hurt him.

Another positive feature of this bill is that it avoids involving the Federal Government is an unreasonable subsidy program for gasohol producers. The sale of commodities from the gasohol feedstock reserve at the fuel conversion price would provide an incentive for bringing new alcohol production facilities on line without fostering a long-term dependence on artificially low-priced grains. The fuel conversion price mechanism would insure that the Federal subsidy provided to gasohol producers would be based upon the economic relationships between gasohol and gasoline rather than an arbitrary decision to maintain commodity prices at certain levels.

The fuel conversion price also provides for an automatic phaseout of the Federal subsidy. As the price of gasoline increases, less subsidy will be required to make gasohol competitive with gasoline. The fuel conversion price system has sufficient flexibility to take such economic realities into account and to translate them into a reasonable subsidy level.

Mr. President, the most important feature of the Agricultural Trade Suspension Adjustment Act of 1980 is the certainty that it provides to all parties involved in or affected by an agricultural trade suspension. The Honorable Arthur A. Link, Governor of North Dakota and chairman of the National Governors' Association's Committee on Agriculture, stated in testimony before the Senate Agriculture Committee that:

> Further legislation would be desirable to clarify what actions should be taken if another sales suspension, based on national security concerns, were to occur. We need such a statute so that market disruption, which would depress farm prices, will be kept to an absolute minimum.

I believe that this bill, if enacted into law, would provide the clarification and certainty which Governor Link advocates.

By Mr. CANNON, from the Committee on Commerce, Science, and Transportation, with an amendment:

S. 2156. A bill to amend the Railroad Revitalization and Regulatory Reform Act of 1976 to authorize additional appropriations for the Northeast Corridor Improvement Project, and for other purposes (together with minority views) (Rept. No. 96–677).

By Mr. EAGLETON, from the Committee on Governmental Affairs, without amendment:

S. 2101. A bill to authorize the use of certified mail for the transmission or service of matter which, if mailed, is required by certain Federal laws to be transmitted or served by registered mail, and for other purposes (Rept. No. 96–678).

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. NELSON (for himself, Mr. WEICKER, Mr. HUDDLESTON, Mr. BAUCUS, Mr. CULVER, and Mr. STEWART):

S. 2635. A bill to amend the Small Business Investment Act of 1958 to authorize guarantees with respect to energy facilities, to conform it to current needs and usage, and for other purposes; to the Select Committee on Small Business.

By Mr. PRYOR:

S. 2636. A bill to prohibit the drugging or numbing of race horses and related practices, and to amend title 18, United States Code, to prohibit certain activities conducted in interstate or foreign commerce relating to such practices; to the Committee on the Judiciary.

By Mr. RIBICOFF (for himself, Mr. CHURCH, Mr. GLENN, Mr. JAVITS, Mr. PERCY, Mr. PRYOR, and Mr. STEVENS):

S. 2637. A bill to ensure that the compensation and other emoluments attached to the office of Secretary of State are those which were in effect January 1, 1977; considered and passed.

By Mr. HEFLIN:

S. 2638. A bill to establish the Bon Secour National Wildlife Refuge; to the Committee on Environment and Public Works.

By Mr. McGOVERN (from the Committee on Agriculture, Nutrition, and Forestry):

S. 2639. A bill to mitigate the adverse effects of the suspension of trade with the Union of Soviet Socialist Republics on United States agricultural producers, and for other purposes. Original bill reported and placed on the calendar.

By Mr. RIEGLE (for himself and Mr. LEVIN):

S. 2640. A bill to designate certain public lands in the State of Michigan for inclusion in the National Wilderness Preservation System; to the Committee on Energy and Natural Resources.

By Mr. LUGAR (for himself, Mr. DECONCINI, Mr. BAYH, Mr. GOLDWATER, Mr. GARN, and Mr. HAYAKAWA):

S. 2641. A bill to amend section 603 of the Housing and Community Development Act of 1974; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. SCHWEIKER:

S. 2642. A bill to amend the Communications Act of 1934 to provide that telephone receivers may not be sold in interstate commerce unless they are manufactured in a manner which permits their use by persons with hearing impairments; to the Committee on Commerce, Science, and Transportation.

By Mr. INOUYE:

S. 2643. A bill to amend title XII of the Public Health Service Act to provide demonstration programs relating to emergency child health care; to the Committee on Labor and Human Resources.

By Mr. INOUYE (for himself and Mr. Matsunaga):

S. 2344. A bill to amend the Social Security Act to provide for the direct reimbursement of qualified gerontological nurse practitioners under medicare and medicaid; to the Committee on Finance.

S. 2645. A bill to amend title 5, United States Code, to provide for access to qualified professional gerontological nurse practitioners without prior referral in the Federal employee health benefits program; to the Committee on Finance.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. NELSON (for himself, Mr. Weicker, Mr. Huddleston, Mr. Baucus, Mr. Culver, and Mr. Stewart):

S. 2635. A bill to amend the Small Business Investment Act of 1958 to authorize guarantees with respect to energy facilities, to conform it to current needs and usage, and for other purposes; to the Select Committee on Small Business.

SMALL BUSINESS ENERGY CONSERVATION ACT OF 1980

• Mr. NELSON. Mr. President, I am today introducing the "Small Business Energy Conservation Act of 1980," a measure which will assist small business concerns, under a program already being successfully administered by the Small Business Administration, in financing the acquisition of equipment and facilities designed to conserve energy generally, and to reduce reliance on petroleum as a primary source of energy.

Small businesses consume approximately 25 percent of the energy utilized in manufacturing in this country, and, to the extent that they are successful in conserving energy or shifting to alternative energy sources, small business concerns have a major role to play in meeting these national goals. With aggressive conservation efforts, the Office of Technology Assessment estimated that small businesses as a group can save the equivalent of 300,000 barrels of oil per day within the next 10 years, and nearly a million barrels per day within the following decade.

Mr. President, this bill is intended to provide small businesses with assistance in obtaining private financing of the cost of energy conservation equipment and facilities. Under an existing program authorized by section 404 of the Small Business Investment Act of 1958, the Small Business Administration guarantees the payments due from eligible small businesses under qualified contracts to acquire pollution control facilities. Typically, funding is accomplished by the issuance of revenue bonds, with the qualified contract and the SBA's guaranty serving as security for the payment of the bonds. This measure broadens this program to include equipment and facilities designed to conserve energy or to permit utilization of energy sources other than petroleum, as well as pollution control facilities.

It should be noted the existing pollution control guarantee program appears to be successful in all major respects. In the 3 years of its existence, there have been no defaults, and the revolving fund for payment of guarantees, originally established at $15,000,000, has grown to over $20,000,000 with the payment of guarantee fees by small business concerns who have qualified for the program. At the present time, approximately $95,000,000 in pollution control facilities has been financed by participating eligible small businesses. The success rate is high, and I expect it to remain so, in part because the eligible small businesses must demonstrate to the SBA that they can be expected to meet their obligations under the guaranteed contracts. The availability of the guarantee is critical to the success of the program, since without it, the small businesses could not obtain the long-term financing at reasonable interest rates. Because of their size, larger companies can raise capital through standard industrial development revenue bonds or other favorable methods of financing.

These small business concerns face similar problems with regard to energy conservation; capital costs are high, as are costs of financing ordinarily available to such companies. Without some assistance, many such companies will be unable to convert to other energy sources, or to acquire the necessary facilities to make their existing operations more energy-efficient. Expansion of the existing guarantee program to include such energy facilities will provide the necessary assistance with a minimum of administrative start-up effort, since it will not be necessary to create new procedures or program documentation, or to establish new standards of eligibility or creditworthiness for eligible small businesses.

The types of energy facilities which would be eligible for guarantees under the program include solar and wind energy equipment; equipment for the generation of heat from wood, grains, biological or industrial wastes; industrial cogeneration equipment; and equipment designed to increase the energy efficiency of existing plants which use petroleum, coal or other fossil fuels. With few exceptions, the facilities which would qualify for guarantees under this bill are the same as those which are included in an existing, direct loan program under section 7(1) of the Small Business Act. The section 7(1) loan program is aimed generally at assisting producers, rather than users, of energy conservation equipment; again, however, the implementation of the expanded guarantee program is simplified by defining facilities eligible for guarantees in terms consistent with those of an existing program.

In addition to adding energy facilities to the guarantee program, the bill also adds a provision that the SBA's guarantee, when issued, shall be valid and incontestable in the hands of the holder. Such a provision, which is common in Federal guarantees of this nature, is necessary to permit creditors of the small business to rely upon the guarantee without the necessity of making independent inquiry into whether the SBA properly issued it. The bill would not otherwise limit the SBA's right to recover losses caused or induced by fraudulent misrepresentation, and it expressly provides that, to assist in minimizing losses under the guaranteed contract, SBA may impose specific, reasonable requirements on the holder of the guarantee, as a condition to payment under the guarantee. By providing for greater certainty with respect to the enforceability of the guarantee, these changes will encourage private funding sources to participate in the program, while permitting SBA to avoid unwarranted risk exposure.

Mr. President, I ask unanimous consent that the text of the bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 2635

Bt it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

Section 1. Short Title

This act may be cited as the "Small Business Energy Conservation Act of 1980".

Sec. 2. Amendment of Section 404.

(a) Subsection (a) of Section 404 of the Small Business Investment Act of 1958 is amended—

(1) By redesignating paragraph (1) as paragraph (2).

(2) By redesignating paragraph (2) as paragraph (3).

(3) By redesignating paragraph (3) as paragraph (4).

(4) By adding the following new paragraph (1):

"(1) 'energy facilities' means (A) solar thermal energy equipment which is either of the active type based upon mechanically forced energy transfer or of the passive type based on convective, conductive, or radiant energy transfer or some combination of these types; (B) photovoltaic cells and related equipment; (C) any product or service the primary purpose of which is conservation of energy through devices or techniques which increase the energy efficiency of existing equipment, methods of operation, or systems which use fossil fuels, and which is on the Energy Conservation Measures List of the Secretary of Energy or which the administration determines to be consistent with the intent of this section; (D) equipment the primary purpose of which is production of energy or fuels from wood, biological waste, grain, or other biomass source of energy; (E) equipment the primary purpose of which is industrial cogeneration of energy, district heating, or production of energy from industrial waste; (F) hydroelectric power equipment; (G) wind, geothermal, or tidal energy conversion equipment; and (H) any other property (real or personal) and any engineering architectural, consulting, or other professional services which, in the discretion of the administration are deemed necessary or appropriate to assist small business concerns in acquiring and utilizing any of the equipment described in this paragraph (1).".

(b) Subsection (b) of section 404 of the Small Business Investment Act of 1958 is amended to read as follows:

"(b) The administration may, whenever it determines that small business concerns are or are likely to be at an operational or financing disadvantage as compared with other business concerns with respect to the planning, design, or installation of energy facilities or pollution control facilities, or the obtaining of financing therefor (including financing by means of revenue bonds issued by States, political subdivisions thereof, or other public bodies) guarantee the payment of payments due under qualified contracts. Any such guarantee may be made or effected either directly or in cooperation with any qualified surety company or other qualified company through a participation agreement with such company. The foregoing powers shall be subject, however, to the following restrictions and limitations:

"(1) Notwithstanding any other law, rule, or regulation or fiscal policy to the contrary, the guarantee authorized in the case of energy facilities or pollution control facilities may be issued when such property is acquired by the use of proceeds from revenue bonds which provide the holders interest which is exempt from Federal income tax.

"(2) Any such guarantee shall be for the full amount of the payments due under such qualified contract and shall be a full faith and credit obligation of the United States.

"(3) No guarantee shall be issued by the Administration unless the Administration determines that there exists a reasonable expectation that the small business concern in behalf of which the guarantee is issued will perform the covenants and conditions of the qualified contract.

"(4) Any guarantee executed and delivered by the Administration shall not be terminated, canceled, or otherwise revoked; shall be conclusive evidence that such guarantee and the proceedings and determinations pursuant to which it was issued comply fully with the provisions of this section; and shall be valid and incontestable in the hands of the person or persons to whom the payments under the qualified contract are due: *Provided, however,* That nothing contained in this paragraph (4) shall require payment to be made by the Administration prior to the satisfaction of any conditions to such payment contained in the guarantee or provided for pursuant to subsection (d) of this section.".

(c) Subsection (c) of section 404 of the Small Business Investment Act of 1958 is amended to read as follows:

"(c) The Administration shall fix a uniform fee for any guarantee issued under this section which shall be payable at such a time and under such conditions as may be prescribed by the Administrator. The fee shall be set at an amount which the Administration deems reasonable and necessary and shall be subject to periodic review in order that the lowest fee that experience under the program shows to be justified will be placed into effect. In no case shall such amount exceed 1½ percent of the total of all payments under the qualified contract which are guaranteed under this section. The Administration may also fix such uniform fees for the processing of applications for guarantees under this section as the Administrator determines are reasonable and necessary to pay the administrative expenses that are incurred in connection therewith.".

(d) Subsection (d) of Section 404 of the Small Business Investment Act of 1958 is amended to read as follows:

"(d) In connection with the guarantee of payments under any qualified contract pursuant to authority conferred by this section, the Administrator may require, in order to minimize the financial risk assumed under such guarantee—

"(1) that the obligor under a qualified contract pay an amount, not to exceed one-fourth of the average annual payments for which a guarantee is issued under this section, which shall be held in escrow and shall be available (A) to meet obligations accruing in any month for which the obligor is in default, or (B) if no default occurs during the term of the qualified contract, for application (with accrued interest) toward the final payment required under the qualified contract;

"(2) that upon occurrence of a default under the qualified contract, the obligee under a qualified contract shall, as a condition precedent to enforcing any claim under the qualified contract guarantee, utilize the entire period, for which there are funds available in escrow for the making of payments, in such reasonable diligent efforts to eliminate or minimize losses under the qualified contract as the Administrator may prescribe in writing, and no claim shall be made or paid under the guarantee until such effort has been made and such escrow funds have been exhausted;

"(3) that any guarantor of the qualified contract will become a successor of the obligee for the purpose of collecting from an obligor in default payments which are in arrears and with respect to which the obligee has received payment under a guarantee made pursuant to this section; and

"(4) that such other provisions, not inconsistent with the purposes of this section and as the Administrator may, in his discretion require, be included in the qualified contract.".

(e) Subsection (e) of Section 404 of the Small Businesses Investment Act of 1958 is amended to read as follows:

"(e) Any guarantee issued under this section may be assigned with the permission of the Administration by the person to whom payments under the qualified contract are due.".●

By Mr. PRYOR:

S. 2636. A bill to prohibit the drugging or numbing of race horses and related practices, and to amend title 18, United States Code, to prohibit certain activities conducted in interstate or foreign commerce relating to such practices; to the Committee on the Judiciary.

Mr. PRYOR. Mr. President, today I am introducing legislation which will seek to put an end to the practice of administering pain-killing drugs to injured horses to enable them to race beyond their physical capabilities. The bill would prohibit the drugging or numbing of horses prior to a race. The bill would also establish testing procedures to detect the presence of drugs or evidence of numbing and set forth penalties for any individuals found guilty of wrongfully drugging or numbing a racehorse.

No other major racing country in the world allows the pre-race medication of horses. In this country there has been a steady increase in the misuse of drugs in racing. Drugs are used not only to numb an injured horse in order to keep a lame horse racing, drugs are also administered to alter the performance of otherwise healthy horses. Other drugs are administered to mask the presence of illegal drugs.

These practices have resulted in increased numbers and severity of injuries to horses and jockeys and unfair racing practices to racing fans. In 1978, the Jockeys Guild reported that 2,000 spills were experienced among its 1,800 licensed members, resulting in the hospitalization of 1,500 riders for 2 weeks or more, 4 deaths, and the paralyzation of 4 other jockeys.

The practice of permitting the use of analgesic (pain-killing) and anti-inflammatory drugs in injured horses scheduled to race began in the late 1960's and has now become widespread. At the present time, the majority of State racing commissions have adopted permitted medication or controlled medication programs which allow drugs to be administered to unsound horses prior to racing. The exceptions include the States of Arkansas, New York, and New Jersey.

The relaxation of drug restrictions has led to a significant increase in on-track breakdowns of horses in States with permissive medication policies. This has resulted in spills where horses have to be destroyed and jockeys are seriously injured. To give just one example: The 1979 statistics for California thoroughbred tracks document 1 breakdown for every 257 starting horses. With horses racing approximately 9.8 times annually, this indicates that 1 out of every 20 horses will suffer a breakdown.

The increased use of drugs in racing has been brought about primarily for economic reasons. Trainers want the maximum number of races out of a horse and the operators of racing facilities need horses to fill the racing cards for extended racing seasons. Thus, drugs are administered to horses in theory to extract as many races as possible.

National statistics, however, prove that just the opposite is true. An analysis of racing records shows that horses ran an average of 11.95 times per year in 1961 before any State legalized medication. In 1977, the yearly starts decreased to 9.8. Thus, in the long run, both horses and horse owners are hurt because of the reduced number of races that horses are physically able to enter. The drugs which are given to sore or injured horses reduce the pain and cause the horse to perform as though no injury existed.

However, these drugs do not heal the injury, they only mask the pain. The horse, unfortunately, then runs the race full out, further aggravating the injury over a period of time or breaks down on the track. Drugs are also administered for the purpose of either enhancing or depressing the performance of the horse to alter betting odds. It goes without saying that this has an unfavorable impact on the betting public and the integrity of the sport itself.

Under "permitted medication" programs, primarily two drugs are permitted: Phenylbutazone (Butazolidin or "bute") an anti-inflammatory, analgesic drug, which relieves the pain of an injury by reducing the inflammation associated with it, and furosemide (Lasix), a diuretic, which supporters contend helps prevent nosebleeds. Other drugs on which controls have been relaxed are cortesteroids and hormones.

There are also illegal drugs in use such as narcotics and a new compound, Sublimaze, which is 50 times more powerful than morphine. One of the most serious problems with the use of the legal drugs is that they are capable of either masking or diluting the illegal drugs to undetectable levels.

The use of the drug phenylbutazone or "bute" is the most prevalent. It reduces inflammation and thus reduces pain. It is used to allow a horse to race before an injury is healed; however, this drug was never intended to be used to allow an animal to place further stress on an injury by racing. There are direct links to the use of this drug to horse breakdowns.

A report by the Illinois State veterinarian showed that 98 percent of the horses which had to be destroyed on Chicago tracks between March and December 1976 were racing with phenylbutazone. In another report, Dr. Caroline Gall, the State veterinarian at Waterford Park in Chester, W. Va., has documented that the number of horses which have had to be destroyed has more than doubled since drugs were legalized. Phenylbutazone is also used to mask the presence of illegal drugs which can alter a horse's performance.

The drug Lasix is also widely used. It is contended that this drug specifically prevents nosebleeds; however, the Food and Drug Administration has never approved the drug for this use. Statistics also indicate that the percentage of horses which are actually bleeders is very low. The New York racing and wagering board drug medication study showed that at some tracks 75 percent of the horses received Lasix, while only 2 percent of them were confirmed bleeders. This diuretic is more probably used to reduce the fluids in a horse, thus reducing his weight by racetime.

Lasix, because it is a diuretic, also dilutes the amount of other drugs in the animal's urine to levels which may be too low to detect. This can conceal even the most potent of drugs such as morphine and methadone. Overuse of Lasix can increase the possibility of circulatory collapse, thrombosis, and embolism and to administer this drug to horses which have no medical need of it is unnecessarily physically dangerous.

I believe that the passage of this legislation will benefit all those connected with the sport of horse racing and will provide for the better treatment and health of racehorses. The bill will provide for a program which will eliminate drug abuses and reduce injuries to both horses and riders. The need for this Federal legislation arises from the fact that although horses race in many States and betting is now interstate, the laws pertaining to racing, permissible drugs, and testing vary greatly with each jurisdiction.

The establishment of uniform rules would be very difficult to accomplish on a State-by-State basis. The bill will provide for a program established under the Drug Enforcement Administration of the Justice Department of uniform standards which will be administered in each State. States which qualify may be exempt from the Federal program and administer their own program. Following the initial appropriation to begin the program, the cost will be borne by the racetracks in subsequent years.

My strong support of this legislation is based upon the experience we have had in the State of Arkansas. I am very proud that Arkansas has one of the most restrictive drug laws in the United States. We currently have a ban of all drugs with the exception of Lasix, and this drug can only be administered to confirmed bleeders. We also have a program of post-race testing for drugs. I am pleased to state that there have been no breakdowns in the last 2 years in Arkansas. It is my hope that this legislation which I am introducing today will bring about similar results nationwide.

By Mr. RIEGLE (for himself and Mr. Levin):

S. 2640. A bill to designate certain public lands in the State of Michigan for inclusion in the National Wilderness Preservation System; to the Committee on Energy and Natural Resources.

MICHIGAN WILDERNESS ACT OF 1980

Mr. RIEGLE. Mr. President, today my colleague Senator Levin and I are introducing a bill to establish seven permanent wilderness areas in the State of Michigan. This legislation is the final step in the RARE II process, and is an affirmation of our belief that the unique nature of Michigan's wilderness, in an original state, is worth preserving.

Public participation has been an important factor in shaping this legislation. A wide spectrum of alternative approaches were scrutinized during our decisionmaking process. The finished product successfully encompasses the recommendations of the U.S. Forest Service, Michigan State officials, affected industries, environmentalists, and other interested parties. I believe that this bill, in its current form, provides an acceptable balance of interests. The resource needs of our State and the nation as a whole have been considered in drafting this bill.

Through extensive consultation with all parties, we obtained valuable insight into the benefits and costs of the Michigan wilderness proposal, as well as substantive recommendations for the exact wording of the bill and the accompanying report language. Concerns were raised about fire and pest management, public participation in management decisions, clean air designations, and mining claims. We have addressed these concerns and have received clarification on these points from the Federal officials. For example, the Forest Service has assured us that a pest or fire danger, which poses a hazard to surrounding commercial timberlands, will be controlled.

So fears of another Seyney Refuge fire being repeated in these wilderness areas, with authorities unable to meet the danger, will not be realized. In another matter, EPA has indicated that all of these wilderness areas will be placed in a class II category, and that EPA has no statutory authority to redesignate the areas class I. It is our intent to make these assurances part of the legislative history of this bill, and to stand firm on these understandings as the legislation proceeds through the Congress.

Both Senator Levin and myself will be traveling later this month to the Upper Peninsula, the location of six of the seven areas contained in the proposal, to discuss this legislation with residents there. This proposal is a concrete step toward the environmental goals that have been national policy for many years, and I urge its expeditious consideration.

● Mr. LEVIN. Mr. President, I am pleased to join with my colleague from Michigan, Senator Riegle, in introducing legislation to designate seven areas in the State for inclusion in the National Wilderness Preservation System. As Senator Riegle has noted, this bill is based on a wide range of input from many sources and individuals throughout the State, and I hope it will serve as a vehicle for resolving the wilderness issue in a reasonable and equitable manner, and insuring that national forest lands in Michigan are made available for their most appropriate uses.

The wilderness areas which would be created by the bill are the Nordhouse Dunes Wilderness in the Manistee National Forest, the Sylvania and Sturgeon Gorge Wildernesses in the Ottawa National Forest, and the Carp River, Horseshoe Bay, Government Island, and Nissawinogong (Round Island) Wildernesses in the Hiawatha National Forest. These areas total about 52,000 acres, out of about 90,000 acres of national forest land studied in Michigan as potential wilderness, and 2.75 million acres of commercially forestable land in the State. By designating these seven areas as wilderness, we will free up six other areas which have been reserved for wilderness consideration.

The State of Michigan has been blessed with an abundance of forest land which represents one of the State's most valuable resources. These forests have in the past and will continue to support a variety of uses: Timber harvesting, recreation, scenic enjoyment, and wilderness experiences. I firmly believe that, through careful allocation and management, these uses can coexist in harmony with each other, and we can achieve the optimal utilization of the State's forests to the benefit of all of its residents and other Americans.

This legislation has been drafted to respond to concerns raised by many Michigan citizens, particularly those who live in the Upper Peninsula, where most of the wilderness areas will be located and where the impact will be greatest. Senator Riegle has detailed the steps we have taken in that regard. I hope that the introduction of this bill will get the ball rolling toward an equitable, speedy, and final resolution of this issue, and I encourage and invite the participation of all Michigan citizens in that process.●

By Mr. LUGAR (for himself, Mr. DeConcini, Mr. Bayh, Mr. Goldwater, Mr. Garn, and Mr. Hayakawa):

S. 2641. A bill to amend section 603 of the Housing and Community Development Act of 1974; to the Committee on Banking, Housing, and Urban Affairs.

MANUFACTURED HOUSING

● Mr. LUGAR. Mr. President, today I am introducing legislation to resolve a longstanding regulatory problem and to correct an equally longstanding misnomer in the Federal laws that affect the manufactured housing industry.

The regulatory problem began in 1976 when HUD published its regulations implementing the standards. HUD established regulations which, in brief, stated that a structure was a mobile home if it was greater than 8 x 32 unless it was a recreational vehicle. Because a number of companies make travel trailers larger than 8 x 32 the definition of a recreational vehicle became extremely important. HUD provided a definition of a recreational vehicle.

Unfortunately, the RV definition proved to be virtually impossible to apply as written. The RV industry tried to persuade HUD to clarify the meaning of the definition without success. From 1976 to 1979 there was a period during which manufacturers of very large travel trailers were left without guidance as they produced these park models.

In 1979 HUD decided that many park model manufacturers were producing RV's in violation of the Mobile Home Construction Act. Consequently, HUD began legal action against those manufacturers. The industry appealed that decision to HUD and to Congress arguing that it was impossible to comply with the law.

After a review of the situation I wrote a letter to HUD Secretary Moon Landrieu that was cosigned by 12 other Senators and Congressmen. The letter urged that the compliance date be extended and a clarification of the regulations be provided. The Secretary agreed that a clarification was needed and extended the compliance date. For the last 6 months, HUD, the industry, and my office have attempted to work out a reasonable interpretation of the law. After a number of months it became clear that a workable definition of any RV was almost impossible to draft and that park models could not be built to the existing mobile home standards and remain towable. HUD and the industry finally agreed that park models were not mobile homes but did not agree on the appropriate treatment of the new classification. Unfortunately, it was impossible to reach a concensus and HUD issued an advanced notice of proposed rulemaking to establish a new construction standard for park models.

I believe that this proposed standard far exceeds HUD's authority. The statute provides HUD authority to regulate mobile homes only. There is no authority to regulate travel trailers, motor homes or any similar temporary living quarters.

In response to HUD's overreaching of their authority I drafted this legislation to resolve the question once and for all. Under the current statute and regulations there is considerable overlap in the size allowed for mobile homes and RV's. My legislation eliminates that overlap. It also establishes a minimum square footage requirement that is consistent with the minimum property standards set up by FHA. And, finally, it clearly prevents HUD from regulating recreational vehicles.

This legislation also changes the term "mobile home" to "manufactured housing." The change is necessary to recognize the true character of the product and to help erase the house trailer image the industry suffers from.

The term mobile home came into common usage in the early 1940's. It was used to distinguish homes from trailers. The mobile home needed special equipment to haul it and to place it on a site. A trailer could be pulled by an automobile and placed on a site by the consumer. Furthermore, a mobile home was a full-time residence while a trailer was a temporary residence. There was still a degree of mobility to a mobile home thus the term was accurate.

Today's mobile home or manufactured home is no longer particularly mobile. At an average size of 14' x 72' towing costs exceed $1 per mile and setup costs often exceed $750. As a result less than 2 percent of the homes move after their initial move from the factory.

The lack of mobility plus the tremendous improvement in desirability and durability has resulted in a product that differs from site-built housing only in the way it is built. Construction and safety standards are virtually identical for both forms of housing. Thus, I have proposed to change the name to reflect the reality of the product.

The change is necessary to help improve the image of the product and to help erase the old myths that have surrounded manufactured housing. The change will not affect the construction standards, the financing or any of the substantive laws that currently govern mobile homes. It is a change in name only.

This bill will be considered as an amendment to the Housing Authorization Act of 1981 when it is considered by the Banking Committee on Monday. I hope my colleagues will support my efforts to prevent HUD from overreaching its authority and to change the name of this vital industry from the mobile home industry to the manufactured housing industry.●

By Mr. SCHWEIKER:

S. 2642. A bill to amend the Communications Act of 1934 to provide that telephone receivers may not be sold in interstate commerce unless they are manufactured in a manner which permits their use by persons with hearing impairments; to the Committee on Commerce, Science, and Transportation.

● Mr. SCHWEIKER. Mr. President, I am pleased to introduce today legislation which will require that all new telephone receivers be compatible with hearing aids. This legislation is an important step in helping those who have hearing impairments to fully participate in activities other Americans take for granted.

Those with hearing impairments, the deaf and the hard of hearing, are the largest and most neglected group of disabled people in our Nation, numbering over 18 million. Hearing problems are particularly acute for older Americans, many of whom are embarrassed by this common disability. According to statistics provided by the National Institutes of Health, the loss of earning power due hearing impairment is at least $15 billion a year. This figure will grow as the number and percentage of older people in our society grows larger each year.

Mr. President, I believe that in all areas the Federal Government has failed to make a concerted effort to meet the needs of the hearing impaired. Research to understand even the rudimentary elements of normal hearing is so small as to be negligible, and the rehabilitative and information services available to hearing impaired citizens are woefully inadequate. I intend to continue to work through both the Senate Handicapped Subcommittee and the Labor-HEW Appropriations Subcommittee to correct this situation.

However, those who are presently trying to function in the mainstream of American life, with hearing aids, have been denied the ability to communicate freely using the telephone. The need for hearing aid compatibility with telephones is indicated by the fact that there are over 2 million hearing impaired people in this country whose hearing aids were built to be used over the phone, but who now cannot do so due to telephone design change. Of the 160 million telephones in the country, 35 million fail to generate the magnetic field required for compatibility with hearing aid telephone switches. The legislation I introduce today would require that these phones eventually be replaced through attrition with phones which hearing aid users can use.

The importance of the use of the telephone in our society cannot be underestimated. By denying compatible telephone access to those with hearing aids, we have denied possible employment which involves use of telephones. I urge my colleagues to work with me to eliminate this serious barrier for the hearing impaired.

I ask unanimous consent that this bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 2642

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Congress hereby finds that—

(1) all persons subscribing to or otherwise receiving telephone service in the Nation should receive the best service which is technologically possible;

(2) currently available technology is capable of providing telephone service to those individuals who, because of hearing impairments, require telephone reception by means of hearing aids with induction coils or other inductive receptors; and

(3) modifications in current telephone receiver design and manufacture should be made in order to accommodate the needs of individuals with hearing impairments.

Sec. 2. Title II of the Communications Act of 1934 (47 U.S.C. 201 et seq.) is amended by adding at the end thereof the following new section:

"REGULATION OF TELEPHONE RECEIVER DESIGN

"Sec. 225. (a) It shall be unlawful for any person to manufacture, import into the United States, install, offer for sale, offer for rent, offer for lease, or otherwise distribute any telephone receiver or other similar telephone equipment, for use in connection with any interstate or foreign communication, unless such receiver or other such equipment is designed and manufactured in a manner which permits telephone reception, through the use of such receiver or other such equipment, by means of any hearing aid which uses an induction coil or any other inductive receptor.

"(b) Any person who violates the provisions of this section shall be fined not more than $5,000. Any person who is convicted of a second or subsequent offense punishable under this subsection shall be fined not more than $10,000.".

Sec. 3. The amendment made in section 2 shall apply only with respect to telephone receivers and other such similar telephone equipment manufactured after January 1, 1982.●

By Mr. INOUYE:

S. 2643. A bill to amend title XII of the Public Health Service Act to provide demonstration programs relating to emergency child health care; to the Committee on Labor and Human Resources.

EMERGENCY CHILD HEALTH SERVICES ACT OF 1980

● Mr. INOUYE. Mr. President, we are all aware that in times of fiscal restraint, those without a voice in the legislative process will suffer most. The legislation which I am introducing today seeks to redress that situation to the advantage of a large yet quiet constituency—America's children. In times when cost-effectiveness is a catchword and the value of preventive medical care is increasingly recognized as a cornerstone in our national effort to reduce medical costs, we cannot continue to ignore our child population. Medical services directed to children yield the greatest benefit over the longest period of time and must be adequately funded if we are to stem the rising cost of health care. It is with these goals in mind that I introduce the Emergency Child Health Services Act of 1980.

This legislation would seek to demonstrate a reduction in preventable morbidity and mortality caused by accidents in childhood through a grant program giving special recognition to the special interests of children. I propose to establish a demonstration program of grants directed by the Secretary for expansion and improvement of emegency medical services systems to provide emergency medical services for children.

I would point out that children and adolescents are truly in need of such services. Of all patients receiving care in our hospital emergency departments, 20 percent to 35 percent are children or adolescents. On weekends and during the night, that number can jump to more than 40 percent of such visits. More than 18 million children receive emergency services each year. Approximately 100,000 children are permanently crippled by trauma annually, and up to 55 percent of all deaths up to age 15 are due to injuries. Accidents are the leading cause of death for children from birth to age 14.

Given this situation, we must next recognize that the medical needs of children differ from those of adults physically, metabolically, and emotionally. Planning and programing for emergency and preventive services must recognize the unique needs of pediatric patients.

Special pediatric expertise and equipment are required to examine and evaluate children in order to recognize subtle signs and symptoms which may indicate serious underlying disease or major injury. Special interviewing techniques are needed to recognize the effect of the emergency on the child's emotions, behavior, growth, and development. Finally, children require separation from adults in the hospital emergency area. Exposure to the unpleasant sights and sounds inherent in adult emergencies affects the mind of the child adversely.

I contend that emergency medical services are primarily adult oriented in spite of the proportion of emergencies which are pediatric. The nature of pediatric emergencies merits separate funding and recognition, for there is no substitute for specialized emergency preparedness when the life of a child is at stake.

Mr. President, I ask unanimous consent that the text of this bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 2643

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Emergency Child Health Services Act of 1980".

Sec. 2. (a) Part A of title XII of the Public Health Service Act is amended by adding the followng new section at the end thereof:

"EMERGENCY MEDICAL SERVICES FOR CHILDREN

"Sec. 1211. (a) The Secretary may make grants to and enter into contracts with eligible entities (as defined in section 1206 (a)) for demonstration programs for the expansion and improvement of emergency medical services systems to provide emergency medical services for children. No eligible entity may receive a grant or enter into a contract for a demonstration program under this section unless—

"(1) such entity has received a first grant under section 1203(e)(1);

"(2) such demonstration project is conducted in connection with an emergency medical services system; and

"(3) the eligible entity meets the requirements of section 1206(b).

"(b)(1) No grant or contract may be made under this section unless an application therefor has been submitted to, and approved by, the Secretary. Such an application shall be in such form and be submitted in such manner as the Secretary shall by regulation prescribe. Such application shall provide assurances satisfactory to the Secretary that the applicant will make such reports and provide such other information respecting the grant or contract as the Secretary may require.

"(2) For purposes of making grants and entering into contracts under this section, the Secretary shall initially select not more than 2 applications for receipt of funds.

"(3) The Secretary may not approve an application for a grant or contract under this section for a demonstration program unless the application contains a full description of the program and provides assurances, satisfactory to the Secretary, that the program will be conducted as follows:

"(A) The program provides emergency medical services for children, including services to respond to trauma, accidental injuries and child abuse, poisonings, infectious diseases, respiratory difficulties, dehydration, and other life-threatening pediatric medical emergencies.

"(B) The program provides for the participation, in an advisory capacity, of concerned medical professionals and other interested groups.

"(C) The program provides for information programs relating to prevention of pediatric emergencies.

"(D) The program provides that trained personnal are available to meet the needs of pediatric patients receiving services under the program.

"(E) The program provides that pediatric specialty facilities utilize biomedical communication systems, and that communities that do not have such specialty facilities are included in a communication system to facilitate emergency communication by physicians in such communities regarding pediatric patients.

"(F) The program provides for the coordination of emergency transportation of high-risk pediatric patients to regional specialty facilities.

"(G) The program assures that sufficient emergency facilities and critical care units for pediatric patients are available, including poison control centers.

"(H) The program provides for the transfer of pediatric patients to acute or other care facilities that will provide long-term care and rehabilitation.

"(I) The program provides for review and evaluation of pediatric services provided under the program, including appropriate methods for evaluating the cost-effectiveness of the program and the quality of care and services provided under the program.

"(c) The Secretary shall determine the amount of any grant or contract made under this section. Payments under such grants and contracts may be made in advance on the basis of estimates or by way of reimbursement, with necessary adjustments on account of underpayment or overpayments, and in such installments and on such terms and conditions as the Secretary finds necessary to carry out the purposes of such grants and contracts.

"(d)(1) Each recipient of a grant or contract under this section shall keep such records as the Secretary shall prescribe, including records that fully disclose the amount and disposition by such recipient of the proceeds of such grant or contract, the total cost of the undertaking in connection with which such grant or contract was made, the amount of the portion of the cost of the undertaking supplied by other sources, and such other records as will facilitate an effective audit.

"(2) The Secretary and the Comptroller General of the United States, or their duly authorized representatives, shall have access for the purpose of audit and examination to any books, documents, and records of the recipient of grants or contracts under this section that are pertinent to such grants or contracts.

"(e) The Secretary may provide technical assistance to eligible entities with respect to programs assisted under this section.

"(f) The Secretary shall evaluate the demonstration programs supported under this section and shall submit to the Congress, not later than January 1, 1984, a report including—

"(1) the results of such demonstration programs;

"(2) the Secretary's evaluation of such programs, including the cost-effectiveness of such programs, the quality of care provided under such programs, and the effect of different geographic settings on the results of such programs; and

"(3) any recommendations the Secretary may have with respect to such programs.

"(g) There are authorized to be appropriated, $400,000 for the fiscal year ending September 30, 1981, $400,000 for the fiscal year ending September 30, 1982, and $400,000 for the fiscal year ending September 30, 1983.".

(b)(1) Section 1206 (a) is amended by—

(A) striking out "and" after "1203,"; and

(B) inserting "and 1211," after "1204,".

(2) Section 1206(b)(1)(B) is amended—

(A) by striking out "or" after "1202 (b) (1)" and inserting in lieu thereof a comma; and

(B) by inserting ", or 1211" after "1205".●

By Mr. INOUYE (for himself and Mr. MATSUNAGA):

S. 2644. A bill to amend the Social Security Act to provide for the direct reimbursement of qualified gerontological nurse practitioners under medicare and medicaid; to the Committee on Finance.

S. 2645. A bill to amend title 5, United States Code, to provide for access to qualified professional gerontological nurse practitioners without prior referral in the Federal employee health benefits program; to the Committee on Finance.

● Mr. INOUYE. Mr. President, today I am introducing legislation with Senator MATSUNAGA, which would amend our Nation's medicare law in order to provide for the independent reimbursement of those services that are rendered by professional gerontological nurse practitioners. Reimbursement of gerontological nurse practitioners should be provided whether they are self-employed, employed within an organized nursing service such as a nursing home, or employed within a multidisciplinary agency that lacks an organized nursing service organization.

The population of America is growing increasingly older, with more than 10 percent of all people now age 65 or older. The aged person, likely to have one or more chronic diseases, is in need of long-term health care. Long-term care demands more of the human service known as nursing than any other profession. Most of the known needs of medicare beneficiaries for primary health care services can be provided by qualified registered nurses.

Gerontological nurse practitioners are registered nurses who have received specialized education that prepares them to assume responsibility for delivery of primary care to older adults. Studies of the role of nurse practitioners conclude that care provided by these professionals is comparable in outcome to care given by physicians, rates high in consumer satisfaction, and is cost-effective. Care rendered by nurse practitioners has been applauded because of the priority placed on patient education, fostering self-care strategies, illness prevention, and health maintenance. Nursing services are intrinsically therapeutic in and of themselves and thereby, capable of restoring patients to optimal health or enabling them to adapt to chronic illness, disability or terminal disease.

The first meaningful contact between patients in underserved areas and the health care system most often involves a public health nurse or nurse practitioner. For most patients the nurse practitioner sees, assesses, and treats with no direct physician involvement. Requirement of a physician's signature or so-called supervision is unnecessary and very costly.

The present structure makes hiring practitioners an economic liability for health care administrators. The provisions within the medicare reimbursement program are restrictive and prevent the delivery of needed health care services to persons who reside in rural areas of this country. Nurses in private practice in underserved areas have been forced to shut down needed facilities because of the inability to qualify for third party funds.

Patients who need and want nursing services must make out-of-pocket payments in addition to paying high insurance premiums. If people are to have access to health care services, nurses must be recognized as providers of health care whose services are reimbursed through health insurance provisions of the medicare law. Congressman PEPPER, chairman of the Select Committee on Aging, will be introducing similar legislation in the House this year.

Mr. President, I request unanimous consent that the text of the bills be printed in the RECORD.

There being no objection, the bills were ordered to be printed in the RECORD, as follows:

S. 2644

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 1861(j)(4) of the Social Security Act is amended by—

(1) striking out "and" at the end of clause (A) thereof, and

(2) by inserting immediately before the semicolon at the end thereof the following: ", and (C) provides for having a qualified professional gerontological nurse practitioner available, on at least a consultant basis, to assure that necessary gerontological nursing services are furnished,".

(b) The first sentence of section 1861(r) of the Social Security Act is amended by—

(1) striking out "or" at the end of clause (4) thereof, and

(2) inserting immediately before the period at the end thereof the following: ", or (6) a qualified professional gerontological nurse practitioner who is licensed by the State in which such nurse performs such function or action, but only with respect to functions or actions which such nurse is legally authorized to perform as a registered nurse by the State in which he or she performs them and, then, only for purposes of section 1861(s)(1) and 1861(s)(2)(A), for purposes of making a certification of the type required by section 1814(a)(2)(A), and for purposes of the meeting of the requirement imposed with respect to hospitals that each patient of such a hospital be under the care of a physician".

(c) Section 1861 of such Act is further amended by adding at the end thereof the following new subsection:

"Qualified Professional Gerontological Nurse Practitioner

"(bb) The term 'qualified professional gerontological nurse practitioner', when used in connection with the performance of any function or action, means an individual who—

"(1) is licensed to practice nursing by the State in which such function or action is performed; and

"(2)(A) holds a master's degree in gerontological nursing or a related field from an accredited educational institution, or (B) is certified as a gerontological nurse practitioner by the duly recognized professional nurses organization.".

(d) The amendments made by this section shall be applicable only with respect to services furnished after the month which follows the month in which this Act is enacted.

SEC. 2. (a) The first sentence of section 1902(a) of the Social Security Act is amended—

(1) by striking out "and" at the end of clause (39) thereof,

(2) by striking out the period at the end thereof and inserting in lieu thereof a semicolon, and

(3) by adding after clause (40) thereof the following new clauses:

"(41) provide that, with respect to health services which are covered under the State plan, payment will be made for professional services furnished by a qualified professional gerontological nurse practitioner who is legally authorized to provide them;

"(42) provide that payment under the State plan will not be made for services furnished by any intermediate care facility or skilled nursing facility unless such facility provides for having a qualified professional gerontological nurse practitioner available, on at least a consultant basis, to assure that necessary gerontological nursing services are furnished to the patients in such facility; and

"(43) provide that payment under the State plan will not be made for inpatient services furnished by any hospital unless, in the operation of such hospital, there is extended to qualified professional gerontological nurse practitioners, with respect to professional services which both physicians and qualified professional gerontological nurse practitioners are authorized to provide, the same staff and similar privileges as are extended to physicians caring for patients in such hospital. Admissions to such hospitals by qualified professional gerontological nurse practitioners will be based on nursing diagnoses or a determined functional diagnosis.".

(b) Section 1905 of such Act is amended by adding at the end thereof the following new subsection:

"(m) The term 'qualified professional gerontological nurse practitioner', when used in connection with the performance of any function or action, means an individual who—

"(1) is licensed to practice nursing by the State in which such function or action is performed; and

"(2)(A) holds a master's degree in gerontological nursing or a related field from an accredited educational institution, or (B) is certified as a gerontological nurse practitioner by the duly recognized professional nurses organization.".

(c) The amendments made by this section shall take effect on January 1, 1981.

S. 2465

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the first sentence of section 8902(k) of title 5, United States Code, is amended by striking out "or optometrist" each place it appears and inserting in lieu thereof ", optometrist, or qualified professional gerontological nurse practitioner".

SEC. 2. The amendments made by this Act shall become effective with respect to any contract entered into or renewed on or after the date of enactment of this Act.●

ADDITIONAL COSPONSORS

S. 2214

At the request of Mr. JOHNSTON, the Senator from Missouri (Mr. EAGLETON) was added as a cosponsor of S. 2214, a bill entitled the "Emergency Federal Crude Oil Sale, Use and Storage Act of 1980."

S. 2239

At the request of Mr. PACKWOOD, the Senator from New York (Mr. JAVITS) was added as a cosponsor of S. 2239, a bill to amend the Internal Revenue Code of 1954 with respect to the income tax treatment of incentive stock options.

S. 2379

At the request of Mr. STEVENSON, the Senator from Indiana (Mr. LUGAR), and the Senator from Delaware (Mr. ROTH) were added as cosponsors of S. 2379, a bill to encourage exports by facilitating the formation and operation of export trading companies and the expansion of export trade service generally.

S. 2468

At the request of Mr. BURDICK, the Senator from New Mexico (Mr. SCHMITT) was added as a cosponsor of S. 2468, a bill to amend the Social Security Act with respect to payments under medicare and medicaid to hospital providers of long-term care services (swing beds).

S. 2492

At the request of Mr. INOUYE, the Senator from Montana (Mr. MELCHER) was added as a cosponsor of S. 2492, a bill to regulate commerce, promote energy self-sufficiency, and protect the environment, by establishing procedures for the location, construction and operation of ocean thermal energy conversion facilities and plantships to produce electricity and energy-intensive products off the coasts of the United States; and to amend the Merchant Marine Act, 1936 to make available certain financial assistance for construction and operation of such facilities and plantships; and for other purposes.

S. 2503

At the request of Mrs. KASSEBAUM, the Senator from South Dakota (Mr. PRESSLER) was added as a cosponsor of S. 2503, a bill to amend the Internal Revenue Code of 1954 to provide a refundable credit against income tax for certain interest on agricultural operating loans.

S. 2532

At the request of Mr. HAYAKAWA, the Senator from Colorado (Mr. ARMSTRONG) was added as a cosponsor of S. 2532, a bill to reinstate and validate U.S. oil and gas leases numbered OCS–P–0218 and OCS–P–0226.

S. 2560

At the request of Mr. NELSON, the Senator from Alabama (Mr. STEWART) was added as a cosponsor of S. 2560, a bill to amend the Internal Revenue Code of 1954 to provide for the exclusion from taxation of interest earned on deposits which are used for residential mortgage lending purposes.

SENATE JOINT RESOLUTION 156

At the request of Mr. BURDICK, the Senator from Louisiana (Mr. JOHNSTON), the Senator from Florida (Mr. STONE), and the Senator from South Carolina (Mr. HOLLINGS) were added as cosponsors of Senate Joint Resolution 156, a joint resolution to authorize the President to issue annually a proclamation designating that week in November which includes Thanksgiving Day as "National Family Week."

SENATE JOINT RESOLUTION 159

At the request of Mr. DOLE, the Senator from Indiana (Mr. BAYH) was added as a cosponsor of Senate Joint Resolution 159, a joint resolution disapproving the action taken by the President under the Trade Expansion Act of 1962 in imposing a fee on imports of petroleum or petroleum products.

SENATE CONCURRENT RESOLUTION 60

At the request of Mr. JEPSEN, the Senator from Missouri (Mr. DANFORTH), and the Senator from Georgia (Mr. NUNN) were added as cosponsors of Senate Concurrent Resolution 60, a concurrent resolution expressing the sense of the Congress with respect to the treatment of Christians by the Union of Soviet Socialist Republics, and for other purposes.

SENATE CONCURRENT RESOLUTION 61

At the request of Mr. JEPSEN, the Senator from Missouri (Mr. DANFORTH), and the Senator from Georgia (Mr. NUNN) were added as cosponsors of Senate Concurrent Resolution 61, a concurrent resolution expressing the sense of the Congress with respect to the treatment of Christians by the Union of Soviet Socialist Republics, and for other purposes.

SENATE CONCURRENT RESOLUTION 82

At the request of Mr. CHURCH, the Senator from Montana (Mr. MELCHER) was added as a cosponsor of Senate Concurrent Resolution 82, expressing the sense of the Congress that the 1980 automatic increase in social security benefits which is provided for under existing law should be allowed to occur as scheduled.

SENATE RESOLUTION 405

At the request of Mr. PROXMIRE, the Senator from Nebraska (Mr. EXON), the Senator from New Hampshire (Mr. HUMPHREY), the Senator from Delaware (Mr. BIDEN), the Senator from Wisconsin (Mr. NELSON), the Senator from North Dakota (Mr. BURDICK), and the Senator from New York (Mr. MOYNIHAN) were added as cosponsors of Senate Resolution 405, a resolution expressing the sense of the Senate with respect to compliance by the Soviet Union with the Convention on the Prohibition of the Development, Production and Stockpiling of Bacteriological (Biological) and Toxin Weapons and on Their Destruction.

SENATE RESOLUTION 411

At the request of Mr. HAYAKAWA, the Senator from South Carolina (Mr. THURMOND) was added as a cosponsor of Senate Resolution 411, a resolution expressing the sense of the Senate that no withholding tax be imposed on certain interest and dividends.

SENATE RESOLUTION 412

At the request of Mr. ROTH, the Senator from Montana (Mr. BAUCUS), the Senator from North Dakota (Mr. BURDICK), the Senator from Kansas (Mr. DOLE), the Senator from New Mexico (Mr. DOMENICI), the Senator from Minnesota (Mr. DURENBERGER), the Senator from Missouri (Mr. EAGLETON), the Senator from Kentucky (Mr. FORD), the Senator from Utah (Mr. GARN), the Senator from Alaska (Mr. GRAVEL), the Senator from Michigan (Mr. LEVIN), the Senator from Indiana (Mr. LUGAR), the Senator from Oregon (Mr. PACKWOOD), the Senator from Texas (Mr. TOWER), the Senator from North Dakota (Mr. YOUNG), and the Senator from Indiana (Mr. BAYH) were added as cosponsors of Senate Resolution 412, a resolution relating to the attempted rescue of the Americans held hostage in Iran.

AMENDMENT NO. 1713

At the request of Mr. WEICKER, the Senator from New York (Mr. MOYNIHAN) was added as a cosponsor of amendment No. 1713 intended to be proposed to Senate Concurrent Resolution 89, a concurrent resolution setting forth the recommended congressional budget for the U.S. Government for the fiscal years 1981, 1982, and 1983 and revising the second concurrent resolution on the budget for fiscal year 1980.

AMENDMENT NO. 1714

At the request of Mr. WEICKER, the Senator from New York (Mr. MOYNIHAN) was added as a cosponsor of amendment No. 1714 intended to be proposed to Senate Concurrent Resolution 86, a concurrent resolution setting forth the recommended congressional budget for the U.S. Government for the fiscal years 1981, 1982, and 1983 and revising the second concurrent resolution on the budget for fiscal yar 1980.

AMENDMENT NO. 1715

At the request of Mr. WEICKER, the Senator from New York (Mr. MOYNIHAN) was added as a cosponsor of amendment No. 1715 intended to be proposed to Senate Concurrent Resolution 86, a concurrent resolution setting forth the recommended congressional budget for the U.S. Government for the fiscal years 1981, 1982, and 1983 and revising the second concurrent resolution on the budget for fiscal year 1980.

SENATE RESOLUTION 416—SUBMISSION OF A RESOLUTION OF SYMPATHY ON THE DEATH OF DON LUIS MUÑOZ MARÍN

Mr. MOYNIHAN submitted the following resolution, which was referred to the Committee on the Judiciary:

SENATE RESOLUTION 416

Whereas Don Luis Muñoz Marín was one of Puerto Rico's most distinguished political figures in its entire history; and

Whereas Don Luis Muñoz Marín was born on February 18, 1898; and

Whereas Don Luis Muñoz Marín was the creator of one of Puerto Rico's most important political parties, the Popular Democratic Party; and

Whereas Don Luis Muñoz Marín's political activities helped inculcate an allegiance to the Democratic form of government in Puerto Rico; and

Whereas Don Luis Muñoz Marín was elected to the Senate of Puerto Rico in 1940 and reelected to that position in 1944 and served as President of the Puerto Rican Senate until 1948; and

Whereas Don Luis Muñoz Marín was elected the first Governor of the Territory of Puerto Rico in 1948; and

Whereas Don Luis Muñoz Marín was the founder of the present Commonwealth of Puerto Rico in 1952 which established Puerto Rico's right to self-determination; and

Whereas Don Luis Muñoz Marín was one of the chief authors of the remarkable and successful economic development program Operation Bootstrap which transformed Puerto Rico's impoverished, stagnant agricultural economy with one of Latin America's lowest per capita incomes into a dynamic and industrially based economy which now has one of Latin America's highest per capita incomes; and

Whereas the United States Senate has learned today of the death of this great man, now be it

Resolved, That the Senate formally expresses its deepest gratitude to Don Luis Muñoz Marín for his untiring efforts to foster ties between Puerto Rico and the United States as well as its deepest sympathy to his family and the people of Puerto Rico upon his death.

AMENDMENTS SUBMITTED FOR PRINTING

NUCLEAR WASTE POLICY ACT—S. 2189

AMENDMENT NO. 1732

(Ordered to be printed and to lie on the table.)

Mr. JACKSON submitted an amendment intended to be proposed by him to S. 2189, a bill to establish a program for Federal storage of spent fuel from civilian nuclear powerplants, to set forth a Federal policy and initiate a program for the disposal of nuclear waste from civilian activities, and for other purposes.

● Mr. JACKSON. Mr. President, perhaps the most controversial issue in the current debate on nuclear waste policy has been the question of the role to be assigned to State and local government in the siting process for nuclear waste disposal facilities. The shorthand label which has been adopted for this role is "consultation and concurrence." This shorthand derives from a phrase made popular by the report of the President's Interagency Review Group on Nuclear Waste Management (IRG) which issued its final report on nuclear waste policy last year. The President's February 12, 1980 message on nuclear waste management policy endorses this concept without further clarifying what it means.

Today I am submitting an amendment to Calendar No. 582, S. 2189, the Nuclear Waste Policy Act, a bill reported by the Committee on Energy and Natural Resources in January. My amendment would establish, by Federal statute, a consultation and concurrence procedure.

For a variety of reasons, but fundamentally because of the possibility that very long-lived, toxic nuclear wastes may be placed irretrievably within the borders of some particular State, many have proposed that State officials be granted a statutory role in the siting process to safeguard State and local interests. In the absence of such a role, existing law vests authority over the siting of nuclear waste facilities in the Federal Government. The most recent Senate vote on this matter involved what is probably the most restrictive kind of consultation and concurrence proposal: The delegation of Federal authority to the Governor of any State to veto the establishment of a nuclear waste disposal facility in that State. On July 17, 1979 such a proposal, formulated as an amendment to the fiscal year 1980 authorization legislation for the Nuclear Regulatory Commission, was tabled in the Senate by a vote of 55 to 37.

The administration's version of consultation and concurrence is somewhat more difficult to pin down. The IRG stressed the importance of a process of interaction between Federal and State officials which is continuous in nature and which apparently involves the continuous concurrence of responsible State officials at every step of the way from initial conception of a project through actual operation of a facility. There has been no compelling need for the administration to formulate this idea in legislative language, so we do not know exactly what they mean by "consultation and concurrence" in an operational sense.

Mr. President, the Committee on Energy and Natural Resources had not evolved a consensus on this important institutional issue at the time that S. 2189 was ordered reported. In the meantime, the Senate Committee on Government Affairs has been working on S. 742, the Nuclear Waste Management Reorganization Act of 1980, a bill, the latest version of which would establish a Presidential advisory committee to be known as the State Planning Council on Nuclear Waste and a particular consultation and concurrence process applying to radioactive waste facilities for disposal of civilian and military wastes.

The amendment I will offer provides for close consultation between the Secretary of Energy and the Governor of any State in which a disposal facility for spent fuel and high-level radioactive waste from civilian activities may be located. The provisions of this amendment, like the provisions of S. 2189, affect facilities for the disposal of civilian wastes only. In my opinion, a host of very difficult problems, including constitutional problems, are raised by any proposal for the delegation to State government of statutory authority over any phase of our program of national defense. I believe that the question of the appropriate State role in the siting of civilian nuclear waste facilities is quite controversial enough in itself without bringing in these additional problems.

I would, therefore, hope that the Congress could provide a clear direction on the question of the role of the States with regard to these civilian nuclear waste disposal facilities in the context of S. 2189, the bill which establishes the overall Federal policy for such facilities.

The consultation process contemplated in my amendment involves timely notice, a requirement that the Governor be kept currently informed of the progress of work, access by designees of the Governor to relevant information, and opportunity for review of and comment on activities under the project.

With regard to concurrence, my amendment requires that the Governor be offered a clearly specified opportunity to object to any site selected for a disposal facility in the State. The Governor would exercise this option prior to the submission of an application for a construction permit for a facility at that site by the Secretary of Energy to the Nuclear Regulatory Commission. If the Governor does object, the Secretary must suspend further site-specific activities at the disposal facility. These activities may not begin again unless the President determines that the facility in question is essential to the national interest.

I believe that this amendment provides the proper balance of authority between national and local concerns. The President must carry the ultimate responsibility for the national interest in protecting the public through safe management and disposal of the wastes generated by civilian nuclear powerplants. In my view, there can be no doubt that the President must have the full authority necessary to carry out this responsibility.

On the other hand, the Governor has the responsibility to reflect the public health and safety concerns of the locality in which a nuclear waste disposal facility is sited. My amendment provides ample opportunity for this and offers the Governor, in the event that his objections are not being met through consultation with the Secretary of Energy, the right to force the President to determine whether or not the facility is essential to the national interest.

This amendment puts the responsibility for each level of judgment where it belongs. The Secretary of Energy is compelled to enter into a continuous process of consultation with the appropriate State officials. In the event that this process leads to objections by the Governor, the President is required to weigh these objections in relation to the national interest and decide for or against a particular facility. This decision would be made prior to application for a construction permit and, therefore, prior to a major commitment of Federal funds. Upon construction, the facility would be subject to a licensing process and the continuing regulatory authority set forth in the rules of the Nuclear Regulatory Commission.

Mr. President, the Nuclear Waste Policy Act is, in my opinion, one of the more important bills to come before the Senate this year. We are embroiled in a full fledged national debate over the future of nuclear power. I have my own preferences concerning how that debate should turn out. But those preferences are not relevant to this legislation. We must deal responsibly with nuclear waste no matter what the outcome of the national debate over nuclear power. I hope that the controversy over the nuclear future will not prevent us from providing for the protection of the public health and safety from the hazards of the nuclear waste we have today and will continue to have whatever that future turns out to be.●

FIRST CONGRESSIONAL BUDGET RESOLUTION, 1981—SENATE CONCURRENT RESOLUTION 86

AMENDMENT NO. 1733

(Ordered to be printed and to lie on the table.)

Mr. COHEN (for himself, Mr. SIMPSON, and Mr. NELSON) submitted an amendment intended to be proposed by them, jointly, to Senate Concurrent Resolution 86, a concurrent resolution setting forth the recommended congressional budget for the U.S. Government for the fiscal years 1981, 1982, and 1983, and revising the second concurrent resolution on the budget for the fiscal year 1980.

NOTICES OF HEARINGS

SUBCOMMITTEE ON GOVERNMENTAL EFFICIENCY AND THE DISTRICT OF COLUMBIA

● Mr. EAGLETON. Mr. President, the Subcommittees on Governmental Efficiency and the District of Columbia and on Federal Spending Practices and Open Government will hold a joint hearing concerning the recent annual report of the Department of Energy Inspector General and S. 1548, legislation designed to place the Inspectors General at Energy and HEW under the same statute covering the other Inspector General offices. The hearing will take place on May 8 at 10 a.m., in 3302 Dirksen Office Building.

Any questions concerning the hearing should be addressed to Ira S. Shapiro at 224–4161 or Ron Chiodo at 224–0211.●

COMMITTEE ON ENERGY AND NATURAL RESOURCES

● Mr. JACKSON. Mr. President, I would like to announce for the information of the Senate and the public, the scheduling of a public hearing before the Energy Research and Development Subcommittee of the Committee on Energy and Natural Resources.

The hearing is scheduled for May 24, 1980, beginning at 9 a.m., in the Medicine Man Room of the Holiday Inn, 1701 Sheridan Avenue, Cody, Wyo. 82414.

Testimony is invited regarding Senate bill S. 821, which is presently before the subcommittee.

S. 821, to authorize the Secretary of the Interior to construct, operate, and maintain modifications of the existing Buffalo Bill Dam and Reservoir, Shoshone project, Pick-Sloan Missouri Basin program, Wyoming, and for other purposes.

For further information regarding the hearings you may wish to contact Mr. Russell R. Brown, of the committee staff on extension 202–224–2366. Those wishing to testify or who wish to submit a written statement for the hearing record should write to the Research and Development Subcommittee, room 3106, Dirksen Senate Office Building, Washington, D.C. 20510. (Attention Russell R. Brown.)●

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

Mr. HEFLIN. Mr. President, I ask unanimous consent that the Committee on Commerce, Science, and Transportation be authorized to meet during the session of the Senate today to hold hearings on S. 2492, the Ocean Thermal Energy Conversion Act.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. HEFLIN. Mr. President, I ask unanimous consent that the Committee on Energy and Natural Resources be authorized to meet during the session of the Senate today to hold hearings on the geopolitics of oil.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

LESTER PREHN HONORED

● Mr. CULVER. Mr. President, on April 20, 1980, Lester Prehn, of Martensdale, Iowa, was awarded the Purple Heart medal which he had earned in combat in World War I but had never before received.

I had the privilege of helping to obtain the necessary documentation and certification for this award, and the honor of presenting it to Mr. Prehn.

Over 200 people gathered to recognize and salute him for his service and suffering in defense of our country. The presentation of this much-deserved but long-delayed medal was an occasion both to honor a patriotic American and to remind ourselves of the national obligation we have to those who have served our country in uniform.

Mr. President, I ask that the program for this stirring ceremony and a newspaper account of it be printed in the RECORD.

The material follows:

THE AMERICAN LEGION, VETERANS OF FOREIGN WARS, MARTENSDALE LIONS CLUB, MARTENDALE FIRE DEPT., THE PURPLE HEART AWARDS CEREMONY

Posting the Colors, All Organizations.

National Anthem, Jim Brommel.

Pledge of Allegiance, Unison.

Invocation, Bob Lewis, Chaplain.

Greetings and Introductions, John Tuttle, Pete Lull.

Music Ensemble.

Remarks, Cindy Woodman.

Biography of Lester H. Prehn, John Tuttle.

Legislative Citation, The Honorable Philip Davitt.

U.S. Flag, The Honorable John Culver.

Purple Heart Medal, The Honorable Philip Davitt and The Honorable John Culver.

Life Membership into PHA-Robert Winters.

Keynote Speaker, The Honorable John Culver.

Remarks.

Gold Bless America, Unison.

Retirement of Colors, All Organizations.

Benediction, Bob Lewis, Chaplain.

Our special thanks to all the Organizations who helped with the program.

Order of induction into military service of the United States. The President of the United States To: Lester H. Prehn Order No. 200 Serial No. 1102 Greeting: You will, therefore, report to the Local Board at Indianola, Iowa, at 3:00 p.m. on the 24th day of February, 1918. From and after the day and hour just named you will be a soldier in the Military Service of the United States.

John Tuttle, Department Commander, American Legion of Iowa.

Pete Lull, Chief, Martensdale Volunteer Fire Dept.

John Kleymann, President, Martensdale Lions Club.

Bob Lewis, Chaplain, American Legion of Iowa.

Cindy Woodman, Friend.

Hon. Philip Davitt, State Representative, 58th District of Iowa.

Hon. John Culver, U.S. Senator, Iowa.

Robert Winters, Des Moines Reg. Director, Veterans Administration.

Honorable Discharge from the United States Army—To Whom it may concern: This is to certify that Lester H. Prehn, PVT 2153885, Co. L, 132 Inf., The United States Army, as a testimonial of honest and faithful service, is hereby honorably discharged from the Military Service of the U.S. given under my hand at Camp Dodge, Iowa this 20th day of May, 1919, signed Lewis Caussler, Major, Signal Corps, USA, Commanding.

Les Prehn:

October 23, 1889, born, Clarke County, Iowa.

1893, moved to Martensdale and Bevington area.

1894, started school, Spencer Country School located ½ mile north of Elmer Wood.

1912, voted in 1st general election.

February 24, 1918, drafted, U.S. Army, received training at Camp Dodge, Iowa and Camp Logan, Houston, Texas.

May 1918, arrived Brest, France, 33rd Div., 132d Inf., Co. L.

October 12, 1918, wounded in action, Argonne Woods, France.

May 20, 1919, discharged, Camp Dodge, Iowa.

July 15, 1920, married Inez Conard. No children. Inez passed away in 1956.

April 20, 1980, received the Purple Heart Award.

Thank you for attending and helping to make this day one to remember for Lester H. Prehn.

[From the Indianola (Iowa) Record-Herald, Apr. 21, 1980]

PREHN RECEIVES PURPLE HEART—62 YEARS LATE

(By Lea Pierce)

Lester Prehn looked pleased Sunday in the sweltering heat of the Martensdale-St. Marys gymnasium. Sixty-two years late, Prehn stood before a full house and received the Purple Heart award for combat wounds suffered in World War I.

Over 200 people cheered and applauded as U.S. Senator John Culver pinned the medal to the lapel of Prehn's dapper navy blue suit. Patriotic songs were sung and Culver, Iowa Representative Phil Davitt of St. Charles and John Tuttle, Commander of the American Legion, spoke of Prehen's service to his country.

"This is a little too big a deal for me," Prehn said before the ceremony began.

91 YEARS OLD

But he seemed to take it right in stride, and at 91 years, needed no assistance as he climbed the steep steps onto the stage where 10 American flags and the colors of several VFW and American Legion posts framed the award ceremonies.

Though no one really knows why the government failed to give Prehn his medal before now, Sunday's ceremonies were the result of Cindy Woodman, a friend and neighbor of Prehn who cared enough to take matters into her own hands.

Woodman and her husband met Prehn several years ago when they rented a house from him in Indianola. In the course of hours of cribbage and pinochle games, the young couple and Prehn told each other of their lives. That was how Woodman learned Prehn had never received his Purple Heart.

"TALKED ABOUT EVERYTHING"

"Over the years we've talked about everything," Woodman said. In every opinion poll there are some that have no opinion, Woodman commented. "But anyone who knows Les knows he's not one of them!," she added with a grin.

"One of the things I enjoy most about Lester is the age difference between us," Woodman continued. "It's important that younger people have someone to look up to and someone to listen to."

Rep. Phil Davitt said Woodman did the unusual by telling him of the situation so he could "do the unusual" by performing the duties of his office.

Between Davitt and Sen. John Culver, quick action was taken to obtain the belated medal for Prehn.

LIVES IN INDIANOLA

Prehn, who now lives in Indianola, was born in 1889 near Osceola on a farm. He grew up in south central Iowa and in 1918 was inducted into the army. He achieved the rank of private, American Legion Commander Tuttle said, noting that in those days privates were called "cannon fodder."

Prehn became cannon fodder Oct. 12, 1918, in the Argonne Woods of France, only one month before the Armistice. A high explosive shell ripped through the foxhole he and a fellow soldier were in, shattering Prehn's hip. Prehn was operated on in a field hospital, then transferred from hospital to hospital in France before being discharged May 20, 1919, and sent back to the United States.

No limp was apparent as Prehn walked firmly to and from the speaker's podium to receive a variety of honors and several life-memberships in veterans organizations. Besides the purple heart award, Prehn received a flag that flew over the nation's capitol from Sen. Culver, and a certificate of recognition for his service to his country.

WWI MEMORABILIA

A table filled with mementos of Prehn's World War I service stood in the lobby of the Martensdale school, and included his service belt, gun, helmet, shovel, an ammunition belt and both his induction and discharge papers.

Prehn also kept a series of Des Moines Sunday Registers that included special picture features on the war.

At the end, after strains of "Battle Hymn of the Republic" faded out, Prehn stood before the crowd and simply said, "I was going to thank some of you, but I'm afraid I'll miss somebody so I'll just thank you all."

With a wave of the hand and a grin, Lester Prehn gracefully accepted his overdue recognition.●

THE SELECTION OF SENATOR MUSKIE AS SECRETARY OF STATE

● Mr. STAFFORD. Mr. President, at a perilous time when our Nation's will is being challenged and tested around the world, President Carter has selected Senator Edmund Muskie to serve as his Secretary of State.

Rarely has a man been so well matched for the task.

Challenges serve to exhilarate Senator Muskie. When tested, he responds with courage, determination, wisdom, and candor.

Senator Muskie has already served his State and his Nation well, as a Governor and as a U.S. Senator.

In particular, he has left an indelible mark on our Nation's environmental affairs, where he has blended passion and patience to help save our dwindling natural resources.

Senator Muskie's decision to accept this new and difficult assignment enhances the Department of State even as it diminishes the U.S. Senate.●

REPORT UNDER FOREIGN SURVEILLANCE ACT

● Mr. BAYH. Mr. President, the Foreign Intelligence Surveillance Act of 1978 specifies that in April of each year the Attorney General shall transmit to the Administrative Office of the U.S. Court and to the Congress a report setting forth with respect to the preceding calendar year—

First, the total number of applications made for orders and extensions of orders approving electronic surveillance under this title; and

Second, the total number of such orders and extensions either granted, modified or denied.

Mr. President, I ask that this report be printed in the Record.

The report follows:

Office of the Attorney General,
Washington, D.C., April 8, 1980.

The Vice President,
U.S. Senate,
Washington, D.C.

Dear Mr. Vice President: This report is submitted pursuant to Section 107 of the Foreign Intelligence Surveillance Act of 1978, Title 50, United States Code, Section 1807.

During calendar year 1979, 199 applications were made for orders and extensions of orders approving electronic surveillance under the Act. The United States Foreign Intelligence Surveillance Court issued 207 orders granting authority for the requested electronic surveillances. No orders were entered which modified or denied the requested authority.

Respectfully submitted,
Benjamin R. Civiletti,
Attorney General.●

LUIS MUÑOZ MARÍN, 1898–1980

● Mr. JOHNSTON. Mr. President, it was with great sorrow that I learned of the death of Luis Muñoz Marín, the first elected Governor of Puerto Rico.

I had the great privilege of serving with this distinguished and highly respected statesman on the Ad Hoc Status Commission in the early 1970's. Governor Muñoz cochaired the Commission with our former colleague from Kentucky, Marlow Cook, and as he always did, he helped us focus on the most important issues and exhibited strong leadership throughout the Commission's deliberations.

Luis Muñoz Marín was first elected Governor of Puerto Rico in 1948 and served in that capacity until he retired in 1964. One of his greatest achievements was the construction of the then bold idea of "commonwealth," a new and unique Federal relationship hailed by Chief Justice Earl Warren in 1956 as "perhaps the most notable of American experiments in our lifetime." Always creative, he initiated Operation Bootstrap while he was in the Puerto Rican Senate in the 1940's. This program which he vigorously pursued throughout his years in public service was the cornerstone of Puerto Rico's industrial development, ending decades of dependence on a one-commodity sugar economy, bringing electricity to the rural countryside and significantly improving educational opportunities for all

Puerto Ricans. Because of his efforts, Puerto Rico today has the most prosperous economy in the Caribbean.

I mourn the passing of this grand old man, but I know that the innumerable contributions he made to Puerto Rico and to improving the quality of life for all Puerto Ricans will always remain with us. I only hope we can live up to the example of dedicated, unselfish public service he set for us.●

THE STEWART INDIAN SCHOOL IN CARSON CITY, NEV.

● Mr. LAXALT. Mr. President, Stewart Indian School in Carson City, Nev., has contributed greatly to the Indian youth of this country.

Unfortunately, the school now faces the possibility of closure, due to proposed budget cuts.

It grieves me to think of abolishing what has become a tradition in Nevada, a tradition of excellence in education and the building of strong and fine character in our youth.

The contributions of the Stewart Indian School are best described by a Nevada columnist, Steve Sneddon, and I respectfully request that his column be printed in the Record.

The column follows:

Stewart Shapes Manhood Through Athletics

(By Steve Sneddon)

Manhood is reached in many manners, various places and at a wide range of ages. For Lester Parley, it came as a teen-ager on a dusty football field at Stewart Indian School.

The field at Stewart could test the mettle of commandos. Big clumps of grass camouflage holes. Unlike most football fields, it undulates, and not just in the middle. It is the kind of field that you expect a Jim Thorpe to run onto at any moment.

But Stewart never had a Thorpe. But that is what hastened the manhood of Parley, teammates and just about anyone else who has donned a Stewart football uniform in recent years.

In fact, Stewart never won a game in Parley's four years as a quarterback. It wasn't due to his inefficiency at the position. As it is in such cases, it was a team effort.

The Braves had less time to prepare than their AA League counterparts because the students didn't arrive at the boarding school until late August. There was decidedly less football know how. Most Stewart players, had not, and still do not, play football until they arrive at the school as ninth graders. Pop Warner is only a funny-sounding name to these kids.

But Parley and the others took their lumps with few complaints. During Parley's years, the Braves 49-game losing streak which was not to end until 1976, was well on its way to maturity, but he endured quietly. Maybe a little more quietly than most.

But after he had played his last football game, he had something to say at the Stewart athletic banquet in 1974. He said thank you.

He said he was glad he had played football at Stewart. He said he learned something about perserverance and life at the school.

Parley, who works for his Papago tribe in San Xavier, knew it was unlikely that he would have played football in his native Arizona. For that, he was grateful.

Other Stewart athletes, and non-sports playing students, have voiced similar sentiments over the years. Stewart's contributions to uncounted lives have been numerous, but the school finds itself fighting for life.

It stands dangerously close to the chopping block, a potential victim of President Carter's budget cuts.

The end could come as early as Tuesday in a Senate committee room in Washington, D.C. Stewart's staff and some students are trying to fight the move to close the school and send its students to other boarding schools.

Stewart's supporters apparently find themselves outnumbered. Their chances have been self-characterized as "less than 50–50."

Still, Stewarts' supporters are scrapping. They are leaning heavily on hard, cold facts, the kind of thing that means something in Washington. Things such as the financial impact a closure would have on the Carson City area. But the argument they favor most is Stewart's value to people.

"It was a place to get you started to wherever you wanted to go," said Lionel Flapping Eagle, class of '75. "It was a home, a place to always go back to.

"I was getting in trouble at home (in Owyhee) for fighting. But I got involved here. Athletics were great for me. They (Stewart coaches) pushed you into it.

"It's really great here. You're all the same color. You're brothers. Because of that, you try harder."

Flapping Eagle, then known as Lionel Harney, had boxed for a year before coming to Stewart, but flourished at the school and represented the U.S. against the Soviet Union at Stateline in 1975. Now a professional featherweight boxer, Flapping Eagle has a 13–3 record.

His friend, Dennis Quimayousie, has a 13–1 record as a pro featherweight. Quimayousie, who is a draftsman for the Nevada Department of Transportation, came to Stewart from the Phoenix inner city. It was at Stewart that he learned to box, but he said the school meant more than that to him.

"Stewart . . . it brought me up. I was young when I started there. I learned a lot from that school."

But what would have happened if Quimayousie, 19, had never come to Stewart?

"I think I would be bad. Raised in the city, I would've gone downhill. I wouldn't know where I was going right now."

That sentiment has been repeated verbally and on paper many times.

Stewart Athletic Director and former basketball coach Bud Hurin needs no prompting to show a visitor a file of letters from former students. Many begin with "Dear Dad Hurin."

Most are thank yous. Some letters are like the one Hurin received several years ago from Van Johnson, class of '69.

"You know coach I can't help but remember the fellow who wanted to quit the team at Stewart and you talked him into staying and as you put it, "Gut it out,' " Johnson wrote. "That was one of the biggest steps in the right direction for me. Thanks, coach I needed that."

Johnson, a sergeant on the reservation police force in Sacaton, Ariz., started a family trend. Following Johnson, who competed in cross country and basketball, were two brothers, Carlos and Selwyn, and two cousins, John and Anthony Miller. All five carved a spot for themselves at Stewart.

For many Stewart students, there isn't room elsewhere. That is especially true on the athletic field.

"We've had a high rate of participation," Hurin said. "It's self-evident. You go to Reno, do you find Indian children participating on their teams? Go to Elko. Go to Las Vegas . . . they have 11 or 12 schools . . . do you remember any Indian athletes?"

It is a fact that many Indian athletes distinguish themselves in the elementary and middle school years, but vanish from varsity sports by high school. There are many theories why it happens, but there are few definitive answers.

But it's hard to argue with Stewart's numbers. Hurin estimates that 70 percent of Stewart's students, boys and girls, participate in interscholastic sports. He says that's higher than Intermountain, Sherman or Phoenix.

Why?

"I don't know," Hurin said. "Maybe they don't work (as coaches) as we do. Maybe they don't stress it as much as we do."

Athletics has a long successful history at Stewart. In the modern era, it has been a struggle in basketball and football, although the Braves did win a State A League basketball title in 1966. But the success has been uninterrupted in the individual sports, such as boxing and cross country.

Stewart's boxing coach from 1969 to 1979 was Robey Willis, now a teacher at the school.

Willis, like Hurin, talks about Stewart athletes present and past. He talks about his former boxers who drive a caterpillar tractor, or have an Army career.

"Those aren't big success stories, but they're working. You have to walk before you run," Willis said.

It is a fact that most Stewart students aren't getting the breaks when they enter the school.

"In most cases, it's a broken home. They've been removed from their area for their own good. Some were failing in school," Hurin said.

Stewart hasn't worked for all of its students. But for many, it has.

The victories aren't always big enough to make a scoreboard, but they still count.●

MAN'S INHUMANITY TO MAN: ANOTHER REASON TO REMEMBER

● Mr. BAYH. Mr. President, on April 24 of each year, Armenian-Americans throughout our Nation commemorate a grim occasion. Under the regimes of the Ottoman and Young Turk between 1895 and 1922 almost 2 million Armenians were exterminated in what was to be the first of the holocausts of the 20th century.

It is during this week that all who wish to honor the sacrifice made by these victims pause to reflect upon this event. On April 8, 1975 when the House of Representatives passed a resolution designating April 24 as a "National Day of Remembrance of Man's Inhumanity to Man," I addressed this issue. My own concern about this matter has not diminished since then.

Sadly, events throughout the world in the recent days and months continue to weigh heavily on the hearts and minds of those who seek to secure basic human rights and basic human survival. We are reminded by the courageous acts of our fellow countrymen who risked their own lives to rescue our hostages from Tehran that ours is a Nation profoundly committed to the uplifting ideal of human freedom. We are reminded that to fail to do anything less than speak out when outrages against humanity occur is to deny our own national traditions.

The work of the U.S. Holocaust Memorial Council and the designation of April 28 and 29 as "Days of Remembrance of the Victims of the Holocaust" have enabled us to organize and focus efforts in order to demonstrate this purpose and concern.

Within this context, it is therefore appropriate that we recall during this week of observance the first instance of deliberate genocide in the 20th century—the savage slaughter of the Armenian people by the Ottoman Turkish Empire in 1915. By recalling this tragic event, we may affirm anew our resolve to prevent such brutalities from occurring in the future. We should also recognize the commitment of the Armenian people throughout the world to the cause of justice and human rights and the terrible price they have paid in pursuit of these principles. They have suffered as few other groups in modern history.

Traditionally, Armenian-Americans and their kin throughout the world have observed April 24 as a day of mourning. It was on the night of that day 65 years ago that 200 intellectuals, community leaders, and prominent citizens of the Armenian community were herded into the desert and executed. This event marked the beginning of the Ottoman Empire's systematic plan to exterminate the whole Armenian Christian population within its borders.

Over the next 3 years, 1915–18, 1½ million Armenians were massacred. The entire population was uprooted from their ancestral homeland in what is now the eastern region of Turkey. The able-bodied men were murdered, sometimes in full view of their enslaved families. Then all the remaining women, children, and elderly were forced to leave their belongings and march to the remote deserts of Der-el-Zor. Along the way, these helpless people were subjected to torture, rape, and slaughter by roving bands of Ottoman soldiers. Any survivors of these brutalities died one by one from exhaustion, starvation and disease. As Henry Morgenthau, American Ambassador to the Ottoman Empire at the time, commented:

> Whatever crimes the most perverted instincts of the human mind can devise and whatever refinements of persecutions and injustice the most debased imagination can conceive, became the daily misfortunes of this devoted people. I am confident that the whole history of the human race contains no such horrible episode as this. The great massacres and persecutions of the past seem almost insignificant when compared to the sufferings of the Armenian race in 1915.

Beyond the brutal deportations and heinous murders, the Ottoman Government attempted to obliterate all traces of the 3,000-year-old Armenian civilization. Libraries, churches, and schools were destroyed. Books, paintings, and irreplaceable historical treasures were burned. Every possible attempt was made to wipe out any trace of the Armenian people—who are perhaps the oldest of the civilized races in Western Asia and were the first nation in the world to accept Christianity as its state religion.

Nevertheless, despite the odious crimes of the Ottoman Government, the Armenian people survived. In 1917, through the efforts of President Woodrow Wilson, the boundaries for a free and independent Armenia were established. The little republic was formally recognized by the United States. However, weakened and demoralized by the genocide, the Republic of Armenia fell 2 years later—this time to the Soviet Union. Today, there are tens of thousands of Americans that are of Armenian descent living in the United States, enjoying and upholding the principles of liberty and justice we all cherish so dearly, but the scars of the crimes committed against their ancestors and kin still remain.

Mr. President, the world must never forget the gruesome brutality and injustices suffered by the Armenian people nor must the world ever forget the other atrocities committed against humanity in this century or any other century. When President Carter addressed the United Nations, he said:

> The search for peace and justice also means respect for human dignity. All the signatories of the United Nations Charter have pledged themselves to observe and to respect basic human rights. Thus, no member of the United Nations can claim that mistreatment of its citizens is solely its own business, equally, no member can avoid its responsibilities to review and to speak when torture or unwarranted deprivation occurs in any part of the world.

Unfortunately, we cannot remake the past. However, man can use the past to remind him of crimes that must not be repeated in the future. In rededicating ourselves to human rights, we are rightfully pledged to opposing all human atrocities. We must remain vigilant in this pursuit.●

THE WISE USE OF CONSUMER CREDIT

● Mr. DANFORTH. Mr. President, young people are one of America's greatest assets for the future. It is vitally important that they have a proper understanding of their role as consumers in the marketplace, and of dominant market forces. The work of the Missouri Consumer Credit Association Education Foundation has done much to promote this understanding.

Five years ago, Ms. Virginia Rutledge of St. Louis, now president of the foundation, initiated a statewide program for high school seniors to enhance their understanding of the wise use of consumer credit. The foundation grew out of the activities previously conducted by the Missouri Consumer Credit Association. The association felt that the advancement of consumer knowledge in Missouri was important enough to form the foundation for this specific purpose. As part of the program, the foundation sponsors an annual essay contest requiring a paper on the use of credit. Through this contest, as well as through other works, the foundation has made a valuable contribution to consumer knowledge among Missouri's secondary school students and their teachers.

The first-place winner of this year's contest is Ms. LeAnn Minor, a senior at Hillcrest High School in Springfield, Mo. I am pleased to request that her essay be printed in the Record. Not only is it a tribute to the consumer credit industry and to her teacher, Mr. A. K. Klapp, her essay contains some very sound and practical suggestions for the use of consumer credit.

The essay follows:

The Wise Use of Consumer Credit

Thomas Jefferson, being in debt himself, wrote: "The maxim of buying nothing without the money in our pocket to pay for it would make our country one of the happiest on earth." Yet even in those days, most Americans followed just the opposite practice. Consumer credit was just as accepted and practical then as it is today. Not only did importers and merchants rely heavily on credit from foreign businessmen, but so did a great number of the customers as well. Retail credit was available on a crop-to-crop basis for all the farming customers, with a small financing charge. Even the wise and thrifty Benjamin Franklin is known to have used credit liberally as a printer.

From the very beginning, our nation has become a nation of borrowers. At any given time, more than half of all American families owe money on an installment loan. It has been the wise use of this credit that has allowed our nation to prosper and grow. In considering consumer credit in the United States, one must review the benefits credit has had on our country throughout the years. It must be noted that not everyone has used credit wisely. Some guidelines for proper use should also be considered.

Intelligent borrowing practices have brought to America many benefits. The first benefit could be seen in the industrialization of our country. Credit underwrote mass production, mass distribution, and mass consumption through which lower prices are achieved. By getting goods to the consumer quicker and at lower prices, our nation achieved one of the highest standards of living in the world.

The industry which reaped the biggest reward through consumer credit was the auto industry. Henry Ford, father of the mass-produced autos, opposed the use of credit. But, ironically it was this industry which turned the nation's credit habits around. As historians Daniel Boorstin observed, "Until automobiles came off the assembly lines by the millions, there was no other object of universal use so costly as to require a scheme for time payments." Evidence of this can be seen when one considers that 80 percent of the 3.5 million passenger cars sold in 1923 were bought on credit, sending the auto industry to a first place ranking of the nation's firms within two years.

Credit has certainly been proven beneficial for our nation as a whole, but the effect it can have on specific individuals can be less than beneficial. It is true that credit gives the user advantages, but without a consideration of the individual's total consumer debt, problems may arise. Much of the problem arises from the theory that when one finds a good thing, he overdoes it. This has been true in consumer credit in recent years when one considers that total personal debt has risen from $430 billion in 1975 to $1.2 trillion in 1979, almost 100 percent increase in only four years.

One contributing factor to this rise in consumer credit is the ease to which credit can be obtained and used. "The social pressure to buy in this society is incredible, there is so much pressure for people to live up to other people's expectations which become their own expectation. And there is so little education to counteract the propaganda to spend, spend, spend," noted consumer credit counselor, Joan Kerstetter. With available credit, the public opinion tells us to, at all costs 'keep up with the Jones'.

Our affluent society has found a very simplistic vehicle to answer the pressures to spend. This is a small embossed chip of plastic we call a credit card. These cards can give us the good life, but also open the door to concerns over how to pay off mountains of overdue bills. Without proper budgeting the 600 million credit cards that bulge from America's billfolds pose a danger. It is easy to get carried away with credit card spending, but the landing is a little rough when the bills come in faster than the cash.

In order to avoid improper use of credit, some basic guidelines should be followed. A simple rule of thumb is to borrow the least you need rather than the most you can get. To escape the pitfalls of credit, Irvin F. Baker, credit expert, makes the following suggestions: "Learn to recognize and admit the difference between wants and needs; avoid emotional and impulsive buying; develop sales resistance; always keep yourself aware of your monthly payment and expense picture as well as total indebtedness." Moreover, if one gets into trouble and cannot repay the borrowings on schedule, talk it over face to face with the creditor. Silence, in this case, is not golden.

Consumer credit has been an important part of our society from Thomas Jefferson's day to ours. Today we realize how beneficial the use of credit has been. If future generations can guard against overdoing the use of credit, then consumer credit will remain an important part of our economic society. Contrary to the belief of Thomas Jefferson, credit is good because it gives you a higher standard of living without raising the cost of living. The wise use of credit can enable America to continue having everything we always wanted.●

NELSON CRUIKSHANK: LONG-TIME ADVOCATE FOR THE ELDERLY

● Mr. CHILES. Mr. President, Nelson Cruikshank, the Counselor on Aging to the President has announced that he will step down from that position. Mr. Cruikshank has held that position since 1977 when President Carter designated him as his Counselor, as well as the Chairman of the Federal Council on the Aging. He has served both roles with dedication and enthusiasm.

Mr. Cruikshank is known for years of work with labor relations and in the areas of pension and social security. Working with the National Council of Senior Citizens, for which he served as president from 1969-77, Mr. Cruikshank led the efforts for improving employment options as well as retirement alternatives for senior citizens. The Senate Committee on Aging, which I chair, has valued his counsel for years and look upon him as a true advocate for the elderly.

The years ahead will be challenging to us all as we battle inflation and high unemployment. I am certain that Nelson Cruikshank will continue to be interested in and involved with the programs that benefit the elderly. It is through efforts such as his that these programs have improved. It will take equal dedication and skill to insure that the availability of such benefits remain adequate. I am certain that Mr. Cruikshank will continue to put forth his efforts on behalf of senior citizens and look forward to his advice and counsel.●

AGRICULTURE LOAN TAX CREDITS

● Mr. PRESSLER. Mr. President, in recent months, the perilous condition of the agriculture economy has become painfully apparent. Last week I spent several days in South Dakota farming and talking to other farmers and ranchers in my home community. Many have told me that financial conditions facing agriculture are worse, in their memory, than any time since the Great Depression.

Agricultural prices are presently extremely low due to a number of factors including the grain embargo. At the same time, agriculture is being squeezed on the other side by alltime high credit costs. With low prices, there appears to be little way that farmers and ranchers can pay for the loans that are seasonally necessary to conduct their operations.

With interest rates approaching 20 percent, farmers are in effect being denied the short-term credit they need to operate. Unlike many other areas of commerce, the damaging impact of expensive credit is especially harsh on the farmer because he cannot pass on the higher interest costs to the consumer.

It is important that the Congress take action in the agricultural area soon. There are some estimates that indicate that from 10 to 25 percent of our farmers and ranchers may fail because of lack of credit or repayment problems given their debt amount. Recently, the U.S. Department of Agriculture estimated a $23 to $27 billion net income range for 1980, the lower end being 30 percent below 1979. Much of the estimated decline is due to low prices in the livestock and grain area. However, crop prices have tended to be weaker than assumed in the projections so the lower estimate is very probable.

Mr. President, many others in this Chamber also believe that higher priority must be given to prevent collapse of the agriculture economy. A number of worthwhile bills have been introduced and various committees are already working on this problem. To this end, I have joined with Senator KASSEBAUM on S. 2503, a bill to provide a refund tax credit for interest paid on excessively high agricultural operating loans.

Mr. President, I believe that legislation of this nature would be a step toward making the tax code more responsive to the needs of the farmer and would urge that the Finance Committee give it the earliest consideration.●

AIRLINE DEREGULATION

● Mr. CANNON. Mr. President, I submit for the RECORD an editorial which appeared in the April 12, 1980, edition of the Cincinnati Enquirer. It outlines the successful record of airline deregulation.

The editorial follows:

DEREGULATION: AIRLINES OFFER A GOOD RECORD OF FRESH SUCCESS

A new look at the airline industry—two years after it was formally subjected to deregulation and three years after the process began—shows that, by almost every measure, the industry and the communities it serves have benefited from an absence of federal economic regulation. The data for the study were compiled by James C. Miller III, a resident scholar at the American Enterprise Institute, and reported recently in the *Wall Street Journal*.

In 1978, it was noted, airline fares fell 1.9 percent, in 1979, when fuel prices doubled, fares rose 5.3 percent while the consumer price index added 11.3 percent.

Productivity gains were also noteworthy. While trunk carriers had a load factor of 55.9 percent in 1977, it rose to 63.2 percent in 1979.

From 1970 to 1976, trunk carriers carried 5.4 percent more passengers. In 1977 that figure was 7.5 percent, in 1978, it was 16.2 percent; in 1979, it was 10.1 percent.

Profits also improved with deregulation. As measured by the Civil Aeronautics Board (CAB), profits are net income plus interest on long-term debt. It averaged $349 million a year between 1970 and 1976. That is a 5.4 percent return on investment. Profits in 1977 were $634 million; in 1978, $1.1 billion; and in 1979, when fuel prices doubled, $564 million. That meant returns on investment of 9.1 percent, 12.8 percent and 5.8 percent for those three years.

According to researcher Miller's figures, small communities have been better served after deregulation than before. Specifically, trunk-carrier departures were up 4 percent and seat-miles up 21.4 percent, though not every small community benefited as the data suggest.

Service subsidies to local carriers, on the other hand, remained about constant over the years as did industry concentration. Safety improved in 1977 and 1978, though it was not affected by deregulation. In 1979, however, safety deteriorated somewhat because of the DC–10 crash in Chicago.

Airline employment, incidentally, is up 14.1 percent since 1976.

All in all, this is a remarkable record of success for a complicated, sensitive industry. Free of government economic regulation, it has offered better service at relatively lower costs and with an impressive record of profitability. It amounts to one more argument in favor of deregulation of the trucking industry so that it, too, can offer improved service at lower costs and with higher profits.●

THE FAMILY CARE DEMONSTRATION PROJECT ACT

● Mr. DOMENICI. Mr. President, I am pleased to join several of my colleagues on the Senate Special Committee on Aging, Senators CHILES, COHEN, PRYOR, BRADLEY, BURDICK, and HEINZ in cosponsoring legislation introduced Thursday, April 24, by Senator KASSEBAUM, the Family Care Demonstration Project Act.

Under Senator KASSEBAUM's proposal, foster families or relatives who agree to accept responsibility for the care of an older individual would receive compensation for these services. The legislation provides that, to the extent possible, the older person shall contribute to the cost of care provided. Placement of the individual in the home of a foster family or relative may be made only with the participant's consent, and he or she may terminate the arrangement at any time. Criteria designed to insure that the person served receives appropriate health care and related services are also included in the legislation.

Senator KASSEBAUM and I share a keen interest in offering to our older citizens alternatives to premature and/or unnecessary institutionalization. I commend the Senator from Kansas for her leadership in exploring via the Family Care Demonstration Project Act a promising avenue for providing more humane and compassionate care to our older Americans.●

CUBAN REFUGEES

● Mr. KENNEDY. Mr. President, the current exodus of Cuban refugees presents some extremely serious humanitarian and policy questions for the United States.

We must reject the negative and punitive actions launched by this administration toward Cuban and other Caribbean refugees, and initiate urgent diplomatic steps necessary to deal with these humanitarian issues.

An administration that professes to care about human rights, and which condemns the Cuban Government for not permitting refugees to leave, cannot close our country's doors to the Cuban "boat people." We must respond in a humane and effective way to this exodus of refugees.

Rather than simply pointing an accusing finger at Cuba and at American boat captains, we should be proposing a comprehensive approach which addresses the Cuban refugee problem as a whole and which offers positive and constructive alternatives to the present chaotic movement of refugees.

Mr. President, I strongly recommend that the administration move on several fronts today:

First, we must establish a relocation center in Florida for Caribbean refugees—for Cuban, Haitian, and other refugees.

Second, we should ask the U.N. High Commissioner for Refugees (UNHCR) to help us deal, on an urgent basis, with the flow of refugees from the Caribbean—whether they be Cubans or Haitians seeking asylum in the United States. The UNHCR can help us determine if they are bona fide refugees under his mandate and within the scope of our refugee law. The UNHCR should use his good offices to help Cuban refugees, both at the source and in organizing their orderly movement to the United States and other countries.

Third, we must launch immediate diplomatic contacts to help bring some order to the current exodus of Cubans. We should work with the Cuban Government in implementing its offer to allow political prisoners and Cubans with family or other ties to the United States to leave. I call upon the Attorney General to revoke his arbitrary limitation against accepting political prisoners released before August 1978.

Fourth, we should use the provisions of the new Refugee Act, which I sponsored in the Senate, to offer resettlement opportunities to a reasonable number of Cuban refugees, especially those who have family or other ties to the United States.

Finally, we must also seek UNHCR assistance in dealing with the Haitian "boat people." We should move, as I urged the Attorney General last November, to resolve all pending Haitian cases in Florida. We should institute new and fairer procedures to deal with Haitians and other Caribbean refugees arriving in the United States.

For too long, Haitians have been the victims of discriminatory American law and policies, and they have been treated with little compassion and even less regard for their welfare.

Only by taking these steps can we begin to cope with this growing refugee and migration crisis in the Caribbean. We must move diplomatically abroad, and with sureness at home, to take charge of this escalating problem.●

THE ACTIVITIES OF IRS

● Mr. LAXALT. Mr. President, recently Senator SCHMITT and I held special hearings of the Appropriations Subcommittee on the Treasury to examine in detail the activities of the Internal Revenue Service. At the start of the hearing I submitted a statement which outlined my concerns with the IRS. Given the seriousness of the problems mentioned, I would like to share my views with all my colleagues.

The statement follows:

STATEMENT OF SENATOR PAUL LAXALT

Mr. Chairman, I am pleased today to have the opportunity to examine the activities of our nation's tax collectors—the Internal Revenue Service. Taxes and tax collectors have plagued the world since ancient Egypt, often used by oppressive governments to drain off wealth from the population for their own survival and comfort. When this happened, taxes were often the cause of civil discontent and disobedience. The beginning of our own nation was partly a tax revolt as the colonists objected to taxation without representation to support the regime of George III.

With the end of the Revolutionary War and the subsequent adoption of the new Constitution, the American system of taxation broke with the oppressive tradition. Free men chose to tax themselves for the government and the benefit of all. Compliance was basically voluntary yet universal, stemming, not from a love of taxes, but from a belief that taxes were fair, needed, and for the good of all Americans.

Now, over two hundred years later, Americans are beginning to perceive their taxes differently. From limited criticism of our tax structure, a widespread tax revolt has erupted. Voters in several states have passed tax limitations or tax reductions. Other taxpayers are filing blank federal tax forms. Still, others are ignoring the tax system altogether and are active members in the so-called "underground economy". The estimates of the size of this unreported system vary from $100 billion to $500 billion. Our entire tax structure, which is tremendously dependent on voluntary compliance, is in danger of toppling.

There are two reasons for this modern day revolt. Both are important. The first, beyond the scope of today's hearing, is the overall size of government which places a heavy tax burden on every American. As the size of government grows, so must the revenues to pay for it and so must the tax bite. State and local taxes, federal income tax, social security tax, gas tax, sales tax, excise taxes, estate and gift taxes, property taxes and even an airline ticket tax, are forcing the American taxpayer to say "Enough. The well is running dry. I spend more to support the government than my own children. And I won't take it much more."

The second reason for our tax revolt is the actions of the Internal Revenue Service. A recent national Roper Poll found that 64 percent of the adults of this country think our tax system is totally unfair. After talking to my constituents, listening to their stories about their troubles with the IRS, and reviewing the evidence, I am surprised the figure is so low. The high-handed bureaucratic excesses of the IRS are a national disgrace. Evidence reveals that the IRS singles out areas of the country for special enforcement. It will go completely against Congressional intent and 30 years of past policy by changing its rules to squeeze out more revenue. When it seizes the property of innocent third parties, it makes no provision to rectify this wrong. It creates economic models and then ignores actual taxpayer evidence that runs counter to those models. It gives taxpayers help, often of poor quality, but will prosecute the taxpayer if the IRS is wrong. It will harass taxpayers with litigation, not to mention office intimidation. And when it sees fit, it will even ignore the clear rulings of the federal courts.

Without voluntary compliance, our tax structure would collapse in a day. Barely 2 percent of the tax returns in this country are audited each year. Given this, it is absolutely essential that our tax collection agents are totally fair, honest, and helpful toward our taxpayers. They must also be tough when necessary—no one condones tax evasion. But toughness without honesty, fairness, and helpfulness is a guarantee of disaster.

I. HARMING INNOCENT THIRD PARTIES

One of the most disturbing situations occurs when innocent third parties are harmed by federal agents. When this happens every effort should be made to minimize the damage, yet often the IRS does not do this.

In Nevada, the Humboldt County School District delivered some equipment for repair to a Reno repair shop. The repair shop, under a tax lien, was closed by the IRS and everything inside, even the clearly tagged property of the school district, was sold to pay back taxes. The school was never informed of the IRS actions and did not discover the incident until a representative of the district returned to the shop and found it closed.

On inquiry, the Superintendent was visited by two IRS agents who told him the rules were "very stringent", and there was no provision for correcting the agency's error. The only options now left for the district are to accept the losses or to file a full scale lawsuit in the federal district court, where legal fees could quickly overtake the value of the equipment.

In short, in this case an innocent third party must bear the burden of an IRS mistake with no relief within the agency. It is not just the criminals or the tax evaders that must fear IRS plunder, but innocent parties as well. I am curious, is everybody's property at the mercy of these uncompensated errors? Do we all have to worry that even if we pay our taxes, our property could be erroneously seized and sold to cover another's deficiency without agency relief?

II. AREAS OF SPECIAL ENFORCEMENT

One component of fair enforcement of the tax laws is based on the principle that no area of the country is exempt from enforcement and no area is singled out for special enforcement. Yet the evidence shows that, despite IRS denials, some areas of the country are singled out for particularly close scrutiny.

For example, the IRS has assigned 159 full-time employees to its Las Vegas office, including 59 revenue agents and 26 special agents, Bakersfield, California, which has half the population of Las Vegas, has only 46 full-time employees and only 4 special agents. Special agents are the agents that develop criminal cases. The 26 special agents in Las Vegas compares with 11 in the largest office in Los Angeles County, which serves a population 10 times as large. I find it impossible to believe that Las Vegas has twice as large an underground economy as Los Angeles, California. A far more likely explanation for the figures is that the IRS is refusing to go after the real underground economy and is focusing instead on the easier pickings within the Nevada service industry. Yet, it is precisely this type of selective enforcement that gives the IRS such a bad reputation. Certainly, like every industry, the Nevada gaming industry has its share of tax problems. But the IRS, blinded by the cash economy, is ignoring a fundamental fact about gaming. As the record demonstrates, the big winner in the industry is the House—not the individual gambler or the hotel employee.

Further proof of selective enforcement of IRS rules can be found in the rate of forcible collections. A private study, using 1976 figures, showed that for every 1,000 delinquent taxpayer accounts, 400 were subjected to forcible collection measures such as levies or seizures in Nevada. This was the second highest rate in the nation. In every IRS district, the rate varied considerably ranging from 403 seizures per 1,000 delinquent taxpayer accounts in Alaska to 129 per 1,000 in Wyoming. This reflects, I believe, wide differences in the enforcement of discretionary policies between IRS districts, a conclusion also reached by the Administrative Conference in 1975.

III. REDEFINITION OF INDEPENDENT CONTRACTORS

Along with fairness, a tax system must be perceived as consistent. Yet, it appears that the IRS, in its never ending quest for new revenue, is perfectly willing to perform a complete about face on its past policies even if it flies in the face of clear Congressional intent.

A case in point is the handling of independent contractors. Millions of Americans perform their duties as their own bosses, perhaps renting space or equipment from another, but in control of the hours and methods of their own occupation. These people are independent contractors and include such diverse jobs as cabdrivers, lobstermen, realtors, barbers, loggers, insurance salesmen, and truck drivers.

For years, the IRS allowed these people to file as independent contractors and not as employees. This avoided withholding on taxes and the range of employer-employee taxes, but they remained liable for special self-employed taxes and, at year's end, for all federal income taxes. Every time Congress examined the issue, it ended up endorsing it. The IRS even audited several of these individuals and allowed the independent contractor designation to stand.

But then in the middle 1970's the IRS, without any warning, reversed its position and began redefining independent contractors as employees. Often this was done retroactively and often the employers were assessed several years in back taxes after their "employees" had long since gone. For future years, the new employees were subject to withholding on their wages and a whole new procedure of bookkeeping was required. Long held business relationships were disturbed for the convenience of the IRS.

The cries of outraged taxpayers flooded the Congress. Congress voted to suspend the IRS actions to redefine the law. That action is still pending before this Congress. In the meantime, the IRS is still prosecuting cases started before the Congressional ban.

The whole issue raises many disturbing thoughts. How many other longstanding IRS policies will be reversed without notice? The ban on taxation of Social Security benefits is based merely on an IRS rule. Will the agency soon change this as well as begin taxing every Social Security recipient in this country? There can be no respect for a system of laws if the enforcers can change the rules whenever they want. Perhaps, in its effort to tax every last penny, the IRS forgot this.

IV. ECONOMIC MODELS

Certainly in some industries, like food service, there is the potential for under-reporting income. When it occurs, it is illegal. And the IRS is entitled to use fair methods of enforcement to uncover these illegalities. But, I am afraid that the IRS does not feel bound by the presumption that a person is innocent until proven guilty. Instead, by use of economic model data, it appears ready to prosecute innocent persons to make sure it gets guilty ones.

In order to evaluate tip income of service employees in Nevada's gaming and food service industries, the IRS creates economic models. These models create an income-reconstruction formula which determines what the tip rate per hour should be. The tip rate is then multiplied by the number of hours worked by the taxpayer to establish what the IRS calls the "corrected tip income."

Although the use of these models has been upheld in court, I question how accurate any economic model can be when it is ultimately basd on human behavior. Widespread complaints from members of the service industries indicate that the models are frequently highly inaccurate. Reliance on them by the IRS in this case is highly arbitrary.

Some taxpayers report that the IRS refuses to consider shift differentials when using the models. Obviously, this factor makes a large difference in the amount of tips actually received. Other taxpayers who work showrooms and banquet halls report that no consideration is given to the quality of the show which can either pack the house or leave it half empty. In one case relayed to me, some workers were sent home hours early on slow nights. Their union contracts called for full shift pay, however, the IRS, figuring off the base wages, charged the taxpayers for tips on hours not actually worked at all. Finally, many taxpayers report that even if they keep extensive records, the IRS refuses to accept the results if they differ from the models.

In short, the IRS has taken a real problem and formulated an even worse solution. Often, taxpayers are charged deficiencies on the basis of faulty models and cannot even use their own records to clear themselves. When this happens, the agency alienates yet another honest taxpayer.

V. THE QUALITY OF TAX ADVICE

One of the most important ways to build confidence and respect for a tax system is to provide help in complying with the law. Most taxpayers want to obey the tax laws. When they run into trouble, they do not abandon the system. Instead, they seek help by calling or visiting the IRS office. In 1979, it was estimated that 44 million Americans contacted the IRS for some advice.

During this initial contact, it is crucial that the IRS agents be helpful, honest, and absolutely correct. By doing so, many potential problems are eliminated, and the agency can build a solid reputation. Far more Americans are touched by the agency in this stage than in any subsequent one. I believe it is safe to say that if this division of the IRS were properly run, our entire tax system would operate more smoothly.

Unfortunately, this is not the case. The IRS spends only 8.5% of its budget on taxpayer assistance. IRS advice is often of poor quality and error prone. Yet the taxpayer remains liable for the results based on that advice.

Recently, a $28,000 a year executive working with the Wall Street Journal submitted identical tax data to 5 IRS taxpayer assistance offices. At each office, the IRS was asked to determine the tax liability of the executive. He got back 5 different replies, with differences of up to $300.

The Washington-based Public Interest Research Group did the same test. Seven offices were given identical information about a taxpayer and asked to determine the taxes due. One office reported the taxpayer was entitled to an $812 refund. Another said the taxpayer owed $52.

Last year the GAO called the tax offices around the country and asked difficult questions. It discovered a 13% error rate in the replies given by the IRS.

Yet despite these IRS errors, the taxpayer remains liable for any results based on the IRS information. In one case in Virginia Beach, a realtor requested IRS help in determining the tax consequences of the sale of two apartment buildings. He approached the IRS before the sale and carefully followed their directions. But later, the IRS assessed him an additional tax of $47,500 and informed him he had used the wrong forms—even though they had been provided by the agency. Unbelieving, the taxpayer went to court, but the court ruled for the IRS holding, "Regardless of the strong moral implications, the government is not bound by the incorrect statements of its agents."

This was not an isolated case. One constituent of mine reported that the IRS figured his tax for him and gave him a refund. Later, the agency discovered the mistake and sued him to get part of the refund back, along with interest and penalties. The taxpayer hired an attorney, but after months of struggling, the IRS still demanded a return of the refund, interest and penalties.

Every time initial taxpayer help goes sour, the reputation of the entire agency is hurt. One more person joins the ranks of a potential tax rebel, driven there by IRS incompetence.

VI. LITIGATION HARASSMENT

One of the particularly cruel methods of enforcement the IRS has at its disposal is litigation, or the threat of litigation. Clearly, if a taxpayer breaks the law or refuses to pay an assessment, litigation becomes the only alternative. But the IRS goes a long step further and uses the threat of litigation to harass and frighten taxpayers to cooperate with highly questionable IRS actions.

Congressman Hansen of Idaho released in the Congressional Record, an IRS memo addressed to the Regional Counsel, Salt Lake City office from the Group Manager, Boise District office. That memo states in part:

"It is stated you do not wish to litigate a case you may lose. However, failure to attempt litigation will foster their program far more than a loss in court. At least by litigating, the Taxpayer is forced to produce the necessary substantiation. In addition, the Taxpayer is committed to spend time and money defending his position. Perhaps the inconvenience alone will inspire future compliance."

Recently, the U.S. District Court for the E.D. of Pennsylvania decided the case *Bryant* v. *U.S.* (44 AFTR 2d 79-6008, Sept. 5, 1979). In that case, Florence Bryant was the bookkeeper for the John Borden & Bros. Company. The Company had a history of late tax payments. In 1972, the IRS investigated the company and assessed Ms. Bryant and Mr. Borden, owner and President, for 100% of then unpaid taxes. Ms. Bryant paid $10 of the assessment and sued for a refund in District Court. The government not only counterclaimed for the balance of the assessment, but also filed a third party suit against Mr. Borden. The Court later found as a finding of fact:

"The government's purpose in filing the counterclaim against Florence Bryant was not to collect the assessed penalty taxes from her, but rather to secure her testimony against J. Wilson Borden who the government wanted to be held liable for the penalty assessed pursuant to Section 6672."

and later went on to say:

"After hearing all the testimony at trial, the Court found it difficult to understand why the government persisted in attempting to collect the penalty against Bryant. As noted earlier, Bryant was just an employee of John Borden & Bros. Inc. who had no financial interest in the company other than securing her very modest salary and it was Mr. Borden who controlled, supervised, and benefited from the company's operations. Not only did Bryant appear not to be the person responsible for the payment over the taxes, but in any event she had so little money from which the government could recover, that it seemed to make little sense for the government to proceed against her."

Yet, the IRS persisted in its actions and the Bryant case went to trial before a jury. The jury returned a verdict for Ms. Bryant and in the present opinion of the Judge, found the IRS claim so groundless that it awarded her over $8,700 in attorney's fees. Although Ms. Bryant was partially vindicated in this case, she did not recover all her monetary losses and, of course, nothing was done to compensate her for going through the ordeal of a trial.

I find this behavior inexcusable. To blandly threaten innocent parties with the prospect of going to trial is but a small step away from an inquisition. Rather than fostering compliance, acts such as these will only destroy the needed cooperation of innocent third parties.

VII. PUTTING THE IRS ABOVE THE LAW

Of all the bureaucratic excesses detailed above, none are as dangerous or destructive as when the agency refuses to obey a court order. No matter how out of hand an agency gets, we have a safeguard in the federal courts. But if an agency ignores a court order, if it in essence places itself above the law, then there is a very real danger of tyranny.

Recently, the IRS announced it would not following the decision of the U.S. Court of Claims in the case, ***Hotel Conquistador* v. *U.S.*** This announcement was made by an IRS spokeswoman and carried over the wire services. Not only did the agency flout the law, but it made sure that the whole country was aware of it.

The facts of the Hotel Conquistador case are simple. For years, the value of meals provided for employees by the employer for the convenience of the employer has been exempt from federal personal income tax.

Thus, hotels or restaurants that provide free meals to employees to keep them on the premises and on call, are not taxed as income to employees. This has been upheld by the courts.

At the same time, the IRS has demanded and received Social Security taxes from employers and employees and federal unemployment insurance taxes from employers on the basis of the meals. The Tropicana Hotel, run by Hotel Conquistador Inc., disputed the IRS tax assessments and took the issue to court. The Tropicana won before the U.S. Court of Claims last July. On January 14 of this year, the U.S. Supreme Court denied review.

Immediately after the Supreme Court declined review, the IRS announced that it would ignore the Court ruling and continue to assess the taxes. "The IRS . . . will not follow the decision by the Court of Claims in the case of ***Hotel Conquistador* v. *United States*"**, the agency said.

The reasoning of the agency is as follows. Although the Court of Claims ruled in favor of the taxpayer, two earlier Court of Appeals cases, one in 1967 and one in 1943, ruled in favor of the IRS position. In the words of Commissioner Kurtz in a letter to me:

"In view of the importance of the potential revenue loss, and the absence of a Supreme Court decision or unanimity among the Circuit Courts and Court of Claims, we believe that the Internal Revenue Service should adhere to its longstanding position. These taxes are a part of funding for the benefits payable under the Social Security System, and their loss is to be avoided where our view of the law is supported by two Circuit Courts of Appeal."

In addition, Mr. Kurtz emphasized that the issue is pending for decision in several additional U.S. district courts an in the Fifth Circuit Court of Appeals.

In short, the IRS is using what it terms legal uncertainty to justify enforcing its view. Most legal scholars in a similar situation would follow the latest decision and the decision from a court with special expertise, in this case the Court of Claims. But the IRS facing an adverse decision, has declared the issue uncertain and has continued to do as it pleases.

I wonder how the IRS would like it if taxpayers decided to ignore court rulings and stop paying taxes. What type of example does this governmental agency want to set when it ignores court decisions? How can it expect millions of Americans to continue to obey the law when it does not?

CONCLUSION

In short, I have deep misgivings about a number of activities of the IRS. We appear to be witnessing an agency totally out of control, running roughshod over taxpayers and making a joke out of our rule of laws. The cases of abuse are easy to document and too numerous to count.

Congress must reexamine the action and policies of the IRS in detail. I am unsure whether we must start at the bottom and rebuild the entire agency, or whether we can reform the present body. But reform it we must, or we will see the growth of the current tax revolt into a full-scale revolution.●

STEVE REYNOLDS—A REPUTATION FOR COURAGE

● Mr. DOMENICI. Mr. President, today's Wall Street Journal carries a front-page article on Steve Reynolds and his work as New Mexico State Engineer.

Steve Reynolds is our Nation's outstanding water expert. I doubt if anyone outside of New Mexico can appreciate properly the high regard in which we hold Steve Reynolds. He is a public servant of the highest character and the highest ability. He is a man of knowledge, of courage, and of integrity. One of the greatest honors I have had in public life is to work closely with Steve Reynolds on many issues.

We in New Mexico are proud of Steve Reynolds. We in New Mexico are pleased that a paper as prestigious as the Journal would recognize Mr. Reynold's great leadership. For these reasons, I ask that a copy of the Journal article be printed in the RECORD.

The article follows:

IN NEW MEXICO, WATER IS VALUABLE RESOURCE—AND SO IS WATER BOSS

(By William E. Blundell)

SANTA FE, N.M.—Recipe for a short career in public life:

Give a man a job in which his every major decision is apt to anger some special interest, or a whole collection of them at once. Make it a two-year political appointment, ensuring that his opponents can get a chance to exert their influence against his reappointment. Then watch him sink without a trace.

Stephen E. Reynolds, a tall, rangy 63-year-old who looks more like a rancher than a bureaucrat, has been in this position for 25 years, but miraculously hasn't sunk. He's the State Engineer of New Mexico, a title that doesn't describe his real job—water boss of a state with some of the strongest laws and, best enforcement in the arid West, where water is the resource on which all others depend.

In deciding who gets how much of a limited supply, the engineer has impartially enraged farmers, oilmen, miners and whole cities. Yet even his opponents respect him, and over the years the unflappable Mr. Reynolds has become a considerable resource in himself.

He has a reputation for courage (he once canceled a governor's water permits), fairness, enforcement zeal—and for complete mastery of his subject. An oil lobbyist says, "The guy just out-prepares you. And he's so confident. He seems astonished that you could even question one of his rulings. The hell of it is, he's usually right."

His methods, and the laws that govern water here, are of more than isolated interest, for within its borders New Mexico has virtually every water issue and problem found throughout the West.

It is growing fast, with a 20 percent population gain to 1.2 million in the past decade; by some projections, there will be four million people here in 30 to 40 years. An energy boom in its Northwest quadrant adds more demand. And Indian tribes clamor for more water, too.

Mr. Reynolds has expanded the natural supply by bringing in much pork from the Washington pork barrel, including the big San Juan-Chama project, which diverts water from the Colorado River system into the Rio Grande. All told, the federal government has lavished nearly $1 billion on water developments benefiting New Mexico during his tenure.

JUST WHAT MOSES NEEDED

It isn't enough. He must also protect existing resources, and his boldness in doing so is legend. It's said around the capitol that when Moses struck the rock in the desert and water gushed forth for the thirsty Israelites, Mr. Reynolds popped up, seized control of the water, and doled it out to the complaining tribes.

If rapid development threatens supplies in a given area, he simply decrees the existence of a water basin, and by the act brings all its waters under his control. Those who have established their rights through prior use are largely unaffected, but new water seekers and existing ones who want to increase their use must line up before Mr. Reynolds. He decides how much, if any, they can have. This often makes him unpopular. He doesn't care.

He had barely left an academic post to take the engineer's job in 1955 when he declared the existence of the Rio Grande Basin in the state's most populous and rapidly developing area—and an area where huge underground water reserves seemed to make such a move unnecessary. Water seekers in the basin rose against him en masse. Albuquerque sued him.

"That was just the hottest thing for a long while," the engineer recalls. "But I knew before I came that I had to do something about the Rio Grande. And I did." In his precise, relentlessly logical way; he showed that the ground water was connected to the river mainstream; that pell-mell pumping would diminish the river's flow; that New Mexico would then be unable to meet its legal obligation to Texas, with which it shares the river, and that before long users in the basin would have to be cut off to make up the Texas share, thus turning boom into bust.

EXPANDED CLOUT

Albuquerque lost its case. The state's Supreme Court gave the engineer powers to manage both surface and underground water on an interrelated basis, a decision that set a precedent for some other states and gave Mr. Raynolds expanded clout in his own. He used it. Today 26 declared basins cover almost 60 percent of New Mexico. The most recent major addition, the San Juan Basin, was declared in 1976, when Mr. Reynolds judged that the energy boom was threatening supplies. Scores of uranium companies and others now are lined up outside his door for water—grumbling.

He already is unloved in the narrow river valleys of northern New Mexico, where for centuries little Hispanic communities have relied on primitive ditch systems to water small plots. Fluctuations in river flow controlled by upstream water-project dams sweep away their crude rock and brush ditches, they say, and proposed water projects seem geared to Anglo needs and not to theirs.

"We have been orphan children," complains Wilfredo Gutierrez, who farms 15 acres of fruit trees near Valarde. Community organizer Luis Torres, adds, "The engineer's strength is great for everyone but us. He doesn't care about the little people on the ditch banks." (Mr. Reynolds replies that a project was offered practically gratis to the ditch communities, but their own failure to agree scuttled it.)

On the state's southeast plains, farmers and ranchers perennially grouse about tight controls over pumping, even though they are permitted to draw off water far in excess of the small natural "recharge" by rainfall. They want more. Texans are sucking water out of the ground just over the border with no controls at all, and some fear they will drain it all.

The engineer is unmoved. His studies show that Texas isn't harming New Mexico's reserves. "If unrestricted pumping were allowed," he declares, "we could have a hell of a boom for maybe 10 years. Then everyone would go broke. Our water is public water, and this isn't in the public interest. We shouldn't cut our own throats because the Texans are slitting theirs." End of debate.

Mr. Reynolds makes friends as well as enemies, however, because by declaring a basin he creates wealth. Water is worth nothing in unregulated areas because it's there for the taking; when he slams the lid on, rights to use it, established by prior use, can become worth up to $12,000 for the equivalent of one acre filled to one foot. "An engineer who un-declared the Rio Grande Basin now would get himself shot. Value established over 25 years would be destroyed," he says.

And under New Mexico law, water flows uphill to money as easily as it slips downhill by gravity. In sharp contrast to most Western states, water here is an open-market commodity for sale to the highest bidder, and rights can be transferred around a basin, with the engineer's approval, as long as this doesn't damage the rights of others. This lets the water supply shift quickly to meet changes in the state's economic mix.

Water rights are tightly policed, and nobody gets special treatment. Mr. Reynolds once found himself working for a hostile governor, John Burroughs, who had made the engineer a campaign issue; shortly after he took office in 1959, a routine screening showed the governor had failed to use some water permits on land he owned—a violation of the use-it-or-lose-it provisions of state law. Informed of this, the engineer instantly canceled the rights.

"As a courtesy, I called to tell him directly. He was not pleased," the engineer says mildly—adding that he and the governor later learned to get along. Other incoming employers have learned too.

HIS JOB SECURITY

"We took a long, hard look at his operation," says former Gov. Jerry Apodaca, who took office in 1975. "He'd been there so long he practically had a monopoly on water policy; it was like Hoover at the FBI. But we could find no vindictiveness, no personal involvement in any of his decisions. And he knew everything about water; that great knowledge is Steve's security."

So is his studiously apolitical approach to his job. He registered as an independent voter when he took office and remains one. He doesn't urge passage or rejection of water-related bills; instead, he writes concise, fact-filled memos that describe probable effects of the bills. "I don't lobby," he says flatly. He never writes a pro forma resignation letter when a new governor comes in; anyone who wants to get rid of Steve Reynolds will have to can him. "I know this is a political appointment, but I just don't like to further that idea," he says. "It is a professional position, actually."

This attitude helps give him credibility, as does his reputation for personal honesty. His salary of about $40,000 doesn't begin to match his powers. But his reputation and physical projection of rocklike integrity make the notion of buying his favor as ludicrous as trying to slip Abraham Lincoln $50 to forget about issuing the Emancipation Proclamation. No one, says Mr. Reynolds, has had the nerve to try.

He guards his credibility closely. Too closely, critics complain. He has declined to back bills to close what his own general counsel considers a major loophole in water law—the right of any householder to drill his own well, even in a declared basin, for personal use. All of the bills have failed.

"Steve Reynolds has been sitting on his hands on this one," charges Brant Calkin, Southwest regional representative of the Sierra Club and an outspoken critic of Mr. Reynolds.

NO WHIPPING OF DEAD HORSES

Mr. Reynolds insists the loophole isn't especially important and says his support would be "an act of futility" because the legislature wouldn't pass a reform measure anyway. He whips no dead horses.

He doesn't mind going to court, however. A former New Mexico Supreme Court justice once called him "the most litigious S.O.B. in the history of New Mexico." And he is certainly one of the most successful. His squad of seven water lawyers wins almost 90 percent of the disputes that reach the state's high tribunal.

Among other things, they currently are suing 22,000 water users around the state in adjudication proceedings—suits that seek to have the rights of every user in a basin established by the courts. Out of one such suit grew a 1978 U.S. Supreme Court decision that dealt a heavy blow to federal water claims on federal land.

In that action, the U.S. Forest Service claimed that its "reserved federal rights" to the waters of the Rio Mimbres applied to uses other than maintaining the watershed in the Gila National Forest, where the river rises. The state challenged the federal government's right to use the water for such things as wildlife and stock watering, and the high court agreed.

The decision has given states a club to wield in similar suits elsewhere in the West, where more than half the surface waters flow through national forests. "Every attorney for the 12 states we represent considers this a historic ruling and a strong finding for states' rights," says Jack Barnett, executive director of the Western States Water Council.

Mr. Reynolds' appetite for adjudication also may make New Mexico the main arena for the West-wide battle over Indian water rights. State actions involving the rights of several tribes, including the huge potential claims of the Navajo, are already plodding forward.

The engineer believes in settling controversies in court and sealing rights into law. In his own actions he never strays far from his dog-eared book of New Mexico statutes, bristling with scores of notation slips. Some wish he would take a wider view.

Amid the red-rock buttes and mesas to the West, for example, pumping of water from uranium mines has been dumping enough water into arroyos and ditches to supply the minimum needs of 400,000 people. The engineer hates waste; he even tears water-loving shrubs out of the banks of the Pecos to save a little of the stuff. But until recently he says, "the letter of the law" kept him from doing much about the mines, a crucial part of the state economy.

GETTING LAW CHANGED

He was able to regulate only water put to use, he explains, and the mines weren't using it, just pushing it out of the way—a distinction some found hard to swallow. But with the help of 16 hours of testimony from the engineer, the law has just been changed. Mr. Reynolds now has legal control over mine dewatering as over any other use—but the mines and any other water seeker now can compensate for any drain on local reserves by bringing in new supplies from outside the basin—a replacement not previously allowed. The mines can pipe it in, Mr. Reynolds says, or treat the water they've been wasting and use it to replace town and farm supplies in the area.

Some environmentalists don't like the law and accuse Mr. Reynolds of being a pro-development, which irritates him. He says he simply presides over a system in which water "will flow to the highest economic use." The system gives him optimism about the state's water future.●

SENIOR CITIZENS

● Mr. COCHRAN. Mr. President, during a recent visit in south Mississippi, I had an opportunity to speak with two groups of senior citizens. My first stop was at a nutrition site in Perry County at Runnelstown. The other group consisted of three organizations of retired persons who were meeting together in Hattiesburg.

Since coming to Congress in 1973, I have been deeply concerned with the welfare of older citizens. I was particularly pleased when, as a Member of the House of Representatives, I was appointed to serve on the Select Committee on Aging.

As a result of the experience gained by working on that committee, I developed a new sense of awareness and sensitivity for the special needs and problems of many older Americans.

When I was a young boy, the family unit provided the support and care for older members of the family. Institutions whose mission it was to care for older people were rare. Transportation, housing, and nutrition needs were met with family and neighborhood resources.

In this modern, present-day world, family members are often scattered. Many are in different States, making it difficult for older family members to depend on the family unit for help in fulfilling basic human needs.

This transition in life styles has created a void that our Government, along with charitable, church, and volunteer organizations, is trying to fill.

I support the efforts being made to provide better opportunities for older citizens through such initiatives as the Older Americans Act. Under this legislation, outlets for volunteer service have been identified, employment possibilities increased, and fellowship opportunities developed.

In addition, a new sense of responsibility has arisen for avoiding unnecessary institutionalization and for helping to provide essential human needs such as nutrition, housing, transportation, and health care.

Although many unmet needs continue to exist, progress is being made in the overall effort to help assure older citizens of opportunities for a better quality of life.

At the nutrition site I visited at Runnelstown, for instance, a side benefit which seemed almost as important as the food itself, fellowship, served to brighten what might have been an otherwise dull day.

We are in the midst of a budget battle in Washington. Although I am happy to see a strong effort being made to balance the budget and reduce unnecessary spending, many essential programs and services are threatened.

I sincerely hope we can avoid reducing programs and services for senior citizens.

We all share the problems created by inflation. Those who are old and who must try to get by on a small check or a limited amount of savings are especially hard hit by this high rate of inflation we have now.

Balancing the budget here in Washington will make it easier to balance our bankbooks back home.

Congress also has to protect the social security system and the retirement programs upon which so many depend. We can do this without reducing benefits, but it may take some real reform of the way these programs are financed and the way automatic increases are calculated.

Our tax laws should also be examined to make sure that they are fair when applied to older citizens. I am supporting Senator PACKWOOD's bill to apply the same zero-bracket amount to heads of households who are single as the married individuals filing jointly.

I am also supporting Senator CHAFEE's bill opposing the administration's attempt to withhold tax on earnings of interest and dividends. This would be an unnecessary hardship on older persons who have little income other than small savings accounts and investments.

It is a sad fact that almost half of the older persons in Mississippi have earnings so small that they are counted as being at the poverty level.

These same citizens have contributed so much and are still capable and willing in many cases to continue their contributions. It is a special goal of mine that we make sure that over Government is sensitive to their needs and helps guarantee a full opportunity for happiness and fulfilling experiences for all our older citizens.●

SOVIET PERSECUTION OF CHRISTIANS

● Mr. JEPSEN. Mr. President, for some time now, I have taken an interest in the Soviet Union and its satellite countries' treatment of Christians who wish to proclaim their belief in God. The Helsinki Accords evidence the commitment of the Soviet Union to guarantee the freedom of conscience of every individual. Article 52 of the Soviet Constitution explicitly states that citizens of the U.S.S.R. have the right to profess any religion; and to conduct religious worship. It even goes further to state that incitement of hostility or hatred on religious grounds is prohibited.

Unfortunately, experience has taught us all that the Soviet Government and its officials cannot be counted on to uphold their promises. It is precisely for this reason that Senator BOREN and I, along with 27 of our colleagues in the Senate, have sponsored legislation to promote awareness of the ongoing persecution of faith Christians behind the Iron Curtain.

In the same vein, I commend to my colleagues an article which appeared in the April 23 edition of the Wall Street Journal. And again, I welcome and encourage all Senators to join with me and my colleagues in cosponsoring Senate Concurrent Resolutions 60 and 61.

The article follows:

RELIGION BEHIND THE IRON CURTAIN

(By Eric Morgenthaler)

(Citizens of the U.S.S.R. are guaranteed freedom of conscience, that is, the right to profess or not to profess any religion, and to conduct religious worship or atheistic propaganda. Incitement of hostility or hatred on religious grounds is prohibited.) Article 52 of the Soviet constitution.

KESTON, England.—Alyona Kojevnikov picks up the phone and dials Moscow. The call goes through, and a Russian friend answers. Quickly, for the line could go dead at any moment, Mrs. Kojevnikov takes down from the Russian a list of names. They belong to people who've been arrested in the Soviet Union recently for their religious activities.

And thus it begins.

Mrs. Kojevnikov is on the staff of Keson College, a small research center operated out of a 100-year-old schoolhouse in this village just south of London. Keston—a "college" in the sense of being a group of individuals engaged in a common pursuit—is one of the few places in the world that's devoted to studying the state of religion in the Soviet Union and Eastern Europe. What Mrs. Kojevnikov is doing is first-hand research.

"It's really potluck," she says of her phone calls. "Yesterday, we were being interrupted all the time. You talk as quickly as possible to get the maximum of information."

GOOD NEWS AND BAD

The phone, of course, is only one source of information. Keston—which has a staff of about 30 people, is non-denominational and is funded by contributions—also relies on a mountain of official publications and a flood of unofficial "samizdat" news sheets to keep abreast of Communist goings-on. And based on its gleanings, the college says there's both good news and bad on the Communist religious front.

The good news is that for some years a religious awakening has been under way in most of the Communist countries. "It's a real development, although it's very small," says Philip Walters of the revival in the Soviet Union in Russian orthodoxy, which is his specialty. "It doesn't involve thousands of activists—it involves small groups. But the very fact that these exist, whereas 10 or 15 years ago there wasn't anything, shows that something is stirring among the young."

It's stirring enough that the authorities have become alarmed which leads to the bad news: In recent months, most Communist governments have been cracking down harshly on religious activists. The Soviet Union, as usual, has been in the vanguard of these efforts.

Viktor Kapitanchuk, secretary of a group known as the Christian Committee for the Defense of Believers' Rights in the USSR, recently was quoted by Keston as seeing a "new phase" in Soviet religious policy: "Open, blatant persecution, aimed at demoralizing the church and crushing its spirit." Shortly afterwards, Mr. Kapitanchuk became a victim of that persecution: he was arrested March 12 and still is in custody.

Although the Soviets have seized virtually all dissident religious leaders, perhaps the most celebrated arrest was that on Jan. 15 of Dmitri Dudko—a well-known and popular Russian orthodox priest who was arrested after a church service and now is in Moscow's Lefortovo prison, awaiting charges.

In a recent issue of its bimonthly news summary, Keston printed an account of Father Dudko's arrest—as related in his parish's newsletter, a copy of which reached Keston. According to the Russian newsletter, he was seized after church by 15 agents of the KGB, the state security police. He blessed his flock and asked them to pray for him and "remain united." Then Father Dudko and his wife were driven to an interrogation center in Moscow.

When Mrs. Dudko hours later, was taken home, she found seven men searching her house. Three other members of the congregation also had their homes searched, the newsletter continued, and KGB men went through the parish house until 2:30 in the morning—taking, among other things money and a typewriter.

"The modern world is still persecuting Christ," the newsletter quoted Father Dudko as writing shortly before his arrest. "But we have nothing to fear, since all is ultimately in His hands."

The Soviet Union isn't the only country cracking down on believers. Indeed, the outlook is pretty grim in most of Eastern Europe. In Czechoslovakia, which has one of the most repressed official churches, the state has been moving fiercely against the underground church. Its most open assault was a roundup of Catholic dissidents last Sept. 10.

"When it first happened, I though it involved only 20 or 30 people," says Mrs. Kojevnikov. "By now, I have the names of more than 200 people who were detained and interrogated, many of them arrested, all over the country."

But there are bright spots. In Poland, the church is "sort of triumphant now," says Alexander Tomsky, who heads East European studies at Keston. He notes that even before there was a Polish pope, Poland had the strongest religious establishment in Eastern Europe. Now, he says, the Polish Church has been "ignoring a whole host of official regulations"—and even held masses marking the day in 1939 when the Russians invaded Poland.

MANAGING ON A SHOESTRING

Keeping abreast of all the goings-on is an ambitious task—and one that Keston manages on a shoestring. About one-quarter of its staff is volunteer, and its full-time researchers—most with graduate university degrees—earn less than schoolteachers. Finding money is a continual problem. "Every penny of the budget we get, we have to go out and get," says Michael Bourdeaux, an ordained Church of England priest who founded Keston in 1969 and still heads it.

Nonetheless, Keston keeps up a brisk publishing peace; in addition to its newsletter, its output includes a well-respected, scholarly quarterly, "Religion in Communist Lands." Keston also has an American associate, the Society for the Study of Religion Under Communism, which is based in Wheaton, Ill. Keston is effective enough that the Russians regularly single it out for criticism; a recent Soviet thriller called Mr. Bourdeaux "the one who created the infamous Center for the Study of Religion and Communism in London." (Says Mr. Bourdeaux: "This has been going on for a number of years, but never before in a novel.")

Despite its religious bent—Keston says it works for "the right to believe"—Keston's work generally is non-doctrinaire and scholarly. Nonetheless, its staff members all are convinced of the rightness of their cause.

"The atheistic state contains the seeds of a religious revival," says Mr. Tomsky, who fled his native Czechoslovakia when the Soviet tanks rolled in in 1968. "If you keep shouting to people for 30 years that there is no God, they can't help but begin wondering, is there?"●

THE ECONOMIC SLUMP IN THE LUMBER INDUSTRY

● Mr. CHURCH. Mr. President, the recession and high interest rates have hit those the hardest who can least afford to be hurt. The farmers who need loans to plant their crops, young people who are trying to buy a home and the average worker cannot keep up with the increasing inflation rate. One of the industries in my own State, and throughout the Northwest, that has been severely hurt is the lumber industry. A recent article in the New York Times provides an excellent analysis of what is happening to one of our most important sections of the economy. I ask that the article be printed at this point in the Record.

The article follows:

Lumber Industry in Steep Slump

Boise, Idaho, April 16.—Hard hit by the slowdown in the housing market due to soaring interest rates, tight credit and the general weakness of the economy, the wood products industry is enduring its most severe downturn since the 1974–75 recession. More than 60,000 mill workers and lumberjacks in the Northwest and South have been laid off or have had their workweek curtailed in the last two months, and production at the biggest companies has been slashed as lumber and plywood orders have plummeted and prices have declined.

As Douglas Bartels, a spokesman for the Boise Cascade Corporation put it, "There is no lumber market."

"The shutdown is so severe and sudden," said James O'Donnell, executive secretary of the Northwest Pine Association, "that I fear many of the weaker companies that are closing will never open again."

The National Forest Products Association in Washington reports that, as of April 5, the latest date for which figures are available, 100 of 175 plywood mills in the West and South had closed or had curtailed production by 20 to 40 percent, affecting 14,500 workers. In the lumber business, 27,000 employees in 12 Western states have been idled by shutdowns or curtailments in 375 of 818 sawmills.

The housing contraction led to the timber industry problems, according to analysis like George Boyd, vice president of Kidder, Peabody & Company Inc. in New York. "The combination of not being able to get [mortgage] money in many cases and a money rate that translates into too high a cost of owning a home has reduced housing starts and turnover," he said. "As a result, the need for wood products has come down." The Commerce Department announced today that housing starts had dropped in March to an annual rate of 1.04 million units, the lowest rate in five years.

Each day for the past three weeks at least one sawmill in Oregon or Washington state has halted operations, idling hundreds of workers.

In Bly, Ore., a typical lumber town with about 300 residents, the giant sawmill of the Weyerhaeuser Company usually employs about 210 workers. Last week only 60 or 70 still had jobs after the company cut back production. Nationally, Weyerhaeuser has closed three of its sawmills indefinitely and instituted rotating layoffs of 5,000 workers for one- to two-week periods. A company spokesman said the layoff rotation would continue through April.

In Emmett, Idaho, Boise Cascade closed its mill, one of the company's 21 facilities where work has either been reduced or halted, idling a total of 1,700 workers. For Emmett, however, the shutdown was a particularly sharp blow, following the closing of the Stokely-Van Camp Cannery there. The two shutdowns idled 1,200 of the town's 5,000 residents and are costing the local economy nearly $1 million a month.

In Strongman, Idaho, the Brand S. Corporation, a small lumber operator based at LaClede in Idaho's northern panhandle, laid off its work force of 157. It said: "We are just not optimistic about 1980." The company had already furloughed workers elsewhere.

The litany continues: Crown Zellerbach, 550 laid off, three mills closed, three others on reduced schedules affecting 700 additional workers; Georgia Pacific, 609 laid off, four facilities closed; International Paper, one sawmill closed in Texas affecting 250 workers; Louisiana Pacific, "several hundred unemployed," according to a spokesman, four mills closed in the West, production down 30 percent; Potlatch, 650 idled at three lumber mills in Idaho, 455 more to be laid off Monday, production down 30 percent; St. Regis, 700 unemployed, one mill closed, work reduced at one, production off 40 percent.

"It's a disaster," said Ted Cooper, chief forester for the Hoff Companies, based in Boise. As demand has fallen, lumber prices have plunged dramatically. Mr. Cooper said that the wholesale price of 1,000 feet of fir or hemlock two-by-four boards, a standard lumber commodity, has dropped by more than 30 percent since Feb. 1, from $230, to $160. A year ago the price was $243. "There is just no way to make a go of it in this kind of market," Mr. Cooper said.

And O. R. Duffie, vice chairman of Willamette Industries, a company based in Oregon, told shareholders at the company's annual meeting this week, "The plywood market is in a very depressed condition. It is the worst market when compared to production capacity than any our industry has ever experienced."

Gene Knudson, Willamette's chairman, said the company's building materials line, which accounted for 63 percent of earnings in 1978, represented just 4 percent of earnings for the first quarter this year.

Many forest product companies, including Crown Zellerbach, International Paper, St. Regis and Boise Cascade, are concentrating on their pulp and paper business, where demand remains strong and prices have doubled, to about $90 a ton, in a year. Analysts note that the strength of the wood chip market, the raw material used in pulp and paper, has prompted many lumber companies to chip logs that normally would be used as plywood.

Mr. Boyd of Kidder, Peabody said that many Northwest companies were able to take advantage of "the strong demand for pulp and paper both here and abroad."

Retail prices, although lower, have not reflected the decreased demand. As a result, retailers are not moving lumber or ordering it from suppliers, who in turn are not ordering from the mills. Industry officials say everyone is waiting to sell at higher rates rather than unload inventories at reduced prices and a loss.●

COMMISSIONER SIDNEY DIAMOND ON PATENTS

● Mr. RIBICOFF. Mr. President, recently Mr. Sidney A. Diamond, Commissioner of Patents and Trademarks, presented an interesting speech before the Connecticut Patent Law Association. This speech was most instructive as it covered the history, the present situation, and the future of our patent system.

It will be important reading to my colleagues. I ask that this speech be printed in the Record.

The speech follows:

Address by Sidney A. Diamond

It is a pleasure and an honor for me to be with you this evening.

Connecticut is a fitting place to talk about one of the oldest institutions of the Federal Government—our patent system.

EARLY HISTORY

You may know that the colony of Connecticut granted patents to its citizens as early as 1717, when Edward Hinman received a patent for making molasses from cornstalks.

Many of America's early statesmen were inventors. For instance there was Benjamin Franklin. Although Franklin himself never obtained any patents, he was a strong advocate of science and invention. His inventions included his stove, the copper plate printing press, bifocal lenses, and others. After a successful demonstration of the hot air balloon, a French development, someone asked Franklin, "What use is this new invention?" Franklin answered that question with one of his own: "Of what use is a newborn babe?"

What a marvelous reply! In Franklin's time, a newborn baby had much less chance of surviving to maturity than today—but that baby might have become a great artist, a political leader, an inventive genius—or perhaps just another ordinary citizen who—like most of us—leaves no particular mark on the world. So it is with an invention which, even if a patent is issued for it, is only a beginning—a seed that may never ripen into anything. Some inventions have changed our lives; others have made smaller and less obvious advances; many of them never amount to anything at all. But who can tell ahead of time?

The forefather who probably had the most to do with the patent system in its early years was Thomas Jefferson. The drafters of the Constitution, as you know, included a specific provision in Article 1, Section 8, authorizing Congress "To promote the progress of . . . useful arts, by securing for limited times to . . . inventors the exclusive right to their . . . discoveries." The new government created by the constitution began to function in 1789, and Congress considered this topic so important that the first Patent Act was passed in the spring of 1790.

That act created an agency in the Department of State consisting of a three-member board: Secretary of State Thomas Jefferson, Secretary of War Henry Knox and Attorney General Edmund Randolph. These men, who administered the patent system along with their other public duties, were known as "Commissioners for the promotion of the Useful Arts."

Thomas Jefferson was the moving spirit of the group; he has been called the first administrator of our patent system. Jefferson, of course, was himself an inventor of great note.

A strong antimonopoly feeling has been traditional in the United States of America. Free enterprise economics and the Democratic political system go hand-in-hand—they are both founded on the freedom of the individual. Patents are an exception to the ban on monopolies and they have had to struggle to maintain their status.

The early history of patents is at least partly responsible for this prejudice. The English crown in the 16th and 17th centuries granted monopolies to court favorites in goods or lines of business which had long before been open to the public.

For a period, the grant of monopolies was greatly abused by the Crown. The number and importance of commodities covered by monopolies during the reign of Elizabeth was astonishing: currants salt, iron, powder, ox shin bones, potash, saltpeter and so on.

While action was taken against monopolies—by the Statute of Monopolies in 1623 and other measures—monopolies still were very much in mind at the time of the American Revolution. Indeed it was a monopoly on tea—a monopoly to the British East India Company in the form of a special tax break for tea—that sparked the revolution.

Men like Jefferson clearly did not favor such monopolies. In fact Jefferson's objections to monopoly initially extended to patents as well. In 1789, however, he wrote to Madison that he would favor an express provision authorizing monopolies for limited times to encourage literature and inventions.

Jefferson considered the patent right as we do today, an inducement to bring forth new knowledge. For example, he once wrote:

"Certainly an inventor ought to be allowed a right to the benefit of his invention for some certain time.

* * * * *

"No one wishes more than I do that ingenuity should receive liberal encouragement."

I am sure this audience appreciates that patents are not monopolies, at least in the pejorative sense. Generally we are better off to speak of a patent as property, or protection, or a grant. But I believe an understanding of the early antimonopoly feeling helps one to appreciate the problems which the patent system has faced.

SITUATION TODAY

The American patent system flourished mightily in the 19th century. The giants of early American technology were patent holders: Eli Whitney, Cyrus McCormick, Samuel Morse, Charles Goodyear, Alexander Graham Bell, and the record holder with 1,093 patents, Thomas Edison.

Still today—today more than ever—we need the patent system's stimulus to technology.

President Carter's October 31, 1979 message to the Congress on industrial innovation, which called for strengthening the patent system, described the role of patents as follows:

"Patents serve several important functions in the innovation process. First, they provide an inventor with an incentive—a monopoly limited in time. Second, the exclusive rights provided by a patent can stimulate a firm to make the often risky investment that is required to bring an invention to market. Finally, a patent provides an important method for disclosure of information about inventions and their uses to the public."

In January 1980 the Committee for Economic Development reported:

The property rights created under the patent laws * * * are important, perhaps often essential to the willingness of prudent businessmen to sponsor research and development and to invest in the facilities needed for innovative products.

Our modern day patent system has its problems and its critics. Most of the discussion of shortcomings comes from a perception that patents issued by the Patent and Trademark Office are unreliable. Our instinctive aversion to monopolies naturally make itself felt whenever it appears that patents are improperly granted.

I believe the concerns over unreliable patents often are exaggerated. Commentators have reached some erroneous conclusions based on patent litigation statistics. Considering that over one million patents are in force and well under one percent are ever litigated—neither a large nor a representative sample—litigation statistics must be interpreted cautiously.

You may have heard that 70 percent of patents litigated in the courts of appeals are invalid. The Patent and Trademark Office a few years ago conducted a study of patents issued during the years 1968–1972 and found that when the district courts as well as the courts of appeals were taken into account the invalidity rate actually was around 50 percent. The higher figure for the courts of appeals was attributable to the fact that more holdings of invalidity than holdings of validity were appealed. One can argue that 50 percent is exactly what you would expect the invalidity rate should be, since parties will not go to court unless they think they have a chance to win, and plaintiffs and defendants on the average will each be right half the time in most litigation.

Last fall we released a further study, covering patents litigated during the five year period from 1972 to 1977. This time the data show 55 percent of all patents during the five year period were held invalid. That is still pretty close to the 50–50 figure.

Nevertheless there is a widespread feeling that the reliability of patents needs to be improved. The patent bar and the technical communities generally agree that the PTO completely applies prior art in judging the patentability of pending applications when the PTO knows about the prior art. Pertinent prior patents and printed publications often are discovered only after a patent has issued and become commercially important. That is the main source of the unreliability problem.

REISSUE RULES

In 1977 the Office changed its procedures so that patent owners can bring to the Office's attention after the patent has issued, relevant prior art which the Office may not have known about during the original examination of the patent application. This change was made by amending the rules governing reissue applications. The rule changes have resulted in about a 50 percent increase in the number of reissue filings. The United States District Court for the Eastern District of Michigan a few weeks ago sustained these rules, holding they are within the rulemaking authority of the Commissioner of Patents and Trademarks.

It is becoming rather common for reissue applications to be filed during the pendency of patent litigation in the federal courts. On the basis of our experience to date we believe many judges are interested in deferring litigation in favor of reissue applications. Parties are asking judges to stay the litigation while a reissue application is examined in the Patent and Trademark Office. A substantial number of such stays have been granted.

We believe the reissue procedure is a good thing as far as it goes. But a reissue application can be filed only by the owner himself. Competitors of the patent owner still cannot obtain a PTO reading on the relevance of newly discovered prior art in most cases.

REEXAMINATION LEGISLATION

In the President's industrial innovation message he recommended that Congress enact legislation to establish a system for the reexamination of patents at the request of any party. The Administration now has drafted a patent bill containing provisions for establishing such a system for reexamining patents.

This bill will be forwarded to Congress shortly, perhaps this week. It will be one of the topics of a hearing before the House Judiciary Subcommittee on Courts, Civil Liberties and the Administration of Justice on April 3.

The Administration's reexamination bill will establish a system under which, at any time during the life of the patent, any person will be able to bring to the attention of the PTO patents or printed publications which that person believes have a bearing on the validity of any claim of the patent. At the same time or at a later date, that person or anyone else will be able to request the PTO to reexamine the patent on the basis that the information cited raises a substantial new question of patentability.

By limiting reexamination to a consideration of prior patents and printed publications, the bill will give the PTO a task it can perform at reasonable cost and will avoid the dangers of harrassment to patent owners.

Preliminary rough estimates are that reexamination costs will average somewhere around $1,000 to $1,500 per case. We propose to charge fees that would fully cover the cost of such reexamination proceedings. In other words, those who ask for reexamination would pay for it. But the charges of $1,000 to $1,500 per case—plus attorney's fees, of course—have to be compared with the very high expenses of patent litigation in the federal courts.

For the most part, the Administration's bill will be consistent with a reexamination bill just passed by the Senate, S. 2446. The Administration's bill, however, will not contain any provisions obligating federal district courts to stay litigation in favor of reexamination proceedings. We believe it is best to leave the courts absolute discretion with respect to requiring reexamination and permitting the use of prior art in judicial proceedings.

Our experience with reissue applications leads us to conclude that in most cases judges will choose to avail themselves of the reexamination process. We think that reexamination will eliminate or simplify a significant amount of patent litigation. In my view, creation of a reexamination system may be the single most important innovation needed by our patent system. We are hopeful that such legislation can be enacted in this session of Congress.

SINGLE COURT FOR PATENT APPEALS

The President's message also calls for other measures to upgrade the Patent and Trademark Office. One of these is the proposal to establish a single court to deal with patent appeals. The President urged Congress to establish such a court in order to establish nationwide uniformity in patent law, make litigation results more predictable, and eliminate the expensive and time-consuming forum shopping that characterizes patent litigation.

A bill providing for a single court for patent appeals, S. 1477, was passed by the Senate last fall. Under this legislation the United States Court of Customs and Patent Appeals, which of course is the main court reviewing PTO decisions, would be merged into a specialized federal appellate court to be called the Court of Appeals for the Federal Circuit. The new court also would have jurisdiction over various other matters including all appeals from patent infringement and validity suits in the federal district courts.

There are substantial obstacles to be overcome before this legislation is enacted, including a rider attached to the bill as passed by the Senate, which amends the Administrative Procedure Act to abolish the presumption of validity for regulations adopted by all federal agencies. The rider has an intriguing title: "Making Federal Agencies More Responsive to the Will of the People as Expressed by Their Elected Representatives in Congress." The Administration still supports the concept of a single court for patent appeals, however, and we hope a way can be found to enact that part of the legislation this year.

ADVOCACY AND PUBLIC IMAGE

Other things can be done to improve the system. You practicing lawyers have a great opportunity to influence and shape industrial property protection through the positions you take in court. As lawyers you have a duty to the public interest as well as to your clients. Judge Howard Markey has called on patent and trademark lawyers to refrain from disfiguring the system through overzealous arguments to the courts. Last fall he said:

"Lawyers are, or should be, the teachers of the courts. If the words in some patent opinions make no sense under the statute, look teacher, in the mirror."

Lawyers have a responsibility to the judiciary to use the difficult terminology in the industrial property field accurately. One should not allow the impulses of immediate advocacy to perpetuate the confusion created by previous misuses of terminology. Even if you succeed, the result may come back to haunt you in some future case when you find yourself on the other side of the issue.

Attorneys also can help with another essential ingredient—good public image. If the patent system is to provide maximum incentives to inventors and businesses, people must have confidence in patents. Increased confidence should come as a necessary consequence of the legislative improvements I have discussed.

But confidence also can be bolstered through better public understanding of patents. The natural suspicion of monopolies can be overcome if people understand what the system is intended to do and how it does it.

Everyone in this association can help spread the word to the people you deal with.

You might want to tell them what Thomas Jefferson said about the need for ingenuity to receive liberal encouragement.●

NELSON CRUIKSHANK: A GOOD FRIEND

● Mr. CHURCH. Mr. President, on May 2, Nelson Cruikshank will resign as the President's Counselor on Aging, a role he has served with distinction since 1977.

Nelson is a good friend. When I served as chairman of the Senate Committee on Aging from 1971 to 1979, he advised me numerous times on many issues which were of importance to our elderly people. He was then president of the National Council of Senior Citizens (NCSC) and was instrumental in assisting the Congress in legislative developments which led to the creation of medicare, the improvement of social security, the passage of the Older Americans Act and the development of the community service employment program for older Americans.

Since his first retirement in 1965 from his position as director of the Department of Social Security for the AFL–CIO, Nelson has been busier than most nonretired persons in his roles as president of NCSC, member of the Federal Council on Aging and Counselor to the President. Therefore, I hope that the announcement of his second retirement indicates many more years of service are at hand. His advocacy on behalf of senior citizens is to be commended.

Mr. President, my wife, Bethine, and I wish Nelson well and look forward to working with him as he enters into his second stage of retirement, which for him can only mean more productive years.●

SECOND ASIAN PACIFIC AMERICAN HERITAGE WEEK

● Mr. INOUYE. Mr. President, May 7 to 14, 1980, will mark the second Asian Pacific American Heritage Week in our Nation of immigrants. The first week was held last year with numerous cultural, educational, and political activities across the Nation, that recognized achievements and celebrated the strengths of this diverse racial minority.

There are approximately 4 million Asian and Pacific Americans in our country today. And we have recently welcomed many more: The Indochinese refugees from Southeast Asia. It is part of our Nation's heritage to keep our doors open for the persecuted, the homeless and the hungry.

Permit me to quote from President Carter's proclamation:

> In spite of violence inflicted on their peoples and cultures, Asian and Pacific Americans have shed sweat and blood in the struggle for America's nationhood and in the quest for freedom and opportunity. Out of all proportion to their numbers, Asian and Pacific Americans have contributed to our nation's progress in a wide range of fields—science, the arts, literature, agriculture, industry and commerce.

Mr. President, I am proud to be an Asian Pacific American and I am proud that this group has overcome many hardships and discrimination, to find their place in our history. Let us continue to strive for a country where there is equal opportunity and treatment of all Americans.

I urge my colleagues and fellow Americans to join in celebrating Asian Pacific American Heritage Week.●

MOUNTAIN HOME AIR FORCE BASE

● Mr. CHURCH. Mr. President, Air Force Appreciation Day in Mountain Home, Idaho, is a very special event where, each year, the entire Mountain Home community celebrates Mountain Home Air Force Base. I ask that an article on last year's event, published in Airman magazine, be printed in the RECORD at the conclusion of my remarks.

(See exhibit 1.)

Mr. CHURCH. Mr. President, the State of Idaho has a proud military tradition. Idahoans, including myself and my family, have served in the military for the defense of our freedoms with unbridled conviction.

The Idaho National Guard, for example, is the only National Guard to be activated in every single national call, and one of only two units activated during the entire Vietnam war.

Mountain Home AFB is the sole military base in Idaho. It is an installation, therefore, in which all Idahoans take pride. I am glad to join with the Mountain Home community in celebrating this facility and the Air Force members who serve so well there.

I would add, Mr. President, that I recently visited at Mountain Home AFB. I was impressed once more with the enthusiasm of its personnel. Mountain Home is obviously a desirable place to serve in the Air Force, and Mountain Home and all of Idaho supports that service. It is an example that all military communities should follow.

EXHIBIT 1

THE IDAHO AFFAIR

(By James A. George)

It's hard to resist the warm advances of a more-than-friendly neighbor who stays up all day and half the night to cook 3,000 pounds of tender, barbecued chicken for you.

Throw in 4,000 pounds of fresh-picked, mouth-watering Idaho corn on the cob lathered with 200 pounds of real butter, and resistance melts in your mouth.

Then add a thousand pounds of potato salad, 8,000 freshly baked dinner rolls, and . . . well, who could possibly turn their backs on their stomachs at a time like this?

Not Ann. Ernie Watson, a transplanted Long Islander who works in supply at Mountain Home AFB, Idaho, 10 miles southeast of all that food. "I think Air Force Appreciation Day is great," he said while he and his wife waited at curbside for the parade to get started in downtown Mountain Home, a community of 7,665 people who aren't embarrassed to show their affection for their Air Force neighbors.

"You come here and don't know anyone and it's like you're in the middle of a desert," Watson explained. "But the people here take the time and trouble to let you know they're glad you're here," he added, disproving the rumor that all New Yorkers avoid talking with strangers.

Watson's enthusiastic comments were interrupted by the sudden roll of snare drums and a brass fanfare from the Mountain Home High School Band as it stepped forward briskly to get the parade moving, signaling the official opening of the town's 19th annual Air Force Appreciation Day.

It was precisely 11 a.m. on Saturday, September 8, and the weather was made to order: a cloudless blue sky and a bright sun that would push temperatures up past the 90 mark. Ideal for a parade that would take an hour to advance four blocks west on 2nd Street East, do a column right on 4th Street North for one block, swing back to the East another city block, then wheel to the left on 3rd Street North for the remaining march to Carl Miller Park.

"I love parades," said Lydia Dressell, an optician at Eye Wear Illusions. She had moved to Mountain Home three years before from Phoenix, Ariz., and she could sum up Appreciation Day quicker than you could insert a contact lens.

"This is an all-out effort by just about everyone in this town," she said with pride, squinting into the sun as the parade approached her shop. "The people at the base love it, and so do the people from town. And I don't mean just the parade or the afternoon picnic," she explained. "I mean the whole idea and all the spirit that goes into making this day a lot of fun for everyone from both communities."

Lydia Dressell is well-qualified to speak for both groups because, while she is employed in town, her husband is Air Force. "This is the kind of town where you can stay on after you retire," she said. "Lots of Air Force people do that. Stay on here and maybe go into some kind of business. It's a really good place to live."

Fire sirens made further conversation impossible and parents with their children quickly caught the spirit of the day while catching pieces of taffy and bubble gum tossed to eager hands on both sides of the parade route by youngsters riding proudly on the shiny red pumpers.

The Mountain Home AFB Honor Guard and Drill Team stepped smartly past, rifles shifting and twirling in white-gloved hands that responded in unison to shouted commands. The team's precision maneuvers drew appreciative comments and applause all along the parade route.

Smokey the Bear was there, too, wearing his campaign hat and a pair of jeans. He paused often to have his picture taken with groups of boys and girls who were as attracted to him as a bear is to honey. "Only you can prevent . . .," he reminded them as he followed the paraders.

On and on they came, people in uniforms from scout groups, veterans' organizations, active duty and Guard units; Air Force Appreciation Day Queen A1C Sharon Nunley and members of her court, riding singly in cars generously provided by local supporters; the Shriners in their minicars making figure eights and circles with controlled abandon; the 724th Air Force Band from McChord AFB, Wash., whose members spent several days in Mountain Home and at the base giving concerts, and a highly popular locomotive built to scale that pulled passenger coaches loaded with happy train riders.

The parade stretched for five blocks and was led by Parade Marshall Dave Humphreys of the Mountain Home News, who also served as ticket chairman. His participation in the annual event began in 1975 while he was a high school senior. As ticket chairman, it was his responsibility to help motivate hundreds of people who sold tickets for a series of drawings that provided lucky ticket holders with some exotic prizes, including a 1979 pickup truck. Proceeds from the ticket sales help finance Appreciation Day activities and expenses.

"Much of our equipment and materials are donated," said George Haynes, general program chairman in '79 and manager of the Idaho Power Company. "And to help meet expenses we rent out space for booths—about seventy this summer. Games, crafts, and food and beverage vendors take most of the space," he said. Still, there are quite a few expenses involved and planning begins early.

Plans for the special day had begun shortly after the 1978 event, according to Haynes. "We budgeted right around ten thousand dollars for this year. The ticket sales and booth rent help us break even, which is our secondary goal. We don't expect to make money off this event. It's an all-volunteer effort by a lot of people from town and from the base, too, all working together. We get a lot of support from the wing."

Col. Von R. Christiansen, commander of the 366th Tactical Fighter Wing "Gunfighters," went from Appreciation Day remarks on the guest speakers' platform to a place in one of the food-serving lines under the park pavilion. There he joined dozens of volunteers from base and town who dished up generous portions of food and beverages to the thousands who turned out for the free afternoon feast.

Head chef Dean Wilson credited the obvious success of the y'all-come picnic in the park to the many men, women, and young people who put in countless hours of work to get the food ready for the hungry hundreds.

"It took four hours to husk those two tons of roastin' ears," he explained. "The folks who were here in the park last night needed help with the job so they called the radio station [KFLI] and asked for an appeal for cornhuskers. In no time at all we had a fresh bunch of willing hands out here to help out."

The ton and a half of chicken parts took some 16 hours of cooking in ovens at the pavilion on Friday. "Those ovens were once used to make baked goods at a Safeway store," Haynes pointed out. "When the store moved to a new location, the manager donated the ovens to the park for this annual event. Now we cook all the food right here rather than in town, as we used to do."

Trays of tender chicken moved in and out of the ovens for several hours on Saturday as tireless workers hustled to feed those from the twin Mountain Home communities.

"Have you ever seen anything like it anywhere else?" CMSgt. Robert Merritt asked a fellow blue-suiter. Merritt, senior enlisted adviser for the 366th, called attention to the four long lines of people who had formed on two sides of the pavilion to chow down. "It'll be that way for several hours," he said. "Then, when the lines begin to shorten and you think everyone's had their fill, many will start coming back for the second time." He spent most of the hot afternoon serving beverages.

The food servers, those on the lines as well as those in the kitchens and others who ferried the tubs and trays of food, took occasional breaks from the afternoon heat and fortified themselves with chicken and corn.

Maj. Mel Grover, chief of security police at the base, had his break interrupted by a pair of "deputies" who arrested him for "loitering." One of them wore a replica of a Colt revolver in a holster slung on his hip. When Maj. Grover tried to talk his way out of the "arrest," a co-worker advised him to "shut up and pay the fine." The major forked over a quarter and, with a smile of resignation, said he would almost have preferred to spend the 10 minutes in "the cooler," one of many fund-raising activities dreamed up by committee members.

Other events included a wide variety of fun and games in the park, nestled in the shadow of Bennett's Mountain at the foot of the Sawtooth Range.

There was a genuine kissin' booth operated by a seemingly endless line of pretty high school girls, a bust-the-fuzz car that eager, hammer-swinging youths gleefully pounded for a fee, and other games that tempted picnickers to display their skills with darts, softballs, basketballs, or wet sponges.

At the park entrance the noteworthy sound of Impact, a spin-off sextet from the 724th Air Force Band, entertained large groups of people with contemporary music. The Jet Twirlers, a round- and square-dance group from the base, also entertained in front of the speakers' stand where, a couple of hours earlier, Mayor Nelson H. Olds and other civic officials had welcomed Mountain Home AFB guests and citizens from the community.

Ms. Claire Wetherell, president of the city council, thanked all "active duty and retired Air Force members and the people of our town for coming together to share this special day. We appreciate you," she said to members of the Air Force community, "and we're glad you appreciate us, too."

Col. Von Christiansen and Lt. Col. Phillip D. Clark, base commander, spoke briefly to acknowledge the welcome and to express their gratitude for the town's hospitality. Queen Sharon Nunley spoke of the many special memories she would take from the week-long events leading up to the day in the park, and added: "I've met so many warm and wonderful people these past weeks that the memories of Mountain Home will, in years to come, be as refreshing as roses in December."

Emcee Carl Breeden also introduced Capt. Earl E. Turner, 724th band commander, and the outstanding airman, NCO, senior NCO, and junior officer of the year from the base. The speeches were kept mercifully short because most people in the food lines had a severe case of the hungries and others were anxious to turn on to the activities in the park.

In the evenings during the week-long celebration, community residents thrilled to the color and competition of the rodeo, the first time such events were included in the Mountain Home happening. Most of the activities were centered at the Silver Sage Riding Club's arena on base, but Saturday night and Sunday afternoon cowboy competition was held at Optimist Park in town. Contestants came from farms, ranches, and riding clubs throughout southeastern Idaho and neighboring states to compete in calf-roping, broncobusting, and other events.

"It just keeps getting bigger and better every year," Brig. Gen. John L. Pickitt said of Air Force Appreciation Day and the events leading up to it. The former commander of the "Gunfighters" is now commander of Tactical Training Luke, at Luke AFB, Ariz. He had returned to Mountain Home AFB on Friday for the dedication of a park to memorialize F-111 aircrew members who flew in Southeast Asia during the Vietnam War. Before returning to Luke AFB on Saturday, however, he was bent on digging into a plate of barbecued chicken, corn on the cob, and all the trimmings.

"It's always a thrill to be involved in Air Force Appreciation Day," Brig. Gen. Pickett told a gathering at Carl Miller Park. "Our friends here at Mountain Home really make us feel a part of the community. It's a good feeling to know you're appreciated."

Police Officer Scott Mealer, whose father retired from the Air Force in 1973, agreed. "I think it's a good deal for everyone. It shows the people from the base how we feel about them. Without them we wouldn't have much."

Master chef Dean Wilson echoed Mealer's remarks. "I've been in the dry cleaning business here for nineteen years," he said. "If I didn't have the people from the air base, I wouldn't have anything."

Maj. Thomas M. Heyde, commander of Det. 3, Tactical Air Warfare Center, an EF-111A test group flying out of Mountain Home AFB, responded informally for many from the base.

"We've got to keep meeting this way," he said of the annual Idaho affair.

In Memory of Many

As his mother and grandmother watched from the crowd of several hundred, 17-year-old David Ward, a high school student from Las Vegas, Nev., unveiled a unique memorial plaque at Mountain Home AFB, Idaho.

The bronze plaque honors his father, Col. Ronald J. Ward, who was killed December 18, 1972 when his F-111 went down in Vietnam; Lt. Col. James R. McElvain, the colonel's weapon system operator who was also killed on that mission, and 12 other aircrew members who lost their lives flying the F-111 in Southeast Asia.

The memorial was erected beneath the nose of a restored F-111 in a neatly landscaped park dedicated September 7, 1979 to the memory of all who participated in F-111 combat operations during the Vietnam War. Col. Von R. Christiansen, 366th Tactical Fighter Wing commander, hosted the dedication ceremony.

"Flying out of Takhli Royal Thai Air Base, Thailand," Col. Christiansen told the special guests and spectators in attendance, "the crews flew over 3,250 combat sorties beginning in 1968, ranging from strikes over the highly defended capital of North Vietnam to the harassment of Cambodian patrol boats during the Mayaguez incident of 1975.

"The F-111's pinpoint accuracy during night operations, unparalleled in the history of airpower, gave the U.S. Air Force the needed capability to keep around-the-clock pressure on the enemy," the colonel said.

The creation and completion of the memorial was a joint effort by a long list of people, military and civilian, who donated time, labor, skills, and financial support to turn the dream into a reality.

Col. Christiansen cited the efforts of Capt. Bill Swann of the 389th Tactical Fighter Training Squadron and members of the base junior officers council to obtain the aircraft on permanent loan from the Air Force Museum at Wright-Patterson AFB, Ohio.

The airframe, he explained, arrived at Mountain Home AFB in pieces and "was reassembled through the special efforts of the men and women of the entire 366th maintenance complex." Headed by SMSgt. Philip E. Hasty Jr., the technicians from aircraft generation, aero repair, machine and sheet metal shops, corrosion control, welding, and quality assurance reduced unneeded weight, reassembled the aircraft, painted it, computed the proper balance for mounting, and placed the aircraft on its pedestals.

The finishing touches, including the design and construction of the mounting pedestals and the landscaped park near the main gate, were provided by military and civilian members of the 366th Civil Engineering Squadron. The memorial bronze plaque and mounting stone were paid for by members of the wing and the civilian community, many of whom attended the formal dedication.

"We look upon this memorial as a combined tribute, presented by all of the members of the community of Mountain Home," Col. Christiansen said, "a community comprised of Mountain Home Air Force Base and the city of Mountain Home."

He introduced SMSgt. Hasty and A1C Joan Lynn McGough, from the 366th Aircraft Maintenance Squadron. The pair moved to an area below the cockpit of the F-111 and pulled the straps that unveiled the name of the aircraft, "The Spirit of Idaho."

A proclamation issued by Mountain Home Mayor Nelson H. Olds urged all residents to "join the men and women of the base in the unity of principle and patriotism, which is the foundation of freedom and the lifeblood of our future."

A missing-man flyby of F-111s, the singing of "God Bless America" by Andra Burt, wife of SrA. John R. Burt, and the playing of twin-bugle "Taps" concluded the formal ceremony. But each year, as part of Air Force Appreciation Day activities, a member of the community will lay a wreath at the memorial.●

FATHER EDICIO DE LA TORRE

● Mr. LEVIN. Mr. President, earlier this year, we spoke of a human rights case in the Philippines about which I have been deeply concerned, the case of Father Edicio de la Torre, a Catholic priest who had been imprisoned because of alleged "subversive activities." Last week, I learned that Father de la Torre had been released from prison and is now free. He had been imprisoned for over 5 years without a trial.

Father de la Torre will soon travel to the Vatican to continue to pursue his religious studies. I am most pleased and encouraged by this development. But we must not forget that there are others like him who remain in Filipino jails.

The Filipino Government announced that Father de la Torre would be released from prison after expressions of concern were received from senior religious leaders in Manila and the Vatican. Other messages of concern came from religious and lay leaders in the United States. The overwhelming involvement of persons from around the world focused attention on Father de la Torre's plight.

In December of last year, 31 of our colleagues joined me in sending a letter to Secretary of State Vance asking that he become personally involved in this matter. Later, I personally visited with Father de la Torre in his jail cell in Bicutan Prison outside of Manila.

I greatly appreciate the attention which Ambassador Richard W. Murphy gave me during my visit to the Philippines and the additional assistance which he and Richard Holbrooke, Assistant Secretary of State, gave to this matter in recent months. I am also appreciative of the support and assistance of my colleagues, who responded to the concerns of hundreds of individuals across the country and expressed their support for Father de la Torre.●

THE DEFENSE OF WAKE ISLAND

● Mr. CHURCH. Mr. President, I am the sponsor of legislation, S. 254, which would provide retirement credit for Federal retirement programs for the time spent by civilians as prisoners of war.

At the outset of World War II, the Japanese captured a number of Pacific Islands, including Wake Island. American civilians working on Federal construction projects there joined in the defense of these islands against the Japanese attack. I ask that an article from VFW magazine on the heroic efforts to defend Wake Island be printed at the conclusion of my remarks.

Despite their gallantry, the Japanese captured these civilians, and imprisoned them, together with military prisoners, in Japan, where they remained for the long duration of the war. My bill, S. 254, would count their time as prisoners as though it were military service, for purposes of Federal retirement programs, such as social security or the military itself.

As the VFW magazine makes clear, there should be no question of the service these civilians performed for our Nation. In my judgment, they are veterans in every sense of that word.

The Department of the Air Force, under a recent statute, is currently considering whether to make this finding. I ask that my letter urging that these civilian POW's be declared veterans be printed in the RECORD. The case for such a finding is manifest, and it is underscored by the Iranian hostage crisis. I urge my fellow Senators to make equitable provision for these brave, unsung Americans.

The material follows:

WAKE'S DEFENDER

(By Cyril J. Obrien)

Even today—over 38 years later—Brig. Gen. James P. S. Devereux USMC (Ret.) cannot understand why the United States failed to provide adequate defenses in men and armament for lonely Wake Island when the 14th Naval District, centered in Hawaii, knew and warned him that a Japanese strike could be expected at any time.

General Devereux, then a major, commanded the defense of the 21-mile-around horseshoe-shaped island for an unbelievable 16 days although perilously outmanned, outgunned and ill-equipped. Wake's 449 audacious marine defenders fought waves of land based bombers, big-gun cruisers, destroyers, troop carriers and crack contingents of the Imperial Fourth Fleet's Special Naval Landing Force who at one time outnumbered the defenders three to one.

Maj. Devereux's detachment manned the 3-inch anti-aircraft and 5-inch coastal guns and automatic weapons which had been sent to Wake from the 1st Marine Defense Battalion in Hawaii. These Marines also made up VMF-211, the fighter squadron with 12 F4F Grumman Wildcats under Maj. Paul A. Putnam.

Maj. Devereux coordinated the air-ground action. Command of the island went to Cdr. Winfield S. Cunningham who with Cdr. Campbell Keene, eight other officers and 5 enlisted men ran the Naval Air Station. Army Air Corps Capt. Henry S. Wilson and four enlisted men operated an Army communications center. Like the naval officers and men, the Army air group was unarmed. On Wake also were 1,200 Pacific Naval Air Base contract civilian workmen under N. D. (Dan) Teters and Cdr. Elmer B. Greey.

By any battle manual, Wake simply had not the wherewithal to defend itself. Even the frugal preparedness estimates of 1941 required for such a job a defense battalion of nearly 1,000. There was not enough men in the defense detachment to man all the guns.

Wake lacked aircraft detection equipment and even air raid alarms. Homing or electronic navigation aids were out of the question. Air combat patrols were left to find their own way home with some luck and a hole in the clouds.

Yet when the battle was over two days before Christmas, 1941, the Japanese had suffered over 1,000 casualties, 21 aircraft shot down by fighters and ground fire and more than twice that number badly damaged. The Japanese Navy almost at first blood had lost two destroyers. Three cruisers were so seriously hurt they had to limp away to fight another day.

More important, Wake's defenders had blunted the Japanese Pacific momentum. Precious time and equipment was wasted, never to be recovered.

One Japanese Commander, Mesatake Okumiya, commented: "It was one of the most humiliating defeats the Japanese Navy had ever suffered."

Today in his manor home on the 35-acre black-fenced Maryland horse farm north of Baltimore, General Devereux looks back at it all with few adverse sentiments even for the Japanese who herded him and his compatriots through prison camps in Korea, China and Japan.

Although the General, now 76, admits the long pleasant years since the war have mellowed some of his attitudes, they have never quite provided the answer to why American leadership had not taken the hostile warnings from Japan more seriously or better manned and equipped Wake Island.

Putting radar on Wake risked its being captured by the Japanese, it was argued. Gen. Devereux, however, says he and his men could have destroyed the equipment before that happened.

"God knows why Wake had not more men and defenses," he said. "We could have delayed the Japanese drive additional weeks. It was no surprise that a war started. We had been warned. I can't understand why our leadership was caught napping."

He recalls that in November, 1941, an urgent message from the Navy at Pearl Harbor warned "the international situation" called for his being on the alert and that unidentified ships should be considered hostile.

Anxiously, he wired Pearl Harbor for permission to put 1,200 contract employees to work on the island's woefully inadequate defenses. The construction people were assigned there for a long range development of Wake as a forward base with airfield and barracks.

But a negative reply a leisurely two days later put Major Devereux at ease. Obviously, Navy headquarters at Pearl saw no imminent danger. Yet, Maj. Devereux beefed up defenses as best he could and added ammunition to gun positions. A war would not catch him by surprise.

In the steel-ribbed bastion of Truk to the south, the man who would bring the war to Wake, Vice Adm. Nariyoski Inouye, commanding the Fourth Imperial Fleet, had circled Wake Island on the green mattboard of his operations room. A remote sandy roost for gooney birds, Wake still lay across the most direct route between the home islands and critical bases in the Gilberts and Marshalls.

Inouye's pre-invasion softening began only hours after Fleet Adm. Isoruky Yamamoto had struck Pearl Harbor. A frantic procedureless uncoded radio call from Hawaii said Oahu was under air attack. Alerted Wake was ready. Guns were manned, communications checked and five of Maj. Putnam's F4F Wildcats were up on patrol.

Thirty-six twin-tailed land-based bombers, from Roi in the Marshalls 750 miles to the south, struck Wake at 1152 hours. They came in at 2,000 feet hidden behind a rain squall. Even the noise of their engines was screened by the pounding of the surf on the reefs. Machine gun fire and tight patterns of fragmentation bombs from the air raiders destroyed seven of the eight F4Fs still on the air strip. Of 55 aviation personnel on the ground, 23 were killed outright or died of wounds. The Japanese escaped without loss.

On Dec. 11, the Japanese paid their greatest price for the assault on Wake. Maj. Devereux watched the long gray shapes of the invasion task force in the early morning mists cruising leisurely off shore. The warships fired random broadsides at where Marine defenses might lie. Maj. Devereux reasoned the Japanese with their 6-inch guns and superior range could pulverize the island and then send shock troops ashore to bury the pieces. But Adm. Kajioka, leading on the heavy cruiser Yubari ventured closer to shore. His taunts failed to attract return fire. It was Kajioka's mistake, for Maj. Devereux was waiting until the enemy ships were within range of his shore artillery. When he called "commence firing" the big gray shapes were already filling the sights of the 5-inch guns. The first salvo from the 5-inchers straddled Yubari. The second crashed two shells into her side. Yubari, snorting like a dragon, turned to sea while trying to hide in the smoke of her own wounds.

Marine guns in the brush caught the destroyer Hayate. She blew up and sank in minutes. An F4F bomb blasted the destroyer Kisaragi into pieces. She was carrying depth charges on her fantail. Two more destroyers were damaged and all three of the cruisers. The Japanese suffered 700 casualties. Four Marines were wounded.

Adm. Kajioka called off the invasion until 12 days later on the eve of Christmas Eve. For the Wake defenders it began at 0100 hours with strange light flashes at sea. This time the wiley Kajioka was keeping his armada well out of range of the spiteful Yankee guns. This time he had brought along 1,500 crack landing troops for the beach assault. By 0200 the soldiers were clambering down their hemp nets into the landing barges and the final engagement for Wake Island began.

The greatly outnumbered Americans tried vainly in hand-to-hand combat to stay the inevitable. Marine pilots, Army and Navy men, and civilians did disrupt the Japanese advance and even cut some of the invaders into pockets to make a fairer fight. Maj. Putnam's aviators and crewmen were vicious defenders of their position.

One civilian-Navy-Marine ground combat team ran to the beach to lob grenades into crowded Japanese landing craft. The Americans had no mortars. Lt. Robert M. Hanna, of the defense battalion, with no sight on his 3-inch gun, aimed it by looking through the bore. In an unbelievable turnabout, a motley band of defenders under Capt. Wesley McC. Platt wiped out the invaders on one section of the atoll, over 100 Japanese. It cost him nine Marines and two civilians.

By dawn the Japanese had well secured their beachhead. Now the enemy had only to pour troops ashore until the Americans were overwhelmed.

Shortly after 0700 hours, Maj. Devereux made his regular report to Cdr. Cunningham. The facts were bleak. The Japanese were everywhere.

By 0800 Major Devereux led his Marines down the shore road southward toward the Japanese positions to deliver Wake to the enemy.

The Japanese paid a fearful price, says Gen. Devereux, for that spit-kit of sand and coral: 1,153 casualties, 820 of them killed in action. Ninety-six Americans died, including a dozen civilians.

Overall, the conduct and heroism of the Marines and their supporters on Wake was best described by Maj. Putnam in his final report on Dec. 21: "All hands behaved splendidly and held up in a manner of which the Marine Corps may well tell."

U.S. Senate,
Committee on Foreign Relations,
Washington, D.C., November 20, 1979.

Col. Gary B. Reimer,
Deputy Chief, Legislative Division, Office of Legislative Liaison, Office of the Secretary, Department of the Air Force, Washington, D.C.

Dear Colonel Reimer: Thank you for your recent letter in response to my inquiry with Defense Secretary Brown concerning consideration of American civilian prisoners-of-war under PL 95–202, which could classify them as military veterans.

The American civilians captured on Wake Island and other Pacific islands at the outset of World War II suffered lengthy and grievous incarceration in Japan. The situation now faced by hostages in our embassy in Iran calls dramatic attention to the dangers faced by American civilians in service to their country in times of war on peril. While the two situations—civilian POW's during World War II and the diplomatic hostages held today in Iran—are not the same, the danger faced by the latter simply underscores the hardship civilians underwent as prisoners of the Japanese. That confinement—especially since those individuals served as POW's side-by-side with American servicemen—must in every way be characterized as service on behalf of the United States, and I urge that every possible consideration be given to declaring them as the veterans they, in truth, are.

Since I have introduced legislation, S. 254, in line with this same purpose, I would appreciate your keeping me closely informed of developments in this matter. Thank you.

Sincerely,

Frank Church.●

TRIBUTE TO DR. CHESTER WICKWIRE

● Mr. SARBANES. Mr. President, on Sunday evening, May 4, people from throughout the State of Maryland will gather at the Baltimore Convention Center to honor Dr. Chester Wickwire, chaplain of the Johns Hopkins University. I am privileged to pay this tribute now to Dr. Wickwire for his extraordinary record of service and his dedicated contribution to the well-being of his fellow men and women.

Dr. Wickwire has served since 1953 as coordinator of religious activities at the Johns Hopkins University, one of our Nation's most distinguished academic institutions. As an educator, scholar, and religious leader, Chester Wickwire has set an example for all to follow. He is not content merely to preach the Gospel; he lives it. He not only lectures in the classroom; he works in the community. Above all, he is a man of principle, pursuing with vigor his commitment to help others. Long before it was fashionable to work for the advancement of civil liberties and basic human rights, Chester Wickwire was in the forefront of these efforts. In his search for justice, he has been a tireless opponent of inequality and discrimination.

Among his many accomplishments is the Johns Hopkins tutorial project, which he has headed since its establishment. The tutorial project sends volunteer tutors to the homes of inner-city schoolchildren for individual teaching and instruction. To date, 250 tutors have helped 340 youngsters in Baltimore improve their educations. In fact, the Johns Hopkins tutorial project will be the beneficiary of the proceeds of this Sunday's "Tribute to Chester Wickwire," at which Arthur Flemming, chairman of the U.S. Commission on Civil Rights, will be the keynote speaker.

Dr. Wickwire has served as a member of the Housing Committee of the Baltimore County Human Relations Commission; the State Advisory Committee of the U.S. Civil Rights Commission; and the Maryland Committee on the Aging. He has been chairman of the Maryland Committee To Uphold the Public Accommodations Law; chairman of the Clergy Committee of the Heart Association of Maryland; and president of the Baltimore Interdenominational Ministerial Alliance. He is active in a number of professional societies, including the American Academy of Religion, the Religious Research Association, the Association for Coordination of University Religious Affairs, the Institute for Religious and Social Studies, and the American Association of University Professors.

Mr. President, I congratulate Chester Wickwire for the example which he has set, and for the outstanding work he has undertaken. I want to express my warmest and best wishes to him and to his family on the occasion of this well-deserved tribute and to thank him for making our community and Nation a better place to live.

I submit for the Record several articles which appeared recently in Baltimore newspapers recognizing the importance of Dr. Wickwire's career and contributions.

The articles follow:

[From the Baltimore Evening Sun, Apr. 30, 1980]

Hopkins' Activist Chaplain: "This Has Been A Fun Way to Live"

(By Peter Kumpa)

On the plains of Colorado/my mother tried to teach me/to save souls and wait for the Second Coming/My father taught me to fire a weapon/to sleep on a .38/My mother used to say/"Papa, are you saved?"

We are not saved yet/We have not learned to put down/the .38, or/bring in the millenium.

Snippets from 1972 commencement address. By Dr. Chester L. Wickwire. Bits of his life, his philosophy in free verse. His inner self. Unusual exercise. Unusual man. He is the chaplain, Johns Hopkins University. Long-time activist in political and racial causes. Battler against what he believed was a status-quo of injustice. Being honored May 4. Big dinner, Convention Center. Humanist. Idealist.

"I believe it could be/something good has begun/I've been smiling lately/dreaming about the world as one/and I believe it could be."

Tough Colorado mining camp childhood. Mother, ardent Adventist, Father uninterested in religion. Union College graduate, 1931.

Married classmate. Now three grown sons. Choir singer, occasional preacher, fundamentalist and Adventist. Contracted polio 1947. Bedridden 13 months, part in Warm Springs, Ga. A turning point. "It made me think. I began to realize that it really didn't matter what position you were in. Anywhere you are, you can make a contribution."

Yale Divinity School. Doctorate. 1953. A turning point. Shifts to broader view of religion. Less fundamental. "We're human before we are anything else. Denominations are often barriers, get in the way of knowing people." Starts long career at YMCA branch at Hopkins, 1953. Heavy atmosphere of McCarthyism. Also starts long career of activism along with tending spiritual aches on Homewood campus.

Among many notable battles, 1962, arrested in Crimea, Soviet Union, for distributing alleged subversive literature. A turning point. Convinced of need to battle for all human rights, 1965, battle for Baltimore open housing. Appointed chaplain, 1968. Open to all, radicals included. The rare man who can be accepted by ultrasuspicious groups like Black Panthers. Always a man of his word.

Arrested along with 290 others in desegregation battle over Gwynn Oak Amusement Park, 1970. Accused sometimes of being Communist, atheist, rabble-rouser, compulsive do-gooder. "Unfortunate. People say things without getting to know you."

If we will/come home/If we will/work with what we have/If we will/not be silent or take only the private trips/If we will face the traffic/take a chance on getting hit/stand in the sun/perhaps/We can/make life flow in a human way.

Now in book-lined office. He drinks Sanka. Soft-spoken. Heavy-framed glasses slip from nose. Will be 67 in December. Leg brace and cane. The polio inheritance. Proudest of JHU tutoring; 250 volunteers for 340 children. Runs extensive program of teach-ins and lectures. "I've tried to maintain an open platform. We should be able to let students hear all sides. Make their own judgments."

Can feel his mind running faster than his speech. Choppy sentences. Sees renewed interest in tradition, ethnicity, roots. New era no longer activist. "That stuff's all gone." Extension now of 1970s "Me Generation." Students worry about grades, jobs. Most problems now economic. A matter of survival. Doesn't blame students. Worries about vandalism on campus. Not sure who's responsible. Sees resurgence of hate groups. Doubts it will amount to much.

Talk to students. He's popular. "Chester's Place," a coffee house on Wednesday nights was "the place to go." He's the wise man. The listener, the adviser.

No plans to retire. Sustained by inspiration of other people. By Biblical faith. Thinks some problems of own making. Continues to advise students and faculty. Preaches for an open mind, all sides of questions, but with responsibility. Satisfied with career as chaplain. "This has been a fun way to live."

I sold wildflowers to tourists/as a boy above timberline/2¼ miles from the summit of Pikes Peak./Sometimes gathering blue-forget-me-nots/and red alpine roses/from creviced slivers of a summer/a storm would strike./Trying to escape high-decibeled thunder/and lightning flashes of terror/I would run toward our stone house./Usually the storm was over/and the sun was out/before I reached home.

To all who journey, I can only say/The sun keeps coming out.

And to those who meditate on journeys,/I say with the lyricist

"Hit the road, Jack."

[From the Baltimore Sun, Apr. 27, 1980]

Liberals Came and Went, But Dr. Wickwire Is Still There, Still Fighting

(By Michael Olesker)

This one's for Dr. Chester Wickwire, who has always fought the tough fights, and keeps fighting them even when everybody else seems to have thrown in the towel.

He's been there through the great civil rights struggles and the Vietnam antiwar movement; he was there, flailing away, when police officials were playing fast and loose with people's civil liberties; and he's still there with innercity tutoring programs and political teach-ins and efforts for health care improvements.

For more than a quarter century, he's been the Johns Hopkins University chaplain, sponsoring a dizzying myriad of student programs.

But describing Wickwire, 66, as campus chaplain is like describing DaVinci as a fellow who painted.

He's been a preacher, a teacher, a counselor, a crusader, a man who keeps holding the hands of people in trouble.

He's been jailed—along with 280 other people—for nonviolently protesting segregation at Gwynn Oak Park in 1963.

This ordained minister of the United Church of Christ has been called an atheist and a Communist; and he's had bomb threats and a cross-burning visit from the Ku Klux Klan.

He's fought all the fights that once were considered fashionable and now do not seem to be.

While the old political liberals have taken to rousing social statements like putting Save the Whale bumper stickers on their cars, Wickwire's still waging the tough human rights fights.

He seems, in that sense, a kind of anachronism, a man out of step with time and fashion.

He sits in his office at Hopkins's Levering Hall these days, and he nods at the suggestion.

"It's true," he says. "We're not always moving with the stream. There are times these days when you look around and say, 'Where did everybody go?' The romanticism of the Sixties is gone. The pendulum has swung."

People have tucked in their emotional borders. There's a sense that all of us are drowning today, and before you can look out for the other victims, you've got to look out for yourself first.

But not this man.

He plays down talk of his own efforts, but he is clearly concerned over so many people who have given up fights that never were won.

"There's very little memory of what happened 10 or 15 years ago," Wickwire says. "We don't have a sense of history. We've learned to live with a lot of things we should be troubled about."

"I guess people are tired. I won't say I'm not. But we're still here."

And it has been noticed.

A testimonial dinner—open to the public—has been slated for May 4 at the new Convention Center.

The tribute has been put together by campus and community leaders and will feature Dr. Arthur Flemming, chairman of the U.S. Commission on Civil Rights, as keynote speaker.

The dinner honors Dr. Wickwire, but it will benefit the Johns Hopkins Tutorial Program that focuses on one-on-one tutoring of inner-city kids.

If the old liberal consciousness has changed over the years, Dr. Wickwire has not.

Others talk of organic gardening in their little backyards; he talks of worldwide hunger and organizes campus activities around it.

Others talk of personal consciousness raising; he organizes medical and legal and educational help for people who need it.

Wickwire doesn't criticize the people who used to fight these fights and then went away. But he must wonder where everybody went.

"I guess a lot of people start feeling, 'What's the use?' Sometimes it's hard to see where you're having an impact. But look at Vietnam. A lot of people didn't find out until it was over what a real impact they'd had.

"We've tried to set up experiences for students to take them beyond the classroom, to help other people, and to more fully educate themselves in the process.

"We've got to maintain open lines of communication. We've grown so afraid of listening to each other. We've shut ourselves off from other people, and other opinions."

His pink face flushes. There are little bursts of nervous energy that surface in Wickwire.

"It isn't easy sustaining the emotional energy," he says. "In that sense, I'm fortunate to work in a campus atmosphere. I've been given quite a bit of freedom on this campus."

He came here in 1953, as executive secretary of the Levering Hall YMCA. He'd done his doctoral dissertation on Old Testament ethics.

But, clearly, biblical research has taken a back seat to living a life in the present tense.

In fact, he's a part-time student at Hopkins, taking a Spanish course to bone up on the language for a planned trip to Central America.

"I take the tests and everything," he says.

But then, that's what his life has been all about. He keeps taking the tests—the ones that so many other people have stopped taking.●

RECESS SUBJECT TO THE CALL OF THE CHAIR

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate stand in recess awaiting the call of the Chair.

There being no objection, at 4:25 p.m. the Senate recessed, subject to the call of the Chair.

The Senate reassembled at 4:50 p.m., when called to order by the Presiding Officer (Mr. Exon).

The PRESIDING OFFICER. The Chair recognizes the Senator from North Dakota.

SENATOR MUSKIE'S APPOINTMENT TO BE SECRETARY OF STATE

Mr. BURDICK. Mr. President, I rise at this time to congratulate, encourage and, above all, to thank Senator Muskie upon the occasion of his appointment by President Carter to become our next Secretary of State. We congratulate him for the high honor this brings, worthy honor in light of his past service to his State, this body and our entire Nation. We encourage him because this position always involves the most far reaching and sensitive challenges. No one needs reminders of the circumstances that make it especially so today.

Senator Muskie's formidable strength of mind and character will serve him and the Nation very well in the extreme tests he will face. As he guides the administration, we offer our continued support. We will work with him diligently to insure the safety of our people and the peace of the world.

Finally, Mr. President, I extend my deepest personal thanks to the distinguished Senator from Maine. I thank him for so generously accepting this awesome responsibility on behalf of our national well-being. His acceptance shows all people that America maintains its proud tradition of great people willing to make great sacrifices for a higher good—our freedom and that of the world.

But most particularly, Mr. President, I thank Senator Muskie for his many years of dedicated service here in the Senate. It has been a distinct honor to serve with him. Whether in committee or in the full Senate, he has always pursued the highest ideals with effectiveness and realism. His eloquence and integrity have inspired us all.

Let us all then join in appreciation and offer Senator Muskie most sincere best wishes for his new responsibilities. As he leaves us may he know that he carries with him our enduring friendship, respect and high hopes for the future.

THREAT OF GENOCIDE IN BRAZIL

Mr. PROXMIRE. Mr. President, throughout history acts of genocide, carnage, and human destruction have been perpetrated by men against their fellow men. Often, the victims were accused of obstructing the lofty aims of a nation. Invariably, they were martyred in the name of some twisted ideal. Jews were exterminated to further the cause of the Third Reich, and Cambodian peasants were purged for the sake of revolution. Now, deep in the jungles of South America, a similarly deadly scenario is unfolding. In northern Brazil, the Yanomamo Indians are being sacrificed in the name of economic development.

As Brazil attempts to develop its jungle region, the Yanomamo, the largest isolated tribal nation in the Western Hemisphere, are rapidly disintegrating. These Indians are the nominal owners of vast stretches of jungle and precious mineral reserves. According to a senior official of Brazil's Bureau of Indian Affairs, in the last 4 years their lands have been dismembered. Epidemics, hunger and death have left their mark as economic interests encroach upon their land. It is estimated that in the last decade close to one-fourth of the 120,000 natives have been destroyed in the process of development. In the words of one territorial governor:

> An area this rich—with gold, diamonds and uranium—cannot afford the luxury of conserving half a dozen Indian tribes which are holding back the development of Brazil.

In short, these Indians have taken the first steps down the long road to misery.

Recently, charges of genocide have been raised. Several prominent anthropologists, particularly Robert Wasserstrom of Columbia University, claim that the events in the jungles of Brazil constitute genocide. We are not yet certain of these charges but we must voice our concern. Our first step ought to be to ratify the Genocide Convention. I have no illusions about this Convention. It offers no guarantees. Still, it expresses our commitment to the preservation of lives and must be ratified immediately.

SENATE RESOLUTION 405 CONCERNING COMPLIANCE OF THE SOVIET UNION WITH THE CONVENTION ON PROHIBITION OF BIOLOGICAL WEAPONS

Mr. PROXMIRE. Mr. President, on April 29 the Senate Foreign Relations Committee passed by a vote of 9 to 0 Senate Resolution 405, dealing with the need for a Soviet reply to an American request for information on an outbreak of anthrax in the Soviet Union in April 1979. In view of the bipartisan support shown this measure, it is my hope that it will soon be acted on by the full Senate. In the meantime, I ask unanimous consent that the names of the following additional cosponsors be added to those previously submitted:

The Senator from New York (Mr. Moynihan).

The Senator from Nebraska (Mr. Exon).

The Senator from New Hampshire (Mr. Humphrey).

The Senator from Delaware (Mr. Biden).

The Senator from Wisconsin (Mr. Nelson).

The Senator from North Dakota (Mr. Burdick).

The PRESIDING OFFICER. Without objection, it is so ordered.

FEDERAL TRADE COMMISSION CONTINUING RESOLUTION

● Mr. WARNER. Mr. President, the House has just passed and is sending to the Senate a resolution to permit the Federal Trade Commission to keep its doors open and its employees on the job while the Congress seeks agreement of the two Houses on FTC authorizing legislation.

It is essential, Mr. President, that the Senate act promptly on this emergency measure so that it can be signed by the President.

Regrettably, the FTC may experience a temporary shutdown as a consequence of two factors: The prolonged dispute between the House and the Senate over proposed legislation, and the Attorney General's last-minute ruling that it would be illegal for the FTC to continue its operations without a proper congressional mandate.

This shutdown may result in financial hardship to more than 1,600 FTC employees, who as of today are out of work unless we approve this emergency measure.

I, too, have been critical of some of the FTC's activities—but we must not take that sentiment out on men and women dedicated to Government service.

I, too, have sided with those who would put some restraints on the authority of the FTC to regulate—but that battle does not extend to the paychecks and, indeed, the very jobs of FTC employees.

The FTC's activities and regulatory authority are subjects of legitimate debate in this Chamber, but it is regrettable that this legislative process results in the hardship thrust upon Government employees who are not responsible for the delay.

Mr. President, the Federal Trade Commission conducts an important function for the American people under public law. I believe that, with the new guidance and constraints contained in the pending legislation, the FTC will serve in accordance with the legislative purposes clarified by the Congress.

It is my intention to seek whatever additional legislation as may be necessary to insure these Government employees do not sustain a financial loss.●

RECESS SUBJECT TO THE CALL OF THE CHAIR

Mr. BURDICK. Mr. President, I ask unanimous consent that the Senate stand in recess awaiting the call of the Chair.

There being no objection, at 4:51 p.m., the Senate recessed, subject to the call of the Chair.

The Senate reassembled at 5:21 p.m., when called to order by the Presiding Officer (Mr. Levin).

FEDERAL TRADE FUNDS TRANSFER

Mr. ROBERT C. BYRD. Mr. President, the agreement earlier today was with reference to the message from the House, I believe?

The PRESIDING OFFICER. The Senator is correct.

Mr. ROBERT C. BYRD. In the wording of that agreement, did I use the correct title, House Joint Resolution 541?

The PRESIDING OFFICER. The number of the resolution was not mentioned.

Mr. ROBERT C. BYRD. I thank the Chair.

Mr. President, in accordance with that order, and on behalf of Mr. Hollings, I ask that the Chair lay before the Senate a message from the House on House Joint Resolution 541.

The PRESIDING OFFICER. The resolution will be stated by title.

The legislative clerk read as follows:

> A joint resolution (H.J. Res. 541) making additional funds available by transfer for the fiscal year ending September 30, 1980, for the Federal Trade Commission.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the first and second readings be considered as having been dispensed with and that the Senate proceed with the immediate consideration of the resolution.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WEICKER. Mr. President, I am offering the following statement on behalf of the chairman of the subcommittee, the Senator from South Carolina (Mr. Hollings).

MAKING ADDITIONAL FUNDS AVAILABLE BY TRANSFER FOR THE FTC

Mr. President, House Joint Resolution 514 provides for the continuation of the activities of the Federal Trade Commission through May 31, 1980, at the level conducted in fiscal year 1979. In order to stay within the ceilings established by the second budget resolution, funds for the additional 31 days of operations are provided by a transfer of $7,600,000 already appropriated to the Department of State for contribution to international organizations. The joint resolution also maintains the three restrictions on the activities of the Commission included in the previous continuing resolution, specifying that while the Commission's activities are authorized by the continuing resolution, first, no section 18 (Magnuson-Moss) trade regulation rules will be promulgated in final form; second, no new activities be initiated by the Commission; and third, that no new section 18 trade regulation rules promulgated by the Commission after August 30, 1979, shall become effective while the Commission is covered by this resolution unless authorizing legislation is enacted during such period.

NEED FOR FURTHER FUNDING FOR THE FEDERAL TRADE COMMISSION

The last continuing resolution (Public Law 96-219) provided interim financing authority for the Federal Trade Commission until April 30, 1980. Regular funding for the FTC for fiscal year 1980 has not been provided due to the lack of legislative authorization for the Commission. The Federal Trade Commission has been without authorization for appropriations since fiscal year 1977. In fiscal years 1978 and 1979, FTC operated under authority conveyed in appropriation bills. For the current fiscal year, FTC has operated under authority carried in three previous continuing resolutions. The last continuing resolution approved March 28, 1980, provided operating authority for the FTC until April 30, 1980, in order to allow the authorizing committees further time to secure authorizing legislation.

On May 1, 1980, the conference report on the authorizing legislation (H.R. 2313) was filed in the Senate. I will not go into that but merely want to express the hope that the approval of the conference report will be expedited so that we can finally come to grips with FTC's 1980 appropriation during our consideration of the Supplemental Appropriations Act. The Committee on Appropriations expects to consider the supplemental about May 16 so it is critical that the authorizing legislation be expedited.

ATTORNEY GENERAL'S OPINION

Mr. President, I ask unanimous consent that the Attorney General opinion of April 25, 1980, be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. WEICKER. Mr. President, this opinion should drastically change our procedures for processing continuing resolutions in a more timely way. From now on, if a continuing resolution is not approved in time, the only authorized functions of an agency are those pertaining to terminating their activities. This is the current mode at the FTC.

The House of Representatives zealously guards the perquisite to initiate all appropriations bills, and the responsibility is now emphatically laid on them to initiate these bills early enough to complete processing before the expiration of the agency's funds. This is the third extension of the continuing resolution for 1980 for the Federal Trade Commission and the pattern for the last three has been:

H.J. resolution, period covered, and reported in House:
H.J. Res. 440, Nov. 16, 1979–Mar. 15, 1980, Nov. 9, 1979.
H.J. Res. 514, Mar. 16, 1980–Apr. 30, 1980, Mar. 25, 1980.
H.J. Res. 541, May 1, 1980–May 31, 1980, May 1, 1980.

Hopefully, we have seen the end of these resolutions not emerging in the House until after the funding has lapsed.

LEVEL AND METHOD OF FUNDING PROVIDED UNDER THE RESOLUTION

The resolution transfers $7,600,000 to the Federal Trade Commission from unobligated balances in the contribution to international organization appropriation of the Department of State, with the proviso that obligations of the Federal Trade Commission made under this authority shall not exceed $5,800,000. The latter amount is the amount necessary during the 31-day period of the resolution to continue the activities of the Federal Trade Commission at the same level of operations that were permitted under the last continuing resolution. The transfer from the Department of State comes out of the necessity to comply with the budget resolution. When the FTC appropriation is finalized, we will consider the restoration of the $7,600,000 to the Department.

The reason for transferring more budget authority than is permitted to be used, is to assure that the overall amount of outlays provided for in the existing budget resolution is not increased. The committee and the Congressional Budget Office agree that this joint resolution is within the current budget ceilings.

The committee believes that $5,800,000 is the appropriate amount necessary to maintain the current level of activities for the FTC until May 31, 1980. In recommending this amount, the committee has provided only for the expenses of the Commission that would occur during this 31-day period. None of these funds are to be used for payment of space costs, utilities costs, service or support contracts, or any other expense that would occur beyond May 31. While the committee recognizes that it is the practice of the General Services Administration and other agencies of the Government to bill in advance for their services on a quarterly basis, the amount recommended in the resolution is not intended to be used by the Commission to make any such payment in view of the lack of authorizing legislation.

RESTRICTIONS ON COMMISSION ACTIVITIES

As indicated earlier, the resolution also continues three restrictions on the activities of the Commission contained in the previous continuing resolution. First, it prohibits final promulgation of any trade regulation rules authorized by section 18 of the Federal Trade Commission Act, as amended. Second, it prohibits the initiation of any new activities by the Commisison. Third, it prohibits any new trade regulation rules promulgated under the authority of section 18 of the Federal Trade Commission Act, as amended, after August 31, 1979, from becoming effective during the period covered by this resolution for the FTC unless authorizing legislation is enacted during such period.

It is essential that officials responsible for administering the Commission's programs during the period covered by the resolution take only the limited action necessary for orderly continuing of projects and activities, preserving to the maximum extent possible the flexibility of Congress in arriving at final decisions.

Mr. President, as the ranking minority member of the subcommittee, I associate myself with the remarks of the distinguished Senator from South Carolina, and I now yield the floor.

EXHIBIT 1

OFFICE OF THE ATTORNEY GENERAL,
Washington, D.C., April 25, 1980.

THE PRESIDENT,
The White House,
Washington, D.C.

MY DEAR MR. PRESIDENT: You have requested my opinion whether an agency can lawfully permit its employees to continue work after the expiration of the agency's appropriation for the prior fiscal year and prior to any appropriation for the current fiscal year. The Comptroller General, in a March 3, 1980 opinion, concluded that, under the so-called Antideficiency Act, 31 U.S.C. § 665(a), any supervisory officer or employee, including the head of an agency, who directs or permits agency employees to work during any period for which Congress has not enacted an appropriation for the pay of those employees violates the Antideficiency Act. Notwithstanding that conclusion, the Comptroller General also took the position that Congress, in enacting the Antideficiency Act, did not intend federal agencies to be closed during periods of lapsed appropriations. In my view, these conclusions are inconsistent. It is my opinion that, during periods of "lapsed appropriations," no funds may be expended except as necessary to bring about the orderly termination of an agency's functions, and that the obligation or expenditure of funds for any purpose not otherwise authorized by law would be a violation of the Antideficiency Act.

Section 665(a) of Title 31 forbids any officer or employee of the United States to: involve the Government in any contract or other obligation, for the payment of money for any purpose, in advance of appropriations made for such purpose, unless such contract or obligation is authorized by law.

Because no statute permits federal agencies to incur obligations to pay employees without an appropriation for that purpose, the "authorized by law" exception to the otherwise blanket prohibition of § 665(a) would not apply to such obligations.[1] On its face, the plain and unambiguous language of the Antideficiency Act prohibits an agency from incurring pay obligations once its authority to expend appropriations lapses.

The legislative history of the Antideficiency Act is fully consistent with its language. Since Congress, in 1870, first enacted a statutory prohibition against agencies incurring

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Footnotes at end of article.

obligations in excess of appropriations, it has amended the Antideficiency Act seven times.[2] On each occasion, it has left the original prohibition untouched or reenacted the prohibition in substantially the same language. With each amendment, Congress has tried more effectively to prohibit deficiency spending by requiring, and then requiring more stringently that agencies apportion their spending throughout the fiscal year. Significantly, although Congress, from 1905 to 1950, permitted agency heads to waive their agencies' apportionments administratively, Congress never permitted an administrative waiver of the prohibition against incurring obligations in excess or advance of appropriations. Nothing in the debates concerning any of the amendments to or reenactments of the original prohibition has ever suggested an implicit exception to its terms.[3]

The apparent mandate of the Antideficiency Act notwithstanding, at least some federal agencies, on seven occasions during the last 30 years, have faced a period of lapsed appropriations. Three such lapses occurred in 1952, 1954, and 1956.[4] On two of these occasions, Congress subsequently enacted provisions ratifying interim obligations incurred during the lapse.[5] However, the legislative history of these provisions does not explain Congress' understanding of the effect of the Antideficiency Act on the agencies that lacked timely appropriations.[6] Neither are we aware that the Executive branch formally addressed the Antideficiency Act problem on any of these occasions.

The four more recent lapses include each of the last four fiscal years, from fiscal year 1977 to fiscal year 1980. Since Congress adopted a fiscal year calendar running from October 1 to September 30 of the following year, it has never enacted continuing appropriations for all agencies on or before October 1 of the new fiscal year.[7] Various agencies of the Executive branch and the General Accounting Office have internally considered the resulting problems within the context of their budgeting and accounting functions. Your request for my opinion, however, apparently represents the first instance in which this Department has been asked formally to address the problem as a matter of law.

I understand that, for the last several years, the Office of Management and Budget (OMB) and the General Accounting Office (GAO) have adopted essentially similar approaches to the administrative problems posed by the Antideficiency Act. During lapses in appropriations during this Administration, OMB has advised affected agencies that they may not incur any "controllable obligations" or make expenditures against appropriations for the following fiscal year until such appropriations are enacted by Congress. Agencies have thus been advised to avoid hiring, grantmaking, nonemergency travel, and other nonessential obligations.

When the General Accounting Office suffered a lapse in its own appropriations last October, the Director of General Services and Controller issued a memorandum, referred to in the Comptroller General's opinion,[8] indicating that GAO would need "to restrain our FY 1980 obligations to only those essential to maintain day-to-day operations." Employees could continue to work, however, because of the Director's determination that it was not "the intent of Congress that GAO close down."

In my view, these approaches are legally insupportable. My judgment is based chiefly on three considerations.

First, as a matter of logic, any "rule of thumb" excepting employee pay obligations from the Antideficiency Act would have to rest on a conclusion, like that of the Comptroller General, that such obligations are unlawful, but also authorized. I believe, however, that legal authority for continued operations either exists or it does not. If an agency may infer, as a matter of law, that Congress has authorized it to operate in the absence of appropriations, then in permitting the agency to operate, the agency's supervisory personnel cannot be deemed to violate the Antideficiency Act. Conversely, if the Antideficiency Act makes it unlawful for federal agencies to permit their employees to work during periods of lapsed appropriations, then no legislative authority to keep agencies open in such cases can be inferred, at least from the Antideficiency Act.

Second, as I have already stated, there is nothing in the language of the Antideficiency Act or in its long history from which any exception to its terms during a period of lapsed appropriations may be inferred. Faithful execution of the laws cannot rest on mere speculation that Congress does not want the Executive branch to carry out Congress' unambiguous mandates.

It has been suggested, in this regard, that legislative intent may be inferred from Congress' practice in each of the last four years of eventually ratifying obligations incurred during periods of lapsed appropriations if otherwise consistent with the eventual appropriations.[9] Putting aside the obvious difficulty of inferring legal authority from expectations as to Congress' future acts, it appears to me that Congress' practice suggests an understanding of the Antideficiency Act consistent with the interpretation I have outlined. If legal authority exists for an agency to incur obligations during periods of lapsed appropriations, Congress would not need to confirm or ratify such obligations. Ratification is not necessary to protect private parties who deal with the Government. So long as Congress has waived sovereign immunity with respect to damage claims in contract, 28 U.S.C. §§ 1346, 1491, the apparent authority alone of government officers to incur agency obligations would likely be sufficient to create obligations that private parties could enforce in court. The effect of the ratifying provisions seems thus to be limited to providing legal authority where there was none before, implying Congress' understanding that agencies are not otherwise empowered to incur obligations in advance of appropriations.

Third, and of equal importance, any implied exception to the plain mandate of the Antideficiency Act would have to rest on a rationale that would undermine the statute. The manifest purpose of the Antideficiency Act is to insure that Congress will determine for what purposes the Government's money is to be spent and how much for each purpose. This goal is so elementary to a proper distribution of governmental powers that when the original statutory prohibition against obligations in excess of appropriations was introduced in 1870, the only responsive comment on the floor of the House was, "I believe that is the law of the land now." Cong. Globe, 41st Cong., 2d Sess. 1553 (1870) [remarks of Rep. Dawes].

Having interpreted the Antideficiency Act, I would like to outline briefly the legal ramifications of my interpretation. It follows first of all that, on a lapse in appropriations, federal agencies may incur no obligations that cannot lawfully be funded from prior appropriations unless such obligations are otherwise authorized by law. There are no exceptions to this rule under current law, even where obligations incurred earlier would avoid greater costs to the agencies should appropriations later be enacted.[10]

Second, the Department of Justice will take actions to enforce the criminal provisions of the Act in appropriate cases in the future when violations of the Antideficiency Act are alleged. This does not mean that departments and agencies, upon a lapse in appropriations, will be unable logistically to terminate functions in an orderly way. Because it would be impossible in fact for agency heads to terminate all agency functions without incurring any obligations whatsoever in advance of appropriations, and because statutes that impose duties on government officers implicitly authorize those steps necessary and proper for the performance of those duties, authority may be inferred from the Antideficiency Act itself for federal officers to incur those minimal obligations necessary to closing their agencies. Such limited obligations would fall within the "authorized by law" exception to the terms of § 665(a).

This Department will not undertake investigations and prosecutions of officials who, in the past, may have kept their agencies open in advance of appropriations. Because of the uncertainty among budget and accounting officers as to the proper interpretation of the Act and Congress' subsequent ratifications of past obligations incurred during periods of lapsed appropriations, criminal sanctions would be inappropriate for those actions.

Very respectfully,

BENJAMIN R. CIVILETTI,
Attorney General.

FOOTNOTES

[1] An example of a statute that would permit the incurring of obligations in excess of appropriations is 41 U.S.C. § 11, permitting such contracts for "clothing, subsistence, forage, fuel, quarters, transportation, or medical and hospital supplies" for the Armed Forces. *See* 15 Op. A.G. 209 (1877). *See also* 25 U.S.C. § 99 and 31 U.S.C. § 668.

[2] Act of March 3, 1905, Ch. 1484, § 4, 33 Stat. 1257; Act of Feb. 27, 1906, Ch. 510, § 3, 34 Stat. 48; Act of Sept. 6, 1950, Ch. 896, § 1211, 64 Stat. 765; Pub. L. 85–170, § 1401, 71 Stat. 440 (1975); Pub. L. 93–198, § 421, 87 Stat. 789 (1973); Pub. L. 93–344, § 1002, 88 Stat. 332 (1974); Pub. L. 93–618, § 175(a)(2), 88 Stat. 2011 (1975).

[3] The prohibition against incurring obligations in excess of appropriations was enacted in 1870, amended slightly in 1905 and 1906, and reenacted in its modern version in 1950. The relevant legislative debates occur at Cong. Globe, 41st Cong., 2d Sess. 1553, 3331 (1870); 39 Cong. Rec. 3687–692, 3780–78 (1909); 40 Cong. Rec. 1272–298, 1623–624 (1906); 96 Cong Rec. 6725–731, 6835–837, 11369–370 (1950).

[4] In 1954 and 1956, Congress enacted temporary appropriations measures later than July 1, the start of fiscal years 1955 and 1957. Act of July 6, 1954, ch. 460, 68 Stat. 448; Act of July 3, 1956, ch. 516, 70 Stat. 496. In 1952, Congress enacted, two weeks late, supplemental appropriations for fiscal year 1953 without having previously enacted a temporary appropriations measure. Act of July 15, 1952, ch. 758, 66 Stat. 637.

[5] Act of July 15, 1952, ch. 758, § 1414, 66 Stat. 661; Act of Aug. 26, 1954, ch. 935, § 1313, 68 Stat. 831.

[6] In 1952, no temporary appropriations were enacted for fiscal year 1953. The supplemental appropriations measure enacted on July 15, 1952 did, however, include a provision ratifying obligations incurred on or since July 1, 1952. Act of July 15, 1952, ch. 758, § 1414, 66 Stat. 661. The ratification was included, without elaboration, in the House Committee-reported bill, H. Rep. No. 2316, 82d Cong., 2d Sess. 69 (1952), and was not debated on the floor.

In 1954, a temporary appropriations measure for fiscal year 1955 was presented to the President on July 2 and signed on July 6. Act of July 6, 1954, ch. 460, 68 Stat. 448. The Senate Committee on Appropriations subsequently introduced a floor amendment to the eventual supplemental appropriations measure that ratified obligations incurred on or after July 1, 1954, and was accepted without debate. Act of Aug. 26, 1954, ch. 935, § 1313, 68 Stat. 831. 100 Cong. Rec. 13065 (1954).

In 1956, Congress' temporary appropriations measure was passed on July 2 and approved on July 3. Act of July 3, 1956, ch. 516, 70 Stat. 496. No ratification measure for post-July 1 obligations was enacted.

[7] Pub. L. 94–473, 90 Stat. 2065 (Oct. 11, 1976); Pub L. 95–130, 91 Stat. 1153 (Oct. 13, 1977); Pub. L. 95–482, 92 Stat. 1603 (Oct. 18, 1978); Pub. L. 96–86, 93 Stat. 656 (Oct. 12, 1979).

[8] The entire memorandum appears at 125 Cong. Rec. S13784 (daily ed. Oct. 1, 1979) [remarks of Sen. Magnuson].

[9] Pub. L. 94–473, § 108, 90 Stat. 2066 (1976); Pub. L. 95–130, § 108, 91 Stat. 1154 (1977); Pub. L. 95–482, § 108, 92 Stat. 1605 (1978); Pub. L. 96–86, § 117, 93 Stat. 662 (1979).

[10] *See* 21 Op. A.G. 288 (1896).

Mr. HOLLINGS. I thank the distinguished Senator from Connecticut.

Mr. President, this is a matter of very pressing importance. We are sorry it did not get here sooner.

I ask the distinguished Senator from Connecticut whether any other Senators on his side wish to speak.

Mr. WEICKER. I will check.

Mr. HOLLINGS. Mr. President, I suggest the absence of a quorum, so that we can accommodate other Senators and move on.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HOLLINGS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HOLLINGS. Mr. President, we have checked this through on both sides. We yield back our time on this side.

Mr. WEICKER. I yield back the remainder of my time.

The PRESIDING OFFICER. All time having been yielded back, the question is on the third reading of the joint resolution.

The joint resolution was ordered to be read a third time and was read the third time.

The PRESIDING OFFICER. The joint resolution having been read the third time, the question is, Shall it pass? On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Delaware (Mr. BIDEN), the Senator from New Jersey (Mr. BRADLEY), the Senator from New Hampshire (Mr. DURKIN), the Senator from Alaska (Mr. GRAVEL), the Senator from North Carolina (Mr. MORGAN), the Senator from West Virginia (Mr. RANDOLPH), the Senator from Indiana (Mr. BAYH), the Senator from Texas (Mr. BENTSEN), the Senator from Iowa (Mr. CULVER), the Senator from Massachusetts (Mr. KENNEDY), the Senator from Louisiana (Mr. LONG), and the Senator from New York (Mr. MOYNIHAN) are necessarily absent.

I also announce that the Senator from Georgia (Mr. TALMADGE) is absent because of illness.

I further announce that, if present and voting, the Senator from West Virginia (Mr. RANDOLPH) and the Senator from New York (Mr. MOYNIHAN) would each vote "yea."

Mr. STEVENS. I announce that the Senator from Tennessee (Mr. BAKER), the Senator from Oklahoma (Mr. BELLMON), the Senator from Arizona (Mr. GOLDWATER), the Senator from Iowa (Mr. JEPSEN), the Senator from South Dakota (Mr. PRESSLER), and the Senator from Texas (Mr. TOWER) are necessarily absent.

Mr. WEICKER. Regular order.

The PRESIDING OFFICER (Mr. LEAHY). Does any Senator who has not voted desire to vote?

The result was announced—yeas 71, nays 10, as follows:

[Rollcall Vote No. 91 Leg.]

YEAS—71

Baucus
Boren
Boschwitz
Bumpers
Burdick
Byrd,
  Harry F., Jr.
Byrd, Robert C.
Cannon
Chafee
Chiles
Church
Cochran
Cohen
Cranston
Danforth
DeConcini
Dole
Domenici
Durenberger
Eagleton
Exon
Ford
Glenn
Hart
Hatfield
Heflin
Heinz
Hollings
Huddleston
Inouye
Jackson
Javits
Johnston
Kassebaum
Leahy
Levin
Lugar
Magnuson
Mathias
Matsunaga
McGovern
Melcher
Metzenbaum
Muskie
Nelson
Packwood
Pell
Percy
Proxmire
Pryor
Ribicoff
Riegle
Roth
Sarbanes
Sasser
Schmitt
Schweiker
Simpson
Stafford
Stennis
Stevens
Stevenson
Stewart
Stone
Tsongas
Wallop
Warner
Weicker
Williams
Young
Zorinsky

NAYS—10

Armstrong
Garn
Hatch
Hayakawa
Helms
Humphrey
Laxalt
McClure
Nunn
Thurmond

NOT VOTING—19

Baker
Bayh
Bellmon
Bentsen
Biden
Bradley
Culver
Durkin
Goldwater
Gravel
Jepsen
Kennedy
Long
Morgan
Moynihan
Pressler
Randolph
Talmadge
Tower

So the joint resolution (H.J. Res. 541) was passed.

Mr. HOLLINGS. Mr. President, I move to reconsider the vote by which the joint resolution was passed.

Mr. WEICKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HOLLINGS. I thank the distinguished majority leader and my colleague from Connecticut.

Mr. ROBERT C. BYRD. Mr. President, House Joint Resolution 541 provides for a transfer of $7.6 million in unobligated funds from the Department of State, international organizations and conferences, contributions to international organizations account to the Federal Trade Commission. These funds will serve to keep the FTC in operation until May 31, 1980.

This is the second time we are considering a measure of this nature. The first, House Joint Resolution 514 (Public Law 96–219), provided additional funds by transfer for the FTC until April 30. That was yesterday. As of midnight last evening, the FTC had no choice but to cease its operations, due to a lack of funds.

This temporary, transfer method of providing funds for the FTC is being used for two reasons. It is temporary because the FTC is without authorizing legislation. It has been without authorizing legislation for 3 years. The temporary nature of the resolution was intended to give the conferees on the conference committee considering the FTC authorization time to reach agreement. I was pleased to learn that the conferees yesterday agreed to a conference report. They are to be commended for their diligence and hard work on reaching a compromise.

I thank Mr. HOLLINGS and Mr. WEICKER, and I thank the acting Republican leader, Mr. STEVENS, and all who have worked to make it possible for the resolution to be adopted today.

I thank Mr. HOLLINGS, chairman of the Appropriations Subcommittee on State, Justice, Commerce and the Judiciary, and Mr. WEICKER, the ranking member of that subcommittee, for coming to the floor on very short notice to explain this measure and to manage it. It is an emergency measure which has been a controversial issue. They are to be commended—again, the second time—for their efforts.

Mr. STEVENS. Mr. President, I would like to join in thanking Senators HOLLINGS and WEICKER for the handling of the FTC resolution. Particularly let me express my appreciation for the minority leader and myself of the understanding of Senators THURMOND, HELMS, MCCLURE, and HUMPHREY, who were concerned regarding the handling of that resolution. The agreement was made concerning H.R. 10 at the same time. We are grateful, too, to Senator SCHMITT. We all know his continuing interest in the FTC. He also was instrumental in helping us get the agreement that led to the early consideration of that resolution today.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. THURMOND. Mr. President, I ask unanimous consent that the order for the quorum call be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Will the Senator yield to me?

Mr. THURMOND. Yes, I yield to the distinguished majority leader.

Mr. ROBERT C. BYRD. I thank the distinguished Senator.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there be a period for the transaction of routine morning business not to exceed 30 minutes and that Senators may speak therein.

The PRESIDING OFFICER. Without objection, it is so ordered.

WORLD POPULATION GROWTH AND NATIONAL SECURITY

Mr. THURMOND. Mr. President, Gen. Maxwell D. Taylor, U.S. Army, retired, has written to me recently regarding his perspective on world population growth in strategically located Third World countries. These countries all have internal problems due primarily to population growth. General Taylor states:

> In such an environment we may expect terrorist violence and frequent armed conflicts to arise within and between nations in their struggle for the scarce necessities of life. A densely populated country is always a potential enemy to a neighbor with markedly fewer people. The latter may expect spontaneous overflows of unwanted migrants across its borders, such as we are experiencing from Mexico, or a military invasion, such as Pakistan fears from India, Israel from its teeming Arab neighbors, and South Africa from hostile black majorities on its borders. It is ominous to note that these three threatened nations are all suspected of having or seeking to acquire nuclear weapons to offset the numerical advantages of dangerous neighbors.

Such conditions provide the troubled waters in which Soviet fishermen can ply their subversive skills at will.

Mr. President, I ask unanimous consent that General Taylor's complete letter be placed in the Record.

There being no objection, the letter was ordered to be printed in the Record, as follows:

April 14, 1980.

Hon. Strom Thurmond,
Russell Senate Office Building,
U.S. Senate, Washington, D.C.

Dear Senator Thurmond: As one who has spent his adult life in matters dealing with national security, I am writing to express my concern over a general lack of appreciation of a major threat to our national security—the consequences of the worldwide population explosion. Up to now, population growth has been usually regarded as a problem of a relatively low priority to be dealt with by a modest annual A.I.D. appropriation. Its relationship to national security has gone unnoticed.

This relationship can be simply stated. Our national security interest in maintaining a global balance of power and global restraints on Soviet aggression depends on the continued viability, and economic, social, and governmental stability of a number of strategically located developing nations. Our national strength also depends on a strong economy which, in turn, depends on assured access to certain essential sources of raw materials—primarily oil and scarce minerals—located in Third World countries. Such access requires the maintenance of comparative peace and stability within these nations and their regional environment.

But such conditions cannot presently be assured. These countries are all suffering from degenerative and disruptive forces resulting from demographic growth rates which will double their population in the next 20 to 25 years. They include countries of vital interest to us such as Iran, Saudi Arabia, Egypt, Turkey, Nigeria, Mexico, Brazil, Venezuela, the Philippines and Indonesia. Most of them have raw materials that our economy badly needs. A few, such as Turkey, Egypt, Pakistan, and Iran, also have political and military value as U.S. allies or as buffers affording protection to Middle East oil fields. All have internal problems of varying urgency arising wholly or in part from population growth which, if unresolved, will render doubtful their long-term reliability as stable allies or trading partners.

To add to their difficulties, the regional environment of such countries will become more and more characterized by turmoil and conflict. Most of their neighbors are have-not countries suffering from shortages of land, food, capital, energy and jobs, and hence unable to meet the essential needs of their people. As a bloc, the have-nots are resentful and envious of the affluent capitalist states, of which the U.S. is the archetype. They are united in demanding a redistribution of wealth and the establishment of a new world economic order that will correct past inequities. Their movement has the strong support of the Soviet Union which aspires to leadership of this alignment of the South against the North.

In such an environment we may expect terrorist violence and frequent armed conflicts to arise within and between nations in their struggle for the scarce necessities of life. A densely populated country is always a potential enemy to a neighbor with markedly fewer people. The latter may expect spontaneous overflows of unwanted migrants across its borders, such as we are experiencing from Mexico, or a military invasion such as Pakistan fears from India, Israel from its teeming Arab neighbors, and South Africa from hostile black majorities on its borders. It is ominous to note that these three threatened nations are all suspected of having or seeking to acquire nuclear weapons to offset the numerical advantages of dangerous neighbors.

Under such conditions as the foregoing, excessive population growth is clearly a malevolent force, not merely because of its adverse effect upon conditions within essential markets and the strife created in the Third World community. In doing these things, population growth acts as a priceless ally to the Soviet Union in the pursuit of its perennial goal of world revolution and eventual hegemony over the global political-economic system that ensues. Such conditions provide the troubled waters in which Soviet fishermen can ply their subversive skills at will, as they have demonstrated of late in such places as Iran, Ethiopia, Nicaragua and Grenada. To the extent that our government can neutralize the effects of excessive population growth in regions of special interest to us, it provides protection to our vulnerable economy and forestalls further Soviet gains in the Third World.

For the foregoing reasons, I would urge you and your colleagues in making legislative and budgetary decisions in this difficult year to give due weight to the national security aspect of those projects which contribute to curbing this clear threat to our long-term national interests.

Sincerely yours,

Maxwell D. Taylor,
General, U.S. Army, Ret.

MILITARY PAY INADEQUACY

Mr. THURMOND. Mr. President, I continue to receive a great deal of mail relating to the inadequacy of military pay and its resultant effect on the ability to retain qualified middle grade personnel. One of my constituents has recently written to President Carter about this serious situation. Mr. President, I ask unanimous consent that this letter, along with the news articles "Armed Forces Losing Top People," of the Wall Street Journal, dated March 31, 1980; "The Retention Problem," also from the Wall Street Journal, dated March 31, 1980, and "The Crippling Squeeze on Pay in the Services," from the U.S. News & World Report, dated March 31, 1980, be placed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

Shaw Air Force Base, S.C.,
March 28, 1980.

President Jimmy Carter,
Pennsylvania Avenue,
Washington, D.C.

Dear Mr. President: This letter is in reference to your recent statement to the Department of Defense as recorded in the March Air Force Times. Many Air Force personnel have been confused by your statement for higher ranking officials to stop complaining about money. There are several facts that should be known from the middle managers of the enlisted force. In the past few years every Air Force installation has had numerous programs to cut spending and save tax dollars. Some examples are: The cut back in flying time to conserve fuel, the replacement and renovation of equipment that formerly would have been discarded, and the building with temperature restrictions in efforts to save energy.

My views and the opinion of many others concerned with the lack of funds throughout the military are as follows: 1. Money should be channeled to the Variable Reinlistment Program and to an incentive pay program for middle managers. There is a definite need to keep the military attractive to all members to ensure a quality force.

Due to the lack of funds there continues to be a serious erosion of high level experience and manpower shortage. The objective of the military is to protect the United States of America and its people, and a military force that lacks the experience and manpower can not sustain the objective.

The effect of your statement has caused dissension among quality NCO's with over ten years experience, because of continuous deterioration of benefits by idealistic leaders throughout the country. I have urged my peers and co-workers to vote and carefully elect a man this year who will support a military program of quality benefits and better pay scales for the Armed Forces. The military needs an increase in funds, not a decrease.

As an added statement, my $8,000 per year job as an aircraft crewchief (with over 10 years in service) doesn't come close to that of a Captain of equal years. This does however give me the benefit of working weekends, overtime without pay, family separation, remote tours and the constant reminder of being a 2nd class citizen. Copies of this letter are being forwarded to the news media, the Honorable Strom Thurmond, the Secretary of Defense, and the Commander of the Tactical Air Command.

Unless assertive action is taken to retract your statement, I am afraid you have lost the majority of the military vote.

Sincerely,

Earl S. Dean,
SSgt., USAF.

[From the Wall Street Journal, Mar. 31, 1980]

Armed Forces Losing Top People

Washington, D.C.—For the last several weeks, the nation's senior military officers have been marching up to Capitol Hill to sound an alarm: The armed services are rapidly losing their best and most experienced personnel.

The generals and admirals have been warning that the exodus of senior non-commissioned officers and middle-grade officers and of pilots and physicians has done more to weaken the military readiness of the United States than shortages of guns or gasoline.

The military chiefs of staff have pointed at inadequate pay and benefits as the main reasons for the drain. Other officers agree but add privately that the absence of vigorous leadership from the commander-in-chief, President Carter, down to the battalion, ship, and squadron commanders is equally to blame.

WHO'S LEAVING

The men and women who are leaving are not the corporals and the colonels but the first class petty officers who drive the ships and man the sonar, the crew chief sergeants who keep the planes flying and the senior specialists who operate the Army's computers and fix the radios.

In a day of sophisticated weapons and equipment, the armed forces rely on such trained, skilled and experienced career people with from six to 15 years of service.

"Without those people," said a naval officer, "we do less, we do it less safely and we don't maintain things. It could be fatal."

The litany has been relentless as the military leaders testified on the 1981 budget. From Gen. David C. Jones, chairman of the Joint Chiefs of Staff: "Increasing numbers of these people are interpreting lagging compensation as a message from their country that they are not worth the cost."

HEMORRHAGE OF TALENT

From Adm. Thomas B. Hayward, chief of naval operations, whose service has been the hardest hit: "The hemorrhage of talent" is approaching the point "where we may have no realistic alternative but to consider standing down some ships and aviation units."

From Gen. Lew Allen Jr., Air Force chief of staff: "Our manpower situation has never been more critical than it is today." From Gen. Edward C. Meyer, Army chief of staff: "The most urgent challenge facing the Army today is that of adequately manning the total Army."

From Gen. Robert H. Barrow, Marine Corps commandant: "Critical shortages have resulted in several fields where experience is an absolute requirement and the training investment is high."

President Carter, weary of the drumfire of warnings, sent a memo to Secretary of Defense Harold Brown telling him to have the service chiefs tone down the complaints, especially about pay.

PAY NOT MAJOR FACTOR

"When I was in the Navy," Carter was reported to have said, "pay was not the major factor" in decisions whether to stay in the service. The President, a graduate of the Naval Academy, left after seven years' service to take over his family's farming business.

Just before Carter wrote his memo, Adm. Hayward and General Barrow sent directives to personnel in their services who are thought to be eligible for food stamps. About 100,000 in all services are believed to be eligible.

That seemed to underscore a dilemma. The President and Congress have given top priority to balancing the federal budget to fight inflation, holding the line on military spending. The administration has opposed a stopgap measure passed by the Senate and awaiting House action to raise re-enlistment bonuses and specialty pay. At the same time, it is clear that experienced people will leave the service unless they are better compensated.

Moreover, military officers are quick to say that draft registration, which Carter has proposed, or even a resumption of the draft itself, would do nothing to solve the problem of retaining experienced people. To the contrary, according to Secretary of the Navy Edward Hidalgo, "When an 8-to-12-year enlisted person or officer leaves the service, we cannot buy a replacement. We must wait another 8 to 12 years to regain the lost training, experience, and leadership."

[From the Wall Street Journal, Mar. 19, 1980]

THE RETENTION PROBLEM

In President Carter's promised budget revisions, if we read the tea leaves correctly, the Defense Department's contribution to budget "austerity" will be a squeeze in personnel and operations and maintenance costs. If this does turn out to be the case, it will foreclose the one thing we could do in the short run to increase military preparedness.

Right now and probably over the next few years, the most pressing problem of the armed services is that they are bleeding dry of experienced personnel. The most skilled servicemen—who operate and maintain sophisticated submarines, electronic equipment, planes, computers and the like—are leaving the military in record numbers.

None of the services is currently retaining more than six out of 10 of its personnel after their second term of service; the retention rate for the Navy and the Marine Corps is as low as 45%. The declining reenlistment rates among non-commissioned officers have resulted in a shortfall of about 74,000 men affecting every branch of the service, particularly the Army.

The cost of this attrition is enormous for it may take 10 years and as much as $150,000 to train a replacement for, say, an aviation mechanic. Moreover, the cost is just monetary; it is sickening to know that dedicated servicemen have lost their lives in accidents because of faulty maintenance by inexperienced personnel.

Former Defense Secretary Melvin R. Laird addresses this issue in an American Enterprise Institute monograph entitled "People, Not Hardware: The Highest Defense Priority." As one of his last official acts, Mr. Laird ended the draft in 1973 and the All-Volunteer Force was born. As to why the volunteer concept is not working, both in terms of attracting adequate numbers of raw recruits and retaining them, Mr. Laird concludes that the government has not been willing to pay them enough. Pay for military jobs has been held down by linkage to more popular civilian civil service jobs, and by anti-inflationary pay caps. Will Mr. Carter's new budget repeat these mistakes?

Over the past seven years, the purchasing power for all military personnel declined an average of more than 14%, with some grades slipping almost 25% behind the rate of inflation. The average compensation for an enlisted man is currently $9,900 a year, which is below the government-defined "lower" standard of living level for a family of four. At least 100,000 and possibly as many as 275,000 military families may be eligible for public welfare assistance such as food stamps.

As a concrete example, a plane handler on the carrier Nimitz—recently rushed to the Indian Ocean—works about 100 hours a week on $25 million F-14 aircraft. Yet he makes less per hour than a cashier at McDonald's, lives below the poverty line, is eligible for food stamps and probably has not seen his family for six months.

Of course, military pay has never equaled the levels of private industry. But perks, such as the cheap prices at the PX, housing allowances and free health care, were an important supplement to cash income for military personnel. In recent years, however, these perks have become miserly. Housing allowances are no longer adequate; servicemen often have to seek private medical attention because of a 10% shortage of doctors in the military; food prices have risen sharply; dental care is no longer provided to dependents, and reenlistment bonuses have been eroded by inflation.

Senator Armstrong, aware of the problem of military pay, introduced a motion to give a 3% across-the-board raise to military personnel costing $4.9 billion over the next five years. However, such a move would not target the money where it is most needed—among the skilled ranks. The Senate instead decided wisely to pass a measure—sponsored by Senators Warner and Nunn—that attempts to rectify the pay and allowance anomalies by targeting $3.2 billion over the next five years into key areas such as reenlistment bonuses, housing subsidies, flight pay and sea pay. The measure is now under consideration in the House.

Even under its old budget proposals the Carter administration opposed the Warner-Nunn measure, though it does recognize the retention problem. And last week President Carter unleashed budget-balancing rhetoric in rejecting a bonus pay bill for military medical personnel, even though the forces are already far too short of doctors. This scarcely bodes well for his new budget proposals when they are finally revealed.

Even if we reinstituted a full peacetime draft, we would still face the retention problem for experienced personnel. If we are to maintain a serious fighting force, the immediate problem is to retain the skilled servicemen we already have, and the only way that can be done is to pay them their due.

[From U.S. News & World Report, Mar. 31, 1980]

THE CRIPPLING SQUEEZE ON PAY IN THE SERVICES

The letter that the Navy recently received from a sailor's wife was full of anguish in describing the couple's transfer from Great Lakes, Ill., to San Diego.

On the trip across the country with their 2-month-old son, they limited themselves to one meal a day, stayed at the cheapest motels and still spent hundreds of dollars more than they received from the Defense Department in travel allowance.

"Because of this move and all the expense out of pocket," the distressed wife wrote, "we are now so far under, I don't see how we can get out. We went from a happy little family to nervous fighting people wondering how to make it financially."

Talent drain. The letter dramatizes what Pentagon officials rate as the most serious problem facing the Nation's armed forces—a pay squeeze that is discouraging voluntary enlistment, driving tens of thousands of experienced officers and noncoms out of the services and undermining the morale of many who remain.

In the words of Adm. Thomas B. Hayward, chief of naval operations: "The talent drain occasioned by inadequate compensation is clearly the single most serious concern I have about the present state of the Navy."

He warns that the Navy soon may be forced to tie up ships and ground aircraft for lack of trained personnel.

The readiness of the Air Force, Army and Marine Corps is similarly impaired as the armed forces lose out increasingly to the civilian job market. In all four of the services, voluntary enlistments for the first time have fallen short of targets, while the career re-enlistment rate has nose-dived over the past few years.

These trends are forcing a re-examination of popular assumptions about military compensation. There has long been a widely accepted notion that even if military pay fell behind civilian wages, the perks of service in the armed forces would more than make up for the difference. Pentagon officials say that is no longer true.

As military pay has declined relative to civilian wages, there has also been an erosion of many of the perks, such as housing allowances, free medical benefits and cut-rate groceries.

A recent Pentagon study shows that, as a result of the combined impact of inflation and pay ceilings, the real buying power of the salaries received by men and women in the armed services has fallen by 11 percent since 1972, the year of the last big catch-up raise.

In addition, Pentagon officials say, the compensation that many military people get for special duties also has failed to keep up with inflation. For example, flight pay in dollars, which was once pegged at 45 percent of base pay, has not been changed since 1964. Result: It is now equivalent to only 12 percent of an aviator's base pay.

Compensation for overseas duty has not changed since 1949, and the family separation allowance remains at the $30-a-month level established in 1963.

Billions in burdens. The moving allowance for service families transferred from one post to another has been frozen at 10 cents a mile since 1955. The conclusion of the Pentagon study: Military people, under frequent orders to move, are being forced to pay a billion dollars a year out of their own pockets to finance transfers to new posts.

Housing allowances have similarly fallen behind the actual rise in costs. Service families are supposed to be provided with accommodations or with help in buying or renting homes.

PRESIDENT CARTER'S PLEDGE TO INCREASE DEFENSE SPENDING

Mr. THURMOND. Mr. President, this administration has been promising to increase defense spending. As part of the President's anti-inflation program, this pledge seems to have been forgotten. The DOD budget cuts over the past years have placed us in such a weakened position that a sustained reversal is mandatory if we are to enjoy a safe, secure future. Mr. President, an editorial in the April 16, 1980 issue of the Wall Street Journal very cogently reviews this situation. I ask unanimous consent that this editorial be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Wall Street Journal, Apr. 16, 1980]

THE 3 PERCENT FRAUD

"There are some, too, who see European doubts about the steadines of American leadership as a motive for indecision. One cannot, to be both candid and realistic, dismiss these factors. From my perhaps subjective viewpoint, however, I question the validity of such doubts in the light of a leadership which successfully steered the alliance to such major accomplishments as agreement on the long-term defense program, the decision to increase real defense spending by 3 percent and the approval for a major theater nuclear force initiative involving both arms control and modernized deployments. Weak or uncertain leadership simply could not have produced multilateral success in these difficult and controversial fields of action."—National Security Adviser Zbigniew Brzezinski, April 10 speech to the American Society of Newspaper Editors.

("Last week FY 1980 outlays were lowered by $82 million as a compromise position to account for 3.0 percent real growth from FY 1980 to FY 1981. Now we are told by OMB staff that John White feels, notwithstanding the agreement to split the difference in dollars, we must show 3.1 percent real growth. To accomplish this requires a further lowering of FY 1980 outlays of $83 million beyond what OMB agreed to when we split the dollar difference with them. . . . Alternatively we would have to claim composite inflation of only 8.91 percent rather than 9.05 percent in order to arrive at 3.1 percent real growth if we were not to change the current FY 1980 dollar estimate."—Pentagon Deputy Comptroller John R. Quetsch, April 8 memorandum for the Secretary of Defense.)

President Carter has promised never to tell us a lie. So we can rest assured that the figures will somehow show that he has met his pledge to increase defense spending by 3 percent in real terms. But, to judge by the information currently circulating within the Pentagon, this does not mean more spending for defense next year. It means less spending for defense this year.

The remarkably candid memo from the Pentagon controller's office quoted above shows the hypocrisy of the administration's vaunted 3 percent figure, which is supposed to be its response to the growing recognition of the Soviet arms build-up. Clearly the pledge to boost defense is nothing Mr. Carter's budget office takes very seriously; whether the 3 percent pledge is met by a stronger defense posture or a weaker one is at best a matter of indifference.

What is important is the political cosmetics. The 3 percent pledge must be met so that stump speakers like Dr. Brzezinski can brag that the administration has done something about the Soviet threat and the invasion of Afghanistan. The purpose is not to strengthen defense, but to generate chaff to obscure the administration's failures in national security policy.

Even without leaked memos, the phoniness of the 3 percent figure has long been apparent to anyone paying attention. It is, first of all, a "real dollar" figure based on only a 9% inflation rate. This has been justified on the ground that much of the Pentagon budget is for salaries held down by the administration's pay cap—as if inflation does not affect labor costs. Predictably, the most serious recent deterioration in our defense posture has been the hemorrhage of skilled personnel out of the military. The artificially low inflation adjustment has obscured the administration's ongoing unwillingness to finance real improvement in the American defense posture.

The non-mathematical, for that matter, can note the administration's vacillation on the budget issue. The 3% figure was decided with the NATO allies; then it was boosted to about 4.5% in negotiations with Senators demanding more defense as a price for support of the strategic arms treaty. This figure was incorporated in what the Secretary of Defense described as a "pre-Afghanistan budget." Pledges were made to request supplemental appropriations to protect the real dollar increases from increases in inflation. But within a few weeks inflation started to rage even more intensely. As part of the anti-inflation program, the 4.5 percent seems to be forgotten, as well as Afghanistan, and perhaps the supplementals for inflation protection.

None of this is lost on our allies, or for that matter on Olympic athletes. Mr. Carter finally was able to win the Olympic battle with threats of legal action, and perhaps he will be able to pressure our allies into more cooperation. But he would not face the recalcitrance he has found on both fronts if he had managed to convey that his administration took its new hard line in foreign policy truly seriously. The key to this is defense preparedness.

So Dr. Brzezinski is sent out to set the allies up as the scapegoats for the administration's failures: We have done what we could, we have increased defense spending by 3 percent, we would have a string of foreign-policy victories if only our cowardly allies would give us some support. Meanwhile, the already inadequate 3 percent growth target slips away, the U.S. falls further behind the Soviet Union militarily, the Shah of Iran stands as living testimonial to the advantages of American friendship, the allies run for cover, and Mr. Carter runs for re-election.

CUBAN DISSIDENTS IN THE PERUVIAN EMBASSY IN HAVANA

Mr. THURMOND. Mr. President, the "Havana Ten Thousand" are indeed rendering a verdict on the Castro regime. Their determination does warrant a generous American response. Fidel Castro himself said "No one is able to estimate the force and decision that just ideas can generate in the human spirit." How true that is for the "Havana Ten Thousand."

Mr. President, I ask unanimous consent that an editorial entitled "The Havana Ten Thousand" which appeared in the April 9, 1980 New York Times be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

THE HAVANA TEN THOUSAND

Fidel Castro now has his own embassy crisis. More than 10,000 of his people have engulfed the Peruvian Embassy in Havana, overwhelming barricades and even boulders to seek asylum and escape from his regime. What apparently loosed this human tide was a Cuban miscalculation. Guards were withdrawn from the embassy last week to punish Peru for granting asylum to a small group of Cubans that crashed into the compound. Once unguarded, the embassy was overrun by a stampede of people ready to risk asphyxiation for an exit permit.

That kind of determination warrants a generous American response. A fleet of the largest available ships ought to be sent to extricate the Havana Ten Thousand. And they should be welcomed in the United States if they wish to settle here.

In its threadbare jargon, the Castro regime denounces the potential refugees as "bums, antisocial elements, delinquents and trash." In his younger days, when he was promising bread and freedom to Cubans, Mr. Castro himself was called a "bandit" by the tyranny that preceded his. The desperation on parade in Havana now is evidence that Fidel Castro has failed to deliver bread, much less freedom.

Indeed, two decades of Castroism have left Cuba with a stagnant single-crop economy, subsisting on a demeaning Soviet dole that now amounts to about $3 billion a year. The steady decline in sugar production and the plague of shortages, from coffee to cigars, can no longer be blamed on the American blockade. Fidel's brother, Raul, conceded as much last fall when he complained about false production figures, worker slowdowns and managerial buck-passing. Whatever gains Cuba can claim in education and welfare programs are offset by these economic failures. In real terms, Cuba is poorer today than before the revolution.

Fidel Castro can still claim successful defiance of the Yankee colossus and a once unimaginable global importance for his small island nation. No one can really say how much support Mr. Castro still has for his foreign adventures in Africa, or for his utter dependence on Soviet aid and humiliations like the endorsement of the Soviet invasion of nonaligned Afghanistan.

But in their own way, in the only feasible way, the Havana Ten Thousand are rendering a verdict on Castroism. American diplomacy ought to be resourceful enough to see that this verdict is absorbed throughout the Caribbean, a region searching for new forms of government.

The way to begin is to use the emergency provisions of the United States immigration laws to grant political asylum to all who request it. The Havana phenomenon lends unintended meaning to one of Fidel Castro's proudest declarations a few years ago: "No one is able to estimate the force and decision that just ideas can generate in the human spirit."

GEN. MARK W. CLARK

Mr. THURMOND. Mr. President one of the outstanding military leaders of this century, Gen. Mark W. Clark, has provided our country with invaluable service since he received his commission in the U.S. Army in 1917.

General Clark, a soldier, statesman, educator, author, and patriot, rendered the free world heroic service during World War II and the Korean conflict. His record as head of the Allied Forces in the Mediterranean during World War II, commander of U.S. occupational force in Austria, commander of the Sixth Army, Commanding General of Army Field Forces, and U.N. and U.S. Supreme Commander in the Far East is marked by distinction. As a field commander, General Clark displayed courageous and tenacious spirit which was an inspiration to his colleagues and his men.

After retiring from the Army, General Clark became President of The Citadel in Charleston. During his tenure as President, General Clark ably led this outstanding institution which has since made him President Emeritus and has asked him to chair a number of committees. He has remained active in affairs affecting both The Citadel and the Nation, and his sage advice is widely sought from people across the country.

Gen. Mark Clark is an outstanding American and I am proud to have had a close association with him during the years.

Mr. President, in order that I may share a recent article about General Clark with my colleagues, I ask unanimous consent that it be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

CHARLESTON—At 84, Gen. Mark Wayne Clark, hero of World War II and Korea, sets a pace that most men half his age would have difficulty maintaining.

Retired since 1965, after a 12-year tenure as president of The Citadel in Charleston, he continues to serve the military college as president emeritus and travels extensively as chairman of a number of committees.

He is recently returned from Norfolk, Va., where he shared the platform with President Jimmy Carter and other dignitaries in honoring the late Gen. Douglas MacArthur on his 100th birthday. He has already accepted and invitation to address a similar tribute being planned for the late Gen. George Marshall next year in Washington. He is scheduled to visit France and Italy in a few months as chairman of the American Battle Monuments Commission. As president emeritus, he heads up an advisory committee to The Citadel's Board of Visitors and is active in the Development Foundation, watchdog of the school's fiscal affairs.

Asked what he does in his spare time, his reply is a loud guffaw.

Gen. and Mrs. Clark (she is the former Mary Mildred Applegate) live in a modest white brick house on the grounds of the Country Club of Charleston. The general can usually be found in the first-floor den, which is comfortably furnished with a brown sofa, matching leather chair and foot-stool and an oversize desk which dominates the room. Above the sofa in a large glass case are displayed the general's multifarious medals and decorations. More than 30 in all they include citations from Great Britain, France, Russia, Brazil, Czechoslovakia, Poland, Italy (Belgium, Philippines, Japan and the Republic of Korea. The paneled walls are lined with books and photographs, most dating back to World War II. There is a framed letter written to the general in 1943 from Winston Churchill. Behind the desk is a large, inscribed presidential photo of his old commander, Dwight Eisenhower.

It was a day in late winter. Although the sun shone brightly, the wind off the Asheley River was cold and stirred the Palmetto trees edging Wappoo Creek. Just returned from a walk, the general was dressed in khaki trousers and flannel shirt, a windbreaker zippered almost to the neck. Relaxing on the sofa, Mrs. Clark's pet pekingese asleep at his feet, he allowed as how he stayed up too late reading.

He is involved in two reading projects. The one receiving most of his attention at the moment is the manuscript of his biography which is being written by Martin Blumensen, author of several military treatises, including "The Patton Papers." He had just finished chapter 11. If all goes well the book will be released in late summer or early fall. The general has already arranged for the manuscript to go to The Citadel Library. The same publisher is also interested in his wartime letters to his first wife, Renie, who died in 1966. They fill two large loose-leaf notebooks and until recently some of the material was still classified. It is obvious that the task of editing the intimate missives has been a very emotional experience for the general. He is undecided whether the letters should be published during his lifetime.

He carries on a heavy correspondence with the help of a part-time secretary. "I still hear from hundreds of my men," he explains. "They want to know my thoughts about Iran and Afghanistan. I spend several hours every morning dictating. I could take the whole day, but I need the time for other things."

For recreation he turns to walking and swimming. "Up until a couple years ago I hiked at least five miles every day," he laments, "but I have some heart problems, nothing serious, and have had to slow down a bit." He's cut back to "a couple of laps around the neighborhood two or three times a week." He swims almost every day. He has his own pool for good weather and uses the indoor pool at The Citadel the rest of the time.

An avid fisherman, he tries to go to Florida's Gulf Coast at least once a year. He has several favorite fishing holes in the waters around Charleston, but like all serious anglers is reluctant to divulge their exact location.

The general's grandson is the first Clark man in four generations not to graduate from West Point and serve in the Army. He is completing his studies at Duke University preparatory to receiving a commission in the Marines. "When he telephoned to let me know his decision, I knew he was apprehensive about how I was going to react," the general says. "When I told him the Marine Corps was a good choice, he sounded very relieved."

Clark graduated from West Point in 1917. His only son, Maj. William Doran Clark, U.S.A. (Ret.) is a graduate of the U.S. Military Academy as was his father. A daughter, Patricia, died in 1962.

"The only thing I ever wanted to be was a soldier," Clark says. "When my father discussed my education it was always West Point with never any consideration for anywhere else. He shocked the life out of me one day when, reminding me I would soon be ready for college, he said he would support me no matter what school I chose provided, he added after a long pause, it was West Point. It was always my first choice anyhow. I pulled the same thing on my son."

Clark still recommends the military as a career, but admits it has lost some of its appeal. "Our failures in Korea and Vietnam have brought discredit to the military. It isn't held in the same esteem it once was and that's too bad." He believes that today's young men, while different in many respects from the young men of his time, make just as good soldiers. "Today, the young people are more inquisitive. They want answers and that's good," he says.

He is "worried," he confesses, that, "a good chunk of the American public is losing its moral fiber. There have been too many disgusting episodes emanating out of Washington. The disgraceful example of people in positions of trust doing things they shouldn't and getting away with it . . . the pardoning of draft-dodgers and deserters . . . all these things are taking their toll and having a harmful effect on the country."

Watching the general warm to his subject, it is easy to imagine the kind of leader he was while commanding the Fifth Army in the invasion of Italy in 1943, and later as Commander in Chief of the Far East Command.

He is "distressed" at the recent turn of events in our relations with the Soviets. "I have probably as much experience dealing with the Russians and their Communist counterparts as any living American," he says, alluding to his roles as deputy to the U.S. Secretary of State (James F. Byrnes) at the Council of Foreign Ministers meeting in Moscow in 1947 and as signer of the military armistice agreement between the United Nations Command and the commanders of the North Korean Army and the Chinese People's Volunteers in 1953.

"Boycotting the summer Olympics isn't going to impress the Russians," he says. "The only thing they respect is strength. Whenever they detect weakness they exploit it. As an old soldier I'm very much disturbed. Every move we have made of late has been out of weakness. That's what encouraged the Russian incursion of Afghanistan. When you are dealing with the Soviets you must negotiate from a position of strength and let them know you will use it."

He is not opposed to women in the military, but not in combat roles. "When I was commander of the Fifth Army in North Africa, General Marshall called one day to say he was sending me a detachment of 100 WACS. We used them in non-combat jobs that had to be done and they were a great help. I don't believe in giving them a rifle and a bayonet, though, and putting them in the thick of the battle." He favors drafting women, but opposes their admission to the U.S. Military Academy.

Asked who was the best soldier he ever served with he named two: Tommy Tucker, who distinguished himself as a member of the 504 Parachute Regiment and served on Clark's staff at The Citadel, and William Darby of Ranger fame. The most outstanding commander, in his opinion, was Patton. "Georgie Patton was the most fearless, toughest, leader of men I ever knew and yes, he was one of the most profane, too. He was the kind you wanted beside you in a shootout."

Who is the greatest man he's ever known? "Winston Churchill, by far. I admired him from the bottom of my heart," he says. He first met Churchill while serving as commander of Army ground forces in the European Theater of Operations under Eisenhower in 1942. Ike and Clark dined with the Prime Minister at 10 Downing Street every Wednesday and were often his guests at Chequers, Churchill's weekend retreat on the outskirts of London. "Churchill had that rare ability of being able to make the right decision without any delay. He was imbued with more courage than any man I ever knew and he was a good military strategist. He liked to be with his troops. He was delighted when he could pull the lanyard on a big gun. He liked nothing better than to decorate his soldiers for bravery."

Although interested in politics, he never had any serious political aspirations of his own, Clark says. "Shortly after coming to South Carolina to become president of The Citadel I received some encouragement, including a telephone call from Ike from the White House, to run for governor. Later, I was asked to run for Congress. I toyed with the idea of getting into politics, but not for very long. I don't believe I would have made a good politician. I'm too much the square. I'm not a very pragmatic guy. "It's no secret he is supporting Ronald Reagan for president. "I've known him for a long time and he's the most qualified man running."

If he could live his life over, there isn't a thing the General would change. "I probably wouldn't have as happy a career because the military isn't looked up to as it used to be, but I don't know anything I would do different."

And how does he want to be remembered? "For what I am. A military man."

NUCLEAR ENERGY

Mr. THURMOND. Mr. President, one of the most pressing issues facing the United States today is the need to find a large, reliable supply of energy. As recent events have shown us, our dependence on foreign oil is shattering our economy and is making the United States vulnerable to many forms of blackmail.

It is vital that our Nation break our dangerous dependence on foreign oil and set a course for energy independence. One of the most promising sources of energy is supplied through nuclear generating plants. While much has been said about the dangers of nuclear energy, the nuclear power industry has one of the best safety records of any industry in the country.

A recent editorial, "Nuclear Energy," which was broadcast by WSPA–TV and radio in Spartanburg, S.C., provides an interesting and pragmatic view of nuclear energy, and it offers solid suggestions for making nuclear power even safer.

Mr. President, in order to share this interesting article with my colleagues, I ask unanimous consent that it be printed in the Record.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

Nuclear Energy

There is a crying need for more public discussion of America's energy policy and for a realistic assessment of the benefits to be derived from increased nuclear production.

Too often, news reporting has dramatized the negative aspect of nuclear energy and ignored the positive. This has created an atmosphere of fear which has clouded the issue and which one government offical has compared to "the fear of electricity following the invention of the light bulb" a century ago.

What, then, are the facts?

Mining mishaps have claimed thousands of lives—no one has been killed in a nuclear accident.

World oil supplies will last no more than 200 years—nuclear energy is inexhaustible.

The rising cost of oil imports seriously threatens our economy—expanded production, increased research and improved technology would make nuclear energy one of our cheapest energy sources.

Of course there are problems. But as a recent issue of the Medical Tribune reminds us: "We don't go back to the horse and buggy because of automobile accidents or to the locomotive because planes crash. We try to improve their safety."

This can be done with nuclear energy by enforcing strict compliance with federal safety regulations in the construction and operation of nuclear plants—by devising a long-range, equitable, and safe disposal program, by locating nuclear plants away from population centers and by an immediate and forceful crackdown on violators of these regulations.

SENATE RESOLUTION 417—TRIBUTE TO AMERICAN SERVICEMEN WHO DIED IN HOSTAGE RESCUE MISSION

Mr. HATCH (for himself, Mr. Kennedy, Mr. Thurmond, Mr. Bayh, Mr. Mathias, Mr. Laxalt, Mr. Garn, Mr. Armstrong, Mr. Bentsen, Mr. Boren, Mr. Boschwitz, Mr. Bradley, Mr. Burdick, Mr. Cochran, Mr. DeConcini, Mr. Durenberger, Mr. Glenn, Mr. Heinz, Mr. Helms, Mr. Huddleston, Mr. Humphrey, Mr. Javits, Mr. Jepsen, Mrs. Kassebaum, Mr. Levin, Mr. McClure, Mr. McGovern, Mr. Percy, Mr. Proxmire, Mr. Pryor, Mr. Riegle, Mr. Roth, Mr. Sasser, Mr. Stewart, Mr. Tsongas, Mr. Young, Mr. Jackson, Mr. Hollings, Mr. Weicker, Mr. Tower, Mr. Lugar, Mr. Harry F. Byrd, Jr., Mr. Danforth, Mr. Dole, Mr. Melcher, Mr. Schweiker, Mr. Chafee, Mr. Domenici, Mr. Hayakawa, Mr. Heflin, and Mr. Baucus) submitted the following resolution:

S. Res. 417

Whereas, there are 53 citizens from among us—Americans—whose freedom is taken, whose movements are bound and whose lives are imperiled, held hostage unlawfully, in mockery of international justice;

Whereas, there was a group of ninety other Americans, uniformed in the service of our free land—holding their and our lives and freedom in highest respect, who of their own volition and free will did offer themselves to carry out a plan of freedom for the abovementioned hostages, knowing the peril, that this mission could be their last;

Whereas, that mission was the last for eight of this brave ninety—for Marine Sgt. John D. Harvey, Marine Cpl. George N. Holmes, Jr., Marine Staff Sgt. Dewey L. Johnson, Air Force Capt. Richard L. Bakke, Air Force Capt. Lynn D. McIntosh, Air Force T/Sgt. Joel C. Mayo, Air Force Capt. Charles T. McMillan, II, and Air Force Capt. Hal Lewis, for they have given their lives in the hope that others may live free: Now, therefore, be it

Resolved, That the Senate notes with extreme sorrow, and with deep regret, the death of eight American servicemen on foreign soil.

Resolved, That the Senate hereby proffers its deep sympathy to the families of these honorable men.

Resolved, That in honor and remembrance of their brave last act, and in mourning for their deaths, it is the sense of the Senate that the President of the United States shall order the flag of the United States to be flown at half-mast on all buildings and grounds of the Federal Government, and urge all people of the Nation generally to fly the flag of the United States at half-mast, through the week beginning May 4, 1980, plus one day, through May 11, 1980, in all eight days, one day for each life lost, as a mark of respect to the memory of these men.

Mr. HATCH. Mr. President, since the military tragedy in Iran, we have heard innumerable opinions concerning the wisdom of the aborted hostage rescue mission. Both foreign scholars and military experts, citizens from among the prominent and the obscure, people from all quarters differ in their concerns. One condones the attempt, and another condemns the preparation, decries the calamitous conclusion and fears discredit with our allies.

Mr. President, let us not join these ranks. Let us not detract from the brave acts of our servicemen. Let us rather pause, and give honor to those lives lost only five nights past, in a foreign desert. Let us pause and honor these brave patriots; and let us mourn with their kin and also express our pride that men in this country are willing to give their lives for the benefit of other individuals.

Therefore, Mr. President, I send to the desk a Senate resolution, which is cosponsored by 51 of our colleagues. We have not been able to talk to all of our colleagues, and would welcome support from others with whom we did not speak.

● Mr. BOSCHWITZ. Mr. President, I am proud to be an original cosponsor of this legislation which in a most modest fashion would serve to portray the profound grief which the American people feel for the eight brave men, and their families, who gave their lives in an attempt to rescue the American hostages in Iran, still being detained in grotesque violation of international law. In this regard, maintaining our flag at half-mast for 8 days is the very least we can do to express our sorrow.●

Mr. HATCH. Mr. President, I have worked out an agreement with the distinguished majority leader, whereby this resolution will be referred to the Judiciary Committee and then mandatorily reported back next Tuesday.

I would request the distinguished majority leader to phrase the unanimous-consent request so that it would be satisfactory to all of us.

Mr. ROBERT C. BYRD. Mr. President, I am informed that the resolution submitted by Senator Hatch and cosponsored by several other Senators would be referred to the Committee on the Judiciary.

The PRESIDING OFFICER. The Senator is correct.

Mr. ROBERT C. BYRD. I thank the Chair.

I, therefore, ask unanimous consent that the resolution be reported back to the Senate by the Judiciary Committee no later than the close of business on Tuesday next.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, are there any orders for the recognition of Senators on tomorrow?

The PRESIDING OFFICER. There are no orders.

ORDER FOR RECESS UNTIL 10 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand recessed until the hour of 10 o'clock in the morning.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I do not anticipate a long session tomorrow now that the agreement has been entered into with respect to the first concurrent budget resolution and with respect to the conference report on H.R. 10.

ORDER FOR FILING OF STATEMENTS, BILLS, RESOLUTIONS, PETITIONS, AND MEMORIALS UNTIL 5 P.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that Senators may have until 5 o'clock tomorrow afternoon to insert statements, bills, resolutions, petitions, and memorials in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER THAT COMMITTEES MAY FILE REPORTS AND CONFERENCE REPORTS UNTIL 5 P.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that committees may have until 5 o'clock tomorrow afternoon to submit reports, and I make the same request for conference reports.

The PRESIDING OFFICER. Without objection, it is so ordered.

GRATITUDE TO THE LATE DON LUIS MUÑOZ MARÍN

Mr. ROBERT C. BYRD. Mr. President, I send a concurrent resolution to the desk and ask that it be stated.

The PRESIDING OFFICER. The resolution will be stated by title.

The legislative clerk read as follows:

A concurrent resolution (H. Con. Res. 324) expressing the gratitude of the Congress for the untiring efforts of the late Governor of Puerto Rico, Don Luis Muñoz Marín, to foster ties between Puerto Rico and the United States.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of the concurrent resolution.

There being no objection, the concurrent resolution (H. Con. Res. 324) was considered and agreed to.

The preamble was agreed to.

ORDER FOR RECESS FROM TOMORROW UNTIL 11:30 A.M., MONDAY, MAY 5, 1980

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business tomorrow, it stand in recess until the hour of 11:30 a.m. on Monday next.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER TO PROCEED TO CONSIDERATION OF FIRST CONCURRENT BUDGET RESOLUTION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that at 12 noon on Monday next, the Senate then turn to the consideration of the first concurrent budget resolution.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL 10 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the order previously entered, that the Senate stand in recess until 10 o'clock tomorrow morning.

The motion was agreed to; and at 6:13 p.m., the Senate recessed until Friday, May 2, 1980, at 10 a.m.

NOMINATIONS

Executive nominations received by the Senate May 1, 1980:

NATIONAL COUNCIL ON THE HANDICAPPED

The following-named persons to be Members of the National Council on the Handicapped for the terms indicated (new positions):

For a term of 1 year:

Nelba R. Chavez, of Arizona.
Nanette Fabray MacDougall, of California.
John P. Hourihan, of New Jersey.
Odessa Komer, of Michigan.
Edwin O. Opheim, of Minnesota.

For a term of 2 years:

Elizabeth Monroe Boggs, of New Jersey.
Mary P. Chambers, of New Hampshire.
Jack Genair Duncan, of South Carolina.
Thomas Joe, of the District of Columbia.

For a term of 3 years:

Donald E. Galvin, of Michigan.
Judith E. Heumann, of California.
Howard A. Rusk, of New York.
J. David Webb, of Georgia.
Henry Williams, of New York.

IN THE NAVY

The following-named (Naval Reserve Officers Training Corps candidates) to be appointed ensigns in the line or staff corps of the U.S. Navy, subject to the qualifications therefor as provided by law:

David A. Goulla, Jr.
Kenneth L. Hagerup
Allen L. Osborne, III
Thomas E. Rollman
Roger D. Thornton

The following-named Navy enlisted candidates to be appointed permanent chief warrant officers, W-2, in the U.S. Navy, subject to the qualifications therefor as provided by law:

Richard H. Argetsinger
James W. Arnold
William J. Austin
Lynn E. Barnes
Carlos G. Bernardo
John C. Bolla
William D. Bova
Howard E. Brown
Robert H. Bryson
Bland B. Burks, Jr.
Thomas R. Burnett
Wallace J. Byrd
Arthur P. Calvert
Andrew R. Connell
Frank R. Dixon, Jr.
Arthur E. Ehlers, Jr.
Morgan M. Evans
Robert P. Evans
Michael P. Flannery
Andrew L. Freeman
James R. Gray
Robert N. Hampton
Jack A. Heilman
John R. Hoffman
Lester H. Hubble, Jr.
Joseph S. Jones
James G. Leasure
Sidney H. Lumpkin
John A. Madrid, Jr.
John R. Meredith
Herman E. Miller
Joseph M. Padovich
Charles R. Parker
Steven L. Pentecost
James R. Raniszewski
Albert G. Reagin
John M. Rowe
James E. Sale
Jaime G. San Diego
Pacifico S. Saria
Thomas R. Sheppard
John M. Smythe
John J. G. Snook
Ezequiel S. Soriano
Robert J. Spreter
Roland L. Stegner
Joseph H. Torres
Terry L. Trim
Jerome F. Weigel
Joseph A. West
Jerry K. Williams

The following-named enlisted candidates to be appointed ensigns in the Medical Service Corps, in the U.S. Navy, for temporary service, subject to the qualifications therefor as provided by law:

Michael L. Adams
Henry T. Bierrum
Wayne T. Callahan
Coleman R. Carpenter
Michael J. Curran
George A. Dailey, Jr.
John C. Espie IV
Phillip S. Fordice
Dale A. Golgart
Donald R. Isley
John P. Oswald
Larry J. Phillips
Robert J. Schreiber
Michael A. Schwalm
Gregory E. Supancheck
Charles D. Updegrove
James M. Walters
Donald A. Watkins, Jr.
David P. Wellen
James H. Willis

The following-named Navy enlisted candidates to be appointed ensigns in the U.S. Navy, for limited duty, for temporary service, subject to the qualifications therefor as provided by law:

Terry L. Lettie
David P. Lloyd
William C. Thompson

The following-named (U.S. Air Force officer) to be appointed a permanent captain in the Medical Corps in the Reserve of the U.S. Navy, subject to the qualifications therefor as provided by law:

Haydee J. Kimmich

The following-named (civilian college graduate) to be appointed a permanent captain in the Medical Corps in the Reserve of the U.S. Navy, subject to the qualifications therefor as provided by law:

James F. Robinson III

The following-named (civilian college graduates) to be appointed permanent commanders in the Medical Corps in the Reserve of the U.S. Navy, subject to the qualifications therefor as provided by law:

James R. Black
Lawrence E. Giffen
Duane A. Sabahar

The following-named (ex-U.S. Naval Reserve officer) to be appointed a permanent commander in the Medical Corps in the Reserve of the U.S. Navy, subject to the qualifications therefor as provided by law:

George W. Oden.

The following-named (U.S. Naval Reserve officer) to be appointed a permanent commander in the Reserve of the U.S. Navy, for special duty (Merchant Marine, deck), subject to the qualifications therefor as provided by law:

Carl O. Otterberg.

The following-named (U.S. Naval Reserve officer) to be appointed a temporary captain in the Reserve of the U.S. Navy, for special duty (Merchant Marine, deck), subject to the qualifications therefor as provided by law:

Carl O. Otterberg.

The following-named (civilian college graduate) to be appointed a temporary commander in the Medical Corps in the Reserve of the U.S. Navy, subject to the qualifications therefor as provided by law:

Enrique V. Arellano.

The following-named (U.S. Navy officer) to be appointed a temporary commander in the line in the Reserve of the U.S. Navy, subject to the qualifications therefor as provided by law:

Kurt A. Driscoll.

HOUSE OF REPRESENTATIVES—*Thursday, May 1, 1980*

The House met at 11 a.m.

The Reverend Iver M. Haugen, Lutheran Church of the Redeemer, McLean, Va., offered the following prayer:

O Lord, our God: Each day is a gracious gift from You, each working hour full with responsibility and privilege, bestowed upon us by the citizens of this Nation. With thanksgiving for Your generous benefits, we offer ourselves in service of all that is true and honorable and just. By Your spirit renew and guide us, that the best from our hearts and minds might congeal in wise decisions. Let there be no failure of nerve in pursuit of the common good. Grant health and favor to our President, and to all others who govern and lead in our land. And may the blessings of Your love and peace abide in our hearts and among all nations, today and through the ages to come. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

Mrs. HOLT. Mr. Speaker, pursuant to clause 1, rule I, I demand a vote on agreeing to the Speaker's approval of the Journal.

The SPEAKER. The question is on the Chair's approval of the Journal.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mrs. HOLT. I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 368, nays 21, answered "present" 1, not voting 42, as follows:

[Roll No. 210]

YEAS—368

Abdnor
Addabbo
Albosta
Alexander
Ambro
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Anthony
Archer
Ashley
Aspin
Atkinson
AuCoin
Badham
Bafalis
Bailey
Baldus
Barnard
Barnes
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Beilenson
Benjamin
Bennett
Bereuter
Bethune
Bevill
Bingham
Blanchard
Boggs
Boland
Bolling
Boner
Bonior
Bonker
Bouquard
Bowen
Brademas
Breaux
Brinkley
Broomfield
Brown, Calif.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burlison
Burton, Phillip
Butler
Byron
Campbell
Carney
Carr
Carter
Chappell
Cheney
Chisholm
Clausen
Cleveland
Clinger
Coelho
Coleman
Collins, Ill.
Collins, Tex.
Conable
Conte
Conyers
Corcoran
Corman
Cotter
Courter
Crane, Daniel
D'Amours
Daniel, Dan
Daniel, R. W.
Danielson
Dannemeyer
Davis, Mich.
Davis, S.C.
de la Garza
Deckard
Dellums
Derrick
Derwinski
Devine
Dicks
Donnelly
Dougherty
Downey
Drinan
Duncan, Tenn.
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Edwards, Okla.
Emery
English
Erdahl
Erlenborn
Ertel
Evans, Del.
Evans, Ga.
Evans, Ind.
Fary
Fascell
Fazio
Fenwick
Ferraro
Findley
Fish
Fisher
Fithian
Flippo
Foley
Ford, Tenn.
Fowler
Frenzel
Frost
Fuqua
Garcia
Gaydos
Gephardt
Giaimo
Gibbons
Gilman
Ginn
Gonzalez
Gore
Gradison
Gramm
Grassley
Green
Grisham
Guarini
Gudger
Guyer
Hagedorn
Hamilton
Hammerschmidt
Hance
Hanley
Hansen
Harris
Hefner
Heftel
Hightower
Hillis
Hinson
Holland
Hollenbeck
Holt
Hopkins
Horton
Howard
Hubbard
Huckaby
Hughes
Hutto
Hyde
Ichord
Ireland
Jeffords
Jeffries
Jenkins
Johnson, Calif.
Jones, N.C.
Jones, Tenn.
Kastenmeier
Kelly
Kemp
Kildee
Kindness
Kogovsek
Kostmayer
Kramer
LaFalce
Lagomarsino
Latta
Leach, Iowa
Leach, La.
Leath, Tex.
Lederer
Lee
Lehman
Lent
Levitas
Lewis
Livingston
Loeffler
Long, La.
Long, Md.
Lott
Lowry
Lujan
Lundine
Lungren
McClory
McCormack
McDade
McDonald
McEwen
McHugh
McKay
McKinney
Madigan
Maguire
Markey
Marks
Marlenee
Marriott
Martin
Matsui
Mattox
Mavroules
Mica
Michel
Mikulski
Miller, Calif.
Miller, Ohio
Mineta
Minish
Mitchell, N.Y.
Moakley
Mollohan
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Mottl
Murphy, N.Y.
Murphy, Pa.
Murtha
Musto
Myers, Ind.
Myers, Pa.
Natcher
Nedzi
Nelson
Nichols
Nowak
O'Brien
Oakar
Oberstar
Obey
Ottinger
Panetta
Pashayan
Patten
Patterson
Paul
Pease
Pepper
Perkins
Petri
Peyser
Pickle
Porter
Preyer
Price
Pritchard
Quillen
Rahall
Railsback
Rangel
Ratchford
Regula
Reuss
Rhodes
Richmond
Rinaldo
Ritter
Roberts
Robinson
Rodino
Roe
Rosenthal
Rostenkowski
Roth
Rousselot
Roybal
Royer
Rudd
Runnels
Russo
Sabo
Santini
Satterfield
Sawyer
Scheuer
Schulze
Sebelius
Seiberling
Sensenbrenner
Shannon
Sharp
Shelby
Shumway
Shuster
Simon
Skelton
Smith, Iowa
Smith, Nebr.
Snowe
Snyder
Solomon
Spellman
Spence
St Germain
Stack
Staggers
Stangeland
Stanton
Stark
Steed
Stenholm
Stockman
Stokes
Stratton
Studds
Stump
Swift
Symms
Svnar
Tauke
Taylor
Thomas
Thompson
Trible
Udall
Ullman
Van Deerlin
Vander Jagt
Vanik
Vento
Voikmer
Walgren
Watkins
Waxman
Weaver
Weiss
White
Whitehurst
Whitley
Whittaker
Whitten
Williams, Mont.
Williams, Ohio
Wilson, Tex.
Winn
Wirth
Wolff
Wolpe
Wright
Wyatt
Wydler
Wylie
Yates
Yatron
Young, Fla.
Young, Mo.
Zablocki
Zeferetti

NAYS—21

Burton, John
Coughlin
Dickinson
Forsythe
Gingrich
Goodling
Harkin
Hawkins
Heckler
Jacobs
Jones, Okla.
Lloyd
Luken
Mathis
Mitchell, Md.
Quayle
Rose
Schroeder
Solarz
Walker
Wilson, Bob

ANSWERED "PRESENT"—1

Neal

NOT VOTING—42

Akaka
Anderson, Ill.
Applegate
Ashbrook
Biaggi
Brodhead
Brooks
Cavanaugh
Clay
Crane, Philip
Daschle
Diggs
Dingell
Dixon
Dodd
Dornan
Duncan, Oreg.
Florio
Ford, Mich.
Fountain
Glickman
Goldwater
Gray
Hall, Ohio
Hall, Tex.
Harsha
Holtzman
Jenrette
Johnson, Colo.
Kazen
Leland
McCloskey
Mazzoli
Moffett
Murphy, Ill.
Nolan
Pursell
Stewart
Traxler
Wampler
Wilson, C. H.
Young, Alaska

□ 1110

Mrs. HECKLER changed her vote from "present" to "nay."

So the Journal was approved.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

□ 1120

REV. IVER M. HAUGEN

(Mr. BEREUTER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BEREUTER. It is with pleasure this morning that I welcome Pastor Iver Haugen to speak to the House of Representatives.

He is the pastor of the church I attend here in the Washington, D.C., area, the Lutheran Church of the Redeemer in McLean, Va.

As the Speaker noted in his introduction, five Members of the Congress are in the church served by Pastor Haugen.

Generally, a Member introduces a clergyman from his district. In this case, we are from Pastor Haugen's district. The qualities that drew us to the church were the attention of the church to the worship life of its members, its warmth and friendliness, and willingness of the congregation to welcome new members with both arms.

Pastor Haugen exemplifies the warmth and dedication which we find so inviting at Redeemer Lutheran. He has been the pastor of that church for 6 years. He is joined in his work by his wife and four daughters.

In both happy and troubled times, he displays the qualities of leadership, spirituality and compassion that are so important to the life of the church

He has served his church in every part of the country, so I think it is especially appropriate he brought his prayer and message to the House of Representatives this morning, where all of the Nation's citizens are represented.

Thank you, Pastor Haugen.

MAKING IN ORDER TODAY OR ANY DAY THEREAFTER CONSIDERATION OF HOUSE JOINT RESOLUTION 541, MAKING ADDITIONAL FUNDS AVAILABLE BY TRANSFER FOR FTC FOR FISCAL YEAR 1980

Mr. WHITTEN. Mr. Speaker, I ask unanimous consent that it be in order today or any day thereafter to consider in the House the joint resolution (H.J. Res. 541) making additional funds available by transfer for the Federal Trade Commission for the fiscal year 1980.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

Mr. ROUSSELOT. Mr. Speaker, reserving the right to object, can our distinguished chairman explain to us as to whether his funding for 30 days is restricted as to what it can be used for?

Mr. WHITTEN. Mr. Speaker, will the gentleman yield?

Mr. ROUSSELOT. I yield to the gentleman from Mississippi, the chairman of the Appropriations Committee.

Mr. WHITTEN. The Federal Trade Commission, as the gentleman will recall, has been operating under the authority of appropriations acts for the last 2½ years. We last extended its funding by transfer of funds about 30 or 40 days ago.

Under an opinion by the Attorney General, it is illegal for the employees to perform any duties while an appropriation measure is not in force. So it is a case of absolutely having our backs up against the wall.

What is provided here is that $5.8 million will be made available to the Federal Trade Commission by transferring $7 million from another account so that it may operate for the next 30 days, under the same conditions it has in the past.

I also point out that the legislative conferees dealing with the FTC authorization have reached agreement. They hope to get the conference agreement approved in the House and Senate as soon as possible, but, pending that, we have to do something as fast as we can to keep the Federal Trade Commission in business. So that is the reason I am asking unanimous consent that it be in order to call this resolution up at such time as it may be convenient.

Mr. ROUSSELOT. Further reserving the right to object, Mr. Speaker, can the gentleman tell us—he mentioned there is $7 million in this 30-day resolution—are transferred from another category, where evidently funds are available. May I ask from whence these funds are transferred?

Mr. WHITTEN. The funds will be transferred from the Department of State, international organizations and conferences, contributions to the international organizations account.

The SPEAKER. The gentleman surely could not object to that.

Mr. ROUSSELOT. Reserving the right to object, from the international fund?

Mr. WHITTEN. International organizations and conferences, contributions to international organizations account.

Mr. ROUSSELOT. The gentleman certainly picked the right area from which to transfer the money.

Further reserving the right to object, the gentleman mentioned that this $6 million, which will permit the FTC to operate for another 30 days, I hope there is nothing in this resolution that would give the agency permission to operate in conflict with any of the items that were in contest in the conference, would it?

Mr. WHITTEN. The resolution would continue to allow the FTC to operate as it has to date during this fiscal year. Any additional new action would be dependent upon the adoption of the conference report. Insofar as this resolution is concerned, it would let the Federal Trade Commission proceed as it has in the past and no more.

Mr. ROUSSELOT. Further reserving the right to object, then the restrictions on the FTC are the same as they were in the previous continuing resolution? Is that correct?

Mr. WHITTEN. That is correct.

Mr. CONTE. Mr. Speaker, will the gentleman yield?

Mr. ROUSSELOT. I would be glad to yield to my colleague from Massachusetts the ranking Republican member of the Appropriations Committee.

Mr. CONTE. We took into consideration when we decided which account to transfer this money from the gentleman from California's interests. We took it out of the "International Organizations" account because we knew he would be very happy about that.

Mr. ROUSSELOT. I appreciate that consideration.

Mr. VOLKMER. Mr. Speaker, will the gentleman yield?

Mr. ROUSSELOT. I yield to the gentleman from Missouri.

Mr. VOLKMER. It is my understanding that the conference report on the FTC legislation itself is prepared to be filed, I suppose today, and be taken up within the near future.

Does the gentleman understand that?

Mr. ROUSSELOT. My understanding is that the Rules Committee decided to provide a rule to bring the conference report to the floor. Now, that is my understanding. It is up to the Speaker when it finally comes to the floor. As the gentleman knows, I do not set the schedule.

Mr. VOLKMER. There is a rule providing for it.

Mr. ROUSSELOT. My understanding is there was a rule passed—but before I comment further I noticed that the chairman of the Rules Committee is here—possibly the chairman, Mr. Bolling, would like to explain what has been done by the Committee on Rules.

Mr. BOLLING. Mr. Speaker, will the gentleman yield?

Mr. ROUSSELOT. I yield to the gentleman from Missouri.

Mr. BOLLING. The rule that was passed permitted the item from the Appropriations Committee to come to the floor.

Mr. ROUSSELOT. I stand corrected; it is only a rule for the temporary extension of funding for 30 days.

Mr. BOLLING. We have done nothing about the conference report as yet, but we plan to consider it.

Mr. ROUSSELOT. To restate the position of the chairman of the Rules Committee, the rule related only to the temporary appropriation?

Mr. BOLLING. That is correct.

Mr. ROUSSELOT. I appreciate Mr. Bolling's clarifying of the Rule's Committee action. The unanimous-consent request by the gentleman from Mississippi relates only to the temporary extention of funding for FTC.

Mr. LEVITAS. Mr. Speaker, will the gentleman yield?

Mr. ROUSSELOT. I yield to my colleague from Georgia.

Mr. LEVITAS. I wonder if the chairman of the Appropriations Committee or someone else present could inform the membership when it is anticipated that the authorizing conference report will be filed and when it is anticipated that the Rules Committee will consider a rule and when it is anticipated that the House will act upon it in order to carry out the intention of this interim funding.

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Mr. WHITTEN. Mr. Speaker, I have no information about what is in order insofar as the conference report handled by the legislative committee is concerned. What we are trying to do here is to continue life for the Federal Trade Commission, allowing time for the gentleman and his committee to get that conference report adopted.

Mr. ROUSSELOT. Mr. Speaker, reserving the right to object, the chairman of the Interstate and Foreign Commerce Committee (Mr. Staggers) is here. Does the gentleman have some knowledge as to when the conference report will be brought to the floor, assuming the gentleman gets a rule?

Mr. STAGGERS. Mr. Speaker, if the gentleman will yield, I would say to the gentleman from California that just as soon as the gentleman's objection is over with that I will file the conference report and then it will be brought to the floor in the most expeditious manner in the time we can do it, either through the Committee on Rules or the time element that elapses.

Mr. ROUSSELOT. Well, I think our colleague, the gentleman from Georgia, was asking if it would be brought to the floor today; is that correct?

Mr. STAGGERS. If it could be, we would try; but we will get it to the floor as quickly as we can. That is all I can say.

Mr. ROUSSELOT. Well, my understanding is that there is a 3-day layover requirement, so it probably would have to come up next week; is that correct?

The SPEAKER. The answer is in the affirmative.

Mr. ROUSSELOT. Mr. Speaker, further reserving the right to object, I have promised my distinguished colleague, the gentleman from Illinois (Mr. DERWINSKI) that I would yield to him.

Mr. DERWINSKI. Mr. Speaker, I have a question concerning this transfer of the $7 million. When the proper authorization and appropriation is processed, would that $7 million be returned to the fund from which it was pilfered?

Mr. ROUSSELOT. Mr. Speaker, further reserving the right to object, I have no control over that.

Mr. WHITTEN. Mr. Speaker, if the gentleman will yield further, may I say, there has been no decision reached as to that. The appropriate subcommittee would deal with that problem when the subject is raised; but as of now, there has been no commitment one way or the other.

Mr. DERWINSKI. Mr. Speaker, I do not want us to lapse into an isolationist era.

Mr. ROUSSELOT. Well, that certainly is an outstanding contribution by my colleague, the gentleman from Illinois.

Mr. Speaker, further reserving the right to object, I yield to my colleague, the gentleman from Washington (Mr. BONKER).

Mr. BONKER. Mr. Speaker, I would like to ask the distinguished chairman when he would expect the money that is to be transferred out of International Organizations restored to that category.

Mr. WHITTEN. Mr. Speaker, if the gentleman will yield further, may I say to the gentleman that we are working on a supplemental now. Each subcommittee has had hearings and doubtless this item will be the subject of consideration by the appropriate subcommittee.

The supplemental, on which we have been working for some time, is caught in the same budget situation that we find ourselves here today. Until we get the budget resolution approved, there is no space for the fiscal year 1980 supplementals. So I would presume that this item could be handled in the supplemental, which in turn has troubles of its own. I am assured that there is no intention to seriously affect the operations of the fund from which it is being withdrawn.

Mr. ROUSSELOT. Mr. Speaker, further reserving the right to object, can the chairman tell us, assuming this unanimous-consent request is granted, will the gentleman immediately bring this bill to the floor or wait until later in the day?

Mr. WHITTEN. May I say, I certainly intend to notify the other side of the aisle and my colleague, the gentleman from Massachusetts (Mr. CONTE) and others before we consider this resolution. But we will wait for the decision of the leadership as to what time during the day or whether today would be appropriate to consider the measure. An agreement has not been reached but we would come to some agreement jointly with the other parties involved.

Mr. ROUSSELOT. Mr. Speaker, further reserving the right to object, it is not the gentleman's intention to bring it up immediately following this unanimous-consent request?

Mr. WHITTEN. No; I think we should work with the leadership on that score.

Mr. ROUSSELOT. I appreciate that comment and explanation as to when the House may expect the appropriation resolution to be presented to the Chamber for debate.

Mr. Speaker, further reserving the right to object, I yield to my colleague, the gentleman from Massachusetts, the ranking minority member of the committee (Mr. CONTE).

Mr. CONTE. Mr. Speaker, to answer the gentleman's question with regard to the money that is being taken out of the U.S. assessed contributions to International Organizations, certainly when this is all over with we will make certain that that money is replenished.

Mr. BONKER. Mr. Speaker, if the gentleman will yield further, I appreciate the remarks of the gentleman. As the chairman of the subcommittee that oversees our contributions to international organizations, I want to see that assurance established in this dialog, or I would have to object.

Mr. ROUSSELOT. Mr. Speaker, further reserving the right to object, I yield to my colleague, the gentleman from New York.

Mr. OTTINGER. Mr. Speaker, I would just like to clarify something. There is no lack of diligence on our part. I am on the conference on the FTC and we have been trying to bring that conference before the House. The gentleman from New York, the chairman of the subcommittee, sought permission to file that report last night, and if I recall correctly, it was the gentleman from California who objected.

Mr. ROUSSELOT. The gentleman from California did object and properly so. We needed to eliminate some of the confusion on this subject.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi (Mr. WHITTEN)?

There was no objection.

CONFERENCE REPORT ON H.R. 2313, FEDERAL TRADE COMMISSION AMENDMENTS

Mr. STAGGERS submitted the following conference report and statement on the bill (H.R. 2313) to amend the Federal Trade Commission Act to extend the authorization of appropriations contained in such act, and for other purposes:

CONFERENCE REPORT (*H.* REPT. NO. 96-917)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 2313; to amend the Federal Trade Commission Act to extend the authorization of appropriations contained in such Act, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate to the text of the bill and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

SHORT TITLE

SECTION 1. This Act may be cited as the "Federal Trade Commission Improvements Act of 1980".

RECONSIDERATION OF ORDERS

SEC. 2. Section 5(b) of the Federal Trade Commission Act (15 U.S.C. 45(b)) is amended—

(1) in the last sentence thereof, by striking out ": *Provided, however,* That" and inserting in lieu thereof ", except that (1)", and by inserting before the period at the end thereof the following: "; and (2) in the case of an order, the Commission shall reopen any such order to consider whether such order (including any affirmative relief provision contained in such order) should be altered, modified, or set aside, in whole or in part, if the person, partnership, or corporation involved files a request with the Commission which makes a satisfactory showing that changed conditions of law or fact require such order to be altered, modified, or set aside, in whole or in part"; and

(2) by adding at the end thereof the following new sentence: "The Commission shall determine whether to alter, modify, or set aside any order of the Commission in response to a request made by a person, partnership, or corporation under paragraph (2) not later than 120 days after the date of the filing of such request.".

DISCLOSURE OF COMMERCIAL OR FINANCIAL INFORMATION; QUARTERLY FINANCIAL REPORTS

SEC. 3. (a) Section 6(f) of the Federal Trade Commission Act (15 U.S.C. 46(f)) is amended—

(1) by striking out ", except trade secrets and names of customers, as it shall deem expedient" and inserting in lieu thereof "as are"; and

(2) by inserting before the period at the end thereof the following: ": *Provided* That the Commission shall not have any authority to make public any trade secret or any commercial or financial information which is obtained from any person and which is privileged or confidential, except that the Commission may disclose such information to officers and employees of appropriate Federal law enforcement agencies or to any officer or employee of any State law enforcement agency upon the prior certification of an officer of any such Federal or State law enforcement agency that such information will be maintained in confidence and will be used only for official law enforcement purposes".

(b) Section 6 of the Federal Trade Commission Act (15 U.S.C. 46) is amended by adding at the end thereof the following new undesignated paragraph:

"The Commission shall establish a plan designed to substantially reduce burdens imposed upon small businesses as a result of requirements established by the Commission under clause (b) relating to the filing of quarterly financial reports. Such plan shall (1) be established after consultation with small businesses and persons who use the information contained in such quarterly financial reports; (2) provide for a reduction of the number of small businesses required to file such quarterly financial reports; and (3) make revisions in the forms used for such quarterly financial reports for the purpose of reducing the complexity of such forms. The Commission, not later than December 31, 1980, shall submit such plan to the Committee on Commerce, Science, and Transportation of the Senate and to the Committee on Interstate and Foreign Commerce of the House of Representatives. Such plan shall take effect not later than October 31, 1981.".

CONFIDENTIALITY OF LINE-OF-BUSINESS REPORTS

SEC. 4. Section 6 of the Federal Trade Commission Act (15 U.S.C. 46), as amended in section 3(b), is further amended by adding at the end thereof the following new undesignated paragraph:

"No officer or employee of the Commission or any Commissioner may publish or disclose information to the public, or to any Federal agency, whereby any line-of-business data furnished by a particular establishment or individual can be identified. No one other than designated sworn officers and employees of the Commission may examine the line-of-business reports from individual firms, and information provided in the line-of-business program administered by the Commission shall be used only for statistical purposes. Information for carrying out specific law enforcement responsibilities of the Commission shall be obtained under practices and procedures in effect on the date of the enactment of the Federal Trade Commission Improvement Act of 1980, or as changed by law.".

COMMISSION INVESTIGATIONS OF INSURANCE BUSINESSES

SEC. 5. (a) Section 6 of the Federal Trade Commission Act, as amended in section 3(b) and section 4, is further amended by adding at the end thereof the following new undesignated paragraph:

"Nothing in this section (other than the provisions of clause (c) and clause (d) shall apply to the business of insurance, except that the Commission shall have authority to conduct studies and prepare reports relating to the business of insurance. The Commission may exercise such authority only upon receiving a request which is agreed to by a majority of the members of the Committee on Commerce, Science, and Transportation of the Senate or the Committee on Interstate and Foreign Commerce of the House of Representatives. The authority to conduct any such study shall expire at the end of the Congress during which the request for such study was made.".

(b) The amendment made in subsection (a) shall not be construed to prohibit the Federal Trade Commission from participating with the Secretary of Health and Human Services in a comprehensive study and evaluation of the comparative effectiveness of various State policies and programs relating to the regulation of health insurance policies available for purchase by individuals who are eligible for benefits under the program of health insurance benefits established in title XVIII of the Social Security Act.

ENFORCEMENT AUTHORITY

SEC. 6. The first undesignated paragraph of section 10 of the Federal Trade Commission Act (15 U.S.C. 50) is amended—

(1) by inserting "any" after "produce"; and

(2) by inserting "an order of a district court of the United States directing compliance with" after "obedience to".

STANDARDS AND CERTIFICATION RULEMAKINGS

SEC. 7. Section 18(a) (1) (B) of the The Federal Trade Commission Act (15 U.S.C. 57a(a) (1) (B)) is amended by inserting after "section 5(a) (1))" the following: ", except that the Commission shall not develop or promulgate any trade rule or regulation with regard to the regulation of the development and utilization of the standards and certification activities pursuant to this section".

ADVANCE NOTICE OF PROPOSED COMMISSION RULES

SEC. 8. (a) Section 18(b) of the Federal Trade Commission Act (15 U.S.C. 57a(b)) is amended—

(1) by inserting "(1)" after the subsection designation;

(2) by redesignating paragraph (1) through paragraph (4) as subparagraph (A) through subparagraph (D), respectively; and

(3) by adding at the end thereof the following new paragraph:

"(2) (A) Prior to the publication of any notice of proposed rulemaking pursuant to paragraph (1) (A), the Commission shall publish an advance notice of proposed rulemaking in the Federal Register. Such advance notice shall—

"(i) contain a brief description of the area of inquiry under consideration, the objectives which the Commission seeks to achieve, and possible regulatory alternatives under consideration by the Commission; and

"(ii) invite the response of interested parties with respect to such proposed rulemaking, including any suggestions or alternative methods for achieving such objectives.

"(B) The Commission shall submit such advance notice of proposed rulemaking to the Committee on Commerce, Science, and Transportation of the Senate and to the Committee on Interstate and Foreign Commerce of the House of Representatives. The Commission may use such additional mechanisms as the Commission considers useful to obtain suggestions regarding the content of the area of inquiry before the publication of a general notice of proposed rulemaking under paragraph (1) (A).

"(C) The Commission shall, 30 days before the publication of a notice of proposed rulemaking pursuant to paragraph (1) (A), submit such notice to the Committee on Commerce, Science, and Transportation of the Senate and to the Committee on Interstate and Foreign Commerce of the House of Representatives.".

(b) (1) Section 18(c) of the Federal Trade Commission Act (15 U.S.C. 57a(c)) is amended by striking out "subsection (b) (3)" and inserting in lieu thereof "subsection (b) (1) (C)".

(2) Section 18(e) (5) (C) of the Federal Trade Commission Act (15 U.S.C. 57a(e) (5) (C)) is amended by striking out "subsection (b) (4)" and inserting in lieu thereof "subsection (b) (1) (D)".

PRESIDING OFFICER AT RULEMAKING PROCEEDINGS

SEC. 9. (a) Section 18(c) of the Federal Trade Commission Act (15 U.S.C. 57a(c)) is amended—

(1) by redesignating paragraph (1) through paragraph (4) as paragraph (2) through paragraph (5), respectively; and

(2) by inserting before paragraph (2), as so redesignated in paragraph (1), the following new paragraph:

"(1) (A) The Commission shall provide for the conduct of proceedings under this subsection by hearing officers who shall perform their functions in accordance with the requirements of this subsection.

"(B) The officer who presides over the rulemaking proceedings shall be responsible to a chief presiding officer who shall not be responsible to any other officer or employee of the Commission. The officer who presides over the rulemaking proceeding shall make a recommended decision based upon the findings and conclusions of such officer as to all relevant and material evidence, except that such recommended decision may be made by another officer if the officer who presided over the proceeding is no longer available to the Commission.

"(C) Except as required for the disposition of ex parte matters as authorized by law, no presiding officer shall consult any person or party with respect to any fact in issue unless such officer gives notice and opportunity for all parties to participate.".

(b) Section 18(c) of the Federal Trade Commission Act (15 U.S.C. 57a(c)), as amended in subsection (a), is further amended—

(1) in paragraph (2) thereof, as so redesignated in subsection (a) (1)—

(A) by striking out "paragraph (2)" and inserting in lieu thereof "paragraph (3)"; and

(B) by striking out "paragraph (2) (B)" and inserting in lieu thereof "paragraph (3) (B)";

(2) in paragraph (3) thereof, as so redesignated in subsection (a) (1), by striking out "paragraph (1)" and inserting in lieu thereof "paragraph (2)"; and

(3) in paragraph (4) (A) thereof, as so redesignated in subsection (a) (1), by striking out "paragraphs (1) and (2)" and inserting in lieu thereof "paragraphs (2) and (3)".

(c) Section 18(e) (1) (B) of the Federal Trade Commission Act (15 U.S.C. 57a(e) (1) (B)) is amended by striking out "subsection (c) (4)" and inserting in lieu thereof "subsection (c) (5)".

COMPENSATION FOR PARTICIPATION IN RULEMAKING PROCEEDINGS

SEC. 10. (a) Section 18(h) of the Federal Trade Commission Act (15 U.S.C. 57a(h)) is amended by redesignating paragraph (3) as paragraph (4), and by inserting after paragraph (2) the following new paragraph:

"(3) The amount of compensation which may be paid to any person under this subsection in connection with the participation by such person in any particular rulemaking proceeding under this section may not exceed $75,000. The aggregate amount of compensation paid under this subsection in any fiscal year to any person for all rulemaking proceedings in which such person participates during such fiscal year may not exceed $50,000.".

(b) Section 18(h) (2) of the Federal Trade Commission Act (15 U.S.C. 57a(h) (2)) is amended to read as follows:

"(2) The Commission shall reserve an amount equal to 25 percent of the amount appropriated for the payment of compensation under this subsection for any fiscal year for use in accordance with this paragraph. Such reserved amount shall be available solely for the payment of compensation to persons who either (A) would be regulated by the proposed rule involved; or (B) represent persons who would be so regulated. Any portion of such reserved amount which is not used for the payment of compensation to such persons under this paragraph shall revert to the Treasury of the United States.".

(c) Section 18(h) (4) of the Federal Trade Commission Act, as so redesignated in subsection (a), is amended by striking out "$1,000,000" and inserting in lieu thereof "$750,000".

(d) Section 18(h) of the Federal Trade Commission Act (15 U.S.C. 57a(h)), as amended in subsection (a), is further amended by adding at the end thereof the following new paragraph:

"(5) The Commission, in connection with the administration of this subsection pursuant to rules prescribed by the Commission under paragraph (1), shall establish a small business outreach program. Such program shall—

"(A) solicit public comment from small businesses whose views otherwise would not be adequately represented, in order to ensure a fair determination in rulemaking proceedings under this section; and

"(B) encourage the participation of small businesses in the compensation program administered by the Commission under this subsection by disseminating to small businesses information which explains the procedures and requirements applicable to the receipt of compensation under such program.".

(e) The amendments made in subsection (a) and subsection (c) are repealed, effective at the end of fiscal year 1982. Effective upon such repeal, paragraph (5) of section 18(h) of the Federal Trade Commission Act, as added by subsection (d), is redesignated as paragraph (4) of section 18(h) of such Act.

COMMISSION RULEMAKINGS RELATING TO CHILDREN'S ADVERTISING; PUBLICATION OF TEXT OF PROPOSED RULES

SEC. 11. (a)(1) Section 18 of the Federal Trade Commission Act (15 U.S.C. 57a) is amended by adding at the end thereof the following new subsection:

"(i) The Commission shall not have any authority to promulgate any rule in the children's advertising proceeding pending on the date of the enactment of the Federal Trade Commission Improvements Act of 1980 or in any substantially similar proceeding on the basis of a determination by the Commission that such advertising constitutes an unfair act or practice in or affecting commerce.".

(2) Section 18(a)(1) of the Federal Trade Commission Act (15 U.S.C. 57a(a)(1)) is amended by striking out "The" and inserting in lieu thereof "Except as provided in subsection (i), the".

(3) Section 18(b)(1)(A) of the Federal Trade Commission Act, as so redesignated in section 8(a), is amended by inserting after "particularity" the following: "the text of the rule, including any alternatives, which the Commission proposes to promulgate, and".

(b) The Federal Trade Commission shall not have any authority to use any funds which are authorized to be appropriated to carry out the Federal Trade Commission Act (15 U.S.C. 41 et seq.) for fiscal year 1980, 1981, or 1982, under section 24 of such Act, as amended by section 17 and as so redesignated in section 13, for the purpose of initiating any new rulemaking proceeding under section 18 of such Act which is intended to result in, or which may result in, the promulgation of any rule by the Commission which prohibits or otherwise regulates any commercial advertising on the basis of a determination by the Commission that such commercial advertising constitutes an unfair act or practice in or affecting commerce.

(c) The amendments made in subsection (a) shall take effect on the date of the enactment of this Act. The children's advertising proceeding pending on the date of the enactment of this Act shall not proceed further until such time as the Commission has complied with section 18(b)(1)(A) of the Federal Trade Commission Act, as amended by subsection (a)(3) and as so redesignated in section 8(a). In any such further proceeding, interested parties shall be given a reasonable opportunity to present their views in accordance with section 18(b)(1)(B) of the Federal Trade Commission Act, as so redesignated in section 8(a), section 18(b)(1)(C) of such Act, as so redesignated in section 8(a), and section 18(c) of such Act (15 U.S.C. 57a(c)).

EX PARTE MEETINGS

SEC. 12. Section 18 of the Federal Trade Commission Act (15 U.S.C. 57a), as amended in section 11(a)(1), is further amended by adding at the end thereof the following new subsections:

"(j)(1) For purposes of this subsection, the term 'outside party' means any person other than (A) a Commissioner; (B) an officer or employee of the Commission; or (C) any person who has entered into a contract or any other agreement or arrangement with the Commission to provide any goods or services (including consulting services) to the Commission.

"(2) Not later than 60 days after the date of the enactment of the Federal Trade Commission Improvements Act of 1980, the Commission shall publish a proposed rule, and not later than 180 days after such date of enactment the Commission shall promulgate a final rule, which shall authorize the Commission or any Commissioner to meet with any outside party concerning any rulemaking proceeding of the Commission. Such rule shall provide that—

"(A) notice of any such meeting shall be included in any weekly calendar prepared by the Commission; and

"(B) a verbatim record or a summary of any such meeting, or of any communication relating to any such meeting, shall be kept, made available to the public, and included in the rulemaking record.

"(k) Not later than 60 days after the date of the enactment of the Federal Trade Commission Improvements Act of 1980, the Commission shall publish a proposed rule, and not later than 180 days after such date of enactment the Commission shall promulgate a final rule, which shall prohibit any officer, employee, or agent of the Commission with any investigative responsibility or other responsibility relating to any rulemaking proceeding within any operating bureau of the Commission, from communicating or causing to be communicated to any Commissioner or to the personal staff of any Commissioner any fact which is relevant to the merits of such proceeding and which is not on the rulemaking record of such proceeding, unless such communication is made available to the public and is included in the rulemaking record. The provisions of this subsection shall not apply to any communication to the extent such communication is required for the disposition of ex parte matters as authorized by law.".

CIVIL INVESTIGATIVE DEMANDS

SEC. 13. The Federal Trade Commission Act (15 U.S.C. 41 et seq.) is amended by redesignating section 20 and section 21 as section 24 and section 25, respectively, and by inserting after section 19 the following new section:

"SEC. 20. (a) For purposes of this section:

"(1) The terms 'civil investigative demand' and 'demand' mean any demand issued by the Commission under subsection (c)(1).

"(2) The term 'Commission investigation' means any inquiry conducted by a Commission investigator for the purpose of ascertaining whether any person is or has been engaged in any unfair or deceptive acts or practices in or affecting commerce (within the meaning of section 5(a)(1)).

"(3) The term 'Commission investigator' means any attorney or investigator employed by the Commission who is charged with the duty of enforcing or carrying into effect any provisions relating to unfair or deceptive acts or practices in or affecting commerce (within the meaning of section 5(a)(1).

"(4) The term 'custodian' means the custodian or any deputy custodian designated under section 21(b)(2)(A).

"(5) The term 'documentary material' includes the original or any copy of any book, record, report, memorandum, paper, communication, tabulation, chart, or other document.

"(6) The term 'person' means any natural person, partnership, corporation, association, or other legal entity, including any person acting under color or authority of State law.

"(7) The term 'violation' means any act or omission constituting an unfair or deceptive act or practice in or affecting commerce (within the meaning of section 5(a)(1).

"(b) For the purpose of investigations performed pursuant to this section with respect to unfair or deceptive acts or practices in or affecting commerce (within the meaning of section 5(a)(1)), all actions of the Commission taken under section 6 and section 9 shall be conducted pursuant to subsection (c).

"(c)(1) Whenever the Commission has reason to believe that any person may be in possession, custody, or control of any documentary material, or may have any information, relevant to unfair or deceptive acts or practices in or affecting commerce (within the meaning of section 5(a)(1)), the Commission may, before the institution of any proceedings under this Act, issue in writing, and cause to be served upon such person, a civil investigative demand requiring such person to produce such documentary material for inspection and copying or reproduction, to file written reports or answers to questions, to give oral testimony concerning documentary material or other information, or to furnish any combination of such material, answers, or testimony.

"(2) Each civil investigative demand shall state the nature of the conduct constituting the alleged violation which is under investigation and the provision of law applicable to such violation.

"(3) Each civil investigative demand for the production of documentary material shall—

"(A) describe each class of documentary material to be produced under the demand with such definiteness and certainty as to permit such material to be fairly identified;

"(B) prescribe a return date or dates which will provide a reasonable period of time within which the material so demanded may be assembled and made available for inspection and copying or reproduction; and

"(C) identify the custodian to whom such material shall be made available.

"(4) Each civil investigative demand for written reports or answers to questions shall—

"(A) propound with definiteness and certainty the reports to be produced or the questions to be answered;

"(B) prescribe a date or dates at which time written reports or answers to questions shall be submitted; and

"(C) identify the custodian to whom such reports or answers shall be submitted.

"(5) Each civil investigative demand for the giving of oral testimony shall—

"(A) prescribe a date, time, and place at which oral testimony shall be commenced; and

"(B) identify a Commission investigator who shall conduct the investigation and the custodian to whom the transcript of such investigation shall be submitted.

"(6)(A) Any civil investigative demand may be served by any Commission investigator at any place within the territorial jurisdiction of any court of the United States.

"(B) Any such demand or any enforcement petition filed under this section may be served upon any person who is not found within the territorial jurisdiction of any court of the United States, in such manner as the Federal Rules of Civil Procedures prescribe for service in a foreign nation.

"(C) To the extent that the courts of the United States have authority to assert jurisdiction over such person consistent with due process, the United States District Court for the District of Columbia shall have the same jurisdiction to take any action respecting compliance with this section by such person that such district court would have if such person were personally within the jurisdiction of such district court.

"(7) Service of any civil investigative demand or any enforcement petition filed under this section may be made upon a partnership, corporation, association, or other legal entity by—

"(A) delivering a duly executed copy of such demand or petition to any partner, executive officer, managing agent, or general agent of such partnership, corporation, association, or other legal entity, or to any agent of such partnership, corporation, association, or other legal entity authorized by appointment or by law to receive service of process on behalf of such partnership, corporation, association, or other legal entity;

"(B) delivering a duly executed copy of such demand or petition to the principal office or place of business of the partnership, corporation, association, or other legal entity to be served; or

"(C) depositing a duly executed copy in the United States mails, by registered or certified mail, return receipt requested, duly addressed to such partnership, corporation, association, or other legal entity at its principal office or place of business.

"(8) Service of any civil investigative demand or of any enforcement petition filed under this section may be made upon any natural person by—

"(A) delivering a duly executed copy of such demand or petition to the person to be served; or

"(B) depositing a duly executed copy in the United States mails by registered or certified mail, return receipt requested, duly addressed to such person at his residence or principal office or place of business.

"(9) A verified return by the individual serving any civil investigative demand or any enforcement petition filed under this section setting forth the manner of such service shall be proof of such service. In the case of service by registered or certified mail, such return shall be accompanied by the return post office receipt of delivery of such demand or enforcement petition.

"(10) The production of documentary material in response to a civil investigative demand shall be made under a sworn certificate, in such form as the demand designates, by the person, if a natural person, to whom the demand is directed or, if not a natural person, by any person having knowledge of the facts and circumstances relating to such production, to the effect that all of the documentary material required by the demand and in the possession, custody, or control of the person to whom the demand is directed has been produced and made available to the custodian.

"(11) Each reporting requirement or question in a civil investigative demand shall be answered separately and fully in writing under oath, unless it is objected to, in which event the reasons for the objection shall be stated in lieu of an answer, and it shall be submitted under a sworn certificate, in such form as the demand designates, by the person, if a natural person, to whom the demand is directed or, if not a natural person, by any person responsible for answering each reporting requirement or question, to the effect that all information required by the demand and in the possession, custody, control, or knowledge of the person to whom the demand is directed has been submitted.

"(12)(A) Any Commission investigator before whom oral testimony is to be taken shall put the witness on oath or affirmation and shall personally, or by any individual acting under his direction and in his presence, record the testimony of the witness. The testimony shall be taken stenographically and transcribed. After the testimony is fully transcribed, the Commission investigator before whom the testimony is taken shall promptly transmit a copy of the transcript of the testimony to the custodian.

"(B) Any Commission investigator before whom oral testimony is to be taken shall exclude from the place where the testimony is to be taken all other persons except the person giving the testimony, his attorney, the officer before whom the testimony is to be taken, and any stenographer taking such testimony.

"(C) The oral testimony of any person taken pursuant to a civil investigative demand shall be taken in the judicial district of the United States in which such person resides, is found, or transacts business, or in such other place as may be agreed upon by the Commission investigator before whom the oral testimony of such person is to be taken and such person.

"(D)(i) Any person compelled to appear under a civil investigative demand for oral testimony pursuant to this section may be accompanied, represented, and advised by an attorney. The attorney may advise such person, in confidence, either upon the request of such person or upon the initiative of the attorney, with respect to any question asked of such person.

"(ii) Such person or attorney may object on the record to any question, in whole or in part, and shall briefly state for the record the reason for the objection. An objection may properly be made, received, and entered upon the record when it is claimed that such person is entitled to refuse to answer the question on grounds of any constitutional or other legal right or privilege, including the privilege against self-incrimination. Such person shall not otherwise object to or refuse to answer any question, and shall not himself or through his attorney otherwise interrupt the oral examination. If such person refuses to answer any question, the Commission may petition the district court of the United States pursuant to this section for an order compelling such person to answer such question.

"(iii) If such person refuses to answer any question on grounds of the privilege against self-incrimination, the testimony of such person may be compelled in accordance with the provisions of section 6004 of title 18, United States Code.

"(E)(i) After the testimony of any witness is fully transcribed, the Commission investigator shall afford the witness (who may be accompanied by an attorney) a reasonable opportunity to examine the transcript. The transcript shall be read to or by the witness, unless such examination and reading are waived by the witness. Any changes in form or substance which the witness desires to make shall be entered and identified upon the transcript by the Commission investigator with a statement of the reasons given by the witness for making such changes. The transcript shall then be signed by the witness, unless the witness in writing waives the signing, is ill, cannot be found, or refuses to sign.

"(ii) If the transcript is not signed by the witness during the 30-day period following the date upon which the witness is first afforded a reasonable opportunity to examine it, the Commission investigator shall sign the transcript and state on the record the fact of the waiver, illness, absence of the witness, or the refusal to sign, together with any reasons given for the failure to sign.

"(F) The Commission investigator shall certify on the transcript that the witness was duly sworn by him and that the transcript is a true record of the testimony given by the witness, and the Commission investigator shall promptly deliver the transcript or send it by registered or certified mail to the custodian.

"(G) The Commission investigator shall furnish a copy of the transcript (upon payment of reasonable charges for the transcript) to the witness only, except that the Commission may for good cause limit such witness to inspection of the official transcript of his testimony.

"(H) Any witness appearing for the taking of oral testimony pursuant to a civil investigative demand shall be entitled to the same fees and mileage which are paid to witnesses in the district courts of the United States.

"(d) Materials received as a result of a civil investigative demand shall be subject to the procedures established in section 21.

"(e) Whenever any person fails to comply with any civil investigative demand duly served upon him under this section, or whenever satisfactory copying or reproduction of material requested pursuant to the demand cannot be accomplished and such person refuses to surrender such material, the Commission, through such officers or attorneys as it may designate, may file, in the district court of the United States for any judicial district in which such person resides, is found, or transacts business, and serve upon such person, a petition for an order of such court for the enforcement of this section. All process of any court to which application may be made as provided in this subsection may be served in any judicial district.

"(f)(1) Not later than 20 days after the service of any civil investigative demand upon any person under subsection (c), or at any time before the return date specified in the demand, whichever period is shorter, or within such period exceeding 20 days after service or in excess of such return date as may be prescribed in writing, subsequent to service, by any Commission investigator named in the demand, such person may file with the Commission a petition for an order by the Commission modifying or setting aside the demand.

"(2) The time permitted for compliance with the demand in whole or in part, as deemed proper and ordered by the Commission, shall not run during the pendency of such petition at the Commission, except that such person shall comply with any portions of the demand not sought to be modified or set aside. Such petition shall specify each ground upon which the petitioner relies in seeking such relief, and may be based upon any failure of the demand to comply with the provisions of this section, or upon any constitutional or other legal right or privilege of such person.

"(g) At any time during which any custodian is in custody or control of any documentary material, reports, answers to questions, or transcripts of oral testimony given by any person in compliance with any civil investigative demand, such person may file, in the district court of the United States for the judicial district within which the office of such custodian is situated, and serve upon such custodian, a petition for an order of such court requiring the performance by such custodian of any duty imposed upon him by this section or section 21.

"(h) Whenever any petition is filed in any district court of the United States under this section, such court shall have jurisdiction to hear and determine the matter so presented, and to enter such order or orders as may be required to carry into effect the provisions of this section. Any final order so entered shall be subject to appeal pursuant to section 1291 of title 28, United States Code. Any disobedience of any final order entered under this section by any court shall be punished as a contempt of such court.

"(i) Notwithstanding any other provision of law, the Commission shall have no authority to issue a subpoena or make a demand for information, under authority of this Act or any other provision of law, unless such subpoena or demand for information is signed by a Commissioner acting pursuant to a Commission resolution. The Commission shall not delegate the power conferred by this section to sign subpoenas or demands for information to any other person.

"(j) The provisions of this section shall not—

"(1) apply to any proceeding under section 5(b); or

"(2) apply to or affect the jurisdiction, duties, or powers of any agency of the Federal Government, other than the Commission, regardless of whether such jurisdiction, duties, or powers are derived in whole or in part, by reference to this Act.".

CONFIDENTIALITY

SEC. 14. The Federal Trade Commission Act (15 U.S.C. 41 et seq.), as amended in section 13, is further amended by inserting after section 20 the following new section:

"SEC. 21. (a) For purposes of this section:

"(1) The term 'material' means documentary material, written reports or answers to questions, and transcripts of oral testimony.

"(2) The term 'Federal agency' has the meaning given it in section 552(e) of title 5, United States Code.

"(b)(1) With respect to any document or transcript of oral testimony received by the Commission pursuant to compulsory process in an investigation, a purpose of which is to determine whether any person may have violated any provision of the laws administered by the Commission, the procedures established in paragraph (2) through paragraph (7) shall apply.

"(2)(A) The Commission shall designate a duly authorized agent to serve as custodian of documentary material, or written reports or answers to questions, and transcripts of oral testimony, and such additional duly authorized agents as the Commission shall determine from time to time to be necessary to serve as deputies to the custodian.

"(B) Any person upon whom any demand for the production of documentary material has been duly served shall make such material available for inspection and copying or reproduction to the custodian designated in such demand at the principal place of business of such person (or at such other place as such custodian and such person thereafter may agree and prescribe in writing or as the court may direct pursuant to section 20(h)) on the return date specified in such demand (or on such later date as such custodian may prescribe in writing). Such person may upon written agreement between such person and the custodian substitute copies for originals of all or any part of such material.

"(3)(A) The custodian to whom any documentary material, written reports or answers to questions, and transcripts of oral testimony are delivered shall take physical possession of such material, reports or answers, and transcripts, and shall be responsible for the use made of such material, reports or answers, and transcripts, and for the return of material, pursuant to the requirements of this section.

"(B) The custodian may prepare such copies of the documentary material, written reports or answers to questions, and transcripts of oral testimony as may be required for officer use by any duly authorized officer or employee of the Commission under regulations which shall be promulgated by the Commission. Notwithstanding subparagraph (C), such material and transcripts may be used by any such officer or employee in connection with the taking of oral testimony under this section.

"(C) Except as otherwise provided in this section, while in the possession of the custodian, no documentary materials, reports or answers to questions, and transcripts of oral testimony shall be available for examination by any individual other than a duly authorized officer or employee of the Commission without the consent of the person who produced the material or transcripts. Nothing in this section is intended to prevent disclosure to either House of the Congress or to any committee or subcommittee of the Congress, except that the Commission immediately shall notify the owner or provider of any such information of a request for information designated as confidential by the owner or provider.

"(D) While in the possession of the custodian and under such reasonable terms and conditions as the commission shall prescribe—

"(i) documentary material or written reports shall be available for examination by the person who produced the material, or by any duly authorized representative of such person; and

"(ii) answers to questions in writing and transcripts of oral testimony shall be available for examination by the person who produced the testimony or by his attorney.

"(4) Whenever the Commission has instituted a proceeding against a person, partnership, or corporation, the custodian may deliver to any officer or employee of the Commission documentary material, written reports or answers to questions, and transcripts of oral testimony for official use in connection with such proceeding. Upon the completion of the proceeding, the officer or employee shall return to the custodian any such material so delivered which has not been received into the record of the proceeding.

"(5) If any documentary material, written reports or answers to questions, and transcripts of oral testimony have been produced in the course of any investigation by any person pursuant to compulsory process and—

"(A) any proceeding arising out of the investigation has been completed; or

"(B) no proceeding in which the material may be used has been commenced within a reasonable time after completion of the examination and analysis of all such material and other information assembled in the course of the investigation;

then the custodian shall, upon written request of the person who produced the material, return to the person any such material which has not been received into the record of any such proceeding (other than copies of such material made by the custodian pursuant to paragraph (3)(B)).

"(6) The custodian of any documentary material, written reports or answers to questions, and transcripts of oral testimony may deliver to any officers or employees of appropriate Federal law enforcement agencies, in response to a written request, copies of such material for use in connection with an investigation or proceeding under the jurisdiction of such agency. Such materials shall not be made available to any such agency until the custodian receives certification of any officer of such agency that such information will be maintained in confidence and will be used only for official law enforcement purposes. Such documentary material, written reports or answers to questions, and transcripts of oral testimony may be used by any officer or employee of such agency only in such manner and subject to such conditions as apply to the Commission under this section. The custodian may make such materials available to any State law enforcement agency upon the prior certification of any officer of such agency that such information will be maintained in confidence and will be used only for official law enforcement purposes.

"(7) In the event of the death, disability, or separation from service in the Commission of the custodian of any documentary material, written reports or answers to questions, and transcripts of oral testimony produced under any demand issued under this Act, or the official relief of the custodian from responsibility for the custody and control of such material, the Commission promptly shall—

"(A) designate under paragraph (2)(A) another duly authorized agent to serve as custodian of such material; and

"(B) transmit in writing to the person who produced the material or testimony notice as to the identity and address of the successor so designated.

Any successor designated under paragraph (2)(A) as a result of the requirements of this paragraph shall have (with regard to the material involved) all duties and responsibilities imposed by this section upon his predecessor in office with regard to such material, except that he shall not be held responsible for any default or dereliction which occurred before his designation.

"(c)(1) All information reported to or otherwise obtained by the Commission which is not subject to the requirements of subsection (b) shall be considered confidential when so marked by the person supplying the information and shall not be disclosed, except in accordance with the procedures established in paragraph (2) and paragraph (3).

"(2) If the Commission determines that a document marked confidential by the person supplying it may be disclosed because it is not a trade secret or commercial or financial information which is obtained from any person and which is privileged or confidential, within the meaning of section 6(f), then the Commission shall notify such person in writing that the Commission intends to disclose the document at a date not less than 10 days after the date of receipt of notification.

"(3) Any person receiving such notification may, if he believes disclosure of the document would cause disclosure of a trade secret, or commercial or financial information which is obtained from any person and which is privileged or confidential, within the meaning of section 6(f), before the date set for release of the document, bring an action in the district court of the United States for the district within which the documents are located or in the United States District Court for the District of Columbia to restrain disclosure of the document. Any person receiving such notification may file with the appropriate district court or court of appeals of the United States, as appropriate, an application for a stay of disclosure. The documents shall not be disclosed until the court has ruled on the application for a stay.

"(d)(1) The provisions of subsection (c) shall not be construed to prohibit—

"(A) the disclosure of information to either House of the Congress or to any committee or subcommittee of the Congress, except that the Commission immediately shall notify the owner or provider of any such information of a request for information designated as confidential by the owner or provider;

"(B) the disclosure of the results of any investigation or study carried out or prepared by the Commission, except that no information shall be identified nor shall information be disclosed in such a manner as to disclose a trade secret of any person supplying the trade secret, or to disclose any commercial or financial information which is obtained from any person and which is privileged or confidential;

"(C) the disclosure of relevant and material information in Commission adjudicative proceedings or in judicial proceedings to which the Commission is a party; or

"(D) the disclosure to a Federal agency of disaggregated information obtained in accordance with section 3512 of title 44, United States Code, except that the recipient agency shall use such disaggregated information for economic, statistical, or policymaking purposes only, and shall not disclose such information in an individually identifiable form.

"(2) Any disclosure of relevant and material information in Commission adjudicative proceedings or in judicial proceedings to which the Commission is a party shall be governed by the rules of the Commission for adjudicative proceedings or by court rules or orders, except that the rules of the Commission shall not be amended in a manner inconsistent with the purposes of this section.

"(e) Nothing in this section shall supersede any statutory provision which expressly prohibits or limits particular disclosures by the Commission, or which authorizes disclosures to any other Federal agency.

"(f) Any material which is received by the Commission in any investigation, a purpose of which is to determine whether any person may have violated any provision of the laws administered by the Commission, and which is provided pursuant to any compulsory process under this Act or which is provided voluntarily in place of such compulsory process shall be exempt from disclosure under section 552 of title 5, United States Code.".

REGULATORY ANALYSES; JUDICIAL REVIEW; REGULATORY AGENDAS

SEC. 15. The Federal Trade Commission Act (15 U.S.C. 41 et seq.), as amended in section 13 and section 14, is further amended by inserting after section 21 the following new section:

"SEC. 22. (a) For purposes of this section:

"(1) The term 'rule' means any rule promulgated by the Commission under section 6 or section 18, except that such term does not include interpretive rules, rules involving Commission management or personnel, general statements of policy, or rules relating to Commission organization, procedure, or practice. Such term does not include any amendment to a rule unless the Commission—

"(A) estimates that such amendment will have an annual effect on the national economy of $100,000,000 or more;

"(B) estimates that such amendment will cause a substantial change in the cost or price of goods or services which are used extensively by particular industries, which are supplied extensively in particular geographic regions, or which are acquired in significant quantities by the Federal Government, or by State or local governments; or

"(C) otherwise determines that such amendment will have a significant impact upon persons subject to regulation under such amendment and upon consumers.

"(2) The term 'rulemaking' means any Commission process for formulating or amending a rule.

"(b)(1) In any case in which the Commission publishes notice of a proposed rulemaking, the Commission shall issue a preliminary regulatory analysis relating to the proposed rule involved. Each preliminary regulatory analysis shall contain—

"(A) a concise statement of the need for, and the objectives of, the proposed rule;

"(B) a description of any reasonable alternatives to the proposed rule which may accomplish the stated objective of the rule in a manner consistent with applicable law; and

"(C) for the proposed rule, and for each of the alternatives described in the analysis, a preliminary analysis of the projected benefits and any adverse economic effects and any other effects, and of the effectiveness of the proposed rule and each alternative in meeting the stated objectives of the proposed rule.

"(2) In any case in which the Commission promulgates a final rule, the Commission shall issue a final regulatory analysis relating to the final rule. Each final regulatory analysis shall contain—

"(A) a concise statement of the need for, and the objectives of, the final rule;

"(B) a description of any alternatives to the final rule which were considered by the Commission;

"(C) an analysis of the projected benefits and any adverse economic effects and any other effects of the final rule;

"(D) an explanation of the reasons for the determination of the Commission that the final rule will attain its objectives in a manner consistent with applicable law and the reasons the particular alternative was chosen; and

"(E) a summary of any significant issues raised by the comments submitted during the public comment period in response to the preliminary regulatory analysis, and a summary of the assessment by the Commission of such issues.

"(3)(A) In order to avoid duplication or waste, the Commission is authorized to—

"(i) consider a series of closely related rules as one rule for purposes of this subsection; and

"(ii) whenever appropriate, incorporate any data or analysis contained in a regulatory analysis issued under this subsection in the statement of basis and purpose to accompany any rule promulgated under section 18 (a)(1)(B), and incorporate by reference in any preliminary or final regulatory analysis information contained in a notice of proposed rulemaking or a statement of basis and purpose.

"(B) The Commission shall include, in each notice of proposed rulemaking and in each publication of a final rule, a statement of the manner in which the public may obtain copies of the preliminary and final regulatory analyses. The Commission may charge a reasonable fee for the copying and mailing of regulatory analyses. The regulatory analyses shall be furnished without charge or at a reduced charge if the Commission determines that waiver or reduction of the fee is in the public interest because furnishing the information primarily benefits the general public.

"(4) The Commission is authorized to delay the completion of any of the requirements established in this subsection by publishing in the Federal Register, not later than the date of publication of the final rule involved, a finding that the final rule is being promulgated in response to an emergency which makes timely compliance with the provisions of this subsection impracticable. Such publication shall include a statement of the reasons for such finding.

"(5) The requirements of this subsection shall not be construed to alter in any manner the substantive standards applicable to any action by the Commission, or the procedural standards otherwise applicable to such action.

"(c)(1) The contents and adequacy of any regulatory analysis prepared or issued by the Commission under this section, including the adequacy of any procedure involved in such preparation or issuance, shall not be subjected to any judicial review in any court, except that a court, upon review of a rule pursuant to section 18(e), may set aside such rule if the Commission has failed entirely to prepare a regulatory analysis.

"(2) Except as specified in paragraph (1), no Commission action may be invalidated, remanded, or otherwise affected by any court on account of any failure to comply with the requirements of this section.

"(3) The provisions of this subsection do not alter the substantive or procedural standards otherwise applicable to judicial review of any action by the Commission.

"(d)(1) The Commission shall publish at least semiannually a regulatory agenda. Each regulatory agenda shall contain a list of rules which the Commission intends to propose or promulgate during the 12-month period following the publication of the agenda. On the first Monday in October of each year, the Commission shall publish in the Federal Register a schedule showing the dates during the current fiscal year on which the semiannual regulatory agenda of the Commission will be published.

"(2) For each rule listed in a regulatory agenda, the Commission shall—

"(A) describe the rule;

"(B) state the objectives of and the legal basis for the rule; and

"(C) specify any dates established or anticipated by the Commission for taking action, including dates for advance notice of proposed rulemaking, notices of proposed rulemaking, and final action by the Commission.

"(3) Each regulatory agenda shall state the name, office address, and office telephone number of the Commission officer or employee responsible for responding to any inquiry relating to each rule listed.

"(4) The Commission shall not propose or promulgate a rule which was not listed on a regulatory agenda unless the Commission publishes with the rule an explanation of the reasons the rule was omitted from such agenda.".

GOOD FAITH RELIANCE UPON ACTIONS OF BOARD OF GOVERNORS OF FEDERAL REVSERVE SYSTEM

SEC. 16. The Federal Trade Commission Act (15 U.S.C. 41 et seq.), as amended in section 13, section 14, and section 15, is further amended by inserting after section 22 the following new section:

"SEC. 23. (a) For purposes of this section, the term 'Board of Governors' means the Board of Governors of the Federal Reserve System.

"(b) Notwithstanding any other provision of law, if—

"(1) any person, partnership, or corporation engages in any conduct or practice which allegedly constitutes a violation of any Federal law with respect to which the Board of Governors of the Federal System has rulemaking authority; and

"(2) such person, partnership, or corporation engaged in such conduct or practice in good faith reliance upon, and in conformity with, any rule, regulation, statement of interpretation, or statement of approval prescribed or issued by the Board of Governors under such Federal law;

then such good faith reliance shall constitute a defense in any administrative or judicial proceeding commenced against such person, partnership, or corporation by the Commission under this Act or in any administrative or judicial proceeding commenced against such person, partnership, or corporation by the Attorney General of the United States, upon request made by the Commission, under any provision of law.

"(c) The provisions of subsection (b) shall apply regardless of whether any rule, regulation, statement of interpretation, or statement of approval prescribed or issued by the Board of Governors is amended, rescinded, or held to be invalid by judicial authority or any other authority after a person, partnership, or corporation has engaged in any conduct or practice in good faith reliance upon, and in conformity with, such rule, regulation, statement of interpretation, or statement of approval.

"(d) If, in any case in which—

"(1) the Board of Governors has rulemaking authority with respect to any Federal law; and

"(2) the Commission is authorized to enforce the requirements of such Federal law;

any person, partnership, or corporation submits a request to the Board of Governors for the issuance of any statement of interpretation or statement of approval relating to any conduct or practice of such person, partnership, or corporation which may be subject to the requirements of such Federal law, then the Board of Governors shall dispose of such request as soon as practicable after the receipt of such request.".

AUTHORIZATION OF APPROPRIATIONS

SEC. 17. Section 24 of the Federal Trade Commission Act, as so redesignated in section 13, is amended—

(1) by striking out "and" after "1976;"; and

(2) by striking out "1977. For fiscal years" and all that follows through "law." and inserting in lieu thereof "1977; not to exceed $70,000,000 for the fiscal year ending September 30, 1980; not to exceed $75,000,000 for the fiscal year ending September 30, 1981; and not to exceed $80,000,000 for the fiscal year ending September 30, 1982.".

RESTRICTION OF COMMISSION AUTHORITY UNDER LANHAM TRADEMARK ACT

SEC. 18. The Federal Trade Commission shall not have any authority to use any funds which are authorized to be appropriated to carry out the Federal Trade Commission Act (15 U.S.C. 41 et seq.) for fiscal years 1980, 1981, or 1982, under section 24 of such Act, as amended by section 17 and as so redesignated in section 13, for the purpose of taking any action under section 14 of the Act entitled "An Act to provide for the registration and protection of trademarks used in commerce, to carry out the provisions of certain international conventions, and for other purposes" (15 U.S.C. 1064), commonly referred to as the Lanham Trademark Act, with respect to the cancellation of the registration of any mark on the ground that such mark has become the common descriptive name of an article or substance.

RESTRICTION OF COMMISSION REGULATION OF FUNERAL INDUSTRY

SEC. 19. (a) For purposes of this section:

(1) The term "Commission" means the Federal Trade Commission.

(2) The term "funeral trade regulation rule" means the proposed trade regulation rule which was published in the Federal Register of August 29, 1975, beginning at page 39901, and which relates to the regulation of funeral industry practices.

(b) Except as provided in subsection (c), the Federal Trade Commission shall not have any authority to use any funds which are authorized to be appropriated to carry out the Federal Trade Commission Act (15 U.S.C. 41 et seq.) for fiscal year 1980, 1981, or 1982, under section 24 of such Act, as amended by section 17 and as so redesignated in section 13, to issue—

(1) the funeral trade regulation rule in final form; or

(2) any other trade regulation rule, in proposed or final form, which sets forth rules substantially similar to the rules set forth in the funeral trade regulation rule.

(c) (1) The Commission shall have authority to use the funds specified in subsection (b) to issue the funeral trade regulation rule in final form only to the extent that the funeral trade regulation rule (in its final form)—

(A) requires persons, partnerships, and corporations furnishing goods and services relating to funerals to disclose the fees or prices charged for such goods and services in a manner prescribed by the Commission; and

(B) prohibits or prevents such persons, partnerships, and corporations from—

(i) engaging in any misrepresentation;

(ii) engaging in any boycott against, or making any threat against, any other person, partnership, or corporation furnishing goods and services relating to funerals;

(iii) conditioning the furnishing of any such goods or services to a consumer upon the purchase of such consumer of other such goods or services; or

(iv) furnishing any such goods or services to a consumer for a fee without obtaining the prior approval of such consumer.

(2) (A) The Commission, before issuing the funeral trade regulation rule in final form—

(i) shall publish in the Federal Register for public comment a revised version of the funeral trade regulation rule which contains the provisions specified in subparagraph (A) and subparagraph (B) of paragraph (1);

(ii) shall allow interested persons to submit written data, views, and arguments relating to such revised version of the funeral trade regulation rule, and make all such submissions publicly available; and

(iii) may permit interested persons, or, as appropriate, a single representative of each group of such persons having the same or similar interests with respect to such revised version of the funeral trade regulation rule, to present their position orally.

(B) The requirements established in subparagraph (A) are in addition to, and not in lieu of, any other requirements established in the Federal Trade Commission Act (15 U.S.C. 41 et seq.), or in any other provision of law, and applicable to the promulgation of trade regulation rules by the Commission. The requirements established in subparagraph (A) shall not be construed to vacate or otherwise affect any proceedings conducted by the Commission before the date of the enactment of this Act with respect to the funeral trade regulation rule.

(d) If, upon application to the Commission by an appropriate State agency, the Commission determines (pursuant to rules prescribed by the Commission) that—

(1) there is in effect a State requirement which applies to any transaction to which this section applies; and

(2) such State requirement affords an overall level of protection to consumers which is as great as, or greater than, the protection afforded by this section;

then only such State requirement shall be applicable to the extent specified in such determination for so long as the State administers and enforces effectively any such State requirement.

RESTRICTION OF COMMISSION AUTHORITY RELATING TO AGRICULTURAL COOPERATIVES

SEC. 20. (a) The Federal Trade Commission shall not have any authority to use any funds which are authorized to be appropriated to carry out the Federal Trade Commission Act (15 U.S.C. 41 et seq.) for fiscal year 1980, 1981, or 1982, under section 24 of such Act, as amended by section 17 and as so redesignated in section 13, for the purpose of conducting any study, investigation, or prosecution of any agricultural cooperative for any conduct which, because of the provisions of the Act entitled 'An Act to authorize association of producers of agricultural products', approved February 18, 1922 (7 U.S.C. 291 et seq.), commonly known as the Capper-Volstead Act, is not a violation of any Federal antitrust Act or the Federal Trade Commission Act (15 U.S.C. 41 et seq.).

(b) The Federal Trade Commission shall not have any authority to use any funds which are authorized to be appropriated to carry out the Federal Trade Commission Act (15 U.S.C. 41 et seq.) for fiscal year 1980, 1981, or 1982, under section 24 of such Act, as amended by section 17 and so redesignated in section 13, for the purpose of conducting any study or investigation of any agricultural marketing orders.

CONGRESSIONAL REVIEW OF RULES

SEC. 21. (a) (1) The Federal Trade Commission, after promulgating a final rule, shall submit such final rule to the Congress for review in accordance with this section. Such final rule shall be delivered to each House of the Congress on the same date and to each House of the Congress while it is in session. Such final rule shall be referred to the Committee on Commerce, Science, and Transportation of the Senate and to the Committee on Interstate and Foreign Commerce of the House, respectively.

(2) Any such final rule shall become effective in accordance with its terms unless, before the end of the period of 90 calendar days of continuous session after the date such final rule is submitted to the Congress, both Houses of the Congress adopt a concurrent resolution disapproving such final rule.

(b) (1) The provisions of this subsection are enacted by the Congress—

(A) as an exercise of the rulemaking power of the Senate and the House of Representatives, respectively, and as such they are deemed a part of the rules of each House, respectively, but applicable only with respect to the procedure to be followed in that House in the case of concurrent resolutions which are subject to this section, and such provisions supersede other rules only to the extent that they are inconsistent with such other rules; and

(B) with full recognition of the constitutional right of either House to change the rules (so far as relating to the procedure of that House) at any time, in the same manner and to the same extent as in the case of any other rule of that House.

(2) (A) Any concurrent resolution disapproving a final rule of the Commission shall, upon introduction or receipt from the other House of the Congress, be referred immediately by the presiding officer of such House to the Committee on Commerce, Science, and Transportation of the Senate or to the Committee on Interstate and Foreign Commerce of the House, as the case may be.

(B) If a committee to which a concurrent resolution is referred does not report such concurrent resolution before the end of the period of 75 calendar days of continuous session of the Congress after the referral of such resolution to the Committee on Commerce, Science, and Transportation of the Senate or to the Committee on Interstate and Foreign Commerce of the House, as the case may be, under subsection (a) (1), it shall be in order to move to discharge any such committee from further consideration of such concurrent resolution.

(C) (i) A motion to discharge in the Senate may be made only by a Member favoring the concurrent resolution, shall be privileged (except that it may not be made after the committee has reported a concurrent resolution with respect to the same final rule of the Commission), and debate on such motion shall be limited to not more than 1 hour, to be divided equally between those favoring and those opposing the motion. An amendment to the motion shall not be in order, and it shall not be in order to move to reconsider the vote by which the motion was agreed to or disagreed to. If the motion to discharge is agreed to or disagreed to, the motion may not be renewed, nor may another motion to discharge the committee be made with respect to any other concurrent resolution with respect to the same final rule of the Commission.

(ii) A motion to discharge in the House may be made by presentation in writing to the Clerk. The motion may be called up only if the motion has been signed by one-fifth of the Members of the House. The motion is highly privileged (except that it may not be made after the committee has reported a concurrent resolution of disapproval with respect to the same rule). Debate on such motion shall be limited to not more than 1 hour, the time to be divided equally between those favoring and those opposing the motion. An amendment to the motion is not in order, and it is not in order to move to reconsider the vote by which the motion is agreed to or disagreed to.

(3) (A) When a committee has reported, or has been discharged from further consideration of, a concurrent resolution, it shall be at any time thereafter in order (even though a previous motion to the same effect has been disagreed to) to move to proceed to the consideration of the concurrent resolution. The motion shall be privileged in the Senate and highly privileged in the House of Representatives, and shall not be debatable. An amendment to the motion shall not be in order, and it shall not be in order to move to reconsider the vote by which the motion was agreed to or disagreed to.

(B) Debate on the concurrent resolution shall be limited to not more than 10 hours, which shall be divided equally between those favoring and those opposing such concurrent resolution. A motion further to limit debate shall not be debatable. An amendment to, or motion to recommit, the concurrent resolution shall not be in order, and it shall not be in order to move to reconsider the vote by which such concurrent resolution was agreed to or disagreed to.

(4) Appeals from the decision of the Chair relating to the application of the rules of the Senate or the House of Representatives, as the case may be, to the procedure relating to a concurrent resolution shall be decided without debate.

(5) Notwithstanding any other provision of this subsection, if a House has approved a concurrent resolution with respect to any final rule of the Commission, then it shall not be in order to consider in such House any other concurrent resolution with respect to the same final rule.

(c) (1) If a final rule of the Commission is disapproved by the Congress under subsection (a) (2), then the Commission may promulgate a final rule which relates to the same acts or practices as the final rule disapproved by the Congress in accordance with this subsection. Such final rule—

(A) shall be based upon—

(i) the rulemaking record of the final rule disapproved by the Congress; or

(ii) such rulemaking record and the record established in supplemental rulemaking proceedings conducted by the Commission in accordance with section 553 of title 5, United States Code, in any case in which the Commission determines that it is necessary to supplement the existing rulemaking record; and

(B) may contain such changes as the Commission considers necessary or appropriate.

(2) The Commission, after promulgating a final rule under this subsection, shall submit the final rule to the Congress in accordance with subsection (a) (1).

(d) Congressional inaction on, or rejection of, a concurrent resolution of disapproval under this section shall not be construed as an expression of approval of the final rule involved, and shall not be construed to create any presumption of validity with respect to such final rule.

(e) (1) The Comptroller General shall prepare a report which examines the review of Commission rules under this section. Such report shall—

(A) list the final rules submitted to the Congress by the Commission during the period in which this section is in effect;

(B) list the final rules disapproved by the Congress under subsection (a) (2);

(C) specify the number of instances in which the Commission promulgates a final rule in accordance with subsection (c); and

(D) include an analysis of any impact which the provisions of this section have had upon the decisionmaking and rulemaking processes of the Commission.

(2) The Comptroller General shall submit the report required in paragraph (1) to the Congress before the end of fiscal year 1982.

(f) (1) Any interested party may institute such actions in the appropriate district court of the United States, including actions for declaratory judgment, as may be appropriate to construe the constitutionality of any provision of this section. The district court immediately shall certify all questions of the constitutionality of this section to the United States court of appeals for the circuit involved, which shall hear the matter sitting en banc.

(2) Notwithstanding any other provision of law, any decision on a matter certified under paragraph (1) shall be reviewable by appeal directly to the Supreme Court of the United States. Such appeal shall be brought not later than 20 days after the decision of the court of appeals.

(3) It shall be the duty of the court of appeals and of the Supreme Court of the United States to advance on the docket and to expedite to the greatest possible extent the disposition of any matter certified under paragraph (1).

(g) (1) For purposes of this section—

(A) continuity of session is broken only by an adjournment sine die; and

(B) days on which either House is not in session because of an adjournment of more than 5 days to a day certain are excluded in the computation of the periods specified in subsection (a) (2) and subsection (b).

(2) If an adjournment sine die of the Congress occurs after the Commission has submitted a final rule under subsection (a) (1), but such adjournment occurs—

(A) before the end of the period specified in subsection (a) (2); and

(B) before any action necessary to disapprove the final rule is completed under subsection (a) (2);

then the Commission shall be required to resubmit the final rule involved at the beginning of the next regular session of the Congress. The period specified in subsection (a) (2) shall begin on the date of such resubmission.

(h) For purposes of this section:

(1) The term "Commission" means the Federal Trade Commission.

(2) The term "concurrent resolution" means a concurrent resolution the matter after the resolving clause of which is as follows: "That the Congress disapproves the final rule promulgated by the Federal Trade Commission dealing with the matter of -----------, which final rule was submitted to the Congress on -----------.". (The blank spaces shall be filled appropriately.)

(3) The term "rule" means any rule promulgated by the Commission pursuant to the Federal Trade Commission Act (15 U.S.C. 41 et seq.), other than any rule promulgated under section 18(a) (1) (A) of such Act (15 U.S.C. 57a(a) (1) (A)).

(i) The provisions of this section shall take effect on the date of the enactment of this Act and shall cease to have any force or effect after September 30, 1982.

OVERSIGHT HEARINGS

Sec. 22. The Consumer Subcommittee of the Committee on Commerce, Science, and Transportation of the Senate shall conduct an oversight hearing with respect to the Federal Trade Commission at least once during the first 6 calendar months, and at least once during the last 6 calendar months, of each of the fiscal years 1980, 1981, and 1982.

EFFECTIVE DATE

Sec. 23. The provisions of this Act, and the amendments made by this Act, shall take effect on the date of the enactment of this Act.

And the Senate agree to the same.

That the Senate recede from its amendment to the title of the bill.

Harley O. Staggers,
James H. Scheuer,
Richardson Preyer,
David E. Satterfield,
Thomas A. Luken,
Samuel L. Devine,
James T. Broyhill,
Matthew J. Rinaldo,
Managers on the Part of the House.

Howard W. Cannon,
Wendell H. Ford,
Warren G. Magnuson,
Howell Heflin,
John C. Danforth,
John W. Warner,
Managers on the Part of the Senate.

Joint Explanatory Statement of the Committee of Conference

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 2313) to amend the Federal Trade Commission Act to extend the authorization of appropriations contained in such Act, and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

The Senate amendment to the text of the bill struck out all of the House bill after the enacting clause and inserted a substitute text.

The House recedes from its disagreement to the amendment of the Senate with an amendment which is a substitute for the House bill and the Senate amendment. The differences between the House bill, the Senate amendment, and the substitute agreed to in conference are noted below, except for clerical corrections, conforming changes made necessary by agreements reached by the conferees, and minor drafting and clarifying changes.

SHORT TITLE

The conference substitute adopts the short title in the House bill.

RECONSIDERATION OF ORDERS

House bill.—The House bill contained no provision with respect to reconsideration of orders.

Senate amendment.—The Senate amendment required the Commission to reopen any order issued under section 5 of the Federal Trade Commission Act if a person, partnership, or corporation subject to that order files a request with the Commission stating with particularity the changed conditions of law or fact that require the order to be altered, modified, or set aside. A request satisfying these requirements must be considered by the Commission within 120 days of the date of filing.

Conference substitute.—The conference substitute adopts the Senate provision, but with a modification that requires parties seeking reconsideration to make a "satisfactory showing" of changed conditions of law or fact.

Disclosure of commercial or financial information

House bill.—The House bill contained no provision.

Senate amendment.—The Senate amended section 6(f) of the Federal Trade Commission Act to remove the Commission's authority to make public "confidential commercial or financial information." The effect of this provision would have been to remove any discretionary authority that the Commission has to make public certain business information.

Conference substitute.—The conference substitute provides that the Commission may not make public "trade secrets or commercial or financial information obtained from a person and privileged or confidential." This brings the language of the Senate bill into conformity with the fourth exemption of the Freedom of Information Act. The effect of the provision is to remove any discretionary authority that the Commission has to make public any information which is exempt from disclosure under the fourth exemption of the Freedom of Information Act. The conferees intend no change in the accepted judicial interpretation of the phrase "trade secrets or commercial or financial information obtained from a person and privileged or confidential."

QUARTERLY FINANCIAL REPORT PROGRAM

House bill.—The House bill contained no provision on the Quarterly Financial Report (QFR) Program.

Senate amendment.—The Senate amendment provided that by October 31, 1981, the Federal Trade Commission (FTC) would reduce the number of small businesses required to participate in the Quarterly Financial Report Program by 25 percent and that the FTC would significantly simplify the reporting forms.

Conference substitute.—The conference substitute directs the agency to determine ways in which the QFR Program can be administered with fewer reporting burdens on small businesses. The agency is required under the conference substitute to establish a plan for reducing the reporting burdens after consulting with representatives of small businesses and with the agencies of the government who use the information contained in the QFR. The plan is to address the ways in which the number of small businesses required to report can be reduced without impairing the utility of the information collected and in which the reporting form can be simplified. The conference substitute directs the agency to prepare the plan and submit it to the Congress on or before December 31, 1980. The changes in the QFR Program as set out in the plan are to go into effect on October 31, 1981.

Line of business

House bill.—The House bill contained no provision.

Senate amendment.—The Senate amendment provided specific procedures to safeguard the confidentiality of data provided pursuant to the Commission Line of Business statistical reporting program.

Conference substitute.—The conference substitute adopts the Senate provision.

Insurance

House bill.—The House bill contained no provision.

Senate amendment.—The Senate amendment amended section 6 of the Federal Trade Commission Act, making the FTC's investigative and reporting powers explicitly inapplicable to the business of insurance (except to the extent authorized under sections 6(c) and 6(d) relating to antitrust investigations). The amendment also allows the Commission to participate with HEW in a study of Medigap insurance.

Conference substitute.—The conference substitute adopts the Senate provision prohibiting the FTC from conducting investigations of the "business of insurance" under section 6 of the FTC Act but with an amendment which provides that the Commission may, upon a request by majority vote of either the Senate or House Commerce Committee, conduct a study of the business of insurance and report its findings to Congress. The amendment further provides that the authority to conduct such a study shall be limited to the Congress during which a request is made. A study could be continued in a future Congress only if it was reauthorized.

In adopting this amended provision from the Senate bill, the conferees wish to indicate their strong reaffirmation of the basic policy of the McCarran-Ferguson Act: that the business of insurance is to be regulated by the States. If the Commission believes that the McCarran Act should be amended and a broader federal role established with respect to the regulation of insurance, the FTC should exercise the authority it has to propose such legislation as it considers appropriate.

Finally, the conferees intend in authorizing the Commission to conduct studies that this authority be limited to general review and analysis of insurance policy issues not "investigations" of the industry or segments of the industry.

ENFORCEMENT AUTHORITY

House bill.—The House bill contained no provision.

Senate amendment.—The Senate amendment would amend Section 10 of the FTC Act to provide that criminal sanctions for failure to comply with FTC subpoenas apply only after a United States District Court orders compliance.

Conference substitute.—The conference substitute adopts the Senate provision.

STANDARDS AND CERTIFICATION RULEMAKING

House bill.—The House bill contained no provision.

Senate amendment.—The Senate amendment removed any authority of the Federal Trade Commission to promulgate a trade regulation rule concerning the development and utilization of private standards and certification activities.

Conference substitute.—The conference substitute adopts the Senate provision with an amendment specifically removing the Commission's authority to issue a trade regulation rule with respect to "unfair or deceptive acts or practices" under section 18 of the Federal Trade Commission Act. The substitute leaves unaffected whatever authority the Commission might have under any other provision of the FTC Act to issue rules with respect to "unfair methods of competition" relating to standards and certification activities. However, the conferees believe the Commission should explore the possibility of issuing voluntary rules and guidelines in this area. The conferees note that the Office of Management and Budget has now issued OMB Circular No. A-119 which among other things sets out procedures for the development of standards applying to products purchased by the Federal Government. The conferees hope the Commission will closely follow the activities of other interested Federal agencies and, in the spirit of Executive Order 12044, will avoid inconsistent or duplicative activity in this area.

In the 1975 Magnuson-Moss Warranty-Federal Trade Commission Improvement Act, the Congress specifically addressed the Commission's rulemaking authority over "unfair or deceptive acts or practices." With respect to "unfair methods of competition," section 18(a)(2) (15 U.S.C. 57a(2)) stated as follows:

> The Commission shall have no authority under this Act, other than its authority under this section, to prescribe any rule with respect to unfair or deceptive acts or practices in or affecting commerce (within the meaning of section 5(a)(1)). The preceding sentence shall not affect any authority of the Commission to prescribe rules (including interpretative rules), and general statements of policy, with respect to unfair methods of competition in or affecting commerce.

The conferees do not take any position with respect to whether the Commission has authority to promulgate trade regulation rules under any other section of the FTC Act.

PREVALENCE OF UNLAWFUL ACTS OR PRACTICES

House bill.—The House bill contained no provision on prevalence.

Senate amendments.—The Senate amendment provided that the FTC could initiate a rulemaking only if acts or practices under consideration are prevalent. Prevalence would be established if the FTC had issued prior cease and desist orders covering the practices, or if the Commission had information that indicated a "pattern" of abuse.

Conference substitute.—The conference substitute does not contain a provision on prevalence. The conferees wish to emphasize their belief that the Commission should not initiate a rulemaking proceeding when only isolated and insignificant acts or practices have occurred. In those instances, case-by-case adjudication, rather than rulemaking, is the appropriate remedy for isolated activities which the agency determines to be unfair to deceptive.

ADVANCED NOTICE OF PROPOSED FEDERAL TRADE COMMISSION RULES

House bill.—The House bill contained no provision on advance notice.

Senate amendment.—The Senate amendment provided for an advance notice of proposed rulemaking to the Senate Committee on Commerce and to the House Committee on Interstate and Foreign Commerce 30 days prior to publishing a notice of proposed rulemaking in the *Federal Register*.

Conference substitute.—The conference substitute adopts the Senate provision.

PRESIDING OFFICER

House bill.—The House bill contained no provision.

Senate amendment.—The Senate amendment provided that all FTC presiding officers shall be responsible only to the Chief Presiding Officer.

Conference substitute.—The conference substitute adopts the Senate provision.

COMPENSATION FOR PARTICIPATION IN RULEMAKING PROCEEDINGS

House bill.—The House placed a ceiling of $75,000 on the amount any person could receive under the compensation program established in section 18 of the FTC Act for any one rulemaking and for any year. The authorization was decreased from $1 million to $750,000 per year for fiscal years 1980, 1981, and 1982.

Senate amendment.—The Senate amendment placed a ceiling of $50,000 on the amount any person could receive under the compensation program for any one year. It also reduced the authorization to $750,000. The percentage of funds that could be granted to small businesses was raised from 25 per cent to 50 per cent, and a minimum of 25 per cent of the funds had to be set aside to enable small businesses to participate in the program. The FTC was also required to undertake a small business outreach program.

Conference substitute.—The conference substitute incorporates provisions of both bills. During the authorization period of this Act, no person may receive more than $75,000 for participating in a rulemaking proceeding, and no person may receive more than $50,000 per year from public participation funds. Further, the total amount authorized for this program during the authorization period of this Act is reduced to $750,000 per year.

The conference substitute also amends section 18(h) by requiring that a minimum of 25 per cent be set aside for grants to small businesses and that the FTC undertake a small business outreach program.

ADVERTISING RULEMAKING

House bill.—The House bill contained no provision.

Senate amendment.—The Senate amendment amended the Federal Trade Commission Act to provide with respect to commercial advertising, rules may be promulgated for false or deceptive advertising. The Commission would also have been required to publish the text of a rule, including alternatives, when it published a notice of proposed rulemaking. This publication requirement would apply to any rulemaking in which hearings had not been completed.

Conference substitute.—The conference substitute provides: (1) the children's advertising proceeding would be suspended until the Commission votes to publish the text of a proposed rule and any further action in the proceeding thereafter could be based only upon acts or practices that are "deceptive"; (2) "unfairness" could not be the basis for any new advertising rulemaking proceeding during the life of the authorization (fiscal 1980, 1981, and 1982); and (3) the Commission would be required to publish the text of a proposed rule at the commencement of any future rulemaking proceeding.

The conference substitute also provides that if the Commission determines that it is appropriate to take further action in the children's television advertising proceeding, and if the Commission determines that it will not prejudice the rights of any party in a legislative hearing, the Commission may limit representation in accordance with the procedures set forth in section 18(c)(3)(A).

The conference made these amendments regarding the children's advertising proceeding because of their concern that it raises fundamental issues of free speech and due process. The conferees expect the Commission to seriously weigh these concerns in further proceedings, if any.

EX PARTE MEETINGS

House bill.—The House bill has no provision.

Senate amendment.—The Senate amendment required the FTC to promulgate rules providing that ex parte contacts between Commissioners and outside parties be "on-the-record", and that contacts between the Commissioners and the rulemaking staff be "on-the-record" when discussing facts relevant to the rulemaking but which are not in the rulemaking record.

Conference substitute.—The conference substitute adopts the Senate provision.

Civil investigative demand

House bill.—The House bill contained no provision.

Senate amendment.—The Senate amendment amended the Federal Trade Commission Act by inserting a new section 20 which applied to certain Commission investigations of possible violations of sections 5 and 18, the civil investigative demand (CID) procedure utilized by the Department of Justice under the Antitrust Civil Process Act, 15 U.S.C. 1311.

Conference substitute.—The conference substitute adopts the Senate provision with an amendment allowing information-sharing with other federal law enforcement agencies so long as those agencies agree to abide by the same standards of confidentiality.

CONFIDENTIALITY

House bill.—The House bill contained no provision.

Senate amendment.—The Senate amendment provided that any material provided pursuant to any demand or otherwise provided by any person shall be exempt from disclosure under the Freedom of Information Act, 5 U.S.C. § 552(b).

Conference substitute.—The conference substitute adopts the Senate amendment but specifies that any material received by the Commission in an investigation, to determine whether any person may have violated any provision of the laws administered by the Commission, and provided pursuant to compulsory process under this Act, or provided voluntarily in lieu thereof, shall be exempt from disclosure under the Freedom of Information Act.

This provision is intended to exempt from disclosure under the Freedom of Information Act any material received by the Commission in an investigation of a violation of law within the jurisdiction of the Commission. The conferees emphasize that this provision was accepted due to the special circumstances surrounding the receipt of information by the FTC. This should not be construed as a precedent for general government-wide policy affecting the application of the Freedom of Information Act. The exemption is similar in purpose to the protection offered under the seventh exemption of the Freedom of Information Act which covers investigatory records compiled for law enforcement purposes and similar to the Freedom of Information Act exemption contained in the Civil Investigative Demand Act. However, unlike the seventh exemption, this disclosure restriction applies to any material without limitation received by the Commission in a law enforcement investigation, as long as the material was obtained pursuant to compulsory process or was provided voluntarily in lieu thereof.

The Conference substitute has also amended the prohibitions on disclosure in sections 3 and 15 of the Senate bill to permit the Commission to continue sharing information with federal, as well as state, law enforcement agencies for official law enforcement use if the agency certifies that such information will be maintained in confidence. This change is made to assure effective coordination within the government and to eliminate needlessly duplicative information requests to private persons. A "law enforcement agency" is an agency that has the legal authority to engage in activities "for official law enforcement purposes." The phrase "law enforcement purposes," in turn, has the same meaning as it does in Exemption 7 of the Freedom of Information Act. That is, the Commission is permitted to provide documents to another agency, even if public disclosure were otherwise prohibited, if the agency requests the material in connection with any criminal, civil, or administrative proceeding, or any investigation potentially resulting in such a proceeding. See House Report No. 1497, 89th Cong. 2d Sess. 11 (1966).

REGULATORY REFORM

House bill.—The House bill defined a rule as any rule prescribed under the FTC Act, as well as certain specified amendments to FTC rules.

The House bill also provided for preliminary and final regulatory analyses which would include a statement of the need for a rule, a description of the alternatives under consideration, an analysis of projected benefits and adverse effects, an explanation of the reasons a particular alternative was chosen, and, if appropriate, an explanation of the reasons for the selection of an approach entailing greater adverse economic effects than alternatives considered.

The House bill provided that the regulatory analyses would not be judicially reviewable unless the Commission failed entirely to prepare the analyses.

In addition, the House bill provided for the semi-annual publication of a regulatory agenda, containing a list of rules which the FTC intends to propose in the next 12 months. The agenda would also include a list of rules scheduled to be reviewed during the next year.

Further, the House bill provided for publication of the date of final action along with the notice of proposed rulemaking, if final action was expected within the year. If not, it provided for announcement of a timetable for each major portion of the proceeding.

The House bill also provided for establishment of a single office to plan regulatory activities. Also, it required the FTC to issue guidelines to ensure that FTC rules are written in "plain" language, that the costs and benefits of a rule have been considered, that alternatives have been considered, and that there is full consultation with state and local governments.

Finally, the House bill provided for review of current rules by 1982. The review would include an assessment of the costs and benefits of the rule, the problems in obtaining compliance, and whether the rule should be revised, rescinded, or continued. These provisions expired at the end of fiscal year 1982.

Senate amendment.—The Senate amendment contained similar provisions on definitions and regulatory agenda. With respect to regulatory analyses, the Senate amendment had the same provision except that it did not require a separate explanation of reasons for election of an approach entailing greater adverse economic effects. The Senate amendment provided that the regulatory analyses would not be subject to separate judicial review and would be reviewable as part of the whole rulemaking record upon court review of a rule.

The Senate amendment contained no provisions with respect to deadlines, the responsibilties of the Commssion, and periodic review of regulatory requirements.

Conference substitute.—With respect to regulatory analyses, the conference substitute adopts the Senate provision. The conferees believe that the Senate provision provides clear and straight-forward criteria for the elements of the regulatory analysis. The requirement in paragraph (4) of the Conference substitute for an "analysis of the projected benefits and adverse effects of the rule, and . . . the reasons the particular alternative was chosen" will necessarily require an explanation of the reasons for the selection of a rule imposing greater adverse economic effects than other alternatives. The conferees believe this task can be effectively accomplished within the analysis required by paragraph (4) and therefore deleted the specific requirement found in the House bill. The conferees expect that if the Commission does promulgate a rule which entails greater adverse economic effects than alternatives considered, its reasons for doing so will be incorporated in the regulatory analysis required by this section.

The conferees believe that the regulatory analysis requirements enacted by this section are an essential reform of the rulemaking process. The conferees further believe that a systematic analysis of the cost and burdens of proposed rules will substantially improve rulemaking proceedings.

With respect to judicial review, the conference substitute adopts the House provision, and makes it permanent. The conference substitute adopts the Senate provision on regulatory agenda. The conference substitute does not contain a provision with respect to deadlines. The Commission is already voluntarily announcing deadlines on each major portion of their Magnuson-Moss rulemakings and therefore amendment to the Act was unnecessary. The conferees expect that this practice will continue.

The conference substitute does not contain a provision dealing with Commission responsibilities. The conferees stress, however, the importance of a rigorous analysis of benefits and adverse effects as well as the necessity of easily understandable FTC rules. The conferees encourage the Commission to consult fully with state and local governments when promulgating a rule.

The conference substitute does not contain a provision for periodic review. The conferees understand that the Commission already reviews the impact of its rules and encourages the Commission to continue this practice.

"GOOD FAITH RELIANCE" DEFENSE

House bill.—The House bill contained no provision.

Senate amendment.—The Senate amendment prohibited the FTC from bringing an enforcement action under a law which gave another federal agency rulemaking authority if the party had acted in good faith and relied upon a rule, regulation or interpretation by the rulemaking authority.

Conference substitute.—The conference substitute adopts the Senate provision with an amendment to clarify that the "good faith" defense is limited to Federal Reserve Board regulations.

SAVINGS AND LOANS

House bill.—The House bill exempted savings and loan institutions from the Federal Trade Commission Act, in the same manner in which banks are exempt.

Senate amendment.—The Senate amendment contained no provision.

Conference substitute.—The conference substitute contains no provision. See P.L. 96-37, enacted June 23, 1979.

Authorization of appropriations

House bill.—The House bill authorized to be appropriated $75,000,000 for fiscal year 1980, $80,000,000 for fiscal year 1981, and $85,000,000 for fiscal year 1982.

Senate amendment.—The Senate amendment authorized to be appropriated $70,000,000 for fiscal year 1980, and $75,000,000 for fiscal year 1981.

Conference substitute.—The conference substitute authorizes to be appropriated $70,000,000 for fiscal year 1980, $75,000,000 for fiscal year 1981, and $80,000,000 for fiscal year 1982.

Award of attorney fees and other expenses

House bill.—The House bill contained no provision.

Senate amendment.—The Senate amendment provided for an award of attorneys fees to small businesses against the Commission if the Commission action was not substantially justified.

Conference substitute.—The conference substitute adopts the House position.

USED CAR RULEMAKING AUTHORITY

House bill.—The House bill contained no provision.

Senate bill.—The Senate amendment specifically prohibited the Commission from issuing a rule which mandated a warranty on or required an inspection of a used motor vehicle prior to its sale.

Conference substitute.—The Conference substitute adopts the House position. While the Conferees agree that the substance of the Senate amendment provided a correct statement of the limitations on the Commission's authority in this area, they believe it is unnecessary to restate existing law. Consequently, the Senate provision is deleted.

Restriction on Commission action under Lanham Trademark Act

House bill.—The House bill provided that the FTC for the period of the authorization of this Act would be prohibited from using any funds to pursue an action under section 14 of the Lanham Trademark Act, 15 U.S.C. § 1064, on the grounds that the challenged trademark had become "the common descriptive name of an article or substance."

Senate amendment.—The Senate amendment contained no provision.

Conference substitute.—The conference substitute adopts the House provision.

FUNERAL RULEMAKING

House bill.—The House bill prohibited the FTC from issuing the pending funeral rule or any "substantially similar rule." This provision would have applied to fiscal years 1980-1982.

Senate amendment.—The Senate amendment contained no provision.

Conference substitute.—The conference substitute adopts the House provision with an amendment which prohibits the Commission from issuing a funeral rule unless that rule is limited to mandating price disclosures, banning deceptive or coercive practices, and prohibiting unlawful practices such as boycotts or threats. Additionally the conference substitute requires the Commission to publish in the Federal Register its proposed final rule for written comment and, if appropriate, permit interested persons to present their views orally to the Commission. Finally, the substitute provides a mechanism for exempting states that is patterned after the warranty exemption provisions of the Magnuson-Moss Warranty Act. Nothing in the conference substitute is to be construed to affect the rights or claims of any party seeking judicial review of any final funeral rule that may be promulgated.

AGRICULTURAL COOPERATIVES

House bill.—The House bill contained a provision which would not appropriate any funds for any study, investigation, or prosecution of any agricultural cooperative as defined in the Capper-Volstead Act or to conduct any study or investigation of any agricultural marketing orders (except with regard to false or misleading advertising). This provision would have applied for fiscal years 1980 through 1982.

Senate amendment.—The Senate amendment contained no provision.

Conference substitute.—This section has been added to ratify the spirit and intent of the Capper-Volstead Act (7 U.S.C. 291-292). The Conferees believe that the rationale for the limited antitrust exemption contained in the statute is valid.

CONGRESSIONAL REVIEW OF RULES

House bill.—The House bill contained a a Commission rule would not go into effect if a concurrent resolution disapproving such a rule were adopted within 90 calendar days of continuous session after the rule was submitted to Congress. Alternatively, the bill provided for disapproval of a rule if one House adopted such a concurrent resolution within 60 days and the other House failed to disapprove that resolution within 30 days thereafter. In addition, the bill provided for a mechanism for expedited judicial review of the constitutionality of the legislative veto provision. Finally, the bill required the Library of Congress to report to Congress on the operation of the legislative veto, including an analysis of any impact on the decisionmaking process of the Commission. The provision would have been effective for fiscal years 1980 through 1982.

Senate amendment.—The Senate amendment provided for transmission of all final rules to the House and Senate Commerce Committees. If, within 20 days, either Committee reported a joint resolution disapproving the rule or either Committee was discharged from further consideration, the rule could not have become effective for an additional 60 days.

If, within that period, the resolution was not approved by each House and signed by the President (or agreed to by overriding a Presidential veto), the rule would go into effect.

Conference substitute.—The conference substitute adopts the House provision with the following modifications:

1. an FTC rule could be overturned only by adoption within 90 days of a concurrent resolution disapproving the rule; and

2. expedited procedures, modeled after the procedures utilized under the Energy Policy Conservation Act of 1976, are included to assure a vote on the concurrent resolution in both Houses.

Under the substitute, a motion to discharge the relevant Committees from further consideration of a disapproval resolution would be in order if the Committees had not reported the resolution after 75 days. In the Senate, a motion to discharge could be made only by a Member favoring the resolution. In the House, a motion to discharge could be called up only if the motion had been signed by one-fifth of the Members. Thereafter, in both Houses, the motion to discharge would be privileged and debate on it would be limited to 1 hour, divided equally between proponents and opponents of the motion. An amendment to the motion would not be in order and it would not be in order to reconsider the vote on the motion.

When a committee has reported or been discharged of a concurrent resolution, it would be in order to move to proceed to the consideration of such resolution. The motion would be privileged in the Senate and highly privileged in the House and not debatable. Thereafter, debate on the concurrent resolution itself would be limited to 10 hours, divided equally between proponents and opponents of the resolution. An amendment to the resolution, or a motion to recommit it, would not be in order and it would not be in order to move to reconsider the vote by which the resolution was agreed to or disagreed to.

Under this provision the authority of the Federal Trade Commission to promulgate rules is conditioned on those rules being submitted to the Congress for review and possible disapproval under the procedures set out above. If the Congress does not act, the rule submitted to the Congress becomes effective. If the Congress passes a concurrent resolution of disapproval, the rule would not go into effect. By requiring that the Commission submit a rule to Congress for review and possible disapproval, the Congress, under this provision, hereby provides a mechanism to determine whether a rule submitted to it by the Commission becomes effective.

As with the House bill, the conference substitute contains procedures designed to expedite judicial review of the constitutionality of the legislative veto. The conferees are hopeful that these procedures will result in a definitive Supreme Court decision on the question of constitutionality. Such actions may be initiated by any interested party, which would include all persons who participated in the particular rulemaking that is the subject of the suit. In addition, if any challenged proceeding was subject to the legislative veto during the life of the authorization, any court challenge would not be mooted if it continued past September 30, 1982.

OVERSIGHT

House bill.—The House bill contained no provision for oversight of the FTC.

Senate amendment.—The Senate amendment provided that the Consumer Subcommittee of the Senate Committee on Commerce, Science, and Transportation would hold oversight hearings every six months.

Conference substitute.—The conference substitute adopts the Senate provision.

EFFECTIVE DATE

House bill.—The House bill did not contain any specific provision relating to the effective date of the bill.

Senate amendment.—The Senate amendment contained a specific provision stating that the provisions of the Senate amendment take effect on the date of enactment.

Conference substitute.—The conference substitute adopts the Senate provision.

Harley O. Staggers,
James H. Scheuer,
Richardson Preyer,
David E. Satterfield,
Thomas A. Luken,
Samuel L. Devine,
James T. Broyhill,
Matthew J. Rinaldo,
Managers on the Part of the House.
Howard W. Cannon,
Wendell H. Ford,
Warren G. Magnuson,
Howell Heflin,
John C. Danforth,
John W. Warner,
Managers on the Part of the Senate.

PERMITTING NATIONAL PARK SERVICE TO ACCEPT PRIVATELY DONATED FUNDS AND TO EXPEND SUCH FUNDS ON PROPERTY ON NATIONAL REGISTER OF HISTORIC PLACES

Mr. PHILLIP BURTON. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H.R. 126) to permit the National Park Service to accept privately donated funds and to expend such funds on property on the National Register of Historic Places with Senate amendments thereto, concur in Senate amendment No. 2 and the title amendment, and concur in Senate amendments Nos. 1 and 3 with amendments.

The Clerk read the title of the bill.

The SPEAKER. The Clerk will report the Senate amendments and the House amendments to the Senate amendments Nos. 1 and 3.

The Clerk read the Senate amendments and the House amendments to Senate amendments Nos. 1 and 3, as follows:

Page 2, strike out lines 6 to 9, inclusive, and insert:

"(b) In expending said funds, the Secretary shall give due consideration to the following factors: the national significance of the project; its historical value to the community; the imminence of its destruction or loss; or the expressed intentions of the donor.

Page 2, line 12, strike out "Act." and insert "Act, but the recipient of such funds shall be permitted to utilize them to match any grants from the Historic Preservation Fund established by section 108 of this Act.".

Page 2, lines 14 and 15, strike out "donated to the National Park Service," and insert "donated to the Secretary for the purposes of the National Park Service,".

Amend the title so as to read: "An Act to permit the Secretary of the Interior to accept privately donated funds and to expend such funds on property on the National Register of Historic Places.".

House amendments to Senate amendments numbered 1 and 3:

(1) Amend Senate amendment numbered 1 by striking "or the expressed" and inserting "and the expressed".

(2) Concur in Senate amendment numbered 2.

(3) Amend Senate amendment numbered 3 by deleting "Service," and inserting " 'Service,' and at the end of section 1 insert the following:

" 'Sec. 2. The Act referred to in the preceding section is further amended in subsection 212(a) by changing the period at the end thereof to a comma, and inserting the following: "$2,500,000 in fiscal year 1981, $2,500,000 in fiscal year 1982, and $2,500,000 in fiscal year 1983." '."

(4) Concur in the Senate amendment to the title.

Mr. PHILLIP BURTON (during the reading). Mr. Speaker, I ask unanimous consent that further reading of the Senate amendments and the House amendments thereto be dispensed with and that they be printed in the Record.

The SPEAKER. Is there objection to the request of the gentleman from California?

Mr. SEBELIUS. Mr. Speaker, reserving the right to object, I would like to ask the gentleman from California if the gentleman would explain what procedure we are taking here and what we are considering.

Mr. PHILLIP BURTON. Mr. Speaker, this is a bill permitting the acceptance of a donation to the Secretary of the Interior of some $20,000 to $50,000.

We thought the bill was adequately drafted; but the other body felt that there were some improvements that might be made.

The Senate amendments are essentially technical in nature.

In addition, I am asking that in light of information brought to my attention very, very recently, that the Advisory Council on Historic Preservation authority expires this September 30; so my amendment extends for 3 years that authority at the amount that my staff represents to me is the amount that OMB submitted to the House for 1981.

There is no controversy in any manner, shape, or form, that I am aware of with reference to this suggestion and I urge its adoption.

Mr. SEBELIUS. Mr. Speaker, the bill that we are talking about is the bill of the gentleman from Florida (Mr. Bennett).

Mr. PHILLIP BURTON. That is correct.

Mr. SEBELIUS. And it is very important that we send it back to the Senate?

Mr. PHILLIP BURTON. That is correct.

Mr. ROUSSELOT. Mr. Speaker, will the gentleman yield?

Mr. SEBELIUS. I yield to the gentleman from California.

Mr. ROUSSELOT. I appreciate my colleague yielding.

In other words, the Republican side of the aisle is convinced that this is worthy and needed legislation?

Mr. SEBELIUS. Yes; not only worthy and needed, but we are very much in favor of it.

Mr. ROUSSELOT. And the cost, did I understand my colleague, the gentleman from California, to say is only $20,000?

Mr. SEBELIUS. No. In fact, the base bill is to permit donations.

Mr. ROUSSELOT. Donations?

Mr. SEBELIUS. To the Park Service, and the gentleman from Florida (Mr. Bennett) has been the catalyst in this movement. What we are doing is extending heritage preservation authorization.

Mr. ROUSSELOT. So the bill could cost even nothing, is that right?

Mr. SEBELIUS. It is subject to being renewed.

I would yield to the gentleman from California to answer that.

Mr. PHILLIP BURTON. Mr. Speaker, if the gentleman will yield, there is no question about that bipartisan support for the renewal or extension of the authorizations.

Mr. ROUSSELOT. Well, if the gentleman will yield further, that certainly is a worthy project. I certainly do not want to stand in the way of that kind of progress.

Mr. PHILLIP BURTON. Mr. Speaker, if the gentleman will yield further, I appreciate the interest of my distinguished colleague in our subcommittee's deliberations and conclusions.

Mr. SEBELIUS. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from California (Mr. Phillip Burton) to dispense with the further reading of the amendments?

There was no objection.

☐ 1140

The SPEAKER pro tempore. Is there objection to the original request of the gentleman from California?

There was no objection.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. PHILLIP BURTON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the amendments just concurred in.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

EXPRESSING GRATITUDE OF CONGRESS FOR UNTIRING EFFORTS OF THE LATE GOVERNOR OF PUERTO RICO, DON LUIS MUÑOZ MARÍN, TO FOSTER TIES BETWEEN PUERTO RICO AND THE UNITED STATES

Mr. GARCIA. Mr. Speaker, I ask unanimous consent that the Committee on Post Office and Civil Service be discharged from the further consideration of the concurrent resolution (H. Con. Res. 324) expressing the gratitude of the Congress for the untiring efforts of the late Governor of Puerto Rico, Don Luis Muñoz Marín, to foster ties between Puerto Rico and the United States, and ask for its immediate consideration in the House.

The Clerk read the title of the concurrent resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

Mr. CORRADA. Mr. Speaker, reserving the right to object, Don Luis Muñoz Marín was a four-term Governor of Puerto Rico, governing the island from

1949 to 1964. Furthermore, he was instrumental in developing a course of action which resulted in having Congress allow Puerto Rico to approve our own constitution, which he proclaimed officially on July 25, 1952.

Don Luis Muñoz Marín was born on February 18, 1898. He was the son of Don Luis Muñoz Rivera, who served in Congress with great distinction as the third Resident Commissioner of Puerto Rico. Don Luis was a journalist, poet, and one of our most distinguished political figures in the 20th century. He was elected to the Senate of Puerto Rico in 1940 and reelected to that position in 1944. He was president of the Puerto Rican Senate until elected Governor of Puerto Rico in the elections of 1948 after Congress passed a law allowing the people of Puerto Rico to elect our own Governor.

Don Luis Muñoz Marín served the people of Puerto Rico with great dedication for more than three decades. He came to political leadership at a time the island was stricken with extreme poverty and with great vision developed significant economic policies that helped bring about the transformation of the island from a poor agrarian society to an industrialized society.

If I were to make a comparison between Don Luis Muñoz Marín and a United States mainland figure I would say that he meant to us what President Franklin Delano Roosevelt meant to the United States. And in fact his stature as a politician was often compared to that of great leaders of the 20th century—men like President Roosevelt, Winston Churchill, Charles DeGaulle.

Today I must recognize that Puerto Rico had, in the leadership of Don Luis Muñoz Marín, what we needed in the decades of the 1940's, the 1950's and the 1960's, since it was necessary for the island to go through a process of economic, social, and political growth that would result in greater progress and prosperity for the island. We are now approaching another important era in the history of Puerto Rico as we move to strengthen our ties with the United States through innovative and creative Puerto Rican and Federal policies which may result in restoring and furthering the economic growth and social strength of the Puerto Rican society at the same time we move forward to accomplish true political dignity and equality for the people of Puerto Rico as citizens of the United States. While I fully support statehood for Puerto Rico and not the Commonwealth status which Don Luis Muñoz Marín so much helped to bring about, there are many lessons we have learned from him, including his sense of dedication to the well being and prosperity of all Puerto Ricans and the honesty and integrity with which he served our people.

I extend my heartfelt condolences to his widow, Doña Inés Mendoza de Muñoz Marín, to his children, his grandchildren, and to all the members of his family.

I am a sponsor of this resolution with the gentlemen from New York (Mr. GARCIA), and urge the Members to support it.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

Mr. PHILLIP BURTON. Mr. Speaker, when historians look at the 20th century one of the true giants—in global terms—will be the very dear, marvelous person that we are honoring by this memorial resolution, Don Luis Muñoz Marín.

My heart is very sad at the unhappy news that Governor Muñoz Marín has died. He was a very dear personal friend of mine for many, many years. It would be impossible to list all the contributions the Governor made to enrich the lives of the people of Puerto Rico and, indeed, all of us who were lucky enough to come into contact with this wonderful humanitarian.

His achievements covered a timespan of many decades and were never undertaken for his personal aggrandizement, but simply to improve the lot of the people whom he loved and served throughout his life.

I consider him to have been one of the world's great political figures of this century, a giant who will be sorely missed by millions. The people of Puerto Rico—and world humanity—have lost a great champion and we have all lost a great and good, kind and wise friend. My deepest sympathy to his family and to the people of Puerto Rico.

Mr. Speaker, I reserve the right to object.

Mr. KEMP. Mr. Speaker, reserving the right to object, and I do not object except to join in this colloquy on the life and times of Luis Muñoz Marín of Puerto Rico. He is, as the previous sepaker has said, going to go down in history as one of the giants of Puerto Rico and, indeed, the world. He helped restore social justice and economic growth to Puerto Rico. I am pleased to join with my colleagues in paying respects to his life, his leadership, and his concern for social and economic justice. He had a great capacity for understanding what it is that provides a better life for people not only out on the island of Puerto Rico, but throughout the world. I appreciate the chance to speak out on behalf of his leadership for Puerto Rico and for all parts of the world.

It was Muñoz who said:

> When you are the party in opposition, you can afford to be the party that demands redistribution of wealth. But as we become the party of government, we had to give more room to the idea of growth, so there would be more to distribute.

And Muñoz did just that, securing a minimum wage differential for Puerto Rico and a 10-year tax exemption for new industry, which became the backbone for Operation Bootstrap—Muñoz' plan for creating jobs and opportunities and a higher standard of living for the Puerto Rican people. The economy took off. And to this day, it is almost impossible to find a Puerto Rican of any political stripe who does not speak the name Muñoz with respect, if not reverence. I agree.

I wish I could have cosponsored the resolution of my friend from New York Mr. GARCIA, but I am glad to speak as a member of the minority party for the unanimous passage of this tribute to a great man, a great democrat, a great leader, and one of my heroes of history, Luis Muñoz Marín.

I share his goal and dream of prosperity and growth and social justice for all.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

Mr. DANIELSON. Mr. Speaker, reserving the right to object, first of all I thank the gentleman from New York (Mr. GARCIA) for bringing this resolution before us. I reserve this right to object as a pro forma matter.

Luis Muñoz Marín was without question one of the all-time outstanding public figures of the entire Caribbean area, if not the whole Western Hemisphere. I had the honor of working down in Puerto Rico in 1942 and 1943, at which time he was coming into his own. Puerto Rico was recovering from the depths of the depression. There was high unemployment, there was disaffection with the political status of the people. But Muñoz Marín sort of captured the public fancy. He brought things together. He was a man of great charisma, though we did not use that word in those days. He devised excellent programs for the betterment of the people of Puerto Rico, an island which had nothing but sugarcane and needlework up until that time, and Puerto Rico became, under his leadership, one of the great industrial and commercial centers of the entire Caribbean area.

Luis Muñoz Marín came into this position in a very understandable way. He was a most distinguished son of a distinguished father. His own father, Luis Muñoz Rivera, had been an outstanding leader of Puerto Rico before him, in fact, he had been the first delegate to the Congress from Puerto Rico. Starting with that foundation Luis Muñoz Marín carried on in a beautiful manner. He was not just a magnificent politician, though he was that, but he was also an economist. He understood the economy. He understood people. He was a gentle person, although he could be tough when he had to.

He was a great poet, as I recall. Luis Muñoz Marín established standards which will not be equalled for a long time. I am very grateful to the gentleman from New York for bringing up this resolution.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

Ms. OAKAR. Mr. Speaker, I reserve the right to object.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

The Clerk read the concurrent resolution, as follows:

H. CON. RES. 324

Whereas Don Luis Munoz Marin was one of Puerto Rico's most distinguished political figures in its entire history; and

Whereas Don Luis Munoz Marin was born on February 18, 1898; and

Whereas Lon Luis Munoz Marin was the creator of one of Puerto Rico's most important political parties, the Popular Democratic Party; and

Whereas Don Luis Munoz Marin's political activities helped inculcate an allegiance to the Democratic form of government in Puerto Rico; and

Whereas Don Luis Munoz Marin was elected to the Senate of Puerto Rico in 1940 and reelected to that position in 1944 and served as President of the Puerto Rican Senate until 1948; and

Whereas Don Luis Munoz Marin was elected the first Governor of the Territory of Puerto Rico in 1948; and

Whereas Don Luis Munoz Marin was the founder of the present Commonwealth of Puerto Rico in 1952 which established Puerto Rico's right to self-determination; and

Whereas Don Luis Munoz Marin was one of the chief authors of the remarkable and successful economic development program Operation Bootstrap which transformed Puerto Rico's impoverished, stagnant agricultural economy with one of Latin America's lowest per capita incomes into a dynamic and industrially based economy which now has one of Latin America's highest per capita incomes; and

Whereas the Congress has learned today of the death of this great man: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That the Congress formally expresses its deepest gratitude for the untiring efforts of the late Don Luis Munoz Marin to foster ties between Puerto Rico and the United States as well as its deepest sympathy to his family and the people of Puerto Rico upon his death.

The SPEAKER pro tempore. The gentleman from New York (Mr. GARCIA) is recognized for 1 hour.

Mr. GARCIA. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I am not going to take an hour. I think it has been well said and stated very clearly by Members on both sides of the aisle about the giant of a man Don Luis Muñoz Marín was. I believe there will be a delegation leaving tomorrow to attend the services in Puerto Rico. I would hope we would get unanimous support for this resolution because, as was said and stated very clearly, he was a giant during the 20th century. I believe this Congress should honor him as such.

● Mr. GREEN. Mr. Speaker, it is with respect and sorrow that today I rise to commemorate the life of a truly great man, Luis Muñoz Marin, former Governor of Puerto Rico, who died yesterday at the venerable age of 82. Muñoz founded the Popular Democratic Party in Puerto Rico, and led the party for a total of 36 years. As the leader of the PDP and as the first elected Governor of Puerto Rico, he helped gain an autonomous governorship, a constitution by popular referendum, and the title of Commonwealth for the island.

After World War II, in one of his most successful efforts to create social justice for the people of Puerto Rico, Muñoz developed a program known as Operation Bootstrap, which provided for a minimum wage separate from that of the United States and for the development of the Puerto Rican Industrial Development Corp. The FRIDC offered a 12-year tax exemption and general assistance on labor problems and plant construction to new industries. As reported in Fortune magazine in May 1950, in just 5 years over 60 plants were established by mainland investors. Within 10 years the island's income had almost tripled and unemployment had dropped from 90,000 to 82,000 despite the large increase in population.

During my 7-year tenure as the regional administrator of HUD for region II, which includes Puerto Rico, I had more occasion than most non-Puerto Ricans to see the vibrant economy created through Muñoz' efforts. His devotion to his people, his commitment to developing the political system, and his visionary efforts are a living legacy for the present and the future. To the people of Puerto Rico, New Yorkers, and his admirers everywhere, Luis Muñoz Marín's absence is one that will be strongly felt, for we owe him a large debt of gratitude.●

The SPEAKER pro tempore. The question is on the concurrent resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. GINGRICH. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 395, nays 0, not voting 37, as follows:

[Roll No. 211]

YEAS—395

Abdnor
Addabbo
Akaka
Albosta
Alexander
Ambro
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Anthony
Applegate
Archer
Ashbrook
Ashley
Aspin
AuCoin
Badham
Bafalis
Bailey
Baldus
Barnard
Barnes
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Beilenson
Benjamin
Bennett
Bereuter
Bethune
Bevill
Bingham
Blanchard
Boggs
Boland
Bolling
Boner
Bonior
Bonker
Bouquard
Bowen
Brademas
Breaux
Brinkley
Brodhead
Broomfield
Brown, Calif.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burlison
Burton, John
Burton, Phillip
Butler
Byron
Campbell
Carney
Carr
Carter
Cavanaugh
Chappell
Cheney
Chisholm
Clausen
Clay
Cleveland
Clinger
Coelho
Coleman
Collins, Ill.
Collins, Tex.
Conable
Conte
Conyers
Corcoran
Corman
Cotter
Courter
Crane, Daniel
Crane, Philip
D'Amours
Daniel, Dan
Daniel, R. W.
Danielson
Dannemeyer
Daschle
Davis, Mich.
de la Garza
Deckard
Dellums
Derrick
Derwinski
Devine
Dickinson
Dicks
Dingell
Dodd
Donnelly
Dougherty
Downey
Drinan
Duncan, Tenn.
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Edwards, Okla.
Emery
English
Erdahl
Erlenborn
Ertel
Evans, Del.
Evans, Ind.
Fary
Fascell
Fenwick
Ferraro
Findley
Fish
Fisher
Flippo
Florio
Foley
Ford, Tenn.
Forsythe
Fountain
Fowler
Frenzel
Frost
Fuqua
Garcia
Gephardt
Giaimo
Gibbons
Gilman
Gingrich
Ginn
Gonzalez
Goodling
Gore
Gradison
Gramm
Grassley
Gray
Green
Grisham
Guarini
Gudger
Guyer
Hagedorn
Hall, Ohio
Hamilton
Hammerschmidt
Hance
Hanley
Hansen
Harkin
Harris
Harsha
Hawkins
Heckler
Hefner
Heftel
Hightower
Hillis
Hinson
Hollenbeck
Holt
Hopkins
Horton
Howard
Hubbard
Huckaby
Hughes
Hutto
Hyde
Ichord
Ireland
Jacobs
Jeffords
Jenkins
Johnson, Calif.
Johnson, Colo.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kelly
Kemp
Kildee
Kogovsek
Kostmayer
Kramer
LaFalce
Lagomarsino
Latta
Leach, Iowa
Leach, La.
Leath, Tex.
Lederer
Lee
Lehman
Lent
Levitas
Lewis
Livingston
Lloyd
Loeffler
Long, Md.
Lott
Lowry
Lujan
Luken
Lundine
Lungren
McClory
McCormack
McDade
McDonald
McEwen
McHugh
McKay
McKinney
Madigan
Maguire
Markey
Marks
Marlenee
Marriott
Martin
Matsui
Mattox
Mavroules
Mica
Michel
Mikulski
Miller, Calif.
Miller, Ohio
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Mollohan
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Mottl
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Murtha
Musto
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nelson
Nichols
Nolan
Nowak
O'Brien
Oakar
Oberstar
Obey
Ottinger
Panetta
Pashayan
Patten
Patterson
Paul
Pease
Pepper
Perkins
Petri
Peyser
Pickle
Porter
Preyer
Price
Pritchard
Pursell
Quayle
Quillen
Rahall
Railsback
Rangel
Ratchford
Regula
Reuss
Rhodes
Richmond
Rinaldo
Ritter
Roberts
Robinson
Rodino
Roe
Rose
Rosenthal
Rostenkowski
Roth
Rousselot
Roybal
Royer
Rudd
Russo
Sabo
Santini
Satterfield
Sawyer
Scheuer
Schroeder
Schulze
Sebelius
Seiberling
Sensenbrenner
Shannon
Sharp
Shelby
Shumway
Shuster
Simon
Skelton
Smith, Iowa
Smith, Nebr.
Snowe
Snyder
Solarz
Solomon
Spellman
Spence
St Germain
Stack
Staggers
Stangeland
Stanton
Stark
Stenholm
Stewart
Stockman
Stokes
Stratton
Studds
Stump
Swift
Symms
Synar
Tauke
Taylor
Thomas
Thompson
Traxler
Trible
Udall
Ullman
Van Deerlin
Vander Jagt
Vanik
Vento
Volkmer
Walgren
Walker
Watkins
Waxman
Weaver
Weiss
White
Whitehurst
Whitley
Whittaker
Whitten
Williams, Ohio
Wilson, Tex.
Winn
Wirth
Wolff
Wolpe
Wyatt
Wydler
Wylie
Yates

Yatron
Young, Alaska
Young, Fla.
Young, Mo.
Zablocki
Zeferetti

NOT VOTING—37

Anderson, Ill.
Atkinson
Biaggi
Brooks
Coughlin
Davis, S.C.
Diggs
Dixon
Dornan
Duncan, Oreg.
Evans, Ga.
Fazio
Fithian
Ford, Mich.
Gaydos
Glickman
Goldwater
Hall, Tex.
Holland
Holtzman
Jeffries
Jenrette
Kazen
Kindness
Leland
Long, La.
McCloskey
Mathis
Mazzoli
Moffett
Runnels
Steed
Wampler
Williams, Mont.
Wilson, Bob
Wilson, C. H.
Wright

□ 1200

So the concurrent resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. GARCIA. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and include extraneous matter on the resolution just agreed to.

The SPEAKER pro tempore (Mr. Bolling). Is there objection to the request of the gentleman from New York?

There was no objection.

LUIS MUÑOZ MARÍN

(Mr. RODINO asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. RODINO. Mr. Speaker, I want to join with the gentleman from New York (Mr. Garcia) who introduced the resolution which was unanimously passed by this House expressing the sense of the Congress and its sympathy over the death of a man of great vision. Luis Muñoz Marín was truly a man for all seasons. The steady excellence of his leadership clearly marked him as a statesman, not only in Puerto Rico but throughout the Nation and the world.

As Governor of Puerto Rico, for 16 years and during all the decades of his service, Luis Muñoz Marín had great vision for the future. He was bold in his concepts of what could be achieved, and he had the vibrant abilities to translate his visions into reality. It is not an exaggeration to describe him as the architect of the phenomenal progress of Puerto Rico. His many contributions endure, because he was a statesman of skill and humanity.

I feel an extra sense of loss at his death because of personal associations with Luis Muñoz Marín. Mrs. Rodino and I were his guests in Puerto Rico when he was Governor. Many of the residents of the district I represent are of Puerto Rican ancestry.

We have lasting pride in his achievements and we are grateful that such pride is shared by people throughout the United States and in other nations.

COMPROMISES BETWEEN THE UNITED STATES AND JAPAN OF TREATIES AND AGREEMENTS

(Mr. ALEXANDER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ALEXANDER. Mr. Speaker, I had the pleasure this morning of having breakfast with and conferring with the Japanese Prime Minister Ohira. On this occasion I advised the Prime Minister that jobs in rice-producing States, like Arkansas, are threatened by the Japanese policy of dumping rice onto the international market. I also advised the Prime Minister that representatives of the U.S. Government and Japanese Government have tentatively entered into an agreement which would compromise the principles of the General Agreement on Tariffs and Trade, the multilateral trade negotiations and the FAO. I asked Prime Minister Ohira if he supported the principles that are enumerated in those three international agreements on free trade. I have asked for permission from the Japanese Embassy to include his remarks in the Record. Meanwhile I would advise my colleagues that if representatives from our Government and the Japanese Government can compromise international treaties on rice, they can also compromise those principles for steel, automobiles, electronics or any of the products that are produced in the numerous congressional districts that are represented in this body.

The actions taken by the administration to compromise the international trade principles presents an ominous sign for those of us who support international trade. The implications of compromising the international trade principles for one product such as rice could affect all industry that manufactures products for international trade.

During the 12 years I have served in Congress I have supported the policy of my Government to favor free trade and to oppose Government interventions that may distort the free world market. Most Americans have judged that protectionism usually rewards inefficiency at a high cost to taxpayers.

Despite the desire for free trade, representatives of the executive branches of the Governments of the United States and Japan have tentatively agreed to sanction the Japanese subsidized rice export policy. The Japanese rice policy provides a domestic export subsidy to rice farmers of about $1,000 per metric ton. The agreement sanctions that policy and calls for Japan to limit its exports of subsidized rice to an average of 400,000 metric tons per year over the period of 1980–83. It sets maximum annual exports to South Korea, Indonesia, and other countries.

The tentative agreement between the United States and Japan to sanction the Japanese rice-dumping policy may crack the foundation of international trade as enumerated by the GATT, MTN, and the FAO.

The Japanese rice export subsidy policy is unfair for the following reasons:

First. Article XVI (3) of the General Agreement on Tariffs and Trade (GATT) prohibits subsidies resulting in a contracting party having "more than an equitable share of world export trade;"

Second. The United Nations Food and Agriculture Organization (FAO) principles for disposal of agricultural surpluses provide that surpluses should be moved into consumption without harmful interference with the normal patterns of production and international trade; and

Third. Section 301 of our Trade Act of 1974 proscribes the granting of subsidies on exports "to other foreign markets which have the effect of substantially reducing sales of other competitive U.S. products * * * in foreign markets."

In the Tokyo round of the multilateral trade negotiations, the United States and Japan—and a host of other countries—agreed to a Subsidies Code. This Code obligates its signatories to avoid export subsidies on primary products that give them more than an equitable share of the world export trade in those products. Export subsidies on other items are banned altogether.

I do not believe there is much room for doubt that the Japanese rice subsidies violate the Subsidies Code. And yet our Government—in its first test of the code—has failed to insist upon its legal rights. We allowed Japan to continue to dump rice into the world market, displacing our own sales and lowering our own export prices. We did not ask that the illegal subsidy program be abandoned.

Mr. Speaker, if we are willing to tolerate a subsidy on Japanese rice, I wonder what will be next. No doubt there are many agricultural commodities that our trading partners hold in surplus and which could be sold for export at cut-rate prices. It now seems not to be counter to the trade policies of this administration to allow other nations to dispose of surpluses in such a way.

The immediate problem is more likely to occur in the industrial sector. Our action—or our inaction—concerning subsidies on Japanese rice is a clear message to producers of steel. That message is that so long as export subsidies are large and audacious enough, U.S. efforts will be aimed at their containment, not their elimination.

Foreign steel manufacturers have been the targets of antidumping and countervailing duty petitions. They have been placed under the control of the trigger price mechanism. It has been the consistent and official policy of our Government that steel prices should reflect the legitimate cost of production with a reasonable allowance for profit. Foreign producers should not enjoy price advantages that stem not from their efficiency, but from the wealth and generosity of their Government.

Mr. Speaker, Japan has an enormous overcapacity for steel production. What would we do if the Japanese Government were to begin the massive resale of surplus steel production at a small fraction of first cost? And what would we do if export terms were better than any available commercially?

If the rice agreement is a precedent, we would treat Japan as if subsidies were a normal and proper technique in international trade. We would not flinch as American industry suffered from lowered U.S. prices and from displaced U.S. sales.

The argument is often made that export subsidies merely transfer economic hardships from the subsidizing state to the injured state. This is absolutely correct, and describes the effect of what the Japanese are doing. It is all the more reason why we must stand fast in our traditional free trade policies.

The United States cannot afford to stand idly by as we are pushed into the role of residual supplier of one commodity after another. American farmers, workers, and businesses largely supported the Codes emerging from the multilateral trade negotiations because of their conviction that a firm and fair set of rules helps all the players.

Mr. Speaker, there is no doubt in my mind that the U.S. rice industry has already been seriously injured by large-scale dumping of Japanese rice. The addition to world supply has lowered prices and displaced U.S. sales. It will inevitably bring about a decline in U.S. production, with losses of revenue not only to farmers but to millers, transporters, and exporters.

Japan's own domestic policies are the cause of these injuries. It is said that Japan will hold rice stocks reaching over 7 million metric tons later this year. By way of contrast, the entire world export trade in rice is only 11 million metric tons annually. Evidently the threat of illegal acts on a truly enormous scale has persuaded American negotiators that we must tolerate a little illegality.

If this is the position of the U.S. Government, then our credibility next time a foreign surplus interferes with our trade will be low. The potential consequences of allowing the dumping of steel into third country markets— in terms of unemployment, our balance of payments, and our domestic economic health in general—require us now to avoid creating such a precedent.

Mr. Speaker, rice is grown in six States. It is among this country's most important agricultural exports. If our Government does not insist that international obligations be observed with respect to such a major commodity, we will begin our descent leading to the total abandonment of all firm principles of international trade.

This is a matter that should be of concern to all Americans. It is not too late to reverse our course. The agreement of April 12, 1980, between the United States and Japan must be overhauled and must be made consistent with our traditional international commitments.

Thank you.

AGENT ORANGE

(Mr. ERTEL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ERTEL. Mr. Speaker, within the past few years attention has been directed to health problems which can be traced to exposure of our Vietnam veterans to agent orange. There is still a great deal that is not known about the effects of this exposure.

When a Vietnam veteran goes to his doctor with symptoms such as numbness in his extremities, dizziness, nausea, and birth defects in his children—symptoms which are associated with neurological disorders—physicians are unable to identify the cause. There is, however, a high correlation between people exhibiting these symptoms and people who were exposed to agent orange. Research in this area has only recently been undertaken.

I am convinced that there may be a cause-effect relationship between exposures to agent orange and the development of neurological disorders. Therefore, I have cosponsored legislation, H.R. 6377, which extends service-connected disability benefits to these veterans.

I urge my colleagues to support and work for this important legislation.

ESTABLISHMENT OF AN INTERNATIONAL CRIMINAL COURT

(Mr. WOLFF asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WOLFF. Mr. Speaker, as the hostage crisis in Iran drags on for the 6th month, it is hard to foresee the end to it, much less imagine any circumstances under which the perpetrators might come to justice. In this case, as in many terrorist incidents, the terrorists are not likely to be extradited or brought to justice in the terrorist-supporting state.

Therefore, Mr. Speaker, I am introducing today a resolution to urge the establishment of an international criminal court to try persons accused of terrorist acts proscribed by international conventions, such as hijacking and crimes against diplomats.

Today we hear news of militants holding hostages in Iran's embassy in London; and just the other day we witnessed the happy return of another diplomatic victim of terrorism: Diego Asencio. Terrorist crimes against diplomats seem to be reaching the epidemic stage.

An international criminal court with specialized and limited jurisdiction to deal solely with these crimes may be an incentive to many countries to allow the trial of such criminals. An international offensive on such criminal acts may help to deter them in the future.

The American Bar Association passed this proposal in 1978. I urge my colleagues to cosponsor my resolution.

☐ 1210

COLUMNIST JOSEPH KRAFT FOR SECRETARY OF EVERYTHING

(Mr. OBEY asked and was given permission to address the House for 1 minute.)

Mr. OBEY. Mr. Speaker, obviously the President missed an opportunity last week in considering candidates for Secretary of State. Obviously, the only person in the United States who is qualified to be Secretary of State is columnist Joseph Kraft.

If Members do not believe that, all they have to do is read Mr. Kraft's columns as recently as this morning. As Mr. Kraft regularly makes clear in his own column, only he understands the world in all of its complexities. Only Kraft measures up to the high standards of Kraft. It is obvious that Mr. Kraft is almost as tired of lesser mortals operating in the field of foreign policy as I am of Mr. Kraft.

TRIBUTE TO COL. GEORGE HOLMES, JR., AND HIS FAMILY

(Mr. ANTHONY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ANTHONY. Mr. Speaker, I rise in tribute today to Col. George Holmes, Jr., who was one of the victims of the recent attempt to free the hostages. George Holmes, Jr., is a resident of Pine Bluff, Ark., the largest town in my congressional district.

On Friday of last week I was en route by airplane to make several personal appearances in Pine Bluff. I went by and visited with Sally and George Holmes, Sr.

I want the House to recognize, and I wish my colleagues would also pay tribute to, what I consider to be an outstanding American family. At a time when they had every reason to be bitter about the loss of their son, they were in total support of the President's actions. They knew that their son was a brave soldier and had volunteered for the task. They had many close contacts with him in recent weeks. They had some inkling that the mission was to be called upon.

I am so proud that they have displayed such support for the President and public support for the action that was taken. I ask my colleagues to pay tribute to George Holmes, Jr., and tribute to Sally and George Holmes, Sr.

PRESIDENT EMERGES FROM ROSE GARDEN—POLITICS AS USUAL

(Mr. WALKER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WALKER. Mr. Speaker, some comment seems necessary on President Carter's incredible statement yesterday that he now feels able to emerge from the Rose Garden because the issues which had kept him in the White House have been "alleviated to some degree."

"Alleviated," Mr. Speaker? Alleviated to what degree?

It seems to this observer that the issues which the President has used for 6 months to fashion himself a political cocoon are infinitely worse this week than they were last. Many of us can sympathize with his goal of attempting a rescue of our hostages, but the fact is that his rescue attempt turned out to be an abject failure, meaning that the world situation, the hostage situation, and the chances of resolving the Iranian problem are far less manageable today then they were a few days ago.

The fact is that the President's statement yesterday seems to send a message to all Americans and, particularly, to the families of the hostages that the President has determined that their stay in Iran will be an extended one, and he no longer intends to be held hostage in the White House by their plight.

So, Mr. Speaker, it is back to politics as usual except in this case, we have fashioned a new style of Presidential politics—politics without hope.

MANDATORY SENTENCING FOR VIOLENT CRIMES

(Mr. ROTH asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ROTH. Mr. Speaker, the FBI released the crime statistics for 1979. I was shocked and dismayed to learn that violent crime rose 11 percent last year. This is compared with 3 percent in 1977 and 4 percent in 1978.

It is significant that these disheartening figures were released on the eve of Law Day, a day set aside in this country to impress upon Americans the nature of the freedoms we enjoy.

Clearly, with crime up 11 percent last year, our laws do not go far enough and the freedoms we enjoy are being seriously threatened.

Because of my deep concern about crime, I have introduced the Domestic Crime Control and Prevention Act which would require mandatory minimum sentences for certain cases of violent crime—without the possiblility of parole or probation.

Criminals must know that their actions will result in swift and certain punishment—that they will face a locked door, not a revolving door.

CONGRESS MUST RESTORE FUNDS TO INCREASE MILITARY PREPAREDNESS

(Mr. RUDD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RUDD. Mr. Speaker, the failure of the Iran rescue mission has reemphasized the vital need to improve inadequate military equipment.

The Navy has acknowledged a 35-percent spare parts deficiency, which requires an additional $1.1 billion annual expenditure for 5 years to correct.

For 4 straight years, the President has requested fewer new planes than the military loses in operational attrition.

His 1981 budget cut 173 aircraft from the minimum purchase of 639 announced by the President's 1981 defense plan a year ago—a 27-percent cut in planned aircraft procurement, and a real dollar decline of more than 10 percent in this important defense spending area.

Hours before the Iran rescue mission started, the President endorsed a further $3.8 billion cut in his already underfunded and inadequate 1981 defense budget.

Congress must now show leadership in this area through passage of the Latta substitute to restore defense funds to improve our Nation's military preparedness.

URBAN JOBS ENTERPRISE ZONE ACT INTRODUCED

(Mr. KEMP asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. KEMP. Mr. Speaker, the bad news from Washington these days is not just the economic indicators. Even worse news is the official policy to combat inflation by slowing down the economy and allowing inflation to rise. The American people are being asked to accept austerity and no growth. But austerity and no growth are the problem; particularly for the people in our inner cities in the Northeast. Indeed, as the Congressional Black Caucus pointed out in the last 2 days, unemployment is not only a tragedy, it is inflationary, because it cuts down on the total output of our Nation.

I believe it is time to open a new dialog on the problems of America's cities. I want to expand the debate over new and innovative ideas to improve the inner-city social and economic climate by generating jobs, growth, enterprise, and hope.

Today, I am introducing the Urban Jobs and Enterprise Zones Act, a bill which would establish inner-city "jobs and enterprise zones" to target dramatic incentives for both people and independent enterprises in the poorer areas of the Nation.

The essence of "supply side economics" is that people respond to rewards. Poor people are motivated economically in exactly the same way as the rest of the Nation. By restoring incentives, rewards, enterprises, and jobs, we can contribute to the tax base of our cities and communities, and help restore some hope and productivity to people's lives.

This bill alone will not end urban blight. We also need a strong national economy—which means a new economic strategy for full employment without inflation. But I believe we must simultaneously take this important step toward developing a new strategy for saving America's cities.

Later, we will expand on these remarks for the RECORD, and elaborate on the specifics of the bill and the rationale for its introduction.

□ 1220

THE "DEATH OF THE PRIVATE SECTOR IN NICARAGUA"

(Mr. LAGOMARSINO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LAGOMARSINO. Mr. Speaker, as a member of the Subcommittee on Inter-American Affairs of the Committee on Foreign Affairs, I have followed with great interest the rapidly changing events in Central America. On Tuesday of this week, as a part of an ongoing series of hearings on U.S. foreign policy toward this region, the subcommittee received testimony from the presidents of American Chambers of Commerce in Costa Rica, El Salvador, Guatemala, and Nicaragua.

Because of the controversial nature of the new government in Nicaragua and the fact that the Congress is still considering H.R. 6081, the President's request for $75 million to that government, I listened with great care to the comments of Mr. Bruce Cuthbertson, the president of the Nicaraguan chamber. His testimony, as an independent observer of the viability of the private sector and the attitudes of that government proved quite enlightening.

Mr. Cuthbertson confirmed my worst suspicions about the true nature of the new Marxist-dominated government. Not only did he argue that the proposed $75 million aid would not strengthen the private sector or aid in moderating that Cuban-backed government, but that the money would only be used to strengthen the government's grip over the entire economy and in turn the entire nation.

As we prepare to consider further action on H.R. 6081, I commend his remarks to your attention and have inserted his entire testimony in the Extensions of Remarks of today's RECORD. They provide a vivid example of how big a gamble this really is, and why the deck is stacked against us.

GHOTBZADEH DECRIES SEIZURE OF IRANIAN EMBASSY

(Mr. ROUSSELOT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ROUSSELOT. Mr. Speaker, the Iranian Foreign Minister, Mr. Ghotbzadeh, while on tour of the Persian Gulf, made the following statement: "Iran will not submit to terrorist demands when its embassies are seized in violation of international law."

Mr. Speaker, it is amazing that this foreign minister can recognize the violation of international law as it relates to his own embassy in England but cannot recognize the violation of "international law" when the Iranian revolutionaries are violating the sanctity of our U.S. Embassy in their own country of Iran.

NEED FOR A STRONG CIVIL DEFENSE

(Mr. SKELTON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SKELTON. Mr. Speaker, these are the two main reasons for having a strong national civil defense: moral and strategic.

In this country we have always cherished human life. We place the highest premium on our fellow man. For this reason, it is immoral to leave people unprotected from tornadoes, floods, hurricanes and nuclear war. Yet, that is exactly what we are doing in these United States. Our population is unprotected from a nuclear holocaust and its safeguards against natural disasters should be much stronger. It is immoral for us to remain vulnerable. The only way we can change this course into a policy of morality is to begin strengthening our civil defense.

A strong civil defense will also allow our Nation to have a strengthened military strategy. Right now, the Soviet Union has a stronger civil defense than we. If there is a nuclear standoff between the Soviets and the United States, Russia will be able to protect more of its population than we. They will also be able to save more of their industry. Under these conditions, it is easy to imagine the U.S.S.R. threatening our population if we do not surrender. We will be unable to give a similar threat because they are better able to protect a much larger portion of the Russian people and most of their government leaders. In other words, they have civil defense and we do not. The significance of this is that an American President, faced with the choice of losing millions of people because of a nonexistent civil defense program or surrendering, might choose to surrender. So, you can see why it is necessary to strengthen civil defense. It improves and increases the number of strategic options available to our President during a nuclear confrontation. It must not be forgotten that civil defense does work. There are many major studies which show we can protect people, but only if we begin planning now.

Without civil defense, we are pursuing a national policy of immorality. Without civil defense America is at a military strategic disadvantage.

FIRST CONCURRENT RESOLUTION ON THE BUDGET—FISCAL YEAR 1981

Mr. GIAIMO. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the concurrent resolution (H. Con. Res. 307) setting forth the congressional budget for the U.S. Government for the fiscal years 1981, 1982, and 1983 and revising the congressional budget for the U.S. Government for the fiscal year 1980.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Connecticut (Mr. GIAIMO).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the concurrent resolution (H. Con. Res. 307), with Mr. BOLLING in the chair.

The Clerk read the title of the concurrent resolution.

The CHAIRMAN. When the Committee of the Whole rose on Wednesday, April 30, 1980, pending was an amendment in the nature of a substitute offered by the gentlewoman from Maryland (Mrs. HOLT).

The Chair recognizes the gentlewoman from Maryland (Mrs. HOLT) for 5 minutes in support of her amendment.

Mrs. HOLT. Mr. Chairman, let me say to my colleagues that the Gramm-Holt substitute to House Concurrent Resolution 307 is a bipartisan amendment. What we are attempting to do is add $5.8 billion in budget authority and $5.1 billion in outlays in function 050, defense. In order to keep the budget in balance, we are reducing other functions by a like amount.

I want to commend my colleague, the gentleman from Texas (Mr. GRAMM). He has done a diligent job in drafting this amendment. He has done one of the most superb jobs I have ever seen in informing the Members of the significance of the amendment. He has worked very hard in trying to point out the necessity for this amendment.

National security is much too important to be a partisan issue. The American people and Members of Congress from both parties are alarmed at the deterioration of our military strength and the vast military buildup of our major adversary.

The President and the Secretary of Defense have opposed this amendment, and that has to be strictly for political reasons. There is no question in anybody's mind that more money is needed to accommodate increased compensation for military personnel, because many of them are out there fighting to get food stamps and are on welfare.

Mr. STRATTON. Mr. Chairman, I make the point of order that a quorum is not present.

Mr. Chairman, this is too important an amendment to have a handful of Members here when we are debating the future of our military posture at a time of severe crisis.

The CHAIRMAN. Evidently a quorum is not present.

The Chair announces that pursuant to clause 2, rule XXIII, he will vacate proceedings under the call when a quorum of the Committee appears.

Members will record their presence by electronic device.

The call was taken by electronic device.

☐ 1230

QUORUM CALL VACATED

The CHAIRMAN. One hundred Members have appeared. A quorum of the Committee of the Whole is present. Pursuant to clause 2, rule XXIII, further proceedings under the call shall be considered as vacated.

The Committee will resume its business.

The gentlewoman from Maryland (Mrs. HOLT) is recognized for 4 minutes.

Mrs. HOLT. Mr. Chairman, the President and the Secretary of Defense have opposed this amendment strictly for political reasons. There is no question in anybody's mind that more money is needed to accommodate increased compensation for military personnel, for improving operation and maintenance, for procurement of desperately needed spare parts for our equipment. Every witness before the House Armed Services Committee testified to this effect. They were pleading for recognition of our service people.

When the Secretary of Defense says in his letter to all of you, "The President's budget strikes a reasonable balance among urgent defense needs, a balanced budget to help fight inflation, and the proper claims for domestic programs," he is strictly playing politics.

We often speak of the big strategic picture—of numbers of ships, tanks, planes, and missiles—but we must also be concerned about the operational readiness and efficiency of our forces.

A commando raid to rescue our hostages from Iran was aborted last week because of equipment failures. Three of the eight helicopters assigned to the mission malfunctioned, and a fourth crashed into a plane. A heroic mission became a tragedy with eight dead and five wounded, and they never met enemy forces. If we are to ask our military to do these jobs, we must support them.

Another recent incident deserves comment. The U.S. Navy removed a ship from operations because it lacked experienced boiler technicians and machinist mates. Senior personnel are leaving our armed services at an alarming rate.

Years of defense budget cuts are having grave consequences. Operations and maintenance funding has been inadequate for years, reducing training and forcing our combat units to depend on unreliable equipment, which is often out of service for lack of spare parts or skilled repairs.

We are not paying our military personnel enough to encourage careers, and the shortage of technical personnel is becoming very serious and dangerous. It is impossible to have an effective, all-volunteer Military Establishment with scandalously low pay, inadequate medical care and poor housing. Member after Member during debate on funding for selective service registration admitted that it was going to be necessary to increase compensation for our personnel. Now is our chance.

☐ 1240

Weakness invites war. The best hope for peace lies in American strength that deters aggression.

From 1970 to 1975, defense spending declined in real terms. From 1975 to 1980, there was almost no growth in real terms.

Soviet forces outnumber us—in ships, tanks, planes, guns, missiles, and manpower. We once could claim a technological advantage, and we probably still have an edge in some important areas, but much of the Soviet combat equipment is better than ours.

Ten years ago, we spent 40 percent of our Federal budget on defense. Today we spend 23 percent on defense.

Spending for social programs has more than quadrupled in the decade and now consumes more than half the Federal budget.

We have heard that the defense budget must share the pain involved in balancing the budget. That sounds reasonable until you examine the historical record. Defense has been taking cuts for many years to finance very rapid growth rates for almost everything else.

We can still take care of the needs of all our people. In almost every function we are still over the Senate. The Federal Government has no responsibility more important than national security, and it is a responsibility that Congress has treated lightly for too many years.

The CHAIRMAN. The time of the gentlewoman from Maryland (Mrs. HOLT) has expired.

(By unanimous consent, Mrs. HOLT was allowed to proceed for 5 additional minutes.)

Mr. KEMP. Mr. Chairman, will the gentlewoman yield?

Mrs. HOLT. I yield to the gentleman from New York.

Mr. KEMP. I thank the gentlewoman for yielding.

As the gentlewoman knows, I strongly support her effort and that of the gentleman from Texas in this attempt to expand that part of the budget which deals with defense.

There is no doubt in my mind that there is an inadequate amount of national resources going into defense, by any index one wants to use, percentage of national income, percentage of GNP, or percentage of the Federal budget compared to magnitude of the military threat we face.

National defense investment today is lower than it was in real terms at any time since the pre-Korean war days, as the gentlewoman has pointed out.

One of the concerns that I have had as a member of the Subcommittee on Defense of the Appropriations Committee particularly relates to compensation for our military personnel. As important as conventional and strategic weapon programs as it seems to me that one of the most desperate areas is the morale of our men and women in the field.

It is outrageous that men and women in the Armed Forces today qualify for food stamps. The compensation of military personnel has dropped to the point where many of them are making salaries equivalent to hamburger stand checkout clerks or janitors. With all due respect to clerks and janitors, it seems to me this Nation has a moral obligation to those men and women who serve in our Armed Forces to provide the kind of compensation that would allow them to have a decent life for themselves and their families.

Many of those men who were on the nuclear carrier that cost $2 billion in the Persian Gulf have been there 6 months or more. They today qualify for food stamps, and their wives go out and get a second job so they can get the type of pay that would allow them to survive economically.

Although I do not like indexing pay, I am absolutely convinced that this Congress has got to fish or cut bait with regard to the pay of the military. I personally believe that we have to index the pay of the military to some index, either PATC or CPI, or a similar index of wage comparability or purchasing power parity. Something must be done.

The only way to get to that point from here is to support the gentlewoman's magnificent contribution to not just the military, but to our country, because as she points out, this cannot be a zero sum political game between defense and social programs. Defense is a social program, as the gentlewoman pointed out. Certainly, meeting the needs in the economy and society for our people ultimately is part of defense. I see the Gramm-Holt substitute as a means of expanding our Nation's credibility and foreign policy by raising the level of compensation and military spending.

Today the Congress faces a critical test of its willingness to support a defense posture adequate to the military threat the Nation faces. For the past 2 years, the Congress has been given defense budget requests from the administration which promised to reverse a 15-year trend of declining investment in defense. However, the rapid surge of inflation the Nation has experienced in the past 2 years has resulted in an actual continuation of the adverse trends of the past, namely declining defense investment due to prices growing more rapidly than originally accounted for in the defense budget estimates.

The resolution proposed by the Budget Committee will compromise the ability of the Armed Forces to do all of these things. By failing to provide sufficient resources for fuel, the Budget Committee is denying a "fact-of-life" increase in the cost of fuel to operate the ships, aircraft and vehicles the Armed Forces must employ. The consequences of failing to provide these resources is painfully clear. Training will be reduced, and the readiness of the forces will suffer. The consequences are already apparent; the accident rate on board carrier-based aircraft is so severe that 126 accidents occurred last year to aircraft which cost an average of $10 million per aircraft. Even more serious is the effect a lack of adequate resources to operate and maintain the forces has on their readiness for war.

The ominous decline in force readiness is reflected in ever-increasing backlogs of maintenance for combat equipment, and reduced training of troops on operational equipment. This reduction in readiness has a cumulative impact on the ability of the United States to deter conflict—an erosion which has had subtle, but unmistakable effect. The Soviet invasion of Afghanistan clearly reflected a calculation on their part that the United States lacks the ready forces to intervene in the region; a fact which encouraged aggression. If the Budget Committee's resolution is adopted, it is a vote for a risk-prone posture of saving money today by compromising the long-term readiness of the Armed Forces.

Similarly, the pressing needs for the modernization of the equipment of the armed forces—the bones and sinews of modern war—are given short shrift in the Budget Committee's resolution. Gramm-Holt restores $1 billion in defense purchases which would otherwise be cut if the Budget Committee's view prevails. As a member of the Defense Appropriations subcommittee, I have had an opportunity to review the effects of declining funding of operations and maintenance accounts in recent years (in real terms). The Gramm-Holt substitute provides an additional $400 million for the support of needed skilled personnel and operating costs—a sum which will only begin to address the consequences of years of neglect.

Mrs. HOLT. I thank the gentleman for his remarks.

Mr. LARGOMARSINO. Mr. Chairman, will the gentlewoman yield?

Mrs. HOLT. I yield to the gentleman from California.

Mr. LAGOMARSINO. I want to commend the gentlewoman and the gentleman from Texas (Mr. GRAMM) for offering this amendment. I want to associate myself with the gentlewoman's remarks, and I want to rise in strong support of the amendment.

As our colleague from New York has pointed out, and as the gentlewoman herself has pointed out, our military is obviously in deep distress. The unsuccessful rescue mission, while we do not really yet know exactly what caused it to fail and so on, I think at least demonstrates very vividly some of the problems that we are facing, operation and maintenance, the age of the helicopters, the fact, as I understand it, no new helicopters of the class used have been purchased since 1975.

Certainly the question of salaries as discussed by my colleague from New York is a very important thing.

Now a couple of months ago, a very high-ranking Israeli official told a group of us that what we ought to be doing—he was giving us advice, and it was off the record, but he was giving us advice—and I think it was good advice.

He said, "You ought to do everything you can to get the best in your country into your military."

I do believe that we have some of the best in our country in the military, but how long can they stay there? How long can pilots go on flying inadequately maintained airplanes, even some of the newest airplanes, when they have, on the other hand, the chance to make much more money flying for commercial airlines or in private aviation?

The CHAIRMAN. The time of the gentlewoman from Maryland (Mrs. HOLT) has again expired.

(At the request of Mr. LAGOMARSINO and by unanimous consent, Mrs. HOLT was allowed to proceed for 5 additional minutes.)

Mr. LAGOMARSINO. If the gentlewoman will yield further, how long can we expect technicians and petty officers on these vessels to work 80, 90, or 100 hours a week on hazardous, very tiring conditions, away from their families with the kind of pay they are receiving, when, as the gentleman from New York pointed out, many of them are not paid as much as checkout clerks at McDonalds? I answer that we cannot very much longer.

The amendment would take care of that situation or at least go in that direction.

Mrs. HOLT. The gentleman is absolutely correct.

Mr. LAGOMARSINO. However, I do have one concern about the amendment. It has been said by some that a passage of the gentlewoman's amendment would cripple the Voice of America, Radio Free Europe, and Radio Liberty.

I have discussed this with the gentlewoman, and I know that that is not the intention of the gentlewoman, nor does she think that will happen, but I would for purposes of colloquy and for purposes of the record, like to have the gentlewoman's comment.

Mrs. HOLT. Absolutely. It is not the intention of the sponsors of this amendment to take anything away from our communications, Voice of America, Radio Free Europe, any of the communications, because we feel so strongly that today they are more important than ever, just absolutely critical. What we are trying to do is take $600 million out of a $9 billion foreign affairs budget. We feel that it can be done.

There have been all sorts of suggestions about from where it can come. The Budget Committee cannot make any line item specific recommendations. All we can do is deal in the aggregates, and then it is up to the authorizing and appropriating committees; but it is certainly not my intention to cut any communication funds.

I have discussed it with members on the committee, and they have no desire to make that kind of reduction. That is one of the areas where we are really serving a real purpose and doing some real good with our money. It is not our intention at all to take anything away from those communications systems.

Mr. LAGOMARSINO. I thank the gentlewoman. I strongly concur with her statement that those three radio stations and the work they do is vitally important to this country and if done properly and done timely and with enough resources, it may well be what turns this whole thing around worldwide.

Mrs. HOLT. I thank the gentleman.

Mr. Chairman, the Gramm-Holt substitute would convert the House Budget Committee recommendation into a responsible statement of fiscal policy that awards a higher priority to national defense.

The budget presented in January by President Carter estimated military fuel costs at September 1979 price levels. Fuel prices have increased substantially since then, but the House Budget Committee is telling the Department of Defense to absorb the costs. This cannot be done without serious damage to military operations, maintenance, and readiness. The Gramm-Holt substitute adds $3.1 billion for military fuel costs, although some estimates of need run higher.

The House Budget Committee is telling the Department of Defense to absorb 40 percent of the cost of pay increases for Department personnel. This is double the normal absorption rate of about 20 percent. The Gramm-Holt substitute provides for a 20-percent absorption of pay raises, which adds $600 million to the defense budget.

The Budget Committee took a $1 billion cut from procurement for very ill-defined purposes, saying that the Appropriations Committee would probably cut that amount anyway. The Gramm-Holt substitute restores these funds.

It is incredible that the Budget Committee voted a $400 million cut in civilian personnel of the Department of Defense. At a time when senior military personnel are leaving in droves and recruitment is falling short, a cut in civilian personnel will aggravate the problems. We have restored this $400 million.

Let me repeat my story of our visit to the *Coral Sea*—

☐ 1250

I just had the opportunity of visiting the carrier *Coral Sea* on April 7, a part of the Indian Ocean task force. Out there, there are two battle groups. There are 31 ships and over 20,000 soldiers and marines. The *Coral Sea* has now been on station for more than 79 days; the other carrier, the *Nimitz*, for 103 days. The *Nimitz* will set a record for the number of days at sea without a port call, but the carrier replacing it will break that record. The next carrier may be at sea for over 6 months before returning to port.

This means that the crew of 4,200 on the *Coral Sea* has not set foot on land for almost 3 months, and longer for the *Nimitz* crew. They have to do that because nobody in that part of the world thinks we have any credibility; nobody wants to associate himself with us.

The CHAIRMAN. The time of the gentlewoman from Maryland (Mrs. HOLT) has expired.

(By unanimous consent, Mrs. HOLT was allowed to proceed for 5 additional minutes.)

Mrs. HOLT. That is why we have no ports to which these crews can go for exercise. They have been operating 7 days a week in temperatures between 90 and 100 degrees in the Arabian Sea, temperatures that will soon get hotter. The glamour of sailing in the Indian Ocean and Arabian Sea is reduced by the fact that the crews cannot even stop the ship and swim because of the danger of sharks. They are visible evidence of the U.S. commitment in the area as well as the U.S. deterrent force against future Soviet aggression in an area critical to the freedom of the United States and to Europe.

More importantly, in the short run this is the force that would act if we had to take action to try to recover our hostages in Iran. Do you know the questions that were asked by those young troops that swarmed around us? They said, "Does anybody know we are here? Does anybody care? Are we doing any good out here at all? Is America proud of us? Is America proud of us?"

I told them we were proud of them, but, Mr. Chairman, I wish I could have said to those young men out there that "the House Budget Committee has put some money in the budget for you to train adequately, with that strenuous, demanding job of launching those planes from the carriers."

But I could not tell them that. I could not tell them that we had put money in there to take care of the spare parts.

I wish I could have said that the fuel was going to be taken care of, but I could not. We have not even covered the amount of money that is necessary to pay for fuel.

But here is an opportunity, to say to those young people, "We are proud of you, and we do care." We can say that without hurting anyone.

In the Gramm-Holt substitute we are above the Senate budget in most areas: We are $2 billion under the Senate in defense. And of these, most reductions were suggested by the Congressional Budget Office.

So, Mr. Chairman, I think if we are concerned about the inadequacy of our military strength, we will vote for the Gramm-Holt substitute. If the Members are as concerned as I am about the condition of our failing economy, they will support the major tax relief promised by the Latta substitute.

Mr. GRAMM. Mr. Chairman, will the gentlewoman yield?

Mrs. HOLT. I would be happy to yield to the gentleman from Texas.

Mr. GRAMM. Mr. Chairman, I thank the gentlewoman for her kind comments and for yielding.

Mr. Chairman, I would like to begin by trying to set the facts straight. We have had more misinformation put out on this amendment than on anything in the whole 14 months I have been in Congress. I want people to vote on the facts, not on the basis of misinformation.

Let me begin by noting that the latest CBO estimate of the President's fiscal year 1981 defense budget, with CBO projections of likely revisions, including legislative savings, would cost $156.2 billion. The House Budget Committee has reported a fiscal year 1981 defense outlay total of only $147.9 billion, $8.4 billion below the CBO estimates of the revised Presidential budget.

The Gramm-Holt amendment—I will be happy to yield when I finish my statement.

Mr. GIAIMO. Mr. Chairman, we will have a much more meaningful debate if the gentleman would yield. I do not want to argue. I just would like to clarify something.

The CHAIRMAN. The gentlewoman from Maryland has the time.

Mr. GIAIMO. Mr. Chairman, will the gentlewoman yield?

Mrs. HOLT. I have yielded to the gentleman from Texas. Let him finish his statement and then I will be happy to yield to the chairman.

Mr. GRAMM. Mr. Chairman, I will be happy to ask the gentlewoman to yield when I have finished my statement.

Mr. Chairman, the Gramm-Holt bipartisan substitute provides $153 billion and will not even equal the CBO's revised estimate of the President's budget with likely legislative changes.

We have heard a lot of talk and seen

a lot of "Dear Colleague" letters about what the Budget Committee is doing in terms of military spending. I have to say, as an economist, that I have been dismayed and to some extent shocked by the willingness of the Budget Committee to knowingly commingle budget authority figures and outlay figures to try to make their case look good.

Let me give you the facts. First of all, the facts in this budget are that in 1980 we are going to spend $134.2 billion. At a 12-percent inflation rate, looking at the $147.9 billion outlay, that is a minus 2-percent growth in real defense spending.

The CHAIRMAN. The time of the gentlewoman from Maryland has again expired.

Mrs. HOLT. Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentlewoman from Maryland?

Mr. TRAXLER. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

Mr. GRAMM. Mr. Chairman, I move to strike the last word. I rise to speak for the amendment.

Mr. Chairman, at the lowest inflation rate that CBO talks about in any functional category today, the 9.3 percent inflation rate that they claim for defense is a rate that contains totally unrealistic assessments as to pay increases at that rate, outlays, actual dollar expenditures, will grow by only 0.8 percent in real terms.

The President has made a commitment to NATO of 3-percent real growth in defense outlays. The President made a commitment to the American people of 5-percent real growth in budget authority, and under any realistic assessment of inflation, the Budget Committee's proposal will not do that job.

If we adopt the Budget Committee's proposal, only two things can happen, and both of them are bad. First, if we stick with the proposal, we will renege on our commitment to NATO. We will further debase our credibility with our allies and we will continue to add to the growing danger to national security.

Second, if we spend the money we need on the military, we will violate our commitment to the American people, because we will not balance the budget.

The Gramm-Holt substitute gives us a viable alternative to these options: It does that by cutting $5.1 billion in outlays in other areas and adding that amount in defense. Let me reiterate where these cuts occur.

We cut, in setting out the parameters of that cut across the board, Government overhead by $1.7 billion, a lower cut than the Senate has proposed. To outline the areas we cut (excluding national defense, agriculture, income security, administration of justice and veterans benefits) we cut travel and transportation by 20 percent, printing and reproduction by 20 percent, and new equipment purchases by 15 percent.

You were all sent a whip advisory, which said that these cuts would provide an 83-percent cut in travel and transportation for specific functions of Government.

Working backwards in trying to figure out where that figure came from, I have learned they left out funds for transportation of things in computing the cut, and that 83-percent figure, if it has any validity whatsoever, is valid only if you exclude transportation of things, which clearly was part of our proposal.

□ 1300

We propose a $600 million cut in International Affairs. Now clearly the Appropriations Committee is going to determine where these cuts are, but we are proposing, and I think it is important that people note, a 47-percent increase in budget authority for this budget functioning the biggest authority increase in the whole budget. We are proposing a 6.25-percent cut in outlays from the Budget Committee figures.

If anybody believes that a 6-percent cut in outlays is going to shut down the U.N. or endanger our ability to pay the Secretary of State, then he is not going to be swayed by my arguments on the basis of logic.

We propose a 20-percent cut across the board in 17 regulatory agencies. That sounds tough until you recognize these regulatory agencies have had a 700-percent increase in their budget in the last 10 years.

Finally, with regard to food stamps we would simply reduce the money going to people who receive food stamp benefits for meals they already eat through the Federal free school lunch programs.

Mr. Chairman, this is a simple amendment. It is a simple amendment that says let us take less than 1 percent of what the Federal Government spends and let us put it in defense. Let us meet our commitment to NATO, not with smoke or mirrors, not by commingling budget authority and outlays and trying to fool people, but in hard, real dollars. Let us get our enlisted men off welfare. Let us not make them get food stamps. Let us meet our commitment to maintain our services and modernize our equipment. The amendment also says let us take it away from travel and transportation, let us take it away from foreign aid that has not brought about friends. Let us take it away from CETA that has not created jobs and has not provided a vehicle to move into the private sector.

Mr. Chairman, the pro welfare spending lobby is against this amendment.

The CHAIRMAN pro tempore. The time of the gentleman from Texas has expired.

(By unanimous consent Mr. GRAMM was allowed to proceed for 4 additional minutes.)

Mr. GRAMM. Mr. Chairman, the welfare coalition is against this amendment. My colleagues all know it because they have received letters, dozens and dozens of letters, and have been visited. They are all waiting outside in the hall now with their hands out.

The administration, which last week came out against its own budget, in favor of a liberal substitute, is now against its own defense budget. The President is against it. The leadership is against it. My colleagues all know it because they have been lobbied.

But the people are for it. I believe if we had a national referendum on this amendment the American people would approve it overwhelmingly. I do not believe there are two dozen Members of this House who come from districts that would not overwhelmingly approve this amendment.

In the first speech I ever heard our great Speaker give on the floor he ended that speech with a statement which is more applicable to this amendment than it was to the amendment on which he spoke. He ended by saying, "The people are for it and I am for the people." I would like to conclude, Mr. Chairman, by simply noting that despite all of the high pressure tactics, despite all of the arm twisting, despite all of the lobbying, I believe the Members of this body know that the American people are for this amendment. The American people want their money spent to strengthen defense.

The question we are going to decide on here today is not what the American people are for. We know that. But in the words of our great Speaker, we are going to decide whether we are for the people.

Mr. Chairman, I now will be very happy to yield to the Chairman of the Budget Committee, the distinguished gentleman from Connecticut.

Mr. GIAIMO. Mr. Chairman, I would say to the gentleman that I intend to get my own time.

I would, however, like to ask unanimous consent that the gentlewoman from Maryland (Mrs. HOLT) have 5 additional minutes.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

Mr. LAGOMARSINO. Mr. Chairman, will the gentleman yield?

Mr. GRAMM. I am happy to yield.

Mr. LAGOMARSINO. Mr. Chairman, I want to commend the gentleman on a very fine, forceful statement and say I agree with everything he said. I would like to ask the gentleman if he was on the floor when I had a colloquy with the gentlewoman from Maryland about Radio Liberty, Radio Free Europe, and the Voice of America.

Mr. GRAMM. I was, and I would like to respond to that as well.

There have been many iterations of this amendment which was first born in December. We have suggested a whole range of potential cuts to meet the various objectives that we have proposed.

But the Budget Committee and the budget process cannot tell the appropriating committees what to do. I do not think they should be able to. I would like to say to the gentleman that I believe the $600 million in foreign and multilateral aid can be cut, and I believe it can be cut without closing down the U.N. and without closing down Radio Free Europe.

I will certainly support the gentleman in seeing that the cuts are not made in this area.

Mr. LAGOMARSINO. I thank the gentleman.

Mr. GEPHARDT. Mr. Chairman, will the gentleman yield?

Mr. GRAMM. I yield to the gentleman from Missouri.

Mr. GEPHARDT. Mr. Chairman, I would like to note the gentleman's point that the numbers we have used are not adequate in terms of achieving real growth in defense because inflation has increased in the last few months and the CBO has come up with new projections of what the economy will do, which does affect the inflation numbers and the defense numbers.

I want to say the gentleman may be correct and, indeed, CBO may ultimately be correct. But I think it is important to note that in the budget process we have to take a snapshot, it seems to me, of the economy at a certain point in time. We have to live with that snapshot at least through the first budget resolution.

The CHAIRMAN pro tempore. The time of the gentleman from Texas has again expired.

(At the request of Mr. Gephardt and by unanimous consent, Mr. Gramm was allowed to proceed for 2 additional minutes.)

Mr. GRAMM. I yield further to the gentleman.

Mr. GEPHARDT. If we continue changing projections each day, each week, or each month, as we go through these resolutions, we are never going to get a budget proposal. Indeed, we could do that, but it would be so confusing to the process that we would never compete it.

I would suggest to the gentleman that there is time for doing that when we get to the second resolution. But for this resolution we ought to stick with the inflation figures, and we ought to stick with the numbers that CBO developed as we started to mark up that first resolution. To do otherwise would be difficult.

Mr. GRAMM. Reclaiming my time, I would like to say two things. The gentleman is correct, these figures are changing.

All I am saying is let us say what are outlays and let us say what is budget authority, and let us not shift the definitions back and forth talking about spending. It is hard enough when Members do not understand the arithmetic of the budget process.

I agree with the gentleman. The problem with waiting until the second resolution is that we are going to have reconciliation, and these constraints are going to be binding. If they become binding, if the other body does not bail us out as everyone has been assuring us they will, even though they have backed away to wait and see what we will do, then we are going to violate our commitment to NATO. That is our problem. I say let us be honest with the American people. Let us recognize things have changed, inflation has gone up. Let us put the money in and let us cut other categories.

Then in the appropriation process let us hammer out where those funds are to be cut.

Mr. GEPHARDT. If the gentleman will yield just a few more seconds, I would just say to the gentleman I think the budget process demands we take a snapshot of the economy at a point in time during markup in the Budget Committee, that we stick with that projection through the first resolution, and that the reconcilation process must be flexible enough to allow us, in the appropriations process, to adjust the figures to deal with changing economic conditions.

The CHAIRMAN pro tempore. The time of the gentleman from Texas has again expired.

(At the request of Mr. Giaimo and by unanimous consent Mr. Gramm was allowed to proceed for 3 additional minutes.)

Mr. GIAIMO. Mr. Chairman, will the gentleman yield?

Mr. GRAMM. I yield to the gentleman from Connecticut.

Mr. GIAIMO. Mr. Chairman, I want to reiterate what the gentleman from Missouri says. We are dealing with a budget of $161 billion. There are ups and downs all along the line of a budget that size, as the gentleman from Texas knows.

If the gentleman will look at the Holt-Gramm substitute and compare it not only with the House Budget Committee but compare it with the President's estimates, the gentleman will find his estimates in many instances are way over both of ours. The gentleman is taking the worst possible scenario.

Let me preface and say no one wants to shortchange our armed services. I least of all. And I am going to make certain they are adequately supplied with money. But, for example, the gentleman has a faster spend-out rate than the President estimates or than we did estimate by $2.9 billion.

□ 1310

Mr. GRAMM. Would the gentleman allow me to reclaim my time on that point? The figure that I presented was a CBO estimate, and the estimate basically started with the President's January budget, 146.2; increased fuel costs, 4.1; faster delivery, 4.6; other inflation, 0.1; lower cost-of-living adjustment, minus 0.3; the President's post-Afghanistan additions, plus 0.5; non-Warner selective pay increase, 0.8; restoration of historic level of absorption, 20 percent, 0.6; annual cost-of-living adjustment, minus 0.4. That adds up to 156.2.

Mr. GIAIMO. These are add-ons the gentleman is adding to the CBO estimate.

Mr. GRAMM. This is the CBO estimate with CBO projection of likely revisions, including legislative savings.

Mr. GIAIMO. But these are not CBO estimates; these are add-ons which the gentleman is making. They are not refined. They are not worked up. They are not agreed to by the administration. The point I am trying to make is we are throwing several billion dollars around here loosely.

Mr. GRAMM. Reclaiming my time, I would like to make two additional points: First, these are CBO fact-of-life increases and CBO projections of congressional action. Second, given the most optimistic inflation rate that I have heard from anyone, 9.1, your outlay will not meet the commitment to NATO under any calculation you use or any way you calculate a percentage change. The most optimistic inflation that has ever been mentioned even from the earlier snapshot still will not meet the commitment to NATO.

Mr. GIAIMO. It will give a NATO commitment of close to 3 percent, if I am correct, in budget authority.

The CHAIRMAN pro tempore. The time of the gentleman has expired.

(At the request of Mr. Stratton, and by unanimous consent, Mr. Gramm was allowed to proceed for 3 additional minutes.)

Mr. GRAMM. Let me make one additional point. The President's commitment of 3 percent was in outlays, not budget authority. The President's commitment of 5 percent to the American people was in budget authority. Again we are commingling these terms to make our cases look good.

Mr. STRATTON. Mr. Chairman, will the gentleman yield?

Mr. GRAMM. I will be very happy to yield to the gentleman from New York.

Mr. STRATTON. I thank the gentleman for yielding.

What we have going on here is a numbers game, a shell game in terms of numbers of one kind or another. I think that whether we talk about the Budget Office estimates or something else, we ought to recognize what is happening. After the Afghanistan crisis occured, the President said we were facing the greatest challenge to America since Pearl Harbor, and I agree with him. He said that in order for us to try to remedy the deficiencies in our national defense, we needed to increase the budget at least by 5.5 percent over the next 5 years.

A few weeks later inflation suddenly became the order of the day, and the same administration that said that we had to move to increase our defense said, Well, we have got to have everybody taking a cut, so we are going to have to cut back defense by at least $1.6 billion. Then it suddenly turned out the so-called increase was not the 5 percent that the administration had requested, and it was not even, as the gentleman from Texas said, the 3 percent that we had promised to NATO. The fact of the matter is that the staff of the Committee on Armed Services, having taken the entire Easter recess to research this question, came up with an estimate that the increase is somewhere between 1 and 2 percent because the estimate of the increase of inflation depends, as the gentleman from Texas has said, on what your estimate of inflation is.

The inflationary figure that the Department of Defense was offering was totally unrealistic and totally incorrect. Therefore, the only way, regardless of all of these figures that we are kicking around, to get an adequate amount of money in the budget to meet our needs is to approve the substitute offered by the gentleman from Texas (Mr. Gramm) and the gentlewoman from Maryland (Mrs. Holt).

Mr. GRAMM. I thank the gentleman.

The CHAIRMAN pro tempore. The time of the gentleman has expired.

(At the request of Mr. Regula, and by

unanimous consent, Mr. GRAMM was allowed to proceed for 3 additional minutes.)

Mr. REGULA. Mr. Chairman, will the gentleman yield?

Mr. GRAMM. I yield to the gentleman from Ohio.

Mr. REGULA. I thank the gentleman for yielding, for just a couple points of clarification. The gentleman said it was an amendment. In fact, this is a substitute, am I correct?

Mr. GRAMM. It is a substitute. It is a substitute which focuses in on the defense problem and the offsetting cuts.

Mr. REGULA. Does the gentleman do anything in the field of allowing room for tax cuts?

Mr. GRAMM. We make no changes other than putting $5.1 billion into 050 and taking the same amount out of other functions.

Mr. REGULA. It would not affect the total revenues or expenditures?

Mr. GRAMM. No.

Mr. REGULA. It is a priority judgment.

Mr. GRAMM. It is. It would affect the budget as a whole only to the extent that if we later spend the money on defense, we will have made the cuts to keep the budget balanced. I believe this amendment in October will make a big difference. Today, when it is easy to throw numbers around before the appropriations process starts, it appears to make no difference.

Mr. REGULA. The gentleman's substitute will be followed by the Latta substitute. Do I understand correctly that in fact the Latta substitute would probably go further in the support of a strong defense in the sense that it has about $14 billion more in budget authority?

Mr. GRAMM. Budget authority does not build planes or tanks or hire men; outlays do that. If one compares the Gramm-Holt amendment to the Latta amendment, there is very little difference on defense. We have here an opportunity to deal with our problem on defense, and then the gentleman will have an opportunity to deal with the wider problem on Latta. I think we have in this case an opportunity to solve this problem here, and on the next amendment we will have other problems that can be dealt with. There is no conflict.

Mr. REGULA. Does the gentleman agree that the Latta substitute down the road, because of the much greater budget authority, will provide a continuity in support for the defense programs?

Mr. GRAMM. The Latta substitute, if passed, will provide about the same outlays, but the key is to pass it. We have an opportunity here to deal with defense. We have an opportunity on Latta to deal with wider issues. I think we should take both opportunities.

Mr. Chairman, I yield back the remainder of my time.

The CHAIRMAN pro tempore. The Chair recognizes the gentlewoman from Maryland (Mrs. HOLT).

Mrs. HOLT. I thank the chairman for our committee for getting this time for me. I just want to make another brief comment and commend for the Members' consideration George Will's column in this morning's Washington Post where he says:

> Hours before the eight old helicopters lifted off the deck of the USS Nimitz, bound for disaster in the desert, Jimmy Carter sent a letter to House Speaker Tip O'Neill endorsing a move to slash his own defense budget by $3.8 billion. This would drive the "post-Afghanistan" defense budget below even the level called for in Carter's January budget, which even Carter quickly repudiated as inadequate.

Also the Wall Street Journal this morning points out:

> More broadly, the experience in Iran ought to be causing the administration to think about the options it leaves itself when it structures its military posture. It has proclaimed a huge new military mission in defending the Persian Gulf, but has requested no new military spending to carry it out. Finally finding no alternative to military action, it mounts a gallant but desperate effort, but somehow lacks the means to succeed.
>
> The scenario should not be forgotten: The unprepared are forced into a corner, call on what military options they have left themselves, and find these are not enough. With the administration now lobbying Congress for less preparedness rather than more, it could all happen again in even more serious fashion.

Mr. ROUSSELOT. Mr. Chairman, will the gentlewoman yield?

Mrs. HOLT. I will be glad to yield to the gentleman.

Mr. ROUSSELOT. I appreciate my colleague's yielding. I notice in her discussion of areas where she has increased allowances for the Department of Defense that she has increased fuel costs for defense operations. My understanding is the reason she found that necessary—and I would like her to comment on this briefly—is that the President had reduced the necessity for increased fuel costs because he had announced that he was going to draw down what is now a two-carrier task force in the Indian Ocean. My understanding is that the President hopes to accomplish this lowering in fuel costs by reducing that task force to just one. Is that correct?

Mrs. HOLT. That is correct.

Mr. ROUSSELOT. Has the President given us a justification of why that would be necessary to do that at a time when we are trying to beef up our military protection or potential use of force in that general area?

□ 1320

Mrs. HOLT. I have seen no justification for it.

It is simply impossible for the Department of Defense to absorb the cost of the fuel consumption that is going to be necessary even if we did make that change. We have figured the cost of it on the 1979 prices and the Committee on the Budget has just assumed that the Defense Department can absorb that increased cost. It is impossible. If we are going to use fuel to train our people properly. It takes a tremendous amount of flying to stay proficient, bringing those planes off that carrier. We have to continue that kind of thing if we are going to ask those people to go out there and try to defend freedom for us.

Mr. ROUSSELOT. So even the President's change in potential fuel cost increase and the change of the Committee on the Budget is not warranted and would in fact potentially do damage to our ability to keep our commitments, to maintain forces in that area; is that correct?

Mrs. HOLT. That is correct. It sends the wrong signals. That is why we have no credibility with our allies, that is why we have no credibility with our enemies. Nobody believes us. We are sending all of the wrong signals.

Mr. ROUSSELOT. Mr. Chairman, I appreciate the gentlewoman's further elaboration on the necessity of increasing fuel costs in this one area. I know that the gentlewoman is an active member of the Committee on Armed Services and has firsthand knowledge of what is needed. I am sure the full committee basically supports the gentlewoman in this effort. I appreciate the further elaboration on this issue.

Mr. STRATTON. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the Gramm-Holt substitute. I do so as one who has been a supporter of the budget process. I was one of those who favored the idea when it was first developed in 1975. It seemed to be a reasonable approach and I believe the gentleman from Connecticut (Mr. GIAIMO) would admit, while we have frequently had differences on the budget, that I have usually supported the budget resolution in the years since then.

But, Mr. Chairman, I have been increasingly concerned that what was billed as a system for systematic control over expenditures on the part of the House of Representatives, and for a reasonable approach toward our various responsibilities, has in fact over the 5 or 6 years that this program has been in operation really been a device for transferring money out of the defense category and putting it into increased domestic programs. Year after year after year the Committee on the Budget has cut the defense program recommended by the administration, even though most of those programs were not even adequate for the needs that we had.

But the Committee on the Budget cut them down further and transferred the money into social programs. When, on one rare occasion, those of us who felt that the Committee on the Budget had been remiss with regard to defense and succeeded in convincing the House that more money ought to be put into defense, those who favored increased domestic programs went on strike and refused to support the budget resolution. And, of course, the solution was to go back and cut the usual amount out of defense.

Now, that is the history, Mr. Chairman. My friend from Connecticut will not deny it. It has been a sorry history indeed. The argument for it, of course, was an argument we have heard since we got out of Vietnam, that military power was not necessary for the United States, that we ought to shift our priorities, and take all these billions that we were blowing up and killing people with, napalming children, and so forth, and put it into the programs, as my friend from California (Mr. MILLER) urged the other day, for young children and pregnant mothers.

That may or may not have been a proper approach during those few years. I think it was a mistake but for the sake of argument let us assume we were stressing defense too much and that we should have shifted our priorities over into the domestic sector. But today, my friends, it is 1980. This is a changed world.

Mr. Chairman, as the gentleman from Massachusetts (Mr. BOLAND) said the other day when he finally squeezed through, by a very narrow margin, an appropriation for simply registering the names and telephone numbers of those who might be eligible for military service, the world has changed.

When the Russians went into Afghanistan even the President of the United States recognized in altered terms the nature of the Soviet threat. He said, as I mentioned a moment ago, that the invasion of Afghanistan was the most serious threat to our national security since Pearl Harbor. Those of us who are old enough to remember the period before World War II—there are not many in this Chamber who are that old of course—would compare the move into Afghanistan with Hitler's move into Czechoslovakia, a genuine watershed in history.

The CHAIRMAN pro tempore (Mr. BARNARD). The time of the gentleman has expired.

(By unanimous consent, Mr. STRATTON was allowed to proceed for 5 additional minutes.)

Mr. STRATTON. A genuine watershed in terms of our recognition of the military threat that existed to the free nations of the world and particularly to the United States.

Mr. Chairman, those of us, like the gentlewoman from Maryland (Mrs. HOLT), who was fortunate enough to travel under the leadership of the distinguished gentleman from Illinois (Mr. PRICE), the chairman of the Committee on Armed Services, last month into the area of confrontation in the Indian Ocean and the Persian Gulf, found out that America's ability to project military power in that area of the world is very limited indeed. If the Soviet Union were to move tomorrow from Afghanistan into Iran, there is actually very little which the supposedly greatest military power in the world could do to stop it.

Mr. Chairman, things are so bad that a Secretary of State has recently resigned because he felt that even a modest attempt to rescue 50 American citizens illegally imprisoned in the American Embassy in Iran might get us into war.

Mr. Chairman, the fact of the matter is that America is viewed as weak, as hesitant, as indecisive. That is the message that came out as we went from country to country in the Persian Gulf and the Indian Ocean.

So the most urgent priority of America today is to get our military forces back into shape so we will have a credible deterrent and so the Soviet Union will in fact be deterred from challenging the United States in that or any other part of the world.

Mr. Chairman, we have had an interesting discussion about percentages of defense growth this year, whether it is 5 percent or whether it is 3 percent, whether it is 1 percent, and what is the percentage of inflation. But those things do not really matter. The important thing for this Congress to consider is whether, today, we have armed forces that are adequate to meet our commitments around the world.

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Let us take a look at where we stand. Every responsible military leader who has appeared before our committee, Air Force, Navy, or Army, has admitted we do not have today the capability of meeting all the commitments that we have made around the world.

Take the Navy, for example. Those Members who remember World War II recall that we made a big thing out of establishing a two-ocean Navy. We were not only going to have a Pacific Fleet; we were also going to have an Atlantic Fleet, and so we built a two-ocean Navy.

Well, of course a lot has happened since World War II, and we have finally recognized that there is another ocean in the world that has important strategic significance. That is the Indian Ocean. So today we need not a two-ocean Navy; we need a three-ocean Navy. But, the fact of the matter is that the United States has a Navy today which is just barely capable of handling one and a half oceans. That is the serious problem that we are up against today when it comes to the Navy.

Or, take our strategic nuclear capability. Even the Secretary of Defense, although he would not admit it at first, now agrees that our land-based strategic missiles are vulnerable to a first strike from the Soviet Union. The administration has finally come to Congress and asked us to give them money for an MX. But we have not even gotten started on an MX yet. Nobody knows, for example, how it is going to be based.

The CHAIRMAN pro tempore. The time of the gentleman from New York has again expired.

(By unanimous consent Mr. STRATTON was allowed to proceed for 5 additional minutes.)

Mr. STRATTON. Moreover, nobody knows whether the Governors of Nevada and Utah will be graciously kind enough to allow the United States to build a strategic defense in their States so that we do not get knocked out by a first strike.

As far as the personnel of our Armed Services are concerned, as the gentlewoman from Maryland has told us, we have such a low rate of pay that many qualified technicians are getting out of the services. That is one of the reasons why we have maintenance problems. Fortunately, that kind of problem did not affect our helicopters the other day. But it does affect almost every other item that we have in the Armed Services. We do not have enough doctors, as the gentleman from Tennessee (Mr. BEARD) has regularly been pointing out, to meet not only the needs of our peacetime forces but the needs that would occur if we were to get into an actual conflict.

All of these things have so impressed the Armed Services Committee, the one committee that is responsible for providing enough money in the budget to meet all our commitments—they have so impressed our committee that we have added $5.1 billion to the Department of Defense budget that was submitted to us. Just by coincidence, the Gramm-Holt amendment adds also $5.1 billion in outlays to the budget that the President has recommended. In other words, if we want to do the job of creating an armed force adequate for our commitments as viewed by the committee which is primarily responsible for determining what those commitments are and what is needed to meet them, the only way to do it is to approve the Gramm-Holt substitute. Because the one thing that must have top priority today is to insure our national defense.

I remember when my good friend, the Senator from Washington, Senator JACKSON, was challenged in 1976 for being too strong on defense. Senator JACKSON had a very simple reply. He said: "My parents came from Norway."

He said:

> Norway had a magnificent environment. The air was tremendous; the flora and fauna were great. It is a beautiful country.

And as far as social programs are concerned, he said:

> The country of Norway had an advanced, developed social program. Nobody was hungry. Everybody was properly taken care of. But, the one thing they didn't have was a strong defense establishment. So when Hitler decided to move into Norway in early 1940 the environment did not help them. The social programs did not help them. They became captives of the Nazi war machine.

But Norwegians are not taking any chances on doing that a second time. They have a strong defense today at the North Cape, and they all have a strong defense on the sea. If this House of Representatives is smart, we will do at least as much as Norway has done to protect our own defense, because without it we will not have any social programs or any environment either.

Mr. HYDE. Mr. Chairman, will the gentleman yield?

Mr. STRATTON. I yield to the distinguished gentleman from Illinois.

Mr. HYDE. Mr. Chairman, I strongly support the Gramm-Holt amendment.

Yesterday we were told that the duty of Government is to take care of its poor and needy.

I suggest there is one higher priority—that of national self-preservation.

I regret the resignation of Secretary Vance, but I cannot escape the feeling that he viewed the world as a giant courtroom.

It is not, there is too much truth in the jest that "it's a jungle out there."

We have been busy the past few years escalating our transfer payments at the expense of our defense—deluding ourselves that détente and Helsinki and SALT I meant that peaceful coexistence was attainable. All we demonstrate is our capacity for self-deception.

We do not seek a gold-plated defense—but are you not embarrassed when you learn that our soldiers' and sailors' families need food stamps to survive?

Look at a map.

The oil of the Middle East is in jeopardy. That means Europe and Asia will have to deal with the Soviets to survive.

The mineral and human resources of Africa, Central America, and Asia are slowly being withdrawn from the West by the Soviets and their proxy troops.

Risk peace? Tell that to the Czechs, the Hungarians, the Cambodians, the Afghans, the Cubans.

If some of the sentiments I have heard on this floor prevailed in previous eras of conflict we would all be goosestepping today.

Employment? Everyone has a job in the Gulag Archipelago.

Yesterday we were told that Soviet military requirements are greater than our own because of their long border with China.

But how long will the U.S.S.R. and the People's Republic of China continue snarling at each other? The argument is over which power is the Marxist heretic. World revolution is still high on the agenda of each country.

But what about submarines? They do not patrol the Chinese border with submarines.

The United States today has 73 nuclear attack submarines and 7 diesel submarines.

The Soviet Union has an estimated 195 attack submarines and 65 submarines carrying antiship cruise missiles—the United States has no cruise missile submarines—about one-third of the Soviet submarine fleet is nuclear powered.

The U.S.S.R. owns the world's largest arsenal of naval mines and has about 400 minesweepers.

The United States has only three ocean minesweepers in its active fleet.

In surface combatant ships—cruisers, destroyers, frigates—we have 165, the Soviets have 273, and they are faster and more heavily armed than our own.

Janes fighting ships says a 32,000-ton nuclear powered cruiser will be commissioned by the Soviets this year.

If so, this would give the U.S.S.R. a new dimension of naval capability that we cannot match for several more years.

The U.S.S.R. leads in advanced technology—they already have developed 50 highspeed hydrofoils and 61 hovercraft.

We have one.

Admiral Zumwalt says these will revolutionize naval warfare.

Need I say more? There is much more illustrating our growing inferiority in virtually every military category.

To turn our swords into plowshares while the spiritual decendants of Genghis Khan stalk the Earth is to express a death wish that spells the end of America—and the end of freedom.

Let us keep the President's promise to NATO to increase our defense spending by 3 percent in real terms.

That is all the Holt-Gramm amendment does. It is little enough. The sad truth is we have lost our margin for error.

Mr. WHITE. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, for the past 20 years, the Congress of the United States has treated the citizens of this country—and, in fact, the citizens of many other countries of the world as well—to a well-intentioned, and in many cases, highly effective and productive, series of social reforms and development programs. To a considerable extent, I have supported these reforms and programs along with a majority of Congress, and many of them I will continue to support—although not in the manner to which they have become accustomed.

The overt costs of our sincere attempts to encounter and allay the myriad problem areas of our social structure are easily discernible in the incredible escalation of budget outlays over the past two decades—from less than $100 billion in 1960 to more than $600 billion we are now considering. Our rather cavalier assault on social problems and economic deficiencies has demanded many more dollars then political considerations would allow us to levy in taxes, and so we exercised the rather simple expedient of routinely increasing debt authority, a practice which has now introduced almost 1 trillion arbitrarily created and unearned dollars into our economy.

As a result, the fiscal noose which has been steadily tightening around our economic structure has suddenly reached the strangulation point. Last year as we inexorably continued our march toward a 13-digit national debt, we experienced for the first time the dreaded realization of double digit inflation, a condition which assuredly will prevail again this year.

As a result of the shock waves created by this experience, now, at long last, a majority of Congress seems prepared to accept the fact that deficit spending is a major cause, if not the primary cause, of relentless inflationary pressures. And so, we are now prepared to bring about a balanced budget for the coming fiscal year. To do this, we obviously must effect cuts in envisioned Federal spending, and as we consider these cuts I would think that we must all recognize by now that national defense is one area that cannot even be considered for reduction, and in fact that defense appropriations must be increased.

It should be clear to all by now that as we have been unilaterally disarming over the past decade, the Soviet Union has sharply escalated its armaments program. They now have a quite obvious military superiority, and with the invasion of Afghanistan they have blatantly exercised military might in furtherance of an ideology pledged to world domination.

It should be equally clear that this action is but a first step in establishing the Iron Curtain around the Persian Gulf which, under current condition, is critical to our survival. And so, we are down to basics: We must balance the Federal budget as the necessary first step in halting inflation, and at the same time we must increase defense spending to assure our very survival. We can have peace and security only by a strong defense. The Gramm-Holt substitute allows the realization of both of these essentials, and I therefore urge its passage. Thank you.

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Mr. HAGEDORN. Mr. Chairman, will the gentleman yield?

Mr. WHITE. I yield to the gentleman from Minnesota.

Mr. HAGEDORN. Mr. Chairman, I want to compliment the gentleman from Texas (Mr. WHITE) on his very fine statement in support of the Holt-Gramm bipartisan substitute and join with him and the authors of this amendment in the hope that the Congress will accept this very important amendment today.

I think the areas that are going to be reduced are areas that are of less than top priority. Clearly, in the light of the recent disaster that happened in Iran, the capabilities of the United States are becoming increasingly evident to the American people. I believe in the interest of our national security this Congress ought to give the President of the United States the leadership and the direction he so deservedly needs in these times when we look at his own budget that was presented a few weeks ago and now we see him flip-flopping, vacillating once again, saying one thing in the Senate and one thing to the American people at the same time that his lobbyists are on the Hill proposing something obviously less than what he proposed earlier.

Mr. WHITE. Mr. Chairman, this is a signal to us as well that we must support efforts to increase national defense.

Mr. WIRTH. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, as a member of the committee I think I reflect the thoughts of all members of the committee in our respect for the gentlewoman from Maryland (Mrs. HOLT), who has a perspective which is very well thought out. She is a very good advocate for her position. We have discussed much of this over the last year and a half that I have been on the Committee on the Budget.

I think it is important to frame for the Members the other perspective on the budget resolution and the Holt amendment which we are now discussing and which hopefully we will be voting on before the day goes on too long.

First of all, I think it is important to point out to all the Members that this is the largest peacetime defense increase that we have had in 30 years. To outline that increase, let me point out to the Members a few numbers. First of all, in budget authority, in fiscal year 1980, the budget for defense was $142.5 billion. In 1981 we have an increase of almost $18 billion, up to $160.8 billion. That is in budget authority—what DOD can commit to spend in 1981.

In outlays, that which will be spent during the coming year, are as follows: In fiscal year 1980 we had $132.7 billion. This figure may increase depending on spendout rates beyond our control. The budget resolution has $147.9 billion for 1981, an increase of almost $15 billion.

I do not think there is any disagreement that there are very real defense increases in this budget. The question becomes—and I think that is the subject of the debate—one as to how adequate those increases are and what it is we are trying to do with the defense budget. So let me try to frame that as well. Given the fact that there are very real increases in this budget, what do those increases accomplish?

Let us look first at the short term, at our readiness posture, which is generally found in operations, in maintenance, and in the training functions. The operations and maintenance area of the Defense Department budget in the budget resolution is up over 13 percent. The training function is up a little over 19 percent. No matter which inflation figures one accepts, that area which focuses on readiness is up very sharply indeed.

Second, looking at the budget authority, the long term—and that is the picture of what we are going to be doing in 1982, 1983, and 1984—we also find a very real set of increases in the budget. Research and development is up 21.7 percent, and procurement is up 14.3 percent, reflecting the fact that we have had a faster spend-out in 1980. Construction is up more than 40 percent.

I would submit that the budget framed by the members of the Budget Committee in the resolution here does meet our goals. It does, given the level of expenditures and given the real increases, meet our immediate needs of readiness, and it does meet our long-term national security goals.

I think we learned in the sixties an important lesson, and that is that when our country has a problem, it does not get resolved by throwing more money at it; rather, it gets resolved by targeting spending carefully and managing the resources we have to meet our goals. I think that kind of targeting and that kind of careful management are found in this budget.

I would agree very strongly with the gentlewoman from Maryland (Mrs. Holt) and with others who have talked about the questions of manpower and the problems of manpower that we have. I think that the gentlewoman, the gentleman from Tennessee (Mr. Beard), and others make a very convincing case that we have manpower problems within the military. Those problems are addressed by the increase in the budget to accommodate the Nunn amendment for increased military pay levels.

I would hope that we would engage in an even broader discussion, which began perhaps in the vote which we recently had on registration for the draft, and begin to look at how we are going to get the best people we can into the military and how we can share the burden of national defense across the whole of our democratic society. The question is, Who goes into the military? I hope that we can get into a very real discussion of manpower, but that is a separate set of issues right now.

The money in the budget is adequate to cover the salary increases of the Nunn amendment, and I would very much hope—and I believe the gentlewoman from Maryland agrees with this—that we would into a much deeper and much more thorough discussion of our overall manpower problem as a whole.

Mrs. HOLT. Mr. Chairman, will the gentleman yield?

Mr. WIRTH. Mr. Chairman, let me finish, and then I will be happy to yield.

Mr. Chairman, let me briefly outline for the Members how we arrived at the defense figure in the budget resolution. Everybody remembers the quite extraordinary sessions held at the end of February and in early March between congressional leaders and the administration's top economic and budget advisers.

The CHAIRMAN. The time of the gentleman from Colorado (Mr. Wirth) has expired.

(By unanimous consent, Mr. Wirth was allowed to proceed for 5 additional minutes.)

Mr. WIRTH. Mr. Chairman, during those meetings to which I referred between the leadership of the House and the leadership of the Senate and the administration there was a good deal of discussion over a 10-day period of defense spending.

The final agreement that was reached fell within a ballpark figure that was acceptable to Senator Stennis, the chairman of the Armed Services Committee on the Senate side, and the indications coming from the Committee on Appropriations on the House side and from the administration were that a figure of $149.5 billion was an adequate figure. We applied to that the general notion of "scrubbing," to use Senator Stennis' term. That is the scrubbing or scrub-out in certain areas figuring that the Defense Department ought to find areas, just as in every other agency, to squeeze down and scrub inefficiencies and waste. The difference is that we require DOD to do this much less than other agencies.

To finally put this in perspective, let me note where the Senate budget resolution is and where our budget resolution is. The House budget resolution, in budget authority, is at $160.8 billion, and the Senate's is at $173.6 billion. I think, with the budget authority and that long-term commitment in the budget we will probably go into conference and end up someplace in between I am sure there will be further discussion of that during today's debate.

A similar phenomenon is found within outlays for the immediate and readiness-focused expenditures this year. The House budget resolution, as I noted, had $147.9 billion in it, and the Senate budget resolution had $155.7 billion. Again, in going to conference, we will probably end up someplace in between, in both the budget authority and the outlay figures, between the House and the Senate.

I think, Mr. Chairman, that those figures and that perspective as to how the Budget Committee of the House arrived at this, considering what our perspective is on readiness and long-term commitments, considering that there was general agreement in all the leadership meetings in March on these figures and how the differences between the House and Senate budget resolutions might come out after the conference, will be helpful to the Members, and I hope the Members of the House will support the resolution of the Budget Committee and will defeat the Holt amendment.

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Mr. GLICKMAN. Mr. Chairman, will the gentleman yield?

Mr. WIRTH. I yield to the gentleman from Kansas.

Mr. GLICKMAN. I appreciate the gentleman's yielding and for his work on the Budget Committee.

I appreciate the institutional process that the gentleman is going through, but I also have some concern that this defense budget is going to prove too low in time to come. I would like to ask the gentleman two questions:

No. 1, what is the effect of reconciliation if we pass it? Will that give this House as a collective body the opportunity to increase the budget figures at a future time?

Mr. WIRTH. It absolutely will. That is what the second resolution is all about and, as we have found in the last couple of years, a third resolution can be implemented when necessary. As the gentleman from Missouri, I believe, pointed out, what we are talking about in this is one picture or one frame of the economy at a particular time. The assumptions in this budget are assumptions coming from the month of March 1980, and as those change, the House and the Senate, the Budget Committees, coming to the floor of the House, can change those assumptions and can change the figures that are necessary. That is what the second and the possible third resolutions are all about.

Mr. GLICKMAN. But in June we are going to have a defense appropriations bill. As I understand it, if this budget resolution is passed, the aggregate defense appropriations bill cannot exceed the amount in this budget resolution; is that correct?

Mr. WIRTH. The aggregate for the Appropriations Committees are set, and that is set until September, at the time of the second budget resolution. If there is a necessity for changing that, given changed economic conditions or changed expenditure conditions, or whatever, that can be changed in the second resolution.

Mr. GLICKMAN. My second question: There are a lot of confusing figures thrown out. I do not know what to believe as to what percentage increase this budget figure reflects and at what percent of inflation rate are we projecting.

and how does that relate to both budget outlays and budget authority?

The gentleman from Texas said that we are using figures on authorities when we should be using figures on outlays, I think, if I understood him correctly.

But I want to know, basically, this budget resolution reflects what increase in budget authority and budget outlays, and at what projected inflation rate over last year, if the gentleman knows the answer.

Mr. WIRTH. I would be happy to give the gentleman again the figures on budget authority. The budget authority increases in the budget resolution from $142.5 billion to $160.8 billion. Outlays increased from $132.7 billion to $147.9 billion.

Can the gentleman from Missouri answer the question? What was the inflation figure that was assumed in all of the budget resolution? I do not have that number here.

Mr. GEPHARDT. If the gentleman will yield, 9 percent.

The CHAIRMAN. The time of the gentleman from Colorado (Mr. WIRTH) has expired.

(On request of Mr. GEPHARDT and by unanimous consent, Mr. WIRTH was allowed to proceed for 5 additional minutes.)

Mr. WIRTH. I do not have that number with me right here. I will yield to the gentleman from Missouri on the inflation figure.

Mr. GEPHARDT. Mr. Chairman, the inflation figure assumed in this budget is 9.1 percent.

If the gentleman will further yield, let me also respond to the gentleman from Kansas. As the gentleman well knows, in the appropriation process the figure that will come out for defense will not be up to the total spending figure that is in the budget. We have traditionally had an additional appropriation, a supplemental appropriation, to bring us to the ultimate number we spend on defense.

So I would suggest to the gentleman that there is sufficient flexibility in the reconciliation process because of the way we do appropriations in defense to allow an adequate number in defense, even in the number we are going to come up with in the summer of 1980.

I would further add that if that number is not enough, there is no reason we cannot have a second budget resolution that is a more adequate reflection of the economy as it changes during the summer and that that will not allow us to have a supplemental appropriation. We have always had supplemental appropriations with defense, and we continue to do that.

Mr. GLICKMAN. Mr. Chairman, will the gentleman yield for one last question?

Mr. WIRTH. I yield to the gentleman from Kansas.

Mr. GLICKMAN. Mr. Chairman, I appreciate the gentleman's answer, as well as the remarks of the gentleman from Missouri. I think it is a satisfactory answer. But what concerns me a bit is the fact that I am reasonably convinced that this figure is going to need to be upped and, unless something else is reduced down the line and, as we have seen before, there are a lot of projected revenue items in this budget, like withholding tax changes that I do not think are going to be passed, we are going to see an expanded deficit occur, and I do not know if there is any way we can avoid that or not.

Mr. WIRTH. If I can respond, at a given time, the Budget Committee did the best job it could, using the best figures from the Congressional Budget Office, from all of the outside consulting econometric organizations and from the Office of Management and Budget, in arriving at the economic assumptions and in arriving at the spend-out assumptions.

The gentleman will remember that during fiscal year 1979, everybody was surprised at how much money there was in the Federal pipeline, that spend-out was not occurring as fast as people projected, and we had to go back and make changes to reflect that.

This year we have found that, for example, in defense procurement, our spend-out has been faster than we had assumed it was going to be.

It is very difficult to gage that month to month; but as has been pointed out, you take a picture of a particular point and you make the best assumptions that you possibly can. Some of those prove to be high, some of those prove to be low. We are not omniscient by any means, but we get all of the best information from CBO, from OMB, from all of the outside help that we can in arriving at that figure.

Mr. GLICKMAN. I appreciate the gentleman's response.

Mr. GRAMM. Mr. Chairman, will the gentleman yield?

Mr. WIRTH. I yield to the gentleman from Texas.

Mr. GRAMM. I thank the gentleman for yielding.

Mr. Chairman, the gentleman has twice—and I would like every Member's attention on this—used the outlay figure for 1980 of $132.7 billion. Is that correct? That is the outlay figure the gentleman has given us twice here?

Mr. WIRTH. I have used the outlay figure of $132.7 billion.

Mr. GRAMM. I think this is a perfect case of the sleight-of-hand game we are playing here. In this budget, which we are debating today, the final outlay for fiscal year 1980 is $134.2 billion. That is why all of your percentage increases are phony.

Second, the CBO reestimated the defense area to be 9.3 percent. That figure went to the Senate Budget Committee. That figure came to me. So the 9.1 percent is an antiquated figure.

Mr. WIRTH. If the gentleman will yield back, as I just pointed out to the gentleman from Kansas, the assumptions in this, the expenditure figures, the outlay figures, the procurement figures, are all figures. All of the assumptions in the budget are assumptions that were made in the month of March, the best possible at the time. We took all of the different estimates, reestimates, and so on, and put those together in a package. Since the month of March, there are changes for the month of April. There were changes from January in the President's budget reestimated.

There will be other changes going on. Some of those changes will go up and some of those changes will go down. But you have to pick a fixed point somewhere in the process of doing that. You cannot have a continuing movable feast on a budget process where everybody chooses whatever number they want. You pick a point in time. You pick certain assumptions that everybody agrees to. Those are the assumptions upon which you build a budget. Then we go on to processing that budget over the summer. You get to the second resolution. If some of those assumptions are incorrect, you change those assumptions. If some of the predictions of expenditures are incorrect, you change those assumptions. You cannot be omniscient in March for what might happen by the summer.

The CHAIRMAN. The time of the gentleman from Colorado (Mr. WIRTH) has again expired.

(On request of Mr. GRAMM and by unanimous consent, Mr. WIRTH was allowed to proceed for 2 additional minutes.)

Mr. GRAMM. Will the gentleman yield?

Mr. WIRTH. I yield to the gentleman from Texas.

Mr. GRAMM. The point is that we now have a hard figure, $134.2 billion. It is in your budget. It is your figure. We are not groping around for numbers. All I am saying is, let us not go back and pick a phony figure and then calculate——

Mr. WIRTH. If the gentleman will yield back my time, I think it is very inappropriate to be using words like "phony," and so on, in a debate like this. I do not think that helps the issue at all. What we are attempting to do is to define the numbers, where those numbers came from and when those numbers were arrived at. I really do not think the gentleman does help a very serious debate on a very serious amendment offered by the gentlewoman from Maryland with that kind of pejorative overtone.

Mr. GIAIMO. Mr. Chairman, will the gentleman yield?

Mr. WIRTH. I yield to the gentleman from Connecticut, the chairman of the committee.

Mr. GIAIMO. Mr. Chairman, first of all, I wish the gentleman would stop attributing phoniness to the gentleman in the well or to other Members of this body. Every Member in this body, every man and woman in this body, is trying to do his or her best for the United States, and no one is omniscient and no one has total possession of what the reality is in a $150 billion item, I will say to the gentleman. It changes from day to day, from week to week and from month to month. It is based upon all kinds of estimates, it is based upon the rapidity with which outlays may change from month to month, it is based on what happens in the inflation rate, it is based upon the amount of absorption that the administration or the executive branch can compel the Defense Department to use, it is based on a dozen other factors. So it is not phoniness, I will say to the gentleman from Texas. We are trying to do our best.

If the gentleman will yield further, in the numbers that the gentleman used, the second resolution, $129.1 billion, and the $132.7 billion which we then added $1.5 billion to with my amendment the other day because the later, better information told us we had to do that, because of that we recognize the changing circumstances and we have adjusted accordingly.

The CHAIRMAN. The time of the gentleman from Colorado (Mr. WIRTH) has again expired.

(On request of Mr. GIAIMO and by unanimous consent, Mr. WIRTH was allowed to proceed for 1 additional minute.)

Mr. GIAIMO. If the gentleman will yield further, we are trying to write a defense budget for the year 1981. Many items are in dispute. Many factors will be changing from week to week and from month to month.

☐ 1400

It happens to be our job as the Budget Committee to try to project what the appropriating committee are going to do, what the Senate is going to do and what world affairs and conditions are going to do.

I submit to the gentleman that there is ample room for disagreement. No one has sacrosanct numbers, I will say to the gentleman.

Mr. EDWARDS of Alabama. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, I doubt that this kind of discussion is healthy if we are going to really talk about the issues involved here. I think personally that the Budget Committee has done an excellent job. I think they have had a difficult time trying to balance domestic spending, foreign spending, defense spending, and all of the other problems that they are faced with. That is not to say that I necessarily agree with everything they did and the way they balanced it. But I do think they have done a good job.

I will say to my colleagues that regardless of the outcome of this amendment, I will support the Budget Committee's resolution when it comes for final vote.

I am not here driven by the fact that the Russians are in Afghanistan, and I am not here driven by signals that we may or may not send around the world by what we do here today.

I am not even here driven by what occurred in Iran only a few days ago. I am not here driven by or to defend the CBO or the President or anybody else's figures.

I can only say to my colleagues that as I sit day after day after day on the Defense Appropriations Committee, and I see the problems that have developed over the years in our Defense Establishment and in our weapons that we have and in our readiness, that we need more money in the defense budget than the Budget Committee has provided, and it is in that context that I support the Gramm-Holt amendment.

The Iranian difficulties of a few days ago, I think, are developing into exhibit No. 1 as to the case I have been trying to make all year, and that is that we are lacking in readiness in our military. It comes from many places. It comes from the retention problem. It comes from the inability to give sufficient pay increases to our service people in their first and second decision point on reenlistment. Too many good people are leaving the service for higher paying jobs. It comes in the inability to provide the kind of pay necessary for military mechanics, for example, who keep our aircraft and helicopters and other equipment going.

It comes in the inability or lack of willingness or whatever it is in the Pentagon to budget the proper amounts for spare parts not only when the buy new planes and tanks and other systems of war, but also in replenishment spares from time to time, because there is nothing sexy about buying that kind of thing.

It comes into the problem that we have as we try to make room for money for the MX, and we can debate that a whole other day.

It comes as we see the procurement of aircraft cut back so that over a period of time we will spend some $2 billion more for aircraft. We ought to be procuring at a more economical rate, but we just simply do not have the money to do it.

Probably if we did not have during fiscal 1980 and fiscal 1981 an increase in fuel costs of some $7½ billion, I would not be up here speaking for this amendment today. Somehow we might make it all right, but the truth is we do have that kind of increase, and in great part it is coming out of the hide of the Defense Department and the Military Establishment, and it is cutting into the muscle.

As far as I can see, the only thing we can do is to provide the extra money.

Let me make just two or three points. I have been speaking on this floor at least since last year about the mission capability of our first-line tactical aircraft. Fifty-three percent on a good day are mission capable, full up, ready to go in the event of an emergency. I am not at liberty to say to my colleagues today, because it is classified, the mission-capable percentage on the RH–53 helicopter that went into Iran last week.

The CHAIRMAN. The time of the gentleman from Alabama (Mr. EDWARDS) has expired.

(At the request of Mr. ICHORD and by unanimous consent, Mr. EDWARDS of Alabama was allowed to proceed for 3 additional minutes.)

Mr. EDWARDS of Alabama. But I will tell the Members that it is less than the mission-capable rate on the F–15 and the F–14. To that extent, Iran is involved in this debate. We simply must do something about getting the readiness of our planes and tanks and other weapons up to par. We simply are not ready in the event of a national emergency to go into a war and fight it for more than a short period of time. That cannot be disputed.

I am not saying the Gramm-Holt amendment will cure that problem. I am not saying that it can be cured in the next decade. But I am saying to my colleagues that it has got to be cured. The only way we can do it is to provide the extra money from year to year that we can come up with to get about this business.

Let me just make one final point. I am not going to stand here and tell the Members that the Pentagon is the only agency of Government where there is no waste. It is in every department of Government. We know it is in Defense, just like we know it is in Commerce, and HEW and everywhere else.

We try every day to get the waste out and to make the military dollar worth something, but we do not help that cause when we have to delay procurement at an expense of some $2 billion because of the delay. We do not help that cause if we are not buying the fuel we need and, therefore, cutting back on the flying hours and the steaming hours necessary to keep our military proficient. I think that is what this is all about.

I could care less what CBO says about percentages or what anybody on this floor may say about percentages. The need is there, and that is why I support this amendment.

Mr. ICHORD. Mr. Chairman, will the gentleman yield?

Mr. EDWARDS of Alabama. I yield to the gentleman from Missouri.

Mr. ICHORD. I want to commend the distinguished gentleman from Alabama for the statement he has made on the floor.

I would state to my distinguished colleague from Missouri, the gentleman from Alabama has made a relevant statement.

All of this argument about the phoniness of figures and percentages and assumptions are absolutely ridiculous. I agree with the gentleman from Alabama.

The real question is, I would say to the gentleman from Missouri and others, is, Does this budget meet the military requirements of the United States of America under the circumstances?

I would have hoped that a knowledgeable gentleman like the gentleman from Alabama would have had an input into the Budget Committee.

The CHAIRMAN. The time of the gentleman from Alabama (Mr. EDWARDS) has expired.

(At the request of Mr. ICHORD and by unanimous consent, Mr. EDWARDS of Alabama was allowed to proceed for 2 additional minutes.)

Mr. ICHORD. If the gentleman will continue to yield, the gentlewoman from Maryland, with the exception of the chairman of the committee, the gentleman from Connecticut (Mr. GIAIMO), is the only one on the Budget Committee who has responsibility in the field of military preparedness, and I commend the gentleman from Alabama for the speech he has made.

Mr. GINGRICH. Mr. Chairman, will the gentleman yield?

Mr. EDWARDS of Alabama. I yield to the gentleman from Georgia.

Mr. GINGRICH. I want to ask, if I understood the comment, if we were only at war for a few days, to translate that, is the gentleman suggesting that in such a situation that we would be within a week or 10 days faced with an inability to maintain contact in a major situation?

□ 1410

Mr. EDWARDS of Alabama. I cannot get into classified numbers. All I can say to the gentleman is that we can go to war in a short war, but if we get into what is commonly called a war of attrition, then we are in trouble.

Mr. GINGRICH. Then the real question is whether or not this country can, in fact, survive, given this budget, if things happen that we do not want; is that a correct statement?

Mr. EDWARDS of Alabama. I guess that is the real question.

I am not standing here saying we are ready to go to war. I do not think we are, but I think the question of whether or not that ever confronts us depends on how strong we are and how strong we are perceived to be.

Mr. DOWNEY. Mr. Chairman, will the gentleman yield?

Mr. EDWARDS of Alabama. I yield to the gentleman from New York.

Mr. DOWNEY. Mr. Chairman, I thank my friend, the gentleman from Alabama, for yielding.

Mr. Chairman, there is no question in my mind that the gentleman from Alabama is one of the more capable members of any committee in the Congress with respect to assessing the needs of the Department of Defense; but I want the gentleman to be candid with us.

Can the gentleman stand there, I say to my friend, and say simply that the Navy needs two airplanes and that the Air Force needs two airplanes and that we need a high-low mix, and that we need the goldplating that exists, that the Harrier makes any sense; that we need helicopters when we can buy fixed-wing aircraft?

Are we not saying when we address the question of money, and there is no doubt in my mind that we need more for readiness and we need to retain the people we are losing, but we are saying in a way, let us compound some of the mistakes we have made in the past. Let us continue to have double lines. Let us continue sometimes to stretch out.

The CHAIRMAN. The time of the gentleman from Alabama (Mr. Edwards) has expired.

(At the request of Mr. Downey, and by unanimous consent, Mr. Edwards of Alabama was allowed to proceed for 3 additional minutes.)

Mr. DOWNEY. Mr. Speaker, if the genleman will yield further, the gentleman has done the assessments on the Appropriations Committee that my friend, the gentleman from Missouri (Mr. Ichord) has done on the Armed Services Committee. There is no doubt, whether we want to be candid about this today or not, that there are weapons systems that have political constituencies that we continue to finance, that we continue to spend money on, that are not necessary.

My objection is, and I think that those of us who have some concerns about the level of defense spending, is that if we were sure that there are weapons systems that are not being financed, or there are manpower programs that are not being encouraged and that we want to provide the money for them, there would be unanimous agreement from me and from the others here to go ahead and spend that additional money; but the fact is that there are programs there that are unnecessary, that there is waste in the R. & D. budget.

The gentleman from Missouri will tell us, and when I served on the gentleman's subcommittee, what did we cut, $900 million from a $12 billion budget, because we did a careful assessment.

The fact is that we do not bother to do the hard work that the gentleman does. I do not want to pick on him, that we need to do to pick apart the programs that are not necessary. When we say more money, it means that we are going to spend a lot of it on programs that we do not need.

Mr. EDWARDS of Alabama. Mr. Chairman, the gentleman makes a good point. I must say that I would find it hard to argue with what the gentleman says. We are buying planes that we do not need. We are buying ships that we do not need. I stood right in this well and caught the flak from my colleagues, particularly on the right side, as to whether we need a $3 billion aircraft carrier, when we needed so many other ships when we did not have planes to put on those carriers. We can only put four carriers to sea at any one given time with the Navy personnel that we have got and the planes that we have got.

The gentleman makes a good point, but I am trying to live in the real world in this old Congress and in this old country of ours, and the truth is that we do not always have the votes to trim and pare where we have got to.

I said in my main statement that we have waste in the defense budget. It is there. What one person sees as waste, somebody else may see as necessity. That is the problem we run into; but what I am trying to say is that if we do not buy another plane, if we do not buy another ship, we still can use the dollars that are in this amendment to keep what we have going and that is the heart of our problem today in the lack of readiness.

Mr. BEARD of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. EDWARDS of Alabama. I yield to to the gentleman from Tennessee.

Mr. BEARD of Tennessee. Mr. Chairman, I do want to state in the gentleman's defense that I think the gentleman is probably one of the most conscientious Members in the defense area, going farther, probably one of the most knowledgeable.

I do give my colleague, the gentleman from New York, credit for having helped remove some inefficiencies from the defense budget. For example, the gentleman led the fight for the elimination of the B-1 bomber, after we had spent hundreds of millions of dollars on the development of one of the most tested weapons systems this country has ever had.

The CHAIRMAN. The time of the gentleman from Alabama (Mr. Edwards) has again expired.

(At the request of Mr. Beard of Tennessee, and by unanimous consent, Mr. Edwards of Alabama was allowed to proceed for 2 additional minutes.)

Mr. BEARD of Tennessee. Mr. Chairman, if the gentleman will yield further, the point being, having eliminated the B-1 bomber and saving many American defense dollars, we now have projected to us that it is going to cost more money to modify 170 B-52 bombers in order to carry the cruise missile than it would have cost if we had gone ahead and built 240 brand new B-1 bombers; I think this is a good example of what the gentleman from New York is talking about. If we would have studied these issues a little closer and studied the numbers a little closer, we would not have made such tragic disastrous mistakes as we did on the B-1 bomber.

Mr. REGULA. Mr. Chairman, will the gentleman yield?

Mr. EDWARDS of Alabama. I yield to the gentleman from Ohio.

Mr. REGULA. Mr. Chairman, I would be interested in the gentleman's observations on the need for a large figure in budget authority so that we can have a long-term commitment to weapons systems that can be developed in an orderly fashion and also commit the production facilities to build those spare parts, those forgings, and all the things that go with it. I wish the gentleman would comment on that, because in the Latta subsitute there is a large figure for budget authority.

Mr. EDWARDS of Alabama. Mr. Chairman, the gentleman makes an excellent point. One of the biggest problems we have and one of the reasons the defense budget is as high as it is is that nothing is done in an orderly fashion in the Pentagon. There are too many peaks and valleys in procurement. We have surges and then we drop the industry people like a hot potato, and as a result of that, industry people have gotten to where they do not want to bid; subcontractors are hard to find.

If we could have a true long-range defense policy in this country, it would save us billions of dollars. It would draw more industry into the business of procurement or construction for the military and we would have a much better military as a result; but there is some reason out there that I do not understand after all my years here that brings us to the point where we have so many peaks and valleys that industry just kind of throws up its hands and says that it is just not worth it. The gentleman makes an excellent point because if we ever do go to war it will take too long to gear up. That is a matter of great concern to me.

Mr. PANETTA. Mr. Chairman, I move to strike the requisite number of words. I rise in opposition to the amendment.

Mr. Chairman, I would like to yield 2 minutes to the gentleman from Missouri (Mr. SKELTON) who has been waiting to make a statement.

Mr. SKELTON. Mr. Chairman, I thank the gentleman for yielding.

First, I would like to recognize, and I would be remiss if I did not, the outstanding work that this Budget Committee has done. I wish not to detract one iota from the effort that they have put in.

Mr. Chairman, I rise in support of the Holt-Gramm amendment. This vote could well be the most important vote that we make this session—comparable to the one in 1940, when the draft won by only one vote, just prior to World War II.

We should approach this issue in light of the world in which we live. We have seen through the years, a determined, continuous Soviet military buildup in arms and personnel. We see a Soviet military might that is much larger than is necessary for the defense of the Russian homeland. We see the Soviet military presence in Eastern Europe. We have seen Soviet intrusion by way of surrogates, advisers, or sympathizers in the Far East, the Mid East, Africa, and Latin America. We have witnessed the recent unwarranted invasion of Afghanistan. Thus, the tentacles of Soviet influence and military might are encroaching on the free nations. In 1945, approximately half the world existed outside the Soviet orbit. Today, only 17 percent of the world's nations and people constitute the free world.

This amendment would keep us from falling short in our commitments to our allies, and it would enable us to achieve a proper level of readiness.

This amendment faces the realities of the necessities of military pay reform and pay increases, especially for the retention of our highly trained military personnel. This amendment allows the upgrading of our strategic capability, increased shipbuilding, and more aircraft.

Should we fail to pass this amendment, we might well have a decrease in our defense budget, in real dollars. Much has been said about this amendment leaving less for certain social services. Much has been said about armaments conflicting with certain social goals. To that, I say: We must not forget that the most important social service a government can provide for its people is to keep them alive and free.

Has history not impressed its lesson upon us? The failure of Western Europe and Great Britain to remain strong in the 1930's was reckoned in blood by World War II. We are, as a nation, increasingly exposed to an imbalance of power—we are increasingly failing to maintain a proper national defense. We are increasingly vulnerable as we have never been before—vulnerable to a risk of a mortal thrust.

For a dozen years, the Soviets have rearmed by 3 to 5 percent, while this country and the free world has not. The Soviets respect power. Power is truly a deterrent. In 1949 in Berlin and in 1962 in Cuba, the strength of our Armed Force and our willingness to use it set the limits for Soviet expansion. What would the same circumstances bring about today?

Mr. Chairman, the maintenance of peace depends upon deterrents—the accumulated deterrents against a potential aggressor. We should have a strong defense for our Nation, a defense based upon the sincere love for peace.

Thus, Mr. Chairman, I support this amendment.

Mr. PANETTA. Mr. Chairman, if I may address the issue that has not really been discussed here, which is the price tag that would be involved with regard to the money that would go to the defense area.

□ 1420

We on the Budget Committee, as I have repeated time and time again, have fought to try to achieve some kind of balance here between defense spending and spending on the social side.

Yesterday we faced amendments, some of which would have transferred large sums from the defense area to the social area. One amendment I think was $5.8 billion in budget authority that would have been transferred from defense to the social area. That was overwhelmingly rejected by this House.

Today we, in effect, face a transfer amendment the other way, from the social side to the defense side, with figures of $5.8 billion on budget authority and in the vicinity of $5.1 billion in outlays that would go to the defense area. The effect of this would be to destroy the balance that has been established by the Budget Committee in the budget resolution.

If my colleagues vote for the Holt amendment, they are essentially destroying that balance. Let that be understood.

The second thing that ought to be pointed out is where these additional funds would come from. Members ought to know where that price will be paid, out of what programs are we drawing that price, and what will be the impact of that transfer on the programs of the other side. Regardless of how my colleagues stand on the Holt amendment, they ought to know where they are going to pay this bill from, and what programs are involved.

Part of that area is the area of public service employment, which has been substantially reduced, I might say, by the Budget Committee. The CBO tells us that the reduction of 200,000 additional jobs that would be mandated by the Holt amendment will result in additional Federal spending of anywhere from $500 million to $600 million as the result of individuals seeking assistance under AFDC, food stamps, medical assistance, and other programs. So that is a cheap price to pay. By reducing public service employment we in fact may be adding additional spending as a result of trying to provide benefits to those who are unemployed.

A second area is the area of food stamps, which I understand is an area of concern to all Members. But it is not an area that the Budget Committee has left untouched. We have included in this budget resolution $520 million in savings and reductions in the food stamp program by annualizing the cost of living adjustment, by reducing the eligibility level, by eliminating a large number of students from the food stamp program, and by setting an assets limitation. All of these have added up, plus administrative tightening, to a savings.

The CHAIRMAN. The time of the gentleman from California has expired.

(By unanimous consent Mr. PANETTA was allowed to proceed for 3 additional minutes.)

Mr. PANETTA. Mr. Chairman, all of this has added up to a total of $520 million in reductions. The result of that will be the elimination of almost 500,000 recipients from the food stamp program.

But what this amendment will do is add another $600 million in reductions to that figure. It could literally destroy the program in terms of its impact on people. That, I think, is something that must be considered by the Members in the course of making their decision in this area.

A third area is the area of Government reductions in terms of travel and expenses. We all again understand that there is waste in this area. But interestingly enough, there are areas that are exempted under the Holt amendment. The areas of national defense, of income security, veterans, justice, are all eliminated, and I appreciate the need to set out those exemptions. But yet if my colleagues move to the next category, which is the regulatory agencies, there is a 20-percent cut across the board on all regulatory agencies.

While we all have some concerns about regulatory agencies of one kind or another, let us admit that there are those that do perform an important role. Let me indicate what some of those are: In my estimation, one is the FCC, the Federal Communications Commission. If this kind of a 20-percent reduction is imposed it will result in delays in licensing of radio stations and television stations in a Commission that is already backlogged in this area.

In the area of the Food and Drug Administration, the results will be to cut back on inspections that will insure the safety and wholesomeness of the Nation's food supply, the safety and efficacy of drugs and medical devices and radiological products. All of these things will be impacted by that reduction.

In the area of mine safety, an area where in 1979 there were over 22,000 injuries, in the area of the Mine Safety Commission this would involve a 20-percent reduction.

In the area of the SEC, where we are having tremendous problems today, inspections of investment advisers, oversight of the Nation's financial markets, all of these areas would be impacted by this amendment.

So this is an arbitrary 20-percent reduction that impacts on all important regulatory commissions, regardless of need, regardless of merit.

There are some that need that kind of reduction, and I do not deny that. But we should not take 20 percent across the board regardless of what the effort has been, regardless of what the accomplishment has been, and regardless of the need for their efforts.

As a result of that, I urge the Members of this Congress to stick with the balance that has been provided here by the Budget Committee because there is a price tag to be paid. It is a price tag that will draw out of important social areas and put it into a defense and make this clearly a defense budget. Do not destroy the balance the Budget Committee has reported to the House.

Mr. COLEMAN. Mr. Chairman, will the gentleman yield?

Mr. PANETTA. I am happy to yield to the gentleman.

Mr. COLEMAN. Mr. Chairman, the gentleman mentions under the Holt amendment there will be a savings of $600 million in the food stamp program.

The CHAIRMAN. The time of the gentleman from California has again expired.

(At the request of Mr. Coleman and by unanimous consent, Mr. Panetta was allowed to proceed for 3 additional minutes.)

Mr. PANETTA. I yield to the gentleman.

Mr. COLEMAN. Mr. Chairman, I cannot let the gentleman's remarks go unchallenged. We are, in effect, trying to end the duplication and overlap between the food stamp program and the free school lunch program. Nobody is going to go without food under the terms of the amendment, which I hope to be able to introduce very shortly next week on the floor.

We simply are trying to say to the taxpayers we can save $630 million a year because food stamps are allotted to a family on the basis that they are receiving three meals per day, and a child who is allotted three meals per day, in fact, is getting one free meal at school. It is a much better meal, I might say, than if the food stamps were to be used at the store. So we are not taking away any social services from anybody, we simply are ending the overlap and duplication of two programs to save the taxpayers $630 million a year.

I agree with the gentleman, we also have other reforms coming through on that piece of legislation, but why should we settle for $500 million in savings when we could have over $1 billion worth of savings?

I just needed to point this out, that we are not taking away food from anybody.

Mr. PANETTA. I understand. I worked with the gentleman on the Agriculture Committee on this very issue and, indeed, we have agreed with regard to areas where this program can be tightened up. Indeed, the committee has focused on those priority areas.

But what the gentleman is proposing, and what the gentlewoman from Maryland is proposing is a reduction of almost $200 per family of four at a time when this country is facing serious inflation problems, at a time when, indeed, the unemployment rolls are increasing.

Mr. OBEY. Mr. Chairman, will the genman yield?

Mr. PANETTA. I am happy to yield.

Mr. OBEY. Mr. Chairman, I would like to make one point. If we are really concerned about food subsidies in this country, I would suggest my colleagues compare the per meal food subsidy under the food stamp program with the per meal food subsidy under the tax deductible business lunch. Under our tax laws, if you are a corporation in the 46 percent bracket, and you are a businessman who picks up the $50 lunch tab, Uncle Sam pays $23 of that lunch tab. That is a $23 food subsidy.

In comparison, the average per meal subsidy under the food stamp program is 39 cents.

Mr. COLEMAN. Mr. Chairman, since the gentleman has mentioned statistics, will the gentleman yield further?

Mr. PANETTA. I yield very briefly if the gentleman has counterstatistics.

Mr. COLEMAN. Mr. Chairman, the fact of the matter is that there are two ways of cutting out the duplication we are talking about between food stamps and the school lunch program. I, for one, do not believe we ought to cut the school lunch program. The school lunch program is providing more nutritional benefits for more youngsters in this country than the food stamp allotments are.

I would say that I would cut the duplication where we are giving money to a family and are never really sure that the money is going to the child in question. I am concerned about the child in question.

We have two different standards between food stamps and the child nutrition program and a much higher standard for the school lunch program.

Ms. OAKAR. Mr. Chairman, will the gentleman yield?

Mr. PANETTA. I yield to the gentlewoman from Ohio.

Ms. OAKAR. Mr. Chairman, I would say because the gentleman is so knowledgeable about the budget I would like to ask him: We are not dealing with specific categories, or a specific element of a category, we are dealing with an overall cut; is that not true?

Mr. PANETTA. That is correct, and in the sense that this sets a target reduction for the entire program.

Ms. OAKAR. That is right.

The CHAIRMAN. The time of the gentleman from California has again expired.

(At the request of Ms. Oakar and by unanimous consent, Mr. Panetta was allowed to proceed for 1 additional minute.)

□ 1430

Ms. OAKAR. So when we talk about cuts in terms of the food program, we are not only going to affect children, we are going to affect 50 percent of the individuals who receive it, our older Americans, the average one of whom lives on about $3,000 a year. If you want to cut a program that relates to feeding our older Americans decently, then fine, that has got to be on an individual's conscience. But let us not talk in terms of cutting specifically when we know, and let us not kid people. We are not cutting duplications; we are going to cut it across the board if we pass this amendment, and that is going to affect older people along with children. Primarily 80 percent of the people who receive it are children and older Americans.

Mr. PANETTA. Mr. Chairman, I yield back the remainder of my time.

Mr. BAUMAN. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise in support of the Holt-Gramm amendment. I have listened to this debate and I have to say that it seems that a great many of our colleagues here cannot bear to face reality. They seem to be willing to invent almost any fantasy to avoid recognizing the danger this country faces today.

I see the same attitude in the opinion-making centers of our society, the board rooms, the editorial offices, the faculty meetings, in the foundation headquarters, and in congressional committees as well.

These people do not want to admit that our defenses are crumbling, that our foreign policy has been a failure. They refuse to admit that communism is absolutely unchanged from what it was a generation ago, except for one thing. Today as we stand here in this Chamber and debate budget figures, communism is more powerful than it has ever been before. We refuse to admit we have been kidding ourselves about mutual disarmament, about cultural exchanges, about the mutual understanding that was going to bring about the so-called millennium.

I salute the gentleman from Texas (Mr. Gramm), who had to struggle to get his name attached to this amendment despite the fact that he was a coauthor of it, and I especially salute my colleague, the gentlewoman from Maryland (Mrs. Holt) for offering the Holt-Gramm amendment. In their amendment our colleagues recognize the stark reality facing America.

No wonder many of you refuse to face reality because you then have to hold accountable those responsible for getting this country into the mess in which it finds itself today. If you admitted the true situation you might have to do something about it. No, I am afraid many of the people in this body much prefer to lull the American people into a false sense of security. And that is the greatest betrayal of all.

We just heard mention of food stamps. Indeed, perhaps we need a food stamp program to assist those who truly need help. Do you know who some of them are? The thousands of people in our military who are so underpaid that they qualify under the Federal poverty guidelines as food stamp recipients. No one mentioned that data when they discussed food stamps.

Yes, I think the average American has been lulled into a false sense of security. Americans think, for instance, that we have antiballistic missiles to protect our country, when actually we have none. They think the oceans of the world are the U.S. Navy's playground, when those who look clearly at the figures in the Carter defense budget before us, know that there is no growth in our Navy, that our Navy is stretched ridiculously thin in every part of the world. At the same time the Soviets Navy is increasing in sophistication and in numbers all over the globe.

People who have been reading the news dispatches from the Middle East realize, after what happened there recently, the pitiful state of our military preparedness. To look at a map of the world is to see the spread of Soviet power in the Mediterranean, only a stone's throw from the Suez, and all up and down the shores of the Indian Ocean. While the Carter administration hesitates the Soviets have established numerous bases with the potential for stopping the mineral supplies and oil our country must have to survive. And here we sit and argue.

Read Mr. Brzezinski's quote the other day on the heels of the failure of the rescue mission in Iran:

> Do not scoff at American power. Do not scoff at America's reach.

Do not scoff indeed.

The whole world is scoffing at America except those in this body who refuse to accept the reality of the situation—a third of all of our minesweeping helicopters destroyed in that mission that failed last week. Langley Airfield in Virginia has only 40 percent of the F–15's in operative condition. Have you heard of Soviet chemical warfare? Come to my district and get a briefing at the Chemical School at the Aberdeen Proving Ground. You will discover we have no defense against Soviet chemical weapons.

We put through a phony draft registration bill last week that really did not mean anything. The only reason the SALT II treaty is not going to be ratified is because President Carter cannot get it through the other body under current circumstances. All of this national decline for what purpose? For peace? No, not for peace. Weakness guarantees war. Today we debate whether the people and their country will continue to exist. That is the inherent issue in the Gramm-Holt amendment.

Just look at the situation we find in every part of this world, and we debate even as they are at our backdoor in Central America, and the Soviet combat-ready troops maneuver in Cuba. And our President says, "Don't worry about it."

Did anybody ever hear of Danzig? the Rhineland? the Sudetenland? Some people here are old enough to remember them; some of us only remember them from the pages of the history books. They seem to have taught you no lesson.

I suggest the issue here is not that much different right now than it was in 1938. Yes. the names have changed. They seem distant and exotic places to some of you who do not remember them. But the places do not matter; the issues are the same; appeasement and lack of national resolve.

Our President could tell us until a few days ago no American boy had ever died under Jimmy Carter's administration. Unfortunately, he cannot say that any more. But the President's extremism in the avoidance of potential conflict has brought us one thing—peace in his time. Peace? The one and only thing that will preserve world peace is America's military power. Undermine that power and there will be no peace. Today in the terms of the Holt-Gramm amendment you have the ability to renew this Nation's strength and to reverse the horrible predicament in which we find ourselves. I strongly urge you to vote for the amendment.

Mr. GIAIMO. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I would like to bring this debate back to some sort of perspective as to where we are heading today and what we are doing here. Let me remind you at the outset that what we are doing here is trying to adopt a target and tentative budget for 1981. We are not trying to write a defense appropriation bill.

I want to pay my respects to the gentlewoman from Maryland (Mrs. HOLT) and to the gentleman from Alabama (Mr. EDWARDS), for whom I have the highest regard for their knowledge of military matters. I agree with much of what they have said. And let me say to my friend, the gentleman from Maryland (Mr. BAUMAN), I remember Danzig and the Rhineland, and as I told him yesterday, I served in World War II. And there are some of us still here who did. I will tell him there are a lot of things wrong with our military and with our military posture. I will also tell him that money is not the most serious problem in what is wrong.

As one who is leaving this Congress in 7 months and retiring to private life, let me say that I am very troubled and concerned about the defense posture of the United States in the world, and I hope it changes and strengthens. I hope it strengthens quickly, because without it the United States and the free world are going to be in very serious trouble.

But I will submit to you that the biggest change that has to take place is not more money or better planes or better ships. The biggest change is going to have to be a change in the will of the American people to be strong once again and to do the necessary hard work that has to be done to once again make us the bastion of the free world. No Holt-Gramm amendment, or no extra billions of dollars are going to make that happen. That is what we have got to do, and, God willing, I hope our people recognize that lesson before, indeed, it is too late.

We cannot depend upon our European allies. We cannot depend on anyone. We have got to depend upon ourselves, but we have got to take the necessary steps to make our defense posture and our armed services more efficient, more effective, and, yes, more feared than they are today. You are not going to do that with just money.

Let me address myself to the money part of this, because that is what we are debating here today. We are a budget committee. We are trying to strike balances. We are trying to provide enough for the defense of our Nation. We are trying to provide enough for the social needs of our Nation. At the same time we are trying to reduce and hold down spending and, yes, in fact, to balance our budget.

☐ 1440

Now say what you want about it, on the Budget Committee we are trying and we are asking you in the House and our friends in the other body to do the same and we will accomplish that goal and no one will be shortchanged.

Mr. Chairman, reference has been made to the fact that this not only adds the money to defense but it takes it out of a lot of other programs, one of which has not been mentioned, the international affairs function. You are going to affect in that function the Export-Import Bank, one of the key instrumentalities that we use to beef up and assist America in its trade posture with other nations. That contributes to our security, too.

Mr. Chairman, let me address the dollar numbers. We start out in February and March trying to project what the real numbers are that will be needed for the coming fiscal year. We work and refine and make judgments and estimates and get inputs from the committees and inputs from the administration and try to arrive at what is the correct number. We have disparity now in May, we have real disparity. The gentlewoman from Maryland says that the correct number for defense should be $166.6 billion. The other body says it should be $173.4 billion. A big difference. The President says it should be $164.5 billion. We say it should be $160.8 billion.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. GIAIMO was allowed to proceed for 5 additional minutes.)

Mr. GIAIMO. We say it should be $160.8 billion. We have a spread from $160.8 billion to $173.4 billion. Now, who is right? Who is wrong? Do we just take the top dollar figure and let it go at that? There are some who would say yes. There are others who would say take the middle figure, strike an average, compromise, take the middle.

We still have to hear from our appropriating committee. That committee is going to do the work in this area. They are busily engaged, as the gentleman from Alabama (Mr. EDWARDS) told you, everyday, listening to the evidence, trying to save money here, trying to add money there, trying to provide what they think is best for defense.

Mr. Chairman, I doubt that they will complete their work before this summer, probably July or August. We will then have the benefit of their input. The Senate, the other body, will be doing the same thing. This is a target resolution. If we are off the mark, we can adjust it upward.

We certainly can adjust it upward in our conference with the Senate. We certainly can adjust it upward after our appropriating committees act in the second resolution this fall which is the binding one.

Mr. Chairman, there is no urgency to do this now. There is no need to be sending out some signal, now, that the top figure, the higher figure is the mandatory figure. Let us try to exercise restraint all along the line. It will help our committees, our Committee on Appropriations as it marks up and appropriates and approves the expenditures. It will help the Appropriations Committee to conserve. It will help it to try to save some money.

Mr. Chairman, the amendment before us speaks of increased funding. It differs from the President's estimate, it differs from our estimate, it differs from CBO in many instances. Who is to say at this early date what is the correct figure.

Mr. Chairman, let me quote some economists. I believe it was Mr. Greenspan who testified before our committee a month or two ago. He said, when you are dealing with the executive branch, hold them on a short leash. Do not give them all the money they ask for. They will always ask for more than they need. He was not speaking in reference to defense, he was speaking in reference to something else.

When we said to him: But they claim if they do not have this money they will have to curtail programs.

His statement was, you know, I was in the executive branch and it is amazing what they can do when you hold down on their money. But if you have an open purse and just hand out money to them you are not going to get them to effectuate thrift, you are not going to get them to implement cost savings, you are not even going to get them to increase efficiency. You are just going to allow them to go on their merry old way and that is part of the problem that has existed in all of our agencies in Government including defense, including defense.

So I say to you, we have a disparity of numbers. The way to solve that is to continue our negotiations with the other body and the efforts of our Committee on Appropriations to try to find out whether we are correct at $160.8 billion or whether we should be up at $165 billion or wherever but it is not the correct way to do it here, today, to take a guess that the higher number is the correct one and at the same time chop out a commensurate amount of $5 billion from programs that we have already cut. We have already taken a deep cut out of them.

I urge with you, I plead with you, stay with us on the Committee on the Budget. Remember we are just the Committee on the Budget, we are not the Committee on Appropriations. We are trying to make an estimate of what we will need.

Mr. Chairman, I have confidence that our Committee on Appropriations will come up with the requirements for defense and then if necessary we can adjust at the proper time either in the next few weeks or in the second budget resolution in September.

Mr. BEARD of Tennessee. Mr. Chairman, I move to strike the requisite number of words.

In responding to the remarks of the gentleman from Connecticut (Mr. GIAIMO) I would like to say, understanding that the Committee on the Budget is not the Committee on Appropriations, it is not the authorizing committee but it is one of the few formats where we have the opportunity to present to the American people and try to convince our fellow colleagues in Congress that we are facing critical problems in our defense area.

The gentleman from Connecticut (Mr. GIAIMO), the chairman of the Committee on the Budget, says that the biggest change has to be the change in the will of the American people. He states "What is going to solve the defense problems of this country is for the will of the people to change." Mr. Chairman, the fact is the will of the American people is created and directed by the leadership of this country.

Mr. Chairman, I will never forget the statement recently made before the Committee on Armed Services by our Secretary of Defense when he stated, "I am encouraged that the American public's perception of our defense needs is finally catching up with President Carter's leadership in this area."

I have never heard such a misleading or such a, as I have described it, nauseating statement in the 8 years that I have been in Congress.

Mr. Chairman, President Carter who continues to tell the American people that we are still the most superior country in the world in defense, is literally conducting a charade. A President who stood up and said as a result of Afghanistan, having acknowledged the fact that he was shocked that Brezhnev was possibly lying to him, said:

> We will react with a strong national defense budget.

The defense budget he spoke of was the budget finalized 2 months before Afghanistan, then the President goes through the charade of having the leaders of the different services request supplementals. We have been inundated with requests for supplementals submitted by the leaders of the different branches of the service.

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They are described as "no-cost supplementals," and for those Members who do not understand what no-cost supplementals are, I would like to join in with them, because I do not understand it either. The military leaders, when told to present supplementals, request supplementals, have also been told, "You have to find dollars to offset those requests for supplementals somewhere else."

President Carter's defense posture is a charade. This defense budget requested by President Carter buys less in most every area, than last year's budget; and for him to tell the American people he is responding to Afghanistan and the Soviet Union is political sham.

I would like to hear the leadership of this Congress, rather than waiting until we get up and debate the defense bill—I would like to hear the leadership—the Speaker, the majority leader—start expressing concerns on defense while we are talking about unemployment; while we are talking about the economy; while we are talking about housing and food, school lunch programs—I would like to hear some of this leadership stand up and say, "It concerns me about the fact that the Soviet Union now has over 80,000 tanks in their inventory, and we have less than 9,000 tanks."

I would like to hear the Speaker stand up here and say, "It concerns me about the fact that the Soviet Union has over two and one-half times more tactical aircraft than we do, and only 53 percent of our front line tactical aircraft are mission ready."

I would like to hear the majority leader sometime in this debate stand up and say, "It concerns me about the fact that the Soviet Union, which was just a few years ago a coastal-protective navy, now has the most powerful navy in the world; that it has more surface ships, and the trends on future construction of ships are even devastating."

I would like to hear the chairmen of the various committees, when defending their programs, stand up and say, "It concerns me about the fact that the Soviet Union has two and one-half times more pieces of artillery."

We now, having unilaterally eliminated the B–1 bomber, the Soviet Union is producing three Backfire bombers a month, and have just tested a prototype of our B–1 bomber. I would like to hear someone say, "It concerns me about the fact that we have now zero defense and offensive capability in chemical warfare, and in every Soviet division there is one battalion designated with chemical warfare."

In personnel, I would like to see somebody stand up and say, "It concerns me about the fact that the personal skill qualification test given our military——"

The CHAIRMAN. The time of the gentleman from Tennessee has expired.

(By unanimous consent Mr. BEARD of Tennessee was allowed to proceed for 1 additional minute.)

Mr. BEARD of Tennessee. I would like to see them express concern about the fact that 90 percent of the individuals charged with maintaining and using our nuclear weapons systems in the Army failed their basic skill qualification tests; the fact that the Army has established remedial reading schools in every army base; the fact that 53 percent of the kids coming in can only read up to the fifth-grade level.

I would like to hear some people stand up and say, "This concerns me," and advocate it, and not wait until we have a debate on this budget. The greatest glory of a freeborn people—and people say, "Oh, boy, that's really dramatic"—but I think it was put quite well—and I feel very strongly about it, having a 14-year-old boy and a 9-year-old girl, when William Harvard says:

> The greatest glory of a freeborn people is to transmit that freedom to their children.

It is time our Commander in Chief start telling the truth to the American people on our real defense posture—then the will of the American people will change.

Mr. SIMON. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, my colleagues in the House—and I will try to not take the 5 minutes. First of all, to those who may read the RECORD or hear this debate, let no one on the outside or within our country misunderstand a very fundamental point; that is, our determination to maintain strength.

About 2 or 3 weeks ago the gentleman from Missouri (Mr. GEPHARDT), and I were at a breakfast with one of the most distinguished military leaders that this country has ever had, Gen. Maxwell Taylor. Among other things, he said:

> I am concerned that too many people are downgrading our military; that we ought to be standing up and saying we have a great defense so that neither the Soviets nor our people misunderstand, that in 4 hours we can rain more destruction on that country than they experienced in 4 years of war.

And, that is the reality. That does not suggest that we do not have real needs. We do. I voted last week for registration. We have operation and maintenance needs, as the gentlewoman from Maryland (Mrs. HOLT) has pointed out. We have personnel needs, as the gentleman from Tennessee (Mr. BEARD) pointed out.

But, no committee can get everything it wants. One of the most articulate spokesmen here today was the gentleman from Alabama (Mr. EDWARDS). He spoke for the Armed Services Committee. Our Education and Labor Committee is not getting everything it wants. No committee does. That is the nature of this process.

Second, regarding the NATO commitment, there has been some confusion on this. Let me just point out first of all—this comes from paragraph 16 of the release after the NATO meeting of May, 1977—they talk about an annual increase, and I quote:

> In the region of 3 percent.
>
> In the region of 3 percent, recognizing that economic circumstances will affect what can be achieved.

And so, our friends in West Germany, for example, a little more than a year ago, where they have less than a third of our inflation rate, said that they would not be able to go to the 3 percent because of inflation.

I have here, and I am not going to take the time to read it, the defense program from all the NATO countries, not a one of which spends as a percentage of the GNP what we spend; not a one of which spends on a per capita basis what we spend.

The Holt-Gramm amendment also would take out $200 million from function 150, and I quote from our Budget Committee staff, which says:

> A cut of this magnitude would require wholesale firing of staff and closing a large number of our major diplomatic posts abroad. It would entail a major curtailment of intelligence activities, and closing of military attache posts.

Finally, there would be a tremendous impact on social programs, and let no one fool themselves on this. I happen to believe—and I may be a minority on this—I happen to believe that even with the adoption of this budget the probability is, that we will move to an unbalanced budget, not in September of this year but that come March of 1981 we will probably be back with a budget that is not in balance. But, it is virtually inevitable, if this amendment is adopted, that we will be back in March of next year with a budget that is not in balance.

When you move as massively as this amendment does on manpower programs and other programs that serve the needy of our society, the next Congress in March of 1981 will respond, and we will be in a deficit situation.

I think both for economic reasons and others, this amendment should be defeated.

Mr. WOLPE. Mr. Chairman, will the gentleman yield?

Mr. SIMON. I yield to the gentleman from Michigan.

Mr. WOLPE. Mr. Chairman, I thank the gentleman for yielding. Like the gentleman in the well, I too believe very strongly in the necessity of a strong national defense. The Holt amendment, before us, is being touted as enhancing our national security because it provides for even increased expenditures under the defense function. However, the Giaimo budget, the original budget resolution before us today, fully recognizes that necessity for a strong national defense providing for an $18.3 billion—13 percent increase in defense budget authority—the largest single peacetime increase in U.S. military spending since World War II—and a $15.2 billion increase in military outlays.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

(At the request of Mr. WOLPE and by unanimous consent, Mr. SIMON was allowed to proceed for 2 additional minutes.)

Mr. WOLPE. The Giaimo budget resolution provides for the largest single peacetime defense increase since World War II. But the Giaimo resolution also recognizes what the Holt substitute does not: that the national security of the United States depends on far more than solely the strength of our armaments. It depends also on the strength of our economy, and on the extent to which we are going to remain dependent on potentially hostile powers for critical energy supplies.

The greatest immediate danger to American national security lies in our dependence upon foreign oil and in a collapsing economy; in an inflation rate of 18 percent; in thousands of small business and farm bankruptcies; in growing numbers of unemployed workers; in the loss of American faith in our own basic political and economic institutions; in the feelings of despair and hopelessness so widespread in our land.

Mr. Chairman, I want to commend the gentleman in the well for the remarks he has made, and associate myself fully with the thrust of his statement.

Mr. Chairman, this budget resolution has provided me with some of the toughest decisions I have had to make this entire term. In my view it is critical that the 1981 budget be brought into balance—not because balancing the budget will, by itself, contribute substantially to reducing inflation—but, because so many people perceive Government funding deficits to be the key to inflation, failure to balance the 1981 budget would send precisely the wrong message to everyone in the country and would intensify the inflationary pressures currently being felt in the economy.

Throughout consideration of the budget resolution, I have stuck with this commitment to a balanced budget. I voted against the Mitchell and Solarz substitutes and against the Ottinger amendment. Voting "no" on these proposals was very difficult for me because they would have provided additional funding for vital domestic programs that I strongly support. I did so because, while these initiatives called for balanced budgets, they did so in a way that unrealistically assumed that the Congress was prepared to make changes in the tax code that would substantially increase tax revenue. Under these proposals, either the level of taxation would have increased, or, if Congress failed to make the recommended changes in the tax code, we would have ended up with a budget badly out of balance.

My feeling is that if we are going to promise the American people a balanced budget, then we need to deliver on that promise. For that reason, I intend to oppose the motion to strike reconciliation from the budget resolution because I believe that only by having the reconciliation component can we monitor our efforts to obtain a balanced budget.

Having said all this, let me indicate my absolute distress at the economic prospects we are now facing—prospects that could become even more bleak depending on the budgetary decisions we make today. Economic reports indicate that our country is just beginning to move into the recession that has been anticipated for so long. In my own State of Michigan, however, the recession has been in place for months and is rapidly deepening—moving toward a depression. Thousands of automobile workers have been laid off and the prospect for the automobile industry remain dismal. Michigan currently suffers from an unemployment rate of over 12 percent. My State, and my district, face a grim future indeed.

As unemployment continues to grow in Michigan and as workers run out of unemployment benefits, the State is being called on to provide additional benefits from State revenues. As the Michigan recession has continued, the State has been forced to use up most of its "rainy day fund" and is facing a budget for next year that will drastically cut absolutely needed services throughout the State. I voted for the Conable amendment—to restore funds for State revenue sharing by decreasing the allowance function. I did so because, under Conable, Michigan would receive $20 million more than would be available through the categorical programs spelled out in the Giaimo budget resolution. I also voted for the Obey substitute for the same reason—it would have helped to shift our budget priorities and allow my own State, as well as other States, to meet vital commitments at a time of deepening recession.

Both Obey and Conable were defeated, however, and we now face the prospect of the Holt substitute, an amendment that would take $5.1 billion from those domestic programs that are absolutely essential to communities and States that literally are now facing the prospect of an economic depression. The Holt substitute, in my judgment, would thereby weaken, rather than enhance, our national security.

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Mr. TRIBLE. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. GOLDWATER. Mr. Chairman, will the gentleman yield?

Mr. TRIBLE. I am happy to yield to the gentleman from California.

Mr. GOLDWATER. Mr. Chairman, I rise today in support of the Gramm-Holt substitute to House Concurrent Resolution 307, the first concurrent budget resolution for fiscal year 1981. I am pleased to be joining over 140 of my colleagues in supporting this much-needed turnaround of Budget Committee-proposed defense spending cuts.

Our world is in a sorry state. The recent debacle in Iran, layered over the earlier failure of our Iranian policy, and the Soviet incursion into Afghanistan are explosive situations which could conceivably escalate into full-scale military confrontations. I have been told that should this happen, the United States would not have either sufficient skilled manpower or armaments to engage in a protracted action. This should suggest, my friends, that this legislative body has to look closely at the Gramm-Holt proposal to selectively increase defense spending to make up our manpower and defense readiness shortfalls.

There was a great deal of talk just last week during debate on the reinstitution of draft registration about "sending the Soviets a message." Now, I ask you, what kind of message do we send when we cut actual defense spending? I am talking about cutting a defense budget which, in recent years, has not gone toward acquiring new systems as much as it has for partial replacement of obsolete equipment. Over the last decade, U.S. strategic retaliatory forces have become vulnerable, the Navy has been halved and the conventional forces' balance in Europe has deteriorated to the point that Warsaw Pact powers might conceivably be able to overrun NATO forces. Our defense manpower resources are severely strained, both qualitatively and quantitatively. This is the real message we are sending the Soviets, and I can guarantee that they are chortling behind the walls of the Kremlin at the prospect of further reductions in our defense budget next year.

President Carter has placed demands on our allies vis-a-vis Iranian economic sanctions and Olympic boycotts which they have more or less acceded to. He has promised those same allies a minimum annual 3-percent real increase in U.S. defense spending. The administration's proposed budget before us does not take into realistic account increased fuel costs, early delivery of armaments authorized in earlier years or the ordered buildup of troops in the Middle East. These miscalculations could result in a budget as much as $7 billion below what we need to spend simply to keep up with last year's real defense spending. Depending on the assumed inflation rate, we are talking about doing a number on our NATO allies to the tune of as much as 5 percent below the promised figure of 3-percent real growth. Our credibility has already been damaged enough in the eyes of our allies. Obviously, it is past time to get our military back on the road toward United States-Soviet conventional parity and complete U.S. military readiness.

There are three ways to address meeting our obligations to our allies and increasing defense spending. The first is to violate our promise to our constituents and approve a nonbalanced budget reflecting the increases and miscalculations in defense spending. I cannot agree with this proposal. Second, we can raise taxes to cover the shortfalls. This is obviously unthinkable. Third, we can pass the Gramm-Holt proposal which makes a number of hard decisions regarding cutbacks in other Federal spending to offset the defense increase. I believe that this is the course that simple reasoning dictates we take.

Gramm-Holt would correct the administration's miscalculations and oversights. In addition, it would provide the first funding toward reestablishing a totally modern military by offsetting specific program and personnel cutbacks. I particularly like this plan as I feel very strongly about making the All-Volunteer Force a viable means of staffing a peacetime military force. Gramm-Holt, although it does not provide for any large-scale military pay increases, does prevent budget cuts from being reflected in military and civilian personnel cutbacks. Those areas targeted for cuts by Gramm-Holt are programs which have had their day and can be cut to provide dollars necessary for these vital defense programs.

Our country has to maintain a reasonable defense capability. We cannot continue to throw promises in our allies' faces with no intention or ability to fulfill them. For these reasons, I urge my colleagues to join me in voting "aye" on the Gramm-Holt substitute to House Concurrent Resolution 307.

Mr. TRIBLE. Mr. Chairman, I thank the gentleman from California (Mr. GOLDWATER) for his contribution.

Mr. Chairman, I take this time to speak in favor of the Gramm-Holt amendment.

I must say, in response to the distinguished chairman of the Committee on the Budget and the members of that committee, that I do believe they have tried in good faith to balance the requirements of this land. But as a student of national defense, I believe we must do more in that vital area.

The chairman of the committee talked about an inconsistency of figures. I would point out that it is the judgment of the President, the judgment of the Committee on Armed Services in the House, and the judgment of the Budget Committee in the Senate that we must do more, and if indeed there is inconsistency, it lies with the Committee on the Budget of the House.

I submit that the future security of our Nation confronts us today. We have two choices: Either we make a dedicated effort to strengthen our national defense or we continue down the road of decline, uncertainty, and danger.

Today we are faced with the serious question of how to bolster our national defense while balancing the Federal budget. It is a question which we cannot avoid without ignoring our basic responsibilities to the American people—that of providing for a secure defense and a strong national economy.

The Gramm-Holt substitute seeks to address this question in a straightforward and realistic manner. The substitute would restore the unwise and undesirable cuts in defense spending recommended by the House Budget Committee while reducing other Federal outlays in order to avert yet another year of deficit spending. Thus, the substitute seeks to provide the type of budget guidance we sorely need in this year of international turmoil. The substitute recognizes that our first budget priority must be to the defense of this country and that a strong defense is a precondition of other national goals.

We in Congress can no longer ignore the massive growth of Soviet military power and the steady decline of our own military capability. Last year, the Soviets outspent the United States by $50 billion in defense activities and its commitment to military spending consumed between 11 and 16 percent of its GNP. In contrast, our own level of defense spending steadily decreased in real terms for most of the 1970's, and the United States now commits less than 5 percent of its GNP to national defense.

The effects of such a disparity in defense spending are easily demonstrated and they should dictate the adoption of the Gramm-Holt substitute.

The Soviets now enjoy a massive quantitative edge in conventional weaponry. Soviet forces contain 50,000 tanks; U.S. forces 11,000. They have built 55,000 combat vehicles; the United States has 23,000. Their combat aircraft total 5,220; ours, 4,000.

With regard to our Navy, which is the backbone of our commitment to defend the Persian Gulf region, it is evident that if we do not increase our shipbuilding program, the Navy will continue its precipitous decade-long decline. Ten years ago, the Navy had 926 active ships; today the number is 458. The Soviet's fleet size is 1,769.

We need more ships, not only to secure the Persian Gulf, but to insure that the sealanes remain open for commerce. The United States depends heavily on imported raw materials transported by cargo ship, and our Navy must be able to protect that commerce in times of crisis. Unless we undertake an expanded shipbuilding program now, we simply won't have enough ships to do the job in the future.

Similarly, the Army is now undergoing a major procurement "crunch" as it strives to fund and deploy 30 vitally needed weapon systems; and the Air Force and the Marines have not been able to purchase enough equipment to carry out their assigned missions with the required vigor.

In brief, in almost every category of defense production, the U.S.S.R. is far ahead of the United States, although the U.S. economy is much larger, more durable, and more capable of absorbing a sustained defense effort. Our declining military capability has only one cause: the failure of the President and the Congress to strengthen and support our Armed Forces.

Moreover, it is all too evident that we have failed in our responsibility to the men and women of our military forces, the people who make great sacrifices in service to their country. We must act swiftly to redress the serious inequities which are present in our military compensation system.

Today, many military members make less than the minimum wage even though they are required to work long hours of uncompensated overtime and to spend long tours of duty away from home. Over 100,000 military members are now eligible for food stamps and the typical enlisted family virtually leads a hand-to-mouth existence.

Correspondingly, trained personnel are leaving the Armed Forces in record numbers, further diminishing our defense readiness. In the Navy, for example, a vital supply ship was recently tied up solely because of inadequate manpower. In the Army, fewer than 22 percent of new recruits now reenlist for a second term and the service is short 45,000 NCO's. In the Air Force, traditionally the most stable service, there are vacant slots for 2,500 pilots, 1,000 engineers, and 500 navigators Although many factors are involved, it is clear that many military members are leaving the services simply because they cannot afford to stay.

The situation is nothing short of a national tragedy. We must insure that our military compensation system provides its members with a decent standard of living and that it recognizes the special demands which are concomitant to military service.

The facts of our military posture thus make it imperative that we substantially increase defense spending in fiscal year 1981 and the years ahead. We cannot, as the Budget Committee proposes, tolerate the status quo or a minimal real increase. We cannot hide our heads in the sand and hope that the Soviet threat goes away on its own accord. Instead, we must demonstrate increased resolve and meet the Soviet challenge head on. This can only be accomplished through a renewed and expanded commitment to national defense.

The Gramm-Holt substitute represents the minimum of what we must do. The clear facts are that the substitute merely makes up for the explicit and implicit reductions in the administration's defense budget which the Budget Committee approved; cuts which would reduce defense spending at a time when it vitally needs to be enhanced. Thus, the sole intent of the Gramm-Holt substitute is to provide enough money for increased fuel costs, defense purchases, and personnel costs to comply with the administration's own declared policy for "real" defense increases.

Conversely, if the full House goes along with the Budget Committee proposal, real defense outlays for fiscal year 1981 will constitute less than a one-half of 1 percent increase over fiscal year 1980. This level of defense spending would not only jeopardize our own national defense posture; but it would in all likelihood renege on the United States promise to NATO to raise expenditures by at least 3 percent per annum.

By adopting the Gramm-Holt substitute, however, real defense outlays would rise by 3.9 percent in fiscal year 1981 and the House would demonstrate solidarity with Senate committee action. The Senate Budget Committee has recommended nearly $8 billion more in defense outlays than contained in House Concurrent Resolution 307 and it is imperative that both Chambers act quickly and decisively on an expanded defense budget.

Again, let me say, we must recognize that the future security of our Nation confronts us today. We have two choices. Either we strengthen our national defenses or we continue down the road of indecisiveness and danger and national decline.

The CHAIRMAN. The time of the gentleman from Virginia (Mr. TRIBLE) has expired.

(By unanimous consent, Mr. TRIBLE was allowed to proceed for 1 additional minute.)

Mr. TRIBLE. Mr. Chairman, in conclusion I repeat to my colleagues that the Holt-Gramm substitute provides just enough money for increased fuel costs, defense purchases, and personnel costs to comply with the President's own declared policy for real defense increases.

We cannot ignore our responsibility. We cannot fail to respond to the difficult challenges our Nation faces in the world.

Now is the time for action.

Mr. Chairman, let us support this amendment as a first step toward correcting the very real and painful deficiencies of our national defense posture.

Mr. HYDE. Mr. Chairman, will the gentleman yield?

Mr. TRIBLE. I yield to the gentleman from Illinois.

Mr. HYDE. Mr. Chairman, I thank my friend for yielding.

Mr. Chairman, I was just sitting in my office watching the proceedings on television, and I could not restrain myself. I heard some comments by the distinguished chairman of this committee that we do not need more money, that we need the will of America.

Let me suggest that America is trusting us to listen to the witnesses and do a little extra reading and understand that we have sailors on food stamps and we have sergeants who do not know how to run the tanks over there in NATO. The Afghan rebels have a lot of will, and a lot of them are getting killed.

Secondly, I heard my friend, the gentleman from Illinois, say that NATO nations are not spending as much a percentage of GNP as we are. But we have global responsibilities. England is not responsible for Japan's security, nor is any other NATO country.

The CHAIRMAN. The time of the gentleman from Virginia (Mr. TRIBLE) has again expired.

(On request of Mr. HYDE, and by unanimous consent, Mr. TRIBLE was allowed to proceed for 1 additional minute.)

Mr. HYDE. Mr. Chairman, will the gentleman yield further to me?

Mr. TRIBLE. I am happy to yield to the gentleman from Illinois.

Mr. HYDE. Mr. Chairman, to continue, France is not protecting Korea from the north, nor anyone else. We have unique and global responsibilities.

Of course, every committee cannot get what it wants, but America will survive if the Committee on Education and Labor takes a cut. I am not sure we will survive if the military is cut and cut and cut.

Lastly, Mr. Chairman, if some of the sentiments that I have heard today had obtained a few years back, we would all be expert in the goosesteps.

Mr. ICHORD. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, the achievement of a balanced budget is a goal for which I have been voting and working for almost the entire length of time I have served in this body and I commend President Carter, who is at last providing the Presidential leadership for a balanced budget. The only time the budget was balanced in the last 20 years was when we passed a sizable tax increase during the Johnson administration to fight the Vietnam war. In view of the dismal record of the Federal Government in the field of fiscal affairs, I recommended to the Democratic Research Organization that we hold hearings to develop legislation to assist the Congress in balancing the budget. In 1976 I served as chairman of a subcommittee which held hearings and later developed a constitutional amendment designed to help the Congress achieve a Federal budget. Such an approach is draconian indeed but I still believe today, even though the politics of the issue have changed, that the constitutional amendment approach is the only approach that will assume sound management of our fiscal affairs in the future.

I have heard several Members during the course of this debate argue that achieving a balanced budget for fiscal year 1981 will only have minimal effect on the problem of inflation. How right they are. How right they are.

Controlling inflation will indeed require more than a balanced budget for 1981. It will probably require a balanced budget in 1983 as well as 1982. It took the Federal Government more than 20 years to get in the mess in which we now find ourselves and we can not expect to solve the problem by merely exercising fiscal discipline for 1 fiscal year. I applaud and will vote for a balanced budget. At the same time, I feel the overriding responsibility to rise in vigorous support of the Gramm-Holt amendment as a measure which more properly delineates the problems of this Nation.

Let me remind my colleagues that the issue we address at this time deals with the foremost constitutionally mandated responsibility of each and every Member of the Congress.

Mr. Chairman, under article I, section 8, the Constitution states that it is the responsibility, the specific responsibility, of the Congress to raise and support armies. It is the specific responsibility of the Congress to provide and maintain a navy.

Will any member of the Committee on the Budget or will any Member of this House rise and stand on the floor of the House and assure me that this budget, this military budget, is acquiring more airplanes for the Navy than we are sending to the boneyard? If they can, stand up. I will ask members of the Committee on the Budget to stand up and tell me if this budget acquires more planes for the Navy than we are sending to the boneyard?

I see no one is rising because they know what the answer is.

☐ 1510

Mr. DOWNEY. Mr. Chairman, will the gentleman yield?

Mr. ICHORD. I will yield to the gentleman if he will assure me that we are acquiring more planes for the Navy than we are sending to the boneyard.

Mr. DOWNEY. I just want to know what the boneyard is.

Mr. ICHORD. Then I refuse to yield.

Mr. DOWNEY. Can the gentleman tell me what the boneyard is?

Mr. ICHORD. I will yield to the gentleman if he will assure me. I refuse to yield for any other purpose. Assure me that.

Mr. Chairman, let me state that the responsibility of which I speak is not weakened by even mentioning the concomitant responsibility of the executive. It mentions only the responsibility of the Congress. Reluctantly but most adamantly I must oppose the position of the chairman of the Budget Committee who has rendered yeoman service to the Congress in his capacity as chairman of the Budget Committee. Regrettably, also I must oppose the position of the leadership of my political party on this most important issue. As for the weak letter of Secretary Brown to the Speaker in support of the Speaker's position on this issue, I would brush it off as merely a letter from a good team player. It is not a letter dictated by the gravity or by the facts of the situation. I will have more to say about that letter later on.

Let me remind my colleagues that if one does not adequately perform our constitutionally mandated responsibility of providing for the national defense—and that is the issue before us whether or not we are adequately providing for the national defense—we will not be healthy enough to even worry about the fairly recently devised programs of CETA, food stamps, countercyclical, et cetera, et cetera.

Many Members of this body, I know, do not agree with my judgment as to what is needed to meet our military requirements.

The CHAIRMAN. The time of the gentleman from Missouri (Mr. ICHORD) has expired.

(By unanimous consent, Mr. ICHORD was allowed to proceed for 5 additional minutes.)

Mr. MYERS of Indiana. Mr. Chairman, will the gentleman yield briefly for an observation?

Mr. ICHORD. I will yield briefly to the gentleman for an observation.

Mr. MYERS of Indiana. I will try to be brief.

Mr. Chairman, I appreciate what the gentleman is saying. I think we are all concerned about making cuts in the budget at any place and asking ourselves whether we are doing the right thing. But what the gentleman is speaking about, our constitutional responsibilities, there is certainly a comparison here we should make, that no one else provides for this country's defense except the Federal Government. The other social programs, local government, other private agencies provide part of these requirements for our country, but the national security, only the Federal Government; it is our responsibility and no one else's.

Mr. ICHORD. It is the prime responsibility, I assure the gentleman, and I thank him for his excellent observation.

Mr. Chairman, I do, however, sincerely submit that there is no one in this body in a superior position to judge the defense needs of this country as a member of the Armed Services Committee for 18 years and as chairman of Research and Development for 4 years, where the process of National Defense begins. I am in a position to accurately measure the defense needs of the country.

It is not solely the fault of this body but it is partially the fault of this body that our country, the United States of America is decidedly the No. 2 military power in the world today. We went along with the cancellation of the B-1 bomber, we went along in the refusal to field the enhanced radiation device and I could go on and on. We spent more money for social programs, CETA, food stamps, countercyclical aid and $240 billion less than our foremost potential adversary for the last 10 years for research and development, military construction and military hardware; $240 billion—$240 billion less over a 10-year period. Is there any wonder that a gap exists in military capability between this Nation and the Soviet Union—yes between NATO and Warsaw pact forces in whatever aspect you wish to consider—even chemical warfare capability?

I must agree with the chairman of the Budget Committee when he says there is no magic to a certain percentage increase in the defense budget. Percentage increases are somewhat meaningless and we waste our time arguing over such percentages. There are so many variables and unknowns involved—what escalation factors have we cranked into the equation—what are we talking about—budget authority or outlays? It is the age-old problem of percentages and statistics.

The responsibility we have is to see that this budget meets our military requirements. It does not. That is my judgment and it is not only my judgment—it was the judgment of every uniformed witness who appeared before my committee. Every witness who appeared before my committee usually had two positions—a party position and a personal opinion position. This letter from Secretary Brown is a team-player letter. It has already been pointed out by other members where we can improve the defense posture of this country. Let me point out a way we can use the extra money and actually save money in acquiring our weapon systems.

The CHAIRMAN. The time of the gentleman from Missouri has again expired.

(By unanimous consent, Mr. ICHORD was allowed to proceed for 3 additional minutes.)

Mr. ICHORD. Mr. Chairman, I asked for any Member of this body to stand up and dispute me when I stated that we are not acquiring planes faster than we are sending them to the boneyard. I asked any Member of this body to stand up and state where we are acquiring a single major weapons system at the economical rate. These are things I deal with and my committee deals with.

Mr. ADDABBO. Mr. Chairman, will the gentleman yield?

Mr. ICHORD. I will yield in just a minute.

Let me ask the gentleman from New York. I ask him to dispute this—give me 1.4 billion extra dollars for defense. I will save you in constant dollars 1.266 billion. I will save you in escalated dollars 2.77 billion by merely acquiring weapons systems at the most economic rate.

I yield to the gentleman from New York, and I ask him to give me examples of weapons systems, major weapons systems, that we are now acquiring at the most economical rate.

Mr. ADDABBO. Mr. Chairman, I will agree with the gentleman that there is not one, because there is so much waste, because the Defense Department has so many dollars they do not look for management savings. I will give the gentleman an example.

Take the MX. Why do we need $1.5 billion for the MX when you do not know where you are going to put it? Take the billion dollars from the MX and buy more F-14's, buy more F-18's, yes. But do not just give them extra dollars so that they can waste it.

What is a boneyard? If you are sending down old planes that cannot operate and you are buying more sophisticated planes, then you are not losing your capability.

Mr. ICHORD. If I may reclaim my time, Mr. Chairman, let me state that the gentleman from New York did not answer the charge that I made. I asked him to give me a single instance where we are acquiring weapons systems to defend this country at the most economical rate.

Now, I agree with the gentleman that there is waste. There is waste in the Welfare Department, too, I would state to the gentleman.

□ 1520

There is waste in almost every agency of Government, but that is an argument that is irrelevant. Perform your proper duties of oversight. Do not raise an irrelevant argument when arguing to the defense of this country.

Mr. MONTGOMERY. Mr. Chairman, will the gentleman yield?

Mr. ICHORD. I yield to the gentleman from Mississippi.

Mr. MONTGOMERY. I thank the gentleman for yielding.

When we were discussing peacetime registration, some of the colleagues today who are arguing against the Holt amendment were arguing what we wanted was that we need manpower retention. We need additional funds for flight pay, sea pay, housing, moving, and reenlistment bonuses.

I say in this Holt amendment there is $500 million that will do that, that will have retention of noncommissioned officers and chief petty warrant officers.

The CHAIRMAN. The time of the gentleman from Missouri (Mr. ICHORD) has expired.

Mr. MONTGOMERY. Mr. Chairman, I ask unanimous consent that the gentleman from Missouri (Mr. ICHORD) may have 1 additional minute.

The CHAIRMAN. Is there objection to the request of the gentleman from Mississippi?

Mr. DOWNEY. Mr. Chairman, I reserve the right to object.

I will not object if the gentleman only explains to us what the "boneyard" is. So many of us have been waiting avidly for an explanation of the "boneyard."

Mr. ICHORD. Mr. Chairman, will the gentleman yield?

Mr. DOWNEY. I yield to the gentleman from Missouri.

Mr. ICHORD. The "boneyard" is synonymous, I would state to the gentleman from New York, with a graveyard.

Let me state to the gentleman that we lost, my staff advises me, approximately 10——

Mr. GIAIMO. Mr. Chairman, I reserve the right to object.

I shall not object, but I am going to be constrained to object to additional requests to go beyond the 5 minutes under the rules after this.

Mr. DOWNEY. Mr. Chairman, I withdraw my reservation of objection.

Mr. GIAIMO. Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The CHAIRMAN. The gentleman from Missouri (Mr. ICHORD) is recognized for 1 additional minute.

Mr. MONTGOMERY. Mr. Chairman, will the gentleman yield.

Mr. ICHORD. I yield to the gentleman from Mississippi.

Mr. MONTGOMERY. My point is that we need the manpower retention, and in this Holt amendment is $500 million additional that we can pay additional bonuses and benefits to noncommissioned officers and to petty officers to keep them in the service. That is where one of our main problems is.

Mr. ICHORD. Mr. Chairman, I submit, in closing, that the responsibility thrust upon us by article 1 dictates that we support the Gramm-Holt amendment. You cannot vote against Gramm-Holt and soothe your conscience by saying that we are still superior technologically. Yes; your nation is still superior in military technology despite the equipment malfunctions experienced in the recent rescue attempt but the technological gap is narrowing and will soon disappear. But I submit that you cannot be comfortable with our technological advantage. Who was technologically superior in World War II—the Germans or the Allies and who won the war. Technology in the laboratory is meaningless and that is where the Budget Committee leaves us—with technology in the laboratory but not in the field. The responsible vote is one for Gramm-Holt.

Mr. GIAIMO. Mr. Chairman, I ask unanimous consent that all debate on this amendment end in 15 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Connecticut?

Mr. BURLISON. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

Mr. BURLISON. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to the Holt amendment. Let me start by saying that I oppose the amendment not because it provides too much for defense but on the grounds that it is a move away from fiscal prudence in these critical economic times. All week I have taken this same stand against attempts to increase social spending in this 1981 budget. Obey, Ottinger, and so forth. This to the chagrin of my liberal friends. Now I must accept the displeasure of my conservative colleagues.

We in this 96th Congress have taken an almost unprecedented step toward budget cooperation between the administration and Congress in arriving at a balanced budget. If we can achieve this goal we have taken a positive move toward harnessing inflation. We must avoid getting sidetracked just as we seem to have a reasonable chance of success.

This budget resolution does provide a reasonable percentage of real growth for defense. Overall it provides for an increase in real defense spending of 3.4 percent over fiscal year 1980. This indeed is monumental in view of the rate of inflation. While this probably will not give us the immediate military capability to restore superiority over the U.S.S.R., it is a continuation of the increased growth and emphasis we need to regain that superiority. Most importantly, we need to maintain a steady and reasonable growth over the years.

If we do not restore fiscal sanity in this country, I hate to even contemplate the consequences. And it is not too far fetched to speculate on the after effects of an economic collapse if we do not get this raging inflation under control. Of what good would be the world's best equipped military machine if the country's population was thrown into the throes of economic collapse, chaos, and even rebellion.

It has happened before in other countries and the very thought is disconcerting. We made Iran one of the military powers of the Middle East. Yet, when a domestic crisis came, that power was useless. We had provided the Iranians, for instance, with the Navy's most sophisticated and expensive fighter aircraft, the F-14. The weapons systems of not a single F-14 was fired as Iran crumbled from within.

With continued double-digit inflation, our country faces a serious economic crisis. Defense spending, as necessary as it is, is the most inflationary of all expenditures. It does not provide consumable goods and services, but weapons of destruction.

No matter how attractive and appealing these prodefense and prosocial program amendments are, we must resist the temptation to accept them. Once the erosion process starts, our balanced budget is put in serious jeopardy. I do not think any of us want that. Vote "no" on this amendment.

Mr. GINGRICH. Mr. Chairman, I rise to strike the requisite number of words.

This has been, I think, an enlightening debate in which the essential defense against increasing the defense budget is that we waste too much money, often uttered by people whose leadership, in fact, is in charge of how we spend the defense budget. It seems to me the only question you can ask about defense is, is it adequate, because if it is inadequate, all your other problems become very, very secondary.

It is very clear from the gentleman from Alabama's earlier statement on how long you can fight a war, from "Jane's Fighting Ships" authoritative position on naval threat, from Drew Middleton, the military expert of the New York Times, our ability to defeat anyone except the Soviet Union, that we are in fact incapable in conventional warfare of surviving on this planet against the Soviets in the near future. We are, in effect, reduced to a policy of bluff and hope, with nuclear war as our only realistic strategic ability.

Let me say the unspeakable, and I say it unequivocably. In a major conventional confrontation with the Soviet Union, by the third week of the war, we would lose. We do not have the factory capability. We do not have the inventory. We do not have the trained personnel.

If there is a question of waste in the budget. I would say to my good friends on the liberal side, let us get together in a bipartisan way and fight the waste, but it would be rather absurd, should we lose, to then have the scapegoat committee say, "Well, we lost because somehow there was always a good reason not to do enough."

The reality is this country is in greater danger than at any time since 1939. The reality is that if in fact we do not face a war in the next fiscal year, we are spending too much money on defense.

If we do face a war, we are spending far too little on defense.

□ 1530

Jean Monnet, the father of the Common Market, preached to Franklin Roosevelt over and over again during World War II that "Ten thousand tanks too many is far better than one tank too few."

If, in fact, those of us who support the Gramm-Holt amendment are wrong, we will have wasted some money. If, in fact, those who oppose the Gramm-Holt amendment are wrong, and it is defeated, their inaccuracy might well cost us this country. I think that is a risk we can ill afford.

Mr. STENHOLM. Mr. Chairman, will the gentleman yield?

Mr. GINGRICH. I yield to the gentleman from Texas.

Mr. STENHOLM. Mr. Chairman, I rise in support of the Gramm-Holt amendment.

Recognition of the grave circumstances facing our country leaves you and me no alternative but to face reality. I also rise to speak for the people of the 17th District of Texas. They do have the resolve to see America through. They just want Congress to face reality.

Reality, as reflected by the Gramm-Holt amendment is this: We can no longer ignore the danger that the United States, without an increased military budget, will be taking a second-place position as a world military power. And there are no prizes for second place in this dangerous game.

Reality is inflation, fueled by an avalanche of unnecessary and costly paperwork required by Government regulations.

Reality is waste and duplication in the cost of Government programs aimed to help the poor, but which actually do more for the bureaucracy.

It is the reality facing each of us today that makes this the most crucial vote that you and I will cast this session. It is vitally important to strengthen our national defense posture. It is the only really significant vote to be taken to address the problems of the burden of overregulation by Federal agencies that are clearly out of control. And it is not a vote that will place an unfair share of the burden of budget cuts on the poor, but to eliminate Government duplication in the child nutrition and food stamp programs.

Let me discuss some specifics of this amendment in some detail:

First. As many of my able colleagues have already pointed out, this proposal calls for an increase in defense spending of $5.1 billion. We consider this the key defense vote of the 96th Congress. For, without these additional funds, we will be unable to fully provide improvements for our military position, as is indeed necessary in this period of great international tension.

Second. We continually hear complaints about over-regulation and, almost daily, one of us stands at this microphone to discuss regulatory reform. But then, we bury our heads once more and do nothing.

This amendment gives us a chance to actually do something about this problem which stifles innovation, inhibits productivity and accelerates inflation.

This amendment calls for a 20-percent reduction in 17 regulatory agencies. It does not wipe out the Environmental Protection Agency or the Occupational Safety and Health Agency, or the Federal Trade Commission or any of the other agencies. What it does do is tell those agencies that they must do exactly the same thing that the American taxpayer has been forced by inflation to do: Cut back. Provide the meat and potatoes, but forget the whipped cream. By making those budget cuts, we are hoping and assuming that they will concentrate their efforts on the truly pressing problems they were designed to oversee and not waste time and money on small details which only harass business, cost the consumer more and do little to improve society.

Third. This amendment also addresses a problem with the food stamp program. The reality is that the portion of this amendment which applies to the food stamp program will eliminate waste and duplication of the taxpayers' money. Under current law, we are actually providing four meals a day for youngsters eligible for assistance, rather than three. This is because we provide free lunches for the children at school through the child nutrition program and then turn around and give their parents food stamps as though the children ate three meals at home.

I am not opposed to food stamps for the elderly and disabled and I dare say other backers of this amendment are not either. I am opposed to the waste and duplication evident in the current program and to food stamps for strikers and others who can work but choose not to because not working pays more.

This amendment does not call for a "meat-ax" approach to spending cuts affecting people, but rather offers a real solution to some very real problems. In the area addressing bureaucratic overhead, for instance, the 20-percent reduction in travel and transportation expenditures, 20-percent cut in printing and reproduction costs, and 15-percent limit on new equipment are all achievable and reasonable.

My constituents in the 17th Congressional District of Texas have told me clearly what they want from me this year in Congress:

First. Balance the budget by cutting spending. We cannot afford a higher tax rate.

Second. Do not allow the United States to slip into the intolerable position of being the No. 2 world military power. We cannot afford to lose.

Third. Get the overpowering regulatory process under control. We have seen how much harm can come when Washington tries to help us too much.

We, Members of the U.S. Congress, are asking the American people to face reality when dealing with inflation. They are willing, but in turn, it is time that we Congressmen get our feet on the ground, wipe the sand out of our eyes and give the American people a realistic, balanced Federal budget that meets the defense need of this country.

I urge your support of this critical amendment. It is the most important vote that you will make this session of Congress.

Mr. CHAPPELL. Mr. Chairman, I move to strike the requisite number of words. I rise in support of the Gramm-Holt amendment.

Mr. Chairman, I want to associate myself with the remarks of the gentleman from Alabama (Mr. EDWARDS) and the gentleman from Missouri (Mr. ICHORD) and those of the Committee on Armed Services and those of the defense subcommittee of appropriations that we have heard speak here today.

It is a disturbing thing to hear our NATO Commander, who wears two hats, the U.S. Supreme Commander in Europe and our NATO Commander, make the statement that on the one hand he has to order an exercise for the NATO forces so that we can exercise our troops and our machines and teach our people to face the threat in Europe, and on the other hand, and under his other hat, to disengage the American troops from that exercise because he does not have the money to join in the effort.

Yet, that is exactly what I heard that commander say just a few months ago. That is saying a lot about the defense effort in this country.

We are not going to put him in a better position where he can join in those exercises, where he can have the kind of troops and equipment he needs, unless we increase the defense budget. Unless we go forward with the Gramm-Holt amendment, in my view we are going to have little or no real growth in defense.

It is disturbing also to realize the percentage of people in the services who have to depend on food stamps and welfare programs to exist.

How can we expect the commanders of our country to do the job they have to do and keep up the morale of their troops with that kind of a pay situation? We are not going to remedy that unless we are able to pass this amendment or have the room to satisfy that requirement in the appropriations process.

We are not training our people enough. Even in Europe, there is a substantial percentage of our people who simply are not trained to operate the equipment; so the sum of it is that we do not have enough equipment. We do not have enough people in our services. Our recruitment is falling behind. We are losing people because we cannot retain them because of faltering incentives. We are not able to properly maintain our equipment. We are not going to overcome any of these shortcomings unless we can get real and substantial growth in the defense budget.

I want to commend the chairman of the committee and the committee for making a real effort. I think they have done a good job in trying to arrive at a solution.

I believe that unless we increase this budget by some $5 billion, we simply are not going to have the room to make those increases, to get the growth sufficient to satisfy our requirements in NATO and our other security obligations throughout this troubled world.

I urge adoption of the Gramm-Holt amendment.

Mr. GIAIMO. Mr. Chairman, I have no requests for time, as I understand it, on this side. I wonder if we could limit debate to 10 minutes.

Mr. Chairman, I ask unanimous consent to limit debate on the Holt amendment to 10 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Connecticut?

Mr. KEMP. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

Mr. KRAMER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, we sit here determining our priorities over the next couple days—shall we have this domestic program or that? Can we increase this? Can we afford to lose that? But, really, in a free society we only enjoy that luxury as long as we have the basic ability to defend ourselves. We have a wonderful way of life in this country and I think something that is truly worth hanging on to. The real question is, can we keep it? I do not know whether we can, indeed, keep it if it means defending ourselves in today's world.

Several days ago we had a very noble experiment undertaken in Iran where we attempted the rescue of our hostages. Unfortunately, the effort failed. In the process, even as sketchy as the facts still are, we learned that three of our helicopters out of the eight sent malfunctioned.

I am wondering whether or not this was just an accident of fate or was this a message, a message that, in fact, gives far greater implications about our total ability to defend ourselves and to take military action today.

I have seen statistics that say that in the event of a first strike by the Soviet Union against our country and its strategic bases, they would take out 90 percent of our land-based missiles and 50 percent of our aging B-52's and another 50 percent of our submarines.

I have seen statistics which say that, if we then retaliated against the Soviet Union, because of their increased emphasis on civil defense, their increased emphasis on air defense, that perhaps we could destroy 10 percent of their population; but they then could come back against us and destroy perhaps 60 percent of ours. We will never know whether these statistics are true unless they are tested, and I hope they are never, indeed, tested; but, if they are, if there is any validity to them at all, then as that disparity grows greater between us and the Soviet Union, the temptation for the Soviet Union to exploit that disparity must grow with it.

That disparity is great, not only in strategic weaponry, but as other speakers have alluded to, conventional weaponry; 5 to 1 in tanks, 2 to 1 in strategic launchers, 2 to 1 in combatant ships.

My district includes within it the North American Air Defense Command. The Soviet Union today has roughly 14,446 defensive weapons systems to protect against incoming strikes by this country.

Do you know how many we have? Three hundred nine, and there is real doubt that we would even know because of some of the unfortunate loopholes in our defensive system and network whether we can even discover those incoming Soviet vehicles. Even if we did, we have only 309 launchers to send against them.

The Soviet Union spends somewhere between 12 to 14 percent of their gross national product on their defense. We have been ranging in the 4 to 5 percent range in the decade of defeat in the 1970's.

They have twice as many men in uniform and six times the number of reservists.

I ask you this. Why are the Soviets doing all this? Why are they doing it? Is it to show their good faith? Is it to demonstrate that they want to live in freedom? They are on a singularly, I think, motivated and dedicated course towards world support and world domination. They do not ask their citizenry whether they want to make their choices, like we do. That is the burden that we have, to make those choices, and if we do not do something about our defense posture in this country we, indeed, have made the wrong choice and one that will come back to haunt us in years to come and in not too many years.

Mr. PEYSER. Mr. Chairman, will the gentleman yield?

Mr. KRAMER. I yield to the gentleman from the New York.

Mr. PEYSER. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, something has been troubling me for some time during this debate.

How would you like to be in the Armed Forces today and be the American commanders and troops and to hear this Congress say that our men and our equipment are so lousy that we cannot do anything. I do not happen to believe that. I believe we are really misleading the country today and we are letting our own people down. We still have, I heard the Joint Chiefs of Staff say 2 weeks ago, say that we have the strongest military force in the world today. He said we had to build it, but he said we had it. Why do we not support that?

□ 1540

Mr. KRAMER. Just as the President has said they are speaking for the administration, the President announced today that the Iranian crisis has been alleviated and now he can come out and campaign for the White House. There is nothing wrong with the men we have in uniform today. The problem is in the Congress.

Mrs. HOLT. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. The time of the gentleman from Colorado has expired.

Mrs. HOLT. Mr. Chairman, I ask unanimous consent the gentleman have 1 more minute.

The CHAIRMAN. Is there objection to the request of the gentlewoman from Maryland?

Mr. DOWNEY. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

Mr. RICHMOND. Mr. Chairman, I move to strike the last word, and rise in strong opposition to the Gramm-Holt amendment.

Mr. Chairman, specifically, I wish to address one provision of the amendment—the so-called duplication of child nutrition and food stamp programs. These two programs have coexisted for 15 years. The school lunch program simply complements the food stamp program in helping poor children achieve a minimally adequate diet. Congress has long recognized the importance of providing special nutritional assistance for extremely vulnerable groups in our society—children and the elderly.

It is important to understand exactly what this provision would do to the poor. For each school age child who attends a school with a lunch program, the monthly food stamp allotment would be reduced by $10. Keep in mind that the average food stamp benefit is just $34 a month per person. This reduction would occur regardless of how poor the child is and whether or not the child actually receives the lunch. Children who are ill at home or are not able to eat the lunch because of medical or religious reasons would still have food stamp benefit reductions.

My colleagues will remember that when we eliminated the purchase requirement, very poor households began to participate in the food stamp program. Some of these children are from those very same impoverished households. These are our poorest children—the very ones who are most in need of adequate nutrition.

Teachers will testify to the futility of teaching dull, inattentive children who are hungry. This amendment, if adopted, would assure an abundance of poor, hungry uneducable children in our Nation's schools where we are spending an average of $3,500 per child a year in Federal education assistance.

Surely my colleagues will recognize their obligations to the children of this country. For this and other reasons that I have addressed, I urge my colleagues to vote "no" on this amendment to the budget.

Mr. KEMP. Mr. Chairman, I move to strike the necessary number of words.

Mr. BINGHAM. Mr. Chairman, will the gentleman yield?

Mr. KEMP. I yield to the gentleman from New York.

Mr. BINGHAM. Mr. Chairman, I rise in strong opposition to the so-called Gramm-Holt substitute. You do not simply balance a budget by matching taxes and spending at the same level—you have to balance it between competing demands for that spending as well. If the amendment before us is adopted, this Federal budget resolution will lose any claim to being truly balanced. It will be lopsidedly imbalanced by piling more than $5 billion more onto the Department of Defense than the Secretary of Defense and the President say they can even spend. This would come on top of an $18 billion increase in military spending already approved by the Budget Committee.

The sponsors of this amendment complain that this huge increase is not enough, that they want "real" increases in military spending—$18 billion seems real enough to me, almost as real as the pain and suffering of millions of people in this country who will pay the price for this spending. Why must the total increase be $23 billion before it seems real? The amendment's sponsors depend on abstract and conflicting estimates and assumptions about inflation to define their "real" increase.

My constituents would not have to get out calculators to see the reality of these figures. One hundred and sixty thousand public service employees would lose their jobs if this amendment's military spending increase is approved, because funds for their jobs will be cut to pay more for the Pentagon. These public service jobs are the backbone of all kinds of local programs that are struggling to keep life going in our cities. More slashes to their already meager funding will shut down day care centers, food programs and neighborhood revitalization efforts.

Also included in the devastating cuts on the homefront side are further slashes in the already drastic reductions in the food stamp program and crippling reductions in basic governmental operations.

I know many of my colleagues will instinctively support any attempt to buy another ship for the Navy or new barracks for the Army, and others will just as naturally oppose it. But I appeal to those of you who analyze before you act to look carefully at this proposal. The House Budget Committee has proposed generous increases in military spending, and the long term trends are going up and up. We seem to be heading for a $200 billion military budget within the next few years. Let us not panic because of the present international atmosphere and plunge into an orgy of military spending.

I appeal to my colleagues to vote against this amendment.

Mr. KEMP. Mr. Chairman, there really is another dimension to this debate. The first dimension of course is the utilitarian aspect of adding additional moneys to the defense budget. The gentlewoman from Maryland (Mrs. HOLT) and I had a colloquy a little earlier in the day in which we talked about the necessity of spending more money for the conventional, strategic and compensation programs so necessary to the security of our Nation.

But as I said, there is another dimension to this debate, and that is the symbolic nature of this vote in the face of massive Soviet buildup and their aggressions throughout the world.

I want to remind my colleagues that in 1936 when Fascist Mussolini attacked Abyssinia the reaction of the West was to turn its back on that little tiny country in Northern Africa, now of course, we call it Ethiopia. In 1936 when Abyssinia was attacked by the Fascist the West said, we are neutral, we are not going to get involved in any attempt to stop aggression. The West not only turned its back on Abyssinia, it refused to rearm in an attempt to deter war.

Adolph Hitler saw the fact that the allies, France, England, and the United States, were being neutral in the face of that aggression, and Hitler started to rearm in violation of the Versailles Treaty. It was not long until he attacked the Rhineland and militarized the Rhineland again in violation of treaties. It was not long after that, Nazi Germany attacked Austria and then, of course, the Sudetenland. At the time that Nazi Germany was rearming and attacking the Rhineland, Austria, and headed toward Czechoslovakia, and ultimately toward Poland, the U.S. Congress was passing the Neutrality Act. The U.S. Congress at that time, in the face of that aggression, did not recognize that there was any aggression going on in the world. It did not recognize the fact that Nazi Germany was building its military toward something. Hitler was aiming his policies not just at Jews and dissidents but ultimately toward the domination of all Europe.

Students in Britain were voting not to defend king and crown if war should come to England. Not only did the Congress pass the Neutrality Act, but the words of the popular song in the 1930's was "I did not raise my darling boy to be a Soldier to go to war." Well, of course, we do not raise our children to go to war, as the father of four children I am not raising my children to be militaristic, or to go to war.

I want to deter war and the best way to do so is to have a strong defense and a credible foreign policy.

The Soviet Union is building faster and more dangerously than Nazi Germany in the 1930's.

Congress has passed "registration" and, No. 2, we passed a boycott of the Olympic games. While I supported both, those are no substitute for a foreign policy and strong defense. We need to spend more money for defending peace and freedom.

President John Kennedy said in 1963 that in terms of what was going on in the world at that time, there was no first and second in terms of military power or defense deterrent, there was only first and last. We cannot afford to be last because there is no one left to be a leader of the free world. I do know one thing, the hour is late for the democracies, and there is no substitute for a strong deterrent.

To me, the 1930's, when the pulpits were aflame with pacifism, with preachers preaching neutrality in the face of Nazi aggression, in the perspective of human history, it seems to me that it was intellectually immoral. It seems to me that today, in the face of what the Soviet Union is doing in Afghanistan, their buildup of arms and their attacks on North Africa, their pincer movement toward the Middle East, it is immoral for this Congress not to act to expand our defense. This amendment is a symbol that we have learned the lesson of history which is that weakness is provocative.

Hegel said:

> The only thing people learn from history is no one ever learns from history.

We must learn from history. I rise in strong support of the Gramm-Holt amendment.

Mr. ANDREWS of North Carolina. Mr. Chairman, I move to strike the last word.

I would ask the chairman a question. I and a number of others have opposed all of the amendments and we are here essentially, I hope, to adopt a balanced budget. But I think many Members share with me a deep concern about some of the things that have been said here today, some of the accusations that have been made.

I understand the budget resolution before the House provides for $147.9 billion for defense. Is that correct?

Mr. GIAIMO. Mr. Chairman, will the gentleman yield?

Mr. ANDREWS of North Carolina. I yield to the gentleman.

Mr. GIAIMO. That is correct, in outlays.

Mr. ANDREWS of North Carolina. I understand the other body has already adopted a budget resolution which provides for considerably more.

Mr. GIAIMO. It provides for $155.7 billion.

Mr. ANDREWS of North Carolina. Could the gentleman give us any reasonable degree of assurance as to where the conference report which, of course, will be the ultimate we are trying to accomplish, may come out?

Mr. GIAIMO. Let me say to the gentleman that we go to the conference assuming that our numbers are accurate numbers, and the other body is over us. They have it at $155.7 billion and we are at $147.9 billion. The administration and the President are at $150.5 billion. The other body is below, will be below us in some social programs, and we would like to get them to come up in some of the social programs. They would like for us to come up in defense programs.

There have been a lot of reestimates and actions taken since we put our numbers together. My guess would be that the President's number in the $150 billion area is about the correct number, and that is where I would suspect we might be able to compromise out.

Mr. ANDREWS of North Carolina. Excuse me for being personal, but may I just ask the gentleman as chairman if he will support that effort to see that the conference report has a figure of at least $150 billion?

Mr. GIAIMO. I do not want to tie my hands. I will say to the gentleman, and I cannot guarantee to him what will happen in the conference, but if past conferences have been any example, what has happened is that we have had a tradeoff of defense for other programs. I think that a good case can be made for a defense number in the area of about $150 billion, but not as high as the present substitute would raise it to.

Mr. ANDREWS of North Carolina. I thank the gentleman.

□ 1550

Mr. MYERS of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. ANDREWS of North Carolina. I yield to the gentleman from Pennsylvania.

Mr. MYERS of Pennsylvania. I thank the gentleman for yielding.

Mr. Chairman, I rise in strong opposition to the Holt amendment. The passage of this amendment would be disastrous to our Nation at this time.

You have heard the arguments raised by my colleagues that this amendment will increase our defense spending beyond that necessary for national security and, more importantly, beyond that which can be spent effectively and efficiently by the Department of Defense.

I would like to point out some of the disastrous cuts that would occur in domestic programs if this amendment were to pass.

First, the Holt amendment would cut the CETA program by an additional $1.7 billion. This would eliminate 110,000 jobs for the cyclically unemployed, in addition to the 50,000 job cut recommended already by the Budget Committee. At a time when our Nation is falling into a recession and the unemployment rate is already beginning to climb the effect of this amendment is unthinkable. In my district of Philadelphia we already have an unemployment rate in excess of 10 percent. The unemployment rate among blacks and youths is, of course, much worse. With the impending recession the city can only expect this problem to become much more severe; with the Holt amendment the unemployment problem in Philadelphia and throughout the Nation would only be increased drastically.

Second, the Holt amendment would further reduce funding for food stamps by $600 million and reduce benefits for families with children in the school lunch program by 15 to 20 percent. These cuts would be in addition to the $520 million in food stamps and $507 million in child nutrition funds already cut by the budget resolution this year.

I can only state that the effect of these cuts on our Nation's poor will be devastating. It is historically the imperative of our Nation and our Government to be responsive to the needs of our poor. To deprive them of food, life's most basic of necessities, at a time when our economy is at its lowest point since the Depression would be criminal. It will, in fact, be telling them that their Government does not care that they may starve.

In addition to these two most irresponsible cuts, the Holt amendment would also require a 20-percent cut in the budgets of 17 regulatory agencies. Two of these agencies would be the Mine Safety and Health Administration (MSHA) and the Occupational Safety and Health Administration (OSHA).

The 20-percent cut in MSHA funds would result in a loss of $32 million out of a total budget of $154 million. This cut would eliminate one-third of MSHA's work force. The major responsibility of the 504 individuals who would lose their job because of this amendment is enforcement of MSHA safety and health regulations. To combat our severe energy problems the United States is increasing its dependence on our domestic fossil fuels such as coal. MSHA inspectors work to protect the safety and health of our coal miners and other miners. To eliminate one-third of the inspection work force when the country is expecting to increase its production of mining creates a potentially hazardous situation where an increase in mining accidents may occur.

The Holt amendment cut of 20 percent in the OSHA budget would result in a loss of $43 million out of a total budget of $211 million. The effect of this amendment on OSHA would be much the same as the effect on MSHA. OSHA's ability to insure a safe and healthy workplace for our workers would be severely diminished. At least half the funds available for OSHA's regulations on carcinogens would be eliminated. It is just now becoming clear how much the workplace affects the health of our citizens, especially when they are working with chemicals and other substances that may cause cancer. To reduce OSHA's budget at this time would only serve to eliminate the many advances that have been made to date in the control of carcinogenic substances in the workplace.

There are many more reasons why the Holt amendment is an ill-conceived and potentially catastrophic reduction in funds for domestic programs. The few I have mentioned appear to me to be the most important. I can only restate my strong opposition to this amendment and I call on my colleagues to defeat this amendment. Only in this way can we signal our constituents that their welfare is at least as important to us as our commitment to a strong national defense.

● Mr. HOPKINS. Mr. Chairman, I rise in support of the Gramm-Holt bipartisan substitute amendment and commend my colleagues for recognizing the shortfall of the Budget Committee's proposal.

American intelligence reports of a Soviet combat brigade in Cuba, the seizure of our Embassy in Iran, followed by the Soviet invasion of Afghanistan, and the tragedy of our recent attempt to rescue the American hostages in Tehran has focused all our attention on the state of our national defense capability. As the newest member of the House Armed Services Committee, I have found myself thrust into the very center of this brewing controversy.

While I am no defense expert and I do not pretend to have all the answers to the many complex and difficult problems facing us in the area of national defense, I would like to share with you some thoughts and impressions I have concerning the military preparations of this Nation. To be quite frank, this Nation's military force is in deplorable shape. To understand how we got in this shape, one has to go back to the early 1970's; while this country was recovering from the Vietnam war experience. At that time, Congress started diverting funds previously allotted to defense into newly enacted social programs. This continued throughout the decade until in 1979, U.S. defense spending after inflation had fallen to its lowest level in 15 years.

Defense spending, as a proportion of our gross national product (GNP), has dropped to such a low point that we would have to increase it 100 percent just to bring it back to the same percentage of our GNP that it was in 1960—long before the Vietnam war. Soviet military spending, on the other hand, has outspent us on defense by $100 billion during the last decade. CIA analysts estimate the Soviet Union now spends approximately 50 percent more than the United States does on defense. The Budget Committee proposed 1981 budget calls for $160.8 billion in authority for defense.

Many of my colleagues on the Armed Services Committee and throughout the Congress have criticized the Budget Committee's proposed defense budget as inadequate to counter the Soviet military buildup. Some have even called for up to a 20-percent real spending increase for defense. Others are demanding a quick fix for our defense ills, no matter what the costs.

There is no doubt in my mind that getting our national defense up to par and keeping it that way is going to require increased funding. That is why I support the Gramm-Holt substitute. But not only do we need to spend more, we also need to spend wiser.

In support of this I would point to the recent action by the Armed Services Committee where we cut $80.7 million from the Air Force's proposed C–X cargo aircraft program. Many of the functions defined for the C–X could be readily performed by the modified C05A aircraft already scheduled. In other words, I am convinced that the increased funding which Gramm-Holt would provide for defense spending will only be used to fund programs that are essential.

I want to caution my colleagues that we cannot afford to become so involved in talking about the needs of this social program or the priority of that social program that we forget the greatest threat to our society—Soviet military power and expansionism. The defense budget cannot be compared with, nor should it be tied to social welfare programs. We cannot help those Americans in need if we are subject to the trading dictates of a foreign power. Our Nation's defense is in fact, the only social welfare program which protects every American citizen and the rest of the free world. That is why the defense budget must be given highest priority.

This Congress should recognize the wishes of a majority of the American people who support an increase in defense spending. In a recent questionnaire I conducted in my district alone, a clear 72-percent majority supported an increase in defense spending.

The Budget Committee's proposal simply fails to provide sufficient revenues necessary to maintain a strong and credible military defense system.

How can we expect to have credibility with our NATO allies when we renege on the 3-percent real increase in defense spending that was promised them? Indeed, how can we have credibility with the American people when the present defense budget reneges on the 5-percent real increase in defense spending which President Carter in his state of the Union message said were absolutely necessary? I believe it is absolutely essential that we meet the national security needs of our Nation. The Gramm-Holt bipartisan substitute is a reasonable budgetary plan to achieve that goal and yet maintain a balanced budget, and I encourage my colleagues to support it.●

● Mr. BENNETT. Mr. Chairman, I rise in strong support of this amendment to increase the budget authority and outlay targets for national defense to $166.6 billion and $153 billion respectively. I support this increase for very simple reasons—the facts clearly show such an increase is necessary.

The President's original request in January for national defense for fiscal year 1981 was $161.8 billion in budget authority and $148.8 billion in outlays. Since that time the President has submitted a significant change to his January budget. Specifically, a budget amendment of $4.5 billion in budget authority for the following areas:

First, $2.9 billion for increased fuel costs;

Second, $1 billion for higher than anticipated inflation throughout the Defense Department; and

Third, $0.6 billion for increased costs associated with our Indian Ocean operations and the new rapid deployment force.

The administration proposes to offset $1.6 billion of this increase through program cancellations and deferrals. Specifically, the administration proposes to delay the introduction of the Army's DIVAD gun system by at least 1 year, $100 million; cancel a previously approved guided missile frigate for the Navy, $190 million; defer the procurement of the Navy's HARM missile program, $88.8 million; cancel the procurement of spare reactor cores for our nuclear attack submarines, $35 million; defer base operating support for our forces throughout the world, $93 million; reduce necessary real property maintenance at facilities in the continental U.S. and abroad, $105 million; defer selected research and development programs, $208 million; and impose civilian hiring limitations and travel restrictions throughout the Defense Department, $263 million. Other reductions amounting to some $600 million in nonweapon system procurement and operation and maintenance are also proposed.

Only the DIVAD gun system and the HARM missile require authorization from the Armed Services Committee. The full committee in its review of the fiscal year 1981 amended request rejected these proposed reductions. The remaining program reductions must be considered by the Appropriations Committee.

In essence, the administration is cutting sorely needed programs in fiscal year 1981 to pay for additional fuel and inflation costs. Unfortunately, this is not what Secretary of Defense Brown told the Armed Services Committee last December would happen should inflation estimates prove to be lower than anticipated. At that time Secretary Brown testified the Defense Department would indeed request a supplemental for additional inflation costs but not propose real program cuts to the tune of $1.6 billion.

The Holt amendment simply provides the budget authority and outlays necessary to fund the additional fuel, inflation, and Indian Ocean operations costs but does not assume real program cuts of $1.6 billion.

The President's January request was for $161.8 billion, he has now submitted a necessary budget amendment for an additional $4.5 billion. This amendment should be approved. The program reductions should be rejected. The new total for national defense should be at least $166.6 billion to cover the President's amended budget request.

I might add the President's defense total for fiscal year 1980, including the recent supplemental request for fiscal year 1980, will be about $142.4 billion in budget authority. Thus, a fiscal year 1981 total of $166.6 billion is an increase of 16 percent before inflation. If inflation continues at a rate of 12 to 14 percent, there is no way of achieving a real growth in defense of the 5 percent so often stated.

In essence, this amendment provides the budget authority requested by the President. The Congress should at least approve his request. I strongly urge my colleagues to support this increase.●

● Mr. CONYERS. Mr. Chairman, the House in approving the budget resolution without the substitutes that restore the cuts that were made in virtually every domestic program would be, in effect, rubberstamping actions already taken by the administration and the Federal Reserve Board to bring about another major recession, similar to the economic nosedive that occurred in 1973–75.

For this reason, I voted for or intended to vote for a series of substitutes—the Mitchell, Solarz, Ottinger, and Obey substitutes—that would have restored balance to the budget resolution and provided the economic tools to minimize the impact of the recession. The Ottinger amendment, in particular, would have unshackled this body from the orthodoxy of balanced budgets and discredited tradeoff theories, that seek to combat inflation by curbing growth, throwing yet more citizens out of work, and deepening the recession already underway. Unfortunately, the House refused to approve these restorative substitutes.

The calamity that awaits the national economy already is unfolding in Detroit and Michigan. We ought to pay close attention to the situation there because it is likely these conditions will spread to every other urban center, if we continue on our present budget-balancing and recessionary course.

It does not require any miraculous prophecy to foresee a similar unfolding of events throughout the Nation. How possibly can the economy survive the triple assault of first choking off consumer spending by permitting a staggering inflation to exist and then cutting off consumer credit; second, by choking off business credit and spending; and third, by cutting back drastically on government spending, except for defense which has the least connection with the consumer economy?

The House, by approving the first budget resolution as it presently stands, would be tying its hands and evading its responsibility when the inevitable occurs, and the full effects of the current recession hit home:

An additional 3 million or more workers who are thrown out of work, beyond the 6–8 million already unemployed;

The further demoralization of the work force, and curtailment of their wages and real income, which I submit can only aggravate further the productivity problem that is discussed so often here;

The combination of recession, inflation, and soaring interest rates driving untold numbers of small businesses into bankruptcy, and more cities into insolvency, as happened to New York following the last recession;

The further curtailing of already limited services and capital improvements by State and local governments, that neither can finance their budgets through revenues nor obtain the necessary credit they need; and

The Federal Government, at some point down the road, in order to avert higher crime rates and perhaps social disorders, would wind up facing another round of exploding public costs and deficits to cover the surge in unemployment, public assistance demands, and the costs of bailing out local governments and ruined local economies.

As has been pointed out many times before, the only winners in recessions are the large corporations that can finance their own growth, while being able to cut back on labor costs and their workers: And the big losers are the public who wind up paying the bills, on whose shoulders all of the costs are transferred.

The real questions about inflation and the weaknesses of the American economy are not being raised and addressed in this resolution. In fact, the resolution studiously avoids raising them.

The real question that needs to be asked now is: How can the Congress salvage and rebuild the American economy, rather than how the Congress can balance the Federal budget. Instead of focusing on a balanced budget, which most experts agree can only have a minuscule and delayed impact in cutting the inflation rate, we should be asking the hard questions:

Why has the U.S. gross national product fallen behind the GNP of the European economic community?

Why has there been a steady erosion in the position of American industry in world export markets?

Why is the United States bearing a far greater defense burden, relative to GNP, than all of our allies; in fact, a burden that is nearly three times the amount that Japan contributes, whose economy is far stronger?

Why official economic policy has sacrificed long-term economic growth, full employment, full use of its productive capacity, and instead has promoted recessions, slow or no growth policies, and fiscal collapse in a great many communities around the country?

Why Federal policies consistently have devoted the bulk of funds for research and development to defense production and very little to development of new technologies in all other sectors?

Why is so little effort being made to lessen the Nation's dependence on foreign oil and to solve the energy crisis?

Since the budget resolution fails to address the basic weaknesses of the economy, does it address the inflation question, which presumably is the rationale for this budget balancing resolution? I think not. The budget resolution, like the economic policies it reflects, appears to be grounded in at least four notions about economic life—myths, to be more precise—that should have been dispelled long ago, since we have gone down the recession road before and ought to have learned of its disastrous consequences.

First, the notion that Federal deficits cause inflation.

There is no evidence, historically, that deficits cause inflation, though it is true that inflation causes deficits. In President Ford's last 2 years the cumulative budget deficit was $111.6 billion, an all-time record, yet the inflation rate was brought down to 4.8 percent; on the other hand, during the past 2 years, when the budget deficit was nearly half the Ford deficit, the inflation rate tripled. Furthermore, I understand that Japan's current deficit is some $60 billion, and yet it has one of the lowest inflation rates in the world.

Second, the notion that consumers cause inflation.

Yet the Director of the Council on Wage and Price Stability recently told the House Consumer Subcommittee, of which I am a member, that nearly three-quarters of the rate of increase in inflation was due to the cost of oil and the cost of credit, neither of which consumers are responsible for. If that is the case, inflation can only be controlled by controlling the price of oil and cutting interest rates on borrowing.

Third, the notion that a balanced budget brings about economic stability.

The last time Federal budgets were consistently balanced was during all the years of the 1920's, and that glorious fiscal period ended in the worst depression in our history.

An argument can be made that budgets should be balanced when there is surplus income, full employment, and full use of productive capacity; yet today at least 17 percent of plant capacity is idled, unemployment exceeds 6 percent, more than 25 million Americans exist in poverty, and deficits in public financing are the rule rather than the exception.

Fourth, the notion that the best way to restore vitality to the economy is first to cut off its productive limbs, stifle its growth, and cripple its productive and labor force.

This notion stretches all logic and defies experience, as is evidenced by the trends in the past several recessions. Each subsequent recession has been worse than the previous one: Lasted longer; exhibited higher unemployment and inflation rates after recovery; and caused greater income loss and fiscal distress to local economies.

The House resolution to balance the fiscal year 1981 Federal budget offers no solution to the inflation; on the other hand, it is likely to deepen the recession.

The budget resolution abandons all considerations of meeting domestic priorities as it: Permits a 12.3-percent increase for defense outlays versus a 6-percent increase for all nondefense outlays; slashes to one-third the rate of increase in outlays to State and local governments that has occurred over the past several years, 4 percent versus a 14-percent annual average from 1971 to 1979; provides for a 2.1-percent real growth in defense outlays, as compared to a 64-percent decline in outlays for agriculture; a 9-percent decline in community and regional development funds; a 7.8-percent drop in education and employment programs; a 28-percent decline in State and local assistance; and even a 3.5-percent drop in outlays for energy development.

As bad as the budget numbers are, the method by which the House Budget Committee arrived at these numbers is equally discreditable. Having been swept up by the idea of balancing the budget, the committee proceeded to indiscriminately cut programs that in the aggregate would equal the amount needed to balance spending against revenues. There was little rhyme or reason in the method of identifying what programs to cut. It was all done in great haste. The most vulnerable programs, which have the least organized power behind them, were the first ones cut. The fact that public service jobs, urban assistance, health and education programs have fallen out of favor with voters made this meat ax approach all the more easy. On the other hand, those programs such as defense that enjoy the greatest symbolic power and organized clout, if not substantive virtue, were the ones that escaped the cuts. The approach to balancing the budget—the haste; failure to consider consequences; the cave-in to organized power and popular symbolism; the seat-of-the-pants consensus building—is as totally contrary to a rational, farsighted, planned approach as any that I have witnessed in this body. It violates at every point the spirit and the letter of the economic policy framework that this very body approved overwhelmingly in the Humphrey-Hawkins Full Employment Act, which became law a year and a half ago, only to be subverted and abandoned when the real test came.

We have, indeed, reached another critical turning. Before we go down the old discredited path of further crippling the economy, its work force and productive capacity, I urge my colleagues to chart an entirely different course that addresses the basic economic problems we face.

A start in dealing with the real economic problems could be made by returning to the framework set out in the Humphrey-Hawkins Full Employment and Balanced Growth Act and implementing that law. This alternative would require us to put into place the mechanisms for long-term planning for coordinated growth; rebuilding our industrial base; strengthening our position in export markets; creating an energy policy that not only lessens our dependence on foreign oil, but also our dependence on the dominant position of a handful of monopolistic multinational oil corporations; and that in the short run would establish emergency across-the-board controls on prices, profits and interest rates (insuring that workers' wages are not jeopardized) that can break the inflation psychology and provide the decent alternative to a deepening recession.●

● Mr. ASHLEY. Mr. Chairman, I rise in opposition to the amendment offered by Representatives Holt and Gramm. As you know, I have been a part of the House-Senate leadership that has been working with the administration since early March to balance the Federal budget. The committee's resolution requires severe cuts throughout the budget, but we have managed to achieve a balanced budget which provides for a strong national defense posture while continuing to protect the neediest and the most disadvantaged in our country. The budget resolution as reported by committee has been painstakingly prepared. It is based on a carefully crafted coalition of support.

The Holt-Gramm amendment which would increase defense spending by $5.8 billion with comparable offsetting reductions in other programs would radically reorder the priorities established in the resolution reported by the Budget Committee. The Holt-Gramm amendment would undermine the consensus behind the budget resolution and could ultimately jeopardize the implementation of a balanced budget in the appropriations and authorizing committee.

The Budget Committee supports a strong national defense posture and in this resolution provides for a very large increase in defense spending. Responding to the tense international situation, we have recommended the largest peacetime increase in defense spending since World War II—an $18.3 billion increase in budget authority and a $15.2 billion increase in outlays. This translates into a 3.4 percent real increase over fiscal year 1980, after allowing for inflation. Our defense figure—$1.7 billion higher than the reestimated January request from the President—was based on the advice and agreement of defense leaders and experts from both the administration and the Congress.

In particular, the Budget Committee has increased the modernization and readiness portion of the defense budget—that part of the defense budget which is relevant to our NATO commitment—by 3.8 percent above the cost of inflation. We have assured that the President's commitment to our NATO allies is met. Additionally, the resolution provides for large increases for weapons procurement, operations and maintenance, military manpower, and research and development.

Yet we are currently being asked to support even higher levels of defense spending. I do not believe that we should let the current international crises to force us into careless and ineffective spending for any facet of the Government. The levels of defense spending in the committee resolution were based on the premise that the Department of Defense, like all other areas of Government, could accomplish savings through the reduction of waste, inefficiency, and certain low-priority activities. And, in the final analysis, the House Budget Committee has not required anywhere near the same fiscal restraint from the Department of Defense that we have required and demanded from all other Federal agencies and programs. The Holt-Gramm substitute would not give us a stronger national defense than we have recommended, but would exempt the Department of Defense from any semblance of the standards of efficiency and discipline which are being required in other areas of the budget.

It is also clear that the Senate Budget Committee, over the strong opposition of its chairman, has already increased defense spending far beyond the amount agreed to in March. A compromise will have to be struck with the Senate.

Furthermore, the offsetting reductions which Holt-Gramm proposes in other budget functions—on top of the cuts already included in the committee resolution—are either nebulous (like cutting $1.7 billion in the catch-all allowances function) or unfairly severe. The Budget Committee has already cut $1 billion from the CETA program, yet the Holt amendment would cut this program by another $1.7 billion (resulting in an overall 30 percent cut in the CETA program). This slash in job training slots is being proposed at a time when the long-predicted recession is throwing more and more people out of work each day and the unemployment rate among young economically disadvantaged youth has become a problem of national concern.

I believe that this Government has a responsibility to the poor. Yet the Holt amendment would cut $630 million in the food stamp program, on top of the $430 million already cut in the committee resolution. The proposed cut in the food stamp program to eliminate benefits for those children who receive free school lunches would affect the very poorest of the families on the food stamp rolls, and would undermine even further those children's chances to have three nutritionally sound meals a day.

In summary, I believe that the first budget resolution as reported by the committee provides for a budget which is balanced not only in an accounting sense, but from a standpoint of equity. I urge you to defeat the Holt-Gramm substitute and support passage of the committee reported resolution.●

● Mr. GAYDOS. Mr. Chairman, I rise in opposition to this amendment. This amendment would have a crippling effect on both the Mine Safety and Health Administration (MSHA) and the Occupational Safety and Health Administration (OSHA). It proposes a $32-million reduction, this is, a 21-percent cut, in MSHA's total 1981 budget of $154 million; and it proposes a $44 million reduction, that is, a 20-percent cut, in OSHA's total 1981 budget of $212 million.

Both of these agencies are responsible for the health and safety of 65 million working men and women throughout this Nation. The passage of this amendment would severely impact upon their ability to carry out their respective congressional mandates.

If the amendment were to pass, a total of 1,176 full-time positions, that is, approximately one-third of MSHA's total work force would have to be eliminated. The major impact would be in enforcement. Assuming the reduction is applied to the regular mine inspector force, the total number of inspectors would decrease from 1,680 to 504.

This would involve a reduction in the total number of health and safety inspections which MSHA is congressionally mandated to perform. (Section 103(a) of the Federal Mine Safety and Health Act of 1977 requires that all underground mines be inspected four times a year and all surface mines twice annually.) According to Labor Department calculations, this would result in MSHA being able to perform less than two of the required four underground inspections and less than one of the two surface inspections.

Furthermore, inspections other than the mandatory regular inspections of underground and surface mines would be severely affected. For instance, with such a limited work force, MSHA's ability to comply with section 103(i) of the 1977 act, which requires MSHA to periodically inspect mines with excessive methane gas and other serious safety and health hazards, could be practically eliminated.

Additionally, resources would not be available for special programs to aid the mine operators in complying with health and safety standards without civil penalties. For example, MSHA's compliance assistance visit program for metal/nonmetal mines could very well be halted; MSHA's special audit program of uranium mines which assures compliance with MSHA's radiation standard would be severely impacted; and MSHA's winter alert program, which alerts the operator to the potential for disasters in underground coal mines, such as explosions of methane gas, would be drastically impaired.

With regard to the proposed $44 million OSHA budget cut, the activities and services affected by such cuts would be:

First. Compliance assistance programs and State programs, because they are are the largest and most flexible OSHA programs, would be cut by the largest amounts—approximately 37 percent according to Labor Department calculations.

State programs would be cut $16.1 million, resulting in an overall Federal grant share of 31 percent rather than the customary and present 50 percent. This could lead to many of the 23 States now participating in the OSHA program to drop their programs.

Compliance assistance funds available for consultation and new directions grants programs would be reduced by a total of $16.7 million. It would lead to the elimination of approximately 35 new university, union, trade association, and other grants for the training of workers in hazard recognition and safe work practices. Federal support for consultation programs would be decreased by approximately 35 percent with States being asked to assume a greater share of the burden. This may lead many States to drop their consultation programs.

Second. The promulgation of safety and health standards would be severely impaired. For instance, the deletion and updating of standards would be slowed, and the training of compliance officers in the enforcement of new standards would be reduced or eliminated.

Third. Federal enforcement staffing would be reduced by approximately $5 million and 120 positions, thus reducing the agency's capacity, both to make general schedule inspections of the most hazardous worksites, and to respond to employee complaints about hazardous conditions and to investigate accidents.

Fourth. Technical support services which provide employers with information about technology and alternative means of compliance would be cut.

Fifth. Funding for the gathering of safety and health statistics would be severely impaired. This would lead to the elimination of the supplementary data system (SDS) which provides accident causality and severity data for OSHA's targeting system. It might also lead to the elimination of the annual Bureau of Labor Statistics survey which is also used for targeting.

While the armed services protect American citizens from external threats to life and limb, agencies such as OSHA and MSHA protect American workers from threats to their life and limb which are present in their everyday work environment. Why should these workingmen and women, many of whom will be producing the equipment and materials used by the military, be denied their health and safety? What purpose does it serve to protect American citizens from foreign threats if they are exposed to occupationally related deaths, injuries, and diseases at home?

● Mr. MATTOX. Mr. Chairman, since becoming a Member of Congress back in 1977, when my colleagues honored me by electing me to the House Budget Committee, I have become a strong supporter of the congressional budget process. Few Americans realize that the Congressional Budget Act of 1974 implemented a procedure, for the first time in history of our Republic, by which the overall spending process could be effectively monitored. This new process represents one of the single most important improvements in the way we do the people's business.

When I first ran for office in 1976, I said that I thought the Federal budget could be brought into balance by the end of 1981. I knew then, as did most reasonable people, that the deficit spending habit could not be broken overnight. After all, deficit spending has been the rule rather than the exception.

In the 50-year period beginning with 1931, the Federal budget has been in balance only eight times—and on those occasions when it was in balance, like those when we had deficits, political control of the Congress rested with both parties.

Mr. Chairman, there is plenty of praise as well as blame to go around. We need to scale down the partisan rhetoric which abounds today and shoot straight with the American people. The truth is, deficits have occurred not as a result of which party was in control, but because for the first 187 years of this constitutional form of government we had no coherent method of overseeing congressional spending.

With the enactment of the Congressional Budget Act of 1974, we implemented just such a process and we stand here today on the brink of realizing the fruits of this important reform.

It is true that the budget resolutions produced by this process over the last 3 years have had deficits—but it is also true that the process has been working. While I supported the budget resolutions in the last 3 years, I did so solely because I believed that the budget process was the key to a return to sound fiscal policy.

In casting my votes in favor of these budget resolutions, I deplored the fact that they contained deficits. It would have been just as easy—in fact, easier—to vote against those resolutions and then wryly tell my constituents that I had acted in their best interests—but that would not have been responsible.

I remember the debate on this very floor back in 1978 when the subject of voting for the 1979 budget resolution was being discussed. My esteemed former colleague from Texas, Omar Burleson, argued that we should vote for the budget resolution even though it was not perfect. He said:

> (The budget process) is just beginning to have a chance to work . . . It is one of those things that is not as good as it should be, not as good as we want it to be, but it is a lot better than it used to be. Given a chance, I think we can get a handle on our fiscal affairs. . . .
>
> It is important to try, and we have tried, to bring some order to our fiscal affairs and there is opportunity to greatly improve in the future. Thinking back to other attempts back in 1949, and in the 1950's, we tried to have a consolidated appropriation, everything in one package; it did not work, but this is working and it can be made to work.
>
> I think that this is the greatest hope that the country can view as an effort to finally get a balanced budget and to get on a pay-as-you-go basis; to restore a confidence in this Nation that we can govern ourselves and run the business of the country more efficiently than has been the case in the past. . .

Today, we have a budget resolution before us which accomplishes the long-sought goal of balancing the budget. Moreover, this goal has been realized without using new taxes.

To be sure, this budget is not perfect. In fact there are many things about it which I would prefer to see changed. It does contain recommendations which I believe represent a major contribution to sound fiscal policy, and it is worthy of the bipartisan support of this Congress—just as it received bipartisan support in committee.

The reason this resolution is so important in my opinion, is that it goes beyond simply putting our Government's fiscal house in order—it represents the physical embodiment of a long overdue realization here in Washington that there are limits to what the Federal Government can and should spend. This latter fact is what makes this resolution and the budget process which produced it, so important.

Without the budget process, I believe Congress over the past few years would have gone its merry way—never addressing the fundamental question of fiscal responsibility and restraint. I must admit that on many occasions in the past the prospects were dim and the future bleak. In my opinion, we now have had the courage to embark on what everyone admits is a most difficult road to follow.

If we had unlimited resources, there would be no need for a budget and no need to plan for the future. We do not have an unlimited resource capability. We spend over $90 billion a year in this country for foreign oil. The high inflation rate has dug deeply into the pockets of every American. Our elderly and poor are the ones who are most hurt because they live on fixed or limited incomes. We must take the appropriate steps to curb inflation.

A balanced budget based upon restraint in Federal spending constitutes a clear signal to the American people and indeed the entire world that the Congress is willing and capable of exercising the self-discipline necessary to reverse the inflationary trends.

Those of us who wanted to see fiscal policy change faster than has been the case, can take pride in this resolution.

It is a matter of public record that many of the recommendations contained in this resolution were introduced at one time or another by me and several of my other colleagues on the Budget Committee.

For the past 3 years I have strongly advocated spending restraint. Last year I introduced amendments that would reduce the excessive increases in spending for public service jobs, targeted fiscal assistance, Law Enforcement Assistance Administration, UDAG, and community block grants. In one form or another, the committee has adopted every one of those amendments. Last year, for example, I proposed an amendment that was euphemistically called the "no new starts" amendment. The purpose of that amendment was to prevent the initiation of any new program without first finding the money out of existing programs. The committee has adopted this recommendation as well.

On the revenue side, for the 2 years I have advocated a social security tax reduction and an accelerated depreciation allowance. Both of these tax reductions are highly targeted toward increasing productivity and decreasing inflationary pressure through the reduction of the cost of doing business. The committee has now accepted these recommendations.

This budget is based upon restraint in spending; that is its fundamental purpose. Every attempt has been made to protect the indigent, the elderly, and the handicapped. This is still a large budget, but it is a balanced and responsible budget. Therefore, I am pleased to support this resolution because what had once been a few voices in the wilderness have now become a 2 to 1 majority of the committee and I implore my colleagues in the House to approve this resolution by a similar margin.●

● Mr. STOKES. Mr. Chairman, I rise in opposition to the Holt amendment.

Yesterday, I spoke to you with regard to the effect the House Budget Committee's recommendations will have on the unemployment rate in this Nation. I think it has become increasingly clear that the unemployment rate has reached epidemic and in fact depression levels in the majority of our inner-city areas and is rapidly increasing. The National Urban Coalition has estimated that the combined effect of the program reductions contained in the Budget Committee's resolution for 1981 translates into a loss of approximately 495,000 jobs. This in and of itself will be a devastating blow to the goal of equal employment opportunities for all Americans.

The establishment of federally supported employment programs points to the commitment that we in the Congress once had to the goal of equal employment opportunities for all Americans. Although funding for these programs has steadily declined in recent years to unacceptable levels, the fact still remains that we have at least shown our token commitment to this goal.

But in reviewing the program cuts proposed by the gentlewoman from Maryland, I am convinced that a vote for this amendment is a vote for unemployment, not only in the large urban areas of the Northeast, but also in middle America.

This amendment proposes incredible reductions in our public service employment programs. It recommends reductions of $2 billion budget authority and $1.7 billion in outlays, on top of the $1 billion recommended by the House Budget Committee. This reduction translates into a severe and very dangerous curtailment of public service employment, in addition to being politically unrealistic.

This particular cut translates into a reduction of approximately 110,000 public service jobs, which I might add are designed for the cyclically unemployed and structurally and hardcore unemployed. These job reductions are in addition to the Budget Committee's recommendation to cut 50,000 jobs from the CETA program.

Personally, I find the prospects of such a cut, at a time when we are entering into a depression nationwide, utterly ridiculous. I find the $600 million reduction in budget authority and outlays ridiculous as well. During the debate on the Mitchell amendment, my colleague from California, Mr. DELLUMS, mentioned that over 17 million youths in our Nation are living in utter poverty. I would further submit that these same youths are suffering from some degree of malnutrition because of inadequate diets. Under the guise of eliminating duplication of food stamp subsidies and school lunch subsidies, the Holt amendment would serve to worsen an already intolerable situation, this reduction in the food stamp program, on top of that already recommended by the Budget Committee will surely mean that those of our Nation who are poor and can't even afford to feed their families a nutritionally adequate diet now, will be forced into an even greater level of substandard existence.

There is absolutely no justification for an increase of $5.8 billion in budget authority and $5.1 billion in outlays for defense, over that already provided by the Budget Committee's recommendation, a 13-percent increase over fiscal year 1980 levels, represents the largest single peacetime increase in U.S. military spending since World War II. The increase funding for defense provided by the Holt amendment has no real basis or foundation. One of the fundamental supporters of this increase is that of increased fuel costs.

As a member of the Budget Committee, I have yet to see an official administration request or document that substantiates a $4 billion increase in fuel costs. In light of this fact, I see no cause for such an increase, especially given the fact that this amendment would also incorporate the $200 million reduction for low-income energy assistance, a program designated to assist low-income families to help meet their energy bills. I submit that if we are to ask the poor, the elderly, and disadvantaged to tighten their energy belts, we must also tell the Department of Defense to do likewise.

The Holt amendment increases the defense budget to unwarranted levels at the expense of our unemployed, the poor, and our socially disadvantaged citizens. I urge each of you to join me in voting against the amendment.●

The CHAIRMAN. The question is on the amendment in the nature of a substitute offered by the gentlewoman from Maryland (Mrs. HOLT).

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mrs. HOLT. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 164, noes 246, not voting 22, as follows:

[Roll No. 212]

AYES—164

Abdnor
Andrews, N. Dak.
Applegate
Archer
Ashbrook
Badham
Bafalis
Barnard
Bauman
Beard, Tenn.
Bennett
Bethune
Bevill
Bouquard
Brinkley
Broomfield
Brown, Ohio
Broyhill
Buchanan
Burgener
Butler
Byron
Campbell
Carney
Carter
Chappell
Cheney
Clausen
Cleveland
Clinger
Coleman
Collins, Tex.
Corcoran
Coughlin
Courter
Crane, Daniel
Crane, Philip
D'Amours
Daniel, Dan
Daniel, R. W.
Dannemeyer
Deckard
Derwinski
Devine
Dickinson
Duncan, Tenn.
Edwards, Ala.
Edwards, Okla.
Emery
English
Erlenborn
Evans, Ga.
Evans, Ind.
Findley
Flippo
Fountain
Frenzel
Gingrich
Glickman
Goldwater
Gradison
Gramm
Grassley
Guyer
Hagedorn
Hammerschmidt
Hance
Hansen
Harsha
Hinson
Holt
Hopkins
Huckaby
Hughes
Hutto
Hyde
Ichord
Ireland
Jeffries
Jones, Tenn.
Kelly
Kemp
Kindness
Kramer
Lagomarsino
Latta
Leach, La.
Leath, Tex.
Lee
Lent
Levitas
Lewis
Livingston
Lloyd
Loeffler
Lott
Lungren
McClory
McDonald
McEwen
Madigan
Marks
Marlenee
Marriott
Martin
Mathis
Mica
Michel
Miller, Ohio
Montgomery
Moore
Moorhead, Calif.
Mottl
Murphy, N.Y.
Myers, Ind.
Neal
Nichols
Pashayan
Paul
Pickle
Porter
Quayle
Rhodes
Ritter
Robinson
Roth
Rousselot
Royer
Runnels
Santini
Satterfield
Schulze
Sebelius
Sensenbrenner
Shelby
Shumway
Shuster
Skelton
Smith, Nebr.
Snyder
Solomon
Spence
Stangeland
Stenholm
Stockman
Stratton
Stump
Symms
Taylor
Thomas
Trible
Vander Jagt
Walker
White
Whitehurst
Whittaker
Wilson, Bob
Wilson, Tex.
Winn
Wyatt
Wydler
Yatron
Young, Alaska
Young, Fla.

NOES—246

Addabbo
Akaka
Albosta
Alexander
Ambro
Anderson, Calif.
Andrews, N.C.
Annunzio
Anthony
Ashley
Aspin
Atkinson
AuCoin
Bailey
Baldus
Barnes
Beard, R.I.
Bedell
Beilenson
Benjamin
Bereuter
Biaggi
Bingham
Blanchard
Boggs
Boland
Bolling
Boner
Bonior
Bonker
Bowen
Brademas
Breaux
Brodhead
Brown, Calif.
Burlison
Burton, John
Burton, Phillip
Carr
Cavanaugh
Chisholm
Clay
Coelho
Collins, Ill.
Conable
Conte
Conyers
Corman
Cotter
Danielson
Daschle
Davis, Mich.
Davis, S.C.
de la Garza
Dellums
Derrick
Dicks
Diggs
Dingell
Dixon
Dodd
Donnelly
Dougherty
Downey
Drinan
Duncan, Oreg.
Early
Eckhardt
Edgar
Edwards, Calif.
Erdahl
Ertel
Fary
Fascell
Fazio
Fenwick
Ferraro
Fish
Fisher
Fithian
Florio
Foley
Ford, Mich.
Ford, Tenn.
Forsythe
Fowler
Frost
Fuqua
Garcia
Gaydos
Gephardt
Giaimo
Gibbons
Gilman
Ginn
Gonzalez
Goodling
Gore
Gray
Green
Guarini
Gudger
Hall, Ohio
Hamilton
Hanley
Harkin
Harris
Hawkins
Heckler
Hefner
Heftel
Hightower
Hillis
Holland
Hollenbeck
Horton
Howard
Hubbard
Jacobs
Jeffords
Johnson, Calif.
Jones, N.C.
Jones, Okla.
Kastenmeier
Kildee
Kogovsek
Kostmayer
LaFalce
Leach, Iowa
Lederer
Lehman
Leland
Long, La.
Long, Md.
Lowry
Lujan
Luken
Lundine
McCloskey
McCormack
McDade
McHugh
McKinney
Maguire
Markey
Matsui
Mattox
Mavroules
Mikulski
Miller, Calif.
Mineta
Minish
Mitchell, Md.
Moakley
Moffett
Mollohan
Moorhead, Pa.
Murphy, Ill.
Murphy, Pa.
Murtha
Musto
Myers, Pa.
Natcher
Nedzi
Nelson
Nolan
Nowak
Oakar
Oberstar
Obey
Ottinger
Panetta
Patten
Patterson
Pease
Pepper
Perkins
Petri
Peyser
Preyer
Price
Pritchard
Pursell
Rahall
Rangel
Ratchford
Regula
Reuss
Richmond
Rinaldo
Rodino
Roe
Rose
Rostenkowski
Roybal
Russo
Sabo
Sawyer
Scheuer
Schroeder
Seiberling
Shannon
Sharp
Simon
Smith, Iowa
Snowe
Solarz
Spellman
St Germain
Stack
Staggers
Stanton
Stark
Stewart
Stokes
Studds
Swift
Synar
Tauke
Thompson
Traxler
Udall
Ullman
Van Deerlin
Vanik
Vento
Volkmer
Walgren
Wampler
Watkins
Waxman
Weaver
Weiss
Whitley
Whitten
Williams, Mont.
Williams, Ohio
Wirth
Wolff
Wolpe
Wright
Wylie
Yates
Young, Mo.
Zablocki
Zeferetti

NOT VOTING—22

Anderson, Ill.
Brooks
Dornan
Evans, Del.
Grisham
Hall, Tex.
Holtzman
Jenkins
Jenrette
Johnson, Colo.
Kazen
McKay
Mazzoli
Mitchell, N.Y.
O'Brien
Quillen
Railsback
Roberts
Rosenthal
Rudd
Steed
Wilson, C. H.

□1600

The Clerk announced the following pairs:

On this vote:

Mr. Hall of Texas for, with Mr. Rosenthal against.

Mr. Roberts for, with Ms. Holtzman against.

Mr. Charles H. Wilson of California for, with Mr. Steed against.

Mr. Quillen for, with Mr. Jenrette against.

Mr. Jenkins for, with Mr. Johnson of Colorado against.

Mr. MADIGAN changed his vote from "no" to "aye."

So the amendment in the nature of a substitute was rejected.

The result of the vote was announced as above recorded.

PERSONAL EXPLANATION

Mr. EVANS of Delaware. Mr. Chairman, on rollcall No. 212 I was unavoidably detained in a hearing. An old friend of mine who was a Delaware witness at that hearing met me outside in the hall. Unfortunately, I did not hear the ringing of the bells until too late. I did sprint over here, but it was not quite fast enough and the vote was in the process of being announced at the time.

Mr. Chairman, had I been present, I would have voted "aye" on the Gramm-Holt substitute.

AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. LATTA

Mr. LATTA. Mr. Chairman, I offer an amendment in the nature of a substitute.

The Clerk read as follows:

Amendment in the nature of a substitute offered by Mr. LATTA: Strike all after the resolving clause and insert in lieu thereof the following:

That the Congress hereby determines and declares, pursuant to section 301(a) of the Congressional Budget Act of 1974, that for the fiscal year beginning on October 1, 1980—

(1) the recommended level of Federal revenues is $599,900,000,000, and the amount by which the aggregate level of Federal revenues should be decreased is $14,500,000,000;

(2) the appropriate level of total budget authority is $681,300,000,000;

(3) the appropriate level of total budget outlays is $597,800,000,000;

(4) the amount of the surplus in the budget which is appropriate in the light of economic conditions and all other relevant factors is $2,100,000,000;

(5) the appropriate level of the public debt is $926,800,000,000 and the amount by which the statutory limit on such debt should accordingly be increased is $30,100,000,000; and

(6) the appropriate level of total gross obligations for the principal amount of direct loans is $60,600,000,000 and the appropriate level of total commitments to guarantee loan principal is $79,600,000,000.

SEC. 2. Based on allocations of the appropriate level of total new budget authority and of total budget outlays as set forth in paragraphs (2) and (3) of the first section of this resolution, the Congress hereby determines and declares pursuant to section 301(a)(2) of the Congressional Budget Act of 1974 that for the fiscal year beginning on October 1, 1980, the appropriate level of new budget outlays authority and the estimated budget outlays for each major functional category are as follows:

(1) National Defense (050):

(A) New budget authority, $174,200,000,000;

(B) Outlays, $152,400,000,000.

(2) International Affairs (150):

(A) New budget authority, $22,800,000,000;

(B) Outlays, $8,800,000,000.

(3) General Science, Space and Technology (250):

(A) New budget authority, $6,000,000,000;

(B) Outlays, $5,800,000,000.

(4) Energy (270):

(A) New budget authority, $6,200,000,000;

(B) Outlays, $6,200,000,000.

(5) Natural Resources and Environment (300):

(A) New budget authority, $11,700,000,000;

(B) Outlays, $12,200,000,000.

(6) Agriculture (350):

(A) New budget authority, $5,100,000,000;

(B) Outlays, $2,000,000,000.

(7) Commerce and Housing Credit (370):

(A) New budget authority, $4,700,000,000;

(B) Outlays, $400,000,000.

(8) Transportation (400):

(A) New budget authority, $20,400,000,000;

(B) Outlays, $18,300,000,000.

(9) Community and Regional Development (450):

(A) New budget authority, $7,500,000,000;

(B) Outlays, $9,100,000,000.

(10) Education, Training, Employment and Social Services (500):

(A) New budget authority, $29,500,000,000;

(B) Outlays, $27,000,000,000.

(11) Health (550):

(A) New budget authority, $70,600,000,000;

(B) Outlays, $60,900,000,000.

(12) Income Security (600):

(A) New budget authority, $241,600,000,000;

(B) Outlays, $214,100,000,000.

(13) Veterans Benefits and Services (700):

(A) New budget authority, $21,800,000,000;

(B) Outlays, $21,300,000,000.

(14) Administration of Justice (750):

(A) New budget authority, $3,900,000,000;

(B) Outlays, $4,300,000,000.

(15) General Government (800):

(A) New budget authority, $4,500,000,000;

(B) Outlays, $4,400,000,000.

(16) General Purpose Fiscal Assistance (850):

(A) New budget authority, $8,500,000,000;

(B) Outlays, $8,600,000,000.

(17) Interest (900):

(A) New budget authority, $71,800,000,000;

(B) Outlays, $71,800,000,000.

(18) Allowances (920):

(A) New budget authority, −$4,100,000,000;

(B) Outlays, −$3,600,000,000.

(19) Undistributed Offsetting Receipts (950):

(A) New budget authority, −$25,400,000,000.

(B) Outlays, −$25,400,000,000.

SEC. 3. Pursuant to sections 301(b)(2) and 310 of the Budget Act:

(a)(1) the House Committee on Agriculture and the Senate Committee on Agriculture, Nutrition, and Forestry shall recommend program reductions for fiscal year 1981 in reported or enacted laws, bills, and resolutions that reduce spending by $1,120,000,000 in budget authority and $1,120,000,000 in outlays and are instructed to report on or before June 15, 1980, such recommendations to effectuate reductions in corresponding new budget authority for fiscal year 1981, budget authority initially provided for prior fiscal years, and new or existing spending authority for programs within the jurisdiction of those committees;

(2) the Senate Committee on Agriculture, Nutrition, and Forestry shall reduce spending for fiscal year 1981 in enacted laws, bills, and resolutions by $1,233,000,000 in budget authority; and $1,207,000,000 in outlays and is instructed to report on or before June 15, 1980, its recommendations for changes in new budget authority for fiscal year 1981, budget authority initially provided for prior fiscal years, and new or existing spending authority contained in enacted laws, bills, and resolutions within the jurisdiction of this committee sufficient to accomplish the reduction required by this subsection;

(b) the House Committee on Armed Services and the Senate Committee on Armed Services shall reduce spending for fiscal year 1981 in enacted laws, bills, and resolutions by $3,263,000,000 in budget authority and $3,188,000,000 in outlays and are instructed to report on or before June 15, 1980, their recommendations for changes in new budget authority for fiscal year 1981, budget authority initially provided for prior fiscal years, and new or existing spending authority contained in enacted laws, bills, and resolutions within the jurisdictions of those committees sufficient to accomplish the reduction required by this subsection;

(c) the House Committee on Education and Labor shall reduce spending for fiscal year 1981 in enacted laws, bills, and resolutions by $1,539,000,000 in budget authority and $1,486,000,000 in outlays, and is instructed to report on or before June 15, 1980, its recommendations for changes in new budget authority for fiscal year 1981, budget authority initially provided for prior fiscal years, and new or existing spending authority contained in enacted laws, bills, and resolutions within the jurisdiction of this committee sufficient to accomplish the reduction required by this subsection;

(d) the House Committee on Interstate and Foreign Commerce shall reduce spending for fiscal 1981 in reported or enacted laws, bills, and resolutions by $300,000,000 in budget authority and $370,000,000 in outlays and is instructed to report on or before June 15, 1980, its recommendations for changes in new budget authority for fiscal year 1981, budget authority initially provided for prior fiscal years, and new or existing spending authority contained in reported or enacted laws, bills, and resolutions within the jurisdiction of this committee sufficient to accomplish the reduction required by this subsection;

(e) the House Committee on Post Office and Civil Service and the Senate Committee on Governmental Affairs shall reduce spending for fiscal year 1981 in enacted laws, bills, and resolutions by $3,839,000,000 in budget authority and $4,404,000,000 in outlays and are instructed to report on or before June 15, 1980, their recommendations for changes in new budget authority for fiscal year 1981, budget authority initially provided for prior fiscal years, and new or existing spending authority contained in enacted laws, bills, and resolutions within the jurisdictions of those committees sufficient to accomplish the reduction required by this subsection;

(f)(1) the House Committee on Public Works and Transportation and the Senate Committee on Environment and Public Works shall recommend program reductions for fiscal year 1981 in enacted laws, bills, and resolutions that reduce spending by $400,000,000 in outlays and are instructed to report on or before June 15, 1980, such recommendations to effectuate reductions in corresponding outlays for programs within the jurisdiction of those committees;

(2) the House Committee on Public Works and Transportation shall reduce spending for fiscal year 1981 in enacted laws, bills, and resolutions by $550,000,000 in budget authority and $550,000,000 in outlays and is instructed to report on or before June 15, 1980, its recommendations for changes in new budget authority for fiscal year 1981, budget authority initially provided for prior fiscal years, and new or existing spending authority contained in reported or enacted laws, bills, and resolutions within the jurisdiction of this committee sufficient to accomplish the reduction required by this subsection;

(g) the House Committee on Veterans' Affairs and the Senate Committee on Veterans' Affairs shall reduce spending or recommend program reductions for fiscal year 1981 in enacted laws, bills, and resolutions by $300,000,000 in budget authority and $300,000,000 in outlays and are instructed to report on or before June 15, 1980, their recommendations to reduce spending, or to effectuate reductions, in new or corresponding budget authority for fiscal year 1981, budget authority initially provided for prior fiscal years, and new or existing spending authority contained in enacted laws, bills, and resolutions within the jurisdictions of those committees, or for programs within the jurisdictions of those committees, sufficient to accomplish the reduction required by this subsection;

(h) the House Committee on Ways and Means shall reduce spending for fiscal year 1981 in reported or enacted laws, bills, and resolutions by $1,117,000,000 in budget authority and $2,369,000,000 in outlays, and is instructed to report on or before June 15, 1980, its recommendations for changes in new budget authority for fiscal year 1981, budget authority initially provided for prior fiscal years, and new or existing spending authority contained in reported or enacted laws bills, and resolutions within the jurisdiction of this committee sufficient to accomplish the reduction required by this subsection;

(i) The Senate Committee on Commerce, Science and Transportation shall reduce spending for fiscal year 1981 in enacted laws, bills, and resolutions by $550,000,000 in budget authority and $550,000,000 in outlays and is instructed to report on or before June 15, 1980, its recommendations for changes in new budget authority for fiscal year 1981, budget authority initially provided for prior fiscal years, and new or existing spending authority contained in enacted laws, bills, and resolutions with the jurisdiction of this committee sufficient to accomplish the reduction required by this subsection;

(j) the Senate Committee on Finance shall reduce spending for fiscal year 1981 in enacted laws, bills, and resolutions by $1,417,000,000 in budget authority and $2,669,000,000 in outlays and is instructed to report on or before June 15, 1980, its recommendations for changes in new budget authority for fiscal year 1981, budget authority initially provided for prior fiscal years, and new or existing spending authority contained in enacted laws, bills, and resolution within the jurisdiction of this committee sufficient to accomplish the reduction required by this subsection.

(k) the Senate Committee on Labor and Human Resources shall reduce spending for fiscal year 1981 in enacted laws, bills, and resolutions by $306,000,000 in budget authority and $349,000,000 in outlays and is instructed to report on or before June 15, 1980, its recommendations for changes in new budget authority for fiscal year 1981, budget authority initially provided for prior fiscal years, and new or existing spending authority contained in enacted laws, bills, and resolutions within the jurisdiction of this committee sufficient to accomplish the reduction required by this subsection; and

(l) the House Committee on Ways and Means and the Senate Committee on Finance shall decrease revenues for fiscal year 1981 in reported or enacted laws, bills, and resolutions by $14,500,000,000 and are instructed to report on or before June 15, 1980, their recommendations for changes in revenues for fiscal year 1981 contained in reported or enacted laws, bills, and resolutions within the jurisdictions of those committees sufficient to accomplish the increase required by this subsection.

SEC. 4. In accordance with section 301(b)(1) of the Budget Act, no bill or resolution providing new budget authority for fiscal year 1981 or providing new or existing spending authority described in section 401(c)(2)(C) of the Budget Act in excess of the allocation of the appropriate levels of total budget outlays and total new budget authority submitted pursuant to section 302(b) of the Budget Act, shall be enrolled until Congress has completed action on the second

* * *

quired to be reported under section 310 of the Budget Act; and, if a reconciliation bill or reconciliation resolution, or both, are required to be reported under section 310(c), until Congress has completed action on that bill or resolution, or both.

SEC. 5. The Congress sets forth the following budgetary levels for fiscal years 1982 through 1983—

(1) the recommended level of Federal revenues is as follows:

Fiscal year 1982: $660,300,000,000;

Fiscal year 1983: $731,500,000,000;

and the amount by which the aggregate levels of Federal revenues should be decreased is as follows:

Fiscal year 1982: —$25,600,000,000;

Fiscal year 1983: —$46,300,000,000;

(2) the appropriate level of total new budget autority is as follows:

Fiscal year 1982: $733,000,000,000;

Fiscal year 1983: $811,550,000,000;

(3) the appropriate level of total budget outlays is as follows:

Fiscal year 1982: $659,700,000,000;

Fiscal year 1983: $730,655,000,000;

(4) the amount of the surplus in the budget which is appropriate in light of economic conditions and all other relevant factors is as follows:

Fiscal year 1982: $600,000,000;

Fiscal year 1983: $2,155,000,000;

(5) the appropriate level of the public debt is as follows:

Fiscal year 1982: $954,200,000,000;

Fiscal year 1983: $970,600,000,000.

(b) Based on allocations of the appropriate level of total new budget authority and of total budget outlays for fiscal years 1982 and 1983 as set forth above, the appropriate level of new budget authority and the estimated budget outlays for each major functional category are respectively as follows:

(1) National Defense (050):

Fiscal year 1982:

(A) New budget authority, $204,500,000,000;

(B) Outlays, $183,100,000,000.

Fiscal year 1983:

(A) New budget authority, $233,900,000,000;

(B) Outlays, $208,600,000,000.

(2) International Affairs (150):

Fiscal year 1982:

(A) New budget authority, $13,770,000,000;

(B) Outlays, $8,500,000,000.

Fiscal year 1983:

(A) New budget authority, $11,925,000,000;

(B) Outlays, $8,020,000,000.

(3) General Science, Space, and Technology (250):

Fiscal year 1982:

(A) New budget authority, $6,360,000,000;

(B) Outlays, $6,190,000,000.

Fiscal year 1983:

(A) New budget authority, $6,250,000,000;

(B) Outlays, $6,170,000,000.

(4) Energy (270):

Fiscal year 1982:

(A) New budget authority, $6,210,000,000;

(B) Outlays, $8,920,000,000.

Fiscal year 1983:

(A) New budget authority, $7,650,000,000;

(B) Outlays, $9,020,000,000.

(5) Natural Resources and Environment (300):

Fiscal year 1982:

(A) New budget authority, $10,700,000,000;

(B) Outlays, $11,720,000,000.

Fiscal year 1983:

(A) New budget authority, $11,425,000,000;

(B) Outlays, $11,200,000,000.

(6) Agriculture (350):

Fiscal year 1982:

(A) New budget authority, $5,655,000,000;

(B) Outlays, $3,870,000,000.

Fiscal year 1983:

(A) New budget authority, $3,825,000,000;

(B) Outlays, $4,500,000,000.

(7) Commerce and Housing Credit (370):

Fiscal year 1982:

(A) New budget authority, $4,675,000,000;

(B) Outlays, $1,950,000,000.

Fiscal year 1983:

(A) New budget authority, $4,275,000,000;

(B) Outlays, $1,720,000,000.

(8) Transportation (400):

Fiscal year 1982:

(A) New budget authority, $20,000,000,000;

(B) Outlays, $18,420,000,000.

Fiscal year 1983:

(A) New budget authority, $20,375,000,000;

(B) Outlays, $18,650,000,000.

(9) Community and Region Development (450):

Fiscal year 1982:

(A) New budget authority, $8,125,000,000;

(B) Outlays, $8,150,000,000.

Fiscal year 1983:

(A) New budget authority, $8,125,000,000;

(B) Outlays, $7,970,000,000.

(10) Education, Training, Employment, and Social Services (500):

Fiscal year 1982:

(A) New budget authority, $32,030,000,000;

(B) Outlays, $29,810,000,000.

Fiscal year 1983:

(A) New budget authority, $32,750,000,000;

(B) Outlays, $30,475,000,000.

(11) Health (550):

Fiscal year 1982:

(A) New budget authority, $67,635,000,000;

(B) Outlays, $56,585,000,000.

Fiscal year 1983:

(A) New budget authority, $84,250,000,000;

(B) Outlays, $72,475,000,000.

(12) Income Security (600):

Fiscal year 1982:

(A) New budget authority, $270,000,000,000;

(B) Outlays, $240,000,000,000.

Fiscal year 1983:

(A) New budget authority, $300,000,000,000;

(B) Outlays, $265,000,000,000.

(13) Veterans Benefits and Services (700):

Fiscal year 1982:

(A) New budget authority, $21,390,000,000;

(B) Outlays, $20,800,000,000.

Fiscal year 1983:

(A) New budget authority, $22,750,000,000;

(B) Outlays, $22,740,000,000.

(14) Administration of Justice (750):

Fiscal year 1982:

(A) New budget authority, $3,955,000,000;

(B) Outlays, $4,125,000,000.

Fiscal year 1983:

(A) New budget authority, $4,300,000,000;

(B) Outlays, $4,450,000,000.

(15) General Government (800):

Fiscal year 1982:

(A) New budget authority, $4,450,000,000;

(B) Outlays, $4,200,000,000.

Fiscal year 1983:

(A) New budget authority, $4,475,000,000;

(B) Outlays, $4,400,000.

(16) General Purpose Fiscal Assistance (850):

Fiscal year 1982:

(A) New budget authority, $7,055,000,000;

(B) Outlays, $7,055,000,000.

Fiscal year 1983:

(A) New budget authority, $7,175,000,000;

(B) Outlays, $7.175,000,000.

(17) Interest (900):

Fiscal year 1982:

(A) New budget authority. $73,600,000,000;

(B) Outlays. $73.600.000.000.

Fiscal year 1983:

(A) New budget authority. $76.500.000.000;

(B) Outlays. $76.500.000.000.

(18) Allowances (920):

Fiscal year 1982:

(A) New budget authority, $0;

(B) Outlays, $0.

Fiscal year 1983:

(A) New budget authority, $1,300,000,000;

(B) Outlays, $1,300,000,000.

(19) Undistributed Offsetting Receipts (950):

Fiscal year 1982:

(A) New budget authority, —$27,300,000,000;

(B) Outlays, —$27,300,000,000.

Fiscal year 1983:

(A) New budget authority, —$29,700,000,000;

(B) Outlays, —$29,700,000,000.

SEC. 6. The Congress urges the President to study and review the current inflation measure for indexing Federal programs, and to submit his findings and recommendations for the most appropriate cost-of-living measure within sixty days after passage of this budget resolution.

SEC. 7. The Congress reaffirms its commitment to find a way to relate accurately the outlays of off-budget Federal entities to the budget. The Congress recognizes that by law the outlays of the off-budget Federal entities are not reflected in the budget totals, and that in fiscal year 1981 off-budget outlays (and, hence, the off-budget deficit) are estimated to be $16 billion.

SEC. 8. The Congress recognizes that the growth of Federal credit programs in recent years has been dramatic, and in some cases, has grown more rapidly than non-credit programs. Between 1976 and 1979, Federal expenditures increased by 35 per centum while new loan guarantees increased by 108 per centum; new direct loans by off-budget agencies increased by 70 per centum. Therefore, the Congress affirms its desire to exercise meaningful control over Federal credit programs.

SEC. 9. For the fiscal year which began on October 1, 1979, the appropriate level of the public debt is $896,700,000,000, and the amount by which the statutory limit on such debt should accordingly be increased is $17,700,000,000.

Mr. LATTA (during the reading). Mr. Chairman, I ask unanimous consent that the amendment in the nature of a substitute be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. GIAIMO. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. BOLLING, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the concurrent resolution (H. Con. Res. 307) setting forth the congressional budget for the U.S. Government for the fiscal years 1981, 1982, and 1983 and revising the congressional budget for the U.S. Government for the fiscal year 1980, had come to no resolution thereon.

PERSONAL EXPLANATION

Mr. BEREUTER. Mr. Speaker, I would like to explain for the record my vote on the previous amendment.

I wish to emphasize my vote against the Holt amendment was not a vote against increased defense spending. I have consistently called for a strong national defense posture, and believe we must have a significant and real increase in defense spending. However, I could not support the specific offsetting reductions in other areas of the budget which were contained in the Holt amendment. Specifically, and simply, I could not support cutting food stamp benefits for the poorest children in the country simply because they are eligible for a subsidized school lunch to supplement their dietary needs. In addition, the amendment did not attempt to cut total spending nor to stimulate the economy with tax cuts.

Consistent with my beliefs, I will support the Latta substitute which not only increases defense outlays above the Giaimo budget and the Holt amendment, but also cuts total spending $14 billion and has a tax cut package of $32 billion.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate has passed a bill of the following title, in which the concurrence of the House is requested:

> S. 2637. An act to ensure that the compensation and other emoluments attached to the office of Secretary of State are those which were in effect January 1, 1977.

☐ 1610

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF S. 1309, FOOD STAMP ACT AMENDMENTS OF 1980

Mr. MOAKLEY, from the Committee on Rules, submitted a privileged report (Rept. No. 96–918), on the resolution (H. Res. 651) providing for consideration of the Senate bill (S. 1309) to increase the fiscal year 1979 authorization for appropriations for the food stamp program and for other purposes, which was referred to the House Calendar and ordered to be printed.

TO INSURE THAT COMPENSATION AND OTHER EMOLUMENTS ATTACHED TO OFFICE OF SECRETARY OF STATE ARE THOSE WHICH WERE IN EFFECT JANUARY 1, 1977

Mr. HANLEY. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate bill (S. 2637) to insure that the compensation and other emoluments attached to the Office of Secretary of State are those which were in effect January 1, 1977, and ask for its immediate consideration in the House.

The Clerk read the title of the Senate bill.

The SPEAKER. Is there objection to the request of the gentleman from New York?

Mr. BAUMAN. Mr. Speaker, reserving the right to object, could I ask the gentleman from New York to give us a brief explanation of this legislation?

Mr. HANLEY. I will be delighted to.

Mr. Speaker, I am pleased to make this unanimous consent request so that the House may consider this bill which will facilitate the appointment of the Senator from Maine (Mr. MUSKIE) as Secretary of State.

As I am sure the Members are aware, article I of the Constitution of the United States provides that—

> No Senator or Representative shall, during the time for which he was elected, be appointed to any civil office under authority of the United States, which shall have been created, or the emoluments where of shall have been increased during such time.

The Senator from Maine was most recently elected to serve a term beginning in January of 1977 and, since that time, the salary for the Secretary of State has been increased. Accordingly, this bill is necessary to provide that the salary for the Office of Secretary of State, while such office is held by the Senator from Maine, will be the salary in effect on January 1, 1977.

Mr. Speaker, many Members will recall that we have taken similar action on other occasions when our colleagues have been appointed to positions in the Cabinet. This particular bill is modeled after similar legislation which was enacted upon the appointment of Attorney General Saxbe.

I am pleased to call up this legislation and ask for its speedy approval.

Mr. BAUMAN. Further reserving the right to object, I understand from what the gentleman says that Secretary Designate MUSKIE will then be paid at this recommended level for the remainder of his term, however long that may be?

Mr. HANLEY. The gentleman is correct.

Mr. BAUMAN. Nine months, I would guess.

Mr. HANLEY. As opposed to the $69,630 presently associated with that Cabinet post, Senator MUSKIE will receive but $63,000.

Mr. BAUMAN. I thank the gentleman, and I withdraw my reservation of objection.

Mr. HANLEY. I thank the gentleman from Maryland.

The SPEAKER. Is there objection to the request of the gentleman from New York?

Mr. DERWINSKI. Mr. Speaker, reserving the right to object for technical purposes, I join my distinguished chairman (Mr. HANLEY) in support of this needed legislation to remove any constitutional barrier to the appointment of our colleague, Senator MUSKIE, to the position of Secretary of State.

There are precedents for the legislation, one being the law enacted when Senator Saxbe was appointed Attorney General in 1973.

The effect of this legislation is to roll back the compensation for the Office of Secretary of State to the level as of January 1, 1977, before Senator MUSKIE took office for his present term, and to remain at that level until January 3, 1983.

As has been pointed out in debate, article I of the Constitution provides that—

> No Senator or Representative shall, during the time for which he was elected, be appointed to any civil office under authority of the United States, which shall have been created, or the emoluments whereof shall have been increased during such time.

The rate of pay for the Office of Secretary of State was increased in March 1977 and again in October 1979. It becomes necessary, therefore, to enact this legislation before the appointment of Senator MUSKIE, and so I urge my colleagues to add their approval.

Mr. HANLEY. Mr. Speaker, I thank the gentleman for his comments.

Mr. DERWINSKI. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore (Mr. MOAKLEY). Is there objection to the request of the gentleman from New York?

There was no objection.

The Clerk read the Senate bill, as follows:

S. 2637

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the compensation and other emoluments attached to the office of Secretary of State shall be those in effect January 1, 1977, notwithstanding any increase in such compensation or emoluments under (1) the Federal Salary Act of 1967 (Public Law 90–296; 81 Stat. 642) or the Executive Salary Cost-of-Living Adjustment Act (Public Law 94–82; 89 Stat. 419) taking effect during the period beginning at noon of January 3, 1977, and ending at noon of January 3, 1983, or (2) any other provision of law, or provision which has the force and effect of law, if such increase becomes effective during that period.

(b) Subsection (a) of this section shall be effective during the period beginning on the enactment of this Act and ending the earlier of noon of January 3, 1983, or the date on which the first individual appointed to the office of Secretary of State after the enactment of this Act ceases to hold that office.

SEC. 2. (a) Any person aggrieved by an action of the Secretary of State may bring a civil action in an appropriate United States district court to contest the constitutionality of the appointment and continuance in office of the Secretary of State on the ground that such appointment and continuance in office is in violation of article I, section 6, clause 2, of the Constitution. The United States district courts shall have exclusive jurisdiction, without regard to the sum or value of the matter in controversy, to determine the validity of such appointment and continuance in office.

(b) Any action brought under this section shall be heard and determined by a panel of three judges in accordance with section 2284 of title 28, United States Code. Any review of the action of a court convened pursuant to such section shall be by petition of certiorari to the Supreme Court.

(c) Any judge designated to hear any action brought under this section shall cause such action to be in every way expedited.

(d) This section applies only with respect to the Secretary of State who is first appointed to that office after the enactment of this Act.

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MAKING ADDITIONAL FUNDS AVAILABLE BY TRANSFER FOR FTC FOR FISCAL YEAR 1980

Mr. WHITTEN. Mr. Speaker, pursuant to the unanimous-consent request granted earlier today, I call up the joint resolution (H.J. Res. 541) making additional funds available by transfer for the fiscal year ending September 30, 1980, for the Federal Trade Commission, and ask for its immediate consideration in the House.

The Clerk read the joint resolution, as follows:

H.J. Res. 541

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sum is transferred, out of funds previously appropriated, for the fiscal year ending September 30, 1980, namely:

Federal Trade Commission

salaries and expenses

(By transfer)

For an additional amount for "Salaries and expenses", $7,600,000, which shall be derived by transfer from unobligated balances available under the heading "Department of State, International Organizations and Conferences, Contributions to International Organizations": *Provided,* That authority made available by this joint resolution shall be available from April 30, 1980, and shall remain available until May 31, 1980: *Provided further,* That obligations of the Federal Trade Commission made pursuant to this joint resolution shall not exceed $5,800,000: *Provided further,* That none of the funds made available by this joint resolution for the Federal Trade Commission may be used for the final promulgation of trade regulation rules authorized by section 18 of the Federal Trade Commission Act, as amended, nor to initiate any new activities: *Provided further,* That no new trade regulation rules promulgated under the authority of section 18 of the Federal Trade Commission Act, as amended, after August 30, 1979, are to become effective during the period covered by this joint resolution for the Federal Trade Commission, unless authorizing legislation for the Federal Trade Commission is enacted into law during such period.

The SPEAKER pro tempore. The gentleman from Mississippi (Mr. Whitten) is recognized for 1 hour.

GENERAL LEAVE

Mr. WHITTEN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on House Joint Resolution 541, now under consideration, and to include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. WHITTEN. Mr. Speaker and my colleagues, we have before us once again an effort to sustain the Federal Trade Commission. All of us have been anxious to have those dealing with the Commission on the legislative committees work out their differences and provide authorization for the Federal Trade Commission as a matter of law rather than leaving it up to the Appropriations Committee to provide such authority, as we have done for the last 2 or 3 years.

I am here to inform my colleagues that the conferees dealing with the Federal Trade Commission legislation have advised me that they have reached an agreement. The conference report has been filed, or is in the process of being filed, and it will come up shortly. However, Mr. Speaker, at this time, due to a ruling of the Attorney General, the personnel at the Federal Trade Commission are unable to perform regular duties because their appropriation authority expired on yesterday. Therefore, until this action to provide additional funding authority is enacted, it will be a violation of the law for the employees to perform their regular duties under the recent ruling of the Attorney General.

However Members may feel about the performance of the Federal Trade Commission in one area or the other, I think all agree that it is highly essential that the Federal Trade Commission stay in business. What we provide here is a means to transfer from the "International organizations" account in the Department of State an amount of $7.6 million, of which only $5,800,000 shall be available for obligation by the FTC.

In an earlier colloquy in which I asked unanimous consent to take this matter up, it was agreed by my colleagues who serve on the subcommittee dealing with the FTC that the international organizations' account would not suffer by this transfer. It was my personal suggestion that we provide a direct appropriation for the FTC, subject to the amount being charged against the revised budget resolution amounts for fiscal year 1980. In the meeting of the full committee, it was decided that we should again provide the funds by transfer.

I would like to inform Members now that while this is the third time we have been able to fund programs by transferring funds from one account to the other, one of the next funding proposals we will be dealing with is the supplemental appropriations bill, and there will be no way in the world to handle that by a transfer of funds. The magnitude of the funds required is just too large.

☐ 1620

We have to have some relief from the current budgetary ceilings. I would like to take the time here to say that the problem in connection with the budgetary ceilings, which are far below actual budgetary outlays at the present time has not come about through any fault of the Committee on Appropriations.

Mr. Speaker, I would like to tell my colleagues in the House that the Appropriations bills for 36 out of the last 37 years have been below the President's budget requests. The Budget Committee, on which I served the first year, was created at the insistence of the study group which I served as senior co-chairman to stop backdoor spending. When that committee was set up, we were able to stop backdoor spending through contract authority, only to find that through legislation Congress created "entitlements" which were to prove to be more expensive.

The real problem we have today with the current budgetary ceilings is caused by increases in the uncontrollable areas such as the great increases in the cost of interest on the Federal debt and in the cost of fuel for the military services.

Mr. Speaker, the Members may think that this comment is extraneous to the matter before us, but it is not. It is an explanation of why we have had to present this resolution for the FTC in the form of a transfer of funds rather than a direct appropriation. The budget is greatly over the ceilings at the present time and this comes about not because of any action by the Congress but because of the large increases in the uncontrollable areas previously mentioned.

Mr. Speaker, again what we have before us is a resolution to provide transfer of funds from one department to the Federal Trade Commission, and they would be limited to the same areas of operations as they have been in the past.

I understand that in the conference agreement which has been agreed to there will be some changes in the FTC operation, but let me make it clear that here we allow the agency to proceed for the next 30 days on borrowed money, so to speak, at the same level and in the same area of operations as has been the case in the past.

Mr. DICKS. Mr. Speaker, will the gentleman yield?

Mr. WHITTEN. I yield to my colleague, the gentleman from Washington, for purposes of debate only.

Mr. DICKS. Mr. Speaker, I want to congratulate the gentleman from Mississippi (Mr. Whitten) for his leadership on this particular issue, and I want to extend my thanks for the leadership that we received from the ranking Republican Member, the gentleman from Massachusetts (Mr. Conte), and also the gentleman from Illinois (Mr. Michel).

I think it is important to point out that the restrictions that the chairman wrote in to keep the FTC from promulgating any new regulations or going ahead with trade rules or anything else during this 30 days are still contained within this particular transfer provision. We are holding them in place. I know a great many Members are concerned about that.

We do not want the FTC to take initiatives until we get the authorization bill through, and I would like to point out that the authorization committee is working on this matter. It is a status quo situation, and I think this is the only thing we can do under the circumstances.

Mr. WHITTEN. Mr. Speaker, I thank my colleague, the gentleman from Washington (Mr. Dicks).

Mr. Speaker, this does not mean that we are taking the view that the agency should be limited to the present areas in the coming months by this resolution but after the legislation that may be coming before us shortly is enacted they can comply with those directions. But it is essential, I think, if we are going to ask our colleagues to go along with us, is to proceed in an orderly manner and not change current procedures.

Mr. Speaker, for purposes of debate only, I yield 30 minutes to my colleague, the gentleman from Massachusetts (Mr. Conte), with whom it has been my pleasure to work very closely over the years.

Mr. CONTE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I wish to compliment my committee chairman, the gentleman from Mississippi (Mr. Whitten), with whom I have worked very closely on this matter during the past several months.

Mr. Speaker, House Joint Resolution 541 transfers $7.6 million from the appropriation for Contributions to International Organizations, Department of State, to the Federal Trade Commission.

Although the joint resolution transfers $7.6 million to the FTC, only $5.8 million would be available for obligation. The outlay rate for the FTC is higher than the outlay rate for International Organizations and Conferences, so the amount transferred must be greater than the amount to be obligated, in order that the outlay impact will be the same in the transferring account and the obligating account.

The joint resolution incorporates all of the limitations which were included in the previous continuing resolution.

The transfer would be made from the account for Contributions to International Organizations, Department of State.

The 1980 appropriation for this account was $411.6 million, of which about half remains unobligated.

Since our assessed contributions are on a calendar year basis, the contributions for calendar 1980 could be paid out of appropriations for fiscal 1980 or fiscal 1981.

These funds can and should be restored, in either the 1980 supplemental or the 1981 bill, so the United States can maintain its assessed contributions.

Appropriations for the Federal Trade Commission expired at midnight last night. Under a recent opinion of the Attorney General, the FTC cannot keep its employees on the payroll, except to terminate the functions of the agency.

In fact, that opinion raises questions which go far beyond its immediate impact on the FTC.

In a letter to the President dated April 25 of this year, Attorney General Civiletti held:

> It is my opinion that, during periods of "lapsed appropriations," no funds may be expended except as necessary to bring about the orderly termination of an agency's functions, and that the obligation or expenditure of funds for any purpose not authorized by law would be a violation of the Antideficiency Act.

This ruling effectively terminates what can best be described as long-standing arrangement of convenience between Congress, GAO, the agencies, and OMB, where agencies whose appropriations have expired have been allowed to continue operations in anticipation of an appropriation or continuing resolution.

As part of this understanding, our committee has included language in continuing resolutions which "validates" obligations incurred in anticipation of an appropriation.

However, the Attorney General notes that a plain reading of the Antideficiency Act flatly forbids any official to incur obligations without an appropriation or other authority to contract or incur obligations.

Obligations for salaries and wages, and benefits based on salaries and wages, are incurred as they are earned. In consequence, every day that an agency operates without an appropriation, obligations are incurred for salaries and wages earned, in violation of the Antideficiency Act.

While this ruling may be a shock to many of us, and an immediate hardship to the employees of the FTC, perhaps in the long run it will give the Congress some incentive to conduct its business in a more timely fashion.

I would like to add two observations of my own for the benefit of my colleagues.

First, after ruling that the plain language of the Antideficiency Act forbids obligations to be incurred in the absence of an appropriation or other authority to contract or incur obligations, the Attorney General then concluded that:

> Because statutes that impose duties on government officers implicitly authorize those steps necessary and proper for the performance of those duties, authority may be inferred from the Antideficiency Act itself for federal officers to incur those minimal obligations necessary to closing their agencies.

I cannot agree. If there is implicit authority which authorizes obligations to close an agency, then that authority would apply as well to obligations to continue the operations of an agency.

Second, I respectfully point out to my colleagues and to the Attorney General that section 665(b), title 31 of the United States Code, provides that—

> No officer or employee of the United States shall accept voluntary service for the United States or employ personal service in excess of that authorized by law, except in cases of emergency involving the safety of human life or the protection of property.

Under this provision, where an agency lacks both authorization and appropriation, as has been the case with the FTC, people cannot be employed, notwithstanding the Attorney General's interpretation of the Antideficiency Act.

Equally important, under this section no agency can accept voluntary employment without statutory authorization.

Mr. Speaker, I urge my colleagues to support the joint resolution.

We are all weary of this issue, but the conference report on the authorization has been filed today, and at last there is some real hope that an authorization will be enacted.

Under these circumstances, we cannot simply let the agency die, and we should vote for the joint resolution.

Mr. Speaker, for the information of my colleagues, I have prepared a chronology of FTC appropriations from fiscal 1974 through fiscal 1980, which I include here as follows:

Chronology of Appropriations For the Federal Trade Commission

FTC APPROPRIATIONS FOR THE 1980 FISCAL YEAR

H.J. Res. 514, Public Law 96–219, March 28, 1980. Transfer Of Funds To The Federal Trade Commission. March 15, 1980 to April 30, 1980. $12,100,000 transferred. $9,800,000 obligation limitation. No final promulgation of trade regulation rules. No new trade regulation rules to become effective, unless authorization is enacted.

H.J. Res. 440, Public Law 96–123, Nov. 20, 1979. Further Continuing Appropriations, 1980. Nov. 20, 1979 to March 15, 1980. (§ 101 (c), 102). Current rate. (§ 101(c)). $65,300,000. No final promulgation of trade regulation rules. (§ 101(c)). No new trade regulation rules to become effective, unless authorization is enacted. (§ 101(c)).

H.J. Res. 412, Public Law 96–86, Oct. 12, 1979. Continuing Appropriations, 1980. Oct. 1, 1979 to Nov. 20, 1979. (§ 102). Current rate. (§ 101(e)). $65,300,000. No final promulgation of trade regulation rules. (§ 101(e)). No initiation of new activities. (§ 101(e)).

FTC APPROPRIATIONS FOR THE 1979 FISCAL YEAR

H.R. 12934, Public Law 95–431, Oct. 10, 1978. Departments Of State, Justice, and Commerce, The Judiciary, and Related Agencies Appropriation Act, 1979. Oct. 10, 1978 to Sept. 30, 1979. $64,750,000.

H.R. 4289, Public Law 96–38, July 25, 1979. Supplemental Appropriations Act, 1979. July 25, 1979 to Sept. 30, 1979. $550,000.

FTC APPROPRIATIONS FOR THE 1978 FISCAL YEAR

H.R. 7556, Public Law 95–86, Aug. 2, 1977. Departments of State, Justice, and Commerce, The Judiciary and Related Agencies Appropriation Act, 1978. Oct. 1, 1977 to Sept. 30, 1978. $59,500,000.

H.R. 13467, Public Law 95–355, Sept. 8, 1978. Second Supplemental Appropriations Act, 1978. Sept. 8, 1978 to Sept. 30, 1978. $2,600,000.

FTC APPROPRIATIONS FOR THE 1977 FISCAL YEAR

H.R. 14239, Public Law 95–362, July 14, 1976. Departments of State, Justice, and Commerce, The Judiciary, and Related Agencies Appropriation Act, 1977. Oct. 1, 1976 to Sept. 30, 1977. $52,700,000. Limitation on line-of-business data.

H.R. 4877, Public Law 95–26, May 4, 1977. Supplemental Appropriations Act, 1977. May 4, 1977 to Sept. 30, 1977. $1,980,000.

FTC APPROPRIATIONS FOR THE 1976 FISCAL YEAR

H.R. 8121, Public Law 94–121, Oct. 21, 1975. Departments of State, Justice, and Commerce, The Judiciary, and Related Agencies Appropriation Act, 1976. Oct. 21, 1975 to June 30, 1976. $45,927,000. Limitation on line-of-business data. July 1, 1976 to Sept. 30, 1976. $12,000,000.

H.J. Res. 499, Public Law 94–41, June 27, 1975. Continuing Appropriations, 1976. July 1, 1975 to sine die adjournment of the first session, ninety-fourth Congress (Dec. 19, 1975).

H.R. 13172, Public Law 94–303, June 1, 1976. Second Supplemental Appropriations Act, 1976. June 1, 1976 to June 30, 1976. $1,272,000. July 1, 1976 to Sept. 30, 1976. $543,000.

FTC APPROPRIATIONS FOR THE 1975 FISCAL YEAR

H.R. 16901, Public Law 93–563, Dec. 31, 1974. Agriculture-Environmental and Consumer Protection Act, 1975. Dec. 31, 1974 to June 30, 1975. $37,898,000. Limitation on line-of-business data.

H.J. Res. 1167, Public Law 93–448, Oct. 17, 1974. Further Continuing Appropriations, 1975. Sept. 30, 1974 to sine die adjournment of the second session, ninety-third Congress (Dec. 20, 1974).

H.J. Res. 1062, Public Law 93–324, June 30, 1974. Continuing Appropriations, 1975. July 1, 1974 to Sept. 30, 1974.

H.R. 5899, Public Law 94–32, June 12, 1975. Second Supplemental Appropriations Act, 1975. June 12, 1975 to June 30, 1975. $1,085,000.

FTC APPROPRIATIONS FOR THE 1974 FISCAL YEAR

H.R. 8619, Public Law 93–135, Oct. 24, 1973. Agriculture-Environmental and Consumer Protection Act, 1974. Oct. 24, 1973 to June 30, 1974. $30,600,000.

H.J. Res. 727, Public Law 93–124, Oct. 16, 1973. Further Continuing Appropriations, 1974. Oct. 11, 1973 to sine die adjournment of the first session, ninety-third Congress (Dec. 22, 1973).

H.J. Res. 753, Public Law 93–118, Oct. 4, 1973. Further Continuing Appropriations, 1974. Sept. 30, 1973 to Oct. 11, 1973.

H.J. Res. 636, Public Law 93–52, July 1, 1973. Continuing Appropriations, 1974. July 1, 1973 to Sept. 30, 1973.

H.R. 14013, Public Law 93–305, June 8, 1974. Second Supplemental Appropriations

Act, 1974. June 8, 1974 to June 30, 1974. $1,896,000.

Mr. ROUSSELOT. Mr. Speaker, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Speaker, just so we can have the information for the record, there are some of us who would be just delighted to see this Agency go out of existence.

Why does the gentleman think it is so essential to the well-being of the country to continue it?

Mr. CONTE. Mr. Speaker, regardless of some of the orders or regulations the Agency has propounded that the gentleman may disagree with——

Mr. ROUSSELOT. No, I am sure we all disagree.

Mr. CONTE. Regardless of any orders or regulations we all may disagree with, there has been a lot of good that the Agency has done.

Mr. ROUSSELOT. Mr. Speaker, can the gentleman give us one good example of something good it has done?

Mr. CONTE. Yes, I can. In the antitrust field, it has done a lot of good.

Mr. ROUSSELOT. All right. I thought the Justice Department was in charge of that.

Mr. CONTE. Well, the Federal Trade Commission also has done a great deal of work in that field. It has also been valuable in protecting the consumer on many issues.

Mr. ROUSSELOT. Oh, it has really protected the consumer? That certainly is good news.

I think the gentleman will probably take advantage of the opportunity to revise and extend his remarks and put in the record all the glorious examples of the fine and good things the Agency has done.

Mr. CONTE. With the cost of printing, I would hate to load up the RECORD.

Mr. ROUSSELOT. Oh, go ahead. The gentleman does not have to "load" it up. He can just give us the crystal-clear good examples.

Mr. CONTE. I will be glad to. They are as follows:

MAINTAINING COMPETITION MISSION FISCAL 1979 PROGRAM ACCOMPLISHMENTS

The primary focus of the Commission's Maintaining Competition Mission is to relieve anticompetitive pressures and restrictions on the prices and supply of goods and services to consumers. During fiscal 1979 the Federal Trade Commission expanded its range of antitrust efforts directed toward several sectors of the economy that account for some of the largest categories of its consumer expenditures including energy, health care and transportation. There was a continued level of activity in matters involving structure, conduct, and performance in food and other industries and an increase in the investigation of merger activity. Involvement in each of these areas took the form of economic and legal analyses, law enforcement investigations, litigation, legislative recommendations, regulatory comments, or publication of reports.

Following is a summary of the accomplishments of the Maintaining Competition Mission. Direct contributions of the Regional Offices and the Bureau of Economics are included in disscusion together with the accomplishments of the Bureau of Competition.

Energy

The Commission has issued an administrative complaint challenging Exxon Corporation's $1.7 billion acquisition of Reliance Electric Company. According to the complaint, the acquisition would "eliminate Exxon as an actual potential entrant" into the market for electronic-variable speed drives that control and adjust the output speed of electric motors. The complaint states that Reliance is a leading producer of these drives and that "but for the acquisition of Reliance, Exxon would either enter the market as a new competitor or acquire a company with a relatively small market share." The Commission also authorized the staff to attempt to enjoin this merger in Federal District Court.

As the energy crisis grows, the Commission is focusing its efforts on ensuring the most procompetitive marketplace possible. Before the Department of Energy, the Commission's staff has filed comments analyzing the effects of gasoline price decontrol on the relationship between supplies of leaded and unleaded gasoline. Also before DOE, the staff has urged an end to graduated subsidies to small petroleum refiners. A proposed new accounting system for the nation's oil and gas producers was endorsed by a staff comment filed with the SEC. Finally, a comment filed with the Department of Transportation endorsed, but with reservations, the proposed public ownership of a deepwater crude oil port in Texas.

The Bureau of Competition has supported legislation that would limit acquisitions by large oil companies in non-energy industries, thereby diverting investment from the exploitation of undeveloped fossil fuel sources while extending conglomerate corporate power across the economic spectrum.

The Commission issued a complaint against Ethyl Corporation and three other manufacturers of gasoline additives alleging the firms "facilitate maintenance of uniform prices by, among other things, signalling future price changes to competitors."

Health care

In a series of five consent orders entered into at various times throughout 1979, the Maintaining Competition health care enforcement program was extended to the dental industry, health maintenance organizations (HMO's), the American Society of Anesthesiologists, and the California Medical Association. These orders are part of an effort to remove existing private and professional restraints on the delivery of medical care and services. The order involving HMO's, for example, was an agreement with a Pittsburgh physician organization which provides that the group will not discriminate against HMO-affiliated doctors in granting hospital staff privileges.

The Commission also issued a complaint charging that the 8,700-member Michigan State Medical Society has acted unlawfully to reduce or eliminate price competition among physicians in Michigan. Among other things, the complaint alleges that the Society organized a concerted action by Society members to terminate contracts with Blue Cross and Blue Shield of Michigan in order to influence Blue Shield's reimbursement and cost containment policies.

The Commission announced that it had charged two groups of Indiana dentists with restricting the efforts of health insurers to hold down the cost of dental care for their policy holders. One of the groups, the Indiana Dental Association, along with its component societies, entered into a consent agreement prohiibting such restrictions. An FTC complaint was issued against the other group, the Indiana Federation of Dentists, which did not enter into a consent agreement.

The Commission announced that the American Medical Association, the nation's largest association of physicians, had been found by an Administrative Law Judge to have hindered, restricted, restrained, foreclosed and frustrated competition in the provision of physicians' services throughout the U.S. in violation of Section 5 of the FTC Act. This initial decision was based on the FTC's December 19, 1975 complaint against the AMA, the Connecticut State Medical Society, and the New Haven County Medical Association Inc. charging respondents with violations of Section 5 by restricting the ability of their members to advertise for and solicit patients and to enter into various contractual arrangements in connection with the offering of their services to the public. The AMA has appealed the decision of the Administrative Law Judge to the full Commission.

A consent agreement was obtained from the Eli Lilly Company in settlement of monopolization charges. Lilly sells almost all of the insulin that is needed by diabetics in this country. Under the agreement, Lilly will license its existing and future insulin technology under specified conditions.

Food

In early fiscal 1979, the Commission issued an opinion in which it concluded that Borden, Inc. possessed and unlawfully maintained monopoly power through its "ReaLemon" brand in the processed lemon juice market; the Commission issued a cease and desist order affecting pricing practices for "ReaLemon".

The Commission announced that it has issued a complaint challenging the merger of two major east coast supermarket chains, the Grand Union Company and Colonial Stores, Inc., as violative of the Clayton and FTC Acts. Grand Union has sales of $1.6 billion annually and Colonial Stores' annual sales topped $1 billion.

Transportation

The Commission announced its support for the administration's legislative proposal for the deregulation of the motor carrier industry. Deregulation would remove current controls over entry of new competition into trucking and permit competition in terms of freight rates. The Commission's announcement was an outgrowth of Bureau of Competition program of formal interventions before the Interstate Commerce Commission. The Commission's transportation deregulation intervention effort has resulted in the filing, during fiscal 1979, of thirteen pleadings in eight different Interstate Commerce Commission cases.

The Commission has urged the Environmental Protection Agency to consider the adverse competitive impact on small businesses of warranty regulations relative to automobile emission control systems. The intervention by the Commission drew the praise of small businesses.

The Commission announced that it had issued a complaint against Borg-Warner Corporation ("B–W"), Robert Bosch GMBH, a German company, and Robert Bosch Corporation, its United States subsidiary (jointly referred to as "Bosch"), alleging that they had entered into interlocking directorates in violation of the Clayton and FTC Acts. Bosch is the largest non-integrated automotive parts producer. B–W is the largest such producer in the United States.

The Commission has issued a decision and order finding that SKF Industries, Inc. and Federal-Mogul Corp. unlawfully restrained competition in the distribution of automotive tapered roller bearings, a 22 million dollar market.

Clothing

Consent orders were obtained with three makers of well known clothing brands: Pendleton, Gant, and Jaymar-Ruby. All three companies agreed that they would not seek to tamper with or influence the prices charged by retail outlets.

A consent agreement was obtained with Jonathan Logan, probably the largest apparel manufacturer. Jonathan Logan agreed to let retailers decide what price to charge, rather than Logan.

Other activity

The Commission accepted a consent order, subject to final approval, requiring Atlantic Richfield Company to divest itself of copper assets with an estimated value of 473 to 573 million dollars. This consent order settles a major Commission complaint issued in 1976 challenging ARCO's acquisition of Anaconda Copper Company.

The Commission issued a decision and order requiring Kaiser Aluminum and Chemical Corporation to divest an acquired manufacturer in the 284 million dollar market for basic refractories, which are insulating materials used primarily in line-steel making furnaces.

CONSUMER PROTECTION MISSION FISCAL 1979 PROGRAM ACCOMPLISHMENTS

The following discussion summarizes major consumer protection-related activities and accomplishments in major sectors of the economy during fiscal 1979.

Critical sectors

A. Health Care

The FTC began enforcing its rule that removed restrictions on the price advertising of eyeglasses, contact lenses, and eye examinations (and that required examiners to provide customers with prescriptions, thereby letting them comparison shop). Prices have fallen dramatically in many areas, and the savings to consumers under this rule potentially can amount to $500 million per year.

A model generic drug substitution act, designed to save consumers money by allowing pharmacists to substitute lower-price generic drugs, was proposed by the Commission and the Department of HEW for adoption by the states. Already, several states have held hearings and are in the process of enacting major components of the proposed bill. The potential annual savings to consumers from generic drug substitution is estimated to be $400 million.

The Commission heard oral presentations on a proposed rule to require sellers of hearing aids to give dissatisfied purchasers a refund of most of their purchase price up to 30 days after purchase.

An FTC Administrative Law Judge has recommended that Bristol-Myers disclose in its advertisements for Bufferin, Excedrin and Excedrin P.M. that the products contain aspirin and to stop claiming that the products relieve tension, nervousness or stress or are superior to aspirin. The case is on appeal to the Commission.

The staff report was put out for public comment on a proposed rule to require that advertising claims of over-the-counter drugs be made only with language the Food and Drug Administration would permit to be used on the product's label. An estimated $3.8 billion is spent annually on these products with advertising being a major information source on the effectiveness of the drugs.

The first phase of hearings for the proposed rule on Children's Television Advertising was completed. The presiding officer has recommended that the Commission require cross examination in a disputed issues hearing on three issues, including whether advertising aimed at children adversely affects their health.

B. Food

Staff recommendations were made after public comment on a proposed rule that the staff contends would eliminate unfair or deceptive advertising claims for the energy, natural/organic, health, fat, and cholesterol attributes of food products.

The staff report was released for public comment on a proposed rule dealing with the advertising and labeling of protein supplement products. According to the staff, such supplements should carry a disclosure that they are usually unnecessary.

The makers of Fresh Horizons bread agreed in a consent order to disclose on its label and advertising that high fiber content it claims is derived from wood pulp. The agreement reflects the Commission concern about the nondisclosure of "unsuspected" materials in food products.

In an initial decision by an Administrative Law Judge, Kroger, one of the nation's largest retail grocer chains, was found to have used a deceptive survey technique to make claims that its prices were lower than its competitors'. The decision is on appeal to the Commission.

C. Housing

In a decision by an FTC Administrative Law Judge, Amrep, a large land developer, was ordered to stop making high-pressure sales pitches and to refrain from making certain marketing claims about its land (such as its high investment value.) The case, which is the first litigated determination of unfairness and deception in land sales, is on appeal to the Commission. The Commission accepted a consent order with Bankers Life and Casualty Company in which Bankers agreed to refund up to $8 million to dissatisfied purchasers of land and to cancel $6 million worth of remaining obligations.

The FTC accepted a consent order in which Fedders Corporation agreed to fix 40,000 heat pumps with alleged defects even though the warranty had expired. The potential savings to consumers is nearly $1 million.

The staff continued its work on a proposed rule that would set standards for warranties and dispute settlement procedures in the sale of mobile homes.

Under an FTC consent order with Montgomery Ward, a potential 150,000 customers who were allegedly deceived about the fire hazard associated with Ward's wood-burning stoves can have the company remedy the hazard or give a full refund for the stove plus any incidental damage caused to the house.

Finally, hearings were held on a proposed rule, Standards & Certification. The record illustrates examples where standards development or certification activities have prevented the use of superior or lower cost technology and prevented businesses from competing in profitable industries, including housing and energy.

D. Energy

The Commission issued a rule requiring labels with an energy efficiency rating to be attached to most major appliances and residential furnaces, thus allowing purchasers to comparison shop for the most economical and energy efficient models.

The Commission submitted comments to the Department of Energy urging certain consumer protection and competition safeguards in its Residential Conservation Service program.

In the national rush to save energy, many products have been marketed that purport to save energy but either do not or, in some cases, actually waste energy. Typical of these, the staff claimed, was the Intermatic water heater switch that would heat water only when required (in the morning and at night). In a consent order, Intermatic's manufacturer agreed not to advertise it as an energy-saving device since the staff alleged that it was actually more expensive to reheat the water when required than to keep it hot all day long.

Also, the Commission initially accepted consent orders with marketeers of a device (the "G. R. Value") that allegedly saves gasoline when attached to the carburetor of an automobile but which the staff alleged to be useless. The marketeers, a mail order house that sells it, the ad agency that prepared the advertising, and the well-known personality who promoted it all agreed to stop making energy-saving claims for the product. Because there are similar products on the market, the consent order in this case is anticipated to deter many of the overreaching claims now being made.

E. Transportation

The Commission issued a rule in spring 1979 requiring the octane rating of gasoline to be calculated by a standard formula and labeled on gas pumps. By determining the proper octane for their cars, consumers can both save money and not overuse high-octane gas, thus saving energy.

Final staff recommendations were made on a proposed rule that is intended to help used car shoppers. According to the staff, the condition of used cars varies widely, and disclosing the existence of a warranty or inspection, if any, would assist consumers in their purchase.

The staff continued its litigation against Ford for allegedly failing to disclose material facts concerning serious defects and for allegedly misrepresentating that its cars were free from latent defects. Already Ford has offered to fix some parts free for 4 million owners.

Anticipated FTC activity against car manufacturers because of unreasonable rust-spotting on new cars probably contributed significantly to three manufacturers' recent adoption of a rust warranty. Perhaps partly as a response to our litigation against Ford for marketing cars with alleged latent defects, Honda voluntarily recalled all its 1976 and 1977 models to repair certain potentially defective parts, saving consumers up to $25 million.

Our "consumer dispute resolution" program has assisted in the development of panels to mediate seller-buyer disputes, among the most notable are those recently established by Ford, GM and Chrysler.

In a case settled with Ford Motor Company and its credit subsidiary, involving consumers whose cars were repossessed because of debt—but who were not reimbursed when the sale price exceeded the debt—over $100,000 will be returned to consumers.

Fifty thousand Renault owners will have their warranties extended on certain parts because of a consent agreement with the FTC.

F. Clothing

The Commission has had a rule since 1972 requiring care instructions on clothing. New amendments to the rule will require disclosure of more information about laundering and cleaning, as well as provide for labels on other clothing and home furnishings not previously covered.

G. Credit

The Commission approved in substance an amendment to the "holder-in-due course" rule to provide broader protection for consumers who purchase a product or service on credit.

In a large civil penalty agreement obtained by the FTC, Montgomery Ward consented to pay $175,000 to settle charges that it violated the Equal Credit Opportunity Act. Wards allegedly failed to provide reasons for denial of credit to those customers who requested an explanation, in violation of the Act.

Federated Department Stores agreed to pay $50,000 to settle charges that it violated the Equal Credit Opportunity Act by failing to include alimony and other forms of income in assessing credit worthiness of applicants.

An FTC Administrative Law Judge ruled that Household Finance Corp. miscalculated finance charges on loans in violation of the Truth in Lending Act. The case has been appealed to the Commission.

H. Marketing Practices. Life Insurance, Vocational Schools, Funeral Practices, Franchising, Consumer Education

The Commission published a staff report and model state law that would require disclosure of cost information for life insurance. The staff found that "whole life" policies (which afford death benefits plus a savings element) might not be as good investments as other forms of savings. The model law would allow consumers to gauge savings benefits of policies.

In one recent vocational school consent order, Universal Training Service agreed to make up to $750,000 available as refunds to more than 4,000 students who were allegedly misled on its heavy-construction, motel, and insurance-adjustor courses.

The Commission made tentative decisions on a rule to require funeral homes to disclose costs to customers and to refrain from certain unfair or deceptive practices. The proposed rule is intended to create a marketplace environment where consumers will be given more detailed and accurate information about the choices available to them.

The Commission issued in final form its rule requiring franchisors and sellers of business opportunities to disclose key information to their prospective franchises.

The Commission placed increased emphasis on consumer education in FY 79, both because consumers ought to be informed of the laws and rules designed to help them and because an army of informed consumers will predictably increase compliance incentives. The Commission produced an array of publications and conducted compliance conferences and speeches for affected industries, but the cornerstone of its new program was television public service announcements on equal credit opportunity for women and radio public service announcements on warranties, the cooling-off rule on door-to-door sales, equal credit opportunity for women, debt collection harassment, and the "eyeglasses rule."

ECONOMIC ACTIVITIES, FISCAL 1979 PROGRAM ACCOMPLISHMENTS

The Bureau of Economics performs applied economic analyses that are directed at the actions that should be taken to strengthen competition and fight inflation in the economy. Those actions are actually taken, however, by the Commission and the legal bureaus of the FTC. Consequently, the Bureau of Economics counsels and works with the other parts of the FTC, providing guidance on the antitrust and consumer protection investigations, rulemaking, and litigation that should be undertaken. To provide economic guidance the Bureau: (1) develops economic analyses of significant substantive issues that arise in the course of various proceedings; (2) assists in the development of the record of proceedings, recommending the remedies that should be sought; (3) assesses the benefits that have resulted from actual orders or that are likely to result from prospective orders; and (4) advises the Commission regarding positions that should be taken on proceedings within the FTC or on policy issues pending with Congress or other agencies.

Major undertakings of the Bureau of Economics which are not directly related to Commission legal proceedings include:

Contributions to keeping down costs in critical consumer sectors

Health Care

These health care matters are still in progress:

Examination of the efficiency of a proposed antitrust exemption which would allow commercial health insurers to engage in joint efforts to control costs in the health industry. Evaluate alternative ways in which rising health care costs can be controlled.

Investigation of the question of whether the price and quality of professional services are associated with advertising and commercial practices. This study focuses on optometry, a licensed profession for which considerable variation among the states concerning restrictions on advertising and professional practice has existed for some time.

Examination of whether physician control of Blue Shield plans has an effect on the level of plan reimbursements for physician charges and other aspects of Blue Shield performance such as plan efficiency; estimate the benefits that might result from limiting the level of physician control.

Food

Key Bureau accomplishment in this area: Statistical analysis prepared jointly with the Department of Agriculture, on changing patterns of concentration in food retailing in 263 metropolitan areas. The study reveals that, on average, sales concentration among the largest firms continued to increase through 1972. The average increase is documented for the four, the eight, and the twenty largest firms.

Housing

Matter still in progress: Examination of the functioning of the real estate brokerage industry in an attempt to understand such issues as access to multiple listing services and the setting of commission rates.

Energy

Key Bureau accomplishments in this area:

Comment to the Department of Energy on the anticompetitive effects of proposed changes in gasoline price control regulations.

Assistance to the Bureau of Competition and the Bureau of Consumer Protection in analysis of competition and consumer protection issues involved in DOE's proposed rules for the Residential Conservation Service. The National Energy Conservation Policy Act (Public Law 95-619) directs the Commission to analyze these issues.

Matters still in progress:

Examination of the impact of the ban by the Department of Interior on joint bidding by the largest oil companies to develop the outer continental shelf.

Examination of the effects of Federal regulation of petroleum product prices and Federal regulation of product allocation on the structure and performance of the domestic petroleum industry.

Contributions to other remedial actions

Counsel to Congress

Joint report with the Bureau of Competition on the structure of the nation's coal industry.

Study of the structure and performance of the natural gas production industry.

Study of the nuclear fuel industry.

Review and comment on a study of regulation of the steel industry for the Joint Economic Committee.

Collection, auditing, and processing of individual company annual line of business data. Published 1973 Annual Line of Business Report using aggregations of individual company data.

Examination of the impact of health warning information on the cigarette smoking behavior of individuals.

Collection, review compilation and publication of quarterly financal data on U.S. corporations engaged in manufacturing, mining and trade to be used by Congress, the Commission and other agencies in estimating and forecasting the GNP, assessing industrial debt structure, liquidity and profitability, etc.

Examination of the impact of inflation on small business using quarterly financial reports data. Results of this analysis were provided to members of Congress, the Council of Economic Advisers, and the Council on Wage and Price Stability.

Testimony before Congress on topics including changes in the antitrust laws giving FTC more control over conglomerate mergers, costs of gasoline price regulations, and the impact of the income tax law upon health insurance costs.

Examination of the advantage of early entry on the cigarette industry.

Report on the number, size, and other characteristics of mergers and acquisitions occurring during 1977.

Support to the States

Testimony before the New Jersey Governor's hearing on state milk marketing regulation, recommending the removal of minimum price regulations.

Joint report with the Bureau of Consumer Protection and the Department of Health, Education, and Welfare proposing a model state law on Drug Product Selection. This law is designed to encourage wider use of generic drugs. If adopted by the states, the law should result in strengthened price competition in the prescription drug market, lower prices, and substantial consumer savings.

Joint report with Bureau of Consumer Protection on Life Insurance Cost Disclosure. Since the FTC does not have the authority to regulate the insurance industry the purpose of the study was to inform regulators—state insurance departments, state legislatures, and Congress.

Support and Advice to Other Agencies

Examination of the competitive impact and benefits of different types of restrictions on U.S. imports.

Comment, done jointly with the Bureau of Consumer Protection, of consumer protection rules proposed by the Civil Aeronautics Board for air charter package tours. Modifications to extend coverage to non-charter package tours and the establishment of a consumer protection fund with a minor dispute resolution system where recommended.

Advice to the Environmental Protection Agency on the economic aspects of provisions of the Toxic Substances Control Act.

Comment, done jointly with the Bureau of Competition on the competitive consequences and ultimate costs to consumers of rules proposed by the Environmental Protection Agency and the National Highway Transportation Safety Administration.

Mr. SCHEUER. Mr. Speaker, will the gentleman yield?

Mr. CONTE. I yield to my good friend, the gentleman from New York.

Mr. SCHEUER. Mr. Speaker, as the chairman of the subcommittee having jurisdiction over the FTC, I would be glad to revise and extend my remarks and put some language in the RECORD. I will be happy to accommodate the gentleman.

Mr. ROUSSELOT. That is fine.

Mr. SCHEUER. Mr. Speaker, may I take this opportunity of expressing my deep thanks to the distinguished chairman of the Committee on Appropriations and to the ranking majority member for their excellent work in pushing this matter through. We are very grateful for that. We are determined to have an authorization bill in the next few days, and we express our gratitude to all the Members for their assistance.

Mr. CONTE. Mr. Speaker, in conclusion—and I think the chairman of the Committee on Appropriations agrees with me in this—in answer to the gentleman's serious question that he propounded, if the Agency is a bad agency and if it should be terminated, it certainly should be terminated through the authorization process and not through the appropriations process.

Mr. WHITTEN. Mr. Speaker, I yield 5 minutes to the gentleman from Iowa

(Mr. SMITH), the acting chairman of the subcommittee dealing with this issue.

Mr. SMITH of Iowa. Mr. Speaker, I will only say that briefly the subcommittee concurs in everything that has been said by the chairman of the full committee and by the ranking minority member.

I only want to point out that there are three changes in the situation today compared to March 15, the date when the last continuing resolution for the FTC expired. One change is that the conferees on the authorizing legislation for the FTC have reached agreement and filed a conference report today. We told the Members back in March that we did not intend to be back here asking for any more transfers or any more money until there had been an agreement by the conferees. I think that, perhaps, that position helped to secure a conference agreement.

The second point is that unlike the situation in March, there is now an Attorney General's opinion that Federal agencies cannot operate in the absence of an appropriation. Under that interpretation of the law, the FTC, as of today, cannot do any business or perform any of its normal duties or functions.

The third point is that instead of transferring funds from the same agency that we did before, the transfer in this legislation is coming from the contributors to international organizations appropriation in the Department of State. The fiscal year 1980 appropriation for the item was approximately $411 million. Payments to the international organizations are usually made during the last two quarters of the year. The State Department will need this money, but they do not have to pay it today or tomorrow or, indeed, within the next month. Transferring the $7.6 million to the FTC will just mean that the United States will be in arrears in this amount of money until it is paid. We can make it up, and we do intend to make it up in the supplemental when that comes before the House.

☐ 1630

Mr. WHITTEN. Mr. Speaker, I yield 4 minutes to the gentleman from Georgia (Mr. LEVITAS) for debate purposes.

Mr. LEVITAS. Mr. Speaker, I think the chairman of the Appropriations Committee and the acting chairman of the subcommittee, as well as the ranking minority member, ought to be commended for their diligence in dealing with a problem that has not been of their making or their creation. They have, in effect, been called upon on a number of occasions to pull chestnuts out of the fire that they did not throw in, to begin with. I think that the Membership of the House ought to be appreciative of that.

Also, I am pleased to hear the chairman of the Committee on Appropriations state to the Members of the House the record of fiscal responsibility that the Committee on Appropriations has had, in stating that in 36 years out of the last 37, regardless of whether it was a Democratic administration or a Republican administration, the appropriation decisions by the Committee on Appropriations in the House and the other body came in under the Presidential request. I think that is a tribute to their record and their prudence.

But I want to ask several questions about this particular FTC matter, if the chairman of the Committee on Appropriations could answer or some other Member here might be able to answer.

The first question is: Why do we need a 30-day transfer, when the conference report has already been filed? What is going to take 30 days to accomplish rather than moving immediately into an appropriation for this agency?

Mr. WHITTEN. May I say to my colleague, the gentleman from Georgia, that I appreciate his kind reference not only to our committee, but to the Congress itself, for the disciplined way we have handled appropriations bills through the years. I hesitate to make this statement, but we have experienced over the last 3 years, with all due deference to the wonderful job our friend, the gentleman from New York, has done, and our friend, the gentleman from Georgia, that differences have arisen and delays have occured. So just in case you might strike a snag, we might want to provide enough time so you could resolve your differences, although we hope there will be none.

Mr. LEVITAS. Mr. Speaker, I raise this question for purposes of pointing out to the Members of this House that for there to be any reliance on this 30-day period as a period during which the consideration of the conference report can be delayed and extended, I think would be a grievous error. I would like to have some indication from the leadership when they expect to bring this bill to the floor for a vote.

Mr. SMITH of Iowa. Mr. Speaker, will the gentleman yield?

Mr. LEVITAS. I yield to the gentleman from Iowa.

Mr. SMITH of Iowa. Mr. Speaker, there is an additional problem with the budget resolution. We have to provide funds by transfer for a sufficient amount of time so that a revised budget resolution for fiscal year 1980 can be adopted because we have exceeded the ceiling in the current budget resolution. This legislation provides for a transfer of funds within the current budget resolution for fiscal 1980. The reason for providing these funds by transfer is not just because of the conference report, but also because of the need to revise the current budget resolution for fiscal year 1980.

Mr. LEVITAS. I thank the gentleman from Iowa for his explanation, and I have one last question. That is this: It is my understanding that the Committee on Appropriations has already considered an appropriation for the Federal Trade Commission, which will be made subject to passage of the authorization conference report. Is that a correct statement?

Mr. SMITH of Iowa. Well, we have an estimate of the amount of money needed for the balance of the year. We will take into account the funds made available to the FTC by transfer in this bill, and this amount of money will be subtracted from the amount the agency would get in a supplemental to be marked up.

Mr. LEVITAS. And if the House should pass or consider an appropriations bill prior to the adoption of the conference report, it would be the gentleman's intention to make it subject to it?

Mr. SMITH of Iowa. We will certainly take that into consideration.

Mr. LEVITAS. In conclusion let me say that I think it is regretable that this type of emergency funding mechanism has to be used to resurrect the FTC after its demise last night because its funds ran out. However, I think this whole affair may have a positive effect. No one really believed Congress would let an agency expire because of lack of funds and lack of an appropriate authorization. Well that is no longer true. I hope this affair has sent shock waves out that shock the arrogant and the complacent. From now on no bureaucrat can rely on the continuation of his agency unless Congress has reauthorized its programs and appropriated its funds. The reins of Government are getting back into the right hands—those of the elected Congress.

Mr. WHITTEN. Mr. Speaker, I yield such time as she may consume to the gentlewoman from Maryland (Mrs. SPELLMAN), who is very much interested in this subject.

Mrs. SPELLMAN. Mr. Speaker, I also want to join in the accolades to the chairman and to the committee. They have certainly proven that when there is an emergency they can act and act quickly. This is indeed an emergency, and I must say that it all came out of an inquiry that my subcommittee made to the Attorney General. As we were seeking ways to make sure that Federal employees did not face payless paydays, we came across the law which had been written in 1827 and which forbade employees to continue to work in agencies which were not funded. The Attorney General yesterday morning gave us the opinion that no agency could continue to function if the appropriation for it had expired. And only by coincidence did FTC have an appropriation expiring that very, very same day. At midnight it was to turn into a pumpkin. It was not anything we intended to do, but we are not at all sorry that it went this way because we think that the conferees did move just a little faster as a result of this, and now the whole situation will be legal.

So we do thank the committee for moving ahead and making it possible for the agency to function legally, but we would call attention to the fact that we must do something about our procedure so that we do not find ourselves in this kind of a situation where other agencies are concerned.

Mr. SYMMS. Mr. Speaker, I wish to rise in opposition to the transfer resolution which has been introduced by Congressman WHITTEN to transfer funding from the State Department to the Federal Trade Commission in order to keep the FTC in operation through May 31. I question why the Congress is undercutting its own authorization process to provide this interim funding for the FTC. The House has spent a great deal of time considering the FTC authorization bill and worked very diligently to curb some of the Commission's attempts at regulatory "overkill." The conferees have substantially weakened the bill that the House earlier adopted, and several key amendments, such as the Russo amendment on funeral homes and the one-house veto of agency regulations, have been dropped from the bill. I think the American people would be much better off if we did not approve this continuing appropriation for an agency which has worked against the best interests of the consumer.

● Mr. O'BRIEN. Mr. Speaker, when this body last considered a continuing resolution for the Federal Trade Commission I indicated that I would not, again, support any continuation of appropriations for the FTC until an authorization was enacted. Although the conference report on the FTC has been filed and its consideration is imminent, there is no guarantee that it will be approved, in which case we will be back to square one once more. Accordingly, I must oppose this resolution transferring funds to the FTC since it does not have an authorization.●

Mr. WHITTEN. Mr. Speaker, I move the previous question on the joint resolution.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the joint resolution.

The joint resolution was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the joint resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. FRENZEL. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 284, nays 96, not voting 52, as follows:

[Roll No. 213]

YEAS—284

Addabbo
Akaka
Alexander
Ambro
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Anthony
Ashley
Aspin
Atkinson
AuCoin
Bailey
Baldus
Barnes
Beard, R.I.
Bedell
Benjamin
Bennett
Bevill
Biaggi
Bingham
Blanchard
Boggs
Boland
Bolling
Boner
Bonior
Bonker
Bowen
Brademas
Brinkley
Brodhead
Brown, Calif.
Broyhill
Burlison
Burton, John
Burton, Phillip
Butler
Byron
Carr
Carter
Chappell
Chisholm
Clausen
Clay
Clinger
Coleman
Collins, Ill.
Conable
Conte
Conyers
Corcoran
Cotter
Coughlin
Courter
D'Amours
Daschle
Davis, Mich.
Deckard
Derrick
Derwinski
Dicks
Dingell
Dixon
Dodd
Donnelly
Dougherty
Downey
Drinan
Duncan, Oreg.
Duncan, Tenn.
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Emery
Erdahl
Erlenborn
Ertel
Fary
Fascell
Fazio
Fenwick
Ferraro
Fish
Fisher
Fithian
Flippo
Florio
Foley
Ford, Mich.
Ford, Tenn.
Forsythe
Fountain
Fowler
Frost
Fuqua
Garcia
Gaydos
Gephardt
Giaimo
Gibbons
Gilman
Gingrich
Ginn
Glickman
Gonzalez
Gore
Gradison
Gray
Green
Guarini
Gudger
Hall, Ohio
Hance
Hanley
Harkin
Harris
Hawkins
Heckler
Hefner
Heftel
Hightower
Hollenbeck
Holt
Hopkins
Horton
Howard
Hubbard
Hughes
Hutto
Hyde
Jacobs
Jeffords
Johnson, Calif.
Jones, N.C.
Jones, Tenn.
Kastenmeier
Kildee
Kogovsek
Kostmayer
LaFalce
Latta
Leach, Iowa
Lederer
Lehman
Leland
Levitas
Livingston
Lloyd
Long, La.
Long, Md.
Lowry
Luken
Lundine
McCloskey
McCormack
McDade
McHugh
McKinney
Madigan
Maguire
Markey
Marks
Marriott
Martin
Matsui
Mattox
Mica
Michel
Mikulski
Miller, Calif.
Miller, Ohio
Mineta
Minish
Mitchell, Md.
Moakley
Moffett
Mollohan
Montgomery
Moorhead, Pa.
Murphy, N.Y.
Murphy, Pa.
Murtha
Musto
Myers, Pa.
Natcher
Neal
Nedzi
Nelson
Nichols
Nowak
Oakar
Oberstar
Obey
Ottinger
Panetta
Patten
Patterson
Pease
Pepper
Perkins
Pickle
Porter
Preyer
Price
Pursell
Rangel
Ratchford
Regula
Reuss
Richmond
Rinaldo
Ritter
Robinson
Rodino
Rosenthal
Roybal
Royer
Russo
Sabo
Satterfield
Sawyer
Scheuer
Schroeder
Schulze
Seiberling
Shannon
Sharp
Shelby
Simon
Skelton
Smith, Iowa
Snowe
Snyder
Solarz
Solomon
St Germain
Stack
Staggers
Stanton
Stark
Stewart
Stokes
Stratton
Studds
Swift
Synar
Tauke
Thomas
Thompson
Traxler
Trible
Udall
Ullman
Van Deerlin
Vander Jagt
Vanik
Vento
Volkmer
Walgren
Wampler
Waxman
Weaver
Weiss
Whitehurst
Whitley
Whitten
Williams, Mont.
Williams, Ohio
Wilson, Bob
Wirth
Wolff
Wolpe
Wright
Wylie
Yates
Young, Alaska
Young, Mo
Zablocki
Zeferetti
Santini
Sebelius
Sensenbrenner
Shumway
Spence
Stangeland
Stenholm
Stockman
Stump
Symms
Taylor
Walker
Watkins
Whittaker
Winn
Wyatt
Yatron

NAYS—96

Abdnor
Albosta
Applegate
Archer
Badham
Barnard
Bauman
Beard, Tenn.
Bereuter
Bethune
Bouquard
Breaux
Broomfield
Buchanan
Campbell
Carney
Cheney
Cleveland
Collins, Tex.
Crane, Daniel
Crane, Philip
Daniel, Dan
Daniel, R. W.
Dannemeyer
Davis, S.C.
de la Garza
Devine
Edwards, Okla.
English
Evans, Del.
Evans, Ga.
Evans, Ind.
Findley
Frenzel
Goodling
Grassley
Guyer
Hagedorn
Hamilton
Hammerschmidt
Hansen
Harsha
Hillis
Hinson
Holland
Huckaby
Ichord
Ireland
Jeffries
Jones, Okla.
Kelly
Kemp
Kindness
Kramer
Lagomarsino
Leach, La.
Leath, Tex.
Lee
Lewis
Loeffler
Lott
Lungren
McClory
McDonald
Marlenee
Mathis
Moore
Moorhead, Calif.
Myers, Ind.
Pashayan
Paul
Petri
Pritchard
Quayle
Rahall
Rose
Roth
Rousselot
Runnels

NOT VOTING—52

Anderson, Ill.
Ashbrook
Bafalis
Beilenson
Brooks
Brown, Ohio
Burgener
Cavanaugh
Coelho
Corman
Danielson
Dellums
Dickinson
Diggs
Dornan
Goldwater
Gramm
Grisham
Hall, Tex.
Holtzman
Jenkins
Jenrette
Johnson, Colo.
Kazen
Lent
Lujan
McEwen
McKay
Mavroules
Mazzoli
Mitchell, N.Y.
Mottl
Murphy, Ill.
Nolan
O'Brien
Preyer
Quillen
Railsback
Rhodes
Roberts
Roe
Rostenkowski
Rudd
Shuster
Smith, Nebr.
Spellman
Steed
White
Wilson, C. H.
Wilson, Tex.
Wydler
Young, Fla.

□ 1650

The Clerk announced the following pairs:

On this vote:

Mr. Murphy of Illinois for, with Mr. Hall of Texas against.

Mr. Lent for, with Mr. Rudd against.

Mr. O'Brien for, with Mr. Lujan against.

Until further notice:

Mr. Danielson with Mr. Mitchell of New York.

Mr. Brooks with Mr. Dickinson.

Mr. Roberts with Mr. Ashbrook.

Mr. Charles H. Wilson of California with Mr. Quillen.

Mr. Rostenkowski with Mr. Shuster.

Mr. Mottl with Mr. Railsback.

Mr. Roe with Mrs. Smith of Nebraska.

Mr. Nolan with Mr. Rhodes.

Mr. Charles Wilson of Texas with Mr. Wydler.

Mr. Mazzoli with Mr. Young of Florida.

Mr. McKay with Mr. Anderson of Illinois.

Ms. Holtzman with Mr. Bafalis.

Mr. Jenrette with Mr. Burgener.

Mr. Dellums with Mr. Dornan.

Mrs. Spellman with Mr. Grisham.

Mr. Steed with Mr. Goldwater.

Mr. White with Mr. McEwen.

Mr. Cavanaugh with Mr. Brown of Ohio.

Mr. Beilenson with Mr. Coelho.

Mr. Coleman with Mr. Diggs.

Mr. Gramm with Mr. Jenkins.

Mr. Kazen with Mr. Mavroules.

Mr. Peyser with Mr. Johnson of Colorado.

Messrs. FINDLEY and ENGLISH changed their vote from "yea" to "nay."

Mr. GARCIA changed his vote from "nay" to "yea."

So the joint resolution was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Mrs. SPELLMAN. Mr. Speaker, I would like to point out on the last vote I did put my card in the slot and vote, but I was advised it did not register. I voted in the affirmative. I spoke in favor of the resolution and voted in the affirmative.

LEGISLATIVE PROGRAM

(Mr. MICHEL asked and was given permission to proceed for 1 minute.)

Mr. MICHEL. Mr. Speaker, I have asked to proceed for 1 minute for the purpose of inquiring of the acting majority leader the program for next week.

Mr. MURTHA. Mr. Speaker, will the gentleman yield?

Mr. MICHEL. I yield to my friend, the gentleman from Pennsylvania.

Mr. MURTHA. Mr. Speaker, the program for the House of Representatives for the week of May 5, 1980, is as follows:

The House meets at noon on Monday, May 5, on the Consent Calendar, suspensions, eight bills. Recorded votes on suspensions will be postponed until Tuesday, May 6.

The bills are as follows:

H.R. 5737, International Claims Settlement Act amendments;

H.J. Res. 324, permitting supply of additional low enriched uranium fuel under international agreements;

H.R. 4890, commercial fisheries research and development authorizations;

H.R. 6022, Tensas River National Wildlife Refuge;

H.R. 6169 Bogue Chitto National Wildlife Refuge;

H.R. 6727, Bon Secour National Wildlife Refuge;

H.R. 6839, Endangered Species Act authorizations;

H.R. 6615, ocean pollution planning authorization, 1981–83.

Tuesday and the balance of the week:

The House meets at noon on Tuesday, 3 p.m. on Wednesday, 11 a.m. on Thursday and Friday.

We will take up the Private Calendar on Tuesday. There will be recorded votes on the bills debated Monday, May 5.

We will then take up the following:

H. Con. Res. 307, first budget resolution for fiscal year 1981, and complete consideration.

H.R. 6081, special Central American assistance, with a motion to request a conference.

H.R. 4046, Antitrust Collateral Estoppel Act, under an open rule with 1 hour of debate.

H.R. 4048, awards of prejudgment interest in antitrust litigation, under an open rule with 1 hour of debate.

S. 1309, Food Stamp Act Amendments of 1980, modified rule, with 2 hours of debate.

The House will adjourn by 3 p.m. on Friday and by 5:30 p.m. on all other days except Wednesday.

Conference reports may be brought up at any time and any further program will be announced later.

Mr. MICHEL. Mr. Speaker, may I inquire of the gentleman whether or not there has been any move to come in early next Wednesday, as we did this week, and possibly then wiping out a Friday session as we are doing this week? Has there been any talk of that at all on the majority side?

Mr. MURTHA. Mr. Speaker, if the gentleman will yield further, as I understand, if we finish the schedule, we will not have a session on Friday.

Mr. MICHEL. But there is no tentative plan for coming in early on Wednesday, is there?

Mr. MURTHA. Not at this time.

Mr. MICHEL. Mr. Speaker, I thank the gentleman for his response.

ADJOURNMENT TO MONDAY, MAY 5, 1980

Mr. MURTHA. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 12 o'clock noon on Monday next.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY NEXT

Mr. MURTHA. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule be dispensed with on Wednesday next.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

AUTHORIZING CLERK TO RECEIVE MESSAGES FROM SENATE AND THE SPEAKER TO SIGN ENROLLED BILLS AND JOINT RESOLUTIONS DULY PASSED, NOTWITHSTANDING ADJOURNMENT

Mr. MURTHA. Mr. Speaker, I ask unanimous consent that, notwithstanding any adjournment of the House until Monday, May 5, 1980, the Clerk be authorized to receive messages from the Senate and that the Speaker be authorized to sign any enrolled bills and joint resolutions duly passed by the two Houses and found truly enrolled.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

□ 1700

COMMUNICATION FROM CHAIRMAN OF COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION

The SPEAKER pro tempore laid before the House the following communication from the chairman of the Committee on Public Works and Transportation; which was read and, without objection, referred to the Committee on Appropriations:

COMMITTEE ON PUBLIC WORKS
AND TRANSPORTATION,
Washington, D.C., April 28, 1980.

Hon. THOMAS P. O'NEILL,
Speaker of the House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: Pursuant to the provisions of the Public Buildings Act of 1959, as amended, the House Committee on Public Works and Transportation approved the following projects on April 23, 1980:

ALTERATIONS

Yakima, Washington, Justice William O. Douglas, Federal Building, U.S. Courthouse.

Los Angeles, California, U.S. Courthouse.

CONSTRUCTION

Ashland, Kentucky, Courthouse and Federal Office Building.

11(B) RESOLUTION

Hempstead and Hauppauge, New York; New Orleans, Louisiana.

The original and one copy for the authorizing resolutions are enclosed.

Sincerely,
HAROLD T. (BIZZ) JOHNSON,
Chairman.

There was no objection.

THE WORSENING PLIGHT OF THE "ARMY'S OWN"

(Mr. DAN DANIEL asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. DAN DANIEL. Mr. Speaker, news reports over the last month or so have increased public awareness of the economic plight of our military personnel. The American people are just now becoming aware of the acute military manpower shortage problems facing this Nation. They are becoming more concerned as they discover that literally thousands of our military families live below the poverty level. The people of this Nation are shocked to learn that as many as 275,000 military families are eligible for welfare, and the commissary system took in over $10 million in food stamps last year.

The subject of military pay and fringe benefits has been discussed many times in this Chamber. In too many instances the decisions reached here have resulted in the continued erosion of such nonpay or deferred-pay items. The charge has been made by a number of critics that since some of the benefits are intangible and cannot be measured in terms of strict cost standards, they should be reduced or eliminated.

Army magazine recently published an outstanding article written by Sgt. Maj. William Connelly, the Army's highest ranking enlisted soldier. This article puts into perspective what the deplorable erosion of pay, benefits, and other necessities of living means to the members of our Armed Forces. I recommend this article to my colleagues for their consideration:

THE WORSENING PLIGHT OF THE "ARMY'S OWN"

(By Sgt. Maj. William A. Connelly)

In an era of steeply rising living costs, one of the most economically bruised segments of the U.S. population is also one of its most essential: those who belong to the military community, especially those who support families. The deplorable erosion of the soldier's pay, benefits and other necessities of living has long been the target of vigorous AUSA efforts to correct the wrongs that riddle the military services' compensation systems.

Knowing of the similar concern of the Army's top enlisted person and aware that no one is better qualified to comment on the way it is among those who belong to the senior service, we asked the sergeant major of the Army for his views.

You can pick up almost any publication, watch television or listen to the radio and they will all tell you that the military is in sad shape. They expound on the "questionable" quality of our readiness, our troops, the leadership, training, the "takeover" by the minorities, and all about the drug, alcohol and sexual harassment problems that the military services are having.

The one thing the "experts" behind these assessments do not tell you is that the military is an all-volunteer force—and, as such, only a reflection of American society, no better and no worse. Soldiers are solid citizens with the same basic needs and desires as their peers in the civilian community.

Of course we have some problems in the Army. Why should today's Army be any different from past armies? Even during World War II, when we had millions of men in uniform and the majority of the American people were united in a common cause, we still had problems.

I have been in the Army for more than 28 years and have served in six overseas tours. Four of them were in Germany where I was the command sergeant major of a combat battalion, the 7th Army Training Command, and the 1st Armored Division. For two years before becoming sergeant major of the Army, I was the command sergeant major of Forces Command.

I also have been a first sergeant for 13 years of my military career. In all those positions, I traveled extensively and talked to tens of thousands of soldiers all over the world.

Thus, I feel that I can honestly speak about and for the soldiers. I feel that I understand them, their problems, their joys, their sorrows, their hardships and the sacrifices that they must make to be good soldiers. I feel that I can relate to today's troops and their problems because I have not forgotten what it is like to be a young soldier thousands of miles away from home.

From my travels, I am delighted to report that the Army is healthy, sound and in good condition in terms of training and readiness, regardless of what its detractors say. The soldiers are on the outer edges of the Free World doing the things that they are getting paid to do—maintaining a good readiness posture and deterring war.

These soldiers are intelligent, well-motivated and will tax the abilities of those appointed over them with their demands for aggressive, positive leadership to provide the guidance they need to become professionals. Soldiers will ask questions and expect answers from anyone on any number of subjects—especially things that affect them and their families.

I am not in the least bit worried about the quality or courage of today's troops. However, I am concerned about the constant erosion of pay and benefits and the uncertainty of many parts of the quality-of-life program such as the proposed new retirement plans, medical care and limited dependent travel overseas.

As former Secretary of the Army Martin R. Hoffmann has said, "The Army is not simply a job or a place to work. It is a total way of life. At times it is a difficult and dangerous way of life. It is a way of life that is based on commitment—commitment by the individual to his fellow soldiers, to his unit, to the Army and to his nation."

It is obvious that soldiers cannot be paid enough in simple dollars to do the things that they have done for more than two centuries: to be prepared to make the supreme sacrifice in defense of their nation should it become necessary. Soldiers serve in the military for many reasons, only one of which is money.

The basic element in the enlistment and retention equation is the quality of the "way of life"—those conditions of service which must be accepted and benefits that are expected. Most soldiers value highly all of their potential benefits, with medical care and the retirement system by far the most important.

Most military members know how much compensation they will receive in the uniformed services and believe that it is less than what they would receive as civilians. Most service members, both junior officers and enlisted, with whom I have talked also believe that their pay is less than what an individual of their rank could receive in the civilian world.

Thus, it is clear that a large part of the "balance" required to keep these soldiers in the Army comes from the potential benefits available in the military community which are better than those available in civilian jobs.

The erosion and uncertainty of many parts of the quality of this way of life, such as pay, retirement, medical care and dependents overseas, have already affected the efforts of manning the force. It is taken as a maxim that a potential benefit has no value to the individual until it is used.

This is not necessarily the truth, because some soldiers value the potential of the benefit itself. While a soldier or family may not use medical care for an extended period, this is of little consequence, since the medical care is there, available when needed. This is extremely important and weighs heavily on the service member's decision to join and, moreover, to remain in the service.

It is obvious, therefore, that changes in either the definition or availability of these benefits can be expected to result in serious repercussions in manpower.

This erosion did not happen overnight. It has been going on for years. The latest is congressional action taken to restrict dependents in overseas travel and support. Included in the fiscal 1980 Defense Authorization Act are provisions that place a ceiling of 325,000 command-sponsored military dependents who can be overseas as of 30 September, 1980.

The act does not, however, restrict the number of, nor does it withdraw support from, noncommand-sponsored dependents. At the end of November, 1979, the Army had less than 170,000 command-sponsored dependents overseas.

The total impact on the Army and its soldiers will not be known until the Defense Department has time to pass on guidance to the different services on the number of dependents they will be authorized to retain overseas.

In my opinion, the publicity associated with this act has already had a tremendous negative impact on the morale of soldiers and their families. The transient character of military service is well known by all. "Here today and gone tomorrow" has been the standard in the post-World War II Army. The movement aspect was already the condition of service that bothered soldiers the most, and with the dependent eliminations from overseas, it has had a double impact.

It is important to realize that in the all-volunteer force 53 percent of our soldiers are married. This includes 25 percent of those serving first enlistments and over 11 percent of the Els with under two years of service.

Denying travel entitlements for military dependents overseas will only increase family financial problems. Most dependents will decide to travel overseas at their own expense to join their spouses rather than face the lonely alternative of maintaining separate households.

Dependents overseas are vital to the continuing health and readiness of our commands. They make a positive contribution to the morale and retention of our soldiers. By their presence overseas, they add to the stability and normalcy of the military population and help reduce the incidence of disruptive behavior. Dependents do not create special evacuation problems that do not already exist because they are not the dominant American civilian presence abroad.

If the restricted dependent travel remains, the military will lose a large number of its soldiers, NCOs and junior officers.

The people whom we need to keep in the military do not earn enough money to maintain two households, but soldiers hardly make enough for their dependents to be overseas in a noncommand-sponsored status either. Thus, we force more dependents to become "Army widows," which causes morale problems, both at home and overseas, and impairs the effectiveness of our units. Restricted dependent travel also places additional strain on U.S. facilities and services such as medical care.

With the Army medical service primarily responsible to active-duty members—and couple that with the shortage of funds and trained medical personnel—the resultant dependent medical care has become a distortion of what soldiers are told when they enter the service.

As one sergeant said: "I was told that my dependents and I would receive free medical care, not only while I was on active duty, but after I retired from the military. This is just not true anymore. Retirees and their dependents have a difficult time getting medical treatment in most locations because it is provided to them on a space-available basis."

These shortages have also dictated that certain medical care for dependents of active-duty soldiers is provided on the space-available basis now.

To make up for the lack of direct medical care in Army facilities, the Department of Defense supported the creation of the Civilian Health and Medical Program for the Uniformed Services (CHAMPUS) some 13 years ago. For the most part, CHAMPUS has been unable to conform effectively to the needs of other soldiers because of those economic and resource pressures which have reduced the full value of their military health care benefits.

One soldier put it this way: "CHAMPUS is not much of a substitute for the direct medical service that my family used to receive at military installations and certainly not what I was promised when I came into the Army."

No matter what we say about the CHAMPUS program, it still takes money out of the soldier's pocket, money that he can ill-afford to give up because he is already financially strapped. Over a fifth of all enlisted personnel already have a second job, and 40 percent of their spouses are also working outside of the home in trying to make ends meet. More soldiers say they need to work, but the conditions of military service prohibit them from doing so.

In a February, 1979, Department of the Army survey, 12 percent of our soldiers said that their dependents had been unable to receive civilian medical care under CHAMPUS, regardless of the illness, because of their inability to meet the cost.

Can you believe that? Twelve percent of our soldiers in the Army today cannot afford medical treatment for their dependents! This is a shame! We do not hesitate to recruit our youth to give the prime of their lives in service for the defense of their country, but we cannot provide sufficient care for their families.

Do you think this causes moral problems in the Army? You bet it does, and morale of the fighting force is the single most important aspect of any battle or war. Napoleon once said: "Morale makes up three-quarters of the game; the relative balance of manpower accounts for only the remaining quarter. In war everything depends on morale; and morale and public opinion comprise the better part of reality."

There are a lot of problems connected with CHAMPUS, and education coupled with the money aspect seems to be the key to some of them. The beneficiaries of the program do not understand it, how it works or what is expected of them as participants.

In the February, 1979, survey, only 70 percent of our troops said that they had heard of CHAMPUS and 43 percent indicated that they had filed a CHAMPUS claim in the past 12 months. Only 19 percent of those filing claims, however, indicated that they had no problems getting paid or settling their claims.

The survey also revealed that 18 percent of the soldiers who used CHAMPUS had to pay all costs in a lump sum at the time service was rendered. Another eight percent indicated they had to pay when the service was received, but the doctors permitted them to pay on terms.

This means that 26 percent of our soldiers had to pay for medical care for their families out of their own pockets and wait on CHAMPUS to settle their claims. Our soldiers cannot afford this unexpected outlay of cash for anything, let alone something they assumed they would get free after enlisting. With double-digit inflation, our soldiers today have a hard enough time putting food on the table, let alone solving the problems of medical bills.

This statement is borne out in the fact that in order to help our soldiers and their families meet their obligations, receive medical and dental care and put food on their tables, the Army Emergency Relief (AER) loaned or made grants of more than $8,171,344 to them in 1979. Some of these loans and grants include $145,969 for medical and dental care that our soldiers should have received through direct medical care as one of their benefits.

Other specific areas include $3,405,521 for help in paying rents, $1,247,278 for food (and that did not include the Army Community Services food locker program) and another $1,500,000 to help defray moving costs and emergency travel expenses. This is not a complete list of funds disbursed by AER, but they are good examples of how our soldiers are simply not being compensated enough on which to live.

The lack of knowledge displayed by our soldiers about the CHAMPUS program, of course, is basically the fault of the military services, starting with the Department of Defense which administers the program, on down.

No matter how difficult it may be to educate troops, it is imperative that we help our soldiers solve any problems they may have. After all, a person is of little use as a soldier when he or his family has a problem, especially in the medical, dental and food areas.

Routine dental care has never been available for dependents, except in remote locations in the United States and for overseas assignments (and CHAMPUS has no dental coverage). Dental care is expensive, but it cannot be postponed until the soldier gets the necessary money.

Our soldiers simply cannot afford dental work or checkups on the salaries they are being paid. One sergeant I saw in a post exchange just pointed to his son's new braces when I asked him what he got for Christmas. It is a sad commentary but a true one.

Medical care is not the only benefit that has eroded. The catch-up pay raises from 1967 to 1972 made the military pay rates generally competitive with the private sector. Pay raises since January, 1973, however, have failed to keep pace with inflation or the civilian sector.

The base pay of a recruit in the Army has gone from 111 percent of the minimum wage in January, 1973, to 84 percent of the minimum wage in January, 1979. This comparison is based on a full-time minimum wage earner's monthly pay for a 40-hour work week and the monthly base pay of an E1 with under two years of service who works an untold number of hours per week. A soldier is considered on duty 24 hours a day, 365 days a year, and has no set hours for working.

Recruit pay is not the only level of pay that has lagged behind. The pay raises since 1972 have also failed to keep pace with inflation or the cost of living. From 1 January, 1973, to 31 December, 1979, the consumer price index (CPI) increased 80.7 percent, while the cumulative annual regular military compensation (CARMC) increases were 50.6 percent.

For example the CPI went up 12.2 percent in 1974, whereas military pay increased only 5.5 percent. In 1978, the CPI increased nine percent, while the military pay increased 5.5 percent, and in 1979, the CPI rose 13.4 percent, but military pay increased only seven percent.

In direct contrast to the decline in real purchasing power experienced by military people, the President's Economic Report indicated that wages for union-represented employees kept pace with inflation between 1 December, 1972, and 30 September, 1978, rising 59.7 percent while the CPI rose 56.9 percent.

These pay caps have had a negative impact on the quality of life of the military member and his family since they adversely affect his current purchasing power while on active duty and his lifetime earnings in reduced retirement pay.

An example of this is that, effective with the 1 March, 1980, retired pay increases, the retired pay for a master sergeant (E8) who retired with 25 years of service in February, 1972, is $1,075.69 a month. The current retirement pay of a master sergeant who retires with 25 years of service in March, 1980, is only $918.18.

The reason for the difference is that the retired pay increases twice a year have been keeping pace with the consumer price index and active-duty military pay has not.

Most of the soldiers I have talked with consider the retirement system the key benefit that they receive from being in the Army. The uncertainty of the system, however, is causing a lot of morale problems in the military.

As one young soldier said to me on one of my recent visits:

"Sergeant major of the Army, I have just reenlisted for three years. When I came into the Army three years ago, they were working on a new retirement plan and they are still working on the same plan. When are they going to get it worked out so we will know what the future holds for us?"

Currently, the military services are so dependent on the stamina of youth to fight our wars that they force most service members to retire before they attain the age when they can draw social security benefits and while they still have school-aged children to support.

These same retirees, with few exceptions, must begin new careers in their middle age because they cannot live on their retirement pay. All of this, of course, puts a lot of strain on the service member and his family trying to adjust to the changes.

Active-duty pay, retirement pay and medical care are not the only financial considerations that have eroded over the past two decades.

Service members have seen the regular reenlistment bonus eliminated, military air fare discounts reduced by 50 percent, superior performance and shortage specialty proficiency pays eliminated, the full-funded G.I. Bill eliminated, the commissary surcharge increased to fund construction, and the full-funded enlisted undergraduate degree and the pre-discharge education programs eliminated.

There are several more proposals which are debated annually that would erode more of the few remaining benefits, such as elimination of appropriated-fund support for commissaries and overseas transportation of post exchange cargo which, if implemented, would further increase members' costs. This is not a complete list but a good idea of what has been happening in the area of military compensation over the past two decades.

The availability of these potential benefits to the soldiers and their dependents reassures them that they will have adequate food, housing, medical care and other necessities, if required. especially if the soldier is absent. The benefits are a clear and easily discernible signal to the soldier that "someone cares." The care shown by the Army in providing these benefits to the dependents convinces the soldiers that the Army "takes care of its own."

Some Americans maintain that such things are intangible and must, therefore, be disregarded as they cannot be "costed." It is true that such things are intangible, but they cannot be disregarded for they are the basis of soldiering, morale, determination and devotion to duty.

Soldiers are not just technicians; they are members of a profession of arms which has existed virtually unchanged for thousands of years—far longer than most other human institutions have existed. The Army has done so because of its unique character—a uniqueness based primarily upon intangibles that cannot be "costed."

The simple availability of the benefits reinforces the soldier's idea that the Army "does take care of its own," bolsters the soldier's commitment to the Army and the nation, and results in the most effective fighting force ever fielded.

OBSERVANCE OF NATIONAL SAVE HOUSING DAY IN ALLENTOWN, PA.

(Mr. RITTER asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. RITTER. Mr. Speaker, recently I participated in the Lehigh Valley Homebuilders Association National Save Housing Day parade in Allentown, Pa. This parade and rally vividly dramatized the seriousness of the crisis facing this most basic industry.

At this rally, Mr. James Molinaro, president of the Lehigh Valley Homebuilders Association presented me with a resolution which I would now like to present for my colleagues' attention.

The resolution follows:

Resolution

To the Congress of The United States:

Whereas, the Lehigh Valley Home Builders Association is a non-profit corporation of home builders, building suppliers, realtors, and lending institutions; and

Whereas, the Lehigh Valley Home Builders Association is an affiliate of the Pennsylvania and National Home Builders Association; and

Whereas, the Lehigh Valley Home Builders Association believes it is the right of every American to be able to purchase a home; and

Whereas, current economic policies and conditions have denied many Americans their right to purchase a home; and

Whereas, the Lehigh Valley Home Builders Association protests the current economic policies and demands that government, both National, State, and Local, take what steps are necessary to correct the deplorable economic conditions and to insure to every American, their right to purchase and own a home.

Now, therefore, be it resolved and it is resolved, that the President, Officers and members of the Lehigh Valley Home Builders Association acknowledge and support the proposition that every American should have the right to purchase and own a home.

That, current economic conditions have and will continue to have the effect of denying to the American people the right to purchase and own a home.

That, the economic conditions which have denied the American people of their rights, have been caused, in part, by the policies of the Federal Reserve Board, and their unquestioned authority over economic and fiscal policy in America.

That, the Federal Reserve Board, through its economic policies, have caused an increase in interest rates that are depriving many Americans of their right to purchase and own a home.

That, the Lehigh Valley Home Builders Association urges that the President, Jimmy Carter, continue with and increase his fight against inflation, and to that end, we support his efforts to balance the Federal Budget and to show fiscal responsibility in dealing with the nation's economy.

That, the Lehigh Valley Home Builders Association urges that President Jimmy Carter, and the Congress of the United States re-evaluate the unquestioned authority, and the broad economic and fiscal powers of the Federal Reserve Board in an effort to make them more responsive to the needs of the American people.

That, the Lehigh Valley Home Builders Association, its President, Officers, and members, believe in and support the free enterprise system, and that we urge the President, the Congress of the United States and all other National, State and Local Government officials to take whatever steps are necessary to stop inflation and relieve the American people of high interest rates on mortgages, which have caused a crisis in the home building industry and have taken away the dream of every American, to own a home.

That the Lehigh Valley Home Builders Association, its President, Officers and members pledge their support to these officials, of National, State and Local Government, who support responsible and sensible government, and that we further pledge to protect the right of every American to purchase and own a home. We will live, we will act, and we will fight, to keep the American ideal of reasonable affordability to purchase a home.

POLISH CONSTITUTION DAY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wisconsin (Mr. ZABLOCKI) is recognized for 60 minutes.

Mr. ZABLOCKI. Mr. Speaker, it is my distinct privilege to call to the attention of our colleagues the anniversary of the ratification of the Polish Constitution of May 3, 1791.

Today, as we commemorate the 189th anniversary of this historic event, our recollection of the basic principles it represents, freedom, dignity of man, justice, takes on a special significance. Today, because of recent events, we are even able to better view the May 3 constitution in its proper perspective.

Mr. Speaker, we recall that on August 1, 1975, 35 nations, including Poland and the Soviet Union, signed the Helsinki accords guaranteeing fundamental freedom to all without distinction, including freedom of thought, conscience and religion or belief. These principles are ages old and have been the basis for every formal expression of man's desire to be free from oppression and be able to exercise his God-given freedom of choice.

These principles, which recognize the dignity of the individual, were the very foundation of our own Constitution in 1789 and 2 years later, of the Polish Constitution of 1791. At first glance, it seems remarkable that two nations so diverse in their history, culture, language and heritage could arrive at so similar a goal almost simultaneously. Yet, it is not really so remarkable when we recognize that both documents are expressions of mankind's inevitable destiny—to be free.

The agreement at Helsinki, like other international declarations of human rights principles, including the universal declaration of human rights of the United Nations, could become just another historic document without practical effect. President Carter, however, has let the world know that the United States will lend its strong moral support to the cause of freedom everywhere in the world.

Mr. Speaker, in Poland as well as in other nations under Soviet domination, courageous champions of individual rights continue to press for relaxation of restrictions on personal freedom at great risk to themselves and their families. Can we do less than speak out for their cause for all the world to hear?

The bold and public approach of the Carter administration—developed in consultation with his Secretary of State, with his Special Adviser for National Security, and with the Congress—is not without its risks.

In recent years, for example, several Latin American nations rejected American aid under mutual assistance agreements because of strong administration criticism of their abuses of human rights. The Soviet Union, likewise, during the talks which led to the signing of the treaty aiming at the limitation of strategic arms—SALT—labeled American criticism of Soviet suppression of civil liberties as interference in their internal affairs. This is nonsense. We cannot refrain from speaking out against immorality, Godlessness, violence, murder, and the suppression of basic human rights wherever they occur. To fail to speak out would only serve to condone such acts and encourage further abuses of human rights such as those occurring today in the brutal Soviet attempt to dominate the freedom-loving people of Afghanistan.

The continued harassment of political dissidents and intellectuals, particularly by the Helsinki signatory nations, is a source of great concern to the American people and to the Congress. Deliberate actions on the part of the Soviet Union and Eastern European nations hamper the reuniting of relatives and frustrate friendly contacts with other nations throughout the world. These are violations of Helsinki.

Mr. Speaker, with our tradition of respect for human rights, we remain steadfastly committed to the defense of human rights for ourselves and for all peoples in the world. Some progress has been made in many of the nations of the world. However, we must constantly call attention to present and past violations. For that reason, on April 30, 1980, I shared with my colleagues a recent speech by Aloysius Mazewski, president of the Polish National Alliance and of the Polish American Congress, as well as my own remarks, at an observance marking the 40th anniversary of the Katyn Forest Massacre. We speak out today—in the spirit of the past to prevent the Katyns of the future.

It is within this perspective that the Polish Constitution of May 3, 1791, should be viewed. At the time of its adoption it was the most liberal document in all of Europe—years ahead of its time.

Today, generations later, our country strengthened by 10 million citizens of Polish descent pledges its active support for the principles of civil liberty, justice, religious freedom enunciated by the May 3 constitution. After years of oppression and domination, Poland still waits for the opportunity to exercise the freedom we enjoy. God grant that her people will not have to wait much longer.

● Mr. DERWINSKI. Mr. Speaker, one of the proudest days in our Nation's history is the anniversary of our country's Constitution, commemorating the declaration which gave us our freedom. Similarly, one of the brightest events in Polish history was the adoption of the Third of May Constitution of 1791. On this day, Poles throughout the free world celebate this historic Polish national holiday, which is a reminder to all, that Poland was one of the first pioneers of freedom in Europe. Unfortunately, under the tyrannical domination of their Communist rulers, the brave people of Poland cannot speak out on this day as proudly and vigorously as they wish.

However, it is particularly fitting for Americans to pay tribute to this major contribution to democracy in the world. Even more so, we honor the event since the United States was able to build and grow on its own constitutional Government, while Poland, as early as 1795, was subjected to partitions and exploited by neighboring countries.

While their historic homeland remains under the shadow of Soviet domination, the spirit embodied in the Polish Constitution has never died in the hearts of Poles who have migrated to other countries. This day also serves as a reminder of the cultural links between this Nation and the free Poland that existed prior to the outbreak of World War II.

When Poland adopted its Constitution on May 3, 1791, this led to a true reform of its internal life as it asserted its democracy. But it came too late, and could not put a halt to the third partition of Poland in 1795 by the despotic rulers of the neighboring nations of Russia, Prussia, and Austria.

While many invasions and subsequent partitions have prevented Poland from developing her democratic ideals, these setbacks have failed to break the spirit of her people. They courageously persist in their efforts to ease the oppression imposed on them by the Communist Warsaw government. Poles everywhere are confident that their future will see a flourishing Poland, inspired by her great traditions and ideals.

Although Poland is clamped in the grip of the Soviets today, the Polish people in free countries proudly commemorate May 3 as a day for remembering and honoring Polish democracy and freedom. On this 189th observance of the adoption of the first democratic constitution in Europe, the Poles look forward once again to the time when they will have true independence both in the national life of Poland and in the individual lives of its citizens.

This day, which should belong to every Pole, not just those living apart from the mother country, gives encouragement to the citizens of Poland in their continuing struggle for their democratic rights. We must join in the hope that the Polish people will yet realize the attainment of the ideals and spirit of their May 3 Constitution.●

● Mr. FARY. Mr. Speaker, in Poland, this year, people are especially conscious of the fact that commemorating Polish Constitution Day is forbidden. The past month, April 1980, has marked the 40th anniversary of the massacre by Soviet troops of an estimated 15,000 Polish officers in the Katyn forest.

> On March 21st, at eight in the morning, 76 year old Walenty Badylak bound himself with a rope to a water fountain near Cracow's old town square, poured gasoline on himself and committed suicide by burning himself alive.—(Studium, April 1980)

How are these three events connected? Each points up the oppressive conditions existing in Poland today. Let us imagine for a moment that July 4 came and went without parades, fireworks, and flags. Because of the importance of Independence Day as a part of our national heritage, we would be outraged if we were told to go to our offices and schools or continue our every day activities as if it were any other day. That is exactly what happens in Poland every year on May 3, the day in 1791 when Poland established herself as a free, democratic, sovereign state. The ban on celebrating Constitution Day serves as a reminder that Poland is no longer a sovereign nation but is under Russian domination.

Another manifestation of the oppressive conditions existing in Poland today can be seen in the fact that Poles are forbidden to speak of the massacre of thousands of Polish officers in the Katyn forest which took place 20 years ago in April 1940. Specialists in forensic medicine from all over the world agree that the men whose bodies were found buried at Katyn were killed by Soviet soldiers but no nation had the courage to try the Soviets for this horrible war crime when the Germans were being tried at Nuremburg. The following is a short account of the circumstances surrounding the massacre. This particular account has been excerpted from the April "Studium" which is issued by the North American Study Center for Polish Affairs in Ann Arbor, Mich.:

> On March 21 at eight in the morning 76 year-old Walenty Badylak bound himself with a rope to a water fountain near Cracow's old town square, poured gasoline on himself, and committed suicide by burning himself alive. With him there was a sign which read "For Katyn." By afternoon, people were leaving flowers on the spot. "Katyn" happened four decades ago, but the memory of it is still fresh.
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> When Hitler and Stalin began World War II by agreeing to divide Poland between them, the Germans invaded from the West, and the Russians from the East. In the weeks that followed, Soviet troops took prisoner 15,000 Polish officers. Only 400 of them survived. What happen to the rest?
>
> The Polish government made repeated attempts to learn the fate of the missing officers after Hitler's invasion of the Soviet Union had made it Stalin's ally. Stalin claimed they could not be found, as if thousands upon thousands of prisoners of war could be misplaced. Earlier, when plans were first being made for forming an army from Polish prisoners to fight the Germans, the subject of the prisoners held at the Starobelsk and Kozelsk camps came up. The deputy head of the Soviet secret police, Merkulov, then blurted out to Polish interpellants that these men could not be used because, in his words, "We made a great mistake with them." Later, Soviet authorities maintained that the "mistake" consisted in handing these men over to the Germans.
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> In April 1943, German radio announced the discovery of mass graves in the Katyn forest near Smolensk. Some of the graves contained the victims of secret police executions dating back to the 1920's, but others contained thousands of bodies dressed in the uniforms of Polish officers. On one body was a wooden cigaret case bearing the words "Kozelsk 1940." Others had newspapers dated April or early May 1940. The missing officers had been found.
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> The Soviet government has always maintained that it was a German provocation. They tried and failed to convict Germany of the crime at Nuremberg. They blocked an attempt to send an international Red Cross delegation to the scene for an impartial investigation. In Poland today official censorship forbids mention of the massacre without blaming Nazi Germany. The regime's critics cite this as an example of the Soviet Union's control over Poland.
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> In Afghanistan in 1979, the village of Kerala was destroyed. Everyone who lived there was murdered by the Soviet army. The spirit responsible for Katyn apparently lives on.
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> In these days when the United Nations can send a commission to Iran to investigate alleged American atrocities, why can there not be a similar commission to investigate what happened at Katyn? The precedent is there and the massacre of thousands of prisoners of war exceeds in magnitude anything the Americans or the former Shah have been accused of doing in Iran. Perhaps such a commission would consider the reminiscences of Prof. Stanislaw Swianiewicz who was a POW at the Kozelsk camp and in April 1940 was taken by train with a group of Polish officers to Katyn. At the last moment he was separated from his compatriots, charged with espionage, and sentenced to a term of hard labor. "As luck would have it," he later wrote, "I am the only surviving Polish officer who traveled with a group of fellow prisoners of war from Kozelsk to a railway station in the vicinity of Katyn." He recalled seeing his fellow officers loaded on a bus to a destination from which they would never return.

How does Walenty Badylak's death have any connection with the suppression of Polish Constitution Day and information about the massacre at Katyn? The old man brought a sign with him which read "For Katyn." This act which shocked all of Poles all over the world was a tragic and violent form of protest against the silence imposed by the Russians on the subject of their crimes at Katyn and many other events that have been suppressed. The Soviets would like to solve problems by ignoring them but the Polish people, including Walenty Badylak, cannot allow themselves to simply be forgotten by the rest of the world. They know that the only power they have is in remembering and making sure that the world remembers the atrocities committed against the Polish nation.

In Poland, no restriction can prevent the people from remembering that they are a sovereign nation being held captive. Their only hope is to constantly remind the free nations in the West of their plight and hope that the situation will change some day. That is why the water fountain where Walenty Badylak burned himself to death is adorned with fresh flowers every day. The old man has become a hero through his death because he let the world know that the Polish nation has not been vanquished. Because the Poles remember Katyn, Polish Constitution Day, and Walenty Badylak, they remain a separate nation, not swallowed up by the Russians though deprived of the right to rule themselves, and look expectantly to the West where freedom is proclaimed as a right that belongs to every man. They ask us: "When will we be free again?" The fact that an old man had to burn himself to death to get our attention leads me to believe that we have been ignoring the voices coming from all the captive nations urging us to act on our conviction that freedom is a God given right of which no man should be allowed to deprive another.●

● Mr. BROOMFIELD. Mr. Speaker, the commemoration of Polish Constitution Day 1980 assumes special significance, in light of Vatican and American efforts in the area of human rights. To be sure, we can all be proud of the election of a Polish Cardinal to the position of Pope. Pope John Paul II, through his pronouncements and his travels, including a triumphant tour of his homeland, has brought a new spirit of understanding and openness—of concern for the freedom and the human dignity of all people who remain captives of communism.

To Pope John Paul II, the legitimacy of the states of Poland and other East European countries depends ultimately on their willingness to serve the people and not vice versa. This is his way of saying that the Communist system is not a finality and that nations have the ultimate right to determine how they shall live.

In short, Pope John Paul II's message began at least 189 years ago when the patriotic and liberty loving people of Poland adopted a constitution with democratic principles—principles which guaranteed individual freedom and dignity. Despite their democratic efforts in the spring of 1791, the people of Poland—victims of history and geopolitics—have grimly experienced treacherous invasions and partitions which have only worked to the detriment of their initial democratic goals.

Despite suppression and suffering, however, the people of Poland have persevered in their struggle for national and individual rights, still clinging to their noble ideals as provided by the Constitution of 1791. As a result of this struggle, we as Americans must continue our efforts to promote and advance our concern for individual rights in the nation of Poland. In this way, we can, as a nation professing the principles of human freedom and dignity, help to provide new encouragement to those Polish people who once again desire to be free to decide their own destiny.●

GENERAL LEAVE

Mr. ZABLOCKI. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the subject of my special order today.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

CONGRESSMAN KEMP INTRODUCES URBAN JOBS AND ENTERPRISE ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. KEMP) is recognized for 60 minutes.

● Mr. KEMP. Mr. Speaker, this morning I introduced a bill entitled the Urban Jobs and Enterprise Zone Act, which I hope will open a new dialog, a new debate, about how we can save America's decaying inner cities.

This bill is the beginning, not the end of the debate. I hope, and expect, that my colleagues will add their own criticisms, ideas, and suggestions.

Most people, when they think of it at all, associate inner city decay with the Northeast—the loser in some national war of demographics. The problem actually touches almost every part of our Nation, and all of our people. It is rare today to find a major American city without an area totally deteriorated, lacking in industry, services, and population.

Particularly in our older cities, these areas cover the heart of a city, and symbolize the decline of an entire region. Middle- and upper-income residents have moved out, and small footloose industries—the key to new growth and new jobs—have gone to the outer fringes of the suburbs or to small towns.

Because the Northeast is so heavily urbanized, this mass exodus hits it hardest, producing chronically high unemployment, sluggish economic growth, a declining tax base and rising tax rates, and an inordinately high cost of living.

Overall, between 1970 and 1979 population in the Northeast actually declined, even though U.S. population grew 8.3 percent. Between 1970 and 1974 northeastern metropolitan areas experienced a net migration and a net job loss.

A walk through the South Bronx, certain parts of Buffalo, and many other American inner cities is testament that inner city decay is no less brutal today than it was in the 1960's. Indeed, to those who continue to suffer it is even more tragic.

We are told that Washingtons' "best and brightest" have already attacked the problem. Government has since the 1960's produced an array of imaginative programs for the inner city. While some achieved acceptable results, many of these programs became part of the problem. Who can forget urban renewal, which bulldozed gaping holes in our urban areas? What about "model cities" and "new towns"—now ghost towns—programs which achieved remarkably forgettable results?

The fact is, while social welfare spending has increased every year—nearly one-quarter of the nondefense budget was spent in the central cities in fiscal year 1979—inner city poverty remains intractable. We may keep the poor from starving, but Government has failed to deal with the root causes of inner city poverty, to meet the needs of people groping for help and a chance to make it on their own.

Today we have a segment of our population trapped in a cycle—a poverty trap which has no beginning and no end. Without Government help, some 43 million Americans—20 percent of the population—would be classified as poor. Why has this percentage remained the same for the past dozen years, despite creation of millions of new jobs and rising nominal wages? That is the paradox of our inner city decline.

I sometimes get the feeling that just because people are poor, policymakers think they are economically illiterate. Our inner city poor may, in fact, understand more about economic disincentives than many of our most learned members of the Council of Economic Advisors.

A person today who gives up welfare or unemployment benefits to take a job that provides scarcely more, if any, in after-tax income than those benefits provide is just not being realistic. But that is exactly what we ask of our inner city poor. Government has spent in the past decade upwards of $150 million to study people on welfare. But what motivates—or does not motivate—welfare recipients in their economic decisions? That is something our welfare experts have not figured out. I would make the case that the poor are motivated by exactly the same things as all other people: incentives, rewards, jobs that bring dignity, not despair.

In 1975 Nathan Glazer of Harvard University described a case, reported in the Boston Globe—note there was no welfare fraud here—in which a family on welfare had "cash income and free health and educational services" amounting to $16,028 a year.

Glazer wrote:

> A working head of family would have to earn at least $20,000 to match this standard of living.

A more common case is the person receiving the equivalent of $8,000 a year in welfare benefits who is offered a job earning $8,000 a year. He or she works for nothing if taking the job entails losing all the welfare payments. The person faces a tax rate on work of 100 percent—it would actually be higher because the person earning $8,000 would have to pay taxes. If the person took a job paying $10,000 in take-home pay, the tax rate would be an astounding 80 percent. Yet we seem surprised that many welfare recipients are often reluctant to take jobs. As writer Tom Bethell, a noted commentator on the subject, has pointed out:

> Not even millionaires encounter tax rates that high.

If you want to work your way up the ladder of opportunity in America, you must first be able to get on the ladder. But with this system, the inner city poor are denied access even to the bottom rungs by the poverty barrier of high welfare tax rates on work and the high rates of inner city unemployment.

In other words, what Government gives them with its right hand, it takes with its left. We offer the poor transfer payments, then tax their earnings so brutally they have little choice but to accept them. We give grants and loans to businesses that are paid for by increased taxes which endanger the very enterprises most likely to offer new opportunities to the disadvantaged.

We provide training for jobs which, because Government has created a business environment hostile to small-scale entrepreneurship, are never created. The worst news, however, is that it is now official Washington strategy to combat inflation by slowing down the economy and putting people out of work.

As my colleague GUS HAWKINS argued last week, the administration's economic policy—

> is based on pursuing the discredited economic policy of trading off jobs and deliberately creating economic recession to "supposedly" fight inflation. * * * The current economic policy assumptions have absolutely no basis in justification.
>
> They are distortions of reality and lack any form of economic soundness. These actions are designed to cause more inflation; more unemployment; deeper recession and will result in a weaker economy and a weaker America.

As. Mr. HAWKINS and other members of the Black Caucus have so aptly pointed out, unemployment is not just disastrous for the black and Hispanic and the poor. It is actually inflationary, because it reduces our national output and productivity.

Then we act surprised when our inner city residents become so discouraged they remain permanent fixtures on the public dole. Vernon Jordan, president of the Urban League, calls them America's "boat people without boats, cut adrift" from the promise of a better future. Is it any wonder they are becoming poorer, more despairing, and more dependent?

This does not mean the situation is hopeless. When it comes to his or her own personal welfare, every individual is an entrepreneur. Everyone makes economic calculations. Our inner city residents who stay on relatively high-paying welfare instead of taking low-paying jobs make an economic calculation. What we need is a fair program that encourages a change in that calculation. People want to work, want to save, want to be productive. Our economic policies just are not giving them that chance.

In the same way, skilled workers and experienced entrepreneurs who leave the inner city for the surburbs and beyond also make calculations. That brings us to another aspect of our urban problem. When skilled workers and established entrepreneurs leave, and potential inner city entrepreneurs are discouraged from taking risks, innovation and enterprise dry up. So we need a national strategy which can help change their calculations as well.

Prof. Peter Hall, a distinguished British specialist in urban affairs, describes this situation:

> Some entrepreneurs (in the city) succeeded and grew large. As they did, they (often) took their business out of the city in search of larger scale, rationalized production processes. Others stagnated or even died; but there were always others to take their place, and again some of those would succeed. Now we have succeeded in killing off an abnormal proportion, and too little innovation is happening to fill the gap. The job is to discover how to get the innovation going again.

Our cities have traditionally been the seedbed for this innovation, its main engine of growth. Even today studies by the Massachusetts Institute of Technology and the Commerce Department show an important way of restoring new life to the inner city is to encourage new, small, technically based companies to start up in the cities—today similar firms line small industrial parks in the suburbs. These companies would offer new employment opportunities to inner city workers, as well as a base for revitalizing retail and service industries.

To me these two problems—the flight of entrepreneurs and the disincentives facing those left behind—suggest the need for a new approach to our cities. There are no perfect solutions or easy answers. But what we know is that we can not promote more of the same.

When the inner city is in trouble, the traditional response is to pump more aid and more programs through Congress. In 1978 President Carter said:

> I am convinced that it is in our national interest to save our cities. I intend to provide the leadership.

But only a few months following his announcement of a new national urban policy, Mr. Carter's grandiose promise to rebuild the South Bronx "brick by brick and block by block" was exposed as tokenism. It is easy to understand why. The administration was offering just more of the same. More bureaucracy for the inner city resident, more programs that had already failed, more disincentives for the individual.

We do not need more of the same. What we need is a program based on an understanding of what makes people—rich and poor—tick economically, and what motivates them in the marketplace.

If we clear away the Federal underbrush surrounding our inner city, we recognize that the root cause of its decline is the lack of one element—economic growth. Our inner cities lack growth because they take the last place in innovation and economic risk-taking, and because their residents face a system which frustrates human nature by weakening the link between effort and reward.

As the Chief Counsel of the Small Business Administration said recently:

> The critical need is for an entrepreneurial environment far more favorable to innovation and risk-taking than we have had for the past ten years. . . . New concepts are only generated from individuals, and creative individuals need an environment that is conducive for creation with rewards, recognition, profits, freedoms, and the availability of capital, basic knowledge, and other tools with which to create. There appears to us to be a lack of understanding within government of how individuals create in the private sector, and how they implement their creations.

Notice we are talking not just about "capital formation" but about capital mobilization. Capital is not just money. If it were, then Government could solve our problems by printing more of it, or we could double—triple—Federal transfer payments to the poor. Capital, in my view, is productive capability and thus exists in the minds, hands, and creativity of the people—in the inner city and throughout the country. This capital has been deactivated by the effects of excessive taxation and regulation

There are "experts" who view people below the poverty line as a national stigma, as though they suffered from a permanent affliction. They miss the point of how quickly such human "capital" can be mobilized in our inner cities. They miss how rapidly, in an entrepreneurial economy, the poor can move up the ladder of success, and the wealthy vice versa.

Recently in Harpers magazine Tom Bethell wrote:

> An economy is precisely kept in a dynamic state by two powerful forces: the push (from the bottom) of those escaping poverty, and the upward pull or magnetic attraction of wealth.

This is precisely the rationale behind my bill—to restore incentives for that "push" and "pull." The essence of the legislation I am introducing today is to classify the most decayed segments of our cities—and also very poor rural areas—as "enterprise jobs and enterprise zones." The British have already introduced a similar program in their most recent budget. In each of these zones, Congress will dramatically reduce tax rates for individuals and enterprises, to restore incentives for economic activity.

It is said categorically that Government cannot provide tax incentives without losing a great amount of revenue. This is a mistaken principle. Government loses not a dime by lowering dramatically the tax rate on the unemployed black or Hispanic teenager. He or she is producing no taxable income for the Government to lose. Neither does it lose by lowering small business tax rates in burned out areas of the city. Almost all small enterprises have already left these areas. Unless Congress changes this situation with new policies, the Treasury loses potential revenue it could gain from a vibrant inner city economy.

Even assuming no revenue response to this proposal—that is, that individuals do not respond to incentives—the cost would still be relatively low. While a complete computer analysis has not yet been prepared, a rough, static estimate—with no feedback effects—is only $1.4 billion. Assuming the standard Keynesian 30-percent revenue feedback effect, the cost would be $840 million. This is less than one-sixth the cost of community and regional development grants, less than one-fifth the cost of CETA, and less than one-three-hundredth the cost of income security transfer payments.

With this proposal, any unit of local government may apply for one or more enterprise jobs zones within its jurisdiction, if: First they meet eligibility requirements somewhat similar to criteria established by the Economic Development Adminstration of the Commerce Department for special impact areas, and second, the local government will agree to reduce its effective property tax rate within the zone by 5 percent a year for 4 years.

The proposal's four major elements apply within these zones. They tend to be targeted to smaller enterprises and individuals because 66 percent of new jobs created nationally, and 100 percent of net new jobs created in the Northeast, come from small business.

First. To encourage job creation in the inner city, particularly for the young, the bill reduces social security payroll taxes on employers and employees by 90 percent for workers under 21, 50 percent for workers 21 and older.

Second. To encourage small enterprise investment and job creation, the bill reduces the capital gains tax rate on investment by 50 percent—on the sale of residential property, the tax reduction applies only when the seller has his or her principal residence in the zone.

Third. To encourage business expansion and to retain existing enterprises, we should cut business tax rates 15 percent across the board for any business located in and employing at least half of its employees in one or more zones.

Fourth. To increase small business incentives, the bill: Allows 3-year, straight-line depreciation on the first $500,000 of assets purchased each year; allow the use of cash rather than accrual accounting methods for firms with gross sales below $1 million, and extends the loss carryforward provision to 10 years.

The provisions of this bill have been developed after consultation with the National Federation of Independent Businesses, City Venture Corp., members of the National League of Cities, and various academic experts on economics and urban development.

I am not saying that this bill alone will end urban blight. We also need a strong national economy, something increasingly distant in this time of nearly 20-percent inflation, rising tax rates, declining productivity, savings, and investment, and increasing joblessness. Our most pressing problem is the combination of this high inflation and our progressive tax system. This is a combination unprecedented in the history of our country, which is why for the first time in most of our lifetimes we are feeling our economic strength ebbing away.

Inflation—a decline in the value of money—by itself is destructive. High progressivity in tax rates by itself discourages labor and capital from increasing their productive efforts. The combination of the two has been horrendous. Even as inflation saps our ability to save for the future, to invest in our futures, it lifts both labor and capital into high progressive tax brackets that smother the incentive to produce.

As we discuss ideas and strategies for revitalizing our inner cities, we should also consider repairing the damage done by a decade of inflation on our outdated tax code.

This means reducing tax rates. I believe we need to reduce today's high personal income tax rates, to reduce and index capital gains and estate taxes, to adjust business depreciation for inflation, reduce the corporate tax rate, and reduce the regulatory load on business.

We should also examine individual States' economic policies to see why they have produced varying economic conditions within the same region.

I personally believe we need to move forward to dollar convertibility to make our currency again as "good as gold."

While business incentives are necessary, wages and salaries alone account for roughly 80 percent of our national income. Thus the economic decisions of individuals command four times as much of production as the decisions of corporations. By restoring individual incentives—particularly in the inner city—we dip into our greatest potential source of increased production for economic growth.

Only by such measures can we solve the central problem of most of the inner city poor: The extraordinarily high tax rates they face when switching from welfare to jobs paying similar amounts in after-tax income. So long as Government benefits are indexed to inflation while income taxes are not, this problem will persist. Indexation of tax rates, therefore, is essential. Until the rewards for work exceed the rewards for Government-subsidized unemployment, it will further persist. The only human way to increase these rewards sufficiently is to reduce tax rates.

President Kennedy, back in 1963, said in a message to Congress:

> The most urgent task facing our nation at home today is to end the tragic waste of unemployment and unused resources, to step up the growth and vigor of our national economy, to increase job and investment opportunities, to improve our productivity, and thereby strengthen our nation's ability to meet its worldwide commitments for the defense and growth of freedom.

I do not remember him talking about enlarging a poverty class with more bureaucratic handouts and high tax rates. Nor did he talk about draconian cuts in the "safety net" of social services. He talked about reducing tax rates.

He saw an America of boundless opportunity, where a man or woman anywhere could, with energy and initiative, reach as far or as high as he or she wanted.

But when that initiative is stifled, as it is today, by a poverty wall and a tax system that denies individuals the incentive to "move up the ladder," people no longer exert themselves.

When entrepreneurs find they cannot keep the reward for their efforts, they stop taking risks. Everyone reduces their economic effort, sometimes completely, and our country is thus deprived of the energy and spirit on which its greatness depends.

Our goal for America must be full employment for all Americans without inflation because nothing less is worthy of our Nation and our Nation's people.

Indeed the world needs America to once again point the way to noninflationary economic growth and prosperity.●

OBSERVATIONS OF RABBI JUDA GLASNER ON HOSTAGE CRISIS IN IRAN

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. GOLDWATER) is recognized for 5 minutes.

● Mr. GOLDWATER. Mr. Speaker, I would like to bring to my colleagues attention a recent interview printed in the B'nai B'rith Messenger with Rabbi Juda Glasner concerning the President's handling of the hostage crisis. Rabbi Glasner was thrown into a Nazi slave labor camp, from which he escaped, only to be captured by the Russian Communists. Escaping again, he aided in the rescue of thousands of other refugees. He is now a highly respected civic and spiritual leader in the Los Angeles area, and I believe his comments are worthwhile and thought-provoking.

This interview was conducted two weeks before President Carter ordered the rescue mission, and I believe Rabbi Glasner's observations are timely as we try to sort out the implementation of last Friday's aborted raid.

The longer this crisis drags out, the more clear it becomes that national honor is neither a meaningless nor hollow concept. For too long, a great many people have accepted the notion that national honor was somehow similar to false pride or an outdated hold-over from a less enlightened period. Events, however, have shown us that while it may not be a tangible concept, it is nonetheless a real one, and when it is lost, the consequences are all too tangible and tragically real. Vainglorious display or policy is, indeed, foolish, but an excess of self-doubt and self-hate are paralyzing and thus dangerous. As such, it would be prudent for us to consider well Rabbi Glasner's voice of experience.

The article follows:

[From the B'nai B'rith Messenger, Apr. 11, 1980]

ORTHODOX RABBI RAPS CARTER ON IRAN CRISIS

(By Rabbi Juda Glasner)

A local Orthodox rabbi, who survived the horrors and degradations of the nazi era and the later abuse in the Soviet Union, has condemned President Jimmy's Carter's treatment of the Iranian crisis.

Rabbi Juda Glasner, member of the President's Commission On the Holocaust, is adamantly opposed to giving in to the militants holding the 50 American hostages.

The rabbi spoke to The Messenger this week from his hospital room where he is undergoing a lengthy series of tests, for ailments relating to his experiences under the nazis.

"I felt from the very beginning of the crisis that we should have acted immediately. Whatever available options there were, they should have been implemented immediately.

"The President of the United State does not comprehend the seriousness and the consequences that can come from inaction.

"Israel actually provided us with an example," he said referring to the Israeli rescue of hostages at Entebbe Airport in Uganda.

"The leadership of the United States of America, the greatest nation in the world, failed to realize that they had to act to rescue the hostages. They lived in dreams that we would be able to prevail upon a bunch of terrorists.

"There is only one language that those hoodlums (the Iranian militants currently holding the hostages) understand and that is might. And that was not employed."

"If action would have been taken immediately," the Rabbi continued, "I wouldn't say that we would have saved all of the hostages, but the humiliation that this country is going through for over five months—being unable to come to some kind of decision—is the catastrophe of our times."

Rabbi Glasner, whose book "Faith in Spite of All," described the tortures perpetrated by the nazis and the Russians during the '40s and early '50s, said that there are already many victims of the tragedy in Iran.

"Why are the terrorists so opposed to any United Nations delegation viewing the hostages? We fail to draw the proper conclusions to the answers to this question. The matter is indeed more serious than any of us imagined."

In light of the current situation with the Russian invasion of Afghanistan, the United States now faces possible retaliatory action by the Russians, according to the rabbi. "They wouldn't have faced this before the invasion," he said.●

ELIMINATE CAPITAL GAINS TAX ON SALE OF PERSONAL RESIDENCE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. PORTER) is recognized for 15 minutes.

● Mr. PORTER. Mr. Speaker, I am introducing today legislation that repeals the capital gains tax on the sale of personal residence.

I do so because I believe this tax to be unconscionable. The basic necessities of human existence—food, medical care, and shelter—simply should be beyond the long reach of Government taxation. It is for this reason that I worked in my State's legislature, where I served for 6 years, to eliminate the State sales tax on food and drugs. It is for this reason that I believe the bill I am introducing today is philosophically sound and ought to be a permanent part of our public policy.

It is economically sound as well. The proceeds of this tax are less than $5 billion, which is less than 1 percent of our Federal tax revenues. Income taxes, not indexed for inflation, are bringing in additional tax revenues today equal to this amount every 2 months.

But even if there were some substantial effect on tax revenues from repeal of the capital gains tax on sale of personal residence, I would work for adoption of the concept. The Congress itself has long recognized the inequity of taxing a homeowner when he or she sells his principal residence. The law is replete with many exceptions from the basic law that witness Congress' understanding of the flawed naure of the concept: First, under present law, if the homeowner purchases a new home costing more within certain time limits, the gain realized is deferred; second, under present law, adopted in 1964, if the homeowner is age 65 or older, a portion of the gain can be excluded, or all of it if it does not exceed $35,000, and third, under present law, adopted in 1978, any homeowner may once in his lifetime, if age 55 or over, exclude from income all capital gain on sale of personal residence up to $100,000.

Mr. Speaker, the Congress has recognized the inequity. It has simply not gone far enough to eliminate it. Every Member sees the unfairness in taxing capital gains on the sale of one's home, but not allowing the deduction of capital losses, as the law has always been written. Every Member recognizes that it is unconscionable to tax an individual on gain derived primarily from inflation, as most such gains are derived today, where there is no more real purchasing power left in the taxpayers hands after the sale than there was at the time of the purchase. Every Members believes that an essential of American public policy should be the encouragement of home ownership and that policy should be made a reality unimpeded by the heavy hand of taxation.

Mr. Speaker, this legislation simplifies the tax laws, encourages home ownership, removes from taxation a subject that should always have been sacrosanct—an individual's home, and makes the tax laws more equitable, without sacrificing substantial revenues. I urge my colleagues to join me in working for its passage.●

PERSONAL EXPLANATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida (Mr. NELSON) is recognized for 10 minutes.

● Mr. NELSON. Mr. Speaker, due to official business in my district, as keynote speaker for the 17th annual space congress, I was not present for the first two rollcall votes yesterday. If I had been present, I would have voted "yes" on rollcall No. 201 to approve the Journal and "yes" on the previous question on House Resolution 649, which provided for technical corrections to House Resolution 642, the rule for consideration of the first budget resolution.●

THE ECONOMIC IMPACT OF AMERICA'S DETERIORATING RAIL SYSTEM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Kansas (Mr. GLICKMAN) is recognized for 10 minutes.

● Mr. GLICKMAN. Mr. Speaker, from time to time I have taken the floor to discuss some of my concerns about the deterioration of our Nation's railroad network. Today, I will continue with the fourth in a series of discussions on this subject.

In the next few years, Congress will have to make some fundamental decisions that will shape the future of the railroad industry for years to come. These decisions must be made without undue delay, but after reasoned consideration, because tremendous economic consequences are at stake.

The railroad industry is the primary mode of transportation of many bulk materials and agricultural products. Railroads handle over 70 percent of coal ton-mile and 60 percent of grain ton-miles. Railroads are also the primary mode for shipping pulp and paper products, 77 percent; automotive products, 73 percent; food stuffs, 66 percent; chemicals, 60 percent; and primary metals 60 percent. In 1977, our Nation's railroads hauled 1.4 billion tons of freight with each shipment moving an average distance of 568 miles.

Without rail service, these industries and many others would suffer major dislocations and would be faced with the need for vast new investments in transport and warehouse facilities, as well as higher operating costs. These extra costs to the economy would exceed many times the investment needed to keep our railroads functioning efficiently. Yet, by our current policy of allowing our railroad network to deteriorate and our trackage to fall apart, we are putting a great deal of stress on other sectors of our transportation system as well as on our economy as a whole. In fact, if we allow the current inaction to continue, we may see large segments of our rail system shut down just as we have witnessed the demise of the Rock Island and Milwaukee lines.

In response to financial problems within the rail industry, many railroads have deferred maintenance and delayed capital expenditures for roadway and equipment. Consequently, the condition of railroad plant and equipment is deteriorating at an alarming rate, and deferred maintenance has dramatically increased the incidence of rail accidents and derailments.

For the period of 1966 through 1976, "normalized maintenance" of the rail system—sufficient to retain the track in condition to preserve at least half of its useful life—would have amounted to $23.9 billion. Actual maintenance-of-way expenditures for that same 10-year period were only $18.5 billion, leaving a gap of $5.4 billion. A portion of this shortfall represents economies purposely made through changes in operating patterns, service policies, or anticipated abandonments. In fact, more than 20,000 miles—approximately 10 percent of America's total rail mileage—are being considered by railroads for potential abandonment. That cannot be viewed as a promising statistic by our Nation's shippers.

By 1976, as a result of deferred maintenance, 47,200 miles of track—over 20 percent of our Nation's total rail mileage—were operating under slow orders requiring the operation of trains at reduced speeds. Slow orders severely impair the efficiency of railroad operations, and often require an additional train crew to be brought on duty when a regular run cannot be completed in a 12-hour time period. The delays that result mean lost business in cases where shipments are time sensitive and, undoubtedly, considerable losses in perishable commodities. That is compounded by costs entailed in terms of damages both to equipment and shipments when derailments occur. And as I have pointed out on previous occasions, the number of derailments on downgraded track has skyrocketed in the last few years.

The continuation of this trend will have a devastating impact on our economy and may cripple our efforts to achieve energy independence. If the current trend continues, we will see within the next 10 years an industry facing enormous capital shortages, competing only for bulk shipments of low-value goods, lacking the resources needed for safe operation, and to a very considerable degree, operating under the thumb of the Government. The transportation of bulk goods currently shipped by rail will have to be moved by trucks which consume three times as much energy per ton of freight. Because of the circuitry and directional flow of waterways, barges could not pick up sizable portions of the much needed service.

Railroads are essential to the achievement of our Nation's energy goals in other ways as well, especially regarding our increased need to rely on coal. Railroads employ large numbers of workers—over 500,000 in 1977—and provide important and continuing economic stimulus to local communities. Railroads are essential to exports, especially for commodities such as coal and grain. Rail movement of domestic materials for the automotive, energy, and steel industries reduces the amount of petroleum and heavy industrial goods that otherwise would have to be imported.

Clearly, if the railroad industry is to improve its health and remain in the private sector, and if our Nation is to avoid the economic catastrophe which would result from the collapse of the railroad industry, changes must be made in the structure of the industry and in Government policy toward railroads and other transportation modes. We must begin this process as soon as possible with a prime focus on assuring that we have access to a truly national rail network that really works. Otherwise, our Nation will not be able to cope with the demand for the efficient movement of goods and people, which will be devastating to our economy.●

IN TRIBUTE TO THE POLISH VICTIMS OF THE SOVIET KATYN MASSACRE, 1940

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. ANNUNZIO) is recognized for 5 minutes.

● Mr. ANNUNZIO. Mr. Speaker, 40 years ago, in the spring of 1940, one of the most brutal massacres of all time took place in the Katyn Forest area of Soviet-occupied Byelorussia.

The year before, in 1939, Stalin had participated with Hitler in the destruction of Poland, and subsequently, took as prisoners of war hundreds of thousands of Polish troops. When the Soviet Union itself was attacked later by the Hitler regime, most of these valiant defenders of freedom were returned to fight with the Allies, but about 1,500 were not returned.

Concrete evidence revealed some years later beyond a doubt that Stalin's secret police had murdered them in cold blood. Among these men were physicians, lawyers, writers, professors, and scientists, the very people whose task would have been to help rebuild and lead Poland after the war.

Mr. Speaker, it is most appropriate that we commemorate the sacrifice of these victims of the Katyn Forest massacre and the sacrifices of the entire Polish people in the continuing struggle against the Communist program of brute force, mass murder, and enslavement of subject peoples, in Poland, in Afghanistan, and all over the world. It is also imperative that the American people remain alert to the ferocious nature of the Communist tyrant. An editorial on this subject from the February 6 edition of the Washington Post follows:

THE KERALA MASSACRE

In the town of Kerala in eastern Afghanistan last April 20, survivors now in Pakistan have told The Christian Science Monitor and Newsweek, some 20 Soviet advisers led Afghan troops in the massacre of an estimated 1,000 or more unarmed people who had been rounded up for supporting the anti-government Moslem resistance. "They forced all the men to line up in crouching positions in the field just outside the town and then opened up with their machine guns from behind," one witness recalled. The command to shoot was given by a dark-blond, green-eyed Russian officer speaking Pushtu. The bodies were bulldozed.

The slaughter of defenseless civilians accused of providing support to national forces resisting foreign intervention is, of course, a familiar 20th-century story. Yet there is a special quality to the brutality reported at Kerala. It does not seem to have been the work of an errant soldier acting in violation of the established policy of his government. The circumstances in Kerala suggest at least a degree of official complicity on the part of the Soviet command, and at the most a Soviet policy decision to quell resistance at any cost.

Among some people there may be a certain tendency to shrug off the new atrocity tales—on grounds that everyone already knows how brutal Russians are generally and how ruthless they have been in Afghanistan. But literally and figuratively, that allows Moscow to get away with murder, past and future. What is at issue, after all, is the murder of more than 1,000 unarmed civilians at one time. The current Soviet line on Afghanistan is that the United States should write the place off and return to the pursuit of détente. But it is Soviet actions, which cannot be concealed from outside scrutiny, that undercut the Soviet line.

Moscow reacted with uncommon speed to the news accounts, terming them "monstrous misinformation." Obviously it senses that the Kerala reports can produce a firestorm of propaganda and criticism. (Keep in mind—the Kremlin surely does—that the Soviet Union is still in the dock for its massacre of captive Polish officers at Katyn in 1940.) In fact, if Moscow is serious about its denial, it will allow impartial investigators to go promptly to the scene. American satellite cameras should, meanwhile, keep watch.●

"THE LAWMAKERS" AVAILABLE NATIONALLY ON PUBLIC TELEVISION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Indiana (Mr. BRADEMAS) is recognized for 5 minutes..

● Mr. BRADEMAS. Mr. Speaker, 6 weeks ago today Washington's public television station, WETA/channel 26, inaugurated a weekly 30-minute program devoted to activities in Congress. Titled, "The Lawmakers," this modestly funded program was experimental. It was hoped that if it had reasonable success, "The Lawmakers" would be carried by the Public Television Network starting next January.

To the surprise of virtually everyone at WETA, however, "The Lawmakers" was an immediate hit. I am told the program drew more audience reaction than any previous one instituted by WETA.

The result is that tonight, May 1, 1980—some 9 months ahead of schedule—"The Lawmakers" is being fed to other public television stations around the Nation through the PBS facilities.

Those of you who have seen the program on WETA can readily understand its popularity. Contrary to the normal lightning-like coverage of Congress available from the commercial television networks, "The Lawmakers" examines in a balanced fashion major issues before Congress during the week. Tonight's program, for example, is expected to focus on the budget debate in the House and on congressional reaction to events in Iran.

Funding for the program has been provided by the Corporation for Public Broadcasting. Additional funding is required, however, and I am pleased to note that the Kaiser Aluminum & Chemical Corp. and the Whirlpool Corp. have agreed to provide funds for the program's continuance.

Mr. Speaker, I urge all my colleagues both to watch "The Lawmakers" and to call it to the attention of their constituents.●

CONGRESSMAN DINGELL INTRODUCES THE GREAT LAKES SPORT FISH CONSERVATION ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. DINGELL) is recognized for 5 minutes.

● Mr. DINGELL. Mr. Speaker, I am introducing legislation today which could aid and expedite Federal and State efforts to establish self-sustaining populations of lake trout and other native and introduced species of fish in the Great Lakes.

Historically, the lake trout supported on a self-sustaining basis a large and prosperous commercial fishery in the Great Lakes. In the 1940's and 1950's, however, the lake trout fishery began to decline precipitously, and the species virtually disappeared from many Great Lakes waters. Other Great Lakes fish suffered similar declines. Two major factors contributed to this collapse: Uncontrolled and increasingly heavy commercial fishing and severe depredations of the invading parasitic sea lamprey.

Since the establishment of the Great Lakes Fishery Commission in 1956, the Federal Government and Great Lakes States have expended millions of dollars attempting to rehabilitate the Great Lakes fisheries. This effort has focused on lamprey control technology and the stocking of hatchery produced lake trout, Pacific salmon, and other salmonid fish. The goal of these programs has been the establishment of self-perpetuating stocks of these fish.

The successful control of the sea lamprey by the application of chemicals that are selectively lethal to the larval lamprey in their nursery stream habitat has been a spectacular achievement. Equally dramatic has been the successful introduction of coho and chinook salmon into the Great Lakes.

In spite of these successes, the massive stocking of lake trout for over 20 years has failed to produce self-sustaining populations. A major causative factor for this incomplete success is considered to have been the continued excessive and premature harvest of the stocked fish before adequate spawning stocks have become reestablished and before the stocks became self-perpetuating.

Resultingly, this largely unrestricted harvest has retarded the development of a fully self-renewing population and, if continued, may preclude the likelihood that lake trout will ever attain self-sustainability in the Great Lakes.

The legislation that I have introduced will designate the following species of fish in Great Lakes waters as protected fish species: Lake trout, Atlantic salmon, brook trout, brown trout, rainbow (steelhead) trout, coho salmon, chinook salmon, northern pike, muskie, smallmouth and largemouth bass, walleye, and yellow perch—except in Green Bay, Wis., the waters of Lake Erie within Ohio and Saginaw Bay, Mich. The legislation would make it illegal, under the Black Bass Act and applicable State law, for the taking, catching, killing or sale of these species for commercial purposes. However, the taking of these fish for personal or family consumption or for sporting purposes would be unaffected.

The legislation also provides that the Great Lakes States would have the authority, 1 year after the enactment of the legislation, to designate any of the protected fish species listed in this bill as species which could be taken or sold commercially. It would, therefore, be up to the respective State or States to determine when populations of these fish reach a level where limited commercial taking would not be detrimental to the species.

I view this legislation as a means of insuring the restoration of Great Lakes fish populations that can be maintained at the highest level of productivity allowable by environmental conditions. The only alternative may be to continue a costly put-grow-and-take fishery

This legislation constitutes a constructive step forward in the conservation of a vital natural resource, and I urge my colleagues to support it.●

AN INTERNATIONAL CRIMINAL COURT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. WOLFF) is recognized for 15 minutes.

● Mr. WOLFF. Mr. Speaker, today I have introduced a resolution to urge the establishment of an international criminal court to try persons accused of terrorist acts prescribed by three international conventions, such as hijacking and crimes against diplomats.

Kidnaping of diplomats seems to have reached the height of popularity that aerial hijacking attained a few years ago. During the last year, "internationally protected persons" have been attacked, kidnaped, and killed with frightening frequency.

The situation in Iran is something of as unusal case, as the terrorists are supported by the nation in which they have attacked our diplomats. Similarly, in Pakistan last year, the Government officials were slow to come to the aid of those American personnel who were the victims of a mob attack. In these cases it is extremely unlikely that the terrorists will be brought to justice.

In the more "usual" cases of terrorism, when the government of the nation where the terrorist act is taking place does not support the terrorists, it is often unlikely, nonetheless, that the terrorists will be tried, because of problems of extradition and the judicial systems in the country to which the terrorist would be extradited.

We hear today that Arab Iranians are holding Iranian diplomats as hostages in Iran's London post. While the irony of this situation is striking, it is still a situation where diplomats are the victims of terrorists. Maybe Iranian officials will recognize international law in this case.

In all of these cases of crimes against diplomats, and in hijacking situations, the perpetrators are rarely brought to justice. Many of the difficulties with prosecuting those accused of such crimes arises from the extradition process. Most extradition treaties are subject to the limitations contained in the laws and practices of the state requested to extradite, including the prohibition of extradition of nationals; and the prohibition of extradition where the death penalty would be imposed by the requesting state; and the political offense exception.

In the final analysis, the decision to extradite depends upon the political relations between states. If such a court existed, countries might be more willing to submit to the jurisdiction of that court and these problems of extradition could be lessened. The existence of an international criminal court could lessen the fear of excessive leniency on the part of the victim state. Conversely, a state may be inclined to fear a denial of due process in the trial of one of its nationals by another state.

The American Bar Association passed a resolution in their February 1978 meeting calling for the establishment of an international criminal court. The Campaign for U.N. Reform brought this initiative to my attention. Both the ABA and the Campaign for U.N. Reform find the international criminal court concept appealing in order to encourage prosecution of such internationally recognized crimes. An international criminal court with specialized and limited jurisdiction to deal solely with these crimes may be an incentive to many countries to allow the trial of such criminals. Such a specialized international court might become a significant deterrent against future terrorist acts.

The idea of an international criminal court is not entirely new. There have been various efforts to establish such a court since just after World War II. The most recent effort in that regard was a conference held in 1971 in Racine, Wis., the First International Criminal Law Conference. These efforts have been fruitless, mainly because of the sweeping jurisdiction proposed. My resolution differs from previous suggestions in that the jurisdiction of this body would be expressly limited to international aircraft hijacking and crimes against diplomats as defined in the following three international conventions: The 1970 Hague Convention for the Suppression of Unlawful Seizure of Aircraft; the 1971 Montreal Convention for the Suppression of Unlawful Acts Against the Safety of Civil Aviation; and the 1972 Convention on the Prevention and Punishment of Crimes Against Diplomatic Agents and Other Internationally Protected Persons.

I would just like to note that ideas of an international criminal court have not been included in the International Court of Justice for several reasons, including the fact that only states may be parties to cases before the court.

The question of the relationship of the proposed international criminal court to the United Nations is an aspect which should be explored, and depends greatly upon what method is used to establish the court, that is, amending the U.N. Charter; or international convention, and so forth.

I would hope that the relevant committees of the Congress will examine this proposal in depth and hold hearings on the issues involved. I believe that the international criminal court is an organization worth establishing. I urge my colleagues to join me in cosponsoring this legislation.●

LATTA AMENDMENT WILL NOT PRODUCE A BLANCED BUDGET

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Oregon (Mr. AuCoin) is recognized for 5 minutes.

● Mr. AuCOIN. Mr. Speaker, I rise today in opposition to the Latta amendment, the Republican substitute to the first budget resolution. In opposing the Latta amendment, I must say I also have misgivings about the committee version of the budget resolution.

My misgiving is simply this: As a fiscal conservative, I believe the way to achieve a truly balanced Federal budget is to estimate revenues conservatively and expenditures liberally. This creates a cushion for the unexpected.

In these times, the unexpected comes as no surprise. During a recession, tax-revenues can be expected to fall while expenditures, many of them to blunt the impact of recession, will certainly increase.

I understand the difficulty in predicting in budget terms what lies down the road. I also understand that budgeting, in the final analysis is just sophisticated estimation. But I believe a better budget document should have been placed before this body—a document that was sounder in its assumptions, and truer to the course of achieving a balanced Federal budget.

The committee version of the budget resolution calls for a balanced budget, but achieving that balance hangs by a tender thread. Frankly, I am convinced that if we spend up to the targets contained in this budget we will fail to realize a balanced Federal budget.

Because I see no other practical choice, I will vote for committee version of the budget resolution, but only with the understanding that I also will vote for necessary appropriation cutbacks to keep faith with my pledge to my constituents to vote for a truly balanced Federal budget.

I wish I could vote for the Latta amendment, but I cannot in good conscience. First, it calls for an unprecedented increase in peacetime military spending—an increase that in my view is absolutely unwarranted. We need to strengthen and streamline our national defense. But surely the lessons of the past have shown we do not solve complex problems by simply hurling money at them. It does not work for social programs, and it does not work for military programs. We will not be any safer if we hand over unspecified billions of dollars to the Pentagon, yet sadly some think so.

Even more fundamentally I cannot support the Latta amendment because it calls for a major tax cut, even though evidence indicates this tax cut will fuel inflation. I would love to bestow an election-year gift on the voters in my district. But I won't lie to them that they can have a major tax cut and curb inflation, too. And to say we can do both is a deception.

Backers of this major tax cut adhere to the "supply side" economics. So do I. That is why I cannot understand why these advocates are trying to do everything they can to stimulate demand at a time when our problem is to stimulate increased supply. If we are to have a tax cut, and I think we should have an intelligent tax cut this year, it should be one that stimulates increased productivity—without inflaming inflation.

No matter what anyone says here today, the Latta amendment will not produce a balanced Federal budget. It talks big about slashing spending so voters can get a few dollars in their pocket from a tax cut. But when the crunch comes, and recession is firmly set in, spending will increase and the Federal Government once again will be in the business of running deficits.

The people of America do not want snake oil. They want results. They understand the straightforward economics of going without a tax cut, in return for a better tomorrow with inflation arrested so a dollar is worth a dollar.

The way we get to that tomorrow is through a real balanced Federal budget—a balance that will stick. The options before us are not perfect. But on balance, the Latta amendment runs the greater risk of returning to deficits than the committee version of the budget resolution, and that is why I oppose it.●

EXPORT PROMOTION AND EXPORT TRADING COMPANY ACT OF 1980

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Washington (Mr. BONKER) is recognized for 5 minutes.

● Mr. BONKER. Mr. Speaker, I rise today to introduce the Export Promotion and Export Trading Company Act of 1980.

The United States finds itself at a disadvantage today in the world market. This is reflected in part in the $50 billion a year balance-of-trade deficit we experience each year. Although this is due in large measure to our reliance on foreign oil, it is a fact that the United States is not sophisticated in dealing with the intricacies of foreign markets.

As a result, tens of thousands of American producers do not presently realize their export potential. Some 98 percent of all companies do not export. A mere 200 companies export 80 percent of our entire trade outside our borders.

This situation is no more acute than in the wood products industry. As a country we are a heavy exporter of raw logs—but our export of finished products is all but negligible. We are not obtaining the full economic benefit of our natural resource. In addition, we continue to import some 30 percent of our finished wood products from Canada.

This makes even less sense at a time when high interest rates have crippled the housing and lumber industries.

The domestic market for finished wood products has vanished as housing starts have plummeted. In Washington State, housing starts are down an estimated 35 percent below last year. The lumber industry is in turn dramatically affected—more than 100 of the 818 sawmills in the 12 Western States have been closed, with another 275 curtailing shifts or making other adjustments. In Washington State, about one-third of the 4,500 plywood workers are unemployed. Many smaller sawmills have been particularly hurt, and may never go back into business.

We in Congress must do what we can to promote export of our finished products, at a time when the domestic market is in trouble. Today, our smaller mills—as well as many other "little" manufacturers—simply do not have the expertise to barter and negotiate effectively with foreign governments. As a result, we are forced to take these markets as we find them, limiting ourselves to the exportation of raw resources, while the foreign governments protect their domestic processing industries at the expense of our our own.

Logs are not the only area of the economy where the United States is basically in a colonial situation. Many manufacturers do not export because exporting involves unfamiliar risks and requires specialized knowledge and skills.

Greater efforts to encourage and assist U.S. producers to export directly are desirable, but for most producers the marginal costs of developing fully their export opportunities abroad will prove prohibitive.

Export success depends on intermediaries—middlemen, if you will, which, by diversifying trade risks and developing economies of scale in marketing, transportation, financing, and other export trade services, can do the exporting for U.S. producers.

A great variety of enterprises provide export trade services to U.S. producers—freight forwarders, brokers, shippers, jobbers, insurance companies, commercial banks, export management companies, advertising firms, trade lawyers, foreign purchasing agents and others. But most fulfill only one or a few of the many functions required to engage in export trade.

A few American trading companies and trade associations specializing in agricultural commodities or raw materials—such as timber and grain—do exist, but they do little to expand exports of U.S. manufacturers.

U.S. producers have not until recently had access to general purpose trading companies. Such companies now operate in the United States, but only on behalf of Japan, Korea, and Western European countries.

Entities which are owned or subsidized by foreign governments compete directly with private U.S. exporters for shares of the world market.

The free market, in theory, ought to have generated American export trading companies long ago. But the market forces are imperfect, due to Government regulation, the structure of American enterprise, and traditional ways of doing business.

For example, Government regulations exclude U.S. banks from offering most export trading services.

Federal Maritime Commission regulations prevent export traders that take title to goods from receiving commissions for freight brokerage from carriers.

Antitrust uncertainties deter U.S. companies from expanding export trading activities in cooperation with other U.S. producers.

American businessmen by and large are unfamiliar with foreign customs, do not speak foreign languages, and are unaware of foreign market opportunities.

The large multinational companies have developed their own export markets—but they do little to assist other potential exporters.

The rapidly growing service-related industries are vital to the well-being of the U.S. economy since they create jobs for 7 out of every 10 Americans, provide 65 percent of the Nation's gross national product and offer the greatest potential for significantly increased industrial trade involving finished products. In addition, small- and medium-sized businesses in the United States engaged in international transactions would benefit from the development of export trading companies, which would enable them to pool resources and technical expertise and to achieve economies of scale and would otherwise assist them in competing in foreign markets.

Without new legislation to reduce impediments and encourage U.S. trading companies, we will simply fail to realize our export potential as a country.

That is why I am introducing this legislation today, which will facilitate formation of export trading companies and the expansion of export trade services generally.

The bill directs the Secretary of Commerce to provide information and advice to assist interested persons to form and operate export trading companies.

It would afford to these companies, with respect to their export activities, the same antitrust exemption provided under the Webb-Pomerene Act to associations engaged exclusively in export trade. Export trading companies cannot be financially sound if they engage exclusively in export trade; furthermore, there seems to be no reason to force firms to form trade associations in order to enjoy whatever antitrust assurances the Webb-Pomerene Act provides.

The legislation also requires that 5 years after the enactment of this act, the President shall appoint a task force to study the effect of this act on domestic competition, and on the trade deficit of the United States, and that such a study should be completed within 1 year.

I expect to offer amendments in subcommittee, dealing with the involvement of our financial institutions. In addition, I want to provide a mechanism to insure that "second-tier" manufacturers and smaller concerns and financial institutions are guaranteed access to money markets, which is crucial to the entry into this speculative field.

In summary, the growth of U.S. export trading companies can improve U.S. competitiveness over the long term. It can add billions of dollars of U.S. exports which otherwise would not be produced. I believe Congress must take the lead in this field, and I encourage my colleagues to join me in this effort.

I include the following:

SECTION-BY-SECTION ANALYSIS

Section 1 provides that the legislation may be cited as the "export promotion and export trading company act of 1980."

Section 2 contains the statement of findings and purpose. The findings point to the advantages export trading companies would have in assisting many U.S. producers, especially small- and medium-sized businesses, to export. The purpose of the bill is to increase U.S. exports by making U.S. exporters more competitive with exporters of other countries by directing the Secretary of Commerce to encourage and promote the formation and operation of export trading companies.

Section 3 contains definitions of the following terms as used in the bill: "export trade," "goods produced in the United States," "export trade services," "export trading company," "United States," "Secretary," "State," and "company."

Section 4 would require the Secretary of Commerce to provide information and advice to assist interested persons to form and operate export trading companies.

Section 5 declares that the act does not pre-empt state or local authorities from forming or participating in export trading companies.

Section 6 would afford to export trading companies, with respect to their export activities, the same antitrust exemption provided under the Webb-Pomerene Act to associations engaged exclusively in export trade. Export trading companies cannot be financially sound if they engage exclusively in export trade; furthermore, there seems no reason to force firms to form trade associations in order to enjoy whatever antitrust assurances the Webb-Pomerene Act provides.

Section 7 would require that five years after the enactment of this act the President shall appoint a task force to study the effect of this act on domestic competition and on the trade deficit of the United States and such a study should be completed within one year.

H.R. 7230

A bill to direct the Secretary of Commerce to encourage the formation and operation of export trading companies, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Export Promotion and Export Trading Company Act of 1980."

STATEMENT OF PURPOSE AND FINDINGS

SEC. 2. (a) It is the purpose of this Act, in order to make United States exporters more competitive with exporters of other countries, to direct the Secretary of Commerce to encourage and promote the formation and operation of export trading companies by providing advice and information to interested persons.

(b) The Congress finds that—

(1) the Department of Commerce has as one of its responsibilities the development and promotion of United States exports;

(2) the Department of Commerce also has the responsibility of facilitating the export of finished products from U.S. manufacturers;

(3) tens of thousands of United States companies produce exportable goods or services but do not engage in exporting;

(4) although the United States is the world's leading agricultural exporting nation, many farm products are not marketed as widely and effectively abroad as they could be through producer-owned export trading companies;

(5) exporting requires extensive specialized knowledge and skills and entails risks, not otherwise assumed, the costs of which smaller producers cannot absorb because of an inability to achieve economies of scale;

(6) exporting services in the United States are fragmented into a multitude of separate functions; companies attempting to offer comprehensive export trade services lack financial leverage to reach a significant number of potential United States exporters;

(7) the United States lacks well-developed export trade intermediaries, such as trading companies, which can achieve economies of scale and acquire expertise enabling them to export goods and services profitably, at low per unit cost to producers;

(8) the development of export trading companies in the United States has been hampered by insular business attitudes and by Government regulations;

(9) entities which are owned or subsidized by foreign governments compete directly with private United States exporters for shares of the world market;

(10) the rapidly growing service-related industries are vital to the well-being of the United States economy since they create jobs for seven out of every ten Americans, provide 65 percent of the Nation's gross national product, and offer the greatest potential for significantly increased industrial trade involving finished products; and

(11) small- and medium-sized businesses in the United States engaged in international transactions would benefit from the development of export trading companies, which would enable them to pool resources and technical expertise and to achieve economies of scale and would otherwise assist them in competing in foreign markets.

DEFINITIONS

SEC. 3. (a) As used in this Act—

(1) the term "export trade" means trade or commerce in goods produced in the United States, or services produced in the United States, which are exported, or in the course of being exported, from the United States to any other country;

(2) the term "goods produced in the United States" means goods manufactured, produced, grown, or extracted in the United States, not more than 50 percent of the fair market value of which is attributable to articles imported into the United States;

(3) the term "services produced in the United States" includes, but is not limited to, amusement, architectural, automatic data processing, business, communications, consulting, engineering, financial, insurance, legal, management, repair, training, and transportation services, not less than 50 percent of the fair market value of which is provided by United States citizens or is otherwise attributable to the United States;

(4) the term "export trade services" includes, but is not limited to, international market research, advertising, marketing, insurance, legal assistance, transportation, including trade documentation and freight forwarding, comunication and processing of foreign orders to and for exporters and foreign purchasers, warehousing, foreign exchange, and financing, when provided in order to facilitate the export of goods or services produced in the United States;

(5) the term "export trading company" means a company which does business under the laws of the United States or any State and which is organized and operated principally for the purpose of—

(A) exporting goods produced in the United States or services produced in the United States; and

(B) facilitating the exportation of goods produced in the United States or services produced in the United States by unaffiliated persons by providing one or more export trade services;

(6) the term "United States" means the several States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, American Samoa, Guam, the Commonwealth of the Northern Mariana Islands, and the Trust Territory of the Pacific Islands;

(7) the term "Secretary" means the Secretary of Commerce;

(8) the term "State" includes the District of Columbia; and

(9) the term "company" means any corporation, partnership, association, or similar organization.

(b) The Secretary may by regulation further define any term defined in subsection (a), in order to carry out the purposes of this Act.

FUNCTIONS OF THE SECRETARY

SEC. 4. The Secretary shall promote and encourage the formation and operation of export trading companies by providing information and advice to interested persons. The Secretary shall provide a referral service to facilitate contact between producers of exportable goods and services and concerns offering export trade services.

ELIGIBILITY OF STATE OR LOCAL GOVERNMENT-OWNED EXPORT TRADING COMPANIES

SEC. 5. Nothing in this Act preempts or otherwise restricts or prevents any State or local government or other governmental authority from organizing, owning, or otherwise participating in or supporting export trading companies.

ELIGIBILITY UNDER THE WEBB-POMERENE ACT

SEC. 6. Section 2 of the Webb-Pomerene Act (15 U.S.C. 62) is amended—

(1) by inserting after "engaged solely in such export trade," the following: "or with respect solely to its export trade (as defined in section 3(1) of the Export Promotion and Export Trading Company Act of 1980), any export trading company as defined in section 3(5) of the Export Promotion and Export Trading Company Act of 1980,"; and

(2) by inserting "or such export trading company" after "association" each place, after the first, it appears.

TASK FORCE STUDY

SEC. 7. Five years after the date of the enactment of this Act, the President shall appoint a task force to study the effect the operation of this Act on domestic competition and on the trade deficit of the United States and to recommend either continuation, revision, or termination of this Act and the amendments made by this Act. Such task force shall, within one year after its appointment, complete such study and submit such recommendations to the President.●

WE MUST CUT OIL IMPORTS NOW

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from North Carolina (Mr. NEAL) is recognized for 5 minutes.

● Mr. NEAL. Mr. Speaker, as one who believes we must reduce our dangerous dependence on foreign oil, I suspect that we are allowing ourselves to be lulled into a sense of false security by an apparent glut on the world oil market. Our memory tends to shorten, I am afraid, in direct proportion to the length of the lines at the gasoline pumps.

Despite the present supply situation, however, there remain ominous signs for the future. I have seen, heard, or read nothing that justifies any great degree of optimism. Indeed, all the signs point to even more uncertainty in the Middle East, especially the Persian Gulf area. We must begin to prepare, Mr. Speaker, for the day when we well may have to do without a drop of oil from that area. The only way I know how to do it is to wean ourselves of that dangerous dependence. That is why I have proposed, in H.R. 6693, that the President immediately exercise his authority to establish mandatory conservation targets for each of the States, and that the goal of those targets should be an overall reduction of 20 percent in oil imports over a 12-month period. Because we import about half of all the oil we use, a 20-percent cutback in imports would require an overall reduction in use of 10 percent. That, I am convinced, is a realistic goal.

We have managed to do quite well without Iranian oil since the seizure of our Embassy in Tehran. This, too, contributes to a false sense of security, because we tend to forget that we are far more dependent on oil from Saudi Arabia, whose shipping lanes also pass through the Strait of Hormuz. Moreover, it would seem that the political situation is unstable in the entire Persian Gulf area, and there are suggestions that what happened in Iran might well happen in any, or all of the Arab States.

In a recent Washington Star article, "Scenario for a World Nightmare," Charles K. Ebinger and Richard J. Kessler quoted the U.S. Ambassador to Saudi

Arabia in stating that a drastic cutback in Saudi exports would trigger "the greatest worldwide depression we have ever seen." Mr. Ebinger is director of the Project on Energy and National Security at Georgetown University's Center for Strategic and International Studies. Mr. Kessler is deputy director of the project. Their analysis is so stark and so shocking that I believe we should study it carefully.

The article follows:

Scenario for a World Nightmare

(By Charles K. Ebinger and Richard J. Kessler)

(The beginning of the oil nightmare for the West came just after midnight on Nov. 9, 1980. The House of Saud had fallen in Saudi Arabia. A polyglot government representing disaffected Saudis and the nation's huge numbers of disenfranchised workers—Yemenis, Iranians and Palestinians—had taken power.

(A new Islamic Republic was proclaimed, but it was unable to stop the fighting, looting and sabotage that continued in the country for several months.

(Oil pipelines were broken. Some of the major pumping stations were dynamited. The huge gray oil tankers riding at anchor off the oil port of Ras Tanura, remained empty.

(Finally the new government declared it was breaking all cultural and commercial ties to the west. The black gold would remain in the ground. Saudi Arabia would no longer export oil.)

Just what would happen if the above scenario—imaginary, to be sure—became true? The question happens to be a matter of much concern to Western planners. It clearly would be a nightmare because much of the vital economic machinery of the west runs on Saudi oil.

How much of the machinery would stop? How severe would the devastating economic and political pain be? How well would the international agreements designed to minimize such a shortfall work? These are all open questions that deserve thoughtful consideration, and at the highest levels of Western governments.

What is known is that the U.S. ambassador to Saudi Arabia has said that a drastic cutback in Saudi exports would trigger "the greatest world-wide depression we've ever seen." And he is assuming only a partial cutoff.

CIA analysts who have studied the problem have concluded that there would be little the U.S. could do to cushion itself or its allies from the shock, at least in the near term. The available options are few.

The immediate crunch would be felt first in Western Europe and Japan. Europe gets three million barrels of oil a day from the Saudis—28 percent of its requirements. The years of cheap oil from the Middle East have left their mark on European energy systems: There are oil tanks where the coal piles used to be.

For example in 1977, 51 percent of France's total energy needs were met by imported oil. Of this, 37 percent came from Saudi Arabia.

Japan is in a similar position, importing 1.5 million barrels or 32 percent of its requirements from Saudi Arabia.

Remember the gasoline lines and resulting chaos that happened here from a tiny fraction of that kind of shortfall during the 1973–74 Arab oil embargo? That was roughly a four percent shortfall. Multiply it by a factor of five or six and you will get some idea of what might happen in Europe, Japan and the U.S. as the Western powers struggle to deal with a Saudi shortfall.

A sudden stoppage of Saudi oil would mean much more than gasoline lines. Some highways would be nearly emptied. Some factories would stop. Some buildings and homes would go unheated. The lights of our strongest allies would begin to go out.

At that, they would be relatively well off compared with the Third World countries that are already having severe difficulty meeting their oil bills.

A Saudi cutoff would tempt some OPEC countries to breach their long-term supply contracts and sell oil in the more lucrative spot market. That could make $35-a-barrel crude a distant memory. Seventy dollars a barrel may be more like it.

The developing countries are already in an economic tailspin from the 1979 round of price increases which added $12 billion onto their international debts. Commercial banks that aided them during the 1973–74 crises no longer seem willing to throw good money after bad.

The next round of price increases could lead to extremely low growth, extreme political instabilities, rampant hoarding, and probably famine among the nations that have no domestic energy resources to fall back on.

Under the terms of the emergency oil sharing system of the International Energy Agency (IEA), a system developed in 1974 by the U.S. and 19 other signatories, what oil that remains in the supply pipeline will have to be shared in a crisis.

The largest sharer in this scenario would probably be the United States. Tankers en route to U.S. East and Gulf Coast would have to be diverted to Europe.

The trigger for the emergency sharing system to go in effect is shortfall of 7 percent. In a Saudi cutoff the alarms would be going off all over the place because the average reduction in Europe would be somewhere around 25 percent.

All countries who want aid under this system would have to immediately purpose rationing and other controls to cut petroleum demands by at least 10 percent.

SKEPTICISM IN EUROPE

There is some skepticism within Europe over just how much sharing would actually occur in the case of a severe shortfall. The Financial Times, for example, recently quoted a senior French oil executive as saying: "Wait until the next real crisis. You will find governments and companies forgetting all about sharing and scrambling for supplies."

Last year Sweden tried to invoke the emergency sharing agreement, but the governing board of the International Energy Agency ruled the nation's shortfall did not fit all of the requirements of the agreement. In the meantime international oil companies began shipping more oil to Sweden.

In the case of a Saudi cutoff, the majors' flexibility to handle crises privately simply would not be there.

The failure of Western Europe and Japan to fully support the U.S. in its efforts to free the American hostages in Teheran is another clue to the level of international agreement that can be expected when oil supplies hang in the balance.

While its economy would exhibit the same symptoms manifested in Europe and Japan, the effect here would be delayed. The resiliency of the larger U.S. economy, coupled with our greater abundance of domestic oil, coal, natural gas and other resources would mean that the U.S. is probably better able to withstand the tremors of a major world wide depression.

But it would certainly not be business as usual.

The U.S. obtains about 1.3 million barrels a day from Saudi Arabia, while it consumes 18.8 million barrels. The difference between the U.S. and its allies is that while we produce almost 50 percent of our daily oil needs, Europe produces 14 percent and Japan produces nothing.

At any given time there is enough oil in the U.S. system—tankers at sea, crude oil stocks in U.S. refineries and oil stored in the salt caverns of the Strategic Petroleum Reserve—that, in theory, the U.S. could maintain its present rate of consumption for approximately 300 days in the face of a Saudi cutoff.

IN MONTHS, THE CRUNCH

The actual breathing time, however, would be much less than that because some of the incoming oil would have to be diverted to help our allies. The Strategic Petroleum Reserve's 91 million barrels of crude stored in hollowed-out salt domes along the Gulf Coast could give us about 70 days worth of relief from the Saudi loss, but when that supply is exhausted there will be little left to put in the network of pipelines that lead to the industrial upper Middle West and the East Coast.

And that's where the crunch begins because there is nothing else in abundance that can be quickly substituted for oil. Natural gas fills something like 26 percent of our energy needs, giving us the equivalent of 8.9 million barrels a day of oil.

Even if energy prices were increased, there would only be a marginal rise in natural gas production in the short run because gas production in existing fields cannot be accelerated without causing pressure to drop to levels below those required for efficient production.

The largest possible short term supplies of natural gas to help shore up the sagging U.S. energy system would have to come from bargaining with Canada and Mexico.

America is the Saudi Arabia of coal, but in the event of a Saudi oil cutoff, only a small amount of this touted "mother fuel" could be substituted, the equivalent of somewhere between 100,000 and 200,000 barrels a day of oil.

The U.S. produces 700 million tons of coal a year and there is sufficient excess capacity to increase that by maybe another 100 million tons. The immediate problem, though, is not in the production end, but in the consumption end.

Few oil-burning utilities can quickly switch over to coal. They lack room for coal storage, they lack the stokers and the other machinery that must be retrofitted to make their boilers run on coal. Major provisions of the Clean Air Act would also have to be waived to bring coal to the rescue in a substantial way.

In the short run, not much more can be expected from nuclear power either. At the moment there are 67 nuclear plants operating. If Congress declared a national emergency, maintenance on some could be postponed and a few of the shut down plants—for example the sister plant of the one involved in the accident at Three Mile Island—could be brought back on line.

Small as it is, the possible incremental improvement from nuclear power would be relatively large compared to what the nation could except to get from synthetic fuel production in the short run. Even a crash program would require three to four years before the first substantial production, say the equivalent of 200,000 barrels a day, could be pumped into the distribution system.

That means that in the short run the most hopeful way of reducing the economic pain of a Saudi cutoff would be reducing consumption. While we have had a taste of what this would mean during the winter of 1973 and during the summer of 1979, the curtailments required by a full Saudi cutoff would be far beyond that.

Gasoline rationing and shorter work weeks would probably be among the first measures to be tried. Panic buying in some areas would probably overwhelm the allocation systems.

FAIRNESS IMPOSSIBLE

Consider what Energy Secretary Charles W. Duncan is reported to have said a few weeks ago on the subject: "If we lost the Persian Gulf oil tomorrow, I would have to say that I would not be able to administer with equity a coupon gas rationing plan."

Failure of a federal system to spread out the shortages fairly would mean that unfairness would prevail. Siphoning of gas, for example, would become endemic. A new class of security guard—the car watcher—would probably be in strong demand.

Cities would darken at night as only the most necessary street and commercial lighting would escape strict conservation controls. The suburbs, creatures of the automobile, would become disaster areas for businesses. The lack of mobility would probably close down shopping malls long before they were hit by the decline in disposable income resulting from the higher energy bills.

The Library of Congress recently completed a study using a computer model that projected the economic impact of a 1 to 2 million barrel a day reduction of U.S. oil supplies.

It assumes that as domestic and world oil prices rose sharply, the prices of goods and services will be similarly inflated, leading to a reduction in demand and to higher unemployment.

The nation's gross national product would decline by .1 to .2 percent in 1980, a year later the decline would be a whopping 2.3 to 3 percent. The following year the decline would go to 4 percent.

Inflation would jump five more percentage points in two years.

Gasoline would increase by as much as 30 cents a gallon in 1980, another 30 cents a gallon in 1981. Heating oil costs would rise by a similar proportion.

Additional increases that could be triggered by widespread speculative or panic buying cannot really be estimated, only imagined.

SOME LEADING SUFFERERS

Again, only part of the story is reflected in the numbers. If a cutoff the size of a Saudi cutoff persisted, the nation's habits and lifestyles would suffer in ways that are profound.

The rural areas, increasingly cut off from rail, air and bus service, would suffer most. So would the poor and elderly, unable to bid or struggle for the transportation and fuel that is left.

Industry, looking at soaring heating bills, would plan to move to warmer climates, leaving the industrial Northeast and Middle West in a state of unprecedented gloom.

The sunbelt states would also suffer because of their lack of public transit, their urban sprawl and their addiction to air conditioning.

As unemployment worsens, crime would increase in the darkened city streets. Restaurants and night clubs would have difficulty finding customers. There would be stories of police cars and fire engines unable to respond to calls. News commentators would begin to wonder how long our democracy could stand the strain of the growing lawlessness and frustration.

Politicians and editorialists alike would demand scapegoats. Big Oil would suffer. OPEC would suffer. Environmentalists and environmental laws would suffer. The Establishment would suffer.

Many people would be led to believe that the time had come for a strong man, a real Energy Czar, to take control of the nation's faltering economy.

Assuming that the nation's political and economic systems can survive, the nation would not be the same after a prolonged shortfall.

The energy mix would be different. There would be more demands for nuclear power, possibly even bringing the breeder reactor, which multiplies the available stocks of plutonium, into commerical operation (though it may take at least a decade before the breeder reaches that stage of development).

More and more coal would find its way into synthetic fuel production rather than to electrical generation. The quest for cheap, efficient solar power would be intensified. Oil would be used less for space heating and more for gasoline and to feed the petrochemical plants that make plastics, cosmetics and fertilizers, among a wide spectrum of other oil-related products.

The movement of oil out of home heating will have a great impact on the structure of American society. Small towns will die and bigger ones will feel the strain as people move to be near mass transit systems and industries that provide sources of waste heat, a byproduct that the nation could no longer afford to throw away.

Farm cooperatives will have to figure out how to serve the communities in their area because energy costs will mean that food could no longer be shipped over long distances. Fresh vegetables in the winter will become a thing of the past unless they are grown in greenhouses.

Recycling of many products will become extremely important because the energy will simply not be there to replace them as cheaply. Convenience foods, marginal appliances, time saving amenities will no longer be on the shelves.

Natural fabrics will replace synthetics. Single family homes will be replaced by or rebuilt into multifamily dwellings to cut heating costs.

New housing will be clustered to conserve heat. Dreams of a second home in the mountains or at the seashore will never become more than just dreams.

Resort areas will go into permanent decline and farms, the farms that survive, will become even more mechanized, corporate-style entities.

This gloomy scenario is not just idle speculation, but one that is being seriously considered by academics and government officials. The specter of a revolutionary takeover of Saudi Arabia—or any other oil-producing country upon which the West relies—is not at all far fetched. The present "mini-glut" of oil supplies in world markets is a temporary bubble and could revert to shortfall very quickly if Iranian production falls below 2 million barrels a day or is switched to markets in Eastern Europe for a sustained period.

While we have painted a bleak picture of the future, an even worse vision is conceivable. A conflagration anywhere in the Middle East could easily spread to neighboring states. Instability in Saudi Arabia could easily lead to war over Saudi territory, Kuwait, the Neutral Zone or the territorial integrity of Bahrain.

Such instability might arise from the rising tide of Islamic revivalism. In part, this religious resurgence is a revolt against the sterility of Western value which we have exported to them in exchange for their oil. The view of democracy which we have exported is one which equates freedom with consumerism. As a result of our failure to realize the inherent incompatibility between a consumer oriented society and the values of Islam, we may not be able to prevent the disintegration of the regimes we now support.

Optimists will argue that it is possible that the oil shortfalls described will never occur; that Saudi Arabia and other Middle Eastern nations will evolve into stable, modern societies. But history has shown that such evolution rarely proceeds peacefully, rather it moves in fits and starts.

We would be ill-advised to continue our present policies on the premise that the best of all possible worlds will result. We would be wise to consider the worst.

PERSONAL EXPLANATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. CONYERS) is recognized for 5 minutes.

● Mr. CONYERS. Mr. Speaker, yesterday in error and inadvertently I voted against the Obey substitute to the House budget resolution, that would have restored $740 million in outlays to a variety of major domestic programs.

My intention was to vote for the Obey substitute, just as I had supported three other amendments that would have restored funds to domestic programs. The inadvertent vote was completely inconsistent with my whole position on the budget resolution and the sentiments I expressed during debate. I regret that an error was made.●

MILITARIZATION OF SPACE PRESENTS DANGERS

(Mr. BROWN of California asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. BROWN of California. Mr. Speaker, the space program of the United States has two main components—the well-known civilian space activities of the National Aeronautics and Space Administration, and the less publicized military space program of the Department of Defense. I am increasingly concerned about the balance between these two programs in space activities and about prospects for the continued peaceful development and use of our space resources.

The DOD space program now has a budget comparable to NASA's. This has not previously been the case—it is a result of the fact that NASA's budget is barely holding its own against inflation, and of the increase, in real dollars, in the DOD space budget in every year since 1974. Of the $116 billion the United States has spent in space since 1958, at least $40 billion, and by some estimates more than $50 billion, has been in defense-related space activities.

Mr. Speaker, I do not question that many activities of the military space program are essential to our security. The militarization of space is a reality, and is brought home to us in many ways, most recently by fresh reports of "killer" satellite tests by the Soviet Union. The principal work of the DOD space program, as I understand it, is in supporting ground activities and in protecting civilian access to and use of the space environment. My concern is with the health and welfare of the civilian space effort which is the object of this protection. I have noted before, in introducing the National Space Policy Act of 1980, our need to reaffirm this Nation's leadership in exploring and developing the space environment for the benefit of mankind, and I have argued for the importance of articulating policy goals and instituting the long-range planning needed to achieve these goals.

There are a number of areas, including the Space Shuttle, the proposed National Oceanic Satellite System, and the operational land remote sensing system now being planned, which call for close military-civilian cooperation in development and implementation. While I welcome DOD's participation in these ventures, it is important that a true partnership be created, with civilian participation on an equal footing. Unless we take steps to insure the vigor of our civilian space program, the civilian aspect of such efforts may gradually become subordinate as space develops into a military arena.

Mr. Speaker, it is unfortunate that existing international agreements such as SALT and the Outer Space Treaty of 1967 do not offer stronger protection against the militarization of space. They do not explicitly ban the development and testing of means to attack satellites; nor do they even ban attacks against the satellites themselves. Under these treaties, it appears that weapons may be placed in orbit as long as they are not weapons of mass destruction. Because of these inadequacies, I believe that we need to strengthen the Outer Space Treaty and existing disarmament agreements, particularly in the area of antisatellite weapons. Our current disagreement with the Soviet Union over Afghanistan should not blind us to the importance of continuing negotiations aimed at an antisatellite treaty.

We are at a critical point in space weapons technology. The continued development of this technology jeopardizes existing treaties and government pledges to limit the arms race and to preserve outer space for peaceful purposes. Although both superpowers may have or be approaching the capability to take out one or two satellites without warning, neither is as yet close to the ability to destroy most or all of an adversary's satellites simultaneously. There is mutual advantage in preventing the attainment of such a destabilizing capacity, and it is my hope that both sides may be induced to seek an agreement while these technological constraints still apply. We need to bear in mind also that space activities are no longer a two-power game—other countries now have the capability to launch and operate satellites, and some have done so. Clearly it is in their interest as well to limit deployment of space weaponry.

Mr. Speaker, it is clear that the primary obstacle to a comprehensive ban on antisatellite capabilities is verification—lasers can be easily concealed, and "killer" satellite systems may be launched with their true purpose disguised. I believe that we should take seriously the possibility of an international satellite monitoring agreement as an aid in verification. At the United Nations Special Session on Disarmament in 1978, the French Government put forth a proposal for an international satellite agency to monitor the implementation of international disarmament and security agreements. This proposal is now under study by a group of governmental experts, whose preliminary report noted, among other things, that the necessary ground resolution for an effective system is presently available only in military satellites.

I would not suggest that the creation of an international monitoring capability will be an easy task, but I believe that more and better information, more widely shared, will eventually result in increased security for all. The internationalization of space activities is an important aspect of current and future space policy, and we should encourage useful initiatives for cooperative activities in this and other areas.

Mr. Speaker, I commend to my colleagues' attention an article from the December 1979 issue of the Sciences. The article, entitled "America's Other Space Program," describes the military space program in some detail and expresses concern about the relative erosion of our civilian space effort. I would like to quote the last two sentences of this article:

> On the Earth, the U.S.'s activities are not dominated and limited by military concerns. Let us not allow them to be so dominated and limited 100 miles directly overhead.

The complete text of the article follows:

AMERICA'S OTHER SPACE PROGRAM

(By Trudy E. Bell)

If asked to enumerate the U.S. efforts in space, most people would probably first cite the Apollo astronauts landing on the moon, followed closely by the recent spectacular discoveries by our unmanned spacecraft exploring the planets from close up. Indeed, one could present a strong case that the past two decades have been the most revolutionary in the history of astronomy since the time of Galileo.

A thoughtful person would recognize that our space efforts have extended beyond scientific exploration to dollars and cents, and that, indeed, space industrialization is already with us: through communications satellites that allow live television coverage from halfway around the world, through meteorological satellites that provide long-range weather forecasts that have saved countless lives and billions of dollars of crops from disastrous weather, through Earth-resources satellite that have mapped mineral and oil fields and monitor pollution. And then, of course, there is the "twice-used" or "spinoff" technology that was first invented for space and applied to different purposes: rechargeable pacemakers for heart patients, computer reservation systems used in virtually every airline and major car-rental agency, and the integrated-circuit technology that produced the boom of pocket calculators and home computers.

Prominent among these same activities would be the name of the agency that began them all: the National Aeronautics and Space Administration.

In reality, however, the U.S. has two space programs. NASA's effort is the familiar one: our civilian program in space. The other is the relatively unpublicized military space program of the Department of Defense:

The DOD space program has a budget comparable to NASA's—and it is rapidly growing while NASA's is being eroded by inflation. Moreover, the DOD space program has launched more spacecraft than NASA's.

The DOD routes more than 70 percent of its military communications via space relays; it has its own communications, navigation, and Earth-monitoring satellites, some with equipment far more sensitive and precise than NASA's is allowed to be, and it has a crucial stake in the success of the space shuttle.

The DOD has committed major funding toward the research and development of space defenses and weapons.

The DOD is currently considering establishing an independent space command organization which might be similar to the Strategic Air Command.

SPENDING FOR SPACE

For the fiscal year 1980, the U.S. is budgeted to spend some $8.4 billion in space. Only about half of that, or $4.2 billion, will go to NASA. Virtually all the rest goes to America's other space program; the one run by the DOD. (The full NASA budget for fiscal 1980 is $4.6 billion, but not all of that goes into space-related research and development. Remember, the first A in NASA stands for "aeronautics," and aviation-related R&D accounts for about 10 percent of NASA's work.)

Since the formal U.S. space program began in 1958, the U.S. has spent at least $116 billion in space—at least $40 billion of it in defense-related space activities. The June 4, 1979 issue of Business Week places the figure at more than $50 billion.

NASA's lead in funding stems from the flush Apollo days of the mid-1960's, when for a few years the civilian space effort drew triple the support of the military one. But now that trend has strongly reversed: not only is DOD's funding in space now equal to NASA's, but while NASA's eroded budget is barely holding its own against inflation, the DOD's space budget is accelerating. It has doubled just since 1976.

Unlike the civilian space program, which is coordinated under the one umbrella agency of NASA, the DOD space program is divided among somewhat overlapping programs in the Army, the Navy and the Air Force. As might be expected, though, the service with the largest military interest in space is the Air Force. Until now, most of its research and development has been done under the overall management of SAMSO—the Space and Missile Systems Organization. This fall, however, SAMSO is being deactivated and replaced by two new organizations; one is the Ballistic Missile Office, the other is the Space Service Division, which will assume the space-related activities formerly the responsibility of SAMSO. According to Air Force officials, the realignment of SAMSO reflects in part the expanding role of Air Force space activities.

EYES AND EARS IN ORBIT

The DOD has had an active satellite program since 1959, and its activity matches NASA's better than launch for launch. In 1977, for example, NASA made 14 launches putting 15 satellites into orbit; the DOD made 10 launches putting 14 satellites into orbit. Please note, however, that two of the satellites NASA put into orbit were ones it launched for the DOD.

The oldest-running satellite effort of the DOD is aimed at keeping watch on the other guy—via reconnaissance satellites. According to Anthony Kenden writing in the July, 1978 issue of Spaceflight, between 1959 and 1976, the U.S. fired 296 launches of reconnaissance satellites, of which 262 succeeded in placing their payloads in orbit. To put that into perspective, it means by 1976 reconnaissance satellites alone accounted for 43 percent of all U.S. launches of spacecraft to Earth orbit and beyond.

One reason so many of them have been launched is that many are designed to have lifetimes of only a few weeks or months: long enough to be injected into orbit, circle the Earth a few times taking pictures, and then parachute their exposed film to be snatched by aircraft in mid-air. Such a procedure circumvents the problem of radio transmissions being intercepted or jammed.

Reconnaissance satellites are of several different types. Most of them monitor the Earth in some way, generally from polar orbits that carry them over the entire Earth's surface. Some very large areas of the Earth. Others take a close look at smaller areas at high resolution. At least one that was launched for the Navy monitored the ocean to keep track of Russian ship movements. Others, known as early-warning satellites, keep a lookout at infrared wavelengths for hot gas exhaust plumes that may signal the launch of enemy missiles.

Perhaps the most remarkable U.S. reconnaisance satellites to be launched are those in the series unofficially known as "Big Bird." The Big Bird satellites are the largest military spacecraft developed by the U.S.—each one is a cylinder measuring some 45 feet long and 10 feet in diameter, and weighing in at 10 tons. Each carries two imaging systems: one an area-survey film-scanner developed by Eastman Kodak, and the other a high-resolution camera for close-look photography developed by Perkin-Elmer. Each Big Bird has a lifetime of about half a year; it carries about half a dozen recoverable capsules which, as mission requirements dictate, are loaded with exposed film and are returned to Earth. In addition, Big Bird may also transmit live television images from a 20-foot unfurled antenna to one of seven ground stations.

The first Big Bird was launched June, 1971 and two or three have been launched each year since. Each has a highly elliptical orbit that passes over the north and south poles of the Earth, so that it can examine the same areas each day at the same local time.

The most astounding thing about Big Bird is the resolution of its Perkin-Elmer 8-foot focal-length Cassegrain close-look camera system. According to Curtis L. Peebles writing in the November, 1978 issue of Spaceflight, from 100 miles up Big Bird's ground resolution is better than one foot. "It can resolve individual people from orbit." The joke that our military personnel have nicknames for the Rusian truckdrivers is not far from the truth.

In addition, an object several orders of magnitude longer than it is wide can also be resolved when its width is well below limiting resolution. Therefore it may be possible to pick out extremely elongated objects from Big Bird's photos—objects as small as only an inch or two wide: for example, the high voltage cables of the national grid. Moreover, if an object is luminous or is a specular reflector, even if it is much smaller than the satellite's limit of resolution, it can still be seen as a point of light.

From old and new photographs taken from Big Bird, it should be possible to observe slight changes that foretell critical events: extensions in rails, new buildings of which the functions can be recognized, or changes in factory routine. In addition, Big Bird examines the earth at different wavelengths, and comparison between those wavelengths can reveal even more information: for example, the heat pattern from a new building can indicate whether it is a decoy built to confuse or whether it is a structure in particular use.

Starting with the second flight, the Big Bird satellites have also carried many small subsatellites into orbit, which then separated from the main payload and were injected into their own high orbits. Initially these subsatellites were for electronic reconnaissance or "ferret" missions. In Kenden's apt comparison, "If area survey and close-look satellites are the 'eyes' of reconnaissance, then the ferret satellites are the 'ears'." Their mission is to detect and record radio and radar transmissions while over foreign territory, and to replay them to ground stations at home for analysis. From such transmissions it is possible to locate the enemy's aircraft and missile defense radar systems, and to deduce a remarkable amount about their performance and characteristics. From ferret satellites it is also possible to eavesdrop on military and government communications such as submarine-to-shore links. It has even been suggested that ferret satellites can monitor telephone communications.

WORLDWIDE MILITARY COMMUNICATIONS

The DOD's eyes and ears in orbit are by no means limited to "spy" satellites. The DOD is placing increased emphasis on satellite communications systems to support its diverse requirements for worldwide military communications. The Defense Satellite Communications System (DSCS) provides worldwide point-to-point communications for fixed ground stations, with high capacity and high data rate. It consists of four satellites and two spares in geosynchronous orbit (orbits over the equator some 22,000 miles high, allowing each satellite to remain fixed over one spot on the Earth). The Navy's Fleet Satellite Communications Systems (FLTSATCOM), consisting of several satellites also in geosynchronous orbit, provides urgent, tactical communications for hundreds of mobile users such as ships and submarines, with moderate capacity and low data rate. The Air Force Satellite Communications Systems (AFSATCOM), consisting of receiver-transmitters attached to various "host" satellites, provides command and control communications for strategic nuclear forces, particularly to bombers. The DOD also has the Satellite Data System (SDS), consisting of three satellites in highly eccentric polar orbits—the only communications satellites not in geosynchronous orbit—designed to provide communications with receivers at latitudes greater than 70 degrees north, where geosynchronous satellites are below the horizon.

The DOD also has its own system of weather satellites, the Defense Meteorological Satellite Program (DMSP), consisting of two satellites in polar orbits that circle the Earth every 101 minutes. The DMSP satellites obtain weather data for the entire Earth four times per day, supplying high-quality visual and infrared imagery and other specialized meteorological data to support military operations. From transportable weather terminals in the battlefield, commanders can have complete weather data within 20 minutes after one of the satellites pass overhead—crucial if they are planning troop movements under protection of cloud cover.

The Navy also has a system of six navigational satellites, called Transit, in operation since the mid-1960's. This network provides a worldwide system allowing one to fix one's position on the surface of the Earth to better than a quarter of a mile, and is intended primarily to support the activities of strategic ballistic missile submarines. Over the next several years, however, the Transit system will be superseded by the remarkable NAVSTAR Global Positioning System, a system of 24 satellites that will allow one to fix one's three-dimensional position—on the ground and in the air—to an accuracy of a few feet, and one's velocity to an accuracy of 1/10 mile per hour. Receivers will be carried not only by planes, submarines and ground vehicles, but also by individual troops in backpacks.

SPACE SHUTTLE'S MILITARY ROLE

NASA's fleet of four space shuttles is the point at which civilian space program and the military space program clearly intersect. Not only are the shuttles America's major commitment to space exploration and exploitation in the 1980's—but they are also the first NASA spacecraft to have a military role.

The space shuttles are the first reusable spacecraft to be built. In essence, they will be the first space vehicles to be treated like airplanes: after the high cost of building each shuttle orbiter once, the operating expenses of going into orbit time after time will be low. And as with airplanes, those costs will be borne by the various commercial, international and governmental customers that buy space for their projects inside its cavernous payload bay.

Each shuttle orbiter, which is about the size of a DC-9 aircraft, will be launched like a rocket and will go into orbit around the Earth several hundred miles up. It may stay in orbit for less than a week or as long as a month, with the several payload specialists inside performing various duties: switching on experiments, boosting spacecraft to higher orbits, repairing or retrieving satellites in orbit or building large structures in space. When their mission is accomplished, the astronaut-pilots guide the shuttle orbiter back into the atmosphere. Its delta-shaped wings make it glide rather ungracefully back to Earth in dead-stick flight that has been likened to the controlled descent of a brick. When the orbiter is close to the ground, it lowers wheels like an airplane and brakes to a stop on a runway. Within two weeks it is cleaned, checked and ready to be launched again.

The first shuttle was to have been launched over a year ago and to have been in regular service by 1980, but it has been plagued by an interminable series of problems with its main engine and with the thousands of custom heat-resistant tiles being applied to its entire body. Some observers seriously doubt that it will get off the ground before next fall. And the cost overruns and the successive delays incurred in trying to patch together the shuttle's cutting-edge technology on a shorestring budget are eating into the stomachs of NASA and its contractors.

The problems with the space shuttle are concentrating not only NASA, which is taking most of the Congressional heat, but also the DOD. About one-sixth of the cost of developing the shuttle—$1.5 billion—is being borne by the Pentagon, which has also blocked out some 40 percent of the shuttle's flights for the first few years. The shuttle's very design was adjusted to meet Air Force specifications: two of which were to carry 32,000 pounds into polar orbit, and to have a huge cargo bay 60 feet long by 15 feet wide—the size of a six-story building lying on its side. To achieve militarily useful polar orbits while still observing the U.S.'s safety practice of launching rockets only over water, the Air Force is redesigning the Vandenberg Air Force Base in California to handle shuttle launches southward into high inclination orbits. Under this plan the Kennedy Space Center in Florida will launch the shuttle only eastward into equatorial or low-inclination orbits. In addition, it is the DOD that is developing the Inertial Upper Stage, or IUS, which is a two-stage or three-stage expendable vehicle that will be used by both by the DOD and by NASA to boost spacecraft up to geosynchronous orbit or beyond. Moreover, of the 35 new shuttle astronaut candidates chosen by NASA in 1977, 21 were from the DOD.

Just what the DOD has in mind for its various missions is not clear. Some will undoubtedly involve inserting reconnaissance satellites into polar orbits, repairing malfunctioning satellites and perhaps retrieving the exposed film from others and replenishing the supply. Many of the missions will be classified. The payloads will be readied in a partially buried building at Vandenberg, hoisted vertically into a gantry, and then carried to the shuttle on the launch pad and installed. During the installation, the gantry has a closeable payload room with doors that wrap around the orbiter—concealing classified payloads from unauthorized eyes. Those classified missions will be piloted by military shuttle pilots, performed by military shuttle mission specialists and controlled from the ground by Air Force officers who are being trained by NASA to take the place of the civilian mission controllers at Johnson Space Center during classified missions. Moreover, the shuttle data processing facility at Johnson is being enclosed by wire mesh as a security measure to prevent computer signal emissions from being monitored from outside the building during Air Force reconnaissance missions.

SPACELAB'S MANY USES

Some of the DOD missions will involve Spacelab, the reusable shirtsleeve-environment orbital scientific laboratory being developed by the European Space Agency (ESA). Spacelab will be transported to and from orbit in the cargo bay of the shuttle orbiter, where it will remain throughout the flight. Spacelab is designed to provide experiments from all fields and many nations with ready access to the environment of space; according to the Spacelab Users Guide published jointly by NASA and ESA, it can be equipped for experiments in astronomy, the life sciences, materials science and processing, communications and navigation, remote-sensing of the Earth for resources and the like, and investigations of the Earth's atomsphere, ionosphere and magnetosphere Experimental facilities that can be made available include telescopes for many wavelengths, laboratories, furnaces and high-power lasers.

Now, the DOD's interest in science is not new. For years both the Naval Research Laboratory and the Air Force Geophysics Laboratory have been doing basic research in solar physics, solar-terrestrial relations, plasma processes and the like to determine the effects of such activity as solar flares on military systems and operations. It is likely that Spacelab will allow these investigations to more closely examine the sun and the sun-weather relations.

But there are several other capabilities of Spacelab that suggest that it has even greater military usefulness. For example, Spacelab can be equipped with an instrument-pointing subsystem capable of aiming equipment as large as 10 feet in diameter and five tons with an accuracy of a second of arc. Such a piece of equipment could be a very large telescope indeed, which might be monitoring either the Earth below or the neighborhood in space for signs of unfriendly activity. This suggests that it is not at all improbable for Spacelab to be used as a manned reconnaissance satellite.

That idea would not be without precedent. Both NASA and the DOD are apprehensive about the political and military implications of the Soviet Union's announced plans to establish a permanently manned space station in low Earth orbit, and about its ongoing development of a small delta-winged reusable space vehicle disturbingly similar to the shuttle. Moreover, the Air Force has wanted a military Manned Orbiting Laboratory since the 1960's, and was working on plans for one but was cut back in 1969; it views the space shuttle as a way to maintain a military involvement in manned space flight, and may be eyeing Spacelab as a low-profile way of getting a part-time manned-orbiting laboratory. In addition, at least one writer in the June 4, 1979 issue of Aviation Week and Space Technology speculates that the Air Force's establishment this summer of a manned space flight support group at Johnson Space Center "could also be an initial step towards development of a man-in-space capability for the Dept. of Defense."

SATELLITES AND ANTISATELLITES

Both the U.S. and the U.S.S.R. started to develop antisatellite capabilities early in the space age. According to a review article on antisatellite systems by Michael A.G. Michaud in the first issue of the new journal Space Humanization Series, the U.S. began its efforts in 1958, when the Defense Advanced Research Projects Agency (DARPA) embarked on several studies of maneuverable antisatellite spacecraft designed to go into orbit, intercept an enemy satellite and destroy it.

An alternative to the orbital-intercept method is the direct-ascent method, whereby a missile is launched into space from the ground or from an aircraft to disable a satellite. The DOD began investigating direct-ascent studies early in 1959. Both the Army and the Air Force experimented with antisatellite missile systems in the early 1960's, but both were phased out of operation. Other non-nuclear destruction techniques were considered, though, such as blinding a reconnaissance satellite with laser beams or by spewing paint over the optical windows, strewing pellets or warheads in the satellite's path, or entangling it in a metallic net.

The U.S. was not alone in this early research. The U.S.S.R. was also investigating antisatellite systems at least by 1962, concentrating on the orbital-intercept method. By 1971 it had run a series of seven tests, by putting a target in orbit and then launching an interceptor to hunt it out.

The antisatellite problem was rather quiescent, however, until 1975 when stories appeared claiming that a U.S. early-warning satellite had been temporarily blinded by Soviet lasers. The DOD later issued a statement saying that it was blinded by several large fires along Soviet natural gas pipelines. But by February, 1976 the Soviets had begun a new series of tests with orbital-interceptor satellites, which were continued at least through May, 1978.

These tests were mostly with targets in low Earth orbit—300 miles up or so. They have demonstrated no capability to intercept satellites in geosynchronous orbits. The low-Earth orbit capability, however, would cover reconnaissance and ferret satellites, would have covered the Manned Orbiting Laboratory and will cover the space shuttle. In fact, according to Michaud there is some speculation that the timing of the U.S. space shuttle program may explain the hiatus in the Soviet tests as they improved their system. For one thing, as reported in the April 17, 1978 issue of Aviation Week and Space Technology, the Soviets have accused the space shuttle, with its rendezvous radar, its maneuverability and its remote manipulator system, of being a killer satellite. The DOD, however, has said that it has no plans to use the shuttle for inspecting and/or disabling Soviet satellites.

Now the U.S. has stepped up its own direct-ascent antisatellite research and development, and has recently embarked on a multi-year $400–$500 million program to overcome the 10-year lead gained by the U.S.S.R. in this area. Seventy-three million dollars were budgeted for fiscal 1979.

DIRECTED-ENERGY WEAPONS

In this connection both the U.S. and the U.S.S.R. are doing research on the use of directed-energy weapons such as lasers and particle beams. For lasers the DOD has already spent $1.3 billion on development—and has impressively demonstrated a laser's ability to bring down missiles in flight. The question is no longer whether laser systems are feasible, but how soon engineering can make laster weapon systems practical. The Pentagon now hopes to have a prototype laser weapon system ready for testing in 1982; operational systems could be installed on mountain tops or carried aloft in special jet planes as early as 1985.

It is the particle-beam weapons that have recently stirred up the most controversy. Particle-beam weapons would create high-energy beams of charged sub-atomic particles by accelerating them through a rapidly changing magnetic field such as that in particle accelerators on the Earth; when the beam is directed at a target, it would rapidly heat it, melting or cracking it with the thermal stresses. The power of such weapons is that an antisatellite beam-weapon would have a range of several thousand miles at the speed of light, and could destroy enemy vehicles without having to maneuver to intercept them.

There is much heated debate, however, as to how feasible, let alone how useful, such particle-beam weapons might be. In the April, 1979 issue of Scientific American, John Parmentola and Kosta Tsipis carefully point out the staggering energy requirements of such weapons and their vulnerability to certain fairly straightforward countermeasures. Such arguments, however, should be weighed with care—if only because it is often wise not to be too confident about what a fledgling technology can't do. Parmentola and Tsipis address only three possible uses: as defensive weapons aboard ships to counter cruise missiles, as defensive weapons on the ground acting as antiballistic missile systems, and as defensive weapons aboard satellites to shoot down offensive boosters rising above the atmosphere. They do not discuss either their effectiveness as offensive first-strike weapons, nor as space-based weapons acting against other satellites.

The DOD is less confident as to what particle-beam weapons won't be able to do; it is devoting $29 million in fiscal 1980 to seriously explore the problem, and is seeking added funding for fiscal 1981. But the U.S. will have a lot of catching up to do: reportedly the Soviet particle-beam program is comparable in scale to the Manhattan Project that developed the U.S. atomic bomb, and has been underway for 20 years.

In addition to defensive weapons, the DOD is also studying other ways of protecting satellites in orbit, by improving their survivability: for example, it is studying how to harden satellite surfaces to make them less vulnerable to attack, and how to make their communications systems resistant to jamming. In addition, the DOD is keen on increasing surveillance capacity to be able to observe what is going on in orbit as well as on the ground. Currently it is estimated that there are some 4,000 satellites and other objects orbiting the Earth; some forecasters believe that by 1985 there may be more than 10,000. The DOD wants to be able to account for the presence and movement of these objects so that new packages can be readily detected and identified, to be able to separate friendly or natural ones from unfriendly ones.

MERGER OF NASA AND DOD?

The silent question put before us by the DOD's considerable and growing space program and NASA's erosion is not whether to pursue our activities in space; we are doing that. The question is whether those activities are to be primarily civilian—or primarily military.

In December, 1978 a report titled United States Civilian Space Programs: An Overview was prepared by the Science Policy Research Division of the Congressional Research Service of the Library of Congress for the House Committee on Science and Technology; it summarized the history of our civilian activities in space and identified issues for possible consideration of the Committee during the 96th Congress. One overall thrust of the report was the question: is NASA necessary? "It may seem that after twenty years, the National Aeronautics and Space Administration (NASA) is a permanent fixture," the report begins. "But this is an age of sunset laws, and conditions change so that what may have been valid in 1958 is fair game for reexamination now." For example, one issue is whether the research and development efforts of NASA and the DOD represent costly duplication. "What would be the consequences of a merger of the NASA and DOD efforts in space?" the report asks. "Would the surviving agency necessarily be subordinate to DOD?" If NASA and the DOD were to continue to keep their separate identities, since the DOD may be the principal user of the shuttle "should it have complete operational control of its own shuttles, or should it manage all the shuttle craft and facilities? . . . How would NASA be changed if it were restricted to research, development and conducting science experiments, losing its launch capabilities to DOD?"

The report did not answer those questions, but went on to ask others about NASA's 11 centers around the country, many of which it had originally inherited from the DOD. "During the heyday of spaceflight, all of these facilities were deemed necessary to fulfilling the Nation's space goals. As space flights declined, however, cutbacks in funding and personnel resulted [note attributed cause and effect—T.E.B.], reducing capabilities at some of the centers. Questions have now been raised as to whether NASA needs so many centers to support its work for the decades ahead." Some of those questions focused on the consequences of consolidating the centers, returning some to the DOD and transferring others to other branches of the government such as the Department of Energy.

Nowhere did the 182-page report, in its issues proposed for consideration, ask similar probing questions about the consequences of increasing our civilian activities in space.

In addition, in a speech last August before the annual convention of the American Bar Association, the Smithsonian Institution's Assistant General Counsel George S. Robinson stated: "President Carter is 'open-minded' about the issue of whether to combine military and civil space programs under military administration; one in particular is the meteorological satellite program under NOAA (National Oceanic and Atmospheric Administration). The Air Force already has expressed a desire and willingness to run the civilian space program as well as its own."

To be sure, there is no doubt in the Pentagon's collective mind about the military importance of space: the DOD is planning to become more heavily involved. Both the Navy and the Air Force have been working on studies regarding their use and operations of space systems through the end of the century, and the value of large structures such as antenna farms in assisting tactical ground forces. Moreover, the Air Force is considering a significant new management structure to handle its increasing space activities—perhaps reforming the Strategic Air Command into a Strategic Aerospace Command, perhaps establishing an entirely separate U.S.A.F. Space Command . . . perhaps even eventually forming a separate U.S. Space Command that would be a unified command organization of the Air Force, Army and Navy. For all these activities, according to Air Force Undersecretary Hans M. Mark, "Space shuttle is important with a capital 'I' . . . It was just 30 years ago that we set up an air force. That was a new technology that required a new service. Something similar will happen with the Shuttle."

There is also no doubt in the Soviet Union's collective mind about the military importance of space. According to the Soviet Aerospace Handbook published by the U.S. Air Force, between 1957 and 1975 the Soviets launched 1,177 payloads. Since 1969 they have averaged about 80 launches per year, two or three times the number of U.S. launches since that date. The majority of them are directed to military operations, mostly with photographic reconnaissance, electronic ferreting, radar calibration, military navigation and communications, ocean surveillance and the like. They are believed to be working on a satellite system capable of detecting missile launchings or nuclear explosions on earth, and are suspected of working on a laser device that will attempt to neutralize an orbiting space system from either a ground-based or satellite-based firing system.

In addition, whatever the inhabitants of the U.S. may believe, the U.S.S.R. apparently perceives the American space efforts primarily in a military light. According to V. D. Sokolovsky's Military Strategy (quoted in the Soviet Aerospace Handbook, "The U.S. imperialists have subordinated space exploration to military aims and . . . they intend to use space to accomplish their aggressive projects—a surprise nuclear attack on the Soviet Union and the other socialist countries. . . . It would be a mistake to allow the imperialist camp to achieve superiority in this field." And the U.S.S.R. is putting its money where its mouth is: although it is difficult to make distinctions between its civilian and military programs, most experts agree that it spends at least twice as much on its military activities in space as it does on civilian activities.

Such activities are not to be brushed aside. The crux of the matter lies in the worrisome fact that existing international agreements such as SALT or the Outer Space Treaty do not explicitly ban the development and testing of the means to attack satellites; in fact, they do not even ban attacks against the satellites themselves. Nor do they ban the placing of weapons in orbit as long as they are not weapons of mass destruction. A number of space lawyers, such as George Robinson, have urged that the Outer Space Treaty be strengthened to close those gaps.

MAKING SPACE SAFE FOR DEMOCRACY

In spite of these facts, there seems to be considerable doubt in some U.S. Congressional minds as to the military importance of space—or as to the importance of space at all. Just this past August the House Appropriations Defense Subcommittee reduced the 1980 defense appropriations bill by $2 billion, from $129.6 billion to $127.4 billion. Deletions included some $120 million of space-related research and development.

Of even more concern, the Administration has been holding down the civilian space program to a level that barely permits current missions to be completed, let alone new ones started. And the program suffering the most is the beleaguered space shuttle. In the spring of last year, for example, as an economic measure, the General Accounting Office proposed killing the development of Vandenberg Air Force Base as a shuttle launch site and reducing the orbiter fleet from four to three. That proposal, of course, upset the DOD. The shuttle could be launched into polar orbit from Cape Canaveral, but it would pass over the heavily populated Northeastern U.S.—and several million people would be under the path of a possible abort-mission trajectory. Moreover, to get into polar orbit from Cape Canaveral requires far more energy than it does from higher-latitude Vandenberg—meaning that if the shuttle were to be launched only from Florida, its payload weight capacity would be restricted to 22,000 pounds—two-thirds of what the Air Force requires for an expanded reconnaissance satellite. The only way to increase that capacity would be to drastically reduce the shuttle to minimum flight configuration—by eliminating pressure suits and an air lock that would enable the astronauts to enter the cargo bay for repairs.

To NASA, however, the repercussions could be far worse. If the space shuttle's current construction problems cannot be solved inside current budget constraints, the Administration's attitude is such that the funds might have to be obtained by curtailing or sacrificing one or more scientific projects: the flyby mission to Halley's Comet and Comet Tempel II, the Venus Orbiting Imaging Radar spacecraft, or Galileo—the mission to go into orbit around Jupiter to examine the planet and its satellites in greater detail.

The space shuttle's agonies are symptomatic of the attitudes of some well-known Congressional budget-cutters who don't seem to see that trimming fat does not mean cutting into the heart. To judge from the rhetoric, at least one seems to see space as a frivolous game or simply as an arena for stunts such as playing golf on the moon. Others seem to feel that in these troubled times pioneering exploration is an unnecessary luxury for the human spirit, and that the applications aren't worth the price of admission.

The fact is, we have bought into space too far now to back out. We can no more viably back out of space now than we can back out of computers or airplanes. That is to say, physically we could back out, but the consequences would be far-reaching and severe. We rely on the applications too much for both our national security and for our quality of life.

The militarization of space is a reality. Until recently, space was a de facto sanctuary because once something was put into orbit, no one could touch it. That is no longer true. The DOD's space program is working principally to support ground activities, to protect civilian uses of the space environment, and to—in the words of SAMSO's commander Lt. General Richard C. Henry—"guarantee . . . freedom of the space roads." And as long as human beings tend to be suspicious and aggressive such protection is sadly necessary.

But if we continue to let our civilian space program atrophy, there may be little in orbit to protect. For one thing, the space shuttle is our sole major civilian commitment to space in the 1980's; in a worst case, if under current limitations to the civilian space program it can't fly, that may be it. That won't mean we won't be in space. It will simply mean that the shuttle might become a DOD freighter, and that space for Americans would become a military arena—for surveillance, for defense-related experiments, perhaps (as the June 4, 1979 issue of Business Week points out) for an arms race or even war. By slowly strangling NASA's civilian efforts we may be making that choice by default.

In an address last May at the Fourth Princeton Conference on Space Manufacturing, Michaud suggested that supporters of space industrialization may have to consider supporting an expansion of military or joint military-civilian activities in space as the only politically effective way to achieve their goals, as the DOD "not only spends more on research and development than any other institution in the U.S.—it is also freer to work on riskier projects, whose cost benefit may be very uncertain . . . It was R&D for military aircraft that made possible the jet airliners we know today . . . It may be that only military requirements will allow us to breach the cost barrier and to take space policy out of the hands of the Office of Management and Budget."

Michaud may be right: such piggy-backing may be necessary for the short term to rebuild a strong civilian space program. But if so, let us ensure that such a partnership is a true partnership—and one for the short term only. On the Earth, the U.S.'s activities are not dominated and limited by military concerns. Let us not allow them to be so dominated and limited 100 miles directly overhead.●

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. Corman (at the request of Mr. Wright), after 4 p.m. today, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. Royer) to revise and extend their remarks and include extraneous material:)

Mr. Kemp, for 60 minutes, today.
Mr. Goldwater, for 5 minutes, today.
Mr. Porter, for 15 minutes, today.

(The following Members (at the request of Mr. Skelton) to revise and extend their remarks and include extraneous matter:)

Mr. Nelson, for 10 minutes, today.
Mr. Glickman, for 10 minutes, today.
Mr. Gonzalez, for 15 minutes, today.
Mr. Annunzio, for 5 minutes, today.
Mr. Addabbo, for 30 minutes, today.
Mr. Brademas, for 5 minutes, today.
Mr. Dingell, for 5 minutes, today.
Mr. Wolff, for 15 minutes, today.
Mr. AuCoin, for 5 minutes, today.
Mr. Bonker, for 5 minutes, today.
Mr. Neal, for 5 minutes, today.
Mr. Conyers, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. Brown of California, and to include extraneous material notwithstanding the fact it exceeds two pages of the Record and is estimated by the Public Printer to cost $2,259.79.

Mr. Hansen, and to include extraneous material notwithstanding the fact that it exceeds two pages of the Record and is estimated by the Public Printer to cost $3,438.75.

Mr. Bereuter, to insert explanation of his vote on the Holt amendment immediately after the vote on the Holt amendment.

Mr. Evans of Delaware, to have his remarks included immediately after vote on Gramm-Holt substitute amendment.

(The following Members (at the request of Mr. Royer) and to include extraneous matter:)

Mr. Symms.
Mr. Lagomarsino in two instances.
Mr. Burgener.
Mr. Derwinski in three instances.
Mr. Rinaldo.
Mr. Wydler.
Mr. Marlenee.
Mr. Miller of Ohio in three instances.
Mr. Hollenbeck.
Mr. McClory.
Mr. Lee.
Mr. Paul.
Mr. Kemp in two instances.
Mr. Courter.
Mr. Schulze.
Mr. Williams of Ohio.

(The following Members (at the request of Mr. Skelton) and to include extraneous matter:)

Mr. Vento.
Mr. Breaux.
Mr. Alexander in three instances.
Mr. Holland in five instances.
Mr. Brooks in two instances.
Mr. Dodd.
Mr. Pease.
Mr. Waxman.
Mr. Rosenthal in 10 instances.
Mrs. Bouquard in five instances.
Mr. Hamilton in 10 instances.
Mr. Cavanaugh in five instances.
Mr. AuCoin.
Mr. Mazzoli.
Mr. Brodhead.
Mr. Bonker.
Mr. Gaydos.
Mr. Simon.
Mr. Drinan.
Mr. Scheuer.
Mr. Conyers.
Mr. Fauntroy.
Mr. Benjamin.
Mr. Won Pat in two instances.
Ms. Mikulski.
Mr. Skelton.
Mr. McKay.
Mr. Harkin.

A BILL PRESENTED TO THE PRESIDENT

Mr. THOMPSON, from the Committee on House Administration, reported that that committee did on April 30, 1980, present to the President, for his approval, a bill of the House of the following title:

H.R. 7140. An act to amend title IV of the Employee Retirement Income Security Act of 1974 to postpone for 2 months the date on which the Pension Benefit Guaranty Corporation must pay benefits under terminated multiemployer plans.

ADJOURNMENT

Mr. SKELTON. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 8 minutes p.m.), under its previous order, the House adjourned until Monday, May 5, 1980, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

4262. A letter from the Deputy Director of Legislative Liaison, Department of the Air Force, transmitting a summary of revenues derived from recovered materials during fiscal year 1979, pursuant to section 612 of Public Law 93–552; to the Committee on Armed Services.

4263. A letter from the Secretary of Labor, transmitting a report on the Department's study of the justification for the exemption from the overtime provisions of the Fair Labor Standards Act contained in section 13(b)(2) of the act, pursuant to section 4(d)(2) of the act; to the Committee on Education and Labor.

4264. A letter from the Deputy Assistant Secretary of Defense (Administration), transmitting notice of a proposed new records system, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

4265. A letter from the Director, Equal Employment Opportunity Commission, transmitting a report on the Commission's activities under the Government in the Sunshine Act during calendar year 1979, pursuant to 5 U.S.C. 552b(j); to the Committee on Government Operations.

4266. A letter from the Assistant Secretary of the Interior, transmitting notice of the receipt of an application from the State of Montana for a loan under the Small Reclamation Projects Act of 1956, pursuant to section 10 of the act; to the Committee on Interior and Insular Affairs.

4267. A letter from the Secretary of Health, Education, and Welfare, transmitting the annual progress report on the 5-year plan for family planning services and population research, pursuant to section 1009 of the Public Health Service Act; to the Committee on Interstate and Foreign Commerce.

4268. A letter from the President, U.S. Railway Association, transmitting the Association's quarterly report on the status of the Rail Act valuation proceedings, pursuant to section 202(e)(3) of the Regional Rail Reorganization Act of 1973, as amended; to the Committee on Interstate and Foreign Commerce.

4269. A letter from the Staff Director, U.S. Commission on Civil Rights, transmitting a report on the state of civil rights in 1979, pursuant to section 104(c) of Public Law 85-315, as amended; to the Committee on the Judiciary.

4270. A letter from the Assistant Secretary of the Army (Civil Works), transmitting a final environmental impact statement and supplemental information on the Lutsen and Beaver Bay Harbors of Refuge, Minn., project, pursuant to section 404(r) of Federal Water Pollution Control Act, as amended; to the Committee on Public Works and Transportation.

4271. A letter from the Federal Cochairman, Coastal Plains Regional Commission, transmitting the 12th annual report of the Coastal Plains Regional Commission, pursuant to section 510 of the Public Works and Economic Development Act of 1965, as amended; to the Committee on Public Works and Transportation.

4272. A letter from the Administrator of Veterans' Affairs, transmitting a draft of proposed legislation to amend title 38, United States Code, to eliminate provision of outpatient dental treatment for service-connected noncompensable dental conditions which are unrelated to service trauma or prisoner-of-war status; to the Committee on Veterans' Affairs.

4273. A letter from the Comptroller General of the United States, transmitting a report on the need for better information on the nutritional quality of foods (CED–80–68, Apr. 30, 1980); jointly, to the Committees on Government Operations, Agriculture, and Interstate and Foreign Commerce.

4274. A letter from the Comptroller General of the United States, transmitting a report analyzing concerns in Federal education programs (HRD–80–18, Apr. 30, 1980); jointly, to the Committees on Government Operations and Education and Labor.

4275. A letter from the Comptroller General of the United States, transmitting a report on prospects for a stronger United States-Mexico energy relationship (ID–80–11, May 1, 1980); jointly, to the Committees on Government Operations and Foreign Affairs.

4276. A letter from the Secretary of Health, Education, and Welfare, transmitting a draft of proposed legislation to make improvements in the medicare and medicaid programs, and for other purposes; jointly, to the Committees on Ways and Means and Interstate and Foreign Commerce.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. STAGGERS: Committee of conference. Conference report on H.R. 2313. (Rept. No. 96–917). Ordered to be printed.

Mrs. CHISHOLM: Committee on Rules. House Resolution 651. Resolution providing for the consideration of S. 1309. An act to increase the fiscal year 1979 authorization for appropriations for the food stamp program, and for other purposes. Rept. No. 96–918. Referred to the House Calendar.

Mr. BINGHAM: Committee on Foreign Affairs. House Joint Resolution 324. Resolution permitting the supply of additional low enriched uranium fuel under international agreements for cooperation in the civil uses of nuclear energy, and for other purposes; with amendment (Rept. No. 96–919). Referred to the Committee of the Whole House on the State of the Union.

Mr. BOLAND: Permanent Select Committee on Intelligence. H.R. 6942. A bill to authorize appropriations for the fiscal year 1981 for international security and development assistance, the Peace Corps, and refugee assistance, and for other purposes (Rept. No. 96–884, pt. 2). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BONKER (for himself, Mr. Bingham, Mr. Lagomarsino, Mr. Barnes, Mr. Frenzel, and Mr. Wolpe):

H.R. 7230. A bill to direct the Secretary of Commerce to encourage the formation and operation of export trading companies, and for other purposes; jointly, to the Committees on Foreign Affairs and the Judiciary.

By Mr. CARTER:

H.R. 7231. A bill to increase the fiscal year 1979 authorization for appropriations for the food stamp program, and for other purposes; to the Committee on Agriculture.

By Mr. DINGELL (for himself, Mr. Albosta, Mr. Blanchard, Mr. Brodhead, Mr. Broomfield, Mr. Davis of Michigan, Mr. Diggs, Mr. Ford of Michigan, Mr. Nedzi, Mr. Pursell, Mr. Stockman, Mr. Sawyer, Mr. Traxler, and Mr. Vander Jagt):

H.R. 7232. A bill to amend the Black Bass Act as it applies to fishing in the Great Lakes, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. DOWNEY:

H.R. 7233. A bill to extend the authorization of appropriations contained in section 212(B) of the Merchant Marine Act, 1936, relating to mobile trade fairs; to the Committee on Merchant Marine and Fisheries.

H.R. 7234. A bill to amend the Tariff Schedules of the United States with respect to the rates of duty on ephedrine, pseudoephedrine, racephedrine, and their salts; to the Committee on Ways and Means.

By Mr. FLORIO (for himself, Mr. Madigan, Ms. Mikulski, Mr. Santini, Mr. Matsui, Mr. Lee, and Mr. Broyhill):

H.R. 7235. A bill to reform the economic regulation of railroads, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. HAMMERSCHMIDT:

H.R. 7236. A bill to amend the Trade Expansion Act of 1962 in order to revoke the President's authority to impose any tax or fee on imports of petroleum and petroleum products into the United States without first being specifically authorized to do so by the Congress; to the Committee on Ways and Means.

By Mr. HANLEY (for himself, Mr. Derwinski, Mr. Diggs, Mr. Wolff, Mr. Bingham, Mr. Yatron, Mr. Solarz, Mr. Barnes, Mr. Gray, Mr. Bowen, Mr. Fithian, and Mr. Broomfield):

H.R. 7237. A bill to insure that the compensation and other emoluments attached to the office of Secretary of State are those which were in effect January 1, 1977; jointly, to the Committees on Post Office and Civil Service and the Judiciary.

By Mr. HAWKINS:

H.R. 7238. A bill to authorize appropriations for fiscal year 1981 for part A of title IV of the Comprehensive Employment and Training Act; to the Committee on Education and Labor.

By Mr. JOHNSON of California:

H.R. 7239. A bill to authorize the Secretary of the Interior to provide for the protection, use, and enjoyment of the esthetic, educational, and interpretive values inherent in the Federal lands and water at Shasta Dam, Central Valley project, California; to the Committee on Interior and Insular Affairs.

By Mr. KEMP (for himself, Mr. Stockman, Mr. Gingrich, Mr. Schulze, Mr. Courter, Mr. Williams of Ohio, Mr. Ritter, Mr. Walker, Mr. Moorhead of California, Mr. Lungren, Mr. Rhodes, Mr. Devine, Mr. Rousselot, Mrs. Holt, Mr. Hyde, Mr. Lee, Mr. Solomon, Mr. Clinger, Mr. Regula, Mr. Burgener, Mr. Gilman, Mr. Carney, Mr. Leach of Iowa, Mr. Bethune, and Mr. Porter):

H.R. 7240. A bill to amend the Internal Revenue Code of 1954 to provide certain tax incentives for businesses in depressed areas; to the Committee on Ways and Means.

By Mr. LOWRY (for himself, Mr. Beilenson, and Mr. Stack):

H.R. 7241. A bill to provide for a grant program to encourage the conservation, protection, and management of fish, wildlife, and plants on an international basis; jointly, to the Committees on Merchant Marine and Fisheries, Foreign Affairs, and Ways and Means.

By Mr. McKAY (for himself, Mr. Udall, Mr. Santini, and Mr. Marriott):

H.R. 7242. A bill to facilitate and encourage the production of oil from tar sand and other hydrocarbon deposits; to the Committee on Interior and Insular Affairs.

By Mr. MILLER of Ohio (for himself, Mr. Duncan of Tennessee, Mr. Frenzel, Mr. Rousselot, and Mr. Bafalis):

H.R. 7243. A bill to amend the Internal Revenue Code of 1954 to provide that the excise taxes on self-dealing by a private foundation shall not apply to certain scholarships awarded to children of foundation managers; to the Committee on Ways and Means.

By Mr. NEAL (for himself, Mr. AuCoin, Mr. Lundine, Ms. Oakar, Mr. Patterson, Mr. LaFalce, Mr. Leach of Iowa, Mr. Hyde, and Mr. Stanton):

H.R. 7244. A bill to amend the Bretton Woods Agreements Act to authorize consent to an increase in the U.S. quota in the International Monetary Fund, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

By Mr. PAUL:

H.R. 7245. A bill to amend section 404 of the Federal Water Pollution Control Act to restrict the jurisdiction of the United States over the discharge of dredged or fill material to discharges into waters which are navigable, and for other purposes; to the Committee on Public Works and Transportation.

By Mr. PORTER:

H.R. 7246: A bill to amend the Internal Revenue Code of 1954 to allow an exclusion of gain from the sale of any principal residence of an individual; to the Committee on Ways and Means.

By Mr. PRICE:

H.R. 7247 A bill to waive the applicability of sections 2382 and 7300 of title 10, United States Code, to contracts for the construction or manufacture of naval vessels or military aircraft with respect to which final payment is made before October 1, 1981; to the Committee on Armed Services.

By Mr. QUAYLE:

H.R. 7248. A bill to amend section 603 of the Housing and Community Development Act of 1974; to the Committee on Banking, Finance and Urban Affairs.

By Mr. RUDD:

H.R. 7249. A bill to provide for the disposition of the Gila River Pima-Maricopa Indian Community judgment funds awarded in dockets 236–A, 236–B and 236–E before the Indian Claims Commission and the U.S. Court of Claims, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. SMITH of Iowa:

H.R. 7250. A bill to provide management and technical assistance to small business concerns; to the Committee on Small Business.

By Mr. SOLARZ:

H.R. 7251. A bill to amend the Urban Mass Transportation Act of 1964 relating to the formulas under which entitlements of urbanized areas for construction and operating assistance under such act are determined; to the Committee on Public Works and Transportation.

By Mr. STRATTON:

H.R. 7252. A bill to authorize appropriations for fiscal year 1981 for conservation, exploration, development, and use of the naval petroleum reserves and naval oil shale reserves, and for other purposes; to the Committee on Armed Services.

By Mr. UDALL (by request):

H.R. 7253. A bill to amend the act of May 26, 1926 (ch. 401, 44 Stat. 657, 43 U.S.C. 373a) to provide for the appointment of a Commissioner of Water and Power Resources; to the Committee on Interior and Insular Affairs.

By Mr. VENTO (for himself, Mr. Gudger, Mr. McClory, Mr. Nolan, Mr. Railsback, Mr. Synar, Mr. Weiss, and Mr. Winn):

H.R. 7254. A bill to prohibit the drugging or numbing of racehorses and related practices, and to amend title 18, United States Code, to prohibit certain activities conducted in interstate or foreign commerce relating to such practices; jointly, to the Committees on Interstate and Foreign Commerce and the Judiciary.

By Mr. WEAVER (for himself, Mr. Bonker, Mr. Swift, and Mr. Miller of California):

H.R. 7255. A bill to protect the supply of domestic timber; jointly, to the Committees on Agriculture and Interior and Insular Affairs.

By Mr. WHITTEN:

H.J. Res. 541. Joint resolution making additional funds available by transfer for the fiscal year ending September 30, 1980, for the Federal Trade Commission to the Committee on Appropriations.

By Mr. STRATTON:

H. Con. Res. 327. Concurrent resolution disapproving the proposed transfer by the Federal Republic of Germany to other European countries of ribbon bridges manufactured using technical data of U.S. origin; to the Committee on Foreign Affairs.

By Mr. WOLFF:

H. Con. Res. 328. Concurrent resolution calling for the establishment of an international criminal court to try persons accused of certain acts of international terrorism; to the Committee on Foreign Affairs.

By Mr. de la GARZA:

H. Res. 652. Resolution in tribute to U.S. Ambassador to Colombia, Diego Ascencio; to the Committee on Post Office and Civil Service.

H. Res. 653. Resolution tribute to Colombia and its President, Julio Cesar Turbay Ayala; to the Committee on Foreign Affairs.

By Mr. HAMMERSCHMIDT:

H. Res. 654. Resolution to express opposition to a proposed import fee on crude oil; to the Committee on Ways and Means.

SUBSEQUENT ACTION ON BILLS INITIALLY REFERRED UNDER TIME LIMITATIONS

Under clause 5 of rule X, the following actions were taken by the Speaker:

Referral of H.R. 6942, a bill to authorize appropriations for the fiscal year 1981 for international security and development assistance, the Peace Corps, and refugee assistance, and for other purposes, to the Permanent Select Committee on Intelligence extended for an additional period ending not later than May 1, 1980.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

448. By the SPEAKER: Memorial of the House of Representatives of the State of Arkansas, relative to relief for the homebuilding industry; to the Committee on Banking, Finance and Urban Affairs.

449. Also, memorial of the House of Representatives of the Commonwealth of Puerto Rico, relative to asylum for the refugees in the Peruvian Embassy in Cuba; to the Committee on Foreign Affairs.

450. Also, memorial of the House of Representatives of the State of Arkansas, relative to the windfall profit tax; to the Committee on Ways and Means.

451. Also, memorial of the Legislature of the Commonwealth of Pennslyvania, relative to taxation of social security benefits; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BONIOR of Michigan:

H.R. 7256. A bill for the relief of John Franklin Herbert McLin; to the Committee on the Judiciary.

By Mr. EVANS of the Virgin Islands:

H.R. 7257. A bill for the relief of Maria Obando and Rommel Obando; to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 204: Mr. Hall of Texas, Mr. Hinson, Mr. Leath of Texas, Mr. Hance, and Mr. Lagomarsino.

H.R. 1776: Mr. Collins of Texas.

H.R. 2074: Mr. Matsui, Mr. Garcia, Mr. Fazio, and Mr. Anderson of Illinois.

H.R. 2279: Mr. Edwards of Oklahoma, Mr. Dicks, Mr. Cotter, Mr. McKay, Mr. McDade, Mr. Grassley, Mr. Wirth, Mr. Carr, Mr. Ritter, Mr. Lee, Mr. Marks, Mr. Swift, Mr. Vento, Mr. Aspin, Mr. Brown of Ohio, and Mr. Minish.

H.R. 2813: Mr. Dougherty, Ms. Ferraro, and Mr. Fithian.

H.R. 5858: Mr. Hutto, Mr. McCormack, and Mr. O'Brien.

H.R. 6039: Mr. Barnes.

H.R. 6619: Mr. Rahall.

H.R. 6637: Mr. Lagomarsino.

H.R. 6848: Mr. Mitchell of New York.

H.R. 6936: Mr. Young of Florida and Mr. Madigan.

H.R. 7023: Mr. Grassley, Mrs. Heckler, Mr. Duncan of Oregon, Mr. Goldwater, Mr. Whitehurst, Mr. Murphy of Illinois, Mr. Ottinger, Mr. Hollenbeck, Mr. Baldus, Mr. Minish, Mr. Roe, Mr. Mottl, Mr. Bevill, Mr. Nolan, Mr. Solomon, Mr. Lott, Mr. Forsythe, Mr. Simon, Mr. Hyde, Mr. Hughes, Mrs. Spellman, Mr. Oberstar, Mr. Walgren, Mr. Mollohan, Mr. Findley, Mr. Mavroules, Mr. Donnelly, Mr. Frenzel, Mr. Bonker, Mr. Lloyd, Mr. AuCoin, Mr. Whitley, Mr. Yatron, Mr. Panetta, Mr. Frost, Mr. Wolff, Mr. Lehman, Mr. Madigan, Mr. Gudger, and Mr. Whittaker.

H.R. 7121: Mr. Alexander, Mr. Albosta, Mr. Stangeland, Mr. Beard of Tennessee, Mr. Fuqua, Mr. Jones of Tennessee, Mr. Bevill, Mr. Fithian, Mr. Jenrette, Mr. Daschle, and Mr. Rose.

H.J. Res. 523: Mr. Abdnor, Mr. Archer, Mr. Burgener, Mrs. Byron, Mr. Campbell, Mr. Conte, Mr. Courter, Mr. Erdahl, Mr. Forsythe, Mr. Ginn, Mr. Gradison, Mr. Hall of Texas, Mr. Howard, Mr. Hutto, Mr. Hyde, Mr. Mazzoli, Mr. McKinney, Mr. Montgomery, Mr. Mottl, Mr. Murphy of Pennsylvania, Mr. Pepper, Mr. Rousselot, Mr. Stanton, Mr. Stenholm, and Mr. Wolff.

H. Res. 525: Mr. Whitten.

H. Res. 636: Mr. Gray.

DELETION OF SPONSORS

Under clause 4 of rule XXII, sponsors were deleted from public bills and resolutions as follows:

H.R. 6722: Mr. Patten.

PETITIONS, ETC.

Under clause 1 of XXII,

339. The SPEAKER presented a petition of the 39th annual meeting of the National Conference on Public Employee Retirement Systems, Orlando, Fla., relative to the universal social security study, which was referred to the Committee on Ways and Means.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

S. 1309

By Mr. JEFFORDS:

—Page 38, line 6, strike out "Section 18(a)" and insert in lieu thereof "Section 19(a), as so redesignated by section 204 of this Act,".

Page 38, after line 21, insert the following new title:

TITLE II—REPAYMENT FOR CERTAIN EXCESS FOOD STAMP BENEFITS

FUNDS TO PROVIDE ASSISTANCE

Sec. 201. The first sentence of section 4(a) of the Food Stamp Act of 1977, as amended, is amended by inserting "and funds received from the Secretary of the Treasury under section 6306 of the Internal Revenue Code of 1954" after "of this Act".

CONDITIONAL ASSISTANCE

Sec. 202. The last sentence of section 5(a) of the Food Stamp Act of 1977, as amended, is amended by inserting ", conditional upon such repayment as may be determined pursuant to section 18 of this Act," after "furnished".

NOTICE OF CONDITIONAL NATURE OF ASSISTANCE

Sec. 203. Section 11(e) of the Food Stamp Act of 1977, as amended, is amended—

(1) in paragraph (2) by striking out "household.", and inserting in lieu thereof the following: "household, and of the conditions under which repayment in cash for any excess benefits received by members of an eligible household may be required in accordance with section 18 of this Act. A State agency shall provide a description of such conditions in understandable terms to each individual who is 19 years of age or older and who is a member of an eligible household which applies to participate in the food stamp program.";

(2) in paragraph (18), as added by section 118 and amended by section 119 of this Act, by striking out "and" at the end thereof;

(3) in paragraph (19), as added by section 119 of this Act, by striking out the period and inserting in lieu thereof "; and"; and

(4) by adding at the end thereof the following new paragraph:

"(20) that the State agency shall furnish to each individual to whom section 18(a) of this Act applies the information required in section 18(d)(1) and shall certify to the Secretary of the Treasury the information required in section 18(d)(2).".

LIABILITY FOR EXCESS FOOD STAMP BENEFITS RECEIVED

Sec. 204. The Food Stamp Act of 1977, as amended, is amended by redesignating section 18 as section 19, and by inserting after section 17 the following new section:

"REPAYMENT FOR EXCESS BENEFITS RECEIVED

"Sec. 18. (a)(1) Each individual who is 19 years of age or older during any entire taxable year and who, in any taxable year, participates in the food stamp program as a member of any household participating in the food stamp program, and has countable income in excess of the exempt amount shall be liable to the United States as determined in accordance with paragraph (2) and paragraph (3) of this section.

"(2) For purposes of paragraph (1), in the case of any individual who files a Federal separate income tax return such individual shall be liable for an amount equal to the lesser of—

"(A) the value of the coupons allocated to such individual in such taxable year; and

"(B) one-half of the amount by which the countable income of such individual for such taxable year exceeds the exempt amount.

"(3) For purposes of paragraph (1), in the case of two individuals who file a Federal joint income tax return such individuals shall be jointly and severally liable for an amount equal to the lesser of—

"(A) the value of the coupons allocated to both such individuals in such taxable year; and

"(B) one-half of the amount by which the countable income of such individuals for such taxable year exceeds the exempt amount.

"(b) Subsection (a) of this section shall not apply to—

"(1) any individual who participates in the food stamp program during the entire taxable year involved; and

"(2) any individual who is a member of a household which has household income, during the entire taxable year of such individual, comprised of only supplemental security income benefits under title XVI of the Social Security Act, State supplementary payments described in section 1616(a) of such Act, and payments of the type referred to in section 212(a) of Public Law 93–66.

"(c) For purposes of subsection (a) and notwithstanding subsection (b), there shall be allocated to each individual 19 years of age or older the lesser of—

"(1) an equal share of all of the coupons received by each household of which such individual is a member participating in the food stamp program in any taxable year of such individual, for any period during which such individual is a participating member of each such household; and

"(2) a share of the coupons received by each such household in such taxable year for any period during which such individual is a member of such household, determined in accordance with regulations issued by the Secretary to prevent any extreme inequity.

"(d) Pursuant to such regulations as the Secretary, in consultation with the Secretary of the Treasury, may issue and for purposes of determining the liability of any individual under subsection (a) of this section, the State agency shall—

"(1) furnish for each calendar year, before February 1 following such calendar year, to each individual who is 19 years of age or older, who participates in the food stamp program in such State in such calendar year, and who is not an individual described in subsection (b) of this section—

"(A) a statement specifying the amount of coupons allocated to such individual in such calendar year as determined in accordance with subsection (c) of this section; and

"(B) such other information as may be necessary to carry out the provisions of this section; and

"(2) certify to the Secretary of the Treasury for each calendar year, before March 1 following such calendar year—

"(A) the name and address of each individual 19 years of age or older who participates in the food stamp program in such State in such calendar year and who is not an individual described in subsection (b) of this section;

"(B) the amount of coupons allocated to each such individual in such calendar year as determined in accordance with subsection (c) of this section; and

"(C) such other information as may be necessary to carry out this section.

"(e) Any amount for which an individual is liable under subsection (a) of this section shall be payable as if such amount were a tax imposed by section 1 of the Internal Revenue Code of 1954.

"(f) For purposes of this section:

"(1) 'Adjusted gross income' shall have the meaning given it in section 62 of the Internal Revenue Code of 1954.

"(2) 'Countable income' means, in the case of any individual who files a Federal separate income tax return and in the case of two individuals who file a Federal joint income tax return, for any taxable year the sum of adjusted gross income and any unemployment compensation received in such taxable year which is not included in gross income pursuant to section 85 of the Internal Revenue Code of 1954.

"(3) 'Exempt amount' means—

"(A) in the case of any unmarried individual who files a Federal separate income tax return and in the case of two individuals who file a Federal joint income tax return, for any taxable year an amount equal to 175 percent of the income standard of eligibility established under section 5(c) of this Act applicable to a household having the number of members equal to the number of personal exemptions allowable as a deduction by such individual, or by such two individuals, as the case may be, for such taxable year under part V of subchapter B of chapter 1 of the Internal Revenue Code of 1954, for persons who are members of the household of such individual, or of any household of either of such two individuals; and

"(B) in the case of any married individual who files a Federal separate income tax return for any taxable year an amount equal to one-half of the amount determined in accordance with subparagraph (A), except that for purposes of determining such amount the number of such personal exemptions shall be increased by one.

"(4) 'Taxable year' shall have the meaning given it in section 7701(a)(23) of the Internal Revenue Code of 1954.

"(5) 'Unemployment compensation' shall have the meaning given it in section 85(c) of the Internal Revenue Code of 1954.

"(g) The Secretary may transfer to the Secretary of the Treasury an amount of any funds appropriated to carry out this Act for fiscal years beginning after September 30, 1980, sufficient to enable the Secretary of the Treasury to assess and collect under section 6306 of the Internal Revenue Code of 1954 amounts for which individuals are liable under subsection (a) of this section and to carry out related administrative functions.

"(h)(1) Of the funds transferred to the Secretary under section 6306 of the Internal Revenue Code of 1954, the Secretary shall—

"(A) transfer 15 per centum of such funds, but not to exceed $15,000,000 in any fiscal year, to the States, and

"(B) use the portion of such funds not transferred to the States under subparagraph (A), to carry out the provisions of this Act.

"(2) For purposes of paragraph (1)(A), the amount of funds to be transferred to each State shall be an amount equal to the product of—

"(A) the lesser of—

"(i) 15 per centum of the funds transferred to the Secretary under section 6306 of the Internal Revenue Code of 1954; and

"(ii) $15,000,000 in any fiscal year; and

"(B) the aggregate amount of liability for funds to be collected by the Secretary of the Treasury under section 6306 of the Internal Revenue Code of 1954 from individuals who are residents of such State, as specified on their respective Federal income tax returns, divided by the aggregate amount of liability for funds to be collected by the Secretary of the Treasury under such section from residents of all the States.

"(3)(A) Any State which accepts funds transferred under paragraph (1)(A) shall distribute such funds to the State agency conducting the food stamp program in such State.

"(B) Any State agency which receives funds distributed under subparagraph (A) shall use such funds to carry out the food stamp program.".

AMENDMENTS TO INTERNAL REVENUE CODE OF 1954

SEC. 205. (a) Subchapter A of chapter 64 of the Internal Revenue Code of 1954 (relating to collection of taxes) is amended by adding at the end thereof the following new section:

"SEC. 6306. COLLECTION OF REPAYMENT FOR EXCESS FOOD STAMP BENEFITS.

"The Secretary or his delegate shall assess and collect the amount of any liability of any individual under section 18(a) of the Food Stamp Act of 1977 in the same manner, with the same powers, and subject to the same policies, procedures, and limitations, including deferral or suspension of collection because of hardship, as if such amount were a tax imposed by section 1, except that for one year from the date such liability is payable no interest or penalties shall be assessed or collected with respect to such amount. Notwithstanding any other provision of law, the Secretary shall transfer, in such amounts as are specified in appropriations acts, funds collected under this section to the Secretary of Agriculture.".

(b) The analysis of sections for subchapter A of chapter 64 of the Internal Revenue Code of 1954 is amended by adding at the end thereof the following new item:

"Sec. 6306. Collection of Repayment for Excess Food Stamp Benefits.".

AVAILABILITY OF FUNDS REPAID FOR EXCESS BENEFITS RECEIVED

SEC. 206. The first sentence of section 19(b) of the Food Stamp Act of 1977, as so redesignated by section 204 of this title, is amended—

(1) by inserting "of the sum" after "excess"; and

(2) by inserting "and any funds transferred to the Secretary under section 6306 of the Internal Revenue Code of 1954 in such fiscal year" before the period.

CONFORMING AMENDMENT

SEC. 207. Section 4(a) of the Food Stamp Act of 1977, as amended, is amended by striking out "section 18" and inserting in lieu thereof "section 19".

APPLICATION OF AMENDMENTS

SEC. 208. Section 18(a) of the Food Stamp Act of 1977, as added by section 204 of this title, shall apply in the case of any individual to each taxable year of such individual beginning on or after the first day of the first calendar year beginning after the date of the enactment of this Act.

EFFECTIVE DATES

SEC. 209. (a) Except as provided in subsection (b), the amendments made by this title shall take effect on the date of the enactment of this Act.

(b) The amendments to section 11(e) of the Food Stamp Act of 1977, as made by section 203 of this title, and section 18(d) of the Food Stamp Act of 1977, as added by section 204 of this title, shall take effect on the first day of the first calendar year beginning after the date of the enactment of this Act.

Page 38, line 22, strike out "TITLE II" and insert in lieu thereof "TITLE III".

Page 38, line 24, strike out "Sec. 201." and insert in lieu thereof "Sec. 301.".

Page 38, line 24, strike out "section 18(a)" and insert in lieu thereof "section 19(a), as so redesignated by section 204 of this Act.".

EXTENSIONS OF REMARKS

MONTHLY LIST OF GAO REPORTS

HON. JACK BROOKS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 1, 1980

● Mr. BROOKS. Mr. Speaker, the monthly list of GAO reports includes summaries of reports which were prepared by the staff of the General Accounting Office. The February 1980 list includes:

NATIONAL DEFENSE

A Decision by the Secretary of Defense is Needed on the AV-8B Aircraft Program. Acc. No. 111548, PSAD-80-23, February 8.

F/A-18 Naval Strike Fighter: Its Effectiveness is Uncertain. Acc. No. 111567, PSAD-80-24, February 14.

NAVSTAR Should Improve the Effectiveness of Military Missions—Cost Has Increased. Acc. No. 111588, PSAD-80-21, February 15.

Increased Standardization Would Reduce Costs of Ground Support Equipment for Military Aircraft. Acc. No. 111467, LCD-80-30, February 7.

How Military Sales Trust Funds Operate: Saudi Arabian and Iranian Funds Compared. Acc. No. 111642, FGMSD-80-26, January 28.

Better Management Needed in DOD to Prevent Fraudulent and Erroneous Contract Payments and To Reduce Real Property Maintenance Costs. Acc. No. 111234, PSAD-80-14, January 9.

Attrition in the Military—An Issue Needing Management Attention. Acc. No. 111612, FPCD-80-10, February 20.

The Navy's Pilot Shortage: A Selective Bonus and Other Actions Could Improve Retention. Acc. No. 111587, February 15.

Navy's Shore Requirements Standards, and Manpower Planning System (Shorstamps)—Does the Navy Really Want It? Acc. No. 111502, FPCD-80-29, February 7.

Undergraduate Helicopter Pilot Training: Consolidation Could Yield Significant Savings. Acc. No. 111498, FPCD-79-88, September 20.

An Analysis of DOD's Family Housing Management Account and Lease Construction Agreements. Acc. No. 111580, CED-80-53, February 2.

Summaries of Conclusions and Recommendations on DOD Operations. Acc. No. 111338, OISS-80-1, January 21.

Letter reports

Air Force sole source computer acquisitions are not warranted. Acc. No. 111469. FGMSD-80-30, January 24.

Consolidation of helicopter pilot training programs could yield significant savings. Acc. No. 111460, FPCD-80-37, January 31.

Army material stored outside is provided with little adequate care. Acc. No. 111463, LCD-80-35, February 5.

Concerns about the Army's infantry fighting vehicle. Acc. No. 111462, PSAD-80-27, February 5.

Regulations on war reserve material are not being followed. Acc. No. 111454, CED-80-70, February 28.

INTERNATIONAL AFFAIRS

Coordinating U.S. Development Assistance: Problems facing the International Development Cooperation Agency. Acc. No. 111434, ID-80-13, February 1.

Search for Options in the Troubled Food-for-Peace Program in Zaire. Acc. No. 111636, ID-80-25, February 22.

Capacitacion Y Esfuerzos Afines Requeridos Para Mejorar La Gestion Financiera En Las Paises del Tercer Mundo (Training and Related Efforts Needed to Improve Financial Management in the Third World), ID-79-46, September 20, 1979.

Management and Control of Personal Property is Poor and Procurement Controls Should be Strengthened at U.S. Embassies in Latin America. Acc. No. 111526, ID-80-23, February 11.

ENERGY

Policy Conflict-Energy, Environmental, and Materials: Automotive Fuel-Economy Standards' Implications for Materials. Acc. No. 111461, EMD-80-22, February 5.

Magnetohydrodynamics: A Promising Technology For Efficiently Generating Electricity From Coal. Acc. No. 111613, EMD-80-14, February 11.

The Government Should Buy More Fuel-Efficient Trucks and Truck Tractors. Acc. No. 111624, EMD-80-27, February 21.

Letter reports

There is a definite potential for oil and gas in the Arctic National Wildlife Range. Acc. No. 111458, EMD-80-56, January 22.

Management controls at the Federal Financing Bank need attention. Acc. No. 111661, GGD-80-421, February 28.

The Bonneville Power Administration should identify and make recommendations to the Federal Energy Regulatory Commission for testing alternative retail rate structures and actions which would encourage conservation. Acc. No. 111500, EMD-80-57, February 6.

Corrective actions are needed to correct deficiencies in the Energy Department's contracts for moving and storage services. Acc. No. 111593, PSAD-80-26, February 20.

AGRICULTURE

The Cooperative Extension Service Should Provide Farmers with More Information on Farm Credit Sources. Acc. No. 111649, CED-80-45, February 14.

COMMERCE AND HOUSING

Federal Supervision of Bank Holding Companies Needs Better, More Formalized Coordination. Acc. No. 111547, GGD-80-20, February 12.

Slow Productivity Growth in the U.S. Footwear Industry—Can The Federal Government Help? Acc. No. 111650, FGMSD-80-3, February 25.

The Surety Bond Guarantee Program: Significant Changes are Needed in Its Management. Acc. No. 111534, CED-80-34, December 27.

How the Law to Prevent Discrimination and Encourage Minority Participation in Railroad Activities is Being Implemented. Acc. No. 111459, CED-80-55, February 1.

National Bureau of Standards—Answers to Congressional Concerns. Acc. No. 111551, CED-80-49, February 2.

SOCIAL SERVICES

How Federal Developmental Disabilities Programs Are Working. Acc. No. 111625, HRD-80-43, February 20.

Letter reports

The Labor Department took actions to improve the quality of the 1979 Summer Youth Employment Program. Acc. No. 111520, HRD-80-39, February 5.

Two Quality studies in New York City's Aid to Families with Dependent Children Program could not be compared because they covered different time periods and different welfare programs. Acc. No. 111627, HRD-80-48, February 7.

State advanced payments to Aid to Families with Dependent Children recipients are inconsistent with Federal regulations. Acc. No. 111468, HRD-80-50, February 7.

Comparison of well-being of older people in three rural and urban locations. Acc. No. 111501, HRD-80-41, February 8.

HEALTH

Does Nitrate Cause Cancer? Concerns About Validity of FDA-Sponsored Study Delay Answer. Acc. No. 111441, HRD-80-46, January 31.

Letter reports

Contracting procedures for future flu vaccines are adequate and should be followed for future vaccine purchases. Acc. No. 111641, HRD-80-40, January 25.

INCOME SECURITY

An Actuarial and Economic Analysis of State and Local Government Pension Plans. Acc. No. 111648, PAD-80-1, February 26.

U.S. Income Security System Needs Leadership, Policy, and Effective Management. HRD-80-33, February 29.

VETERANS AFFAIRS

New Legislation and Stronger Program Management Needed to Improve Effectiveness of VA's Vocational Rehabilitation Program. HRD-80-47, February 26.

ADMINISTRATION OF JUSTICE

Community-Based Correctional Programs Can Do More To Help Offenders. Acc. No. 111592, GGD-80-25, February 15.

Improved Grant Auditing and Resolution of Findings Could Save the Law Enforcement Assistance Administration Millions. Acc. No. 111590, FGMSD-80-21, February 19.

GENERAL GOVERNMENT

Improving the Productivity of Federal Payment Centers Could Save Millions. Acc. No. 111549, FGMSD-80-13, February 12.

Financial Status of Major Federal Acquisitions September 30, 1979. Acc. No. 111550, PSAD-80-25, February 12.

Better Communication Could Help Clear Up Confusion Over "Silly" Research Grants. Acc. No. PAD-80-46, February 7.

Maze of Food Regulations—Need for a Regulation Indexing System. Acc. No. 111456, CED-80-44, February 4.

Should Full Funding Be Applied to the Rental Assistance and Family Planning Programs? Acc. No. 111628, PAD-80-16, February 12.

Administrative Conference of the United States Needs Better Project Management. Acc. No. 111457, GGD-80-13, February 4.

Audit of the Federal Financing Bank for the Year Ended September 30, 1979. Acc. No. 111466, GGD-80-30, February 6.

Summaries of Conclusions and Recommendations on the Operations of Civil Departments and Agencies. Acc. No. 111339, January 21.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

Audit of the Stationery Revolving Fund for FY Ended June 30, 1979. Acc. No. 111433, January 31.

Letter reports

The Navaho and Hopi Indian Relocation Commission committed Anti-Deficiency Act violations in fiscal year 1978. FGMSD-80-17, January 29.

Is adequate support provided for EPA's in-house research? Acc. No. 111519, CED-80-50, February 4.

Federal aid recipients complain that information is lacking on Federal assistance programs. Acc. No. 111503, GGD-80-32, February 8.

No support for the allegation concerning suppression of audit reports at Johnson Space Center was found. Acc. No. 111579, PSAD-80-28, February 8.

The IRS could do more to locate and secure returns from corporations who claim they owe no taxes. Acc. No. 111528, GGD-80-34, February 11.

Personnel practices in the National Archives and Records Service have problems. Acc. No. 111527, FGMSD-80-29, February 11.

The District of Columbia has experienced delays in developing its comprehensive plan elements. Acc. No. 111546, GGD-80-18 February 12.

Cost of increased retirement benefits for Panama Canal employees has not yet been determined. Acc. No. 111553, FPCD-80-41, February 14.

Conversion costs in computer procurements will not necessarily eliminate competition for Government contracts. Acc. No. 111651, FGMSD-80-34, February 15.

Planned expansion of Hines Supply Depot has not been justified. Acc. No. 111647, PSAD-80-31 February 26.

The Government Printing Office can improve traffic management practices. Acc. No. 111658, LCD-80-37 February 28.

Controls over the Government Printing Office's cash, certain inventories, and accounts payable need strengthening. Acc. No. 111594, LCD-80-36 February 20.

Comments on the National Highway Traffic Safety Administration's plan for evaluating the use and performance of automatic restraint systems. Acc. No. 111660, CED-80-70, February 28.

Management of the U.S. international energy research and development program has a number of problems. Acc. No. 111464, ID-80-14, February 5.

The monthly list of GAO reports and/or copies of the full texts are available from the U.S. General Accounting Office, Distribution Section, room 1518, 441 G Street NW., Washington, D.C. 20548. Phone 202-275-6241.●

THE 65TH ANNIVERSARY OF ARMENIAN GENOCIDE

HON. HAROLD C. HOLLENBECK

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 1, 1980

● Mr. HOLLENBECK. Mr. Speaker, April 24 marked the 65th anniversary of the genocide carried out against over 2 million Armenians by the Turks. Each year we should pause to reflect on the tragic and brutal events that began on April 24, 1915. On this day, the intellectual and spiritual leaders of the Armenian community were arrested and later sent into exile that most were destined not to survive.

With the removal of these leaders, a massive program for uprooting and deporting nearly all of the 2 million Armenians in Turkey began. Over the next year more than 1 million Armenians lost their lives either at the hands of the Turks and Kurds, or through famine in exile. In addition, reports indicated that several hundred thousand Armenian women and children were sold into slavery. Only a small fraction of the Armenian population survived by emigrating to other countries. As a result the first planned genocide of the 20th century, nearly exterminated the Armenian population in Turkey.

On April 24 of each year we are provided with an opportunity to deplore man's inhumanity to man, as well as an occasion to reflect on the strength and courage of the Armenian people who, despite all odds, have maintained their identity. The Armenian people have demonstrated throughout history, their fortitude, stamina, and tenacity in maintaining their culture, church, and language. The current existence of this spirit is the foundation that will lead to the ultimate restoration of a free Armenian nation.

In recalling the severe injustices suffered by the Armenian people, we remind ourselves that crimes of this nature must never be repeated, and pledge to remain vigilant in opposing all such atrocities.●

MOTHER JOSEPH

HON. DON BONKER

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 1, 1980

● Mr. BONKER. Mr. Speaker, I would be proud to associate myself with the remarks of my distinguished colleagues from Washington State from April 1, 1980, regarding Mother Joseph. Today the President of the United States, Members of Congress, and distinguished guests are gathering to dedicate her statue in National Statuary Hall. This is an important event in the life of Washington State, her home city of Vancouver, Wash., and the community of the Sisters of Providence.

Mother Joseph's myriad contributions in the fields of health care, education, and social work throughout the Northwest are daily monuments to the heroic humanitarian efforts of this great woman and have been ably recounted by my colleagues. Her life's motto is encapsulated in these words spoken on her deathbed: "Sisters, whatever concerns the poor, is always our affair." Obstacles of distance, language barriers, paucity of funds, and the harsh realities of pioneer life would have deterred all but the hardiest of men. Yet, Mother Joseph, with a small band of four sisters, accomplished the impossible—establishing hospitals, orphanages, schools, and homes for the aging throughout the Northwest.

This architect/nun who made Vancouver both her home and her final resting place, was also a woman of great humility. Her quick temper was a frequent source of agony to her, often leading her to go to the person she had wronged, kneel and ask forgiveness. In this, she still speaks as an example to us all. And her statue, portraying her in an attitude of prayer, will be a visible reminder of this humility. Her pioneer spirit—both in things temporal and things spiritual—exemplifies the call found in II Corinthians 5:20:

> So we are ambassadors for Christ, God making his appeal through us. We beseech you on behalf of Christ, be reconciled to God.

I would like to acknowledge the fine work of Felix de Weldon in sculpting Mother Joseph in an attitude that speaks of both her devotion to her God, in her attitude of prayer, and her devotion to mankind, in her workworn hands. While to date Mr. de Weldon is reknowned as architect and sculptor of "Flag Raising on Iwo Jima," I feel certain that his fame will spread because of this newest work.

Further I would like to thank the community of Vancouver, Wash. for calling into national prominence the work of this great humanitarian. For years Mother Joseph's contributions went unacknowledged. Now, thanks to the work of a group of dedicated citizens in Vancouver the wealth of her efforts are being brought to the fore.

In honoring Mother Joseph, all pioneer women of the Northwest will be honored as well.●

AMERICA'S CHALLENGE—PART II

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 1, 1980

● Mr. McDONALD. Mr. Speaker, on pages 8685-8687 of the April 22, 1980, CONGRESSIONAL RECORD I inserted part I of America's Challenge. Today I wish to place part II in the CONGRESSIONAL RECORD of this thoughtful essay by Mr. Ezra Taft Benson as to what our Nation's problems are, how we got there and how they ought to be solved. Back to the basics of our economic, constitutional, and spiritual beginnings is the answer, according to Mr. Benson. I fully support this view and I commend part II to the attention of my colleagues.

The essay follows:

AMERICA'S CHALLENGE—PART II

It is well to remember that the states of this Republic created the Federal Government. The Federal Government did not create the states. Today we find government engaged in activities which are not within the authorized and proper role of government. These activities pose a grave danger to our continued freedom. No one has the authority to grant such powers as welfare programs, schemes for redistributing the wealth, and activities which coerce people into acting in accordance with a prescribed code of social planning. We shouldn't forget the wise words of President Grover Cleveland that ". . . though the people support the Government, the Government should not support the people." ("Essays on Liberty," 3:254.)

We should also remember, as Frederic Bastiat reminded us, that "nothing can enter the public treasury for the benefit of one citizen or one class unless other citizens and other classes have been forced to send it in." ("The Law," p. 30.)

Students of history know that no government in the history of mankind has ever created any wealth. People who work create wealth.

God has prospered this land! Though the United States has only about six percent of the world population and seven percent of the land area, our gross national product is about forty percent of the world total. It exceeds that of all the western Euopean countries combined and is three times greater than that of the entire Far East.

The United States is the most generous nation under heaven. We have put out 25 billion dollars' worth of food aid around the world—84 percent of the world's food aid in the last several years. I hope and pray that every American will understand the basic principles which have made this world miracle possible.

The principles behind this prosperity can be reduced to a rather simple formula:

1. Economic security for all is impossible without widespread abundance.

2. Abundance is impossible without industrious and efficient production.

3. Such production is impossible without energetic, willing, and eager labor.

4. This production is not possible without incentive.

5. Of all forms of incentive, the freedom to attain a reward for one's labor is the most sustaining for most people. Sometimes called the profit motive, it is simply the right to plan and to earn and to enjoy the fruits of your labor.

6. This profit motive diminishes as government controls, regulations, and taxes increase to deny the fruits of success to those who produce.

7. Therefore, any attempt, through government intervention, to redistribute the material rewards of labor can only result in the eventual destruction of the productive base of society, without which real abundance and security for more than the ruling elite is quite impossible.

But because of the so-called liberal—socialistic—Keynesian philosophy adopted by our government in the early 1930s, we have departed far from these sound, basic economic principles.

This same destructive philosophy has found its way onto the campuses of practically all colleges and universities.

A little volume entitled "Keynes at Harvard" published by a private research group of Harvard graduates known as The Veritas Foundation, will give you more detail of what has happened.

Among the many conclusions of The Veritas Foundation I mention but two:

1. Keynesism is not an economic theory. It is a weapon of political conspiracy.

2. "The Veritas Foundation" feels that the graduates have not been given the truth.

Read the revised, 100-page booklet. It is unfortunate that every college and university student, during the past decade, could not have read it.

In an exclusive interview, as reported in the January issue of Review of The News, free market economist, Hans Sennholz, chairman of the department of economics at independent Grove City College, was asked two questions and gave frank and accurate answers.

Question. Dr. Sennholz, what has gone wrong with the American economy since World War II?

Answer. Putting it very simply, we have traveled the road of inflation via deficit spending. As a result, dollar savings and investments have depreciated at the inflation rate. Pre-World War II savings have lost some 90 percent of their value, and post-war savings have lost at least one-half of their value. The value of money invested in savings accounts, savings bonds, life insurance, pension funds, and all other dollar investments has shrunk continually. The middle class, which customarily invests in such savings, has lost at least one-half of its financial substance in recent years.

Question. How did we get in such a mess?

Answer. The old forces of "Liberalism" in the United States, identical with those of socialism in Europe, gained power with Roosevelt's New Deal. These forces have shaped the policies of the American Government for half a century. They have brought us to the borders of economic stagnation, disastrous inflation, and falling standards of living. In the name of benefitting the poor and underprivileged, the leaders of "Liberalism" have ravished the producers through taxation, impoverished the middle class through inflation, strangled economic life through regulation, and divided American society through social conflict and strife. But above all their "Liberal" preoccupation with economic redistribution of wealth has permitted world Communism to become an ominous threat to American security and independence. (p. 41.)

I have just finished reading Senator Barry Goldwater's recently released personal memoirs entitled, "With No Apologies," a book I would commend to every American.

Senator Goldwater is one of the first insiders who, as an elected public official, has now written what many Americans have believed for some time—that our drift in foreign policy, our indifference to communism, and our runaway inflation is not accidental. One chapter in his book entitled, "The Nonelected Rulers," reveals how the Council on Foreign Relations, the Trilateral Commission and their ancillary organizations have influenced foreign and domestic policy in the United States for over 30 years. These organizations all share a similar philosophy of international interdependence and one-world government which, of course, means surrender of the sovereignty and independence of the United States of America. I quote from Senator Goldwater:

I believe the Council on Foreign Relations and its ancillary elitist groups are indifferent to communism. They have no ideological anchors. In their pursuit of a new world order they are prepared to deal without prejudice with a communist state, a socialist state, a democratic state, monarchy, oligarchy—it's all the same to them. * * * Their goal is to impose a benign stability on the quarreling family of nations through merger and consolidation. They see the elimination of racial and ethnic loyalties as the most expeditious avenue to world peace. Their rationale rests exclusively on materialism. They believe economic competition is the root cause of international tension. This approach dismisses as insignificant the form of government or the political ideology expressed by that form.* * *

When a new President comes on board, there is a great turnover in personnel but no change in policy. Example: During the Nixon years Henry Kissinger, CFR member and Nelson Rockefeller's protege, was in charge of foreign policy. When Jimmy Carter was elected, Kissinger was replaced by Zbigniew Brzezinski, CFR member and David Rockefeller's protege.* * *

Whereas the Council on Foreign Relations is distinctly national in membership, the Trilateral Commission is international. Representation is allocated equally to Western Europe, Japan, and the United States. It is intended to be the vehicle for multinational consolidation of the commercial and banking interests by seizing control of the political government of the United States.* * *

In my view, the Trilateral Commission represents a skillful, co-ordinated effort to seize control and consolidate the four centers of power—political, monetary, intellectual, and ecclesiastical. (pp. 278, 279, 280, 284.)

Senator Goldwater warns:

If the American people do not penetrate the fog of propaganda which has led us to our present position of military weakness, if we don't discard the policy of appeasement and accommodation which has controlled our foreign policy since the end of World War II, the days of the Republic are numbered. And if the United States falls as the result of internal economic collapse or external military threat, the hopes of mankind for freedom throughout the world will fall with us. * * *

The Russians are determined to conquer the world. They will employ force, murder, lies, flattery, subversion, bribery, extortion and treachery. Everything they stand for and believe in is a contradiction of our understanding of the nature of man. Their artful use of propaganda has anesthetized the free world. Our will to resist is being steadily eroded, and this is a contest of will.

I am not suggesting we should wage a nuclear war. God forbid. It isn't necessary. What I am saying is that unless we, who profess to believe in freedom, wake up, the world is headed for a period of slavery. (Ibid., pp. 297, 299.)

His solutions to our foreign and domestic problems are three-fold:

1. "* * * a President who will speak the truth, who will not attempt to gloss over or conceal the magnitude of the threats confronting us. * * * a President who will order a foreign policy of enlightened self-interest supported by a defense system of superior weapons strong enough to deter the most reckless aggressor." (Ibid., p. 302.)

2. A newly elected Congress in 1980.

"The root of the problem lies in the Congress of the United States—535 men and women who have been taught to believe they are competent to control every aspect of our complicated, inventive society. Congress assumes it knows more about banking than bankers and has written millions of words of regulation. Congress believes it is competent to run every service station, barbershop, library, bus company, construction crew, airline, manufacturing plant, extractive operation, pharmaceutical house, dairy, and dog kennel. Common sense condemns this assumption as ludicrous, yet we do nothing about it." (Ibid., p. 305.)

3. If Congress fails to act, then amendments to the Constitution must be proposed through various state legislative bodies. The senator proposes these three needed amendments:

The first: "To require a balanced budget except in times of war or national emergency;

The second: "To limit the amount of money the federal tax collector can take from the people to a percentage of the gross personal income;

The third: "To reestablish the convertibility of our currency, or, in other words, to bring us back to a gold or silver standard of honest money."

So much for a summary of Senator Goldwater's book!

Throughout history, great civilizations have disappeared. In every case the pattern bears a grim similarity. First comes a decline in spiritual values, then a repudiation of economic and moral principles of integrity and responsibility, followed by the inevitable loss of freedom.

Today's problems are not new. The Roman Empire faced bankruptcy 2,000 years ago as more and more power concentrated in the central government and government spending grew.

Cicero spoke out against the trend. This great Roman senator said, "The budget should be balanced, the treasury should be refilled, public debt should be reduced, the arrogance of officialdom should be tempered and controlled, assistance to foreign lands should be curtailed lest Rome become bankrupt. The mobs should be forced to work and not depend on government for subsistence."

Romans ignored Cicero; Rome fell.

History is great—if you learn from it. It is not too late for the U.S.A. to heed those 49 words out of the past.

There's an inflexible law of economics. If you overspend, you go into debt. If you continue to be fiscally irresponsible, you become bankrupt. This not only applies to individuals, but to government as well. And as our government plunges the nation deeper and deeper into debt every year, we can look forward to a harsh day of reckoning. We are spending ourselves into oblivion.

If we are to survive as an independent, sovereign nation, we must, as free Americans, follow sound economic and political policies, uphold and protect our hallowed Constitution, and live to the letter the virtues of integrity, loyalty, patriotism, and morality. Today, more than ever before, we need God's influence and guidance in every area of our lives.

America has a spiritual foundation. Her wellsprings are religious. Our crisis is a crisis of faith; our need is for greater spirituality and a return to the basic concepts upon which this nation was established.

How much this country needs men with a mandate higher than the ballot box!

How much this country needs men in government to acknowledge their debt to the Almighty, men whose lives are a daily witness to the truth of the American motto, "In God We Trust."

I quote a modern scripture dear to me:

I, the Lord God, make you free, therefore ye are free indeed; and the law also maketh you free.

Nevertheless, when the wicked rule the people mourn.

Wherefore, honest men and wise men should be sought for diligently, and good men and wise men ye should observe to uphold; otherwise whatsoever is less than these cometh of evil. (D&C 98:8–10.)

The days ahead are sobering and challenging, and will require the faith, prayers, and loyalty of every American citizen.

God give us men! A time like this demands
Strong minds, great hearts, true faith, and
  ready hands;
Men whom the lust of office does not kill;
Men whom the spoils of office cannot buy;
Men who possess opinions and a will;
Men who have honor; men who will not lie.
  ("The Day's Demand"
  by Josiah Gilbert Holland)

Our challenge is to keep America strong and free. Strong socially, strong economically and, above all, strong spiritually if our way of life is to endure.

Indeed, this is America's challenge and only hope for life, liberty, and the pursuit of happiness!

God grant we may meet this challenge, I pray in the name of Jesus Christ. Amen.●

JOHN HUNTEY, JR., FRONT AND CENTER

HON. JOSEPH M. GAYDOS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 1, 1980

● Mr. GAYDOS. Mr. Speaker, in every organization, be it social, fraternal, civic, or business, there are always individuals that others tend to take for granted. They are the ones who labor while others receive laurels. Without them, wheels do not spin and programs and projects never move off dead center.

Glassport Post No. 443, American Legion, has such an individual in its membership. This gentleman, for 31 years, has remained outside the spotlight of public recognition and acknowledgement.

He has been chairman of its childrens' Christmas party committee, its Memorial Day committee, its Veterans' Day committee, its installation and activities committee. He was deeply involved in the building of the new post home and later took an active part in the remodeling, renovation, and expansion of the building. He has served as the post's steward and been a member of the Post's Home Association and board of directors since their formation many years ago.

But, never was this individual's talents and dedication to his fellow Legionnaires and his community ever publicly recognized. Never, that is until Saturday, April 12, when Post No. 443 brought him out of the background to front and center.

On that evening, John Huntey, Jr. was named "Legionnaire of the Year—1980" and publicly honored by the men and women of Post No. 443 and the residents of Glassport, Pa. At long last the tributes and accolades earned over 30 years of service were duly accorded a man who sought nothing else but to help.

Not only has John Huntey spent half of his life in serving Post No. 443, he has made his commitment a family affair. His wife, the former Helen Semian, is active in the work of the ladies auxiliary along with his daughter, Laverne. His two sons, Richard and Dennis, also have assisted John Huntey in post activities. It is most appropriate, therefore, that this outstanding individual be awarded a life membership in Post No. 443. Indeed, it has been his life.

Mr. Speaker, on behalf of my colleagues in the Congress of the United States, I take pride and pleasure in joining the officers and members of Post No. 443, American Legion, and the citizens of Glassport, Pa., in calling John Huntey, Jr. front and center to accept a public and personal commendation long overdue.●

THE DEATH OF THE PRIVATE SECTOR IN NICARAGUA

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 1, 1980

● Mr. LAGOMARSINO. Mr. Speaker, as the House continues its consideration of H.R. 6081, the special Nicaraguan aid bill, I would like to direct my colleagues' attention to the recent testimony of Mr. Bruce Cuthbertson, president of the American Chamber of Commerce in Nicaragua. Mr. Cuthbertson delivered his remarks on Tuesday of this week before the Subcommittee on Inter-American Affairs of the Committee on Foreign Affairs, of which I am a member.

In his statement he outlined the true nature of the Cuban-backed Sandinistas who control that country and their attitude toward the private sector. During the hearing, Mr. Cuthbertson correctly questions U.S. policy toward Central America that is based on a reversal of the traditional "carrot and stick" approach where the administration continues to use the carrot on our enemies and the stick on our friends.

I commend his testimony to your attention and insert his remarks in full at this point in the RECORD:

STATEMENT OF BRUCE CUTHBERTSON

My name is Bruce Cuthbertson. I was born in New Jersey and educated at Amherst College, Massachusetts Institute of Technology and Harvard Business School. After graduation and military service, I went to Nicaragua where I have lived and worked for the past fifteen years until recent events forced me to move my family out of the country. I am President of the American Chamber of Commerce in Nicaragua and Secretary-Treasurer of the Sovipe Group of companies, whose ownership is principally Nicaraguan and which operates in Nicaragua and the rest of Central America in construction and construction related businesses.

As you are well aware, Nicaragua has gone through a violent and bloody revolution, resulting in the overthrow of the Somoza regime and the complete elimination of the Somoza family, traditional political parties, and the armed forces from the country's power structure. Although the removal of the corrupt Somoza regime had wide support from many sectors within Nicaragua, including businessmen, and international support from several countries including the U.S., the military force was supplied by the FSLN, a Marxist-Leninist, terrorist guerrilla group whose leaders and militants were trained in Cuba and Russia.

The power of the new government is nominally in the hands of a five member Junta. In reality, it is exercised by the FSLN, which is the army, police, security force, and political party all rolled into one.

Among the first acts of the new government was the confiscation of the properties belonging to the Somoza family, politicians, former army personnel, plus that of a lot of other people who had nothing to do with the previous regime, giving the government a significant percentage of the agricultural land and industrial capacity of the country. In addition the banking system, the insurance industry, the mining industry and foreign commerce in agricultural export products were nationalized without compensation, increasing government participation in the economy of the country and giving the FSLN a financial stranglehold on the remaining private business.

The social and political objectives of the FSLN were quite clearly defined from the beginning, and are based on the Cuban model, as were the tactics to obtain these objectives. In regard to private enterprise, the FSLN strategy states the following: ". . . the disloyal bourgeois, obsessed with continuing to maintain our country subjugated under the economic dependence of imperialism, must be isolated from the democratic sectors. Our policy looks to obtain this isolation via an appropriate political tactic. . . . We must hit them, not attacking them as a class, but through their most representative elements at the first opportunity. To give them political and economic blows will permit us to reduce substantially their power and maneuvering capacity against the revolution."

The FSLN strategy further states:

"The reactionary bourgeois is totally defenseless, knowing by intuition of its class, that its future depends on a telephone call," reaffirming their willingness to use whatever power they have to weaken or eliminate private enterprise.

In recent months the government has exerted substantial pressure on the private sector. On top of enormous damage caused by the war, new benefits decreed by the government drained already low cash reserves. Encouraged by political stimulation, labor unions became most aggressive, and production plummeted. Stoppages became frequent, and government inspired worker takeovers of companies, either temporary or permanent, happen all too frequently. Labor court decisions, based on political criteria and not on law, place additional pressure on companies. Reductions of markets, due to the disastrous economic situation of the country or the problems in the other Central American countries, aggravate the situation. These pressures and the absolute control by the government over which companies get bank loans or foreign exchange, has pushed many weakened companies into untenable situations. As a result, the government has taken over a large number of private companies.

What has been happening to my company is an example of the pressures which the government uses to weaken, then eliminate individual companies. From the beginning the new government put massive pressures on our company. In a normal year we had relatively few suits in labor court, suddenly we had many. In a five month period we had over 150 and won only one case, as the man who brought it was not an employee of the company. Accounts due us from the government were not paid or were delayed, alleging lack of funds, but we were required to pay immediately our obligations.

In January I was summoned by the attorney general of the country who stated that the government had made an exhaustive investigation of the company in order to confiscate it, but had been unable to find any wrongdoing to justify this action. Nevertheless, he stated that the government considered Mr. Enrique Pereira, a founder and major stockholder of the company, an "enemy of the people" who, even though honest, would not fit into the new society. I was told that Mr. Pereira could not return to the country and should, therefore, donate his stock in the company to the "revolution." If this were not done, he continued, the government would confiscate all of his holdings in Nicaragua, along with those of the other stockholders in the company.

I replied that Mr. Pereira, a Nicaraguan who had worked honestly and hard for many years from his founding of the company, was unwilling to give away his stock which was rightfully his and conveyed his desire to return and work in Nicaragua. A series of meetings were held in which the government first suggested that the employees buy the stock, then the government. Finally our manager requested a meeting with Dr. Hassan of the Junta, who told him that the government wanted to buy the stock and gave him 10 days to bring a favorable reply. Two days later the workers took over the facilities of the company. We had a further meeting with Dr. Hassan in which we conveyed the stockholders' acceptance to negotiate sale of their shares, and Dr. Hassan reiterated the government's determination to buy up to 81% of the company.

The next day the workers released the facilities of the company. Several weeks ago the audit was begun to establish the value of the company but on April 18, a warrant was issued for our manager's arrest, accusing him of "sabotaging production." He has gone into hiding, leaving the company without top management. Within the past few days, the president of the company received a call from the company's lawyer who stated that he had been contacted by government officials, offering safe conduct out of the country for the manager and his family should the stock be given to the government. We are presently negotiating.

In the international arena, the government has proceeded rapidly to establish political and commercial relations with Cuba, the Soviet Union, East Germany and Czechoslovakia, among others. Recently economic and political agreements have been signed between the USSR and Nicaragua. There are abundant signs of the presence and influence of these countries, and the Russians have selected one of the largest and newest office buildings in Managua for its staff—which could exceed 300 people based on the size of the building.

In recent days the political situation has become even more clearly defined. The only two non-marxist members of the Junta, Alfonso, Robelo and Violeta Chamorro, have resigned, as has Arturo Cruz, the widely respected and non-political president of the country's central bank, eliminating the few moderate elements in the political structure of the country. In addition, the soon to be installed State Council is in the process of being modified to guarantee absolute control of this organism by the FSLN, producing energetic, but useless, protests by the entire private sector.

What are the implications of what is happening in Nicaragua? An economy in ruins, without apparent possibilities of recovery. A massive exodus of qualified people who fear for their own safety. For the people remaining in the country, an uncertain future of economic hardship and impossibility of political expression through the democratic traditions with which we are familiar. For the rest of Central America, a neighbor whose leaders have expressed on repeated occasions their desire to make dramatic political changes in the area and whose government has supported with material and personnel the violence in El Salvador. For the United States the situation is unfortunate, as its well intentioned efforts to produce a more democratic and pluralistic society have resulted in quite the opposite with the coming to power of a government and political system which is anathema to our own political and economic traditions as well as a direct threat to the security of our country. For the private sector in Nicaragua, I am fearful that it is just a question of waiting for a telephone call. For some of us the telephone has already rung.●

LIN BURZELL NAMED ONE OF THE NATION'S TOP 10 PUBLIC WORKS LEADERS FOR 1980

HON. CLAIR W. BURGENER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 1, 1980

● Mr. BURGENER. Mr. Speaker, each year the American Public Works Association observes "National Public Works Week," an observance which highlights the importance of local public works in our everyday lives and salutes the outstanding local public works leaders throughout the country.

The association annually selects 10 outstanding leaders from a list of national nominees, and I will be pleased this year to preside at an awards dinner for one of those outstanding leaders, Mr. Linden R. Burzell, general manager and chief engineer of the San Diego County Water Authority.

Lin Burzell, one of my long-time constituents, has for years embodied the responsible and responsive local public servant.

As a young Navy ensign assigned to San Diego in 1946, Lin participated in the engineering design of the first San Diego aqueduct. After his separation from the Navy, he joined the staff of the Vista Irrigation District, where he became general manager and chief engineer from 1951 to 1963.

He has served as general manager and chief engineer of the San Diego County Water Authority since January 1964, and has been at the fore of those trying to assure dependable and adequate water supplies for the ever-burgeoning southern California populace.

Lin is a past chairman of the California section of the American Water Works Association, a past director of the association, and a director of the Association of California Water Agencies. He is also a fellow in the American Society of Civil Engineers and a past president of the San Diego section of that group.

Mr. Speaker, although I will have a chance to do it personally, I would like to extend this public salute to Lin Burzell, along with his wife Bette, for his outstanding leadership in the local public works arena.●

FISH INDUSTRY NEEDS HELP

HON. LES AuCOIN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 1, 1980

● Mr. AuCOIN. Mr. Speaker, I want to take this opportunity to acquaint my colleagues with the very serious problems confronting our commercial fishing industry in the Northwest.

Soon, the Merchant Marine and Fisheries Committee will report to the

House H.R. 7039, the Comprehensive Fisheries Development Act, to stimulate development of U.S. domestic fisheries and to phase out foreign fishing in U.S. waters over the next 4 years.

This legislation will speed progress toward the goal of the 200-mile law, enacted by Congress in 1976, which is for the United States to harvest, process, and market its own fisheries resources.

Mr. Speaker, an editorial in the April 29 edition of the Capital Journal newspaper in Salem, Oreg., helps to illustrate why this comprehensive legislation needs to be enacted promptly.

The editorial follows:

Fish Industry Needs Help

If there ever was a time for a little Yankee ingenuity on the part of the U.S. fishing industry, this is it.

Hard times have hit the industry, exemplified by the financial crisis besetting the Seattle-based New England Fish Co., which has a packing plant in Newport.

As details of New England's problems surfaced last week, industry experts said the problems are not limited to New England, nor are they part of a one-shot, isolated incident. It's a trend that does not portend well for the future.

Marple's Newsletter, an economic publication in Seattle, reports red ink throughout the industry. Big problems began last summer, with one of the largest runs of sockeye salmon ever in Bristol Bay, Alaska. A strike by fishermen ran the price up. As if that wasn't bad enough, processors then overestimated the Japanese market for sockeye.

When the world market plummeted, New England and other processors were stuck with huge inventories, which eventually were unloaded at big losses. For New England, the situation was complicated by a $2 million loss on salmon that the Japanese rejected as spoiled. All in all, the situation was disastrous.

Last week, New England filed for protection under Chapter 11 of the Bankruptcy Code, which would have allowed the company protection from creditors while it tried to reorganize. But, in the fast-changing situation, the plant in Newport ceased packing operations Monday. Today, the next step is unknown.

We hope it finds a solution to its financial crisis. In Newport, New England supports an annual payroll of about $1 million and about 30 boats for the plant, which is the largest on the Bayfront.

The experts at Marple's say that as bad as it is, the salmon situation is not the main source of problems for coastal processors. Markets for cod and other bottom fish also are depressed, and an across-the-board boom in the fishing industry in recent years had bid fish prices way up.

A try last year by trawlers to improve the situation by limiting foreign competition also has failed. Trawlers petitioned the U.S. International Trade Commission in Washington, D.C., to establish quotas on imports of bottom fish. The petition was denied by the commission, which said that the biggest problem was not the imports but too many boats.

When prices for fish went up, the fishing fleet expanded. New and larger trawlers were built, encouraged by government incentives. One tax-shelter deal allows fishermen to put profits from one boat into a special, income-tax-exempt fund, if the money is then used to build another boat. Unfortunately, no such plan exists for processing plants. While boats were getting bigger and catches larger, processing plants were standing still and eventually were inundated with fish they couldn't handle.

It seems to us typical of government intervention in an industry that incentives would be given to one segment, without accompanying incentives to the next segment down the line, Rep. Les AuCoin, D-Ore., has proposed a bill to order the processors tax shelter incentives similar to those that fishermen now get. We support such a bill as a way to get much-needed working capital to companies such as New England.

But the industry could help itself immensely with a little innovative marketing to build acceptance of its product with American consumers.

When world markets softened, U.S. processors had to fall back on American consumers, who just won't pay the price for fish that foreign markets will. Furthermore, Americans don't eat as much fish, either. But as inflation and recession plague the nation, high-protein fish, at reasonable prices, will become more attractive.

Studies show that people eat and do everything else in patterns. Traditionally, the fishing industry has done little in the way of promotion to change those patterns.

The time is ripe for efforts in that direction.●

U.S. ASSISTANCE TO TUNISIA SHOULD BE CONTINUED

HON. PAUL SIMON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 1, 1980

● Mr. SIMON. Mr. Speaker, recent events in the Arab world, particularly the recent commando raid on the Tunisian city of Gafsa on January 27, make it timely for the United States to reassert its friendship and support of the Government of Tunisia and, where appropriate, to reassess and strengthen its assistance programs to Tunisia.

Tunisia and the United States have enjoyed excellent relations since that nation gained independence from France in 1956. Throughout that time Tunisia has taken a generally moderate approach in international affairs, has never joined other developing nations in the popular rhetoric of denouncing the industrial nations for wrongs, real or imagined, and has consistently used its influence to encourage dialog and compromise in conflict situations. In regard to the current crisis in the Near East, Tunisia has issued public statements condemning the taking of our Embassy personnel as hostages in Iran and has also condemned the Russian invasion of Afghanistan.

Concerning economic assistance to Tunisia, the United States and other Western European donors contributed about $300 million in 1979, with the United States accounting for about 10 percent of the total. In addition, the World Bank financed development projects at about $100 million. As a result of these foreign assistance programs and prudent government economic policies, Tunisia has turned in an impressive real growth rate averaging about 4 percent per annum over the last decade, and the gross national product has reached about $900 per capita. Because of this successful economic performance and our own foreign aid policy of directing assistance to those countries with the lowest per capita incomes, U.S. foreign assistance programs to Tunisia have been declining in real terms in recent years. In fact, current projections are that it may soon be possible to phase out all concessional aid and that Tunisia will soon be able to finance development programs primarily from within its own resources and from long-term borrowings from multilateral banks and the private capital markets.

I believe that during this transition period, however, it is essential that the United States continues to express friendship in tangible terms, and to participate in Tunisia's development program. Further, in view of the increasingly hostile rhetoric from its neighbor to the east, I believe the United States should continue to indicate its intention to respond to Tunisia's needs in the area of military assistance as well. The total dollar amounts need not be substantial. Indeed the capacity of the Tunisian Armed Forces to absorb military equipment may itself mitigate against any massive assistance effort. Consequently, the $15 million military credit sales programs proposed for Tunisia may be the maximum practical for fiscal year 1981. However, I would not rule out the possibility that a somewhat higher level might be appropriate in view of recent developments. In any case, we should make it clear to Tunisia, and to other states in the area, that the United States places great value on the long history of continuous good relations between our two countries. Further, our policies should be based on the assumption that it is in our mutual interest that Tunisia's economic development continues and that its military security is maintained.●

THE SPIRIT OF HELSINKI, VIGIL 1980

HON. TOM HARKIN

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 1, 1980

● Mr. HARKIN. Mr. Speaker, again this year I participate in the vigil for Soviet Jewry. As I did last year, I would like to bring to the attention of my colleagues the plight of the Pshonik family.

Boris and Anna Pshonik continue to wait in Riga, Latvia, for permission to emigrate to Israel. This year they wait alone. Last year I was working so that their entire family could receive visas. After years of waiting the Pshoniks' son-in-law, Valerie Raines, their granddaughter, Ilana, and Valerie's mother were finally given visas. For this I am very grateful. However, the visas came shortly after Galena, the Pshonik's daughter, was murdered under very suspicious circumstances. Soviet authorities refused to allow the family to see the body.

Boris Pshonik is in bad health. He has had a number of heart attacks. He has lost his daughter. His son-in-law and granddaughter have emigrated. Sadly, Boris and Anna are now alone in the Soviet Union. Why will the Soviets not give them visas? They claim Dr. Pshonik knows military secrets.

Dr. Pshonik has been retired from the military nearly 8 years. It is my understanding and the understanding of those working on this case with me that 5 years is the maximum number of years under Soviet law one should be denied a visa for the reason of knowing military secrets. Dr. Pshonik was recently called into the OVIR office. He was told not to reapply because he has 3 more years on a 10-year security risk waiting period before he can be considered for a visa. He was also told this could all change at anytime, that he could be called into the OVIR office and given a visa. This contradiction in communications is, to say the least, distressing.

Again this year I urge the Soviet Union to allow Boris and Anna Pshonik to emigrate to Israel. I urge the Soviet Union to comply with international human rights standards and allow this family to live in their homeland of Israel.●

GENIAL ED PATTEN WILL BE MISSED

HON. MATTHEW J. RINALDO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 1, 1980

● Mr. RINALDO. Mr. Speaker, the House of Representatives will not seem the same next year. ED PATTEN has decided to retire after representing New Jersey's 15th District for 17 years, and his presence in this Chamber will be missed.

ED has worked hard and effectively for the people he represents. In committees, in negotiations with Federal agencies, and here on the floor of the House, he has never held back from expressing himself in his colorful, distinctive style. There has never been any doubt about what ED PATTEN considers best for the country or necessary for his constituents.

ED PATTEN'S politics have always been very personalized. He goes out of his way to help constituents. They are all regarded as friends, and are all important to him. When they have problems, ED PATTEN is there to help. When they have sorrows or bereavements, ED PATTEN is there to comfort and sympathize. When they need cheering up, ED'S jovial and genial nature does the trick.

New Jersey as well as his district has benefited from his work in Washington. He has helped, for example, to assure substantial allocations of Federal funding to New Jersey for mass transit programs. Additionally, fusion energy research through the federally funded Tokomak program at Princeton University in New Jersey has benefited from his efforts. Scores of other examples could be cited.

A newspaper editorial in his district said the other day:

> When he steps down at the end of this year, Patten will be quitting more than a career. He will be ending a tradition that includes top hats and top coats with silk sashes worn at Veterans Day parades and a political legacy that was formed during the Depression and ranged through a succession of offices from mayor of Perth Amboy to New Jersey Secretary of State.
>
> It is a legacy that will be remembered with great affection by many who loved him. And it certainly will be remembered by all who knew him.

I have been proud to have ED PATTEN as a friend both during and before my years in the House, and will miss having him here when he retires at the end of this session.●

U.S. METRIC BOARD

HON. BILL ALEXANDER

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 1, 1980

● Mr. ALEXANDER. Mr. Speaker, recently the House Appropriations Subcommittee on State, Justice, Commerce, the Judiciary, and Related Agencies received testimony from our colleague, ROBERT MCCLORY of Illinois, in support of the U.S. Metric Board's fiscal year 1981 appropriation request.

Since many of us are receiving an increasing number of questions about the work of the Metric Board and what Congress intended it to do, two matters which our colleague addressed in his testimony, I would like to make his statement a part of the RECORD and commend it to the attention of our colleagues.

The statement follows:

STATEMENT OF ROBERT MCCLORY OF ILLINOIS

Mr. Chairman. First let me say I was saddened by Chairman John Slack's death. Few have served this House with such distinction and I know my colleagues will agree his leadership will be missed. Not only did we rely on his judgment as he brought this Committee's matters before the House, but we also relied on his sense of fairness to see that the wishes of a majority of the Members of this House were respected.

That is why I am here today, Mr. Chairman, to speak on behalf of the United States Metric Board's fiscal year 1981 appropriation and to urge this Committee to adopt its request for an appropriation of $3.8 million.

If there were earlier questions concerning this country's national policy on the issue of metric conversion or what the Congress intended when we passed Public Law 94-168, it seems to me that it was settled last year. Not only has the Metric Board passed resolutions concurring with the Congressional viewpoint, but it has followed this Committee's instructions contained in House Report 96-247, to carry out GAO's recommendations.

The Metric Conversion Act was passed in 1975 by a vote of 300 to 67 and last year an overwhelming majority—280 to 122—supported the funding for this Agency. Thus, it is clear that most Members of this House recognize that the metric system is slowly becoming more and more a reality in our daily lives, and it is both economically and politically wise to have this Agency actively at work serving our collective interests.

Let us now examine why the Metric Board must be granted these funds to carry out their mandate.

This Committee's desire for the Metric Board to better inform the American public of the voluntary nature of the Metric Conversion Act has provided substantial motivation for the Board to establish a program of bi-monthly public forums. During the past year these forums have been held in different cities throughout the country. The result of this initiative has been extremely helpful in allowing the public to air its views on the subject of metric conversion. The Board has found that the general public frequently is understandably confused as to what Congress intended when it passed this Act. The funds called for in the requested appropriation are necessary in order to expand these public forums and regional meeting schedules, as well as to carry out an enhanced program of public education and awareness.

In addition to the U.S. Metric Board's fiscal year 1981 appropriation request to support a program of greater public awareness, there are other areas that deserve equal consideration.

Research is underway, as well as planned, to study the implication of metrication in such subject areas as workers' tools and training, the impact on businesses, procurement, the relationship of metric measurements to international trade, and other relevant subjects. If the Metric Board is to carry out Congress' intent that voluntary conversion occur in the most efficient, economically beneficial, and least disruptive manner, it is imperative to have a "benchmark" on which to base future decisions. Moreover, it is essential for the Board to have not only the in-house ability and expertise to assist in the coordination of private sector metric conversion activities on a daily basis, but also it must have the legal staff necessary to avoid legal impediments which might hamper voluntary conversion efforts.

Mr. Chairman, it is generally recognized that metric conversion will occur in the private sector only when the benefits outweigh the costs. With this in mind and with events in the marketplace changing on a daily basis, it is obviously in this country's best interest to see that the Metric Board is properly funded, and in a position to cooperate and coordinate in the most effective and economic way possible. At the same time, Mr. Chairman, it is inaccurate to characterize the U.S. Metric Board's actions and activities as promoting metric conversion.

Also, it would misrepresent the Metric Board's function if it should assume a passive or virtually inactive role. The Comptroller General, Elmer Staats, concurs with this view, and testified to this effect before the House Science and Technology Subcommittee on Science, Research and Technology this past November 26, 1979.

The United States Metric Board is adhering to the letter and spirit of the law which we passed overwhelmingly in 1975—the Metric Conversion Act (Public Law 94-168). To fulfill its mission, however, it must have your support. I am convinced that an appropriation consistent with the Board's fiscal year 1981 funding request will be an investment harmonizing and coordinating the interests, views, aspirations of all of the elements of our society, i.e., business, education, science and government. At the same time, we will be promoting our country's future standing in the world community of nations.●

THE 1980 NATIONAL RAISIN WEEK RESOLUTION

HON. TONY COELHO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 1, 1980

● Mr. COELHO. Mr. Speaker, at a time when inflation is of prime concern to all of us, it is refreshing to call your attention to California raisins—one of the few products in any category that have decreased in price this year.

The California raisin industry—world's largest raisin industry—will be highlighted during the May 3-10 observance of National Raisin Week.

Prices of California raisins in February were more than 22 percent lower than a year ago, and record numbers of U.S. consumers have been buying this tasty product, which is great for eating out of hand, in bakery products, for cooking, in cereals, and many other uses.

Most encouraging are the high sales volume and very substantial household penetration. This kind of data reflects the results of heavy advertising and promotion by the industry and individual packers, as well as the fact that raisins are one of the few items in the grocery store whose price has come down.

An average of more than 250,000 tons of raisins are produced in a normal crop year in California, and the success of the industry is of great significance to the economic welfare of many thousands of Americans.

High commendation should go to the California Raisin Advisory Board for its activities in the fields of advertising, promotion, and research.

Utilizing funds provided by participating producer and processor members, Calrab carries on its program of aggressive advertising and promotion, not only domestically, but in 17 countries throughout the world, in cooperation with the U.S. Department of Agriculture's Foreign Agricultural Service.

Calrab's representatives overseas are optimistic that high-quality California raisins will regain ground lost through short supply conditions last year, and move into new areas this marketing year.

We also wish to point to the important work of the Raisin Bargaining Association, which has successfully brought raisin growers and packers together in a concerted effort to give them a better voice in marketing.

All other raisin growers and packers are also deserving of praise for their efforts on behalf of this major industry.

Also meriting special commendation in the raisin industry is the work of the Federal Raisin Advisory Board and the Federal Raisin Administrative Committee, who operate under Federal marketing orders which have done so much to bring about the orderly marketing of our raisin crops and have also been instrumental in the development of export markets.

The raisin industry, which effectively utilizes the self-help tools of sales promotion and advertising in the best American tradition, well deserves a special salute during this National Raisin Week.●

NATIONAL DEFENSE PROBLEMS ANALYZED

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 1, 1980

● Mr. LAGOMARSINO. Mr. Speaker, in an article in this morning's Washington Post, columnist George Will analyzes some of our national defense problems—both from a material and leadership standpoint. I agree with Mr. Will and commend the article to the attention of my colleagues and the American public.

Just What You'd Expect From This Administration

Hours before the eight old helicopters lifted off the deck of the USS Nimitz, bound for disaster in the desert, Jimmy Carter sent a letter to House Speaker Tip O'Neill endorsing a move to slash his own defense budget by $3.8 billion. This would drive the "post-Afghanistan" defense budget below even the level called for in Carter's January budget, which even Carter quickly repudiated as inadequate.

The eight mine-sweeping helicopters were veterans. The Navy has procured none of this model since 1975. (They were used in 1973 to clear Haiphong, a duty imposed by the "peace" treaty.) They have been sitting on carriers since last year. The loss of seven of them cut by one-third our helicopter mine-sweeping capability. Carter has rejected Navy requests for more of them.

The Nimitz has not seen port—any port—since Jan. 4. We have too few carriers, and too few planes, to equip those we have. Carter used a veto to frustrate Congress' demand for another carrier. For four straight years he has requested fewer new planes for the Navy than the Navy loses in operational attrition. So tours at sea become longer, flying becomes more dangerous. (A pilot who spends 20 peacetime years flying tactical aircraft from a carrier has a one-in-four chance of being killed.) And Carter opposes pay even sufficient to get all Navy families off food stamps.

Zbigniew Brzezinski says the lesson of the rescue mission is: "Do not scoff at American power. Do not scoff at American reach." But the mission resembled the Bay of Pigs operation in its tentativeness, in shaving the margin of safety, thereby betraying lack of conviction.

You would not expect conviction from a president who has repeatedly and pettily disparaged the Mayaguez rescue. You would hardly expect conviction from a president whose proudest and loudest campaign boast—even after two soldiers died defending our embassy in Pakistan—was that during his presidency no American had died in combat. You would hardly expect conviction in the use of military assets by a president who struggles to decrease those assets.

The failed mission will be another occasion for flogging the military. Already a Washington Post commentary is headlined: "Another President Ill-Served by the Military He Heads." Actually, the military has been ill-served by the president and his appointees, including some senior officers who are distinguished primarily by behavior convenient for their civilian benefactors.

Consider Harold Brown, the secretary of defense, and Gen. David Jones, chairman of the Joint Chiefs of Staff.

Brown was Lyndon Johnson's secretary of the Air Force when political and irresponsible decisions were made about the TFX fighter. He presided over the making of the C5 fiasco. He was an architect of "selective" bombing to send this, then that, "signal" to Hanoi. It sent signals, all right—signals of uncertainty. It was a slow, step-by-step policy similar to the administration's response to Iran. It dissipated U.S. power by allowing Hanoi to anticipate and adapt to each step. It was a policy that produced a tragically high ratio of force expended to objectives achieved.

As secretary of defense, Brown has deceptively packaged four straight budgets cutting real spending below that of the previous year. He has been a central actor in the advertising of first a fraudulent 5 percent, then a fraudulent 3 percent, defense increase, and has even tried to reduce this year's spending to produce the illusion of increases next year.

Jones is an Air Force general who was elevated to the chairmanship of the JCS after service selling the Panama Canal treaties and quelling Air Force protests about Carter's unilateral and unreciprocated killing of the B1 bomber. Fraudulent recruiting by sergeants reflects an atmosphere of abandoned integrity at the highest levels, by those who (to take just one example) say that the F15s at Langley Air Base, which are only 40 percent operationally ready, are ready to fight a war. Or who are careful not to be politically inconvenient by insisting, indecorously, on decent pay for defending America.

Nothing changes. Carter abandoned his stay-at-home policy six days before the Texas primary to fly to Texas to visit the casualties of the Iran mission. He thereby indicated his unchanged determination that Iran shall remain the sun around which his campaign, and American foreign policy, revolve. Harold Brown, asked about Iran's nauseating display of American bodies, said the display was "disappointing." Nothing changes: those disappointing Iranians still won't live up to administration expectations.●

TAR SAND-HYDROCARBON LEASE

HON. GUNN McKAY

OF UTAH

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 1, 1980

● Mr. McKAY. Mr. Speaker, today, along with Mr. Udall, Mr. Santini, and Mr. Marriott, I introduce a piece of legislation aimed at changing an Interior Department policy which has prevented, for 15 years, the issuance of a single Federal lease to develop tar sands.

Utah possesses over 90 percent of all the known tar sand in this country.

These deposits are estimated to contain at least 25.1 billion barrels of oil, 10.8 billion in the Uintah Basin and 14.3 billion in the central southeast portion of the State.

This bill amends the Mineral Leasing Act of 1920 to provide for issuance of a single lease covering hydrocarbons other than coal, and oil shale. This would eliminate the need to distinguish between oil and gas and tar sands for purposes of mineral leasing on public lands.

Hydrocarbons in a known geologic structure would be leased competitively except in locations where there is an existing oil and gas lease. Existing oil and gas lessees are entitled in this bill to exchange their leases for hydrocarbon leases covering both oil, gas, and tar sand deposits.

Last, this bill makes conforming amendments to the Mineral Leasing Act which results in increasing the maximum acreage one person may hold under a tar sand-hydrocarbon lease.

The need for this legislation arises from the difficulty experienced by the Department of the Interior in differentiating, on a geologic continuum, between deposits of oil and tar sands.

Although I personally believe this could have been accomplished administratively, but for a desire to do so, this bill seeks to get tar sands leasing going again.

H.R. 6478, an earlier bill which I introduced without cosponsors, was meant to serve as a starting point from which the Mines and Mining Subcommittee could help fashion legislation which addresses and resolves all the issues surrounding usage of a combined hydrocarbon lease. These issues include:

First, would an existing oil and gas lessee obtain a windfall by receiving rights to these tar sand deposits without competition and without a bonus payment to the Government of any kind?

Second, if so, what amount of payment should be imposed? Is the 12.5 percent statutory minimum royalty too high or too low given the present state of tar sand technology and development?

Third, is the oil and gas lease size limitation of 246,080 acres per person, per State too large for tar sands? or

Fourth, is a large ownership limit needed to encourage the kind of risk capital needed to develop tar sands? and

Fifth, what percentage of our tar sand areas are already covered by oil and gas leases?

I believe this bill introduced today resolves these issues in an equitable manner and one which will lead to the production of oil from tar sand deposits.

Finally, I believe there are three critical factors to the sensible development of synthetic fuel development; economics, regulatory reasonableness, and technology.

If we can provide a positive economic atmosphere for investment and improve the regulatory procedures for access to synthetic fuels, then I believe research and development can and will provide the technological answers for a sound synthetic fuels development.●

DECLINING RATE OF PRODUCTIVITY

HON. STANLEY N. LUNDINE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 1, 1980

● Mr. LUNDINE. Mr. Speaker, one of the most critical challenges facing our country today is reversing our declining rate of productivity growth. Improved productivity can provide our workers with anti-inflationary real wage gains and opportunities to increase production and expand employment opportunities. A coordinated national strategy to improve productivity performance is sorely needed if we are to begin to slow down and eventually bring to a halt the inflation rate plaguing our daily lives.

The ability to innovate; that is, the ability to take a new idea, develop it, and eventually commercialize it, is an essential component of any national program to improve productivity performance. Small businesses were responsible for the major portion of the Nation's employment growth during the last decade and most of our Nation's innovations. As a result, part of our efforts to improve productivity must be directed toward assisting innovative small businesses.

Ironically, it is the very small businesses we should be seeking to support and encourage that are suffering so acutely under the high interest rate policies being pursued by the Federal Reserve. Many small businesses may not survive the unavoidable damage that will occur from an inability to secure capital to meet their needs.

To help minimize negative impacts on small businesses, the Federal Government in every way possible should be supporting programs targeted to assist them with their needs. In this regard, I was deeply troubled by an article which recently appeared in the April issue of INC., entitled, "SBA Comes Out Fighting In Moral Equivalent of War." This article tells the disturbing story of the inept administration by the SBA of the small business energy loan program, a program originally intended by Congress to assist small businesses with high-risk energy ventures.

In the next weeks, the House and Senate will be making final determinations regarding funding of programs for the upcoming fiscal year. A failure to improve administrative efficiency and to provide adequate funding to carry out the intended purpose of the small business energy loan program would take us one step further away from the type of programs we need to meet our future energy needs and to bolster productivity performance in this country. The small business energy loan program should not be designated an endangered species within the Federal budget circles. I commend to the attention of my colleagues the following article:

[From INC., April 1980]

SBA COMES OUT FIGHTING IN MORAL EQUIVALENT OF WAR

(By Pat O'Brien)

If there are still among you any who believe that the government will lead us out of our energy dilemma, consider the story of Evangelin Miller, president of a small Sacramento company, Schneider Lift Translator Corp.

Miller's adventure in the bureaucratic wonderland began in January 1979, when she applied for a $350,000 direct loan to begin manufacturing wind and hydroelectric power equipment.

Miller, perhaps naively, had taken Congress at its word when it passed the Small Business Energy Loan Act in 1978. Congressional sponsors of the act intended to create a pool of relatively high-risk capital for energy conservation-related sales and manufacturing companies. The act directed the Small Business Administration to establish a program providing direct loans and loan guarantees to qualifying companies.

But what Miller and other loan applicants failed to consider was that Congress only passes laws; agencies administer and enforce them. And the agency in this case, the SBA, didn't like the program and didn't want to administer it. So it didn't.

The SBA deliberately discouraged loan applications, according to sources inside the agency. For months after the loan program was supposed to begin, some SBA field office personnel were still telling applicants that no such program existed. Some loan seekers resorted to bringing in copies of the Federal Register to prove that the law had been passed.

What Miller and other loan applicants couldn't know was that all the executive agencies and departments involved with the program, including the SBA, the Department of Energy (DOE), Congress, and the Office of Management and Budget, were at odds with each other over it.

The SBA never wanted the program. The agency told Congress before the bill ever left committee that it had no adequate way to evaluate energy loan applications. Give it to DOE, the SBA said. But Congress didn't want to turn over another small business-related program to DOE, which already had a poor reputation for dealing with small businesses.

So "they dumped it on us," says an SBA official. "We didn't get any money to administer it and we didn't know how to judge the applications, so it took a long time to get going."

Another SBA spokesman says that aid from DOE in setting up evaluation techniques, as ordered in the legislation, was "dismal."

A spokesman for DOE, which employs 20,600 bureaucrats, says the agency lacked enough manpower to help the SBA run the project.

He also says the SBA might not have needed as much help as it says it did. Many of the loan applications received were from companies that had already had varying degrees of assistance and financial aid from

DOE. "That should have given [the SBA] some idea as to their credibility," he adds.

Congress authorized $75 million for the program originally, but only $5 million in direct loans and $1 million in guarantees were appropriated for the first year. "I guess you might say it got forgotten," says a congressional staff member.

The SBA went through that money almost immediately and had to transfer funds from other lending activities to fill the void, says Peter F. McNeish, deputy associate administrator for finance and investment. McNeish says the demand still far outdistances the available money, which makes you wonder about the SBA's next move.

Instead of lobbying Congress for more money, as an advocacy agency might have been expected to do, the SBA began a practiced effort to discourage use of the program. It quietly sidetracked suggestions aimed at promoting the program and tried to send applicants for energy program loans into its general loan program. Still the energy loan program wouldn't go away.

"It turned into a classic bureaucratic Catch-22," says an SBA source. "They couldn't lobby for more funding because the [number of] applicants went down. The applications couldn't be funded because there wasn't enough money."

What applicants there were for the energy loans encountered the more stringent paperwork and collateralization demands of the general loan program. Never mind the congressional instructions that said the SBA should recognize the higher-risk nature of the energy loans and not require the same level of collateralization as under the general loan program. "It is the intent of Congress," the law reads, "that the paperwork burden and regulatory impact on applicants shall be minimized."

Although the SBA officially says it has complied with congressional intent, an internal study by the agency observes that the most frequently voiced complaints with the program were that there was too much paperwork and that the SBA dictated the use of the loan funds to an excessive degree.

Evangelin Miller and her brother just wanted some help getting their wind and hydroelectric power equipment into production. They had developed the alternative energy products with almost $300,000 in grants from DOE. Like many others in innovative businesses, Miller could find no bank willing to finance the firm's enterprises.

But the SBA hasn't been much help, either. In January, one full year after Miller applied and five months after her loan was approved, she still hadn't received a check. "They told us to quit calling and not to write anymore. We were treated like kids," she says.

Miller has company. Desole Enterprises, Rising Sun, Md., also applied to the SBA for an energy loan. "We wasted six months trying to get the loan when we could have gone to the bank ourselves," says Bill Koldus, Desole's treasurer.

Despite the fact that Desole's initial orders for the solar equipment it manufactures came from government agencies, the SBA forced each of the principals to secure the $125,000 loan personally. "I think we got screwed," says Koldus. "They didn't tell us we had to put up our belongings—houses, everything—until just before giving us the check."

Miller and her brother also fought their way through the collateral dilemma, but then hit another snag, one that left them wondering whose side the SBA is on. After her company spent several years working with the government to develop and patent their products, Miller says, the SBA wanted the patent rights turned over to the government before it would fund the loan. "The SBA man sat us down in an office," Miller says, "and told us they had to have the patents because they felt we might sell them and leave.

"We come from the heart of America, we're trying to bring something good to our country, and they're suggesting we are trying to connive something and sneak out of the country. It was hard to take," she says. Eventually she won that battle, too.

But as INC. went to press, Miller still had no check, and the alternative energy equipment the loan was intended to fund is no closer to production.

The SBA, suffering from a bureaucratic headache, now wants to ease the pain by eliminating completely the direct loan portion of the energy program. It asked Congress for $60 million in loan guarantee authority only for fiscal year 1981. Congress, however, is likely to raise that figure and to appropriate some direct loan funds as well, even if the agency doesn't want them.

When it passed the Small Business Energy Loan Act almost two years ago, Congress apparently thought small business innovators could help the country along toward Carter's goal of energy independence.

"They're the guys who are going to make a difference. We've got the statistics to prove that," says a Senate Small Business Committee staff member. "The Administration still thinks the conglomerates are going to build giant solar energy power stations, but they're not. Their record through all this is terrible."

But a high-level SBA official still balks. "It's not our job to evaluate the energy initiatives of the Administration or to administer loans differently because of them,'" he says.●

A TRIBUTE TO ANTHONY IMPERIALE

HON. HAROLD C. HOLLENBECK

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 1, 1980

● Mr. HOLLENBECK. Mr. Speaker, on May 8, I will be joining many other friends and well-wishers in honoring New Jersey Assemblyman Anthony Imperiale.

Tony is one of those very rare individuals whose busy schedule can always be expanded, somehow, to accommodate yet another public service project. In his dedication to making his community and our State a better place in which to live, he has touched the lives of thousands upon thousands of New Jersey residents.

The father of five children, Tony has been active in Scouting and has served on school advisory committees for many years. He is the founder of Teenagers Against Narcotics.

A veteran of the U.S. Marine Corps, he is a member of the Veterans of Foreign Wars and Amvets. He is past Knights of Columbus grand knight and a member of the Moose Lodge. He founded the United League of Italian Americans.

Tony's face is familiar to almost everyone in the North Ward of Newark, where his civic contributions are legendary. He founded the North Ward Social Services operation, which includes a blood bank and food distribution effort. He founded the North Ward Citizen Committee and its highly skilled volunteer first aid squadron.

He served as Newark's councilman at large and as an Essex/Hudson County senator and an Essex County assemblyman prior to his election as the 30th district's able assemblyman.

A lifelong New Jersey resident, Tony's endeavors in business, in government, or in civic affairs are each alone worthy of commendation. The combined impact of his work has earned him the gratitude and affection of people across the State.

It is my great personal and professional privilege to count Tony Imperiale as a friend. I extend to him my gratitude for his assistance and many courtesies to me, my commendation for his truly amazing record of service, and my very best wishes for every happiness and success in the future.●

BOISE SCHOOL DISTRICT POINTS TOWARD THE NEED FOR CASH-IN-LIEU OF COMMODITIES FOR THE NATIONAL SCHOOL LUNCH PROGRAM

HON. STEVEN D. SYMMS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 1, 1980

● Mr. SYMMS. Mr. Speaker, on March 18, 1980, Judy Stanton, director of food services for the Independent School District of Boise City, Idaho, testified before the House Committee on Education and Labor Subcommittee on Elementary, Secondary, and Vocational Education concerning the cash-in-lieu of commodities pilot program for the year 1978-79. The highlights of her testimony are reprinted below.

Close attention should be given to the overwhelming success of the program in the Boise School District. Not only were they able to save 4.6 cents for each of the 1.9 million school lunches served during the year, but they also had $87,000 in the bank upon termination of the program at the end of the school year. Surely these outstanding figures are indicative of the potential of the cash-in-lieu of commodities for the national school lunch program.

Because the Boise School District, and the seven other pilot projects who participated in the USDA's cash-in-lieu of commodities program, are exemplary of the possibilities for each school district in Idaho, I have introduced H.R. 6742 which will remove the whole State from the commodities program. I urge you to review the success of the program as it is presently working in the State of Kansas, and support H.R. 6742 which will allow Idaho to do the same.

I commend this testimony to my colleagues. Not only does it emphasize the need for the cash-in-lieu of commodities program, it once again, attests to the need for more local government and less Federal Government. The Independent School District of Boise City was able to provide a better quality lunch at a lower cost when left to manage its own affairs. We should take heed of this message and reduce excessive Federal control in our lives. The cash-in-lieu of commodities program can be just another step toward that goal.

Mrs. Stanton's testimony reads as follows:

Mr. Chairman, Members of the Sub-Committee, I am Judy Stanton, Director of Food Services for the Independent School District of Boise City, Idaho. I am pleased to be here today to discuss the advantages of the proposed local purchase of commodities program.

The Boise School District was one of the (8) pilot programs to participate in the cash-in-lieu of commodity pilot program for the year 1978-79. Documentation is available showing that the Boise District saved $87,000 per year, or 4.6 cents per meal. This system of local purchasing enabled our school district to improve the efficiency and effectiveness of the program by advanced planning and control of purchasing, storage, and labor costs. Food was purchased that could best be utilized by the Boise District with existing facilities and equipment. And, most importantly, the nourishment of the students was improved by serving more fresh fruit and vegetables, increased student participation, and decreased plate waste.

PURCHASING

Commodities supply 34 percent of the food utilized in the Boise School Food Service Programs. If the cost of the eight ounce carton of milk required in the meal pattern were taken from the food cost, commodities would represent 48 percent of the food used per meal. This means that the local district has no control over a large percentage of the types of foods selected, the quantities received, or the dates delivered.

Menus are planned six months in advance, with foods placed on bid in quantities for the ensuing six-month period. This enables food to be purchased in sufficient quantities to take advantage of large quantity discounts and to maximize the efficiency of the bid process. Because school districts have not been notified far enough in advance of commodity deliveries, it is necessary to cancel or delay the receiving of items for which bids have already been awarded. This causes local purveyors to be unwilling to bid, or bid higher prices to allow for these alterations in the original bid.

Other than a general list of probable commodity deliveries per year, without dates or amount, the school district receives only six weeks prior notice of the approximate delivery dates and quantities from the State Office. This may result in receiving large quantities of items that the school district already has in stock.

Foods may be purchased on the local level at a price equal to, or less than, the price charged for USDA commodities. In addition to the USDA price, the State charges $1.50 per case for shipping and handling. The State shares storage with the Boise School District and still charges the $1.50 for shipping for only a paper transfer.

Food may be purchased locally that can best be utilized by the school district with the existing facilities and equipment. There are no commodity processing agreements for the State of Idaho, therefore, all commodities must be used in the form that they are sent by USDA. For example, Boise Schools' kitchens are not equipped with food slicers, making it necessary to slice all of the cheese by hand. It is possible to slice 5-pound loaves of cheese in this manner, but USDA's latest delivery of cheddar cheese were in 40-pound blocks which are almost impossible to handle. If cheese was purchased at the local level, it would either be sliced or shredded ready for use. This can be done by the manufacturer more efficiently, and the cost per pound is minimal.

Another example is the french fries USDA purchases. They are light in color and require 25 minutes to cook in an oven. Boise Schools' kitchens do not have deep fat fryers. The french fries purchased locally are made especially for oven preparation and require 10-12 minutes to cook and may be served immediately. USDA french fries require such a long cooking time that they must be cooked ahead and kept warm. This results in limp, soggy french fries (McDonald's never served a limp fry).

STORAGE

USDA commodities are received in large quantities that must be stored for a long period of time. The Boise School District pays for commercial storage of the commodities until they are delivered to the individual schools in quantities for one week. The bulk of the commodities are received in the Spring which must then be stored throughout the Summer and Fall.

Locally purchased foods are delivered as needed to the school district's central warehouse. A decision can be made at the time of purchase as to which is more cost-effective, to take a carload of an item or have it delivered monthly.

USDA purchased commodities are offered and received late in the school year. It is then necessary to make drastic changes in previously planned menus to use up the commodities or to pay for storage for them for a long period of time over the summer months.

FOOD ACCEPTABILITY

Some of the USDA commodities not eaten by the students in the Boise School District include: rice, sweet potatoes, canned chicken, purple plums, white beans, and turkey rolls. Participation falls off when canned chicken or turkey roll is on the menu by 500 to 1,000 students, or 5-10%. This causes the labor costs (per meal) to increase, making it costly to utilize the USDA commodities and does not help the image of the school lunch program or the nourishment of the students. Foods like canned plums are served with a popular item, such as corn dogs, in hopes that participation will not fall, but the plums do not nourish the students since they all go in the garbage. Food items like canned sweet potatoes or rice are refused by the school district because they require additional ingredients and labor to make them acceptable, and they then still go in the garbage. Idaho students prefer Idaho commodities such as beef and potatoes rather than rice and canned chicken.

NEW SCHOOL LUNCH MEAL REQUIREMENTS AND RECOMMENDATIONS

The USDA commodity program appears to be in conflict with the new "School Lunch Meal Requirements and Menu Planning Recommendations." The new proposed menu planning recommendations address the effect of such things as student and parent involvement in menu planning recommendations, food acceptability, plate waste, the overall effectiveness of the program, and the program's ability to address current dietary concerns. How can we show our concern to parents and students and our willingness to accept their suggestions when 48 percent of the food that we use in the school district has provided parents and students with no choice in its selection. Or, that foods are served, such as purple plums, regardless of the plate waste just because the government sends them.

Another new recommendation states, "keep fat, sugar, and salt at a moderate level." We prefer to serve fresh fruits and vegetables because they are eaten better by the students and are less costly. Fresh fruits and vegetables are lower in salt and sugar and are higher in vitamin and mineral content than the canned products. It has been necessary to replace healthful fresh fruit and vegetables on our menus with government purchased canned foods. The new recommendations also suggest that lean ground beef be substituted for pork or sausage. In order to use up the ground pork that the USDA is sending, we are substituting ground beef in our recipes with ground pork.

In conclusion, I would like to recommend that Congress and the USDA consider the local purchase of commodities system to maintain a balanced budget which would be an effective means of nourishing our students without cutting the reimbursement for the paying child.●

THE CRIMINAL CODE REVISION ACT OF 1980

HON. ROBERT F. DRINAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 1, 1980

● Mr. DRINAN. Mr. Speaker, H.R. 6915, the Criminal Code Revision Act is presently before the House Judiciary Committee. This legislation is the product of lengthy and painstaking work by the Subcommittee on Criminal Justice. It brings the House closer than it has ever been before to accomplishing the work started over a decade ago by the Brown Commission.

I would like to share with my colleagues two recent editorials on this subject from the Washington Post and the Christian Science Monitor:

[From the Washington Post, Apr. 24, 1980]

BACK TO THE CODE

For the first time since it began the project 14 years ago, the House Judiciary Committee is now seriously considering legislation completely rewriting the country's criminal law. One of its subcommittees headed by Rep. Robert F. Drinan, has hammered out a bill that would give the criminal law the kind of overhaul it needs.

This is a reversal of what had been happening on the Hill ever since Congress authorized and President Johnson appointed a blue-ribbon commission in 1966 to deal with this complex subject. Until Rep. Drinan took over the subcommittee last year, the House had merely toyed with the subject while the Senate Judiciary Committee tried time after time to produce legislation. By jamming a decade of work into more than 200 meetings over 12 months, the Drinan committee may have given criminal law reform the impetus it needs.

There has been general agreement, since at least 1966, that the criminal law needs to be thoroughly rewritten. It is full of contradictions, ambiguities and provisions that have long been obsolete. The problem—and the reason for the long delay—is that any resolution of those difficulties carries with it some change in the substance of the law.

And there has been no consensus on how the law should be changed.

The latest Senate version, which has been pending on the floor since January, is being actively opposed by both the American Civil Liberties Union and some conservative groups. The ACLU says the bill threatens civil liberties in many ways, especially by creating some new federal crimes, changing the way in which judges determine what sentences to impose and authorizing greater use of preventive detention. The magazine Human Events opposes the bill because, among other things, it lowers penalties on some drug offenses, tightens gun control law and expands the civil rights laws.

These conflicting views underline the compromises the Senate bill contains. Neither of its chief sponsors, Sens. Edward Kennedy and Strom Thurmond, is completely happy with it. But each believes—from quite different perspectives of what the law ought to be—that the pluses in the bill outweigh the minuses. Such a judgment depends heavily on the value assigned to the creation of a comprehensive and understandable criminal code in contrast to the chaotic set of laws that now exists. We place a high value on creating this new code and regard certain of the compromises that have been made as unfortunate, but not disastrous to civil liberties. Some of the worst aspects of last year's Senate bill that threatened freedom of speech and of the press have been eliminated.

The bill reported by the Drinan subcommittee has many of the same faults (or virtues). Some, but not all, of the ACLU's objections have been met. That makes it a better bill than the Senate's, more in keeping with the spirit of reform that motivated the blue-ribbon commission's recommendations a decade ago. Although the bill still needs improvement, especially in the area of defining obscenity, it is headed in the right direction. It should be acted on as speedily as possible. This year, finally, Congress could complete work on one of the most ambitious projects it has ever undertaken.

[From the Christian Science Monitor, Apr. 22, 1980]

CRIMINAL CODE CLIMAX

Long and arduous negotiations in Congress over legislation to update, simplify, and streamline the U.S. criminal code are gradually nearing a climax. Some 14 years of give-and-take lie behind the two pending reform bills, one of which is expected to be taken up April 23 by the House Judiciary Committee and the other, soon after that, by the entire Senate. Reform of the 3,000 conflicting, outdated laws that make up the unwieldly federal criminal code is much overdue. It would be a pity if election-year politics or a last-minute slew of short-sighted amendments were allowed to derail the legislation at this late date.

This is not to say that all problems have been eliminated in some of the proposed changes—problems which need to be addressed. The sentencing provisions in the Senate version are a key example. They would eliminate parole and provide longer prison sentences than are currently required for a wide range of crimes (considerably longer terms than in the House version). And, at a time when prison overcrowding is a national disgrace, they fail to encourage judges to make greater use of alternatives to imprisonment—i.e., work release, restitution, and community service.

Moreover, the so-called bail reforms, with their disturbing implications, are still in the Senate bill and ought to be deleted. Civil libertarians and the American Bar Association as well caution against instituting what amounts to a form of "preventive detention," or punishment by jailing before a defendant has been tried and found guilty of committing a crime. Under current law, bail can only be used to ensure a defendant's presence at trial. The proposed changes would give judges broader discretion to deny bail even when a suspect is deemed likely to return to court. Judges already have the necessary authority to jail a suspect who poses a clear danger to the community.

Still, there are a number of significant criminal-code improvements in the proposed legislation. For instance, antiquated prohibitions against such now unlikely offenses as detaining carrier pigeons and dealing with foreign powers by private citizens would be deleted. A host of modern-day crimes such as consumer fraud, white-collar crime, and environmental pollution are addressed for the first time.

One important, long delayed reform recently attached to the House bill (and expected to be added to the Senate version) would go a long way toward eliminating abuses in the U.S. grand jury system. It would allow witnesses appearing before a grand jury to have a lawyer with them in the room instead of merely available for consultation outside. Grand jury proceedings have often become the captive of overzealous prosecutors anxious to secure an indictment for political or other reasons. Under current law a witness called to testify before a grand jury appears alone under a prosecutor's often hostile questioning. His testimony can be used against him at a later trial. There is no judge to serve as referee. The sessions are conducted in secret. In short, a grand jury witness is defenseless and largely at the mercy of the prosecutor.

The ABA and many top prosecutors have long argued that the mere presence of a lawyer in the grand jury room to advise a witness, even if the attorney is barred from addressing the grand jury, would restrain prosecutors from badgering witnesses. The lawyer would also serve as a witness to the questioning. This proposed change could help restore fairness and justice to grand juries and better equip them to fulfill their original function—to be an impartial search for truth, carefully balancing the rights of the individual against the state's duty to uncover criminal activity.

Such essential reforms ought not to be allowed to slip away at this late date. A continuation of the kind of careful and persistent deliberations that have marked the debate since the enormous task of rewriting the criminal laws began seven Congresses ago is still needed. With the end in sight, Congress must not let up now in striving to give Americans as strong and equitable a criminal code as possible.●

THE 1980 NATIONAL RAISIN WEEK RESOLUTION

HON. WILLIAM M. THOMAS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 1, 1980

● Mr. THOMAS. Mr. Speaker, at a time when inflation is of prime concern to all of us, it is refreshing to call your attention to California raisins—one of the few products in any category that have decreased in price this year.

The California raisin industry—world's largest raisin industry—will be highlighted during the May 3-10 observance of National Raisin Week.

Prices of California raisins in February were more than 22 percent lower than a year ago, and record numbers of U.S. consumers have been buying this tasty product, which is great for eating out of hand, in bakery products, for cooking, in cereals, and many other uses.

Most encouraging are the high sales volume and very substantial household penetration. This kind of data reflects the results of heavy advertising and promotion by the industry and individual packers, as well as the fact that raisins are one of the few items in the grocery store whose price has come down.

An average of more than 250,000 tons of raisins are produced in a normal crop year in California, and the success of the industry is of great significance to the economic welfare of many thousands of Americans.

High commendation should go to the California Raisin Advisory Board for its activities in the fields of advertising, promotion, and research.

Utilizing funds provided by participating producer and processor members, Calrab carries on its program of aggressive advertising and promotion, not only domestically, but in 17 countries throughout the world, in cooperation with the U.S. Department of Agriculture's Foreign Agricultural Service.

Calrab's representatives overseas are optimistic that high-quality California raisins will regain ground lost through short supply conditions last year, and move into new areas this marketing year.

We also wish to point to the important work of the Raisin Bargaining Association, which has successfully brought raisin growers and packers together in a concerted effort to give them a better voice in marketing.

All other raisin growers and packers are also deserving of praise for their efforts on behalf of this major industry.

Also meriting special commendation in the raisin industry is the work of the Federal Raisin Advisory Board and the Federal Raisin Administrative Committee, who operate under Federal marketing orders which have done so much to bring about the orderly marketing of our raisin crops and have also been instrumental in the development of export markets.

The raisin industry, which effectively utilizes the self-help tools of sales promotion and advertising in the best American tradition, well deserves a special salute during this National Raisin Week.●

SCIENCE AND GOVERNMENT: THE EVOLUTION OF A PARTNERSHIP

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 1, 1980

● Mr. BROWN of California. Mr. Speaker, on April 22 our colleague, Mr. FUQUA, chairman of the Committee on Science and Technology, addressed the annual meeting of the National Academy of Sciences.

His remarks, which place the evolution of Federal participation in science in the context of the growing velocity of change in contemporary society, are thought provoking for all of us in Congress.

I hope my colleagues will take the opportunity to read and reflect on them.

The article follows:

ADDRESS BY HON. DON FUQUA

Members of the Academy and distinguished guests, it is an honor for me to be here tonight. This seems to me to be an occasion for sharing some thoughts rather than one for discussing specific programs or budget proposals.

In Jacob Bronowski's essays on "The Ascent of Man" he described the essence of science as "ask an impertinent question, and you are on the way to the pertinent answer." Let me begin then by saying, I admire your collective impertinence and thank you for your bounty of pertinent answers.

Society is increasingly dependent on those answers for its survival and prosperity. The scientific and technological progress of modern man has been the most significant factor in alleviating the burdens of primary existence to make life easier, healthier and happier. The life of man in advanced societies is very largely a reflection of the work of scientists during the past three centuries. Their discoveries, when placed in the hands of engineers and technicians, have given to man the mastery over the material world which he now enjoys and on which his existence depends.

It is both awesome and comforting to contemplate that of all the scientists who have ever lived in the history of the world, ninety percent are alive today. We need all of you and more.

In the industrialized world, rapid and incessant change has become the distinguishing feature of modern life. I am not sure that as individuals we have even assimilated this rate of change.

When we consider that for ninety-eight percent of the long span of human existence man could travel only as fast as he could walk, nine or ten miles in three hours, and in the last two percent of that time span he has learned to travel 75,000 miles via manned space vehicles in the same three hours, we can just begin to grasp the staggering pace of our times. In fact, it is possible for someone who saw the Wright brothers' flight over Kitty Hawk to have also watched Apollo 11 go to the moon.

Nor will this pace of change slow up. The velocity of history is speeding us past the mechanical age of the industrial revolution into an age of unique developments in fields as diverse as medicine and electronics.

As we are catapulted forward by our new understandings, discoveries and inventions, we have had to make faster and more far-reaching decisions. We have had to meet short-term objectives as well as weigh long-term objectives based on a context that could become obsolete at short notice. The question then becomes, what assurance do we have that when these changes bring new and unanticipated challenges and problems, we will be prepared to meet them? The answer, I believe, lies increasingly in the health of American science. Our basic science is the foundation upon which society will build orderly and productive change.

The involvement of the Federal government in science had a slow and tenuous beginning despite the fact that men like Franklin and Jefferson had both interest and respect for scientific pursuits.

In fact, it is somewhat amusing today to reflect on the circuitous methods that Jefferson used to get an obligation of Federal funds for the Lewis and Clark expedition. When he sent a secret message to Congress in January, 1803, to ask for money for the expedition, the President stressed the mercantile nature of the pursuit with just passing reference to the "Western Ocean".

On the other hand, Jefferson emphasized the "Advancement of geography" as our intented purpose when approaching the Spanish minister. Although the ultimate objective for the expedition was more closely related to the "claims of empires", it marked the first direct use of Federal funds for what was also construed as a scientific exploration. And, in fact, the expedition made significant findings in botany and zoology as well as geography.

From then on specialized efforts in science led to the establishment of the Office of the Surgeon General and later the Smithsonian Institution. It was not until 1863, however, with the creation of your own Academy that the Federal government recognized the need for independent scientific investigation, reporting and advice on a continuing basis.

The continued expansion of the Federal government logically brought with it greater Federal participation in science and a broader public policy involving scientific matters.

World War II marked a turning point in the government's role, not in direction, but rather in the magnitude of participation.

Today there is a heightened awareness in all facets of government that the fate of this nation is unalterably entwined with the health and diversity of its science.

The partnership that was forged between science and government during World War II is alive and well today, founded on the common goal of our national welfare, it is one of a small number of critical factors that are essential to both our economic stability and national security.

This is not to suggest, however, that the partnership is devoid of problems. On one hand, it is suffering to some extent from the regulation and red tape imposed by the Government. In that regard, I have welcomed the report on "accountability" recently issued by the National Commission on Research, which makes a number of suggestions for alleviating these problems. On the other hand, the quality of the partnership could probably benefit from similar introspection on behalf of science.

In addition, the dilemma of Jefferson, about how to explain and justify the expenditure of Federal funds, has not vanished completely. Although the government is properly committed to fund that science which is directed toward the resolution of the problems facing our society, it also funds science for pure information and basic knowledge. However, the preponderance of Federal research support with tax dollars has, of necessity, to be based on the expectation of some social benefit in the form of practical application. The Government, after all, receives its mandate from the populace and must respond out of both a sense of leadership and responsibility for the common benefit.

The basic choices of research emphasis are difficult and complex decisions to make. They can only be properly determined by a mutual trust and a willingness to communicate on the part of scientists and legislators. The process is not an easy one and will always demand the best efforts of both. With the cognizance that our relationship can only work if there is equal determination on behalf of both partners to make it work. I am confident we shall succeed.

While history's clock continues to tick faster, we must make our collective decisions with the recognition that real issues typically are very complex, especially in the areas where science interacts with man and society. We cannot, however, be ostriches on these issues because no answer or action often becomes an answer or action by default, with regrettable consequences. Frequently we in the political arena are not afforded the luxury of withholding judgment or action until we have full knowledge or information. Despite the fact that we might want to stop the clock in many instances until we have studied the problems more intensely, man and society are not static and time moves us inexorably forward. And we recognize that science is also, by its very nature, an ongoing, open-ended process that does not arrive, at any point in time, at a state that can be considered to be final or complete or perfect.

As we begin the decade of the 80's, we are mindful of the clock speeding us toward new and imaginative answers, particularly in our energy research. We must be wiser about assessing the implications and impact of our actions in one area on the myriad issues related to it. As the government strives to make appropriate policy decisions for science, it will need scientific advice from the Academy, from other scientific organizations and from individual scientists. Man and society exist in a complex confluence of forces. With your help, our task will be one of fitting many particulars into an ever-changing and dynamic design.

In that design, science has fashioned the fast clock on which we operate today, while the government, for its part, has taken on the role of winding the clock's spring. Those of us who are not clocksmiths are nonetheless involved in and look with admiration on your vital work. We will count on you to make a major contribution to the clock's continued ticking.

America seems especially fortunate in its bounty of those who can ask impertinent questions. Yet, we must also be aware that the pertinent answers we seek take time and patience to achieve. We respect both the perseverance and devotion you and your colleagues in American science bring to the task.●

A PAINFUL BUT NECESSARY VOTE TO RESTRAIN FEDERAL SPENDING

HON. ROMANO L. MAZZOLI

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 1, 1980

● Mr. MAZZOLI. Mr. Speaker, it was with the greatest reluctance that I voted against the amendment offered by my friend, the distinguished chairman of the House Budget Committee, ROBERT GIAIMO, to House Concurrent Resolution 307, the first concurrent resolution on the fiscal year 1981 budget.

The amendment offered by Chairman Giaimo—which was approved by the House—would increase the deficit for fiscal year 1980 by $4.6 billion to curb outlays reflective reestimates, by the Congressional Budget Office, of fiscal year 1980 spending for existing Federal commitments such as food stamps, disaster relief, highway contracts, defense spending, and trade adjustment benefits to unemployed autoworkers.

These are all worthy programs which I have supported by my votes over my years in the House of Representatives. I am especially moved by the plight of food stamp recipients—many of whose representatives met with me last Friday in my Louisville office—and by the plight of the unemployed autoworkers.

My friend, Mr. Giaimo, did not offer any reductions in fiscal year 1980 spending to accommodate all, or a substantial part, of the $4.6 billion he proposed for these special and necessary programs. Had he coupled spending reductions to his request for additional fiscal year 1980 outlays, I would have gladly supported the chairman.

The Giaimo amendment raises budget spending ceilings for fiscal year 1980 and paves the way for a consideration, later this spring, of legislation to appropriate funds necessary to continue these worthy programs for the remainder of this fiscal year. I am hopeful that when this legislation reaches the House floor that these necessary outlays—which I support—are coupled with offsetting budget reductions to hold the line on deficits. This is the correct way to proceed.●

IMPROVING INTERNATIONAL RELATIONS

HON. WILLIAM M. BRODHEAD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 1, 1980

● Mr. BRODHEAD. Mr. Speaker, one of my constituents, Mr. Donald Kahn of Southfield, Mich., has given me the benefit of his suggestions for a simple, workable way of improving international relations. I am taking this opportunity to share it with my colleagues:

Southfield, Mich.,
March 9, 1980.

Congressman William Brodhead,
U.S. House of Representatives,
Washington, D.C.

Dear Congressman Brodhead: My plan to promote better world understanding is contained in the following paragraphs:

The idea is to select a country and designate a day and then demonstrate our friendship by honoring that nation right here in the United States. This would not be considered a holiday of any type but merely a day of recognition of our friendship and understanding of this selected country. All Americans could participate if they so desired in many different ways. People to people expressions of friendship combined with the help of the government might just open the doors to a more amicable relationship between our nation and other countries in the world.

The countries to be chosen for this honor would be selected because we value their friendship and we want them to know it. Here are just a few ways in which various institutions and businesses could participate: Newspapers could print and discuss the different customs, living conditions, and other items of interest about the honored country on their selected day. Restaurants could offer a menu of selected dishes of the chosen country on their day. Television stations could actually show the people, geography, and selected other features about the country. Schools could also participate by spending part of the day teaching a little history of that country. These are of course, only a few ways we could demonstrate our feelings about the country and there are probably many other interesting programs that could be worked out if the idea stimulates anyone. The important feature is that the plan is simple and inexpensive.

Today is or could be a beginning to a new and fresh approach with our friends and allies around the world. Let them know we care and value their friendship. Give them a birthday right here in the United States. I request that my name remain anonymous should you ever consider the idea.

Thank you.

Donald H. Kahn.●

THE 1980 NATIONAL RAISIN WEEK RESOLUTION

HON. CHARLES PASHAYAN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 1, 1980

● Mr. PASHAYAN. Mr. Speaker, at a time when inflation is of prime concern to all of us, it is refreshing to call your attention to California raisins—one of the few products in any category that have decreased in price this year.

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An average of more than 250,000 tons of raisins are produced in a normal crop year in California, and the success of the industry is of great significance to the economic welfare of many thousands of Americans.

High commendation should go to the California Raisin Advisory Board for its activities in the fields of advertising, promotion, and research.

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The raisin industry, which effectively utilizes the self-help tools of sales promotion and advertising in the best American tradition, well deserves a special salute during this National Raisin Week.●

AMERICAN CITIZENS ABROAD

HON. BILL ALEXANDER

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 1, 1980

● Mr. ALEXANDER. Mr. Speaker, I would like to continue with the issues as defined by the "American Citizens Abroad." These issues deal with the tax problems created by sections 911 and 913 of the U.S. Tax Code.

Issue No. 57

Short title: Non-Availability of Toll-Free Telephone Access to IRS Help When Abroad.

Summary of the problem: In addition to the ubiquity of IRS offices in the United States, the IRS also has established a toll-free telephone inquiry service whereby any American living in the United States can call, without charge, and receive an explanation of his tax situation.

Overseas Americans, who typically have much more complicated tax problems due to the incompatible nature of two conflicting tax sovereignties, are not offered such toll-free telephone assistance benefits.

There are few IRS offices abroad. Typical telephone charges are much more expensive abroad than in the United States. It therefore costs much more for an American abroad to obtain tax advice from the IRS than it does in the USA. Indeed, it is free at home and very expensive abroad.

ACA's question: What definition of equity justifies offering toll-free tax assistance at home and denying this same assistance abroad?

ACA contacted the Director of International Operations of the IRS with this question. His reply was: "We regret that the costs of such service, i.e. equipment costs, line and mileage charges, and additional personnel, are beyond our budgetary means at the present time."

ACA wonders why budget considerations suffice as a justification for the discrimination faced by Americans abroad? We hope that the President will either recommend that taxation of Americans abroad be terminated, or will request a sufficient augmentation of the IRS budget be made to insure that the same quantity and quality tax assistance service be available to Americans abroad as is provided to American citizens at home. If taxation on the basis of citizenship is our policy, so should all of the related benefits be based upon citizenship without regard to "budget constraints" etc.

ISSUE NO. 58

Short title: Discriminatory Treatment of Americans Abroad Who Do Not Contribute to Medicare While Abroad Despite Denial of Medicare Benefits Abroad.

Summary of the problem: At age 65, Americans who are eligible for Medicare must enroll and pay a fee for some of the benefits. Enrollment can only take place during the first three months of any given year. Overseas Americans are denied Medicare benefits while they are abroad. But if they do not enroll and pay the fee anyway, they will have great difficulties becoming eligible for Medicare if they return to the United States.

The first surprise that the Medicare program has for the overseas American coming home is that he has to pay 10% more fee for every year that he did not contribute while abroad. Secondly, if he comes home at the wrong time, in addition to the extra fee penalty, he will also have to wait up to 15 months in some cases before Medicare benefits can be obtained.

ACA's question: Why has the Medicare program been conceived with so many different penal clauses for the overseas American? Why is there a penalty for those who do not enroll and contribute while they are abroad when there are no benefits while one is abroad? Why is the enrollment period restricted to only three months of each year?

ACA wonders what principles of equity necessitate this unfortunate practice?

ISSUE NO. 59

Short title: International Competitive Problems for Americans Due to Lack of Special Tax Rules for Construction Companies.

Summary of the problem: Since the oil crisis of 1974, there has been a much more intense scramble underway to win contracts in the construction markets of the Middle East.

While the United States was going about increasing the tax that would have to be paid by its workers abroad, our major foreign competitors were busy trying to find ways to make their own construction companies more competitive in these markets.

Workers who have an overseas tax domicile do not have to pay any income tax to their home countries if they come from France, West Germany or Italy. Usually workers who go abroad for only a short period of time while retaining a tax domicile in their home country do continue to have an income tax liability for their overseas earned income. It was here that all three of these countries sought to give their construction industries a competitive edge. All three of these countries have now modified their tax laws to allow special overseas income exclusions for workers who are temporarily abroad working on construction projects.

This means that not only are their workers who are abroad for a full tax year not liable to any home country tax on their overseas incomes, but even those workers who go abroad for shorter periods of time and who retain a tax domicile at home are also allowed a tax free income abroad if they are working on construction projects.

American construction companies have a double competitive disadvantage today in these same markets. Their workers who are abroad for a full tax year still have tax obligations to the United States. While some deductions have been introduced to shelter extraordinary costs associated with overseas work, for most individuals their base income remains fully taxable. There is an option to use a flat income exlusion of $20,000 if the workers are living in a camp, but almost no worker abroad can use this exclusion because the IRS chose to define camps abroad in such a way that there were almost no qualifying camps!

The tax faced by those domiciled abroad, even in the slightly attenuated form after allowance for the Section 913 or 911 provisions is bad enough. But, American employees who are abroad for less than a full tax year have no special deductions or exclusions at all! Their counterparts of French, West German or Italian nationality have a full exclusion of their overseas incomes even when only temporarily abroad. The temporary American employee in the construction industry is a very heavy cost liability for American construction companies.

ACA's Question: Why is the United States unwilling to give the same tax treatment to construction workers abroad as is afforded by our competitors? Is there no concern for the implications on the U.S. economy of having made our companies so evidently non-competitive abroad?

ISSUE NO. 60

Short title: International Competitive Problems for American Teachers Abroad Because of U.S. Tax Laws.

Summary of the problem: Many foreign countries unilaterally give special tax treatment to teachers of foreign nationalities working in their countries as a special incentive to improve the quality of their schools and encourage better understanding among nations.

Teachers of every nationality except Americans can benefit from these special incentives. The overseas American remains fully liable to the U.S. government for taxation of his worldwide income, and if a tax advantage would be offered by an overseas country it will be nullified by the tax liability to the U.S.

Under the pre-1976 tax laws of the United States, overseas Americans had either $20,000 or $25,000 income exclusions. Since salaries for teachers abroad are usually modest, most Americans were sheltered from U.S. tax, and could benefit from the overseas tax incentives. When Congress passed the 1978 Tax Amendments, U.S. teachers were among those who were hurt the most by the elimination of any tax excludable income earned abroad.

ACA's question: Is the United States willing to have its teachers abroad be uniquely non-comptetitive for teaching assignments? Would it not be in the best interest of the United States to take better care of our overseas teachers and permit them to be as cost competitive as those of other nationalities?●

LOYALTY DAY

HON. LYLE WILLIAMS

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 1, 1980

● Mr. WILLIAMS of Ohio. Mr. Speaker, today, May 1, marks the observance of Loyalty Day all across the United States. In Youngstown, Ohio, the heartland of American industry, the Veterans of Foreign Wars of Mahoning County Council, the United Veteran's Council, and affiliated veterans organizations came together for a gala celebration at Federal Plaza West.

The purpose of this special day is to cause us to renew our loyalty to the United States of America and to remind us of the freedom we enjoy. Let us remember to be proud of America and renew our obligation to defend it against hostile enemies. As our veterans have in the past, let us work to keep our liberty and freedom.

Days devoted to the celebration of America and patriotism seem to be few and far between. Even the national patriotic days we have seem to have lost their meaning; the Fourth of July is little more than a day of vacation. My thanks go out to all those dedicated men and women, in the 19th District of Ohio and all over the United States, who promote patriotism in America. We should not forget the basic foundations of liberty and justice on which the United States stands.●

CREDIT CRISIS IN AGRICULTURE

HON. RON MARLENEE

OF MONTANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 1, 1980

● Mr. MARLENEE. Mr. Speaker, we have heard statements from the Secretary of Agriculture and a White House adviser that only a very few agricultural producers are having difficulty obtaining credit for continued operations. I find such comments are out of touch with reality. I do not know what area or areas of the country such credit surveys were conducted by these individuals, but it certainly was not in my State of Montana.

According to the Joint Economic Committee, in the first quarter of this year, net farm income before inventory adjustment fell $0.5 billion—annual rate—while income after inventory fell a drastic $4 billion. Such income declines, with current interest rates, can only spell disaster for the agricultural industry. Farmers are entering the time when large expenditures must be made for planting and ranchers are in the midst of calving. These are times when producers need credit. Yet the administration has closed its eyes to agriculture's plight, and statements by the USDA have done little to help the situation.

I was pleased to see that columnist Jack Anderson reported on the plight of farmers in the State of Montana. I only hope that Mr. Anderson will soon be able to report on the glowing returns and prosperity of our food and fiber producers. I hope that each member has the opportunity to read the column by Mr. Anderson which follows:

[From the Washington Post, Apr. 25, 1980]

INFLATION BATTERS U.S. FAMILY FARMS

For 60 years, the Curtises have farmed a 1,120-acre patch on the dry prairies of Montana. They have triumphed over hail, drought, disease and other natural enemies. But today, economic forces more devasting than any natural pestilence may wipe them out.

For six decades, the Curtises have been part of the American family tradition, the backbone of America's food supply. In 1975, Pete Curtis bought the family farm from his father. He wants to pass it on to one of his five children—if he doesn't lose it to his creditors.

This uncertainty about the Curtis legacy hasn't been so ominous since the Great Depression, our country's last economic holocaust. The Curtises pulled through the scourge of the 1930s, they may not survive the squeeze of the 1980s.

There are hundreds of thousands of farmers in the same predicament as Pete Curtis. Small family farms, although they still make up 89 percent of America's 2 million farms, are in jeopardy.

If small farmers like Curtis go under, they will be replaced by great agribusinesses—some still owned by families, but some owned by investment companies more interested in tax shelters than in working the soil. A conglomerate has already gobbled up some of Pete's neighbors.

With the decline of the family farm, a part of America will die. The loss would be more than nostalgic. There is evidence that small farms, in which the families working the land care for it because they own it, produce higher quality agriculture than do the agribusiness monsters.

To tell the story of America's current economic upheaval, I have sent reporters crisscrossing the country, looking behind the headlines and statistics to find the real faces of Americans struggling to maintain their way of life.

Pete Curtis isn't the Montana farmer's real name. I agreed to use a pseudonym to protect the one Curtis commodity that isn't mortgaged to the hilt: simple, human dignity. While his name isn't real, his story is all too true.

Curtis is caught in the economic cross currents. His farm costs are spiraling up, but his grain prices are drifting down. Yet the biggest problem for farmers like Curtis isn't the cost-price squeeze; it is the interest rates that have rocketed out of orbit.

The Curtis land is mortgaged three times, including a loan through the Farmer's Home Administration, the "lender of last resort." In 1975, when Pete bought the farm to keep it in the family, he paid $1,530 in interest. In 1979, he paid $19,000 in interest on loans to keep the farm alive.

"All that's keeping us going is the paper increase in land values," he told my reporter James Grady. "We mortgage the increase to keep going, but that can't last forever. The only hope of keeping alive is that paper value, but hell, that paper value don't do any good. You can't borrow your way out of trouble forever."

Pete anguishes for an improved price for grain. New loan programs, he said, will merely stave off disaster a little while longer. "It's a wicked thing," Pete said of the economic cycle that is beating him down as surely as a hailstorm. "You just can't fight it. I love the farm. Been born and raised on it. But I don't know what I'll do."

Pete figures he can keep going "about one more year. Then I'll probably have to sell. A guy's gotta get out while he's still got a little left to start over." He looked wistfully through the farmhouse window upon the family acres where this summer he may see the golden, ripening wheat swaying in the warm summer wind for the last time.●

MONTHLY LIST OF GAO REPORTS

HON. JACK BROOKS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 1, 1980

● Mr. BROOKS. Mr. Speaker, the monthly list of GAO reports includes summaries of reports which were prepared by the staff of the General Accounting Office. The January 1980 list includes:

NATIONAL DEFENSE

XM1 Tank's Reliability is Still Uncertain. Acc. No. 111405, PSAD-80-20, January 29.

Military Discharge Policies and Practices Result in Wide Disparities: Congressional Review is Needed. Acc. No. 111337, FPCD-80-13, January 15.

Military Commissaries: Justification as Fringe Benefit Needed—Consolidation can Reduce Dependence on Appropriations. Acc. No. 111236, FPCD-80-1, January 9.

Defense's Accounting for its Contracts Has Too Many Errors—Standardized Accounting Procedures are Needed. Acc. No. 111235, FGMSD-80-10, January 9.

Better Navy Management of Shipbuilding Contracts Could Save Millions of Dollars. Acc. No. 111254, PSAD-80-18, January 10.

How Military Postal Service Operations Can Be Improved. Acc. No. 111269, LCD-80-20, January 11.

The Joint Tactical Information Distribution System—How Important Is It? PSAD-80-22, January 30.

Army Guard and Reserve Pay and Personnel Systems are Unreliable and Susceptible to Waste and Abuse. Acc. No. 111402, FPCD-80-30, January 28.

Air Force Civil Engineer Cost Accounting System Reports Should Be Used More Effectively. Acc. No. 111310, FGMSD-80-12, January 16.

What Would Be the Impact of Raising or Repealing the Commercial Arms Sales Ceiling? Acc. No. 111255, ID-80-9, January 4.

Navy Material Handling Equipment Costs Can Be Reduced. LCD-80-31, January 30.

The Marine Corps Inspection System Should Use Resources More Efficiently. Acc. No. 111340, FGMSD-80-20, December 20.

Navy's Inspection System Could Be Improved. Acc. No. 111390, FGMSD-80-23, December 26.

Defense Logistics Agency Inspector General Inspections Should Change From A Compliance To A Systems Approach. Acc. No. 111391, FGMSD-80-24, December 27.

Letter reports

The Defense Separation Travel Policy Needs Reevaluation. FPCD-80-24, October 23.

The Navy Should Revalidate Resource Management System Uniform Reports at all Major Naval Commands. Acc. No. 111290, FGMSD-80-19, January 15.

INTERNATIONAL AFFAIRS

World Hunger and Malnutrition Continue: Slow Progress in Carrying Out World Food Conference Objectives. Acc. No. 111276, ID-80-12, January 11.

Changes Needed to Improve Government's Knowledge of OPEC Financial Influence in the United States. Acc. No. 111125, EMD-80-23, December 19.

GENERAL SCIENCE, SPACE, AND TECHNOLOGY

NASA Should Provide the Congress Complete Cost Information on the Space Telescope Program. Acc. No. 111195, PSAD-80-15, January 3.

United States Must Spend More to Maintain Lead in Space Technology. FGMSD-80-32, January 31.

ENERGY

The Nuclear Regulatory Commission: More Aggressive Leadership Needed. Acc. No. 111309, EMD-80-17, January 15.

Washington, D.C., Area Home Heating Oil Supplies Adequate But at Escalating Prices. Acc. No. 111348, EMD-80-42, January 22.

Uncertainties About the Effectiveness of Federal Programs to Make New Buildings More Energy Efficient. Acc. No. 111401, EMD-80-32, January 28.

U.S. Strategic Petroleum Reserve at a Turning Point—Management of Cost, Oil Supply Problems, and Future Site Development. Acc. No. 111186, EMD-80-18, January 2.

The Geothermal Loan Guarantee Program: Need For Improvements. Acc. No. 111403, EMD-80-26, January 24.

Geothermal Energy: Obstacles and Uncertainties Impede Its Widspread Use. Acc. No. 111327, EMD-80-36, January 18.

Hydropower—An Energy Source Whose Time Has Come Again. Acc. No. 111266, EMD-80-30, January 11.

TVA Needs to Improve Management of Power Stores Inventories. Acc. No. 111389, LCD-80-32, January 25.

Letter reports

Review of Personnel Support Services Furnished the Federal Energy Regulatory Commission by the Energy Department. Acc. No. 111291, EMD-80-20, December 18.

How The Pacific Northwest Electric Planning and Conservation Act Aligns with Recommendations in GAO Report EMD-79-105. Acc. No. 111183, EMD-80-35, January 2.

Peakload Power Planning in the Pacific Northwest. Acc. No. 111233, EMD-80-46, January 4.

NATURAL RESOURCES AND ENVIRONMENT

The Federal Drive to Acquire Private Lands Should Be Reassessed. Acc. No. 111256, CED-80-14, December 14.

Help for Declining Natural Gas Production Seen in the Unconventional Sources of Natural Gas. Acc. No. 111237, EMD-80-8, January 10.

Improvements Being Made in Flood Fighting Capabilities in the Jackson, Mississippi, Area. Acc. No. 111197, CED-80-36. December 18.

Large Construction Projects to Correct Combined Sewer Overflows are too Costly. Acc. No. 111253, CED-80-40, December 28.

The Energy Department's Office of Environment Does Not Have a Large Role in Decision-Making. EMD-80-50, January 29.

Letter reports

Financial Facts About TVA's Clean Air Settlement with the Environmental Protection Agency. Acc. No. 111325, EMD-80-49, January 14.

AGRICULTURE

Agriculture's Set-Aside Programs Should Be Improved. Acc. No. 111276, CED-80-9, January 11.

The Farm Credit System: Some Opportunities For Improvement. Acc. No. 111400, CED-80-12, January 25.

COMMERCE AND HOUSING

Essential Management Functions At the Federal Maritime Commission Are Not Being Performed. Acc. No. 111393, CED-80-20, January 18.

Long-term Cost Implications of Rural Electrification Administration Direct and Guaranteed Loan Programs. Acc. No. 111342, PAD-80-19, December 31.

Letter Reports

Examination of Financial Statements of the Government National Mortgage Association for FY 1979. Acc. No. 111206, CED-80-28, January 3.

Barriers Still Exist to the Full Development of the Trade Monitoring Systems. Acc. No. 111377, FGMSD-80-7, January 24.

TRANSPORTATION

Letter Reports

Improvements Are Needed in the Department of Transportation's Truck Size and Weight Study. Acc. No. 111277, CED-80-41, January 14.

Evaluation of Conrail's 5-year Plan for Abandoning or Discontinuing Service Over Its Rail Lines. Acc. No. 111292, CED-80-51, January 15.

COMMUNITY DEVELOPMENT

HUD Should Improve its Management of Acquired, Formerly Subsidized Multifamily Projects. Acc. No. 111198, CED-80-31, December 19.

Letter Reports

Florida Canyon is the best site for the proposed new San Diego Naval Hospital. Acc. No. 111187, HRD-80-37, January 2.

Analysis of Multifamily Assigned Mortgages. Acc. No. 111352, CED-80-43, January 16.

HEALTH

Hospitals in the Same Area Often Pay Widely Different Prices for Comparable Supply Items. Acc. No. 111392, HRD-80-35, January 21.

Better Management and More Resources Needed to Strengthen Federal Efforts to Improve Pregnancy Outcome. Acc. No. 111347, HRD-80-24, January 21.

Savings Claimed for the Oklahoma Hospital Utilization Review System Were Overstated. Acc. No. 111343, HRD-80-42, January 11.

Audit of the Office of the Attending Physician Revolving Fund—FY 1979. Acc. No. 111205, GGD-80-27, January 4.

Letter reports

Greater Federal efforts are needed to improve nutrition education in U.S. medical schools. Acc. No. 111184, CED-80-39, January 2.

Full-time examiners would facilitate the processing of hearing loss claims. Acc. No. 111357, HRD-80-19, January 21.

INCOME SECURITY

Restricting Trade Act Benefits to Import-Affected Workers Who Cannot Find a Job Can Save Millions. Acc. No. 111312, HRD-80-11, January 15.

Letter reports

Changes are needed to prevent commuters and transients from receiving supplementary security income. Acc. No. 111204, HRD-80-15, January 4.

ADMINISTRATION OF JUSTICE

Letter reports

Survey of military confinement and correctional facilities, policies, and practices. Acc No. 111252, FPCD-80-28, January 10.

GENERAL GOVERNMENT

Public and Private Coordination Needed if Auto Repair Problems Are to Be Reduced. HRD-80-30, January 11.

Unresolved Issues Impede Federal Debt Collection Efforts—A Status Report. Acc. No. 111279, CD-80-1, January 15.

The Personal Casualty and Theft Loss Tax Deduction: Analysis and Proposals for Change. Acc. No. 111188, GGD-80-10, December 5.

Implementation of Federal Policy on Acquiring and Distributing Commercial Products is Faltering Badly. Acc. No. 111275, PSAD-80-13, January 14.

Spending Patterns of the Departments and Agencies of the Federal Government. Acc. No. 111350, PAD-80-34, December 20.

Audit of the United States Capitol Historical Society for the Year Ended January 31, 1979. Acc. No. 111363, GGD-80-28, January 22.

Letter reports

Efforts by the Office of Government Ethics to implement some sections of the Ethics in Government Act, Acc. No. 111196, FPCD-80-34, December 7.

Information on citizenship and residency requirements for Government student loans. Acc. No. 111341, FGMSD-80-25, December 20.

Under the Impoundment Control Act of 1974 six new deferrals of budget authority are proposed totalling $511.1 million. Acc. No. 111182, OGC-80-5, December 27.

The Civil Aeronautics Board should expand its sunset legislation. Acc. No. 111203, CED-80-46, January 4.

Internal auditing needs more support in the National Credit Union Administration. Acc. No. 111202, GGD-80-31, January 4.

How Federal agencies reimburse/fund Government-owned, contractor-operated facilities for costs associated with the grievance and arbitration process. Acc. No. 111225, FPCD-80-32, January 8.

The Federal Highway Administration will redesign its accounts system to eliminate inefficient uses of computers and people. Acc. No. 111268, FGMSD-80-22, January 11.

The IRS could make better use of computer audit specialists. Acc. No. 111378, GGD-80-33, January 24.

Impoundment of funds for the Civil Defense Department, National Consumer Cooperative Bank, and the National Commission on Social Security. OGC-80-6, January 28.

Corrective action on Federal rice deficiency payments has not been implemented. CED-80-48, January 29.

Procedures the General Services Administration used to lease property for the Social Security Administration's Kankakee, Illinois, district office. LCD-80-34, January 30.

The Monthly List of GAO Reports and/or copies of the full texts are available from the U.S. General Accounting Office, Distribution Section, Room 1518, 441 G Street, N.W., Washington, D.C. 20548. Phone (202) 275-6241.●

PRESIDENT OWES NO APOLOGIES FOR IRAN

HON. ANTONIO BORJA WON PAT

OF GUAM

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 1, 1980

● Mr. WON PAT. Mr. Speaker, there are mixed reactions to the rescue mission in Iran. President Carter owes no one an apology for the failure of the recent military mission to rescue the American hostages in Iran.

He did what he had to do. The American public has waited with remarkable patience while those who currently rule Iran play cruel and inhuman tricks with innocent U.S. citizens. The immense perversion of their thinking is reflected in their ability to perpetuate an injustice to those they have hostage while claiming they only want to seek justice for the acts of the former Shah of Iran.

Let the people of Iran know that this Nation will never condone this kind of action. We will never deal with a people who are so debased they readily resort to the tricks of criminals rather than seek recourse through civilized means. If Iran ever anticipates winning the support of the majority of this Nation for their cause, they had better understand that we too expect fair treatment for our own citizens.

It should go without saying that we all regret the inability of those very brave soldiers to complete their mission. Had they done so successfully, most of the world would have thrown us garlands of flowery words expressing their joy at yet another problem resolved in this too complicated world.

To the world, I say this: So we failed. At least we tried. We have our honor in a world which is increasingly ready to sell out to the first bidder with oil. President Carter is faced with an impossible situation in Iran. There is no easy way out. The Government and students there will never stop in their efforts to humiliate this Nation.

Rather than second-guess the President, I suggest we give him our total support on this matter. He needs our help as we need his leadership. Together we will get our people back home eventually.●

NATIONAL BICYCLING DAY

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 1, 1980

● Mr. ANDERSON of California. Mr. Speaker, for a long time now, I have been an advocate for more extensive application of the bicycle. So, I am very pleased that a National Bicycling Day has been proclaimed. Our colleague from Ohio, Mr. GUYER, is to be commended for his time and effort in getting House Joint Resolution 414 passed.

The contributions that the bicycle can make to our society are many. First and foremost, the bicycle is an energy-saving vehicle. It expends neither gasoline nor oil, only human calories—if only 1 percent of automobile trips of 5 miles or less in this country were made by bicycle, we would save nearly 131 million gallons of gasoline a year. At an average cost of $1.25 a gallon, that means a real savings of $164 million a year. In the second case, the bicycle is a totally nonpolluting means of transportation. Who can argue against something that makes for a healthier environment? And also important is the use of the bicycle as a means for better personal health and well-being.

So, Mr. Speaker, what we have here is a vehicle that cannot be allowed to go on being considered merely as a child's toy or a pleasant means of recreation. The bicycle is a supremely viable mode of transportation for today's world. Yet in order to increase its usage in this country, we must make it easier for people to use bicycles more often. Bicycle paths and lanes need to be constructed near shopping areas, so that those small trips to the store for milk or bread can be made without wasting costly gasoline or risking one's safety in competing with automobiles for the road.

It is in this light that I applaud the proclaiming of a National Bicycling Day. We need to make everyone more cognizant of the bicycle's many advantages. Frankly, I do not see any disadvantages to increased usage. We would certainly be healthier, wealthier, and wiser for its increased use. So if we do not spread the word, all of us will have shirked a major responsibility in attempting to creatively solve our Nation's energy and health problems.●

OUR BOAT PEOPLE

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 1, 1980

● Mr. DERWINSKI. Mr. Speaker, another wave of boat people—this time from Cuba to the United States. How is the United States responding? The Wall Street Journal is critical of the administration's approach and points out that America has assimilated immigrants before. If President Carter wants to redeem all of his own rhetoric about human rights, he ought to stop talking about fines, the Journal says, start talking about a (Lyndon) Johnson-style airlift, and go down to Key West to shake hands with the next group of refugees to come off the docks.

The text of the editorial in the Wall Street Journal on April 29, 1980, follows:

OUR BOAT PEOPLE

Every American ought to pause this week to ask what we would think of West Germany if it established a $1,000 fine for any of its citizens caught helping someone over the Berlin Wall. For this is what the American government threatens to do to those Americans now helping Cubans who want to flee Castro's workers' paradise.

Our government was quick to criticize Malaysia and Thailand for hesitating in providing refuge for those fleeing tyranny in Vietnam and Cambodia. But now that we are faced with an influx of our own boat people, this vastly larger and wealthier society is showing a nasty streak. It talks of collecting $3 million in fines for boat owners violating immigration laws, and of slowing the influx to a trickle.

In the process, it has allowed a scene of incredible ugliness to develop in Key West. A traffic has developed in human freedom, as Cubans already resident in America bargain with boat owners to ferry their relatives to America. Small boats set off in the teeth of a storm; a 24-foot boat is discovered capsized with a life jacket the only remaining sign of crew or passengers, and other capsized boats have since been found.

It was not always such. In opening the gates to Cubans who want to leave, Castro is repeating the ploy he first tried in 1965. Rather than be embarrassed by the wave of refugees, President Johnson met the challenge. Speaking at the base of the Statue of Liberty, he proclaimed an "Open Door" policy for Cubans. The fishing boats gave way to an airlift, with the U.S. offering free air transportation from Havana for up to 4,000 refugees a month, with no time limit.

The Open Door policy died from disuse sometime during the Ford administration, but even before the incident at the Peruvian embassy in Havana touched off the latest flood, the Carter State Department seems to have adopted an attitude of downright hostility toward people fleeing Cuba. Last year, the U.S. seemed embarrassed when Castro allowed a group of freed political prisoners to emigrate. Washington moved extremely slowly on granting them visas (deterred in part by legitimate Justice Department worries that Castro had planted agents in the group). When Costa Rica offered the group asylum, the State Department let it be known that it would continue to process visas only in Havana.

This attitude makes us vulnerable to the kind of propaganda reversal Castro is trying to pull off. Embarrassed by the spontaneous surge to get out from under his rule, he is now hoping to maneuver the Carter administration into doing his dirty work. He has encouraged, and perhaps instigated, the illegal flotilla so that U.S. immigration will be the ones to arrest refugees, not himself, and he can say to the Cubans left behind that even the Americans think the exiles are "undesirables."

So far the Carter administration has fallen four square into the trap. It talks of "internationalizing" the refugees, of the expenses of resettlement, of the social impact on Dade County. Immigration officials complain that Castro is sending us prison inmates. These concerns are more than negligible, but they can be met with a minimum of imagination and effort. America has assimilated immigrants before.

In particular, the Cuban refugees from the 1960s have made an impressive contribution to the United States, and there is every prospect that the refugee wave of 1980 will do the same. For all the variety of motives to be found in such a massive human phenomenon, it is in the final analysis a witness for freedom. If President Carter wants to redeem all of his own rhetoric about human rights, he ought to get his officials to stop talking about fines, start working on a Johnson-style airlift, and go down to Key West to shake hands with the next group of refugees to come off the docks.●

A DEVOTED COMMUNITY LEADER

HON. JOHN W. WYDLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 1, 1980

● Mr. WYDLER. Mr. Speaker, this Sunday a very distinguished resident of Long Island will be honored by the Long Island Foundation for Education, an organization dedicated to preserving the Jewish cultural heritage for future generations.

This gentleman, Mr. George N. Fishman, will be presented with the 1980 Life Heritage Award—an honor given only to those who have served their communities with the utmost devotion and tireless effort.

A noted industrialist and pioneer in the record industry, Mr. Fishman is presently the chairman of the board of Norma Investors Corp., Torin Enterpises, Inc. and Distribution Management Industries, Inc. He is also president of Keelson, Inc., Drocer, Inc. and a general partner in Vanderway Industrial Properties.

Despite his demanding business career, George Fishman has always found time to be of service of his community. Mr. Fishman served as a member and chairman of the board of the Oyster Bay Library for 7 years and was president of the elementary and high school PTA organizations in the same community. He was also elected chairman of the Town Meeting in Oyster Bay for 5 consecutive years.

An early member of Westbury Hebrew Congregation, Mr. Fishman is now a member of North Shore Synagogue. A founding member of the Musica and Performing Arts Lodge of B'nai B'rith, he has been a strong supporter of U.J.A. and his own synagogue.

His outside interests encompass police activities, leading to his election as an honorary member of the Nassau County Steuben Society, the Suffolk County Police Association, and the Suffolk County Square Club. He is presently a director of the Nassau Country Police Reserve.

Mr. Fishman was born in New York City, and grew up in the Bronx. He attended Stuyvesant High School, and later earned a B.S. degree at City College of New York and an M.S. degree at Temple University. During World War II, he became a physicist on the Manhattan project. Later, he cofounded Pickwick International, a phonograph record enterprise.

Residents of Lattingtown, Mr. Fishman and his wife, Eudy, are the parents of three children, now grown.●

THE REPUBLICAN BUDGET ALTERNATIVE—SIDING WITH SUPPLY

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 1, 1980

● Mr. KEMP. Mr. Speaker, Republicans do not buy the idea that we can stop inflation with a recession. That is why we are offering a Republican budget alternative next Tuesday, an alternative that would encourage noninflationary economic growth instead

of more stagnation, joblessness, and recession.

The Republican substitute rejects President Carter's new taxes on savings, gasoline, and other increases. It offers real spending restraint based on realistic program changes, and a stronger national defense. And it provides a $32 billion tax cut for 1981, large enough to enact a 10-perent across-the-board cut in individual tax rates, accelerated depreciation to provide greater incentives for business investment, and an incentive-oriented tax credit for savings. In effect, the Republican budget alternative rejects the wornout economic policies of the past, and sides with supply.

The eloquent Tom Bethell has just written a thoughtful piece on the attempt to solve inflation with recession, and the supply-side alternative. I would like to introduce this important article into the RECORD at this time, and ask that my colleagues take time to consider it before the debate on the budget begins again next Tuesday.

The article follows:

[From the American Spectator, May 1980]

SIDING WITH SUPPLY—BY RAZING KEYNES

(By Tom Bethell)

On March 19, a day or two after the market responded to President Carter's fourth and latest anti-inflationary program by falling 23 points, its biggest drop in months, Art Pine wrote in the Washington Post:

"The new signs of heightened economic slowdown generally were welcomed by the Carter Administration, which is seeking to dampen consumer spending in an effort to slow the inflation rate."

This is fairly representative of the conventional wisdom on such matters. Inflation, it seems, is caused by too much consumer spending, people "demanding" too much. Therefore, the solution is to cause a recession, knock people out of their jobs. Then they won't have paychecks, and they will stop showing up in the stores in the guise of consumers demanding goods. Demand will drop, prices will stabilize, and inflation will go away. This pattern of economic thought, truly dismal, is based on the "Phillips Curve" (named after a British economist), which purports to demonstrate a trade-off between unemployment and inflation. The more you have of one, the less you have of the other. As a New York Times editorial said on the same day, I suppose with a touch of irony (hard to tell): "The best the President can hope to achieve now is a speedy descent into recession." This, the paper added, "used to be called the 'Republican Solution' " to inflation.

You can only imagine that the cause of inflation is people working if it is your habit to think solely on the demand side of the economic equation. But people working also help to make things, to supply things; if their activity is withdrawn from the economy then there will be a reduction of supply that is at least equivalent to their reduced consumption (demand). If you see that, then you are thinking on the supply side.

Very few people in official Washington have managed to think on the supply side for 40 years at least. One of the reasons for this is that government officials themselves exist purely on the demand side of life. They consume mightily, but they produce next to nothing. An economic theory—Keynesianism—which operates only on the demand side is bound to have a certain appeal and cogency to such people.

But not everyone in government accepts the Keynesian model. Here is what Rep. Jack Kemp of New York has to say about the Phillips Curve in his estimable book, "An American Renaissance: A Strategy for the 1980s:"

"The public is often told that curing inflation requires higher taxes, higher unemployment, slower economic growth and a ceiling on pay increases. These 'cures' follow from the idea that individuals cause inflation through their wage and price greed, and that the government had no hand in the decline of the value of its currency. But inflation is not caused by workers working, businesses doing business, consumers consuming or producers producing. Wages, prices and profits no more cause inflation than wet streets cause rain. Little wonder that these kinds of cures for inflation are both unpopular and ineffective."

Here, as elsewhere in his book, Kemp is addressing the most important problems facing the United States today, nearly all of which derive, in one way or another, from the encrustation of many decades of faulty economic analysis. The supply-side argument that he espouses is the way out of the woods.

I realize that Kemp had a certain amount of help in putting his book together, but if you go and spend an hour talking supply-side theory with him in his office, as I did recently, he will easily convince you that he has really grasped the not-always-simple ideas of supply-side theory at a time when the majority of his colleagues are still mired in demand-side thinking. He is joined in this achievement by one or two of his colleagues, of course, notably Rep. Dave Stockman of Michigan. There are also a fair number of conservatives in Congress who vote as though they were putting supply-side theory into practice, but because they don't publicly discuss the theory (or "the model," as Kemp puts it) they are not given credit for being in the intellectual vanguard and tend to be taken less seriously. Reps. Robert Bauman of Maryland and John Ashbrook of Ohio come to mind.

The supply-side "model" is really a mirror image of Keynesianism. John Maynard Keynes, the British economist, decreed in the 1930s that it was at times permissible for governments to spend more than they took in, in order to unbalance the budget (but only in lean years). This Keynesian dictum was to make intellectually respectable a reversal of something called "Say's Law," named for Jean Baptiste Say, an 18th-century French philosopher who said, in essence: Supply creates demand. That is: Before things exist, people don't want them. But when they are made, appetites are stirred and "demand" foments in the customer's mind. Say's Law was innocently rediscovered in the 1950s by John Kenneth Galbraith, who truthfully pointed out that advertising makes people want things that they otherwise wouldn't.

In the Keynesian model, it's the other way around. Demand comes first. This is the doctrine toward which economists have remained deferential for 45 years. It conjures up the following image in the mind's eye: A factory manager stands in an empty factory beside a stationary assembly. Then a customer comes to the door, with the news that he would like to buy a car. The manager calls up the workers and they dutifully start up the assembly line. Demand creates supply.

The theory fitted the 1930s nicely, because there was at that time deflation, a shortage of money, an underutilized industrial capacity. There were producers, but few buyers—a consumer shortage! The solution: pump up the economy, put money in people's pockets, put them to work (even if only sweeping leaves), and pay them with money not yet in the Treasury. They will spend the money, and this new demand will start up the assembly lines. The greater level of economic activity will generate a larger "pie," a greater taxable base. Thus, revenues will catch up with spending without having to increase taxes. The budget will come into balance of its own accord.

Later on, mathematical economists came along with the statistical mumbo-jumbo needed to give Keynesianism an air of irrefutable science. In particular they "discovered" the "Keynesian multiplier," which says that if the government spends a dollar taken out of your pocket, it will multiply faster in the economy than if you had spent it. (You can imagine how the politicians loved that one.) The reasoning for this was grounded in an assumption that was built into the equations from the beginning: That money saved plays no role in the development of an economy. You will spend part of that above-mentioned dollar, but you will save some of it, too. The government, on the other hand, will spend it all. Keynes got it into his head that the Depression had been caused by too much saving. Ever since, savings have been regarded as a bad thing by Keynesians; savings actually detract from GNP in the econometric model of one of the leading forecasting services, Otto Eckstein's Data Resources, Inc. (and in the Wharton School model, too.) The connection between savings and investment (banks lending out the money that you deposit in a savings account) does not exist in the forecasts and projections upon which the U.S. budget is based. In fact, although more and more commentators are beginning to complain about our low savings rate, the Congressional Budget Office's projections continue to assume that savings have a negative effect on GNP.

Beginning around the early 1960s, the United States became less and less a country whose business was business, and more and more a featherbed for those whose lives were spent on the demand side: consumers, tax-eaters of various stripes, government payrollers, welfare recipients. No matter, the economists continued to assure us: Demand creates supply. And so the ever-growing non-productive sector continued to rest comfortably on the back of the economy, reassured by the Keynesian oracles that its weight was not a burden so much as an inducement to make more and more goods.

But the problem was that the ranks of those being induced began to grow rather thin, and eventually the burden did become insupportable: Supply failed to keep up with demand, even when plants were operating at full capacity or near it. New plants were needed, but high tax rates discouraged the necessary investment; the number of goods grew less rapidly than the money needed to buy them, which spelled inflation; tax rates were raised even more and the threshold at which they took effect was lowered, in order to try to elicit the revenues needed to pay for the ever-expanding array of government programs.

Clearly it was time once again to encourage people to make things, not just buy them. Thus, the appeal of supply-side economics. The great guru of the supply side movement has been Arthur Laffer, the economist now at the University of Southern California. Oddly enough, his best known recommendation has a Keynesian ring to it: Unbalance the budget on the revenue, not the spending, side. Instead of increasing spending programs, reduce tax rates. This rate reduction may briefly create deficits, but it will create new expectations for the future, a potential for long-term profit, or capital gain, from business investment. In consequence, capital will be redirected away from bonds, real estate, and gold (in which positions capital may be said to be "on strike"), and into productive investment. Perhaps the most important change that would occur as a result of lowered tax rates would be a surfacing of the underground economy (estimated by some to be 20 percent of GNP) and an exchange of non-taxable leisure for taxable work. This increase in productive activity would in turn mean a larger pie, a greater taxable base, with the result that a reduction of tax rates is likely to produce an increase in tax revenues. Laffer's essential point is that tax rates and tax revenues may be inversely proportional.

The most widespread error of officialdom at present is that all current forecasts by the Treasury, the Congressional Budget Office, and government economists generally assume a static world. Thus if a million people are paying one quarter of their earnings to the government, and the average earnings of the million are, let us say, $10,000 a year, the government will collect $2.5 billion. Now raise the tax rate so that these people will pay on average half their salary to the government. How much will the government collect now? Treasury types will immediately say $5 billion.

The supply-sider on the other hand will say that you have to assume a "dynamic world" in which the increased tax rate will elicit entirely different behavior from our million people. Some will stop filing tax returns, others will devote a greater proportion of their time to non-taxable leisure, others may emigrate, many more will find ways to underreport their income. As a result, the new revenue may well be no higher than the old. It may be lower. Tax rates and tax revenues must not be confused. (One of the main reasons for this confusion is that many people, including tax-cutters, make the mistake of expressing tax changes in revenues rather than rates. Thus: "a tax-cut of $1 billion" presumably means a rate reduction, which may produce a revenue increase.)

When Jeffrey Bell ran for the U.S. Senate in New Jersey, he used to illustrate the point about rates and revenues by discussing the toll on the Tacony-Palmyra Bridge in Philadelphia. Suppose you had a $100 toll on this bridge (your "tax rate"). How much revenue would you collect? Suppose you lowered the toll to $1, would your revenues increase or decrease?

The day I went to see Jack Kemp in the Rayburn Office Building he told me he was "discouraged." The House had just voted through the windfall profits tax (a tax rate increase on oil production which is assumed, no doubt quite erroneously, to bring in $227 billion in the course of a decade: the true revenue figure will surely be lower than that). In addition, Kemp and a group of legislators had met President Carter in the White House that morning.

"He still confuses tax rates and tax revenues," Kemp told me. "And I don't say it disrespectfully. It is probably the most confusing part of the model." Carter's plan is to balance the budget by increasing taxes still further.

But confusion isn't the only thing preventing the general acceptance of supply-side theory. After all, supply-siders would ask that we do something to help businessmen and in many people's eyes this is unforgivable. (What? Encourage people to become profiteering entrepreneurs rather than noble consumers?) Some people, like Leonard Silk of the New York Times and Herbert Stein in the Wall Street Journal, have tried to discredit the idea by arguing that it is antiquated. When Silk heard about supply-side theory the other day, he grabbed his pen in a desperate attempt to stop the rot. "Later in the 18th Century," he wrote, "supply-side economics was pushed to an extreme by Jean-Baptiste Say, whose main theorem was, 'Supply creates its own demand.' By this Say meant that a general glut in production or a depression was impossible. . . . Unfortunately, however, Say's beautiful theory was killed by the ugly fact of gluts and depressions."

In case you think that Silk's word isn't gospel, this is what Judith Miller, a Times economic correspondent, wrote four days later in the same newspaper: "Later in the same century Jean-Baptiste Say pushed supply-side economics to its illogical extreme, arguing that 'supply creates its own demand.' Periodic gluts, and ultimately the Great Depression, among other things, proved him wrong." She, of course, does not explain why these gluts are bad. If you have a lot of something, then the price will go down. That would be a good way to tackle the problem of inflation, no? "We need gluts," Kemp said when I brought the subject up. "We need a glut of energy, we need a glut of jobs. Gluts would be the perfect solution to our problem."

We also need a general income tax and corporate profit tax cut. It is important to understand that a supply-side tax cut does not mean a cut aimed at a specific location in the economy, thus channeling economic activity in that direction. That kind of attempt to direct the market turns out to be national economic planning in another guise. It leads inexorably to such follies as the Chrysler bailout. The proposed capital cost recovery act—accelerated depreciation—is likewise a step in a dangerous direction.

The well instructed supply-sider will point out that all attempts to channel economic activity assume that politicians know more than businessmen, and in particular that politicians are clairvoyant enough to foresee where industrial innovation is going to occur. Precisely because no one know this, it is important to have tax cuts across the board so that the benefits will accrue in whatever unexpected direction innovation takes place.

Finally, it is high time that the "Keynesian multiplier" was thrown out, thus at last depriving politicians of their rationale for spending more of our money, rather than less, whenever the economy seems to need stimulating (which, as Paul Craig Roberts has pointed out, is at all stages of the business cycle these days). Fortunately, Michael Evans of Evans Economics, formerly head of Chase Econometrics and one of the designers of the Wharton model, has recently completed a new, supply-side model under contract with the Senate Finance Committee. His principal finding, reported in a recent issue of Challenge magazine, is that "a corporate income tax cut has a larger effect on the economy than does a personal income tax cut, which in turn has a larger effect than an increase in government spending." The principal reason: "A reduction in tax rates increases the incentives of individuals to save by raising the rate of return on assets held by individuals. This higher savings leads to lower interest rates and higher investment."

This is common sense, but in the context of the present statism, it is little short of revolutionary. It will be bitterly resisted by those on Capitol Hill who for the past two decades have had a terrific time spending other people's money and being simultaneously reassured that they were thereby acting in the national interest. Now that reassurance is about to be withdrawn. I don't know which side will win the great debate that is likely to ensue, but if the future vitality of the U.S. economy is of any concern to us, then we must hope that Messrs. Laffer, Kemp, Evans, et al. prevail.●

A TRIBUTE TO NICHOLAS J. DURANDY

HON. JAMES A. COURTER

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 1, 1980

● Mr. COURTER. Mr. Speaker, today's economic problems and troubled international conditions cause a great deal of uncertainty and worry about our country and its future. In times such as these, we are reassured by news of individual citizens whose work in their communities demonstrates the energy, spirit and optimism that have built our great Nation and united our people.

On May 6, citizens of Morris County, N.J., will gather to celebrate the 80th birthday of Nicholas J. Durandy, and to thank him for his long record of dedication to community service. They will offer their gratitude for the enthusiasm and voluntarism which he has shown over the years, and I am sure that they will be hoping that the younger generation of Morris County will learn and benefit from the example Nick Durandy has set.

It is certainly fitting that a special occasion should take place in his honor, because he has done his work without expecting any special recognition from the people he has served. I will attempt to list some of his accomplishments.

A notable and respected businessman, Nick Durandy has served as president of the Butler Bowl, the Businessman's Association, and chairman of the Butler Industrial Commission. He is an honorary trustee of Saint Clare's Hospital, and honor bestowed as public recognition for long years of service and commitment.

Nicholas Durandy is a member of numerous service organizations as well. The list is worthy, but long: Knights of Columbus, the Pica Club, the Kinnelon Elks, and the American Legion.

Nick Durandy has been honored by the legislature of my State on this occasion, and I thought it fitting that he be mentioned in this House as well. I appreciate this opportunity to make special note of this outstanding citizen and leader of Morris County.●

THE ROAD TO PRODUCTIVITY AND ECONOMIC GROWTH, PART VII—LEADING SMALL BUSINESS ASSOCIATION SUPPORTS H.R. 6300

HON. RICHARD T. SCHULZE

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 1, 1980

● Mr. SCHULZE. Mr. Speaker, it is with great pleasure that I announce today the endorsement of the National Association of Small Business Investment Companies for my bill, the Individual Investors Incentive Act of 1980.

NASBIC is an association of about 400 firms licensed under the Small Business Investment Act of 1958 which is committed to the goal of encouraging long-term investment in small business. To date, small business investment companies have disbursed over $3 billion by making over 50,000 loans and investments. The concerns they have financed have far outperformed most national averages as measured by increases in assets, sales, profits, and new employment.

While corporate America may get the news headlines, small business remains the economic backbone of this Nation. It comprises 96.7 percent of our Nation's business enterprises. It is responsible for half of our gross national product; 55 percent of all private employment; and is the undisputed leader in job creation and technological innovation. Directly or indirectly, small business affects the lives and livelihood of more than 100 million Americans. It gives jobs to more than half the workers in our land.

At this point, I would like to enter into the RECORD a letter of support I have received from Mr. Arthur Little on my bill H.R. 6300. Mr. Little currently serves as the distinguished president of the National Association of Small Business Investment Companies and of his own company, the Narragansett Capital Corp.

His letter follows:

NARRAGANSETT CAPITAL CORP.,
Providence, R.I., April 24, 1980.

Hon. RICHARD T. SCHULZE,
Cannon House Office Building,
Washington, D.C.

DEAR CONGRESSMAN SCHULZE: I am writing you in support of the concept you put forth in H. R. 6300, the Individual Investor's Incentive Act. There is no question that we must do everything we can to give incentives for savings and investment and to reduce the incentives to consume. As you know, investment in our private enterprise system is very important if we are to increase productivity, innovation and employment. Unless we support investment to promote these three areas there is no question that we will continue to suffer the ravages of inflation and the high interest rates that inevitably follow.

I support your concept wholeheartedly but I would like to make some suggestions which I believe would maximize the effect of the Bill for the nation's economy.

1. The tax credit should be given only when an investment is made in common or preferred stock sold in a primary offering; that is, the offering company is to receive the proceeds rather than one investor trading with another. In this way the money will be put to use to spur the economy.

2. If the concept in Item 1 is accepted, the 10 percent tax credit should be unlimited and not have an artificial cap.

3. The tax credit should be available to companies (whether corporation, partnership, subchapter S or other forms) which habitually invest in business in a "primary form"—that is, public offerings or private placements to raise new money for companies. This would then include venture capital companies, SBICs and the like which supply such a large portion of funding to smaller growing business which have the largest impact on productivity, innovation and employment.

I appreciate the opportunity to share my views on this issue and hope you are successful in getting this bill into law.

Sincerely,

ARTHUR D. LITTLE,
President.●

MULTIYEAR AUTHORIZATIONS FOR RESEARCH AND DEVELOPMENT

HON. DON FUQUA

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 1, 1980

● Mr. FUQUA. Mr. Speaker, on June 15, 1979, I introduced a bill, the Research and Development Authorization Estimates Act, designed to promote further thought and consideration of moving toward a multiyear budget authorization cycle.

Since that time the Committee on Science and Technology, which I chair, has received an abundance of comment, criticism, and suggestions for improvement of the multiyear proposal. These came from a variety of knowledgeable and respected sources. Our staff has been working with experts in the budgeting field and with appropriate officials in the Executive Office of the President to further refine the proposal.

As a result, I recently, April 28, introduced H.R. 7178, which is a considerably altered version of the 1979 version.

The bill is directed primarily at federally supported research and development which often requires relatively long leadtimes—although it may eventually, as a pilot endeavor, have significance for other budget areas.

It is aimed only at producing adequate information and data in Federal budget requests to permit congressional committees to consider 2-year or longer authorizations on a rational basis—if they so desire. Obviously, there is no intent, nor any authority, to require any committee or subcommittee to authorize according to such formulas.

Mr. Speaker, the 1974 Budget Act already requires general submission of 2-year recommendations in authorization requests. However, while the administration has complied with this mandate technically, it has never submitted actual second-year dollar recommendations in the authorization bills it sends to Congress. We need such data if we are to contemplate seriously any multiyear authorization.

I wish to make a final point which I believe is important.

Our committee and, I am sure, most committees, are finding themselves increasingly enmeshed in lengthy, intricate authorization activities—each year. This detracts from our ability to make careful inquiries into other substantive matters needing attention. The situation also eats away at the productive time of hundreds of executive officials who must spend countless hours testifying on authorization matters—each year.

I am suggesting that multiyear authorizations, when appropriate, might alleviate this situation to a considerable extent.

Mr. Speaker, it is my intention to hold full committee hearings on H.R. 7178 a few weeks from now, after which we plan to write a final version of the bill for committee consideration.

I will not attempt to elaborate all the reasons for, or provisions of, this bill. My remarks of June 15, 1979 (page 15066 of the RECORD), may be useful in this regard. In addition I am submitting here a brief summary of H.R. 7178:

SUMMARY OF H.R. 7178, REVISED R. & D. AUTHORIZATION ESTIMATES ACT

SECTION 1

This is the title section.

SECTION 2

Amends the National Science and Technology Policy and Organization Act of 1976 (Public Law 94-282) as follows:

The Director of OSTP is to advise and assist the President and OMB in preparing estimates of appropriate R. & D. funding levels for at least the fiscal year beyond the fiscal year of current request for each Federal Department, Agency and Instrumentality which conducts major research and development programs.

Such estimates shall be included in the submission of the over-all Federal budget in each even-numbered year.

The estimates shall identify the major R. & D. activities of the various departments and agencies, and shall include an estimate for each such activity or program and provide an appropriate justification for them.

In order to acquire the R. & D. estimates information, OSTP shall consult with the various departments and agencies involved. At the same time, OSTP may request the Federal Coordinating Council on Science, Engineering and Technology to assist in or perform this function.

SECTION 3

Further amends the Act as follows:

The Five-Year Outlook (sec. 206) shall be changed to a Four-Year Outlook.

The Outlook shall be revised every 2 years and submitted to the President and Congress not later than the date the President submits the Federal budget in even-numbered calendar years.

In developing the Four-Year Outlook, consultation shall be required with the Federal Coordinating Council on Science, Engineering and Technology rather than simply "departments and agencies" which may have R. & D. programs.

SECTION 4

Further amends the Act as follows:

Repeals Section 209 which currently requires an annual "Science and Technology Report".

Section 205 of the Act is amended to conform with the repeal of Section 209.

(The biennial update of the Four-Year Outlook may be expected to provide the information and data previously required by Section 209.)

SECTION 5

Further amends the Act as follows:

Section 401 is amended by adding a new responsibility for the Federal Coordinating Council for Science, Engineering and Technology. This new function is to study and report on a continuing basis the impacts of inflation on the conduct of federally supported R&D.

The first such report of the Council shall be not later than 18 months from the effective date of this Act. Thereafter the inflation report shall be made annually and submitted to Congress not later than the time the President submits the Federal budget.

SECTION 6

Section 3 of the National Science Foundation Act of 1950 (Public Law 81-507) is amended by adding a new subsection:

The new requirement is for the submission of an analysis of all Federal R&D funding by function; such analysis is to contain the latest data available and is to include information on the most recently completed fiscal year.

The analysis shall be submitted to Congress each year not later than the date of the submission of the annual Federal budget.●

NEW LAWS NEEDED TO ATTACK DOPING OF RACE AND SHOW HORSES

HON. ROBERT McCLORY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 1, 1980

● Mr. McCLORY. Mr. Speaker, there is great concern among those who know and love horses that performance-altering drugs are corrupting the competition and breeding of horses, thereby jeopardizing our Nation's great race and show bloodlines.

The United States is the only country that permits the practice of drugging and numbing of race and showhorses. Although various racing States have legalized what is termed "controlled medication," it is anything but that. Horseracing is fast becoming drug dependent. Many of the medications used are illegal and untested; some have been legalized; but all are inadequately controlled at the State level. While they push for increased revenues from racing, prolonged seasons, and lenient drug and training policies, State legislatures are ignoring the limitations of the horse as a living creature. The artificial means employed to enhance a horse's moneymaking capacity defeat the integrity of the sport and discourage its supporters.

Over 1,000 drugs are presently undetectable by current laboratory testing methods. Stimulants, tranquilizers, hormones, painkillers, and anti-inflammatory drugs can make an animal run fast or slow, appear sound when lame, stop bleeding from the lungs, and do just about anything required of the immediate situation. Permitted drugs such as phenylbutazone and lasix mask the presence of other substances as well as the symptoms of injury, leaving the horse unsound and unhealed. The inevitable result is a hopelessly crippled horse, if he lives long enough to undergo repeated medication.

More imminent is the danger of a breakdown—the occurrence of a leg snapping or shattering under the enormous stress of overuse while racing. These incidences have increased dramatically since the 1960's, when drugs became commonplace in horseracing. When these animals suffer breakdowns, they are destroyed at the track, sometimes not until days later when the insurance company has verified the situation, while many others must endure a long trip to the pet food factories or to Canada for human consumption.

Unnaturally inspired performances mislead breeders, who select winners, in whom drugging and numbing has overcome poor conformation, arthritic joints, and other undesirable infirmities that can be passed on. A further detriment to quality in breeding is hormone and steroid interference with breeding ability.

Mr. Speaker, the Corrupt Horseracing Practices Act would prohibit the practice of numbing and drugging of horses in competition and would aid the States in testing and enforcement procedures. A horse that needs medication to race should not race. He should, instead, be allowed to heal naturally, compete fairly, and to lead a useful life.

Mr Speaker, my constituent, Mrs. Donna Ewing, president of the Illinois Hooved Animal Humane Society, has been in the forefront of seeking protection against the inhumane and rapid proliferation of administering performance-altering drugs to race and show horses. Despite her diligent personal efforts, including cooperation with various racing boards and with horse owners and breeders, as well as distinguished and highly ethical veterinarians, the problem persists and requires extensive State and national legislative action.

Mr. Speaker, my colleague from Minnesota, Congressman BRUCE VENTO, and I have conferred on this critical subject and are cooperating in the cosponsorship of the Corrupt Horseracing Practices Act, in which we invite other colleagues to join as cosponsors. Mr. Speaker, in my view, this legislation could provide a vehicle under which the Federal Government could correct many of the current abuses, some of which indeed should be classified as criminal.

Mr. Speaker, I am hopeful that early hearings on this legislative initiative may be undertaken and that the Congress may act promptly to pass this urgent legislation.●

IMPORTATION OF AUTOMOBILES FROM THE SOVIET UNION

HON. ADAM BENJAMIN, JR.

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 1, 1980

● Mr. BENJAMIN. Mr. Speaker, I rise today to request my colleagues' attention to a matter which I believe to be of the utmost importance to the people of the United States, as a matter of policy and a matter of principle.

One of my local papers recently ran an editorial letter which stated that the Carter administration has given a New York firm authorization to import 50,000 compact cars from Russia. While the administration has not authorized such a trade agreement, it has taken no action to prohibit such a transaction.

I have contacted President Carter to urge his consideration of this matter and to act expeditiously to prohibit the importation of these automobiles from the Soviet Union. At a time when our domestic automobile workers and steelworkers and other sectors of our economy are already suffering from the depressed automobile industry, we should not be purchasing automobiles from the Soviet Union, particularly while we are urging a boycott of the summer Olympics in the Soviet Union.

My letter to the President is included below. I would urge all my colleagues to contact the President and express their concern for what appears to be a series of illogical policy decisions which are not in the best interests of the United States. We must all acknowledge that by buying cars produced in the Soviet Union, we are providing employment for Russian workers and turning American workers out of their jobs.

The letter follows:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C., May 1, 1980.

President JIMMY CARTER,
White House,
Washington, D.C.

DEAR MR. PRESIDENT: I am writing to express my concern over what appears to be another illogical series of policy decisions which will unnecessarily harm our domestic economy.

On April 24, I contacted the Special Trade Representative's office to inquire about the Administration's position regarding the sale of 50,000 compact cars in the United States which are imported from Soviet Union.

An article in one of my local papers states that the Carter Administration authorized the purchase of the automobiles imported from the Soviet Union. The article expresses concern for the domestic automobile industry and questions the logic of importing automobiles from the Soviet Union, while the Administration is supporting a boycott of the Summer Olympics in the Soviet Union.

STR informed me that while there is an embargo on exports to the Soviet Union, the administration has taken no action to restrict imports from the Soviet Union.

Our farmers are being hurt by restricting the sale of grain to the Soviet Union. Our taxpayers are being hurt by increased taxation to assist the farmers. Yesterday approximately $1.4 billion was appropriated to assist farmers through diversion and loan programs.

Our domestic automobile workers and steelworkers and other sectors of our economy are already suffering from the depressed automobile industry. And again, our taxpayers are bearing the increased burden of increased taxation to provide assistance to workers who are displaced due to imports.

How can the Administration refuse to take action to restrict the Soviet Union's ability to make a profit at the expense of the U.S. citizen?

I respectfully urge you, Mr. President, to carefully review this situation and to take whatever action you deem necessary to halt the sale of automobiles produced in the Soviet Union in the United States.

Thank you for your attention to this matter and I anticipate hearing from you soon.

Sincerely,

Adam Benjamin, Jr.,
Member of Congress.●

OLDER AMERICANS MONTH

HON. JEROME A. AMBRO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 1, 1980

● Mr. AMBRO. Mr. Speaker, on this, the first day of May 1980, I would like to take just a moment from the busy schedule of this Chamber to remind my colleagues of a matter of unique and particular significance at this time.

The month of May has been designated as Older Americans Month, focusing our attention on this too often forgotten group of our fellow citizens, a group that now comprises over 11 percent of our Nation's population—one of every nine Americans.

It is tragic that in this period of rapidly rising food, housing, and transportation prices, of soaring energy and medical costs and of skyrocketing inflation generally, that older Americans, most of whom exist on fixed incomes, are among those most severely and adversely affected by the sorry state of our economy.

As we proceed this afternoon with writing the fiscal 1981 budget, let us all be most careful and compassionate in regard to these older Americans so that when the budget ax falls, programs important to senior citizens which serve to maintain their standard of living are not the first trimmed. I think that we, as a people, owe more to those who have given so much of themselves to this Nation, those who have contributed to the building of our country, and whose dignity in later life we must assure.

I think that we should use this occasion to initiate a new attitude of concern and caring toward this large and growing group of Americans. We are, after all, speaking here about our parents and grandparents.●

RESULTS OF POLL CONDUCTED BY REPRESENTATIVE GARY A. LEE OF NEW YORK

HON. GARY E. LEE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 1, 1980

● Mr. LEE. Mr. Speaker, colleagues, I am asking today that you take a moment to review the following results of a poll which I recently conducted in my 33d Congressional District of New York, to which more than 20,000 of my constituents responded.

I think you will find these results interesting. The survey forms were mailed on March 1, 1980, and residents were requested to return them for tabulation by April 15, 1980. They are, in a very real fashion, a timely and conclusive benchmark for this Government. Answers are directed toward our administration's policies in Iran and Afghanistan, toward meeting energy needs and defense capabilities, and to a rating of our performances here in the Nation's Capital.

I regret to say that this poll confirms what we have all known for so long, that Congress is rated far below acceptable, and that the policies of this Nation have come under serious scrutiny by those who are inextricably governed by us.

I consider this an important poll for us all. I urge that you take a moment to review its contents.

I submit those results for the Record at this time:

The 1980 American Issues Questionnaire Results

(Those results which do not total 100 percent reflect some respondents who failed to answer selected questions. No "undecided" category for answers was provided)

1. Do you agree with the President's handling of the U.S. hostage situation in Iran? Yes, 49 percent; no, 49 percent.

2. Do you agree with the President's use of economic sanctions in response to the Soviet invasion of Afghanistan? Yes, 81 percent; no, 18 percent.

3. Do you agree with the President's call to cancel, postpone or relocate America's participation in the summer Olympic games? Yes, 71 percent; no, 27 percent.

4. Do you agree with the Supreme Court's decision that abortion is purely a matter of personal decision? Yes, 65 percent; no, 33 percent.

5. Do you favor a system of gasoline rationing to conserve fuel? Yes, 43 percent; no, 55 percent.

6. In developing additional or new energy, should America relax its environmental protection standards? Yes, 52 percent; no, 46 percent.

7. Do you believe federal fiscal programs and policies are the principal causes of inflation? Yes, 75 percent; no, 22 percent.

8. Should we resume registration of the 18-20-year-old citizens for potential military service? Yes, 73 percent; no, 23 percent.

9. Should any new draft program include women? Yes, 57 percent; no, 40 percent.

10. Do you favor a substantial increase in defense spending? Yes, 73 percent; no, 28 percent.

11. Please rate the performance of the following:

President: excellent 6 percent; satisfactory 48 percent; poor 44 percent.

Congress: excellent 1 percent; satisfactory 32 percent; poor 64 percent.

U.S. Supreme Court: excellent 2 percent; satisfactory 47 percent; poor 45 percent.

12. Which two of the following candidates for President would you like to see nominated by their party (select two)?

Brown: 10 percent.
Carter: 46 percent.
Kennedy: 13 percent.
Baker: 9 percent.
Bush: 21 percent.
Connally: 6 percent.
Reagan: 29 percent.
Ford: 12 percent—write in.
Anderson: 14 percent—write in.●

H.R. 6195

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 1, 1980

● Mr. WAXMAN. Mr. Speaker, last December, H.R. 6194, "The Medicaid Community Care Act of 1980" was introduced by Congressman Claude Pepper and myself. The legislation is designed to encourage States to provide community-based care to elderly persons at risk of institutionalization who want to remain in their homes or with their families. So far, 110 of our colleagues have expressed their concern for our Nation's elderly and signed on as cosponsors of the bill.

Medicaid reimbursement policies encourage placement in institutions by providing full coverage for such care. Yet, a quarter of the current nursing home population is estimated to be unnecessarily institutionalized. We believe this is due to the skewed reimbursement policies and the lack of adequate community programs for assisting those elderly who can and wish to remain at home.

Adoption of H.R. 6194 would alter the current bias of the medicaid system toward institutionalization. If you agree with over one-quarter of our colleagues that it is more appropriate, more humane, and more economical to encourage families to care for their elderly in their homes and would like to cosponsor the Medicaid Community Care Act of 1980 please contact Sara Kestenbaum of the Subcommittee on Health and the Environment Staff at 225-1093.●

CONGRESSMAN WON PAT TO ANNOUNCE CANDIDACY

HON. ANTONIO BORJA WON PAT

OF GUAM

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 1, 1980

● Mr. WON PAT. Mr. Speaker, once again we have arrived at a time when many of our colleagues on both sides of the aisle are making that most crucial decision: whether to run again for Congress or retire.

It appears from the record that many will again choose to forgo the rigors of campaigning and take their well-deserved rest. I can certainly understand their desire to take it easy. This job may be one of the most demanding on Earth. The pressures of constant social upheaval, international unrest, and assorted constituent problems leaves each of us wondering why we keep going year after year when there is an easier way to make a living.

I will be deeply saddened to see so many good and able friends on both sides of the aisle leave. According to Roll Call newspaper the present list of retirees in the House is:

> Rep. Jim Lee Carter (R-Ky.), Rep. John Cavanaugh (D-Nebr.), Rep. Mendel Davis (D-SC), Rep. Robert Giaimo (D-Conn.), Rep. James M. Hanley (D-NY), Rep. William Harsha (D-Ohio), Rep. Richard Ichord (D-Mo.), Rep. James Johnston (R-Colo.), Rep. William Moorhead (D-Pa.), and Rep. Morgan Murphy (D-Ill.).
>
> Rep. Richard Nolan (D-Minn.), Rep. Edward J. Patten (D-NJ), Rep. Ray Roberts (D-Tex.), Rep. David Satterfield (D-Va.), Rep. Harley O. Staggers (D-W Va.), Rep. Tom Steed (D-Okla.), Rep. Charles Vanik (D-Ohio), Rep. Bob Wilson (R-Calif.), Rep. Joe Wyatt (D-Tex.), and Rep. Rob McEwen (R-NY).
>
> Rep. Lucien Nedzi (D-Mich.), Rep. Keith Sebelius (R-Kans.), Rep. John Wydler (R-NY), and Rep. James Cleveland (R-NY).

These men have contributed considerable talent, energy, and experience to this country and it has been a privilege to serve with them.

I, too, have examined my future and find, however, that the challenges of serving the public are as yet too great for me to leave behind. There is many items on my agenda for Guam which are as of this time unresolved.

I have served Guam for many years. I am extremely proud of my good fortune in having many good friends here on Capitol Hill and elsewhere in Government to bring the people of Guam one of the highest percentages of Federal assistance in any American area. This has helped the Territory prosper through the years and I am grateful to my many friends in this body for making it possible. This is one institution where no man is an island. All too often the spotlight of attention focuses on an individual while the public often forgets that it takes a majority of the 535 Members of Congress to enact legislation into law.

I will formally declare my candidacy for the Delegate seat to Congress on the 23d of May. My record speaks for itself and I look forward to hopefully winning the support of the people of Guam so I can again return to Washington and represent their interest in the Halls of Congress.

Thank you.●

GASOLINE SHORTAGE

HON. JAMES H. SCHEUER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 1, 1980

● Mr. SCHEUER. Mr. Speaker, one of the many harmful effects of the gasoline shortage has been the damage done to the small business people who operate gasoline stations. Between 1972, when spot shortages first occurred, and 1979, we saw a net decline of 8,000 stations. Since then, we are losing about 10 percent a year.

While privately operated stations have been declining to the point where there are only slightly more than 200,000 now operating, the number of stations directly operated by the giant oil companies—majors—actually increased by several thousand. Even more ominous is the fact that the percentage of retail gasoline sold by the majors has doubled in the last 8 years.

Before the crisis, the small businessman was able to compete successfully for decades with the huge, integrated oil companies' retail outlets. They were able to meet prices and to provide repair and maintenance assistance. It was only with the advent of the Arab oil embargo and its aftermath that the majors developed the tools and the appetite to displace the private operators and the stations operated by small refiners.

The techniques available to the majors to squeeze the independents include:

Giving a smaller proportion of needed gasoline to independents than to their own outlets.

Delivery at odd and unpredictable hours.

Reducing services provided to privately operated gasoline stations.

Prohibiting gasohol sales from branded pumps.

Subsidizing a lower retail price for gasoline at their own outlets.

It is true that the majors can, and evidently do, have a slightly lower pump price than do their competitors. They can afford to subsidize their own outlets. What we are seeing is a classic pattern here—when a large enterprise is trying to squeeze out small competitors, it sets a lower retail price. The second phase of monopoly control is that, once the small competitors have been eliminated, the monopoly's retail prices are higher than the prices charged in a competitive world.

The bill we are cosponsoring would prohibit the large, integrated oil companies from operating retail outlets. They could own, and lease, them but could not operate them. Moreover, if they elect to sell a station, the operator is to be given first option and the Small Business Administration would be authorized to lend purchase money to the operators—loans now prohibited by Federal law.

Mr. Speaker, we want to stop the process where neighborhood owned and operated gasoline stations are being eliminated by—and for—the huge oil companies whose swollen profits in the face of escalating retail prices give us evidence that they have no interest higher than profits. Protection of small business; protection of fair competition; and preservation of the full-service community facilities all argue in support of this measure.

I am pleased to join with Congressman BEDELL of Iowa and 60 of our colleagues in support of H.R. 6722. Our two subcommittees are holding a series of hearings on this bill, and we hope to bring a meaningful measure before the Congress in time for consideration and passage in this Congress.●

THE SALVATION ARMY

HON. DOUGLAS APPLEGATE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 1, 1980

● Mr. APPLEGATE. Mr. Speaker, today I come before the House to praise the 100 years of accomplishments, service, and assistance that is provided by a group that is located in nearly all of this Nation's congressional districts and a group of which we can all be thankful and proud: the Salvation Army.

While the Salvation Army was first formed in England in 1865, by William Booth, it was not until 1879 that 16-year-old Eliza Shirley, coming from England to America with her parents, set up a mission in Philadelphia, the first of its kind in America. This was a private effort on her part, but it proved so successful that General Booth appointed one of his finest officers, Commissioner George Scott Railtan to officially invade the United States with the help of seven Salvation Army lassies.

That was in 1880, 100 years ago. Almost as soon as this small band of mighty soldiers landed in New York's Battery Park, the organization began to attract great interest. That same year, the Salvation Army gained its first convert in the United States: James Kemp, a notorious drunk nicknamed "Ash Barrel" Jimmy. He became a respected officer, rising to the rank of captain.

The service organization grew quickly after this with a training school in 1882, the first prison brigade in 1885, and rescue missions in 1887 which provided food and shelter to the needy. Day care centers were established in 1890. One of the Salvation Army's most valuable contributions was its service to the military during World War I in the trenches and on the battlefields.

Since those early years, the Salvation Army developed rapidly into a nationally recognized religious and charitable organization of the highest caliber. In the United States today, there are over 1,000 corps community centers and a total of well over 8,000 other centers of operation, administered by approximately 3,500 active officers and 15,000 employees.

Salvation Army programs in this country include evangelism and worship services, adult rehabilitation centers, camping services, correctional services for prisoners, day care, senior citizens centers and residences, youth clubs, emergency disaster service, foster home and adoption service, family welfare services, maternity homes and hospitals, league of mercy hospital visitations and much, much more.

Mr. Speaker, we owe much to this outstanding organization for the work that it has done, and I know I speak for each Member of Congress when I say "thank you" for a job well done.●

EXPLANATION OF THE BILL

HON. RON PAUL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 1, 1980

● Mr. PAUL. Mr. Speaker, the Federal Water Pollution Control Act of 1972 and the so-called Rivers and Harbors Act of 1899 have been the laws on which the Army Corps of Engineers has based its authority to license the discharge of material into waters of the United States. In particular, section 404 of the 1972 act and section 10 of the 1899 act have been cited by the corps for the actions it has taken both in denying owners the right to discharge material on their own property—wetlands—and in denying public citizens—navigation districts, cities, and towns—the right to undertake flood control projects or other improvement projects that would affect the waters of the United States, loosely defined.

This bill would correct the situation created by the corps' interpretation of the act by doing a number of things:

First, section 404 of the 1972 act would be changed so that the Secretary of the Army, acting through the Corps of Engineers, would be compelled to issue permits for the discharge of dredge or fill material at disposal sites specified by the applicant unless he could show that such an action would be in violation of the standards laid down in section (b) of the law. The effect of this change is to shift the burden of proof from the property-owner/applicant to the Corps of Engineers. Rather than the applicant being forced to justify his request, the corps would be forced to justify any refusal. A public hearing would still be required, and a notice of it would have to be published within 15 days of receipt of the application.

The second change is very important, for it changes the definition of "navigable waters" back to what the words meant when the act of 1899 was passed. Quite simply, the words "navigable waters" are stipulated to mean waters navigable in interstate or foreign commerce. By definition, then, the Army Corps of Engineers would lose jurisdiction over wetlands, since wetlands are not navigable. This change alone should eliminate most of the problems that have been caused by present corps policy and regulations.

The third change proceeds from the second. It simply states that notwithstanding any other provisions of law, discharging of dredge or fill in nonnavigable waters is not prohibited or subject to regulation under any act of Congress. This would remove all grounds for Federal regulation of such activities, while leaving States and localities free to adopt whatever regulations they felt were necessary. The Federal Government has no constitutional authority over any nonnavigable waters.

The fourth change tightens up the timeframe for the granting of permits. Present law requires that the process be completed "to the maximum extent practicable" within 90 days of receipt and application. The bill would remove the words "to the maximum extent practicable."

I insert the following four items in the RECORD as supporting documents for this bill:

CITY OF FREEPORT, TEX.,
March 17, 1980.

Re Wetlands Project, Freeport.
JOHN ROBBINS,
Longworth Building,
Washington, D.C.

DEAR MR. ROBBINS: I appreciated your phone call of March 14, 1980, and I am happy to furnish you some information on the above referenced. As you are aware the City of Freeport is very concerned with the possibilities of future development of that area classified as "wetlands".

The area in question is located immediately south of the City of Freeport and is within the Freeport Storm Protection Levee. The area has been levee protected for over 30 years. The levee was obviously built to make the area habitable for humans, not wildlife. Yet because of its classification as "wetlands" it is forever lost for use to the City.

Under federal law, the Corps of Engineers must issue a permit before any party may fill or dredge any of the navigational waters of the U.S. The Corps maintains that the waters in this "wetlands" area are a part of the U.S. navigable waters because the area is subject to tidal influence. They make this determination even though the area is protected by a levee and the only way for tides to enter the area is through storm gates which are there to release water that is within the area.

They also claim jurisdiction under Section 404 of the Clear Water Act. This jurisdiction is independent of the factor of tidal influence and deals solely within the maintenance of all "wetland" areas. I have attached a copy of correspondence received from the Corps of Engineers concerning this matter.

As far as legislation to remedy the problem, I have two suggestions, which certainly are not all inclusive. First, legislation could be enacted exempting this particular area in Freeport from the "wetlands" determination. Secondly, legislation could exempt all areas protected by storm levees from the wetlands determination.

I realize this is a very summary treatment of the problem facing the City. However, I hope it gives you some basis for writing corrective legislation. I will be available at any time to assist you in any way possible.

Thanks for your assistance.

Sincerely,

RICHARD C. STEVENSON,
City Attorney.

Enclosure.

PROPERTY RIGHTS FIGHT DEVELOPS IN BRIDGE CITY

(By John Rice)

BRIDGE CITY.—A classic fight is developing here between the rights of a private property owner and rights of the general public.

Public notice was given today that Lattie J. Rose intends to seek a permit from the U.S. Army Corps of Engineers to expand a borrow pit—sandpit—operation.

Mrs. Rose, who lives on Valhalla near here, has owned property since 1950. The site is near Lake Street in south Bridge City. She worked some 8 acres of the land in the 1960s.

A formal objection to issuance of the permit is being drafted by officials of the U.S. Fish and Wildlife Service.

As the wildlife services goes, so goes the corps permit decision, according to officials of both agencies.

Add to this the Bridge City ordinances restricting sandpit operations, and the prospects for developing the area for sandpit use look highly improbable.

"This has been my land since 1950," Mrs. Rose said in a telephone interview. "My husband and I have $5 million in sand on that site. There is 2,118,000 cubic yards of saleable material and I want to sell it," she said.

Fish and wildlife biologist Alan J. Mueller, with the wildlife service in Galveston, said the 26 acres Mrs. Rose wants to develop is wetlands area. On that basis, the wildlife service will oppose the permit.

"The area is a nursery and feeding area for fish, shrimp, shellfish, and crabs. It is used by wading birds and other waterfowl. The wetlands have value to these fish and wildlife," Mueller said.

Corps representative Fred Miller, with Galveston's permit department, noted a long-standing interagency agreement between the corps and wildlife service.

It says basically that the corps is responsible for flood control and navigation and the wildlife service is responsible for the environment. If the wildlife service objects to a permit on environmental grounds, "the permit will not be issued," Mueller said.

Bridge City Mgr. C. R. Nash said councilmen will consider how best to fight granting the permit when they meet Feb. 7.

The issue of sandpit operation has surfaced before here, and councilmen approved ordinances in early 1976 restricting such operations. The ordinances were prompted by intense public pressure.

Those restrictions include: a prohibition on excavation within 500 feet of a property line without the consent of the owner, a requirement that sand-hauling trucks use federally-maintained roads (Texas Avenue or Round Bunch Road), and standards for drainage and fencing.

Although most of the land in question lies outside the Bridge City limits, as yet unresolved particulars of the issue are these:

Is there ingress and egress to the site? Nash says "no," but Mrs. Rose says "yes."

Is the entrance and exit route within the city's jurisdiction? Nash says "yes," Mrs. Rose says "no." In addition, land inside the city limits near—and partially within—the site is zoned residential.

Will the operation be governed by the 500-foot rule? The corps public notice lists four Lake Street property owners as "adjacent" to the site.

Mrs. Rose anticipated the problems she will face soon. She says she will "fight this thing all the way up" and is prepared to spend the money necessary for appealing the expected permit denial.

"All the way up" means district court in the case of Bridge City's jurisdiction and Washington, D.C. in the case of the federal agencies.

"Theoretically, the permit decision can be appealed to the secretary of the Army on the corps side and the secretary of the interior on our side," Mueller said.

"But I don't know of any case where it has gone that far," he added. He said he knew of no judicial appeal route on the permit question.

Although not directly involved, Mueller said National Marine Fisheries Service will lodge objection to the permit issue.

He and Robert O. Turner, fishery biologist with that agency, met with Mrs. Rose in mid-December. They visited the site and then told her they would recommend opposing a permit.

Mrs. Rose's plan is to use the local sand as fill for Highway 87 expansion in conjunction with the building of a second Rainbow Bridge.

Then, when the sand is tapped, she wants to turn the entire 34-acre site into a marina. It would provide access to Sabine Lake, she said.

Neither of those ideas is acceptable under an agreement reached between proponents of the second Rainbow Bridge over the Neches River and environmentalists arguing its impact on the wetlands area.

A compromise reached on the wetlands issue was, first, that no fill dirt would be dug from local sources and, second, that commercial development such as a marina would be discouraged.

Comments on the permit request can be directed to the corps district engineer, P.O. Box 1229, Galveston, Texas 77553, on or before March 3.

"THIS LAND'S NOT OUR LAND"

(By Susan Hampton)

BRIDGE CITY.—The federal government has ordered her land off limits to industrial or recreational development because it might harm the "delicate balance of nature" which exists in coastal marshes.

But Jo Darby Rose thinks she has found a gold mine and wants to reap its benefits.

The longtime Bridge City resident has been fighting for her right to use her 35 acres of land near the Rainbow Bridge for a sandpit operation since 1977, when the U.S. Department of Army Corps of Engineers first told her the area was considered "wetlands" and a feeding ground for fish, shell fish, crabs and shrimp.

In defiance, she took her case to numerous lawyers and governments officials, hoping for some support. But in all instances, she was turned down.

"A case like this has never been tried in Washington," Mrs. Rose says. "Lawyers are afraid they might lose it."

She has even contacted Mike Wallace of the "60 Minutes" news show on CBS for help.

"He (Wallace) told me to send more information about it and maybe they would do something," she says. That was in March, and she still has not heard from him.

The 53-year-old woman says she wants to excavate the land which she claims contains more than 2 million cubic yards of "the best sand and clay material" in Southeast Texas.

That's $5 million worth of dirt, she says.

And after the land had been dug out and the dirt sold, Mrs. Rose says she wants to develop a marina on it, complete with a fresh water fish pond surrounded by cabins.

But the federal government says no.

In answer to an application by Mrs. Rose for a sandpit permit, the Corps in Galveston wrote to her in January saying that the project " . . . is environmentally damaging and that alternatives exist that would fulfill a portion of your needs, and still preserve a certain amount of the aquatic habitat now in existence."

Those alternatives, she says, have never been made clear to her.

Bridge City authorities have been no nelp to her either.

"They think they're God," Mrs Rose said.

She finds it ironic that Bridge City restricts sandpit operations while oil and chemical plants surrounding her land "spew and pump wastes and pollutants."

Portions of her land inside the city limits was zoned residential last year, leaving her in worse shape than before, she says.

Mrs. Rose bought the land in 1950 and has leased it on a royalty basis until a few years ago. In 1977, she says, she was determined to "reap the harvest of my labors" and operate the pit herself.

That's when she opened up a "Pandora's Box" and thrust herself into a terrifying nightmare "from which I am yet to awaken," she says.

She was preparing to apply to the federal government for a Small Business Administration loan when her engineer who was helping her with her "workup" told her to contact the Corps for a determination of their jurisdiction, if any, over her property, Mrs Rose says.

Within a few days after, "all the years of struggle and dreams for the development of my land were shattered," she says.

A representative of the U.S. Fish and Wildlife Service, Alan J. Mueller, met with Mrs. Rose and told her they would recommend opposing the issuance of a sandpit permit.

"The government is doing this to people all over the country," she says. "It's running rampant over its citizens."

She has even considered filling and "inverse condemnation" suit against the federal government, which would force it to buy the land for the amount of money which she thinks she could get from it if she was able to continue selling the dirt.

"People have asked me 'Why don't I give up.'" she says.

Her answer was simple.

"You don't stop fighting if you want to live in a free America."

[Editorial from the Bayshore Sun, Dec. 9, 1979]

PROTECTING WHOM?

There is no doubt that protection from man's greed and exploitation is needed. Not only the environment, but individuals themselves need protection from their fellows.

It is evident that rules and regulations are necessary to draw lines past which people cannot exploit each other or their world.

The Ayatollah Ruhollah Khomeini has vividly dramatized the chaos that results when international rules are flagrantly and irresponsibly flaunted.

Just as international restraints are necessary to prevent the destruction of civilization, just as laws are necessary to protect life and property of one individual against a larger, stronger, greedier one, so rules and regulations are necessary to halt the wanton ravaging of the earth.

However, the chief beneficiary of all that protection is man himself, not the earth or the water or the flora or fauna.

When rules and regulations ignore the needs of man they have lost their purpose.

The impracticability of well intentioned rules and regulations imposed by a body so far removed from the locale affected that mitigating conditions cannot be taken into account hits home to us in ever-increasing ways as they come closer and closer to our daily lives.

According to Bill Wooley of the Galveston District Office of the U.S. Army Corps of Engineers a project to provide another outlet from Clear Lake to Galveston Bay that would relieve flooding in several counties has been held up 20 years because of claimed damage to estuaries in the Seabrook-Kemah area.

According to Jim Green of the Harris County Flood Control District, the battle of the permits has prevented improvement of Cypress Creek that has caused some residents of Harris County to be flooded seven times this year.

And simple solutions to drainage problems in our area may also meet with the same kind of opposition.

This is too much. If the definition of wetlands means all land that has ever been flooded with water remaining on it, the definition needs to be changed.

Although estuaries are sources of fish and provide food for many people, it is not necessary to make an estuary out of every plot of land that has been flooded. People have rights too.

When rules and regulations turn against citizens, it is time to change.

The time to change is now. Solutions to our drainage problems are urgently needed and solutions 20 or more years in the future are not soon enough to prevent destruction of what has been built in the rich Bayshore area.

It is time to let our representatives in Congress know what is happening. A vocal people can bring change that is vital for our continued welfare in this area.●

SSA GOVERNMENT REPRESENTATIVE EXPERIMENT CANCELED

HON. ROBERT F. DRINAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 1, 1980

● Mr. DRINAN. Mr. Speaker, on March 21, 1980, a letter was sent to the Honorable Patricia Harris, Secretary of the Department of Health, Education, and Welfare, concerning the Social Security Administration's proposed Government representative experiment. If approved, this experiment would have converted the already troubled disability hearing process into an adversarial system—by allowing Government representatives to develop a case against claimants applying for entitled benefits, while making no provision for representation to the claimant. In expressing extreme opposition to this ill-conceived proposal, I was joined by my distinguished colleagues: Mr. CLAUDE PEPPER, Mr. JAMES J. BLANCHARD, Mr. BALTASAR CORRADA, Mr. JULIAN C. DIXON, Mr. GEORGE MILLER, Mr. PARREN J. MITCHELL, Mr. JAMES L. OBERSTAR, Mr. STEPHEN J. SOLARZ, Mr. FORTNEY H. STARK, Mr. JIM WEAVER, Mr. TED WEISS, and Mr. LYLE WILLIAMS.

I am happy to report that Secretary Harris has responded favorably to our letter, deciding not to proceed with the experiment.

Our letter, along with Secretary Harris' reply, follows:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C., March 21, 1980.

Hon. PATRICIA HARRIS,
Department of Health, Education, and Welfare, Washington, D.C.

DEAR SECRETARY HARRIS: We are writing to express our concern over the Social Security Administration's (SSA) proposed experiment converting the disability hearing process into an adversarial system.

The notice appearing in the Federal Register on January 11, 1980, calls for a government representative of the SSA to prosecute cases against disabled individuals applying for social security and SSI benefits. The basic premise of the proposed experiment is the supposed unfair advantage of claimants over the government because claimants can be represented while the government is not provided with a representative. The government's efforts to redress this imbalance, however, would actually tip the balance heavily in favor of the government. Government representatives would have far greater preparation time and support services in the form of training, supervision, and technical resources than would a claimant and his or her representative.

Not only do we believe the SSA's proposed experiment to be inequitable, but we also disagree with the basic premise of the experiment. The disability hearing process was originally designed as a fact-finding forum, and the SSA's attempts to turn this forum into an adversarial process undermines the entire system. An adversarial hearing will slow down the decision process and will cause delays due to implementation of yet another bureaucratic layer. Such delays will be harmful to claimants waiting for the benefits to which they are entitled by law. Moreover, the adversarial process is bound to intimidate claimants because of the possibility of being cross-examined and confronted by government representatives. Although the overwhelming majority of claimants are low-income, they will feel compelled to seek their own representatives. And because of the scarcity of free legal resources, many of these claimants will be forced to hire private lawyers at a cost which they can ill-afford.

Even if we agreed with the basic premise of the proposed experiment, we would be forced to reject it because of fundamental flaws in the experimental design. In this letter, however, we will not go into the many methodological problems. Suffice it to note that, at all four regional hearings held last month, virtually all testimony described example after example of such problems, raising serious questions as to the objectivity of the proposed experiment.

At the present time, the majority of claimants do *not* employ representatives as might be implied under the proposed experiment. And until such time that federal policy provides representation to the claimant, this experiment appears to be totally ill-conceived. We can only assume that the proposed experiment is simply a cover by the SSA to cut back on disability benefits.

We urge you not to implement this experiment. It would only hurt those who least deserve to be targets of federal budgetcutting.

With appreciation for your attention, we are,

Sincerely,
Robert F. Drinan, James J. Blanchard, Julian C. Dixon, Parren J. Mitchell, Stephen J. Solarz, Jim Weaver, Claude Pepper, Baltasar Corrada, George Miller, James L. Oberstar, Fortney H. Stark, Ted Weiss, Lyle Williams.

THE SECRETARY OF HEALTH,
EDUCATION, AND WELFARE,
Washington, D.C., April 30, 1980.

Hon. ROBERT F. DRINAN,
House of Representatives,
Washington, D.C.

DEAR MR. DRINAN: I am responding to your March 21, 1980, letter concerning the proposed social security hearing experiment. I appreciate knowing of your concerns. It was because of these and other concerns that the Social Security Administration (SSA) conducted public hearings in the four proposed experimental locations.

We have now taken a close look at the testimony received at the public hearings and the comments in response to the Notice of Proposed Rulemaking (NPRM). As a result, we have decided not to proceed with the proposed hearing experiment at this time. In view of some of the public's suggestions, we are exploring alternative means for improving the overall adjudicatory process.

Our intention in proposing the project was not to cut back on disability benefits or "prosecute" cases, as you suggest in your letter. To the contrary, the experiment was proposed as part of an effort to improve the fairness and accuracy of the social security adjudicatory process. SSA remains committed to an adjudicatory process that will provide prompt and proper payment to those who are entitled to social security benefits.

I will be issuing a statement shortly for publication in the Federal Register to withdraw the NPRM. The statement also will describe the other proposals being considered to improve this process.

Thank you for writing. I am sending a similar letter to the other Members of Congress who joined you in writing to me.

Sincerely yours,
PATRICIA ROBERTS HARRIS.●

DRUG ENFORCEMENT ADMINISTRATION

HON. LESTER L. WOLFF

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 1, 1980

● Mr. WOLFF. Mr. Speaker, the Select Committee on Narcotics Abuse and Control has conducted extensive oversight of the Drug Enforcement Administration as well as other Federal agencies engaged in enforcing our drug laws. Under the able leadership of Mr. Peter Bensinger, DEA has established an excellent record of diligence and dedication in combating illegal drug trafficking and other drug law violations.

Over the years, members of our committee have had numerous contacts with DEA agents and find they live up to the highest standards. I specifically point to the recent seige at our U.S. Embassy in Islamabad, Pakistan. The two DEA agents assigned to the Embassy there played a major role in saving the lives of those trapped inside the burning structure and helped lead everyone to safety. Their courageous efforts are outlined in a letter, which was sent to Administrator Peter Bensinger from one of the U.S. State Department officials actually trapped inside the Embassy. I would like to include that letter in the record. I think the American public should be aware of this kind of positive action on the part of the DEA.

DEPARTMENT OF STATE,
Washington, D.C., November 29, 1979.

Hon. PETER B. BENSINGER,
Administrator, Drug Enforcement Administration, 1405 I Street NW., Washington, D.C.

DEAR MR. BENSINGER: I am sure you have followed events in Islamabad closely and by now have more information on the destruction of your DEA Office in the Embassy there. You may not be fully aware of the role your SAIC Bill Powers and SA Randy Sayles played during the sacking of the Embassy by Pakistani mobs. I was in the Embassy vault during those nearly six hours while the Embassy burned and witnessed the bravery and leadership shown by Bill and Randy in their efforts with the Marines to save us.

While it may not be stated in news reports on what happened, I want you to know that two of your men had much to do with our getting out alive. There are nearly 100 people who will be eternally grateful to Bill, Randy and the Marines.

I look forward to returning to Islamabad early next year to continue with your staff there.

Sincerely yours,
STAN SAMUELSON,
Narcotics Control Officer, INM,
American Embassy, Islamabad.

Some of the major accomplishments of DEA are particularly worthy of note:

Heroin availability, as measured by purity, fell from as high as 6.6 percent in 1976 to 3.7 percent as of third quarter 1979.

Due to the growing concern over the dramatic increase in illegal drug trafficking in marihuana and cocaine into and through Florida and other States along the eastern seaboard and the gulf coast, DEA is participating in a major law enforcement offensive against the illegal drug trafficking in these areas.

Financial investigation and forfeiture are new approaches DEA is using to combat large-scale criminal operations. This approach attacks traffickers' financial resources, thus enhancing efforts to immobilize their organizations. Since January 1978, approximately $17 million on traffickers assets have been seized.

DEA has halted the rapidly increasing PCP problem utilizing new Congressional legislation and its own regulatory authority.

The conclusion of number of major investigations including the infamous, untouchable Nicky Barnes and Jesus Manuel Araujo-Avila have disrupted previously unchecked narcotics distribution.

Training activities continue at a greater rate than ever. DEA has effectively trained over 7,000 foreign law enforcement officers and provided special training for State and local personnel in the last 3 years.

A special program to assist the States through the creation of Diversion Investigation Units (DISs) was expanded and now includes 20 States. Since 1972, 2,739 arrests have been made and 10.5 million dosage units of drugs have been seized under this program.

Increased awareness and new investigative techniques being employed in the area of illicit clandestine laboratories have resulted in the seizure of 268 illicit methamphetamine laboratories and 45 illicit amphetamine laboratories from 1975 to November 1979. The first 11 months of 1979 produced 106 methamphetamine laboratory seizures as compared to 11 in all of 1975.

I wish to assure my colleagues that the present administration of DEA under Mr. Bensinger is committed to enforcing our drug laws to the fullest extent and is not only deserving of but needs our continued support.●

CONGRATULATIONS TO THE DISTRICT OF COLUMBIA TALENT SEARCH

HON. WALTER E. FAUNTROY

OF THE DISTRICT OF COLUMBIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 1, 1980

● Mr. FAUNTROY. Mr. Speaker, I rise in ebullient support of the entertaining cultural enterprise taking place this weekend in our Nation's Capital—the District of Columbia talent search program. District of Columbia talent search has orchestrated Government, private industry, community groups, and citizens—young and old—in a masterpiece to showcase the amateur talent which abounds here in the heart of our Nation.

I am very proud to commend the organizers and participants for joining hands in a partnership to spotlight the varied artistry of amateur performers and their contributions to our culture. District of Columbia talent search has also, with the spirit of friendly competition, challenged and encouraged these artists to display their skills and gifts to their fullest potential.

This citywide endeavor gives us opportunity for pulling from the deep well of amateur talent in the District of Columbia; it also motivates and stimulates the fulfillment of dreams while keeping ever before us our cultural heritage.

For its service and success, I salute the District of Columbia talent search program and submit for the RECORD tributes from the Mayor and Council of the District of Columbia.

DISTRICT OF COLUMBIA TALENT SEARCH WEEKEND—A PROCLAMATION

Whereas, during the weekend of May 2-3, 1980, Councilman William R. Spaulding and Mobil Foundation in conjunction with the D.C. Department of Recreation, the Catholic University of America and other community and governmental organizations will sponsor the Third Annual D.C. Talent Search; and

Whereas, the D.C. Talent Search is an intensive, city-wide performing arts competition which showcases amateur talent in a unique manner; and

Whereas, during this period, D.C. residents who are 13 through 29 years of age will be able to compete in one of eleven performing arts categories and the "Best Senior Adult Act" is open to persons 62 years of age and older; and

Whereas, the D.C. Talent Search helps fill the vast cultural void that exists in many parts of our city and merges educational institutions, community organizations, government units and corporate entities in an innovative partnership:

Now, therefore, I, the Mayor of the District of Columbia, do hereby proclaim the weekend of May 2-3, 1980, as "D.C. Talent Search Weekend" in Washington, D.C., and call upon all of the residents of our city to join with me in supporting the aims, goals and programs of the D.C. Talent Search Committee during this period and throughout the year for the benefit of all the youth and senior citizens in our community and in honoring the members of the D.C. Talent Search for the outstanding cultural contributions which they make to the life of our city.

RESOLUTION OF THE COUNCIL OF THE DISTRICT OF COLUMBIA

Whereas, the D.C. Talent Search is a program designed to offer the talented youth in our city an innovative avenue through which they may channel their creative energies and;

Whereas, for the past two years the D.C. Talent Search has been sponsored throughout the District of Columbia with the assistance of the District of Columbia Department of Recreation, the Catholic University of America, the Mobil Foundation Inc., and other community organizations, and;

Whereas, an intensive city-wide search is conducted in each ward of the city to bring together the finest amateur talent in both the visual and the performing arts; and

Whereas, entrants to the D.C. Talent Search are judged on technical excellence by professionals in these fields and are given a new appreciation toward friendly competition and supportiveness of their peers in the arts; and

Whereas, the Council of the District of Columbia recognizes the tremendous work put into this project by the youth, their parents, volunteers and others and commends them for their commitment to excellence and to the youth of this city: Now, therefore, be it

Resolved, by the Council of the District of Columbia, That this resolution may be cited as the "D.C. Talent Search Day Resolution".

Sec. 2. The Council of the District of Columbia declares April 21, 1979, as D.C. Talent Search Day in the District of Columbia.

Sec. 3. This resolution shall take effect immediately upon its adoption by the Council of the District of Columbia.●

FAULTY POLICIES

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 1, 1980

● Mr. DERWINSKI. Mr. Speaker, while there is a great deal of press focus on the administration's failures and frustrations in Iran, Pakistan, and the Middle East, we seem to have forgotten the crises in the Caribbean and Central America. In a very timely article in the Chicago Sun-Times of April 29, Georgie Anne Geyer calls special attention to the administration's faulty policies in those areas. I wish to insert it at this point:

BUT HE'S STILL A HERO

(By Georgie Anne Geyer)

QUITO, ECUADOR.—A fascinating part of the story of the thousands of Cubans fleeing their country is being told here. The Cuban government is waging an all-out campaign and the Latin left is following, as always, like sheep.

It has all become so intense here that many foreign diplomats actually fear that even the mere 200 Cubans that Ecuador has promised to take may never see Ecuadorean soil.

What is happening?

The Ecuadorean left has responded like the Cuban cat's paw. The leftist intelligentsia and the leftist labor unions (both Marxist and Christian Democrat) that form the vocal Cuba lobby have taken out massive ads in the papers blaming the exodus squarely on the United States for its provocation.

Even the wonderfully descriptive words applied to the refugees—like international parasites—are precisely the same words that Castro has used. The Marxist left is nowhere known for rhetorical originality.

But perhaps the most flagrant interference of Cuba into local affairs was an article reprinted recently from the official Cuban paper, Cranma, in the big paper here, El Comercio. The other paper, El Tiempo, responded that, in the old days, the American ambassador was thrown out for less.

As well, one has to note the hesitancy on the part of many of the Latin countries to take the refugees or respond to the crisis creatively or courageously.

Venezuela comes out probably the worst, taking no one. Little democratic Costa Rica gets the medal for courage.

What is most curious about all this curious behavior is the fact that the utter failure of Cuba in economics, in freedom, in everything by every possible measure is now known. Nor is there any hope for the future. Why, then, do some vociferous Latins continue in their slavish adulation of Fidel?

It seems to me that there are several reasons—reasons we should, at this key and dangerous moment in the Caribbean, as so many countries face Marxist takeovers, take very seriously indeed.

Certainly there remains the old romance of the Cuban revolution, with all its thumbing of noses at the imperial United States. But it is also due to the vacuum—the political, economic, ideological vacuum—left by the quite literal withdrawal of the United States from the area under the Carter administration.

Not only is there virtually no counter democratic ideology being seriously supported by the United States, there is such a power vacuum that a man like Fidel Castro, who clearly could not organize a ladies barbecue, has become the military power in the area.

His army, second in the hemisphere to the United States, is everywhere. Ours is nowhere. He gets doctors and teachers and ideologues to Nicaragua and Grenada the day after the revolutions. We are paralyzed, and cannot move for months.

We must, quite simply, face the extraordinary fact that Castro is today a power down here and that we—with a president who advertises that the Caribbean is not within our sphere of vital interests—are not.

There is one further clue. The Carter administration's policies here, as in most of the Third World, have been based on the idea that Marxists are not really Marxists here and can be won over.

The case of the fleeing Cubans shows, and the response down here shows as nothing before, that this is totally false. They are serious indeed. And they must be taken as exactly what they say they are.●

DMSO: "MIRACLE" PAIN KILLER AWAITS FDA SANCTION

HON. LARRY J. HOPKINS

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 1, 1980

● Mr. HOPKINS. Mr. Chairman, I recently introduced a bill of particular interest to our older constituents, many of whom suffer from the chronic pain of arthritis. H.R. 7023 directs the National Institute of Arthritis, Metabolism and Digestive Diseases to undertake clinical studies of the effectiveness of the drug dimethyl sulfoxide (DMSO), for use by patients with arthritis.

If you saw the recent television report on DMSO by "60 Minutes," you are already aware of the enthusiastic claims regarding DMSO's effectiveness in reducing pain, inflammation, and swelling. Doctors, researchers, and users of DMSO, including our colleague, Representative Bob Duncan, testified before the Select Committee on Aging on favorable results they have achieved in using DMSO to treat a variety of ailments, including arthritis, bursitis, tendonitis, and scleroderma. More recently, the National Arthritis Foundation has endorsed DMSO for limited use as a pain reliever.

Despite this seeming progress in bringing to the public's attention a much-needed and looked-for remedy, there has been virtually no movement toward FDA approval of DMSO. The purpose of H.R. 7023 is to try and overcome years of delay in establishing once and for all the value of DMSO in at least one instance, the treatment of persons with arthritic disease.

I would like to bring to your attention an article on DMSO which appeared in the Chicago Tribune. Members who wish to cosponsor H.R. 7023 may call Martha, 5-4706.

[From the Chicago Tribune, Apr. 7, 1980]

DMSO: "Miracle" Pain Killer Awaits FDA Sanction

(By Arthur Siddon)

Washington.—Fred Belitnikoff, twice the leading pass receiver in the American Football Conference, found relief from the pain and swelling of playing injuries with the drug.

Rep. Robert Duncan (D., Ore.) has used it for years for troublesome bursitis. Janet Fuller of Tampa flies to Mexico several times a year at a cost of $1,400 a trip, for treatment for arthritis.

Dimethyl sulfoxide, commonly called DMSO has been heralded as the new wonder drug of the 1980s and decried as quackery.

Applied directly to the skin as an ointment or lotion, DMSO is said to reduce pain, swelling, and inflammation caused by a wide range of ailments from simple sprains to crippling rheumatoid arthritis.

But the Food and Drug Administration has refused to approve DMSO for general use in humans, making it illegal, for example, for the nation's 31.6 million arthritis sufferers.

"There is no evidence that DMSO alters the course of any disease or is, in any sense, a miracle drug," Dr. J. Richard Crouts, director of the FDA's Bureau of Drugs, charged.

"To suggest on the basis of the evidence available to date, controlled or uncontrolled, that DMSO is a major medical advance for any serious disease, let alone a variety of such diseases, is misleading."

The growing legions of DMSO advocates—including some distinguished physicians—challenge the FDA's position on DMSO and accuse the agency of moving slowly in ruling on the safety of DMSO.

The drug, a byproduct of paper manufacturing, has been used as an industrial solvent since the 1940s.

Veterinarians first used it on animals and today it is commonly used to ease the pain and swelling of joint injuries on race horses. When rubbed on the joint as an ointment, it was found to be effective in 95 percent of cases.

In the early 1960s the drug began to be used widely on humans, especially for the treatment of sprains, bruises, and minor burns.

Then in November, 1965, after an estimated 100,000 patients had received the drug, the FDA suddenly stepped in and stopped all clinical use of DMSO because of potential eye damage to patients.

Studies showed, the FDA said, that some experimental animals treated with the drug had experienced changes in the refractive index of the eye lens.

Since then, despite numerous applications for permits to use the drug for various ailments the FDA has approved its use for interstitial cystitis, a troublesome bladder disease in which the inner middle layers of the bladder wall swell. That was in 1978.

Meanwhile, both the legal and illegal use of the drug has become widespread among persons suffering from ailments with chronic pain.

Some obtained it from clinical laboratories that were legally testing the drug, while others got it from veterinarians, underwent treatment in Mexico where it is legal, or even obtained it from industrial sources, where it retails for around $5 a gallon.

Dr. Graham Reedy recently testified before the House Select Committee on Aging that when he first became a team physician for the Oakland Raiders football team, he found players had been obtaining the drug from jockeys at the Golden Gate Race Park.

Because of players' success with the drug, Reedy said he got some from Dr. Stanley Jacob, associate professor of surgery at the University of Oregon Medical School, who was conducting clinical research on DMSO.

In 70 to 80 per cent of the cases, Reedy said, he received "good to excellent results by reduction of swelling and pain" in using the drug on football injuries.

"Probably the most dramatic was in a severe elbow contusion to Bobby Moore after a pileup during a football game," he said.

"His swelling had been severe and was increased to two times the elbow's normal size. During the initial application immediately after the game, actual dimpling was observed as the swelling was reduced. . . . It was also noted that significant pain reduction was experienced."

Reedy said he detected two side effects to the drug: a skin reaction in some fair-skinned persons and a "clam-oyster type breath" that lasted for about 72 hours after drug application. The breath condition was resistant to mouth washes or deodorizer, and bothered players who said it ruined their love lives.

The Oregon congressman, who used DMSO for his bursitis sympathized with the players. "Mrs. Duncan can't stand the smell," Rep. Duncan confided.

Duncan is an unabashed advocate of the drug. While recognizing the FDA's caution in insuring the drug's safety, he says the agency's position is ridiculous.

"The FDA requires high standards of proof, nearly impossible to attain, before it allows a drug to be prescribed," he explained. "In many cases, it seems they require absolute proof not only of efficacy but of no negative effects.

"I have been told that they are satisfied that it works, that the side effects are acceptable, but that they do not know how it works—how it does what it does. If we held aspirin to the same standard, it most certainly would not be freely available on today's market."

The FDA, however, replied that it does not yet have the necessary data from testing to issue ruling.

Although the FDA now has on file 16 "active investigation" new drug applications for DMSO, none of the applicants is studying DMSO for use in rheumatoid arthritis. The FDA has had such applications in the past but they were withdrawn before testing was completed.

An FDA spokesman said that because DMSO is so cheap to manufacture, apparently the large drug firms are not interested in marketing it unless they can get an exclusive patent.

"The profit isn't there and it would be competition for their other, more expensive arthritic drugs," he admitted.

Curiously, the Arthritis Foundation has taken a negative stand on DMSO.

"The scientific issues concerning DMSO's effectiveness and safety have been clouded by emotionalism," said Charles Bennett, the foundation's vice president.

"There are people who think the Arthritis Foundation is against DMSO. That's not true at all. We would be delighted if it proved through a full course of controlled clinical testing to be a truly effective remedy for arthritis."

However, the Foundation moved in 1977 to block legislation in Congress which would have permitted the use of DMSO in individual states, and it acts to discourage arthritis patients from going to Mexico for DMSO treatments.

During the last eight years, border arthritis clinics have sprung up in Mexico, where a growing number of arthritis suffers have gone for DMSO treatment.

Usually, the patients spend two or three days in Mexico, receiving DMSO intravenously. When they leave, they take with them a supply of DMSO pills.

"They are getting help for their arthritis, but the switch here is that it's not DMSO that's doing it," Bennett charged. "Investigation has shown that patients actually get other medication that is generally available in the U.S. but prescribed with caution because of risks."

What frustrates DMSO promoters is that neither the Arthritis Foundation nor the FDA has flatly said that DMSO is a fraud. They just say it has not been proved beyond a doubt to be safe and effective.

There are signs, however, that the FDA might reluctantly be changing its position.

"I think that in the very near future you will be seeing the FDA approve some additional uses for DMSO," said an FDA spokesman.●

SENATE—*Friday, May 2, 1980*

(Legislative day of Thursday, January 3, 1980)

The Senate met at 10 a.m., on the expiration of the recess, and was called to order by Hon. DAVID L. BOREN, a Senator from the State of Oklahoma.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Let us pray.

O God, the Father of Man and the Ruler of Nations, we thank Thee for this Nation, born in Thy faith and nourished in Thy truth. We commend to Thy care and to the guidance of Thy spirit all who serve in the Government that they may be given wisdom and strength to know and to do Thy will. Amid all the turbulence and changes of the present age, may all the people hold steadfast to that vision of a kingdom whose builder and maker is God.

Now unto Him that is able to keep you from falling, and to present you faultless before the presence of His glory with exceeding joy. To the only wise God our Saviour, be glory and majesty, dominion and power, both now and ever.—Jude 1: 24, 25.

Amen.

APPOINTMENT OF THE ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. MAGNUSON).

The assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., May 2, 1980.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable DAVID L. BOREN, a Senator from the State of Oklahoma, to perform the duties of the Chair.

WARREN G. MAGNUSON,
President pro tempore.

Mr. BOREN thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE MAJORITY LEADER

The ACTING PRESIDENT pro tempore. Under the previous order, the majority leader, the Senator from West Virginia, is recognized.

Mr. ROBERT C. BYRD. Mr. President, I yield to the Senator from Wisconsin (Mr. PROXMIRE).

Mr. PROXMIRE. Mr. President, I thank the distinguished majority leader.

A SERIOUS SITUATION

Mr. PROXMIRE. Mr. President, unfortunately, this morning, there is bad news for the Nation's economy. The most closely watched statistic we have in this country is the unemployment index. The Bureau of Labor Statistics has disclosed that it went from 6.2 to 7 percent last month. That is a body blow for the economy. It may or may not spell the end for the prospect of a balanced budget for the coming year.

Many people say it will spell the end of it. It well may. I do hope the Senate will keep its powder dry and realize that, as serious as the situation is, we must not rush in with jobs programs which, on the basis of past experience, will take years to put into effect. If we must take fiscal action to meet this situation, we should do it with tax reductions and tax reductions calculated to fight inflation at the same time.

Inflation persists as an overwhelming economic problem. It may be rivaled now by unemployment, which is up for not just a few of our people, but our primary breadwinners—an increase from 6.2 to 7 percent, the biggest drop in jobs since December 1974. So the economic outlook is bleak. That has great political implications, but very serious implications, for what the Senate will have to do on economic legislation over the next few months.

THREAT OF GENOCIDE IN PARAGUAY

Mr. PROXMIRE. Mr. President, yesterday, I spoke of the death and suffering of the Indians in northern Brazil. These people are the pathetic victims of a tragedy which has become for them a daily reality. Similar scenes occur in other remote corners of South America. In particular, the assault upon the Ache Indians of Paraguay is a grievous and unforgivable offense.

Paraguay has allowed a heavy verdict to be rendered against the Ache Indians. This tribe is being systematically destroyed in an organized assault. Many have been hunted and murdered by armed raiding parties. Others have been captured, enslaved, and culturally degraded by a subsistence existence of menial labor and incarceration on small reserves. Use of their language is discouraged, and religious and cultural rites are prohibited. Nearly 50 percent of the Indians are estimated to have been killed or enslaved in recent years.

Ruthless events are consuming the lives and spirits of these peaceful and once proud people. Those who survive the raiding parties inevitably succumb to disease and despair. Unfortunately, the Ache have little contact with the outside world aside from their persecutors. Anthropologists and representatives of the Roman Catholic Church have attempted to publicize these incidents but little was done to halt the crimes. Many have tried to convey the enormity of the suffering of the Ache Indians, but few have been so thorough and forceful as Richard Arens in his book "Genocide in Paraguay." In this book, he speaks of the melancholy which pervades the Ache Nation, and of the "weeping songs" in which the singer laments the end of the Ache Nation and regards himself as half dead.

We are not yet certain of these charges of genocide, but the events in Paraguay compel us to speak out. Who can deny that the United States ought to be concerned with the protection of human life and dignity? What can be more basic to this obligation than the declaration of genocide as an international crime? Should there not be a treaty, a body of international law, which outlaws the mass murder of a national, ethnic, racial, or religious group? Are we not a nation devoted to the rule of law?

I say yes. Further delay on the Genocide Convention is inconceivable and grows more so with each passing year and each inactive Senate session.

Mr. ROBERT C. BYRD. Mr. President, I yield to Mr. MORGAN, the distinguished Senator from North Carolina.

THE MISSION IN IRAN

Mr. MORGAN. Mr. President, I want to make an observation or two about last week's valiant efforts on the part of the Chief Executive of our country to rescue the Americans who are being held hostage in Iran. I think it was a valiant effort on the part of both the Chief Executive and the members of the Military Establishment who were involved in it. The fact that it was not successful because of mechanical failures and difficulties does not, in my mind, detract one iota from the rightness of the action or the bravery and courage of those persons who were involved in it.

I was in North Carolina when the news of the effort broke. Since that time, I have traveled in a number of States and I have just returned from North Carolina again this morning. The people overwhelmingly, whether Democrats or Republicans, whether pro-Carter or not, support the President's efforts in attempting the rescue.

I think there is a little bit of concern, Mr. President, among the American people, or at least among the people with whom I have been associating, about the tendency of Congress and the American news media to engage in Monday morning quarterbacking or second-guessing the President after the events have happened. I make a plea to my colleagues, not only in the Senate but in the House, to act with restraint in this matter.

I am sorry to say that the first news I heard of the rescue efforts was on an early morning television show, and there I saw two of my colleagues demanding an investigation before I even had time to hear reports of the event itself. I think it is regrettable that we in Congress are willing to try to second-guess the President in the world media before the facts are even known to those most entitled to them.

The night before last, I watched an ABC news program which I thought was reprehensible. The anchorman on the late show came onto the screen and said that, according to a reliable source, Colonel Beckwith, the rescue team's commander, was opposed to scrubbing the mission. Then he said, "We are now taking you to a small town in Georgia," and the name of the town slips my mind, "where we'll talk with Colonel Beckwith's brother."

There, in an insurance office in Georgia, another ABC newsman reiterated the statement that, according to the colonel's brother, it was unlikely that the colonel would have recommended scrubbing the effort.

In the first place, if that were the colonel's brother's speculation, I really think that it is stretching it pretty far to quote him that way in the news media. Then the newsman turned to the colonel's brother, who did not even substantiate what had been said. When asked if he thought the colonel would have recommended scrubbing the mission, his statement was:

> I do not believe my brother or the President or anyone else would have scrubbed the mission without adequate reasons.

Then the program turned back to Washington and that was it.

Last night, the same ABC news show, after Colonel Beckwith's news conference, in which the colonel emphatically stated that he did recommend scrubbing the mission, devoted almost its whole program to the Cuban refugees. Only in the last 15 or 30 seconds was the Beckwith news conference just mentioned, notwithstanding the fact that great emphasis was given the night before to a speculation that the colonel did not recommend scrubbing the effort.

What I am saying, Mr. President, is that I do not believe it serves the cause of our country or those Americans being held hostage, for us to speculate and rehash and investigate, before the whole world, what has happened or what did happen.

There have been some questions raised, primarily by the media, about whether the War Powers Act was violated because Members of Congress were not informed. I am not sure whether the War Powers Act required it or not. If it did, that may be a question the Senate will want to investigate. But I would plead with my colleagues to do it behind closed doors, and not before the world's microphones and television cameras, where we would only further degrade America in the eyes of the people.

A superintendent of the public schools of a large county in North Carolina said to me last night that the mission had certainly been a great success in one way, if no other, in that at long last one mission had been carried out in this country without it first being leaked to the news media.

I think that is the feeling of the American people. So I sound this word of caution.

I was a private citizen back in North Carolina during the Vietnam war. I do not know the rights and wrongs of that war. But I have a vivid recollection of the chairman of the Foreign Relations Committee grilling Dean Rusk on television, nationwide television, which, in effect, was worldwide television, about the policies and practices of that war.

I do not know what the feeling was in Washington, but the feeling back in North Carolina generally was that we could not possibly hope to win that war with every strategy and every action being debated by the Congress before the world.

I realize that we in the Congress have responsibilities of oversight, and investigations are part of that responsibility. But when we are dealing with national security, I plead with my colleagues to do it in executive sessions. Let us not do it on nationwide television if, in doing so, we would tend to damage the national image and national security of this country.

I thank the majority leader.

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, may I ask the acting minority leader if he wishes any time?

Mr. STEVENS. Mr. President, I would be happy to yield back time on this side. I will yield it to anyone who might want it.

Mr. ROBERT C. BYRD. Will the distinguished acting minority leader yield to the distinguished Senator from Oklahoma (Mr. BOREN) who wishes to address the Senate?

Mr. STEVENS. Mr. President, I am delighted to yield such time as he may need to the Senator from Oklahoma.

Mr. ROBERT C. BYRD. I thank the acting leader.

The PRESIDING OFFICER (Mr. MORGAN). The Senator from Oklahoma (Mr. BOREN) is recognized.

HEALTH INCENTIVES REFORM ACT

Mr. BOREN. Mr. President, on April 28, 1980, the Minneapolis Tribune published an excellent editorial in support of Senator DAVID DURENBERGER'S Health Incentives Reform Act. The editorial expresses the view, held by a steadily growing number of our colleagues in the Congress, that Senator DURENBERGER'S bill is a realistic, hopeful approach to the difficult problem of rising health costs.

I am privileged to be a cosponsor of the Health Incentives Reform Act, and I compliment my good friend from Minnesota for providing the leadership in the Senate on this important issue. I know that every Member of the Senate will find the editorial from the Minneapolis Tribune of great interest, and I ask unanimous consent that it be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

REALISM AND HOPE ABOUT HEALTH-CARE COSTS

There is much realism and some hopefulness in current congressional discussions of health-care costs and health-insurance proposals. The realism recognizes that neither cost control by federal regulation nor expanded health coverage by federal spending can win many votes in 1980. Bills to put limits on hospital spending have run aground on specific objections and on general resistance to increased federal rulemaking. Proposals for federal health insurance cannot get past the obstacle of their staggering expense. The hopeful counterbalance to these considerations is a growing interest in structural reform of the medical marketplace.

In that marketplace health-insurance plans cover four out of five people for hospital care and 40 percent for visits to doctors' offices. Usually the insurance comes as a fringe benefit, partly or wholly paid for by employers. But with broad freedom from worry about medical expenses come powerful incentives to run health-care costs up instead of to curb them. Patients are inclined to welcome care or diagnosis they may not need, because, after all, it seems to be free. Physicians are rewarded for "over-doctoring," because they are paid a fee for each service. And hospitals find it easy to let costs escalate, because for them more costs mean more revenue. With the best of motives throughout the system, the system itself is biased toward extravagance.

In other markets such bias is corrected by competition. Can competition be required in the medical field without doing damage to health-care quality, without hindering insurance coverage and without depriving the nonwealthy of good medicine? Prominent among congressmen pushing for positive answers is Minnesota's Sen. Dave Durenberger. His bill for health-incentives reform aims at the heart of health-care extravagance. It does so by setting three novel requirements that would change the pattern of present health-care purchases.

First, the bill encourages employers to offer their employees a choice of at least three health-benefit plans. Without such a choice, employees would have to count their health-plan fringe benefits as taxable income. The requirement would stimulate both workers and employers to shop for a variety of health-benefit providers. It would also encourage competition among providers to get their plans on the employers' lists.

Second, the dollar amount paid by an employer would be the same for each health-benefit plan that employees were offered. By this requirement the Durenberger bill sharpens the choice for every beneficiary. If a company paid $70 monthly toward plans that cost $80, $90 and $100, workers would have to weigh the different benefits offered against the different amounts to be deducted from their paychecks. Since all qualified plans would meet minimum standards, including uniform catastrophic coverage, competition for subscribers would be largely on the basis of relative efficiency. In health care now, that kind of competition is rare.

Third, Durenberger's bill would set dollar limits on the amounts employers could pay as untaxed contributions to health-benefit plans. This provision will be strongly resisted, since many large employers now pay more than the limits proposed. For their workers, some tax-free fringe benefits would presumably be converted to taxable pay raises. Then, if employees still wanted an expensive health plan, they would have to pay the extra cost themselves. Making the costs visible, giving consumers a choice and inviting vigorous cost competition are Durenberger's prescription for a healthier medical marketplace.

The prescription is persuasive because it aims to treat causes rather than symptoms. Unless causes are dealt with, health-care costs can only continue on a runaway course. And without curbing costs there is little possibility of extending coverage to people who now lack it. Durenberger's bill combines realism and hope in an effort to move the nation's health-care system forward.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there now be a period for the transaction of routine morning business, that it may extend not beyond 30 minutes, and that Senators may speak therein up to 5 minutes each.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

EXTENSION OF ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the period for routine morning business may extend for 1 hour and that Senators may speak therein.

The ACTING PRESIDENT pro tempore. Without objection, it is so so ordered.

THE UNITED STATES SENATE

Mr. ROBERT C. BYRD. Mr. President, on Friday 2 weeks ago I spoke of the office of majority leader in the Senate and about his role in Senate procedure.

I wish to continue at this time to discuss the subject of Senate leadership. I wish to have printed in the RECORD some tables.

First, I should say that unofficial sources of information disclose that, at least since 1893, both parties meeting separately have been formally electing a Senator from their ranks to serve as chairman of their conferences or caucuses.

As I indicated in an earlier statement, the Democratic leader serves not only as the leader but also as chairman of the Democratic Party conference, as chairman of the Democratic Steering Committee, and as chairman of the Democratic Policy Committee.

The tables which I shall now ask unanimous consent to have printed in the RECORD will give the names of Senators elected by each party, together with their years of service. Table I consists of the caucus chairmen beginning with Arthur P. Gorman of Maryland, a Democrat, in 1893, and with John Sherman of Ohio, a Republican, beginning in 1893. Table II is comprised of information taken from the minutes of the caucuses or the conferences of each party, and it gives a complete list—since 1903 for the Democrats and since 1911 for the Republicans—first, of the chairmen of the conferences of each party and then the "leaders" of each party after each party began to so designate them, and that table begins with Arthur P. Gorman of Maryland, Democrat, elected March 16, 1903, and on the Republican side begins with Shelby M. Cullom of Illinois, elected April 4, 1911.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

TABLE I.—*Caucus chairman (floor leaders)*

From Unofficial Sources in the Period Predating the Caucus Minutes.

[The name of the leader is in roman type when his party was in the majority and in italic type when his party was in the minority]

DEMOCRATS

Arthur P. Gorman (Md.) 1893–95.
Arthur P. Gorman (Md.) 1895–98.

REPUBLICANS

John Sherman (Ohio) 1893–95.
John Sherman (Ohio) 1895–97.
William B. Allison (Iowa) 1897.

* * * * *†

DEMOCRATS

John T. Morgan (Ala.) 1901–02.
James K. Jones (Ark.) 1902–03.

REPUBLICANS

Eugene Hale (Maine) 1901–02.
Orville Platt (Conn.) 1902–03.
George F. Hoar (Mass.) 1903.
Eugene Hale (Maine) 1903–04.
William B. Allison (Iowa) 1904–06.
Eugene Hale (Maine) 1906–07.
William B. Allison (Iowa) 1907–08.
Nelson W. Aldrich (R.I.) 1908–09.
Eugene Hale (Maine) 1909–10.
Shelby Cullom (Ill.) 1910–11.

TABLE II.—*Caucus chairman and floor leaders of the Senate as determined from the caucus minutes of the two major parties*

[The name of the leader is in roman type when his party was in the majority and in italic type when his party was in the minority]

DEMOCRATS

Arthur P. Gorman (Md.). Elected March 16, 1903. Died June 4, 1906.

Joseph C. S. Blackburn (Ky.). Elected June 9, 1906. Term ended March 3, 1907.

Charles A. Culberson (Texas). Elected Dec. 3, 1907.

Hernando D. Money (Miss.). Elected Dec. 9, 1909. Term ended March 3, 1911.

Thomas S. Martin (Va.). Elected April 7, 1911.

John W. Kern (Ind.). Elected March 5, 1913. Term ended March 3, 1917.

Thomas S. Martin (Va.). Elected March 6, 1917.

Thomas S. Martin (Va.).[1] Democrats in minority. March 4, 1919. Died Nov. 12, 1919.

Oscar W. Underwood (Ala.).[2] Elected April 27, 1920.

Joseph T. Robinson (Ark.). Elected Dec. 3, 1923.

REPUBLICANS

Shelby M. Cullom (Ill.). Elected April 4, 1911.

Jacob H. Gallinger (N.H.). Elected March 5, 1913. Died Aug. 17, 1918.

Henry Cabot Lodge (Mass.). Elected August 24, 1918.

Henry Cabot Lodge (Mass.). Republicans in majority. March 4, 1919. Died Nov. 9, 1924.

Charles Curtis (Kansas).[2] Elected Nov. 28, 1924. Resigned March 3, 1929.

James E. Watson (Ind.). Elected March 5, 1929. Term ended March 3, 1933.

DEMOCRATS

Joseph T. Robinson (Ark.), Democrats in majority March 4, 1933. Died July 14, 1937.

Alben W. Barkley (Ky.). Elected July 22, 1937.

Alben W. Barkley (Ky.), Democrats in minority Jan. 3, 1947. Resigned Jan. 19, 1949.

Scott W. Lucas (Ill.), Elected Jan. 20, 1949. Term ended Jan. 3, 1951.

Ernest W. McFarland (Ariz.), Elected Feb. 22, 1951. Term ended Jan. 3, 1953.

Lyndon B. Johnson (Texas). Elected Jan. 2, 1953.

Lyndon B. Johnson (Texas), Democrats in majority Nov. 10, 1953.[3] Resigned Jan. 3, 1961.

Mike Mansfield (Mont.), Elected Jan. 3, 1961. Term ended Jan. 3, 1977.

Robert C. Byrd (W. Va.). Elected Jan. 4, 1977.

REPUBLICANS

Charles L. McNary (Ore.). Elected March 7, 1933. Died Feb. 25, 1944.

Wallace H. White, Jr. (Maine).[4] Elected Jan. 4, 1945.

Wallace H. White, Jr. (Maine), Republicans in majority Jan. 3, 1947. Term ended Jan. 3, 1949.

Kenneth S. Wherry (Neb.). Elected Jan. 3, 1949. Died Nov. 29, 1951.

Styles Bridges (N.H.). Elected Jan. 8, 1952.

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† Data missing for this period.

[1] Senator Hitchcock served as acting leader for a while until Underwood was elected on April 27, 1920; when the caucus first met to elect a leader following the death of Martin, the vote was a tie between Hitchcock and Underwood.

[2] These were the first men to actually be called "floor leaders" in the caucus minutes.

[3] With the death of Robert Taft of Ohio and his replacement by Thomas Burke on November 10, 1953, the division was 48 Democrats, 47 Republicans and 1 Independent. William F. Knowland remained majority leader, however, until the commencement of the 84th Congress in 1955. (See 83 *Cong. Rec.* 2217, Feb. 24, 1954.)

[4] In 1940 at the request of Senator McNary, Senator Austin served as acting leader and in succeeding years until he became leader, Senator White served as acting leader.

Robert A. Taft (Ohio). Elected Jan. 2, 1953. Died July 31. 1953.

William F. Knowland (Calif.). Elected Aug. 4, 1953.

William F. Knowland (Calif.), Republicans in minority Nov. 10, 1953. Term ended Jan. 3, 1959.

Everett McKinley Dirksen (Ill.). Elected Jan. 7, 1959. Died Sept. 7, 1969.

Hugh Scott (Pa.). Elected Sept. 24, 1969. Term ended Jan. 3, 1977.

Howard H. Baker, Jr. (Tenn.). Elected Jan. 4, 1977.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that a table be printed in the RECORD which will indicate the seniority of majority and minority leaders of the U.S. Senate, which table will show that, by and large, the Senators who have become leaders of their parties had rather active roles in the Senate before moving to that position. Thirteen, for example, have held the chairmanship of a standing committee before their respective party conferences voted to elect them as their party leader. So, I ask unanimous consent that that table, which I will designate as table III, be printed in the RECORD at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE III.—SENIORITY OF MAJORITY AND MINORITY LEADERS OF THE SENATE (1911–)

Democrats	Years of service in Senate		Republicans	Years of service in Senate	
	Before becoming leader	As leader		Before becoming leader	As leader
Byrd of West Virginia	18	(1)	Baker	10	(1)
Mansfield	8	16	Scott	10	7
Johnson	4	8	Dirksen	8	10
McFarland	10	2	Knowland	9	5
Lucas	10	2	Taft	14	1
Barkley	10	11	Bridges	15	1
Robinson	10	14	Wherry	6	2
Underwood	5	3	White	13	3
Kern	2	4	McNary	15	11
Martin [2]	16	5	Wa son	13	4
			Curtis	10	4
			Lodge	26	5
			Gallinger	22	5
			Cullom	17	2

[1] Since 1977.

[2] Broken terms.

Mr. ROBERT C. BYRD. Mr. President, one Senator, Mr. Lodge of Massachusetts, had previously been chairman of four standing committees and was chairman of one committee during his leadership. Ten of the 24 leaders were chairmen of committees while serving simultaneously as leader of their party but a number of the others decided not to continue their committee chairmanships after having been elected leader.

None of each of the four most recent Democratic and Republican majority or minority leaders, respectively, served as the chairman of a standing committee prior to their election as leader.

Of these eight Senators only two held a standing committee chairmanship at all. Lyndon Johnson was chairman of the Aeronautical and Space Sciences Committee from 1958 to 1961 and Mike Mansfield was chairman of the Rules and Administration Committee from 1961 to 1963.

I ask unanimous consent, Mr. President, to have printed in the RECORD a table which will indicate—beginning with Thomas Martin of Virginia, a Democrat 1911, and beginning with Shelby Cullom of Illinois, a Republican, 1911—the Senate majority or minority leaders with prior concurrent or subseqeunt service as standing committee chairmen. This will represent table IV.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE IV.—SENATE MAJORITY OR MINORITY LEADERS WITH PRIOR, CONCURRENT, OR SUBSEQUENT SERVICE AS STANDING COMMITTEE CHAIRMEN[1]

Majority or minority leader	Tenure as leader	Service as committee chairman			Majority or minority leader	Tenure as leader	Service as committee chairman		
		Prior	Con-current	Subse-quent			Prior	Con-current	Subse-quent
Democrats:					Republicans:				
Thomas Martin (Virginia)	1911–13 1917–19	X	X		Shelby Cullom (Illinois)	1911–13	X	X	
John Kern (Indiana)	1913–17		X		Jacob Gallinger (New Hampshire)	1913–18	X	X	
Oscar Underwood Alabama)	1920–23	X			Henry Cabot Lodge (Massachusetts)	1918–24	X	X	
Joseph Robinson (Arkansas)	1923–37	X			Charles Curtis (Kansas)	1924–29	X	X	
Alben Barkley (Kentucky)	1937–49	X	X		James Watson (Indiana)	1929–33	X		
Scott Lucas (Illinois)	1949–51	X			Charles McNary (Oregon)	1933–44	X		
Ernest McFarland (Arizona)	1951–53				Wallace White (Maine)	1945–49		X	
Lyndon Johnson (Texas)	1953-61		X		Kenneth Wherry (Nebraska)	1949–51			
Michael Mansfield (Montana)	1961–77		X		Styles Bridges (New Hampshire)	1952–53	X		X
Robert Byrd (West Virginia)	1977–				Robert Taft (Ohio)	1953–	X		
					William Knowland (California)	1953–59			
					Everett Dirksen (Illinois)	1959–69			
					Hugh Scott (Pennsylvania)	1969–77			
					Howard Baker, Jr. (Tennessee)	1977–			

[1] Table prepared by Robert A. Keith, research analyst, Congressional Research Service, Library of Congress.

Mr. ROBERT C. BYRD. Since 1927 the Democratic leader, and since 1937 the Republican leader, respectively, have continuously occupied the center aisle front row seats on the same side that their party members occupy.

Senator Oscar W. Underwood was the first leader to occupy one of these two seats to which he was assigned from 1921 to 1923 while leader of the Democrats, but he then retained it until 1927 even while Senator Joseph T. Robinson was the Democratic leader.

Seat assignments in the Senate are generally made based on seniority of service, with a pattern of giving the new Members the back row seats farthest from the center aisle.

Then, as Members depart from the Senate, the seats are reassigned and, as a general rule, the more senior Members are moved downward toward the front row and nearer the center aisle.

The two front row desks on each side of the center aisle are now occupied by the majority and minority leaders and the majority and minority whips. Mr. CRANSTON is the Democratic whip and Mr. STEVENS is the Republican whip.

So this enables the majority leader and the majority whip and the minority leader and the minority whip, respectively, to work together and to more effectively discharge their duties as floor leaders and assistant leaders.

I should say this also puts them directly in the line of vision of the Chair. The majority leader, as I believe I indicated in an earlier statement, is accorded the courtesy and prerogative of first recognition even though the Senate rule states that the Chair shall recognize the Senator who first rises and addresses the Chair. The majority leader is accorded that prerogative.

So, having the front seat in the center of the aisle puts the majority leader directly in the line of vision of the Chair, where the majority leader can be easily recognized.

Having the majority whip adjacent to the majority leader in the seating arrangement makes it possible for the majority whip—in the event the majority leader is off the floor—to also be almost directly in a straight line of vision to the Chair.

The same thing can be said for the minority leader and minority whip.

Mr. President, I ask unanimous consent to have printed in the RECORD a table—designated V—showing the occupants of the front row seats on either side of the U.S. Senate center aisle from 1920 to date.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE V.—CHART SHOWING THE OCCUPANTS OF THE TWO FRONT ROW SEATS ON EITHER SIDE OF THE CENTER OF THE U.S. SENATE FROM 1920 TO DATE [1]

Year	Republican side occupant	Democratic side occupant
1920–21	LaFollette	Chamberlain.
1921–23	LaFollette	Underwood.[2]
1923–25	LaFollette	Underwood.
1925–26	Cummins	Underwood.
1926–27	Phipps	Underwood.
1927–31	Phipps	Robinson.[2]
1931–33	Capper	Robinson.[2]
1933–36	Capper	Robinson.[3]
1937	McNary [2]	Robinson.[3]
1938–44	McNary [2]	Barkley.[3]
1945–46	White [2]	Barkley.[3]
1947–48	White [3]	Barkley.[2]
1949–50	Wherry [2]	Lucas.[3]
1951	Wherry [2]	McFarland.[3]
1952	Bridges [2]	McFarland.[3]
1953	Taft [3]	Johnson.[2]
1954	Knowland [3]	Johnson.[2]
1955–58	Knowland [2]	Johnson.[3]
1959–60 [4]	Dirksen [2]	Johnson.[3]
1961–69	Dirksen [2]	Mansfield.[3]
1969–77	Scott [2]	Mansfield.[3]
1977–	Baker [2]	Byrd of West Virginia.[3]

[1] Congressional Directory is the source of the above information.

[2] Minority leader.

[3] Majority leader.

[4] On Jan. 6, 1960, the Republican Conference confirmed that the front row center aisle seat on the Republican side was to be occupied by the Republican leader.

Mr. ROBERT C. BYRD. Mr. President, in speaking of the floor leaders and whips, these officers are not mentioned in the rules. Nevertheless, as I have already indicated, they play very important parts, very important roles, in the enactment of legislation.

From many standpoints being majority leader or majority whip is a thankless task, and the same can be said for the minority leader and the minority whip. Each individual Senator knows what he would like to have done. But the floor leaders must speak not only from that standpoint, from the standpoint of the individual Senator, but also from the standpoint of the political party and what is in the best interests of the party—which might cut across the desires of the individual Member.

The majority leader must schedule legislation, and often must do so in accordance with the course and in keeping with the course of the legislative program of his own party.

Obviously, the leaders have to have the support of their party organizations. Unfortunately, there are not very many "plums" that can be distributed by the leaders to Members who support the leaders from day to day and from time to time in connection with very controversial votes.

Senators and Representatives are concerned with the States and districts they represent, and there are, comparatively speaking, few strictly party votes, certainly in recent Congresses.

But this is unfortunate because if party government is to survive, there must be present not only a semblance of, but also, and more importantly, the reality of a political organization. If there is going to be party discipline in the U.S. Senate—and without party discipline the legislative program cannot be properly coordinated and shaped nor can it be effectively achieved—there must be political organization.

If there is to be party government in the Senate—and in the other body, for that matter—Senators and Representatives cannot ignore their respective political parties, just turning to them for convenience's sake.

The leaders, with the aid of their whips and the whip organizations, have to reckon with all of the inconsistencies, the variances, the individual problems, the regional, parochial interests, of Members, and still try to hold enough supporters together to maintain a coherent and effective organization that can produce the votes when necessary in order to carry out the party's program.

I have already indicated that the floor leaders are chosen by their respective conferences or caucuses.

I often have persons outside the Senate ask me if, upon becoming majority leader, I had to relinquish my service on committees. That is not the case. In the Senate, the majority leader and the minority leader continue to serve on standing committees. I serve on the Appropriations Committee, the Judiciary Committee, and the Committee on Rules and Administration, for example.

The leaders serve only during the pleasure of the party membership of the bodies of which they are a member. And this means that every 2 years the majority and minority leaders must stand for reelection if they choose to so do, and they must turn to their colleagues for that decision.

Into the offices of the floor leaders go all of the problems—I should not say all of the problems—but many of the problems of their individual members. Often, I meet with members of my party, collectively and individually, early and late during the day. In many instances, the problems are truly individual problems of the individual members.

The work and the burdens of the majority and minority leaders cannot be underestimated; ought not be underestimated, should I say. There is no question but that they are, except by the persons who hold the respective offices.

The leader of the party is the "mitigator" for the individual ills and problems of individual Members. He is the cement that holds the party together.

The leader's knowledge of legislation must include information as to when the various committees will report bills or resolutions, so that the leader then can plan for working those particular items into the calendar. I am talking now not about the Senate calendar, because when they are reported from the committees they appear automatically on the calendar in the order in which they are reported. And the committee reports will indicate the sequence in which the various measures are reported.

Today, for instance, the last item on the calendar of general orders is Calendar Order No. 724, S. 2101, "A bill to authorize the use of certified mail for the transmission or service of matter which, if mailed, is required by certain Federal laws to be transmitted or served by registered mail, and for other purposes."

So this means that 724 measures have been placed on this calendar since the beginning of the 96th Congress. The first item on the calendar today is Calendar Order No. 11, Senate Resolution 9. The calendar states the order number, which is 11, then it states the number and author of the bill, which is Senate Resolution 9 and the author is Mr. ROBERT C. BYRD, and it states the title, "Resolution to amend the Standing Rules."

Then it indicates that the resolution was "reported by." If there is a Senator who reports the item, his name will appear in that column. It gives the date on which the resolution was reported or on which it was placed on the calendar or ordered to be placed on the calendar.

Mr. President, the fact that the first order on the calendar is shown as order No. 11 indicates that the first 10 items that were ordered to be placed on that calendar have been disposed of since the 96th Congress first convened.

The next item is Calendar Order No. 12, and the next item is Calendar Order No. 63. This means that all of the calendar items that were placed on the calendar, in sequence, numbering 13 through 62 have been disposed of in one way or another. So they no longer appear on the calendar.

Mr. President, for the convenience of those who read the RECORD, I ask unanimous consent that the first page of the General Orders Calendar as it appears today be printed in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

GENERAL ORDERS

(Under Rule VIII)

Order No., number and author of bill, title, and reported by;

11. S. Res. 9, Mr. Robert C. Byrd, resolu-

tion to amend the standing rules, Feb. 22, 1979.—Ordered placed on the calendar.

12. S.J. Res. 3, Messrs. Harry F. Byrd, Jr., Thurmond and Warner, joint resolution regarding mutual defense treaties, Feb. 22, 1979.—Placed on the calendar.

63. S. 519, Mr. Helms, a bill to preserve the academic freedom and the autonomy of institutions of higher education and to condition the authority of officials of the United States to issue rules, regulations, or orders with respect to institutions of higher education, Apr. 9, 1979.—Ordered placed on the calendar.

64. S. 520, Mr. Helms, a bill to provide procedures for calling constitutional conventions for proposing amendments to the Constitution of the United States, on application of the legislatures of two-thirds of the States, pursuant to article V of the Constitution, Apr. 9, 1979.—Ordered placed on the calendar.

80. S. 134, Mr. Helms, a bill for the relief of Shyy Wen-Huei, Apr. 24, 1979.—Mr. Kennedy, Committee on the Judiciary, without amendment. (Rept. 78.)

113. S. Res. 15, Mr. Harry F. Byrd, Jr., and others, resolution concerning mutual defense treaties, May 1, 1979.—Mr. Church, Committee on Foreign Relations, with an amendment, and an amendment to the title. (Rept. 19.) (Additional views filed.)

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the last page of today's General Orders Calendar be printed in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

GENERAL ORDERS

Order No., number and author of bill, title, and reported by:

718, H.R. 4887, an act to authorize appropriations for the San Francisco Bay National Wildlife Refuge, and for other purposes, Apr. 30, 1980.—Mr. Randolph, Committee on Environment and Public Works, without amendment. (Rept. 672.)

719, H.R. 4889, an act to extend the authorization period for the Great Dismal Swamp National Wildlife Refuge, Apr. 30, 1980.—Mr. Randolph, Committee on Environment and Public Works, with an amendment. (Rept. 673.)

720, S. 2115, Mr. Johnston, a bill to establish the Bogue Chitto National Wildlife Refuge, Apr. 30, 1980.—Mr. Randolph, Committee on Environment and Public Works, with amendments. (Rept. 674.)

721, S. 2382, Mr. Heinz, a bill to provide for additional authorization for appropriations for the Tinicum National Environmental Center, Apr. 30, 1980.—Mr. Randolph, Committee on Environment and Public Works, with amendments. (Rept. 675.)

722, S. 2639, Mr. McGovern, a bill to mitigate the adverse effects of the suspension of trade with the Union of Soviet Socialist Republics on United States agricultural producers, and for other purposes, May 1, 1980.—Mr. McGovern, Committee on Agriculture, Nutrition, and Forestry, without amendment. (Rept. 676.) (An original bill.)

723, S. 2156, Messrs. Cannon and Pell, a bill to amend the Railroad Revitalization and Regulatory Reform Act of 1976 to authorize additional appropriations for the northeast corridor improvement project, and for other purposes, May 1, 1980.—Mr. Cannon, Committee on Commerce, Science, and Transportation, with an amendment. (Rept. 677.) (Minority views filed.)

724, S. 2101, Mr. Eagleton, a bill to authorize the use of certified mail for the transmission or service of matter which, if mailed, is required by certain Federal laws to be transmitted or served by registered mail, and for other purposes, May 1, 1980.—Mr. Eagleton (for Mr. Ribicoff), Committee on Governmental Affairs, without amendment. (Rept. 678.)

Mr. ROBERT C. BYRD. Mr. President, the leader then must know how to plan the work of the Senate. To do this he must, as I say, know when the major bills and other measures will be reported from the committees of jurisdiction and be able to work them into the calendar. The calendar I am talking about now is the calendar of days: Monday, Tuesday, Wednesday, Thursday, Friday, and Saturday and so on. He must look down the road, perhaps for a month or 6 weeks or even longer, in order to do this. And he has to inform the membership at times as to what to expect by way of a program and as to when a particular measure may be expected to be called up.

The leaders usually have a working knowledge of the contents of the significant bills that have been reported by any of the various committees.

The chairmen of the various committees commonly and often consult with the majority leader. They approach him and he approaches them concerning the measures that are reported from their committees and concerning plans as to when such measures might best be called up. I also often consult with committee chairmen to get indications from them as to what kind of opposition a given measure may expect to encounter once it is called up.

The floor leader from time to time addresses the subject matter of legislation before the body. I served in the House of Representatives when Representative Rayburn, of Texas, was the Speaker. I also served there when he was the floor leader of the party. In that instance, he was the minority leader. The first year that I was a Member of the House of Representatives the Democrats were in the minority. The Speaker was Joe Martin, of Massachusetts, a Republican. The minority leader was Sam Rayburn, of Texas.

He was not a very loquacious man, he was always in attendance when the House was in session. He was directing the program and overseeing the membership of his party. He was very much like a coach with the members of his team. He was an effective floor leader and one of the most outstanding House Speakers of all time. He did not very often speak; he only spoke when he felt that his party was faced with an extremely close vote or possibly a losing fight. So if the outcome of legislation was in doubt, he did not mince any words. He spoke directly, forthrightly, and to the point.

The floor leader must decide for himself as to when he should speak on the legislation before the body.

The President of the United States often consults with the leaders of the two parties of both Houses. There is normally, under the Carter administration, a leadership breakfast that is held about once every 2 weeks. Generally, it occurs on Tuesdays. At that breakfast, the President and some of the people in his administration will sit down with the Speaker and the leaders of the other body and the President pro tempore and the leaders in this body. President Carter will sound out the leaders within his own party in the two Houses and get their information with respect to the possibilities and the problems that will confront specific pieces of legislation within the respective bodies.

Those meetings will often indicate to the leaders of his own party, the President's wishes with respect to particular pieces of legislation, his desires as to priorities to be given legislation. The leaders may or may not, as they proceed to schedule the actions within their respective bodies, follow his desires.

I assign, as a usual thing, great importance to the desires, the feelings, and the opinions of committee chairmen in this body, and the Members of the body who have amendments to measures, in my scheduling of measures to be taken up. That is not to say that I disregard the wishes of the President. They are certainly taken into consideration. But they are not the absolute top priority in every instance, by any means.

I try to keep in mind that the Senate and the House are two separate but equal bodies and that the legislative branch and the executive are separate but equal bodies.

Of course, when the President is a member of the party that is in control of the Senate and House, the relationship between the President and the majority leader of his own party in the Senate is going to be much closer than if the two individuals are of different parties.

With respect to the leadership meetings at the White House, the President from time to time also meets with the minority leadership of both Houses, separate and apart from the Democratic leaders.

There are occasions when the President will meet with the joint leadership of both Houses, including both parties.

(Mr. PRYOR assumed the chair.)

Mr. ROBERT C. BYRD. I should say again that the majority leader and the minority leader must fulfill many roles.

One of the fundamental objectives of every leader should be that of unity for the common cause. The approach will, of course, vary. That approach will depend upon the personality of the leader, his philosophy of life, but he must never lose sight of the fact that each of his colleagues must answer to his own constituency and must be independent in his own thinking in that regard. The leader has to be considerate of others. He has to have the confidence of his colleagues. He must, if he is going to be efficient in developing unity in his own party, be efficient in finding the basis in connection with each individual measure upon which to bargain, upon which to compromise, upon which to reach a consensus, because it is around that consensus that a majority of votes must be built, if a majority is to be built.

He has to have bargaining power; he ought to be coolheaded. He should be of a good temper and of a firm will. He must be fair and even-handed. He also has to have the ability to appreciate the support and help and services that are rendered by his colleagues.

He ought to be a good organizer of men and, above all, he needs to know how to work with them. And to know best how to work with them, he needs to know their problems.

He should understand the problems of individual Members within their own respective constituencies. He should know his colleagues, their personalities, their interests.

These are the attributes, I should think, of a good leader. It would be well if he could also have the attribute of being a forceful, eloquent, and articulate speaker, but not every man can be so equipped, and courses in public speaking will not avail a great deal. Nothing can take the place of speaking from the heart. The most eloquent floor leader I have seen in the Senate was the late Everett Dirksen, the minority leader for several years.

But even though a leader may not have great eloquence, may not even be one of the more effective public speakers within the body, he can be a successful leader if he possesses some or most of the other attributes which I have enumerated. Of course, I have not enumerated all the necessary attributes of a good leader.

Senator Randolph refers to me as the "leader of the Senate." Senator Randolph is my very close friend and we have worked together for 22 years here, in the Senate. But it should be said that, irrespective of the personalities involved in this particular instance, a majority leader, who is the agent of the majority in the Senate, in effect, does speak for the Senate. He is the leader of the Senate—I am not saying that the Democratic leader is always the leader of the Senate, but the majority leader, whether he be a Democrat or a Republican, is the leader of the Senate. So, Senator Randolph is very accurate when he speaks in those terms.

The minority leader speaks for his party. The minority leader does not speak for the Senate; he speaks for his party and he speaks for himself and, whether he be Democrat or Republican, that is the case.

The majority, naturally, has the preponderance of numbers and the leader of that majority speaks for the Senate.

Normally, one would expect the majority leader to produce the votes which would indicate what the sense of the Senate is. As the spokesman for the minority party, the minority leader gives close attention to all proposed legislation and he may wish to employ any parliamentary tactics that he desires in order to embarrass the majority party.

That is not to speak disrespectfully of the minority leader. I have to make it clear that, in the context of the times in which we live at the moment, the Republican Party is in the minority. But if the Democrats ever were to be in the minority, the then Democratic leader would be the minority leader, and that would be one of his functions, to cooperate with the majority where possible, but also to, not obstruct but to oppose, the majority program and, through parliamentary tactics, to embarrass the majority party if he can do so.

Occasionally, the leaders find it necessary to, perhaps not lecture, but be critical of their own Members, because of lack of good attendance, or lack of sufficient interest in the program, or lack of support for the party leader. It is easy for individual members to go their own separate ways on legislation. There are times when I am concerned that there is a lack of party cohesion and unity. That is so important if the majority party is to lead—and it is the responsibility of the majority party to lead. If it is to lead, then there must be that kind of unity, that kind of support for the party and its leader.

This is not to say that individual Members should subordinate their consciences—they should not do that—or their strong convictions. There have been many times that I have had, in my years of service in the Senate and the House, strong convictions on matters which would not permit me to support the leadership. But many matters are not highly controversial. It is not always so that the facts involved, the circumstances, or the content of the legislation are such that it arouses strong emotional convictions. There are times when Members can and often do feel that they can vote otherwise than they might have voted in order to support the leadership, in order to support their party.

Political parties are the instruments of Government. They are the instruments through which the people's voices and wills are made manifest, through which the selection of representatives of the people is made.

It is important as we develop programs in the legislative body that there be party unity, where party unity is necessary.

On many of the measures that pass this body, a party position, as such, is nonexistent. But there are often times when a party position is important.

Senator Barkley in 1945 spoke with strong feelings about the attendance of Senators. This is what he had to say:

> I do not know what has happened to the Senate of the United States.

It sounds like some of my own words, at times.

> I do not know what has happened to the Senate of the United States. I regret to say what I am going to say, but it seems to me that it has reached an all-time peak in irresponsibility of attendance on the floor of the Senate.

This was 35 years ago. He said:

> We can get but few Senators to come here while there is under consideration one of the most important matters that will be before the Senate in weeks involving billions upon billions of dollars worth of property, and, when the debate has been concluded, Senators will come trooping in, asking somebody at the door what the Senate is voting on and how they should vote. It does not present a very encouraging picture of deliberation in the Senate of the United States.

Well, Mr. President, it has always been that way, always the same. It is, to a degree, the same in my day as it was in Senator Barkley's day.

But I have to say, and with pride, that the average attendance of Senators in this Congress and in the last Congress has been very good.

Mr. President, the Senate voting attendance average for the 95th Congress was 87.80 percent. The Senate voting average for the 96th Congress—in other words, last year and this year, through May 1, yesterday—is 90.58 percent. That is a good showing for the attendance of Senators.

Mr. President, as the majority leader, I cannot always count on every Senator, or just on particular Senators, to help me when I attempt to achieve a majority of votes on matters that are important to the party, or on a controversial matter that in the judgment of the party leaders should pass the Senate.

I always have to keep this in mind—a Senator who cannot vote with me today may be the Senator who will vote with me tomorrow and give me the majority of one needed to win tomorrow's floor battle.

But a majority leader cannot carry a chip on his shoulder. He must always be cognizant of the problems of Members and always realize that, as much as they would like to, they cannot always go with him. But he can hope that here or there he will find in today's problem vote a Senator or Senators who will come to his aid and make the majority who could not come to his aid in yesterday's problem area. Those same Senators may not be able to do the same tomorrow.

The majority leader does not have much power except, perhaps, the power of persuasion. He has some power of persuasion. I often feel that my power of persuasion is minimal, and in some cases nil.

The majority leader has no absolute power, and he cannot count on the same Senator on every vote or in every controversy.

Sometimes we march up the hill and sometimes we march back down again.

Some Senators just cannot cooperate with their leader in the support of a given measure or a given bill.

But the leader has to understand this if he is to earn the respect and be entitled to the respect of his colleagues and if he expects to get their support on the tough issues.

Now, the majority leaders stay in close touch with respect to the legislative program, and many of the agreements that are worked out with respect to time on amendments, for debate on bills, are worked out between the two leaders, who contact the Members on their respective sides of the aisle, and then in formal sessions these agreements are carried out.

The minority, though powerless in a showdown, can give the majority no little trouble. So it is much better for the majority leader to work with the minority and cooperate with the minority leader, wherever feasible and possible, rather than have his opposition.

By the same token, the minority leader must keep in mind that while he may be the minority leader today, he may be the majority leader tomorrow. The shoe may then be on the other foot. He must also be mindful that the press and public will be critical of foot-dragging and obstructive tactics for partisan gain.

Mr. President, for the time being, I must leave the floor because I have some people waiting in my office. So, for the moment, I will cease my discussion, but I will return to it later.

RECESS FOR 30 MINUTES

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate stand in recess for 30 minutes.

There being no objection, the Senate, at 11:28 a.m., recessed until 11:58 a.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. LEVIN).

EXTENSION OF TIME FOR ROUTINE MORNING BUSINESS

The PRESIDING OFFICER. The Chair will announce that there are 4 minutes remaining for morning business.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the period for morning business be extended for not to exceed 30 minutes and that Senators may speak therein.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE UNITED STATES SENATE

Mr. ROBERT C. BYRD. Mr. President, in the absence of the party leaders, the floor whips act for them. The whips of the two Houses and of the two parties may or may not appoint assistants. The House whips usually have assistants and each whip will be responsible for a certain region or certain districts.

In the Senate, the whip system has developed under Mr. CRANSTON to the point now that there is an active organization of deputy whips. They meet regularly. They meet each week in the majority leader's office, at which time Mr. CRANSTON, the majority whip, chairs the meeting. Each deputy whip is assigned certain Members of the majority party to be contacted on issues that arise from time to time, and that deputy whip will be responsible for reporting on the positions of his assigned Members.

Mr. MATSUNAGA of Hawaii is the chief deputy whip under Mr. CRANSTON.

Mr. President, I ask unanimous consent that the names of the deputy whips be printed in the RECORD.

There being no objection, the names were ordered to be printed in the RECORD, as follows:

DEPUTY WHIPS

Spark M. Matsunaga, Chief; John A. Durkin, Wendell H. Ford, John Glenn, Walter D. Huddleston, Patrick J. Leahy, Donald W. Riegle, Jr., Paul S. Sarbanes, Donald W. Stewart.

Mr. ROBERT C. BYRD. The assistant whips are appointed by the majority leader and the majority whip. They are not elected to the positions by their colleagues as are the majority leader and the majority whip.

The assistant whips have the responsibility of canvassing the party membership to secure information and to pass out information.

The whip, therefore, establishes a machine or mechanism to make contact, on short notice, of the members of his whip organization and through them the members of his party throughout the Senate.

Arrangements are made so that these deputy whips can be reached quickly, wherever they may be. They, in turn, can contact the Senators who have been assigned to them to be contacted from time to time.

The secretaries to the majority and minority also serve their respective party leaders to a great extent in this regard.

For example, Mr. Joe Stewart is the secretary to the majority. He has the Democratic cloakroom under his supervision. Through that cloakroom he daily supplies me with the attendance tallies, which indicate those Senators who are expected to be absent, the time of arrival, the time of departure of Senators who may be coming in and leaving the city on that day or another given day.

As a usual thing, Mr. Stewart supplies me with the attendance sheets for at least 1 day in advance, most usually 2 days in advance, so that I am in a position to know what day is the better day or the best day on which to have a vote on a given matter.

The young men who work in the Democratic cloakroom call the various offices every morning to find out about the attendance of Senators and, from the returns that come back in from the offices, are able very quickly then to compile the attendance total for that day and, if need be, for the next day at that point. The attendance often varies from hour to hour on a given day and such information is thus helpful to the leadership.

The secretary for the majority, Mr. Stewart, also, upon my direction, will contact members of the majority party through the cloakroom phones, or individually, as to their positions on issues that will be coming before the Senate and then that confidential tally sheet is given to me. Mr. Stewart's counterpart on the Republican side—Mr. William Hildenbrand—performs the same duties as secretary to the minority.

So with this kind of organization, the floor leader can have contact with every member of his party in a short time and can have a reasonable idea as to how the majority of his party members will line up on a given matter. For those Senators who indicate that their positions are still a matter of question, the majority leader and the majority whip and the deputy whips know where to concentrate their efforts and may then personally contact those Senators themselves regarding their positions and, when possible, to secure the support of those Senators on the given issue.

Where the tally sheets show that Senators will oppose the position taken by the party or by the leadership, the majority leader, the majority whip, and the team of whips then are in a position to, in some instances, discuss the matter with those Senators and present the case for a supportive vote and occasionally are successful in getting the Members to change their position prior to the votes. However, this is not often.

There must be close consultations between the majority leader and the majority whip. The same is true, of course, on the other side of the aisle, between the minority leader and the minority whip—there must be close consultation.

The whips are primarily responsible for keeping the Members of their party in attendance during the consideration of controversial issues. The majority leader and the majority whip, the secretary for the majority, and the chief deputy and deputy whips, often consult with respect to that cardinal principle which I enunciated a few days ago—having the right Senator at the right place at the right time.

It is, from time to time, necessary for the party leadership to arrange a vote so that it will occur right at a given hour. Members may be coming in at that hour and other Members may be leaving town at that hour. So we have to determine what hour on a given day will give us the most votes in support of the issue or in opposition to the issue, whatever it may be at the time.

The vote, for example, on cloture the day before yesterday was arranged at a specific early hour because there were Members who had to leave immediately after that appointed hour. The two Florida Senators, for example, had to attend a ceremony in Florida in connection with pilots who participated in the covert action taken a week ago in Iran.

As it developed, the automatic quorum, which is required under rule XXII, required only 22 minutes and the vote occurred possibly 8 minutes before we had expected it to occur. Consequently, four of our votes on this side of the aisle did not make the vote. Hence, the timing of the rollcall on that occasion resulted in at least three or four fewer votes than we had hoped to get for cloture.

Cloture would not have been invoked even had all those votes been cast, but instead of only 53 votes, there would have been 56 or 57, or 58, hopefully. That little incident, therefore, indicates the significance and importance of accurate timing on a rollcall vote.

Mr. President, I will have more to say about the majority and minority whips of the Senate and the history and development of the party whip system in the Senate at a later time.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Saunders, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the Committee on Labor and Human Resources.

(The nominations received today are printed at the end of the Senate proceedings.)

PETITIONS AND MEMORIALS

The following petitions and memorials were laid before the Senate and were referred, as indicated:

POM-705. A resolution adopted by the Senate of the State of Arkansas; to the Committee on Banking, Housing, and Urban Affairs:

"S.R. 2

"Whereas, unless conditions change significantly, the State of Arkansas may experience a fifty percent decrease in new housing starts during 1980 and similar decreases in new housing starts may reasonably be expected in other states; and

"Whereas, since the residential construction industry affects so many other industries, any such substantial reduction in new housing starts will seriously affect the entire economy of the State of Arkansas and the nation as a whole; and

"Whereas, any such severe curtailment of new housing starts in the State will bring about unemployment of many persons in the State whose jobs either directly or indirectly depend on the residential construction business or the manufacture or processing of materials and equipment used in residential construction; and

"Whereas, Arkansas is normally one of the first areas to feel the impact of any change in national housing policy since the Arkansas residential construction industry is made up primarily of small businessmen; and

"Whereas, it is imperative that the United States Congress and other federal officials take action at the earliest possible date to provide appropriate relief to the home building industry in Arkansas and other states: Now, therefore, be it

"*Resolved by the Senate of the Second Extraordinary Session of the Seventy-Second General Assembly of the State of Arkansas,* That the Senate respectfully urges the President of the United States, the United States Congress and the Secretary of Housing and Urban Development to take appropriate action to provide relief to the home building industry including the enactment of legislation to authorize continued use of tax exempt housing development bonds at the State level and to thereby promote the continuation of programs similar to the highly successful secondary mortgage program of the Arkansas Housing Development Agency; and the enactment and funding of legislation similar to the Brooke-Cranston Housing Assistance Program, a low interest rate housing mortgage program; and any other reasonable action designed to promote the residential construction industry in Arkansas and other states: Be it further

"*Resolved* that upon adoption of this Resolution, a copy shall be transmitted to the President of the United States, the presiding officer of the U.S. Senate and the U.S. House of Representatives, and to the Secretary of the Housing and Urban Development Agency and to each member of the Arkansas Congressional Delegation."

POM-706. A resolution adopted by the Senate of the State of Hawaii; to the Committee on Banking, Housing, and Urban Affairs:

"S.R. No. 174

"Whereas, high interest rates have historically contributed to national declines in economic activity, disproportionately burdened the interest rate-sensitive construction and housing industries, and further impoverished the nation's poor; and

"Whereas, the high interest rate policy pursued and maintained by the federal government since October 6, 1979 has produced unprecedented historically high interest rates; and

"Whereas, a recent United States Commerce Department report indicated that in November 1979, there was a fourteen per cent decline in new housing starts and a drastic decline in the number of building permits issued (an indicator of future housing activity) which declined to its lowest level in more than three years; both of which attest to the deleterious impact of a high interest rate policy on the national construction and housing industries; and

"Whereas, this interest rate induced decline in the construction and housing industries, along with the prospect of continuing high interest rates, have led both government and private economists to forecast a mild recession for the first six months of 1980; and

"Whereas, since Hawaii has an open economy that is particularly susceptible to national economic slowdowns, there is a very limited range of policy options available to local officials to circumvent the effects of a national economic slowdown; and

"Whereas, this high interest rate policy has recently affected our local economy by raising market mortgage rates for homebuyers to the State's usury ceiling of twelve per cent and subsequently creating a dearth of available funds for home mortgage loans; and

"Whereas, the Bank of Hawaii economic report in the February 10, 1980 issue of the Sunday Advertiser-Star Bulletin noted that although Hawaii experienced an increase in housing starts in 1979, relative to 1978, there was a significant pause in the latter portion of 1979, a period which coincides with the institution of the high federal interest rate policy, and which therefore, may have directly contributed to Hawaii's construction and housing industry problem; and

"Whereas, this high interest rate policy has and will continue to disproportionately burden our low and moderate income population by dissipating their dreams of homeownership due to the shortage of available funds for home mortgage loans, high monthly mortgage carrying costs and/or downpayments if funds are available, and the induced reduction in available housing units resulting from cutbacks in local housing construction; and

"Whereas, the forecast decline in our local construction and housing industries has raised serious concern about the possible loss of jobs in these and other local industries; and

"Whereas, the federal high interest rate policy has further reduced the standard of living of local, and especially our low-income residents by raising the cost of living as local businesses pass on higher financing costs; now, therefore,

"Be it resolved by the Senate of the Tenth Legislature of the State of Hawaii, Regular Session of 1980, that the Hawaii delegation to the United States Congress is respectfully requested to study the impact and problems created by high interest rates on the national and local economy; and

"Be it further resolved that the members of the Hawaii delegation to the United States Congress, on the basis of their study, are respectfully requested to introduce corrective legislation in their respective houses of the United States Congress to lower interest rates; and

"Be it further resolved that certified copies of this Resolution be transmitted to the Honorable Jimmy Carter, President of the United States; the Honorable Walter Mondale, Vice President of the United States; the Honorable George R. Ariyoshi, Governor of the State of Hawaii; the Honorable Thomas O'Neill, Speaker of the United States House of Representatives; the Honorable United States Senator Daniel Inouye; the Honorable United States Senator Spark Matsunaga; the Honorable United States Representative Daniel Akaka; the Honorable United States Representative Cecil Heftel; the Honorable United States Senator William Proxmire, Chairman, Senate Committee on Banking, Housing and Urban Affairs; the Honorable United States Representative Henry Reuss, Chairman, House Committee on Banking, Finance and Urban Affairs; and the Honorable Paul Volcker, President, Federal Reserve System—Board of Governors."

POM-707. A joint resolution adopted by the Legislature of the State of Colorado; to the Committee on Banking, Housing, and Urban Affairs;

"HOUSE JOINT RESOLUTION No. 1022

"Whereas, The United States has experienced several years of declining or static per capita productivity; and

"Whereas, The aging physical plants of United States industries put the United States at a disadvantage in relationship to products from countries with modernized facilities; and

"Whereas, The United States relies less on imported oil than most of the major developed countries, yet has the highest inflation rate; and

"Whereas, The United States inflation rate is currently placed at around twenty percent; and

"Whereas, That inflation rate is the product of burgeoning government spending, a massive balance of payments deficit due to the inability of United States products to compete in the international marketplace, and the failure of the federal government to live within its means; and

"Whereas, All of these problems are the direct result of overemphasis on public sector control of the economy and underemphasis on federal government encouragement of private sector investment; and

"Whereas, The United States House and Senate Joint Economic Committee has recommended that capital investment be encouraged through a twenty-five billion dollar tax cut, one-half of which would be targeted at encouraging business investment expenditures; now, therefore,

"Be It Resolved by the House of Representatives of the Fifty-second General Assembly of the State of Colorado, the Senate concurring herein:

"That this General Assembly urges that the economic policy of this State and of the United States focus a renewed emphasis on growth rather than on the redistribution of paucity.

"Be It Further Resolved, That copies of this Resolution be transmitted to the President of the United States, the Vice President of the United States, the Speaker of the House of Representatives of the United States, and each member of the Congress of the United States from the State of Colorado."

POM-708. A joint resolution adopted by the Legislature of the State of Colorado; to the Committee on Energy and Natural Resources:

"Senate Joint Resolution No. 18

"Whereas, The President of the United States and the Congress of the United States have called for accelerating the rate of development of alternative energy sources; and

"Whereas, The national dependence on imported oil has reached an alarming percentage of our total petroleum requirements; and

"Whereas, The supply of imported petroleum is becoming increasingly unreliable and costly; and

"Whereas, The enormous oil shale resources in Colorado and Utah afford the most likely opportunity for shale oil to become a significant alternative source of energy; and

"Whereas, The ability to provide for offsite location of plant sites, processed shale disposal, and other oil shale facilities can enhance efficient resource recovery and sound environmental planning and is in the public interest; and

"Whereas, In order to become more energy self-sufficient and have the ability to produce adequate supplies of petroleum products for our nation, it is essential that the nation's industries be authorized by the Congress of the United States to employ the most efficient technological resource recovery systems available; now, therefore,

"Be It Resolved by the Senate of the Fifty-second General Assembly of the State of Colorado, the House of Representatives concurring herein:

"That we, the members of the Fifty-second General Assembly of the State of Colorado, do urge the members of the Congress of the United States from the state of Colorado and Utah and the Governors of Colorado and Utah to support the passage of federal legislation to permit the Secretary of the Department of the Interior to grant "surface only" uses on federal lands to serve as oil shale plant sites or areas for the disposal of overburden and processed shale, and other special uses.

"Be it further resolved, That copies of this Resolution be sent to the President of the Senate and the Speaker of the House of Representatives of the Congress of the United States and to each member of the Congress of the United States from the states of Colorado and Utah, to the Governors of the states of Colorado and Utah, and to the Secretary of the Department of Interior."

POM-709. A joint resolution adopted by the Legislature of the State of Colorado; to the Committee on Energy and Natural Resources;

"Senate Joint Resolution No. 25

"Whereas, Wayne N. Aspinall has been a resident of the Grand Valley of western Colorado since early boyhood and for the great majority of his almost eighty-four years; and

"Whereas, Wayne N. Aspinall unselfishly devoted forty-eight years of his life to elective office in the service of his fellow man; and

"Whereas, Wayne N. Aspinall served as an outstanding legislator in both the House of Representatives and the Senate of the General Assembly of the state of Colorado for a period of sixteen years; and

"Whereas, Wayne N. Aspinall was elected twelve times to the House of Representatives of the Congress of the United States, serving there for twenty-four years, during which time he was for twelve years chairman of the important House Committee on Interior and Insular Affairs which acted upon approximately one-fifth of the bills introduced into the Congress; and

"Whereas, In 1956, while Wayne N. Aspinall was chairman of the Subcommittee on Irrigation and Reclamation of the House Committee on Interior and Insular Affairs, during which time there was bitter opposition to Colorado River water resource development projects, the Congress enacted the 'Colorado River Storage Project Act', which at that time was the largest reclamation authorization act ever approved by the Congress, containing authorization to construct for large water conservation storage units (Curecanti, Flaming Gorge, Glen Canyon, and Navajo) and eleven participating irrigation projects in Colorado and her three sister states in the Upper Colorado River Basin, and containing authorization for priority of planning for twenty-five additional participating projects in the Upper Colorado River Basin; and

"Whereas, In 1962, Wayne N. Aspinall was directly instrumental in securing the passage of legislation by the Congress authorizing the construction of the Fryingpan-Arkansas Project in Colorado and the San Juan Chama and Navajo Indian Irrigation Projects in Colorado and New Mexico; and

"Whereas, In 1964, Wayne N. Aspinall successfully sponsored legislation in the Congress that authorized the construction of the Bostwick Park, Fruitland Mesa, and Savery-Pot Hook participating projects of the Colorado River Storage Project in western Colorado; and

"Whereas, In 1968, Wayne N. Aspinall was a major force in maneuvering through the Congress the 'Colorado River Basin Project Act' which then became the largest single reclamation project act in history, and which authorized construction of the Central Arizona Project and five additional participating irrigation projects of the Colorado River Storage Project in western Colorado; and

"Whereas, Under the chairmanship of Wayne N. Aspinall, the House Committee on Interior and Insular Affairs reported to the United States House of Representatives numerous bills, including bills which, upon their enactment, created and expanded units of the national park system, established basic laws pertaining to environmental improvement and outdoor recreation opportunities, protected the water and related land resources of our nation, and added two new states, Alaska and Hawaii, to the United States of America; and

"Whereas, Wayne N. Aspinall has dedicated the major portion of his life to service to the nation, the Upper Colorado River Basin, the state of Colorado and especially to western Colorado with the result that Colorado is a much better place to live than it otherwise would be without his diligent and tireless efforts which enhanced the conservation, orderly development, and wise utilization of Colorado's water, land, and mineral resources; and

"Whereas, A bill has been introduced in the United States Congress to designate the Curecanti Storage Unit of the Colorado River Storage Project as the Wayne N. Aspinall Storage Unit of the Colorado River Storage Project; now, therefore,

"Be It Resolved by the Senate of the Fifty-second General Assembly of the State of Colorado, the House of Representatives Concurring herein:

"That the General Assembly of the State of Colorado does hereby enthusiastically support and does hereby urge the Congress of the United States to promptly enact legislation to designate the Curecanti Storage Unit of the Colorado River Storage Project as the Wayne N. Aspinall Storage Unit of the Colorado River Storage Project.

"Be It Further Resolved, That copies of this resolution be transmitted to the President of the United States, to the President of the Senate and the Minority Leader of the Senate of the Congress of the United States, to the Speaker of the House of Representatives and the Minority Leader of the House of Representatives of the Congress of the United States, to the chairman of the House Committee on Interior and Insular Affairs, to each member of the Congress of the United States from the State of Colorado, to the Governor of the State of Colorado, and to the President of Club, 20, Grand Junction, Colorado."

POM-710. A joint memorial adopted by the Legislature of the State of Colorado to the Committee on Finance:

"Senate Joint Memorial No. 1

"Whereas, The federal income tax laws are so unfair to married persons that some married couples are obtaining divorces to obtain a tax advantage; and

"Whereas, It ought to be the public policy of the United States to encourage the preservation of marriage by its laws, not to encourage the dissolution of that holy state; and

"Whereas, The Congress of the United States has the power to amend the tax laws to promote the preservation of marriages and provide fairness to all; now, therefore,

"Be It Resolved by the Senate of the Fifty-second General Assembly of the State of Colorado, the House of Representatives concurring herein:

"That the Congress of the United States is hereby urged to enact legislation giving married persons the option of filing federal income tax returns jointly as a married couple or individually as single persons.

"Be It Further Resolved, That copies of this Memorial be sent to the President of the United States, the President of the Senate and the Speaker of the House of Representatives of the Congress of the United States, and each member of the Congress of the United States from the State of Colorado"

POM-711. A resolution adopted by the Legislature of the State of Pennsylvania; to the Committee on Finance:

"Resolution

"Whereas, the Advisory Council on Social Security on December 7, 1979 concluded an 18 month study of the social security system; and

"Whereas, the Advisory Council has submitted its report to the United States Department of Health, Education and Welfare and the Congress for their review; and

"Whereas, the Advisory Council recommended that half of all social security benefits be included in income subject to Federal Taxation; and

"Whereas, such taxation of social security benefits constitutes an invidious form of double taxation; and

"Whereas, the taxation of social security benefits presents an unfair burden upon senior citizens who have already paid social security taxes during their working life; therefore be it

"*Resolved* (the House of Representatives concurring), That the General Assembly of the Commonwealth of Pennsylvania memorialize the President of the United States and the Congress to vigorously oppose any public policy requiring the taxation of social security benefits."

POM-712. A joint resolution adopted by the Legislature of the State of Tennessee; to the Committee on the Judiciary:

"SENATE JOINT RESOLUTION NO. 23

"Whereas, By an opinion dated January 22, 1973, the Supreme Court of the United States, on constitutional grounds, invalidated the laws of the several states which, by prohibiting the performance of abortions, had previously protected the lives of unborn persons; and

"Whereas, The Congress of the United States has not proposed an amendment to the Constitution of the United States which would restore to unborn persons protection from abortion; now, therefore,

"*Be it resolved by the Senate of the Ninety-first General Assembly of the State of Tennessee, the House of Representatives concurring*, That the State of Tennessee hereby applies to the Congress of the United States to call a convention for the sole and exclusive purpose of proposing an amendment to the Constitution that would protect the lives of all human beings including unborn children at every stage of their biological development.

"Be it further resolved, That in formulating a call for such a convention, the Congress is requested to consider granting an opportunity for abortion to women pregnant as a result of rape or incest, to women whose unborn children are affected with medically determined severe physical deformities or abnormalities or with medically determined severe mental retardation, to women whose lives are medically determined to be endangered if their fetuses should be carried to term and to women whose physical or mental health is medically determined to be subject to severe and probably permanent damage if their fetuses should be carried to term; in each instance the medical determination to be made by a physician a substantial part of whose practice does not consist of the performance of abortions; provided, however, that this resolution does not constitute an attempt to submit to any convention called by Congress specific language for consideration, but is a request to Congress that the convention consider these topics.

"Be it further resolved, That this application shall constitute a continuing application for such a convention pursuant to Article V of the Constitution of the United States until such time as the legislatures of two-thirds (⅔) of the states shall have made like applications and such convention shall have been called by the Congress of the United States.

"Be it further resolved, That the Secretary of State transmit copies of this resolution to the President of the Senate of the United States, to the Secretary of the Senate of the United States, to the Speaker of the House of Representatives of the United States, and to each member of the Congress from Tennessee, so as to attest to the adoption of this resolution by the Ninety-first General Assembly of the State of Tennessee."

POM-713. A resolution adopted by the House of Representatives of the Commonwealth of Puerto Rico; to the Committee on Foreign Relations:

"RESOLUTION

"To extend the moral support of the House of Representatives of Puerto Rico to the Cuban refugees who are in the Peruvian Embassy in Cuba, and to exhort the United States of America and all the Central and South American countries to grant them asylum.

"*Be it resolved by the House of Representatives of Puerto Rico:*

"Section 1. The moral support of the House of Representatives of Puerto Rico is hereby extended to the Cuban refugees who are in the Peruvian Embassy in Cuba, and the United States of America and all the countries of Central and South America are exhorted to grant them asylum.

"Section 2. The news media of the country are to be informed of the approval of this Resolution for its transmission and divulgation.

"Section 3. A copy of this Resolution shall be sent to the Consular Corps of the Central and South American countries accredited in Puerto Rico, to the Cuban civic organizations in Puerto Rico, to Commander Hubert E. Matos, and, after being duly translated into English, to the President of the United States of America, James E. Carter, the Congress of the United States of America, to the Organization of American States, and the United Nations Decolonization Committee."

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. PELL, from the Committee on Rules and Administration, without amendment:

S. Res. 418. An original resolution to pay a gratuity to Helen Barkan.

S. 2648. An original bill to authorize funds to carry out the Federal Election Campaign Act of 1971 for the fiscal year ending September 30, 1981 (Rept. No. 96-679).

H. Con. Res. 279. A concurrent resolution to authorize the printing of a revised edition of "Our American Government" as a House document (Rept. No. 96-680).

By Mr. PELL, from the Committee on Rules and Administration, with an amendment:

H. Con. Res. 95. A concurrent resolution to provide for the printing of the brochure entitled "How Our Laws Are Made" (Rept. No. 96-681).

By Mr. NELSON, from the Committee on Labor and Human Resources, with an amendment and an amendment to the title:

S. 2337. A bill to extend for three additional fiscal years the authorization of the Legal Services Corporation (Rept. No. 96-682).

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. BOREN:

S. 2646. A bill to amend the Internal Revenue Code of 1954 to provide for the exclusion from income of interest on certain savings; to the Committee on Finance.

By Mr. MORGAN (by request):

S. 2647. A bill to amend title V of the Housing Act of 1949; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. PELL (from the Committee on Rules and Administration):

S. 2648. A bill to authorize funds to carry out the Federal Election Campaign Act of 1971 for the fiscal year ending September 30, 1981. Original bill reported and placed on the calendar.

By Mr. CRANSTON (by request):

S. 2649. A bill to amend title 38, United States Code, to increase the rates of disability compensation for disabled veterans; to increase the rates of dependency and indemnity compensation for their surviving spouses and children; and for other purposes; to the Committee on Veterans' Affairs.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. BOREN:

S. 2646. A bill to amend the Internal Revenue Code of 1954 to provide for the exclusion from income of interest on certain savings; to the Committee on Finance.

SAVE AMERICA SAVINGS ACCOUNT ACT OF 1980

Mr. BOREN. Mr. President, on April 2, I and a number of my colleagues spoke on the Senate floor about our mutual alarm over the worsening economic condition of the country.

I listed, at that time, the evidence. Included in that list was a prime rate that had then hit 20 percent, individual savings that were not only the lowest in 30 years in this country, but also lagged significantly behind most of the other major industrialized countries in the world.

Productivity was then at an alltime low. Businesses in general did not have access to the capital they needed to survive. Consumer debt had more than doubled in 10 years to the point where it was more than $300 billion. Unemployment was steadily increasing, the housing industry was on the verge of collapse, and financial instituions were dipping into their reserve.

Mr. President, at that time I indicated that I felt there was a need for the Congress and the administration to work together on a bipartisan basis, to put together an economic package, to attack in a vigorous manner and on an urgent basis the economic problems which we face.

The national energy bill was running $80 billion a year, the economy of major industrialized centers all across the country was experiencing severe difficulties.

It is now, Mr. President, 1 month later—exactly 1 month later, May 2, 1980. Economic conditions have continued to worsen.

The Commerce Department reported earlier this week that the leading economic indicator plunged 2.6 percent in March, the most in 5 years and the third largest decline in the history of the index.

The Department also reported that new orders flowing to the Nation's factories fell by nine-tenths of 1 percent in March, the largest drop in 8 months. Government economists are saying in the next few months, unemployment should begin to rise as more factory workers are laid off.

One only has to leaf through the pages of this morning's Wall Street Journal to find even more depressing economic news. Despite the recession the country is undoubtedly in, the Journal quotes Federal forecasters as doubting that consumer price rises will slow by summer as the administration predicts. This year's retail climb could top 14 percent according to reports, which would outstrip the officially predicted 12.8 percent.

The paper quotes analysts as seeing the basic inflation rate hanging at 10 to 12 percent.

Other news includes construction spending in March falling 5.8 percent, the sharpest monthly drop in 36 years—according to the Commerce Department.

Automakers have cut by more than 10 percent the already lean second quarter production schedules they had set barely a month ago.

In my speech last month, Mr. President, I noted that Nigeria was about to tack on another increase in their oil prices which would add to the energy bill being paid by this country. This morning the report is that Saudi Arabia is planning to increase their prices from $26 to perhaps $30 per barrel. Such an increase could add another 2 cents per gallon to the cost of gasoline in this country.

Also in my speech last month, I made the point that far worse than all of the economic news, was the psychological effect that sustained and increasing inflation is having on the American people. I said at that time that the American people were simply not convinced that Congress and the administration were serious about controlling inflation or had the capacity to do it.

I said at that time that there was nothing more important in halting the inflationary spiral than restoring confidence in the Government's determination to act. I joined with my colleagues in stressing that the major element in restoring that confidence was balancing the Federal budget.

Mr. President, I still wholeheartedly believe that and it is deeply disturbing to read the front page of the Wall Street Journal this morning the story under the headline "Recession Fears Seen Hurting Bid to Balance Budget, Curb Inflation." The thrust of the article, prepared by Wall Street Journal reporters, was that administration officials and we, the Congress, were beginning to realize that the arrival of the long expected recession would make the task of balancing the budget impossible and would soon force us to think about new tax and spending policies.

Economic policymakers and congressional leaders were said to privately concede that rising unemployment would have them looking for ways to fight recession and inflation simultaneously. It was also said that some relaxation of the budget-cutting discipline would seem inevitable, probably through a tax cut to reduce payroll taxes and encourage business investments. Such a procedure, it was speculated, would lead to another deficit in fiscal year 1981.

Mr. President, I feel more strongly today than I did a month ago that the Congress must act quickly on the economic package I then outlined.

The elements of that package included, first, not allowing important economic decisions to be made on a partisan political basis. I hope we will keep this in mind as we begin our discussions of the first concurrent budget resolution on Monday.

Second, we must make as our first priority the shifting of resources from investment purposes.

The third element in my economic the public sector to the private sector. package was facing the fact that Government cost-of-living indexes must be revised. And fourth was the need for temporary transitional help to assist us through necessary long-range economic adjustments. Specifically, help to bring down the interest rates in key areas for

I believe, even though interest rates have begun to fall, that we must reemphasize the need to bring them down further and faster.

Mr. President, I have written a column for Oklahoma newspapers dealing with high interest rates, their effect, and my solution to that problem. I ask unanimous consent that the text of that column be printed in the Record at this point.

There being no objection, the article was ordered to be printed in the Record, as follows:

Washington Watch

(By Senator David L. Boren)

High interest rates will not cure inflation. In fact, instead of curing the disease, they run a serious risk of killing the patient.

Unless something is done very quickly to bring down interest rates in critical areas, we will face a serious economic crisis.

New housing starts are at a standstill. Real estate sales in some areas are down by 80 percent. Farm income is expected to drop by 25 percent this year. Farmers can't afford to borrow to plant with interest at 20 percent. Cattle prices have plunged as ranchers are forced to put more livestock on an already depressed market because of high interest rates.

On a recent walking tour of small businesses in a dozen Oklahoma cities and towns, I found that many are in trouble because they finance their inventories on credit. Some will have to shut their doors soon if interest rates don't come down significantly.

The real way to fight inflation is to cut excessive government spending and stop the free-flowing government printing presses which destroy the value of our dollars.

We must also increase our productivity by encouraging more saving and more investment in new technology through well-placed tax incentives.

This isn't the time for panic. It's time for sound, constructive action. We still have time to prevent a disaster, but the clock is running.

While we work toward a long-range solution by balancing the budget and cutting government spending and taxes, we need safety nets to prevent the collapse of key economic areas which could bring down the whole house of cards.

I am proposing the establishment of special tax-exempt "Save America" savings accounts to create a pool of money which could be loaned by financial institutions to farmers, small businessmen and prospective homeowners.

These accounts, to be offered through local banks and financial institutions, would pay seven per cent interest. An individual could place no more than $100,000 in such accounts. These accounts would be attractive. In many cases a seven per cent return, tax free, would give the saver more than a 14 per cent return on which a tax is levied.

In return, banks which offer these "Save America" savings accounts would agree to loan the deposits in these accounts at not more than 9½ per cent interest to be used for operating and capital costs of businesses and for home purchases. The loans would not be made for ordinary consumer purchases.

"Save America" savings accounts would encourage more people to save. They would also provide lower interest loans to allow small businesses to keep their doors open by giving them reasonable interest charges on inventory financing. It would help save small farmers and ranchers from foreclosures and could help keep open the American dream of owning a home.

This special program is not a substitute for balancing the budget, reducing federal spending and cutting taxes to stimulate free enterprise. It could, however, provide important protection against a break in our economy while we wait for these other actions to become effective.

In 1933 Congress and the President acted together in 100 days to help turn around our nation's economy. It can be done again. It is urgent for us to act now. This time my hope is that we will act to prevent trouble before it comes, rather than after the fact.

Mr. BOREN. Mr. President, I am today introducing the legislation which I have termed the "Save America Savings Account Act of 1980."

I am confident, Mr. President, that this legislation if passed by the Congress will provide the desperately needed assistance many segments of our country require to ease us through this difficult period.

Mr. President, I close my statement today by urging again the need for action—action to restore confidence and to stabilize the economy.

I close my statement today by repeating the paragraph with which I closed my speech 1 month ago:

It is my sincere hope that the President will challenge the Congress to act quickly on this entire package. In 1933 Congress and the President acted together in 100 days to help turn around the economy of this country. It can be done. We must now display the same urgency. How much better to act before trouble strikes than to wait until after the fact. We can preserve our economic stability but we can no longer do so with cosmetics and rhetoric. We must rise to the challenge.

Mr. President, I send to the desk the bill on this subject and ask unanimous consent it be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 2646

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

Section 1. Short Title.

This Act may be cited as the "Save America Savings Account Act of 1980".

Sec. 2. Exclusion of Certain Interest From Income.

(a) In General.—Part II of subchapter 3 of chapter 1 of the Internal Revenue Code of 1954 (relating to items specifically excluded from gross income) is amended by redesignating section 128 as section 129, and by inserting after section 127 the following new section:

"Sec. 128. Certain Interest.

"(a) In General.—In the case of an individual, gross income shall not include amounts received as qualified interest for the taxable year.

"(b) Limitation.—Subsection (a) shall not apply with respect to any qualified interest paid with respect to amounts on deposit in excess of $100,000 for the taxable year.

"(c) Application With Section 116.—Amounts excluded from gross income under subsection (a) shall be in addition to any amounts excludable under section 116 for the taxable year.

"(d) Qualified Interest Defined.—For the purpose of this section—

"(1) In general.—The term 'qualified interest' means interest described in subparagraph (A) or (B) of section 116(c)(1) which is paid at a rate not in excess of 7 percent per year, but only if the principal with respect to which the interest is payable—

"(A) is held on deposit for not less than 1 year, and

"(B) is used (exclusive of reserve requirements imposed by law) for the purpose of making qualified loans.

"(2) Qualified loan.—The term 'qualified loan' means a loan—

"(A) for any of the following purposes:

"(i) the purchase of owner-occupied residential property,

"(ii) the operation of a trade or business, or

"(iii) the operation of a farm for farming purposes (within the meaning of section 2032A(e)(5)); and

"(B) the rate of interest payable on which does not exceed by more than 2½ percentage points the rate of interest paid on the amounts from which the loan is made.

"(3) Loans to acquire certain real property not to qualify.—No loan, other than for the purchase of owner-occupied residential property, shall be treated as a qualified loan if it is used, in part or in whole, for the purchase of land.".

(b) Clerical Amendment.—The table of sections for such part is amended by striking out the last item and inserting in lieu thereof the following:

"Sec. 128. Certain interest.
"Sec. 129. Cross references to other Acts.".

Sec. 3. Penalty for Failure To Meet Qualified Loan Requirements.

Any person who—

(1) uses the proceeds of a qualified loan (as defined in section 128(d)(2) of the Internal Revenue Code of 1954) for a purpose other than a purpose described in section 128(d)(2)(A) of such Code, or

(2) charges interest at a rate in excess of the rate permitted on such loans under section 128(d)(2)(B) of such Code,

shall be guilty of a violation of section 7201 of such Code (relating to attempt to evade or defeat tax).

Sec. 4. Effective Date.

The amendments made by section 2 shall apply with respect to taxable years beginning after December 31, 1979.

By Mr. MORGAN (by request):

S. 2647. A bill to amend title V of the Housing Act of 1949; to the Committee on Banking, Housing, and Urban Affairs.

RURAL HOUSING AMENDMENTS OF 1980

Mr. MORGAN. Mr. President, I am introducing the Rural Housing Amendments of 1980, as requested by the administration. The bill amends 11 sections of the present law to extend the expiration dates of rural housing programs and establish authorizations for appropriations for these programs.

Under existing law, legislative authority for these programs expires on September 30, 1980. Under the proposed bill, program authority would be extended for 2 years to September 30, 1982.

Under the proposed legislation, Farmers Home Administration would have authority to insure and guarantee loans to a total amount of $3.6726 billion during fiscal year 1981, of which not less than $3.120 billion would be used for loans providing interest credits and assistance payments. In fiscal year 1980, a total of $4.484 billion was authorized, and the portion for interest credits and assistance payments was $3.07 billion.

Farm labor housing loans would be authorized at $25.6 million in fiscal year 1981, compared to $38 million in fiscal year 1980.

Grants and loans for rehabilitation of low-income housing would be increased to $75 million during fiscal year 1981, from $48 million in fiscal year 1980.

Grants for farm labor housing would be reduced from $30 million in fiscal year 1980 to $25 million in fiscal year 1981.

Technical assistance would be authorized at $2 million in fiscal year 1981, a cut of one-half million dollars below the fiscal year 1980 level.

The homeownership assistance program would be authorized at $100 million in contracts entered into in fiscal year 1981. The program was authorized at a level of $500 million in fiscal year 1980, but no funds were appropriated for its implementation.

Loans and grants for self-help housing would be increased from $1 million in fiscal year 1980 to $4 million in fiscal year 1981.

Mr. President, the Senate Committee on Banking, Housing, and Urban Affairs will very shortly begin its markup of the 1980 housing legislation. I expect the amendments recommended by the administration will provide the basis for the committee's actions on rural housing this year.

I ask unanimous consent that the bill I am introducing today be printed in the Record.

There being no objection, the bill was order to be printed in the Record, as follows:

S. 2647

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 513 of the Housing Act of 1949 (42 U.S.C. 1483) is amended—

(1) by striking out in subsection (a) "not to exceed $4,484,000,000 with respect to fiscal year ending September 30, 1980" and inserting in lieu thereof "not to exceed $3,672,600,000 with respect to the fiscal year ending September 30, 1981, and such sums as may be necessary for the fiscal year ending September 30, 1982";

(2) by striking out in subsection (a)(1) "not less than $3,070,000,000" and inserting in lieu thereof "not less than $3,120,000,000";

(3) by striking out in subsection (a)(2) "not more than $38,000,000" and inserting in lieu thereof "not more than $25,600,000";

(4) by striking out in subsection (b)(2) "not to exceed $48,000,000 for loans and grants pursuant to section 504 for the fiscal year ending September 30, 1980" and inserting in lieu thereof "not to exceed $75,000,000 for loans and grants pursuant to section 504 for the fiscal year ending September 30, 1981, and such sums as may be necessary for the fiscal year ending September 30, 1982";

(5) by striking out in subsection (b)(3) "not to exceed $30,000,000 for financial assistance pursuant to section 516 for the fiscal year ending September 30, 1980" and inserting in lieu thereof "not to exceed $25,000,000 for financial assistance pursuant to section 516 for the fiscal year ending September 30, 1981, and such sums as may be necessary for such assistance for the fiscal year ending September 30, 1982"; and

(6) by striking out in subsection (b)(4) "not to exceed $1,500,000 for the purposes of section 525(a), of which not less than $750,000 shall be used for counseling purchasers and delinquent borrowers, and not to exceed $1,000,000 for the purposes of section 525(b) for the fiscal year ending September 30, 1980", and inserting in lieu thereof "not to exceed $2,000,000 for the purposes of section 525(a) for the fiscal year ending September 30, 1981, and such sums as may be necessary for the fiscal year ending September 30, 1982".

Sec. 2. Section 515(b)(5) of the Housing Act of 1949 (42 U.S.C. 1485(b)(5)) is amended by striking out "September 30, 1980" and inserting in lieu thereof "September 30, 1982".

Sec. 3. Section 517(a)(1) of the Housing Act of 1949 (42 U.S.C. 1487(a)(1)) is amended by striking out "September 30, 1980" and inserting in lieu thereof "September 30, 1982".

Sec. 4. Section 521(a)(1)(C) of the Housing Act of 1949 (42 U.S.C. 1490 (a)(1)(C) is amended by striking out "may not exceed an aggregate amount of $985,000,000 for contracts entered into with respect to fiscal year 1979 and an aggregate amount of $500,000,000 for contracts entered into with respect to fiscal year 1980. Such additional assistance may not be so approved with respect to any fiscal year after fiscal year 1980" and inserting in lieu thereof "may not exceed an aggregate amount of $100,000,000 for contracts entered into with respect to fiscal year 1981, and such amount as may be necessary for contracts entered into with resepct to fiscal year 1982. Such additional assistance may not be so approved with respect to any fiscal year after fiscal year 1982".

Sec. 5. (a) The second sentence of section 523(f) of the Housing Act of 1949 (42 U.S.C. 1490c) is amended by striking out "September 30, 1980" and inserting in lieu thereof "September 30, 1982".

(b) Section 523(g) of such Act is amended to read as follows:

"(g) There are authorized to be appropriated for the purposes of subsection (b)(1)(B) not to exceed $4,000,000 for fiscal year 1981, and such sums as may be necessary for fiscal year 1982. Amounts appropriated under this subsection, together with principal collections from loans made under appropriations in any previous fiscal years, shall be deposited in the Self-Help Land Development Fund, which shall be available as a revolving fund without fiscal year limitation for making loans under subsection (b)(1)(B). Instruments and property acquired by the Secretary in or as a result of the making of such loans shall be assets of the Self-Help Land Development Fund.".

By Mr. CRANSTON (by request):

S. 2649. A bill to amend title 38, United States Code, to increase the rates of compensation for disabled veterans; to increase the rates of dependency and indemnity compensation for their surviving spouses and children; and for other purposes; to the Committee on Veterans' Affairs.

VETERANS' DISABILITY COMPENSATION AND SURVIVORS' BENEFITS AMENDMENTS OF 1980

● Mr. CRANSTON. Mr. President, I am introducing today, at the request of the administration, S. 2649, a bill to amend title 38, United States Code, to increase the rates of disability compensation for disabled veterans; to increase the rates of dependency and indemnity compensation for their surviving spouses and children; and for other purposes.

Mr. President, I ask unanimous consent that the text of the bill and the letter of transmittal be printed in the Record.

There being no objection, the bill and

letter were ordered to be printed in the RECORD, as follows:

S. 2649

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Veterans' Disability Compensation and Survivors' Benefits Amendments of 1980."

TITLE I—VETERANS' DISABILITY COMPENSATION BENEFITS

RATES OF DISABILITY COMPENSATION

SEC. 101. Section 314 is amended—

(a) by striking out "$48" in subsection (a) and inserting in lieu thereof "$55";

(b) by striking out "$88" in subsection (b) and inserting in lieu thereof "$101";

(c) by striking out "$133" in subsection (c) and inserting in lieu thereof "$152";

(d) by striking out "$182" in subsection (d) and inserting in lieu thereof "$208";

(e) by striking out "$255" in subsection (e) and inserting in lieu thereof "$292";

(f) striking out "$321" in subsection (f) and insering in lieu thereof "$367";

(g) by striking out "$380" in subsection (g) and inserting in lieu thereof "$435";

(h) by striking out "$440" in subsection (h) and inserting in lieu thereof "$503";

(i) by striking out "$495" in subsection (i) and inserting in lieu thereof "$566";

(j) by striking out "$889" in subsection (j) and inserting in lieu thereof "$1,017";

(k) by striking out "$1,104 and "$1,547" in subsection (k) and inserting in lieu thereof "$1,263" and "$1,770", respectively;

(l) by striking out "$1,104" in subsection (l) and inserting in lieu thereof "$1,263";

(m) by striking out "$1,217" in subsection (m) and inserting in lieu thereof "$1,392";

(n) by striking out "$1,383" in subsection (n) and inserting in lieu thereof "$1,582";

(o) by striking out "$1,547" each place it appears in subsections (o) and (p) and inserting in lieu thereof "$1,770";

(p) by striking out "$664" and "$989" in subsection (r) and inserting in lieu thereof "$760" and "$1,131", respectively;

(q) by striking out "$995" in subsection (s) and inserting in lieu thereof "$1,138"; and

(r) by striking out "$192" in subsection (t) and inserting in lieu thereof "$220".

RATES OF ADDITIONAL COMPENSATION FOR DEPENDENTS

SEC. 102. Section 315(1) is amended—

(a) by striking out "$54" in clause (A) and inserting in lieu thereof "$62";

(b) by striking out "$91" in clause (B) and inserting in lieu thereof "$104";

(c) by striking out "$121" in clause (C) and inserting in lieu thereof "$138";

(d) by striking out "$151" and "$30" in clause (D) and inserting in lieu thereof "$173" and "$34", respectively.

(e) by striking out "$37" in clause (E) and inserting in lieu thereof "$42";

(f) by striking out "$67" in clause (F) and inserting in lieu thereof "$77";

(g) by striking out "$97" and "$30" in clause (G) and inserting in lieu thereof "$111" and "$34", respectively;

(h) by striking out "$44" in clause (H) and inserting in lieu thereof "$50";

(i) by striking out "$98" in clause (I) and inserting in lieu thereof "$112"; and

(j) by striking out "$82" in clause (J) and inserting in lieu thereof "$94".

CLOTHING ALLOWANCE FOR CERTAIN DISABLED VETERANS

SEC. 103. Section 362 is amended by striking out "$240" and inserting in lieu thereof "$275".

TITLE II—SURVIVORS' DEPENDENCY AND INDEMNITY COMPENSATION BENEFITS

RATES OF DEPENDENCY AND INDEMNITY COMPENSATION FOR SURVIVING SPOUSES

SEC. 201. (a) Section 411 is amended to read as follows:

"(a) Dependency and indemnity compensation shall be paid to a surviving spouse, based on the pay grade of the persons upon whose death entitlement is predicated, at monthly rates set forth in the following table:

"Pay grade	*Monthly rate*
E–1	$373
E–2	386
E–3	395
E–4	420
E–5	431
E–6	442
E–7	462
E–8	487
E–9	[1]510
W–1	472
W–2	492
W–3	506
W–4	535
O–1	472
O–2	487
O–3	523
O–4	551
O–5	609
O–6	684
O–7	741
O–8	812
O–9	873
O–10	[2]955

"[1] If the veteran served as sergeant major of the Army, senior enlisted advisor of the Navy, chief master sergeant of the Air Force, sergeant major of the Marine Corps, or master chief petty officer of the Coast Guard, at the applicable time designated by section 402 of this title, the surviving spouse's rate shall be $549.

"[2] If the veteran served as Chairman of the Joint Chiefs of Staff, Chief of Staff of the Army, Chief of Naval Operations, Chief of Staff of the Air Force, or Commandant of the Marine Corps, at the applicable time designated by section 402 of this title, the surviving spouse's rate shall be $1,024."

(b) Subsection (b) of such section is amended by striking out "$38" and inserting in lieu thereof "$43".

(c) Subsection (c) of such section is amended by striking out "$98" and inserting in lieu thereof "$112".

(d) Subsection (d) of such section is amended by striking out "$49" and inserting in lieu thereof "$56".

RATES OF DEPENDENCY AND INDEMNITY COMPENSATION FOR CHILDREN

SEC. 202. Section 413 is amended—

(a) by striking out "$165" in clause (1) and inserting in lieu thereof "$189";

(b) by striking out "$237" in clause (2) and inserting in lieu thereof "$271";

(c) by striking out "$306" in clause (3) and inserting in lieu thereof "$350"; and

(d) by striking out "$306" and "$62" in clause (4) and inserting in lieu thereof "$350" and "$71", respectively.

RATES OF SUPPLEMENTAL DEPENDENCY AND INDEMNITY COMPENSATION FOR CHILDREN

SEC. 203. Section 414 is amended—

(a) by striking out "$98" in subsection (a) and inserting in lieu thereof "$112";

(b) by striking out "$165" in subsection (b) and inserting in lieu thereof "$189"; and

(c) by striking out "$84" in subsection (c) and inserting in lieu thereof "$96".

TITLE III—MISCELLANEOUS PROVISIONS

SEC. 301. Section 230(b) is amended by striking out "1981," and inserting in lieu thereof "1985."

SEC. 302. Section 413 is further amended by inserting "(a)" immediately before "Whenever", and by adding the following new subsection (b):

"(b) If dependency and indemnity compensation has been awarded to a veteran's child or children under this section, and the entitlement of an additional child is later established effective retroactively, the retroactive award payable to the additional child shall equal the difference between the total of the increased award for the retroactive period and the prior total award for that period."

SEC. 303. Subsection 414(c) is further amended by adding the following at the end thereof:

"However, if during the month in which such child reaches age 18 he or she is also being considered a child below age 18 for purposes of additional dependency and indemnity compensation for a surviving spouse under subsection 411(b) of this chapter, the amount of the child's award for that month will be reduced by an amount equal to the surviving spouse's additional award, for the same month, attributable to the child."

SEC. 304. Section 3203 is amended by striking out, in subparagraph (a)(1)(C) thereof, "of not less than two full calendar months," and inserting in lieu thereof "in which pension was reduced pursuant to subparagraph (A) or (B) of this paragraph."

TITLE IV—EFFECTIVE DATE

SEC. 401. The amendments made by this Act shall take effect on October 1, 1980.

OFFICE OF THE ADMINISTRATOR
OF VETERANS' AFFAIRS,
Washington, D.C., April 14, 1980.

HON. WALTER F. MONDALE,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: Transmitted herewith is a draft bill, "To amend title 38, United States Code, to increase the rates of disability compensation for disabled veterans; to increase the rate of dependency and indemnity compensation for their surviving spouses and children; and for other purposes." It is respectfully requested that it be introduced and considered for enactment.

The measure, to be cited as the "Veterans' Disability Compensation and Survivors' Benefits Amendments of 1980," would accomplish the following purposes:

a. increase the basic rates of monthly compensation payable to veterans for service-connected disabilities, as well as the additional amounts authorized for veterans with dependents;

b. increase the monthly rates of dependency and indemnity compensation (DIC) payable to surviving spouses and children of veterans whose deaths were service connected, and also increase the rate of compensation payable to certain surviving spouses and the surviving children of certain veterans who died of non-service-connected causes but were rated as totally disabled due to service-connected causes at death;

c. increase the annual clothing allowance to certain veterans wearing or using a prosthetic or orthopedic appliance;

d. eliminate duplication of certain DIC payments;

e. reduce administrative costs associated with recomputations and collection of overpayments necessary when a child is retroactively added to a class of dependents entitled to DIC;

f. liberalize the pension reduction provision applicable in cases involving certain veterans readmitted for hospital or nursing home care furnished by the Veterans Administration; and

g. extend authority to operate a Regional

Office in the Republic of the Philippines through September 30, 1985.

The basic purpose of the disability compensation program (chapter 11, title 38, United States Code), throughout its history, has been to provide relief for the impaired earning capacity of veterans disabled as the result of their military service. The amount payable varies according to the degree of disability which, in turn, is required by the law (38 U.S.C. § 355) to represent, to the extent practicable, the average impairment in earning capacity resulting from such disability or combination of disabilities in civil occupations. Additional compensation for dependents is payable to any veteran entitled to basic compensation for disability rated at not less than 30 percent.

Under chapter 13 of title 38, DIC payments are made to surviving spouses and certain parents and children of veterans who die of a service-connected cause. This chapter also authorizes compensation to certain surviving spouses and the surviving children of certain veterans who died of non-service-connected causes, but were rated as totally disabled due to service-connected causes. For surviving spouses, the monthly rates are geared to the military pay grade of the deceased veteran, ranging from $326 for the surviving spouse of an E–1 to $835 for the surviving spouse of an O–10. The applicable surviving spouses's rate is increased by $38 for each child of the veteran under age 18. An additional amount of $98 is payable where the surviving spouse is (1) a patient in a nursing home, or (2) helpless or blind, or so nearly helpless or blind as to need or require the regular aid and attendance of another person. If the surviving spouse does not qualify for the $98 "aid and attendance" rate but is permanently housebound, the additional amount is $45 per month.

For children, where no surviving spouse is entitled, the monthly rates range from $165 for one child to $306 for three children (plus $62 for each additional child). In the case of certain children specified under 38 U.S.C. § 414(a) who are permanently incapable of self-support, the applicable basic rate is increased by $98 for each child. Under 38 U.S.C. §§ 414(b) and (c), in cases wherein a surviving spouse is receiving benefits, monthly amounts of $165 and $84, respectively, are paid separately to certain children of the veteran who are (1) permanently incapable of self-support, or (2) attending school while between 18 and 23 years of age.

Title 1 of the draft bill relates to compensation payable to veterans for service-connected disabilities. Section 101 provides increases in the basic compensation rates of 14.4 percent. The additional amounts for dependents provided by 38 U.S.C. § 315 in cases of veterans with service-connected disabilities of at least 30 percent would also be increased approximately 14.4 percent by section 102 of the measure. Section 103 would increase the amount of the annual clothing allowance provided by 38 U.S.C. § 362 from $240 to $275, for a percentage increase of approximately 14.4 percent.

Title II of the draft bill is concerned with rates of dependency and indemnity compensation (DIC) payable to the survivors of deceased veterans. Section 201 provides increases of 14.4 percent in the monthly benefits payable to surviving spouses. The new basic rates would range from $373 to $955, according to the pay grade of the deceased veteran. The additional amount for each child under 18 would be raised from $38 to $43; the special rate for aid and attendance for a qualified surviving spouse would go from $98 to $112; and the special rate for housebound status would go from $49 to $56. Sections 202 and 203 would also increase children's DIC rates by approximately 14.4 percent.

The needs of the disabled have been regularly recognized in the face of changing economic conditions. Since July 1952, there have been 15 compensation rate increases, with the latest having become effective on October 1, 1979. The surviving spouses and children of veterans who die of service-connected causes have also received similar increases. The rates of DIC payable to them were last increased effective October 1, 1979.

It has been the policy of the Government to recommend Veterans Administration benefit increases for the disability compensation and DIC programs periodically in order to insure that our programs remain responsive to changing economic conditions. The Veterans Administration supports increases designed to offset the decline in purchasing power due to inflation as reflected by changes in the Consumer Price Index (CPI). The 14.4 percent increase proposal contained in this draft bill is consistent with the cost-of-living increase to be provided for other federal programs. The effective date of the provisions of this bill if enacted is October 1, 1980. The estimated 5-year costs of titles I and II of this proposal are as follows:

[In millions]

Fiscal year:	*Cost*
1981	$1,028.2
1982	1,036.2
1983	1,043.9
1984	1.050.7
1985	1.058.0

Title III contains miscellaneous proposals, including a provision which would extend the Administrator's authority to operate a regional office in the Republic of the Philippines. Other proposals contained in title III would eliminate certain anomolies which have developed in the statutory scheme concerning the DIC and pension programs.

Under present law, the Administrator is authorized to maintain and operate a regional office in the Republic of the Philippines until September 30, 1981. Section 301 of the draft bill would extend this authority to September 30, 1985. Through its office in Manila, the agency administers programs providing compensation, pension, and education benefits for 48.000 Filipino beneficiaries. In fiscal year 1979, a total of $98 million in benefits was paid to these individuals. It has been the agency's experience that there is a significant advantage in maintaining a regional office in Manila, where the local employees' understanding of Filipino culture and language greatly facilitates the processing of claims. The proposed extension of the Administrator's authority to operate this office would enable the agency to meet the needs of its Filipino beneficiaries.

The estimated 4-year costs of this proposal are as follows:

[In millions]

Fiscal year:	*Cost*
1982	$1.1
1983	1.1
1984	1.2
1985	1.2

Section 302 of the draft bill is designed to alleviate administrative burdens which can result when one or more children of a veteran are receiving DIC and an additional child is added to the class or group. Where there is no surviving spouse eligible to receive DIC or death pension benefits, such benefits are payable to a veteran's children. The amount of DIC payable depends upon the number of children, although, to an extent, the amounts per child decrease for each additional one (for example, the rate of DIC for one child under current law is $165, for two children $237, etc.). It happens on occasion that eligibility for an additional child is established after a veteran's other children have already been awarded such benefits. The entitlement of the additional child is often effective retroactively. A complication arises in that, while the total amount payable for the retroactive period is increased by reason of the additional child, the individual shares of each become less.

In such situations, an overpayment for the retroactive period results which must be remedied either by collection or withholding from some of the children to pay the others. Because the amounts involved in these adjustments are usually small, the considerable administrative work generated serves little purpose.

Section 302 would amend the law to pay in such cases the difference between the newly established entitlement and the amount already paid, without disturbing the previously paid amounts. This would not affect the total paid to the whole group, although the child or children added by the new award would receive a somewhat lesser amount for the past period for which the other children have already been paid. This proposal would eliminate the administrative detail required in establishing and liquidating pertinent overpayments of DIC. There would be no additional cost as a result of its enactment.

Section 303 of the draft bill would eliminate certain duplications of DIC payments which can occur under present law. Additional amounts are payable to a surviving spouse for each child below age 18, and these payments are discontinued upon the child's 18th birthday. Under subsection 414(c) of title 38, DIC also becomes payable to the children in such families once they attain age 18 if they are attending school, and can continue until they reach age 23 while they continue to attend. This entitlement becomes effective the first day of the month of their 18th birthdays. Hence, for the period from the first of that month until the birthday of the child, a dual award is being paid. Section 303 would eliminate this duplicate payment by reducing the child's award for the month of his or her birthday by the amount of the surviving spouse's additional award for the same month attributable to the child.

It is estimated that the yearly savings to be effected by section 303 would be approximately $50,000.

The last section of title III, section 304, would amend the current law applicable to certain veteran pensioners who are furnished domiciliary, hospital, or nursing home care by the Veterans Administration. The pertinent statute, 38 U.S.C. § 3203(a)(1), provides that when a veteran having neither spouse nor child is furnished domiciliary care by the Veterans' Administration, no pension in excess of $60 per month may be paid to or for that individual after the end of the second full calendar month following the month of admission. In cases involving veterans having neither spouse nor child who are furnished hospital or nursing home care by the agency, the pension limitation is applicable after the end of the third full calendar month following the month of admission. The rationale for providing a more generous period of time before pension is reduced in cases involving hospital or nursing home care is that individuals in these categories are more likely than are domiciliary residents to have major expenses (such as rent for living quarters) which will either continue during or resume following the periods of care. Section 3203(a)(1) further provides that when individuals are readmitted for domiciliary, hospital, or nursing home care within six months, pension, will be limited to $60 per month after the month of readmission if the earlier period of care was of not less than two full calendar months. The anomalous result of this statutory scheme is that a veteran who has been furnished hospital or nursing home care for a period of more than two but less than three months, and has therefore not experienced a reduction of pension, will nevertheless suffer an immediate reduction of pension if readmitted for such care within six months after the initial period. Section 304 of the draft bill would amend section 3203 (a)(1) to provide that upon readmission for hospital or nursing home care, an immediate pension reduction after the month of readmission would occur only if the initial period of care had been of sufficient duration (i.e., at least three full calendar months) to have resulted in a pension reduction.

The cost of section 304 would be less than $1,000,000 per year.

Title IV of the draft legislation specifies an effective date of October 1, 1980, for all provisions of the bill.

The Office of Management and Budget advises that enactment of the draft bill would be in accord with the program of the President.

Sincerely,

MAX CLELAND,
Administrator.●

ADDITIONAL COSPONSORS

S. 2152

At the request of Mr. NELSON, the Senator from New York (Mr. JAVITS) was added as a cosponsor of S. 2152, a bill to amend the Internal Revenue Code of 1954 to provide a doubling of investment tax credit for used section 38 property by raising the $100.000 limitation on such property to $200,000.

S. 2417

At the request of Mr. BENTSEN, the Senator from Missouri (Mr. DANFORTH) was added as a cosponsor of S. 2417, a bill entitled the "Productivity Improvement Act of 1980."

SENATE RESOLUTION 407

At the request of Mr. STEVENS, the Senator from Connecticut (Mr. WEICKER) and the Senator from New Hampshire (Mr. DURKIN) were added as cosponsors of Senate Resolution 407, a resolution to express the sense of the Senate that it offer its congratulations to Americans who participated in the Second Olympic Winter Games for the Physically Handicapped in Geilo, Norway.

SENATE RESOLUTION 418—ORIGINAL RESOLUTION REPORTED TO PAY A GRATUITY

Mr. PELL, from the Committee on Rules and Administration, reported the following original resolution, which was placed on the calendar:

S. RES. 418

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay, from the contingent fund of the Senate, to Helen Barkan, widow of Sam Barkan, an employee of the Senate at the time of his death, a sum equal to 11½ months' compensation at the rate he was receiving by law at the time of his death, said sum to be considered inclusive of funeral expenses and all other allowances.

ADDITIONAL STATEMENTS

TRANSFER OF TECHNOLOGY TO THE SOVIETS

● Mr. JACKSON. Mr. President, on April 30, 1980, in addressing the Conference on U.S. Technological Policy Issues held by the Institute of Electrical and Electronics Engineers (IEEE), I pointed out the failure of past U.S. policy to restrict the flow of security sensitive technology to the Soviet Union and its allies. The Permanent Subcommittee on Investigations—of which I am vice chairman—has identified these defects in the course of its inquiry on technology transfers.

I also raised questions as to how serious the Carter administration really is with its new purported "get tough" policy on exporting high technology to the Soviets. The Investigations Subcommittee will be carefully monitoring the implementation of this new policy.

Mr. President, I would like to share my views on this important issue with my colleagues. To that end, I ask that my remarks to the IEEE on this matter be printed in the RECORD.

The remarks follow:

TECHNOLOGY TRANSFER TO THE SOVIET UNION

(Remarks by Senator HENRY M. JACKSON)

Our country now confronts, for the first time, a potentially adverse strategic balance, a changing balance against us in theater nuclear forces in Europe, and a continuation of the West's inferiority in regional conventional forces. Only because of our considerable historic advantage in technology have we been able to maintain strategic parity with the Soviets. Now our technological lead is being seriously challenged. The Russians have outspent the U.S. on military research and development by 50% over the last decade. A particularly threatening factor is the laxity in U.S. controls on the transfer of strategic technology to Soviet bloc nations.

The relaxation of controls on strategic trade with Moscow has been a central principle of the policy of detente under three Administrations. A basic tenet of the policy is that trade would create a web of interlocking interests. A purported benefit to be achieved was greater cooperation from the Soviets. But the Kremlin has exploited detente to acquire the West's latest technology to make up for their own deficiencies and thereby fortify its military-industrial complex. The Administration should not have been surprised that logistical support for the Soviet invasion of Afghanistan was provided by Kama River trucks produced from American and other Western technology.

Lenin foretold this process. He said that Western capitalists would sell the Soviet Union the rope with which the Soviets would hang the West.

The truth is our export control system is a shambles. The United States and its allies have been selling the rope to the Soviets. What we haven't sold, we have been giving away in educational, governmental and commercial technical exchange programs. What we haven't sold or given away, they have been stealing.

Take the case of the Kama River Truck plant. The U.S. approved the export of goods and technology in 1971 for this plant despite the objections of the Department of Defense that these trucks could and would probably be used by the Soviets to enhance their military logistical support.

When it became a matter of public record last summer that the risk had materialized, the Administration declined to take any remedial action. I received a letter from the former Secretary of Commerce that made the bizarre assertion that the presence of Kama trucks in Soviet military units in Eastern Europe did not constitute a diversion of the plant to military use. The Secretary suggested that there was no basis for concern because the Soviets had not made a specific, legally enforceable promise not to divert the trucks to military use. This same false reasoning was used by the former Assistant Secretary of Commerce when he testified before Congress that there would be no diversion even if the Russians started producing armored personnel carriers at the Kama plant.

The controversy demonstrated that the Soviet Union was not caught in a web of interlocking interests that supposedly characterized detente. Rather, the Administration behaved like a brain-damaged spider caught in its own web, unable to extricate itself. The Administration resisted taking any action in response to the Kama River diversion until after the Afghanistan invasion, undertaken with the assistance of Kama trucks. Then the Commerce Department revoked two licenses for spare parts for the IBM computer at the Kama foundry. But, just a few days before the invasion, the Commerce Department was opposed to revoking even these licenses.

Now, take the case of the Zil complex. The corruption of security analysis has gone so far as to justify the export of computer equipment to the Zil complex, a Soviet organization known to produce trucks and missile launchers for the Soviet military. The government justified the sale of a computer to the Zil complex on the ground that the contribution to the military is not significant. The argument ran that only a relatively small percentage of Zil's truck production goes to the military and that Zil produces only a small number of missile launchers. This is a short-sighted and dangerous accountant's numbers game.

It reminds me of the story of the French balloonist who one day strayed off his course, crossed the Channel and crash-landed in the English country side. Luckily, an English gentleman was nearby and raced to the balloon and assisted the dazed Frenchman, who asked "Where am I?" The Englishman replied: "You are in a basket in the middle of a meadow, my dear chap." The Frenchman then asked: "Monsieur, are you an accountant, by any chance?" The surprise Englishman replied: "Yes, by George, but how did you know that?" The Frenchman responded: "Because the information you gave me is completely accurate, but totally useless."

The moral of the story is that Congress cannot legislate good judgment which has been so often lacking in the administration of our export laws.

II

Export administration officials have justified many sales to the Soviets on the ground of "foreign availability"—that is to say—comparable quality goods or technology are available in substantial quantities from foreign sources. All too frequently, however, foreign availability findings have been based on wholly inadequate data and superficial staff analysis.

Many security-sensitive technology sales to the Soviets have been justified on the basis that the cooperation of our COCOM allies—NATO and Japan—could not be secured.

In fact, the United States has been undermining the effectiveness of COCOM. It has taken the lead in seeking exceptions from the COCOM embargoes on security-sensitive items, which has encouraged our allies to act likewise.

I believe the whole foreign availability issue has been blown out of perspective by government officials and businessmen who have been eager to increase U.S. exports. We must keep in mind that export controls apply just to strategically significant items. These items have accounted for only 1% of our total trade with the Soviet Union. If we err on the 1%, it should be on the side of security.

The net result of U.S. policies over the past decade has been to create a working presumption that goods and technologies that are on our national security control list can be exported. As a consequence, less than 5% of license applications for exports to the Soviet Union have been denied.

This has meant a significant contribution to the Soviet Union's military potential. Western technology has upgraded the Soviet motor vehicle, machine-building and chemical industries. IBM computers licensed for export to the Soviets were helpful to them in the development of their own Ryad computer system. U.S. ball bearing grinders sold to the Soviets in 1973 and 1974 are making a distinctive contribution to the Soviet military effort and could be producing the precision miniature ball bearings used in current and follow-on MIRV guidance systems.

III

For years proponents of detente have encouraged the Soviet bloc nations to send their best technicians and scientists to our leading educational institutions to study and work in the computer and other advanced and emerging technological fields which may not have reached the military application phase in this country. For example, one Russian exchange student came to the U.S. to study the chemistry of fuel-air explosives. In contrast, American students go to the Soviet Union to study literature, history and economics. Business and governmental experts are expressing growing concern about the virtually unregulated flow of critical technology to the Soviet Union that has occurred in these exchange programs, with no reciprocal benefits to our country.

IV

While we have carried on business as usual with the Soviets, they have been stealing our best technology that we won't sell them. Intelligence agencies estimate that between 1973 and 1977, $150 million of Western embargoed goods were illegally shipped to the East.

Under Secretary of Defense Perry has testified that the Soviet Union has a "large, systematic, well-organized and effective" operation to illegally acquire security-sensitive Western goods and technologies. The thefts have included some of our most advanced IBM computers. The clandestine acquisitions we know about appear to be only the tip of an iceberg. The results in terms of damage to our security far exceed the dollar value of the equipment and technology involved.

V

The Senate Permanent Subcommitte on Investigations—of which I am Vice Chairman—has been inquiring into the adverse impact on our national security of lax controls on the transfer of technology to Soviet bloc nations. I have made recommendations to the Carter Administration to remedy the defects in our export control system which have been identified in the Subcommittee studies and hearings.

Finally, since the invasion of Afghanistan, the Administration has indicated its intention to pursue a more restrictive export control policy toward the Soviets. The Administration has said that:

Generally it will not approve exports of COCOM items;

It will tighten criteria used in reviewing applications for licenses for the export of technology, including process know-how for plants and militarily relevant industrial sectors;

And has established a presumption of denial for exports of technology for manufacturing oil and gas production and exploration equipment.

In addition, the Administration is negotiating with our COCOM allies with a view to seeking their agreement on improved multilateral controls.

These are steps in the right direction. But I am concerned about some aspects of the Administration's new guidelines:

First, the Commerce Department said that the new U.S. "no-exceptions" policy is subject to possible exceptions. Clearly, those exceptions could be interpreted narrowly or broadly.

One exception criterion that troubles me is for spare parts and servicing of computers that had been previously exported to the Soviets but which would not be licensed under the new policy. The Commerce Department is suggesting that continuing to supply parts and service to these computers may serve Western security interests by maintaining visitation safeguards. These so-called "safeguards," however, provide no adequate assurance against diversion of computer time to military use. This was confirmed in recent testimony before our Investigations Subcommittee by Under Secretary of Defense Perry—and is a view shared by other experts. I urge that this exception criterion be revoked since it is without foundation and permits the Soviets the military advantage of using the very type of computers which we say we won't sell to them.

Second, thus far the new policy consists largely of general statements of principles and intentions and possible exceptions, which will be translated into licensing decisions on a case-by-case basis. The proof of the policy is in its implementation.

The Commerce Department has yet to decide whether to revoke or confirm about 400 suspended licenses and 300 suspended applications for exports to the Soviet Union. I understand that a few cases have been decided but that the Commerce Department has not given public notice of this fact. I urge the Administration to publicly report its actions on these licenses and applications consistent with the protection of proprietary information. The public has a right to know. In any event, the Investigations Subcommittee will be monitoring these decisions.

Third, certain U.S. assembly line equipment and technology remain exportable to the Kama River truck plant without a validated license and will be shipped unless the Administration stops it. Such items could be used to expand significantly the capacity of that plant. They should be subject to validated license control and licenses should be denied. Other technologies and goods which could materially upgrade or expand known Soviet manufacturers of products for the military should also be subject to validated license requirements and licenses should likewise be denied.

Fourth, a number of kibitzers suggest that the new American get-tough policy on high technology will fail because one or more of our allies may not cooperate. I believe that if the United States resumes its position of leadership on export control, our allies will be inclined to join us. After all, it is in their security interests as well as ours.

Should a nation initially refuse to cooperate with us in denying alternative sources of strategic technology or goods, it hardly enhances U.S. credibility to race to Moscow to sell the very item we had argued would be contrary to our security interests for the other nation to sell. In such instances, the U.S. should make vigorous diplomatic efforts to persuade such a nation to reconsider. If the President needs additional authority to encourage other nations to cooperate in multilateral controls, I assume he will ask for it and that the Congress would support appropriate legislation.

Finally, I am concerned that it took the cataclysmic invasion of Afghanistan to awaken the Administration to the need to tighten up export controls. Beyond this, I am dismayed that President Carter seems to view the new export control policy primarily as a temporary retaliation for the invasion, and that he has indicated U.S. policy will revert to a pre-invasion normality, if the Soviets withdraw from Afghanistan.

On March 3, Secretary Vance said that "When Soviet troops are fully withdrawn from Afghanistan, our intention is to remove the sanctions we have imposed since the invasion of that nation." The President told the Washington Post on March 29: "I hope that eventually if the Soviets will withdraw from Afghanistan that we can restore normal trade relationships and other relationships with the Soviets." On April 11, the President told a press conference: "It is essential that our intentions be absolutely clear. The measures we have taken against the Soviet Union since the invasion will remain in effect until there is total withdrawal of Soviet troops from Afghanistan."

VI

My friends, the situation calls for a coherent, consistent, national export control policy effectively administered—not quick fixes, diplomatic feints and nostalgic talk about detente and normal trade relationships.

President Carter often says he is a reader and admirer of Professor Reinhold Niebuhr. I urge him to take to heart these words of that distinguished theologian:

> "There has never been a scheme of justice in history which did not have a balance of power at its foundation. If the democratic nations fail, their failure must be partly attributed to the faulty strategy of idealists who have too many illusions when they face realists who have too little conscience."

The flaws in our export controls are due to an absence of conviction, not of resources; it is within our capacity and that of our allies to remedy them. It is still possible to improve our export controls. But the time is long overdue to translate rhetoric about our tough new policy into effective action.●

A SALUTE TO SAFETY PATROLS

● **Mr. MATHIAS.** Mr. President, every morning and every afternoon, we see them at our intersections, their dispositions as bright and refreshing as the fluorescent orange banners they wear. Like our other public servants, school safety patrols are always on duty, helping other children to arrive safely at their elementary schools. The patrols' care and concern shines through in their every action.

Tomorrow morning, Saturday, May 3, at 10, these civic-minded youngsters will be honored during the 49th Annual School Safety Parade through downtown Washington, Over 28,000 elementary school patrols are expected to march in the parade, which is sponsored by the Potomac Division of the American Automobile Association. Marching bands, drill teams, circus clowns, and familiar children's characters will also participate in the festivities. Patrol delegations from Maryland, Virginia, and District schools have been busy for weeks creating floats and slogans with a theme of safety.

The parade will have wide appeal for children. Patrols from the Hearst Elementary School in the District, for example, will be marching to the rhythm of this slogan: "The Hearst patrols are safety bugs, we're here to spread the word. 'Safety' is our motto, we'll bug you till we're heard" The children will be dressed as good bugs and bad bugs, the latter demonstrating poor safety habits, such as failing to cross the street at an intersection and not listening to the patrols.

On occasion, a school's safety motto receives national attention. Such was the case with the slogan, "Behind every rolling ball is a running child," which the AAA adopted for widespread use after it originated in a safety patrol parade in the early 1940's.

The parade attracted patrol delegations from schools nationwide until the late 1960's, when demonstrations in Washington discouraged attendance. This year, patrols from California, Michigan, and North Carolina have been invited to join the local children in the parade, with hopes of revitalizing the event's traditional national dimension.

The parade offers an oportunity for area patrols to develop a sense of camaraderie and cooperation among the schools. The patrols keep that spirit alive throughout the year at area patrol Olympic sports days, summer safety training camps, and group trips to local sporting events.

As AAA Traffic Safety Manager Tony Giannone says, the parade is essentially the best way for the community to thank the thousands of area youngsters for their dedication to a difficult job that the schools cannot afford to pay adults to do. Yet the parade is but the culmination of year-round, multifaceted safety education programs in area schools. For example, the traffic safety divisions of two Maryland counties, Montgomery and Prince Georges, give presentations to schoolchildren and community citizens on such diverse topics as responsible bicycle riding in the spring and sleigh riding in the winter, fire prevention during the Christmas season, and pedestrian safety at all times. I am especially proud of Prince Georges County, which received an AAA commendation for having the lowest pedestrian accident rate in the country for a jurisdiction of its size in 1979. I ask that an article from the American Motorist magazine, which describes elements of the Prince Georges County traffic safety program, be printed in the RECORD.

The article follows:

PRINCE GEORGES COUNTY POLICE SAFETY PROGRAMS

Every parent is concerned with the safety of their children, yet few realize the important role local police officers play in shaping the safety habits their youngsters learn. Often, it is the friendly police officer who first warns them about "Danger Stranger" and teaches them how to evacuate a school bus in case of emergency.

Here in the metropolitan Washington area, police administrators have long recognized the value of safety education. In every jurisdiction, full-time police officers are assigned to assist schools in this important task.

The Safety Education Section of the Prince George's County Police Department, however, deserves special recognition for their versatile safety programming at all school levels. Under the direction of Sergeant Kenneth W. Savoid, a corporal and six officers bring their safety message to approximately 140,000 students in Prince George's County each school year. Here are a few highlights of their outstanding program:

An officer from the safety section visits every elementary school in the county at least twice per year to address a school assembly or talk to an individual classroom. These safety presentations, which often include films and hand-out materials, are designed to appeal to the interests of various grade levels. Topics include pedestrian, bus, skateboard and bike safety.

The five officers assigned to the county's 133 elementary schools also serve as police safety coordinators for the county's 7,000-member School Safety Patrol program. As coordinators, they attend patrol meetings at each school several times a year, distribute AAA safety equipment and training materials, supervise at hazardous locations and plan special outings for patrol members. These officers are also responsible for the county's adult crossing guards.

During the summer, in cooperation with AAA and the Prince George's County School System, the section conducts six, one-week resident training camps for future school safety patrol officers at the Croom Vocational Center in Upper Marlboro, Maryland. At the camp, the youngsters learn how to supervise the patrol unit at their school. The daily camp schedule includes classroom and on-the-street instruction in patrol duties, as well as games, contests, campfires and sporting events organized by the police officers.

This year, 600 boys and girls, representing patrol units at every elementary school in the county, attended the training sessions.

Officers assigned to the county high schools hold "rap" sessions with students enrolled in driver education courses. Topics covered range from traffic safety law to the effect of alcohol and drugs on driving ability. Through these informal discussions, the officers reach virtually every new driver in Prince George's County.

The county's unique "Block Parent" program developed by the section in the late 1960's, has won acclaim throughout the nation. Parents who volunteer for the program are carefully screened by the police department and then given a sign which identifies their home as a place youngsters can go if they need help while walking to or from school. Ideally, one block parent is located along every major school route.

Several officers conduct bike "rodeos" during the spring and summer months to teach bike safety and maintenance to county youths. The rodeos have proved to be very successful. Last year, for example, 7,716 youngsters attended the workshops and registered their bicycles.

AAA salutes the Prince George's County Police Safety Education Section for a job well done! ●

SOLIDARITY DAY: THE COURAGE OF IDA NUDEL

● Mr. PELL. Mr. President, over the years, the efforts of the American Jewish community to aid and encourage the beleaguered Soviet Jewish community have been outstanding. Just this Sunday, on April 27, the Greater New York Conference on Soviet Jewry sponsored "Solidarity Sunday," a public outpouring of support for fellow Jews living in the Soviet Union. Since 1972, communities all across the Nation have been holding similar demonstrations to reaffirm their solidarity with their Jewish brethren in the U.S.S.R. who have been denied the freedom to practice their religion and the right to live in the country of their choice.

I wholeheartedly commend groups such as the Greater New York Conference on Soviet Jewry for their unwavering commitment to the causes of freedom and justice. As Cochairman of the Commission on Security and Cooperation in Europe, I know all too well that the Kremlin has callously ignored the pledges that it made at Helsinki 5 years ago and has consistently failed to facilitate the reunification of families and to respect the fundamental freedoms of its citizens.

On the same day that New Yorkers were rallying not far from the United Nations to commemorate "Solidarity Sunday," Jewish activist Ida Nudel was celebrating her 49th birthday. But for the second year in a row, this brave woman was forced to observe her birthday in exile in a remote Siberian village. In June of 1978, Ida was sentenced to 4 years of internal exile for "malicious hooliganism." Her crime had been to hang a placard from the window of her Moscow apartment that was inscribed with the plea: "KGB, Give Me My Visa to Israel!"

Ida had first applied to emigrate to Israel in 1971. Her only living relatives were allowed to leave and settle in Israel. But Ida was repeatedly denied an exit visa. An economist by profession, she soon became active in helping Jews, like herself, who had been victims of Soviet persecution and who had been imprisoned for speaking out for what they believed. Ida gave new hope to those languishing in Soviet prisons and camps through her letters and gift parcels. For her selfless efforts in their behalf, she was known as "the guardian angel" of Jewish Prisoners of Conscience.

Now this "guardian angel" is living in intolerable conditions in the bleak Siberian marshlands. The harsh winter has taken its toll on her health; she suffers from a heart ailment, a stomach ulcer and kidney problems. In October of 1979, she asked to see a specialist in Moscow, but the local doctor refused.

Simply exiling Ida Nudel to Siberia was not enough for the Soviet authorities. Now they are contriving to turn the local populace against her. In February of this year, the regional newspaper in Tomsk oblast included a scathing personal attack against Ida in an article about "the intrigues of Zionism." Ida reports, to her dismay, that copies of this article have been posted in stores and public places in and around the small village where she lives and throughout the entire rayon.

It is time for the suffering of Ida Nudel to end. She and others like her must be allowed to exercise the basic civil rights promised to them in the Helsinki accords and guaranteed them by the numerous human rights covenants that the Soviet Union has signed.

As we remember the plight of Soviet Jews on occasions such as "Solidarity Sunday," it is also an appropriate time to pay tribute to this valiant figure in the Soviet Jewish movement and applaud her courage. I look forward to the day in the near future when Ida Nudel will be free to celebrate her birthday, surrounded by her family and friends and in the country of her choice.●

FOOD STAMP SPENDING MUST BE BROUGHT UNDER CONTROL

● Mr. HELMS. Mr. President, I note that several of my colleagues have taken the floor to "warn" the Senate that immediate action on a massive infusion of additional Federal dollars is necessary to avert a shutdown of the food stamp program. The Senator from North Carolina, in turn, feels obliged to take the floor to "warn" the Senate that the food stamp program must be reformed. Otherwise, it will collapse under its own weight.

Just like last year, Congress will soon be "legislating in crisis" because the food stamp program has again spent tax dollars faster than anyone imagined possible. All of this "emergency action" is not coincidental. Indeed, it is obviously contrived. The pressure on Congress is deliberately orchestrated by the food stamp bureaucracy.

Last year, after the administration delayed for month after month, Congress hurriedly enacted the 1979 "emergency" food stamp bill which was required to prevent pro rata benefit reductions to all food stamp recipients. Threats of benefit reductions impacting most heavily upon the poorest citizens was the prod used to ram the additional billions through Congress on an "emergency" basis. In that way, consideration of reforming this runaway food stamp program was delayed, and the stage was set for massive increases in program costs.

In an effort to prevent the occurrence of another "crisis," Congress adopted the Lugar amendment, of which I was a cosponsor. That provision of the law makes clear that the Secretary of Agriculture has discretion in the manner of reducing food stamp benefits, if program expenditures should otherwise exceed appropriated levels. Also, the Lugar amendment requires monthly reports from the Secretary of Agriculture on the program's cost estimates. Since the first report in January of this year, it has been obvious that moderate reductions in program outlays have been needed. Instead, the Secretary elected to forgo any mild and sensible cutback and, thereby, risk a program shutdown.

Meanwhile the leadership in Congress has again complacently sat back while the long-recognized May 15 deadline approached. Obviously, the food stamp "crisis" which now exists was purposely allowed to arise so food stamp legislation must once again be considered on an emergency basis. Once again, there will be cries that there is not sufficient time to resolve necessary food stamp issues. And, once again, badly needed reforms will again have "to wait until next year."

But food stamp reform cannot wait. The taxpayers are being bled white. Legislative proposals for reasonable reform proposals have been introduced and there has been some discussion of them. Food stamp reform is essential if fiscal responsibility is to be achieved. Literally billions of taxpayer dollars are at stake. No contrived "crisis" can be used as a legitimate excuse for putting aside reasonable reforms, and I want it made clear that this Senate, this year, is going to have to address the need for these reforms.

Mr. President, the real food stamp crisis is the refusal by Congress to reform the food stamp program. One out of every seven Americans now meets the overly lenient eligibility standards of the food stamp program. Indeed, 22 million people are now receiving free food stamps. And, the food stamp program will cost almost $11 billion next year if it is not.

This Senator from North Carolina does not intend that the truly needy should go hungry. But, I cannot sit idly by while the food stamp program continues to run out of control. American taxpayers cannot afford to wait another year to rein in this runaway program. Food stamp program reforms are needed—now; the Senate has an obligation to assure they are enacted this year.

Mr. President, so that Senators may have an adequate understanding of the scope of the problem of food stamp wastefulness and extravagance, I asked the minority staff of the Senate Committee on Agriculture, Nutrition, and Forestry to prepare a statistical summary and explanation of some of the most highly significant problem areas in the food stamp program. I ask that the report provided to me be printed in the RECORD at the conclusion of my remarks.

The report follows:

FOOD STAMP FACTS AND FIGURES

PARTICIPATION

The Congressional Budget Office estimates that in March, 21.7 million people participated in the foodstamp program—that is one out of every 10 Americans.

It is estimated that an average of 21.2 million persons will participate in FY 1980, and 23 million in FY 1981. Only 15.3 million were participating at the beginning of FY 1979, 30 percent fewer than the expected level next year. These figures are still less than the numbers FNS targeted in its outreach efforts for FY 1980 (see enclosed outreach table).

Puerto Rico

As of November, 1979, over 55 percent of the population of Puerto Rico was receiving foodstamps. Puerto Ricans represent 9.5 percent of the total program.

In addition, Puerto Ricans received $748 million worth of foodstamp coupons in 1979—far more than any state in the nation and in fact more than double the amount received by every state but New York and California.

Puerto Rico has the second highest state administrative costs, and yet still operates its program with the highest recipient fraud rate of all the states and trusts.

To have program administrators saying on the one hand that participation has leveled off, while knowing full well that the proposed outreach regulations embark on an effort to expand the program to a total participant objective of 27.3 million in fiscal year 1980, an 11 million person increase, exclusive of figures for Guam, Puerto Rico and the Virgin Islands, can easily mislead the Congress. The fiscal year 1980 estimated participation targets on a State-by-State basis, which targets were published in the Federal Register on April 10, 1979, and are reflected in Table I.

TABLE I.—OUTREACH TARGETS ON A STATE-BY-STATE BASIS FISCAL YEAR 1980[1]

[February 1979 figures used if March 1979 figures not available, thousands of people]

State	Food stamp participation		1980 target[2]	Difference
	February 1979	March 1979		
Alabama		432	726	294
Alaska	15		53	38
Arizona		122	337	215
Arkansas		765	467	202
California	1,406		2,149	743
Colorado	148		276	128
Connecticut		162	239	77
Delaware	40		67	27
District of Columbia		99	104	5
Florida	725		1,290	565
Georgia		415	1,031	616
Hawaii		96	136	40
Idaho	37		95	58
Illinois		876	1,207	331
Indiana		241	474	233
Iowa	123		225	102
Kansas		69	227	158
Kentucky		401	701	300
Louisiana	440		791	351
Maine		130	144	14
Maryland	259		375	116
Massachusetts	550		573	−77
Michigan		705	866	161
Minnesota	147		365	218
Mississippi		429	659	230
Missouri		262	646	384
Montana		35	99	64
Nebraska	52		160	108
Nevada		24	64	40
New Hampshire	42		71	29
New Jersey		493	669	176
New Mexico		140	235	95
New York	1,750		1,989	239
North Carolina	494		1,011	517
North Dakota		19	76	57
Ohio		718	1,211	793
Oklahoma		178	386	208
Oregon		184	202	18
Pennsylvania	911		1,291	380
Rhode Island	70		100	30
South Carolina	317		553	236
South Dakota		32	79	47
Tennessee	486		742	256
Texas	942		2,359	1,417
Utah	43		124	81
Vermont		40	63	23
Virginia	267		657	690
Washington	231		373	142
West Virginia	550		298	−252
Wisconsin	195		318	123
Wyoming		10	41	31
Total	16,817			+10,806

[1] Exclusive of figures for Guam, Puerto Rico and the Virgin Islands, for which target figures are not available.

[2] Figures from Proposed Outreach Regulations, Apr. 10, 1979, Federal Register. From Minority Views, House Report on Food Stamp Act Amendments of 1979.

Characteristics of participants

Ninety-three percent of foodstamp households participate in more than one major Federal income transfer program, according to the Chilton Study conducted under USDA in 1974.

The average foodstamp household participates in three programs, according to the study.

Twenty-nine percent of foodstamp households own their own homes, according to USDA.

Thirty-six percent own their own cars.

Almost ten percent are Puerto Ricans, according to CBO.

Two percent are college students.

0.3 percent are strikers, according to the latest FNS report. The number of labor-management disputes tends to increase dramatically as economic conditions deteriorate, so this number can be expected to increase in coming months.

ELIGIBILITY

The Congressional Budget Office estimates that one out of every seven Americans is now eligible to participate in the foodstamp program.

If maximum deductions are taken, from July to December of 1980, families will be able to earn the following incomes and still receive foodstamps:

Family size:	*Maximum gross income*
4	$12,756
5	14,400
6	16,056
7	17,652
8	19,296

(Bill Hoagland, Congressional Budget Office)

In order to determine the level of benefits a family is to receive, the foodstamp caseworker calculates a net income figure based on several deductions from gross income and a number of exclusions of various types of possible payments.

Net income is based on the following formula:

Net Income equals Gross Income minus [Standard Deduction ($80) minus 20 percent of Earned Income minus Excess Shelter Expense Deduction and/or Dependent Care Expense Deduction (total not more than $110)]

Exclusions from income

The following are not included in the determination of gross income:

1. In-kind income, such as food, clothing, or housing.

2. Vendor payments, or payments made by an outside party on behalf of the household. For example, if a friend pays the rent bill for the household directly to the landlord, this would not be counted as income.

3. Any income excluded by any other federal law from being counted as income under the foodstamp program.

4. All educational loans on which payment is deferred, grants, scholarships, fellowships, veterans' educational benefits, and the like, to the extent they are used for the payment of tuition and mandatory fees at an institution of higher learning.

5. All loans, whether from private individuals or institutions, other than educational loans on which payment is deferred.

6. Reimbursements for job or educational expenses, for medical or dependent care, for services provided under Title XX of the Social Security Act, and for out-of-pocket expenses of volunteers incurred in their work, as long as the reimbursements do not exceed actual expenses.

7. Payment received for the care of a third party in the household.

8. Earnings of children.

9. Money received in the form of non-recurring lump-sum payments, such as income tax rebates or retroactive social security or SSI payments.

10. Any income received too infrequently or irregularly to be reasonably anticipated, and which does not exceed $30 in a quarter.

11. Costs of producing self-employment income.

FOODSTAMP BENEFITS

Food stamp benefits supplement a household's food purchasing power to a level sufficient to provide an economical, nutritious diet for every member of that household. The thrifty food plan, developed by USDA in 1974, provides the basis for that diet. It assumes the amount necessary to feed a family of four consisting of a man and woman age twenty through fifty-four, a child six through eight and a child nine through eleven. The cost of this diet plan is adjusted for family size, as well as twice a year for inflation.

Benefits disbursed under the food stamp program should not be confused with the value of the thrifty food plan because 30% of the household's net income is assumed to be contributed to food purchases. Benefit levels are determined as follows:

Value of Thrifty Food Plan (adjusted for household size) minus 30 percent of Net Income equals Benefit Level.

In FY 1981, average benefits per person per month are estimated at $41.00, or 46 cents per person per meal. The average per person value per month, on the other hand, is expected to be $56 by FY 1981, or 62 cents per meal.

COSTS

[In billions of dollars]

	Fiscal year—		
	1979	1980	1981
Authorization ceilings under current law	6.7	6.2	6.2
CBO revised cost estimates (April 1980)	6.8	9.2	10.8
Administration's revised budget estimate (April 1980)		9.0	9.5
Budget resolution		8.6	8.7
S. 1309, House bill:[1]			
Without cushion		8.7	9.7
With cushion		9.1	10.7
Percent		(5)	(10)

[1] S. 1309 as passed by the House Agriculture Committee would authorize $8.7 billion for fiscal year 1980 and $9.7 billion for fiscal year 1981. In addition, spending could exceed the 1980 limit by 5 percent and the 1981 limit by 10 percent if the Secretary should determine this money is needed. The Senate has already voted to lift the current foodstamp cap of $6.2 billion for fiscal year 1981, which was set under the 1977 Food Stamp Act.

According to CBO's estimate, costs will have increased 58 percent next year over those last year. And the CBO estimate for next year is 73 percent above the amount currently authorized for FY 1981. The $9.5 billion budget proposal made by USDA for the program next year represents a full forty percent of the whole Department of Agriculture budget proposal.

FIRST CONCURRENT BUDGET RESOLUTION

Sen. Con. Res. 86 recommends that legislative savings of $1.4 billion be made in the foodstamp program through the following cuts:

Fiscal year 1981 budget authority

[In billions of dollars]

Program cuts	
Annual rather than semiannual cost of living adjustment	−0.3
Count low income assistance and school lunch subsidies in calculating benefits	−0.8
Other foodstamp reforms	−0.3
Total	−1.4

USDA BUDGET REVISIONS, APRIL 1, 1980

The administration's January budget proposed a foodstamp budget of $9.729 billion. The April revision lowered this figure to $9.461 billion, based on the assumption that certain legislative changes are made. These include:

Fiscal year 1981 budget authority

[In billions of dollars]

Program changes	
Annual adjustment of benefits on January-January basis	−$0.30
Eliminate March poverty level update to adjust eligibility	− .05
Reduce student eligibility	− .06
Reduce assets limit from $1,750 to $1,500	− .02
Reestimate of costs due to current economic conditions	+0.16
Total	−0.27

REASONS FOR COST INCREASES

Food and Nutrition Services attributes the soaring costs of the program primarily to higher than anticipated food price inflation, and secondarily to unemployment and "other economic factors." Greater-than-anticipated growth in participation is less of a factor, FNS claims, contributing only $300 million to the cost of the program in FY 1981, as opposed to the $2 billion which food price inflation is expected to add to program costs.

The Congressional Budget Office attributes its recently revised and increased estimate of program costs primarily to the rapid increase in participation over the past months. Since January, food prices have stabilized while the costs of housing, fuel, transportation and medical care have risen dramatically. These increases in the prices of basic items have driven up participation in the foodstamp program as households find they can adjust their expenditures to spend less on food and thereby accommodate the price increases in other items. In addition, elimination of the purchase requirement has caused the program to be more sensitive to changes in the economy, according to CBO. And finally, more households may have come on to the foodstamp rolls when they applied for low income energy assistance grants and became for the first time exposed to the program.●

HANDBOOK FOR SMALL BUSINESS

● Mr. NELSON. Mr. President, since 1969, when the "Handbook for Small Business" was last revised, enormous strides have been taken by the Congress to make it easier for the entrepreneur to start a small business or grow and thrive in an existing venture.

I am pleased today to announce that the Senate Small Business Committee has completed a comprehensive revision of the handbook, to include not only the changes of the last 10 years, but to put the information in a format that can be easily utilized by the small business owner who has no special knowledge of Government programs.

During those years, the number of businesses in this country has grown from 11.7 million to more than 14.6 million according to the latest figures, and 97 percent of those are smaller firms. These small firms form a segment of the economy which produces more than half of all industrial inventions and innovations, nearly half of the gross national product, and the great majority of all new jobs created in the private sector.

During those same 10 years, and more particularly in the last 4 years, the Congress began to recognize the needs of the small business community and the giant role that community plays in the economic health of our Nation.

Corporate tax changes have already been adopted generating an additional $2 billion a year in capital for small business. Estate tax law revisions have been made to keep family businesses in the family. Regulatory relief has been effected. A greater share of Federal dollars is being shifted to the small business sector in Government procurement and research and development contracts. And the Small Business Administration has a much greater voice as an advocate for small business, and is providing more and more research and assistance.

These are but a few of the recent positive actions that have been taken in Congress to stimulate the small business sector.

The success of the recent White House Conference on Small Business, which culminated its work in January, heralds a small business decade in Washington when Congress will do much more to encourage the growth of this vital sector of our economy by implementing those recommendations.

If the small businessman is to compete effectively in the marketplace, if the entrepreneur is to act intelligently in beginning a venture, they must be armed with the best and most up-to-date knowledge. It is for this that the new edition of the Handbook on Small Business has been designed.

As a primer for new businesses or an update for the established firm, this handbook will serve as a roadmap through the programs of the 25 Federal agencies that can provide assistance to small businesses.

The handbook contains information about tax benefits, financing, management assistance, buying from and selling to the Government, and research and technical matters.

It fulfills an obvious need for a guide that describes simply, in layman's terms, the dozens of programs available to small business.

The American dream of owning one's own business is still alive. The Senate Small Business Committee believes that this reference work will make it a little bit easier for the entrepreneur's dream to become a reality.●

NEW COMPETITION FOR U.S. TOBACCO FARMERS

● **Mr. HELMS.** Mr. President, at the time the Senate considered the legislation granting most-favored nation status to Communist China back in January, I warned of the potential for adverse impact upon the United States.

The ultimate question, of course, is whether the United States has ever really benefitted from trade with any Communist nation. In the instance of the Soviet Union, for example, we engaged in technology exports which netted American manufacturers a few millions of dollars. But, as a result, it will cost the American taxpayers billions of dollars to catch up with the Soviets in strategic weaponry.

The analogy extends to our "tobacco trading" with Communist China. What the Communist regime in Peking wants, of course, is U.S. technology—and if we transfer it to them, I am convinced that it will ultimately be a severe blow to U.S. tobacco growers.

In further reflection upon the impact that trade concessions to the Red Chinese will certainly have upon our tobacco farmers, I prepared an article for the April edition of the Flue-Cure Tobacco Farmer magazine. It explains in detail the adverse impact that I predict will come from massive technology transfers in tobacco production and handling to the Red Chinese, and it speculates upon what that will mean to U.S. growers.

It is significant, also, that the official report of the Tobacco Trade Mission to Communist China has become available since the Senate considered the MFN status legislation. The report substantiates my conclusions that the Red Chinese can compete with U.S. tobacco farmers, though the author seems to believe otherwise.

The fundamental question not assessed in the report is: How can our tobacco growers hope to compete with $40-a-year labor? My fear is that those who advocate such trade with Red China are rushing to travel a one-way street—a street that may very well help lead U.S. tobacco growers into oblivion. Mr. President, I do not doubt anybody's sincerity—but I do not want to see our tobacco farmers destroyed because somebody was sincerely wrong.

I ask that my article, "Trade with Communist China: Bad News for U.S. Tobacco Farmers?," and the report prepared by Dr. W. K. Collins of North Carolina State University entitled, "Tobacco Trade Mission to Peoples Republic of China," be printed in the RECORD at the conclusion of my remarks, so that interested persons may make their own judgments.

The material follows:

TRADE WITH COMMUNIST CHINA: BAD NEWS FOR U.S. TOBACCO FARMERS?

(By JESSE HELMS)

The stage has been set for a great calamity for U.S. tobacco farmers. The Most Favored Nation legislation by Congress provides the Communist Chinese increased access to our markets for their products—including tobacco!—by reducing gross tariff rates by some 40 percent. In addition, it makes available to them all kinds of credits using U.S. taxpayers' dollars to finance their trade with us.

Really, now, doesn't trade have to be a two-way street? Trade with Communist China can never be a two-way street for the United States for two reasons. One, there is a vast difference in circumstances between the United States and the Chinese markets, a principal factor of which is the incredibly low Chinese per-capita income. Secondly, the Chinese are not at all interested in importing our products—only our technology.

Precisely as was the case with the Soviet Union, the Red Chinese intend to combine our advanced technology with their cheap labor—essentially slave labor—to gain the foreign exchange to pay for the industrialization of their country. Both of these elements of the one-way trade advantage are ample explanations for Chinese interest in the recent U.S. tobacco trade mission.

Just what is the Chinese interest in U.S. tobacco? The evidence provided me by the U.S. Department of Agriculture, the report of the Governor's recent trade delegation, and a recent article in The Flue Cured Tobacco Farmer magazine—all of this points to the fact that the Chinese have little interest in our tobacco leaf. What they want and need is our tobacco technology. But more about that later.

The reason the Communist Chinese have little interest in our leaf is simple: They cannot afford it. The Chinese per-capita income is so low that it seems almost ridiculous to Americans. We often hear the income figure of $400 per year—that is accurate for only about 20 percent of the people who live in cities and work in factories. For the 75 to 80 percent of the population who live on the agricultural communes, the yearly disposable income is closer to $40 per year!

The simple truth is that U.S. tobacco, currently valued at $1.50 per pound, would be equivalent to $27.60 per pound to the Chinese consumer, based on the fact that U.S. per capita income is 18.4 times greater than those Chinese who live in the cities. On the basis of that kind of transposition of incomes, it is also interesting to note that Chinese manufactured cigarettes currently sell from 6¢ to 84¢ per pack U.S. currency, which means from $1.10 to $15.45 to Chinese with $400 yearly incomes. The infusion of highly priced U.S. tobacco would make cigarettes even more costly, and consequently even more beyond the reach of the Chinese smoking public.

So, Mr. Tobacco Farmer, you just aren't going to sell tobacco of any consequence to the Communist Chinese. But hold on to your hat, because the Chinese plan to sell a great deal of their tobacco in the world trade. And every farmer knows that every pound put into the world trade by any other country displaces a pound of U.S. flue-cured.

The Governor's trade mission's official report describes in detail the steps the Chinese must take to improve their production and handling techniques in the growing and marketing of tobacco. Reference is made to obviously incorrect and sloppy methods in the planting, harvesting, curing, marketing and redrying processes. The report says the Chinese are at the stage of development in these processes where the United States was 30 or 40 years ago and concludes that "newer, more efficient [processes] would contribute favorably to their [improved] operation."

The Chinese have given very little attention to quality, because farmers are paid for quantity rather than quality. Their researchers have not been able to introduce new and improved plant varieties for this reason. However, there is strong indication their researchers realize this and have introduced tobacco practices and varieties which, according to the report, "appeared to be quite usable by world standards." The report concluded that "the cured leaf observed does indicate the potential to produce acceptable-appearing curing leaf in the PRC."

To the extent that the United States provides the assistance to the Chinese Communists to accomplish these things, we can do so only to the clear disadvantage of our own tobacco farmers.

It is important to bear in mind that these changes in cultivation and handling practices must precede any other kind of trade. The Governor's report points out that the Chinese cigarette-manufacturing equipment is antiquated and inefficient. Modern technology in cigarette manufacturing is essential to the Chinese because they cannot now meet domestic cigarette demand . . . and because they need to devise means to come up with additional foreign exchange.

Such new and modern equipment could

not efficiently use Chinese tobacco as it is presently cultivated and handled. It would be a complete waste to use any U.S. leaf with Chinese tobacco as it is presently brought to the blending rooms because any advantage imparted by the U.S. leaf would be overwhelmed by the improperly handled and cured Chinese tobacco.

So, even to those who mistakenly assume that the Chinese will use U.S. tobacco in their cigarettes, it should be evident that the Chinese must produce their tobaccos more along the lines we do, with greater attention to quality in production and processing. Once they've done that, Pandora's Box has been flung wide open.

Let me now speculate as to how the Chinese plan to accomplish all these things, courtesy of the American taxpayers and the U.S. tobacco farmers.

First, on the promise of their intention to purchase a brand new, completely set-up cigarette factory from a U.S. company, the Chinese intend to acquire the latest in tobacco production and handling technology—for free. After they have begun to improve the desirability of their leaf, they plan to use the credits to purchase a factory. Now, the Chinese factories use 35 percent more tobacco per cigarette than the new modern American manufacturing equipment. They will be able to "save" this large amount of tobacco over what they currently use.

Inasmuch as this tobacco must be of enhanced quality to be used in the new machinery, it will be more desirable in the export trade. To pay for the factory—that is, to repay the loan from the U.S. taxpayers—they will place this 35 percent saved on the export market to earn the foreign exchange.

Such tobacco will displace U.S. tobacco now going into the world trade, so the U.S. tobacco farmer will pay, coming and going. After the loan is paid off, the Chinese will have obtained a new factory and, more importantly, the ability to duplicate the technology and build new factories of their own; they will have gained the knowledge of how to better cultivate and handle the tobacco they produce; and they will have established an export market to gain valuable and essential foreign exchange to pay for other purchases of technology—and it won't have cost them a dime!

TOBACCO TRADE MISSION TO PEOPLES REPUBLIC OF CHINA

INTRODUCTION

A delegation representing the U.S. Flue-Cured Tobacco Industry conducted a Trade Mission to The Peoples Republic of China from November 1–14, 1979. The mission was led by The Honorable James B. Hunt, Jr., Governor of North Carolina and long-time friend of the U.S. Tobacco Industry. The delegates represented a cross section of tobacco interests and consisted of the people on the following pages with a brief statement about them and the period they were with the delegation in the PRC.

The delegation was warmly received in PRC; and we could not have been treated any better during our visit. Countless people in all walks of life were extremely cordial to us at all times, and we are grateful for numerous things done to make our visit such a pleasant one.

Official dialogue was extremely friendly as well as open. They gave prompt and apparently honest answers to our many questions.

ORGANIZATION OF THE TRADE MISSION

Mr. Verne Strickland, WRAL–TV, Raleigh, NC, originally conceived the Tobacco Trade Mission and actively worked for more than a year to organize it and gain permission from the PRC for the delegation to make the visit. In the later stages, Governor Hunt and his staff were able to secure the invitation and Mr. W. D. Lewis made the final arrangements for the mission.

The American Embassy in Beijing was extremely helpful with the mission, especially Mr. William Davis, Agricultural Attache, who was with the mission November 1–10.

THE PURPOSES OF THE TRADE MISSION

The purposes of the Trade Mission were:

To promote the use of U.S. flue-cured tobacco in the PRC.

To gain an understanding of the tobacco production, research, education, cultural practices, marketing, leaf processing, cigarette manufacturing, and consumption in the PRC.

To improve our understanding of the culture of the PRC.

To renew a personal relationship with a country that purchased significant amounts of U.S. flue-cured tobacco some 50 years ago.

To actively support the private negotiations of U.S.-based tobacco companies and the PRC.

HIGHLIGHTS OF THE TRADE MISSION ITINERARY TO CHINA

Conference with Minister Liang Lingquan of Ministry of Light Industry, Beijing.

Conference with Vice-Minister Chen Jie of Ministry of Foreign Trade, Beijing.

Conference with Vice-Premier Kang Shien, Beijing.

Welcome Banquet in The Great Hall.

Return Banquet in The Great Hall attended by U.S. Ambassador to PRC, Woodcock.

Cultural Tours to the Forbidden City, Great Wall, Ming Tombs, Summer Palace and numerous other important places of their culture such as the Yu Gardens and Handicraft Research Center in Shanghai.

Machinery Shop in Shanghai.

Tobacco Research Institute at Yi Du.

ShiHiaZhung production brigade.

Leaf redrying plant at Wei Fang.

Cigarette manufacturing plant at Qing Dao.

Cigarette factory No. 2 at Guangzhou.

Commodity Fair at Guangzshou.

Welcome by Reynolds in Hong Kong.

NATIONAL SITUATION

The Peoples Republic of China, PRC, was formed in 1949 to consolidate power, restore order, eliminate unemployment, and eliminate starvation. Most of these problems have been resolved. The PRC leadership is now taking a more pragmatic approach to economic development through joint ventures with private foreign firms, increased linkage between returns to labor and productivity and some decentralization of management authority. The leadership plans to modernize this country and its one billion people by the year 2000. It is estimated that currently 315 million of the people are engaged in agriculture and about two-thirds of the population is directly dependent on agriculture. An objective is to shift some of these people into industrial jobs. Per capita income in 1978 was about $400 (U.S. dollars) in this country of 29 provinces and about 50,000 communes.

There are many problems to be solved in the PRC; however, longrun prospects for PRC success are bright for the simple reasons that this country has both a large populace (nearly one billion people) moving with concerned effort toward a common goal unmatched by any other major developing country and large undeveloped natural resources such as coal and oil. The delegation was impressed by our observation that everyone had a job even though often menial; nevertheless, the people were enthusiastic about their jobs.

Last May, U.S. Commerce Secretary Juanita Kreps visited PRC and the two nations initiated a Trade Agreement that would give PRC Most-Favored-Nation (MFN) status and remove restrictive tariffs. Hearings are currently underway in the Ways and Means Committee of the U.S. House of Representatives on this Trade Agreement. Congressional approval is expected in early 1980 of this agreement which will aid the industrial situation of PRC and expand mutually beneficial commercial relationships. Additionally the Trade Agreement is expected to benefit our political relationships with PRC and the objectives of U.S. overall foreign policy. Ratification of this agreement with the MFN status for PRC is essential to enhance expanded trade between the PRC and the U.S.

The delegation pointed out that the U.S. tobacco industry and many other U.S. farm organizations support MFN treatment for The Peoples Republic of China.

TOBACCO INDUSTRY

(1) PRC is the largest producer of tobacco in the world. In 1978, PRC produced a total of 2.2 billion pounds, which included 1.3 billion pounds of flue-cured. This compared with a total U.S. production of about 2 billion pounds, which included about 1.2 billion pounds of flue-cured leaf. Other production of sun/air-cured was 42 million pounds. In addition, an unknown but significant amount of sun cured is produced and consumed on household plots. There are some experimental oriental plantings in Zhejaing province. It was mentioned that there is some N. Rustica in the PRC.

(2) Officials of PRC have indicated an interest in U.S. tobacco and cigarettes. The PRC exports only about three percent of its crop.

(3) Since the U.S. resumed trade with PRC about 8 years ago, the U.S. has exported about 3 million dollars' worth of flue-cured tobacco to PRC.

(4) The Peoples Republic of China is the world's largest producer of cigarettes. In 1978, the PRC produced about 740 billion pieces compared to 696 billion pieces produced in the U.S. Currently, PRC is unable to supply enough cigarettes to meet demand.

(5) The population of PRC is nearly 1 billion people. Thus, the per capita consumption of cigarettes is only about one-fourth of the level in the U.S.

(6) Foreign Blend cigarettes from 4 companies were observed in at least one retail outlet for purchase by tourists. Two U.S.-based companies had products in some of these outlets.

(7) The tobacco industry is controlled by the following:

China National Light Industrial Products Import/Export Corporation—responsible for the manufacture of cigarettes both for local consumption and for export.

China National Native Produce and Imports Leaf and Manufacturers—responsible for the ordering of imported cigarettes.

(8) Government-sponsored anti-smoking campaign was initiated in late July, 1979. A report indicates a reduction has been achieved in smoking in a middle school surveyed; however, only a small number of adults have stopped smoking. School regulations published in 1979 by the Ministry of Education prohibit smoking and alcohol for middle school students.

(9) At this time, PRC lacks sufficient foreign exchange to pay for its needs for U.S. tobacco or technology.

STATUS

The level of development of the tobacco industry in China is generally similar to where the U.S. tobacco industry was some 30 to 40 years ago.

A. Agronomic (based mainly on information collected at a production brigade in Shandong province where an estimated 20% of the tobacco is grown).

1. The Objective of grower efforts is to produce quantity rather than quality because

financially he has been rewarded more for quantity than quality.

2. Labor Requirements—Work in the production is accomplished by hand methods including soil preparation. Total labor requirements are 3,600 hours per acre.

3. Varieties—Mammoths which have multiple leaf characteristics.

4. Irrigation—supplemental water is applied by surface irrigation normally 2 or 3 times per season but some years 5 or 6 times. Water sources are deep wells, ponds, and canals.

5. Field plant populations: 9,000 to 12,000 plants per acre.

6. Fertilizer: 7 to 10 tons/A manure compost; 90 to 150 lbs/A soybean cake; 45 lbs/A (15–15–12) compressed fertilizer.

7. Soil—fine textured glacier soils with pH of 7.5.

8. Insects: aphids, hornworms, and budworms controlled chemically; however, the chemicals used could not be named. Hornworms are partially controlled by hand.

9. Topping—button stage when plants are about 6 feet tall.

10. Suckering—by hand with some suckers at the bottom and three in the top left for the sucker leaves which are harvested to increase yield.

11. Harvesting—the leaves (about 10) on the lower part of the plant are not harvested. The next 30 to 40 leaves are harvested when they are light yellow with about 3 leaves removed per harvest. Sucker leaves are harvested.

12. Curing Cycle—three days and three nights with the tobacco being hung on sticks in the barn immediately after harvesting and the fires started immediately.

13. Curing was done in conventional barns with coal-fired furnaces and a closed flue system.

14. Growth Cycle—4 months from transplanting until harvest completed.

15. Yield 2,600 to 3,300 lbs/A—Based on the size of some tobacco stalks being used to fence in corn in a peasant's yard, the plants had considerable growth. Others estimated the average yields at about 2,000 lbs. per acre.

16. Marketing Preparation—Supposedly graded by quality in three stalk positions and seven grades.

17. Diseases—Tobacco mosaic virus, Blackshank, Brown Spot.

18. Soil Conservation and Land Leveling—Even though major land-leveling projects by hand took place two to three thousand years ago, some fields are still being leveled by hand. First, the topsoil is removed and stored to be returned to the area after the soil underneath is moved to a lower area or used to make brick. In very hilly land, terrace farming is practiced.

B. Research (based mainly on a visit to a tobacco research institute at Yi Du, Shandong).

1. This station had 211 staff members, and all of the staff we visited with were enthusiastic. The head of the Institute is Professor Zhen Retai who graduated in Plant Pathology from Cornell University 35 years ago. The station is owned by the Academy of Sciences of China and well-financed by the Ministry of Agriculture.

2. Physical Resources:

a. Greenhouses.

b. Laboratories.

c. Cigarette-making machine (new baby Hauna from West Germany).

d. Cigarette-smoking machine (6 cigarette capacity).

e. Mineral analysis machine (flame method) could analyze for 10 minerals with this equipment made in Japan.

f. Equipment for chemical analysis.

1. Total alkaloids.

2. Sugars.

3. Protein.

3. Projects Observed:

a. Haploidy breeding used another culture.

b. Breeding.

1. Screening in greenhouse for alternate host for TMW and CMV.

2. They appear to use certain very old varieties such as Gold Dollar, 400, 401, Hicks, and Mammoth Gold in their work.

c. Potassium Rates—greenhouse study at soil pH 5.5 and 8.0 (no zero level of potassium was included in the test).

d. Bulk Curing—There was no plenum area for the heated air to be released in.

e. Cured Tobacco (cured in three days) quality was generally very poor. The leaves were small and thin with considerable immaturity. They appeared to be from Mammoth plants. It appears only limited use was being made of the seed they have of the numerous U.S. flue-cured varieties planted during the last 40 years.

f. Practical or applied-type research appeared to receive limited emphasis.

g. Other stations.

1. Work on homogenized leaf.

2. Work with Turkish tobacco in Zhejiang Province south of Shanghai.

C. Extension:

There appeared to be a wide gap between the research effort and any practical adoption by growers. A workable mechanism to transfer research information to production brigades and for growers to inform the researchers of their needs did not appear to exist.

Because tobacco is in short supply and growers receive financial rewards to produce quantity instead of quality, it would be difficult for research and education programs to function under these circumstances.

D. Machinery Factory Tour—Shanghai:

Equipment and replacement parts used in leaf processing and cigarette manufacturing in PRC are manufactured by 1200 employees in this well managed, efficient and large facility. Other equipment such as sewing machines is also manufactured in the Foundry, Machine, Assembly, and Woodworking workshops for domestic use and export to 60 countries.

The facility had far more order and cleanliness than comparable ones in the world.

It was observed that the basic equipment and capabilities were present to manufacture anything in metal comparable to world leaders in this area. This is true even though they are 5 to 10 years behind on the use of tape-driven equipment.

Any cigarette manufacturing equipment on the world market could be produced in the shops with appropriate license arrangements.

E. Leaf Redrying:

Cured leaf was purchased from the production brigades in 150 pound bales. Tubes for the injection of live steam were inserted into the bales just before being placed in a conditioning chamber. It appears there was leakage in this chamber and the temperatures used were excessive. The tobaccos were subject to such high temperatures it "killed the tobacco" and decreased its later usefulness. The bundles of tobacco were hung on sticks to go through the conditioning chambers.

The presses used at the end of leaf processing were outdated; and newer, more efficient ones would contribute favorably to this operation.

F. Leaf Processing and Cigarette Manufacturing:

An outstanding job was being done in manufacturing products with equipment that was about 50 years old. Through hard work and skills, the outdated equipment was kept running to produce about 100 cigarettes per minute. Efficiency of operation was very poor because they were making only 1000 cigarettes per 1.1 kilogram of tobacco based on intake weight. This compares unfavorably with world standards of 1000 cigarettes per .75 to .85 kilograms of tobacco. Expressed another way about 400 cigarettes are being made per pound of tobacco (intake) as compared to more efficient operations where about 600 cigarettes are made per pound of tobacco (intake).

Two of the major factors contributing to the low number of cigarettes per pound of tobacco are related to improper temperature and moisture control during primary processing of the leaf and cigarette manufacturing. It appeared there were leaks in the primary conditioning chamber which resulted in a lack of a vacuum in these chambers. The tobacco did not reecive proper conditioning. Also, the temperature inside the chamber was far too hot. The tobacco coming from the chamber was so hot it could not be held in one's hand. This high temperature probably adversely affected the chemistry of the leaf and helped promote the large amount of breakage of the tobacco that occurred thereafter.

The large amount of heat in the leaf caused it to dry quite rapidly, and the dryness contributed to the breaking in the threshing line. On the threshing line far too much lamina was being left on the stems; and when the stems were rolled, this process only pulverized this lamina contributing to the build-up of fines and dust. At the cutters the tobacco was far too dry.

The tobacco coming to the making machine was pressed too much and was lumpy; therefore, the feeders had to be set to cope with this. If the tobaccos were not ever pressed, a more consistent cigarette could be manufactured. The tobacco appeared to lack the fluffiness desired to help achieve good filling capacity. The problem is related to the extremely high temperatures used during primary processing.

The deficiencies noted would prohibit the use of high speed cigarette machines.

Some of the lack of efficiency is related to the low level of leaf quality generally observed.

The age of the tobacco being blended was unclear. A statement was made that the tobacco was 1–3 years old.

At the No. 2 Cigarette Factory in Canton, 19 brands of cigarettes were being made that sold for 8 cents to 66 cents (U.S.) per pack with an average price of 35 cents (U.S.).

Among the 19 brands were 3 brands such as Star Lake, Orchid, and a medicinal cigarette which contained 20 percent herbs for asthma and bronchitis. They also made menthol cigarettes in this factory and had a smoking panel. Another export brand (Double Horse) made of flue-cured and Burley was manufactured at Qing Dao for export to Romania and Hong Kong.

The quality control of the packages in a nearby printshop for the export cigarettes was observed to be very high.

At the Qing Dao factory, 16 brands were being manufactured with selling prices of 6 cents to 84 cents (U.S.). It was stated that 4 brands constituted 50 percent of the production.

G. Quality of Cured Leaf:

Generally the quality of the PRC cured leaf observed at a number of places was poor by world standards. The leaves were small (8–12 inches long) and narrow (about 6 inches wide), extremely thin with no oil and considerable immaturity. Evidence was observed of brown spot damage and physical injury from chewing insects in the field and general handling. Tobacco with storage damage was often observed.

Some acceptable quality cured leaf was observed at one cigarette manufacturing plant. This tobacco had normal-sized, grainy leaves, orange color, good body, and little evidence of insect or leaf spot damage. The tobacco appeared to be quite useable by world standards. It was stressed to us that they had no large supply (1500 metric tons) of this tobacco grown in Hunan and one other province on sandy-type soils using different cultural practices than usually used in PRC to include a 5- to 6-day curing cycle. The cured leaf observed does indicate the potential to produce acceptable-appearing curing leaf in PRC.

APPRAISAL OF THE TRADE MISSION

The Trade Mission was able to gain an understanding of the state of the art of the many facets of the tobacco industry in the Peoples Republic of China and learn about their culture. We received extremely friendly receptions and had good dialogues with a Vice-Premier, a Minister, and two Vice-Ministers of PRC. They expressed a desire to increase trade with the U.S. in tobacco and in numerous other areas. The meetings provided a personal opportunity to let them know that U.S. tobacco farmers and the entire U.S. tobacco industry enthusiastically support pending legislation in the U.S. Congress to grant PRC Most Favored Nation Status which will be essential to increased trade with PRC, a country with nearly one billion people. A desire was expressed to use U.S. flue-cured tobacco in developing a new cigarette in the PRC.

Members of the Trade Mission were able to develop some personal relationships with people in all facets of the tobacco industry of PRC. These relationships are believed to be supportive of developing tobacco trade between our countries.

The PRC tobacco industry was found to be 30 to 40 years behind the U.S. tobacco industry and the PRC has a great need for assistance at all levels in its desired modernization program. There is a significant problem that PRC does not have sufficient foreign exchange to pay for the needed assistance. However, PRC has a vast market for tobacco products. PRC plans to increase consumer incomes and if this is achieved their people can be expected to smoke more cigarettes. At the present, PRC is unable to make enough cigarettes to meet demand.

The PRC needs a "package" of assistance in producing a modern cigarette which can be only supplied by tobacco companies. Currently two U.S.-based cigarette companies are negotiating with the PRC for mutually beneficial contracts. Tobacco companies from other countries are also negotiating with PRC. It is believed one of the most significant accomplishments of the mission was to be supportive of the negotiations of our U.S.-based tobacco companies. It is believed that efforts by them represent the best long-range opportunity for U.S. tobacco growers to sell some of their tobacco in the PRC. Progress has already been made in this area because certain U.S.-made cigarettes are currently available in PRC in restricted outlets.

Suitable quantities of useable tobaccos are not available in PRC to meet the quality standards of current U.S.-blended cigarettes. If these internationally famous cigarettes are manufactured in the PRC they can be expected to contain some U.S. flue-cured tobacco. Even if PRC had supplies of U.S. flue-cured tobacco, it could not efficiently use them until improved manufacturing technology was available.

The Trade Mission had an opportunity to acquaint our Embassy representatives in Beijing of our interest in tobacco trade. They also had an opportunity to increase their understanding of the U.S. and PRC tobacco industries.●

ALCOHOL FUELS

● Mr. NELSON. Mr. President, on April 8, I submitted testimony to the National Alcohol Fuels Commission regional hearing in Green Bay, Wis. The State of Wisconsin has the potential to be the leading biomass-alcohol fuel State in the Nation. In addition to our strong agricultural base, and the vital forest products industry, Wisconsin is fortunate to have a large dairy industry producing whey, a prime source for producing alcohol.

Wisconsin also enjoys a unique organizational advantage in the alcohol production process. Wisconsin has in place already a large number of cooperatives which provide daily services for their members. These services range from technical assistance to energy itself. The co-ops have the potential to do for gasohol now what they did for rural electrification in previous decades. They have the capacity and the leadership to direct the gasohol effort into the most efficient use of not only surplus crops but their wastes as well.

Mr. President, I ask that my testimony be printed in the Record.

The testimony follows:

Testimony of Senator Gaylord Nelson

For the last two hundred years, the world's economic and industrial achievements have depended upon the availability of cheap energy resources. For the last seven years, the luxury of inexpensive energy supplies has been rapidly disappearing.

Nowhere is this reality more acute than in the area of liquid fuels. More than any nation in the world, the United States relies on liquid fuels, for motors, for vehicles, for heat.

Americans use petroleum for 47 percent of our total energy needs. We import almost half (45 percent) of this oil from nations which are often politically unstable and at prices which we cannot afford. The severe impact of foreign oil imports on our own economy is all to evident as America heads into a serious recession with skyrocketing interest rates.

The United States must reduce its reliance on oil. Yet we cannot shift away from our use of liquid fuels rapidly enough. Our oil consumption went down 1.7 percent last year. Our use of gasoline declined by 5 percent last year. And net imports of crude oil and refined products in 1979 were cut by 7 percent when compared with 1978. However, the United States will spend $90 billion for foreign oil this year, and no recognition of past savings can offset the fact that this expenditure threatens dangerous changes in the shape and process of the American free enterprise system.

Our national goal, established by the President last July, is to reduce our dependence on foreign oil by 4½ million barrels by the end of the 1980's. To achieve this goal, the nation must begin at the outset of the eighties to shift from oil to other liquid fuels, and to a series of strategies which emphasize conservation and alternative energy sources.

There is no better immediate substitute for gasoline than gasohol. Alcohol, when blended with gasoline, has the potential of reducing by 10 percent our reliance on petroleum. A reduction of this size has enormous potential for the United States. Using the latest data provided by the Energy Information Agency, the 10 percent reduction in the use of oil to make gasoline would save $9.2 billion in foreign payments. This translates into an annual reduction of 262.8 millon barrels of foreign oil. It is equivalent to reducing imports to zero for 36 days out of a year. Clearly, this is no minor accomplishment.

Production and marketing of gasohol is the most immediate way to increase liquid fuel supply. However, both the production and marketing components in the gasohol equation face serious obstacles which I will address briefly in this testimony.

Too much of the thinking at the national level has been focused on large-scale gasohol production plants to the disadvantage of small-scale on-farm and rural community production. The unit cost, speed of construction, and high efficiency of small-scale gasohol production offers the fastest option for achieving the initial production in large volume.

Unfortunately, the two federal agencies with primary responsibility for gasohol development have yet to view the small-scale option as anything but a minor program. To this day, only seven on-farm loans, totalling $1.3 million, have been awarded by the Department of Agriculture (USDA). Even though the Department has $100 million available for loan guarantees and hundreds of applications for those funds, few projects have been funded. Results out of the Department of Energy (DOE) have been even more disappointing.

Failure to fund these projects comes at a time when capital availability is at an all-time low. The Federal Reserve Board's tight money/high interest rate policy, combined with the USDA's inaction, leaves the farmers of America unable to contribute their part in solving the nation's energy crisis.

While this money is held up, the farmers and the rural communities which want to help must suffer doubly; first, they suffer at the mercy of rising oil prices and second, they suffer due to the declining availability of foreign oil.

If the United States is serious about the effort to move to gasohol, existing programs with available funds must be fully utilized. Moreover, proposed legislative programs must be passed and implemented with proper speed. The Energy Security Act (S. 932), currently in conference between the House and Senate is an encouraging example of potential legislation. In that bill are provisions for grants, loans and loan guarantees, and purchase guarantees, for gasohol projects with a substantial portion of the money earmarked to assist small projects producing less than 2 million gallons of alcohol a year. Over the next decade, as much as $2.5 billion could be made available. More important than the money, however, is the need to begin these projects and to refine gasohol production methods in a manner which only widespread commercialization will permit.

Gasohol works. Each year, research reveals more efficient ways to produce alcohol and to use it, as well. We have adequate technology now, and we will have even better methods in the future. Current research with enzymes and micro-organisms may rewrite the gasohol textbook in the next decade, but the need to produce liquid fuels now means that we must begin production immediately and make modifications as the technology develops.

Wisconsin has no indigenous fossil fuels within its borders. However, Wisconsin has the potential to become the leading biomass-alcohol fuel state in the nation. The strong agricultural base and the forest products industry can complement one another in a well managed program of alcohol fuel development and production. Alcohol fuels can be produced from a variety of indigenous feedstocks, corn, wood waste, cheese whey, rye, potatoes and fodder beets. Wood could provide the fuel source for the fermentation and distillation process. Waste heat, solar power, and recycled methane gas are also promising.

The interest within the agricultural community for alcohol fuel production has gone beyond the theory, and beyond the backyard tinkering stage. Facilities at Mosinee, Plover, Galesville, and Juneau will account for a production of five million gallons of ethanol by mid-April, 1980.

Many more facilities are planned within the state and the total production by 1981 is projected at 10 to 20 million gallons annually.

Wisconsin enjoys a unique organizational advantage in the race of states to produce gasohol. Already, Wisconsin has in place a large number of cooperatives which provide daily services for their members. Co-ops already provide a wide range of materials and services ranging from technical assistance to energy itself. These co-ops have the potential now to do for gasohol what they did for rural electrification in previous decades. The co-ops have the capacity and the leadership to move the alcohol production effort to the forefront where it belongs. Some of these co-ops have already begun by generating applications to begin construction of alcohol production plants. The presence in Wisconsin of corn, potatoes, fodder beets, wood, cheese whey, wood wastes, and agricultural wastes offers much hope for a future in which Wisconsin farmers and businessmen have a new market not only for their crops but for their wastes as well.

Alcohol produced in the state could be utilized in the state to offer farmers a measure of independence from outside energy sources. The threat of a farm fuel shortage, similar to the problems experienced during the spring of 1979, remains a real possibility for the future. Wisconsin farmers would not have to worry about fuel allocations or foreign supply interruptions. They could control the productions of their own fuel supplies as the result of an aggressive alcohol fuels production program.

In the short term, a series of small-scale, on-farm facilities could begin to operate within one year's time. The operation would provide the necessary data base for larger commercial facilities which could contribute to decentralizing fuel energy production facilities throughout the state.

The long-term goal of farm-fuel independence for Wisconsin is possible by 1983. The agricultural off-road activity consumed approximately 73 million gallons of liquid fuel last year. This total accounts for three percent of the energy consumed in Wisconsin, a small percentage, but one so vital to the state.

Some actions must be taken immediately. A generic feasibility study for gasohol plants in the state should be initiated first. This information could be used to standardize quality plant construction by size, therefore, protecting the farmer or cooperative group from large fees which are now being charged by engineering and consulting firms. Moreover, standardization could increase quality control and maximize alcohol production while maintaining a positive net energy output.

A second option is to provide farmers access to existing plant designs or blueprints which have proven efficient after operation.

Third, state regulations and permit requirements within the state agencies must be streamlined to facilitate the alcohol production application process. Reasonable protection for environment, safety, and the economy is appropriate and necessary. But a public, already drowning in a sea of excessive regulations, must not be discouraged from gasohol production by arbitrary regulatory delays.

Finally, a coordinated education program should be established to compile and disseminate informaton concerning alcohol fuel production. Vocational, technical and adult education schools, the agricultural extension service, and the state university system are organizing training programs now, but a basic information program to reach all residents should be instituted across the state. To this end, Wisconsin should apply to receive one of the potential Agricultural/Biomass or Wood Centers which are mandated under S. 932, the Energy Security Act now in conference in the Congress.

Wisconsin's activity in gasohol production is viable today and over long-term. While some states jumped into alcohol fuels with fanfare and promotion, Wisconsin has profited from the mistakes of others and will surpass their activity. Within one month, when planned facilities are completed, Wisconsin will become the leader in on-farm alcohol fuel production in the nation.

Of equal importance to production, in the future of gasohol, is the marketing of that fuel. First, producers of alcohol must have a fair market potential for their product. This might occur naturally if the public is educated to understand the advantages of using gasohol as a fuel. However, it may be necessary for reasons of energy conservation, to mandate the use of gasohol in order to assure that a market is available at the time the gasohol is produced. For this reason, I introduced and cosponsored the Motor Fuels Replacement Act of 1979 in the Senate. This provision has been duplicated in the Gasohol Motor Fuel Act which is part of the Energy Security Act, now pending in Congress. It mandates that 10% of all motor fuels by 1990 must be alcohol-based. Loan guarantees, price and purchase guarantees are all part of this act. With incentives of this type, increased gasohol production is sure to follow.

The recently passed oil windfall profits tax bill also contains incentives for gasohol. There is a tax break for those who blend alcohol with motor fuel. The existing exemption from the 4 cents a gallon excise tax would be extended from 1984 to 1992, making gasohol more competitive with other fuels. Users of straight alcohol would get a tax credit of 30 to 40 cents a gallon. (With minor adjustments, farm machinery and even automobiles can use straight alcohol).

In addition, the current 10% energy tax credit for equipment that changes other organic matter to alcohol for fuel was extended from 1982 through 1985.

Finally, the legislation would allow state and local governments to sell tax-exempt industrial development bonds to finance various private projects for converting municipal solid waste into alcohol.

A second marketing consideration is to ensure fair competition in the sale of gasohol. Already, there have been signs that major oil companies have discriminated against their franchised gas station dealers who sell gasohol. The interference has involved prohibiting the sale of gasohol from company-owned tanks and preventing the use of company credit cards to purchase gasohol. Actions of this sort, if permitted, would discourage the production of gasohol because it would restrict the eventual market for the product. To prohibit this sort of pressure tactic, Senator Metzenbaum and I have introduced the Gasohol Competition Act (S. 2251) which would prevent any discrimination against the sale of gasohol by the major oil companies.

The production and marketing of gasohol alone is not the entire answer to America's energy problems. It is, however, a very important beginning. We cannot continue to depend on an oil supply line which stretches tenuously half way around the world. But we can rely on a distribution system which runs from our grain fields through our agricultural co-ops and independent local businessmen to our oil jobbers and service station operators.

The real question is, "Who will control the inflation rate and the American economy—multi-national cartels and multi-national corporations or American farmers and American small businessmen?" I, for one, have no difficulty in answering that question in favor of American business.

The outstanding record of the National Alcohol Fuels Commission in its brief history is a source of great encouragement to me. The country will support your efforts.●

AUTHORITY FOR CERTAIN ACTION DURING RECESS OF THE SENATE

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that during the recess of the Senate over until 11:30 a.m. on Monday, the Vice President of the United States, the President of the Senate pro tempore, and the Acting President pro tempore be authorized to sign all duly enrolled bills and joint resolutions and that the majority leader, Mr. ROBERT C. BYRD, also be authorized to perform such signing in the event it is necessary.

The PRESIDING OFFICER. Without objection, it is so ordered.

AUTHORITY FOR THE SECRETARY OF THE SENATE TO TAKE CERTAIN ACTION DURING RECESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that during that same recess, the Secretary of the Senate be authorized to receive messages from the President of the United States and/or the other body, and that they may be appropriately referred.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, are there any orders for the recognition of Senators on Monday?

The PRESIDING OFFICER. No, there are not.

Mr. ROBERT C. BYRD. I thank the Chair.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, on Monday, the Senate will come in at 11:30 a.m. After the two leaders or their designees have been recognized under the standing order, there will be routine morning business until 12 o'clock meridian, with Senators allowed to speak therein up to 3 minutes each by consent of the Senate.

At 12 o'clock, the Senate then will proceed to the consideration of the first concurrent budget resolution.

Mr. President, the first concurrent budget resolution will be considered, of course, under the time agreement set forth in the law. There is a time allotted for amendments and for debate on the resolution. Nevertheless, it would be helpful on Monday if any rollcall votes that are ordered in connection with the resolution could be delayed until 5:30 p.m., with the exception of procedural votes such as a rollcall vote on a motion to instruct the Sergeant at Arms, in which case that type of rollcall would be outside the request which I am about to make.

I make this request because certain Members of the Senate have been appointed to serve on the delegation to meet with our Mexican counterparts on Monday. The Mexican delegation will be in town then. If Members of the Senate are concerned that there might be rollcall votes during the afternoon, it might be difficult for them to attend the meeting with our Mexican friends.

NO ROLLCALL VOTES TO OCCUR PRIOR TO 5:30 P.M. ON MONDAY

Mr. President, in order to make it convenient for these American Senators to meet with their counterparts from Mexico on Monday—and at the request of Mr. DECONCINI, who is the chairman of the Senate delegation, and having cleared the request with Mr. HOLLINGS, who will manage the first concurrent budget resolution on the floor on Monday, and having cleared the request also with Mr. STEVENS, the acting minority leader, who was on the floor just 5 minutes ago—I ask unanimous consent that any rollcall votes on Monday that may be ordered prior to 5:30 p.m., with the exception of procedural votes extraneous to the resolution itself, not occur before 5:30 p.m. on Monday.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS TO MONDAY, MAY 5, 1980, AT 11:30 A.M.

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the order previously entered, that the Senate stand in recess until the hour of 11:30 a.m. Monday next.

The motion was agreed to, and at 12:21 p.m., the Senate recessed until Monday, May 5, 1980, at 11:30 a.m.

NOMINATIONS

Executive nominations received by the Senate, May 2. 1980:

FEDERAL COUNCIL ON THE AGING

The following-named persons to be Members of the Federal Council on the Aging for the terms indicated:

Shimeji Kanazawa, of Hawaii, for a term expiring June 5, 1981, vice Bertha S. Adkins, term expired.

Charles J. Fahey, of New York, for a term expiring December 19, 1982, vice Nelson H. Cruikshank, term expired.

HOUSE OF REPRESENTATIVES—*Monday, May 5, 1980*

The House met at 12 o'clock noon, and was called to order by the Speaker pro tempore (Mr. WRIGHT).

DESIGNATION OF SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

WASHINGTON, D.C.,
May 2, 1980.

I hereby designate the Honorable JIM WRIGHT to act as Speaker pro tempore on Monday, May 5, 1980.

THOMAS P. O'NEILL, Jr.,
Speaker of the House of Representatives.

PRAYER

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

Why are you cast down, O my soul, and why are you disquieted within me? Hope in God; for I shall again praise Him, my help and my God.—Psalms 43: 5.

We confess, O God, that with the Psalmist we are troubled and uncertain concerning our times and anxiously look to You for light and love and peace. Counsel us that we may bear our responsibility, direct us that we may know the truth, and sustain us with the knowledge that Your Spirit is ever near. Always give us hope that we will not despair, but look to You for deliverance and guidance every day of our lives. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Saunders, one of his secretaries, who also informed the House that on the following dates the President approved and signed a bill and a joint resolution of the House of the following titles:

On April 30, 1980:

H.R. 7140. An act to amend title IV of the Employee Retirement Income Security Act of 1974 to postpone for two months the date on which the Pension Benefit Guaranty Corporation must pay benefits under terminated multiemployer plans.

On May 1, 1980:

H.J. Res. 541. Joint resolution making additional funds available by transfer for the fiscal year ending September 30, 1980, for the Federal Trade Commission.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Sparrow, one of its clerks, announced that the Senate had passed a bill and a joint resolution of the following titles, in which the concurrence of the House is requested:

S. 1650. An act to provide for the development of aquaculture in the United States, and for other purposes; and

S.J. Res. 119. Joint resolution to authorize the Vietnam Veterans Memorial Fund, Inc., to establish a memorial.

The message also announced that the Vice President and upon the recommendation of the majority and minority leaders, pursuant to Public Law 86-420, appointed Mr. MCCLURE and Mr. PRESSLER to attend, on the part of the Senate, the Mexico-United States Interparliamentary Conference, to be held in Washington, D.C., May 5-8, 1980.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER pro tempore laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, D.C.,
May 1, 1980.

Hon. THOMAS P. O'NEILL, Jr.,
The Speaker, House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: Pursuant to the permission granted May 1, 1980, the Clerk has received this date the following message from the Secretary of the Senate:

That the Senate passed without amendments H.J. Res. 541, a Joint Resolution making additional funds available by transfer for the fiscal year ending September 30, 1980, for the Federal Trade Commission.

With kind regards, I am,
Sincerely,

EDMUND L. HENSHAW, Jr.,
Clerk, House of Representatives.
By W. RAYMOND COLLEY,
Deputy Clerk.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER pro tempore laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, D.C.,
May 2, 1980.

Hon. THOMAS P. O'NEILL, Jr.,
The Speaker, House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: Pursuant to the permission granted May 2, 1980, the Clerk has received this date the following message from the Secretary of the Senate:

That the Senate passed without amendment H. Con. Res. 324, a Concurrent Resolution expressing the gratitude of the Congress for the untiring efforts of the late Governor of Puerto Rico, Don Luis Munoz Marin, to foster ties between Puerto Rico and the United States.

With kind regards, I am,
Sincerely,

EDMUND L. HENSHAW, Jr.,
Clerk, House of Representatives.
By W. RAYMOND COLLEY,
Deputy Clerk.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair desires to announce that pursuant to the authority granted the Speaker on Thursday, May 1, 1980, the Speaker did on that day sign the following enrolled joint resolution:

H.J. Res. 541. Joint resolution making additional funds available by transfer for the fiscal year ending September 30, 1980, for the Federal Trade Commission.

And on Friday, May 2, the Speaker signed the following enrolled bill:

S. 2637. An act to insure that the compensation and other emoluments attached to the Office of Secretary of State are those which were in effect January 1, 1977.

CONSENT CALENDAR

The SPEAKER pro tempore. This is the day for the call of the Consent Calendar. The Clerk will call the first bill on the Consent Calendar.

HARLEY O. STAGGERS FEDERAL BUILDING

The Clerk called the bill (H.R. 6511) to designate the building known as the Federal Building in Morgantown, W. Va., as the "Harley O. Staggers Federal Building."

There being no objection, the Clerk read the bill, as follows:

H.R. 6511

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the building at 75 High Street, Morgantown, West Virginia (commonly known as the Federal Building) shall hereafter be known, called, and designated as the "Harley O. Staggers Federal Building". Any reference in any law, map, regulation, document, record, or other paper of the United States to such building shall be deemed to be a reference to the "Harley O. Staggers Federal Building".

● Mr. JOHNSON of California. Mr. Speaker, the House Committee on Public Works and Transportation recommends that the House pass H.R. 6511, a bill that would designate the Federal building in Morgantown, W.Va., as the "Harley O. Staggers Federal Building." I enthusiastically support this bill, and I believe that a brief account of the life and career of my distinguished colleague, Mr. STAGGERS, certainly deserves recognition.

Born on August 3, 1907, Mr. STAGGERS attended public schools of Mineral County, W.Va., and received his bachelors degree from Emery and Henry College in Emery, Va., in 1931. In addition, he did graduate work at Duke University.

For 43 years, Mr. STAGGERS has been serving in various positions with his local, State, and Federal Governments. He began his public life when elected sheriff of Mineral County, W.Va., in 1937. He served in that office until 1941, when he enlisted in the U.S. Naval Air Corps during World War II and was a gunnery navigator in both the Atlantic and Pacific theaters. He broadened this experience by becoming a right-of-way agent for the West Virginia State Road Commission, State director of the Office of Government reports, and Office of War Information and director of rent control for Mineral County.

In 1948, Mr. Staggers was first elected to Congress; and he has been reelected to each succeeding Congress. As a result, he is now the "dean of the West Virginia delegation to Congress," having served longer than any of his colleagues.

As the Representative of West Virginia's Second District, he first served on the Post Office and Civil Service Committee and the Veterans' Affairs Committee. In 1951, however, he transferred to the Committee on Interstate and Foreign Commerce, becoming its chairman in 1966.

Mr. Staggers has announced that he will retire at the end of the 96th Congress. Despite his departure from the House of Representatives, he leaves a long impressive legacy; while serving as chairman of the Committee on Interstate and Foreign Commerce, he sponsored and managed numerous important legislative measures directly affecting our citizens' health, our Nation's commerce, transportation and communications systems, national energy policy, environmental quality, consumer protection, and hazardous substances.

Indeed, Mr. Staggers has greatly benefitted the Nation because of his hard work and devotion to duty; and in recognition of his long and productive public service, I urge the House to name the Federal building located at 75 High Street, Morgantown, W. Va., as the "Harley O. Staggers Federal Building."●

● Mr. FLIPPO. Mr. Speaker, I wholeheartedly support enactment of this legislation, H.R. 6511, a bill to designate the Federal Building in Morgantown, W. Va., as the "Harley O. Staggers Federal Building."

Passage of this legislation will honor a distinguished man who has served admirably in the U.S. House of Representatives for the past 32 years. Prior to his service in the Congress, Harley Staggers served with distinction in various official positions in his native State of West Virginia.

Throughout his service in the U.S. Congress, Harley Staggers fought for his people, his district, his State, and his country. Congressman Staggers has announced he plans to retire at the end of the 96th Congress. His expertise in the areas of environmental quality, consumer protection, and hazardous substances, and our transportation and communications system, will be missed. However, upon his departure, he will leave behind him a distinguished record as chairman of the Committee on Interstate and Foreign Commerce.

In recognition of his hard work and devotion to his country, it is a small tribute to pay by naming the Federal Building in Morgantown, W. Va., in his honor.●

● Mr. LEVITAS. Mr. Speaker, I rise in support of H.R. 6511, a bill to designate the building known as the Federal Building in Morgantown, W. Va., as the "Harley O. Staggers Federal Building."

The people of West Virginia elected Harley Staggers to serve as their Representative in the U.S. House of Representatives 32 years ago. Congressman Staggers has announced that he will retire at the end of the 96th Congress. During his tenure in the House of Representatives, Harley Staggers has served the people of the Second Congressional District, the State of West Virginia, and the Nation admirably. He has established a record of outstanding performance worthy of praise. Therefore, in recognition of his long and faithful service, it is appropriate and fitting to name the Federal Building located at 75 High Street, Morgantown, W. Va., as the "Harley O. Staggers Federal Building." ●

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The SPEAKER pro tempore. This concludes the call of eligible bills on the Consent Calendar.

GENERAL LEAVE

Mr. ROBERTS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

FATHER ROBERT DRINAN WILL NOT SEEK REELECTION

(Mr. SHANNON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SHANNON. Mr. Speaker, our colleague, Father Robert Drinan, has announced that he will not seek reelection as Representative from the Fourth Congressional District of Massachusetts. Bob Drinan has served the House with dedication, with dignity, and with compassion. His departure from this Chamber will be a loss to us all.

Bob Drinan has always been a true activist. His voice has never been silent on issues of morality or of conscience; his compassion has shown no racial or national bounds. He served for 14 years as dean of the Boston College Law School, where he became an influential spokesman for the legal rights of the poor. When he first came to Washington in 1971, he became a leader of the antiwar movement, drawing attention not only to the plight of the American serviceman, but to the suffering of the Vietnamese civilian.

In his work on the Judiciary Committee, Bob Drinan has been a protector of the first amendment, of civil liberties, and of human rights. He was active in the impeachment proceedings against former President Nixon. In the past few years, he has directed much of his time to devising a new and comprehensive Criminal Code which would consolidate and reform without infringing upon the civil rights of individuals.

Dante held that the last circle of Hell contained those who were silent at times of great moral crisis. Though Bob is leaving the House, we will continue to look to him for guidance, for leadership, and for the courage not to remain silent.

ON THE DEATH OF PRESIDENT TITO

(Mr. ZABLOCKI asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ZABLOCKI. Mr. Speaker, the news of the death of President Tito must be viewed with dismay and sadness. The last of the leaders of the World War II era has passed from the scene. He leaves an indelible mark on the world as we know it.

While the United States did not encourage or support the political system President Tito constructed for his people, we supported his efforts to insure that Yugoslavia should remain independent and secure from outside interference in Yugoslavia's internal affairs. No one should doubt the intention of the United States to continue to help the post-Tito Yugoslavian leaders maintain this independence.

President Tito's successors will face a difficult task in this endeavor. The new government will need the support of its friends in and out of the nonalined bloc.

Our prayers and sympathy are with the people of Yugoslavia in this hour of national loss.

☐ 1210

REPUBLICAN LEGISLATIVE PROGRAM

(Mr. SHUSTER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SHUSTER. Mr. Speaker, today the Republican leadership announced the Republican legislative agenda which was unanimously adopted by the Republican Policy Committee, a legislative program which we will enact when we become the majority, designed in sum to return America to the American people. We invite the American people to compare the rhetoric of our legislative agenda with the record of our votes. Republicans say that we are for reducing spending and Republicans vote to reduce spending. Republicans say we are for cutting taxes and Republicans vote to cut taxes. Republicans say we are for a strong national defense and we vote for a strong national defense.

Mr. Speaker, just last week 77 percent

of the Republicans voted for the Holt amendment to increase national defense and—get this—81 percent of the Democrats, 81 percent of the Democrats, voted against the Holt amendment to increase defense spending.

Mr. Speaker, we invite comparison of the rhetoric with the record. When the comparison is made between the two parties, we believe the American people will conclude that they should vote Republican, for a change.

BALANCING THE BUDGET

(Mr. RHODES asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RHODES. Mr. Speaker, we are now reaching the critical point on our most important decision of the year, whether to balance our national budget in a fair and effective manner.

Our decision is no different today than it was in ancient Rome when Cicero said:

> The budget should be balanced, the Treasury should be refilled, public debt should be reduced, the arrogance of officialdom should be tempered and controlled, assistance to foreign lands should be curtailed lest Rome become bankrupt. The mobs should be forced to work and not depend on government for subsistence.

Tomorrow the House will vote on whether to make the first meaningful step toward a balanced budget for next year.

Unfortunately, some people, Members of Congress and news people included, seem to think that the amendments of the gentleman from Ohio and the gentlelady from Maryland (Mrs. HOLT) are two separate and unconnected matters.

That is not true. Our effort to generate a leaner balanced budget with increased national security and job-generating tax cuts simply functions at two levels.

Most of us are interested in the total package and we realize, as should all Members and the press, that even if the Holt amendment had carried, a lot of the unwise provisions of the committee version would remain to be corrected by the Latta substitute.

Thus, as Cicero advised, let us go about balancing the budget and refilling the Treasury and reducing our debt, and the best way to do this is by adopting the Republican substitute offered by the gentleman from Ohio (Mr. LATTA).

MEDIA PRAISE FOR MARSHAL TITO

(Mr. MICHEL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MICHEL. Mr. Speaker, history will judge whether or not Josip Broz, known as "Tito" deserves all of the praise being lavishly paid to his memory.

We can at least set the record straight about one misrepresentation that is being circulated about Tito. Network newscasts and prominent newspapers are telling the old, discredited story that he led the fight against the Nazis in Yugoslavia in World War II.

The fact is that Tito slavishly put Soviet interests ahead of those of his own country when the Hitler-Stalin pact was signed. Tito did not even begin to engage in action against Nazi troops in Yugoslavia until months had passed since the invasion of that country. That is right—the man the media are now praising as a great war hero waited while others carried the fight against the Nazis.

One of the real heroes of Yugoslavia was General Mihailovich. He was given a mock trial and murdered by Tito, if you will remember.

Mr. Speaker, to balance all this praise the media should review their files and tell those who have forgotten or who never knew the truth about Tito whose secret police apparatus and one-party state was different only in degree, not in kind, from the Soviet brand of communism.

LOBBYING EFFORTS OF EXECUTIVE DEPARTMENTS

(Mr. LUNGREN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LUNGREN. Mr. Speaker, perhaps the saddest disappointment of my first 16 months in Congress was the defeat of the Holt-Gramm substitute featuring higher and—in my opinion—necessary, defense spending.

For those who wonder why the margin of defeat was so large, I suggest they read the Evans and Novak column in today's Washington Post for one news analysis and interpretation of the tremendous lobbying effort that went into defeating the Gramm-Holt substitute.

I, myself, was amazed at the pressure put on Members by the executive branch to vote against it.

My office received a phone call last week from the Justice Department just before the vote making it very clear that the administration wanted the Holt-Gramm substitute defeated. Additionally, we were urged to support the Obey substitute.

We received this call from Justice despite that fact that the amendments in question to the budget has nothing whatsoever to do with the direct Justice Department budget itself. Mr. Speaker, there is a prohibition—supported by criminal sanctions—against executive branch lobbying without express congressional approval. Unfortunately, this seems to be honored more in its breach than in its observance.

In this most recent and blatant example, if this did not violate the letter of the law against lobbying by the executive branch, it certainly violated the spirit of it.

Mr. Speaker, the defense of this country is too important to be made the subject of artificial political litmus tests. Our country deserves—and needs—better treatment.

NO U.S. ASSISTANCE FOR NICARAGUA

(Mr. BAUMAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BAUMAN. Mr. Speaker pro tempore, in your capacity as majority leader of the House, you have scheduled once again this week for our legislative program financial aid from the U.S. Treasury to the Communist Government of Nicaragua. I urge you to pull this bill off the calendar.

Again, Mr. Speaker, I would like to keep the Members informed about the situation in Nicaragua. I have told you how the Sandinistas have closed up the last free newspaper, how they have signed an agreement with Moscow, how they have forced out the moderate element from the junta. I now bring two more enormities to your attention. One is that the leaders of the Sandinista directorate last week denounced the U.S. hostage rescue attempt in Iran as aggression against Iran, as a violation of international law. And also last week a second delegation of Sandinista officials headed toward Moscow for new agreements to be signed.

Mr. Speaker, I am not sure how much more evidence the leadership needs to pull this permanently from the schedule but I suspect the House will be able to permanently end its pendancy when we vote on it. That is as it should be.

BACK TO CICERO

(Mr. DANIELSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DANIELSON. Mr. Speaker, having acted favorably upon the invitation of our good friend, the gentleman from Ohio (Mr. ASHBROOK), and having joined his happy hour, I have enjoyed very much listening to these 1-minute speeches.

Mr. Speaker, this morning I heard something that just cannot be true. You know, I have heard for years the reason the Republican Party is always in the minority is that, when they came to the end of the last century, the turn-of-the-century, they forgot to turn, and they kept on running down the same old track.

But this morning, Mr. Speaker, Heaven forbid, I hear that it is Cicero whom they are consulting. Cicero. Why that takes us back to B.C. I wonder if he is on the Republican Policy Committee. And do you suppose that Nero, that great fiddler, is also on the Republican Policy Committee?

Mr. Speaker, this is a very valuable function of the Congress and the happy hour puts us straight. Now we know why the minority party is obsessed with being a permanent minority.

Mr. MYERS of Indiana. Mr. Speaker, will the gentleman yield?

Mr. DANIELSON. I will be pleased to yield to the distinguished deputy minority whip from Indiana (Mr. MYERS).

Mr. MYERS of Indiana. I appreciate the gentleman yielding. Would the gentleman define B.C.? Is that "before Carter"?

Mr. DANIELSON. I am just not sure, but it at least takes us back to Cicero, that great leader of the Republican Party.

☐ 1220

AMENDMENTS TO REORGANIZATION PLAN NO. 1 OF 1980—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 96–307)

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Government Operations and ordered to be printed:

(For message, see proceedings of the Senate of today, May 5, 1980.)

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. DANIELSON). Pursuant to the provisions of clause 3(b) of rule XXVII, the Chair announces that he will postpone further proceedings today on each motion to suspend the rules on which a recorded vote or the yeas and nays are ordered, or on which the vote is objected to under clause 4 of rule XV.

Such rollcall votes, if postponed, will be taken on Tuesday, May 6, 1980.

CLAIMS AGAINST VIETNAM

Mr. BINGHAM. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 5737) to amend the International Claims Settlement Act of 1949 to allow recovery by U.S. nationals for losses incurred in Vietnam, as amended.

The Clerk read as follows:

H.R. 5737

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the International Claims Settlement Act of 1949 (22 U.S.C. 1621 et seq.) is amended by adding at the end thereof the following new title:

"TITLE VII

"PURPOSE OF TITLE

"SEC. 701. It is the purpose of this title to provide for the determination of the validity and amounts of outstanding claims against Vietnam which arose out of the nationalization, expropriation, or other taking of (or special measures directed against) property of nationals of the United States. This title shall not be construed as authorizing or as any intention to authorize an appropriation by the United States for the purpose of paying such claims.

"DEFINITIONS

"SEC. 702. As used in this title—

"(1) the term 'national of the United States' means—

"(A) a natural person who is a citizen of the United States; and

"(B) a corporation or other legal entity which is organized under the laws of the United States or of any State, the District of Columbia, or the Commonwealth of Puerto Rico, if natural persons who are citizens of the United States own, directly or indirectly, 50 per centum or more of the outstanding capital stock or other beneficial interest of such corporation or entity;

"(2) the term 'Commission' means the Foreign Claims Settlement Commission of the United States;

"(3) the term 'property' means—

"(A) any property, right, or interest, including any leasehold interest,

"(B) any debt owed by Vietnam or by any enterprise which has been nationalized, expropriated, or otherwise taken by Vietnam, and

"(C) any debt which is a charge on property which has been nationalized, expropriated, or otherwise taken by Vietnam;

"(4) the term 'Vietnam' means—

"(A) the Government of the Socialist Republic of Vietnam,

"(B) any predecessors governing authority operating in South Vietnam on or after April 29, 1975, including the Provisional Revolutionary Government of South Vietnam,

"(C) the Government of the former Democratic Republic of Vietnam, and

"(D) any political subdivision, agency, or instrumentality of any of the entities referred to in subparagraphs (A), (B), and (C); and

"(5) the term 'Claims Fund' means the special fund established in the Treasury of the United States composed of such sums as may be paid to or realized by the United States pursuant to the terms of any agreement settling those claims described in section 703 that may be entered into between the Governments of the United States and Vietnam.

"RECEIPT AND DETERMINATION OF CLAIMS

"SEC. 703. The Commission shall receive and determine in accordance with applicable substantive law, including international law, the validity and amounts of claims by nationals of the United States against Vietnam arising on or after April 20, 1975, for losses incurred as a result of the nationalization, expiration, or other taking of (or special measures directed against) property which, at the time of such nationalization, expropriation, or other taking, was owned wholly or partially, directly or indirectly, by nationals of the United States to whom no restoration or adequate compensation for such property has been made. Such claims must be submitted to the Commission within the period specified by the Commission by notice published in the Federal Register (which period shall not be more than a period of two years beginning on the date of such publication) within sixty days after the date of the enactment of this title or of legislation making appropriations to the Commission for payment of administrative expenses incurred in carrying out its functions under this title, whichever date is later.

"OWNERSHIP OF CLAIMS

"SEC. 704. A claim may be favorably considered under section 703 of this Act only if the property right on which it is based was owned, wholly or partially, directly or indirectly, by a national of the United States on the date of loss and only to the extent that the claim has been held by one or more nationals of the United States continuously from the date that the loss occurred until the date of filing with the Commission.

"CORPORATE CLAIMS

"SEC. 705. (a) A claim under section 703 of this Act based upon an ownership interest in any corporation, association, or other entity which is a national of the United States may not be considered. A claim under section 703 based upon a debt or other obligation owing by any corporation, association, or other entity organized under the laws of the United States, or of any State, the District of Columbia, or the Commonwealth of Puerto Rico may be considered only if such debt or other obligation is a charge on property which has been nationalized, expropriated, or otherwise taken by Vietnam.

"(b) A claim under section 703 based upon a direct ownership interest in a corporation, association, or other entity may be considered, subject to the other provisions of this title, if such corporation, association, or other entity on the date of the loss was not a national of the United States, without regard to the per centum of ownership vested in the claimant.

"(c) A claim under section 703 based upon an indirect ownership interest in a corporation, association, or other entity may be considered, subject to the other provisions of this title, only if at least 25 per centum of the entire ownership interest thereof, at the time of such loss, was vested in nationals of the United States or if, at the time of the loss, nationals of the United States in fact controlled the corporation, association, or entity, as determined by the Commission.

"(d) The amount of any claim covered by subsection (b) or (c) of this section shall be calculated on the basis of the total loss suffered by the corporation, association, or other entity, with respect to which the claim is made, and shall bear the same proportion to such loss as the ownership interest of the claimant at the time of loss bears to the entire ownership interest thereof.

"OFFSETS

"SEC. 706. In determining the amount of any claim under this title, the Commission shall deduct all amounts the claimant has received from any source on account of the same loss or losses for which the claim is filed.

"CERTIFICATION; ASSIGNED CLAIMS

"SEC. 707. (a) The Commission shall certify to each claimant who files a claim under this title the amount determined by the Commission to be the loss suffered by the claimant which is covered by this title. The Commission shall certify to the Secretary of State such amount and the basic information underlying that amount, together with a statement of the evidence relied upon and the reasoning employed in making that determination.

"(b) In any case in which a claim under this title is assigned by purchase before the Commission determines the amount due on that claim, the amount so determined shall not exceed the amount of actual consideration paid by the last such assignee.

"CONSOLIDATED AWARDS

"SEC. 708. With respect to any claim under section 703 of this Act which, at the time of the award, is vested in persons other than the person by whom the original loss was sustained, the Commission shall issue a consolidated award in favor of all claimants then entitled to the award, which award shall indicate the respective interests of such claimants in the award, and all such claimants shall participate, in proportion to their indicated interests, in any payments that may be made under this title in all respects as if the award had been in favor of a single person.

"CLAIMS FUND

"SEC. 709. (a) The Secretary of the Treasury may establish in the Treasury of the United States the Claims Fund for the payment of unsatisfied claims of nationals of the United States against Vietnam, as authorized by this title.

"(b) The Secretary of the Treasury shall deduct from any amounts covered into the Claims Fund an amount equal to 5 per centum thereof as reimbursement to the Government of the United States for expenses incurred by the Commission and by the Treasury Department in the administration of this title. The amounts so deducted shall be covered into the Treasury as miscellaneous receipts.

"AWARD PAYMENT PROCEDURES

"SEC. 710. (a) The Commission shall certify to the Secretary of the Treasury, in terms of United States currency, each award made pursuant to section 703 of this Act.

"(b)(1) Upon certification of each award made pursuant to section 703, the Secretary of the Treasury shall, out of the sums covered into the Claims Fund, make payments on account of such awards as follows, and in the following order of priority:

"(A) Payment in the amount of $2,500 or the principal amount of the award, whichever is less.

"(B) Thereafter, payments from time to time, in ratable proportions, on account of the unpaid balance of the principal amounts of all awards according to the proportions which the unpaid balance of such awards bear to the total amount in the Claims Fund available for distribution at the time such payments are made.

"(2) After payment has been made in full of the principal amounts of all awards pursuant to paragraph (1), pro rata payments may be made on account of any interest that may be allowed on such awards.

"(c) Payments or applications for payments under subsection (b) shall be made in accordance with such regulations as the Secretary of the Treasury may prescribe.

"SETTLEMENT PERIOD

"SEC. 711. The Commission shall complete its affairs in connection with the settlement of claims pursuant to this title not later than three years after the final for the filing of claims as provided in section 703 of this Act.

"TRANSFER OF RECORDS

"SEC. 712. The Secretary of State, the Secretary of the Treasury, and the Secretary of Defense shall transfer or otherwise make available to the Commission such records and documents relating to claims authorized by this title as may be required by the Commission in carrying out its functions under this title.

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 713. There are authorized to be appropriated for any fiscal year beginning on or after October 1, 1980, such sums as may be necessary to enable the Commission and the Treasury Department to pay their respective administrative expenses incurred in carrying out their functions under this title. Amounts appropriated under this section may remain available until expended.

"FEES FOR SERVICES

"SEC. 714. No remuneration on account of services rendered on behalf of any claimant, in connection with any claim filed with the Commission under this title, shall exceed 10 per centum of the total amount paid pursuant to any award certified under the provisions of this title on account of such claim. Any agreement to the contrary shall be unlawful and void. Whoever, in the United States or elsewhere, demands or receives, on account of services so rendered, any remuneration in excess of the maximum permitted by this section shall be guilty of a misdemeanor and, upon conviction thereof, shall be fined not more than $5,000 or imprisoned not more than twelve months, or both.

"APPLICATION OF OTHER PROVISIONS OF THE ACT

"SEC. 715. (a) To the extent they are not inconsistent with the provisions of this title, the following provisions of title I of this Act shall be applicable to this title: subsections (b), (c), (d), (e), and (h) of section 4 and subsections (c), (d), (e), and (f) of section 7. Any reference in such provisions to 'this title' shall be deemed to be a reference to those provisions and to this title.

"(b) Except as otherwise provided in this title and in those provisions of title I referred to in subsection (a), the Commission shall comply with the provisions of subchapter II of chapter 5, and the provisions of chapter 7, of title 5, United States Code.

"SEPARABILITY

"SEC. 716. If any provision of this title or the application thereof to any person or circumstances is held invalid, the remainder of this title or the application of such provision to other persons or circumstances shall not be affected.".

The SPEAKER pro tempore. Pursuant to the rule, a second is not required on this motion.

The gentleman from New York (Mr. BINGHAM) will be recognized for 20 minutes, and the gentleman from California (Mr. LAGOMARSINO) will be recognized for 20 minutes.

The Chair recognizes the gentleman from New York.

Mr. BINGHAM. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this bill would establish a program to determine losses of private property in Vietnam and begins the process—which may be a long one—of obtaining compensation from Vietnam for that American property.

The bill before the House is supported by the administration, and was reported by voice vote by the committee with a minor amendment. I urge the House to pass it.

Mr. Speaker, I want to make note of the fact that this legislation, as I said, is for the benefit of Americans in Vietnam. It in no way changes the relations or the lack of relations with Vietnam. It is estimated that up to 1,000 Americans lost private property in Vietnam totaling as much as $10 million. The Government of Vietnam has taken that property without compensation. In order eventually to obtain restitution for those American losses, we must have precise inventories of the losses. This legislation would enable the Foreign Claims Settlement Commission to perform that administrative task, which will take several years.

The Foreign Claims Settlement Commission has, since 1949, reviewed and validated claims of Americans against many other countries, including most of the Eastern European countries, Cuba, and the People's Republic of China. The most recent case in which claims verified by the Commission have resulted in payment to the claimants is, of course, the People's Republic of China.

The $900,000 authorized in this legislation is strictly for administrative costs of reviewing and validating claims. There is no money in this bill for payment of any claims. Any such funds must eventually come from Vietnam or from Vietnamese assets in this country.

Mr. Speaker, a detailed report on this bill—House Report 96-915—is available and has been available to interested Members for some days, so I do not think it is necessary to go into further details, all of which are contained in the report. I want, at this time, to thank the members of the Subcommittee on International Economic Policy and Trade, which I have the honor to chair, for their assistance on this legislation, and particularly the gentleman from California, Mr. LAGOMARSINO, for his work and support. I would also note, and wish to thank, the gentleman from Vermont (Mr. JEFFORDS) for his concern with the need for this legislation and for his work in introducing the initial version.

I urge the support of the House for H.R. 5737.

Mr. Speaker, at this time I yield such time as he may require to the distinguished chairman of the full committee, the gentleman from Wisconsin (Mr. ZABLOCKI).

Mr. ZABLOCKI. Mr. Speaker, I thank our colleague from New York, the chairman of the Subcommittee on International Economic Policy and Trade, for yielding to me.

Mr. Speaker, I rise in support of H.R. 5737, to amend the International Claims Settlement Act of 1949 to allow recovery by U.S. nationals for losses incurred in Vietnam.

H.R. 5737 was ordered favorably reported by the Committee on Foreign Affairs, with a technical amendment, by a voice vote on April 22, 1980. The bill enables the Foreign Claims Settlement Commission to validate claims by U.S. citizens and corporations against property expropriated by the Government of Vietnam.

The legislation provides authority and administrative costs for determining claims, but does not provide funds to compensate claimants for their losses. Approximately 1,000 U.S. claimants will be eligible for recovery of an estimated $110 million total in private property losses. This amount does not include losses incurred by the U.S. Government, which is outside the purview of this legislation.

H.R. 5737 does not address the issue of U.S. diplomatic recognition of Vietnam, nor does it alter the status of the U.S. economic embargo against Vietnam.

I would like to commend the sponsors of the legislation for all of their efforts on behalf of this measure—the Honorable JONATHAN B. BINGHAM, chairman of the Subcommittee on International Economic Policy and Trade, and the Honorable LESTER L. WOLFF, chairman of the Subcommittee on Asian and Pacific Affairs, whose subcommittees jointly considered this bill. In addition, I would like to commend our colleague from Vermont, the Honorable JAMES M. JEFFORDS, who is not a member of the Foreign Affairs Committee, but who was the primary sponsor of H.R. 2200, on which the measure before us, H.R. 5737, was based.

Mr. Speaker, I urge the adoption of

H.R. 5737, with the technical amendment, in order that validation of the Vietnam claims may be made, which will initiate the process toward financial compensation for those losses.

Mr. LAGOMARSINO. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 5737, a bill to provide for the initiation of the processing of claims of U.S. nationals for losses of private property in Vietnam, otherwise known as claims against Vietnam.

From the outset, I want it to be absolutely clear that the purpose of this legislation in no way is to be considered as leading to recognition of Vietnam or the legitimacy of that government.

The role of Vietnam in obstructing a final and complete accounting of American prisoners of war and missing in action in Southeast Asia is a gross disregard for human decency. Their action in forcing hundreds of thousands of boat people to flee their homeland is equally worthy of contempt as is their policy in Southeast Asia and their savage invasion of Cambodia. The Vietnamese Government is merely a surrogate for the Soviet Union in Southeast Asia, and there can be no possibility of the United States considering resuming normalized relations with Vietnam before that nation adopts a civilized and peaceful role in the world.

The need to consider this legislation now results from the many private property losses which U.S. nationals incurred as a result of the takeover of South Vietnam by North Vietnam. As time passes, it will be harder to validate those claims. Therefore it is important to provide the mechanism to begin evaluating the losses so that at some future time, there will be a reasonably accurate inventory of claims against Vietnam for private property losses.

This bill is designed to benefit Americans and I support the measure as a means of facilitating their claims against Vietnam. But I do not want there to be any misunderstanding that this will lead to resuming diplomatic relations with Vietnam. That is neither the purpose nor the intent of this legislation. In my mind, considering normalization with Vietnam cannot possibly begin until the many outstanding international obligations of that country are met.

I urge my colleagues to support this legislation.

Mr. Speaker, I have no requests for time, and I yield back the balance of my time.

● Mr. WOLFF. Mr. Speaker, as chairman of the Subcommittee on Asian and Pacific Affairs, I would like to take this occasion to make some brief remarks with respect to this legislation.

First. This legislation simply authorizes the Federal Claims Settlement Commission to review, consider and, if warranted, to validate the claims of American citizens against the Government of the Socialist Republic of Vietnam.

Second. This legislation in no way implies recognition of the Hanoi government. Again, it merely provides for the validation of private American claims against the Government of Vietnam; settlement of the claims awaits the normalization of relations between the United States and Vietnam.

As for normalization, let me say that the process has been and is complicated by the Vietnamese invasion and continuing occupation of Kampuchea; by the uncertainties of Vietnamese policy toward Southeast Asia in general and Thailand in particular; and by Hanoi's failure to move forward a resolution of the POW/MIA issue.

Pending the clarification and resolution of the above issues, I do not believe that normalization is a viable foreign policy option.

Thank you.●

□ 1230

Mr. BINGHAM. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from New York (Mr. BINGHAM) that the House suspend the rules and pass the bill, H.R. 5737, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended, and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

PERMITTING SUPPLY OF ADDITIONAL LOW ENRICHED URANIUM FUEL UNDER INTERNATIONAL AGREEMENTS

Mr. ZABLOCKI. Mr. Speaker, I move to suspend the rules and pass the Senate joint resolution (S.J. Res. 89) permitting the supply of additional low enriched uranium fuel under international agreements for cooperation in the civil uses of nuclear energy, and for other purposes, as amended.

The Clerk read as follows:

S.J. RES. 89

Whereas the Nuclear Non-Proliferation Act of 1978 urges the United States to provide a reliable supply of nuclear fuel to those nations which adhere to policies designed to prevent the proliferation of nuclear weapons; and

Whereas the United States, in order to achieve the goals of that Act should be able to continue to supply low-enriched uranium fuel to nations that have entered into good faith negotiations as called for in section 404 (a) of the Act; and

Whereas pending such negotiations, limitations now contained in certain agreements for cooperation on the amount of low-enriched uranium which may be supplied thereunder are insufficient to permit adequate assurance of supplies: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. Limits contained in agreements for cooperation on the amount of low-enriched uranium which may be transferred by or exported from the United States pursuant thereto shall not be construed to preclude transfer or export of amounts of low enriched uranium in excess of such limits to nations which are parties to the Treaty on the Non-Proliferation of Nuclear Weapons

SEC. 2. (a) The terms used in this joint resolution shall have the meanings ascribed to them by the Atomic Energy Act of 1954 and by the Nuclear Non-Proliferation Act of 1978.

(b) The term "low-enriched uranium" means uranium enriched to less than 20 per centum in the isotope 235.

The SPEAKER pro tempore. Is a second demanded?

Mr. LAGOMARSINO. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Wisconsin (Mr. ZABLOCKI) will be recognized for 20 minutes, and the gentleman from California (Mr. LAGOMARSINO) will be recognized for 20 minutes.

The Chair recognizes the gentleman from Wisconsin (Mr. ZABLOCKI).

Mr. ZABLOCKI. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of the amendment to Senate Joint Resolution 89. This amendment is in the form of House Joint Resolution 324, as amended, permitting the supply of additional low enriched uranium fuel under international agreements for cooperation in the civil uses of nuclear energy, and for other purposes.

I would like to take this opportunity to commend our colleague from New York, the Honorable JONATHAN B. BINGHAM, chairman of the Subcommittee on International Economic Policy and Trade, and the ranking minority member of that subcommittee, the Honorable ROBERT LAGOMARSINO, which considered this measure jointly with the Subcommittee on International Security and Scientific Affairs, which I chair. Congressman BINGHAM, a sponsor of the Nuclear Non-Proliferation Act of 1978, has demonstrated considerable expertise and leadership on nuclear nonproliferation issues over the years, and continues in this role.

On April 22, 1980, the Committee on Foreign Affairs, ordered favorably reported by a voice vote, House Joint Resolution 324, with an amendment. The resolution provides the executive branch with the authority to waive existing nuclear fuel supply ceilings for countries that are party to the NPT. These ceilings, which are contained in most U.S. bilateral agreements, were established a number of years ago, largely for the purpose of helping the United States determine how much of its total enrichment output should be allocated for foreign export requirements. Today, of course, there is less need for such ceilings, owing to the surplus in worldwide and U.S. enrichment capacity.

Because the growth of nuclear power has been much slower than was originally projected, most countries are today well under their fuel supply ceiling. South Korea and Taiwan, however, and perhaps in the near future Japan as well, are either close to, or at the very limit of their existing ceiling. The resolution will help to provide the relief these countries need in order to confidently plan for their energy needs, and to contract for additional fuel and power reactors. These countries are of course important cooperating partners whose help will be essential in forging effective nuclear nonproliferation regimes.

The original version of House Joint Resolution 324, which permitted the United States to exceed existing limits by no more than 10 percent, was amended upon recommendation of the executive branch. The amendment lifts this percentage limitation, but requires that waivers shall only be considered for parties to the Treaty on the Non-Proliferation of Nuclear Weapons. This action will help to enhance the U.S. reputation for reliable supply, while providing an important concrete advantage for countries which are part of the NPT regime.

Mr. Speaker, I urge the adoption of the joint resolution with the amendment approved by the Committee on Foreign Affairs.

Mr. Speaker, I now yield such time as he may require to the chairman of the subcommittee, the gentleman from New York (Mr. BINGHAM).

Mr. BINGHAM. Mr. Speaker, as the distinguished chairman of the Foreign Affairs Committee has noted, the proposal before the House was requested by the administration. The Senate has already approved a similar joint resolution.

Essentially, the amendment to Senate Joint Resolution 89 in the form of House Joint Resolution 324 will insure that the United States can be a reliable international supplier of nuclear fuel to those countries which are party to the International Treaty of the Non-Proliferation of Nuclear Weapons.

Congressional passage would signal the importance which the United States attaches to the International Nuclear Non-Proliferation Treaty regime as we look ahead to the Second Nuclear Non-Proliferation Treaty Review Conference this summer. This action would also directly serve U.S. international nonproliferation interests by facilitating greater future application of our responsible nuclear safeguards controls among countries interested in purchasing U.S. nuclear equipment and materials.

I was recently chairman of a congressional delegation to South Korea, which is the country most immediately affected by this problem of a U.S.-imposed ceiling. South Korea wishes to contract for additional nuclear power plants and enrichment services and feels the export ceilings reduce the certainty of future supplies from the United States. Korea has always used U.S. nuclear reactors and U.S.-supplied enriched fuel, and is actively cooperating with us in the nonproliferation area. It would be unfortunate to allow this fuel ceiling issue to get in the way of progress on the much more important matter of negotiations to update our bilateral nuclear cooperation agreement consistent with the standards set forth in section 404(a) of the 1978 Nuclear Non-Proliferation Act.

As noted in House Joint Resolution 324, the Foreign Affairs Committee attaches great importance to these bilateral negotiations and looks forward to their speedy conclusion, particularly with respect to South Korea.

The comparable resolution passed by the Senate contains certain language regarding congressional procedures which is not in the resolution now before you. Specifically, the Senate-passed bill requires the administration to come before the Congress each time a new ceiling might be broached and leaves open the possibility of a 60-legislative-day review period for each such case.

We believe House Joint Resolution 324 as reported by the Foreign Affairs Committee is sufficiently clear on when the Congress believes nuclear fuel export ceilings should be lifted. Additional review requirements would only serve to distract our attention from the many other pressing issues in the nuclear nonproliferation area and could be counterproductive from the standpoint of those countries seeking greater security of supply from the United States by means of the joint resolution.

It is particularly important as we approach the Non-Proliferation Treaty Review Conference this summer that we not leave ourselves open to the criticism that our support for the kind of action represented by House Joint Resolution 324 is only conditional on some future, unpredictable action by the Congress.

I urge your support for the motion, to suspend the rules and pass Senate Joint Resolution 89, as amended by House Joint Resolution 324.

Mr. LAGOMARSINO. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of the House amendment to Senate Joint Resolution 89 and urge my colleagues to support it as well. This measure would contribute to maintaining U.S. influence in matters of nuclear nonproliferation and would also avoid the possibility of the United States losing commercial sales of nuclear material and nuclear reactors to other suppliers.

The Nuclear Non-Proliferation Act of 1978 sets forth the importance of the United States being a reliable supplier of nuclear fuel to those nations adhering to policies designed to prevent the proliferation of nuclear weapons. As supplier, the United States can more effectively insure the control of nuclear materials and thus encourage cooperation in nuclear nonproliferation policies.

This measure would lift the ceiling on nuclear supplies and would directly affect three of our closest allies in the Far East: South Korea, Japan, and Taiwan. I have recently returned from a study mission to South Korea and Japan, where I met with officials in those nations' nuclear energy programs. I am convinced the United States will have more influence in gaining cooperation with those nations if we are viewed as a reliable trading partner in supplying nuclear fuel. Otherwise, I believe those nations would continue on their own, with perhaps less assurance that they would be committed to the same nonproliferation goals that we endorse.

At a time when we are trying to renegotiate nuclear agreements with those nations and our other allies around the world, passage of this measure would contribute to a positive atmosphere for recognition of the U.S. commitment to nonproliferation as well as to being a reliable supplier of low enriched uranium, thus encouraging greater cooperation from our negotiating partners.

I want to emphasize that this measure would permit lifting the ceiling only to those nations that are parties to the Nuclear Non-Proliferation Treaty.

I urge my colleagues to support this resolution.

Mr. Speaker, I have no requests for time, and I yield back the balance of my time.

Mr. ZABLOCKI. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Wisconsin (Mr. ZABLOCKI) that the House suspend the rules and pass the Senate joint resolution (S.J. Res. 89) as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended, and the Senate joint resolution, as amended, was passed.

A motion to reconsider was laid on the table.

House Joint Resolution 324 was laid on the table.

GENERAL LEAVE

Mr. ZABLOCKI. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the measure, H.R. 5737 and Senate Joint Resolution 89, just passed by the House.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

COMMERCIAL FISHERIES RESEARCH AND DEVELOPMENT AUTHORIZATIONS

Mr. BREAUX. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 4890) to extend the appropriation authorization for the Commercial Fisheries Research and Development Act of 1964, as amended, as amended.

The Clerk read as follows:

Be it enacted by the Senate and House House of Representatives of the United States of America in Congress assembled, That section 4 of the Commercial Fisheries Research and Development Act of 1964 (16 U.S.C. 779b) is amended—

(1) by amending subsection (a) by striking out "and September 30, 1980." in paragraph (2) and inserting in lieu thereof ", September 30, 1980, September 30, 1981, September 30, 1982, and September 30, 1983.";

(2) by amending subsection (b)—

(A) by striking out "and" at the end of paragraph (1),

(B) by inserting ", and" immediately after "1980" in paragraph (2), and

(C) by adding immediately after paragraph (2) the following new paragraph:

"(3) $5,000,000 for each of the fiscal years ending September 30, 1981, September 30, 1982, and September 30, 1983"; and

(3) by amending paragraph (2) of subsection (c) by striking out "and September 30, 1980." and inserting in lieu thereof "September 30, 1980, September 30, 1981, September 30, 1982, and September 30, 1983.".

The SPEAKER pro tempore. Pursuant

to the rule, a second is not required on this motion.

The gentleman from Louisiana (Mr. BREAUX) will be recognized for 20 minutes, and the gentleman from New Jersey (Mr. FORSYTHE) will be recognized for 20 minutes.

The Chair recognizes the gentleman from Louisiana (Mr. BREAUX).

□ 1240

Mr. BREAUX. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 4890 would authorize appropriations to carry out the Commercial Fisheries Research and Development Act for fiscal years 1981, 1982 and 1983. This bill would permit the continuation of a program that has proved to be essential for productive State/Federal cooperation in the vitally important areas of commercial fisheries research and development and fisheries disaster recovery assistance.

H.R. 4890 would authorize appropriations of $10 million in each of the fiscal years, 1981, 1982, and 1983 for State/Federal commercial fisheries projects. Research laboratories, vessels and fish culture facilities would be enabled to continue to provide data and information without which the effective management of valuable traditional commercial fisheries would be virtually impossible. In addition, these funds would assist in improving the utilization of underdeveloped fisheries.

Commercial fisheries are vital to our national welfare. Many communities are entirely dependent upon the success of commercial fisheries enterprises. While there is an important interest in maintaining the health of existing fisheries, there is also a need to further develop them. Last year our imports of fish products amounted to a staggering $3.8 billion and our exports added up to only about $1 billion. This accounted for 10 percent of our national balance of payments deficit. And yet, America's waters hold 20 percent of the fishery resources of the entire world. We are utilizing only about a third of that. Clearly, there is ample reason to continue the historically successful and very promising research and development programs established under the Commercial Fisheries Research and Development Act.

The bill would authorize $5 million for each of the fiscal years 1981, 1982, and 1983 for fisheries disaster aid. These funds should be available to permit efforts toward the recovery of fisheries ravaged by the forces of nature. Last year, this act permitted the Federal Government to provide $3.5 million to the States of Alabama, Louisiana, Mississippi, and Texas for relief from severe economic hardships caused by natural disasters impacting valuable fisheries. The authority to allow such assistance in the future is vitally needed.

The sum of $500,000 would be authorized in each of those fiscal years to be used for the establishment of new commercial fisheries.

I urge the passage of this measure. The administration has testified in support of legislation recognizing that the act provides a necessary program which should be continued, H.R. 4890 in both fiscally responsible and necessary to permit the rational utilization of our fisheries resources for the maximum benefit of our people and our national economy.

Mr. FORSYTHE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the Fishery Conservation and Management Act was enacted with the intent of asserting U.S. fishery management authority over the extensive resources found within 200 miles of the U.S. coasts. The legislation was predicated on the premise that the elimination of foreign overfishing would allow for the regeneration of commercially depleted fisheries and would provide an economic foundation for the development of the U.S. fishing industry.

Although the Fishery Conservation and Management Act is landmark legislation, it does not fully address the conservation needs of U.S. fishery resources. Nor does it address the total economic basis for the development of the U.S. fishing industry. The fact of the matter is that 68 percent of the fish landed in the United States is harvested within 3 miles of the U.S. coasts. Virtually all of the fisheries which are managed under the Fishery Conservation and Management Act migrate between State waters and the Federal fishery conservation zone. Two-thirds of these species spend some critical portion of their life cycle in the estuarine waters under State jurisdiction. The significance of these facts is that in the absence of an active role by the States in managing U.S. fishery resources, the goals and objectives of the Fishery Conservation and Management Act will never be met.

It is for these reasons that I urge the adoption of H.R. 4890. This bill continues the authorization for the Commercial Fisheries Research and Development Act, which provides matching funds to the States for fisheries research development projects. Since 1966 when this act was first funded, 837 projects have been initiated by the States at a cost of $83 million; 700 of these projects have now been completed and another 137 are continuing. The projects cover many activities, including aquaculture, construction, coordination and planning, development, and research. Fisheries research continues to be the backbone of the program with 53 percent of the fiscal year 1979 Federal dollars being expended for this purpose.

The act has assisted the States to better and more effectively develop and manage their valuable fisheries resources. Scientific information has been obtained on stocks of fish and shellfish and this information has been used for State management and to assist in the implementation of the Fishery Conservation and Management Act. Advances have been made in aquaculture for the rearing of catfish, trout, shrimp, oysters, clams and other shellfish. Improvements have been made in the use of fish byproducts and in the development of new fishery products, new fishing gear, and new methods of fishing.

In the absence of the Commercial Fisheries and Development Act and the State programs established thereunder, the Federal Government would have to significantly increase its research and development funds in order to effectively implement the Fishery Conservation and Management Act. Further, the coastal fisheries of this Nation would not have been the beneficiary of intensive State-initiated development programs without the act.

Despite the impressive accomplishments of the act, the States are in serious need of additional funds. It is estimated that over $6 million in high-priority fisheries development and conservation programs remain unfunded because of inadequate moneys being available. I recognize that in this era of budget restraint not every worthwhile program sponsored by the Federal Government can be fully funded. It is for this reason that the legislation before us is essentially a level funding bill. However, this committee, and certainly this Member, will not have that fact interpreted as meaning that the Commercial Fisheries Research and Development Act is a low-priority program. It is a high priority program that will have significant benefit for the economic well-being of this Nation.

If the fisheries resources of the United States can be effectively conserved and developed, it is estimated that in the next decade over 40,000 jobs would be created, more than $1 billion per year would be added to the U.S. economy, and the U.S. trade deficit would be reduced by $1.7 billion per year—and I submit that this is just the beginning. A comprehensive fishery development program will eventually convert the United States from a net importer to a net exporter of fisheries products.

Mr. Speaker, not all these benefits will flow from the passage of the legislation pending before us today. But I can assure you that they will not occur without the passage of this bill. Without the active participation of the States in the conservation, management and development of the U.S. fishery resources, these resources can neither be conserved nor developed. The reality of the situation is that virtually all of the U.S. fishery resources are found within State waters as well as within the Federal fishery conservation zone.

● Mr. MURPHY of New York. Mr. Speaker, the Commercial Fisheries Research and Development Act of 1964, more commonly referred to as Public Law 88-309, authorizes the Secretary of Commerce to assist the States in carrying out commercial fisheries research and development projects. This 16-year-old program will expire on September 30, 1980.

Mr. Speaker, since the inception of this act, a total of 837 projects have been initiated under section 4(a) at a total cost, both State and Federal, of nearly $83 million. The benefits derived from this program have been widespread and are enjoyed not only by the States, but by other groups as well. The States have benefited by increased research capabilities through the construction of laboratories and have enhanced fishery stocks through the construction of fish culture facilities. Other Federal agencies benefit as the program contributes supporting knowledge resulting in a strengthened national effort. Also, there is substantial benefit to industry and the public from projects dealing with technology, extension, research, and enabling better use of fisheries products. For instance, advancement has been made in aquaculture for the rearing of catfish, trout, shrimp, oysters, clams, and other shellfish. Improvements have been made in fish byproducts and development of new products. Under section 4(b) of this act funds have been expended to alleviate resource disasters resulting from such causes as hurricanes and fish diseases.

The purpose of H.R. 4890 is to provide financial assistance to our commercial fishing industry. In accomplishing this purpose, the legislation would extend the appropriation authorizations of existing law, which expire at the end of fiscal year 1980, for an additional 3 years at the same level of funding for section 4(a) and 4(c), of $10 million and $500,000 per year, respectively. Section 4(c) funds are used to assist the States in developing new commercial fisheries. The funding under section 4(b) would be increased $3 million to $5 million per year.

H.R. 4890 has the unanimous support of the Committee on Merchant Marine and Fisheries, and is strongly supported by the 50 States and our territories and possessions.

I urge its prompt passage.●

Mr. BREAUX. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Louisiana (Mr. BREAUX) that the House suspend the rules and pass the bill, H.R. 4890, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The title was amended so as to read: "A bill to authorize appropriations for the Commercial Fisheries Research and Development Act of 1964 for fiscal years 1981, 1982, and 1983.".

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. BREAUX. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

TENSAS RIVER NATIONAL WILDLIFE REFUGE

Mr. BREAUX. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 6022) to establish the Tensas River National Wildlife Refuge, as amended.

The Clerk read as follows:

H.R. 6022

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled.

CONGRESSIONAL FINDINGS

SECTION 1. The Congress finds that—

(1) the great forests of hardwoods, which once covered vast acreages along the lower reach of the Mississippi River Valley, are rapidly being destroyed;

(2) the remaining forests constitute a unique ecological, commercial, and recreational resource, providing a combination of forests products, habitat for a diversity of fish and wildlife and opportunities to the public for scientific research and for such recreational activities as hunting, fishing, hiking, boating, and wildlife observation;

(3) the area within which the Tensas River National Wildlife Refuge will be located contains one of the largest remaining tracts of dynamic hardwood forests in the Mississippi River Valley; and

(4) establishment of the refuge represents a significant action by the Federal Government for the preservation and development of the environmental resources in the basins of the Tensas, Bouef, and Red Rivers of the State of Louisiana.

DEFINITIONS

SEC. 2. For the purposes of this Act—

(1) The term "refuge" means the Tensas River National Wildlife Refuge that includes those lands and waters, and interests therein, located along the Tensas River in Franklin, Madison, and Tensas Parishes, Louisiana, that are depicted on the map entitled "Tensas River National Wildlife Refuge", dated February 1980, and on file at the United States Fish and Wildlife Service.

(2) The term "Secretary" means the Secretary of the Interior.

ESTABLISHMENT OF REFUGE

SEC. 3. (a) ACQUISITION.—Within four years after the date of the enactment of this Act, the Secretary shall acquire the lands and waters, and interests therein, referred to in section 2(1) through donation, purchase with donated or appropriated funds, or exchange, or through any combination of the foregoing.

(b) ESTABLISHMENT.—At such time as sufficient lands and waters, and interest therein, have been acquired under subsection (a) to constitute an area that can be administered for refuge purposes, the Secretary shall establish the Tensas River National Wildlife Refuge by publication of notice to that effect in the Federal Register.

(c) ADJUSTMENTS.—The Secretary may make such minor adjustments with respect to the boundary of the refuge as may be necessary to facilitate the acquisition of lands and waters, and interests therein, for the refuge and to facilitate the administration of the refuge.

ADMINISTRATION

SEC. 4. (a) IN GENERAL.—The Secretary shall administer all lands and waters and interests therein acquired under this Act in accordance with the provisions of the National Wildlife Refuge System Administration Act of 1966 (16 U.S.C. 668dd-668ee) to conserve the diversity of fish and wildlife and their habitat within the refuge; except that the Secretary may utilize such additional statutory authority as may be available to him for the conservation and development of wildlife and natural resources, the development of outdoor recreation opportunities, and interpretative education, as he deems appropriate to carry out the purposes of the refuge. The Secretary shall give special consideration to the management of the timber on the refuge to insure continued commercial production and harvest compatible with the purposes for which the refuge is established and the needs of fish and wildlife which depend upon a dynamic and diversified hardwood forest.

(b) FLOOD CONTROL.—The Secretary shall administer the refuge as part of an overall Federal management plan for the use of water and related land resources for the area. This Act shall not preclude the construction and maintenance of the Tensas River flood control project, authorized by the Flood Control Act of 1944, as amended, in such modified configuration as may be determined by the Secretary of the Army in consultation with the Secretary. The Secretary shall assist the Secretary of the Army in this endeavor for flood control, including the provision of all lands and rights-of-ways necessary for project construction and maintenance within the refuge area as determined by the Secretary of the Army, in consultation with the Secretary. The establishment of the refuge shall not preclude any other public or private works, determined to be in the public interest, to relieve flooding along or adjacent to the Tensas River.

AUTHORIZATION OF APPROPRIATIONS

SEC. 5. For the purposes of carrying out this Act, there are authorized to be appropriated beginning fiscal year 1981 not to exceed $10,000,000 to the Department of the Interior.

The SPEAKER pro tempore. Pursuant to the rule, a second is not required on this motion.

The gentleman from Louisiana (Mr. BREAUX) will be recognized for 20 minutes, and the gentleman from New Jersey (Mr. FORSYTHE) will be recognized for 20 minutes.

The Chair recognizes the gentleman from Louisiana (Mr. BREAUX).

Mr. BREAUX. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 6022 represents an important effort on the part of the Federal Government to conserve the largest uninterrupted tract of a remaining bottomland hardwood forest in the Lower Mississippi River flood plain. H.R. 6022 authorizes to be appropriatetd $10 million to the Department of the Interior for the establishment of the Tensas River National Wildlife Refuge.

The proposed refuge is located in northeastern Louisiana and is part of the Mississippi River flood plain. This region once contained over 25 million acres of bottomland hardwood habitat. In the last 20 years, over 18 million acres of this habitat type have been cleared and drained for agricultural purposes. The U.S. Fish and Wildlife Service estimates that we are losing bottomland hardwoods—to agricultural uses and other uses—at a rate of about 300,000 acres per year.

The tract proposed for acquisition in this legislation is currently owned by the Chicago Mill and Lumber Co. As I have indicated, the tract is noteworthy as the largest contiguous block of hardwoods remaining in this region. In fact, the proposed refuge has been termed the "Redwoods of the South." The forest is essentially an island amid an expanse of intense agricultural production, and provides valuable habitat for large populations of white-tailed deer, black bear, beaver, bobcat, waterfowl, and a number of other species.

The Chicago Mill and Lumber Co. has indicated a willingness to sell approximately 50,000 acres of the land for refuge purposes. But they have also indicated that if the land is not purchased in the near future by the United States, the tract will be converted to agricultural uses.

This bill is supported not only by the current owners of the property, but also by the local public officials in the area, including colleague JERRY HUCKABY who is the original sponsor of this legislation.

The proposed refuge would be administered by the Department of the Interior to conserve the wildlife resources of the area. The Secretary of the Interior is directed to give special consideration to timber management on the refuge because of the local employment dependent upon the continued operation of the small sawmill located nearby. The legislation also provides that a modified version of the authorized Tensas River flood control project which would be constructed through the refuge, is compatible with refuge purposes. This project involves the clearing and snagging of obstructions in the Tensas River Channel which would, in the opinion of the U.S. Fish and Wildlife Service, not appreciably harm the fish and wildlife resources in the area nor detract from the proposed refuge.

I believe that this refuge will be a valuable addition to the National Wildlife Refuge System, and an important step in the continuing effort to provide for the conservation of this Nation's fish and wildlife heritage.

Mr. FORSYTHE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 6022, a bill to establish the 50,000-acre Tensas River National Wildlife Refuge. These valuable bottomland hardwood forests once covered up to 50 million acres in the lower Mississippi floodplain—but now only about 3 million acres remain. Improved technology has brought about the clearing and draining of millions of acres for agricultural purposes and they are still being drained at the rate of about 300,000 acres per year. The lumber company which owns the 100,000-acre Tensas tract is currently clearing about 50,000 acres and has indicated that they will similarly convert their remaining woodland to agriculture if the 50,000-acre tract is not acquired for refuge purposes.

The Tensas River bottomland hardwood habitat represents perhaps the largest of the vast remaining uncleared tracts in the lower Mississippi Valley. The refuge proposal serves as a permanent home for several species of fish and wildlife but it is particularly noted for its large populations of deer, turkey, bobcat, otter, and waterfowl, as well as many species of small mammals. The water bodies within the proposal contain good populations of fish.

Several channelization and drainage projects by the Corps of Engineers in the lower Mississippi Valley have brought about direct fish and wildlife habitat losses totaling about 1.3 million acres. The Fish and Wildlife Coordination Act requires that these losses be mitigated. Although the Fish and Wildlife Service has recommended replacement acreage of almost 900,000 acres, Congress has only authorized the corps to purchase about 111,000 acres. Of that total amount, about 33,000 acres have been purchased to date. That is approximately 2½-percent replacement of the habitat lost.

The bill authorizes $10 million for the Department of the Interior to acquire 10,000 acres. The corps and the Fish and Wildlife Service are currently negotiating on the purchase of the remaining 40,000 acres to partially mitigate fish and wildlife losses due to water development projects in Louisiana. Whatever land is purchased by the corps within the refuge boundary will become part of the Tensas River National Wildlife Refuge and be managed by the Fish and Wildlife Service.

Mr. Speaker, the Fish and Wildlife Service has indicated that the wildlife productivity and potential of the proposed refuge is almost unsurpassed in the bottom land hardwood habitat type. I urge my colleagues to join me in supporting the enactment of H.R. 6022 in order to preserve one of these last remaining tracts for the wildlife resources dependent on that type of habitat.

● Mr. MURPHY of New York. Mr. Speaker, the purpose of H.R. 6022 is to preserve the largest remaining block of bottomland hardwood habitat in the lower Mississippi flood plain. In accomplishing this purpose, the Secretary of the Interior would be authorized and directed to acquire the lands proposed for inclusion in the Tensas National Wildlife Refuge within a period of 4 years. Not to exceed $10 million would be authorized to be expanded for this purpose beginning with fiscal year 1981.

The proposed refuge land along the Tensas River in Louisiana was once the home of the now extinct ivory bill woodpecker and several endangered species, including the red wolf, peregrine falcon, and cougar. The remaining bottom land hardwood acreage in this Tensas River area, consisting of about 100,000 acres, serves as a permanent home for many forms of wildlife but it is particularly noted for its large populations of deer, turkey, bobcat, otter, fox, and waterfowl together with a healthy population of black bears.

This irreplaceable habitat faces imminent destruction. The Chicago Mill Co. has cleared much of its holdings in this area and has indicated an intent to convert much of their remaining holdings to agriculture. However, the Chicago Mill Co. has indicated a willingness to sell approximately 50,000 of its remaining acreage for refuge purposes.

Mr. Speaker, this land is going to be cleared if it is not purchased. The price of these lands is escalating at a 15- to 20-percent rate per year and it is imperative that the necessary funds be provided for acquisition before they are diverted to other uses and lost for conservation purposes forever.

Mr. Speaker, H.R. 6022 was reported unanimously by the Committee on Merchant Marine and Fisheries and it has the strong support of the Nature Conservancy and other conservationists in general.

I urge its prompt passage.●

● Mr. HUCKABY. Mr. Speaker, today the House will be considering under suspension of the rules H.R. 6022, a bill to establish the Tensas River National Wildlife Refuge in the State of Louisiana. The purpose of the legislation is to acquire not more than 50,000 acres of land and water along the Tensas River in Madison, Franklin, and Tensas Parishes, La., in order to preserve and enhance unique and endangered fish and wildlife habitat.

The tract, which is owned by the Chicago Mill & Lumber Co., represents the last large contiguous block of bottomland hardwoods remaining in the lower Mississippi floodplain. In fact, the proposed refuge has been termed the "Redwoods of the South." The forest is essentially an island amid an expanse of intensive agriculture production, and provides valuable habitat for large populations of whitetailed deer, black bear, turkey, beaver, squirrel, rabbit, fox, bobcat, and waterfowl.

It was once the home for the now extinct ivory-billed woodpecker and several endangered species, including the western cougar, red wolf, peregrine falcon, and cougar. Bald eagle sightings are still received. The U.S. Fish and Wildlife Service has indicated that the wildlife productivity and potential of the proposed refuge is unequaled by any other bottomland hardwood area.

I would like to stress at this point that in the last 20 years, over 18 million acres of this habitat type have been cleared and drained for agricultural uses. At one time, the floodplain contained over 25 million acres of hardwood forest, but the area, noted for its rich soil, is now almost totally converted to agricultural production. No one can argue that America does not need more agricultural development, but I think a balance of nature is needed and wanted.

The bill would also declare that a modified version of the authorized Tensas River flood control project which would be constructed through the refuge is compatible with refuge purposes. The project involves clearing and snagging of obstructions in the Tensas River channel which would, in the opinion of the Fish and Wildlife Service, not appreciably harm the fish and wildlife resources in the area, nor detract from the proposed refuge.

The purchase of up to 40,000 additional acres of the tract by the Corps of Engineers to partially mitigate fish and wildlife resource losses in the corps' Vicksburg district is presently under consideration by the corps. If bought, this acreage would be added to the refuge.

During hearings on the measure, a representative testified that the corps has increasing difficulty purchasing land to offset or mitigate fish and wildlife losses as a result of corps projects. They know of no other tract of land, other than the proposed refuge, which has the wildlife values of the Tensas tract, is within the vicinity of local corps projects, and has a seller willing to sell the property to the Federal Government.

Mr. Speaker, in view of all these favorable circumstances. I think it is justifiable and worthwhile that Congress designate this area as a refuge. With such a twofold plan, we can protect a unique wildlife ecosystem for future generations to enjoy and, at the same time, help solve serious flooding problems in my district. I would also like to mention that the proposed refuge is supported at the local level, is favorably recommended by the administering agency, and was overwhelmingly approved by the Merchant Marine and Fisheries Committee. As author of the bill, I urge my colleagues to vote for the passage of H.R. 6022.●

Mr. BREAUX. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Louisiana (Mr. BREAUX) that the House suspend the rules and pass the bill, H.R. 6022, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. BREAUX. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

BOGUE CHITTO NATIONAL WILDLIFE REFUGE

Mr. BREAUX. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 6169) to establish the Bogue Chitto National Wildlife Refuge, as amended.

The Clerk read as follows:

H.R. 6169

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

CONGRESSIONAL FINDINGS

SECTION 1. The Congress finds that—

(1) thousands of acres of bottomland hardwoods are being cleared each year in the Mississippi River delta;

(2) these forested wetlands represent one of the most valuable and productive wildlife habitat types in the United States and have extremely high recreational value for hunters, fishermen, birdwatchers, nature photographers, and others; and

(3) the Bogue Chitto area is a bottomland hardwood swamp which harbors over one hundred and fifty species of birds and many revisions in the boundaries designated under paragraph 1(B) of this subsection as may be appropriate to carry out the purpose of this Act or to facilitate the acquisition of prop- types of other wildlife, including several spe- waters, or interests therein, within the erty within the refuge.

(b) ACQUISITION.—The Secietary shall ac- or appropriated funds, or exchange) lands, quire (by donation, purchase with donated cies imperiled with extinction.

DEFINITIONS

SEC. 2. For purposes of this Act—

(1) the term "refuge" means the Bogue Chitto National Wildlife Refuge;

(2) the term "Secretary" means the Secretary of the Interior; and

(3) the term "selection area" means those lands and waters near the juncture of the Pearl River and its tributary, the Bogue Chitto, in Saint Tammany and Washington Parishes, Louisiana, and Pearl River County, Mississippi, depicted on the map entitled "Bogue Chitto National Wildlife Refuge, Selection Area", dated March 1980 and on file at the United States Fish and Wildlife Service.

ESTABLISHMENT OF REFUGE

SEC. 3. (a) SELECTION.—(1) Within one year after the date of the enactment of this Act the Secretary shall—

(A) designate approximately forty thousand acres of land and water within the selection area as land which the Secretary considers appropriate for the refuge; and

(B) publish in the Federal Register a detailed map depicting the boundaries of the land designated under subparagraph (A), which map shall be on file and available for public inspection at offices of the United States Fish and Wildlife Service.

(2) The Secretary may make such minor boundaries designated under subsection (a) (1)(B).

(c) ESTABLISHMENT.—The Secretary shall establish the Bogue Chitto National Wildlife Refuge, by publication of a notice to that effect in the Federal Register, whenever sufficient property has been acquired under this section to constitute an area that can be effectively managed as a refuge.

ADMINISTRATION

SEC. 4. The Secretary shall administer all lands, waters, and interests therein, acquired under this Act in accordance with the provisions of the National Wildlife Refuge System Administration Act of 1966 (16 U.S.C. 668dd–668ee) to conserve the diversity of fish and wildlife and their habitat, within the refuge, including the unique Bogue Chitto River Swamp. The Secretary may utilize such additional statutory authority as may be available to him for the conservation and development of wildlife and natural resources, the development of outdoor recreation opportunities, and interpretive education as he deems appropriate to carry out the purposes of the refuge.

AUTHORIZATION OF APPROPRIATIONS

SEC. 5. There are authorized to be appropriated beginning with fiscal year 1981 not to exceed $13,000,000 to the Department of the Interior for the acquisition and development of the refuge.

The SPEAKER pro tempore. Pursuant to the rule, a second is not required on this motion.

The gentleman from Louisiana (Mr. BREAUX) will be recognized for 20 minutes, and the gentleman from New Jersey (Mr. FORSYTHE) will be recognized for 20 minutes.

The Chair recognizes the gentleman from Louisiana (Mr. BREAUX).

Mr. BREAUX. Mr. Speaker, I yield myself such time as I may consume.

I urge its prompt passage H 3249.●

Mr. Speaker, H.R. 6169 proposes the acquisition of 40,000 acres of bottomland hardwood habitat in southern Louisiana and Mississippi as the Bogue Chitto National Wildlife Refuge. The proposed refuge consists of an unusual backwater ecosystem of primarily bottomland hardwood habitat in the heart of the Bogue Chitto River Swamp. Bottomland hardwood habitat is being rapidly diminished in the South as a result of conversion to agricultural production and other uses.

This legislation is supported by the administration and by the people of the area. All of the property owners involved have indicated a willingness to sell their land to the Fish and Wildlife Service. Congressman LIVINGSTON, the sponsor of the legislation, has indicated that the hunters and fishermen that have been using the area over the years are also fully supportive of refuge acquisition.

The proposed refuge is located in the Bogue Chitto River Swamp approximately 30 miles north of the New Orleans metropolitan area. This area is considered by many of the States naturalists to be the most diverse drainage system in Louisiana. The refuge includes nearly 150 species of breeding and wintering birds, 47 species of mammals, and 131 different reptiles and amphibians.

The Bogue Chitto Refuge is rich in surface water resources. In addition to the main rivers of the swamp, the Bogue Chitto and the Pearl, there are numerous lakes, oxbows, sloughs, and creeks. The total length of all water courses in the lower system is unknown but is estimated to exceed 200 miles. There are, in all, approximately 3,000 acres of open water in the form of lakes and streams in the proposed refuge.

Perhaps the primary value of this refuge is that it represents one of the few remaining relatively undisturbed bottomland hardwood habitats in the South. The Fish and Wildlife Service considers these bottomland hardwoods to be one of the most biologically productive habitat types in North America. The ability of these areas to produce both variety and number of animals, their value to the migratory waterfowl and the fact that a great threat exists to remaining acreage makes this habitat even more important to the Nation and its wildlife resource heritage.

The bottomland hardwoods of the lower Mississippi River Valley are the major wintering areas for mallards in the United States and support tremendous resident wood duck production. The Fish and Wildilfe Service inventories indicate that at least 24 percent of the U.S. population and 58 percent of the Mississippi Flyway mallard population winter along the lower regions of the Mississippi and its tributaries.

There are approximately 137 individual ownerships in the proposed refuge, but two individual owners make up 68 percent or 27,000 acres of the proposal. We have been assured that there is no local opposition to this proposal.

The estimated land cost of the proposal, excluding mineral rights which are likely to be reserved by existing landowners, is $12,080,000 for 40,000 acres. Total project costs, including overhead and administrative costs, are estimated to be approximately $13 million. These amounts represent the maximum amounts that can be spent on this refuge. The Appropriations Committee, of course, will determine what precise amounts will be spent on this program.

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Mr. FORSYTHE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I support the establishment of the Bogue Chitto National Wildlife Refuge located along the border of southern Louisiana and Mississippi. This 40,000-acre proposal of bottomland hardwood habitat is threatened by recreational home development and possible large-scale logging operations.

The Fish and Wildlife Service has long recognized the value of this area and tried to acquire it under their general authority last year, but their request for appropriations was turned down because they did not have a specific authorization. The enactment of H.R. 6169 will give the Service the authority they need to begin acquiring this valuable habitat in the lower Pearl River Basin from willing sellers.

Activities in the lower basin center around hunting, fishing, camping, and water sports such as canoeing. Acquisition of this land for inclusion in the National Wildlife Refuge System would make it available to the general public rather than a select few.

The habitat supports over 150 species of breeding and wintering birds, about 47 species of mammals, 131 species of reptiles and amphibians, and 140 species of fish. It is within the range of several federally listed endangered or threatened species including bald eagles, peregrine falcons, Bachman's warblers, and American alligators.

There are no improved roads in the area as the rivers, sloughs, and bayous form the major arteries of transportation. Located only 30 miles north of New Orleans and being accessible from several other Louisiana and Mississippi cities, the proposed refuge has become increasingly threatened by development. Such development will undoubtedly adversely affect the wildlife resources found there.

Mr. Speaker, I want to urge my colleagues to join me in supporting H.R. 6169. Enactment of this legislation will insure the protection of this unusual backwater swamp and make it available to all people for wildlife-oriented recreation. We have authorized an appropriation of $13 million for acquisition and development of the Bogue Chitto Refuge.

Mr. Speaker, I yield such time as he may consume to the gentleman from Louisiana (Mr. LIVINGSTON).

Mr. LIVINGSTON. Mr. Speaker, first of all, I want to congratulate the subcommittee chairman, my colleague from Louisiana (Mr. JOHN BREAUX), as well as the ranking minority member of the subcommittee, the gentleman from New Jersey (Mr. FORSYTHE), for doing such an outstanding job on that committee. I want to express my appreciation to them for their support of this most worthwhile project. This idea was conceived by people who were genuinely concerned about the loss of extremely valuable bottom land hardwood in Louisiana wetlands. The Tupelo cypress swamps and the red gum hardwoods will be irreplaceable if they are ever lost, and this land, if not acquired by the Federal Government, will most probably be plowed under for soybeans or other agricultural purposes, or harvested for timber, thereby jeopardizing the ecosystems of southern Louisiana in generations to come.

The land is being acquired from willing sellers, and enjoys the acceptance of the vast majority of southern Louisiana.

I appreciate the leadership of these two fine gentlemen who assisted me in bringing forth this bill. Their efforts will redound to the benefit of Louisianians and nature lovers everywhere, and will do much to preserve the ecological balance in south Louisiana.

Thank you. Mr. Speaker, I yield back the balance of my time.

• Mr. MURPHY of New York. Mr. Speaker, the purpose of H.R. 6169 is to preserve an unusual backwater ecosystem consisting primarily of bottomwood hardwood habitat. In accomplishing this purpose, the Secretary of the Interior would be authorized and directed to establish the Bogue Chitto National Wildlife Refuge in the State of Louisiana.

The proposed refuge is located about 30 miles north of New Orleans. It consists of the most diverse drainage system in Louisiana. The refuge includes nearly 150 species of breeding and wintering birds, 47 species of mammals, and 131 different reptiles and amphibians. It has a number of game species such as deer, squirrels, waterfowl, and turkeys.

The proposed refuge contains approximately 40,000 acres consisting of approximately 137 individual ownerships. Two major landowners make up about 68 percent of the acreage and Congressman LIVINGSTON, sponsor of the legislation, has advised the committee that the owners within the proposed area are willing to sell to the Federal Government.

The need for this legislation arises from the fact that this bottomland hardwood habitat is rapidly being diverted to farmland for soybeans. It is also being diverted for recreational home development. Bottomland hardwood habitat in the Mississippi River Valley, which consisted of about 25 million acres 50 years ago, today is down to only 3 million acres and is disappearing at a rate of 300,000 acres per year.

H.R. 6169 would authorize to be appropriated to the Department of the Interior $13 million beginning with fiscal year 1981 for acquisition and development of the refuge. The bill was reported unanimously by the Committee on Merchant Marine and Fisheries and it has the strong support of the Department of the Interior.

I urge its prompt passage.•

Mr. FORSYTHE. Mr. Speaker, I yield back the balance of my time.

Mr. BREAUX. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Louisiana (Mr. BREAUX) that the House suspend the rules and pass the bill (H.R. 6169) as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. BREAUX. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

BON SECOUR NATIONAL WILDLIFE REFUGE

Mr. BREAUX. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 6727) to establish the Bon Secour National Wildlife Refuge, as amended.

The Clerk read as follows:

H.R. 6727

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

CONGRESSIONAL FINDINGS

SECTION 1. The Congress finds that—

(1) Alabama's shore near the mouth of Mobile Bay contains highly significant and varied wildlife habitat and supports important aquatic nurseries;

(2) the area is a critical resting and feeding site for birds of two flyways on their pilgrimages to and from Central and South America;

(3) nationally endangered and threatened species, such as the brown pelican, bald eagle, and several species of sea turtles, as well as many more species identified by the State to be of special concern, are indigenous to this ecosystem;

(4) this habitat should be preserved to ensure the well-being of these and other species, to serve as a living laboratory for scientists and students and to provide wildlife-oriented recreation for the public.

DEFINITIONS

SEC. 2. For purposes of this Act—

(1) the term "refuge" means the Bon Secour National Wildlife Refuge;

(2) the term "Secretary" means the Secretary of the Interior; and

(3) the term "selection area" means those lands and waters in Baldwin and Mobile Counties, Alabama, depicted on the map entitled "Bon Secour National Wildlife Refuge. Selection Area," dated March, 1980 and on file at the United States Fish and Wildlife Service.

ESTABLISHMENT OF REFUGE

SEC. 3. (a) SELECTION.—(1) Within one year after the date of the enactment of this Act the Secretary shall—

(A) designate approximately ten thousand acres of land and water within the selection area as land which the Secretary considers appropriate for the refuge; and

(B) publish in the Federal Register a detailed map depicting the boundaries of the land designated under subparagraph (A), which map shall be on file and available for public inspection at offices of the United States Fish and Wildlife Service.

(1) The Secretary may make such minor revisions in the boundaries designated under paragraph 1(B) of this subsection as may be appropriate to carry out the purpose of this Act or to facilitate the acquisition of property within the refuge.

(b) ACQUISITION.—The Secretary shall acquire (by donation, purchase with donated or appropriated funds, or exchange) lands, waters, or interests therein, within the boundaries designated under subsection (a) (1)(B).

(c) ESTABLISHMENT.—The Secretary shall establish the Bon Secour National Wildlife Refuge, by publication of a notice to that effect in the Federal Register, whenever sufficient property has been acquired under this section to constitute an area that can be effectively managed as a refuge.

ADMINISTRATION

SEC. 4. The Secretary shall administer all lands, waters, and interests therein, acquired under this Act in accordance with the provisions of the National Wildlife Refuge System Administration Act of 1966 (16 U.S.C. 668dd–668ee) to conserve an undisturbed beach-dune ecosystem which includes a diversity of fish and wildlife, and their habitat. The Secretary may utilize such additional statutory authority as may be available to him for the conservation and development of wildlife and natural resources, the development of outdoor recreation opportunities, and interpretive education as he deems appropriate to carry out the purposes of the refuge.

SEC. 5. There is authorized to be appropriated to the Department of the Interior, not to exceed—

(1) $6,000,000 for the fiscal year beginning October 1, 1980, and ending September 30, 1981, $8,000,000 for the period beginning October 1, 1981, and ending September 30, 1983, and $9,500,000 for the period beginning October 1, 1983 and ending September 30, 1985, for the acquisition of the refuge; and

(2) $1,500,000 for the period beginning October 1, 1980, for the development of the refuge.

These sums are to remain available until expended.

The SPEAKER pro tempore. Pursuant to the rule, a second is not required on this motion.

The gentleman from Louisiana (Mr. BREAUX) will be recognized for 20 minutes, and the gentleman from New Jersey (Mr. FORSYTHE) will be recognized for 20 minutes.

The Chair recognizes the gentleman from Louisiana (Mr. BREAUX).

Mr. BREAUX. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 6727 proposes the acquisition of approximately 10,000 acres on the Alabama Gulf Coast near the mouth of Mobile Bay for the Bon Secour National Wildlife Refuge. H.R. 6727 would authorize a total of $25 million to be appropriated for fiscal years 1981 through 1985 for the acquisition and development of the refuge. The proposed refuge would be comprised of four separate units framing the Fort Morgan Peninsula which lies at the mouth of Mobile Bay. The Fish and Wildlife Service testified before the Committee that they have studied the barrier islands of the east and gulf coasts extensively and they found that these units provide the best remaining undisturbed and unprotected beach ecosystems between Florida and Louisiana. Their inventory of the wildlife habitat in the State of Alabama gave the proposed refuge the highest ranking possible. The proposed refuge is the last major stopping point for migratory birds of the Atlantic and Mississippi Flyways before their migration to the Yucatan Peninsula.

The diverse habitats of the refuge also support a variety of mammals. Little Lagoon on the Perdue unit, which is a prime nursery area for numerous marine species, supports large schools of juvenile marine fish, such as croakers, spot, mullet, and menhaden before they mature and enter the gulf.

The four units of the proposed refuge provide a diverse and unique wildlife ecosystem which is threatened by residential and commercial development along the limited Alabama coastline. Hurricane Frederick hit this gulf coast area in 1979 devastating large portions of the largely developed shoreline. Despite the constant threat of such hurricanes in this area, most of the coast has been or is being developed for seasonal homes. There is a real possibility that this area will be developed in the immediate future in the absence of this acquisition effort.

People of the local area recognize the need to save this unique stretch of barrier island for the use and enjoyment of all of the Nation's citizens. Colleague JACK EDWARDS, the original sponsor of this legislation, assured the committee that there is no known local opposition to the refuge, and the local landowners have indicated a willingness to sell this property to the Federal Government. In fact, acquisition at this time is especially appropriate because of the reduced land prices resulting from the 1979 hurricane and the existence of these willing sellers.

Mr. Speaker, I reserve the balance of my time.

Mr. FORSYTHE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I support the establishment of the Bon Secour National Wildlife Refuge under the provisions of H.R. 6727. Enactment of this legislation will insure the protection of the fish and wildlife resources dependent on this unique ecosystem in southern Alabama.

Made up of diverse habitats, the refuge will consist of four separate units in Mobile Bay totaling about 10,000 acres. Each unit plays a role in the function of preserving the populations of mammals, shorebirds, migratory birds, reptiles and other species indigenous to the area. Three of the units were ranked by the Fish and Wildlife Service as deserving the highest priority for protection of all the fish and wildlife habitat in the State of Alabama. Consisting of predominantly barrier island habitat, it is the best remaining undisturbed and unprotected beach ecosystem between Pensacola and New Orleans.

The significant bird populations are perhaps the most dramatic feaure of the proposal. This area is the last major stopover for migratory birds of the Atlantic and Mississippi Flyways before their flight south in the fall and upon their return in the spring. Nearly 350 species of resident and nonresident resident birds can be found here during any one year. Endangered and threatened species which utilize the proposed refuge include peregrine falcons, bald eagles, and red-cockaded woodpeckers. The area also provides important spawning and nursery habitat for several species of marine and freshwater fish.

Mr. Speaker, I won't spend any more time pointing out the value of the proposal in terms of fish and wildlife resource protection. I would like to emphasize, however, that residential and commercial development pose an immediate threat to the area. Although most development was wiped out by a severe hurricane in 1979, much of the proposal is zoned commercial and the surrounding land already contains many new seasonal homesites. Also, there is an increasing demand for year-round homes because of the commuting distance to Pensacola and Mobile.

Mr. Speaker, establishing the Bon Secour National Wildlife Refuge will provide the necessary protection for these units and the fish and wildlife species so dependent on them. We have authorized a total of $25 million for acquisition and development of the property. I urge my colleagues to join me in supporting H.R. 6727.

Mr. Speaker, I yield such time as he may consume to the gentleman from Alabama (Mr. EDWARDS).

Mr. EDWARDS of Alabama. I thank the gentleman for yielding.

Mr. Speaker, I would like to take this opportunity to urge all of my colleagues to join me in support of H.R. 6727, to establish the Bon Secour National Wildlife Refuge.

I introduced H.R. 6727 on March 6, and on April 2 it was unanimously reported from the full House Merchant Marine and Fisheries Committee. I would like to thank the committee for their very thorough consideration of my bill, and I am especially grateful to the very distinguished chairman of the Subcommittee on Fisheries, Mr. BREAUX, and to the ranking minority member of that subcommittee, Mr. FORSYTHE, for their good work and their support.

My bill calls for the designation over the next 5 years of a maximum of 10,000 acres of primarily barrier island habitat as a national wildlife refuge. According to the U.S. Fish and Wildlife Service, this refuge area includes the best remaining gulf coast beach ecosystem between Pensacola, Fla., and New Orleans. The refuge would include four separate units of land at the mouth of the Mobile Bay, ranging from undeveloped beaches and primary and secondary dunes, to freshwater lakes and marshes and swamp wetlands, to upland with marginal timber. The refuge area supports an impressive diversity of animal species, many of them endangered; and it is a critical resting and feeding site for as many as 350 species of birds. An inventory of wildlife habitat in the State of Alabama has classified the proposed refuge in the highest category possible.

A good portion of the area included in my bill is zoned for commercial development, and there is continuing interest in it by private developers. Much of the Alabama coast has been and is being developed, despite the constant threat of hurricanes, such as Hurricane Frederic which devastated by congressional district in the fall. And with the rapid waterway development and industrial development in the Mobile Bay area, there is a great need for the acquisition and management of these areas.

The administration has stated that we should defer action on this bill pending completion of a comprehensive barrier islands policy. However, I believe, and the committee has agreed with me, that any postponement of this much-needed legislation will result in a substantially higher cost in the future and will place this most valuable national resource in jeopardy.

This project is supported by environmental organizations throughout the State of Alabama, and it is widely supported in my congressional district. I urge you to join me in voting for H.R. 6727.

● Mr. MURPHY of New York. Mr. Speaker, the purpose of H.R. 6727 is to preserve an undisturbed gulf coast beach ecosystem in Alabama near the mouth of Mobile Bay. In accomplishing this purpose, the Secretary of the Interior would be authorized and directed to establish the Bon Secour National Wildlife Refuge comprised of four units totaling approximately 10,000 acres.

The proposed Bon Secour Refuge is considered to be the best remaining undisturbed gulf coast ecosystem between Pensacola, Fla., and New Orleans, La. The four units within the ecosystem contain a variety of habitat. The Little Point Clear unit containing 2,770 acres consists of predominantly salt marsh and adjacent upland habitat; the Perdue unit containing 2,870 acres consists of beach dune, upland wetland interspersed with several small lakes and ponds; the Little Dauphin Island unit containing 287 acres consists of beachy marsh and upland habitat; and the Skunk Bayou unit containing approximately 4,000 acres consists of hardwood swamp, marsh, and tidal creeks.

Mr. Speaker, all of these units are pristine in nature and are excellent representatives of typical barrier island related habitat types. These units provide critical nesting and feeding sites for migratory birds of two flyways and more than 100 resident species of birds. This diverse habitat also supports a variety of mammals, such as opossums, cotton tails, and bobcats; several species of marine and freshwater fish, such as bass and croakers; and several endangered species, such as peregrine falcons, bald eagles, and sea turtles.

Mr. Speaker, two of these units are zoned commercial and there is great fear that these areas will be developed commercially unless action such as that provided by this legislation is taken within the near future.

To get the refuge started, the Nature Conservancy has agree to sell to the Federal Government at cost a recently acquired, 1,300 acre parcel, containing over a mile and a half frontage on the Gulf. It appears that acquisition of the remaining acreage at this time is appropriate and opportune because of reduced land prices resulting from the 1979 hurricane and of the existence of willing sellers.

H.R. 6727 would authorize to be appropriated to the Department of the Interior $25 million over the next 5 years for acquisition and development of the refuge. The bill, which was introduced by Congressman EDWARDS of Alabama, was reported unanimously by the Committee on Merchant Marine and Fisheries and it has the strong support of conservationists in general.

I urge its prompt passage.●

Mr. FORSYTHE. Mr. Speaker, I yield back the balance of my time.

Mr. BREAUX. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Louisiana (Mr. BREAUX) that the House suspend the rules and pass the bill, H.R. 6727, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. BREAUX. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

ENDANGERED SPECIES ACT AUTHORIZATIONS

Mr. BREAUX. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 6839) to authorize appropriations under the Endangered Species Act of 1973 to carry out State cooperative programs through fiscal year 1982.

The Clerk read as follows:

H.R. 6839

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 6 of the Endangered Species Act of 1973 (16 U.S.C. 1535) is further amended by striking out paragraph (2) of subsection (i) in its entirety and inserting in lieu thereof the following:

"(2) $12,000,000 for the period beginning October 1, 1977, and ending September 30, 1980.

"(3) $12,000,000 for the period beginning October 1, 1980, and ending September 30, 1982.".

The SPEAKER pro tempore. Pursuant to the rule, a second is not required on this motion.

The gentleman from Louisiana (Mr. BREAUX) will be recognized for 20 minutes and the gentleman from New Jersey (Mr. FORSYTHE) will be recognized for 20 minutes.

The Chair recognizes the gentleman from Louisiana (Mr. BREAUX).

Mr. BREAUX. Mr. Speaker I yield myself such time as I may consume.

Mr. Speaker, H.R. 6839 is a noncontroversial measure to authorize appropriations to provide funding to individual States to carry out State endangered species programs. The legislation authorizes to be appropriated $8 million of new funds for fiscal years 1981 and 1982.

Section 6 of the Endangered Species Act is a very important provision which allows for extensive involvement of State fish and wildlife agencies in the management of endangered species within their States. Section 6 provides for Federal matching grants on a 2-to-1 basis to State agencies which have developed a qualified endangered species program. Section 6 resulted from the realization that the successful development of an endangered species program depends upon a good working arrangement between the Federal and State agencies. State agencies have the physical facilities and the personnel to effectively carry out these programs. We believe that it is absolutely vital that the State fish and wildlife agencies, which have the primary authority in this country for the management of resident species, become more involved in the endangered species program.

In 1977, Congress adopted an amendment to section 6 which was intended to encourage more States to enter the program. The amendment permitted States to qualify for financial assistance even though their State laws do not give the State wildlife agency the authority for all species within the State that are on the list. This amendment has been dramatically successful in encouraging State participation. I believe it will eventually reduce the level of Federal involvement in this program. Thirty-three States have now signed cooperative agreements with the Department of the Interior and have established State endangered species programs. Another 11 States are in the process of developing agreements with the Department of the Interior.

The dramatic increase in the number of States participating in this program since 1977 justifies a modest increase in the funding level for this program. In 1977, when only 17 States were participating in the effort, we authorized $4 million per year under this section. Now that the number of States qualifying for assistance has increased dramatically, we believe that an increase is appropriate. H.R. 6839 proposes to authorize an additional $8 million for fiscal years 1981 and 1982. Under existing law, there only remains $4 million to be authorized in fiscal year 1981. This level is not sufficient to retain the existing State programs. It is far below the demonstrated State needs.

Although the authorization level proposed here is modest, we recognize that every Government program must play a part in the effort to balance the budget. The State fish and wildlife agencies asked for a higher level than is provided in this bill. We have not recommended that higher level. The authorization provided here will, however, allow the States to fund their highest priority projects.

This is a small program but it plays an important part in our continuing effort to turn the endangered species program into a successful effort and to reduce the level of controversy in the program. The States have the expertise and they have the tradition of wildlife management. It is in all of our interests to encourage them to participate actively in this effort.

Mr. FORSYTHE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, when the Endangered Species Act was passed, it was clear that the Federal Government would never have the resources necessary to address the conservation needs of every species which would be listed as endangered. The conservation and management of endangered species will not and cannot proceed effectively without the assistance and cooperation of the States.

Section 6 of the Endangered Species Act establishes a mechanism for the development of cooperative endangered species programs with the individual States. Section 6 places the fundamental responsibility for establishing and overseeing an endangered species program in the Federal Government but it mandates that the Secretary of Commerce or the Secretary of the Interior, depending upon the species involved, cooperate with the States in carrying out that program. Section 6 resulted from the realization that the successful development of an endangered species program depended upon the cooperation and assistance of the State agencies. It was in this spirit that section 6 allowed the return of the management of endangered species to the individual State. To facilitate this process, section 6 provides for Federal matching grants to the States once the State has adopted an endangered species program which is consistent with, and not weaker than, the Federal program.

Thirty-four States have now signed cooperative agreements with the Department of the Interior and have established State endangered species programs. Another 11 States are in the process of developing agreements with the Department. To assist these States in carrying out their endangered species programs and to place the management of endangered species where it can best be done—with the States—I urge adoption of H.R. 6839.

□ 1300

● Mr. MURPHY of New York. Mr. Speaker, the purpose of H.R. 6839 is to increase the amount of funds available to the States for carrying out endangered species programs under section 6 of the Endangered Species Act of 1973.

In accomplishing this purpose, H.R. 6839 would extend the program for 1 additional year, through fiscal year 1982, and authorize to be appropriated $12 million for the 2-year period, fiscal years 1981 and 1982.

Mr. Speaker, section 6 of the Endangered Species Act establishes a mechanism for the development of cooperative endangered species programs with the individual States, section 6 places the fundamenal responsibility for establishing and overseeing an endangered species program in the Federal Government. However, the success of any program to manage endangered species depends upon a good working arrangement between the Federal and State agencies since the State agencies have the physical facilities and the personnel to see that State and Federal endangered species policies are properly executed. Once a State has submitted its proposal and qualifies for participation under the section 6 program, it becomes eligible to receive Federal matching grants on a 2-to-1 basis and the management of endangered species is returned to that State.

Thus far, 33 States, of which my State of New York is one, have signed cooperative agreements with the Department of the Interior and have established endangered species programs. Since entering into an agreement in 1977, my State of New York has received $1.1 million of Federal funds to assist it in carrying out an endangered species program.

Mr. Speaker, there are a number of additional States in the process of developing agreements and these additional funds are necessary if we are going to provide some startup funding for these States. H.R. 6839 was reported unanimously by the Committee on Merchant Marine and Fisheries and it has the strong support of the Department of the Interior and of the International Association of Fish and Wildlife agencies.

I urge its prompt passage.●

Mr. FORSYTHE. Mr. Speaker, I yield back the balance of my time.

Mr. BREAUX. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Louisiana (Mr. BREAUX) that the House suspend the rules and pass the bill, H.R. 6839.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. BREAUX. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

NATIONAL OCEAN POLLUTION PLANNING ACT OF 1978

Mr. STUDDS. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 6615) to amend the National Ocean Pollution Research and Development and Monitoring Planning Act of 1978 to authorize appropriations to carry out the provisions of such act for fiscal year 1981, as amended.

The Clerk read as follows:

H.R. 6615

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 10 of the National Ocean Pollution Research and Development and Monitoring Planning Act of 1978, as amended (33 U.S.C. 1709), is amended—

(1) by striking out "and" after "1979,", and

(2) by striking out "1980." and inserting in lieu thereof "1980, not to exceed $3,000,000 for the fiscal year ending September 30, 1981, and not to exceed $4,000,000 for the fiscal year ending September 30, 1982.".

SEC. 2. Section 4(a) of the National Ocean Pollution Research and Development and Monitoring Planning Act of 1978 (33 U.S.C. 1703(a)) is amended by striking out "February" immediately after "submitted by" and inserting in lieu thereof "September".

SEC. 3. Section 1 of the National Ocean Pollution Research and Development and Monitoring Planning Act of 1978 is amended by striking out "Research and Development and Monitoring".

The SPEAKER pro tempore. Is a second demanded?

Mr. FORSYTHE. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Massachusetts (Mr. STUDDS) will be recognized for 20 minutes, and the gentleman from New Jersey (Mr. FORSYTHE) will be recognized for 20 minutes.

The Chair recognizes the gentleman from Massachusetts (Mr. STUDDS).

Mr. STUDDS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, Public Law 95-273, the National Ocean Pollution Research and Development and Monitoring Planning Act of 1978 is a law with an unwieldy title but an important purpose.

H.R. 6615, is a bill to extend the authorizations of appropriations for carrying out the act through fiscal years 1981 and 1982.

The act became law in May 1978 and initiated a major interagency effort to insure cooperation and coordination and to minimize the amount of duplication among Federal agencies in ocean pollution efforts. The act provides: An identification of national needs and priorities in marine pollution; an analysis of the extent to which existing ocean pollution programs meet these goals and objectives; recommendations for changes in the overall Federal effort where necessary; and a report on budget coordination efforts.

The first Federal plan required by the act was published in the latter part of 1979, and contains a listing of the amount of money each Federal agency is spending on specific pollutants, sources of pollutants, and special regional areas affected. As mandated by law the plan also categorizes pollution problems as high, medium, or low priorities, and provides funds for addressing the gaps or needs that might exist in current ocean pollution research and monitoring efforts.

According to the plan, ocean pollution research and monitoring efforts have totaled $165 million in fiscal year 1978. In testimony received from NOAA during oversight hearings, expenditures for the ocean pollution projects are estimated to cost over $188 million in fiscal year 1980.

To adequately resolve conflicts and supply needed research, we need to know more about the sources and kinds of pollutants which plague the marine environment and to discover the fates of those pollutants on plants and animal life. Therefore this legislation is vital in assisting in this coordinated and information-based effort.

H.R. 6615 was referred jointly to the Committees on Merchant Marine and Fisheries and Science and Technology. The bill was reported out of both committees with some differing provisions, however, both committees have agreed on an identical amendment for the bill. H.R. 6615 when passed with this agreed-upon amendment will authorize the act for $3 and $4 million for fiscal years 1981 and 1982, respectively.

Through technical changes the bill will extend the submission date for the biennial revisions to the Federal plan from February to September. Such extension is necessary to assure adequate review of the plan by the executive branch on a schedule which promotes better coordination of the plan with the budget projections for relevant agencies.

Finally, the bill amends the title to appropriately shorten it to the "National Ocean Pollution Planning Act."

Mr. Speaker, I urge my colleagues to support the national ocean pollution program and I recommend H.R. 6615 for immediate pasage from the full House.

Mr. FORSYTHE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of the pending legislation and urge the House to adopt it.

Mr. Speaker, I yield such time as he may consume to the gentleman from Washington (Mr. PRITCHARD).

Mr. PRITCHARD. Mr. Speaker, I rise in support of H.R. 6615, the National Ocean Pollution Planning Act authorization. This bill has been favorably reported by both committees which have jurisdiction in this matter, and I would like to add, it has been a pleasure working closely with the Science and Technology Committee on this issue. This is one issue where the joint referral process has worked effectively in drawing on the expertise and interests of both committees and has resulted in improved oversight and legislation. H.R. 6615 would authorize the National Ocean Pollution Planning Act at a level of $3 million for fiscal year 1981 and $4 million for fiscal year 1982. This bill would also amend the act to change the date on which the biennial 5-year plan is submitted to Congress from February 15 to September 15 of each odd-numbered year. And finally, H.R. 6615 would amend and shorten the title of the act.

The basic purpose of the Ocean Pollution Planning Act, as passed originally in 1978, was to provide a mechanism for establishing clear national needs and a designation of priorities within the overall Federal ocean pollution research effort. At this point there are still many agencies doing a variety of related types of ocean pollution research, many of which are related directly to the mission of each particular agency. As a result of this proliferation of Federal ocean pollution research efforts, in many cases, duplication results or certain research needs go unmet. The act required the submission of a 5-year plan to be prepared by NOAA, as the lead agency, which would direct and more precisely target scarce Federal ocean pollution research funds. The first plan was released late in 1979 and although the next plan will require substantial refinements, it does provide the first comprehensive document which lists the vast array of Federal ocean pollution research projects. The next stage of the plan must concentrate on the need to establish priorities within this list of research projects. By requiring the Director of the Office of Science and Technology Policy to participate in this process, it was intended by Congress that the rank-ordering of priorities within the plan would be taken into account during the budget process.

Mr. Speaker, the 5-year plan established under this act would help us identify areas where we have duplication of research activities, and areas where there are significant gaps and research questions which need to be asked. This is a modest authorization which would result in significant payoffs to the Nation. Therefore, Mr. Speaker, I strongly urge its passage.

Mr. FORSYTHE. Mr. Speaker, I yield such time as he may consume to the gentleman from Pennsylvania (Mr. WALKER).

Mr. WALKER. Mr. Speaker, I rise in total support of this legislation which will authorize funds for fiscal years 1981 and 1982, and which will also amend the title of this program to the "National Ocean Pollution Planning Act."

When this program was originally enacted in 1978 we found that approximately $170 million was being spent annually by literally dozens of Federal agencies on marine pollution research and monitoring. We also found that there was little, if any, communication or coordination among or between those agencies resulting in substantial duplication of effort. We established the National Oceanic and Atmospheric Administration as the lead Federal agency for marine pollution research and directed that a comprehensive 5-year plan for Federal ocean pollution research and development and monitoring programs be developed and submitted to the Congress.

The first of these comprehensive 5-year plans was submitted to the Congress last December 10, and I am pleased to tell the House that it represents a significant step in assessing and improving the coordination of the Federal ocean pollution effort.

Mr. Speaker, I am also proud to report to the House that this bill is the first of five bills already reported from our Subcommittee on Natural Resources and Environment of the Committee on Science and Technology. While there are many in this Congress who are talking about balancing the budget, I can tell you that our subcommittee is doing something about balancing it. This bill is right at the budget, others we will bring before the House in the weeks to come will be either at the budget, or below it. In fact, overall we are tens of millions of dollars below the budget in the authorization bills we have reported so far.

Mr. Speaker, this is a good bill, and is one which both the Committee on Science and Technology and the Committee on Merchant Marine and Fisheries have worked cooperatively on to develop the best possible legislation. I urge my colleagues to vote in favor of the bill.

● Mr. MURPHY of New York. Mr. Speaker, I rise in support of H.R. 6615.

This bill authorizes funds for the implementation of the National Ocean Pollution Planning Act for fiscal years 1981 and 1982, changes the title for clarification purposes, and changes the date on which the biennial 5-year plan is due.

The primary purpose of this act, which became law in 1978, is to provide for the coordination of ocean pollution research and monitoring activities currently being conducted by 11 different Federal agencies and departments. Because so many Federal agencies are performing ocean pollution-related research, unnoticed gaps in important research areas have developed which need to be filled. In addition, some unnecessary duplication has occurred. The gaps can be filled and the duplication eliminated through the measures prescribed in this act.

Of the several coordinating mechanisms the act specifies the most important is the development biennially of a 5-year plan for the Federal Government's ocean pollution research and monitoring program. Within each plan, there are to be several coordinating mechanisms such as: A cataloging of existing Federal capabilities, a priority ranking of needs for future efforts, and recommendations for changes in existing activities. The first 5-year plan was released at the end of 1979, and has proven to be an extremely useful tool with which to approach the issues of ocean pollution research.

H.R. 6615 authorizes $3 million for fiscal year 1981 and $4 million for fiscal year 1982. Both levels are less than the $4.3 million authorized for this act for fiscal year 1980.●

Mr. FORSYTHE. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. STUDDS. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Massachusetts (Mr. STUDDS) that the House suspend the rules and pass the bill, H.R. 6615, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The title was amended so as to read: "A bill to amend the National Ocean Pollution Research and Development and Monitoring Planning Act of 1978 to authorize appropriations to carry out the provisions of such act for fiscal years 1981 and 1982, and for other purposes."

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. STUDDS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

COMMUNICATION FROM THE SERGEANT AT ARMS

The SPEAKER pro tempore laid before the House the following communication from the Sergeant at Arms of the House of Representatives:

WASHINGTON, D.C.,
May 1, 1980.

HON. THOMAS P. O'NEILL, Jr.,
Speaker, House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: On May 1, 1980 I was served with a subpoena duces tecum by a representative of the U.S. Department of Justice; said subpoena was issued by the United States District Court, Eastern District of New York.

The subpoena commands me or my authorized representative to appear before a Grand Jury of said court, which is deliberating in secrecy pursuant to Rule 6(e) of the Federal Rules of Criminal Procedure, and requests the production of certain House Records. Attached to the subpoena is a finding of the Court that the records are material and relevant to the Grand Jury investigation, pursuant to House Resolution 10, Ninety-Sixth Congress which authorizes any officer of the House to produce copies of House records pursuant to a subpoena of a court upon a finding of materiality and relevancy. The subpoena is available in my office for inspection by any Member.

Sincerely,

BENJAMIN J. GUTHRIE,
Sergeant at Arms.

MUGABE WIN: IMPLICATIONS FOR SOUTH AFRICA

(Mr. ICHORD asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. ICHORD. Mr. Speaker, I observe the distinguished chairman of the Committee on Foreign Affairs, the gentleman from Wisconsin (Mr. ZABLOCKI) sitting on the floor of the House. As he knows, and as Members well know, I opposed the Rhodesian policies of this administration, as well as the Ford administration; as both followed the lead of Great Britain, in respect to Rhodesia now known officially as Zimbabwe. I feel very strongly that United States and British policies resulted and reasonably have been expected to result in the election of Mugabe and the defeat of Muzorewa, the first black Prime Minister of Zimbabwe. Mugabe, now prime minister, is a self-professed Marxist who for several reasons received an overwhelming majority vote.

I take this opportunity to share with the membership a recent South African newsletter of Martin Spring. Spring is an authoritative commentator on southern African affairs and sets forth a perspective on Mugabe which I fully share. Mugabe definitely is following established Marxist tactics in pursuing his present policies. It now appears that the State Department will recommend the same policies toward Mugabe as it recommended toward the Sandinistas in Nicaragua. "Buy them back to the principles of free government." If Congress acquiesces in such a policy, I can only hope and pray that the evidence of deceit on the part of Mugabe is misleading and that he has truly experienced an honest conversion of philosophy

The newsletter is as follows:

MUGABE WIN: IMPLICATIONS FOR SOUTH AFRICA

Although the Mugabe victory in Rhodesia was predictable (back in November, long before the election campaign even got under way. I put a private bet on the 2 wings of the Patriotic Front smashing Muzorewa by a margin of 2 to one), it came as a shock to most South Africans. Its consequences for SA are likely to be far more far-reaching than the Marxist takeover in Mozambique or the Angolan intervention debacle. They will be both good and bad, though in the short term (the next 2 years?) the former will probably predominate.

On the plus side it can be argued that: The 7-year-long war in Rhodesia, which could easily have escalated into a major international conflict providing an excuse for direct Soviet intervention, is almost certainly over. The handover of power looks as if it will be carried out peacefully and in an organized fashion, without any Algerian OAS-style rebellion. Robert Mugabe is speaking and acting like a moderate and reasonable man and, whatever his real intentions, this at least avoids panic flight by Whites, Mozambique-style. The atmosphere of calm and moderation north of the Limpopo is bullish for the South African economy, which is why share prices were scarcely affected by the depressing news of the Mugabe victory. SA has once again been given more time to cope with its complex internal problems. The clearly ethnic voting pattern, with the Shonas solidly behind Mugabe and the Matabele unified behind Nkomo, has underscored the basic validity of the concept of ethnic democracy (with its emphasis on rights and representation for groups rather than individuals). SA has been alerted to the dangers of failing to build up and take into the ruling establishment strong but moderate Black leaders (such failure leaves extremists like Mugabe and Mandela to make the running)—and to the dangers of being taken in by Western "friends" whose only real concern in Africa is to promote their short-term national interests as their foreign offices see them.

Nevertheless, there are many disturbing implications as well. Mugabe's apparent moderation is the classical textbook Communist approach in a situation where the basic instruments of power (the security forces and economic institutions) are still in the hands of political opponents. After WW2, Czechoslovakian Communist leader Klement Gottwald described his country as "a new kind of democracy". It seemed, Andre Fontaine wrote, "a perfect model of a country allied to both East and West. Marxist and bourgeois parties cooperated smoothly in implementing the programme worked out jointly at Kosice in April 1945". In fact the Communists used this honeymoon period to infiltrate the basic instruments of power and to seize total control in 1948.

Newsweek reports a close adviser as saying that Mugabe's downplaying of Marxism is "tactical rather than strategic". His careful manouevreing is consistent not only with the standard Communist pattern but also with his past statements. 18 months ago he said that when the war was over White Rhodesians would be welcome to stay and participate in the economic and political life of the country. He also promised that nationalization of industry and land would be an essential part of "the destruction of the capitalist system and the implementation of a socialist system", that a one-party state would be established "if the people agree", and that leaders of the Smith administration plus Blacks who worked with it would have to be "brought to trial" and "if the judgment is that they hang, then hang they will".

Many observers are hoping that this particular leopard will change his spots now that he has to cope with the realities of power. Hopefully, President Samora Machel of Mozambique will have a favourable influence. In a remarkable speech last month he announced that all small industries and businesses which had been nationalized would be handed back to private businessmen because they were serving only to enrich dishonest state employees. He said that the department controlling all nationalized buildings was run by "stupid people, savages, outlaws—all behaving like pigs and thieves". He had recently toured the nation's ports, airports, factories and co-operatives and found anarchy everywhere. At harbours "ships that could be unloaded in one or two days had to wait ten days or more" because of "indiscipline, excess of bureaucracy, incompetence, negligence, wrong methods of work, thefts and sabotage".

In SA itself the Mugabe victory seems to have polarized opinion. Black radicals are elated and have drawn the conclusion that moderates who seek any kind of modus vivendi with White power are doomed. White liberals have been quick to point out that if war is to be avoided, the Government must start negotiating with the "true" leaders of the Blacks (this is, those who adopt the most extreme positions).

The seemingly inevitable split in the ruling National Party (NP) between its dominent verlig wing led by premier Pieter W. Botha and its verkramp wing headed by Transvaal leader Andries Treurnicht has been brought to the brink. Botha wants to shed the verkramptes so he is freerer to pursue the far-reaching positive changes in race relations that he and his supporters see as even more essential in the light of the Communist takeover in Rhodesia. The verkramptes, despairing of stopping these changes from within, hope to stop them from without by capitalizing on the developing White backlash and recapturing power through the ballot box. Because many Afrikaners will abhor a split in the NP, both sides are manouevreing so the split occurs on a substantive issue, so each can blame the other. In the background, largely unreported by the press, the charismatic National outcast Connie Mulder is tramping the politically important rural areas drumming up increasing White backlash support for his new National Conservative Party.

The outcome is likely to favour the position of the Prime Minister and the cause of change in SA's racial policies, at least for a while. In the longer run, it is difficult to assess how much White backlash there will be and what its political consequences will be.

If Mugabe avoids assassination and/or internal coup d'etat, if he turns out to be as moderate as he infers (at least for a while), and if premier Botha is able to contain the damage caused by a party split and compensate for it by gaining support "on the Left" from Englikaners, the short-term implications of political developments should be good for confidence in SA and for the business climate. Combined with the extraordinarily bullish implications of the strong gold price, this should mean that the next 2 or 3 years could well be the best that the South African economy has ever experienced.

A TRIBUTE TO MARSHAL TITO

(Mr. CONTE asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. CONTE. Mr. Speaker, the world today is pausing to honor a true historical figure, a leader in the very real sense of the word, a man who carved out a distinct path for his nation and kept that dream intact for his people. The man is Marshal Tito, his nation Yugoslavia.

Thirty-two years ago, this Communist chieftain of a small Balkan nation with a population of only 16 million, dared to say "No" to the almighty Stalin. He chased out Soviet minions, imprisoned Soviet partisans, and provoked the Soviet Union to do its worst. Yet, under the strong guiding hand of Tito, Yugoslavia has retained her independence, both remaining outside of the grasp of the Soviet bear and steering clear of entangling alliances with the West. Her status as a nonalined nation, has been inspirational to many, particularly those in the Third and Fourth Worlds.

Today, more than merely pausing to honor this great leader, the West is awaiting, somewhat apprehensively, the transition of power. The consequences of such a transition are important for both Yugoslavia and the current international order. I have only recently returned from Yugoslavia and wish to convey that Marshal Tito was no less preoccupied with the Soviet drive for expansion than we. Subsequently, he instituted a system of collective leadership with a rotating presidency in order that the problems of succession would be somewhat lessened. The system is intact. Its leader, Lazar Kolisevski, committed to the same ideals as his predecessor—national independence, territorial sovereignty, détente and disarmament. These are ideals which we have shared, ideals which only serve to prove that countries of differing political systems need not be rivals. In fact, we can and must continue to pursue a strong friendship.

Marshal Tito dared to challenge the Soviets in the forties. I believe the new government will continue to pose that challenge. The world has lost a great leader, yet his memory will live on both in his native Yugoslavia and within the soul of every man who seeks to remain independent and strives to achieve a dream.

JOSIP BROZ TITO

Josip Broz Tito, who died yesterday at age 87, lived a turbulent 20th-century life. He fought for the Bolsheviks in the Russian revolution of 1917, and 20 years later Stalin set him up as head of Yugoslavia's Communist Party—seemingly the perfect flunky. Yet in World War II he emerged as the consummate nationalist, leading his country's anti-Hitler forces to victory and at the same time brutally crushing his ethnic and political rivals—most of this without Soviet aid. Stalin's effort to bring him to heel provoked Yugoslavia's famous break with Moscow in 1948. This is how "Titoism"—national communism uncontrolled by the Kremlin—came into being.

At its heart was, and is, an intense, militaristic anti-Soviet nationalism. It meant to lift Yugoslavia above the differences that still make "Balkan" a synonym for ethnic fragmentation and instability, and to prepare the people as well as the army to make an invader pay. But President Tito also realized he had to find a new basis, other than the old methods of force, to sustain Yugoslav independence and his own power. This accounts for the various liberal permutations of Yugoslav communism. Over the years they accomplished their intended effect of attracting the people's loyalty to the idea of a united Yugoslavia, and of making still-socialist Yugoslavia eligible for Western patronage. President Tito also helped invent the "nonaligned" movement—a bloc that could help keep Yugoslavia independent of the Soviet and American blocs and, not incidentally, a stage on which to strut.

Winning a national and civil war, imposing a revolution, ruling for 36 years while keeping his country united and at peace, hauling Yugoslavia toward modernity, contending with the great powers: by these achievements Josip Broz Tito made himself larger than life and gave his country an outsized international role. But his death makes the question that has long shadowed him and Yugoslavia piercingly real.

Can the system shaped and guided by one patriarchal figure survive his departure? Or will it be loosened, perhaps even dissolved, by ethnic feuds or by Soviet subversion or worse or by a loss of the unifying vision and political shrewdness of the late president? Jimmy Carter, playing catch-up, recently said the right words to assert the American interest in seeing that Yugoslavia remains outside Soviet clutches. Yet the burden of maintaining their national integrity falls first on the Yugoslavs themselves. Much as they hate to concede it, as a nation they are still an experiment. One does not have to doubt their patriotism, courage or intelligence to wonder how they will fare without the founding father.

Mr. RHODES. Mr. Speaker, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from Arizona.

Mr. RHODES. Mr. Speaker, I would like to associate myself with the remarks just delivered by the gentleman from Massachusetts. We all regret very much the passing of Marshal Tito.

STANDBY AUTHORITY FOR COMMODITY FUTURES TRADING SHOULD BE CONSIDERED

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Kansas (Mr. GLICKMAN) is recognized for 5 minutes.

● Mr. GLICKMAN. Mr. Speaker, this week I introduced legislation to give the Commodity Futures Trading Commission (CFTC) standby authority to set margin requirements for trading contracts in emergency situations. Such margin requirements are currently regulated exclusively by commodity exchanges. The text of the bill, which is quite brief, follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 8(a) of the Commodity Exchange Act is amended by redesignating clause (9) as clause (10) and adding a new clause (9) as follows:

"(9) to direct the contract market to set margin requirements for the trading and clearing of any contract for future delivery of a commodity executed or to be executed on, or subject to the rules of, the contract market at such level, in such manner, and for such period as the Commission shall specify, whenever the Commission has reason to believe that (A) the amount of deliverable supplies, (B) the number of open contracts, (C) the relative size of individual trader's positions, (D) the amount and direction of price movements in the cash or futures markets, or (E) the financial integrity of the market makes such action necessary or appropriate in order to protect persons producing, handling, processing or consuming any commodity traded for future delivery on such contract market, or the product or byproduct thereof, or to protect traders or to insure fair dealing in commodities traded for future delivery on such contract market; and".

The legislation would not authorize across-the-board margins or unlimited authority to set them, but would allow the CFTC to set margins at certain levels for limited time periods. I would stress that the bill includes safeguards to insure that margins to protect the market could only be set under very unusual or emergency circumstances. They would be permissible when several significant factors which indicate normal market functioning appear to be out of balance. As outlined in the bill, they are the amount of deliverable supplies, the number of open contracts, the relative size of the individual traders' positions, the amount and direction of price movements in the crash or futures markets, and the financial integrity of the market. The Commission would also have the ability to limit the scope of the margin imposed. For instance, a margin could be set that only affected those traders holding a large number of positions.

In my judgment, Congress needs to consider the nature of speculative trading in agricultural and nonagricultural commodities and determine whether imposing margin requirements or taking some other action would be advisable. Commodity futures markets allow the transfer of risk by permitting speculators to purchase contracts to hold quantities of a particular commodity for a specified period of time. We cannot let this necessary activity in the market to be undermined. The recent silver debacle involving the Hunt family may indicate, however, that more oversight of the market is needed to prevent abuse. That might well include standby margin limits by the CFTC because margin requirements imposed by the commodities exchanges may have not been adequately enforced in the recent silver situation.

It is my intention to have my bill serve as one of the focal points of the May 21–22 hearings announced by Chairman ED JONES of the House Agriculture Subcommittee on Conservation and Credit. CFTC officials and members of the public will be invited to testify on whether existing law gives that Agency adequate authority to regulate futures trading or whether amendments to the Commodity Exchange Act are needed to better protect the public interest. This bill should provide an appropriate vehicle for discussion.

Commodity trading has a bona fide role in a healthy economy. To insure the integrity of the commodities market, however, we must guard against any abuses in speculative trading which weaken the market's ability to function fairly and freely. While this bill is not intended to be any final solution, it is intended to serve as a foundation for debate on this important issue.●

VOICE OF AMERICA IS SPEAKING IN STRANGE TONGUE TO AFGHANS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. VAN DEERLIN) is recognized for 5 minutes.

● Mr. VAN DEERLIN. Mr. Speaker, on a recent trip to the Indian Ocean-Persian Gulf area with the Committee on Armed Services, I discovered a strange breach in services provided by our Government's propaganda arm. In what could well be most volatile place on the map today—the northwest province of Pakistan—there is no Voice of America.

It happens that the 25 million Pakistanis in the Peshawar province, as well as the half-million Afghan refugees who have fled before the Soviet forces in their own country, speak an indiginous language called Pushto. And although Voice of America broadcasts in some 38 languages around the world—less than half the number utilized by Radio Moscow—we do not presently include Pushto.

The people of the area concerned—equal in number to the population of California, Arizona, and Nevada combined—regularly tune their transistors to broadcasts by All-India Radio and Radio Cairo. And they can tune in Radio Moscow, although a Pakistani told me the Pushto spoken by the Russian announcer is so heavily accented as to prompt more laughter than credibility. However, the Soviets are trying. We are not.

The official explanation is that VOA's limited budget does not permit doing as thorough a job as the agency would like. But with the option of as many as 38 languages, I cannot believe that the frontier of Soviet aggression is an area we should neglect.

I was pleased, in last Friday's Washington Post, to note that my concern is shared on the academic front. I include an article by Post staff writer Michael Getler:

[From the Washington Post, May 2, 1980]

Voice of America Is Speaking in Strange Tongue to Afghans

(By Michael Getler)

More than four months after the Soviet invasion of Afghanistan, the Voice of America still is beaming its news broadcasts into that embattled country in a language that the majority of Afghans, including many resistance fighters, have great difficulty understanding.

The Soviet Union, officials here say, is broadcasting more than 21 hours a week in Pushtu and another 21-hours-plus in Afghan Dari, the two most widely used languages covering virtually the entire population.

The United States is broadcasting in neither language. Rather, the Voice continues to rely on reaching Afghanistan through its broadcasts to neighboring Iran in the Iranian Farsi language.

The Soviets also broadcast into the region in Farsi, twice as frequently as the 28-hour-per-week U.S. schedule.

While many Afghans understand some Iranian Farsi, specialists say only a relatively small percentage understand it well.

Perhaps more importantly, it is understood best by the educated elite and thus has an air of cultural snobbery that "could be self-defeating in terms of getting information to the mass of Afghans," according to Thomas E. Gouttierre, director of the Center for Afghan Studies at the University of Nebraska.

The idea, says Gouttierre, should be to develop among Afghans "an affinity" to the Voice of America "and a desire to listen." The Farsi broadcasts, he says, could produce a feeling that the United States does not really understand much about them.

The situation is criticized sharply in private by Afghan exiles here and by some former U.S. diplomats who worked in the region. It is also a source of concern and frustration to a number of officials within both the Voice and the State Department's International Communication Agency, which oversees Voice operations.

The problems, sources in those agencies say, involve money, bureaucracy, and perhaps too strong a grip on the microphone by Iranians within the Voice.

ICA officials say privately that a proposal began to take shape within the agency in January to start a twice-a-day, 15-minute news program in Afghan Dari. That has now found its way into the office of ICA Director John E. Reinhardt. An ICA spokesman said yesterday that the proposal is under consideration but that no decision has been made.

In Washington terms, the cost of getting the operation started is startlingly low—$150,000 to hire six people able to put news in the proper language, make sure it is properly edited and get it on the air. Basically, it would be added to the Iranian service.

Yet money is a problem because, officials say, ICA's budget was cut by $12 million in Congress, and $150,000 is too small an amount to ask Congress to put back. Also, government-wide hiring restrictions are now in effect.

Nevertheless, officials who asked not to be identified see a lack of initiative and aggressiveness within ICA for not finding a way to begin such an important service.

"I don't know why it's taken four months to get where it is," one ICA official said of the proposal. "The decision should have been made rather quickly. A lot of people are terribly frustrated, a lot of people who feel that we as a country are not doing enough to help the Afghans."

Another official saw it as a case of "an organization that is stultified, slightly ossified and wrapped up in bureaucratic details."

Specialists say if only one language is used to reach Afghanistan, Dari is probably best and is spoken by the leadership of the resistance. Gouttierre says though more people speak Pushtu as their native tongue, the combination of those who speak Dari as natives plus Pushtus who also know Dari is probably greater.

There is, however, "no serious proposal for putting Pushtu on the air" in Voice news broadcasts, says one official, though Afghan exiles say half the population speaks Pushtu and that "the heart of the resistance movement are Pushtu-speaking insurgents," especially in the eastern border regions.

"We need VOA to help fortify the Afghans, to let them know what's going on," an exile said.

Gouttierre, who lived in Afghanistan for 10 years, says people in that country look to the Voice and England's BBC broadcasts "as the only real sources of information."

He has written to ICA expressing concern that its only programming "was in a very literary form of Persian. It's stilted and certainly hard for Afghans to understand. If we are really trying to get information to Afghans, we are limiting our potential," he said in a telephone interview.

"The Persian being broadcast doesn't have the same tone, or give the feeling of security Afghan listeners need for confidence in what they are hearing," an exile said. "They hear that Iranian twang and tune it out."

Gouttierre, along with other outsiders, suspects there is an "Iranian monopoly" on VOA jobs dealing with the region and perhaps a "bias" toward Persian Farsi.

Also complicating the ICA efforts, some officials say, are questions over transmitters and frequencies to use.

Though Afghanistan is a very poor country of some 15 million people, Gouttierre says he was always surprised at how many shortwave radios could be found—usually at least one in most family compounds or villages. Most of the radios are believed to have been bought in Pakistan.●

IN RECOGNITION OF THE 1980 CONGRESSIONAL SENIOR CITIZEN INTERN PROGRAM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. Coelho) is recognized for 5 minutes.

Mr. COELHO. Mr. Speaker, today marks the opening of the eighth annual congressional senior citizen intern program, a voluntary, 2-week program of seminars on the work of Congress and the legislative process which is directed at representatives of the elderly of our communities from across the country. This year, 225 older citizens from 114 congressional districts are participating in this internship. As a coordinator of this program along with my House colleague, the Honorable Bud Hillis of Indiana, who was an originator of this program 8 years ago, and along with my Senate colleague, the Honorable William Roth, I am proud to say that this program has developed a fine reputation as an effective vehicle for strengthening the voice of the elderly here in Congress and in enhancing the working relationship between the Members who participate and their older constituents.

During the 2 weeks they will be here in Washington, the senior interns will have the opportunity to learn firsthand about the operations of their Congressmen's and Senator's offices and to become familiar with the actual work of their legislators. They will attend seminars on current issues of concern to all segments of our population but which are of particular concern to them as representatives of our older population. They will hear from Federal officials, from congressional staff, and from others active in the Federal policymaking process, and hopefully time will permit them the opportunity for some direct give-and-take with these policymakers as to the needs of the elderly in our home communities and how Government is or is not responding to those needs.

This program has a twofold intent—to provide information for the senior interns to carry back to their communities; and, more importantly, I believe, to enhance the communication link through which they provide information to us from their communities as to what they expect from us as their Representatives.

I know that all of my colleagues who are participating in the program this year and the entire House membership join with me in extending a warm welcome to these very special interns.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. Railsback (at the request of Mr. Rhodes), at 3:30 p.m., on May 1 and May 5, on account of official business.

To Mr. Marriott (at the request of Mr. Rhodes), for today and until further notice, on account of illness in the family.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. Loeffler) to revise and extend their remarks and include extraneous material:)

Mr. Gingrich, for 1 hour, today.

(The following Members (at the request of Mr. STUDDS) to revise and extend their remarks and include extraneous material:)

Mr. GLICKMAN, for 5 minutes, today.
Mr. GONZALEZ, for 15 minutes, today.
Mr. ANNUNZIO, for 5 minutes, today.
Mr. HUCKABY, for 5 minutes, today.
Mr. VAN DEERLIN, for 5 minutes, today.
Mr. COELHO, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. LOEFFLER) and to include extraneous matter:)

Mr. MICHEL in two instances.
Mr. FORSYTHE.
Mr. DERWINSKI in two instances.
Mr. LUNGREN.
Mr. WHITEHURST.
Mr. SHUSTER.
Mr. CARTER.

(The following Members (at the request of Mr. STUDDS) and to include extraneous matter:)

Mr. FORD of Michigan.
Mr. LONG of Maryland.
Mr. ANDERSON of California in 10 instances.
Mr. GONZALEZ in 10 instances.
Mr. BROWN of California in 10 instances.
Mr. ANNUNZIO in six instances.
Ms. HOLTZMAN in 10 instances.
Mr. JONES of Tennessee in 10 instances.
Mr. BONER of Tennessee in five instances.
Mr. VENTO.
Mr. DIXON.
Mr. SEIBERLING.
Mr. WIRTH.
Mr. BONIOR of Michigan.
Mr. HALL of Texas.

ENROLLED JOINT RESOLUTION SIGNED

Mr. THOMPSON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a joint resolution of the House of the following title, which was thereupon signed by the Speaker:

H.J. Res. 541. Joint resolution making additional funds available by transfer for the fiscal year ending September 30, 1980, for the Federal Trade Commission.

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 2637. An act to insure that the compensation and other emoluments attached to the Office of Secretary of State are those which were in effect January 1, 1977.

A JOINT RESOLUTION PRESENTED TO THE PRESIDENT

Mr. THOMPSON, from the Committee on House Administration, reported that that committee did on May 1, 1980, present to the President, for his approval, a joint resolution of the House of the following title:

H.J. Res. 541. Joint resolution making additional funds available by transfer for the fiscal year ending September 30, 1980, for the Federal Trade Commission.

ADJOURNMENT

Mr. STUDDS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 1 o'clock and 13 minutes p.m.), the House adjourned until tomorrow, Tuesday, May 6, 1980, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

4277. A letter from the Deputy Assistant Secretary of Defense (Military Personnel Policy), transmiting a report filed covering fiscal year 1979 by former military and civilian employees of the Defense Department currently employed by defense contractors, and by current Defense Department employees formerly employed by defense contractors, pursuant to section 410(d) of Public Law 91–121; to the Committee on Armed Services.

4278. A letter from the Chief of Naval Materiel, Department of the Navy, transmitting the Navy's semiannual report on research and development contracting actions of $50,000 and over, covering the period of October 1, 1979, through March 31, 1980, pursuant to 10 U.S.C. 2357; to the Committee on Armed Services.

4279. A letter from the Director, Federal Emergency Management Agency, transmitting the stockpile report for the period April through September 1979, pursuant to section 11 of the Strategic and Critical Materials Stock Piling Act, as amended; to the Committee on Armed Services.

4280. A letter from the Mayor of the District of Columbia, transmitting a report on the administration of the District of Columbia Unemployment Compensation Act for calendar year 1979, pursuant to section 313(c) of title 46, District of Columbia Code; to the Committee on the District of Columbia.

4281. A letter from the Secretary of Education, transmitting a plan for the study of school finance, pursuant to section 1203(g) (1) of Public Law 95–561; to the Committee on Education and Labor.

4282. A letter from the Chairman, Commission on the Review of the Federal Impact Aid Program, transmitting the interim report of the Commission, pursuant to section 1015(d) of Public Law 95–561; to the Committee on Education and Labor.

4283. A letter from the Assistant Secretary of State for Congressional Relations, transmitting notice of the proposed issuance of a license for the export of certain defense equipment sold commercially to Indonesia (transmittal No. MC–21–80), pursuant to section 36(c) of the Arms Export Control Act; to the Committee on Foreign Affairs.

4284. A letter from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting copies of international agreements, other than treaties, entered into by the United States, pursuant to 1 U.S.C. 112b (a); to the Committee on Foreign Affairs.

4285. A letter from the Acting Director, Defense Security Assistance Agency, transmitting notice of the Air Force's intention to offer to sell certain defense equipment to Greece (transmittal No. 80–60), pursuant to section 36(b) of the Arms Export Control Act, together with certification that such assistance is consistent with the principles established in section 620C(b) of the Foreign Assistance Act, pursuant to section 620C(d) of that act; to the Committee on Foreign Affairs.

4286. A letter from the Acting Director, Defense Security Assistance Agency, transmitting notice of the Navy's intention to offer to sell certain defense equipment to Australia (transmittal No. 80–61), pursuant to section 36(b) of the Arms Export Control Act; to the Committee on Foreign Affairs.

4287. A letter from the Acting Special Counsel, Merit Systems Protection Board, transmitting a report on the Office of the Special Counsel's activities under the Freedom of Information Act during the calendar year 1979, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

4288. A letter from the Director, Selective Service System, transmitting a report on the agency's activities under the Freedom of Information Act during the calendar year 1979, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

4289. A letter from the Acting Assistant Secretary for Health, Department of Health, Education, and Welfare, transmitting a proposed new records system, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

4290. A letter from the Secretary of the Interior, transmitting a report on the study of the ridgelands area of California, pursuant to section 602 of Public Law 95–625; to the Committee on Interior and Insular Affairs.

4291. A letter from the Assistant Secretary of the Interior, transmitting a draft of proposed legislation to authorize the Secretary of the Interior to construct, operate, and maintain improved facilities for accommodating visitors, improving traffic flow, alleviating safety hazards, and expediting access at Hoover Dam, Boulder Canyon project, Nevada; to the Committee on Interior and Insular Affairs.

4292. A letter from the Deputy Assistant Secretary of the Interior, transmitting a draft of proposed legislation to eliminate the uneconomic assessment of certain fees assessed by the Secretary of the Interior in connection with the probate of estates of Indiana; to the Committee on Interior and Insular Affairs.

4293. A letter from the Assistant Secretary of Energy for Policy and Evaluation, transmitting part 1 of a report on the study of subsidization of motor fuel marketing, pursuant to section 301(d) of Public Law 95–297; to the Committee on Interstate and Foreign Commerce.

4294. A letter from the Administrator, Energy Information Administration, Department of Energy, transmitting a report on changes in market shares for petroleum products during January 1980, pursuant to section 4(c)(2)(A) of the Emergency Petroleum Allocation Act of 1973; to the Committee on Interstate and Foreign Commerce.

4295. A letter from the Chairman, National Diabetes Advisory Board, transmitting the Board's third annual report, pursuant to section 436A(j) of the Public Health Service Act, as amended; to the Committee on Interstate and Foreign Commerce.

4296. A letter from the Acting Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting copies of orders entered in cases in which the authority contained in section 212(d)(6) of the Immigration and Nationality Act was exercised in behalf of certain aliens, pursuant to section 212(d)(6) of the act; to the Committee on the Judiciary.

4297. A letter from the Acting Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting copies of orders suspending deportation under the authority of section 244(a)(1) of the Immigration and Nationality Act, together with a list of the persons involved, pursuant to section 244(c) of the act; to the Committee on the Judiciary.

4298. A letter from the Acting Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting copies of orders suspensing deportation under the authority of section 244(a)(2) of the Immigration and Nationality Act, together with a list of the persons involved, pursuant to section 244(c) of the act; to the Committee on the Judiciary.

4299. A letter from the Administrator, U.S. Environmental Protection Agency, transmitting a supplement to the report on the study of the industrial cost recovery provisions of the Federal Water Pollution Control Act, pursuant to section 75 of Public Law 95-217; to the Committee on Public Works and Transportation.

4300. A letter from the Administrator of Veterans' Affairs, transmitting a draft of proposed legislation to amend chapter 21 of title 38, United States Code, to expand the eligibility for specially adapted housing; to the Committee on Veterans' Affairs.

4301. A letter from the Secretary of Commerce, transmitting a draft of proposed legislation to eliminate the duty on architectural, engineering, industrial, or commercial drawings and plans; to the Committee on Ways and Means.

4302. A letter from the Secretary of Health, Education, and Welfare, transmitting a draft of proposed legislation to amend the Social Security Act to improve the operation of the programs of supplemental security income, aid to families with dependent children, and child support enforcement, by correcting certain program inequities and administrative and financing inefficiencies, and for other purposes; to the Committee on Ways and Means.

4303. A letter from the Secretary of Agriculture, transmitting a draft of proposed legislation to repeal certain acts relating to exportation of tobacco plants and seed, naval stores, and wool; jointly, to the Committees on Agriculture and Foreign Affairs.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BALDUS:

H.R. 7258. A bill to reform the laws relating to agency paperwork; to the Committee on Government Operations.

By Mr. NOWAK:

H.R. 7259. A bill to promote the ownership of small businesses by their employees and to provide a means whereby employees can purchase their companies, and to assure that firms owned wholly or partly by their employees are eligible for all forms of assistance from the Small Business Administration; to the Committee on Small Business.

By Mr. SEIBERLING:

H.R. 7260. A bill to authorize the conveyance of certain Federal lands and the issuance of certain patents, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. WON PAT:

H.R. 7261. A bill to amend the Immigration and Nationality Act to make alien crewmen, serving on board a fishing vessel having its home port or operating base in the United States, nonimmigrant aliens while they are temporarily in Guam, the Northern Mariana Islands, or American Samoa; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

340. By the SPEAKER: Petition of the County Legislature, Suffolk County, N.Y., relative to designation of May 30 each year as Memorial Day; to the Committee on Post Office and Civil Service.

341. Also, petition of the Municipal Council, Newark, N.J., relative to the Cuban refugees in the Peruvian Embassy in Havana; jointly, to the Committees on the Judiciary and Foreign Affairs.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 1918: Mr. NICHOLS and Mr. RICHMOND.

H.R. 4178: Mr. DEVINE and Mr. BAILEY.

H.R. 5040: Mr. BEARD of Rhode Island.

H.R. 5097: Mr. BUCHANAN.

H.R. 6070: Mr. HARSHA.

H.R. 6617: Mr. SMITH of Iowa, Mr. HALL of Ohio, Mr. WOLPE, Mr. SWIFT, and Mr. SAWYER.

H. Con. Res. 298: Mr. GRAMM.

SENATE—*Monday, May 5, 1980*

(Legislative day of Thursday, January 3, 1980)

The Senate met at 11:30 a.m., on the expiration of the recess, and was called to order by Hon. HOWARD W. CANNON, a Senator from the State of Nevada.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Let us pray.

Eternal Father, as we undertake the tasks of a new week, we thank Thee for the renewed energy gained by rest and the spiritual renewal received from Sabbath worship. Help us through each moment of this day, that we waste none of its hours, soil none of its moments, neglect none of its opportunities, fail in none of its duties. May nothing take away our joy, nothing ruffle our peace, nothing make us bitter, resentful, cynical, or sinful. As we address ourselves to the complex problems of this troubled age, may all who serve in the Government be given a wisdom beyond themselves. Bring us to the evening time at peace with ourselves, at peace with our fellow men, and at peace with Thee.

In Thy holy name, we pray. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. MAGNUSON).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., May 5, 1980.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable HOWARD W. CANNON, a Senator from the State of Nevada, to perform the duties of the Chair.

WARREN G. MAGNUSON,
President pro tempore.

Mr. CANNON thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE ACTING MAJORITY LEADER

The ACTING PRESIDENT pro tempore. The acting majority leader is recognized.

THE JOURNAL

Mr. CRANSTON. Mr. President, I ask unanimous consent that the Journal of the proceedings be approved to date.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. CRANSTON. Mr. President, I have no use to make of the majority leader's time. Therefore, I reserve it at this point.

RECOGNITION OF THE ACTING MINORITY LEADER

The ACTING PRESIDENT pro tempore. The Chair recognizes the acting minority leader, the Senator from Oklahoma.

Mr. BELLMON. Mr. President, I have no requests for use of the time on the minority side.

Mr. CRANSTON. I yield back the majority leader's time.

Mr. BELLMON. I yield back the minority leader's time.

ROUTINE MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of routine morning business not to extend beyond the hour of 12 noon, with statements limited therein to 3 minutes each.

Mr. CRANSTON. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. CRANSTON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

RECESS UNTIL 12 NOON

Mr. CRANSTON. Mr. President, I move that the Senate stand in recess until 12 noon.

The motion was agreed to, and at 11:42 a.m. the Senate recessed until 12 noon; whereupon, the Senate reassembled when called to order by the Acting President pro tempore (Mr. CANNON).

FIRST CONCURRENT BUDGET RESOLUTION

The ACTING PRESIDENT pro tempore. Under the previous order, the hour of 12 o'clock noon having arrived, the Senate will now proceed to the consideration of Senate Concurrent Resolution 86, which the clerk will state by title.

The assistant legislative clerk read as follows:

A concurrent resolution (S. Con. Res. 86) setting forth the recommended congressional budget for the United States Government for the fiscal years 1981, 1982, and 1983 and revising the Second Concurrent Resolution on the Budget for the fiscal year 1980.

The Senate proceeded to consider the resolution.

Mr. CRANSTON. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. CANNON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. NELSON). Without objection, it is so ordered.

Who yields time?

Mr. BELLMON. Mr. President, today we begin the floor debate on the first budget resolution for fiscal year 1981. I believe that this is the 12th budget resolution since the origin of the budget process in late 1974. During that entire time period we have been operating under the budget leadership of the only chairman the Senate Budget Committee has ever had, Senator EDMUND MUSKIE. Today, with this floor debate, we begin the process of passing that leadership to new hands. But before we start, let me take a moment to comment upon the 5½ years of wisdom and strength of Senator MUSKIE's term as chairman.

The fact that the process survived is due in great part to Senator MUSKIE. Through long and sometimes difficult hours he caused the committee to hammer out policies which have helped guide this country's economy out of the deepest recession since the 1930's. He helped get the committee into such innovations as multiyear budgeting and reconciliation. He was the symbol of enforcement, the fiscal conscience of the Senate, reminding our colleagues about budget discipline whenever bills were offered which exceeded the budget.

Speaking as the ranking member, his spirit of bipartisan cooperation was complete and totally sincere. From the very beginning, he gave minority Senators the opportunity to participate in this unique experience with access to operating funds, access to space, access to budget data. He fulfilled our requests and he made it possible for Republicans to be active participants in this unique process. He also set the standard by employing a highly professional staff, many of whom have labored for 5 years or more developing an expertise which is a valued resource for all Members of the Senate.

Through such efforts, he gave leadership and credibility to the budget process. The Senate will certainly miss him as he undertakes his vast new responsibilities as Secretary of State.

Mr. President, the budget process, the Senate Budget Committee and the Senate as a whole are extremely fortunate to have strong hands to carry on the chairmanship of the committee. I know Senator MAGNUSON is the next most

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● **This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.**

senior member of the majority on the committee but I am told his critically important position as chairman of the Appropriations Committee will cause our chairmanship to pass to Senator FRITZ HOLLINGS. And it would be hard to find a better prepared person to assume the task. Senator HOLLINGS has been a key member of the committee since its origin in late 1974. His considerable knowledge and skills will serve all of us well. Those that witnessed yesterday's program, "Meet the Press," could not help but be impressed with his command of facts and his knowledge of the way the budget and the key players work.

We will miss ED MUSKIE, but we are all fortunate to have FRITZ HOLLINGS.

Mr. President, I have already congratulated Senator HOLLINGS. I look forward to working with him. I believe we can have the same highly productive and highly beneficial relationship that we have had in the past and I believe the Senate will greatly benefit by having FRITZ HOLLINGS available to take over this major responsibility.

Mr. HOLLINGS. Mr. President, the reason, if any, that I do have an air of presence—and I say that modestly—is because of the tremendous record set by Senator MUSKIE and Senator BELLMON and the magnificent staff we have, and particularly their help in the last several days preparing to bring this budget resolution to the floor.

I am most grateful to my colleague from Oklahoma. I am confident that we are all great admirers of his and certainly none is as great an admirer of HENRY BELLMON of Oklahoma than myself. I have been one of the Democrats, and maybe that is one of the reasons he has to go back home, to try to persuade him to stay with us in the U.S. Senate, because we need him very, very badly.

It is that feeling for his leadership and the bipartisanship approach that he has given to the budget process that makes us all feel so good this morning. While they talk about balanced budgets, the truth is that the entire budget process is a balance process—a balancing of philosophy, a balancing of the party or the partisan approaches, and a balancing of needs versus the resources that the Government has at its hands.

In the field of balancing out and giving credibility to the entire process, no one has made a greater contribution than HENRY BELLMON. So I appreciate his kind remarks, and I am looking forward to working with him and, if we can, to persuade him and Senator DOMENICI, the distinguished Senator from New Mexico.

Let me emphasize what Senator BELLMON has covered in his opening remarks; namely, the character and integrity given the budget process here in the legislative branch by Senator MUSKIE.

He was an awfully good and conscientious budgeteer and a reminder of many unpleasant things, and that was that we were beyond our means.

It is not a popular thing to stand on the floor of the Senate. Your colleagues all have different interests and different priorities, and just when they think it is all ready to go—and it is a struggle, working with your own staffs and what have you—to have someone run up and tap you on the shoulder and there is Senator MUSKIE saying it is in violation of section 402 or it is beyond the budget or you cannot bring it up or do you not know that this is not conformed with.

As a result, it can really get on your nerves. But Senator MUSKIE kept his cool in that regard and continued to build a respect for the very objective and professional manner in which he handled the budget. So he leaves quite a heritage.

He, with his Lincolnesque appearance, really looked to me like ED paid some bills. That is my misfortune. I do not look like I have ever paid one. ED MUSKIE always looks like he had paid the bill, and with his own money. Maybe we can work into that mold.

In any event, we are grateful to him. I had the pleasure of talking with him once more this morning in going over certain parts of this budget.

Most of all, let me emphasize the professionalism of the staffs on both sides. I think the credibility of the budget process is due, in large measure, because of the trust that we all have in the professional objective points, factual information, and the wonderful research and counsel that we have received from our staffs on both sides.

I can tell you that working with them over the past 3 or 4 days—we never can get quite prepared—I feel much better about it and I am really indebted to them.

With the permission of the Senator from Oklahoma, we have, as I understand it, some technical motions to make at the very instance before we go into our prepared statements.

UP AMENDMENT NO. 1054

Mr. President, after the committee reported this budget resolution, the Parliamentarian made some suggestions, as did other committees, for technical corrections and clarifications in it. I sent to the desk a modification approved by the committee of the resolution to make these changes. These changes are not intended to be substantive.

First, they make clear, as was intended, that section 17 of the resolution will allow the Congress to send to the President miscellaneous tax and tariff legislation during the course of the summer before the second resolution is adopted.

Second, the changes correct an error in the printed resolution regarding four committees which were to be the subject of reconciliation instructions regarding authorizations but where the resolution did not make that clear.

The third change is to make clear that the ordinary procedures provided for the Budget Act for reconciliation are applicable to the reconciliation instructions contained in this resolution.

The PRESIDING OFFICER. The committee has the authority to modify the resolution. The concurrent resolution is so modified.

The modification reads as follows:

On page 14, after line 23, insert the following:

"Pursuant to subsections 310(c), (e), and (f) of the Congressional Budget Act of 1974, reconciliation measures shall be reported and considered as follows:".

On page 17, line 13, strike "1981," and insert "1981 or".

On page 17, line 14, strike "years" and insert "years, or authorizations therefor".

On page 17, line 25, strike "1981," and insert "1981 or".

On page 18, line 1, strike "years" and insert "years, or authorizations therefor".

On page 18, line 11, strike "1981," and insert "1981 or".

On page 18, line 12, strike "years" and insert "years, or authorizations therefor".

On page 19, line 10, strike "1981," and insert "1981 or".

On page 19, line 11, strike "years" and insert "years, or authorizations therefor".

On page 21, strike lines 2–10, and insert a new section 17 as follows:

"SEC. 17. (a) No bill or resolution which would reduce federal revenues in fiscal year 1981 by more than $100,000,000 shall be enrolled until after Congress has completed action on the second concurrent resolution on the budget required to be reported under section 310 of the Congressional Budget Act of 1974, and on any required reconciliation legislation.

(b) After federal revenues for fiscal year 1981 have been reduced by enacted bills and resolutions totalling $100,000,000, no other bill or resolution which would reduce revenues in such fiscal year shall be enrolled until after Congress has completed action on the second concurrent resolution on the budget and on any required reconciliation legislation.".

Mr. HOLLINGS. I thank the distinguished Presiding Officer.

Mr. President, I ask unanimous consent that the presence and use of small electronic calculators be permitted on the floor of the Senate during the consideration of Senate Concurrent Resolution 86.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HOLLINGS. Mr. President, whatever else might be said about this budget resolution, it certainly has not been ignored. Committees told us last fall that it was too late to reduce spending through reconciliation. Now they tell us it is too early. Senators who cosponsored the amendment to reduce spending to 21 percent of GNP now tell us we have cut too much. Budget process critics who called the process meaningless now complain that it has gone too far.

What is the source of all this commotion?

The resolution calls for the first balanced budget in more than a decade. It would reduce the Federal share of our gross national product from 22.3 percent in 1980 to 21.8 percent in 1981 and to 20 percent by 1985.

For 1981, the budget holds the growth of Federal spending to two percentage points below the projected rate of inflation.

Except for defense, interest, veterans, unemployment, and the major health and indexed retirement entitlements, this resolution cuts the budget by 16 percent in real terms compared to 1980 and by 15 percent compared to 1979.

If the spending totals are observed, this budget provides for a significant tax cut in fiscal 1981, and for tax relief totaling more than $196 billion through 1985.

As the chart in the back of the Chamber clarifies, this budget adjusts the spending ceilings for fiscal 1980 to respond to unanticipated developments in defense and domestic priorities, beyond the power of Congress to control, such as the Afghanistan invasion and the subsequent Soviet grain embargo.

But this budget also requires reconciliation savings to reduce 1980 spending by $2.6 billion and 1981 spending by nearly $10 billion. These reconciliation provisions will produce more than $85 billion in savings over the coming 5 years.

If these reconciliation savings are not adopted, the amounts contained in the revisions to the second budget resolution will fall short of the amounts needed just for interest, defense, agriculture, and the indexed programs. There will be no funds at all for any other spending legislation.

The budget resolution includes two modest proposals to strengthen existing procedures for budget control. They simply provide that tax or spending bills which might unbalance the budget should not become law this year before the Congress can review the budget situation in September through the second budget resolution.

The resolution also contains some innovative proposals consistent with the President's program and congressional demands to control the expansion of Federal credit programs.

THE BALANCED BUDGET AND INFLATION

Mr. President, each of these proposals is important. Most of them are controversial.

Ironically, though, a balanced budget and a tax cut are probably the most important and the least controversial of all.

No budget resolution which proposes a real plan for balance will be easy to live with. Every Federal dollar has a constituency somewhere.

But we risk the loss of both the balanced budget and the tax cut unless we adopt the savings and spending controls necessary to get them.

Two years ago, the Senate Budget Committee identified inflation as our Nation's most serious domestic concern. The Senate agreed. We were the first in the Federal Government to do that.

The committee and the Congress made a commitment at that time to fight inflation through the budget process and fiscal policy by balancing the budget no later than fiscal 1983.

The balance contained in the recommended resolution will achieve that balanced budget well ahead of schedule.

One year ago, in the budget for 1980, the committee proposed and the Senate adopted a path to balance in fiscal 1981. This year's 1981 budget resolution honors that commitment.

Just a few weeks ago, the Senate directed the Budget Committee to report a balanced budget for 1981 and to reserve any surplus for a tax cut. The recommended resolution fulfills that mandate as well.

But more important than the fulfillment of these commitments is the Senate's responsibility to fulfill its obligation of leadership during the present economic emergency.

Perhaps more than any single factor, an inflationary psychology has kept inflation growing. "Borrow now—spend now." That has become a national fixation.

If we expect the American people to balance their personal budgets, the Federal Government must balance its own. By itself, a balanced Federal budget may reduce the rate of inflation by only a modest amount. And fiscal policy can only succeed as one element of self-restraint at every level of our society.

But we, as leaders, must show the way. The president of one of the country's leading banks summed up what seems to be the public attitude recently. He said, "The main contributor to inflation is not your credit card or mine. It's Uncle Sam's."

A balanced Federal budget is a necessary beginning in a national battle against inflation.

With the elimination of the deficit, Congress can send a signal to the American people and to our trading partners abroad. We are serious about the need to take stringent measures to arrest and reverse the growth of inflation in our economy.

That end cannot be achieved unless we are prepared to make the required spending cuts. This budget makes them. The outraged reaction of so many interest groups is the best evidence that this resolution cuts.

But there is no painless way to impose the restraints that must be imposed. There is no painless withdrawal from the old spending habits.

Each of us has constituents who will suffer from those withdrawal pains to a greater or lesser degree. But in the end, all of our constituents—all Americans—will benefit from a sounder and less inflation-ridden economy.

And while we have recommended that necessary sacrifices be imposed, this budget provides adequately for the needs of those who have no other resort than the Federal Government for the support of their basic human needs.

Cuts are recommended in housing programs, but this budget contains $27.3 billion in new, federally assisted housing commitments.

Cuts are recommended in the food stamp program, but this budget assumes the removal of the food stamp cap in order to assure that benefits will keep pace with inflation.

Major reforms are recommended to reduce the cost of the medicare and medicaid programs—but not by impairing benefits.

And the committee rejected altogether a proposal to reduce cost-of-living increases for retirement benefits.

These are only a few examples to illustrate that—under the committee's recommendation—deep cuts have been proposed, but essential services remain.

While preserving that essential support, this budget will undercut inflation and promote our economic security. Just as important, it will also promote our military security.

THE DEFENSE BUDGET

Mr. President, if any of us needed reminding that we live in a dangerous world, the events of recent months have surely done the trick.

Whether we like it or not, we are engaged in a competition with the Soviet Union in which military strength plays a centrally important role.

Whether we like it or not, our ability to protect our vital interests around the world depends susbtantially on the force of arms.

Whether we like it or not, this Government has no higher responsibility than to provide for the common defense. And in the reality of the modern world, our responsibility is even broader than that. We are the indispensible leader of the free world's defense, not only the guarantor of our own.

And yet, while the Soviet Union has been building its military might at an unprecedented rate, what have we been doing in response?

We canceled the B-1 bomber, pushed aside the neutron bomb, stretched out the cruise missile, delayed deployment of the Trident far into the future, shut down the production line for the Minuteman II missile, and stood aside while thousands of our best military personnel have been driven out of uniform by inadequate pay and benefits.

And now we sit around and wonder why things appear to be going against our interests around the world.

Mr. President, there are those who will argue that the Budget Committee's recommendation for military spending is an unnecessary effort to add still more on top of an already loaded administration proposal.

But we are not trying to run up the score. We are playing catchup ball.

We cannot repair the deficiencies of a decade in a single year. We cannot do it in 2 years. But we must begin to do it now. The budget proposed by the President just will not get it done.

First, the President's budget fails to provide adequately for the increased tempo of our military operations in the Indian Ocean and elsewhere. Moreover, it fails to compensate fully for inflation and for the dramatic increase in fuel prices.

Unless this failure is redressed, our military readiness will be undermined further.

The level of our military operations will be reduced. Training for our forces will continue to deteriorate. The quality of military maintenance will suffer. Spare parts will be harder to come by. The rate of mechanical overhauls will decline.

Under the committee's proposals, an additional $3.9 billion in budget authority and $3.7 billion in outlays will be provided to minimize these problems.

Second, we are losing the best of our men and women in uniform because we have refused to compensate them adequately. We are actually forcing some military families to subsist on food stamps. We are paying men who go to sea for 6 months and work 16 hours a day in hazardous jobs at a lower rate than a cashier commands at McDonalds'.

And it is no surprise that recruitment rates are far from sufficient to make up for the loss of critical mid-level, career personnel.

The President's budget does not adequately address these vital concerns. It places a 7.4-percent cap on military pay. It fails to provide for the Nunn/Warner pay improvements approved by the Senate on an 87-to-1 vote.

The committee recommends a necessary alternative. It would provide an additional $1.7 billion in budget authority and outlays over the President's request in order to provide the military a full 11.7-percent raise. It would also allow for the full cost of the Nunn/Warner pay provisions.

Third, the President's request does not address a number of important R. & D. and procurement programs. These programs have had the endorsement of the Appropriations and Armed Services Committees in both Houses of Congress. They have been urgently recommended by the Joint Chiefs of Staff in past years. In fact, the President's own budget for fiscal year 1980 suggested that these programs would be necessary to provide for an adequate defense over the coming 5-year period.

We are not spending money, Mr. President, that some of the news reports have stated the Pentagon did not ask for, or that Secretary Brown said he could not use, or that the President said he could not use. In fact, I checked and found no real basis for that particular quote. What we are doing is presenting the Secretary of Defense with the President's own defense needs, signed for and presented by both, either themselves or through their Joint Chiefs of Staff, before the committees of Congress.

For additional procurement and R. & D., the committee recommends an increase of $3.9 billion in budget authority and $400 million in outlays.

These additional funds will allow us to make a start in redressing the procurement and R. & D. deficiencies which now prevail in our defense structure. They will not solve the problem. They will only begin to solve it. But without this beginning, the problem will grow worse.

Mr. President, some of our colleagues will probably argue that we cannot afford to make these new investments in our security. The fact is, we cannot afford not to.

And let it be noticed that the committee has not spared the Pentagon from a share of restraint. The committee recommends two important savings in defense spending—really, three important savings in defense spending, but principally two.

First, the committee accepted the President's recommendation that the adjustment of military and civilian retired pay should be made on an annual rather than semiannual basis. This change would bring military retirement into line with social security procedures. It would save $400 million in budget authority and outlays.

Second, the committee increased from 2 to 5 percent, the level of savings recommended by the President through efficiencies in defense administrative and operating activities. This savings in nonreadiness activities will cut $600 million in budget authority and outlays from the President's request.

Third, Mr. President, the committee did not approve the MX missile deployment mode as submitted by the administration. Of the $600 million allocated, they took $500 million and used that for further operation, maintenance, and other material listed in the committee's increase of the 050 figure.

Mr. President, the committee's overall proposal for defense spending totals $173.4 billion in budget authority and $155.7 billion in outlays. That is higher than the President's recommendation by $8.9 billion in budget authority and by $5.2 billion in outlays.

Some will throw up their hands in shock and gasp about "unprecedented" military spending. But this Nation's military needs are truly unprecedented. And we must muster the courage and the resources which are required to fill them.

PRIORITIES

Overall, the spending priorities contained in this recommendation will not precisely reflect the preferences of a single Senator. But in the process of compromise, we must produce a budget which balances those priorities reasonably. This budget achieves such a balance.

While it will not redress overnight the problems of defending our Nation and its vital interests, it will make a positive beginning.

While it will not alone reverse the inflationary growth which has crippled our economy, it will make an important contribution to that end.

It represents a concerted effort to minimize Federal spending and to allocate Federal resources in the most efficient and effective possible manner.

It is worthy of the Senate's support.

THE 21 PERCENT OF GNP OPTION

Mr. President, a few weeks ago, the Senate considered and rejected a proposal to restrain 1981 outlays to no more than 21 percent of our gross national product. But the Senate did instruct the Budget Committee to prepare such an option.

Under the CBO forecast of 1981 GNP, such an outlay level would be limited to $584 billion—$28.9 billion lower than the recommended budget.

The budget which the committee, in fact, recommends is one which already requires substantial spending cuts in nondefense programs.

In constructing a further list to reach the $584 billion level, the committee proceeded as realistically as possible. We began by including the lowest spending levels for any budget item which were proposed by any member during our budget markup, but not agreed to by the committee.

These reductions totaled $19.3 billion in further outlay cuts below the levels agreed to in the reported resolution. But they fell short of the $28.9 billion cut required by the 21 percent amendment.

To find the $9.6 billion difference, the committee was forced to include three additional major program restraints—a change in the cost-of-living adjustment for indexed programs; elimination of the local community share of revenue sharing; and further reductions in defense spending.

The 21 percent amendment meets the instruction the Senate gave our committee. But our committee does not recommend that the 21 percent amendment be adopted.

Adoption of the amendment would impair our defenses, erode our ability to support our allies, impose staggering additional costs on State and local governments, eliminate ConRail, and phase out Amtrak, prematurely terminate major elements of the CETA program, and impose very heavy burdens on the poor.

It would reduce agriculture price supports, kill any chance this year for an all-risk crop insurance program, cut deeply into health research, slash veterans' benefits, and deepen the downturn in the economy.

Under the 21 percent amendment, 160,000 additional Americans would lose their jobs in fiscal 1981 compared to the already forecast deep layoffs. A total of 330,000 more would lose their jobs in fiscal 1982.

The specific spending reductions contemplated in this 21-percent reduction may not be the only possible ways to reach a total $28.9 billion outlay reduction. Another cut list might be constructed instead of the one the committee has produced, but not without imposing equally untenable, ultraradical restraints.

The Budget Committee's recommended fiscal plan would bring the level of Federal outlays to 20 percent of GNP by 1985.

That is a reasonable goal. But short-circuiting it by 2 full years at the cost of essential defense and human priorities is not a reasonable policy. The committee recommends that the Senate reject a 21-percent option this year.

THE TAX CUT

Mr. President, the subject of Federal tax policy, with respect to the tax cut, is an important national concern. But it has also become a fountainhead of partisan posturing and propaganda.

Surely, we do have economic and equity issues which tax policy can help resolve. Inflation does push people into higher tax brackets and robs them of purchasing power. Industry should receive greater tax incentives for modernization and expansion.

Unfortunately, however, much of the debate on these issues seems dominated more by ritualized cliches than by sound analysis of the real issues. The charge is made that "We're balancing the budget on the backs of the American taxpayer." That implies that Americans expect that their Government should be provided for free—or perhaps paid for by the Ford Foundation.

It is as if a small whiff of antitax rhetoric is capable of overwhelming all commonsense. Surely some of our colleagues do get carried away. One of them—in his additional views in the report on this budget resolution—says, "The committee is actually recommending new tax measures which would bring the year-to-year increase in taxes, from fiscal year 1980 to fiscal year 1981, to a staggering $94 billion." Of course, there is no recommendation in this resolution for a $94 billion tax increase, and the author of those views admits that seven pages later.

What the recommended budget does include is a $10 billion tax cut for fiscal 1981 which would lead to a total of $196 billion in tax relief through fiscal 1985.

But let us take a closer look at this repeated assertion that tax rates and revenues have been allowed to rise to pay for a runaway Federal Government.

Three major new tax increases have been imposed in the past 10 years—the windfall profit tax on oil companies, the oil import fee the President recently imposed, and the social security tax increase Congress enacted in 1977 to shore up the solvency of the social security system.

The windfall tax on oil company profits does not increase individual income tax burdens. In fact, it was favored by an overwhelming majority of the public.

The oil import fee would be returned to the public in the form of social security tax relief and productivity incentives under the very budget resolution we are discussing.

And the social security tax increase passed the Senate, by a vote of more than 2 to 1, with a majority of both parties voting for the tax increase, answered the legitimate public demand that the social security fund not become bankrupt.

Of course an alternative was available—which neither I nor most critics of the higher tax rates advocated. We could simply have reduced social security benefits. That really is the choice, if we wish to cut social security taxes. Any volunteers? I do not see any.

But what about the effect on inflation on income tax rates? Well, the simple fact is that Congress has cut personal income taxes six times in the past 20 years, four of them in the last 5 years. As a result, the effective tax rate on individual incomes is not much more now than it would have been if the income tax law had been indexed for inflation since 1960.

Now just where have all the taxes gone? Have we been burying those revenues in the back yard or shipping them off to support a shiftless welfare population in some distant State?

Let us just look at the record. The chart in the rear of the Chamber shows that, in real terms, after inflation is taken into account, the total budget grows by only 1 percent compared to 1979—2 years ago—and actually declines by 2 percent compared to the current year.

Above the line on that chart are certain programs that no one has seriously proposed cutting—defense, interest, veterans, medicaid and medicare, unemployment compensation, and retirement programs—which have actually grown by 8 percent more than inflation since 1979, while all the rest of the budget has declined by 15 percent below the rate of inflation. In other words, the budget for interest, defense, veterans, medicare and medicaid, and retirement has grown by 8 percent in real terms in the last 2 years, while all the rest of the budget has shrunk by 15 percent in real terms.

Looking again at the programs above the line on that chart, 91 percent of all the additional tax collections since 1974 from any source have gone to pay for the growth in these budget categories. Only 9 percent of all those tax collections paid for any other aspect of the Federal Government.

The reality is, of course, that the recession of 1974 so heavily penalized the economy that a great deal of Federal activity has, until this year, been deficit-financed. But if all of the rest of the Government had been closed in 1974, and only these basic programs above the line had been allowed to operate, 9 out of every 10 tax dollars collected since then would have been needed to pay for them.

This budget resolution does not posture about tax reduction. It actually proposes the fifth major tax reduction since 1974.

Now half the proposed tax cut—about 100 billion dollars—would go to offset social security tax increases enacted in 1977. The other half would go for productivity-related investment incentives to create new jobs and produce more goods at lower cost.

Incidentally, this productivity tax reduction would be the third investment-related tax reduction Congress has enacted since 1978. Within these past 2 years, Congress has reduced corporate income taxes, capital taxes, and personnel investment taxes by a cumulative total of $18.7 billion by the end of 1981 and by a total of $42.7 billion by the end of 1983.

Combined with these business-related tax cuts of the past 2 years, the total investment-oriented tax reductions contemplated by this budget resolution will amount to $33.8 billion in 1983 alone, or a third of all the corporate tax collections forecast for that year.

These tax reductions recommended by the committee can be achieved if two requirements are met:

First, the economy must perform at least as well as the Congressional Budget Office predicts. Unanticipated inflation, exceptionally bad weather, or economic or international upheavals could absorb the surplus without any congressional action whatever.

Second, Congress must restrain spending to the levels provided in this budget resolution.

SHOULD THERE BE A DEFICIT-FINANCED TAX CUT?

Now we all agree that major tax reductions should be enacted at the earliest prudent date. The controversy is about which should come first—a balanced budget or a tax cut.

This budget resolution makes a balanced budget the top priority. It recommends that a tax cut should not be enacted unless the budget is still in balance this fall, after the spending for fiscal 1981 is determined. Section 17 of the budget resolution provides that no tax cut, even if it passes both Houses of Congress, should be sent to the President until after the second budget resolution is adopted.

We believe the most effective way to make Congress hold the budget line is to link the tax cut directly to spending restraint. Under this budget resolution, unless Congress accepts and observes the aggregate spending totals recommended in the budget, there will probably be no tax cut at all.

The spending ceiling must be endorsed, not only in theory, but in practice.

It will be difficult for Congress to ratify the restraints represented in the spending total. It will be still more difficult to follow through in practice.

But over the course of the coming months, Members of Congress who vote to breach the committee allocations will be voting to limit or eliminate the tax relief contained in this resolution.

I know of no surer way to press for adherence to the spending totals in this budget than to link tax reduction to them. I can think of no more effective restraint on excess spending than to link it to tax reduction.

The second budget resolution next fall will be as large as the sum of its parts. Spending decisions made in committees must be within the committee allocations. If there is to be any tax cut, if there is to be a balanced budget next fall, the second budget resolution must reflect the restraints of the first.

RECONCILIATION

To assure that the budget balance savings are made, this resolution includes reconciliation instructions to 10 committees to save more than $12 billion in 1980 and 1981 outlays by changing existing laws.

The budget resolution contains only a dollar total for each committee. It is up to the Congress to decide whether the cuts should be made. It is up to the committees Congress instructs to decide where the cuts should be made.

Savings must be made in the fiscal 1980 budget in order to allow for necessary supplements while holding spending ceilings down. As I have already pointed out, the increases proposed for the 1980 budget leave very little room at all for supplemental appropriations other than mandatory requirements like medicaid, unless already-enacted appropriations are reduced to pay for them.

Savings must be made in the fiscal 1981 budget in order to preserve the $10.1 billion surplus for tax reduction. Reductions must be made in entitlement programs and in other uncontrollable spending. Changes in substantive provisions of law in nonentitlement programs are also required to reach the savings assumed for fiscal 1981.

These savings would total $13.0 billion in budget authority and $12.2 billion in outlays in fiscal 1980 and 1981 alone. Over the coming 5-year period, these savings would cut Federal spending by some $85 billion in outlays.

The reconciliation instruction to the Appropriations Committee concerns 1980 only. Under the resolution it would be acted upon not later than 10 days after the adoption of this resolution—about the same time that the 1980 supplemental appropriation is agreed to, to assure that the savings can be made.

Legislation under the reconciliation instructions to legislative committees would be reported by June 9—or 10 days after the adoption of the conference report on this budget resolution, if that date were later.

NO BALANCE OR TAX CUT WITHOUT RECONCILIATION

Mr. President, these reconciliation instructions are an indispensable ingredient of the balanced budget and tax reduction which the committee recommends for fiscal 1981.

No one should entertain the mistaken belief that a balanced budget and tax reduction can be achieved with reconciliation. Should Congress fail to enact the necessary legislation, both the balanced budget and any tax cut will be severely jeopardized. That would be true whether the Senate accepted the committee mark or any other mark producing balanced books.

If the reconciliation instructions of this budget resolution are not fulfilled, 1981 spending will rise by $9.6 billion—to $622.5 billion, barely $500 million in balance. And that would use up all the revenues from the oil-import fee and leave no surplus for any tax cut.

Some Senators have argued that the Budget Committee has no business instructing other committees on the conduct of their affairs. Let me make two points:

First, the Budget Committee is not instructing anyone. Congress as a whole—this is the Senate's budget, the House's budget, the Congress working together—must approve these reconciliation instructions to make them effective. It is not the Budget Committee, but only the Congress, which has the authority to issue these instructions.

Second, the Budget Committee is in no way dictating the total or nature of cuts which the affected committees must achieve. Congress will determine the totals. The committees will determine how and where amounts will be saved within programs under their jurisdiction.

In the text of its report, the Budget Committee has included a set of assumptions which may provide some guidance. But each committee to which Congress sends a reconciliation instruction is free to cut the total amount in whatever way it sees fit among the programs under its jurisdiction.

It should also be noted that some Senators have insisted that the Budget Committee is jumping the gun on proposing reconciliation. They argue that these instructions are being formulated too early in the annual budget process.

In many cases, these are the same Senators who argued last fall that reconciliation instructions had come too late, even when Congress was scheduled to meet until December.

Congress will adjourn early this election year. Congress needs adequate time to adopt and to implement the required legislation. Waiting until the second resolution—even if it is considered earlier than usual—is waiting until it is too late this year to make these savings.

Still others have challenged the authority of the Budget Committee to recommend such instructions in the first budget resolution and these revisions of the second resolution for 1980. This is a totally specious argument. Congress can always instruct its committees in any resolution. But in the Budget Act, Congress specifically authorized the Budget Committee to include in any resolution "any other procedure which is considered appropriate to carry out the purposes of this act."

What all these arguments boil down to, though, is one simple question. Behind all the legal doubletalk and excuses, the issue simply is: Can we make these savings without reconciliation? And the simple answer—the answer we learned last fall—is no, these savings will not be made without reconciliation. Last fall, Congress adopted a budget resolution which assumed $3.6 billion in legislative savings would be made without any reconciliation instructions. As of today—6 months later—not a single dime has been saved, because Congress has not passed a single law to save it.

So if you are serious about a balanced budget you must be for reconciliation now. We cannot postpone these savings until some future date when some future surplus will take care of them. The future is now. If these savings are not made, there will be no surplus and no tax cut in 1981.

REVISIONS IN THE 1980 BUDGET

Mr. President, the Budget Committee reluctantly also recommends some unavoidable revisions in the 1980 budget Congress drafted last summer and adopted last fall.

When Congress adopted the second budget resolution for fiscal 1980, it also adopted a resolution expressing the "Sense of the Congress on Reconciliation Savings."

That resolution said:

> It is the sense of the Congress that there shall be no Third Budget Resolution or any other revision of the budget figures contained in this resolution unless justified by significantly changed national or international developments beyond the power of Congress to control and not foreseen in the development of the third budget resolution for fiscal 1980.

That resolution made ample allowance for needed supplemental appropriations as far as they could be foreseen when the resolution was drafted in July and debated in September. It also assumed enactment of $3.6 billion worth of savings in existing law, without which the adopted budget ceilings would prove to be inadequate to accommodate those priority supplemental spending needs.

Since that time, significant changes in national and international affairs have occurred which have raised budget costs. They have indeed been beyond the ability of Congress to control. They were certainly unforeseen at the time that sense of the Congress resolution was adopted.

First, interest rates have shot up to unprecedented levels. As a result of the policies adopted by the Federal Reserve after each House had already adopted its budget and the conference was in session, interest in the Federal budget is now estimated to be $65.5 billion—$7.4 billion more than was budgeted for in the fall.

And these high interest rates led to a delay in $2 billion worth of sales of federally-held mortgages from 1980 to 1981 to avoid unnecessary losses from those sales. The $2 billion in proceeds from those sales would have reduced budget authority and outlays equally in 1980. Because of the delay, the 1980 budget has increased by $2 billion instead.

Second, American diplomats and Marines have been taken hostage in Iran and remain in captivity, and the Soviet Union has invaded Afghanistan.

In light of these international events, the President's defense requests for fiscal 1980 have increased by $4.1 billion in outlays. In addition, an accounting change affecting foreign arms sales will increase budget totals by $1.2 billion in outlays, even though that change involves no new Federal spending at all.

Third, in response to the invasion of Afghanistan, the President imposed an embargo on U.S. grain sales to the Soviet Union. To shield American farmers from the effects, the President followed up with unilateral action to support domestic grain prices.

These agricultural initiatives and other reestimates of the cost of existing agriculture programs will add $3.4 billion to the amounts assumed in the fiscal 1980 budget.

Fourth, a nearly 4 percentage point addition to the rate predicted in July has added an additional $1.5 billion to the budget estimates for programs like social security which are indexed to the rate of inflation.

These four developments, unforeseen and uncontrollable by Congress, have added a total of $19.6 billion in outlays to Federal spending for fiscal 1980. All this happened without the enactment of a single spending bill.

As a consequence, the spending limits established in the second budget resolution for fiscal 1980 were breached. Since then, under the terms of the Budget Act, no spending bill can be considered by Congress unless the ceilings are raised to make room.

Vital legislation is now held at the desk, awaiting our action on this resolution. Appropriations for defense operations and for construction of the Space Shuttle; funding required to keep the food stamp program going; essential disaster relief assistance and other important measures have all been delayed.

To address these needs, the committee recommends raising the fiscal 1980 outlay ceiling to the level of $566.4 billion. Budget authority would be raised to $653.7 billion.

These totals increase 1980 budget authority by $15.7 billion and 1980 outlays by $18.8 billion, compared to the second budget resolution. These increases are less than the increased budget costs accounted for by the four factors—interest, agriculture, defense, and inflation—which I have already mentioned.

Cuts in existing programs will have to be made to accommodate even the increased spending caused by these factors beyond congressional control. Additional cuts will have to be made to make room for any additional supplemental appropriations.

The revised budget for 1980 simply does not make any new room for supplemental requests compared to the second resolution totals. It actually requires repeal of $4.8 billion in budget authority and $2.6 billion in outlays from existing programs through reconciliation to make room for other urgent supplemental needs such as the cost increases in the food stamp and medicaid programs.

The failure to save the $3.6 billion in savings called for by last fall's resolution is not being compensated for in this resolution. The failure to make those savings—as we predicted at that time—has crowded out other priorities which now cannot be met. Even after the repeal of existing spending required by the 1980 reconciliation instructions in this resolution, more than $4.5 billion in supplemental requests will have to be denied under the totals of the revised second budget resolution.

ENFORCEMENT PROCEDURES

Mr. President, the Budget Committee has proposed two alternative sets of procedures to assure that this first-in-a-decade chance to balance the budget does not slip away. One set of alternatives is contained in the budget resolution and applies only to this year.

The other set of new enforcement procedures is contained in a committee amendment and goes further than those contained in the Resolution.

The committee has included in its recommended resolution for fiscal 1981 two temporary provisions—one providing that no revenue-reducing legislation exceeding $100 million be enrolled until after the second budget resolution, and another providing that any spending legislation that violates a committee or subcommittee allocation not be enrolled until after the second budget resolution.

Both of these provisions have the same purpose: To make sure we do not spend in excess of the resolution totals or cut taxes in a major fashion before Congress can review the budget situation in a second budget resolution this September.

What a startling and revolutionary idea. Congress should not enact a tax cut until we see if we have a surplus to finance it. Congress should not enact spending bills which eat into that surplus. We should wait 4 months—120 days—till September before we send such tax and spending bills to the President so we can have a chance to consider whether, at that time, such bills are consistent with a balanced budget.

Yet these two simple proposals—limited in their effect to fiscal year 1981—have drawn a reaction from some committees that would embarrass King John's reaction to the Magna Carta.

"Power grab by the Budget Committee" rings down the halls of the Dirksen and Russell Office Buildings. "Substantially change the nature of the congressional budget process * * * strengthen the powers of the Budget Committee and decrease the flexibility of other committees" reads a memo prepared by the staff of one committee and circulated to others.

Now just what is the extra power the Budget Committee gets if Congress does not fall on its face by defaulting on its promise to balance the budget? What reduction in the power of other committees?

Where is the power for the Budget Committee in insisting that bills that breach the budget not be sent to the President until we decide whether to tolerate the deficit they may cause?

What extra power does the Budget Committee get if other committees meet the public demand to cut spending by adopting the reconciliation savings this resolution provides, the bulk of which were actually already ratified in meetings between the congressional leadership and the President within the last 60 days?

Congress has sent only one of five major tax changes to the President before October since 1975. And that was part of the Carter emergency stimulus program in 1977. So what is the problem with making sure we have a surplus in September to make room for a tax reduction within a balanced budget this year?

THE RULES WERE CHANGED IN 1974

The only power struggle really involved here is the refusal of some to accept the reality that Congress changed the rules of the tax and spending game—by a unanimous vote in the Senate—6 years ago when it enacted the Budget Act.

Gone are the days when anyone can claim to be surprised by a deficit at the end of the year. Gone are the days when Congress might pretend that the whole cost of the budget will turn out to be less than the sum of its parts.

If there are winners and losers in the budget process, they do not include the Budget Committee. The winners are the American people who can demand Congress stick to its spending plan.

Now the Budget Committee also reported a committee amendment containing permanent changes in the Senate rules in the event the temporary changes applicable to the 1981 budget prove inadequate.

First, a point of order would lie against any bill which purports to require an agency to redirect previously appropriated funds unless that bill was reported by the Appropriations Committee.

Such bills evade the Appropriations Committee's control while creating irresistible pressures for supplemental appropriations.

Second, the Senate would adopt a procedure requiring that whenever a bill or amendment would breach the budget, the Senate could not consider it without first agreeing in a prior vote to proceed with consideration of that budget violation.

Such a provision would underscore the budget-breaking character of such legislation and discourage its offering. Such a procedure would also contribute to more serious and deliberate consideration of the consequences of considering budget-breaking bills.

Third, Congress would adopt a procedure for delaying enrollment of spending legislation which exceeds a functional total in the budget resolution or the reporting committee's spending allocation.

Such legislation would not be sent to the President until after the Second budget resolution has been approved and any required reconciliation measure has been agreed to.

Violations of functional budget limits and committee allocations should not become law until Congress has had a chance to review them in light of the second resolution. Otherwise, such violations are already a matter of law when an effort is made to reduce or eliminate them.

These are the simple suggestions—two for this year only and others for the permanent rules—which have caused such fervor in this body. The Budget Committee has no intention of forcing them or any other thing upon the Senate.

If the Senate adopts the temporary changes for this year only we can then see how they work and leave the question of permanent changes until later.

But let us dispense with the rhetoric about power grabs. Let us deal with the real issues: Are we serious about the spending plan we adopt when we pass this budget resolution?

THE CREDIT BUDGET

Finally, Mr. President, let me spend a few minutes describing a significant and important part of the budget resolution which has been recommended by the President and prominent Members of both Houses; that is, the credit budget.

In recent years, the dramatic growth of Federal credit programs exceeded the growth of many direct spending programs.

Between 1976 and 1979, direct lending by on-budget agencies increased by 31 percent, direct lending by off-budget agencies increased by 70 percent, and loan guarantees increased by 90 percent. During fiscal year 1981, the Federal Government will lend more than $61 billion, nearly half of which will not even be recorded on the budget. By the end of this year, the Federal Government will have issued loans which, if defaulted, would require Federal outlays of $298 billion.

In his fiscal 1981 budget, the President proposed a new Federal credit budget to consider loan activities more thoroughly and to account for them more effectively.

The President has taken an important initiative in this direction. It has been implemented in this resolution by inclusion of three measures:

First, the resolution contains a provision suggesting appropriate limits on new loan and primary loan guarantee commitments.

Second, it contains "Sense of the Congress" language calling upon the President and Congress to control fiscal 1981 credit activities through the appropriations process.

Third, it provides that future loan and loan guarantee legislation, like authorizations for direct spending, should be subject to prior Appropriations Committee review.

Implementation of the President's proposals through these additional recommendations will make a substantial contribution to the overall effort to control Federal spending and Federal competition in credit markets.

CONCLUSION

Six years ago, Congress adopted the Congressional Budget Act by a nearly unanimous vote in both Houses, a unanimous vote certainly in the Senate. The right, the left, and the great center of the political spectrum joined in voting for a new congressional system for dealing with the budget.

It was never possible that the budget process would live up to all of the expectations of all of these radically different points of view. In fact, the budget process has been under almost constant attack from the beginning.

Voices on the right have insisted that the march toward a balanced budget has not been fast enough.

Voices on the left have been critical of the ever-tighter discipline which the process has imposed on the course of Federal spending.

But the broad center, and the voice of the public has made the essential impression. The budget process has become an effective force for rational, measured, purposeful fiscal discipline.

And now we present a recommendation for a balanced Federal budget, for a strengthened national defense, for an effective fiscal response to the present economic emergency, for a substantial tax reduction, and for structural innovations which will further improve upon the process itself.

This is a budget which is deserving of the Senate's support. It has my full and complete support. I will not vote for any amendments. I take that position for three reasons and I hope that Senators will consider them carefully.

First, I do not believe that this is a perfect resolution. If any Senator does believe that, I do not know his name. But this is a delicately constructed compromise. Any workable budget is a compromise budget. And I believe that this budget resolution is the best compromise we can produce.

Second, many Senators will share my belief that we would better serve the people by agreeing to a resolution with lower spending totals.

But to open this resolution to the process of amendment may well lead to massive, unwarranted increases. We simply cannot afford to allow that.

Third, some will argue that we should narrow the present gap between the House and Senate spending levels for domestic programs. But in the process of compromise with the House, it is no secret that the Senate levels could end up being increased.

That will happen at the conference table. If we raise the levels on the floor of the Senate, we will go to that conference with a higher Senate base. The inevitable result will be a still higher conference report.

Some Senators may urge us in this debate to add a lot more spending or a tax reduction now in anticipation of a worse recession than this budget resolution contemplates. This budget resolution assumes a recession in which unemployment will reach 7.3 percent by the end of this year and 7.6 percent by the end of 1981. Those are serious unemployment levels. This resolution contains the amounts necessary for unemployment compensation and the other so-called "automatic stabilizers" which help reduce the impact of recession on workers and their families.

In the case of the auto industry particularly, where unemployment results as much from imports as from the economy—and which is of such great concern to the distinguished Presiding Officer—this resolution contains trade adjustment assistance in 1980 and 1981. Much of it will go to auto workers who lose work on account of foreign car sales.

And I think it is interesting that the chairman of General Motors, on the "Issues and Answers" program yesterday, recommended a fiscal policy very much like the one in this budget as the best remedy for our national economic problems. He said we should balance the budget first and then can consider tax reduction later. And he said he expects a shortage of domestic cars this summer because he sees demand rising for American-made cars by then.

This budget resolution already anticipates a significant recession and provides the money necessary to help reduce recession hardships on American workers. We will not help American families by adding more Federal spending to this budget now to anticipate a deeper or longer recession than may actually happen. If the recession becomes significantly worse than is forecast and Congress needs to act beyond this budget to deal with it, the right time to act is when we write the second budget resolution, which will be only 120 days from now.

We cannot have a new budget policy every month based on the latest statistics. There was a call for a tax cut last summer, for example, in anticipation of a recession forecast for last fall. If we had taken that advice—the Joint Economic Committee called for it, and several very influential Senators were calling for that tax cut in anticipation of that recession last fall—if we had taken that advice, we would have a deficit of over $50 billion now and a higher rate of inflation because, as we all know, there was no recession last fall

Nobody wants a recession. Everybody wants to help reduce the problems a recession causes. A deeper recession than this budget provides for may occur, but we do not know that now. What we do know is that inflation is at 18 percent levels. Unless we try to balance the budget, we will default on our obligation to fight today's public enemy No. 1, which is inflation. The best weapon we have in the fight against inflation is a balanced budget like the one we have in this resolution.

If a much deeper recession occurs than the economists now foresee, and revenues go down and unemployment costs go up because of it, we may lose the balance in this budget no matter how much we try to cut Government expense this year. But we should not throw away the chance for a balanced budget now out of fear of a deeper recession which may not happen at all.

Mr. President, the recommended budget resolution is the product of the Budget Committee's long and difficult markup. In the coming days, the Senate will engage in a thorough debate on the merits of that product. Then we must go to that conference with the House. Finally, we must return to the Senate for approval of the conference report.

We have a long way to go. In any event, I can assure the Senate of one centrally important fact. There will be no possibility of a balanced budget and tax reduction unless the recommended enforcement measures are adopted and respected.

I know that the Senate will take its responsibilities very seriously. I can assure the Senate that I take my own new responsibilities very seriously indeed. Certainly the members of the Budget Committee did. We met from early morning until late evening for many days, really over several weeks of hearings on many of the subjects covered.

I can assure the Senate that I take my own new responsibilities very seriously indeed. To the best of my ability I will help to produce a final product which is worthy of all our best efforts.

I once again thank our distinguished colleagues on the Senate Budget Committee, our staffs, most of all our chairman, soon to be the Secretary of State, and the ranking member, Senator BELLMON, on the opposite side of the aisle. He has given us the best support of all.

I am sorry I took this long, but it was advised that we do cover all of these particular subjects at this time so that we would have one overall presentation of it.

Mr. President, I ask unanimous consent, on behalf of the Senator from Ohio (Mr. METZENBAUM) for Claudia Pharis to have the privilege of the floor, and similarly for the distinguished Senator from Michigan (Mr. RIEGLE), for Donald Campbell to have the privileges of the floor.

The PRESIDING OFFICER (Mr. LEVIN). Without objection, it is so ordered.

Mr. BELLMON. Mr. President, I would like to begin by commending Senator HOLLINGS for this strong, comprehensive statement he has just delivered in support of the budget resolution. I regret that more Members of the Senate were not present to hear this statement by our new chairman. I am hopeful that other Members will read what has been said because I believe if they will do so they will have a much better understanding of what this resolution is attempting to accomplish. It is clear that the Senate can expect strong, effective leadership from our new chairman. I say again I look forward to working with him.

Mr. President, the budget resolution we have before us proposes a responsible spending plan for the Nation. I urge its adoption. Here are a few of the strengths of this budget. Some of this will be simply backing up what Senator HOLLINGS has already said.

This resolution provides for a balanced budget in fiscal year 1981—the first balanced budget in over a decade, the third in the last 25 years, and only the ninth since the beginning of the Great Depression. I should hasten to add, however, that balance is achieved only with the $18 billion revenues anticipated from the domestic crude oil excise tax.

It responds to the urgent need for strengthening our national defense capabilities by providing for total growth of 16.2 percent in current dollars and real growth of nearly 6 percent over the estimated fiscal year 1980 levels.

Mr. President, that is certainly a significant change of direction for this Nation's defense efforts.

This budget proposes substantial belt tightening for domestic programs. It provides for no major "new starts" and it holds outlays for domestic programs $13 billion below the so-called current law levels—in other words, what the programs would cost if they were continued without change in the law but after having made allowances for mandatory inflation adjustments and caseload charges.

The budget provides for a $10 billion reserve for tax cuts. This reserve represents roughly the revenues generated by President Carter's import fee on foreign crude oil.

The budget puts reins on Federal credit and off-budget activity for the first time.

This budget, if approved and followed, will be a healthy, conclusive signal to the public, to the credit markets—and indeed to the world—of our Nation's commitment to responsible fiscal policy, and this should do much to help us in our fight against inflation.

This resolution will take some of the inflation fighting burden off the Federal Reserve Board and the monetary system.

By reducing Federal borrowing, this budget will hasten the day when interest rates can be reduced to more acceptable levels.

This budget builds on the experience of last year with the reconciliation process. This time the resolution directs 10 committees to report savings legislation cutting budget authority by $13 billion and outlays by $12.2 billion in fiscal year 1980 and 1981. This savings will total over $85 billion for the next 5 years.

Mr. President, I would like to repeat that. If we accept these savings for fiscal year 1980 and 1981—they amount to $13 billion in BA and $12.2 billion in outlays in those years—but looking ahead over the next 5 years, these savings will amount to $85 billion. And it is important that we get started on this path if we are going to have a sound fiscal policy for future years.

The resolution directs that reconciliation legislation be reported by June 9 so that Congress will have the opportunity to enact it before beginning work on the second budget resolution for fiscal year 1981.

Sections 17 and 18 of the resolution contain proposed changes in Senate procedures to add some much-needed tools for enforcing congressional decisions on the first budget resolution for fiscal year 1981.

Specifically, section 17 provides that any legislation which reduces revenues by more than $100 million in fiscal year 1981 shall not be enrolled until after Congress approves the second budget resolution for fiscal year 1981. Similarly, section 18 provides that any bill providing for fiscal year 1981 spending which exceeds a committee or subcommittee allocation under the first budget resolution shall not be enrolled until after the second budget resolution has been approved and final action has been taken on any reconciliation actions provided for in the second resolution.

Sections 17 and 18 are essential if we are to actually provide a balanced budget for fiscal year 1981. Without these procedures, the targets set in the first budget resolution are only guides which Congress can disregard as it deals with individual bills. Sections 17 and 18 will cause any revenue or spending bills which are inconsistent with the first budget resolution to be held short of enrollment until after Congress completes action on the second budget resolution this fall. These procedures will thus give Congress a "second look" at bills which violate the targets in the first budget resolution.

I am pleased, Mr. President, that members and staff of the Appropriations Committee have worked with the Budget Committee in evaluating the proposed new enforcement procedures as well as the reconciliation provisions and identifying possible ways to refine and improve the provisions of Senate Concurrent Resolution 86. I understand that the Appropriations Committee now supports the reconciliation and enforcement provisions included in this resolution.

Mr. President, to borrow from Abraham Lincoln, and with some apologies, no budget resolution will please everybody, and everyone will be displeased by some things in every budget resolution. I would like to mention some of the things about this resolution that I do not like personally.

First of all, it is tragic that we must add $18 billion in outlays to the second budget resolution for fiscal year 1980. Most of us, I am sure, Mr. President, would much prefer not to do that. Part of the reason this is necessary lies in the failure of Congress to achieve legislative and appropriations savings agreed to and assumed in last year's budget. Some of the added spending results from factors beyond the ability of Congress to control, and I would like to cite some of those:

Interest costs are up $7.4 billion compared to what was estimated last fall. Let me repeat: Interest costs are up $7.4 billion over what we thought they would be just a few months ago. Defense is up $4.1 billion, largely due to added fuel costs; the cost of agricultural programs is up nearly $3.5 billion due to the administration's decision, which I personally oppose, to purchase grain for a nonexistent, nonlegislated and therefore, in my judgment, illegal Government-owned food reserve. This is an ineffective effort to offset the price declines caused by the Russian grain embargo ordered by President Carter last year.

Outlays in the housing area are up by $2.7 billion because Federal agencies are understandably not reselling mortages in the present credit market; health costs are up by $2 billion due to continued inflation in that sector and food stamps are up $2.5 billion due to food cost increases and enlarged participation. There are other smaller increases and there are some decreases as well.

Congress needs to move faster toward reduction of the Federal share of the total economy. Federal spending in relation to GNP will be 21.8 percent in fiscal year 1981. This is a drop of five-tenths of a percentage point from the level in fiscal year 1980, but is still far above the 21 percent goal set in the 1978 tax bill. I believe Congress can, and must, get Federal spending back to below 20 percent of GNP where it was in the 1950's and early 1960's—periods which Members will remember were particularly good so far as the prosperity of this country is concerned.

The Budget Committee did not tackle some tough problems which must eventually be faced. One of the biggest of these is the matter of automatic overindexing of program benefits. I want to call attention to the information on this issue starting on page 41 of the committee's report. The startling fact, Mr. President, is that automatic cost-of-living adjustments tied to the Consumer Price Index (CPI) will cost the Federal Government over $22 billion in fiscal year 1981. The Budget Committee has recommended only $18.5 billion growth in domestic programs other than interest. This means other domestic programs are being cut to pay for increases in benefits tied to the Consumer Price Index, and much of this is overindexing. There is wide agreement among experts that the CPI presently overstates the inflation most consumers experience. For each percentage point of overindexing, the Federal Government spends an extra $1.5 billion the first year, and this unnecessary spending pyramids in future years. Congress must find a way to protect retired and disabled people against inflation without giving them windfalls at other citizens' expense.

There has been much discussion about the cuts the committee has assumed in social programs. Spending levels in social programs, as in all budget programs, must be put in perspective.

A table, which I would like to have printed in the RECORD, Mr. President, shows the dramatic growth in social programs that has occurred in the last 25 years. This growth has been especially pronounced since 1965, primarily in the health and income security areas—an increase of almost nine times just since 1965.

Mr. President, I ask unanimous consent that a table showing growth in social programs be printed in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

GROWTH IN SOCIAL PROGRAMS, 1955–80

[In billions of dollars]

Function	1955	1960	1965	1970	1975	1980
500: Education, training and social services	0.4	1.0	2.1	8.6	15.9	29.9
550: Health	.3	.8	1.8	13.1	27.6	56.5
600: Income security	9.1	18.3	25.7	43.1	108.6	190.0
700: Veterans benefits and services	4.7	5.4	5.7	8.7	16.6	20.5
Total	14.5	25.5	35.3	73.5	168.7	296.9

Mr. BELLMON. Mr. President, just to point out some of the areas where growth has occurred most rapidly, in function 500, education, training, and social services, that program has gone from $400 million in 1955 to $29.9 billion in 1980.

In health, we have gone from $300 million to $56.5 billion in the period from 1955 to 1980.

In income security, in 1955, we were spending $9.1 billion and in 1980 we are spending $190 billion.

In function 700, veterans' benefits, in 1955 we were spending $4.7 billion and in 1980, $20.5 billion.

These figures give somewhat different indications than the chart which Senator HOLLINGS has in the back of the room. That chart, I believe, covers only 2 fiscal years. But I think if we take a longer look, we find in these social programs there have been some dramatic increases and it is time some of those increases were slowed down.

With regard to food stamps, we must remember that the fiscal year 1980 portion of this resolution provides a sizable addition to the program—$2.5 billion or 40 percent over current program levels. Even with the proposed economies in food stamps in fiscal year 1981, the program will still be $2.4 billion above current levels. The restrictions for this program assumed in this resolution are reasonable, given the 70 percent average annual real growth in food stamp costs since 1970.

Mr. President, that is a remarkable figure. It shows that food stamps have grown 70 percent average annual real growth since 1970. We have to take into account that in 1970 much of our nutrition support for low-income persons was still in the form of commodities. Even so, this is a remarkable rate of growth. That figure, by the way, is an annual figure, not for the whole period.

The restrictions on growth of costs in this resolution are much needed to try to restrain and eliminate waste in these programs. Yet, they are not punitive in any way. They are reasonable, logical, and rational and will not cause undue hardships to those served by the programs. These restraints are the first step in harnessing exploding costs.

Mr. President, we are now presented with our 13th resolution on the budget since the beginning of the budget process. We have had 12 previous opportunities to use the process to aid in setting fiscal objectives. We have not always been favored with the passion for fiscal responsibility which now seems to exist, both in this body and across the country. The budget cuts proposed in this resolution require not only present commitment by the Senate as a whole but also hard work and tough decisions by the authorizing and appropriating committees. Renewed effort in subsequent budget resolutions to keep the lid on Federal spending will also be required to help bring inflation under control. Only in this way can a climate for a healthy, growing economy be created.

Mr. President, I wish to emphasize again the large percentage of GNP which this budget anticipates spending, 21.8 percent, the highest percentage in peacetime history. Tax receipts for 1980 are anticipated to be $528 billion, an increase of $11.1 billion over the amount assumed in our second concurrent resolution. About 46 percent of total receipts are collected through the individual income tax—on average about $4,000 for each of the 66 million taxpayers in the United States. Revenues in 1981 are anticipated to be $612.9 billion, with an additional $10 billion set aside for tax reduction should we achieve the balanced budget as I have already stressed.

Indeed the effective tax rate will increase in 1981, due to the effects of inflation on nominal earnings and progressive tax brackets, unless a tax cut is enacted. The budget proposed for 1981, and the reconciliation instructions accompanying the 1980 and 1981 budget, move far toward the goal of reduced tax burden.

However, as I said before, I reluctantly support a revised second budget resolution for fiscal year 1980. The alternatives—an additional $15.7 billion in budget authority, $18.8 billion in outlays and additional deficit of $7.7 billion—have been necessitated by changed economic circumstances, exploding interest costs, national security needs and the failure of Congress and the executive branch to effect savings agreed to in the fiscal year 1980 second concurrent budget resolution. Needless to say, some of the necessary supplementals and additional spending in fiscal year 1980 could have been accommodated within the second budget resolution total if greater prudence had been exercised in prior spending and the economy had not performed as it did. The additional spending and financing will certainly not help our Nation's economic predicament.

One aspect of the budget resolution for both fiscal year 1980 and 1981 which I fully support is the reconciliation instruction. Reconciliation actions required by the resolution will reduce 1980 budget authority by $4.8 billion and outlays by $2.6 billion from amounts already appropriated or from assumed supplementals. For 1981, the committee is recommending to the Senate that it implement legislative savings totaling $8.2 billion in budget authority and $9.6 billion in outlays. Total savings over 5 years of these actions would exceed $85 billion.

Each committee which receives a reconciliation instruction is, of course, free to achieve those savings in any manner open to it. It will not be easy. But we all recognize that the economy and our Nation's very well-being demand these reductions. The cuts are fair, they cut across most program areas, and they must be achieved.

The Budget Committee has neither the desire nor the mandate to suggest to the Senate any program level other than broad spending priorities. Yet our efforts at stemming the growth of Federal spending are constantly confronted by the illusion of so-called uncontrollable expenditures—about 77 percent of the 1981 budget (an increase of 10 percentage points in the last 10 years), however, not one single program in the budget is really uncontrollable. All can be harnessed and directed with the foresight and oversight of the relevant authorizing and appropriating committees.

Mr. President, this Nation will have accumulated about $930 billion of public debt by the end of fiscal year 1981, and will pay about $84.4 billion in interest on that debt in fiscal year 1981.

Let me read that figure again for emphasis. This Nation will have accumulated about $930 billion of public debt by the end of fiscal year 1981, and will pay about $84.4 billion in interest on that debt in fiscal year 1981.

This burgeoning Treasury debt competes with private financing needs, reduces productivity by reducing borrowing for new plant and equipment, and increases interest rates.

In order to keep interest rates from rising even higher than they have, the Federal Reserve has historically purchased over 40 percent of Federal debt by printing new money, increasing the Nation's money supply and, thus, adding to inflationary pressures. The result is a long-term inflationary bias in our economy due to deficit spending.

The seriousness and apparent durability of high inflation rates and high and rising interest rates leaves me with the unsettling notion that, if economic policy in the United States does not soon come to grips with the inflation problem, many of the economic institutions to which we have become accustomed may have to be replaced. Economic institutions, particularly financial institutions, cannot long endure the real loss of capital that occurs when inflation accelerates from 6 percent to 14 percent in less than 2 years and interest rates rise 3 percentage points in 1 month. Savings will not continue when inflation exceeds the rate of interest earned on savings.

No American is going to save very long if those savings are worth less at the end of the year than they were at the beginning, and this is the case now, particularly when the effect of taxation is taken into account.

Since the beginning of the year, the

prime rate rose almost 5 full percentage points, other short-term interest rates have risen 1 to 2 percentage points, and long-term bank rates are 2½ to 3 percentage points higher though very recent trends indicate some easing. As a result of these interest rates increases, the bond market lost one-third of its capital value and the value of common stocks fell nearly 20 percent. This decline in capital value is in direct response to a sharp acceleration in inflation as well as indications from the President's January budget that Federal spending and borrowing would continue to rise and that the Federal Reserve would carry the burden of inflation restraint. The confidence of citizens whose savings have been destroyed will only be restored by wise and prolonged sound fiscal policy.

U.S. financial markets, at present, are the largest, best capitalized in the world. They provide financing for borrowers of different countries, and for domestic enterprises of many types, sizes, and credit worthiness. However, the efficiency of these markets is predicated on economic stability, reasonable inflation rates, and interest rates that fluctuate within a relatively narrow range.

The inflation problem we face is not the 18.1 percent annual rise in the CPI for the first quarter of 1980 that is so frequently cited. The real inflation problem is the steady rise in wages and commodity prices, continued over consumption and under investment, and the steady decline in productivity, which has raised the underlying rate of inflation—inflation adjusted for cyclical changes in commodity prices—from near zero in 1965 to about 10 percent today.

A balanced unified budget in 1981 is only a first step in alleviating the long-term inflationary bias in the U.S. economy. It will require many years of balanced budgets to restore economic stability. Even 1 year's balance will not be achieved without Congress carefully evaluating priorities and exercising restraint each step of the way. The work of the Senate in controlling the budget only begins with the consideration of the pending resolution. This budget calls for real sacrifice by everyone and is intended to promote real debate on national priorities. For fiscal year 1981, it cuts at least $8 billion below the President's revised budget, adjusted for more realistic economic and programmatic assumptions. It is $2.5 billion below the current law level (adjusted for fiscal year 1980 decisions), even though it proposes defense outlays of $10.6 billion above current law. I caution my colleagues about simplistic cuts to produce a balanced budget which involve increased credit or off-budget activity.

The resolution includes a current budget designed to gain congressional control over direct loans, which grew by 35 percent between 1976 and 1979, loan guarantees, which grew by 90 percent over the same period and off-budget outlays, which will experience an $18.8 billion deficit in fiscal year 1981. All in all, the 1981 budget holds growth of all outlays to 7.7 percent above the 1980 level compared to an average of nearly 12 percent growth in the previous 5 years. The 7.7 percent growth is well below anticipated growth in GNP of 10.6 percent for fiscal year 1981.

Mr. President, for emphasis, I should like to read that statement again: The 1981 budget holds growth of all outlays to 7.7 percent above the 1980 level compared to an average of nearly 12 percent in the previous 5 years. The 7.7 percent growth is well below anticipiated growth in GNP of 10.6 percent for fiscal year 1981.

Looked at another way, this budget will result in a decline of 2 percent in constant dollar Federal spending in fiscal year 1981. This compares with average annual increases of 4 percent in constant dollar terms during the previous 5 years.

Mr. President, this is the first time that we have had a budget that is actually smaller in real dollars than the budget of the previous year. So we are, in effect, cutting back on the size of the Federal Government.

Significant savings are assumed throughout the budget. Many new initiatives will have to wait, be redesigned or, better still, be accommodated by cutting lower priority spending. Savings are anticipated in 1981 on a number of programs including school lunch subsidies, cost-of-living adjustments for Federal civilian and military retirees, airport and highway aid, and general revenue sharing. Reforms are anticipated in food stamps, unemployment insurance, medicaid, welfare, the postal service, disaster and student loans, and in other Federal programs.

All of the programs which would be cut by this budget have worthwhile objectives. As Senator HOLLINGS stated a little while ago, each of the programs has vocal, influential supporters. We need not decide now whether all the specific cuts assumed by the Budget Committee are the precise ones that shall be made. Those decisions will be faced later, as Congress deals with the many legislative and appropriations bills. What we must decide now is whether the overall level of spending and the priority choices recommended in this budget are the right ones for the country. I sincerely believe they are.

Mr. President, we all know that a 1-year dose of fiscal responsibility will cause some temporary pain but will not totally cure the sickness.

I think no one should be under any illusions about that. This budget alone will not solve the whole problem. We must now embark on a path of constant and consistent attention to restraint and efficiency in Government so that this Nation's economy and productivity will return to the prosperity and stability experienced for so many years.

I am reminded that, prior to the Civil War, it was the responsibility of each Federal legislator, when proposing spending legislation, to simultaneously submit a revenue measure to cover the cost of his initiative. I hate to think of the political ramifications that such a requirement would portend in this legislative body today, Mr. President. But as the 1980 and 1981 fiscal years proceed, the question we must ask ourselves is how to pay for spending proposals while preserving a balanced budget. The budget resolution reported by the Budget Committee is a significant step forward in that it places spending priorities side by side with their tax costs. I feel that the committee has made significant progress in suggesting practical savings and I urge passage of the resolution as reported.

Mr. President, I yield now to the distinguished Senator from New Mexico who is such a valuable member of the committee.

Mr. DOMENICI. Mr. President, I yield myself 10 minutes and I ask unanimous consent that Carmine Avantini and Peter Wellish be added to the list of those granted the privilege of the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOMENICI. Mr. President, I support the first budget resolution for fiscal year 1981 as reported by the Senate Committee on the Budget, on which I serve.

The resolution stands as the first step toward reversing spending trends of the 1970's and recommends a balanced budget for the Federal Government in 1981. Such a balanced budget, if it is achieved, would be the first balanced buget for the Federal Government in more than 10 years. I stress that the balanced budget recommendation will be reached only if the authorization and appropriations committees of the Congress are willing to make hard choices on many spending bills that will come before them the rest of the year. Without that cooperation, without those hard decisions, we shall not have a balanced budget, regardless of any action taken by the Senate Committee on the Budget. I shall discuss this in greater detail later on.

Along with its recommendation that the Nation achieve a balanced budget in 1981, the resolution we have reported has some other rather historic recommendations. Of foremost importance, it provides for real growth in spending for national defense of more than 5 percent. Events of a week ago and those for 4 or 5 months preceding thereto demonstrate vividly how critical increased spending in this area of Government is.

This budget would hold outlays for domestic programs about $13 billion below current law, reversing the spending trends of 1970 through 1979, and keeps overall 1981 spending to a 7.7-percent increase over the revised 1980 budget. Our recommendation allows for no new domestic program starts in fiscal 1981. Our recommendation directs 10 other committees in the Senate to report legislation cutting budget authority by $13 billion and outlays by $12.2 billion in fiscal years 1980 and 1981 combined and to report these savings in bills by June 9 of this year.

In order to give Congress more tools with which to enforce fiscal discipline, we have made a series of recommendations to strengthen the Congressional Budget and Impoundment Act of 1974.

I say to those who will be on the floor in the next 2 days, talking about the fact that this budget on the one hand should be cut more, I hope for those who think it should be cut more that they will look at the reconciliation section of this resolution and ask if we can realistically expect more than the $13 billion in budget authority that must be reconciled. That means changes in the law or that amount of budget authority will not be cut. The $12.2 billion in outlays for 1980 and 1981 must be reconciled, meaning changes in the law must occur, for us to even reach the $612.9 billion in outlays provided in this budget.

This budget, if approved and enforced by the Congress, will be a clear signal to the American people and the rest of the world that we intend to get our economic house in order during the next 5 years. By balancing the budget, we will ease interest rates and inflation. By cutting spending programs, we will begin to bring our fiscal policy in line with monetary policy and, ultimately, to provide substantial room for tax reform, which will, over the next few years, cut the overall effective rate of taxation on the American people and American business.

As important, if our recommendations are accepted, we will have shown the world that we recognize present weaknesses in our defense structure and are committed to eliminating those weaknesses. Above all other considerations stands this one: that America has ignored her national security for too long and has little time left in which to remedy manifest deficiencies. I should point out that during the decade of the seventies, while spending at the Federal level increased by an average of about 9 percent a year, spending for national defense—in real terms—declined an average of 2.5 percent a year. Our priorities have been misplaced for too long and this resolution begins the process of correcting that imbalance.

We can argue for months the merits of the macro-economic assumptions of this resolution. I believe, in light of the uncertainties of the future, our assumptions are prudent and balanced. But, we must all agree that it contains spending recommendations for national defense that are essential for our security. And, in the final analysis, all of our fine arguments about macroeconomics and econometric models and theoretical improvements to the resolution remain much less critical to the Nation's future than the simple issue of spending enough to insure our country's military strength. The recommendations of the resolution recognize that fact of life.

I should add that the resolution we have reported has other attractive features, in addition to the major elements that I have already discussed It provides for a form of restraint in Federal credit and offbudget activity for the first time It allows room for a tax cut of up to $10 billion, if a balance between spending and revenues actually occurs at the spending target of $612.9 billion. This tax cut can be given to the American people only if Congress shows the will to cut back on new spending. This, as one of our committee members put it, is a "good behavior tax cut" We need a tax cut, not just this year but for the next few years. The resolution allows room for such a cut, if Congress will cooperate, and if the various authorizing and appropriating committees understand they, too, are part of this process as described in the resolution by way of reconciliation and other teeth built into it.

In specific terms, then, those are the many strengths of this resolution. Let me for a moment address in more general terms the entire philosophy behind this resolution, as I perceive it.

It has been claimed dramatically and with wide-spread media coverage, that this is a flawed budget. It has been charged, by a vocal minority, that this budget will leave the poor in the streets, unhoused, unfed, and uncared for. It has been, in short, the contentions of some that this budget is immoral and unwise. These charges are not only false, but they do a grave disservice to the process through which this unprecedented budget has been devised.

What has been unwise, has been the behavior of the Federal Government in the past.

I contend that it is unwise and wrong, to make promises to the working men and women of this country that you do not keep. We have promised a balanced budget, and restraint on Federal spending, and this resolution keeps that promise.

I contend that it is unwise to so hamstring your military forces that they cannot spend enough on operations and maintenance to keep their equipment in fighting conditions; that some of them must get food stamps to feed their families; and, that the Nation's basic security is threatened.

I contend that it is unwise to follow a policy that allows inflation to soar to almost 20 percent, and that erodes the purchasing power of every American, especially the elderly and the poor who suffer most under inflation.

It is unwise and immoral, to allow taxes and the cost of living to eat away by an annual rate of almost 10 percent the real take-home pay of working Americans.

And, it is unwise, and inaccurate, to assert that this budget resolution ignores the plight of the poor, the unemployed, and the disadvantaged. As a matter of fact, spending for almost every social program in the Government increases under this budget. We were not cowed as we began to attack the problems of overlapping programs, of eligibility reforms that have been ignored for too long, and of real savings that could be realized in Federal programs without hurting any truly needy person.

In short, it would have been unwise to have recommended otherwise than what the committee has recommended for fiscal year 1981.

This budget recommendation has shortcomings, of course. The 1980 spending revisions are disappointingly high. But, it is critical to remember that events well beyond the control of the Senate Budget Committee compelled much of this increased spending. Legislative savings assumed in last year's second concurrent budget resolution were not passed nor even reported by the committees of Congress. Inflation, driven by a whole host of forces, soared well beyond the rate assumed when we presented the second concurrent budget resolution for fiscal year 1980 to the Senate last fall. Interest rates reached 20 percent, adding $7.4 billion in unanticipated interest costs to the fiscal year 1980 budget.

Nevertheless, the committee recommendations include yet another attempt to impose the discipline of the reconciliation process on the 1980 budget. We have asked for reconciliation in the amount of $2.6 billion. We have no intentions of turning our back on savings necessary in the 1980 budget if we are to achieve a balanced budget in 1981.

Earlier, I noted that the failure of the authorizing committees to report legislation that would reform existing programs in order to bring about savings we have assumed in our budget recommendations remains a serious problem. Let me expand on that by saying simply that if the authorizing committees do not make changes in existing programs soon, then the Federal budget will simply be out of control.

In our resolution we have asked that overlapping benefits in food stamps be ended; that dead-end public service employment jobs be terminated and more emphasis be put on training our citizens for jobs with a future; that overall efficiencies be achieved throughout all of the Federal system, including substantial savings in the legislative and executive branches of Government; that those who are not truly needy join to some extent to help on the battle against inflation; and that we achieve reforms everywhere we can in Government. To do all of this will take changes in legislation or, at minimum, a resistance to legislation overturning our recommendations. We are fully aware that the Senate can reject our recommendations at any time it chooses. We have no more power than what the Senate will allow us in this fight for fiscal prudence. If the authorizing committees continue "business as usual," then we shall not have a balanced budget in 1981. It is that simple.

In the longer term, the situation is even more bleak unless the authorizing committees move to change existing laws. We cannot expect to be able to sustain our military budget, to make the improvements in research and development and education programs that the future will demand, and still allow $260 billion of this budget to be driven by inflation alone, without congressional intervention. The question of indexed programs—programs that increase as the Consumer Price Index increases, without need for congressional approval of such increases—remains one of the most serious budgetary questions facing us. The committee considered changes in the index used to measure the size of automatic increase; the committee considered taking only a percentage of the CPI for the year 1981. At the present time, we have decided not to make a specific recommendation either on the index or on the advisability of dropping indexing altogether in favor of annual appropriations. As the percentage of the Federal budget involving indexed and entitlement programs increases, however, we will find that we have allowed the budget to move under our control. And, at some point, all this Nation will be able to afford to do is transfer funds from taxpayer to tax recipient, maintain a standing military, and allow other functions of the Government to be crushed between these two imperatives.

I believe that the American people will support reforms in present programs, including changing income limits and other eligibility requirements, and will support a new look at indexing of programs. I, for one, do not want to be in this Senate when the day comes that we have no room for Federal partnerships with our people in education, research and basic science, agriculture innovation, transportation, economic development, environmental management, and the many other legitimate functions of Government that have led to such a high quality of life in the country. Yet, we run that very risk unless we change the nature of indexed and entitlement programs.

In stark terms, Mr. President, here is the situation in the 1981 budget. Automatic cost-of-living adjustments tied to the CPI will reach $22 billion for the Federal Government. We have recommended in our budget for 1981 only $18.5 billion growth in domestic programs, other than required interest payments. We are asking other programs to take cuts to pay for indexing. When one considers other entitlement programs that are not indexed but in which increased participation has caused costs to soar beyond our assumptions, one can see that even deeper cuts are being made in the bone and muscle of certain critical Federal programs because we have not summoned up the courage to review and revise the indexed and entitlement programs. And, just as a footnote, within 4 years, spending within our function called Income Security will be as large as the entire Federal budget just 4 years ago. That is the effect of compounding in indexed social programs, All of which are transfer payments. When that happens, many other programs will simply cease to exist as their funds go to meet the legal demands of the indexed programs.

To help in this critical need to enforce fiscal restraint, and to begin to focus Congress attention on flaws within present programs, the Senate Budget Committee has recommended a series of new enforcement procedures. Some of these procedures are within the resolution. They would limit direct loan or new loan guarantee legislation unless that legislation contains a provision that the authority for such loans or loan guarantees be contained in appropriation acts; that we protect our balanced budget for 1981 by not allowing tax cut legislation to be actually sent to the President, until both reconciliation instructions have been complied with and the second concurrent budget resolution for fiscal year 1981 be passed; and, finally, that no 1981 legislation providing new budget authority or new spending in excess of the allocation to a committee or subcommittee be enrolled until we have completed action on the second concurrent budget resolution and reconciliation has occurred.

These three sections of our resolution—sections 16, 17, and 18, respectively—seem necessary and wise to me. They are among a series of reforms that I have suggested in the past and follow some of the recommendations that my bill, S. 2471, would institute. I believe that they will help us keep our budget balanced in 1981, will enable us to control more effectively the flow of funds and legislation dealing with funding, and will aid in watching loan and loan guarantee measures. I believe that the Senate ought to adopt these new tools that will make the Senate's fiscal discipline more effective.

In addition to those three parts of the resolution itself, we have recommended three amendments to the Congressional Budget and Impoundment Control Act of 1974. These three amendments again follow along lines of similar amendments to the act that I have proposed in S. 2471. My only objection to these amendments, frankly, is that they may not go far enough. However, it seems reasonable to try these amendments to see if they work; if they fail, then we may have to move toward adopting the more stringent measures that I have proposed in S. 2471. The three amendments the committee is recommending to the Senate are as follows:

First, requiring a special procedural vote so that the full Senate can decide whether it wants to proceed to vote on legislation that would violate a functional total under a budget resolution or that would violate a committee's allocation under a budget resolution;

Second, prohibiting consideration of any bill that would require an agency to redirect previously appropriated funds unless that bill was reported by the Appropriations Committee; and

Third, delaying the actual enrollment of spending legislation until Congress has completed action on the second concurrent budget resolution for the fiscal year in question and, in addition, until Congress has completed all reconciliation acts, if any are needed, because legislation in question would cause a breach of either functional totals or committee totals under the second concurrent budget resolution.

Mr. President, these amendments, along with the three changes that are part of the resolution itself, will do two important things: First, they will put some teeth in the Budget Act; second, they will give real credibility to our promise to the American people to balance the 1981 budget. I believe that the Senate will find these new tools important, perhaps critical, in the months ahead as it makes the hard choices that will be needed to keep the 1981 budget in balance. Without these new teeth, and without that credibility, we may well find ourselves back in the position of not keeping the balanced budget promise we have made to Americans.

The new enforcement procedures cannot be separated from the question of the reconciliation instructions contained within this resolution. We have seen that reconciliation can be ignored. We have seen that reconciliation late in the year, as the Budget Act originally set forth, becomes quite difficult. Thus, we have decided to give the Senate more time to make the reconciliation process work. In light of the large reconciliation instructions for 1981, and the smaller but no less difficult 1980 reconciliation instructions, it seems important to move earlier in the year and to give the Senate the tools to make sure that we actually do act. I strongly endorse our reconciliation instructions, and the new enforcement procedures, and I strongly urge my colleagues to pass the resolution and the proposed enforcement amendments, which would become sections 20, 21, and 22.

I would close today, Mr. President, by noting that the level of taxation in this resolution is higher than the level I would have chosen as perfect. Tax receipts for 1980 are now estimated at $528 billion, more than $11 billion over the level for 1980 assumed last fall. In 1981, revenues will reach $612.9 billion, almost $100 billion higher than the 1980 assumptions contained in the second concurrent budget resolution for 1980 that we passed last fall. This tax burden is simply too high; it extracts a terrible toll from the economy as we try to meet both the needs for new domestic jobs and the fundamental challenge of overseas industrial competition. The committee's recommendations set out a 5-year path that will lead to a series of tax cuts of more than $150 billion through 1985. But, to accomplish this, we must keep Federal spending under restraint. This is the basic political and policy challenge facing the Congress. Only this plan of reduced taxes and reduced Federal outlays growth will restore vitality to the economy. Our 1-year balanced budget, as desirable as it is, will not solve our economic woes.

In summary, Mr. President, I support this first concurrent budget resolution because it increases spending for national defense, cuts the rate of growth in overall Federal spending to 7.7 percent and results in a decline of 2 percent in constant dollar Federal spending in fiscal year 1981, and achieves a balanced budget. That, frankly, is an extraordinary feat and one that few predicted when we began this process. I wish to mention the hard work of our chairman, Senator MUSKIE, and our ranking minority Member, Senator BELLMON. This resolution is truly bipartisan in nature and the lion's share of the credit for this document must go to the leadership on the committee. I also wish to commend the work of our new chairman, Mr. HOLLINGS. Mr. HOLLINGS has fought hard during debate on this resolution and contributed a great deal to this process. I have faith he will continue the strong leadership that we need for the success of the Budget Committee.

Mr. President, I say to the new chairman of the Budget Committee and to the ranking Republican member that I think the next week to 10 days are going to be historic days in the Senate.

not only because of the assumptions and recommendations and outlays and budget authority, but also, I think we are going to give Senators an opportunity, because of the enforcement provisions recommended, to determine whether or not they really want a budget procedure that has a real chance of bringing fiscal responsibility and fiscal restraint to a national policy that in the past has found it very difficult to control its insatiable appetite to spend and its insatiable appetite to promise, promise, promise.

The PRESIDING OFFICER. Who suggests the absence of a quorum, and yields time?

Mr. HOLLINGS. Mr. President, I ask unanimous consent that the time be charged against both sides.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HOLLINGS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HOLLINGS. Mr. President, I yield 45 minutes to the distinguished Senator from Ohio.

Mr. METZENBAUM. I thank the Senator from South Carolina.

Mr. President, I voted against this resolution in committee and I will oppose it again here today on the Senate floor.

Let me say at the outset that I strongly favor balancing the Federal budget.

To attain a balanced budget, I was willing in committee and will be willing on the floor to vote against programs and projects I support.

But, Mr. President, I cannot support this version of a balanced budget—a version that achieves balance at the expense of programs that serve the neediest and most vulnerable members of our society.

When this resolution came to a vote in the Budget Committee, I said that we on the committee had "done a very, very evil job as far as the American people are concerned."

I believe that it was an evil thing to take almost a billion dollars out of the President's request for various youth employment programs—and to do so at a time when the unemployment rate among minority youth in our inner cities is running at a devastating 60 to 65 percent. According to the Department of Labor, these Senate Budget Committee actions mean that 7,000 young people aged 21 and below will not be served.

What kind of savings is it, Mr. President, to sit by while hundreds of thousands of young people enter adulthood without having known what it is to be employed? What are the future costs of this decision in welfare payments, in crime and in the loss to our society of productive citizens?

How much sense does it make, Mr. President, to slash vocational education, which is an investment in the future of our economy.

Where is the wisdom in taking $200 million in title I funds from school districts that enroll large numbers of low-income children at a time when studies show that title I programs are working to improve basic achievement?

And what do the people of this country gain by the cuts this resolution imposes upon the National Institutes of Health and by its failure to make room in the budget for the child health assessment program.

By not funding the child health assessment program, we will fail to deliver adequate health care to 1.3 million children under the age of 6 and to 100,000 pregnant women.

It has been estimated that of children from marginally poor homes, 50 percent have at least 2 medical problems that need referral, 10 percent have elevated blood lead levels, 10 percent have visual problems, 3 percent have hearing problems, and 25 percent have dental problems.

There is a "Catch-22" in the law that states a woman is not eligible for prenatal medicaid benefits unless she is eligible for AFDC. And she is not eligible for AFDC unless she has already had a child. Thus, first pregnancies are often not covered for poor women.

The CHAP bill would improve this situation. But there is no room for CHAP in this resolution.

If the National Institutes of Health do not get the additional 40 million dollars, as proposed in the President's original budget, the following programs will be cut:

Intramural research—research that is undertaken by the highly qualified, outstanding scientists of the NIH.

Cancer control programs—community programs for the detection and treatment of cancer.

Cancer centers construction—buildings to be constructed in a variety of communities across the country to serve as important centers for diagnosis and treatment.

Eye disease centers construction—centers for the prevention and treatment of eye disorders.

Special clinical training for physicians—NIH has special programs for the best physicians in this country to study the truly esoteric diseases. This invaluable training cannot be obtained anywhere else in the world. It is crucial for the development of new and more effective treatments.

Mr. President, that is a very heavy price for this Nation to pay for a very modest budget reduction.

This resolution cuts back social security benefits by $500 million—and in so doing, it breaks an unwritten contract with the American people, who have a right to expect those benefits in return for their contributions to the social security system.

Those cuts were undesignated, but two areas are most frequently cited as prime candidates for the ax. Those are benefits for children who are students in college, and the "death benefit."

The college benefits go to widows or widowers who have children below the age of 21 in college. Eliminating this program would cut back promised and earned benefits to about 450,000 families each year. Proponents of this cutback have pointed out that we have major Federal educational assistance programs now, but they, too, are being cut.

Death benefits are lump-sum payments to a decedent's family or estate to partially cover burial and related costs. The death benefit is a flat $255. About 1.34 million families received this benefit last year. That benefit was earned; that benefit was part of the contract. And families need that money because social security benefits are not paid for the month of death. Here, as in so many other cuts envisioned by this resolution, the impact would be greatest upon lower income families.

In addition, Mr. President, the resolution reduces veterans' burial benefits by a hundred million dollars.

It cuts revenue sharing by $2.5 billion. In my State, and I am sure in many others, half the revenue sharing money goes to support education.

And Mr. President, in what may be the cruelest and most unrealistic cut of all, the resolution calls for a billion dollar reduction in the food stamp program.

The committee took that action in the full knowledge that rising food costs and escalating unemployment have led to unprecedented demand for food stamp benefits. Soon, we will consider an emergency $750 million supplementary appropriation to carry the program through June 30. And to go on beyond that date, the Congress will have to provide a total addition of $2.6 billion.

Mr. President, on April 6, the Toledo Blade in my own State carried a remarkable article by Ann Weber on the growing demand for public assistance in an area that has been hard hit by layoffs in the auto industry. She pointed out in this article, which I will soon quote to you, that food stamps are no longer just the problem of the very poor, but food stamps are now needed by middle class Americans who cannot have a job in this economy.

Let me quote to you some of what she wrote:

> The metal folding chairs at the food stamp office at 1302 Champlain St. are being warmed these days by people who never thought they'd have to be there . . .
>
> Hard times eat away at independence. The swelling county welfare rolls include names of individuals and families who a year or so ago wouldn't have dreamed of asking for food stamps, general relief, or other forms of public assistance. The difference today is economic conditions—unemployment, diminished buying power, higher-than-ever utility bills.
>
> "This is the first time I've ever done this, and I hope I never, ever have to again," a Holland woman said as she waited at the Champlain office on a dreary April day.
>
> A few chairs away was another new applicant. Although the laid-off Jeep press operator appeared remarkably cheerful, her words came slowly.
>
> "This is my first time, it's hard. And the waiting . . . it's too much."
>
> The most recent figures available from the state department of public welfare show that in January, there were 22,801 food stamp

> cases in Lucas County, up 43 percent from January, 1979. Statewide the increase was 26 percent from 257,404 in January a year ago to 324,343.
>
> According to the supervisor of a food stamp unit," people are coming in to apply sooner these days, sometimes even before the layoff ax falls."
>
> "They used to wait awhile, drawing on savings or other resources," she observed.
>
> But now they're better educated about the availability of food stamps, and they generally don't have as much tucked away in savings to tide them over.
>
> "More people are living from paycheck to paycheck," she speculated.
>
> She said she also has noticed that people with higher incomes are applying now when they wouldn't have perhaps a year ago.
>
> Now, money doesn't go as far. They can't meet bills, and they're looking for help wherever they can get it.

Mr. President, that story from Toledo is today being repeated in cities and towns all across this county.

Today, as the administration's programed recession takes effect, we see massive layoffs in the housing industry, in the auto industry, in steel, in rubber, glass and in a host of other areas.

Mr. President, I never thought I would stand in the Chamber and talk about a programed recession, a recession that is greeted with glee by the administration when it gets worse, a recession that they wrung their hands about when it did not come soon enough. Never did I think that I as a Senator or as a member of the public would see a Democratic administration programing a recession. But that is indeed what has occurred, and as a matter of fact as a consequence of that it is absolutely certain that the demand for food stamp assistance will grow and grow substantially in the months to come.

Yet the Budget Committee in the face of that evidence cut the food stamps program $1 billion.

That is a shameful cut. And it is wildly unrealistic.

Mr. President, this resolution presents a budget that is balanced on the backs of this Nation's poor, of the elderly, of the children and of the sick.

This resolution represents a flat rejection of the principles that this Congress and this administration endorsed in enacting the Full Employment and Balanced Growth Act of 1978.

This budget is Humphrey-Hawkins standing on its head.

It is regressive and it ill-serves the interests of the people of this country.

Mr. President, I have heard the argument that these cuts are painful, but necessary.

I have heard a lot of tough talk about hard choices and biting the bullet.

All one has to do is to look at that chart that stands behind me and he will learn who is biting the bullet and what the hard choices are.

He will see that the national defense budget is up substantially and that those other items, the only other items that are up are those that have built-in figures that cannot be affected.

But the fact is, Mr. President, that the committee was not forced to cut people programs for lack of other options.

Far from it.

The committee left untouched $3.7 billion in pork barrel funding of water projects.

And this year, the Federal Government will spend $48 million for an antismoking campaign run by HEW and $337 million for tobacco subsidies through the Department of Agriculture.

The USDA's tobacco program began in the 1930's when tobacco farmers were getting as little as 6 cents a pound for their product. Today, the Federal Government guarantees a minimum price of $1.40 a pound and controls supply through a system that makes a mockery of the free market system.

Tobacco is not produced in this country by any farmer who wants to grow it, rather, tobacco may be produced only by those who hold an acreage allotment assigned more than 30 years ago.

Those allotments are as hereditary as any feudal domain in medieval Europe.

They are valuable. A 200 acre farm with a 10 acre tobacco allotment is worth up to $50,000 more than an identical farm without an allotment.

I am aware, Mr. President, that there are many farmers in this country—some in my own State—who have come to depend on this system.

I am aware that ending the Federal program would increase tobacco supplies and possibly make tobacco products cheaper.

I am willing to support proposals to assist farmers who would be affected by the end of those programs. That could be done by taxing lower priced tobacco that would come to market with the entry of new growers. And it could also be accomplished through new taxes on the tobacco companies, whose $1.8 billion in net income in 1979 produced a 19.2 percent annual rate of return on investment, making tobacco the Nation's third most profitable industry, behind only oil and drugs.

Mr. President, the Government should not be in the business of promoting in any way the production, sale or export of tobacco.

Let us review some of what is known about smoking and health.

As a group, smokers have a 70 percent increased risk of death over nonsmokers of the same age. Heavy smokers run a 100 percent higher risk of early death.

Smokers are more frequently afflicted than nonsmokers with chronic conditions—bronchitis, emphysema, sinusitis, peptic ulcer disease.

Male smokers lose 33 percent more workdays than nonsmokers. For women, that figure is 45 percent.

Smoking clearly and unequivocally causes cancer—of the lung, larynx, mouth and esophagus.

Smoking is linked with heart disease.

Smoking by pregnant women increases the incidence of fetal death and lowers birth weights.

Smoking, Mr. President, is one of this Nation's two or three leading public health problems.

Yet we see a committee of the United States Senate cut child nutrition programs, health research and education, and leave untouched this irrational and wholly unjustified tobacco program.

And while doing all of these shortsighted and contradictory things, the committee came at defense spending with all the discipline and fiscal restraint of that famous drunken sailor of whom my friends in the other party are so fond of speaking.

In an editorial that appeared on April 4, the St. Louis Post Dispatch had this to say about the Budget Committee's priorities:

> When surgery is decreed, those who make the incisions have a heavy responsibility to do two things. First, they must not cut important social programs so severely that hunger, poverty, illiteracy—the misery, in short, that still exists in this abundant nation—are made worse. Second, there must be evident fairness, so that no sector is singled out for the sacrifice.
>
> The defense spending proposals now being considered violate both principles. There is no fairness to an arrangement that adds billions to the military without making a clear—and in the instance of the Senate Armed Services Committee, any case for it and the greater the Pentagon's share of the economy, the greater the burden for the rest of the nation. Less efficient mail service will not take food off any tables; trading food stamps for guns will.
>
> In Mr. Carter's first budget, defense spending came to 23.7 percent of the total. That figure now stands at 24.6 percent. Is nobody left in Congress to demand that this increase, at a moment of imposed austerity everywhere else, be justified?

Mr. President, I yield to no one in my commitment to a strong defense for this Nation.

But I do not believe that we purchase security by throwing around billions of taxpayer dollars without obliging the armed services to practice sound, cost-conscious methods of management.

We cannot justify giving a blanket exemption to the DOD from the responsibility to give the taxpayer a maximum return on his or her hard-earned dollars.

We cannot treat the military budget as privileged, untouchable, fiscal territory. By so doing, we not only abandon our own responsibilities, we weaken in the long run the effectiveness of our Armed Forces.

Waste and inefficiency in the Defense Department is nothing new. Listen, for example, to what President John F. Kennedy said in his first budget message in 1961:

> The elimination of waste, duplication, and outmoded or unjustifiable expenditure items from the defense budget is a long and arduous undertaking, resisted by special arguments and interests from economic, military, technical and other special groups. There are hundreds of ways, most of them with some merit, for spending billions of dollars on defense; and it is understandable that every critic of this budget will have a strong preference for economy on some expenditures other than those that affect his branch of the service, or his plant, or his community.
>
> But hard decisions must be made. Unneeded facilities or projects must be phased out. The defense establishment must be lean and fit, efficient and effective, always adjusting to new opportunities and advances, and planning for the future. The national interest must be weighed against special or local interest; and it is the national interest that calls upon us to cut our losses and cut back those programs in which a very dim promise no longer justifies a very large cost.

We have had 19 years to make the hard decisions of which President Kennedy spoke. But have we made them?

On January 3, 1979, the New York Times published an interview with Defense Secretary Harold Brown, who said:

> That his key disappointment so far was his inability to induce genuine cost efficiency within the Defense Department, I have found.

Secretary Brown stated:

> That efficiency with the taxpayers' dollars is deprivation of expected economic gains to somebody—whether it's people in a city near a base that efficiency says we should close, or the unhappiness of a civil servant who wants to have a bigger across-the-board rise in salary or unhappiness of a military service who does not want to see some of its activities consolidated with another service.

Sound familiar? It should because the glaring deficiencies we see today in the DOD's management have not improved in the slightest since President Kennedy spoke of them in 1961.

In December 1978, in a letter that Senators PROXMIRE, HATFIELD, STAFFORD, MCGOVERN, and NELSON joined me in sending to President Carter, we pointed out that the systems acquisition report quarterly update issued by the General Accounting Office on September 30, 1978, demonstrates that something is very wrong with the manner in which the DOD spends the taxpayers' money. That SAR showed that 55 major Pentagon projects, whose total cost was initially estimated at approximately $125 billion, were in fact going to cost the people of this country well over $210 billion. One-third of that $85 billion increase can be attributed to inflation. Much of the other $57 billion is the clear result of waste, bad planning, and outright mismanagement.

Let me add, Mr. President, that if we wrote that letter today the total cost figure would be $256 billion, not $210 billion.

Another example we used in our letter late in 1978 was the cost of acquiring 545 YAH-64 advanced attack helicopters. That program was initially estimated to cost $1.89 billion or $3.47 million per unit. In the September 1978 SAR, the YAH-65 program was projected to cost an estimated $4.14 billion, or $7.4 million for each helicopter compared to the $3.47 million originally used. And in fiscal year 1981, the price tag per unit will reach $10 million, about 3 times the original figure.

In 1978, each *Perry* class frigate was expected to cost $139 million. Today, the cost per ship has risen to nearly $255 million, almost double in less than 2 years. Inflation has been severe since 1978, but not severe enough to turn a figure of 139 into a figure of 255.

The program cost for the F-18 *Hornet* was estimated at $14.3 billion in 1978. For fiscal year 1981, the F-18 program cost estimate has reached $29.1 billion and the unit cost will exceed $30 million. Again, Mr. President, inflation cannot account for the cost doubling.

But the fact is, Mr. President, that the people at the Department of Defense are not concerned about increased costs. They never worry when the contractor comes in and says it is going to cost more today than it did yesterday. They do not provide the kind of vigor and determination and zeal that private businessmen do. No; they are willing to go along with the cost overruns.

These are not isolated cases. Runaway costs characterize our entire defense procurement program.

These vast overruns are unacceptable. They have injected inflationary pressures into the economy as a whole, and if they are permitted to continue, they will undermine even further the public's shaken faith in our commitment to go beyond rhetoric to reduce wasteful Government spending and to bring inflation under control. Wasteful spending has nothing to do with having an adequate military establishment.

I believe that if the Department of Defense acted as a private corporation in controlling contractor costs and improving productivity, the savings to the taxpayer would amount to billions of dollars, probably as many or more billions of dollars than this budget provides for in excess spending. A joint DOD-OMB study on aircraft capacity utilization released in January 1977, for example, found that the Defense Department was supporting excess capacity in the aircraft industry to the tune of $300 million per year. And an earlier study prepared by the Air Force Logistics Command concluded that up to 21 percent of the cost of a typical Air Force production contract represents payment for nonproductive use of labor by the contractor.

According to the AFLC, a 20-percent improvement in labor productivity on the part of the 11 major Air Force contractors surveyed would save the Government over $1 billion.

These vast expenses have nothing to do with maintaining the strength of our military forces. They are, pure and simple, the result of a system that permits DOD officials to operate as though the public purse has no limits. It is a system that can and must be changed.

It is a system to which we should be addressing ourselves as we talk about taking billions of dollars in this budget out of human needs programs and putting them into programs which we do not even have any idea as to what the dollars are to be used for.

But no reform will have any beneficial effect as long as the DOD continues to bail out wasteful contractors. Admiral Rickover has described what happens when contractors know that they can always count upon the Pentagon to save them from the consequences of their own bad management.

> Large defense contractors can let costs come where they will and count on getting relief from the DOD through changes and claims, relaxation or procurement regulations and laws . . . or other escape mechanisms . . . they will make their money whether their product is good or bad: whether their price is fair or higher than it should be: whether delivery is on time or late.

I believe that the time is long-past due for decisive action. The Defense Department should cut off contractors with records of waste, overruns, and poor management. There are companies that are prepared to give the taxpayer a dollar's worth of value for every dollar spent. Those are the companies that should get the Government's business.

In 1967, then-Secretary of Defense Robert McNamara estimated that the failure of the Pentagon to take advantage of competition contributed to the waste of as much as 25 cents on each procurement dollar. Little has happened in the past 11 years to change that situation.

Consistently, year after year, the Department spends fewer than 10 percent of its procurement dollars through contracts let by competitive sealed bidding. And just as consistently, the Pentagon takes the sole source route for over half of its procurement spending.

Defense officials have argued that sole source contracts are necessary in order to acquire sophisticated items that cannot be procured through price competition. This may be true in some cases, but it is also true that the Department routinely lets sole source contracts for items that could readily be purchased on the open market.

Two years ago, to take only one of many instances, the distinguished senior Senator from Arizona joined me in filing suit in Federal court to require the Navy to use competitive bidding to procure the CTX, an off-the-shelf light cargo aircraft. In spite of the clear intent of the Senate, made abundantly clear in a colloquy between Senator GOLDWATER, myself, and the distinguished chairman of the Armed Services Committee, and in spite of the existence of several competent suppliers, the Navy in the end procured the CTX through a sole source contract after our case was dismissed on a technicality. This decision by the Navy is typical of the military's procurement practices. Year after year the DOD has by its actions made it clear that they will buy what they want from whom they want and at prices set by some military genius in a procurement office who could just not care less about the taxpayer's dollar.

There is no doubt about the fact that competition can lower the cost to the taxpayer of acquiring even highly sophisticated weaponry.

In 1973, a study prepared for the Joint Economic Committee examined the costs of 20 complex weapons systems including sophisticated electronics and missile systems. These contracts originally were awarded through sole source procurement, but for various reasons the costs were later readjusted by price competitive bids. The results were dramatic—price decreases averaging 51 percent.

More recently, on September 25, 1979, the GAO reported to the chairman of the Budget Committee on the status of DOD's efforts at procurement reform. That study, which the chairman was kind enough to initiate at my request, included data supplied by the DOD on its program to break out spare parts from larger systems for competitive acquisition.

At the Oklahoma Air Logistics Center, a turbine shroud cost $86.23 when procured on a sole source basis. Competitive procurement lowered the cost to $63.99.

A nut assembly that cost $246.29 on a sole source basis was acquired competitively for $36.75, about one-seventh of the total of the original figure.

A panel assembly costing $1,454 on a sole source basis was purchased through competition for $245, about one-sixth of the original figure.

Those are laudable savings, Mr. President. But unfortunately, they are more the exception than the rule.

In his lengthy response to the December 1978 letter signed by six Senators, OMB Director James McIntyre wrote that the views expressed in the letter "are completely shared and supported by the President, Secretary Brown and myself." He went on to point out that "the Defense budget request was reduced $1 billion for the very reasons you cite: Expanded use of competition, contractor cost control, and reliance on open-market products can and will be put into effect to achieve these economies." These problems, Mr. McIntyre wrote, "are all effectively addressed in the new policies now being put into effect under OMB circular A-109 governing major systems acquisitions."

The GAO, among others, has raised questions about the overall effectiveness of A-109 in achieving its stated goals. But that question aside, the fact is that A-109 has clearly not been fully implemented by the DOD.

In its September 25, 1979, report to the chairman of the Budget Committee, the GAO reported that:

> The greatest noncompliance with A-109 appears to be the services' reluctance to seek solutions to their weapon system needs through competition. Preconceived solutions are still being proposed as needs, rather than seeking solution through competitive proposals.

Mr. President, I simply cannot understand that. As a businessman of many years experience, it is beyond my comprehension that a U.S. Senator must stand here on the floor and plead with the DOD to adopt the most obvious, the most elementary of sound business practices.

But the DOD just will not do it. Presidents, Secretaries of Defense, ranking officers—all have tried and all have failed to fundamentally change a bureaucracy whose appetite inevitably rises to meet the funds available.

We are throwing extra billions at them now in this budget resolution. If we added another $5 or $10 billion over and above what we are throwing at them in this budget, they would find a way to spend it.

There are several solutions that might be tried, Mr. President, including passage of serious procurement reform legislation. Adding on billions of dollars by a percentage formula to a budget resolution is counterproductive. It does not move in the right direction.

But I say that we will never get anywhere in controlling military waste and inefficiency as long as we in the Congress continue to respond "how high, sir?" everytime the DOD asks us to jump.

I say to my colleagues, look around. Look at what is going on. Look at the waste, the massive inefficiency that is standard operating procedure at the Pentagon. Look at it and tell me that we truly need to pour more billions into defense.

And I say to my colleagues that anyone who wants a shocking object lesson in wasteful Government spending only need to pick up a random sample of GAO's reports on the DOD issue over the past year and a half.

You might pick up one entitled "Correct Balance of Navy's Foreign Military Sales Trust Fund Unknown."

The report says:

> The Department of Defense does not know the correct cash balance being held in trust for countries involved in the Navy's foreign military sales program. This is despite the Navy's having spent thousands of staff days since early 1977 to determine why the trust fund account does not agree with detailed military sales case accounting records. Unreconciled differences in cash balances between the two sets of records totaled $554 million, as of June 1, 1978.

Of course, that is not much. It is only $554 million, only a little over half billion dollars, and they cannot reconcile their cash accounts.

Another GAO report is entitled "The Air Force Should Cancel Plans To Acquire Two Computer Systems at Most Bases."

The Air Force plans to install two computer systems at about 105 bases to perform such functions as accounting, finance, personnel, and supply. This program will cost about $600 million to $1 billion more than a one-system approach. Over an expected life of 20 years. GAO concludes that this is unnecessarily expensive and restricts competition on the largest computer acquisition ever attempted in the Government.

Or you might pick up this one: "Improperly subsidizing the Foreign Military Sales Program—a Continuing Problem."

The Defense Department's continued failure to operate the foreign military sales program at no loss to the Government, as required by law.

As a result, the Government has absorbed up to an estimated $370 million in costs, during the past 6 fiscal years, which should have been recovered from foreign customers.

Here is another: "The Army Should Use Available Serviceable Parts To Avoid Repairs."

The Army unnecessarily spends millions of dollars to repair parts when more than enough serviceable parts are available to meet current needs. The Army needs to establish procedures for identifying repair-actions, depots that replacement quantities are available, and matching actions with quantities.

Or how about: "DOD Continues To Subsidize the Foreign Military Sales Program by Not Charging for Normal Inventory Losses."

GAO reported in September 1977 and August 1978 that DOD was losing millions of dollars because normal inventory losses were not being recovered on foreign military sales. The Arms Export Control Act was amended in September 1978 expressly to require recovery of these losses on certain inventory sales.

Although the military services have since identified almost $600 million in inventory losses, governments have not been charged for their fair share of the losses as required by the act. As a result, the United States has lost millions and created a subsidy to foreign governments.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. METZENBAUM. Will the Senator yield an additional 6 minutes?

Mr. HOLLINGS. I yield.

Mr. METZENBAUM. Mr. President, the GAO stated that the DOD can save millions of dollars by improving management of Air Force inventories.

Two Air Force air logistics centers had over $50 million in excess stocks on order for items for which they had over $8 million of stock on hand exceeding current needs.

The Air Force stock fund's obligational authority was inflated by an estimated $25.5 million.

And so it goes, Mr. President, on and on. Listen to the titles:

Navy material handling costs can be reduced.

The Navy does not know if it has too much electronic/electrical depot maintenance capability, too little, or the right kind.

Defense Department is not doing enough to maximize competition when awarding contracts for foreign military sales programs.

And just 2 weeks ago, the GAO revealed the Army has not established nor maintained accurate inventory information needed to effectively manage its M-2 machine gun program. After GAO pointed out that M-2's were available in inventories of which the Army was unaware, the Army canceled a planned $10.2 million purchase of these guns.

The shortcomings GAO found in the M-2 program may also exist in Army systems for managing other small arms.

I could go on, Mr. President, but I think that I have amply demonstrated that waste and inefficiency remain a way of life at the Pentagon.

I say that we in Congress have a right and the people of this country have a right, and, yes, we in Congress have a duty to require the DOD to do a far better, far more responsible job than it has been doing in providing to the taxpayers of this country the maximum return on their hard-earned dollars.

I say that there is no justification—none whatever—for increasing Defense outlays one penny above the more than adequate level that the President has requested.

Above all, I say that there is no justification for increasing those outlays at the expense of programs that serve the American people—programs in health, jobs, and nutrition. In all those things that promote the kind of stable, just, and productive society that we are so concerned about defending. That kind of society, Mr. President, is the foundation of our national security, and everything that we here do to make this less of a wise and decent society is a blow to America's long-term greatness.

Mr. President, I share with the other Members of Congress a great concern about our national security overseas, and

I am committed to the proposition that our country shall be the strongest military power of any nation in the world.

I also believe that we must concern ourselves about our national security domestically and I am concerned, Mr. President, that this budget resolution concerns itself more about our external national security than about our internal national security.

I believe that this budget has gone too far in increasing the defense spending limits. At an appropriate time, I shall offer an amendment not to break the budget, not to go beyond the figures previously contained in the budget, but to move some of those dollars from unneeded military spending to some of the human needs of this country.

Mr. President, I urge the Senate to reject this budget resolution in its current form and I hope that, before we get done with our deliberations, we shall have been able to adopt a more wise and more judicious position, somewhat similar, somewhat closer to the position that has already been indicated by the Members of the other House.

Mr. President, I yield back the remainder of my time and I thank the distinguished Senator from South Carolina for yielding the time to me.

Mr. HOLLINGS. I thank my distinguished colleague.

Mr. President, while we await the Senator from Colorado who asked to be next, let it be noted that our distinguished colleague from Ohio is a very active and participatory member of our Budget Committee, a very valued member of our Budget Committee. While one Senator may think another Senator's vote is unwise, let it not be said that it was not considered, and considered very, very thoroughly. In some of the statements made, the impression could well be left that we cut food stamps overall. The truth is that we did call for a $1.4 billion saving in the food stamp program.

This particular program has grown like Topsy. It started in 1965 as a pilot program. The first authorization bill, in 1967, provided only $200 million in 1968 and $225 million in 1969. In 1969, we had a survey made by the U.S. Government of the hungry in America, those suffering from malnutrition. The best that could be found, having surveyed some 10 States at the cost of $5 million and 3 years of study, is that there would be around 12 million eligible for food stamps. Rather than 12 million eligibles, however, we see this program growing to 23 million eligibles even after we have started other feeding programs.

When we first confronted this particular problem of hunger and malnutrition, we did not have the women's, infant's, and children's feeding program; we did not have all the other programs such as senior citizens programs, hot meals programs, and Meals on Wheels. But in the past 10 years, with an assault on this problem, we have at least cut it in half. Rather than having, say, 6 million people on supplemental aid or food stamp programs, instead somebody making more than $13,000 (in the case of a family of four) can qualify for food stamps. As a result, tremendous damage is done to the credibility of this well-conceived program.

What we are saying to the Committee on Agriculture and to Congress itself and its authorizing committees is, "We are sure that you can achieve some $1.4 billion in savings if you cut out the duplications and tighten the rules for determination of eligibility as to who is to participate."

But, as I stated initially, we did not cut food stamps. On the contrary, this budget resolution, in 1980, calls for a $2.5 billion supplemental, and for $3.8 billion next year, 1981, which, in essence, Mr. President, is roughly a 40-percent increase in food stamps—when the legislative savings we have also recommended are taken into account.

If the Senator from South Carolina, or the Senator from Texas (Mr. TOWER), or the Senator from Washington (Mr. JACKSON), or Senator NUNN from Georgia, or any of us who have been seriously concerned with the deteriorating condition of our national defense came on the floor and recommended a 40-percent increase in national defense, there would be weeping, wailing, crying, and what have you. But the fact is that the folks being added on are not really the hungry poor. That is what particularly disturbs me, the poor of America being exploited and hearing on the floor, "You have stabbed the poor in the back," and that kind of nonsensical talk with regard to this well-conceived and well-considered budget.

The food stamp program grew from $225 million in 1969 to $4.5 billion in 1975. It is going to be about $9.2 billion this year and $10.8 billion by 1981, more than double the amount in 1975—just 5 years ago. If we had doubled the defense budget in 5 years, they would not be marching into Afghanistan and telling us where to get off in Iran, and in Africa and Angola, and everywhere else around this globe.

Mark it down, the Senate Budget Committee has not cut food stamps; we have increased the program 40 percent. I think that is the way the issue should be confronted as we hear the debate ensue relative to how the Budget Committee considered defense and everything else.

Since we are still awaiting my colleague from Colorado, I can talk of the savings in defense. This particular gentleman was the one who offered the amendment to knock out, Mr. President, the 2-percent cut insurance. One of the very salutary features of congressional review of executive budgets instituted here some 5 or 6 years ago—this is its fifth year—is that we began to look very closely at how they were being presented. I found out from the Pentagon that they were actually including what they called a 2-percent cut insurance and they were just adding these amounts on. So I made that motion long before this particular year, and the 1-percent kicker and the various other economies within the defense budget.

But mind you me, this year, we said to the Defense Department, "On administrative costs in that Pentagon, cut 5 percent across the board, or $1 billion, out of that budget."

The amendment calls for that 5-percent administrative cut. Applying that to national defense is $1 billion by itself.

We said to recompute the cost of living once rather than twice. That is another $400 million cut. We said that we do not approve of this very extravagant and, in my opinion, very ineffective aproach to the MX missile, and our ICBM missile problem, where we are trying to maintain the integrity and the defense of that particular defense instrumentality.

We said that we cut $5 million out, and we are not going out to the wild west, just digging up the area for 15 years, to find later we could have gone into space with a laser beam, ABM, or on the ground, even under the treaty, gone on the ground, put one in, for a cost of, let us say, $9 billion rather than $90 billion—10 percent of the cost in a 5-year period.

So we went very closely over a lot of things in that defense budget.

Having covered those general points, I will be glad to yield whatever time is necessary to the Senator. How much time does the Senator from Colorado desire?

Mr. ARMSTRONG. Mr. President, if it would be convenient for the Senator would he yield me 15 minutes?

Mr. HOLLINGS. I yield 15 minutes to the Senator from Colorado.

The PRESIDING OFFICER (Mr. BUMPERS). The Senator from Colorado is recognized.

Mr. ARMSTRONG. Mr. President, I appreciate the Senator's yielding.

I say to him, in this forum and publicly, what I have already said to him privately, that I wish him the best of all success in his new responsibilities and the assignment he has begun today, not only because of my friendship and admiration for him, but, more important, because he comes to the leadership of the Budget Committee at a time when his particular talents and his particular skills as a leader and his perspective of the Nation's defense needs, his understanding of the budgetary realities of our time, are so crucially needed by the Senate, the Congress, and the Nation.

I have already said to him privately, but I reaffirm my desire to work with him closely, in harmony, and wish him the best.

Mr. President, I also comment briefly on a privilege I have had, that of serving on the committee during the time it was led by our distinguished colleague from Maine (Mr. MUSKIE).

Senator MUSKIE and I have not always agreed upon budget policy. Yet, I say that he is a man I have come to respect and admire, not only in spite of our differences of opinion, but, indeed, because of them.

As will be clear from my subsequent remarks about the substance of this budget resolution, I believe the recommendations the committee has developed are gravely mistaken and bad for the country.

But despite that fact, and, indeed, in part because of the differences of opinion I have had with our distinguished colleague (Mr. MUSKIE), I want to acknowledge his fairness in dealing with dissent in the committee and wish him well in his new assignment as Secretary of State.

Mr. President, while on the general subject of compliments, I wish to pay tribute to the ranking Republican on the committee (Mr. Bellmon), whose leadership and faithfulness to a task, along with Senator Muskie, over these last several years made it possible for us to develop a format in which budget issues may be brought to resolution.

The budget process is their special gift to this body. I think we all owe them a debt of gratitude.

Having said all those agreeable things, I say that whether or not the budget process is worth saving for another 5 years depends, in my mind, not on some abstraction on the format by which we develop spending measures for Congress, but, far more important, on the size and shape of the budgets it produces. We spent the last 5 years getting this process set up. It has been a worthwhile exercise. Now, at last, the committee has brought forward a recommended balanced budget in fiscal 1981.

For those of us who have been waiting all our lives for Congress to finally adopt such a balanced budget, it is a mixed pleasure to observe that recommendation on behalf of the committee because, one, many of us doubt that adoption of the recommendations sent us by the committee will, in fact, produce a budgetary balance in view of recent economic trends; and two, because even if the expectations about economic trends turned out to be true, many of us doubt it is wise to balance the budget as a result of a gigantic tax increase.

But, while on the subject of the budget process and before I deal with the specifics of the 1980 to 1981 resolution, I ask my colleagues to look very seriously at the institutional considerations which face Congress as it considers the budget resolution. I think that the progress which has been made under the leadership of Senator Muskie and Senator Bellmon in developing the budget process has been worthwhile. But I must suggest to all of my colleagues that whether or not this budget process ultimately has meaning is really under the test of the fiscal 1981 budget.

If we cannot balance the budget in a responsible way this year, after all that has led up to this situation, with the tremendous public sentiment in support of a balanced budget, I suggest that it is time to abandon the budget process and replace it with something more workable.

I still retain some degree of hope that we can make this process work. I note in that connection that the budget resolution which we have before us suggests to the Senate a number of institutional reforms designed to give some teeth to the budgeting process. Specifically, there is the opportunity for Members to make points of order against functional subtotals, as well as against the overall total of the budget resolution, and then suggest changes contained in this budget resolution, that all the spending bills be held at the desk until all are complete so we will have an opportunity to reconcile them before some of the bills have gone.

Mr. President, before addressing the substance of this matter, I have one other matter I want to share with the Members of the Senate, and that is an alternative which has been presented by our colleague from Texas (Mr. Tower).

Mr. President, as the Congress strives for fiscal sanity and the first balanced Federal budget in over a decade, and, really, the only one most of us can recall during our service in Congress, it is clear that some restraint in spending must be made. My colleague, Senator Tower, it seems to me, has made an important and timely contribution toward fiscal reform by suggesting possible restraints and reductions of approximately $37 billion in budget authority and $27 billion in budget outlays relative to the administration's fiscal year 1981 budget recommendations.

It is so common for those of us who serve in the Senate to speak in generalities that it is truly refreshing, and I think a great contribution to scholarship and deliberation of this body, that Senator Tower and his staff have conducetd a line-by-line analysis of the entire Federal budget and set some reasonable, carefully devised spending priorities that would allow the Federal Government to meet its most pressing needs, including national defense.

While it is painful and unpleasant to face reality and say to the Nation that we cannot do everything everyone would like us to, rampant inflation and a deeply troubled national economy necessitate some sober and tough decisions.

As one Member of this body who has also submitted detailed budgetary recommendations, I compliment Senator Tower for being willing to be on the record with these tough decisions that the times demand, a change in business as usual. I believe his suggestions merit the consideration of every Senator and others who may study the record of this proceeding.

Mr. President, I am not endorsing all recommendations that Senator Tower has sent forward. But at this time I ask unanimous consent that the recommendations Senator Tower has submitted be printed in their entirety in the Record at this point for study and edification of all Senators, and others, who may read the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

OVERVIEW—FY 1981 BUDGET SAVINGS

[In millions of dollars]

Item	Savings	
	BA	O
Legislative Branch	144.582	146.068
Regulatory and Independent Agencies	4,879.257	4,883.313
Department of State	133.883	89.800
Funds appropriated to the President: Foreign assistance	362.975	58.135
Department of Justice	141.520	184.600
Department of Education	2,046.317	1,131.325
Department of Health and Human Services	3,176.941	3,756.612
Department of Housing and Urban Development	7,155.000	75.000
Department of Labor	7,896.000	7,555.000
Department of Energy	1,848.000	1,369.000
Department of Agriculture	4,267.565	4,137.892
Department of the Interior	173.062	165.362
Department of Commerce	817.000	256.000
Department of the Treasury	1,094.000	1,220.000
Department of Transportation	3,102.000	1,700.000
Grand total	37,328.102	26,738.107

INTRODUCTION

When the books were closed on the FY 1977 budget, outlays totaled $402 billion. In the four subsequent years of Carter and Democrat administered budget, growth in Federal spending and borrowing has gathered explosive momentum. On the basis of the most recent CBO forecasts, and with adjustments for necessary defense spending increases and phantom legislative savings claimed by the Administration's budget proposal, it now appears that FY 1981 outlays could exceed $636 billion.

This would amount to a $234 billion, or 12%, annual rate of increase over the four year period. It would mean a cumulative addition of $194 billion to the national debt during a period in which the inflation rate has surged from the 4-6% range to 18.4%—or even higher. Unless the spending brakes are applied firmly and decisively now, the nation will lurch into economic disaster in the months immediately ahead.

This alternative budget proposes an emergency spending control plan that can be effectively implemented for FY 1981. It consists of hard, tangible program reductions that can balance the budget, remove the Treasury from the credit markets—the essential policy requisite for halting the present interest rate/inflation spiral—and provide for the vital shoring up of our national defenses in an increasingly hostile world.

This budget is based on the triple premise that there are casualties in every war, that all programs are not created equal, and that it takes 218 votes in the House and 51 votes in the Senate to reduce federal spending by even one dollar.

These recommendations do not rely heavily on mirrors, deferrals, or other accounting gimmicks that merely shift the timing or form of Federal spending, nor do they delegate budgetary choices to the Executive Branch. Instead, these proposals constitute policy decisions to reduce Federal support and involvement for a wide range of purposes and activities that simply do not carry sufficient priority—whatever their individual merits or demerits—under the present crisis conditions.

Although the turbulent economic environment renders budget forecasting extremely difficult, it is believed that this proposed program of expenditure controls would produce a balanced budget and provide for the national defenses.

Some of the areas of major budget savings include the following:

About $400 million was cut from the budgets of certain regulatory agencies, excluding areas of pure research and the supplemental pay increase.

Savings of about $1.3 billion in outlays was achieved in funding reductions or outright abolition of a number of independent agencies and commissions. Those targeted for abolition, such as the Legal Services Corporation, either have come under heavy public and private criticism or simply offer services and benefits already duplicated elsewhere in the Federal Government.

Other sizable savings were obtained by the elimination of new programs proposed in the Administration's January budget, such as the new Youth Education and Training program.

Some legislative savings resulted from such recommendations as changing the trigger for unemployment insurance extended benefits, as suggested by the Congressional Budget Office. Another such savings of $1.3 billion in budget authority resulted from a policy change of transferring oil from the Naval Petroleum Reserves to the Strategic Petroleum Reserve instead of buying the oil in the world market.

Additional savings resulted from reductions in Child Nutrition programs. These reductions in spending were accomplished without jeopardizing nutritional value or depriving the truly needy of benefits. Also, billions was saved by retaining the 1977 ceiling on food stamps as established by the Congress.

Another $1 billion was saved by striking the proposed new Targeted and Anti-Recession Fiscal Assistance program.

All in all, the savings generated have not been concentrated on any one group or interest, nor have the reductions in spending been excessive or unfair. It is believed that the priorities herein established, and the resulting spending reductions are vital for the times in which we live.

LEGISLATIVE BRANCH

[In millions of dollars]

Item	FY 1979		FY 1980		FY 1981		Savings	
	BA	0	BA	0	BA	0	BA	0
1. Effect a 10% across-the-board cut for the entire Legislative Branch, exclusive of the Office of Technology Assessment This recommendation has been made by numerous Republican Senators as a gesture to demonstrate that the Congress is prepared to set the example of budget austerity and fiscal responsibility. The measure has evoked wide support from Republican members of the Congress.	1, 108. 618	1, 076. 560	1, 293. 501	1, 330. 648	1, 303. 816	1, 317. 949	130. 382	131. 795
2. Abolish the Office of Technology Assessment	9. 700	9. 211	11. 284	11. 097	14. 200	14. 273	14. 200	14. 273
Grand total							144. 582	146. 068

The Office of Technology Assessment was created in 1972 as a result of the efforts of Senator Kennedy to provide a job and a platform for his friend, former House member Emilio Q. Daddario (D., Conn.). The purpose of the agency ostensibly was to provide congressional committees and their members'with studies that would "identify the range of probable consequences, social as well as physical, of policy alternatives affecting the uses of technology." In practice, the agency's studies have proven to be duplicative, frequently shoddy, liberal-biased, and often ignored. Senator Sasser has reported the accusations that OTA studies are "mediocre, and they are not used in the legislative process, but rather, most of them end up in the warehouse gathering dust." In addition, the supposition that 130 highly politicized bureaucrats can determine what is or is not "appropriate" technology for a massive, free economy is ludicrous.

GENERAL SERVICES ADMINISTRATION

[In billions of dollars]

Item	Fiscal year 1979		Fiscal year 1981		Savings	
	BA	0	BA	0	BA	
1. Federal Supply Service: Reduce operating expenses to 1979 levels	0. 130	0. 130	0. 134	0. 134	0. 004	0. 004
2. Transportation and Public Service service: Reduce expenses to 1979 levels	. 007	. 007	. 015	. 015	. 008	. 008
3. General Management and Administration: Reduce salaries and expenses to 1979 levels	. 095	. 095	. 112	. 112	. 017	. 017
Total					. 029	. 029

DISTRICT OF COLUMBIA

[In billions of dollars]

Item	FY 1980		FY 1981		Savings	
	BA	0	BA	0	BA	0
1. Federal payment to the District of Columbia: Reduce to FY 1980 levels the Federal payments to the District of Columbia for the defraying of government expenses (D.C. general fund, water and sewer services, stadium bond payment, retirement fund contribution)	0. 249	0. 249	0. 361	0. 361	0. 112	0. 112
2. Loans to the District of Columbia for capital investment: Reduce to FY 1980 levels the Federal payments to the District of Columbia for District projects and rapid transit system	. 125	. 145	. 166	. 174	. 041	. 029
Total					. 153	. 141

OFFICE OF PERSONNEL MANAGEMENT

[In billions of dollars]

Item	Fiscal year 1979		Fiscal year 1981		Savings	
	BA	0	BA	0	BA	
1. General and special funds—Salaries and expenses: Reduce to 1979 levels	0. 114	0. 114	0. 124	0. 124	0. 010	0. 010
2. Payments for annuitants, employees' health benefits: Reduce to 1979 levels	. 606	. 554	. 758	. 770	. 152	. 216
3. Payment to civil service retirement and disability fund: Reduce to 1979 levels	8. 819	8. 819	11. 580	11. 580	2. 761	2. 761
Total					2. 923	2. 987

CERTAIN REGULATORY AGENCIES

[In millions of dollars]

Formula for savings: In each of the following agencies there is a 17.5% reductions of budget outlays and authority in only part of the total agency budget. This reduction pertains only to regulatory activities and supporting research; and it excludes reductions for pure research unrelated to current regulatory activities. Outlays reductions also exclude the supplemental pay increase. The purpose of these reductions is to relieve some of the waste and over-regulation burdens on the domestic economy.

Agency	FY 1980		FY 1981		Savings	
	BA	0	BA	0	BA	0
1. Bureau of Alcohol, Tobacco, and Firearms	143. 702	143. 635	146. 944	145. 578	8. 22	8. 22
2. Commodity Futures Trading Commission	16. 914	16. 815	19. 278	19. 326	3. 18	3. 18
3. Consumer Product Safety Commission	41. 613	45. 057	43. 952	43. 913	7. 24	7. 24
4. EPA	4, 686. 223	4, 983. 981	5, 340. 989	5, 196. 992	193. 27	193. 27
5. Federal Communications Commission	76. 873	76. 426	77. 123	76. 487	12. 60	12. 60
6. FDA	328. 620	308. 739	362. 462	313. 722	50. 47	50. 47
7. Federal Trade Commission	71. 431	70. 212	72. 512	71. 340	11. 76	11. 76
8. Interstate Commerce Commission	143. 856	156. 857	84. 773	83. 773	13. 87	13. 87
9. Mine Safety and Health Administration	144. 147	144. 299	156. 720	152. 696	25. 17	25. 17
10. National Highway Traffic Safety Administration	60. 202	58. 270	67. 521	61. 420	9. 88	9. 88
11. National Labor Relations Board	113. 647	112. 500	118. 027	116. 862	19. 31	19. 31
12. Security and Exchange Commission	72. 860	74. 356	77. 145	76. 714	12. 66	12. 66
13. Office of Surface Mining Reclamation and Enforcement	181. 000	181. 000	188. 000	188. 000	15. 87	15. 87
Grand total					383. 56	383. 56

SELECTED INDEPENDENT AGENCIES

[In millions of dollars]

Agency	Fiscal year 1979		Fiscal year 1981		Savings	
	BA	O	BA	O	BA	O
1. Peace Corps: Reduce funding to the FY 1979 level	99.200	93.900	118.800	115.500	19.600	21.600
2. Action: Reduce funding to the FY 1979 level	119.200	117.300	177.800	163.100	58.600	45.800
3. Legal Services Corporation Abolish. Ostensibly, the Legal Services Corporation was established in 1974 as a private, nonprofit corporation to provide civil legal assistance to the poor. The very premise of the program is government paternalism at its worst. A great portion of those attorneys who support the program believe that no one can survive in this world without lawyers. They equate legal services with such things as food, shelter, health care, and the other essentials of life. This agency does nothing to either improve the grim day-to-day lives of the truly poor, or perhaps more to the point, help them to rise out of their circumstances. Indeed, it assumes the poor will always remain in their disadvantaged state in order to provide employment for a corps of government-paid attorneys who are ready to litigate at the drop of a tort. In truth, Legal Services Corporation is nothing more than an employment program for lawyers; a sort of Humphrey-Hawkins bill for the legal community. There is a brilliant deviousness behind the whole concept of legal services: for every government-subsidized poverty lawyer who starts or threatens litigation on behalf of a client, at least one more lawyer will be needed to represent the other side.	270.000	254.307	321.300	329.289	321.300	329.289
4. Board For International Broadcasting: Reduce funding to the FY 1979 level	87.000	82.700	103.800	101.300	16.800	18.600
5. Civil Aeronautics Board: Reduce funding to the FY 1979 level	100.600	100.000	115.100	114.200	14.500	14.200
6. Corporation for Public Broadcasting: Reduce funding to the FY 1979 level	120.200	120.200	162.000	162.000	41.800	41.800
7. Equal Employment Opportunity Commission: Reduce funding to the FY 1979 level	111.400	92.500	144.800	135.200	33.400	52.700
8. U.S. Metric Board Abolish. The Metric Board was established in 1975, and promptly set out to coerce the nation toward metrification. The first step was to order the metrification of all highway signs, until the national uproar stopped them in their tracks. Now the approach is to aid the voluntary conversion of the national to an all metric system. The whole notion of government led or directed metrification is absurb and should be terminated. Those areas of world standardization that are vital to commerce will come about naturally and orderly, within the cost-benefit frame of those who pay for it.	1.575	1.472	3.841	3.376	3.841	3.376
9. National Consumer Cooperative Bank Abolish. Ostensibly. the NCCB would lend Federal money to existing or proposed cooperatives which provide community-controlled services in the areas of housing, health, food. preschool education. and other such ventures. However, in truth the NCCB is another of a growing interlock of Ralph Nader fronts, dedicated to the destruction of free commerce and capitalism. It is another step toward nationalization of banking and banking institutions in order to direct credit and funds into the "established social goals" that Nader holds dear. This is an agency which has, and will likely continue to explode in funding. The history of Nader-backed agencies demonstrate that funds are misused for Nader's own politicalization and socialization of the country. Savings here include direct funds to NCCB and investment in the NCCB by the Treasury Department.	3.500	---------------	174.950	161.060	174.950	161.060
10. National Science Foundation The savings represent an allowance of 9.1% increase over the FY 1980 budget of the President, and a reduction of $100 million for low priority research. The 9.1% figure is the President's projected GNP deflator for FY 1981. The National Science Foundation performs a great deal of valuable research which contributes to mankind's wealth of knowledge and ability to deal with problems. Nonetheless, it is also manifestly true that a great deal of NSF's research funding is being wasted on projects which, by any rational and intelligent judgment, are not of the utmost importance to the health, well-being, and productivity of the nation. For example, a $78,400 investigation into the nature of interpersonal relationships in heterosexual and male and female homosexual couples. Such wasteful research should be required to meet a standard of financial priorities. Additionally, there is serious question whether the Federal Government has the constitutional or moral mandate to perform such "research" in the first place.	913.592	869.647	1,152.900	1,051.900	263.575	212.270
11. Japan-United States Friendship Commission This commission was created in 1975, and is composed of 18 Americans from the fields of business, government, and education. The commission is influenced by agencies such as the National Endowment for the Arts, the National Education Association, and the Departments of Education and Human Services. The commission hands out fellowships and supports major collections of Japanese books and publications in appropriate libraries. The commission itself admits that "traditional areas" of Japanese studies are already adequately funded in this country. The Japanese are a great and interesting people, and continued cultural, educational, and political interaction with the U.S.A. is necessary and valuable. But this commission is not essential to carrying out these worthy objectives. Exchanges of all types continue routinely through State Dept. and other government bilateral programs. Many private nonprofit organizations as well as individuals in business, the arts, and education participate in and encourage better relations and understanding between the two countries. All of this should be more than adequate. The commission should be abolished.	1.500	1.565	2.000	2.000	2.000	2.000
12. National Foundation for the Arts and Humanities First, it should be emphasized emphatically that, without the Endowments, the Federal Government would still be generously (and often wastefully) providing hundreds of millions of dollars for a broad range of projects, services, and endeavors for the arts and humanities which benefit a narrow range of people. The Endowments for Arts and Humanities represent the most crass social elitism, overt politicalization, and unbelievable boondoggles. The social elitism is characterized by one program that gave out $750,000 tax-payer dollars to 300 lawyers, doctors and other professionals to spend a month at a pleasant country retreat (with a $1200 stipend for each participant to boot!) to engage in discussion of the issues facing modern society. Discussions were limited to three hours per day. Michael Straight, former deputy chairman of the Endowment for the Arts stated in the Washington Post (August 26, 1979) that "the Carter administration made a conscious decision that they would use both Emdowments for their own political purposes." As an example, the National Endowment for the Humanities gave a $45,000 grant of tax-payer funds for a series of "town meetings" (propaganda) programs on the merits of the Strategic Arms Limitation Treaty (SALT II). The assorted boondoggles include a grant for an "artist" to express himself by dripping ink from Hayley, Idaho to Cody, Wyoming. (Where was the EPA?) Abolish.	305.005	283.583	345.605	327.593	345.605	327.593
13. Federal Election Commission: Reduce funding to the FY 1979 level	8.300	7.400	9.400	9.200	1.100	1.800
14. Water Resources Council Reduce funding to the FY 1979 level. Place WRC on hold until issues concerning independent review process and new cost sharing proposals are decided by the Congress and the Administration.	14.682	12.461	45.326	39.000	30.644	26.539
15. Pennsylvania Avenue Development Corporation: Reduce funding to the FY 1979 level	1.659	1.603	2.748	2.590	1.089	0.987
16. Merit Systems Protection Board: Reduce funding to the FY 1979 level	7.400	6.000	13.000	13.000	5.600	7.000
17. International Communications Agency: Reduce funding to the FY 1979 level	373.900	347.800	429.200	422.400	55.300	74.600

SELECTED INDEPENDENT AGENCIES—Continued

[In millions of dollars]

Item	FY 1980 BA	FY 1980 0	FY 1981 BA	FY 1981 0	Savings BA	Savings 0
18. Commission On Fine Arts	.263	.222	.294	.292	.294	.292
Abolish. This commission was created in 1910 to advise the President and the Congress on matters relating to statues, fountains, and monuments within the District of Columbia when requested.						
Since monuments and memorials are so infrequently erected in Washington, keeping a fulltime commission is wasteful. The commission members serve without pay, but the agency has a paid staff of seven. Their total annual budget is projected at $232,000 a year.						
It is important to have a body of artistic and architectural experts and historians to review and approve building endeavors in the nation's capital. However, there is no reason why this commission cannot continue to meet as it has on a periodic basis to review and evaluate various projects and proposals when called upon to render its judgements as an informal advisory panel. Such occasional advice would certainly not require a fulltime staff and a budget of more than a quarter of a million dollars.						
19. National Commission on Libraries and Information Science	.660	1.598	.699	1.247	.699	1.247
Abolish. This absurd commission should be put to rest. It is supposed to advise the President and the Congress on library needs and policy. Neither the President nor the Congress should have anything to do with libraries, except to return overdue books.						
There is the greater danger that Federal strings will be pulled on libraries with Federal funding or grants in an effort to block movements by parents and concerned citizens to remove undesirable books off their shelves, such as pornography and anti-American propaganda.						
This commission shouldn't even be given the status of a low priority budget ranking.						
Grand total					1,390.697	1,342.753

DEPARTMENT OF STATE

[In millions of dollars; Budget review for selected programs and functions of the Department of State]

	FY 80 (est) BA	FY 81 (est) BA	Savings BA	Savings 0
Overall total	1,703.871	2,010.491	133.883	89.800
I. Administration of Foreign Affairs:				
A. Salaries and expenses	717.192	785.153	33.5	27.303
The decrease represents an overall cumulative reduction in line items.				
B. Representative allowances	3.090	3.509	.275	.224
Marginal reductions are recommended for several allowances.				
C. Acquisition, operation and maintenance of buildings abroad	64.000	135.932	25.40	10.033
In a time of budgetary restraint, new and on-going physical plant activities should be curtailed.				
D. Acquisition, operation and maintenance of buildings abroad (Special Foreign Program)	18.150	37.400	8.430	1.669
Reduction consistent with prior category (C).				
E. Emergencies in the diplomatic and consular services	2.350	5.000	1.250	.681
A recommended decrease primarily due to the requested increase of "other activities" from 1.4 million to 4 million.				
F. American Institute in Taiwan	5.954	6.582	.150	.138
A marginal reduction is recommended.				
Total, Administration of Foreign Affairs	810.736	973.576	69.005	40.048
II. International Organizations and Programs:				
A. Contributions to international organizations	411.500	457.478	26.528	20.161
An overall reduction owing to the disproportionate share allotted to the United States in financing international institutions.				
B. International conferences and contingencies	6.7	7.518	.500	.300
A marginal decrease is recommended.				
C. International commissions	18.694	19.621	.650	.650
A recommended reduction among the several commissions toward maintaining the FY 80 funding level. The commissions include the International Boundary and Water Commission, American Sections, and International Fisheries and "other commissions".				
D. Migration and refugee assistance programs	456.241	552.298	37.200	28.641
Marginal reductions are recommended among the several on-going and anticipated refugee and migration programs.				
Total, International Organizations and Conferences	893.135	1,036.915	64.878	49.752
Overall total	1,703.871	2,010.491	133.883	89.800

FUNDS APPROPRIATED TO THE PRESIDENT—FOREIGN ASSISTANCE

[In millions of dollars; budget review of selected programs]

	FY 80 (est) BA	FY 81 (est) BA	Savings BA	Savings 0
Overall total	4,174.762	4,608.494	362.975	58.135
The suggested reduction in the FY 81 budget for selected foreign assistance programs is designed to approximate the level of budget authority for FY 80 thereby achieving a saving of 58.635 million in outlays for FY 81.				
A. INTERNATIONAL SECURITY ASSISTANCE				
Total	2,110.653	2,243.000	110.900	31.477
1. Military Assistance	110.200	105.000	5.000	.750
The military assistance program is scheduled to be terminated in 1982. A 5 million dollar reduction in budget authority would accelerate the phase out but not to the extent that current defense requirements could not be met. (Turkey is excluded from the recommended decrease)				
2. Economic Support Fund	1,950.953	2,080.500	100.000	26.000
The Fund's primary purpose is to sustain the tenuous peace in the Middle East and to finance certain projects in South Africa. A 100 million dollar decrease in budget authority is not exorbitant in view of the 2.08 billion dollar request for FY 81. (Israel is specifically excluded from any decrease)				
3. Military Education and Training	28.400	32.500	2.000	1.100
A decrease of 2 million dollars in budget authority from the requested 32.5 million dollars is marginal.				
4. Peacekeeping Operations	21.100	25.000	3.900	3.627
The scope and mandated responsibilities of peacekeeping elements do not warrant an increase over the FY 80 Level.				

B. MULTILATERAL ASSISTANCE				
Total	461.640	544.050	114.85	11.613
1. Inter-American Development Bank: a. Fund for Special Operations Of the international Financial Institutions, only the FSO is recommended to remain at the FY 80 level of budget authority. The Fund has been lax in the application of eligibility requirements for concessional loans.	200.000	300.000	100.000	3.000
2. International Organizations and Programs The reduction of 8.613 million dollars in outlays reflects marginal reductions in the requested FY 81 funds for 16 international organizations and programs for which the United States bears a disproportionate share or, the purposes of which are questionable.	261.640	244.050	14.850	8.613
C. BILATERAL ASSISTANCE				
Total	1,602.469	1,821.444	137.225	15.045
1. Economic Assistance The 122 million dollar reduction is the sum of decreases in programs for food and nutrition, population planning, health, education and human resources, and other development assistance activities.	1,230.882	1,414.202	122.000	9.76
2. Sahel Development Program The United States contribution to this program for massive development in Central and West Africa could overwhelm the administrative capacity of the program during its initial stage. Therefore, a reduction of 10 million dollars is recommended.	100.000	113.442	10.000	1.000
3. Operating expenses of the International Development Cooperation Agency The recommended reduction is in keeping with administrative budgetary discipline.	271.587	293.800	5.225	4.285
Overall Total	4,174.762	4,608.494	362.975	58.135

DEPARTMENT OF JUSTICE/LEAA

[In millions of dollars]

Item	FY 1979		FY 1981		Savings	
	BA	0	BA	0	BA	0
Law Enforcement Assistance Administration Generally, LEAA's track record is fraught with mismanagement, questionable use of funds, and lack of effectiveness. Further evidence of LEAA's performance is indicated in the fact that their appropriations have declined steadily in recent years. Despite these general observations, there are examples of good utilization of LEAA funds. By reducing funding for BA and Outlays to $400 million (as suggested by the Senate Budget Committee in 1979) it is hoped that LEAA will concentrate on most efficient programs, while encouraging local agencies to consider other alternatives in the future.	647	700	521	560	121	160
General Administration of Justice Department: Limit increase to 20% over 1979 amounts	24.505	24.811	32.152	32.152	2.75	2.38
Total legal activities: Limit increases to 20% over 1979	397.27	393.56	494.489	494.489	17.77	22.22
Grand total					141.52	184.6

DEPARTMENT OF EDUCATION

[In millions of dollars]

Item	1979		Apr. 1 to Sept. 30, 1980		1981		FY 1981 savings	
	BA	0	BA	0	BA	0	BA	0
1. Elementary and secondary education: Savings in BA: Grants for Disadvantaged—Limiting 1981 increase to approximately 10% above 1980 BA (to $3,663.652 million BA) would save $23.12 million in 1981. Guidance, Counseling and Testing—Elimination of this program would save $18 million in 1981. Bilingual Education—Limiting increase to approximately 50% above 1980 BA (to $178.445 million BA) would save $13.555 million in 1981. Savings in Outlays: Recommended reductions in BA amount to approximately 1.3% of total BA. Reducing outlays by same percent (to $3,589.071 million) would save $42.206 million in 1981 outlays.								
			1980					
2. Youth Education and Training Elimination of this new program would save $900 million BA and $50 million outlays in 1981.					900.	50.	900.	50.
3. Equal Educational Opportunities Savings in BA: Emergency School Aid—Funds are used to "encourage observance of the law." Why should this be necessary? Keeping BA at 1980 level (at $269.623 million BA) would save $14.69 million BA in 1981. Training and Advisory Services—Program does essentially the same thing as Emergency School Aid program above—i.e., is aimed at eliminating discrimination. Consolidation of efforts and elimination of this program would save $54.7 million BA in 1981. Women's Education Equity—Eliminating new proposed grants and limiting 1981 increase to 10% above 1980 BA (to $9.322 million BA) would save $10.678 million BA in 1981. Savings in Outlays: Recommended reductions in BA amount to approximately 22.3% of total BA. Reducing outlays by same percent (to $249.961 million) would save $71.738 million in 1981 outlays.	341.35	317.078	323.773	298.646	359.013	321.699	80.068	71.738
			Apr. 1 to Sept. 30, 1980					
4. Libraries and Learning Resources Savings in BA: Public Libraries—1980 BA from Office of Education was $60.237 million. Limiting increase to approximately 10% (to $66.261 million BA) would save $8.239 million in 1981. Research Libraries—Appears to be a new program; no comparable one appears in Office of Education budget for prior years. Proposes approximately 23 grants at $300,000 each. Reducing grantees to 15 and amounts to $200,000 each (total $3 million) would save $3.9 million in 1981. Educational Television Programming—Limiting 1981 increase to approximately 10% above 1980 BA (to $3.385 million BA) would save $2.615 million in 1981. Savings in Outlays: Recommended reductions in BA amount to approximately 5.5% of total BA. Reducing outlays by same percentage (to $241.732 million) would save $14.069 million in 1981 outlays.			185.988	148.195	264.488	255.801	14.754	14.069

DEPARTMENT OF EDUCATION—Continued

[In millions of dollars]

Item	1979		Apr. 1 to Sept. 30, 1980		1981		FY 1981 savings	
	BA	0	BA	0	BA	0	BA	0
			1980					
5. Indian Education	71.735	60.581	75.989	69.856	100.95	82.939	18.64	15.26
Savings in BA:								
Payments to Local Education Agencies (LEA's) and non-LEA's—Reducing increase from 42% to 10% (to $57.2 million) would save $16.8 million in 1981.								
Special Programs for Indian Students—Limiting 1981 increase to approximately the same level as for 1981 (i.e., 1%) (to $17.16 million BA) would save $1.84 million in 1981.								
Savings in Outlays: Recommended reductions in BA amount to approximately 18.4% of total BA. Reducing outlays by same percent (to $67.679 million) would save $15.26 million in 1981 outlays.								
6. Office of Special Education and Rehabilitation Services:								
A. Education for the Handicapped	976.637	589.12	1,051.26	788.939	1,102.05	968.5	1.2	968
Savings in BA: Special Studies—1980 funding was at 50% of 1979 level. The 130% requested increase for 1981 is not justified. Limiting 1981 increase to 10% above 1980 BA (to $1.1 million BA) would save $1.2 million in 1981.								
Savings in Outlays: Recommended reductions in BA amount to approximately 0.1% of total BA. Reducing outlays by same percent (to $967.532 million) would save $0.968 million in 1981 outlays.								
6. Office of Special Education and Rehabilitation Services—Continued								
B. Rehabilitation Services and Handicapped Research			395.984	449.802	963.875	957.334	251.92	249.864
			Apr. 1 to Sept. 30, 1980					
Savings in BA:								
Basic State Grants—An increase of 100% (to allow for additional six months) plus 10% over 1980 BA (to $719.386 million BA) would save $134.873 million in 1981.								
Training—An increase of 100% plus 10% over 1980 BA (to $21.265 million BA) would save $4.235 million in 1981.								
National Institute for Handicapped Research—An increase of 100% plus 10% over 1980 BA (to $30.188 million BA) would save $6.812 million in 1981.								
National Council on the Handicapped—Appears to be a new council. Requested $256 million for 15 member group appears inordinantly large. Reducing funding to $150 million BA would save $106 million in 1981.								
Savings in Outlays: Recommended reductions in BA amount to approximately 26.1% of total BA. Reducing outlays by same percent (to $707.47 million) would save $249.864 million in 1981.								
			1980					
7. Office of Vocational and Adult Education	781.614	772.075	896.196	854.888	932.796	907.913	454.096	441.245
Savings in BA:								
Vocational education:								
Basic Grants—An approximately 50% increase in 1979 BA (to $250 million BA) would save $278.871 million in 1981.								
Program Improvement and Supportive Services—An approximately 50% increase in 1979 BA (to $61.218 million BA) would save $71 million in 1981.								
Programs of National Significance—Limiting increase to approximately 10% above 1980 BA (to $31.1 million BA) would save $3.694 million in 1981.								
Consumer and Homemaking Education—Elimination of program would save $43.497 million in 1981.								
State Advisory Councils—An approximately 50% increase from 1979 BA (to $4.359 million BA) would save $2.141 million in 1981.								
Bilingual Vocational Training—A 50% increase in 1979 BA (to $4.124 million BA) would save $1.876 million in 1981.								
State Planning—Funding at more than twice 1979 BA (at $1.6 million BA) would save $3.4 million in 1981.								
Adult education:								
Grants to States—Funding at more than twice 1979 BA (at $96 million BA) would save $24 million in 1981.								
Demonstration Dissemination and Related Activities—Elimination of this new program would save $2 million in 1981.								
Career Education Incentives—New program in 1980 with start-up of $1.3 million. Elimination of program would save $20 million BA in 1981.								
Consumer Education—Elimination of program would save $3.617 million BA in 1981.								
Savings in Outlays: Recommended reductions amount to approximately 48.6% of total BA. Reducing outlays by same percent (to $466.668 million would save $441.245 million in 1981 outlays.								
8. Office of Post Secondary Education:								
A. Student Financial Assistance	3,753.65	2,871.316	3,600.969	3,412.695	3,305.75	3,419.926	94.192	95.757
Savings in BA: Basic Opportunity Grants—Limiting increase to 10% over 1980 BA (to $2,258.808 million BA) would save $94.192 million in 1981.								
Savings in Outlays: Recommended reductions in BA amount to approximately 2.8% of total BA. Reducing outlays by same percent (to $3324.169 million) would save $95.757 million in 1981.								
B. Student Loan Insurance Fund	982.503	897.944	959.621	975.489	1,122.646	941.661	123.649	103.582
Savings in BA:								
Federal Insurance Program/Contract Collection Costs—Reducing increase from 66⅔% to 10% over 1980 BA (to $.871 million BA) would save $.449 million in 1981.								
Interest Subsidies Program/Special Allowance Claims—Reducing increase to 10% above 1980 BA (to $460.152 million BA) would save $73.598 million in 1981.								
Death and Disability Claims—Reducing increase to 10% above 1980 BA (to $7.422 million BA) would save $1.767 million in 1981.								
Bankruptcy Claims—Reducing increase to approximately 10% above 1980 BA (to $13.071 million BA) would save $2.929 million in 1981.								
Federal Insurance Program/Acquisition of Defaulted Loans—reducing increase to 10% above 1980 BA (to $64.864 million BA) would save $10.823 million in 1981.								
Federal Reinsurance Program/Acquisition of Defaulted Loans—reducing increase to 10% above 1980 BA (to $176.57 million BA) would save $34.083 million in 1981.								
Savings in Outlays: Recommended reductions in BA amount to approximately 11% of total BA. Reducing outlays by same percent (to $838.079 million) would save $103.582 million in 1981 outlays.								

DEPARTMENT OF EDUCATION—Continued

[In millions of dollars]

Item	1979		Apr. 1 to Sept. 30, 1980		1981		FY 1981 savings	
	BA	0	BA	0	BA	0	BA	06
9. Higher and Continuing Education	396.178	564.623	408.43	376.215	393.329	371.04	17.765	16.69
Savings in BA:								
Program Development Cooperative Education—Limiting 1981 increase to 10% over 1980 BA (to $16.5 million BA) would save $6.5 million in 1981.								
International Education and Foreign Language Studies/Centers, Fellowships, and Research—Limiting increase to 10% above 1980 BA (to $18.7 million BA) would save $4.3 million in 1981.								
Fellowships, Group Projects and Research Abroad—Limiting increase to 10% above 1980 BA (to $3.3 million BA) would save $3.7 million in 1981.								
Graduate Support/Professional Educational Opportunities—Limiting increase to 10% above 1980 BA (to $9.735 million BA) would save $3.265 million 1981.								
Savings in Outlays: Recommended reductions in BA amount to approximately 4.5% of total BA. Reducing outlays by same percent (to $354.3444 million) would save $16.696 million in 1981.								
			Apr. 1 to Sept. 30, 1980					
10. Office of Educational Research and Improvement:								
A. Research and Related Activities			51.907	37.026	105.05	87.004	3.25	2.61
Savings in BA: Research and Development—Limiting 1981 increase to 100% plus 10% above 1980 BA (to $84.8 million BA) would save $3.25 million in 1981.								
Savings in Outlays: Recommended reductions amount to approximately 3% of total BA. Reducing outlays by same percent (to $84.394 million) would save $2.61 million in 1981 outlays.								
B. School Improvement Programs			157.783	91.342	210.523	185.682	7.63	6.684
Savings in BA:								
Special Emphases/Gifted and Talented—Limiting increase to 100% plus 10% over 1980 BA (to $3.45 million BA) would save $2.83 million in 1981.								
Arts in Education—Limiting increase to 100% plus 10% over 1980 BA (to $2.75 million BA) would save $.75 million in 1981.								
Communities and Schools/Cities in Schools—Services provided here are already available elsewhere. Elimination of this program would save $3.05 million in 1981.								
PUSH for Excellence—Nine projects to mobilize community resources to improve school attendance, decrease drop-out rates, etc. Elimination of this program would save $1 million in 1981.								
Savings in Outlays: Recommended reductions in BA amount to approximately 3.6% of total BA. Reducing outlays by same percent (to $178.998 million) would save $6.684 million in 1981 outlays.								
			1980					
11. Special Institutions:								
A. National Technical Institute for the Deaf	16.625	16.463	17.349	17.413	20.305	20.305	1.12	1.116
Savings in BA: Career Development—Limiting 1981 increase to 10 percent over 1980 BA (to $13.722 million BA) would save $1.12 million in 1981.								
Savings in Outlays: Recommended reductions in BA amount to approximately 5.5 percent of total BA. Reducing outlays by same percent (to $19.189 million) would save $1.116 million in 1981 outlays.								
B. Gallaudet College	44.833	49.415	48.341	52.276	49.768	49.768	1.757	1.741
Savings in BA: College Program—Limiting 1981 increase to 10 percent over 1980 BA (to $28.856 million BA) would save $1.757 million in 1981.								
Savings in Outlays: Recommended reductions in BA amount to approximately 3.5 percent of total BA. Reducing outlays by same percent (to $48.027 million) would save $1.741 million in 1981 outlays.								
			Apr. 1–Sept. 30, 1980					
12. Office of Civil Rights			24.013	22.079	49.215	46.828	1.152	1.077
Savings in BA: Salaries and Expenses/Architectural and Transportation Carriers Compliance Board—Reducing 1981 increase from requested 340% to 100% plus 10% over 1980 BA (to $1.148 million BA) would save $1.152 million in 1981.								
Savings in Outlays: Recommended reductions in BA amount to approximately 2.3% of total BA. Reducing outlays by same percent (to $15.751 million) would save $1.077 million in 1981 outlays.								
			1980					
13. Departmental Management	126.553	130.781	163.154	160.936	244.181	201.35	20.449	16.712
Savings in BA:								
Salaries and Expenses/Program Administration/General Administration—Limiting increase to 10% over 1980 BA (to $176.027 million BA) will save $17.164 million in 1981.								
Planning and Evaluation—Limiting 1981 increase to 100% plus 10% over 1980 BA (to $2.965 million BA) would save $3.285 million in 1981.								
Savings in Outlays: Recommended reductions in BA amount to approximately 8.3% of total BA. Reducing outlays by same percent (to $184.638 million) would save $16.712 million in 1981 outlays.								
Grand total							2,046.317	1.131.325

DEPARTMENT OF HEALTH AND HUMAN SERVICES

[In millions of dollars]

Item	1979		1980		1981		FY 1981 savings	
	BA	0	BA	0	BA	0	BA	0
1. Health Services Administration:								
A. Health Services	1,265.311	1,183.174	1,378.156	1,237.603	1,437.28	1,260.228	88.125	86.955
Savings in BA:								
Primary Health Care Centers—Limiting increase to 10% over 1980 BA (to $35 million BA) would save $22.402 million in 1981.								
Genetic Services—Limiting increase to 50% over 1979 BA (to $6.109 million BA) would save $5.836 million in 1981.								
National Health Service Corps—Limiting increase to 10% over 1980 BA (to $78.842 million BA) would save $54.99 million in 1981.								
Program Support—Limiting increase to 10% over 1980 BA (to $37.595 million BA) would save $4.897 million in 1981.								
Savings in Outlays: Recommended reductions amount to approximately 6.9% of total BA. Reducing outlays by same percent (to $1,173.273 million) would save $86.955 million in 1981 outlays.								
B. Indian Health Services	492.193	465.345	548.777	526.239	601.819	588.621	4.066	3.531
Savings in BA:								
Clinical Services—Limiting 1981 increase to 10% over 1980 BA (to $464.597 million BA) would save $2.101 million in 1981.								
Tribal Management—Limiting 1981 increase to 10% over 1980 BA (to $3.264 million BA) would save $1.965 million in 1981.								
Savings in Outlays: Recommended reductions in BA amount to approximately .6% of total BA. Reducing outlays by same percent (to $585.09 million) would save $3.531 million in 1981 outlays.								

DEPARTMENT OF HEALTH AND HUMAN SERVICES—Continued

[In millions of dollars]

Item	1979		1980		1981		FY 1981 savings	
	BA	0	BA	0	BA	0	BA	0
2. Center for Disease Control/Preventive Health Services	263.972	238.335	291.415	245.924	391.036	303.326	98.092	74.831
Savings in BA:								
Prevention Formula Grants—Elimination of new program will save $10 million BA in 1981.								
Health Incentive Grants—Elimination of new program will save $52 million BA in 1981.								
Risk Reduction Health Education—Limiting increase to 10% over 1980 BA (to $14.932 million BA) would save $1.609 million in 1981.								
Fluoridation—Limiting increase to 10% over 1980 BA (to $7.463 million BA) would save $2.121 million in 1981.								
Occupational Safety and Health/Research—Limiting increase to 21% over 1979 BA (to $52.862 million BA) would save $10.567 million in 1981. (21% increase equals a 10% increase in both 1980 and 1981.)								
Training—Limiting increase to 21% over 1979 BA (to $10.265 million BA) would save $4.423 million in 1981.								
Buildings and Facilities—Delaying construction of new lab in Morgantown, W. Va. would reduce 1981 costs. Limiting increase to 10% over 1980 BA (to $12.579 million BA) would save $17.372 million in 1981.								
Savings in Outlays: Recommended reductions in BA amount to approximately 25% of total BA. Reducing outlays by same percent (to $227.495 million) would save $75.831 million in 1981 outlays.								
3. National Institutes of Health:								
A. National Institute of Arthritis, Metabolism and Digestive Diseases	302.767	263.015	342.83	324.404	365.711	346.292	22.02	20.777
Savings in BA:								
Arthritis, Bone and Skin Diseases—Reducing 1980 increase from 34% to 20% (to $50.563 million BA) and allowing a 15% increase in 1981 (to $58.147 million BA) would save $3.119 million in 1981.								
Diabetes, Endocrinology and Metabolism—Reducing 1980 increase from 29% to 20% (to $117.059 million BA) and allowing a 10% increase in 1981 (to $128.765 million BA) would save $6.945 million in 1981.								
Digestive Disease and Nutrition—Reducing 1980 increase from 36½% to 20% (to $46.197 million BA) and allowing a 10% 1981 increase (to $50.817 million BA) would save $6.549 million in 1981.								
Kidney Disease, Urology and Hematology—Reducing 1980 increase from 34% to 20% (to $48.26 million BA) and allowing a 10% 1981 increase (to $53.086 million BA) would save $5.407 million in 1981.								
Savings in Outlays: Recommended reductions in BA amount to approximately 6% of total BA. Reducing outlays by same % (to $325.515 million) would save $20.777 million in 1981 outlays.								
B. National Institute of Neurological and Communicative Disorders and Strokes	212.365	194.234	242.757	219.642	249.807	237.397	14.255	1.531
Savings in BA:								
Communicative Disorders—Reducing 1980 increase from 35% to 20% (to $30 million BA) and allowing a 10% 1981 increase (to $33 million BA) would save $2.15 million in 1981.								
Neurological Disorders—Reducing 1980 increase from 53% to 25% (to $64 million BA) and allowing a 10% 1981 increase (to $70.4 million BA) would save $9.673 million in 1981.								
Stroke, Nervous System Trauma—Reducing 1980 increase from 37% to 20% (to $36.84 million BA) and allowing a 10% 1981 increase (to $40.524 million BA) would save $2.432 million in 1981.								
Savings in Outlays: Recommended reductions in BA amount to approximately 5.7% of total BA. Reducing outlays by same percent (to $223.866 million) would save $13.531 million in 1981 outlays.								
C. National Institute of Allergy and Infectious Diseases	191.328	167.871	216.247	194.393	228.412	214.948	---	---
Savings in BA:								
Immunology, Allergic and Immunologic Diseases—Reducing 1980 increase from 39% to 20% (to $55.63 million BA) and allowing a 10% 1981 increase (to $61.193 million BA) would save $7.73 million in 1981.								
Microbiology and Infectious Disease—Reducing 1980 increase from 30% to 20% (to $94.416 million BA) and allowing a 10% 1981 increase (to $103.857 million BA) would save $5.614 million in 1981.								
Savings in Outlays: Recommended reductions in BA amount to approximately 5.8% of total BA. Reducing outlays by same percent (to $202.482 million) would save $12.466 million in 1981 outlays.								
D. National Institute of General Medical Science	277.628	246.509	312.628	261.831	331.639	301.418	29.407	26.524
Savings in BA:								
Cellular and Molecular Basis of Disease—Reducing 1980 increase from 35% to 20% (to $94.768 million BA) and allowing a 10% 1981 increase (to $104.245 million BA) would save $15.463 million in 1981.								
Genetics—Reducing 1980 increase from 36% to 20% (to $91.096 million BA) and allowing a 10% 1981 increase (to $100.206 million BA) would save $11.574 million in 1981.								
Pharmacological Sciences—Reducing 1980 increase from 39% to 20% (to $35.59 million BA) and allowing a 10% increase in 1981 (to $39.149 million BA) would save $2.123 million in 1981.								
Direct Operations—Reducing 1980 increase from 32P to 20% (to $7.089 million BA) and allowing a 10% 1981 increase (to $7.798 million BA) would save $0.247 million in 1981.								
Savings in Outlays: Recommended reductions in BA amount to approximately 8.8% of total BA. Reducing outlays by same percent (to $274.894 million) would save $26.524 million in 1981 outlays.								
E. National Institute of Child Health and Human Development	197.63	164.252	209.785	186.177	217.531	200.886	6.805	6.227
Savings in BA: Population—Reducing 1980 increase from 39% to 20% (to $63.658 million BA) and allowing a 10% increase in 1981 (to $70.025 million BA) would save $6.805 million in 1981.								
Savings in Outlays: Recommended reductions in BA amount to approximately 3.1% of total BA. Reducing outlays by same percent (to $194.659 million) would save $6.227 million in 1981 outlays.								
F. National Eye Institute	150.192	76.753	113.449	116.97	116.562	126.527	1.28	1.26
Savings in BA: Cataract—Reducing 1980 increase from 50% to 25% (to $8.125 million BA) and allowing a 10% 1981 increase (to $8.937 million BA) would save $1.28 million in 1981.								
Savings in Outlays: Recommended reductions in BA amount to approximately 1% of total BA. Reducing outlays by same percent (to $125.262 million) would save $1.265 million in 1981 outlays.								

DEPARTMENT OF HEALTH AND HUMAN SERVICES—Continued

[In millions of dollars]

Item	1979		1980		1981		FY 1981 savings	
	BA	O	BA	O	BA	O	BA	O
G. National Institute of Environmental Health Sciences	78.08	64.728	84.306	78.689	97.269	90.433	12.39	11.484
Savings in BA:								
Prediction, Detection and Assessment of Environmentally Caused Diseases and Disorders—Reducing 1980 increase from 26% to 20% (to $20.544 million BA) and allowing a 10% 1981 increase (to $20.544 million BA) and allowing a 10% 1981 increase (to $22.598 million BA) would save $2.772 million in 1981.								
Mechanisms of Environmental Diseases and Disorders—Reducing 1980 increase from 37% to 20% (to $13.651 million BA) and allowing a 10% 1981 increase (to $15.016 million BA) would save $3.045 million in 1981.								
Environmental Health Research and Manpower Development Resources—Reducing 1980 increase from 29% to 20% (to $15.571 million BA) and allowing a 10% 1981 increase (to $17.128 million BA) would save $.159 million in 1981.								
Intramural Research—Reducing 1980 increase from 29% to 20% (to $23.103 million BA) and allowing a 10% 1981 increase (to $25.413 million BA) would save $6.193 million in 1981.								
Direct Operations—Reducing 1980 increase from 45% to 20% (to $2.176 million BA) and allowing a 10% 1981 increase (to $2.394 million BA) would save $.221 million in 1981.								
Savings in Outlays: Recommended reductions in BA amount to approximately 12.7% of total BA. Reducing outlays by same percent (to $78.949 million) would save $11.484 million in 1981 outlays.								
H. National Institute of Aging	56.911	41.906	70.228	58.668	75.317	69.378	20.926	19.217
Savings in BA:								
Aging—Reducing 1980 increase from 75% to 25% (to $35.992 million BA) and allowing a 10% 1981 increase (to $39.591 million BA) would save $16.802 million in 1981.								
Intramural Research—Reducing 1980 increase from 75% to 25% (to $9.438 million BA) and allowing a 10% 1981 increase (to $10.382 million BA) would save $3.134 million in 1981.								
Direct Operations—Reducing 1980 increase from 70% to 20% (to $2.33 million BA) and allowing a 10% 1981 increase (to $2.563 million BA) would save $.99 million in 1981.								
Savings in Outlays: Recommended reductions in BA amount to approximately 27.7% of total BA. Reducing outlays by same percent (to $50.161 million) would save $19.217 million in 1981 outlays.								
I. Research Resources	154.164	159.255	169.302	160.85	184.439	163.137	5.755	5.057
Savings in BA:								
Biotechnical Research—Reducing 1980 increase from 28% to 20% (to $16.095 million BA) and allowing a 10% 1981 increase (to $17.774 million BA) would save $5 million in 1981.								
Minority Biomedical Support—Reducing 1980 increase from 32% to 20% (to $16.452 million BA) and allowing a 10% 1981 increase (to $18.097 million BA) would save $.755 million in 1981.								
Savings in Outlays: Recommended reductions in BA amount to approximately 3.1% of total BA. Reducing outlays by same percent (to $158.08 million) would save $5.057 million in 1981 outlays.								
4. Alcohol, Drug Abuse and Mental Health Administration:								
A. Alcohol, Drug Abuse and Mental Health	1,025.53	926.252	1,031.454	951.408	1,163.396	994.455	57.78	48.728
Savings in BA:								
Mental Health/Research—Reducing 1980 increase from 21% to 15% (to $138.727 million BA) and allowing a 15% 1981 increase (to $159.537 million BA) would save $3.427 million in 1981.								
Services/State Programs—Reducing 1981 increase from 500% to 20% (to $9.12 million BA) would save $36.48 million in 1981.								
Grants to States—Elimination of new program would save $12.117 million BA in 1981.								
Program Support—Reducing 1980 increase from 33% to 20% (to $32.84 million BA) and allowing a 15% 1981 increase (to $37.766 million BA) would save $.347 million in 1981.								
Buildings and Facilities—Postponing new funds for renovation and design and limiting 1981 increase to 50% over 1980 BA (to $1.188 million BA) would save $4. 237 million in 1981.								
Program Management—Reducing 1980 increase from 46% to 20% (to $8.563 million BA) and allowing a 15% 1981 increase (to $9.847 million BA) would save $1.172 million in 1981.								
Savings in Outlays: Recommended reductions in BA amount to approximately 4.9% of total BA. Reducing outlays by same percent (to $945.727 million) would save $48.728 million in 1981 outlays.								
B. St. Elizabeths Hospital	79.947	80.488	89.298	81.042	96.206	82.133	4.904	4.106
Savings in BA:								
Outpatient Care—Reducing 1980 increase from 72% to 20% (to $4.058 million BA) and allowing a 15% 1981 increase to ($4.667 million BA) would save $3.27 million in 1981.								
Day Care—Reducing 1980 increase from 99.6% to 25% (to $.383 million BA) and allowing a 15% 1981 increase (to $.44 million BA) would save $.654 million in 1981.								
Outplacement—Reducing 1980 increase from 75% to 25% (to $.512 million BA) and allowing a 15% 1981 increase (to $.589 million BA) would save $.98 million in 1981.								
Savings in Outlays: Recommended reductions in BA amount to approximately 5% of total BA. Reducing outlays by same percent (to $78.027 million) would save $4.106 million in 1981 outlays.								
5. Health Resources Administration/ Health Resources	716.562	555.488	690.153	578.013	529.692	513.187	4.874	4.618
Savings in BA: Health Facilities/Conversion and Closure—Reducing start-up level for new program by 50% (to $4.873 million BA) would save $4.874 million in 1981.								
Savings in Outlays: Recommended reductions in BA amount to approximately .9% of total BA. Reducing outlays by same percent (to $508.569 million) would save $4.618 million in 1981 outlays.								
6. Assistant Secretary for Health/Salaries and Expenses	131.308	89.22	193.41	126.504	214.781	150.248	46.61	32.603
Savings in BA: Direct Program—Reducing 1980 increase from 93% to 50% (to $152.833 million BA) and allowing a 10% 1981 increase (to $168.171 million BA) would save $46.61 million in 1981.								
Savings in Outlays: Recommended reductions in BA amount to approximately 21.7% of total BA. Reducing outlays by same percent (to $117.645 million) would save $32.603 million in 1981 outlays.								

DEPARTMENT OF HEALTH AND HUMAN SERVICES—Continued

[In millions of dollars]

Item	1979		1980		1981		FY 1981 savings	
	BA	0	BA	0	BA	0	BA	0
7. Health Care Financing Administration:								
A. Grants to States for Medicaid	13,125.305	12,407.317	12,190.068	11,836.501	16,086.557	15,472.557	1,108.876	1,052.133
Savings in BA: Total Program Costs, Funded—Reducing fraud and abuse can account for reduction of 1981 increase from 28% to 20% (to $14,977.681 million BA). Savings of $1,108.876 million in 1981 would result.								
Savings in Outlays: Recommended reductions in BA amount to approximately 6.8% of total BA. Reducing outlays by same percent (to $14,420.424 million) would save $1,052.133 million in 1981 outlays.								
B. Grants to States for Medicaid/Proposed Legislation			34	34	295.5	295.5	295.5	295.5
Elimination of proposed new programs save $295.5 million BA and outlays in 1981.								
C. Payments to Health Care Trust Funds	7,760.913	7,747.968	7,968.156	7,968.156	9,589.12	9,589.12	236.145	230.238
Savings in BA:								
Supplemental Medical Insurance—Reducing 1981 increase from 23% to 20% (to $8,516.4 million BA) would save $220.6 million in 1981.								
PSRO Activities—Reducing 1981 increase from 57% to 10% (to $36.575 million BA) would save $15.545 million in 1981.								
Savings in Outlays: Recommended reductions in BA amount to approximately 2.4% of total BA. Reducing outlays by same percent (to $9,358.982 million) would save $230.138 million in 1981 outlays.								
8. Social Security Administration:								
A. Assistance Payments Program	6,688.047	6,610.49	7,314.327	7,046.884	7,797.929	7,681.015	1,000	983.169
Savings in BA: Aid to Families with Dependent Children—Strengthening work requirements, improving assets test, requiring better resource utilization, and curbing fraud and abuse can account for savings in $1,000 million BA in 1981.								
Savings in Outlays: Recommended reductions in BA amount to approximately 12.8% of total BA. Reducing outlays by same percent (to $6,697.846 million) would save $983.169 million in 1981 outlays.								
B. Refugee Assistance	235.264	140.625	416.9	366.333	87.3	190.368	17.776	38.644
Savings in BA:								
Voluntary Agency Programs—Reducing 1981 increase from 80% to 10% (to $22 million BA) would save $14 million in 1981.								
Federal Administrative Expenses—Reducing 1980 increase from 70% to 20% (to $2.476 million BA) and allowing a 10% 1981 increase (to $2.724 million BA) would save $3.776 million in 1981.								
Savings in Outlays: Recommended reductions in BA amount to approximately 20.3% of total BA. Reducing outlays by same percent (to $151.724 million) would save $38.644 million in 1981 outlays.								
C. Federal OASDI Trust Funds:								
OASI	86,892.957	90,128.853	99,525.31	104,029.228	111,883.592	121.162.981	0	700
DI	15,195.984	13,944.024	17,406.666	15,364.926	20,581.389	17,398.994		
Savings in BA: Benefit Payments—Enacting H.R. 3236 as reported by Senate Finance Committee; reducing or eliminating low priority Social Security benefits, lump sum death benefits, minimum benefits, and benefits for mothers with no children under age 16 (rather than 18); improving collection of overpayments would have no effect on 1981 BA.								
Savings in Outlays: Recommended changes would result in a $700 million savings in 1981 outlays.								
D. Limitation on Administrative Expenses	2,272.087	2,272.087	2,354.1	2,354.1	2,671.65	2,671.65	22.714	22.714
Savings in BA:								
Disability Insurance—Limiting 1981 increase to 10% over 1980 BA (to $793.092 million BA) would save $13.951 million in 1981.								
SSI—Reducing 1981 increase from 11% to 10% (to $704.331 million BA) would save $8.763 million in 1981.								
Savings in Outlays: Reducing outlays by the same amount as reduction in BA would save $22.714 million in 1981 outlays.								
E. Limitation on Research and Statistics					16	16	16	16
Elimination of proposed new program would save $16 million BA and outlays in 1981.								
9. Human Development Services:								
A. Grants to States for Social and Child Welfare Services	3,088.187	3,090.73	2,508.364	2,433,692	2,710	2,627	36	34.151
Savings in BA:								
State and Local Training—Reducing 1981 increase from 55% to 10% (to $82.5 million BA) would save $33.5 million in 1981.								
Evaluation—Elimination of this new program would save $2.5 million BA in 1981.								
Savings in Outlays: Recommended reductions in BA amount to approximately 1.3% of total BA. Reducing outlays by same percent (to $2,592.849 million) would save $34.151 million in 1981 outlays.								
B. Human Development Services	2,376.568	2,241.227	2,156.937	1,964.712	1,778.511	1,686.369	26.641	23.609
Savings in BA:								
Administration for Children, Youth and Families/Head Start—Reducing 1981 increase from 12% to 10% (to $808.5 million BA) would save $16.5 million in 1981.								
Research and Demonstration—Reducing 1981 increase from 12% to 10% (to $16.17 million BA) would save $1.808 million in 1981.								
Administration on Aging/Area Agency Services and Centers—Reducing 1981 increase from 13% to 10% (to $271.667 million BA) would save $8.333 million in 1981.								
Savings in Outlays: Recommended reductions in BA amount to approximately 1.4% of total BA. Reducing outlays by same percent (to $1,662.76 million) would save $23.609 million in 1981 outlays.								
Grand total							3,176.941	3,756.612

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

[In millions of dollars]

Program	FY 1980		FY 1981		Savings	
	BA	O	BA	O	BA	O
1. Community Development Block Grants The FY 1980 budget authority for this program is $3.9 billion. The proposed FY 1981 level is $3.95 billion. This program can be reduced by the $50 million increase that is proposed for FY 1981. An additional reduction can be obtained by reducing the 3% Secretary's discretionary fund by $50 million. A further reduction of $20 million can be obtained by not committing funds that are denied communities because of noncompliance with HUD regulations. Reductions in outlays result from limiting increases in the CDBG program ($15 million), not re-allocating funds which were not used by non-complying communities ($20 million), and not committing all of the Secretary's discretionary balance funds ($5 million).	3,900.000	3,500.000	3,950.000	3,800.000	120.000	40.000
2. Policy, Development and Research The FY 1980 budget authority is $49.6 million and the FY 1981 proposed budget authority is $54 million. FY 1981 proposed outlays are $54 million, the same as FY 1980. It is proposed to reduce budget authority and outlays by $15 million each for FY 1981.	49.600	54.700	54.000	53.600	15.000	15.000
3. Comprehensive Planning Grants The FY 1980 budget authority is $42.5 million and the FY 1981 proposed budget authority is $40 million. Outlays for FY 1980 are $56 million and are proposed to be $45 million for FY 1981. It is proposed to reduce the budget authority and outlay level for FY 1981 by $20 million in each category.	42.500	56.000	40.000	45.000	20.000	20.000
4. Section 8 Housing A reduction of $7 billion in budget authority is proposed, which would result in approximately the same budget authority level in FY 1981 as was provided in FY 1980. As outlays are based on prior contractual commitments, and as there is a lengthy lead time between contract commitment and HUD outlays, no reduction in FY 1981 are proposed.	26,600.000	27,300.000	33,200.000	33,200.000	7,000.000	
Grand total					7,155.000	75.00

DEPARTMENT OF LABOR

[In millions of dollars]

Item	FY 1980		FY 1981		Savings	
	BA	O	BA	O	BA	O
1. Occupational Safety and Health Administration: Reduce funding to the FY 1979 level	173.00	155.00	212.000	208.000	39.000	53.000
2. Jobs Corps The Jobs Corps ostensibly provides disadvantaged youth with a comprehensive program of basic education, vocational training, job placement, medical support and other services in a residential setting. The program has been growing rapidly since FY 1978—an increase of 47 new centers to an expected total of 107 centers. Millions of dollars are being used to remodel centers to make them more "energy efficient." The program is another boondoggle in the "War on Poverty," and duplicates many welfare-type services already available elsewhere. Real improvements, particularly among black teenagers, could be secured by providing a youth differential for the minimum wage law, thereby allowing young people to enter the job market and work up to higher paying skill levels Abolish.	416.000	489.000	560.000	579.000	560.000	579.000
3. Welfare Reform Demonstrations: Reduce funding to the FY 1980 level	175.000	159.000	281.000	271.000	106.000	112.000
4. New Youth Initiative Programs Strike all new programs from the budget. This is not the time to begin new and expensive programs during an economic crisis.			1,125.000	1,055.000	1,125.000	1,055.000
5. Public Service Employment:						
Title II–D (Structural)	1,485.000	2,051.000	2,554.000	2,437.000	566.000	386.000
Title VI (Countercyclical): Fund at the FY 1980 level	1,627.000	1,926.000	2,044.000	1,978.000	417.000	52.000
6. Work Incentive Program (WIN): Fund at the FY 1980 level	365.000	365.000	385.000	385.000	20.000	20.000
7. Young Adult Conservation Corps Eliminate funding. This is another program that could be eliminated at little or no real social cost because it employs a large number of persons that traditionally can find jobs in the private sector. The President's budget phases out this program and shifts funding to the New Youth Initiatives programs.			265.000	277.000	265.000	277.000
8. Summer Youth Employment Program: Reduce estimated FY 1981 funding by 50%			839.000	873.000	420.000	437.000
9. Relaxation of Davis-Bacon Wage Requirements The practical effect of Davis-Bacon, particularly in urban areas, is that workers on federal projects receive union scale, instead of an average locality rate. It is probable that repeal of Davis-Bacon would lead not only to some reduction in construction costs on Federal projects, but would also tend to reduce upward pressures on wage rates at nonfederal projects in the same localities. Studies by the General Accounting Office and the Council on Wage and Price Stability estimate that repeal of Davis-Bacon would result in federal budget savings of $134 million in FY 1981 in just three largest Federal construction programs: military, EPA construction grants, and ground transportation construction.					134.000	134.000
10. Change in the trigger for unemployment insurance extended benefits Under current law, the federal government pays half the cost of 13 weeks of additional unemployment insurance benefits for those who have exhausted the regular benefits provided by state law. The extended benefits are payable only when state's insured unemployment rate exceeds a prescribed formula level, or when the national insured unemployment rate exceeds 4.5 percent. When the national trigger is reached, extended benefits are payable in every state, including those with low unemployment rates. If the national trigger were eliminated, the savings to the budget would reach about $1 billion in FY 1981 and another $1 billion in FY 1982, according to CBO economic assumptions. The immediate losers of such an action would be unemployed persons in states with low unemployment rates. These are areas that the unemployed can most easily find other employment. These are also the areas that providing extended benefits tends to act as a disincentive to seeking the available alternative employment, despite the comparatively better opportunities in these areas.					1,000.000	1,000.000
11. Grants to States for administering the unemployment insurance and the employment services should be held to the projected 1980 levels					3.000	209.000
12. Reduction for Unemployment Insurance and for State Employment Security Agency activities The institution of the proper budgetary restraints and tax reductions will prevent stagnation or a severe down-turn in the economy, thereby avoiding heavy obligations for unemployment insurance payments and services. If proper fiscal and monetary policy prevents unemployment from rising past the 6.7% level, then outlays for Unemployment Insurance and for State Employment Security Agency activities will be reduced.					3,241.000	3,241.000
Grand total					7,896.000	7,555.000

DEPARTMENT OF ENERGY

[In billions of dollars]

Item	FY 1980		FY 1981		FY 1981 savings	
	BA	O	BA	O	BA	O
1. Atomic Energy Defense Activities: No change	3.007	2.982	3.443	3.386	.0	.0
2. Energy Supply R. & D. (Solar applications) Reduction. Held to 9.1% increase over 1980, to compensate for inflation. However promising, solar energy is primarily a long term supply source, and additional increases cannot be justified at this time.	.137	.145	.176	.168	.027	.027
3. Energy Supply R. & D. (Solar technology) No change. The Carter budget requested increase over 1980 is already substantially less than the 9.1% needed to compensate for inflation.	.447	.447	.466	.460	.0	.0
4. Energy Supply R. & D. (Geothermal) No change. The Carter budget requested increase over 1980 is already substantially less than the 9.1% needed to compensate for inflation. Although geothermal energy can make an important contribution in some areas of the country, its geographic limitations make additional increases unjustified.	.140	.135	.143	.144	.0	.0
5. Energy Supply R. & D. (Hydrothermal commercialization) No change. The Carter budget requested increase over 1980 is already less than the 9.1% needed to compensate for inflation.	.005	.004	.005	.005	.0	.0
6. Energy Supply R. & D. (Hydropower) No change. The Carter budget requested increase over 1980 is already less than the 9.1% needed to compensate for inflation. Although hydropower can be important in some areas, its limitations make additional funding unjustified.	.024	.018	.019	.026	.0	.0
7. Energy Supply R. & D. (Nuclear) Increase. This represents continued funding of the Clinch River Breeder Reactor Project, which the Administration has sought to terminate. Even with reinstatement of Clinch River funding at this level, requested 1981 funding for nuclear R.& D. is still significantly below the 1980 level.	1.106	1.148	.802	.916	−.172	−.172
8. Energy Supply R. & D. (Magnetic fusion) Reduction. Held to 1980 level of $355.405 million. These are long range energy development projects for which funding increases cannot now be justified.	.356	.375	.404	.464	.048	.048
9. Energy Supply R. & D. (Electric energy systems) Reduction. Power Supply Integration and Power Delivery held to 1980 levels. No change in Program Direction for which Carter budget already recommends substantial reduction. These cannot be considered high priority energy efforts.	.037	.035	.040	.043	.003	.003
10. Energy Supply R. & D. (Energy storage systems) No change. The Carter budget requested increase over 1980 is already less than the 9.1% needed to compensate for inflation. Although the work assisted by this program can have important benefits, funding at this level is adequate.	.066	.063	.072	.074	.0	.0
11. Energy Supply R. & D. (Environment) Reduction. Held to 9.1% increase over 1980, to compensate for inflation.	.235	.230	.261	.253	.005	.005
12. Energy Supply R. & D. (Basic research) Reduction. Basic energy sciences reduced below 1980 level, with some programs held to 1979 level. Technical Assessment Projects program not funded. University Research Support held to 10% over 1980 level. No change in Technical Program and Policy Analysis, since Carter budget requested increase over 1980 is already less than the 9.1%needed to compensate for inflation. In general, funding increases for this kind of basic research cannot stand the test in a period of fiscal austerity.	.252	.268	.297	.301	.071	.071
13. Energy Supply R. & D. (Multiprogram general purpose facilities) Funding eliminated. These seventeen construction projects can be deferred.	.0	.0	.060	.025	.060	.025
14. General Science and Research Reduction. Held to 9.1 percent increase over 1980, to compensate for inflation. These programs are not directly associated with energy technology in the near or mid-term. Instead, they support research which is expected to have long-term scientific and technological impacts on energy development and utilization. Real growth in such long-term payoff efforts cannot be justified under current circumstances.	.472	.462	.523	.508	.008	.008
15. Uranium Enrichment Reduction. Advanced Isotophe Separation Technology held to 9.1 percent increase over 1980, to compensate for inflation. This will require postponement of the start of operation of the preprototype systems. No change in Carter budget request for Uranium Enrichment Activities or Uranium Resource Assessment.	.371	.364	.210	.237	.026	.026
16. Geothermal Resources Development Fund No change. The 1981 Carter budget request of $43.266 million includes a reappropriation of $41.982 million for the unobligated funds available at the end of 1980. This reappropriation is requested to account for the proposed deletion of a prior year appropriation language provision that terminates the obligational availability of the reserve fund after September 2, 1984.	.0002	.0014	.0433	.0012	.0	.0
17. Power Marketing Administration No change. The Carter budget requested increases over 1980 are less than the 9.1% needed to compensate for inflation.	.164	.036	.175	.100	.0	.0
18. Special Foreign Currency Program—International Affairs No change. The Carter budget requests no 1981 funding.	.0	.0001	.0	.0001	.0	.0
19. Departmental Administration Reduction. Policy Analysis and Systems Studies and International Affairs held to 9.1% increase over 1980, to compensate for inflation. Selective reductions made in Intergovernmental and Institutional Relations. No change in other programs.	.275	.283	.362	.342	.007	.006
20. Fossil Energy R. & D. (Coal) No change. In the current economic and regulatory climate, coal R. & D. funding at the levels requested in the Carter budget is essential. Coal must be a very high priority supply source.	.779	.799	1.047	.823	.0	.0
21. Fossil Energy R. & D. (Petroleum) Reduction. Enhanced Oil Recovery program for Heavy Oil and Tar Sands held to 1980 level; Light Oil enhanced recovery program reduced substantially to hasten proposed phase out. Funding eliminated for Drilling and Offshore Technology program and Advanced Process Technology program. Program Direction held to 1980 level. No change in Oil Shale program. The need for governmental assistance in these areas is marginal since private industry has considerable expertise and substantial economic incentives to pursue this work.	.061	.070	.064	.061	.012	.012
22. Fossil Energy R. & D. (Enhanced gas recovery) No change. The Carter budget request for 1981 is already well below the 1980 level.	.036	.040	.031	.032	.0	.0
23. Energy Production, Demonstration, and Distribution (Coal) No change. Coal production and utilization must have a high priority, and funding at a level below that recommended in the Carter budget would undercut coal development efforts.	.004	.004	.006	.006	.0	.0
24. Energy Production, Demonstration, and Distribution (Naval petroleum reserves) No change. Although the Carter budget requests a substantial increase in funding for the NPRs, this funding increase is justified. It will be used to continue the aggressive oil exploration and development effort already begun. This will be especially important and beneficial if the decision is made to use NPR oil to fill the Strategic Petroleum Reserve.	.073	.081	.145	.174	.0	.0
25. Energy Production, Demonstration, and Distribution (Shale oil and oil and gas development projects) Reduction. No change in oil shale programs, since the Carter budget already requests funding cuts. Funding for Oil and Gas Development Projects held to 1980 levels or below. Economic incentives to private industry, as a result of crude oil decontrol and special pricing provisions of the Natural Gas Policy Act, should make funding at the level requested by Carter unnecessary.	.013	.010	.012	.012	.002	.002

DEPARTMENT OF ENERGY—Continued

[In billions of dollars]

Item	FY 1980		FY 1981		FY 1981 savings	
	BA	O	BA	O	BA	O
26. Energy Production, Demonstration, and Distribution (Solar) Reduction. No change in Solar Federal Buildings program, since the Carter budget already recommends substantial reduction. No change in Program Direction, since Carter requested increase is already less than the 9.1% needed to compensate for inflation. Market Analysis held to 9.1% increase over 1980, to compensate for inflation.	.019	.025	.010	.028	.001	.001
27. Energy Production, Demonstration, and Distribution (Federal leasing) No change. It is of critical importance that federal lands oil and gas leasing be accelerated. Any reduction in the Carter budget request would cripple that effort.	.002	.003	.003	.003	.0	.0
28. Energy Production, Demonstration, and Distribution (Multi-resource) No change. Carter budget requested increase is already less than the 9.1% needed to compensate for inflation.	.001	.004	.001	.001	.0	.0
29. Energy Production, Demonstration, and Distribution (Executive direction) No change. Carter budget request already provides for substantial reduction.	.001	.001	.0006	.0006	.0	.0
30. Energy Conservation Reduction. Although these energy conservation programs are generally beneficial, funding at the level requested in the 1981 Carter budget—or even at the 1980 level—cannot be justified under current circumstances. Rising energy prices and other economic factors are likely to have the effect of inducing far greater energy conservation efforts than these federal assistance and regulatory programs funded at the level recommended by Carter. Reductions are made on a selective basis and include complete elimination of the $50 million requested for a major paid advertising campaign to encourage conservation.	.815	.603	1.067	.856	.411	.411
31. Strategic Petroleum Reserve Reduction. The Carter budget request for a $2.3 billion reappropriation is reduced by $1.3 billion. According to a Budget Committee Minority report by Senator Bellmon, oil for the SPR could be provided while still achieving these savings by transferring oil from the Naval Petroleum Reserves to the SPR instead of buying oil in the world market, and by accelerating OCS and other energy-related leasing to compensate for reduced NPR receipts.	.0002	.767	2.404	1.294	1.300	.856
32. Economic Regulatory Administration Reduction. Selective reductions in Utility Programs and Regulatory Intervention, Compliance, Regulations Development, and Fuels Regulations. Emergency Preparedness and Program Administration held to 1980 level. Fuels Conversion limited to 9.1% increase over 1980, to compensate for inflation. No change in the Office of Hearings and Appeals. Funding at this level will permit adequate administration and enforcement of the energy regulatory requirements of existing law. Reductions are possible primarily because of crude oil and petroleum product decontrol and the elimination or de-emphasis of non-essential, non-productive programs.	.198	.172	.163	.176	.028	.028
33. Energy Information Administration: Reduction. Reduced 10%	.108	.106	.116	.116	.012	.012
34. Energy Security Reserve (Alternate fuels production) No change. The Carter budget requests no additional budget authority in the Department of Energy for alternate fuels production. (The expanded program of government assistance for synthetic fuels production will be funded by the Synthetic Fuels Corporation to be created by the synthetic fuels bill.)	2.208	.155	.0	.053	.0	.0
Grand total					1.848	1.369

DEPARTMENT OF AGRICULTURE

[In millions of dollars]

Item	FY 1980		FY 1981		Savings	
	BA	O	BA	O	BA	O
1. Office of the Secretary:						
Office of Sec	4.879	4.770	5.249	5.139	0.370	0.369
Dept. Admin	20.565	23.760	20.166	23.305	3.195	3.139
Office of IG	36.174	38.584	35.557	37.955	2.410	2.398
Total					5.975	5.906
2. Science and Education Admin.: Hold the 1980 levels for these administrative USDA offices.						
Human Nutrition (ag reser.)	30.457	30.457	34.457	34.457	4.000	4.000
Energy retrofit facilities	.0	.0	3.500	3.500	3.500	3.500
All other (Gen. grouping)	141.188	141.188	156.803	156.803	7.000	7.000
Total Held the Human nutrition program to 1980 level. The proposed retrofit of facilities for 81 was abolished for the present; and the all other category was allowed a $8.6 million increase of FY 80.					14.500	14.500
3. Animal/Plant Health Ser.: All other All other category was allowed a $3 million increase in BA and $3.5 million increase in Outlay.	125.244	251.765	131.105	258.178	2.861	2.861
4. Food Safety Quality Ser.:						
Slaughter Inspect	152.037	152.037	155.080	155.080	3.043	3.043
Processing Inspect	72.236	72.236	74.808	74.808	2.572	2.572
Compliance	5.878	5.878	6.740	6.740	.862	.862
Import/Export Inspec	4.408	4.408	4.496	4.496	.088	.088
Lab Services	13.783	13.783	14.401	14.401	.618	.618
Grants to States	30.181	30.181	32.141	32.141	1.960	1.960
Total Hold the FSQS to the 1980 level.					9.143	9.143
5. Economics, Statistics, and Cooperative Service: All other All other category was allowed a $1 million increase for BA and $5.7 million increase for Outlays.	77.583	91.902	79.596	98.606	1.000	1.000
6. Farmers Home Admn.: Salaries and Expenses Salaries and expense were allowed to increase by $3.5 million for both BA and Outlays in FY 81.	239.490	238.373	246.677	245.871	3.500	3.500
7. Office of International develop.: Intn'l and scientific and cooperation Hold to FY 80 level.	8.658	2.908	12.618	6.868	3.865	3.960
8. Forest Service: Youth Conservation Corps Recommend abolishing this program because it is not needs oriented, that is to say, it does not address the high priority needs of unemployed youths. It is basically a public financed summer camp with pay.	54.797	55.365	55.000	60.795	55.000	60.795

DEPARTMENT OF AGRICULTURE—Continued

[In millions of dollars]

Item	FY 1980		FY 1981		Savings	
	BA	O	BA	O	BA	O
9. Food and Nutrition Ser.: Child Nutrition:						
School Lunch	734.700		859.700		158.200	
Special Asst	1,384.400		1,625.700		196.600	
Breakfast Program	224.800		315.300		45.000	
Summer Food Ser	88.800	2,992.434	148.500	3,483.800	45.000	491.366
Child Care Food Prog	213.800		283.800		35.000	
Nutrition Study/Survey	1.700		3.450		1.750	
Food Program Admin		83.265		85.912		2.647
Total					481.550	494.013
Reductions in the Child Nutrition Program can be accomplished without jeopardizing nutritional value or truly deprived from receiving the benefits. A 5¢ reduction in the federal cash reimbursement rate for paying students in school program; lowering the eligibility standards for free and reduced priced lunches from 125% and 195% of poverty, respectively, to 100% and 175% of poverty level plus a $75/mo standard deduction for each; eliminate participation in summer food program for large food vendors would accomplish substantial savings. *Note that FY 81 increases still exist in Special asst. for $44 million, school breakfast for $45 million, child care food for $35 million, and $14 million for summer food service. Definitely not crippling cuts.						
Special Milk Program	142.000	142.000	166.200	154.700	55.700	12.700
Reduce and freeze the federal reimbursement rate for half pints of milk served in schools that participate in one of the child nutritional programs. (Add 5¢ for paying children.)						
Special Supplemental Food Program (WIC)	736.200	735.060	900.000	860.430	83.800	62.500
Allowed approximately 10% growth in BA and Outlays for the WIC program. The FY 81 increase is still $80 million. This is a program that will need to be capped to prevent it from becoming uncontrollable.						
Food Stamp Program: Total Program	6,179.199	6,155.156	9,729.870	9,622.170	3,550.671	3,467.014
It is recommended that the food stamp program be retained at the 1977 ceiling established by Congress. The truly needy can be assisted most adequately with the $6 billion funding and the USDA can strive to reduce administrative costs and program duplication to handle the proposed reductions.						
Total, Agriculture Budget Savings					4,267.565	4,137.892

DEPARTMENT OF INTERIOR

[In millions of dollars]

	FY 1980		FY 1981		Savings	
	BA	O	BA	O	BA	O
1. Bureau of Land Mgt		301.275		364.081		14.000
Energy and Mineral Mgt	101.800		113.050		11.250	
Lands and Realty Mgt	34.250		36.600		2.350	
Planning and Data Mgt	27.990		34.200		6.210	
Admin. and Enforcement	5.052		7.100		2.048	
Total					21.858	14.000
BLM was held to FY 80 funding for BA and the Outlay was given a 10% increase over FY 80 amounting to $30 million.						
2. Fish/Wildlife and Parks Heritage Conservation and Recreation Service:						
Land and Water Conservation funds	539.194	450.828	610.000	489.000	70.806	38.172
F/W Resource Mgt	212.620	198.278	229.766	221.019	17.030	22.812
Total					87.836	60.984
Hold the above Services and programs to the FY 80 level for both BA and Outlays.						
3. National Park Service: General Funds	393.232	371.570	427.697	413.056	34.465	41.486
National Park Service held to FY 80 BA and Outlay level.						
4. Indian Affairs	801.895	686.474	823.290	728.245	21.395	41.771
Retain the FY 80 Funding levels.						
5. Office of the Secretary	51.129	46.431	58.637	53.552	7.508	7.121
Retain the FY 80 level for BA and Outlay.						
6. Water Project Construction, Bureau of Mines, Geological Survey					0	0
No reductions recommended.						
Total savings for the Department of Interior					173.062	165.36

DEPARTMENT OF COMMERCE

[In billions of dollars]

Item	FY 1980		FY 1981		Savings	
	BA	O	BA	O	BA	O
1. General Administration: Reduce Salaries and Expenses to 1980 spending levels	0.029	0.027	0.039	0.039	0.010	0.012
2. Bureau of the Census: Reduce Salaries and Expenses to 1980 spending levels	.054	.049	.058	.053	.004	.004
3. Economic and Statistical Analysis: Reduce Salaries and Expenses to 1980 levels	.022	.021	.025	.024	.003	.003
4. Economic Development Administration: Reduce Salaries and Expenses to 1980 levels	.043	.036	.071	.065	.028	.029
5. Economic Development Admn.—Economic Development Assistance Programs (to reduce substantial unemployment in economically distressed areas): Reduce to 1980 funding level	.058	.483	1.169	.564	.661	.031
Subtotal					.706	.129

DEPARTMENT OF COMMERCE—Continued

[In millions of dollars]

Item	FY 1980		FY 1981		Savings	
	BA	O	BA	O	BA	O
6. Regional Development Program: Reduce to 1980 funding levels	.063	.062	.074	.070	.011	.008
7. National Oceanic and Atmospheric Administration: Reduce Operations, Research and Facilities expenses to 1980 funding levels	.726	.707	.744	.744	.018	.037
8. Patent and Trademark Office: Reduce Salaries and Expenses to 1980 funding levels	.099	.097	.113	.108	.014	.011
9. Science and Technical Research: Reduce to 1980 funding levels	.094	.094	.118	.116	.024	.022
10. Maritime Administration: Reduce Operating-Differential Subsidies to 1980 funding levels	.305	.299	.349	.348	.044	.049
Subtotal					.111	.127
Total					.817	.256

DEPARTMENT OF THE TREASURY

[In billions of dollars]

Item	FY 1980		FY 1981		Savings	
	BA	O	BA	O	BA	O
1. Office of the Secretary: Reduce Salaries and Expenses to 1979 levels	0.031	0.030	0.035	0.035	0 004	0.005
2. Office of the Secretary: Reduce investment in National Consumer Cooperative Bank to 1980 level	.049	.021	.116	.095	.067	.074
3. Office of Revenue Sharing: Strike Targeted and Anti-Recession Fiscal Assistance program (proposed legislation)					1.000	1.000
4. Bureau of Government Financial Operations: Strike Loans to Energy Security Corporation						.016
5. Bureau of Alcohol, Tobacco, and Firearms: Reduce to 1980 levels	.144	.138	.146	.145	.002	.007
Subtotal					1.073	1.102
6. Bureau of the Public debt: Reduce general expenses of administering the public debt to 1980 levels	.186	.184	.199	.198	.013	.104
7. Internal Revenue Service: Reduce Salaries and Expenses to 1980 levels	.151	.143	.159	.157	.008	.014
Subtotal					.021	.118
Total					1.094	1.220

DEPARTMENT OF TRANSPORTATION

[In billions of dollars]

Item	FY 1979		FY 1981		Savings	
	BA	O	BA	O	BA	O
1. Office of the Secretary: Reduce Salaries and Expenses to 1979 funding levels	0.031	0.031	0.031	0.037	0.006	0.006
2. Federal Aviation Administration.—Shift responsibility to the private sector by:						
Increasing user charges for airports and airways (consistent with S. 164, passed by the Senate on February 5, 1980)					.910	.910
Reducing spending for large airports					.100	.100
3. Federal Highway Administration: Eliminate funding for certain "Transportation Energy Initiatives," which are part of the President's Energy Security Program					.250	.250
	FY 1980					
4. National Highway Transportation Safety Administration: Reduce to 1980 funding levels	.282	.251	.355	.278	.073	.027
Subtotal					1.339	1.293
5. National Highway Transportation Safety Administration:						
Eliminate funding for certain "Transportation Energy Initiatives," which are part of the President's Energy Security Program (pending legislation)					.008	.008
Eliminate funding for enforcement of 55 m.p.h. speed limit and "incentive grants" to States for complying thereto					.057	.057
6. Federal Railroad Administration: Reduce Northeast Corridor Improvement Program to 1980 level	.381	.400	.400	.388	.019	(.012)
7. Federal Railroad Administration: Reduce grants to AMTRAK to 1979 level	.779	.779	.975	.845	.196	.066
8. Urban Mass Transit Administration: Reduce to 1979 funding levels	2.365	2.458	3.821	2.718	1.456	.260
9. Research and Special Programs Administration: Reduce to 1979 levels	.024	.019	.031	.027	.007	.008
10. "Transportation Energy Initiatives" (Other): Abolish Basic Automotive Research Program					.020	.020
Subtotal					1.763	.407
Total					3.102	1.700

(At this point, Mr. BRADLEY assumed the chair.)

Mr. ARMSTRONG. Mr. President, I am sure there are people around the country who wonder if Senators really know what is going on. In fact, Members of the Senate might recall the fable of the caliph of Baghad, who sat around with advisers and tried to ascertain what people in the city of Baghdad were thinking about.

Finally, in an effort to do so, the Caliph disguised himself in a peasant's garb and went through the streets to find out what the people were really saying about him and the conditions of his time behind his back.

I suggest that Senators do the same—that we go anonymously, where we are not perceived as Senators, and listen to the heartbreaking tales our constituents are telling us, but do it in a context where we would not be perceived as a Senator to be lobbied, condemned, lifted up, or elected or rejected, but simply to find out how things really are out in the country.

I do not think the Senate Budget Committee has the first idea of what is going on in the Nation's economy. If they did, I do not believe they would come forward with the recommendation that is being presented here this afternoon.

I have been out talking to people, and

I find that the economic conditions are really tough, that they really are as bad as the rhetoric around here would suggest. But we do not seem to take seriously our own rhetorical excesses.

We talk of a crisis, and that word has been tossed around loosely in this Chamber for a long time. Even the President of the United States has used words such as that to describe the economic situation. Yet, the Senate Budget Committee has sent forward for the consideration of this body a business-as-usual budget, a budget which does not really change the direction of Federal financial policy as some have suggested. It just goes down the same road we have been going all these years.

Most of the Nation's well-known economists are calling for a Federal tax cut. The Joint Economic Committee is calling for a Federal tax cut. Dozens of Senators are calling for a Federal tax cut. The Senate Budget Committee, evidently, is not listening. The committee, in its recommendation, only undertakes to spend the huge increase in tax revenues which already has been legislated. Under the budget which we will be called on to vote on this week, the committee recommends new tax measures which would bring year-to-year increases in taxes from fiscal 1980 to fiscal 1981, a stupendous total increase of $94 billion.

The official excuse for this colossal tax rise is that the money is needed to balance the budget while increasing defense spending and, in the process, avoiding drastic cuts in social programs. The facts do not support this contention.

In any event, I note parenthetically that the whole argument about the level of social welfare spending tends to overlook the fact that welfare recipients suffer the most from inflation which is caused by excessive Federal spending, and they, in turn, are the ones who suffer disproportionately from the economic downturn which will be caused by the tax increases endorsed by this budget resolution.

I do not know—and I do not think any other Member of the Senate knows—exactly how our shaky economy is going to react to the jolt of a $94 billion tax increase; but for Congress to permit such an increase under the present economic circumstances entails an enormous and, in my judgment, an unjustified and unnecessary economic risk. We should opt, instead, for greater restraint in spending, a well balanced budget, and lower taxes.

Let me put the current economic trends in perspective.

First, inflation: Clearly, this is the most serious concern of every wage earner, of every family, of every business, and I think of every economist. Of all the economic problems our Nation may face, inflation is clearly number one. Inflation is eroding our purchasing power at the fastest rate in recent U.S. economic history. The consumer price index rose more than 13 percent in 1979. During the first 2 months of 1980, it went up at the annualized rate of 17.9 percent.

The producer price index, generally regarded by economists as a reliable indicator of future consumer prices, is going up even faster. During the first quarter of this year, this index increased at 19.6 percent. At this rate, the dollar loses half its value every 30 months, assuming that inflationary pressures do not get out of control altogether, leading to the kind of superheated inflationary blowout that other nations have experienced.

Meantime, U.S. productivity is skidding. Unemployment is rising once again. It was up to 6.2 percent in March, according to the Bureau of Labor Statistics, and went up even more during the month of April.

Mortgage lending rates, where mortgage money is available, recently topped 17 percent, and today it stands at 15 percent or more. This effectively eliminates housing credits except for a handful of wealthy and high-income people. The bank prime lending rate went up three times during the week the Budget Committee was marking up this resolution and finally reached 20 percent. I do not know where it stands today, but it is at a historically high and unacceptable level.

In the meantime, new housing starts have plummeted. Every day brings new reports of business failures; the stock market, rocked recently by a silver scare, is stagnant. Price levels on the New York Stock Exchange are one indicator of the Nation's economic health and are about half of what they were 10 years ago, measured in constant dollars. A sizable number of financial institutions are losing money.

I think it is fair to say—and we would find this out if we went out in disguise, like the Caliph of Baghdad—that jitters have affected every corner of this country, ever business, every wage earner, and every family.

Worst of all, in my opinion, is the change in public attitude toward inflation. One perceptive observer sums it up very well, it seems to me. He said:

> A change in expectation is the big new element. The prevailing feeling throughout the last year was that inflation would tail off, if only through a recession. But that viewpoint has been transformed . . . The prevailing expectation now is that inflation will keep going up and up and up . . .

I believe this is an accurate observation of public opinion in the country today.

What it means, in simple terms, is that the public has lost almost all confidence in the ability and/or willingness of Congress to get the situation under control.

The PRESIDING OFFICER. The Senator's 15 minutes have expired.

Mr. ARMSTRONG. Mr. President, will the Senator yield me an additional 15 minutes?

Mr. HOLLINGS. I yield.

Mr. ARMSTRONG. I appreciate the chairman's courtesy.

If Congress adopts the recommendations of the Senate Budget Committee, it will tend to confirm the worst of the public's fears. Therefore, together with Senator ROTH and more than a half-dozen cosponsors, I will offer tomorrow a substitute budget proposal which will do the following specific things:

First, balance the budget;

Second, provide a substantial increase in defense spending;

Third, include modest increases in most domestic programs by achieving well identified and documented savings in other budget functions;

Fourth, reduce Federal spending as a percentage of the gross national product;

Last, but far from least, permit tax cuts in 1981, including indexing personal tax rates, the 10–5–3 depreciation schedule, and separate income stream tax treatment of income from savings.

When that measure comes before the Senate for a vote, some will claim that our alternative budget is too tight, notably in the so-called social programs. But the savings we propose in these areas do not, for the most part, involve drastic program changes and certainly do not require undue reductions in services provided to the Nation's needy. Instead, our budget takes advantage of savings and reforms which previously have been recommended by the General Accounting Office, the Senate Finance Committee, the Department of HEW, and other entities for the reduction of programs either clearly unnecessary or wasteful or, in some cases, counterproductive.

What we have done in our budget alternative is to take the recommendations of independent and impartial groups and auditors, apply to them cost estimates developed for the most part by the Department of HEW, and simply built them into our budgetary assumptions.

What we assume is that if the Nation's economic future is really on the line—and I believe it to be—Congress, in that circumstance, could and should adopt the savings which have been proposed by the General Accounting Office, HEW, and the Finance Committee.

This policy is a correct one, in my opinion. It was directed at bringing under control the rapid growth in the money supply which was then occurring. The economic crisis which has followed this change in policy has been incorrectly blamed on the Federal Reserve by conveniently forgetting that high interest rates are the result not of restrictive monetary policy alone but of the inner action of the supply and demand for money. The responsibility for the current crisis rests in my judgment squarely with Congress and the administration for refusing to adopt fiscal policies complementary to the actions of the Federal Reserve.

During fiscal 1980 the Federal Government will borrow about $57 billion from the public to support both on and off budget spending. This is an increase of over $16 billion from fiscal year 1979. All of this borrowing occurred as the Federal Reserve was tightening the rate of monetary expansion. Due to the timing of Federal tax payments, net on-budget borrowing peaked in March and a surplus is recorded for several months thereafter. This means that the Government is borrowing at an accelerating rate at exactly the wrong time in terms of Federal Reserve policy.

The Federal personal income tax has also had a strong impact on the demand for credit. As inflation has accelerated, individuals have been pushed into higher and higher marginal tax brackets. A worker fortunate enough to receive wage increases equal to last year's 13.3 percent increase in inflation will find his taxes increased by 26 percent, twice the inflation rate. This means that the real disposable income of the most fortunate of American families, that is to say those who are able to get some kind of cost of living pay increase, nonetheless, find they have less spendable income this year than last. Under the circumstances it is no wonder that we see a decline in the saving rate as well and a tremendous surge in credit demand by households and the precipitous decline in the rate of individual savings.

Mr. President, 8 months ago, during consideration of the second concurrent budget resolution for fiscal year 1980, an impressive list of economists, scholars, and business leaders publicly advocated major tax reductions. This list included such experts as Prof. Walter Heller, Alan H. Meltzer of Carnegie-Mellon, Dr. Irving Kristol of New York University, and many, many others. Since that time the list of authorities calling for tax reduction has expanded to include almost every well-known economist in the United States.

This movement has been fostered by the realization that marginal tax rates are in effect providing strong disincentives to productive activity.

Unfortunately, the Budget Committee continues to ignore this growing chorus of economic expertise even when it is joined by congressional voices. The Joint Economic Committee in its annual report for 1980 and in testimony this winter before the Budget Committee called for a $25 billion tax cut aimed at restoring economic incentives.

In his introductory remarks our colleague, Senator LLOYD BENTSEN of Texas, chairman of the Joint Economic Committee said:

> The Joint Economic Committee is now on record in support of the view that tax policy can and should be directed toward improving the productivity performance of the economy over the long term and need not be enacted only to counter a recession.

These views echo those which have been previously expressed by Prof. Arthur D. Laffer of the University of Southern California and former Chief Economist for the Office of Management and Budget. Laffer, long an advocate of supply-side economics and of the powerful influence of economic incentives on individual behavior, described the tax cut in these terms:

> The recession that we're headed into could be much less serious if Congress enacted a tax cut of the type proposed by President Kennedy and enacted in 1964. To argue that a tax cut is inflationary because it would create a deeper budget deficit by curtailing revenues "is" inappropriate. If you encourage more production, you will lose much less in tax revenues and may even increase them.

The litany also has been joined by Prof. Martin Feldstein, of Harvard University, and president of the National Bureau of Economic Research. The Wall Street Journal characterized his position in these terms:

> [He advocates] a policy of "tight money and positive fiscal incentives" by which he means principally tax cuts for business. With tight money, tax cuts will not be inflationary, he argues, and our forecasting techniques are too inaccurate to justify rejecting a temporary increase in the budget deficit that achieves desirable structural effect.

Gardner Ackley, Chairman of the Council of Economic Advisers under President Johnson, has also called for tax cuts. In his opinion what we need are tax cuts that will increase the real disposal income of workers and thus dampen demand for wage increases above Presidential guidelines.

Testifying before the Banking Committee, he called for "tax cuts that would encourage workers to adhere to wage guidelines."

Dr. Arthur Burns said we need a tax cut, and he made this observation recently:

> The President . . . failed to present a plan for stimulating improvement of productivity. The President failed to present a plan for dismantling regulations that have been impeding the competitive process. . . . There is nothing new in the new budgetary policy announced by the President to give people confidence that the era of persistent budget deficits is coming to and end. There is, therefore, nothing in the new budgetary policy to turn our inflationary psychology around, to make people feel that inflation will no longer be nourished in the future by excessive Government spending.

Burns went on to call for reductions in business taxes in each of the next 5 to 7 years, small in the first 2 years and larger in the later years.

Mr. President, I could go on, but I think the point is well made.

Economist after economist has come to Congress and said, "We need a tax cut."

I do not know of a single economist—there may be one—I do not know of a single economist, I do not know of a single businessman, I do not know of anyone out in the private sector economy who has come to the Senate and said, "What we really need is a huge tax increase."

And yet that is precisely what the Budget Committee brings us this afternoon.

It is for these reasons, Mr. President, that the Armstrong-Roth alternative budget will offer an opportunity to restrain Federal spending, balance the budget, increase defense spending and cut taxes about $19 billion tax cut for fiscal year 1981 which translates to $30 billion for fiscal year 1981 and much, much larger increases, much larger tax reductions in the outyears.

The table below shows the revenue recommendation of the Senate Budget Committee. As indicated, the committee has chosen to ignore the weight of opinion regarding the desirability of a tax cut in fiscal year 1981 in favor of an increase of $6.4 billion over the current law level for fiscal year 1981 and $94 billion over estimated 1980 revenues. The revenue floor of $623 billion represents 21.6 percent of GNP, a level of taxation unequaled since World War II.

TABLE A.—FISCAL YEAR REVENUES, 1977–85[1]

	Actual			1980[2]							
	1977	1978	1979	FCR	SCR	TCR	1981	1982	1983	1984	1985
Current law							$616.6	$706.8	$814.1	$940.2	$1,087.7
Recommended increases							6.4	6.5	8.7	13.2	17.6
Total	$357.7	$402.0	$465.9	$509.0	$517.8	$528.9	623.0	713.3	822.8	953.4	1,015.3
Tax-cut contingency							10.1	13.6	15.2	17.0	19.0

[1] Revenues for fiscal years 1980 to 1985 are Senate Budget Committee recommendations.

[2] Fiscal year 1980 changes are due to inflation and President Carter's oil import fee.

The tax reduction contingency of $10.1 billion is dependent on maintaining the spending limits recommended. Given the assumptions in the committee report, the chances of achieving this goal are small. In each of the past 2 fiscal years, we have resorted to a third concurrent resolution in order to allow for supplemental appropriations in excess of the previously established budget ceilings. By providing the Congress with an excessively high spending target, the committee almost guarantees that there will be no tax cut. In fiscal year 1980, actual spending—if the third concurrent budget resolution is adopted—will be 4.6 percent above the level recommended by this committee in its second concurrent budget resolution. If the spending level in the current resolution is breached by as much as 1.6 percent, there will be no tax reduction. It is unconscionable that, at a time of declining real disposable incomes, this committee should choose to balance the budget through an assault on American taxpayers.

Can substantial tax cuts accompany a balanced budget and increased expenditures in some vital areas, such as defense? Through careful budgeting, this is not only possible—it is imperative.

There are, obviously, two ways to balance the budget: through increased revenue or decreased spending. The administration and the majority in the committee have opted for the former: taxes will be increased by over $94 billion from fiscal year 1980 to fiscal year 1981. This will occur through a combination of inflation-induced increases in personal income tax revenues, the windfall profit tax, the new oil import fee, and the major social security tax increases expected next January. It is not only possible, but infinitely preferable, in my opinion, to lower total Federal spending significantly; augment defense needs to counter the severe downturn in the budget levels this sector has experienced in the last 15 years relative to nondefense items in the budget; provide substantial tax cuts in both the individual and corporate tax structure; and balance the Federal budget, ending or dramatically lessening the inflationary spiral in which we currently find ourselves.

The following pages will detail the specifics of a proposal which will achieve these goals. When the budget resolution comes to the floor of the Senate, I intend to offer an alternative budget package which will reduce outlays for fiscal year 1981 to $596.7 billion; set a revenue level of a like amount, $596.7 billion; provide a calendar year 1981 tax cut of approximately $30 billion (or a fiscal year 1981 tax cut of approximately $19 billion); and contain an increase in defense budget authority and outlays of $32.8 billion and $26.4 billion, respectively, over the fiscal year 1980 levels contained in the second concurrent budget resolution. This proposal is responsive to the needs of the Nation and the requirement to reorient Federal fiscal and monetary policy to long-term national growth and stability.

RECOMMENDED MODIFICATIONS IN SPENDING TOTALS

FUNCTION 050: DEFENSE

The committee's recommendation for the defense function represents a heartening (though some still would say inadequate) step toward meeting the threat to America's security.

The proposed ceilings of $174 billion in budget authority and $156.3 billion in outlays in fiscal year 1981 are $9.5 billion and $5.8 billion, respectively, higher than President Carter proposed in his revised budget; $12.2 billion and $10.1 billion, respectively, higher than the President's original budget submission, and represent a growth in funding of $30.3 billion in budget authority and $22.3 billion in outlays from the mark proposed by the committee in the third concurrent budget resolution recommended for 1980.

This is a welcome reversal of the trend of the last 10 years in which defense spending has declined steadily in real terms, as a percent of the Federal budget, and as a percent of the gross national product (GNP). The following table illustrates the extent to which defense spending has been dropping relative to other nondefense components in the Federal budget and inflation.

TABLE B.—COMPOSITION OF BUDGET OUTLAYS IN CURRENT AND CONSTANT (FISCAL YEAR 1972) PRICES, 1958-83

[In billions of dollars]

Fiscal year	Current prices						Constant (fiscal year 1972) prices					
			Nondefense						Nondefense			
	Total outlays	National defense	Total non-defense	Payments for individuals	Net interest	All other	Total outlays	National defense	Total non-defense	Payments for individuals	Net interest	All other
1958	82.6	43.7	38.9	20.5	5.6	12.7	141.6	74.0	67.6	29.5	16.2	21.9
1959	92.1	46.0	46.1	22.3	5.8	18.1	153.7	75.3	78.4	31.7	16.5	30.2
1960	92.2	45.2	47.1	23.6	6.9	16.5	150.6	73.8	76.8	33.1	16.3	27.4
1961	97.8	46.6	51.2	27.3	6.7	17.1	156.7	74.8	81.9	37.8	16.2	27.9
1962	106.8	49.0	57.8	28.7	6.9	22.2	168.4	77.2	91.2	39.2	16.6	35.4
1963	111.3	50.1	61.2	30.4	7.7	23.1	170.4	76.8	93.6	41.1	16.8	35.7
1964	118.6	51.5	67.1	31.6	8.2	27.3	177.1	77.0	100.1	42.1	16.7	41.2
1965	118.4	47.5	71.0	32.3	8.6	30.1	173.0	69.3	103.7	42.5	16.7	44.5
1966	134.7	54.9	79.8	36.2	9.4	34.2	187.7	76.3	111.4	46.7	16.4	48.2
1967	158.3	68.2	90.0	43.1	10.3	36.7	211.8	92.0	119.8	53.8	16.1	49.8
1968	178.8	78.8	100.1	48.7	11.1	40.3	229.3	101.4	127.9	58.9	16.9	52.1
1969	184.5	79.4	105.1	55.3	12.7	37.2	222.9	97.9	125.0	63.8	15.5	45.8
1970	196.6	73.6	118.0	63.2	14.4	40.5	220.6	90.3	130.3	68.8	15.0	46.6
1971	211.4	75.8	135.6	78.7	14.8	42.1	222.9	81.2	141.7	81.5	15.2	45.0
1972	232.0	76.6	155.5	90.8	15.5	49.2	232.0	76.6	155.5	90.8	15.5	49.2
1973	247.1	74.5	172.5	102.1	17.3	53.1	233.3	70.0	163.3	98.1	15.4	49.8
1974	269.6	77.8	191.8	117.5	21.4	52.9	232.0	67.9	164.0	103.7	14.3	46.0
1975	326.2	85.6	240.6	150.4	23.2	67.0	253.6	67.2	186.4	119.5	14.6	52.4
1976	366.4	89.4	277.0	176.6	26.7	73.7	266.6	65.6	201.0	131.0	16.4	53.7
1977	402.7	97.5	305.2	192.4	29.9	83.0	272.2	66.5	205.7	132.7	17.4	55.6
1978	450.8	105.2	345.6	206.5	35.4	103.8	282.0	66.6	215.4	133.1	17.8	64.5
1979	493.7	117.7	376.0	227.5	42.6	105.9	280.0	69.3	210.7	132.8	17.0	60.9
1980 estimate	563.6	130.4	433.2	266.9	51.8	114.6	286.3	70.7	215.6	138.6	16.3	60.7
1981 estimate	615.8	146.2	469.5	302.6	54.2	112.7	286.8	73.2	213.5	143.3	15.3	54.9
1982 estimate	686.3	165.5	520.8	333.4	53.9	133.5	296.6	76.6	220.0	145.6	14.2	60.2
1983 estimate	774.3	185.9	588.5	390.4	53.0	145.1	312.3	80.0	232.3	158.5	13.2	60.7

Source: Budget in Brief, Budget of the United States FY 1981: p. 79.

The Chairman of the Joint Chiefs of Staff reported to Congress this year that the Soviet Union now possesses an accumulated military capital stock from 25 to 50 percent larger than that of the United States. That differential, General Jones said, is expected to increase to 40 to 60 percent by the mid-1980's.

The Central Intelligence Agency estimates the Soviets are spending 50 percent more on defense than the United States; 80 percent more on military procurement; 250 percent more on ground forces; and 260 percent more on strategic forces.

The United States maintains 16 Army and 3 Marine divisions. The Soviet Union has 170 divisions in active service, and the "tooth to tail" ratios of the Soviet divisions are greater than ours.

The United States has 10,000 tanks. The Soviet Union has 45,000 tanks, and theirs are more capable.

The Soviets have a 4-to-1 advantage in artillery pieces, a 2-to-1 advantage in armored personnel carriers, and a slight, but ominously growing, lead in tactical aircraft.

On the seas, the Red Navy has a 4-to-1 advantage in ships of all kinds, a 5-to-2 advantage in attack submarines, and a 3-to-2 advantage in surface combatants and amphibious ships.

This comparison does not even take into account the substantial, and rapidly growing, military power of Soviet surrogates like Cuba, and potential Soviet surrogates such as Libya and Iraq. Cuba has the potential to prevent reinforcement and resupply of our NATO forces from the Gulf ports. There are more tanks in the Iraqi Army than in the U.S. Army.

Even with the increase proposed by the Budget Committee, spending for defense will hold steady as a proportion of total Federal spending and will continue to decline as a proportion of GNP, to about half the level of the 1950's and early 1960's, when the threat to U.S. security was much less severe.

Clearly, more needs to be done, and it needs to be done quickly.

MILITARY PERSONNEL

The most serious problem in our Armed Forces today is military manpower. The authorized strengths of our Army, Navy, Air Force, and Marine Corps are at their lowest levels since 1950, yet the services have been unable to attract and retain the quantity and quality of men and women required to meet even these modest goals.

The problem is most acute in the Navy where otherwise seaworthy ships soon may have to be tied to the dock because of a shortage of more than 20,000 skilled petty officers required to put them to sea. Army units in the continental United States are seriously short of noncommissioned officers. The Air Force is suffering from a dangerous hemorrhage of pilots.

Along with the decline in quantity, there has been a disturbing decline in quality. Fewer high school graduates are entering the Armed Forces, and a greater proportion of the high school graduates who do enter are from the lower half of their class. Robin Pirie, the Assistant Secretary of Defense for Manpower and Reserve Affairs, admitted recently that due to a test-grading foulup, a far higher proportion of new recruits are in the lowest mental category than had previously been thought. A recent Army study found that less than a third of tracked vehicle mechanics could perform as much as two of their eight basic tasks.

The blame for military manpower problems has often been laid, unfairly, at the doorstep of the All-Volunteer Force (AVF). The real culprit is Congress which has reneged on virtually all the promises of pay and perquisites it made at the time the AVF was created.

The personnel shortfalls are not in the lower enlisted grades that a return to the draft would cure, but in the middle noncommissioned officer and officer grades. The Army is actually overstrength in the three lowest enlisted grades. Recruitment shortfalls at present authorized strengths result primarily because of unrealistically high demands made to offset plugging rates of retention among officers and noncommissioned officers who ought to be on a career track, but who are leaving the service in record numbers. Over the past few years, the second-term retention rate in the Air Force has declined from 75 to 59 percent; in the Navy from 64 to 45 percent, and in the Marine Corps from 47 to 45 percent. Third-term reenlistments also have plunged alarmingly.

It is not hard to understand why. As a result of three pay caps and two pay "redistributions" in the 8-year history of the All-Volunteer Force, military compensation has fallen an average of 12 to 24 percent relative to the cost of living in each pay grade. Base pay for a beginning recruit has fallen to 83 percent of the minimum wage. At least 100,000, and perhaps as many as 300,000, military personnel and their dependents are eligible for food stamps. An E-4 earns less than a cashier at McDonalds. A chief petty officer with 17 years of service earns no more than a janitor on the union scale.

Along with the decline in basic pay and allowances, servicemen and women have suffered sharp cutbacks in the fringe benefits they used to enjoy. The availability and quality of medical care for servicemen and their dependents has declined, and its cost has risen. Subsidies for commissaries and post exchanges have been reduced. Performance bonuses have been eliminated.

Under the circumstances, it is no wonder that so many skilled people are leaving the military after 5, 10, or even 15 years of service. The wonder is that so many are staying.

Congress is also largely to blame for the decline in quality in the All-Volunteer Force. The best single incentive for enlistment in the Armed Forces for the college-eligible, high school graduate male was the GI bill. Congress eliminated that in 1976. Congress' penchant for drastically reducing funding for operation and maintenance have reduced substantially the amount of training recruits get. Even a Ph. D. recruit would have difficulty performing a military mission well without experienced noncommissioned officers to teach him, or without adequate time to practice with the tank, howitzer, or other piece of complex military equipment we expect him to operate in combat.

Obviously, there can be no solution to the military manpower problem that does not involve a substantial increase in pay. I intend to offer legislation which will:

First. Remove the authority of the President to impose "caps" on military pay. The first step in turning the military manpower problem around is to assure our service men and women that their incomes will not continue to decline relative to the cost of living. Pay caps have been the principal bone of contention among the servicemen I have talked to. Removing the President's authority to impose those caps would be the best way to signal our service men and women that things will get better, not worse, for the career soldier.

Second. Tie military cost-of-living increases to the cost of living. Under present law, military pay is tied to pay increases given to selected professional, administrative, technical and clerical (PATC) workers in the private sectors. PATC wages are not expected to keep pace with inflation over the next several years. If military increases remain tied to the PATC scale, they will continue to decline relative to the cost of living. My bill would index cost-of-living increases to increases in the GNP deflator, which would make it possible for military families to keep up with actual increases in the cost of living.

Third. Provide "catchup" pay increases for all military personnel. If we hope to recruit and retain the personnel required to man the Armed Forces at authorized levels, we will have to restore military compensation to something approaching the levels that existed at the time the AVF was created. My bill will provide a 9 percent pay increase for the three lowest enlisted grades and the two lowest officer grades, to be phased in at a rate of 3 percent a year for 3 years; and an 18 percent pay increase for the career force, to be phased in at a rate of 6 percent a year for 3 years. This, coupled with increases in specialty pays—many of which have not been boosted since 1955—and in selected reenlistment bonuses, should largely resolve the retention problem, and substantially ease recruitment problems.

The cost of the pay package outlined above would be less than $2 billion in fiscal year 1981, rising to $4.8 billion in fiscal year 1983, a modest price to pay for the single most significant step we can take to strengthen our defenses.

In order to improve the quality as well as the quantity of recruits entering the Armed Forces, we need to restore the primary incentive for high school graduates to enter the Armed Forces—the GI bill. To that end, I will introduce the GI bill of 1980, which would provide a young man or woman who completes 2 years of honorable service in the Army, Navy, Air Force, Marine Corps, or Coast Guard with 100 percent of tuition and fees, to a maximum of $3,000 a year, for a maximum of 4 academic years; and a living stipend of $300 a month for a maximum of 36 months. Since eligibility for the GI bill of 1980 would apply only to those who enlist or re-enlist on or after January 1, 1981, this vital reform would cost nothing in the 1981 and 1982 fiscal years.

While personnel is the most serious, it is far from the only problem facing our Armed Forces. The President's proposed budget does not provide enough funding to replace aircraft likely to be lost through attrition, much less the additional aircraft required to flesh out understrength Navy and Air Force squadrons. The President's 5-year shipbuilding program will result in our already understrength Navy declining from 522 ships in this fiscal year to 517 ships in fiscal year 1990. This compares with 1,764 ships already in the inventory of the Red Navy. More funding is urgently required for development and deployment of the enhanced radiation warhead, the Pershing II missile, cruise missiles of all types, accelerated development of the MX and Trident II missiles and the Trident submarines, and development of a follow-on bomber to replace our aging B-52's.

The modest increase in defense spending proposed by the Budget Committee, however heartening, clearly is inadequate to meet our pressing defense needs. Spending for defense should be raised at least to the modest levels proposed by the Armed Services Committee, with a firm commitment made to much larger defense expenditures in future fiscal years.

It will be argued by some that spending for domestic programs should not be beggared to provide for our defense needs. But we would all do well to remember the admonition of Sir John Slessor, the British Air Marshal, who said:

> It is customary in the democratic countries to deplore expenditures on armaments as conflicting with the requirements of social services. There is a tendency to forget that the most important social service a government can do for its people is to keep them alive and free.

FUNCTION 250: GENERAL SPACE, SCIENCE AND TECHNOLOGY

For this function, I recommend the current law level of funding. With careful internal budgeting and, perhaps, deferral of marginal NSF programs, it should be possible to maintain full funding for high priority programs such as the Space Shuttle.

FUNCTION 270: ENERGY

The programs administered by the Department of Energy have been, by any measure, dismal failures. The committee has taken a solid first step in reducing these expenditures by cutting outlays $1.9 billion for fiscal year 1981.

The committee substantially reduced funding for the strategic petroleum reserve. This cut was justified, given the poor technical and administrative performance of the program. The remaining funding in this program should be eliminated for a saving of $300 million.

An SBC staff option is the termination of the low-income weather program. This $100 million program has been plagued with administrative delays and problems associated with the existing rules and regulations. Due to its poor performance and the plethora of tax credit programs now available, it should be eliminated.

In addition to these two program changes, an additional $100 million can be saved at DOE through administrative efficiency. As price controls are phased out the economic regulatory administration can be reduced substantially. Further reductions can be achieved through cutting back on the extravagant use of consultants for which the DOE is infamous.

FUNCTION 400: TRANSPORTATION

Although urban mass transit subsidies were reduced substantially, the committee recommendation fails to provide reasonable and logical reductions in spending for rail transportation. An additional $700 million should be saved by eliminating subsidies to Amtrak.

Amtrak clearly has failed. The taxpayers' subsidy of Amtrak, since it took over rail passenger service in the United States on May 1, 1971, has risen from $40 million in the first year to almost $800 million in fiscal year 1979. When Amtrak started operations, the taxpayers paid about one-half the total cost. Now they pay nearly two-thirds. Even after Congress phased out the most inefficient, not a single one of Amtrak's routes covers its costs.

During consideration of S. 712, authorizing Amtrak funding for fiscal year 1980 through 1982, several Senators made the following observations:

Since the beginning of Amtrak, deficits have grown, yet service has deteriorated;

Amtrak routes have been added without any effective evaluation of the performance of new or even existing routes;

The total costs of Amtrak have been $3 billion in direct subsidies and an additional $900 million in loan guarantees:

While taxpayers subsidize two-thirds of Amtrak's costs, fewer than 1 in 100 actually use the system;

Last year Amtrak carried fewer passengers than it did in the year before;

Despite the recent energy shortage which has created a flurry of increased ridership of Amtrak, many of the trains are still running less than half full;

Amtraks on-time performance is getting worse, not better;

Though Amtrak has added new equipment, the average speed of trains is less now than it was 30 years ago;

After 8 years in the business, Amtrak still carries less than 1 percent on intercity passengers.

Though horror stories abound, perhaps only one is sufficient to highlight the absurdity of continued massive Federal subsidies to a system that simply is not working:

The Department of Transportation statistics for 1977–78 showed that the Government could fly first class every man, woman, and child riding the Southern Crescent from Birmingham to Washington free of charge to the passengers and then give them each $41 to boot compared to the cost of running the train service. The subsidy for the trip from Birmingham to Chicago amounted to $163 per person.

Many of the arguments used to support Amtrak are not substantiated by the facts. For instance, Amtrak is said to conserve energy. With high loads and efficient locomotives, Amtrak would use less energy per passenger mile than alternative modes of transportation. But the data show conclusively that, on average, Amtrak is only about one-half as energy-efficient as the inter-city bus and, outside the Northeast Corridor, Amtrak uses more energy per passenger mile than even the automobile.

Supporters claim that Amtrak is supposed to protect the environment. While, on average, Amtrak does pollute less per passenger mile than either the automobile or the airplane, it pollutes more than its chief competitor, the intercity bus.

Amtrak, it is said, is needed to reach isolated areas. Yet buses serve 30 times as many cities and carry over 17 times as many passengers.

Although I personally wish it were otherwise, I doubt that Amtrak will survive more than a few more years. It is serving no real need and is inordinately costly. Under the circumstances, it would be wise to terminate this program sooner rather than later.

FUNCTION 500: EDUCATION, TRAINING, EMPLOYMENT AND SOCIAL SERVICES

The committee's recommendation is a commendable effort at returning a number of programs in this mission to their original purposes. Over the past 20 years these programs have been diverted from their goals of providing basic job skills to the young and retraining older workers who have been the victims of industrial dislocation or skill obsolescence. By eliminating the programs which do not achieve or are not directed to these goals we will enable the Department of Education and the Department of Labor to concentrate on provision of marketable job skills.

The CETA public service employment program should be phased out completely at the end of this fiscal year. Poorly targeted to begin with, the program long ago outlived its own initially stated objective of providing countercyclical relief during periods of high unemployment. Furthermore, the CETA public service employment program has been riddled with fraud and abuse. In 1978, a Brookings study indicated that as many as 50 percent of the public service jobs may be substitutions in one form or another. A Department of Labor internal audit in April of 1978 found that 11.25 percent of the public service participants were either ineligible for employment in the program (9.23 percent) or of undetermined eligibility due to insufficient funding information. The markup materials themselves indicate:

> It is debatable whether the title VI PSE program serves as an effective countercyclical tool. Buildups in enrollment generally lag behind economic downturns, and enrollment reductions generally lag behind economic recovery. Further, the extent to which State and local governments substitute CETA jobs in place of their regular workforce tends to dilute the countercyclical nature of the program.

My recommendation would phase it out completely by the end of the fiscal year with savings of $1.3 billion in budget authority and $1.3 billion in outlays.

The Young Adult Conservation Corps has an average cost of $11,698 per job, which is higher than all other CETA programs except the Job Corps. Eligibility for YACC is open to all unemployed youths regardless of family income; during 1979, only 35 percent of YACC participants were economically disadvantaged, as opposed to 90 percent for other CETA youth programs. YACC is not targeted to people in financial need; work through the program, if it is worth doing, should be financed through the regular budgets of the State and Federal agencies involved.

CETA's summer youth employment program has fared no better than many of the others. A February 20, 1979, GAO report found that in the programs they visited:

> (M) any of the urban enrollees did not work most of the day—they spent much of their time in recreation, questionable work activities, or idleness.

These programs are far too expensive for present levels of unemployment. The best solution to the problems of youth unemployment is to allow a youth differential in the minimum wage. As the markup materials themselves indicate:

> The argument for reducing the program is that it may not provide long-term benefits for the participants. The program, which lacks an organized training component, is viewed by the critics as a 'make-work' income transfer program.

It should be phased out by the end of fiscal year 1981, with a 50-percent reduction in the summer of fiscal year 1981.

CBO estimates that only $.1 billion of the $.4 billion in BA appropriated for this program in fiscal year 1979 and fiscal year 1980 will be outlayed by the end of fiscal year 1980. Current law allows $150 million in budget authority that will not be outlayed in fiscal year 1981; we should therefore remove excess budget authority but not reduce the actual program level.

Basis educational opportunity grants were originally designed to provide college funds for capable but economically disadvantaged students. Through a series of program alterations, this aid is now available to students from families with incomes of up to $25,000 per year. Providing aid at this level is unwarranted. The eligibility standard should be reduced to $15,000 and the basic grant level should be lowered to $1,750. These changes would provide a saving of $50 million.

At present there are two federally sponsored programs for providing subsidized loans to college students; the national direct student loan program and the guaranteed student loan program. As interest rates have soared, so have the costs of these programs. Further, through the enactment of the Middle Income Student Assistance Act, the caseloads of these programs have increased dramatically.

In order to control Federal costs to provide more aid to those most in need, my recommendation assumes the enactment of S. 1600 (Kennedy-Bellmon) which would establish a student loan bank to make direct loans to students. Eligibility for these loans, the interest rates of which would be subsidized, would be restricted to undergraduate students with financial need. The guaranteed student-loan program would be retained as a supplemental program with interest rates tied to the Federal cost of borrowing. This change would shift the emphasis of Federal student loans toward need-based loans and reduce the long-term cost of the program. Fiscal year 1981 saving would be $530 million.

For most other programs in this function I have accepted the committee recommendation.

FUNCTION 550: HEALTH

One area in which the committee's recommendations fall short of the proper reductions is health. The President's March request asked for $61.9 billion in outlays for fiscal year 1981. The committee recommends $62.2 billion, ignoring a series of cost-saving measures. I believe that this figure is well above what is required to bring adequate health care to the elderly and disadvantaged in our Nation. I propose enactment of $2.8 billion in savings from 15 separate outlay reductions which, when subtracted from current law as adjusted for the fiscal year 1980 TCR, yield a final outlay figure of $60.6 billion.

The savings are:

Enactment of H.R. 934 which establishes a cost control targeting reimbursement system for medicaid and medicare. This bill has been reported from the Finance Committee and is now awaiting Senate floor action. Also contained in this legislation are modifications which would slow the cash flow to the States under medicaid, eliminate the nursing home differential in medicare and reimburse hospitals only at the long-term care rate—not the acute care rate—for patients awaiting in hospitals until nursing home admission is possible. Savings: $300 million.

Adopt the President's proposals to require employers of workers over age 65 to share in the cost of providing their medical insurance; use social security wage information to determine medicaid eligibility; and assess civil money penalties on persons defrauding the medicaid and medicare programs. Savings: $230 million.

Automatic savings linked to AFDC/SSI recommendations made in function 600. Savings: $175 million.

Freeze each State's medicaid grant at the fiscal year 1980 level with annual adjustments equal to annual increases in the nominal GNP—GNP adjusted for inflation—or to some other adjustment factor such as the medical care component of the CPI; convert medicaid into a block grant program, permitting individual States broad discretion in establishing eligibility requirement benefits and reimbursement levels, thereby giving greater incentive for developing effective operating standards. Savings: $300 million.

Cap increases in Federal medicaid funding at 10 percent a year as proposed by Senator BELLMON to reduce program costs, encourage States to monitor and administer program activities more efficiently, reduce fraud and mismanagement and encourage the development of less costly forms of health care delivery. Note: Only the unduplicated portion of the savings estimate—after subtracting the block grant savings—has been included here. Savings: $300 million.

Also an option cited by the SBC staff in the markup materials, this proposal would eliminate for fiscal year 1981 only, the periodic advance made to offset reimbursement delays to hospitals. Savings: $500 million.

Limit the medicare/medicaid payments for unnecessary institutional services. This is an option identified by the minority staff of the Senate Budget Committee; it relates to the extent to which unnecessary hospital, nursing home and intermediate care services are provided. Savings: $300 million.

Also a SBC minority staff option. This would substitute low-cost paraprofessional in-home service for expensive home health services and/or limit the home health reimbursement to 50 percent of the nursing home rate. Savings: $80 million.

A further option cited by the SBC staff would reduce discretionary health programs—community health centers, mental health and drug abuse treatment services, preventive health programs and the like—by 5 percent below current law. These reductions could be achieved without additional legislation. Chairman GIAIMO of the House Budget Committee also proposed a reduction in discretionary programs, assuming restrained growth in them, nonfunding of the mental health initiative and a fiscal year 1980 rescission of $117 million. Savings: $100 million.

The Stockman-Gramm package on the House side has recommended a number of cuts in areas where there appears to be substantial duplication with other benefits and services. They identify three main areas where duplication can be minimized or eliminated: direct delivery programs; drug and alcohol abuse and mental health; and prevention and planning programs. Included specifically in the areas which overlap are:

Mental health centers; community health centers; maternal and child health; family planning; national health services corps; Indian health services; other health services; prevention programs; alcohol and drug abuse; and health planning.

The proposed reduction is approximately 13 percent of the requested fiscal year 1981 levels for all of these agencies. The savings figures shown have the preceding proposal's estimated savings blocked out of them. Savings: $315 million.

For several years running, a number of members—led by Senator KENNEDY—have attempted to end the Public Health Service hospital program, which originally was created to provide comprehensive services to members of the American merchant marine and Coast Guard. These critics maintain that these facilities "have outlived their usefulness, are underutilized and overstaffed, and do not provide quality medical care," in the words of the markup document. There presently are 9 hospitals and 27 clinics in the PHS system. The President, in his alternative budget, also proposed eliminating funding for this program. Savings: $100 million.

PSRO's were established to review the quality and appropriateness of the services provided under the medicare, medicaid, and maternal and child health care programs. There has been substantial question as to their cost-effectiveness; save $39 million, net of the expected increase in medicare and medicaid. Holding them to the 1980 levels, the SBC minority staff estimates, would save approximately $50 million. Savings: $50 million.

A CBO option: implement negotiated award of all categorical health service grants. Savings: $20 million.

A CBO option: use a single grant application process for all categorical health service grants. Savings: $9 million.

FUNCTION 600: INCOME SECURITY

In the minority views which accompanied the second concurrent resolution for fiscal year 1980, I outlined in detail the growth of income transfer programs over the last 15 years. The committee recommendation is to increase these transfers by 15 percent over the fiscal year 1980 level. The suggested outlay level of $218.7 billion would yield an increase of 73 percent over the past 4 years. In its recent economic forecasts, the Congressional Budget Office has altered its estimate of the changes in transfer payments for a given change in GNP. The new estimates indicate that it is becoming more difficult to shift recipients from the welfare rolls to the productive sector even in times of economic prosperity.

The major objectives of my budget proposal are to provide increased incentives to encourage recipients (with the obvious exception of persons who are retired, physically handicapped, or essential for the care of a child) to rejoin the productive sector; and to direct aid, hopefully at even more adequate benefit levels, to legitimately needy persons. The former, in particular, involves positive incentives such as a reduced tax burden on earned income and increased returns on savings, as well as training opportunities and work requirements. It is often argued that welfare benefits cannot be reduced because this would strike at children who are unable to support themselves. What this argument misses, however, is that these children would not have to be supported by welfare if the incentive structure of the economy were altered to make work more attractive than idleness.

Currently, a major disincentive to work is contained in the structure of disability payments under the Social Security Act. This structure can be altered beneficially by enactment of H.R. 3236 as reported by the Senate Finance Committee. The bill presently is pending in conference, and it contains reforms which will cap the amount of family disability benefits and end a current advantage that younger disabled workers have over older workers with regard to benefit computations. In addition, the bill contains incentives which are intended to encourage removal from the DI rolls. As the bill was reported from the Senate Finance Committee, it had savings totaling $1.6 billion over the 5-year period 1980–85. As adopted by the Senate, however, it has a major liberalization which substantially increases costs over the Senate Finance Committee's version of the bill (eliminating the 5-month waiting period before disability benefits can be paid to the terminally ill). This amendment means that the bill will increase outlays in fiscal year 1981–83; if we were to return to the version recommended by the Senate Finance Committee, there would be savings of $100 million.

In addition to the changes in the eligibility requirements for many benefits, the

Social Security Administration should be directed to increase its endeavors to recover overpayments. In a recent report from the General Accounting Office, the Social Security Administration was faulted for not having adequate mechanisms to recover overpayments in the retirement and survivors' insurance program and disability insurance program. As of mid-July, 1978, there were $234 million in uncollected funds, the amount recommended for reduction in this package, $100 million, is less than 50 percent of the total.

Significant disincentives to work are contained in the various unemployment insurance programs. Originally designed to assist workers in the transition from one job to the next, the current structure of unemployment benefits has created disincentives to seeking new employment.

A relatively new program which has had a tremendous impact on work incentives is the trade adjustment assistance program. This program provides, through a combination of unemployment insurance and TAA benefits, up to 70 percent of the gross income of an unemployed worker. These funds, which are tax free, can amount to 90 percent of previous take-home pay. These benefits continue for up to 1 year for most workers and up to 18 months for older workers. This program should be restructured so that TAA benefits are paid only after regular unemployment insurance is exhausted. Further, the benefits should not exceed the level of the normal unemployment benefit. These changes would provide savings of $300 million in fiscal year 1981.

Under current law, participants in the CETA public service employment programs who become unemployed are entitled to full unemployment benefits. These benefits are financed entirely with Federal funds as employers are not required to pay the normal unemployment insurance premium. With Federal taxes exceeding 22 percent of GNP, taxpayers can ill-afford to pay these individuals to perform nonproductive jobs and then pay them to be idle. The termination of the CETA programs, as recommended, would automatically save $200 million in unemployment payments. However, if this recommendation is not followed, the same savings should be achieved by eliminating the unemployment benefit.

In my minority views for fiscal year 1980 second budget resolution, I presented a detailed list of reforms which should be made in the aid to families with dependent children and supplemental security income programs. These 37 changes would reduce the level of fraud and abuse in the programs and make more resources available to the truly needy. Many of these changes can be adopted administratively. Were they to be implemented at the beginning of fiscal year 1981, the savings in these two programs would amount to $1.3 billion.

The most rapidly growing welfare program over the past 4 years has been food stamps. With the removal of the purchase requirement in 1977, this growth accelerated to the point that the President's fiscal year 1981 request for funding is substantially above the actual fiscal year 1979 level. This is a clear indication that drastic reforms are needed in this program. As with other welfare programs, the focus of the food stamp program has shifted from supplying nutritional meals to the neediest families. My recommendation, therefore, assumes the acceptance of eight fundamental reforms to the food stamp system for a total savings of $4.4 billion:

PUBLIC ASSISTANCE ADMINISTRATIVE REFORMS

Public assistance costs could be reduced by requiring a uniform monthly reporting system for both AFDC and food stamps. A 1977 pilot study suggests that this would promote rapid adjustments due to changes in income and would simplify administration. Savings: $300 million.

IMPROVE FOOD STAMP ADMINISTRATION

The President's budget request includes and the House reported version of S. 1309 provides for an error rate sanction system under which Federal matching funds for administration of the food stamp program would be withheld from a State whenever the State's payment error rate exceeded certain limits. This change would give States an incentive to reduce rates which does not now exist. This option has been endorsed by the Senate Agriculture Committee. Savings: $100 million.

COUNT LOW-INCOME ENERGY ASSISTANCE PAYMENTS IN DETERMINING FOOD STAMP ELIGIBILITY

Legislation for the low-income energy assistance program provides for exclusion of these benefits for food stamps eligibility purposes.

REDUCE FOOD STAMP BENEFITS TO ACCOUNT FOR THE VALUE OF SCHOOL LUNCHES

Under current law, the value of the Federal subsidy for school lunches is not taken into account in determining food stamp benefits. This option is intended to prevent payment for a child's lunch under the food stamp program when the child receives a free school lunch. This change is included in S. 2360, introduced by Mr. Helms. Savings: $600 million.

REINSTATE THE PURCHASE REQUIREMENT

This option would require that all but the most desperately poor be required to contribute at least minimal amounts to the purchase of food. Following the removal of the purchase requirement in 1977, the caseload for food stamps has increased by 3.5 million persons. This tremendous increase suggests that many are now using food stamps who would not otherwise need them. Savings: $800 million.

TIGHTEN FOOD STAMP ELIGIBILITY REQUIREMENTS

This option, suggested by Senator Bellmon, would make three changes in food stamp eligibility. These would be to eliminate food stamp benefits for most post-secondary students, to lower the assets limit from $1,150 to $1,500, and to eliminate the update of the poverty line that is used to determine eligibility and benefit levels. Savings: $100 million.

OTHER COST CURTAILMENTS

Last year, legislation was passed giving the Department of Agriculture the right to adjust eligibility or benefit rules for those at the high end of the income spectrum if the program began to run into financial difficulty. Costs have been spiraling. However, the Department blissfully has ignored its ability to control costs in an apparent attempt to pressure the Congress into providing additional funds and removing the statutory cap. That effort should be rejected forcefully, and the Department should be instructed immediately to begin scaling back eligibility at the high end of the income spectrum. Numerous other options for controlling food stamp costs, detailed in my fiscal year 1980 second concurrent resolution views, could also be implemented. Savings: $740 million. This option depends on the level of low-income energy assistance payments. Savings of $200 million are assumed, based on current law funding of $1.6 billion for fiscal year 1981.

The final reduction which I have assumed in this function is eliminating $27.3 billion in new budget authority for the section 8 housing program. The Senate Budget Committee came within one vote of approving Senator Exon's amendment to do so.

While such an amendment on its surface appears drastic, its passage will neither decrease nor increase fiscal year 1981 outlays. Further, it will not reduce the more than 121,000 units which will be built next year, or reduce the $128 billion in future commitments already approved by Congress.

Eliminating fiscal year 1981 budget authority will achieve two purposes: First, it will give the Department of Housing and Urban Development the manpower and time it needs to better administer section 8 units already on line. Second, it will provide the administration and Congress time to rethink Federal housing policies.

Section 8 is in serious actuarial and managerial trouble. In fact, section 8 is plagued by the same problems—high costs, poor management control, severe inequities—which crippled earlier housing programs.

In January 1973, Federal housing programs were suspended because costs were out of control. Section 8 emerged as the new housing "reform" initiative. Supposedly, section 8 would reduce housing costs, provide public housing tenants greater choice of living quarters, encourage racial and income integration and provide subsidies which rise with increases in operating costs. Under section 8, tenants pay more than 25 percent of their income toward rent. HUD pays the difference through "assistance payments" to local housing authorities which provide housing either directly or in conjunction with private developers.

According to a draft GAO report, section 8 costs are quadruple the costs of previous housing programs. For example, under previous housing programs, some families received annual subsidies of as much as $1,850. Today, an annual section 8 subsidy—particularly for new units—of $5,000 to $7,000 is commonplace.

With these costs continuing through this decade, section 8 may be saddled with a large unfunded liability not unlike that plaguing social security.

HUD has badly understated future costs of the program, according to the CBO. Depending on inflation rates, the length of Federal funding commitments and tenant rent contributions, a section 8 unit could cost as much as $710,000 over 40 years—up to three times the amount estimated by HUD. In other words, HUD has understated costs by as much as $500,000 a unit. Congress will have to appropriate additional funding to keep the program solvent.

In addition to its cost (among the highest for all Federal housing programs), section 8 is riddled with inequity. Some 31 million of the Nation's 76 million households could receive a section 8 subsidy; yet only a fraction receive subsidies. Section 8 is a lottery where a few strike it rich and the rest of us, including those who earn even less than those receiving benefits, have to pay.

Perhaps, all this could be excused if section 8 were a well-managed program. However, although the exception rather than the norm, some section 8 projects have such luxuries as year-round swimming pools, tennis courts, parquet floors, and billiard rooms; tenants receive subsidies of up to $7,000 annually even though they have incomes of up to $30,000; and many landlords receive duplicate payments on behalf of tenants.

A draft GAO report on section 8 will suggest that HUD use public housing rather than section 8 as the primary method for increasing housing for the poor. Congress should implement this recommendation.

FUNCTION 800: GENERAL GOVERNMENT

If the Congress and the administration are to send a signal to the people that we are serious about attacking the economic crisis which is at hand, we must start by greatly reducing our own expenditures. Until this is accomplished we cannot expect to restore confidence in our ability to direct the Nation.

My recommendation is that there be an across-the-board reduction in legislative and executive administrative (not program) expenditures of 10 percent. The only exception should be the Department of Defense. This reduction would save $100 million in the Congress and $4.2 billion in the executive branch. The table below shows the growth in legislative branch appropriations since 1955.

TABLE C.—LEGISLATIVE BRANCH APPROPRIATIONS, FISCAL YEARS 1955–78

Year	Senate	House	Joint items	Architect of the Capitol	Botanic Gardens	Library of Congress	Government Printing Office	General Accounting Office	Tctal.
1955	$14, 655, 223	$27, 424, 770	$1, 542, 225	$6, 115, 800	$223, 100	$9, 399, 636	$11, 325, 000	($31, 981, 000)	$70, 695, 754
1956	16, 315, 720	31, 123, 305	2, 542, 120	21, 163, 890	246, 000	9, 767, 937	11, 650, 000	(31, 981, 000)	92, 808, 972
1957	21, 226, 615	35, 499, 240	2, 598, 395	34, 998, 200	253, 600	10, 637, 608	12, 190, 400	(34, 000, 000)	117, 404, 058
1958	22, 271, 890	37, 827, 705	2, 638, 065	17, 009, 000	275, 500	11, 647, 500	13, 175, 000	(36, 050, 000)	104, 844, 660
1959	23, 473, 180	39, 337, 765	2, 468, 936	30, 638, 225	972, 500	12, 411, 591	13, 995, 190	(37, 000, 000)	123, 297, 387
1960	26, 406, 345	42, 398, 065	2, 929, 430	27, 412, 900	327, 500	14, 302, 790	15, 020, 350	(41, 800, 000)	128, 797, 380
1961	26, 643, 940	42, 492, 485	3, 508, 785	25, 493, 700	352, 300	15, 230, 600	15, 749, 020	(41, 150, 000)	129, 470, 410
1962	28, 421, 840	47, 856, 835	4, 090, 090	19, 256, 600	489, 000	17, 193, 700	18, 124, 000	(43, 000, 000)	135, 432, 065
1963	29, 601, 160	48, 150, 752	4, 255, 355	18, 252, 500	452, 000	19, 431, 930	26, 333, 600	(43, 900, 000)	146, 477, 270
1964	30, 675, 350	50, 131, 550	6, 271, 369	33, 279, 500	454, 500	29, 488, 800	26, 992, 000	(45, 700, 000)	168, 293, 069
1965	31, 397, 625	53, 777, 945	6, 319, 415	22, 010, 900	550, 000	23, 333, 100	26, 062, 000	46, 900, 000	210, 300, 885
1966	36, 379, 790	66, 414, 730	8, 856, 977	25, 640, 100	467, 000	25, 905, 700	26, 329, 000	(46, 900, 000)	189, 993, 297
1967	39, 655, 180	77, 676, 145	9, 716, 988	14, 281, 000	504, 600	29, 974, 100	42, 655, 900	(48, 500, 000)	214, 463, 913
1968	44, 125, 205	80, 368, 670	11, 311, 660	15, 308, 600	584, 500	37, 141, 400	34, 059, 000	53, 800, 000	275, 699, 035
1969	47, 082, 247	85, 039, 240	12, 711, 299	15, 614, 700	565, 000	40, 638, 000	39, 000, 000	57, 500, 000	298, 678, 396
1970	54, 837, 660	104, 813, 635	13, 233, 322	24, 036, 100	599, 800	43, 856, 300	39, 950, 000	63, 000, 000	344, 733, 817
1971	60, 929, 464	110, 526, 455	14, 558, 775	36, 568, 126	672, 800	50, 396, 700	65, 382, 000	74, 020, 000	413, 104, 220
1972	75, 034, 419	136, 768, 970	38, 428, 390	96, 553, 200	763, 350	68, 462, 250	56, 329, 900	89, 208, 000	562, 548, 479
1973	82, 046, 675	145, 266, 770	26, 151, 320	102, 574, 500	811, 300	79, 104, 450	88, 874, 100	98, 065, 000	622, 894, 115
1974	97, 453, 593	162, 511, 395	36, 315, 230	52, 374, 300	884, 700	86, 820, 450	112, 871, 000	109, 550, 000	658, 680, 668
1975	111, 135, 870	185, 546, 445	45, 789, 324	58, 288, 500	1, 018, 000	98, 990, 000	129, 065, 000	124, 989, 000	764, 822, 139
1976	127, 099, 645	228, 981, 485	72, 635, 633	76, 487, 600	1, 252, 500	119, 125, 400	153, 868, 700	141, 541, 000	920, 991, 963
1977	153, 223, 775	263, 612, 480	56, 305, 810	62, 656, 600	1, 223, 000	142, 009, 200	141, 727, 400	157, 089, 500	977, 857, 765
1978	153, 243, 200	282, 762, 100	56, 903, 600	51, 476, 800	1, 283, 000	150, 748, 600	106, 377, 500	167, 000, 000	969, 704, 800
1979[1]	169, 454, 000	303, 721, 000	45, 747, 000	93, 024, 000	1, 448, 000	156, 557, 000	113, 432, 000	179, 613, 000	1, 074, 335
1980	241, 870, 000	323, 891, 000	61, 320, 000	108, 284, 000	1, 464, 000	240, 692, 000	111, 691, 000	207, 466, 000	1, 329, 125

[1] 1979 and 1980 from the Budget of the United States Government 1981, pp. 373–382.

Source: Legislative branch appropriation bill, 1979, H. Rept. No. 95–1254, p. 55, 95th Cong. 2d sess.

FUNCTION 900: INTEREST

The combination of spending reductions and tax incentives which are contained in this proposal will have a doubly beneficial effect on the level of interest paid by the Federal Government. First, the level of Federal borrowing will be reduced substantially. This will relieve pressures on the short-term credit market and lower interest rates. Further, the increased cash flow to both individuals and corporations will enable them to reduce their borrowing and, in the case of individuals, to increase the savings rate substantially. This will result in a larger pool of loanable funds as well as reduced interest pressures.

For these reasons, my proposal is based on a reduction of Federal interest payments to $1.8 billion below the committee figure.

FUNCTION 950: UNDISTRIBUTED OFFSETTING RECEIPTS

In this function, I am recommending an increase in revenues through acceleration of the auctions of oil leases on the Outer Continental Shelf. The auction scheduled for early in fiscal year 1982 should be conducted in fiscal year 1981 for an increase in offsetting receipts of $1.1 billion.

SUMMARY AND CONCLUSIONS

The Senate Budget Committee has responded once again to the urgent needs of the American economy with the tattered economic policies of the 1960's. When we should have responded with bold action to reduce spending substantially and provide new incentives to the productive sectors of the economy, the committee has fallen back on "business as usual" policies which will increase inflation, lower productivity, and make a self-fulfilling prophecy of the majority's call for pain and suffering on the part of the American people.

I believe that these policies are misdirected and wrong. It is possible to adopt a Federal budget which will serve the needs of our Nation, including caring for those who are unable to care for themselves, while reducing total spending by $13.5 billion under current law, increasing support of our defense forces by $5.8 billion over the President's recommended outlay level and enacting tax reductions totaling $19 billion over fiscal year 1981 which will increase incentives for saving and investment as well as for increased economic activity by individuals.

The amendment which I will offer on the Senate floor when the first concurrent resolution for fiscal year 1981 is considered is summarized in the table below.

TABLE D

[In billions of dollars]

	Fiscal year—			Fiscal year 1980			Fiscal year 1981			
	1977	1978	1979	FCR	SCR	TCR report	Current law	President March request	FCR report	Armstrong amendment[1]
Aggregate budget data:										
Outlays	402.7	450.8	493.7	532.0	547.6	566.4	610.2	611.5	612.9	596.7
Revenues	357.8	402.0	465.9	509.0	517.8	528.9	[1]614.8	628.0	623.0	596.7
Balance	−44.9	−48.8	−27.8	−23.0	−29.8	−37.5	+6.4	+16.5	+10.1	0
Outlay reduction[2]										−13.5
Tax cut[3]										−19.0
Reflows										+.9
Net revenue impact										−18.1

TABLE D—Continued

[In billions of dollars]

	Fiscal year—			Fiscal year 1980			Fiscal year 1981			
	1977	1978	1979	FCR	SCR	TCR report	Current law	President March request	FCR report	Armstrong amendment [1]
Functional totals:[4]										
Functions:										
050—Defense:										
Budget authority	110.4	117.9	127.8	136.6	141.2	143.7	147.4	164.5	174.0	174.0
Outlays	96.8	105.2	117.7	124.2	129.9	134.0	141.1	150.5	156.3	156.3
150—International Affairs:										
Budget authority	6.7	9.8	8.7	12.6	13.1	15.2	18.5	18.2	23.5	23.5
Outlays	5.5	5.9	6.1	7.9	8.4	9.9	9.3	10.1	9.6	9.6
250—General Science, Space and Technology:										
Budget authority	4.6	4.9	5.4	5.7	58.5	6.2	6.3	6.6	6.5	6.3
Outlays	4.7	4.7	5.9	5.5	5.7	5.9	6.0	6.2	6.2	6.0
270—Energy:										
Budget authority			7.4	18.8	39.5	37.9	6.6	6.9	4.0	3.6
Outlays			7.7	6.8	72.5	6.5	8.1	6.9	6.9	6.4
300—Natural Resources and Environment:										
Budget authority	14.6	21.8	13.2	12.6	12.6	12.2	12.5	12.5	11.7	11.7
Outlays	14.3	16.8	12.8	11.7	11.9	12.9	12.8	12.5	12.1	12.1
350—Agriculture:										
Budget authority	2.4	2.6	9.3	5.0	5.0	5.0	5.3	5.4	5.6	5.6
Outlays	5.5	7.7	4.6	5.4	2.55	5.9	2.2	2.0	2.3	2.3
370—Commerce and Housing Credit:										
Budget authority	14.6	5.3	5.9	6.9	6.8	11.7	6.0	5.6	5.1	5.1
Outlays	14.3	3.3	2.6	3.2	2.85	5.5	1.0	.4	.2	.2
400—Transportation:										
Budget authority	16.0	20.3	19.2	19.45	19.5	19.7	21.4	23.4	20.1	19.4
Outlays	14.8	18.7	17.5	18.2	18.6	19.5	19.7	19.0	18.4	17.2
450—Community and Regional Development:										
Budget authority	13.7	10.3	10.0	8.9	8.9	8.6	10.0	9.0	9.0	9.0
Outlays	7.0	11.0	9.5	8.1	8.35	9.1	10.6	8.5	9.4	9.4
500—Education, training, employment, and social services:										
Budget authority	29.6	22.4	32.6	30.85	30.9	29.4	32.2	33.0	29.7	27.7
Outlays	20.3	26.5	29.7	30.5	31.0	30.0	31.2	30.6	28.7	27.2
550—Health:										
Budget authority	40.4	46.5	53.9	58.1	58.8	59.9	71.9	71.1	71.2	67.8
Outlays	38.8	43.7	49.6	53.6	54.45	59.9	63.9	61.9	62.2	60.6
600—Income Security:										
Budget authority	168.4	180.1	191.9	214.8	218.5	223.1	243.8	251.6	245.7	210.5
Outlays	136.9	146.2	160.2	183.3	190.0	190.1	217.9	220.1	218.7	211.9
700—Veterans Benefits and Services:										
Budget authority	19.1	19.0	20.5	21.2	21.45	21.2	20.8	22.5	21.7	21.7
Outlays	18.0	19.0	19.9	20.6	20.8	20.5	20.5	21.4	21.2	21.2
750—Administration of Justice:										
Budget authority	3.6	3.9	4.2	4.2	4.2	4.2	4.2	4.3	4.6	4.2
Outlays	3.6	3.8	4.2	4.4	4.2	4.4	4.4	4.6	4.6	4.6
800—General Government:										
Budget authority	3.7	4.1	4.4	4.4	4.45	4.5	4.7	4.9	2.5	.5
Outlays	3.2	3.8	4.2	4.3	4.2	4.4	4.6	4.8	2.2	.1
850—General Purpose Fiscal Assistance:										
Budget authority	9.2	9.7	8.3	8.1	9.05	8.3	8.5	6.8	6.3	6.3
Outlays	9.4	9.6	8.5	8.1	9.05	8.3	8.5	7.4	6.8	6.8
900—Interest:										
Budget authority	38.1	44.0	52.6	56.0	58.1	65.5	73.0	68.4	72.2	70.4
Outlays	38.1	44.0	52.6	56.0	58.1	65.5	73.0	68.4	72.2	70.4
920—Allowances:[5]										
Budget authority				−.1	−.2	−.2		1.7		
Outlays				−.1	−.2	−.3		1.4		
950—Undistributed Offsetting Receipts:										
Budget authority	−15.1	−15.8	−18.1	−19.7	−19.7	−22.3		−24.9	−24.7	−25.8
Outlays	−15.1	−15.8	−18.5	−19.7	−19.7	−22.3		−24.9	−24.7	−25.8

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[1] This current law figure is adjusted for the effects of the President's oil import fee on GNP and revenue.

[2] Outlay and revenue reductions are from current law.

[3] Outlay reduction includes changes in income transfers due to spending and tax cuts. Multipliers in these calculations are from Evans Economics. A marginal tax rate of 27 percent is assumed. Using CBO multipliers, a tax cut of approximately $17 billion would be possible with the same outlay reduction.

[4] Functional totals will not add to budget totals due to transfer payment changes induced by the tax cut recommendations.

[5] Allowances were not included in the FCR for fiscal year 1981.

The American people are looking to the Congress to take responsible action in dealing with the economic crisis. The budget alternative described above would undergird such action, sending a powerful signal that a budget can be constructed which favors growth and economic prosperity rather than desperation and decline. The proposal is a departure from the demand management policies which too long have dominated the work of the Congress. It is, at the same time, a reaffirmation of the independent and forward-looking spirit of the American people—a reaffirmation of faith that, given the opportunity to reap the rewards of their own initiative, our people will arrest the downturn which has eroded our industrial base and move swiftly to regain the economic security which has been the strength of this Nation.

I simply sum up my remarks as I yield the floor by suggesting to my colleagues that this would be a moment to set aside partisan considerations, this would be a moment to set aside business as usual, this would be a moment to set aside all but our most important priorities, and I take those priorities to include controlling inflation, cutting taxes, and strengthening the national defense.

If we have to tighten our belts in some other programs, including in spending for Congress itself, I think we can well afford to do so at this time.

IMPACT OF SENATE BUDGET COMMITTEE RECOMMENDATIONS ON TRANSPORTATION PROGRAM

Mr. CANNON. Mr. President, as we attempt to achieve a balanced budget for fiscal year 1981 and begin to fund the critically needed increases in our defense capability for 1981 and beyond, it is important that we not impose overly severe reductions in the transportation sector, important to both our economic growth and well-being and to our defense capability.

Transportation function 400, as recommended by the Senate Budget Committee, would be funded at a level of $19.9 billion in budget authority. The comparative level of funding in the House is $22.8 billion and in the President's revised budget, $23.4 billion. I hope that the first concurrent budget resolution, as finally approved by the Congress, will reflect funding for our transportation needs at a level somewhat higher than the $19.9 billion recommended by the Senate Budget Committee.

Mr. President, I am not going to offer an amendment at this time for an increase in transportation funding, but would like to share with my colleagues some specific concerns as to how the $19.9 billion level of funding would impact on transportation programs within the jurisdiction of the Senate Commerce Committee.

First of all, on the positive side, the Budget Committee in its reconciliation request has asked the Commerce Committee to take action to produce savings of $300 million in budget authority and $200 million in outlays in fiscal year 1981. I am pleased to inform the Senate that we will be able to do that and, in fact, reported to the Senate the Northeast Corridor Completion Act (S. 2156) which for fiscal year 1981 will result in a net savings of $203 million in outlays. This, plus recommended changes in the aviation ADAP program will enable us to exceed the Budget Committee's requested savings in outlays for fiscal year 1981 by $103 million.

However, these are particular transportation programs where the Budget Committee's assumed level of funding for fiscal year 1981 budget authority will be too low. I have made a separate statement as to the impact on Coast Guard operations, which I believe will be most immediately and critically impacted.

Some transportation programs, of course, can and will have to be cut back or deferred, but the results of those cutbacks or deferrals will be contrary, in some instances, to previously formulated congressional policy. At this time, I only want to alert the Senate as to one such example. Last year, the Congress, after long debate, authorized Amtrak a level of funding of $984.9 million in fiscal year 1981 to run a mandated route structure and for other purposes. Now, I am the first to recognize that there is room to economize in most budgets, and with Amtrak's system-wide revenue-to-cost ratio of about 43 percent, there is ample room to raise fares and achieve some cost economies. However, what I want to make clear today is that the Senate Budget Committee's assumed level of $770.2 million in budget authority for fiscal year 1981 is a proposed cut of 25 percent—should funds be appropriated at that level—which could of necessity require many route and service reductions on the Amtrak system which the Congress last year mandated be continued. Consequently, final funding at the $770 million level could reverse that mandate, and if the Senate and the Congress do not want to have that mandate reversed with routes discontinued and services reduced, than to be realistic function 400 should be adjusted, if not now, then in conference to allow for a more reasonable, yet still fiscally responsible, level of funding for this and other transportation programs.

ON COAST GUARD BUDGETARY NEEDS

Mr. President, one of the most severe shortcomings of the proposed resolution relates to the assumptions used by the Budget Committee for appropriations to the U.S. Coast Guard. The Budget Committee recommends that appropriations, both for the remainder of fiscal year 1980 and for fiscal year 1981, remain at the level of "current law." The difference between this figure and the President's requests for the 2 years is $29.1 million for 1980 and over $160 million for fiscal year 1981 for the Coast Guard's operating expenses alone.

Many may say that we all have to tighten our belts and bear reductions in order to achieve a balanced budget. I agree, but these decisions must be made in the context of the impact on a program's or agency's ability to operate and its importance to our country at a time of national crisis.

Mr. President, the "assumed" level of spending of the Budget Committee for the Coast Guard for Fiscal Year 1980 and 1981 will have a critical impact on the Coast Guard, the fifth arm of our Armed Forces, which the Nation has and will continue to rely heavily upon, both in peace and in war. The Commandant of the Coast Guard has informed me that the impact will be disastrous. I ask unanimous consent that this recent letter and analysis, with questions and responses be included in the record following my remarks at this point.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. CANNON. Mr. President, I would like to briefly put this all in context for you, as you may well question why such a modest percentage reduction in the Coast Guard's budget could all of a sudden have such a large impact. The simple fact is that the Coast Guard has been underfunded for a number of years, while the Congress has been assigning it increased responsibilities, which I might add it has admirably performed in its tradition as a "can do" organization. As chairman of the Committee on Commerce, Science, and Transportation, with jurisdiction over Coast Guard activities, last year I requested the Comptroller General to do an independent evaluation of the Coast Guard's resources.

This GAO report, entitled "The Coast Guard—Limited Resources Curtail Ability To Meet Responsibilities," which was recently completed for the Commerce Committee, describes the context of current resource shortages in which these cuts are proposed. The report concludes:

> The Coast Guard's responsibilities have increased without a commensurate growth in its resources—cutters and personnel. . . . As a result of its limited budget, the Coast Guard has generally not been able to carry out many of its responsibilities. The situation is expected to become worse in the mid-1980's as newer programs require additional resources.

This long-term situation of shortages has recently been aggravated by the skyrocketing cost of fuel. Last November, fuel costs increased more than 30 percent. In February, they more than doubled again. As a result the President has requested supplemental appropriations totalling $29.1 million.

In response to a question at the Commerce Committee's April 23, 1980, Coast Guard authorization hearing, the Coast Guard Commandant indicated that if they do not receive the supplementals, reducing many essential operations to an absolute and unacceptable minimum will still result in savings of only $15 million. The remaining $14 million will have to be absorbed by further curtailing maintenance, which can only make the situation worse in the future.

The Budget Committee's recommendation that the Coast Guard not receive these supplementals is, therefore, clearly shortsighted and unrealistic. I hope that room can be made in the budget for these relatively modest, but critically needed, supplementals, and that they will be quickly appropriated.

Mr. President, the Coast Guard's prospects for fiscal year 1981 are even bleaker if the Budget Committee's recommendations for that year are adopted. In operating expenses alone, the Budget Committee would allow $160 million below what the President has already requested. Not only would this recommendation not allow for any future inflationary increases, it would not even allow the Coast Guard to cover increases in costs which have already occurred.

For a service which, as described by the GAO, and confirmed in our committee's hearing, is already suffering from severe shortages, the effects would be disastrous. In his letter to me of April 24, 1980, which I have included in the record above, the Commandant describes the likely effects. They would include substantial cuts in enforcement of laws and treaties, marine environmental protection, Outer Continental Shelf activities, commercial vessel safety operations, and others. A number of stations, ships, and aircraft will have to be decommissioned, and personnel will have to be released. We just cannot afford to let this happen.

We frequently seem to forget that, in addition to its many and expanding regulatory and peacetime lifesaving responsibilities, the Coast Guard is a branch of the Armed Forces and is a component of the Navy during wartime. At a time when we have recommitted ourselves to assuring that we have an adequate national defense, it makes no sense whatsoever to cripple an important element of that defense.

While I am a strong supporter of our efforts to reduce Federal expenditures and to balance the Federal budget. I believe it is imperative that we recognize the specific consequences of those reductions and that we balance the need for a specific reduction against the need for the activities which will thereby be eliminated. In the case of the Coast Guard, I believe that the Budget Committee has failed to balance these factors appropriately. I, therefore, urge the Budget Committee and the Senate, as we debate the budget and later in conference with the House, to assure that function 400 will at a minimum provide for the President's requested level of appropriations to the Coast Guard, and finally, to support the expeditious appropriations of these funds, particularly for fiscal year 1980.

EXHIBIT 1

DEPARTMENT OF TRANSPORTATION,
U.S. COAST GUARD,
Washington, D.C., April 24, 1980.

HON. HOWARD W. CANNON,
Chairman, Committee on Commerce, Science and Transportation, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: This is in reply to your request of 23 April 1980 concerning the impact of the Budget Committee's recommendation that the Coast Guard be appropriated only "current law" levels for fiscal year 1981. Such a limit would equate to a reduction of $161M in Operating Expenses from the President's revised budget request plus an anticipated pay supplemental. Stated another way it equates to a $105M cut from the present level of operations. I can only describe the effects as disastrous.

Such an action would impact heavily on personnel retention, training and maintenance, eliminating any hope of progress in these areas, all of which are critical to continued safe and effective operation of the Coast Guard. As an Armed Force and a wartime component of the Navy, any cut in our budget which reduces our military capability impacts on national defense and appears to run directly counter to the desires of both the President and the Senate. It would entail substantial cuts in Enforcement of Laws and Treaties, Marine Environmental Protection, Outer Continental Shelf activities, commercial vessel safety operation, foreign tankship boardings, numbers of operating units (aircraft, ships and shore facilities) and a commensurate reduction in personnel. Drugs entering this country by sea will be largely unrestricted, foreign fisheries enforcement will be nearly non-existent, the hard fought-for purity of our waters will rapidly deteriorate and in some instances lives will be lost needlessly. It will not be possible to maintain the current level of Search and Rescue operations. Undoubtedly, a number of stations, ships and aircraft will have to be decommissioned or placed in caretaker status in order to reach this level of funding.

We have already taken significant steps to absorb as much of the increased costs of doing business as possible. We have reached the point where we must say, "no more!" without reducing our public service. A $161 Million reduction to this Armed Service, which is heavily oriented toward operating facilities, can only be achieved through reductions of hardware and the associated personnel. If the Senate persists in a reduction of this magnitude, I can assure you that every program will be adversely affected to some degree and some will have to be discontinued completely—I have no other choice. All significant flexibility has been consumed.

I urge you to support the President's budget.

Sincerely,

J. B. HAYES,
Admiral, U.S. Coast Guard Commandant.

NEED FOR FISCAL YEAR 1980 SUPPLEMENTALS

Committee question: With a total budget for Fiscal Year 1980 of over $1.7 billion, why will failure to receive supplementals totalling only 1.7 percent of that amount have such severe effects?

Coast Guard answer: Of our total appropriation of $1.7 billion, approximately $1.1 billion of that amount is in operating expenses. Lacking Congressional approval, we do not have authority to transfer any of the remaining $0.6 billion into the operating expenses appropriation.

During FY 1980, we have already absorbed shortfalls totalling about $19.2 million within the operating expenses appropriation. These include: (1) a reduction of $5.5 million in our pay raise supplemental request; (2) an absorption of $5 million in our fuel supplemental request, i.e., our requirement for additional fuel funds is $34.1 million, although the request pending before the Congress is only $29.1 million; and (3) $8.7 million in COL (The cost-of-living in our FY 1980 budget was based upon a 7.6 percent inflation rate, whereas we experienced a 9.7 percent rate.).

We have been operating at normal rates during FY 1980 under the assumption that the supplemental request will be approved. Thus, if the supplemental is not approved, we must absorb the entire $29 million during the few months remaining in the year. In the short-term, personnel and overhead costs are not controllable, i.e., we cannot achieve immediate savings by terminating people. For example, the early release of a petty officer creates an obligation to pay for unused leave up to 60 days, transportation of that petty officer and his dependents to his home of record, and transportation of his household effects. Thus, in the short-term, personnel reductions could result in increased, rather than decreased, costs.

In the short time remaining during FY 1980, therefore, the only items which will result in immediate savings include reduced operations and reduced maintenance. In our testimony before several committees, we have emphasized the poor condition of our vessels and shore plant. The recent GAO report attested to this poor condition. To further reduce maintenance during the remainder of FY 1980 would only exacerbate these problems, although, lacking the supplemental funds, we would be required to do this.

We are, at existing prices and at current levels of operations, consuming fuel at the rate of about $8 million per month. Thus, if we are advised by July 1, 1980, that our fuel supplemental is denied, we would, by completely ceasing consumption of fuel, be able to save only $24 million during the last 3 months of FY 1980. This, of course, is not possible since: (1) we must maintain the capability to respond to urgent Search and Rescue and aids-to-navigation requirements; and (2) our shore facilities and vessels, even while tied to a dock, consume some fuel. Thus, reducing operations to an absolute and unacceptable minimum after July 1, 1980, would probably result in savings on the order of $15 million. Lacking approval of the supplemental, remaining $14 million shortfall would have to be taken from maintenance or we would have to obtain Congressional approval to transfer funds from other appropriations.

Mr. MOYNIHAN addressed the Chair.

The PRESIDING OFFICER (Mr. BURDICK). The Senator from New York.

Mr. MOYNIHAN. Mr. President, I thank the Chair, and I thank the distinguished chairman-designate of our committee for permitting me this opportunity to speak at the beginning of this important debate.

The undertaking to balance the fiscal year 1981 budget is altogether necessary and, under the circumstances, wholly predictable.

The question arises, however, why the balancing of the budget must impose the greatest hardships on just those groups which may be judged to be in the greatest need? This is a matter on which I expressed myself at some length in a supplemental statement to the first concurrent resolution incorporated in the volume which is before us today, and which I will not detain the body at any greater length than necessary, save to note that it was because it seemed to me that this was done that I was not able to vote for the final resolution. I should like to add that I shall associate myself with those who wish to see it amended and revised, as it ought to have been, in our view in the first place.

Looking back, it was inevitable, or in any event likely, that the Budget Committee would agree to those reductions which are most costly to States such as my own, and to the social programs with which States such as my own have been associated over the last half-century.

The Big States, as they are known, of the industrial urban Northeast and Midwest have but three votes out of 20 on the Budget Committee. Senators RIEGLE, METZENBAUM, and I represent 38 million people all told whilst the other 17 members of the committee represent some 43 million.

The eight minority members of the committee have a total of 16.8 million constituents, somewhat smaller than the population of New York alone.

This is, as such, no argument about the validity of decisions made, and certainly it casts no shadow on the legitimacy of such decisions. But it does make a point which, it seems to me, ought to be noted early on in this debate when, for the first time, the congressional budget process attempts a balanced budget, to wit, that as a relatively new committee of the Congress, I believe it is our newest committee apart from the Select Committee on Intelligence, the Budget Committee has not yet attained that representativeness which is the case with most of the older such bodies, even though it is in the nature of the Senate, it is the constitutional purpose of the Senate, to represent State governments and not to represent population.

There does nonetheless emerge over time a certain balance of region, of economic activity, and of political complexion which is representative enough, such that it is normally the experience that what can command a majority in a standing committee has a normal expectation of doing so in the body itself.

I make this point because it is going to be repeated, and I want to make it without any element of rancor or sense of an intended imbalance. I simply speak to the newness of the committee having among its necessary manifestations the fact that areas of the country where changes in Federal budgets have great effect are, in fact, poorly represented, and the vote shows it.

At one point in the proceedings of the committee itself I moved the chairman's mark, as it was known informally—the allocation that our beloved chairman, Senator MUSKIE, the Senator from Maine, had proposed. I moved the chairman's mark, and found there were 5 votes, his included, out of the 20 recorded in this measure. That, too, suggests the unusual and imbalanced nature of the proposal and, hence, the very long list of amendments we are going to have to deal with this week.

I think it is also the case that a distortion came about as a result of the unusual behavior of the administration, which sent to us a budget that was not in balance in January contrary, if I am not mistaken, to law or at least to the statute adopted by this Congress and signed by the President. Then in a combination of influences which are best judged, best attested to, by the administration itself, it announced this had been a great mistake. There followed a long, extended series of consultations with Congress, which met in S–211 just outside this Chamber, and was known as the S–211 group, which brought about by rough agreement reductions that made a nominal balance of the budget possible, but which, in the nature of the available areas of budget reduction, were confined to precisely those which would cause the greatest trouble for Detroit, for Cleveland, and for Buffalo.

The estimates vary, but I think it is not far from the case that only about 20 percent of the Federal budget is open at a time like that for reductions. The greater part of the budget always represents entitlements such as social security, or debt obligations, such as the national debt and interest thereon, or ongoing projects such as public works for which contracts have been entered and for which the continuation is required by the very nature of the undertaking. The case is simply that new matters, in matters which can be cut off, are a very narrow range of activity. It is these on which the industrial Northeast and the West have come so heavily to depend on in recent years to deal with social problems that have accumulated over a half century, problems which are surely not ours alone to account for, and also to deal with the onset first now appearing in this region of what is likely to be the worst recession since the time of the 1930's.

In the week ahead I will be speaking at greater length to the problem of this recession in particular, but at this point I would like to make just a few remarks.

The first point is that we all must acknowledge how fragile any final agreement we reach must be whilst we remain uncertain as to the depth of the economic downturn already in place. The rule of thumb that a 1-percent increase in unemployment corresponds to a $25 billion or $26 billion increase in the range of Federal expenditures, combining loss of revenue and increase of benefits such as unemployment benefits, surely holds, and we saw something startlingly close to a 1-percent increase in unemployment just last month.

And if and as this continues—because surely it will continue; the only matter before us is the extent—we are going to see institutional crises of a kind not known since the 1930's. They are crises in the public and private sector. We are going to see a repetition of the difficulties which the city of New York and other cities experienced.

We are going to see in other companies and sectors of the economy repetitions of the experience which the Chrysler Corp. has undergone, and perhaps again in the automobile industry also. Responding to them is going to take a priority which neither this body nor the other House will deny.

So we embark upon a tentative enterprise which is not for that reason any the least serious.

I would hope to be understood as one of those who does not think that 20 years of sustained Federal deficits has had no effect upon the American economy, the inhabitants of Government, and the structure in particular of capital formation in the private sector. This we know to be a fact, as much as economics can be said to establish facts, but this is something we can be said to know.

Certainly there is a correspondence between this condition and the factor that for three decades the United States had had the lowest level of capital formation of any members of the OECD. This must, of necessity, arise from the competition between public borrowing and private borrowing.

There is no reason for those of us who think that the long and sustained effort of the economic profession, and of government, to learn to deal with the problem of the business cycle in an industrial society and the emergence of countercyclical strategies must only work one way. The effort need not always work to increase demand at times when it is at too low a level, and never work to restrain it at times when it may be too high.

It was a commonplace of the economics profession in the early 1960's, here in this city in the administration of President Kennedy, that we were learning to establish a full employment budget and incur deficits with a bipartisan agreement about what made most sense. We had yet to learn the opposite when it might become necessary.

Clearly, there is a general agreement that the time for a balanced budget is at hand. The question whether we will obtain it is not, then, one of argument so much as one of events still to be determined.

In the meantime, there is no reason that this particular resolution need be as imbalanced with respect to its impact upon regions and upon classes as it is.

There are a large number of amendments which I will support that have already been proposed. There is one in particular which I have proposed myself. It is a very modest proposal, but one which I would be very disappointed if this body did not find within itself to support. It is designed to restore half a billion dollars for fiscal assistance to areas which are already affected by recession and which are going to become even more so, and to offset that increase by a modest $500 million decrease in the function provided for natural resources of which I have in particular the idea of reducing the water programs of the Federal Government.

I recognize we do not provide line item increases or reductions in our budget. But we nonetheless find that that is the only way we can speak about them in our committee and it is probably the only way we are going to learn to speak about them on the floor as well.

It came as a blow to me that, as we went through these budget-cutting programs which mean so much to people who have so little in this country—cutting the CETA program, cutting social security entitlements, and cutting unemployment insurance entitlements—suddenly there was a proposal to increase yet again the amount for dams, for harbors, for waterways, for programs which for a century now have been altogether imbalanced in their regional impact. They are imbalanced specifically away from the regions of which I speak, the Northeast and the Midwest. Further they have increasingly incurred opposition in those regions who benefit, as partaking of the nature of free goods which seem to incur no cost to the community but which in fact end up with consequences to the environment that are will manifestly unwelcome and sometimes very destructive indeed.

If this country had to pause in any ongoing programs, it could well afford a mild pause in the number of dams we build in areas which have more dams than mayors. I offer the thought of more dams than mayors simply to suggest that that is an unnatural condition and most particularly unnatural to the wild west.

I will submit that amendment today to the resolution. The Democratic legislative bulletin notes that it will take place.

Beyond that, I would, for the moment, only wish to make one inquiry. I see that our distinguished chairman-designate is not here, but his counterpart and my friend from Oklahoma, the ranking minority member, is here. I wonder if the Senator would allow me to address a question to him to establish a point which I think is understood. I think this has been settled, not the least because of the Senator from Oklahoma's own sense of fair play and responsibility which he has never failed to exhibit in these matters.

That concerns the pending matter of the exhaustion of funds available for the trade adjustment assistance under the 1974 statute. This is one of those programs which we on the Finance Committee are familiar with, nonetheless it is an entitlement program which requires an authorization. As the Senator from Oklahoma knows, the Labor Department now estimates that $1.1 billion will be needed to pay out these entitlements for the balance of this fiscal year, and that $400 million will be required for the 1981 resolution.

These are, to repeat, not for the purpose of asserting anything that is denied. Clearly these are entitlement programs of the House resolution which we will be taking up in conference. The House provided these particular funds. It is my understanding that it is the purpose of the leaders of the committee to go to conference with the explicit intention of accepting the House provisions as ones which, as a matter of good faith and good Government, represent commitments which we will keep. Am I right in that? Let me not talk so long that the Senator from Oklahoma grows weary from my inquiry.

Mr. BELLMON. Mr. President, I cannot respond for the Senator from South Carolina, our new chairman. I can say on my own behalf that I recognize that the funds provided in this budget for the Trade Adjustments Act appear to be inadequate, and that it is an entitlement program. The information which the Senator from New York has just given the Senate is about the same information I have. It is my hope that we will not take the matter up in this resolution but, rather, make provision in the conference with the House to see that the program does not run out of funds.

The Giaimo amendment on the House side did put in additional money for the program, and that would seem to give us the latitude we need to deal with this problem.

The Senator from South Carolina has now returned and he can speak for himself.

Mr. MOYNIHAN. I thank the Senator from Oklahoma for his statement, which is clear and straightforward.

Is our friend, the chairman designate, aware of my query?

Mr. HOLLINGS. I am sorry, but I did not hear it. I understand it has to do with the Trade Adjustment Assistance Act.

Mr. MOYNIHAN. This was to inquire in an informal matter about something which will take place in a formal colloquy later on. As the chairman designate knows, the trade adjustment assistance for workers displaced by imports is one of those entitlement programs which nonetheless requires an appropriation, there being no trust funds out of which they are paid. The Executive had forethoughts that to continue the commitments or to fill the commitments that are expected to be incurred between now and the balance of this fiscal year will require approximately $1.1 billion, and the fiscal year 1981 resolution will probably require another $400 million above that which we have provided. The House, in a resolution presented by the budget chairman, Mr. GIAIMO, did put in this $1.5 billion. I understand that it is the present thinking of the leadership of our committee not to act formally on the floor about this matter, but rather to undertake to accept in conference the House provision so the matter will be dealt with.

Mr. HOLLINGS. To the distinguished Senator from New York, let me say first that this is a matter which concerns the Senator from South Carolina also. I think, as the Senator from New York indicates, that it can be worked out in conference. I had an opportunity, Mr. President, to speak with the Senator from New York and also the distinguished Senator from Michigan (Mr. RIEGLE), who has been vitally interested in it. We thought perhaps it would be well to work out a colloquy. We are trying to agree on an appropriate amount and to make sure that it could be worked out in conference. The House decision would encompass room enough to take care of 1980 for about $1 billion and perhaps $400 million more for 1981. Staff tells me that they are working on that with the House staff and we will bring it up at the end. I would just as soon bring it up at the very beginning and give the Senator from New York the assurance that this matter will be dealt with in conference.

Mr. MOYNIHAN. I thank the chairman very much. This is indeed my first opportunity to thank the chairman. I know it will not be my last. I know the Senator from Michigan and others will want to have a colloquy at some time, but this enables us to begin our consideration of the budget with the knowledge that this matter will be dealt with. I know that I, for one, and I am sure my other colleagues, will be happy to accommodate the chairman in any way he desires.

Mr. HOLLINGS. I appreciate the remarks of the Senator very much.

Mr. MOYNIHAN. I thank the Chair and I thank the members of the committee.

The PRESIDING OFFICER. Who yields time?

Mr. HOLLINGS. Mr. President, does the Senator from New York have an amendment he wishes to offer now or later on?

AMENDMENT NO. 1735

Mr. MOYNIHAN. I have an amendment which I will submit for printing now but I do not propose to have it voted upon at this time. This amendment simply adds $500 million in revenue sharing and reduces $500 million from natural resources.

Mr. HOLLINGS. Mr. President, Senators listening to us back in the offices can come forward with amendments. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HARRY F. BYRD, JR. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. STEVENSON). Without objection, it is so ordered.

Mr. HARRY F. BYRD, JR. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. Who yields time?

UP AMENDMENT NO. 1055

(Purpose: To reduce the fiscal year 1981 budget authority and outlays for function 150 (International Affairs))

Mr. HARRY F. BYRD, JR. Mr. President, I send an amendment to the desk and ask that it be stated.

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from Virginia (Mr. HARRY F. BYRD, JR.) proposes an unprinted amendment numbered 1055.

Mr. HARRY F. BYRD, JR. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 2, line 17, delete "$687,900,000,000" and insert in lieu thereof "$685,700,000,000".

On page 2, line 22, delete "$612,900,000,000" and insert in lieu thereof "$612,400,000,000".

On page 3, line 4, delete "$0" and insert in lieu thereof "+$500,000,000".

On page 3, line 9, delete "$927,800,000,000" and insert in lieu thereof "$927,300,000,000".

On page 3, line 15, delete "$32,700,000,000" and insert in lieu thereof "$32,200,000,000".

On page 4, line 18, delete "$23,400,000,000" and insert in lieu thereof "$21,200,000,000".

On page 4, line 19, delete "$9,500,000,000" and insert in lieu thereof "$9,000,000,000".

Mr. HARRY F. BYRD, JR. A parliamentary inquiry, Mr. President.

The PRESIDING OFFICER. There are 2 hours on this amendment.

Mr. HARRY F. BYRD, JR. The time limitation is 2 hours on this amendment?

The PRESIDING OFFICER. The Senator is correct.

(Mr. METZENBAUM assumed the chair.)

Mr. HARRY F. BYRD, JR. I yield myself 15 minutes.

Mr. President, the pending legislation is Senate Concurrent Resolution 86. Senate Concurrent Resolution 86 says that the appropriate level of total budget outlays for the fiscal year 1981 is $612,900,000,000. For purposes of this discussion I shall use the round figure, virtually the same, of $613 billion.

There are two key figures which, in my judgment, should be kept in mind by the Senate as this resolution is debated. One figure is the $613 billion of proposed spending for fiscal year 1981, and the other, in my judgment, is the figure of $548 billion.

It was less than 6 months ago that this Senate approved spending of $548 billion for fiscal year 1980. This resolution would increase spending over that which was approved by Congress last November 16 by $65 billion.

Mr. President, there is a lot of propaganda coming out of Washington to the effect that the President and Congress are getting spending under control. I submit that is misleading. I submit that is inaccurate. All one needs to do is to look at the figures. Less than 6 months ago Congress approved spending of $548 billion and this new budget resolution proposes to spend in the new year $613 billion. That is an increase of $65 billion.

Even under the new math it is an increase of $65 billion.

I think this budget proposal, if it is adopted—and I assume it will be—is merely an invitation for more inflation. Sooner or later Congress must come to grips with this question of spending.

The resolution purports to have a balanced budget. I personally am not convinced that this resolution will produce a balanced budget. In fact, I am rather confident that it will not. But even if it does produce a balanced budget, which is very, very doubtful, it will be done by increasing revenues, or increasing the tax take from the American people rather than by doing what should be done, namely, controlling spending.

The key to the problem is spending. As chairman of the Subcommittee on Taxation, I presided over a hearing at which the Chairman of the Federal Reserve Board, Mr. Paul Volcker, came before that subcommittee. A week or 10 days later the Secretary of the Treasury, Mr. Miller, came before the Subcommittee on Taxation. I asked each of these men, each of these top public officials: What is the most effective thing Congress can do to bring about these historically high interest rates, interest rates that are so high they are stifling construction all over the United States; having a very drastic effect on the automobile industry; affecting every citizen who has to go to the bank to borrow money? What can Congress most effectively do to bring about a decrease in these high interest rates?

Each of these men answered that question in almost exactly the same way—a little different wording but the same substance. The Chairman of the Federal Reserve Board said the most important thing Congress can do is to get spending under control. The Secretary of the Treasury, Mr. Miller, said the most important thing Congress can do is to get spending under control.

I was most interested in the comment, and I certainly agree with it. I was astonished, however, that each of them said it as bluntly as they did.

I might say that on the day the Secretary of the Treasury, Mr. Miller, came before the Subcommittee on Taxation, the Director of the Office of Management and Budget, Mr. James T. McIntyre, Jr., was also a witness before that subcommittee, and I put this question to him.

Before saying that, I might say that he pointed out what a great job the Carter administration had done in drawing up its budget, how they were getting spending under control. I said:

> Mr. McIntyre, explain to me how you are getting spending under control when the budget resolution of last November specified spending of $548 billion for fiscal 1980 and you propose to spend $613 billion for fiscal 1981?

He did not have a satisfactory answer because there is no satisfactory answer. It is a $65 billion increase.

But the question I put to Mr. McIntyre was would he favor a reduction in this—at that point spending was $612 billion, $1 billion under what the amount now is—would he favor a reduction in the $612 billion spending advocated by the President? His answer was "No."

That is a very forthright answer, and I commend him for his forthrightness. Many officials of Government are not forthright, so I commend him for his forthrightness. I do not, however, commend him for his belief that you cannot substantially reduce that proposed figure.

I have quite a few amendments which I will either present myself or in conjunction with other Senators. I prefer to do that whenever I can, work with other Senators, in presenting other amendments to this budget resolution. I think it is too high. It can be reduced, it should be reduced.

The amendment I have sent to the desk deals with function 150, namely international affairs. The amendment I am now offering calls for a reduction of $2.2 billion in budget authority, and $500 million in outlays in function 150, international affairs, mostly foreign aid.

I think this is an amendment which must be adopted if Congress is to make it clear to the Nation that it is serious about reducing the growth of Government spending and getting inflation under control.

If we are not willing to reduce foreign aid, what in the world are we willing to reduce?

I hope that the American people will judge the Congress and judge the administration not on rhetoric, but on action. Judge the Congress on the votes. How do they vote on these spending cuts?

Now, setting aside the fluctuations in the military sales trust fund, which create distortions in the total for the international affairs function, spending in this category would show an increase of 26 percent over the 2-year period from 1979 to 1981 under the proposal of the Budget Committee.

As I stated at the outset, most of this function consists of various forms of foreign aid. We must not permit business as usual spending in foreign aid while the Government is calling for sacrifice by all Americans.

The American people have been paying as high as 20 percent interest rates. It is reduced a little bit now, but we still have high interest rates. And yet various sums of American tax dollars are being funneled out to 100 different countries scattered throughout the world. How can this Congress justify appropriating funds for 100 different countries at a time when the American people are faced with this very tragic inflation that we are suffering and the very tragic interest rates that are hitting every American so hard?

I realize that the Budget Committee has made a net reduction of $600 million below the President's budget request of March 31 in this function. But this merely brings projected spending for 1981 down to the level which the President originally requested in January.

This only brings it back to what the President recommended in January. Between January and March 31, the President increased his proposal. The committee proposal brings it back to what it was in January. I say that is not sufficient or anywhere near sufficient.

The Budget Committee's proposal would result in spending $9.5 billion, or $400 million less than it has recommended for 1980. So far as it goes, that is commendable. However, we need to keep in mind that the fiscal year 1980 total is a highly inflated base from which to make comparisons.

Foreign aid spending in 1980 is 29 percent above the level of 1979—an outrageous increase at a time of high inflation and a huge deficit.

It is completely unreasonable to base projections for 1981 on the inflated 1980 spending base for foreign aid. Instead, we should focus on the key fact which I mentioned earlier: namely, under the Budget Committee's recommendation, aside from the military sales trust fund, spending for international affairs will rise by 26 percent over the period 1979 to 1980.

There is room for reductions in foreign aid in the 1981 budget. The Budget Committee quite properly has not specified spending levels for the various foreign aid activities within the international affairs function. Nor do I propose to dictate such spending levels in my proposed amendment. That is the function of the authorizing committees and the Appropriations Committee.

Nevertheless, it is apparent from the committee's comments in the report on this resolution that its recommended level of budget authority and outlays would accommodate very high spending totals in Public Law 480, food aid, operating and functional accounts of the Agency for International Development, contributions for international organizations, and the multilateral development banks. Sooner or later this Congress has got to be willing to say no to these international banks.

I am sure the controllable outlays resulting from new budget authority proposed in the Budget Committee's resolution can be reduced, with a necessary reduction in the budget authority which I am also proposing in this amendment.

In fact, if we accept the inflation projection of the Congressional Budget Office, the committee's figures call for a spending increase in international affairs for the 1979 to 1981 period which will actually exceed even the disastrously high rate of inflation in the United States.

In other words, the committeee is not only indexing foreign aid, it is exceeding that figure which would be required for indexation.

Once again, let us remember that the Federal Government is asking every American to make sacrifices to combat inflation. We are asking Americans to sacrifice to combat inflation and yet we are substantially increasing the foreign aid which is going out to a multitude of countries spread throughout the world.

I submit that no one will take seriously the claim that we are serious about controlling spending unless we are willing to do something about the huge sums that are proposed for foreign aid spending.

The total outlays—for the moment I am leaving out the foreign military sales trust fund, because that fluctuates so widely—for function 150 spending for 1979, the actual was $7,525,000,000; the estimate for fiscal year 1980 is $8,700,000,000. The estimate for 1981 is $9,500,000,000.

One can readily see, when you compare 1980 and 1981 with that total for 1979, what a huge increase is being proposed for foreign aid.

Mr. President, I ask unanimous consent that a table showing function 150 spending for 1979–81 be printed in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

FUNCTION 150 SPENDING, 1979–81

[In millions of dollars]

	Actual 1979	Estimate 1980	Estimate 1981
Total outlays	6, 091	9, 900	9, 500
Plus or minus Foreign Military Sales Trust Fund	+1, 434	−1, 200	0
Outlays, net of FMSTF	7, 525	8, 700	9, 500

Increase, 1979–81: 1,975, or 26.2 percent.

Mr. HARRY F. BYRD, JR. It seems to me that it is not only unjustified but it is a place where the Congress should start in its endeavor to keep Government spending within balance.

I have to say, frankly, that I think Government spending is totally out of control, totally out of control.

The significant figures, speaking now of the overall budget spending, are the $613 billion in the resolution before us for fiscal year 1981 and the $548 billion which the Congress approved less than 6 months ago.

Mr. MELCHER. Will the Senator yield?

Mr. HARRY F. BYRD, JR. I am delighted to yield to my friend from Montana.

Mr. MELCHER. I concur in what the distinguished Senator from Virginia is stating. I find it incomprehensive to come to the very sad decision on what we are going to have to do with this budget concerning so many programs that affects millions of Americans in various ways and yet find that there has been only a very modest cut in the foreign aid function.

I would only state that I think the Senator from Virginia, in the amendment he is proposing, offers a rather modest cut, certainly a very tempered approach.

I think the case is clear that foreign aid is being protected at a time when we are having an extremely difficult time in the United States not only with our economy but with the overall effect that the belt-tightening procedures we will exercise in this budget will have on our daily lives.

I thank the Senator.

Mr. HARRY F. BYRD, JR. I thank the distinguished Senator from Montana (Mr. MELCHER) for his comments. I again invite attention to the totals of foreign aid. The actual outlays for fiscal year 1979 were just over $6 billion. The estimate for 1980 is just short of $10 billion.

The PRESIDING OFFICER. The additional 5 minutes of the Senator have expired.

Mr. HARRY F. BYRD, JR. Will the Senator yield an additional 5 minutes?

Mr. HOLLINGS. I yield.

Mr. HARRY F. BYRD, JR. The total for 1981 is $9.5 billion. When you compare any of those figures, 1980 and 1981 with 1979, one can see what a huge increase there is in this function.

Mr. President, I reserve the remainder of my time.

Mr. HOLLINGS. Mr. President, the distinguished Senator from Virginia and myself have frequently been on the same side.

To get right to the point, the Senator from Virginia really does not give himself credit and does not give the Senate and the Congress sufficient credit when he speaks in the very moving terms that the budget and spending are totally out of control; that the propaganda is that we are getting spending under control, though it is still out of control; that sooner or later we are going to have to come to grips with spending, and that we have this balanced budget, if at all, by a tax hike.

Before I address my remarks to the particular issue of function 150, international affairs, and the cut itself, let me emphasize that the Senate never would be totally in control as perhaps the distinguished Senator from Virginia and the Senator from South Carolina would wish it. The fact of the matter is we both come from military colleges and we like to give commands. We believe people ought to respond. I found long ago in trying to do that at the Governor's level, that you can give all the commands you want, but you have to orchestrate, you have to persuade, you have to prepare. The Government just does not respond that way, and well that it does not.

This is not a situation where you can take a group of 535 Members trying to decide tax, income, revenue, and all the other policies amidst their separate individual 535 priorities and all of a sudden go in one particular Member's direction or come to his particular conclusion.

But, yes, we did spend like drunken sailors, almost, during the 1970's, and we are in one dickens of a fix right now. It will not be corrected by one balanced budget. A lot of these things got way out of control. We had that balanced budget in 1968 or 1969 under the last of President Lyndon Johnson and the first 6 months of Richard Nixon. But thereupon started all the different programs. For one thing, President Nixon started what they call the full employment idea, and that meant if your uncle left you $1 million you would be a millionaire, and if we had full employment we would have a certain percentage of unemployment. It was up pretty high at that time and we were spending some $40 billion that we did not have.

Then there was the dichotomy with respect to categorical grant programs and revenue sharing. When former President Nixon saw that poll one day that showed the present chairman of our Budget Committee, namely Senator MUSKIE, was ahead of him, he threw in and we got both categorical grants and revenue sharing. The Democratic Congress, if that is what he wanted to call it, and the Republican administration were playing one-upmanship.

We went to deficits in 1974 and 1975, from that balanced budget to deficits immediately in 1971, and we were $45 billion up in a couple of years, in 1974 and 1975, and then got up to $66 billion. To fix that in your minds, if you go to that 10-year period between 1960 and 1970, under President Kennedy, President Johnson, the New Frontier, the Great Society, and the war in Vietnam, we had a cumulative deficit of only $60.2 billion. President Ford left a deficit of $66 billion, the year when President Carter took office.

So in 1 year we exceeded the prior 10-year period and that frightened us.

That is why 6 years ago and now for the fifth year we instituted here in the congressional branch a move to get control. It has not been easy. It is like an ocean liner moving through the deep seas, and much of the time at night. You just do not put the brakes on the ship of state and all of a sudden it comes to a halt. It keeps on going in whatever direction it was going.

A large amount of credit is due to proposition 13 in California. For the first time, we really heard about a balanced budget about 2 years ago. Many of us had been talking about it, but reporters would look at you like you were kooky or something was wrong if you talked about a balanced budget theretofore. But we had been talking.

In getting right to this particular exercise it does the budget system and the Congress an injustice if you look at the hard work and the struggle they had on the House side to hold that budget, which I am more intimately involved in, to say that we very casually went in and just got some figures and did not consider this particular item or any of the items.

To the Senate Budget Committee's credit, this should be covered. The poster is on the wall.

Yes, in the setting of priorities we did give a priority to defense. The United States Senate, without Afghanistan, without Iran, on September 18 voted a 5-percent increase in constant growth. We then had Afghanistan and Iran and we found out our defenses are far lower now than what we suspected at that particular time. We provided only 7 percent in the Budget Committee.

But while we did that, we also had to take what is not under control, and in the auspices of the jurisdiction of the distinguished Senator from Virginia, in the Finance Committee. I would like to get control. If you want to talk about the budget and the budget process, we will have a good talk later on about tax expenditures, which are far in excess of any defense budget. They are well over $200 billion, by the time we get the revenues, try to balance the budget, and hold back on the expenditures. We have a fine working group that runs around giving more tax exemptions, tax cuts, and everything else, and they all talk about the tax increases.

If we are balancing the budget with tax increases, they do not talk about the $20 billion tax decrease already in this budget. Yes, in 1977, we balanced the social security budget with a payroll tax increase for this year. But, in 1978, we passed an income tax cut for individuals, for capital gains, for corporations, for small businesses. And that now costs us some $20 billion that they do not tell about that we have to reconcile.

So, rather than just come along and have tax increases of some $83 to $84 billion overall, we really did not increase taxes; actually, we took the one that was involved, namely, the excise tax on foreign oil, and applied that $10 billion to a set-aside for, hopefully, a tax cut later on. But not to balance the budget.

So, in essence, what we have done, as we have cut the real standard budgets of education, health, energy, transportation, commerce, and all the others—and that is why the chart is there in constant dollars—we cut that 16 percent.

Do not say we do not have any kind of control on it, that this is totally out of hand. You may recommend, as a freshman Senator, State revenue sharing, and then have to recommend, in order to balance the budget, to cut that out, which is exactly what I did—I put in a bill in February of 1967 for State revenue sharing. Later on, our former distinguished colleague, Senator Robert Kennedy of New York, put one in for the cities. I had mine in for the States and we reconciled the difference, split the difference between them. It culminated later in the 1967 revenue sharing program. But to sit around, Mr. President, and make these cuts of some 16 percent overall in this budget and have someone say, "You did not cut anything and you do not have any," and there is a lot of propaganda around that we are not even getting control of ourselves—that is sitting around the table killing your own children.

For weeks on end, since January, we have been trying to figure out how to do just that, get a handle on it and stop the spending. So we cut the budget some 16 percent. I wish some of the Senators who sit around could look at these chairmen and their expressions as we direct reconciliation of $9.6 billion. The chairman of the Senate Committee on Finance and the chairman of the Appropriations Committee look at you as if you were crazy. If you think that is easy in this body, when it is totally out of hand, to say, "Now that you have appropriated funds, we want you to cut back and we do not want you to wait until this fall, we want you to do it within 10 days after we get this first budget resolution in May, we want you to do it in June," try to orchestrate that and sell that particular idea and have it approved by a majority, a good working majority of our Budget Committee, to cut back the size of government from 22.3 percent to 21.8 percent. We had a 21-percent resolution, and we have showed how devastating that would be.

Incidentally, we did not get any good recommendations. Our recommendation, and the only thing we could do, was to take the lowest figure for each function that was made by any Senator and not adopted during the Budget Committee markup. That amounted to some $19.3 billion and we picked up the extra amounts from defense, from cost-of-living indexing, and everything else of that kind that we could not accept in markup.

In July, the social security recipients are going to receive a 14.3-percent increase, in just about a couple of months. The people in the press are not going to get 14 percent. The people on the floor are not going to get 14 percent. There are many working people all around the United States who are not going to get 14 percent. But I dare you to find 20 votes in either body to cut out that cost-of-living increment of the social security recipients. I want to know where you can find the votes. I tried to and you cannot find the votes for that. Somebody might make the motion, but that is not going to pass.

These things can well be recomputed—not necessarily in the Budget Committee in this particular process, but right in the Committee on Finance, which has the jurisdiction of social security.

I see that my colleague from Hawaii, who handles the Foreign Assistance Appropriations Act, is on the floor.

The point is that we did take control of ourselves, we did cut this budget, we did reduce the size of Government, we did call for a reconciliation, and within it all, we set aside $10 billion, just as they have done over on the House side. I have never seen any legislative branch where you could just come together and set aside $10 billion anywhere to later have a tax cut if at all possible, and have the 1981 budget balanced.

(Mr. MELCHER assumed the chair.)

Mr. HOLLINGS. I think that is pretty good control. The committee did not take all the cuts I wanted. It may not even have taken the cuts on foreign aid. But more to the point, on foreign aid, we cut that by some 15 percent in the amounts that the Senator from Virginia refers to. There are four programs mentioned earlier by the Senator that were held to current law. First, the bilateral AID program. There the committee current law recommendation calls for $60 million from the President. Second, the assessed payment to international organizations. I have that program in the State-Justice-Commerce Subcommittee on Appropriations. We have been trying to cut down the organizations that we belong to. We cut $70 million out of the ones that are necessary. Third, the contribution to the Multilateral Development Bank is reduced at least $20 million. Finally, we cut $110 million from Public Law 480, one of the most popular of all programs. All four total $260 million, or a 15-percent cut from the programs targeted by Senator BYRD in his letter to Senator MUSKIE.

The distinguished Senator from Virginia really comes, with his $500 million in outlays, to about a 40-percent cut from these programs. I do not know that that would be a responsible approach. We cannot just go and hacksaw and meat-axe these programs. We considered this particular category, we made the cuts in it.

There were other programs we did not cut. Under the law, we had to go up in social security. We went up 40 percent for food stamps. We needed to go up, in my opinion, in defense, and in the opinion of the majority and in the opinion of the Senate. It was called for by the Senate last year.

Let me withhold and yield some time to my distinguished colleague, the chairman of the Subcommittee on Foreign Operations of the Appropriations Committee, the Senator from Hawaii.

Mr. INOUYE. Mr. President, as all Members of this body, I want very much to reduce the expenditures of Government. If it were possible, I would be outdoing my friend from Virginia and suggesting amendments that would cut our budget, not by $2.2 billion, but by $10, $20, or $30 billion.

I have studied the results of the many hours of work put in by the Committee on the Budget. I have listened to its members, I have read its reports. And I am convinced that they have gone as low as one could responsibly go in cutting down Government expenses.

Let us look at the amendment suggested by the distinguished Senator from Virginia.

On the face of it, it may not seem like a massive cut.

But I think all of us agree there are certain accounts in function 150 that are considered "protected"—I do not suppose that is an accepted description, but it is nevertheless accurate.

Would this cut come from Egypt?

Do we propose any cuts from Israel?

Are we suggesting any reduction in Public Law 480?

Is anyone suggesting we reduce our outlays to the Eximbank?

Are we suggesting any reduction in security assistance programs?

Is anyone suggesting that we cut the payroll of the State Department?

Are we suggesting we do away with the consular and passport service?

What about Radio Free Europe?

All these accounts are in function 150. The bigger amounts of course relate to the Middle East. Are we prepared at this moment to tell Mr. Begin and Mr. Sadat, in the midst of their peace discussions that we in the United States have just decided to cancel our financial commitment?

Are we ready to tell our farmers that we will have no part of Public Law 480?

That is what the Byrd amendment requires us to do.

Furthermore, what about our commitment to refugees? We are reminded daily about refugees. Today it is the Cuban refugees. A few weeks ago it was the Indochinese refugees. We have proclaimed to the world that we are concerned. Are we suddenly going to say that we will have no part of it? Frankly, whether we like it or not, we are required to do something about the Cubans. They are already here.

Mr. President, I hope that the Senate will go along with the proposal of the Budget Committee. Personally, I think the Budget Committee cut too much. But realizing that we are in a dire situation with reference to the budget and the economy, I am willing to join forces and go along with the Budget Committee's recommendation. But to go beyond this would be, most respectfully, Mr. President, irresponsible.

If we went beyond this, some day it would be said "What happened to Nicaragua? Why did they go the other way?"

Should the excuse be that we decided to cut off any relationship with them and, therefore, they left us?

What about the refugees that are at sea? Should we answer, "Budgetary restrictions?"

No, Mr. President. There are certain commitments we must carry out, and in the eyes of the world these are commitments we have made publicly and by law.

So, Mr. President, I hope that the majority of this Senate will find it in its hearts to vote against the Byrd amendment.

I know that it is tempting to vote against foreign aid. Of all the functions in this budgetary account, the easiest to vote against would be foreign aid. There are few constituents. There are no constituents of these programs to vote for us. These are refugees. These are the Israelis. These are the Egyptians.

But without stability in this world, Mr. President, the democracy that we thrive in will not exist.

Mr. President, I hope—I really hope—we will vote against the Byrd amendment.

I thank my chairman for giving me this time. I hope we will prevail.

Mr. HARRY F. BYRD, JR., addressed the Chair.

The PRESIDING OFFICER (Mr. TSONGAS). The Senator from Virginia.

Mr. HARRY F. BYRD, JR. Mr. President, I yield myself 5 minutes.

Mr. President, I invite the attention of the Senate to page 38 of the report of the Committee of the Budget. If Members of the Senate will take interest and do so, they will note that under function 150, namely, international affairs, that for fiscal year 1981 the committee proposes outlays of $9.5 billion. The pending amendment would reduce that by $500 million, a small percentage.

On the same page, budget authority is proposed at $23.4 billion. The pending amendment would reduce that by $2.2 billion, a small percentage, a reasonable percentage, as the Senator from Montana (Mr. MELCHER) pointed out a little while ago.

Mr. President, this is a reasonable amendment. It is a fair amendment. It is an appropriate amendment. There is no way I can see the Congress can justify appropriating and authorizing in this budget resolution such huge sums as this proposes to do for function 150.

Mr. HOLLINGS. Mr. President, the distinguished Senator from New York (Mr. JAVITS) and our distinguished colleague from Maryland (Mr. SARBANES) both wanted to be heard on this particular amendment.

I think I should complete the thought relative to balancing the budget with the raising of taxes.

A close reading of the report will show there is about $50 billion—the budget has gone up some $46 billion—about $50 billion in income tax revenues that come not just from indexing, the majority of which comes from an increase in personal income.

Just last month we had the statistic of a 7-percent unemployment rate. On the other hand, we had some good signs: A smaller deficit in balance of trade, a larger rate of growth—rather than the projected 2 percent, we had a 1.1-percent rate of growth—and an increase of $15 billion in personal income.

Next year, on the personal income, various taxpayers will be in a position of making more income, they will be placed in higher brackets. So that is an increase.

But there is also a consummate increase in all of these particular indexed programs that are beyond the reach and control of many who wish we did not have them indexed. But there we are.

I will never forget the real estate friends that came with 2 percent buttons—just 2 percent all the way across the board.

I said, "Let us take some of the major ones we can think of, like defense."

"Oh, no, we have got to increase that."

I ask about social security. "No, we would not deny that, we cannot cut that."

Veterans. I said, "We already have $300 billion of the budget in defense and social security, so we have to cut there." They did not want to cut that with 2 percent, or anything like that.

So we are told that the budget is balanced only by an increase in taxes, but they are not saying there are also increases in benefits coming up—retirements, pensions, veterans, social security, and all the other costs of Government.

I will never forget, as a member of the Defense Appropriations Subcommittee, reconciling between the House and the Senate. In December, said we would have a billion dollar increase in gasoline tax. We have had over $7.4 billion since the last concurrent resolution in interest payments alone. But we have not used the social security tax increase, other than for social security benefits. It amounts to about $25 billion—$24 billion to $25 billion—and that is exactly what it is.

We have used the other amounts, of course, to take care of the effects of our cost-of-living indexes. But there is no individual increase in taxes.

There is a windfall profit tax, not on individuals, coming about as the result of an economic decision and an affirmative decision by Congress to take off controls and let the price of oil go up. But there is no additional tax burden on consumers. It is a division of the approximately $1 trillion they would make from decontrol, where $227 billion, over the 10-year period, initially goes to the Federal Government, and the rest is kept by the companies. That is a pretty good deal all around.

Mr. BELLMON. Mr. President, will the Senator yield?

Mr. HOLLINGS. I am glad to yield.

Mr. BELLMON. Mr. President, I oppose the Byrd amendment.

The fact is that the budget resolution now before the Senate already holds function 150 outlays to current law levels, a target which in itself will be very difficult for us to achieve. The growth in this function since 1978 is almost entirely attributable to costs of the Middle East peace treaty aid package, Export-Import Bank financing of American exports, and technical adjustments in the foreign military sales trust fund.

We should not lose sight of the fact that the flow of oil out of the Middle East to the United States, as well as to our Western allies, is, to some extent at least, dependent upon continuation of the sort of tenuous peace arrangements we have there now and that part of this outlay can be looked upon as a part of the price we are paying to keep that oil flowing.

So we have to look beyond the immediate numbers and try to take into account what would happen if that peace collapsed and if the oil flow were shut off.

In addition, the United States has reduced its foreign aid spending over the years. Going back to 1949, which is probably not quite a fair comparison, but nevertheless using 1949 to start with, the United States that year spent 2.3 percent of its GNP on foreign aid. In fiscal year 1980, the United States will spend about 0.3 percent on foreign aid. So we are spending now, as a percentage of GNP, just about a little more than one-eighth as much as we spent more than 30 years ago. We already have cut this function down to where it amounts to only a fraction of 1 percent of GNP, and I doubt that we realistically can go much lower than that.

Mr. HARRY F. BYRD, JR. Mr. President, will the Senator yield for a question?

Mr. BELLMON. I yield.

Mr. HARRY F. BYRD, JR. As I read page 38 of the report of the Committee on the Budget, the second item, it shows that outlays for international affairs for the fiscal year 1979 were $6.1 billion. The proposal before the Senate today is for $9.5 billion. That is a very substantial increase.

I wonder whether the Senator from Oklahoma will agree that going from $6.1 billion to $9.5 billion in 2 years is a very substantial increase.

Mr. BELLMON. Mr. President, one has to look beneath the surface to understand the reason for that apparent increase. One of the main reasons is that we are making a large sale of arms to Saudi Arabia, which comes under that function, and I think the Senator from Virginia will support that sale.

Mr. HARRY F. BYRD, JR. For fiscal year 1981, zero is listed for foreign military sales trust fund. Is that not correct?

Mr. BELLMON. It is correct. I will get the precise fiscal year 1979 figure for the Senator in just a moment. The 1979 figure was minus $1.4 billion. The trust fund accounts for $1.4 billion of the increase between fiscal years 1979 and 1981.

Mr. HARRY F. BYRD, JR. I think that is correct.

I ask another question: In budget authority, in 1979 budget authority, according to the committee report, it was $8.7 billion for 1981, and it is $23.4 billion—an almost tripling in budget authority.

Mr. BELLMON. That is largely due to the support we are giving the International Monetary Fund.

Mr. HARRY F. BYRD, JR. Whatever the cause, the figures show that the Budget Committee, in the resolution before the Senate at this time, provides for budget authority for 1981 of $23.4 billion; and that compares with the current fiscal year of $15.2 billion and $8.7 billion for 1979. That is a fantastic increase, regardless of the cause.

Mr. BELLMON. The Senator is correct, that it is a large increase. It is keeping a former commitment which this country has made to the International Monetary Fund.

The Senator will note that it is a one-time action. In 1982, we go back down to a level below 1980, and in the out years, the funding level remains low.

Mr. HARRY F. BYRD, JR. Will some Senator detail for the Senate where we get an increase of $8.2 billion in 1 year?

Mr. BELLMON. I say to the Senator from Virginia that $5.5 billion of that is for the funding of the International Monetary Fund.

Mr. HARRY F. BYRD, JR. Where does that $5.5 billion go?

Mr. BELLMON. It is available, as I understand it, to the Fund for making loans largely to the developing countries.

Mr. HARRY F. BYRD, JR. The making of loans largely to developing countries?

Mr. BELLMON. Many of which spend the money in our own economy.

Mr. HARRY F. BYRD, JR. Making loans to the developing countries—to the country itself. Is that correct?

Mr. BELLMON. It is money used inside the country, not always to the governments of those countries.

Mr. HARRY F. BYRD, JR. Now, as to the situation with the international financial institutions. Is that similar?

Mr. BELLMON. Many of them are loan guarantees, and much of that money is used to buy American products and is spent right here in the United States.

Mr. HARRY F. BYRD, JR. Wherever it is spent, it is tax funds taken from the pockets of the taxpayers.

Mr. BELLMON. That is not quite accurate, I say to the Senator from Virginia, because those are loan guarantees. If the loans are paid back, and most of them are—the record of the international financial institutions is a good record—the money is never spent.

Mr. HARRY F. BYRD, JR. But the money never comes back to the Federal Treasury.

Mr. BELLMON. The loan guarantee authority never leaves the Federal Treasury.

Mr. HARRY F. BYRD, JR. Whatever money goes to the international banking institutions, that money does not come back to the Federal Treasury. Is that correct?

Mr. BELLMON. No, that is not correct for loan guarantees. If the loans which are made are paid, and most of them are—in fact, the record is extremely good—the money never leaves the Treasury. We guarantee the loans; and if it is a good loan, the guarantee is never called upon.

Mr. HARRY F. BYRD, JR. I ask the Senator this question: The money which Congress appropriates to the international banking institutions, once that money is appropriated and goes to the international banking institutions, regardless of whether the banking institution collects or does not collect from the country to which it lends the money, that money never comes back to the Federal Treasury.

Mr. BELLMON. The Senator is mistaken. These are not funds which outlay. This is budget authority.

Mr. HARRY F. BYRD, JR. I am not talking about loan guarantees now. I am talking about money which is paid in to the international banking institutions.

Mr. BELLMON. The $23.4 billion which the Senator cited is budget authority. No money will be paid out of the Treasury for loan guarantees unless and until the borrowers default on the loans; and up to now, there have been very few defaults.

Mr. HARRY F. BYRD, JR. A part of that $23 billion—not all of it, by any means. Is the Senator saying that all of that is loan guarantees?

Mr. BELLMON. The money that goes to the International Monetary Fund is loan guarantees.

Mr. HARRY F. BYRD, JR. I am talking about the international financial institutions.

Mr. BELLMON. I am not able at this moment to differentiate between the amount of loan guarantees and the amount of actual appropriated funds.

Mr. HARRY F. BYRD, JR. All right.

Mr. BELLMON. But the budget authority for most of this money is in the loan guarantee category and is never appropriated unless and until there is a need for it.

I believe the Senator from New York is here.

Mr. HARRY F. BYRD, JR. The significant figures that the Senate should be aware of, whether they want to pay any attention to the figures or not, are right here on page 38. In 1979 the actual budget authority was $8.7 billion. That increased for the current year, 1980, to $15.2 billion. That has increased now to $23.4 billion. Those are huge increases.

Mr. BELLMON. As I have tried to explain, these are in the nature of one-time commitments which have been made in prior years to the IMF and it is budget authority, not outlays. There will never be any payment from the Treasury unless there is a need.

I yield to the Senator from New York.

Mr. JAVITS. Mr. President, the terms of the increase in capital in the World Bank generally call for 90 percent of the increase which is subscribed to by agreement by all donor countries, including the United States to be an increase of obligation, not expenditure. In other words, if there is such defaults in the repayment to the Bank as to require more than the capital of the Bank can pay, including from its default contingency fund, then other countries, including our own, and we are down to around 20 to 25 percent of the total, may be called upon to make payment in which case we will have to appropriate and that would be taxpayers' money. Presently it is an underwriting, a subscription, not an appropriation.

Now, the whole history of the World Bank—and I might add the International Monetary Fund, where our contribution takes the form of a subscription to quota increases—which is now roughly 35 years, shows never a call of that kind, and the compensating factor, I might say to my colleagues, is that 40 percent of the trade of the United States is now done with developing countries who are enabled to make these purchases largely by the kind of Bank support which is here afforded. We are talking about our export and import trade, which has increased rapidly. This increase is not done with mirrors. This is done with the fact that it is possible to finance a much more trade-oriented world and a much better world from the financial and economic points of view, through our contributions to the international institutions funded under function 150. Specifically the increase in budget authority between the 1981 and 1980 budgets relates to the 50-percent increase in the quota of the International Monetary Fund that was recently negotiated and that represents $5.5 billion in budget authority in 1981.

The increase over previous years is also because the whole world has grown enormously. Our gross national product is now roughly $2.2 trillion. Inflation has made it grow, a much bigger trading world has made it grow, and generally speaking a much richer world has made it grow.

Now what has happened in this situation is that the world has grown, we have grown, and these figures have grown. We are getting much better breaks than we did in the past in foreign aid because now so much of it is collaborative. In other words, we are down in percentage compared to other countries, and other countries are coming in, and I might say that one of the advantages is that the OPEC countries are coming in as was shown in the Witteveen Facility where the biggest subscription was by Saudi Arabia.

The issue which I think we have always faced in foreign aid, and we face it today, for example, in the large provisions which are here for the peace pact in the Middle East and in defense is what is important to peace rather than how much would we spend for war.

I doubt very much over the years that these programs have been ongoing that they could have lasted were it not that over the years, notwithstanding very deep opposition, it was found that on the whole it was worthwhile for the United States to go this route.

Mr. PERCY. Mr. President, will my distinguished colleague yield for a question?

Mr. BELLMON. Mr. President, I believe I still have the floor, and I am glad to yield to the Senator from Illinois.

Mr. PERCY. Mr. President, I wish to ask the ranking Republican on the Foreign Relations Committee a question. When Prime Minister Ohira of Japan met with us, he talked about the intention of the Japanese to double or even triple some of their development assistance accounts. He said:

> We are doing so because we feel it essential that we contribute to the stability of the world, particularly in those areas that are so likely to rupture, and we have to remember that most of the wars are being fought in these developing areas of the world.

When the Prime Minister of a hard-headed, business-oriented nation and the third most powerful country, in economic terms, on Earth today says that to the United States, what would be the reaction if we instead reversed ourselves and actually cut back development assistance to these volatile areas? What would be the impact on Japan and on EEC countries that we have been encouraging to give more assistance?

Mr. JAVITS. The reaction would be that they would reverse their trend. What the Japanese are telling us today is that with the third greatest economy in the world they are now beginning to be prepared to take their proper part in dealing with the world financial problems and if we are going to opt out they would be the first to opt out, too.

Let me point something out in that regard: In 1949, after the war, we spent 2.3 percent of our gross national product on the Marshall Plan. In fiscal year 1980 we expect to spend three-tenths of 1 percent for comparable aid and assistance.

In short, because of the mutuality that has taken place, the United States share of total foreign aid has gone down but because of the growth of the whole world, and international trade and financial movements, including the onerous debt of the developing countries because of the chains put on their development by the OPEC oil price increases, the dollar figure has gone up while the proportion of our resources which has been used for the purpose has gone markedly down. We have identified these programs directly with national security and it continues that way today except that the burden is being shared today far more than it was in the past. A drastic reversal by us such as is contemplated by this amendment will have a very drastic effect on the contributions of others.

One last thing, just to show what trade has meant in this picture:

The Export-Import Bank which finances American exports had $200 million in outlays in the budget in 1979. That is up to $1.2 billion today, which is some indication of where things are moving in the critical field of export promotion.

Mr. PERCY. Mr. President, will my distinguished colleague allow me time for one more question?

Mr. BELLMON. I am happy to yield to the distinguished Senator from Illinois.

Mr. PERCY. As I am understanding this amendment, unless funding levels are maintained at $23.4 billion in budget authority and $9.5 billion in outlays, it would be difficult to enforce this amendment without cutting security aid to Egypt, Israel, or Turkey.

Looking at the national security interests of the United States of America what would happen if we cut deeply into the security assistance for Egypt, Israel, and Turkey?

Mr. JAVITS. Well, all of those countries are on the ragged edge financially, and they just could not stand it. They just could not do it. The only strong enclave militarily in the Middle East would be very materially damaged by this situation. I think that in the present status of affairs in the Middle East, which is highly unstable anyhow, it would be very disastrous for U.S. security.

Mr. PERCY. I understand furthermore that about $800 million of the $1.1 billion in outlays eliminated by Senator BYRD from the President's request would have to be cut from such programs as the Middle East security assistance, Radio Free Europe, and Food for Peace. This is so because the President's request for development programs involves only $300 million in spending in fiscal 1981. What impact would this reduction have on American agriculture if Food for Peace were cut? What impact would it have upon our efforts to win the hearts and minds of the world at this critical time, a time when it is important that we get our story across to the rest of the world, that we get our story into the Soviet Union, into Eastern Europe, into Afghanistan, into Iran. What would happen if we slashed Radio Free Europe, Radio Liberty, and other programs that are carrying the American message, the message of the American people and the American Government to those particular areas?

Mr. JAVITS. We would be slashing our own security. That is exactly what it means.

Mr. PERCY. I concur with the distinguished Senator.

Mr. JAVITS. The budget which has been put together by the Budget Committee, which certainly had no particular ax to grind for foreign aid and for the programs incorporated in function 150, is tight as is illustrated by this debate, and this amendment, therefore, ought to be rejected.

Mr. BELLMON. Mr. President, I thank my friend from New York and my friend from Illinois for their expansion. They serve on the Committee on Foreign Relations, and have a better understanding of the programs than do many other Members of the Senate.

But to get right to the point, what we have here is an increase in budget authority of $8.2 billion total for the purpose of loan guarantees; $5.5 billion for the U.S. commitment to the seventh quota increase of the International Monetary Fund; and $2.7 billion increase in the Export-Import Bank. These fundings are primarily to help U.S. exports, and in that way help strengthen the U.S. dollar.

Now, this money will not be spent unless the loans are defaulted, and the record is very good. The loans are almost always paid off. This is simply a U.S. guarantee that the IMF and the Export-Import Bank use to help countries that need U.S. products be in position to buy these products.

I point out that the actual outlay figure goes down from $9.9 billion in 1980 to $9.5 billion in 1981. Taking into account the 13, 14 or 15 percent inflation we are experiencing, this is a very large cut, not an addition but a very large cut, in real dollars. I feel the Budget Committee has been highly responsible in trying to hold this function down, and I do not agree with the challenge which has been made that we are in any way increasing spending here, even though the BA figure does seem to lead to that conclusion.

So, Mr. President, I cannot support the amendment proposed by Senator HARRY F. BYRD, JR. Senator BYRD would cut $2.2 billion in BA and $0.5 billion from our budget resolution.

I point out the Budget Committee has already substantially cut this function below the President's request by $600 million in outlays and that, as I have already stated, is a significant reduction from the 1980 level.

Senator BYRD does not specify what programs would bear his cuts, but I would point out that he is inevitably affecting a large variety of programs that are intimately related to U.S. global policy objectives. These include such programs as Middle East security assistance, and that relates directly to our access to Middle East oil.

Also it would likely cut Radio Free Europe, Food for Peace, and the Export-Import Bank. The programs the Senator might prefer to see reduced in this function, such as AID programs, payments to international organizations, and multilateral development banks simply do not offer sufficient outlays to stand a cut of this magnitude. Other programs, such as aid to Turkey, which is a vital NATO ally, having 700,000 men in uniform arrayed against Soviet aggression, could also be threatened, and that is one outlay I believe practically every Member of the Senate will want to protect.

Private U.S. firms are already feeling the effect of congressional action limiting funding for the Export-Import Bank's promotion of exports of U.S. products throughout the world. I would not care to place an additional burden on the ability of U.S. business to compete with foreign companies subsidized by their governments as the proposed amendment would likely do.

I would further note, in response to claims that our domestic programs are in trouble and that we should cut foreign programs, that those foreign programs traditionally lack a constituency of support during times of domestic economic problems.

However, we also face serious problems around the world, again related primarily to the energy supply. Although some Members may feel that our foreign aid programs bear no perceptible relation to those problems, the facts are to the contrary. There is a tendency to be frustrated when we see third world governments, who have been recipients of so much U.S. aid in the past, go through periods of cultural or religious turmoil during which vilification of the United States is one of the prime results. But very often those governments turn around and become our friends. We are seeing that happen now in countries that most Members would recognize.

Also it is important to me, representing an agricultural State, to take note of the fact that the largest growth in demand for U.S. farm products is coming from the third world where these programs have such an important effect.

I believe the United States reaps a long-term benefit from programs such as Public Law 480 and the Export-Import Bank. As unpopular as the multilateral banks often appear to be, it is a proven fact that the United States realizes a return of significant proportions from this investment.

It is estimated that every dollar the United States puts into the banks brings to the United States $3 from procurement by the developing countries that receive loans from this international lending. These countries pay back those loans as they come due.

The Budget Committee has already placed restraints upon this function that will require a good measure of Senate discipline to maintain. The inclination to support several popular programs will have to be resisted. I do not support an effort to make the task harder and to threaten international programs during this time of global uncertainty.

To sum up, Mr. President, if we want other governments to help bear the cost of maintaining a stable world, if we want access to world markets for U.S. products, and if we want access to Middle East oil, we simply cannot go along with cuts such as Senator HARRY F. BYRD, JR., proposes in function 150.

Mr. HARRY F. BYRD, JR., addressed the Chair.

Mr. HOLLINGS. Mr. President, could we get the yeas and nays on the amendment?

Mr. HARRY F. BYRD, JR. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. HARRY F. BYRD, JR. Mr. President, I ask unanimous consent that the distinguished Senator from West Virginia (Mr. RANDOLPH) be listed as a cosponsor of this amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HARRY F. BYRD, JR. Mr. President, there has been so much talk which had very little to do with the amendment that I just want to take a couple of minutes—I will not be long.

It was mentioned that this proposal does not specify where the reduction shall be made in function 150, and that is correct. As I stated in my opening remarks, the Budget Committee quite properly has not specified spending levels for the various foreign aid activities in the function, nor do I.

The Budget Committee and I both leave that to the authorizing committees and the appropriating committees.

The Senator from Illinois (Mr. Percy), if I heard him correctly, said this would reduce spending by $800 million. That certainly is not correct. The amendment proposed and now before this Senate would reduce outlays for international affairs from $9.5 billion to $9 billion. That is a reduction of a little more than 5 percent. Is that unreasonable?

The amendment now before the Senate would reduce budget authority from $23.4 billion to $21.2 billion, less than 10 percent. Is that unreasonable? I do not think it is.

Mr. President, the yeas and nays have been ordered, and I yield back the remainder of my time if the other Senators are ready to vote.

Mr. HOLLINGS. Does the distinguished Senator from New York desire some time?

Mr. JAVITS. Yes, just 2 or 3 minutes.

Mr. HOLLINGS. I yield to the Senator from New York.

Mr. JAVITS. Mr. President, I heard the questions asked by the Senator from Virginia: Is that unreasonable? Is 5 percent unreasonable? Is 10 percent unreasonable?

The question is not whether it is reasonable or unreasonable. We are not dealing with $4 or $3.98. We are dealing with what it means in the ultimate.

We point out to the Senate that it means a great deal. For example, there has been added into this budget approximately $4 billion, because we have changed between 1979 and 1980 the budget procedure for handling some of Exim's programs in new budget authority. Now, that means real business for the United States.

Similarly, there has been budgeted, which was not budgeted before, $5.5 billion—it is right here on the chart, $5,537,839,000—for the International Monetary Fund capital increase. That has not been budgeted before.

As to the outlays, when you take an item as large, for example, as the whole bilateral economic foreign aid, all the bilateral functional accounts add up to $1.4 billion. Now, the cash outlay in 1981 in that is only $117 million. So when you cut $500 million and it is directed at that item that could cut it all and more out, the whole ball of wax.

Those are the dangers and the difficulty of the idea of just coming in here at the last minute and just cutting it down without the considered judgment which was made by the Budget Committee—and in terms of function 150, the judgment of the Foreign Relations Committee as to what it means to American security and as to what it means to the American business and financial system.

Mr. HARRY F. BYRD, JR. Mr. President, I will take just a moment to read some figures on page 38 of the report of the Committee on the Budget.

In fiscal year 1979, the actual outlays for international affairs totaled $6.1 billion. The proposal before the Senate today is to raise that to $9.5 billion; a 50-percent increase in 2 years in outlays. It has nothing to do with budget authority. In outlays.

Now, if anyone wants to justify increasing foreign aid outlays by 50 percent in 2 years, well it suits for me to go ahead and justify it. The Senator from Virginia is not going to vote for any such thing as that.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. HOLLINGS. Mr. President, I yield myself a minute to ask unanimous consent to include in the Record a function 150 table showing examples of the types of cuts that would have to be made in order to achieve an additional outlay cut of $500 million on top of the $600 million reduction already made by the committee. This was prepared by the executive branch, and does not reflect all of CBO's estimating differences, but it presents an accurate picture.

There being no objection, the table was ordered to be printed in the Record, as follows:

FUNCTION 150—FISCAL YEAR 1981—PRIOR YEAR VERSUS CURRENT YEAR OUTLAYS

[In millions of dollars] [1]

Program	Outlays committed from prior years	Outlays from current year	Total outlays
Security related	9,001	3,566	12,569
Narcotics control	32	10	42
Public Law 480 food aid	0	1,229	[2] 1,229
Refugee aid	81	427	508
Assessed UN dues	152	427	579
Exim	1,737	0	1,737
Operating expenses:			
State	160	902	1,062
Peace Corps	23	89	112
ACDA	5	13	18
Board for International Broadcasting	3	99	101
ICA	100	353	453
ITC	1	16	17
IDCA/AID	56	226	282
AID foreign Service Retirement	0	25	25
Miscellaneous	3	11	14
Exchange Stabilization Fund	544	0	−544
Development assistance (other than Public Law 480):			
Multilateral Development Banks	894	58	952
International organizations	105	134	239
ISTC	12	13	25
Sahel	41	9	50
ASHA	13	2	15
AID functional accounts	943	63	1,006
Disaster assistance	33	10	43
IAF	8	8	16
Trust funds	8	17	25
Subtotal		314	
Total	12,878	7,706	20,584
Offsetting receipts			10,499
Net			10,085

[1] Executive branch figures.

[2] Net outlays.

Mr. HOLLINGS. Mr. President, emphaizing those items on the table, the way it works out is that only $300 million can be reduced in development assistance other than Public Law 480. Since we are not a line itemizing committee, as has been pointed out by the Senator from Virginia, some $800 million would have to be cut from such programs as the Middle East (Egypt, Israel, Turkey), security assistance, Radio Free Europe. Food for Peace, State Department consular and passport services which have already been cut, and the Export-Import Bank. Senator Percy just made this point.

Mr. President, we tried a new initiative at the behest of the Finance Committee, among others. Last year, the Finance Committee recommended that they move forward on the President's trade agreement program and trade treaty and ratify it until we almost had at one time a Department of International Trade. And then they compromised by designating within the Department of Commerce the Under Secretary for International Trade, with three assistants, a whole new endeavor, and an office in Geneva. And right now they are trying, for example, to sell planes overseas and compete and bring up the balance of trade, and establish the dollar. We have the Eximbank and many industries coming forward and saying we have too little money in there right this very minute.

So I think the committee has done about as good a job and about as conservative a job as possibly could be done. Any other cuts would be irresponsible.

I yield back the remainder of my time.

Mr. HARRY F. BYRD, JR. I yield back the remainder of my time.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the amendment of the Senator from Virginia. The yeas and nays have been ordered and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Montana (Mr. Baucus), the Senator from Indiana (Mr. Bayh), the Senator from Texas (Mr. Bentsen), the Senator from Delaware (Mr. Biden), the Senator from Idaho (Mr. Church), the Senator from Alaska (Mr. Gravel), the Senator from Colorado (Mr. Hart), the Senator from Massachusetts (Mr. Kennedy), the Senator from Louisiana (Mr. Long), the Senator from New York (Mr. Moynihan), the Senator from Maine (Mr. Muskie), and the Senator from Nebraska (Mr. Zorinsky), are necessarily absent.

Mr. GARN. I announce that the Senator from Tennessee (Mr. Baker), the Senator from Mississippi (Mr. Cochran), the Senator from Maine (Mr. Cohen), the Senator from Oregon (Mr. Packwood), the Senator from South Dakota (Mr. Pressler), the Senator from Wyoming (Mr. Simpson), the Senator from Alaska (Mr. Stevens), the Senator from Texas (Mr. Tower), and the Senator from Connecticut (Mr. Weicker), are necessarily absent.

The PRESIDING OFFICER (Mr. Matsunaga). Are there any Senators who have not yet voted who wish to cast a vote now?

The result was announced—yeas 29, nays 50, as follows:

[Rollcall Vote No. 92 Leg.]

YEAS—29

Armstrong
Boren
Burdick
Byrd,
Harry F., Jr.
DeConcini
Eagleton
Exon
Garn
Goldwater
Hatch
Heflin
Helms
Humphrey
Jepsen
Laxalt
McClure
Melcher
Nelson
Nunn
Proxmire
Randolph
Roth
Schweiker
Stennis
Stone
Talmadge
Thurmond
Wallop
Warner

NAYS—50

Bellmon
Boschwitz
Bradley
Bumpers
Byrd, Robert C.
Cannon
Chafee
Chiles
Cranston
Culver
Danforth
Dole
Domenici
Durenberger
Durkin
Ford
Glenn
Hatfield
Hayakawa
Heinz
Hollings
Huddleston
Inouye
Jackson
Javits
Johnston
Kassebaum
Leahy
Levin
Lugar
Magnuson
Mathias
Matsunaga
McGovern
Metzenbaum
Morgan
Pell
Percy
Pryor
Ribicoff
Riegle
Sarbanes
Sasser
Schmitt
Stafford
Stevenson
Stewart
Tsongas
Williams
Young

NOT VOTING—21

Baker
Baucus
Bayh
Bentsen
Biden
Church
Cochran
Cohen
Gravel
Hart
Kennedy
Long
Moynihan
Muskie
Packwood
Pressler
Simpson
Stevens
Tower
Weicker
Zorinsky

So the amendment of Mr. Harry F. Byrd, Jr. (UP amendment No. 1055) was rejected.

Mr. HOLLINGS. I move to reconsider the vote by which the amendment was rejected.

Mr. ROBERT C. BYRD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

THE NEED FOR INCREASED DEFENSE SPENDING

Mr. THURMOND. Mr. President, for many years I have implored our financial leaders in the administration to balance the budget. My premise is simple—we must not spend more than we receive in revenues. I have previously introduced into the Senate legislation calling for a constitutional amendment that will require a balanced Federal budget. That legislation is still in committee. This year the President has finally received and accepted some sound advice—the fiscal year 1981 budget should be balanced. The deficit spending of this administration has been a major factor in the runaway inflation all of us are experiencing.

Now, where has all of that deficit spending gone these past few years? It has gone to social and other nondefense programs. The classic statistics have been reported many times here on the Senate floor: spending for health care up 2,500 percent; spending for housing up 2,800 percent; spending for social service programs up 2,000 percent; spending for jobs programs up 1,700 percent. Yet over the same time period defense spending rose only 112 percent. Until the mid-sixties, defense and social programs had roughly equal shares of the Federal budget. Today these nondefense areas have skyrocketed from being a 1-to-1 ratio to over a 4-to-1 ratio. From 1968 to 1979 we have had a steady decline in defense expenditures as a percentage of gross national product from 9 percent in 1968 to 4.6 percent in 1979.

How are we postured now, from a defensive or a deterrence point of view? We are postured miserably. We have a shortfall in virtually every area. We need more of everything—more ships, more planes, more submarines, more tanks, more helicopters. Our military strength, our defensive edge has withered away. Our leaders hope we have parity, both strategic and tactical, with our enemies. We do not. Our enemies know it. We see adventurism everywhere. We see it not only in Afghanistan and the Persian Gulf, but in our own backyard, in Latin America. We can expect to see more adventurism, not less. We can expect to be called upon by our allies for help throughout the world. We must protect our sources of oil, the lifeblood of our energy intensive economy.

We have yet another problem which permeates throughout our military services—that of inadequate pay and benefits. We are losing our trained middle-grade personnel. The facts are simple. They can make more money in the private sector. With inflation running rampant, they see departure from the service as the only solution.

This must be the year we turn the corner on defense spending. This must be the year we solve the military pay problem and this must be the year we start to rebuild our defensive forces and strengthen our deterrence capability. Our greatest social need is to preserve our freedom and counter aggression. There is no other logical, reasonable alternative.

Whereas the percentage we have been spending on defense as a function of GNP has been decreasing steadily since 1968, we must now reverse that trend and have a sustained buildup in defense spending over the next 5 to 7 years. I thoroughly support the Senate Armed Services Committee recommendation to increase the budget authority $11.8 billion above the President's revised January budget request, submitted on Monday, March 31, 1980. This is a step in the right direction, and I am pleased that the Budget Committee adopted most of the recommended increase.

Have we forgotten about the need to balance the budget? Absolutely not. After many years of increased spending on social programs the time has come to reverse our Nation's priorities. We certainly do not need tax increases in these inflationary times. We do need to tighten our belts in spending on social and other nondefense programs. In this year's budget request the welfare of our Nation's defense must be our No. 1 priority.

BALANCED BUDGET NOT LIKELY

● Mr. McCLURE. Mr. President, as this year's budget process has been unfolding, I have been increasingly concerned about the preoccupation of many of my colleagues with showing a balanced budget. I am one of those who has been calling for the Federal Government to stop spending in deficit as long as I have been in Congress; I want a balanced budget as much as anyone, but I am also convinced that given the present economic situation and under prevailing policies, we are only kidding ourselves if we think a balance can be achieved this year. The added cost to the Treasury of unemployment and welfare payments which will result from the economic downturn, together with revenue losses which will occur mean that the deficit will grow faster than we can cut spending to achieve a balance.

I might note the recession we have entered is the result of policies fostered and nurtured by Congress and the present administration. It could have been avoided, but Congress has waited until the 11th hour to address the problem. And even now the action contemplated is inadequate and its benefits apocryphal.

What we needed 3 years ago was a tax cut; what we need this year is a tax cut. The exercise we are undergoing presently to pass a balanced budget on paper is of substantive value only insofar as its psychological effect on the American people—of giving them the impression Congress and the administration are displaying fiscal restraint. But what will the psychological effect be when rather than being in balance, spending for this year is again in deficit, and there is no improvement in either unemployment or inflation? I submit, Mr. President, the effect will be devastating.

The following item appeared recently in the Wall Street Journal, and I think it draws attention to what I mean. I ask that it be printed in the Record. I also ask that a letter I wrote to Business Week magazine be printed as well.

The material follows:

Recession Fears Seen Hurting Bid to Balance Budget, Curb Inflation

Washington.—The likelihood of a deeper-than-expected recession is casting a long shadow over the government's latest effort to curb inflation by cutting spending and balancing the budget.

Even as Congress gets down to the hard work of shaping a projected budget surplus for the fiscal year beginning Oct. 1, administration officials and lawmakers are beginning to realize that the arrival of the long-expected recession could make their task impossible and soon force them to ponder new tax and spending policies. In the end, some expect, the hope of a surplus by fiscal 1981 will give way to yet-another budget deficit.

With inflation still raging, the administration hasn't even set up a task force to consider broad anti-recession policies because it fears such a step would erode the credibility of its campaign against inflation. "As long as inflation remains so high, the financial markets will be watching our moves very carefully," a Treasury official says. "Right now, there is very little anyone can do to break out of the balanced-budget mode."

But in private, worried economic policy makers and congressional leaders concede that rising unemployment could have them groping by midsummer to find ways to fight recession and inflation simultaneously. The Labor Department will publish the unemployment figures for April this morning, and government officials are nervously bracing for a sharp rise from March's 6.2% rate. Although some relaxation of the budget-cutting discipline would seem inevitable, officials increasingly think that the best way to wage such a two-front war is with a tax cut designed to reduce payroll (Social Security) taxes and encourage business investment.

At the White House, a top strategist says: "If the economy really begins to weaken seriously, there's no way we're going to balance the budget We're going to have a tax cut, but we can't breathe a word about it now."

WELCOME IN CONGRESS

Reflecting the views of many on Capitol Hill, Rep. Paul Simon, an Illinois Democrat, deems it "probable" that Congress will end up voting a tax reduction in this election year. And an aide to the House Ways and Means Committee adds: "If Carter breaks and proposes a tax cut, Congress will leap 40 feet into the air to catch that lamb chop."

For the moment, however, President Carter and his economic advisers are concentrating on pushing through Congress $15 billion in cuts in the record budget submitted in January for fiscal 1981—though spending still would rise sharply from this year. At the same time, officials are devising inexpensive—and probably inadequate—ways to help especially hard-hit economic sectors such as housing and farming.

The administration is also keeping close tabs on Chairman Paul Volcker and his colleagues at the Federal Reserve Board. Administration officials hope that the Fed, as promised, will continue to allow interest rates to fall quickly as demand for money and credit eases. But they are concerned about a decline in the nation's basic money supply in recent weeks. "The Fed certainly doesn't want that" happening as a recession unfolds, a senior administration economist says. "It should provide enough bank reserves to prevent the money supply from falling."

Treasury Secretary G. William Miller has been saying recently that should the recession prove worse than anticipated, the administration would prefer that "relief" come first from monetary policy, though he doesn't rule out an eventual tax cut. In the view of administration analysts, the recent decline in the money supply gives the Fed room to ease up later this year and still remain within its target ranges for monetary growth.

PLANNERS' OUTLOOK

Administration planners believe that the recession will be longer and deeper than the "mild and short" downturn forecast by Mr. Carter. While officials are uncertain how bad the recession will prove, they don't expect one as severe as the 1973-75 slump, the sharpest since the 1930s, mainly because inventories remain lean and a big liquidation won't be required.

"It's still possible we could come out with a mild recession, but it looks increasingly unlikely," an administration forecaster says. Though lofty interest rates have begun easing slightly, this analyst still warns: "The outlook for housing is a lot gloomier with 16 percent mortgage rates than it was with 13 percent rates. We're getting economic effects of high interest rates we haven't seen before. We're wiping out some auto dealers and farmers. We don't really know what kind of damage these interest rates are going to create."

This economist looks for a recession in which "real" gross national product—the total output of goods and services, adjusted for inflation declines between 2 percent and 3 percent from peak to trough, compared with 1 percent decline that the administration projected a month ago. The drop during the six recessions since World War II averaged 2.7 percent; that in 1973-75 was 5.7 percent.

Administration analysts are also figuring on a sharper rise in unemployment than they forecast in March. They now see the jobless rate, currently 6.2 percent, increasing to perhaps 7.75 percent by year-end rather than to 7.25 percent. "Unemployment could start rising pretty fast," a government economist warns.

A major fear of administration policy planners is that all the talk of a deeper-than-anticipated recession may itself exacerbate the slump. Officials worry, for example, that business investment, which has been holding up well, could fall sharply if executives become unduly alarmed about the economic outlook.

Unfortunately, government analysts concede, the recession won't return inflation to satisfactory levels. Administration officials believe that consumer prices, which surged at an 18 percent annual rate in the first quarter, could still be rising at around a 10 percent rate at year-end.

Against this grim economic backdrop, balancing the budget becomes increasingly difficult. As layoffs accelerate, the government's tax revenues decline. And government spending shoots up automatically as more people begin collecting jobless benefits and welfare payments. According to Congressional Budget Office estimates, federal outlays for such programs rise between $5 billion and $7 billion over a fiscal year with every extra percentage point of unemployment. That same percentage-point rise would reduce revenues by about $20 billion.

Beyond that, a deeper-than-expected recession could alter the political climate in Congress and strengthen the hand of legislators most resistant to the domestic spending cuts currently being planned. As one Treasury Department official puts it, rising joblessness would give congressional appropriations committees a "bludgeon" for use in battling cuts contained in the spring budget resolution, which Congress is forging now. "There's no question," adds Rep. Stephen Solarz, a New York Democrat and a leading liberal on the House Budget Committee, "that a deterioration of the economy will result in much broader support for restoration of many of the cuts" approved by the Senate and House Budget Committee.

FOCUS ON BUDGET CUTS

As many observers see it, one focus of attention inevitably will be budget cuts currently planned in programs specifically designed to counter the effects of recession. Some examples: public-service jobs, "countercyclical" aid to localities, community development aid and youth-job programs.

Thus, a big question is whether Congress will adopt procedures, included in the budget resolutions of both houses, to enforce the resolutions' spending limits as expenditure bills move through their respective committees. Those procedures will be hotly debated in Congress.

If the budget-discipline procedures are scuttled, as many predict, it will add to the growing sense among congressional observers that the current frenzy to balance the budget will eventually prove futile. "My projection," Rep. Simon of Illinois says, "is that we'll have a balanced budget in the first budget resolution, a balanced budget in the second (fall) resolution, and a big deficit by March of 1981."

Meanwhile, Congress must rely on official budget projections, which still assume a relatively mild and short recession. Thus, balancing the budget on paper now is an easy—and politically expedient—exercise, at least until the White House and the Congressional Budget Office revise their projections in July.

BACK TO OLD WAYS?

"Given the depth of commitment right now to balancing the budget," a House staff aide says, "people here will generally stick with the existing exercise until it runs its course." Then, he adds, "we could very well be back into the old economics, responding to recession through budget deficits and tax cuts."

The bettings seems to be, though, that this time the emphasis will be on tax reductions rather than increased spending to combat recession. That's a little ironic, since congressional leaders have been saying for months that a tax cut this year must be predicated on a projected budget surplus in fiscal 1981. But more and more legislators seem receptive to the argument, put forth by business groups and most congressional Republicans, that "supply-side" tax cuts designed to spur productivity could ease the recession without worsening inflation as much as a burst of spending would.

"If we're going to put billions into the economy to stimulate it," says Cliff Massa of the National Association of Manufacturers, "we think it should be a long-term productive kind of stimulus. And the political mood has changed, at least enough so we're in the debate now."

Adds a confident business lobbyist: "I'm telling my associates that if the recession is as severe as it looks, then I could easily conceive of a tax cut of $20 billion or $25 billion or $30 billion on the President's desk before Election Day."

Not everyone shares that view, however, "The prospect of a tax cut in fiscal 1981 is very slim," a Senate staff aide says. "There is a lot of interest in supply-side tax cuts, but that interest doesn't exceed the interest in a balanced budget.

Meanwhile, administration officials continue monitoring problem sectors of the economy and searching for ways to ease the pain of recession without providing "new money." Thus, the administration recently embraced a congressional plan to aid the slumping housing industry with $165 million in money appropriated by Congress in 1974 but never used.

HOUSING-AID PLAN

Under the plan, which seems headed for quick passage, the government would extend mortgage subsidies to middle-income home buyers in hopes of stimulating construction of up to 100,000 housing units. However, home builders insist that this package is coming too late to prevent 1980 from becoming their worst year since 1959, when record-keeping on the present basis began; the builders see this year's housing starts slipping below one million units.

Another example of the modest approach to recession fighting is a request by federal banking regulators for new legislative authority to approve interstate banking acquisitions in emergencies. The regulators want to be able to authorize bank holding companies to reach across state lines to acquire failed commercial banks or savings banks and to let savings and loan holding companies similarly acquire failed savings associations or savings banks.

But, as one economic planner puts it, "the big question is how long" such small steps will be deemed sufficient by an administration under increasing pressure to combat recession as well as inflation.

MARCH 19, 1980.

Editor BUSINESS WEEK,
McGraw-Hill Building,
New York, N.Y.

DEAR SIR: It is not "Curtains for the GOP Tax Cut" as your March 17 issue stated in Washington Outlook.

The thrust of the story is that Republicans in Congress have abandoned their drive for a tax cut this year in favor of the effort to balance the federal budget. As one who has been closely involved in recent, intense deliberations to perfect a strong GOP program to stop inflation I can say unequivocably, " 'taint so.' "

We all agree it is imperative the federal government adopt and stick to a policy of spending no more than it takes in as revenue. But the need to limit the share of private resources consumed by government is equally if not more important. Manipulation of demand which continues to preoccupy the majority of economists and politicians is simply not responsive to a situation in which lagging productivity is crucial. That is why my Republican colleagues and I have adopted a declaration of policy calling also for a limitation on federal outlays as a percentage of GNP, and tax cuts which raise incentives to save and which will increase the productive efforts of business and workers.

The current economic crisis demands something more substantial than the superficial effort to provide a psychological symbol of fiscal restraint. This is especially true when the method employed in attempting to balance the budget is to raise taxes. And given the present economic realities, I am convinced we will not even come close to the goal of a balanced budget unless taxes are cut substantially to raise the productive capacity of our economy.

I am sick and tired of policies based more on symbols than substance, of decisions made for political expedience rather than the good of the nation; so are others in Congress, and so are the American people! The Republican push for a tax cut is not dead! It is more important than ever, and we will continue to fight for it!●

ORDER OF PROCEDURE TOMORROW

Mr. ROBERT C. BYRD. Mr. President, it was understood that the Senate, on tomorrow morning, would resume consideration of the conference report on H.R. 10. Under that agreement, there are 6 hours for debate. It is not anticipated that the full 6 hours will be taken. I wonder if I may inquire of Mr. Boren and Mr. Thurmond whether or not they feel that we could begin the resumption of that debate in the morning at, say, 9:30 a.m.

Mr. THURMOND. Mr. President, I have just been checking. It seems the Members have engagements—unless Senator Exon could proceed. He is the only one who would be a possible one if he could go at 9:30.

Mr. ROBERT C. BYRD. Someone will contact Senator Exon and see if he can be here to begin the debate.

Mr. THURMOND. If Senator Exon could speak at 9:30 a.m., we could begin at 9:30. The others have engagements. They planned to start at 10. But we are willing to cooperate and start at 9:30 if Senator Exon can go at that time.

Mr. ROBERT C. BYRD. I thank the distinguished Senator.

Mr. President, we are ascertaining now whether Senator Exon can begin as early as 9:30. In any event, the Senate will start, no later than 10 a.m., its resumption of debate on H.R. 10.

Mr. THURMOND. Mr. President, Senator Boren has just informed me that he will rearrange his schedule. If he can get through by 10, he will begin at 9:30 and get through by 10.

Senator Danforth will come on at 10, I believe, is that correct?

Mr. DANFORTH. Mr. President, I hope that is correct. I plan to be here at about 10. But it is possible I will be a little bit late.

Mr. THURMOND. If Senator Boren is willing to go at 9:30 and Senator Danforth will follow him, there might be a few minutes in between that we could take a little recess or have a quorum call.

Mr. ROBERT C. BYRD. Very well. Then I suggest to the manager of the conference report on the budget (Mr. Hollings) that we come in at 9:15, that we have one 15-minute order for Mr. Chafee, that the two leaders relinquish their time on tomorrow and then go immediately to the conference report, and on the adoption of the conference report the Senate will return to the consideration of the budget resolution.

ORDER FOR RECESS TO 9:15 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in recess until the hour of 9:15 a.m. tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF PROCEDURE ON TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that immediately following the prayer on tomorrow, the distinguished Senator from Rhode Island (Mr. Chafee) be recognized for not to exceed 15 minutes. I assume that the minority leader or his designee would be willing to give up their time, as I will give up mine. Mr. Chafee will be recognized for not to exceed 15 minutes, after which the Senate will proceed to consider the conference report on H.R. 10.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, there will be no more rollcall votes this evening. But on tomorrow, the Senate will begin early on the conference report on H.R. 10. There will be a rollcall vote on final adoption of that conference report, at the expiration of 6 hours or earlier if the time is yielded back.

May I ask Mr. Thurmond if in his judgment, and Mr. Danforth and others, if in their judgment Senators might anticipate less time than the 6 hours being taken on that?

Mr. THURMOND. Mr. President, 6 hours is allotted. I do not think it will take 6 hours. I think it would be nearer 4 hours, possibly 3.

Mr. ROBERT C. BYRD. All right.

Mr. THURMOND. But, at any rate, no time will be wasted.

Mr. President, if anyone wishes to speak, I wish the word could be gotten out that they ought to be here.

Mr. ROBERT C. BYRD. Yes.

Mr. THURMOND. At around 10:30 or 11, so we can allow them to speak, so no one will be denied the opportunity if they wish to do so.

Mr. ROBERT C. BYRD. I thank the distinguished Senator.

CONFERENCE REPORT ON H.R. 10

Mr. President, I ask unanimous consent that any Senators who wish to submit statements on the conference report on H.R. 10 tomorrow, that such Senators may be permitted to insert those statements in the Record as if read.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. This will allow the Senate to have the vote on the conference report, say, 3 hours rather than 6 hours, and on the disposition of the conference report, Mr. President, the Senate will resume consideration of the budget resolution and there will be rollcall votes.

I will shortly yield the floor, but before I do so, may I say that the Senate will likely be in tomorrow evening until a reasonably late hour, and again on Wednesday, and if need be on Thursday, in order to complete action on the budget resolution this week.

It is hoped the Senate will complete its action on the budget resolution this week. In saying that, I must keep in mind my commitment there be no rollcall votes on Fridays through May, barring an emergency.

So I would hope we can complete action on the resolution no later than Thursday, and this may necessitate evenings with votes. Mr. Bellmon and Mr. Hollings are both in accord with the suggestion for late meetings Tuesday, Wednesday, and Thursday, if need be, in order to finish the bill.

Mr. THURMOND. Mr. President, I wonder if the distinguished majority leader has ascertained who, on H.R. 10, are planning to speak; does he know of any who are planning to speak in favor of the bill?

Mr. ROBERT C. BYRD. Mr. Bayh, as manager, on this side of the aisle will probably speak. There may be others. But I doubt they will be lengthy.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there now be a period for the transaction of routine morning business, not to exceed 30 minutes, and that Senators may speak therein up to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

INCREASED PRODUCTIVITY MUST BE AMERICA'S GOAL

Mr. THURMOND. Mr. President, as we continue our consideration of the budget and as we hear and read the many comments about the recession we are now experiencing, it is imperative that we maintain our perspective of both the immediate and the long-term policies and programs for economic action. We cannot, and we must not, allow ourselves to be drawn into the situation of developing only short-run solutions to our long-run problems.

Mr. President, the desired perspective and the necessary actions are well described in an excellent editorial in the Columbia, S.C. newspaper, The State, on April 25, 1980. The editorial is titled "Increased Productivity Must Be America's Goal." Reference is made for the need for a balanced budget a steady restraint on the money supply, revisions of government regulations, increased attention to research and development, and strategic tax incentives for individuals and corporations.

The editorial correctly points out, in my view, Mr. President, that:

> Poor government handling of these policy areas is largely what led us into today's frustrating economic swamp. Enlightened

treatment of the same items is what will help lead us out.

Mr. President, in order to share this editorial with my colleagues, I ask unanimous consent that it be printed in the Record.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

Increased Productivity Must Be America's Goal

They say the recession has finally arrived. Sharp downturns in the crucial housing and transportation industries are the apparent sure signs that fiscal and monetary policies are working to cool off the economy as the hard price of battling inflation.

If the downslide in the economy has finally been forced, then it is time to start working on what contributed a great deal to inflation and which also should help ease the way out of recession: productivity.

A rather unusual trend in productivity developed in the 1970's. Many economists had assumed that when the overall economy rebounds from a recession—such as during the past five years following the 1973–74 recession—productivity by the work force builds up. But it did not happen. Actually, the growth in real national output since about 1973 has been essentially nothing, perhaps even on the negative side. This has made inflationary pushes even harder to battle.

It is time then for a systematic but deep course of policy to do the best that government can within its powers to give productivity a boost. Most of the actions, not surprisingly, involve government's backing off instead of moving further into the free-market economy.

One of the necessary first steps has been taken, as suspect as it is in part, by Washington. The balanced budget, which must be followed by other balanced budgets, and a steady restraint on the money supply are beginnings.

The complementary series of steps needed to get at improving productivity include revisions of government regulations, increased attention to research and development and strategic tax incentives for individuals and corporations.

Government during the 1970's, and even earlier, began focusing in large part on new industry requirements for health and safety, which required substantial investments for compliance. Some of the regulation was needed, but it siphoned money away from plant modernization and expansion.

There must be a thorough scouring of regulations to cast aside those of questionable and marginal overall benefit.

Through its own direct fiscal policies and through its impositions on industry, the government has discouraged research and development, especially the sort of technological progress that exploded during the 25 years after World War II. A new attitude, backed up by actions, must be developed toward R & D.

Tax incentives, meaning cuts, must be applied to encourage formation of capital, plant expansion, private sector hiring and individual savings. Such incentives include improved equipment and plant depreciation schedules, tax credits for hiring those who normally have difficulty finding jobs, inducements for people to save rather than overspend and similar tax policies.

Poor government handling of these policy areas is largely what led us into today's frustrating economic swamp. Enlightened treatment of the same items is what will help lead us out.

EXPANSION OF SOVIET NAVAL POWER IN THE PACIFIC

Mr. THURMOND. Mr. President, several months ago I pointed out to the Senate the increased activity of Soviet naval vessels in the Pacific, especially in areas which could be supported by new bases in Vietnam.

At a time when our already thin naval forces have been drawn down in the Pacific to support new requirements in the Indian Ocean, the Soviets are moving rapidly to increase their presence in the Pacific.

A Reuters news report from Tokyo last week indicates that the Soviet Union is now operating nuclear attack submarines in the South China Sea for the first time. These submarines, equipped with sea-to-sea cruise missiles, are operating out of Cam Ranh Bay in South Vietnam.

Mr. President, this is but another example of the fact that the Soviets intend to place themselves in a position to disrupt the supply lines of the world should their policies require it. These submarines have also been patroling within reach of the Malacca Straits near Indonesia, a vital shipping channel used by the United States and Japan.

As Soviet naval activities increase there should be little doubt that the United States must strengthen its own naval forces far beyond that planned by the present administration. We must act promptly, and with decisiveness.

Mr. President, I ask unanimous consent that the Reuters article, written by James Foley, entitled "Soviet Subs Stationed in South China Sea," which appeared in the May 2, 1980, issue of the Philadelphia Inquirer, be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Soviet Subs Stationed in S. China Sea

(By James Foley)

Tokyo.—The Soviet Union has permanently stationed nuclear attack submarines in the South China Sea for the first time, apparently to demonstrate its power to disrupt some of the world's busiest shipping lanes, informed Western sources said yesterday.

The sources said that for several months the submarines, carrying sea-to-sea cruise missiles, have patroled an area criss-crossed by shipping lanes between the Mideast, Asia, Australia, and North and South America.

The activity increased three months ago when a Soviet Navy submarine tender moved to Cam Ranh Bay in Vietnam to serve as depot ship, they added.

The new deployment did not include submarines armed with ballistic missiles, and it appeared designed to demonstrate an ability to cut the West's shipping lanes, the sources said.

The submarines—of the "Echo" and "Charlie" class—were also reported to be patroling within reach of the Strait of Malacca, one of commercial shipping's busiest channels.

"A year ago the Soviet Navy never kept submarines on a permanent basis in the South China Sea," one source said. "They only passed through from their base at (the Soviet Pacific port of) Vladivostok to the Indian Ocean. Now there is a continuous Soviet Navy submarine presence there."

Apart from torpedoes, the "Echo" class submarine carries "Shaddock" cruise missiles capable of carrying nuclear warheads about 100 miles. The "Charlie" class submarine carries eight SS–N–7 cruise missiles believed to have a range of 30 miles and capable of being fired while the submarine is submerged.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Saunders, one of his secretaries.

EXECUTIVE MESSAGE REFERRED

As in executive session, the Presiding Officer laid before the Senate a message from the President of the United States submitting a nomination, which was referred to the Committee on Foreign Relations.

(The nomination received today is printed at the end of the Senate proceedings.)

AMENDMENTS TO REORGANIZATION PLAN NO. 1 OF 1980—MESSAGE FROM THE PRESIDENT—PM 204

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with accompanying papers, which was referred to the Committee on Governmental Affairs:

To the Congress of the United States:

I herewith transmit the following amendments to Reorganization Plan No. 1 of 1980, which I sent to the Congress on March 27, 1980.

The amendments to Reorganization Plan No. 1 are consistent with my original intent of strengthening the management of the Nuclear Regulatory Commission in order to improve safety in all of the agency's activities, while preserving the advantages of the Commission form. The amendments reinforce the purpose of the Plan in two respects. First, the amended Plan gives the Commission a greater role in selection of key program officers of the agency by adding four positions to the list of appointments initiated by the Chairman for the Commission's advice and consent. These are the Executive Director for Operations, the Director of Inspection and Enforcement, the Director of Nuclear Regulatory Research, and the Director of Standards Development. Each of these positions contributes to nuclear safety regulation, and each performs functions that help determine the policy and performance of the agency.

The Advisory Committee on Reactor Safeguards advises the Commission as a whole. Since its members serve renewable 4-year terms, another amendment provides that a Commission member, as well as the Chairman, can initiate an appointment to the Advisory

Committee on Reactor Safeguards for approval by the Commission.

As a means to ensure that the flow of information to the Commission will not be restricted, the Plan has been amended to make explicit that the Chairman, and the Executive Director of Operations through the Chairman, shall keep the Commission fully and currently informed.

The second general purpose of the amendments is to provide for more effective executive management of the agency by making more explicit the responsibilites of the Chairman and the Executive Director for Operations acting under his directon. As amended, the Plan charges the Chairman with planning for the development of policy for consideration and approval by the Commission. In the past, this responsibility has not been clearly fixed and has consequently been neglected. The amended Plan continues to make clear that the Executive Director for Operations reports to the Chairman. An amendment, however, requires the Chairman to delegate to the Executive Director for Operations the authority to appoint the staff and the day-to-day administration of the agency. Under this arrangement, the Chairman retains responsibility for the delegated functions but will be better able to handle his other leadership tasks.

In summary, the amendments I am transmitting to Reorganization Plan No. 1 of 1980, based on review and hearings conducted by the Congress and on continued consultations, will help establish a more accountable central management structure for the Nuclear Regulatory Commission as it pursues its statutory objective of ensuring safety in the use of nuclear power.

JIMMY CARTER.

THE WHITE HOUSE, *May 5, 1980.*

PRESIDENTIAL APPROVAL

A message from the President of the United States reported that on May 3, 1980, he had approved and signed the following act:

S. 2637. An act to ensure that the compensation and other emoluments attached to the office of Secretary of State are those which were in effect January 1, 1977.

MESSAGE FROM THE HOUSE RECEIVED DURING THE RECESS

Under authority of the order of the Senate of May 2, 1980, the Secretary of the Senate, on May 2, 1980, during the recess, received a message from the House of Representatives which reported that the Speaker has signed the following enrolled bill:

S. 2637. An act to ensure that the compensation and other emoluments attached to the Office of Secretary of State are those which were in effect January 1, 1977.

The enrolled bill was subsequently signed by the Acting President pro tempore (Mr. BOREN).

MESSAGE FROM THE HOUSE

At 11:33 a.m., a message from the House of Representatives delivered by Mr. Berry, one of its reading clerks, announced that the House agrees to the amendment of the Senate numbered 2 to the bill (H.R. 126) to permit the National Park Service to accept privately donated funds and to expend such funds on property on the National Register of Historic Places; that the House agrees to the amendments of the Senate numbered 1 and 3 to the bill, each with an amendment, and that the House agrees to the amendment of the Senate to the title of the bill.

ENROLLED BILL PRESENTED

The Secretary of the Senate reported that on May 2, 1980, he presented to the President of the United States the following enrolled bill:

S. 2637. An act to ensure that the compensation and other emoluments attached to the office of Secretary of State are those which were in effect January 1, 1977.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. CANNON, from the Committee on Commerce, Science, and Transportation, with amendments:

S. 2320. A bill to authorize appropriations to the Secretary of Commerce for the programs of the National Bureau of Standards, including certain special statutory programs, and for other purposes (Rept. No. 96–683).

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. WILLIAMS, from the Committee on Labor and Human Resources:

Helen S. Astin, of California, to be a member of the National Council on Educational Research.

(The above nomination from the Committee on Labor and Human Resources was reported with the recommendation that it be reported, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. MORGAN:

S. 2650. A bill to amend title V of the Housing Act of 1949 to authorize appropriations for fiscal year 1981, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. CRANSTON:

S. 2651. A bill for the relief of Elga Bouilliant-Linet; to the Committee on the Judiciary.

By Mr. RIBICOFF (by request):

S. 2652. A bill to amend 5 U.S.C. 5724 to liberalize certain provisions which authorize reimbursement for the expenses of the sale and purchase of a residence upon transfer of an employee; to the Committee on Governmental Affairs.

By Mr. MELCHER:

S. 2653. A bill to amend the Internal Revenue Code of 1954, to enhance savings and retirement for American taxpayers; to the Committee on Finance.

By Mr. BOREN:

S. 2654. A bill for the relief of the Tonkawa Indians of Oklahoma; to the Committee on the Judiciary.

By Mr. McCLURE:

S. 2655. A bill to approve dimethyl sulfoxide for the treatment of acute brain and spinal cord injuries; to the Committee on Labor and Human Resources.

S. 2656. A bill to approve dimethyl sulfoxide for the treatment of scleroderma; to the Committee on Labor and Human Resources.

S. 2657. A bill to approve dimethyl sulfoxide for the relief of inflammation from arthritis, bursitis, rheumatism, and other disorders of the musculoskeletal system; to the Committee on Labor and Human Resources.

By Mr. McCLURE (for himself, Mr. GARN, and Mr. HATCH):

S.J. Res. 171. A joint resolution to provide for the issuance of a commemorative postage stamp in honor of the 150th anniversary of the Church of Jesus Christ of Latter-Day Saints; to the Committee on Governmental Affairs.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. MORGAN:

S. 2650. A bill to amend title V of the Housing Act of 1949 to authorize appropriations for fiscal year 1981, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

● Mr. MORGAN. Mr. President, I am introducing this morning the 1980 amendments to the Rural Housing Act. These amendments extend, reauthorize and revise the housing programs administered by the Farmers Home Administration. They are needed to assure continuation and improvement of the programs we have enacted to provide housing and further the development of rural America.

The bill I am submitting would extend legislative authority to operate our basic rural housing programs for 1 year, through September 30, 1981. It would authorize the Farmers Home Administration to insure and guarantee loans in an aggregate amount of $3.7726 billion during fiscal year 1981. This is $700 million below the amount authorized last year. The administration requested $3.6726 billion for fiscal year 1981. It would require that no less than $3.120 billion of the authorized loan authority would be used to help lower income borrowers who receive interest credits and assistance payments in order to make decent housing available and affordable.

My amendments are based on the bill sent to the Congress by the administration and introduced by me, at their request, last week. They would not alter the total budget authority requested by the administration. Nor would they significantly alter specific program requests made by the administration.

I am, however, proposing the following provisions which are not contained in the administration's proposal:

First. Continuation of the Farmers Home Administration loan guarantee program. This program is designed to encourage private mortgage lending in rural areas. The administration budgeted $500 million for loan guarantees in fiscal year 1980. Guarantee activity, while increasing, is expected to fall short of that level this year. The administration targeted $125 million for the program in fiscal year 1981 in its January budget; but eliminated the allocation in its revised budget.

I believe it would be a mistake to terminate this promising program at this time. I am proposing, therefore, that specific authority for Farmers Home Administration to guarantee $100 million in mortgage loans be included in the 1980 Rural Housing Act. Inclusion of mortgage guarantee authority will not increase budget authority or outlays next year, nor is it likely to incur any substantial future Treasury obligation.

I believe that by continuing the guarantee program we will at no cost to the Federal Government help sustain the housing industry in rural areas. Particularly at this time of recession when homebuilding in the smaller communities of our country has come to a sudden halt, I believe it is important that we continue to encourage private mortgage lending through a limited program of guarantees.

Second. Reduction of the administration's request for assistance to low-income homeowners for rehabilitation loans and grants by $25 million. The administration has proposed to increase this prgoram from a level of $48 million in fiscal year 1980 to $15 million in fiscal year 1981. It has, however, failed to show that it has developed the capacity to use this increase. It turned back some $9 million from this program last year. I am proposing that the program be increased from $48 million in fiscal year 1980 to $50 million in fiscal year 1981, and that the remaining $25 million requested by the administration be shifted to meet the increasingly critical need for rental assistance to lower income families, particularly the elderly, in rural areas.

Third. Authority to utilize any unused authorization for low-income homeownership assistance for low-income rental assistance. The administration's budget for fiscal year 1981 calls for a reduction of some 2,000 units of assisted rental housing, and at the same time, for the funding of some 900 assisted homeownership units. In order to restore the rental assistance program to needed levels, and to provide for the optimum use of authorized funding for low-income housing assistance in rural areas while remaining within the total budget requested by the administration, I am proposing that Farmers Home Administration be given greater flexibility in the use of funds authorized for assistance to low-income families in rural areas.

Fourth. Conditioning approval for rent increases on the application for rent assistance. Under existing law, Farmers Home Administration is authorized to approve rent changes in subsidized units. In applying for an increase in rents, owners are not required to apply for section 8 or other rental assistance to defray increases in rental charges. My amendment would require owners who are applying to Farmers Home for rent increases which would raise tenant rents to more than 25 percent of their incomes to show that they have also tried to secure Federal assistance which is authorized for such tenants.

Fifth. Provisions to encourage rural cooperative housing. Existing law does not specifically authorize FmHA to make loans to enable existing cooperatives to transfer memberships to low- and moderate-income persons. In such existing cooperatives, accumulated equities may eliminate lower-income persons from securing membership. My bill would authorize FmHA loans to cooperatives in order to enable them to provide financing for such transfers.

I am, in addition, proposing a change in the statute to permit continued occupancy in cooperatives by persons whose incomes may, during the period of their membership, have risen above the eligibility level. I am proposing this amendment in order to make clear that such homeowners and members of a small housing community should not be forced to move simply because their incomes have over the years risen above the eligibility test that they originally satisfied. This clarification is, I believe, warranted in the interests of maintaining a form of homeownership and the benefits of cooperation.

Sixth. Authority to transfer surplus Federal property to the Department of Agriculture. Existing law authorizes GSA to transfer surplus Federal property to HUD, on request by HUD. It does not provide similar authority with respect to the Farmers Home Administration. My amendment would make FmHA eligible to receive surplus Federal property, under the same terms as HUD.

Seventh. Provision of interest credits for low- and moderate-income families. Present law authorizes Farmers Home to provide subsidized loans to low- and moderate-income families in order to enable them to purchase a home. At the present time, however, subsidized loans are not made available by FmHA to families earning over $11,200 yearly. Recent testimony clearly indicates that this restriction has, because of the recent inflation, effectively eliminated many families from receiving FmHA help. FmHA, as a result, is unable to serve a growing number of families who need a shallow subsidy in order to purchase a home. An unintended "gap in service" has developed in the FmHA program. The amendment I am proposing would make clear that interest credits should be used to eliminate the present service gap in FmHA programs.

Eighth. Clarification of Federal displacement policy. Under existing law. HUD is required to conduct its programs in a manner that minimizes involuntary displacement, and to take certain steps to assist persons who are displaced by Federal actions. There is no comparable statutory provision in rural housing statutes.

My amendment would require FmHA, in conducting its programs, to operate in a manner that would minimize involuntary displacement, and to take all reasonable steps to assure the availability of replacement housing and relocation services, as provided by law.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2650

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

AUTHORIZATIONS AND EXTENSIONS

SECTION 1. (a) Section 513 of the Housing Act of 1949 is amended—

(1) by striking out "not to exceed $4,484,000,000 with respect to fiscal year ending September 30, 1980" in subsection (a) and inserting in lieu thereof "not to exceed $3,772,600,000 with respect to the fiscal year ending September 30, 1981";

(2) by striking out "not less than $3,070,000,000" in subsection (a)(1) and inserting in lieu thereof "not less than $3,120,000,000";

(3) by striking out "not more than $38,000,000" in subsection (a)(2) and inserting in lieu thereof "not more than $25,600,000";

(4) by striking out "not to exceed $48,000,000 for loans and grants pursuant to section 504 for the fiscal year ending September 30, 1980" in subsection (b)(2) and inserting in lieu thereof "not to exceed $50,000,000 for loans and grants pursuant to section 504 for the fiscal year ending September 30, 1981";

(5) by striking out "not to exceed $30,000,000 for financial assistance pursuant to section 516 for the fiscal year ending September 30, 1980" in subsection (b)(3) and inserting in lieu thereof "not to exceed $25,000,000 for financial assistance pursuant to section 516 for the fiscal year ending September 30, 1981"; and

(6) by striking out "not to exceed $1,500,000 for the purposes of section 525(a), of which not less than $750,000 shall be used for counseling purchasers and delinquent borrowers, and not to exceed $1,000,000 for the purposes of section 525(b) for the fiscal year ending September 30, 1980" in subsection (b)(4) and inserting in lieu thereof "not to exceed $2,000,000 for the purposes of section 525(a) for the fiscal year ending September 30, 1981".

(b) Section 513 of such Act is amended by adding at the end thereof the following new subsection:

"(c) Of the amount approved pursuant to subsection (a), not more than $125,000,000 shall be available during the fiscal year ending September 30, 1981, for guaranteed loans.".

(c) Section 515(b)(5) of such Act is amended by striking out "1980" and inserting in lieu thereof "1981".

(d) Section 517(a)(1) of such Act is amended by striking out "1980" and inserting in lieu thereof "1981".

(e) Section 523 of such Act is amended by striking out "1980" in subsection (f) and inserting in lieu thereof "1981".

(f) Section 523(g) of such Act is amended by inserting after "September 30, 1980" "and not to exceed $4,000,000 for fiscal year 1981".

(g) Section 521(a)(2) of such Act is amended by adding the following new subparagraph at the end thereof:

"(D) The Secretary, to the extent approved in appropriation acts, may enter into rental assistance contracts aggregating not more than $518,000,000 in carrying out subparagraph (A) with respect to the fiscal year ending on September 30, 1981, except that such amount shall be reduced by any amount approved in appropriation acts for use pursuant to section 521(a)(1)(C)."

(h) Section 521(a)(1)(C) of such Act is amended—

(1) By striking out the second sentence thereof and inserting in lieu thereof the following:

"The amount of such additional assistance which may be approved in appropriation Acts may not exceed an aggregate amount of $100,000,000"; and

(2) By striking out "1980" in the third sentence thereof and inserting in lieu thereof "1981".

PROJECTS

SEC. 2. Title V of the Housing Act of 1949 is amended by adding the following new section at the end thereof:

"CONDITION ON RENT INCREASES IN 514, 515, AND 517 PROJECTS

"SEC. 530. The Secretary may not approve any increase in rental payments where the increase will cause tenants to pay more than 25 per centum of their income for rent in any project which is assisted under section 514, 515, or 517 and under section 521(a)(1)(B) unless the project owner is receiving, or has applied for (within the most recent period of 180 days prior to the effective date of such increase), rental assistance payments with respect to such project under section 521(a)(2)(A) of this title or section 8 of the United States Housing Act of 1937.".

REFINANCING FOR CONSUMER COOPERATIVE

SEC. 3. Section 515 of the Housing Act of 1949 is amended by adding the following new subsection at the end thereof:

"(f) Notwithstanding the provisions of subsections (a) and (b) of this section, the Secretary may make and insure loans to consumer cooperatives to enable such cooperatives to finance the transfer of membership in the cooperative upon such terms and conditions as low- and moderate-income persons can reasonably afford; except that such loans shall not be made upon terms more favorable than are authorized under section 521(a) and that the total loan to the cooperative under this section does not exceed the value of the property.".

CONTINUED ELIGIBILITY OF CO-OP MEMBERS

SEC. 4. (a) Section 515(a) of the Housing Act of 1949 is amended—

(1) by striking out "and" at the end of paragraph (2);

(2) by striking out the period at the end of paragraph (3) and inserting in lieu thereof "; and"; and

(3) by adding the following new paragraph at the end thereof:

"(4) such a loan, when made to a consumer cooperative for cooperative housing purposes, may, notwithstanding any other provision of law, be made upon condition that persons, admitted as eligible members and tenants of the cooperative, may not subsequently be deprived of their membership or tenancy by reason of their no longer meeting the income eligibility requirements established by the Secretary.".

(b) Section 515(b) of such Act is amended—

(1) by striking out "and" at the end of paragraph (4);

(2) by striking out the period at the end of paragraph (5) and inserting in lieu thereof "; and"; and

(3) by inserting the following new paragraph at the end thereof:

"(6) such a loan, when made to a consumer cooperative for cooperative housing purposes, may, notwithstanding any other provision of law, be made upon the condition that persons, admitted as eligible members and tenants of the cooperative, may not subsequently be deprived of their membership or tenancy by reason of their no longer meeting the income eligibility requirements established by the Secretary.".

SURPLUS FEDERAL LAND

SEC. 5. The first sentence of section 414 of the Housing and Urban Development Act of 1969 is amended to read as follows: "Notwithstanding the provisions of the Federal Property and Administrative Services Act of 1949, any Federal surplus real property within the meaning of such Act may, in the discretion of the Administrator of General Services, be transferred to the Secretary of Housing and Urban Development or the Secretary of Agricutlure at either's request for sale or lease by either Secretary at its fair value for use in the provision of housing to be occupied predominantly by families or individuals of low- or moderate-income, assisted under a Federal housing assistance program administered by either the Secretary of Housing and Urban Development or the Secretary of Agriculture or under a State or local program found by the appropriate Secretary to have the same general purpose, and for related public commerical or industrial facilities approved by the appropriate Secretary.".

INTEREST CREDITS

SEC. 6. Section 521(a)(1)(B) of the Housing Act of 1949 is amended by striking out "may" and inserting in lieu thereof "shall".

DISPLACEMENT

SEC. 7. Section 501 of the Housing Act of 1949 is amended by adding at the end thereof the following:

"(g)(1) The programs authorized by this title shall be carried out, consistent with program goals and objectives, so that the involuntary displacement of families and businesses is avoided.

"(2) In any case where, in connection with an activity assisted by a program authorized by this title, the Secretary determines that such involuntary displacement is unavoidable, the Secretary shall take all reasonable steps to assure that adequate replacement housing and relocation assistance services and assistance are made available as provided by law.".●

By Mr. RIBICOFF (by request):

S. 2652. A bill to amend 5 U.S.C. 5724 to liberalize certain provisions which authorize reimbursement for the expenses of the sale and purchase of a residence upon transfer of an employee; to the Committee on Governmental Affairs.

● Mr. RIBICOFF. Mr. President, at the request of the Comptroller General of the United States, I am introducing legislation to amend 5 U.S.C. 5724 to liberalize certain provisions which authorize reimbursement for the expenses of the sale and purchase of a residence upon transfer of an employee.

The Comptroller General advises that existing law authorizes reimbursement of expenses incurred in the sale of a residence at the old duty station and the purchase of a residence at the new duty station only when the old and new duty stations are located within the United States, its territories or possessions. Thus, no reimbursement is permitted to employees who are transferred from an overseas post to a new duty station in the United States. He states further that existing law is unduly harsh and impacts heavily from a financial standpoint on Federal employees who are recruited to perform overseas tours of duty and who, upon completion of their tours of duty, are reassigned to duty stations in the United States other than the areas from which they were transferred to the overseas posts of duty. The Comptroller General recommends favorable consideration of this legislation in order to remove the existing inequities.

I ask unanimous consent that the text of the bill and the accompanying letter from the Comptroller General explaining the purpose of, and need for, this legislation be printed in the RECORD.

There being no objection, the bill and letter were ordered to be printed in the RECORD, as follows:

S. 2652

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That 5 U.S.C. 5724a(a)(4) is hereby amended as follows:

(a) By deleting the period at the end of the first sentence and adding a semicolon and the following: "and expenses of the sale of the residence (or the settlement of an unexpired lease) of the employee at the official station from which the employee was transferred when he was assigned to a post of duty located outside the United States, its territories or possessions, the Commonwealth of Puerto Rico, or the Canal Zone, and the purchase of a residence at the new official station when the employee is transferred in the interest of the Government from a post of duty located outside the United States, its territories or possessions, the Commonwealth of Puerto Rico, or the Canal Zone, to an official station (other than the official station from which he was transferred when assigned to the foreign tour of duty) within the United States, its territories or possessions, the Commonwealth of Puerto Rico, or the Canal Zone."

(b) By adding the following after the last sentence: "Reimbursement of expenses prescribed under this paragraph in connection with transfers from a post of duty located outside the United States, its territories or possessions, the Commonwealth of Puerto Rico, or the Canal Zone, shall not be allowed for any sale or settlement of unexpired lease or purchase transaction that occurs prior to official notification that the employee's return to the United States would be to an official station other than the official station from which the employee was transferred when assigned to the foreign post of duty."

COMPTROLLER GENERAL OF THE
UNITED STATES,
Washington, D.C., March 31, 1980.

Hon. WALTER F. MONDALE,
President of the Senate.

DEAR MR. PRESIDENT: The General Accounting Office wishes to recommend legislation to permit Federal agencies to reimburse their employees for residence sale and purchase expenses upon transfer from an overseas post to a new duty station in the United States. At the present time, such expenses are not reimbursable by virtue of a statutory provision, 5 U.S.C. section 5724a(a)(4), which we feel is unduly harsh and impacts heavily from a financial standpoint on Federal employees who are recruited to perform overseas tours of duty and who, upon completion of such tours of duty, are reassigned to duty stations in the United States other than the ones from which they were transferred to the overseas posts of duty.

Currently, 5 U.S.C. section 5724a(a)(4) provides for reimbursement of the expenses incurred in the sale of a residence at the old duty station and the purchase of a residence at the new duty station when the old and new duty stations are located within the United States, its territories or possessions, the Commonwealth of Puerto Rico, or the Canal Zone. Consistent with the limiting language of this section, paragraph 2-6.1 of the Federal Travel Regulations (FPMR 101-7, May 1973), and administrative regulations such as paragraph C 14000-1 of the Joint Travel Regulations, Volume 2, prohibit such payments to employees who are transferred from a duty post outside the United States.

The severe impact of section 5724a(a)(4) is shown in our decision of this date, B-194423, copy enclosed, in which we have held that approximately 50 employees of the United States Army Corps of Engineers are not entitled to reimbursement of real estate expenses incurred incident to a mass transfer from Livorno, Italy, to Berryville, Virginia, in 1976. You will note that prior to the transfer, the employees were seriously concerned regarding reimbursement of real estate expenses they would incur in transferring directly to Berryville. In order to insure that the continuity of the function being performed in Italy would be maintained, high-level officials of the Corps of Engineers assured the employees that their problems "would be taken care of." The administrative report of the agency states the position of the 50 employees as follows:

"Acting in good faith and in reliance upon those assurances, the employees involved elected to transfer directly to Berryville, rather than take the alternative that would assure them of reimbursement for real estate expenses but could also adversely affect the mission. Due to the circumstances surrounding the move, both in Italy and in Berryville, many people suffered considerable financial losses. One of the factors that caused the greatest financial impact was that, contrary to the assurances of favorable treatment, no reimbursement of real estate expenses was allowed."

In order to avoid the harsh consequences of section 5724a(a)(4), Federal agencies have considered the circumvention of the requirement that both the old and new duty stations be located in the United States by reassigning the employee to perform a short tour of duty at the old duty station in the United States between the overseas tour and the final duty station. We objected to this practice and held that employees may not be reimbursed for real estate expenses if they are transferred from overseas to their old station and shortly thereafter transferred to another duty station. B-172594, March 27, 1974.

In addition to the current case of the 50 employees transferred from Italy, we have consistently been required to deny reimbursement of real estate expenses to other Federal employees who, upon completion of overseas tours of duty, have been reassigned to duty stations in the United States other than those from which they were transferred when assigned to the overseas posts of duty. We are forwarding copies of several of our decisions which are illustrative of the adverse impact of section 5724a(a)(4). A listing of those decisions is enclosed.

In connection with the subject draft legislation, this Office consulted with the General Services Administration (GSA). The GSA informally recommended favorable consideration of remedial legislation. In addition, a survey of selected Federal agencies by the Office of Management and Budget (OMB) in 1976 showed general approval of the liberalization of section 5724a(a)(4).

For the reasons stated above, we believe that the desirability of an amendment of section 5724a(a)(4), title 5, United States Code, is so compelling and deserving, based upon equitable considerations, as to warrant the consideration of the Congress. Provided the Congress concurs in our recommendation, it is our opinion that amendment of section 5724a(a)(4) in substantially the language contained in the attached draft bill will accomplish the relief recommended.

An identical letter and recommendation for enactment of legislation is being transmitted to the Speaker of the House.

Sincerely yours,

ELMER B. STAATS,
Comptroller General
of the United States.●

By Mr. MELCHER:

S. 2653. A bill to amend the Internal Revenue Code of 1954, to enhance savings and retirement for American taxpayers; to the Committee on Finance.

LOWER INTEREST RATES AND INCREASED PERSONAL SAVINGS

Mr. MELCHER. Mr. President, today I am introducing S. 2653 to reduce interest rates and enhance personal savings and retirement. The bill is comprised of three basic provisions:

The first, aimed at getting a quick reduction in current high interest rates, requires that the discount rate charged by Federal Reserve banks must be reduced to no more than 11½ percent within 90 days of enactment of this bill; reduced to no more than 9½ percent within 180 days of enactment; and must remain no higher than 9½ percent for an additional 180 days and at least until June 30, 1981.

The second, aimed at immediately encouraging greater personal savings, provides for a tax credit of 7 percent for the purchase of special 1-year, emergency, small denomination savings certificates. These certificates, which will be available for purchase for a period of 180 days from enactment, will provide the small saver a combined return from the tax credit and interest earned that is competitive with the return on Treasury bills and large demonination commercial certificates of deposit.

The third, aimed at encouraging additional long term personal savings and enhancing the retirement program of the average person, expands the opportunity of establishing individual retirement accounts to everyone, whether or not they are in other retirement programs. It also increases the limits on what can be put into IRA's to make up for what has been lost to inflation. This provision of the bill will become effective immediately but also upon the termination of the special tax credits for the emergency savings certificates the amount invested in the certificate can be transferred into an IRA without applying against IRA account limits.

Mr. President, when the latest figures on the state of our economy were made public last Friday, administration officials were quoted as being "shocked" by the size of the economic downturn in the last month. The shock and surprise of the President's economic advisers only confirm what I have thought all along—that they have not caught up with the serious economic downturn. Only a few weeks ago, while at the White House with several other Members of the Senate, the President's highest economic advisers told me not to worry about the possibility that we may be quickly moving into a depression as the result of current high interest and tight credit policies. They assured me that the "economic indicators" did not show any cause for worry. I told them at the time that I did not think we should overly rely on these indicators when our everyday experience with home builders, auto dealers, small businessmen, farmers, and working people have been telling us a completely different story. Unfortunately, it appears that my fears were founded.

The main villain in this drama is the high interest rate policy of the Federal Reserve Board. The Fed justifies their current restrictive monetary policy on the basis that it is needed to cool inflation. On the contrary, our experience of the past 3 years shows that the Federal Reserve Board's high interest rate policy has done more to fuel inflation than it has to cool it. It has not been a sympton of inflation; it has been a cause of it. It has fed inflation instead of defusing it.

In 1977, the prime rate and the inflation rate were a shade below 7 percent. By the beginning of 1979, the prime had gone up to 11.75 percent and inflation to 11.8 percent. Today, the prime rate is 19 percent; and inflation has vaulted to a similar level.

In less than 3 years, interest rates have almost tripled—and so has the rate of inflation.

Housing offers an excellent example of the adverse consequences of high interest rate policy. The President said that we need about 2 million housing starts a year to meet demand. In 1979 there were some 1.75 million new starts. The latest forecasts of the National Association of Home Builders shows we will likely have below 1 million new units started in 1980, the lowest year since the Second World War. And that assumes the prime will be down to 14 percent for the last quarter of 1980, an optimistic estimate, in my opinion.

The sad fact is that the situation may be even worse than we think it is. There are enormously long reporting lags between actual field activity and the interpretation and reporting of such events in Washington. By the time the impact is registered in official reports, thousands of sales have been dropped and the "barn will have already burned."

As a result of current interest rates, we are looking at a possible housing collapse the nature of which we never before dreamed possible. We are looking at a housing decline which has all the potential of a long, dragged-out decline rather than a shallow decline and quick recovery.

During my last swing through Montana, the impacts of the Federal Reserve Board's high interest rate policy were evident everywhere. The forest products industry is a vital part of Montana's economy, contributing substantially to the prosperity of western Montana in particular. As a result of the shutdown of the housing industry, over 4,000 workers in our forest products industry in Montana are unemployed. As I visited some of the major mills in Montana I found that St. Regis had 36 million board feet of lumber sitting in the yard and 18 million in logs; Stoltze Mill had 17 million feet of lumber and 8 million in logs; and Pyramid Mill had 7 million in lumber and 7 million in logs. The yards are completely filled and little or no sales are being made.

The National Association of Home Builders estimates that Montana may suffer a 68-percent decline in housing starts from the peak year of 1978 to abysmally low 2,600 housing starts in 1980. As many as 8,800 jobs are on the line, along with substantial losses in wages, forfeited tax revenues, and local economic activity.

The high cost of money has affected agriculture fully as disastrously, if less obviously, as it has the housing industry. It is impossible for young farmers and ranchers to get a start in farming today. They cannot possibly buy land, equipment and livestock using any substantial part of borrowed capital, as nearly all of them must, and expect to pay out. Thousands of established farmers and ranchers who have substantial debt are right now being forced to add to other inflated costs greatly increased interest costs. Current agriculture prices will not meet production costs.

Unless we can get interest rates down soon, we are headed into a crash in agriculture that can lead the Nation into another farm-led, farm-fed depression as severe as the thirties.

The automobile industry is also being devastated. Domestic auto sales are down 15 percent from the first 4 months of last year, and it is very likely that the worst is yet to come. In discussing the problems of auto loans with a banker in Missoula recently, he told me that he was still supplying the local car dealers with money at less than 13 percent, but that he did not know how much longer he could continue to do it. I just got a note from him saying that he was now going to have to cut them off.

In the face of this, the Board of Directors of the Federal Reserve continues to defend their interest rate policies on the basis that in the long run it will halt inflation. They feel that reduced demand and higher unemployment brought about by high interest rates will bring reduced inflation. I have not seen any evidence that their policies are working. I fear that instead we will simply find ourselves with the worst of both worlds—higher unemployment and higher prices.

Our current inflation is a complex beast. It is not responding to traditional anti-inflation moves the way we would like it to. We face a long, difficult struggle that will have to be many faceted. We need to get a national energy policy in place so that we can begin to work toward long term, stable energy prices; we need to increase our national productivity and take a more realistic and sensible approach to insuring that our foreign trade is fair as well as free; we need to tighten the Federal belt and cut the fat out of Government spending.

We also have to encourage personal savings, which has dropped to the abysmal level of 3.4 percent of disposable income, so that we have the stable, reasonably priced capital needed to rebuild and sustain our national industrial and agricultural base. This bill will greatly increase personal savings to make available more lending capability of banks, savings and loans and credit unions.

Mr. President, the bill I am introducing today will help to insure that our fight against inflation is a realistic and intelligent one. It is not hard to bring on a depression in order to fight inflation. It is more difficult to end old habits and move away from bankrupt policies and to break new ground. But that is just what this bill is aimed at doing. It will restrain the Federal Reserve Board's desire to beat the economy back into shape and replace it with a congressional determination to take a more positive approach to solving inflation.

There are costs to both of these policies, but I prefer to take my chances with a policy that is positive and forward looking rather than one which is defeatist in nature and, even if successful, would provide no long-term benefits to American society. I hope that others agree.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2653

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Interest Rate Reduction and Personal Savings and Retirement Enhancement Act."

SEC. 2. FINDINGS BY CONGRESS.

Whereas the Board of Governors of the Federal Reserve System has taken successive steps, through increasing the Bank's rediscount rate and other credit constricting practices, to raise interest rates repeatedly to record levels; and

Whereas these higher interest rates have not reduced inflation, but are instead increasing government debt service costs and adding to inflation by increasing prices, particularly for housing, automobile, agriculture and other industries; and

Whereas these higher interest rates are having a devastating impact on small businesses, and on the housing, agriculture, auto and other industries, causing a drastic jump in the national level of unemployment; and

Whereas this situation is being further exacerbated by a record low level of personal savings of 3.4 percent of disposable income;

It is the determination of Congress that legislative action must be taken now to reduce interest rates and encourage new personal savings.

SEC. 3. INTEREST RATE REDUCTION.

Notwithstanding any provision of existing law, within 90 days after enactment, rediscount rate of the Federal Reserve Board will be no higher than 11½ percent; within 189 days, no higher than 9½ percent; and remain no higher than that for an additional 180 days but at least until June 30, 1981.

SEC. 4. TAX CREDIT FOR SPECIAL EMERGENCY SAVINGS CERTIFICATES.

(a) IN GENERAL.—Subpart (A) of Part IV of subchapter (A) of chapter (1) of the Internal Revenue Code of 1954 (relating to credits allowable) is amended by inserting immediately before section 45 the following new section:

"SEC. 44. (D) (1) SPECIAL EMERGENCY SAVINGS CERTIFICATES.

"(a) GENERAL RULES.—In the case of an individual, there shall be allowed, as a credit against the tax imposed by this chapter for the taxable year, an amount equal to 7 percent of the amounts paid during the taxable year for the purchase of special emergency certificates.

"(b) LIMITATION.—The amount of the credit allowed by subsection (a) for any taxable year shall not exceed $126 ($252 in the case of a married individual filing a joint return).

"(c) DEFINITIONS; SPECIAL RULES.—For purposes of this section—

"(1) SPECIAL EMERGENCY SAVINGS CERTIFICATE.—The term 'special emergency savings certificate' means a certificate of deposit—

"(A) issued by an institution described in subparagraph (A) or (B) of section 116 (c) (1),

"(B) which has a face value of $50 or $100,

"(C) which bears interest at an annual rate of—

"(i) 5 percent in the case of $50 certificates, or

"(ii) 6 percent in the case of $100 certificates,

"(D) which has a term of one year, and

"(E) which is purchased within 180 days after the date of enactment of the Interest Rate Reduction and Savings and Retirement Enhancement Act."

"(2) PENALTY FOR EARLY WITHDRAWAL.—No amount shall be allowed as a credit under subsection (a) with respect to any special emergency savings certificate if the amounts on deposit reflected by such certificate are withdrawn by the taxpayer less than one year after the date on which the certificate was purchased by the taxpayer.".

(b) CLERICAL AMENDMENT.—The table of sections for such subpart is amended by inserting immediately before the item relating to section 45 the following new item:

"Sec. 44D. Special emergency savings certificates.".

(c) CREDIT TO BE REFLECTED IN WITHHOLDING.—The Secretary of the Treasury shall provide for the credit allowed by section 44(D) of the Internal Revenue Code of 1954 (relating to special emergency savings certificates) to be reflected, to the extent appropriate, in the first withholding period for the taxpayer beginning after the date on which the taxpayer purchases such a certificate, or in the first estimated quarterly income tax payment of that taxpayer as may be appropriate.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to taxable years ending after the date of enactment of this Act.

SEC. 5.—INDIVIDUAL RETIREMENT ACCOUNT ENHANCEMENT PROGRAM.

(a) INCREASE IN RETIREMENT SAVINGS.—Section 219 of the Internal Revenue Code of 1954 (relating to retirement savings) is amended—

(1) by striking out "15 percent" in subsection (b) (1) and inserting in lieu thereof "20 percent".

(2) by striking out "$1,500" in subsection (b) (1) and inserting in lieu thereof "the deductible amount described in subsection (c) (6)",

(3) by striking out "15 percent" in subsection (b) (7) (A) and inserting in lieu thereof "20 percent",

(4) by striking out $1,500," in subsection (b) (7) (B) (ii) and inserting in lieu thereof "the deductible amount described in subsection (c) (6),", and

(5) by adding at the end of subsection (c) the following paragraph:

"(6) DEDUCTIBLE AMOUNT.—For purposes of this section—

"(A) TAXABLE YEARS BEGINNING IN 1980.—The deductible amount for taxable years beginning in 1980 is $2,000.

"(B) RETIREMENT SAVINGS FOR MARRIED INDIVIDUALS.—Section 220 of such Code (relating to retirement savings for certain married individuals) is amended—

(1) by striking out "15 percent" in subsection (b) (1) (B) and inserting in lieu thereof "20 percent",

(2) by striking out $1,750," in subsection (b) (1) (C) and inserting in lieu thereof "the deductible amount described in subsection (c) (7)", and

(3) by adding at the end of subsection (c) the following new paragraph:

"(7) DEDUCTIBLE AMOUNT.—For purposes of this section—

"(A) TAXABLE YEARS BEGINNING IN 1980.—The deductible amount for taxable years beginning in 1980 is $2,400.

(b) CONFORMING CHANGES.—

(1) Section 408 of such Code (relating to Individual Retirement Accounts) is amended—

(1) (A) by striking out "$1,500" in subsections (a) (1), (b) (2), (b) (5), and (j) and by inserting in lieu thereof "the deductible amount described in section 219(c) (6)", and

(B) by striking out "$1,750" in subsection (d) (5) (A) and inserting in lieu thereof "the deductible amount described in section 220(c) (7)".

(2) Section 409 of such Code (relating to retirement bonds) in amended by striking out "$1,500" in subsection (a) (4) and inserting in lieu thereof "the deductible amount described in section 219(c) (6)".

SEC. 6. RETIREMENT SAVINGS TO BE AVAILABLE WITHOUT REGARD TO COVERAGE BY OTHER PLANS.

(a) SECTION 219 AMENDMENTS.—Section 219 of the Internal Revenue Code of 1954 (relating to retirement savings) is amended—

(1) by striking out paragraph (2) of subsection (b), and

(2) by striking out paragraph (4) of subsection (c).

(b) SECTION 220 AMENDMENTS.—Section 220 of such Code (relating to retirement savings for certain married individuals) is amended—

(1) by striking out paragraph (3) of subsection (b), and

(2) by striking out paragraph (5) of subsection (c).

SEC. 7. SPECIAL RULES.

Any funds invested under the provisions of section 4 of this bill may be transferred to the Individual Retirement Accounts authorized under section 5 of this bill during the first 360 days following enactment of the bill, without regard to the limits set in section 5.

SEC. 8. EFFECTIVE DATE.

The amendments made by this Act shall apply with respect to taxable years ending after the date of enactment of this Act.

By Mr. BOREN:

S. 2654. A bill for the relief of the Tonkawa Indians of Oklahoma; to the Committee on the Judiciary.

● Mr. BOREN. Mr. President, I am today introducing two pieces of legislation (S. 2654 and S. Res. 420) on behalf of the Tonkawa Indians of Oklahoma pertaining to the tribe's claim against the United States for loss of lands in the State of Texas during the last century.

The Tonkawa Tribe has experienced a long history of frustration and disappointment in attempting to present its case for this claim. An unfortunate set of circumstances involving the Bureau of Indian Affairs resulted in the tribe failing to meet the August 13, 1951, deadline set by Congress for filing of claims before the Indian Claims Commission. However, it is my hope that the Senate will now take prompt action to give the Tonkawa Tribe the opportunity it deserves to present its case.

As provided in title 28, section 2509, United States Code, the legislation I am introducing will refer the Tonkawa claim to the Commissioner of the Court of Claims for a thorough investigation. Upon completion of this investigation, the court shall report its findings and conclusions to the Congress for final disposition.

Mr. President, I encourage the Senate to act quickly and favorably to refer this matter to the Court of Claims. I ask unanimous consent that the text of the bill I am introducing be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2654

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the Tonkawa Indians of Oklahoma the sum of $. The payment of said sum shall be in full settlement of all claims to the said Tonkawa Indians of Oklahoma arising from the alleged taking by the United States of lands owned or occupied by such Tribes without payment for such lands of compensation, claims based upon fair and honorable dealings, and other claims which otherwise, except for the lapse of time and the failure to timely file, would have been compensable under the Act of August 13, 1946, as amended (25 U.S.C. 70).●

By Mr. McCLURE:

S. 2655. A bill to approve dimethyl sulfoxide for the treatment of acute brain and spinal cord injuries; to the Committee on Labor and Human Resources;

S. 2656. A bill to approve dimethyl sulfoxide for the treatment of scleroderma; to the Committee on Labor and Human Resources; and

S. 2657. A bill to approve dimethyl sulfoxide for the relief of inflammation from arthritis, bursitis, rheumatism, and other disorders of the musculoskeletal system; to the Committee on Labor and Human Resources.

DMSO APPROVAL ACT OF 1980

● Mr. McCLURE. Mr. President, today I am introducing three bills that will approve the topical use of dimethyl sulfoxide (DMSO) for several diseases.

The history of DMSO is the story of remarkable cures and Government vacillation. Dr. Stanley Jacob of the University of Oregon Medical Center has been working on this drug since its inception in 1962. Until 1965, this inexpensive drug was used in the treatment of many diseases. In 1965, the FDA halted the use of DMSO because animal studies showed that the lenses of the eyes of test animals clouded over when overdosed with DMSO. None of the persons using the drug had a similar problem, but the FDA persisted in its ban.

DSMO is a clear, liquid which is a biological solvent whose most notable property is its ability to cross cellular membranes rapidly. Because of this ability, it reduces swelling and pain quickly.

One bill I am introducing today will approve the use of DMSO for arthritis, bursitis, rheumatism, and other muscular-skeletal system disorders. The other two bills will approve DMSO use for brain and spinal cord injuries, and for the treatment of scleroderma. DMSO has proved effective in the treatment of these diseases and I urge my colleagues to support this legislation. DMSO is not a cure, but it allows people afflicted with these diseases to lead more comfortable, normal lives.●

By Mr. McCLURE (for himself, Mr. GARN, and Mr. HATCH):

S.J. Res. 171. A joint resolution to provide for the issuance of a commemorative postage stamp in honor of the 150th anniversary of the Church of Jesus Christ of Latter-day Saints; to the committee on Governmental Affairs.

MORMON COMMEMORATIVE STAMP

● Mr. McCLURE. Mr. President, today I am introducing on behalf of myself and my distinguished and able colleagues from Utah, Senator GARN and Senator HATCH, a resolution directing the Postmaster General of the United States to issue a special commemorative stamp honoring the 150th anniversary of the founding of the Church of Jesus Christ of Latter-day Saints. A companion resolution was introduced in the other body by Congressman SYMMS of Idaho.

Mr. President, those of us from States such as mine with large Mormon populations know full well the industrious, community-spirited nature of the Mormon people. The Mormon pioneers who first settled Utah and parts of Idaho contributed tremendously to the development of the Western United States. The oldest permanent settlement in my State, the city of Franklin, Idaho, was founded by Mormon pioneers. In parts of the West they literally made the desert bloom, thus making it possible for others to move west to settle and to make their livelihood.

Over the years, the Mormons have suffered trials and prejudice, and through it all they have remained steadfast as a group in their patriotic devotion to our country and to the principles of freedom, free enterprise, and family on which it was founded.

Ours is a land truly blessed by the strength of our religious faith, and the variety of ways in which that faith is manifest. The Mormon religion is unique among them inasmuch as it was born and grew first in America. I think it is altogether appropriate that we note the anniversary of the founding of the Mormon Church as an important force and factor in the magnificent fabric that is our Nation. I am pleased to offer this resolution, and I ask unanimous consent that it be printed in the RECORD.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S.J. RES. 171

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That,

Whereas 1980 is the 150th anniversary of the founding of the Church of Jesus Christ of Latter-Day Saints; and

Whereas the Mormon pioneers were important in settling and developing the American West; and

Whereas the members of the Mormon Church have contributed significantly to our American Culture and Heritage;

The Postmaster General is directed to issue in the year 1980 a special postage stamp commemorating the 150th anniversary of the Church of Jesus Christ of Latter-Day Saints. Such stamp shall be of such denomination and shall be issued and sold for such period as the Postmaster General shall determine.●

ADDITIONAL COSPONSORS

S. 882

At the request of Mr. WALLOP, the Senator from Oklahoma (Mr. BOREN), and the Senator from Texas (Mr. BENTSEN) were added as cosponsors of S. 882, a bill to amend paragraph 5 section 613 A(c) of the Internal Revenue Code of 1954.

S. 1082

At the request of Mr. GRAVEL, the Senator from Michigan (Mr. LEVIN) was added as a cosponsor of S. 1082, a bill to repeal limits placed on public compensation for personal and property damage caused by nuclear power accidents.

S. 1739

At the request of Mr. HEINZ, the Senator from New York (Mr. MOYNIHAN), the Senator from Montana (Mr. MELCHER), and the Senator from Oklahoma (Mr. BELLMON) were added as cosponsors of S. 1739, a bill to amend the Federal, Food, and Cosmetic Act to require certain warning labels on prescription drugs.

S. 1758

At the request of Mr. LEVIN, the Senator from Alaska (Mr. GRAVEL), and the Senator from Montana (Mr. BAUCUS) were added as cosponsors of S. 1758, a bill to amend title 39, United States Code, to restore to Postal Service employees their rights to participate voluntarily, as private citizens, in the political processes of the Nation, to protect such employees from improper political solicitations, and for other purposes.

S. 1843

At the request of Mr. CRANSTON, the Senator from Michigan (Mr. LEVIN) was added as a cosponsor of S. 1843, a bill to provide for Federal support and stimulation of State, local, and community activities to prevent domestic violence and provide immediate shelter and other assistance for victims of domestic violence, for coordination of Federal programs and activities pertaining to domestic violence, and for other purposes.

S. 2325

At the request of Mr. HELMS, the Senator from Utah (Mr. GARN) was added as a cosponsor of S. 2325, a bill to amend the Federal Election Campaign Act with respect to contributions and expenditures by national banks, corporations, and labor organizations.

S. 2435

At the request of Mr. CHILES, the Senator from Missouri (Mr. EAGLETON) and the Senator from California (Mr. CRANSTON) were added as cosponsors of S. 2435, a bill to rescind certain appropriations provided for the purchase of furniture by Federal departments, and for other purposes.

S. 2623

At the request of Mr. GOLDWATER, the Senator from Arkansas (Mr. PRYOR) was added as a cosponsor of S. 2623, a bill to incorporate the U.S. Submarine Veterans of World War II.

SENATE JOINT RESOLUTION 168

At the request of Mr. DOLE, the Senator from North Dakota (Mr. BURDICK), the Senator from North Dakota (Mr. YOUNG), the Senator from Kentucky (Mr. FORD), the Senator from South Carolina (Mr. HOLLINGS), the Senator from Montana (Mr. BAUCUS), the Senator from Utah (Mr. GARN), the Senator from Maine (Mr. COHEN), the Senator from Montana (Mr. MELCHER), the Senator from Alabama (Mr. HEFLIN), the Senator from South Carolina (Mr. THURMOND), and the Senator from Wisconsin (Mr. NELSON) were added as cosponsors of Senate Joint Resolution 168, a joint resolution designating July 18, 1980, as "National P.O.W.-M.I.A. Recognition Day."

SENATE CONCURRENT RESOLUTION 73

At the request of Mr. DOLE, the Senator from Minnesota (Mr. BOSCHWITZ) was added as a cosponsor of Senate Concurrent Resolution 73, a concurrent resolution expressing the sense of the Congress with respect to implementing the objectives of the International Year of Disabled Persons.

SENATE RESOLUTION 405

At the request of Mr. PROXMIRE, the Senator from Michigan (Mr. LEVIN), the Senator from South Carolina (Mr. THURMOND), and the Senator from Arizona (Mr. GOLDWATER) were added as cosponsors of Senate Resolution 405, a resolution expressing the sense of the Senate with respect to compliance by the Soviet Union with the Convention on the Prohibition of the Development, Production and Stockpiling of Bacteriological (Biological) and Toxin Weapons and on Their Destruction.

SENATE RESOLUTION 417

At the request of Mr. HATCH, the Senator from Nevada (Mr. CANNON), the Senator from Maine (Mr. COHEN), the Senator from Idaho (Mr. CHURCH), the Senator from Oregon (Mr. PACKWOOD), the Senator from Oregon (Mr. HATFIELD), the Senator from Iowa (Mr. CULVER), and the Senator from Virginia (Mr. WARNER) were added as cosponsors of Senate Resolution 417, a resolution to express the sense of the Senate for a fitting tribute to the eight valiant American servicemen who died in an attempt to secure freedom for fellow Americans.

AMENDMENT NO. 1701

At the request of Mr. PRESSLER, the Senator from Indiana (Mr. BAYH) was added as a cosponsor of amendment No. 1701 intended to be proposed to Senate Concurrent Resolution 86, a concurrent resolution setting forth the recommended congressional budget for the U.S. Government for the fiscal years 1981, 1982, and 1983 and revising the second concurrent resolution on the budget for fiscal year 1980.

AMENDMENT NO. 1702

At the request of Mr. PRESSLER, the Senator from Indiana (Mr. BAYH) was added as a cosponsor of amendment No. 1702 intended to be proposed to Senate Concurrent Resolution 86, a concurrent resolution setting forth the recommended congressional budget for the U.S. Government for the fiscal years 1981, 1982, and 1983 and revising the second concurrent resolution on the budget for fiscal year 1980.

SENATE RESOLUTION 419—SUBMISSION OF A RESOLUTION WITH RESPECT TO CONTINUED INDEPENDENCE OF YUGOSLAVIA

Mr. ROTH submitted the following resolution, which was referred to the Committee on Foreign Relations:

S. RES. 419

Whereas Yugoslovia has historically played a key role in determining the course of peace and security in Europe and elsewhere in the world;

Whereas inherent tensions within the heterogeneous Yugoslav state have potential for creating an internal political crisis after the death of President Tito;

Whereas the Soviet Union has demonstrated by its relations with Yugoslavia and by its invasion of Afghanistan a pattern of intervention which may portend an attempt to exploit internal political developments in Yugoslavia in order to undermine its political independence, territorial integrity, and nonaligned status;

Whereas Yugoslavs have clearly demonstrated a determination to remain free of Soviet domination;

Whereas the political independence, territorial integrity, and nonaligned status of Yugoslavia is an important factor in the security of Europe; and

Whereas the continued political independence, territorial integrity, and nonaligned status of Yugoslavia has been a consistent foreign policy interest of the United States since Yugoslavia publicly asserted its independence of the Soviet bloc in 1948: Now, therefore, be it

Resolved, That it is the sense of the Senate that, during the critical period of transition of leaderhsip in the Socialist Federal Republic of Yugoslavia, the President should—

(1) make clear the firm opposition of the United States Government to any attempt by the Government of the Union of Soviet Socialist Republics to violate or subvert the political independence, territorial integrity, or nonaligned status of the Socialist Federal Republic of Yugoslavia; and

(2) undertake such diplomatic initiatives as may be necessary to encourage the heads of governments of other countries to announce publicly their continued support for the political independence, territorial integrity, and nonaligned status of the Socialist Federal Republic of Yugoslavia.

SEC. 2. The Secretary of the Senate shall transmit a copy of this resolution to the President.

● Mr. ROTH. Mr. President, I rise to submit a resolution for the consideration of the Senate which calls for a firm, unequivocal stand by the United States against any attempt by the Soviet Union to subvert or violate the independence, territorial integrity, or neutrality of Yugoslavia. The period of transition in leadership will be a critical time not only for Yugoslavs but for the peoples of the many nations whose security is directly affected by the status of Yugoslavia in East-West relations. This crisis-weary world has looked forward with trepidation to the death of President Tito for some time. His passing from the international scene as the leader of one of the pivotal states of Europe has raised genuine fears that it would unleash forces which might confront us with yet another potential Armageddon.

Informed observers have long worried that the conglomerate of diverse peoples which is Yugoslavia would, without the historic figure of Marshal Tito, fall into disunity; and that an adventurist Soviet Union—with the blood of Afghanistan fresh on its hands—would exploit this disunity in an attempt to draw yet another Eastern European nation, one that it has long coveted, into the Soviet orbit.

Now that the President of Yugoslavia has finally succumbed, I find that my concerns in this regard have been somewhat allayed. Tito's lingering illness has apparently given Yugoslav leaders time to organize an orderly transition. Yugoslav unity does not seem in immediate peril. There is reason to hope that the various Yugoslavian ethnic groups will close ranks at a time of national adversity. Nor to my knowledge is there any substantive indication that the Soviet Union contemplates any imminent aggression action, military or otherwise, against Yugoslavia.

Given the volatile history of the Balkans, however, and given the Soviet Union's recent record on exploiting political turmoil wherever it may be in the world, the United States must not relax its vigilance. The stakes are much too high for complacency. The importance of Yugoslavian independence and neutrality for the security of Western Europe is unquestioned.

Should the Soviets gain control of that strategically located country, the balance of power in Europe would shift, perhaps irreparably, in favor of the Soviet Union. It would be a destructive blow to the Western Alliance, opening new avenues for Soviet pressure on our European allies.

For these reasons, the importance of Yugoslavia in overall security considerations for Europe has long been recognized by the Western powers. Support of Yugoslavian independence and neutrality has since 1948 been a cardinal tenet of the foreign policies of successive U.S. administrations, both Republican and Democratic. After Yugoslavia broke with the Soviet bloc in 1948, the United States provided it with substantial military and economic assistance to insure its ability to stand up to Soviet threats to its independence.

We must presume that at this very moment strategists in Moscow are studying the possibility of action against Yugoslavia. The death of Tito opens new options for the expansion of Soviet influence. Now is therefore the time to make clear American resolve to support Yugoslavia's continued independence and neutrality; to signal our willingness to be responsive to help meet that country's security needs.

This resolution also calls on the President to undertake such diplomatic initiatives as necessary to encourage other nations to publicly support the independence, territorial integrity, and nonalinement of Yugoslavia. The United States must do all it possibly can to mobilize international pressure against Soviet intervention in Yugoslavia. Its brutal invasion of Afghanistan has irrefutably demonstrated to the world that the Soviet Union has shed the fragile restraints of détente and cannot be counted on to respect the sovereignty of smaller nations. As a further deterrent against precipitous action against Yugoslavia, every effort should be made to mobilize the international community against such an outrage.

The interest of the United States in the continued preservation of the independence, territorial integrity, and neutrality of Yugoslavia has for over three decades been an important aspect of American foreign policy. This resolution represents no change in that policy. I would caution, however, that at a time when it may be put to the test, it is prudent for the American people through their representatives in the U.S. Senate to reaffirm that policy, and make clear that they stand firmly behind the President in its implementation.●

SENATE RESOLUTION 420—SUBMISSION OF A RESOLUTION TO REFER S. 2654 TO THE U.S. COURT OF CLAIMS

Mr. BOREN submitted the following resolution, which was referred to the Committee on the Judiciary:

S. Res. 420

Resolved, That the bill (S. 2654) entitled "A bill for the relief of the Tonkawa Indians of Oklahoma" now pending in the Senate of the United States, together with all of the accompanying papers, is hereby referred to the Chief Commissioner of the Court of Claims; and the Chief Commissioner of the Court of Claims shall proceed with the same in accordance with the provisions of sections 1492 and 2509 of title 28 of the United States Code, and report to the Senate of the United States, at the earliest practicable date, giving such findings of fact and conclusions thereon as shall be sufficient to inform the Congress whether the claim of the Tonkawa Indians of Oklahoma is legal or equitable in character, and the amount of damages, if any, which may be legally or equitably due from the United States to the claimant. The Chief Commissioner of the Court of Claims is authorized to consider and to make a part of the record in this proceeding the records (including motions and briefs) of the previous trial of this case in the Indian Claims Commission in Docket Nos. 226 and 22-C.

AMENDMENTS SUBMITTED FOR PRINTING

FEDERAL POWER MARKETING REVOLVING FUND ACT OF 1979—S. 1440

AMENDMENT NO. 1734

(Ordered to be printed and referred to the Committee on Energy and Natural Resources.)

Mr. MELCHER submitted an amendment intended to be proposed by him to S. 1440, a bill to enable the Secretary of Energy to utilize revenues from power marketing to carry out his responsibilities related to Western Area Power Administration, and for other purposes.

Mr. MELCHER. Mr. President, I submit for printing an amendment to S. 1440, and I ask unanimous consent that the text of the amendment be printed in the RECORD.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

AMENDMENT No. 1734

Strike all after the enacting clause, and insert:

That this Act may be cited as the "Federal Power Marketing Revolving Fund Act of 1980".

SEC. 2. (a) Congress finds that it is desirable and appropriate that the revenues, borrowings from Treasury, or appropriations to the Western Area Power Administration be used for operation, maintenance, construction, and other program purposes.

(b) Other than as specifically provided herein, the present authority and duties of the Secretary of Energy relating to the Western Area Power Administration shall not be affected by this Act. The authority and duties of the Secretary referred to herein shall be exercised by the Secretary, acting by and through the Administrator of Western Area Power Administration.

SEC. 3. As used in this Act—

(a) "Secretary" means the Secretary of Energy.

(b) "Western" means Western Area Power Administration.

(c) "Electric power" means electric capacity or electric energy, or both.

(d) "Construct" or "construction" means the construction, improvement, betterment, additions to, and replacements of transmission facilities, including participating jointly with others in such activities.

(e) "Major transmission facilities" means new transmission facilities:

(1) to be used to provide services which were not previously provided by Western including facilities which are to be used for interconnecting electrical systems which have not been previously connected by federally owned facilities, or

(2) for which the total estimated construction or acquisition cost represents an increase of more than 5 per centum of the total fixed assets of Western.

Provided, however, That facilities which are not major transmission facilities under (1) above shall include but not be limited to (A) a transmission line used in whole or in part to serve a customer who, at the time of commencement of construction of the new transmission line, had theretofore been served by Western exclusively over its facilities; or (B) a transmission facility which uses as a major portion of its route a preexisting and utilized Western right-of-way or which is adjacent to a preexisting Western transmission line used by Western for transmission of power; or (C) the rental or lease of existing transmission facilities.

SEC. 4. Subject to section 9, the Secretary shall construct, rent, lease, or otherwise acquire transmission facilities he determines are necessary to—

(a) integrate and transmit the electric power from existing or additional Federal or non-Federal generating units;

(b) provide service to customers;

(c) provide interregional transmission facilities; or

(d) maintain electrical stability and electrical reliability:

Provided, however, That the Secretary shall not construct, rent, lease, or otherwise acquire any major transmission facilities unless the expenditure of the funds for the initiation of such construction, lease, rental, or acquisition is specifically approved by Act of Congress:

Provided further, That nothing in this Act shall authorize the crossing or other use of Federal lands under the jurisdiction of another agency except with the consent of such agency in accordance with the applicable laws and procedures of such agency or the construction of any facilities on such lands without the consent of the agency having jurisdiction of such lands, pursuant to laws applicable to those lands. Provided further that for transmission facilities constructed subsequent to establishment of the Fund under the provision of this section, that the Secretary shall pay annually to local taxing authorities, within whose jurisdiction any such transmission facilities are located, and which facilities are exempt from ad valorem taxes in an amount equal to the amount that would be paid to such taxing authorities if such transmission facilities were owned by an investor-owned utility.

SEC. 5. Subject only to the provisions of this Act, the Secretary is authorized to become a member of and to pay such dues and membership fees in such professional, utility, industry, and other societies, associations, and institutes, together with expenses related to such memberships, as the Secretary determines to be necessary or appropriate to carry out the purposes of this Act.

SEC. 6. (a) There is established as of April 1, 1981, in the Treasury of the United States a fund for Western. This fund will be called the "Western Area Power Administration Fund" (hereinafter referred to as the "Fund").

Except as otherwise specifically provided, revenues available for repayment of investments shall continue to be applied first to repayment of investments bearing the highest interest rates and to accomplish repayment over the repayment period established pursuant to law. The Fund shall consist of (1) all receipts, collections, and recoveries of Western in cash from all sources related to power marketing activities, including funds received in trust, (2) all moneys loaned to the Secretary pursuant to section 8 hereof, (3) any appropriations made by the Congress for the Fund, and (4) the unexpended balances of funds appropriated or otherwise made available for the use of Western, which balances are hereby authorized to be transferred to the Fund. All funds transferred hereunder shall be available for expenditure by the Secretary, as authorized in this Act or any other Act relating to Western, subject to such limitations as may be prescribed by any applicable appropriation Act effective during such period as may elapse between their transfer and the approval by the Congress of the first subsequent annual budget.

(b) The Secretary may make expenditures from such Fund, notwithstanding any existing statute requiring the deposit of such revenues or receipts in other funds, which shall have been included in the annual budget submitted to Congress, without further appropriation and without fiscal year limitation, but within such specific directives or limitations as may be included in appropriation Acts, for any purpose neccessary or appropriate to carry out the duties imposed upon the Secretary pursuant to law relating to the program of Western, including but not limited to—

(1) making such payments to the Water and Power Resources Service for the credit of the Reclamation Fund, other funds or accounts, as are required by or pursuant to law to be made into such funds or accounts in connection with reclamation projects;

(2) operation, maintenance, repair, and relocation, to the extent such relocation is not provided for under paragraph (10) below, of transmission facilities;

(3) conducting electrical research, development, investigations, experimentation, tests, and other such studies;

(4) marketing of electric power;

(5) transmission over facilities of others and rental or lease of facilities;

(6) purchase of electric power (including the entitlement of electric plant capability) (A) to meet temporary deficiencies in electric power which Western is obligated by contract to supply, (B) which has been heretofore undertaken with funds appropriated for such purchase, or (C) if to be paid for with funds provided by other entities for such purpose under a trust or agency arrangement: *Provided, however,* That purchases from a specific electric plant shall be limited to ten years;

(7) defraying emergency expenses or insuring continuous operation;

(8) (A) acquiring such goods, lands, or interests in real or personal property, and (B) paying dues and membership fees in electrical cooperatives and in such professional, utility, industry, and other societies, associations, and institutes, together with expenses related to such memberships, including but not limited to the acquisitions and payments set forth in the general provisions of the annual appropriations Act for the Department of Energy, as the Secretary determines to be necessary or appropriate in carrying out the purposes of this Act;

(9) developing and implementing programs and methods by which the customers and ultimate customers of Western may conserve and efficiently use power;

(10) construction, acquisition, and disposal of transmission facilities: *Provided, however,* That such construction or acquisition by Western may be financed with revenues from reclamation projects only to the extent that such construction or acquisition is in accord with law covering the individual projects for which the Bureau of Reclamation was formerly the power marketing agency;

(11) paying the principal, interest, premiums, discounts, and expenses, if any, in connection with the repayment of funds borrowed pursuant to section 8 of this Act, including provision for and maintenance of reserve and other funds established in connection therewith; and

(12) making payments to the credit of miscellaneous receipts of the Treasury for all unpaid costs required by or pursuant to law to be charged to and returned to the general fund of the Treasury in connection with the projects from which Western markets the power.

(13) making payments in lieu of taxes to local taxing authorities as provided in section 4 above.

(c) Expenditures for the purposes provided in section 6(b)(10) may be made from the remainder of gross receipts of Western from all sources (excluding borrowings pursuant to section 8) after first deducting funds held in trust and the costs listed in section 6(b)(1) through (b)(9), (b)(11), (b)(12), and (b)(13).

(d) Moneys heretofore or hereafter appropriated shall be used only for the purposes for which appropriated, and moneys received by the Secretary in trust shall be used only for carrying out such trust. The provisions of the Government Corporation Control Act shall be applicable to the Secretary in the same manner as they are applied to the wholly owned Government corporations named in section 101 of such Act, but nothing in the proviso of section 105 of such Act shall be construed as affecting the powers and authorities granted to the Secretary elsewhere in this Act.

(e)(1) The Secretary shall keep the official record of Western's operations, expenditures, receipts, repayments of debts to the Secretary of the Treasury and payments to funds, including reclamation project funds, and shall obtain annually an independent commercial-type audit of such accounts, in accordance with generally accepted auditing standards.

(2) Notwithstanding the provisions of sections 105 and 106 of the Government Corporation Control Act, the financial transactions of Western shall be audited by the Comptroller General at such times and to such extent as the Comptroller General deems necessary, and reports of the results of each audit shall be made to the Congress within six and one-half months following the end of the fiscal year covered by the audit.

(f)(1) The Secretary shall maintain separate accounting for the individual projects of Western for which the Bureau of Reclamation was formerly the power marketing agency (Pick-Sloan Missouri Basin program, Central Valley project, Colorado River storage project (and participating projects), Provo River project, Collbran project, Rio Grande project, Boulder Canyon project, Fryingpan-Arkansas project, Parker-Davis project, Falcon and Amistad projects, and the Central Arizona project): *Provided,* That the Secretary shall make payments to the Water and Power Resources Service for the Colorado River Dam Fund, the Upper Colorado River Basin Fund, the Lower Colorado River Basin Development Fund, and the Reclamation Fund on a timely basis for repayment of reimbursable project expenses and other obligations required by statute to be made from power revenues.

(2) Amounts to be retained in the Western Fund for expenses covered in section 6(b)(3), (b)(8)(B), and (b)(9) from revenues collected from power marketing activities from reclamation projects shall not in any one year exceed 1 per centum, unless otherwise jointly determined by the Secretary and the Secretary of the Interior, of the total obligations contained in that fiscal year budget as submitted to the Congress for Western.

(3) Determination of amounts to be retained in the Western Fund for Western's operations and the amounts to be transferred to the Water and Power Resources Service under section 6(b)(1) shall be developed jointly by Western and the Water and Power Resources Service at the beginning of each fiscal year for the fiscal year in progress and shall include corrections to transactions of the previous fiscal year based on final data. Reserves and other receipts remaining in the Fund attributable to a reclamation project shall be credited to such projects and the project obligation as provided in reclamation law.

(g) All obligations incurred by the Secretary for and on behalf of a power administration pursuant to this act shall be secured solely by Western's revenues (of the power system involved) which are derived from the sale of electric power and related services. Such obligations shall not be, nor shall they be deemed to be, general obligations of the United States of America.

SEC. 7. For cash management purposes, the Secretary may request the investment of such moneys as he deems advisable by the Secretary of the Treasury in nonmarketable obligations of the United States with maturities not to exceed one year, at rates determined by the Secretary of the Treasury taking into consideration the current average market yield on outstanding marketable obligations of the United States with remaining periods of maturity comparable to the maturities of such nonmarketable obligations.

SEC. 8. (a) The Secretary is authorized to borrow to such extent or in such amounts as are contained in appropriation Acts from the Secretary of the Treasury from time to time in the name and for and on behalf of Western to assist in financing the construction or acquisition of transmission facilities to be used by Western. The repayment of such loans shall be upon such terms and conditions as may be prescribed by the Secretary of the Treasury taking into account the manner prevailing in the open market in which utility indebtedness is repaid, the distinction between short-term borrowing to refund short-term obligations during the post-construction period, and the useful life of the facilities for which funds are to be borrowed. Such loans shall bear interest at a rate determined by the Secretary of the Treasury taking into consideration the current average market yield on outstanding marketable obligations of the United States of comparable maturities, plus an amount sufficient in the judgment of the Secretary of the Treasury to provide a return comparable to the rates prevailing in the market for similar bonds issued by government corporations but not to exceed the interest rate which would be applied to such bonds if they were purchased by the Federal Finance Bank. For the purpose of providing the funds to be loaned pursuant to this section, the Secretary of the Treasury is authorized to use the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as now or hereinafter in force, and the purposes for which securities may be issued under the Second Liberty Bond Act, as now or hereafter in force, are extended to include the loans to the Secretary under this Act. The loaned funds shall be made available to the Secretary forthwith following acceptance by the Secretary of the terms and conditions of the loan prescribed by the Secretary of the Treasury. The amount of Western loans outstanding shall not exceed $300,000,000.

(b) The principal and interest on such obligations shall be payable solely from the Secretary's net proceeds as hereinafter defined. For the purpose of this section "net proceeds" shall mean the remainder of the gross receipts of Western from all sources after first deducting funds held in trust and the costs listed in section 6(b)(1) through 6(b)(9), and shall include reserve or other funds created from such receipts.

SEC. 9. (a) Unless specifically authorized by Act of Congress, the Secretary shall not expend funds made available under this Act, other than funds specifically appropriated by the Congress for such purpose, to acquire any operating transmission facility by condemnation: *Provided*, That this provision shall not restrict the acquisition of the right to cross such a facility by condemnation.

(b) In order to develop the transmission resources available to Western in an economic manner and to avoid duplication;

(1) Western shall cooperate in transmission system planning with utilities operating in the area served by Western and shall participate in joint construction of transmission facilities where appropriate;

(2) Western shall provide the opportunity for participation by others, on reasonable terms, in the joint construction and ownership of transmission lines to be constructed.

(c) Western shall provide written notice of the activities described in section 4 of this Act at least 60 days prior to submission of the annual budget to the Congress to entities with which Western has power related contracts. The budget submittal shall include a description of the joint planning and coordination that has taken place with regard to each transmission line construction project as required by this section. Provision shall be made for a public meeting on such budget which shall take place prior to its submission to Congress.

(d) The Secretary shall not construct transmission facilities under the authority of this act unless the Secretary finds that a wheeling agency is unable or unwilling to provide the service determined necessary to carry out the purposes specified herein using existing facilities at costs based on the cost of service for that wheeling agency.

FIRST CONGRESSIONAL BUDGET RESOLUTION, 1981—S. CON. RES. 86

AMENDMENT NO. 1735

(Ordered to be printed and to lie on the table.)

Mr. MOYNIHAN submitted an amendment intended to be proposed by him to Senate Concurrent Resolution 86, a concurrent resolution setting forth the recommended congressional budget for the U.S. Government for the fiscal years 1981, 1982, and 1983, and revising the second concurrent resolution on the budget for the fiscal year 1980.

(The remarks of Mr. MOYNIHAN when he submitted the amendment appear elsewhere in today's proceedings.

AMENDMENT NO. 1736

(Ordered to be printed and to lie on the table.)

Mr. EAGLETON submitted an amendment intended to be proposed by him to Senate Concurrent Resolution 86, supra.

AMENDMENT NO. 1737

(Ordered to be printed and to lie on the table.)

Mr. METZENBAUM submitted an amendment intended to be proposed by him to Senate Concurrent Resolution 86, supra.

NOTICES OF HEARINGS

COMMITTEE ON ENERGY AND NATURAL RESOURCES

● Mr. JACKSON. Mr. President, I wish to inform Members of the Senate and other interested parties that the Committee on Energy and Natural Resources will hold a hearing on President Carter's nomination of Clyde O. Martz to be Solicitor of the Department of the Interior. The hearing will be on Monday, May 12, beginning at 9 a.m. in room 3110, Dirksen Senate Office Building. Anyone having any questions about the hearing may call the committee's chief counsel, Mike Harvey, at 224–0611.

I ask unanimous consent that an announcement of Mr. Martz' nomination from the Department of the Interior be printed in the RECORD.

There being no objection, the release was ordered to be printed in the RECORD, as follows:

ANDRUS HAILS NOMINATION OF CLYDE O. MARTZ AS INTERIOR SOLICITOR

Interior Secretary Cecil D. Andrus today commended President Carter's nomination of Clyde O. Martz to be Solicitor of the Department of the Interior, the agency's third highest post.

Martz, 59, is a partner in the Denver law firm of Davis, Graham and Stubbs, and is a former Assistant Attorney General of the United States. Upon Senate confirmation he will succeed Leo M. Krulitz, who resigned as the Department's Solicitor on December 7, 1979 to return to private practice in Indiana.

"The President has made an excellent choice for this key Interior position," Secretary Andrus said. "Clyde Martz's legal background includes extensive experience in natural resources law which forms an integral part of Interior's many missions. I look forward to his advice and counsel in making decisions on the vital issues which the Department currently faces."

The Solicitor's Office has a staff of 256 permanent full-time attorneys, of whom 121 are in the Washington, D.C., offices and 135 are in eight regional and 19 field offices.

Martz has been a partner in Davis, Graham and Stubbs since 1962, except for a period from 1967 to 1969 when he served as Assistant Attorney General in the Department of Justice in Washington, D.C. He was Judicial Administrator for the State of Colorado in 1959–60, and was Special Assistant Attorney General in certain water litigation for the State of Colorado from 1972 to 1979.

Between 1947 and 1962 Martz taught law at the University of Colorado, beginning as an assistant professor and attaining his professorship in 1955. He served as assistant dean of the University of Colorado Law School from 1954 to 1959, and was acting dean in 1957 and 1958.

He has been an adjunct professor of law at the University of Denver since 1962. In addition, Martz has been president of the Rocky Mountain Mineral Law Foundation, a member of the Colorado Advisory Board to the Bureau of Land Management, Department of the Interior, and was accorded the Award of Merit by the Colorado Bar Association.

He is the author of numerous publications on natural resources law. In 1951 he was a consultant to the President's Materials Policy Commission.

Martz was born August 14, 1920 in Lincoln, Nebraska. He has an A.B. degree from the University of Nebraska (1941) and an L.L.B. degree from Harvard (1947). He served in the Navy during World War II, where he won the Silver and Bronze Stars, and was a commander in the U.S. Naval Reserve until 1958.

Martz is married to the former Ann Spieker, of Fremont, Nebraska. They have a son, Dr. Robert Graham Martz of Albuquerque, N.M., and a daughter, Nancy Martz, of Denver. The Martzes live in Boulder, Colorado.●

COMMITTEE ON GOVERNMENTAL AFFAIRS

● Mr. RIBICOFF. Mr. President, I wish to announce that the Governmental Affairs Committee will hold a hearing on S. 2419, to protect the confidentiality of shipper's export declarations, and to standardize export data submission and disclosure requirements. This hearing will be held on May 7, 1980, in room 3302, Dirksen Senate Office Building beginning at 9:30 a.m.●

SELECT COMMITTEE ON INDIAN AFFAIRS

● Mr. MELCHER. Mr. President, I would like to announce for the information of the Senate and the public, the scheduling of an open business meeting of the Senate Select Committee on Indian Affairs.

The meeting is scheduled for May 8, 1980, beginning at 1 p.m., in room 5302, Dirksen Senate Office Building. The following bills and act are to be considered for markup: S. 2223, to allow members of Indian tribes to transfer restricted lands to heirs who are not members of the reservation where the land is located; H.R. 2102, to limit the right to receive by devise or inheritance any interest in trust land on the Standing Rock Indian Reservation in North and South Dakota to certain qualified Indians; proposed legislation authorizing funds for fiscal years 1981–84 for the Indian Health Care Improvement Act; and S. 1181, authorizing the States and Indian tribes to enter into mutual agreements and compacts respecting jurisdiction and governmental operations in Indian country.

For further information regarding the business meeting, you may wish to contact Max Richtman of the committee staff at 224-2251.●

AUTHORITIES FOR COMMITTEES TO MEET

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. CRANSTON. Mr. President, I ask unanimous consent that the Committee on Energy and Natural Resources be authorized to meet during the sessions of the Senate this week to mark up S. 2332, legislation authorizing appropriations to the Department of Energy for civilian programs for fiscal years 1981 and 1982, and other pending calendar business.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON AGRICULTURAL CREDIT AND RURAL ELECTRIFICATION

Mr. HOLLINGS. Mr. President, I ask unanimous consent that the Subcommittee on Agricultural Credit and Rural Electrification of the Committee on Agriculture, Nutrition, and Forestry be authorized to meet during the session of the Senate on Tuesday, May 6, to hold hearings on energy conservation and its effect on rural electric cooperatives.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY

Mr. HOLLINGS. Mr. President, I ask unanimous consent that the Committee on Agriculture, Nutrition, and Forestry be authorized to meet during the session of the Senate on Wednesday, May 7, to consider farm credit and pending committee business.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

Mr. HOLLINGS. Mr. President, I ask unanimous consent that the Committee on Environment and Public Works be authorized to meet during the session of the Senate today to hold a hearing on the use of recycled oil.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

FOOD STAMPS

● Mr. ROTH. Mr. President, the most recent monthly food stamp expenditure report to the Congress from the Secretary of USDA explains the critical funding situation of the food stamp program. The Secretary projects no food stamps will be available after June 1 of this year unless the program receives additional funding in the amount of $2.5 billion.

I believe the Congress must insure continuation of the food stamp program by providing necessary funding for those in need. We cannot cut off benefits to the elderly, disabled, and truly needy food stamp recipients. While I believe reforms are needed in the food stamp program to minimize abuse and mismanagement, a sudden termination of benefits would unjustly impact senior citizens and the poor. We simply cannot allow people to starve.

The current funding situation the program faces today is indicative of the fundamental problem with the direction the food stamp program is heading today. I believe this is one Federal program that has seriously deviated from the original expectations of Congress. There is substantial evidence—the funding crisis we face now as an example—that the original purpose of the program—to alleviate hunger and malnutrition among our truly needy citizens—is being abused.

If we in Government are to be responsible, the food stamp program must be reformed. The food stamp program should make it possible for the poor to receive a nutritionally adequate diet and it should do so with a maximum efficiency and at a minimum cost to the taxpayer, and it should do so in a way which minimizes opportunities for fraud, program abuse, and inequities among recipients.

While I will continue to fight for reforms which will assure that in the future only those truly in need and deserving of assistance receive food stamps, I will support efforts to insure continuation of the food stamp program for the remainder of the fiscal year.●

NOTICE OF DETERMINATIONS BY THE SELECT COMMITTEE ON ETHICS UNDER RULE 35, PARAGRAPH 4, PERMITTING ACCEPTANCE OF A GIFT OF EDUCATIONAL TRAVEL FROM A FOREIGN ORGANIZATION

● Mr. HEFLIN. Mr. President, it is required by paragraph 4 of rule 35 that I place in the CONGRESSIONAL RECORD this notice of a Senate employee who proposes to participate in a program, the principal objective of which is educational, sponsored by a foreign government or a foreign educational or charitable organization involving travel to a foreign country paid for by that foreign government or organization.

The Select Committee on Ethics has received a request for a determination under rule 35 which would permit Mr. John M. Haddow, a member of the staff of Senator HATCH, to participate in a program sponsored by a foreign educational organization, Tunghai University in Taichung, Taiwan, from April 6 to April 13, 1980.

The committee has determined that participation by Mr. Haddow in the program in Taiwan, at the expense of Tunghai University, to discuss economics and international relations, is in the interests of the Senate and the United States.

The Select Committee on Ethics has received a request for a determination under rule 35 which would permit Mr. Christopher M. Lehman, a member of the staff of Senator WARNER, to participate in a program sponsored by a foreign educational organization, the Graduate School of American Studies of Tamkang College in Taipei, Taiwan, from April 4 to April 11, 1980.

The committee has determined that participation by Mr. Lehman in the program in Taiwan, at the expense of Tamkang College, to discuss the political and legislative systems of the United States and United States-Taiwanese relations, is in the interests of the Senate and the United States.

The Select Committee on Ethics has received a request for a determination which would permit Mr. Morton Blackwell, a member of the staff of Senator HUMPHREY, to participate in a program sponsored by a foreign educational organization, the Guatemala Freedom Foundation, in Guatemala from April 8 to April 10, 1980.

The committee has determined that participation by Mr. Blackwell in the program in Guatemala, at the expense of the Guatemala Freedom Foundation, is in the interests of the Senate and the United States.●

GROWING PUBLIC RESISTANCE TO TAXFLATION

● Mr. DOLE. Mr. President, the combination of high taxes, record inflation, and levels of Government spending is very much on the public's mind. Recently the survey center of the Chamber of Commerce of the United States sampled public opinion regarding taxes, inflation, and spending. The results are being published in the Nation's Business for May 1980, and I believe they should command our attention.

According to the survey, 61 percent of American consumers favor adjustments in the income tax rate schedules so that inflation will not push them into higher tax brackets. In July of 1978 a Roper opinion survey showed that 57 percent favored such adjustments, or indexing, of taxes to inflation. This 4-percent increase in public support for indexing shows the growing public awareness of, and concern over, the impact of inflation on taxes.

Mr. President, inflation raging at 18 percent will cost taxpayers nearly $27 billion in increased taxes, even though the purchasing power of those taxpayers' incomes remain constant. This is because the Tax Code measures nominal income, not real income, and the progressive rate structure exacts a tax penalty for nominal income gains. We all hope inflation will yet moderate this year, but the inflation tax penalty will remain with us until Congress adopts the Tax Equalization Act, S. 12, which I introduced last year. While the administration balances the budget with tax revenues from inflation, we should not fail to plan to stabilize tax rates with respect to real income in future years.

Mr. President, the chamber of commerce survey contains other valuable insights into the public's perception of Government policies. Fifty-two percent believe rising taxes exacerbate inflation, and 48 percent believe that the most effective way to cut inflation is to slow Federal spending and deficits. These findings show that the American people understand the detrimental effects of an ever-expanding Government that grows at the expense of the private sector. In addition, 67 percent of the American public favors a constitutional amendment to require a balanced budget and limit spending, unless overridden by a three-fifths vote. This is a strong endorsement of the approach taken by Senate Joint Resolution 126, the proposed amendment that was rejected by one vote in the Judiciary Committee. I will continue to work for full Senate consideration of this measure, which has overwhelming public support.

Mr. President, because of the importancc of the chamber of commerce survey results, I ask that they be printed in the RECORD.

The material follows:

[U.S. Chamber Survey Center]

CONSUMER OPINION SURVEY

Many experts believe that the consumer price index overstates inflation, which rose 13.3 percent in 1979, but many average consumers disagree.

This finding is from the latest quarterly consumer opinion survey conducted for the U.S. Chamber Survey Center by the Gallup Organization.

On the basis of their own experience in their own communities, 40 percent of consumers believe the government's estimate of consumer price increases understates inflation. Thirty-eight percent feel the government estimate of inflation is about right, and nine percent say it overstates inflation. Fourteen percent were undecided.

A clear majority—57 percent of the 1,583 consumers personally interviewed nationwide—expect their income to go up less than prices during the next 12 months. This contrasts with only nine percent who expect their incomes to rise more than prices.

More than three out of five consumers—62 percent—say that now is a rather bad time to spend money. Only 21 percent say that they are "in a good position to buy some of the things [they] would like to have."

These properties are not greatly changed from the previous quarterly survey in December. However, 45 percent of consumers say they are financially worse off now than they were a year ago, up from 31 percent since March, 1979.

Almost half of the respondents would opt to slow down federal government spending and reduce the budget deficit as a way to combat inflation. The question was:

"Looking to the future, which would be a more effective way to reduce inflation: Slow down federal government spending and deficits or put mandatory controls on wages and prices?"

[In percent]

Slow down federal spending and deficits	48
Put controls on wages and prices	27
Both	13
Neither would be effective	3
No opinion	9
Total	100

A Gallup Poll taken at the same time found that two-thirds—67 percent—of the American public favor a constitutional amendment to require Congress to approve a balanced federal budget each year and limit spending to no more than expected revenues, unless a three-fifths majority of Congress voted otherwise. Thirteen percent were opposed, and 20 percent expressed no opinion.

Fifty-three percent of the public think a balanced budget would decrease the rate of inflation. Seventeen percent say it would have no effect, while 12 percent think a balanced budget would increase the inflation rate.

Consumers do not see increased taxes as a cure for inflation; instead, they think higher taxes add to the problem. The question was:

"When taxes go up, do you think that tends to reduce inflation, increase inflation, or do rising taxes not have much effect on inflation?"

[In percent]

Increase inflation	52
Not much effect	25
Reduce inflation	9
No opinion	14
Total	100

A large majority—61 percent—favors a law that would index federal income tax rates so that taxpayers do not have to pay higher income tax rates just because inflation pushes them into higher tax brackets. Only 16 percent oppose indexing federal income tax rates, and the rest have no opinion.

Those interviewed were told that more than half of the total federal government budget is indexed to inflation; indexed payments such as social security will increase by about 13 percent this year, while average weekly wages rose about eight percent last year.

By almost two to one—50 percent to 27 percent—consumers favor limiting future indexed increased in government payments to no more than the rise in average weekly wages. Another 23 percent expressed no opinion.

The persistent rapid rise in prices is painful to consumers who must adjust their budgets continuously. The survey presented consumers with this hypothetical question: Suppose everyone had to take a cut in his or her standard of living—that is, reduce the amount of goods and services consumed. What would be the less painful way for you to take a cut in your standard of living: would you rather have stable prices with smaller take-home pay or the same take-home pay with higher prices?

While 18 percent of respondents didn't know and 16 percent were unwilling to decrease their take-home pay, fully two-thirds preferred stable prices despite smaller take-home pay. That majority is a persuasive indicator of the public's reaction to inflationary price rises.

TABLE 1.—EXPECTED CHANGES IN CONSUMER INCOMES

[In percent]

	Mar. 1979	June 1979	Sept. 1979	Dec. 1979	Mar 1980
Income will rise:					
Less than prices	52	57	53	58	58
Same as prices	31	29	32	29	27
More than prices	9	8	9	8	9
Don't know	8	6	6	5	6
Total	100	100	100	100	100

TABLE 2.—CONSUMERS' PERSONAL FINANCIAL SITUATION COMPARED WITH 1 YR AGO

[In percent]

	Better	Same	Worse
March 1979	35	31	31
June 1979	30	27	41
September 1979	36	27	35
December 1979	29	28	41
March 1980	30	24	45

TABLE 3.—GOOD OR BAD FINANCIAL POSITION TO BUY NOW

[In percent]

	Mar. 1979	June 1979	Sept. 1979	Dec. 1979	Mar. 1980
Good position to buy	25	24	24	19	21
Middle position	16	16	12	12	15
Bad time to spend	55	56	61	66	62
Don't know	4	4	3	3	2
Total	100	100	100	100	100

TABLE 4.—EFFECTS OF A BALANCED BUDGET ON THE ECONOMY

[Percent of respondents]

Effect	Inflation rate	Federal employees	Government income maintenance programs	Taxes
Increase	13	8	12	35
Same	17	17	23	24
Decrease	53	63	50	28
Don't know	17	12	14	13
Total	100	100	100	100

Source: The Gallup Poll.

TABLE 5.—OPINIONS ON FEDERAL POLICIES

[Percent of respondents]

	Constitutional amendment to balanced budget [1]		Index Federal income tax rates		Limit indexed government payments to increases in wages	
	Favor	Oppose	Favor	Oppose	Favor	Oppose
Consumers [1]	67	13	61	16	50	27
Business executives [2]	72	23	72	19	76	10

[1] Source: The Gallup Poll.

[2] Source: Chamber-Gallup quarterly business confidence survey, January–February 1980. (The questions in the 2 surveys were worded slightly differently. See Nations' Business, April 1980.)

TABLE 6.—WHETHER NOW IS A GOOD OR BAD TIME FOR PEOPLE TO BUY

[In percent]

	Mar. 1979	June 1979	Sept. 1979	Dec. 1979	Mar. 1980
A house:					
Good time to buy	43	43	38	21	22
Good and bad	7	9	6	8	6
Bad time to buy	38	38	48	67	66
Don't know	12	10	8	4	6
Total	100	100	100	100	100
Big things for the home [1]					
Good time to buy	47	45	43	38	39
Good and bad	13	16	13	15	14
Bad time to buy	24	24	30	40	39
Don't know	16	15	14	7	8
Total	100	100	100	100	100

[1] "Like major appliances, furniture, or a TV set." ●

OUR DEPENDENCE ON IMPORTED CRUDE

● Mr. HUDDLESTON. Mr. President, I rise today to remind the Senate of America's need to reduce our national dependence on imported crude oil. To achieve this end, we must place a greater reliance upon renewable domestic alternatives to imported petroleum.

Mr. President, on March 14, I had the

pleasure of conducting Agriculture Committee hearings in Louisville on the development of alcohol fuels programs. I was greatly pleased by the strong interest of my constituents and our neighbors from Indiana at that session. At that time my colleague from the State of Indiana, Senator BIRCH BAYH, was our lead off witness and demonstrated his usual enthusiasm for the rapid and widespread commercialization of alcohol fuels.

On May 1, 1980, Senator BAYH addressed the McGraw-Hill Conference on "The Alcohol Alternative" in Chicago, Ill. Senator BAYH's remarks to that conference are useful and interesting for he addressed the perceived problem that a major effort by this Nation to increase alcohol fuels production will put extreme pressure on the price of food in this Nation and the availability of food for export to the hungry of the world.

Mr. President, I ask that Senator BAYH's remarks be printed in the RECORD.

The remarks follow:

REMARKS OF THE HONORABLE BIRCH BAYH

Events of the past week in Iran have cast a pall upon the Nation. The disappointment, anger, and grief should not, however, lead to dismay, but to a renewed dedication to free the Americans being held by an illegal, immoral regime in Teheran.

The events of the past week also spotlight the seriousness and importance of this gathering and the struggle we face to free ourselves from the yoke of imported oil.

We must never lose sight of the fact that the present Iranian crisis can be traced to our need for imported oil. If we are to avoid further "Irans" and defuse the tinderbox that is the Persian Gulf, we must find a domestically available replacement for the nearly seven million barrels of oil we import daily.

This conference is dealing with the most immediately available alternative to imported oil for our liquid fuel needs—alcohol fuels produced from domestic resources. It is an honor for me to address leaders from industry and government who will play a vital role in our Nation's efforts to become more self-sufficient in energy production.

I'd like to open my remarks today by sharing with you two recent news stories. One has received much play in the press. The other, very little. One deals with the world energy situation. The other with U.S. agricultural production. In ordinary times, one would not draw any connecting thread between the two stories. However, these are not ordinary times we live in.

The first story deals with the decision of Japan to finally say no to the oil blackmail of Iran. In an editorial applauding the Japanese refusal to pay increased prices for Iranian crude oil, the Washington Post noted that ". . . the twists and turns of Iranian oil policy will make less difference than they once did. World markets can probably absorb any further reductions without major strain."

I too welcome the first tentative steps of the Japanese and our European allies to join in our fight to free the 50 American hostages. But Iranian production had already fallen to such a low level—from 6 million barrels per day before the revolution to less than 2.5 million today, with 1.5 million of that sold on the world oil market—that the final step was not a drastic one. The world has adjusted to decreasing Iranian oil production through increased production by other nations and through the conservation that has been encouraged by OPEC's monopoly pricing.

However, I do not share the sanguine view held by the Washington Post—and many others who are basking in the present "glut" of oil and gasoline—that further oil production disruptions can be absorbed without significant consequences. The disappearance of last year's gasoline lines should not mislead us: we are still dangerously dependent upon imported petroleum.

In April 1979 we imported petroleum at a rate of 8.2 million barrels per day. During the same period in 1980 we still imported 6.9 million barrels daily. While this is better than a 15 percent decrease in imports, much of our oil still comes from nations that are politically and militarily unstable. This Nation still faces a liquid fuel deficit of crisis proportions.

Now let's get to the second article, buried on page 38 of the Wall Street Journal of April 18. The Journal reported that the U.S. Department of Agriculture has announced the results of its spring survey of American farmers' planting intentions.

Despite the usurious interest rates on loans for seed, fertilizer, and the other necessities of the crop year, and despite the present low prices for corn, American farmers are planning on putting in an estimated 82 million acres of corn this year. That is two million acres more than last year when a record crop of more than 7.5 billion bushels of corn was harvested.

This can have only two results—larger surpluses on hand and lower prices for farm products.

Now, there should be a third news article. That story would indicate just how the U.S. will use its over-abundance of corn to attack the problem of its liquid fuels deficit. I would like to address just why that article is not being written, and offer suggestions on how we might begin writing it.

At the time of the Russian grain embargo last winter, President Carter made a major commitment to increase the production of fuel alcohol. The Administration set a target—500 million gallons of additional construction capacity by the end of 1981. Many now are calling for 2 billion gallons per year by mid-decade. A challenge was put to American industry to use its ingenuity and capital to undertake the first phase of a vitally needed domestic synthetic fuels industry. And industry is responding. Gasohol production and use is growing.

In 1978, fuel ethanol production in the U.S. totalled 5–10 million gallons. Projected 1980 production is expected to be 150 million gallons.

The first permanent commercial gasohol service stations opened in Kansas, Nebraska and Illinois in 1978. Today, over 4,000 stations offer gasohol in 40 states. Major oil companies have entered the market—sixteen at last count—and some have shown more than passing interest in producing their own ethanol instead of relying on outside suppliers.

The Congress to is responding to the President's challenge. A myriad of legislation has been introduced dealing with alcohol fuels—some 113 separate bills at last count. In several crucial areas, the Congress has already acted.

To encourage private sector investment in alcohol fuel production, a clearly defined federal tax policy on alcohol fuels was needed. With enactment one month ago of the Crude Oil Windfall Profit Tax Act of 1980, federal alcohol fuels tax policy—containing significant incentives—was clearly established.

The Congress is also in the final stages of action on the Synthetic Fuels bill, S. 932, which contains new programs and funding for biomass-based synthetic fuels, such as alcohol.

Last November, anticipating the establishment of the new Synthetic Fuels Corporation, the Congress appropriated $2.2 billion for the Department of Energy to begin a new federal synthetic fuels program. Private sector applications for funding under this program have now been received, and it is expected that funding awards for project feasibility studies and cooperative agreements will be made before mid-summer.

The Congress recognizes the importance of alcohol fuels as the only near-term synthetic fuel which can contribute to decreasing dependence on OPEC oil. I expect that a domestic alcohol fuels industry is firmly established in this country.

Yet, there is still much to be done if gasohol and other alcohol fuels are to help reduce U.S. oil consumption.

The strength of U.S. industry must be harnessed and directed to rapidly expand our alcohol fuels production capacity. In the near term that means ethanol from biomass. In the longer term we must also rely upon our coal. The technologies for alcohol production are proven. Although additional production capacity is needed to make ethanol cost-competitive with petroleum-based gasoline, ethanol technology has advanced to a greater degree of commercialization than that for any other proposed synthetic fuels. Yet, we do not have the national commitment, we have not drafted the clear strategy, to let the private sector know that the developing alcohol fuels industry is a legitimate and important contributor to the Nation's energy needs.

We have not faced up to the hard questions: What needs to be done in the near term to assure the creation of an alcohol fuels industry that can lessen our dependence upon imported oil? What problems, perceived and real, stand in the way of a major national commitment to alcohol fuels production and use?

The public views synthetic fuel as an imported oil substitute that will come on line later this decade or in the early 1990's. Yet if we do not begin to develop markets for synthetic fuels in the near term, there will be no long term.

Let me first address the perceived problems that stand in the way of increased alcohol fuels production. I would like to deal directly with what I consider the most dangerous public perception that may affect alcohol fuels production in the nation. That is the so-called, but badly misrepresented "food versus fuel" issue.

Well-meaning, but poorly-informed persons, and the press, have made much of the contention that a major effort by this Nation to increase alcohol fuels production will put extreme pressures on the price of food in this Nation and the availability of food for export to the hungry of the world.

Mr. David Freeman, the Chairman of the Tennessee Valley Authority, has referred to efforts to increase grain ethanol production as a "fever" and a "joy ride at the expense of food supply in a starving world."

Mr. Lester Brown, in his widely publicized pamphlet for the World Watch Institute, speaks of a direct confrontation between the affluent, automobile-driving minority of the world who will be in competition with the underfed majority for food crops to be turned into ethanol rather than consumed as food.

And the Washington Post has most recently characterized federal incentives for fuel alcohol production as "wanton public policy" and "an attempt to increase the flow of gasoline by invading, foolishly and recklessly, the nation's food supply."

I believe the time for such empty, irresponsible rhetoric is past. The Nation is ill-served by highly publicized, but simplistic pronouncements that alcohol fuels are leading us to famine and disaster.

It's high time to look at facts regarding grain ethanol production:

Fact Number One: Most of the corn grown in this country is for animal feed, not human consumption.

The grain crop in question is corn. Over 95 percent of 1979 fuel ethanol production was from corn. Given the abundance of this crop, our grain ethanol production will be based largely on corn for the near term.

During the 1979 crop year, we produced over 7.5 billion bushels of corn. Some 615 billion bushels—about eight percent—will be used for human consumption, seed, and industrial purposes.

4.3 billion bushels will be used domestically as feed for beef, pork and poultry. About 2.4 billion bushels will be exported as feed. Over 85% of that is going to developed nations, primarily to Western Europe, Eastern Europe, and Japan. Approximately 200 million bushels will be surplus.

In addition to 1979 production, almost 1.1 billion bushels of corn are presently being stored under Government sponsored price support programs. About half of this could be drawn down with no danger of reducing the safety margin provided by crop year carryovers. Given this year's proposed large-scale planting, we may face a repeat of last year, with larger surpluses and larger carryovers.

The problem of world hunger is, therefore, not affected by corn production, or markets. What are the crops with which we help feed the hungry of the world? Wheat and rice. In 1979 we produced 1.8 billion bushels of wheat and 220 million bushels of rice. Of this total amount, 637 million bushels are being exported to Third World nations. Conversely, only 273 million bushels of corn—less than 4 percent of production—will be exported to Third World nations for use in feeding animals.

Fact Number Two: The causes of inflation in food prices lie not with the American farmer, but somewhere between the farmer and the consumer.

Many contend that increased production of alcohol from grain will add to our present high rate of inflation in food prices. Let's look at that.

Since 1970 the price of food to the consumer in this Nation has doubled. During that same time the price of corn has risen 55 percent—half the rate of growth in food prices. The price of beef fed from this corn and delivered to the packing house has risen 145 percent. And the price of beef at the supermarket has risen 208 percent.

It is estimated that the corn portion of an optimal beef ration contributes approximately 3 percent to the final cost of the beef.

I contend that we should look elsewhere than the American farmer for the source of food price increases. A likely place is energy costs.

The rapid escalation in petroleum prices—a tenfold increase since 1973—is a central element in inflation throughout the economy. By cutting the need for imported petroleum, domestically-produced alcohol can help stabilize energy costs, and indirectly fight inflationary pressures on food prices.

Fact Number Three: The production of alcohol from corn does not destroy the grain's protein value.

The production of grain ethanol from corn also provides other valuable by-products including feed protein, gluten meal, and germ. In producing the ethanol, all the protein is preserved, and the bulk of water and starch removed. The resulting animal feed is a higher protein element for animal feed rations than corn. The food energy removed from the corn can be replaced by forage crops in animal rations.

The effectiveness of distiller grains as animal feeds has been proven. Livestock tests have found that the nutritious by-products of corn-to-alcohol production can displace a significant portion of the corn used in feed rations by adding to the by-products an abundant, low-value substitute like corn stover. Experiments have also shown that the mixture has the additional benefit of producing a leaner grade of beef which is in increasing demand.

Other research is now going on to use the high protein by-products as human food.

Fact Number Four: Alcohol Production is not constrained by the supply of corn, but by distilling capacity.

We can achieve and maintain a 1985 2 billion gallons-per-year production target while meeting all projected feed, fiber, and export needs. Put another way we can produce enough grain-based gasohol to supply one-fifth of our present gasoline use without adversely affecting food availability and prices.

Current and projected corn production and export levels will provide a margin of at least 800 million bushels of corn per year—enough to produce 2 billion gallons of alcohol per year.

The production of ethanol from corn will not only help solve our energy problems, but can also provide a more productive alternative to conventional government approaches dealing with surplus grain.

Earlier this year I introduced in the Senate the Energy Independence Grain Reserve Act, which has been designed to accomplish two important goals: to establish a new dependable market for our farmers and to help us produce more domestic energy from renewable resources.

This bill will immediately address the concerns of our farmers by getting the surplus grains resulting from the Russian embargo off the market and permitting corn prices to rise to their normal level. Also under my bill, embargoed grain can be used only for the production of alcohol fuels.

The reserve will insure that alcohol fuel producers will have a dependable source of feedstock supply. Over the next 2 to 3 years, this grain should be used up in producing alcohol fuels.

As this grain is removed, a longer-range program will begin taking effect. The energy independence reserve will work much like the present farmer-held reserves. Alcohol producers will receive a loan for placing crops into the reserve. This commodity can be removed only for the production of alcohol fuels.

Producers could hold up to one year's supply in the reserve. There would be encouragement to build up the reserve when prices were low (which would provide good market prices for the farmer) and to withdraw commodities from the reserve when prices were high.

Looking into the future, I can foresee the energy independence reserve providing alcohol production using feedstocks beyond grain stock costs and supplies, and providing a dependable new market for farmers, eliminating the need for costly set-aside and crop diversion programs. The benefits will be twofold: stabilizing the volatile grain market while helping to solve our energy problems through the production of alcohol fuels.

Fact Number Five: The potential for alcohol production using feedstocks beyond grain is vast.

Corn is not and will not be the only feedstock for producing alcohols. Other feedstocks such as sugar beets, grain sorghum, potato culls, and food processing wastes, either are now being used to produce alcohol or soon will be as new plants, already announced, come on line. Plants converting these items into alcohol are likely to contribute a significant share to the President's goal, particularly outside the grain belt, where transportation costs make corn less competitive with other feedstocks.

Different regions of the country will use those resources which are most economical and readily available. An alcohol plant in Maine will use the cheapest carbohydrate source locally available, in this case potatoes. In fact, a group of investors in Maine is now drawing up plans to build such a plant that would use potato "culls"—those judged unsuitable for market—which normally would be thrown away.

Within four or five years we expect to develop commercial processes to convert cellulose—plant fiber—into alcohol, opening up a vast new source of feedstock. Cellulose feedstocks can be obtained from municipal solid wastes, corn cobs, tree farm wastes, sawmill wastes, and crop residues.

For instance, about 400 million tons of crop residues are produced in the U.S. each year. Not all of this would be economically recoverable, and much of it would be needed to remain on the ground to replenish the soil and protect against erosion. Taking these factors into consideration, an estimated minimum of 5 billion—and as much as 7 billion—gallons of alcohol could be produced each year.

The development of technology to use cellulosic material from biomass will be a key factor in the ability to produce larger amounts of alcohol fuel from non-feed materials. The future potential for alcohol fuels lies in the supply of diverse biomass feedstocks—agricultural and non-agricultural—and coal which this Nation has in abundance. But that promise will not be realized unless we take the important first step of creating an alcohol fuels industry using currently available feedstocks and technology.

Now I would like to turn to what I consider the two real impediments to increased alcohol production—a lack of available funding in the private capital markets and the lack of a clear federal policy and commitment to alcohol fuels.

High interest rates and tight money policies are having a disastrous effect on construction activity throughout the Nation. The problem is compounded for those considering the construction of alcohol distilleries. They face not only the tight money problem, but also the conservatism of investment houses and lending institutions that feel uneasy putting large amounts of venture capital into an emerging industry.

Preliminary figures gathered by the National Alcohol Fuels Commission indicate that in the past 8 months, plans have been announced for the construction of over 200 alcohol fuels plants with a cumulative capacity of over 1 billion gallons per year. Yet, these plans often falter at the point of financing. Despite positive feasibility studies, solid innovative engineering, and a demand for alcohol that far outstrips supply, potential alcohol producers are having trouble attracting private financing at reasonable rates.

The Commission recently completed a week of field hearings in Wisconsin, South Dakota, Idaho, and Montana. Without exception, the issue of tight money and high interest rates was the key impediment to potential producers, large and small. My colleague Senator George McGovern reported that a witness at his hearing in Aberdeen, South Dakota, had, after months of haggling, finally arranged for financing—at a 21 percent interest rate!

The second most widely-voiced source of exasperation to potential alcohol producers is the apparent lack of a strong federal commitment to alcohol fuels.

The ultimate success of a domestic alcohol fuels industry will depend on private capital and individual enterprise. There will not be sufficient Federal funding to construct every alcohol fuels plant needed to significantly reduce oil imports. Yet, some level of Federal support is needed to provide the impetus for the industry to get started.

There are currently 14 Federal funding programs to provide financial assistance for a variety of alcohol fuels projects including commercial, on-farm, non-profit and research and development projects.

Of these 14 programs for which alcohol fuels are technically eligible, 7 programs with funding totaling $2.4 billion are specifically designed to benefit alcohol fuels. However, the overwhelming majority of this total funding ($2.2 billion) is contained in the DOE Public Law 96–126 program where alcohol fuel is only one of 7 alternative fuels competing for the funding. To date, under all 14 Federal programs, final approval has been given to only 11 alcohol fuels projects in the private sector, and only two of these will have annual production capacity exceeding one million gallons.

The money provided by the Congress is not being obligated by the Department of Energy, Department of Agriculture and others to accelerate the construction of alcohol fuels plants. Somewhere between the President's commitment to a domestic alcohol fuels industry and the execution of that promise through the Federal bureaucracy, there has been a breakdown in communications.

If that breakdown persists, we will not achieve the goals set by the President, nor will we make progress toward significant production of alcohol fuels from all biomass as well as coal.

It is for this reason that, as Chairman of the National Alcohol Fuels Commission, I am today calling major hearings to be held in Washington, D.C. next month to determine what progress is being made in getting alcohol fuels production moving, and to identify those impediments which must be removed if we are to move ahead.

The Commission will deliver to the President a progress report on his alcohol fuels production goals, and suggest ways in which he may move Federal policy toward increased production of alcohol from biomass.

The critical problems this Nation is facing as we enter the 1980's can be traced in one degree or another to a larger problem—the cost and availability of imported petroleum.

Our hands are tied in the conduct of foreign policy by an immoral and criminal regime in Teheran.

We are sending dollars and jobs overseas in exchange for increasingly expensive imported oil.

Our citizens are caught in a dangerous and demoralizing spiral of inflation and unemployment.

And our institutions and leaders seem incapable of coping with each succeeding energy-related crisis.

This Nation cannot shrink from, nor deny any longer, the fact that failure to come to grips with the problem of imported petroleum will lead us to a crisis unparalled since World War II.

You here today—leaders of the newly emerging alcohol fuels industry—must respond to this challenge. I intend to do everything in my power as a U.S. Senator and as Chairman of the National Alcohol Fuels Commission, to work with you to see that this critical national resource makes its fullest contribution to removing this Nation and its citizens from under the thumb of OPEC.●

A WELLNESS PROGRAM

● **Mr. DURENBERGER.** Mr. President, for most people the term "health care" is a misnomer. Government programs, benefits provided by employers for employees and even visits to the family doctor could more aptly be called sick care. The whole focus of our health care system is on taking care of the sick; little attention is paid to preventing illness by keeping people healthy.

At least one employer, though, is breaking out of that mold. Scherer Bros. Lumber Co. in Minneapolis has pioneered a wellness program for its 135 employees. The idea of the innovative program is to encourage workers to stay healthy, rather than rewarding them for their illness.

The program is a model of holistic health care. Counseling is available to help employees deal with emotional or lifestyle problems; snack machines dispense fruit instead of candy; a nutritionist plans wholesome meals that are served free of charge; and, employees and their families are encouraged to use the recreational and exercise facilities the company provides without cost.

The wellness program costs a modest $10,000 a year. That small investment by Scherer Bros. has had some very tangible and remarkable results. For example, while the industry absenteeism rate is 3 to 4 percent, Scherer Bros. enjoys a rate of 0.3 percent.

Mr. President, I am convinced that Scherer Bros.' innovation must be the standard for future health care plans. Preventive care has proven to be more effective and far less costly than sick care.

I ask that the April 27 article from the St. Paul Pioneer Press be included in today's Record.

The article follows:

Lumber Company Pays Employees To Eat Properly and Stay Healthy

(By Gale Tollin)

Salt has disappeared, the cigarette and candy bar machines are gone, and there's "well pay" but no sick leave at Scherer Brothers Lumber Co. in Minneapolis.

In the wellness program it is pioneering, the firm also provides employees with free fruits for snacks, an exercise program and nutritious midday meals.

"Everything that's good for people is in one of our programs," enthusiastically boasts Greg Scherer, an owner of what may be the Big Daddy of family-owned lumber yards.

The company, founded 50 years ago by Scherer's father and uncle, occupies a 13-acre Minneapolis site, employs 135 people and has annual sales in excess of $30 million. Scherer says it once was, and still may be, the nation's largest family-owned retail yard in one location.

For years, the company has provided free lunch to its office workers. Also, it has paid the cost of chemical dependency treatment while continuing workers on two-thirds pay during the treatment period. Additionally, the company has been paying $6 per employee yearly on a contract with Human Resource Associates, which advises people on where they can get counseling for marital, financial or legal problems or chemical dependency.

Scherer, 33, who exercises by running and playing rugby, began pushing wellness in earnest last summer, after he and a few others from the company attended a seminar on holistic health. He had noticed that some of his cousins in the company were developing "corporate waistlines."

"And it's a little disgusting to see someone retire, and a couple years later we get a call for pallbearers," he says. "Why can't more retired people live into their 90s?"

A six-member wellness committee was set up, and all sorts of things happened.

"Well pay" was begun. An employee is rewarded with two hours' extra pay each month he or she hasn't been absent or late.

Cigarette machines were thrown out. And workers who used to "get the shakes" from drinking 40 cups of coffee a day now find only decaffinated coffee available, Scherer says.

Candy bars are no longer sold in vending machines, but fruit juice is. Employees can snack on apples, oranges, bananas and in-season fruits provided free by the company.

Midday meals prepared by the firm's nutritionist, Donna Faber, and served without charge to the 39 office workers, now feature salads and other wholesome foods. High-fat foods are avoided. Butter has been discontinued. Salt shakers have been removed from the tables.

"We don't get one greasy meal a month any more," cracks yard foreman Curt Olson.

Scherer says, "Instead of tearing down bodies with foods that cause cancer and heart disease, we try to provide food that maintains the human machine and makes people healthier in the workplace."

Next year Scherer Brothers plans to move into new quarters in Plymouth, a Minneapolis suburb, and expand the meal program to the 96 yard workers. There also will be a gymnasium where off-duty employees and their families can play basketball or racquetball and use exercise equipment and saunas.

The expenditures haven't been computed, but Scherer says the wellness program "didn't cost tons of money." He thinks it costs about $10,000 a year.

Likewise, the results haven't been methodically evaluated. But they're good enough already to give Scherer good feelings.

There were 15 to 20 smokers in the office before the program began, and only six now.

The absenteeism rate of 0.3 percent compares, Scherer says, with 3 to 4 percent for the industry.

The company pays for medical insurance but an employee who misses work because of illness also misses his pay. The only "excuses" from work are for vacations, holidays, funerals or jury duty.

Scherer considers "well pay" an improvement over sick pay. "When one or two weeks' sick leave is allowed a year, it's amazing how many people can get sick exactly five or 10 days," he says.

The first thing the wellness committee did last summer was to distribute to employees, over a four-week span, printed information explaining the concept of holistic health.

Next, questionnaires were circulated for a "lifestyle profile." Employees were asked such things as how many stairs they climb daily, how often their blood pressure is checked, if they're overweight, how much liquor they consume, if they maintain a high roughage diet, whether they enjoy solitude and quiet walks and if they bite their fingernails or listen to rock music.

That was followed by another questionnaire, asking employees to help choose programs in which they would be willing to participate. Self responsibility was stressed.

"Wellness takes commitment," Scherer says. "It's not fun throwing away salt and butter.

"What we've done is educate people on what the program is all about, and give them the conviction to do it for themselves, to show them that they're responsible for their own health."

Nothing was forced on the employees.

"We try to offer alternatives," says Scherer. "If people want candy, they can bring their own. We still have designated smoking areas for those who want to smoke. We provide lunch but we don't make people go in there and eat it. If people insist on salting their food, they can bring salt from home."

"Buying in is a matter of commitment, a personal decision. We have some people who participate vigorously, and we have a few who vigorously tend to ignore the program," he says.

Scherer says the health program is sketchy, embryonic and largely unstructured. "We've been doing things mainly as we see a need to do them," he says.

But Scherer says it would be nice if every company had a wellness program.

"And what would be even better," he says, "would be wellness in the workplace without wellness programs."●

NATIONAL METRIC WEEK—MAY 5-9, 1980

● Mr. **CANNON**. Mr. President, May 5-9, 1980, has been designated National Metric Week. In conjunction with other activities being scheduled for National Metric Week, the U.S. Metric Board is conducting a briefing for Members of Congress and their staff on Friday, May 9, 1980, from 9 a.m. to 12 noon in room 6226 of the Dirksen Senate Office Building. At this time, members of the U.S. Metric Board wish to meet Members and staff interested in the issues of U.S. metric conversion. During the briefing, the members of the Metric Board will provide information on the status of U.S. voluntary metric conversion activities and background information on the metric system.

The use of the metric system of measurement in the United States is having, and will continue to have, an increasing influence on our daily lives. Many items have been described in metric terms for some time, such as film and pharmaceuticals. Beginning to appear in metric sizes are automobiles, wine and distilled spirits, and soft drinks. The public and private sectors of our Nation are gradually converting to use of the metric system, whenever its use is determined to be cost effective. The American public must be well informed concerning this metric conversion.

The U.S. Metric Board, which has been in existence for almost 2 years, was established to plan and coordinate the increasing voluntary use of the metric system in this country. The Board is charged with broad responsibilities to familiarize the public with the meaning and applicability of metric terms and measures.

I support the efforts of the U.S. Metric Board to inform our citizens about the metric system, and I invite my colleagues to attend the May 9, 1980, briefing, to be conducted by the U.S. Metric Board in conjunction with National Metric Week.●

OUR GLOBAL STRUGGLE WITH COMMUNIST IDEOLOGY

● Mr. **DOMENICI**. Mr. President, the following article by Elizabeth Pond of the Christian Science Monitor is a somber reminder of our global struggle with Communist ideology. I ask that it be printed in the RECORD.

The article follows:

MANY EUROPE COMMUNISTS HUM MOSCOW'S TUNE

(By Elizabeth Pond)

PARIS.—A major portion of Europe's Communist parties has tolled the end of their heresy which challenged Moscow's ideology.

At the same time, the 22 parties meeting here launched a major campaign against NATO deployment of middle-range nuclear weapons.

Both results were worth the cost to Moscow of the conspicuous absence in Paris of softer-line Communist parties like the Italian, Spanish, Yugoslav, and even Romanian parties, noncommunist analysts believe.

The result of drawing a sharp distinction between themselves and the French Socialists were also worth the domestic costs to the French Communists, the analysts believe.

The campaign against deployment of middle-range nuclear weapons agreed on by NATO last December was kicked off by the Paris meeting's sharp condemnation of these weapons, the Finnish party's proposal for a rally of all "peace forces" this summer in Helsinki—and the meeting's careful avoidance of formal endorsement of the Soviet occupation of Afghanistan.

The French and other parties at the Paris meeting have already declared their backing of the occupation, but they did not draw the public's attention to this in their communique and press conference closing the meeting. They focused instead on the theater nuclear weapons that NATO plans to deploy three years from now to counter the already deployed Soviet SS-20 theater missiles.

The Paris meeting also marked the end of a Eurocommunist pretension to a legitimate communist policy critical of Soviet foreign assertiveness and domestic repression. The French party clearly ended its flirtation with such a course when party leader Georges Marchais approved the Soviet invasion of Afghanistan in Moscow last January. But the assembled European Communist parties have now given their collective stamp of approval to this retreat.

The atmosphere could not have been further removed from the last Communist Party conference in East Berlin in 1976. There the Italian and Spanish parties publicly challenged Soviet leadership, and Spanish party leader Santiago Carrillo spoke of the need for the communist "church" to emerge from its "catacomb" mentality. Under the Eurocommunist onslaught Moscow reluctantly agreed to drop the phrase "international proletarianism"—the code word for a Soviet monopoly on communist leadership—from the final 1976 communiqué.

Today, Moscow is no longer willing to risk such a temptation to the ruling East European Communist parties to distance themselves from Moscow.

For the French Communist Party, the short-term cost of losing a percentage point or two of votes because of its hardline support of the Soviet Union is worth the expected long-term gain of establishing itself as the only party of leftist opposition in France. Ever since 1977—and especially since the death last summer of Jean Kanapa, the communist foreign-policy theoretician of the united front with the French Socialist Party—the French Communist Party has been viewing its 1972-77 policy of a united front as a mistake.

French communist support for the Afghan occupation and an aggressive campaign against NATO modernization will now clearly separate French Communists and Socialists. The Socialists have enthusiastically backed French nuclear modernization, and have diluted their mild opposition to NATO modernization with concurrent opposition to Soviet SS-20s. But the Italian Communist Party has thrown a monkey wrench into the French Communist strategy, however, by beginning a new "Euroleft" dialogue with Socialist (French) and Social Democratic (West German) parties this year.●

LITHUANIAN INDEPENDENCE

● Mr. **GOLDWATER**. Mr. President, it is my privilege to join with Americans of Lithuanian descent in recalling the quest of the Lithuanian people for the restoration of independence and freedom of Lithuania as a sovereign nation.

Sixty-two years ago, in 1918, Lithuania emerged as a free nation and declared her independence from a long history of Russian and German rule. The Lithuanian people enjoyed a span of 22 years living in independence, but then were cruely betrayed as a result of a conspiracy between Nazi Germany and the Soviet Union.

In 1940, the Soviet Union occupied Lithuania by force, replacing the independent government by a puppet regime. Freedom of religion was one of the first freedoms to be crushed. Then on June 15, 1941, over 34,000 Lithuanians were packed off in cattle cars to scattered points in the Soviet Union. After World War II, these mass deportations resumed and continued at least until 1953.

Against all these depredations, the Lithuanian people have kept alive the spirit of freedom. Lithuanians behind the bars of communism and persons of Lithuanian descent everywhere long to restore the freedom that the Declaration of Independence of 1918 gave the Lithuanian nation.

When we hear apologists for the Soviet Union argue we can believe the promises made by Communist tyrants, it would be well for us to remember the betrayal of Lithuania. We should recall that Lithuania and the Soviet Union had signed a peace treaty, under which the Soviets recognized, without any reservations, "the sovereignty and independence" of Lithuania. This treaty was tossed aside following the evil pact entered into between Adolf Hitler and Joseph Stalin, and the Russians proved to the world that treaties mean no more to them than mere scraps of paper designed to lull an unthinking world.

To our great credit, the United States has never recognized the validity of the Soviet occupation of the Baltic States. We have continued to confer official recognition on the diplomatic corps established by an independent Lithuania, Latvia, and Estonia.

It is important that our Government retain this policy. It is undoubtedly a policy that has a powerful effect on lessening the oppressive nature of Soviet occupation. Also, continued American recognition of an independent Lithuania gives abiding hope to the Lithuanian people.

Moreover, I will note that on August 1, 1975, the United States and the Soviet Union were among 35 nations signing the Helsinki Act. One of the articles in this agreement provides that:

> The participating states will respect human rights and fundamental freedoms.

Article VII of the Helsinki agreement specifies further:

> They will promote and encourage the effective exercise of civil, political, economic, social, cultural, and other rights and freedoms, all of which derive from the inherent

dignity of a human person and are essential for his free and full development.

In the spirit of the Helsinki accords, I call upon my Government and all Americans to continue our condemnation of any action that suppresses the self-determination of nationalities, such as Lithuanian people. We must always remember this brave people and remain firm in our resolve to promote that day when all Lithuanians can again live in freedom and independence.

Mr. President, I ask that the resolution adopted earlier this year by the Lithuanian-American community of Phoenix, Ariz., may be printed in the RECORD.

The resolution follows:

RESOLUTION

We, Lithuanian-Americans of Phoenix, Arizona, at a meeting held on February 24th, 1980 to commemorate the 62nd anniversary of the reestablishment of the independent state of Lithuania on February 16, 1980 and the 729th anniversary of the formation of the Lithuanian Kingdom in the year 1251, send our warmest greetings to the people of Soviet-occupied Lithuania, pledge our unwavering support for the restoration of Lithuania's sovereignty and unanimously adopt the following resolution:

Whereas, in 1918, the independent state of Lithuania was reestablished by the free exercise of the right of self-determination of the Lithuanian people; and

Whereas, by the Peace Treaty of July 12, 1920, Soviet Russia officially recognized the sovereignty and independence of Lithuania and voluntarily renounced forever all claims to Lithuanian soil and her people; and

Whereas, until 1940, Lithuania was a sovereign nation, a member of the League of Nations and a signatory of numerous international treaties with the Soviet Union; and

Whereas, the Soviet Union, during the period of June 15 to June 17, 1940, invaded and occupied Lithuania and subsequent to that invasion forcibly annexed the Lithuanian nation into the Soviet Union; and

Whereas, the Soviet Union continues to conduct a policy of colonization, forced Russification, ethnic dilution, and religious and political persecution; and

Whereas, the people of Lithuania to this day are risking and sacrificing their lives in defiance of the Soviet regime, as recently made evident by the numerous arrests of the members of Lithuanian Helsinki Monitoring Group, signers of the August 23, 1979 petition to the Secretary General of the United Nations and publishers of "The Chronicle of the Catholic Church in Lithuania" and other dissident publications; and

Whereas, the United States government maintains diplomatic relations with the government of the Free Republic of Lithuania and consistently has refused to recognize the unlawful occupation and forced incorporation of this freedom-loving country into the Soviet Union; and

Whereas, the 89th Congress of the United States unanimously passed House Concurrent Resolution 416 urging the President to raise the question of the Baltic nation's status at the United Nations and at other international forums; and

Whereas, the 96th Congress of the United States unanimously passed House Concurrent Resolution 200 and Senate Concurrent Resolution 54 expressing the sense of the Congress with respect to the independence of the Baltic States and with respect to Soviet claims of citizenship over certain United States citizens; now, therefore

Be it resolved, that we, Lithuanian-Americans, will urge our representatives in Congress to sponsor and adopt H.R. 5407, recently introduced into the 96th Congress, authorizing continuing appropriations for the Lithuanian Legation in the United States and providing for continued diplomatic representation; and, further,

Be it resolved, that copies of this resolution be forwarded to the President of the United States, the Secretary of State, the United States Ambassador to the United Nations, the United States Senators, members of the U.S. House of Representatives, the Lithuanian Minister in Washington, D.C., the Lithuanian Consuls in New York City, Chicago and Los Angeles, and to all appropriate representatives of the press.●

S. 2636—CORRUPT HORSE RACING PRACTICES ACT OF 1980

● Mr. PRYOR. Mr. President, due to an oversight, the text of S. 2636 was not printed in the RECORD at the time of introduction. I ask that the text be printed in the RECORD at this time.

The bill follows:

S. 2636

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be referred to as the "Corrupt Horse Racing Practices Act of 1980".

SEC. 2. DEFINITIONS.

As used in this Act—

(1) the term "Administrator" means the Administrator of the Drug Enforcement Administration, Department of Justice;

(2) the term "drugging," when used with respect to a horse entered in a horse race, means the administering to a race horse of any substance, foreign to the natural horse, prior to the start of a horse race;

(3) the term "numbing," when used with respect to a horse entered in a horse race, means the applying of ice, dry ice, a cold pack, or a chemical or mechanical freezing device to the limbs of a race horse within 10 hours before the start of such horse race, or a surgical or other procedure, which was, at any time, performed in which the nerves of such horse were severed, destroyed, or removed;

(4) the term "horse race" means any race of equine animals in any State in which parimutuel betting on the outcome of such race is permitted in such State;

(5) the term "entered", when used with respect to a horse race, means that a horse has been registered with the Racing Secretary or other authorized racing official as a participant in a specified race, and not withdrawn prior to presentation of the horse for inspection and testing pursuant to section 6(a);

(6) the term "State" means any of the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of Northern Mariana Islands, the Virgin Islands, Guam, American Samoa, and the Trust Territory of the Pacific Islands.

SEC. 3. FUNDINGS.

The Congress finds that—

(1) the practice of drugging or numbing a race horse prior to a horse race—

(A) corrupts the integrity of the sport of horse racing and promotes criminal fraud in such sport,

(B) misleads the wagering public and those desiring to purchase such horse as to the condition and ability of such horse,

(C) poses an unreasonable risk of serious injury or death to the rider of such horse and to the riders of other horses competing in the same race, and

(D) is cruel and inhumane to the horse so drugged or numbed;

(2) the practice of drugging or numbing a race horse adversely affects and burdens interstate commerce; and

(3) criminal penalties and other sanctions are necessary in order to prevent and eliminate such practices.

SEC. 4. PROHIBITED CONDUCT.

The following conduct is prohibited:

(1) the entering of a horse in a horse race by the trainer or owner of such horse if such trainer or owner knows or if by the exercise of reasonable care such trainer or owner should know that such horse is drugged or numbed;

(2) the drugging or numbing of a race horse with knowledge or with reason to believe that such horse will compete in a horse race while so drugged or numbed: *Provided*, That the Administrator may by regulation establish permissible trace levels of substances foreign to the natural horse that he determines to be innocuous;

(3) the willful failure by the operator of a horse racing facility to prohibit a horse from competing in a horse race if such operator has, in accordance with section 6(a) of this Act, been notified that such horse is drugged or numbed, or was not properly made available for tests or inspections as required under such section; and

(4) the willful failure by the operator of a horse racing facility to prohibit a horse from racing if such operator has, in accordance with section 5(f) of this Act, been notified that such horse has been suspended from racing.

SEC. 5. PENALTIES AND ENFORCEMENT POWERS.

(a) CRIMINAL PENALTIES.—(1)(A) Except as provided in subparagraph (B) of this paragraph, any person who violates any provision of section 4 of this Act shall, upon conviction thereof, be fined not more than $10,000, or imprisoned for not more than 1 year, or both.

(B) Any person who violates section 4 of this Act and who has been previously convicted for a violation of such section shall be fined not more than $25,000, or imprisoned for not more than 3 years, or both, upon conviction.

(2)(A) Whoever forcibly assaults, resists, opposes, impedes, intimidates, or interferes with a person while such person is engaged in or on account of the performance by such person of any official duties delegated to such person under this Act shall be fined not more than $25,000, or imprisoned not more than 3 years, or both.

(B) Whoever, in the commission of any of the acts referred to in subparagraph (A) of this paragraph, uses or threatens to use a deadly or dangerous weapon shall be fined not more than $50,000, or imprisoned not more than 10 years, or both.

(C) Whoever kills a person while such person is engaged in or on account of the performance by such person of any official duties of such person under this Act shall be punished as provided in sections 1111 and 1112 of title 18 of the United States Code.

(3) Whoever knowingly makes, or causes to be made, a false entry or statement in a report or account required to be made under this Act; knowingly fails to make full, true, and correct entries in such records; removes any such documentary evidence out of the jurisdiction of the United States; mutilates, alters, or by any other means falsifies any such documentary evidence; or refuses to submit any documentary evidence to the Administrator for inspection and copying shall be guilty of an offense against the United States, and upon conviction thereof shall be fined not more than $25,000, or imprisoned for not more than 3 years, or both.

(b) DISQUALIFICATIONS OF OFFENDERS.—(1) Except as provided in paragraph (2) of this subsection any person who violates any provision of this Act shall, upon conviction thereof, by order of the Administrator, be disqualified from entering a horse in a horse race, operating a horse racing facility, or performing for gain any service rendered in connection with horse racing, for a period not to exceed 1 year.

(2) Any person who violates any provision of this Act and who has been previously convicted for a violation of such Act shall, by order of the Administrator, be disqualified from entering a horse in a horse race, operating a horse racing facility, or performing for gain any service rendered in connection with horse racing, for a period not to exceed 5 years.

(c) CIVIL PENALTIES; REVIEW AND ENFORCEMENT.—(1) (A) Any person who knowingly violates an order of disqualification issued under subsection (b) of this section shall be liable to the United States for a civil penalty of not more than $15,000 for each such violation.

(B) The operator of a horse racing facility which knowingly allows a person to enter a horse in a horse race or perform for gain any service rendered in connection with horse racing in violation of an order of disqualification entered under subsection (b) of this section shall be liable to the United States for a civil penalty of not more than $15,000 for each such violation.

(2) No civil penalty shall be assessed against any person under paragraph (1) of this subsection unless such person is given notice and an opportunity for a hearing before the Administrator with respect to such violation. The amount of any such civil penalty shall be assessed by the Administrator by written order. In determining the amount of such penalty, the Administrator shall take into account all factors relevant to such determination, including the nature, circumstances, extent, and gravity of the prohibited conduct, and, with respect to the person found to have engaged in such conduct, the degree of culpability, any history of prior offenses, ability to pay, effect on ability to continue to do business, and such other matters as justice may require.

(3) Any person as to whom a civil penalty is assessed under paragraph (1) of this subsection may obtain review in the court of appeals of the United States for the circuit in which such person resides or has his place of business or in the United States Court of Appeals for the District of Columbia by filing a notice of appeal in such court within 30 days after the date of such order and by simultaneously sending a copy of such notice by certified mail to the Administrator. The Administrator shall promptly file in such court a certified copy of the record upon which such violation was found and such penalty assessed, as provided under section 2112 of title 28 of the United States Code. The findings of the Administrator shall be set aside if found to be unsupported by substantial evidence.

(4) If a person fails to pay an assessment of a civil penalty after it has become a final and unappealable order, or, if an appeal is taken, after the appropriate court of appeals has entered final judgment in favor of the Administrator, the Administrator shall refer the matter to the Attorney General, who shall recover the amount assessed in any appropriate district court of the United States. In such recovery action, the validity and appropriateness of the final order imposing the civil penalty shall not be subject to review.

(d) SUSPENSION OF HORSE FROM RACING.—(1) Any race horse found to have been drugged or numbed in violation of this Act shall, subject to paragraph (2) of this subsection, be suspended from competing in any horse race for a period of 6 months for the first infraction, and for a period of not less than 12 months for each subsequent infraction.

(2) No race horse shall be suspended under paragraph (1) of this subsection unless the owner of such horse is given notice and an opportunity for a hearing before the Administrator within 2 weeks after the date on which the infraction referred to in such paragraph is discovered. The appeal procedure set forth in subsection (c)(3) of this section shall apply with respect to any suspension order made in a hearing conducted under this paragraph.

(e) NOTIFICATION OF SUSPENSION AND DISQUALIFICATIONS.—Notification of all suspensions and disqualifications under this section shall be transmitted to the operator of each horse racing facility in accordance with such procedures as the Administrator shall by regulation prescribe.

(f) MODIFICATION OF PENALTIES.—The Administrator may, in his discretion, compromise, modify, or remit, with or without conditions, any civil penalty, disqualification, or suspension assessed under this subsection.

(g) PRODUCTION OF WITNESSES, BOOKS, PAPERS, AND DOCUMENTS: DEPOSITIONS: FEES: JURISDICTION.—(1) The Administrator may require by subpena the attendance and testimony and witnesses or the production of books, papers, or other documentary evidence relating to any matter under investigation or the subject of a proceeding under this Act. Witnesses summoned before the Administrator shall be paid the same fees and mileage as are paid witnesses in the courts of the United States.

(2) The attendance of witnesses and the production of books, papers, and documents, may be required at any designated place from any place in the United States. In case of refusal to obey a subpena served upon a person under this Act, the Administrator, or any party to a proceeding held before the Administrator under this Act, may petition the district court of the United States for the district in which such person is found, resides, or transacts business, to issue an order requiring such person to comply with such subpena.

(3) The Administrator may order testimony to be taken by deposition under oath in any proceeding or investigation pending before him, at any stage or such proceeding or investigation. A deposition may be taken before any person designated by the Administrator who has power to administer oaths. The Administrator may require the production of relevant books, papers, or other documentary evidence at the taking of such a deposition.

(4) Witnesses whose depositions are taken and the persons taking them shall be entitled to the same fees as are paid for like services in the Courts of the United States.

(5) The United States district courts, the District Court of Guam, the District Court of the Virgin Islands, the highest court of American Samoa, and the United States courts of the other territories are vested with jurisdiction specifically to enforce, and to prevent and restrain violations of this Act, and shall have jurisdiction in all other kinds of cases arising under this Act.

(h) DETENTION OF HORSES; SEIZURE AND CONDEMNATION OF EQUIPMENT.—(1) A person appointed under section 6 of this Act may detain (for a period not to exceed 24 hours) for examination, testing, or the taking of evidence, any horse at a horse race which is drugged or numbed, or which such veterinary doctor, based upon the results of an inspection, test, or other procedure conducted under such section, has probable cause to believe is drugged or numbed. Any horse which is detained subject to this paragraph shall not, during such detention, be moved from the place where such horse is so detained except as authorized by such veterinary doctor.

(2) Any equipment, device, paraphernalia, or substance used in violation of any provision of this Act or any regulation issued thereunder, or which contributed to the drugging or numbing of any horse at or prior to any horse race, shall be liable to be proceeded against by process of libel for the seizure and condemnation of such equipment, device, paraphernalia, or substance, in any United States district court within the jurisdiction in which such equipment, device, paraphernalia, or substance is found. Such proceedings shall conform as nearly as possible to proceedings in rem in admiralty.

SEC. 6. INSPECTIONS, TESTS AND RECORDS.

(a) APPOINTMENT OF PERSONNEL.—For purposes of detecting violations of this Act, the Administrator shall appoint qualified veterinary doctors, biochemists, and such other personnel as the Administrator considers necessary. Such veterinary doctors, biochemists, and other personnel shall, in accordance with such procedures as the Administrator shall by regulation prescribe—

(1) analyze the blood sample which shall be taken from each horse entered in a horse race no later than 4 hours before the start of such horse race to determine if such horse has been drugged;

(2) examine each horse entered in a horse race within 1 hour before the start of such horse race to determine if such horse has been numbed;

(3) analyze samples of urine or saliva which shall be taken immediately after a horse race from horses that competed in such race, to determine if such horses have been drugged;

(4) perform such other similar tests and inspections as the Administrator considers necessary to carry out this Act;

(5) store blood, urine and saliva samples in a frozen state or in any other appropriate manner so that they may be preserved for future analysis.

The identity of any race horse determined under this subsection to be drugged or numbed shall, in accordance with such procedures as the Administrator shall by regulation prescribe, be reported to the operator of the horse racing facility, the Administrator, and the appropriate United States Attorney. The identity of any race horse not made available, in accordance with such regulations as the Administrator shall prescribe, for any test or inspection required under this subsection shall likewise be reported to such operator.

(b) TESTING FACILITIES.—(1) The operator of a horse racing facility shall, in accordance with such regulations as the Administrator shall prescribe, provide the Administrator with adequate space and facilities in order that the inspections, tests, and other procedures described in subsection (a) of this section may be performed. Access to such space and facilities shall be restricted in accordance with such regulations as the Administrator shall prescribe.

(2) Any horse racing facility which fails to comply with paragraph (1) of this subsection shall, by order of the Administrator, be disqualified from holding horse races while such facility remains in noncompliance with such paragraph. The operator of a horse racing facility which violates such an order shall be liable to the United States for a civil penalty of not less than $10,000, and not more than $250,000 for each day of such noncompliance.

(3) The provisions of sections 5(c) and (f) of this Act, relating to the assessment, review, collection, and compromise, modification, or remission of a civil penalty apply with respect to civil penalties under this subsection.

(c) RECORDKEEPING AND REPORTING REQUIREMENTS; AVAILABILITY OF RECORDS.—The operator of any horse racing facility shall establish and maintain such records, make such reports, and provide such information as the Administrator may by regulation reasonably require for the purpose of implementing this Act or to determine compliance with this Act. Upon request of an officer or employee duly designated by the Administrator, such operator shall permit entry at all reasonable times for the inspection and copying (on or off the premises) of records required to be maintained under this subsection.

Sec. 7. Use of Employees of Drug Enforcement Administration and of Consenting States; Research Studies.

(a) the Administrator, in carrying out this Act, shall utilize, to the maximum extent practicable, the existing personnel and facilities of the Drug Enforcement Administration, Department of Justice. The Administrator is further authorized to utilize the officers and employees of any State, with its consent, and with or without reimbursement, to assist him in carrying out the provisions of this Act.

(b) The Administrator shall conduct research studies to develop methods and techniques to identify drugging and numbing practices. The Administrator may contract for such studies with universities, schools of veterinary medicine or other institutions or individuals having special expertise in the detection of drugging and numbing.

Sec. 8. State Exemptions.

At the request of the chief executive of any State, the Administrator shall exempt that State from the operation of this Act if he finds that the State has enacted and put into operation a comparable program to prohibit the drugging and numbing of race horses. In determining whether the State program is comparable, the Administrator shall examine the practices prohibited by State law, the inspections and tests required, and the penalties imposed. The Administrator shall review the operations of each exempted State's program on an annual basis and shall revoke the exemption if the program fails to meet the objectives of this Act. The assessment provided for in Section 11 of this Act shall not be levied in any exempted State.

Sec. 9. Reports to Congress.

On or before the expiration of eighteen calendar months following July 1, 1980, and every twenty-four calendar months thereafter, the Administrator shall submit to Congress a report upon the matters covered by this Act, including enforcement and other actions taken thereunder, together with such recommendations for legislative and other action as the Administrator deems appropriate.

Sec. 10. Authorization of Appropriations and Fees.

There are authorized to be appropriated to carry out this Act $5,000,000 for the period beginning July 1, 1980, and ending September 30, 1981. For the fiscal year beginning October 1, 1981, and each fiscal year thereafter the Administrator may, in order to meet the costs necessary to carry out this Act, assess a daily fee for each racing day upon the operator of every horse racing facility subject to the provisions of this Act. Such fees may vary to take into account the size of the facility, and shall be assessed and collected in accordance with such procedures as the Administrator shall by regulation prescribe.

Sec. 11. Amendment to Title 18 of the United States Code.

Section 1952(b) of title 18, United States Code, relating to interstate and foreign travel or transportation in aid of racketeering enterprise, is amended by inserting immediately before the period, "or any act committed in violation of section 4 of the Corrupt Horse Racing Practices Act of 1980."

Sec. 12. Effective Date.

This Act shall be effective beginning six months following date of enactment.●

NEW MEXICO RESEARCH INTO UNDOCUMENTED WORKERS

● Mr. SCHMITT. Mr. President, as you know, over the past year I have taken a great interest in the problems involved with undocumented workers, particularly those from Mexico. My bill, S. 1427, the United States-Mexico Good Neighbor Act (Compañeros Program) addresses many of these problems and I again call the Senate's attention to it. This week the United States-Mexico Interparliamentary Group is meeting with congressional delegates from both the United States and Mexico to address many of the important issues facing our two countries, including migration.

On April 24, 1980, a scholarly article appeared in the Silver City, N. Mex. Daily Press. This article was written by Dr. Roberto Salmon of Western New Mexico University, and I would like to share it with my colleagues.

Mr. President, this matter of migration is one that we, as a Nation, must address and soon. Next year the President's Commission on Immigration and Refugee Policy is scheduled to report its policy recommendations. With an overtaxed and debilitated Border Patrol and Immigration and Naturalization Service; with Iranian deportation proceedings; with boat loads of Cuban refugees arriving daily, not to mention the problem of Mexican migration, I hope that the select commission's report will be timely and address these problems adequately.

I request that the article be printed in the Record.

The article follows:

"Undocumented Workers" Bring Out Best and Worst

(By Dr. Roberto Salmon)

The undocumented worker is a great American dilemma that brings out the worst and the best in Grant County—it is an agonizing preoccupation saturated with contradiction and opposed to common sense.

On the other hand, some of us openly condemn the presence of undocumented workers in the U.S.: on the other, many of us defend their condition on the basis of this country's history as a society of "equality," and on the recognition that the United States was built by immigrant power. This issue creates such strong emotions that perhaps the way most of us respond is to remain in the dark about the facts of undocumented migration.

Regardless of the issue, numerous so-called experts are demanding the enforcement of restrictive legislation against the undocumented. Moreover, there are many experts who exploit the issue for their own self-interest. Unfortunately, this sometimes includes the press.

Just consider the sensationalized headlines, "Illegal Aliens Blamed for Increasing Crimes," "Unlawful Aliens Use Costly City Services," or "Illegal Aliens, A Silent Invasion." Such stories are read widely and the misinformed. We come to believe that undocumented workers are socially as well as economically burdensome to the general welfare of this county and country.

Such shallow and misinformed reporting may well result in at least four possible tragedies: negative political and economic relations with Mexico; restrictionist policy that would infringe on the civil rights of the undocumented; the closing of survival measures for thousands of families when the undocumented is denied employment opportunity by impregnable "tortilla curtains"; and the slow-down in Mexico's industrial development, increasing the probability of civil disorder that might change the whole political picture of the Americas.

Now I would like to present some facts on the undocumented worker. We know that most Mexican immigrants come from only five Mexican states, that they are what anthropologist Ina Dinerman, from a study of Michoacan, has called "the best and the brightest," that they are young adults, that they send part of their earnings to Mexico and visit Mexico frequently, that they often located U.S. jobs through interpersonal networks, that they are good workers, and they avoid trouble.

Moreover, you do not find the undocumented burdening law enforcement, education, health care, or welfare rolls. I do not know how many come, how many return for good or how many stay in the U.S.—no current research has given any reliable information on this matter, nor will the 1980 census give any reliable data.

We do not know how many eventually have children in the United States nor do we know what their children will be like. The fear has been expressed that children of the undocumented will become part of an "expanded underclass' in this country. Yet the evidence for this allegation is contradictory or unavailable.

If one looks to Manuel Gamio's Mexican Immigration to the United States (1920's), or reads more recent studies such as Julian Samora's, Los Mojados (1971), or government reports, the condition of the undocumented worker does not seem to have changed.

The working conditions, the wage exploitation, the fears, the intimidation have not changed. Yet the undocumented worker has survived as a rather elastic part of the United States Labor Force.

A major charge is that the undocumented worker takes work away from U.S. citizens. Nothing could be further from the truth. Government studies, specifically the Select Commission on Immigration and Refugee Policy Report (1980), show the illegal migrants create jobs in the U.S. Moreover, it is demonstrable from interviews conducted in the El Paso-Southern-New Mexico sector with undocumented workers, some 89 percent of those employed contributed to state and federal tax bases from wages earned.

The theory that undocumented workers create jobs, but also contribute to a healthy general economy—specifically the Southwest—certainly has merit.

For example, for every unit of labor produced by one hundred people employed in mining, some ten additional jobs are created in other labor sectors of this country, especially the service sector.

Another area of contention is that undocumented workers create unemployment. Since October of 1978, I have been working on a study of this county that, although not specifically related to undocumented workers, makes it possible to identify contributors to Grant County's unemployment rate.

They are as follows: (1) federal spending in Grant County has decreased since 1976; (2) the "energy crisis" has adversely affected the local economy from 1973 on; (3) a rapid increase of the local labor-market has occurred since 1973, as a result of the Korean War baby boom; (4) within the last few months, spiraling interest rates have created a "tight money" situation in this county which has seriously affected the construction industry; (5) the Grant County economy is beginning to become more diversified, especially as to goods and services; and (6) Grant County is experiencing a recently high rate of immigration. Unemployment that might be caused by the undocumented worker is almost insignificant compared to these factors.

My work also focuses the racial and ethnic make-up of this county. The percentage of the population of Hispanic descent from a sampling of 1980 census figures is about the same as it was in the 1970 report. That the Hispanic population in Grant County has not increased significantly corresponds with national figures that about 85 percent of the undocumented return to Mexico.

It is interesting to note that the undocumented worker is merely part of a population movement existing over several centuries.

The displacement of agricultural workers in Mexico is a function of the same technical forces that have displaced agricultural labor in the United States. For some strange reason, we have never referred to it as such, but it amounts to automation and dislocation. This is but one of the larger economic forces behind the undocumented phenomenon.

About 350 undocumented workers per-year work for the local economy. Most, however, stay on the average of three to four months, then either migrate northward or return to Mexico. Also, the myth that the undocumented are "forcing their way into mining," operates only on a limited scale.

The evidence clearly indicates that the majority of Mexicans who now migrate to the U.S. illegally do not seek permanent integration into U.S. society. What they seek is occasional short-term access to income-earning opportunities in this country.

In brief, there exists a debate in this county over an American dilemma, and it would be foolish of me to think that this brief bit of research will change things for the better, but each of us are responsible for making choices on the basis of information received. To this end, I hope I have suggested some alternative "facts" on the undocumented worker.●

SKYROCKETING UNEMPLOYMENT THREATENS BALANCED BUDGET

● Mr. **WILLIAMS**. Mr. President, Friday's news of a 7-percent unemployment rate should shock the Senate into a more sober approach to our upcoming debate on the first concurrent resolution on the fiscal year 1981 budget.

While President Carter and the Congressional Budget Office have been forecasting an unemployment rate in the 7.5-percent range by the end of this year, Friday's evidence clearly indicates that a much higher rate of unemployment by year's end is a distinct possibility. Let us not forget our dismal experience of 1974 when the unemployment rate rose by over 2 percentage points between April and December. An unemployment rate of well over 8 percent by December of this year is not unlikely.

In the face of these prospects, the Senate will begin debate this week on a budget proposal that would slash another 500,000 to 1 million jobs from our economy in a rush to balance the Federal budget. This is pure folly.

The Congressional Budget Office warns that a 1 percentage point higher unemployment rate in calendar year 1980—caused by lower economic growth than the CBO forecast—would reduce current law revenues for fiscal year 1981 by $20 to $22 billion and would increase spending for unemployment-related programs by $5 to $7 billion. The effects of this 1 percentage point disparity on the deficit would reinforce each other causing the deficit to increase by $25 to $29 billion. Given the fact that unemployment is now rising faster than earlier forecast, the Senate Budget Committee's budget proposal would certainly trade lower spending now for higher deficits in the future.

At 7-percent unemployment, well over 7 million persons are counted as unemployed. The pool of "discouraged workers," who are not counted among the unemployed because they have stopped looking for work in despair of finding a job, includes about 1 million persons. And those working part time because no full-time work is available number nearly 4 million, bringing the number of persons who are unemployed or underemployed to over 12 million. If the unemployment rate passes 8 percent, this figure would reach nearly 14 million persons.

This level of unemployment is flatly unacceptable. The debilitating effects of high unemployment and lagging economic growth must not be allowed to ripple through our economy unchecked, raising the tide of disillusionment and crippling the human capital of millions of young workers. To take the advice of the Senate Budget Committee and apply massive fiscal restraint at this time to the education, food, stamp, health care, and employment and training programs that directly affect the ability of workers to get and hold a job would be a cruel abandonment of our responsibility to the welfare of the American public.

Mr. President, I do not bring this information before the Senate as a clanging gong would sound an alarm, but as a somber and serious reminder of the pain and anguish that threatens American workers and their families.

Make no mistake, the unemployment rate will continue its steep climb. This month's increase in unemployment touched virtually every group in the labor force, hitting adult men hardest of all—the very group which economists consider to be the core of the American work force. About one-third of the unemployment came in the durable goods industries, the industrial base of our economy. And employment in the construction industry dropped by 140,000 in April, bringing the construction industry's loss since January to 335,000 jobs.

These statistics tell a very simple and very disturbing story: The core of this country's economy is weakening—the long-awaited recession is here and will soon spread throughout the economy. Let us keep this in mind as we prepare for our budget debate, and let us not act rashly or unwisely by exacerbating the problem. Rather, let us act with judicious restraint and compassion to stabilize our economy and balance our priorities.

Mr. President, I ask that the Bureau of Labor Statistics press release announcing the disturbing news be inserted at this point in the RECORD.

The press release follows:

THE EMPLOYMENT SITUATION: APRIL 1980

Unemployment rose sharply in April and employment declined for the second month in a row, the Bureau of Labor Statistics of the U.S. Department of Labor reported today. The April unemployment rate was 7.0 percent, up from 6.2 percent in March. The number of persons unemployed increased by 825,000 over the month and was up nearly 1.2 million from December.

Total employment—as measured by the monthly survey of households—was down 500,000 in April, following a decline of 300,000 in the previous month. At 97.2 million, total employment has fallen back to the levels which prevailed during the summer of 1979.

Nonfarm payroll employment—as measured by the monthly survey of establishments—dropped by 480,000 in April to 90.3 million. The decrease was concentrated in the manufacturing, construction, and trade industries. Average weekly hours also declined over the month.

UNEMPLOYMENT

In April, the unemployment rate rose 0.8 percentage point to 7.0 percent, the highest rate since August 1977. The number of unemployed increased by 825,000 to 7.3 million. Unemployment increased for nearly all worker groups, including adults, full-time workers, whites, and blacks. The unemployment rate for adult men rose a full percentage point to 5.9 percent; the rate for adult women moved up from 5.7 to 6.3 percent.

Unemployment increases were particularly large for workers in construction and durable goods manufacturing. Similarly, unemployment rates in the blue-collar occupations were up markedly in April, with operatives and craft workers registering the most sizeable increases.

Job losers (including persons on layoff and those whose jobs were terminated) led the unemployment increase and, in April, constituted half of all unemployed workers. There were smaller, though substantial, increases in the number of unemployed who had voluntarily left their last job and in the number who were reentering the labor force after a period of absence. Average duration of unemployment was about unchanged, as increases occurred not only in the number of workers recently out of work but also in the number who had been jobless for longer periods of time.

The number of nonfarm workers on part-time work schedules for economic reasons (sometimes termed the "partially unemployed") increased by 400,000 in April to 3.8 million. More than 60 percent of the increase was among those who usually worked full time.

EMPLOYMENT

Total employment fell by 500,000 in April, and the 2-month decline totaled 800,000 workers. These decreases were most pronounced among adult men, whose employment level dropped by 430,000 in April and by 660,000 over the 2-month period. On an occupational basis, the largest over-the-month employment decline occurred among blue-collar workers. Since April 1979, total employment has risen by only 890,000 or less than 1 percent.

With the large decline in employment, the overall employment-population ratio fell 0.4 percentage point over the month to 58.6 percent. The corresponding ratio for adult men dropped from 73.8 to 73.1 percent.

The civilian labor force rose by 325,000 in April to 104.4 million. The labor force participation rate edged upward, to 63.8 percent. Most of the labor force increase occurred among adult women.

TABLE A.—MAJOR INDICATORS OF LABOR MARKET ACTIVITY, SEASONALLY ADJUSTED

Selected categories	Quarterly averages			Monthly data			March–April change
	1979		1980	1980			
	I	IV	I	February	March	April	
HOUSEHOLD DATA							
Thousands of persons:							
Civilian labor force	102,315	103,749	104,194	104,260	104,094	104,419	325
Total employment	96,425	97,665	97,804	97,953	97,656	97,154	−502
Unemployment	5,890	6,084	6,390	6,307	6,438	7,265	827
Not in labor force	58,255	58,842	59,022	58,951	59,322	59,182	−140
Discouraged workers	740	741	993	NA	NA	NA	NA
Percent of labor force:							
Unemployment rates:							
All workers	5.8	5.9	6.1	6.0	6.2	7.0	.8
Adult men	4.0	4.2	4.7	4.6	4.9	5.9	1.0
Adult women	5.7	5.7	5.7	5.7	5.7	6.3	.6
Teenagers	15.9	16.1	16.2	16.5	15.9	16.2	.3
White	5.0	5.1	5.4	5.3	5.4	6.2	.8
Black and other	11.4	11.2	11.7	11.5	11.8	12.6	.8
Full-time workers	5.2	5.4	5.7	5.6	5.8	6.6	.8
ESTABLISHMENT DATA							
Thousands of jobs:							
Nonfarm payroll employment	88,724	90,108	[1] 90,765	90,845	[1] 90,799	[1] 90,320	[1] −479
Goods-producing industries	26,486	26,587	[1] 26,704	26,732	[1] 26,597	[1] 26,189	[1] −408
Service-producing industries	62,238	63,521	[1] 64,061	64,113	[1] 64,202	[1] 64,131	[1] −71
Hours of work:							
Average weekly hours:							
Total private nonfarm	35.8	35.7	[1] 35.5	35.5	[1] 35.4	[1] 35.3	[1] −.1
Manufacturing	40.6	40.2	[1] 40.1	40.1	[1] 39.8	[1] 39.6	[1] −.2
Manufacturing overtime	3.7	3.2	[1] 3.1	3.1	[1] 3.1	[1] 2.8	[1] −.3

[1] Preliminary. NA=Not available.

INDUSTRY PAYROLL EMPLOYMENT

Nonagricultural payroll employment declined by 480,000 in April to 90.3 million. This was the largest over-the-month reduction since December 1974.

The decline was concentrated in the goods-producing sector, with durable goods manufacturing and construction bearing the brunt of the cutbacks. Employment in the durable goods industries fell by 265,000, with over half occurring in transportation equipment, mainly in automobile production. Sizeable declines were also posted in fabricated metals, lumber and wood products, and stone, clay, and glass products. Employment changes in the nondurable goods industries were generally small.

Employment in construction dropped 140,000 in April following a decline of like magnitude in the previous month. This industry has lost 335,000 jobs since January.

In the service-producing sector, employment fell by 130,000 in trade; an additional 30,000 job decline occurred in transportation and public utilities. On the other hand, government employment was up 75,000 in April, on top of a 60,000 increase in March; both gains were due primarily to the hiring of temporary workers for the 1980 Census.

HOURS OF WORK

The average workweek for production or nonsupervisory workers on private nonagricultural payrolls edged down 0.1 hour to 35.3 hours in April; average weekly hours have fallen for 3 consecutive months. The manufacturing workweek, at 39.6 hours in April, dropped 0.2 hour over the month and was down 0.7 hour since January. Factory overtime declined 0.3 hour in April to 2.8 hours.

Mainly due to the large employment cutback, the index of aggregate weekly hours of production or nonsupervisory workers on private nonfarm payrolls fell 1.3 percent to 124.5 (1967=100) in April. The manufacturing index dropped 2.4 percent over the month. Whereas the overall index was up slightly over the past year, the factory index was down 2.6 percent.

HOURLY AND WEEKLY EARNINGS

Average hourly earnings of production or nonsupervisory workers on private nonagricultural payrolls were unchanged over the month and were 7.9 percent above the April 1979 level (seasonally adjusted). Average weekly earnings declined by 0.3 percent from March but were up 7.9 percent over the year.

Before adjustment for seasonality, average hourly earnings were unchanged over the month at $6.51, 48 cents above April a year ago. Average weekly earnings declined by 65 cents over the month to $228.50; this level was $16.85 above a year ago.

THE HOURLY EARNINGS INDEX

The Hourly Earnings Index—earnings adjusted for overtime in manufacturing, seasonality, and the effects of changes in the proportion of workers in high-wage and low-wage industries—was 245.6 (1967=100) in April 0.2 percent higher than in March. The Index was 8.3 percent above April a year ago. In dollars of constant purchasing power, the Index decreased 5.0 percent during the 12-month period ended in March.●

DEATH OF PRESIDENT TITO

● Mr. DOLE. Mr. President, the element of surprise is clearly missing from the long-anticipated death of President Tito. The element of uncertainty that clouds the future of Yugoslavia remains strong, as it has since the first announcement of his illness 4 months ago.

WHAT KIND OF A MAN WAS PRESIDENT TITO?

While we reflect on the possible repercussions of President Tito's death on world politics, the highlights of his life justify the view that reality is often more captivating than fiction. His long existence followed a pattern that borrowed as much from Communist ideals as it did from the rags-to-riches success story of a self-made man in the best capitalistic tradition. Through his role as President of Yugoslavia, Tito always insisted that this nation of 22 million people maintain the course of the Communist ideals that he had set for it, while he himself held the reins of government from the heights of a monarchical style of life in which he indulged.

A man of action, he fought in several armies and led the adventurous life of a revolutionary and of a guerrilla fighter, up to the time that he became President. An audacious statesman, he gambled his country's independence from the Kremlin and won. Thus was "Titoism" born among the grey conformity of the Eastern bloc. A man of little formal education, used a 5-year imprisonment in the late 1920's, when he was arrested for his revolutionary activities, to read Shakespeare and Greek philosophy, along with Marx and Engels. He later described his journey to the intellectual land of thinkers as "just like being in a university."

PRESIDENT TITO AS POLITICAL LEADER

One need not be in agreement with President Tito's political philosophy to acknowledge and admire his fierce independence vis-a-vis the Kremlin. Having broken away from the Soviet bloc in 1948, he proceeded to form ties with the nations of the West. This was to prove a profitable move, resulting in $4 billion of aid and credits supplied by the United States, who sought to establish its influence over that of the Soviets in strategically located Yugoslavia. Tito went on to deploy his considerable diplomatic skills in not only winning the West, but also in extending his friendship to Third World nations which he helped to organize and unify. Yet, while maintaining his independence from Moscow, and creating the concept of nationalism within Communist ideology, he consistently denied independence to the many groups that form Yugoslavia, choosing to ignore their own nationalistic yearnings.

TITOISM VERSUS SOVIET COMMUNISM

President Tito was a pragmatic ruler with little use for ideological extremes when they no longer served his purpose. As he set out to bring recovery to the shattered economy of Yugoslavia, following World War II, he did not hesitate to borrow ideas that had succeeded in the consumer-oriented societies of the West, applying free-market forces to a state-controlled economy. The effort was not always successful. The economy suffered, over recent years, from the massive effort to change a traditionally rural land into a modern, industrial society.

We have become increasingly familiar

with similar failures elsewhere to reconcile brutal changes with cultural and religious traditions in autocratic societies, where men become mere tools of the state. Hopes that Yugoslavia might be sliding towards a democracy were put to rest in a speech made by President Tito in 1972, in which he declared that—

> Our society has real democracy, where people speak freely . . . but it is clear that there must be no democracy for those who act from an antisocialist position.

Excluded from President Tito's concept of democracy was the right to dissent.

THE PASSING OF AN AGE

He lived up to his image as a fighter to the very end, holding on tenaciously to life during 4 months of critical illness. He was the last of a pantheon of world leaders that included Churchill, Roosevelt, De Gaulle, and Stalin, and he knew Nehru and Nasser as intimates. He saw monarchies abolished. He witnessed colonial empires being made and unmade. He watched new nations emerge and old ones swallowed up.

His death reactivates the dangers of doubtful successions and reopens questions as to how the new head of Yugoslavia will treat threats from within as well as from without. What relationship will emerge between Yugoslavia and the Soviet Union? How will nationalistic yearnings be dealt with in this country of 22 million people who belong to 14 ethnic groups, speak at least 5 major tongues, write in 2 different alphabets, and adhere to at least 3 religions? Tito answered such questions by force of personality alone. Now that he is gone, they may resurface with new urgency. We may add Yugoslavia to the crescent of crisis that envelopes millions of people from the Indian Ocean to the Bosporous.●

CONSERVATION AND ENHANCEMENT OF THE SALMON AND STEELHEAD RESOURCES, STATE OF WASHINGTON.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent, on behalf of Mr. MAGNUSON, that the Senate proceed to the consideration of Calendar Order No. 714.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill will be stated by title.

The assistant legislative clerk read as follows:

> A bill (S. 2163) to provide for the conservation and enhancement of the salmon and steelhead resources of Washington State, assistance to the treaty and nontreaty harvesters of those resources, and for other purposes.

The Senate proceeded to consider the bill, which had been reported from the Committee on Commerce, Science, and Transportation, with an amendment; and from the Committee on Environment and Public Works, with amendments.

The amendment of the Committee on Commerce, Science, and Transportation is to strike all after the enacting clause and insert the following:

PURPOSES

SECTION 1. (a) In order to assist commercial and recreational harvesters of the salmon and steelhead resources within the conservation area established by this Act in the State of Washington to overcome temporary economic dislocation arising from the decisions in the case of United States v. Washington, this Act authorizes the establishment of a cooperative program involving the United States, the State of Washington, the Treaty Tribes acting through the Northwest Indian Fisheries Commission, and other appropriate parties, to—

(1) encourage stability in and promote the economic well being of the commercial fishing and charter fishing industries and improve the distribution of fishing power between treaty and nontreaty fisheries through (a) the purchase of commercial and charter fishing vessel, gear and licenses; and (b) coordinated research, enforcement, enhancement and management of salmon and steelhead resources and habitat; and

(2) improve the quality of, and maintain the opportunities for, salmon and steelhead recreational fishing.

(b) The benefits of steelhead enhancement undertaken pursuant to this Act should accrue to the recreational fishery.

DEFINITIONS

SEC. 2. As used in this Act, unless the context otherwise requires:

(1) The term "charter vessels" means any vessels licensed by the State of Washington to carry passengers for hire for the purpose of recreational salmon fishing.

(2) The term "charter fishing" means fishing undertaken aboard charter vessels.

(3) The term "Columbia River Treaty Tribe" means the Confederated Tribes and Bands of the Yakima Indian Nation of Washington, the Confederated Tribes of the Warm Springs Indian Reservation of Oregon, the Confederated Tribes of the Umatilla Indian Reservation of Oregon, and the Nez Perce Tribe of Idaho, and any other treaty tribe whose fishing rights in the Columbia River drainage basin under a treaty have been recognized by a Federal Court.

(4) The term "Columbia River Inter-Tribal Fish Commission" means the organization established by the Columbia River Treaty Tribes to assist and coordinate tribal fisheries research, enhancement, and management within the Columbia River drainage basin.

(5) The term "commercial fishing" means fishing for the purpose of sale or barter.

(6) The term "commercial fishing vessel" or "fishing vessel" means any vessel, boat, ship, or other craft which is licensed for, and used for, equipped to be used for, or of a type is normally used for, commercial salmon fishing.

(7) The term "conservation area" means all salmon and steelhead habitat within the State of Washington except for the Columbia River drainage basin, and in the fishery conservation zone adjacent to the State which is subject to the jurisdiction of the United States.

(8) The term "enhancement" means projects undertaken to increase the production of naturally spawning or artificially propagated stocks of salmon or steelhead, or to protect, conserve, or improve the habitat of such stocks.

(9) The term "habitat" means those portions of the land or water, including the constituent elements thereof, (A) which salmon or steelhead occupy at any time during their life cycle, or (B) which affect the salmon or steelhead resources.

(10) The term "Northwest Indian Fisheries Commission" means the organization established by the Treaty Tribes to assist and coordinate tribal fisheries research, enhancement, and management within the conservation area.

(11) The term "recreational fishing" means fishing for personal use and enjoyment using conventional angling gear, and not for sale or barter.

(12) The term "salmon" means any anadromous species of the family Salmonidae and Genus Oncorhynchus, commonly known as Pacific salmon, including:

Chinook (king) salmon—Oncorhynchus tshawytscha;

Coho (silver) salmon—Oncorhynchus kisutch;

Pink (humpback) salmon—Oncorhynchus gorbuscha;

Chum (dog) salmon—Oncorhynchus keta; and

Sockeye (red) salmon—Oncorhynchus nerka.

(13) The term "salmon or steelhead resource" means any stock of salmon or steelhead.

(14) The term "Secretary" means the Secretary of Commerce.

(15) The term "State" means the State of Washington.

(16) The term "steelhead" means the anadromous rainbow trout species Salmon gairdneri, commonly known as steelhead.

(17) The term "stock" means a species, subspecies, race, geographical grouping, run, or other category of salmon or steelhead.

(18) The term "treaty" means any treaty between the United States and any Treaty Tribe or Columbia River Treaty Tribe that relates to the reserved right of such tribe to harvest salmon and steelhead within the conservation area or the Columbia River drainage basin.

(19) The term "Treaty Tribe" means any Indian tribe recognized by the United States Government, with usual and accustomed fishing grounds in the conservation area, whose fishing right under a treaty has been recognized by a Federal court.

TITLE I—COORDINATION

COORDINATION GRANTS

SEC. 101. (a) The Secretary, in coordination with the Secretary of the Interior, is authorized to establish a program to provide grants to prepare plans for programs established in titles I, II, and III of this Act in order to promote coordinated research, enforcement, enhancement, and management of the salmon and steelhead resources within the conservation area and Columbia River drainage basin consistent with the purposes of this Act.

(b) Such grants shall be available for use by the State, the State of Oregon, the Northwest Indian Fisheries Commission, the Columbia River Inter-Tribal Fish Commission, or any joint governmental entity established for undertaking research, or providing advice on or mechanisms for coordinated management or enforcement, or preparing the plans and programs described in titles I, II, and III of this Act.

MANAGEMENT COORDINATION

SEC. 102. The Secretary shall establish an advisory committee to develop effective procedures, mechanisms, or institutional arrangements to coordinate research, enhancement, management, and enforcement policies for Pacific Northwest salmon and steelhead, and to resolve disputes between management entities concerned with stocks of common interest. The committee shall include appropriate Federal, State, and tribal representatives and such other persons knowledgeable with regard to salmon resources of the area designated by the Secretary. Principal objectives of the coordinating mechanism shall include, but not be limited to—

(1) development of common principles to guide enhancement activities;

(2) promotion of harvest strategies and

regulations which will encourage continued and increased investment by the salmon and steelhead producing jurisdictions;

(3) optimum use of resources and manpower for enforcement; and

(4) consideration of harvest and enhancement activities as they may relate to existing and future international commitments. The conclusions of the advisory committee and the comments and recommendations of the Secretary shall be transmitted to Congress within one year of the date of enactment of this Act.

AUTHORIZATION OF APPROPRIATION

SEC. 103. There are authorized to be appropriated to the Secretary for the purposes of carrying out the provisions of this title in fiscal years commencing after September 30, 1980, an aggregate amount of $5,000,000. Funds appropriated pursuant to this section remain available to the Secretary until expended.

TITLE II—RESOURCE ENHANCEMENT AND HABITAT MAINTENANCE

SEC. 201(a) AUTHORITY.—The Secretary is authorized to establish a program to provide grants for projects for the enhancement of the salmon and steelhead resources of the conservation area.

(b) PLAN.—Any such project must be in accordance with a comprehensive enhancement plan developed and agreed to by the State and the Northwest Indian Fisheries Commission within 18 months after the date of enactment of this Act and approved by the Secretary in consultation with the Secretary of the Interior, as provided in this title. The State shall solicit and consider the comments and views of the Washington Salmon and Steelhead Research Council and interested commercial and recreational fishermen in developing the comprehensive enhancement plan.

(c) SCOPE.—The comprehensive enhancement plan, and any revisions, amendments, or modifications of such plan, shall describe all enhancement projects in the conservation area, and associated stocking policies (when relevant), including any related research necessary to such enhancement anticipated by the State and the Northwest Indian Fisheries Commission for a period of at least 5 years.

(d) STANDARDS.—The comprehensive enhancement plan shall include such standards, including restrictions or conditions as are necessary, to assure that any project included in the plan contributes toward the balanced and integrated development of the salmon and steelhead resources of the conservation area. Such standards shall include but not be limited to provisions designed to—

(1) assure that all commercial and recreational fishermen and the Treaty Tribes within the conservation area shall have an opportunity to participate in the benefits of the salmon resources development;

(2) minimize significant adverse interaction between naturally spawning and artificially propagated stocks;

(3) ensure that all projects included within the plan are designed to complement the contribution of sound State, Federal, and Tribal enhancement activities in the conservation area;

(4) ensure that all projects included within the plan are economically and biologically sound and supported by adequate scientific research; and

(5) assure that all projects included within the plan achieve significant benefits relative to the overall cost of each such project.

(e) APPROVAL.—(1) The Secretary in consultation with the Secretary of the Interior, shall review the comprehensive enhancement plan and approve such plan within 120 days of the date of receipt of the plan, if found to be consistent with this Act and other applicable law. If the Secretary finds that such plan is not in conformity with the provisions of this Act or other applicable law, he shall return such plan to the State and the Northwest Indian Fisheries Commission with recommendations.

(2) Upon receiving the plan, the Secretary shall—

(A) publish a notice in the Federal Register of the availability of the plan;

(B) provide a copy of the plan to the Secretary of the Interior, the Attorney General, the Pacific Fishery Management Council and, upon request, to any other interested person or group, and solicit and consider the comments and views of such persons or entities with respect to the plan;

(C) undertake a biological and technical review of the plan, in consultation with the Washington Salmon and Steelhead Research Council, and other individuals knowledgeable with regard to the salmon and steelhead resources of the conservation area;

(D) provide a copy of the plan to and consult with the Secretary of State, with respect to the effect of such plan on any international fisheries; and

(E) determine whether the State and the Northwest Indian Fisheries Commission, acting through its chosen agency or agencies, have the authority to carry out the plan in accordance with this Act, and any standards included within the comprehensive enhancement plan.

(3) The Secretary shall not approve a comprehensive enhancement plan submitted by the State and the Northwest Indian Fisheries Commission unless the State and Northwest Indian Fisheries Commission agree not to undertake any salmon or steelhead enhancement project, using funds provided pursuant to this title or otherwise, that would be inconsistent with the comprehensive enhancement plan.

(f) STEELHEAD.—The comprehensive enhancement plan as it relates to steelhead shall seek to minimize the harvest of steelhead by nonrecreational fishing and shall be designed to—

(1) ensure that salmon enhancement projects included in the plan do not have significant adverse impacts on important steelhead stocks;

(2) ensure that the benefits of steelhead enhancement projects included in the plan accrue solely to recreational fisheries; and

(3) encourage the Treaty Tribes to forgo or limit their nonrecreational fishing for steelhead, either by enhancement, management, or selective harvest techniques, in return for the salmon enhancement projects embodied in the comprehensive enhancement plan that will replace any resultant tribal losses.

(g) REVIEW, MODIFICATION, AMENDMENTS, OR REVISIONS.—The comprehensive enhancement plan shall be reviewed periodically. The Secretary, the State, or the Northwest Indian Fisheries Commission may request a review, modification, or revision of the plan at any time. Any revision or modification of the plan, developed and agreed to by the State and the Northwest Indian Fisheries Commission, shall be approved by the Secretary, in consultation with the Secretary of the Interior, within 45 days of receipt of the proposed revision or modification, if such revision or modification is in conformity with this Act and other applicable law. The Secretary may withdraw approval of the plan if he finds that (1) the plan or its implementation is not consistent with the Act, and (2) no modification or revision has been agreed to by the State and the Northwest Indian Fisheries Commission to correct any such inconsistencies.

ENHANCEMENT PROJECTS

SEC. 202. After the approval of the comprehensive enhancement plan, the State or the Northwest Indian Fisheries Commission may submit project proposals to the Secretary in such manner and form as the Secretary shall prescribe. Such application shall include at least—

(1) plans, specifications, and cost estimates of the proposed enhancement project, including estimates of both the capital construction costs of the project and the operation and maintenance costs after commencement of the project;

(2) the enhancement goals that are sought to be achieved by the proposed project, including, but not limited to—

(A) a description of the affected stocks;

(B) an analysis of the expected impacts on the salmon and steelhead resource; and

(C) a projection of the expected impacts on each type of commercial and recreational fishing;

(3) evidence that the State, the Northwest Indian Fisheries Commission, or Treaty Tribe, acting through its chosen agency or agencies, has obtained or is likely to obtain any necessary titles to, interests in, rights-of-way over, or licenses covering the use of the relevant land;

(4) an analysis of, and supporting data for, the economic and biological integrity and viability of the project; and

(5) such other information as the Secretary determines is necessary to assure that the proposed project is consistent with the approved enhancement plan and the provisions of this Act.

APPROVAL AND FUNDING OF PROJECTS

SEC. 203. (a) The Secretary may approve any project that is consistent with the approved enhancement plan and the provisions of this Act, and shall promptly notify the State, the Northwest Indian Fisheries Commission, and upon request any other interested party of the approval of a project and the amount of funding made available under this title for such project.

(b) The total Federal share of all enhancement projects funded annually by this section shall not exceed 50 percent of the total amount expended for such projects, except that this limitation shall not apply to projects proposed by the Northwest Indian Fisheries Commission. The State share may include both real and personal property and shall include such amounts spent by the State, after July 1, 1977, for enhancement projects consistent with this Act and the plan. Title to, or other interest in, such property shall remain within the State.

(c) The Federal share shall be paid in such amounts and at such times as the Secretary deems appropriate, consistent with this Act and the goals of the comprehensive plan.

REVIEW OF ENHANCEMENT PROJECTS

SEC. 204. The Secretary shall establish, in consultation with the State and the Northwest Indian Fisheries Commission, a system to monitor and evaluate on a continuing basis all enhancement projects for which funds have been distributed under this title, and may discontinue or suspend distribution of all or part of the funds if any project is not being carried out in a manner consistent with the comprehensive enhancement plan and this Act.

AUTHORIZATION OF APPROPRIATIONS

SEC. 205. There are authorized to be appropriated to the Secretary, for the purposes of carrying out the provisions of this title, not to exceed the following sums:

(1) $42,000,000 for enhancement projects, to be available over a period of 8 years from October 1, 1981; and

(2) $30,500,000 for operation, maintenance and monitoring, where necessary, of enhancement projects authorized under this title, to be available over a period of 8 years following completion of each such project.

If the State and the Northwest Indian Fisheries Commission fail to submit a comprehensive enhancement plan as described in this title to the Secretary within 18 months after the date of enactment of this Act, the Secretary may revert all moneys appropriated pursuant to this section to the United States Treasury.

TITLE II—COLUMBIA RIVER RESOURCE ENHANCEMENT AND HABITAT MAINTENANCE

SEC. 301. (a) AUTHORITY.—The Secretary is authorized to establish a program to provide grants for projects for the enhancement of the salmon and steelhead resources of the Columbia River drainage basin.

(b) PLAN.—Any such project must be in accordance with a comprehensive plant that is developed and agreed to by the State, the State of Oregon, and the Columbia River Inter-Tribal Fish Commission within 18 months after the date of enactment of this Act and approved by the Secretary in consultation with the Secretary of the Interior, as provided in this title, the States shall solicit and consider the comments and views of interested commercial and recreational fishermen in developing the comprehensive enhancement plan.

(c) SCOPE.—The comprehensive enhancement plan, and any revisions, amendments, or modifications of such plan, shall describe all enhancement projects in the area, and associated stocking policies (when relevant), including any related research necessary to such enhancement, anticipated by the State, the State of Oregon, and the Columbia River for a period of at least 5 years.

(d) STANDARDS.—The comprehensive enhancement plan shall include such standards, including restrictions or conditions as are necessary to assure that any project included in the plan contributes toward the balanced and integrated development of the salmon and steelhead resources of the Columbia River drainage basin. Such standards shall include but not be limited to provisions designed to—

(1) assure that all commercial and recreational fishermen and the Columbia River Treaty Tribes within the area encompassed by the comprehensive enhancement plan and the fishery conservation zone adjacent to the State and the State of Oregon shall have an opportunity to participate in the benefits of the salmon resources development;

(2) minimize significant adverse interaction between naturally spawning and artificially propagated stocks;

(3) ensure that all projects included within the plan are designed to complement the contribution of sound State, Federal, and tribal enhancement and mitigation activities;

(4) ensure that all projects included within the plan are economically and biologically sound and supported by adequate scientific research; and

(5) assure that all projects included within the plan achieve significant benefits relative to the overall cost of each such project.

(e) APPROVAL.—(1) The Secretary in consultation with the Secretary of the Interior shall review the comprehensive plan and approve such plan within 120 days of the date of receipt of the plan if such plan is found to be consistent with this Act and other applicable law. If the Secretary finds that such plan is not in conformity with the provisions of this Act or other applicable law, he shall return such plan to the State, the State of Oregon, and the Columbia River Inter-Tribal Fish Commission.

(2) Upon receiving the plan, the Secretary shall—

(A) publish a notice in the Federal Register of the availability of the plan;

(B) provide a copy of the plan to the Secretary of the Interior, the Secretary of the Army, the Attorney General, the Pacific Fishery Management Council, the Administrator of the Bonneville Power Administration, and, upon request, to any other interested person or group, and solicit and consider the comments and views of such persons or entities, with respect to the plan.

(C) undertake a biological and technical review of the plan, in consultation with individuals knowledgeable with regard to the salmon and steelhead resources of the conservation area;

(D) provide a copy of the plan to and consult with the Secretary of State, with respect to the effect of such plan on any international fisheries; and

(E) determine whether the State, the State of Oregon, and the Columbia River Inter-Tribal Fish Commission, acting through its chosen agency or agencies, have the authority to carry out the plan in accordance with this Act, and any standards included within the comprehensive enhancement plan.

(3) The Secretary shall not approve a comprehensive enhancement plan submitted by the State, the State of Oregon, and the Columbia River Inter-Tribal Fish Commission unless the State, the State of Oregon, and the Columbia River Inter-Tribal Fish Commission agree not to undertake any salmon or steelhead enhancement project, using funds provided pursuant to this title or otherwise, that would be inconsistent with the comprehensive enhancement plan.

(f) STEELHEAD.—The comprehensive enhancement plan as it relates to steelhead shall seek to minimize the harvest of steelhead by nonrecreational fishing and shall be designed to—

(1) ensure that salmon enhancement projects included in the plan do not have significant adverse impacts on important steelhead stocks;

(2) ensure that the benefits of steelhead enhancement projects included in the plan accrue solely to recreational fisheries; and

(3) encourage the Columbia River Treaty Tribes to forego or limit their nonrecreational fishing for steelhead, either by enhancement, management, or selective harvest techniques, in return for the salmon enhancement projects embodied in the comprehensive enhancement plan that will replace any resultant tribal losses.

(g) REVIEW, MODIFICATION, AMENDMENTS, OR REVISIONS.—The comprehensive plan shall be reviewed periodically. The Secretary, the State, the State of Oregon, or the Columbia River Inter-Tribal Fish Commission may request a review, modification, or revision of the plan at any time. The Secretary may withdraw approval of the plan if he finds that (1) the plan or its implementation is not consistent with the Act, and (2) no modification or revision has been agreed to by the State and the Columbia River Inter-Tribal Fish Commission to correct any such inconsistencies. Any revision or modification of the plan, developed and agreed to by the State, the State of Oregon, and the Columbia River Inter-Tribal Fish Commission, shall be approved by the Secretary, in consultation with the Secretary of the Interior, within 45 days of receipt of the proposed revision or modification, if such revision or modification is in conformity with this Act and other applicable law.

ENHANCEMENT PROJECTS

SEC. 302. After the approval of the comprehensive enhancement plan, the State, the State of Oregon, or the Columbia River Inter-Tribal Fish Commission may submit project proposals to the Secretary, in such manner and form as the Secretary shall prescribe. Such application shall include at least—

(1) plans, specifications, and cost estimates of the proposed enhancement project, including estimates of both the capital construction costs of the project and the operation and maintenance costs after commencement of the project;

(2) the enhancement goals that are sought to be achieved by the proposed project, including, but not limited to—

(A) a description of the affected stocks;

(B) an analysis of the expected impacts on the salmon and steelhead resource; and

(C) a projection of the expected impacts on each type of commercial and recreational fishing;

(3) evidence that the State, the State of Oregon, the Columbia River Inter-Tribal Fish Commission or Columbia River Treaty Tribe, acting through its chosen agency or agencies, has obtained or is likely to obtain any necessary titles to, interests in, rights-of-way over, or licenses covering the use of the relevant land;

(4) an analysis of, and supporting data for, the economic and biological integrity and viability of the project; and

(5) such other information as the Secretary determines is necessary to assure that the proposed project is consistent with the approved enhancement plan and the provisions of this Act.

APPROVAL AND FUNDING OF PROJECTS

SEC. 303. (a) The Secretary may approve any project that is consistent with the approved enhancement plan and the provisions of this Act, and shall promptly notify the State, the State of Oregon, the Columbia River Inter-Tribal Fish Commission, Tribal Fisheries Commission, and upon request any other interested party of the approval of a project and the amount of funding made available under this title for such project.

(b) The total Federal share of all enhancement projects funded annually by this section shall not exceed 75 percent of the total amount expended for such projects, except that this limitation shall not apply to projects proposed by the Columbia River Inter-Tribal Fish Commission. The State and the State of Oregon share may include both real and personal property and shall include such amounts spent by the State or the State of Oregon after July 1, 1977, for enhancement projects consistent with this Act and the plan. Title to, or other interest in, such property shall remain within the State.

(c) The Federal share shall be paid in such amounts and at such times as the Secretary deems appropriate, consistent with this Act and the goals of the comprehensive plan.

REVIEW OF ENHANCEMENT PROJECTS

SEC. 304. The Secretary shall establish, in consultation with the State, the State of Oregon, and the Columbia River Inter-Tribal Fish Commisson, a system to monitor and evaluate on a continuing basis all enhancement projects for which funds have been distributed under this title, and may discontinue or suspend distribution of all or part of the funds if any project is not being carried out in a manner consistent with the comprehensive enhancement plan and this Act.

AUTHORIZATION OF APPROPRIATIONS

SEC. 305. There are authorized to be appropriated to the Secretary, for the purposes of carrying out the provisions of this title, not to exceed the following sums:

(1) $20,000,000 for enhancement projects, to be available over a period of 8 years from October 1, 1981; and

(2) $10,000,000 for operation, maintenance and monitoring, where necessary, of enhancement projects authorized under this title to be available over a period of 8 years following completion of each such project. If the State, the State of Oregon, and the Columbia River Inter-Tribal Fish Commission fail to submit a comprehensive enhancement plan as described in this title to the Secretary within 18 months after the date of enactment of this Act, the Secretary

may revert all moneys appropriated pursuant to this section to the United States Treasury.

TITLE IV—COMMERCIAL FISHING FLEET ADJUSTMENT

FLEET ADJUSTMENT PROGRAM

SEC. 401. (a) The Secretary, upon approval of a program submitted pursuant to section 403 of this title, is authorized to distribute Federal funds to the State, subject to the standards, conditions, and restrictions set forth in this title, for the purchase of commercial fishing and charter vessels, gear, and licenses by the State in accordance with the provisions of this title.

(b) Title to any vessel or other personal property purchased under a State program approved by the Secretary in accordance with the provisions of this title shall vest upon purchase in the State. If the State sells such vessels or other property title may pass in accordance with such sale.

STANDARDS

SEC. 402. The State shall submit to the Secretary a program plan within 3 months of the date of enactment of this Act designed to—

(1) provide incentives for early retirement of licenses, or early sale of vessels and gear;

(2) set aside specific allocations of funds for each gear type to achieve the specific fleet reductions provided for in the program; and

(3) obtain an effective and expeditious reduction in the overall fishing capacity of and the number of vessels and licenses in the non-Indian commercial and charter salmon fishing fleets in the conservation area.

PROGRAM APPROVAL

SEC. 403. (a) The State shall submit its program and submit revisions, modifications, or amendments to the Secretary in accordance with standards established pursuant to section 402 and in such manner and form as the Secretary shall prescribe.

(b) Prior to approving such program or any revision, modification, or amendment, and authorizing Federal funds to be distributed in accordance with this title, the Secretary must find that—

(1) the State, acting through its chosen agency or agencies, has authority to carry out a commercial and charter vessel fleet reduction program in accordance with the provisions of this title;

(2) the State program prohibits the purchase of any fishing vessel unless all State commercial and charter salmon fishing licenses attached to the vessel are also sold to the State;

(3) the State program provides that no person may purchase from the State any vessel which that person or a member of that person's immediate family had previously sold to the State;

(4) the State program provides that no person may purchase any vessel sold to the State pursuant to the program and use such vessel for commercial or charter salmon fishing in the conservation area, unless State law provides that the use of such vessel could not result in any additional fishing effort in the non-Indian fishing fleet;

(5) the State program provides for purchase of vessels and gear at their fair market value;

(6) the State program provides for the reduction of salmon fishing licenses, through purchase of such licenses at their fair market value, and the use of bonuses and schedules, to—

(A) secure an early retirement from the salmon fishery;

(B) recognize productiveness if the commercial harvesters using a gear type wish that gear type's specific allocation of funds to recognize productiveness; and

(C) recognize passenger-carrying capacity for charter fishing licenses;

(7) the State program provides for the purchase of only salmon fishing licenses from outstanding marginally productive commercial salmon fishermen;

(8) the State maintains a moratorium, or similar program, to preclude the issuance of new commercial and charter salmon fishing licenses as of the effective date of this Act; and

(9) the State has established a revolving fund for the operation of the fleet reduction program that includes individual accounts for each gear type and that any moneys received by the State or its agents from the resale of any fishing vessel or gear purchased under the program (A) shall be placed in such revolving fund, (B) shall, for at least 3 years from the date of the program's inception be placed in the appropriate gear type account, and (C) shall be used exclusively purchase commercial fishing and charter vessels, gear, and licenses in accordance with the provisions of this title.

(c) The Secretary shall approve such program within 90 days of the date of receipt of the program if found to be consistent with this Act and other applicable law. If the Secretary finds that such program is not in conformity with the provisions of this Act or other applicable law, he shall return such program to the State with recommendations. Any revision, modification, or amendment to the program shall be approved within 30 days of receipt unless found to be inconsistent with this Act or other applicable law.

REVIEW BY THE SECRETARY OF COMMERCE

SEC. 404. (a) The Secretary shall conduct a continuing review of the State program to determine whether the program remains consistent with the purposes of this Act and the provisions of this title. Such review shall include a biennial audit of the records of the State program.

(b) If the Secretary finds that the program or the administration thereof is no longer in compliance with this title, he shall reduce or discontinue distribution of funds under this title, or take other appropriate action.

(c) If the Secretary finds that any money provided to the State or obtained by the State from the resale of any fishing vessel or gear purchased under the program is not being used in accordance with the provisions of this title, the Secretary shall recover such moneys from the fund and place such moneys in the United States Treasury.

FLEET MOBILITY

SEC. 405. The Secretary in coordination with the Pacific Fishery Management Council in its salmon management plan shall ensure that the fishing effort reduction that results from the fleet adjustment program of this title and the license moratorium of the State of Washington is not replaced by a new fishing effort from outside the State of Washington.

AUTHORIZATION OF APPROPRIATIONS

SEC. 406. There are authorized to be appropriated to the Secretary, for the purposes of carrying out the provisions of this title, $50,000,000 which shall be available over a period of 5 years from October 1, 1980, *Provided:* That no more than $25,000,000 is authorized to be appropriated in any one fiscal year.

TITLE V—MISCELLANEOUS

REGULATIONS

SEC. 501. The Secretary may promulgate such regulations, in accordance with section 553 of title 5, United States Code, as may be necessary to carry out this Act.

REPORTS

SEC. 502. The State, the Northwest Indian Fisheries Commission, the State of Oregon, and the Columbia River Inter-Tribal Fish Commission shall submit to the Secretary an annual report on the status of the programs authorized by this Act or any other relevant report requested by such Secretary.

RELATION TO OTHER LAWS

SEC. 503. Nothing to this Act shall be construed—

(1) to diminish either Federal, State, or tribal jurisdiction, responsibility, or rights in the field of resource enhancement and management, or control of water resources, submerged lands, or navigable waters; nor to limit the authority of Congress to authorize and fund projects; or

(2) as superseding, modifying, or repealing any existing applicable law.

AUTHORIZATION OF ADDITIONAL APPROPRIATION

SEC. 504. In addition to other authorizations of appropriations contained in this Act, there are authorized to be appropriated to the Secretary beginning October 1, 1980 an amount not to exceed $5,000,000 for the purpose of developing fisheries port facilities in the State of Oregon. Such facilities shall be primarily intended to accommodate fisheries other than salmon. The Secretary is authorized to obligate such funds for projects proposed by units of State or local government, Indian tribes, or private nonprofit entities, and approved by the State of Oregon in consultation with the National Marine Fisheries Service and the Economic Development Administration. To the extent practicable, the Secretary shall assure that projects under this section are integrated with planning and assistance under the Public Works and Economic Development Act. Funds available under this section shall not be used for any navigational improvement or other modification of the navigable waters of the United States. Funds appropriated pursuant to this section shall remain available until expended.

The amendments of the Committee on Environment and Public Works are as follows:

On page 27, line 11, strike "coordination" and insert "cooperation";

On page 29, line 13, strike "is" and insert "and the Secretary of the Interior are";

On page 29, line 22, strike "in consultation with" and insert "and";

On page 31, line 9, strike "in consultation with" and insert "and";

On page 31, line 14, strike "finds" and insert "and the Secretary of the Interior find";

On page 31, line 16, strike "he" and insert "they";

On page 31, line 19, after "Secretary" insert "and the Secretary of the Interior";

On page 31, line 23, strike "the Secretary of the Interior,";

On page 32, line 18, after "Secretary" insert "and the Secretary of the Interior";

On page 33, line 19, after "Secretary," insert "the Secretary of the Interior,";

On page 33, line 25, strike ", in consultation with" and insert "and";

On page 34, line 3, after "Secretary" insert "and the Secretary of the Interior";

On page 34, line 5, strike "he finds" and insert "they find";

On page 34, line 14, strike the comma and insert "and the Secretary of the Interior";

On page 35, line 14, strike "determines" and insert "and the Secretary of the Interior determine";

On page 35, line 20, after "Secretary" insert "and the Secretary of the Interior";

On page 36, line 17, after "Secretary" insert "and the Secretary of the Interior";

On page 37, line 20, strike "is" and insert "and the Secretary of the Interior are";

On page 38, line 6, strike "in consultation with" and insert "and";

On page 39, line 21, strike "in consultation with" and insert "and";

On page 40, line 1, strike "finds" and insert "and the Secretary of the Interior find";

On page 40, line 6, after "Secretary" insert "and the Secretary of the Interior";

On page 40, line 10, strike "the Secretary of the Interior,";

On page 41, line 7, after "Secretary" insert "and the Secretary of the Interior";

On page 42, line 9, after "Secretary," insert "the Secretary of the Interior,";

On page 42, line 12, after "Secretary" insert "and the Secretary of the Interior";

On page 42, line 14, strike "he" and insert "they";

On page 42, line 21, strike ", in consultation with" and insert "and";

On page 43, line 5, strike the comma and insert "and the Secretary of the Interior";

On page 44, line 6, strike "determines" and insert "and the Secretary of the Interior determine";

On page 44, line 12, after "Secretary" insert "and the Secretary of the Interior";

On page 45, line 10, after "Secretary" insert "and the Secretary of the Interior".

So as to make the bill read:

PURPOSES

Section 1. (a) In order to assist commercial and recreational harvesters of the salmon and steelhead resources within the conservation area established by this Act in the State of Washington to overcome temporary economic dislocations arising from the decisions in the case of United States v. Washington, this Act authorizes the establishment of a cooperative program involving the United States, the State of Washington, the Treaty Tribes acting through the Northwest Indian Fisheries Commission, and other appropriate parties, to—

(1) encourage stability in and promote the economic well being of the commercial fishing and charter fishing industries and improve the distribution of fishing power between treaty and nontreaty fisheries through (a) the purchase of commercial and charter fishing vessels, gear and licenses; and (b) coordinated research, enforcement, enhancement and management of salmon and steelhead resources and habitat; and

(2) improve the quality of, and maintain the opportunities for, salmon and steelhead recreational fishing.

(b) The benefits of steelhead enhancement undertaken pursuant to this Act should accrue to the recreational fishery.

DEFINITIONS

Sec. 2. As used in this Act, unless the context otherwise requires:

(1) The term "charter vessels" means any vessels licensed by the State of Washington to carry passengers for hire for the purpose of recreational salmon fishing.

(2) The term "charter fishing" means fishing undertaken aboard charter vessels.

(3) The term "Columbia River Treaty Tribe" means the Confederated Tribes and Bands of the Yakima Indian Nation of Washington, the Confederated Tribes of the Warm Springs Indian Reservation of Oregon, the Confederated Tribes of the Umatilla Indian Reservation of Oregon, and the Nez Perce Tribe of Idaho, and any other treaty tribe whose fishing rights in the Columbia River drainage basin under a treaty have been recognized by a Federal Court.

(4) The term "Columbia River Inter-Tribal Fish Commission" means the organization established by the Columbia River Treaty Tribes to assist and coordinate tribal fisheries research, enhancement and management within the Columbia River drainage basin.

(5) The term "commercial fishing" means fishing for the purpose of sale or barter.

(6) The term "commercial fishing vessel" or "fishing vessel" means any vessel, boat, ship, or other craft which is licensed for, and used for, equipped to be used for, or of a type which is normally used for, commercial salmon fishing.

(7) The term "conservation area" means all salmon and steelhead habitat within the State of Washington except for the Columbia River drainage basin, and in the fishery conservation zone adjacent to the State which is subject to the jurisdiction of the United States.

(8) The term "enhancement" means projects undertaken to increase the production of naturally spawning or artifically propagated stocks of salmon or steelhead, or to protect, conserve, or improve the habitat of such stocks.

(9) The term "habitat" means those portions of the land or water, including the constituent elements thereof, (A) which salmon or steelhead occup at any time during their life cycle, or (B) which affect the salmon or steelhead resources.

(10) The term "Northwest Indian Fisheries Commission" means the organization established by the Treaty Tribes to assist and coordinate tribal fisheries research, enhancement, and management within the conservation area.

(11) The term "recreational fishing" means fishing for personal use and enjoyment using conventional angling gear, and not for sale or barter.

(12) The term "salmon" means any anadromous species of the family Salmonidae and Genus Oncorhynchus, commonly known as Pacific salmon, including:

Chinook (king) salmon—Oncorhynchus tshawytscha;

Coho (silver) salmon—Oncorhynchus kisutch;

Pink (humpback) salmon—Oncorhynchus gorbuscha;

Chum (dog) salmon—Oncorhynchus keta; and

Sockeye (red) salmon—Oncorhynchus nerka.

(13) The term "salmon or steelhead resource" means any stock of salmon or steelhead.

(14) The term "Secretary" means the Secretary of Commerce.

(15) The term "State" means the State of Washington.

(16) The term "steelhead" means the anadromous rainbow trout species Salfon gaidneri, commonly known as steelhead.

(17) The term "stock" means a species, subspecies, race, geographical grouping, run, or other category of salmon or steelhead.

(18) The term "treaty" means any treaty between the United States and any Treaty Tribe or Columbia River Treaty Tribe that relates to the reserved right of such tribe to harvest salmon and steelhead within the conservation area or the Columbia River drainage basin.

(19) The term "Treaty Tribe" means any Indian tribe recognized by the United States Government, with usual and accustomed fishing grounds in the conservation area, whose fishing right under a treaty has been recognized by a Federal court.

TITLE I—COORDINATION

COORDINATION GRANTS

Sec. 101. (a) The Secretary, in cooperation with the Secretary of the Interior, is authorized to establish a program to provide grants to prepare plans for programs established in titles I, II, and III of this Act in order to promote coordinated research, enforcement, enhancement, and management of the salmon and steelhead resources within the conservation area and Columbia River drainage basin consistent with the purposes of this Act.

(b) Such grants shall be available for use by the State, the State of Oregon, the Northwest Indian Fisheries Commission, the Columbia River Inter-Tribal Fish Commission, or any joint governmental entity established for undertaking research, or providing advice on or mechanisms for coordinated management or enforcement, or preparing the plans and programs described in titles I, II, and III of this Act.

MANAGEMENT COORDINATION

Sec. 102. The Secretary shall establish an advisory committee to develop effective procedures, mechanisms, or institutional arrangements to coordinate research, enhancement, management, and enforcement policies for Pacific Northwest salmon and steelhead, and to resolve disputes between management entities concerned with stocks of common interest. The committee shall include appropriate Federal, State, and tribal representatives and such other persons knowledgeable with regard to salmon resources of the area designated by the Secretary. Principal objectives of the coordinating mechanism shall include, but not be limited to—

(1) development of common principles to guide enhancement activities;

(2) promotion of harvest strategies and regulations which will encourage continued and increased investment by the salmon and steelhead producing jurisdictions;

(3) optimum use of resources and manpower for enforcement; and

(4) consideration of harvest and enhancement activities as they may relate to existing and future international commitments.

The conclusions of the advisory committee and the comments and recommendations of the Secretary shall be transmitted to Congress within one year of the date of enactment of this Act.

AUTHORIZATION OF APPROPRIATION

Sec. 103. There are authorized to be appropriated to the Secretary for the purposes of carrying out the provisions of this title in fiscal years commencing after September 31, 1980, an aggregate amount of $5,000,000. Funds appropriated pursuant to this section remain available to the Secretary until expended.

TITLE II—RESOURCE ENHANCEMENT AND HABITAT MAINTENANCE

Sec. 201. (a) Authority.—The Secretary and the Secretary of the Interior are authorized to establish a program to provide grants for projects for the enhancement of the salmon and steelhead resources of the conservation area.

(b) Plan.—Any such project must be in accordance with a comprehensive enhancement plan developed and agreed to by the State and the Northwest Indian Fisheries Commission within 18 months after the date of enactment of this Act and approved by the Secretary and the Secretary of the Interior, as provided in this title. The State shall solicit and consider the comments and views of the Washington Salmon and Steelhead Research Council and interested commercial and recreational fishermen in developing the comprehensive enhancement plan.

(c) Scope.—The comprehensive enhancement plan, and any revisions, amendments, or modifications of such plan, shall describe all enhancement projects in the conservation area, and associated stocking policies (when relevant), including any related research necessary to such enhancement anticipated by the State and the Northwest Indian Fisheries Commission for a period of at least 5 years.

(d) Standards.—The comprehensive enhancement plan shall include such standards, including restrictions or conditions as are necessary, to assure that any project included in the plan contributes toward the balanced and integrated development of the salmon and steelhead resources of the conservation area. Such standards shall include but not be limited to provisions designed to—

(1) assure that all commercial and recreational fishermen and the Treaty Tribes within the conservation area shall have an opportunity to participate in the benefits of the salmon resources development;

(2) minimize significant adverse interaction between naturally spawning and artifically propagated stocks;

(3) ensure that all projects included within the plan are designed to complement the contribution of sound State, Federal, and Tribal enhancement activities in the conservation area;

(4) ensure that all projects included within the plan are economically and biologically sound and supported by adequate scientific research; and

(5) assure that all projects included within the plan achieve significant benefits relative to the overall cost of each such project.

(e) APPROVAL.—(1) The Secretary and the Secretary of the Interior, shall review the comprehensive enhancement plan and approve such plan within 120 days of the date of receipt of the plan, if found to be consistent with this Act and other applicable law. If the Secretary and the Secretary of the Interior find that such plan is not in conformity with the provisions of this Act or other applicable law, they shall return such plan to the State and the Northwest Indian Fisheries Commission with recommendations.

(2) Upon receiving the plan, the Secretary and the Secretary of the Interior shall—

(A) publish a notice in the Federal Register of the availability of the plan;

(B) provide a copy of the plan to the Attorney General, the Pacific Fishery Management Council and, upon request, to any other interested person or group, and solicit and consider the comments and views of such persons or entities with respect to the plan;

(C) undertake a biological and technical review of the plan, in consultation with the Washington Salmon and Steelhead Research Council, and other individuals knowledgeable with regard to the salmon and steelhead resources of the conservation area;

(D) provide a copy of the plan to and consult with the Secretary of State, with respect to the effect of such plan on any international fisheries; and

(E) determine whether the State and the Northwest Indian Fisheries Commission, acting through its chosen agency or agencies, have the authority to carry out the plan in accordance with this Act, and any standards included within the comprehensive enhancement plan.

(3) The Secretary and the Secretary of the Interior shall not approve a comprehensive enhancement plan submitted by the State and the Northwest Indian Fisheries Commission unless the State and Northwest Indian Fisheries Commission agree not to undertake any salmon or steelhead enhancement project, using funds provided pursuant to this title or otherwise, that would be inconsistent with the comprehensive enhancement plan.

(f) STEELHEAD.—The comprehensive enhancement plan as it relates to steelhead shall seek to minimize the harvest of steelhead by nonrecreational fishing and shall be designed to —

(1) ensure that salmon enhancement projects included in the plan do not have significant adverse impacts on important steelhead stocks;

(2) ensure that the benefits of steelhead enhancement projects included in the plan accrue solely to recreational fisheries; and

(3) encourage the Treaty Tribes to forego or limit their nonrecreational fishing for steelhead, either by enhancement, management, or selective harvest techniques, in return for the salmon enhancement projects embodied in the comprehensive enhancement plan that will replace any resultant tribal losses.

(g) REVIEW, MODIFICATION, AMENDMENT, OR REVISIONS.—The comprehensive enhancement plan shall be reviewed periodically. The Secretary, the Secretary of the Interior, the State, or the Northwest Indian Fisheries Commission may request a review, modification, or revision of the plan at any time. Any revision or modification of the plan, developed and agreed to by the State and the Northwest Indian Fisheries Commission, shall be approved by the Secretary and the Secretary of the Interior, within 45 days of receipt of the proposed revision or modification, if such revision or modification is in conformity with this Act and other applicable law. The Secretary and the Secretary of the Interior may withdraw approval of the plan if they find that (1) the plan or its implementation is not consistent with the Act, and (2) no modification or revision has been agreed to by the State and the Northwest Indian Fisheries Commission to correct any such inconsistencies.

ENHANCEMENT PROJECTS

SEC. 202. After the approval of the comprehensive enhancement plan, the State or the Northwest Indian Fisheries Commission may submit project proposals to the Secretary and the Secretary of the Interior in such manner and form as the Secretary shall prescribe. Such application shall include at least—

(1) plans, specifications, and cost estimates of the proposed enhancement project, including estimates of both the capital construction costs of the project and the operation and maintenance costs after commencement of the project;

(2) the enhancement goals that are sought to be achieved by the proposed project, including, but not limited to—

(A) a description of the affected stocks;

(B) an analysis of the expected impacts on the salmon and steelhead resource; and

(C) a projection of the expected impacts on each type of commercial and recreational fishing;

(3) evidence that the State, the Northwest Indian Fisheries Commission, or Treaty Tribe, acting through its chosen agency or agencies, has obtained or is likely to obtain any necessary titles to, interests in, rights-of-way over, or licenses covering the use of the relevant land;

(4) an analysis of, and supporting data for, the economic and biological integrity and viability of the project; and

(5) such other information as the Secretary and the Secretary of the Interior determine is necessary to assure that the proposed project is consistent with the approved enhancement plan and the provisions of this Act.

APPROVAL AND FUNDING OF PROJECTS

SEC. 203. (a) The Secretary and the Secretary of the Interior may approve any project that is consistent with the approved enhancement plan and the provisions of this Act, and shall promptly notify the State, the Northwest Indian Fisheries Commission, and upon request any other interested party of the approval of a project and the amount of funding made available under this title for such project.

(b) The total Federal share of all enhancement projects funded annually by this section shall not exceed 50 percent of the total amount expended for such projects, except that this limitation shall not apply to projects proposed by the Northwest Indian Fisheries Commission. The State share may include both real and personal property and shall include such amounts spent by the State, after July 1, 1977, for enhancement projects consistent with this Act and the plan. Title to, or other interest in, such property shall remain within the State.

(c) The Federal share shall be paid in such amounts and at such times as the Secretary deems appropriate, consistent with this Act and the goals of the comprehensive plan.

REVIEW OF ENHANCEMENT PROJECTS

SEC. 204. The Secretary and the Secretary of the Interior shall establish, in consultation with the State and the Northwest Indian Fisheries Commission, a system to monitor and evaluate on a continuing basis all enhancement projects for which funds have been distributed under this title, and may discontinue or suspend distribution of all or part of the funds if any project is not being carried out in a manner consistent with the comprehensive enhancement plan and this Act.

AUTHORIZATION OF APPROPRIATIONS

SEC. 205. There are authorized to be appropriated to the Secretary, for the purposes of carrying out the provisions of this title, not to exceed the following sums:

(1) $42,000,000 for enhancement projects, to be available over a period of 8 years from October 1, 1981; and

(2) $30,500,000 for operation, maintenance and monitoring, where necessary, of enhancement projects authorized under this title, to be available over a period of 8 years following completion of each such project.

If the State and the Northwest Indian Fisheries Commission fail to submit a comprehensive enhancement plan as described in this title to the Secretary within 18 months after the date of enactment of this Act, the Secretary may revert all moneys appropriated pursuant to this section to the United States Treasury.

TITLE III—COLUMBIA RIVER RESOURCE ENHANCEMENT AND HABITAT MAINTENANCE

SEC. 301. (a) AUTHORITY.—The Secretary and the Secretary of the Interior are authorized to establish a program to provide grants for projects for the enhancement of the salmon and steelhead resources of the Columbia River drainage basin.

(b) PLAN.—Any such project must be in accordance with a comprehensive plan that is developed and agreed to by the State, the State of Oregon, and the Columbia River Inter-Tribal Fish Commission within 18 months, after the date of enactment of this Act and approved by the Secretary and the Secretary of the Interior, as provided in this title, the States shall solicit and consider the comments and views of interested commercial and recreational fishermen in developing the comprehensive enhancement plan.

(c) SCOPE.—The comprehensive enhancement plan, and any revisions, amendments, or modifications of such plan, shall describe all enhancement projects in the area, and associated stocking policies (when relevant), including any related research necessary to such enhancement, anticipated by the State, the State of Oregon, and the Columbia River for a period of at least 5 years.

(d) STANDARDS.—The comprehensive enhancement plan shall include such standards, including restrictions or conditions as are necessary to assure that any project included in the plan contributes toward the balanced and integrated development of the salmon and steelhead resources of the Columbia River drainage basin. Such standards shall include but not be limited to provisions designed to—

(1) assure that all commercial and recreational fishermen and the Columbia River Treaty Tribes within the area encompassed by the comprehensive enhancement plan and the fishery conservation zone adjacent to the State and the State of Oregon shall have an opportunity to participate in the benefits of the salmon resources development;

(2) minimize significant adverse interaction between naturally spawning and artificially propagated stocks;

(3) ensure that all projects included within the plan are designed to complement the contribution of sound State, Federal, and tribal enhancement and mitigation activities;

(4) ensure that all projects included within the plan are economically and biologically

sound and supported by adequate scientific research; and

(5) assure that all projects included within the plan achieve significant benefits relative to the overall cost of each such project.

(e) APPROVAL.—(1) The Secretary and the Secretary of the Interior shall review the comprehensive plan and approve such plan within 120 days of the date of receipt of the plan if such plan is found to be consistent with this Act and other applicable law. If the Secretary and the Secretary of the Interior find that such plan is not in conformity with the provision of this Act or other applicable law, he shall return such plan to the State, the State of Oregon, and the Columbia River Inter-Tribal Fish Commission.

(2) Upon receiving the plan, the Secretary and the Secretary of the Interior shall—

(A) publish a notice in the Federal Register of the availability of the plan;

(B) provide a copy of the plan to the Secretary of the Army, the Attorney General, the Pacific Fishery Management Council, the Administrator of the Bonneville Power Administration, and upon request, to any other interested person or group, and solicit and consider the comments and views of such persons or entities, with respect to the plan.

(C) undertake a biological and technical review of the plan, in consultation with individuals knowledgeable with regard to the salmon and steelhead resources of the conservation area;

(D) provide a copy of the plan to and consult with the Secretary of State, with respect to the effect of such plan on any international fisheries; and

(E) determine whether the State, the State of Oregon, and the Columbia River Inter-Tribal Fish Commission, acting through its chosen agency or agencies, have the authority to carry out the plan in accordance with this Act, and any standards included within the comprehensive enhancement plan.

(3) The Secretary and the Secretary of the Interior shall not approve a comprehensive enhancement plan submitted by the State, the State of Oregon, and the Columbia River Inter-Tribal Fish Commission unless the State, the State of Oregon, and the Columbia River Inter-Tribal Fish Commission agree not to undertake any salmon or steelhead enhancement project, using funds provided pursuant to this title or otherwise, that would be inconsistent with the comprehensive enhancement plan.

(f) STEELHEAD.—The comprehensive enhancement plan as it relates to steelhead shall seek to minimize the harvest of steelhead by nonrecreational fishing and shall be designed to—

(1) ensure that salmon enhancement projects included in the plan do not have significant adverse impacts on important steelhead stocks;

(2) ensure that the benefits of steelhead enhancement projects included in the plan accrue solely to recreational fisheries; and

(3) encourage the Columbia River Treaty Tribes to forego or limit their nonrecreational fishing for steelhead, either by enhancement, management, or selective harvest techniques, in return for the salmon enhancement projects embodied in the comprehensive enhancement plan that will replace any resultant tribal losses.

(g) REVIEW, MODIFICATION, AMENDMENTS, OR REVISIONS.—The comprehensive plan shall be reviewed periodically. The Secretary, the Secretary of the Interior, the State, the State of Oregon, or the Columbia River Inter-Tribal Fish Commission may request a review, modification, or revision of the plan at any time. The Secretary and the Secretary of the Interior may withdraw approval of the plan if they find that (1) the plan or its implementation is not consistent with the Act, and (2) no modification or revision has been agreed to by the State and the Columbia River Inter-Tribal Fish Commission to correct any such inconsistencies. Any revision or modification of the plan, developed and agreed to by the State, the State of Oregon, and the Columbia River Inter-Tribal Fish Commission, shall be approved by the Secretary and the Secretary of the Interior, within 45 days of receipt of the proposed revision or modification, if such revision or modification is in conformity with this Act and other applicable law.

ENHANCEMENT PROJECTS

SEC. 302. After the approval of the comprehensive enhancement plan, the State, the State of Oregon, or the Columbia River Inter-Tribal Fish Commission may submit project proposals to the Secretary and the Secretary of the Interior in such manner and form as the Secretary shall prescribe. Such application shall include at least—

(1) plans, specifications, and cost estimates of the proposed enhancement project, including estimates of both the capital construction costs of the project and the operation and maintenance costs after commencement of the project;

(2) the enhancement goals that are sought to be achieved by the proposed project, including, but not limited to—

(A) a description of the affected stocks;

(B) an analysis of the expected impacts on the salmon and steelhead resource; and

(C) a projection of the expected impacts on each type of commercial and recreational fishing;

(3) evidence that the State, the State of Oregon, the Columbia River Inter-Tribal Fish Commission or Columbia River Treaty Tribe, acting through its chosen agency or agencies, has obtained or is likely to obtain any necessary titles to, interests in, rights-of-way over, or licenses covering the use of the relevant land;

(4) an analysis of, and supporting data for, the economic and biological integrity and viability of the project; and

(5) such other information as the Secretary and the Secretary of the Interior determine is necessary to assure that the proposed project is consistent with the approved enhancement plan and the provisions of this Act.

APPROVAL AND FUNDING OF PROJECTS

SEC. 303. (a) The Secretary and the Secretary of the Interior may approve any project that is consistent with the approved enhancement plan and the provisions of this Act, and shall promptly notify the State, the State of Oregon, the Columbia River Inter-Tribal Fish Commission, Tribal Fisheries Commission, and upon request any other interested party of the approval of a project and the amount of funding made available under this title for such project.

(b) The total Federal share of all enhancement projects funded annually by this section shall not exceed 75 percent of the total amount expended for such projects, except that this limitation shall not apply to projects proposed by the Columbia River Inter-Tribal Fish Commission. The State and the State of Oregon share may include both real and personal property and shall include such amounts spent by the State or the State of Oregon after July 1, 1977, for enhancement projects consistent with this Act and the plan. Title to, or other interest in, such property shall remain within the State.

(c) The Federal share shall be paid in such amounts and at such times as the Secretary deems appropriate, consistent with this Act and the goals of the comprehensive plan.

REVIEW OF ENHANCEMENT PROJECTS

SEC. 304. The Secretary and the Secretary of the Interior shall establish, in consultation with the State, the State of Oregon, and the Columbia River Inter-Tribal Fish Commission, a system to monitor and evaluate on a continuing basis all enhancement projects for which funds have been distributed under this title, and may discontinue or suspend distribution of all or part of the funds if any project is not being carried out in a manner consistent with the comprehensive enhancement plan and this Act.

AUTHORIZATION OF APPROPRIATIONS

SEC. 305. There are authorized to be appropriated to the Secretary, for the purposes of carrying out the provisions of this title, not to exceed the following sums:

(1) $20,000,000 for enhancement projects, to be available over a period of 8 years from October 1, 1981; and

(2) $10,000,000 for operation, maintenance and monitoring, where necessary, of enhancement projects authorized under this title, to be available over a period of 8 years following completion of each such project.

If the State, the State of Oregon, and the Columbia River Inter-Tribal Fish Commission fail to submit a comprehensive enhancement plan as described in this title to the Secretary within 18 months after the date of enactment of this Act, the Secretary may revert all moneys appropriated pursuant to this section to the United States Treasury.

TITLE IV—COMMERCIAL FISHING FLEET ADJUSTMENT

FLEET ADJUSTMENT PROGRAM

SEC. 401. (a) The Secretary, upon approval of a program submitted pursuant to section 403 of this title, is authorized to distribute Federal funds to the State, subject to the standards, conditions, and restrictions set forth in this title, for the purchase of commercial fishing and charter vessels, gear, and licenses by the State in accordance with the provisions of this title.

(b) Title to any vessel or other personal property purchased under a State program approved by the Secretary in accordance with the provisions of this title shall vest upon purchase in the State. If the State sells such vessels or other property, title may pass in accordance with such sale.

STANDARDS

SEC. 402. The State shall submit to the Secretary a program plan within 3 months of the date of enactment of this Act designed to—

(1) provide incentives for early retirement of licenses, or early sale of vessels and gear;

(2) set aside specific allocations of funds for each gear type to achieve the specific fleet reductions provided for in the program; and

(3) obtain an effective and expeditious reduction in the overall fishing capacity of and the number of vessels and licenses in the non-Indian commercial and charter salmon fishing fleets in the conservation area.

PROGRAM APPROVAL

SEC. 403. (a) The State shall submit its program and submit revisions, modifications, or amendments to the Secretary in accordance with standards established pursuant to section 402 and in such manner and form as the Secretary shall prescribe.

(b) Prior to approving such program or any revision, modification, or amendment, and authorizing Federal funds to be distributed in accordance with this title, the Secretary must find that—

(1) the State, acting through its chosen agency or agencies, has authority to carry out a commercial and charter vessel fleet reduction program in accordance with the provisions of this title;

(2) the State program prohibits the purchase of any fishing vessel unless all State

commercial and charter salmon fishing licenses attached to the vessel are also sold to the State;

(3) the State program provides that no person may purchase from the State any vessel which that person or a member of that person's immediate family had previously sold to the State;

(4) the State program provides that no person may purchase any vessel sold to the State pursuant to the program and use such vessel for commercial or charter salmon fishing in the conservation area, unless State law provides that the use of such vessel could not result in any additional fishing effort in the non-Indian fishing fleet;

(5) the State program provides for purchase of vessels and gear at their fair market value;

(6) the State program provides for the reduction of salmon fishing licenses; through purchase of such licenses at their fair market value, and the use of bonuses and schedules, to—

(A) secure an early retirement from the salmon fishery;

(B) recognize productiveness if the commercial harvesters using a gear type wish that gear type's specific allocation of funds to recognize productiveness; and

(C) recognize passenger-carrying capacity for charter fishing licenses;

(7) the State program provides for the purchase of only salmon fishing licenses from outstanding marginally productive commerical salmon fishermen;

(8) the State maintains a moratorium, or similar program, to preclude the issuance of new commercial and charter salmon fishing licenses as of the effective date of this Act; and

(9) the State has established a revolving fund for the operation of the fleet reduction program that includes individual accounts for each gear type and that any moneys received by the State or its agents from the resale of any fishing vessel or gear purchased under the program (A) shall be placed in such revolving fund, (B) shall, for at least 3 years from the date of the program's inception be placed in the appropriate gear type account, and (C) shall be used exclusively to purchase commercial fishing and charter vessels, gear, and licenses in according with the provisions of this title.

(c) The Secretary shall approve such program within 90 days of the date of receipt of the program if found to be consistent with this Act and other applicable law. If the Secretary finds that such program is not in conformity with the provisions of this Act or other applicable law, he shall return such program to the State with recommendations. Any revision, modification, or amendment to the program shall be approved within 30 days of receipt unless found to be inconsistent with this Act or other applicable law.

REVIEW BY THE SECRETARY OF COMMERCE

SEC. 404. (a) The Secretary shall conduct a continuing review of the State program to determine whether the program remains consistent with the purposes of this Act and the provisions of this title. Such review shall include a biennial audit of the records of the State program.

(b) If the Secretary finds that the program or the administration thereof is no longer in compliance with this title, he shall reduce or discontinue distribution of funds under ths title, or take other appropriate action.

(c) If the Secretary finds that any money provided to the State or obtained by the State from the resale of any fishing vessel or gear purchased under the program is not being used in accordance with the provisions of this title, the Secretary shall recover such moneys from the fund and place such moneys in the United States Treasury.

FLEET MOBILITY

SEC. 405. The Secretary in coordination with the Pacific Fishery Management Council in its salmon management plan shall ensure that the fishing effort reduction that results from the fleet adjustment program of this title and the license moratorium of the State of Washington is not replaced by new fishing effort from outside the State of Washington.

AUTHORIZATION OF APPROPRIATIONS

SEC. 406. There are authorized to be appropriated to the Secretary, for the purposes of carrying out the provisions of this title, $50,000,000 which shall be available over a period of 5 years from October 1, 1980, *Provided;* That no more than $25,000,000 is authorized to be appropriated in any one fiscal year.

TITLE V—MISCELLANEOUS

REGULATIONS

SEC. 501. The Secretary may promulgate such regulations, in accordance with section 553 of title 5, United States Code, as may be necessary to carry out this Act.

REPORTS

SEC. 502. The State, the Northwest Indian Fisheries Commission, the State of Oregon, and the Columbia River Inter-Tribal Fish Commission shall submit to the Secretary an annual report on the status of the programs authorized by this Act or any other relevant report requested by such Secretary.

RELATION TO OTHER LAWS

SEC. 503. Nothing to this Act shall be construed—

(1) to diminish either Federal, State, or tribal jurisdiction, responsibility, or rights in the field of resource enhancement and management, or control of water resources, submerged lands, or navigable waters; nor to limit the authority of Congress to authorize and fund projects; or

(2) as superseding, modifying, or repealing any existing applicable law.

AUTHORIZATION OF ADDITIONAL APPROPRIATION

SEC. 504. In addition to other authorizations of appropriations contained in this Act, there are authorized to be appropriated to the Secretary beginning October 1, 1980, an amount not to exceed $5,000,000 for the purpose of developing fisheries port facilities in the State of Oregon. Such facilities shall be primarily intended to accommodate fisheries other than salmon. The Secretary is authorized to obligate such funds for projects proposed by units of State or local government, Indian tribes, or private nonprofit entities, and approved by the State of Oregon in consultation with the National Marine Fisheries Service and the Economic Development Administration. To the extent practicable, the Secretary shall assure that projects under this section are integrated with planning and assistance under the Public Works and Economic Development Act. Funds available under this section shall not be used for any navigational improvement or other modification of the navigable waters of the United States. Funds appropriated pursuant to this section shall remain available until expended.

Mr. MAGNUSON. Mr. President, this is a bill that is cleared unanimously by the Senate Commerce Committee and by the Committee on Environment and Public Works. It has been cleared with the Republican side and the Democratic side.

There is a small technical amendment which is going to be offered by the Senator from Oregon that merely changes the language of the bill by striking "is authorized to" and substituting "shall" on page 52, line 20, of the joint report.

The PRESIDING OFFICER. The Chair reminds the Senator from Washington that that amendment is not in order until the committee amendments are disposed of. The committee amendments need to be disposed of.

Mr. MAGNUSON. I move the adoption of the committee amendments.

The PRESIDING OFFICER. Without objection, the committee amendments are considered and agreed to en bloc, and without objection, the bill will be treated as original text for the purpose of further amendment.

UP AMENDMENT NO. 1056

(Purpose: To correct a technical error in the bill)

Mr. MAGNUSON. I call up this amendment on behalf of the Senator from Oregon (Mr. PACKWOOD).

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

> The Senator from Washington (Mr. MAGNUSON), for Mr. PACKWOOD, proposes an unprinted amendment numbered 1056:
>
> On page 52, line 20, strike "is authorized to" and a substitute "shall".

Mr. MAGNUSON. This amendment by Mr. PACKWOOD is acceptable to me and the rest on the committee.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (UP No. 1056) was agreed to.

Mr. MAGNUSON. Mr. President, this legislation addresses the 6 years of resistance, bad feelings, economic dislocation and fishery mismanagement that have followed the 1974 Federal court decision of Judge George Boldt interpreting a series of treaties negotiated between the Federal Government and the Northwest Indian tribes in the mid 1850's. One of the early pioneers in establishing the Northwest's salmon industry—Mont Hawthorne—described these treaty negotiations in a most fascinating way in today's hindsight. He said:

> Back in the 1850's, after we signed the treaties, our soldiers moved a lot of the inland tribes over across the mountains and right in with the fish Indians. When General Isaac Stevens talked them into signing, he made all sorts of promises . . . but General Stevens never stayed around long enough to see what happened to his promises or them Indians. (Alaska Silver, McKeown 1951).

Mr. President, what happened to those promises is a long, complex and emotion-filled history. Those treaties provided, among other things, that:

> The right of taking fish, at all usual and accustomed grounds and stations, is further secured to said Indians, in common with all citizens of the territory.

The Federal district court ruled in 1974 that this meant that the tribes had treaty rights to one-half of the salmon and steelhead which would pass through their traditional fishing grounds. After long and bitter appeals, the U.S. Supreme

Court affirmed this decision in most respects last July.

This legislation seeks to bring a negotiated resolution to much of this remaining controversy. The legal battles, the physical violence, and the hard feelings on both sides is too lengthy to go into at this point. It is our collective hope that the worst is now behind us and that we can get on with working out a long-term agreement on how to live with the Federal court decisions and build a better, more successful fishery for all concerned. This bill is an attempt to get the affected parties to agree upon a long-term program that can greatly assist in bringing order to the confused state of affairs, in bringing coordinated and proper management to the fishery resources of the Northwest, and in bringing relief to the commercial salmon fishing industry which was hurt by the Boldt decision. The parties who have been adversely affected by this decision need the programs of this bill, and the resource needs the management coordination and planning this bill provides.

This bill as reported by both committees is basically the same as the substitute amendment (amendment No. 1686) which I introduced in March 24 of this year. The major changes which I felt were necessary included: inclusion of the Columbia River within the enhancement proposals of the legislation; addressing the steelhead controversy in a comprehensive and negotiated fashion; addressing the lack of fishery management coordination in the Northwest's salmon fishery; a more effective and meaningful enhancement program; and a more responsive fleet adjustment program. I felt very strongly that these changes needed to be made to the bill as it was introduced, and I am happy to say that my substitute amendment and the above changes it addressed were supported by Senator JACKSON and both Senators PACKWOOD and HATFIELD of Oregon.

The bill is structured into five titles. Title I calls for coordination amongst the State, Federal, and tribal fishery managers in regards to: First, the comprehensive enhancement plan called for in titles II and III; second, fishery research; third, enforcement activities and policies; and fourth, management of the area's salmon and steelhead resources. Section 102 also calls for the Secretary of Commerce to establish an advisory committee to develop and recommend effective procedures, mechanisms, or institutional arrangements: To coordinate research, enhancement, management and enforcement policies for Pacific Northwest salmon and steelhead; and to resolve disputes between management entities concerned with stocks of common interest. This advisory committee shall include appropriate representatives of Federal, State and tribal agencies, and other persons knowledgeable with regard to the fishery resources. It is fitting, at this point, to acknowledge and thank the Commerce Committee's salmon management advisory group, chaired by Mr. Harold Lokken, for the thought and effort they have invested in the preliminary development of these difficult management coordination concepts.

Title II establishes authority for the development of a comprehensive and coordinated fishery enhancement plan for western Washington State. This plan must be developed within 18 months by the State of Washington and the Northwest Indian Fisheries Commission—the organization established by the treaty tribes to coordinate tribal fisheries research, enhancement, and management within the conservation area. This plan is intended to govern all future enhancement by the parties. The bill sets out a number of standards for this plan, which are discussed in more detail in the committee report. The bill also provides that no enhancement plan shall be approved unless the State and the treaty tribes, acting through the Commission, agree not to undertake any enhancement project that is inconsistent with the comprehensive plan. This comprehensive plan requires a commitment from the parties to abide by its terms and objectives—without such a binding commitment, the purposes of coordination and cooperation would not be met and the plan would be a hollow shell.

Section 204 of the bill calls for the Secretaries, in consultation with the State and the Northwest Indian Fisheries Commission to establish a system to monitor and evaluate on a continuing basis all enhancement projects for which funds have been distributed under this title. I would like to point out at this time a printing error on page 16 of the report on the bill. The second sentence of the paragraph describing section 204 was misprinted and should read:

> It is the Committee's intent that the monitoring activity shall not be undertaken by the parties to the plan but rather should be undertaken by the National Marine Fisheries Service and the Fish and Wildlife Service.

Finally, title II also addresses the complex and emotional issue of steelhead trout. Steelhead is highly prized by sportsmen as a game fish, and this legislation recognizes the highly desirable game fish characteristics of steelhead. The legislation recognizes, and does not abrogate, the treaty tribal rights to steelhead. The bill requires that the steelhead controversy must be worked out by agreement within the context of the comprehensive plan. What we want to see is the restoration of steelhead abundance which has been diminishing for a number of reasons including alleged overfishing and mismanagement.

This plan provides the opportunity for the parties to establish outstanding steelhead sport fisheries unencumbered by net fisheries. The intent is to have the tribes and State work this problem out together. Section 201(f) does not mandate any particular outcome on the specific details of the steelhead agreement, and it is not intended to deny the tribes' their ceremonial and subsistence steelhead fishery. But the steelhead problem has simply got to be addressed effectively within this plan—the present situation is not adequate. The bill seeks to establish a binding framework which will minimize the nonrecreational harvest of steelhead, increase effective enforcement, minimize potential enhancement conflicts between steelhead and salmon, and provide that the benefits of steelhead enhancement under this bill accrue to the sport fisherman. This mandated negotiation will not be an easy one, but I have confidence in the State and tribal ability to find an acceptable solution within the dictates of this legislation.

I would also like to point out that the State in the development and implementation of this plan has the authority under this title to provide for enhancement projects that would be undertaken by nonprofit and volunteer associations if such projects meet the requirements of the title and State law. Such projects would not be expected to be very large scale projects—for example, a major hatchery. Because of the commitment many volunteers concerned about stream rehabilitation, this can be a cost-effective use of enhancement moneys.

Title III of the bill provides for an enhancement program similar to title II's, for the Columbia River. This is a new title in the bill that I proposed as part of amendment No. 1686, which I am happy to say was concurred in by Senators JACKSON, HATFIELD and PACKWOOD. This title of the bill responds to a similar treaty rights decision by a Federal court affecting this river system. The parties responsible for drawing up this comprehensive plan are the State of Washington, the State of Oregon, and the Columbia River Inter-Tribal Fish Commission. The inclusion of the Columbia in this legislation is also important to a coordinated and comprehensive resolution of the problems facing the ocean troll and charter fleets.

The area to be encompassed in the Columbia River drainage basin enhancement plan is for the parties to determine; however, in this regard subsections 301(d)(4) and (5) are to be noted. Paragraph (4) provides that the projects must be "economically and biologically sound," and paragraph (5) provides that "all projects included within the plan achieve significant benefits relative to the overall cost of each such project."

Title IV of the bill provides for a fleet-adjustment, or "buy-back" program to give the commercial and charter salmon fishermen who have been economically dislocated as a result of the Boldt decision the opportunity to sell their licenses, vessels, and gear and leave the salmon fishery. Traditional patterns of commercial fishery have been severely curtailed in order to provide one-half of the salmon resource to the treaty tribes. These Federal court decisions and their consequences could not have been foreseen by these fishermen, yet they are the individuals who must live with the economic consequences of the decision's implementation. This program gives these fishermen the opportunity to leave the salmon fishery by establishing a voluntary buy-back program.

This title also provides that the fishing effort reduction that results from the buy-back program of this act and the State of Washington's license moratorium will not be replaced by new fishing effort from outside the State. This mandate is not intended to exclude fishermen who are presently licensed for the fishery off the Washington coast. However, this section is intended to require the Council and the Secretary to take appropriate steps to insure that fishing effort off the Washington coast does not increase above the levels achieved by the fleet adjustment program and State moratorium. New entrants to this fishery could commence operations in the area, however, by purchase of an existing license owned by a fisherman who has the requisite historical participation. This mandate is not inconsistent with any provision of the FCMA; however, the provision is intended to take precedence should such a question of consistency arise.

Title V contains a number of miscellaneous provisions. It provides that this legislation should not be construed as superseding, modifying, or repealing any applicable law. It is thus consistent with, and does not abrogate, Indian treaty rights. Similarly, the legislation should not be construed as altering, prejudicing, or recognizing any particular position in any yet-to-be judicially resolved question regarding the nature, extent, or implementation of treaty rights.

Title V provides also that this legislation does not limit the authority of Congress to authorize and fund projects, although future enhancement projects, whether under this act or otherwise, are intended to be consistent with the comprehensive enhancement plan to be developed by the State and tribes. As the administration and the committees have clearly stated on a number of occasions, this legislation provides for a new response to the various Federal court decisions regarding Indian treaty rights and is intended to be in addition to existing Federal programs and efforts in the area's salmon and steelhead resources. That is, this is a new program which is in addition to historical Federal participation in these fisheries.

Mr. President, we have been working on this problem for a long time. During this Congress the Commerce Committee has devoted 7 days of hearings to fully explore the status of the affected resource, the problems facing the resource and the fishermen, and this legislation. I urge my colleagues to approve this much needed bill and help us move closer toward resolving the remaining problems facing the valuable salmon and steelhead resource of the Northwest.

I also urge our colleagues in the House of Representatives to move quickly on this legislation. The Washington State congressional delegation has introduced a similar companion bill. I am hopeful that the House Merchant Marine and Fisheries Committee, and any other appropriate House Committees, can move quickly to help us move toward resolving these remaining problems facing our salmon and steelhead resources.

Mr. President, I ask unanimous consent a statement by Senator PACKWOOD be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

STATEMENT BY SENATOR PACKWOOD

Today we are taking a major step towards resolving the continuing controversy over the Pacific Northwest salmon fishery. We are also providing a tremendous opportunity for the State of Oregon to develop fisheries facilities along the Coast.

The Pacific Northwest Salmon Enhancement Act will lead to an increase in salmon stocks. Due to the anticipated small salmon runs, the Pacific Fisheries Management Council has determined that the ocean salmon fishing season must be shorter and more limited than ever before. This has already begun to create severe economic dislocations along the Oregon coast.

The President originally proposed legislation which would have only provided Federal funding for Washington State salmon resources, despite the fact that Federal Court decisions have already had a tremendous impact on the Oregon fishing economy. My response was to amend the original bill, to include the Columbia River and its tributaries including the Willamette, Umatilla, Deschutes, and Sandy among others. This proposal was adopted by the Committee on Commerce, Science, and Transportation of which I am the Ranking Member.

As a result, the legislation we are considering today will provide $30 million over the next eight years for enhancement of the Columbia River salmon resource. No project will be funded unless the interests of commercial and recreational fishermen are taken into consideration. Eligible projects could range from new hatcheries to habitat protection. Since both the commercial and recreational ocean salmon fishing seasons depend largely on the size of the Columbia River runs, I expect that funding enhancement projects there will lead to longer salmon seasons in the coastal ocean fishery in the future. It has become apparent that tremendous opportunities exist for Oregon salmon fishermen who are eager to expand into other fisheries.

The Oregon coastal salmon fisherman has the opportunity to catch "under-developed" species on the same fishing grounds as the salmon he was able to catch in more plentiful quantities previously. This alternative to salmon is based on Pacific Whiting, Black Cod, shrimp, various bottlefish, and other species. Among other coastal communities, Coos Bay is emerging as the prime location for a new fishery port targeting on these species. For these reasons, I have proposed that $5 million in Federal funding be made available to the State of Oregon, to be administered by the Governor's office for use in fisheries port developments.

This money is to be used for planning and developing new fishery port facilities, as well as improving existing facilities. Eligible expenditures include, but are not limited to, engineering and environmental planning and construction of off-loading facilities, utilities, access roads and transportation (including railway) pollution control, boat repair and any other installation associated with fish handling, storage and processing.

This bill recognizes that salmon is an essential element in the Pacific Northwest coastal communities. Due to the enhancement measures featured in this legislation, the sponsors of this legislation anticipate that salmon fishing will continue to play an essential role in the coastal economy. Thus, we expect that facilities funded under way proposal will handle, process and store traditional species such as salmon, as well as the newly emerging underdeveloped species. Therefore, a port project with a planned capacity for salmon, proposed by a state or local government, will be eligible for the funds provided by this bill.

The fishing industry in Oregon is in a state of transition, as fishermen try to fit themselves into a dynamic, evolving industry. Federal funding won't provide an ultimate solution to problems of overfishing, financial dislocations, competition from foreign fleets or any of the dozen other complex, burdensome issues plaguing the industry. In this case, however, some funding can help Oregonians through a difficult period by laying the groundwork for increasing the salmon resource and by helping coastal communities develop their port facilities.

CLARIFYING LANGUAGE

The legislative history concerning section 504 must be clarified. A portion of the joint report describing this section may leave an incorrect impression. The Governor of Oregon must approve each project and has responsibility for selecting projects and proposing the amount and terms of funding for each project. Since these are federal funds, however, the Secretary must review the projects before approval to assure that they are appropriate and effective investments of public funds. The Secretary is responsible for auditing the use of these funds after grants have been made, as well.

Another area that may be misunderstood is the provision for integrating projects under this section with planning and assistance under the Public Works and Economic Development Act. The Economic Development Administration is already active in this area and the new work authorized by this section should be coordinated by the Secretary of Commerce and the State with ongoing planning and assistance. This provision does not, however, require a fishery development project in every instance to be consistent with an overall economic development program (OEDP).

Section 204 of the Joint Committee Report must be clarified. The Committee's intent is that monitoring activity shall not be undertaken by the parties to the plan, but rather should be undertaken by the National Marine Fisheries Service and the Fish and Wildlife Service.

Mr. HOLLINGS. Mr. President, I rise in support of the distinguished Senator, my chairman (Mr. MAGNUSON) on this piece of legislation.

Mr. President, today we are taking up a special piece of legislation which is keyed to a serious economic problem in the Pacific Northwest, and will help to solve that problem by supporting enhancement for salmon and steelhead stocks. I wish to concur in the following remarks of the senior Senator from Alaska, and also express my concern over the jurisdictional ramifications of the legislation. The continuing campaign on behalf of Mr. Herbst to obtain jurisdiction over marine and commercial fisheries flies in the face of the agreement I have with the administration, explicitly stated by Mr. McIntyre to me. It is only because of the importance of the particular issue in this case that I will not object to the passage of this legislation.

Mr. President, I ask unanimous consent a statement by Senator STEVENS be printed in the RECORD.

The PRESIDING OFFICER without objection, it is so ordered.

STATEMENT BY SENATOR STEVENS

I had intended to offer an amendment to the bill S. 2163, "to provide for the conservation and enhancement of the salmon and steelhead resources of Washington State, assistance to the treaty and nontreaty harvesters of those resources, and for other purposes," as reported jointly by the Committees on Commerce, Science and Transportation Environment and Public Works.

I generally support this emergency legislation, Mr. President. It proposes an economic aid program to assist with the problems in Washington State occasioned by the recognition of Indian Treaty Rights and declining salmon availability. If wisely implemented, this bill should provide significantly more salmon and steelhead for the states of Washington and Oregon.

However, I do believe that the compromises that were reached concerning the administrative responsibilities of the Department of Commerce and the Department of the Interior are ill advised. If this bill is to be considered a jurisdictional precedent it could adversely impact salmon management in Alaska. Ten years ago now we organized the National Oceanic and Atmospheric Administration and transferred the Bureau of Commercial Fisheries from the Department of the Interior to that new agency. The Bureau was consequently renamed the National Marine Fisheries Service (NMFS). The mandate of NMFS is as the lead agency for marine fisheries matters; that is, the fisheries located in the salt water areas of our country. That agency is now an indispensable part of our fishery management and development program in the United States and administers the Fishery Conservation and Management Act of 1976, the principal fishery statute for this Country. I am pleased to say that I have, along with Senators Magnuson, Hollings and others, strongly supported strengthening this agency to take on these new ocean responsibilities. The marine fishery programs of NMFS are critical to my state and many other coastal states.

However, at the time these transfers were made the separation of authorities between NMFS and the U.S. Fish and Wildlife Service in the Interior Department was not cleanly laid out. In addition, I understand that despite negotiations between two agencies early in the 1970's a settlement of two respective responsibilities between the two agencies, particularly in the areas of anadromous fish management and marine habitat protection, has not been reached to date. Because of these uncertainties, turf fights between the two agencies have continued with regard to their responsibilities concerning marine and anadromous fish. Mr. President, this has indeed led to duplication and waste as each agency tries to outdo the other in carrying out certain programs, or to recapture lost turf.

Recently, President Carter proposed a Department of Natural Resources (DNR) consolidating the National Oceanic and Atmospheric Administration with the Department of the Interior and other agencies. However, that proposal was withdrawn and is no longer under consideration by the Administration. Despite policy against a DNR and an assurance to me on April 5th by the Director of the Office of Management and Budget, Mr. James McIntyre, I've learned that an Assistant Secretary of the Department of the Interior has proposed moving the National Marine Fisheries Service back into the Department of the Interior. This proposal is directly contrary to administration policy as enunciated to me on April 5th.

Confusion about reorganization policy still reigns, I understand, as Mr. Herbst continues to proselytize for this move, apparently with the tacit approval of the Secretary of the Interior. I, of course, strongly oppose such a move because it would be contrary to the intent of Reorganization Plan No. 4 of 1970 and ten years of effort on the part of the Congress to create and maintain a strong oceans agency, one which centralizes the nation's marine fisheries affairs in one single agency.

Yet this bill would provide a situation in which one major species of fish, salmon, which is harvested principally in marine areas and is governed by the Fishery Conservation and Management Act, would be subject to the regulation of two different agencies. I had intended to offer an amendment today to place sole responsibility for making final decisions under S. 2163 in the hands of the Secretary of Commerce and the National Marine Fisheries Service.

We should no longer perpetuate a joint jurisdiction which only creates stalemates, animosity and reasons to duplicate resources between these agencies. The Department of Commerce should be given every responsibility possible to manage these resources and to enhance their availability. My Amendment would have eliminated the requirement in the bill for joint approval of the enhancement plan by the two Secretaries which I believe is unworkable administratively.

Mr. President I recognize the uniqueness of the Indian Rights Salmon problem in the State of Washington. Because that problem is unique I have come to the conclusion that in fact we have set no precedent. Further in light of the emergency nature of the bill of the Senator from Washington Mr. Magnuson and the Senator from Oregon Mr. Packwood I do not wish to delay passage of the legislation and have decided not to offer my amendment.

I thank the Senators from Washington and Oregon for bearing with me on this jurisdictional problem. Their patience in working this out has been most appreciated.

Mr. JACKSON. Mr. President, I would like to offer my sincere gratitude to my colleague from the State of Washington for the leadership he has provided in developing this legislation I am pleased to cosponsor.

Washington State's fishery resource and fishing industry were thrown into chaos by a 1974 Federal district court decision and have continued to be embroiled in controversy. Senator Magnuson's guiding hand has been the instrumental force that brought all of the parties to this controversy together during these difficult years of negotiation. We have the results of this process before us today.

While a 1979 Supreme Court decision answered many of the legal questions raised by the original 1974 Federal ruling, the intervening years brought near destruction to the resource and economic ruin to the fisermen. This legislation is designed to restore our salmon and steelhead stocks and bring sense back to the fishery.

It is important that this legislation be passed by the Senate today. I believe it is equally important that the House of Representatives move quickly on this measure. The Washington delegation is unified in support of this bill and I would urge the appropriate House committees to recognize the work that has gone into developing this unity. The resource cannot afford delay.

This bill follows 2 early years of civil strife and 4 years of intensive negotiation—negotiation that was begun when, in 1976 at the urging of Senator Magnuson, me, and the rest of the Washington delegation, the President appointed a Cabinet-level task force to investigate Washington's fishery resource problems and recommend a solution. This Presidential task force issued its 350-page report in 1978. While the recommended $200 million task force solution was not widely accepted, the research done by the group was an important step in forming the basis for identifying the needs of our fishery. The legislation we now consider is, I believe, more acceptable than the task force recommendation and has been put together with the close cooperation of the Federal Government, the State of Washington, the user groups and the treaty Indian fishermen. It addresses the needs identified by the task force while providing protection for the rights of those involved.

First and foremost, the bill requires the State and tribal fisheries managers, biologists, and scientists to develop jointly a plan for the future enhancement of the decimated salmon and steelhead stocks. Within this plan must be provisions for maximizing the sports harvest of steelhead, the fighting game fish so important to Washington's recreational fishery. We should not commit State or Federal resources unless those who manage the fishery are in agreement on how to proceed.

Second, the bill provides for a program of economic adjustment for fisheries displaced by the Federal court decision—a program based upon the recommendation of the Presidential task force. When completed, this program will join with the salmon and steelhead enhancement facilities to restore economic viability to the industry as a whole and to fishermen as individuals.

Third, Senator Magnuson and I recognize that our anadromous resource ranges beyond the jurisdictional boundaries of the original Federal court ruling. Senator Magnuson has authored and included in this bill an amendment that will provide $30 million in enhancement facilities for the vital Columbia River system. I am pleased that this amendment, which we from Washington State have considered to be so important all along, is supported as well by the Senators from Oregon.

Fourth, the bill provides for joint research to continue the strides we have made toward improved management and improved stocks of salmon and steelhead. Our long-term solutions rely on continued improvements in technology and biology.

Mr. President, we have come a long way in order to present this compromise bill to the Senate. It represents study, consideration, and negotiation by all parties. I am proud to cosponsor this measure and recommend its passage.

Mr. BELLMON. Mr. President, I ask unanimous consent a statement by Senator Simpson regarding S. 2163 be printed in the Record.

The PRESIDING OFFICER. Without objection, it is so ordered.

Statement by Senator Simpson

I would like to briefly comment on the pending legislation. First, I am convinced that the Federal court decisions mandating fishery allocations in the Northwest will have a tremendous impact on the lives and livelihoods of those using these resources in that part of the country. In this respect then, the proposed legislation will create a worthy and needed program.

I am concerned, however, with the budget implications of this new program. It will add $163 million to an already strained Federal budget. Mr. President, I am sure there are a number of proposals similar to this one which address specific problems across the country and which are deserving of our consideration. The problem though is that as more of these new programs are considered and approved the ability of Congress to mandate a fiscally responsible budget becomes almost impossible to achieve.

The Nation is now watching Congress closely to see if it will meet its responsibility to create a sound national fiscal policy. One of the surest methods of achieving this goal is to create new spending programs only in the direst of circumstances. Thus, while I will not object to the proposed legislation, I would urge my colleagues to remember, as the session proceeds, the economic crisis before the Nation and our need to make hard decisions on higher levels of Federal spending.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

The PRESIDING OFFICER. The question is, Shall the bill pass?

The bill (S. 2163), as amended, was passed, as follows:

S. 2163

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

PURPOSES

SECTION 1. (a) In order to assist commercial and recreational harvesters of the salmon and steelhead resources within the conservation area established by this Act in the State of Washington to overcome temporary economic dislocations arising from the decisions in the case of United States v. Washington, this Act authorizes the establishment of a cooperative program involving the United States, the State of Washington, the Treaty Tribes acting through the Northwest Indian Fisheries Commission, and other appropriate parties, to—

(1) encourage stability in and promote the economic well being of the commercial fishing and charter fishing industries and improve the distribution of fishing power between treaty and nontreaty fisheries through (A) the purchase of commercial and charter fishing vessels, gear and licenses; and (B) coordinated research, enforcement, enhancement and management of salmon and steelhead resources and habitat; and

(2) improve the quality of, and maintain the opportunities for, salmon and steelhead recreational fishing.

(b) The benefits of steelhead enhancement undertaken pursuant to this Act should accrue to the recreational fishery.

DEFINITIONS

SEC. 2. As used in this Act, unless the context otherwise requires:

(1) The term "charter vessels" means any vessels licensed by the State of Washington to carry passengers for hire for the purpose of recreational salmon fishing.

(2) The term "charter fishing" means fishing undertaken aboard charter vessels.

(3) The term "Columbia River Treaty Tribe" means the Confederated Tribes and Bands of the Yakima Indian Nation of Washington, the Confederated Tribes of the Warm Springs Indian Reservation of Oregon, the Confederated Tribes of the Umatilla Indian Reservation of Oregon, and the Nez Perce Tribe of Idaho, and any other treaty tribe whose fishing rights in the Columbia River drainage basin under a treaty have been recognized by a Federal Court.

(4) The term "Columbia River Inter-Tribal Fish Commission" means the organization established by the Columbia River Treaty Tribes to assist and coordinate tribal fisheries research, enhancement, and management within the Columbia River drainage basin.

(5) The term "commercial fishing" means fishing for the purpose of sale or barter.

(6) The term "commercial fishing vessel" or "fishing vessel" means any vessel, boat, ship, or other craft which is licensed for, and used for, equipped to be used for, or of a type which is normally used for, commercial salmon fishing.

(7) The term "conservation area" means all salmon and steelhead habitat within the State of Washington except for the Columbia River drainage basin, and in the fishery conservation zone adjacent to the State which is subject to the jurisdiction of the United States.

(8) The term "enhancement" means projects undertaken to increase the production of naturally spawning or artificially propagated stocks of salmon or steelhead, or to protect, conserve, or improve the habitat of such stocks.

(9) The term "habitat" means those portions of the land or water, including the constituent elements thereof, (A) which salmon or steelhead occupy at any time during their life cycle, or (B) which affect the salmon or steelhead resources.

(10) The term "Northwest Indian Fisheries Commission" means the organization established by the Treaty Tribes to assist and coordinate tribal fisheries research, enhancement, and management within the conservation area.

(11) The term "recreational fishing" means fishing for personal use and enjoyment using conventional angling gear, and not for sale or barter.

(12) The term "salmon" means any anadromous species of the family Salmonidae and Gneus Oncorhynchus, commonly known as Pacific salmon, including:

Chinook (king) salmon—Oncorhynchus tshawytscha;

Coho (silver) salmon—Oncorhynchus kisutch;

Pink (humpback) salmon—Oncorhynchus gorbuscha;

Chum (dog) salmon—Oncorhynchus keta; and

Sockeye (red) salmon—Oncorhynchus nerka.

(13) The term "salmon or steelhead resource" means any stock of salmon or steelhead.

(14) The term "Secretary" means the Secretary of Commerce.

(15) The term "State" means the State of Washington.

(16) The term "steelhead" means the anadromous rainbow trout species Salmo gailrdneri, commonly known as steelhead.

(17) The term "stock" means a species, subspecies, race, geographical grouping, run, or other category of salmon or steelhead.

(18) The term "treaty" means any treaty between the United States and any Treaty Tribe or Columbia River Treaty Tribe that relates to the reserved right of such tribe to harvest salmon and steelhead within the conservation area or the Columbia River drainage basin.

(19) The term "Treaty Tribe" means any Indian tribe recognized by the United States Government, with usual and accustomed fishing grounds in the conservation area, whose fishing right under a treaty has been recognized by a Federal court.

TITLE I—COORDINATION

COORDINATIION GRANTS

SEC. 101. (a) The Secretary, in cooperation with the Secretary of the Interior, is authorized to establish a program to provide grants to prepare plans for programs established in titles I, II, and III of this Act in order to promote coordinated research, enforcement, enhancement, and management of the salmon and steelhead resources within the conservation area and Columbia River drainage basin consistent with the purposes of this Act.

(b) Such grants shall be available for use by the State, the State of Oregon, the Northwest Indian Fisheries Commission, the Columbia River Inter-Tribal Fish Commission, or any joint governmental entity establishment for undertaking research, or providing advice on or mechanisms for coordinated management, or enforcement, or preparing the plans and programs described in title I, II, and III of this Act.

MANAGEMENT COORDINATION

SEC. 102. The Secretary shall establish an advisory committee to develop effective procedures, mechanisms, or institutional arrangements to coordinate research, enhancement, management, and enforcement policies for Pacific Northwest salmon and steelhead, and to resolve disputes between management entities concerned with stocks of common interest. The committee shall include appropriate Federal, State, and tribal representatives and such other persons knowledgeable with regard to salmon resources of the area designated by the Secretary. Principal objectives of the coordinating mechanism shall include, but not be limited to—

(1) development of common principles to guide enhancement activities;

(2) promotion of harvest strategies and regulations which will encourage continued and increased investment by the salmon and steelhead producing jurisdictions;

(3) optimum use of resources and manpower for enforcement; and

(4) consideration of harvest and enhancement activities as they may relate to existing and future international commitments.

The conclusions of the advisory committee and the comments and recommendations of the Secretary shall be transmitted to Congress within one year of the date of enactment of this Act.

AUTHORIZATION OF APPROPRIATION

SEC. 103. There are authorized to be appropriated to the Secretary for the purposes of carrying out the provisions of this title in fiscal years commencing after September 31, 1980, an aggregate amount of $5,000,000. Funds appropriated pursuant to this section remain available to the Secretary until expended.

TITLE II—RESOURCE ENHANCEMENT AND HABITAT MAINTENANCE

SEC. 201. (a) AUTHORITY.—The Secretary and the Secretary of the Interior are authorized to establish a program to provide grants for projects for the enhancement of the salmon and steelhead resources of the conservation area.

(b) PLAN.—Any such project must be in accordance with a comprehensive enhancement plan developed and agreed to by the State and the Northwest Indian Fisheries Commission within 18 months after the date ment plan developed and agreed to by the Secretary and the Secretary of the Interior, as provided in this title. The State shall solicit and consider the comments and views of the Washington Salmon and Steelhead Research Council and interested commercial and recreational fishermen in developing the comprehensive enhancement plan.

(c) SCOPE.—The comprehensive enhancement plan, and any revisions, amendments, or modifications of such plan, shall describe all enhancement projects in the conservation area, and associated stocking policies (when relevant), including any related research necessary to such enhancement anticipated by the State and the Northwest Indian Fisheries Commission for a period of at least 5 years.

(d) STANDARDS.—The comprehensive enhancement plan shall include such standards, including restrictions or conditions as are necessary, to assure that any project included in the plan contributes toward the balanced and integrated development of the salmon and steelhead resources of the conservation area. Such standards shall include but not be limited to provisions designed to—

(1) assure that all commercial and recreational fishermen and the Treaty Tribes within the conservation area shall have an opportunity to participate in the benefits of the salmon resources development;

(2) minimize significant adverse interaction between naturally spawning and artificially propagated stocks;

(3) ensure that all projects included within the plan are designed to complement the contribution of sound State, Federal, and Tribal enhancement activities in the conservation area;

(4) ensure that all projects included within the plan are economically and biologically sound and supported by adequate scientific research; and

(5) assure that all projects included within the plan achieve significant benefits relative to the overall cost of each such project.

(e) APPROVAL.—(1) The Secretary and the Secretary of the Interior, shall review the comprehensive enhancement plan and approve such plan within 120 days of the date of receipt of the plan, if found to be consistent with this Act and other applicable law. If the Secretary and the Secretary of the Interior find that such plan is not in conformity with the provisions of this Act or other applicable law, they shall return such plan to the State and the Northwest Indian Fisheries Commission with recommendations.

(2) Upon receiving the plan, the Secretary and the Secretary of the Interior shall—

(A) publish a notice in the Federal Register of the availability of the plan;

(B) provide a copy of the plan to the Attorney General, the Pacific Fishery Management Council and, upon request, to any other interested person or group, and solicit and consider the comments and views of such persons or entities with respect to the plan;

(C) undertake a biological and technical review of the plan, in consultation with the Washington Salmon and Steelhead Research Council, and other individuals knowledgeable with regard to the salmon and steelhead resources of the conservation area;

(D) provide a copy of the plan to and consult with the Secretary of State, with respect to the effect of such plan on any international fisheries; and

(E) determine whether the State and the Northwest Indian Fisheries Commission, acting through its chosen agency or agencies, have the authority to carry out the plan in accordance with this Act, and any standards included within the comprehensive enhancement plan.

(3) The Secretary and the Secretary of the Interior shall not approve a comprehensive enhancement plan submitted by the State and the Northwest Indian Fisheries Commission unless the State and Northwest Indian Fisheries Commission agree not to undertake any salmon or steelhead enhancement project, using funds provided pursuant to this title or otherwise, that would be inconsistent with the comprehensive enhancement plan.

(f) STEELHEAD.—The comprehensive enhancement plan as it relates to steelhead shall seek to minimize the harvest of steelhead by nonrecreational fishing and shall be designed to—

(1) ensure that salmon enhancement projects included in the plan do not have significant adverse impacts on important steelhead stocks;

(2) ensure that the benefits of steelhead enhancement projects included in the plan accrue solely to recreational fisheries; and

(3) encourage the Treaty Tribes to forgo or limit their nonrecreational fishing for steelhead, either by enhancement, management, or selective harvest techniques, in return for the salmon enhancement projects embodied in the comprehensive enhancement plan that will replace any resultant tribal losses.

(g) REVIEW, MODIFICATION, AMENDMENTS, OR REVISIONS.—The comprehensive enhancement plan shall be reviewed periodically. The Secretary, the Secretary of the Interior, the State, or the Northwest Indian Fisheries Commission may request a review, modification, or revision of the plan at any time. Any revision or modification of the plan, developed and agreed to by the State and the Northwest Indian Fisheries Commission, shall be approved by the Secretary and the Secretary of the Interior, within 45 days of receipt of the proposed revision or modification, if such revision or modification is in conformity with this Act and other applicable law. The Secretary and the Secretary of the Interior may withdraw approval of the plan if they find that (1) the plan or its implementation is not consistent with the Act, and (2) no modification or revision has been agreed to by the State and the Northwest Indian Fisheries Commission to correct any such inconsistencies.

ENHANCEMENT PROJECTS

SEC. 202. After the approval of the comprehensive enhancement plan, the State or the Northwest Indian Fisheries Commission may submit project proposals to the Secretary and the Secretary of the Interior in such manner and form as the Secretary shall prescribe. Such application shall include at least—

(1) plans, specifications, and cost estimates of the proposed enhancement project, including estimates of both the capital construction costs of the project and the operation and maintenance costs after commencement of the project;

(2) the enhancement goals that are sought to be achieved by the proposed project, including, but not limited to—

(A) a description of the affected stocks;

(B) an analysis of the expected impacts on the salmon and steelhead resource; and

(C) a projection of the expected impacts on each type of commercial and recreational fishing;

(3) evidence that the State, the Northwest Indian Fisheries Commission, or Treaty Tribe, acting through its chosen agency or agencies, has obtained or is likely to obtain any necessary titles to, interests in, rights-of-way over, or licenses covering the use of the relevant land;

(4) an analysis of, and supporting data for, the economic and biological integrity and viability of the project; and

(5) such other information as the Secretary and the Secretary of the Interior determine is necessary to assure that the proposed project is consistent with the approved enhancement plan and the provisions of this Act.

APPROVAL AND FUNDING OF PROJECTS

SEC. 203. (a) The Secretary and the Secretary of the Interior may approve any project that is consistent with the approved enhancement plan and the provisions of this Act, and shall promptly notify the State, the Northwest Indian Fisheries Commission, and upon request any other interested party of the approval of a project and the amount of funding made available under this title for such project.

(b) The total Federal share of all enhancement projects funded annually by this section shall not exceed 50 percent of the total amount expended for such projects, except that this limitation shall not apply to projects proposed by the Northwest Indian Fisheries Commission. The State share may include both real and personal property and shall include such amounts spent by the State, after July 1, 1977, for enhancement projects consistent with this Act and the plan. Title to, or other interest in, such property shall remain within the State.

(c) The Federal share will be paid in such amounts and at such times as the Secretary deems appropriate, consistent with this Act and the goals of the comprehensive plan.

REVIEW OF ENHANCEMENT PROJECTS

SEC. 204. The Secretary and the Secretary of the Interior shall establish, in consultation with the State and the Northwest Indian Fisheries Commission, a system to monitor and evaluate on a continuing basis all enhancement projects for which funds have been distributed under this title, and may discontinue or suspend distribution of all or part of the funds if any project is not being carried out in a manner consistent with the comprehensive enhancement plan and this Act.

AUTHORIZATION OF APPROPRIATIONS

SEC. 205. There are authorized to be appropriated to the Secretary, for the purposes of carrying out the provisions of this title, not to exceed the following sums:

(1) $42,000,000 for enhancement projects, to be available over a period of 8 years from October 1, 1981; and

(2) $30,500,000 for operation, maintenance and monitoring, where necessary, of enhancement projects authorized under this title, to be available over a period of 8 years following completion of each such project.

If the State and the Northwest Indian Fisheries Commission fail to submit a comprehensive enhancement plan as described in this title to the Secretary within 18 months after the date of enactment of this Act, the Secretary may revert all moneys appropriated pursuant to this section to the United States Treasury.

TITLE III—COLUMBIA RIVER RESOURCE ENHANCEMENT AND HABITAT MAINTENANCE

SEC. 301. (a) AUTHORITY.—The Secretary and the Secretary of the Interior are authorized to establish a program to provide grants for projects for the enhancement of the salmon and steelhead resources of the Columbia River drainage basin.

(b) PLAN.—Any such project must be in accordance with a comprehensive plan that is developed and agreed to by the State, the State of Oregon, and the Columbia River Inter-Tribal Fish Commission within 18 months after the date of enactment of this Act and approved by the Secretary and the Secretary of the Interior, as provided in this title, the States shall solicit and consider the comments and views of interested commercial and recreational fishermen in developing the comprehensive enhancement plan.

(c) SCOPE.—The comprehensive enhancement plan, and any revisions, amendments, or modifications of such plan, shall describe all enhancement projects in the area, and associated stocking policies (when relevant), including any related research necessary to such enhancement, anticipated by the State, the State of Oregon, and the Columbia River for a period of at least 5 years.

(d) STANDARDS.—The comprehensive enhancement plan shall include such standards, including restrictions or conditions as are necessary to assure that any project included in the plan contributes toward the balanced and integrated development of the salmon and steelhead resources of the Columbia River drainage basin. Such standards shall include but not be limited to provisions designed to—

(1) assure that all commercial and recreational fishermen and the Columbia River Treaty Tribes within the area encompassed by the comprehensive enhancement plan and the fishery conservation zone adjacent to the State and the State of Oregon shall have an opportunity to participate in the benefits of the salmon resources development;

(2) minimize significant adverse interaction between naturally spawning and artificially propagated stocks;

(3) ensure that all projects included within the plan are designed to complement the contribution of sound State, Federal, and tribal enhancement and mitigation activities;

(4) ensure that all projects included within the plan are economically and biologically sound and supported by adequate scientific research; and

(5) assure that all projects included within the plan achieve significant benefits relative to the overall cost of each such project.

(e) APPROVAL.—(1) The Secretary and the Secretary of the Interior shall review the comprehensive plan and approve such plan within 120 days of the date of receipt of the plan if such plan is found to be consistent with this Act and other applicable law. If the Secretary and the Secretary of the Interior find that such plan is not in conformity with the provisions of this Act or other applicable law, he shall return such plan to the State, the State of Oregon, and the Columbia River Inter-Tribal Fish Commission.

(2) Upon receiving the plan, the Secretary and the Secretary of the Interior shall—

(A) publish a notice in the Federal Register of the availability of the plan;

(B) provide a copy of the plan to the Secretary of the Army, the Attorney General, the Pacific Fishery Management Council, the Administrator of the Bonneville Power Administration, and, upon request, to any other interested person or group, and solicit and consider the comments and views of such persons or entities, with respect to the plan.

(C) undertake a biological and technical review of the plan, in consultation with individuals knowledgeable with regard to the salmon and steelhead resources of the conservation area;

(D) provide a copy of the plan to and consult with the Secretary of State, with respect to the effect of such plan on any international fisheries; and

(E) determine whether the State, the State of Oregon, and the Columbia River Inter-Tribal Fish Commission, acting through its chosen agency or agencies, have the authority to carry out the plan in accordance with this Act, and any standards included within the comprehensive enhancement plan.

(3) The Secretary and the Secretary of the Interior shall not approve a comprehensive enhancement plan submitted by the State, the State of Oregon, and the Columbia River Inter-Tribal Fish Commission unless the State, the State of Oregon, and the Columbia River Inter-Tribal Fish Commission agree not to undertake any salmon or steelhead enhancement project, using funds provided pursuant to this title or otherwise, that would be inconsistent with the comprehensive enhancement plan.

(f) STEELHEAD.—The comprehensive enhancement plan as it relates to steelhead shall seek to minimize the harvest of steelhead by nonrecreational fishing and shall be designed to—

(1) ensure that salmon enhancement projects included in the plan do not have significant adverse impacts on important steelhead stocks;

(2) ensure that the benefits of steelhead enhancement projects included in the plan accrue solely to recreational fisheries; and

(3) encourage the Columbia River Treaty Tribes to forego or limit their nonrecreational fishing for steelhead, either by enhancement, management, or selective harvest techniques, in return for the salmon enhancement projects embodied in the comprehensive enhancement plan that will replace any resultant tribal losses.

(g) REVIEW, MODIFICATION, AMENDMENTS, OR REVISIONS.—The comprehensive plan shall be reviewed periodically. The Secretary, the Secretary of the Interior, the State, the State of Oregon, or the Columbia River Inter-Tribal Fish Commission may request a review, modification, or revision of the plan at any time. The Secretary and the Secretary of the Interior may withdraw approval of the plan if they find that (1) the plan or its implementation is not consistent with the Act, and (2) no modification or revision has been agreed to by the State and the Columbia River Inter-Tribal Fish Commission to correct any such inconsistencies. Any revision or modification of the plan, developed and agreed to by the State, the State of Oregon, and the Columbia River Inter-Tribal Fish Commission, shall be approved by the Secretary and the Secretary of the Interior, within 45 days of receipt of the proposed revision or modification, if such revision or modification is in conformity with this Act and other applicable law.

ENHANCEMENT PROJECTS

SEC. 302. After the approval of the comprehensive enhancement plan, the State, the State of Oregon, or the Columbia River Inter-Tribal Fish Commission may submit project proposals to the Secretary and the Secretary of the Interior in such manner and form as the Secretary shall prescribe. Such application shall include at least—

(1) plans, specifications, and cost estimates of the proposed enhancement project, including estimates of both the capital construction costs of the project and the operation and maintenance costs after commencement of the project;

(2) the enhancement goals that are sought to be achieved by the proposed project, including, but not limited to—

(A) a description of the affected stocks;

(B) an analysis of the expected impacts on the salmon and steelhead resource; and

(C) a projection of the expected impacts on each type of commercial and recreational fishing;

(3) evidence that the State, the State of Oregon, the Columbia River Inter-Tribal Fish Commission or Columbia River Treaty Tribe, acting through its chosen agency or agencies, has obtained or is likely to obtain any necessary titles to, interests in, rights-of-way over, or licenses covering the use of the relevant land;

(4) an analysis of, and supporting data for, the economic and biological integrity and viability of the project; and

(5) such other information as the Secretary and the Secretary of the Interior determine is necessary to assure that the proposed project is consistent with the approved enhancement plan and the provisions of this Act.

APPROVAL AND FUNDING OF PROJECTS

SEC. 303. (a) The Secretary and the Secretary of the Interior may approve any project that is consistent with the approved enhancement plan and the provisions of this Act, and shall promptly notify the State, the State of Oregon, the Columbia River Inter-Tribal Fish Commission, Tribal Fisheries Commission, and upon request any other interested party of the approval of a project and the amount of funding made available under this title for such project.

(b) The total Federal share of all enhancement projects funded annually by this section shall not exceed 75 percent of the total amount expended for such projects, except that this limitation shall not apply to projects proposed by the Columbia River Inter-Tribal Fish Commission. The State and the State of Oregon share may include both real and personal property and shall include such amounts spent by the State or the State of Oregon after July 1, 1977, for enhancement projects consistent with this Act and the plan. Title to, or other interest in, such property shall remain within the State.

(c) The Federal share shall be paid in such amounts and at such times as the Secretary deems appropriate, consistent with this Act and the goals of the comprehensive plan.

REVIEW OF ENHANCEMENT PROJECTS

SEC. 304. The Secretary and the Secretary of the Interior shall establish, in consultation with the State, the State of Oregon, and the Columbia River Inter-Tribal Fish Commission, a system to monitor and evaluate on a continuing basis all enhancement projects for which funds have been distributed under this title, and may discontinue or suspend distribution of all or part of the funds if any project is not being carried out in a manner consistent with the comprehensive enhancement plan and this Act.

AUTHORIZATION OF APPROPRIATIONS

SEC. 305. There are authorized to be appropriated to the Secretary, for the purposes of carrying out the provisions of this title, not to exceed the following sums:

(1) $20,000,000 for enhancement projects, to be available over a period of 8 years from October 1, 1981; and

(2) $10,000,000 for operation, maintenance and monitoring, where necessary, of enhancement projects authorized under this title, to be available over a period of 8 years following completion of each such project.

If the State, the State of Oregon, and the Columbia River Inter-Tribal Fish Commission fail to submit a comprehensive enhancement plan as described in this title to the Secretary within 18 months after the date of enactment of this Act, the Secretary may revert all moneys appropriated pursuant to this section to the United States Treasury.

TITLE IV—COMMERCIAL FISHING FLEET ADJUSTMENT

FLEET ADJUSTMENT PROGRAM

SEC. 401. (a) The Secretary, upon approval of a program submitted pursuant to section 403 of this title, is authorized to distribute Federal funds to the State, subject to the standards, conditions, and restrictions set forth in this title, for the purchase of commercial fishing and charter vessels, gear, and licenses by the State in accordance with the provisions of this title.

(b) Title to any vessel or other personal property purchased under a State program approved by the Secretary in accordance with the provisions of this title shall vest upon purchase in the State. If the State sells such vessels or other property, title may pass in accordance with such sale.

STANDARDS

SEC. 402. The State shall submit to the Secretary a program plan within 3 months of the date of enactment of this Act designed to—

(1) provide incentives for early retirement of licenses, or early sale of vessels and gear;

(2) set aside specific allocations of funds for each gear type to achieve the specific fleet reductions provided for in the program; and

(3) obtain an effective and expeditious reduction in the overall fishing capacity of and

the number of vessels and licenses in the non-Indian commercial and charter salmon fishing fleets in the conservation area.

PROGRAM APPROVAL

SEC. 403 (a) The State shall submit its program and submit revisions, modifications, or amendments to the Secretary in accordance with standards established pursuant to section 402 and in such manner and form as the Secretary shall prescribe.

(b) Prior to approving such program or any revision, modification, or amendment, and authorizing Federal funds to be distributed in accordance with this title, the Secretary must find that—

(1) the State, acting through its chosen agency or agencies, has authority to carry out a commercial and charter vessel fleet reduction program in accordance with the provisions of this title;

(2) the State program prohibits the purchase of any fishing vessel unless all State commercial and charter salmon fishing licenses attached to the vessel are also sold to the State;

(3) the State program provides that no person may purchase from the State any vessel which that person or a member of that person's immediate family had previously sold to the State;

(4) the State program provides that no person may purchase any vessel sold to the State pursuant to the program and use such vessel for commercial or charter salmon fishing in the conservation area, unless State law provides the use of such vessel could not result in any additional fishing effort in the non-Indian fishing fleet;

(5) the State program provides for purchase of vessels and gear at their fair market value;

(6) the State program provides for the reduction of salmon fishing licenses, through purchase of such licenses at their fair market value, and the use of bonuses and schedules, to—

(A) secure an early retirement from the salmon fishery;

(B) recognize productiveness if the commercial harvesters using a gear type wish that gear type's specific allocation of funds to recognize productiveness; and

(C) recognize passenger-carrying capacity for charter fishing licenses;

(7) the State program provides for the purchase of only salmon fishing licenses from outstanding marginally productive commercial salmon fishermen;

(8) the State maintains a moratorium, or similar program, to preclude the issuance of new commercial and charter salmon fishing licenses as of the effective date of this Act; and

(9) the State has established a revolving fund for the operation of the fleet reduction program that includes individual accounts for each gear type and that any moneys received by the State or its agents from the resale of any fishing vessel or gear purchased under the program (A) shall be placed in such revolving fund, (B) shall, for at least 3 years from the date of the program's inception be placed in the appropriate gear type account, and (C) shall be used exclusively to purchase commercial fishing and charter vessels, gear, and licenses in accordance with the provisions of this title.

(c) The Secretary shall approve each program within 90 days of the date of receipt of the program if found to be consistent with this Act and other applicable law. If the Secretary finds that such program is not in conformity with the provisions of this Act or other applicable law, he shall return such program to the State with recommendations. Any revision, modification, or amendment to the program shall be approved within 30 days of receipt unless found to be inconsistent with this Act or other applicable law.

REVIEW BY THE SECRETARY OF COMMERCE

SEC. 404. (a) The Secretary shall conduct a continuing review of the State program to determine whether the program remains consistent with the purposes of this Act and the provisions of this title. Such review shall include a biennial audit of the records of the State program.

(b) If the Secretary finds that the program or the administration thereof is no longer in compliance with this title, he shall reduce or discontinue distribution of funds under this title, or take other appropriate action.

(c) If the Secretary finds that any money provided to the State or obtained by the State from the resale of any fishing vessel or gear purchased under the program is not being used in accordance with the provisions of this title, the Secretary shall recover such moneys from the fund and place such moneys in the United States Treasury.

FLEET MOBILITY

SEC. 405. The Secretary in coordination with the Pacific Fishery Management Council in its salmon management plan shall ensure that the fishing effort reduction that results from the fleet adjustment program of this title and the license moratorium of the State of Washington is not replaced by new fishing effort from outside the State of Washington.

AUTHORIZATION OF APPROPRIATIONS

SEC. 406. There are authorized to be appropriated to the Secretary, for the purposes of carrying out the provisions of this title, $50,000,000 which shall be available over a period of 5 years from October 1, 1980: *Provided,* That no more than $25,000,000 is authorized to be appropriated in any one fiscal year.

TITLE V—MISCELLANEOUS

REGULATIONS

SEC. 501. The Secretary may promulgate such regulations, in accordance with section 553 of title 5, United States Code, as may be necessary to carry out this Act.

REPORTS

SEC. 502. The State, the Northwest Indian Fisheries Commission, the State of Oregon, and the Columbia River Inter-Tribal Fish Commission shall submit to the Secretary an annual report on the status of the programs authorized by this Act or any other relevant report requested by such Secretary.

RELATION TO OTHER LAWS

SEC. 503. Nothing to this Act shall be construed—

(1) to diminish either Federal, State, or tribal jurisdiction, responsibility, or rights in the field of resource enhancement and management, or control of water resources, submerged lands, or navigable waters; nor to limit the authority of Congress to authorize and fund projects; or

(2) as superseding, modifying, or repealing any existing applicable law.

AUTHORIZATION OF ADDITIONAL APPROPRIATION

SEC. 504. In addition to other authorizations of appropriations contained in this Act, there are authorized to be appropriated to the Secretary beginning October 1, 1980, an amount not to exceed $5,000,000 for the purpose of developing fisheries port facilities in the State of Oregon. Such facilities shall be primarily intended to accommodate fisheries other than salmon. The Secretary shall obligate such funds for projects proposed by units of State or local government, Indian tribes, or private nonprofit entities, and approved by the State of Oregon in consultation with the National Marine Fisheries Service and the Economic Development Administration. To the extent practicable, the Secretary shall assure that projects under this section are integrated with planning and assistance under the Public Works and Economic Development Act. Funds available under this section shall not be used for any navigational improvement or other modification of the navigable waters of the United States. Funds appropriated pursuant to this section shall remain available until expended.

Mr. MAGNUSON. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. JACKSON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

APPOINTMENTS BY THE VICE PRESIDENT

The PRESIDING OFFICER. The Chair on behalf of the Vice President and upon the recommendation of the majority leader, pursuant to Public Law 86–420, appoints the Senator from Montana (Mr. BAUCUS) to attend the Mexico-United States Interparliamentary Conference to be held in Washington, D.C., May 5–8, 1980.

The PRESIDING OFFICER. The Chair, on behalf of the Vice President, pursuant to Executive Order No. 12169, dated October 26, 1979, appoints the following Senators to serve on the U.S. Holocaust Memorial Council: the Senator from Washington (Mr. JACKSON), the Senator from Rhode Island (Mr. PELL), the Senator from Florida (Mr. STONE), the Senator from Missouri (Mr. DANFORTH), and the Senator from Minnesota (Mr. BOSCHWITZ).

The PRESIDING OFFICER. The Chair, on behalf of the Vice President, and upon the recommendation of the majority and minority leaders, pursuant to Public Law 86–42, appoints the following Senators to the Canada-United States Interparliamentary Conference, to be held in San Diego, Calif., May 23–27, 1980: the Senator from Montana (Mr. BAUCUS) and the Senator from California (Mr. HAYAKAWA).

THREE BRUTAL AFRICAN REGIMES: NEED FOR GENOCIDE CONVENTION

Mr. PROXMIRE. Mr. President, within the last year, three of Africa's most brutal regimes have fallen. Amin of Uganda, Marcias of Equatorial, Guinea, and Bokassa of the Central African Empire were each forcefully swept from power. The period of strife and cruelty which characterized their respective reigns has appropriately been termed season of the Caesars. Though that season has now ended, the crimes of these despots caused charges of mass murder and genocide to be raised which cannot be ignored.

Bokassa, the most recent of the three tyrannts to be toppled, ruthlessly suppressed any hint of opposition from within the Central African Empire. It is alleged that he personally took part in the massacre of more than 100 schoolchildren in 1979. Amnesty International reports that when protests developed that same year, nearly 500 demonstrators were killed by Bokassa's forces. Hundreds of innocent victims were butchered during his 3-year rule.

In Equatorial Guinea, the reign of

Marcias resulted in an even larger whirlwind of strife and slaughter. Between 1972 and 1979, over one-third of the country's people fled or were killed. Tens of thousands were murdered. Thousands of others were arbitrarily arrested and subjected to forced labor. Although Marcias directed his cruelty toward the Bubi ethnic group, in particular, few groups were spared his terror.

The darkest and bloodiest hours in recent African history, however, came during Amin's 8-year reign of terror. Evidence submitted to the United Nations suggests that 250,000 were killed while thousands more fled into exile. One prominent Ugandan provided this grim account of life under Amin:

> Arrests without warrant, detention without trial, confiscation of property of Ugandans, beatings which follow every arrest at night and sometimes resulting in death are the pattern of life in Uganda.

The crimes of Amin, like those of Marcias and Bokassa, will haunt the African people for some time to come.

This Senate must act while the memory of recent events is still fresh in our minds. The destructive powers of a state must be restrained by a strong body of international law. The Genocide Convention seeks to address this problem. It is imperative that we seriously consider and act at long, long last on this convention.

ORDER FOR H.R. 6839 AND H.R. 6615 TO BE HELD AT THE DESK

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent—these requests having been cleared with the minority—that at such time as H.R. 6839 and H.R. 6615 arrive in the Senate Chamber, they be held at the desk pending further disposition.

Mr. BELLMON. Mr. President, there is no objection on the minority side.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE CALENDAR

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar Nos. 713 and 716.

Mr. BELLMON. Mr. President, I have been informed that these items have been cleared for passage on the minority side, and we have no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

CIBOLA NATIONAL FOREST

The Senate proceeded to consider the bill (H.R. 3928) to amend the act of November 8, 1978 (92 Stat. 3095), to designate certain Cibola National Forest lands as additions to the Sandia Mountain Wilderness, N. Mex., which had been reported from the Commitee on Energy and Natural Resources with an amendment on page 3, beginning with line 3, insert the following:

Sec. 2. Section 4 of the Act of November 8, 1978, is amended by changing "$12,000,000" to "$20,000,000".

Sec. 3. The proviso in section 1 of the Act of November 8, 1978, is amended to read as follows: "*Provided*, That the tract of land described in this section shall not be included within the exterior boundaries of the Cibola National Forest until the Secretary of Agriculture determines that the city of Albuquerque, New Mexico, has acquired an option to purchase a tract of land containing approximately 640 acres located immediately to the west of such tract for open space or city park use: *And provided further*, That if such option is not exercised the tract of land described in this section shall no longer be included within the exterior boundaries of the Cibola National Forest.".

● Mr. DOMENICI. Mr. President, H.R. 3928 would authorize the expansion of the Sandia Mountain Wilderness in Albuquerque, N. Mex.

This land, some 6,423 acres, is surrounded on three sides by the current wilderness area. It is sheer rock face, dropping down to foothills immediately below. The single private owner has indicated a willingness to sell this property and the city of Albuquerque has purchased 640 acres of land to contribute to the wilderness. In fact the city of Albuquerque feels so strongly about preserving the baseline of the mountains above which no more development will take place, that it has taken a 2-year option on the property to insulate the Federal Government from additional costs due to inflation. As a good-faith gesture, the city has gone so far as to pledge the city parking garage as consideration for the option should it not be exercised.

This portion of the Elena Gallegos grant, along with the rest of the Sandia Mountains, forms a beautiful natural backdrop for the city which all the residents can enjoy.

Enactment of this legislation will insure that future generations will be able to appreciate the enchantment of the Sandia's.

I ask that the option agreement between the Albuquerque Academy and the city of Albuquerque be printed in the Record.

The option agreement is as follows:

Option Agreement

Albuquerque Academy, a New Mexico non-profit corporation, ("Academy") and City of Albuquerque, a municipal corporation, ("City") mutually agree:

1. ACADEMY PROPERTIES

Academy owns the following described real estate located in Bernalillo County, New Mexico:

"That portion of the Elena Gallegos Grant lying east of the west boundaries of Sections 35, 25, 24 and 13, T11, N, R 4 E, NMPM, consisting of approximately 8, 101.21 acres."

Said real estate is shown on the topographic map attached hereto as Exhibit A to consist, for purposes of this agreement, of Parcel D (6,153 acres), Camp Site (270 acres), Parcel A (828.58 acres), Parcel C (639.87 acres), and Parcel B (209.76 acres).

2. CITY PROPERTIES

City owns the following described parcels of real estate located in Bernalillo County, New Mexico:

(a) the 49.14-acre tract of vacant land ("Airport Site") more particularly described in Exhibit B attached hereto;

(b) The 1.6953-acre tract of vacant land ("Sunshine Y Property") more particularly described in Exhibit C attached hereto; and

(c) The 37,950 square-foot improved real estate ("Fourth and Silver Parking Facility") more particularly described Exhibit D attached hereto.

3. OPTION

In consideration for and contingent upon City's payment to Academy of the option fee (pursuant to paragraph 4 and 6 below), Academy hereby grants to City an option (pursuant to paragraph 5, 6, 7 and 8 (below) to purchase from Academy fee simple ownership of Academy Parcels A, B, C, and D scenic easement rights in the Academy Camp Site Parcel.

4. OPTION FEE

The option fee is in the amount of $1,600,500, is payable at City's election in the form of a) cash (U.S. currency), or b) (i) conveyance by warranty deed, together with ALTA Owner's Title Insurance Policy (Standard Form F–1970 Amended 10–17–70), insuring Academy's title to the Fourth and Silver Parking Facility property in the amount of the option fee and subject only to encumbrance exceptions agreed to by Academy in writing, of fee simple title to City's Fourth and Silver Parking Facility property, together with all improvements and fixtures thereon, and (ii) assignment to Academy of all of City's rights (including rents receivable as prorated to date of delivery) of City's Lessor's interest in and to said parking facility, subject however to rights of Lessees under existing parking rental agreements with City. Payment of the option fee shall be made within 30 days of the effective date of this agreement.

In the event that City elects to pay Academy the option fee by means of alternative b) above, the required policy of title insurance shall be issued by U.S. Life Title Company of Albuquerque, the conveyance shall be closed by U.S. Title Company of Albuquerque, property taxes if any, rents receivable and utilities shall be pro-rated to closing, normal closing fees shall be divided by the parties equally, possession shall be delivered to Academy at closing, and closing shall occur no later than 30 days from the effective date of this agreement. Prior to the effective date of this agreement a) City shall obtain for and deliver to Academy U.S. Life Title Company's commitment to issue the above title policy, and b) Academy shall thereafter notify City in writing of any objection by Academy to any exceptions shown in such commitment to be unacceptable to Academy, and in case of such notice of objection City shall prior to closing of the option fee payment either cause such unacceptable exception to be removed or this agreement shall be terminated.

5. TERMS OF OPTION

The terms of the option are as follows:

a. The period of the option is for two years from the date of payment of the option fee.

b. Notice of exercise of the option shall be written notice delivered to Academy at 6400 Wyoming Blvd., N.E., Albuquerque, New Mexico, before expiration of the option period.

c. The option to purchase fee simple ownership of Parcels A, B, C, and D may be exercised as to Parcels A, B, C, and D only as a single, combined parcel. The option to purchase the scenic easement in the Camp Site Parcel is contingent upon exercise of the option as to Parcels A, B, C, and D.

d. The total purchase price of Parcels A, B, C, and D and the scenic easement in the Camp Site Parcel is $24,500.000. The purchase price of Parcels A, B. and D is $17,690,000. The purchase price of the scenic easement in the Camp Site Parcel is $1.100.000. The purchase price of Parcel C is $5,710,000.

e. The purchase price for Parcel C is payable in cash (U.S. currency) or a combination of cash (U.S. currency) and any or all of the properties at values described in paragraph 5f. In the event of exercise of the option, the option fee of $1,600,500 shall be deducted from the purchase price of Parcel C.

f. Payment of the purchase price may at City's election be paid in part by conveyance to Academy of the Airport Site at a value of $2,470,500, and/or of the Sunshine Y Property at a value of $675,000, the unpaid balance of the total purchase price being payable in cash (U.S. currency) in full at closing of the purchase.

The value stated above of the Airport Site is based upon the assumption that the subject property will be intersected by a paved curbed and guttered minor arterial street extending to and connecting with Gibson Blvd. If this condition is not met, the value of the Airport Site will be $2,149,500.

The value stated above of the Airport Site is also based in part upon the assumption that the subject property is suitable for Industrial Park (IP) zoning. If the Airport Site is not zoned I-P at closing of the purchase, then notwithstanding the preceding portions of this sub-paragraph the Airport Site cannot be conveyed by City as part payment unless agreed to in writing by the Academy.

The portion of the existing alley on the Sunshine Y Property located along the east side of the Sunshine Building shall at the option of Academy be vacated prior to any conveyance of said parcel to Academy pursuant to this agreement.

g. Part payment by conveyance of the Sunshine Y Property and/or the Airport Site shall be by warranty deed accompanied by ALTA Owner's Title Insurance Policy (Standard Form F-1970 Amended 10-17-70) insuring Academy's title to such property(ies) in the amount(s) of the above value(s) and subject only to encumbrances as prior to the effective date of this agreement are (i) shown in a commitment to issue such owner's policy(ies) obtained for Academy by City and (ii) approved in writing by Academy as acceptable to Academy.

h. Academy shall at the dates of closing of the purchase convey Parcels A, B, C, and D to City by warranty deed subject only to U.S. Patent Reservations, the roadway easement described in sub-paragraph i below, the flood-control easement rights described in sub-paragraph k below, and any other encumbrances as prior to the effective date of this agreement are (i) shown in a current certified abstract of title obtained for City by Academy and (ii) approved in writing by City as acceptable to City.

i. The terms of the scenic easement in the Camp Site Parcel shall be as negotiated by the parties prior to the effective date of this agreement, said negotiation to follow the federal guidelines and sample easement attached hereto as Exhibit E. The resulting easement negotiated prior to the effective date of this agreement shall be attached to this agreement as Exhibit F, and shall if City exercises its option as to the purchase of this easement, be executed by Academy and delivered to City at closing of said purchase.

Failing mutually acceptable negotiation of the terms of said scenic easement, City may elect to accept and enforce this option agreement as to Parcels A, B, C, and D only, the option fee and all other terms of this agreement as to Parcels A, B, C, and D remaining unchanged.

j. Regardless of whether or not this option agreement includes the option as to the scenic easement in the Camp Site Parcel, conveyance of title to City as to Parcels A and C shall be subject to Academy's reservation therefrom of an easement across said parcels for purposes of road-way access to and from the Camp Site Parcel. Said easement shall be located along the existing road-way to the Camp Site Parcel as shown on Exhibit A, unless change of said location is mutually agreed to by the parties.

k. Academy's conveyance of Parcels A, B, C, and D shall include an appurtenant easement for road-way access connecting Parcels A, B, C, and D to Tramway Boulevard. The location and width of this easement shall be mutually agreed upon by the parties, the location being such as not unreasonably to interfere with potential development of remaining down-slope Academy land and the width not being in excess of that required for foreseeable use of City land benefitted by such easement.

l. Parcels C and A shall be further encumbered to the extent that City will, if necessary to future development of Academy lands west of Parcel C and east of Tramway Boulevard, grant to Academy reasonable easements for flood control purposes and for water storage facilities.

m. Closing of Parcel C shall occur within 7 days of the exercise of this option and closing on Parcels A, B, and D and/or the scenic easement on the Camp Site Parcel may occur at any time within 60 days after the closing on Parcel C, provided however, if the parties fail to close on Parcels A, B and D within said time period, City shall at the option of Academy reconvey Parcel C to Academy in exchange for the consideration paid pursuant to paragraph 5 e) excluding the option fee deduction.

6. ACCEPTANCE AND EFFECTIVE DATE OF OPTION AGREEMENT

The effective date of this agreement shall be the date approved by the City Council by resolution, not later however than February 15, 1980 (unless an extension of said date for acceptance shall be granted in writing by Academy), and provided however that in the event(s) that City has not in writing approved or waived possible additional encumbrances per paragraph 5 h above or Academy has not in writing approved or waived encumbrances per paragraphs 4 and 5 g above by such date of approval by the City by resolution, then such effective date shall be extended, for a maximum period of 10 days, until such date as such written approvals and/or waivers are made, and failing such approvals and/or waivers within said 10-day extension, this agreement shall not be effective. This 10-day extension provision shall apply also to negotiation of the scenic easement per paragraph 5 i above.

7. ASSIGNABILITY AND REVERTER

The parties' rights under this agreement are freely assignable by the parties, provided however that no assignment by City to any party other than to the United States of America (for national forest and/or wilderness purposes) may be made without Academy's consent unless such assignment is expressly limited to rights of acquisition solely for public open space, recreational and/or conservation purposes, the term "public open space, recreational and/or conservation purposes being described in Exhibit G attached hereto. Furthermore, any lands purchased by City hereunder and not subsequently conveyed to the United States of America for forest or wilderness purposes shall be subject to Academy's right of reverter in the event that City (or successor to City, purchaser from City, or grantee or assignee of City) shall discontinue use of the property for public open space, recreational, or conservation purposes.

8. SURVIVORSHIP OF TERMS

The terms of this agreement shall survive closing of purchase under this agreement.

Exhibit B

Legal Description Airport Site

Northwest portion of the Municipal Addition #9, Tract A, Township 10 North, Range 3 East, Section 33, Albuquerque, Bernalillo County, New Mexico, containing 49.4± acres.

Exhibit C

Legal Description Sunshine Y Property

Disposition parcel 27-B, being all of Block 15, exclusive of three lots on the southeast corner of Central Avenue and Second Street on which the Sunshine Building is located and exclusive of the 16 foot alley to the south of these lots, Original Townsite of Albuquerque, in the City of Albuquerque, County of Bernalillo, State of New Mexico.

Exhibit D

Legal Description Fourth and Silver Parking Structure

A parcel of land legally described as Lots 16 through 24 and the south 80 feet of Lots 13, 14, and 15, Block 24, Original Townsite of Albuquerque, Albuquerque, Bernalillo County, New Mexico.

Exhibit E

Title 5400—Landownership

If the amendment of terms constitutes a relinquishment of previously purchased rights, the disposal must be authorized by laws covering exchange and/or the sale of surplus Government property.

Refer to FSM 5483.7 for guidelines concerning amending declarations of taking and complaints.

5442—Title Considerations. The general procedures for obtaining adequate title evidence are contained in FSM 5424. Specific concerns are identified in FSM 5442.1 and .2.

5442.1—Level of Title Perfection. The same level of title perfection used for fee acquisition is required for partial interests.

5442.2—Mortgages. Title to easements can be approved subject to outstanding mortgages, deeds of trust and vendor's lien that meet the Attorney General's guidelines as contained in FSM 5462.44b. In all other cases, mortgages against the property on which the partial interest is being acquired must be released before the purchase price can be paid.

The United States can pay the escrow fees charged by title companies to process closings involving the simultaneous release of a mortgage.

5443—Partial Interest Conveyance Documents. Acquisitions of mineral rights under National Forest surface and similar partial interest purchases are seldom encountered. When necessary to describe the estate, it can usually be defined by rights or interests reserved in previous conveyances. The documents conveying these interests will be developed on a case by case basis in cooperation with the Regional attorney.

However, legislation enacted since 1965 has resulted in the Forest Service frequently acquiring conservation or scenic easements. The estate to be acquired is generally developed in accordance with the guidelines in the authorizing legislation and appropriate management plans. While it is impossible to use a standard conservation easement deed for all situations, there are several general considerations that provide guidance.

5443.1—Scenic or Conservation Easements. The rights and obligations of the owner of property encumbered by an easement and the rights and duties of the holder, as well as their respective successors, cannot be considered in the abstract. They are governed by the easement instrument.

Easement instruments should respond to the specific needs of the owner and holder in the light of concrete objectives applied to particular property. An easement which is useful for a wild river may be inappropriate for another wild river or in a National Recreation Area.

It is important to remember that the rights and obligations of the owner and the holder, preferably referred to as the grantor and the grantee, are specific to the instrument. The general law provides the overall setting, but the particular rights and duties of the parties are spelled out in the instrument creating the easement. The grantee has only those rights and duties which are spelled out in that document, or which can be fairly, inferred from it. The grantor's land use activities are limited or restricted only to the extent spelled out or fairly implied by the easement document.

Therefore, the easement must clearly and specifically state the rights and duties of the respective parties. Acquisition and valuation or management and enforcement problems often result from the failure of the easement document to clearly define the rights and duties of the parties in the present and future.

The starting point of an adequate easement document is a thoughtful plan which rests on an analysis of the precise qualities of the area that are to be protected. Objectives must be clearly defined. There must be close and continuous coordination between the staff areas and the regional attorney involved in the acquisition and enforcement of the easement and those that must manage the resources according to its terms.

FSM 5443.11—18 discuss guidelines illustrated by the sample easement included as exhibit 1 in FSM 5443.19.

5443.11—Preamble. All easements will include a preamble citing the authorities for the acquisition. It is also desirable to use this portion of the easement to indicate the objectives of the acquisition. In order to clearly define the Federal significance of the proposed action, the preamble should contain language linking the acquisition to the objectives of the statute.

5443.12—Description of Property. The property encumbered by the easement should be described to the same standard as used for fee title acquisitions. If different restrictions govern different portions of the property, the boundaries of these areas should be accurately defined.

5443.13—Term. The term of the easement should be stated. If it is to be perpetual, it should be so indicated.

5443.14—Enumeration of Regular Uses. In order to avoid later misunderstandings, the easement may list the primary regular uses not being relinquished by the landowner. This may be particularly helpful when the statutory authority grandfathers preexisting uses. See FSM 5441.54 for additional guidelines.

The listing of these uses does not relieve the administration from the responsibility of maintaining a carefully documented case file for each scenic easement.

5443.15—Use by Grantee. These are the rights and obligations of the United States. The section must provide those powers necessary to preserve the rights enumerated in the instrument and enabling legislation. Generally, a right of entry must be reserved to administer the easement and to inspect for violations. There should be powers provided for the removal of items inconsistent with the purposes of the easement. The section should also enumerate the powers the Government needs to protect and maintain its interests from fires, insect and disease outbreaks, erosion, etc. The right to go on the property to repair or restore damages created to its interests will generally be needed.

There must be a careful balance between making the instrument so specific as to risk excluding inferred powers, or so general as to be void for vagueness. Therefore, all easements should be reviewed by the regional attorney.

5443.16—Grantor's Retained Rights and Restrictions on His Property. Defining the restrictions on the grantor, or landowner, is the most troublesome area of easement preparation. These statements directly affect what the grantor can do and hence generally contain the greatest potential for future conflicts and misunderstandings.

The grantor will generally insist on as specific a statement of prohibitions as possible. Careful review is necessary to ensure that all foreseeable prohibitions reasonably necessary to protect the interest being acquired are included.

Particular attention should be paid to provisions covering the construction and maintenance of structures, subdivisions, and alteration of the land surface and vegetation. Ongoing and potential land uses must be carefully analyzed, such as timber harvesting, row crop production, and grazing.

The document must make it clear that it is intended to create an interest which is binding on the original owner and all successors. The easement is to run with the land.

5443.17—Public Access. Instruments designed to provide the public with access along any portion of the property must define the extent and nature of the access.

Conversely, if public access is not to be allowed, state that nothing in the easement is to be interpreted as conferring such rights.

5443.18—Termination and Reverter Clauses. Termination and reverter clauses will not be used in scenic easements.

5443.19—Wild and Scenic River Easement. Exhibit one illustrates the format and general content of such easements. The terms and conditions apply to a specific easement for one wild and scenic river. Since each easement must be consistent with the intent of the appropriate legislation management plans and objectives, and specific property conditions, sample easements for the various authorities have not been developed for this manual.

EXHIBIT ONE

(Tract No.   )

NATIONAL WILD AND SCENIC RIVERS SYSTEM EASEMENT DEED

This easement, dated this   day of   , 19 , by and between   , of (Address) hereinafter called the Grantor(s), and the United States of America, hereinafter called Grantee;

Whereas, Public Law 90-542 (82 Stat. 906), as amended, provided for the establishment of a Wild and Scenic Rivers System, and designate portions of the   River in (State) as a component of the National Wild and Scenic Rivers System to be administered by the Secretary of Agriculture as part of the National Forest System, and

Whereas, the Grantor(s) is (are) the owner(s) of certain land in the established boundaries of the   River component of the National Wild and Scenic Rivers System, located in   County, State of   , said land being appurtenant to other lands of the Grantee and affecting the public benefits provided by this Federal land, and

Whereas, the Grantee, by the United States Department of Agriculture through the Forest Service, or its successors, desires to administer such land pursuant to the Wild and Scenic Rivers Act and the general statutory authorities relating to the National Forest System and to provide for and protect the natural, scenic, recreational and other values for which this river was designated, and to prevent any developments that will tend to mar or detract from these values, and to that end exercise such reasonable controls over the land within the areas described herein as may be necessary to accomplish such objectives.

Now therefore, the Grantor(s) for and in consideration of the sum of $, the receipt of which is hereby acknowledged, and in further consideration of the convenants herein contained, does hereby grant and convey unto the Grantee and its successors or assigns a perpetual estate and easement in the following described lands:

(1) Insert Description.

The acquiring agency is the Forest Service, United States Department of Agriculture.

Grantor and Grantee do hereby covenant and agree for themselves, their heirs, successors, or assigns, that they shall use and restrict the use of the easement area as set forth hereinafter, it being mutually agreed that such use, or restriction thereof, shall run with the land, and be to the benefit of the entire river area and such other lands of the Grantee which are situated within said area by fostering and enhancing the Grantee's goal of preserving the scenic, recreational, and other natural qualities of the   Wild and Scenic River area in accordance with Public Law(s)   .

Section 15(c) of the Wild and Scenic Rivers, Act, Public Law 90-542, defines a scenic easement, the interest being acquired herein, as the right to control the use of land (including the air space above such land) within the authorized boundaries of a component of the Wild and Scenic Rivers System for the purpose of protecting the natural qualities of the river area, but such control shall not affect, without the owner's consent, any regular use exercised prior to the acquisition of the easement; accordingly, the regular use(s) of the above described land exercised prior to the acquisition of this easement and not relinquished is (are):

(List specifically, not generally. It may be appropriate to use a plat to illustrate existing uses.)

1. *Use by Grantee.* The Grantee, its authorized representatives and/or assigns, is hereby granted the right to go upon the land described in this easement for the following purposes:

A. To inspect for violations and to administer this easement, including the establishment and maintenance of corners delineating the easement area.

B. At the expense of the grantee, remove or eliminate any advertising displays, signs and billboards, stored or accumulated junk automobiles, and other salvage materials, junk, or debris, which is not permitted by the terms of this easement, and is placed on the above-described land after the date of this easement.

C. To mark, cut, and remove any trees and shrubs which in the judgment of the Grantee endanger public safety or detract from the aesthetics of the above-described area, and to plant and selectively cut or prune trees and shrubs to restore or maintain the scenic view and to implement disease prevention measures. The property owner shall be consulted prior to initiation of such operations. Merchantable timber cut by the grantee or its assigns shall be disposed of or sold at the discretion of the grantee.

D. To perform such other scenic, aesthetic historical, fish and wildlife, sanitation, restoration or other work as, in the opinion of the authorized representative of the Grantee, may be deemed necessary or desirable to protect and promote the natural and recreational qualities of the area. The Grantor shall be consulted prior to initiation of such projects.

E. To post regulatory notices on selected portions of the easement area for purposes of promoting the provisions of this easement and the intent of the Wild and Scenic Rivers Act, and at its discretion to utilize with respect to the public the general statutory authorities relating to the National Forests and Wild and Scenic Rivers in such a manner as it deems appropriate to carry out the purposes of said Act. Nothing in this clause is intended to abrogate the Grantor's right to legally protect his property rights under State law.

Except as noted, activities conducted by the Grantee under the above section shall be at no expense to the Grantor. Nothing herein shall be construed as creating any duty on the part of the Grantee to undertake any of the acts described above.

II. *Use by Grantors*. In return for the stated consideration, the Grantor assumes the following covenants and restrictions. These covenants and restrictions are imposed upon the occupancy and use of the easement area by the Grantor, his successors or assigns, except that none of these covenants and restrictions shall be deemed or construed as controlling or eliminating any regular use of the land exercised prior to the acquisition of this easement unless such use is acquired by the Grantee. Except as otherwise provided by this easement, the costs of conformance with the terms of part II of this easement shall be borne by the Grantor.

A. The lands within the easement area shall not be used for any professional or commercial activities except such as can be and are in fact conducted from a residential dwelling without exterior alteration of the dwelling.

B. No mining or industrial activity shall be conducted on the lands within the easement area.

C. The Grantors, their heirs and assigns, retain the right to use the easement area for general crop and livestock farming and for limited residential development. Such right shall be subject to the following limitations:

1. Said land shall not be subdivided and sold as smaller tracts.

2. One (1) single-family residence with appropriate accessory structures is the total maximum number authorized for the easement area.

3. No commercial buildings, multifamily residential buildings, or other industrial or commercial structures shall be erected on said land.

4. No trailers, portable structures, or any other nonpermanent low quality, unattractive structures will be constructed or moved into the easement area.

5. No structures allowed herein shall be placed within   feet of the river.

6. Adequate provisions for disposal of waste and sewage shall be made to fully comply with applicable State and local regulations for sanitation and water pollution control. In no case shall untreated waste or sewage be discharged into any water or waterway.

7. Structures shall not exceed a height of   feet measured the natural grade at the middle of the front of the structure to the highest point of the roof or parapet.

8. Roofs, exterior siding, vent pipes, chimneys and other exterior material and fixtures (except windows) shall be constructed of nonreflective material or painted and maintained with earth-tone colors.

E. There is specifically retained by the Grantor, the right to perform ordinary maintenance on all permitted roads, and structures together with the right to replace, rebuild, or substitute any road, or structure now existing with similar roads, or structures in substantially the same location.

G. No dump of trash, ashes, garbage, sewage, sawdust, or any similar unsightly or offensive material is permitted within the easement area.

H. Except as otherwise provided, no signs, billboards, outdoor advertising structures, or advertisement of any kind or nature shall hereafter be erected or maintained within the easement area. One (1) on-premise sign not greater in size than 36 inches by 24 inches may be erected and maintained to advertise the sale, hire, or lease of the property, or to advertise the sale or availability of any goods, products, or services on the land, and one additional sign of the same size may be erected and maintained to designate the owner or the name of the property.

I. No permanent changes in the general topography of the landscape or land surface will be permitted except for those authorized herein or caused by the forces of nature. The Grantor may drill wells, lay, operate, maintain, repair, or remove water and sewer pipelines, conduits, or drains below the surface of the easement area insofar as such activities do not permanently impair or adversely affect the natural beauty of said easement area, and the area is restored to its former natural condition.

J. No trees or shrubs shall be pruned, removed, or destroyed on the land in the easement area except for dead or hazardous trees for reasons of safety. Likewise, seedling trees or seedling shrubbery may be grubbed up or cut down in accordance with good farm practice on lands presently being cultivated or for residential maintenance purposes. Cultivated crops, including orchard fruit and nut trees, may be pruned, sprayed, harvested, and otherwise maintained in accordance with good agricultural practices.

K. Subject to valid existing appropriated water rights, the Grantor may not pump or remove water from the river. Diversion works and ditches will be constructed and maintained in a manner compatible with the preservation of the scenic values of the river. The Grantor may obtain water from wells and ponds in the easement area, consistent with the other provisions of this easement.

L. Archaeological of paleontological explorations may be conducted only by the Grantee or as authorized by a permit from the Secretary of Agriculture or his duly authorized representative. All specimens or materials of archaeological or paleontological interest shall be the property of the United States.

III. Public Entry. The granting of this easement is not intended to permit or in any way give the public the right to enter upon said land for any purpose.

To Have and to Hold the herein described scenic easement and rights unto the Grantee, its successors and assigns, forever.

EXHIBIT G

DEFINITION OF "OPEN SPACE, RECREATIONAL AND/OR CONSERVATION PURPOSES"

"Open space, recreational and/or conservation purposes" means, for purposes of the Academy-City option agreement to which this definition is attached as Exhibit G, the following:

a. Active and passive outdoor recreation open to the general public, "active" outdoor recreation being limited to golf courses, tennis courts, fishing and/or boating lakes, camp grounds and tramways, and "active" outdoor recreation specifically excluding off-road recreational vehicle (motorcycle, dune-buggy, Jeep) areas;

b. botanical and zoological parks open to the public;

c. lakes, waterways, flood water storage areas, and other public facilities for the handling of flood water;

d. land, flora and fauna being maintained in their natural state and/or being returned to their natural state; and

e. structures and facilities incidental to the above uses.●

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time, and passed.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the bill was passed, and I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UMATILLA AND WALLOWA NATIONAL FOREST LANDS

The bill (S. 2398) to extend the provisions of the General Exchange Act, as amended, to certain lands in order that they may become parts of the Umatilla and Wallowa National Forests, and for other purposes, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

S. 2398

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the provisions of the Act of March 20, 1922 (42 Stat. 465, as amended), are hereby extended to the following described lands: Williamette meridian—township 3 north, range 36 east, section 13, that part of the east half of the southeast quarter and of the south half of the southwest quarter of the southeast quarter lying south of the Umatilla River; section 21, that part of lot 3 lying south of the Umatilla River, lot 4 and southeast quarter of the southeast quarter; section 22, those parts of lots 9, 10, 11, and 12 lying south of the Umatilla River, lots 13, 14, 15, and 16; section 23, that part of the north half and the north half of the southwest quarter lying south of the Umatilla River, and southwest quarter of the southwest quarter, and the north half of the southeast quarter; section 24, that part of lots 3 and 4 lying south of the Umatilla River, lots 5 and 6; section 28, lots 1 and 2, east half of the northeast quarter.

Township 2 north, range 41 east,
section 26;
section 35, east half;
section 36.
Township 5 south, range 32 east,
section 29, southwest quarter of the southeast quarter.

SEC. 2. Lands conveyed to the United States under section 1 of this Act shall, upon acceptance of title, become parts of the Umatilla and Wallowa National Forests and shall be subject to the laws, rules, and regulations applicable thereto.

SEC. 3. The Act of March 4, 1925 (43 Stat. 1279), is hereby amended to exclude the following described lands:

Willamette Meridian

Township 4 north, range 41 east,
section 9, east half, northwest quarter of the northwest quarter, south half of the northwest quarter and the southwest quarter;
sections 10 to 17 inclusive;
sections 20 to 29 inclusive;
section 32, east half and east half of the west half;
sections 33, 34, 35, and 36.
Township 4 north, range 42 east,
sections 19 to 36 inclusive.
Township 3 north, range 40 east,
sections 13, 24, 25, and 36.
Township 3 north, range 41 east.
Township 3 north, range 42 east.
Township 2 north, range 40 east,
section 1, north half.
Township 2 north, range 41 east,
sections 1 to 17 inclusive.
Township 2 north, range 42 east,
sections 1 to 12 inclusive.
Township 3 south, range 37 east,
sections 28, 29, and 30.
Township 3 south, range 45 east,
sections 13, 14, and 15.
Township 3 south, range 46 east,

●

section 18.
Township 4 south, range 38 east,
section 26.

SEC. 4. The Act of June 19, 1936 (49 Stat. 1534), is hereby amended to exclude the following described lands:

Willamette Meridian

Township 3 south, range 37 east,
sections 1, 2, 3, 4, 5, the west half, the south half southeast quarter, the north half northeast quarter, and the southeast quarter northeast quarter section 7; the east half, the northwest quarter, the east half southwest quarter, and the southwest quarter southwest quarter section 8, sections 9 to 24 inclusive, and sections 29 and 30.

SEC. 5. The Act of June 17, 1940 (54 Stat. 402), is hereby amended to exclude the following described lands:

Willamette Meridian

Township 1 south, range 39 east,
section 12, south half.
Township 1 south, range 40 east,
sections 3, 4, and 5;
section 6, south half;
sections 7, 8, 9, and 10.
Township 4 south, range 38 east,
sections 11, 14, and 23.
Township 6 south, range 38 east,
sections 17, 20, 29, and 32.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. BELLMON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

TITO

Mr. ROBERT C. BYRD. Mr. President, one of the major figures in postwar international politics has passed from the scene—Josep Broz Tito of Yugoslavia. A World War II partisan leader and Communist, Tito always put the interests of his country first. His name became synonymous with resistance to the imposition of Soviet hegemony on Communist countries. In both foreign and domestic policy, Tito carved out an individual approach that set his country apart from other Communist countries: in domestic policy, Tito promoted a mixed and rather decentralized economy; in foreign policy, Tito refused to side with either of the postwar European power blocs.

One does not have to agree with Tito's aims or methods to recognize that he left a mark on his nation and on world affairs.

Yugoslavia is a diverse country composed of six national republics and two autonomous regions. Identity with ethnic communities is so strong in modern Yugoslavia that it is often said that Tito was the only true Yugoslav, that everyone else is first a Serb or Croat or Slovene.

While national differences continue to be a source of potential division within Yugoslavia, fierce national independence should also serve as a warning to any nation that might seek to intervene militarily in some post-Tito political crisis. People who have worked so hard to maintain their separate identities are likely to bitterly resist foreign intervention.

We need hardly be reminded of Yugoslavia's geopolitical importance. It was at Sarajevo, in Bosnia-Herzegovina, that the assassination of the Austrian Archduke Francis Ferdinand put in motion events that led to World War I. In the post World War II period, Yugoslavia's importance as a buffer between NATO nations, such as Italy, and Warsaw Pact nations in Southern Europe is still crucial. Tito set the pattern of good relations with all of Yugoslavia's neighbors, East and West, while refusing to ally militarily with any. An independent Yugoslavia continues to be a key part of a stable and peaceful Mediterranean region.

Tito also made his mark in world affairs as one of the early leaders of the nonalined nations, along with India's Nehru and Indonesia's Sukarno. Nonalinement as professed by these men sought to provide an alternative to the power struggle that divided Europe and threatened to spread to the emerging nations of the Third World. In the last decade, true nonalinement has been eclipsed as a political movement by the growing North-South confrontation. At a time when greater understanding between North and South are necessary, the leadership of men such as Tito will be missed.

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, has the Journal of the proceedings been approved?

The PRESIDING OFFICER. Yes, it has.

Mr. ROBERT C. BYRD. Early today?

The PRESIDING OFFICER. Not for today, but when the Senate convened this morning.

Mr. ROBERT C. BYRD. Were the proceedings approved to date at that time?

The PRESIDING OFFICER. The Senator is correct, yes.

Mr. ROBERT C. BYRD. I thank the Chair.

MONTANANS VOICE CONCERN ON HEALTH PLANNING LAW

Mr. MELCHER. Mr. President, the National Health Planning and Resource Development Act, recently extended for at least another 3 years, causes some serious concern.

Last summer I received a petition from more than 60 Montana physicians critical of the health planning law. Last fall I received a similar petition from 43 Montana dentists and still another petition in opposition to this law from more than 30 private citizens in Montana. These petitions reflect concerns basic to the doctor/patient relationship. They note a trend that might eventually interfere with the patient's right to select a physician or dentist of his or her own choice; that Government regulations are infringing on the decisions on what kind of practice a physician or dentist might have, what kind of equipment they might use, and what kind of information they might protect.

These are legitimate concerns as physicians and dentists trend the path of Federal regulation of health care. Not only physicians but their patients as well still have freshly in their minds the experience of 3 years ago when planning guidelines issued under the planning law stirred a blizzard of protest on their potential impact on rural hospitals. After 55,000 compaints were sent to HEW—thousands of those from Montana—the regulations were changed to take into account the unique needs of rural hospitals. But it took an uproar to make HEW see what was obvious to Montanans all along. National formulas do not fit every situation and inevitably leave some holding the bag.

The health planning amendments signed into law last year may help to improve regulations for rural hospitals by emphasizing the needs of medically underserved areas. In fact, the amendments dropped the requirement that regional health plans had to conform with the national planning guidelines. At the same time, however, the amendments stretched the limits of the certificate of need program. All of us in States like Montana and the so-called rural areas, for both the sake of patient and practicing physician and dentist, must carefully review regulations under the act to avoid bureaucratic infringement.

The health planning law has been controversial. In fact, last July, the house of delegates of the American Medical Association called for its repeal and that is what the petitions I have received seek as well.

A growing number of physicians are concerned about physician assignment rates under medicare that hover around 20 percent. Physicians tell me of their concern over professional standards review organizations and the extent to which PSRO's qualify the judgment of individual physicians.

The Montana Health Systems Plan for 1979 includes this statement:

> Hospitals in Montana should offer the highest quality and most comprehensive and effective service possible at the most reasonable cost to the patient, in accordance with the attending physician's plan of care for the patient.

The Montana physicians are saying basically they do not need to have that pointed out to them when they have always had that goal. The dentists share that view. They are saying they believe the health planning law regulations are jeopardizing the level of care by moving in directions that can interfere with the practice of medicine and dentistry.

The PRESIDING OFFICER. What is the pleasure of the Senate?

RECESS UNTIL 9:15 A.M. TOMORROW

Mr. MELCHER. Mr. President, I move that the Senate now recess, under the order, until 9:15 a.m. tomorrow.

The motion was agreed to; and at 6:39 p.m., the Senate recessed until Tuesday, May 6, 1980, at 9:15 a.m.

NOMINATIONS

Executive nominations received by the Senate May 5, 1980:

DEPARTMENT OF STATE

Edmund Sixtus Muskie, of Maine, to be Secretary of State.

EXTENSIONS OF REMARKS

MICHIGAN HELMET LAW

HON. DAVID E. BONIOR

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, May 5, 1980

● Mr. BONIOR of Michigan. Mr. Speaker, the Secretary of Transportation recently summitted a report which documents the tragic increase in motorcycle fatalities which has occurred since 1976. Last year 4,850 motorcyclists died in accidents. That number is a 46-percent increase over the number killed in 1976. The principal cause of the increase was the decline in helmet use resulting from repeal of helmet laws in 27 States.

Michigan was one of the first three States to have a helmet law. Our law has been in effect since 1967. For about 1 year in the late 1960's the law was repealed and motorcycle fatalities increased dramatically. The increase led to the readoption of the law. I am confident that many Michigan motorcyclists are alive and well today because of the law. We are also funding motorcycle rider education programs in the State.

Motorcycle safety is a critical issue for the country. Helmet use is an essential element of a motorcycle safety program. The report by the Secretary provides abundant information on the effectiveness of helmets. For the edification of my colleagues, I am providing the highlights of the study.

SECTION I—HIGHLIGHTS OF THE STUDY

PURPOSE

The Highway Safety Act of 1966 authorized the Federal Government to set minimum standards for State highway safety programs. The same Act also authorized the Government to withhold 10 percent of Federal highway construction funds and all Federal highway safety funds from any State which failed to comply with these standards. In 1967, the Secretary of Commerce issued thirteen highway safety standards, one of which was for motorcycle safety. One part of the motorcycle standard required the States to enact mandatory motorcycle helmet use laws.

Athough motorcycles have been in use in this country for more than 70 years, their popularity has grown dramatically since the early 1960's. With the growth in motorcycle use has come evidence that head injuries are the leading cause of death in motorcycle accidents. Evidence has also become available that shows motorcycle safety helmets to be an effective means of reducing the incidence and severity of head injuries in motorcycle accidents.

In 1966, Georgia became the first State to require helmet use by law. By the time the motorcycle safety standard was issued, 11 States had already passed helmet use laws. By the close of 1969, 40 States had adopted legislation requiring helmet use. The number of States adopting helmet legislation continued to grow and by 1975, helmet use was required of all motorcyclists in 47 States, the District of Columbia and Puerto Rico. That year the Secretary of Transportation began proceedings against California, Illinois, and Utah to determine whether the highway safety programs of those States should be disapproved because of the States' failure to require helmet use by all motorcyclists. Disapproval of the States' highway safety programs could have led to the withholding of Federal funds.

Before the Secretary could act, however, the Congress passed the Highway Safety Act of 1976. Section 208(a) of that Act removed the Secretary's authority to require the States to adopt helmet laws, thereby preventing the Secretary from imposing financial sanctions on any State that repealed its law. To underline the point, this section also removed the Secretary's authority to withhold 10 percent of a State's highway construction funds for failing to implement any of the standards promulgated under the Act.

State legislatures were pressed shortly thereafter to take advantage of the Congressional action. By 1979, 27 States had either fully repealed their helmet laws or revised them so that only motorcyclists under 18 were required to wear helmets. During this same period, the number of deaths from motorcycle accidents jumped significantly, from 3,312 in 1976 to 4,850 in 1979. The 1979 figure represents an increase of 46 percent over 1976.

In response to this dramatic turnabout, the Congress placed the following requirement in Section 210 of the Surface Transportation Assistance Act of 1978:

> The Secretary of Transportation shall make a full and complete study of the effect of the provision contained in the eighth sentence of subsection (c) of Section 402 of title 23 of the United States Code relating to requirements, or lack thereof, concerning the wearing of safety helmets by operators and passengers on motorcycles. Such investigation and study shall include, but not be limited to deaths, accidents, severity of injuries, length of time in recuperation, and permanent disabilities. The Secretary shall report the results of such study, together with his recommendation, to Congress not later than one year after the date of enactment of this Section.

This report has been prepared in response to that requirement.

METHODOLOGY

Shortly after the Highway Safety Act of 1976 was adopted, NHTSA contracted with four States (Colorado, Kansas, Oklahoma, and South Dakota) to study the effect of helmet law repeal. These were in progress when the 1978 Act was adopted and it was decided that these studies would serve as the core data for this study. To obtain additional data needed for the report, several other steps were taken.

The studies in Colorado, Kansas, and South Dakota were extended to obtain additional data on helmet use and effectiveness, and to obtain economic data. The on-going, in-depth study of motorcycle accidents being conducted for NHTSA by the University of Southern California (USC) was analyzed for data to include in the report.

A notice describing the requirements of the study and requesting the submission of data from all interested parties was published in the Federal Register. Additionally, more than 1,400 individual letters were sent to organizations and individuals requesting information which would be useful in the study. More than 600 responses to these requests were received and have been compiled in the docket established for the study.

MOTORCYCLE HELMET USE ISSUES

One of the arguments used against helmet laws has been that helmets are ineffective. A review of the studies of helmet effectiveness dating back to the early 1940's was conducted and is summarized in Section III. These studies consistently showed that helmets are effective.

Also in Section III, prior studies relating to the issue of whether or not helmets cause neck injuries were reviewed. It was found that helmets do not cause neck injuries. Documentation of whether helmets cause accidents by impairing vision was studied and found not to support the claim that helmets harm vision.

Section IV reviews the basis for inclusion of the helmet use requirement in the highway safety program standards. It also discusses the chronology of helmet law adoption by the States and addresses the effect of laws on the rate of helmet use.

Data from these studies clearly show that observed helmet use is between 95-100 percent in helmet law States. In States which require only minors to wear helmets or do not require helmet use at all, the rate of voluntary helmet use was quite low. The lowest rate observed was 25 percent. The observational studies generally found a rate of voluntary helmet use from 50 to 60 percent.

This section further discusses the low rate of helmet use by young motorcyclists resulting from their failure to appreciate the potential consequences of not wearing a helmet. This should be of special concern to society because our youth represent a special asset to the nation and because of the long-term medical and rehabilitative costs which must be borne by society as a whole when young people are severely injured in motorcycle accidents. It must also be pointed out that the financial impact on a motorist of a brain damage law suit by an unhelmeted motorcyclist can easily exceed the insurance coverage carried by the motorist.

The question of whether or not helmet use is an appropriate area for State and Federal regulation is also addressed. Court decisions are summarized showing that helmet laws are constitutional. Opinion surveys are cited which show that a majority of the public favors helmet laws. These surveys also show that motorcyclists are about evenly divided in supporting and opposing helmet laws.

Section V presents the effect of helmet law repeal on head injuries and fatalities. A two to threefold increase in the frequency of head injury is noted for States which have repealed their helmet law. An increase of almost fourfold in the severity of head injuries is documented.

In addition to data from the four NHTSA-supported State studies, data from eight independent State studies are discussed, as is the on-going motorcycle accident study at

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

the University of Southern California. Data are also presented from the helmet study conducted by NHTSA in Illinois and Michigan in 1974.

Section V concludes with a discussion of documentation submitted by organizations which both support and oppose helmet use legislation.

The cost of motorcycle accidents, injuries, and fatalities is analyzed in Section VI. Data from six States are analyzed. The findings show that unhelmeted motorcyclists incur more severe head injuries requiring longer hospitalization, which result in significantly higher medical costs. An analysis of the additional medical costs which have resulted from helmet law repeal reveals increases of millions of dollars annually for direct hospitalization and physician costs.

The analysis also shows that a sizeable portion of the total medical expenses are unpaid by the injured person and must be absorbed by society as a whole.

Section VII presents approaches to increasing voluntary helmet use. It notes that the major reason most accident-involved riders are not wearing helmets is that they have no expectation of being involved in an accident. The discussion notes that some increase in voluntary helmet use may be achieved by providing factual information to correct misconceptions held by some motorcylists about helmets and helmet effectiveness. However, it also points out that the far more critical factor is the attitude of riders toward motorcycling in general and the perception of risk of not wearing a helmet in particular. It notes that effective means of changing the attitudes and behavior of motorcyclists to increase helmet use are not currently known. Discussion of methods to develop potentially effective means of changing attitudes relative to helmet use is also offered.

The section concludes that voluntary helmet use promotion programs are extremely unlikely to achieve the high rates of helmet use found in helmet law States and that voluntary use programs, which at the present time are only marginally effective, will be the most expensive programs ever initiated for motorcyclists.

CONCLUSIONS

The study conclusions presented in Section VIII discuss five specific areas: (a) public and motorcyclist reaction to helmet use and helmet laws; (b) the effectiveness of helmet use and helmet laws; (c) the effect of Section 208 of the Highway Safety Act of 1976 which prohibits withholding of any highway safety dollars from a State for failure to require helmet use, and the need for its revocation; (d) the need for comprehensive motorcycle safety programs; and (e) the Department's recommendations on helmet usage.

The conclusions reveal that the vast majority of the public as well as motorcyclists believe that helmets are effective and that the public supports helmet laws. However, it notes that motorcyclists are about evenly divided in their support of helmet law repeal. The conclusions also indicate that some progress may be made in increasing voluntary helmet use through educational programs, but these programs have never achieved the high levels of helmet use (90-95%) found in helmet law States.

With regard to the effectiveness of helmet use, the study concludes that unhelmeted riders are two times more likely to incur a head injury of any type and are at least three times more likely to incur a fatal head injury. The study concludes that there is no evidence to suggest that helmet use causes neck injury or caused accidents. The study also concludes that where helmet use is only required by minors, or not required at all, the rate of use is low, on the order of 50-60 percent.

With regard to Section 208 of the Highway Safety Act of 1976, the study concluded that it had a direct effect in the repeal or weakening of helmet laws in 27 States. This in turn resulted in substantially lower rates of helmet use and substantially increased rates of serious and fatal head injury.

The study notes that motorcycle fatalities increased 46 percent between 1976 and 1979 while motorcycle registrations increased less than one percent. It concludes that the decline in helmet use resulting from the Highway Safety Act of 1976 was the single most significant factor in the 46 percent increase in motorcycle fatalities.

The conclusions also address the Department's view that State helmet use legislation is in the national interest because of the social and economic harm they avert.

The final conclusions address the need for Congressional legislation to define the responsibility of States in enacting helmet use legislation.

MOTORCYCLISTS TRIPLE RISK OF DEATH BY REJECTING HELMETS

Motorcyclists triple their risk of death by failing to use protective helmets, according to a report released today by the U.S. Department of Transportation.

The report to the Congress also concludes that the failure of motorcyclists to wear helmets is costing the public many millions of dollars in added medical care, rehabilitation and public assistance expenses.

The study was prepared by the department's National Highway Traffic Safety Administration in response to Congressional concern about the rapid increase in motorcycle fatalities since 1976.

The most significant factor in this increase, according to the report, is the repeal of helmet use laws since 1976, when Congress withdrew the authority of DOT to levy sanctions against states which do not require the use of safety helmets.

"Since that time, 27 states have repealed or weakened their laws requiring helmet use, and motorcycle fatalities have increased by more than 40 percent, while new motorcycle registrations have gone up less than one percent," said NHTSA Administrator Joan Claybrook.

"Unfortunately, many states have interpreted the repeal of our authority to impose sanctions as a signal to revoke their helmet laws. This report makes it clear that many thousands of needless deaths and disabling head injuries have resulted because of the repeal of helmet laws. We believe that each state should retain or re-enact such use laws," Claybrook said.

According to the report, 4,572 cyclists were killed in traffic crashes in 1978, an increase of approximately 1,278 fatalities over the number killed in 1976. (Preliminary data collected by NHTSA estimates the 1979 cyclist toll at 4,850, more than a six percent increase over the 1978 figure and 47 percent higher than in 1976 when several states began repealing their helmet laws.)

The report indicates that in several states where special studies were conducted, helmet use decreased from almost 100 percent to about 50 percent after helmet use laws were either repealed or weakened.

The study makes these other observations:

In most states with helmet laws, compliance with such laws is very high, usually over 90 percent.

Unhelmeted riders incurred 2 to 4 times as many head injuries as helmeted riders. Many of these head injuries are severe and require extensive medical care and higher medical costs.

Helmet use does not increase accidents by impairing a rider's vision or hearing, or by causing fatigue or overconfidence.

There is no scientific evidence that helmets cause or increase the severity of neck injuries in motorcycle accidents.

"Each state should have a comprehensive motorcycle safety program which includes helmet use along with requirements for rider education and licensing, safety inspection, increased visibility of the rider and cycle, and public education efforts to increase the awareness of automobile drivers about motorcycle safety," Claybrook said.

Copies of the report may be obtained by writing to the General Services Division, National Highway Traffic Safety Administration, Washington, D.C. 20590.●

PYRAMID 1,000

HON. JULIAN C. DIXON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 5, 1980

● Mr. DIXON. Mr. Speaker, on a recent trip to my congressional district, I had the distinct pleasure of attending a seminar on safety and survival sponsored by an organization of black women activists. Known as Pyramid 1,000, this group looks to eradicate economic, educational, political, financial, and moral disparity in the black community. Using their motto, "Women United for Progress" as their benchmark, Pyramid 1,000 is taking a giant step by attacking these disparities within our community. They are doing such a fantastic job that I wanted to share their story with you.

The brainchild of Mrs. Libby Clark, who serves as president, Pyramid 1,000 was organized in April 1978, with only 10 members. Today, membership totals over 1,000. Initially the group's focus was geared primarily toward the support of female candidates seeking political office. They have, however, broadened their horizons and now rally their energies around a variety of issues of vital concern to the constituency they serve.

Pyramid 1,000 promotes network development by disseminating information to the community at large. Each member is responsible for 10 persons and each of those 10 is responsible for 10 more, hence the origin of "Pyramid." By using this vehicle of outreach, Pyramid 1,000 successfully reaches thousands in the community and, provides them with information of particular concern to residents of inner city and urban areas such as crime, education, and current political issues/candidates.

Bipartisan political forums have been held featuring local political candidates articulating their ideologies and positions to the community. Without actually endorsing individual candidates, Pyramid 1,000 provides residents in the community with an opportunity to form their own opinions and make their decisions known at the ballot box.

Pyramid 1,000 also addresses itself to the alarming increase of crimes committed against women and the elderly. At the recent seminar I attended on safety and survival, the group focused on ways to reduce incidences of crime perpetrated against these segments of our society.

Pyramid 1,000 is widely respected in the Los Angeles area. The group enjoys a unique cross section of support from corporations, other community organizations, the media, law enforcement groups, and the public at large.

Mrs. Clark along with Pyramid 1,000's entire membership have undertaken a yeoman task. Their service to Los Angeleans is tremendous and, if their recent seminar suggests any measure of their effectiveness, Pyramid 1,000 is destined to be an active force for a long time to come. I salute them on their contributions to society.●

LEGISLATION TO FACILITATE CERTAIN PUBLIC LANDS CONVEYANCES

HON. JOHN F. SEIBERLING

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, May 5, 1980

● Mr. SEIBERLING. Mr. Speaker, I am today introducing legislation which incorporates a number of suggestions put forward by the administration for improving the administration of our public lands.

The bill I am introducing today is in three sections.

Sections 1 and 2 would permit the conveyance by quitclaim deed, as part of a sale or an exchange, certain public lands within the national forest system which are: First, irregularly shaped tracts of 40 acres or less which cannot be efficiently or economically administered; second, tracts of 5 acres or less which are innocently occupied because of surveying errors; or third, road rights-of-way owned by the United States but which are no longer needed. In consideration for the lands sold or exchanged, the Secretary could accept either cash payment, lands or interest-in-lands equal to the fair market value of the lands sold or exchanged. Any mineral interests would be recognized in determination of value.

Section 3 would clarify the authority of the Secretary of the Interior to issue "confirmatory" patents for those lands which have already been conveyed to and vested in the several States pursuant to a number of acts of Congress making such grants for school purposes.

Mr. Speaker, most of the tracts dealt with in sections 1 and 2 of the bill were created during the late 19th and early 20th centuries through patenting of mining claims on the public lands in the West. The claims occurred in concentrated groups forming a broad patchwork, or they followed mineral veins or drainages, resulting in a jumbled interwoven pattern. Intermingled with the claims are residual, unpatented public lands of all sizes and shapes. Many of these fractions came under the administrative responsibility of the Forest Service upon creation of the national forests.

Intensified land use and growing development has resulted in a large increase in problems related to these fractional ownerships. Most of the mineral patents are no longer held for their mineral values. They may support ranching, industrial plants, irrigation sites and water power facilities, utility lines, roads, and intensive recreation sites. Recently, some of the patented lands have been subdivided into vacation homesites. Because of the irregular shapes and the lack of definite and readily identifiable boundaries of the parcels, it is difficult for the public lands manager to fulfill his responsibility in the administration of the intermingled Federal lands. Problems include occupancy trespass, identification of rights-of-way for access and utilities, inadvertent sales of publicly owned fractions, and use by private developers.

Many of these fractions are of such small size or are located in a way so as to be of no practical use for national forest system purposes. The administration believes they should be transferred to private ownership. The only method presently available is by land exchange under the General Exchange Act of March 20, 1922 (42 Stat. 465, as amended; 16 U.S.C. 485-86). In most instances, the exchanges will not meet the requirements of that act. Furthermore, individual exchanges are an expensive, time-consuming and impractical means to resolve the problems of fractional ownerships.

Encroachment on national forest system lands occurs when improvements are constructed or used on a parcel of land acquired in good faith which is later found to overlap the land because of an improper property line survey or error in the property title or land description. This frequently occurs when private lands are subdivided and sold as residential lots. The non-Federal surveys to establish the subdivision may be found to be incorrect when the adjoining Federal land boundary is later surveyed and marked. It is believed that a portion of the estimated 50,000 title claim and trespass situations that currently exist on national forest system lands are due to good faith occupancy. The majority of these involve less than 1 acre.

Two means are available to handle such cases. A special use permit may be granted that, while acknowledging the occupancy, allows it to continue for a specified period. This period is usually sufficient only to amortize any improvements to the property. The permit is then canceled and the improvements must be removed. A land exchange may be made that allows the owner to exchange other private lands for the Government lands in question. This means is usually not satisfactory because of the small acreages and irregular sizes and is an expensive and lengthy process. The only alternative available to the landowner is a Congressional private relief bill.

A related problem pertains to the hundreds of rights-of-way through private lands that have been reserved or acquired in fee by the Government. Most of these were reserved as exceptions from patents to homesteaders and they were intended to provide for existing, planned or potential "wagon roads" serving the homesteaded areas, or to assure public access to public lands. Many of the roads no longer exist or were never constructed. The average size of these strips is 2 acres. Some rights-of-way were acquired in conjunction with the Civilian Conservation Corps program. The result has been the splitting of private ownerships by a strip of Federal land which may serve no useful purpose. The Federal lands are often incorporated into the adjacent private ownerships, resulting in various types of occupany trespass. Like the mineral fractions, these tracts, in the opinion of the administration, cannot be effectively administered and the administration believes they should be transferred to private ownership.

Mr. Speaker, I believe that the bill I am introducing today will provide useful additional authority for proper administration of the affected public lands, and would result in a net savings to the Government through the reduction of administrative expenses. It is my intention to act to call this bill up for a hearing before the Subcommittee on Public Lands of the Committee on Interior and Insular Affairs as expeditiously as possible, so that we can take appropriate action without undue delay. Persons who are interested in testifying concerning this bill should contact subcommittee staff at room 408, H.O.B. Annex No. 1, Washington, D.C., 20515, 202-225-6013.●

THE HAMPTON ELEMENTARY SCHOOL (LUTHERVILLE, MD.) TOURS CAPITOL

HON. CLARENCE D. LONG

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, May 5, 1980

● Mr. LONG of Maryland. Mr. Speaker, I welcome the students, parents, and teachers from Hampton Elementary School in Lutherville, Md., who are today visiting the Capitol. My constituents will tour the Congress, to see our Government in action. I am delighted to meet with my friends from Hampton Elementary to discuss the legislative process and the issues of the day.

Mr. Speaker, distinguished colleagues, I invite you to join me in welcoming:

The teachers: Dorothy T. Gochnauer, Ann Shepherd, and Robin Denton.

The parents: Mr. and Mrs. Donald Imwold, Mrs. Kathy Hoatson, Mr. Ron Kearney, Mrs. Marie Underwood, Mrs. Kevin Quinn, Mr. Tom Gunther, Mrs. David Fouts, Mrs. Kathy Bredbenner, Mrs. Allender, Mrs. Paskalakis, Mr. and Mrs. Shiflett, Mrs. Collomb, Mrs. Treadwell, Mr. Clendaniel, Mrs. Walls, and Mrs. Warner.

The students: Craig Aderholdt, Judd Allender, Kevin Anderson, Matt Baughan, Mike Bess, Greg Clendaniel, Ethan Crenson, Brendan Daley, David Fouts, Rodney Gross, Alex Grabcheski, Derrick Gunther, David Harris, Ray Insley, Robert Krystofiak,

Philip Lenham, Andrew Lott, Robert Morrison, Mike Narutowicz, Allen Pettijohn, Joseph Simmons, David Smith, Mike Treadwell, Mark Myers, Blaine Jensen, Todd Bredbenner, Fred Weiss, Wayne Wipfield, David McGill, Jeff Baker,

Wesley Walls, Maryam Beklik, Renee Collonb, Kirstie Dowell, An-Marie Eufemio, Alice Francis, Gayle Frederick, Heather Glotfelty, Christina Henry, Elaina Paskalakis, Donna Ports, Michelle Shiflett, Patricia Smith, Laura Tull, Ashley Webber,

Donna Winneberger, Jackie Warner, Lisa Booth, Wendy Brown, Lori Francis, Patricia Gambrell, Ottawana Hall, Lorie Hoatson, Lorie Imwold, Suzie Johnson, Cynthia Kearney, Stacey Lloyd, Rhonda Myers, Sinead Quinn, Hannelore Schmitz,

Courtney Taylor, Pearl Tanguilig, Julie Troy, Barbara Underwood, Jamie Werner, Lisa Standiford, Bonnie Gamble, Kristi Murray, Heather Hammack, and Kristen Nugent.●

LET'S TAKE RISKS AGAIN

HON. TIMOTHY E. WIRTH

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Monday, May 5, 1980

● Mr. WIRTH. Mr. Speaker, in the current issue of Newsweek magazine, Mr. David T. Kearns has written an extremely provocative article on the state of our economy. Mr. Kearns—president and chief executive officer of Xerox Corp.—addresses two subjects which are of concern to the Congress: Our lagging rate of productivity increases and the electronic revolution which is coming upon us at an accelerating rate.

In addition to his discussions of technological advances, Mr. Kearns takes a philosophical look at our economy, and those who operate within it. There are plenty of reasons why our rate of productivity has fallen. Government bears responsibility—and so does business. Addressing only one of these will only serve to postpone the day when we begin to resolve these problems.

I commend his column to your attention:

LET'S TAKE RISKS AGAIN

Almost all of us in business have complained at one time or another about the cost—and the reach—of government regulation. It now seems to me our complaints have become self-defeating excuses. American businessmen, in fact, are hiding behind government regulations. They're using the excesses and inefficiencies of Big Government to excuse lackluster management, poor technology and deteriorating productivity.

I don't mean the complaints aren't valid, just that we've heard enough of them. Government isn't the whole problem, no matter how big and how intrusive it is or may become. Getting rid of government—and government's regulations—wouldn't be the whole solution, either. This isn't to say that government and its regulations are a good thing, only that they aren't as good an excuse as some of us think.

If we could claim that government's growth over the last 50 years has come at the expense of business, or the average family's standard of living, it would be a different matter. We can't, because it hasn't.

While government has grown into the half-trillion-dollar leviathan it has become, the economy, by and large, has prospered, and our standard of living soared. In that same period of enormous governmental growth, business has expanded, the number of jobs has doubled and the quality of the average worker's life in America has bested that of any other society in history.

The growth of government didn't cause that success—but it didn't prevent it, either, and that's an important distinction.

Let's stop telling ourselves how easily we could solve our economic problems if only we could change the policies—or the politicians—in Washington. What about the policies in corporate boardrooms?

Help: We like to preach the virtues of a free society, but at the first signs of trouble, the air lanes to Washington are filled with businessmen looking for help. George P. Schultz, former Secretary of the Treasury, said that one of his biggest disappointments was in 1971, when parades of businessmen arrived in Washington, pleading for wage-and-price controls.

The point is, we can't have it both ways. American businessmen have to square their practices with their principles, because the American people won't tolerate anything less. They will never accept a system that allows us to keep our profits, while our losses are subsidized with their tax dollars.

It's time we set aside Big Government as the Big Excuse and get to work on a more serious problem—our vanishing productivity. Since 1966, and particularly since 1970, while the United States progressed slowly—when it progressed at all—our economic competitors have thrived.

Washington is part of the productivity problem, but so is business management. A recent management survey found that U.S. workers are only two-thirds as productive as their grandfathers were—but the survey blamed management, not the workers. Fully 30 percent of a workday is lost, the survey concluded, through scheduling problems, unclear communication of assignments, improper staffing and poor discipline.

Lay the blame on management, as well, for providing workers with old and outmoded production equipment that might have served their grandfathers well, but can't do the job today. American industry no longer seems willing to risk its resources on capital investments for the future. British essayist Henry Fairlie says of us: "The once rambunctious American spirit of innovation and adventurousness is today being paralyzed by the desire to build a risk-free society." Indeed, America's dismal economic record during the last decade reflects, more than anything else, an astonishing decline in research and development, innovation and productive risk-taking.

Through it all, the American economy has proven to be unusually strong and resilient, and depending on how you look at it—either because of American industry, or in spite of it—it's likely to remain so.

The one great lie in this country—and it has to be exposed—is that it's all over for us, that the age of innovation has ended. We are prosperous, it is said, because we have an abundance of natural resources. We had the good fortune to find ourselves in a place with most of the world's coal, much of its oil and a lot of its gas, ores, minerals and farmland. The corollary to that myth is that, as those resources run out, or seem to, so does our luck run out.

I don't agree, not just because I find it totally unacceptable, but because I believe it's totally avoidable. The wealth, at least of this nation, is not in the ground. It's in our minds—and that is a renewable resource. We can create new wealth, and we have.

Costs: We have entered a new, electronic age that we created and where we clearly excel. Electronic circuits have become the bargain of the century. The cost of a high-quality transistor in an integrated circuit has dropped in twenty years from $20 to one-fiftieth of a cent. Computers, which have become indispensable to our way of life, operate at 7 cents per million calculations today, when twenty years ago, those same calculations cost $1.26. In my business, we've lowered the cost of making a copy from 8.5 cents on the Xerox 914, which revolutionized the copier industry twenty years ago, to just over a penny today—and our most advanced copier-duplicators will give you those copies at the rate of two a second.

Over the past decade, the compound annual rate of productivity growth for the U.S. semiconductor industry has been a spectacular 22.5 percent. In the next twenty years, our knowledge of electronics—and our ability to apply it intelligently—will have a profound effect on how we live and work, but more to the point, on how well we do each. Ahead are new generations of microcircuits that will spawn a multi-billion-dollar market for electronic sensors, controls, machines and computers of all sizes and types for consumer and industrial applications of every description.

With the technology we've developed, we can revitalize our tired industrial machine and restore it to its rightful place among our competitors. I mean that both as a statement of fact and a challenge.●

YOUNGSTER'S COURAGE AN EXAMPLE FOR ALL

HON. DON FUQUA

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 5, 1980

● Mr. FUQUA. Mr. Speaker, this House has often recognized acts of bravery by our citizens, but I would today like to publicly commend an act of courage and cool thinking by Graham Howerton of Tallahassee.

Graham, son of Mr. and Mrs. Sandy Howerton, demonstrated maturity and judgment far beyond his 11 years recently when he saved his 3-year-old cousin Stacy Weger from a submerged car in Lake Frances in Madison County, Fla.

Young Graham was enjoying some of the magnificent fishing for which the area is justly fabled when the untended car in which Stacy was playing rolled down an incline and into the lake.

Taking stock of the situation, young Graham Howerton plunged into the lake itself to pull Stacy from the sinking auto.

I think we can all be proud of the selfless actions of Graham Howerton and hope that all the youth of the Nation emulate his courage and poise under unusual and dangerous circumstances.●

STUDENTS FROM SCOTTS BRANCH ELEMENTARY SCHOOL WELCOME TO CAPITOL HILL

HON. CLARENCE D. LONG

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, May 5, 1980

● Mr. LONG of Maryland. Mr. Speaker, I welcome the fourth-grade students, their parents, and teachers, from the Scotts Branch Elementary School in Lochern, Baltimore, who are today visiting the Capitol.

My constituents will tour the Congress, the FBI, and the Smithsonian. The day promises to be a full and interesting one.

I am delighted to have this opportunity to meet with my friends from Scotts Branch Elementary to discuss the issues of the day and the legislative process.

The teachers are:

Mr. Eugene Longbehn; Mrs. Sharon Attaway; and Mrs. M. Lurie.

The parents are:

Mrs. Benson; Mr. M. Trencher; Mrs. Stanwick; Mr. P. Hickey; Mrs. Janet Jackson; Mrs. Sylvia Chatman; Mrs. W. Cobington; Mrs. Doretha Hutley; Mrs. Deborah Arnold; and Mrs. Annie Manning.

The students are:

Thomas Bennett; Sean Cates; Harroll Ferguson; Alen Freedman; Marc Gould; Ronald Henning; Paul Hickey; Jerome Johnson; Jamison Lipsky, and Jeffrey Linzey.

Jeffrey Obrick; David Scherr; Ken Schollar; Larry Trencher; Cheryl Benson; Sonia Johnson; Yakimta Jones; Danielle Mercer; Emily Michelson; and Erica Mundell.

Wanda Pulliam; Donna Rose; Bridget Schilling; Adrienne Stanewick; Janet Stuber; Stephen Cohen; Lamont Cooper; Brian Feidler; David Grogg; and Chris Hailey.

James Howell; James Johnson; Alex McIntyre; Marc Prickus; Nigel Powell; Jay Saunders; Derrick Smith; Karim Von Hendricks; Mark Tomlinson; and Darryl Owens.

Allison Arnold; Danielle Bailey; Beverly Cooper; Stacey Cruz-Bey; Dornita Green; Monica Holden; Terri Moore; Clevonne Oates; LaShawna Pratt; and Jennifer Seager.

Melissa Simons; Rhonda Wicks; Theresa Whitworth; Diane Faulkner; Sheila Hutley; Damon Brown; Marvin Bryan; Lawrence Dorman; Parris Ellis; and Brad Friedman.

Bruce Pickus; Dwight Roane; Randy Warrington; Steven Washington; Richard Watkins; Suk Hoon Yi; Kim Alias; Karen Barone; Robin Boren; and Nicole Covington.

Cindy Franklin; Miriam Frieman; Diana Hurst; Donna Jackson; Nicole Jones; Heather King; Krischa Lambert; Sea Hyun Nam; Susan Prostic; Aryne Siegel, Ericka Wright; and Jael Friedman.●

ARMENIAN GENOCIDE

HON. EDWIN B. FORSYTHE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, May 5, 1980

● Mr. FORSYTHE. Mr. Speaker, the organized destruction of a whole people is an act of terror so immense that it overwhelms the imagination. It is more easily pushed aside and forgotten, than realistically faced up to. To ignore the death, destruction and displacement caused by such an event, however, does not make those horrors disappear. I would like to commend the Armenian American community for bringing to our attention, by setting aside April 24 as a day of commemoration, the first, and one of the most devastating tragedies of the century—the Armenian genocide.

At a time when world events are punctuated more and more frequently by the atrocities committed by large military nations against smaller nonmilitary peoples, we must not forget the experience of the victims of earlier such atrocities. In 1915, the Ottoman Turks systematically butchered, or sent into exile, the whole of the Armenian people. We must not forget the 2 million who died, nor the millions who are now living in a diaspora. I hope my colleagues will keep the suffering of the Armenian American community in mind, and will help that community regain its lost status among the peoples of the world.●

THOUGHTS OF TITO

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, May 5, 1980

● Mr. DERWINSKI. Mr. Speaker, upon the death of the ruler of Yugoslavia and the first Communist leader to break away from the Soviet bloc and one of the founders of the nonalined movement, I wish to insert an article by noted columnist, George F. Will, which appeared in the Chicago Sun-Times of April 15. I believe this is a thoroughly objective view of the record of Marshall Josip Broz Tito.

Mr. Will's commentary follows:

THOUGHTS OF TITO

WASHINGTON.—I recently acquired a small painting of no great value beyond the fact that it is an eyewitness rendering of the crack-up of Western civilization. Painted by a German soldier, it depicts a column of soldiers at Verdun in 1916. When my eye falls on it these days, my mind turns to Tito.

The following words appeared recently in an official Yugoslav denunciation of something published by Moscow's obedient servant, Bulgaria: ". . . and a serious threat to stability in the Balkans." Those nine words should send shivers down the spines of those who know the parts of the past that did most to make the present the mess it is.

A character in a short story by Saki (H.H. Munro) says the trouble with the Balkans is that they produce more history than they can consume locally. The spark that ignited the war that damaged the world more than any war before or since (and killed Saki) was struck in Sarajevo, which is now in Yugoslavia. It was struck by Gavrilo Princip, the Serb who assassinated Archduke Ferdinand.

Princip was given to quoting Nietzsche: "Insatiable as flame, I burn and consume myself." The events he set in train consumed the world of Edwardian stability. That world may have been, as Barbara Tuchman says (in words from an Edgar Allan Poe poem), a "proud tower":

> "While from a proud tower in the town
> Death looks gigantically down."

That world has its faults, but it never produced a Stalin. By the time World War I turned Europe's spirit into something like the artillery-churned moonscape at Verdun, a corporal Hitler had been brought into German life, Lenin had been brought into world history, and the forces were loose that were to lead to World War II.

At Sarajevo plus 66, notice the nature of Yugoslavia, a product of World War I. It is, to some extent, an improvisation masquerading as a nation. In his fine book "The Yugoslavs," Dusko Doder writes that it is a nation with two alphabets, three religions, four languages, five nationalities and six constituent republics. Yugoslav Macedonians were under Turkish rule until 1912. Sarajevo, which will be the site of the 1984 Winter Olympics (if there is an Olympics, and a Yugoslavia, and a 1984), has nearly 100 mosques. There are almost two million Yugoslav Moslems.

The Croatian National Congress recently ran a large, fierce ad in the New York Times, promising: "Yugoslavia Will Not Survive." It said that Croatia, one of Yugoslavia's constituent republics, has a population (nine million) and area larger than half Europe's states, and has a right to secede because of "the principle of national self-determination proclaimed by President Woodrow Wilson." That principle has been used to justify much mischief, and was part of the powder that blew apart the Hapsburg Empire.

Tito was born into that empire. His lavish living has earned him the title "The First Communist King," and A.J.P. Taylor, the historian, calls Tito the last Hapsburg. Like the Hapsburg kings, Tito rules a steamy goulash of religious, ethnic and cultural ingredients.

When Tito dies, World War I soldier will have died. While Corporal Hitler was fighting on the Western Front, Tito, too, was fighting for the Central Powers on another front, a sergeant major in the Austro-Hungarian army.

And when Tito dies, the last leader produced by Hitler's war will have left the stage.●

REVENUE SHARING

HON. DOUG WALGREN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 5, 1980

● Mr. WALGREN. Mr. Speaker, one of the challenges we face over the next few months will be the decision of whether or not to renew the general revenue sharing program. Many local officials in my district have told me that if revenue sharing is allowed to expire, they will have to replace that revenue by raising taxes. I feel strongly that we must be aware of all the consequences of eliminating revenue sharing before we can make an intelligent decision. The Pennsylvania League of Cities, the Pennsylvania State Association of Boroughs, and the Pennsylvania State Association of Township Commissioners jointly undertook a survey study of the impact of the revenue sharing program on local government in Pennsylvania. The study concluded that: Revenue sharing accounts for 14 percent of the average local government budget; if the revenue sharing funds were replaced by property taxes, these taxes would increase an average of 38 percent; if the revenue sharing program is not renewed, 59 percent of local governments expect to cut services, and 87 percent, including many who also cut expenses, would have to increase taxes or institute user fees.

I commend this study to all my colleagues, especially those from Pennsylvania, as they make their judgments on the merits of the revenue sharing program.

REVENUE SHARING: ITS IMPACT ON LOCAL GOVERNMENT

I. INTRODUCTION

Aside from philosophical concerns, the most important factor in the debate on renewal of the Revenue Sharing program is the analysis of its impact on local government finances and services. In an effort to provide timely information on this issue, the Pennsylvania League of Cities, the Pennsylvania State Association of Boroughs, and the Pennsylvania State Association of Township Commissioners jointly sponsored a survey of the impact that the Revenue Sharing program has had on their respective memberships.

The survey was designed to assess the impact of Revenue Sharing on local taxes and budgets, to determine how the funds have been used, and to project the consequences that failure to renew the program will have on local taxes and services. In conducting the survey, a questionnaire, patterned after one that was used for similar purposes by the National League of Cities, was sent to officials in each of the 51 cities, 966 boroughs, and 93 townships of the first class in Pennsylvania (details of the survey methodology are contained in Appendix I, page 9). With the exception of Table 7 (page 7), all data presented is for these three classes of municipalities.[1] The data obtained from the returned questionnaires is presented in the following pages.

The first section presents a summary of the survey data on a State-wide basis both in the aggregate and, in many cases, broken down by size of population. Among the topics covered are Revenue Sharing as a percentage of local budgets, the compared use of Revenue Sharing for capital improvements and operating expenditures, an assessment of the ability of local governments to comply with the program regulations, and an overview of projects and services funded by the program. Also included in this section is a short analysis of the likely impact that curtailment of the Revenue Sharing funds would have on local taxes, services, and employment.

In the second section, much of this same information is presented by Congressional Districts. Additionally, the actual Revenue Sharing allocations, and the impact that non-renewal would have on local government operations, are covered in greater detail than in the previous section.

Finally, a third section contains conclusions drawn from the study, and applies these conclusions to the issues surrounding renewal of the Revenue Sharing Program.

II. STATEWIDE DATA SUMMARY

Uses of revenue sharing

As a percent of local budgets.—In Pennsylvania, about $150 million is distributed to local governments (not including counties) through the Revenue Sharing program. The first question cities, boroughs, and townships were asked was to indicate their Revenue Sharing allocation as a percentage of tax supported, or otherwise locally raised, municipal revenues for budget year 1979. The response indicated that, on average, Revenue Sharing accounts for 14.4 percent of these municipal revenues. Table 1 presents these figures, broken down by population group. It is also interesting to note that, for 78.7 percent of the responding municipalities, Revenue Sharing funds are the only direct Federal funds received.

Use for capital vs. operating expenditures.—During the first four years of the existence of the Revenue Sharing program, the funds were used primarily for capital expenditures. The survey, however, showed a significant reversal in this trend. Statewide, the average municipality used 30.3 percent of its Revenue Sharing allocation for capital expenditures in 1979, while 69.7 percent was used for operating and maintenance costs. Table 2 illustrates comparative capital and operating expenditures by population group. The percentage used for operating expenditures increases in direct proportion to the population.

Compliance with revenue sharing statutory requirements.—Revenue Sharing, unlike most Federal grants, has few statutory requirements and requires relatively little paperwork. One statutory requirement is that municipalities receiving over $25,000 for each of three years must have an independent audit performed on all municipal accounts. The study revealed that few municipalities (less than 2 percent) had substantial difficulties in meeting this requirement.

A second requirement of the program is that all municipalities receiving Revenue Sharing funds must abide by provisions of all civil rights legislation. Compliance is determined primarily by review of Statements of Assurance filed periodically by each municipality. In this instance, less then 1 percent of the survey respondents indicated difficulty in complying.

Finally, municipalities were asked if they had encountered problems with any of the three factors used in the Revenue Sharing allocation formula (these factors are population, inverse per capita income, and tax effort). Although allocation formulas are the subject of dispute in most grant programs, the survey indicated that only 8.4 percent had experienced problems with any of the factors used in the Revenue Sharing formula.

Overview of projects and services funded by the General Revenue Sharing program.—Respondents to the survey were invited to include specific examples of projects and services that Revenue Sharing funds had supported. Substantiating the trend noted earlier, most municipalities reported that the funds were used for various operating expenditures. A noticeable majority applied the funds toward police and fire protection costs. However, a significant proportion also indicated that their reported Revenue Sharing operating expenditures included donations of Revenue Sharing funds to senior citizen programs, libraries, regional health and service centers, and similar projects.

Effects of curtailment of the revenue sharing program

Property taxes.—When asked how much property taxes would have to be raised if that were to be the method used to offset the loss of Revenue Sharing funds, the respondents projected increases averaging 38.5 percent. The percentage varies roughly in inverse proportion to population size; that is, the average percent increase in property tax that would be needed to offset the loss of Revenue Sharing funds is greater among smaller municipalities.

Effect on taxes and services.—The survey asked for specifics on the action each responding municipality would take to make up for the loss of Revenue Sharing funds. The general conclusion drawn from their response was that 59 percent of local government could be expected to cut expenses, while 87 percent, including many who also reduced expenses, would have to increase taxes or institute user fees. Responses to these specific alternatives, which did not vary significantly by population, are shown in Table 3.

TABLE 3.—CONSEQUENCES OF REVENUE SHARING TERMINATION

Alternative	Percent
Increase property or other taxes	37.5
Increase or institute service fees and charges	2.1
Reduce or defer capital expenditures	6.2
Reduce operation and maintenance expenditures	5.2
Increase taxes and/or service fees and reduce expenditures	47.3
Use surplus or other reserve funds	1.2
Increase debt	0
Other	.5
Total	100.0

Effect on employment.—Since many local governments use Revenue Sharing funds for operation expenses, it could be expected that there would be some layoffs if the program was discontinued. The survey found that a total of 2,184 layoffs were possible for those municipalities making an estimate, which is an average of 5 for each municipality in the state. Additionally, many of the responding municipalities indicated that layoffs would be necessary, although they were not able to make an accurate estimate. Statistically, the expected number of layoffs varies in direct proportion to population size. In other words, the greatest number of layoffs can be expected to occur in the largest municipalities.

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[1] The data in Table 7, which was obtained from the Office of Revenue Sharing, includes counties and townships of the second class.

III. STATISTICAL SUMMARY BY CONGRESSIONAL DISTRICTS

All of the statistics in this section are presented by Congressional District.[2] However, since all of the statistics included in this section were presented on a state-wide summary basis in the previous section, little additional narrative detail will be included here. Further breakdown by population or type of government is available upon request.

Tables 4 and 5 present information by Congressional District on Revenue Sharing as a percent of locally raised revenue, and on the average percent increase in property taxes that would be necessary if Revenue Sharing funds were replaced by these taxes alone.

TABLE 4.—REVENUE SHARING AS A PERCENT OF LOCALLY RAISED REVENUE

	Percent
Congressional district:	
1	6.6
5	7.9
6	15.3
7	6.8
8	10.0
9	19.3
10	22.2
11	19.6
12	18.4
13	7.4
14	8.1
15	10.2
16	8.8
17	11.2
18	8.5
19	12.6
20	16.5
21	17.8
22	13.7
23	22.1
24	13.7
25	11.2

TABLE 5.—PERCENT INCREASE IN PROPERTY TAXES TO REPLACE REVENUE SHARING

	Percent
Congressional district:	
1	2.9
5	21.5
6	47.8
7	10.7
8	20.0
9	61.6
10	47.2
11	44.9
12	41.2
13	23.2
14	18.3
15	24.4
16	32.6
17	38.6
18	21.9
19	47.0
20	24.0
21	51.3
22	29.1
23	31.5
24	26.5
25	30.3

The survey asked each municipality to note its probable course of action in the event the Revenue Sharing program is not renewed. Table 6 illustrates the percent of municipalities in each district that expected to resort to the alternative listed (this list of alternatives appears in more detail in Table 3, page 4). The alternative "Increase Debt" was omitted due to lack of response.

The figures shown in Table 7 are the actual Revenue Sharing receipts for all municipalities[3] in each district. On average, Revenue Sharing payments to municipalities amount to roughly $13.70 per capita. This does not include the allocation to the State or the counties; when they are included, the total payment averages $28.30 per capita.

TABLE 6.—PROBABLE ALTERNATIVES TAKEN IF REVENUE SHARING CURTAILED

	Increase taxes	Increase fees	Reduce capital expenses	Reduce operating expenses	Increase tax and reduce expenses	Use surplus	Other
Congressional districts:							
1					100		
5	18		9	9	64		
6	36	5	5	5	44	5	
7	30	10		30	30		
8	66		17		17		
9	27	4		15	54		
10	52		10		38		
11	32			5	63		
12	36		4	4	52	4	
13	54				46		
14	67				33		
15	31				69		
16	20	7	20		53		
17			20	10	60		10
18	43	4		13	36	4	
19	47	3	3	6	41		
20	56	6		6	32		
21	31				69		
22	29		10	5	51	5	
23	23		3	3	68	3	
24	50	6	22	22	22		
25	21		21	21	53		5

TABLE 7.—REVENUE SHARING RECEIPTS BY DISTRICT

District	High	Low	Mean	Total (municipalities)	Total (with counties)
1	$38,288,760	$38,288,760	$38,288,760	$38,288,760	$38,288,760
5	412,423	2,506	40,021	3,601,906	6,791,521
6	1,637,401	927	38,384	5,604,086	9,546,286
7	1,043,341	4,240	104,609	3,975,151	7,269,279
8	713,484	3,937	76,474	4,435,536	7,152,283
9	1,103,726	347	20,860	4,985,552	8,577,011
10	2,133,805	377	25,844	6,574,596	10,547,277
11	1,265,271	872	37,668	5,838,663	8,674,343
12	876,152	381	18,920	4,578,549	7,429,868
13	561,568	11,359	132,445	3,311,117	4,317,308
14	9,196,734	18,088	1,106,568	9,959,114	10,710,900
15	1,899,319	981	102,164	6,334,166	9,974,425
16	1,104,370	1,733	41,926	4,360,347	6,948,019
17	929,227	592	35,494	5,182,147	8,549,285
18	1,061,161	1,181	85,149	5,108,994	10,156,698
19	930,211	1,374	34,465	4,411,459	6,567,559
20	1,532,789	4,056	149,349	6,272,659	9,816,792
21	658,909	1,153	67,369	4,581,084	6,638,152
22	406,458	944	35,760	5,077,915	8,197,566
23	318,460	282	18,944	5,228,444	8,390,475
24	2,643,119	898	53,820	7,427,154	3,274,817
25	977,273	516	37,188	5,206,272	8,184,801
Statewide	38,288,760	282	58,889	150,343,671	206,003,725

IV. CONCLUSIONS

The General Revenue Sharing Program is scheduled to expire September 30, 1980. Revenue Sharing is an entitlement grant program, meaning in this case that all general purpose state and local governments have the right to a share of the fund. For the 1980 federal fiscal year, the program calls for the distribution of $6.84 billion to state, county, and municipal governments nationwide.

The philosophy behind the Revenue Sharing program is that local governments, due to their close contact with citizens and their problems, should be permitted discretion to determine how Federal funds are spent locally. Originally designed to promote capital expenditures in a recessionary period, the program has evolved into a means for local governments to provide a continued level of quality service to citizens on one hand, and meet the expense of unfunded State and Federal mandates on the other, while operating under revenue restrictions imposed directly by statute and indirectly by the economy.

One conclusion to be drawn from the survey is that the timely renewal of the Revenue Sharing program is important to Pennsylvania local governments. All of these local governments, with the exception of Philadelphia, have a January 1 to December 31 fiscal year, and are thus required to adopt 1981 tax ordinances and budgets by December 31, 1980. If renewal is not achieved early in 1980, local governments will face the difficult budgetary decision of whether or not to include projected Revenue Sharing receipts when they begin budget work in mid-1980. This decision will have an obvious and immediate impact on taxes, services, and fiscal planning for 1981, since the survey showed that Revenue Sharing accounts for an average 14.4 percent of local revenues.

Beyond that, the state of the economy indicates a genuine need to renew the Revenue Sharing program for the ensuing years. In a recessionary period such as that which the country is now facing, the demand for governmental services invariably increases. The Revenue Sharing program, which returns 98 cents of each tax dollar contributed, and which can be readily tailored to meet local needs, is an ideal cost-effective method to address this demand for services.

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[2] District 1 statistics are an aggregate of statistics for Districts 1 through 4, which are all in the City of Philadelphia.

[3] In this table only, the term "municipality" also includes townships of the second class.

The survey showed conclusively that services will suffer if the Revenue Sharing Program is not renewed. About 59 percent of local governments could be expected to cut services, while 87 percent including many who also cut services, would have to increase taxes or user fees.

The Revenue Sharing program does not have the degree of targeting common to most other Federal programs available to municipalities. Thus large and small municipalities alike have equal and fair access to the program, in which the only requirements are periodic audits, annual reports, public participation, and compliance with civil rights and Davis-Bacon regulations. The study indicated that compliance with these provisions has caused little substantial difficulty. Thus the Revenue Sharing program provides a high degree of accessibility and flexibility in the use of Federal monies at the local level.

The survey concluded that, on the whole, the Revenue Sharing Program is meeting its objectives. Large and small municipalities have an equal opportunity to benefit from the program, and the result is that Revenue Sharing funds are being applied to local needs and are helping solve local problems.●

THE 40TH ANNIVERSARY OF FATHER KRAUS' ORDINATION

HON. WILLIAM D. FORD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, May 5, 1980

● Mr. FORD of Michigan. Mr. Speaker, I would like to call our colleagues' attention to a significant event which will take place soon in my congressional district of Michigan.

On May 18, Father Carlton J. Kraus will celebrate the 40th anniversary of his ordination to the holy priesthood. On Saturday, May 10, a testimonial in his honor will be held at the Knights of Columbus Hall, in Taylor, my hometown and the site of his parish of St. Alfred's.

Father Kraus is a native Michiganite who has earned a statewide reputation during his 40-year ministry.

After attending grade school at St. Elizabeth, in Detroit, he enrolled at Sacred Heart Seminary, also Detroit, and then studied theology at St. Mary's in Norwood, Ohio.

Following his ordination on May 18, 1940, he celebrated his first mass the following day at Nativity Church, in Detroit. He then served as associate pastor at St. Bridget, St. Martin, and St. Agnes Churches, in Detroit, and at St. Mary in St. Clair, Mich.

His first pastorship was at St. Joseph, in Adrian, Mich., followed by service at St. Gregory, in Detroit.

In June 1968, he became pastor at St. Alfred's, where he served ever since with distinction and honor.

I am proud, Mr. Speaker, to recognize Father Kraus on this meaningful milestone in his life of service.

I join his parishioners and his host of friends in extending congratulations and best wishes for many more fruitful years in the Lord's service.●

REPUBLICAN LEGISLATIVE AGENDA

HON. BUD SHUSTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 5, 1980

● Mr. SHUSTER. Mr. Speaker, today the House Republican leadership announced the Republican legislative agenda for the 97th Congress. This agenda, adopted unanimously by the House Republican Policy Committee, sets forth the goals and policies to be pursued when the Republicans gain control of the Congress. Simply put, the Republican initiatives would return control of America to the American people by reducing spending, cutting taxes, balancing the budget, strengthening our national defense, and improving the climate for economic growth. Following are some of the highlights of the Republican legislative agenda:

I. THE ECONOMY

Enacting across-the-board cuts in personal income tax rates that will enable working people to have more real dollars to spend on personal and family needs.

Rolling back scheduled Social Security tax increases which would take an additional $400 a year from the average wage earner.

Providing tax exemptions for small savers on interest income up to $1,000, and a tax credit of 20% on deposits into an account to save money to buy a home.

Speeding up depreciation allowances to stimulate economic growth needed to provide the additional jobs we must have for our growing workforce.

Creating an expanded jobs training program that will qualify workers to take positions in new and developing fields of opportunity in the private sector.

Passing, if necessary, a constitutional amendment requiring Congress to limit spending and balance the budget to curb inflation.

II. FOREIGN POLICY AND NATIONAL SECURITY

Supporting development of a diversified naval fleet able to meet differing challenges wherever, and at whatever level, they are encountered.

Encouraging the deployment of advanced missiles for NATO forces in Europe, as well as improving the capabilities of our conventional forces stationed there.

Improving all three legs of our TRIAD, making our strategic forces more secure on the ground, in the air and under the seas.

Improving recruitment and retention of highly trained personnel for military manpower programs.

Increasing research and development funds in all areas to assure future peace and security from any potential threat.

III. QUALITY OF LIFE

Replacing the current approach of confusing categories of aid with a system of block grants to state and local officials, thus returning control and responsibility to those who best understand, and are directly involved in, meeting the needs in their areas.

Strengthening the relationship between assistance and programs that provide training for real jobs, so that opportunities are offered for people to regain their sense of dignity and personal worth by getting off the generations-long treadmill of welfare.

Restoring the food stamps program to its original intent as a nutrition plan and eliminating its present role as part of general welfare.

Redesigning the current approach to health needs so that programs operate on a competitive basis which will insure the highest quality care at the lowest price to the taxpayer.

Allowing states to legalize certain specified health care practices by qualified paraprofessionals, thus cutting their costs.

Shifting the funding of Medicaid from its current general reimbursement approach to a program of block grants to states with flexibility for them to experiment with pilot programs aimed at improving reimbursement systems, diversifying the delivery of health care, and encouraging hospitals to cut costs.

Providing tax breaks to people who offer housing for their elderly relatives in their homes.

Eliminating the discriminatory tax on married couples.

Ending earning limitations on retired people.

Providing tax incentives to encourage business to provide work opportunities for the handicapped.

Establishing a nationwide screening program of infants for metabolic disorders.

Working to end the impersonal federal approach to education and to return control and responsibility for educating our children to those who are most involved and closest to the scene.

Enacting an education investment tax credit for parents and guardians for tuition paid to educational institutions, including vocational and technical schools.

Ending IRS interference with private and religiously-oriented schools.

IV. BUREAUCRACY AND CONGRESS

Initiating an ongoing review of federal agency policies and performances in order to eliminate overlapping responsibilities and conflicting demands.

Enacting "sunset laws" to terminate federal agencies, programs, rules and regulations after specified periods of time unless they are individually renewed by Congress.

Establishing a legislative veto to ensure that no regulation proposed by any agency exceeds the authority granted by Congress.

Requiring federal agencies to analyze and provide assessments of the costs of their actions to those they regulate.

Repealing outdated laws that have outlived their original purpose, and now serve largely to impede progress and increase costs to consumers and the nation.

Protecting the constitutional rights of individuals confronted with actions by administrative agencies; allowing individuals the right to cross examination during government hearings.

V. ENERGY AND ENVIRONMENT

Ending immediately regulations and controls that inhibit and discourage development and production of oil and natural gas while raising prices to consumers.

Adding a plowback provision to the so-called windfall profits tax on oil companies to encourage them to expand production and supplies of oil and gas, instead of putting profits into non-energy areas.

Adopting a 15% investment tax credit for 10 years to spur development of new energy sources, such as coal gasification, coal liquefaction and oil shale programs.

Initiating a realistic reassessment of environmental controls and regulations with an eye to balancing the health needs of our people with our economic needs.

Conducting an extensive review of policies that exclude resource development from federal lands.●

HOUSE CONCURRENT RESOLUTION 307

HON. SAM B. HALL, JR.

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, May 5, 1980

● Mr. HALL of Texas. Mr. Speaker, the Record should show that I intended to pair on the following amendments to House Concurrent Resolution 307, the First Budget Resolution for Fiscal Year 1981: pair against the Obey amendment and a pair against the Ottinger amendment.

Unfortunately, there was a mixup in communications between my office and the Democratic cloakroom on Wednesday, April 30, the day these votes were taken, as to my intentions. I had to leave town for an important, long-standing commitment in my congressional district.

Before departure I spoke with my office about securing a pair on the above mentioned amendments. My staff spoke with the cloakroom and received assurances that the pairs would be made. However, the Record showed no such pairs.●

REMINDERS OF TYRANNY

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, May 5, 1980

● Mr. MICHEL. Mr. Speaker, one of the great ironies of our time is that the very long and systematic record of denial of human rights by Communist governments is taken for granted. "Oh, yes" people say "the Communist are acting barbarically. Yes, there are human rights violations. But what else is new?"

It is as if the Communist governments, having told the world they do not care about denials of human rights, are left to their own devices, as if what they do is normal conduct. Only when something like the genocide in Cambodia hits the front pages do we dwell for any length of time on what rule by communism really means.

But there are other forms of horror than genocide. There is, for example, the use of psychiatric hospitals as prisons in which dissenters from the Communist dogma are treated for mental illness. There is the oppression of religious groups for the crime of professing belief in God.

The Wall Street Journal recently published articles dealing with both these crimes against humanity.

At this point I wish to insert in the Record, "Religion Behind the Iron Curtain" and "A Bleak Picture of Dissent in the Soviet Union" from the Wall Street Journal, April 23 and April 30, 1980.

[From the Wall Street Journal, Apr. 23, 1980]

RELIGION BEHIND THE IRON CURTAIN

(By Eric Morgenthaler)

KESTON, ENGLAND.—Alyona Kojevnikov picks up the phone and dials Moscow. The call goes through, and a Russian friend answers. Quickly, for the line could go dead at any moment, Mrs. Kojevnikov takes down from the Russian a list of names. They belong to people who've been arrested in the Soviet Union recently for their religious activities.

And thus it begins.

Mrs. Kojevnikov is on the staff of Keston College, a small research center operated out of a 100-year-old schoolhouse in this village just south of London. Keston—a "college" in the sense of being a group of individuals engaged in a common pursuit—is one of the few places in the world that's devoted to studying the state of religion in the Soviet Union and Eastern Europe. What Mrs. Kojevnikov is doing is firsthand research.

"It's really potluck," she says of her phone calls. "Yesterday, we were being interrupted all the time. You talk as quickly as possible to get the maximum of information."

GOOD NEWS AND BAD

The phone, of course, is only one source of information. Keston—which has a staff of about 30 people, is non-denominational and is funded by contributions—also relies on a mountain of official publications and a flood of unofficial "samizdat" news sheets to keep abreast of Communist goings-on. And based on its gleanings, the college says there's both good news and bad on the Communist religious front.

The good news is that for some years a religious awakening has been under way in most of the Communist countries. "It's a real development, although it's very small," says Philip Walters of the revival in the Soviet Union in Russian orthodoxy, which is his specialty. "It doesn't involve thousands of activists—it involves small groups. But the very fact that these exist, whereas 10 or 15 years ago there wasn't anything, shows that something is stirring among the young."

It's stirring enough that the authorities have become alarmed, which leads to the bad news: In recent months, most Communist governments have been cracking down harshly on religious activists. The Soviet Union, as usual, has been in the vanguard of these efforts.

Viktor Kapitanchuk, secretary of a group known as the Christian Committee for the Defense of Believers' Rights in the USSR, recently was quoted by Keston as seeing a "new phase" in Soviet religious policy: "Open, blatant persecution, aimed at demoralizing the church and crushing its spirit." Shortly afterwards, Mr. Kapitanchuk became a victim of that persecution; he was arrested March 12 and still is in custody.

Although the Soviets have seized virtually all dissident religious leaders, perhaps the most celebrated arrest was that on Jan. 15 of Dmitri Dudko—a well-known and popular Russian orthodox priest who was arrested after a church service and now is in Moscow's Lefortovo prison, awaiting charges.

In a recent issue of its bimonthly news summary, Keston printed an account of Father Dudko's arrest—as related in his parish's newsletter, a copy of which reached Keston. According to the Russian newsletter, he was seized after church by 15 agents of the KGB, the state security police. He blessed his flock and asked them to pray for him and "remain united." Then Father Dudko and his wife were driven to an interrogation center in Moscow.

When Mrs. Dudko, hours later, was taken home, she found seven men searching her house. Three other members of the congregation also had their homes searched, the newsletter continued, and KGB men went through the parish house until 2:30 in the morning—taking, among other things, money and a typewriter.

"The modern world is still persecuting Christ," the newsletter quoted Father Dudko as writing shortly before his arrest. "But we have nothing to fear, since all is ultimately in His hands."

The Soviet Union isn't the only country cracking down on believers. Indeed, the outlook is pretty grim in most of Eastern Europe. In Czechoslovakia, which has one of the most repressed official churches, the state has been moving fiercely against the underground church. Its most open assault was a roundup of Catholic dissidents last Sept. 10.

"When it first happened, I thought it involved only 20 or 30 people," says Mrs. Kojevnikov. "By now I have the names of more than 200 people who were detained and interrogated, many of them arrested, all over the country."

But there are bright spots. In Poland, the church is "sort of triumphant now," says Alexander Tomsky, who heads East European studies at Keston. He notes that even before there was a Polish pope, Poland had the strongest religious establishment in Eastern Europe. Now, he says, the Polish Church has been "ignoring a whole host of official regulations"—and even held masses marking the day in 1939 when the Russians invaded Poland.

MANAGING ON A SHOESTRING

Keeping abreast of all the goings-on is an ambitious task—and one that Keston manages on a shoestring. About one-quarter of its staff is volunteer, and its full-time researchers—most with graduate university degrees—earn less than schoolteachers. Finding money is a continual problem. "Every penny of the budget we get, we have to go out and get," says Michael Bourdeaux, an ordained Church of England priest who founded Keston in 1969 and still heads it.

Nonetheless, Keston keeps up a brisk publishing pace; in addition to its newsletter, its output includes a well-respected, scholarly quarterly, "Religion in Communist Lands." Keston also has an American associate, the Society for the Study of Religion Under Communism, which is based in Wheaton, Ill. Keston is effective enough that the Russians regularly single it out for criticism; a recent Soviet thriller called Mr. Bourdeaux "the one who created the infamous Center for the Study of Religion and Communism in London." (Says Mr. Bourdeaux: "This has been going on for a number of years, but never before in a novel.")

Despite its religious bent—Keston says it works for "the right to believe"—Keston's work generally is non-doctrinaire and scholarly. Nonetheless, its staff members all are convinced of the rightness of their cause.

"The atheistic state contains the seeds of a religious revival," says Mr. Tomsky, who fled his native Czechoslovakia when the Soviet tanks rolled in in 1968. "If you keep shouting to people for 30 years that there is no God, they can't help but begin wondering, is there?"

[From the Wall Street Journal, Apr. 30, 1980]

A BLEAK PICTURE OF DISSENT IN SOVIET UNION

(By Eric Morgenthaler)

Nadezhda Gaidar suffered from nervous exhaustion brought on by her search for justice," the Soviet psychiatric authorities explained. What that means is that she spent a lot of time in government offices, trying to register complaints.

Alexander Komarov was plagued by "psychopathy with tendency to litigation." Mikhail Kukobaka with a "mania for reconstructing society." Alexander Voloshchuk with "schizophrenia with religious delirium."

So those Soviet citizens, dissidents all, were adjudged mentally ill and shipped off to the "special" psychiatric hospitals that the Soviet Union reserves for patients who represent "a special danger to society." And there, their prospects were truly frightening.

"When they brought Leonid Ivanovich into the visiting room, it was impossible to recognize him," wrote the wife of one dissident, Leonid Plyushch, who was being "treated at one hospital with a powerful tranquilizer (and who later was exiled to the West). "His eyes were full of pain and misery, he spoke with difficulty and brokenly, frequently leaning on the back of the chair in search of support. His effort at self-control was evident as from time to time he closed his eyes, trying to carry on conversation and to answer questions.

"But his inner strength was exhausted. Leonid Ivanovich began to gasp, to awkwardly unbutton his clothing . . ., his face was convulsed and he got cramps in his hands and legs. . . . It was evident that from time to time he lost his hearing. . . . Leonid Ivanovich could not control himself, and it was he who asked that the meeting be ended 10 minutes ahead of time. They took him away."

It should come as no surprise that the Soviets don't treat dissidents with kid gloves. Or that they use psychiatry as a tool of punishment. Or that their prisons are harsh and horrible places, where people are underfed and overworked.

Still, Amnesty International's first major look since 1975 at conditions in the Soviet Union, released yesterday, brings all the strands together into one extraordinary whole. Drawing on official Soviet sources as well as accounts by prisoners and those close to them, Amnesty paints a bleak, discouraging picture of a surreal system in such a political or religious dissenter has little chance against an almighty state. The title of Amnesty's report is "Prisoners of Conscience in the U.S.S.R.: Their Treatment and Condition."

Amnesty—an independent human-rights organization, which won the 1977 Nobel peace prize—says it knows of "more than 400 people" who were newly imprisoned in the U.S.S.R. for political or religious reasons in the four years ended last May 31, and "more than 100" who were forcibly confined to psychiatric hospitals. It says its accounting is "far from complete" because of such problems as censorship and the threat of arrest to people publicizing such matters. (Amnesty's figures don't include the scores of arrests since last fall, when the Soviet authorities began a sweep of dissidents of every stripe—apparently partly in preparation for the Olympics.)

Amnesty charges that Soviet political trials "more closely resemble 'show trials' than serious attempts to determine guilt or innocence." It says it "still has not heard of a single case in which a Soviet court has acquitted someone charged with political or religious offences." It cites the "outright persecution" of some lawyers who defended political clients too effectively.

The cases themselves often seem to be constructed with mirrors. Yuliya Okulova, a poet from Leningrad, was sentenced in 1976 to five years' internal exile for "systematically writing and distributing in written form fabrications known to be false which defame the Soviet state and social system." Among the evidence were poems and drawings which, the indictment said, "contained the deliberately false fabrication that freedom of speech, the press and creative art are absent in the U.S.S.R." In other words, because freedom of speech exists, it's a crime to say that it doesn't.

Amnesty scores the Soviet correctional system, saying inmates face "a regime of chronic hunger, inadequate medical care, and difficult, often dangerous compulsory labor." Hunger, it says, is "mandatory" under "official policy"; it mentions one labor camp where women prisoners were allowed a small flower garden but were expressly forbidden to grow any vegetables in it.

One of the worst parts of the process is often the transportation of prisoners to their camps, prisons or places of exile. It's usually by van or train, and conditions normally are nightmarish. Amnesty includes prisoners' accounts of one notorious train-transit—which took place during a heat wave in July 1972.

"Fifteen people in a sleeping compartment," one report begins. "Everybody bathed in sweat. Food spoiled. For two days they did not take prisoners to the lavatory. People had to use the corridors. . . . The windows were sealed shut. Only at the end of the deportation did they open the windows a little, but it did not help. People were lying naked on the floor. Dirt. Stink. Suffocation. One man died during the deportation. It was a terrible torture."

The study makes worthwhile reading for anyone concerned about the price of dissent under a totalitarian regime. Or for anyone who's simply interested in the tragically absurd—for, in so many ways, that's what the Soviet system is.

Thus, a psychiatrist, in committing an apparently sane and healthy dissident to a mental hospital, assures a court that "the absence of symptoms of an illness cannot prove the absence of the illness itself."

Or, in another case, this exchange:

Defense counsel: "In what way was the behavior of Rozhdestvov delirious?"

Expert. "All his remarks and his behavior bore the mark of anti-Soviet views."

Defense counsel: "What form did his delirium take?"

Expert: "He did not respond to correction."●

GRAIN VERSUS CEREAL PRICES

HON. JOHN F. SEIBERLING

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, May 5, 1980

● Mr. SEIBERLING. Mr. Speaker, we all remember when the farmers sent us pennies to symbolize the cost of the wheat contained in a loaf of bread. A constituent of mine, Mr. S. E. Woodford, recently provided me with a tabulation he prepared corroborating the fact that grain prices are only a small fraction of the price of cereal products. His calculations show that the cost to the consumer of cornflakes is nearly 9 times the cost of the grain from which it is made; the cost of rolled oats is nearly 12 times the cost of the grain; and the cost of grapenuts is nearly 15 times the cost of the grain.

While the cost of processing, packaging, and distributing these products explains some of these extraordinary escalations, the markup nevertheless appears to be exorbitant. Certainly, it cannot be blamed on the Nation's farmers.

Mr. Woodford's table follows:

PRICE SPREAD—GRAIN CEREALS

Grain Prices [1]

Item	Weight per bushel (in pounds)	Price per bushel	Price per pound
Wheat	60	$4.00	$0.0666
Corn	56	2.67	.0477
Oats	32	1.42	.0443
Rye	60	1.80	.0300
Barley	48	1.12	.0233

[1] Source: Bache, Halsey Stuart, Futures; April 22, 1980.

Cereal Prices

Product	Price	Weight	Price per pound
Grape-Nuts	$1.47	1 lb. 8 oz.	$0.980
Corn Flakes	1.27	1 lb. 8 oz.	.423
Rolled Oats	1.35	2 lb. 10 oz.	.515

Ratio: Raw Grain To Finished Cereal

Product	Raw Cost	Finished cost	Multiplier
Grape-Nuts	$0.0666	$0.980	14.71
Corn Flakes	.0477	.423	8.83
Rolled Oats	.0443	.515	11.63

●

CINCO DE MAYO

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday May 5, 1980

● Mr. ANDERSON of California. Mr. Speaker, today is May 5, Cinco de Mayo, a day celebrated by Mexicans, Mexican-Americans, and others in our own country, as the beginning of a revolution against foreign domination.

One hundred and eighteen years ago today, the great Battle of Puebla in Mexico commenced under the leadership of Gen. Ignacio Zaragoza. Though greatly outnumbered in men and artillery, General Zaragoza and his troops held back against the forces of Napoleon III. The brave and determined Mexican troops finally defeated the French Army, which was considered at that time to be the mightiest in the world.

Cinco de Mayo is traditionally celebrated in the same spirit as our country's Fourth of July. It is a time to give recognition to brave acts committed in defense of freedom and justice. It is also a fitting time to reflect on how the benefits of these principles have spread to all citizens in our own country—especially in regard to Mexican-American citizens.

Mr. Speaker, I see this new decade as being one of the brightest ever for Americans of Mexican descent. Already, this year at the very beginning of the 1980's there are signs that this optimism is not unfounded. As an example, the early returns of our Nation's census give promise that the feared undercount of this minority group will simply not happen.

To the contrary, census officials recently reported the early returns of questionnaires in some heavily Mexican-American areas in southern California to be the highest in the entire State. One area was reporting a 95-percent initial mail-in return, and all across the Southwest and the West, reports have been similar. This is certainly reason for optimism, as there is probably no other more fundamental and important step toward achievement than having an accurate population count.

Another reason for higher hopes in the 1980's, is the growing unity between the Mexican-American community and other Hispanic groups. When joint action is important, the distinctions between Latino, Raza, Puerto Rican, Mexican, Spanish, Spanish-speaking, or Spanish-surnamed are becoming less important. This greater cooperation is bound to foster more progress for all Hispanic citizens and for our entire Nation as well.

Mr. Speaker, I am pleased to join our neighbors to the south and Mexican-American citizens in our own country in observing this day of glory, for the freedom it has brought, the joys it has given, and for the bright new future ahead.●

OPTING FOR BUTTER OVER GUNS

HON. LARRY J. HOPKINS

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Monday, May 5, 1980

● Mr. HOPKINS. Mr. Speaker, news of the defeat of the Gramm-Holt substitute by this body has no doubt been greeted warmly by the Kremlin. This is because the alternative, the Budget Committee's proposed military spending level in the first concurrent budget resolution for 1980 will fund fewer planes, fewer ships, and fewer skilled personnel for Soviet military planners to contend with in these tense and troubled times.

It is regrettable that the standard procedure in recent years for reducing Federal spending has been to cut funds for our Nation's defense. In the wake of recent events around the world, and repeated revelations of glaring military deficiencies, I am shocked and dismayed by my colleagues unwillingness to reverse this dangerous practice. I believe it is a crime to ask our people in the military to defend this Nation without giving them the necessary and essential means in which to carry out the task.

I believe the following article from this morning's Washington Post characterizes how even our national security can be turned into a political football.

OPTING FOR BUTTER OVER GUNS

(By Rowland Evans and Robert Novak)

As Speaker Thomas P. O'Neill played the role of Madame Defarge and the vote was called on May 1, his fellow Democrats killed the last lingering hope that the Soviet outrage in Afghanistan had truly changed either the President or the House of Representatives.

O'Neill was ostentatiously taking down names of Democrats who dared vote for higher defense spending, dooming them to the congressional guillotine. It had been widely circulated that Democrats who so disobeyed the party whip would be made to pay when juicy committee assignments or subcommittee chairmanships are handed out next January. That coincided with the year's most aggressive lobbying effort by the Carter administration.

The unexpectedly top-heavy vote (246 to 164) against an amendment transfering $5.1 billion from social welfare to defense is important for what it tells about administration and congressional policy. President Carter is not only content with a post-Afghanistan budget that represents less for defense; he will fight for it. Moreover, his will has now been enshrined as a test of regularity for a party whose leaders the past half-century have battled for defense preparedness.

With fervent lobbyists for CETA jobs and other social welfare programs invading Capitol Hill, the prevailing attitude toward defense was nonchalance. The infamous military-industrial complex did not even growl. Republican support for the amendment was halfhearted.

That opposition to arms would be enforced by the party whip was first suggested by the remarkable conduct of the Rules Committee when it considered budget amendments for floor debate. The defense amendment sponsored by Republican Rep. Majorie Holt of Maryland was cleared, but the name of its Democratic co-sponsor—freshman Rep. Phil Gramm of Texas—was removed.

Nobody could remember such a personal insult. It was not only to remove bipartisan appeal from the amendment (which, in fact, was mainly Gramm's creation) but to send him a warning. His fellow Texan, House Majority Leader Jim Wright, has made no secret in the cloakrooms that he considers Gramm, a conservative economics professor from Texas A&M, an unacceptable Democrat.

Soon after, President Carter opted for butter over guns: In his unexpected April 22 letter to Speaker O'Neill, he expressed himself as "strongly opposed" to the Holt-Gramm amendment for "providing far more defense spending than is needed or advisable."

That echoed in Pentagon corridors, where solid complaints about money shortages for maintenance and technical personnel—long before the fiasco in the Iranian desert—have been rising. There was disbelief when O'Neill announced the Pentagon could not use the extra money it so desperately wanted.

Word circulated on Capitol Hill that Defense Secretary Harold Brown had been asked to write the speaker a letter confirming his ridiculous claim. What would the cool, brainy Dr. Brown do? Follow Cyrus Vance out of the Cabinet on principle? Or join his chief and party in downgrading defense?

Characteristically, Brown split the difference. While not indulging O'Neill's talk about unusable money, he did send the speaker a letter endorsing "a balanced budget to help fight inflation and the proper claims for social programs" and opposing Holt-Gramm. In short, a qualified surrender by the Secretary of Defense.

That removed the military half of the military-industrial complex. The industrial half was never there. Accustomed to looking out for their own line-item hardware, defense industry representatives did not bother to counter the massive force against defense spending arrayed by social welfare groups, organized labor and the administration. Even Treasury Secretary G. William Miller was pressed into service begging votes against defense.

While only 49 Democrats braved Madame Defarge, expected Republican solidarity disintegrated. Worse even than 34 defecting Republicans (led by the influential Rep. Barber Conable of New York) was the ho-hum attitude of the opposition.

Over in the Senate, defense-oriented Democrats were appalled. Sen. Ernest Hollings of South Carolina, the new budget committee chairman, referred to "monkey-shines" on defense by the administration. Sen. Sam Nunn could not understand how a defense budget supposedly considered inadequate by his fellow Georgian before Afghanistan now has become perfectly adequate.

The budget resolution may well lose in the House to a coalition of liberal Democrats, who want more domestic spending, and conservative Republicans. But the May Day message from Washington will not be erased. Rep. Sam Stratton of New York, one of the brave 49 Democrats to ignore the party whip, told the House: "The fact of the matter is that America is viewed as weak, as hesitant, as indecisive." His colleagues confirmed that view May 1.●

HANNAH SHAE MARTIN

HON. TIM LEE CARTER

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Monday, May 5, 1980

● Mr. CARTER. Mr. Speaker, early this morning our colleague from Kentucky, LARRY HOPKINS, became a grandfather for the first time.

At 3 a.m. at Central Baptist Hospital in Lexington, LARRY'S daughter, Carmen Shae, gave birth to Hannah Shae Martin, a 7 pound, 12 ounce baby girl.

I am advised that both mother and daughter are doing well. However, "Grandfather HOPKINS" and the child's father, Jim Martin, are reportedly still recovering.

I am sure my colleagues join me in congratulating our good friend LARRY on this memorable occasion. Apparently he really is as old as he looks.

Of course, we extend our best wishes as well to Jim, Shae, and Hannah Martin.●

OLD DOMINION UNIVERSITY

HON. G. WILLIAM WHITEHURST

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 5, 1980

● Mr. WHITEHURST. Mr. Speaker, Old Dominion University, in Norfolk, Va., is celebrating its golden jubilee this year. I had the high privilege of serving on the faculty of this fine institution for 18 of those 50 years, first as a member of the department of history and then as dean of students, and I participated in the silver anniversary festivities there 25 years ago.

The growth of Old Dominion University has been an exciting chapter in the progress of our community. From a small division of the College of William and Mary with just a few hundred students, the school has developed into a great urban university of nearly 15,000. Undergraduate and graduate degrees to the level of Ph. D. have attracted an outstanding faculty, and our alumni have distinguished themselves in business, professional fields, and public life across our State and Nation.

This past January the General Assembly of Virginia passed a joint resolution recognizing Old Dominion University's 50th anniversary. Mr. Speaker, I respectfully request that this resolution be included in the RECORD at this point, and I add my own heartfelt congratulations and good wishes. I know that this fine university will rise to even greater heights of achievement in the next half century.

The resolution follows:

SENATE JOINT RESOLUTION NO. 34

Offered January 22, 1980, recognizing Old Dominion University 50th anniversary. Patrons: Walker, Fitzpatrick, Babalas, Moody, Parker, and Canada; delegates: Heilig, Harrison, Robinson, Hailey, Moss, Copeland, and Washington.

REFERRED TO THE COMMITTEE ON RULES

Whereas, Old Dominion University was founded in 1930 as the Norfolk Division of the College of William and Mary to provide educational opportunities in the Tidewater region; and

Whereas, the Division joined with Virginia Polytechnic Institute in 1931 to provide the region with technical and engineering course offerings; and

Whereas, the school evolved from a two-year Division, to a baccalaureate degree granting institution, to an independent college, to a university; and

Whereas, the University is committed to meeting the educational needs of the region and the Commonwealth through excellence in teaching, research and service; and

Whereas, the University's mission is to provide a comprehensive program of liberal arts and sciences and selected professional programs at the undergraduate level and certain professional and specialized programs at the graduate level based on regional needs, on the unusual strength of the faculty and on the unique advantages of the University's location; and

Whereas, Old Dominion University's achievements are a tribute to the dedication of its faculty and staff, a tribute to the area citizens who have provided consistent support to sustain the University and contribute to its excellence, and a tribute to the State's recognition of and support for excellence in higher education throughout the Commonwealth; and

Whereas, the University has contributed significantly to the cultural enrichment, the economic growth, and the professional development of the region as well as to the education of its citizens; and

Whereas, Old Dominion University has achieved national recognition because of the quality and achievements of its students, the scholarship and research of its faculty, and the leadership of its administration; now therefore, be it

Resolved by the Senate, the House of Delegates concurring, That the General Assembly joins Old Dominion University in the celebration of its Fiftieth Anniversary and extends its sincere desire and support for continued success in meeting the educational needs of its region and the Commonwealth; and, be it

Resolved further, That the Clerk of the Senate is directed to prepare a suitable copy of this resolution for presentation to Old Dominion University in recognition of the University's accomplishments.●

CORRUPT PRACTICES IN HORSE RACING ACT OF 1980

HON. BRUCE F. VENTO

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 5, 1980

● Mr. VENTO. Mr. Speaker, horseracing has been called the sport of kings because of its historic association with the European nobility and upper class. In this country, racing is the sport for all classes. Horseracing and the gambling on that sport have developed into a major industry with a large following. It is the No. 1 spectator sport in this country. Over 78,662,000 spectators attended horseraces during 1975. As a comparison, the attendance figures for major league baseball are much lower, a mere 43,548,000 for 1979. Horseracing enthusiasts not only attend the races but they spend a considerable amount of money on bets. For 1975, the average spectator spent $100, which means that over $7.8 billion were bet at the track.

Like any industry, horseracing is dependent on the product that if offers to the consumer. In this regard, the racing industry is most susceptible to consumer dissatisfaction because of an abuse that has been allowed to flourish. That abuse, horse drugging, could endanger the very future of racing.

During the past decade, racing officials have taken a laissez-faire attitude toward the administering of drugs to horses. Caving in to the pressures of a few trainers and owners and the desire for an edge, many State racing officials have permitted liberal drugging laws and have enforced these regulations in a lackadaisical manner.

While this attitude has been tolerated for some time, it is now coming under increasing criticism by the public, the media, members of the racing community, and Government. Rather than praising a horse's natural abilities and the prowess of the jockey and the trainer, people are now wondering what drugs were in the horse when it ran.

Racing's drugging policy could spell the doom for the sport. For unless there are substantive reforms, the future viability of racing will be in doubt. The use of drugs may benefit a few but it certainly casts a shadow over the integrity of the sport and endangers the life and well-being of both the jockey and the animal.

Drugged horses are a problem for racing. They pose a serious threat to jockeys and animals. Consider these facts: A detailed record was kept for horse breakdowns at Waterford Park in West Virginia. This record includes years when no drugs were allowed and those years when phenylbutazone, one of the most common drugs, was permitted. Those statistics show a dramatic increase in horse breakdowns during races. In 1974, when no medication was allowed, 30 horses had breakdowns of such severity that they had to be destroyed. For the first 4 years when bute was permitted, the number of horses that had to be destroyed increased to an approximate annual average of 65; that is over twice the number of incidents prior to the introduction of the drug.

The dramatic increase in horse breakdowns has increased the threat to the life of the jockey. Some of my colleagues may be familiar with the tragic accident that occurred at Pimlico Racetrack in 1978. During a race, a horse treated with phenylbutazone collapsed and three other horses went down with her. The fall resulted in injuries to two jockeys and death for a third. Nick Jemas, managing director of the Jockey's Guild has spoken out on the issue of drugging and the threat that it presents to the jockey. In a 1979 sports column, Mr. Jemas stated:

> Controlled and permissive medication should be banned entirely to stop the constant and increasing parade of lame, sore, wornout, and completely exhausted horses from going to the post everyday.
>
> The public is not being given good racing. More and more horses are breaking down and being destroyed, and more and more jockeys are injured seriously or killed. Last year (1978), there were more than 2,000 spills in the United States, resulting in four paraplegics, four deaths and 1,500 jockeys hospitalized for two weeks or more.

Advocates of drugging contend that the use of medications is essential for the economy of the sport. They claim that the expanded racing season mandates that horses race while injured. However, evidence exists which demonstrates that the average number of starts per horse has decreased with the introduction of drug usage. At Waterford Park, there was an average of 8.8 starts per horse for 1974. Since bute was legalized in 1975, the number of starts per horse has dropped. The Blood-Horse, a leading magazine for thoroughbred racing, noted in an editorial:

> The thought here is that while phenylbutazone will permit a sore horse to race today, that horse might race fewer times during the year or during its career. This thought is prompted in a vague way by the circumstances that in 1961 when Bute was prohibited and racing chemists could detect it, all horses in North America started an average of 11.95 times during the year; last season, with Bute permitted for racing in nineteen states, the average number of starts was down to 10.06—about two less races a year.

Gambling is the lifeblood of racing in this country. Without the income derived from betting, very few racetracks would be able to exist. The average bettor is victimized by drugging practices. In placing a bet, not only is the racing fan usually unaware of the legal drugs in the horse, but that person also has no guarantee that the horse is free from illegal drugs masked by approved medications in the bloodstream. In addition, trainers can use drugs to manipulate their animals time in the hope of increasing the odds on them the next time that they race.

Drugging makes the racing industry rife for a betting scandal that will drive the bettors away in search of a fairer product. A 1974 survey by the National Commission on the Review of the National Policy Toward Gambling underlines the lack of faith that bettors have in the integrity of racing. In mean ratings for the survey, all bettors stated their conviction that races were fixed pretty often.

Mr. Speaker, it is essential that a Federal program be implemented to curtail drugging in horseracing. All Western countries that permit horseracing have laws that address this matter. Only the United States and Thailand permit drugging to occur. The States have had ample opportunity to remedy existing abuses. However, while some States have attempted to deal with this problem in a satisfactory manner, the interstate nature of racing makes a State-by-State approach impossible. Only a Federal program can successfully control the abuses associated with drugging.

On May 1, I, with several of my colleagues, introduced legislation designed to deal with the issue of drugging. This legislation would prohibit the racing of drugged and numbed horses. As a check against possible violations, this legislation will provide for both pre- and postrace testing, and will, as well, establish civil and criminal penalties for violations. My bill establishes minimum standards for drugs and allows those States which are in compliance with Federal guidelines to administer the program.

I believe that the time has come for us to address this issue and to remedy the abuses that exist. I hope that my colleagues will support this measure and that it will receive prompt attention.

At this time I draw my colleagues attention to excerpts of the transcript of a recent report on this issue by "60 Minutes."

> Harry Reasoner reporting: Even though you may not have been surprised at the outcome of last week's Kentucky Derby, something else about the Derby may come as a surprise. If last week's race was anything like the Derby races for the last five years, most of the starters were running on drugs. Do these drugs have any effect on the outcome of the Derby? No one is sure, but the use of the drugs in Kentucky and some eighteen other states has become the most controversial issue in racing today. The drugs are perfectly legal. The most common is phetylbutisol, commonly known as bute, a powerful analgesic which deadens pain and lasix, a diuretic. The state of Kentucky also allows some forty other drugs to be in a horse while it's racing.
>
> One of the few places where house calls are still common in medicine is the backside of a race track. This is veterinarian Dr. James Hume on his morning rounds in the stable area at Sportsmen's Park in Chicago. More often than not these rounds include shots of either bute or lasix, the most popular drugs given to horses. When you give bute to a horse that's sore, the horse will run full out, not feeling the pain. The trainers say that with the demands of the racing season, bute is the only thing that will get these sore horses out on the tracks. At some tracks eighty percent of the horses are running on either bute, or lasix, or a combination of both.
>
> Although bute has been hailed by ninety percent of horse owners and trainers in this country as a boon to racing because it relieves soreness and inflammation, critics of the drug say that bute makes a horse feel better than he really is, and that a horse running full out on a sore or injured leg could cause much more severe injuries in knees and ankles that are already weakened. There is evidence that more horses are having serious breakdowns and snapping their legs during the race, breakdowns like these spills filmed at various tracks. One sports writer, Russ Harris, who has specialized in racing for twenty years, did a study at Keystone Park outside Philadelphia. He came up with a startling statistic, that after bute was made legal, the breakdown at that track increased fourfold. Prior to bute a horse broke down on the average every fifteen days. After the drug was legalized, the breakdowns average every four days. Other states noticed the same increase in breakdowns. Last year a four horse spill at Pimlico in Maryland resulted in the death of jockey Robert Pernedez. The horse that fell, Easy Edith, was running on bute.
>
> Until recently jockies would never speak out on this issue, but Nick Jamis, who heads the Jockeys Guild, decided to ask some questions.
>
> Jamis: Last year there was over two thousand spills. In other words, horses went down with jocks on their backs. Of those two thousand spills, at least fifteen hundred of those jockies were hospitalized two weeks or more, and it appears the way it's going now the injuries will be far greater in 1978. A horse going down all of a sudden, as he's absolutely sound, all of a sudden he breaks his leg without the appearance that he clipped another horse's heels, or that he was in tight, he's just clear, he's not in the midst of a pack of horses, and all of a sudden he breaks a leg and goes down. We say why? What causes horses to break down like that? We are asking the questions and we want some answers.
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> Reasoner: The answer, from the Horseman's Benevolent and Protective Association, is that there is no breakdown increase. Executive Director Tony Chambling.
>
> Chambling: Well, there hasn't been any documented proof of that to my knowledge, Harry. We've looked into this problem and there certainly is a problem with horses breaking down. But this is caused, in our opinion, by additional racing dates, by additional winter racing dates on terrible track surfaces at times, by the increase in number of times that horses do race. There are a number of factors involved. . . .
>
> Reasoner: It is the economics of the sport that has caused the dramatic rise in the use of drugs on the track. Horse racing in this country is now a billion dollar a year industry. This kind of money has poured a much needed windfall into state treasuries. States that have once been content with a six month racing season began to demand longer and longer seasons to increase their revenue. Of the twenty-two states where racing is important to the economy, nineteen of them permit horses to race on bute and lasix. The states that ban this use of the drugs are New York, New Jersey and Arkansas.
>
> We talked to a trainer in California, Art Hess, who uses the drugs on his horses.
>
> Hess: Our horses are overraced, that's why most of the trainers feel it would be very difficult to get along without butyzoladine, and I don't know if the industry would be better without as many racing days, but I know from the owner's standpoint, who really buys the horse, puts out the big money, he's got to keep the horse running. He just cannot make ends meet. When you start thinking that the average owner has maybe four or five horses with him and it's going to run eight hundred to a thousand dollars a month, he doesn't want the horse on a restful vacation.
>
> Reasoner: He doesn't want to send it back to the farms for a while.
>
> Hess: Not if he doesn't have to. And within reason the trainer will go along and with the help of butylzoladine and lasix he can keep that horse running.
>
> Reasoner: But there are people in racing who think that using bute and lasix on horses is wrong. Alex McArthur is a cattle breeder in Illinois, and was formerly the chairman of the Illinois Racing Board.
>
> McArthur: When I was on the Racing Board, the parlor name for it was pre-race medication, but out in the barn we called it drugging and doping horses, because that's what it is. I'm against it, a hundred percent against it. I think it's cruel to the horse, I think it's very cruel to the bettor, and I think that it's cruel to the jockey. The lads who are riding these horses now, they get these plastic horses out there and one day—I hope I'm wrong, Lord, I pray I'm wrong—but they're going to turn into the home stretch there and they're going to have a real meltdown. You're going to see a big pileup there because these horses are running beyond their capacity, they're driving under the influence, so to speak. . . Look, to me it's very simple. If you love a horse, you love a sound horse, good horseflesh. Now if

a horse is lame or he's sore, you ought to rest him up. But giving him bute or any of these other miracle drugs, all this is going to do is deaden the pain, kill the nervous system, which is nature's way of trying to tell that animal, "Go easy with me till I get a chance by natural process to heal," and you're going to just. . . Well, you're just going to treat this horse wrong, you're going to treat everybody else wrong that's betting on him, too, because that bettor, he doesn't know when a horse is running hot, or whether he's running cold, or he's running with an upper or a downer. How's he going to make an intelligent bet, if there is such a thing.

Reasoner: Do you think there's some kind of manipulation in terms of giving a horse medication for one race and not for the next to confuse bettors?

McArthur: Oh, of course there is. If they say it isn't why they're fooling you. They don't like to use the word, but I'll use it: fix. And the fix is in on some races, of course it is.

Reasoner: The whole problem of whether any of these permitted drugs act to mask the presence of illegal drugs, or at least make it extremely difficult to detect their presence, can only be solved in the laboratory.

The Racing Board Laboratory in Illinois is headed by John McDonald, who reluctantly agreed to discuss some of the problems of detecting illegal drugs.

McDonald: When you add bute or lasix, or any other control drugs—some states have forty control drugs, they allow forty drugs in the animal, and Kentucky's one of them—they change the matrix of the urine sample, and they interfere with our various testing techniques.

Reasoner: But thanks to McDonald's findings on supplimade, other states whose labs were too small to test properly for the drug began sending him frozen urine samples from horses in races that seemed suspicious. Florida was one of the states. Dan Bradley regulated racing in Florida.

Bradley: You've got some disreputable trainers, disreputable owners, disreputable participants who will use every device known to mankind to win a race. They don't care what it is, they don't care if it's administering drugs to a horse, bribing a jockey, using an electric battery, it makes no difference to them as long as they win the race. I have had trainers that I respect, have a great deal of admiration for their integrity and ability, who in a sense of frustration, in a sense of willing to throw in the towel are saying, "Mr. Bradley, we don't use illegal drugs. We know that some of the trainers do. We cannot possibly win, we know that we cannot win because the race is stacked against us, and the only way that I can win—and it breaks my heart to do so—is to also use illegal drugs."

Reasoner: You're essentially saying . . . Now, you know Florida best, you also know the racing situation in general, that horse racing is in a mess in the United States. Maybe a little worse than usual in Florida, but it's a mess, right.

Bradley: It's a major mess, and if the state regulatory authorities don't do what is necessary to stop especially the use of these powerful illegal drugs, not only in Florida but also in California and in New York, because none of us are immune from it. If we don't spend the money, hire the personnel, pass the laws, impose the harshest penalty that we can possibly impose, if we don't take those actions, then I think that the future of horse racing in America is going to be mighty dim.●

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an interim procedure until the computerization of this information becomes operational, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Tuesday, May 6, 1980, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

MAY 7

9:30 a.m.

Governmental Affairs

To hold hearings on S. 2419, to exempt Shipper's Export Declarations from public disclosure.

3302 Dirksen Building

10:00 a.m.

Agriculture, Nutrition, and Forestry

Business meeting, to markup S. 1465, to revise the Farm Credit System to serve the needs of the agriculture industry, and pending calendar business.

324 Russell Building

Appropriations

Military Construction Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1981 for military construction programs of the Department of Defense.

1114 Dirksen Building

*Appropriations

Transportation and Related Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1981 for the Federal Highway Administration.

1318 Dirksen Building

Armed Services

To hold closed hearings on the events relating to the Iranian hostage rescue mission.

212 Russell Building

Banking, Housing, and Urban Affairs

Business meeting, to continue consideration of S. 2383, authorizing funds for fiscal years 1981-83 for housing and community development programs, and the urban development action grant program of the Department of Housing and Urban Development, proposed legislation authorizing funds for fiscal year 1981 for rural housing programs, and on proposed legislation authorizing funds for the flood insurance, crime and riot reinsurance programs.

5302 Dirksen Building.

Environment and Public Works

Business meeting, to consider pending calendar business.

4200 Dirksen Building

Foreign Relations

To hold hearings on the prospective nomination of Edmund S. Muskie as the Secretary of State-designate.

318 Russell Building

10:30 a.m.

*Commerce, Science, and Transportation

Merchant Marine and Tourism Subcommittee

To hold hearing on H.R. 6613, to prohibit the regulation of collective bargaining agreements by the Federal Maritime Commission.

235 Russell Building

Governmental Affairs

Business meeting, to resume markup of S. 1945, to establish a procedure for congressional review of Federal agencies' rules and regulations, and S. 742, to establish Federal programs with respect to the safe disposal of radioactive wastes; and to begin markup of S. 2558, to increase the authority of the President and Congress in postal operations and to provide continued financial security for the Postal Service, S. 1699, to provide assistance to States and localities to meet population growth caused by major energy development activities, and S. 2419, to exempt shippers' export declarations from public disclosure.

3302 Dirksen Building

Judiciary

Business meeting, to consider pending legislation and nomination.

2228 Dirksen Building

2:00 p.m.

*Appropriations

Agriculture, Rural Development and Related Agencies Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1981 for research and educational programs administered by the Department of Agriculture.

1318 Dirksen Building

Energy and Natural Resources

Energy Research and Development Subcommittee

To hold hearings on H.R. 507, to construct and maintain a sand dredging system on the Trinity River, and a dam system on the Grass Valley Creek, both in California; H.R. 2111, to include the Yolo-Zamora Water District in the Central Valley project for the Sacramento Valley Canals, California; S. 2431, to provide an emergency fund to assure continuous operation of all projects governed by the Federal reclamation laws; S. 2545, to assure accomplishment of the objectives of title II of the Colorado River Basin Salinity Control Act; S. 2546, authorizing funds for the design and construction of gunite lining on the Bessemer Ditch in Pueblo, Colorado; and S. 2616, to provide additional functions and reallocation of storage space under the Crooked River Project, Oregon.

3110 Dirksen Building

Select on Small Business

Business meeting, to consider pending calendar business.

424 Russell Building

MAY 8

9:00 a.m.

Appropriations
*Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for fossil programs of the Department of Energy.
1224 Dirksen Building

10:00 a.m.

Commerce, Science, and Transportation
Business meeting, to consider pending calendar business.
235 Russell Building

*Energy and Natural Resources
Business meeting, to consider pending calendar business.
3110 Dirksen Building

Environment and Public Works
Business meeting, to consider pending calendar business.
4200 Dirksen Building

Foreign Relations
Closed hearings on the current situation in Iran.
S-116, Capitol

Governmental Affairs
Governmental Efficiency and the District of Columbia and Federal Spending Practices and Open Government Subcommittees
To hold joint hearings on S. 1548, proposed Inspector General Amendments of 1979, and to review the recent annual report of the Department of Energy Inspector General.
3302 Dirksen Building

Labor and Human Resources
Business meeting, to markup S. 568, to promote the advancement of women in scientific, professional, and technical careers, S. 988, authorizing funds to increase the effectiveness of research in biomedical sciences, and H.R. 4453, to extend to June 30, 1981, the ban on actions by the Secretary of HEW to restrict the continued use of saccharin; to be followed by the Subcommittee on Health and Scientific Research business meeting, to markup S. 2144, 2375, and 2378, bills to provide support for the training of professionals in health service needs.
4232 Dirksen Building

1:00 p.m.

Select on Indian Affairs
Business meeting, to markup S. 2223, to allow members of Indian tribes to transfer restricted Indian lands to heirs who are not members of the reservation where the land is located; H.R. 2102, to limit the right to receive by devise or inheritance any interest in trust land on the Standing Rock Indian Reservation in North and South Dakota to certain qualified Indians; proposed legislation authorizing funds for fiscal year 1981 for the Indian Health Care Improvement Act; and S. 1181, authorizing the States and Indian tribes to enter into mutual agreements and compacts respecting jurisdiction and governmental operations in Indian country.
4232 Dirksen Building.

2:00 p.m.

Foreign Relations
Business meeting, to resume consideration of S. 2423, authorizing funds for fiscal year 1981 for foreign development and security assistance programs; and to begin markup of S. 2588, authorizing funds for fiscal years 1981 and 1982 for the Peace Corps.
4221 Dirksen Building

Judiciary
To hold hearings on pending nominations.
2228 Dirksen Building

Select on Ethics
To hold an open and closed business meeting.
5110 Dirksen Building

MAY 9

9:30 a.m.

Commerce, Science, and Transportation
Science, Technology and Space Subcommittee
To resume hearings on S. 2015, proposed Transportation Energy Efficiency Act, and on proposed amendments thereto.
235 Russell Building

MAY 13

10:00 a.m.

Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for the National Park Service.
1224 Dirksen Building

Energy and Natural Resources
Business meeting, to resume consideration of S. 2332, authorizing funds for fiscal years 1981 and 1982 for civilian programs of the Department of Energy, and other pending calendar business.
3110 Dirksen Building

Special on Aging
To resume hearings to explore initiatives to stimulate opportunities for continued work for older persons.
6226 Dirksen Building

MAY 14

9:30 a.m.

Commerce, Science, and Transportation
Science, Technology and Space Subcommittee
To resume hearings on S. 2015, proposed Transportation Energy Efficiency Act, and on proposed amendments thereto.
235 Russell Building

10:00 a.m.

Appropriations
Interior and Related Agencies Subcommittee.
To hold hearings on proposed budget estimates for fiscal year 1981 for the Department of the Interior.
1223 Dirksen Building

Energy and Natural Resources
Business meeting, to continue consideration of S. 2332, authorizing funds for fiscal years 1981 and 1982 for civilian programs of the Department of Energy, and other pending calendar business.
3110 Dirksen Building

2:00 p.m.

Appropriations
Transportation Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1981 for the Department of Transportation.
1224 Dirksen Building

MAY 15

10:00 a.m.

Appropriations
HUD-Independent Agencies Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1981 for the Department of Housing and Urban Development, and Independent Agencies.
1318 Dirksen Building

Appropriations
Transportation Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1981 for the Department of Transportation.
1224 Dirksen Building

MAY 16

10:00 a.m.

Appropriations
HUD-Independent Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1981 for the Department of Housing and Urban Development, and Independent Agencies.
1318 Dirksen Building

MAY 20

9:30 a.m.

Commerce, Science, and Transportation
*Science, Technology and Space Subcommittee
To hold hearings on industrial applications of recombinant DNA techniques.
235 Russell Building

10:00 a.m.

Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for the Office of the Secretary and the Office of the Solicitor, Department of the Interior.
1223 Dirksen Building

Select on Indian Affairs
To hold hearings on S. 2513, to promote economic self-sufficiency among Indian tribes by providing tax incentives to industries who hire Indians and locate on or near their reservations.
5110 Dirksen Building

2:00 p.m.

Office of Technology Assessment
The Board to hold a meeting on pending business items.
EF-100, Capitol

MAY 21

9:00 a.m.

*Veterans' Affairs
To resume hearings on the Federal Government's efforts to assist Vietnam-era veterans in readjusting to society, and the use of expected appointments for disabled veterans.
412 Russell Building

10:00 a.m.

Energy and Natural Resources

Business meeting, to consider pending calendar business.

3110 Dirksen Building

MAY 22

9:30 a.m.

Labor and Human Resources

Child and Human Development Subcommittee

To hold oversight hearings to examine issues affecting infant mortality, and preventable birth defects.

4232 Dirksen Building

MAY 29

9:30 a.m.

*Veterans' Affairs

To hold hearings on proposed legislation to establish a cost-of-living increase for service-connected disability compensation.

412 Russell Building

JUNE 2

10:00 a.m.

Select on Indian Affairs

To hold oversight hearings on the implementation of Federal recognition procedures, relating to the acknowledgment of non-recognized Indian tribes.

5110 Dirksen Building

JUNE 4

10:00 a.m.

Select on Indian Affairs

To hold oversight hearings on the implementation of the Judgment Fund Distribution Act.

5110 Dirksen Building

JUNE 10

10:00 a.m.

Select on Indian Affairs

To hold oversight hearings on the implementation of the Tribally Controlled Community College Act.

5110 Dirksen Building

JUNE 11

9:30 a.m.

*Veterans' Affairs

To hold oversight hearings on the activities of the Inspector General of the Veterans' Administration.

412 Russell Building

CANCELLATIONS

MAY 7

10:00 a.m.

Appropriations

Interior and Related Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1981 for the U.S. Geological Survey.

1224 Dirksen Building

HOUSE OF REPRESENTATIVES—*Tuesday, May 6, 1980*

The House met at 12 o'clock noon.

The Reverend James A. Starkes, pastor, Jupiter Road Baptist Church, Garland, Tex., offered the following prayer:

Thank You, O God, for the knowledge You have given us that we may pray.

Thank You for the faith to trust Thy goodness in spite of our ignorance and our weakness.

Thank You for the vision which can see Thy protecting hand in spite of our human failure.

For we know that whatever is true, whatever is honorable, whatever is just, whatever is pure, whatever is lovely, whatever is gracious—if there be any excellence, if there be anything worthy of praise, we must thank You for these things. What we have learned and received and heard and seen in Thee, dear God, help us to do to all mankind.

In Christ's name we pray. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Sparrow, one of its clerks, announced that the Senate had passed with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 3928. An act to amend the Act of November 8, 1978 (92 Stat. 3095) to designate certain Cibola National Forest lands as additions to the Sandia Mountain Wilderness, N. Mex.

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 2163. An act to provide for the conservation and enhancement of the salmon and steelhead resources of Washington State, assistance to the treaty and nontreaty harvesters of those resources, and for other purposes; and

S. 2398. An act to extend the provisions of the General Exchange Act, as amended, to certain lands in order that they may become parts of the Umatilla and Wallowa National Forests, and for other purposes.

The message also announced that the Vice President, pursuant to Executive Order No. 12169, dated October 26, 1979, appointed Mr. JACKSON, Mr. PELL, Mr. STONE, Mr. DANFORTH, and Mr. BOSCHWITZ to be members, on the part of the Senate, of the U.S. Holocaust Memorial Council.

That the Vice President and upon the recommendation of the majority leader, pursuant to Public Law 86–420, appointed Mr. BAUCUS to attend, on the part of the Senate, the Mexico-United States Interparliamentary Conference to be held in Washington, D.C., May 5–8, 1980.

That the Vice President and upon the recommendation of the majority and minority leaders, pursuant to Public Law 86–42, appointed Mr. BAUCUS and Mr. HAYAKAWA to attend, on the part of the Senate, the Canada-United States Interparliamentary Conference, to be held in San Diego, Calif., May 23–27, 1980.

THE REVEREND JAMES A. STARKES

(Mr. MATTOX asked and was given permission to address the House for 1 minute.)

Mr. MATTOX. Mr. Speaker, it is my pleasure to introduce to you today my good friend Rev. James A. Starkes, the pastor of Jupiter Road Baptist Church in Garland, Tex., chairman of the Baptist Bible Fellowship of Texas, and trustee of the Baptist Bible College in Springfield, Mo. Reverend Starkes founded the Jupiter Road Baptist Church 15 years ago, and through his dedication of the Gospel of Jesus Christ, he has become one of our best known spiritual leaders.

Reverend Starkes' ministry extends beyond the boundaries of the 500 families in his church. Through his leadership, this church demonstrates community and world vision by effecting positive changes in the lives of people. He and his members have discovered that the problems in our world are not so dark and insurmountable if we try to make a difference.

Jupiter Road is making a difference with its work in the Dallas Rescue Mission, a downtown ministry to the street people of my city who need food, a place to sleep, and clothing. No one can minister to a man's spirit while his stomach is growling. In this way, they are fulfilling the admonition of the Old Testament prophet Isaiah, who said to—

> Give food to the hungry, and satisfy those who are in need, then the darkness around you will turn to the brightness of the Moon.—Isaiah 58: 10.

Another example of Jupiter Road Baptist Church's commitment is its sponsoring of a Vietnamese boat family and the shepherding of their orientation to life in America. The concern of the church members reaches other nations of the world, as they sponsor four missionaries in Chile, Scotland, and Mexico.

Reverend Starkes follows the teachings of Jesus where he said—

> He who is greatest among you shall be your servant.—Matthew 23: 1.

PERMISSION FOR SUBCOMMITTEE ON MONOPOLIES AND COMMERCIAL LAW OF COMMITTEE ON THE JUDICIARY TO SIT THURSDAY, MAY 8, 1980, DURING 5-MINUTE RULE

Mr. HARRIS. Mr. Speaker, I ask unanimous consent that the Subcommittee on Monopolies and Commercial Law of the Committee on the Judiciary be permitted to sit while the House is reading for amendment under the 5-minute rule on Thursday, May 8, 1980.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

Mr. ROUSSELOT. Mr. Speaker, reserving the right to object, can the gentleman tell us what the necessity for this is? Do they have special witnesses coming?

Mr. HARRIS. If the gentleman will yield, no, this is for the purpose of a markup with respect to H.R. 6394, the Customs Court Act, which we are anxious to get marked up. We have sat down carefully with the minority on this, and they are very much in support of this because they do want this legislation to get marked up and moving.

Mr. ROUSSELOT. Mr. Speaker, further reserving the right to object, this is for Thursday only?

Mr. HARRIS. This is only for Thursday, and it is only with respect to H.R. 6394, Customs Court Act.

Mr. ROUSSELOT. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

MICHIGAN'S MAN OF THE YEAR

(Mr. VAN DEERLIN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. VAN DEERLIN. Mr. Speaker, our colleague, JOHN DINGELL, has added yet another honor to a fast-growing list. Last week JOHN was named the outstanding citizen of 1980 by the Michigan Association of Broadcasters.

As the presumptive next chairman of the Interstate and Foreign Commerce Committee—the oldest standing committee in the House—and as the present chairman of the critically important Subcommittee on Energy and Power, JOHN is already a force to reckon with.

His independence and dedication are qualities widely recognized in this Chamber and increasingly throughout the Nation. As one who has served with JOHN on the Commerce Committee, I personally am delighted that he is getting this kind of recognition. It is well deserved.

☐ This symbol represents the time of day during the House Proceedings, e.g., ☐ 1407 is 2:07 p.m.
● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

Once a page in this Chamber, JOHN is the fifth recipient of the Outstanding Citizen Award bestowed by the Michigan broadcasters. He joins a group that includes such distinguished earlier honorees as our former colleagues, Gerald Ford and Martha Griffiths.

The Michigan broadcasters are to be commended on the quality of their recipients.

H.R. 6377 INTRODUCED, EXTENDING SERVICE-CONNECTED DISABILITY BENEFITS TO VETERANS WHO HAVE SUFFERED DIOXIN POISONING

(Mr. DODD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DODD. Mr. Speaker, during the past 2 years much attention has been focused on the problem of the Vietnam veterans' exposure to agent orange. While studies have been undertaken to determine the effects of dioxin poisoning on humans, not enough is being done to help the veteran who has been exposed to agent orange.

It is clear to me that there is a direct relationship between the documented symptoms—nausea, lower extremity weakness, dizziness, insomnia—and the Vietnam veterans' exposure to agent orange.

These Vietnam veterans have served their country well. Those who have borne the brunt of the fight should not and cannot be forgotten by their Government. Therefore, I have cosponsored legislation, H.R. 6377, which extends service-connected disability benefits to these veterans who have suffered dioxin poisoning and I urge my colleagues to join me in supporting this important legislation.

TRIBUTE TO SENATOR ED MUSKIE

(Mr. GIAIMO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GIAIMO. Mr. Speaker, for the last 3 years it has been a privilege to work in close concert with ED MUSKIE the chairman of the Senate Budget Committee on common problems involving the fiscal policies of this country. I have come to know him and to respect his keen intellect, his dedication to the budget process, and his valuable leadership.

ED MUSKIE and I have argued long and often, for he is a tough adversary. Whenever we have met in conference, we have each been staunch advocates of our respective positions. In the final analysis, each time we have worked to overcome these differences.

When we have appeared together at the White House or at other meetings over the inflation crisis or other matters of great economic importance, we have not been antagonists, but rather on the same side of the issues. Most recently, during the marathon sessions of House and Senate leadership with the administration when we sought to agree on the blueprint for a balanced budget, ED MUSKIE and I were nearly always in agreement.

Heading the Budget Committee is no bed of roses, I know. But ED MUSKIE was capable and conscientious. He carried his load with dignity and conviction.

I shall miss my friendly adversary in the two conferences that we will have with the other body this year. And I shall wish him well in his difficult new assignment.

I cannot envision anything more difficult than heading the Budget Committee except for the Presidency and the job of Secretary of State. So, I am afraid my friend ED MUSKIE has jumped from the frying pan into the fire. But his knowledge of foreign affairs as well as of the many facets of domestic affairs and the high esteem in which he is held at the Capitol will stand him in good stead for his new and difficult assignment.

Congratulations to Senator MUSKIE and to President Carter for having selected him.

WITHDRAWAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 4631

Mr. EMERY. Mr. Speaker, I ask unanimous consent to withdraw my name as a cosponsor of the bill, H.R. 4631.

The SPEAKER. Is there objection to the request of the gentleman from Maine?

There was no objection.

GROUPS FROM VIRGIN ISLANDS WELCOMED

(Mr. EVANS of the Virgin Islands asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. EVANS of the Virgin Islands. Mr. Speaker, today I have the great pleasure of welcoming to this body two groups from the Virgin Islands. One group consists of 20 schoolchildren and 6 teachers from one of the outstanding elementary schools, Pearl B. Larsen, a public school which has shown that when quality education is offered, people come to it.

The other group is a representation from the League of Women Voters. I might add that the League of Women Voters in the Virgin Islands has long taken a very keen interest in the politics and civic affairs of the government. We in the Virgin Islands have been better for it all.

PERSONAL EXPLANATION

Mr. O'BRIEN. Mr. Speaker, on rollcall No. 213, a resolution providing funding for the Federal Trade Commission, I am not recorded. However, I am listed in the pairs as being favorable to the passage of this resolution whereas in fact my instructions were to be paired "nay."

Inasmuch as I am opposed to this measure and had I been present I would have voted "nay," I ask unanimous consent that this statement appear in the permanent RECORD immediately following final action on rollcall No. 213.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

THE GRAMM-HOLT AMENDMENT

(Mr. BETHUNE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BETHUNE. Mr. Speaker, last Thursday we had quite a good debate on whether or not we would increase the amount that would be spent on defense in 1981. The amendment, of course, that I refer to was the Gramm-Holt amendment, and it was defeated by a surprising margin.

The point I want to make today is that during the course of that debate I thought some excellent points were made by people who should be in the know on defense matters of this country. The gentleman from New York (Mr. STRATTON) observed that we do not have decent field position in the Middle East. The gentlewoman from Maryland (Mrs. HOLT) pointed out that we are behind the Soviets in materiel and manpower. The gentleman from Alabama (Mr. EDWARDS) made quite an impressive speech in the well saying that we are not ready on either score, and if we get into a war of attrition, he said, "My friends, we are in trouble."

□ 1210

Last Thursday, the day this matter was debated here on the floor, just happened to be May 1. That was the day when the Soviets celebrate May Day, as they do every year, by flaunting their military superiority.

Mr. Speaker, I think it is ironic that on that day this Congress failed to pass an amendment which would demonstrate to our allies and guarantee to the American people that we intend to hold the line in the Middle East, as the President promised to do here on this floor when he made his speech after the Afghanistan invasion.

THE FEDERAL BUDGET VERSUS THE FAMILY BUDGET

(Mr. GINGRICH asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GINGRICH. Mr. Speaker, the House today faces a choice of historic proportions.

We will vote today for the Latta substitute which would offer us a chance to turn the recession around, save jobs, increase employment, and increase real take-home pay, or we will vote today for the Giaimo budget which will guarantee a deepening recession, more unemployment and more people out of work, and less real take-home pay.

Mr. Speaker, the choice facing each Member of Congress is simple. Are we willing to take the time now to save the family budget by cutting the Federal budget, or are we going to protect the Federal budget by helping cripple the American family?

FIRST CONCURRENT RESOLUTION ON THE BUDGET—FISCAL YEAR 1981

Mr. GIAIMO. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the concurrent resolution (H. Con. Res. 307) setting forth the congressional budget for the U.S. Government for the fiscal years 1981, 1982, and 1983 and revising the congressional budget for the U.S. Government for the fiscal year 1980.

The SPEAKER. The question is on the motion offered by the gentleman from Connecticut (Mr. Giaimo).

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. SOLOMON. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 393, nays 4, not voting 35, as follows:

[Roll No. 214]

YEAS—393

Abdnor
Addabbo
Akaka
Albosta
Alexander
Ambro
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Anthony
Archer
Ashbrook
Ashley
Aspin
Atkinson
AuCoin
Badham
Bafalis
Bailey
Baldus
Barnard
Barnes
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Beilenson
Benjamin
Bennett
Bereuter
Bethune
Bevill
Biaggi
Bingham
Blanchard
Boggs
Boland
Bolling
Boner
Bonior
Bonker
Bowen
Brademas
Breaux
Brinkley
Brodhead
Brooks
Broomfield
Brown, Calif.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burlison
Burton, John
Burton, Phillip
Butler
Byron
Carney
Carr
Carter
Cavanaugh
Chappell
Cheney
Clausen
Cleveland
Clinger
Coelho
Coleman
Collins, Ill.
Collins, Tex.
Conable
Conte
Conyers
Corcoran
Corman
Courter
Crane, Daniel
Crane, Philip
D'Amours
Daniel, Dan
Daniel, R. W.
Danielson
Dannemeyer
Daschle
Davis, Mich.
Davis, S.C.
Deckard
Dellums
Derrick
Derwinski
Devine
Dickinson
Dicks
Dingell
Dixon
Dodd
Donnelly
Dornan
Downey
Drinan
Duncan, Tenn.
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Edwards, Okla.
Emery
English
Erdahl
Erlenborn
Ertel
Evans, Del.
Evans, Ga.
Fary
Fascell
Fazio
Fenwick
Ferraro
Findley
Fish
Fisher
Fithian
Flippo
Florio
Ford, Mich.
Ford, Tenn.
Forsythe
Fountain
Fowler
Frenzel
Frost
Fuqua
Garcia
Gaydos
Gephardt
Giaimo
Gibbons
Gilman
Gingrich
Ginn
Glickman
Goldwater
Gonzalez
Goodling
Gore
Gradison
Gramm
Grassley
Gray
Green
Grisham
Guarini
Gudger
Guyer
Hagedorn
Hall, Ohio
Hall, Tex.
Hamilton
Hammerschmidt
Hance
Hanley
Harkin
Harris
Harsha
Hawkins
Heckler
Hefner
Heftel
Hightower
Hillis
Hinson
Holland
Holt
Hopkins
Horton
Howard
Hubbard
Huckaby
Hughes
Hutto
Hyde
Ichord
Ireland
Jacobs
Jeffords
Jeffries
Jenkins
Jenrette
Johnson, Calif.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kazen
Kelly
Kemp
Kildee
Kindness
Kogovsek
Kostmayer
Kramer
LaFalce
Lagomarsino
Latta
Leach, Iowa
Leach, La.
Leath, Tex.
Lederer
Lee
Lehman
Leland
Lent
Levitas
Lewis
Livingston
Loeffler
Long, La.
Long, Md.
Lott
Lowry
Lujan
Luken
Lundine
Lungren
McClory
McDade
McDonald
McHugh
McKay
Madigan
Maguire
Markey
Marks
Marlenee
Martin
Matsui
Mattox
Mavroules
Mazzoli
Mica
Michel
Mikulski
Miller, Calif.
Miller, Ohio
Mineta
Minish
Mitchell, N.Y.
Moakley
Mollohan
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Mottl
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Murtha
Musto
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nelson
Nichols
Nolan
Nowak
O'Brien
Oakar
Oberstar
Obey
Ottinger
Panetta
Pashayan
Patten
Patterson
Paul
Pease
Perkins
Petri
Peyser
Pickle
Porter
Preyer
Price
Pritchard
Pursell
Quillen
Railsback
Rangel
Ratchford
Regula
Reuss
Rhodes
Richmond
Rinaldo
Ritter
Roberts
Robinson
Roe
Rosenthal
Rostenkowski
Roth
Rousselot
Roybal
Royer
Rudd
Runnels
Russo
Sabo
Santini
Satterfield
Sawyer
Scheuer
Schroeder
Schulze
Sebelius
Seiberling
Sensenbrenner
Shannon
Sharp
Shelby
Shumway
Shuster
Simon
Smith, Iowa
Smith, Nebr.
Snowe
Snyder
Solarz
Solomon
Spellman
Spence
St Germain
Stack
Staggers
Stangeland
Stanton
Stark
Steed
Stenholm
Stewart
Stockman
Stratton
Studds
Stump
Swift
Symms
Synar
Tauke
Taylor
Thomas
Thompson
Traxler
Trible
Udall
Ullman
Van Deerlin
Vander Jagt
Vanik
Vento
Volkmer
Walgren
Walker
Watkins
Weaver
Weiss
White
Whitehurst
Whitley
Whittaker
Whitten
Williams, Mont.
Williams, Ohio
Wilson, C. H.
Winn
Wirth
Wolff
Wolpe
Wright
Wyatt
Wydler
Wylie
Yatron
Young, Alaska
Young, Fla.
Young, Mo.
Zablocki
Zeferetti

NAYS—4

Lloyd
McCormack
Mitchell, Md.
Wilson, Bob

NOT VOTING—35

Applegate
Bouquard
Campbell
Chisholm
Clay
Cotter
Coughlin
de la Garza
Diggs
Dougherty
Duncan, Oreg.
Evans, Ind.
Foley
Hansen
Hollenbeck
Holtzman
Johnson, Colo.
Jones, N.C.
McCloskey
McEwen
McKinney
Marriott
Mathis
Moffett
Pepper
Quayle
Rahall
Rodino
Rose
Skelton
Stokes
Wampler
Waxman
Wilson, Tex.
Yates

☐ 1220

Mr. McKAY changed his vote from "nay" to "yea."

So the motion was agreed to.

The result of the vote was announced as above recorded.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the concurrent resolution (H. Con. Res. 307), with Mr. Bolling in the chair.

The Clerk read the title of the concurrent resolution.

☐ 1230

The CHAIRMAN. When the Committee of the Whole rose on Thursday, May 1, pending was an amendment in the nature of a substitute offered by the gentleman from Ohio (Mr. Latta).

The Chair recognizes the gentleman from Ohio (Mr. Latta) for 5 minutes in support of his amendment.

(By unanimous consent, Mr. Latta was allowed to proceed for 10 additional minutes.)

Mr. LATTA. Mr. Chairman, let me say at the outset of my remarks, I think that the debate on this budget has gone very well. A lot of facts and statistics have been put on the record that I think should have been put on the record. I think they are welcomed by the American people and by the Members of this body.

For the interest of the Members who are wondering how long we are going to extend this debate, certainly we ought to be able to finish no later than tomorrow. With a little bit of luck, we might be able to finish today; but I cannot quite foresee that.

Let me say the substitute that I have offered is a substitute that is different from the Gramm-Holt substitute that was defeated last week. It differs from the resolution offered and reported out by the majority members of the Budget Committee. I want to speak to those differences a little late, but I think that the budget substitute that we are offering will offer some hope to the country that the majority budget resolution does not.

Mr. Chairman, as an American I am concerned about the direction this country is headed from a productivity standpoint. I think all Americans should be concerned with this.

As everybody in this Chamber realizes, we are privileged to live in a great Nation and to enjoy a high standard of living. One of the reasons we have enjoyed such a high standard of living is that the American people have been able to outproduce other nations in the past. In recent years, however, we have seen a decline in our rate of productivity.

We no longer have a monopoly in mass production that we had several years ago, especially in the automobile industry.

I know how we used to brag about Detroit having the monopoly on mass producing automibiles, that they could produce an automobile cheaper and better than any other place in the world. We do not have that monopoly today. We have got to do something about it.

We have heard people in this Chamber and in the Chamber on the other side of the Capitol Building, people downtown, and labor leaders talking about shutting off imports coming into this country, as a solution. That is no solution at all. We are merely treating the effect if we go that route. We ought to be doing something about outproducing those other nations, as we have done in the past. We can do it in the future.

We have to do something about the tax system of this country and adopt some of the tax reforms that they have adopted in other countries—reforms that permit companies to get into business, to make jobs available to people, and to produce better products at cheaper prices.

As I have remarked several times, and I think it is apropos that I do it now, I think in America we have got to build a better mousetrap cheaper and better. That is the solution, but we cannot do it under antiquated tax laws. We cannot do it in a period of recession. It seems that we have to enter into a period of recession before we think about doing anything about tax laws.

We cannot do anything just passing around a $50 handout to everybody as we have done in the past.

We cannot do it. We have got to face up to what the problem is.

This Congress never seems to attack the cause. This Congress always seems to treat the effect.

Mr. KEMP. Mr. Chairman, will the gentleman yield?

Mr. LATTA. I yield to the gentleman from New York.

Mr. KEMP. I thank the gentleman for yielding. I want to congratulate the gentleman on his remarks and associate myself with those remarks, particularly that aspect of his speech which dealt with making this Nation not only more competitive in domestic markets, more productive in domestic markets, but particularly more competitive in foreign markets.

The gentleman mentioned our attempts to make American industry not only more competitive, but more able to invest in new plants, machinery and equipment in such a way as to increase the technological and productive capability so that we can do things at less cost to the consumer while generating new jobs. I believe this is as much a part of the fight against inflation as sound monetary policy.

I wanted to make the point to the gentleman that in my district, a steel area, Buffalo, N.Y., Bethlehem Steel, like all industry, replaces its equipment and machinery predicated upon an historical cost-accounting method for tax purposes, which means that they can write off that investment in new equipment over 15½ to 16 years.

□ 1240

But across the lake, Lake Erie, Canadian Steel is putting up a steel plant to compete with American steel and it is being written off, that is depreciated over 1½ to 2 years. I submit it is absolutely impossible for American steel, to compete with Canadian steel, Swedish steel, Japanese, West Germany, Soviet Russian steel on the basis that they are allowing their industry to depreciate investments at a much more accelerated rate. So when the gentleman talks about restoring incentives for higher levels of economic production efficiency in terms of making our capital cost recovery system more liberal I think he has really gotten to the heart of one aspect of this pattern. But the gentleman I know agrees with me that the steeply progressive income tax in this country in and of itself is also a tax on production, not just a tax on the entrepreneur but on savers, investors, and workers, and is so inefficient we are losing out on production, growth, savings, and indeed revenues.

Mortimer Caplin, former Director of the IRS, said the other day that our tax system stinks. He said it is rotten, it is making people into evaders and avoiders. He said there is an underground economy of about $300 billion a year, and huge nontaxed bartering going on. He said we are losing revenues because our tax rates are too high. But then he came to the conclusion that we need more IRS agents and we need to tighten up on the collection of taxes.

The point the gentleman is making I think is that the whole tax structure in America needs reform. We need to make the tax system not only more efficient but ultimately to make our Nation more competitive as well. I appreciate the gentleman's leadership in offering the Latta amendment, and I certainly support him, as he knows.

Mr. LATTA. I thank the gentleman for his comments. They are right on target.

Let me say the substitute we offer would make way for a $32 billion tax cut directed toward productivity, not handouts and patchwork. Our substitute would do something about the errors of the past so that we can make jobs for the future. Actually our vision for the future in this House is often obstructed by our concern with the present. I think it is high time this Congress looks toward the future of this country.

I would recommend to every Member of the House that we take a look at the economic statistics that have just been reported to see where we are and where we might go unless we do something about rising unemployment in this country. My colleagues have all heard the statistics of 7 percent unemployment. That did not even include the last of April in those statistics.

Out in Ohio we have over 7 percent unemployment. In my district, for example, we have one county with 11 percent unemployment. We have the county of Adams in Ohio with 17.5 percent unemployment. I could run through the counties in our State of Ohio and tell you something about the unemployment rates, and you could do the same in your districts. We are not about to turn the corner, as the President indicated the other day. It is not in the economic forecast. We cannot come up overnight with a solution to this problem, but we can head down the road to correcting it so that it does not reappear.

I do not believe there is anybody in this chamber naive enough to believe that with the unemployment rates going up as they are that this House, this Senate and this administration, will not ask for a tax cut before this year is up or before the election. So the question is why do we not prepare for it now in an orderly fashion and offer some tax relief to the business community of this country. This will make jobs, permanent jobs for people who are now unemployed, who are seeking and probably will be seeking in the future, jobs in the automobile industry, the steel industry, and other industries which are not now competitive.

So we have a lot of problems that we have to face up to and we can face up to these problems by adopting this substitute.

I think it is a sad day when we let our country get in the shape that it is from a competitive standpoint. Our balance of payments is down. If it were not for agriculture we would be in bad shape. Agriculture has kept us up.

Our raging inflation has caused a dramatic deterioration in our balance of trade from a $3 billion deficit in February 1979 to a $5.6 billion deficit in February of 1980. That represents an 87 percent deterioration over the last year.

These figures reflect the serious deterioration in our worldwide competitive position which, in turn, is manifesting itself in declining output, rising unemployment in the steel and automobile industries and other industries. Until we get inflation, which is now raging out of control at 18.5 percent, under control our competitive position will continue to erode further aggravating our slide into a recession and, yes, even a deep seated depression.

Let me say we cannot do anything about inflation in this country until this Congress balances its budget so that Uncle Sam does not have to go out in the money market and borrow money to refinance that debt.

Now we have a situation in this country where the third highest item in the budget is for interest on the national debt. To give my colleagues an idea to reflect upon for a moment, we have increased our national debt just during the 1970's by $500 billion plus. In this budget we are going to be asking that we increase the debt ceiling to over $900 billion plus just so that we can pay our bills.

So we do have problems and I think the substitute faces up to these problems and gives us some future to look forward to. But if we come along and say "business as usual," we are going to balance this budget but we are going to increase taxes to the tune of $85 billion over last year in order to balance it, I do not think that this is the way to go. We can achieve a balanced budget through that means, but we ought to do it by reducing our expenditures and taxes here at the Federal level.

Mr. KEMP. Mr. Chairman, will the gentleman yield?

Mr. LATTA. I will be happy to yield to the gentleman.

Mr. KEMP. Mr. Chairman, would the gentleman comment on speculation that the Congressional Budget Office has now suggested that the hope of even balancing the budget under present circumstances is being pushed further and further into the future because of the decline of the economic indicators. I have seen speculation that they are now suggesting that as unemployment creeps above 7 percent and heads toward 8 percent, each 1 percent increase in unemployment, as the gentleman knows, causes about a $25 billion to $27 billion increase in the deficit, that it is further pushing off into the future the hope of balancing the budget and, frankly, it is not even possible to balance the budget as the economy continues to contract and decline.

Mr. LATTA. Well, I think it is possible if we have the will to do it but it certainly makes it more difficult to do it as unemployment rises. There is no question about that. It makes it more difficult, but we have to do something about that unemployment. I think the substitute that we offer here will do something about it.

The CHAIRMAN pro tempore (Mr. NEDZI). The time of the gentleman from Ohio has expired.

Mr. LATTA. Mr. Chairman, I yield myself 10 additional minutes.

□ 1250

Let me very hurriedly conclude my statement. Last Tuesday the House gave the American people a preview of what it can expect when it comes to balancing the budget in 1981. On that day a majority of the House voted to increase this year's current budget for fiscal year 1980 by another $4.6 billion. As it now stands, the fiscal year 1980 budget is $39 billion higher than at the time of the first budget resolution 1 year ago. The lean, tight $23 billion deficit that the American people were promised last May has swollen to $43 billion, and the U.S. Treasury reports that the 1980 deficit reached $51.7 billion in March. The vote on Tuesday said one thing loud and clear to the American people. It said that Congress is not really serious about controlling spending and balancing the budget. And I hope that the signal that went out to the American people at that time was an error and that this Congress is serious and wants to do something really sound in the way of balancing this budget. We have managed to produce a budget which appears balanced on paper before fiscal year 1981 actually begins, but at this time next year we will no doubt have before us a third or even a fourth budget resolution for 1981 which recognizes that the 1981 budget will not be in balance after all. But this will all take place after this fall election and many Members once again will be off the hook—but not the country. For anyone who questions my prediction, I need only remind them that the $4.6 billion increase in the late 1980 deficit voted last Tuesday was explained away as being nothing more than a technical reestimate.

Mr. Chairman, the American taxpayers cannot afford any more of these technical readjustments, and the substitute that I have offered is neither technical nor is it a reestimate. It is a fundamentally different approach to fiscal policy. It is a balanced budget which is designed to be balanced throughout the entire 1981 fiscal year. More important, it is a statement of economic policy designed to reverse the downward slide of the economy without accelerating the rate of inflation. It is a budget which has as its first and foremost objective more real economic growth with less inflation.

The figures that I have are as follows: Revenues, 599.9 as opposed to the committee figures of 613.8, and the figure in 1980 of 528.8; outlays, 597.8, as opposed to the committee figures of 611.8 and last year's figure of 571.6; budget authority, 681.3 as opposed to the committee's figures of 694.6 and last year's 660.3. These figures I have just given you are critical ones for they describe the difference in terms of fiscal policies between this amendment and the committee's version. We are, after all, attempting to balance the budget in order to improve economic conditions for all our citizens because inflation at 18.5 percent affects everybody, and it certainly hurts the people in the low-income bracket more than the people in the middle and upper brackets. Because the tragic state of our economy is our overriding concern, we must develop the best fiscal policy response we can to combat inflation, increase productivity, and assist the private sector in creating greater real growth in employment and output. This is of overriding importance especially in view of the fact that our unemployment had jumped to 7 percent in April, and that figure does not reflect the full extent of the layoffs in the automobile industry which occurred in the latter part of that month.

Moreover, the leading economic indicators declined by 2.6 percent in March, the second largest drop in the history of the index. It is a foregone conclusion that we are now in a recession. What these latest numbers suggest is that the recession will be far more severe and last longer than the administration would have us believe. If there is any reason to believe that a severe recession would permanently lower the inflation rate to 3 or 4 percent, then perhaps we ought to sit back and let the economic downturn run its course.

However, experience tells us that all we will have is merely a prolonged stagflation with high unemployment coexistent with only slightly moderate rates of price increase. This is no answer. It only means intense suffering with no payoffs in the end. We must adopt new economic policies which will resist inflation by increasing the supply of goods and services, and we must reject the economics of this budget resolution which rely on high unemployment and higher taxes to suppress demand.

REVENUES

The revenue figure in our substitute includes a $32 billion tax cut beginning on January 1, 1981. Because this reduction would not take place until 3 months into the fiscal year, and because the tax would generate an increase in real economic growth which would result in new tax collections for the Government, the net revenue loss of this tax cut in the fiscal year budget would be approximately $14.5 billion. In addition to this $32 billion tax cut, our amendment does not include the new tax increases proposed by the committee for such things as withholding taxes on interest and dividend payments nor the $3.6 billion of miscellaneous "cash management" initiatives. Our tax cut not only completely offsets the devastating impact of the President's new fee on imported oil, but it provides for additional, productivity-increasing tax cuts as well. Should we be successful in revoking the President's authority to impose this 10-cents-a-gallon-gas tax, we would adjust the tax cut downward accordingly.

Now I want to discuss this tax cut in more detail. It is no secret that over the past 4 years, taxes have gone up faster than at any time in our history. In 1976, the Federal Government took out of the economy in taxes an amount equal to 18½ percent of the gross national product. Since Carter has been in the White House this tax burden has risen steadily to the point now where it will set an alltime record high of 22.5 percent of GNP in 1981 according to the President's own calculations. Since each percentage point of GNP equals approximately $28 billion, we are talking about substantial tax increases. For example, the difference between 18½ percent of GNP in 1981 and the Carter level of 22.5 percent is $112 billion. Looked at another way, if taxes had not risen to this alltime high, the average American taxpaying family would be paying—directly and indirectly—$1,500 less in taxes in 1981.

Keep in mind as well that the $32 billion tax cut we propose will merely offset some of the new tax increases scheduled for 1981, so we are not even talking about a net reduction in taxes. Let me explain.

Under the committee's reported budget resolution, the following additional tax collections will occur in 1981:

[In billions]

Social security taxes (higher wage base and increase in tax rate)	$28.7
Windfall profit tax	13.6
10 cents/gallon gas tax	10.3
Bracket creep (impact of inflation pushing taxpayers into higher brackets)	15.0
Miscellaneous (withholding taxes on interest and dividends; cash management initiatives, etc.)	11.7
Total tax increases for 1981	79.3

Let me repeat. The Budget Committee expects revenues to increase by $85 billion between 1980 and 1981. Of that $85 billion, $79.3 billion is the result of new and higher tax collections. As a result, the $32 billion tax reduction we are proposing is not even sufficient to offset half of these new taxes. Therefore, it is simply not the case that a tax cut of this size would be inflationary since most taxpayers will still be paying higher taxes in 1981—only under our proposal, this increase is less than that proposed by the committee.

But it is not merely a matter of equity or fairness which compels us to offer a $32 billion tax cut for calendar year 1981. The present crisis in the American economy literally calls out for new solutions. Last year Americans saved 4.5 percent of their personal, disposable incomes—the lowest level since 1949. That same year, our major competitors abroad, Germany and Japan, saved at rates of 13 and 20 percent, respectively. These figures alone go far to explain why labor productivity has been declining in America while continuing to increase at a healthy pace in more vigorous foreign economies.

For example, one subcomponent of productivity is output per man-hour in manufacturing. Last year, in the United States, this measure increased by only 1.25 percent; in Germany, however, productivity in the manufacturing sector grew at an annual rate of 6 percent while in Japan it rose by 9.75 percent. Using the broader measure of productivity for all sectors of the economy, the U.S. rate actually went down by 1.1 percent in 1979 (comparable rates for foreign countries are not available for 1979). Without a large pool of private savings there can be no private investment; without private investment there can be no increase in productivity; without increases in productivity, there can be no increase in the real standard of living for all Americans.

Moreover, remember that at the very time Americans are saving less, the Federal Government is borrowing more, thereby further diluting the pool of capital available for private investment.

Given these statistics for savings and productivity, it is not coincidental that inflation has accelerated from 13.3 percent in 1979 to a current level of over 18 percent because such behavior of the price index reflects the fact that our economic base is dragging and becoming less efficient and less competitive. It is also not coincidental that unemployment has already risen to 7 percent and will go much higher. We are not going to solve any of our problems by putting the economy through the wringer of a severe recession.

If inflation, simply put, is too many dollars chasing too few goods, then we do nothing in the long run to slow inflation by increasing unemployment and reducing output. That merely means we reduce the supply of goods even further. Instead, we must increase the supply of goods, and we can only do this by encouraging more private savings and more investment in new plants and equipment. And only by reducing the burden of Federal taxes on both individuals and private business can we encourage and enable such behavior.

While some economists argue that the savings rate is down only because Americans have to spend more of their earnings to try and keep up with inflation, this is far from the whole truth.

Over the past 4 years, the decline in the savings rate has reflected almost exactly the increase in the tax burden. In short, as taxes have risen to consume a greater proportion of a family's earnings, those increased taxes have come almost entirely at the expense of savings. The logic is inescapable: If we wish to regenerate the strength of the private American economy, we have to start by letting the American people keep more of their own incomes to save and invest in the future.

SPENDING

I propose a total outlay level in 1981 of $597.8 billion, an amount which is $26.2 billion higher—I repeat, higher—than the estimated spending level for 1980 or $50.2 billion more than the resolution adopted on November 28. We are therefore not talking about cutting Federal spending, merely slowing its rate of increase. Now, quite clearly, the spending total in my amendment will not accommodate all the spending goodies which Members of the House might like in the ideal world. But $597.8 billion is all this country can afford to spend in the real world. I know full well that during debate on this amendment, the big spenders will be claiming that our proposal cuts this program, cuts that program, underfunds this special interest group or another, and so on. The sole purpose of the Budget Committee is to set overall fiscal policy for the Government; it is expressly not given the right to set funding levels for each and every Federal program.

That is the responsibility of the authorizing and appropriations committees. Therefore, I cannot answer the question, "Does your amendment cut program 'X'?" Because the Budget Committee does not have the jurisdiction to make that sort of decision. We propose functional totals which are consistent with our fiscal policy. In each and every case we believe that we have provided sufficient funds to carry out the most important, highest priority programs in each function.

In many instances there will not be enough money for many worthy, but lower priority programs. Throughout the budget we believe essential services can be continued by reducing administrative costs and undue regulation and redtape.

For example, the General Accounting Office has done numerous studies of how to save money by improving program management and increase auditing in the health programs, education programs, welfare programs and the like; most of these recommendations have been ignored to date, but if implemented, could save hundreds of millions of dollars while not harming the most needy beneficiaries of these programs.

As the Members can see from our functional categories, most functions would receive as much or more funding as they received in 1980. In many instances, the spending growth from 1980 to 1981 is substantial. In order to insure that our Nation's defense is put on the road to recovery and to insure that our elderly citizens would not have their social security benefits reduced, certain program areas are proposed to receive less money than allocated to them in 1980. However, this is a small price to pay for bringing inflation under control for all our citizens.

Moreover, at a time when virtually every family in America has seen its real spendable income slip dramatically, it is not unreasonable to expect the Federal Government to make some sacrifices as well. There is nothing written in stone that says every Federal program has to receive as much or more money as it received the year before.

Let me summarize what this substitute is all about:

First. It provides for a $32 billion tax cut in calendar year 1981—this will provide for a much-needed productivity raising tax relief, increased incentives for savings as well as completely off-setting Carter's 10 cent/gallon gas tax should we be unable to eliminate it. This tax cut is intended to reduce unemployment by creating new, more productive jobs in the private sector.

Second. It holds the increase in Federal spending to $26.2 billion without reducing social security benefits. It provides for 3 percent real growth in the defense budget and increases defense budget authority sufficiently to adequately compensate our uniformed forces and to begin a long-delayed rebuilding of our Navy.

Third. It is a pro-growth budget alternative to the Carter administration's program of recession, unemployment and continued inflation. It will put people to work instead of in the unemployment lines.

In the private sector it will make it possible for us to compete again in the markets of the world.

Mr. Chairman, no one ever said that getting our economy back on track would be a short or easy job. It will require sacrifice and patience. But if anything is clear from the past 5 years since the last recession, it is that this country's economic policies are not working. There is no reason to believe that the solution to unemployment, inflation, declining productivity and high interest rates is a repeat of the recession of 1974–75. We cannot spend our way out of these economic problems, but that is exactly what we tried to do. The time has come to try a new, fresh approach. That means slowing the growth of Government spending, postponing or scaling down current benefit programs, eliminating those which are wasteful or no longer work. It means putting more resources in the hands of the private sector and the millions of employees of those businesses which really produce the goods and services in this country. Finally, it means reestablishing Federal spending priorities to make sure that our defense is second to none before we spend one dime on anything else.

Mr. GIAIMO. Mr. Chairman, I move to strike the last word. I rise in opposition to the amendment. I would like to get some points clear, however, and I wonder if someone on the other side could assist me. I know that the gentleman from Ohio (Mr. LATTA) had to leave momentarily.

Am I correct that in the Latta substitute no provision is made for any changes in fiscal year 1980?

Mr. SHUSTER. Mr. Chairman, if the gentleman will yield, that is correct. If I might respond, our position is that fiscal 1980 should be treated separately, so we are dealing in the Latta substitute only with fiscal 1981.

Mr. GIAIMO. But the gentleman's substitute has the effect, I am told, of wiping out what the committee did for 1980.

Mr. SHUSTER. That is correct, because we believe that is the way to get at fiscal 1980, and we think it is wrong that fiscal 1980 has been folded into fiscal 1981. It should be a separate resolution, and the American people should not be deceived by folding this into fiscal 1981. It should be treated separately.

Mr. GIAIMO. Let me clarify this further because this is very significant. I appreciate the gentleman's efforts to hold down expenditures, and I am trying to do the same thing. As I understand it, the result of your substitute would be to bring 1980 budget authority and outlays back to the levels in the second budget resolution which we adopted last fall.

Mr. SHUSTER. If the gentleman will yield, this is the mechanism which we use to protest the institutionalization of folding in the fiscal 1980 budget resolution and the previous year's budget resolution with the present year's budget. We recognize that if we succeed, that means that the gentleman presumably and undoubtedly would move to bring up a separate budget resolution for fiscal 1980, and we say that is the proper way rather than folding it in and hiding it and disguising it.

Mr. GIAIMO. But what the gentleman might want to do is not what he is doing. The result of the Latta substitute, I believe—and I will say to the gentleman—would be to eliminate the increases which are necessary for 1980.

Mr. SHUSTER. Will the gentleman yield?

Mr. GIAIMO. I will in a moment. The gentleman is talking about $20 billion more or less, and it is mostly more—about $24 billion. Let me just point out to the gentleman some of those items he is saying we can do without.

Mr. SHUSTER. Will the gentleman yield?

Mr. GIAIMO. I will in a moment.

Mr. SHUSTER. I understand the point the gentleman is making.

Mr. GIAIMO. I will yield in a moment, and if we need more time, we will get it. Let me point out to the gentleman why we had to increase the 1980 budget from what we voted last September. Because of higher inflation, we have had escalated costs far beyond our projections.

☐ 1300

There is $8 billion more just for interest; about $4 billion in additional fuel costs, if I remember correctly, for the military; $2.5 billion, roughly, in food stamps; SBA disaster loans; additional moneys for defense; $3 billion more for defense outlays; the Chrysler loan; rural housing; highway money; interest, I told the gentleman about, $8 billion. You know it would just bring the Government down to a crashing halt if we fail to lift the spending ceilings for fiscal year 1980.

Mr. SHUSTER. Mr. Chairman, will the gentleman yield further?

Mr. GIAIMO. Yes.

Mr. SHUSTER. I thank the gentleman for yielding. The gentleman is helping to make our case. When he says that there is over $20 billion in additional expenditures required here, we say that something that significant should not be swept under the rug; something that significant should not be folded into a budget resolution for fiscal 1981 so that the embarrassment of having to vote on a third budget resolution is avoided. We say that the American people have a right to know that there is this $20 billion plus expenditure, and that this House and this Congress has a responsibility to deal separately and directly with that issue, rather than sweeping it under the rug as the majority has done, and we have not had an opportunity to vote on this issue.

Mr. GIAIMO. I will say to the gentleman that we have not swept it under the rug.

Mr. SHUSTER. Then why would the gentleman not let us have a separate vote?

The CHAIRMAN. The time of the gentleman from Connecticut has expired.

(By unanimous consent Mr. GIAIMO was allowed to proceed for 5 additional minutes.)

Mr. SHUSTER. Mr. Chairman, if the gentleman would yield further, then would the gentleman enlighten us as to why this Chamber could not have a separate vote on the third budget resolution?

Mr. GIAIMO. Well, as a matter of fact I am not certain the gentleman is precluded from having a separate vote on it, to tell the gentleman the truth.

Mr. SHUSTER. I would say to our colleagues that we will not be precluded from a separate vote if they support, and if the Latta substitute carries, today. That is the mechanism by which we will get a separate vote on the third budget resolution, and indeed it is another reason for the Latta substitute.

Mr. GIAIMO. No; I do not think it has anything to do with the Latta substitute. I think that the gentleman is mixing two different things. The point is that he has had an opportunity to add or subtract by virtue of the amendment which I offered last week. Second, as I understand the parliamentary situation, it is possible for him to have a separate vote on it with respect to the Latta amendment.

Mr. SHUSTER. Will the gentleman yield further for a question?

Mr. GIAIMO. I yield.

Mr. SHUSTER. Is it not true that if Latta is passed, then we must deal separately with the third budget resolution? Is that not a fact?

Mr. GIAIMO. If Latta is passed——

Mr. SHUSTER. Then we must deal separately with the third budget resolution. Is that not a fact?

Mr. GIAIMO. I do not see that we would have the opportunity to do so. There would be no amendments in order.

Mr. SHUSTER. Certainly, would not the chairman then go to the Rules Committee and seek a rule?

Mr. GIAIMO. I am saying that under the present rule we are operating under, my impression is that we would not have the opportunity to do that. It seems to me that we have to consider 1980 in this resolution. It is set forth; it is part of this resolution, and it will be possible to vote on it.

Mr. PANETTA. Mr. Chairman, will the gentleman yield?

Mr. GIAIMO. I yield to the gentleman from California.

Mr. PANETTA. Mr. Chairman, the problem is that with regard to 1980, that has to be done now. We are facing some severe time constraints with regard to those increases. If the gentleman wants to deal with his concerns of 1980, now is the time to do it. The gentleman ought to go into the 1980 resolution, recommend the cuts that they would prefer, recommend the increases that they would prefer, and should have made it part of the Latta substitute. All the Latta substitute does now is totally eliminate 1980 supplementals, with defense, with refugee assistance, with all the parts that have to be considered if we are going to be responsible in dealing with the budget.

Mr. SHUSTER. Mr. Chairman, will the gentleman yield further?

Mr. GIAIMO. Yes.

Mr. SHUSTER. Is it not a fact that the gentleman could get the Budget Committee to report a separate third budget resolution, or the budget resolution for fiscal 1980, back to this Chamber within 3 days? It is a simple matter.

Mr. GIAIMO. That is not a simple matter. Let me advise the gentleman that May 15, which is not very far off, is the deadline, and we still have to pass this resolution dealing with 1980 and dealing with 1981. We still have a very difficult conference ahead of us with the other body, which is taking the matter up this week. I think we are going to have to move as quickly as we possibly can to even hope to make the May 15 deadline.

As the gentleman knows, come May 15 lots of things fall apart around here if we do not have this budget adopted. Namely, we are going to start seeing a slowdown, a stoppage, in Government.

Mr. SHUSTER. As the gentleman knows, May 15 is simply the deadline for the first budget resolution, and this does not preclude the gentleman from getting a rule and coming back very quickly to this House with the third budget resolution for fiscal 1980. More significantly, this simply points up—this simply points up the problem of where we find ourselves now, according to the gentlemen, because we did not give this House the opportunity to vote separately on a third budget resolution, a resolution that increases spending by over $20 billion.

Mr. GIAIMO. Let me just advise the gentleman that by May 15 there will be four programs that will be directly and immediately affected. One will be food stamps; another would be trade adjustment; another would be black lung, and another would be SBA disaster payments.

Mr. PANETTA. Mr. Chairman, will the gentleman yield further?

Mr. GIAIMO. I yield to the gentleman from California.

Mr. PANETTA. Mr. Chairman, I think the point is this: That the gentleman may very well have concerns about the third budget resolution and the priorities in the third budget resolution. The point is that those concerns should have been addressed as part of this substitute, and indeed we could then debate the issue of the 1980 supplemental.

The CHAIRMAN pro tempore (Mr. MURTHA). The time of the gentleman from Connecticut has again expired.

(At the request of Mr. PANETTA and by unanimous consent, Mr. GIAIMO was allowed to proceed for 2 additional minutes.)

Mr. PANETTA. What has happened here is that the Latta substitute has simply said that we will not even consider 1980 at all. So, all we are going to deal with is the 1981 budget. Now is the time we ought to be discussing it. We are on the floor with the budget now.

Mr. SHUSTER. Would the gentleman yield further on that point.

Mr. GIAIMO. I yield.

Mr. SHUSTER. I would simply say to my friend that perhaps we have not been as clear as we should be in stating our position, which is that we are using the Latta substitute not only as a mechanism of dealing with fiscal 1981, but also as the mechanism by which we say it is dead wrong—dead wrong for this House to include in a third budget resolution with a reported first resolution and make the House take it all or nothing; make this House accept a third budget resolution for fiscal 1980 without ever separately considering it.

It is our intent that if Latta passes we would fully expect that the gentleman would go to the Rules Committee, and within the next 3 or 4 days—certainly by the 10th or 11th—he would have back to this floor the third budget resolution so that the House could deal with it in a separate fashion, which is the proper manner in which such an enormously signficant expenditure should be considered.

Mr. GIAIMO. Let me say to the gentleman that I could not disagree with him more. We are taking up the third budget resolution for fiscal year 1980 at the same time that we are taking up the first budget resolution for fiscal year 1981. We are taking them up together in the interests of saving time, because time is of the essence here and increasingly so. The gentleman is surely protected in whether or not he wants to approve 1980 and 1981 spending levels.

Mr. SHUSTER. Would the gentleman yield further?

Mr. GIAIMO. Yes.

Mr. SHUSTER. I would say to my friend that it strains credulity to say that we could bring up a budget in this Chamber that amounts to an expenditure of $1 or $2, $10, or $20 or $30 million, or $100 million, but is the gentleman really saying that we do not have time to take up separately an expenditure of $20 billion?

☐ 1310

Mr. GIAIMO. No; the gentleman does not state it accurately.

Mr. SHUSTER. That is beyond belief, I say to my good friend.

Mr. GIAIMO. Mr. Chairman, I am saying that we are taking up revisions to the earlier budget resolution in the traditional way that we have done in past years, and the rights of Members to object to that resolution are fully protected, as I understand the rule.

Mr. WYLIE. Mr. Chairman, will the gentleman yield?

Mr. GIAIMO. I yield to the gentleman from Ohio.

Mr. WYLIE. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, it seems to me as if this debate is a diversion from the debate on the Latta substitute. I say that because the whole method of the budget resolution process was designed to consider budgets on a fiscal year basis. Now, for the last 3 budget years the fiscal year budget resolution has included another concurrent resolution. This time it is the third concurrent budget resolution for fiscal year 1980.

The CHAIRMAN. pro tempore. The time of the gentleman from Connecticut (Mr. GIAIMO) has again expired.

(By unanimous consent, Mr. GIAIMO was allowed to proceed for 1 additional minute.)

Mr. WYLIE. Mr. Chairman, if the gentleman from Connecticut (Mr. GIAIMO) will yield further, I ask the gentleman, is this not a way or a design to get votes for the third concurrent fiscal year 1980 budget resolution?

I ask that question advisedly because the third concurrent budget resolution has been increased in deficit from $29 billion from the second concurrent resolution to now over $42 billion. A lot of us would like to support the gentleman's balanced budget resolution, and I will do so, but we have some reluctance to voting for an additional $13 billion of deficit for the rest of this fiscal year. I would like to vote on each separately.

So is this not being added on or piggybacked onto the fiscal year 1981 budget, I should say, in an effort to get some votes for the third concurrent resolution?

Mr. GIAIMO. No; I would say to the gentleman that that is not the intention. The intention of the gentleman from Connecticut was to combine these two issues because that was the quickest and most expeditious way of bringing them to the floor.

Mr. WYLIE. Mr. Chairman, it was my understanding that the third concurrent resolution or the second concurrent resolution, whichever is being considered at the time, was to be used in dire situations or in emergency cases, if there was a shortfall in revenues, to take care of programs that were not funded adequately in the first concurrent resolution, but that it was not to be routine as a part of the next first concurrent resolution.

Mr. REGULA. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment in the nature of a substitute.

Mr. HAGEDORN. Mr. Chairman, will the gentleman yield?

Mr. REGULA. I yield to the gentleman from Minnesota.

Mr. HAGEDORN. Mr. Chairman, I rise in strong support for House Concurrent Resolution 314, the Republican substitute for the first concurrent budget resolution because I believe it will provide the American people with true fiscal relief.

America is in the midst of the greatest economic crisis since the Great Depression and as long as we continue to pursue the policies of a Democratic Congress and a Democratic administration, we will continue to face more layoffs, fewer homes built, more factory closings, and less take-home pay for American wage earners.

With inflation running at an annual rate of 18 percent and the prime lending rate at close to 20 percent, the majority party and the White House have finally acknowledged what we Republicans have been saying all along—that the budget must be brought in balance before we can bring inflation under control.

The majority resolution relies far too heavily on increased taxes and far too little on spending restraint in narrowing the deficit. While the Democrat resolution balances the budget, it does so at a level of $612 billion—$14 billion larger than the $598 billion of the Republican substitute. And although both proposals call for a balanced budget, one, the Democrat proposal, does so by increasing taxes and the other, the Republican proposal, does so by placing greater restraint on the nondefense side. In fact, the Democrat resolution would increase the tax burden on the American public by $85 billion, or 16.1 percent, in only 1 year. This inexcusable rise in the tax burden has come almost completely at the expense of savings. To combat this problem we must commit ourselves to gradual tax reduction. And the Republican substitute begins that process by calling for a tax cut of $32 billion for both individuals and corporations. Such a cut will help stop the recession right in its tracks, restoring both business and consumer confidence.

Mr. Chairman, another major demonstration of the differences between the two parties is seen in the fact that, in the face of continued Soviet threats and aggression, the Democrats would reduce defense spending while the Republican substitute provides for a desparately needed increase. Under the Democratic resolution, defense outlays would be $147.9 billion. The Republican substitute, on the other hand, calls for increases in defense spending to $152.4 billion. So, while the Democrats call for a strong national defense, their first concurrent resolution would reduce spending in this area $2.6 billion below the level that even the President requested. If this Nation is going to be able to maintain its capacity to achieve those objectives which have characterized our defense posture over the last thirty years, then we must increase the share of our resources which we devote to national security.

Mr. Chairman, one important provision of the Democratic resolution which I support and which is also included in the Republican substitute calls for reconciliation instructions to the committees of the Congress mandating expenditure reductions of $9.1 billion. Reconciliation, which will enable Congress to cut back on existing programs as well as hold the line on budgetary increases, is a vital element of the budget process which will help insure the maintenance of a balanced budget. The method of including reconciliation in the first resolution is fairer to the committees and fairer to the budget process than using it in the second resolution and I applaud the concept.

In the final analysis, Mr. Chairman, the differences between the Democratic resolution and the Republican substitute highlight the differences between the two parties. The Democrat philosophy is one of tax, spend, regulate and restrict and the Republican philosophy is one of permitting the American people to keep more of what they earn while maintaining the right to determine how it is to be used.

I urge all Members of the House to not only support a balanced budget, but support a balanced budget that also provides meaningful spending cuts, tax increases, and a strong national defense. I urge my colleagues to support the Republican substitute for the first concurrent resolution on the budget for fiscal year 1981.

Mr. Chairman, I just want to add that in the current season, when hostages are being held throughout the world, we are also certainly being held hostage here by being forced to vote on 1980–81 fiscal year budgets.

Mr. REGULA. Mr. Chairman, in the aftermath of the recent events in Iran, and in the ensuing critical debate over guns and butter currently taking place on the floor of this House, we should not lose sight of the crucial role that a healthy economy plays in providing for a strong national defense.

I am convinced that additional defense funds are urgently needed, particularly to pay rapidly rising fuel bills, for better operation and maintenance, and to provide the compensation necessary to attract and keep skilled military personnel. Given our current economic conditions, this will mean some reductions will have to be made in the rate of growth of spending in the nondefense area. Our commitment to defense must be for the long pull—this means a high figure for outlays and also for budget authority. The Latta substitute increases outlays by $4.5 billion and budget authority by $13.4 billion over the committee resolution. This type of commitment will stimulate growth in the production facilities absolutely essential to produce the weapons systems and the spare parts that are needed. It will assure our servicemen and women that our commitment to a strong defense is for the long pull.

In other words, the current international crises have exposed weaknesses in our defense capabilities which must be remedied. At the same time our long-run economic and military health necessitates bringing inflation under control. An essential element in our fight against inflation is bringing the budget into balance for reasons I outlined in my floor statement on Thursday, April 24. A strong and growing economy insures that we have an infrastructure in place which can be quickly converted to defense production. Countries which allow their productive capacity to deteriorate may well find that in an emergency they will not have a sufficient capability to produce in the required numbers tanks, planes, spare parts, and all of the equipment necessary to sustain a strong defense.

It is impossible at this time to achieve both more defense spending and a balanced budget without incurring some short-run sacrifices in the nondefense areas of the budget, however worthy the latter may be. It is my belief that the Latta-Republican substitute would more realistically achieve the desired results.

What is the connection between inflation and our long-run defense capability? In a word, the answer is productivity. We have been hearing a lot lately about our poor productivity performance. Although we are still the most productive economy on Earth, our rate of increase in productivity has been lagging badly behind other industrial nations in recent years. It is these changes in productivity that determine our potential rate of real economic growth. Not all of the causes of our low rate of increase in output per man-hour can be laid at the doorstep of Government economic and budgetary policy, but some of them can. One of the most important is our underlying rate of inflation. High inflation encourages consumption, discourages savings and investment, and, thereby, reduces the real rate of economic growth. Very high inflation rates also leads to increasing amounts of economic activity outside the organized market system. Such activity is inherently less efficient and leads to further reductions in productivity and real growth.

Another important hinderance to improved productivity over which the Federal Government has direct control is our tax system. The Federal tax structure operates on two levels to discourage productivity. On the first level, it interacts with inflation to produce ever-rising effective tax rates on both individuals and businesses. These unlegislated tax increases serve to discourage thrift, and, therefore, impact adversely on productivity and growth.

On a second level the tax system discourages productivity through the kinds of things it taxes. By taxing wage and salary income, interest, dividends, and capital gains, it insures that savings and investment are taxed more heavily than consumption. Income that is saved is taxed both when it is earned and again when it bears fruit in the form of interest, dividends, or capital gains.

On the other hand, income that is consumed is taxed only when it is earned. Our tax code should, therefore, be adjusted so as to reduce, if not eliminate, this bias toward consumption. Such a change would make an important contribution toward improving productivity and real economic growth.

The Latta-Republican substitute budget addresses both of these governmentally imposed barriers to increased productivity and growth. By balancing the budget at a lower level than the committee resolution it frees more resources for productive use and allows the Federal Reserve to continue to pursue an anti-inflationary monetary policy.

Department of Labor statistics show that of the 3 million new jobs produced in 1979 two-thirds were service oriented and only one-third were goods producing. In the first quarter of 1980, 906,000 new service jobs were created; however, 615,000 goods producing jobs were lost, producing a net gain of only 291,000 jobs in this period.

A recent study prepared for the use of the Joint Economic Committee entitled, "productivity and inflation," states as follows on page 13:

> According to these estimates, a sustained increase of one percentage point in the rate of productivity growth in 1980 and subsequent years would reduce the inflation rate by 2.1 to 2.4 percentage points in 1982 and by 2.8 to 3.3 percentage points in 1984.

In addition the Republican budget provides for over $100 billion in net tax reductions over the next 3 years. This allows ample room both to roll back the inflation-induced record tax budget that we are currently suffering under, and to make the adjustments necessary to reduce the bias against savings and investment in our tax code. In a word, the Latta-Republican substitute is an anti-inflationary growth budget.

In a slow or no growth, inflationary economy it is necessary to continually make the kinds of painful and divisive choices between defense and butter that we must make this year. In a healthy, growing economy we can have adequate amounts of defense spending without ravaging those Government programs which are especially successful in meeting real human needs.

Lenin understood this very well, when he stated that the surest way to sap a country's strength was to weaken it economically through inflation and the debasement of its currency. It is in the area of economic strength that the United States and its allies currently possess an incomparable advantage over the Soviet Union and the Warsaw Pact countries.

Some simple comparative numbers tell a revealing story. Using real gross national product as a rough measure of a country's productive capacity, the United States is almost twice as productive as the U.S.S.R., and 1.3 times as productive as the entire Warsaw Pact. Even if we exclude the United States and Canada, the Warsaw Pact, including the U.S.S.R., would face in a conventional confrontation a European NATO over 20 percent larger in economic strength. If the United States and Canada were brought into the conflict, Western superiority would be 170 percent greater, and if Japan were included the allies would have behind them a combined economic system over three times as large as the U.S.S.R. and the other Warsaw Pact countries combined.

Production statistics do not tell the whole story. Soviet-Warsaw Pact oil production totals approximately 12 million barrels daily compared to the 50 million barrels daily consumption of the free world. This great size advantage, combined with the greater flexibility and technological superiority of market-oriented economies provides a strong disincentive to direct military confrontation.

A second indicator of the relative weakness of our adversaries lies in the demographic statistics. In terms of total population, the Warsaw Pact countries have about a 40 million edge over European NATO allies, but when Canada and the United States are added in, the allies have a 50-percent population advantage, which rises to 80 percent if Japan is also included.

But simply looking at the aggregate population numbers does not tell the whole story. The demographic characteristics of the populations are equally important. In this again, the West and Japan have a considerable advantage. In the first place our populations are on the average younger. Unlike the United States and its allies the U.S.S.R. and the Warsaw Pact countries never had a "baby boom" of sufficient size to replace the millions who were lost during World War II. For obvious reasons a younger population has a military advantage over an older one. In addition, the peoples of the countries in the Soviet orbit are less well educated and less healthy than those of the Western nations and Japan.

It is essential to recognize that both the size and quality of a country's population are importantly determined by the state of its economic health. A country such as the U.S.S.R., which has trouble adequately housing, feeding, and educating its people provides a strong disincentive to childbearing regardless of whatever monetary incentives might be provided. Likewise those children that are born into a stagnant economic environment are less likely to grow up to be as happy, healthy and productive as those born into a dynamic growing economy.

One final reason why a failure to grow has contributed to the military weakness of the U.S.S.R. is that this failure has forced it to economically exploit its allies in a way that would have made a 19th-century imperialist blush. This has greatly contributed to the resentment that most of these countries feel toward the Soviet Union. As a consequence, in sustained conflict with the West, the U.S.S.R. could probably count on perhaps only Bulgaria as a completely reliable ally, thus further increasing the population advantage that NATO has over the Warsaw Pact.

Because the Soviet Union and its allies, due to an inability to provide for adequate economic growth, do not have the depth of either human or material resources possessed by NATO and Japan, it is likely that they would be inacapable of waging prolonged conventional warfare against us. Soviet aggression in Europe or elsewhere would have to take either the form of a lightning conventional strike designed to overrun the desired territory very quickly or a nuclear attack.

I strongly believe that the fear of either getting bogged down in a drawn-out conventional war or using its nuclear capability has been a powerful deterrent to Soviet aggression in those areas deemed vital by the United States.

But this equilibrium could evaporate very rapidly. While we absolutely must keep up a level of readiness to deter a Soviet blitzkreig or nuclear first strike, we must also maintain a strong economic system so as to discourage a more conventional Soviet adventurism without having to resort to the nuclear deterrent.

If the United States and its allies were to succumb to the currently fashionable no-growth philosophy, our human and material resources would deteriorate to the point where our own security would disappear just as surely as if we were to embark on a program of unilateral disarmament.

For this reason, Mr. Chairman, I support a budget that not only provides for a strong military deterrent, but one which is consistent with the maintenance of our economic deterrent as well.

□ 1320

Mr. KEMP. Mr. Chairman, will the gentleman yield?

Mr. REGULA. I yield to the gentleman from New York.

Mr. KEMP. Mr. Chairman, I would like to congratulate the gentleman for his statement.

There has been a lot of talk recently that, somehow, you have to use mirrors or some type of fiscal legerdemain to balance the budget, cut tax rates and increase spending for national defense.

Now, the gentleman has addressed what I consider to be the No. 1 issue of 1980, and that is how we can fight inflation balance the budget, by restoring economic growth and prosperity. We believe that at lower tax rates it would give us a higher tax base from which to increase the revenues necessary to provide an adequate source of defense spending for this Nation. The gentleman really has provided the type of explanation of just what it is that the minority is proposing in the Latta substitute: That we believe that by encouraging economic growth and revitalizing the industrial base of our Nation with tax incentives and sound fiscal and monetary policy this Nation can achieve economic growth without inflation. For ultimately only economic expansion can provide the revenues that are necessary for this Nation's defense. Those social programs which provide the safety net for these American people less fortunate can only be secure in a growing economy.

I would like to congratulate the gentleman and I would like to identify myself with his remarks.

Mr. REGULA. I thank the gentleman for his comments.

Mr. MITCHELL of Maryland. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, a few short years ago, during the height of the war in Vietnam, there was a population in America that was called the turned-off population, young people who were so disenchanted by governmental practices during that time that they sort of dropped out of the system, they were turned off.

I am certainly not at the age of those young people, but I am certainly experiencing the same feeling of being completely turned off by the budget that is proposed on this side, and certainly the Latta proposal does not render me ecstatic.

On the one hand, I think, insofar as our human survival programs are concerned, we have the Democratic proposition out of the House which would suggest that we would slowly bleed to death. On the other hand, we have the proposition of the gentleman from Ohio (Mr. Latta), which proposes more radical surgery, which will even hasten our demise. And perhaps that is more painless; perhaps that is a more painless way to do it. I am just trying to get some sense of direction from my colleagues. Do I want to bleed to death, or do I want to go ahead and just get it all over with and be laid out in the undertaker's establishment? We lay out CETA, we lay out our housing programs and other programs, we place them all in the casket, then we bury them.

I do not know what I am going to do. I am being very honest. This is one of the few times in the 10 years in this House that I frankly do not know what my vote should be. I am convinced that I cannot support this proposition. I am also convinced that I cannot support and embrace the gentleman's proposition, but I would guess, if the opportunity presents itself, what I might do is simply not go on record asking for a quick death, but rather just indicate that I am present, to express my own concern over two approaches that seem to me do not really meet the issues that confront the American people.

I will yield to the gentleman from Ohio (Mr. LATTA) in just a moment. As I understand it, the gentleman's proposition cuts further, in terms of domestic programs, $3.7 billion out of education and training programs. Now we have a 7 percent unemployment and the prediction that we might get 9 percent before we end fiscal year 1981.

I cannot support a proposition that says, in the face of rising joblessness, we must cut these programs. On the other hand, I might simply have to vote present because I do not think either of these options offer the people that I represent any real alternative.

☐ 1330

I received communications from the Democratic leadership, and I would like to be responsible to the leadership, but I am troubled.

Mr. LATTA. Mr. Chairman, will the gentleman yield?

Mr. MITCHELL of Maryland. I yield to the gentleman from Ohio.

Mr. LATTA. I thank the gentleman for yielding.

I have great repect for the gentleman from Maryland, as he knows. I understand his position and his thinking.

Let us just try this on for size, since the gentleman is pondering which way to go. He may vote "present."

On this side of the aisle we are saying we ought to put people to work in the private sector permanently—permanently.

I know that the gentleman's people would like to be employed permanently, not on the public payroll, not on a CETA job, not on a leaf-raking job. They would like to go into industry and be productive and do something and come home with a paycheck and say, "Well, I produced something for America."

That is the difference. We want to do something for the American people and for the productivity of this great Nation of ours so that everybody can enjoy the benefits. That is the difference.

Mr. MITCHELL of Maryland. I am sympathetic with what the gentleman is saying. If the gentleman will recall, just last week in response to a Member on this side, I indicated that here is one Member who is willing to see every one of the Government programs go out of business if the system functions right, but it does not.

If I may pursue this just a bit longer, I have two problems with the gentleman's approach.

I would want to see employment in the private sector. I think it is better over the long haul.

The CHAIRMAN pro tempore. The time of the gentleman from Maryland (Mr. MITCHELL) has expired.

(At the request of Mr. VOLKMER and by unanimous consent, Mr. MITCHELL of Maryland was allowed to proceed for 3 additional minutes.)

Mr. MITCHELL of Maryland. What do we do about the 1, 2, 3, 4, 5 million people who are out of work who cannot be integrated into that private sector system with a great deal of facility? How are we going to handle their problems in the interim? That is my first concern.

My second question would be, How do I go to blacks in my district or Hispanics in Cleveland or some other place and say, "This is the approach," when, as I have indicated earlier last week, the private sector created 3 million jobs, a million a year, but they did not employ minorities. Minorities did not get those jobs. You have to somehow or other explain to people that there has been a change of heart and that the private sector will be responsible to the needs of minorities or that somehow or another the gentleman's proposal will attempt to do something for people who are caught in that vacuum between the transition from Federal Government support to private-sector support.

Mr. LATTA. If the gentleman will yield further, let me just speak to just one part of the private sector.

We are talking about now the automobile industry. The automobile industry is 25 percent shut down and going further.

Now, the gentleman's people have a tremendous share of the work force in the automobile industry. It cannot be denied—the figures are there—at the highest rate per hour of any other industry of any size in this country. These are the people we want to see put back to work, along with other people, and the gentleman's people will share if we put these people back to work.

Mr. MITCHELL of Maryland. I thank the gentleman for his comments. I agree in part. I think we can put people back to work. My problem is what do we do about all those people who were not employed before Chrysler got in trouble, before the automobile industry got in trouble?

Mr. WRIGHT. Mr. Chairman, will the gentleman yield?

Mr. MITCHELL of Maryland. Let me yield to my majority leader who is always a font of wisdom and has guided me throughout this decade in the Congress along the path of righteousness.

Mr. WRIGHT. I thank my distinguished colleague from Baltimore for yielding.

I trust that I could take credit for the splendid direction in which he has gone, though I must in honesty say only on those occasions when he has gotten into trouble has he been following me. Those occasions, fortunately, have been rare.

May I address myself seriously to the very serious question which the gentleman from Maryland raises, and that is, What difference is there between the committee bill on the one hand and the Latta substitute on the other? What difference does it make to the plain people whom the gentleman from Maryland represents so diligently and well?

The CHAIRMAN pro tempore. The time of the gentleman from Maryland (Mr. MITCHELL) has again expired.

(At the request of Mr. WRIGHT and by unanimous consent, Mr. MITCHELL of Maryland was allowed to proceed for 3 additional minutes.)

Mr. WRIGHT. Mr. Chairman, will the gentleman yield further?

Mr. MITCHELL of Maryland. I yield to the gentleman from Texas.

Mr. WRIGHT. Let us look at that question. I think there is an enormous difference between the two.

The gentleman from Ohio mentioned the automobile industry, which has employed many Americans, including many of ethnic minorities and some of whom now are thrown out of work.

The committee bill, which embodies the Giaimo amendment that was adopted a few days ago, permits $1 billion in trade adjustment assistance, some of which will be available to those automobile workers who have been thrown out of work in the present fiscal year, fiscal year 1980. That figure is not included in the Latta substitute.

Let us look briefly at the question of education, training, employment, and social services. There is quite a significant difference in the two. There is a difference of $3.7 billion in the two.

The amendment offered by the gentleman from Ohio would reduce public service jobs in the CETA program three or four times as drastically as the reduction which already has fallen.

The committee bill reduced the total number by about 50,000. Apparently, the $3.7 billion additional reduction embodied in the Latta substitute would eliminate an additional 150,000 jobs. It also would force hard reductions in the CETA skills training programs which permit and assist people without marketable skills to make themselves available for work.

Mr. MITCHELL of Maryland. May I ask the distinguished majority leader a question at this point?

Mr. WRIGHT. Surely. I will be glad to respond if I can.

Mr. MITCHELL of Maryland. I just raised early on what I thought was a very fundamental question for me. Do we bleed to death slowly under Giaimo, or do we go ahead and just kill us off under Latta? I frankly do not know what the answer is. It might be better, Mr. Chairman, for me to go back to my people in Baltimore and say, "Look, we might as well face it. The Government has abandoned you. You might as well face it." That is why I would support Latta. Get it over quickly so somehow or another we can come up with our own method.

Mr. WRIGHT. If the gentleman will yield further, that would be suicide. So long as there is life, there is hope. I am suggesting that a tourniquet is available. The tourniquet exists today in the rapid reduction of interest rates, coming down five points on Treasury bills, coming down a point and a half on mortgages. That is going to stimulate more activity. It probably has been set in motion by the belief that Congress is serious about balancing the budget. So I am constrained to believe that there still is hope for the gentleman and those whom he represents so faithfully and so well, but that hope would be dashed if he were to vote for the Latta substitute.

I plead with the gentleman to join us in rejecting that and thus keeping alive the hope that we may again be able to stimulate an active and energetic economy.

The CHAIRMAN pro tempore. The time of the gentleman from Maryland (Mr. MITCHELL) has expired.

(At the request of Mr. VOLKMER and by unanimous consent Mr. MITCHELL of Maryland was allowed to proceed for 3 additional minutes.)

Mr. MITCHELL of Maryland. Let me thank the majority leader for his very sage advice, to which I am not committed. Hope does not spring enternally in this Member's breast any longer after 10 years of being in the House, but I will, as I have always done, take the gentleman's sage counsel under serious consideration and do the honorable thing.

Mr. WRIGHT. I am grateful to the gentleman. That is all that a prudent and reasonable man can expect of another.

I thank the gentleman.

Mr. VOLKMER. Mr. Chairman, will the gentleman yield?

Mr. MITCHELL of Maryland. I yield to the gentleman from Missouri.

Mr. VOLKMER. I would like to add to the remarks of the gentleman from Texas (Mr. WRIGHT), who in fact stole my very line, but that is for the gentleman to reflect very deeply so surely that he would not in any way want to assist the amendment presently pending before us to actually become law. I am sure of that, that he would not want to do anything in any way to effect that end.

☐ 1340

As to being dissatisfied with the Giaimo proposal, perhaps it is so. But to say surely the gentleman, in other words, like the gentleman from Texas says, to permit suicide rather than to continue to strive on and try to get your ultimate end, I do not believe the gentleman really means that.

Mr. MITCHELL of Maryland. Let me try another approach. I think last week I indicated we have been reaching for the golden ring, we who are minorities. Every time we get close to it in American history something happens and the rules are changed, the scenario is changed.

Well, let us use the golden ring analogy. I do not want to commit suicide. Let us say I want to dispel illusions about the myth of the golden ring. I think that might be important to do for people.

Mr. VOLKMER. That radical an approach?

Mr. MITCHELL of Maryland. Yes.

Mr. GINGRICH. Mr. Chairman, will the gentleman yield?

Mr. MITCHELL of Maryland. I yield to the gentleman.

Mr. GINGRICH. Mr. Chairman, I want to commend the gentleman for his courage and perceptiveness of his statement. To be quite candid, I would not ask the gentleman to vote for the Latta budget. I think it is a good budget, defensible, but I think it would be very difficult to explain that budget to the gentleman's constituency.

Mr. MITCHELL of Maryland. It would.

Mr. GINGRICH. But I would ask the gentleman to be honest with his own constituency. If you believe the current policies and the current programs offer any hope other than a slow bleeding death, then there is good reason to vote for the majority budget. But I think the gentleman knows and his constituents know the future they face in the next year is not hopeful under this administration and this majority. All the gentleman is saying by voting present, if he decides to do so, is that politically, within the American system, it is the obligation of leaders to rise and say for their people that it is not good enough. Certainly I think it is hard to define the majority budget as in any way for any interest group being good enough.

Mr. MITCHELL of Maryland. I thank the gentleman for his remarks. Let us get away from death and dying and suicide. I have changed it now to dispelling the myth of the golden ring for blacks and minorities and the working poor.

The CHAIRMAN pro tempore. The time of the gentleman from Maryland has expired.

(By unanimous consent Mr. MITCHELL of Maryland was allowed to proceed for 3 additional minutes.)

Mr. MITCHELL of Maryland. What I am honestly doing is wrestling with myself, trying to figure out whether it is better to go tell people, "Do not expect anything because it is not coming," or go tell people, "Well, maybe just a little bit is coming just to keep you alive."

Mr. KEMP. Mr. Chairman, will the gentleman yield?

Mr. MITCHELL of Maryland. I yield to the gentleman.

Mr. KEMP. Mr. Chairman, I appreciate the gentleman yielding. I want to speak out on behalf of that golden ring for the moment. I would call that, rather than the golden ring approach, the American dream because all people, white and black, share a desire for a better life, for jobs with dignity. I heard the gentleman last week say unemployment is no answer to inflation. I agree. In fact, I would say that unemployment causes inflation because it reduces the total output of our Nation and it is a tragedy in people's lives.

But I think what the Latta substitute is trying to say to the American people is not that you have to go back to Baltimore and tell your constituents that the Government has abandoned them. What I would hope, and certainly can understand the gentleman questioning which way he is going to vote, but what I would say is that the purpose of the Latta amendment is to be able for all of us to go back to our districts and say we are trying to encourage the type of climate, economic climate in this country from which we can start to grow again. Growth is the ultimate solution to the gentleman's constituents' problems, and right now a vote for the Giaimo amendment is a vote to further exacerbate the economic conditions of this country. A vote for the Latta amendment is an attempt to restore economic growth and create jobs in the private sector.

Mr. MITCHELL of Maryland. I thank the gentleman for his remarks, but neither the gentleman nor the gentleman from Ohio (Mr. LATTA) have addressed my fundamental question. What are you going to do with so many people that have been out of work for lo these many decades while we are waiting for growth and productivity to help them? Are we just going to leave them out there, which, if I may, is in part what is embodied in the Latta amendment because of the significant cuts it is making.

Mr. KEMP. I would say to the gentleman we should go even further, we should take even bolder, more radical steps to encourage that type of development and development of new enterprises. The gentleman talked about industries, auto and steel, and I would suggest that the ultimate solution to the unemployment problem for the people to which the gentleman in the well is speaking so eloquently is to encourage new enterprises which are labor intensive. Most of our major corporations are capital intensive. What we ought to be doing is encouraging new entrepreneurship in this country to start the type of sidewalk businesses, small businesses that are labor intensive, and ultimately provide a better solution to unemployment than does the hope that somehow we can get steel, autos, and housing to totally answer the needs of all of the gentleman's constituency. He and I have been talking about that and I look forward to continuing the dialog.

Mr. MITCHELL of Maryland. I thank the gentleman but remain in a quandary.

Mr. SHUSTER. Mr. Chairman, I move to strike the requisite number of words.

Mrs. HOLT. Mr. Chairman, will the gentleman yield?

Mr. SHUSTER. I yield to the gentlewoman from Maryland.

Mrs. HOLT. Mr. Chairman, I rise in support of the minority substitute offered by the gentleman from Ohio. This is consistent with the policies that we on the minority side have been advocating for years.

We strive not only for a balanced budget, but also for substantial tax reductions that stimulate saving, investment, production, and the creation of jobs for the American people.

If you want slow economic growth, more unemployment, and continuing high inflation, then you will vote for the budget proposed by the committee. If you want to remedy those problems, you will support the minority substitute.

The incumbent administration and the majority in this Congress have spent, borrowed, and taxed our economy into low productivity and soaring inflation that threatens the future of every family.

The House Budget Committee has proposed to balance the 1981 budget with a massive tax increase. That is not what the American people have in mind when they appeal to us to balance the budget.

The committee has recommended a 16-percent increase in revenues to produce a record peacetime tax burden of about 22 percent of the gross national product, and that does not count the extra $10 billion in revenues which the committee suggests be earmarked for tax reduction. But this is not really a tax cut, because it just offsets President Carter's new oil import fee.

On the Republican side of the aisle, we have a much better idea. We are proposing to balance the 1981 budget and achieve a $32 billion tax reduction beginning January 1.

Mr. Chairman, here is the opportunity for the House to provide tax relief for the American people and also allow for tax cuts that will begin to cure the critical need for saving and investment.

We all agree on the need for a balanced budget. What disturbs me is the refusal of the majority to endorse a policy of significant tax reductions. In fact, they enthusiastically support major tax increases.

By endorsing a record peacetime tax burden, the Budget Committee promises to inflict further damage on an ailing American economy. If you want less production, fewer jobs, and a future of high inflation, then you will vote for the Budget Committee recommendation.

If you want more production, more jobs, and lower inflation, you will vote for the Republican substitute.

Mr. SHUSTER. Mr. Chairman, the greatest significance of the majority budget before us today is not that it is a balanced budget, as important as that is, but rather the size of the tax burden is the greatest significance. Indeed, when the history of the 20th century is written it may well be said that it was in 1980 that a Democrat President, a Democrat majority in the House and Senate, imposed upon the American people the highest tax burden in the history of the century for, indeed, what we have before us today in the resolution itself is a tax burden of over 22 percent of gross national product. That is the highest in the history of the Nation except for the dark war year of 1944 and, indeed, even that exception may well be set aside before the year is out.

The tax burden imposed upon the American people is the historic significance of this budget, make no mistake about it. The increase in tax collections, in revenues last year to this under the budget before us will be $96 billion. Spending between last year and this under the majority resolution will be up $64 billion over last year's resolution. Indeed, during the Presidency of Jimmy Carter spending will have increased by over $220 billion. That is where we find ourself today.

But there is an alternative. There is an alternative I would say to my colleagues which we have before us now, and that is the Latta substitute, the Republican substitute. Indeed, I would urge my friends on the other side, the independent Democrats, to turn this into a substitute that is not a Republican substitute by casting enough of your votes for it so that you can knock that Republican name out of this substitute and make it a bipartisan substitute. Indeed, that is what will be best for this country of ours.

So here is where we stand now, with a substitute in which we are proposing restraint on spending. I would say to my colleagues not to let anyone kid you by saying we are taking a meat ax to spending, because it simply is not true. The substitute before us now increases spending by $50 billion over last year, I repeat, increases spending by $50 billion over last year. It simply does not increase it by $64 billion as the Democratic majority proposes to do. Indeed, in the substitute before us, of that $50 billion increase it includes increases in spending by $27.7 billion in nondefense spending. Nondefense spending is up by 6 percent. So do not let anybody tell you that we are strangling spending in nondefense. Do not let anybody tell you that we are bleeding our social programs to death. We are increasing our social programs rather significantly, but we are attempting to exercise restraint.

Why?

□ 1350

Because we think it is urgent that the tax burden on the American people be reduced. We think it is urgent that there be a tax cut as is proposed in this substitute, $32 billion tax cut, so that the economy can be stimulated, so that we can increase productivity, so prosperity can return to America. Indeed, when there are those who talk about slowly bleeding America to death, I would say that it is inflation that destroys jobs and slowly bleeds our country today, that it is lack of investment to create new plants and more productive equipment that is slowly bleeding our country to death, that it is lack of savings which is slowly bleeding our country to death by not providing the adequate funding for mortgages for our home industry, for example.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. SHUSTER was allowed to proceed for 5 additional minutes.)

Mr. SHUSTER. So I say to my friends on both sides of the aisle that if we are going to have prosperity in America, if we are going to increase productivity and create real jobs for the disadvantaged, if we are going to bring inflation under control, we must exercise spending restraint, as this substitute does. Equally importantly, we must reduce the tax burden on the productive people of America so that more money is left to invest and save and to increase productivity. Today, indeed, we do have a choice—a choice between the biggest tax-burden budget in the peacetime history of our Nation or a choice of a budget which attempts to get Government off our back, to provide a substantial tax cut to stimulate the economy and to create jobs, a budget which attempts to restore the American dream to the American people.

Mr. LATTA. Mr. Chairman, will the gentleman yield?

Mr. SHUSTER. I will be happy to yield to the gentleman from Ohio.

Mr. LATTA. I thank the gentleman for yielding. I congratulate the gentleman on a very, very good statement. I would like to point out that in the budget resolution that we have before us presented by the majority of the committee, is it not a fact that there are tax increases of $28.7 billion for social security taxes, windfall profits tax, $13.6 billion, the 10-cent-a-gallon gas tax of $10.3 billion, the bracket creep brought on by inflation, pushing people into higher brackets, of $15 billion, miscellaneous taxes such as withholding on interest and dividends, which brings it to about $3.4 billion, and Federal debt management, $11.7 billion, for a tax increase in 1981 over 1980 of $79.3 billion? Is this not a fact?

Mr. SHUSTER. The gentleman is really being conservative. He is comparing, I believe, the resolution before us today with the adjusted fiscal 1980 resolution, and if we go back to the second budget resolution of fiscal 1980 and what we thought was the law of the land, the increases amount to $96 billion and not seventy-some billion dollars, so the gentleman is being very conservative, as is his nature.

Mr. LATTA. That is correct. We go back only to the adjusted 1980 budget resolution with these figures, but I think it is well for our colleagues to know this. If they vote against our substitute and for the majority proposition, the type of taxes that they are cranking into this resolution, I do not think that they want to go back home and pound themselves on their chests and say, "Well, I voted for all of these tax increases to be cranked into that budget."

Mr. SHUSTER. History will record that those who vote for this majority budget resolution are voting for the largest tax burden in the peacetime history of this Nation. That is what the bottom line is here today.

I thank the gentleman, and I yield back the remainder of my time.

Mr. WYLIE. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, on Friday, the Labor Department released statistics for the month of April indicating that unemployment had reached 7 percent. The release of the figures resulted in my being immediately contacted by local television stations for comment. The question, of course, was what are you going to do, or what do you think Congress should do about unemployment. One possible implication was that we need to spend money. My answer was that the most serious problem facing the Nation is inflation not unemployment. If we do not bring inflation under control, our unemployment problem will become really serious. Statistics show that unemployment cannot be reduced by accelerating money growth and inflation. The only enduring result of faster money growth (to finance Federal deficits) is higher inflation. The important thing is that we do not panic and start enacting Federal spending programs in an attempt to reduce unemployment. Although I concede there may be some period of temporary dislocation vis-a-vis employment. History shows that there is always a period of economic prosperity and employment improves after inflation is brought under control.

The major cause of unemployment right now is layoffs in the housing and automobile industries. In the case of the housing industry, building has come to a standstill because homes have become unaffordable, and one of the major causes for this unaffordability is the high interest rates brought on by inflation and the crowding out resulting from Federal debt management. The plight of the automobile industry is partly due to inflation. But it is due primarily to the inability of the American automobile industry to compete with the Japanese automobile industry. Since 1970 the percentage of the American domestic car market going to Japanese imports has risen from 2 to 22 percent. I think it is time we take a close look at our import duty structure or possibly consider import controls. In any event, the unemployment rate increase should not be used as a reason to unbalance the 1981 fiscal year budget.

I think we should adopt the Latta balanced budget substitute because it balances the budget without the need for the tax on gasoline and revenues anticipated from withholding on interest and dividends. Both the Democrat and Republican budgets are technically balanced budgets and free of inflationary Federal deficits.

If the Latta substitute fails, which now seems possible given the numbers, I plan to vote for the Giaimo budget because I believe so strongly that the first step toward fighting inflation is a balanced Federal budget. I have consistently called for a balanced Federal budget since coming to Congress. As a matter of fact, I have personally gone through the tedious and difficult process of coming up with a balanced budget of my own. I would do that again for the fiscal year 1981 budget, but the rule precludes offering it. My budget would call for no new taxes and no tax cuts until the balanced budget resulted in a surplus which I feel confident would come along.

But, given the options, I urge adoption of the Latta substitute because:

First. The Latta substitute balances the budget at spending level roughly $14 billion below the Giaimo budget or 2.3 percent less. To me that is a significant difference in reducing inflationary potential.

Second. The Latta substitute calls for a budget of $597.8 billion which is approximately $2 billion below anticipated receipts for fiscal year 1981.

Third. Based on anticipated revenues, the $611.8 billion Giaimo budget spending figure would call for an approximate $14 billion tax increase from $10 billion in anticipated revenue from the oil import fee. This I submit should be eliminated as it will result in a 10 cent a gallon tax on gasoline and increase the cost of living to those who can least afford it—those who need their car to drive to work; and

Fourth, $3.4 billion from withholding on interest and dividends which I would recommend be rejected.

In short, both budgets are balanced. The Latta substitute is $14 billion easier on taxpayers, significantly more restrained and, thus, will do significantly more to curtail inflation.

Balancing the budget is so very important from a psychological standpoint.

More than that, it would free up money for investment in the private sector, which would stimulate our economy. Treasury would not be required to finance additional public debt through the sale of bills, notes, and bonds.

And, I think it would send a signal to foreign countries that we in the United States are determined to do something significant about inflation, which is most important.

☐ 1400

Mr. KEMP. Mr. Chairman, will the gentleman yield?

Mr. WYLIE. I yield to the distinguished gentleman from New York.

Mr. KEMP. Mr. Chairman, I appreciate the gentleman's support for the Latta amendment. I think I also heard him say that the oil import fee, which would result in a 10-cent per gallon increase in taxes, and the new withholding tax on savings are totally outrageous. The gentleman does not want to tell the people of Ohio and his constituents that he voted for higher taxes on gasoline, on interest income dividends, or anything else. How then can the gentleman stand up in the well and say that he is going to vote for the Giaimo budget, which he knows contains a $76 billion tax increase? How can it possibly help the automobile industry in America to impose a $76 billion tax increase on the American people? How can it do anything but further compound the economic problems we have today?

Mr. WYLIE. Well, I do not admit that the Giaimo budget necessarily increases taxes by that amount. What the gentleman's budget does—and that is one of the reasons why I do not necessarily like it—is that it calls for a bracketing up of taxes because of inflation, which the Latta budget also does, I might say.

Now, as I said, I would like to have been able to submit my own budget. I would like to have balanced my own budget with no tax increases, no tax cuts; consider every item straight across the board and balance the budget right now. I know that after the budget is balanced, there would be a reduction in inflation and Federal spending so that we could come to a tax cut.

But, I think the most important need right now—and I understand the gentleman's position on this and I respect it—but I think that rather than a huge tax cut right now as the gentleman suggests, which I do not think is feasible right now, I think that we need to do is balance the budget with present revenues. I do not think that we should call for increasing taxes to balance the budget or bracketing up taxes because of increased inflation to balance the budget.

Mr. KEMP. Will the gentleman concede that the Giaimo amendment includes a $16 billion increase in revenues?

The CHAIRMAN. The time of the gentleman from Ohio has again expired.

(At the request of Mr. KEMP and by unanimous consent, Mr. WYLIE was allowed to proceed for 2 additional minutes.)

Mr. KEMP. Will the gentleman concede that the Giaimo amendment raises the tax burden on personal incomes on gasoline, on savings——

Mr. WYLIE. To which I object.

Mr. KEMP. Pardon?

Mr. WYLIE. To which I object, and I have said so. Also, I object to the withholding tax.

Mr. KEMP. The gentleman said that he is going to vote for the Giaimo budget. How can he?

Mr. WYLIE. May I reclaim my time? The gentleman did not get my point, I might say to the gentleman from New York.

The CHAIRMAN. The gentleman has time left.

The gentleman reclaims his time.

Mr. WYLIE. I thank the chairman for allowing me to reclaim my time.

No, the point I am making is, I think the most important concept right now for the benefit of America vis-a-vis our economy is a balanced budget, and I have been saying that for 13 years since I have been in Congress. This is the 14th time I have said that. We must come to a balanced budget.

I think the Latta substitute is a far better way to come to a balanced budget, but if the Latta substitute fails, and I encourage everybody in the House to vote for it and certainly hope it passes, but as I said, given the numbers there is a possibility that it might not pass; then I am committed to the process of a balanced budget, which the Giaimo amendment calls for, rather than no balanced budget at all.

Now, I also object to the fact that Mr. GIAIMO put in his budget resolution fiscal 1980 increases in Federal spending. For that reason, I think the Latta substitute is far more preferable so that we can get a separate vote on the fiscal 1980 budget, but I am committed to the proposition that right now, from a psychological standpoint and to keep the Government out of the borrowing market, to finance additional public debt, and for the signal it will send to other countries of the world, that the great United States of America is committed to a balanced budget and to bringing inflation under control. I think this is all important and overriding.

Mr. LAGOMARSINO. Mr. Chairman, will the gentleman yield?

Mr. WYLIE. I yield to the gentleman from California.

Mr. LAGOMARSINO. Mr. Chairman, I rise in support of the Latta substitute. Although I do not agree with all of the target levels set forth in this amendment, I feel that it is essential we make a firm commitment to reducing the tax burdens now.

The committee budget, and many of the other amendments we have considered, achieve the political goal of creating a balanced budget—but they do so by increasing revenues, not by holding the line on spending. The Latta, Republican substitute, does not cut overall spending; in fact, it provides a modest and needed increase in outlays over the current year. But it does reflect a hard commitment to holding the line on spending, and reducing the rate of Government growth. Outlays are approximately $14 billion less than the levels allowed under the committee budget and the revised budget submitted by the President.

Just as important, the Republican substitute proposes to return approximately a net of $32 billion in new revenues to the taxpayers. These are revenues which have been generated by the rampant inflation of the past year. It is unfair and immoral of us to keep these revenues. It is also bad economics; these revenues, if returned to the taxpayers, can be reinvested in our economy, and used to upgrade our productive capacity. They can be invested in savings instruments, to provide new funds for home mortgages and home construction. They will help reduce the interest rate, by making more funds available in the private market. They will reduce the credit crunch. And taken in conjunction with the restrained growth allowed in the GOP budget, they will reduce the terrible inflationary pressures that people are currently experiencing.

Finally, the Republican substitute allows us to address the separate issue of the 1980 budget overrun in full fashion, not in cursory style.

Mr. Chairman, I feel it is time for us to lay it on the line. The Republican substitute is the one budget which reduces the rate of Government growth while returning the unearned gains of Government-induced inflation to the taxpayers. It is the one chance we have to show the public that we are going beyond mere rhetoric in balancing the budget; that we are making a serious commitment to holding down the size of Government. And it is the one hope for setting our economy on the road to recovery and prosperity.

Mr. Chairman, 3 years ago this House voted on the Holt amendment. It called for a balanced budget in fiscal year 1981. You recall it was very closely defeated after some last minute "persuasion" by the majority leadership to change votes. If we had succeeded then the economic and inflation picture would have been far brighter. Let us not make the same mistake. I urge an "aye" vote.

Mr. HYDE. Mr. Chairman, will the gentleman yield?

Mr. WYLIE. I yield to the gentleman from Illinois.

Mr. HYDE. Mr. Chairman, we have completed the scheduled 14 hours of general debate on the first concurrent resolution on the budget for fiscal 1981, and are engaged in an as yet uncertain number of hours' debate on various amendments, all of which purport to balance the budget in one fashion or another.

The American people—the taxpayers who finance the programs the Congress imposes upon them—are following our deliberations with closer attention than ever before. They are demanding a balanced budget, as they should, but they are confused as to what we are doing. No wonder.

In January we received the President's fiscal 1981 budget, which he termed "austere." In March we received his revised 1981 budget. The House Budget Committee has presented its version. The Republicans have a substitute, offered by the gentleman from Ohio (Mr. LATTA), which I intend to support. While we are at it, we have also considered another "temporary increase" in the ceiling on the national debt, as well as a third concurrent resolution on the budget for fiscal 1980, because the second budget resolution did not allow for enough spending. And all of this is theoretically meaningless, because the first concurrent resolution on the budget only sets spending targets; it does not "lock in" such spending; it does not spend a cent; it does not cut a cent.

There is one fact we should all remember: We talk about reducing Federal spending and balancing the budget; the President can propose, as he should, and he can recommend—but only Congress can cut spending. The appropriations bills contain the actual spending to run the entire Federal Government and all its programs.

Unless this Congress is willing to support an across-the-board reduction in each appropriation bill, all the rhetoric of the new-found budget cutters at the White House and in this Congress will be useless. Some of us have supported these percentage across-the-board cuts for years; we have endured criticism for trying (before it became fashionable) to cut Federal spending. We have not given up—certainly not now when it looks as though we are gaining converts. We all know when appropriations time rolls around this summer whether these conversions are merely temporary or more enduring.

We are being asked to include the reconciliation process in the first budget resolution. Great. Why didn't we do this last year on November 8 when we considered the second budget resolution? We had an opportunity then to agree to the other body's reconciliation efforts and instruct the appropriate committees to reduce spending by $6 billion. We lost by 15 votes. Apparently there were not enough budget cutters on the bandwagon that time. If we had not lost that reconciliation effort, it is entirely possible that the food stamp program would not now be facing a shutdown—a program that needs $2.6 billion to continue for 4 more months.

In discussing the various budgets which have been presented to us, I feel it is important to draw distinctions.

There is a vast difference between the Budget Committee's recommendations and the Republican substitute: First, the Republican substitute is $14 billion smaller than the committee's proposal; second, it is $32 billion smaller than the President's first 1981 proposal; third, it provides a $32 billion tax cut for the American people; fourth, it does not reduce funds needed to provide our veterans with proper medical care, pensions, and compensation; fifth, it does not anticipate cuts in social security benefits; sixth, it rejects the imposition of President Carter's 10-cents-a-gallon gasoline tax (which would add an additional $12.6 billion tax burden); and seventh, it rejects the President's proposal to withhold tax on interest and dividends at the time of payment.

The Republican substitute calls for control by Congress of uncontrollable expenditures—transfer payments. By instituting a review of existing automatic indexing features and returning some of the programs to the yearly appropriations process, Congress will regain the control it relinquished years ago when inflation was not a serious concern.

The Democratic budget calls for a balanced budget and a tax cut on one hand, but with the other hand, imposes the largest peacetime tax burden in the history of the country—$613.8 billion, which amounts to an increase of 16.1 percent in 1 year.

The Republican substitute balances the budget at a spending level $14 billion below the Democratic budget, and at the same time, provides the American taxpayer, both individual and corporate, with tax cuts of $32 billion, essentially by slowing the increase in government spending.

The American people have had it; they want spending cuts and a balanced budget—convincing proof that Congress is serious in its efforts to bring spending under control. America's taxpayers are taking up the refrain that was shouted from open windows in the movie "Network"—"I'm sick and tired and I'm not going to take any more!"

This is not going to be an easy year; necessary actions are not going to be popular with everyone, but decisiveness is required lest we continue paving the road to national bankruptcy with worthless dollars.

We all receive letters from people supporting cuts in spending, providing it doesn't affect their program, their project. Of course we all share great concern for the human needs of the people of this country, and indeed, throughout the world.

Right now, however, the greatest human need of all is for our society to be given relief from rampaging inflation—relief which can only begin to take place with a reduction in Federal spending. Should we fail to get spending under control, the inflationary consequences will be far worse than the spending reductions imposed. It is tempting to say "yes" to all of the worthy program funding offered, but it is irresponsible to do so.

The Conable amendment to restore $1.7 billion in fiscal 1981 for State revenue sharing was worthy of support. It did not add to the budget, but cut by 5 percent certain categorical grant programs to State and local governments, except those that provide direct benefits to individuals, such as welfare, medicaid and food stamps, or those designed to stimulate urban and rural economic development. The National Governors' Association fully supported the Conable amendment, and indeed, urges a reassessment of the nearly 500 categorical grant programs which have preempted much of the decisionmaking power by State and local officials, while contributing greatly to the budget problems facing us today.

I have long been a supporter of the concept of revenue sharing because it minimizes interference by Washington in State and local affairs. Illinois is a good example of responsible utilization of the State share; all revenue sharing funds are used for elementary and secondary education—a decision made by Illinois State officials, not Washington. Of course, such funds should be continued.

Although our actions throughout consideration of the first concurrent resolution on the budget will theoretically have no force of law, it is the first real opportunity this year for us to demonstrate to the American people that we are serious about reducing Federal spending while reducing the tax burdens of the productive members of society.

The choices are clear: The Democratic-controlled Budget Committee resolution balances the budget at $612 billion by raising taxes $960 for every working American. The Republican substitute cuts taxes, stimulates production and growth, provides for a strong defense, and means the average American family will be $528 better off than under the Budget Committee approach.

I urge my colleagues to join me in supporting the Republican substiute.

Mr. RHODES. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, as we consider today this preliminary budget resolution for fiscal 1981 expenditures, I recognize fully that for most Members of this Congress, we are breaking new ground. It has been a long, long time since this House seriously wrestled with the challenge of balancing the budget.

I note that some claim that a balanced budget is not a worthwhile endeavor, that it would not kill inflation, and that it is only symbolic. I disagree. A balanced budget is very important in the fight against inflation.

It will have a favorable psychological impact if Uncle Sam demonstrates restraint in spending and borrowing. Economists pretty well agree that beyond the mechanics of our monetary and economic system, inflationary expectations are one of the main generators of the borrow and buy attitude so prevalent today. Government should set an example for the Nation by living within its income.

My party has long recognized the need for a balanced budget, and if we are successful in taking over control of the Congress, we will emphasize budget balancing every year, not just now and then, as a matter of wise fiscal policy.

Beyond attaining balance, the way income and outlay are brought into line also is important in the light of our current economy. We do not believe that the present aim of increasing taxes to support further spending is the correct way to balance the budget. We believe that the taxpayers should have more discretionary control over more of their earnings, and that incentives for savings and investment to increase productivity are needed, so we can produce our way out of inflation. This budget would achieve balance on the backs of the taxpayers. Government should again set an example. It should tighten its belt. My party would work toward a smaller, less restrictive Government, that would preclude the need for continuous massive increases in Federal spending.

One of the added advantages of a balanced budget is that it would begin to get the Government out of the money market. At a time when our economic community is being pinched by a credit crunch, large-scale Federal borrowings such as we have in this year are detrimental to economic recovery.

The major failure of the budget system is that it does nothing about controlling off-budget items. We know that these expenditures exist. We know that some $16 billion in deficits will be run up by off-budget spending. It is a form of deception to pretend that these expenditures do not really count, and that we are really balancing the budget when we really are not. The so-called off-budget items are really part of the fiscal problem and that should be dealt with.

We cannot really claim to have a balanced budget until we fully consider off-budget expenditures, until we match total revenues with total spending.

These off-budget items tend to become a hiding place for Federal spending. In 1973 they totaled only $60 million, but they have increased nearly 300 times over just the past 7 years. The projected $43 billion deficit for this year is not a true figure. Off-budget borrowing will be added, and the Federal Government will be barging into the money market to take a much larger share of available credit than it should, when we need huge capital expenditures by business, to upgrade its facilities and increase productivity.

I pointed out this discrepancy last year when we were considering budget resolutions. This year, when a projected balanced budget is being considered, misleading the public by ignoring $16 billion in Federal expenditures reduces the so-called balanced budget to a fiscal falsehood.

There is much work to be done. This resolution does not address the real fiscal problems of this Government. It does not establish a trend of reining in Government to provide more wherewithal for private investment. It does not lay the groundwork for a series of balanced budgets that we will need to keep inflation at bay in the future.

I am convinced that the balanced budget concept is here to stay. It is mandated for one thing by the staggering interest payments to support $850 billion in past deficit spending. Interest now totals more than half as much as our entire defense budget.

It has been traumatic for some to contemplate this sudden plunge into fiscal responsibility. To facilitate further progress toward accepting budget balance as a congressional policy, I urge that the House reconstitute a special select committee, assigned to study fully the entire Federal fiscal process, with emphasis on phasing out off-budget items.

Down through history, republics such as ours have fallen victim to unfettered inflation. We can help our Nation ward off that peril by setting our Federal fiscal house in order and keeping it that way. We have a beginning, but a long way to go to establish sound management of our fiscal program. The next step is to move toward a truly balanced budget, reflecting total Federal spending, including what now are called off-budget outlays.

□ 1410

The CHAIRMAN. The time of the gentleman from Arizona (Mr. RHODES) has expired.

(By unanimous consent, Mr. RHODES was allowed to proceed for 1 additional minute.)

Mr. BETHUNE. Mr. Chairman, will the gentleman yield?

Mr. RHODES. I yield to the gentleman from Arkansas.

Mr. BETHUNE. Mr. Chairman, I am very impressed with the gentleman's suggestion that we have a select committee to consider the impact of off-budget items. The gentleman and I have worked together on this part of the budget process, and we have learned that there is now some $500 billion in off-budget items which are under the category of Federal credit assistance programs.

Almost all of our committees and those who have looked at the problem have come to the conclusion that we cannot really ascertain the impact that this has on our economic situation in the country.

The CHAIRMAN. The time of the gentleman from Arizona (Mr. RHODES) has again expired.

(On request of Mr. BETHUNE, and by unanimous consent, Mr. RHODES was allowed to proceed for 1 additional minute.)

Mr. BETHUNE. So, Mr. Chairman, I have been wondering about this lately: How is it that we can spend all this time here in this Chamber speaking about the impact of fiscal policy when we do not even know the nature and extent of credit assistance programs and what that might be doing to our economic situation in the country?

Mr. RHODES. Mr. Chairman, the gentleman from Arkansas (Mr. BETHUNE) is absolutely correct.

As I have said on this floor before, when we set up the congressional budget system, we had more in mind the impact in macroeconomics that Federal expenditures would have on the total economy of the country. We have not gone that route. We have gone too much, I think, to a line item system.

I think we need to rise up above the little hills and valleys that we see day by day and look at the whole picture, and if we do, we are going to do things a lot differently than we do now.

The CHAIRMAN. The time of the gentleman from Arizona (Mr. RHODES) has again expired.

(On request of Mr. CONABLE, and by unanimous consent, Mr. RHODES was allowed to proceed for 2 additional minutes.)

Mr. CONABLE. Mr. Chairman, will the gentleman yield?

Mr. RHODES. I yield to the gentleman from New York.

Mr. CONABLE. Mr. Chairman, I would like to thank my friend, the gentleman from Arkansas (Mr. BETHUNE), for having emphasized this point in the distinguished minority leader's presentation.

It is important that we look at the definitional problems that we have in our budget. It is obvious that although we are moving toward a technically balanced budget, a world of sin is hidden behind that word, "technically." The off-budget items have an economic impact that is beyond our understanding.

We do need to review this. We need to reform our budgetary definitions in ways so that a technically balanced budget will become a truly balanced budget and so that we will not have the implication of misrepresentation in the things we tell the American people about our budget process.

I happen to believe this process is important. It is important also that it has credibility, because an important process like this can have its importance and credibility seriously damaged by implicit misrepresentation to the American people about the full economic impact of what we are doing.

Mr. RHODES. Mr. Chairman, I thank the gentleman from New York (Mr. CONABLE) for his contribution and also for the great work he has done as a former member of the Budget Committee and as the ranking minority member of the Committee on Ways and Means in trying to get this Government to make some fiscal sense.

Mr. REGULA. Mr. Chairman, will the gentleman yield?

Mr. RHODES. I yield to the gentleman from Ohio.

Mr. REGULA. Mr. Chairman, I was interested in the gentleman's comment about the Government moving into the credit markets.

In the gentleman's judgment, have the high interest rates of today been in part due to the fact that the Treasury has had to go out and compete for that money to fund the deficits of 1980?

Mr. RHODES. Mr. Chairman, there is no question about it. I think even worse than the Treasury having to compete is the fact that private enterprise has to compete with the Treasury.

We are talking about producing our way out of a recession. That will not be possible until the private sector has access to a money market at much lower rates of interest than we now have. These high rates result largely from the spending policies of our Government.

The CHAIRMAN. The time of the gentleman from Arizona (Mr. RHODES) has again expired.

(On request of Mr. REGULA, and by unanimous consent, Mr. RHODES was allowed to proceed for 2 additional minutes.)

Mr. REGULA. Mr. Chairman, will the gentleman yield further?

Mr. RHODES. I yield to the gentleman from Ohio.

Mr. REGULA. Mr. Chairman, in the gentleman's judgment, is a balanced budget one of the cornerstones necessary to get a reduction not only in inflation but in interest rates?

Mr. RHODES. Absolutely. I do not know of any other way to do it.

Mr. VOLKMER. Mr. Chairman, will the gentleman yield?

Mr. RHODES. I yield to the gentleman from Missouri.

Mr. VOLKMER. Mr. Chairman, I support and I think most of the Members here support the gentleman's concept of including off-budget items within the budget, but that is only going part way, from my understanding of the total process and the problems we have.

I would like to ask the gentleman whether or not he supports bringing in "tax expenditures" also to the total budgetary process, because that, too, has a lot to do with the economy and how this country is run and how we actually spend money up here.

Mr. RHODES. Mr. Chairman, I will say to my friend, the gentleman from Missouri, that I have never accepted the concept of tax expenditures, because to me that presupposes that everything belonged to the Government to begin with, and that if we do not tax somebody, we are giving him back something he did not own but that the Government owned.

I will agree with the gentleman that the revenue effect on what we do is important, and it must be taken into consideration in computing the total resources which are available to the Federal Government. But I cannot go along with the concept that everything belongs to the Government, and that if we give somebody something back, we give them something that was not theirs in the first place.

Mr. VOLKMER. So the gentleman does not support the idea of bringing tax expenditures within the budgetary process?

Mr. RHODES. Mr. Chairman, I will stand on my previous statement.

Mrs. FENWICK. Mr. Chairman, will the gentleman yield?

Mr. RHODES. I yield to the gentlewoman from New Jersey.

Mrs. FENWICK. Mr. Chairman, I wonder if the gentleman will tell us what is the amount of the off-budget items to which our colleague, the gentleman from New York (Mr. CONABLE), has referred.

Mr. RHODES. It is $16 billion this next year, and, of course, that continues to go up.

Mr. CONABLE. Mr. Chairman, if the gentleman will yield, it is $16 billion in Federal financial bank borrowing. Of course, there are in the contingent liabilities all the Government guarantees, many of which come from off-budget as well as on-budget items, as those contingencies occur. So they have an impact on the allocation of credit.

Mr. DEVINE. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, the name of the game is inflation. If this Nation was not so vitally concerned with inflation and what it has done to the pocketbook of the average American, we would not be in here wringing our hands about balancing the budget.

Many of us have talked about a balanced budget for a number of years, and this is really the first time, I think, that both sides of the aisles are serious about achieving that objective.

This Nation has been generous over the years providing literally billions and billions of dollars to help the less fortunates in this and other nations, yet we hear, year in and year out, the same Members standing up, wringing their hands, and talking about trying to balance the budget on the backs of the poor. They express their humanitarianism for home consumption by pleading the cause of the poor, the downtrodden, the oppressed, the underprivileged, the handicapped, the young, the black, the old, and all across the board. Those people, I say to the Members, are just as badly hurt, if not more so, by insidious inflation than other segments of our society.

So when they say that we are trying to balance the budget on their backs, we are actually helping those people by reducing inflation so they can come into the marketplace and not be ripped off by high prices and cheap dollars.

As we end this fiscal year on October 1, the national debt, the public debt, that monster created by the big spending Congress, will be right at $900 billion. I think, more accurately, it will be $896.4 billion.

How did we get to that place in history? Well, it is very simple. I do not want to say it is just because one party controlled the Congress for 26 years, but that is the fact. They have not been able to resist the temptation to vote for every high-sounding spending program that appeals to the voters, looking at the ballot box and going home and telling them about all they have done for them. But then, when it comes to time to pay for our excess, why, they know their constituents would frown on increased taxes, so they authorize and appropriate money we do not have, go to the marketplace and borrow it, pay high rates of interest, charge it to future generations, all of which creates further inflation. Not a very pretty picture.

□ 1420

This thing boils down, finally, to only two objectives, or the single objective with two routes, and it is probably oversimplified, but I think the American people understand it. The recommendation of the Budget Committee that is before this House is a balanced budget. How is it achieved? By increased taxes. Can you tell me any constituent in your district who wants increased taxes? The other alternative is the Latta substitute, which I support, that is, to achieve a balanced budget. How? By reducing Government spending.

That is the choice we have here today. This is the choice I am going to make: I am going to vote for the Latta substitute. But, unlike some of our other colleagues who, in all sincerity, have said that they will go with it either way because it carries the words "balanced budget," I will not support the Giaimo bill, the committee bill, of balancing the budget with increased taxes. I do not think the public wants it.

Mr. SYMMS. Mr. Chairman, will the gentleman yield?

Mr. DEVINE. I yield to the gentleman from Idaho.

Mr. SYMMS. I thank the gentleman very much for yielding, and I certainly agree with what the gentleman in the well said. I will vote identically as the gentleman from Ohio has stated that he will, and I will not support the new Democratic tax-raising way to balance the budget.

What is happening—and I am sure the gentleman has read, as I have, in many journals that have been publicized—the gross national product of the overall picture of our economy, the new budget goes up by 2 percentage points, from 20½ percent to nearly 22.4 percent, consuming what is being produced in this country for the Federal budget.

So what it amounts to is that we still have more people getting on the wagon and less people producing, and in order to get out of the mess we are in, we have to increase productivity. That will not be done by raising taxes but by lowering taxes. All they are doing is putting more of the same old medicine that is making the horse sick. Right now they are just going to give us a little more tax-and-spend-and-elect, and we have reached the point where we are beating the golden goose of the market system over the head in this country.

We must do it now.

Mr. DEVINE. I thank the gentleman from Idaho. He being from that great State, will recognize what the old farmer said: "If everybody climbs in the wagon, who is going to pull it?" That is one of the problems.

Let me conclude, Mr. Chairman, by saying that I recently took a poll of constituents in my district on what they perceive as the real, genuine cause of inflation. Is it, as the President said, OPEC? Is it the President himself? What is it? Fifty-three percent responding said, "The Congress." They are catching on. They know where the cause is. It is on us. Let us be honest with the taxpayers, give them a balanced budget by reducing spending—not by increasing taxes.

Mr. FASCELL. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to the pending substitute, and I ask the chairman of the committee if I am correct in understanding that the pending substitute eliminates all money for fiscal year 1980 for refugees.

Mr. GIAIMO. If the gentleman will yield, I believe it does, because the money for refugees was included in the Giaimo amendment which we passed last week. In addition to which, there was some basic refugee money in the original budget revision that came out of the committee.

Mr. FASCELL. I thank the chairman. That was my understanding. I wanted to get that confirmation on the record.

Then, Mr. Chairman, I am unalterably opposed to the pending substitute, and I would urge that it be defeated and that we support the committee bill now, as amended by the Giaimo amendment.

Let me ask the chairman another question: Both the Foreign Affairs Committee and the Post Office and Civil Service Committee have ordered reported the Foreign Service Reform Act of 1980. Both versions contain an entitlement provision effective in fiscal year 1981 which would bring the Foreign Service personnel salaries in line with the rest of the Government personnel. The cost of this provision in fiscal year 1981 is estimated at $34 million. Is it correct to assume that the international affairs targets in account No. 150 are flexible enough to accommodate this entitlement?

Mr. GIAIMO. If the gentleman will yield, the answer is "Yes"; I believe the targets could accommodate this entitlement and thereby permit the Foreign Service Reform Act to go forward this year. But it should be understood that the committee recommendations did not specifically include the increased cost of $34 million, so those costs would have to be absorbed within the State Department totals. But I think that there would be enough money in there so that it could be done. As the gentleman knows, in function 150 there is over $24 billion in budget authority and $9.6 billion in outlays.

Mr. FASCELL. I thank the distinguished chairman for his response.

Mr. CONABLE. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. Chairman, I rise in strong support of the Latta amendment, and I urge all of my colleagues on both sides of the aisle to support it. I ask my colleagues also to put aside the natural partisanship that comes at a time like this, as we advance different proposals, each with a different label on it, because I think it is in the interest of the country that we try to find an accommodation that will permit a balancing of the budget.

I quite agree with those who say that the fact of the balanced budget may not be as important as the content, and that is the reason I am supporting the Latta proposal which, as I see it, permits a much more substantial tax reduction over the expected revenue figures in the President's budget, and which I think for that reason would be good for our country already strangled by taxation.

There is a substantial aura of make-believe, however, about our prognostications for the economy for the coming year. We talk about a balanced budget. It is only balanced based on the assumptions that both sides are making in this debate. In fact, we can see around us a sharply contrasting economy and a substantial potential reduction in Government revenue, which may very well put the budget back into very serious imbalance as we pursue policies which tend to shrink the economy.

But let us just start with the assumptions that everyone seems to be making here. If you look at these figures, you will see that we really are not far apart in terms of the total tax revenues to be expected, based on those assumptions for fiscal year 1981.

For instance, the Latta amendment substitute would bring in revenue after the tax cuts proposed by the distinguished gentleman from Ohio of around $600 billion. That is $71 billion more tax revenue than was raised in fiscal year 1980. The Giaimo proposal would bring in $613.8 billion, $85 billion above the revenue to be expected for fiscal year 1980, and of that $85 billion, $79 billion represents new and higher taxes or the result of bracket creep.

The Carter budget expects $100 billion of additional revenue.

All three of them, then, involve substantial additional tax revenue. I think we have to acknowledge that we are a little bit pregnant even with the Latta amendment, that even there the budget is balanced by a substantial increase in tax revenues, although the gentleman does try to cut back on those revenues to some degree in order to reduce the bleeding of the American taxpayer, to go back to an unfortunate simile from earlier in the debate.

I would like to say to my friends on the majority side: I urge you not to respond with partisanship to the Latta proposal because it happens to be a Republican substitute. Surely there are many people on your side, if party considerations are set aside, who would prefer to be raising tax revenues by only $71 billion and not by $85 billion, as the Giaimo proposal countenances. It seems to me, therefore, that many of your people would like to be able to support the Latta amendment, and I hope we will have some bipartisanship on it rather than further evidence of the natural competitiveness of this body.

Mr. LATTA. Mr. Chairman, will the gentleman yield?

Mr. CONABLE. I yield to the gentleman from Ohio.

Mr. LATTA. Mr. Chairman, speaking about bipartisanship, I cannot think of a more important area in which to display bipartisanship than this area. And as the gentleman in the well knows, the budget resolution of the majority could not have gotten out of the committee without the help of the minority.

Mr. CONABLE. I agree with what the gentleman says, and I would like to point out that the majority hopes for substantial Republican support for the Giaimo amendment in the event the Latta proposal does not carry.

□ 1430

If they are hoping for substantial support from the Republicans, they are asking us for bipartisanship at that point, even though they may be withholding it from us relative to the Latta amendment.

What is sauce for the goose is sauce for the gander. What is sauce for the Republicans is sauce for the Democrats. We should approach both these proposals not from the competitiveness of a partisan position, but from the hope that we can somehow get together in a broad coalition of support for a balanced budget.

The CHAIRMAN. The time of the gentleman from New York (Mr. CONABLE) has expired.

(By unanimous consent, Mr. CONABLE was allowed to proceed for 2 additional minutes.)

Mr. CONABLE. I personally hope the Latta amendment will carry. I do not know how I will vote on the Giaimo amendment if Latta does not carry, but I am not going to close the door to the possibility that we work out some sort of coalition concerned to balance the budget.

It would be unfortunate were all the Members on my side to take the attitude under no circumstances are we going to vote for the Giaimo amendment simply because $14 billion more of tax revenue is raised under that than is raised under the Latta amendment.

Were we to take that position and force the budget into defeat and have to go back to the committee the effect would probably be to have a budget ultimately that would involve considerably more spending and considerably more taxing, even more than the Giaimo proposal. We have got to get together and try to avoid that.

My strong hope though at this point is that the Latta amendment will not be consigned to oblivion solely because it is a Republican proposal. It has been carefully thought through. It is a point of view that many people on the Democratic side of the aisle can support, and it is my hope that it will have the open-minded consideration of people on that side of the aisle rather than the automatic response of partisanship, which I am sure nobody will not want Republicans to have at any point later in the deliberations here.

I urge support of the Latta amendment. Its balance, at a lower tax level, is in the best interest of the country. I happen to think it is economically sound, that it is to the advantage of poor people, those who, through jobs and work and upward movement, are looking for a share in the promise of America.

Mr. WRIGHT. Mr. Chairman, I rise in opposition to the amendment. The gentleman from New York (Mr. CONABLE) has made some remarks with respect to the need for bipartisanship in the development of a budget policy. I happen to agree with that basic concept. I want to acknowledge and express my appreciation to Members of the minority party on the Budget Committee for their having supported this resolution as it was finally reported by the Budget Committee. That was an example of bipartisanship in the reporting of a balanced budget. It deserves to be acknowledged.

The reason I would oppose the Latta amendment has little or nothing to do with partisanship, although I have heard stories to the effect that some leaders on the Republican side might be making a party issue out of the Latta amendment. Let us set that aside. If we are going to be nonpartisan, let us talk simply in terms of how we balance the budget.

It seems to me important not only that we balance the budget in a dollar sense so that income and outgo are equal, but important as well to balance the budget in the scale of human values. It is important that the relative priorities of Government be given their relative and equal recognition. It is precisely because I think that the Latta amendment would unbalance the rightful priorities of Government and leave gaping needs unfilled that I oppose it.

Much has been said about defense, for example. Yet, the committee bill contains the Giaimo amendment, which makes allowances in fiscal 1980 for necessary additional expenditures for defense requested by the President—to compensate for higher fuel costs, for example, and to pay the military on a scale of comparability. The committee bill contains $134.2 billion for fiscal 1980, as against the figure of $129.9 billion, which is represented in the Latta substitute.

In other words, there is more money for defense in fiscal 1980 by some $4.3 billion in the committee bill as it presently stands than would be contained in the Latta substitute.

Now let me acknowledge of course, that the gentleman from Ohio (Mr. LATTA) proposes to add $4½ billion more in outlays for fiscal 1981. He proposes also to accommodate a $32 billion tax reduction in 1981. Everybody, of course, would like to see a tax reduction. But the question is whether our budgetary situation and the demands of our economy at this moment can accommodate a $32 billion tax reduction and still produce a balanced budget. I seriously doubt it.

The more closely we examine the restraint exhibited by the House thus far, the more we must conclude that the membership has done well in balancing competing claims. We have demonstrated a responsible regard for fiscal solvency. We have rejected amendments which would have increased spending enormously for the cities. We have rejected other amendments which would have increased taxes substantially.

Now it seems to me that if we are to maintain this balance, we must defeat the Latta amendment. That amendment, in my opinion, would abandon our budgetary balance of human needs. Not content with the very substantial reductions already made, it would slash budget authority for vitally necessary domestic programs by an additional $26 billion.

The Latta amendment, if adopted, would reduce our Nation's energy initiative in the coming year by almost $1 billion.

The Latta amendment would cut some $3.7 billion out of education, training, and employment programs. Should we do this at the very time when joblessness seems to be rising and when job skills training is more necessary than ever? I think it would be penny-wise and pound-foolish to cut $3.7 billion out of education and training.

But the biggest reduction of all those proposed by the Latta amendment would whack some $6 billion out of the income security programs. Those programs, of course, included food stamps and social security.

The CHAIRMAN. The time of the gentleman from Texas (Mr. WRIGHT) has expired.

(By unanimous consent, Mr. WRIGHT was allowed to proceed for 2 additional minutes.)

Mr. WRIGHT. Considering the reductions that already have been made in eligibility for food stamps, I find it impossible to conceive that you could reduce that budget category by $6 billion more without ending food stamp benefits for some 21 million Americans and cutting social security benefits for America's senior citizens. It seems to me that would be a very cruel thing to do.

Without the Latta amendment, we have a balanced budget. We have a responsible program. The budget resolution in its present form provides a $2 billion surplus. It provides a $10½ billion cushion for a tax cut or as a hedge against budgetary contingencies. Surely this gives all the assurance we could reasonably expect that we definitely will have a balanced budget.

□ 1440

The committee bill provides a $18.3 billion increase for fiscal 1981 in defense. That happens to be the biggest single increase that has been approved in any year since World War II.

For all of those reasons I think we will decide and should decide, irrespective of party, that the greater balance lies in the committee legislation and that we ought to reject all of these additional amendments. If we do so we shall present to the world the clear demonstration that we do have the self discipline to balance the budget and thus to keep interest rates moving down as they have begun to move down.

Interest rates, since we began this budget exercise, have moved down by 5 points in 3-months Treasury bills. They have moved down by 1.5 points in mortgage rates. If that is a recognition of the fiscal determination of the Congress to get the Government out of the borrowing market, then I think it is a salutary thing for the economy as a whole. I firmly believe that the reduction in the interest rates will do far more to stimulate individual activity in the private economy than any amount of tax cut that might conceivably be included in the amendment of the gentleman from Ohio.

The CHAIRMAN. The time of the gentleman from Texas has expired.

(By unanimous consent Mr. WRIGHT was allowed to proceed for 1 additional minute.)

Mr. SHUSTER. Mr. Chairman, will the gentleman yield.

Mr. WRIGHT. I yield to my friend from Pennsylvania.

Mr. SHUSTER. I thank the gentleman for yielding. I am sure the distinguished majority leader would not want to mislead the House when he talks about slashing here and slashing there. Would he not acknowledge that the Latta substitute does not do any slashing; rather it simply restrains the increase? When the gentleman talks about slashing, I presume he is talking about the Latta substitute when compared with the Democratic proposal, not when compared with the actual expenditures, because the Latta substitute increases spending by $50 billion a year; is that not a fact?

Mr. WRIGHT. Of course I was comparing the Latta substitute with the committee bill because it is the committee bill which the Latta substitute seeks to amend. That is the choice before us. I have not carefully compared the Latta substitute with last year's budget resolution.

The CHAIRMAN. The time of the gentleman from Texas has again expired.

(At the request of Mr. LATTA and by unanimous consent, Mr. WRIGHT was allowed to proceed for 5 additional minutes.)

Mr. WRIGHT. I will accept the analysis of my friend from Pennsylvania that there may be incorporated in the Latta substitute totals an increase in spending over the last year's figures. However, what we are comparing here is the Latta amendment as against the committee bill. That is the comparison from which we must make a choice today. What I am suggesting is that I do not believe, given the reductions which already have been made—painstaking, careful and selective individual spending reductions in these particular programs—that we can find an additional $6 billion, for example, to cut from income security. Certainly we cannot do it without cutting deeply into the benefits to which social security recipients, who have given most of their lives to working and are now expecting their rights under the social security program, are legally entitled and of which they are justly deserving.

Most of the income security package consists of entitlement programs, not discretionary programs that Congress may at its whim increase or reduce. We have said in law, for example, that social security beneficiaries are entitled to be made whole. In other words, we have provided in law that they are entitled to see their benefits increase on the scale at which inflation increases so that they are not made to suffer doubly from the rising cost of living.

I do not believe that the figures represented in the Latta amendment would permit us to keep faith with the social security recipients of this country. I know they would not permit us to keep faith with the social security recipients and, at the same time, make food stamps and other benefits available to the hungriest, the poorest, and the neediest people of our society.

So what I am suggesting is that it is not in moral or ethical balance for us to seek the solution to inflation upon the backs of the poorest, the oldest and the most vulnerable people in our society who are already inflation's worst victims.

Mr. LATTA. Mr. Chairman, will the gentleman yield?

Mr. WRIGHT. I yield to my friend from Ohio.

Mr. LATTA. Mr. Chairman, let me just comment on a couple of things the gentleman has raised. Let me start with the last point about social security.

I do not think my friend from Texas (Mr. WRIGHT) is trying to mislead the House into stating that we are proposing a cut in social security, because we are not. The gentleman knows that. What we are proposing in this function is that they can reduce it by x numbers of billions of dollars. We are not saying how they should do it.

The Inspector General, as the gentleman might recall, a year or so ago showed us some light. He said there is about $7 billion worth of waste down in the HEW alone. I am sure the gentleman would like to see that reduced, as I would. So there is a good place to start.

Let me just say something about food stamps, where the gentleman talked about food stamps, where the gentleman talked about the same thing. We are not asking that they reduce food stamps, but what we do suggest is they might take a look at the overlap in the food stamp program. The gentleman knows about that. In these programs the gentleman alludes to we are just saying there are areas down in those departments of income security that could tighten up and save a little money.

Mr. WRIGHT. If the gentleman will allow me to reclaim my time, I would certainly recognize that he seems to believe we could reduce expenditures in that one category by some $6 billion simply through tighter administration. I think that is an elusive hope. I think it is an illusion, given the fact that we already have made reductions in administration expenditures. We already have reduced travel allowances. Already we have cut the use of visual aids and the employment of consultants, and various other administrative expenses quite considerably in the budget that is before us. We already have required a reduction by attrition in the number of agency employees. I find it difficult to conceive that we could reduce that one category by an additional $6 billion without cutting into the food stamps for the most needy of our citizens and into the social security benefits.

Mr. LATTA. I would say to the gentleman no one would want to reduce food stamps for the most needy in our midst, and nobody proposes we do that.

Let me just comment further since the gentleman started with national defense, which is probably a good place to start in comparing some figures. I noticed the gentleman did not mention the other body; the other body's budget figure is quite a bit higher than the Latta Republican substitute. The other body reports out $155.7 billion. Ours is $152.4 billion. The gentleman in the well knows, as I know, that when we go to conference that the figure of $147.9 billion in this budget resolution of the majority is not going to hold.

The time of the gentleman from Texas has again expired.

(At the request of Mr. LATTA and by unanimous consent, Mr. WRIGHT was allowed to proceed for 5 additional minutes.)

Mr. LATTA. If the gentleman will yield further, President Carter asked for $150.5 billion, so we are not out of line. I would say when we come back from conference I would be willing to bet that the conference figure will be closer to the Republican figure than the figure reported out by the gentleman's committee.

Mr. WRIGHT. If the gentleman will allow, I am not sure I would quarrel with that prognostication. Let us be frank. I think it quite likely that what finally comes from the conference committee will have a higher figure for defense than the figure contained in the resolution, notwithstanding the fact this resolution contains $18 billion more than the September resolution of last year contained. That is a very substantial increase. I think it quite likely that the result of the conference committee will be a higher figure for defense. I think it would be most unfortunate, however, if the House were to go into the conference committee already having mandated Draconian cuts in the programs for training and for jobs, for education and social security beneficiaries, and find ourselves without any trading room at all.

□ 1450

Certainly we would be extremely unwise to get ourselves locked in with no latitude whatever to provide the stimulus which the economy, quite conceivably, might need. Too long did the Federal Reserve hold onto high interest rates. They have begun to cause a very rapid slide in the economy. I am very pleased to discover that now, belatedly, the interest rates are beginning to come back down. It seems to me that the two most salutary examples that we can show to the American consuming and investing public would be a balanced budget and a reduction in interest rates to a reasonable and normal level. I believe those two things can stimulate a revival in the American economy, and it will be primarily sparked in the private sector.

Mr. SYMMS. Mr. Chairman, will the gentleman yield?

Mr. WRIGHT. Of course, I yield to the gentleman from Idaho.

Mr. SYMMS. I thank my good friend for yielding. He is making his point well, but I think the problem with his premise is in my district, where we produce the timber to build the houses in the gentleman's district, all of the sawmills are now shut down, so it is the private sector that is paying the price for Government extravagance, and this budget that the gentleman claims has discipline has no discipline. It raises taxes $96 billion.

Mr. WRIGHT. If the gentleman will permit me to reclaim my time, I brand that as an absolute misrepresentation. This budget does not raise taxes.

Mr. SYMMS. It puts one in a higher tax bracket.

Mr. WRIGHT. I am going to reclaim my time for the moment because the gentleman has raised a point which is, in my judgment, totally unfair and wholly inaccurate. This budget brought to us by the House Committee does not represent a tax increase. Nor does it put anybody in a higher tax bracket. That occurs only when someone's earnings increase. Now let us be honest with one another.

Mr. SYMMS. Revenues are up from last year.

Mr. WRIGHT. The gentleman from Ohio's proposal also would reflect an increase in revenues while embracing a proposed reduction in taxes. Certainly the gentleman from Idaho will recognize and admit that fact. Therefore, it is absolutely unfair, totally inaccurate, and grossly misleading to tell the American public that, because the economy grows and more revenues come in, we have raised their taxes. In this case we have not. Let us brand that for what it is right now—a misrepresentation.

Mr. SYMMS. Does it raise the gross national product or does it not—these 2 percentage points? The Government sector is getting bigger and the private sector is getting smaller.

Mr. WRIGHT. I would suggest to the gentleman, if I could have 1 additional minute and I promise not to ask for any more, that it would be instructive to him, and I am sure it would be reassuring to him, to compare the percentage of the American public now employed by the Government with that percentage which was employed by the Government in 1946. It has been reduced happily by some 4 to 6 percentage points, from about 23 percent down to about 17 percent, perhaps by 6 percentage points. If the gentleman finds joy in that fact, I am happy that I have been the missionary who has brought that gospel to him. I have good news to share with him.

Mr. LATTA. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. The time of the gentleman has expired.

(At the request of Mr. LATTA, and by unanimous consent, Mr. WRIGHT was allowed to proceed for 2 additional minutes.)

The CHAIRMAN. Does the gentleman from Texas desire additional time?

Mr. WRIGHT. I would not object to 2 additional minutes. I had intended not to ask for more.

I yield to the gentleman from Ohio.

Mr. LATTA. I thank the gentleman for yielding. Let us talk a little bit about these additional taxes that are provided in the majority budget.

Mr. WRIGHT. If the gentleman wants to say that we provide additional taxes, I want to correct him. We provide for additional revenues, not for additional taxes. We anticipate that revenues will be higher. But we recommend no increase in the tax rate.

Mr. LATTA. The gentleman may call it whatever he likes—additional revenues that come from taxes. It is a burden on the American people. And cranked into the Budget Committee resolution as reported, out there is a 3.4 add-on for interest collection at the source immediately as well as dividends. And there are cash-management add-ons to the tune of about $3.5 billion, something new this time. We have got a 10-cent-a-gallon gas tax the President put on that is going to hit the people of America at the pump May 15. That is new.

Mr. WRIGHT. If the gentleman will yield back my time, I will agree that we included that through the gentleman's and my agreement. But we set it aside as a cushion for a tax reduction that would be aimed at increasing productivity or for balancing the budget in the event of that contingency. It is in a separate account. We are not balancing the budget on the basis of new taxes.

Mr. GIAIMO. Mr. Chairman, will the gentleman yield?

Mr. WRIGHT. Of course, I yield to the gentleman from Connecticut, the chairman of the commitee.

Mr. GIAIMO. I thank the gentleman for yielding. I would like to address myself to the gentleman from Ohio (Mr. LATTA). He knows very well, I am sure—I am certain he knows—that there is no new tax in this budget. That $3.5 billion on withholding on interest and dividends is existing law and has been. It is not a new tax. There has been a tax on interest and dividends. This merely provides for the withholding in advance of them, which is not a new tax.

Mr. LATTA. Will the gentleman yield so I may respond to my chairman?

Mr. WRIGHT. I yield to the gentleman from Ohio.

Mr. LATTA. I thank the gentleman for yielding. The gentleman from Connecticut (Mr. GIAIMO) is going to have a hard time telling the American people who get those interest payments, say, every quarter that they are not adding on additional burdens on them when they have to wait until the next April 15—even though they have paid no tax—that they have not suffered from that new scheme of collection. May I just complete my statement. The gentleman is going to have a hard time convincing the people of America when they get stuck for 10 cents more on the gallon come May 15 that that is not something or other called a tax, or new revenue. The gentleman can call it what it is. They are going to be calling it a tax, and they are not going to like it.

The CHAIRMAN. The time of the gentleman has expired.

(At the request of Mr. ROUSSELOT, and by unanimous consent, Mr. WRIGHT was allowed to proceed for 1 additional minute.)

The CHAIRMAN. Does the gentleman from Texas desire more time?

Mr. WRIGHT. Mr. Chairman, I will accept 1 additional minute, half for the gentleman from California (Mr. ROUSSELOT) and half of it for me.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. WRIGHT. I yield to the gentleman from California.

Mr. ROUSSELOT. I thank the gentleman for yielding. Let me just say briefly to my colleague that I would want to comment on his remarks on the so-called additional energy initiative of $1 billion Federal spending, but I will take my own time to comment on that, and then I would encourage my colleague, the gentleman from Texas, to stay and listen to what some of us will bring up then to describe to him that there are now in fact tax increases in the majority resolution and will detail them for him.

Mr. WRIGHT. If the gentleman will give me back what remains of my time, I would simply like to say that, as all of us know, this budget does not encompass any new congressionally initiated taxes. Indeed, it sets aside the $10.5 billion encompassed in the President's imposition of the oil import fee for a productivity tax reduction, or for balancing of the budget. It is a responsible budget. It is a balanced budget. It deserves to be supported.

Mr. LUNGREN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the Latta substitute budget. It does give this House one more chance to put itself on record as being for a budget balanced by tax and spending cuts rather than huge tax increases as proposed by the majority as will be detailed by following speakers.

The 1981 budget proposed by the majority has gotten a lot of publicity because it is supposedly so different from past budgets. But if you look at the record of past debates on the budget—just in this Congress—you will find that it is really more of the same old thing. The same old tax and spending increases are proposed every year. The same record-high inflation is the result. Yet everyone seems to act like they have amnesia in this House when it comes to figuring out the causes.

Luckily, however, we do have the CONGRESSIONAL RECORD to refresh our memories. During this same time last year, during debate on the budget, in fact on April 30 last year, the majority leadership once again downplayed the effects that all of these tax and spending increases would have on the economy. Then, as now, they seemed to suggest it does not make any difference what we do with the budget because it will have no impact on the number of people unemployed and whether we have a productive economy. We ignore any such impact, and then we say because we are going to have more people unemployed and we are going to have a nonproductive economy, we are going to have to increase the domestic spending. It is time to focus in on that and to stop playing that game.

The chairman of the Committee on the Budget stood here on the floor and assured us last year that inflation was a serious problem but he said, and I quote:

> What we think is going to happen is inflation is going to begin to come down later on this year in 1979 and 1980.

When questioned by the gentleman from California (Mr. ROUSSELOT) as to exactly when this would happen, the chairman of the Committee on the Budget went on to predict that inflation would come down in the second and third quarters of 1979.

□ 1500

Well, the second and third quarters have come and gone and everyone knows this inflation has not only failed to abate, it has nearly doubled since that time. In the same colloquy the gentleman from

California reminded the chairman that he said the same thing a year before and that no such remedy for inflation has appeared then either.

Well, here we are, Mr. Chairman, again, going around on the same merry-go-round, going over the same ground. We are being assured again this year that although the majority budget represents no meaningful departure from tax and spending policies of the past that somehow things are going to be different next year. And they will be. But they will be worse unless we pass a budget that makes a commitment to changing the course of the economy, which is what the Latta substitute does. It makes a $14 billion cut in Government spending, a $32 billion tax cut and increases defense spending by $4.5 billion and at the same time it balances the budget.

Now, Mr. Chairman, how can we cut taxes, increase defense spending and still balance the budget? One of the answers we must talk about is trying to reinvigorate the private economy so that it responds aggressively.

In California it has happened and yet people tend to ignore that fact. We have 10 percent of the population. Last year we produced 17 percent of all the new jobs in America, not because of what the "great" Governor Brown did for us, but because of what we did for ourselves in spite of the Governor. We cut taxes significantly. For the first time in 8 years we had an unemployment rate below that of the national average. It was not through some mysticism, it was through cutting taxes and thereby stimulating the private economy.

Another of the answers, of course, is that the Latta substitute does propose more cuts in the spending increases on the domestic side of the Federal budget than some would like, but the redressing of the balance between domestic and defense spending can be justified by the statistics that many will present and have presented here today.

Mr. Chairman, specifically, defense spending has declined over the last 25 years from 50 percent of Federal outlays to 25 percent. There is one more reason I would like to point out why we must increase defense spending on the Federal level. If, when I were home in my district talking to my constituents during a town hall meeting, they were to come to me and talk to me about national defense, they would think I was crazy if I said to them, "Do not talk to me, go to your city council, go to your mayor, go to your county board of supervisors," or in my particular State, God help us, "go to Governor Brown." That is because only the Federal Government can constitutionally raise an army for defense. The States cannot do it. State and local governments can raise revenues for all other kinds of programs but they are not in the business of national defense and security.

Now, Mr. Chairman, that may seem like a very simple civics lesson but it is something you do not hear uttered very often on the floor of this House. Yet many of my colleagues act as if cutting increases, increases in social spending on the Federal level, means that all social programs will cease to exist.

The CHAIRMAN. The time of the gentleman has expired.

(At the request of Mr. SHUSTER and by unanimous consent, Mr. LUNGREN was allowed to proceed for 5 additional minutes.)

Mr. LUNGREN. They ignore the fact that federally funded domestic programs are often duplicative and even triplicative of the other two levels of government and that the potential for further action in domestic programs remains strong at the State and local level and with nongovernmental organizations and individuals.

In fact, Mr. Chairman, we have often heard the argument that States and local governments are in a better fiscal position than we are. If that be the case, then that is where we ought to be looking. Also it is considerably more efficient to deal with these programs on the State and local level than somehow funneling it through the Federal program and having it dribble on down to the people that we want to help.

Mr. Chairman, in defense, however, we have no fallback position. What we have on the Federal level is it. This is a category where we really have to worry about programs evaporating. It is amazing to me that President Carter fought so hard against last week's substitute budget featuring higher defense spending; in fact, he even had the Department of Justice calling my office urging me to vote against it when the amendment had absolutely nothing to do with any of the categories of funding with the Department of Justice. And this occurred after the President specifically had asked for an increased defense commitment in his state of the Union address.

Remember, this is the same President who predicted in his 1979 state of the Union address, which I sat here and listened to during my first days in office, that his 1980 budget would cut the deficit in half and begin to bring the inflationary spiral under control. Remember in that same message he confidently assured the Nation that a peaceful settlement was then being worked out to conflicts raging in Iran and Nicaragua.

Now, I do not have to remind the Chairman that our President was wrong in all those things, but that is just as the leadership of this House has been wrong in its predictions about inflation and the economy, year after year after year. How many times can you be wrong and still blindly follow the same course of action, as the majority sponsored budget resolution does again this year?

Mr. Chairman, it is almost as if the budget process around here has a life of its own, divorced from reality and world events and you would think it has no impact whatsoever on the national economy.

If that is true, Mr. Chairman, it controls us, now, rather than the other way around and it would make literally no difference who sits in these seats and votes when we vote on the budget. The only way to reverse this is to take the positive step to reclaim our responsibility for what goes into the budget. We can do it by refusing to pass the buck, as I have heard suggested around here, to the authorizing committee, to the appropriating committee, even to the reconciliation process or even to the President. We can stop throwing our hands up and saying inflation and spending are uncontrollable and nothing can be done about it. Something can be done about it. We can make a commitment right here and now to change the direction of the budget by changing our tax and spending policies. We can vote for the Latta substitute.

Mr. Chairman, it will not be a magic cure, it will not turn everything around instantly, it will not bring inflation down to zero next year or suddenly renew our leadership in world affairs, but it will be a step in the right direction and after that step will come many more that will eventually lead us to where we want to be.

We have to take that first step which is to vote for a change, today, and realize that how you get to a balanced budget is as important as getting to a balanced budget.

Mr. Chairman, in contrast to last year when we were being criticized on this side of the aisle and the gentleman from California (Mr. ROUSSELOT) was being criticized for even proposing a balanced budget, we now find that that critical rhetoric has been set aside and now the balanced budget is the new gospel here.

Hopefully by today, or maybe in a few days, if we do not adopt it today, the other side will also get the religion of a tax cut to help the American people.

Mr. SYMMS. Mr. Chairman, will the gentleman yield?

Mr. LUNGREN. I yield to the gentleman from Idaho.

Mr. SYMMS. I thank the gentleman very much for yielding. I want to compliment the gentleman for his perception of what the problem is. I think the most important point that the gentleman is making is that it is not so much where we are but where we are going and if we are going to restore optimism to the private economy again so we can get jobs back in the private sector and get people back to work, we have to start down here in Washington by slashing those disincentives on work and saving and investment production. The Latta substitute, although it may not go far enough, it starts us in a positive direction for the restoration of the incentive system so people can have hope again.

Mr. LUNGREN. When the gentleman talks about hope and optimism, I would just cite to the gentleman an article which appeared in the Washington Star yesterday which suggests that the average taxpaying family of four is to pay the Federal Government $5,451 in 1980. That represents 27 percent of the salary. That does not even include State and local government taxes.

Mr. SHUSTER. In my district, every time I go home, which is every weekend, I talk to people and they tell me they are trying to find ways to get out from under the entire Tax Code, to earn a living somewhere on the outside of the economy. So what we are doing is pushing people out of the economy and the main stream of it.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. Lungren was allowed to proceed for 5 additional minutes.)

Mr. LUNGREN. Mr. Chairman, I agree with what the gentleman says. Just one other point. Some have talked about how the Latta substitute somehow hurts senior citizens. When I went home to my district a month ago, the thing senior citizens were most upset about was having a withholding on dividends and interests, because many of the senior citizens in my district have a small nest egg that gives them just a little bit of independence. They complained that money is going to go to Government which will supposedly sometime in the future give them a little bit of that money back. They need that money on a monthly basis, not next year. So it will have a major impact and that is part and parcel of the majority budget.

Mr. SHUSTER. Mr. Chairman, will the gentleman yield?

Mr. LUNGREN. I yield to the gentleman from Pennsylvania.

Mr. SHUSTER. I thank the gentleman for yielding. I would say to the gentleman, we cannot let pass the statements made on this floor, albeit well intentioned, by our friend, the distinguished majority leader, and others, without responding.

Mr. Chairman, we were told that the Democrats have passed no new taxes or words to that effect. Now, nobody disputes the fact that the tax burden on the American people under their budget is $96 billion higher than the tax burden of last year. That is a fact which cannot be disputed. To the extent that the distinguished majority leader is right in saying that it is without new taxes being passed, I say that is the worst kind of a possible increase in tax burden foisted upon the American people without this body passing any laws. The worst kind of a tax burden increase of all.

Beyond that, let me share with you the specific numbers relative to the impact of fiscal year 1981 revenues on taxes initiated by the Democrats during the Carter administration.

First, social security tax increase, $28.7 billion.

Second, windfall profit tax, $18 billion.

□ 1510

Third, oil import fee, $12.6 billion; fourth, inflation induced bracket creep, $15 billion; and miscellaneous taxes, $12.8 billion. That is adding up to $87.1 billion. So, nobody should be misled by the rhetoric that somehow we are not increasing taxes, somehow the Democrats are not imposing an increased tax burden on the American people. The facts speak for themselves, and all the fancy rhetoric in the world will not change the fact that this budget is the biggest tax burden in the peacetime history of the Nation thanks to Carter and the Democratic majority.

Mr. LUNGREN. I would just like to point out that in my view the worst possible tax increase is that increase which comes from bracket creep. This is the phenomenon that many people are run into higher tax brackets merely because they increase their earnings to keep up with inflation. There are bills that have been introduced that would take care of that by indexing the tax system. Yet, we have not had an opportunity to vote on one of them. We are not in control of that.

When I go home, people ask why we have not voted on tax indexing. I have to tell them that it has not even come out of committee. And bracket creep is the most insidious type of increase, because we as Members can go home and say, "We never voted for a tax increase." Yet, the people are paying higher amounts.

Mr. PANETTA. Mr. Chairman, will the gentleman yield?

Mr. LUNGREN. I yield to my colleague from California.

Mr. PANETTA. Mr. Chairman, I thank the gentleman for yielding. Just to restore some balance to this, I do think that it should be pointed out that the taxes that are in place, and I think the argument that is being raised by virtue of inflation in the system increasing the taxes, the reality is that the taxes that are in place, whether windfall profits tax, whether social security taxes, or whether the other taxes that have been imposed, have been imposed with bipartisan vote in most instances.

I think it is difficult to say that it is solely a Democrat tax increase when the fact is, the reality is, with regard to those particular taxes, there was a joint effort to try to deal with the issues at the time.

Mr. LUNGREN. I would be happy to have the gentleman join us in our effort to get hearings and get a bill on the floor that would have indexing of the overall tax system.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. LUNGREN. I yield to my colleague.

Mr. ROUSSELOT. Mr. Chairman, I appreciate my colleague yielding, and want to thank him for his presentation. Many of the points he has made were in direct answer to our colleague from Texas. He is not here now, but maybe he will return—we did ask him to stay. It is this Congress that has imposed many of the tax increases on the people of this country. There is no doubt about it. My colleague from California (Mr. Panetta) is correct; he voted for the so-called windfall profit tax, which is eventually going to be paid by the consumers of this country.

The CHAIRMAN. The time of the gentleman from California has again expired.

(At the request of Mr. Rousselot and by unanimous consent, Mr. Lungren was allowed to proceed for 2 additional minutes.)

Mr. ROUSSELOT. Let me say to my colleague from California that he is correct. The chairman of the Ways and Means Committee has stated pretty decisively that there will not be consideration this year of tax reductions or of indexing, so the party that controls this House has made it difficult for us to be able to vote on the issue. That is one of the points we are trying to raise.

We cannot change that, it is the Ways and Means Committee majority that will not let us vote on that issue or have it come to the floor. It may be that the only place where we can vote on that issue is in this budget, because provided for in the Latta substitute is a tax decrease of $32 billion to reduce the tremendous burden of the $96 billion increase that will occur. I do not care when we voted for it—those increases will occur. The majority may not like it, but the American public now knows that the responsibility for those tax increases is clearly on the majority's shoulders.

Mr. Chairman, I appreciate my colleague bringing that point out.

Mr. LUNGREN. I just have one thing to add: That is, we can make this bipartisan issue if we adopt the Latta substitute.

Mr. KEMP. Mr. Chairman, will the gentleman yield?

Mr. LUNGREN. I yield to the gentleman from New York.

Mr. KEMP. Mr. Chairman, I think the gentleman did an outstanding job of articulating the case for economic growth. The gentleman pointed out quite early on in his remarks clearly that how we balance the budget is as important, or equally important, indeed more important, than a balanced budget as an end in itself.

The gentleman from Texas was taking credit for getting interest rates to come down, I guess, from 19.5 percent maybe to 17.5 percent, according to one bank I saw recently. But, I think that the point also has to be made, as my friend from California pointed out, the way that the majority party plans to bring down interest rates is by causing the economy to decline. There is no doubt that you can get interest rates to decline if you want to slow down economic growth. As the gentleman pointed out, recession as an answer to high interest rates is an absolute tragedy in the lives of the American people.

Mr. MURTHA. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I yield to the gentleman from Connecticut (Mr. Giaimo).

Mr. GIAIMO. Mr. Chairman, I have a great deal of respect for the author of this amendment, Mr. Latta from Ohio. I know his intentions are excellent; his purpose is excellent, and he is concerned, as I am and as many of us are, about trying to reduce the burden, the heavy burden from the American taxpayer. I commend him for it.

As the Members know, I disagree with him only because I believe he is going a little too far. Who is to know where the right numbers lie? We try our best. We have been criticized because inflation proved earlier estimates wrong. So be it. We are all grown people here, we can take criticism.

Yet, recent spokesmen in the well like to characterize these as tax increases, and I think that is a deceptive practice to play on the American people. Revenue increases because of higher inflation, yes; but tax increases they are not. There are no tax increases in this bill. As a matter of fact, there are tax cuts, tax decreases. Where I differ from the gentleman from Ohio is on the size of the tax decrease.

We recommend a $20 billion productivity-type tax reduction, and that is strictly a bipartisan decision which we arrived at in committee. Both the gentleman from Ohio and I agree on that. He would like to make it more. He would like to go to $30 billion. I would like to go to $30 billion. I wish we could vote a $50 billion reduction in taxes for the American people, but we have other concerns.

We have to act in what we consider to be the best interests of the American people. We want to bring down inflation. It serves not the American people if we cut their taxes and force them to pay higher inflated prices whenever they go to the store and buy anything. That is what we would be doing. That is what would happen if we do not have a delicate balance in the size of this tax cut, in the size of the tax reduction. We believe that the single greatest contribution we can make this year to the economy and to the people of our land is to try to balance the budget by reducing substantially Federal outlays—reducing Federal outlays—and we do that in the committee resolution. In addition to that, we think it is essential, if we are to reduce inflation, to have greater productivity in our economy. Because of that, we decided in a purely bipartisan manner in the committee to have a $20 billion productivity tax reduction, or tax cut. We offset that with the $10.3 billion which the President intends to raise via the oil import fee.

☐ 1520

We did not use that money as a cushion against cuts. We did not use it to help reduce our deficit or build our surplus. We offset that incoming revenue totally with a reduction in taxes, to the credit of the committee and to the credit of this Congress if it adopts our resolution.

So I urge the Members and plead with the Members, we think that you should not go excessively in the direction of a tax reduction. We think $20 billion is the highest we can go. We think that if we go to $30 billion, we run the risk of overinflating the economy again, and certainly we run the risk of putting us in a deficit situation. That is something which I think would be disastrous because I firmly and truly believe that the American people are looking to us as never before to reduce spending and put our budget and our Federal expenditures in balance with our revenues.

So, Mr. Chairman, I urge the Members to stay with the committee resolution. I think it is the reasonable area, and that is where we should be.

Mr. LATTA. Mr. Chairman, will the gentleman yield?

Mr. MURTHA. I yield to the gentleman from Ohio.

Mr. LATTA. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, let me just ask the committee chairman, at the time we reported out this resolution, is it not a fact that we did not have the latest unemployment figure of 7 percent, with unemployment expected to go even higher?

Mr. GIAIMO. Of course, we did not.

Mr. LATTA. Mr. Chairman, let me also ask my committee chairman, is it not our thinking—it certainly is my thinking, although it may not be his—that if unemployment continues to rise, before too long the administration is going to be requesting a tax cut?

Mr. GIAIMO. Of course, since we marked up our resolution, there has been a change in the unemployment rate, but let me mention another change that has taken place since we marked up our resolution. There has been a heavy reduction in interest payments.

The CHAIRMAN. The time of the gentleman from Pennsylvania (Mr. MURTHA) has expired.

Mr. BETHUNE. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I have been sitting here a good while, and I have listened to speaker after speaker. It seems that the big problem is that we have a stagnant economy and declining productivity. This, we all agree, is creating pressure on those who compete for shares of the economic pie.

Then every Member seems to agree, or let me say that most every Member seems to agree, that the cause of the declining productivity is oppressive tax, regulation, and the growth of Government relative to the GNP; now somewhere over 22 percent.

It seems obvious to me that to correct this we need a change in policy—we do not need more of the same. If we are slowly bleeding to death as some Members have suggested we should not bleed the patient further.

It seems to me obvious that we have two clear choices before us. One is the committee proposal. It purports to balance the budget, but it does it by raising taxes. Irrespective of what has been said here, in 1966 tax collections in this country were $300 billion. If this committee proposal passes, taxes will more than double. Taxes for fiscal year 1981 will be in the neighborhood of $612 billion.

The committee proposal offers no spending restraints. It is simply more of the same. That means we are going to have lower productivity and we are going to have higher unemployment. In other words, it is the same old thing, more and more of the same.

We need to break the tax-and-spend habit and abandon the "Mindset" that has gripped this country for the last 40 years.

On the other hand, we can choose the Latta substitute which does cut taxes, which does offer some real spending restraints, and which will dampen the enthusiasm of the regulators by cutting agency spending.

As the gentleman from California pointed out, this is a "step in the right direction," and it is a change.

These points have been made by other speakers. What I want to do is focus on something that I think has been overlooked today. That is the defense spending part of the Latta resolution. Right here in this Chamber, earlier this year, the President made a State of the Union address after the Afghanistan invasion wherein he said we would draw a line in the Persian Gulf. He said we would do that because it is in our vital interest because we are dependent on Middle East oil. That dependence is the key to our economy at this moment, whether we like it or not.

It occurs to me that if we are going to hold that line, we need the actual military capability to hold it. Not only that, we need to be perceived by our friends and enemies as being capable of holding that line.

Last week, when we had the Gramm-Holt amendment here on the floor, the gentleman from Alabama (Mr. EDWARDS) said that we are not ready on either score, either in terms of actual military capability or in terms of our perception around the world. The gentleman from New York, Mr. SAM STRATTON, said that we simply do not have the troops or equipment in the Middle East to stop the Soviets. In short, we do not have "field position."

Mr. Chairman, I thought the gentleman from Tennessee (Mr. BEARD) and the gentlewoman from Maryland (Mrs. HOLT) made some good points when they proved that we are behind the Soviets in terms of materiel and manpower.

So the question is: How important is the Persian Gulf to us?

That question, I think, was accurately analyzed by Norman Podhoretz recently in an article in Commentary magazine entitled "Present Danger." He suggested that the Soviets might take the Persian Gulf because we will not be able to stop them militarily. Or, he said, we might simply yield to the Soviets because we fear their power in the Middle East. In either event, he said, we will rationalize our failure by saying it is just as easy to deal with the Soviets for oil as it is to deal with the Arabs. That is the way we will rationalize our failure. In either event they would get actual or constructive control of Middle East oil.

In either event the result would be the same; we would lose our economic freedom to the Soviet Union. We would see the Finlandization of America because by losing our economic freedom, we would lose our individual freedom. Whether we agree with that thesis or not, we have got to admit it is possible. That is why we need a strong military in this country. We need to hold the line that the President so boldly drew in the Persian Gulf.

Last week 49 Democrats agreed that we need to do that now. They voted for the Gramm-Holt amendment. That was just 5 days ago. By their votes they expressed their interest in building a strong defense capability for this country.

Mr. Chairman, the Latta substitute is our last chance during the first stage of the budget process to support national defense. Surely if we are going to claim that we support a strong defense, then we have got to lay aside partisan considerations and support the Latta proposal. I encourage all my friends on the majority side of the aisle to join us. Help us pass a budget resolution which will support our National Defense Establishment and which, second, will offer us a real change in economic policy for the first time in 40 years.

Mr. SYMMS. Mr. Chairman, will the gentleman yield?

Mr. BETHUNE. I yield to the gentleman from Idaho.

Mr. SYMMS. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I compliment the gentleman from Arkansas (Mr. BETHUNE) on his very fine statement.

I wanted to bring this matter up as soon as possible after the distinguished chairman of the committee made the point that the way they are balancing the budget is by reducing spending.

The CHAIRMAN. The time of the gentleman from Arkansas (Mr. BETHUNE) has expired.

(On request of Mr. SYMMS, and by unanimous consent, Mr. BETHUNE was allowed to proceed for 1 additional minute.)

Mr. SYMMS. Mr. Chairman, will the gentleman yield further?

Mr. BETHUNE. I yield to the gentleman from Idaho.

Mr. SYMMS. Mr. Chairman, if I may continue, I looked at the budget figures and saw that they raised spending by $64 billion. They are raising spending by $64 billion and yet they come in here on the House floor and say they are lowering spending. Now, somehow something is wrong; either the dictionary is being changed or something is going on. It is like "Newspeak."

Here we are with an increase in the burden of taxation of $90 billion to nearly $100 billion—I believe it is $96 billion—on the American taxpayers, and they are increasing revenue spending by $64 billion. And it does come out to a balanced budget, as the gentleman in the well made so very clear, at the expense of an increased percentage of the Government's share of the gross national product.

There is no way that the American people will see the light of day if this budget is passed. It is a "budget of despair." It is the "politics of despair." It is breaking the backs of the working Americans in this country, and it will give them no hope for the future. They are going to look at this country and say that Congress does not understand yet what it is doing to them, and more and more people are going to be trying to get on the wagon and not help to pull the wagon. That is exactly the opposite of what is needed.

Mr. Chairman, I hope that the Latta amendment will be adopted.

Mr. VANDER JAGT. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, in the "battle of the budget" last year I suggested that if the committee "budget of despair" passed, we should really label it with Dante's inscription: "Abandon hope all ye who enter here."

I say that because, though he did not exactly shout it from the house tops, the committee chairman in describing that budget said it was deliberately designed to slow the economy down. Well, that budget succeeded. It succeeded beyond our wildest expectations in slowing the economy down.

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Today auto plants are closed. Hundreds of thousands of automobile workers are laid off. Housing starts are at an all-time low. Farmers cannot get financing for their spring planting. If they could, they would not be able to afford the interest rate. And we are in a recession. Today we make the decision whether we are going to continue down that same road of despair, as someone said, bleeding slowly to death, or whether we try a new approach and a new direction. There can be no more important vote that a Member casts than this vote this afternoon. It is important to each Member politically. It is important to America economically. It is important to each Member politically because, when all of the doublespeak is cleared away, we will be able to establish when a Member on May 6 had a choice between more or less taxes, more or less spending, more or less defense, and whether we continue down a road of slowing the economy down or trying to rejuvenate it, the decision will be clear as to which choice that Members made.

There can be absolutely no dispute that after the passage of the committee budget, the tax burden will have increased on the American taxpayer by $96 billion. We used to think of Lyndon Johnson as a big spender. He did not even spend that much in a year. Now we propose to add a $96 billion tax burden to the sagging back of a staggering economy. Depending on which base figure you want to use, the committee budget increases spending by 10 percent. That is an increase that starts from a base that is already at an out-of-control level. We—we in the Congress—have increased Federal spending 34.9 percent in the last 3 years, and that, my colleagues, is the greatest increase in Federal spending in a 3-year period in the entire history of this Republic. And the tragedy is that it really does not balance the budget in the real world.

By the time the new economic indicators are cranked into the projectors, some committee staff people project a $30 billion deficit. Last week on "Face the Nation," Senator JACKSON projected the budget as having a deficit of between $50 billion and $100 billion. It does not have to be. There is an alternative. There is the Del Latta substitute which, by holding the increase in spending down to 7 percent, can without mirrors balance the budget, increase defense spending, and provide a desperately needed $32 billion tax stimulus to a sagging economy. The Latta substitute follows the road map that was given to us by our own Joint Economic Committee last fall in their report when they said:

> We can cut inflation in half. How? By stimulating investment, savings and productivity.

That is precisely what the committee budget does not do, does not even pretend to do, and it is precisely what the Latta substitute does do.

We have had 82 percent of the American people tell George Gallup they want a 5-percent cut in Federal spending. The Latta substitute does not cut spending 5 percent.

It does not even hold the line on spending. But by limiting the growth in spending to 7 percent, we are able to provide the stimulus that the economy needs, and that is not a major sacrifice for the Federal Government to take upon itself, when the alternative is to ask the American people to sacrifice, according to the Budget Committee's own projections of additional unemployment, continued double-digit inflation, tight money, and high interest rates which strangles our economy.

Let us walk down the road of hope, let us produce our way out of the recession we are in. Clearly that is what the American people want. Clearly that is what the American economy desperately needs.

Mr. STOCKMAN. Mr. Chairman, I move to strike the requisite number of words.

Mr. WAMPLER. Mr. Chairman, will the gentleman yield?

Mr. STOCKMAN. I yield to the gentleman from Virginia.

Mr. WAMPLER. Mr. Chairman, I rise in support of the Latta amendment. I believe it offers the best available opportunity to deal responsibly with the critical fiscal problems facing us now. This is a time of hard choices, and nothing we do here will be completely satisfactory to everyone or totally equitable, whether we adopt the committee recommendations or the Latta substitute.

The principal strengths of the Latta approach over the committee proposal are in the areas of taxes, defense and spending on social programs. The current tax burden in this country is at a near-record level. Inflation is not only eroding the real income of U.S. taxpayers, but is also pushing them into higher and higher tax brackets. This is a trend that has been occurring for years, as we all know, but the present extreme rate of inflation is accelerating it dramatically. This concerns me deeply because of the demonstrated adverse effects that increased taxation has on our Nation's productivity and on the economy generally.

It has been said here over and over in many different ways that there are two fundamental ways to handle budget deficits. One is to increase taxes and the other is to decrease spending. The third alternative is to do neither, and that, of course, is one of the reasons why we are in the difficult spot we are in today. I do not believe that we can allow the tax burden to grow any heavier. It is too heavy now. The problem is that the way the Federal income tax is structured the Congress does not have to do anything to obtain higher taxation rates. Inflation is doing that. But if we want to stop the increase or lower the rates, some positive action must be taken. This would be done in the Latta amendment. It provides for a $32 billion tax cut in calendar year 1981.

To those who would argue that a tax cut would be fiscally irresponsible, I would just say that during the time I have been in the Congress, I have never seen any reluctance on the part of the Congress to spend every penny of every tax dollar collected, and much, much more. Increasing taxes to pay off the deficit and balance the Federal budget is no solution at all if history is any guide. One can blame one's personal financial problems on low income, and often this is a problem.

But the most effective way of balancing one's personal budget is to cut down on the bills that have to be paid by reducing spending. It seems this is no easier to do at the Federal level than it is at the personal level, but the fact of the matter is that if the Federal Government spends, the taxpayer pays. The damaging effects of high spending levels and high taxation rates are clear to see, not only in our economy, but in some horrible examples we see in other countries.

Putting the brakes on spending means making some tough decisions on priorities. And I do mean tough. Our defense needs have been put into perspective for us recently in some very disagreeable ways, forcibly reminding us that our defense posture in the world is the key to our international security and our future as a nation. Last week the House considered the Holt-Gramm proposal that has been termed by some a "guns or butter" amendment.

It was rejected, but its defeat had little to do with the defense issue itself. Even though I agreed with the basic approach of that proposal, I reluctantly voted against it because I felt that the broader approach of the Latta substitute is preferable. The Latta approach does much of what the Holt-Gramm proposal would have done in strengthening our defense budget and correcting the serious weaknesses of the committee recommendation.

The Latta substitute also addresses the problems of waste and inefficiency in spending for the social programs based upon numerous recommendations of the General Accounting Office. These recommendations are grounded on the assumption that we must and shall continue to aid those who legitimately cannot by themselves meet all their needs, and require some help outside their own resources, but we should not provide assistance to those who are able but unwilling to take care of themselves. We simply cannot afford social assistance programs that are not tightly focused on the elderly, the disabled, the truly poor, and efficiently run. Every dollar that is misspent in this way comes from a taxpayer's pocket, and every misdirected dollar that adds to the Federal deficit and fuels inflation robs the taxpayer in a different way.

The Latta amendment has many other merits which I will not discuss at this time, but which persuade me to lend it my support. It is not perfect. But, it offers a balanced budget that is more realistic and more certain of insuring adherence to it by Congress than that offered by the Budget Committee. Nothing we can do now will be perfect or completely satisfactory. This is the nature of our democratic system and the legislative process. But, of the alternatives available to us today, I believe this approach offers the most responsible course, and I urge my colleagues to support it.

Mr. SOLOMON. Mr. Chairman, will the gentleman yield?

Mr. STOCKMAN. I yield to the gentleman from New York.

Mr. SOLOMON. Mr. Chairman, it has been pleasant to hear so many of my colleagues talk about the need to restrain Federal spending. It is comforting to know that we are finally beginning to listen to what the American people have been telling us for years—that they simply cannot bear the increasing burdens which the Federal Government has imposed upon them over the past decade or more.

However, there is a right way and a wrong way to balance the budget. The wrong way is to balance the budget on the backs of the taxpayers by increasing taxes. The right way is to restrain spending. The wrong way requires a mere bandaid for the correction of our spending errors of the past. The right way requires what can best be described as lifesaving surgery.

In the 3 years of the current administration, we have had budgets which have variously been described by the President as "restrained, lean and austere, and prudent and responsible." The American people cannot take much more of these types of budgets. The Carter budgets have increased Federal spending by more than 60 percent, raised taxes by nearly 100 percent, and increased the national debt by more than 50 percent. In the past 3 years of relative economic prosperity, we have had cumulative budget deficits of well over $100 billion.

These rising deficits caused by excessive Federal spending crowd out private sector spending and borrowing. This reduces investment, employment, and real economic growth.

During consideration of this resolution, we will have an opportunity to do something meaningful by adopting the Latta substitute. The Latta proposal provides a sharp contrast to the pending resolution, which will do little more than make some modest spending reductions and balance the budget by raising taxes. The Latta substitute will enable us to make the types of cuts in both spending and taxes which will help put the economy back on the right track again. The American people expect nothing less of us.

Mr. STOCKMAN. Mr. Chairman, I rise in strong support of the Latta substitute, but in doing so I want to take this opportunity to acknowledge the constructive, determined and, in some ways, courageous effort that was made by the bipartisan majority on the Budget Committee, the gentleman from New York, who was in the well a moment ago, the two gentlemen from Ohio, the chairman of the committee, the gentleman from California and the gentleman from Missouri, to craft some semblance of fiscal policy, order and discipline out of rampant excesses and disorder that have accumulated in past years.

I truly wish I could stand here today and say that I will support that final product, but I am forced to conclude that a lot of hard work and a lot of good faith has been inundated and overtaken by economic events, that the balanced budget reported out of committee in March, like the House built on the flood plain, has been washed away by the economic storms of April.

I would submit it is purely a fiction to stand in this House today and suggest that this budget is balanced for next year, to suggest, as the majority leader did a moment ago, that we have a $2.5 billion surplus, that we have a $10 billion cushion. The fact is, look at the economic evidence around you, the sustained plunge in the auto industry, in the housing industry, the doubling in just the last 6 weeks of new claims for unemployment insurance, the staggering increase in the unemployment number last month, the serious slide in inflation-adjusted final sales and in factory orders that were reported just at the end of last week.

All of these things make clear that the economy is sliding into a serious downturn and that the revenue, the outlays, the subfunction and the deficit numbers in this resolution before us are as obsolete as last week's baseball scores.

It is a good bet, I would suggest to this House, that when we come back in September for the second budget resolution, the new outlay estimates will be in the range of $625 to $630 billion, not the $612 billion we have before us today, as food stamps, trade adjustment assistance, extended unemployment benefits and increased disability filings trigger up as production triggers out in our economy over the course of the summer. And it will be off to the races when we come back next spring for the third resolution if the experience during this year, fiscal year 1980, the $40 billion overrun, is any indication.

Likewise, I would suggest to the committee today that there is not an econometrician in the land that knows what revenues will be in 1981. But I would suggest that it is a safe bet that some of the legislative revenues that are assumed in this budget will not materialize and that some of the output-based yield of revenue is far too high, given the course the economy is on today.

Thus, I would suggest to the House that the golden goose egg, the paper balance between outlays and revenues, has evaporated faster than the WIN buttons did in the fall of 1974.

But I would suggest that these are undeniable developments and they contain some important lessons and they suggest why the substitute, the Latta substitute before us, is superior.

First of all, if you start with a below-the-line number, if you start with some arbitrary target for the surplus or the deficit, and then work backward, massaging the outlays and massaging the revenues to fit them in, you are going to end up with the tail wagging the dog. And that is exactly what has happened with this budget resolution for 1981.

If you approach the fiscal policy task as a static accounting exercise while ignoring the dynamic shifts in the economy around us that impact that budget, you are going to get flattened by an economic steamroller around the next corner. And that has happened, too.

The fact is that all deficits are not created equal. The deficit next year is unavoidable, and the deficit this year, in 1980, is catastrophic, is disastrous, as we can see the results around us. Today's factory closings, today's unbuilt houses, the lengthy unemployment lines today, in May of 1980, are due to one overwhelming factor, and that is the fiscal policy that was adopted in this Congress by the majority party last summer and that is embodied in the budget that is running today, the fiscal year 1980 budget.

The CHAIRMAN. The time of the gentleman from Michigan (Mr. STOCKMAN) has expired.

(By unanimous consent, Mr. STOCKMAN was allowed to proceed for 5 additional minutes.)

Mr. STOCKMAN. Mr. Chairman, when the Federal Reserve last fall stopped monetizing the deficit for this current fiscal year, when it stopped the printing presses and, in effect, declined to create new money to finance the current needs of the Treasury, when it shifted monetary policy into low gear to avoid, literally, a collapse of the dollar internationally and a disintegration of the dollar-based monetary system that we all depend on, what did this administration do and what did this Congress do? It sat on its hands and allowed fiscal policy to shift into higher gear at the very same time this past winter and spring. It permitted fiscal year 1980 outlays to rise by $25 billion over the level that we targeted just last September. It permitted the deficit and Treasury borrowing in January, February, March, and April of this year to swell from a target range of $25 billion to what I would predict today to be $50 billion before the books on fiscal year 1980 close.

If the Fed will not and cannot monetize the deficit, cover it with printed money, then the Treasury has to elbow private borrowers out of the market, it has to close down the mortgage window, it has to empty out the dealer lots, it has to collapse and crumple the credit cards, and it has to liquidate the widget inventory of factories all around the country.

So you end up with the right policy, a balanced budget, in the wrong year next year, when we needed it this year.

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Consequently, in the last 60 days we have seen 1 million American workers pay for that mistake when they received their pink slip at the end of the week.

Now that the horse is out of the barn and the damage has been done, what do we do about next year, the fiscal year 1981 budget?

I would suggest to the House today the last thing we do is to tighten the tax vise on production, work and investment in this economy by a staggering $100 billion.

We have had a nice scholastic debate as to whether that is a revenue increase or tax increase. But everyone who looks at the record recognizes that the social security rate will go up from 6 percent to 6½ percent next January, and that is a rate increase. That is a tax increase. They recognize that with a 10- or 15-percent rate of inflation, 90 million taxpayers will move into higher tax brackets next year. That is a higher tax rate. That is an increase in taxes.

I would suggest today instead the aim of fiscal policy should not be to generate some arbitrary level of revenue for next year, and $611 billion has been proposed, but the aim of fiscal policy on the tax side ought to be to enhance the recovery of production and employment and growth in the private economy.

American workers are tumbling out of factories and office buildings and into the safety net of unemployment, trade adjustment, assistance, and food stamps all over this country today. They are not going to be eager to go back to their old job or search the marketplace for a new job if you promise them that come January they are going to experience a $500 to $1,000 increase in taxes on their wages, social security, and on their incomes through bracket increase.

American businesses are putting investment plans and plans for equipment purchase on the shelf today, and I would suggest to the House that they are not going to quickly bring those plans back into operation if Federal policy is to maintain the inappropriate tax, depreciation and inventory accounting system that taxes phantom profits and imposes confiscatory rates of 70 percent or better on the real economic income of millions of people in this country today.

The point is the substitute makes a clear policy choice, to lower marginal tax rates on production and nothing less will do. That is why it is so far superior to the committee bill before us.

Finally, I would like to suggest to the House today that we are not going to solve the problem on the spending side by pinching every program's earlobe in this vast Federal Establishment and think we have accomplished something worthwhile.

The problem is not that spending is too high or too low in the aggregate. The real problem is the outlay budget; outlay side of the budget has become a swamp of time bombs and sinkholes that is seriously undermining the performance of our economy. The CETA program, for example, has never added one net job to our entire economy. It just shifted slots from the public to the private sector. It just shifted people from producing goods which have value and can help pay our national bills to producing Government services we can do without. That is a sinkhole, a waste of resources. The program ought to be cut, whether the budget is in balance or not. Yet the charade goes on in this majority resolution.

Look at all the other sinkholes. All those Amtrak lines running around the country which generate 20 cents in revenue for every dollar of cost.

Look at the bloated budgets of the regulatory agencies in this resolution.

The CHAIRMAN. The time of the gentleman from Michigan (Mr. STOCKMAN) has expired.

(By unanimous consent, Mr. STOCKMAN was allowed to proceed for 1 additional minute.)

Mr. STOCKMAN. The regulatory agencies are tapping off nearly billions of dollars a year in new regulations that will siphon off investment capital and operating costs and not add to the production of our economy.

I would suggest this budget is also filled with fiscal time bombs. We have seen trade adjustment assistance rise by 400 percent in the course of 3 months. We have seen the food stamp program explode because we are unwilling to reform the entitlement structure and sift out those who are chonically poor and need the support from those who are just taking a ride on the program.

I would suggest to the House that the Latta budget will do us some good in this country, because it aims to restore incentive and stimulate production. It aims to eliminate waste and barriers to production on the spending side, and it will get us a balanced budget by stimulating the growth in the private sector of our economy rather than continuing growth in the expenditures of the Government.

Mr. ABDNOR. Mr. Chairman, will the gentleman yield?

Mr. STOCKMAN. I yield to the gentleman from South Dakota.

Mr. ABDNOR. Mr. Chairman, I rise in support of the substitute motion offered by my distinguished colleague from Ohio (Mr. LATTA) and would like to associate myself with his remarks regarding the need for fiscal discipline through legitimate means, rather than the sleight-of-hand budget balancing found in House Concurrent Resolution 307.

I believe the citizens of this Nation should know that the recommendations of the Budget Committee will not provide the balanced Federal budget necessary to combat inflation and restore a sense of stability to our economy. This resolution is symptomatic of the policies which have taken America from a position of financial and military strength to a nation which is now struggling to meet the competition of other industrialized countries. It is nothing more than a conglomeration of omissions, tax increase, and false promises.

It troubles me that the many "born-again" conservatives in Congress are touting the merits of a balanced budget and support House Concurrent Resolution 307 as an indication of this newfound conservatism. The cruel facts of the matter are that simply pointing to a bottom line which shows a budget to be in balance represents a gross misrepresentation of the fiscal policies which would guide our Nation if this resolution is adopted.

Although members of the Budget Committee may have made a conscious effort to reduce spending, it is undeniable that House Concurrent Resolution 307 relies heavily on increased revenues to be in balance. These additional revenues will be generated by requiring the American taxpayers to bear the stiffest tax burden in peacetime history. Federal revenues for fiscal year 1981 will increase by approximately $100 billion. This statistic is staggering when one considers that just 16 years ago $100 billion represented the total revenues of the Federal Government.

Since 1977, Federal spending through fiscal year 1981 will have risen by more than 55 percent and taxes will have increased by more than $270 billion. Now to accommodate both the majority party's spending needs and the grassroots demand for a balanced budget, the taxpayers must bear the brunt of new taxes in the form of gasoline import fees, a mandatory withholding of interest income, huge increases in the social security rate, and "cash management" initiatives. In addition, by consistently rejecting Republican demands for indexing taxes to the rate of inflation, inflation-induced "bracket creep" will grab still another $15 billion from the taxpayers for deposit in the Federal Treasury.

By contrast, the budget substitute which has been fashioned by the distinguished ranking minority member on the Budget Committee and other minority members of the committee recognizes the errors in judgment which have led our Nation into its economic decline. Therefore, we now have before us an alternative budget resolution which would provide for true restraint on the part of the Federal Government. This balanced budget would reduce spending by $14 billion and earmark the savings to finance a $32 billion tax cut. This budget also addresses the need for maintaining a strong national defense. In the face of Soviet aggressions around the world, we simply cannot afford to become militarily inferior. Rising fuel costs, research and development needs and the inability of the military to offer competitive salaries leaves us no alternative but to set defense spending at this higher level.

I might also point out that this budget rejects the imposition of the oil import fee recommended by the President and the Budget Committee. We simply do not believe that Americans should be subjected to still another hidden tax. This fee was not imposed with the idea of encouraging energy conservation. Its genuine purpose is to derive the additional revenues which are necessary to preserve the Carter administration's so-called balanced budget.

The Republician substitute also rejects the imposition of withholding taxes on interest and dividends. Mr. Chairman, correspondence from my constituents indicates they are overwhelmingly opposed to this procedure. It seems ironic that the Congress, on one hand, would recognize the need to provide tax incentives to stimulate personal savings, and at the same time allow this predatory measure to be imposed.

This resolution also provides us with one final opportunity to provide full funding for continuation of the general revenue sharing program. In my State of South Dakota, as in several States, the revenue sharing moneys appropriated for State government are allocated directly to aid for elementary and secondary education. I believe the States should have the opportunity to choose between revenue sharing funds and certain categorical programs which might not be of such a high priority.

My greatest regret is the elimination of Saturday mail delivery. Saturday delivery of our mail is one of the most necessary acts Government can perform for rural America. The Rules Committee refused to let the Members of the House have an opportunity to vote on addition of funds for this purpose. This is most unfortunate and will cause real hardship for people in rural areas.

In recent years, the minority members of this body have consistently introduced substitute budget resolutions calling for reduced Federal spending, balanced budgets or lower deficits and major tax reductions. Each year, on a virtual party line vote, we have seen these measures defeated. The Latta substitute now before us should provide the many born-again conservatives with an excellent opportunity to demonstrate their sincerity in promoting fiscal discipline. I would urge my colleagues to join me in supporting the Latta substitute to House Concurrent Resolution 307.

Mr. KEMP. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the Latta substitute and I would like to say that this truly is an historic debate today. It is historic because for the first time in decades, there is no real constituency in the U.S. House of Representatives trying to use deficit financing to encourage economic growth.

I sat here all day listening to the left side of the aisle and the right side of the aisle talk about economic policy. And it has been revolutionary to not hear any Member of Congress on either side of the aisle talk about deficits as a means of encouraging economic growth.

I commend the gentleman from Connecticut and the gentleman from Texas who both suggested in their remarks that the only real debate today is over how deep the tax cuts ought to be. They seemed to suggest that the only question now is how can we get the private sector of the economy growing again. I certainly invite them to join in our incentive-oriented tax and budget efforts, then, and if they would, Keynes would really be dead in this House. That would be good news for the American people.

But if we are really going to talk about the proper size of the 1981 tax cut, I think I can throw some light on this aspect of the budget debate. Before we decide whether the tax cuts in the Latta budget are the right size, let me remind my colleagues that the long-awaited recession of 1980–81 is already here.

In April, 827,000 Americans lost their jobs, the largest jump in unemployment since January of 1975. The black unemployment rate climbed to 12.6 percent. The jobless rate for teenagers rose to an incredible 16.2 percent.

Last month, the index of leading economic indicators plunged 2.6 percent, the largest decline in five and a half years. The housing industry collapsed as construction tumbled 5.8 percent, the sharpest monthly drop in 36 years. The auto and steel industries were hit hard—Ford suffered record losses, layoffs of steel and auto workers soared. And record high interest rates combined with 18 percent inflation to put thousands of small businesses permanently out of business.

This is only the beginning. By November, 8 percent of all American workers will be unemployed—by late spring of 1981, unemployment will be up around 9 percent.

That means that within a year, millions of Americans will not be paying taxes, will not be breadwinners for their families, will not feel like whole people in the eyes of their friends, and millions will need assistance from the Government until they are again gainfully employed.

Mr. Chairman, these statistics are vital to the budget debate. They are vital because every 1 percentage point increase in unemployment means incredible human suffering, and because each percentage point increase widens the Federal budget deficit by $25 to $29 billion. According to the CBO, everytime a million workers lose their jobs, Government revenues fall by $20 to $22 billion, and Government spending increases by $5 to $7 billion.

In fact, we are already hearing estimates out of the CBO, to the effect that the President's supposedly balanced budget is already $25 to $30 billion out of balance, because of an automatic drop in revenues and rise in spending on unemployment caused by the recession.

In short, the Giaimo budget is a disaster.

We simply cannot balance the budget without a healthy economy and strong, noninflationary economic growth.

That is why the Giaimo budget for fiscal year 1981 went from a $2 billion surplus to a $25 to $30 billion deficit in just 5 short weeks. I reject the Giaimo attempt to balance the budget by throwing thousands of Americans out of work, and I would simply like to point out that the attempt has already failed.

There are, however, some voices of reason in the Democratic Party wilderness, arguing that the well-being of Americans is more important than the size of the budget deficit, and that recession is not the way to lower inflation or even to balance the budget.

Compared with my differences with the Giaimo budget, my disagreement with my friends in the Congressional Black Caucus are minor. The Congressional Black Caucus recognizes that the most important measure of any budget is how it affects the lives of Americans and their families. We disagree only over the means, not the goal, of full employment without inflation. But even on this we are continuing a fruitful dialog.

On Thursday I introduced a bill to provide tax incentives for the creation of jobs and new enterprises in the most depressed areas of our country, including the inner cities. Many of my colleagues on the Republican side have indicated their willingness to support such an approach, to signal that, while we are committed to fiscal responsibility, we have no intention of achieving it at the expense of minorities, the disadvantaged, or any group of Americans. I would rather see an unbalanced budget than support one which hurts Americans and their families.

The Latta budget is exactly the strategy we need right now, one which fights inflation and unemployment at the same time. On the one hand, it provides real restraint in spending, and therefore directly addresses the crowding out problem which the Giaimo budget would aggravate. Every dollar not spent by the Government is a dollar not taxed, borrowed, or printed unnecessarily. This takes the pressure off the Federal Reserve in its efforts to fight inflation the only way inflation can be fought—with monetary policy.

At the same time, the Latta budget recognizes that meaningful and humane restraint on spending is impossible when the economy is contracting. The Latta budget emphatically rejects the notion that we ought to raise taxes to leave people with less money to spend in the hopes of fighting inflation. That dinosaur of a theory did not work in 1969 or in 1974, and it will not work now in the Giaimo budget. Raising tax rates only further reduces the incentives for production, and prices rise faster, not slower, because with less production, each dollar can buy fewer goods.

The Latta budget is, instead, a budget of hope because it means more jobs for Americans in 1981. It features a $32 billion tax cut—large enough for a 10-percent across-the-board cut in individual tax rates, accelerated depreciation to provide greater incentives for business investment, and an incentive-oriented tax credit for savings. These tax cuts mean at least 200,000 more jobs for Americans in 1981 than the Giaimo budget would provide.

The Republican budget means hope for the future because it guarantees more after-tax income for workers. The exploding rate of inflation is quickly pushing people up into higher tax brackets, and this "bracket-creep" will cost taxpayers nearly $40 billion in fiscal year 1981 under the Giaimo budget. Add to that the scheduled gas tax increase, savings tax increase, and payroll tax increase, and the Giaimo budget ends up costing each working American an additional $990 in taxes in 1981.

Mr. Chairman, it would be immoral to let these inflation-induced tax increases continue as they have for the past 15 years.

In 1969, if an American family earned $15,000, they would have been in a 25-percent income tax bracket. That is, the next dollar of income this family earned would have been taxed at roughly 25 percent.

In 1979, that same family had to earn $30,000 to get $15,000 of 1969 income, but of course this pushed them into the 37-percent tax bracket, and their Federal tax burden increased. As nominal income keeps up with inflation, it simply pushes American taxpayers into higher brackets. Thus, when the Republican side of the aisle says there is a tax increase in this budget, it is simply alluding to a fact of life. When the dollar devalues and people try to stay even with cost-of-living raises, they simply end up in a higher tax bracket and the Federal Government profits. As a matter of fact, every 10-percent increase in the rate of inflation means that Federal income tax revenues will increase by 16 percent.

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The CHAIRMAN. The time of the gentleman from New York has expired.

(By unanimous consent Mr. KEMP was allowed to proceed for 2 additional minutes.)

Republicans refuse to "balance" the budget this way, through back-door tax increases and on the backs of the taxpayers. That is why the Republican budget rejects the Carter taxes on savings, gasoline, and income. And that is why our budget would combat taxflation by cutting personal income tax rates 10 percent across the board for all Americans.

In reality, the Latta budget is the only one which stands a chance of actually being balanced. By fighting the recession, the Latta budget would attempt to prevent the loss of revenues and higher spending caused by recession. And the Latta tax cuts directly address the inadequate saving, capital formation and employment which are at the root of our declining productivity and economic stagnation.

Whether my colleagues are concerned about the state of our economy or the prospects for balancing the budget, only the Latta budget addresses both of these concerns effectively. For the sake of the Nation, I urge my colleagues to approve the Latta budget and oppose the majority budget.

Mr. ASHBROOK. Mr. Chairman, will the gentleman yield?

Mr. KEMP. At this point I am glad to yield to my friend from Ohio who I am sure has a salient point to make.

Mr. ASHBROOK. I want to thank my friend for yielding. The gentleman from Ohio has been a disciple of the Kemp philosophy for years. I would only caution my good friend from any early expectation that Keynes may be dead around this body. I mean he may be resting for a while, but I doubt that he is dead.

On that score maybe we can paraphrase what our President said on Iran when he looked at it and he said it was an incomplete success. We have a certain incomplete success at killing Keynes around here, but I would suggest that particularly remembering the middle 1960's, as I vividly recall when Walter Heller was advocating deficits of strength, they even believed in those days the small deficits, unplanned deficits, were debilitating, but planned, large deficits caused strength. I do not believe that is completely gone, and I would like to share the hope with the gentleman that Keynes may be on his way out.

Mr. KEMP. The gentleman from New York may have been carried away with enthusiasm. All this agreement on balancing the budget and that deficits are bad in and of themselves, and that somehow we ought to reduce the tax burden is music to my ears. I think it is only fair that those of us on the minority side of the aisle, such as the gentleman from Ohio and this gentleman from New York, would give some credit where credit is due to really a born again idea of classical economics.

Mr. BAUMAN. Mr. Chairman, will the gentleman yield?

Mr. KEMP. I yield very briefly.

Mr. BAUMAN. The gentleman suggested we should give credit, and I think we will have to give credit to the liberals because they live on credit. This budget is inherently one that will have to be financed by credit since it is not balanced. So let us not give them too much personal credit.

Mr. KEMP. I share the gentleman's skepticism. As pointed out so many times in the debate today, my problem with the Giaimo resolution itself is that it really is a recipe for higher taxes and further slowing down the economy. But I did at least hear a lot of rhetoric beating up on the idea that deficits were, in and of themselves, good and I thought we ought to give a little credit to the gentleman from Connecticut for burying this Keynesian assumption.

Mr. SYMMS. Mr. Chairman, will the gentleman yield?

Mr. KEMP. I yield to the gentleman from Idaho.

Mr. SYMMS. Mr. Chairman, I thank the gentleman very much for yielding. I want to commend him for continuing to pound home the point that the way out of the mess we are in is economic growth. That is the key to this whole thing.

For example, last Saturday I visited American Microsystems in Pocatello, Idaho, where they produce computer chips. It is just incredible what they have done. They put on one little chip now what used to take a whole huge room as far as computers are concerned. That technology has taken the price of a computer down now to where if automobiles could have done the same thing in the last 10 years that now we could buy a Rolls-Royce for 36 cents. The manager of that plant said the problem they have is that the Japanese have a taxing policy that encourages them to build new, better, modern equipment; they come over here and get our technology, go home, write the thing off immediately, encourage production.

We have driven the steel industry out of this country; we have driven the automobile industry out of this country; and the manager of that plant said, "You people in Congress," and I said "'You,' you mean the big spenders, not me. I have been voting against all these tax increases," but the point is, he said, 'You are now about to drive the computer industry out of the country by the insanity of raising taxes and continuing to raise taxes." He brought up the point they then had the audacity to call it a windfall profit tax. It is a windfall tax that the Congress gets by this progressive income tax. I am outraged by this.

Mr. KEMP. The gentleman's enthusiasm is matched only by the truth of his argument. The point we are most trying to make through the Latta substitute is that the tax system in and of itself is inflationary because it diminishes the ability of this Nation to produce goods and services, jobs, housing, steel, technology, and the growth which is so necessary to make this Nation once again not only productive at home but competitive in world markets. I believe in full employment without inflation, and that requires simultaneous monetary reform as well as tax reform along the lines proposed in the Latta budget.

I do not necessarily agree with all aspects of the Latta bill but it is the only chance I have today to register my vote for growth and jobs as opposed to despair and unemployment. I really believe the best way to control spending and reduce Government spending is to expand the economy to reduce the need for some of these Government programs.

Mr. ROUSSELOT. Mr. Chairman, I move to strike the requisite number of words and rise in support of the Latta substitute.

Mr. DERWINSKI. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. I am delighted to yield to my distinguished colleague, the gentleman from Illinois.

Mr. DERWINSKI. Mr. Chairman, the Republican budget alternative, for the most part, is much more desirable and realistic than the recommendations of our Budget Committee. The pending amendment provides for a strong national defense, makes deeper cuts in spending targets, and proposes a $32 billion tax cut.

However, it is deficient in that it will be of no benefit to the U.S. Postal Service which will be forced to reduce service at the very time it is seeking an increase in postal rates.

As I pointed out earlier in the debate on House Concurrent Resolution 307, the $836 million in postal reductions recommended by the Budget Committee will result in the elimination of 6-day mail delivery, other service cuts and higher postal rates for charitable, religious, and educational organizations. It has been argued that the GOP substitute will not eliminate 6-day delivery, but the facts are its recommended cuts in postal appropriations exceed those of the Budget Committee and leave the Postal Service with no maneuverability.

The Budget Committee and GOP alternative will reverse an historical policy of providing lower mail rates for nonprofit organizations and small newspapers. This policy was mandated by Congress, not the Postal Service. The law now provides that any recognized religious, educational, scientific, philanthropic, agricultural, labor, veterans, or fraternal nonprofit organization can mail its second and third-class mail at preferred rates. In the case of second-class mail, that has been public policy since 1917, and for third-class since 1952.

If we were operating under a parliamentary procedure which permitted us to rely on the expertise of our respective legislative committees, we would be able to fine tune some of the misguided efforts such as those applying to the Postal Service.

Mr. Chairman, I wish to return to the budget for national defense.

Mr. ROUSSELOT. Mr. Chairman, I rise in support of the Latta substitute—the Republican budget of hope.

There can be no doubt about the need to balance the Federal budget for 1981. The question is, how will it be balanced. By restraining Federal spending, or by raising taxes?

The House Budget Committee has proposed a "balanced" Federal budget for 1981. However, they have not balanced their budget by restraining Federal spending. They have done so by calling for increases in tax revenues on the backs of the American working taxpayers. The House Budget Committee proposes balancing their budget by squeezing an additional $100 billion or so out of the American taxpayer. They have balanced their budget with the biggest 1-year tax revenue increase in the history of our Nation.

By President Carter's own figures, tax collections will increase by $96 billion in 1981. That breaks down to a $990 tax increase for each American worker. Since more than 50 percent of American wives work, that means that, beginning in 1980, most American families will be paying an additional $1,980 in taxes.

And these figures are probably on the low side. The President's estimates are based on a 12-percent inflation rate. If inflation continues at the 18-percent annual rate it has averaged so far this year, tax collections will easily increase by more than $100 billion. More than one-third of the tax increase—approximately $38 billion, according to the CBO—will come from higher individual income tax returns.

The American taxpayer will be paying additional billions into the Federal Treasury, not for added services or benefits, but simply because of inflation and "bracket creep." Inflation pushes us into higher tax brackets, forcing us to part with a larger percentage of our income for taxes, leaving us with less to meet the rising costs of housing, food, gasoline, utilities and the other necessities of daily life. It is estimated that each 1 percent of inflation adds 1.6 percent to the total individual income tax burden.

In addition to the increase in personal income taxes, the Budget Committee's budget relies upon a score of new tax revenues—some of which have yet to be enacted—to keep its budget balanced. President Carter insists that the objective behind his 10-cents-a-gallon gas tax is to save fuel, not to raise money. Nevertheless, it will add more than $11 billion to general revenues in fiscal year 1981.

While the President and congressional leaders continue to insist that something be done to increase savings and investment in this country, the Budget Committee's resolution also recommends a new tax that will only serve to discourage both. The Budget Committee's balance relies upon $3.4 billion in revenues from a still-to-be-enacted withholding tax on interest and dividends. Most of this will not come from catching up with tax evaders, as the proponents of the measure claim. It will come from taking investors' and savers' money early—before they have a chance to collect the extra interest on their compounded interest. Furthermore, it is estimated that it will cost savings and loan institutions as much as $3.5 billion during the first year alone to comply with the requirements of the proposal. That means that $3.5 billion less will be available for home loans. If anyone believes that the Ways and Means Committee will actually approve such a tax, they have not been around the committee very much lately.

The Latta substitute is a true balanced budget. It is $14 billion smaller than the Budget Committee's budget and $32 billion smaller than President Carter's original fiscal year 1981 budget proposed last January. It is a budget that is balanced with real restraints in spending increases.

Just as importantly, it is a budget that is balanced with a $32 billion tax cut for the American people. A tax cut that will encourage investment and saving. A tax cut that will stimulate productivity and real growth.

The Joint Economic Committee, of which I am a member, recently issued a strong endorsement of such a tax cut in their 1980 annual report. In his introduction to the report, committee Chairman LLOYD BENTSEN proclaims that we have entered "a new era of economic thinking." He continues with the committee's recommendation for "a comprehensive set of policies designed to enhance the productive side—the supply side of the economy." Senator BENTSEN puts the committee on record "in support of the view that tax policy can and should be directed toward improving the productivity performance of the economy over the long term."

The Latta substitute incorporates just such a view of what our Federal Government's tax policy can and should do. While the Ways and Means Committee will be making the decision as to how the tax cut should be distributed, the Latta proposal is sufficient to accommodate a number of proposals that have already generated broad-based support in the Congress.

The Latta substitute would accommodate a 10-percent personal income tax cut, such as the one proposed in Kemp-Roth. Such a tax cut would help all Americans to combat inflation and bracket-creep.

It would also accommodate the Conable-Jones "10–5–3" capital cost recovery proposal, to provide tax relief to business and to encourage investment and expansion. Thus, passage of the Latta substitute would mean greater productivity and more jobs. And the Latta substitute could also accommodate a measure to encourage individual saving and investment, such as the Brown-Rousselot savings incentive proposal.

The Latta substitute does not depend upon the revenues generated from the President's 10-cents-a-gallon gas tax to maintain a balance. In the Latta substitute, the oil import fee is phased out at the beginning of fiscal year 1981.

The Latta substitute does not rely upon $3.4 billion in revenues from a withholding tax on interest and dividends to maintain its balance. The Latta substitute assumes that such a disincentive to saving and investment would never be adopted at a time when the savings rate in the United States lags behind that of every other industrialized Western nation.

The Latta substitute, unlike the Budget Committee's proposal, is a real balanced budget. It is balanced by real restraints in Federal spending—not by raising taxes. The Latta substitute is what the American people want. The Latta substitute is what our economy needs. I urge my colleagues to support it.

Mr. HILLIS. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. I yield to the gentleman from Indiana.

Mr. HILLIS. I thank the gentleman for yielding.

Mr. Chairman, I rise in strong support of the Latta amendment.

Over the last several days I have listened with great interest to a number of different Members discussing the need to balance the budget. We have heard some very good discussions or debates on which areas of the budget should receive the highest priorities. It seems that every year the budget debate centers around what is often called the guns and butter issue. Certainly this year has been no exception.

Trying to put the debate in perspective, there are Members who feel that it does us little good to maintain a strong defense if the people are dissatisfied with our Government, and there are those Members who argue that it does little good to maintain strong social programs if our national defense is not adequate to protect us from potential adversaries.

I believe it is our responsibility, therefore, to decide which is a greater danger, domestic unrest due to poorly funded social programs, or the loss of international influence due to a weak military which is incapable of supporting our foreign policy pronouncements. The answer, from my perspective, must be that unless our military is adequate to defend and support our interests, the United States will face an ever-worsening international picture which can only force the United States into becoming a second-rate nation.

We must remember that America is an island nation of imports. If we are unable to continue importing the items we need, our economy will rapidly fail and we will face the most severe depression possible.

The question facing us at this time is whether or not the pending amendment which increases defense spending while cutting other programs is in our best interest. As former President Nixon argues in his book, "The Real World," in the coming years America will be faced with two very disturbing possibilities. First, if we become involved in a war with the Soviet Union, we may lose. Second, we may be defeated even without a war. The danger we face is not so much that the United States and the Soviet Union will destroy each other with nuclear weapons, but that the United States will become militarily inferior to the Soviets. If this should occur, we will be left with the choice of allowing the Soviets to greatly expand their influence at the expense of our allies, or enter a war in which we are assured of losing. It is not too late to prevent the United States from facing that paradox, but there is precious little time left. If we have learned nothing else in the last several months, it should be that the United States is limited in its responses to international events due to our worsening military posture, and that the Soviets are intent on using their military capabilities to expand their influence and dominate other nations.

Supporting a strong defense, even if it means that some social programs must be cut does not mean that you are callous toward the needs of the people. Insuring an adequate defense should be considered as much a social program as food stamps because it insures that the United States will continue to have the type of economy which is capable of feeding the American people and providing them the jobs necessary to purchase that food.

There is another important aspect of this amendment which deserves our attention and support. This amendment greatly slows the growth of the Federal Government. Today our Federal budget accounts for about 21 percent of the GNP. In World War II, the Federal budget accounted for 22 percent of the GNP. We have seen the budget grow with such great leaps and bounds that the Federal Government now takes as much from the economy as it did during the greatest war in history. It is our duty to begin to reverse that trend.

In order to support this tremendous growth, we have had to increase taxes substantially. Taxes have become so repressive that the American worker no longer has much incentive to improve his salary because most of it will be taken away from him by Uncle Sam.

As I see it, this amendment allows us the best of both worlds, a stronger national defense and a reduction in taxes. If this Congress can do nothing more than accomplish those two goals, we will have served our constituents well. I most strongly urge adoption of the Latta amendment.

Mr. BAUMAN. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. I am glad to yield to my colleague from Maryland.

Mr. BAUMAN. Mr. Chairman, I notice the gentleman is speaking from the liberal side of the aisle. Is there some explanation for this? It is not a defection I hope.

Mr. ROUSSELOT. No. My colleague is very perceptive. I have moved to this side of the aisle in the hope that I can further drive another nail in the Keynesian coffin.

Mr. BAUMAN. It is a little missionary work the gentleman is engaged in?

Mr. ROUSSELOT. Yes; that is why this year I have usually been on this side, to make sure that my colleague from Connecticut can hear me, because I am known to speak in such soft rhetoric.

Mr. BAUMAN. If the gentleman will yield further, I am concerned and glad that the gentleman has gone to the liberal side of the aisle because I have watched, and the staff members over there this afternoon outnumber the Members by about 10 to 1. Apparently the liberals have abandoned their leader, the gentleman from Connecticut (Mr. GIAIMO). He is all by himself with a few exceptions, and I am glad the gentleman has gone over there to keep him company. He ought to be lonesome with what he is trying to sell here.

Mr. GIAIMO. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. I am happy to yield.

Mr. GIAIMO. First of all I want to assure my good friend from Maryland that like Horatio, several of us here can withstand the onslaught from the gentleman's side. As far as my dear colleague from California (Mr. ROUSSELOT) is concerned, I am delighted that he is moving closer to me. I hope it means that he is moving a little bit closer to some of the things that I have been trying to persuade people to accomplish around here.

Mr. ROUSSELOT. To the degree that my colleague has moved toward a balanced budget I am grateful. For the last 4 years that he has been telling me he was moving in that direction, and now he has finally gotten his committee to go with him. I know it took a great deal of effort. Our obvious disagreement is over the amount of the tax cut, as the gentleman stated earlier in the day.

The reason I support the Latta substitute is that it does contain a $32 billion tax cut. I think this is clearly appropriate at this time. I would like to comment briefly that a tax cut is anything but inflationary. At least it has been in much of our history. I am sure the gentleman did not mean to imply that the tax cut in the gentleman's own bill is in any way inflationary. I think the point the gentleman made was that the $20 billion tax cut, which the gentleman's resolution calls for is not inflationary, but that a $32 billion tax cut is inflationary.

Mr. GIAIMO. If the gentleman will yield further, what I am trying to say is an indiscriminate tax cut in a period of high inflation would be inflationary, but one carefully crafted and addressed to productivity might well not be.

Mr. ROUSSELOT. I am glad the gentleman made that statement because I assure my colleague from Connecticut that the tax cut contained in the Latta substitute is very carefully designed.

□ 1600

We feel it does encourage productivity, provide incentives for investment, and incentives for jobs, all of the things we have talked about for many years but that our budget resolutions have not contained. I believe that the Latta substitute contains these things. As a matter of fact, I see one of the authors of one of our suggestions, the Brown-Rousselot savings incentive bill (H.R. 6400) which is before our Committee on Ways and Means. Since he is here, I will now yield to him.

Mr. BROWN of Ohio. I appreciate the gentleman's yielding. I would likewise debate, I guess the issue, the suggestion made by our good friend, the gentleman from Connecticut (Mr. GIAIMO). I think that the savings approach allowed for in the Latta substitute is precisely what the economy needs at this moment. We have a situation so serious in our country that many people at least in my part of the country, are digging into their savings just for survival.

Mr. ROUSSELOT. The gentleman is absolutely correct.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. ROUSSELOT was allowed to proceed for 5 additional minutes.)

Mr. ROUSSELOT. The gentleman knows that, in the last several months, savings and loans have experienced substantial savings withdrawals. Would he tell us what his suggested bill, now before the Committee on Ways and Means and cosponsored by many Members of this House, does do, so that our colleague, the gentleman from Connecticut (Mr. GIAIMO) will be able to take notes and understand?

Mr. BROWN of Ohio. The bill in effect, H.R. 6400, has been introduced for some time. The gentleman from California in the well, Mr. ROUSSELOT, is a cosponsor. The gentleman on the Senate side, Mr. ROTH, is a cosponsor in that body. What in effect it does is provide that the income from investments, in savings, savings accounts, bank accounts, the stock market, even insurance purchases, where money would be used to be available to the industrial productive side of the economy, would not be taxed on top of the earnings that the husband and wife—the usual working pattern in the household—get from their salaries or wages.

Mr. ROUSSELOT. In other words, it would be a reduced tax on the interest earned on various kinds of savings accounts?

Mr. BROWN of Ohio. Exactly. Any income earned on savings or investments would come back from the top of the tax structure of the individual or his household, back down to the lowest level, 14 percent, which is what you pay on the minimum of earnings. Let me just say that the average household in this country now is paying taxes on income of about $20,000. That is combined earnings of the husband and wife. The result of that is that, depending on your deductions, you are paying somewhere between 24 and 28 percent of your earnings in tax. If you have savings, investments, individual earnings on those, those go on top of your earned income and are taxed at the very highest rate, 28 percent. This would cut that tax rate in half in effect.

The other thing that is going on in this country today in terms of people spending their money, is that they are buying gold bricks or oriental rugs or antiques or Florida land. Unfortunately, nobody in this country is working at a job making those products. Only God can make Florida land. But the rest of the things are things that either come from abroad or people are buying just to beat an inflationary price on the commodity purchased so that they only have to pay 25 percent capital gains tax. But I get them out of those tax shelters and put them into investment, into real savings, so that they would only have to pay 14 percent tax on the earnings of that investment, and so that we would have the money available for the improvement of the supply side of the economy for the modernization of plant equipment and provisions for new jobs. We would get people back working again. But it looks like the 7-percent unemployment is going to be a real problem.

Mr. ROUSSELOT. I appreciate the gentleman's response. I know that the gentleman from Connecticut (Mr. GIAIMO) took some careful notes on this carefully crafted tax reduction and the reasons why it would not be inflationary. It would generate capital for housing and for all kinds of investments. That is what is needed for the economy, as even the President admits.

Mr. BROWN of Ohio. Would the gentleman yield for just one more point?

Mr. ROUSSELOT. I yield to the gentleman from Ohio.

Mr. BROWN of Ohio. It also provides for personal savings, or a personal tax cut that I think would be a good bracket with the 10-5-3 proposal that has been introduced, I think, by the gentleman in the well (Mr. ROUSSELOT), the gentleman from New York (Mr. CONABLE), and others to cut depreciation rates, so that we can get business reinvestment.

Mr. ROUSSELOT. The Conable-Jones capital cost recovery bill would modernize the depreciation schedule so that we can better compete with foreign industry who are able to write off their plant equipment more rapidly. Such a measure would help to stimulate productivity, the very thing that our colleague, the gentleman from Connecticut (Mr. GIAIMO) endorses.

Mr. BROWN of Ohio. If you put the two together, you get business in the frame of mind to reap the reward of investment. You get the individual to put his money into savings so that the savings are there to generate reinvestment. You balance the budget so that the Government is not competing for those savings so that they go to the private sector for investment, modernization, improvement, and increased competitiveness. And you make the world a great deal better than it now looks like it is going to be unless we take some steps.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. ROUSSELOT was allowed to proceed for 5 additional minutes.)

Mr. ROUSSELOT. That sounds to me like a very carefully crafted tax reduction. Now the Chairman of the committee may be tempted to support this legislation, because it directs itself to the very point he just made.

Mr. Chairman, I will not take the time to again go over the issue of the tremendous tax revenue increases called for in the majority resolution. The tax revenue increases have been estimated to be anywhere from $96 billion to well over $100 billion, depending on the rate of inflation. Many of our wage earners are carried into the higher tax brackets by what my colleague called "bracket creep." That is exactly what it is. I do not care how many of my colleagues get up here and say, "Well, that is not a new tax." It may not be a new tax on the books, but it is an additional cost in taxes that 97 million working people of this country have to pay. Try to go back to your constituents and tell them it is not a new tax. It is very sophisticated. We are only socking it to you in your pocketbook. What is withheld from your taxes when you get your paycheck each month is not really a new tax. What is it? It is an increase in revenue to the Federal Government, and those are called taxes. I do not care that you dress it up and try to call it something else; it is an increase in tax revenues.

If you vote for the majority resolution, that is exactly what you are voting for. You are voting for tax revenue increases of from $96 billion to over $100 billion.

Mr. BAUMAN. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. Of course, I yield to the gentleman from Maryland.

Mr. BAUMAN. I thank the gentleman for yielding. I have listened carefully to my colleague, the gentleman from California (Mr. ROUSSELOT) describing this as a tax increase. But the majority leader, the gentleman from Texas (Mr. WRIGHT), said that that was not true, that that was a misrepresentation, that this was just a natural increase in revenues. One of you has to be right and one has to be wrong.

Mr. ROUSSELOT. I think my colleague, the gentleman from New York (Mr. KEMP), went through that. My colleague, the gentleman from California (Mr. LUNGREN), also covered it. But basically this is it: The beginning of January 1981, social security taxes will go up as prescribed by laws passed several years ago. Increases will occur in income taxes because people have been carried into higher and higher brackets through inflation. There will be added increases because the President of the United States has imposed a new tax on imported crude oil. That is a tax increase. I do not care what you want to call it. The law to give him the authority to levy such a tax was passed some time ago. You gave him the power to do it. That law is on the books, and he used it. That is a tax increase.

□ 1610

You can call it something else but your constituents are going to feel it when they go to the gasoline pump. They will have to pay 10 additional cents a gallon, and you tell them that is not a tax increase.

Mr. BAUMAN. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. I will be happy to yield to my friend from Maryland

Mr. BAUMAN. Is the gentleman saying that Mr. WRIGHT in this case actually is Mr. Wrong?

Mr. ROUSSELOT. Yes, I think the gentleman has stated it better than I could.

Mr. BAUMAN. So if you vote against Latta you are voting for all these tax increases?

Mr. ROUSSELOT. You are voting for Mr. WRIGHT's wrong bill.

I appreciate my colleague's description.

Let me comment further, that our own Joint Economic Committee produced a unanimous report this year calling for tax reductions. I know, because I am a member of that committee. It was a unanimous report bipartisanly arrived at, by both Democrats and Republicans. Our own chairman, Senator LLOYD BENTSEN, said that we need a new era of economic thinking to get the Government off the backs of the people. He has said that we need a tax reduction to increase productivity, provide new jobs, and encourage creativity to develop new products.

Mr. Chairman, as a matter of fact, one of the major comprehensive recommendations contained, in that joint committee report was to stimulate the supply side of our economy by reducing the tax burden on the private sector, and reduce the rules, regulations, and restrictions that increase that burden even more. This report was presented to the Committee on the Budget and to many segments of our Congress and I call upon my colleagues to follow through on the Joint Economic Committee's recommendations bipartisanly agreed upon and support the Latta substitute which carries out those very recommendations.

Mr. ASHBROOK. Mr. Chairman, will my colleague yield?

Mr. ROUSSELOT. Why, of course, I will yield to my colleague from Ohio.

Mr. ASHBROOK. Mr. Chairman, I merely want to observe, as a person who has been here through the entire debate that it took the rhetoric and logic of the gentleman from California to drive our good friend from Connecticut away from the desk.

Mr. ROUSSELOT. No, he is right here. He is taking copious notes and he wanted us to explain as to how our tax cuts of $32 billion were responsibly and carefully crafted.

The CHAIRMAN pro tempore (Mr. MURTHA). The time of the gentleman has expired.

(By unanimous consent, Mr. ROUSSELOT was allowed to proceed for 2 additional minutes.)

Mr. ASHBROOK. I thought perhaps it was too much that the gentleman from California moved over on the liberal side and then delivered that message all at the same time because I just noticed my good friend had left the desk and I thought perhaps the gentleman from California had blown him out of the Chamber, but I am glad to see he is still here.

Mr. ROUSSELOT. I will say to my colleague, the gentleman from Connecticut (Mr. GIAIMO) has been here constantly. He is not too far away and is taking careful notes because he wants to know how our carefully crafted tax decrease will help the economy.

Mr. RUDD. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. I will yield to my colleague from Arizona, a distinguished member of the Committee on the Budget.

Mr. RUDD. Mr. Chairman, we have reached a point in our consideration of the first concurrent budget resolution where we must honestly face up to some tough questions.

What do the American people want and expect from Congress in this time of skyrocketing 20 percent inflation and high interest rates?

Do they want what this budget resolution provides?

Do our people want an $85 billion increase in the Federal tax burden over the estimated 1980 level—or increased taxes averaging more than $700 for every taxpayer—as the Budget Committee resolution proposes?

Do our people want a $148 billion tax increase over the 1979 tax burden, or increased taxes over a 2-year period averaging more than $1,230 for every taxpayer under the Budget Committee resolution?

I do not believe so.

Do our people want a 37-percent increase in Federal welfare programs such as food stamps over the 2-year period since 1979, as recommended under the committee's budget proposal?

On the other hand, at a time when much of the world is threatened by turmoil and hostile Soviet expansionism, who in this body seriously believes that our citizens want the House to cut the administration's recommended defense budget, even though the administration's defense programs are inadequate for the needs that we have?

The Budget Committee's 1981 budget proposal before us now represents at least a full 1 percent cut in real growth below current estimated 1980 defense outlays.

That is simply not acceptable at a time of crucial need for increased U.S. military capabilities, following year after year of cuts in the defense budget so that social programs could be funded at higher levels.

The gentleman from New York (Mr. STRATTON) has told us of his recent visit to the Persian Gulf and Indian Ocean, where the United States is viewed as weak, as hesitant, as indecisive.

As a member of the Budget Committee's Task Force on Defense and International Affairs, I have also visited NATO countries and Spain.

The view of U.S. military capabilities and leadership in these countries is much the same.

The most urgent priority of the United States today is to get our military forces back in shape so we will have a credible deterrent, and so the Soviet Union will in fact be deterred from challenging the United States anywhere in the world.

We cannot get our military back into shape with a budget that requires the purchase of less military aircraft than are being lost each year through operational attrition.

We cannot get our military back into shape so long as our Armed Forces have a 35-percent deficiency in spare parts and munitions, as is currently the case.

How can we get our military back into shape when the administration forces the Defense Department to cannibalize its operations and maintenance account in order to provide funds for its new Indian Ocean operations, rather than request additional funds, and refuses to request sufficient funds to accommodate $4.5 billion in increased military fuel costs?

How can the United States have a credible military deterrent with only enough ships, military personnel, and combat aircraft to outfit a one-and-a-half ocean navy, when it takes a three-ocean navy to do the job?

The American people are demanding lower taxes.

They expect Congress to help fight inflation by lowering overall Federal Government spending.

They expect passage of a 1981 Federal budget that will allow increased U.S. military preparedness.

Congress can only answer these needs by changing some priorities in the proposed 1981 Federal budget.

We must subtract some funds from the large proposed increases in domestic social welfare programs, representing $294 billion of the budget, and provide needed real growth in the national defense area, representing only half that amount.

The Latta substitute is our only remaining opportunity to cut overall Federal spending, to add vitally needed funds to help strengthen our Nation's military capabilities, and to provide our people with a needed $32 billion tax cut in order to help fight economic recession, rampant inflation, and high interest rates.

All this can be done in the context of a balanced Federal budget with the Latta substitute.

I urge adoption of the Latta alternative to the Budget Committee's recommendations for 1981 Federal spending and taxation.

Mr. ROUSSELOT. Mr. Chairman, I would like to make one more comment about our colleague from Texas (Mr. WRIGHT). When the gentleman got up here and said that if you vote for the Latta substitute you are cutting out $1 billion of energy initiative, he was mistaken. What we are cutting is not energy initiative, it is Government spending initiative. I say to my colleagues all that spending done by the Department of Energy has done very little to produce new sources of energy. To say that more Federal spending through that massive Department of Energy is going to produce more energy is just pure poppycock and I wish the gentleman was here so we could discuss it more carefully.

Mr. Chairman, I yield back the balance of my time.

Mr. PEYSER. Mr. Chairman, I move to strike the requisite number of words, and will speak in opposition to the Latta amendment.

Mr. Chairman, it is indeed fortunate that this debate is not going to be measured by the length of time consumed on one side or the other or else my friends on my left the Republicans would certainly win the debate hands down.

Mr. Chairman, it is apparent based on the past votes in this Congress in the past week that the Latta amendment is going to lose. However, I think it does serve a purpose to debate and cover some of the issues again.

Mr. Chairman, as I look at the Latta amendment I see what it has done. We have really voted on two of the largest issues in this amendment already. The call for a $4.5 billion increase in outlay in national defense, as I recall, about $500 million less than the Holt amendment which we defeated by a reasonable margin just last week. The vote calling for a cut in outlays of $800 million from international affairs is very similar to the Quillen amendment which the House defeated by a very substantial majority last week.

Mr. Chairman, it is very apparent to me that regardless of what words of wisdom get said on either side at this point, the Latta amendment is going to fail, and for that I say thank goodness, because, as I read down the list of things that are going to be removed, things that very much affect the lives of people in the United States today, and I hear the statements being made about new productivity and somehow by making these various cuts we are going to increase productivity is something I do not understand, and I admit it very freely. I think that people in the United States do not understand it either. When we talk about the problems of energy and why we have to move ahead and take positive steps in increasing sources of energy, finding new sources, and the Republican alternative is to cut $900 million away from the energy program. We are very concerned about housing and somehow, which I do not understand, I hear the answer to increased housing is to cut $300 million away from housing.

Mr. Chairman, we talk about transportation. Now everyone is deeply concerned about mass transit in this country and we say we must improve on mass transit, we must revitalize our railroads, we must get people back in the United States who are manufacturing railroad equipment. The answer to all that on the Republican side is to cut $1.2 billion away from transportation.

Now, Mr. Chairman, we go further to education and jobs. I cannot think of two areas more vital to the American people today. Very honestly I say to my friends on the Republican side that one of the great problems that I personally saw with the Republican Party was its unwillingness to recognize that education was one of the really vital things that the people of this country are concerned about. They are concerned over the youth and what is going to happen to them, and the Republican answer to that is to cut $3.7 billion away from education.

Now health. We talk about the question of health in this country. It is of great concern to everyone. We recognize an increasing need to do something about the health and services we offer to people in this country. The Republican answer to that is to cut $900 million away from health programs.

Mr. Chairman, I will refer to one other area, and that is the area of justice, the administration of justice. For a long time the Republican Party and its leadership claimed they were the law and order party. They were the party that was for enforcing the law and for reaching out to communities to help them. The answer today for justice and services seems to be to cut $300 million from the budget.

Mr. Chairman, when you couple all these things together, thank goodness the American people do have some very practical knowledge. They may not understand, as I do not understand, many of the very technical aspects that are stated so easily on the floor of this House in economic theory, but they do understand some very practical things.

The CHAIRMAN pro tempore. The time of the gentleman has expired.

(By unanimous consent, Mr. PEYSER was allowed to proceed for 1 additional minute.)

Mr. PEYSER. Mr. Chairman, the American people do understand that there are certain programs and certain services that must be rendered by our Government or else our Government is not going to be producing the kind of country, the kind of people in the country who can survive and that we can act in unity in this country as a great and strong Nation. We cannot do that by simply saying we are going to slash everything across the board and somehow everything is going to work out all right and we will have no problems in the future.

Mr. Chairman, I know we will defeat the Latta amendment and then we can move on to bigger and better things like the Rousselot amendment which we will also defeat.

Mr. RUDD. Mr. Chairman, will the gentleman yield?

Mr. PEYSER. I will be glad to yield to my friend.

Mr. RUDD. Mr. Chairman, I recognize that this is a difficult problem for all of us and I thank the distinguished gentleman from New York for yielding.

As an alternative to what the gentleman suggests, I wonder how the people of the United States will take to a $148 billion tax increase in the last 2 years.

☐ 1620

Mr. PEYSER. Well, I think that the gentleman's term of a tax increase is really misstated.

Mr. GIAIMO. Mr. Chairman, we have been debating this amendment and we have had a very meaningful debate on this amendment since 12:30—almost 4 hours.

We have no other requests for time on our side. I understand that there are about three on the minority side.

Mr. Chairman, I ask unanimous consent that all debate on this amendment end in 15 minutes.

The CHAIRMAN pro tempore (Mr. MURTHA). Is there objection to the request of the gentleman from Connecticut?

There was no objection.

The CHAIRMAN pro tempore. Members standing at the time the unanimous-consent request was agreed to will be recognized for 1 minute each.

The Chair recognizes the gentleman from Ohio (Mr. BROWN).

Mr. BROWN of Ohio. Mr. Chairman, the amendment we are now considering offers the House a clear choice between fiscal profligacy and fiscal restraint, between high taxes and tax cuts, between recession and economic growth. The substitute offered by the gentleman from Ohio (Mr. LATTA) and endorsed by the House Republican policy committee represents $14 billion less in spending than the budget approved by the House Budget Committee. The Republican substitute will allow a $32 billion tax cut next year. And it is a balanced budget.

The balanced budget is important, because it will get the Federal Government out of the private credit market. That will allow the Federal Reserve Board to fight inflation by restraining the growth of the money supply without driving interest rates so high.

The spending restraint also is important, because it means the budget can be balanced and taxes can be cut, too. The error inherent in the Carter administration-House Budget Committee budget proposal is that it is balanced only because it provides for the highest taxes ever imposed on Americans.

This idea that the budget must be in balance, but that its size is irrelevant, stems from the failure to understand that inflation is caused not only by excessive money creation, but also by constraints on the supply of goods. These constraints include high taxes on individual workers, high taxes on savings, inadequate depreciation for equipment and unnecessary regulation of the American productive plant.

We can loosen these constraints, and stimulate the production of goods by enacting tax cuts that encourage saving and increase the aftertax reward to investment. Combined with a balanced budget and a gradual reduction in the growth of the money supply, these policies would work together against inflation.

If the Congress approves the Carter administration-Budget Committee proposal, it will have taken only half of the equation. Because the barriers to production still will be in place, productivity will stay near zero and workers' real wages will continue to fall. Since economic growth will be slow or negative, unemployment will grow.

The Republican substitute would allow for adoption of two or three important tax cut proposals.

First, we need to cut taxes on savings to give Americans a real return on interest and dividend income. The U.S. savings rate, long the lowest in the Western industrialized world, has dropped to near-record lows. Not coincidentally, our rate of productivity increase, also the lowest among major industrialized nations, has dropped to zero. As long as savings remains low, the United States will compare poorly in investment, growth, job creation, and real wage increases.

A good way to reverse this trend would be to enact the savings incentive bill I have introduced along with the gentleman from California (Mr. ROUSSELOT), H.R. 6400. It provides that earned income and savings income shall be taxed separately, meaning that the tax rate would be cut sharply on interest and dividends for most Americans.

Along with the savings incentive bill, the Republican substitute budget resolution would allow for enactment of a change in depreciation laws designed to encourage an increase in productivity through large-scale investment in new business plant and equipment. The Carter administration knows that such changes are needed. Treasury Secretary G. William Miller told the Joint Economic Committee:

> The depreciation allowances now in place are insufficient to fund replacement of plant and equipment, not to mention either expansion of capacity or modernization with new technology.

But the President wants a balanced budget without spending cuts, so the tax cut policy will have to wait—unless the Republican substitute budget is adopted.

These two tax cuts go hand in hand as a prescription for economic growth. The savings incentive will inject ample funds into the credit markets, which businesses can then use for modernization and expansion. The result will be the first chance in years for significant gains in real take-home pay for workers and millions of new job opportunities for the unemployed. The alternative guaranteed by the House Budget Committee is a future of stagnant living standards, rising unemployment and raging inflation.

If the savings incentive and depreciation tax cuts are properly phased in, the Republican substitute also would allow for the first step of a marginal cut in personal income tax rates that would encourage Americans to work and save more, while at the same time allowing them to keep more of their hard-earned wages. Along with the personal tax cut should go a tax indexing measure designed to prevent Americans from being driven into higher tax brackets by inflation. When a worker receives a cost-of-living raise designed to keep pace with inflation, he should not find himself in a higher tax bracket, sharing part of that cost-of-living raise with the Federal Government.

These tax cuts are possible within the context of a balanced budget only because the Republican substitute exercises great fiscal restraint. It is not quite accurate to say that the substitute cuts the budget: It only restrains the rate of growth of federal spending. It still allows significant increases over current year spending, particularly in the area of defense. In fact, the Republican substitute provides for a $4.5 billion increase in defense spending over the House Budget Committee recommendation.

The savings in other areas are achieved largely by administrative efficiencies and reductions in bureaucratic redtape. The Republican substitute sets spending targets which would require the Congress to consolidate Federal programs in education, health and social services. These changes would streamline the delivery of Federal funds to localities where they are needed, without the expense and burden of setting strict Federal guidelines on the use of the funds. The Nation would benefit from both the efficiency of the programs and from the increased degree of local control over the use of the funds.

The combination of spending restraint and tax cuts with a balanced budget is a first step toward restraining the growth of the Federal Government and encouraging growth in the private sector. It will allow the Federal Reserve Board to wage its battle against inflation without sending interest rates to record levels. Americans would be able to borrow for a new home or for college, farmers would be able to get short-term loans so they can plant their crops, and businesses would be able to get the capital they need to modernize and expand. The worker could expect real gains in take-home pay and the unemployed would find millions of new job opportunities.

The alternative represented by the House Budget Committee proposal portends a future marred by continued high inflation and little hope for a rising standard of living—a prospect as bleak as it is unnecessary.

The CHAIRMAN pro tempore. The Chair recognizes the gentleman from Nebraska (Mr. BEREUTER).

(By unanimous consent Mr. THOMAS yielded his time to Mr. BEREUTER.)

Mr. BEREUTER. Mr. Chairman, I rise in support of the amendment offered by my colleague, Congressman LATTA.

The substitute budget offered by Congressman LATTA represents a reasonable, prudent allocation of our Nation's financial resources in light of the national priorities established by this Congress.

The Latta amendment would provide for the collection of $599.9 billion in revenues, $1 billion less than the level authorized by the Budget Committee's resolution. Adoption of the Latta substitute would:

Allow enactment of a very major tax cut in fiscal year 1981;

Allow rejection of the unpopular gasoline tax;

Allow rejection of the unpopular withholding of income tax payments on income earned from savings account interest and dividends; and

Provide an important psychological boost to American taxpayers burdened by rampant inflation and "bracket creep"—which should translate into heightened support for the entire anti-inflation program.

Let me make one thing clear; this is not a skinflint's budget amendment.

Enactment of the Latta substitute would:

First. Still require $71.1 billion more in revenue collections over the level established by the proposed third budget resolution for fiscal year 1980;

Second. Provide an overall $30.8 billion increase in outlays over the proposed third budget resolution for fiscal year 1980 ($19.7 billion for defense spending; $11.1 billion for nondefense spending);

Third. Authorize spending higher outlays in the five nondefense functions than the outlay levels recommended by the Senate Budget Committee;

Fourth. Still authorizes less outlays in the defense function than that recommended by the Senate Budget Committee;

Fifth. Authorize spending higher outlays in two nondefense functions than the levels recommended in March by the President; and

Sixth. Authorizes, quite appropriately, spending higher outlays in the general fiscal assistance function (general revenue sharing program) than that approved by the House Budget Committee.

I urge my colleagues to join me in supporting the worthy substitute offered by Congressman LATTA.

The CHAIRMAN pro tempore. The Chair recognizes the gentleman from South Dakota (Mr. DASCHLE).

Mr. DASCHLE. Mr. Chairman, I rise in opposition to the amendment.

(By unanimous consent Mr. DASCHLE yielded the balance of his time to Mr. GIAIMO.)

The CHAIRMAN pro tempore. The Chair recognizes the gentleman from Connecticut (Mr. RATCHFORD).

Mr. RATCHFORD. Mr. Chairman, I rise in opposition to the Latta amendment.

(By unanimous consent Mr. RATCHFORD yielded the balance of his time to Mr. GIAIMO.)

The CHAIRMAN pro tempore. The Chair recognizes the gentleman from Georgia (Mr. GINGRICH).

(By unanimous consent Mr. LATTA yielded his time to Mr. GINGRICH.)

(By unanimous consent Mr. GIAIMO yielded 2 minutes of his time to Mr. GINGRICH.)

Mr. GINGRICH. Mr. Chairman, I begin by commending the gentlemen from Connecticut and Ohio, because I think this is a historic debate. I think because of the efforts of the chairman of the Budget Committee, we are crafting a new process. This is a historic moment for this country.

The political establishment of this country that has increased during the last half century is tied to the iron triangle of special interests, bureaucracy, and the committee structure. That establishment worked well as long as the pie kept growing. However, its tax and regulatory policies in the last 20 years have crippled the bakery, and the pie is now shrinking. The budget process is designed to handle precisely the problems of the Federal Government's impact on the economy. But, the essence of the majority leadership is to say, "You cannot challenge the iron triangle. You have to keep adding appropriations," and that is in fact against the very principles of the budget process.

We believe that proposition is not appropriate at the present time. We believe you must look at the American economy and then set the ceilings. The question is, Which institution should bear the greater burden of the change—the taxpayer, the business, the jobholder, or the Federal bureaucracy?

Our budget would require change. We recognize that. We say that it is the duty of Congress to change the bureaucratic lifestyle as much as this economy is forcing the auto worker, the farmer, the businessman, the taxpayer, to change theirs.

However, since we know that even our austere budget is $50 billion higher in outlays than the budget we adopted last November. In one category, veterans, we are $100 million higher than the last budget. However, the majority leadership is still not satisfied. The $50 billion in higher outlays is so large and poses such a heavy burden on the economy that it would be a disaster in the recession we are entering. It guarantees a deeper recession, more unemployment, more pressure on the taxpayer.

We used a specific figure for the tax burden. My office developed a figure, and the majority leader questioned me about it off the floor. I asserted that the tax burden for the typical working couple would rise $1,980 under the Giaimo budget. Let me explain how we reached that figure.

There are three principles involved.

One, all taxes are the responsibility of Congress, such as the gas tax, the windfall profit tax, the social security increase, bracket creep. For individuals who receive cost-of-living increases. The principle is, if Congress does not want a tax, it can repeal it.

Two, the majority must bear the burden of its actions. Revenue increases for the Government are massive, but income for Americans is declining. That choice has to rest on the majority.

Three, all taxes are ultimately paid by people who work. Labor ultimately bears the burden of every tax in this country.

I believe, therefore, that it is legitimate to say that if you vote against Latta and for Giaimo, you must accept the burden of responsibility for a steep recession, for more people out of work, for higher taxes crushing working Americans.

Today and tomorrow are the days of reckoning in Washington. November will be the day of reckoning for the country. We have the burden of governing. The American people have the responsibility of judging the quality of life we have produced. How we vote today and tomorrow will affect how all Americans vote in November.

☐ 1630

The CHAIRMAN pro tempore. The Chair recognizes the gentleman from Missouri (Mr. VOLKMER).

Mr. VOLKMER. Mr. Chairman, I rise in opposition to the Latta amendment.

The CHAIRMAN pro tempore. The Chair recognizes the gentleman from Kansas (Mr. GLICKMAN).

Mr. GLICKMAN. Mr. Chairman, I rise in opposition to the Latta amendment.

The CHAIRMAN pro tempore. The Chair recognizes the gentleman from Iowa (Mr. HARKIN).

Mr. HARKIN. Mr. Chairman, I rise in opposition to the Latta amendment.

(By unanimous consent, Messrs. VOLKMER, SABO, GLICKMAN, and HARKIN yielded their time to Mr. GIAIMO.)

(By unanimous consent, Mr. GIAIMO yielded 2 minutes of his time to Mr. WALKER.)

The CHAIRMAN pro tempore. The Chair recognizes the gentleman from Pennsylvania (Mr. WALKER).

Mr. WALKER. Mr. Chairman, I thank the committee chairman for yielding me more time. I appreciate that.

Mr. Chairman, all I wanted to bring to the attention of the House in defense of the Latta amendment is a few facts from the standpoint of some conventional wisdom that we have long talked about with regard to the economy of this country.

We have said for a long time that if we ran into the problem of inflation, what we should do is cut Government spending and balance the budget. Today that is recognized across the land as being one of the actions we ought to take to respond to the problem of inflation.

When faced with recession, we have said that what we should do is cut taxes to stimulate growth. I would say to my colleagues on the other side of the aisle that that is something which they have said time and time again when the economy has been slack, namely, that we ought to move toward tax cuts to stimulate the growth of the economy.

It seems to me that as we face the economic situation today, the Carter administration and this Congress have given the people two things together. They have given the working people of the country both inflation and recession. An economic situation has been created where Americans are devastated by 18-percent inflation and at the same time are losing their jobs at a record rate.

Mr. Chairman, that demands a comprehensive approach, and the comprehensive approach is to do some of the things that the American people regard as good commonsense. They are saying in poll after poll that what they want to do is balance the budget, cut taxes, increase defense spending and help the disadvantaged. A lot of people in the country are saying, "You can't have all those things. We can't do all those things."

My colleagues on the other side of the aisle are saying instead, "What you have to do is to sacrifice."

But from what I have heard today, Americans do not just have to sacrifice. That is not the answer. The answer lies in the Latta amendment which does the very things the American people know should be done. By this approach outlined in the Latta amendment, we would balance the budget, cut taxes, and increase defense spending, and at the same time we would help the disadvantaged.

Mr. Chairman, those are the things that a majority of the American people regard as good, sound commonsense. They are commonsense not only for the American people, but they ought to be commonsense for this Congress.

The CHAIRMAN pro tempore. The Chair recognizes the gentleman from Iowa (Mr. GRASSLEY).

Mr. GRASSLEY. Mr. Chairman, the amendment now pending before this committee, offered by the gentleman from Ohio (Mr. LATTA) presents us with a clear choice on how the Federal budget for fiscal year 1981 is to be brought into balance. It is, simply put, a choice between equalizing revenues and outlays by increasing taxes or by reducing Federal spending. The Latta amendment seeks to bring the budget into balance, at long last, by reducing Federal outlays and I support this effort without reservation.

Mr. Chairman, it was not so long ago that those of us who are labeled fiscal conservatives limited our efforts to simply getting a balanced budget. We were in a minority then and were hard-pressed to even have our voices heard above those who constantly preach their false gospel that we should not be concerned with megabillion deficits because, after all, we owe it to ourselves. It was not easy back in the autumn of 1978 when I offered a motion on the House floor that had, as its end result, language being added to the United States Code that requires a balanced Federal budget by fiscal 1981. Incidentally, the provisions of that law can now be found in section 7 of Public Law 95–435. It is there.

During the past few months, however, public opinion has shifted to the point where now a majority of the American people—and I believe a majority of their elected representatives—believe that a balanced Federal budget is a precondition to any economic recovery. Now the question is—how shall we get the job done?

The Latta amendment would, without jeopardizing our national defense, reduce Federal outlays by approximately $14 billion. It would also mandate a tax cut of $32 billion. This sum of money will, at least in part, serve to offset tax creep whereby individuals find that double digit inflation has forced wage-earners into higher income brackets. The average taxpayer will be able to retain more of his or her earnings and capital formation will be encouraged.

The Latta amendment does even more. It will address the concerns which have been voiced by Americans interested in services provided veterans. It will make it possible for States to receive revenue sharing moneys that, under the committee resolution, they would otherwise have to forgo.

Mr. Chairman, the amendment now under consideration does make prudent reductions in other budget functions.

But, in the main, these are not reductions compared to fiscal year 1980 spending levels. Rather, the Latta substitute will restrain and limit the size of increases in levels of spending over and above those authorized for fiscal 1980. So, those who charge that this responsible effort to limiting the size and growth of Government goes too far, that it guts social programs and human resources projects, are simply incorrect. Their share of the pie is not, as we have heard so often, being reduced. It is simply not growing as fast as some would like.

The amendment now under consideration truly represents a balanced approach to balancing the Federal budget for the upcoming fiscal year. It does not seek to balance the budget on the backs of the poor and disadvantaged. It restrains spending, limits the size and growth of Government, and will, if adopted, demonstrate that the House of Representatives is truly committed to facing up to our economic problems.

Mr. Chairman, I urge an affirmative vote on the Latta substitute to the first concurrent budget resolution for fiscal year 1981.

● Mr. DORNAN. Mr. Chairman, later this month, the Public Broadcast System will air the first major work in over a decade by one of America's premier satirists. The show, "The Stan Freberg Federal Budget Revue—or the $600 Billion Misunderstanding," will be similar to the last week here on the House floor. According to the Newsweek magazine, it will feature hot-air balloons, tanks, lavish production numbers, and elephants.

Well this is one GOP elephant who is hoping he can give thanks tomorrow that his colleagues cut out a few hot-air balloons and lavish production numbers. Today we face a choice between the Giaimo budget, which is really a blueprint for tax increases, and the Latta amendment which will revive an old American favorite, the marketplace.

Over the past few years the budget has been described as restrained, lean, austere, prudent, and responsible. Stan Freberg could not have been more sarcastic. We have finally balanced the budget, but not by exercising great restraint. Instead of spending less, we tax more. The Giaimo budget raises taxes $960 for every working American. It is not clear to me how this is going to benefit the economy.

If we are serious about helping the average American, how can we propose to withhold taxes on savings and dividends? We hear a lot of talk about encouraging capital investment. The windfall profits bill included a small tax benefit for interest income. Now we are going to turn around and discourage savings again. The inconsistency here is appalling.

The economy needs a stimulant. That stimulant is simply that the Government must stop taking its capital base. The Latta amendment recognizes the needs for increased productivity and increased economic activity. If we are going to make the budget a tool for reviving growth in this Nation, we must vote for the Latta amendment. Please.●

The CHAIRMAN pro tempore. The Chair recognizes the chairman of the committee, the gentleman from Connecticut (Mr. GIAIMO), to conclude the debate.

Mr. GIAIMO. Mr. Chairman, we have debated this very important amendment at great length. I am terribly concerned about this amendment for several reasons.

First of all, I think the tax reduction contained in it is too high. It is $30 billion rather than $20 billion as the committee recommends. I think we could work out a $20 billion reduction, particularly with the oil import fee, but I think to go to $30 billion in this highly inflationary period would endanger our efforts to reduce inflation.

I think the accompanying cuts in spending programs are too drastic. I think that the committee, which has cut well over $20 billion, with $16.5 billion plus about $5 billion in legislative reform, has gone about as far as we can go at this time. The last point is the fact that the amendment makes no provision for 1980, although there is need to raise the ceiling so that we can make payments in areas ranging from defense to food stamps, disaster relief, black lung, and many others.

Mr. Chairman, I urge the defeat of the amendment.

The CHAIRMAN pro tempore. The question is on the amendment in the nature of a substitute offered by the gentleman from Ohio (Mr. LATTA).

The question was taken; and the Chairman pro tempore announced that the noes appeared to have it.

RECORDED VOTE

Mr. LATTA. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 175, noes 242, not voting 15, as follows:

[Roll No. 215]

AYES—175

Abdnor
Andrews, N. Dak.
Archer
Ashbrook
Badham
Bafalis
Barnard
Bauman
Beard, Tenn.
Bereuter
Bethune
Boner
Brinkley
Broomfield
Brown, Ohio
Broyhill
Buchanan
Burgener
Butler
Byron
Campbell
Carney
Carter
Chappell
Cheney
Clausen
Cleveland
Clinger
Coleman
Collins, Tex.
Conable
Conte
Corcoran
Coughlin
Courter
Crane, Daniel
Crane, Philip
Daniel, Dan
Daniel, R. W.
Dannemeyer
Davis, Mich.
Deckard
Derwinski
Devine
Dickinson
Dornan
Dougherty
Duncan, Tenn.
Edwards, Ala.
Edwards, Okla.
Emery
Erdahl
Erlenborn
Evans, Del.
Fenwick
Findley
Fish
Forsythe
Frenzel
Gilman
Gingrich
Goldwater
Goodling
Gradison
Gramm
Grassley
Grisham
Guyer
Hagedorn
Hall, Tex.
Hammerschmidt
Hance
Harsha
Heckler
Hillis
Hinson
Holt
Hopkins
Horton
Huckaby
Hyde
Ichord
Jeffries
Kelly
Kemp
Kindness
Kramer
Lagomarsino
Latta
Leach, Iowa
Leach, La.
Leath, Tex.
Lee
Lent
Levitas
Lewis
Livingston
Loeffler
Lott
Lujan
Lungren
McClory
McCloskey
McDade
McDonald
McEwen
Madigan
Marks
Marlenee
Martin
Mathis
Michel
Miller, Ohio
Mitchell, N.Y.
Montgomery
Moore
Moorhead, Calif.
Mottl
Murtha
Myers, Ind.
O'Brien
Pashayan
Paul
Petri
Porter
Pritchard
Quillen
Railsback
Regula
Rhodes
Rinaldo
Ritter
Robinson
Roth
Rousselot
Royer
Rudd
Runnels
Santini
Satterfield
Sawyer
Schulze
Sebelius
Sensenbrenner
Shelby
Shumway
Shuster
Smith, Nebr.
Snowe
Snyder
Solomon
Spence
Stangeland
Stanton
Stenholm
Stockman
Stump
Symms
Tauke
Taylor
Thomas
Trible
Vander Jagt
Walker
Wampler
White
Whitehurst
Whittaker
Wilson, Bob
Winn
Wyatt
Wydler
Wylie
Young, Alaska
Young, Fla.

NOES—242

Addabbo
Akaka
Albosta
Alexander
Ambro
Anderson, Calif.
Anderson, Ill.
Annunzio
Anthony
Applegate
Ashley
Aspin
Atkinson
AuCoin
Bailey
Baldus
Barnes
Beard, R.I.
Bedell
Beilenson
Benjamin
Bennett
Bevill
Biaggi
Bingham
Blanchard
Boggs
Boland
Bolling
Bonior
Bonker
Bouquard
Bowen
Brademas
Breaux
Brodhead
Brooks
Brown, Calif.
Burlison
Burton, John
Burton, Phillip
Carr
Cavanaugh
Chisholm
Clay
Coelho
Collins, Ill.
Conyers
Corman
Cotter
D'Amours
Danielson
Daschle
Davis, S.C.
de la Garza
Dellums
Derrick
Dicks
Diggs
Dingell
Dixon
Dodd
Donnelly
Downey
Drinan
Duncan, Oreg.
Early
Eckhardt
Edgar
Edwards, Calif.
English
Ertel
Evans, Ga.
Evans, Ind.
Fary
Fascell
Fazio
Ferraro
Fisher
Fithian
Flippo
Florio
Foley
Ford, Mich.
Ford, Tenn.
Fountain
Fowler
Frost
Fuqua
Garcia
Gaydos
Gephardt
Giaimo
Gibbons
Ginn
Glickman
Gonzalez
Gore
Gray
Green
Guarini
Gudger
Hall, Ohio
Hamilton
Hanley
Harkin
Harris
Hawkins
Heftel
Hightower
Holland
Hollenbeck
Howard
Hubbard
Hughes
Hutto
Ireland
Jacobs
Jeffords
Jenkins
Jenrette
Johnson, Calif.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kazen
Kildee
Kogovsek
Kostmayer
LaFalce
Lederer
Lehman
Leland
Lloyd
Long, La.
Long, Md.
Lowry
Luken
Lundine
McCormack
McHugh
McKay
Maguire
Markey
Matsui
Mattox
Mavroules
Mazzoli
Mica
Mikulski
Miller, Calif.
Mineta
Minish
Mitchell, Md.
Moakley
Moffett
Mollohan
Moorhead, Pa.
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Musto
Myers, Pa.
Natcher
Neal
Nedzi
Nichols
Nolan
Nowak
Oakar
Oberstar
Obey
Ottinger
Panetta
Patten
Patterson
Pease
Pepper
Perkins
Peyser
Pickle
Preyer
Price
Pursell
Rangel
Ratchford
Reuss
Richmond
Roberts
Rodino
Roe
Rosenthal
Rostenkowski
Roybal
Russo
Sabo
Scheuer
Schroeder
Seiberling
Shannon
Sharp
Simon
Skelton
Smith, Iowa
Solarz
Spellman
St Germain
Stack
Staggers
Stark
Steed
Stewart
Stratton
Studds
Swift
Synar
Thompson
Traxler
Udall
Ullman
Van Deerlin

Vanik
Vento
Volkmer
Walgren
Watkins
Waxman
Weaver
Weiss
Whitten
Williams, Mont.
Williams, Ohio
Wilson, C. H.
Wilson, Tex.
Wirth
Wolff
Wolpe
Wright
Yatron
Young, Mo.
Zablocki
Zeferetti

NOT VOTING—15

Andrews, N.C.
Hansen
Hefner
Holtzman
Johnson, Colo.
Jones, N.C.
McKinney
Marriott
Nelson
Quayle
Rahall
Rose
Stokes
Whitley
Yates

☐ 1650

The Clerk announced the following pairs:

On this vote:

Mr. Hansen for, with Mr. Stokes against.

Mr. Marriott for, with Ms. Holtzman against.

Mr. Quayle for, with Mr. McKinney against.

Mr. THOMPSON changed his vote from "aye' to "no."

Mrs. HOLT and Mr. LEWIS changed their votes from "no" to "aye."

So the amendment in the nature of a substitute was rejected.

The result of the vote was announced as above recorded.

AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. ROUSSELOT

Mr. ROUSSELOT. Mr. Chairman, I offer an amendment in the nature of a substitute.

The Clerk read as follows:

Amendment in the nature of a substitute offered by Mr. ROUSSELOT:

Strike all after the resolving clause and insert in lieu thereof the following:

That the Congress hereby determines and declares, pursuant to section 301(a) of the Congressional Budget Act of 1974, that for the fiscal year beginning on October 1, 1980—

(1) the recommended level of Federal revenues is $603,500,000,000, and the amount by which the aggregate level of Federal revenues should be decreased is $20,600,000,000 and the amount by which the aggregate level of Federal revenues should be increased is $900,000,000.

(2) the appropriate level of total budget authority is $689,000,000,000;

(3) the appropriate level of total budget outlays is $601,400,000,000;

(4) the amount of the surplus in the budget which is appropriate in the light of economic conditions and all other relevant factors is $2,100,000,000;

(5) the appropriate level of the public debt is $926,800,000,000 and the amount by which the statutory limit on such debt should accordingly be increased is $30,100,000,000; and

(6) the appropriate level of total gross obligations for the principal amount of direct loans is $60,600,000,000 and the appropriate level of total commitments to guarantee loan principal is $79,600,000,000.

SEC. 2. Based on allocations of the appropriate level of total new budget authority and of total budget outlays as set forth in paragraphs (2) and (3) of the first section of this resolution, the Congress hereby determines and declares pursuant to section 301(a)(2) of the Congressional Budget Act of 1974, that for the fiscal year beginning on October 1, 1980, the appropriate level of new budget outlays authority and the estimated budget outlays for each major functional category are as follows:

(1) National Defense (050):

(A) New budget authority, $160,800,000,000;

(B) Outlays, $147,900,000,000.

(2) International Affairs (150):

(A) New budget authority, $22,800,000,000;

(B) Outlays, $8,800,000,000.

(3) General Science, Space, and Technology (250):

(A) New budget authority, $6,400,000,000.;

(B) Outlays, $6,100,000,000.

(4) Energy (270):

(A) New budget authority, $7,500,000,000;

(B) Outlays, $6,800,000,000.

(5) Natural Resources and Environment (300):

(A) New budget authority, $12,000,000,000;

(B) Outlays, $12,200,000,000.

(6) Agriculture (350):

(A) New budget authority, $5,400,000,000;

(B) Outlays, $2,200,000,000.

(7) Commerce and Housing Credit (370):

(A) New budget authority, $5,100,000,000;

(B) Outlays, —$100,000,000.

(8) Transportation (400):

(A) New budget authority, $22,800,000,000;

(B) Outlays, $18,200,000,000.

(9) Community and Regional Development (45):

(A) New budget authority, $9,000,000,000;

(B) Outlays, $9,000,000,000.

(10) Education, Training, Employment and Social Services (500):

(A) New budget authority, $33,300,000,000;

(B) Outlays, $28,400,000,000.

(11) Health (55):

(A) New budget authority, $71,500,000,000;

(B) Outlays, $61,000,000,000.

(12) Income Security (600):

(A) New budget authority, $248,500,000,000;

(B) Outlays, $216,700,000,000.

(13) Veterans Benefits and Services (700):

(A) New budget authority, $21,800,000,000;

(B) Outlays, $21,300,000,000.

(14) Administration of Justice (750);

(A) New budget authority, $3,900,000,000;

(B) Outlays, $4,300,000,000.

(15) General Government (800):

(A) New budget authority, $4,500,000,000;

(B) Outlays, $4,400,000,000.

(16) General Purpose Fiscal Assistance (850):

(A) New budget authority, $6,300,000,000;

(B) Outlays, $6,800,000,000.

(17) Interest (900):

(A) New budget authority, $72,000,000,000;

(B) Outlays, $72,000,000,000.

(18) Allowances (920):

(A) New budget authority,-$0

(B) Outlays,-$0

(19) Undistributed Offsetting Receipts (950):

(A) New budget authority, —$24,600,000-000

(B) Outlays, —$24,600,000,000

SEC. 3. Pursuant to sections 301(b)(2) and 310 of the Budget Act:

(a)(1) the House Committee on Agriculture and the Senate Committee on Agriculture, Nutrition, and Forestry shall recommend program reductions for fiscal year 1981 in reported or enacted laws, bills, and resolutions that reduce spending by $1,120,000,000 in budget authority and $1,120,000,000 in outlays and are instructed to report on or before June 15, 1980, such recommendations to effectuate reductions in corresponding new budget authority for fiscal year 1981, budget authority initially provided for prior fiscal years, and new or existing spending authority for programs within the jurisdiction of those committees;

(2) the Senate Committee on Agriculture, Nutrition and Forestry shall reduce spending for fiscal year 1981 in enacted laws, bills, and resolutions by $1,033,000,000 in budget authority, and $1,007,000,000 in outlays and is instructed to report on or before June 15, 1980, its recommendations for changes in new budget authority for fiscal year 1981, budget authority initially provided for prior fiscal years, and new or existing spending authority contained in enacted laws, bills, and resolutions within the jurisdiction of this committee sufficient to accomplish the reduction required by this subsection;

(b) the House Committee on Armed Services and the Senate Committee on Armed Services shall reduce spending for fiscal year 1981 in enacted laws, bills, and resolutions by $3,263,000,000 in budget authority and $3,188,000,000 in outlays and are instructed to report on or before June 15, 1980, their recommendations for changes in new budget authority for fiscal year 1981, budget authority initially provided for prior fiscal years, and new or existing spending authority contained in enacted laws, bills, and resolutions within the jurisdictions of those committees sufficient to accomplish the reduction required by this subsection;

(c) the House Committee on Education and Labor shall reduce spending for fiscal year 1981 in enacted laws, bills, and resolutions by $1,339,000,000 in budget authority and $1,286,000,000 in outlays, and is instructed to report on or before June 15, 1980, its recommendations for changes in new budget authority for fiscal year 1981, budget authority initially provided for prior fiscal years, and new or existing spending authority contained in enacted laws, bills, and resolutions within the jurisdiction of this committee sufficient to accomplish the reduction required by this subsection;

(d) the House Committee on Interstate and Foreign Commerce shall reduce spending for fiscal 1981 in reported or enacted laws, bills, and resolutions by $300,000,000 in budget authority and $370,000,000 in outlays and is instructed to report on or before June 15, 1980, its recommendations for changes in new budget authority for fiscal year 1981, budget authority initially provided for prior fiscal years, and new or existing spending authority contained in reported or enacted laws, bills, and resolutions within the jurisdiction of this committee sufficient to accomplish the reduction required by this subsection:

(e) the House Committee on Post Office and Civil Service and the Senate Committee on Governmental Affairs shall reduce spending for fiscal year 1981 in enacted laws, bills, and resolutions by $3,639,000,000 in budget authority and $4,204,000,000 in outlays and are instructed to report on or before June 15, 1980, their recommendations for changes in new budget authority for fiscal year 1981, budget authority initially provided for prior fiscal years, and new or existing spending authority contained in enacted laws, bills, and resolutions within the jurisdictions of those committees sufficient to accomplish the reduction required by this subsection;

(f)(1) the House Committee on Public Works and Transportation and the Senate Committee on Environment Public Works shall recommend program reductions for fiscal year 1981 in enacted laws, bills, and resolutions that reduce spending by $400,000,000 in outlays and are instructed to report on or before June 15, 1980, such recommendations to effectuate reductions in corresponding outlays for programs within the jurisdiction of those committees;

(2) the House Committee on Public Works and Transportation shall reduce spending for fiscal year 1981 in enacted laws, bills, and resolutions by $550,000,000 in budget authority and $550,000,000 in outlays and is instructed to report on or before June 15, 1980, its recommendations for changes in new budget authority for fiscal year 1981, budget authority initially provided for prior fiscal years, and new or existing spending

authority contained in reported or enacted laws, bills, and resolutions within the jurisdiction of this committee sufficient to accomplish the reduction required by this subsection;

(g) the House Committee on Veterans' Affairs and the Senate Committee on Veterans' Affairs shall reduce spending or recommend program reductions for fiscal year 1981 in enacted laws, bills, and resolutions by $300,000,000 in budget authority and $300,000,000 in outlays and are instructed to report on or before June 15, 1980, their recommendations to reduce spending, or to effectuate reductions, in new or corresponding budget authority for fiscal year 1981, budget authority initially provided for prior fiscal years, and new or existing spending authority contained in enacted laws, bills, and resolutions within the jurisdictions of those committees, or for programs within the jurisdictions of those committees, sufficient to accomplish the reduction required by this subsection;

(h) the House Committee on Ways and Means shall reduce spending for fiscal year 1981 in reported or enacted laws, bills, and resolutions by $917,000,000 in budget authority and $2,169,000,000 in outlays, and is instructed to report on or before June 15, 1980, its recommendations for changes in new budget authority for fiscal year 1981, budget authority initially provided for prior fiscal years, and new or existing spending authority contained in reported or enacted laws, bills, and resolutions within the jurisdiction of this committee sufficient to accomplish the reduction required by this subsection;

(i) the Senate Committee on Commerce, Science and Transportation shall reduce spending for fiscal year 1981 in enacted laws, bills, and resolutions by $550,000,000 in budget authority and $550,000,000 in outlays and is instructed to report on or before June 15, 1980, its recommendations for changes in new budget authority for fiscal year 1981, budget authority initially provided for prior fiscal years, and new or existing spending authority contained in enacted laws, bills, and resolutions within the jurisdiction of this committee sufficient to accomplish the reduction required by this subsection;

(j) the Senate Committee on Finance shall reduce spending for fiscal year 1981 in enacted laws, bills, and resolutions by $1,217,000,000 in budget authority and $2,469,000,000 in outlays and is instructed to report on or before June 15, 1980, its recommendations for changes in new budget authority for fiscal year 1981, budget authority initially provided for prior fiscal years, and new or existing spending authority contained in enacted laws, bills, and resolutions within the jurisdiction of this committee sufficient to accomplish the reduction required by this subsection.

(k) the Senate Committee on Labor and Human Resources shall reduce spending for fiscal year 1981 in enacted laws, bills, and resolutions by $306,000,000 in budget authority and $349,000,000 in outlays and is instructed to report on or before June 15, 1980, its recommendations for changes in new budget authority for fiscal year 1981, budget authority initially provided for prior fiscal years, and new or existing spending authority contained in enacted laws, bills, and resolutions within the jurisdiction of this committee sufficient to accomplish the reduction required by this subsection; and

(l) the House Committee on Ways and Means and the Senate Committee on Finance shall decrease revenues for fiscal year 1981 in reported or enacted laws, bills, and resolutions by $19,800,000,000 and are instructed to report on or before June 15, 1980, their recommendations for changes in revenues for fiscal year 1981 contained in reported or enacted laws, bills, and resolutions within the jurisdictions of those committees sufficient to accomplish the increase required by this subsection.

SEC. 4. In accordance with section 301 (b)(1) of the Budget Act, no bill or resolution providing new budget authority for fiscal year 1981 or providing new or existing spending authority described in section 401 (c)(2)(C) of the Budget Act in excess of the allocation of the appropriate levels of total budget outlays and total new budget authority submitted pursuant to section 302(b) of the Budget Act, shall be enrolled until Congress has completed action on the second budget resolution for that fiscal year as required to be reported under section 310 of the Budget Act; and, if a reconciliation bill or reconciliation resolution, or both, are required to be reported under section 310(c), until Congress has completed action on that bill or resolution, or both.

SEC. 5. The Congress sets forth the following budgetary levels for fiscal years 1982 through 1983—

(1) the recommended level of Federal revenues is as follows:

Fiscal year 1982: $660,300,000,000;

Fiscal year 1983: $731,500,000,000;

and the amount by which the aggregate levels of Federal revenues should be decreased is as follows:

Fiscal year 1982: −$31,600,000,000;

Fiscal year 1983: −$46,300,000,000;

(2) the appropriate level of total new budget authority is as follows:

Fiscal year 1982: $733,000,000,000;

Fiscal year 1983: $811,550,000,000;

(3) the appropriate level of total budget outlays is as follows:

Fiscal year 1982: $659,700,000,000;

Fiscal year 1983: $730,655,000,000;

(4) the amount of the surplus in the budget which is appropriate in light of economic conditions and all other relevant factors is as follows:

Fiscal year 1982: $600,000,000;

Fiscal year 1983: $2,155,000,000;

(5) the appropriate level of the public debt is as follows:

Fiscal year 1982: $954,200,000,000;

Fiscal year 1983: $970,600,000,000.

(b) Based on allocations of the appropriate level of total new budget authority and of total budget outlays for fiscal years 1982 and 1983 as set forth above, the appropriate level of new budget authority and the estimated budget outlays for each major functional category are respectively as follows:

(1) National Defense (050):

Fiscal year 1982:

(A) New budget authority, $204,500,000,000;

(B) Outlays, $183,100,000,000.

Fiscal year 1983:

(A) New budget authority, $233,900,000,000;

(B) Outlays, $208,600,000,000.

(2) International Affairs (150):

Fiscal year 1982:

(A) New budget authority, $13,770,000,000;

(B) Outlays, $8,500,000,000.

Fiscal year 1983:

(A) New budget authority, $11,925,000,000;

(B) Outlays, $8,020,000,000.

(3) General Sciences, Space, and Technology (250):

Fiscal year 1982:

(A) New budget authority, $6,360,000,000;

(B) Outlays, $6,190,000,000.

Fiscal year 1983:

(A) New budget authority, $6,250,000,000;

(B) Outlays, $6,170,000,000.

(4) Energy (270):

Fiscal year 1982:

(A) New budget authority, $6,210,000,000;

(B) Outlays, $8,920,000,000.

Fiscal year 1983:

(A) New budget authority, $7,650,000,000;

(B) Outlays, $9,020,000,000.

(5) Natural Resources and Environment (300):

Fiscal year 1982:

(A) New budget authority, $10,700,000,000;

(B) Outlays, $11,720,000,000.

Fiscal year 1983:

(A) New budget authority, $11,425,000,000;

(B) Outlays, $11,200,000,000.

(6) Agriculture (350):

Fiscal year 1982:

(A) New budget authority, $5,655,000,000;

(B) Outlays, $3,870,000,000.

Fiscal year 1983:

(A) New budget authority, $3,825,000,000;

(B) Outlays, $4,500,000,000.

(7) Commerce and Housing Credit (370):

Fiscal year 1982:

(A) New budget authority, $4,675,000,000;

(B) Outlays, $1,950,000,000.

Fiscal year 1983:

(A) New budget authority, $4,275,000,000;

(B) Outlays, $1,720,000,000.

(8) Transportation (400):

Fiscal year 1982:

(A) New budget authority, $20,000,000,000;

(B) Outlays, $18,420,000,000.

Fiscal year 1983:

(A) New budget authority, $20,375,000,000;

(B) Outlays, $18,650,000,000.

(9) Community and Regional Development (450):

Fiscal year 1982:

(A) New budget authority, $8,320,000,000;

(B) Outlays, $8,150,000,000.

Fiscal year 1983:

(A) New budget authority, $8,125,000,000;

(B) Outlays, $7,970,000,000.

(10) Education, Training, Employment, and Social Services (500):

Fiscal year 1982:

(A) New budget authority, $32,030,000,000;

(B) Outlays, $29,810,000,000.

Fiscal year 1983:

(A) New budget authority, $32,750,000,000;

(B) Outlay, $30,475,000,000.

(11) Health (550):

Fiscal year 1982:

(A) New budget authority, $67,635,000,000;

(B) Outlays, $56,585,000,000.

Fiscal year 1983:

(A) New budget authority, $84,250,000,000;

(B) Outlays, $72,475,000,000.

(12) Income Security (600):

Fiscal year 1982:

(A) New budget authority, $270,000,000,000;

(B) Outlays, $240,000,000,000.

Fiscal year 1983:

(A) New budget authority, $300,000,000,000;

(B) Outlays, $265,000,000,000.

(13) Veterans Benefits and Services (700):

Fiscal year 1982:

(A) New budget authority, $21,390,000,000;

(B) Outlays, $20,800,000,000.

Fiscal year 1983:

(A) New budget authority, $22,750,000,000;

(B) Outlays, $22,740,000,000.

(14) Administration of Justice (750):

Fiscal year 1982:

(A) New budget authority, $3,955,000,000;

(B) Outlays, $4,125,000,000.

Fiscal year 1983:

(A) New budget authority, $4,300,000,000;

(B) Outlays, $4,450,000,000.

(15) General Government (800):

Fiscal year 1982:

(A) New budget authority, $4,450,000,000;

(B) Outlays, $4,200,000,000.

Fiscal year 1983:

(A) New budget authority, $4,475,000,000;

(B) Outlays, $4,400,000,000.

(16) General Purpose Fiscal Assistance (850):

Fiscal year 1982:

(A) New budget authority, $7,055,000,000;

(B) Outlays, $7,055,000,000.

Fiscal year 1983:

(A) New budget authority, $7,175,000,000;

(B) Outlays, $7,175,000,000.

(17) Interest (900):

Fiscal year 1982:

(A) New budget authority, $73,600,000,000;

(B) Outlays, $73,600,000,000.

Fiscal year 1983:

(A) New budget authority, $76,500,000,000;

(B) Outlays, $76,500,000,000.

(18) Allowances (920):

Fiscal year 1982:

(A) New budget authority, $5,000,000;

(B) Outlays, $5,000,000.

Fiscal year 1983:

(A) New budget authority, $1,300,000,000;

(B) Outlays, $1,290,000,000.

(19) Undistributed Offsetting Receipts (950):

Fiscal year 1982:

(A) New budget authority, —$27,300,000,000;

(B) Outlays, —$27,300,000,000.

Fiscal year 1983:

(A) New budget authority, —$27,300,000,000;

(B) Outlays, —$29,700,000,000.

SEC. 6. The Congress urges the President to study and review the current inflation measure for indexing Federal programs, and to submit his findings and recommendations for the most appropriate cost-of-living measure within sixty days after passage of this budget resolution.

SEC. 7. The Congress reaffirms its commitment to find a way to relate accurately the outlays of off-budget Federal entities to the budget. The Congress recognizes that by law the outlays of the off-budget Federal entities are not reflected in the budget totals, and that in fiscal year 1981 off-budget outlays (and, hence, the off-budget deficit) are estimated to be $16,000,000,000.

SEC. 8. The Congress recognizes that the growth of Federal credit programs in recent years has been dramatic, and, in some cases, has grown more rapidly than noncredit programs. Between 1976 and 1979, Federal expenditures increased by 35 per centum while new loan guarantees increased by 108 per centum; new direct loans by off-budget agencies increased by 70 per centum. Therefore, the Congress affirms its desire to exercise meaningful control over Federal credit programs.

Sec. 9. For the fiscal year which began on October 1, 1979, the appropriate level of the public debt is $896,700,000,000 and the amount by which the statutory limit on such debt should accordingly be increased is $17,700,000,000.

PARLIAMENTARY INQUIRY

Mr. GIAIMO (during the reading). Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman from Connecticut will state his parliamentary inquiry.

Mr. GIAIMO. Mr. Chairman, is the Clerk reading the amendment which was filed and at the desk, or is it a new amendment.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. GIAIMO. I yield to the gentleman from California.

Mr. ROUSSELOT. No; it is not a new amendment, but there are some technical changes in it which I would be willing to discuss with the gentleman.

The CHAIRMAN. Is this a modification made under the rule?

Mr. ROUSSELOT. I believe I will have to get a unanimous-consent request.

Mr. GIAIMO. Mr. Chairman, I make a further parliamentary inquiry.

Under the rule, as I understand it, what is in order at the moment is the amendment that was filed and approved by the Committee on Rules.

Is that what is being read by the Clerk?

Mr. ROUSSELOT. If the gentleman will yield further, not quite.

Mr. GIAIMO. Well, that is the point.

The CHAIRMAN. The Chair will have to inquire of the gentleman from California.

The question by the gentleman from Connecticut: Is that amendment the appropriate amendment?

Mr. ROUSSELOT. I believe it is, with one figure change.

Mr. GIAIMO. Mr. Chairman, a further parliamentary inquiry.

Would it not be proper for the gentleman from California to ask unanimous consent to substitute that amendment?

Mr. ROUSSELOT. That is what I have done.

The CHAIRMAN. After the Clerk finishes the reading of the amendment.

Mr. GIAIMO. Fine.

The CHAIRMAN. The Clerk will report the amendment.

(The Clerk continued the reading of the amendment.)

Mr. GIAIMO (during the reading). Mr. Chairman, I ask unanimous consent that further reading of the amendment be dispensed with and that it be printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Connecticut?

Mr. ROUSSELOT. Mr. Chairman, reserving the right to object, why do we not just read the aggregate figures so everybody can be aware of those.

The CHAIRMAN. The Clerk will read.

(The Clerk continued the reading of the amendment.)

☐ 1700

Mr. GIAIMO (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN pro tempore (Mr. MURTHA). Is there objection to the request of the gentleman from Connecticut?

There was no objection.

The CHAIRMAN pro tempore. Is there objection to the unanimous consent request of the gentleman from California that the modified amendment be in order?

Mr. GIAIMO. Mr. Chairman, reserving the right to object, what I would like to ask the gentleman from California is whether this revision would be in order to merely perfect his amendment and have it mathematically consistent, or are there substantive changes?

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. GIAIMO. I yield to the gentleman.

Mr. ROUSSELOT. That was one of the objectives. The other was just as stated earlier on, to have the outlays for national defense the same as the committee's; that is, $147.9 billion.

Mr. GIAIMO. In other words, the gentleman is accepting the committee figure?

Mr. ROUSSELOT. I am accepting the committee's functional category on outlays of $147.9 billion for defense. Otherwise it is the same.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. ROUSSELOT. Mr. Chairman, for the first time in my 12 years in the House of Representatives, the Budget Committee has reported a balanced budget. As a longtime proponent of the balanced budget, I welcome these "born-again" budget balancers to the fold. However, as a veteran, I must say that these recruits have a lot to learn about how a true balanced budget is achieved.

The Budget Committee has proposed a budget that is balanced not by restraints in spending, but by increases in taxes. One of the taxes that the committee is relying upon to keep its budget in balance is President Carter's 10-cent-a-gallon oil import fee. It is the belief of a great many Members of this House, myself included, that this new tax is counterproductive and inflationary. It should be abolished. Therefore, I am proposing the Rousselot substitute budget. A budget that is balanced without the revenues from the President's oil import fee. A budget that incorporates real restraints in increases and that is $10.4 billion smaller than the Budget Committee's proposal. And a budget that is balanced with a $31.7 billion tax cut.

President Carter heralded his new 10-cent-a-gallon oil import fee as a major anti-inflation and conservation measure.

Baloney. It is just another Federal tax, designed more to balance a bloated Federal budget than to encourage conservation. In fact, this new tax will do little to encourage conservation and much to send inflation soaring even higher.

The administration hails the new tax as a conservation measure. They predict that the fee will cut oil imports by 100,000 barrels per day by the end of the year, and by as much as 250,000 barrels per day in 3 years. I say that the American people do not need a new tax to encourage them to conserve. They are already doing what they can. With prices still rising because of decontrol, and with the increased use of smaller, fuel-efficient cars, most oil forecasters predict that gasoline consumption will drop by at least 100,000 barrels a day this year. And consumption will continue to drop in the years ahead. So why a new tax? When the average American family of four applies almost 18 percent of its income to Federal income taxes, what is needed is a tax cut, not a tax increase.

The President has also hailed the fee as an anti-inflation measure. Nonsense; here we have an inflation rate of 18 percent, much of it generated by higher energy prices, and he proposed an "inflation-fighting" measure to drive energy prices up still further. By his administration's own estimates, the direct and indirect effects of the new tax will drive the Consumer Price Index up an additional 0.75 percent in 1981. And, as we all know, every rise in this index creates its own ripple of inflation, triggering cost-of-living increases in wage contracts, pensions and Federal Government entitlement programs.

Finally, while the administration of the import fee proposal will increase the already complicated and inefficient Federal energy bureaucracy, it will do nothing to solve our real energy problem—

the problem of supply. Like the windfall profit tax, this new tax will only serve to divert to Federal coffers the money that private enterprise could better use to develop oil, gas, and alternative fuels.

I urge my colleagues to support the repeal of the 10-cents-a-gallon oil import fee. I urge my colleagues to support the Rousselot substitute.

Let me review all the aggregates and functional categories in my substitute as compared to the Budget Committee resolution, the Republican substitute and the second concurrent resolution for fiscal year 1980.

	House Budget Committee recommendation	Republican substitute	Second budget resolution fiscal year 1980	Rousselot amendment
Revenues	673.8	599.9	517.9	603.5
Budget authority	694.6	681.3	538.0	689.0
Outlays	611.8	597.8	547.6	601.4
Surplus	+2.0	+2.1	−29.8	+2.1
—— subject to limit	926.8	926.8	886.4	926.8
—— calendar year tax cut	20.0	33.4		31.7
050—National defense:				
Budget authority	160.8	174.2	141.2	160.8
Outlays	147.9	152.4	129.9	147.9
150—International affairs:				
Budget authority	24.0	22.8	13.1	22.8
Outlays	9.6	8.8	8.4	8.8
250—General science, space, and technology:				
Budget authority	6.7	6.0	5.9	6.4
Outlays	6.3	5.8	5.7	6.1
270—Energy:				
Budget authority	7.5	6.2	39.5	7.5
Outlays	7.1	6.2	7.3	6.8
300—Natural resources and environment:				
Budget authority	12.0	11.7	12.6	12.0
Outlays	12.4	12.2	11.9	12.2
350—Agriculture:				
Budget authority	5.4	6.1	5.0	5.4
Outlays	2.3	2.0	2.6	2.2
370—Commerce and housing credit:				
Budget authority	5.1	4.7	6.8	5.1
Outlays	−.1	−.4	2.9	−.1
400—Transportation:				
Budget authority	22.8	20.4	19.5	22.8
Outlays	19.5	18.3	18.6	18.2
450—Community and regional development:				
Budget authority	9.0	7.5	8.9	9.0
Outlays	9.4	9.1	8.4	9.0
500—Education, training, employment and social services:				
Budget authority	33.3	29.5	30.9	33.3
Outlays	30.7	27.0	31.0	28.4
550—Health:				
Budget authority	71.5	70.6	58.5	71.5
Outlays	61.8	60.9	54.5	61.0
600—Income security:				
Budget authority	252.1	241.6	218.5	248.5
Outlays	220.1	214.1	190.0	216.7
700—Veterans benefits and services:				
Budget authority	21.7	21.8	21.5	21.8
Outlays	21.2	21.3	20.8	21.3
750—Administration of justice:				
Budget authority	4.2	3.9	4.2	3.9
Outlays	4.6	4.3	4.4	4.3
800—General government:				
Budget authority	4.7	4.5	4.6	4.5
Outlays	4.6	4.4	4.2	4.4
850—General purpose fiscal assistance:				
Budget authority	6.2	8.5	9.1	6.3
Outlays	6.8	8.6	9.1	6.8
900—Interest:				
Budget authority	72.2	71.8	53.1	72.0
Outlays	72.2	71.3	58.1	72.0
920—Allowances:				
Budget authority		−4.1	−0.2	
Outlays		−3.5	−0.2	
950—Undistributed offsetting receipts				
Budget authority	−24.6	−25.4	−9.7	−24.6
Outlays	−24.6	−25.4	−9.7	−24.6

Mr. LATTA. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. I yield to my colleague from Ohio.

Mr. LATTA. Mr. Chairman, I thank the gentleman for yielding. Is not one of the basic differences in the gentleman's resolution the fact the gentleman omits the oil import fee that the President has put into effect by executive order which becomes effective on May 15?

Mr. ROUSSELOT. That is correct.

Mr. LATTA. And a vote on this, in favor of the gentleman's amendment, would, in reality, be a vote against the import fee?

Mr. ROUSSELOT. That is correct. That is the basic argument made in this substitute resolution. I want to make it clear we could not change that until January 1 of 1981.

Mr. LATTA. If the gentleman will yield further, may I say there is a way to change the basic law, and I have introduced legislation to do that.

Mr. ROUSSELOT. We have both cosponsored that proposal.

Mr. LATTA. And I thank the gentleman for his cosponsorship. I might inform the House that we now have 129 Members of the House cosponsoring that resolution.

But this will be a basic test of the will of the House on that particular question.

Mr. ROUSSELOT. This will be the first opportunity we have had to vote on that prime issue. Also I have mentioned the administration proposal for withholding tax on interest and dividends which has not yet passed the Committee on Ways and Means. I do not see this bill moving very fast. It is one of the basic differences between the two resolutions.

The CHAIRMAN pro tempore. The time of the gentleman from California has expired.

(By unanimous consent Mr. ROUSSELOT was allowed to proceed for 3 additional minutes.)

Mr. PANETTA. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. I yield to the gentleman from California.

Mr. PANETTA. Mr. Chairman, as part of the gentleman's proposal, how much of a tax decrease is he proposing?

Mr. ROUSSELOT. I am proposing $31 billion reduction in tax revenues. Our majority leader said we should talk about tax revenues, and my proposal would provide a reduction in tax revenues of $31 billion.

Mr. PANETTA. At the same time the gentleman is eliminating the import tax on gasoline. Where would the funds come from for purposes of providing that tax decrease? I assume there are additional spending reductions that are included in this proposal?

Mr. ROUSSELOT. I would say to the gentleman I have increased the outlays in certain functional categories slightly less than the committee budget. I mentioned one: Energy. The committee resolution is roughly $7.1 billion and I have made it $6.8 billion.

□ 1710

Mr. PANETTA. But with regard, for example, to functional category 600, could the gentleman indicate what additional reductions he provides for in category 600?

Mr. ROUSSELOT. Yes, I will in just a minute when I get my sheet out. "Income Security," the committee figure is $220 billion. My figure is $216 billion. That is outlays.

Mr. PANETTA. So there would be an additional spending reduction.

Mr. ROUSSELOT. No, it is not a reduction, as the gentleman knows, because the outlays in "Income Security" are being increased in the 1980 budget. We are going to spend about $190 billion to $195 billion in fiscal 1980. The committee increased it to $220 billion. I increased it to $216 billion, so the increase is a little less in my case.

Mr. PANETTA. Right.

Mr. ROUSSELOT. There is still plenty of room.

Mr. PANETTA. That is $4 billion less than is in the committee budget.

Mr. ROUSSELOT. We have not touched one dime of social security or funds for the old folks, or anything like that. The gentleman will be happy to hear that, I know.

Mr. PANETTA. What I am trying to do for the Members of the House is to be able to indicate how much less from the committee resolution is the gentleman proposing in these various functional categories. I think we at least ought to know what that target is.

Mr. ROUSSELOT. In 1980 we will have spent from $190 billion to $195 billion for Income Security. In my resolution we will increase it to $216 billion, which I think ought to cover that category adequately.

Mr. PANETTA. The gentleman does not have a figure, then, as to how much he is reducing it below the committee budget; is that what he is telling me? It seems to me fairly simple to be able to give the committee that figure.

Mr. ROUSSELOT. Yes. The outlays in the committee budget are $611 billion, and my figure is $601 billion, so it is about $10 billion.

Mr. PANETTA. Ten billion dollars more in reduction.

Mr. ROUSSELOT. That is right.

The CHAIRMAN pro tempore. The time of the gentleman has expired.

(By unanimous consent, Mr. ROUSSELOT was allowed to proceed for 2 additional minutes.)

Mr. VOLKMER. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. I yield to the gentleman from Missouri.

Mr. VOLKMER. I thank the gentleman for yielding. The gentleman keeps mentioning January 1 as the time, January 1, 1981.

Mr. ROUSSELOT. Yes, because I think it would take that time to repeal the action of the President.

Mr. VOLKMER. Let us assume it is not repealed. Is it not true that the present action of the President is based on a law that does not expire until September 30, 1981?

Mr. ROUSSELOT. That is correct. The President has asked us to repeal that law before that time, so my belief is we will act in January.

Mr. VOLKMER. But if we do not, then the gentleman's assumptions are erroneous; are they not?

Mr. ROUSSELOT. No more erroneous than the committee assumption that the Committee on Ways and Means is going to provide legislation to withhold on dividends and interest. I am on that committee, and I can tell the gentleman the administration proposal is not moving very swiftly. So to the degree that is wrong, that might be wrong. My belief is that we will not continue that judgment. By the way, that is not shared by me alone.

Mr. VOLKMER. That may be true that that tax may not be, but even if we take no action, the tax will stay on until September 30, not January 1. Therefore, the gentleman is 8 months off.

Mr. ROUSSELOT. My assumption, I believe, is closer to correct.

Mr. VOLKMER. I thank the gentleman very much, but I disagree with him.

Mr. WEISS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I found as perplexing as did some other Members the rather reluctant exposition that the gentleman from California gave to his proposed amendment as to the amount of reduction in outlays below that proposed by the Budget Committee's resolution. It does appear certain that we are not being asked simply to vote as to how we feel about the oil import tax. What we are also being asked to vote on is the reduction in outlays for domestic social programs by something in excess of $10 billion below that which has been proposed by the Budget Committee. As I have indicated in discussing earlier amendments, I find a great deal of inadequacy in the Budget Committee's resolution. But compared to the amendment offered by the gentleman from California, the committee's budget resolution is a very progressive measure, indeed.

In the face of the almost uniform comments and projections by most economists these past few days as to the state of the current recession and what the projections are for the balance of this year, I find it absolutely shocking that this House would be considering amendments which would eliminate the very safety nets which the American people have the right to expect in the event that a recession or near depression of the magnitude that is being spoken about were to occur.

Earlier this year, this House, for example, adopted a countercyclical program which would go into effect only in the event that in two successive quarters the gross national product were to suffer a decline. The Senate has not yet acted on that measure, and the administration incredibly seems to have walked away from it. Neither the President's budget nor the resolution offered by the Budget Committee allows any funding for it. At the same time the Congressional Budget Office tells us that for every 1-percent increase in unemployment, there will be an increase in the deficit of the Federal budget by somewhere around $25 billion. With unemployment expected to reach the 9-percent level, we are therefore, facing a deficit of perhaps $50 billion. The consequences that will have on the national economy, ought very well lead us to providing for the safety net of countercyclical legislation, because if the Federal budget is going to be impacted on b $50 billion, then we know very well that there will be an equivalent impact upon local and State revenues as well. There will be municipalities and States across this country, as well as their residents, who will be suffering the severe effects of this near depression that we are coming into. We darned well ought to have countercyclical legislation in place.

Another safety net which is being cut at the request of the administration, and probably eliminated by the gentleman's substitute before us, is CETA, the Comprehensive Employment and Training legislation. In 1979, Congress provided a cutback in title VI, the public service employment program, from 400,000 positions to 200,000 positions because it was felt that the economy did not require the higher figure.

The CHAIRMAN pro tempore. The time of the gentleman has expired.

Mr. WEISS. Mr. Chairman, I ask unanimous consent to proceed for 4 additional minutes.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from New York?

Mr. EVANS of Georgia. I object.

The CHAIRMAN pro tempore. Objection is heard.

(By unanimous consent, Mr. WEISS was allowed to proceed for 3 additional minutes.)

Mr. WEISS. Mr. Chairman, we also provided that should the economy turn downward, we would have an automatic increase in the number of CETA positions, depending on the level of unemployment. The formula we adopted says that if the unemployment levels go above 7 percent, then we would provide that number of jobs equivalent to 25 percent of the total number of unemployed above 4 percent. That means that at the current projected unemployment rate, that is, of 7.2 percent, we should be providing for 800,000 positions. And if we are talking about 8 or 9 percent of unemployment in fiscal 1981, we should be providing, under the law, for 1,000,000 to 1,200,000 CETA jobs.

☐ 1720

Instead that safety net is being cut so that the present 200,000 jobs is being reduced to 150,000 under the committee's resolution, to zero by the Senate, and I assume to just about zero by that of the gentleman from California.

Now, Mr. Chairman, we on the floor of this House may want to proceed as if the economic events of the day have no effect on the American people; we in our little ivory towers here can act as if we were impervious to the economic depression that is facing the people of this country and we can pretend that by coming in with a balanced budget that we are doing them a great favor.

I suggest, however, Mr. Chairman, that by the time this budget resolution goes into effect and we have the kind of unemployment that everybody is projecting, the people of this country will be insisting that we adopt programs to deal with the recession and its effects on their lives, that we provide them with jobs, that we provide countercyclical programs, and that we provide a realistic program to help them. For us to be doing otherwise is not only to fail in our role as representatives of the people, but to act as if we are not even living in the same country.

Thank you, Mr. Chairman. I yield back the balance of my time.

The CHAIRMAN pro tempore. The question is on the amendment in the nature of a substitute offered by the gentleman from California (Mr. ROUSSELOT).

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. ROUSSELOT. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 191, noes 218, not voting 23, as follows:

[Roll No. 216]

AYES—191

Abdnor
Anderson, Calif.
Andrews, N. Dak.
Applegate
Archer
Ashbrook
Atkinson
Badham
Bafalis
Barnard
Bauman
Bereuter
Bethune
Boner
Bouquard
Brinkley
Broomfield
Brown, Ohio
Broyhill
Buchanan
Burgener
Burton, John
Butler
Byron
Campbell
Carney
Carter
Chappell
Cheney
Clausen
Cleveland
Clinger
Coleman
Collins, Tex.
Conable
Conte
Corcoran
Coughlin
Courter
Crane, Daniel
Crane, Philip
Daniel, Dan
Daniel, R. W.
Dannemeyer
Davis, Mich.
Deckard
Derwinski
Devine
Dickinson
Dornan
Dougherty
Duncan, Tenn
Edwards, Ala.
Edwards, Okla
Emery
Erdahl
Erlenborn
Evans, Del.
Evans, Ga.
Evans, Ind.
Fenwick
Findley
Fish
Forsythe
Frenzel
Gilman
Gingrich

Goldwater
Goodling
Gradison
Gramm
Grassley
Grisham
Guyer
Hagedorn
Hall, Tex.
Harsha
Heckler
Hillis
Hinson
Holt
Hopkins
Horton
Hubbard
Huckaby
Hyde
Ichord
Ireland
Jacobs
Jeffords
Jeffries
Jenkins
Jenrette
Jones, Tenn.
Kemp
Kindness
Kramer
Lagomarsino
Latta
Leach, Iowa
Leach, La.
Leath, Tex.
Lee
Lent
Levitas
Lewis
Livingston
Lloyd
Loeffler
Lott
Lujan
Lungren
McClory
McDade
McDonald
McEwen
McKay
Marks
Marlenee
Martin
Mathis
Mattox
Michel
Miller, Ohio
Mitchell, N.Y.
Montgomery
Moore
Moorhead, Calif.
Mottl
Myers, Ind.
Nichols
O'Brien
Pashayan
Paul
Petri
Porter
Pritchard
Quillen
Railsback
Regula
Rhodes
Rinaldo
Ritter
Roberts
Robinson
Roth
Rousselot
Royer
Rudd
Runnels
Russo
Santini
Satterfield
Sawyer
Schroeder
Schulze
Sebelius
Sensenbrenner
Shelby
Shumway
Shuster
Smith, Nebr.
Snowe
Snyder
Solomon
Spence
Stangeland
Stanton
Stenholm
Stockman
Stump
Symms
Tauke
Taylor
Thomas
Trible
Vander Jagt
Walgren
Walker
Wampler
White
Whitehurst
Whittaker
Wilson, Bob
Winn
Wyatt
Wydler
Wylie
Yatron
Young, Alaska
Young, Fla.

NOES—218

Addabbo
Akaka
Albosta
Alexander
Ambro
Annunzio
Anthony
Ashley
Aspin
AuCoin
Bailey
Baldus
Barnes
Beard, R.I.
Bedell
Beilenson
Benjamin
Bennett
Bevill
Biaggi
Bingham
Blanchard
Boggs
Boland
Bolling
Bonior
Bonker
Bowen
Brademas
Breaux
Brodhead
Brooks
Brown, Calif.
Burlison
Burton, Phillip
Carr
Cavanaugh
Chisholm
Clay
Coelho
Collins, Ill.
Conyers
Corman
Cotter
D'Amours
Danielson
Davis, S.C.
de la Garza
Dellums
Derrick
Dicks
Diggs
Dingell
Dixon
Dodd
Donnelly
Downey
Drinan
Long, La.
Early
Eckhardt
Edgar
Edwards, Calif.
English
Ertel
Fary
Fascell
Fazio
Ferraro
Fisher
Fithian
Flippo
Florio
Foley
Ford, Mich.
Fountain
Fowler
Frost
Fuqua
Garcia
Gaydos
Gephardt
Giaimo
Gibbons
Ginn
Glickman
Gonzalez
Gore
Gray
Green
Guarini
Gudger
Hall, Ohio
Hamilton
Hance
Hanley
Harkin
Harris
Hawkins
Heftel
Hightower
Holland
Hollenbeck
Howard
Hughes
Hutto
Johnson, Calif.
Jones, Okla.
Kastenmeier
Kazen
Kildee
Kogovsek
Kostmayer
LaFalce
Lederer
Lehman
Leland
Duncan, Oreg.
Long, Md.
Lowry
Luken
Lundine
McCloskey
McCormack
McHugh
Maguire
Markey
Matsui
Mavroules
Mazzoli
Mica
Miller, Calif.
Mineta
Minish
Mitchell, Md.
Moakley
Moffett
Mollohan
Moorhead, Pa.
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Murtha
Musto
Myers, Pa.
Natcher
Neal
Nedzi
Nolan
Nowak
Oakar
Oberstar
Obey
Ottinger
Panetta
Patten
Patterson
Pease
Pepper
Perkins
Peyser
Pickle
Preyer
Price
Pursell
Rangel
Ratchford
Reuss
Richmond
Rodino
Roe
Rosenthal
Rostenkowski
Roybal
Sabo
Scheuer
Seiberling
Shannon
Sharp
Simon
Skelton
Smith, Iowa
Solarz
Spellman
St Germain
Stack
Staggers
Stark
Steed
Stewart
Stokes
Stratton
Studds
Swift
Synar
Thompson
Traxler
Udall
Ullman
Van Deerlin
Vanik
Vento
Volkmer
Watkins
Waxman
Weaver
Weiss
Whitten
Williams, Mont.
Williams, Ohio
Wilson, C. H.
Wirth
Wolff
Wolpe
Wright
Young, Mo.
Zablocki
Zeferetti

NOT VOTING—23

Anderson, Ill.
Andrews, N.C.
Beard, Tenn.
Daschle
Ford, Tenn.
Hammerschmidt
Hansen
Hefner
Holtzman
Johnson, Colo.
Jones, N.C.
Kelly
McKinney
Madigan
Marriott
Mikulski
Nelson
Quayle
Rahall
Rose
Whitley
Wilson, Tex.
Yates

☐ 1730

The Clerk announced the following pairs:

On this vote:

Mr. Marriott for, with Mr. Nelson against.

Mr. Quayle for, with Mr. McKinney against.

Mr. Beard of Tennessee for, with Ms. Holtzman against.

Mr. Hammerschmidt for, with Mr. Ford of Tennessee against.

Mr. Kelly for, with Mr. Rahall against.

Mr. BUTLER changed his vote from "no" to "aye."

So the amendment in the nature of a substitute was rejected.

The result of the vote was announced as above recorded.

PERSONAL EXPLANATION

Mr. DASCHLE. Mr. Chairman, I was regrettably detained in my office during the debate and vote on the Rousselot amendment which has just been voted upon in the Committee of the Whole. Had I been present, I would have voted, "no."

AMENDMENT OFFERED BY MR. UDALL

Mr. UDALL. Mr. Chairman, I offer an amendment which is made in order by the rule.

The Clerk read as follows:

Amendment offered by Mr. UDALL: On page 5, strike out line 22 and all that follows down through line 13 on page 12, and renumber all succeeding sections accordingly.

● Mr. KASTENMEIER. Mr. Chairman, I support passage of the first concurrent resolution on the budget for fiscal year 1981. While I have serious reservations over some of the spending priorities contained in the budget, I am glad that the House of Representatives has resisted attempts to make deeper cuts in domestic programs and raise defense spending over the levels recommended by President Carter and the Budget Committee.

Clearly, consideration of the budget resolution is one of the most important actions the Congress takes each year. The targets we set for spending and revenues affect the general prosperity of the United States, our national security, and the well-being of millions of our citizens who are individually affected by the programs of the Federal Government.

This year the budget has taken on added significance as the centerpiece of our national effort to fight inflation. We cannot overstate the damage caused by inflation. Working people are seeing their purchasing power shrink year by year, while the poor and those on fixed incomes are simply unable to make ends meet. Personal savings and many other types of investments are discouraged and industry is facing a serious capital shortage. Farmers cannot afford the skyrocketing costs of fuel and fertilizer needed for the spring planting.

The Congress must balance the budget as a first step toward lowering the rate of inflation. The American public will not have confidence in any anti-inflation program if budget deficits continue.

However, balancing the budget is only a first step. Those who claim that Federal spending is the single or the primary cause of inflation are simply not being honest with the American people. Government spending did not cause skyrocketing oil prices. Government spending has not pushed up housing costs to astronomical levels. Government spending has not caused food and health care costs to rise.

Federal deficits have added to the inflationary pressures in the economy, and eliminating the deficit will help reduce those pressures. But even the most optimistic projections do not show that a balanced budget will bring inflation down to acceptable levels. If we are serious about stopping inflation, we must take actions to hold down price increases for specific goods and services and encourage increased investment and productivity in the economy.

Concerning spending priorities, I am disappointed by the willingness of the Carter administration and the House Budget Committee to raise defense outlays by $15.2 billion over fiscal 1980 while many domestic programs are held constant or reduced. While I readily accept the need to improve our defense readiness, I think an 11 percent increase in the defense budget is unwarranted. There is ample evidence of waste and mismanagement by the military, and I would prefer to see the Congress focus more attention on improving the way we spend the defense budget rather than simply increasing it by large amounts.

When the House-Senate conference committee meets on the budget resolution, I hope the House conferees will strongly resist any further attempts to raise defense spending.

In conclusion, while I cannot give my unreserved support for the spending priorities contained in the budget, I think they are acceptable. I urge my colleagues to approve this balanced budget so that we can move on to a more comprehensive effort to slow inflation.●

● Mr. ARCHER. Mr. Chairman, today we face a crucial turning point in the evolution of the budget process. Before the House is the first concurrent resolution on the budget for fiscal year 1981. It is presented to us as the first balanced budget for our Nation in 12 years. As one who totally believes in the economic justification for a balanced budget, I am pleased and, in some ways, astounded by the number of converts to this position in recent months. Through a balanced budget we can show the Nation and the world that we understand the tremendous impact that Federal spending has on inflation and that we are ready to take those actions which will restore both stability and a private sector orientation to our economy. The Budget Committee has expended great effort in bringing together a budget package which reduces spending in areas heretofore considered beyond the scope of cutbacks and which attempts to establish priorities for Federal action.

It is therefore with a great deal of difficulty and self-examination that I find myself today prepared to vote against House Concurrent Resolution 307. While I continue to applaud the shift in congressional thinking and action of recent months, I find myself questioning whether this budget is in reality balanced and whether the cuts made in the President's recommendations are sufficient to attack our economic dilemma. On both counts, I can only respond in the negative.

Not only does House Concurrent Resolution 307 necessitate a $30.1 billion increase in the Federal debt during fiscal year 1981 but it also relies heavily on new taxes to achieve its revenue targets. The Federal debt increase includes $18.1 billion in borrowing obligations incurred by off-budget agencies, such as the Federal Financing Bank, and $14 billion in borrowing from Federal trust funds. This will mean a total Federal debt as the result of this budget of $926.8 billion—an amount equal to 33 percent of our estimated gross national product and requiring the payment of an estimated $80 billion in interest. New taxes included in this budget proposal total over $22.2 billion.

I am unalterably opposed to balancing our budget through tax increases. This is not what the American people want; it is not what our economy needs; and it is just not the proper course of action for this Congress. I, myself, am not going to support the imposition of these taxes in the Ways and Means Committee or on the House floor.

The oil import fee, the withholding tax on dividends and interest, and the other tax changes will seriously impact on inflation-weary Americans who are screaming for less taxes, not more. How can I support as balanced a budget which relies on such sources, for essential revenues?

I will cast my vote for the Latta substitute because this alternative budget proposal is a significant improvement over House Concurrent Resolution 307. This alternative is a real balanced budget—a budget balanced by judicious spending cuts, no increase in the Federal debt and reoriented priorities for Federal spending. Beyond that it even answers the call for tax reductions by allocating some $32 billion to reduce current Federal tax burdens on both individuals and business.

The Latta substitute provides for fiscal year 1981 revenues of $599.9 billion and outlays of $597.8 billion. This represents a 13.9 percent reduction in estimated revenues from House Concurrent Resolution 307 and a 14 percent reduction in estimated outlays. The net result is a budget with a surplus of $2.1 billion, no Federal debt increase and an allowance for a $32 billion tax cut.

We must look beyond mere rhetoric to the details of the budget plans which we are considering. We must decide whether we are to have a balanced budget in fact rather than in just title. We must decide whether we are going to reduce the unconscionable tax burden placed on Americans by both inflation and taxes by government at all levels. We must decide whether a budget can be truly balanced if it is done through increased Federal debt and increased taxation.

These are crucial questions. I hope that all of my colleagues will contemplate them and respond in the best interest of our entire Nation. This Congress does not serve the public interest unless it recognizes the public will—and that will has been clearly expressed in favor of a truly balanced budget and reduced taxation. We should not accept a budget merely because it carries the title—balanced. There is much more to this issue than that. We must also look at the total level of spending and where that money is allocated.

I hope that these considerations will be the deciding factors in how each vote is cast on these budget alternatives. If they are, I have no doubt that a balanced budget and renewed economic growth and stability are within our Nation's grasp today.●

● Mr. BOLAND. Mr. Chairman, the provisions of the first concurrent budget resolution for fiscal year 1981 reflect a number of important decisions that have been made concerning spending priorities. The effect of most of these decisions will be registered in the coming fiscal year. However, one section of this resolution, section 6, will have an impact on many thousands of Americans in the current fiscal year.

Section 6 of the resolution now before us is, in fact, a third budget resolution for fiscal year 1980. Inflation and the gradually worsening economy have played havoc with some of the estimates on which the spending levels contained in the second budget resolution for fiscal year 1980 were based. Several programs, chief among them the food stamp program, will run out of money in a matter of weeks unless those spending levels are increased. Prompt action is imperative if we are to prevent a cutoff of food stamps and the suffering which would result for thousands of people throughout the country.

I realize that additional spending for the food stamp program is an unpopular prospect for some of my colleagues. We have all been made aware of instances of fraud and abuse in the acquisition or use of food stamps. We have all been made aware of the administrative difficulties that have beset the program. I have been a consistent supporter of the food stamp program, but I would not hesitate to acknowledge that these problems must be corrected. Not only do they affect the credibility of the program, but they reduce the amount of benefits available to those who are truly in need.

The way to correct these problems is not to refuse to provide adequate funding for the program. The way to correct these problems is to make necessary changes in the authorization legislation. I am hopeful that S. 1309, the reauthorization bill which has been favorably reported by the House Agriculture Committee, will substantially improve the administration of the food stamp program.

We must, however, provide additional funding for the current fiscal year. The cap on spending for food stamps in fiscal year 1980 has been reached, and a continuation of benefits cannot be assured without $2.55 billion in supplemental funds. The food stamp program is of crucial importance to the health and welfare of thousands of children, pregnant women, and elderly citizens in this Nation. Without food stamps, many of these individuals and their families could not satisfy even the most basic of their nutrition needs. Without food stamps, some of these people might not be able to afford to eat at all. That is the situation that we may soon confront. Unless the Congress takes some action within the next few days to guarantee the necessary additional funds, food stamps will not be available in June. We can begin to take the required action by passing the budget resolution now under consideration.

Mr. Chairman, let us not seek to reform or revise the food stamp program at the expense of those who so desperately depend on the sustenance that program provides. I urge that the budget resolution be adopted so that requests for additional expenditures for food stamps can be considered.●

● Mr. HAMMERSCHMIDT. Mr. Chairman, I deeply regret that I will not be able to be on the House floor tomorrow due to an unexpected death in my immediate family. It is my understanding that Wednesday, my colleagues are expected to cast critical votes on the first budget resolution for fiscal year 1981. Therefore, I would now like to share with you how I would have voted if in attendance.

I fully support the motion by Congressman UDALL and supported by other committee chairmen to strike the reconciliation provision in the first concurrent resolution on the budget.

Such action would have the effect of converting the spending limitation specified in the first concurrent resolution from targets to fixed ceilings. Ceilings were contemplated and proposed during initial consideration of the Congressional Budget Act in 1974 but rejected by both Houses in favor of maintaining the first concurrent resolution as a target for guidance of the appropriations and standing committees.

The reasons for that rejection are as valid today as they were in 1974. Given the time available to the Budget Committee, it is impossible for it to become well enough acquainted with all Federal programs and activities to know where to apply appropriate economies program by program. The standing committees, with expertise in the programs in their respective jurisdictions, should attempt to translate the targets into program detail.

Invoking reconciliation in the first step of the congressional budget process undermines the committee system, reposing in the Budget Committee authority to legislate substantively with respect to the nature and scope of Federal activities. Such a procedure which infringes on the legitimate roles of authority and appropriations processes is not required in achieving a balanced budget. I hope the majority of the House of Representatives will vote accordingly, and will delete section 3 of the concurrent resolution.

Additionally, I fully support the Rousselot substitute which is scheduled to be considered on the House floor tomorrow. This substitute assumes repeal of the oil import fee, permits a $30.3 billion tax cut and trims spending to $601.4 billion.

The work of the Budget Committee to develop a budget that responsibly and effectively controls Federal spending has been more strenuous this year than at any time that I can recall. Nevertheless, at this point, I cannot vote for the House Concurrent Resolution 30, the first budget resolution since there are areas of slippage which I feel must be addressed and corrected before this budget is truly in balance. What this budget achieves in short-run balance, it does at the expense of some long-term priorities. I still have major disagreements over the manner in which this budget has been brought into balance and many of the actual details of the spending programs.

As they have done consistently in the past, the majority relies far too heavily on increased taxes and far too little on spending restraint in narrowing the deficit. The resolution as reported by the committee refuses to acknowledge that the Department of Defense will have to pay $4.5 billion more for fuel than estimated by the President only last January, meaning that other, high priority defense programs will have to be put aside. This resolution merely postpones for a year many spending programs which should be terminated.

Although the House Budget Committee did make an effort to cut expenditures, it still relies much more than any of the minority substitutes on higher tax revenues to balance the budget. The result is that both aggregate and personal tax burdens will be at record peacetime levels in 1981. When President Carter took office the Federal tax burden as measured by the ratio of taxes to GNP was 18.5 percent. In 1981 this ratio is expected to rise to 21.8 percent—an increase in the tax burden of almost 18 percent.

In 1981, total Federal receipts are estimated to rise by $92 billion. Of this amount, $39 billion, or more than one-third, will be raised as the result of net revenue raising measures initiated during the present administration.

In summary, while I applaud the effort to balance the budget, I feel that to achieve it by ever-higher tax burdens on the working population will, in the long run, be destructive of a healthy economy and continued balanced budgets themselves.●

□ 1740

Mr. GIAIMO. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. WRIGHT) having assumed the chair, Mr. BOLLING, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the concurrent resolution (H. Con. Res. 307) setting forth the congressional budget for the U.S. Government for the fiscal years 1981, 1982, and 1983 and revising the congressional budget for the U.S. Government for the fiscal year 1980, had come to no resolution thereon.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate, by Mr. Sparrow, one of its clerks, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 10) entitled "An act to authorize actions for redress in cases involving deprivations of rights of institutionalized persons secured or protected by the Constitution or laws of the United States.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 5200, FAIR HOUSING AMENDMENTS ACT OF 1980

Mr. BOLLING, from the Committee on Rules, submitted a privileged report (Rept. No. 96-922) on the resolution (H. Res. 656) providing for consideration of the bill (H.R. 5200) to amend title VIII of the act commonly called the Civil Rights Act of 1968 to revise the procedures for the enforcement of fair housing, and for other purposes, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 6672, COAST GUARD AUTHORIZATION, FISCAL YEAR 1981

Mr. BOLLING, from the Committee on Rules, submitted a privileged report (Rept. No. 96-923) on the resolution (H. Res. 657) providing for consideration of the bill (H.R. 6672) to authorize appropriations for the Coast Guard for fiscal year 1981, and for other purposes, which was referred to the House Calendar and ordered to be printed.

PERMISSION FOR SUBCOMMITTEE ON COAST GUARD AND NAVIGATION OF COMMITTEE ON MERCHANT MARINE AND FISHERIES TO SIT DURING 5-MINUTE RULE ON THURSDAY, MAY 8, 1980

Mr. BIAGGI. Mr. Speaker, I ask unanimous consent that the Subcommittee on Coast Guard and Navigation of the Committee on Merchant Marine and Fisheries be permitted to sit on Thursday, May 8, 1980, during the 5-minute rule, for the purpose of holding a hearing on H.R. 6665, a bill to implement the protocol of 1978 relating to the International Convention for the Prevention of Pollution From Ships, 1973.

The ranking minority member of the subcommittee, the gentleman from Alaska (Mr. YOUNG) has been apprised of the hearing time and is in accord with this request.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

HOUR OF MEETING ON TOMORROW

Mr. ROSTENKOWSKI. Mr. Speaker, I ask unanimous consent that when the House adjourns today, it adjourn to meet at 1 p.m. tomorrow.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

Mr. BAUMAN. Mr. Speaker, reserving the right to object, as the gentleman from Illinois knows, the program announced last week indicated that the next order of business, assuming that this budget resolution will be finished within an hour or two after our meeting tomorrow, was to be the Nicaraguan aid bill. Can the gentleman tell us whether that is still the plan?

Mr. ROSTENKOWSKI. Mr. Speaker, will the gentleman yield?

Mr. BAUMAN. I yield to the gentleman from Illinois.

Mr. ROSTENKOWSKI. Mr. Speaker, at the press conference this morning the Speaker announced that the next order of business would be the Food Stamp Act. So it is the opinion of the gentleman from Illinois that immediately at the conclusion of the budget resolution, after its favorable consideration, the House will then take up the Food Stamp Act. Of course, we have no idea how long that is going to take.

Mr. BAUMAN. Mr. Speaker, further reserving the right to object, we can assume that that may take the better part of a day and a half or perhaps Wednesday and Thursday.

In that case the Nicaraguan aid bill would probably not be brought up this week?

Mr. ROSTENKOWSKI. Mr. Speaker, the gentleman from Illinois can give the gentleman no assurance of that. I have no idea, but the next order of business, as announced this morning, will be the Food Stamp Act.

Mr. BAUMAN. Then we can assume the Nicaraguan aid bill will not be the next order of business after the budget resolution.

Mr. DERWINSKI. Mr. Speaker, reserving the right to object, from the comment of my colleague, the gentleman from Illinois, who referred to the Speaker's announcement at the press conference, are we to assume that the Speaker still has something to say about the schedule?

Mr. ROSTENKOWSKI. Mr. Speaker, I should imagine that he does.

The SPEAKER pro tempore. Is there

objection to the request of the gentleman from Illinois?

Mr. BAUMAN. Mr. Speaker, I object.

The SPEAKER pro tempore. Objection is heard.

Mr. ROSTENKOWSKI. Mr. Speaker, I move that when the House adjourns today, it adjourn to meet at 1 p.m. on tomorrow afternoon.

The motion was agreed to.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 4717, ADJUSTING FEDERAL PERSONNEL CEILINGS AND CONTRACTING ACTIVITIES

Mr. ROYER. Mr. Speaker, I ask unanimous consent that my name may be removed as a cosponsor of the bill, H.R. 4717.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

MX: THE BITTEREST LEMON SINCE THE EDSEL?

(Mr. JOHN L. BURTON asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. JOHN L. BURTON. Mr. Speaker, today as we talk about the budget and we talk about waste in Government, I hope that somebody talks about the MX missile, which is going to be the biggest waste of money in the Government that we have ever seen.

Mr. Speaker, I would like to put into the RECORD a statement by the Honorable James J. Kilpatrick. We do not always see eye to eye on political matters. In fact, the last time we agreed, I think, is when we both, after considerable thought, came to the conclusion that the Russian revolution was indeed a Communist plot.

Mr. Speaker, the article follows:

[From the Los Angeles Times, May 6, 1980]

MX: THE BITTEREST LEMON SINCE THE EDSEL?

(By James J. Kilpatrick)

Interest suddenly has revived on Capitol Hill in the MX weapon system—and high time. Unless critics of this preposterous venture are wholly mistaken, the MX is the Pentagon's Edsel, a $69 billion lemon with no future trade-in value.

In case you came late to this controversy, the MX is an intercontinental ballistic missile bearing a fantastic nuclear warhead. The missile itself is 71 feet long; it weighs 190,000 pounds. The proposal immediately before the house is to build a "verifiable horizontal multiple-protective structure complex" somewhere out West.

It would be quite a complex. The proposal calls for 200 MX missiles. A cluster of 23 hardened horizontal shelters, 7,000 feet apart, would be built for each missile. Each missile would be encased in a canister and mounted on a transporter-erector-launcher vehicle. The vehicle would move around a closed-loop road system, ducking in and out of the 23 individual shelters. The general idea is that the Soviets would never know which shelter actually housed a missile at any given time. For an enemy to hit all 4,600 shelters on a first strike exceeds the wildest bounds of probability. The MX system, it is said, would assure us a land-based, second-strike capability.

Very well. Accepting every claim made for the MX, it still is possible to challenge the wisdom of going ahead with this venture. At some point, questions of cost must be addressed in ways that the Pentagon has yet to address them. The environmental effects of the project need to be most soberly considered. And the Pentagon's strategic planners, I submit, might devote a profitable hour to recalling the history of the Maginot Line.

Through the end of the 1979 fiscal year, $603 million had been invested in the MX weapon system. At least as much will be expended in the current year. Last January the President asked $1.6 billion for fiscal '81. When the system first was proposed in 1978, it was estimated that the whole works ultimately would cost $33.2 billion. That estimate has been abandoned. The General Accounting Office in February came up with a fresh estimate of almost $60 billion. Can we afford it?

The dollars may be the least of the costs. The Pentagon proposes to build the complex on federally owned land. Last week Antonia Handler Chayes, undersecretary of the Air Force, told House and Senate committees that no site had been finally selected; sites in Texas and New Mexico are still being considered, but the originally proposed site in Utah and Nevada continues to be favored. How much land are we talking about? This is the GAO's understated description:

"If sited in the preferred areas of Nevada and Utah, the MX weapon system will be deployed over a rectangular area encompassing about 45,000 square nautical miles of land, an area about the size of Georgia."

Water is scarce in the western desert. The GAO report noted that most present and future supplies of surface water already are allocated. The Air Force would have to depend on underground water. How much water? The proposal demands 90 billion gallons of water between 1979 and 1999. In one year alone the venture calls for 37 billion gallons.

Electrical power also is limited. At its peak, the system demands the power resources of a city of 180,000. Cement shortages are everywhere severe. The MX construction program calls for 2.7 million tons of cement, twice the amount needed to build Hoover Dam.

Last week Utah's Sen. Jake Garn appeared before a House committee to inject some fresh considerations. His state already is feeling the social and environmental effects of the Intermountain Power Project, the largest coal-burning power project in the nation. Utah is braced for the development of its enormous deposits of tar sands as the country searches for alternatives to oil. Garn wonders and worries about the added effect of MX. The system might well wreak greater devastation at home than it ever would wreak on a enemy.

The ultimate question, of course, is: Would it work? Would this incredible shell game of vehicles, shelters, roads, loops, launchers and clusters actually be impenetrable by an enemy? Almost 50 years ago, that was the issue raised by critics of the Maginot Line. It was said that no enemy could ever breach it. When the crunch came, the Nazi blitzkreig crumbled the pillbox defenses in 48 hours. The art of warfare never stands still. Methods of detection are certain to improve. What then?

I do not mean to denigrate the necessity for nuclear defenses. These must be effectively maintained. But I do mean to raise doubts about the MX. Surely our planners, with all of outer space to work in, can contrive something better than 4,600 little Maginot pillboxes out in the western sands.

HOLY NAME ROMAN CATHOLIC CHURCH OF PHILADELPHIA CELEBRATES 75TH ANNIVERSARY

(Mr. LEDERER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LEDERER. Mr. Speaker, later this week, the parishioners of the Holy Name Roman Catholic Church in Philadelphia will celebrate the 75th anniversary of their parish. This church has been a mainstay within my own Fishtown community for all of those 75 years. I think that it is only fitting that we in the Congress give recognition to this great event.

The present parish complex consists of the church, a rectory, a convent, and the parish school. These buildings have stood on the same spot at Berks and Gaul Streets for almost 60 years. The church itself was dedicated by Dennis Cardinal Dougherty on May 27, 1923.

Today, as for the past 75 years, the Fishtown neighborhoods and the Holy Name Parish are closely linked. Many community functions are held within the school hall. Many of the parishioners are actively involved in community and city affairs. The church has been very helpful to the senior citizens' organization. The school continues to sponsor a successful CYO sports program. The Parents' Guild of the Holy Name Parish has been a tremendous asset to the running of the school. The parishioners have always been ready and willing to assist the poor and needy of the parish. Many of the archdiocese's priests and nuns grew up in the Holy Name Parish. The Holy Name Parish has clearly enhanced the vitality of this great Philadelphia neighborhood.

Father Daniel J. Kennedy, O.P., is the present pastor of the Holy Name Parish. He is the 15th pastor since the founding of the parish in 1905. He leads a dedicated, devout, and strong-willed group of people. They give wholehearted support to their church, their school, and their community. They have every right to be proud of their church. Holy Name's tall tower is a monument to their combined efforts.

The people of Holy Name have always led the call of our Nation in times of peace and war. Men and women served in all branches of our armed services. The city of Philadelphia and the State of Pennsylvania are better places to live because of the fine tradition of the people of Holy Name Church.

I ask that my colleagues join me in saluting the people of the Holy Name Parish. May the coming years be as successful as the past 75.

DEFICITS IN TRILLIONS

(Mr. COLLINS of Texas asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. COLLINS of Texas. Mr. Speaker, deficits as posted in the annual budget do not tell the whole story. They do not tell us what the actual cash deficit will be or how much deficit has accumulated from past years. The average American does not know the Government's actual financial condition.

The Comptroller General has been working with the Treasury to get a picture of our financial condition. The work has been going on for more than 4 years. The problem is that there are too many new, innovative and imaginative programs for spending public funds. Nobody really knows even after 4 years of hard effort how deeply our country is in debt.

A preliminary consolidated financial statement issued by the Treasury April 1 indicates that at the end of fiscal year 1978 the Government's accumulated liabilities, future commitments, and exposure to contingencies totaled $4.34 trillion. The total value of all goods and services produced by the 50 States in 1978 was only $2.18 trillion.

Government current liabilities of $454 billion at the end of 1978 exceeded current assets of $105 billion. Long-term liabilities of $1,305 billion were greater than other assets of $374 billion. While all Government assets rose $44 billion in 1978, total liabilities rose $260 billion.

Long-term contracts and orders for future deliveries of goods add another $363 billion to the obligations of Government, raising the total to $2 trillion. Beyond this, the Government is exposed to contingent liabilities under insurance programs for banks and other institutions, plus guarantees of loans and credits, totaling another $2.3 trillion. Thus, Government liabilities, firm commitments and exposure to contingencies amounted to $4.3 trillion. That was in September 1978. No one knows where these obligations stand today.

Nor does anyone know what deficits will result from present authorization laws for future pensions and other open-ended programs. The Treasury has one interesting schedule that lifts a corner of the curtain. It shows a projected 75-year deficit of $107 trillion in social security accounts alone. This is an excess of our promises-to-pay over our projected social security tax collections.

Mr. Speaker, it is essential that Congress face the facts. We must reduce spending. We must start being realistic about our financial position. I ask the Treasury and the Comptroller General to persevere in telling us the facts again and again till they sink in.

FOURTH-QUARTER SPENDING BY GOVERNMENT AGENCIES

The SPEAKER pro tempore (Mr. Mica). Under a previous order of the House, the gentleman from Connecticut (Mr. McKinney) is recognized for 5 minutes.

● Mr. McKINNEY. Mr. Speaker, I regret that I was unable to be present for the colloquy which developed last week between my colleague from Connecticut (Mr. Giaimo) and the gentleman from Virginia (Mr. Harris) for they touched on a topic which has been of particular concern to me for quite some time—that of fourth-quarter spending by Government agencies. The gentleman from Virginia cited a number of statistics from a GAO report dealing with the Department of Housing and Urban Development's practice of phantom year-end obligations. Since he has taken an active interest in these matters, he might be interested in a much broader study which I commissioned in early March, tracking fourth-quarter agency spending patterns in certain categories over the past 3 years. I think some of the preliminary results of the GAO study will astound my colleagues, for instance:

In the grants and subsidies category in the last quarter of fiscal year 1979: DOE spent 59 percent, or $196 million, of its annual appropriation; HUD spent 61 percent, or $15.9 billion, of its annual appropriation; and HEW spent 41 percent, or $22.3 billion, of its annual appropriation.

For investments and loans: HUD spent 68 percent, or $4.6 billion, in the last quarter of fiscal year 1979.

And for lands and structures: Interior spent 48 percent, or $448 million, in the fourth quarter of 1979.

Going back 1 more year, to the final quarter of fiscal year 1978, I have found that, again: HEW spent 36 percent, or $18.3 billion of its appropriations for grants and subsidies in the fourth quarter; EPA spent 50 percent, or $1.6 billion; and HUD spent 78 percent, or $27.6 billion.

And these figures are for but one of approximately 15 functional spending categories.

There are numerous other cases, to be sure, for I have listed only the two or three most obvious agencies in each case. However, some rough calculations would indicate that if these fourth-quarter expenditures had been limited to an average of the previous three quarters, and given as much as 10 percent leeway on top of that, the savings for grants and subsidies for just DOE, EPA, HUD, and HEW combined would be on the order of: $26.8 billion in fiscal year 1977; $32.3 billion in fiscal year 1978, and $24.9 billion in fiscal year 1979.

When broadened to include all agencies and spending categories, the totals are likely to be many times that amount.

Obviously, it could be true that a good percentage of these last quarter outlays are legitimate, but in order to clarify that point, I am requesting additional explanations from the budget directors of each agency, as well as further data from GAO. However, the sheer magnitude of these figures leads me to believe that several billion dollars in unwarranted spending is occurring at the end of each fiscal year.

It also appears that the sole purpose for these expenditures is to boost aggregate spending levels to the point where the agency's budget is not threatened with reduced funding during its annual review by Congress. This should be the target of serious cutbacks, rather than the delivery of programs and services which affect millions of people.

Mr. Speaker, if the Federal Government is truly serious about maintaining a balanced budget, it can begin by curbing its own excesses, rather than imposing additional economic hardships upon people least able to afford them. The quantum jump in fourth-quarter expenditures in most, if not all, agencies and departments of the Federal Government is an often overlooked element of the budget process which can and must be restrained.

I am prepared to offer specific targets for reducing fourth-quarter outlays in these areas, based on the information given to me by GAO. I will strongly consider amending any authorizing legislation which does not attempt to limit this questionable practice of year-end spending sprees. I would suggest that during the forthcoming reconciliation process every Member bear in mind that reducing overhead costs is a necessary and long overdue method of equitably distributing the burden of reducing Federal expenditures and bringing the budget into balance. It is an unpleasant economic fact that many programs simply will not survive the additional scrutiny of this year's authorization process which follows the budget debate. Significant savings will be achieved only through reductions in programs and services as well as administrative costs.

However, the quality and effectiveness of remaining programs need not be diminished if fourth-quarter expenditures can be curbed. The "cost of government" is simply too high, and the self-restraint we have been asking of the private sector has been notably absent in the Government's own balance sheet of the past few years.

Mr. Speaker, this is a time of severe economic pressures on virtually all sectors of our society, and in the name of fiscal austerity and a balanced budget, we are asking people to withstand sharp cutbacks in services, while we, the overseers of such programs, have been unable to make similar reductions in the administrative costs of these services. As double-digit inflation continues, as unemployment rises, and as America's industrial productivity declines, I would suggest that these outlays are an ideal place to begin.

The General Accounting Office has provided preliminary statistics on the year-end spending patterns of the following eight Federal agencies and departments:

Housing and Urban Development; Health, Education, and Welfare; Energy; Commerce; Interior; Judiciary; General Services Administration; and Environmental Protection Agency.

The results are divided among six object class categories for fiscal years 1977, 1978, and 1979, and are as follows:

TRANSPORTATION OF THINGS

HEW spent:

In FY 1977—42 percent, or $5 million, of its total outlays in the 4th quarter.

In FY 1978—50 percent, or $6 million, of its total outlays in the 4th quarter.

In FY 1979—46 percent, or $6 million, of its total outlays in the 4th quarter.

DoE spent:

In FY 1978—40 percent, or $2 million, of its total outlays in the 4th quarter.

In FY 1979—25 percent, or $1 million, of its total outlays in the 4th quarter.

Interior spent:

In FY 1977—42 percent, or $5 million, of its total outlays in the 4th quarter.

In FY 1978—38 percent, or $5 million of its total outlays in the 4th quarter.

In FY 1979—36 percent, or $5 million, of its total outlays in the 4th quarter.

Commerce spent:

In FY 1977—25 percent, or $1 million, of its total outlays in the 4th quarter.

In FY 1978—25 percent, or $1 million, of its total outlays in the 4th quarter.

In FY 1979—20 percent, or $1 million, of its total outlays in the 4th quarter.

SUPPLIES AND MATERIALS

DoE spent:

In FY 1978—33 percent, or $10 million, of its total outlays in the 4th quarter.

In FY 1979—38 percent, or $16 million, of its total outlays in the 4th quarter.

Commerce spent:

In FY 1977—40 percent, or $17 million, of its total outlays in the 4th quarter.

In FY 1978—40 percent, or $19 million, of its total outlays in the 4th quarter.

In FY 1979—30 percent, or $18 million, of its total outlays in the 4th quarter.

Interior spent:

In FY 1977—30 percent, or $63 million, of its total outlays in the 4th quarter.

In FY 1978—36 percent, or $57 million, of its total outlays in the 4th quarter.

In FY 1979—36 percent, or $72 million, of its total outlays in the 4th quarter.

GSA spent:

In FY 1977—26 percent, or $357 million, of its total outlays in the 4th quarter.

In FY 1978—24 percent, or $367 million, of its total outlays in the 4th quarter.

In FY 1979—25 percent, or $336 million, of its total outlays in the 4th quarter.

LANDS AND STRUCTURES

HEW spent:

In FY 1977—80 percent, or $207 million, of its total outlays in the 4th quarter.

In FY 1979—46 percent, or $31 million, of its total outlays in the 4th quarter.

Interior spent:

In FY 1977—43 percent, or $359 million, of its total outlays in the 4th quarter.

In FY 1978—48 percent, or $448 million, of its total outlays in the 4th quarter.

In FY 1979—29 percent, or $254 million, of its total outlays in the 4th quarter.

HUD spent:

In FY 1977—36 percent, or $192 million, of its total outlays in the 4th quarter.

In FY 1978—36 percent, or $193 million, of its total outlays in the 4th quarter.

In FY 1979—31 percent, or $159 million, of its total outlays in the 4th quarter.

DoE spent:

In FY 1978—45 percent, or $533 million, of its total outlays in the 4th quarter.

In FY 1979—31 percent, or $331 million, of its total outlays in the 4th quarter.

INVESTMENTS AND LOANS

HUD spent:

In FY 1977—78 percent, or $4.0 billion, of its total outlays in the 4th quarter.

In FY 1978—70 percent, or $4.3 billion, of its total outlays in the 4th quarter.

In FY 1979—68 percent, or $4.6 billion, of its total outlays in the 4th quarter.

Commerce spent:

In FY 1977—69 percent, or $116 million, of its total outlays in the 4th quarter.

In FY 1979—70 percent, or $189 million, of its total outlays in the 4th quarter.

HEW spent:

In FY 1978—11 percent, or $43 million, of its total outlays in the 4th quarter.

In FY 1979—88 percent, or $330 million, of its total outlays in the 4th quarter.

GRANTS AND SUBSIDIES

DoE spent:

In FY 1978—35 percent, or $69 million, of its total outlays in the 4th quarter.

In FY 1979—59 percent, or $196 million, of its total outlays in the 4th quarter.

EPA spent:

In FY 1977—53 percent, or $4.1 billion, of its total outlays in the 4th quarter.

In FY 1978—50 percent, or $1.6 billion, of its total outlays in the 4th quarter.

In FY 1979—48 percent, or $2.3 billion, of its total outlays in the 4th quarter.

GSA spent:

In FY 1977—57 percent, or $12 million, of its total outlays in the 4th quarter.

In FY 1978—29 percent, or $6 million, of its total outlays in the 4th quarter.

In FY 1979—48 percent, or $10 million, of its total outlays in the 4th quarter.

HEW spent:

In FY 1977—39 percent, or $15.6 billion, of its total outlays in the 4th quarter.

In FY 1978—36 percent or $18.3 billion, of its total outlays in the 4th quarter.

In FY 1979—41 percent, or $22.3 billion, of its total outlays in the 4th quarter.

HUD spent:

In FY 1977—65 percent, or $21.5 billion, of its total outlays in the 4th quarter.

In FY 1978—78 percent, or $27.6 billion, of its total outlays in the 4th quarter.

In FY 1979—61 percent, or $15.9 billion, of its total outlays in the 4th quarter.

Commerce spent:

In FY 1977—64 percent, or $4.5 billion, of its total outlays in the 4th quarter.

In FY 1979—38 percent, or $517 million, of its total outlays in the 4th quarter.

Interior spent:

In FY 1977—35 percent, or $327 million, of its total outlays in the 4th quarter.

In FY 1978—54 percent, or $911 million, of its total outlays in the 4th quarter.

In FY 1979—43 percent, or $823 million, of its total outlays in the 4th quarter.

(FY 1978 figures for Commerce (Investments and Loans, Grants and Subsidies) and HEW (Investments and Loans) have not been calculated due to negative numbers which occurred during this period.) ●

□ 1750

SOME ANSWERS TO AN ATTACK ON GOVERNOR REAGAN'S ECONOMIC PROPOSALS FOR RESTORING ECONOMIC GROWTH WITHOUT INFLATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. KEMP) is recognized for 30 minutes.

Mr. KEMP. Mr. Speaker, I would like to take this opportunity to respond to a criticism leveled recently by the senior Senator from Wisconsin at me and my good friend Senator ROTH of Delaware, under the guise of attacking Governor Reagan's economic program, which of course includes the Roth-Kemp bill.

I had not planned to say anything in response, but last Friday, Senator PROXMIRE took the floor of the Senate to observe with dismay that the index of unemployment had jumped from 6.2 to 7 percent in a single month. He called it "a serious situation." He called it "bad news for the Nation's economy." He warned us that "the economic outlook is bleak."

Senator PROXMIRE went on to tell his colleagues that—

> If we must take fiscal action to meet this situation, we should do it with tax reductions and tax reductions calculated to fight inflation at the same time.

I found the whole exercise hugely interesting, in light of the senior Senator from Wisconsin's unseemly attack a few weeks ago, against Gov. Ronald Reagan's economic proposals. Governor Reagan has proposed monetary policy designed to fight inflation, combined with tax proposals to restore economic incentives for individuals and businesses. And, as we all know, Governor Reagan does not need to establish his credentials on restraint in Federal spending.

What were Senator PROXMIRE's criticisms? And how could he criticize Governor Reagan's program 1 month, then apparently reverse himself the next?

First, Senator PROXMIRE criticized Governor Reagan's tax program, along the following lines. He attacked the Roth-Kemp bill, which would lower marginal income tax rates across the board by 30 percent over 3 years, and index the tax brackets thereafter for inflation. This bill is designed to make up for part of the past 15 years of inflation shoving individual taxpayers into higher tax brackets, and to prevent such automatic tax increases in the future.

The Senator also criticized Governor Reagan's support of the Jones-Conable Capital Cost Recovery Act, also known as the 10-5-3 bill, which would attempt to stop the process by which the tax code forces companies to sell their tools to pay their taxes. That is, because of inflation, the tax code requires business to understate the full cost of replacing the equipment used up in the course of production. Profits which should be reinvested in replacing capital are taxed instead as income. The 10-5-3 plan would offer some relief from this overtaxation, which amounted to about 50 percent in 1977.

Senator PROXMIRE erroneously put a $20 billion price tag on the first year of this bill. In fact, according to the Congressional Budget Office, the first-year static revenue estimate, without revenue feedback, is less than $2 billion. I refer the gentleman to the CBO's "An Analysis of the President's Budgetary Proposals for Fiscal Year 1981," February, 1980, page 20.

But Senator PROXMIRE went beyond criticizing these two attempts to compensate for the collision of inflation with our outdated tax code. He actually maintained that any opposition to proposed tax increases threatens to widen the deficit. Specifically, he criticized Governor Reagan for not approving President Carter's new tax on savings and dividend income, as well as his new gasoline tax. By this token, Senator PROXMIRE ought to be extremely pleased with President Carter's fiscal year 1981 budget, which includes $76.6 billion in new taxes or tax-rate increases—that is in real terms, not merely an increase in receipts—in a single year.

In other words, even Senator PROXMIRE's erroneously overstated price tag for Governor Reagan's economic program is less than half the size of President Carter's tax increase. According to Senator PROXMIRE's logic, apparently, the only thing to do under almost any economic conditions is to raise tax rates some more.

On the spending side, Senator PROXMIRE began by criticizing Governor Reagan's promise to provide supplemental appropriations for defense. This is a peculiar criticism in light of the international situation, and the President's own promise—since disowned—to increase defense spending substantially. I believe most Americans side with Governor Reagan in the conviction that our defense is too weak in light of the sustained Soviet military buildup and Soviet probing around the world.

Further, Senator PROXMIRE criticized Governor Reagan for preferring decentralized Federal programs like revenue sharing, which have no strings attached, to categorical grant programs, which are notoriously inefficient and costly.

Finally, Senator PROXMIRE charged that Governor Reagan, as President, would simply ignore the cost of social programs. He said of Governor Reagan:

> He says he would not touch the social programs. That is what he says. He did not say that he would cut them back. He denies that he would cut social security.

This is the second example of bizarre logic from Senator PROXMIRE. First he said that anyone who opposes massive tax-rate hikes is fiscally irresponsible. Now he says that anyone who does not seek to cut social security benefits is not serious about restraining the growth of social welfare spending.

This simply does not conform with the facts. Of all the candidates running for President, does Senator PROXMIRE mean to say that Senator KENNEDY, President Carter, or George Bush can match credentials with Governor Reagan on spending? Hardly. Governor Reagan is even alone in pointing out that, according to the Congressional Budget Office, each 1 percentage point increase in the unemployment rate costs the Federal deficit $25 billion to $29 billion in lost revenue and higher spending; and that the Federal budget will not be balanced as long as unemployment is rising drastically. Senator PROXMIRE himself seems to have awakened to this fact only recently. In his speech last Friday, he cautiously predicted that the rise in unemployment "may or may not spell the the end of the prospect of a balanced budget for the coming year."

Since Governor Reagan has been saying exactly that for some months now, let us consider Senator PROXMIRE to have refuted himself on this point.

Finally, Senator PROXMIRE attempted to discredit Governor Reagan's economic program by putting forth a thoroughly novel view of the Kennedy tax cuts. Briefly, KENNEDY proposed to institute a 7-percent investment tax credit for businesses, accelerated depreciation of business investment, to cut corporate tax rates, and to lower individual income tax rates across the board. All of these proposals were enacted, although the corporate and individual rate reductions were not as large as those KENNEDY requested.

Governor Reagan differs from some of KENNEDY's advisers, however, on the reason for cutting tax rates in this manner. Walter Heller, for example, chairman of Kennedy's Council of Economic Advisers, saw tax cuts as a way to increase aggregate demand, and stated on many occasions that there were few differences in the effect of cutting tax rates compared with increasing Federal spending. Governor Reagan points out that cutting marginal tax rates on individuals and businesses necessarily increases the rewards for production and saving more than for leisure and consumption.

Governor Reagan is attacked for suggesting that high tax rates are a large cause of our economic decline and that lower rates would expand revenues.

Listen to President Kennedy on the subject at the Economic Club of New York in 1963:

> Our true choice is not between tax reduction, on the one hand, and the avoidance of large Federal deficits on the other. It is increasingly clear that no matter what party is in power, so long as our national security needs keep rising, an economy hampered by restrictive tax rates will never produce enough revenue to balance the budget—just as it will never produce enough jobs or enough profits. Surely the lesson of the last decade is that budget deficits are not caused by wild-eyed spenders but by slow economic growth and periodic recessions—and any new recession would break all deficit records. In short, it is a paradoxical truth that tax rates are too high today and tax revenues are too low—and the soundest way to raise revenues in the long run is to cut rates now. . . . I repeat: our practical choice is not between a tax-cut deficit and a budgetary surplus. It is between two kinds of deficits—a chronic deficit of inertia, as the unwanted result of inadequate revenues and a restricted economy—or a temporary deficit of transition, resulting from a tax cut designed to boost the economy, increase tax revenue and achieve a future budget surplus. The first type of deficit is a sign of waste and weakness—the second reflects an investment in the future.

In his Economic Report, issued on January 21, 1963, Kennedy continued his tax cut theme. As he put it:

> The main block to full employment is an unrealistically heavy burden of taxation. The time has come to remove it.

Three days later, on January 24, Kennedy sent his tax-cut message to Congress, outlining the specifics of his proposal:

> 1. A reduction in all individual income tax rates. Rates would be lowered from a range of 20 percent at the bottom and 91 percent at the top—rates essentially the same as those during World War II—to 14 percent at the bottom and 65 percent at the top. The reductions would average 20 percent in every bracket and be phased in over three years.
>
> 2. The corporate tax rate would be reduced from 52 percent to 47 percent, with special reductions for small businesses.

In addition, Kennedy proposed numerous tax "reforms" designed to raise $3.4 billion and offset some of the revenue loss from rate reductions.

The House Ways and Means Committee deliberated on the tax bill, H.R. 8363, most of the summer, not completing action until September 13, 1963. Interestingly, section 1 of the bill declared that it is the sense of Congress that the tax reduction provided by the bill through stimulation of the economy, will, after a brief transition period, raise—rather than lower—revenues. The committee report elaborated this point:

> It is recognized that to many it may seem inconsistent to think of cutting taxes as a way in increasing revenues. Nevertheless, past experience demonstrates that this can happen; in fact, given today's conditions it can be expected to happen. The events of the period 1954–56 demonstrate how this can occur. In 1954 Congress allowed the individual income tax increases imposed during the Korean War to expire, made certain excise tax reductions, allowed the excess profits tax to expire and made certain other tax reductions as well. The total of these reductions amounted to about $7.4 billion. Yet, only 2 years later, in 1956, receipts were $3.2 billion above the level existing before the reductions were made.

The Republicans on the Ways and Means Committee, however, opposed the Kennedy tax reduction as fiscally irresponsible just as Senator PROXMIRE did, because taxes were being reduced while expenditures were not. In other words, they believed that it was more important to balance the budget by raising taxes than to suffer a temporary deficit. They seem not to have understood, as many today do not, that tax rates are not fixed; as inflation or real income growth occurs people are pushed up into higher tax brackets. Kennedy and his advisers referred to this as "fiscal drag" which must be offset by "fiscal dividends," such as tax cuts or expanded Federal programs.

On the floor of the House, Wilbur Mills, chairman of the Ways and Means Committee, attempted to refute the view that the proposed tax reductions would lead to larger deficits, as charged by the Republicans:

> The idea . . . that tax reductions will provide the rate of growth we need in this country to solve the problems I have listed for you, and that the tax reductions, after a brief transition period, will actually increase revenues above the levels that would have been achieved in the absence of tax reductions are not new or novel ideas as some would suggest. . . . It is on the basis of this type of reasoning, Mr. Chairman, that I have reached the conclusion that this bill will provide a sufficient increase in the gross national product so that the larger revenues derived from this additional income will result in the Federal budget being balanced sooner than would be the case in the absence of this tax cut.
>
> Mr. Chairman, there is no doubt in my mind that this tax reduction bill, in and of itself, can bring about an increase in the gross national product of approximately $50 billion in the next few years. If it does, these lower rates of taxation will bring in at least $12 billion in additional revenue.

Similar statements were made during Senate debate by Senate Majority Leader Mike Mansfield and Senator RUSSELL LONG, later to become chairman of the Senate Finance Committee.

What did the tax cut actually do for the economy? Virtually all of the econometric studies of the Kennedy tax cut agree that it was highly stimulative to the economy. Arthur Okun, Chairman of the Council of Economic Advisers under President Johnson, has stated that—

> The tax cuts of 1964 are credited with a $25 billion contribution to our GNP by mid-1965, a $30 billion effect by the end of 1965, and an ultimate $36 billion increment.

Similar estimates have been made by Lawrence Klein, Data Resources, Inc., Wharton Econometric Forecasting Associates, Inc., and the Congressional Budget Office.

The effects of the tax cut can probably be seen almost dramatically, however, in the unemployment rate. As shown in a table, the unemployment rate for both whites and blacks dropped almost in half between 1961 and 1969. In terms of adult black males the drop was phenomenal, going from 11.7 percent unemployment in 1961 to a mere 3.7 percent in 1969. In no other time in recent history have minorities fared so well as job opportunities expanded.

What is Senator Proxmire's criticism of the Kennedy tax cut? He notes that inflation was less than 2 percent at the time, and that the economy was recovering from the 1960-61 recession. Senator Proxmire also concedes that the Kennedy tax reduction—the investment tax credit and accelerated depreciation were enacted in 1962, the rate reductions in 1964—' sharply lowered unemployment" and "did indeed increase revenues."

Then he turns around and, inexplicably, argues that the tax cuts "provided the basis for the worst inflation this Nation has ever suffered, because it resulted in a series of almost unbroken deficits, one small surplus in the next 17 years and 16 deficits, some of them massive." Senator Proxmire even attributes the Vietnam war deficit of 1968 to tax reductions, the last of which took effect 3 years earlier on January 1, 1965.

This is simply a non sequitur: First to concede that the tax cuts restored full employment and "did indeed increase revenues," then to argue that the tax cuts caused 16 subsequent years of deficits. Yet, Senator Proxmire became swept up in his hyperbole, saying that—

> Governor Reagan's economic program is an invitation to devastating inflation. If we accept it, we will get what we deserve—40 percent, 50 percent, 100 percent inflation; the sky is the limit.

To bring Senator Proxmire back to reality: after the Kennedy tax cuts, inflation remained below 3 percent until 1968, when both spending and tax rates were increased massively.

Senator Proxmire seems undeterred by the fact that the inflation rate has been run up to nearly 20 percent by an administration following exactly the sort of tax-raising program the Senator proposes, combined with truly irresponsible monetary policy.

In fact, Senator Proxmire has been consistent in favoring higher tax rates for at least 16 years. Back in 1964, with characteristic hyperbole, he called the Kennedy tax cuts "a principle-busting, financially irresponsible, inflationary, regressive monstrosity." Yet he was proven wrong almost immediately.

This supposed "principle-busting" tax cut reduced unemployment to 3.8 percent by the beginning of 1966, after the 1961 high of 6.7 percent. The gains were the greatest, I would note, among minorities and the disadvantaged. In fact, the income gap between black and white Americans narrowed by 20 percent in only 3 years beginning in 1965.

This supposed "regressive monstrosity" immediately, the first year, produced more income tax revenue at every income level above $10,000 because of the greater economic activity resulting from the lowering of the rates. The largest revenue increases were in the $100,000-and-up class, where revenues nearly doubled during the 2 years of the tax cut, according to a study by economist Michael Evans.

This supposedly "fiscally irresponsible" tax measure increased Federal revenue more in the 4 years after 1963 than in the previous 11 years put together. Thanks to the Treasury's underestimation of the revenue response of the tax cuts, and the fact that Federal spending did not increase from 1964 to 1965, the Federal budget was balanced by mid-1965. Moreover, it did not go out of balance until the Congress outspent the revenue gains which resulted from our booming economy.

In yet another way, we can see how foolish it is to blame the $25.1 billion deficit of 1968 on tax cuts which took place 3 to 6 years earlier. Revenues increased more than 45 percent from 1963 to 1968, about twice as fast as in the previous 5 years. Congress and the President simply spent all of the increase, and $25 billion more besides. Senator Proxmire's quarrel is with the Johnson administration's and his Democratic colleagues' spending programs, not with the Kennedy tax cuts. Without the tax cuts' positive results, the deficit would have been much larger.

What were the mistakes of policy in the late 1960's? First, runaway spending which was financed by Government monetary policy, rather than by private saving. Second, tax increases which choked off private saving, investment, and initiative—the 10-percent tax surcharge on both individuals and businesses, the doubling of the tax rate on capital gains, the repeal of the investment tax credit. Finally, the abandonment of gold convertibility to back the dollar's value; under continued convertibility, inflation and dollar devaluation could not have persisted.

Governor Reagan's economic program explicitly rejects the inflationary policies of the past. It includes, in fact, exactly what Senator Proxmire is now asking for, "tax reductions and tax reductions calculated to fight inflation at the same time."

As Senator Proxmire has pointed out. President Carter's tax rate increases and spending increases have already failed to balance the 1981 budget. Instead, there will be a deficit caused by the recession. Faced with this fact, the question is, which kind of deficit would we prefer? A deficit caused by declining revenues and bloated spending? Or a deficit which might result from an investment in the country's future prosperity and stability?

What should we do?

First, the Central Bank must abolish credit controls and maintain a policy of restraining money creation so that prices cease rising. The Federal Reserve must abandon interest rate targets, and create only as many or as few dollars as needed to maintain stable prices. I would prefer the Central Bank to begin to operate on a price rule, rather than a quantity or interest rate rule.

Second, we must repair the damage done by 15 years of collision between inflation of incomes and our outdated Federal Tax Code.

This means across-the-board reduction in individual income tax rates, followed by indexing of the rate brackets to prevent future tax increases. The income tax is severely biased against saving, because savings are taxed twice, once when earned, and again when they produce income. Therefore, reducing marginal tax rates would profoundly stimulate private saving, while even demand-oriented econometric models agree that Kemp-Roth would reduce unemployment substantially.

The importance of cutting rather than increasing tax rates is this: Increased private saving would finance any Federal deficit, which would not be the case if the deficit were caused by a recessionary fall in receipts and rise in spending on unemployment.

Further, with the Capital Cost Recovery Act, Governor Reagan proposes to bring about a substantial increase in saving by business, since it would be translated directly into investment.

Governor Reagan has also proposed to directly address the problem of the double taxation of savings, by exempting from taxation the interest and dividends earned by individuals. This would remove a great part of the bias against saving and in favor of consumption which exists in the tax code as now written.

Finally, contrary to Senator Proxmire's assertion, the Governor has pledged himself to significant savings in Federal spending—by deliberately attacking the huge problem of fraud and waste, by reexamining all Federal programs, and by working to stop the rise of unployment which threatens not only the security and lives of millions of Americans, but which makes it impossible to balance the Federal budget.

The most persistent argument I hear is that the Kennedy tax cuts worked in the early 1960's because there was a slack in the economy and now it is "overheated." This is a mistaken principle. The Kennedy tax cut worked in the sixties for the same reason a Reagan tax cut would work in the eighties. In fact, there is more slack in the economy now than there was in the early 1960's. The energy and talent of the American people were being underutilized in the early sixties because the whole economy had been pushed into higher progressions, both through inflation and prosperity. In other words, capital and labor had less incentives to produce, as the rewards for effort progressively diminished. The Kennedy tax cuts restored a good deal of those incentives, and there was a great burst of noninflationary productivity, and an unexpected torrent of revenues flowing into the Treasury.

Is there a single economist who does not realize the extent to which today's economy is now "underemployed"? If the economy was running at 85 percent of capacity in 1963, it is running at 50 percent of capacity now. This is why I believe Governor Reagan gets so much applause when he talks about releasing the energies of the American people; they know their talents and energies are being underemployed, and there is tremendous slack in the economy resulting from the disincentives of high tax rates on capital and labor. The "subterranean economy" is now at least 10 percent of the economy, $200 billion, and was nowhere near that level in the early sixties. These are enormous inefficiencies. Always the best evidence that marginal tax rates can be safely cut is the existence of a broad underground economy, rampant tax evasion and huge tax avoidance. People are basically honest, and will happily pay reasonable tax rates for public goods and services. But you can not tax the middle class and working class at rates designed for the Rockefeller class, which is what we are doing today.

Governor Reagan is right Mr. Speaker, we need a policy of restoring full employment without inflation for all Americans.

This is, indeed, an economic plan for a noninflationary, highly employed, and more fully productive country. If Senator PROXMIRE is truly concerned about the drastic rise in unemployment, which some of us warned last year would result from current economic policy, and if he is worried about the policies of an administration which has run inflation up to 18 percent—then I invite him to support Governor Reagan. I am sure Governor Reagan will accept him.

☐ 1810

OUR INCREASING NATIONAL ENERGY SHORTAGES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Iowa (Mr. GRASSLEY) is recognized for 10 minutes.

• Mr. GRASSLEY. Mr. Speaker, no issue of the recent past has troubled Congress and the American public more than our increasing national energy shortages. The past 5 years have witnessed unprecedented acceleration of oil and gas prices on the world market combined with a growing inability of American petroleum producers to keep pace with the Nation's demand. In the face of this bleak outlook for oil availability, it has become imperative that we turn to increased use of more abundant national energy resources. The national energy plan which Congress and President Carter have drawn up and begun to carry out looks to coal—the Nation's most abundant energy resource—to assume a primary role in this effort. It is critical that our Western States, within whose borders lie vast untapped reserves of coal, not be inhibited by needless restraint on the development of their coal. The Federal Government has accepted its share of the responsibility connected with this commitment to coal by providing financial assistance to encourage increased production and use of coal, and to alleviate any impact there may be on the various States as a result of the growing mining activities within their borders.

But certain western States have chosen to exploit the advantage they have gained as a consequence of the Nation's energy crisis and the national policy development to meet that crisis. These States have imposed exorbitant severance taxes on the production of coal within their borders—taxes which are out of proportion to their legitimate need to meet the costs of increased coal production. This excessive taxation inhibits rather than encourages the growth of coal production and thereby runs directly counter to the national policy of increased reliance on coal. Such taxation imposes unfair and inflationary burdens on millions of individual consumers of electricity in other States who must ultimately bear the burden of these taxes.

The States of Wyoming and Montana, who together hold almost half of the Nation's coal reserves, levy such high taxes that they are being called coal's "OPEC." Wyoming collects 17 percent of the selling price of coal shipments and Montana collects a whopping 30 percent. The Montana rate would do OPEC proud—it is up more than 600 percent from 1973. By contrast, Texas, which for many years has been the leading oil and gas producing State, imposes a severance tax of 4.6 percent on the value of oil sold and 7.5 percent on natural gas.

Montana and Wyoming have more than two-thirds of the reserves with less than 1 percent sulfur. Because of environmental concerns, electric plants are having to switch to low-sulfur coal, available in quantity only from the West. These States know they are sitting on "black gold" and have been quick to exploit it.

Last year Montana collected $42 million in severance taxes from coal companies, and in the first half of this fiscal year the total already approaches $40 million. Financial experts estimate that Montana will have more than $20 billion socked away by the year 2010 as a result of the coming coal boom.

Moreover, Montana has even established a trust fund as a depository for coal tax revenues which exceed its needs. The trust fund—essentially an interest earning bank account that is insulated from day-to-day use by the Montana Legislature—now stands at $163.5 million. This suggests a level of revenue so far in excess of actual needs that they are "windfall profits" in a very real sense.

The Western States' attempted justification for these taxes ignore the substantial revenues they are now receiving, and will continue to receive, from the Federal Government to meet impact costs which might have been caused by mining within the States' borders. Federal assistance received by these States under various aid programs far exceeds local impact costs—which is, of course, above and beyond the revenues raised by the various State production taxes.

Although Congress has declared it to be national policy to stimulate and encourage coal production, the effect of high State taxes on coal, and particularly coal severance taxes, has been to inhibit the growth of coal production. Montana's exorbitant taxes have contributed to reductions in the rate of growth in the production of this vital resource. The declining growth of Montana coal production is evidenced by the number of new mines whose openings have been planned but have not occurred, by the excess capacity which has developed at some mines, by a preference to sign contracts with other western States rather than Montana, and by the fact that coal production has fallen short of projections made prior to the imposition of the tax. This represents a severe impact on Montana coal production. Yet the enormous revenues brought in by a 30 percent severance tax make production, even under reduced growth rates, highly lucrative for State treasuries.

Unless Congress acts, the political dynamics of coal taxes will almost inevitably assure their continued growth. Montana's severance tax was only 8 cents per ton as recently as 1973, when it was raised to 34 cents. The current rate of 30 percent of the selling price brings the tax to around 40 cents per ton, or five times the 1973 rate.

Other States are bound to follow suit. Certainly no State official can be expected to hold out for long against a proposed tax increase which yields such high revenue and falls almost entirely on out-of-State consumers.

There should be no confusion concerning who must ultimately bear the burden of these taxes. State coal taxation increases the price which must be paid by utility companies and other industries which use coal. These industries in turn pass increased costs on to their customers through higher monthly utility bills. Those States, such as my home State of Iowa, find themselves at the mercy of these western coal States' exploitation of our national energy situation. Out-of-State consumers who bear the taxation burden have no voting voice in deciding the rates they must pay.

In effect, States like Montana and Wyoming are fattening their bellies at the expense of consumers in Kansas, Illinois, Iowa, Minnesota, and others who spend millions of dollars each year on severance taxes alone. Utility company spokesmen say Iowans alone paid about $6 million in coal taxes to Wyoming and Montana last year in the form of charges added to their monthly bills.

As electrical generation in Iowa becomes increasingly dependent on powerplants fired by low-sulfur coal mined in the West, the burden will increase. It is estimated that between now and 1984, Iowa's electrical customers will pay approximately $45 million in coal taxes to those two States.

This grossly inequitable situation—in which a few States are allowed to reap windfalls on national resources at the expense of the rest of the Nation—was hardly what Congress envisioned when it mandated increased use of coal in 1974, 1975, and 1978. The only power to check the trend toward ever higher coal severance taxes lies with the Federal Government. Congress can and should institute a fair and reasonable measure which would restore equity and support our energy policy, without depriving coal-producing States of funds which they legitimately need.

I have cosponsored H.R. 6654, which would accomplish this purpose by limiting State severance taxes to 12.5 percent. This 12.5 ceiling is high enough to allow States to obtain compensation for costs of services they actually provide to support coal production. At the same time, it will curtail the excessive, unnecessary coal taxes of States like Montana and Wyoming now and prevent other States from enacting similar exploitative taxes in the future. By imposing such a limitation, the Federal Government would simply exert its clear authority to restore equity among the citizens of all States and remove a major threat to the achievement of our national energy policy.●

LEGISLATION TO CREATE RESERVATION FOR CONFEDERATED TRIBES OF SILETZ

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from Oregon (Mr. AuCoin) is recognized for 5 minutes.

● Mr. AuCOIN. Mr. Speaker, today, I am introducing legislation to create a reservation for the Confederated Tribes of Siletz in Oregon. This bill differs slightly from the proposal recommended to the Congress last November by the Department of the Interior and takes into account an historic event last Friday in Oregon: The negotiated resolution of the question of superior hunting and fishing rights for the Siletz. At this time, I would like to share with my colleagues a copy of the statement I issued in Portland which describes the history of the reservation proposal and outlines the significance of the fishing agreement that has been reached:

Statement by Congressman Les AuCoin on Siletz Reservation Bill

The agreement sealed today in U.S. District Court between the Confederated Tribes of Siletz, the State of Oregon and the United States lays to rest the issue of ancestral hunting and fishing rights. This is the breakthrough I've insisted on prior to action in the U.S. House of Representatives on a proposal to create a 3,666-acre reservation for the tribe.

I'm delighted that the question of ancestral rights has been answered through a negotiating process instead of a court confrontation—and that it has been answered to the satisfaction of all parties.

On Tuesday, when I return to Washington, I will introduce legislation in the House to establish a reservation for the Siletz. I'm certain this bill will pass this year. I have already asked for prompt consideration of this bill by the House Committee on Interior and Insular Affairs. Hearings will be conducted on May 29.

The bill I will introduce will make a statutory reference to the agreement and the court decree, thus ratifying and reinforcing at the legislative level the consent decree which the tribe and the state have obtained in federal court.

The negotiated agreement and the decree of the federal court, taken together with Congressional ratification, will define finally and absolutely the tribe's hunting and fishing rights so that there can be no mistake about what those rights are and what they will always be.

In overcoming this final obstacle, the Siletz Tribe deserves to be congratulated for its initiative and resolve. It was the Siletz who originated the negotiations with the Oregon Department of Fish and Wildlife. The Department also deserves full credit for negotiating willingly and well.

The significance of this agreement must be seen in the context of the Siletz Indian Tribe Restoration Act of 1977, in which Congress restored official tribal status to the Siletz Indians.

The tribal restoration act automatically qualified needy tribal members for federal programs and services. It also set in motion a planning process leading to a recommendation to Congress as to whether a reservation should be created by Congress to provide a cultural and economic land base for the tribe.

As the author of the original 1977 restoration act in the House of Representatives, I have had more than a casual interest in following developments that have taken place since its passage. I am gratified that the act has enabled the Siletz Indians to reclaim their hertiage and to share in health, education and related federal programs.

Even before the 1977 restoration law was passed, however, a potentially divisive issue had arisen. This was the question of ancestral Indian hunting and fishing rights. Did they exist? Could the creation of a reservation lead in any way to the granting of superior rights by the courts?

The answers were unclear. It was clear, however, that the last thing the region needed was an expansion of the bitter strife that has torn our region as a result of federal court decisions upholding treaty Indian fishing rights.

That's why I said—to the tribe and every other interested party—that I would let no bill pass that could possibly aggravate the hunting and fishing rights problem in the Northwest, especially since the Siletz themselves had consistently said they had no interest in such rights.

That's why the 1977 tribal restoration act left the question of a reservation unanswered. The act spelled out procedures to be followed by the Department of Interior in preparing further recommendations to Congress. It gave the department two years to do the homework.

When the department submitted the reservation plan to Congress last fall, it was obvious that all the homework had not been done. The issue of hunting and fishing rights was still unresolved. I was determined to see that this question was answered. I announced that the proposed reservation plan would not move in the House of Representatives until the question was settled. I sought to encourage negotiations between the Siletz Tribe and the State.

Given the fact the Siletz themselves have never expressed a desire to seek superior hunting and fishing rights, some may question why the Siletz and the State have come to federal court to "define" rights in this agreement. The answer simply is that whether the Siletz are a federally recognized tribe or not, no one knows if they have superior rights, what those rights may be, or how vast they may be—unless the matter is defined.

A proposed reservation underscored in my mind the need for such a definition since I have always had the concern that a reservation could conceivably leverage a court claim for such rights. The Oregon Attorney General, in a recent legal opinion, made a supplementary comment that "many federal court decisions have held that hunting and fishing rights are a basic incident of reservation status, and that an intent to create hunting and fishing rights will be implied from the creation of a reservation."

The decision the Siletz and the State have made together defines, once and for all, what the tribe's hunting and fishing rights are—in numbers so small that no reasonable person can quarrel with them. This agreement has been entered into in full public view and with full opportunity for public participation. It spells out the tribe's hunting and fishing rights in terms of fixed numbers of salmon and game, in terms of specific locations and within defined boundaries, and in terms of management regulations and concurrent seasons set by the State of Oregon.

The numbers of salmon and game that have been agreed to are up to 200 salmon and up to 375 deer and 25 elk a year. These figures are microscopic. The agreement stipulates that no new hunting or fishing claims would be created by the establishment of a reservation or future additions to a reservation.

This is a reasonable solution. It satisfies the State of Oregon, the Siletz Tribe and non-Indian hunters and fishermen in Oregon who support game management through license fees and tags.

Most important of all, it provides the opportunity to move beyond restoration of tribal status and federal assistance programs so the tribe can work toward economic self-sufficiency—such as the Warm Springs Tribe has done.

The economic needs of the Siletz are well documented by the Department of Interior. Over a third of Siletz families have incomes below the U.S. poverty level. The median household income is less than half the state average. In Lincoln County alone, Indians have a 44 percent unemployment rate. Twenty percent are on public assistance. Tribal members suffer from severe health problems and nutritional deficiencies. Substandard water and septic facilities are common, and more than a third of the Siletz families live in substandard housing. Nearly half of the adult tribal members have not completed high school.

The tribe's goal is just this: To improve the lives of its members by meeting their pressing needs and sustaining their sense of pride in their heritage. Revenue from tribal management of timberlands provided by a land base will make this possible. It will translate into a tribal community center and other possible commercial facilities, income for tribal members and an economic stimulus for Lincoln County.●

NEW CREDIT CARD REPAYMENT TERMS BAFFLE CONSUMERS

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. Annunzio) is recognized for 5 minutes.

● Mr. ANNUNZIO. Mr. Speaker, encouraged by the Federal Reserve Board's credit control regulations, creditors around the country are escalating the repayment terms of their consumer customers' contracts. While consumers are struggling to make ends meet during this recession, creditors are making use of credit cards more and more expensive.

It is bad enough that the cost of credit is increasing at an alarming rate, but to add insult to injury, creditors employ the most complex and confusing language possible to describe the credit term changes. The credit control regulations specifically require creditors to provide their customers with a clear description of the new terms, the existing terms and the effective date of the change. However, the rule of thumb appears to be the more incomprehensible the explanation of the change can be, the better it will be, as far as creditors are concerned.

I would like to enter in the RECORD as an illustration, J. C. Penney's notice of changes in its charge account terms received by a consumer on April 24, 1980. According to the notice, finance charge rates will be increased, the grace period during which a consumer may pay a monthly bill without incurring finance charges will be reduced and the method of computing the balance on which the finance charge is applied will be changed to be more costly to the consumer.

These are all important changes, yet the disclosure of the changes is in small print. The language of the notice is complex and confusing. This notice of changes should be in easily readable print and in plain English. The consumer who received this notice commented:

> The enclosed would take a lawyer to fill it out or try and understand it. I am only a retired layman.

I would hope that if creditors feel they must increase the cost of credit card use to their customers to restrain credit, they will at least explain these credit term changes in a way that meets the spirit, rather than merely the letter of the credit control regulations. The spirit of these regulations is to provide consumer customers with a notice of change explanation in the clearest possible language.

The material follows:

IMPORTANT NOTICE

CHANGES IN JCPENNEY'S CHARGE ACCOUNT TERMS

Effective June 1, 1980, the following changes will be made in JCPenney's Charge Account Program.

1. Average daily balance

We will use a new method to determine the Average Daily Balance upon which any finance charge on your account will be based. In all states except Maine, Massachusetts, Minnesota, Mississippi, Nebraska, New Mexico, Ohio and Rhode Island, when you have a balance on your account at the beginning of the billing period, we will add current purchases to the daily balance of the account as of the date they were made. In all states, credits will be subtracted from the daily balance as of the date the credit was issued. Presently, purchases made in the current billing period are excluded from the daily balance, and credits relating to purchases previously billed are subtracted from the balance you owed at the beginning of the billing period. Under the new method, here's how we will determine your Average Daily Balance:

"We start with the balance you owe at the beginning of the billing period. We then subtract any insurance premiums due and any unpaid finance charge because you do not pay finance charge on these amounts. We then find the daily balance for each day by subtracting any payments as of the day we receive them. (Payments are first applied to any insurance premiums due and any unpaid finance charge.) We also subtract any credits as of the date they were issued. We then add new purchases as of the date they were made. (If you live in Maine, Massachusetts, Minnesota, Mississippi, Nebraska, New Mexico, Ohio or Rhode Island, purchases made in the current billing cycle are excluded from the daily balance.) We add all the daily balances for the period and divide the total by the number of days in the billing period. The result is your Average Daily Balance."

As in the past, no finance charge will be assessed for a billing period when credits and payments equal or exceed the balance at the beginning of the billing period or when there is no balance at the beginning of the billing period.

2. Payment due date

We are changing the date by which your payment will be due. Your statement will show a payment due date to avoid additional finance charge that will be 25 days from the current "Billing Date." Presently, the due date by which additional finance charge can be avoided is shown as the "Next Billing Date."

3. Finance charge rates

For customers who live in the states of Arizona, Florida, Kansas, Minnesota, Mississippi, Missouri, New Jersey, Rhode Island, and West Virginia, we are making the following changes:

Arizona: We will apply periodic rates of 1.5 percent (annual percentage rate 18 percent) to that part of the Average Daily Balance that is $1,500 or less and 1 percent (annual percentage rate 12 percent) to that part of the Average Daily Balance that is over $1,500. There will continue to be a minimum monthly finance charge of 50 cents on Regular Charge balances of $33.50 or less. The current periodic rates are 1.5 percent (annual percentage rate 18 percent) applied to that part of the Average Daily Balance that is $1,000 or less and 1 percent (annual percentage rate 12 percent) on that part of the Average Daily Balance that is over $1,000.

Florida: We will apply a periodic rate of 1.5 percent (annual percentage rate 18 percent) to the entire Average Daily Balance. There will continue to be a minimum monthly finance charge of 50 cents on Regular Charge balances of $33.50 or less. The current periodic rates for Regular Charge balances are 1.5 percent (annual percentage rate 18 percent) applied to that part of the Average Daily Balance that is $500 or less and 1 percent (annual percentage rate 12 percent) applied to that part of the Average Daily Balance that is over $500.

Kansas: We will apply periodic rates of 1.5 percent (annual percentage rate 18 percent) to that part of the Average Daily Balance that is $1,000 or less and 1.2 percent (annual percentage rate 14.4 percent) to that part of the Average Daily Balance that is over $1,000. There will continue to be a minimum monthly finance charge of 50 cents on Regular balances of $33.50 or less. The current periodic rates are 1.5 percent (annual percentage rate 18 percent) applied to that part of the Average Daily Balance that is $500 or less and 1 percent (annual percentage rate 12 percent) applied to that part of the Average Daily Balance that is over $500.

Minnesota: We will apply a periodic rate of 1.33 percent (annual percentage rate 16 percent) to the entire Average Daily Balance. The current rate is 1.0 percent (annual percentage rate 12 percent). There will continue to be a minimum monthly finance charge of 50 cents on Regular Charge balances. This will apply to balances of $37.50 or less.

Mississippi: We will apply periodic rates of 1.5 percent (annual percentage rate 18 percent) to that part of the Average Daily Balance that is $800 or less and 1 percent (annual percentage rate 12 percent) to that part of the Average Daily Balance that is over $800. The current periodic rates are 1.5 percent (annual percentage rate 18 percent) applied to that part of the Average Daily Balance that is $500 or less and 1 percent (annual percentage rate 12 percent) applied to that part of the Average Daily Balance that is over $500.

Missouri: We will apply periodic rates of 1.5 percent (annual percentage rate 18 percent) to that part of the Average Daily Balance that is $500 or less and 1 percent (annual percentage rate 12 percent) to that part of the Average Daily Balance that is over $500. Before this change, the periodic rate for the part of the Average Daily Balance over $500 was .75 percent (annual percentage rate 9 percent). There will continue to be a minimum monthly finance charge of 50 cents on Regular Charge balances of $33.50 or less.

New Jersey: We will apply periodic rates of 1.5 percent (annual percentage rate 18 percent) to that part of the Average Daily Balance that is $700 or less and 1 percent (annual percentage rate 12 percent) to that part of the Average Daily Balance that is over $700. There will continue to be a minimum monthly finance charge of 50 cents on Regular Charge balances of $33.50 or less. The current periodic rates are 1.5 percent (annual percentage rate 18 percent) applied to that part of the Average Daily Balance that is $500 or less and 1 percent (annual percentage rate 12 percent) applied to that part of the Average Daily Balance that is over $500.

Rhode Island: We will assess a minimum monthly finance charge of 50 cents on Regular Charge balances of $33.50 or less. Currently no minimum monthly finance charge is assessed.

West Virginia: We will apply periodic rates of 1.5 percent (annual percentage rate 18 percent) to that part of the Average Daily Balance that is $750 or less and 1 percent (annual percentage rate 12 percent) to that part of the Average Daily Balance that is over $700. There will continue to be a minimum monthly finance charge of 50 cents on Regular Charge balances of $33.50 or less. The current periodic rates are 1.5 percent (annual percentage rate 18 percent) applied to that part of the Average Daily Balance that is $500 or less and 1 percent (annual percentage rate 12 percent) applied to that part of the Average Daily Balance that is over $500.

The timing of these rate changes is as follows:

If a balance exists as of June 1, 1980, our current rates will be applied until that balance is paid in full. If there is such a balance, purchases made on or after June 1 will also be assessed at our current rates until the June 1 balance is paid in full.

4. Additional information

If your residence changes to a state where our credit terms are different, the terms we offer in that new state will apply to purchases made on or after the date we receive notice of this change. Under the terms of your agreement with us, you must notify us promptly of any change in residence.

The periodic rates that will apply throughout the United States as of June 1, 1980 are listed below:

Residence	Portion of average daily balance to which applied	Periodic rate (percent)	Annual percentage rate	Minimum monthly finance charge (cents)
Connecticut	$250 or less	1.25	15.0	None
	Over $250	1.0	12.0	
District of Columbia, Maryland, Nebraska, Wisconsin.	$500 or less	1.5	18.0	None
	Over $500	1.0	12.0	
Vermont	$500 or less	1.5	18.0	25
	Over $500	1.0	12.0	
Maine, Missouri, New Mexico, New York, Ohio, Texas.	$500 or less	1.5	18.0	50
	Over $500	1.0	12.0	
Iowa	$500 or less	1.5	18.0	50
	Over $500	1.25	15.0	
New Jersey	$700 or less	1.5	18.0	50
	Over $700	1.0	12.0	
West Virginia	$750 or less	1.5	18.0	50
	Over $750	1.0	12.0	
Mississippi	$800 or less	1.5	18.0	None
	Over $800	1.0	12.0	
Alaska, California, Delaware, South Carolina.	$1,000 or less	1.5	18.0	50
	Over $1,000	1.0	12.0	
Kentucky	$1,000 or less	1.5	18.0	50
	Over $1,000	1.2	14.4	
Arizona	$1,500 or less	1.5	18.0	50
	Over $1,500	1.0	12.0	
Arkansas	Entire	.83	10.0	None
Washington	do	1.0	12.0	50
Pennsylvania	do	1.25	15.0	50
Minnesota	do	1.33	16.0	50
North Carolina, North Dakota, Nevada, Virginia.	do	1.5	18.0	None
All other States	do	1.5	18.0	5

Note: There is never a minimum finance charge if you have only a time payment balance or if you have both a time payment balance and a regular charge balance for that month. ●

IMPROVING LIFE BY IMPROVING DESIGN

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. BROWN) is recognized for 5 minutes.

● Mr. BROWN of California. Mr. Speaker, the role of design in the manufacturing and sale of U.S. products at home and abroad is an important, but underestimated aspect of our Nation's position in world commerce. Equally important is the role of design in materials and energy consumption, in causing injury and death, in creating comfort or discomfort, in enhancing beauty, improving productivity, aiding the handicapped, or providing durable products.

Today I am introducing legislation which, in a modest way, creates an institutional mechanism for the Federal Government to consider and encourage excellence in design. This legislation is quite limited in its scope—its creates a coordinating office and advisory council for design in the Department of Commerce to provide research grants, educational programs, guidance to Federal agencies which promulgate regulations which influence design, assistance for international trade and voluntary standard-setting for excellence in design.

It is similar to previous efforts by the Committee on Science and Technology, and other committees to encourage innovation and productivity, and specific design-related bills, such as the U.S. Conversion Act, which establishes a voluntary metric conversion program in the United States for many of the reasons cited for this design bill.

I know that some will inevitably say this is an unnecessary Federal program, largely because it is new. It may very well be unnecessary, as legislation, since the powers under this legislation can and, in a haphazard and inefficient manner, are being exercised by various parts of the Federal Government today. However, I sincerely believe that in the years to come, and probably in the very near future, we will have to move from a casual to a conscious effort to design for durability, energy and materials conservation, and marketability in international markets. The Federal Government should help make this transition from a disposable, thriftless society less painful.

Mr. Speaker, in a new publication recently brought to my attention I saw an excellent article by a world-renowned designer, Victor Papanek, author of the book "Design for the Real World," which emphasized the importance of design. I include it in the RECORD at this time:

The article follows:

[From the Next magazine, May-June 1980]

DESIGN THAT SPEAKS FOR THE 80s

(Not glitter, but substance. A leading designer picks 12 of the best)

(By Victor Papanek)

Many people think that design, if it is to express the next ten years, must be as new as the decade. That's not so. Advanced design does not have to be new; it *does* have to respond to the way we'll live in the years to come.

The 70s saw a revolution in life-styles, and good design in the 80s will support and reinforce that revolution. Essentially, there's been a return to simpler pleasures. We enjoy preparing food ourselves, spending time outdoors, working with our hands. We find satisfaction beating the system in minor ways: pedaling a bicycle for inner-city transportation, or using a lamp that consumes less electricity than another but provides as much light.

When we look around for products to support this lifestyle, our choices seem unlimited—mind-blindingly so. But closer examination reveals the relatively small number of well-designed products. To say a product has lasting value, we should be able to answer yes to five questions:

Does it perform its function better than other products now available?

Is it easy to use, a breeze to understand and maintain?

Is it safe?

Is its design simple and clean, without the kind of trendy decoration that will unavoidably date the design?

Is it made to last without built-in obsolescence?

These questions are basic enough, but few products pass the test. Most electronic gadgets are outdated by the time they reach mass-production; most cars are neither energy-efficient nor really designed to get us through the next decade; stereo equipment, cameras, appliances, and much furniture are merely "more of the same"—extensions of objects we already own, tarted up to look chic.

But not all. We are beginning to see a new concern for durability, safety, and quality—on the part of *American* designers. This is significant because, recently, we've had to look overseas for such excellence.

Does this sound like hyperbole? Consider the things in the life of an upper-middle-class American family interested in good design. Rick Chambers owns an insurance company, and his wife, Helen, teaches retarded children. They are in their middle-forties and have three children. Rick, an amateur photographer, uses two West German cameras, a Swedish Hasselblad, and a Leitz slide projector, also from Germany. Their stereo system was made by Bang and Olufsen of Copenhagen; their cassette tape unit in Sweden by Sonab. Rick's office typewriters and adding machine were made by Olivetti in Italy; his Sinclair pocket calculator in Great Britain; his ballpoint pen, fountain pen and pencil set by Lamy in West Germany. His spectacles sit in frames from Holland, his wife's are from Sweden. They drive a Mercedes.

Helen's sewing machine is by Yamaha, the same Japanese firm that made their piano and their oldest son's Moog synthesizer. Her hair dryer was made in Italy, the bathroom scale in the Irish Republic. In the kitchen there's a French-made Cuisinart food processor, and a German coffeemaker and a coffee grinder by Braun, the company that also made Rick's electric razor. They have clay stewing pots from Greece; pans from France, Finland, and Germany; an orange-juice squeezer from Sweden; British dishes, Finnish glasses, a Swedish dish rack, and a Miele electric dishwasher from Germany.

In the 80s, I think we'll find that this dominance of foreign products was a temporary aberration. With good reason. Americans have an enviable record of innovative product design: The invention of the Franklin stove changed heating concepts around the world; the Winchester carbine is still the preferred hunting gun with Eskimos in Canada and Alaska, 114 years after it was produced; and George Eastman's Kodak Box Brownie camera set a world standard for almost 50 years, only to be superseded by Edwin H. Land's Polaroid cameras.

Americans are not only rediscovering the origins of good design. They are also redefining what selling is all about. Gourmet food shops, organic- or health-food stores are ready to assist you with recipes, diet plans, and cooking guidance. Florist shops, once primarily known for funeral wreaths and prom corsages, are giving way to shops that will lease plants to you for a year and to "botanical clinics" willing to gently nurse your failing *Monstera deliciosa* back to health. Bicycle shops, especially in such university towns as Madison, Cambridge, or Berkeley, have become community centers. Of course, they sell bicycles and related equipment, and provide information on local rallies. But now they also serve as bases for political action in the interest of cyclists. ●

INFLATION AND FEDERAL SPENDING: THE FLAWED CORRELATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. LaFalce) is recognized for 5 minutes.

● Mr. LaFALCE. Mr. Speaker, one of the most widely accepted adages involves the relationship between inflation and Federal spending. Until the Congressional Budget Office released its study, which showed that a balanced Federal budget would only reduce the rate of inflation by 0.1 percent, some commentators claimed the Federal spending was the most important cause of inflation; indeed, some claimed that it was the sole cause of inflation. In fact, the correlation between inflation and Federal spending is extremely flawed.

The International Monetary Fund, among its many duties, compiles a large number of very interesting statistics. Australia, Austria, Belgium, Denmark, Norway, Sweden, and Canada all share an intriguing condition; they all have lower inflation rates than the United States. What makes that fact intriguing is the fact that all of those countries have a higher percentage of budget in deficit, a higher Federal deficit as a percentage of gross national product and a higher percentage of GNP for Federal expenditures. The Netherlands, which devoted nearly twice as much of its GNP for Federal expenditures as the United States, has managed to keep its inflation rate comfortably below the double-digit threshold. New Zealand has had severe problems with budget deficits in recent years; yet, New Zealand's inflation rate is remarkably similar to the U.S. rate, despite greater fiscal restraint in our country.

The IMF's statistics suggest that there is something fundamentally wrong with Prof. Milton Friedman's nostrums about balanced budgets and tight fiscal policies. While a balanced Federal budget is necessary for psychological reasons, it may very well be unnecessary for economic reasons; and that possibility must be firmly kept in mind.

The IMF's statistics do make sense, when another important economic indicator enters the picture. Countries which consistently outspend the United States manage to keep inflation in control by maintaining healthy and vigorous productivity growth rates. During the past decade, the rate of productivity growth in the United States steadily declined from its average annual rate of 3 percent in the post-World War II period, until productivity actually declined during 1979. Other countries, however, sustained positive productivity growth during the 1970's, which helped cushion them from the price shocks from OPEC and which helped them to avoid the twin pitfalls of inflation and economic stagnation.

If there was any doubt about the key importance of productivity and the connection between productivity and inflation, that doubt should have been erased by a recent study issued by the Joint Economic Committee. Not only did that study closely link inflation and productivity, but it also found that there is a distinct multiplier effect in the relationship between productivity and inflation. That effect causes a 1-percent growth in productivity to produce more than a 1-percent reduction in inflation, which is a good deal more than conventionally accepted wisdom.

Mr. Speaker, a balanced Federal budget is a necessity; but balancing the budget should not be used as a smokescreen to prevent a fundamental reassessment of this country's complex economic problems. At the center of those problems is declining productivity and not a supposedly bloated bureaucracy.

INTERNATIONAL ASPECTS OF INFLATION AND INTEREST RATES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. Addabbo) is recognized for 15 minutes.

● Mr. ADDABBO. Mr. Speaker, it seems every time we reach for our morning newspaper the headline on the front page informs us that inflation has taken another leap upward. It is a serious problem that affects all Americans 365 days a year. It is also a problem that has drawn a considerable amount of attention in the press, with scores of articles written weekly explaining the how's and why's of it all. I recently had the opportunity to read an article entitled "International Aspects of Inflation and Interest Rates" by Irving Zuckerman, formerly Assistant Director of Planning and Budget, Office of Coal Research, Department of the Interior. I bring the article to the attention of my colleagues because it offers a unique perspective on the international money market and how foreign transaction affects us on the domestic front.

I insert this instructive article into the Record:

International Aspects of Inflation and Interest Rates

(By Irving Zuckerman)

My tax accountant asked me if there are circumstances in which "imported money" can intensify inflation. He had read in Business Week (April 28, 1980) that large amounts of investments have been coming into the West Bank and Jerusalem from Arab countries, and he wondered whether the high Israeli inflation rate, now triple-digit, might be attributable to that "imported money."

Him. When I consider the substantial flow of Arab investment money into the West Bank and East Jerusalem the past few years, and the possibility that this might account for the very high rate of inflation in Israel, I am led to wonder whether the United States inflation rate might to some extent be caused by "imported money."

Me. As you probably have noted, there has been substantial investment from abroad in U.S. farms which has caused some states to restrict foreign ownership of farmland. In addition, the Treasury Department has been unwilling to answer questions even from Congress about the extent of foreign funds coming into the U.S. for the purchase of assets. There are also extensive bank deposits from abroad. I do not recall whether questions about the inflow of money from abroad took into account the possibility that this is a course of U.S. inflation. However, that should not necessarily mean that the possibility is to ignored. In fact, if the U.S. now has interest rates that are among the highest in the world, it would be attracting increasing amounts of money from abroad which might actually be intensifying its inflation. Some countries are raising their own interest rates to avoid excessive out-flow of money to the U.S., attracted by the high interest rates.

Him. Have any other countries ever restricted inflow of money from abroad, and if so, why would they have done it?

Me. When Switzerland was attracting more money from abroad than they wanted, they began to charge fees, rather than to pay interest. The Swiss franc was rising in value in relation to the dollar, and the Swiss inflation rate remained comparatively low.

Him. Perhaps the low inflation rate means that the inflow of money from abroad was not inflationary?

Me. Not necessarily, it would depend on the extent to which the Swiss were counterbalancing the inflow, by lending abroad, etc. Also, it might depend on what the Swiss did with the money that came into their country from abroad. They have had considerable control over inflows and outflows to help maintain their stability. It seems that there would be very good government reports in Switzerland on this subject.

Him. At any rate, do you think that the inflow of money from abroad is intensifying the inflation rate in Israel?

Me. I would say it was a good possibility, since imported money would add to the "too many dollars chasing too few goods" syndrome, it seems possible that if the imported money does not contribute to an immediate enlargement of the Gross National Product, and if the inflow substantially exceeds the outflow of money, the "imported money" could conceivably intensify the inflation rate.

Him. And that might apply to the U.S. just as readily as to Israel?

Me. Possibly, and it certainly seems to be worth looking into. At the present time, U.S. investors have more investments abroad than foreigners have in the United States, but the inflation rate might be affected by the annual changes, rather than by the accumulated aggregates. It is a many-sided question, and the Treasury might not be considering some of the side effects involving inflation.

Him. You have sometimes mentioned that there have been recessions in the U.S. in recent years during which inflation continued. Is it possible that during those recessions we were importing more money than we were exporting, and that we were not using enough imported money to enlarge the GNP, etc.? Is it possible that the Israeli government should be coordinating the net importation of money from abroad with reference to its inflation rate? Is it possible that the Federal Reserve might improve its anti-inflation program by coordinating the net importation of money from abroad?

Me. Since the Treasury Department did not want to provide information about foreign investments, it might be that they do not have that type of information for anti-inflation purposes. It would seem that every possible source of the "too many dollars" which cause inflation, ought to be explored.

Him. I have the distinct feeling that there is something that we are overlooking, and that might be it. And while we are at it, what about interest rates—do you think there will now be a temporary dip in them like last fall, or do you think it will be of the lasting variety? Some of my clients may go bankrupt by a squeeze between declining sales revenues and high interest rates. I am hoping that we might not "need" a long recession to reduce the inflation rate. And if you think it will not be a lasting reduction in interest rates, is there anything else that needs to be done?

Me. The high interest rates may curb domestic borrowing, but they may also support the dollar internationally. To appreciate the entire situation, just ask yourself what will happen to the dollar internationally if the U.S. interest rates go down substantially.

Him. You mean the high interest rates are being relied on to prop up the dollar?

Me. High interest rates are a substantial factor in the dollar support picture, and if we provide alternate ways of reducing pressure on the dollar internationally, reduced rates in the United States are more likely to remain. As for introducing such alternatives, the Federal Reserve, or some other Federal agency, would need very broad powers covering all the sources of the "too many dollars chasing too few goods" problem, both domestic and international.

Him. What about the money crunch?

Me. It might be that at an inflated price level it takes more money to perform the same aggregate of physical transaction. If every transaction requires more dollars to effect the physical transfer, the total specie requirement is faced with the loss of purchasing power of the savings that accumulated over the course of many years, not merely the loss of purchasing power from the savings of a current period.

Him. There have been proposals to have "forced savings," which may be a recession approach.

Me. There is a tendency to treat each economic ailment, rather than to apply preventive medicine to the system. It reminds me of a recent column in which Hobart Rowan quoted a Japanese manager who said, "the American quality control philosophy is one of detection, and the Japanese philosophy is one of prevention." If we apply to our economy the Japanese philosophy of quality control, which is prevention, it would give the free economy system a new lease on life, making it better than it has ever been.●

CUBAN REFUGEES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida (Mr. Mica) is recognized for 5 minutes.

Mr. MICA. Mr. Speaker, today because of my concern, I had an opportunity to visit with President Carter and summarize the concerns I have, and the people of south Florida have with regard to the current refugee situation. We have a tremendous problem, and it has caused a great deal of concern on the part of our citizens.

The first thing I tried to emphasize is that this should not be, cannot be a Florida burden; it should be looked at as a U.S. problem, an international problem and, indeed, involves concerns that have ramifications throughout this hemisphere.

My position has been that we should limit in some way the number of refugees that this Nation accepts. We want to be humanitarian and compassionate. But I feel there are limits to what this Nation and this society can do and the numbers that we can realistically absorb. The administration position, however, at this time appears to be that they will have unlimited numbers coming into this Nation.

To that extent my understanding is that both Cuban and Haitian refugees will receive the same type of treatment, and the policy will be the same with regard to both. While I do oppose unlimited entry, that is no longer the question. That decision has been made. The situation now really focuses on what do we do with all of these people that are here, and how many will be coming, how many will be attracted.

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While I expressed my concerns, I tried to raise points that were brought to my attention that I thought worthy of the President's consideration and that of his administration. I would like briefly to summarize these. This is the subject really of the meeting at the White House this morning.

First was the policy to limit or not to limit. As I mentioned, apparently that policy is no limit.

Second was equity in dealing with Haitians and Cubans and, indeed, all refugees. That may have been resolved. There may have been a statement or feeling that equity will prevail.

Third and very urgent was the unsafe and chaotic conditions of the flotilla coming to this Nation. We have already lost a half dozen lives and we do not know how many more are in jeopardy at this moment.

Fourth was the resettlement issue. Should they all be left in Florida or dispersed throughout this Nation and throughout this hemisphere? I was pleased to hear a national conference will be called in Costa Rica on Thursday of this week to discuss this problem. There appears to be agreement that it should be viewed as an international concern.

Questions that are coming from all of our mayors and town and county and State officials as to whether or not they will be reimbursed for the expenses incurred have not yet been answered, as well as the question of political or economic refugees. That entire policy question has not been touched at this point and needs a definitive answer.

One question that was brought to my attention by a Florida resident was the situation with the newly taken census. Here south Florida, with what may be millions of new residents, has just completed a census and will have to rely on figures for that census, with no input for a situation like this for the next 10 years.

A final comment—and I think this was agreed by all who attended the meeting—was that we should condemn Fidel Castro for the inhumane way he has gone about this venture, literally pushing people into boats, forcing people on our society, and setting foreign policy for us, using human beings as pawns. I believe the President agreed, and his administration representatives also, to continue the heavy condemnation of his inhumane practice and that we will try to bring some order to the very disorderly flow of refugees. The President did agree that resettlement should be looked at on an international basis. He did agree, and it appears there is agreement, on the equity question.

Last, he indicated his major priority would be bringing some type of orderly procedure into this flotilla of unsafe and really in many cases unseaworthy craft.

I would like to indicate that there are a great number of rumors that are emanating from Key West and all over south Florida and, I find today, throughout the Nation. This is a time when really we need to be calm and try to find some sensible solutions and try to be realistic about what can be done. We have a Constitution and laws that must be obeyed, but, nonetheless, these are questions that need attention. They need attention now. They need answers now. We need to address these questions as a Congress, as an administration, and as a Nation, without delay.

FINANCIAL DISCLOSURE STATEMENT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wisconsin (Mr. Kastenmeier) is recognized for 5 minutes.

Mr. KASTENMEIER. Mr. Speaker, as required by Public Law 95-521, I have filed the annual public financial disclosure statement. However, since this disclosure requirement differs in several important respects from the more detailed report which I have placed in the Congressional Record since 1963, I am continuing my practice of reporting in the Record a statement on my financial condition for the calendar year 1979.

My report also includes the amount of Federal, State, and real estate taxes paid in 1979:

STATEMENT OF FINANCIAL CONDITION, DECEMBER 31, 1979

Cash account with the Sergeant at Arms, House of Representatives	$543.30
Cash	29.42
Securities	None
Residential real estate:	
Arlington house and lot (1979 assessment)	153,100.00
Less mortgage	21,825.81
Equity	131,274.19
House, Sun Prairie, Wisc	29,000.00
Plus improvements	1,766.00
Back lot	1,200.00
Sewer and water improvements	4,789.00
Total	36,755.00

Less mortgage	15, 841. 78
Unpaid sewer and water assessments	3, 453. 70
Total	19, 295. 48
Equity	17, 459. 52
Household goods and miscellaneous personality	8, 000. 00
Miscellaneous assets, deposits with the U.S. civil service retirement fund through December 31, 1979, available only in accordance with applicable laws and regulations	59, 440. 23
Additional retirement fund deposit	1, 130. 00
Cash surrender, value of life insurance:	
On the life of Robert W. Kastenmeier	None
On the life of Dorothy C. Kastenmeier	544. 00
Deposit, Donaldson Run	400. 00
Automobiles:	
1976 Oldsmobile	1, 600. 00
1978 Mercury	4, 400. 00
Total assets	224, 820. 66
Less personal notes outstanding, National Bank of Washington	3, 000. 00
Net assets	221, 820. 66
Taxes paid:	
1979 Federal income tax	10, 414. 37
1979 Wisconsin State income tax (less refund and assessments)	3, 512. 00
1979 city of Sun Prairie real estate tax	1, 832. 62
1979 Arlington County real estate taxes	1, 975. 00
1979 Federal employer's tax	109. 31
Total taxes paid	17, 843. 30
Income for 1979:	
Gross rent, Sun Prairie house	3, 120. 00
Net honorariums and per diem	2, 467. 00
Total	5, 587. 00

I also am reporting on the separate estate of my wife, Dorothy C. Kastenmeier, which is not subject to my control and thus, not necessarily required to be reported. Fair values are estimated and certain interests in property are subject to life estates in others:

Unimproved land, 129 acres, Chireno, Tex	$10, 000. 00
Unimproved land, 160.5 acres, Nacogdoches, Tex	10, 000. 00
Frame house and lot, 413 Myrtle Street, Nacogdoches, Tex	12, 000. 00
Lot and building, 106 Marilyn Street, Nacogdoches, Tex	12, 000. 00
158 Shares, Fredonia State Bank, Nacogdoches, Tex	6, 320. 00
Total	50, 320. 00
All interest in minerals and timber subject to life estate of others: Rental income	690. 00
Total	690. 00

THE LATE CRANDALL MELVIN, SR.

(Mr. HANLEY asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. HANLEY. Mr. Speaker, Crandall Melvin, Sr., was a big man—intellectually, socially, politically, and spiritually. To the community of Syracuse and central New York, where he was born and lived his entire life, he was recognized as such by people at all levels of the economic and civic ladder, the poor and disadvantaged, the day-to-day middle-class worker, and the well-to-do leaders.

For a lawyer and a banker, that tells us a lot about his character. His was not the narrow, albeit challenging, world of law and banking. His was a world of "working together to benefit together" by hard work, commonsense, and taking advantage of the built-in dynamism of the American capitalistic system.

When Crandall Melvin, Sr., died April 20, 1980, central New York lost a friend first and a leader second.

Born 91 years ago in the small town of Euclid, northwest of Syracuse, he graduated in 1911 from Syracuse University and in 1913 from the College of Law. During World War I he served as a lieutenant in the Army Field Artillery.

Engaging in the practice of law and investing in land, he became president of Merchants National Bank & Trust Co. of Syracuse, a leading commercial bank.

The present chancellor of Syracuse University, Melvin Eggers, described Mr. Melvin as a "tough-minded idealist with a lifelong interest in history. He was a lawyer who believed in keeping the law, a man who gave his word and kept it."

In 1931, in the middle of the Great Depression, he was named chairman of the Onondaga County Emergency Work Bureau. Its purpose was to provide productive work for hundreds of unemployed men. Today the legacy of their work under the foresight and leadership of Crandall Melvin, Sr., is enjoyed by thousands of central New Yorkers. Among them certainly are some of those men and their grandchildren. The huge wasteland along Onondaga Lake, which developed when salt was no longer a product of the area, was reclaimed, landscaped, and molded into a parkway and picnic area that attracts thousands yearly.

Mr. Melvin's interest in history also led to the restoration of the 17th century French Fort Ste. Marie de Gannentaha as a focal point of the project. This was the base established by the French Jesuit Père LeMoyne.

Highland Forest and Pratts Falls Parks southeast of Syracuse, areas of stunning natural beauty, were developed and made accessible via the roads and trails built by the work bureau men under Crandall Melvin's direction.

Speaking at his memorial service on May 1, a good friend, Thomas H. Dyer, past president of the Onondaga Bar Association, spoke of Melvin's humility and his humanity:

> That he had his office in the front part of the Merchants Bank, showed how much he valued friendship with all men, those who came to ask his advice, not alone the farmers who had been his neighbors in his hometown of Euclid, but his openness even to the captains of industry.

Another speaker, the Reverend William J. O'Halloran, president of LeMoyne College, again emphasized Melvin's knowledge of history and suggested that it was through Melvin's knowledge of Père LeMoyne that the college took that name.

Mr. Speaker, as a somewhat awed freshman Congressman 16 years ago, I can remember the encouragement and friendship promptly offered me by Crandall Melvin, Sr. That meant so much to me at the time because he was one of the most highly respected men in central New York.

I join in paying tribute to a giant of a man and a life well lived.

TRIBUTE TO DAVID B. WEATHERUP, CHAIRMAN, GREATER SYRACUSE CHAMBER OF COMMERCE

(Mr. HANLEY asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. HANLEY. Mr. Speaker, I rise today to pay tribute to one of the finest gentlemen I have ever known. David B. Weatherup, chairman of the Greater Syracuse Chamber of Commerce, has become the first Syracuse area businessman elected to the board of the U.S. Chamber of Commerce. I know that my entire home community takes pride in this honor being bestowed on this truly outstanding community leader.

Dave Weatherup is president of Central Fence Co. of Syracuse. Over the years, he has been a driving force behind local efforts to work with small business, and he was one of the organizers and first chairman of the Syracuse Chamber's small business council, one of the most active such groups in the Nation. Later, he was elected the chamber's vice president for small business.

Dave's leadership of the small business council, and his many other activities on behalf of small business, resulted in his being named in 1977 as chairman of the U.S. Chamber's center for small business. In that role, he helped the national organization develop strategies for promoting the creation and growth of new small business councils throughout the United States.

Dave's work with independent businesses—the name he prefers to "small business"—led to an appointment on President Carter's Advisory Council on Small Business. In this position, he helped plan this year's White House Conference on Small Business, and has participated in numerous national meetings dealing with problems of independent businessmen.

Dave Weatherup also has been active politically, serving as mayor of Central Square, N.Y., from 1962 to 1968, and assuming various roles in political campaigns over the past decade. He has been in the forefront of numerous civil projects, as well, and was a founder of Third Base, Inc., an organization formed by businessmen to provide financial support for the Syracuse Chiefs' AAA baseball team.

David Weatherup is a man of the highest integrity, who has built a successful business through hard work and broad vision. We in Syracuse are lucky to have him, and I commend the U.S. Chamber of Commerce for its wisdom in electing him to their board.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. Hefner (at the request of Mr. Wright), after 2 p.m. today and for the balance of the week, on account of a death in the family.

Mr. Yates (at the request of Mr. Rostenkowski), for today, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. Solomon) to revise and extend their remarks and include extraneous material:)

Mr. McKinney, for 10 minutes, today.
Mr. Kemp, for 30 minutes, today.
Mr. Grassley, for 10 minutes, today.

(The following Members (at the request of Mr. Barnard) to revise and extend their remarks and include extraneous material:)

Mr. AuCoin, for 5 minutes, today.
Mr. Gonzalez, for 15 minutes, today.
Mr. Annunzio, for 5 minutes, today.
Mr. Brown of California, for 5 minutes, today.
Mr. Alexander, for 15 minutes, today.
Mr. LaFalce, for 5 minutes, today.
Mr. Addabbo, for 15 minutes, today.
Mr. Studds, for 10 minutes, today.
Mr. Mica, for 5 minutes, today.
Mr. Panetta, for 10 minutes, today.

Mr. Kastenmeier (at the request of Mr. Mica), for 5 minutes, and to revise and extend his remarks and to include extraneous matter.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. Solomon) and to include extraneous matter:)

Mr. Findley in two instances.
Mr. Rudd in two instances.
Mr. Young of Florida in six instances.
Mr. Evans of Delaware.
Mr. Conte in two instances.
Mr. Badham.
Mr. Lagomarsino in two instances.
Mr. Grisham.
Mr. Conable.
Mr. Paul.
Mr. Kemp in three instances.
Mr. Philip M. Crane.
Mr. Dougherty.
Mr. Gilman.
Mr. Hammerschmidt.

(The following Members (at the request of Mr. Barnard) and to include extraneous matter:)

Mr. Alexander.
Mr. Mavroules.
Mr. Mazzoli.
Mr. Dodd in two instances.
Mr. Walgren.
Mr. Stark in three instances.
Mr. Hubbard.
Mr. Richmond.
Mr. Roybal.
Mr. Ambro.
Mr. Fascell.
Mr. Drinan.
Mr. Murtha.
Mr. Skelton in three instances.
Mr. Rodino.
Mr. Peyser in two instances.
Mr. Beilenson.
Mr. Long of Maryland.
Mr. Sharp.
Mr. Downey.
Mr. Garcia.
Mr. Applegate.
Mr. Bonker.
Mrs. Schroeder in two instances.
Mr. Jones of Oklahoma.
Mr. AuCoin.
Mr. Lloyd.
Mr. McDonald in five instances.
Mr. Harkin in two instances.
Mr. Nowak.
Mr. Oberstar.
Mr. Harris in two instances.

SENATE BILLS AND A JOINT RESOLUTION REFERRED

Bills and a joint resolution of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 2163. An act to provide for the conservation and enhancement of the salmon and steelhead resources of Washington State, assistance to the treaty and nontreaty harvesters of those resources, and for other purposes; to the Committee on Merchant Marine and Fisheries;

S. 2398. An act to extend the provisions of the General Exchange Act, as amended, to certain lands in order that they may become parts of the Umatilla and Wallowa National Forests, and for other purposes; to the Committee on Interior and Insular Affairs; and

S.J. Res. 119. Joint resolution to authorize the Vietnam Veterans Memorial Fund, Inc., to erect a memorial; to the Committee on House Administration.

ADJOURNMENT

Mr. MICA. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 24 minutes p.m.), under its previous order, the House adjourned until tomorrow, Wednesday, May 7, 1980, at 1 p.m.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. FUQUA: Committee on Science and Technology. House Joint Resolution 534. Joint resolution defining policies of the United States with respect to scientific and technical exchanges with the Soviet Union. (Rept. No. 96–921, pt. 1). Ordered to be printed.

Mrs. CHISHOLM: Committee on Rules. House Resolution 656. Resolution providing for the consideration of H.R. 5200. A bill to amend title VIII of the act commonly called the Civil Rights Act of 1968 to revise the procedures for the enforcement of fair housing, and for other purposes (Rept. No. 96–922). Referred to the House Calendar.

Mr. ZEFERETTI: Committee on Rules. House Resolution 657. Resolution providing for the consideration of H.R. 6672. A bill to authorize appropriations for the Coast Guard for fiscal year 1981, and for other purposes (Rept. No. 96–923). Referred to the House Calendar.

REPORTED BILLS SEQUENTIALLY REFERRED

Under clause 5 of rule X, bills and reports were delivered to the Clerk for printing, and bills referred as follows:

Mr. FUQUA: Committee on Science and Technology. H.R. 4678. A bill to establish within the National Aeronautics and Space Administration a comprehensive program of automotive research and technology development, and for other purposes; with amendment, referred to the Committee on Interstate and Foreign Commerce for a period ending not later than June 9, 1980, for consideration of such provisions of the bill and amendment as fall within the jurisdiction of that committee under clause 1(1), rule X, (Rept. No. 96–920, pt. 1). Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ASHLEY (for himself, Mr. Moorhead of Pennsylvania, Mr. St Germain, Mr. Gonzalez, Mr. Hanley, Mr. Fauntroy, Mr. Patterson, Mr. LaFalce, Mr. AuCoin, Mrs. Spellman, Mr. Blanchard, Mr. Evans of Indiana, Mr. Lundine, Ms. Oakar, Mr. Vento, Mr. Watkins, Mr. Garcia, Mr. Lowry, Mr. Stanton, Mr. Wylie, Mr. McKinney, Mr. Evans of Delaware, Mr. Green, Mr. Leach of Iowa, Mr. Bethune, and Mr. Ritter):

H.R. 7262. A bill to amend and extend certain Federal laws relating to housing, community and neighborhood development and preservation and related programs, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

By Mr. CONABLE (for himself, Mr. Gibbons, Mr. Duncan of Tennessee, Mr. Archer, Mr. Corman, Mr. Frenzel, Mr. Pickle, Mr. Jones of Oklahoma, Mr. Moore, Mr. Gradison, and Mr. Fowler):

H.R. 7263. A bill to amend the Internal Revenue Code of 1954 with respect to the treatment of retirement and similar plans maintained for nonresident aliens; to the Committee on Ways and Means.

By Mr. FOLEY:

H.R. 7264. A bill to strengthen farm market prices and farm income by providing a fair and equitable long-term producer storage program for wheat and feed grains; to the Committee on Agriculture.

By Mr. PRICE (for himself and Mr. Bob Wilson):

H.R. 7265. A bill to authorize appropriations for the Department of Energy for national security programs for fiscal year 1981, and for other purposes; to the Committee on Armed Services.

By Mr. WHITE (for himself and Mrs. Holt):

H.R. 7266. A bill to amend title 10, United States Code, to establish a noncontributory program of educational assistance for persons enlisting in the Armed Forces after September 30, 1980; to the Committee on Armed Services.

By Mr. AuCOIN:

H.R. 7267. A bill to establish a reservation for the Confederated Tribes of Siletz Indians of Oregon; to the Committee on Interior and Insular Affairs.

By Mr. BEDELL:

H.R. 7268. A bill to increase the levels of price support loans provided under the producer storage program for the 1979, 1980, and 1981 crops of wheat and feed grains, and for other purposes; to the Committee on Agriculture.

By Mr. BEILENSON:

H.R. 7269. A bill to repeal the Logan Act; to the Committee on the Judiciary.

By Mr. BROWN of California:

H.R. 7270. A bill to encourage the development and utilization of excellence in design through a program of research, development, education, and voluntary standard setting; jointly, to the Committees on Interstate and Foreign Commerce and Science and Technology.

By Mr. DELLUMS (by request):

H.R. 7271. A bill to amend the District of Columbia Self-Government and Governmental Reorganization Act with respect to the limitation on the rate of pay which may be established by the Mayor of the District of Columbia for the City Administrator; to the Committee on the District of Columbia.

By Mr. DORNAN:

H.R. 7272. A bill to provide detention benefits for the American hostages held in Iran and to exclude from gross income such benefits and any earned income of the hostages during the period of the Iranian crisis; jointly, to the Committees on Foreign Affairs and Ways and Means.

By Ms. HOLTZMAN (for herself, Mr. Danielson, Mr. Hall of Texas, Mr. Barnes, Mr. Fish, and Mr. Lungren):

H.R. 7273. A bill to amend the Immigration and Nationality Act, and for other purposes; to the Committee on the Judiciary.

By Mr. JEFFRIES:

H.R. 7274. A bill to designate the building known as the Veterans' Administration Hospital in Topeka, Kans., as the "Harry W. Colmery Veterans' Administration Hospital"; to the Committee on Veterans' Affairs.

By Mr. LEDERER:

H.R. 7275. A bill to prohibit the imposition of discriminatory State taxes with respect to natural gas; to the Committee on the Judiciary.

H.R. 7276. A bill to amend the Internal Revenue Code of 1954 to allow the investment tax credit for certain rehabilitated buildings leased to tax-exempt organizations or to governmental units; to the Committee on Ways and Means.

By Mr. PANETTA:

H.R. 7277. A bill to amend the National School Lunch Act, and the Child Nutrition Act of 1966, to revise Federal payments for paid lunches, income eligibility standards, and eligibility for the special milk program; to reduce fraud and abuse by restricting the eligibility of certain service institutions to operate the summer food services program for children; to extend the authorization for the special supplemental food program, State administrative expense funds, the nutrition education and training program, and the reserve provisions of food service equipment assistance; and for other purposes; to the Committee on Education and Labor.

By Mr. SEBELIUS:

H.R. 7278. A bill to provide financial assistance to the Accokeek Foundation in the operation of the National Colonial Farm, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. SEIBERLING:

H.R. 7279. A bill to amend the act of December 27, 1974, providing for the establishment of the Cuyahoga Valley National Recreation Area; to the Committee on Interior and Insular Affairs.

By Mr. ULLMAN:

H.R. 7280. A bill to consent to the Goose Lake Basin compact between the States of California and Oregon; to the Committee on Interior and Insular Affairs.

By Mr. PEPPER:

H.J. Res. 542. Joint resolution designating January 25, 1981, as "Sons and Daughters Day"; to the Committee on Post Office and Civil Service.

By Mr. SHARP (for himself, Mr. Preyer, Mr. Ashley, Mr. Broyhill, Mr. Brown of Ohio, and Mr. Stockman):

H. Res. 655. Resolution disapproving the proposed rule under section 202 of the Natural Gas Policy Act of 1978 (relating to incremental pricing) transmitted to the Congress on May 6, 1980; to the Committee on Interstate and Foreign Commerce.

By Mr. BONER of Tennessee:

H. Res. 658. Resolution to express the sense of Congress that financial assistance should not be made available to students from countries with which the United States has severed diplomatic relations; to the Committee on Education and Labor.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 654: Mr. Stenholm.

H.R. 2211: Mr. Roe.

H.R. 2443: Mr. Fithian.

H.R. 4094: Mr. Murphy of Pennsylvania, Mr. Kildee, Mr. Mitchell of Maryland, Mr. Frost, Mr. Gudger, Mr. Roe, Mr. Yatron, Mr. Gray, Mr. Bonior of Michigan, Mr. Weiss, Mr. Bedell, Ms. Ferraro, and Mr. Mineta.

H.R. 4509: Mr. Cavanaugh.

H.R. 4717: Mr. Ertel, Mr. Mollohan, Mr. John L. Burton, Mr. Carr, and Mr. Edgar.

H.R. 5742: Mr. Nolan.

H.R. 5819: Mrs. Bouquard, Mr. Goldwater, Mr. LaFalce, Mr. Diggs, Mr. Stangeland, and Mr. Erlenborn.

H.R. 5981: Mr. AuCoin, Mr. Drinan, Mr. Leach of Louisiana, Mr. Lowry, and Mr. Ottinger.

H.R. 6008: Mr. Conte.

H.R. 6016: Mr. Hawkins, Mr. Stark, Mr. Nolan, Mr. Dellums, Mr. Gray, Mr. Clay, Mr. Stokes, Mr. Evans of the Virgin Islands, and Mr. Patterson.

H.R. 6074: Mr. Jones of Tennessee.

H.R. 6407: Mrs. Boggs, Mrs. Chisholm, Mr. Conable, Mr. Downey, Ms. Ferraro, Mr. Fish, Mr. Gilman, Mr. Green, Mr. Hanley, Mrs. Heckler, Ms. Holtzman, Mr. Horton, Mr. Kemp, Mr. McHugh, Ms. Mikulski, Mr. Mitchell of New York, Mr. Nowak, Mr. Ottinger, Mr. Peyser, Mr. Pritchard, Mr. Richmond, Mr. Scheuer, Mr. Solarz, Mrs. Spellman, Mr. Stratton, Mr. Weiss, and Mr. Wolff.

H.R. 6489: Mr. Brown of Ohio, Mr. Coughlin, and Mr. Hamilton.

H.R. 6504: Mr. Florio, Mr. Patterson, Mr. Weaver, Mr. Kastenmeier, Mr. Howard, Mr. Eckhardt, Mr. Murphy of Pennsylvania, Mr. Carr, Mr. Corrada, and Mr. Udall.

H.R. 6612: Mr. Dan Daniel and Mr. Nolan.

H.R. 6705: Mr. Forsythe, Mr. Hughes, Mr. Biaggi, Mr. Emery, Mr. Livingston, Mr. Hutto, Mr. Oberstar, and Mr. Dornan.

H.R. 6722: Mr. Blanchard, Mr. Coelho, Mr. Downey, Mr. Duncan of Tennessee, Mr. Luken, Mr. Miller of California, Mr. St Germain, Mr. Scheuer, and Mr. Wolff.

H.R. 6804: Mr. Hyde.

H.R. 6813: Mr. McCormack, Mr. Gingrich, Mr. Dougherty, Mr. Garcia, Mr. Murphy of Pennsylvania, Mr. Walgren, and Mrs. Snowe.

H.R. 6895: Mr. Bailey.

H.R. 6910: Mr. Fuqua.

H.R. 6913: Mr. Addabbo and Mr. Wolpe.

H.R. 7039: Mr. AuCoin, Mr. Young of Alaska, Mr. Murphy of Pennsylvania, Mr. Hughes, Mr. Trible, Mr. Weaver, Mr. Ginn, Mr. Fuqua, Mr. Lott, Mr. Studds, Mr. Lowry, and Mr. Livingston.

H.R. 7099: Mr. Forsythe.

H.R. 7100: Mr. Hance, Mr. Moakley, Mr. Leach of Louisiana, Mr. Bonker, Mr. Peyser, Mr. Fithian, and Mr. Kastenmeier.

H.R. 7121: Mr. Holland, Mr. Andrews of North Carolina, and Mr. Bedell.

H.J. Res. 311: Mr. Roybal and Mr. Jacobs.

H. Con. Res. 57: Mr. Whitehurst, Mr. Garcia, Mr. Porter, Mr. Miller of California, Mr. Goldwater, Mr. Ritter, Mr. Marriott, Mr. Wydler, Mr. Blanchard, and Mr. Mazzoli.

H. Con. Res. 243: Mrs. Fenwick and Mr. Martin.

H. Con. Res. 320: Mr. Solarz, Mr. Wolpe, Mr. Moakley, Mr. Whitehurst, Mr. Butler, Mr. Addabbo, Mr. Foley, Mr. Panetta, Mr. Brown of California, Mr. Forsythe, Mr. Winn, Mr. Evans of the Virgin Islands, Mrs. Chisholm, Mr. Oberstar, Mr. Duncan of Tennessee, Mr. Derwinski, Mr. Fascell, Mr. Pepper, Mr. Simon, Mr. Harsha, Mr. Barnes, Mr. Frost, Mr. Gudger, Mr. Gore, Mr. Vento, Mr. Young of Alaska, Mr. Fazio, Mr. LaFalce, Mr. Mitchell of Maryland, Mr. Marks, Mrs. Fenwick, Mr. Livingston, Mr. Fuqua, Mr. Studds, Mr. Lott, Mr. Rahall, Mr. Albosta, Mr. Yatron, Mr. Moffett, Mr. Thompson, Mrs. Collins of Illinois, Mr. Preyer, Mr. Hughes, Mr. Goldwater, Mr. Roe, Mr. Jeffords, Mr. Gray, Mr. Murphy of Pennsylvania, Mr. Bedell, and Mr. Lungren.

DELETION OF SPONSORS

Under clause 4 of rule XXII, sponsors were deleted from public bills and resolutions as follows:

H.R. 4631: Mr. Emery.

H.R. 4717: Mr. Royer.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 5200

By Mr. SENSENBRENNER:

—Page 9, strike out line 4 and all that follows through line 18 and insert in lieu thereof the following:

Sec. 7. (a) Section 808(c) of the Act entitled "An Act to prescribe penalties for certain acts of violence or intimidation, and for other purposes" (Public Law 90–284, approved April 11, 1968) is amended by striking out "5362" and inserting "5372" in lieu thereof.

Page 18, strike out line 10 and all that follows through line 6 on page 30, and insert in lieu thereof the following:

"ENFORCEMENT BY SECRETARY; PRELIMINARY MATTERS

"Sec. 810. (a) Whenever an aggrieved person, or the Secretary on the Secretary's own initiative, files a charge alleging a discriminatory housing practice, the Secretary shall serve a notice of the alleged discriminatory housing practice on the party charged (hereinafter in this title referred to as the 'respondent') within 10 days after such filing, and shall make an investigation thereof. Upon receipt of such charge, the Secretary shall serve notice upon the aggrieved person acknowledging receipt of the charge and advising the aggrieved person of the time limits and choice of forums provided under this title. Such charges shall be in writing under oath or affirmation and shall contain such information and be in such form as the Secretary requires. An aggrieved person shall file a charge under this section with the Secretary not later than one year after the alleged discriminatory housing practice occurred or terminated. The Secretary may also investigate housing practices to determine whether charges should be brought under this section or new rules should be made under this title.

"(b)(1) In connection with any investigation of such charge, the Secretary shall, at reasonable times, have access to, and the right to copy, any information that is reasonably necessary for the furtherance of the investigation. The Secretary may issue subpenas to compel such access to or the production of such information, or the appearance of persons, and may issue interrogatories to a respondent, to the same extent and subject to the same limitations as would apply if the subpenas or interrogatories were issued or served in aid of a civil action in the United States district court for the district in which the investigation is taking place. The Secretary may administer oaths.

"(2) Upon written application to the Secretary, a respondent shall be entitled to the issuance of a reasonable number of subpoenas by and in the name of the Secretary to the same extent and subject to the same limitations as subpoenas issued by the Secretary under paragraph (1) of this subsection.

"(3) Witnesses summoned by subpoena of the Secretary under this title shall be entitled to the same witness and mileage fees as are witnesses in proceedings in United States district courts.

"(4) The Secretary or other party at whose request a subpoena is issued under this title may enforce such subpoena in appropriate proceedings in the United States district court for the district in which the person to whom the subpoena was addressed resides, was served, or transacts business.

"(5) Any person who willfully fails or neglects to attend and testify or to answer any lawful inquiry or to produce records, documents, or other evidence, if in such person's power to do so, in obedience to the subpoena or lawful order of the Secretary under this title, shall be fined not more than $1,000. Any person who, with intent thereby to mislead the Secretary shall make or cause to be made any false entry or statement of fact in any report, account, record, or other document produced pursuant to the Secretary's subpoena or other order, or shall willfully neglect or fail to make or cause to be made full, true, and correct entries in such reports, accounts, records, or other documents, or shall willfully mutilate, alter, or by any other means falsify any documentary evidence, shall be fined not more than $1,000.

"(c) Whenever a charge alleges a discriminatory housing practice within the jurisdiction of a State or local public agency certified by the Secretary under this paragraph, the Secretary shall, within 30 days after receiving such charge and before taking any action with respect to such charge, refer such charge to that certified agency. The Secretary shall, after that referral is made, take no further action with respect to such charge, if the appropriate State or local law enforcement official has, before 90 days after the date the alleged offense has been brought to such official's attention, commenced proceedings in the matter, and, having so commenced proceedings, carries forward such proceedings with reasonable promptness. An agency shall be certified under this subsection if the Secretary determines that the substantive rights protected by that agency, the procedures followed by that agency, the remedies available to such agency, and the availability of judicial review of such agency's action, are substantially equivalent to those created by and under this title. Before making such certification, the Secretary shall take into account the current practices and past performance, if any, of such agency. Any State or local agency may submit a written request for certification to the Secretary. Unless the Secretary interposes a written objection within 90 days after such submission, such State or local agency shall be deemed certified within the meaning of this title. If the Secretary objects within the prescribed 90-day period, he shall provide the State or local agency with an explanation specifically outlining the reason for his decision, and such decision shall be subject to review by the appropriate United States district court.

"(d) The Secretary and other Federal agencies having authority to prevent housing discrimination shall cooperate and seek to avoid duplication of effort in the exercise of their several authority. The Secretary and such other Federal agencies shall notify each other of any allegation of housing discrimination which may be within their respective responsibilities. The Secretary or such other Federal agency shall, upon such notification, take additional appropriate action.

"REFERENCE FOR FURTHER ENFORCEMENT

"SEC. 811. (a) If the Secretary concludes on the basis of a preliminary investigation of a charge that prompt judicial action is necessary to carry out the purposes of this title, the Secretary may refer the matter to the Attorney General and the Attorney General may bring an action for appropriate temporary or preliminary relief pending final disposition of such charge. Any temporary restraining order or other order granting preliminary or temporary relief shall be issued in accordance with rule 65 of the Federal Rules of Civil Procedure. An application for relief under this subsection shall not affect the initiation or continuation of administrative proceedings under this title.

"(b) At any time after the filing of a charge, the Secretary shall endeavor to resolve such charge by conciliation. If any party against whom a charge is filed refuses to participate in the conciliation process, the Secretary may grant to the aggrieved person not more than $500 for the legal fees and other expenses of commencing a civil action under this title against that party so refusing. Nothing said or done in the course of conciliation may be made public or used as evidence in a subsequent proceeding under this title without the written consent of the persons concerned. Any employee of the Secretary who makes public any information in violation of the immediately preceding sentence shall be fined not more than $1,000. A conciliation agreement may provide for binding arbitration of the dispute arising from the complaint. If the conciliation agreement provides for such arbitration, the Secretary may issue such orders as are necessary to enforce such agreement, including an order that the breaching party pay to the other party not more than $500, after determining that there has been a breach of that agreement. Such determination shall be made on the record after opportunity for an agency hearing. Any arbitration that results from a conciliation agreement under this section may award appropriate specific relief to the person aggrieved and damages of not more than $500 for actual loss, insult, or emotional distress.

"(c) If the Secretary determines, after an investigation under this section, that reasonable cause exists to believe the charge is true, the Secretary shall refer the matter to the Attorney General for the filing of an appropriate civil action under section 813(b) of this title. Such determination in the case of a charge made by an aggrieved person may not be made later than 270 days after the filing of such charge. After each investigation under this section, the Secretary shall provide to each aggrieved person and each respondent a copy of the findings of such investigation.

"PRIVATE ENFORCEMENT

"SEC. 812. (a) (1) An aggrieved person may commence a civil action in an appropriate United States district court or State court at any time not later than two years after the alleged discriminatory housing practice occurred or terminated.

"(2) Upon timely application, the Attorney General may intervene in such civil action, if the Attorney General certifies that the case is of general public importance.

"(b) Upon application by an aggrieved person, any trial or appellate court may, in such circumstances as it deems just, appoint an attorney for such person and may authorize the commencement or continuation of the action without the payment of fees, costs, or security.

"(c) In a civil action under this section, a court may award such relief as may be appropriate, which may include money damages, equitable and declaratory relief, and, in the case of a willful violation, punitive damages not to exceed $10,000.

"(d)(1) It is the sense of the Congress that United States magistrates should be used by the courts to the maximum feasible extent to expedite litigation under this section.

"(2) The Secretary shall to the maximum feasible extent provide technical assistance to persons requesting it who anticipate they may file charges under this title or commence civil actions under this section. Such assistance shall include the filling out of forms, investigation, and evidence gathering.

"ENFORCEMENT ROLE OF ATTORNEY GENERAL

"SEC. 813. (a) Whenever the Attorney General has reasonable cause to believe that any person or group of persons is engaged in a pattern or practice of resistance to the full enjoyment of any of the rights granted by this title, or that any group of persons has been denied any of the rights granted by this title and such denial raises an issue of general public importance, the Attorney General may bring a civil action in an appropriate United States district court.

"(b) The Attorney General may bring a civil action in an appropriate United States district court to remedy any discriminatory housing practice (1) with respect to which the Secretary has made a finding that reasonable cause exists under this title and (2) which the Secretary refers to the Attorney General for enforcement under this subsection.

"(c) The court may award such relief in any civil action under this section as is authorized in section 812(c) of this title in cases brought under that section.

"(d) A person may intervene in any civil action commenced under this section which involves an alleged discriminatory housing practice with respect to which such person is an aggrieved person.

"ANCILLARY AND PROCEDURAL MATTERS RELATING TO ENFORCEMENT

"SEC. 814. (a) In any action or proceeding under this title, the court, in its discretion, may allow a prevailing party (other than the United States with respect to attorney fees) reasonable attorney and expert witness fees as part of the costs, and the United States shall be liable for such costs the same as a private person. Such costs may also be awarded upon the entry of any interlocutory order which determines substantial rights of the parties.

"(b) Any court in which a proceeding is instituted under this title shall assign the case for hearing at the earliest practicable date and cause the case to be in every way expedited.

"(c) Any sale, encumbrance, or lease executed before the issuance of any court order under this title, and involving a bona fide purchaser, or encumbrancer, or tenant without actual notice of the existence of the filing of a complaint or civil action under this title shall not be affected by such court order.

S. 1309

By Mr. COLEMAN:

—On page 24, following line 2, insert a new section 116 reading as follows, and renumber the remaining sections of title I accordingly:

"REDUCING OVERLAP BETWEEN FOOD STAMP AND SCHOOL LUNCH PROGRAMS

"SEC. 116. Section 8(a) of the Food Stamp Act of 1977, as amended, is amended by—

"(1) striking out 'The' in the first sentence and inserting in lieu thereof '(1) Except as provided in paragraph (2) of this subsection, the'; and

"(2) adding at the end thereof a new paragraph reading as follows:

" '(2) The value of the allotment which State agencies shall be authorized to issue to any households containing members who attend schools which participate in the national school lunch program shall be determined by reducing that household's allotment determined under paragraph (1) of this subsection by the product, rounded to the nearest whole dollar, obtained by multiplying (A) a monthly amount equal to the per person per meal value of the thrifty food plan for a household consisting of eight persons by (B) the national average number of meals per month available under the national school lunch program during the preceding nine-month school year, as determined by the Secretary, by (C) the number of household members eligible to receive meals under the national school lunch program by (D) a national average attendance factor prescribed by the Secretary. In carrying out the provisions of this paragraph, the Secretary shall prescribe a national average attendance factor, based on the best available data. Any reduction in household's allotment pursuant to this paragraph shall be applicable only to the nine months of each year which generally correspond to the respective State's school year, as determined by the State agency.'."

By Mr. JEFFORDS:

—Page 38, line 6, strike out "Section 18 (a)" and insert in lieu thereof "Section 20 (a), as so redesignated by section 204 of this Act,".

Page 38, after line 21, insert the following new title:

TITLE II—REPAYMENT FOR CERTAIN EXCESS FOOD STAMP BENEFITS RECEIVED

FUNDS TO PROVIDE ASSISTANCE

SEC. 201. The first sentence of section 4(a) of the Food Stamp Act of 1977, as amended, is amended by inserting ", and any funds collected by and any funds transferred to the Secretary under section 19," after "of this Act".

CONDITIONAL ASSISTANCE

SEC. 202. The last sentence of section 5(a) of the Food Stamp Act of 1977, as amended, is amended by inserting ", conditional upon such repayment as may be determined pursuant to section 18 of this Act," after "unfurnished".

NOTICE OF CONDITIONAL NATURE OF ASSISTANCE

SEC. 203. Section 11(e) of the Food Stamp Act of 1977, as amended, is amended—

(1) in paragraph (2) by striking out "household.", and inserting in lieu thereof the following: "household, and of the conditions under which repayment in cash for any excess benefits received by members of an eligible household may be required in accordance with section 18 of this Act. A State agency shall provide a description of such conditions in understandable terms to each individual who is 19 years of age or older and who is a member of an eligible household which applies to participate in the food stamp program.";

(2) in paragraph (18), as added by section 118 and amended by section 119 of this Act, by striking out "and" at the end thereof;

(3) in paragraph (19), as added by section 119 of this Act, by striking out the period and inserting in lieu thereof "; and"; and

(4) by adding at the end thereof the following new paragraph:

"(20) that the State agency shall furnish to each individual to whom section 18(a) of this Act applies the information required in section 18(d)(1) and shall certify to the Secretary of the Treasury the information required in section 18(d)(2).".

LIABILITY FOR EXCESS FOOD STAMP BENEFITS RECEIVED

SEC. 204. The Food Stamp Act of 1977, as amended, is amended by redesignating section 18 as section 20, and by inserting after section 17 the following new sections:

"REPAYMENT FOR EXCESS BENEFITS RECEIVED

"SEC. 18. (a)(1) Each individual who is 19 years of age or older during any entire taxable year and who, in any taxable year, participates in the food stamp program as a member of any household participating in the food stamp program, and has countable income in excess of the exempt amount shall be liable to the United States as determined in accordance with paragraph (2) and paragraph (3) of this section.

"(2) For purposes of paragraph (1), in the case of any individual who files a Federal separate income tax return such individual shall be liable for an amount equal to the lesser of—

"(A) the value of the coupons allocated to such individual in such taxable year; and

"(B) one-half of the amount by which the countable income of such individual for such taxable year exceeds the exempt amount.

"(3) For purposes of paragraph (1), in the case of two individuals who file a Federal joint income tax return such individuals shall be jointly and severally liable for an amount equal to the lesser of—

"(A) the value of the coupons allocated to both such individuals in such taxable year; and

"(B) one-half of the amount by which the countable income of such individuals for such taxable year exceeds the exempt amount.

"(b) Subsection (a) of this section shall not apply to—

"(1) any individual who participates in the food stamp program during the entire taxable year involved; and

"(2) any individual who is a member of a household which has household income, during the entire taxable year of such individual, comprised of only supplemental security income benefits under title XVI of the Social Security Act, State supplementary payments described in section 1616(a) of such Act, and payments of the type referred to in section 212(a) of Public Law 93–66.

"(c) For purposes of subsection (a) and notwithstanding subsection (b), there shall be allocated to each individual 19 years of age or older the lesser of—

"(1) an equal share of all of the coupons received by each household of which such individual is a member participating in the food stamp program in any taxable year of such individual, for any period during which such individual is a participating member of each such household; and

"(2) a share of the coupons received by each such household in such taxable year for any period during which such individual is a member of such household, determined in accordance with regulations issued by the Secretary to prevent any extreme inequity.

"(d) Pursuant to such regulations as the Secretary and the Secretary of the Treasury may issue jointly and for purposes of determining the liability of any individual under subsection (a) of this section, the State agency shall—

"(1) furnish for each calendar year, before February 1 following such calendar year, to each individual who is 19 years of age or older, who participates in the food stamp program in such State in such calendar year, and who is not an individual described in subsection (b) of this section—

"(A) a statement specifying the amount of coupons allocated to such individual in such calendar year as determined in accordance with subsection (c) of this section; and

"(B) such other information as may be necessary to carry out the provisions of this section; and

"(2) certify to the Secretary of the Treasury for each calendar year, before March 1 following such calendar year—

"(A) the name and address of each individual 19 years of age or older who participates in the food stamp program in such State in such calendar year and who is not an individual described in subsection (b) of this section;

"(B) the amount of coupons allocated to each such individual in such calendar year as determined in accordance with subsection (c) of this section; and

"(C) such other information as may be necessary to carry out this section.

"(e) For purposes of this section:

"(1) 'Adjusted gross income' shall have the meaning given it in section 62 of the Internal Revenue Code of 1954.

"(2) 'Countable income' means, in the case of any individual who files a Federal separate income tax return and in the case of two individuals who file a Federal joint income tax return, for any taxable year the sum of adjusted gross income and any unemployment compensation received in such taxable year which is not included in gross income pursuant to section 85 of the Internal Revenue Code of 1954.

"(3) 'Exempt amount' means—

"(A) in the case of any unmarried individual who files a Federal separate income tax return and in the case of two individuals who file a Federal joint income tax return, for any taxable year an amount equal to 175 percent of the income standard of eligibility established under section 5(c) of this Act applicable to a household having the number of members equal to the number of personal exemptions allowable as a deduction by such individual, or by such two individuals, as the case may be, for such taxable year under part V of subchapter B of chapter 1 of the Internal Revenue Code of 1954, for persons who are members of the household of such individual, or of any household of either of such two individuals; and

"(B) in the case of any married individual who files a Federal separate income tax return for any taxable year an amount equal to one-half of the amount determined in accordance with subparagraph (A), except that for purposes of determining such amount the number of such personal exemptions shall be increased by one.

"(4) 'Taxable year' shall have the meaning given it in section 7701(a)(23) of the Internal Revenue Code of 1954.

"(5) 'Unemployment compensation' shall have the meaning given it in section 85(c) of the Internal Revenue Code of 1954.

"(f) The Secretary may transfer to the Secretary of the Treasury an amount of any funds appropriated to carry out this Act for fiscal years beginning after September 30, 1980, sufficient to enable the Secretary of the Treasury to carry out section 19 of this Act.

"(g)(1) Of the aggregate of any funds collected by and any funds transferred to the Secretary under section 19, the Secretary shall—

"(A) transfer 15 per centum of the aggregate of such funds, but not to exceed $15,-

000,000 in any fiscal year, to the States, and

"(B) use the portion of the aggregate of such funds not transferred to the States under subparagraph (A), to carry out the provisions of this Act.

"(2) For the purposes of paragraph (1)(A), the amount of funds to be transferred to each State shall be an amount equal to the product of—

"(A) the lesser of—

"(i) 15 per centum of the aggregate of any funds collected by and any funds transferred to the Secretary under section 19; and

"(ii) $15,000,000 in any fiscal year; and

"(B) the aggregate amount of liability for funds to be collected under the regulations prescribed in accordance with section 19, from individuals who are residents of such State, as specified on their respective Federal income tax returns, divided by the aggregate amount of liability for funds to be collected under such regulations from residents of all the States.

"(3)(A) Any State which accepts funds transferred under paragraph (1)(A) shall distribute such funds to the State agency conducting the food stamp program in such State.

"(B) Any State agency which receives funds distributed under subparagraph (A) shall use such funds to carry out the food stamp program.

"COLLECTION OF REQUIRED REPAYMENTS

"Sec. 19. (a) The Secretary and the Secretary of the Treasury shall issue jointly regulations establishing the procedures for determining and collecting any liability imposed by section 18(a). Such regulations shall provide that—

"(1) to the extent feasible, any liability shall be collected by the Secretary of the Treasury in coordination with his responsibilities under other Federal laws; and

"(2) any liability not collected by the Secretary of the Treasury shall be collected by the Secretary.

Such regulations may provide that such liability shall be offset by any overpayment of a Federal tax to which the individual involved is entitled but for the operation of this subsection, and such an offset shall be treated as a refund of such overpayment.

"(b) Funds collected under subsection (a) shall be deposited in the Treasury as miscellaneous receipts and shall be available to the Secretary of the Treasury to defray administrative costs incurred in carrying out the provisions of subsection (a) and to the Secretary to carry out the provisions of this Act, in such amounts as are specified in appropriation Acts.".

AVAILABILITY OF FUNDS REPAID FOR EXCESS BENEFITS RECEIVED

Sec. 205. The first sentence of section 20(b) of the Food Stamp Act of 1977, as so redesignated by section 204 of this title, is amended—

(1) by inserting "of the sum" after "excess"; and

(2) by inserting "and the aggregate of any funds collected by and any funds transferred to the Secretary under section 19 of this Act in such fiscal year" before the period.

CONFORMING AMENDMENT

Sec. 206. Section 4(a) of the Food Stamp Act of 1977, as amended, is amended by striking out "section 18" and inserting in lieu thereof "section 20".

APPLICATION OF AMENDMENT

Sec. 207. Section 18(a) of the Food Stamp Act of 1977, as added by section 204 of this title, shall apply in the case of any individual to each taxable year of such individual beginning on or after the first day of the first calendar year beginning after the date of the enactment of this Act.

EFFECTIVE DATES

Sec. 208. (a) Except as provided in subsection (b), the amendments made by this title shall take effect on the date of the enactment of this Act.

(b) The amendments to section 11(e) of the Food Stamp Act of 1977, as made by section 203 of this title, and section 18(d) of the Food Stamp Act of 1977, as added by section 204 of this title, shall take effect on the first day of the first calendar year beginning after the date of the enactment of this Act.

Page 38, line 22, strike out "TITLE II" and insert in lieu thereof "TITLE III".

Page 38, line 24, strike out "Sec. 201." and insert in lieu thereof "Sec. 301.".

Page 38, line 24, strike out "section 18(a)" and insert in lieu thereof "section 20(a), as so redesignated by section 204 of this Act,".

By Mr. PEYSER:

—Page 39, after line 22, insert the following new section:

RETROACTIVE REIMBURSEMENT

Sec. 202. From any funds appropriated for the fiscal year ending September 30, 1980, to provide benefits under the Food Stamp Act of 1977 after May 31, 1980, the Secretary of Agriculture shall reimburse participating States for any funds expended by such States to provide benefits in accordance with such Act to households for any time in the period beginning on June 1, 1980, and ending on June 30, 1980, to the extent that the Secretary would have expended funds under the authority of the Food Stamp Act of 1977 to provide such benefits to households and to pay administrative costs of State agencies, but for the operation of section 18 of the Food Stamp Act of 1977.

SENATE—*Tuesday, May 6, 1980*

(Legislative day of Thursday, January 3, 1980)

The Senate met at 9:15 a.m., on the expiration of the recess, and was called to order by Hon. J. James Exon, a Senator from the State of Nebraska.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Let us pray.

Eternal Father, who knowest us better than we know ourselves, in our own need and our Nation's need, we pause to seek Thy wisdom and Thy grace. Speak to us the truth we need to hear; truth concerning the strength of goodness, the power of good will, the dynamism of the spirit, and the steadfastness of those who trust in Thee. Supplement our weakness by Thy strength and enlarge our wisdom by Thy grace within us.

Lead us, O Lord, beyond conventional goodness to the fullness of that love which suffereth long and is kind—which beareth all things, believeth all things, hopeth all things, endureth all things, and never fails.

In the Redeemer's name, we pray. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. Magnuson).

The legislative clerk read the following letter:

> U.S. Senate,
> President pro tempore,
> *Washington, D.C., May 6, 1980.*
>
> *To the Senate:*
>
> Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable J. James Exon, a Senator from the State of Nebraska, to perform the duties of the Chair.
>
> Warren G. Magnuson,
> *President pro tempore.*

Mr. EXON thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF SENATOR CHAFEE

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from Rhode Island (Mr. Chafee) is recognized for not to exceed 15 minutes.

Mr. CHAFEE. Mr. President, I yield such time as he needs to the senior Senator from Wisconsin.

Mr. PROXMIRE. Mr. President, I thank my good friend from Rhode Island. I shall be brief.

NEED FOR GENOCIDE CONVENTION: A LOOK AT THE SOVIET'S PAST

Mr. PROXMIRE. Mr. President, in a recent issue of the Foreign Affairs Quarterly, Alexandr Solzhenitsyn speaks of America's misconceptions about Russia. Not only do we fail to understand Russia's external aggression, he tells us, but we fail even to acknowledge the destruction it has inflicted upon its own people. Countless lives were devoured in the Soviet penal system, the Gulag Archipelago. Untold millions were systematically, ruthlessly, and relentlessly purged by the Soviet state. These acts, committed over the past 60 years, constituted an unprecedented attack upon humanity. Only now, as Solzhenitsyn and other dissidents speak out, are we learning of the scope of death and suffering in the Soviet Union.

The purges of the Soviet people came in waves of varying intensity. The best known is undoubtedly the party purge of 1937 and 1938. Hundreds of thousands of educated party members were tried and sentenced to die in the Siberian wasteland.

Before the party purges came the purge of the kulaks, the peasant class, in 1929 and 1930. Solzhenitsyn charges that 15 million peasants who were accused of opposing agrarian reform and collectivization were forcefully resettled in the Siberian tundra. These were not educated people and they left no written accounts.

The third of the largest purges swept in entire nationalities and prisoners of war from 1944 to 1946. Included in this ethnic catastrophe were Ukrainians, Tartars. Rumanians, Hungarians, and Poles. The victims of this wave were also simple folk who left no written memoirs.

These were only three waves in a continuous flow through the Gulag Archipelago. Millions upon millions of lives were swallowed by the Soviet penal system. Listen to Solzhenitsyn's description of the Gulag:

> The prison sewers were never empty. The blood, the sweat, and the urine into which we were pulped pulsed through them continuously. The history of this sewage system is the history of an endless swallow and flow; flood alternating with ebb and ebb again with flood; waves pouring in, some big, some small; brooks and rivulets flowing in from all sides; trickles oozing in through gutters; and then just plain individually scooped-up droplets.

The final tally of lives consumed is probably lost forever. Our ability to penetrate such a dark past is limited.

Our ability to act on the future, however, is much more promising. We must declare our dedication to the protection of life and begin by ratifying the Genocide Convention. We must act before our shadowy memory of these horrifying events fades altogether from the minds and conscience of man.

I thank my good friend from Rhode Island, and I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from Rhode Island.

SENATE CONCURRENT RESOLUTION 92—SUBMISSION OF A CONCURRENT RESOLUTION RELATING TO WITHHOLDING OF INCOME TAX ON INTEREST AND DIVIDEND PAYMENTS

Mr. CHAFEE (for himself, Mr. Dole, Mr. Lugar, Mr. Goldwater, Mr. DeConcini, Mr. Stafford, Mr. Tower, Mr. Humphrey, Mr. McClure, Mr. Cochran, Mr. Church, Mr. Helms, Mr. Pressler, Mr. Ford, Mr. Garn, Mr. Randolph, Mr. Danforth, Mr. Hayakawa, Mr. Thurmond, Mr. Pryor, Mr. Zorinsky, Mr. Hatfield, Mr. Mathias, Mr. Wallop, Mr. Young, Mr. Schmitt, Mr. Cohen, Mr. Boschwitz, Mr. Hatch, Mrs. Kassebaum, Mr. Durkin, and Mr. Heinz) submitted the following concurrent resolution, which was referred to the Committee on Finance:

S. Con. Res. 92

> *Resolved by the Senate (the House of Representatives concurring)*, That it is the sense of the Congress that the enactment of a withholding tax on interest and dividend payments would be detrimental to the economic well-being of the United States.

Mr. CHAFEE. Mr. President, the March 14 revised budget submitted by President Carter contains proposals to balance the budget by increasing the tax revenues to unprecedented levels.

Actually, the 1981 budget will consume 22.5 percent of the GNP which is the heaviest burden on taxpayers in the history of the Nation, exceeding even the previous peak year of 1944, during which, of course, the United States was engulfed in World War II.

One of the proposals submitted by President Carter is to impose a withholding tax on all interest and dividend payments made to individuals.

Many Members of Congress have indicated their opposition to this withholding plan.

Today with a bipartisan group of Senators, 28 cosponsors in all, I am submitting a concurrent resolution stating to the American people that the Senate firmly opposes enactment of the President's withholding proposal.

Mr. President, the names of the cosponsors who are with me on this legislation are the following Senators: Dole, Lugar, Goldwater, DeConcini,

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● **This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.**

STAFFORD, TOWER, HUMPHREY, MCCLURE, COCHRAN, CHURCH, HELMS, PRESSLER, FORD, GARN, RANDOLPH, DANFORTH, HAYAKAWA, THURMOND, PRYOR, ZORINSKY, HATFIELD, MATHIAS, WALLOP, YOUNG, SCHMITT, COHEN, BOSCHWITZ, HEINZ, HATCH, KASSEBAUM, and DURKIN.

The text of the concurrent resolution is simple and straightforward. It says as follows:

> *Resolved by the Senate (and the House of Representatives concurring)*, That it is the sense of the Congress that the enactment of a withholding tax on interest and dividend payments would be detrimental to the economic well-being of the United States.

President Carter's March 14 budget counts on raising an additional $3.4 billion in new revenues from interest and dividend withholding to help balance the fiscal year 1981 budget. Of this amount, $1 billion would come from increased taxpayer compliance, that is, from taxpayers who are currently not reporting and paying tax on the full amount of their interest and dividend earnings.

But the balance of the expected revenue increase, $2.4 billion, comes to the Treasury in the form of an interest-free loan from the taxpayers of this country.

Now, the House report on the first budget resolution also recommends this withholding proposal, and the Senate Budget Committee suggests withholding among several revenue-raising possibilities.

This is a time when national economic policy should be focused on ways to encourage savings and investment.

Economists of every persuasion, liberal, conservative, whatever end of the spectrum so far as economists go, all agree that one of the prime things we should be doing in this country is encouraging savings and investment. Individual savings rates in the United States have sunk to record lows, and understandably so, as consumers have scrambled to spend their money quickly. Do not save it but spend it because that is the only way you can beat inflation.

Savings in the first quarter of 1980 were a dismal 3.4 percent of personal income, which was down from 4.5 percent in 1979.

We have the lowest rate of savings of any industrial nation in the world.

At the same time that we are saving less, millions of elderly Americans, who live on income from savings and small investments, are struggling to make ends meet. I must say it is pretty tough to talk people into saving when we have 18-percent inflation and passbook savings only pay 5½ percent.

Now, because of these conditions, encouraging savings and improving the return on small investments have gained high priority in this Congress. As a matter of fact, just last month the President of the United States signed the windfall profit tax bill that provided income from savings or dividends, $400 for married taxpayers, $200 for individual taxpayers, to be exempt from taxation. The idea of that was to encourage people to put their money in the banks.

The new direction Congress has taken toward stimulating private saving and investment is important to our country, and we should not confuse and contradict it by adopting interest and dividend withholding taxes. That is the assurance, those of us who are on this measure—and, Mr. President, we welcome you to join with us and, as a matter of fact, I do not see your name here, but there is still time to get aboard—this is the assurance we seek to send to the American people today. If the administration had presented a reasonable plan for reaching those taxpayers, estimated at only 10 percent of all the taxpayers in the country, who failed to report all their dividends and interest on their 1040 returns, I would support such a measure. But imposing a withholding tax does not represent an effective, efficient, or fair system for insuring better taxpayer compliance with the law.

The reasons for rejecting the withholding proposals are compelling. The reasons are as follows:

First, the rate of return on investment. The imposition of a 15-percent withholding tax on interest will actually decrease the real rate of return on savings by removing money from accounts and preventing it from gathering compounded interest. While this is clearly detrimental to the individual saver, it is also a drain on the deposits of the financial institutions which will no longer have those funds available for lending.

In addition, withholding will have an adverse impact on dividend reinvestment plans. Over 2 million investors automatically reinvest over $2 billion in dividends that are earned every year. Automatically they are reinvested. Withholding would create a possible loss of $300 million in new investment and capital formation. One can logically foresee a flow of funds away from productive enterprises and into the tax-exempt bond market.

Second, the impact on elderly and lower income taxpayers. The effect of withholding could be particularly heavy on retirees and those approaching retirement age. The U.S. League of Savings Associations recently reported that 48 percent of all savings and loan association savers are 55 years of age or over; 26 percent are over 65. To these people savings and small investments are a crucial part of their incomes and future security.

The vast majority of senior citizens and others earning less than $15,000 a year would be overwithheld as a result of the President's proposal. They would have to file for refunds at the end of the year, but meanwhile they lose the use of their money.

Third, the administrative cost of the program. The scope and complexities of implementing the Carter plan are awesome. In testimony recently before the House Ways and Means Committee the American Bankers Association reported that as of the first of this year there were some 88 million savings accounts in commercial banks; another 34 million in time deposits, and 6 million interest-bearing transaction accounts, like the so-called NOW accounts. There are also 100 million stockholder and bondholder accounts, about 90 million savings and loan accounts, and millions of credit union accounts. Add to those figures the redemption of over 170 million savings bonds last year, and the list does not stop there.

The point is that money from all of these accounts and transactions will have to be withheld or at the very least an exemption form will have to be filed by those taxpayers not expected to have a tax liability.

If the IRS requires information form 1099 to be filed with tax returns—in other words, if you have to file this form with your tax return as you do now with your W-2 form, the Chamber of Commerce estimates an additional 350 million pieces of paper will flood the IRS every year. What a deluge.

The cost of all of this to the private sector and the aggravation to individual taxpayers may not be easily measured, but it certainly cannot be sloughed off as the necessary price of insuring greater taxpayer compliance.

The U.S. League of Savings Associations estimates that implementing interest and dividend withholding will cost $438 million a year for S and L's alone, plus an additional $330 million in start-up costs, all of that on the private sector, in order to collect this $1 billion that the President estimates.

Next point: All of this constitutes an interest-free loan to the Treasury.

Having taken a look at the costs of raising $1 billion from previous noncompliers, let us not forget the other $2.4 billion the Treasury expects to reap as a result of accelerated tax payments. This is the burden that falls on the tens of millions of taxpayers who report all their income and pay all their taxes anyway. Even though 74 percent of all taxpayers receive tax refunds because of overwithholding on their salaries, the President's proposal will make them withhold a little more. I must say, Mr. President, it surprised me that 74 percent of all taxpayers file for a refund and, of course, more would have to file for refunds under the administration proposal.

So this amounts to nothing more than an interest-free loan to the Government to help balance the budget.

INFORMATION REPORTING

Mr. President, the Treasury Department already has most of the information it needs to determine if taxpayers are reporting income from savings and investments. All interest and dividend payments of more than $10 are reported to the IRS on forms 1099. As recently as 1976, IRS testified it could match all these documents with income tax returns at a cost of $140 million.

While Treasury Secretary Miller has recently stated that the Service now matches 72 percent of these forms with tax returns, he says it would be too costly to follow through with greater compliance enforcement. I do not believe the Treasury Department or this administration has fully considered the ramifications of what they have proposed.

I think I can safely say that the Finance Committee and the Senate would be willing to help Treasury develop and fund a reasonable, cost-effective program to improve its tax collecting efforts, particularly one that makes better use of the information already available to IRS.

I want to thank my many colleagues who have joined in this effort and encourage those who have not done so to cosponsor our resolution. Imposing a withholding tax on interest and dividends is simply not acceptable as a way to collect taxes or as a procedure to balance the budget.

(The following occurred later:)

Mr. EXON. The Senator from Nebraska was in the chair during the very interesting presentation just made by my friend from Rhode Island. The Senator asked me particularly if I was interested in being one of the cosponsors to make it 49. My response to him is I do not know.

I would like to correct an impression that the Senator from Rhode Island gave which I do not think is entirely accurate. I do not believe that the Budget Committee made a specific recommendation on this matter.

As the Senator from Rhode Island fully knows, the Budget Committee has no authority whatsoever to pass any income-producing legislation. As a member of the Budget Committee, I do not recall voting for the recommendation that the Senator from Rhode Island has alluded to as suggested by the President. In fact, I voted against, if I recall correctly, every effort by the Budget Committee even to talk about new sources of revenue, because I concur with my friend from Rhode Island that, as much as possible, we should be involved in balancing the budget by reducing expenditures.

However, with those thoughts, I would just like to ask my friend from Rhode Island a question as I decide what action I might take as a cosponsor or what vote I might make on the measure he has placed before the Senate this morning.

My question is: Is it not true that Tom, Dick, Harry, Mary, and Jane when they work, wherever they work, in the fields or in a factory or in the office, have withheld from their income, by law, so much money to pay their Federal income taxes? Is that true?

Mr. CHAFEE. Yes; no question about that.

I just want to clear up the point you were asking about before. I will just read again what I said on that particular point.

> The House report on the First Budget Resolution also recommends the adoption of the withholding proposal. Likewise, the Senate Budget Committee suggests withholding among several revenue-raising possibilities.

So the Senator is right that the Senate Budget Committee did not recommend it. It suggested it on page 24 of the first budget resolution from the Senate. It says:

> The administration's cash management initiatives and its proposal to withhold taxes on interest and dividends were discussed as possible parts of the revenue raising legislation.

So I did not, in my remarks, say that the Senate Budget Committee had recommended it. I said in my remarks that the Senate Budget Committee suggested withholding, among several revenue-raising possibilities.

Mr. EXON. I thank my friend.

Let us pursue the other part of my question.

Mr. CHAFEE. Yes, the Senator is right.

Mr. EXON. Is it true that Tom, Dick, Harry, Mary, and Jane have withholdings made from their weekly, biweekly, or monthly paychecks, in order to pay in Federal taxes, and when that money goes into the Federal Treasury they do not draw any interest on that whatsoever and if they have a refund coming they have to apply for it?

Is it the thrust of the measure introduced by the Senator from Rhode Island this morning that we should maintain to Tom, Dick, Harry, Mary, and Jane, under the law, that they have to pay in advance for their taxes but those who receive income from savings do not?

Mr. CHAFEE. Mr. President, what I am saying is that just last month we passed legislation which exempted the first $200 from interest or dividends from taxation completely; $400 for a married couple. We did that with the purpose of encouraging savings and investment.

Now, after doing that, we are turning around and saying, for the first time in the history of the country: "Let's withhold that interest and dividend, the possible tax there might be on it," even though the statistics show that the great majority of those savings are very, very small and that already there is a system for tracking down whether the taxpayer has paid his tax.

As the Senator from Nebraska knows, a taxpayer must anticipate what his total tax will be for the year and pay that tax, either through his withholding or through his prepayment, so that he will have met his total tax burden at the end of the year.

What I am saying is that it makes no sense now, in an era when we are trying to encourage savings, to put this burden, which will fall essentially on the small taxpayer who will not owe the tax at the end.

Mr. EXON. Mr. President, I would just ask one more question. Would the Senator from Rhode Island consider amending his measure before the Senate so that this additional burden would not fall on the very small taxpayer? Because I certainly agree, generally, from what I know of his proposal, that, after we took the action that we did last month that has been signed by the President, it does not make a lot of sense to turn right around and make those small, small savers, who are among the group that we ought to encourage to have more savings in this country, from that standpoint, the suggestion might make a lot of sense.

Is there a possibility that we could, though, eliminate the necessity for the small saver to do this, but the large saver might be in the same position as Tom, Dick, Harry, Mary, and Jane, who have withholdings made from their paychecks?

Mr. CHAFEE. Yes, except there is a difference regarding the withholding in the paycheck. The withholding in the paycheck is estimated based upon the number of dependents. If the taxpayer is successful in the amount withheld, it should come out even at the end of the year.

This system is a flat percentage amount that is imposed whether one is going to have any tax or not. So it is quite different from the withholding system on one's wages. As the Senator knows, the withholding on wages is geared to the amount of wages one has. If he is earning $60,000 a year, the amount withheld is substantially greater than if he is earning $30,000.

Mr. EXON. The Senator from Rhode Island also recognizes that when Tom, Dick, Harry, Mary, and Jane go through that procedure, they have to go through the bureaucratic redtape of filling out a form and they have to authorize how much should be taken out of their salary, concerning the statistics provided by the Internal Revenue Service. We are certainly not suggesting that should be done by every small investor or every large investor with regard to savings accounts.

All I am bringing up, which is what I think we should give consideration to, is the equity matter which is at stake here. I do not think we can dismiss out-of-hand withholding from Tom, Dick, Harry, Mary, and Jane from their weekly paychecks being totally different and apart from what has been suggested. I might be wrong, but I am just raising the question.

Mr. CHAFEE. I thank the Senator. I am perfectly prepared to assist in a measure along that line, but the President's proposal does not have anything of that nature.

I thank the Senator.

(Conclusion of later remarks.)

ORDER OF BUSINESS

Mr. EXON. Will the Senator yield?

Mr. CHAFEE. Yes. I am not sure I have any time remaining.

The PRESIDING OFFICER (Mr. BAUCUS). The Senator has 25 seconds remaining.

Mr. EXON. Mr. President, I suggest, to maintain the proper order, we probably should go ahead with the next order of the Senate and then I will ask unanimous consent to talk out of order on the subject that is presently before us.

The PRESIDING OFFICER. The Chair thanks the Senator.

The Senator's time has expired.

CIVIL RIGHTS OF INSTITUTIONALIZED PERSONS—CONFERENCE REPORT

The PRESIDING OFFICER. Under the previous order, the Senate will resume consideration of the conference report on H.R. 10, which the clerk will state by title.

The legislative clerk read as follows:

> Conference report on H.R. 10, an act to authorize actions for redress in cases involv-

ing deprivations of rights of institutionalized persons secured or protected by the Constitution or laws of the United States.

The PRESIDING OFFICER. The time for debate on this conference report is limited to 6 hours, to be equally divided and controlled by the Senator from Indiana, Mr. BAYH, and the Senator from South Carolina, Mr. THURMOND.

Mr. EXON. Mr. President, if there is no objection, I would like to ask for 5 minutes to not be counted to either side, so that I might engage in a 5-minute colloquy with my friend from Rhode Island.

Mr. CHAFEE. I have no objection.

The PRESIDING OFFICER. Does the Senator from South Carolina yield to the Senator from Nebraska?

Mr. THURMOND. Mr. President, I yield to the distinguished Senator from Nebraska such time as he may require.

Mr. EXON. I thank the Senator.

(The remarks of Mr. EXON at this point in connection with the measure introduced by Mr. CHAFEE are printed after Mr. CHAFEE'S introductory statement.)

Mr. THURMOND. Mr. President, I yield to the distinguished Senator from Oklahoma (Mr. BOREN) such time as he may require.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. BOREN. I thank my colleague from South Carolina.

Mr. President, on several occasions over the past days and weeks, I have risen to discuss the pending legislation, H.R. 10.

As is known by all Members, there has been prolonged and extended debate on this particular piece of legislation. In fact, there were three unsuccessful attempts to impose cloture before cloture was finally imposed on the fourth vote.

I am sure that there are some of our colleagues who would ask: Why have the opponents of this measure taken as much time as they have? Why have they occupied the Senate in a prolonged discussion of this measure? Why do they feel so strongly about it?

Mr. President, I can read the handwriting on the wall when it is there plain enough for all to see. I would have to say in all candor that I realize that our chances of defeating this piece of legislation today, when there were 60 votes finally obtained for cloture, are slim. This is an uphill fight. But I still have hopes that this body, when it finally comes to vote on this piece of legislation today, will again prove that it is the greatest deliberative body in the world; that it does take the time to listen to arguments; that it does try to decide issues on the basis of logic and not simply on the basis of symbols and slogans.

It is in that hope, Mr. President, that I discuss this measure one last time before we vote on it later today.

This bill is given the title of a bill to protect the civil rights of institutionalized persons.

Mr. President, no one can be against the aim of this bill. I do not believe there is a single Member of the Senate who is not sensitive to the needs of institutionalized persons. I do not think there is a single Member of the Senate who is not motivated by humanitarian concerns for those who are unfortunate enough to find themselves in our various institutions, whether they be juveniles who are in juvenile facilities, whether they be those who are emotionally disturbed in our various institutions for mental and emotional treatment, or even whether they be those who have breached the rules of society and find themselves in penal institutions for having committed crimes.

I do not think there is a single Member of this Senate who does not have concern that these institutions meet the proper standards of decency demanded by civilized society.

Why, then, would we take so much time in opposing this matter? We do so, Mr. President, for a number of reasons. First of all, we do so out of our own practical experience, many of us in this body, as elected officials at State and local levels. It is no coincidence that nine former Governors who now serve in this body have united in their opposition to the pending measure. It is no coincidence that others who have served as lieutenant governors, as attorneys general of their States, as local officials, mayors and others, have stood up to speak in opposition to this bill.

Mr. President, we are opposed to it, first of all, because we think it will actually hurt and detract from the stated purpose of this bill rather than help it. If we allow the Federal Government to have the power to send roving teams of investigators into every State of this country, into every city and every county, at their own whim and their own will, and then allow the Federal Government on its own initiative to bring suits without any complaint whatsoever from local people, without any complaint from anyone who is an inmate or a patient at an institution, if we allow the Federal Government to initiate these suits itself at random, based upon its own view of what ought to prevail, we are allowing, in essence, the Federal Government to set the budgetary priorities of every city, county, and State in this country.

I say that not based upon some abstract theory. I make that statement based upon practical experience.

As I have said on this floor before, it actually happened in my State. It happened while I was serving as Governor, that the Federal court, because it focused on the prison system, tilted the budgetary priorities of our State away from institutions of mental health, away from institutions for juveniles, away from institutions for the mentally retarded, away from special education funds, away from funds designed to be used to change buildings and structures to help the handicapped. It tilted it in favor of the prison system, because that is the first area where the Federal Government obtained a court order against the State government.

It is as simple as this, Mr. President. When you operate on a balanced budget, as virtually all of our cities, counties, and States have to do, Mr. President—we are realizing more and more that it is good practice—when you operate on a balanced budget, and many States have to do so within their own constitutions, when you come under a court order to spend more money for a certain kind of institution—let us say the prison, as in the case in my home State—you do not have a magic printing press, you do not have any way to get extra funds. What do you have to do? It is as simple as this: If you spend more on one function of government, you have to spend less on something else. So we came under the court order to spend massive amounts of money on our correction system.

Mr. President, I would have agreed with spending 80 or 90 percent of that amount. I fought for it, I spoke for correctional reform a long time before I ever had the opportunity to serve as Governor. I believe in it, and I am glad we did most of the things we did.

I would have liked to have done all of them and more, had we had unlimited resources. But yet, we did have limited funds, I can still remember the day. I wish that those who have not had the experience of serving as governors or mayors or county commissioners, those who have to deal with limited budgets, could have been there. If they had been, they would vote against this bill. They would realize they are absolutely hurting the very people they most want to help.

I remember calling in the State director of mental health and saying to him, "I am sorry, Dr. Donahue, I cannot make the repairs to the State mental hospital that need to be made this year. I cannot change the heating system."

It was a 60-year-old system that was putting so much moisture into the air that it was causing the paint to peel off the walls in the wards at the mental hospital, a very unhealthy condition.

"I cannot do it because I do not have the money, because the court ordered this year that I had to put priority on a new water system for the prisons of the State."

So we had to take money away from mental health, we had to take money away from halfway houses for juvenile offenders, we had to take money away from special offenders, we had to take money from programs for the handicapped, and all others, and put it into prisons instead.

So, I am opposed to it, first of all, because I think from a practical point of view, it gives the Federal Government the right to go out and, depending on whim and chance, really, depending on which institution they first go into and which institution they first take after, set the priorities for the budgets of the States. If they go after prisons first, you can be sure that there is going to be less money expended for mental health and for education and for other programs. If they happen to go after juvenile institutions first, you can be sure that money will not be spent on the prison system, and that might be the most pressing area for the State.

Mr. President, this bill misses the mark and it is going to be hurting the very people that the proponents of this bill think they are helping. In theory, it may sound great, but I hope the Members of the Senate—I appeal to them: listen to those who have struggled at the State and local levels to meet the responsibilities, who know how it works out in practice. We have driven this country into the ground, Mr. President, with unbalanced budgets, runaway inflation, so much bureaucracy that we are absolutely stifling the creativity of the American people, because we have done things that sound so good in theory that are absolutely worthless in practice. It is time for commonsense.

This bill misses the mark. It does not meet its own goals.

Second, it is really not necessary. The Federal Government already has the right to intervene in any lawsuit filed by any single individual who is an inmate of any institution. If just one person in the State prison files a lawsuit, the Federal Government already has the right to intervene.

We are told, "No, that is not enough. Even if we cannot find one person who is in that institution to complain, we, the Federal Government, should have the right to file suit against the State governments."

Mr. President, the people in our penal institutions, for example, certainly have the ability to bring lawsuits. They bring them by the scores. They bring them by the hundreds. I could not count in any brief period of time the number of times I was sued in my official capacity by inmates of penal institutions.

They are provided by law the right to legal libraries. They are constantly thinking about it. We have even coined a phrase that is in the dictionary. We call them jailhouse lawyers. To say that we need a bill to let the Justice Department sue when we cannot even find one inmate ready and willing to bring a complaint is ludicrous, Mr. President.

This bill is unnecessary. If its purpose is simply to protect individuals who, because of age or mental incompetence, might not have the ability to bring a lawsuit on their own behalf, then that is the way the bill should be written, Mr. President. But that is not what it says. That is not what it says. It covers all those inmates who are mentally competent as well as those inmates who are perhaps mentally incompetent from the legal point of view. So, Mr. President, it is not necessary.

Third, Mr. President, I have to be opposed to this bill because it basically violates our whole concept of Federalism. It is not fashionable these days to say that there should be such a thing as State and local rights any more. Mr. President, there has been a long-range trend of bringing all of the powers of government and centralizing them here, in Washington, because it is thought that, somehow, the Federal Government is all wise. As I said on the floor the other day, somehow, even we in the Senate sometimes forget that those same people who had the wisdom—and I think few of us would argue with that, certainly not in an election year—to send us to the Senate with their ballots are also the same people who elect their local officials.

To take a position right off the bat that assumes that people at the State and local level have no humanitarian concern about the conditions in their own institutions, to me, is an indictment. It is an arrogant statement in the extreme on the part of the Federal Government. I ask, Mr. President, is it really logical to think that a bureaucrat in the Department of Justice, who probably has not even visited 90 percent of the States and counties of this country, would have more concern about conditions in a mental institution or in a juvenile facility or in a jail in a particular city or in a particular State than the people who live in that State? When you have in that State countless numbers of families who are registered voters, right in that State, right in that city and county, countless numbers of families who have loved ones, family members, and friends, who, for one reason or another, are unfortunate enough to be inmates in these institutions, surely those family members who have a right to exercise their concern through the ballot at the local level will be more sensitive to the needs of doing something about the standards of these institutions than some unelected bureaucrat at the Department of Justice in Washington, D.C.

Mr. President, to bear this out, I quoted on the floor earlier, and I urge my colleagues to read, this report on the Atlanta penitentiary before you vote on this bill. I am talking about the Atlanta Federal Penitentiary—not a State institution, not a county jail.

Here we go around on the floor, making assumptions that all Federal bureaucrats are the only ones with humanitarian concerns about anyone, that the people and their elected representatives at the State and local level have no morality, have no concern, have no sense of ethics, cannot govern themselves capably. Well, read this report, Mr. President, and you shall see how it is described. Remember, this is a Federal penitentiary, a Federal jail, run by the Federal Government, overseen by the Department of Justice that the authors of this bill want to give all power to. This is what it said:

> Atlanta Penitentiary inmates testified to the availability of narcotics, alcohol, and weapons in the prison. Knives could be readily produced in the prison industry and could be hidden throughout the prison due to lax security measures. Violence and narcotics trafficking were common events. Many inmates testified that involvement in such activities was virtually impossible to avoid. The Atlanta facility was described by some inmates as a "country club" or like "being on the outside."

Listen to this inmate of this Federal institution, the all-wise Federal Government to whom we want to give all power under this bill to intervene, to set the budgetary priorities of all the cities, all the counties, all the States of this country, at the whim of their roving teams of investigators. Listen to what this inmate says: Knives were "about as plentiful as dope" in this Federal institution. The main source of knives was prison industries, he said:

> During the course of Walters' testimony, Senator Nunn asked him the following question: "Did you worry about getting caught with a knife?" Mr. Walters responded: "I would rather get caught with it than without it."

Wonderful conditions in our all-wise, Federal Government's own managed institutions.

Mr. President, this bill reflects a violation of the spirit of the Federal system in a most flagrant way, even the notice provisions to the State government, the idea that the Federal Government comes in, gives notice to the State government of what they want to investigate, gives notice to the State Government of what they want to file lawsuits about, so the State government would at least have the opportunity to put its own house in order before it is sued by the Federal Government.

How fair are those provisions? Mr. President, they have geen greatly watered down, greatly watered down since this bill came through the Senate.

The notice now says to give notice to the Attorney General of possible cost and and fiscal impact to the extent possible; to notify a state of the minimum measures necessary to remedy alleged conduct before intervening, to the extent feasible and consistent with the interest of the other plaintiffs.

If we read the fine print, we will find the notice does not have to cover all the Federal Government wants to investigate. They can give notice on one thing and investigate 10 more, give notice of filing suit on one and file suit on 10 other things along with it.

This is not a spirit of constructive partnership, of shared powers, of trusting the competence of local people. Mr. President this is a Federal power grab of the worst order, totally violative of the spirit of federalism.

Mr. President, I appeal, let us reverse this trend and look at the record, not only in the case of the Atlanta Penitentiary, and other Federal institutions of this type across the country; let us ask ourselves, has the Federal Government really done a better job of dealing with social problems with people at the State and local level; has the Federal Government really done such a marvelous job with the welfare program, for example, that we really should not allow States because it is coming out of Washington.

Mr. President, if anybody believes that, I would like to offer to sell them the Brooklyn Bridge.

Look at the problems of crime and violence in our society. Have Federal programs like the LEAA, with its various kinds of grants available, really solved the crime problem in this country?

I do not think the record bears that out.

Has the Federal Government really come up with creative, innovative educational programs, to meet academic standards, the inability of some of our young people to read properly, and other alarming trends in our educational system?

(At this point, Mr. HEFLIN assumed the chair.)

Mr. BOREN. Mr. President, I cannot see the trends have reversed themselves as we have created a bigger and bigger educational bureaucracy at the Federal level.

Mr. President, I urge my colleagues to look at the record, listen to those in this body who have had experience in struggling to balance budgets at the State level, trying to set priorities, living with concerns alongside of families, as neighbors, who have loved ones in various institutions, then make up our minds how to vote on this bill.

Do not let the title deceive us. Do not worry about whether the people back home will misunderstand if we vote against a bill that is for the purpose of "protecting the civil rights of institutional persons," because that is not what this bill is about. The people did not send us up here to cast symbolic and meaningless votes, to pretend to protect the rights of people when, from a practical point of view, we are making it less likely they will be protected, that conditions will be improved in an orderly way.

This bill is not needed. This bill will actually hurt the aim which it expresses. This bill is violative of the basic principles of federalism at a time when the American people are saying, "Let us, in a creative way, as individuals, as people at the local level, as communities, deal with our problems. Let us try new approaches. Do not stifle us from Washington."

We are considering a bill to increase Federal control, to increase Federal spending, because if we think we will have any kind of Federal Government, investigatory Federal effort, or increases in Federal prosecution, we do not do that for free, or without people, or without added bureaucracy. We do not do it without adding costs.

The proponents of this measure want to say that there will be no more litigation than now, no more people investigating conditions than there are now.

I think we can then ask, why have this bill? Obviously, there are going to be more costs.

Mr. President, it has been a privilege to be associated on the floor with those who have risen and spoken in opposition to this bill—the distinguished Senator from Nebraska (Mr. EXON), who served as Governor of his State for 8 years. It was my privilege for 4 of those years to serve as a fellow Governor with him. I can say there was no more respected person among the ranks of the Governors than JAMES EXON.

I can also say there is no one who has a greater concern for unfortunate people who cannot take care of themselves than did Governor EXON, or than does Senator EXON today.

He worked hard to improve conditions in all his institutions in spite of the fact that he was being told by HEW to do one thing and by the Justice Department, and other Federal officials, to do another thing about the very same institutions.

Mr. President, even his modest amendment, passed here on the Senate floor, at least requires that if the Federal Government dictates, their orders ought to be consistent, that one deparment should not be able to tell us one thing and another to do the opposite. Even that modest amendment was taken out by the conference committee.

I hope my colleagues will heed voices like those of Senator EXON, people with experience.

It has been a privilege to be associated with the Senator from Missouri (Mr. DANFORTH), a very able Member of this body on the other side of the aisle, who speaks not from abstraction about this bill, but his own practical experience as attorney general of the State of Missouri.

I hope my colleagues will listen to this able Senator who has had such a distinguished career as an elected State official, elected by the people of his State, at the State level.

It is a privilege to have worked alongside my colleague from the State of South Carolina (Mr. THURMOND), an able Member of this body for many years, also a former Governor of his State, a man known for his courage to get up and say what he believes in, to stand up and make a fight, even if he is all by himself.

Mr. President, as my colleagues know, he has not been all by himself on this particular fight because there have been many others, of all political persuasions, both parties, liberals, conservatives, middle-of-the-roaders, whatever title we want to use, who have joined together on the basis of their own practical experience to try to do something to stop this piece of legislation.

Mr. President, I know it is an uphill fight. I know, as some might say, the skids have been greased for the passage of this piece of legislation today.

I say to my colleagues, prove again, prove once again, prove it today, that the Senate stops long enough, it pauses, has the courage and foresight to exercise independent judgment, that it is the greatest deliberative body in the world.

I urge my colleagues, Mr. President, when we come to vote later today on H.R. 10, the conference committee report on H.R. 10, to reject it, to express some confidence in the people, in the officials at the State and local levels, to reaffirm our belief in the Federal system, and to try to put the brakes on trends which are responsible for many of the problems we have in this country today.

Mr. President, I urge my colleagues to stop, read, listen, and ponder their decision before they cast their vote on this very important piece of legislation.

Mr. THURMOND. Mr. President, will the Senator yield?

Mr. BOREN. I am happy to yield.

Mr. THURMOND. Mr. President, I commend the distinguished Senator from Oklahoma for the magnificent part he has played in opposing H.R. 10.

In my judgment, this is a dangerous bill, as I have stated heretofore. The distinguished Senator from Oklahoma has analyzed this bill, he has torn it apart, and he has shown the public just what it is and how it does affect the State and institutions of the States.

Because of the vast experience of the able Senator from Oklahoma as Governor of his great State, he knows how this bill will function and how it will cause a breach in relations between the Federal and State officials. He knows how the Justice Department can use this bill to oppress the States of the Nation.

A man of his great capacity and dedicated service is able to present that matter to this body, and he has done so, and I compliment him. The Senate is fortunate to have a man of his caliber as a Member of this body.

Mr. BOREN. Mr. President, I thank the Senator from South Carolina very much for his extremely generous remarks. I say again that I am proud to be associated with him in this effort.

This is an effort which knows no bounds of political ideology, no party, no partisan political bounds. In my opinion, all of us in this effort are concerned about conditions in our institutions. We want to set sound priorities for taking care of those conditions. We have a deep and abiding belief in our Federal system, and we want to see it preserved.

As the Senator from South Carolina knows, when we believe in federalism, we do not believe in total, absolute, concentrated control over everything that is done in this country from and by the Federal Government in Washington, D.C. It means a shared relationship, a division of powers, a division of responsibilities; and, above all, it means an independence in the American people at the grass roots to solve their own problems.

Mr. THURMOND. Mr. President, I should like to ascertain from the distinguished Senator from Nebraska how long he wishes to speak, and I will yield him such time as he desires.

Mr. EXON. Fifteen or twenty minutes.

Mr. THURMOND. Mr. President, I yield the distinguished Senator from Nebraska such time as he desires.

The PRESIDING OFFICER. The Senator from Nebraska is recognized.

Mr. EXON. I thank the Senator from South Carolina.

Mr. President, I speak now for probably the last time in opposition to the conference report on H.R. 10.

Listen, my colleagues, and/or the members of their able staffs who are monitoring these procedures this morning for Senators who might be otherwise importantly occupied at this moment, because we are going to have a tremendously important vote sometime today on this conference report.

I know many of my colleagues fail to understand why a few of us on the floor of the U.S. Senate have raised such vigorous and strong objections to this bill. I suppose that unless one has witnessed the misuse of authority and abuse of discretion which characterizes the Justice Department litigation bureaucracy in types of cases contemplated by H.R. 10, it is difficult to appreciate the strong concerns of former Governors and attorneys general who now serve in the U.S. Senate. Those who never have traveled the Justice Department's bumpy road of legal injustice cannot appreciate its potholes and chuckholes and oppressive, bureaucratic, legalistic canyons yearning to swallow up States rights.

Mr. President, H.R. 10 represents a substantial and unwarranted invasion of States rights. I emphasized again that H.R. 10 does not represent a traditional civil rights issue. Rather, it involves interference by the Federal Government with the legitimate State prerogatives and discretion with regard to the management and treatment and philosophy of the States' institutions.

It is clear from the record on H.R. 10 that the Justice Department already has all the legitimate authority it needs to become involved in suits against the States in this area. At present, the Justice Department has the authority to intervene in any existing case which has been filed against any State or local government institution or against any elected official thereof. There is no dearth of lawsuits in this area, and no serious impediments exist to the continued use of this method of resolving serious constitutional violations. I am fearful that this basic, simple fact is not understood by many of my colleagues, and certainly not by most of the media.

The Senator from Louisiana (Mr. LONG) summed it up well during previous debate on H.R. 10. He said:

> The need for this law, if there is one, would have to be a need to sue the States even though nobody in the State is interested in sueing the State.

This emphasis by Congress, giving the Justice Department primary responsibility to search the countryside for States to sue, is bad policy from any perspective.

Stripped of its false mask of typical "do-gooder meddling" and however well-intentioned the proposed legislation might be, it is basically a measure that would automatically encourage and give a blank check for lawsuits by the all-powerful Feds against the States. If Congress passes this bill, it will be endorsing confrontation through litigation, as opposed to cooperation, as the Federal policy for improving the quality of care in our Nation's institutions. This approach must be rejected.

As I mentioned earlier, participation by the Justice Department in these lawsuits, particularly involving mental retardation institutions, injects the Federal Government into policy questions of treatment philosophy which legitimately should be left up to the States and their professionals. Merely because a lawyer works for the Federal Government does not make him or her all-wise in all areas.

At the heart of the Justice Department's efforts in mental retardation institution lawsuits rests the philosophy that all institutions are bad and that all institutions should be closed and that all mentally-retarded individuals can best be served in community facilities. While deinstitutionalization is a worthy goal in appropriate cases, it is not necessarily the best answer in every case, and in many instances it is violently opposed by both mental retardation professionals and the parents of the individuals themselves.

It is this attempt by the Federal Government to dictate policy in the mental retardation treatment area that has caused many parents to express serious concerns with the Justice Department and was one of the main reasons for the formation of the Mental Retardation Association of America, which I am sure all Senators have heard from in opposition to H.R. 10 and will certainly be hearing much more from in the future.

These parents who are vigorously concerned with the welfare of their mentally retarded children are not about to have their rights trampled upon and will continue to insist that appropriate treatment and protection be given to their children consistent with their handicapping condition and they will be continuing, with my help and others, their justifiable strong objection to Federal interference by the Justice Department in this area.

Mr. President, Members of this body have perhaps become tired of listening to my recitation of the problems that Nebraska and other States have encountered. The Justice Department's attack on our mental retardation institution at Beatrice, Nebr., should be well known. But I wish to just briefly summarize what I have discussed before.

To place the situation in proper perspective, Mr. President, late last year two distinguished and well-respected psychiatrists from the State of Oklahoma, Dr. Dolfgang K. Huber and Dr. Hyden Donahue, conducted an extensive review of the Nebraska mental retardation facility and concluded that it was an institution providing quality care for its mentally retarded clients and was committed to the continuation of this quality care. Also, just last week the Nebraska Medical Association commended the Beatrice State Developmental Center for having an "outstanding program" in treating profoundly and severely retarded persons.

Contrast this, Mr. President, if you will, with the assertion of the Justice Department by its suit against the State that this same institution is subjecting its residents to "gross deprivations." The constitutional right of its residents have been protected, and certainly we are not objecting to the Justice Department through the means of intervening in lawsuits to continue their monitoring of this right which is duly theirs.

But I say that those of us who have had experience with the Justice Department, the parents of the residents therein, will continue to have a feeling of frustration and anger at the attitude of the Justice Department activities in Nebraska and other similar cases.

The Justice Department's bureaucrats still at this very moment, Mr. President, and in fact in spite of what I have correctly stated here this morning, are still pressing ahead with the lawsuit that has been going on now for years.

The activities of the Justice Department throughout this Nation have been characterized by many instances and proved of misuse and abuse of the authority that already rests within that agency in the civil rights area. A most recent example of this occurred in a recent lawsuit filed by the Justice Department against the mayor and other city officials of the city of Philadelphia alleging unconstitutional practices of the police department. In earlier debate on this bill I have recited extensively from the judge's opinion dismissing that lawsuit, but for today's discussion let me simply summarize by quoting the judge's conclusion of his opinion in which he said:

> What occurred in this case is a most regrettable example of the abuse that might result if the Attorney General were empowered to bring lawsuits of this kind.

I urge my colleagues to heed the judge's warning and protect the State and local governments from this recognized potential for abuse because if we adopt the conference report on H.R. 10 we will be exactly giving the bureaucracy of the Justice Department the authority that they want, the authority that they do not need, and the authority that the judge in the Philadelphia case warned precisely against.

Lastly, Mr. President, let us all be cognizant of the cost which this bill will impose on the taxpayers of this State and Nation. The pressure for the bureaucracy of the Justice Department to grow to meet the expansive authority given to it by Congress in this bill will be strong in the years to come and we will be hard-pressed not to meet this pressure for expanded staff and expanded support for increased Justice Department litigation. On the other side of the coin, as well, the States and local governments will be called on to expand and extend their facilities and to expend large amounts of tax money to defend against these lawsuits. Let us eliminate this waste of taxpayer dollars in favor of using this money for improvement of the care in the institutions which allegedly is the aim of this bill.

Mr. President, I say that if this bill passes when we vote on it today it is going to be a clear signal to those who will be searching back through the records in the future to see how this monstrosity became law in the first place.

There will not be any hiding places. It will be clear on the record that the Members of this body and the Members of the other body who in their wisdom or their lack thereof saw fit to make this bill become law if unfortunately it does.

How many times have we heard a Member of Congress say to one of his constituents when he is approached by legitimate complaint of an individual who has been harrassed or abused by someone in the bureaucracy and the standard reply usually has been, "Well, I did not understand that the bureaucracy would misinterpret the bill that I voted for," or "I did not mean when I voted for that bill that they would do this." It happens time and time again.

It happens almost daily, and the usual excuse by those of us who are elected to serve, and sometimes justifiably so, is that we feel that the bureaucracy has gone beyond the scope that we intended.

I can predict now, Mr. President, that if we adopt this conference report on H.R. 10 and if it, therefore, becomes law as it will be because the White House has already signaled very clearly that they are for this increased bureaucratic influence, then in the days to come there are going to be Members of Congress who are going to say, "Oh, why in that day of May in 1980 did I make the mistake of giving the Justice Department bureaucracy even more and unnecessary authority than they need or should properly have in making this bill law?"

Mr. President, it has been a real pleasure for me to work with several of my very distinguished colleagues against this bill. In most instances these colleagues have had firsthand experience with the bureaucracy of the Justice Department. I want to thank again the distinguished former Governor of South Carolina, Mr. STROM THURMOND, who has been one of the leaders of not only the filibuster but again today will be speaking forcefully against the adoption of this report.

My colleague from Oklahoma, Senator BOREN, another former Governor, who is now a Senator, has already spoken on this this morning.

Some of the most interesting statements and sound reasoning have been offered by Senator DANFORTH from Missouri, a former attorney general, who has also had firsthand experience with the bureaucracy of the Justice Department.

One of the more learned Members of this body, who has been here a long, long time and is considered by those on both sides of the aisle as one of the good, wise old heads, Senator RUSSELL LONG from Louisiana, spoke very eloquently against this bill. I think all of us at one time or another have pointed to the fact that Senator LONG made a very sound argument, if there was none other, against the passage of this bill.

Certainly, in addition to those, Senator HOLLINGS, Senator HELMS, Senator HUMPHREY, and many others have taken the time and effort to work against the adoption of this conference report both on the floor and in conversation with other Senators.

I am hopeful Mr. President, that before the vote is cast this afternoon my colleagues will make sure they understand what they are doing in this instance. If they know and understand what they are doing, and if they still think this is a good bill, then I have no quarrel with their voting for it. My only concern is that despite our efforts, despite the fact that those of us who have had firsthand experience have worked day and night for a long time, we still might not have been successful in getting the message through, the true message, as to what this bill's becoming law would actually do and, therefore, I have raised my voice for what I expect will be the last time, sounding the warning for the last time, that this is a bill that should not become law.

Mr. President, I yield back any further time to my friend from South Carolina.

Mr. THURMOND. Mr. President, will the Senator yield?

Mr. EXON. I yield to my friend from South Carolina.

Mr. THURMOND. Mr. President, I would like to take this opportunity to commend the able Senator from Nebraska for the great fight he has made in opposing this obnoxious bill.

The Senator from Nebraska was Governor of his great State for a number of years, and he knows the importance of preserving the division of powers between the States and the Federal Government.

The Senator understands the dangers of Federal power, and he understands the importance of protecting the rights of the States. He knows that if this bill passes there is new Federal power granted here that can oppress the States and oppress State institutions. He knows that the heads of mental institutions and penal institutions and other State institutions are going to have a difficult time if the Justice Department decides to bring suit against that particular State.

Mr. President, the Senator from Nebraska has made a noble fight here to try to stop this bill, which should not be passed by this body, because it does deprive the States of their rights. It imposes more Federal power at the time when the people of this country are asking to stop giving more power to the central government.

I just wanted to compliment him for the fine manner in which he has handled himself during the consideration of this bill.

Mr. EXON. Mr. President, will the Senator yield for just a moment? I thank very much my friend from South Carolina and I have been pleased, very pleased, to stand with him on this bill for the reasons that have been stated.

Mr. WEICKER addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. WEICKER. I yield myself—no time need be yielded now, is that correct?

Mr. BAYH. I yield to the Senator.

Mr. THURMOND. Does the Senator need time——

Mr. WEICKER. I have time from Senator BAYH.

Mr. President, I ask unanimous consent that Frank Kinney and Ann Zeller be granted the privileges of the floor during the consideration of and debate on the conference report on H.R. 10.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WEICKER. Mr. President, it might be argued that as a parent of a retarded child I have more than a proper interest in the legislation before us. However, the interest or that interest on my part was existent long before the birth of my son and, indeed, that interest has probably assisted me and my family during what was only for a few hours a difficult time in our lives.

But I want to make clear that thanks to the efforts of the Senator from Indiana and a few other dedicated people what is on the floor right now is not an obnoxious piece of legislation. It will be landmark legislation to the great credit of this Nation and those who fought for it.

I cannot believe that we are even going to have a close vote on the issue, but I am told that we are, and I hope my colleagues will give very serious thought as to what it is they are going to do here this afternoon and, indeed, if they are sitting on the fence will come down on the side of those who need our special care.

I am not familiar with the circumstances of the institutions of the disadvantaged, be they in Nebraska or in South Carolina or Missouri or wherever, but I am familiar with those in my own State of Connecticut.

I know that thanks, in the main, to the leadership efforts of the then Governor John Dempsey, back in the sixties, the State of Connecticut started to pioneer in giving superior care to its disadvantaged citizens, and it has persisted in that course over the years.

But even with that commitment I think the State of Connecticut falls far short, and I do not have to stand here and point the finger at anybody else. I will be glad to do it in relation to my own State which, I think, by the evaluation of those expert in the field would be considered to be at the top of the list.

I grant you the beneficiaries of this legislation do not form any particular voting bloc which will be of any political importance to anybody in this Chamber. They have very little to contribute to either of the major political parties. But in the sense of being a civilized nation, and in the sense of using power in a way it is meant to be used, that is, for the weak, for the disadvantaged, for the poor, the citizens cry out for the exercise of our power on the floor here today.

States' rights—what about human rights? There is not one of us who can stand here on the floor today and say that the job that is being done on behalf of all of these people is the job that ought to be done, not one of us. Indeed, if there is a prod to conscience and an enforcement of the principles which we espouse in our Constitution, and of which we sing, then I say "Hurrah," and it is a good day for this Nation when legislation such as we have before us is passed.

I do not undertand States' rights. I understand the Constitution of the United States. I understand the rights that attach to every single human being residing under the flag of this Nation. I understand that in spirit. Much of that spirit has shriveled up in the past couple of years. In what? In the name of States' rights? I do not think so. In the name of a lack of leadership? I think that might be the case. In the case of a lack of conscience? I think that is very true.

But not in the name of States' rights. I do not think the people of the United States are any less idealistic than they have been in the past. I think they want their money spent correctly. I certainly think they do not want to be harassed to death.

But do they want to see glaring wrong left unattended, left uncorrected? I do not think so. And that is exactly what this legislation does. It brings this whole level of endeavor and activity up to the usual standard, that being a standard of excellence in this country.

The Senator from Indiana talked to me a few minutes ago. When I asked him what the nose count was on the legislation, he indicated there was going to be a close vote. I turned to him and said:

> Birch, more than anything that you could say or I could say, I would like to have every Member of this body take a tour of one of the better—better—mental institutions in this country. One of the better ones. And, believe me, there is not a handful that would

> come out on this floor and vote against this legislation.

It is not the strong, in terms of education or in terms of power or in terms of economics, that need the assistance of any one of us. It is probably correct when you say that the best thing that they hope for is to be left alone.

But what about those that do not have any of the powers which are described? What about those who sit there or lie there on their backs on the equivalent of athletic mats—what I used to call wrestling mats—and they cannot move? Whatever is required in the way of attention is a one-on-one basis, to be abused in any manner, shape, or from by a word, by an action. What about them? Who is going to speak for them?

Who is going to speak for those that, from the day they were born, were committed to those institutions and never saw a home, a mother or a father or a brother or a sister? What about them? There is no lobby down here. There is no way of justifying; there is no cost-benefit study that has been performed that is going to come out to satisfy this budget-minded Congress.

Have we become so civilized like the ancient Greeks that we take those among us who are deformed and send them to the mountain to die? Well, that is what we have done. That is what we have done in many of our institutions, in the best of our institutions.

I do not know about any academic concepts of States' rights, I do not know about any political wisdom of this day that calls for budget cutting, et cetera. All of this to me is very immaterial—very immaterial—compared to the tragedies of flesh and blood that exist in thousands of this Nation today.

People say—

> Well, Senator, this isn't the time. Our conscience can't be bothered. This isn't the time. These are tough economic times.

Well, you tell me whenever was the right time in the United States to house those that had no roof over their head? When was the right time to educate somebody? When was the right time to feed somebody? When was the right time?

Well, every other generation of Americans have said all time, every time is the right time. But not any more; not in the last couple of years. "This isn't the right time."

Now, I think, as we look back on history, my colleagues will admit that we have always performed in our best when we have been deprived. But to put it in a dollar and cents form, the example I suppose that comes to mind is the one I have used here on the floor before, the example of Alaska. Everybody knows from their history books that it was called Seward's folly; everybody knows we paid $7 million for it.

But what everybody has very conveniently forgotten was that we paid that $7 million at a time when the United States was literally bankrupt. It was right after the Civil War. We were bankrupt, but we made that investment. And today that investment comes back double every day of the year.

Now, what about the investment in human beings? Is that similarly important to this generation? It should be important.

Nobody claims that living outside of institutions is the answer. It is not. For some it is; for many it is not.

There is no way I can justify, in terms of the gross national product, for what it brings back in dollars and cents, the care of those that are within the institutions or the money spent on those who live normal lives outside.

The justification has to be found in the hearts and the minds of each one of us that, indeed, we have done something for somebody else, with nothing, or the prospect of nothing, coming back to us.

Sacrifice. A word almost forgotten in this country, be it in the area of the disadvantaged or be it in the area of energy. Sacrifice. Nobody wants to sacrifice any more.

And then I hear about the Feds, the Federal Government. It is rather ironic, since every one of us here in this Chamber are part of the Feds. We are not Governors, we are not State representatives. We are U.S. Senators. We are part of the Federal aspect of our Government, and we are not something to apologize for or to spit upon. We are a reflection of our constituencies in this representative democracy. That is what we are.

And when the Federal Government acts, that means something has probably gone amiss or there is something that needs correction or something that has us reaching higher than has been our history. And in the course of doing that, we, as "the Feds" are going to go ahead and stumble.

And I am not putting on any hair shirt to the rest of my colleagues as to what it is the United States has accomplished for over the past 50 years, not when I see those who are educated, have jobs, and have a roof over their heads. I have got no alibi at all. We tried. And as a result of that trying, in the most part, it has been an enormous success.

Mr. President, at the conclusion of my statement I shall submit the text of my prepared remarks for the Record.

I meant to stick to the text and I have not recited one word of it. Because, to me, this is what the United States should be all about, this legislation, not a balanced budget for purposes of reelection, not philosophical concepts which might have some regional or parochial significance, but an issue such as this which encompasses all 50 States and certainly encompasses the best of what this Nation is about.

If the need is there, then it should cost money. And if the need is there, then, yes, the Federal Government should intrude.

I am only interested in what the bottom line is all about, that that person who will never have any chance of coming anywhere near this Chamber has the same attention and the love of his Government that the families of those who are in this Chamber have.

I wish this were done not by any government, State, Federal, or local. I wish it were done by us as citizens, as individuals. But it has not been.

That is the reason for the legislation, not because somebody had a good idea and wanted to add to the layer of bureaucracy or to harass the State governments.

It is because we have had to institutionalize in some sense the conscience of this Nation. That is too bad, but that is reality.

So, Mr. President, again my deep thanks to Senator Bayh for all he has done to bring this moment about. I would hope that when the vote is taken that it is not a close one, but, rather, that that idealism, that optimism, that caring, and that courage I have discussed is exhibited in overwhelming terms by the Members of this body in the overwhelming passage of the legislation before us.

I conclude now with my prepared remarks.

Mr. President, I am a strong supporter of the conference agreement reached on H.R. 10, legislation designed to protect the civil rights of persons institutionalized in State facilities for the mentally ill, the retarded and the handicapped, nursing homes, juvenile detention centers, and prisons.

After careful review of the conference report on H.R. 10, I am convinced that the major provisions of the original Senate bill, S. 10, have remained intact. This legislation grants the Attorney General of the United States explicit authority to initiate legal action in cases involving "egregious and flagrant" violations of constitutional and Federal statutory rights when such violations are part of a "pattern and practice" of continuing abuse. This legislation also provides significant safeguards which reflect congressional sensitivity to the fact that a high degree of care must be taken when one level of sovereign government sues another in a federal system.

Mr. President, the Federal Government has come a long way in providing effective and appropriate care for the handicapped and mentally retarded members of our society. With the enactment of the mental retardation amendments in 1967, the Development and Disabilities Services and Facilities Construction Amendments of 1970, and finally, the Developmental Disabilities Amendments of 1978, the Federal Government established major new program thrusts in pilot employment projects, comprehensive services for independent living, special services for deaf individuals, and handicapped American Indians. Also, in 1972, the U.S. district court, in Montgomery, Ala., ruled in Wyatt against Stickney that the mentally ill and mentally retarded had a constitutional right to treatment in the least restrictive setting necessary. The court also imposed minimum constitutional standards for adequate rehabilitation of the mentally disabled in the State's mental institutions.

Unfortunately, every State has not acted to assure that all institutionalized citizens are afforded a decent and humane living environment and have not been sensitive to the minimum levels of treatment required by the U.S. Constitution. Too often institutionalized citizens are subjected to severe overcrowding, unsanitary and unhealthy living conditions, physical and sexual abuse and other inequities which deny basic constitutional rights.

The consequence of this lack of human concern is that hundreds of thousands of mentally and physically disabled people are receiving inferior and ineffective care. This is wrong. Because these people cannot help themselves, it is necessary for those of us who can help to exercise human compassion to cut through bureaucratic redtape, political consideration, and economic calculations to see that the goals we establish are executed in a way that is most consistent with the needs of the people involved.

Mr. President, one measure of a nation's civilization is the quality of treatment it provides persons entrusted to its care. The mentally disabled and physically handicapped are all equally entitled to enjoy the freedom of living and a chance to develop in an environment best suited to their needs. It is their constitutional right.

Let me stress the necessity of providing those dependent on society with the essential elements for pursuing the high quality of life they as well as everyone else in this Nation is entitled to. Those elements include: Recognition and acceptance of each individual's handicap and capabilities; the facilities and services best suited to meet the needs of each for comfort, happiness and emotional, intellectual and physical development; and finally, the continued sensitivity to these needs so that they may continue to grow and share their valuable gifts with society. If it is necessary to conduct a case-by-case analysis to determine what care each patient requires then that is what must be done.

Clearly, there are some individuals who are so severely retarded that they cannot reasonably be expected to improve significantly even with intensive training in the sheltered environment of an institution. For these people, home or community living is an unrealistic goal. Adequate facilities of the highest standards must be maintained for these people.

H.R. 10 provides the mechanisms needed to assure that the rights and privileges guaranteed by the Constitution are extended to those residing in institutions. Simply put, the bill recognizes the vulnerability of the mentally ill and developmentally disabled who lack the resources necessary to bring actions on their own to correct systematic violations of their rights.

It takes a giant step toward assuring that the constitutional rights of all Americans residing in institutions are protected. Both the State and Federal Governments have a constitutional responsibility to see to this, and this bill statutorily provides for carrying out that duty. With this in mind, I urge my colleagues to vote for favorable passage of H.R. 10.

Mr. THURMOND. Mr. President, I yield to the distinguished Senator from Missouri such time as he may require.

The PRESIDING OFFICER. The Senator from Missouri is recognized.

Mr. DANFORTH. Mr. President, debate on the conference report on H.R. 10 has extended over 13 calendar days. It has resulted in four cloture votes. It has been characterized by parliamentary maneuvers and passionate oratory. It will soon draw to an end, and H.R. 10 will be enacted into law.

Why has the opposition to H.R. 10 been so intense? On its face, the bill's purpose is to improve the care of institutionalized persons—persons in State mental hospitals and State schools for the retarded. Who could be opposed to such a well-intentioned effort?

Mr. President, if H.R. 10 were a bill to improve the care of institutionalized persons, it would have had no opposition. If it offered hope to those in State hospitals and State schools, it would have passed the Senate with no debate. No one in the Senate is against institutionalized persons. No one wants them abandoned or oppressed. If H.R. 10 truly concerned help for the helpless, all of us would have been for the bill. We would have supported it with enthusiasm.

But H.R. 10 does not offer hope to those in State institutions. It is not a bill about improving care in State hospitals. It is, instead, a bill about governmental power, and this is why it has been opposed with such vigor.

H.R. 10 concerns the transfer of power from State governments to the Federal Government. H.R. 10 concerns the transfer of power from the legislative branch of Government to the judiciary. That is what H.R. 10 is about, and that is why Senators who have served in State government, former Governors and former State attorneys general have led the fight against the bill.

The shift of power from State governments to the Federal Government is not new. It has been taking place for years. So has the shift of power from legislatures to the courts. H.R. 10 follows a trend, and it gives the trend a mighty push forward.

Government which is close to the people, and government which is responsible to the people are two principles greatly valued in the history of our country. Indeed, these two principles were to be fostered by the system our founders established. That is what checks and balances were all about. The power of the Federal Government was to be checked by the power of State governments. The legislature, which is closest to the people, not the courts, was to establish public policy through enacting laws and appropriating funds.

This is the way it was to be. States and legislatures were allowed to make decisions, and it was no argument that some specific decisions of States and legislatures may not be wise.

The theory behind H.R. 10 is quite straightforward: Left to their own devices, State legislatures may not do an adequate job providing for persons in mental hospitals and schools for the retarded; therefore, final responsibility for assuring such care should be vested in Federal courts. That is why H.R. 10 does not really concern the care of institutionalized persons. It concerns, instead, the location of governmental power.

The adequacy of care for patients in State institutions will only be advanced by expending money. Money is needed to build new facilities or to upgrade old facilities. Money is needed to hire and train treatment personnel. Money is needed to improve physical and occupational therapy programs. Money is needed to purchase equipment and supplies. If H.R. 10 concerned the care of institutionalized persons, money would be provided for these purposes. Yet H.R. 10 contains not a penny of authorization for such expenditures of funds. In point of fact, we have begun debate on a budget which will reduce, not increase, Federal aid to State governments.

The theory behind H.R. 10 is that Federal courts, if vested with enough power, can accomplish miracles. Yet there are limitations to what even Federal courts can do. Courts cannot appropriate funds. Courts cannot raise revenue. Therefore, H.R. 10 is certain to fail in achieving its stated purpose.

Mr. President, we have become a litigious country. We are producing lawyers by the tens of thousands. Yet, for all its importance, there are some problems litigation cannot solve, and there are other problems litigation creates. Litigation cannot build new facilities for the institutionalized. Litigation cannot upgrade old facilities. Litigation cannot hire or train personnel. Litigation cannot improve physical and occupational therapy programs. Litigation cannot purchase equipment and supplies.

What litigation can do is create endless costs, divert countless manpower and break the spirit of persons who have devoted their lives to serving their fellow human beings. Those of us in the Senate, who have dealt with the Justice Department when we held State offices, have witnessed this phenomenon first hand.

In short, Mr. President, H.R. 10 does nothing to relieve the suffering of persons who are receiving inadequate care in public institutions.

The only thing this bill does is give the Justice Department the power to sue State and local officials who are attempting to provide adequate care to institutionalized persons in their States, counties, and towns.

In my view, this approach to the problem of securing adequate care for institutionalized persons is, simply stated, wrong.

It is wrong because it is a costly, clumsy, and inefficient response to a complex and sensitive problem.

It is wrong because it is inherently destructive of the fabric of federalism.

And it is wrong because it calls upon Federal courts to make decisions which, in our system, should be made by State legislatures.

Why does the Justice Department seek this bill? It does not do so to gain authority to prosecute acts of brutality against institutionalized persons by State or local officials. The Justice Department already possesses such authority. It does not do so in order that institutionalized persons might have access to the Federal courts to redress the deprivation of Federal constitutional or statutory rights. Such access is already provided under Federal law, and the Justice Department has intervened in such lawsuits on numerous occasions.

The Justice Department seeks this legislation for one reason and one reason only. It has been stopped cold by the Federal courts in its efforts to initiate lawsuits against State and local governments on behalf of institutionalized persons, and it wants Congress to give it that power.

It should be clearly understood, therefore, that the debate over this legislation does not concern the care provided persons in State and local institutions. If that truly were our concern we would be debating the merits of providing increased Federal assistance to State and local governments to improve the care of institutionalized persons.

The debate over this legislation is a debate about power—the power of the Justice Department—the power of State legislatures, and the power of the Federal courts. It is clear that H.R. 10 increases the power of the Federal Justice Department—but also it should be understood that, in so doing, the legislation attempts to shift to the Federal courts power historically held by State legislatures to decide levels of funding for various State institutions. This should be a matter of serious concern to the U.S. Congress.

I am not arguing for "States rights." I do not believe that my State—or any State—has the right to deprive any person of the rights guaranteed him under the laws or Constitution of the United States. In such circumstances, I do not challenge the right of any person to seek redress of grievances in Federal court. Neither do I challenge the right of the Federal Government to prosecute any person who, under color of law, deprives another of rights under the laws or Constitution of the United States.

What I challenge is the bill before the Senate. What I challenge is the wisdom of vesting the Attorney General of the United States with the power to sue any State, county, hamlet, city, village, or town. What I challenge is the transfer of policymaking power from State legislatures to Federal courts.

Prof. Alan Stone of Harvard University opposed S. 1393, the predecessor of H.R. 10, with the following statement:

> The pattern (of litigation concerning the rights of persons confined in state institutions) . . . is not so much the development of individual constitutional rights in any traditional sense; rather, much of the litigation looks to the particular state institution under consideration and the plaintiff and defendant essentially are forced to develop policy for that institution. That policy does not take into account the will of the state legislature, the fiscal status of the state, the needs of other institutions not covered in the litigation, or the needs of other mentally disabled persons who do not happen to be in institutions at the time the litigation is brought. What I mean to emphasize is the litigation has taken the form not of arguing specific constitutional rights of all citizens, but rather what one sees is the development of massive consent decrees that set standards and structure every aspect of capital investment, personnel hiring practices, living conditions, etc. in a particular institution. These court standards may or may not be compatible with standards set by HEW, or by the Joint Commission on Accreditation of Hospitals. Essentially, the court ends up taking on the policy decision-making role that is supposedly the province of the state Commissioner of Mental Health. Unfortunately, the judge may not feel responsible for all of the state institutions, and thus litigation may result in distortions and gross inequities with money being taken from some institutions to cover improvements mandated by the court in other institutions.
>
> The basic point I want to emphasize here is that the result of this litigation is to usurp from the executive and legislative branches of state government the policy-making role for mental health services. S. 1393, as I read it, will heighten that trend.

This is the key point. This bill invites the Justice Department not to assist individual citizens in their efforts to obtain redress, but to establish policies respecting the care of institutionalized persons. Those policies will be enforced by a Federal court. Whether such policies are acceptable or even affordable to the people who reside in that State will be irrelevant.

I do not find much comfort in the provisions of this bill which purport to require consultation by the Attorney General with State or local officials prior to the initiation of any lawsuit. When we vest the Attorney General with the power to sue, we effectively vitiate the importance of negotiation with State officials, of consultation, of "voluntary compliance." The essence of Federal-State relations as embodied in H.R. 10 is stated on page 12 of the conference report:

> It is anticipated that the States and relevant officials will cooperate in the investigative process . . . if there is a failure to do so, the Attorney General may consider this factor in taking any actions under this Act.

In such circumstances the term "cooperation" has a hollow ring to it.

Why are the Members of the Senate who support this bill so willing to trust the wisdom and the humanity of the Justice Department and the Federal courts? Why are the Members of the Senate who support this bill so willing to turn over policy decisions respecting the care of institutionalized persons to the Justice Department and the Federal courts? And, conversely, why are they so unwilling to trust the people of their own States?

During testimony last year on this legislation before the Senate Subcommittee on the Constitution, Ellis Katz, the acting director of the Center for the Study of Federalism at Temple University, noted:

> The conditions that led to findings of "cruel and unusual punishment" in Holt against Sarver, Pugh against Locke, and other similar cases, did not result from malicious actions of identifiable individuals.

Rather, he continued:

> They resulted from inadequate funding, decentralized administration, a lack of public awareness about the condition of institutionalized persons, and a lack of knowledge about what to do with individuals who commit serious crimes or are mentally incompetent.
>
> Consequently, remedying the deplorable conditions found in institutions will require action by State legislatures, vigorous action by the States' governors, greater attention by county and municipal officials, and support from the public. While court orders directing institutional change may be one way of making public policy, it is a poor substitute for responsible action by locally elected political leaders.

Secretary of Education Shirley Hufstedler, a noted jurist, once observed that—

> Resort to litigation to effect social change has developed, not because it is the best way to achieve justice, but because it has been the only way perceived to exist.

I might add that this perception tends to feed on itself. To the extent that we invite litigation as a remedy for complex social problems—as we do in this bill—we encourage legislators to avoid confronting difficult problems in the expectation that the courts will take action.

I do not think we can long continue down this course without doing serious damage to our political institutions. And I do not think we can long continue to pit the Federal Government against the States—in confrontation, as we do in this bill—without doing serious damage to our federal system of government.

In essence, Mr. President, I am arguing for a policy of restraint. If we are to have a federal system we must respect the role played by State legislatures.

This means that we must reject the belief that a special wisdom and benevolence rests in the Federal Government. We must reject the notion that the most efficient way to make wise decisions is for the courts to make them. We must renew our belief that the power to decide includes the power to decide wrongly, and that, under our system, such power should be accessible and accountable to the people.

Because I am convinced that H.R. 10 would damage the federal system, and invite the intrusion of Federal courts into decisions which should be made by State legislators, I have fought this legislation as hard as I know how. Although I expect defeat, I hope that the vigorous debate on this bill serves notice to the Justice Department that the Congress is mindful of the awesome power the bill confers. We will be watching to see how the Justice Department exercises its authority. Power once given can be taken away.

The PRESIDING OFFICER. Who yields time?

Mr. THURMOND addressed the Chair.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. THURMOND. Mr. President, will the distinguished Senator from Missouri yield?

Mr. DANFORTH. Of course.

Mr. THURMOND. Mr. President, I compliment the able Senator from Missouri for the masterful address he has made on this occasion and also for the scholarly presentations he has made during the consideration of this bill, H.R. 10.

The distinguished Senator from Missouri was attorney general of his State for many years. He had a reputation for being one of the ablest attorneys general in the United States. His analysis of this bill and his conclusion about the dangers of it are very important to the people of this Nation as well as to the Members of this body.

Again, I congratulate him for the fine service he has rendered in opposing this bill.

Mr. DANFORTH. Mr. President, I thank the Senator from South Carolina for his very generous comments.

It has been a privilege to be associated in this effort with such a distinguished array of former Governors and former attorneys general who have in their careers seen firsthand the effect of Justice Department activities.

I have, Mr. President, just one concluding thought. That is that the Senator from Connecticut (Mr. WEICKER) really pointed his finger at the problem. The problem is a money problem.

The only way to remedy conditions in State schools and State hospitals is to spend money on those facilities and on personnel who treat the mentally ill and the mentally retarded in State institutions. There is absolutely no substitute for money.

This bill authorizes not a penny. As a matter of fact, in the debate on the budget, the budget resolution which we have interrupted to take up this conference report, we are going to cut funds available to State government, and, therefore, this is an effort to replace the funds with lawsuits. That, Mr. President, simply stated, is what this bill is all about and why it is a serious mistake for the Government of the United States to follow through with the adoption of this conference report.

Mr. BAYH. Mr. President, if the Senator from South Carolina will permit it, the Senator from Indiana will ask a question for the edification of those of us present, plus those of us who are in our offices, for their convenience.

Would it be convenient, inasmuch as there is a Republican policy luncheon from 12:30 to 2, to perhaps explore with the joint leadership the wisdom of putting this vote, say, at a time certain, 2 o'clock? Would the Senator from South Carolina have any objection?

Mr. THURMOND. Mr. President, the time is fixed for not more than 6 hours of debate. We prefer to keep it flexible. I assure the Senator there will be no time lost. But I think we should not enter into any further agreement.

Mr. BAYH. I thank the Senator from South Carolina.

The PRESIDING OFFICER. Who yields time?

Mr. THURMOND. Mr. President, I am just wondering, since our side has consumed most of the time this morning, if the other side would like to speak at this time.

Mr. BAYH. The Senator from Indiana does not have anything to say at this particular time. I was hoping we could have this vote at 2 o'clock. If not, we will probably have to have it at 3, which will take an extra hour of talk. I think we will be able to find ample time. However, that is an hour of the Senate's time that could be devoted to the budget resolution, as far as the Senator from Indiana is concerned.

But the Senator from South Carolina is absolutely right, we do have 6 hours, and that will run until about 3—it will run after 3, really. So we will just continue.

Mr. THURMOND. Mr. President, in the beginning, I say that we are nearing the end of a long, hard fight on a piece of legislation that I feel is not only unconstitutional, but also unwise, and impractical. This legislation could produce serious breaches between Federal and State officials.

Mr. President, I express my appreciation to those who have borne the fight in trying to call the attention of the people of this Nation to the harmful effects that his bill can produce.

I already have expressed my appreciation to those who have been most active in opposing the bill: the distinguished Senator from Oklahoma (Mr. BOREN), the distinguished Senator from Nebraska (Mr. EXON), the distinguished Senator from Missouri (Mr. DANFORTH). All these gentlemen have presented very outstanding and scholarly presentations during the consideration of this measure.

I also express my appreciation to the distinguished Senator from Mississippi (Mr. COCHRAN), the distinguished Senator from North Carolina (Mr. HELMS), the distinguished Senator from Louisiana (Mr. LONG), the distinguished Senator from Alaska (Mr. STEVENS), the distinguished Senator from Mississippi (Mr. STENNIS), and others who have spoken in opposition to this bill.

I also thank the able Senator from Wyoming (Mr. SIMPSON) and the able Senator from Nevada (Mr. LAXALT) for serving on duty on the floor of the Senate and being of assistance in opposing this bill.

Mr. President, Thursday, May 1, 1980, was a sad day for the Constitution. It was a sad day for the States of this Nation and for the people of this Nation. On that day, this Senate voted, after three unsuccessful attempts, to limit debate on the conference report on H.R. 10. This measure, if it is passed, will become one of the worst laws ever recorded.

At the outset, it is important that we address one misconception about this legislation and the discussion we have had about it. H.R. 10 is not a true "civil rights" bill. It is sailing under that verbiage. It does not create any new rights for our institutionalized citizens, and in fact, it does not even touch the plight of persons in Federal institutions. This legislation merely grants more power to the Justice Department. It is simply a bill to increase Federal bureaucratic power. Calling new bureaucratic power by any other name does not make that bureaucracy any more acceptable.

Mr. President, to understand how H.R. 10 increases the power of the Justice Department, we should first describe the current state of the law concerning litigation over institutions. Presently, there is an almost infinite variety of ways a private litigant can get into court to challenge conditions in an institution. The private litigant, or his representative or guardian, can sue under State statutory rights or under Federal statutory or constitutional claims. There is no shortage of this type of private litigation. Thousands of such suits are filed each year, and the amount of such litigation increases each year.

Once a private suit has been filed, the Justice Department can then intervene in that suit. The Justice Department has participated in such suits as intervenor, as amicus curiae, and as litigating amicus. That is present law. Even without H.R. 10, the Justice Department can involve itself in litigation against the States in this area. In fact, every single case used as an example of supposedly beneficial Justice Department litigation was a case in which the Department has used current law to intervene.

However, H.R. 10 goes beyond the Attorney General's right to involve the Justice Department in ongoing litigation, which itself is questionable. H.R. 10 will allow the Justice Department to initiate suits when there is no complaint from anyone outside the Justice Department. Surely, if conditions are as atrocious as the supporters of H.R. 10 would have us believe, then at least one person—be it an inmate, a patient, a guardian, a relative or an advocacy group—would be willing to complain.

As I have noted, there is no shortage of cases available now for Justice Department intervention. There must be another reason for the Justice Department's desire to initiate litigation against the States, and I believe there is. Under H.R. 10, there will be a wide-scale attempt to coerce the States to accept the Justice Department's theory of treatment for the institutionalized citizens in our States. Although the supporters of H.R. 10 use horror stories about conditions of confinement, that is not the major issue in this legislation. In the history of Justice Department litigation in this area, there has been an obvious emphasis on deinstitutionalization, which is the theory of treatment currently in vogue at the Justice Department.

The Justice Department has been less concerned with actually improving institutional conditions than in trying to have institutions closed completely because the Department believes that institutionalized persons will be better off outside these institutions. I am not completely opposed to deinstitutionalization, because at times it certainly may be an appropriate treatment. However, even the most casual student of H.R. 10 should question the wisdom of having the Justice Department decide that this is the appropriate treatment for any and every institution in this country.

Deinstitutionalization is but one of many theories on treatment and care for these persons. State officials, who are elected by the families and friends of the institutionalized persons, and State health care professionals are at least as qualified as the Department of Justice to make these kinds of fundamental decisions. The diversity which we can find among the various States contributes to new and better ideas on treatment, which benefit our institutionalized persons. Apart from forcing a diversion of limited State resources to litigation, the H.R. 10 approach of coercive litigation, whether threatened or consummated, will stifle other useful and practical approaches to treatment.

Mr. President, we should take a hard look at the actual provisions of H.R. 10. The legislation takes two major steps. First, it grants to the Justice Department the new power to initiate litigation against the States. Second, it codifies the current law on Justice Department intervention in ongoing litigation. It does not grant any new rights to any individuals. Its major beneficiary is the Justice Department.

The proponents of H.R. 10 assert that in exchange for granting these new rights to the Justice Department, the legislation provides new and important safeguards for the States. On closer study, these claims cannot stand. Here, we need to look at the safeguards in relation to each of the new powers given to the Department. It is absurd to say that the safeguards against initiation are new protections for the States, because without this legislation the States have absolute protection against abusive litigation, since the Justice Department could not initiate suits at all. Above and beyond that, however, the safeguards in H.R. 10 are mere shadows of what the Senate had originally inserted in this legislation.

During the legislative process, both at the committee level and on the Senate floor, those of us who are concerned about the potential abuse of this legislation worked long and hard to add safeguards to protect the States. We were successful in adding notice for intervention and improving the criteria for intervention. We were successful in strengthening the notice provision before initiation of suits. We were successful in tightening the presuit certification requirements. All of this was done in an effort to insure that the primary thrust of this bill would be the resolution of the problems through informal means, with resort to suit only as a last resort. The opponents of this legislation gave the Senate a full and fair chance to vote on this bill when it first came to the floor. At that time, the Senate expressed even more concern over safeguards and further amended the bill to add protection against abuse by forcing a coordination between HEW and the Justice Department.

As this bill comes back from conference, the safeguards are mere empty words. While the conference bill still requires that conditions be "egregious or flagrant" before the Justice Department can take legal action, the report has dropped the critical language "conditions which are willful or wanton or conditions of gross neglect" which had been added by the Senate to create a high standard for initiation of legal action against the States. What had been an important safeguard has been removed.

In the certification procedures the Senate had added the requirement that the Attorney General must discuss "the possible costs and fiscal impacts of alternative minimum corrective measures" with State officials. This requirement is vital because it serves two very important purposes. First, it forces the Attorney General to articulate exactly what he wants the State to do and second, it gives the State officials a clear idea of the costs involved. Obviously this would be greatly determinative in whether informal resolution is possible or whether there had to be litigation. The conference negated this entire provision and its protective purpose by adding that the Attorney General need do this only "to the extent feasible." The report leaves the question of feasibility entirely within the discretion of the Attorney General. To give this discretion to the Justice Department is no safeguard at all because it effectively removes any requirement that there be discussion of costs.

In the Senate provision on intervention the Senate required that before the Attorney General could become involved in an ongoing suit he had to notify the State officials of "the minimum measures which he believes may remedy the alleged conditions." This again was a safeguard intended to insure that the Attorney General would at least have some articulated goal when he sues the State. The conference report modifies this safeguard out of existence by adding "to the extent feasible and consistent with the interests of other plaintiffs." Again the question of feasibility is left entirely to the Justice Department and its determination is not reviewable. This represents no safeguard at all.

The conference report places the Attorney General, who is one of the litigating parties, in the position to ignore this very important protection against the misuse of such litigation. These safeguards were written in to insure that litigation would be started only if informal resolution fails. The conference report has turned that principle on its head by allowing one of the litigating parties to decide if these steps for informal solution are to be used.

Finally, the Senate bill required that the Attorney General report to Congress "an estimate of costs incurred by States" as a result of the Justice Department's actions under this legislation in each year. This after-the-fact accounting was meant to allow a congressional oversight on the fiscal impact of the bill. This would at least present some safeguard for States, since Congress could correct the legislation if the costs were becoming excessive. The conference report once again modified this requirement with the words, "when feasible." Given this unchecked discretion, the Attorney General is free to either make that financial report or refuse to report. That language is no safeguard and eliminates the protection envisioned in that section.

Perhaps the most obvious destruction of a safeguard for the States can be found in the conference language which replaces the Exon amendment to the Senate bill. The Exon amendment required that if a State institution were receiving financial assistance from HEW, the Attorney General, prior to any legal action, had to receive a certification from HEW that such legal action would not interfere with HEW efforts to secure compliance. The purpose of this amendment is clear. It forces the Federal Government to act in a coordinated fashion, so that States would not be receiving contradictory orders from different Federal agencies. But further, it placed some outside check on the right of the Justice Department to make decisions which affect the health-care policy of the Federal Government. The conference deleted this protection to make vital policy decisions in the health-care area. On its face the conference language may appear to offer some safeguard because it requires a consultation between HEW and the Justice Department, but even that semblance is destroyed because H.R. 10 vests unreviewable discretion to sue in the hands of the Justice Department.

Mr. President, the net result of the conference language is a removal of vital safeguards which the Senate had implanted in this legislation to protect the States. I hope that my colleagues will realize that this conference report removes the kinds of safeguards which had been used to sell this legislation to the Senate.

In addition to the fact that the conference report removes vital safeguards, H.R. 10 simply represents a dangerous idea. We have seen enough bad legislation passed with good intentions. I remain opposed to H.R. 10 for the same fundamental reasons which I raised against S. 10. There are constitutional questions involved with this type of legislation, which seeks to increase Federal power at the expense of the States. The assumption, underlying H.R. 10, that State officials are incapable of managing their institutions is unfounded. Perhaps most important, the Justice Department, through its management of Federal institutions and its use of litigation in the past has shown that it should not receive any additional power.

Mr. President, the Constitution is one of the greatest documents ever written. Its greatness lies in its clarity of language and expression, and in the fundamentals embodied within its four corners. One keystone of the Constitution is that we have a system of federalism, a National Government which received only that power ceded to it by the sovereign States. This idea is nowhere more clearly expressed than in the 10th amendment, which reserves to the States and their citizens all powers not specifically delegated to the National Government. This idea has been repeatedly attacked, and H.R. 10 represents another attempt to chip away at that fundamental premise.

There could hardly be a more obvious abuse of the 10th amendment than to let the U.S. Attorney General supervise every State prison or institution for the disabled. The very idea of an H.R. 10 intrusion into State management of State institutions does great violence to the cooperation between State and Federal officials as envisioned by the framers of the 10th amendment. When one realizes that the actions of the Attorney General will most likely lead to a restructuring of State priorities and expenditures as States are forced to meet the litigation and judicial orders which will flow from H.R. 10, one must reject this legislation.

The basic assumption of this legislation also makes H.R. 10 untenable. H.R. 10 is premised on the belief that State officials are unwilling or incapable of managing their own institutions properly. Such an assumption should be dismissed immediately. State and local officials are elected by, and are responsible to, the families and friends of those persons who are in institutions. Surely no one can doubt that these officials are more responsive to their citizens than Federal bureaucrats. These State officials are caring, concerned people. Unfortunately, since many States must operate in a fiscally responsible manner because of balanced budget requirements, there is not always enough money to meet every possible demand on the Government. State and local officials must also consider many other important areas when they set budget priorities.

In fact, when one considers the limited resources available to the States, it is obvious that States have made tremendous strides in the past decade. This type of progress and commitment to better care should be met with cooperation and encouragement by the Federal Government. H.R. 10 not only fails to extend that much-needed cooperation, but it does just the opposite. It threatens the States with confrontation and litigation from the much-resented perspective that the Federal Government knows more about this than do State officials. Such an approach will never result in widescale improvement of the institutions in this country. The net result of H.R. 10 will be wasted resources and potentially bitter friction between State and Federal officials.

Even if one felt that State institutions could be more effective, there is still an overwhelming reason to oppose giving control of these State institutions to the Justice Department. The Justice Department has shown that it is singularly unqualified to involve itself in policy and management decisions in State institutions because it has failed so miserably in its current supervision of Federal institutions. As the debate on H.R. 10 has pointed out, Senate investigations of Federal institutions have shown that the Federal institutions have problems which dwarf any claimed problems within State institutions. Overcrowding, drugs, rape, and murder are the order of the day in many Federal institutions. H.R. 10 conveniently overlooks this fact because it leaves these conditions in Federal institutions completely unchecked. H.R. 10 then magnifies its error by empowering the Justice Department, which is unable to control Federal institutions, to involve itself in the management of every State institution in this country. This must surely make one wonder what a Federal bureaucracy must do in order to have Congress restrict bureaucratic power. If a bureaucracy is rewarded for a bad job, there certainly is no incentive to do a good job.

Mr. President, the Justice Department is undeserving of this new power for another reason. The litigation record of the Justice Department in this area is not one which should be rewarded. Time after time, my colleagues have shared personal experiences of abuse by the Justice Department in this area. The experiences which South Carolina, Nebraska, Oklahoma, and Missouri—and possibly other States—have endured are but a few examples of how the Justice Department has abused its present power of intervention.

Vital resources and time have been diverted from useful and needed purposes to protracted and costly litigation. An atmosphere of mistrust and dislike has been created. If wasted resources are an indictment of this legislation, the fact that those resources would have been used to help the institutionalized persons is the guilty verdict. When one considers the negative impact on our institutionalized citizens with the recent criticism of the Department's political motivations, H.R. 10 represents legislation which will be ineffective, at best, and a disaster, at worst.

Mr. President, this bill should be opposed because it allows more intrusion by the Federal bureaucracy and will probably result in additional taxes. The respective States are deeply concerned about the intrusion by the Federal Government into their affairs. Citizens everywhere are concerned about bureaucratic intrusion in their private lives, and they are concerned about high taxes. This legislation will further entrench the bureaucracy and will carry a large price tag. H.R. 10 will eventually cost billions—I repeat, billions—of dollars, all of which will come from the pocket of the taxpayer. He will be taxed to pay for the litigation costs on both sides and for the cost of complying with court orders. There is too much bureaucracy and taxation now. H.R. 10 will greatly compound both of these problems.

Mr. President, H.R. 10 should be strongly opposed by every Member of this Senate, because it is an unconstitutional grant of power. This bill assures that State officials are unwilling and incapable of managing their own institutions and is based on the theory that the Justice Department can manage State institutions better, even when the record shows that the Department has been deficient in managing its own institutions. Further, when the Justice Department has joined in litigation against the States, it has been unreasonable and oppressive and its actions have forced States to spend enormous amounts of money to comply with mandates from the Department. For all of these reasons, the Senate should reject the conference report on H.R. 10.

(Mr. BAYH assumed the chair.)

Mr. THURMOND. Mr. President, in one of my previous speeches here in the Senate on this subject, I emphasized the results of an investigation made by the distinguished Senator from Georgia (Mr. NUNN) and the distinguished Senator from Illinois (Mr. PERCY) into the Atlanta Federal prison.

This is a very recent report. It was made in January of 1980. I would just like to recall for the Senate the first page of this report and the language it uses to describe conditions in the U.S. Penitentiary in Atlanta, Ga.:

> In response to information from multiple sources, the Permanent Subcommittee on Investigations conducted a year long investigation into the U.S. Penitentiary at Atlanta, Ga. The inquiry found that the Atlanta Penitentiary has become the setting for violent inmate murders, extensive narcotics trafficking, and various other criminal activities.
>
> After a preliminary investigation, the subcommittee conducted hearings in Atlanta on September 29 and October 2, 1978. This staff study summarizes the testimony received at those hearings and a subsequent staff inquiry.
>
> The Atlanta Penitentiary has an inmate population of 1,300 adults, is a maximum security prison, and houses the largest prison industry in the United States. Both inmates and employees of this institution testified at the hearings in Atlanta. In addition, the staff interviewed a cross section of witnesses, drawn from the subcommittee investigation and suggestions from the Director of the Bureau of Prisons.
>
> Atlanta Penitentiary inmates testified to the availability of narcotics, alcohol, and weapons in the prison. Knives could be readily produced in the prison industry and could be hidden throughout the prison due to lax security measures. Violence and narcotics trafficking were common events. Many inmates testified that involvement in such activities was virtually impossible to avoid. The Atlanta facility was described by some inmates as a "country club" or like "being on the outside."
>
> The major drug of abuse within the facility is marijuana. Prison inmates testified that the primary source of this drug was through the prison employees. The employees would make "connections" within the prison and bring the marijuana in from the outside. Heroin and cocaine were generally smuggled in by friends and relatives at visiting times.
>
> Prison employees testified to the lack of security within the Atlanta Penitentiary. One witness candidly presented how he had been corrupted by prison inmates and served as a messenger and banker for them. He resigned from the institution after his public testimony to the subcommittee. One employee indicated that the prison administration encouraged employees to overlook illegal activities among inmates in order to keep the prison population under control. Others expressed fear for their safety if they were to "crack down" on the inmates.

Now, Mr. President, I shall not take more time to go into the rest of this report, as I have covered it in a previous address to the Senate. However, I do want to call to the attention of the Senate the fact that the Justice Department is asking Congress to give it the power to go down and delve into State institutions, mental institutions, penal institutions, and other institutions, to see if they can find out if anybody's rights were violated.

Does it not seem more appropriate that they use their own powers to protect the rights of persons in the Federal penitentiaries?

I want to repeat this paragraph from the report:

> Atlanta Penitentiary inmates testified to the availability of narcotics, alcohol, and weapons in the prison. Knives could be readily produced in the prison industry and could be hidden throughout the prison due to lax security measures. Violence and narcotics trafficking activities were virtually impossible to avoid.

Mr. President, if those conditions exist in these Federal prisons, if alcohol, narcotics and weapons are available there, and if there is narcotics trafficking, and violence in the Atlanta Penitentiary, why does the Justice Department not clean that up first? Why do they not correct those conditions in all of their Federal pentitentiaries and in all of the Federal institutions before coming to Congress and saying: "Give us more power. We want more power. We want to go down into States and tell the States what they have to do. We want to go down into the States and investigate and bring suits against them."

Mr. President, I repeat, the Justice Department has the power now to intervene in any suit brought by an individual, a kinsman of an inmate or a patient, or any group that sees fit to bring a suit on behalf of an individual who claims his rights are violated. They have that power now.

What they want is more power—more power. They want the power to institute a suit against the State, even though not one single person in the world has complained. Even though the inmate has not complained, even though his family has not complained, even though his friends have not complained, even though no special group in the community interested in patients has complained, the Justice Department still wants the power to bring suit against the State. Mr. President, they should not be allowed that power.

Mr. President, if this bill is such a fine bill, why did the Governors of the States not endorse this bill? Why did the attorneys general, who enforce the laws of the States, not endorse the bill?

On the contrary, we had Governor after Governor testify or write to oppose this bill. Here is the Governor of Connecticut, the very State about which the Senator spoke this morning in behalf of this bill. Let us see what she said.

> I am writing concerning S. 10 which proposes to authorize the Attorney General to institute legal action on behalf of institutionalized persons in cases where such persons are purportedly deprived to rights, privileges or immunities provided by the Constitution or Laws of the United States.
>
> It is important to note that the Justice Department already has adequate authority to act in those cases where it is deemed necessary, and that existing controls and regulations administered by other Federal agencies, vis a vis the Developmental Disabilities Act, Medicaid and Medicare regulations, Education of all Handicapped Children's Act (94–194) provide sufficient protection for residents of state-run institutions.
>
> Furthermore, Connecticut, through its protective services, and advocacy laws, and other statutes protecting the handicapped already has sufficient authority to protect the rights of the institutionalized and it is currently exercising it, as evidenced by recent federal court action initiated by Connecticut's Office of Protection and Advocacy of the Handicapped and Developmentally Disabled Persons in a case concerning the care of mentally retarded persons within this State.
>
> Should the bill be approved by the Committee, I would urge you to consider these existing remedies prior to making a decision on the bill.

Mr. President, the Governor of the State of Connecticut is interested in the inmates in her State. She shows by her letter that she is interested in them. She is opposed to this bill because she feels it is an unwise and oppressive bill. The letter to which I have just referred was written by Gov. Ella Grasso, Governor of the State of Connecticut.

Next I have a letter from another Governor, the Governor of Mississippi, Gov. Cliff Finch.

Governor Finch says:

> I have studied this bill carefully and believe this area of State and local concern may best be regulated through State legislation along with the regulations and standards adopted by the various agencies within a State.
>
> The passage of this bill would infringe upon a States rights of self government. The ability of the State to govern its internal affairs should not be carved away any further than has been done in the past. We are willing to work with federal agencies in this area, however the enactment of S. 10 would surely create friction and confrontations between States and federal agencies at a time when cooperation is most needed.

Mr. President, here you have the Governor of the State of Mississippi who says that the passage of this bill would surely create frictions and confrontations between States and Federal agencies.

Mr. President, we have had too much friction in the past between Federal and State officials. Why enact this bill, which gives power to the Federal Government to create more friction between State and Federal officials?

Mr. President, I next have a letter from the Governor of the State of Nebraska.

The Governor states:

> As you may know, the State of Nebraska is currently involved in litigation concerning a State institution for the mentally retarded. The Department of Justice has intervened in the lawsuit. After their intervention, the case changed from one involving patient rights to one challenging the philosophy behind the structure of the state institutions.
>
> Although I do not feel it would be appropriate to comment on the specifics of the case, the case has made me aware of problems which enactment of legislation such as S. 10 could cause. Such legislation tends to disrupt cooperation between levels of government and delays solutions to the problems. I oppose S. 10 and heartily support your efforts to defeat it.

That letter is signed by Charles Thone, Governor of the State of Nebraska.

Mr. President, it is significant that he brings out this particular point in this letter. He said:

> The State of Nebraska is currently involved in litigation concerning a State institution for the mentally retarded.

Then he goes on to say:

> The Department of Justice has intervened in the lawsuit.

Mr. President, they have that power now. They can intervene. All they have to do is to come in as intervenor, or as amicus curiae, and ask to be admitted as a party to the suit. That is what they did in the State of Nebraska.

But, Mr. President, why give them power to go further, to initiate suits in the first place, when they can now intervene if anyone wants them to do?

Then the Governor of Nebraska raises this serious point:

> After their intervention, the case changes from one involving patient rights to one challenging the philosophy behind the structure of the State institutions.

Here is the Justice Department wanting to set policy. Here is the Justice Department not there just for the purpose of trying to protect someone's rights. The Governor of Nebraska says they are coming in and challenging the philosophy behind the structure of the State institutions.

Mr. President, that is clearly beyond the right of the Justice Department. The philosophy behind the structure of the State institutions is certainly a matter for the States. As I brought out in my address a few moments ago, they are coming because they want to tell the States how to handle these institutions, or to force the States to close the institutions.

A lot of people feel that their goal is to deinstitutionalize, as I mentioned in my address a few moments ago.

Mr. President, I have a telegram from the Governor of South Carolina, my Governor, who, incidentally, is a great friend of the President of the United States.

Mr. President, Gov. Richard W. Riley, of my State, was a campaign manager for President Carter. I am sure it is difficult for him to understand why President Carter favors this bill and why he permits the Justice Department to push this bill, to advocate this bill.

Governor Riley says:

> Dear Mr. Chairman. I have concluded a review of bill S. 10 pending before your subcommittee, which would authorize the U.S. attorney general to institute or intervene in action alleging deprivation of constitutional rights of institutionalized persons. We have a functionally effective ombudsman system in the State of South Carolina, independent State advocacy units, and constantly seek to upgrade facilities and conditions in State institutions. The answer to all problems is not always found in the courts. I strongly urge you and your subcommittee to consider more desirable alternatives to achieving necessary protections for citizens who are institutionalized. I consider S. 10 both unnecessary and undesirable.

After saying that the State has a functionally effective ombudsman system, independent State advocacy units, and constantly seeks to upgrade facilities and conditions in State institutions, he says:

> I strongly urge you and your subcommittee to consider more desirable alternatives to achieving necessary protections for citizens who are institutionalized. I consider S. 10 both unnecessary and undesirable.

There is the Governor, a young, progressive Governor, a friend of the President, a Democrat, saying that he considers this bill unnecessary and undesirable.

Mr. President, I hope the Senate will consider the opinions of the Governors of this Nation. I am only giving a few of them. Governors have gone on record several times opposing this bill, just as have attorneys general.

Next is a letter from the Governor of Virginia. He says:

> I continue in my opposition to the bills as being unnecessary and redundant. I am concerned that the Attorney General may require a large bureaucratic organization to attempt a good faith effort to comply with their provisions, and such an expensive bureaucracy is unnecessary. I also feel that there is now ample provision to ensure a full and fair consideration of alleged violations of an individual's civil rights and that the bills would interpose the attorney general as some sort of official lawyer for those confined. In brief, I feel there is an ample body of case law already existing to resolve disputes in the courts, and the scales of justice are not unduly tipped in favor of the states. Therefore, the systems proposed by these bills are unnecessary, redundant and unduly expensive. I further feel they represent an intrusion into State prerogatives.

That letter is signed by John N. Dalton, the Governor of the State of Virginia.

(Mr. LEVIN assumed the chair.)

Mr. THURMOND. Mr. President, here is a wire from the Governor of the State of West Virginia. As you know, he is a Democrat. As you know, he is a friend of the President; he is a friend of this administration. But he still sent this wire. It says:

> I am opposd to S. 10 which permits unnecessary Federal control of institutional care at the State level. West Virginia has made progress which insures proper institutional care and judicial remedies and S. 10 is unnecessary. Your support will be appreciated.

Mr. President, that is a wire that the distinguished Governor of West Virginia sent to me. It is signed by John D. Rockefeller IV, the Governor of that State.

Mr. President, these are only a few samples of the opinions of the Governors of this Nation. As I said, they have gone on record opposing this bill. It should tell us something when the Governors of the States, who are certainly more interested in the people of their States than the bureaucrats in Washington are, and more interested, I might say, than the Department of Justice is, because they live with the people and are responsible to the people—they certainly want to see their inmates cared for properly—are opposed to H.R. 10.

Mr. President, I want to take up a few typical communications from some of the attorneys general. Here is a letter from the attorney general of Maine. It says:

> My office has followed the course of S. 10 and its companion H.R. 10 and shares your concern with the possible impact of this legislation on the operation of state government.
>
> In 1975 a class action was filed against the State of Maine on behalf of persons residing at Pineland Center, Maine's institution for the mentally retarded. The class as certified by the U.S. District Court included not only current and future residents of Pineland, but also residents who had been released from Pineland Center years ago. The suit was brought initially by Pine Tree Legal Assistance, Inc., of Portland, Maine, but control of the suit was quickly taken over by the Mental Health Law Project, Washington, D.C.
>
> The dual nature of the certified class and dual representation of the class made defense of the suit very difficult. The suit was settled by consent in July 1978, but only after two years of negotiation, and at a cost of several million dollars, including $90,000 in attorney's fees. The negotiations were so protracted and so costly because of dual representation. Pine Tree Legal Assistance and the Mental Health Law Project frequently disagreed on the goals of the lawsuit and on the terms on which the goals could be achieved.
>
> The State of Maine is sensitive to the needs and rights of persons residing in her institutions and prisons. This office believes, however, that persons in institutions and prisons are adequately represented at this time. In fact, Maine's experience as related above suggests the interjection of the Justice Department in institutional litigation may significantly impede the resolution of the issues raised in such litigation by inserting yet another party with a potentially different point of view. That will only aggravate the rather ironic predicament confronting the states, which compels them to expend money to meet litigation costs when that money might otherwise be used to remedy problems in state institutions and prisons.

That letter is signed by Richard S. Cohen, attorney general.

Mr. President, that is an example in which the State of Maine was sued and, as brought out here, the suit was settled by consent finally, after 2 years of negotiation and at a cost of several million dollars, including $90,000 in attorneys' fees.

Who is going to pay that? The taxpayers. And what was gained by the lawsuit? The attorney general here said the State of Maine was doing its part by these people and the suit was unnecessary, yet they had to incur an expense of several million dollars, plus $90,000 in attorneys' fees.

Mr. President, I have a letter here from John Ashcroft, the attorney general of Missouri. He says:

> I am deeply alarmed about this incursion of the federal government into the internal administration of state institutions.
>
> I appeared before a House Committee last year regarding this matter and stated my clear objection to this unwarranted infringement of the U.S. Department of Justice.
>
> It should be noted that these matters are all being litigated very frequently in the federal courts and there is no need to have the Justice Department bring additional suits.
>
> I am currently defending a significant number of suits relating to the conditions in virtually every institution in my state that have been brought by legal aid societies, private parties and others. Additional funding for the Justice Department would be a senseless duplication of federal involvement in an area which is already made difficult by the costly litigation which impairs the ability of the states to correct problems which do exist.

That is signed by John Ashcroft, the attorney general of Missouri. I think it speaks for itself.

Mr. President, we have a letter from the attorney general of North Carolina. By the way, I believe he was, at one time, on the staff of Senator Ervin, the former distinguished Senator of that State. He is now the attorney general of North Carolina. He says:

> It is my opinion that Senate Bill 10 is an unwarranted intrusion into the affairs of the states and was written in the belief that states are incapable of or unconcerned with providing proper care for institutionalized persons in their custody. I think this is a blatant affront to the dignity of the states and directly contrary to the principles of federalism, which is a part of the foundation of our constitutional form of government.
>
> I should think the United States Attorney General would be busy enough in assuring that the constitutional rights of persons in federal custody are not violated and does not need the additional responsibility of overseeing the fifty states. Moreover, in a time when the citizens are demanding a reduction in the size of the bureaucracy, this bill runs counter to the wishes of the taxpayer.

That is signed by Rufus L. Edmisten, attorney general of North Carolina.

He brings out the point there that the Justice Department has its hands full now in looking after Federal institutions, if they do their job properly. They are not doing this, according to an investigation by Senator NUNN and Senator PERCY. It would seem that the first obligation for the Justice Department would be to correct conditions in Federal institutions before asking for more power to become involved in State institutions.

Mr. President, I have a letter from the attorney general of the State of North Dakota. He says:

> As you noted, this bill would interject the United State Department of Justice as an overseer in the operation of state institutions for the mentally ill, retarded or elderly and in the operation of state prisons, including local jails.
>
> The bill sets forth a procedure by which the United States Attorney General may institute civil actions on behalf of persons residing in state institutions, seeking equitable relief when institutionalized persons are allegedly deprived of constitutionally secured rights and the alleged deprivation is pursuant to a pattern or practice of resistance to the full enjoyment of constitutionally protected rights. Such a procedure is an unnecessary and unwarranted extension of federal involvement in the administration of State institutions.
>
> Current federal law authorizes civil actions for redress of deprivation of constitutionally protected rights under color of state law, and awards of attorneys fees to successful litigants. Current federal law also authorizes criminal prosecution in certain cases of deprivation of constitutionally protected rights under color of state law.
>
> I am especially concerned about Subsections 2 (1) and (2) of the bill which requires that upon commencing an action, the United States Attorney General must certify that the governor and the state attorney general of a state have been notified by the United States Attorney General or his designee of the measures which he believes may remedy the alleged conditions which deprive rights, privileges or immunities secured or protected by the Constitution or laws of the United States; and that the governor and state attorney general have been made aware of federal financial or technical assistance available to assist in the correction of such conditions. Apparently if a state, for whatever reason, fails to seek all available federal assistance for state institutions, that state is subject to a lawsuit. The judgment of the Justice Department will thus be imposed on the qualified specialists who are administrators of state institutions.
>
> S. 10 would not provide any greater protection to institutionalized persons than what is currently available. It would simply create another level of federal bureaucracy not nearly as sensitive to the rights of North Dakota citizens who are institutionalized nor as well-equipped to protect those rights as those agencies, officials and individuals now working with institutionalized persons.
>
> North Dakota legislators and state officials

> are acutely aware of their responsibilities to institutionalized persons. The North Dakota Legislature has enacted jail standards legislation which directs the Attorney General to promulgate jail rules and regulations and to enforce those rules and regulations. A legislative interim committee is developing a corrections masterplan and another is studying the special needs of North Dakota's institutions for the mentally retarded. There is no necessity of federal supervision of such efforts.

This letter is signed by Allen I. Olson, attorney general of the State of North Dakota.

Mr. President, I think it is typical of the letters we have received from attorneys general.

Mr. President, I have a letter from the attorney general of South Carolina and I ask unanimous consent it be printed in the RECORD at this point. Of course, he opposes the bill.

There being no objection, the letter was ordered to be printed in the RECORD as follows:

> THE STATE OF SOUTH CAROLINA,
> *Columbia, March 26, 1979.*
>
> Re S. 10.
> Hon. BIRCH BAYH,
> *Chairman, Senate Judiciary Subcommittee on the Constitution, Washington, D.C.*
>
> DEAR MR. CHAIRMAN: This Office has experienced the conduct of litigation by the U.S. Department of Justice from 1972 until 1978 in the case of *Alexander* v. *Hall*, Civil Action No. 72-209. This was a suit alleging the unconstitutionality of the South Carolina Mental Health commitment laws and also raised issues as to adequacy of treatment for those patients residing at South Carolina State Hospital. The purpose of this letter is to inform you of our opposition to the enactment of S. 10 and H.R. 10 based upon the experiences of this Office in defending *Alexander* v. *Hall*. I recommend that this Subcommittee pay great heed to the April 4, 1978, letter of the National Association of Attorneys General, a position with which this Office wholeheartedly concurs.
>
> The South Carolina experience in the defense of *Alexander* v. *Hall* proved to be extremely costly and time consuming, both for attorneys in this Office and for individuals involved in the treatment of the mentally ill at South Carolina State Hospital. This suit was ultimately dismissed but only after four years of litigation with the Department of Justice.
>
> I feel compelled to add one further alternative to that mentioned by the National Association of Attorneys General in its letter of April 4, 1978. There presently exists in the Department of Health, Education and Welfare extensive regulations governing the appropriate care of individuals in State mental institutions in order for those institutions to receive Medicare and Medicaid funds. A goal of improving the conditions of the mentally ill can be much better served through enforcement of existing regulations by HEW personnel trained in the field rather than through the adversary approach of pitting federal lawyers against state lawyers.
>
> I sincerely hope that this Subcommittee can achieve its goal of the protection of citizens who are less able to protect their own rights without authorizing the indiscriminate initiation of litigation by the Department of Justice. I use the word "indiscriminate" advisedly because, throughout the conduct of this litigation in South Carolina, the Justice Department repeatedly refused to advise this Office or the Court of the standards that were allegedly not being provided to the citizens of this State. Furthermore, the Justice Department refused to acknowledge the existence of detailed standards of adequate treatment set forth in HEW regulations with which all South Carolina State Institutions comply.
>
> Thank you very much for your consideration and interest in this matter.
>
> Very truly yours,
> DANIEL R. MCLEOD,
> *Attorney General.*

Mr. THURMOND. Mr. President, I have a letter from the attorney general of South Dakota. He says:

> I will be succinct. I am opposed to Senate Bill 10 and hope that it will die in Senate committee. I have informed our senior Senator McGovern of my opposition and have informed, as you requested, the Governor and certain legislators.
>
> You might inform the sponsors of the bill for me that we presently have a board of charities and corrections, a legislature, a governor, a warden, superintendents of various remedial schools, and a host of other people trying to do the very best they can for our institutionalized citizens. I would hope that the committee would remember that those people institutionalized are the sons and daughters, mothers and fathers of people who live in our state and vote for the people responsible for these institutions.
>
> I may point out, Senator Thurmond, with a note of bitter humor, that there are many of us who would like to institutionalize some of the Justice Department lawyers who fly out from Washington to solve all of our problems and then go back home to fight the Civil Service Reform Bill. It may be good for tourism in our state, but it certainly is not good for government.

This letter is signed by Mark V. Meierhenry, attorney general of the State of South Dakota.

Mr. President, I have a letter from the attorney general of the State of Tennessee. I will not read the entire letter. But it says:

> Specifically, it is the opinion of this office that S. 10 ignores many practical problems encountered in meeting the needs of institutionalized persons as well as the potential for state-created rights to provide creative and meaningful solutions to the problems. The following briefly outlines our objections to S. 10.

He goes on and outlines in detail objections that he has to this bill. He says:

> In conclusion, while the State of Tennessee supports the principal assumptions underlying S. 10, it does not support the bill itself. The experience of this State has shown that litigation is tremendously expensive, both in terms of time and money. Further, neither the lawsuits in this State, or in other States, have produced immediate resolution of the problems encountered in the provision of institutional services. It is clear that institutional reform requires the infusion of millions of dollars of state and federal money: and to add another enforcement mechanism to the myriad of mechanisms that presently exist is to ignore the real needs in this area. In short, given the existence of numerous legal remedies, the addition of another is not merely wasteful, but patently counter-productive.

Mr. President, this letter is signed by William M. Leech, Jr., attorney general of the State of Tennessee.

Mr. President, I have another letter from the attorney general of the State of West Virginia. Since I read a wire from the Governor of West Virginia, I ask unanimous consent that this letter be printed in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

> STATE OF WEST VIRGINIA,
> *Charleston, W.Va., October 16, 1979.*
>
> Hon. STROM THURMOND,
> *U.S. Senate, Russell Senate Office Building, Washington, D.C.*
>
> DEAR SENATOR THURMOND: I would like to thank you for your correspondence giving me an opportunity to express our office's feelings concerning S. 10. It is very pleasant to note that our views on this disturbing piece of legislation coincide.
>
> The Office of the Attorney General for the State of West Virginia has reviewed the text of S. 10 and we conclude that there are so many unanswered questions attending this bill that we must go on record as opposing its passage. Therefore, you may feel free to use this letter in whatever manner you feel is appropriate.
>
> Herewith are our major concerns regarding this legislation:
>
> (1) Much of the caseload of this office's Trial and Appellate Division already consists of civil rights cases brought by institutionalized persons, frequently with representation by public interest organizations. Most of these suits are brought to challenge the constitutionality of conditions of confinement in West Virginia's public institutions. We have dealt with between fifty and eighty suits every year since 1974 filed by our prison population alone; this fact can be appreciated only when one considers that West Virginia is a small state with a total adult prison population of approximatly 1200. Our attorneys, therefore, are already regularly required to address a multitude of claims alleging inadequate provision of treatment and care. The attorneys feel that most meritorious claims have already been raised or will soon be raised by private parties, making federal involvement in this area at best superfluous. They also feel that the public defenders and public interest attorneys in our State are sufficiently motivated and aggressive to raise on their own, not just meritorious claims, but claims designed specifically to attack the good faith efforts by the State government to provide adequate care by challenging the courts to define new and frequently dubious "rights" of incarcerated persons. The injection of the Justice Department into these ongoing courtroom battles, while with good intentions, would ultimately serve only to increase the number of cases in an area where there is already adequate remedy at law. It would serve only to strain our office's resources.
>
> (2) We also question the concept underlying this bill in light of the doctrines of federalism. This bill will allow the federal government to directly intervene in governmental functions clearly allocated to the states. This intervention is no less a legitimate cause of serious concern because it is in the guise of advocacy on behalf of those presumably not in an optimum position to assert their own rights. It is now accepted social policy in our country to allow the creation of private and semiprivate legal aid organizations whose specific function it is to make just advocacy on behalf of the incarcerated in opposition to state government. This policy is endorsed by Congress by their allocation of millions to fund such groups. We infer from this funding that Congress has already decided that such nongovernmental groups are best suited as advocates for the institutionalized. The new form of federal intervention proposed by S. 10 is also no less questionable because it would be in the form of judicial action as opposed to administrative regulatory action attended by all the burdensome conditions placed on federal funding. There exists at present a plethora of federal funding authorities for state mental, penal and juvenile

> institutions which are staffed by experts in the various fields who are much better suited to formulate policy and develop practices than the lawyers of the Justice Department. S. 10, on the other hand, would allow the Justice Department to use the leverage of civil action in order to effect its own concepts of mental health and correctional policy.
>
> (3) We are concerned, furthermore, about the loopholes contained in S. 10. Section Two contains what seems to be safeguards to insure that the Justice Department brings suit only after it has failed to obtain the cooperation of state officials. Unfortunately, Section Three provides the Justice Department with the means to avoid the requirements of Section Two; all that is needed is the existence of another plaintiff, of which there is never any shortage particularly in the area of adult corrections, and the Justice Department can bring all their resources to bear against the states without meeting the prerequisites of Section Two.
>
> (4) We believe that S. 10 gives the federal government inappropriate means to dictate policy to the states. If the Justice Department so desires, it may attempt to compel the courts to pass judgment on every state institution in the country irrespective of a state's financial resources or budgetary policy. The ultimate gravamen of this bill is that through the courts the federal government can force state legislatures to make policy decisions and appropriations in the area of mental health and corrections against their wills.
>
> (5) We also believe that S. 10 would put the Justice Department in a preposterous position. On one hand the Justice Department is defense counsel for employees of the Federal Bureau of Prisons in prisoner civil rights actions, but, on the other, S. 10 would enable and encourage the Justice Department to assist inmates of state correctional institutions when they bring such actions against employees of the state.
>
> In summary, this office takes the stand that S. 10 provides a highly inappropriate vehicle to the federal government to interfere with policy-making functions that properly belong to the states. In our society the mere threat of a lawsuit can be one of the most efficacious ways of compelling someone to act in ways contrary to their own interests. S. 10 at its very heart would give this coercive power to the federal government in such a singular way as to empower it to supervise the operations of all state institutions. We strongly feel that this vehicle is an unnecessary one; there is no lack of plaintiffs and no lack of legal aid and public interest attorneys.
>
> I think it is appropriate to note that federal and state court decisions within the past few years have established major guidelines by which institutions (as defined in the bill) are now operated and maintained with respect to the rights of those institutionalized. I am unaware of any state that is not currently making a determined and concerted effort to meet those guidelines.
>
> The cost of such an effort nationwide is, of course, enormous. If Congress believes that this is an area in which there must be federal involvement, I respectfully suggest that financial assistance, not revenue wasting litigation, is a better solution. Before the limited legal resources of the states and the federal government are thrown into pitched battles in every federal courthouse throughout the land in lengthy and enormously costly litigation, I would suggest that we determine—perhaps through an impartial Presidential Commission—how serious the problem really is; what standards are to be used or required (there are none currently); what capital and operational costs will be required to meet any such standards; and what is the fiscal ability of the states to comply with those needs or mandates.
>
> I sincerely believe that the great majority if indeed not all the states are currently making major efforts to provide appropriate care, treatment and confinement conditions to those in their state who are institutionalized. Admittedly, this has not always been true. But I also believe, with all due respect, that the Congress does not have all of the available, pertinent and current facts regarding those state efforts upon which it properly can base a decision to authorize such federal action and involvement in these state activities. A Presidential Commission might obtain such facts and offer other recommendations for an acceptable solution to the problem. S. 10 offers not a solution, but confrontation, litigation and an inappropriate and severe test of the doctrine of federalism.
>
> On the basis of my experience as a former State Commissioner of institutions, member of the ABA Committee on the Legal Rights of Prisoners, Immediate Past President of the National Assoication of Attorneys General and Attorney General of West Virginia for the past eleven years, I oppose the passage of S. 10 in its present form for the reasons set forth above.
>
> Sincerely,
>
> CHAUNCEY H. BROWNING,
> *Attorney General.*

Mr. THURMOND. Mr. President, I have a letter from the attorney general of Wyoming. He says:

> In line with the position announced by the National Association of Attorneys General and the National Association of State Mental Health Program Directors, we believe that there exist far more reasonable alternatives to the litigious solution suggested by this legislation.
>
> The practical problems which the bill raises are overwhelming. It seems possible, for instance, that the Justice Department might prevail in litigation against a political subdivision, resulting in an order that the subdivision take corrective action far beyond its means to accomplish. I am advised that Congressman Kastenmeier's amendment to allow federal financial assistance to the defendant State or subdivision failed to pass, indicating that while the federal government is granted the right to make the initial determination that an egregious condition exists, there is no concomitant duty to lend assistance in any meaningful way.
>
> How the elected representatives of the states can support a bill which suggests a procedure which has cost one state $56,000 to answer one set of interrogatories, when that same amount would probably have corrected the egregious condition, appears to be a sterling example of an exercise in counterproductivity.
>
> This is, after all, a nation of states. It seems as though some of our congressmen forget that they are elected to represent the people of those states, and not to bludgeon them with needless lawsuits.
>
> I sincerely hope that the United States Congress will recognize the pitfalls inherent in this legislation and take proper steps to enact law which puts the federal government and the states on the road to a cooperative solution. The disagreements which this state has had with the federal government are well known to all. I believe that these differences are, to a large degree, the result of precipitous action taken by our lawmakers without due regard for the legitimate interests of the several states, and the special conditions which exist in each.
>
> Why not spend the tax dollars of the people of this state to help them, rather than to sue them.

This letter is signed by John D. Troughton, attorney general of the State of Wyoming.

Mr. President, I think he makes a good point in his last sentence when he says:

> Why not spend the tax dollars of the people of this State to help them, rather than to sue them.

I think it is clear from the record that has been made in connection with this bill, during the hearings and during the discussion on the floor of the Senate, that this bill is not in the best interests of the States of the Nation. It is not in the best interests of the citizens of the Nation. It is not in the best interests of the inmates of the Nation. So, in whose interest is it?

I cannot imagine the Governors of the States, elected by the people, not being interested in their citizens. I know they are interested, and the Governors have gone on record as opposing this bill. The National Association of Attorneys General, the people who enforce the laws and have the responsibility to see that the law in a State is enforced and that the people's rights are not violated, have gone on record as opposing this bill. The heads of mental institutions in this country have gone on record as opposing this bill.

In my State, we have a very able man, Dr. Hall, who talked to me about this matter, in addition to coming here and testifying. One can tell, in talking with this fine gentleman, that he is interested in every patient in every mental institution in South Carolina. He is strongly opposed to this bill. He says the Department of Justice has sent them interrogatories and questionnaires to fill out that have cost thousands and thousands of dollars in attorneys' fees. These documents have taken thousands and thousands of hours to execute and that they have been a source of irritation and trouble. Mr. Hall also says that the Justice Department has accomplished nothing by what it has done. That situation, I believe, is true of the mental institutions in the other States of the Union.

No one wants to see people mistreated. Someone has said, "Well, you have to have the Federal Government look after the rights of these people." Why would the Federal Government do it better than the State officials? The State officials are down there with the people; they are interested in the people. The people here in Washington can hardly be as interested as those in the States who are working with the people.

It simply does not make sense that the Federal Government would do a better job in protecting the rights of inmates of institutions in the States than would the State officials. I cannot believe it. I am confident that the people of this country will not favor giving the Federal Government that additional power when it now has the power, if anybody complains—anybody complains—to intervene and to come in as amicus curiae or intervenor and take part in a suit.

Certainly, if someone is being mistreated and it is reported to the officials of the institution or to the State officials, I am confident that action will be taken. In the actions that have been brought where the Federal Government has intervened, the Federal Government has been unreasonable; the Federal Government has been overbearing.

Mr. President, it is my hope that the Members of this body will think carefully about these matters, because this is another grant of Federal power.

As I stated when this bill was first considered in the Senate, the people of this country are praying and yearning and hoping that we will get the Federal Government off the backs of the people. Instead, this is more Federal power to go on the backs of the State officials and others in the States. Nothing is to be gained, but a lot is to be lost if this bill is passed.

I predict now that those who support this bill—and I am sure they have their own reasons for doing so—will regret the day, they will rue the day, they vote for this bill.

I ask them, before they vote today, if they have any question, to call the Governor of their State and ask him what the conditions are and what he thinks. Call the attorney general of the State and ask him if the laws are being enforced and the rights of the people are being protected. I ask them to call the heads of the mental institutions and the penal institutions and ask them if they are looking after the rights of the people there. I ask them to call any outstanding citizens in whom they have confidence and ask them if they want this power given to the Federal Government, to initiate suits, when they now can join in suits that already are brought. Let them call anybody they wish in whom they have confidence and see how they feel.

I am sure that the people of this country do not wish to centralize more and more and more power in the central government.

If we are going to observe federalism and the division of powers in the Constitution, then now is a good time for that decision to be made.

The distinguished Senator from Missouri said he was not too much interested in the States' rights angle of it, but he went on and discussed various other reasons.

So whether it is the right of the State one wishes to base it on, or the cost of the matter, or trying to keep the Federal Government from entering into a field where it has no jurisdiction, or any other reason, there is good reason not to pass this bill. There is good reason not to give the Justice Department more power, but to tell the Justice Department here and now, "You go and clean up your own institutions, like the Atlanta penitentiary and other penitentiaries where alcohol, narcotics, violence, crimes, and murders are being committed, and then come back and talk to us."

Mr. President, I think it will take them probably some time, maybe years, before they will be coming back, and then when they do come back I think they will have to show there is a reason for granting them this unusual power to involve themselves in purely State institutions.

Mr. President, in closing, I ask unanimous consent that an essay by James Jackson Kilpatrick entitled "The Case for States' Rights'," in a book entitled "A Nation of States," published by Rand-McNally College Publishing Co., Chicago, follow my remarks in the RECORD with certain excerpts from that article.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. THURMOND. Mr. President, Mr. Kilpatrick, who is a well known and respected columnist, begins his article in this way. He uses a question from Thomas Jefferson in four or five lines at the beginning, and this is Mr. Jefferson's statement.

> What has destroyed the liberty and the rights of man in every government which has ever existed under the sun?

That is the question Mr. Thomas Jefferson asks. I wish to repeat it.

The question is, "What has destroyed the liberty and the rights of man in every government which has ever existed under the sun?"

Then Mr. Jefferson answers that question and this is his answer:

> The generalizing and concentrating all cares and powers into one body, no matter whether of the autocrats of Russia or France, or of the aristocrats of a Venetian Senate.

Mr. President, Thomas Jefferson, who wrote the Declaration of Independence and was the third President of the United States, in my judgment is one of the wisest and most gifted statesmen that this country has produced, and he, the scholar that he was, pinpointed the very thing that has destroyed the liberty and the rights of man in every government which has ever existed under the sun. This is his answer: The concentrating of all cares and powers into one body.

Mr. President, under our system of government with our separation of powers, where no one man can ever gain too much power, and under our division of powers between the States and the Federal Government, we must be careful not to concentrate too much power at any one level. There is no danger of concentrating it at the State level because we have 50 States, but there is a danger of concentrating it in this one central body, the Union, the National Government, the Federal Government, the Central Government. There is the danger. Eventually it could bring tyranny. All we have to do is to follow the Constitution which clearly sets out which powers are delegated to the Union because it is very clear the Constitution provides that all powers not specifically delegated to the Union are reserved to the States, and I say that the management of purely State institutions like penal institutions, mental institutions, and other institutions of that kind is reserved to the States.

We believe the State officials elected by the people will protect the rights of the people in those institutions and it is unnecessary, unwise, and impractical to convey powers to the Federal Government to do what the State officials can and will do.

Mr. President, I reserve the remainder of my time.

EXHIBIT 1

THE CASE FOR "STATES' RIGHTS"

(By James Jackson Kilpatrick)

(What has destroyed the liberty and the rights of man in every government which has ever existed under the sun? The generalizing and concentrating all cares and powers into one body, no matter whether of the autocrats of Russia or France, or of the aristocrats of a Venetian Senate.—THOMAS JEFFERSON to Joseph C. Cabell (1816))

It offers a small footnote to the semantic confusion of our times that an essayist, assigned to prepare "the case for States' rights," must begin by saying that he does not propose to talk about States' rights. The States have very few rights. They have a right to be protected against invasion; but by and large, as the Ninth and Tenth Amendments make clear in their perfect choice of nouns, people have rights; States have powers. We may go a step further, and remark that today the people have fewer rights and the States have smaller powers than they possessed at one time, and we shall not be far from the mark in surmising that the cause of the former is an effect of the latter.

I would express certain convictions at the outset. Government, it seems to me, ought always to be seen clearly for what it is: A necessary evil. And the more it is thought to be necessary, the more it is bound to become evil. I do not use "evil" here to mean debauched or corrupt, though I believe such a charge could be maintained. I mean rather that government feeds upon the storehouse of man's freedom, and the more this precious granary is drawn down and nibbled away, the less remains to sustain us. I hold that all governments are oppressive: they are distinguished only by this, that some are more oppressive than others. When I am told that our government, among all the powers of the earth, is the most free, I am minded to say that it is merely the least despotic.

From what little I can read of history, and what I can perceive of our own day, I conclude that man always has existed in a condition of conflict with the state. It is inherent in the nature of man, whose first impulse is to act; it is inherent in the nature of the state, whose first duty is to restrain. A long time ago, when he was writing more poetically than politically, Jefferson put it down that governments exist to secure those unalienable rights that do indeed comprise man's inheritance here on earth—the rights to life, liberty, and the pursuit of happiness. But it has not worked out that way. In practice, governments frequently have secured our rights by judiciously taking them away, and acts of injustice to the individual have won easy sanction in the name of the common good. Let any friend of liberty read the Supreme Court's recent decisions in the Baltimore and Dayton sanitation cases, and ask himself if the citizen's right to be free from unreasonable searches and seizures has here been secured.

The chief problem of government in a free society is to keep this conflict between man and the state, the one pulling, the other hauling, under some sort of effective control, so that society moves forward and men find slight disposition to chafe under the restraints put upon them. All governments must preserve law and order; national governments must provide for the common defense. Beyond those essentials, we advance with less sureness. A large function of government is to promote the general welfare; and it is here that those of us who are styled as inexactly "conservatives" as we are mistakenly termed "States' righters" would plead for caution. "I am not a friend to very energetic government," Jefferson once remarked to Madison. "It is always oppressive."

The great men who long ago preceded us in this inquiry comprehended this conflict, this tension, with perfect clarity. They did not view the central government, as it is the custom to view it in the United States today, as a firm but loving paterfamilias, or in a less elegant image, as a comfortable sow with a hundred million teats. "Free government is founded in jealousy and not in confidence," cried the Kentucky Resolution. The authors of that Resolution had gazed upon the face of tyranny and knew it well; in forming their own free Republic, they brought to the creative act the accumulated wisdom of the great men who had preceded them. They *knew*, in a deep way that contemporary political philosophers do not seem to know, the conditions that historically have contributed to greatness in nations and to happiness in man. The examples of Babylonia and Greece and Rome were fresh and commanding precepts for the delegates who met that summer in Philadelphia. It is impossible to pursue their deliberations, or to read the debates of the ratifying conventions that followed thereafter in the States, without developing a profound respect for the wisdom, the intelligence, and the sure sense of history that imbued the men who conceived our form of union. It was a small assembly that wrote the Constitution, Tocqueville observed, but it contained "the finest minds and the noblest characters that had ever appeared in the New World." [1]

In that just appraisal lies the first argument I would make in behalf of "the case for States' right." Truly there were giants in our earth in those days. We ought to honor them. By what presumptions—by what giddy conceit—do today's political scientists, uneducated editors, witless politicians, and other ignorami assert a superior wisdom? When a mood of flagellation comes over me, and the *Congressional Record* is not at hand, I read some of the learned quarterlies and other leaf-rakings from the academic grove. These are not as funny as the *Record*, but they are more pompous and arrogant; and I recall Burke's biting comment upon the literary men, politicians, and gauzy divines who encouraged the French Revolution:

They have no respect for the wisdom of others; but they pay it off by a very full measure of confidence in their own. With them it is a sufficient motive to destroy an old scheme of things, because it is an old one. As to the new, they are in no sort of fear with regard to the duration of a building run up in haste; because duration is no object to those who think little or nothing has been done before their time, and who place all their hopes in discovery. They conceive, very systematically, that all things which give perpetuity are mischievous, and therefore they are at inexpiable war with all establishment.[2]

For my own part, I should like to remain decently obedient to Aristotle's counsel, in *Politics* (Book II), not to disregard the experience of ages. Jefferson, Mason, and Henry, to name but three of Virginia's forebears, dealt in eternal verities; to the surpassing truth of their repeated warnings against excessive centralism, our own busy philosophers have responded with no more than a few evasive falsehoods. It is said that times have changed, and the world has become smaller, and time has been telescoped into some remarkable units known as "short hours" or "short years." It is said that the dangers to the survival of civilization have become much greater. And on the broad subject of expanding government, we are told disarmingly, and in a sort of folksy grammar, that we have nothing to fear from big government for government, after all, is nobody but us.

To these familiar rationalizations, I say, nonsense! *Plus ça change, plus c'est la même chose.* Now we fly to London in five or six of those short hours; we converse by satellites that circle the globe, tomorrow the inanities of television will be bounced from the moon. But let us not be deceived into supposing that the traveler's journey is different, or that the human heart speaks in a new way, or that the old immutable laws of political behavior can be summarily amended or repealed. There is a sea change that comes over men raised from private life to public office, and if this is most clearly observed in Federal judges, it is manifest in other magistrates also. They become a part of that vast, shapeless, formless, ectoplasmic mass known as *government*, and they find themselves—even the good men—aligned in an antithetical relationship: the governed, and the governors. If this relationship normally is pleasant and benevolent, if government accomplishes much that is, provisionally, good, the abuses of power remain a constant threat. Governments exist, Calhoun observed, to restrain men; and therefore we have constitutions, to restrain governments.

Our fathers comprehended these elementary truths; they mastered their lessons in a contemplative period when public leaders had priceless assets we deny our public men today: time to think, time to read, time to watch the seasons from a mountaintop in Albemarle. The last book I happened to put aside, of a recent afternoon, was a volume of Jefferson's letters; the first book I happened to pick up after dinner was Harry Truman's autobiography; and I was impressed, as any man must be, by the thought of how far we have advanced from Monticello—advanced, that is to say, to the rear.

Plainly, it is not enough merely to honor the Founding Fathers for their amazing genius, or to observe with Burke that men who lose respect for their ancestors are likely to command none from their posterity. Coming closer to the point, and this is my second contention, I submit that we should respect their political handiwork also. The Constitution is not without fault; some of its provisions are archaic, and some of its language is ambiguous, and needs have developed—as Washington and Jefferson foresaw—for some desirable amendments. But it is still the supreme law of the land. We ought to obey it implicitly. And both in its basic provisions, and in the underlying political philosophy these provisions reflect, the Constitution remains to this day what Tocqueville termed it, "the most perfect federal constitution that ever existed." [3]

Even the briefest examination into these basic provisions, in terms of the case of States' rights, will disclose certain political truths the high priests of centralization cannot exorcise by the sweet smoke of pedantry. Our Union was formed by the States, acting as States; all political powers exercised by the central government come by delegation from the States; the States alone have inherent powers, while the central government has none—save those it has assumed by usurpation. If the structure of our government ever is to be altered in any essential respect, the States will have to do it. This ultimate sovereign power—"the will to enact, the power to execute," as John Taylor of Caroline termed it—resides finally with the States. If the Union ever were to be dissolved, it would be as a consequence of State action; and the States would survive.

The objective student of the Constitution who undertakes to read our charter in terms of the State and central government relationship may be astonished at what he finds. Before he is well launched into Article I, he is brought up short by the fact that members of the House of Representatives are chosen not "by the people," but by "the people of the several States." The lower chamber was intended to represent people by the numbers, but the notable fact is that no congressional district stretches across a State line. These districts are fixed by State authority.

Who are these "people of the several States" who are to elect the Representatives? What authority fixes their qualifications to vote? Why, plainly, "the electors in each State shall have the qualifications requisite for electors of the most numerous branch of the State legislature." What of a candidate for the House? He must be at least twenty-five years old; he must have been at least seven years a citizen—but to these fairly universal standards, one more is added: He must be an inhabitant of that State "in which" he shall be chosen.

I put "in which" in quotation marks in order to emphasize a subtle but significant distinction that appears in the following section as to Senators. A Senator must be at least thirty; he must have been nine years a citizen; and he must be an inhabitant of that State "for which" he shall be chosen. The deliberate choice of prepositions points up both the equality of States and the role of Senators. Until the unfortunate adoption of the Seventeenth Amendment in 1913, Senators were chosen by State Legislatures and served in effect as State ambassadors.

Pursuing the constitutional provisions as to States, one finds the entire Constitution strung upon a thread of State responsibilities and restraints. The very words "State" or "States" appear more than ninety times; the word "nation," in reference to the United States of America, never appears at all. Our Republic three times is referred to as "this Union" and once as "the land," but every other reference is simply to "the United States"—and the proper noun is always treated as a plural noun.

The longer one reflects upon the Constitution, and upon the writings of the Founding Fathers, the more apparent two political truths become. The first deals with the source of political power; the second deals with the restraints upon power. The advocate of "States' rights" would like to be heard on both of them.

It is astonishing how many persons in public life never have grasped—or even thought about—the origin and abiding location of political power in the United States. This power now flows from fifty identical springs, filling fifty separate but identical reservoirs. And whatever powers may be vested, now or hereafter, in the central government, these powers must flow upward from the State reservoirs. The flow never goes the other way. If beginning students of the Constitution were asked to understand one truth only of their government, they could not do better than to begin with this: *The Constitution acts upon the States in a prohibitory fashion only.*

This is not true of the Constitution's action upon the central government. The Constitution both authorizes the central government to do certain things, and prohibits the central government from doing certain things, but at no point does the Constitution authorize or permit the States to do anything. As a consequence, members of the Congress embarking upon some legislative scheme must ask themselves two questions: (1) Are we permitted to do this under the Constitution? and (2) Are we prohibited from doing this under the Constitution? The States have no such problems. They have all powers to begin with. Their search is for a prohibition only, and if they find nothing *in the Constitution* prohibiting them from a particular course of action, they are free to proceed.

The Tenth Amendment makes this clear beyond peradventure. It is the key that unlocks every mystery of our form of government; it is the very polar star of our fundamental charter. "The powers [let us note the noun] not delegated [let us note the verb] to the United States by the Constitution [let us pause especially upon that prepositional phrase], nor prohibited by it [the antecedent of "it" is "Constitution"] to the States, are reserved to the States respectively [there is profound meaning in that adverb] or to the people."

Why was this amendment demanded, in New Hampshire no less than in Virginia, in Rhode Island no less than in South Carolina? The object was to give expression to the underlying philosophy of the people on whom this Constitution was to act directly. *They meant to restrain.* They knew, as Jefferson remarked, that "the natural progress of things is for liberty to yield and government to gain ground," and they hoped to create a government that would gain as little such ground as possible. Thus, it will be observed that the Constitution is in many ways a very negative document. Wherever there is a giving, there is almost always a snatching back; the whole instrument abounds in "noes," "nots," "neither," and "nors." The list of prohibitions flatly imposed upon the central government is long, but when the framers had finished their work, the States found the list not yet long enough, so they added ten broad amendments more. The prohibitions imposed by the States upon their own exercise of power, especially in the tenth section of Article I, are scarcely less impressive.

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[1] Alexis de Tocqueville, *Democracy in America* (New York: Vintage, 1954), Vol. I, p. 118.

[2] Edmund Burke, *Reflections on the Revolution in France* (Chicago: Regnery, 1955), p. 127.

[3] *Democracy in America*, Vol. I, p. 172.

This self-evident desire to restrain *all* government pervades the entire document. Ours was to be a *limited* government. That was the whole reason the framers enumerated the powers vested in the Congress, with such tedious care that the power to punish counterfeiting is separated from the power to coin money, and the power to support an army is not joined by even a conjunction to the power to maintain a navy. Here every separate sentence is numbered; every particular power is spelled out. And what a mockery it is of their prudent labors to see men contend for the absurd notion that the power to lay taxes "to provide for the general welfare" vests the Congress with the power to do whatever Congress pleases! Such a construction reduces the Constitution to blank paper; it arrogates to judges and to congressmen the bumptious authority claimed by Humpty-Dumpty, to whom words meant what he chose them to mean, and neither more nor less. If all powers were delegated to the central government, then none remained exclusively with the States; the bulk of the Constitution is mere surplusage, and the Tenth Amendment is a fraud; the authors of *The Federalist* were masters of deceit, and the written English language is become the babble of idiots. Yet these are the ends the advocates of centralization would put upon us; the reversal of the flow of power, the upending of our structure, so that the foundation is on top and the gables down below; they would have us abandon the restraints and limitations that long ago were laid upon the States themselves, and imposed on their central government by their own joint action.

Now, all of this is not to suggest that the United States do not comprise a "nation." Of course they do. Neither is it to suggest that some sharp line always has separated the powers delegated from the powers reserved. From the beginning, there has been a blurring and a mixing; the popular image of two governmental spheres, each rotating perfectly in its own separate orbit, touching but never overlapping, has nothing in history to commend it. Nevertheless, the dual structure remains, and a full understanding of this concept is imperative to any understanding of how our Republic functions.

"The people of the United States constitute one nation, under one government, and this government, *within the scope of the powers with which it is invested,* is supreme," wrote Chief Justice Chase in 1868. "On the other hand, the people of each State comprise a State, having its own government, and endowed with all the functions essential to separate and independent existence. *The States disunited might continue to exist. Without the States in union, there could be no such political body as the United States.*"

Notice Chase's careful qualification: The central government is supreme "within the scope of the powers with which it is invested." And whence came this investiture? Not from the people in one great body. The powers of the central government, as Madison pointed out in the Virginia Convention of 1787, came from "the people as composing thirteen sovereignties." That is to say, the powers came from the States.

Yet a statement of this truth implies no hostility to a strong national government. The Federal government is our government; we owe obedience and allegiance to it. The plan of our Fathers, and it was a good plan, was simply to assure the people the best of both worlds—a central government strong enough to act boldly and powerfully in the preservation of national security and in the promotion of truly national interests, yet not so strong that it would swallow up the administration of those local and domestic responsibilities which the people wanted kept close at hand.

Tocqueville put it simply. The federal system was created, he observed, "with the intention of combining the different advantages which result from the magnitude and the littleness of nations," and he went on to describe these advantages as he perceived them in America:

> In great centralized nations the legislator is obliged to give a character of uniformity to the laws, which does not always suit the diversity of customs and districts; as he takes no cognizance of special cases, he can only proceed upon general principles; and the population are obliged to conform to the requirements of the laws, since legislation cannot adapt itself to the exigencies and the customs of the population, which is a great cause of trouble and misery. This disadvantage does not exist in confederations; Congress regulates the principal measures of the national government, and all the details of the administration are reserved to the provincial legislatures. One can hardly imagine how much this division of sovereignty contributes to the well-being of each of the States that compose the Union.[4]

At a later point, I want to touch upon the troubles that arise when the central government ceases to heed "the diversity of customs and of districts." Here I would dwell a little longer upon the political insight, as I conceive it, that went into the structure of our government. The Founding Fathers wanted not only to restrain all governments. They wanted also to preserve that sense of close community which is the starting point of political well-being. Burke, in his Reflections on the Revolution in France, put it this way: "To be attached to the subdivision, to love the little platoon we belong to in society, is the first principle (the germ as it were) of public affections. It is the first link in the series by which we proceed towards a love to our country, and to mankind."[5]

Let that sense of community be dulled or lost, and something precious is abandoned. Let local powers atrophy, and State prerogatives decline, and the wellspring of patriotism inevitably must run thin. For this sense of community, unless it is nurtured at home, cannot flourish and retain its simple vitality in a "community" that stretches from Maine to Hawaii and from the Florida keys to the Alaskan tundra.

Yet it is not necessary to rely upon metaphysical reasons for urging a return to the balance of powers conceived by the Founding Fathers and written into a supreme law that must be obeyed until the States themselves amend it. There are sound political reasons also. And the foremost of these is that the separate States ought to remain free—as free as possible—to engage in experiment and innovation. I appreciate the argument that this freedom of political action may not promote the most efficient government; it may not be the best for Getting Things Done. But it permits us to avoid the blighting curse of uniformity and regimentation which must always be the foe of creative political thought.

I know of no one who has summed up this position more admirably than Mr. Justice Harlan, in the notable dissenting opinion he wrote in the Roth-Alberts case in 1957. Two men had been convicted for trafficking in obscene materials. Roth under the Federal postal laws, Alberts under the State law of California. A majority of the court voted to uphold both sentences. Harlan objected. He was ready to concur in Alberts' conviction, for this was under State law; and the court's function, in judging the constitutionality of such a statute, was not to decide whether California's policy were wise, or whether the assumptions underlying the State's obscenity law were sound. "Nothing in the Constitution requires California to accept as truth the most advanced and sophisticated psychiatric opinion." The first question was whether the Constitution prohibited California from enacting the law; if not, the Court's only remaining duty was to decide whether Alberts had been denied due process at his trial.

It is precisely this intolerable end that lies down the path of centralization in the United States. I have strong reservations about extension of the franchise in Georgia and Kentucky to young men and women of eighteen, for I incline to the view that the franchise should not be broadened, but restricted. Yet I am delighted to see them undertake the experiment. If my prejudice be in error, it may be abandoned in the light of their successful experience; but there would be no way of learning this on a small scale if the Congress, by some distortion of its power to alter State regulations prescribing the manner of holding elections, were to extend the franchise overnight to all eighteen-year-olds everywhere. By the same token, I have been interested to see Nevada experiment with divorce laws that are liberal, and South Carolina adhere to divorce laws that are strict. Much has been learned through the varying approaches of the separate States to problems of forestry, steam pollution, conditions of labor, and public education. In a thousand areas of human conduct, the States and their constituent localities constantly are experimenting, and this political ferment—this bubbling vitality—seems to me absolutely essential to the continued strength of the Republic as a whole.

One of the reasons for the success of this system is that the States and the localities must always be closer to the people than the central government. In stating this view, I respectfully differ from one of my brother essayists, who paints a pretty picture of the intimacy that exists, especially in the case of the farmer, between the Federal government and the individual citizen. It is a pretty picture, but a false one. On my own observations (apart from the common observation of mankind), I would find him clearly wrong. Several years ago, in a manifestation of that particular lunacy to which newspapermen historically are prone, I undertook to run a chicken farm. The county agent was indeed a source of comfort, and the home-demonstration worker could be summoned to educate my wife in the mysteries of a churn. But only in a very narrow and technical sense were these neighborly plenipotentiaries ministers of the Federal government. In their appointment and in their daily activities, they were "country people," different in every way from the regional inspectors of the Commodity Credit Corporation sent out to measure one's acres of wheat. Nor were the ministrations of even the county agents and soil conservation committeemen (locally elected) the be all and end-all of farm life. Of far greater importance were the local schools, and the local tax rate, and the widening of the road that led to the country store. The government that counted most, because we felt the greatest sense of community with it, was the government at the courthouse, and the government at the State Capitol.

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[4] Democracy in America, Vol. I, pp. 168–69.

[5] Pp. 71–72.

A part of this feeling rests in the belief that local government can be controlled in a way that the central government cannot be controlled. Restraints can be applied close at hand, through the devices of referendum and recall, that cannot be applied far away. The county commissioner dwells low on Olympus, and the local alderman is accessible in ways that United States Senators and Cabinet Secretaries are not accessible. When a citizen of Virginia travels to the Capitol at Richmond, he travels with a sure sense of participation and of community; he speaks to the committees of the General Assembly, supporting or opposing particular legislation, as a fellow-citizen in the community of four million that is Virginia. When he travels to the Capitol at Washington, by contrast, he feels insecurity gnawing at his vitals. He finds the palace ringed by the glassy castles of potent baronies—the Machinists, the Mineworkers, the Educationists—and the marbled catacombs of the Senate Office Building are filled with total strangers. In this distant opulence, he stands subdued.

It is out of this sense of helplessness that the citizen draws his prudent fear of "Federal control." He sees Federal control as an inescapable corollary of "Federal aid." He knows that it cannot possibly be otherwise. Nor is he the least impressed by the remonstrances of political doctors who assure him that the history of numerous grant-in-aid programs fails to support his apprehension.

I am told that Federal controls never have been oppressive, and that Federal outlays almost invariably are administered by State and local functionaries in whom our trust may be freely reposed. I am told that I am conjuring mere spectres and seeing things in the dark. John Marshall long ago (in McCulloch *v.* Maryland, 1819) struck through these specious assurances with a famous line. The tax levied by Maryland upon the Bank of the United States was not large; Mr. McCulloch could have paid it and the Bank would not have gone under. But it was not the particular tax that mattered. It was the power to tax, for "the power to tax involves the power to destroy." And Marshall, agreeing for once with Jefferson, scoffed at the idea of having *confidence* in the States to exercise this power wisely:

> If the States may tax one instrument employed by the government in the execution of its powers, they may tax any and every other instrument. They may tax the mail; they may tax the mint; they may tax patent rights; they may tax the papers of the custom-house; they may tax judicial process; they may tax all the means employed by the government, to an excess which would defeat all the ends of government. This was not intended by the American people. They did not design to make their government dependent upon the States.

The same line of reasoning exactly persuades me to sound a warning against the growing absorption of responsibilities by the central government. It never was intended for the people to be dependent upon Washington, either. If the central government can aid our disabled, and pension our old people, and succour our illegitimate children; if it can fill our fish ponds and level our slums; if it can build our highways and lay our sewers and vaccinate our children and finance our college students, it can dominate our lives in such a way that freedom is lost altogether. It is *the power to control* that is to be feared; and this power to control follows the Federal dollar as surely as that famous lamb accompanied little Mary. And it will follow us to school one day if the principle of general aid to public education, and especially to teacher salaries, ever is approved by the Congress.

Coming events cast long shadows. I see the penumbra approaching and I feel the damp wind cold on my neck. Let the man who imagines there are "no controls" study the disbursement of hospital construction grants under the Hill-Burton Act. Let him gaze upon the thick manual of federally approved regulations by which the interstate highways must be constructed uniformly. Let him ponder the effect of the wage controls decreed under the Davis-Bacon Act—40,000 local determinations a year, and every one of them controlling what shall be paid carpenters, pipefitters, and common laborers. We have lately had the example of what is known euphemistically as the National Defense Education Act, and I find in it incipiently the very philosophy that seems to me so dangerous for these grants are intended chiefly for students agreeable to studying what the government wants them to study—science, and mathematics, and foreign languages. We have opened our classroom door, like the flap of the nomad's tent, to a very large camel. I see in the history of legislation under the commerce clause what lies ahead in education; for the regulation of commerce that began with the steamboats of Gibbons and Ogden has expanded until even the window washers on a local office building are the objects of Federal control. The scholarship program that begins with a subtle hint of what should be learned will yet end in effective control of what shall be taught, and to whom, and by whom, and in what sort of buildings.

It was to this sort of immoderate greatness that Gibbon attributed the decline of Rome. It is to this sort of faceless nationalizing, to these idiot yells for equality, that our own Republic may yet succumb. Long ago a petty despot, troubled by insurrection in his realm, sent an envoy to Periander for advice. The Ambracian tryant did not reply directly. He took the envoy into a cornfield, and with a sharp blade lopped off the tallest ears until all stalks were standing level. The despot's solution, he meant to say, lay in chopping down the strong to equality with the weak, for when all men are equal none can excel.

The hard counsel of Periander is lost upon some of the more naive envoys of today's zealous centralizers, but we may be sure it is not wasted on their masters. Their god is the brutal bulldozer, squat as a pagan idol, whose function is to bring down the mountains and to fill up the valleys. They fear excellence as they abhor inepitude. The diversity of the States offends their petty sense of order, and from the comfortable living rooms of Scarsdale they weep tears for Mississippi.

The worst fate that could befall this Republic would be for the centralists to impose upon this broad land a Procrustean uniformity that would impoverish the Hudson Valley to enrich the catfish Yazoo. If our strength be in union, it lies first in apartness. This concept is the spark that kindled the American flame; it is the very soul of our Republic, and we ought never to trade it off to the centralist Mephistopheles who promises a beautiful Utopia but would deliver a dreary Hell.

In thus contending for a tightly limited central government, no thoughful States' righter would want to be misunderstood. If he urges the importance of the Tenth Amendment, he urges with equal vigor the propriety of Article I, Section 8. In matters of foreign policy, in the waging of war, in the coinage of money, in the full and efficient operation of all these delegated powers that are in fact national in their scope—in all of these, the advocate of strict construction yields to the central authority gladly. He is not asking that Delaware be admitted to NATO, or that a first reliance in some war with Russia be placed on the Georgia militia.

He is urging simply that we cherish a reasoned veneration for established institutions, and that we preserve a decent obedience to the form and spirit and meaning of the Constitution. He knows that fallible man will err, and he conceives it better to risk wrongs imposed upon one State than to hazard misjudgments that fall upon fifty. He is no foe of "national greatness." He is merely convinced that national greatness may best be achieved by building upon the solid foundation of personal liberty, individual attainment, and local responsibility erected by the wisest men the Republic will ever know.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the vote on the conference report occur at 2 p.m. today.

The PRESIDING OFFICER. Without objection it is so ordered.

Mr. BAYH. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. BAYH. What is the time situation, please?

The PRESIDING OFFICER. The Senator from South Carolina has 4 minutes and 28 seconds, and the Senator from Indiana has 2 hours and 40 minutes.

Mr. BAYH. I thank the Chair.

Mr. President, the real test of the Senate is to see how the Senator from Indiana can squeeze those 2 hours plus in before 2 o'clock.

The PRESIDING OFFICER. Speaking as the Senator from Michigan, the Senator from Michigan is confident that the Senator from Indiana can do that.

Mr. BAYH. Mr. President, I think there has been ample discussion of this bill, and I am wondering about the wisdom of debating the Senate further on it.

However, inasmuch as this is the consummation of almost a 4-year effort and inasmuch as I have seldom been involved in a debate where both sides felt as intensely about the merits as this, perhaps the Senator from Indiana should at least try to summarize the position of the proponents.

We have sat here all morning and listened to some of the most severe criticism directed at this bill, more severe than any I have heard since I have been in the Senate. My distinguished colleague from South Carolina has described this as one of the most dangerous bills to come before the Congress in his 26 years. That covers a pretty broad spectrum.

My other colleagues who have led the opposition very sincerely share the concern of the Senator from South Carolina. The Senator from Indiana in no way wants to impugn the motives of our colleagues. The fact is they feel very sincerely about this as well as very strongly about it, and it is for that reason that the Senator from Indiana would like to put the Record straight from the standpoint of those of us who have been working on this bill for so long.

Mr. President, I ask unanimous consent that Mr. William Miller be permitted access to the floor during the debate on this conference report.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAYH. Mr. President, I ask unanimous consent that an editorial which appeared in the Washington Post on May 5 be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

'50S NOSTALGIA ON THE HILL

After three unsuccessful attempts, the Senate has finally voted to shut off a filibuster that was a nostalgia trip to the '50s. The issue was the one that used to tie the Senate in parliamentary knots for weeks: states' rights versus civil rights. But the rules are different now (only 60 votes are needed to close debate), and far fewer people are engaged in the conflict.

This filibuster was aimed at killing a bill permitting the attorney general to bring lawsuits on behalf of inmates who are being abused in state hospitals, jails and juvenile institutions. It is, in considerable part, merely a housekeeping measure. The Justice Department already gets involved in many of these cases once inmates file suit themselves. But that fact has been overshadowed, as have many of the arguments for the bill (inmates do not make good lobbyists), by the violent opposition that has appeared.

What is the problem? The proposal, according to Sen. Strom Thurmond, is "one of the most dangerous bills that has come before Congress in the 26 years I have been a member." According to Sen. J. James Exon, its effect would be to "place the bureaucracy of the Justice Department on the backs" of elected and appointed state officials everywhere. And so on.

These men, and the bill's other opponents, are indulging in overkill. In fact, all the poor bill does is let the attorney general file suit on behalf of inmates after he has discovered that an institution has a "pattern or practice" of subjecting inmates to "egregious or flagrant" conditions that deprive them of their legal rights. And he can bring such a case only after he has warned the state that the charge is imminent and has explained to state officials what changes he thinks are necessary in the way the inmates are treated and has tried to solve the matter informally.

Those conditions were added to the bill to mollify some senators and state attorneys general who claim to believe the federal government has no business watching out for the rights of people who are confined in state prisons and hospitals. But that is the proper business of the federal government. Even inmates in such places have federal rights, and the history of recent years is replete with shameful stories of how such inmates have had their rights stripped away.

This is a pure civil-rights struggle, the genuine article, and one of the few in the present session of Congress. Now that the filibuster has been broken, the Senate should pass the bill quickly.

Mr. BAYH. Mr. President, I further ask unanimous consent that a letter from the Attorney General of the United States, which summarizes his assessment of what powers he will have under this bill, be printed in the RECORD as part of the legislative history on this bill.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

OFFICE OF THE ATTORNEY GENERAL,
Washington, D.C., April 29, 1980.

Hon. BIRCH BAYH,
Chairman, Subcommittee on the Constitution, Washington, D.C.

DEAR MR. CHAIRMAN: As the Senate continues its consideration of the Conference Report to accompany H.R. 10, Civil Rights of Institutionalized Persons, I want to reiterate that the Department of Justice intends to exercise the litigating authority to be granted by this legislation with utmost discretion and full regard for the legitimate rights of states and other public entities.

As you know, the legislation contains extensive pre-filing requirements, including certification to the court that appropriate state officials were given full notice of the Department's intention to investigate and possibly file suit. A similar certification would be required prior to intervention in ongoing litigation.

No other federal civil rights statute has comparable pre-litigation restrictions. For example, neither the fair housing, voting rights, equal employment, nor the school desegregation civil rights statutes require advance notice to an affected governmental entity before suit is filed by the Attorney General. Nor, of course, is there any minimum time after notice before suit can be filed under these statutes. Unlike these other statutes, H.R. 10 also requires pre-suit consultation and advice about how the alleged violations would be corrected and thus eliminate the need for suit.

All of these procedural requirements would, of course, supplement our obligations to determine that the abuses in the affected institution were extremely grave and so widespread that they were systemic to the operations of the institution.

We share your eloquently expressed conviction that without such authority, those rare state and local entities that grossly violate the rights of their citizens, may do so with impunity. The record amassed during consideration of this legislation proves that no humane government can permit such abuses of individual rights to continue unattended. H.R. 10 will permit the Department of Justice to bring into court those governmental entities whose practices offend the consciences of us all. We will do so only with the greatest possible sensitivity to the integrity of our federal system, while recognizing that no issue of states rights can supersede the basic human rights to which this legislation is addressed.

Sincerely,

BENJAMIN R. CIVILETTI,
Attorney General.

Mr. BAYH. Mr. President, inasmuch as the Attorney General is the one who is charged with the function of carrying out the powers of the Federal Government under this bill, it is most appropriate and significant to have his interpretation of what we are doing here printed in the RECORD at this time.

Mr. President, there have been a lot of very sincere charges made about what this bill does and what this conference report does. As I said a moment ago, I am sure they are absolutely sincere, tremendously motivated, but they are also absolutely wrong. I have heard it said that this bill is a copout, a capitulation, on the part of the Senate conferees, in which we have deserted the position of the Senate.

Anyone who wants to read this conference report I invite him to do so and to carefully compare the House position and the Senate position. I am sure that any objective appraisal will come to the same conclusion as the Senator from Indiana. I have been involved in a number of conference reports in my 18 years in the Senate. I have never been involved in a conference report where you had strong differences of opinion between the House and the Senate where the Senate got about 95 percent of the candy, and that is what we have come home with here, at least 95 percent, and it will probably be closer to 98 percent.

Talk about striking "wanton and willful" after "egregious and flagrant," what does that really mean? It does not change the meaning at all. What the Justice Department was concerned about with "wanton and willful" was not only that you would have to find people being tortured, not only have to find people dying under certain conditions, but you would have to find the fact of "egregious and flagrant" conduct and you would have to prove that the Governor of the State intentionally, willfully, and wantonly participated in that kind of conduct.

Mr. President, no one is suggesting that the attorneys general or the Governors of the States are willfully and wantonly participating in that kind of treatment or abuse of these inmates. I do not believe we have a Governor or an attorney general, and certainly we have in our body distinguished former Governors and former attorneys general, who have been involved in this kind of confrontation with the Federal Government, and I do not believe for a moment that they willfully and wantonly participated in that.

I would like to point out for those who want to proceed further to examine what we have actually done on page 11 of the report. We have pointed out that this establishes a higher standard than that required of plaintiffs other than the United States, and the reason we have done that is because of the great care that must be taken when the Federal Government sues another government, either a State or local government.

So let there be no doubt about the fact that egregious and flagrant conduct, absent the "willful and wanton," establishes an extremely high burden on the Federal Government. The conditions have to be severe.

I would like to thank my distinguished colleague from Utah (Mr. HATCH) for hanging tight, for hanging in there, with the Senator from Indiana as we negotiated with our colleagues in the House. They felt very strongly about this, and we came back with about 95 percent of what the Senate wanted.

I make no apologies whatsoever for the kind of agreement we reached. I have never been involved in a conference where the Senate came out so well.

Let me suggest that those of us who have been working on S. 10 do not suggest this is a panacea for poor conditions in our institutions. This is not going to resolve all of the problems. I think it is going to help. It is going to help solve some of the worst problems. It is going to help solve the problems about which there can be no doubt and for which there can be no excuse that the Government of the United States sit passively and lets its citizens be subjected to this kind of treatment, which is a clear and present danger to a violation of their rights under statute, and in the case of the penal institutions it has to be a violation of their rights under the Constitution of the United States.

Let us look at the record, Mr. President. We have had a whole array of concerns expressed by our colleagues who have been personally involved in the Federal Government's coming into their States and bringing suits under present law and under the Constitution of the United States.

Let us assume that those accusations were accurate. I am certain my colleagues who made those assertions felt they were accurate, but a careful examination of some of the facts might lead one to conclude that there is something to be said for the other side of that argument. But let us assume that the position of our distinguished colleague from Nebraska, who argued very persuasively, and our colleague from Oklahoma and our colleague from Missouri, both of whom have been personally involved, our colleague from North Carolina, who has been involved in this kind of confrontation with the Federal Government, let us assume they were accurate and that abuse of the Federal power has been going on.

Let us further assume that S. 10 does not pass, and it does not pass because the case of the opposition that this will be an unconscionable usurpation of States rights by the long and powerful arm of the Federal Government is correct.

Mr. President, does anyone in this body believe if S. 10 passes that this abuse which has been described before this body is going to stop? It is not, because the Justice Department will be operating under this same set of rules, the same absence of limitations that has existed during the time frame expressed very specifically, with deep concern, by our colleagues.

I see no reason why the Justice Department should change its practice, although if all those conditions described by our colleagues are accurate, I find them very abusive, and if I were Attorney General or if I were a Governor and I had a knock on the door in the middle of the night to open the gate and show me the records, no advance notice, I would be very much offended.

Now, let me repeat one more time that if S. 10 fails, the very abuses that have been discussed here will continue.

Let us now assume that in 1 hour our colleagues vote and the majority of them vote as they have previously and S. 10 becomes law. Then what will happen?

I suggest to my distinguished colleagues there will be fair and specific limitations placed on the Justice Department before it can get involved in any action against State or local government.

What are these limitations? Well, just to hit a few, first of all, we are not talking about just statutory violations. We are talking about, as far as penal institution inmates, it has to be a clear violation of constitutional rights, cruel and unusual punishment, some of the abusive kinds of acts for which there can be no excuse.

After all, I think it is fair to suggest that one standard be applied to penal inmates who have abused the law and thus are in prison because of an offense against society, on the one hand, and those who are in penal institutions, those in some of our homes for the elderly, who have not offended society at all, that a different standard should be established for them on the other side.

But, be that as it may, even one who has been incarcerated for a violation against society, a crime against society, they are human beings. They are not animals. And to subject them to constitutional violations, it seems to me, is contrary to the way a civilized society should run its institutionalized structure.

On the other hand, if you have our older folks, some of them in homes for the elderly run by the State, if you have retarded children in institutional structures for our retarded, if you have adults in mental institutions, even to protect their rights, the abuse in question has to be egregious and flagrant. It cannot be because the walls are not the right color or you do not have the kind of a diet that you might read about in Good Housekeeping magazine or you do not have the kind of rehabilitation programs that we would like to think existed.

No; that is not the kind of abuse that lets the Federal Government get involved. We are talking about serious shortcomings, egregious and flagrant, that is not required now before the Attorney General can get involved. So we are establishing a higher standard before the Attorney General can intervene and join with a suit that has been brought.

We are also providing that the Attorney General should give the Governor significant notice, notice before investigation. That is not provided under the present law.

We are requiring that the Attorney General counsel and try to work out the differences of opinion and to solve the problem by voluntary means. That is not required under present law.

(Mr. BOREN assumed the chair.)

Mr. BAYH. There need be no notice now. There need not be notice to the Governor or to the Attorney General. There need be no effort to try to work out the situation voluntarily, as I would like to think things should be done. That is not required under the law now. We are putting that in this bill.

We are requiring that the Attorney General specify the specifics, the facts, the times, the place, the kind of remedy that can solve the problem. That is required before the Attorney General can intervene. That is not required under present law. He can just walk right on in —no notice, no specific allegations, no suggestions as to what the remedy should be. But under S. 10 those are required.

Now, let us assume that, after all of this has happened, there cannot be a resolution to the situation and the Attorney General believes there have been egregious and flagrant violations or a constitutional right violation and determines in good conscience that he must intervene. Even then, before he can file that case, before he can intervene in that case, he has to notify the Governor in advance that he is going to do that.

Mr. President, I do not know what more we could ask. Frankly, I do not think we should ask less. I find this midnight raiding into the States, knocking on the door of an institution without advance notice, without an effort to cooperate, I find that unconscionable.

So I make no apologies to those who perhaps feel we have gone too far. This is not a perfect bill. Some of us would like to change different things about it. But I think we have gone as far as we can in good conscience to try to create an environment of cooperation. And what I would hope we would find is that we would find a number of these difficult situations resolved voluntarily instead of having these raiding situations in which the Attorney General of the United States really is abusive to the State officials.

Now, let us look at another point in question. What I have referred to before is as honest a recapitulation of where we are and where we will be under this bill as far as intervention is concerned.

There are two ways in which the Attorney General can get involved in bringing an action under S. 10. One is by intervention. The other is by initiation. The present law permits intervention. So without misleading my colleagues, the kind of protections that we have provided in the bill limit the ability of the Attorney General compared to the unlimited capacity he has to get involved by intervening in a case that has already been brought.

We have added an additional right given the Attorney General, additional authority to initiate suits in exchange for limiting his authority to intervene.

Now, the court will not permit the Attorney General to initiate suits. He is constrained to joining in suits that have already been brought by a patient or an inmate or by certain citizens groups that bring a case in behalf of the patient in question.

The fact that the Attorney General has been unable to initiate cases means that he must wait until someone else has been able to bring a case and then either he joins in that case or he has no opportunity to get involved, which means that often the Attorney General can see a situation which is worse, where the abuse is worse, but because no one is able to initiate a case, no citizen is able to initiate a case, the Attorney General cannot get involved in that particular case but can join in intervening in a suit that may not be as meritorious and involve as flagrant a violation and as severe abuse as would be the case in some institutions where he cannot initiate a case on his own.

So, what we are trying to do in S. 10, Mr. President, is to say that we would hope that the Attorney General would not have to bring a suit. In that regard we have done everything I know how to do to just require a volunteer effort to see if we cannot get people together and knock a few heads and see if we cannot recognize a problem and get the States, of their own volition, to solve the problem and keep Uncle Sam out of it.

In the event that cannot be done, we feel that the Attorney General should have the right to initiate suits where the problem is the worst and not be limited to just following another plaintiff who may have been able to bring a case but not on as strong a ground to relief as serious abuse as would be the case if the Attorney General initiated the suit on his own.

What is this going to mean, Mr. President?

We are led to believe by the opponents that here we have Uncle Sam coming in like Paul Revere in the middle of the night, imposing the long, cruel arm of the Federal Government on the States.

Mr. President, I understand the passions involved in this, but we have tried the best I know how, the best Senator HATCH knows how, and several of us on this subcommittee know how, to limit the power of the Attorney General to initiate suits to those places where we really have a problem. Here again we have put the same constraints on the Attorney General for initiating a suit that we have placed on the Attorney General for joining in and intervening in a suit that is already brought.

What are these? There has to be serious abuse, egregious and flagrant conduct. In the case of a prison inmate, it has to be an outright violation of constitutional rights.

We have also required advance notice to be given to the Governor before the investigation starts. We have required a specification of all the dates, the facts, the specifics of the charges. We have required that the Attorney General also point out what the remedies might be. We have also required the Attorney General to try to do everything possible to counsel and to voluntarily resolve the problem.

Then if the Attorney General comes to the conclusion that a suit must be filed, we require advance notice that the suit is going to be filed. None of this, of course, is now required for intervention. We have required all of these protections for the States and local governments for intervention, and have applied the same protections in the case where the Attorney General has decided to initiate suit.

There has been a good deal of discussion here, Mr. President, about one particular change and that we felt was a fair resolution of differences in language between the House and the Senate in the report, in which we suggested that the court, in determining whether the Attorney General had met the burden of notice and consultation and efforts to voluntarily resolve the problem, could take into consideration the reasonableness of the State, their willingness to cooperate.

We are told that this has no real meaning.

Well, I think most Federal court judges are able to tell whether the State has responded reasonably to the Attorney General's efforts to find a voluntary resolution of the problem. For example, if the Governor has said, "I refuse to talk to you about it," that, it seems to me, would be unreasonable. How can you expect the Attorney General to try to find a voluntary compliance situation and resolve it without getting involved if the Governor says, "I do not even want to talk to you"?

Suppose, after notice of investigation and after those safeguards have been met, the Attorney General says, "We would like to look at the records to see whether the allegations are accurate or whether they are false," and the attorney general of the State says, "I am sorry, we are going to keep them locked up in our safe. The National Guard will keep you from getting in there," or something like that that is equally ridiculous.

I think that would be unreasonable. That is the kind of thing we have been talking about, where there has been an absolute unwillingness on the part of the State authorities to participate in the dialog necessary to resolve a problem amicably, voluntarily, and to avoid some of the kinds of confrontations which have been expressed very sincerely by the Senator from Oklahoma, the distinguished Presiding Officer, the distinguished Senator from Nebraska, and some others who have had personal experiences which I have found abhorrent, and over which we are trying to find a way to resolve problems without major confrontations.

Though I know those on the other side feel that we have not met this test, certainly it is the judgment of those coming before the Senate urging support of S. 10 that we have gone as far as we can reasonably go to demand voluntary compliance, consultation. In those States where the States say, "You have no right to be concerned about what we do to our citizens," in those instances it seems to me the Federal Government, the Attorney General acting on behalf of Congress, has the responsibility to recognize the fact that State citizens also are U.S. citizens and they are protected by the Constitution of the United States.

Mr. President, I would like to examine a little bit further what we are really doing in this bill. We have heard such cries of outrage about the excesses of this bill. Some may not like this bill. It is fair game for everyone to interpret it as one might.

What this bill does is provide standing for the Attorney General, which has been given to him in many other instances involving civil rights law. Despite assertions to the contrary, this right given the Attorney General to deal with the violations of rights of institutionalized citizens is not unprecedented. It exists in equal education statutes, equal employment laws, and others, in a whole array of civil rights laws.

In fact, the Senator from Indiana had the privilege of being in this body during the sixties and the early seventies when we were passing a whole array of civil rights laws to try, at long last, to get the vestiges of slavery behind us. I do not recall another single civil rights bill that is now in the lawbooks of this country, protecting the rights of our citizens in a wide variety of areas, that has the kind of limitations that we have carefully placed on the rights of the Attorney General in this bill. I have heard a lot of prophets of doom here speak about how far-reaching this is. But I have not yet heard a single rebuttal of what the Senator from Indiana said earlier and is repeating now, that we have put more safeguards, more requirements, on the Attorney General, before he can get involved to prohibit the violation of human rights, in this bill than in any other civil rights statute.

I quote just one sentence from the Attorney General's letter, which I recently put in the RECORD. He starts the third paragraph of that letter by saying, "No other Federal civil rights statute has comparable prelitigation restrictions."

Those are the facts, Mr. President. As I say, you can still be against the bill, with good intentions oppose it, but you cannot say that we have not gone about as far as we can go to see that this power is limited to those areas of particularly grievous abuse.

I do not like to be overly dramatic, but in an effort to show the Senate and those who may be observing from outside the Senate what we are trying to do here, I think perhaps we ought to have a few case histories of the kind of abuse that concerns the Senator from Indiana. I do not like to have the Federal Government get involved in State government and I do not believe for a moment that those who are opposing this legislation, who have been in positions of State authority, condone the kind of abuse that the Senator from Indiana is about to refer to. But the facts have been that this kind of abuse has existed and it is this kind of abuse that this bill is designed to stop.

I have heard witnesses describe graphically how they watched children as they choked to death on their food because of the need to feed mentally retarded children their meals in under 3 minutes—3 minutes to feed children who had motor impairment.

In other words, the staff care for mentally retarded children was so inefficient that they just shoveled the food down them as you would shovel wheat down a grader, and the kids could not chew as fast as the food came in, and they choked to death.

Nobody likes to see that kind of thing happen. Nobody would condone it. But if conditions exist that so few resources are committed to an institution and there is that kind of management of an institution, we just cannot sit still and let people, children—mentally retarded, motor-impaired children—be subjected to that kind of treatment.

I have seen exhibits which include pictures of children tied spread-eagled to their cribs, where they were forced to lie like that for hours, sometimes for days, covered with burlap, with the only opening for their eyes. Nobody in any State official authority condones that kind of situation, but it has existed. We have had children tied to their beds. We have had them handcuffed to their beds. We have had adults kept in straitjackets, day after day, for weeks at a time—mentally retarded.

Do we not have a responsibility, I ask, given that kind of situation, to do something about it? We have seen the evidence.

We have heard the testimony about homosexual abuse of paraplegic prisoners, unable to defend themselves. We have heard about juveniles who were sent to segregated homosexual dormitories as punishment for the infractions of the rules of their institution, or children who were sutured without any anesthesia, who had their teeth pulled without the use of novocain, in institutions for the mentally retarded. The doctors and dentists in question, when they were examined, said they believed the mentally retarded could not feel pain.

What kind of doctor or dentist would have that kind of insensitivity and that lack of understanding about the mentally ill? Nurses and aides who testified at the trials said it sometimes took 2 or 3 people to hold those children down while they sewed up their wounds or while they pulled their teeth.

That is the kind of thing we are talking about. We ought to stop that. When we so ignore the need for even minimal staffing of an institution for the mentally retarded that there can be scalding hot water applied to certain tender parts of the anatomy of the inmates, causing serious damage—in one instance killing a person—are we going to sit still and let that kind of thing happen? The Senator from Indiana is not.

Again, I do not for a moment want to suggest that those on the other side of this bill condoned this kind of condition. But it is that kind of condition that has existed and it is that kind of condition that this bill is designed to prohibit.

Mr. President, what those of us who support H.R. 10 are saying is that when we have conditions like that, something has to be done.

The Senator from Indiana has referred to the manacling, tying, the straitjacketing of mentally ill patients. I think the most unconscionable kind of treatment that has been brought to our attention has to do with a little different kind of immobilizing of our mentally ill. I want to refer to this specific instance; then I want to yield to my good friend and colleague and coworker from Utah, who, as I said earlier, has been a strong supporter, has been a craftsman, as we have tried to tailor this legislation to deal with the real abuse and limit the ability of Uncle Sam to get involved in some of these midnight raids.

Let me show a specific example of what we are trying to prohibit here. Unfortunately, thousands of children are born in this country every year who are not in complete control of their faculties. They are mentally retarded, they are slow learners, they fit into a wide variety of categories which those of us who have been more fortunate, or not so unfortunate, as parents might say are not normal children. Why this kind of thing happens, the Senator from Indiana is powerless to understand. However, here these children are. Through the investment of a significant amount of resources—Federal, State, local, voluntary resources—through the tireless efforts of scientists and researchers, we have found ways to take many of those youngsters and rehabilitate them, retrain them, reequip them so they can become producing members of society.

To utilize these new techniques, it is important to start this retraining, this rehabilitation, this therapy, early in the life of the children. However, in some of the institutions in question here, the new way of keeping a mentally retarded child in line and keeping him out from under foot is not to tie him or to handcuff him or to straitjacket him. We can take photographs of things like that and that does not look good in the newspaper.

The new technique is to drug him with barbiturates or other kinds of psychotropic drugs. In essence, to use mental handcuffs so that these children just lie there day after day. Put another pill in the food or in the drinking water so that these children are absolutely no trouble.

What happens, of course, when children are treated for a period of time in that manner, they totally regress to the place that even the most novel and innovative new kinds of therapy cannot retrain or rehabilitate or recapture this lost life.

That kind of abuse leads to a disintegration to the place that even an abnormal child, even a retarded child, disintegrates, goes backward, becomes no more than a piece of flesh and bone, barely alive, not even able to take care of his own bodily functions, absolutely useless as a productive member of society.

I say that when that kind of thing is happening, we have a responsibility in the Congress of the United States to do what is necessary to put a stop to it.

If, after every effort has been made to get the State authorities to do the job right, it seems to the Senator from Indiana that we are violating our constitutional rights, our constitutional responsibilities to protect the United States, the constitutional rights of our citizens, if we do not have a structure which permits our Government in those instances to go in and say that there is a court of last resort. There is a forum in which the helpless, the retarded, those who are institutionalized, beyond the control of their own capacities, there is a court of last resort to which these individuals and their parents can appeal.

That, to me, is the mission of S. 10, Mr. President, not to the callous disregard for States' rights. Hopefully, we have established here a structure in which, with stimulation and cooperation, sometimes with intervention, sometimes with initiation, the Federal Government can persuade the State and local governments to do the kind of things that otherwise would not be done, and we can have a voluntary resolution of this problem, not a major confrontation like we now have.

Mr. President, I yield to my distinguished friend from Utah.

Again, I thank the Senator from the bottom of my heart for the tremendous contribution he has made in moving this along. I know it has not been easy for him. It has been a real act of courage.

Mr. HATCH. I thank my distinguished colleague. I appreciate and respect the leadership he has provided this bill. It is an important bill, one which I think our colleagues should support.

Mr. President, I agree strongly with Senator BAYH that we fought hard in conference to protect the Senate bill and were overwhelmingly successful. I will briefly go through some of the issues dealt with in conference.

STANDARD FOR LITIGATION I

With respect to the basic standard for litigation, the Senate specified that there must exist "egregious or flagrant conditions (conditions which are willful or wanton or conditions of gross neglect)."

The House had nothing in its bill, in this respect. The conference agreed to language stating the standard to be "egregious or flagrant conditions," defined in report to require a substantially higher standard than appropriate for private litigation.

STANDARD FOR LITIGATION II

In addition to the "egregious or flagrant" standard the Senate bill required that there be a "pattern and practice" of deprivation of constitutional or Federal legal rights required.

The House bill had nothing. In conference, we kept the Senate language.

PRIVATE INSTITUTIONS

With regard to private institutions, the Senate had provisions clarifying that genuinely private institutions are not covered by the bill, with extremely strong report language.

The House bill had nothing. The conference adopted both the Senate statutory and report language.

INTERVENTION PRECONDITIONS

The Senate listed extensive preconditions before the Attorney General can intervene in pending institutional rights litigation.

The House bill again had nothing. The conference adopted the Senate language.

MINIMUM REMEDIES

The Senate bill contained provisions clarifying that the Attorney General is authorized only to pursue "minimum" corrective measures, not the attainment of "desirable" or "comfortable" conditions.

The House bill had nothing with regard to this issue. The conference adopted the Senate language once again.

SCHOOLS

The Senate bill had language clarifying that educational institutions for normal children are not to be covered by S. 10.

The House again had nothing in this regard. The conference bill adopted the Senate language.

ATTORNEY GENERAL

The Senate bill required personal authorization by the Attorney General prior to the Justice Department litigating under S. 10.

The House had nothing. The conference adopted the Senate language.

STATE CONSULTATION

The Senate bill had detailed language imposing specific obligations upon the Attorney General with respect to prelitigation consultation with State officials.

There was an express provision stating that "Voluntary good faith" efforts at conciliation are to be preferred to litigation.

The House had general language imposing general obligations upon the Attorney General with respect to prelitigation consultation with State officials.

The conference, in most instances, adopted the specific Senate language, although there were a couple of "when feasibles" added. The conference adopted Senate language with respect to "voluntary, good faith" efforts.

FISCAL IMPACT

The Senate bill required pre-litigation discussion by the Attorney General with the States on the matter of the costs of alternative remedial programs.

The House bill had nothing in it. In conference, we generally adopted Senate language.

ATTORNEY'S FEES

The Senate expressly allowed attorney's fees for prevailing States and State institutions.

The House bill had nothing. The conference adopted the Senate language.

PRISON GRIEVANCE PROCEDURES

The Senate bill had clarifying language that prison grievance procedure adoption was purely voluntary by States and that the failure to adopt such standards was not evidence of an S. 10 violation.

The House bill again had nothing in it pertaining to that. The conference again adopted the Senate language.

ATTORNEY GENERAL REPORT

The Senate bill required detailed annual reports on the legislation by the Attorney General.

The House required only general reports on the legislation. Again, the conference adopted the Senate language.

FEDERAL COORDINATION

The Senate bill specified that coordination was required between the Department of Justice and Federal agencies that may be funding State institutions. The House bill had nothing in it. The conference adopted the Senate language.

DISCLAIMERS

The Senate bill stated that nothing in S. 10 shall authorize the promulgation of "standards of institutional care." The House bill stated that "nothing in H.R. 10 shall expand or restrict rights of litigants in private action." The conference report adopted both the House and the Senate disclaimers.

Apart from the loss of the parenthetical "willful or wanton" language, I believe that the Senate did extremely well for itself in the conference.

I think Senator **Bayh** has perceptively outlined some of the problems that necessitate H.R. 10. Ours is a society that prides itself on treating people with respect and dignity. Yet, in committee, we have been exposed to tales of public institutions (and I should emphasize that they are only a small minority) that maintain individuals in straitjackets for extended periods of time; drug persons to keep them from causing difficulty for institutional employees, including the extensive use of psychotropic drugs.

There are institutions in our society today which manacle persons to beds to keep them from disrupting institutions; maintain kitchen and food storage areas infested with mice, rats, and vermin; administer milk of magnesia to persons, and inflict cattle prods upon persons, for disciplinary reasons; and confine four or five individuals in a single six-foot by six-foot room, due to severely overcrowded institutional conditions.

The specific circumstances of each of these cases, of course, would have to be explored to determine the propriety of Justice Department involvement under H.R. 10. They do illustrate, however, the broad types of problems toward which the bill is directed.

It is time we start recognizing these unfortunate realities, not by injecting the Federal Government into every problem, but by allowing effective enforcement measures in the most severe and persistent instances of these problems. H.R. 10 is a specific and narrowly focused measure. It is, I think, worthy of this body's support.

Mr. President, while I believe that most of us are fully aware by now of the limited objectives of H.R. 10, I should like to emphasize once more the nature of these restraints.

First, H.R. 10 does not provide the Attorney General with a roving commission to correct institutional problems wherever he happens upon them. H.R. 10 authorizes standing for the Attorney General only where first, a violation of constitutional or Federal legal rights is occurring within a State institution; second, where the violation is pursuant to a pattern and practice of violation; third, where the resultant conditions are "egregious or flagrant"; fourth, where the institutionalized persons have suffered "grievous harm"; and fifth, where the Attorney General personally determines that an action by the United States is of "general public importance" and will "materially" further the vindication of constitutional or Federal legal rights.

In other words, it is not the intent of H.R. 10 to provide a remedy to correct institutional problems generally. It is the intent only to insure that there is some effective means of redress for the most severe and the most persistent wrongful conditions. Clearly, H.R. 10 contemplates that there will often be circumstances where individuals may be subject to illegal or unconstitutional conditions but, with respect to which, traditional private remedies must suffice. The "egregious or flagrant" standard is one that is substantially higher than that applicable to purely private actions. It is, as the report to H.R. 10 notes, a standard that "reflects congressional sensitivity to the fact that a high degree of care must be taken when one level of sovereign government sues another in our federal system." Without seeking to define the term with precision, I would suggest that such conditions must be wanton and reflective of the highest degree of neglect.

Even, however, if such conditions are identified, H.R. 10 requires that such conditions be pursuant to a "pattern and practice" of violation. It is insufficient that an isolated or accidental, or even a sporadic, violation occurs. Rather, the violation must be so nearly routine or normal that it can reasonably be described as a "pattern and practice" of the institution. Anything less regular will not satisfy H.R. 10.

Second, H.R. 10 does not authorize the Attorney General to secure "desirable" or "comfortable" conditions within an institution. H.R. 10 authorizes the Attorney General only to secure the elimination of the conditions that justify his involvement in the first place. It does not authorize him to pursue the achievement of "desirable" or "comfortable" institutional conditions. Once, for example, an institution has voluntarily or involuntarily attained conditions that are "nonegregious or flagrant," or that are no longer pursuant to a "pattern and practice" of violation, there is no longer authority in the Attorney General to bring an action against it. H.R. 10 expressly allows the Attorney General to secure only the "minimum" corrective measures. The same standard that determines initial involvement by the Attorney General determines his disengagement.

Third, H.R. 10 does not expand or enhance the authority of the courts to impose affirmative burdens or costs upon State institutions or State legislatures. I would be the first in this Chamber to suggest that the Federal judiciary has acted beyond its proper bounds in recent years in imposing affirmative obligations upon State institutions and State legislatures. I believe strongly that the courts have undertaken increasingly to make decisions that are within the proper authority of other branches of the Government. H.R. 10, however, does not acquiesce in that trend, nor does it expand the ability of the courts to issue such orders. H.R. 10 simply authorizes standing for the Attorney General to litigate institutional matters. It creates no new rights or privileges, and it creates no new remedies for the courts. It is a procedural bill—an important one, to be sure—but simply a procedural bill.

The fact that the courts have gone overboard, in the opinion of many of us, in conjuring up new "constitutional rights" is regrettable, but it is a fact that must be considered apart from H.R. 10. Simply because some courts have been excessively creative in interpreting the notion of "constitutional rights" is no reason to suggest that there should not be an effective mechanism for pursuing genuine and clear-cut violations of inarguable rights. The problem of "activist" judges remains a serious national problem; it should, however, not be allowed to obscure the real issues at stake in H.R. 10.

Fourth, HR. 10 allows the Attorney General to take action only against genuinely public institutions. H.R. 10 does not authorize suit against private institutions by the Attorney General however "grievous" the conditions may be in those institutions. I shall read again from the report in this regard:

> It is the intention of Congress that institutions covered by this act partake in some significant respect of the qualities of a state or public institution . . . section 2 states that the existence of certain relationships between an otherwise private institution and the state shall not suffice to bring that institution within the scope of this act . . . additionally, it is not the intent of Congress that an institution within which there is a de minimus number of institutionalized per-

sons who reside in such facility as a result of state action shall be covered by this act. There must be a significant relationship with the state before an institution or facility comes within the purview of this act. The provision is not intended to establish minimum relationships between institutions and the state beyond which an institution is automatically within the purview of the act.

Thus, private nursing homes or private care facilities are not covered by H.R. 10 even though they may be licensed by the State, even though they may have residing within them recipients of Federal programs, such as medicare or social security, even though there may be a number of residents placed there by State referral procedures, and even though each of these circumstances may exist.

It is not the intent of H.R. 10, in short, that the Attorney General undertake to sue private institutions, however creative and innovative he may be in establishing some tenuous nexus between the institution and the State.

Fifth, it is not the intent of H.R. 10 to allow the Attorney General to "intervene" in pending litigation under circumstances that are any more lenient that the circumstances under which he can "initiate" litigation. The slightly less inclusive certification requirements for "intervention" than for "initiation" are designed only to reflect the concern of Congress that the Attorney General not undertake actions that might prejudice the rights of private litigants. The certification requirements for "intervention" are not designed to allow the Attorney General to circumvent the certification requirements for "initiation."

In both instances, the Attorney General must abide by specific obligations with regard to: First, notification of the appropriate State authorities; second, apprisal of specific conditions that warrant Justice Department involvement; third, discussion of possible "minimum" remedial measures, including the costs involved; and fourth, the affording of reasonable amounts of time within which to take corrective measures.

The use of the terms "to the extent feasible" or "when feasible," in several instances, is not intended to make these courses of action optional or discretionary with the Attorney General, but simply to reflect the Congress appreciation that, under unusual circumstances, it may be impossible to comply fully with these requirements. They remain the law, however, under all but the most unusual circumstance.

Sixth, H.R. 10 does not authorize the Federal Government to promulgate either standards of care for institutions, or standards for grievance procedures for correctional institutions.

H.R. 10, to emphasize the point once more, is a procedural bill, only authorizing standing for the Justice Department in institutional civil rights cases under narrow circumstances. Section 11 explicitly declares that the act is not intended to authorize the promulgation or regulations defining standards of care. Section 7(D) further clarifies that the administrative grievance procedures established in section 7 are only for the purposes of requiring prisoners to exhaust internal grievance mechanisms before the Attorney General can litigate on his behalf. Their adoption is purely voluntary and the failure by a State to adopt such grievance procedures is not to constitute the basis for a cause of action under H.R. 10.

With respect to correctional institutions, it is important to remember that H.R. 10 authorizes Justice Department involvement only where there is a "pattern and practice" of violation of constitutional rights. Unlike other institutions, the ongoing violation of Federal statutory rights will not suffice to trigger involvement by the United States.

Seventh, the emphasis in H.R. 10 is not upon confrontation and litigation but upon voluntary and informal efforts to resolve institutional problems. H.R. 10 clearly contemplates that litigation is to be a last resort, being utilized only after informal and voluntary conciliation efforts have failed. Section 9 is explicit in stating that "voluntary, good faith" efforts of the Federal and State governments are an important tool in resolving disputes under the act.

As one Member of the Congress who has been active in working to develop H.R. 10, I wish to assure the States that I will do my utmost to monitor the actions of the Justice Department taken pursuant to this legislation. Should the emphasis in this legislation be transformed from cooperation and conciliation to litigation and confrontation, I will work as hard as any Member of this body to reform this law. I believe that we have put together a bill that will minimize that possibility, but I assure the States that there will be those in Congress scrutinizing the actions of the Justice Department as closely as possible.

Mr. President, once again I wish to extend my deepest regards and respect to the distinguished chairman of the Constitution Subcommittee (Mr. BAYH) for his efforts on this bill. The present product is, I believe, a reasonable and responsible balance between the legitimate prerogatives of the States, and the equally legitimate rights of those persons in the care and confinement of the States not to be subject to wrongful conditions. There is, as I have noted before, no "State's right" to infringe upon the constitutional or Federal statutory rights of those persons.

I pay my respect to those who have opposed this bill because they have done so with integrity, with dignity, with intelligence, and for the good of the order. I have the utmost respect for them.

Mr. President, I ask for the yeas and nays on this matter.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. HATCH. I thank the Chair.

I yield to my distinguished colleague from South Carolina.

Mr. THURMOND. Mr. President, I believe we will be voting in about 4 minutes.

It was brought out by one of the proponents of this bill that in some instances, somewhere a child's tooth was pulled without novocain, one was tied in bed, maybe, or drugs were used on some of them.

Then it was brought by another proponent of the bill that in some of these institutions there were rats, mice and vermin, some of these conditions may have existed.

If those conditions exist, they should be corrected. We certainly do not stand for inhuman or cruel treatment of any individual. But the same people who report such conditions to the Justice Department could report those conditions just as easily to the attorney general of the State, who is the chief law enforcement officer of the State, and then I am sure that these conditions would be corrected.

By mentioning some of these horror stories it makes it appear that you have to inject the Federal Government into these matters to get them corrected. I do not think that is true. I think if anyone went to the Governor of the State or the attorney general of the State and said, "Did you know that a child out here had a tooth pulled without novocain," or "A child was tied in bed, or that drugs were used on a child in a certain institution in that State," the conditions would be corrected. I am confident that the Governor of the State and the attorney general of the State would take steps to correct such a situation.

They would have to have the evidence to go to the Justice Department and if they have evidence to go to them why cannot that same evidence be presented to the officials of the State?

In fact, I believe if the people who have any such evidence would report it to the head of the mental institution or the penal institution, steps would be taken to correct the problems.

As I pointed out previously, down at Atlanta it was reported that they have assaults, murders, rapes, narcotics violations, and trafficking in drugs. Those things have been reported and have not been corrected.

Again I say if the Federal Government cannot correct the wrongs in their own institutions, how can they take on more obligations and try to correct them in the institutions of all the States of the Nation?

I feel that our own officials in the States love humanity just as much, and are as sincerely interested in the people of the States as are Federal bureaucrats. If a matter is called to their attention, they will take steps to correct it.

So, Mr. President, I do not think there is any merit in that argument about you have to inject the Federal Government in to get these matters corrected.

Just as the Governor of Connecticut said, they are taking steps there to correct their situation. They say they can correct it. The Governor of Connecticut says, "I am strongly opposed to S. 10. It is unnecessary." She said, "We are doing our job here." I am sure that if anything wrong in Connecticut is reported to the Governor or the attorney general, then these State officials will take the necessary steps to rectify the situation.

I thank all of those who have cooperated in opposing this bill. They are to be commended because this bill, in my judgment, is not in the best interest of the people of the States, the people of the Nation, or the patients and inmates of our institutions.

Mr. President, I ask unanimous consent to have printed in the RECORD an editorial which appeared in the Augusta Chronicle of May 2, 1980, entitled "Nix Power to Feds."

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

NIX POWER TO FEDS

Sen. Strom Thurmond of South Carolina is on the right track in his efforts to derail a so-called inmate rights measure.

This is a bill which would allow the federal government to sue state officials when it alleges a "pattern or practice" of abuse against prisoners, mental patients and others in state institutions.

As with many pieces of legislation, the intent is praiseworthy. But let's not be unmindful of the new powers that it would grant the federal government to the detriment of the badly eroded 10th amendment to the Constitution, the "states' rights amendment."

Without the proposed law, federal authority is adequate through court action to police abuses in state systems. An excellent example can be seen in Georgia's Reidsville State Prison, which has been the target of repeated federal court intervention.

As a purely practical matter, the bill would make it more difficult for state administrators, particularly in prisons, to do their jobs properly and effectively. With federal watchdogs looking over their shoulders—watchdogs most probably of the permissive bent—these officials might be intimidated and feel reluctant to enforce even the minimum of discipline to insure law and order behind penal walls.

Ironically, it is prisoners who suffer the most, at the hands of other inmates, when discipline becomes lax.

The ongoing trend whereby federal power eats away at the authority of the states has to be reversed. Defeat of this bill would help in this reversal and would help shore up an important constitutional check and balance protecting liberty.

That check and balance is the division of authority between the states and Washington.

Mr. DOLE. Mr. President, the Senator from Kansas is pleased to see that the Senate is finally coming to a vote on the conference report on H.R. 10. This Senator is a cosponsor of this bill, and participated actively in our Judiciary Committee consideration of the Senate version, S. 10. My amendment, to facilitate Attorney General intervention in a suit on behalf of the institutionalized plaintiffs, was accepted by the committee.

The Senator from Kansas has long been a spokesperson for the institutionalized and the handicapped. These people simply do not have the resources or ability to assert their own rights.

During the debate on the filibuster last week, this Senator heard much talk about "States' rights," and warnings about how this bill would seriously infringe upon States' rights. Certainly, the senator from Kansas is a proponent of States' rights. Certainly, he does not want to see a new Federal bureaucracy eating away at States' rights.

However, Mr. President, it seems to this Senator that this particular bill, H.R. 10, is not the place to raise battle yells about States rights and Federal bureaucracy. This is a relatively minor piece of legislation. It does not create any new Federal bureaucracy, nor does it pose a serious threat to States' rights. It provides for consultation and negotiation between the State and the Federal Attorney General. To insist that it is more menacing to States that this is to engage in hyperbole.

We hear much talk about States' rights. But does a State have a right to deny its institutionalized persons their rights? Does a State have a right to ignore their pleas? If a State is meeting its responsibilities to these people, it need not fear encroachment by the Federal Attorney General. The problem can be settled amicably and litigation can be avoided, if the State acts in good faith.

Thus, Mr. President, the Senator from Kansas cannot understand why this bill poses serious, menacing threats to States rights.

This Senator voted for cloture on the first three petitions last week, but against it on the fourth. My negative vote last Thursday was cast in order to indicate my concern with the action of the distinguished majority leader, who on Wednesday made the unprecedented move to reconsider the third cloture vote that day, and to urge another cloture vote on the very same day. Had such a motion succeeded, it would have set a dangerous precedent in the Senate, and would have posed a serious menace to the rights of the minority. The minority has traditionally protected itself by having enough time to urge our colleagues to vote on our side on cloture petitions. Such protection requires a maximum of one cloture vote per day.

Finally, Mr. President, the Senator from Kansas would like to state for the record that he did not vote against cloture last Thursday because of a change of mind about the merits of the conference report on H.R. 10, but because of this technicality in the Senate cloture procedure.

Accordingly, Mr. President, the Senator from Kansas is pleased to cast his vote in favor of H.R. 10 this afternoon.

Mr. LEVIN. Mr. President, before casting my vote for this conference report, I want to take just a few moments to explain why I have consistently voted in favor of cloture on this legislation as well as other bills, and why I will in the future support cloture petitions after the Senate has had an opportunity to debate an issue. As a general rule, I believe that the Senate best serves the public interest when it is allowed to examine a problem and then resolve it. I believe that as Senators we have an obligation to hear our colleagues fully express their positions on an issue of importance and then, having studied their arguments, indicate by our votes whether we accept them or not.

The debate on this legislation was full and fair. The Members of this body had an opportunity to express their concerns and articulate their reservations. Similarly, proponents of the legislation have also been given every chance to make their case. The arguments have been laid out at length and the time is now at hand to make a judgment about their value and validity.

Mr. President, I believe in debate. But I do not believe in using debate as a means of avoiding a decision. Debate should function to make our decisions more intelligent and more informed—not to function as a means of making decisions impossible. Debate on this issue was sufficient to allow every Member of this body to make a decision about the merits of this legislation. When I voted for cloture, I voted for a process; I voted for the right to make a decision.

While I can envision some situations in which I might oppose cloture, they would be restricted to those issues which, in my opinion, involve basic and fundamental conceptions of constitutional and civil rights. In other cases, whether or not I support any given piece of legislation, I anticipate voting for cloture as a matter of principle whenever I am convinced that debate has been sufficient to allow us to make an informed judgment.

I thank my friend from Indiana for yielding.

Mr. BAYH. I say to my good friend from Michigan it has been comforting to see him standing there on the bridge helping to stave off the onslaught and supporting this legislation in his traditional concern for the rights of human beings.

The PRESIDING OFFICER. The hour of 2 o'clock having arrived, the question is on agreeing to the conference report. The yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Alaska (Mr. GRAVEL), the Senator from Colorado (Mr. HART), the Senator from Louisiana (Mr. JOHNSTON), the Senator from Massachusetts (Mr. KENNEDY) and the Senator from Maine (Mr. MUSKIE), are necessarily absent.

Mr. STEVENS. I announce that the Senator from South Dakota (Mr. PRESSLER) and the Senator from Wyoming (Mr. SIMPSON) are necessarily absent.

I further announce that, if present and voting, the Senator from Wyoming (Mr. SIMPSON) would vote "yea."

The PRESIDING OFFICER. Are there other Senators desiring to vote?

The result was announced—yeas 56, nays 37, as follows:

[Rollcall Vote No. 93 Leg.]

YEAS—56

Baucus
Bayh
Bentsen
Biden
Boschwitz
Bradley
Burdick
Byrd, Robert C.
Chafee
Chiles
Church
Cranston
Culver
DeConcini
Dole
Durenberger
Durkin
Ford
Glenn
Hatch
Hatfield
Heflin
Heinz
Huddleston
Inouye
Jackson
Javits
Kassebaum
Leahy
Levin
Lugar
Magnuson
Mathias
Matsunaga
McGovern
Melcher
Metzenbaum
Moynihan
Nelson
Packwood
Pell
Percy
Proxmire
Pryor
Randolph
Ribicoff
Riegle
Sarbanes
Sasser
Schweiker
Stafford
Stewart
Stone
Tsongas
Weicker
Williams

NAYS—37

Armstrong
Baker
Bellmon
Boren
Bumpers
Byrd,
Harry F., Jr.
Cannon
Cochran
Cohen
Danforth
Domenici
Eagleton
Exon
Garn
Goldwater
Hayakawa
Helms
Hollings
Humphrey
Jepsen
Laxalt
Long
McClure
Morgan
Nunn
Roth
Schmitt
Stennis
Stevens
Stevenson
Talmadge
Thurmond
Tower
Wallop
Warner
Young
Zorinsky

NOT VOTING—7

Gravel
Hart
Johnston
Kennedy
Muskie
Pressler
Simpson

So the conference report on H.R. 10 was agreed to.

Mr. BAYH. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. CRANSTON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

FIRST CONCURRENT BUDGET RESOLUTION

The PRESIDING OFFICER. Under the previous order, the Senate will now resume consideration of Senate Concurrent Resolution 86, which the clerk will state by title.

The assistant legislative clerk read as follows:

A concurrent resolution (S. Con. Res. 86) setting forth the recommended congressional budget for the United States Government for the fiscal years 1981, 1982, and 1983 and revising the Second Concurrent Resolution on the Budget for the fiscal year 1980.

The PRESIDING OFFICER. Who yields time?

The Senate will be in order.

Who yields time?

Mr. CRANSTON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. On whose time?

Mr. CRANSTON. To be equally divided.

The PRESIDING OFFICER. Without objection, the clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ARMSTRONG. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. Bradley). Without objection, it is so ordered.

UP AMENDMENT NO. 1057

(Purpose: To provide alternative recommended levels of budget authority and outlays for the fiscal years 1981, 1982, and 1983)

Mr. ARMSTRONG. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Colorado (Mr. Armstrong) for himself, Mr. Roth, Mr. Boschwitz, Mr. Harry F. Byrd, Jr., Mr. Danforth, Mr. Durenberger, Mr. Dole, Mr. Goldwater, Mr. Hatch, Mr. Hayakawa, Mr. Helms, Mr. Humphrey, Mr. Jepsen, Mr. Laxalt, Mr. McClure, Mr. Simpson, Mr. Thurmond, and Mr. Wallop proposes an unprinted amendment numbered 1057.

Mr. ARMSTRONG. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 2, beginning with line 4, strike out through line 3 on page 19 and insert the following:

(1) the recommended level of Federal revenues is as follows:

Fiscal year 1981: $596,700,000,000;
Fiscal year 1982: $669,900,000,000;
Fiscal year 1983: $766,800,000,000;

and the amount by which the aggregate levels of Federal revenues should be increased or decreased is as follows:

Fiscal year 1981: −$19,900,000,000;
Fiscal year 1982: −$36,900,000,000;
Fiscal year 1983: −$47,300,000,000;

(2) the appropriate level of total new budget authority is as follows:

Fiscal year 1981: $642,800,000,000;
Fiscal year 1982: $705,400,000,000;
Fiscal year 1983: $769,500,000,000;

(3) the appropriate level of total budget outlays is as follows:

Fiscal year 1981: $596,700,000,000;
Fiscal year 1982: $665,600,000,000;
Fiscal year 1983: $724,800,000,000;

(4) the amount of the deficit or surplus in the budget which is appropriate in the light of economic conditions and all other relevant factors is as follows:

Fiscal year 1981: $0;
Fiscal year 1982: +$4,300,000,000;
Fiscal year 1983: +$42,000,000,000;

(5) the appropriate level of the public debt is as follows:

Fiscal year 1981: $927,100,000,000;
Fiscal year 1982: $956,700,000,000;
Fiscal year 1983: $952,300,000,000;

and the amount by which the temporary statutory limit on such debt should be accordingly increased or decreased is as follows:

Fiscal year 1981: +$32,000,000,000;
Fiscal year 1982: +$29,600,000,000;
Fiscal year 1983: −$4,400,000,000.

(b) Based on allocations of the appropriate levels of total new budget authority and of total budget outlays as set forth in paragraphs (2) and (3) of the preceding subsection of this resolution, the Congress hereby determines and declares pursuant to section 301(a) of the Congressional Budget Act of 1974 that, for the fiscal years beginning on October 1, 1980, October 1, 1981, and October 1, 1982, the appropriate level of new budget authority and the estimated budget outlays for each major functional category are respectively as follows:

(1) National Defense (050):
Fiscal year 1981:
(A) New budget authority, $173,400,000,000;
(B) Outlays, $155,700,000,000.
Fiscal year 1982:
(A) New budget authoritv, $204,500,000,000;
(B) Outlays, $183,100,000,000.
Fiscal year 1983:
(A) New budget authority, $233,900,000,000;
(B) Outlays, $206,600,000,000.

(2) International Affairs (150):
Fiscal year 1981:
(A) New budget authority, $23,300,000,000;
(B) Outlays, $9,400,000,000.
Fiscal year 1982:
(A) New budget authority, $14,600,000,000;
(B) Outlays, $9,600,000,000.
Fiscal year 1983:
(A) New budget authority, $13,300,000,000;
(B) Outlays, $9,600,000,000.

(3) General Science, Space, and Technology (250):
Fiscal year 1981:
(A) New budget authority, $6,200,000,000;
(B) Outlays, $5,900,000,000.
Fiscal year 1982:
(A) New budget authority, $6,000,000,000;
(B) Outlays, $6,000,000,0000.
Fiscal year 1983:
(A) New budget authority, $5,900,000,000;
(B) Outlays, $6,000,000,000.

(4) Energy (270):
Fiscal year 1981:
(A) New budget authority, $3,500,000,000;
(B) Outlays, $6,300,000,000.
Fiscal year 1982:
(A) New budget authority, $2,800,000,000;
(B) Outlays, $6,300,000,000.
Fiscal year 1983:
(A) New budget authority, $4,200,000,000;
(B) Outlays, $5,900,000,000.

(5) Natural Resources and Environment (300):
Fiscal year 1981:
(A) New budget authority, $11,400,000,000;
(B) Outlays, $11,800,000,000.
Fiscal year 1982:
(A) New budget authority, $11,600,000,000:
(B) Outlays, $12,400,000,000.
Fiscal year 1983:
(A) New budget authority, $11,700,000,000:
(B) Outlays, $12,600,000,000.

(6) Agriculture (350):
Fiscal year 1981:
(A) New budget authority, $5,600,000,000:
(B) Outlays, $2,300,000,000.
Fiscal year 1982:
(A) New budget authority, $6,600,000,000;
(B) Outlays, $4,500,000,000.
Fiscal year 1983:
(A) New budget authority, $4,500,000,000;
(B) Outlays, $5,200,000,000.

(7) Commerce and Housing Credit (370):
Fiscal year 1981:
(A) New budget authority, $5,000,000,000;
(B) Outlays, $100,000,000.
Fiscal year 1982:
(A) New budget authority, $5,800,000,000;
(B) Outlays, $2,600,000,000.
Fiscal year 1983:
(A) New budget authority, $6,200,000,000:
(B) Outlays, $2,800,000,000.

(8) Transportation (400):
Fiscal year 1981:
(A) New budget authority, $18,400,000,000;
(B) Outlays, $16,900,000,000.
Fiscal year 1982:
(A) New budget authority, $17,600,000,000:
(B) Outlays, $18,200,000,000.
Fiscal year 1983:
(A) New budget authority, $18,400,000,000:
(B) Outlays, $18,800,000,000.

(9) Community and Regional Development (450):
Fiscal year 1981:
(A) New budget authority, $8,800,000,000;
(B) Outlays, $9,200,000,000.
Fiscal year 1982:
(A) New budget authority, $8,500,000,000;
(B) Outlays, $8,800,000,000.
Fiscal year 1983:
(A) New budget authority, $8,700,000,000;
(B) Outlays, $8,800,000,000.

(10) Education, Training, Employment, and Social Services (500):
Fiscal year 1981:
(A) New budget authority, $27,400,000,000;
(B) Outlays, $26,500,000,000.
Fiscal year 1982:
(A) New budget authority, $27,300,000,000;
(B) Outlays, $26,900,000,000.
Fiscal year 1983:
(A) New budget authority, $27,700,000,000;
(B) Outlays, $27,300,000,000.

(11) Health (550):
Fiscal year 1981:
(A) New budget authority, $68,700,000,000;
(B) Outlays, $59,900,000,000.
Fiscal year 1982:
(A) New budget authority, $79,400,000,000;
(B) Outlays, $68,800,000,000.
Fiscal year 1983:
(A) New budget authority, $89,200,000,000;

(B) Outlays, $77,100,000,000.

(12) Income Security (600):

Fiscal year 1981:

(A) New budget authority, $210,300,000,000;

(B) Outlays, $211,800,000,000.

Fiscal year 1982:

(A) New budget authority, $240,400,000,000.

(B) Outlays, $238,500,000,000.

Fiscal year 1983:

(A) New budget authority, $265,300,000,000;

(B) Outlays, $262,200,000,000.

(13) Veterans Benefits and Services (700):

Fiscal year 1981:

(A) New budget authority, $21,300,000,000;

(B) Outlays, $20,800,000,000.

Fiscal year 1982:

(A) New budget authority, $22,900,000,000;

(B) Outlays, $22,500,000,000.

Fiscal year 1983:

(A) New budget authority, $24,400,000,000;

(B) Outlays, $24,000,000,000.

(14) Administration of Justice (750):

Fiscal year 1981:

(A) New budget authority, $4,100,000,000;

(B) Outlays, $4,500,000,000.

Fiscal year 1982:

(A) New budget authority, $4,400,000,000;

(B) Outlays, $4,500,000,000.

Fiscal year 1983:

(A) New budget authority, $4,600,000,000;

(B) Outlays, $4,700,000,000.

(15) General Government (800):

Fiscal year 1981:

(A) New budget authority, $4,500,000,000;

(B) Outlays, $4,200,000,000.

Fiscal year 1982:

(A) New budget authority, $4,700,000,000;

(B) Outlays, $4,600,000,000.

Fiscal year 1983:

(A) New budget authority, $5,000,000,000;

(B) Outlays, $4,800,000,000.

(16) General Purpose Fiscal Assistance (850):

Fiscal year 1981:

(A) New budget authority, $6,300,000,000;

(B) Outlays, $6,800,000,000.

Fiscal year 1982:

(A) New budget authority, $6,400,000,000;

(B) Outlays, $6,400,000,000.

Fiscal year 1983:

(A) New budget authority, $6,600,000,000;

(B) Outlays, $6,500,000,000.

(17) Interest (900):

Fiscal year 1981:

(A) New budget authority, $70,400,000,000;

(B) Outlays, $70,400,000,000.

Fiscal year 1982:

(A) New budget authority, $68,300,000,000;

(B) Outlays, $68,300,000,000.

Fiscal year 1983:

(A) New budget authority, $69,700,000,000;

(B) Outlays, $69,700,000,000.

(18) Undistributed Offsetting Receipts (950):

Fiscal year 1981:

(A) New budget authority, —$25,800,000,000.

(B) Outlays, —$25,800,000,000.

Fiscal year 1982:

(A) New budget authority, —$26,400,000,000;

(B) Outlays, —$26,400,000,000.

Fiscal year 1983:

(A) New budget authority, —$29,800,000,000;

(B) Outlays, —$29,800,000,000.

REVISIONS TO THE SECOND CONCURRENT RESOLUTION ON THE BUDGET FOR FISCAL YEAR 1980

SEC. 2. Pursuant to section 304 of the Congressional Budget Act of 1974:

(a) Section 1 of S. Con. Res. 53 is revised as follows:

(1) The recommended level of Federal revenues is $528,900,000,000 and the amount by which the aggregate level of Federal revenues should be decreased or increased is $0.

(2) The appropriate level of total new budget authority is $653,700,000,000.

(3) The appropriate level of total budget outlays is $566,400,000,000.

(4) The amount of the deficit in the budget which is appropriate in the light of economic conditions and all other relevant factors is $37,500,000,000.

(5) The appropriate level of the public debt is $895,100,000,000, and the amount by which the temporary statutory limit on such debt should accordingly be increased is $16,100,000,000.

(b) Section 2 of S. Con. Res. 53 is revised as follows:

(1) National Defense (050):

(A) New budget authority, $143,700,000,000;

(B) Outlays, $134,000,000,000.

(2) International Affairs (150):

(A) New budget authority, $15,200,000,000;

(B) Outlays, $9,900,000,000.

(3) General Science, Space, and Technology (250):

(A) New budget authority, $6,200,000,000;

(B) Outlays, $5,900,000,000.

(4) Energy (270):

(A) New budget authority, $37,900,000,000;

(B) Outlays, $6,500,000,000.

(5) Natural Resources and Environment (300):

(A) New budget authority, $12,200,000,000;

(B) Outlays, $12,900,000,000.

(6) Agriculture (350):

(A) New budget authority, $5,000,000,000;

(B) Outlays, $5,900,000,000.

(7) Commerce and Housing Credit (370):

(A) New budget authority, $11,700,000,000;

(B) Outlays, $5,500,000,000.

(8) Transportation (400):

(A) New budget authority, $19,700,000,000;

(B) Outlays, $19,500,000,000.

(9) Community and Regional Development (450):

(A) New budget authority, $8,600,000,000;

(B) Outlays, $9,100,000,000.

(10) Education, Training, Employment and Social Services (500):

(A) New budget authority, $29,300,000,000;

(B) Outlays, $29,900,000,000.

(11) Health (550):

(A) New budget authority, $59,800,000,000;

(B) Outlays, $56,500,000,000.

(12) Income Security (600):

(A) New budget authority, $223,000,000,000;

(B) Outlays, $190,000,000,000.

(13) Veterans Benefits and Services (700):

(A) New budget authority, $21,200,000,000;

(B) Outlays, $20,500,000,000.

(14) Administration of Justice (750):

(A) New budget authority, $4,200,000,000;

(B) Outlays, $4,400,000,000.

(15) General Government (800):

(A) New budget authority, $4,500,000,000;

(B) Outlays, $4,400,000,000.

(16) General Purpose Fiscal Asisstance (850):

(A) New budget authority, $8,300,000,000;

(B) Outlays, $8,300,000,000.

(17) Interest (900):

(A) New budget authority, $65,500,000,000;

(B) Outlays, $65,500,000,000.

(18) Undistributed Offsetting Receipts (950):

(A) New budget authority, —$22,300,000,000;

(B) Outlays, —$22,300,000,000.

RECONCILIATION

SEC. 3. The Committees on Appropriations shall reduce spending in enacted laws by $4,800,000,000 in budget authority and $2,600,000,000 in outlays for fiscal year 1980 and are instructed to report no later than ten days after Congress completes action on this resolution their recommendations for changes in new budget authority for fiscal year 1980 and budget authority initially provided for prior fiscal years contained in enacted laws, within the jurisdictions of those committees, sufficient to accomplish the reductions required by this section.

SEC. 4. The Senate Committee on Governmental Affairs and the House Committee on Government Operations shall reduce spending for fiscal year 1981 in reported or enacted laws, bills, and resolutions by $500,000,000 in outlays and are instructed to report promptly their recommendations for changes in new budget authority for fiscal year 1981, budget authority initially provided for prior fiscal years, and new spending, authority which is to become effective during fiscal year 1981 contained in reported or enacted laws, bills, and resolutions within the jurisdictions of those committees sufficient to accomplish the reduction required by this section.

SEC. 5. The Committees on Armed Services shall reduce spending for fiscal year 1981 in reported or enacted laws, bills, and resolutions by $400,000,000 in budget authority and $400,000,000 in outlays and are instructed to report promptly their recommendations for changes in new budget authority for fiscal year 1981, budget authority initially provided for prior fiscal years and new spending authority which is to become effective during fiscal year 1981 contained in reported or enacted laws, bills, and resolutions within the jurisdictions of those committees sufficient to acomplish the reductions required by this section.

SEC. 6. The Senate Committee on Environment and Public Works and the House Committee on Public Works and Transportation shall reduce spending for fiscal year 1981 in reported or enacted laws, bills, and resolutions by $300,000,000 in budget authority and are instructed to report promptly the recommendations for changes in new budget authority for fiscal year 1981, budget authority initially provided for prior fiscal years, and new spending authority which is to become effective during fiscal year 1981 contained in reported or enacted laws, bills, and resolutions within the jurisdictions of those committees sufficient to accomplish the reduction required by this section.

SEC. 7. The Senate Committee on Labor and Human Resources and the House Committee on Education and Labor shall reduce spending for fiscal year 1981 in reported or enacted laws, bills, and resolutions by $500,000,000 in budget authority and $500,000,000 in outlays and are instructed to report promptly their recommendations for changes in new budget authority for fiscal year 1981, budget authority initially provided for prior fiscal years, and new spending authority which is to become effective during fiscal year 1981 contained in reported or enacted laws, bills, and resolutions within the jurisdictions of those committees sufficient to accomplish the reductions required by this section.

SEC. 8. The Senate Committee on Commerce, Science, and Transportation and the House Committee on Interstate and Foreign Commerce shall reduce spending for fiscal year 1981 in reported or enacted laws, bills, and resolutions by $300,000,000 in budget authority and $100,000,000 in outlays and are instructed to report promptly their recommendations for changes in new budget authority for fiscal year 1981, budget authority initially provided for prior fiscal years, and new spending authority which is to become effective during fiscal year 1981 contained in reported or enacted laws, bills, and resolutions within the jurisdictions of those committees sufficient to accomplish the reductions required by this section.

SEC. 9. The Senate Committee on Agriculture, Nutrition, and Forestry and the House Committee on Agriculture shall reduce spending for fiscal year 1981 in reported or enacted laws, bills, and resolutions by $6,500,000,000 in budget authority and $6,500,000,000 in outlays and are instructed to report promptly their recommendations for changes in new budget authority for fiscal year 1981, budget authority initially provided for prior fiscal years, and new spending authority which is to become effective during fiscal year 1981 contained in reported or enacted laws, bills, and resolutions within the jurisdictions of those committees sufficient to accomplish the reductions required by this section.

Sec. 10. The Committees on Veterans' Affairs shall reduce spending for fiscal year 1981 in reported or enacted laws, bills, and resolutions by $200,000,000 in budget authority and $400,000,000 in outlays and are instructed to report promptly their recommendations for changes in new budget authority for fiscal year 1981, budget authority initially provided for prior fiscal years, and new spending authority which is to become effective during fiscal year 1981 contained in reported or enacted laws, bills, and resolutions within the jurisdictions of those committees sufficient to accomplish the reductions required by this section.

Sec. 11. The Senate Committee on Finance and the House Committee on Ways and Means shall reduce spending for fiscal year 1981 in reported or enacted laws, bills, and resolutions by $5,900,000,000 in budget authority and $6,500,000,000 in outlays and are instructed to report promptly their recommendations for changes in new budget authority for fiscal year 1981, budget authority initially provided for prior fiscal years, and new spending authority which is to become effective during fiscal year 1981 contained in reported or enacted laws, bills, and resolutions within the jurisdictions of those committees sufficient to accomplish the reductions required by this section.

Mr. ARMSTRONG. Mr. President, before I discuss the details of the amendment I sent to the desk, may I inquire of the parliamentary situation that now obtains? It is my understanding that under the terms of the Budget Act, I will be in control of 1 hour and those who oppose the amendment, if any there be, will also have 1 hour on their side, is that correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. ARMSTRONG. Mr. President, I have one other bit of housekeeping business before I undertake the discussion of the amendment itself. That is to ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. ARMSTRONG. Now, Mr. President, of the hour which I have available to me, I yield myself 15 minutes.

Mr. President, it often happens that great policy issues are hard to pin down into a simple yes-or-no vote. We have all experienced the difficulty of trying to synthesize the important questions into the ultimate terms with which Senators deal with them, which is do we vote yes or no on a particular amendment or bill.

We come from diverse backgrounds. We represent States which have differing and occasionally competing interests. It is often very difficult for us to bring these policy decisions into a clear-cut perspective.

But it so happens in the amendment which is now pending, which is, indeed, an alternative to the budget recommendations of the Senate committee, that we have a clear-cut policy decision. Let me first mention what is agreed upon. Senator Roth and I and our colleagues who present this amendment, agree with the committee that there should be a balanced budget for fiscal 1981.

As a member of the Senate Budget Committee, I am pleased that at long last the Senate Budget Committee has come to this realization, that we cannot go on year after year with these unbalanced budgets, that the increase in deficit spending which we run up year after year has produced an inflation which has hurt every working man and woman, every family, and every business in this country. Indeed, I think there is an emerging and growing consensus that these budget deficits and the inflation which has resulted has hurt not only individuals within the country but has hurt our Nation as a whole. It has undermined productivity. It has held back our economic growth. It has shaken the confidence of international financial observers in the credibility of our currency. In every way, unbalanced budgets have hurt our Nation over the last 15 or 20 years. I think it is an extraordinarily important step that at long last there is a unanimous or near unanimous agreement that we must now balance the budget. On that question we agree.

I am also pleased to note that the Senate Budget Committee, unlike its House counterpart, has recommended a budget which increases very substantially spending for national defense. In large measure, the credit for the Budget Committee's position on this goes to the new chairman of the committee, our colleague (Mr. Hollings), who fought eloquently and ably, with the full command of the facts and with great insight into the defense needs of this country, for an increase of about $7 billion over the number recommended by the President. I am pleased by that more than I can say, particularly in light of the recent developments in the other body, where our friends in the other body have declined to increase defense spending by an amount which other members of the Budget Committee and I feel is necessary.

The amendment which Senator Roth and others and I have presented this afternoon agrees with the Senate Budget Committee's number for national defense. So, on those two critical issues—the need for a balanced budget and the need for a strong national defense and a substantial increase over the proposal sent to us by the President—we are in agreement.

What we do not agree upon is equally important. The real question that is addressed in this amendment is whether or not we are going to balance the budget by restraining the increase in Federal spending, which is the Armstrong-Roth position, or whether we are going to balance the budget by raising taxes. Incredibly, Mr. President, the Budget Committee has come forward with a recommendation which purports to balance the budget by not only spending every dime and every dollar of the already legislated tax increase—and it is a whopper. I am talking about the tax increase that is already on the books, the tax increase that has already been legislated in fiscal 1981 over fiscal 1980.

The committee proposes not only to spend all of that, but to impose additional new taxes through such sources as the speedup in payroll taxes—a so-called cash management proposal which might better be termed a "golden gimmick," a proposal which will have some of the Nation's business firms paying and reporting their taxes up to eight times a month—and such other proposals as a withholding tax on savings accounts, coming at a time when I think all of us could agree that what we need to do is encourage, not discourage, savings, particularly of the savings account variety.

The Armstrong-Roth budget alternative which 17 of our colleagues have joined in preparing and presenting this afternoon has a far different understanding of what the needs of our Nation's economy are today. We are calling, instead of a tax increase, for restraint in spending, thereby permitting a reduction in the rate of Federal taxes amounting to approximately $19 billion in fiscal 1981, or approximately $30 billion in calendar 1981.

The exact shape of that tax cut—that is, how the $30 billion might be allocated in 1981—is left by the budget resolution for later decision, for the Finance Committee to look at, for the full Senate to consider. However, I think we ought to have it on the record that $30 billion is a sufficient amount of money to accommodate all three of the following tax proposals: first, the so-called 10-5-3 depreciation schedule, which I, for one, feel is one of the most important tax reforms now pending in Congress.

This is a proposal, as Senators know, which permits business firms to speed up the useful life of real estate, plant, and vehicles; that is, to charge them off their taxes at a more rapid rate. Businessmen and economists are telling us that the reason this country's economy is slowing down, why we are becoming less productive, is that we have failed, year after year, to put adequate investment in capital goods, in the kind of new plant and equipment that are needed to modernize American industry and keep us competitive with other nations. Year after year, we have failed to do so. As a consequence, our productivity has slipped, has gradually become a negative number.

We have fallen behind the Japanese and the Germans. We have even, believe it or not, fallen behind such industrial giants as Portugal and Italy, nations which were once thought to be in the economic backwater of the world, but which today have productivity gains outstripping those of the United States. The reason, it is agreed by most businessmen and economists, is the lack of investment in modern plant and equipment. The 10-5-3 depreciation proposal is aimed directly at stimulating that kind of investment.

Our proposal would also accommodate, in addition to 10-5-3, the separate income stream tax treatment. This is a relatively new idea to me, but, again, according to the experts, this is a proposal which would stimulate, to a very large degree, the kind of thrift and investment in productivity which is so desperately needed in our country today if we are going to head off the looming recession, make our industry more productive, and get some control of the American economy.

What is the separate income stream proposal? It simply says that if you have investment income, it is taxed separately from earned income. As we all know, earned income is taxed in various graduated tax brackets from 14 to 70 percent. The separate stream proposal simply says that investment income—that is, income from business profits, dividends, savings account interest and so on—would be taxed separately in the same brackets, 14 to 70 percent; but as if there were no earned income.

The effect of this is to lower, and lower significantly, the tax burden on investment income—income from dividends, interest, and business profits. That is exactly the kind of incentives that are desperately needed in this country today to encourage new investment in productive capacity, the kind of investment that is needed to create economic prosperity and new jobs.

The Armstrong-Roth proposal will also accommodate, in addition to the 10–5–3 depreciation and separate income stream proposals, indexing of personal tax rates. Many of us are aware that, by a very narrow margin, the Senate rejected last year a proposal which Senator DOLE and I offered to permit individual income tax brackets to be indexed to inflation. We are going to take another run at that later this year and I invite the support of every Senator for that idea, because it is clearly a matter of basic economic justice.

At the present time, individual income taxpayers are inflated into higher and higher tax brackets just through economic factors that they have no control over. In other words, inflation pushes us into higher brackets so the Government gets a bigger share of our income. We end up with less disposable, spendable, after-tax real income each year as a consequence.

The tax indexing idea simply says that we shall adjust the brackets automatically so nobody has to pay more tax solely because of inflation. We would accommodate, in the pending amendment, room for that kind of tax indexing.

That is what our proposal suggests in the way of tax treatment in 1981. I also want to make it clear that, in our proposal, in 1982, 1983, and the other out years, we are leaving an increased amount of room for other kinds of tax cuts.

Again, the final decision as to the shape and size of those tax cuts would be left to the full Senate after hearing the recommendations of the Finance Committee. But as one Senator, I want Senators to know that I personally favor the Kemp-Roth approach which my colleague from Delaware has pioneered, a reduction in personal income tax rates, a permanent and substantial reduction in the rates that individual income taxpayers pay. I believe that could be accommodated starting next year.

In addition, I personally favor a reduction, a permanent reduction, in the rate of corporate income tax. As a purely personal matter, I think it is time that we look seriously at exempting from corporate taxation that portion of business earnings which are paid out by corporations as dividends. These and other proposals would be accommodated in the out years by our amendment.

The tax cutting recommendations which Senator ROTH and I bring before you today follow closely the recommendations of the Joint Economic Committee and also the recommendations of the who's who of the economic profession. Among those who have advocated tax reductions of one kind or another are Prof. Walter Heller, former Chairman of the Council of Economic Advisers; Dr. Alan H. Meltzer, Maurice Falk professor of economics social science at Carnegie-Mellon; Dr. Irving Kristol, Henry Luce professor of urban values at New York University; Dr. Michael Evans, president of Evans Economics, Inc.; Prof. Martin Feldstein of Harvard University and president of National Bureau of Economic Research; Dr. Joseph J. Spengler, James B. Duke professor of economics and former president of the American Economic Association; Dr. Arthur Burns, former Chairman of the Federal Reserve Board and of the CEA and many, many more.

I have said on many occasions, and I repeat today, that there must be some prominent economists who do not favor a tax cut at this time. I do not happen to know of one. There may even be somewhere an economist who favors a tax increase of the kind recommended in this budget resolution. I do not know of a single responsible, let alone well-known, economist in the country who thinks that, under the present economic circumstance, a tax increase makes sense.

To me, the idea flies in the face of economic reality.

If there is such a person, let him come forward and state his case.

But, Members of the Senate, what Senator ROTH and I and our colleagues attempt to put before us today is a clear-cut choice. Everybody, or almost everybody, wants to balance the budget. We all, or at least a very large majority of the Senate, feel an increase in defense spending is clearly needed.

The only issue is, Are we going to balance the budget at $614 billion as recommended by the committee with the corresponding increase in tax, or at $597 billion, more or less, accommodating a tax reduction which is so obviously needed on the grounds of economic justice and so urgently required in order to get this country's economy on the move back up again?

I do not think I need to underscore for my colleagues the seriousness of the economic plight facing our country. I have put in the RECORD and, therefore, will not review at this time, a detailed discussion of the underlying economic trends.

The PRESIDING OFFICER. The Senator's 15 minutes have expired.

Mr. ARMSTRONG. Mr. President, I yield myself 5 additional minutes.

Mr. President, I pointed out in my remarks yesterday in the RECORD the underlying economic trends, including the tremendous runup in consumer prices, the 19.6 percent increase in the producer price index the first quarter of this year, that is at an annual rate of 19.6 percent, the declining housing starts, the growing number of financial institutions losing money, the shaky status of the dollar at home and abroad, stagnation of the stock market, and so forth.

I point them out now only to emphasize what we are really deciding today is not just the appropriate level of Federal spending in the year 1981, but, more importantly, the economic future of our country.

I truly believe that is exactly what is at stake.

Were it not for just one factor, I believe every Senator would vote for the budget alternative Senator ROTH and I have suggested, because I think every Senator would like tax cuts and wants a balanced budget. But there are some who will object that our budget proposal cuts too deeply into needed spending for social welfare programs. I want to clear up and dispel that myth right here and now.

In the first place, our proposal for spending $597 billion does not countenance an overall cut in Federal spending. But, indeed, about a 10 percent or $50 billion increase in fiscal 1981 over fiscal 1980.

We will hear that we are cutting, we are making drastic reductions, that there is slashing. We would expect the budget to be in ribbons after all that. But, in fact, the proposal we bring to the floor with 17 colleagues is for a substantial increase over last year.

We are only talking about restraining the rate of increase to a level to permit us to balance with a tax cut.

In short, this is not a drastic or far-fetched proposal, not an unthinking or an uncaring proposal, but a very carefully worked out series of budget amendments to restrain the growth of Federal spending.

Mr. President, the final point I make about the spending levels we have suggested is this, that, for the most part, the numbers which I have presented and which were accompanying the report of the Budget Committee in my remarks yesterday are not numbers of my own invention. They do not reflect a lot of basic policy decisions that my staff and I thought up or invented out in Colorado.

On the contrary, for the most part, our recommendations simply take into account the carefully worked out concepts of the General Accounting Office, the Senate Finance Committee, and the Department of HEW. These agencies have pointed out areas where savings can be made, where we can manage more efficiently and eliminate fraud, make program adjustments without taking things away from the needy.

The burden of our amendment is to accumulate these, to adopt, again for the most part, the cost estimates of such savings, put together by a task force of the Department of HEW, and then to apply them to the budget figures.

All in all, I think it is a very modest effort at restraint, but one which, in my opinion, is completely necessary.

Mr. President, with this word of introduction, I will yield back the remainder of my 20 minutes and reserve in entirety my time so I can yield it to others who might wish to speak.

Mr. ROTH addressed the Chair.

Mr. ARMSTRONG. I am pleased to yield 20 minutes to my colleague from Delaware.

Mr. ROTH. Mr. President, I thank my distinguished colleague and sponsor of this substitute amendment. I am very happy to join with him in providing for an alternative budget resolution which balances the budget, limits Federal spending to 21 percent of GNP, and will provide tax cuts for the working men and women of this country.

Under this alternative budget, Federal spending and revenue levels are set at $596.7 billion. Federal spending is reduced by $13.5 billion from current law and by $16.2 billion from the levels recommended by the Budget Committee.

More importantly, this alternative budget provides for a fiscal year tax cut of $19 billion, which is the equivalent of a $30 billion tax cut in calendar year 1981.

The Budget Committee has recommended a first budget resolution which sets spending and revenue levels at $612.9 billion and which sets aside $10.1 billion which may be used for a tax cut.

Supporters of this budget claim it responds to the American peoples' demands for spending restraint, tax relief, and a balanced budget.

But the American people are not fools, and the Budget Committee is being contemptuous of the American people by trying to pass this budget.

Inflation is raging out of control, taxes have reached the breaking point, and we are facing the greatest economic crisis since the 1930's.

But the Budget Committee continues its "business-as-usual" approach to the budget—increasing Federal spending and trying to balance the budget on the backs of the taxpayers.

Mr. President, we can no longer have business as usual. Inflation is soaring. Unemployment is increasing at the fastest rate in 30 years. Take-home pay is at its lowest level since 1964. Interest rates are at record levels and it is virtually impossible for the typical family to buy a home. Our savings rate has fallen to its lowest level in nearly three decades. Our productivity and investment rates are at dismally low levels.

Anxiety about the future, about inflation, about job security, income and taxes has never been higher.

For the first time in years, the American people are being told they face a future of downward mobility.

The American dream of owning a home, educating a child, achieving upward mobility, and having a decent retirement is being threatened by the nightmare of inflation, recession, and record taxes.

But rather than providing the significant spending and tax cuts needed to reverse our economic decline, the Budget Committee is recommending we adopt a budget with one of the highest spending levels in history and with the highest tax burden in the history of this country.

The Budget Committee claims its budget resolution restrains the growth of Federal spending between fiscal 1980 and fiscal 1981 to only 8.2 percent, less than the rate of inflation. This is another Budget Committee smokescreen.

Compared to the fiscal 1980 budget adopted last spring, this fiscal 1981 budget increases spending by $81 billion—a 15.2 percent increase.

The Budget Committee claims the spending growth is 8.2 percent by adjusting last year's spending level up to $566.4 billion.

The committee's recommended spending level represents a $119 billion jump in just 2 years—a 24 percent increase.

Over the last 5 years, spending has jumped over $246 billion—a 67 percent increase. And over the last 10 years, spending has increased $401.5 billion—a 190 percent increase.

Clearly, Federal spending is out of control, and the Budget Committee recommendation does little to control it.

But even though spending and inflation are out of control. Federal taxes are even more out of control.

According to the Budget Committee report, inflation will increase by 24 percent between fiscal years 1979 and 1981.

But over these same 2 years, total Federal taxes have increased 34 percent and individual income taxes have increased 30 percent.

In addition, under current law over the next 4 years total Federal taxes are projected to increase 75 percent and individual income taxes will increase 96 percent.

Compared to the fiscal 1980 budget resolution adopted last spring this budget increases total taxes by $114 billion—a whopping 22.4 percent increase.

The Budget Committee's $10 billion tax cut is not a tax cut at all, and to claim it is a tax cut is, in effect, being contemptuous of the working men and women of this country.

The American people are facing a real tax increase of at least $70 billion—$20 billion from inflation, $15 billion from social security, $18 billion from the windfall profit tax, $11 billion from the President's oil import fee, and $6.4 billion in other tax increases.

The Budget Committee is not reducing taxes. It is attempting to balance the budget by imposing on the American people the most massive tax increase in our Nation's history.

Under their recommended budget, Federal taxes as a percent of GNP will soar to the highest level in this Nation's history.

The economy cannot stand these enormous tax increases. Rather than balancing the budget, these massive tax increases will throw the economy into a recession, unleashing more Government spending and creating enormous budget deficits.

The heavy drag of Federal taxes on the American people is the largest single barrier to healthy noninflationary economic growth.

High tax rates are strangling economic growth, slowing down production, pushing up prices, and retarding saving and investments.

In short, the heavy tax burden is the primary cause of slow economic growth, inflation, and growing unemployment.

The Budget Committee is opposed to tax cuts because it is so worried about spending programs.

But instead of worrying so much about spending programs, Congress must begin to start worrying about the American working people and the American economy.

Unless we embark now on a long-term program of spending restraint and substantial tax cuts, we face a bleak future of high inflation, high unemployment, and declining standards of living.

Mr. President, the administration and the Budget Committee believe that the only way to stop inflation is to throw the economy into a recession, allowing millions of Americans to lose their jobs.

They want the American people to accept an austerity program of higher taxes and fewer jobs. But as the Joint Economic Committee report points out so well, the only way this austerity program can lower the inflation rate substantially is by maintaining unemployment at near depression levels over the next 10 years.

However the JEC report does point out that Federal spending restraint combined with tax cuts aimed at increasing savings, investments, and productivity can lower the inflation rate substantially over the decade.

This is the choice we face today. The Senate can either vote for more of the same—more spending and higher taxes—or the Senate can vote for an alternative budget which provides spending restraint and substantial tax cuts.

The alternative budget resolution we are offering provides for an aggregate outlay level of $596 billion. The Budget Committee will almost surely say that spending cannot be cut to this level without making drastic cuts in necessary programs. But, in fact, the same level could be reached by allowing the full amount proposed by the committee in defense and social security, and by reducing the other functions by approximately 5 percent. I am not suggesting that a 5-percent reduction will be painless. But a reduction in outlays that is equivalent to a 5 percent across-the-board reduction is certainly not going to bring the vital services of our Government to a grinding halt, as some would suggest. A reduction of 5 percent would clearly allow the critical needs of the Government to be met.

Mr. President, adoption of this amendment would limit Federal spending to 21 percent of the gross national product, and meet the goal of the resolution I introduced along with 45 other Members of the Senate.

As Senators know, a majority of the Senate voted to adopt a substitute amendment which called on the Budget Committee to report back a first budget resolution which provides for a balanced budget and which includes recommendations on how the Budget Committee believes spending would have to be cut to reach the 21 percent of GNP goal.

As expected, it concluded that Federal spending cannot be reduced without making "drastic" cuts. And as expected, the committee has continued to play a political con game with the American people.

Rather than making a serious attempt to reduce Federal spending, the Budget Committee has resorted to two of the oldest con games in the world—playing with their figures and the old "Washington Monument" syndrome.

During the debate on the Roth resolution it was well established that my amendment called for a spending limitation of $596 billion—approximately the same level proposed under this alternative budget resolution amendment. However, the Budget Committee continues to insist that my resolution calls for a spending level of $584 billion—a level which they say would require spending cuts so drastic that even the Washington Monument would have to be shut down.

Our $596 billion spending level was based on a 5-year average growth rate—a formula which was chosen in order to avoid the numbers games the Budget Committee is now playing.

When the Budget Committee calculates the impact of the Roth resolution, it bases it on a GNP which is $32 billion lower than the GNP it uses to calculate its own budget resolution.

This whole exercise by the Budget Committee rests on the notion that the only thing which contributes to economic growth is more Federal spending. What the Budget Committee is saying is that you cannot cut Federal spending as a percent of GNP because GNP falls when spending falls. It is the perfect argument for more spending, higher taxes, and bigger Government.

It is also an argument which has been totally discredited by most economists. Unfortunately, the Budget Committee refuses to even hold hearings on the problems associated with the faulty economic models it bases its decisions on.

Mr. President, I reject the Budget Committee's contention that the Roth resolution would require drastic spending cuts, and I reject the specific list of spending cuts they spell out.

The adoption of Armstrong-Roth amendment fulfills the goal of the Roth resolution, and I urge the Senate to adopt it.

Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. HOLLINGS. Mr. President, the Budget Committee has submitted the toughest and most stringent budget ever considered by this body.

It holds all programs, except defense, to a level of $13.1 billion below current law.

It calls for reconciliation instructions to nine Senate committees. Those instructions would impose a $9.6 billion in spending cuts.

But the real point is that the Budget Committee recommendation is actually 2 percent lower than the 1980 budget, which is the first time we have considered ever a budget recommendation that cuts below the existing real spending.

Even in the most important or most difficult to control programs, this budget holds the line. For defense, interest, veteran programs, unemployment, and the major health and indexed retirement entitlements, it calls for an increase of only 3 percent over 1980 and 8 percent over 1979 in real terms.

Surely, every Senator has already heard from constituents and interest groups who insist that this budget contains unacceptable restraints.

Yet, today now we are told in the Armstrong amendment it is not enough. We are told these deep cuts are really only "business as usual." The fact is that under the proposed amendment we could hardly do business at all.

Substantial cuts below the committee's recommendation would cause unacceptable damage to programs which are essential to those most in need.

They would also make it very difficult, if not impossible, to cushion the shock of the recession.

Everyone talks about a recession now. They are trying to justify the tax cut now and say that is what we really should have.

The distinguished Senator from Colorado was talking about economists. He said he did not know of a single economist who did not recommend a tax cut. One can find economists galore on any point any time. I will come and make a list of them.

I went to one little lunch just last week and they had some distinguished financiers, they had some distinguished economists. They had Otto Ecstein. They had Paul Volcher, who was I think Under Secretary of Treasury under President Nixon. They had Mr. Felix Roihatan, from New York, and Mr. Pete Peterson. They had a very balanced group of financiers and all.

Mr. Roihatan was talking about the cities. Another one would talk about another different sector, the capital investment sector, and what have you.

The one message I got out of that particular 2-hour session was do not to cut taxes now. Wait until you first pay off the bills.

We are trying to pay 1980's bill, the deficit of $37.5 billion, plus take care of the ordinary increases that no one has recommended to cut.

Where is that recommendation that has come forward on the veterans, the cost of living increase, on the 14.3 percent for social security? And we can run right down the line of those increases that no one has opposed.

We cut other government 16 percent after adjusting for inflation. But, otherwise, we still are going to spend some $46 billion more, and that is coming from a general increase in revenue not in a new tax program on individuals. Yes, there are more revenues from the windfall profit tax. The oil import fee affects individuals through a larger price on gasoline but that is set aside for a tax cut. But they all come in and act as if we never met, we never considered spending restraint and we just thought up $84 billion in new taxes to balance the budget.

The truth is that we do have higher personal income going up. Personal income of Americans in the United States just this month went up $15 billion.

This Senator's income did not go up. That Senator's income did not go up. But there are many in America with increases. We did not provide increases for ourselves.

But the truth of the matter is that with those increases we take care of that $47 billion. There is the $14.3 billion more in 1981 from the windfall profit tax but not any new tax programs.

Let me emphasize one more time with reference to social security, that in 1977, the majority of the Republicans and the majority of the Democrats said balance the social security budget, and called for a social security payroll tax increase. But it also called for a tax cut in 1978; it cut the tax on capital gains; it cut the income tax; it cut the corporate tax for small businesses to the tune of $21 billion lower revenues in fiscal year 1980.

So let us not condemn prosperity. We are not here as a Budget Committee trying to prevent people from making more. That is the name of the game. So let the capital free-enterprise system work its will. But let us not talk loosely like we got together on those new taxes and just came in and balanced the budget and nothing really occurred.

On the contrary, let us look and see. While we are trying to hold the line, not wanting this recession that we have and not wanting the inflation, we have been through both. We went around with WIN buttons in 1974. I have one. It is still in the desk. I never forget President Ford came to one of the towns in South Carolina—Anderson, S.C., He made a great speech there and he put a WIN button on me. All of my friends on that side of the aisle talk about the 4.8 percent inflation rate in 1976 but they do not talk about two other things. One is 8.5 percent unemployment. They are all running around like Chicken Little, "The sky is falling." We never have gotten back to the Ford rate of unemployment nor have we gotten back to the Ford rate of deficit spending, 66 billion bucks.

So while we had those WIN buttons we went right over the precipice into the deepest recession possible. How do you gear it? How do you gage? it How do you control it? How do you temper it? We had this bitter experience.

We are all trying to keep from going into that kind of activity one more time. But let us see what the amendment of the Senator from Colorado would really do.

It would cause 197,000 CETA workers to lose their jobs by October 1980, just as the economy will be suffering through the worst of the recession.

(Mr. BAUCUS assumed the chair.)

Mr. HOLLINGS. In the fact of that recession the amendment would provide zero countercyclical employment assistance. One of the first exchanges we had yesterday was on the matter of funding for trade adjustment assistance. What else did the committee do? The committee said, "All right, starting with the beginning of this year, 1980, phase out the CETA countercyclical job program." Not the program for the hardcore unemployed, the ones who are least trainable; I think both sides of the aisle, the conservatives on both sides of the aisle, support that particular program, but not the one where the waste and fraud and misapplication have occurred. We said, "Start at 200,000 and cut that back by the end of this year to 140,000 and phase it out by the end of 1981." So we see that. But we go about it not in a precipitate fashion over the cliff. Do not say that the Budget Committee did not see the wisdom in cutting back this program. The distinguished Members saw it, and I saw it, and we were trying to cut it back in a deliberate fashion. We cut it out totally by the end of next year, and we think that is the judicious way to proceed.

The amendment would cut the summer youth program in half. With unemployment of poor minority youth at a level higher than 40 percent, that cut would come at the worst possible time. We refused a new initiative of President Carter's on youth employment. One of the rules when you are trying to balance budgets and you do not have money to print—we learned this at the State level, as Governor Bellmon learned—is you cut out any new program that you got by without last year and the year before. It is easy to fix yourself in that metal mold, adopt that mentality, just do not have any new programs. They all have an appeal to them and everything else, so we had to hold back on President Carter's program. So while we deferred spending for the President's youth unemployment program, we also reduced the summer youth program. This amendment, however, would cut that program right in half.

The amendment would provide no inflation increases in this title II for structural unemployment and training programs, programs designed to employ the least employable.

It would reduce title XX grants to States for social services by bringing the ceiling down to the level first established in 1972, $2.5 billion.

Now, since that ceiling was imposed, Mr. President, in 1972, inflation has increased costs by more than 100 percent in that particular program. This amendment would reject the conference report on H.R. 3434, the Adoption Assistance and Child Welfare Act of 1980. That conference report accepted the Senate-passed level of $2.7 billion in 1980 and the level of $2.9 billion in 1981. The President and the House asked for more, but we held the line there.

The Budget Committee recommendation already assumes savings of $1.6 billion in the medicare and medicaid programs. The committee made a similar recommendation last year, but, to date, the Finance Committee has reported cuts totaling less than one-third that amount, and none of that legislation has yet been enacted. We have got to be realistic. I am very much interested, and I am going to watch more closely now those from the Finance Committee, who have done nothing about cutting medicare and medicaid, but come now as Senators and want to cut those programs in the budget. They want to say it is waste in government.

Let me summarize by saying that based on last year's experience, it is highly unlikely that cuts in medicare and medicaid larger than those assumed by the committee can be enacted this year.

The proposed amendment would also undermine employment of the elderly by requiring employers to pay for health insurance for employees over 65. The impact on jobs for the aged is obvious.

The amendment assumes no hospital cost containment legislation.

It would severely restrict the provision of health care to the poor and the elderly by capping the Federal contribution to the medicaid program. Already some 10 million poor people are not covered by the program. This amendment would force the States to restrict benefits even further. But, we have another amendment coming up to increase the States' share of revenue sharing.

Our distinguished friend from Kansas will propose an amendment, and that will be duly considered.

The amendment would cut the recommended food stamp program level by 61 percent. Mr. President, it is time we bring this thing into focus. Washington lobbyists grab a piece of information and race in the wrong direction—they are criticizing one of the most valid, well-conceived programs that we had during the sixties. I worked in the field on this particular program, and I know it is deserving, and I also know that there has got to be a limit to this program.

Do we really believe in the United States today in this Congress that those who are making $13,000 a year—namely, a family of four—should get food stamps paid for by the taxes of the middle class.

I do not believe so. These are not the hungry poor.

I have a son who worked as a manager—he just stopped that now and is back into law school—but he was a branch manager of a bank of substantial size in the town.

He was making $11,800 a year, and he was married. I can tell you here and now that I had not realized that a family of four earning up to $13,000 can get food stamps. I just do not believe in that, and I do not believe the membership believes in it, and I do not believe the people in our Nation believe in that. The Budget Committee has provided a 40-percent increase in food stamps.

If I came to the floor, Senator, with a 40-percent increase in defense, you would be jumping all over this Chamber trying to catch me in a net and you would have said I had gone totally crazy. [Laughter.]

I can give you a 40-percent justification. The Soviet Union has outspent us in the last 10 years by $240 billion. We are not asking for that; we are only asking for 5.7 percent. But the Budget Committee recommendation was 40 percent for food stamps, because it is hard to cut them off without causing damage to the hungry poor. But, we said by next year, because you cannot change that law, you have got to change—for this fiscal year 1981, you have to save $1.4 billion.

Let us get the students off this program. I am tired of hearing about food stamps and the hungry poor, when some nonneedy people are receiving food stamps.

The Budget Committee recommendation that once you get one lunch at school, Senator from New Mexico, do not pay for two lunches by also providing food stamps for a lunch.

So we are going to cut out the duplication. And when we give people energy assistance, count these benefits for food stamps too. We thought we had controlled food stamp costs in 1977. President Carter knows this need. He comes from a similar section to mine, Plains, Ga. So we put a cap of $6.2 billion, and the food stamp program will cost $9.2 billion this year, and it goes to $10.8 billion next year.

We have included $2.4 billion for food stamps for 1981, and they are planning on next Thursday a week, May 15, to announce a cutoff of food stamps if the increase is not provided. Everybody is running around talking about stabbing the poor. But they do not say we did not consider cuts in trying to bring the program back in line. That is the place to correct the program, in the legislative process.

The amendment would cut $5 billion out of food stamps.

That might make sense if you try to jumble your facts and figures; namely, if you try to forget the idea that there has already recommended cutting out college students, duplication, and other people who do not belong in the program.

And you get back to the misfortune of former Secretary Califano. He put in the newspaper one day that there was 8 billion dollars' worth of fraud in HEW. Somebody runs up to the Budget Committee and says: "All right. Let's cut HEW $8 billion. Let them find it."

The Secretary said: "Wouldn't it be nice if we could legislate that way?" You have to fathom these things, have hearings, change laws in a responsible way. But you cannot cut food stamps 50 percent. That is what the amendment calls for.

I believe food stamps ought to be cut. I do not believe in taxing middle America to send food stamps to people making $13,000 a year.

Mr. President, the proposed amendment is unrealistic, not only because it would inflict untenable punishment, but also because it calls for many actions that simply are not practically "do-able."

The proposal implies no spending at all for Amtrak. And if abrupt termination of Amtrak services were to come about, any savings would be immediately offset by at least $200 million in additional unemployment payments and other labor protection costs.

In any case, Mr. President, everyone here knows that Congress is not about to eliminate Amtrak. Just last year, Congress refused to approve the President's request for a 30-percent reduction in the Amtrak route system. What are the prospects for total elimination of that system?

To cite another example, the proposed amendment calls for additional reductions in General Government costs. Ten percent across the board.

We took 5 percent. This is an additional 5 percent. Administratively we are still trying to see how it can work through. But in one budget, the 050, the defense budget, this is a billion dollar cut. And that is what this calls for, a billion dollar administrative-cost cut in the Pentagon. But this amendment calls for $2 billion.

The committee has recommended a 5-percent cut in Government operations. I do not think they are going along with 10 percent all the way across-the-board in that particular fashion.

We are all eager to cut Federal spending to the minimum levels that are required to operate our Government at an efficient level.

Mr. President, we should not play games. The committee has already recommended stringent cuts that are practical and workable. Congress really, practically speaking—well, let us say, rather than cannot, that I believe they will just not go further. And let us not pretend that they will.

On another level, let us look as hard as we can at the proposed amendment, and let us see whether we find any kind of cure for the Nation's immediate economic ills.

Credit markets will not suddenly provide new stimulus for the economy through the housing sector. The Federal deficit is the same under the proposed amendment of the Senator from Colorado as under the committee recommendation—namely, zero.

Surely, business after-tax earnings will be raised by the proposed tax cut. But the whole idea is to increase investment. That, in turn, will mean more credit market demands. If savings were to increase by the total amount of the tax cut, this would increase funds available in credit markets by only 5 percent.

Even allowing for the expectation of future reductions in inflation, interest rates would be very unlikely to fall far enough to give the economy much of a boost.

Moreover, Mr. President, this amendment actually risks unbalancing the budget in future years unless still further drastic spending cuts are assumed.

The proposed $19.9 billion tax cut is only the beginning. Under the amendment's projected impact, tax cuts would mushroom to the $47 billion level in fiscal year 1982. That would unbalance the budget unless more than $40 billion were cut from the committee's budget for that year.

The authors of this amendment may very well be inclined to make those kinds of cuts. But no Senator should vote with them unless he is ready to do likewise.

Now the budget resolution we have reported assumes tax cuts of more than $200 billion.

Over the coming 5-year planning period, half of the recommended tax cuts would support new investment. A total of $122 billion would be devoted to that purpose.

But there is no responsible "quick fix." As we phase in more spending restraint, we will also phase in investment tax incentives.

I hope that our colleagues will make up their minds about this amendment in terms of its practical, real world effects instead of in terms of its attractive potential just for press releases.

The headlines say another $19 billion tax cut and everyone that did not have the responsibility, did not have the awareness and everything else, says: "That's it. That's the way to show them. Go after them."

Like the 2 percenters that came in with the badges on. The 2 percenters with the little badge on said, "Oh, no, we don't want to cut defense. No, not social security. No, not veterans." We made out a list right quick.

But they had already been given by their Washington representatives a little badge to put on and a posture to take. And we have to be more deliberate and realistic now as we come to actually voting.

It is easy to vote for such a proposal and run home with the self-congratulatory rheoric about how tough one is on spending and how eager one is to implement tax cuts.

But it will be very difficult to explain why unrealistic legislation cannot be enacted—why vitally important programs cannot be continued at minimum levels—why the economy will not even benefit from such draconian sacrifices.

I hope that the Senate will reject the amendment.

I reserve the remainder of my time.

I yield to my distinguished colleagues.

The PRESIDING OFFICER. Who yields time?

Mr. ARMSTRONG. Mr. President, may I inquire how much time I have remaining?

The PRESIDING OFFICER. The Senator has 26 minutes and 18 seconds remaining.

Mr. ARMSTRONG. Mr. President, I yield myself 5 minutes.

Mr. President, I congratulate our colleague, Senator HOLLINGS, on a very skillful presentation. It comes as no surprise to any Senator, and I am sure not to the gallery nor to the press, that he is one of the most eloquent Members of this body. Indeed, he is one of the most eloquent and persuasive speakers in our Nation today.

Unfortunately, he is working with a basic case which simply is not plausible. And it pains me, truly, to see a talent such as his devoted to such a questionable cause as trying to portray the pending amendment in terms which he has sought to do, to describe it, as he has, in terms of mock horror, as draconian sacrifices.

Now, I note with interest that my friend, the chairman of the committee, has admitted that he once wore a WIN button. I will confess to my colleagues here in the Senate that I never did wear that button, because I thought that was a preposterous approach to the Nation's economic problems at that time, just as I think the recommendation which has come to us from the Senate Budget Committee is preposterous today.

The WIN button was essentially a cosmetic, superficial approach to a terribly serious problem, and this budget is exactly the same thing. It is more spending injected into an economy which is almost sick to death from too much Federal spending. It is more taxes piled on an economy that is already staggering under an incredible burden of taxation which has seen the taxes on the typical American family triple in the last 10 years.

Our colleague (Mr. HOLLINGS) has decried the abuses of the food stamp program and properly so, and yet he has expressed horror that BILL ROTH and some of the rest of us are seeking to have a 61-percent cut in the food stamp program. It is too deep a cut, he would have us believe.

I would first point out that it is not a 61-percent cut but approximately a one-third cut, and it is a one-third cut in a program which since 1965 has increased by 24,400 percent.

Let me state that again: Not 2,400 percent but 24,000 percent. So if we take the one-third cut that BILL ROTH and I think is justified by eliminating some of the well-documented, well-defined abuses in this program—we are not talking about taking anything from the deserving poor, we are talking about getting the sons and daughters of the Bunker Hunts, whom the chairman mentioned, off the rolls, the people who do not deserve to have support at taxpayers' expense—if you take those savings which have been identified by the General Accounting Office and other responsible officials and accept therefore the one-third cut we are talking about, then after making the cut you have a program which has still increased 15,000 percent since 1965.

We are told that it would be a great mistake to cap the medicaid program. Before the Senator from Oklahoma leaves the floor, let me point out that my proposal does recommend a 10-percent cap on medicaid. That is, not to increase in any State more than 10 percent from the prior year. I am not going to explain why that is a good idea since it was his recommendation and when his time comes to speak I would hope he would explain to the Senator from South Carolina why that is a well-justified cut.

The chairman has pointed out that our proposal phases out CETA at the end of the year and that is unwise. Yet the term he used to describe phasing it out at the end of next year is "judicious."

The CETA program is one of the most flagrantly, extravagantly abusive programs in the long, miserable history of Federal excesses. That is not just my opinion; that is the opinion, I believe, of every impartial observer who has looked at this program. That is exactly the reason why the committee has chosen to phase it out at the end of the next fiscal year, because it is full of fraud, waste, scandal.

It is a program which has been criticized more often by the General Accounting Office than any program we have had come down the pike. You know a program is pretty bad when a Senate committee will actually recommend that it be terminated, and properly so. It should be terminated. It was poorly targeted to begin with. It long ago lived out its initially stated objectives. It has been riddled with fraud and abuse.

In 1978 a Brookings study indicated that as many as 50 percent of the public service jobs may be substitutions in one form or another.

A Department of Labor internal audit in April of 1978 found that 11.25 percent of the public service participants were either ineligible for employment in the program or of undetermined eligibility.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. ARMSTRONG. I yield myself 5 additional minutes.

The markup materials themselves, the staff writeup, indicate:

> It is debatable whether the title VI PSE program serves as an effective countercyclical tool. Buildups in enrollment generally lag behind economic downturns, and enrollment reductions generally lag behind economic recovery. Further, the extent to which State and local governments substitute CETA jobs in place of their regular workforce tends to dilute the countercyclical nature of the program.

I would point out that in some areas as much as 50 percent of the program has been that kind of substitution, literally firing people out the back door of the courthouse and hiring them at the front door of the courthouse. That is why the committee has recommended phasing this program out.

The difference in CETA between what Bill Roth and I and others are recommending and the committee is recommending is that we are saying this program is a turkey and it ought to be phased out now and not a year from now. That is the big difference.

My colleague also pointed out an area which is of special concern to me. That is the question of whether or not we can absorb a 10-percent cut in the overhead cost of the Pentagon. I believe that the Senator misspoke himself. As the materials which I have previously inserted in the Record make clear, the administrative cut which I have recommended in the Pentagon is 5 percent, not 10 percent. It is precisely the same amount as has been recommended by the committee itself.

Now let me get to the heart of the difference in opinion between what Bill Roth and I are trying to do and what the Budget Committee is doing. It goes to a basic question of what the Senate is all about. Are we mere bookkeepers adding up the projected cost of existing law, or are we policymakers? I think we better be policymakers. I think the budget function is a lot more than to take whatever is on the books and say whatever cost is entailed thereby we will pay.

This recommendation calls for some policy decisions. It calls upon the Finance Committee, the Agriculture Committee, and other committees to amend the law. That is what we are here for. We are lawmakers. That is our burden. That is our job. This is a time in our Nation's economic history when some decisions need to be made. That is our choice.

Mr. President, the choice is very clear. Both budgets increase national defense and by the same amount. Both proposals call for a balanced budget. One of them calls for balancing the budget by increasing taxes; the other permits through spending restraint, not cuts but just a restraint in the increase, a balanced budget that will accommodate a tax cut. I hope my colleagues will support the tax-cutting approach to this problem. I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. ARMSTRONG. I yield 5 minutes to my colleague from Minnesota (Mr. Durenberger).

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. DURENBERGER. Mr. President, I thank the Senator from Colorado for yielding me time.

Mr. President, the amendment offered by my colleagues from Delaware and Colorado focuses on the real issue at stake in this year's budget debate.

The issue is not whether we should have a balanced or unbalanced budget. The need for a balanced budget is universally conceded. Both parties have endorsed it, and I doubt that a single Member of this body would argue for continued deficits.

The real issue is how to go about achieving a balanced budget. And the amendment we offer this afternoon rejects the thesis that the budget should be balanced with increased taxes and higher levels of spending.

Because the Federal income tax is indexed, it provides the Federal Government with an annual tax windfall. In the next fiscal year, Federal tax revenues will be nearly $100 billion higher than they were 1 year ago. In fact, total Federal revenues in fiscal year 1981 will be more than double the tax revenue received by the Federal Government just 4 years ago.

For years, a succession of Congresses and administrations have taken this "inflation dividend" and used it to fuel a continuing increase in Federal outlays. The result has been a vicious cycle of higher taxes, higher spending, and bigger Government. And the American public has paid for this cycle with inflation, high interest rates and reduced economic growth.

Despite its sincere effort to curb the growth of Federal spending, the Budget Committee has produced a recommendation that would perpetuate this trend. The committee has endorsed a budget balanced with $96 billion in new tax revenues, and spending levels over $65 billion higher than those approved a year ago. If we adopt that proposal, this Congress will be following in the footsteps of its predecessors by retaining the inflation dividend, and using it to finance the growth of Government.

The amendment we offer this afternoon adopts a different set of priorities. It reduces total spending from $612.9 billion to $596.7 billion—a significant reduction, but certainly an achievable one. By doing so, it permits a portion of that inflationary dividend to be returned to the American people where it can be saved, invested, or used as a buffer against inflation.

By fixing revenues at $596.7 billion, this amendment would leave room for significant reforms in both the tax and budgetary processes. Its recommended revenue level would permit the Senate to enact legislation indexing inflation out of the Federal income tax. In the alternative, it would permit adoption of the 10–5–3 bill, and other tax reform measures that could significantly impact on the Nation's declining productivity. It would also permit Congress to phase in legislation limiting Federal spending to a fixed percentage of the gross national product. These are the types of fundamental reforms that must accompany a balanced budget if we are to seriously affect the economic decline that has afflicted this country in the past 4 years.

A public opinion survey released in early April revealed that over two-thirds of the public supported tax indexing. In addition, a clear majority called for a budget balanced through reduced spending rather than higher taxes. The majority has not been silent on either of these issues. Adoption of the Roth-Armstrong amendment would be a clear indication to the American people that the Congress is listening, and that we have the will to respond. I am sure that many of us would differ on how the spending reductions required by this amendment should be assigned within each function. There are several areas where the priorities suggested in Senator Armstrong's statement differ from my own.

For example, I take issue with him on his condemnation of CETA. Obviously, he can find fault with it. The GAO can find fault with it, as they can with many of these programs that are created by the fact there is no discipline in this body. But there are good examples to be found in this program, as there are in others. Without the discipline of a limitation on our spending, we shall never get to the good and shall always be stuck with the bad.

Whether CETA is good or bad, the essential benefit of this amendment is that it will force Congress to resolve those priorities. It is the kind of incentive we must provide if Congress is ever to regain control of the budgetary process, and it is a privilege to join with my distinguished colleagues from Delaware and Colorado in sponsoring this amendment. It embodies the essential elements of my own 21/31 solution and I urge every Senator to support it.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. HOLLINGS. Mr. President, I yield to the distinguished Senator from Arkansas 5 minutes.

The PRESIDING OFFICER. The Senator from Arkansas is recognized.

Mr. BUMPERS. Mr. President, I want to make a few observations about the Armstrong amendment.

The point made by the Senator from Colorado that we are really not dealing with a balanced budget in accordance with revenues that we could normally expect for 1981. This is precisely correct. If I understand the budget figures correctly, the revenues of 1981 from our normal, individual income tax and from corporate sources would be $588 billion. I am not sure where the Senator from

Colorado got the other $8 billion to arrive at $596 billion, but I do not know that it is really relevant. If we did not have an oil import fee that would produce a little over $10 billion and if we did not have the wind fall profits tax, about $18 billion of which is included in this budget and its projected revenues, we would need to cut spending by $18 billion in order to get make spending equal revenues.

The figures as I understand them are: By existing revenue sources, the committee assumed that, with an unemployment rate in 1981 of 7.4 percent, revenues would be $588 million. For every one-tenth of 1 percent that unemployment exceeds the 7.4 percent, take off $2 billion, $20 billion for each 1 percent increase in unemployment that the Treasury Department loses.

So, first, we have the $588 billion. When the windfall profit tax revenues of $18 billion are added, total revenues increase to $606 billion. Finally, through additional administrative and legislative action, another $6 billion in revenue is generated.

What are those legislative and administrative actions? Is it assumed that Congress is going to pass a withholding tax on interest and dividends? If that is the case, you can forget it. Congress is not going to pass any type of legislation imposing withholding taxes on interest and dividends.

That is going to leave us $6 billion short. Where are we going to get the $6 billion shortfall? Well, they say, we are setting aside that import fee of $10 billion. We are going to use that for a tax cut.

We are not going to use that for a tax cut if we are planning on Congress passing a bill to impose a withholding tax on dividends and interest.

In short, Mr. President, we are not balancing the budget at all. This whole process is deceptive, as I see it.

I am not being critical of the committee; I just feel it is good to debate these matters. My inclination is to vote for the Armstrong amendment, except for one thing. I want to remind my colleagues of something we have a tendency to overlook: Last year, at this same time, when we were passing the first concurrent resolution, we thought we were giving the Department of Defense $136.6 billion in budget authority. There was a hue and cry then that it was too much. However, we thought it was enough.

Then last fall, in the second concurrent budget resolution, we upped that to $141.2 billion. Now, we are increasing that to $143.7 billion. So we are over $7 billion higher now than where we thought we would be last year when we passed the first concurrent budget resolution. In fiscal year 1981 we are giving the Department of Defense $173.4 billion in budget authority.

I want everybody to bear one thing in mind, that from last year at this time, when we thought we were giving the Department of Defense what they need, until right now, when we think we are giving them what they need, we are increasing budget authority by $36.8 billion. You can talk about outlays all you want to. What we are saying is that next year and the following year, in the out years, we are increasing their authority by $36.8 billion from where we were last year.

The PRESIDING OFFICER. The Senator's 5 minutes have expired.

Mr. HOLLINGS. I yield 1 more minute.

Mr. BUMPERS. Mr. President, I hear these people say, I am for a $25 billion or $30 billion tax cut, I am for $30 billion more for defense, and I am for a balanced budget. I want to go on record right now, Mr. President, as saying, I am for all those things, too, every one of them. But I am also for being responsible and thoughtful and honest with my constituents back home, and I am not going to worry about the results of a poll.

I am going to be as thoughtful and sensible as I can be and if the Senator from Colorado would like to amend his amendment and say, as he has said honestly, that we can only anticipate $588 billion this fall—not $612 billion—without using taxes that we are imposing on the American people through a windfall profit tax or the import fee, he gets my vote. I want everybody to share in that cut.

The PRESIDING OFFICER. The Senator has used 1 minute.

Mr. HOLLINGS. I yield 1 more.

Mr. BUMPERS. I never thought the Senator from Colorado and I would get this close together. Out of the $612 billion budget, everybody here knows there is about $250 billion that is uncontrollable maybe more than $300 billion. Programs such as social security, civil service retirement, interest on the debt are uncontrollable. We do not have any choice. The law says we have to give these people a built-in increase on whatever the cost of living is. So we have to do it.

It leaves us with, counting the defense budget, about $350 billion to find all these big cuts.

Everybody says the defense budget of $155 billion is sacred, take that out. That leaves us about $130 billion to find all these cuts in. Everybody says they can take it.

What we are doing is increasing spending everywhere by less than 5 percent, except in those cost-of-living increases and the defense budget.

I think everybody ought to share in the budget cuts.

Finally, Mr. President, one of these days the people of this country will realize we have not been as truthful as we ought to have been in telling them that the strength of this country is often more found in the strength of our economy, our confidence, and our productivity, than it is in how much money we throw to defense.

I am for a strong national defense, but I am for a cost effective defense.

When we spend $173 billion for defense, what do we get for it? That is the legitimate question.

Mr. DOMENICI. Will the Senator yield?

Mr. BUMPERS. I do not have the floor.

Mr. HOLLINGS. Go ahead.

Mr. DOMENICI. Will the Senator yield me 2 minutes to ask him a question?

Mr. HOLLINGS. Yes.

Mr. DOMENICI. Will the Senator from Arkansas tell me what he is for?

I have been listening. The Senator is for a strong defense, thinks we have overestimated the tax revenues

Is the Senator for cutting $16 billion more out of this budget than provided for by the Budget Committee? That is what the Armstrong amendment does. Is the Senator for that?

Mr. BUMPERS. If we go straight across the board, defense and everything, I will support this amendment.

Mr. DOMENICI. What about taxation? The Senator wants to reduce the assumed levels of taxation to what level for 1981?

Mr. BUMPERS. I would take the windfall profit tax, earmark it for development of alternative energy sources, or give it back to the people who pay it.

Mr. DOMENICI. I ask the Senator——

Mr. BUMPERS. And I do not mean the oil companies, either.

Mr. DOMENICI. If the Senator is proposing a budget resolution, and this does not say it, how would the Senator propose to do that?

Mr. BUMPERS. Will the Senator repeat the question?

Mr. DOMENICI. If the Senator is preparing a budget resolution and the tax law that created the windfall profit does not say what the Senator wants it to say, how would the Senator accomplish it in a budget resolution?

Mr. BUMPERS. By budgeting $588 billion, which is all the revenues we will receive this year, based on the 7.4 percent unemployment rate, and the other assumptions in the budget. The difference between $588 and $612 billion, is coming out of the windfall profit tax and something called legislative and administrative actions.

Mr. DOMENICI. Did the Senator vote for it, for the windfall profit tax?

Mr. BUMPERS. Yes. I voted for it, very reluctantly.

Mr. DOMENICI. Well, it did not provide any of those things the Senator speaks of in it. Consequently, it says we could not give it back to anyone in terms of energy production and cannot use it to develop energy or synthetic fuels.

Mr. BUMPERS. I am saying that the Budget Committee had no right to use it in order to tell the American people to balance the budget.

Mr. DOMENICI. I will ask one last question to understand what the Senator is for.

The PRESIDING OFFICER. The Senator's 2 minutes have expired.

Mr. HOLLINGS. One more.

Mr. DOMENICI. The Armstrong resolution says we should put our spending estimate at $596.5 billion——

Mr. BUMPERS. $596 billion, and I would like the Senator to tell me on the difference between these $588 billion in projected revenues and the revenue totals in the Armstrong amendment?

Mr. DOMENICI. I will ask one more question. The Armstrong amendment cuts $16 billion in addition to what the Budget Committee recommended by way of its cuts.

To get to the Senator's $588 billion,

which is what I understand the Senator wants, he wants $8 billion more cut, if I understand it. That is 16 plus 8. So the Senator wants to cut $24 billion more.

Would the Senator like to cut that across the board?

Mr. BUMPERS. Absolutely.

Mr. DOMENICI. All right. So the Senator's proposal to the Senate is $24 billion less than the Budget Committee recommended and everybody take a percent. Is that what Senator BUMPERS is for?

Mr. BUMPERS. If we balance the budget, that is what we have.

Mr. DOMENICI. I thank the Senator.

Mr. HOLLINGS. Mr. President, before I yield to our distinguished colleague from California, I would like to correct a statement I made with respect to the defense function of the Armstrong amendment. I was mistaken. The cut did not apply to administrative costs. I think I stated it did, but it does not.

We must consider the general feeling with respect to the budget, its processes, truthfulness with the American people, deception, and the programs themselves.

The Senator from Colorado is recommending a certain step to be taken on CETA.

The Congress is looking in that particular direction, and the resolution reported by the Budget Committee reflects that concern.

So there is no disagreement on the question of cutting this program back. The only disagreement is on the timing.

I hope that those who are covering this debate understand that in a sense it is not so much whether we are for or against a proposal, but rather the timing of it and the particular effects it will have.

We have to phase these things out gradually. We do not want a draconian sacrifice.

This approach is far from being deceptive. The Senator from Arkansas made some statements concerning the withholding tax on interest and dividends.

It so happens that this particular Senator, along with the Senator from Texas (Mr. BENTSEN), sponsored a tax deduction on the amount saved either from interest or earned from dividends up to $1,000. A compromise made in the present law is a $400 level. When we looked at the revenue picture, we discussed this in the Budget Committee.

The Budget Committee of course does not itemize. We do not tell the authorizing committees what is in a particular category.

But we do tell the Senate what items we considered, to indicate that they were deliberated, and that we arrived at a particular figure in this way.

The proposal for withholding on interest and dividends is not a committee recommendation or a committee assumption.

The motion was made in the markup that it be included, and it was defeated. So we need only refer to the committee record.

Consider last year's budget for defense and other programs. We tried to present a studied, balanced approach, a balance among priorities as well as on the overall budget. But even the best budget-makers could not have foreseen several major unexpected demands for increases.

We thought we had provided all that we needed, but could not have predicted those events.

How many billions of dollars is that, the major increases already in 1980, without anything else? Twenty billion—$19.6 billion in outlays.

The distinguished Senator says that we ought not to use the windfall profit tax. The Senator from Colorado did not vote for it. Neither did I. The Senator from Arkansas did and he wants to give it back to the people who pay it.

How can we do that? The best way I know is to reduce the national debt.

We must balance the budget. We must pay back 1980's debt of $37.4 billion.

Why should we not be able to use the windfall tax? It will be a trillion dollar windfall over a 10-year period. We will get $227 billion back. The oil companies will keep the rest.

In fact, I wanted to get back much more than that. The best way I know to return it to the people is to pay off this debt.

I think the people of America are finally getting the message. The interest rate is going down because they think we are serious. We are not deceiving them. The fact is that interest went up $7.4 billion, so we have to pay it back.

We are still in debt in fiscal year 1980. The $19.6 billion—almost $20 billion—is not paid. But we will pay the bill in fiscal year 1981. We will stop borrowing. We will no longer be first in line at the credit bar. What we need is U.S. Government credit control. That is all we are trying to impose.

Mr. DOMENICI. Mr. President, will the Senator yield?

Mr. HOLLINGS. I yield.

Mr. DOMENICI. I need 1 minute to follow up for the record because I have such great respect for my friend from Arkansas and because an across-the-board cut in this budget might sound like something very good to people listening here today and to Senators who might be contemplating offering changes.

My quick arithmetic indicates that the across-the-board cut he would recommend would result in taking $6.5 billion away from social security recipients in America. That is one way. That is a full 4 percent of the cost of living that we provided for in this bill. Perhaps that is the way to do it, instead of some selective approach to looking at each function.

I am sure there are those who will say, "But not the senior citizens." I am saying that an across-the-board cut of the type discussed a minute ago, the staff tells me, is $6.5 billion out of social security. We just gave them a CPI adjustment, a cost-of-living adjustment, of about 14 percent. We turned that $6.5 billion into a percent, and the Senator would take 4 percent off their cost of living.

As I see it, we have to take a little at a time as we move through this budget. The Budget Committee has addressed those programs in need of cuts. We still have 9.2 billion dollars' worth of reconciliation in this approach, meaning that our appropriators—our Finance Committees and our authorizing committees—have to change over $9 billion or it will not even come out at the figure we recommend.

I submit that neither the House nor the Senate would cut $6.5 billion out of social security in order to arrive at a balanced budget. I think what we did is far more practical.

There are those who think you can pick and choose. But when it gets right down to the hard fact of cutting, I am reminded of what Senator LONG used to say about taxation: "Don't tax me; tax the fellow behind the tree." Now we are in budget cutting, and what we get is: "Don't cut me; cut the fellow behind the tree."

But we cannot do that. We have to cut.

I greatly respect and admire the Senator from Arkansas. I know of his genuine concern. I do not believe that an across-the-board cut of the type recommended for this entire budget would be the right way to do it. I believe it would be a cop-out; and I believe that for money functions, we would never get it done. I picked one where I know it would not happen. If that were a mirror, it would be just as much a mirror as any. We would not take a full 4 percent out of the paychecks of our senior citizens on social security.

Mr. HOLLINGS. Mr. President, I will yield in a moment to the Senator from Arkansas so that he can complete his colloquy with the Senator from New Mexico.

I plead with my colleagues, when they say we should be truthful with the American people. We may make mistakes. But there is no intentional trickery or deception or untruth.

If you asked 100 Senators: When you adopted the second budget resolution on November 28, you had a particular spending level. Did you hold it at that level? How much has it gone up? How would we answer? Like it or not, spending has gone up $20 billion.

It is not that we have been untruthful. We just have been uneducated. I think one of the greatest benefits of being on the Budget Committee is the opportunity it provides to learn about the Federal budget. I am giving it a lot more attention than I ever thought I would. The American people should be educated about this process, and we should let them see the facts as they are.

Last September, a majority of the Senate thought that we needed a 5-percent real increase in defense. What the second budget resolution ultimately provided was a compromise figure, but what the Senate said we needed was 5 percent growth, and this calls for $5.7 billion. Since that vote in September, we have had Afghanistan and Iran.

Let us not give weight and credence to what I hear early every morning. I turn on "Watch on Waste." If you get up at 6:15 and listen to the radio, you want to go out and grab some Senator or Congressman and wring his neck.

Yesterday morning, I believe, the subject was people in the penitentiary who are disabled and are receiving millions of dollars in disability benefits. Why? Because they are incarcerated. So they filled out forms and said they were disabled. I do not know how many millions of dollars. I will have to look into that. There may not be any truth in it, but it made me feel as though the Government had gone berserk, sending disability benefits to people in the penitentiaries because we, as a governmental decision, incarcerated them.

This morning, they talked about the CONGRESSIONAL RECORD. He said:

> You know, they print the RECORD. It is a good thing they do. They are never around.

So if we have a printed RECORD, we can always float back into town and find out what is going on. Then they put it in an imitation leatherbound volume and give it to the Members.

Of course, we have to keep the RECORD. The Constitution requires us to keep it. These are the tools of the legislative branch. But even with this you get criticism.

I hope Members do not join in the rush to criticize, and say, that we are deceiving everybody and are untruthful. We may be inaccurate, and we may be uneducated, but we are learning fast.

You never know how you look until you have your picture made. The Budget Committee report is on target. It was written on both sides of the aisle, on both sides of the philosophy, and was done after many hearings and much deliberation. We came right down the middle and we are on course.

Timing is important. We are not saying that we are against tax cuts. We said, on the contrary, that we think a tax cut could well be in order. And we are reserving $10 billion from the oil import fee to get it back to the people who were paying it, as the Senator from Arkansas said. We are going to do that. Do not say that we are not for it when we put it in there. Do not say we are being untruthful. We might be talking about many things for the first time, but not because we are being intentionally untruthful. Let us be more candid in debate and realize that in what we have done, we have produced a pretty good balance.

You cannot stop the ship of state that is steaming along with momentum—the deficit, the overrun of some $37.4 billion. But you cannot turn it around in 1 year. But instead of saying, "Let's have another $37.4 billion," or having around $46 billion to $50 billion with inflation, we say, "We will take care of that, too." Yes, we take care of it out of increased revenues, and that is intended. But we did not put a new tax program on any individual.

I am glad to yield to the distinguished Senator from Arkansas if he wishes me to do that, and then I will yield to the Senator from California who has been waiting patiently.

Mr. BUMPERS. Mr. President, I thank the distinguished floor leader. I wish to make a couple of points.

I am glad to say to the Senator that he is being truthful to the American people. I am for truth in lending and truth in budgeting.

I do think it is important that everyone understand that we are raising spending $80 billion from last year's first concurrent budget resolution.

Is there any reason to believe that a year from now we will not come back and say we underestimated the target for 1981 and have to have another $20 billion to fund all of these programs?

My point is we are using about $24 billion in tax increases in order to arrive at this balanced budget. I think it is important for the American people to understand this.

I have serious doubts about whether we are ever going to control spending because we had the biggest increase in unemployment last month of any month since 1949.

I do not have any reason to believe that unemployment is going to be 8 to 9 percent at the end of this calendar year.

I think the recession is going to be deeper than most economists are saying. I do not know of a more imprecise science than economic projections.

We are talking about a budget based on a 7.4 percent unemployment rate, with the unemployment rate scheduled to hit about 7 percent by the end of this year. It hit 7 percent by the end of April, and all of us know that for every 1 percent it exceeds 7.4 percent strike $20 billion either off the revenue side or the spending side of that budget.

So I think it is a little deceptive if we lead the American people to believe we finally achieved that magic balanced budget everyone has been waiting for impatiently all these years. I do not think it is fair.

Of course, I deplored the President's decision to decontrol oil, the most elitist economic decision ever made in the history of this country.

Like the good Senator from South Carolina, I would have taken it all back, if it is a windfall, take it all back. But since we are only getting $227 billion of the roughly trillion dollars the oil companies are going to derive from this, all of this which is paid by the American consumer, at least we should have the courage to give back that $18 billion in windfall profit tax to those people who are having to pay it. These are working people, the middle-income people, the retired people, and the poor people of this country who can least afford it.

I said, and I am going to say it again and say it forever, that to try to solve inflation and, for that matter, to try to balance the budget out of the hides and off the backs of the people who can least afford it, is leading this country in the very opposite direction from what those who championed these things say. Maybe the trend is irreversible in this country. Maybe we are headed for an economic cataclysm that cannot be reversed. Maybe what I consider a lot of specious economic reasoning cannot be reversed until it is too late. However, I think the American people have a right to know that we are using about $26 billion of tax increases in order to balance the budget.

Mr. President, I wish to ask one question. What is that $6 billion in added revenues that is supposed to be covered by legislative or administrative actions? What were the Budget Committee's assumptions in this regard?

Mr. HOLLINGS. Is it the $6.4 billion in revenues?

Mr. BUMPERS. That is correct, $6.4 billion on the revenue side and the Budget Committee just says legislative and administrative actions. I am curious as to what that is. It obviously does not deal with the oil import fee. Of course, it does not deal with the windfall profit tax. I assume it is revenue to be raised through some administrative action on the part of the President or legislative action on the part of Congress.

The PRESIDING OFFICER. If the Senator will suspend, the time of the Senator from South Carolina on the amendment has expired. He does have time on the resolution itself.

Mr. HOLLINGS. Mr. President, I yield myself time on the resolution itself, and I thank the Chair.

The President recommended a $10 billion amount of increase in revenues over and above the excise tax on imported oil. The Budget Committee assumed that the Finance Committee could get two-thirds of that amount, not the entire $10 billion.

There were various assumptions made, and we were talking about the $3.4 billion of withholding on dividends and interests.

We purposely did not itemize it. This goes to the Finance Committee and they do it. But the Senator can see—it is right here—that the $6.4 billion additional revenues could be achieved by a variety of alternative means, and then we list the cash management options in this proposal. Different proposals are listed on page 24 in the report.

Mr. BUMPERS. I will not take any more of the Senator's time. I was curious about that because one of my staff members believed that these increased revenues were going to come from the imposition of a withholding tax on dividends and interests.

Mr. HOLLINGS. And that staff member or Senator could be correct. It just was not a committee assumption. I was trying to explain that.

It could well come in if the Finance Committee reported it out and the Congress approved it. That amount could then be assumed. But it was not a committee assumption. The motion was made and did not pass. So we could not make that committee assumption.

The PRESIDING OFFICER. If the Senator will suspend, let us have order in the Senate.

Mr. BUMPERS. I have one additional question on this point. The only thing this committee report says is these additional revenues could be achieved by a variety of alternative means including faster collection of tax liabilities due under current law.

That is sort of obscure language. Does that mean withholding tax on interest and dividends?

Mr. HOLLINGS. That could also mean cash management.

Mr. BUMPERS. This says a faster collection of taxes. That would not be the same thing as cash management, would it?

Mr. HOLLINGS. Acceleration of large corporate tax payments. That is the President's proposal. That is one of the President's proposals.

Let me yield to the distinguished Senator from California.

How much time does the Senator from California want? We have the leader on this side also.

Mr. CRANSTON. Ten minutes.

Mr. HOLLINGS. I yield 10 minutes to the Senator from California.

Mr. CRANSTON. Mr. President, I am delighted to have an opportunity to agree with the distinguished Senator from South Carolina on a matter before the Senate. I join him in opposition to the Armstrong amendment. That does not mean that I am in total accord with the Budget Committee's position on their report, but I am certainly in accord in opposing the pending amendment.

I shall first say a word about a matter that the Senator from Arkansas brought up, the revenue estimate in the alternate budget that I will offer as a substitute at a later stage in these proceedings.

My revenue estimate is carefully prepared. It varies from the original revenue mark of the committee chairman, the distinguished Senator from Maine, by only $300 million.

It is well within the range of probable estimating error of the Senate Budget Committee—as both the CBO staff and the Budget Committee staff have verified.

In other words, the difference is, in statistical terms, insignificant because the numbers cannot be predicted to any greater degree of accuracy.

At no time has the Budget Committee predicted revenues within 5½ percent of accuracy. In the past 2 fiscal years, they have understated revenues by 5 percent in fiscal year 1979 and 5.1 percent in fiscal year 1980, and by amounts of $25.3 billion and $22.6 billion respectively in those years.

Each year for the last three they have underestimated revenues by an increasingly larger amount.

The estimating difference is only $700 million, or one-tenth of 1 percent.

I have assumed enactment of $8.6 billion of the administration's $10.9 billion in revenue proposals. The committee has assumed the enactment of $6.4 billion. I can particularize my assumptions. I am not sure the committee can.

The distinguished Senator from South Carolina just now did not do so when quizzed by the Senator from Arkansas.

My budget is more stimulative. It will produce $1 billion in reflows—in accordance with a formula the committee has used in previous years.

In other particulars—the current law estimate, the windfall profit tax estimate, and tax and tariff legislation estimate, the March economic adjustments estimate—my revenue estimate is identical to the committee's.

There is no magic in either number. For statistical purposes, the two numbers are the same. Just as the committee chairman had a different mark when he entered the markup, and the committee will have a different mark when they return from conference. These numbers are only approximations.

I ask unanimous consent that the Record include a table comparing the two revenue estimates at this point.

There being no objection, the table was ordered to be printed in the Record, as follows:

Revenues	Administration	SBC	Cranston	Difference between Cranston and SBC
Current law estimate	588.6	582.5	582.5	
Windfall tax estimate		18.0	18.0	
Administration initiatives:				
(a) Cash management	4.3		2.8	
(b) Housing bonds	1.1	3.0	1.0	(2.2)
(c) Miscellaneous proposals	2.0		1.3	
(d) Passport/visa fees	.1		.1	
(e) Withholding on interest/dividend income	3.4	3.4	3.4	
Total	10.9	6.4	8.6	+2.2
Minor tax and tariff (Finance Committee)		−.1	−.1	
Adjusted March economic assumptions		+6.1	+6.1	
Reflows			+1.0	+1.0
Estimating difference			+.7	+.7
Total		612.9	616.8	3.9

Mr. CRANSTON. Mr. President, regarding the Armstrong amendment, it seems to me that it demonstrates a Senator can construct a budget reflecting any set of numbers he wants. That does not mean the budget is achievable or that the budget is responsible or that the budget is meaningful or that it reflects a set of priorities that is sensible or good for the Nation or that many Members of this body would support if they examined the matter carefully.

The Senator has assumed a 5-percent across-the-board cut in the general Government function, to give one example. This approach, which has repeatedly been called "the meat ax approach" by the distinguished chairman of the Budget Committee, the Senator from Maine, because it makes undifferentiated assumptions that each agency can reduce its own budget by 5 percent while maintaining its programs, an assumption that is without justification, has nonetheless already been made by the Senate Budget Committee in the various functional totals.

In other words, if the Senator's assumption is correct, the Federal Government can be operated for 1 year with operating expenses of $100 million.

There is no way to distribute this cut to other functions of the budget, as the Senator presumes could be done, in view of the cuts already made by the Senate Budget Committee.

The salaries of the constitutional officers of the Government, the President, the Vice President, the Senate and the House, and the expenses of operating the White House total more than $60 million.

The operations of the Capitol Building, the maintenance of the grounds, the staff required to serve each committee of Congress, would more than exceed the Senator from Colorado's budget.

I am not suggesting, Mr. President, that we cannot make cuts in the cost of operating Congress. We can, but not in the dimensions proposed by the Senator from Colorado.

One of the reasons for the increased cost of operating Congress over recent years, apart from inflation, has been the need to have the capability to maintain the balance of powers, the separation of powers, between Congress and the executive branch.

We were being overwhelmed some years back by statistics, by research, by computer products, by staff of the executive branch, at a time when the imperial Presidency was looming, and the effort to beef up Congress to maintain its role, which is vital to the maintenance of our democracy, led to some increase in costs of operating Congress.

I did not begin with that topic as part of an exhaustive list, Mr. President, but in this area alone, the Senator from Colorado's budget has already been exceeded.

Let us examine what else the Senator from Colorado's budget would do. The Senate Budget Committee's proposal would reduce our effort to create mass transit systems. It would derail one-third of Amtrak; it would eliminate any improvement this year, and eliminate the Northeast rail corridor. But the Senator from Colorado would cut $1.2 billion in outlays below those extreme cuts by the committee.

Technically such a cut is unachievable. Most of the money for rail transit would be used up in paying penalties for contracts Amtrak has signed but could no longer perform—a remarkable way to use the taxpayer's money.

The need to reduce our dependence on Arab oil and other energy imports is very clear. No single factor has contributed more to our rate of inflation and the weakness of our current economy than the outflow of billions upon billions of dollars for OPEC oil.

The Senate Budget Committee has proposed numbers which would set back our research for new energy forms, eliminate the strategic petroleum reserve, and scale back ongoing efforts to develop domestic energy supplies. No new research for 5 years.

But the Senator from Colorado would cut another $0.5 billion from that. He does not tell us how or where he would make those cuts, but there is no way that even the current level of our energy effort could be sustained under the Senator's proposal, and the inevitable result would be greater dependence on OPEC oil.

In the face of 7-percent unemployment, high inflation, and a recessionary economy, with housing in collapse, with the auto industry on the ropes, with 250 auto dealers put out of business, according to the Senators from Michigan, just in recent days, the Senate Budget Committee has, in my view, balanced the budget on the backs of the poor.

They have assumed $0.5 billion in unexplained social security cuts; they have made drastic cuts in all the programs that aid employment; they have cut education and health care and housing; they have cut these programs to unacceptable levels.

I will offer a substitute balanced budget that will provide a better sense of priorities.

But what does the Senator from Colorado propose? A further cut of almost $6 billion in income security outlays; a cut of $1.6 billion in health care outlays; a cut of $1.2 billion in job progam outlays.

How many more people would the Senator's proposal throw out of work? How many people would face serious illness without coverage? How many poor people would be left without an adequate diet? The answer is too many, Mr. President.

Finally, I am convinced that the Senator's amendment would be self-defeating in terms of seeking to provide at least a balanced budget. There is a figure that is accepted, I believe, by the Budget Committee, by CBO, and most economists, that for every 1-percent increase in unemployment or a 1 million increase in unemployment, which is the same thing, we get about 20 to 25 billion dollars' worth of red ink in the Federal budget.

The extraction of the very significant cut from Federal programs that the Senator from Colorado's budget would bring about would be bound to slow down an already ailing economy still further, put more people out of work, put more businesses into bankruptcy, with the consequence that there would be less tax revenue, more expenditures automatically mandated to aid the unemployed, and a budget severely out of balance.

For all of these reasons, I join the Senator from South Carolina in opposing the amendment of the Senator from Colorado.

The PRESIDING OFFICER (Mr. STEWART). Who yields time?

Mr. HATCH. Will the Senator yield me 10 minutes?

Mr. HOLLINGS. Yes.

Mr. HATCH. I thank the chairman.

Mr. HOLLINGS. I yield 10 minutes. The Senator is speaking in favor of the amendment? We have run out of time Yes, I yield 10 minutes.

The PRESIDING OFFICER. Who yields time?

Mr. ARMSTRONG. Mr. President, I have the time remaining on my side committed. I wonder——

Mr. HOLLINGS. I yield 10 minutes time on the bill.

Mr. HATCH. I thank my friend from South Carolina.

Mr. President, I would like to speak for a few minutes in support of the Armstrong amendment. This amendment is a modest step to get our economy back on the growth track. If we are going to get serious about solving our problems of inflation and declining productivity, we must begin to take a scalpel to some of the so-called uncontrollable programs that have run up our budgets and at the same time enact productivity oriented tax cuts to stimulate savings and investment in our economy. This is what the Armstrong amendment does.

The Armstrong amendment allows for only a $19 billion revenue reduction in fiscal year 1981. This barely offsets the real tax increases our taxpayers will face from inflation pushing them into higher tax brackets. This effect will be about $15 billion in fiscal year 1981 under the economic assumptions of this budget resolution, and including the extra tax individuals will pay because they did not fall into lower tax brackets as their real incomes declined. The rest of the revenue loss in the Armtrong amendment can be used for two other productivity tax cuts—the 10-5-3 accelerated depreciation bill and a bill to stimulate savings by taxing earned and unearned income separately, with the first dollars of each type of income starting in the lowest tax brackets.

These tax cuts do not even offset the real tax increases the American people face over the next 5 years. In fiscal year 1981, from the impact of inflation induced income tax increases, social security tax increases, net increases in income taxes from decontrol, net windfall profit tax, the import fee on gasoline tax, and other increases assumed in the budget resolution, there will be real tax increases of $63.3 billion. Over the next 5 years, real tax increases will amount to $642.9 billion under this budget resolution. The Armstrong amendment would lose $19.4 billion in fiscal year 1981, and $400.6 billion over the 5 years, leaving a net tax increase of $242.3 billion. I ask unanimous consent that a table be printed at this point which shows these tax increases and losses.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

[In billions of dollars]

	1981	1982	1983	1984	1985
Tax increases expected from 1980–85:					
Inflation induced income tax	12.1	23.6	40.0	63.3	92.5
Social security	9.8	17.3	20.0	22.6	34.6
Income tax from decontrol (net)	7.0	11.0	12.0	15.0	18.0
Net windfall profits tax	18.0	23.3	23.8	26.0	26.1
Import fee/gasoline tax	10.0	13.4	15.0	16.9	19.2
Other increases assumed in budget resolution	6.4	6.5	8.7	13.2	17.7
Total	63.3	95.1	119.5	157.0	208.0

	1981	1982	1983	1984	1985
Revenue reductions from Armstrong amendment, 1980–85:					
Indexation	12.1	23.6	40.0	63.3	92.5
Savings bill S. 2242	5.3	14.6	17.2	18.4	20.6
10–5–3	2.0	8.0	16.0	27.0	40.0
Total	19.4	46.2	73.2	108.7	153.1
Net tax increases after Armstrong amendment, 1981–85	43.9	48.9	46.3	48.3	54.9

Mr. HATCH. I think it is clear from this table that the Armstrong amendment is modest in its revenue losing aspects.

Mr. President, everyone recognizes the productivity crisis we are facing in this country because of inadequate capital investment. However, each year we are told that we cannot do anything about it until sometime in the future. This year we are told that we cannot have tax cuts until we balance the budget. However, there are two ways to balance the budget—by restraining spending or by increasing taxes—and if we were willing to reduce the rate of growth in spending just a little, we could pay for a tax cut and balance the budget at the same time. Both of these measures would help with our inflation and productivity problems.

This budget resolution ignores the productivity problem. It tries to precipitate a recession to fight inflation by allowing the fiscal drag of massive tax increases. This is the root canal or as President Carter says "painful remedies" approach to curing inflation. However, inflation cannot be reduced by slowing down real economic growth. This is the outmoded notion that inflation and unemployment must be traded off against each other in economic policy. However, the truth is that declining productivity and economic growth add to the inflationary problem. We are now entering a new recession with inflation at very high levels, and with little prospect of inflation slowing down much. This budget resolution does little to counter either trend. But it is based on the outmoded notion that we can only fight inflation and unemployment one at a time.

New evidence recently developed in the economics profession is showing that we can fight inflation and unemployment at the same time. Two weeks ago several of the Nation's most prominent economists gathered at Harvard University for a conference on American competitiveness. The overwhelming consensus was that American competitiveness can only be restored by focusing economic policies on the supply side of the economy. They felt that a tax cut targeted on the supply side of the economy, effective in 1981 would not be inconsistent with a balanced budget, and recommended that a tax cut should take precedence over a balanced budget. Since it now appears, with new economic forecasts, that the policies presented in this budget resolution would not produce a balanced budget anyway, we should proceed with the tax cut and forget about balanced budget charades.

The new econometric models being built recently which take account of the effect of Government economic policies on the supply side of the economy show that properly structured tax cuts focused on the supply side of the economy can help to reduce inflation without creating massive unemployment for several years. Indeed, even Otto Eckstein of the Data Resources, Inc., one of the most widely used commercial models, has started to take supply-side effects into consideration in his model. In a recent report to the Joint Economic Committee, Eckstein says:

> If the United States does not change its approach to economic policy, there is every reason to believe that core inflation will continue to become worse. . . . To bring the core inflation rate down significantly through fiscal and monetary policies alone would require a prolonged period of deep recession, bordering on depression, with the average unemployment rate held above 10 percent. This is clearly not a feasible approach to the problem.
>
> To achieve better progress on inflation, it is necessary to turn to the supply side of policy.

He then goes on to show the results of his analysis of two productivity oriented tax cuts which he developed by incorporating some supply-side effects into his model. He analyzed a small increase in the investment tax credit and the 10–5–3 accelerated depreciation bill, and found that by offsetting the demand stimulus from this change by reducing spending or restraining money growth, the supply-side aspects of the policy change would reduce the CPI by 4 percent, increase productivity by 3.3 percent, increase business fixed investment by 15.6 percent, and increase the capital stock by 7.2 percent by the end of the decade. In other words, the model showed that inflation could be reduced and productivity and real growth increased simultaneously.

The need to stimulate productivity and increase business investment is underscored by our recent experience. In 1979, productivity actually fell by 0.9 percent. The decline in productivity stems from the fact that we are not increasing net investment at a sufficient rate to keep up with the growth in the labor force. In 1979, gross investment was $387 billion, of which $254 billion was nonresidential. Of that amount, $188 billion went to replace worn out plant and equipment. The net investment to increase the capital stock was therefore $66 billion.

However, total civilian employment increased by about 2.6 million in 1979. Since about $20,000 in capital is required to support each new job in our economy, about $51 billion of the $66 billion of net investment went to creating new jobs, not to improving productivity. In addition, a large amount of net investment, probably more than the remaining $15 billion went into investment in safety and pollution control equipment, which adds nothing to worker productivity. Declining productivity in 1979 indicates that net productive investment was less than $50 billion. If we do not increase the amount of tools each person has to work with, productivity will not grow and standards of living will not improve.

That is why we need the productivity stimulating tax cuts provided for by the Armstrong amendment. I had two of the tax cuts contained in this amendment analyzed on the new supply-side econometric model recently built by Michael Evans, one of the leading model builders in the country. It showed that the accellerated depreciation bill and the savings incentive bill together would create over a million new jobs in 5 years and by 1985 provide an additional $26.4 billion in savings to finance private investment. This increased savings is net of any increase in the deficit that would have to be financed by borrowing in the credit markets. It assumes no new money creation to pay for the deficit.

These new supply-side models support the economic approach of the Armstrong amendment. They show that we can find painless cures to inflation if we are willing to adopt supply-side economic policies. By restraining the growth of Federal spending and limiting spending to less than 21 percent of GNP and gradually reducing the rate of growth of the money, we can combat inflation. At the same time, we can stimulate employment and real growth through properly structured tax cuts. This is the approach of the Armstrong amendment. It is based on the best, new thinking of the economics profession. I urge my colleagues to vote for it and, at the same time, I commend my colleague from Colorado for his courageous leadership, both in committee and on the floor, for proposing this type of amendment.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. ARMSTRONG. Mr. President, may I inquire as to how much time I have remaining?

The PRESIDING OFFICER. The Senator has 3 minutes and 37 seconds remaining.

Mr. ARMSTRONG. Mr. President, I very much appreciate the gracious remarks of my colleague from Utah and for his contribution in this debate and for the leadership he has shown in trying to restore a degree of sanity to our budget process. I am grateful and, indeed, the entire Nation owes him a debt of gratitude.

Mr. HATCH. I thank my colleague.

Mr. ARMSTRONG. Mr. President, if, as, and when the budget is ever balanced, and if, as, and when we ever bring Federal spending under control, there is no person in this Chamber to whom the Nation will owe as great a debt of gratitude as the distinguished Senator from Virginia, Senator BYRD.

I am very pleased to yield 5 minutes to him and to acknowledge publicly what all of us know: That long before others realized the significance of controlling Federal spending, he was leading that fight in this Chamber.

Mr. HARRY F. BYRD, JR. I thank my distinguished colleague from Colorado.

Mr. President, as I see it, the major problem facing our Nation and facing the Congress is the need to moderate the tremendous increase in Federal spending.

The resolution now before the Senate provides for a $65 billion increase in spending, as compared to the budget resolution approved for 1980 just last November.

In other words, the proposal before us provides that the Government spend $65 billion more in 1981 than has been approved for 1980. That is an unreasonable increase. It is one which should be reduced.

I support the amendment offered by the able Senator from Colorado. That amendment would reduce the increase by $17 billion. Even with that amendment, the increase in spending would be $48 billion over the amount approved for fiscal 1980.

I think the amendment offered by the Senator from Colorado is a reasonable one. It is one that has had a great deal of study and hard work on the part of the Senator from Colorado, his staff, and many others.

If ever we are going to get spending under control, it must be done this year. If it is not done this year, it seems to me it is unlikely that it will be done at any time in the near future.

I say again, the present budget resolution provides for an increase in spending of $65 billion, $613 billion for fiscal 1981 as compared to $548 billion for fiscal 1980 as provided by the budget resolution enacted on November 16, 1979.

I commend the Senator from Colorado on the amendment that he has offered. I give it my full support. I hope that the Senate will vote approval of this amendment. It would mean reducing spending by $17 billion, and that is the direction I think the American people want this Congress to move.

Whether or not this budget is balanced is very debatable, although the budget resolution claims that it is. But if it is balanced, it is balanced only by an increase in taxes, by taking in more revenue and not by reducing spending. The only proposal to substantially reduce spending has been offered by the Senator from Colorado. I am glad to support it. I thank the Senator for yielding me time, and I yield back the remainder of my time.

Mr. ARMSTRONG. Again, Mr. President, I express my appreciation to the Senator from Virginia for his leadership in this great cause, not only today but for so many years in the past.

Mr. President, it now gives me great pleasure to yield 4 minutes to my colleague from Kansas. Prior to his arrival on the floor, I pointed out that he and I would be later this year offering a proposal to index the personal tax schedule, as we did last year. The pending amendment provides room to make it possible for that amendment to be adopted when it is offered.

I am happy to yield at this time to the Senator from Kansas.

Mr. DOLE. Mr. President, I thank my colleague from Colorado. I want to share his comments with regard to the distinguished Senator from Virginia and his efforts over the years to bring about a balanced budget. In fact, there is an amendment on the books now, the Byrd amendment, which requires a balanced budget.

Everything the Senator from Colorado has said is totally accurate.

The Senator from Kansas has listened with great interest, and I commend the Senator from Colorado (Mr. ARMSTRONG), and the Senator from Delaware (Mr. ROTH) who has been following the footprints of his outstanding predecessor, the Senator from Delaware (Mr. WILLIAMS).

Mr. President, I think if we look at the tax increases in fiscal 1981, the import fee, the windfall profit tax, taxes on interest and dividend income, taxes on inflation and other bookkeeping and cash management, we soon add it up to $75 to $80 billion, and some have suggested nearly $100 billion in new taxes. That is how some suggest we balance the budget.

Having served on the Budget Committee, I know the problems of the Budget Committee.

As I indicated to my distinguished friend from Oklahoma (Mr. BELLMON), I know this is a very difficult task, and certainly I assume one thing he may not miss when he leaves the Senate is working on the first concurrent budget resolution.

The point the Senator from Kansas wanted to make, and I think it has been made by the Senator from Minnesota (Mr. DURENBERGER), and others, is there is flexibility. We are talking about functional totals.

I could not agree with the proposal of the Senator from Colorado on food stamp reform.

I think some of the reforms suggested by Senator BELLMON I could support.

There are others where we could tighten up the food stamp benefits, though the Senator from Kansas would be hesitant to reinstate the purchase requirement unless there is a clear demonstration that there has been abuse. It seems to this Senator that eliminating the purchase requirement was in the right direction because the very poor could participate in the program, particularly the rural poor.

I would disagree with regard to certain specifics in the programs of the Senator from Delaware and the Senator from Colorado. As far as the Senator from Kansas is concerned, under this proposal we will be required to find $6.5 billion in savings. We are already required to find $4.8 billion under the present resolution. That will be difficult enough. I would hope there will be enough of us on the Senate Finance Committee to make some of the changes suggested.

Again, there are some we might disagree with.

Mr. BELLMON. Will the Senator yield for a question?

Mr. DOLE. Yes.

Mr. BELLMON. Under the Armstrong amendment, the food stamp figure, which is $6.2 billion in the fiscal year 1980 appropriation—which we all realize is almost $3 billion under the current estimate for the program—under the Armstrong program that figure is cut back to $4.1 billion. That is less than half of the amount that will be required to provide food stamps to eligible Americans. The Senator from Kansas has been a leader in setting policy for this program. Does the Senator realize what we are doing with food stamps if we adopt this program?

Mr. DOLE. I am not familiar with that figure. I have no reason to quarrel with the Senator from Oklahoma on the accuracy of it.

The PRESIDING OFFICER. The time of the Senator from Colorado has expired.

Mr. DOLE. Could I have 1 minute on the bill?

Mr. BELLMON. I yield 1 minute on the bill.

Mr. DOLE. I may be on the floor later on with Senator McGOVERN of South Dakota with a different proposal on saving money in the food stamp program. I would say in that respect, with increasing unemployment, the food stamp program will not be any less expensive. There are some changes that can be made, but I suggest with unemployment rising even more rapidly than anticipated by anyone in this Chamber, it will not be a less costly program, even with the elimination of the purchase requirement as some have suggested and tightening up food stamp eligibility, also counting the low-income energy assistance and the school lunch duplication.

Again, I appreciate the remarks of the Senator from Oklahoma and I commend the Senator from Colorado.

The PRESIDING OFFICER. Who yields time?

Mr. BELLMON. Mr. President, the Senator from Iowa has requested 4 minutes on the bill and the Senator from New Hampshire has requested 2 minutes on the bill. I am agreeable to yielding. I would point out that we have been on this amendment for over 2 hours. I do not propose to yield any further time. It is my intention after yielding to the Senator from Iowa and the Senator from New Hampshire that I will not yield further. I yield 4 minutes to the Senator from Iowa.

Mr. JEPSEN. I thank the distinguished Senator from Oklahoma.

Mr. President, I support the Armstrong amendment to the first concurrent resolution on the budget for fiscal year 1981. I am a cosponsor of that amendment.

The Armstrong substitute, I believe, is far more appropriate to present economic conditions than either the President's proposals or those set forth in the Senate Budget Committee proposal. The Armstrong substitute would cut outlays in 1981 to 21 percent of GNP—which itself is a high number by historical standards—and, at the same time, increase defense spending and cut taxes.

In my view, the fiscal restraint embodied in the budget resolution is misleading. The budget is balanced not by cutting spending, nor even by slowing its growth, but by raising taxes. Taxes are being raised explicitly by imposing an oil import fee and instituting tax withholding on interest and dividends, and implicitly by allowing inflation to push people up into higher and higher tax brackets, even though they have no increase in real income.

This rising tax burden is having a serious detrimental effect on our Nation's economy. It is directly responsible for the serious decline in productivity, which, in turn, directly impacts on the inflation rate, as numerous studies by the Joint Economic Committee have shown. Moreover, I find it grossly unfair to allow inflation to do our dirty work for us. It is perfectly obvious that if the Congress had attempted to legislate the kind of tax increase which inflation causes, the people of America would have risen up in revolt. But the tax increase caused by inflation takes place in the secret, without legislation. I call it the silent embezzler.

My colleagues all know this, I am sure that most of them would gladly support a tax cut, especially in an election year, except for their fear that it would further fuel inflation. No doubt, if we were to cut taxes by sending out a $50 rebate to everyone, as President Carter proposed in 1977, it would fuel inflation. But none of the people supporting the Armstrong proposal favor such a tax cut. We are asking for what is called a supply-side tax cut, a tax cut aimed at increasing productivity, capital investment and saving.

A recent study by professor Otto Eckstein—former member of the Council of Economic Advisers under President Johnson, professor of economics at Harvard, and founder of Data Resources, Inc., the largest econometric forecasting company in the United States—for the Joint Economic Committee has shown conclusively that such a tax cut will reduce inflation, not increase it.

At the same time, of course, it is necessary to balance the budget, if only for psychological reasons. The fact is that the financial markets are very sensitive to the budget deficit. One can date the decline of the bond market and the recent spurt in inflation and interest rates almost exactly from the date President Carter submitted his budget in January. For 4 years, he has been telling us that the budget would be balanced by 1981. But, in spite of the high rate of inflation we were already experiencing last year, he submitted a budget containing a large deficit. The reaction to this budget was so adverse that, 2 months later, he had to completely revise it and get it into balance, even if it meant increasing taxes and playing games with the budget numbers. Therefore, I believe it is necessary to reduce spending in order to accommodate a tax cut and keep the budget in balance at a much lower level of spending.

The only exception I would make is that there must be an increase in defense spending. The truth is that much of the vast increase in social welfare spending of the last 15 years was paid for by reducing the defense budget in both real and nominal terms. Unfortunately, the consequences of this were not apparent at the time the cuts were made, just as it may not be readily apparent that our Nation's capital stock has seriously deteriorated because the Government has absorbed so much of the available capital to pay for budget deficits. Today, we are paying for the deterioration of our military, and the recent failure of the effort to free the Iranian hostages is just one consequence. Therefore, we must start today to close the gap and get our defense capability back up to an adequate level, a level that will keep the peace, prevent war and bloodshed and at the same time enable us to protect our vital interests and restore our credibility and respect throughout the globe.

In conclusion, the Armstrong substitute embodies the three critical elements which make up a proper budget for today: A tax cut, a reduction in overall spending to 21 percent of GNP, and an increase in defense spending, while keeping the budget in balance. I urge my colleagues to support the amendment.

Mr. BELLMON. I yield 5 minutes to the Senator from New Hampshire.

Mr. HUMPHREY. Mr. President, I thank the Senator from Oklahoma for yielding. I shall be as brief as possible.

If I asked what problems he is having in the economic realm, the typical citizen would reply that he is having problems with taxes, problems with inflation, and problems with high interest rates. Those are the three principal economic problems we have in this country today. The common thread running through each one of those three, Mr. President, is spending—excessive spending by Congress.

There are those who have said, said even today in this Chamber, that we cannot cut spending because it impacts adversely on our citizens. Implicit in that argument is that our citizens are not already adversely impacted by inflation, taxes, and interest rates. They are as they have never been adversely impacted before.

The most merciful thing we can do for our country, for our economy, and for each one of our citizens is cut spending. If we can cut spending, then we can bring down taxes, we can bring down inflation, and we can bring down interest rates. Unfortunately, the budget recommended by the Committee on the Budget relies on greater spending, on much higher rates of taxation. That is only going to make things worse.

I support the amendment by the Senator from Colorado, even though it, itself, does not represent diminished Federal spending; at least it represents a slowed rate of Federal spending.

I think the argument that we cannot cut spending for reasons of compassion is a bankrupt argument. It is an argument whose time has come and gone. The new logic dictates that we cut spending so that we can bring down taxes, so that we can bring down inflation, and so that we can bring down interest rates.

I thank the Chair and I yield back the remainder of my time.

Mr. ARMSTRONG. Mr. President, I believe that I have approximately 3 minutes left and I am prepared to sum up the debate on behalf of those who favor the adoption of the Armstrong-Roth amendment.

It is only natural, because we have different perspectives on issues and priorities, that Senators will not always agree on all aspects of this budget resolution, but I take it to be an important and noteworthy development that nearly 20 Members of this body have been able to agree on the broad outline of an amendment to restrain Federal spending and to permit a tax cut. I stress that, while we do not all agree about every jot and tittle of the pending amendment, we are determined that, for the economic future of this country, it is essential that we begin to control spending, balance the budget, and cut taxes.

It is only natural that some of us will disagree when the amendment is characterized as being aimed at poor people and, in the time available to me, I cannot go through a point-by-point rebuttal of the issues that have been raised. I just ask those who are concerned about that to refer to the committee report beginning on page 373. What they will find is a series of very carefully defined, surgical reductions—not massive, meat-ax cuts, but very carefully worked out proposals which have been developed by responsible officials at HEW, in the General Accounting Office, and by the Senate Finance Committee.

It is only natural that some will want to preserve the Amtrak program. I understand why that is a pet project of some. But I suggest that this is a program which has not proven to be an economic success; it has not proven to be an environmental success; and it has not proven to be an operational success. It is a program which, in my judgment, will not be in existence in a few years. The question is whether we ought to phase it out now and save some money. It is my view that we should.

It is only logical that some would not want cuts in the general Government budget. I was amused that it was said earlier that there had been only modest increases, only those increases necessary to sustain the constitutional prerogatives of the legislative branch. Let us keep in mind that spending for Congress itself has tripled in the last decade, from $300 million to over $1 billion today. But when the suggestion was advanced, as it was, that we can more nearly balance the budget by spending more rather than less, I cannot help recalling a stanza from Carl Sandburg's great poem, "Under the Capitol Dome." I do not refer to that stanza that says:

> There are those who speak of confusion today as though yesterday there was order rather than confusion.

Neither do I refer to the stanza which says:

> There are those who point to confusion today, as though if given a chance they could tomorrow transform it into order.

No, indeed.

The stanza that comes to mind is the observation:

> There are those who find benefits in confusion
> and make it a labor of delight
> to render any confusion more confounded.

That is what we see today.

My task is just to make it clear what we are voting on. Those who favor a tax cut, a balanced budget, and a strong national defense, should vote for the amendment and against the motion to table. Those who vote for the motion to table are explicitly voting for a higher level of spending and for a tax increase.

That is the choice. As far as the Senator from Colorado is concerned, it is an easy choice to make.

The PRESIDING OFFICER. All time on the amendment having expired, the question is on agreeing to the amendment of the Senator from Colorado. The yeas and nays have been ordered and the clerk will call the roll.

Mr. ARMSTRONG. Mr. President, is it on the amendment?

Several Senators. Up or down.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Colorado. The yeas and nays have been ordered and the clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Ohio (Mr. Glenn), the Senator from Alaska (Mr. Gravel), the Senator from Hawaii (Mr. Inouye), the Senator from Massachusetts (Mr. Kennedy), and the Senator from Maine (Mr. Muskie) are necessarily absent.

Mr. STEVENS. I announce that the Senator from Wyoming (Mr. Simpson) is necessarily absent.

I further announce that, if present and voting, the Senator from Wyoming (Mr. Simpson) would vote "yea."

The PRESIDING OFFICER (Mr. Tsongas). Are there any other Senators in the Chamber wishing to vote?

The result was announced—yeas 35, nays 59, as follows:

[Rollcall Vote No. 94 Leg.]

YEAS—35

Armstrong
Baker
Bentsen
Boren
Boschwitz
Byrd, Harry F., Jr.
Cochran
Danforth
Dole
Durenberger
Garn
Goldwater
Hatch
Hatfield
Hayakawa
Heflin
Helms
Humphrey
Jepsen
Laxalt
Lugar
McClure
Morgan
Nunn
Percy
Proxmire
Roth
Schweiker
Stewart
Stone
Thurmond
Tower
Wallop
Warner
Zorinsky

NAYS—59

Baucus
Bayh
Bellmon
Biden
Bradley
Bumpers
Burdick
Byrd, Robert C.
Cannon
Chafee
Chiles
Church
Cohen
Cranston
Culver
DeConcini
Domenici
Durkin
Eagleton
Exon
Ford
Hart
Heinz
Hollings
Huddleston
Jackson
Javits
Johnston
Kassebaum
Leahy
Levin
Long
Magnuson
Mathias
Matsunaga
McGovern
Melcher
Metzenbaum
Moynihan
Nelson
Packwood
Pell
Pressler
Pryor
Randolph
Ribicoff
Riegle
Sarbanes
Sasser
Schmitt
Stafford
Stennis
Stevens
Stevenson
Talmadge
Tsongas
Weicker
Williams
Young

NOT VOTING—6

Glenn
Gravel
Inouye
Kennedy
Muskie
Simpson

So the amendment (UP No. 1057) was rejected.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. BELLMON. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from West Virginia is recognized.

Mr. ROBERT C. BYRD. Mr. President, as I announced last evening, the managers of the resolution are prepared to work into the evenings today, tomorrow, and Thursday if need be, in order to finish work on the resolution this week. That was announced last evening.

I hope that we will be prepared to go for another 3 hours today, if the manager (Mr. Hollings) and the ranking minority manager (Mr. Bellmon) are in accord.

It appears that we will have to go late today and tomorrow if we hope to get the resolution finished on Thursday and this, as I say, might mean that we will have to stay in late on Thursday.

So with the indulgence of my colleagues I hope they will be prepared to call up amendments and vote on them into the evening certainly today and tomorrow and hopefully we will not have to go late Thursday evening in order to finish. But I am confident if we are within closing distance on Thursday and that we have to go into the evening the managers of the bill will undoubtedly want to finish rather than carry it over to next week.

Am I correct?

Mr. HOLLINGS. Yes. We have to get the conference report out next Thursday.

TRIBUTE TO AMERICAN SERVICEMEN WHO DIED IN HOSTAGE RESCUE MISSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed for not to exceed 2 minutes to the consideration of Senate Resolution 417 which has been cleared on both sides and to which Mr. Hatch will have a substitute amendment.

The PRESIDING OFFICER. The resolution will be stated.

The assistant legislative clerk read as follows:

A resolution (S. Res. 417) to express the sense of the Senate for a fitting tribute to the eight valiant American servicemen who died in an attempt to secure freedom for fellow Americans.

The PRESIDING OFFICER. Is there objection to its immediate consideration?

There being no objection, the Senate proceeded to consider the resolution.

UP AMENDMENT NO. 1058

Mr. HATCH. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Utah (Mr. Hatch) for himself, Mr. Kennedy, Mr. Thurmond, Mr. Bayh, Mr. Mathias, Mr. Laxalt, Mr. Garn, Mr. Armstrong, Mr. Bentsen, Mr. Boren, Mr. Boschwitz, Mr. Bradley, Mr. Burdick, Mr. Cochran, Mr. DeConcini, Mr. Durenberger, Mr. Glenn, Mr. Heinz, Mr. Helms, Mr. Huddleston, Mr. Humphrey, Mr. Javits, Mr. Jepsen, Mrs. Kassebaum, Mr. Levin, Mr. McClure, Mr. McGovern, Mr. Percy, Mr. Proxmire, Mr. Pryor, Mr. Riegle, Mr. Roth, Mr. Sasser, Mr. Stewart, Mr. Tsongas, Mr. Young, Mr. Jackson, Mr. Hollings, Mr. Weicker, Mr. Tower, Mr. Lugar, Mr. Harry F. Byrd, Jr., Mr. Danforth, Mr. Dole, Mr. Melcher, Mr. Schweiker, Mr. Chafee, Mr. Domenici, Mr. Hayakawa, Mr. Heflin, Mr. Baucus, Mr. Robert C. Byrd, Mr. Baker, and Baucus, Mr. Robert C. Byrd, Mr. Baker, Mr. Warner, Mr. Cannon, Mr. Church, Mr. Packwood, Mr. Hatfield, Mr. Culver, Mr. Ford, Mr. Randolph, and Mr. Bumpers proposes an unprinted amendment numbered 1058.

Mr. HATCH. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 2, line 1, strike all after "*Resolved*", down through page 3, line 5 and insert in lieu thereof:

That the Senate notes with extreme sorrow, and with deep regret, the death of eight American servicemen on foreign soil.

Resolved, That the Senate hereby proffers its deep sympathy to the families of these honorable men.

Resolved, That in honor and remembrance of their brave last act, and in mourning for their deaths, it is the sense of the Senate that the President of the United States shall order the flag of the United States to be flown at half-mast on all buildings and grounds of the Federal Government, and urge all people of the Nation generally to fly the flag of the United States at half-mast from sunset on Tuesday, May 6, until sunset on Friday, May 9.

Mr. HATCH. Mr. President, this resolution is to express the sense of the Senate for a fitting tribute to the eight valiant American servicemen who died in an attempt to secure freedom for fellow Americans and it is to honor them at this time.

I move that the Senate agree to the substitute amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Utah.

The amendment was agreed to.

Mr. HATCH. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I congratulate the distinguished Senator and I appreciate his cooperation in working out the substitute language.

Mr. HATCH. I thank my distinguished majority leader and am very grateful for his help and support.

The PRESIDING OFFICER. The question is on agreeing to the resolution, as amended.

The resolution (S. Res. 417), as amended, was agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

Whereas there are fifty-three citizens from among us, Americans, whose freedom is taken, whose movements are bound, and whose lives are imperiled, held hostage unlawfully, in mockery of international justice;

Whereas there was a group of ninety other Americans, uniformed in the service of our free land, holding their and our lives and freedom in highest respect, who of their own volition and free will did offer themselves to carry out a plan of freedom for the abovementioned hostages, knowing the peril, that this mission could be their last;

Whereas that mission was the last for eight of this brave ninety:

Marine Sergeant John D. Harvey, Marine Corporal George N. Holmes, Jr., Marine Staff Sergeant Dewey L. Johnson, Air Force Captain Richard L. Bakke, Air Force Captain Lynn D. McIntosh, Air Force Technical Sergeant Joel C. Mayo, Air Force Captain Charles T. McMillan II, and Air Force Captain Hal Lewis; for they have given their lives in the hope that other may live free: Now, therefore, be it

Resolved, That the Senate notes with extreme sorrow, and with deep regret, the death of eight American servicemen on foreign soil.

Resolved, That the Senate hereby proffers its deep sympathy to the families of these honorable men.

Resolved, That in honor and remembrance of their brave last act, and in mourning for their deaths, it is the sense of the Senate that the President of the United States shall order the flag of the United States to be flown at halfmast on all buildings and grounds of the Federal Government, and urge all people of the Nation generally to fly the flag of the United States at half-mast from sunset on Tuesday, May 6, until sunset on Friday, May 9.

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that Mr. Culver may proceed for not to exceed 2 minutes to call up a resolution which has been cleared on both sides for immediate consideration.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Iowa.

NATIONAL HISTORIC PRESERVATION WEEK

Mr. CULVER. Mr. President, on behalf of myself and Mr. Chafee, Mr. Domenici, Mr. Hatfield, Mr. Johnston, Mr. Leahy, Mr. McGovern, Mr. Mathias, Mr. Moynihan, Mr. Pell, Mr. Percy, Mr. Stevenson, Mr. Tsongas, and Mr. Randolph, I send to the desk a joint resolution to authorize and request the President to proclaim the week of May 11 through 17, 1980, as "National Historic Preservation Week," and I ask unanimous consent for its immediate consideration.

The PRESIDING OFFICER. The joint resolution will be stated by title.

The legislative clerk read as follows:

A joint resolution (S.J. Res. 173) to authorize and request the President to proclaim the week of May 11 through 17, 1980, as "National Historic Preservation Week."

The PRESIDING OFFICER. Without objection, the Senate will proceed to its immediate consideration and, without objection, the joint resolution will be considered to have been read the second time at length.

Mr. CULVER. Mr. President, today I am introducing a joint resolution declaring the week of May 11 through May 17, 1980 as National Historic Preservation Week.

I have addressed this body on many occasions to extoll the merits of historic preservation. My personal experiences in Iowa have instilled in me a commitment to preserving the physical reminders of our great American heritage. The varied cultural influences which have been combined in the United States have resulted in a unique culture. The uniqueness of a colonial era neighborhood or a Spanish influence in the architecture of the American Southwest is threatened today by modern commercial developments whose style of design owes nothing to a particular culture or region. Quite literally, the suburban mall in Iowa is identical to that of the west coast or New England. Such a trend represents, I believe, a great loss. The special nature of American society is the varied influences which today are still preserved. Historic preservation projects stand in opposition to the homogenization of American design by protecting the existing buildings of different periods in our history.

Historic preservation is more than the maintenance of an older building in a museum-like setting; it is a recognition of the character of life and period in history which a type of design represents. This has been true in my own State of Iowa. Outside of Cedar Rapids, Iowa, for example, a project known as Pioneer Village seeks to maintain the character of an early farming village during the period of Iowa's settlement in the mid-19th century. In Dubuque, Iowa local citizens have rehabilitated the riverfront properties along the Mississippi to preserve the nature of the early commerce which was so vital to Dubuque. And in western Iowa, Civil War era artifacts collected from the sunken steamboat *Bertrand*, are being preserved and collected for an educational project in which I have had a long interest.

Today, preservation has taken on an additional meaning however. The physical structures which already exist constitute a major investment of our Nation's energy and resources. Numerous studies have shown extensive savings in material cost and energy consumption from the preservation of existing buildings. Cities which have realized a benefit in preserving large downtown areas for renewed commercial development, have also seen financial savings in reduced energy costs during construction. This benefit serves as an added incentive for entering into preservation projects. Quite simply, historic preservation today makes good sense—good sense for small businessmen who locate in attractive settings, good sense for local governments which are able to maintain a stable tax base, and good sense for the public which receives the benefit of the cultural influences seen in the historic structures of America's small towns and cities.

Mr. President, I am asking the Congress to encourage Americans to think about historic preservation and its benefits during the second week of May this year, and I urge the adoption of this measure.

The joint resolution (S.J. Res. 173) was ordered to be engrossed for third reading, was read the third time, and passed.

The preamble was agreed to.

The joint resolution, with its preamble, reads as follows:

Whereas, the preservation of America's architectural, historical, and cultural resources instills in all Americans a sense of patriotism and pride in our Nation's rich and diverse heritage; and

Whereas, the restoration and maintenance of structures with historical or architectural significance, downtown commercial Main Streets, and existing neighborhoods provide us with a sense of time and place, a feeling for our history, and contributes significantly to economic revitalization and to the quality of everyday life; and

Whereas, our Nation's built environment represents our single largest investment of energy, and rehabilitation and reuse of existing buildings results in major energy savings by conserving this invested energy and by avoiding the energy waste involved in demolition of existing buildings and construction of new buildings; and

Whereas, it is appropriate to commend the role imaginative and constructive historic preservation programs are playing in our national effort to conserve and recycle our Nation's scarce energy resources: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America and Congress assembled, That the President is authorized and requested to proclaim May 11, through 17, 1980, as "National Historic Preservation Week", and to call upon interested groups and organizations and the people of the United States to observe such week with appropriate ceremonies and activities.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the joint resolution was passed.

Mr. CULVER. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

FIRST CONCURRENT BUDGET RESOLUTION

The Senate continued with the consideration of Senate Concurrent Resolution 86.

Mr. ROBERT C. BYRD. Mr. President, I hope a Senator is ready to call up another amendment.

UP AMENDMENT NO. 1059

(Purpose: To provide funds for the strategic petroleum reserve in the budgets of fiscal year 1980 and fiscal year 1981)

Mr. JACKSON. Mr. President, I call up my amendment which is at the desk in behalf of Senator Bradley, Senator Dole, and myself, and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Washington (Mr. Jackson) for himself, Mr. Bradley, and Mr. Dole, proposes unprinted amendment numbered 1059:

On page 5, strike lines 11 through 14, and insert in lieu thereof:

"(4) Energy (270):

Fiscal Year 1981:

(A) New Budget Authority, $6,500,000,000;

(B) Outlays, $8,400,000,000."

and on page 12 beginning on line 24, strike through line 1 on page 13, and insert in lieu thereof:

"(4) Energy (270):

(A) New Budget Authority, $40,200,000,000;

(B) Outlays, $6,700,000,000."

Sections 1(a) and 2(a) are revised accordingly to maintain mathematical consistency.

Mr. JACKSON. Mr. President, this amendment addresses the issue of the strategic petroleum reserve. If the recommended budget resolution is approved without amendment, it will provide a balanced Federal budget for the first time in 12 years, and for only the second time in the last 20 years. On the other hand, if the budget resolution is not amended, it will require the United States to remain vulnerable to oil supply interruptions.

One dangerous consequence of not amending the proposed budget resolution is that the goal of a balanced budget would be achieved only by delaying the urgently needed development of the strategic petroleum reserve. Senate Concurrent Resolution 86 recommends that Congress strip away $3.3 billion from the crude oil stockpile program and thereby delay resumption of storage by at least 17 months—until October 1981.

During the debate on the recommendations of the Budget Committee, we will undoubtedly be told repeatedly that it is imperative that Congress adopt the proposed funding priorities set forth in its text, because the fight against inflation requires a balanced Federal budget. Perhaps so, but the funding priority it assigns to the one program that is designed to protect this Nation from the dire economic and national defense consequences of a severe cut-off of oil supplies is, in reality, no priority at all. By delaying the acquisition of crude oil for storage in the strategic petroleum reserve, the proposed budget resolution accepts the dangerous risks that the United States will be unable to respond to a future military crisis somewhere in the world or that we shall be hard-pressed to resist any economic blackmail by oil producing nations that may threaten an embargo of oil exports to this country or its allies.

Unfortunately, it is true that the filling of the strategic petroleum reserve is currently temporarily suspended. It is also a regrettable fact that the President's proposed revised budget is built around an assumption that oil purchases for the reserve will not begin again until the fourth quarter of fiscal year 1981—in June of next year. We must keep in mind, however, that the administration has repeatedly assured the Congress that it has not altered its strong support for the speedy resumption of crude oil purchases for the strategic petroleum reserve. DOE states that filling operations could begin just as soon as the national security considerations of the world oil market (and its myriad participants) indicated that the resumption of SPR purchases can proceed. I feel certain that the administration will seek to resume building the reserve this summer and it is therefore essential to keep its financing capabilities intact. The cuts recommended by the budget resolution would make it impossible to begin work on the strategic petroleum reserve's goal of 1 billion barrels until fiscal year 1982.

It seems to me that a prudent and very modest step in the direction of getting the strategic petroleum reserve program underway again would be to start storing a minimum of 100,000 barrels per day. It just so happens that the naval petroleum reserves at Elk Hills and Teapot Dome are currently producing that amount, plus another 30,000 barrels per day which are set-aside for small refiners. The revenues generated by the commercial sales of the naval petroleum reserves production are being deposited in the general receipts of the U.S. Treasury and those revenues are very substantial. During this current fiscal year, revenues are expected to be approximately $1.6 billion, and in fiscal year 1981, the projected income from the naval petroleum reserves is over $2 billion.

I firmly believe that Congress must recognize that the money earned by the Elk Hills and Teapot Dome oil fields is properly "ear-marked" for building a protective shield for this Nation against possible supply interruptions that could severely damage our capability to defend ourselves and our allies, both militarily and economically. It would be a tragic mistake to view the revenues generated by the sale of petroleum from our historic national stockpiles as merely another source of Federal income. It is short-sighted in the extreme to adopt a policy which would save money by not storing oil in the strategic petroleum reserve, but make money for the Treasury by selling the petroleum from the naval petroleum reserves.

A balanced Federal budget may indeed be a desirable contribution to curbing inflation, but to accomplish the balancing only by taking $3.3 billion from the strategic petroleum reserve is to elevate that "contribution" to a position that is both unwarranted and unwise. Experts and intelligence reports concur that the availability of crude oil supplies on the world market will begin to get extremely tight by the middle of this decade. If we were to postpone the resumption of purchases for the strategic petroleum reserve until October 1981, we may discover that we will have to pay a lot more for the oil that we may have trouble finding for that program. The world is becoming a more dangerous environment and the United States should lose no time in putting its strategic petroluem reserve into place. We can ill-afford the luxury of postponing the day when we will have the minimum protection offered by that essential national emergency stockpile.

Mr. BRADLEY addressed the Chair.

The PRESIDING OFFICER. The Senator from New Jersey.

UP AMENDMENT NO. 1060

(Purpose: To provide funds for the Strategic Petroleum Reserve in the budget of fiscal year 1980 and fiscal year 1981)

Mr. BRADLEY. Mr. President, I send an amendment to the desk in the nature of a substitute.

The PRESIDING OFFICER. The Chair advises the Senator that the amendment is not in order until the time of the pending amendment is either used up or yielded back.

Mr. HOLLINGS. Let us yield back the time so that we can get to the Senator's amendment.

Mr. JACKSON. Mr. President, I yield back my time.

Mr. DOLE. Mr. President, although

The PRESIDING OFFICER. The Senator from New Jersey.

The clerk will report the substitute.

The legislative clerk read as follows:

The Senator from New Jersey (Mr. BRADLEY) proposes an unprinted amendment numbered 1060 in the nature of a substitute to the amendment of the Senator from Washington (Mr. JACKSON).

Mr. BRADLEY. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

In lieu of the material proposed to be inserted, insert:

"(4) Energy (270):

Fiscal Year 1981:

(A) New Budget Authority, $6,500,000,000;

(B) Outlays, $8,900,000,000."

and on page 12, beginning on line 24, strike through line 1 on page 13, and insert in lieu thereof:

"(4) Energy (270):

(A) New Budget Authority, $40,200,000,000;

(B) Outlays, $6,700,000,000."

Section 1(a) is revised to show additional revenues in fiscal year 1981 of $2,100,000,000; Section 2(a) is revised to show an additional deficit of $200,000,000; and both sections are further revised to maintain mathematical consistency.

Mr. BRADLEY. Mr. President, this is an amendment proposed on behalf of myself, Senator JACKSON, and Senator DOLE. It again deals with the strategic petroleum reserve.

This evening, Mr. President, we are carelessly dependent on foreign sources of crude oil. Twenty-five percent comes from the Persian Gulf area, an area wracked with insecurity, not just indigenous, because of the uprising of ethnic and religious groups, but also an area that is threatened by the Soviet Union's encirclement, an area which is vital to to the United States and the Western World.

Mr. President, this lifeline of the industrial world is stretched taut with tankers across the sea. Seventy percent of the Western World's oil passes through the Straits of Hormuz, a distance of only 20 miles, to be interrupted by radical terrorists, by religious fanatics or concerted opposition from a hostile power.

Should there be an interruption, Mr. President, of the magnitude of 3.5 million barrels a day, which is what the United States gets today from the Persian Gulf area, it would present us with a tragic economic circumstance.

If, on the other hand, the loss was even bigger than that, and Saudi Arabia went, it would be a loss of over $272 billion in GNP to this economy, Mr. President. There would be an inflation rate increase of 20 percent and an unemployment increase of over 3 percent, clearly a catastrophic economic consequence of an oil supply interruption from the insecure sources of foreign oil, upon which we are perilously dependent this evening.

Mr. President, the economic repercussions from this are clear for all. For every barrel of oil that is placed in the strategic petroleum reserve, it could avert between a $70 and $300 loss in gross national product. The range depends on our estimate of the probability of an oil supply interruption.

If you think it is a 1-in-3 chance, such as in the last 6 years, when we have had a 1-in-3 chance of interruption, it would be more clearly $300 per barrel. But if it is a 1-in-10 or 1-in-15, it would be closer to $70 a barrel. Clearly the strategic petroleum reserve is needed to cushion this Nation and protect our economy against the eventuality of an oil supply interruption.

In addition to that, there are political and military implications to filling the strategic petroleum reserve or the refusal to fill the strategic petroleum reserve. If we had 1 billion barrels in storage, it would give us much more flexibility in our Middle East policy. It would reassure our NATO allies that we are reliable, as we have always been, in the protection of oil reserves which are essential to their economic well-being.

Mr. President, the Budget Committee saw fit to excise most of the outlay and authority for the strategic petroleum reserves in 1981. The committee, I am sure, operated with the best of intentions. They certainly were aware of the threat. They stated in their report that the strategic reserve was for the purpose of averting the catastrophe I have outlined in this presentation.

But, Mr. President, the committee's analysis was flawed in two essential respects: They concluded that we cannot control the costs of interruption. Clearly we can control the costs of interruption by having a strategic reserve. If we are left vulnerable, with no protection and no cushion whatsoever to an oil supply interruption, we will indeed have catastrophe.

If we have a year's supply, 1 billion barrels in storage, we will be able to cushion that impact until we can institute the very drastic contingency measures, such as extreme rationing, that we need in the event of interruption of that amount. So clearly we can control the costs of interruption.

The second flaw in the committee's analysis was that they claimed they were unable to purchase in the world market. Mr. President, the problem is not the availability of oil; the problem is the political will to make that purchase.

I hope the Senate in this amendment will send a message to the administration and to our allies around the world and to our enemies that we are intent on filling the strategic petroleum reserve.

Mr. President, this is an amendment that assumes a fill rate of 100.000 barrels a day for the balance of fiscal year 1980, and a 200,000 barrel a day fill rate for fiscal 1981.

The amendment also adds receipts to fiscal year 1981, receipts of $2.1 billion, thus keeping the budget in balance.

Mr. President, I think that this is an amendment which the Senate should consider and act upon, because it is in our national interest and in our economic interest.

Mr. DOLE addressed the Chair.

The PRESIDING OFFICER. The Senator from Kansas.

Mr. DOLE. Mr. President, although

this is not a very complicated issue it is however one of great concern to our national security and it should not take long to make the determination of the will of the Senate.

The Senator from New Jersey has correctly stated the issue and the Senator from Kansas believes that this is a very important vote.

The strategic petroleum reserve is of vital importance, and the sense of urgency in beginning to fill the reserve again cannot and should not be underestimated. The lack of a viable strategic petroleum reserve is a direct threat to our national defense posture and our overall national security. To this Senator from Kansas, as well as to many of his colleagues, our unfilled oil reserve is a national embarrassment and an indication of just how much this administration has compromised our own security simply to accommodate OPEC.

BACKGROUND

Mr. President, during the debate in 1975 on the Emergency Petroleum and Conservation Act the necessity for a national oil reserve was brought into stark reality by the Arab oil embargoes of 1973 and 1974. When the strategic petroleum reserve was just proposed there were to be 150 million barrels of oil in the ground by 1978. President Ford went forward and raised this amount to 500 million barrels by 1982 and President Carter estimated the reserve would hold 1 billion barrels by 1985. On paper these figures are very impressive. However, if one looks at what has actually been accomplished as of today, there is really very little which we as a nation can feel secure about. Ninety-two million barrels is the total amount of oil in our SPR; even though we have a 248 million barrel storage capacity at this time. There has not been one drop of oil bought for our reserves since November 1978.

The threat of a severe energy supply interruption is as likely as it has been in the past and may be even more probable due to the volatility of the entire Persian Gulf region today. However, President Carter's revised budget contains no funds to resume the purchase of oil for our strategic petroleum reserve. Today our strategic petroleum program is at a standstill. There are no funds, no oil, and ultimately we will have no national energy security. We are told that the Tokyo summit agreement, which we in the Senate did not have the opportunity to advise and consent on, pledges us to not build up our strategic reserves. However, in spite of this agreement our allies have found some way to fill their own reserves to levels which will allow them to withstand a supply interruption of approximately 95 days. It is this strategic reserve which enabled Japan to support our efforts aimed at Iran when they refused to buy Khomeini's oil at highly inflated prices.

On November 8, 1979, the distinguished Senator from New Jersey, Mr. BRADLEY, and myself offered an amendment to S. 932, the synfuels bill, which directs the President to immediately resume purchases of crude oil for our strategic reserves. That amendment was a bare-bones amendment. It was not as much as the Senator from New Jersey and I wanted, but we did feel it was a beginning. It required purchases to average 100,000 bbls/day over a 1-year period. The amendment was opposed by some of our colleagues on grounds that our amendment was too rigid and did not permit the President enough flexibility when making purchases. The administration has used and continues to use existing loopholes in EPCA to halt SPR purchases by claiming that buying any oil for the strategic reserve would adversely impact on the market price for oil. These arguments are specious at best. The Bradley-Dole amendment only mandates the purchase of oil at a very minimal level notwithstanding any other provision of law. Surely such small purchases would not adversely affect the world market or supply of oil, and it is only logical to assume that the real reason for halting SPRO is the administration's extreme sensitivity to Saudi opposition.

Rumors are circulating that the Saudis will reduce their production of oil by 1 million barrels per day if we buy our oil for our strategic reserve. But because of the glut of oil on the world market today, the Saudis will probably reduce their production by 1 million barrels daily in any case in order to restrict supply and hike the price in cartel fashion.

Mr. President, the reserve program is our only insurance against a severe energy supply interruption. In order to protect our economy, and honor our mutual defense treaties, a strong, viable reserve is our best bet. The trauma our economy would suffer during a severe interruption is incalculable. However, before a House Interstate and Foreign Commerce Subcommittee hearing on April 25, 1980 Alice M. Rivlin, Director of CBO, the Congressional Budget Office, testified that without a reserve the result would be increased unemployment, a decrease in productivity and spiraling inflation. Dr. Rivlin stated:

> Without a strategic petroleum reserve, a year-long shortfall of 2 million bbls/day in 1985—that is short 21 percent of projected oil imports—would reduce GNP in that year by approximately 145 billion (3.6 percent of projected 1984 GNP), it would also increase unemployment by about 1.1 percent points and create significant inflationary pressure.

But perhaps the administration believes that Dr. Rivlin's scenario is science fiction.

Perhaps Mr. Carter believes Saudi Arabia is really our ally. And I certainly believe they are.

In fact, I had an opportunity just last night to visit with the Ambassador from Saudi Arabia. They indicate, of course, that they are our crude oil reserve; and that therefore we do not need our own reserve. My question is, What happens if the Saudis' supplies to us are threatened or cut off? The Persian Gulf is one of the most volatile regions in the world and there is no way to predict what will happen there in the future.

I think it is in our interest and the Saudi's best interest that we have a strategic petroleum reserve. And it would seem to me that we can assume, as we properly should assume, that the Saudis are our friends. They have been our friends and they have been supplying us with this very valuable resource called oil. But it would seem to this Senator that Saudi opposition to our SPR is ill-advised. Of course it is in our interest to possess a reserve, but it is also important to those nonalined countries, and therefore it is in the Saudis' interest to give us a 90-day supply in the case of some emergency.

Certainly, the Senator from Kansas is not attributing any ill motives to Saudi Arabia. But I suggest that they may not be in control of all the circumstances at the time.

Even assuming the "benevolent" attitude by our OPEC "allies" history teaches us conclusively that we simply cannot rely on the stability of Arab regimes. The recent history of Iran shows this clearly. In 1974, when oil prices were low, our State Department encouraged or permitted the Shah to lead OPEC to increase the price of oil six-fold, so that the Shah would have enough oil revenue to buy the billions of dollars worth of weapons we sold him to defend Iran against communism.

At least that is one of the many theories being addressed in recent days. The Senator from Kansas does not necessarily believe in this theory, but I do often wonder why we allowed OPEC to form its cartel in the first place, without opposition or protest, when in fact they depend on us for security. It seems that from the beginning, we have been placating OPEC and yielding to their pressure. Despite these massive increases in oil prices and the buildup of a huge arsenal of weapons in Iran, the Shah fell to a bloodless revolution from within. The same thing could happen to Saudi Arabia at any time. No one can accurately predict what will occur. Already we know of Soviet fifth column activity through South Yemeni "workers" in Saudi Arabia. Assassinations, terrorism, and other forms of violence inimical to U.S. security interests have shaken this region of the world in recent years, and it is now widely held that this area is simply a "powder keg" waiting to explode.

Without a viable strategic reserve that explosion will be heard around the world, not only here in the United States. We will certainly be severely hurt, but so too will other Common Market nations and those nonalined countries who also depend heavily on OPEC oil. I would like to ask my colleagues if they think the Soviets would ignore such an opportunity to make a vast power grab in the event of such an occurrence.

The Senator from Kansas would like to ask his colleagues if they are willing to take the risk of placing U.S. national security interests in such a vulnerable position. Are we willing to gamble the future of this country in a game of Russian roulette in which control of the oil lifeline is in the hands of those not necessarily willing or able to consider our interests above all else.

We spend billions for "defense" without stopping to consider what really constitutes sound defense policy. The recent fiasco of our rescue team in the Iranian desert shows that billions of dollars will not buy a viable defense, if the necessary mechanical ingredients are lacking. Similarly, our spending billions on "defense" as allotted for in this very budget resolution will not buy national security if we lack the necessary mechanical ingredient, namely oil, to run our planes, ships, or for that matter our entire industrially and agriculturally based economy. Energy is the life's blood of our economy, oil, especially imported oil, is an integral part of our total energy picture whether we like it or not. No matter how much we talk about conservation or alternative fuels production or increased domestic production we cannot escape the fact that we are very dependent on imported crude oil and we must act now to insure that if our supply is interrupted we have adequate provisions available.

To speak of a country lacking the necessary defense posture to respond to threat and aggression at a moment's notice is to speak of a fantasy. However, that is just what the Carter administration is asking us to do by its policy of halting the SPR program.

Mr. President, the folly of this administration's defense policy is seen in the fact that not only have we stopped buying oil for the SPR, but we are also depleting our Elk Hills and Teapot Dome Naval Oil Reserves by selling approximately 160,000 barrels daily to private oil companies. The Senator from Kansas recently introduced S. 2598, a bill to prevent this incredible repletion policy of our naval oil reserves which were intended to be used for military purposes, not to be sold to private oil companies. For nonstrategic purposes.

Mr. President, the administration is placing our national survival at the mercy of unstable "allies" in the Persian Gulf and we must not allow this policy of appeasement to continue.

JACKSON-BRADLEY-DOLE-AMENDMENT

Mr. President, the amendment before the Senate is a matter of national security. The Senator from Kansas wants to hold the line on Federal spending and revenue collecting as much as any of his colleagues. However, we are today faced with a test of wills. Are we going to continue to allow the OPEC oil ministers to hold the oil weapon over our heads by threatening to cut back production, or are we going to tell them that our future national security means more to us than idle threats?

I might suggest that probably their own national security may be at stake. The removal of funds for the strategic petroleum reserves from the budget resolution is predicated on unacceptable decisions. Are we going to permit this administration to continue to place our future in jeopardy by allowing them to continue with this anti-SPRO policy or are we going to send the President and his advisors a clear-cut message as we did during the debate on S. 932 that we want the SPR program continued?

The removal of funds for the strategic petroleum reserve from the budget resolution is predicated on an unacceptable principle of decision. It is not because the reserve represents an unbearable economic burden, but because the reserve offends the financial interests of the OPEC cartel that the Carter administration does not want to carry out the law.

To structure the budget of the U.S. Government in such a way as to satisfy any priority other than our national interest is unconscionable in itself, and certainly in the opinion of this Senator, this exceeds the function and legislative intent of the Congressional Budget Act. The Congress has spoken loudly and clearly on the SPRO question and spoken affirmatively. We want the reserve and we need the reserve.

The consequences of refusing to fill our strategic reserve are unacceptable. On the same basis, would we refashion our defense policy to accommodate a threat by the Soviet Union to cut off our strategic supply of chrome? Such a thought would be unthinkable. Yet we bow to OPEC.

Consider, Mr. President, our own policy on food exports. Our State Department refuses to use food as an instrument of foreign policy. If a policy is good it is good only so long as it is a policy founded in comity between and among the parties involved. The administration's policy toward SPRO is not a good policy. It may be a good policy for OPEC but not a good policy for us.

The amendment before the Senate will do exactly what the distinguished Senator from New Jersey (Mr. BRADLEY) has said it will do. It will raise outlays in the energy function $2.1 billion to a total of $8.9 billion and in budget authority $2.6 billion to a total of $6.5 billion. We have also allowed for a $2.1 billion revenue adjustment in order to keep the fiscal year 1981 budget in balance.

I am sure all my colleagues realize that I am unalterably opposed to the oil import fee about to be imposed by President Carter. I disagree with this gasoline tax" on principle, because I feel it will do little more than exacerbate inflation thereby causing even more harm to the dwindling purchasing power of the consumer. Indeed, I have introduced along with 30 of my colleagues a resolution to disapprove the action taken by the President. It is my belief that there is a great deal of concern as to the legality of President Carter's proposal to pass the cost of this fee on to the users of gasoline only and I am quite confident that my attempts to disapprove his action will prevail. If we are successful in both adopting the disapproval resolution and overriding the President's veto it may be necessary to enact a small 2 cent per gallon security surcharge on all imported oil to fund the Jackson-Bradley-Dole amendment.

If we are successful in stopping the President's action I will introduce and support such a security surcharge bill, for the limited purpose of funding SPRO although others may propose alternative solutions. If the various attempts to disapprove the President's action on the oil import fee fail, let us at least use it wisely by spending the revenue or a portion of the revenue for our strategic reserve. In effect we are asking the Senate to provide the mechanism to pay the premiums on a national energy security insurance policy. No responsible individual would dare live without auto insurance, life insurance or health insurance, yet our country is operating without any energy insurance.

Mr. President, the Senate has an opportunity to reverse the President's ill-conceived, ill-advised, and inconsistent SPRO policy and we must live up to our responsibility and our duty to provide for national security.

Mr. HOLLINGS. Mr. President, I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. HOLLINGS. Mr. President, I was trying to get the details clear in my mind of the security surcharge. Can the Senator describe that a little more clearly for me? As I understand, there is an additional $2.1 billion in revenues; is that correct?

Mr. DOLE. That is correct.

Mr. HOLLINGS. And how is that to be obtained? Did the Senator say it is a security surcharge?

Mr. DOLE. Yes, about 2 cents a gallon.

Mr. HOLLINGS. And would it be solely on gasoline or would it be across the board?

Mr. DOLE. As far as this Senator is concerned, it would be across the board and placed on all end products of refined imported crude.

Mr. HOLLINGS. And it also would include airline fuel and home heating oil as well as gasoline?

Mr. DOLE. Yes.

Mr. HOLLINGS. Would the Senator from Kansas introduce it?

Mr. DOLE. Yes; as I said in my statement, it would seem to me we were buying energy insurance and I think the American people would accept such a proposition. The Senator from Kansas says—I am not certain whether others who are cosponsoring this effort would support that—it would seem to me there are two choices: If we are unsuccessful in disapproving the President's effort to impose an import fee, then at least a portion of the import fee ought to be set aside for energy insurance. If we are not successful in that but we are successful in disapproving the import fee, then the Senator from Kansas would introduce this legislation.

Mr. HOLLINGS. Mr. President, to begin with, the amendment could not be presented by Members more distinguished than the Senators from Washington, New Jersey, and Kansas. It also reflects the fact that the distinguished chairman of our own Energy Committee is trying to get a handle on the budget, that he is going through an educational process.

One of the great difficulties that we have in the Budget Committee is to make certain that we recommend figures within the policies set by the Senate and that we do not become an authorizing committee that passes laws. We must adhere to that principle and try to effectuate that discipline the best we can.

However, we have an amendment that assumes a new law. Despite the fact that some of the issues discussed could be good policy, we are not allowed that particular luxury—because of the fact that no bill had been introduced and we have not passed any legislation. We cannot assume that this specific policy is going to be implemented, and if it were, we cannot specify how it could conflict with foreign policy.

As of this minute, all of us generally support a strategic petroleum reserve and that that was the primary intent in developing Elk Hills. As a matter of fact, when they originally told us that the Government could not do anything to develop the naval petroleum reserve, I remember Jack Bridges, who directed the Joint Committee on Atomic Energy, indicating that as a Navy lieutenant he was one of the first to drill at Teapot Dome. As we now know, eventually the naval petroleum reserve was developed and currently we are selling a certain percentage of the production output.

However, as of March 1979, the administration's position has been to acquire no oil for the strategic petroleum reserve, be that foreign or domestic oil. Therefore, let us talk for a minute about the strategic petroleum reserve.

As I indicated, since March of 1979 the administration's position has been not to acquire oil for the reserve and we have not seen legislation to change that posture. In addition, we asked witnesses to come up from the Energy Department, the State Department, and the best evidence that we can find is that the acquisition of oil for the strategic petroleum reserve is in direct conflict, at this time, with the U.S. foreign policy.

Why do we say that? Because the administration has obviously made an arrangement with the Saudi Arabians, our principal suppliers, to increase their production levels to ease the strain of demand for oil on the world market. The Saudis very quickly could cut that production level. Currently, they are producing 9 million barrels a day to ease the strain on the world market, steady the price, and preclude further economic chaos. The Saudis argue that there is no use in increasing production if the United States is going to purchase it for a reserve. If that is the U.S. policy, the Saudis could keep it and it enhances its value in their own ground.

The Saudis have their own economic and national security problems, just as we do. To sustain this higher production level, it is my understanding that our administration agreed not to purchase any oil for the strategic petroleum reserve. In addition, in the President's revised March budget they indicated that they would adhere to this policy until June 1981.

As our Budget Committee sat around, looking and scurrying with staffers, economists, and everybody, everywhere, trying to find out where we could save, where we could reduce budget authority and outlays we decided to reduce the level of budget authority and outlays for SPRO. So in fiscal year 1980 we reduced budget authority $2.3 billion and outlays $200 million and in fiscal year 1981 we reduced budget authority $1.0 billion and outlays $1.2 billion.

If the distinguished Senator from Washington, who leads our Congress on energy policy, can work out an understanding with the administration and come back with a valid recommendation, we will listen to it and, no doubt, follow along. But as far as this budget is concerned, let us look and see what we are actually doing.

If we are going to start buying oil, rather, taking it from the naval petroleum reserve for the strategic reserve, then we have changed our policy toward the excise tax on imported oil. After all, have we not said we have to do better by way of conservation; we have to do better by way of demand on the world market and bringing in foreign oil; we have to do better by the balance of payments; we have to reestablish the value of the dollar, and that we need a conservation fee similar to the one imposed by President Ford in 1975. If we now sell the Elk Hills oil to the strategic petroleum reserve, we will increase the demand on the world market by those suppliers who are now relying, if you please, on the naval petroleum reserve for their oil supplies.

Finally, as budgeteers, and this is a budget resolution, this amendment comes up with an entire new tax or fee referred to by the Senator from Kansas as a security surcharge. This fee will increase the price of home heating oil and all other types of oil right across the board. This is a new tax entirely that has not been introduced on either side of the Hill. But we are going to assume that bill is going to be introduced, that bill is going to be reported out favorably, and that a new across the board tax on oil is going to be enacted in both Houses of Congress.

I think that is a little much, Mr. President, for us to assume in this particular budget resolution. On the one hand, they are going to bust the budget by $2 billion. On the other hand, they indicate "We'll just get it from the oil import fee." But reducing the fee cuts into the opportunity for a tax cut.

If we can get a majority vote to pass an across the board tax on oil, including home heating oil, I would be a little surprised. Maybe that would be a good recommendation, but I doubt it.

Since we have limited time, let me yield to my distinguished colleague from Oklahoma.

The PRESIDING OFFICER (Mr. EXON). The Senator from Oklahoma is recognized.

Mr. BELLMON. Mr. President, I commend the sponsors of this amendment. They clearly have identified one of the major threats to our security and to our economic stability. Also, they have been forthright enough to propose a way of paying this additional $2.3 or $2.6 billion that they propose to spend.

In my opinion, however, they have arrived at the wrong solution to this very serious problem. I think it is worth noting that the principal sponsors were also among the proponents of the $400 billion tax that we are going to put on U.S. domestic producers over the next 10 years. Clearly, that tax will do far more to weaken our energy supply situation than any good storing another 70 or 80 million barrels of oil in the ground down in Louisiana is going to do.

What that tax means is less production from our dependable domestic energy reserves.

Mr. DOLE. Will the Senator yield?

Mr. BELLMON. If I may finish this, I will.

Mr. DOLE. The Senator has me in the wrong group.

Mr. BELLMON. I was referring to the majority sponsors. The Senator is one of the minority sponsors.

Mr. DOLE. I am a Republican.

Mr. BELLMON. At any rate, Mr. President, what this $2.6 billion would do is buy about 72 million barrels of oil. It will not buy a billion barrels. If we are really serious about buying a billion barrels of oil, we do not need $2.6 billion, we need closer to $35 or $40 billion.

I think when we hold up the prospect that, by adopting the Bradley amendment, we are going, somehow or other to guarantee our energy security, we are really deluding ourselves. If we actually succeed some day in filling this SPRO up to the billion-barrel level, that would take care of our import needs for roughly 4 months. This amount of 72 million barrels would take care of our needs, since we are importing 8 million barrels a day, for less than 10 days. That certainly is not going to do any great deal of good in case there is an interruption.

The fact is, in this resolution right now, we have a provision for $800 million. When we take into account the fact that no oil has been purchased now for several months and no purchases are anticipated until well into fiscal year 1981, the $800 million is enough to get purchases started again when the world situation is such that that is a feasible possibility and, if we need more money, we obviously can make that available without slowing down the fill rate.

In my opinion, the adoption of this amendment will not really add to our energy security situation. In the first place, we probably would not be able to use the money. There is already $800 million available, which is more than enough to cover all purchases likely to occur during the next year and a half.

In addition, if we are serious about dealing with the energy needs of the country in the long run, we need to do more on the production side and not be going in for these gimmicks that do not really make that much difference.

Mr. President, the strategic petroleum reserve was originally designed and still remains only as a backup, emergency measure to provide minimal short-term protection in the event of a sudden interruption of oil supplies. It is not a solution to our energy supply problems, but only a temporary band-aid. The real solution can only come through energy policies that promote increased domestic production and conservation measures to reduce our dependence on imported oil.

The reserve presently contains 91.7 million barrels of oil. If we were cut off from imported oil, this would provide 11 days of replacement oil at the rate of 8.2 million barrels a day. So let us not kid ourselves. This is not a real answer to the energy problem.

The budget resolution provides enough money to continue construction of additional storage space and withdrawal equipment and keeps available $800 million in old budget authority for oil acquisition. It must be remembered that no oil has been acquired for the SPRO since March of 1979, more than a year ago.

I remember in the debates on the budget resolution last fall, there was a great deal of interest in putting more money in SPRO. At that time, the proponents claimed we would be buying oil again by March or April of 1980. It is now May. We have not bought a barrel, no purchases are in sight for several months, and the $800 million, as well as the amounts that would be rescinded under the proposed resolution, is lying there unused.

The administration has been unsuccessful to date in acquiring oil for the reserve. Secretary Duncan of DOE has recently returned from a visit to Saudi Arabia, during which time it was made clear that they would be very "displeased" if the United States resumed its reserve acquisition program.

The fact is, as Senator HOLLINGS said, the Saudis have been highly responsible in this area. They actually increased production when Iran ceased exporting. They have also held their prices well below the world spot prices. In fact, their prices are among the lowest in the world at the present time.

I think we would be poorly advised to take an action that might cause them to cut back production, which would result in an immediate increase in world oil prices.

Additionally, the administration has agreed not to resume its acquisition program without clearing it with other OECD nations.

Because there has been, historically, a 6-month lag between the letting of bids for oil acquisition and the delivery of oil, it is unlikely that any oil will be acquired or placed in the reserve during fiscal year 1980.

It is almost equally unlikely that we will do anything significant in purchasing oil in fiscal 1981.

If it should become possible to buy oil, the $0.8 billion the budget resolution makes available is sufficient to cover initial purchases and give the President and Congress time to provide new money for any further purchases.

The Bradley amendment would inflate the budget for a program that is not going to move during fiscal year 1980 or 1981. The money would undoubtedly be used for something else, since we have no way of restricting it only for SPRO if we put it in the budget resolution.

It will be used in whatever fashion the Appropriations Committee wants to use it.

The money is not needed and it would be bad policy to add it. I urge rejection of the amendment.

I should also say that the House has a higher number in its budget, and we can, certainly, adjust our number in conference with the House, if we choose.

What we are doing, if we go along totally with the amendment, is to raise taxes, to fund another spending program. We have in this budget already $612 billion. If we are going to spend money for SPRO, I would prefer to find a place to cut other expenditures, although I do not believe this is a time for increased SPRO funding under any circumstances.

Mr. DOMENICI. Will the Senator from Oklahoma yield 5 minutes?

Mr. BELLMON. I am glad to yield 5 minutes to the Senator from New Mexico.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, it is not normal for me to oppose matters that the chairman of the Energy Committee, the committee I serve on and enjoy very much, thinks is in our national interest, especially on energy matters.

But I must say that for anyone in this body that agrees that a strategic petroleum reserve of the type that the proponents of this amendment think we need, if they think voting for this budget amendment is going to, in fact, perform a miracle, they are mistaken.

The truth of the matter is that the President of the United States, and we will have this President, most probably, till the early part of January of next year, and then we will see, we might have him for 4 more years, but the truth of the matter is that, for whatever reason, he is not purchasing oil on the international market, and that is where SPRO oil comes from. He has not and has clearly indicated that he will not. He has not for many, many months.

The budget proposal that was sent to us indicates that if it is to be commenced, it obviously will be commenced after June of next year, which date is very important because that is the date of an OPEC meeting.

So it seems obvious to this Senator that we can put as much as we want in this budget resolution for SPRO and all we are doing is expressing a wish.

We put it in before. We have carried it forward from budget resolution to budget resolution. Yet, no oil is purchased.

The purpose of a budget resolution is to be as practical as possible, as realistic as possible. But, certainly, it does not perform miracles, nor does it have any magic wand.

We are not going to buy more oil for the strategic reserve because we put in an additional $2.4 billion in budget authority in 1981, $2.1 billion in outlays, which means it is available to be spent by somebody around this place under the energy function. That does not mean we will buy one barrel of oil.

We have carried budget authority forward. In fact, as of this moment, we have well over $1 billion in budget authority that has not been used.

This new resolution leaves $800 million in budget authority in 1980, $600 million in budget authority in 1981.

It seems for those who want no new taxes, they certainly ought not support paying for the 1981 outlays with a 2-cents-a-gallon tax across the board on petroleum products when we are not going to buy any oil for at least a year.

Perhaps a new President would change it. But for now, how can we force the purchase of foreign oil when this President says that we are not going to buy it, for reasons he feels are in our interest?

I tend to disagree. But the proof is in the pudding. Not for 1 month or 2 months, for months and months and months none is purchased.

We want to say that we are patriotic Americans. Let us vote for the Dole-Bradley-Jackson amendment. Let us tax gasoline and diesel fuel and fuel oil some more for some security reserve.

For what? Can the U.S. Senate buy oil in the international market?

I mean, we are powerful, but I do not know how we can go into the international market with a President who controls a Secretary of Energy who, apparently, for good reasons, again, not that I agree with it, has said we are not going to.

So, no one ought to kid himself. If we want to vote that we are for American security and think we ought to start filling that reserve, we ought to have a resolution and say that we disagree with the President, we ought to be filling our reserve at 100,000 barrels a day like Senators DOLE, BRADLEY, and JACKSON think.

But we do not have to put $2.4 billion in budget authority, $2.1 billion in outlays for 1981, $600 million in outlays for the rest of this year, when it is obvious that a resolution, a declaration of intent, a slogan of indignation toward our President, would certainly be just as applicable, just as effective, and we would not be putting all this money in this budget to be there for something we are not going to use it for.

I thank the Senator from Oklahoma.

Mr. JACKSON addressed the Chair.

Mr. BRADLEY. I yield 3 minutes to the Senator.

The PRESIDING OFFICER. The Senator from Washington.

Mr. JACKSON. Mr. President, this is not a complicated issue. The facts are as follows.

We are currently producing 161,000 barrels a day of oil, high grade, high quality, sweet crude, from Teapot Dome and from Elk Hills.

Bear in mind that this strategic reserve was set up prior to World War I. It is a part of a strategic reserve that should be dedicated to meeting the needs of this country at a critical time. But what is it being used for? To balance the budget. It will bring in $2 billion in fiscal year 1981.

The point is that it is being misused. If one wants to put it this way, they do not need to use the money directly. We could direct that the 161,000 barrels a day, less the allocation to the small refiners, go into the strategic petroleum reserve.

There is no issue here of foreign policy. That is completely misunderstood. No foreign nation, including the countries of the Persian Gulf, can object to our taking our own oil, dedicated under law going back to World War I, that was to be used for a strategic purpose. That oil literally can be taken from those wells at Elk Hills and at Teapot Dome and placed in the strategic reserve. That is what we are saying here. That is the issue, Mr. President.

We are going to look a little silly if we have a cutoff and then they ask, "What did you do with that reserve that was set up way gack in 1914?" Well, we have been selling it.

Mr. President, the prudence of it can best be demonstrated by the fact that the oil in those strategic reserves I have just mentioned, which have been set up by the act we passed in 1975, where we had 93 million barrels, has appreciated more than $1 billion. We paid, on an average, $14 a barrel, and it is now worth, on an average, $31 a barrel or $32 a barrel. I would say that is pretty good business.

I hope the Senate will face up to its responsibility and see to it that the strategic reserve becomes credible and that we approve the amendment offered by my distinguished colleague from New Jersey and cosponsored by the Senator from Kansas and me.

Mr. BRADLEY. Mr. President, last fall, the Senate voted, by a margin of 57 to 33, to support the filling of the strategic reserve at about 100,000 barrels a day. Today, the Senate has the opportunity to reaffirm that commitment by providing the budget authority to accomplish the will of the Senate as expressed last November.

It is true that the fill rate we have assumed would result in about 72 million barrels in 1981, about 30 million barrels additional in 1980 if it were begun in July, which is about 100 million barrels more than we now have. It is not a billion barrels, but it is a beginning; and it is a clear statement on the part of Congress and the U.S. Senate that we recognize that our national security is threatened.

Six months from now, 9 months from now, 1 year from now, I want to see every Senator who votes against this amendment, when the interruption will occur; and I want to see him justify that vote on the basis of a balanced budget or because he was making the wrong assumptions. The budget is nothing but assumptions: about the inflation rate, about the employment rate, about the enactment of laws that deal with interest and dividends.

Mr. President, this is an issue that is very clear. We can assume all the good will in the world on the part of our Saudi allies—that, indeed, they do not want to reduce production. I can make the argument, on the other side, that they will reduce production a million barrels a day, whatever the Senate does, in the third quarter of this year, because of the world inventories of oil. Assuming all the good will in the world, there is no way to predict an event that occurs in an unstable region of the world, that zaps this economy and withdraws from this economy 3 million, 4 million, or 9 million barrels of oil a day.

Mr. President, I say that if the administration has ceded to the Saudi Government the making of foreign policy, the U.S. Senate cannot concur in that and must make a very clear statement of what is in our national security interests, and that we see these issues clearly.

Mr. President, how much time remains?

The PRESIDING OFFICER. The Senator from New Jersey has 3 minutes and 48 seconds.

Mr. BRADLEY. Mr. President, I yield 2 minutes to the Senator from Kansas.

Mr. DOLE. Mr. President, I can understand how the members of the Budget Committee feel about the great work they have done on the budget, and their pride of authorship, and not wanting anybody to touch it because it is a sacred document. I was on that committee for a while. They are a great, superlegislative, line-item committee. They decide what the rest of us should do in our respective committees, and we are told not to rock the boat on the floor.

However, I suggest that in the next few weeks, we are all going to be having thoughts about the rescue mission in Iran and how perhaps if we had one more helicopter it might have been successful. One more helicopter. That is all we are talking about.

We are talking here about 4 or 5 days' supply of oil. That is all we are talking about; 10 days; 15 days; 20 days. One mechanical factor could make the difference between success and failure, and between security and insecurity. Whether the critical factor be "oil" or a helicopter's hydraulic system, we need to be sure that it is there. Arms alone will not buy security for our Nation. All factors must be considered and it is the opinion of the Senator from Kansas that today we are overlooking a very vital factor in our overall defense and national security posture.

It seems to me that we should be realistic, and we have tried to be responsible. I have indicated that I am willing to offer a "security surcharge" of up to 2 cents a gallon, if necessary, about 84 cents a barrel, on all imported oil. We are not busting the budget.

I hope we have an opportunity to carry out a program which was started several years ago during the Ford administration and which has been thwarted for one reason or another during the Carter administration.

I do not have any quarrel with the Saudis. They are our friends. But I suggest that it is in their interest and our interest to take this step.

So far as the arguments are concerned, I think the Senator from Washington just made the best one. The oil we now have has more than doubled in value, and I do not know of anybody who can predict that oil is going to be any cheaper in June 1981, the date Secretary Duncan states he will again purchase oil for SPRO. It is not going to be any cheaper. The longer we wait, the more it is going to cost; and the next administration will say, "It is too expensive," and we will wait 4 more years and 4 more years. Sooner or later, the rug will be pulled from under us, and we will be left wondering why budgetary haggling led us into this mess.

I suggest that we made a good initial investment in buying oil for SPRO, and it is time we made another good investment by continuing to buy oil. It is time we had energy insurance in America.

The PRESIDING OFFICER. Who yields time?

SEVERAL SENATORS. Vote! Vote!

Mr. HOLLINGS. Mr. President, I ask the distinguished Senator from New Jersey to answer this question: Does he favor this security surcharge across the board, including home heating oil?

Mr. BRADLEY. I answer the question of the Senator by saying that if 20 percent of the import fee is set aside for purchase of the strategic reserve, I fully believe that it is a good investment, particularly when we consider what the price of home heating oil or gasoline would be if there were an oil supply interruption of 3 million barrels a day. We are talking about increasing receipts about $2.1 billion in 1981. One could assume it comes from a variety of places. I have assumed that it comes from the fee, from the import fee.

Mr. HOLLINGS. The Senator from New Jersey assumes it comes from the import fee, and the coauthor assumes it comes from a new tax.

Mr. BRADLEY. That is incorrect.

Mr. DOLE. There are many different ways in which to obtain revenue for the SPRO, such as the import fee, the security surcharge as I have proposed as well as others. I would be willing to consider alternative measures although I have stated my preference and my strong opposition to the oil import fee.

Mr. HOLLINGS. The Senator from Kansas says they are flexible.

Mr. BRADLEY. May I ask the Senator a question?

Mr. HOLLINGS. Certainly.

Mr. BRADLEY. In the budget report on page 22, it says that the CBO estimate of revenues for fiscal 1981 is $616 billion. On page 23, it says that the Budget Committee recommends a revenue floor for fiscal year 1981 of $623 billion.

What is that discrepancy of unaccounted-for revenues? Where does that come from?

Mr. HOLLINGS. A little earlier today I discussed that $6.4 billion with the Senator from Arkansas. It probably could have been presented a little better. Let me indicate, that in addition to the $616 billion also is assumed $6.4 billion in additional revenues. The President asked for $10 billion and the Budget Committee assumed two-thirds of that.

On page 24 the Senator will find the recommendations regarding the different approaches that could be used with respect to these cash management initiatives.

Mr. BRADLEY. So the Senator is saything that he is assuming cash management.

Mr. HOLLINGS. That is right. That is one of the assumptions that will go to the Finance Committee, along with a withholding tax on dividends and interest.

Mr. BRADLEY. Does that require legislation?

Mr. HOLLINGS. It certainly does.

Mr. BRADLEY. The Senator's whole point earlier was that we were proposing something that required new legislation. The whole Senate budget consists of assumptions about legislation.

I am simply saying that the purpose of the budget is to retain the flexibility for the authorizing committees to make that ultimate decision. It could come from withholding. It could come from an import fee. It could come from any variety of sources. It is not the Senate role at this time to say precisely where it comes from.

Mr. HOLLINGS. It is not the Senator's intent to say where it comes from in his amendment. Is the Senator saying that it could come from anywhere?

Mr. BRADLEY. It is my intent to retain that flexibility for the authorizing committee, being a member of both the Energy Committee and the Finance Committee.

Mr. HOLLINGS. The $2.1 billion, though, does not say that. The $2.1 billion is a surcharge.

Mr. BRADLEY. No. The $2.1 billion, according to the Senator from Kansas, would come (a) from an import fee if it were passed, and he intends to strike it, or (b) from a security surcharge if there were no import fee.

There are other Senators in this body who might have other ideas of where that revenue would come from.

Mr. HOLLINGS. If the distinguished Senator reads the amendment, it does not say that. He assumes an additional $2.1 billion in revenues. That is the way the amendment reads.

Mr. BRADLEY. That is correct, which would mean reducing tax cuts for business by $2.1 billion.

Mr. JACKSON. Mr. President, will the Senator yield there?

Mr. BRADLEY. That is not a problem. That means instead of getting $10.8 billion in tax cuts business would get $2.1 billion less, or that is where the revenue would come from. That is the real choice, whether we are going to give business $2.1 billion less in tax cuts to balance the budget or whether we are going to fill the strategic petroleum reserve to cushion against the impact of it.

Mr. HOLLINGS. Section 1(a) is revised to show additional revenues in fiscal year 1981 of $2.1 billion. These are additional revenues and not the excess fee that the Senator said is assumed. He is assuming an $2.1 billion in additional revenues from a security surcharge.

Mr. JACKSON. Mr. President, will the Senator yield?

Mr. HOLLINGS. I yield.

Mr. JACKSON. The point of this whole debate, though is——

The PRESIDING OFFICER. All the time of the Senator from South Carolina has expired. There is 1 minute and 48 seconds remaining that is assigned to the Senator from New Jersey.

Mr. JACKSON. Mr. President, I think the point that needs to be made is that we are talking here about $2.1 billion of illegitimate revenue. This is money that should be used either to buy the oil or to trade the oil. That is the issue. I hope that the Senate will approve the amendment.

My amendment assumes a fill-rate for SPRO of 100,000 B/D in last quarter of fiscal year 1980. This is less than current rate of production from NPR.

The amendment also assumes a fill-rate for SPRO of 150,000 B/D in fiscal year 1981. This is less than anticipated rate of production from NPR of 160,000 B/D.

My amendment makes no explicit changes in revenues. Senate Concurrent Resolution 86 assumes revenues of over $2 billion from sale of oil of NPR. Sale of this oil to fill SPRO does not affect these receipts.

I urge that this amendment be approved.

● Mr. HATFIELD. Mr. President, I rise in support of the amendment offered by my colleagues on the Energy Committee, Senators JACKSON, and BRADLEY, and my colleague on this side of the aisle, Senator DOLE, with whom I have shared a long interest in the viability of our Strategic Petroleum Reserve.

Mr. President, the Budget Committee has taken a very precarious path to reducing the deficit that we will face in fiscal year 1981. By knocking out nearly $2.6 billion from function 270, the committee has decided to take money appropriated to buy oil for the strategic petroleum reserve and to use it for a number of questionable purposes. First of all, they want to use it to mask the true impact of higher defense spending: and, they want to use it to fund other programs that I think should be funded directly by general revenues.

Mr. President, that SPR money has been appropriated by the Congress for a very important reason—to be able to purchase oil on a moments notice for the SPR. We now have an obvious international political and national security problem in actually making those purchases. But the situation could change at any time and if it did, large quantities of crude oil could be made available for a limited time to fill the SPR. To get this oil, we must be prepared to act quickly. By knocking out this $2.6 billion, the Budget Committee is effectively requiring the Congress to come back and reappropriate funds for the SPR and that totally destroys the ability of the President to respond quickly.

Mr. President, if the programs for which this money is to be used is important enough to justify funding them from the SPR account, then it seems to me that the Budget Committee should have the courage to fund those programs by direct revenues. I urge all of my colleagues to support this amendment.●

● Mr. JAVITS. Mr. President, it is with deepest regret that I cast my vote against the Bradley amendment as I, too, consider prompt fill of the strategic petroleum reserve to be vital to our national security. But the additional revenues in the sum of $2.1 billion which are included in the Bradley amendment are simply not credible. There is general agreement that the revenues which may be generated if the oil import fee remains in effect are not counted in the revenue figures in the budget resolution, and if the entire $11 billion are not counted then it is not appropriate to count $2.1 billion of that $11 billion as proposed here.

Alternatively, it is proposed that the necessary revenues are to be collected from a new 2-cent security tax on oil which will be designated solely for the SPR. I might support such a tax as an appropriate and temporary "insurance premium" for the national security. However, no such legislation is before the Congress, such an assumption is not an appropriate basis for revising the size of the Federal budget at this time.

For the moment, I must therefore oppose the Bradley substitute. However, I shall support Senator JACKSON's proposal, as I believe the security issue involved here is so vital that it warrants even unbalancing the budget for the purpose. Should this Jackson amendment fail, I shall offer a substitute for the resolution which restores the budget authority for the SPR which the Senate Budget Committee cut out, while not changing the outlay level in the pending resolution.●

Mr. HAYAKAWA. Mr. President, I have joined with Senator ARMSTRONG today in introducing an alternative to the first concurrent resolution on the Budget, Senate Concurrent Resolution 86. Our economy is experiencing an unprecedented combination of problems: inflation has been running at about 18 percent since the beginning of the year; unemployment climbed to 7 percent last month; interest rates, though declining, are squeezing the private sector out of the credit market; and, personal savings fell to 3.5 percent in the fourth quarter of 1979 and is estimated to have fallen again in the first quarter of 1980.

The solutions of the past have not worked. We can no longer afford to be timid in our approach to the drastic situation which confronts us. Respected economists throughout the country, and indeed our own Joint Economic Committee, have called for reduced Government spending and tax reduction to encourage investment and productivity. If we are to avoid fiscal disarray in this country we must heed this advice.

On March 4 of this year, I joined Senator ROTH and more than a fourth of my colleagues in cosponsoring Senate Resolution 380. That resolution is an attempt to limit Federal expenditures to 21 percent of the gross national product (GNP). Although it failed, our numbers have grown and I believe the good of this country demands that we try again and again until responsibility is restored to the spending process.

The Armstrong-Roth alternative budget would balance Federal revenues and outlays at $596.7 billion—$16.2 billion below Senate Concurrent Resolution 86. This is consistent with the 21 percent ceiling proposed by Senate Resolution 380 and it would provide for a $19 billion reduction in taxes in fiscal year 1981—$30 billion in that calendar year. The Armstrong-Roth alternative accomplishes this without any drastic reductions in any function area.

Many of those who have attacked this and similar proposals as being irresponsible have long advocated the same stale ideas which have brought us 7 percent unemployment, 18 percent inflation, and credit controls. Consumers and businesses are finding it impossible to obtain loans, the savings rate has dropped, capital formation is foundering, and productivity is declining. We must put an end to the deficit spending which is increasing the burden of inflation. To put an end to this deficit spending we must remove the Federal Government from the credit market. Only when this happens can we increase productivity and enable strong economic growth to occur and create the new jobs needed to provide employment for all Americans willing and able to work. Only increased incentive will create the productivity increase we need and only tax reduction will accomplish this. There are numerous bills such as Kemp-Roth, the Capital Cost Recovery Act and separate computation of earned and unearned income which would increase productivity. However, the budget must accommodate room for those proposals in its revenue figures if we are going to increase productivity.

I think this is a responsible approach. We cannot continue with business as usual, increasing and increasing and increasing the amounts we spend and the taxes we assess until this country falls flat on its face. We have to hold the line somewhere and Senator Armstrong's proposal is a good place to start. He has recommended certain functions totals in keeping with his views contained in the committee report on Senate Concurrent Resolution 86 and some of our colleagues may disagree with those recommendations. However, I feel that his aggregate totals are justified and we must remember that only these aggregate totals are binding.

I am pleased to support the distinguished Senator from Colorado's endeavors to chart a prudent fiscal course for this country. I urge my colleagues to do likewise. I thank the Chair.

Several Senators. Vote!

Mr. BELLMON. Mr. President, I move to table the Bradley amendment and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Oklahoma to lay on the table the amendment of the Senator from New Jersey.

On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

The ACTING PRESIDENT pro tempore. Will the clerk interrupt the calling of the roll? The Senate is not in order. Will the Senators please clear the well?

The clerk will continue to call the roll.

The assistant legislative clerk resumed the calling of the roll.

The ACTING PRESIDENT pro tempore. Will the clerk please suspend the rollcall vote? We are having great difficulty in hearing the Senators who are trying, in proper order, to cast their votes.

The Chair would request once again that the Members please take their seats and clear the well so we can continue the rollcall vote. We will not continue the calling of the roll until the Senate is in order. Will Senators please take their seats and clear the well.

The clerk will continue to call the roll.

The assistant legislative clerk continued the call of the roll.

The ACTING PRESIDENT pro tempore. The clerk will discontinue the calling of the roll. For the third time, the Chair is asking the Senators to clear the well. If you do not clear the well, the Chair will ask the Sergeant at Arms to do so.

Will Senators please take their seats so we can proceed in an orderly fashion. We will not continue the calling of the roll until the Senate is in order. I would like to ask Senators once again to please take their seats.

The roll will not continue until the Senate is in order. Will the Sergeant at Arms please approach the Chair? The Senate is not in order and we are going to have order before we continue the rollcall.

The clerk will continue to call the roll.

The assistant legislative clerk resumed and concluded the call of the roll.

Mr. CRANSTON. I announce that the Senator from Ohio (Mr. Glenn), the Senator from Alaska (Mr. Gravel), the Senator from Hawaii (Mr. Inouye), the Senator from Massachusetts (Mr. Kennedy), and the Senator from Maine (Mr. Muskie) are necessarily absent.

Mr. STEVENS. I announce that the Senator from Pennsylvania (Mr. Heinz) is necessarily absent.

The ACTING PRESIDENT pro tempore. Are there any Senators in the Chamber wishing to vote?

The result was announced—yeas 53, nays 41, as follows:

[Rollcall Vote No. 95 Leg.]

YEAS—53

Armstrong
Bayh
Bellmon
Biden
Boschwitz
Burdick
Byrd,
  Harry F., Jr.
Byrd, Robert C.
Chafee
Chiles
Church
Culver
DeConcini
Domenici
Durenberger
Eagleton
Exon
Ford
Goldwater
Hart
Hatch
Helms
Hollings
Huddleston
Javits
Jepsen
Johnston
Kassebaum
Leahy
Long
Mathias
McClure
Metzenbaum
Morgan
Packwood
Pell
Pressler
Proxmire
Randolph
Riegle
Roth
Sasser
Schmitt
Schweiker
Stafford
Stennis
Stevens
Stewart
Stone
Tower
Wallop
Warner
Young

NAYS—41

Baker
Baucus
Bentsen
Boren
Bradley
Bumpers
Cannon
Cochran
Cohen
Cranston
Danforth
Dole
Durkin
Garn
Hatfield
Hayakawa
Heflin
Humphrey
Jackson
Laxalt
Levin
Lugar
Magnuson
Matsunaga
McGovern
Melcher
Moynihan
Nelson
Nunn
Percy
Pryor
Ribicoff
Sarbanes
Simpson
Stevenson
Talmadge
Thurmond
Tsongas
Weicker
Williams
Zorinsky

NOT VOTING—6

Glenn
Gravel
Heinz
Inouye
Kennedy
Muskie

So Mr. Bellmon's motion to lay on the table Mr. Bradley's amendment (UP No. 1060) was agreed to.

Mr. HOLLINGS. Mr. President, I move to reconsider the vote by which the motion was rejected.

Mr. BELLMON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The vote then recurs on amendment No. 1059.

Mr. JACKSON. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. BELLMON. Mr. President, I move to table the Jackson amendment and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second for the tabling motion?

There is a sufficient second.

Mr. JACKSON. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. JACKSON. A point of order, Mr. President. The request to table, does it not come too late after the yeas and nays have been ordered?

The PRESIDING OFFICER. The Senator is not correct.

Mr. BELLMON. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. The yeas and nays have been ordered and the clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HARRY F. BYRD, JR. Mr. President, what is the pending question?

The PRESIDING OFFICER. In response to the Senator from Virginia, the pending question is on a motion to table amendment No. 1059, the amendment that we have been discussing. So the question is on the motion to table by the Senator from Oklahoma.

Mr. JACKSON. Mr. President, parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. JACKSON. Is it not correct that the amendment——

Mr. HOLLINGS. Mr. President, I object. We are in the middle of a rollcall.

The PRESIDING OFFICER. The rollcall has started. It is too late for a parliamentary inquiry. The clerk will call the roll.

The assistant legislative clerk continued to call the roll.

The PRESIDING OFFICER. The clerk will dispense with the calling of the roll. The Chair will advise the Senate that it took 6 minutes over the allotted time to call the last rollcall. Will Senators please restrain themselves from talking? We would like to move the vote ahead as quickly as possible. If we could just clear the well and take your votes, the Chair will be pleased to instruct the clerk to continue the call of the roll, but not until the Senate is in order.

The clerk will continue the call of the roll.

The assistant legislative clerk continued and concluded the call of the roll.

Mr. CRANSTON. I announce that the Senator from Ohio (Mr. GLENN), the Senator from Alaska (Mr. GRAVEL), the Senator from Hawaii (Mr. INOUYE), the Senator from Massachusetts (Mr. KENNEDY), and the Senator from Maine (Mr. MUSKIE) are necessarily absent.

Mr. STEVENS. I announce that the Senator from Pennsylvania (Mr. HEINZ) and the Senator from Maryland (Mr. MATHIAS) are necessarily absent.

The PRESIDING OFFICER (Mr. STONE). Are there any other Senators in the Chamber wishing to vote?

The result was announced—yeas 53, nays 40, as follows:

[Rollcall Vote No. 96 Leg.]

YEAS—53

Armstrong
Baker
Bellmon
Biden
Boschwitz
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Chafee
Chiles
Church
Culver
DeConcini
Domenici
Eagleton
Exon
Garn
Goldwater
Hart
Hatch
Helms
Hollings
Huddleston
Humphrey
Jepsen
Johnston
Kassebaum
Leahy
Long
Metzenbaum
Morgan
Nunn
Packwood
Pell
Percy
Pressler
Proxmire
Randolph
Riegle
Roth
Sasser
Schmitt
Schweiker
Stafford
Stennis
Stevens
Stewart
Stone
Thurmond
Tower
Warner
Young

NAYS—40

Baucus
Bayh
Bentsen
Boren
Bradley
Bumpers
Cochran
Cohen
Cranston
Danforth
Dole
Durenberger
Durkin
Ford
Hatfield
Hayakawa
Heflin
Jackson
Javits
Laxalt
Levin
Lugar
Magnuson
Matsunaga
McClure
McGovern
Melcher
Moynihan
Nelson
Pryor
Ribicoff
Sarbanes
Simpson
Stevenson
Talmadge
Tsongas
Wallop
Weicker
Williams
Zorinsky

NOT VOTING—7

Glenn
Gravel
Heinz
Inouye
Kennedy
Mathias
Muskie

So the motion was agreed to.

Mr. HOLLINGS. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. BELLMON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 1061

(Purpose: To increase the recommended levels of new budget authority and outlays for fiscal year 1981 for Veterans' Benefits and Services and to decrease such levels for Education, Training, Employment, and Social Services for such fiscal year)

Mr. THURMOND. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from South Carolina (Mr. THURMOND) proposes an unprinted amendment numbered 1061.

Mr. THURMOND. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 7, line 24, strike out "$29,400,000,000" and insert "$28,600,000,000".

On page 7, line 25, strike out "$28,400,000,000" and insert "$28,000,000,000".

On page 9, line 6, strike out "$21,500,000,000" and insert "$22,300,000,000".

On page 9, line 7, strike out "$21,000,000,000" and insert "$21,400,000,000".

Mr. THURMOND. Mr. President, the amendment I offer today will restore $800 million in fiscal year 1981 budget authority and $400 million in budget outlays for Veterans Benefits and Services, function 700. This will be accomplished by reducing similar totals from Education, Training, Employment and Social Services, function 500.

This increase in the veterans function is necessary, and it continues to represent a tight and fiscally responsible budget for the VA. The figures under my amendment represent the same budget authority that the Veterans' Affairs Committee recommended in its March 15 budget letter and $200 million less in outlays than the Veterans' Affairs Committee recommended.

The reductions in my amendment would be reflected in function 500. This function addresses the national need to promote equal education and full employment opportunities for Americans through various programs. Many of these programs serve very useful purposes, while others are questionable and often fraught with abuse. The Comprehensive Employment and Training Act (CETA) programs constitute 86 percent of the spending in mission 4 of this function. This includes title VI and II-D public service employment, youth programs, and general training and employment programs. The budget authority for mission 4 is $8.8 billion with outlays of $8.7 billion.

Mr. President, I believe the Senate should ask itself which is more important: make-work jobs programs that do not reduce unemployment, or earned veterans benefits and needed hospital care for the service-connected injured.

The PRESIDING OFFICER. Who yields time?

Mr. THURMOND. Mr. President, does the Senator from New Hampshire want time?

Mr. HUMPHREY. I should like to be recognized for the purpose of offering an amendment to the proposal of the Senator from South Carolina.

Mr. HOLLINGS. Is that a substitute, Mr. President?

The PRESIDING OFFICER. The Chair will have to remind the Senator that a further amendment to the pending amendment is not in order until the allotted time for the pending amendment has been used or yielded back, except by unanimous consent.

Mr. THURMOND. Mr. President, I ask unanimous consent to consider the amendment.

Mr. HOLLINGS. I object, Mr. President.

Is that an amendment so we will understand—this is an amendment to Senator THURMOND's amendment, Mr. President?

Mr. HUMPHREY. That is correct.

Mr. THURMOND. Mr. President, I yield back my time.

Mr. HOLLINGS. I yield back my time so we can go on with the Humphrey amendment.

The PRESIDING OFFICER. All time is yielded back. Senator HUMPHREY is recognized.

UP AMENDMENT NO. 1062

(Purpose: To increase the recommended levels of new budget authority and outlays for Veterans Benefits and Services for the fiscal years 1981, 1982, and 1983 and to decrease such levels for Education, Training, Employment, and Social Services for such fiscal years)

Mr. HUMPHREY. I send to the desk an amendment to the amendment of the Senator from South Carolina and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from New Hampshire (Mr. HUMPHREY) proposes an unprinted amendment numbered 1062 to the amendment of the Senator from South Carolina numbered UP 1061.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that further reading be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

In lieu of the matter proposed to be inserted by Mr. Thurmond, insert the following:

On page 2, line 18, strike out "$759,300,000,000" and insert "$750,200,000,000".

On page 2, line 19, strike out "$831,500,000,000" and insert "$831,700,000,000".

On page 2, line 22, strike out "$612,900,000,000" and insert "$612,700,000,000".

On page 2, line 23, strike out "$687,200,000,000" and insert "$687,100,000,000".

On page 2, line 24, strike out "$753,500,000,000" and insert "$753,800,000,000".

On page 3, line 4, strike out "$0" and insert "+$200,000,000".

On page 3, line 5, strike out "$10,000,000,000" and insert "$10,100,000,000".

On page 3, line 6, strike out "$27,100,000,000" and insert "$26,800,000,000".

On page 3, line 9, strike out "$927,800,000,000" and insert "$927,600,000,000".

On page 3, line 10, strike out "$953,800,000,000" and insert "$953,500,000,000".

On page 3, line 15, strike out "$32,700,000,000" and insert "$32,500,000,000".

On page 3, line 16, strike out "$26,000,000,000" and insert "$25,000,000,000".

On page 3, line 17, strike out "$14,900,000,000" and insert "$15,200,000,000".

On page 7, line 24, strike out "$29,400,000,000" and insert "$28,500,000,000".

On page 7, line 25, strike out "$28,400,000,000" and insert "$27,500,000,000".

On page 8, line 2 strike out "$30,500,000,000" and insert "$29,400,000,000".

On page 8, line 3, strike out "$29,000,000,000" and insert "$28,100,000,000".

On page 8 line 5, strike out "$31,300,000,000" and insert "$30,100,000,000".

On page 8, line 6, strike out "$30,700,000,000" and insert "$29,600,000,000".

On page 9, line 6, strike out "$21,500,000,000" and insert "$22,400,000,000".

On page 9, line 7, strike out "$21,000,000,000" and insert "$21,700,000,000".

On page 9, line 9, strike out "$23,100,000,000" and insert "$24,100,000,000".

On page 9, line 10, strike out "$22,700,000,000" and insert "$23,500,000,000".

On page 9, line 12, strike out "$24,600,000,000" and insert "$26,000,000,000".

On page 9, line 13, strike out "$24,200,000,000" and insert "$25,600,000,000".

On page 18, strike out lines 6 through 16.

On page 18, line 17, strike out "Sec. 11." and insert "Sec. 10.".

On page 19, line 4, strike out "Sec. 12." and insert "Sect. 11.".

On page 19, line 16, strike out "Sec. 13." and insert "Sec. 12.".

On page 19, line 16, strike out "12" and insert "11".

On page 19, line 21, strike out "Sec. 14." and insert "Sec. 13.".

On page 20, line 2, strike out "Sec. 15." and insert "Sec. 14.".

On page 20, line 19, strike out "Sec. 16." and insert "Sec. 15.".

On page 21, line 2, strike out "Sec. 17." and insert "Sec. 16.".

On page 21, line 12, strike out "Sec. 18." and insert "Sec. 17.".

On page 22, line 2, strike out "Sec. 19." and insert "Sec. 18.".

Mr. HUMPHREY. Mr. President, this amendment simply transfers funds from the education, training, employment, and social services function to the veterans benefits and services function. Specifically, for fiscal year 1981, I propose to subtract $900 billion in outlays from function 500—education, training, and employment—and add $700 million to function 700—that is, the veterans function—to maintain essential benefits in health care services for our Nation's veterans. In light of the need for a balanced budget, one cannot add money to one program without taking money from another. I commend the Budget Committee chairman for guiding the balanced budget through the committee, though I wish the balancing of the budget were not relying chiefly on greater tax revenues. As others have pointed out——

The PRESIDING OFFICER. The Chair has to interrupt to inform the Senator that the amendment as drafted is not proper in that it seeks to amend parts of the resolution not amended by the Thurmond amendment.

The amendment is, therefore, out of order.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that it may be in order.

The PRESIDING OFFICER. Is there objection?

Mr. NELSON. Mr. President, what was the request?

The PRESIDING OFFICER. The Senator from New Hampshire requests unanimous consent that the technical objection to his amendment be set aside and the amendment be deemed in order. The Chair ruled that the amendment as drafted amends parts of the resolution not covered by the amendment of the Senator from South Carolina to which the amendment of the Senator from New Hampshire is addressed.

Mr. NELSON. Mr. President, I have not had a chance to look at that amendment.

Mr. HOLLINGS. Mr. President, I shall have to object to the request. Will the Senator give us time to set his amendment aside and get it in form? If we do what he asks, we are going to have a misunderstanding about how it is going to apply. It will be similar to the last set of amendments. One author said it meant one thing and another said it meant something else. I shall have to object.

I yield 2 minutes to the Senator from Wisconsin so he can introduce something for the record.

Mr. NELSON. Mr. President, I shall only take 30 seconds.

A BALANCED FEDERAL BUDGET FOR FISCAL YEAR 1981

Mr. NELSON. Mr. President, the Senator from New York (Mr. JAVITS) and I are introducing an alternative budget for the budget resolution reported by the Budget Committee in the first concurrent budget resolution.

The alternative budget we propose would balance the Federal budget for fiscal year 1981 at the outlay level established by the Budget Committee.

Under this substitute, a total of $2.4 billion in outlays contemplated by the Budget Committee—$2 billion in national defense and $0.4 billion in interest—would be redistributed to alleviate, in part, sharp reductions in important domestic programs.

The reductions contemplated by the Budget Committee in transportation; education, job training, employment and social services; health; social security; retirement benefits; unemployment insurance; food stamps; child nutrition; fiscal assistance and housing assistance will be partially offset by this amendment.

The purpose of this amendment is to moderate the severity of the reductions proposed by the Budget Committee for fundamental human and social service programs.

The alternative budget we propose would guarantee that national defense outlays planned for fiscal year 1981 would grow by over 3 percent in real terms.

There is a general consensus in Congress and throughout the country that the strength and capability of our national defense should be enhanced. In order to achieve this goal, it is imperative that the national defense budget be increased. That is what the Nelson-Javits amendment does.

In fiscal year 1980, it is estimated by the Congressional Budget Office that $134 billion will actually be spent on national defense. Our amendment provides for an outlay of $153.7 billion in fiscal year 1981, or a 1-year increase of $19.7 billion. This increment in national defense represents an increase of 14.7 percent.

In comparison to the figure approved by the House Budget Committee and affirmed by the House of Representatives for fiscal year 1981, this amendment provides $5.8 billion more in defense outlays.

In comparison to the defense outlay level for fiscal year 1981 proposed by the President in the administration's revised March budget, this amendment provides outlays that are $3.2 billion more than those submitted to the Congress.

By any measure, this amendment places great emphasis on the enhancement of our military strength. It is a level that would fully honor the Nation's commitment to our NATO allies and provide overdue and needed funding for manpower, weapons and operations, and maintenance programs.

Therefore, the Nelson-Javits substitute provides appropriations and outlays planned for national defense in fiscal year 1981 that will enable our country to sustain its role in the world; to protect its vital interests in areas of strategic importance; and most importantly, to insure that our military strength is second to none.

Mr. President, the question before the Senate is simply this: At what rate can and should the national defense budget be increased?

In my judgment, the Budget Committee has taken appropriate action in approving a budget resolution that would enhance our Nation's military prowess. At the same time, I believe that the outlay figure approved by the Budget Committee for fiscal year 1981—$2 billion more than that proposed by this amendment—is too ambitious. As a result, the Budget Committee's tremendous emphasis on defense spending requires deep and unnecessary reductions in domestic programs.

By reallocating $2 billion from national defense and by accepting the Congressional Budget Office (CBO) assumption that interest costs will be reduced by $400 million with the achievement of a balanced budget, the Nelson-Javits substitute provides for the following additions to the domestic budget:

Transportation, including mass transit—$200 million to provide additional financial assistance for mass transit, railroad and highway programs;

Education, Training and Social Services—$700 million to partially counter deep cuts proposed for youth employment and training, elementary and secondary education aid for poor children and other employment and training programs;

Health—$100 million for critically needed health service delivery programs, including CHAP;

Income Security—$900 million to be used to offset proposed reductions in social security, food stamps, low-income housing assistance, and child nutrition programs; and

Fiscal Assistance—$500 million in special targeted aid for economically distressed areas.

Mr. President, in order that the Senate and the public will be fully informed about the Nelson-Javits substitute amendment, I ask unanimous consent that the following documents be printed in the RECORD immediately following my remarks:

First. "A Dear Colleague" letter on the amendment;

Second. A chart showing the budget

authority and outlays contemplated by the President's budget as revised last March, the House of Representatives, the Senate Budget Committee, and the Nelson-Javits substitute; and

Third. A factsheet on the Nelson-Javits substitute amendment.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, D.C., May 6, 1980.

DEAR COLLEAGUE: When the Senate turns to the consideration of S. Con. Res. 86, we intend to offer an "alternative budget" in the nature of a substitute for the functional levels reported by the Budget Committee.

The alternative budget we propose would ensure: (1) that the federal budget for FY 1981 is in balance and at the outlay level established by the Budget Committee; and (2) equally important, that judicious provision is made for our vital military, international, human, social and fiscal assistance requirements.

Under the Nelson/Javits substitute, a total of $2.4 billion in outlays contemplated by the Budget Committee ($2 billion in National Defense and $.4 billion in Interest) would be redistributed to alleviate, in part, the sharp reductions in worthwhile and important domestic programs.

The purpose of our amendment is to moderate the severity of the reductions proposed by the Budget Committee for fundamental human and social service programs.

The reductions contemplated by the Budget Committee—a total of $9.1 billion below current law in transportation; education, job training, employment and social services; health; social security; retirement benefits; unemployment insurance; food stamps; child nutrition; fiscal assistance and housing assistance—will have a dramatic impact on all Americans especially in view of the fact that the consensus among public and private economists is that the U.S. is now gripped by what could be a severe and prolonged recession.

Last week, for example, it was announced that leading economic indicators took a sharp decline—one of the largest ever recorded. The unemployment rate for April also increased by .8 percent, or 827,000 persons, to 7 percent of the labor force, the sharpest one-month increase since the beginning of the 1974–75 recession.

The alternative budget we propose would guarantee that national defense outlays planned for FY 1981 would grow by over 3 percent in real terms. This means that the President's commitment to our NATO allies would be honored, and that overdue and needed funding could be applied to manpower, weapons and operation and maintenance programs. Furthermore, our proposal for national defense outlays of $153.7 billion in FY 1981 exceeds both the President's revised March budget request of $150.5 billion and the figure approved by the House of Representatives of $147.9 billion.

Therefore, the Nelson/Javits substitute provides that appropriations and outlays planned for national defense in FY 1981 will enable our country to sustain its role in the world; to protect its vital interests in areas of strategic importance; and most importantly, to ensure that our military strength is second to none.

In order that you and your staff will be more fully informed about this amendment, a fact sheet and a chart detailing the amendment we will offer is enclosed for your information.

Should you wish to cosponsor or need further information, call Scott Ginsburg (4–3968) of Senator Nelson's staff or Jim O'Connell (4–8358) of Senator Javits' staff.

Sincerely,

GAYLORD NELSON,
JACOB K. JAVITS.

FISCAL YEAR 1981

	President's March revisions	House position	Senate Budget Committee	Nelson/ Javits
National defense (050):				
Budget authority	164.5	160.8	173.4	166.5
Outlays	150.5	147.9	155.7	153.7
International affairs (150):				
Budget authority	18.2	24.0	23.4	23.4
Outlays	10.1	9.6	9.5	9.5
Science, space and technology (250):				
Budget authority	6.6	6.7	6.4	6.4
Outlays	6.2	6.3	6.1	6.1
Energy (270):				
Budget authority	6.9	7.5	3.9	6.9
Outlays	6.9	7.1	6.8	6.8
Natural Resources/environment (300):				
Budget authority	12.5	12.0	11.6	11.9
Outlays	12.5	12.4	12.0	12.0
Agriculture (350):				
Budget authority	5.5	5.4	5.6	5.6
Outlays	2.0	2.3	2.3	2.3
Commerce/housing credit (370):				
Budget authority	5.6	5.1	5.1	5.6
Outlays	.4	−.1	.2	.2
Transportation (400):				
Budget authority	23.4	22.8	19.9	21.5
Outlays	19.0	19.5	18.2	18.4
Community/regional development (450):				
Budget authority	9.0	9.0	8.9	8.9
Outlays	8.5	9.4	9.3	9.3
Education/training/social services (500):				
Budget authority	33.0	33.3	29.4	31.4
Outlays	30.6	30.7	28.4	29.1
Health (550):				
Budget authority	71.1	71.5	70.9	71.2
Outlays	61.9	61.8	61.9	62.0
Income security (600):				
Budget authority	251.6	252.1	245.3	250.0
Outlays	220.1	220.1	218.3	219.2
Veterans (700):				
Budget authority	22.5	21.7	21.5	21.8
Outlays	21.4	21.2	21.0	21.0
Justice (750):				
Budget authority	4.3	4.2	4.2	4.4
Outlays	4.6	4.6	4.6	4.6
General government (800):				
Budget authority	4.9	4.7	4.6	4.6
Outlays	4.8	4.6	4.3	4.3
Fiscal assistance (850):				
Budget authority	6.8	6.2	6.3	6.8
Outlays	7.4	6.8	6.8	7.3
Interest (900):				
Budget authority	68.4	72.2	72.2	71.8
Outlays	68.4	72.2	72.2	71.8
Allowances (920):				
Budget authority	1.7	0	0	0
Outlays	1.4	0	0	0
Undistributed receipts (950):				
Budget authority	−24.9	−24.6	−24.7	−24.7
Outlays	−24.9	−24.6	−24.7	−24.7
Budget authority	691.3	694.6	687.9	694.0
Outlays	611.5	611.8	612.9	612.9
Revenues	615.4	613.8	612.9	612.9
Surplus (+)/deficit (−)	+3.9	+2.0	0	0

FACT SHEET: NELSON/JAVITS AMENDMENT

The Nelson/Javits substitute proposes to change the functional outlay levels in S. Con. Res. 86, the First Concurrent Budget Resolution on the Budget for FY 1981 to ensure: (1) that the federal budget for FY 1981 is in balance and at the outlay level established by the Budget Committee; and (2) equally important, that judicious provision is made for our vital military, international, human, social and fiscal assistance requirements.

Under the Nelson/Javits substitute, a total of $2.4 billion in outlays contemplated by the Budget Committee ($2 billion in national defense and $.4 billion in interest) would be redistributed to alleviate, in part, the sharp reductions ($9.1 billion below current law) in worthwhile and important domestic programs.

National Defense—establish planned outlays at $153.7 billion ($3.2 billion above the President's March Budget), to ensure that defense outlays grow by over 3 percent in real terms and that the Administration's commitment to our NATO allies is honored;

Transportation, including mass transit—add $200 million to provide additional financial assistance for mass transit, railroad and highway programs;

Education, Training and Social Services—restore $700 million to partially counter deep cuts proposed for youth employment and training, elementary and secondary education aid for poor children and other employment and training programs;

Health—add $100 million for critically needed health service delivery programs, including CHAP;

Income Security—add $900 million to be used to offset proposed reductions in social security, food stamps, low-income housing assistance, and child nutrition programs.

Fiscal Assistance—provide $500 million in special targeted aid for economically distressed areas;

Interest—reduce functional outlay level by $400 million, thereby accepting Congressional Budget Office assumption of interest costs associated with achievement of balanced budget in FY 1981.

FISCAL YEAR 1981 OUTLAYS IN SELECTED FUNCTIONAL CATEGORIES

Function	President's March budget	Senate Budget Committee	Nelson/ Javits
National defense (050)	150.5	155.7	153.7
Transportation (400)	19.0	18.2	18.4
Education/training/social services (500)	30.6	28.4	29.1
Health (550)	61.9	61.9	62.0
Income security (600)	220.1	218.3	219.2
Fiscal assistance (850)	7.4	6.8	7.3
Interest (900)	68.4	72.2	71.8
Outlays	611.5	612.9	612.9
Revenues	615.4	612.9	612.9

Mr. JAVITS. Mr. President, the amendment in the nature of a substitute for the matter contained from page 2, line 1 through page 11, line 16 of Senate Concurrent Resolution 86, being offered by Senator NELSON and myself, proposes for the people of our Nation a sensibly balanced budget of moderation for fiscal year 1981.

SUMMARY

The Nelson/Javits substitute proposes to make the following modifications in Senate Concurrent Resolution 86 to bring about a better balancing of our military and human service requirements:

Function	SBC	Nelson/ Javits
National defense:		
Budget authority	173.4	166.5
Outlays	155.7	153.7
Transportation:		
Budget authority	19.9	21.5
Outlays	18.2	18.4
Education/training/social services:		
Budget authority	29.4	31.4
Outlays	28.4	29.1
Health:		
Budget authority	70.9	71.2
Outlays	61.9	62.0
Income security:		
Budget authority	245.3	250.0
Outlays	218.3	219.2
Fiscal assistance:		
Budget authority	6.3	6.8
Outlays	6.8	7.3
Interest:		
Budget authority	72.2	71.8
Outlays	72.2	71.8

In short, Mr. President, the Nelson/Javits substitute reallocates $2 billion in fiscal year 1981 outlays planned by the Committee for National Defense and $400 million in anticipated expenditures for interest and uses these funds to restore some money to certain budget categories which have received draconian cuts at the hands of the Budget Committee: transportation (+$200 million); education, training, social services (+$700 million); health (+$100 million); income security, which includes social security, retirement benefits, unemployment compensation, food stamps, public assistance, and nutrition (+$900 million); and fiscal assistance to severely distressed localities (+$500 million).

"BALANCED" BUDGET: TWO MEANINGS

Mr. President, we have heard a lot in the Senate about the need for a balanced budget. And given the emergency of our 18-percent-plus inflation rate—a rate which continues to rise—there is general agreement that a balanced Federal budget is a necessary first step to break the inflationary momentum. Indeed, the darkening clouds of a looming recession may vitiate our best efforts to achieve a balanced budget, but I believe we must try. I would remind my colleagues, however, that a balanced budget is more than an arithmetical accounting of projected outlays equaling projected revenues. The phrase "balanced budget" has two equally important meanings: The balance between outlays and revenues; and—a meaning often forgotten—the balance of the weights to be assigned to our competing national priorities.

In our judgment, Senate Concurrent Resolution 86, as reported by the Budget Committee, passes the first test and fails the second. I submit to the Senate that Senate Concurrent Resolution 86 is not in fact a balanced budget because of the unnecessarily harsh and discriminatory cuts it contemplates in vital domestic programs.

The Nelson/Javits substitute offers the Senate a chance to vote for a truly balanced budget; one that passes the two critical public interest tests.

Our substitute amendment would insure: First, that the Federal budget for fiscal year 1981 is in financial balance and at the outlay level established by the committee; and second, that a judicious balance is struck in providing for our country's vital military and international needs and its human, social, and fiscal assistance requirements.

I should now like to describe the substitute in detail:

BUDGET TOTALS

The Nelson/Javits substitute proposes no change whatsoever in the two totals that determine the budget surplus or deficit: planned Federal outlays and expected Federal revenues. This does not mean that we agree with these totals, only that we do not wish to have them be the focus of our substitute amendment. We wish the Senate to be perfectly clear on this point: the Nelson/Javits substitute would not require the use of any revenues from the oil import tariff to balance this budget. If the oil tariff proposal is sustained by the Congress, the revenues should be earmarked for needed tax reduction—social security tax relief and productivity incentives.

Accordingly, it is our intention that the debate on this substitute proceed on the question of whether or not the reported budget resolution strikes the proper internal balance among our national priorities.

I submit to the Senate that the Budget Committee has cut much too deeply programs that are vital to our security and way of life. The Budget Committee has slashed urban mass transit assistance during our energy crisis; it has eroded Federal aid for elementary school education for disadvantaged children while educational disadvantage is worsening in our country; eliminated countercyclical public service jobs right in the teeth of at least 7-percent unemployment; delayed implementation of the youth job training/education initiative until 1982 despite nearly unanimous agreement that youth unemployment is a political and social timebomb; cut social security benefits and Federal retirement benefits; gutted the food stamp program by $1.4 billion; stopped proposed low-income housing assistance by 70,000 units; and wiped out any form of Federal aid for severely distressed localities. The Senate Budget Committee has beggared the very life of those who are least able to fend for themselves and left crumbs for those who have to depend upon us. As the New York Times said:

> In the "choice between guns and bread" the Committee has chosen guns and that "that is not a choice that a sensible, let alone a civilized Senate will allow to stand."

Mr. President, I have never voted against a budget resolution and have always had great respect for the committee in its difficult work. But this time, in my judgment, the committee has failed to meet its responsibilities to all our citizens. I believe the Senate should and must overturn this resolution before it thrusts on the poor, the sick, the halt, and the old a fate they do not deserve from this Congress. And I believe that if this resolution is not corrected by the Senate it will be rejected by the American people and in 6 months we will be back here to change it. Let us remember that it is not the Senate's resolution—it is the people's.

Mr. President, allow me to outline for the Senate the changes the Senator from Wisconsin and I propose to make in Senate Concurrent Resolution 86, to explain where and why we think the Budget Committee has gone wrong and to indicate how we propose to correct it.

FUNCTION 050: NATIONAL DEFENSE

The Nelson/Javits substitute would guarantee that national defense outlays in fiscal year 1981 would grow in excess of 3 percent in real terms over fiscal year 1980 and that the President's commitment to our NATO allies would be honored.

Our proposal for fiscal year 1981 national defense outlays of $153.7 billion—the committee mark is $155.7 billion—exceeds both the President's January request of $146.2 billion—reestimated in early March to $148.8 by CBO—and the President's March budget figure of $150.5—recently reestimated to $153.1 by CBO.

There is some disagreement about both the actual level of fiscal year 1980 outlays and about CBO's inflation projection of 10.6 percent for fiscal year 1981. But even accepting the Budget Committee's own estimate of fiscal year 1980 defense outlays—$134 billion—our amendment would represent an increase of 14.7 percent over fiscal year 1980. Even if inflation averages above 10.6 percent in fiscal year 1981—October 1, 1980, to September 30, 1981—defense outlays would exceed 3 percent real growth.

By any reasonable standard therefore, the Nelson/Javits substitute provides that appropriations and outlays planned for national defense in fiscal year 1981 will enable our country to sustain its military superiority in the world.

Mr. President, those who traditionally argue that our defense budgets are too high point out that a vital component of the U.S. national security is the domestic well-being of our economy, the responsiveness of Federal social programs to legitimate human needs and the resultant domestic tranquility and vitality of the Nation. The proponents of this argument realize that we must preserve a democratic political and social system worthy of being defended and that the defense budget must not beggar the Nation.

The opponents of this point of view argue that a nation that cannot defend itself adequately or protect its vital interests abroad will not survive in a competitve world where there are powers whose interests are clearly hostile to those of the United States.

Mr. President, both arguments are well taken: The leadership of the United States not only must preserve the common good of the Nation; we also must provide adequately for the common defense.

Mr. President, we must find a common ground and start working together to resolve concurrently the problems this Nation faces on several fronts. If we fail in this effort, we will have failed to provide the leadership the voters clearly are demanding of us.

The budget levels recommended by the Senate Budget Committee and the House of Representatives for the national defense, 050 function, present a choice in unambiguous, stark terms. The Senate Budget Committee has recommended to the Senate $155.7 billion in outlays and $173.4 billion in budget authority, or appropriations, for fiscal year 1981. This recommendation means a 5.7-percent real increase in outlays and a 9.8-percent real increase in budget authority: almost twice the rate the President has called for.

On the other hand, the House of Representatives has endorsed, by an 82-vote margin, a national defense program for fiscal year 1981 of $147.9 billion in outlays and $160.8 billion in budget authority: A considerable reduction in the President's request. The House would ask the Nation to renege on the President's pledge to our NATO allies for 3 percent real growth in the defense budget: thereby raising further doubts of the reliability of the United States.

The Senate Budget Committee would ask the Nation to commence with lack of caution very rapid defense budget growth that probably would result in considerable inefficiency and which would be increasingly difficult and expensive to sustain. And if the committee's figure turns out to be yet another hump in the roller coaster ride the defense budget has been taking for the last two decades, the credibility and constancy of the United States could be called into question again. Furthermore, I believe that the level for national defense sought by the Senate Budget Committee will cripple vital domestic programs, and I believe that the level recommended by the House of Representatives will hamper our efforts to maintain an adequate national defense.

For this reason, the Senator from Wisconsin and I have sought to strike a proper balance at $153.7 billion, which we believe the Senate should sustain.

This level for the 050 function is an honest estimate of the funding that is needed to keep our 3-percent real growth pledge to NATO. It sets a rate of growth that we can and should maintain in an efficient manner to match the constant growth we are observing in the military budget of the Soviet Union and it is a reasonable compromise between the level recommended by the Senate Budget Committee and the level recommended by the House of Representatives. I believe a majority of the Senate can and should support this figure and I believe it is a figure the Senate's conferees can maintain in conference with the House, when we get to that point, to serve our vital interests of domestic tranquility and prosperity and a fully adequate national defense.

Clearly, there are areas of the defense budget that need immediate remedial action: Personnel recruitment and retention shortfalls are two of the most critical problems that our armed services presently face. Each of the services is facing drastic problems in this regard, and if we are to have a viable All-Volunteer Force, we must attract more highly qualified recruits and retain our experienced professional soldiers who in some categories are leaving the services in droves. The present deteriorated state of our Reserves is so serious that it must be categorized as a potential threat to our national defense capability. These programs will cost money, and this amendment will provide it.

In addition, the operation and maintenance account has been used for years, by both the Congress and the Executive, as a fund for other unforeseen expenses. This practice must be stopped and the O. & M. account must be bolstered to bring our existing forces to full readiness. A highly sophisticated aircraft that is not fully operational because of a lack of spare parts does not provide for the national defense, and it hardly provides the material support or confidence that our highly trained personnel need to perform to the high standards we expect of them and to be encouraged to stay in the forces.

Finally, additional funding is needed above what the President has requested to purchase tactical aircraft at more efficient production rates, to maintain U.S. naval supremacy and to insure the adequacy of our strategic deterrent by closing the window of danger that will exist early in this decade unless certain strategic programs are fully supported.

FUNCTION 400: TRANSPORTATION

Mr. President, while we make every effort to encourage gasoline conservation in order to break the grip of the OPEC cartel, the Senate Budget Committee proposes to slash by $200 million assistance to mass transit, the proven best approach to reducing gasoline consumption in our cities. The committee recommends reductions in both capital grants and operating subsidies and acknowledges that "the targets would not be adequate to implement the mass transit energy initiative proposal of the President." It is really hard to understand the motivation of the committee in this regard. The Senate version of the oil windfall profit tax bill provided some $1.2 billion of windfall tax revenues for mass transit assistance. Now the committee proposes to go back on that commitment; it is that simple.

Committee outlays for the whole transportation function would be cut 7 percent from 1980 and 11.6 percent—or $2.4 billion—from the President's January budget request. CBO says inflation will be running at about 10.6 percent. Thus, there would be a real dollar cut of at least 18 percent in transportation. The cuts, if approved, would mean that much needed buses, rail cars, and transit operating assistance will not be available to hard pressed local governments.

Mr. President, the committee's recommendation for transportation is not defensible given the commitment made by the Senate in the windfall profit bill, the need for energy conservation and the desire of cities like Boston, Chicago, Cleveland, Philadelphia, San Francisco, Atlanta, Baltimore, Miami, and Washington to improve their mass transit systems in the country's best interests. Accordingly, the Nelson-Javits amendment would restore $200 million for function 400, transportation.

FUNCTION 500: EDUCATION, TRAINING, AND SOCIAL ISSUES

Mr. President, the recommendations of the committee in this category are, I believe, the most unacceptable of all. The committee would have the Senate cut almost $2 billion below 1981 current law funding; $1.5 billion in outlays below fiscal year 1980; and $4 billion—or 12½ percent—below the President's January request for education, training, and social services.

More specifically, right in the teeth of sharply rising unemployment and a severe recession, the committee would: First, wipe out the CETA countercyclical public service jobs program, which now provides 200,000 jobs nationally; second, phase out the welfare reform jobs demonstration program; third, slash $300 million from the summer youth employment program; fourth, defer $150 million in funding for the new youth employment-education initiative until 1982, even as minority youth employment approaches 50 percent in our inner cities; and fifth, reduce elementary and secondary education assistance for schools with high proportions of poor children by half, as part of a total $300 million cut in elementary and secondary education below current law.

With respect specifically to cuts in Federal youth employment and training programs, the New York Times stated:

> It is not special pleading to urge the Administration and Congress to look elsewhere [for cuts]. Cuts have to be made according to some rational scheme of priorities. And there ought to be no higher priority than saving the next generation. The best way to try to do that is not with welfare, which means a lifetime of dependency. The best way is with jobs. In a budget of some $600 billion, there have to be better places to cut fat than from the already lean futures of poor young Americans.

Accordingly, the Nelson/Javits substitute proposes to restore $700 million to function 500 for education, training, and social services.

I only wish the Senate could restore the entire $2 billion cut from current law and if I had my way, that is exactly what the Senate would do. I believe $30.4 billion is about the correct amount that should be specified for function 500. But in the current environment, an additional $700 million for education, jobs, and training represents a significant and reasonable increase, and one which I hope the Senate will sustain.

FUNCTION 550: HEALTH

Mr. President, the health function mark set by the Budget Committee would force drastic cutbacks in a wide range of programs, including maternal and child health care, family planning services, health professions training, preventive medicine, and mental health and alcohol and drug abuse grants.

The Budget Committee has recommended a 22-percent reduction in real funding of the health services mission over 5 years; a 29-percent reduction in real funding of the health research mission over 5 years; a 33-percent reduction in real funding in the health care training mission over 5 years; and a 14-percent reduction in real funding in consumer and occupational health and safety over 5 years.

Our alternative budget restores $300 million in budget authority to the health function for such critically needed programs, the cost of which would be partially offset by savings in medicaid and medicare through the adoption of legislation, as assumed by the Budget Committee.

Our amendment, coupled with some reallocation of spending assumptions within the Budget Committee's proposal, would assure in particular the continued availability of funds to support nursing and other health professions training programs, as well as restore funds for other health-related programs slated for cutback. It also would provide for a vitally necessary program of assistance to financially distressed hospitals.

To accomplish these goals, our amendment would add $100 million in outlays for fiscal year 1981 to the Budget Committee's recommendation for function 550.

FUNCTION 600: INCOME SECURITY

Mr. President, there are seven missions in the income security function: Social security, Federal employee retirement and disability; unemployment compensation, including trade adjustment assistance; public assistance, including food stamps; nutrition programs; housing assistance; and certain other similar programs like low income energy assistance.

Mr. President, the programs in this function, under the jurisdiction of the Finance Committee, the Agriculture Committee and the Appropriations Committee, are entitlement programs. Absent specific legislative changes, outlays are driven solely by inflation and the number of beneficiaries. The law commits the Federal Government to to make certain payments to individuals who meet certain qualifications.

The Senate Budget Committee, in Senate Concurrent Resolution 86, recommends that these income security programs be slashed by $3.4 billion below current law. The Nelson-Javits substitute would restore $900 million of this amount. I only wish it could be the entire $3.4 billion, Mr. President, as I believe the committee has gutted programs targeted at the elderly, the widows, the unemployed, the poor and the hungry and the unsheltered of our society.

Let us look closely at a few examples of how the committee proposes to cut $3.4 billion below current law:

First. Social security: $500 million by reducing "low priority" social security benefits;

Second. Federal retirement: $500 million by paying cost of living adjustments for civil service retirees once a year instead of twice;

Third. Unemployment compensation: $200 million by eliminating UI benefits for CETA enrollees who are terminated after 18 months of service in accordance with the statutory provisions in CETA;

Fourth. Public assistance, including food stamps: $1.4 billion in the food stamp program—$800 million of which is in such invidious proposals as counting low income energy assistance and school lunch subsidies in computing food stamps benefits;

Fifth. Nutrition program: $500 million, through once a year cost-of-living adjustment for child nutrition programs and other reforms.

In addition, the Budget Committee proposes to reduce the President's request for section 8 and public housing assistance by 90,000 housing units, from 300,000 proposed by the President to 210,000 units.

And, finally, in the fuel assistance program, the committee would provide only $1.6 billion of the authorization of $3.1 billion which was part of the windfall profits tax bill conference agreement. This is essentially last year's level of assistance, even though heating oil and gas prices are expected to rise by 20 percent. Because of formula changes made in the windfall tax bill conference which give northern States a smaller share of the funding they received in fiscal year 1980 the committee proposal in effect would cut absolute funding levels, as well as funding relative to energy inflation, in those States in greatest need.

In light of all these really draconian and eviscerating cuts in vital programs, the Senate should, in my judgment, restore the entire $3.4 billion to function 600. That is the only way these programs could be made whole for the damage inflicted by the committee. But at this early stage of the budgetary process, with a very uncertain and ominous economic situation closing in on us very quickly, the Senate should at least provide the additional $900 million we propose. This would be a critical first step in restoring some of the essentials the committee would eliminate, and I pray the Senate will heed our advice as a matter of elementary justice for the least advantaged of our people.

FUNCTION 850: FISCAL ASSISTANCE

Our local governments are facing a period of severe economic distress. The countercyclical fiscal assistance bill, which this body approved last August but has not yet been considered by a conference committee, included aid for these local governments when the national unemployment rate reached 6.5 percent or more. Unemployment currently is a shocking 7 percent, and had Congress passed this bill, $340 million would now be on its way to aid our cities. In addition, $150 million in targeted fiscal assistance would also have been made available. And it is our cities which will bear this unemployment burden most heavily.

Yet, the committee proposes cutting out the Senate share of the general revenue sharing program—$1.7 billion—and countercyclical and targeted fiscal assistance—$1 billion—and rejects the President's request for $500 million for a new targeted fiscal assistance program to offset loss of State passthrough assistance. The cumulative cut, therefore, is $3.2 billion, a devastating blow to the most distressed areas of our country.

Therefore, Senator Nelson and I propose in our budget $500 million to help localities meet higher employment figures and projected budget deficits without a drastic reduction in essential services, including public safety and health. This $500 million would be distributed under a formula to be determined by the authorizing committees at a later date. Such a formula would be directed toward those cities with the greatest need, those which would have received targeted assistance under the Senate-passed program. The shorter our resources the more appropriate it is to target them on areas with the greatest need.

FUNCTION 900: INTEREST

Mr. President, we have proposed a cut of $40 million from the Budget Committee recommendations for interest costs, to reduce this total to $71.8 billion.

We are justified in doing this for two reasons, Mr. President. One, CBO estimates that the President's March budget revisions—which are in balance—will entail interest costs $71.8 billion, the figure we have adopted. CBO argues with the President that achieving a balanced budget in fiscal year 1981 will bring about significant savings in interest costs. Two, the sharp decline in interest costs in Treasury securities that has occurred since March—over 300 basis points—indicates that the Federal Government's interest costs will be far lower than has been expected.

CONCLUSION

Mr. President, neither the Senator from Wisconsin nor I are completely satisfied with our amendment. We have not gone nearly as far as we would like the Senate to go on this resolution in restoring funds for social and human services programs. We believe that the Budget Committee has unnecessarily slashed worthy—and perhaps vital—programs in energy, community and regional development, veterans affairs and other services to our people. We are not happy with these cuts, but do not wish to contest them now because our economy and the world are in grave crisis and we all must make sacrifices.

Mr. President, I want my colleagues to realize how serious I consider this emergency. The Senate is well aware of this Senator's deep interest in two areas in particular which the Budget Committee has cut and which this amendment does not increase—strategic petroleum reserves and foreign assistance.

A strategic petroleum reserve is a critical component of our national security system. Clearly, the 10-day supply now in storage leaves our economy unacceptably vulnerable in the event the unstable situation in the Persian Gulf leads to an oil supply cutoff. A good-sized reserve, on the other hand, will not only serve as backup supply, it will even help to prevent a cutoff. A United States backed up by emergency reserves is a nation less vulnerable to oil blackmail. The threat of a cutoff will hold less fear for us and, therefore, will fade as a potential weapon against us.

I feel the Budget Committee's resolution is seriously deficient in that it not only contains no outlays for the SPR but it also terminates the currently unused budget authority for oil purchases. While our substitute adopts the same outlay figure for energy of $6.8 billion contained in the resolution, it is my strong feeling that oil purchases can begin in the first quarter of fiscal year 1981 by making 10 percent cuts in the fossil fuels and energy R. & D. programs which the budget resolution leaves at the level of the administration's request. More importantly, we have added $3 billion in budget authority so that when economic conditions ease, purchases may resume.

The cuts in foreign assistance are another matter. We can no longer measure our national security in terms of function 050 programs which directly affect the strength of our armed services. Concern for our national security must recognize the vital role that foreign assistance plays in helping insure the survival of countries friendly to the United States without the actual commitment of U.S. Armed Forces.

Foreign aid is an essential element of our overall military and security position. U.S. development assistance which is included in this function, provides an infusion of critically needed capital and technical advice in many of the poorest countries in the world. For many of these countries, the relatively small amount of U.S. assistance can make the difference between fiscal solvency and insolvency, which in turn is an important factor in whether the country will continue to enjoy tranquility and stability or whether it will be overcome by social unrest and foreign takeover. In many cases today's foreign economic assistance reduces the necessity of providing military assistance in the future. I hope that the committee's recommendation limiting function 150 does not jeopardize the security of the Nation.

Mr. President, Senate Concurrent Resolution 86 is not the Senate's budget—it is our country's budget. And the committee has recommended extraordinary reductions that are seriously damaging in their impact on the least advantaged.

I pointed out early this year that I would work for a balanced budget in which the burden of achieving balance was shared equitably by all our citizens. The committee has, instead, I feel, recommended certain discriminatory, particularized cuts in programs that are vital to the quality of life in our country, and I cannot, in good conscience, support these recommendations.

I have tried in working with Senator NELSON in this effort, to restore funds for these programs that are really our lifeline to the disadvantaged in our society. In my judgment, this critically needed assistance must be restored first, as a matter of elementary justice to the poor, the sick, and the old, before anything more is done in this first target budget resolution.

For this reason I hope our substitute will be adopted by the Senate to begin to make right the mistakes in this budget resolution.

Mr. HOLLINGS. Mr. President, has the distinguished Senator conformed his amendment yet?

Mr. HUMPHREY. Mr. President, I would like to get a clarification. I cleared this amendment earlier in the day with the Parliamentarian.

The PRESIDING OFFICER. The same Parliamentarian?

Mr. ARMSTRONG. Will the Senator yield me 1 minute on the bill?

Mr. HOLLINGS. I yield the Senator from Colorado 1 minute on the bill.

The PRESIDING OFFICER. The Senator from Colorado.

Mr. ARMSTRONG. Mr. President, I have no idea what the content of the amendment of the Senator from New Hampshire is. I do not know if I am for or against it.

But if he should restate his unanimous-consent request, I would urge my colleagues not to object to it because, in order to expedite the business of the Senate on the budget resolution, we regularly have to proceed in that way, that is, it is a regular practice. It has been on many occasions, to offer amendments as substitutes which go beyond the scope of the amendment for which the substitute is offered.

As a matter of fact, if we adhered strictly to the rule in the budget resolution that we use in other legislation, it would invite the offering of amendments on a line-by-line basis and that would be a delay tactic to no good purpose.

So, unless there is something about it I do not understand, I cannot see why anyone's interest would be served by objecting to the offering of the amendment in this form.

I say that without prejudice to the substance at all.

Mr. HUMPHREY. Mr. President, I have chosen to modify the amendment, to bring it into compliance so that it satisfies the Parliamentarian.

The PRESIDING OFFICER. The Chair will review the modified amendment briefly.

The Chair recognizes the Senator from New Hampshire.

UP AMENDMENT NO. 1063

(Purpose: To increase the recommended levels of new budget authority and outlays for Veterans Benefits and Services for the fiscal years 1981, 1982, and 1983 and to decrease such levels for Education, Training, Employment, and Social Services for such fiscal years)

Mr. HUMPHREY. Mr. President, I send to the desk a modified amendment and ask it be applied to the fiscal year 1981 budget.

The PRESIDING OFFICER. The Chair indicates that this is a new, distinct amendment.

The amendment will be stated.

The legislative clerk read as follows:

The Senator from New Hampshire (Mr. HUMPHREY) proposes an unprinted amendment numbered 1063.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that further reading of the amendments be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

In lieu of the matter proposed to be inserted by Mr. THURMOND, insert the following:

On page 7, line 24, strike out "$29,400,000,000" and insert "$28,500,000,000".

On page 7, line 25, strike out "$28,400,000,000" and insert "$27,500,000,000".

Mr. DURKIN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. Will the Senator yield for a parliamentary inquiry?

Mr. HUMPHREY. Yes.

The PRESIDING OFFICER. The Senator from New Hampshire is recognized and will state the parliamentary inquiry.

Mr. DURKIN. I thank my colleague from New Hampshire.

Mr. President, is the amendment of the junior Senator from New Hampshire subject to a division?

Mr. HUMPHREY. Mr. President, my amendment is intended to be an amendment to the proposal of the Senator from South Carolina.

The PRESIDING OFFICER. Yes, it is divisible. It hits the bill in more than one place.

Mr. DURKIN. I thank the Chair and I thank my colleague for yielding.

Mr. HUMPHREY. Mr. President, if I may continue.

The PRESIDING OFFICER. The Senator from New Hampshire.

Mr. HUMPHREY. Mr. President, I was trying to make the point that this whole budget process today is a matter of ordering our priorities. What I am trying to do with this amendment is to change the ordering of those priorities to reduce the function for education, training, employment, and social services and increase by a like amount the veterans benefits and services function. Specifically, for fiscal year 1981 I propose to subtract $900 million in outlays from function 500 and add $700 million to function 700 to maintain esssential benefits and health care services for our Nation's veterans.

In light of the need for a balanced budget, one cannot add money to one Government agency or program without taking money from another. I commend the Budget Committee chairman for guiding the balanced budget through committee and now on the floor, though I wish balancing the budget were not relying chiefly on greater tax revenues. As others have pointed out, the Federal pie no longer can simply be made larger and larger in order to accommodate increased spending in one area or another. The various programs are now going to have to compete with each other to justify their funding needs. This is as it should be.

This brings me to the problem of the budget for veterans. The budget proposed by the Senate Budget Committee for the Veterans' Administration is simply inadequate. I feel very strongly that adoption of this budget will lead to deserving veterans being turned away from VA hospitals.

Since I arrived in the Senate, I have been concerned about the decline of the budget for veterans as compared to total

Federal spending. In 1976, the VA's percentage of total Federal outlays was a full 5 percent. By 1979, this figure had declined to 4.1 percent. And now we have a budget figure proposed by the Budget Committee representing only 3.4 percent of total Federal spending. What has this reduction meant for veterans?

The VA hospital system is in decline. I attended a sobering hearing last fall on the state of the VA hospital system. Hospital directors and medical chiefs of staff from throughout the country, including one from the Manchester, N.H., VA medical center, testified that they were constantly having "to do more with less." None of these able administrators wanted to turn away veterans from the care they earned, the care they deserve. But they are having to resort to this unfortunate measure.

The VA is already cutting back on congressionally mandated benefits as a result of their inability "to do more with less." One example is the VA's stopping the payment of patient travel expenses when the veterans cannot defray these expenses. Service-connected disabled veterans, as well as nonservice disabled veterans, will be affected by these cuts. I submit for the RECORD examples of these travel cutbacks. I would like the Senators to observe that VA press releases which I will have printed blame Congress for the benefit reductions, while the truth is that Congress mandated these benefits. The cuts are imposed on veterans by this administration, that is by the executive, not by the Congress.

Mr. President, adoption of the Senate Budget Committee's recommendation for veterans' benefits and services will mean further reductions in essential veterans' benefits. Adoption of the Senate Budget Committee's recommendation will mean turning needy veterans away from care in VA hospitals. Veterans earned these benefits. Veterans deserve these benefits. We can and must afford veterans benefits in order to keep our promises to veterans. This is only fair.

There are areas in the Federal budget which do not deserve the priority attention from this Nation, the attention that veterans earned by their service to this country. I propose that we make major reductions in the CETA public service jobs program. These programs were poorly targeted to begin with, and these programs long ago outlived their own initially stated objective of providing countercyclical relief during periods of high unemployment.

CETA jobs are of marginal value. CETA job positions have been created in every conceivable local government and nonprofit sector agency to perform every imaginable service. This includes teacher aides, social service outreach workers, assistant librarians, housing census takers, extra park service country arts coordinators, assistant museum curators, Big Brothers, Inc. activities coordinators, senior citizen home visitation workers, nurses' aides, and drain commission clerks. What this experience proves is that the supply of public sector services and activities will expand without limit to absorb the funds made available to finance them—if such funds are "free" to the agency using them.

The inescapable conclusion is that this added public sector output is of marginal value to the public or it would have voted higher local taxes or stepped up its contributions to nonprofit agencies in order to finance it. Moreover, it is impossible to argue that public sector services would otherwise be underfinanced by stingy or shortsighted local taxpayers.

CETA job slots, in addition, do not provide useful skill training. Unlike other Federal manpower efforts, such as vocational education and skill training programs under title II of CETA, the jobs creation program has never made a pretense of structuring positions with a primary emphasis on skill development and permanent, private sector placement. This was underscored by the inclusion of the 18-month limit in the 1978 CETA amendments: Virtually every jurisdiction in the country was carrying enrollees who had held Federal make-work jobs for as long as 9 years under the various predecessor programs.

While it might be argued that CETA job slots at least provide generalized work experience, such as punctuality, discipline, good habits, if not specific skill training, a strong case can just as easily be made the other way. In the case of the summer youth program, enrollees are taught that you can draw a substantial paycheck from society for doing very little of what it does not especially want anyway.

We must encourage the Nation's productive private sector to employ individuals in productive jobs. With the proper economic policies, policies which encourage creation of private sector jobs, those who now hold CETA jobs will find real jobs of which they can be proud.

The CETA program was institutionalized on a permanent basis because the economy allegedly fails to produce a sufficient supply of jobs—especially at the low-skill, entry level—to employ all Americans who desire work. This premise is just plain wrong. What advocates really mean is that the economy does not provide a sufficient supply of the right kind of job, at the right pay, in the right place, with the right career prospects, to suit the tastes of certain Federal policymakers and a certain portion of the labor force. The current national economic crisis, largely caused by Federal overspending and borrowing, requires that this costly adventure in manufacturing "suitable" employment opportunities must come to an abrupt halt.

The vast influx of legal and illegal aliens and refugees into the U.S. low-skill job market during the last decade establishes beyond doubt that the private sector will offer gainful employment to nearly all who can be productively employed. Moreover, a fiscal policy designed to increased capital investment would further expand both the number and the quality of these private sector opportunities.

It is time that public policy started moving beyond the mechanical tabulation of job slots and emphasized growth in national production of goods and services that American consumers want to buy, or that can be traded on the world market to pay for our necessary imports. Such a policy would create ample real employment opportunities and help eliminate inflationary Federal deficits as well.

The CETA program has been remarkable for the numerous instances of fraud and abuse in its administration. Newspapers throughout the country have documented this horrifying waste of the taxpayers' money.

Here in Washington, D.C., for example, CETA jobs have been filled by convicted felons in the Lorton Reformatory, felons who are in many cases ineligible for parole in this century. Nepotism has been flagrant in the District program. A Nashville, Tenn., story tells of CETA employees being paid to learn "six ways to make people like you." In Tampa, Fla., CETA money has been used to run a string of bars. CETA money was paid to bartenders to learn jobs they have been doing for years. In San Francisco CETA supplies funds to an organization which advocates the legalization of prostitution.

These examples of misuse of Federal dollars outrage the taxpayer, and rightfully so. The taxpayer deserves better treatment.

I feel, therefore, that the time has come to eliminate these wasteful, wrongheaded programs. The American people have had enough.

Yes, the time has come to begin making choices. We must choose whether to end wasteful, misguided Federal programs or to simply allow them to continue to grow and grow, absorbing more private capital that should have been spent productively. The time has come to remember the commitment we have made to those individuals who served when our country called.

This Nation owes a debt to its veterans. We cannot go back on our promises. We owe no such debt to scandal-ridden CETA programs.

The time has come to make our choices, to reorder our Nation's priorities. The choice offered by my amendment is clear: Congress must keep its pledge to our Nation's veterans whose benefits are earned.

I ask the Senate to order our priorities properly. We must insure that veterans receive the benefits and medical care they earned. We must insure that taxpayer's money is not wasted on useless, wasteful programs. I ask the Senate to accept my amendment.

Mr. President, I am essentially proposing that we reduce the educational function and increase the veterans' function by a like amount. The choice place at which to make those cuts under the educational function is the CETA program. So there is an alternative.

This is not a proposal that would increase the deficit. I am proposing some specific cuts.

Furthermore, if we can succeed in adding these functions to the veterans' functions, it nevertheless will represent no net increase in the veterans' function over last year, if we factor in inflation.

My proposal will simply maintain the

present level of essential services, so it comes down to a matter of reordering priorities.

Do Senators want to leave the educational function as it is, to the detriment of the veterans' function, or will they accept my amendment to raise the level of the veterans' function such that the country can carry out its pledges to those who served in the armed forces?

Mr. President, I ask unanimous consent to have printed in the RECORD several articles in connection with this matter, and I reserve the remainder of my time.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

VA CUTBACK

DENVER.—A congressional budget cut is forcing the eight Veterans Administration medical centers in Colorado, Wyoming, Utah and Montana to stop paying patient travel expenses—except in special emergency situations.

New Mexico may be affected later by the restriction related mostly to payments covering ground and air-ambulance services.

The policy change relating to inpatient and outpatient veterans with either service or nonservice-connected disabilities is affecting most if not all of the 172 VA medical centers nationally as well as other federal agency operations.

The medical centers were notified of the curtailment last week. First to be affected was the Grand Junction, Colo. VA Medical Center which took cutback action March 23.

Beginning next Monday (March 31), beneficiary travel payments will be severely restricted to emergencies at the Denver, Colo., Cheyenne and Sheridan, Wyo. and Salt Lake City VA medical centers.

Following suit April 14 will be the VA medical center in Miles City, Montana, at Fort Harrison near Helena, Montana, and in Fort Lyon, Colorado, according to present plans. Similar action could be taken by the Albuquerque, N.M. VA Medical Center before the end of the fiscal year Sept. 30, a spokesman said.

In Denver, medical center director James Martin said the mid-fiscal-year policy change reduced the total beneficiary-travel budget for the year by 12 percent. "The problem was compounded by contract increases by 23 percent recently in ambulance and ambocab service and by nearly 20 percent in commercial air service," he added.

The Denver VA Medical Center, a major Midwestern referral hospital, handled 12,500 inpatients and 130,000 outpatients last fiscal year. Under a fiscal 1980 budget submitted 18 months ago, it was allocated $42.2 million. Until now, about 30 percent of its patients have received travel reimbursement. A large percentage of those recipients were from outside Colorado.

About half of the inpatients at the Denver VA Medical Center are from the greater Denver area. A quarter of them are from elsewhere in Colorado. The rest are from out of state, Martin said.

Under the new policy, the Denver VA Medical Center will have available only funding for limited emergency travel expenses for patients. But Martin stressed, "We are still prepared to provide the same quality and quantity of care as in the past. We don't foresee the new travel restrictions will have a major impact on the medical center's workload."

Martin said the medical center's weekly Winnebago MediVan visits to Colorado Springs, Greeley, Fort Morgan and Fort Collins, Colo., haven't been affected by this latest budget cut. But he requested veterans who are not planning to keep previously made appointments—because of VA beneficiary travel payment cuts to notify the medical center.

Current legislation has authorized reimbursement to veterans for travel expenses for those with service-connected disabilities who are being treated for those disabilities. At the Denver VA Medical Center, about 60 percent of the inpatients have such service-connected problems.

The VA medical centers in Colorado, Wyoming, Utah, and Montana were notified of the policy change last March 19 by the Midwestern Region medical director based in Omaha, Neb. That action was based on a restriction applied to the VA by the federal Office of Management and Budget by act of Congress.

In Denver, Martin briefed Colorado congressional office aides and representatives of state veterans service organizations March 30 on the changes. Letters informing patients of the restrictions also were mailed by the weekend.

March 27, 1980.

[From the Billings (Mont.) Gazette, Apr. 1, 1980]

BUDGET CUTS ELIMINATE VA TRAVEL MONEY

SHERIDAN, WYO.—A congressional budget cut is forcing the Sheridan Veterans Administration Hospital to stop paying patient travel expenses except in special-emergency situations.

Beginning March 31, beneficiary travel payments will be severely restricted to emergencies at the Denver, Colo., Cheyenne, Sheridan and Salt Lake City VA medical centers.

Following suit April 14 will be the medical center in Miles City, Mont., at Fort Harrison near Helena, Mont., and in Fort Lyon, Colo.

[From the Sheridan (Wyo.) Press, Apr. 2, 1980]

VA CUTBACK AFFECTS TRAVEL

Veterans seeking treatment at the Sheridan Veterans Administration Medical Center will not be paid normal travel benefits to and from the hospital except in emergency cases, according to a new ruling by the VA's fiscal control office.

The Office of Management and Budget has mandated to VA hospitals across the nation that non-emergency travel by VA patients will not be paid because there is not enough money as a result of federal cutbacks.

The Sheridan medical center has already paid more than $61,000 in travel benefits in six months, but only has about $107,000 in its budget for the fiscal year. At the current rate, the OMB says the center would run about $20,000 short by the end of the year.

VA officials at Sheridan said the $45,000 that remains in the budget will be used for emergency travel only.

The cutback is happening throughout the system and will affect outpatient treatment as well as service-connected disability payments for travel.

The VA is also facing a national cutback in beds available to patients. In the last eight years, the total number of beds has dropped more than 7,000 and is expected to dwindle by another 12,000 in the next decade, bringing the total to 72,000 according to VA statistics.

The Sheridan medical center has gone from about 640 beds 10 years ago to about 340 this year because of new space restrictions imposed by the Joint Commission on Accreditation of Hospitals.

VA chief Max Cleland said the VA has a new concept in treatment, able to treat more veterans in a shorter time with an effective outpatients system, so fewer beds are needed.

Recently, the administration came under fire from critics who warned that the VA may not be able to respond to a crisis situation because of the lack of beds.

The PRESIDING OFFICER. Who yields time?

Mr. ARMSTRONG. Mr. President, will the Senator yield me 1 minute?

Mr. HUMPHREY. I yield.

Mr. ARMSTRONG. Mr. President, as I listened to the discussion of this amendment, I was filled with admiration for the Senator from New Hampshire for his leadership and his perspicacity. As a matter of fact, I found myself sitting here thinking, "Why didn't that occur to me?"

I congratulate the Senator on his amendment. I agree with what he has said. The Senate should adopt this amendment.

I hope every Senator will vote for this amendment, because it really does put in much better order the priorities of this budget, by reducing a program which is wasteful and extravagant and putting the money to work in a program that needs help and in support of a group of citizens who deserve our enthusiastic backing, as the Senator correctly has pointed out.

Mr. HUMPHREY. I thank the Senator from Colorado.

Mr. CRANSTON. Mr. President, will the Senator from South Carolina please yield me time?

Mr. HOLLINGS. I yield 5 or 10 minutes to the Senator.

Mr. CRANSTON. Mr. President, I cannot support the amendment offered by the Senator from New Hampshire, and for the same reasons, I cannot support the amendment offered by the Senator from South Carolina.

The concern of both Senators for adequate funding for veterans' programs is very understandable. I share that concern very deeply. As chairman of the Veterans' Affairs Committee for the past 3 years, and as one deeply involved with veterans' issues ever since coming to the Senate 11 years ago, I have worked hard to assure that veterans' programs are effective and are maintained at adequate levels. I believe very strongly that all veterans' programs must continue to be among our Nation's highest priorities, and I intend to do all I can to make sure that our commitments to those who served our Nation are honored.

Thus, I agree completely that the Budget Committee's recommendations for veterans' programs in the first budget resolution for fiscal year 1981 as reported are totally inadequate. Nevertheless, Mr. President, I cannot support the pending amendment for three reasons.

First, the amendment—as a one-shot proposal aimed at increasing the spending level in only one functional category—does not reflect, in my view, a reasonable balancing of various competing national priorities. Later this week, I will propose an alternative balanced budget with a rational balance among those priorities, including a proposal for the veterans' function that is substantially above the Budget Committee's recommendations. I believe strongly that, in the present situation, it is far preferable to deal with the need for a revised, balanced budget in the context of an overall, alternative budget rather than a narrowly focused, single-shot amendment to correct only one area in which the budget resolution as reported is deficient. I stress that my alternative recommendations do provide for a fair cost-of-living increase in compensation benefits and other veterans' program improvements. The reductions from the President's January budget request that we have approved would not reduce the levels of benefits or services to which veterans are entitled.

Second, Mr. President, the pending amendment proposes to pay for the increases in function 700 for veterans by further reducing the budget levels for function 500, education, training, employment, and social services. As I stated on April 30 in proposing an alternative budget, I am opposed to balancing the budget on the backs of those in greatest need, and I urged that particular attention be paid to the need for a substantial increase over the Budget Committee's recommendations for this function, which includes the Federal effort for training and employment opportunities for disadvantaged persons.

I point out that many of those helped by these employment programs are themselves veterans. Unemployment is very, very high among younger veterans. So this proposed amendment, while purporting to help veterans in one category would injure veterans in another category, and unemployment for veterans is certainly one of the most important problems facing veterans in our country presently.

The Budget Committee recommendations for function 500 assume savings of $3.5 billion from the President's March budget in budget authority and $2.3 billion in outlays. This would undercut much of the Federal effort toward employment assistance and create severe hardships in depressed urban areas and among young people and disadvantaged and minority groups—now suffering most as the unemployment rate has started to accelerate so greatly.

With respect to Federal assistance to education, the Budget Committee proposes funding for elementary, secondary, and vocational education at $300 million in outlays below current law levels and for higher education at $700 million below current law levels.

My proposal would restore funding for education, employment, training, and social service programs to a level approximately equal to CBO's reestimate of the President's March budget. As I stated on April 30, I deeply regret not being able to do more in my budget proposal for programs aimed at helping disadvantaged persons break the cycle of poverty, and I view my proposal to increase the function 500 levels by $3.5 billion in budget authority and $2.3 billion in outlays over the Budget Committee recommendations as a marginally acceptable alternative in a very tight budget year.

For the Senate to accept the proposal now before us to reduce this function below the Budget Committee levels by hundreds of millions of dollars in budget authority and outlays would, in my view, be a grave mistake and I must oppose it.

Mr. President, the consequences of the amendment would be even more dire—and a real tragedy for many of those most in need in our society—if cuts of that magnitude were inflicted, as is proposed on CETA programs. The President's revised budget proposal has already made a sizable reduction in the CETA title VI public service jobs programs—51,000 jobs or 27 percent of the size of the title VI program. The Budget Committee's proposal would phase out title VI completely—eliminating another 149,000 jobs. Those reductions are already far too severe.

To reduce funding for CETA still further would be most ill advised and dangerous. We recently learned that in April the rates of unemployment rose to their highest levels in more than 2 years, and there are indications that these rates will continue to rise as the predicted recession deepens and that our job creation needs will likewise increase. To fail to provide for a modest program of countercyclical employment during this period would unwisely and unfairly impose a great burden on those who are most in need of such help. Nor would it be cost effective, because those who cannot find jobs would turn to nonproductive income maintenance programs. CBO estimates that each $1 billion cut in public service jobs would result in a $200 million increase in public assistance accounts in function 600.

What would we rather have? People helped into job training and on to jobs or simply have them receiving aid when they cannot find employment?

Third, in the context of the compelling national need to achieve a balanced budget for fiscal year 1981 as one part of our effort to fight inflation, I believe that the Federal Government-wide belt-tightening effort must include the VA with respect to various administrative expenditures and construction. The amendment would exceed the recommendations that the Committee on Veterans' Affairs and I are making for Veterans' Administration programs in fiscal year 1981, after a very careful review conducted in the committee over many days of hard work, of spending in this area.

The approach that we have taken is to propose all reasonable economies that could be made in spending in the veterans' area without disrupting these very high priority programs, without reducing the levels of benefits and services to which veterans are entitled, and without precluding certain essential legislative initiatives, such as a fair cost-of-living increase in service-connected disability compensation benefits and a reasonable GI bill rate increase, the first I might mention in more than 3 years. I believe that this is the right approach for this year. Although I would like to see, as the Senator from New Hampshire (Mr. HUMPHREY) and the Senator from South Carolina (Mr. THURMOND) would like to see, certain increases over the Veterans' Affairs Committee's recommendations and I would support them if the economy were in better shape, I do not believe they are appropriate under current circumstances.

Mr. President, for these reasons I cannot support the amendment.

Mr. HUMPHREY. Mr. President, the distinguished chairman of the Veterans' Affairs Committee stated at the outset of his remarks that my proposal is not a reasonable balancing of priorities. Obviously I respectfully disagree with him. But it is clear that we both see it as a matter of ordering our priorities or reordering our priorities.

I simply point out once again that while this figure in my proposal may exceed the veterans budget recommendation of the Veterans' Committee, if we accept the Veterans' Committee recommendation we will see veterans function decline from $4.1 billion this year to $3.4 billion next year, 1981. I think this reduction is unacceptable and inexcusable.

Let me point out some of the effects that this reduction will have.

Accepting the Budget Committee figures will provide for only a 10-percent increase instead of the 15-percent increase the Senate has already approved for recipients of GI benefits. These are individuals going to school under the GI bill who have not had an increase in more than 2 years during which time inflation has reduced their purchasing power by 25 percent.

So if my amendment is not accepted this evening, veterans going to school under the GI bill will have to get by on a 10-percent increase instead of the 15-percent increase the Senate has already approved and that while they have suffered a 25-percent reduction caused by inflation.

Another area where veterans will suffer is the area of hospital care. The proposal as it now stands, if my amendment is not accepted, will literally result in the elimination of hospital beds at a time when we can ill afford to eliminate one further bed in a VA hospital.

The VA will be forced to do more with less in the central areas of medical care.

A large portion of the reductions will come out of the needed construction and renovation of the VA medical facilities.

VA medical research, always an essential part of the VA hospital system, will have to be curtailed.

The VA will be forced to ask military retirees to seek care elsewhere in Defense Department facilities which are already operating at capacity.

Pay raises for VA doctors, who we find very difficult to retain, and dentists and nurses will have to come from reduced services in other areas.

If that is not enough, then there is one final insult. Headstones and grave markers as well as the $300 payment toward burial expenses may well have to be eliminated.

So it is a tough choice, no doubt about it. But I happen to believe that our promises to veterans ought to have far greater weight than the funding of the now thoroughly discredited CETA program which, if it were not fraught with fraud and abuse would nevertheless be fatally flawed because it is the wrong way to create jobs. If we want to create jobs we ought to provide incentives for capital formation and, perhaps, consider a special youth employment minimum wage.

Mr. President, I reserve the remainder of my time.

Mr. HOLLINGS. Mr. President, how many minutes are left on the Humphrey amendment?

The PRESIDING OFFICER. The Senator from South Carolina has 21 minutes and the Senator from New Hampshire has 12½ minutes.

Mr. HOLLINGS. If I can get the attention of my colleague from South Carolina, Mr. President, I yield myself the appropriate time under the amendment.

One of the difficulties that we have in presenting these amendments is to confront them as fairly and as quickly as we can. We have some 35 amendments that we have to get through in 2 days. Members tend to sort of buddy-up, and they come to the floor and say that they do not understand the issue pertaining to the vote. Oftentimes, this happens when my colleagues oppose the amendment.

Here in this particular discussion on the Humphrey amendment, in short, I advise my senior colleague, the Senator from South Carolina (Mr. THURMOND), that at the appropriate time here, I will move to table the amendment when time is out. I do not want to do that if he has a further argument that he wants to make on his particular amendment. Does the Senator from South Carolina wish further time on his amendment?

Mr. THURMOND. Yes, I would.

Mr. HOLLINGS. Ten minutes? I give it to the Senator from my time. He has 12, so we can split it.

Mr. THURMOND. Either way, just so we can get the time.

Mr. HOLLINGS. Does the Senator want to give it to him?

Mr. HUMPHREY. I yield such time as the Senator from South Carolina may desire. Before I do that I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. THURMOND. Mr. President, when the President of the United States sent the fiscal year 1981 budget request to Congress, the Veterans' Administration portion went to the Veterans' Affairs Committee of the Senate, and we reduced the budget by $297.5 million. That $297.5 million was constituted in this way: Mission 3, (Hospital and Medical care) $205 million; Mission 4, (Veterans Housing) $59 million, and that was the result of the suspension of direct VA loans for housing for 1 year as part of the President's overall restriction on credit, and to reduce outlays for the direct loans program.

The third item was $33.5 million which also was Mission 4, (Other Veterans' Benefits and Services) and a reduction in general operating expenses.

So, Mr. President, what I am merely trying to accomplish tonight is to raise the lowest figures back to what the Veterans' Affairs Committee reported to the Senate when we reduced the amount that the President had originally requested.

After the Veterans' Affairs Committee reported its budget letter, the Budget Committee came along and said, "You have not cut it enough," and they wanted to cut it more, and did cut it, $800 million more.

I think that is too much. I feel that what the Veterans' Affairs Committee of the Senate did was reasonable, was proper, and should stand.

Mr. President, I understand the distinguished Senator from California, the chairman of the Veterans' Affairs Committee of the Senate, of which I am the senior Republican member, plans to offer an amendment to the fiscal year 1981 budget which would increase the VA's figures, but to take it out of defense. I would like to ask him if that is correct.

Mr. CRANSTON. I did not exactly propose to take it out of defense. I do suggest that the figure of the Senate Budget Committee be reduced somewhat in the defense function. I am for increases for national defense spending. I am for increases beyond what President Carter has called for. I do not presently support the defense figures that are in the Budget Committee report.

The other aspect of the alternative budget that I am offering, and the primary source of additional funding that would help the veterans' category and some others like transportation and energy which, I think, are undercut in the budget reported by the committee, would come from a careful estimate of revenues that is certainly within the margin for error as is the Senate Budget Committee's report. That would provide some additional revenues in contemplation without suggesting any increase in taxes.

Mr. THURMOND. My amendment would restore the amount that the Veterans' Affairs Committee of the Senate, of which the distinguished Senator from California is chairman, to the amount the Veterans' Committee recommended. That is what my amendment does. I think it is better to take it out of some abused and unproductive social programs than to take it out of defense. We must not forget that our greatest and most important social program is the National Security of this country; not make-work programs.

But I think the chairman and I agree, and I hope the Senate agrees, that we should restore the amount that is needed and required to properly take care of our Nation's Veterans. I thank the Budget Committee for their work, and I commend them, especially the able new chairman, my colleague, for his good work, and I realize they want this cut to bring the budget in balance, and I commend them for that—but there are some things that I feel should not be cut. I am in favor of this amount of $297.5 million which was cut out by the Veterans' Affairs Committee. I voted for that and stand by that. The only thing I do not want to do is to make reductions in defense. I believe it is important that we maintain every dollar we have in the budget for defense.

Many of these social programs serve some useful purpose, but many of them are fraught with abuse and have grown too large. For instance, the CETA program constitutes 86 percent of the spending in Mission 4 of function 500. Mr. President, I am firmly of the opinion that the amount contained in my amendment should be restored, which the Budget Committee cut down after the Veterans' Affairs Committee had already reduced the budget by $297.5 million. Yet, Budget Committee cut it down $800 million more, which I think is unreasonable.

Mr. President, on that basis I believe that my amendment should be adopted by the Senate. If we do not adopt it, we are going to destroy some veterans' programs. We are going to have a deficiency in hospital care and treatment. Of all the people who deserve consideration in this country, I think it is those who have fought for their country that deserve the best care. These are the veterans who have fought for their country. We would not have a country without them, and I feel that the overall Budget Committee's reduction should come from some other source and not come from the veterans of this country.

I hope the Senate will not table this amendment but will see fit to pass this amendment. I would even be willing to support the amendment of the Senator from New Hampshire, which raises it $100 million more than I do. But if this amendment does not pass I hope mine will pass.

Mr. President, I think that covers our position. I think we have presented it to the Senate. It is simply a question of whether we are going to properly care for our veterans, and it is simply a question that if we do where is the money coming from?

In the question is presented, "Is it going to come from defense or come from social programs?" I say reductions should come from social programs.

The PRESIDING OFFICER. Who yields time?

Mr. HOLLINGS. Mr. President, how much time is remaining?

The PRESIDING OFFICER. The Senator has 19½ minutes; the proponents have 4 minutes.

Mr. HOLLINGS. Mr. President, let us go right to the heart of the concern of my senior colleague with respect to the issue of funding for veterans' programs.

I remember well, 30 years ago, when I was a freshman State legislator and the distinguished Senator was Governor, we had before us the veterans' bonus. I will never forget Julian Dusenberry, who had received the distinguished service cross. He came before us in a wheelchair with a sign that said, "Americans and taxpayers first and veterans second."

We defeated the veterans' bonus, but the defeat did not reflect our appreciation of what veterans gave to the country. I do not think there were 10 nonveterans in the 124 membership of the House.

However, we put the priorities of the country first. I think that is the situation that we have here on the floor tonight with respect to the veterans in this country.

No one has cut veterans' programs.

Let us look at the budget authority figure for fiscal year 1979. It was $20.5 billion. It went up in 1980 in this budget to $21.2 billion; and we recommended $21.5 billion in fiscal year 1981.

While the budget resolution cut 16 percent from general government, we added to social security, to defense, and to the veterans.

The truth of the matter is that, rather than cutting the veterans, we added—

First, a 13.9-percent cost-of-living increase in pension benefits to the needy, aged veterans;

Second, we gave a 10-percent cost-of-living increase in GI bill benefits;

Third, we gave an 11.8-percent cost-of-living increase in compensation benefits to disabled veterans. The Congressional Budget Office estimates that this increase will keep the veterans' compensation benefits constant in real terms; and

Fourth, we gave other liberalizations in veterans training and rehabilitation benefits, which includes funding for new VA health center care facilities construction projects.

I am sure that the veterans realize that this danger of inflation is real, and that they want to do their share to help the country.

I think we have been rather liberal with the veterans. In fact, it is like the frustrated budgeteer said, "How can we arrive at a figure?" The Energy Committee has the same problem; when we go out into the community with the proposed energy appropriation and ask, "How can we arrive at a figure for solar energy?"—the answer that comes back is—"Just give them enough, all they can use." We can no longer provide all the funds that can be used. And if we cut back on increases, it doesn't mean we are cutting the programs.

We know that we are concerned about veterans. However, if we do not vote for more funds for veterans, we will be seen as cutting veterans' programs. That is hogwash. We have not cut veterans' programs. We have increased the veterans.

It is not the struggle, as the distinguished Senator said, of whether to favor make-work CETA jobs or help veterans.

What did we do about CETA? That is a tough question. Here we are, Mr. President, with the unemployment rate for poor minority teenagers over 40 percent. This amendment cuts the summer youth employment program in half by taking 500,000 summer jobs away from disadvantaged youths.

We already made deep reductions in the CETA program. Our recommendation for 1981 is $1.5 billion below the President's March budget request. The committee felt that these reductions were necessary to balance the budget and reduce inflation. But deeper cuts in CETA would only hurt our most disadvantaged citizens during the recession, when they will be hurt the most.

We already cut back the CETA title VI countercyclical public service employment program from 200,000 jobs to 140,000 jobs by the end of fiscal year 1980. We already cut it by 60,000 and recommended phasing it out by the end of fiscal year 1981. But to just cut it out and say, "I don't like make-work jobs," really does not properly describe the CETA program.

CETA has worked very well. I can bring witnesses up to testify on CETA. I have been to California and South Carolina to attend hearings and know that many CETA projects have worked extremely well.

Right now, let us not come to the floor of the Senate and say that somehow we are cutting veterans' programs, that the VA hospitals are coming apart, and that we have not taken care of our Nation's veterans.

Veterans' programs have a 27-percent growth in funding since 1975. Obviously, my colleagues think that this growth in funding is not enough. If we are to balance the budget, my colleagues must realize that all Federal programs must be examined—including veterans' programs.

I know all of the Senators love veterans, and they have to get the veterans' votes. I think, if properly explained, the veterans would support the position of this budget resolution. The resolution provides a 13.9 percent cost-of-living increase in the pension program, a 10-percent cost-of-living increase under the GI bill, an 11.8-percent compensation cost-of-living increase for disabled veterans, and other liberalizations in veterans' programs.

Many people are not getting these benefits.

So I am prepared to yield the time necessary. I think the distinguished Senator from New Hampshire has 4 more minutes.

As I said, when the time is out, I am not going to yield back the balance of the time unless the distinguished Senator from Oklahoma, the leader on the other side, wishes to be heard, and then move to table the Thurmond amendment.

Mr. HUMPHREY addressed the Chair.

The PRESIDING OFFICER (Mr. BOREN). The Senator from New Hampshire.

Mr. HUMPHREY. Mr. President, I will be very brief.

While it is true that the VA budget next year is proposed to be increased, in terms of nominal dollars, when you factor in inflation, it is a net decrease. There is no way we can avoid a decline in the quality of the services available to our veterans. That means poorer medical care; that means longer lines at the hospitals.

I think anyone who has had contact with the veterans knows the complaints about VA medical care today are just legion. So the hard fact is that, without a restoration of the dollars to the VA budget, it is going to work a hardship against our veterans.

It is a matter of priorities. It is a choice here between the education function, where there is a lot of room to cut out dollars in the CETA program, and a choice between keeping our promises to veterans, I believe.

I yield back the remainder of my time.

Mr. THURMOND. Mr. President, will the Senator yield me 3 or 4 minutes?

Mr. HOLLINGS. Mr. President, I yield 4 minutes to the distinguished Senator.

Mr. THURMOND. Mr. President, the executive director of the Veterans of Foreign Wars has written a letter to the chairman of the Veterans' Affairs Committee of the Senate, and I received a copy of that letter. I would like to call this letter to the attention of the Senate.

This is from Mr. Cooper T. Holt, executive director:

> DEAR MR. CHAIRMAN: We of the Veterans of Foreign Wars of the United States were appalled that in your report to the Budget Committee you accepted a $281 million cut in the Veterans Administration budget for the fiscal year 1981. As our Commander-in-Chief, Howard E. Vander Clute, Jr. testified before your Committee earlier this month, we believe the original VA budget had a shortfall of approximately $750 million which has been fully substantiated by the House Veterans' Affairs Committee in their report to the Budget Committee.
>
> When President Carter took office, the VA budget was five percent of the federal budget in outlays. Through repeated cuts by the President and his Office of Management and Budget, the VA has been reduced to 3.5 percent of the federal budget and with the proposed additional cut, will fall to 3.4 percent of the federal budget. We know of no other Department or Agency that has suffered such repeated, stringent cuts.
>
> The VA advised us that additional cuts will reduce their personnel by 354 employees. As you know, the VA medical care system has deteriorated under the present Administration and needy veterans are routinely being denied medical care. Cost-of-living increases in the compensation program have lagged behind inflation, we now have a pension program which will deny such to World War II and later veterans and their survivors, and only in this election year did the President recommend a meager cost-of-living increase for Vietnam veterans availing themselves of education benefits under the GI Bill. Furthermore, even the highly touted psychological readjustment counseling and alcohol and drug abuse programs authorized for Vietnam veterans by Public Law 96–22 is underfunded and understaffed. It must be as obvious to you as it is to us that these cuts cannot continue to be made in the VA budget if any semblance of integrity is to be maintained in the benefit programs and in the medical care system.
>
> Mr. Chairman, we oppose in the strongest possible terms the action taken by your Committee and were extremely disappointed in the Committee's caving in to the President's Office of Management and Budget. When we fought so hard to save the Senate Veterans' Affairs Committee, we believed we would have a strong veterans' advocate in the Senate, one to fight for our veterans and not sell them down the river. Apparently we erred.
>
> "For those who have fought for it, life has a flavor the protected never know." Isn't it time that those we have protected, protect those who have fought?

Mr. President, as I stated a few moments ago, the Veterans' Affairs Committee reduced the amount $297.5 million. We think that is enough. The veterans' organizations objected to that in vigorous terms. The American Legion, the Veterans of Foreign Wars, the Disabled American Veterans all objected to that, but we did it anyway. We cut $297.5 million.

But I say enough is enough. We do not need to cut the veterans any more than that. I hope that the motion to table this amendment will be defeated.

Mr. HOLLINGS. Mr. President, before I yield back my time, let me remind my colleagues that we have increased funds for veterans. We have had over a 27 percent increase since 1975, and in this particular budget resolution, the Budget Committee recommended a 13.9 percent cost-of-living increase in pension benefits to the needy and aged veterans, a 10 percent cost-of-living increase in the GI bill benefits, an 11.8 percent cost-of-living increase in compensation benefits to disabled veterans, other liberalizations in the veterans' training and rehabilitation benefits, and funding for new VA health care facility construction projects.

We as veterans on the Budget Committee on both sides of the aisle are proud to have been able to retain this increase when we had to cut 16 percent overall from all the other governmental activities of the U.S. Government.

Mr. President, I yield back the remainder of my time. I move to table the Thurmond amendment, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The question is on agreeing to the motion to lay on the table the amendment of the Senator from South Carolina (Mr. THURMOND). The yeas and nays have been ordered and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. STEVENS (after having voted in the affirmative). Mr. President, on this vote, I have a pair with the distinguished Senator from Tennessee (Mr. BAKER). If present, he would vote "no." I withdraw my vote.

Mr. CRANSTON. I announce that the Senator from Ohio (Mr. GLENN), the Senator from Alaska (Mr. GRAVEL), the Senator from Hawaii (Mr. INOUYE), the Senator from Massachusetts (Mr. KENNEDY), the Senator from South Dakota (Mr. McGOVERN), the Senator from Maine (Mr. MUSKIE), the Senator from Connecticut (Mr. RIBICOFF), the Senator from Mississippi (Mr. STENNIS), the Senator from Illinois (Mr. STEVENSON), the Senator from Massachusetts (Mr. TSONGAS), and the Senator from New Jersey (Mr. WILLIAMS) are necessarily absent.

I further announce that, if present and voting, the Senator from Connecticut (Mr. RIBICOFF) would vote "yea."

Mr. STEVENS. I announce that the Senator from Tennessee (Mr. BAKER), the Senator from Pennsylvania (Mr. HEINZ), the Senator from Maryland (Mr. MATHIAS), the Senator from New Mexico (Mr. SCHMITT), and the Senator from Connecticut (Mr. WEICKER) are necessarily absent.

The PRESIDING OFFICER (Mr. HART). Are there other Senators in the Chamber wishing to vote?

The result was announced—yeas 44, nays 39, as follows:

[Rollcall Vote No. 97 Leg.]

YEAS—44

Baucus
Bellmon
Bentsen
Biden
Boschwitz
Bradley
Bumpers
Burdick
Byrd, Robert C.
Cannon
Chafee
Chiles
Church
Cranston
Culver
Danforth
Durenberger
Eagleton
Exon
Ford
Hatfield
Hollings
Huddleston
Jackson
Javits
Johnston
Kassebaum
Levin
Magnuson
Matsunaga
Melcher
Metzenbaum
Moynihan
Nelson
Nunn
Packwood
Pell
Percy
Proxmire
Randolph
Riegle
Sarbanes
Sasser
Schweiker

NAYS—39

Armstrong
Bayh
Boren
Byrd, Harry F., Jr.
Cochran
Cohen
DeConcini
Dole
Domenici
Durkin
Garn
Goldwater
Hart
Hatch
Hayakawa
Heflin
Helms
Humphrey
Jepsen
Laxalt
Leahy
Long
Lugar
McClure
Morgan
Pressler
Pryor
Roth
Simpson
Stafford
Stewart
Stone
Talmadge
Thurmond
Tower
Wallop
Warner
Young
Zorinsky

PRESENT AND GIVING A LIVE PAIR, AS PREVIOUSLY RECORDED—1

Stevens, for.

NOT VOTING—16

Baker
Glenn
Gravel
Heinz
Inouye
Kennedy
Mathias
McGovern
Muskie
Ribicoff
Schmitt
Stennis
Stevenson
Tsongas
Weicker
Williams

So the motion to lay on the table Mr. THURMOND's amendment (UP 1061) was agreed to.

Mr. HOLLINGS. Mr. President, I move to reconsider the vote by which the motion to table was agreed to.

Mr. CRANSTON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BOSCHWITZ addressed the Chair.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. STEVENS. Will the Senator yield for 30 seconds?

Mr. BOSCHWITZ. Yes.

Mr. STEVENS. May I inquire of the majority leader what the plan is for the balance of the evening?

Mr. ROBERT C. BYRD. This will be the last amendment voted on tonight.

I would hope we could reduce the time on the amendment once Mr. BOSCHWITZ offers it.

Mr. President, I ask unanimous consent that there be a time limitation on the amendment of 30 minutes, to be equally divided in accordance with the usual form.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Does the Senator intend to ask for the yeas and nays on it?

Mr. BOSCHWITZ. Yes.

Mr. ROBERT C. BYRD. Would he like to do it now?

Mr. BOSCHWITZ. I ask for the yeas and nays.

The PRESIDING OFFICER. The amendment has not been offered.

UP AMENDMENT NO. 1064

Mr. BOSCHWITZ. Mr. President, I send an amendment to the desk and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Minnesota (Mr. BOSCHWITZ) proposes an unprinted amendment numbered 1064.

Mr. BOSCHWITZ. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 12, line 1 strike all through page 15 line 8 and insert in lieu thereof the following:

(2) The appropriate level of total new budget authority is $644,000,000,000.

(3) The appropriate level of total budget outlays is $558,300,000,000.

(4) The amount of the deficit in the budget which is appropriate in the light of economic conditions and all other relevant factors is $29,400,000,000.

(5) The appropriate level of the public debt is $887,000,000,000, and the amount by which the temporary statutory limit on such debt should accordingly be increased is $8,000,000,000.

(b) Section 2 of S. Con. Res. 53 is revised as follows:

(1) National Defense (050):
(A) New budget authority, $143,700,000,000;
(B) Outlays, $134,000,000,000.
(2) International Affairs (150):
(A) New budget authority, $14,500,000,000;
(B) Outlays, $9,600,000,000.
(3) General Science, Space, and Technology (250):
(A) New budget authority, $5,800,000,000;
(B) Outlays, $5,700,000,000.
(4) Energy (270):
(A) New budget authority, $37,500,000,000;
(B) Outlays $6,100,000,000.
(5) Natural Resources and Environment (300):
(A) New budget authority, $12,100,000,000;
(B) Outlays, $12,600,000,000.
(6) Agriculture (350):
(A) New budget authority, $5,000,000,000;
(B) Outlays, $5,900,000,000.
(7) Commerce and Housing Credit (370):
(A) New budget authority, $10,100,000,000;
(B) Outlays, $5,400,000,000.
(8) Transportation (400):
(A) New budget authority, $19,700,000,000;
(B) Outlays, $19,000,000,000.
(9) Community and Regional Development (450):
(A) New budget authority, $8,000,000,000;
(B) Outlays, $9,000,000,000.
(10) Education, Training, Employment and Social Services (500):
(A) New budget authority, $29,200,000,000;
(B) Outlays, $29,600,000,000.
(11) Health (550):
(A) New budget authority, $57,800,000,000;
(B) Outlays, $54,300,000,000.
(12) Income Security (600):
(A) New budget authority $219,400,000,000;
(B) Outlays, $186,500,000,000.
(13) Veterans Benefits and Services (700):
(A) New budget authority, $21,000,000,000;
(B) Outlays, $20,300,000,000.
(14) Administration of Justice (750):
(A) New budget authority, $4,200,000,000;
(B) Outlays, $4,400,000,000.
(15) General Government (800):
(A) New budget authority, $4,500,000,000;
(B) Outlays, $4,400,000,000.
(16) General Purpose Fiscal Assistance (850):
(A) New budget authority, $8,300,000,000;
(B) Outlays, $8,300,000,000.
(17) Interest (900):
(A) New budget authority, $65,500,000,000;

(B) Outlays, $65,500,000,000.

(18) Undistributed Offsetting Receipts (950):

(A) New budget authority, −$22,300,000,000;

(B) Outlays, −$22,300,000,000.

Mr. BOSCHWITZ. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. ROBERT C. BYRD. Mr. President, in further response to the distinguished acting minority leader, I wonder if Mr. Cohen would lay down his amendment following the disposition of the amendment by Mr. Boschwitz so that on tomorrow the Senate would have an amendment immediately upon which to resume its work.

Mr. STEVENS. It is my understanding the cosponsor of the amendment indicates that is their intention. We will confirm it as soon as we have direct word from the sponsor of the amendment. That is the understanding, however, that that would be the first amendment to be offered, so it would come up the first thing in the morning.

ORDER FOR RECESS TO 9 A.M. TOMORROW, AND TO RESUME CONSIDERATION OF THE PENDING RESOLUTION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in recess until the hour of 9 o'clock tomorrow morning; and, further, that immediately after the prayer tomorrow morning, with the leaders or their designees giving up their time under the standing order, the Senate immediately resume its consideration of the pending resolution.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

ORDER THAT NO ROLLCALL VOTES OCCUR BEFORE 10 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on tomorrow there be no rollcall votes before 10 a.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

FIRST CONCURRENT BUDGET RESOLUTION

The Senate continued with the consideration of the concurrent resolution.

Mr. MOYNIHAN addressed the Chair.

Mr. ROBERT C. BYRD. Mr. President, I ask that the time not come out of the Senator's time.

Mr. BOSCHWITZ. I ask unanimous consent the time in making arrangements here not be taken out of my time.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MOYNIHAN. I thank the Senator.

Mr. President, is it our understanding then that the Senator from Maine's amendment will be the first one brought up in the morning and will be voted on at 10 o'clock or thereafter?

Mr. ROBERT C. BYRD. It is hoped that the amendment by Mr. Cohen can be laid down this evening.

The acting Republican leader is trying to have that arranged.

So there will be another rollcall vote today. It will be on the amendment by Mr. Boschwitz, after which we hope Mr. Cohen will lay his amendment down, and that would be the first order of business tomorrow with the Senate coming in at 9 a.m.

Mr. MOYNIHAN. I thank the Senator. I thank the majority leader.

Mr. ROBERT C. BYRD. I thank the Senator from Minnesota.

Mr. BOSCHWITZ. Mr. President, my amendment is to the second revision of the 1980 budget, and what it does essentially is to take the enacted-to-date amounts, adding some of the interest, adding also an amount for the defense——

Mr. DOMENICI. Mr. President, may we have order?

The PRESIDING OFFICER. The Senator's request is well taken. The Senate is not in order. Will Senators take their seats? The Senator from Minnesota has the right to be heard.

Mr. BOSCHWITZ. Mr. President, my amendment is to the second budget resolution for fiscal year 1980, the second budget resolution revised, as it is now presented to us, in conjunction with the 1981 budget.

The Budget Committee resolution calls for spending $566.4 billion. My amendment would reduce that to $558.3 billion. My amendment assumes all of the enacted-to-date figures, and my amendment assumes extra moneys for the payment of interest and extra moneys in defense, inasmuch as there is a very large fuel cost in that area that cannot be made up, and that has been incurred in the last few months due to the difficulties we have had in the Indian Ocean.

Mr. President, may we have order?

The PRESIDING OFFICER. The Senate will be in order.

Mr. BOSCHWITZ. Mr. President, the fiscal year 1980 budget we have before us demonstrates that the so-called business of a balanced budget is really an exercise in symbolism and nothing more.

One year ago, we deliberated about the fiscal year 1980 budget and came up with $532 billion in spending, and just a few months ago we raised that to $548 billion; and now we are deciding whether or not to go from $548 billion to $556 billion, or, as I suggest, from $548 billion to $558 billion.

When we passed the second budget resolution a few months ago, there was a lot of discussion on the floor as to whether or not a third budget resolution or a second budget resolution revised, as we call this, would be required. Senator Muskie stated very eloquently, as a matter of fact:

> And let no one be heard to say that a third resolution will then be enacted to allow more spending if the savings are not made. The budget process is not a rubber stamp for spending which would occur without it.
>
> The budget Congress adopts this month must be durable enough to last until next October, in the absence of significant unforeseen events.

Chairman Muskie went on to say at other points during that debate that unforeseen events did not encompass a month-to-month increase in inflation. Indeed, inflation in some aspects even then was proceeding at 1.4 percent per month.

The Senator from Maine has claimed that the budget is not a rubber stamp. Yet, that is exactly what the second budget resolution revised is. He claimed we would not make another revision, and yet we are asked to do that just a few months after we decided the second resolution was enough for the fiscal year.

Senator Bellmon, my honored colleague from Oklahoma, who is the ranking minority member of the Budget Committee, also made the case for sticking with the second budget resolution. He made it very clear, and I commend him on his comments at that time, and I will reiterate some of his comments. He said:

> We are making clear now that we will not have a third budget resolution to bail out committees who do not make the concessions. Therefore, we have only two choices: Either make the savings or crowd out future spending.

I am suggesting that we do both—that we make some of the savings through reconciliation and that we crowd out some of the future spending, but that we have to spend somewhat more. Interest cannot be denied. The increased costs of our fleet in the Indian Ocean cannot be denied. So I say not $556 billion but $558 billion.

My amendment would hold Congress to a commitment it made just a few months ago. It would send a clear signal to the agencies that we mean business, that we are not going to fill up their checking accounts every time they ask for it.

When we passed the second budget resolution, it contained some specific language in the form of a resolution that said we would not come back for more during this year.

If, in passing the 1981 budget, we call it balanced and at the same time and in the same resolution also adopt a third amendment or a third revision to the 1980 budget, it really will be senseless to say that we are going to balance it in 1981.

Mr. President, the real income of workers in this country declined 5 percent during the last year. The second budget resolution revised means that the Federal Government will be spending, during the 1980 fiscal year, 15 percent more than it spent in the 1979 fiscal year. Yet, worker's incomes are going up between 7.5 and 9 percent.

There is no way in which the Federal budget can continue to outrun the increase in workers' incomes. There is no way the tax base can be so outstripped.

Mr. President, I say that we simply cannot fill the checkbooks of the various agencies and the various departments at the asking, that we must ask them for reconciliation.

If Senators have talked to their constituents during the past months, as I have, they know that their constituents are reconciling their affairs, that they are reconciling their budgets, as we are in the business in which I am engaged. We simply have to reconcile our own budget. The fact that we are 7 or 8 months along in our fiscal year makes no difference. When the necessity arises, we simply have to reconcile it.

So, Mr. President, I suggest that we take the enacted-to-date figures, that we increase slightly the defense enacted-to-date cost of the exigencies that have arisen in the Indian Ocean, and that we increase item 900, the item of interest, as that, too, cannot be denied.

Mr. HOLLINGS. Mr. President, the Boschwitz amendment provides for a fiscal year 1980 budget of $644 billion in budget authority, $558.3 billion in outlays, or $9.7 billion in budget authority and $8.1 billion in outlays below the Budget Committee recommendation.

There is simply no way in fiscal year 1980 that we can hold the levels to the Boschwitz amendment. I say that advisedly, because I had a feeling as a member of the Budget Committee, very early in our deliberations with respect to intentions of cutting and stopping spending now, that we could do exactly that.

Of course, several things have changed. I ask unanimous consent to have printed in the RECORD a chart which indicates developments outside congressional control which have taken place.

There being no objection, the chart was ordered to be printed in the RECORD, as follows:

TABLE 2.—FISCAL YEAR 1980 BUDGET

[In billions of dollars]

	Fiscal year 1980	
	Budget authority	Outlays
Second Budget Resolution	638.0	547.6
Amounts enacted to date	640.2	552.4
Supplementals assumed:[1]		
Current law entitlements and October 1979 pay raise	7.4	8.3
Defense O. M./personnel	3.8	3.8
Food stamps (to continue program at present levels)	2.5	2.5
All other supplementals assumed	4.6	2.0
Total	658.5	569.0
Reconciliation instruction to Appropriations Committee	−4.8	−2.6
Budget Resolution recommended level	653.7	566.4
Revenues		528.9
Deficit		37.5

[1] Additional supplemental requests considered by the committee but rejected total $3,700,000,000 in budget authority and $4,700,000,000 in outlays.

TABLE 3.—MAJOR CAUSES OF INCREASE IN THE FISCAL YEAR 1980 BUDGET

[In billions of dollars]

	Budget authority	Outlays
Second Budget Resolution	638.0	547.6
Budget Committee recommendation	653.7	566.4
Increase	+15.7	+18.8
Demands for developments outside congressional control:		
Interest	+7.4	+7.4
National defense personnel and operating costs	+2.5	+4.1
Demands for developments outside congressional control—Continued		
Agriculture (largely due to grain embargo)		+3.4
Increased receipts to social security, Federal retirement, and unemployment trust funds (counts as budget authority)	+3.2	---------
Reduced GNMA and FmHA sales (reduces offsets to spending)	+2.0	+2.0
Effect of higher inflation on indexed program benefits	+.2	+1.5
Drawdown of Saudi Arabian balances in foreign military sales trust fund	+1.2	+1.2
Increases due to above items	+16.5	+19.6
Excess of demands over recommended increase	.8	.8
Supplemental requests rejected	3.7	4.7
Total spending demands rejected by revised SCR	4.5	5.5

Mr. HOLLINGS. Mr. President, some other items have come along with respect to supplementals, some not covered. We found, after we got through the entire markup, something about some highway contracts, the Federal Home Loan Bank Board, a savings and loan in difficulty in Ohio, and various other matters that went into the billions of dollars that we may have to consider.

Suffice it to say that we have supplementals for current law entitlements and the October 1979 pay raise of $8.3 billion. We have defense operation and maintenance personnel of $3.8 billion. The distinguished Senator from Minnesota does not want to cut that. We have the food stamp program which we have tried to wrestle to a level of sensibility and acceptability in this Senator's characterization, in that I believe that we should not be taxing middle America to send food to a family of four making $13,000 a year. But that has to change in the substantive law.

If we were to cut it off now there would be lawsuits.

I do not think we could get the votes on the one hand, but we could not change that program in an orderly way unless we effectuate as the budget resolution asked to be done, namely, put in some $1.4 billion in food stamp cuts that will take effect next year. These cuts cannot be made effective this year under the present food stamp allocation and eligibility program.

Then we had all other supplementals assumed to the tune of some $2 billion or $16.6 billion there. So you can see that, having grown by $19.6 billion in outlays and uncontrollables plus some supplementals to around $16.6 billion that we did well to try to hold the line by recommending a reconciliation of $2.6 billion.

In my opening remarks on the budget resolution, I pointed out that since the second budget resolution was adopted last fall, budget increases in fiscal 1980 have occurred in four areas beyond the control of Congress—interest, agriculture, defense, and inflation. These increases beyond congressional control total $16.5 billion in budget authority and $19.6 billion in outlays, as already outlined.

Mr. President, the levels recommended by the Budget Committee are less than the amounts needed to cover these uncontrollable and unforeseen increases. To cover the difference and to provide some room for additional supplements that are urgently needed, the Budget Committee recommends that a reconciliation instruction be given to the appropriations Committees to cut $4.8 billion in budget authority and $2.6 billion in outlays from appropriations already enacted. That is a tall order.

I sat with my colleagues on the Appropriations Committee and our distinguished chairman, Senator MAGNUSON of Washington, and we came up with $1.5 billion. Then we really were having difficulty asking each subcommittee chairman under their particular allocations—this was just last week—how do we find the $2.6 billion. We are going to make that attempt, but I can tell Senators now to try to superimpose an additional responsibility to cut an additional $8 billion is just totally impossible.

To try to put that through, with two-thirds of the year already past—we only have from May now until the end of September—is just an impossibility.

We are already in the eighth month of fiscal year 1980. With only one-third of the fiscal year remaining, I do not see how we can increase the reconciliation instruction to the Appropriations Committees; indeed, they will have an exceedingly difficult time getting to the Budget Committee's recommended amounts.

According to the Congressional Budget Office, this late in the fiscal year the only amounts that remain unobligated are, first, backing for loan guarantee and insurance programs, which do not involve outlays; second, the major procurement programs—largely concentrated in the defense area—which have very little outlay effect in this fiscal year; third, the major entitlement programs, which must be paid under current law; and fourth, salaries for Federal employees, who, if they are fired instead would have claims against the Government that are at least as large as the salaries they would otherwise be paid. The Office of Management and Budget agrees with CBO on these facts.

Yet the Boschwitz amendment would increase the reconciliation instruction to the Appropriations Committees to $14.5 billion in budget authority and $10.7 billion in outlays if the necessary supplementals assumed by the Budget Committee are not to be cut off.

But let us assume that the Senator's amendment does not intend to increase the reconciliation instruction to the Appropriations Committees—that, instead, he would cut the supplemental appropriations that will come before the Congress later this spring. What would that mean?

It would mean no supplemental funds for defense fuel costs, other readiness items, and the Nunn-Warner pay and benefit improvements, even though Senator BOSCHWITZ and I both agree that we not cut the committee's defense recommendation.

It would mean no further funds for the food stamp program, as I have just pointed out. We have already recommended significant reforms, as I emphasized, of $1.4 billion to take effect. The law is being enacted. The reform is being enacted to take effect in fiscal year 1981, but we could not save it this year.

It would mean no funds for needed supplemental requirements such as disaster relief and forest firefighting, uranium enrichment, and the Space Shuttle, and no funds to cover the Chrysler loan guarantee, which is a commitment we just made in December.

Mr. President, I point out that the Budget Committee rejected some $4 billion to $5 billion. We studied it very closely and we did reject $4 billion to $5 billion in supplemental requests of lower priority items in arriving at its recommendation.

For all these reasons, Mr. President, I support the Budget Committee recommendation and oppose the Boschwitz amendment. I urge the Senate to do likewise.

Mr. President, I ask unanimous consent that various tables with notes thereto be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

[In billions of dollars]

		Fiscal year 1980					
		SBC		House		Boschwitz	
		BA	O	BA	O	BA	O
050	National defense	143.7	134.0	142.5	134.2	143.7	134.0
150	International affairs	15.2	9.9	15.8	10.7	14.5	9.6
250	General science, space, and technology	6.2	5.9	6.1	5.9	5.8	5.7
270	Energy	37.9	6.5	40.3	6.4	37.5	6.1
300	Natural resources and environment	12.2	12.9	12.3	13.2	12.1	12.6
350	Agriculture	5.0	5.9	5.0	5.9	5.0	5.9
370	Commerce and housing credit	11.7	5.5	11.6	6.1	10.1	5.4
400	Transportation	19.7	19.5	21.0	20.1	19.7	19.0
450	Community and regional development	8.6	9.1	8.7	9.2	8.0	9.0
500	Education, manpower, social services	29.3	29.9	29.9	30.1	29.2	29.6
550	Health	59.8	56.5	59.9	56.5	57.8	54.3
600	Income security	223.0	190.0	224.8	191.7	219.4	186.5
700	Veterans benefits and services	21.2	20.5	21.0	20.3	21.0	20.3
750	Law enforcement	4.2	4.4	4.3	4.4	4.2	4.4
800	General government	4.5	4.4	4.5	4.4	4.5	4.4
850	Revenue sharing, etc	8.3	8.3	8.8	8.8	8.3	8.3
900	Interest	65.5	65.5	65.1	65.1	65.5	65.5
920	Allowances			1.0	.9		
950	Undistributed offsetting receipts	−22.3	−22.3	−22.3	−22.3	−22.3	−22.3
	Total	653.7	566.4	660.3	571.6	644.0	558.3

WHAT THE BOSCHWITZ CUTS MEAN

[In billions of dollars]

		Boschwitz cut from SBC recom for fiscal year 1980		
		BA	O	Effect of Boschwitz cut
150	International affairs	−0.7	−0.3	Would eliminate room for supplemental for feeding Cambodians; would preclude Public Law 480 supplementa for feeding Somali and Afghani refugees; would preclude emergency aid to private sector businesses in Nicaragua.
250	General science, space, and technology	−.4	−.2	Would eliminate room for Space Shuttle supplemental. Without this supplemental: (a) production and development could be delayed by 1 yr, jeopardizing the availability of the Space Shuttle for critical defense intelligence missions in 1983; (b) would lead to an employment cut-back of 50 percent, or 25,000 jobs; (c) and would ultimately lead to higher program costs ($0.9 billion) over the life of the program.
270	Energy	−.4	−.4	Would terminate the low-income weatherization program which is directed to improving the energy efficiency of the homes of low-income persons; would terminate the schools and hospitals grant program which is geared to increasing their energy efficiency. (Increased energy efficiency in schools and hospitals would slow the increase in costs for education and hospital care); would necessitate reductions in other energy conservation activities.
300	Natural resources and environment	−.1	−.3	Would eliminate room for paying the costs of firefighting this summer or for the cleanup of spills of oil and hazardous substances, thus leading to greater destruction of our natural resources; construction activity at over 100 water resource projects would have to be stopped or severely restricted, thus delaying projects for flood control, hydropower, water supply and navigation.
370	Commerce and housing credit	−1.6	−.1	Would eliminate any room for funding the Chrysler loan guarantee program; would preclude funding for supplementals for other commerce-related programs.
400	Transportation		−.5	Would not accommodate supplemental payments to honor prior Federal obligations to the States for highway construction work; would not accommodate an estimated $44 million in payments needed to honor long-term Federal obligations for operating subsidies for American flag vessels.
450	Community and regional development	−.6	−.1	Would eliminate room for urgently needed supplementals for disaster relief grants and SBA disaster loans. Disaster relief grants would be denied to victims in California, Mississippi and Alabama and SBA disaster loans would be denied to victims of storms, flooding, and mudslides in the West and South, as well as to victims of the hurricanes in Alabama and Mississippi last year.
500	Education, training, employment, and social services	−.1	−.3	The Budget Committee recommendation already assumes heroic reductions—$0.9 billion in BA and $0.4 billion in outlays—in funds already appropriated for education and employment programs. The Boschwitz amendment would require either that these savings be increased to the unlikely levels of $1.0 billion in AB and $0.7 billion in outlays, or that the Federal Government renege on some of its obligations, such as the payment of interest subsidies to bankers for guaranteed student loans.
550	Health	−2.0	−2.2	Federal matching funds for medicaid health benefits to 22.9 million poor people would terminate in July. Since the Federal share of these benefits ranges from 50 to 78 percent, States would be forced to terminate the program entirely, cut benefits back sharply, or use State funds which had been budgeted for other purposes to pay for medicaid benefits. Since States are legally entitled to Federal medicaid funds, they would go to court and force the Federal Government to spend the money anyway. Thus, no savings would be achieved.
600	Income security	−3.6	−3.5	Food stamp benefits to all 21.2 million recipients would be terminated on June 1. No additional funding would be available to reimburse States for assistance provided to refugees, including the large numbers of recently-arrived Indochinese refugees in Minnesota. Funds for disabled coal miners and for school lunch programs would run out in this fiscal year. Since these are entitlements, the Federal Government would be sued in court and eventually forced to fulfill its obligations, so that there would be no savings.
700	Veterans benefits and services	−.2	−.2	Would require the Veterans' Administration to absorb all of the costs associated with the pay raise for Federal employees that went into effect last October.

Mr. BELLMON. Mr. President, will the Senator yield a minute?

Mr. HOLLINGS. I yield to the distinguished Senator from Oklahoma.

Mr. BELLMON. Mr. President, the distinguished Senator from Minnesota, Senator Boschwitz, quoted some comments made by Senator Muskie and myself during the consideration of the second concurrent budget resolution last year. I think there is one comment that should be included along with what has already been said and that is that we took the positions against the third concurrent resolution with this reservation, "Unless justified by significantly changed national or international developments beyond the power of Congress to control and not foreseen in the development of the second budget resolution for fiscal year 1980."

Mr. President, there have been many significant international developments and national developments that no one could have foreseen.

On pages 235 and 236 of our budget report on the first concurrent resolution there is a discussion of these changes, and I ask unanimous consent that this language be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

When Congress adopted the second Budget Resolution for FY 1980, it also adopted a resolution expressing the "sense of the Congress on reconciliation savings".

That resolution said: "It is the sense of the Congress that there shall be no Third Budget Resolution or any other revision of the budget figures contained in this resolution unless justified by significantly changed national or international developments beyond the power of Congress to control and not foreseen in the development of the Second Budget Resolution for FY 1980."

There have been major unforeseen changes in both the economy and international affairs beyond the power of Congress to control since that budget was formulated last summer and adopted last fall.

Three principal factors, none within congressional control, have altered a number of major program cost estimates in that budget and require revisions or else important needs in the areas of defense and foreign relations, as well as domestic programs will be significantly damaged.

First, on October 6, the Federal Reserve Board announced a new monetary policy which significantly increased the cost of interest, including interest on the national debt. Interest on the national debt for 1980 is now estimated to be $75.5 billion—$7.9 billion higher than the level estimated in the Second Budget Resolution.

Second, on November 4, American hostages were taken in Iran and on December 27, the Soviet Union invaded Afghanistan. In light of these events, the President announced a new defense policy which included greatly increased defense budget requests beginning in 1980. In addition, defense outlays for 1980 now are estimated to exceed congressional estimates of the Second Budget Resolution by $1 billion due to technical factors.

In January, the President embargoed sales of U.S. grain to the Soviet Union. The President took unilateral action under the Agriculture Assistance Act to support domestic grain prices to help compensate American agricultural interests for the losses occasioned by this embargo. These Presidential initiatives to support domestic grain prices will cost $2.7 billion more than was assumed in the 1980 budget.

Third, inflation accelerated from 10.3 percent predicted in July for the Second Budget Resolution to 13.9 percent, adding $1.5 billion to the budget estimates for FY 1980.

These three events, unforeseeable when the totals of the Second Budget Resolution were first adopted by the two Houses in September, have added a total of $13.1 billion to the spending of the Federal Government for FY 1980 without the passage of any spending bill by the Congress. This great and unanticipated addition to Federal spending exceeded the limits set by Congress in the Budget Resolution.

Mr. BOSCHWITZ. Mr. President, I shall respond briefly.

Senator Muskie at the time of the second budget resolution did indeed portray the economic status of that moment as including a 1.4 percent inflation rate on finished goods during the month that we were discussing it. I respond to the Senator from South Carolina who brought up four points; interest, agriculture, defense, and inflation. My amendment would allow the committee resolution the entire amount that has been asked for for defense to stay intact. My amendment also allows in the case of function 900 for the entire amount that the committee in the third budget resolution suggested to remain intact. In the case of agriculture the same answer applies.

So, I really have taken into account the interest, agriculture, inflation, and defense that the Senator from South Carolina objects to.

Without quoting at length, Mr. President, all throughout the conversations by the distinguished Senator from Oklahoma as well as the then-chairman of the Budget Committee, Senator Muskie, we talked about the fact that a deeper recession was contemplated in 1980, that there was a great degree of economic uncertainty even at that time. Senator Muskie quoted Will Rogers to say that economists are really just pretty good guessers and one could not rely upon what was to come.

Senator Muskie said about the second resolution that this is a fiscal policy of restraint dictated by the continuing need to fight inflation, the Nation's most pressing concern.

I conclude with that by saying that indeed it is the most pressing concern and only by getting the Government away from the bank window by an additional $8 billion are we going to show the concern of the Senate about fighting inflation.

If we pass a third budget resolution that merely increases the debt there is going to be no semblance of honesty or integrity to the first budget resolution that purportedly balances the budget.

I yield to my distinguished colleague from Utah.

Mr. HATCH. Mr. President, I thank the Senator from Minnesota.

Mr. President, I speak on behalf of the Boschwitz amendment to cut $8.1 billion from fiscal year 1980 spending.

The resolution presented by the Budget Committee proposes adding $15.7 billion to budget authority, $18.8 billion to outlays, and $11.1 billion to revenues in fiscal year 1980. This makes the increase in spending for fiscal year 1980 over fiscal year 1979 a whopping 14.7 percent, or 4.8 percentage points greater than the rate of growth of the economy. This makes the deficit for fiscal year 1980 increase from $27.8 billion to $37.5 billion. In these inflationary times, it makes no economic sense for the Federal Government to be expanding its size or for it to increase the size of its deficit. And it makes little sense to move to a balanced budget in fiscal year 1981 by increasing the deficit in fiscal year 1980. This fiscal policy will cause severe harm to the private sector and signal that the Government is not serious about controlling inflation.

Without fiscal restraint, the Federal Reserve will not be able to continue its policy of slowing the growth of the money supply without causing very serious damage to the private credit markets. The proper course for fiscal policy while the Fed is slowing the growth of the money supply is to reduce spending and borrowing—both on- and off-budget—so that what scarce credit is available can go for private investment and homebuilding. The total amount of additional borrowing the Federal Government will do in fiscal year 1980 under this budget resolution is $61.3 billion. I therefore encourage my colleagues to support the Boschwitz amendment to reduce the size of the increase in fiscal year 1980 spending. My distinguished colleague from Minnesota (Mr. Boschwitz) and I, along with some of our colleagues, tried in the budget committee to hold the line on fiscal year 1980 spending by forcing rescissions of previously appropriated moneys for fiscal year 1980 and by forcing some changes in entitlement programs. We were told that there were few unobligated balances available for fiscal year 1980 that would affect outlays in fiscal year 1980. We were even told by the OMB and the CBO that we could not be provided with information about unobligated balances so that we could see where we might be able to go back into spending already enacted to make some savings.

But last week, when the interest was in spending money, some unobligated balances were discovered. When the Senate considered a special appropriation for the FTC, we witnessed some tricky accounting so that the bill would not be subject to a point of order under the Budget Act for violating the spending ceiling set in the second budget resolution for fiscal year 1980. Instead of appropriating new money for the FTC, the bill transferred funds from unobligated balances from the Department of State to the use of the FTC. Admittedly the amount involved in this particular transaction was small, but the principle is valid.

The economy is in a very serious crisis condition, with inflation and interest rates close to 20 percent, and unemployment up dramatically last month. Bond prices have fallen drastically, homebuilders are going out of business, and other businesses are finding it difficult to raise capital for necessary investment projects.

Yet the Budget Committee has casually added an extra $18.8 billion to spending without obtaining or examining evidence on money that could be saved. In fact, we are already some $10 billion over the fiscal year 1980 ceilings established in the second budget resolution. However, instead of using the unobligated balances at the State Department to reduce the illegal overage, the Senate preferred to transfer it to another agency. I think this reflects a serious deficiency in the Budget Act which should be changed. In situations where spending exceeds the levels set in the most recent budget resolution, any unobligated balances discovered should be rescinded until and if revised spending ceilings are passed. It should not be assumed that Congress will just have to go along with the higher spending. And certainly, if the Congress is trying to maintain control by enforcing previously enacted ceilings, all agencies should cooperate by making available information on unobligated balances.

With all the reports of last minute spending by various agencies at the end of the fiscal year, I find it hard to believe that there are not sufficient unobligated balances available that we could control $20 billion of a $547 billion budget. As I told my colleagues in the budget committee, this is a little more than 3 percent of the fiscal year 1980 budget. And if we cannot control 3 percent of the budget half way into the fiscal year, then the budget process does not deserve the accolades it has received for controlling spending.

The Boschwitz amendment makes some attempt at holding the line on fiscal year 1980 spending. While I would prefer that we allow no increase in fiscal year 1980 spending, the Boschwitz amendment is perhaps the best we can hope to achieve here today. I urge my colleagues to adopt the Boschwitz amendment and to make room for whatever additional spending we need by rescinding previously appropriated moneys or by changing entitlement legislation.

Mr. President, I hope my colleagues will vote for the amendment.

Mr. BOSCHWITZ. Mr. President, I yield the remainder of my time.

Mr. HOLLINGS. Mr. President, I yield the remainder of my time and wish to give the Senator an up-and-down vote. I think the yeas and nays have been ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Minnesota.

On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Idaho (Mr. CHURCH), the Senator from Ohio (Mr. GLENN), the Senator from Alaska (Mr. GRAVEL), the Senator from Hawaii (Mr. INOUYE), the Senator from Massachusetts (Mr. KENNEDY), the Senator from Washington (Mr. MAGNUSON), the Senator from South Dakota (Mr. McGOVERN), the Senator from Maine (Mr. MUSKIE), the Senator from Connecticut (Mr. RIBICOFF), the Senator from Mississippi (Mr. STENNIS), the Senator from Illinois (Mr. STEVENSON), the Senator from Massachusetts (Mr. TSONGAS), and the Senator from New Jersey (Mr. WILLIAMS) are necessarily absent.

I further announce that, if present and voting, the Senator from Connecticut (Mr. RIBICOFF), would vote "nay."

Mr. STEVENS. I announce that the Senator from Pennsylvania (Mr. HEINZ), the Senator from Maryland (Mr. MATHIAS), the Senator from New Mexico (Mr. SCHMITT), the Senator from Vermont (Mr. STAFFORD), and the Senator from Connecticut (Mr. WEICKER), are necessarily absent.

The PRESIDING OFFICER (Mr. MATSUNAGA). Is there any Member, any Senator, wishing to now vote?

The result was announced—yeas 27, nays 55, as follows:

[Rollcall Vote No. 98 Leg.]

YEAS—27

Armstrong
Boren
Boschwitz
Byrd,
  Harry F., Jr.
Chiles
Durenberger
Garn
Goldwater
Hart
Hatch
Hayakawa
Helms
Humphrey
Jepsen
Laxalt
Lugar
McClure
Morgan
Nunn
Pressler
Proxmire
Schweiker
Simpson
Stone
Thurmond
Wallop
Zorinsky

NAYS—55

Baker
Baucus
Bayh
Bellmon
Bentsen
Biden
Bradley
Bumpers
Burdick
Byrd, Robert C.
Cannon
Chafee
Cochran
Cohen
Cranston
Culver
Danforth
DeConcini
Dole
Domenici
Durkin
Eagleton
Exon
Ford
Hatfield
Heflin
Hollings
Huddleston
Jackson
Javits
Johnston
Kassebaum
Leahy
Levin
Long
Matsunaga
Melcher
Metzenbaum
Moynihan
Nelson
Packwood
Pell
Percy
Pryor
Randolph
Riegle
Roth
Sarbanes
Sasser
Stevens
Stewart
Talmadge
Tower
Warner
Young

NOT VOTING—18

Church
Glenn
Gravel
Heinz
Inouye
Kennedy
Magnuson
Mathias
McGovern
Muskie
Ribicoff
Schmitt
Stafford
Stennis
Stevenson
Tsongas
Weicker
Williams

So Mr. BOSCHWITZ' amendment (UP No. 1064) was rejected.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. HOLLINGS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

● Mr. STONE. Mr. President, I have voted for the substitute amendment offered by Senator ARMSTRONG because I believe that the overall reduction in outlays for fiscal year 1981 which this amendment proposes is appropriate and necessary if the Congress is to make a serious effort at reducing Federal Government spending. However, in a number of significant areas I strongly disagree with Senator ARMSTRONG's recommended outlay figures for specific functions.

No Senator agrees with the specific outlay figure for every function in this or any other budget resolution. Indeed, under the Budget Act, the only legally binding figures on the Congress are total outlays, total revenues, and the projected deficit if any, once adopted by the second budget resolution.

I am suggesting with the attached proposal, another wiser way to reach the total outlay reductions sought by the Armstrong amendment. It represents an across-the-board approach in making additional spending reductions beyond those proposed by the Senate Budget Committee's pending resolution. This approach would not result in the gutting of any particular, effective Government program. It would result in cutting additional waste from the Federal budget and would insure us of a balanced budget in fiscal year 1981 with room for some tax relief.

I would urge the authorizing and appropriating subcommittees to review this proposal as a way to reach the outlay total of $596.7 which is the target contained in the Roth-Stone resolution debated last month in the Senate.

Mr. President, I ask that this proposal and an explanation of it be printed in the RECORD.

The material follows:

SENATOR STONE'S ALTERNATIVE FIRST BUDGET RESOLUTION FOR FY 1981

Budget Function:	*Budget outlays*
*Defense	$155.7
International Affairs	8.9
General Science	5.7
Energy	6.4
Natural Resources and Environ	11.2
*Agriculture	2.3
Commerce and Housing Credit	.2
Transportation	17.1
Community and Regional Dev	8.7
Education, training, etc	26.6
Health	58.0
Income Security	
*Except Missions 1 and 2	214.7
*Veterans' Benefits	21.0
Admin. of Justice	4.3
General Government	3.0
General Purpose Fiscal Asst	6.4
Interest	71.2
Allow	------
Offsetting Receipts	−24.7
Total Outlays	$596.7

EXPLANATION

This alternative budget proposes an across-the-board percentage reduction from the Budget Committee's Resolution of approximately 6.3% of each function with several exceptions and several adjustments. Excluded* from additional reductions are the Defense functions No. 050, the Agriculture function No. 350, the Veterans function No. 700 and the "General Retirement and Disability Insurance" mission and the "Federal Employee Retirement and Disability" mission of the Income Security function No. 600. The Interest function No. 900 is reduced by $1 billion based on the assumption that these proposed reductions in spending will necessarily require less federal borrowing and, therefore, a reduced interest payment. A reduction of $1 billion in addition to the 6.3% across-the-board reduction, is proposed for the General Government function No. 800 to reduce further government administrative and operating costs.●

● Mr. MORGAN. Mr. President, yesterday, we voted on an amendment to the Senate Concurrent Resolution 86 which would have cut $2.2 billion from the international affairs function in budget authority and $500 million in outlays. I voted against such a drastic cut in the Budget Committee's recommendation because it would have seriously impaired our foreign policy commitments, it would have undermined the credibility of some of our policies and could have had an adverse effect on our domestic economy.

Now, let me say that I have always been skeptical of some forms of our foreign assistance. We have had ample evidence in this program over the years of misjudgment and mismanagement. Even today, the perception prevails that we can no longer afford to spend tax dollars abroad as our economic problems at home increase, poverty pockets persist, and unemployment goes beyond the 7-percent mark. But these are perceptions that do not coincide with reality. Our international affairs budget makes a direct contribution toward the elimination of our domestic ailments.

Mr. President, my conditional acceptance of the committee's recommendations of $23.4 billion in budget authority and $9.5 billion in budget outlays is based upon five considerations.

First. The budget resolution is not binding. The committee already reduced outlays by $600 million compared to the President's request of March 31. The Appropriations Committee could propose further reductions and the particular omission of specific countries or programs. I intend to examine carefully the list of States which may be beneficiaries of our assistance.

Second. There is a basic obligation to assist where genuine need exists. We are prepared to help our neighbor next door or beyond the border or across the ocean. The condition of our neighbor will affect our own condition. Assistance can improve stability which is vital for the well-being of our political system. However, very little of our aid goes abroad in form of money: It includes the food for peace program, the Peace Corps, technical assistance, refugee, and disaster activities. To my mind, our foreign aid will always be a bewildering mixture of charity and business, altruism and self-interest.

Third. The security dimension of the international affairs budget makes eminent sense to me. It fully supports the objectives set out by the President with respect to Israel and Egypt as well as other countries in Africa and Central America. It also includes military credit sales and grant assistance. But security also has an economic component whether it is the production of weapons systems, continued employment or the stimulation of exports via the Export-Import Bank.

Fourth. It is often forgotten that this budget function incorporates the expense for the conduct of our foreign relations. In the light of recent developments at our Embassies abroad, the maintenance of our diplomatic operations is of utmost concern. These operations include our international information activities, Radio Free Europe and the programs of the International Communication Agency as well as the Arms Control and Disarmament Agency.

Fifth. Foreign assistance has its base in the towns and counties of our States. The tax dollars spend on this aspect of our international relations are transformed into services and commodities. During fiscal year 1979, North Carolina received about $70 million for the provision of technical contracts abroad and the delivery of goods. Under the Public Law 480 program, $11.8 million were shiped overseas in form of agricultural products. By helping others, we are helping ourselves.

In conclusion, Mr. President, let me say that by voting against this substantial reduction in our international affairs budget, I am not foreclosing the option of voting for smaller adjustments or against aid to specific countries. Nevertheless, I remain aware of the fact that we reduced our foreign aid spending in relation to our gross national product from 2.3 percent in 1949 to 0.27 percent in 1978. We must retain a careful balance between what is desirable and what is possible.●

● Mr. WILLIAMS. Mr. President, the Senate Budget Committee's proposed first budget resolution for fiscal year 1981 represents more than just a balanced budget. It represents a radical departure from previously established policy priorities of the Senate and the American people. These reordered priorities, if enacted, will lead to an imbalance in the direction of Federal policy and threaten the long-term employment and economic stability of the country.

Inflation obviously must be our primary concern as we debate the budget for the fiscal year 1981. An annual inflation rate of 18 percent if it persists threatens the economic and political fabric of this country.

Both the President and the Congress appear intent on balancing the budget for the fiscal year beginning this October as a major step in the fight against inflation. To the extent that a balanced budget will help in stemming the inflationary tide, I support the effort. But balanced budgets can be achieved in many ways. The path selected by the Senate Budget Committee, I believe, is the wrong one. Many of the decisions made during the Budget Committee's deliberations will serve to worsen the inflationary pressures and, as a result, will erase whatever salutory effects result from a budget in balance.

Budgetary solutions for high inflation should be directed toward its underlying causes, in the present case, principally the rising cost of energy. We need an energy policy that will assist in the effort to reduce inflation while promoting self-sufficiency for this Nation. Yet the budget resolution as proposed by the Senate Budget Committee appears to move in the opposite direction. It does little to spur energy conservation. It reduces funding for mass transit, a primary means for reducing present levels of energy usage. And it provides insufficient funds for assistance to those families and individuals hardest hit by rising fuel bills.

Rather than providing a foundation for a solid and comprehensive energy policy designed to alleviate inflationary pressures, the Senate Budget Committee has chosen instead to increase defense spending far beyond reasonable expectations. President Carter has embarked on a policy that insures real improvements in our defense capability. I support him in this effort.

Now the Senate Budget Committee comes along and proposes more than a 20-percent increase in the Defense Department's capability to spend money in the next year. Frankly, I do not think they can spend this enormous sum wisely in such a short period of time. I fear that these excess funds will be spent foolishly simply because they are available.

Make no mistake, I favor spending levels that are sufficient to provide for a strong national defense. These are dangerous times and we need to protect ourselves and our allies. But too much defense spending in a fragile economy is an invitation to disaster. Excessive defense spending authority turns into procurement contracts which translate rapidly into more inflation.

Another major cause of our current inflation is the American economy's poor productivity performance during the past decade and especially in the past few years. Most of those worried about lagging productivity point to the need for improved incentives to upgrade plant and equipment. Lost in this debate, but equally important for improving productivity, I believe, are efforts to improve the employability and the skills of our work force. Unfortunately, the Senate Budget Committee recommends large cuts for many of the education, employment, and training programs that may be our best weapon against productivity losses.

As we all know, the composition and the skills of the work force in this country are changing at an astonishing rate, perhaps unprecedented in our history. Our ability to adjust to these changes, however, has not kept pace and one of the results is a lack of synchronization between jobs and the people to fill them. What we now need, as much as better factories and shiny new equipment, are workers who can do the job. And that is what many of our employment, training and education programs are all about—to insure a better and long-lasting match between the skills of our workers, especially our young workers, and the jobs that our economy is providing. Does it really make sense to cut these same programs by large amounts in the name of the fight against inflation?

While this budget is supposedly fighting inflation, what is it doing to protect those most hurt by inflation? What it does is cut food stamps by several billion dollars. As I already mentioned, it cuts funds for low-income energy assistance. Does any Senator seriously believe that this is the proper way to fight inflation?

Perhaps the greatest shortcomings of this budget resolution—more severe than its mistaken policies for fighting inflation—is the apparent unwillingness of the Budget Committee to face up to the prospect of recession. Both the President's economists and the Congressional Budget Office predict that a recession will occur within the next year. I realize that we have heard this song before, but I believe that this is the year when the threat of recession turns into reality. Factory orders have slowed and inventories are beginning to grow. Construction—especially in the residential area—is in miserable shape. Consumer spending has dropped for the past several months, and further deterioration appears likely. Overall, the index of leading indicators points toward a downslide. Many economists now believe that the recession may be much more severe than earlier predictions indicated. In sum, the long awaited recession may well be at hand and should certainly not be ignored or overlooked in the rush to a balanced budget.

What does the Senate Budget Committee propose to do about recession? It proposes spending cuts on programs that provide jobs in the most cost effective manner. That is how the Budget Committee intends to deal with recession. I do not think it hyperbole to say that the budget resolution of the Senate Budget Commitee will result in a job loss of at least 500,000 jobs and possibly as high as 1 million jobs.

Such a feedback would doom all prospects for a balanced budget. With an increase in unemployment, expenditures for unemployment insurance, food stamps, and other income-related assistance rise. At the same time, revenues fall with the loss of taxable income associated with unemployment. CBO estimates that a one percentage point higher unemployment rate in calendar year 1980—caused by lower economic growth than the CBO forecast—would reduce current law revenues for fiscal year 1981 by $20 to $22 billion and would increase spending for unemployment-related programs by $5 to $7 billion. The effects on the deficit would reinforce each other causing the deficit to increase by $25 to $29 billion. Thus, the Senate Budget Committee's priorities may trade lower spending now for higher spending in the future.

In an economic situation such as exists today, our goals must be to stabilize the economy, to lower unemployment and to control inflation. We must adopt policies and programs which will lead toward the realization of all these goals.

In this context, the Budget proposal is not in balance. Despite the fact that the bottom line reads zero the Senate Budget Committee has presented us with an unbalanced set of priorities.

This set of priorities does not reflect the real possibility of an 8 percent unemployment rate in 1981, as indicated in the Congressional Budget Office's range of economic projections for the next year. Nor does it reflect a response to the devastating impact the recession may have on State and local government budgets. Instead, this budget would cut Federal aid precisely where it is most needed.

The budget before us is characterized by commitments to austerity and restraint, a measure of which is appropriate given the high rate of inflation. But concern for inflation cannot be allowed to overshadow the grim prospects of rising unemployment and lowered growth expected in the months ahead.

At 8 percent unemployment, well over 8 million persons would be counted as unemployed. The pool of "discouraged workers" who are not counted among the unemployed because they have stopped looking for work in despair of finding a job would include well over 1 million persons. And those working part time because no full-time work is available would climb beyond 4 million persons, bringing the number of persons who would be unemployed or underemployed to nearly 14 million.

I find this magnitude of unemployment flatly unacceptable. And despite this dismal picture the Senate Budget Committee has proposed that we phase out one of our most cost effective countercyclical fiscal policy programs.

Countercyclical public service employment is the most effective and least inflationary way to create jobs during a recession. Each new job created through PSE costs the U.S. Treasury less than other programs that benefit a broader spectrum of workers. With recent modifications, countercyclical PSE is highly effective in targeting jobs to the poorest and most disadvantaged workers. According to a National Academy of Sciences study, PSE is now highly targeted to groups with labor market problems—of the new PSE enrollees during the first half of 1979, 24 percent had less than 12 years of education and 91 percent were economically disadvantaged. PSE provides these targeted groups with additional employment experience, enhances their labor productivity and works over the long term to reduce wage inflation. PSE programs are not part of the inflation problem that is leading the economy into recession. They are part of the solution.

Furthermore, if increased spending for defense causes a reduction in spending for targeted public service employment as the Senate Budget Committee recommends, then we will be trading substantial amounts of unskilled employment for skilled employment.

By stimulating jobs for workers with far more skills and economic resources at the expense of unskilled workers at the poverty level, we simultaneously increase the potential for labor supply bottlenecks which contribute to inflation and lower the potential for disadvantaged members of our workforce to find employment. The result is a structural bias in our economy toward stagflation.

Reducing counter-cyclical assistance will exacerbate the financial situation of many urban areas. This Nation's cities are in a weaker financial position now than they were during the past 2 years, which further raises their vulnerability to recession. According to a study recently released by the Joint Economic Committee, "* * * the percentage of cities with operating deficits increased between 1978 and 1979, and by 1980 a greater proportion of cities are anticipating deficits than are anticipating surpluses." So while the Federal Government may balance its budget by cutting spending sharply, it may do so at the expense of a more severe recession and larger local government deficits. As Federal fiscal policy tightens and the recession worsens, local government deficits will rise. Thus, much of the burden for balancing the Federal budget will be shifted to local government tax policies which bear mostly heavily on low-income groups.

If Congress is to impose drastic spending cuts in health, education, employment and training and other social programs for whatever reason, then it must do so in a more rational and thorough manner than is presently proposed. The Senate Budget Committee has reviewed the President's carefully constructed budget and has recommended draconian revisions in programs that have historically received the strong support of the Senate. While some revisions may certainly be necessary, we in the Senate have a responsibility to the American public to insure that these revisions are not based on election year political expediency, but rather are based on detailed research and well reasoned arguments. For example, the Committee on Labor and Human Resources has worked for the past year to reduce the cost of some higher education programs by several hundred million dollars while ensuring the continued provision of essential services. These cost reductions will represent real savings—but they were not achieved overnight.

Mr. President, in 1978 the Congress passed the "Full Employment and Balanced Growth Act" which set forth economic goals for employment, growth and inflation. Unfortunately, last year's budget did not provide a balanced approach to these economic factors, and this year's budget takes us so far off track from achieving these goals that both the President and the Senate Budget Committee have had to revise the timetable for their realization. Not only is this regretable, it is a clear indication of a departure from our established policy priorities. I urge the Budget Committee members and the Senate as a whole not to become so entangled in the politics of budget balancing that we lose sight of balancing our economic priorities.

I do not believe that the budget before us represents a balanced economic policy which addresses unemployment and growth as well as inflation. The long term economic stability of this country is far too important to be relegated to secondary concern for short term political gains.●

ORDER OF PROCEDURE TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that, when the Senate resumes consideration of this resolution tomorrow, Mr. COHEN be recognized to call up his amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that it be in order at this time to order the yeas and nays on the Cohen amendment while we have plenty of Senators here.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that, upon the disposition of the amendment by Mr. COHEN, Mr. CRANSTON be recognized to call up his amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CRANSTON. Mr. President, I would like to explain the amendment. The amendment I will call up tomorrow will not be my substitute amendment that has already been discussed at some length. It will be an amendment relating to the veterans function.

The PRESIDING OFFICER. The record will so show.

Mr. DOMENICI. Mr. President, I did not hear the last colloquy between the Senator and the Senator from California. Did the Senator indicate some order of calling up amendments beyond the Cohen amendment?

Mr. ROBERT C. BYRD. Senator CRANSTON is going to follow the Cohen amendment. But it is not his substitute amendment.

Mr. BAKER. It is not going to interfere with any amendment to the Cohen amendment.

Mr. CRANSTON. No, it has no relationship with the Cohen amendment.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there now be a period for transaction of routine morning business not to exceed

30 minutes and that Senators may speak therein up to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

REPENT, NORTH CAROLINA, PENCE IS HERE

Mr. MORGAN. Mr. President, we all know that eternal vigilance is a price that we pay for freedom and that we have to be constantly on guard for those things that would invade our freedom.

A matter of some concern to me of late has been the action of the Federal Bureau of Investigation in a number of fields.

One is its action with regard to the authority given to it some years ago concerning corruption of public officials in State and local governments. Let me make it clear, in the beginning, that no one abhors corruption in public office more than I do.

As attorney general of my State for 6 years, I constantly was involved in matters concerning State government.

But I sometimes wonder if the FBI, through its agents and others, is not becoming somewhat intimidating and threatening toward State and local public officials.

Of course, the FBI has always had jurisdiction over corruption in Federal office, as it should have. But some couple of years ago the Attorney General of the United States held a press conference in which he announced that at that time there were a number of Governors of the States and, as I recall, sheriffs, who were under investigation for public corruption.

I thought at that time that such statements on the part of the Attorney General of the United States did a disservice to the Governors of the 50 States of America and to the thousands and thousands of public officials who are serving honorably and well. However, I thought perhaps it was a comment of the moment and I did not protest it at the time.

But just recently a new FBI agent by the name of Robert L. Pence was assigned to head the Federal Bureau of Investigation office in North Carolina.

After arriving in our State, a State where clean government is a habit and has been, he proceeded to hold a press conference. In an interview with the Raleigh News and Observer, he stated that the Federal Bureau of Investigation was going after corruption at all levels of government in the State, and he said—

> Indications are that there is a quite fertile field for this sort of thing in North Carolina.

I think, as the Raleigh News and Observer said, that the FBI had better put up or shut up.

If it has any evidence that there is corruption on the part of any public official in North Carolina, whether it is on a State level, a county or city level, whatever, then it ought to come forth with it. But an agency of the Federal Government should not, through its agents, indict all political officials of a State and its subdivisions by such broad indictments as this in the public press.

Whether or not his statement was meant to encourage those with knowledge of wrongdoing to come forth, or whether he meant it as an act of intimidation to insure cooperation, and so forth, as we know the Bureau has done in the past, is not clear. But I do not believe that it is proper for any law enforcement agency, whether it is a State, county, the Federal Bureau of Investigation, or the Internal Revenue Service, to paint with a broad brush such charges against public officials or citizens of any State. I think it does a disservice to the Bureau and to the people involved.

I spent 4 years on the Intelligence Committee. During that period of time, along with Senator MONDALE of Minnesota, now the Vice President, and Senator SCHWEIKER of Pennsylvania, we looked into domestic intelligence in this country. As the reports and records reflect, there were some rather shocking incidents that took place carried on by the Bureau and by the Internal Revenue Service. I had hoped that this sort of thing was over. I regret that, according to the recent reports, the charter for the Bureau, the CIA and other intelligence agencies may fall by the wayside. I do think that such statements as this, however, should be brought to the attention of the public.

Mr. President, I ask unanimous consent that an editorial which appeared in the Raleigh News and Observer on May 5, 1980, entitled, "Repent, North Carolina, Pence is Here," be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

REPENT, N.C., PENCE IS HERE

Special Agent Robert L. Pence, who heads Federal Bureau of Investigation operations in North Carolina, swept a rather broad brush across the state in an interview with The News and Observer. Stating that the FBI would be going after corruption at all levels of government in the state, newcomer Pence said, "Indications are that there is a quite fertile field for this sort of thing in North Carolina."

Pence has just made a put-up or shut-up pronouncement. North Carolinians long have taken pride in the low number of cases of public corruption, at least major corruption, that are turned up at the state and local level. Pence implies that Tar Heels just haven't been looking hard enough.

In this large and populous state with its 100 counties and municipalities galore, it would be a miracle if every government official or department had clean hands. More power to Pence if he can uncover major graft. But it's still a bit sloppy for an FBI man fresh on the scene to suggest that North Carolina and the 49 other states may be like peas in a pod.

For one thing, at the state level, North Carolina has had viligance in the state Auditor's Office on the spending of state money. Local affairs get pretty close scrutiny from organizations like the Local Government Commission, the N.C. League of Municipalities and the N.C. Association of County Commissioners. Good training for local and state officials is offered by the Institute of Government. By and large, too, the state's newspapers have a reputation for detecting hands in the public till.

Nevertheless, Pence says he has indications that there is material for investigation in North Carolina. His statement was a signal to encourage Tar Heels to supply the FBI with any information they have about corruption. They should certainly do so, although it wouldn't be fair to call Pence collect with penny-ante stuff.

Meanwhile, the G-man from Charlotte should get out into the state and meet a lot of the public officials in state and local government. He needs to size them up. More, he needs the help of the honest ones if he is really on to something and not just making a grand entrance on his new turf.

THE INAUGURATION OF BILL L. ATCHLEY AS PRESIDENT OF CLEMSON UNIVERSITY

Mr. HOLLINGS. Mr. President, due to the information explosion we have encountered over the last several decades, it is difficult to say that the educated man or woman can be produced in 4 years of college or 2 or more years of graduate school. In fact, with so much to be learned, we stand a chance of producing the best informed generations but the least educated.

Today we face a myriad of complex problems: High inflation, increasing energy costs, decreasing productivity, decreasing resources and crises abroad. The problems of the future will not be any fewer or any less complex.

Like many institutions, our colleges and universities will have to face these new challenges and others. Shifting enrollments and escalating service demands in an era of fiscal restraint along with the search to solve complex problems will test the creative capacity of our Nation's educational leaders. South Carolina's diverse private and public postsecondary schools are headed by administrators who bring outstanding personal and professional skills to those challenges.

Among them is Bill L. Atchley, the new president of Clemson University. Not only does Mr. Atchley recognize the challenge, he understands the problem—the need to "stimulate real initiative, encourage real innovation, and nurture creativity." His recent inaugural address and the remarks of Robert L. Clodius, president of the National Association of State Universities and Land-Grant Colleges, upon Mr. Atchley's inauguration have relevance to all who are concerned with the future. Mr. President, I ask that President Atchley's inaugural address and Mr. Clodius' speech be printed in the RECORD.

The speeches follow:

INAUGURAL ADDRESS BY BILL L. ATCHLEY

Distinguished guests. Ladies and gentlemen. This is a great occasion and an historic day in the life of Clemson University. On a more personal level, it is the highest honor and the greatest privilege I have ever received.

It is not every day that a man has the opportunity to be invested formally with the authority to take the helm of a major land-grant university—a people's university with a rich tradition of public service that is fast approaching the century mark. It is every day, however, that debts continue to grow to the many people who bring such an institution and such an individual together for such an occasion. I would like to take just a moment to pay tribute to some of those people: First, to my personal "Rock of Gibraltar," my wife, Pat; to my three children; and to the other members of our families—all of whom have given me the kind of support and encouragement which can only come from a family whose members believe strongly in each other. Next, to some old and many new friends and colleagues, who have enriched my life, broadened my horizons, and lifted my vision.

I pay sincere tribute to the eight men who have held the office I now hold, and a special tribute to the late Dr. Robert Franklin Poole and to Dr. Robert Cook Edwards—men who in their own unmistakable ways led Clemson University through four decades of the greatest achievement and growth in this institution's ninety-two year history. And I offer my sincerest thanks and words of great respect to the members of our Board of Trustees—a group of gentlemen whose wisdom and guidance, and whose dedicated stewardship, have enabled Clemson University to benefit millions of South Carolinians of all ages.

To all these people who have established such a rich heritage and such high standards, and have built for Clemson University such a great foundation for the future, and to all the other people who have helped make it possible for me to stand here today to respond to the challenges which have been put before us: I say, thank you from the bottom of my heart.

It is customary in inaugural ceremonies for one to give a formal response to the challenges put forth; to outline the planks of his academic platform; and to share his educational philosophy. I intend to meet those obligations, but I would prefer to approach it this way: Let's you and I just do a little "thinking out loud" together—about why I am here, why you are here, what Clemson really means to all of us, and how we all fit into that busy, complex, sometimes confusing but always exciting world beyond the boundaries of this campus.

I was sitting here a few moments ago, thinking about how much Dr. Clodius has given us to consider in his very thoughtful and excellent address. I was also thinking about the words of the distinguished speakers who took part in our energy symposium this week. The energy problems and the role higher education should play in dealing with that problem are, indeed, central questions facing us today. But the energy problem, and the frustration and the sense of helplessness we sometimes feel in the face of that problem, have their roots in an even more fundamental problem.

James Reston, of "The New York Times," has written:

> Our age has been described as the Age of Materialism. We are increasingly discovering that it has been an Age of Emptiness. Ultimately, every human being yearns to feel that there is some inner and deeper meaning to his life than just being and accumulating. Modern man is discovering that materialism is not enough, that spirituality is real.

James Reston called it "an Age of Emptiness." The academic platform which I propose for Clemson University—and the educational philosophy out of which our "Blueprint for Tomorrow" on this campus will emerge— are to a great extent my response to what would become an "Age of Emptiness."

My platform and philosophy are really suggestions for how we can begin to discover again that creative spirit of self-reliance which is in us all. We will need that spirit to deal with a world in which we suddenly, and painfully, have discovered that we do not have endless water; we do not have infinite croplands; or so many other natural resources we have taken for granted for so long.

My academic platform and educational philosophy are straightforward and clear. Here are the five major points of my platform:

One—we are going to continue to develop academic excellence at Clemson University, and to build upon the dedicated faculty who are now here. Our top priority will still be to produce superbly educated men and women who have been exposed to high quality, broadly based teaching. These young men and women will leave this campus ready to assume productive, creative, and meaningful positions in our economy and leadership roles in American society.

To strengthen academic quality means that we must continue to seek some necessary resources—human resources, financial resources, and safe and effective teaching facilities and laboratories—because these will enable our teachers to teach, and our graduates to compete, in the fierce competition of the real world.

Providing our students with a broad-based education which still focuses on preparing for careers in important fields like agriculture, engineering, textiles, forestry, architecture, and all the other professions we serve, will require that we give those students a meaningful exposure to science, technology, the social sciences, the humanities, and the arts.

With that commitment to a broad-based education in mind, I am delighted to announce today that we have obtained a "seed grant" of $250,000 from private sources to begin as soon as possible the necessary architectural and engineering studies for a performing arts center on the Clemson campus.

I will announce soon the specific details of this grant, but I want to emphasize that we intend to look to the private sector for the funds to construct this badly needed facility. I am convinced the private sector will recognize the value of such an important investment in the future of our most important national resource—the minds, values, and attitudes of our young people and future leaders.

Number two.—We at Clemson are going to live and work by the conviction that knowledge itself is important, that it is, in fact, superior to material things, and that means we are going to continue to strengthen our research capabilities and our extension and other public service activities.

We're all familiar with the proverb that if you give a man a fish, you give him one meal for one day. But if you teach him how to fish, you have given him self-reliance and helped him for a lifetime. You see, the gift of knowledge is better than the gift of things. The gift of things makes people subject to, and dependent on, those things. But the gift of knowledge makes people free.

Clemson University will continue to develop knowledge—and to make that kowledge available to people. To accomplish this, we intend to press ahead to obtain state funding to build a continuing education center on this campus, a project which was approved by the people of South Carolina through their General Assembly a few years ago and again last year, but had to be postponed. Well, we can't afford to wait any longer. The more than 20,000 men and women, from all walks of life, who attend continuing education courses offered by Clemson University each year, are living proof of the immediate need of this center to serve the people of this state.

Number three.—We at Clemson are going to be willing to be productive, and willing to know the value of effort.

As Robert Frost once said: "The world is full of willing people; some willing to work and the rest willing to let them." All of us—the faculty, students, administrators and staff, on campus and throughout the 46 counties, are going to work hard for Clemson University, or we're not going to be at Clemson University. It's that simple.

At the same time, we are going to provide the kind of leadership to this University which will stimulate real initiative, encourage real innovation, and nurture creativity. I am talking about maintaining a climate where people have the freedom to make mistakes. But at the same time, they will have the incentive that comes from knowing that effectiveness and innovation in the classroom, in the laboratory, and in working with the public will be recognized, and more importantly, will be rewarded.

Number four—we are going to have good communications, open communications, and effective communications in everything we do. Just last Friday I announced the broad details of a new governing council for the University, and I am going to continue to simplify and open up administrative structure and procedures wherever possible. I have no illusions about creating any perfect organizational structures. We are a people's university, run by people, run for people, and as human beings will do, we will make some mistakes. But a fear of failure is not going to be an obstacle to any of us in our thinking or in our attitude about innovation.

Good communication will also characterize our relationships with all the people connected with the University so that faculty, students, staff, alumni, and supporters can be brought together in an atmosphere where we listen to each other instead of talking at each other. We will also communicate more effectively with the General Assembly, with other members of state government, with leaders in agriculture and industry, with the Commission on Higher Education, with our sister institutions of higher education, and with our colleagues at all levels in education in the state.

We want people to know and to understand that we at Clemson University take pride in our tradition of being good and efficient managers of our funds and our resources. We want people to know that all—all—of our budgets and funding requests are based on identifiable and demonstrated needs and programs for this state and not on rhetoric or political games.

We want people to understand that we all must work to find some way to keep the cost of a college education within the reach of the average family, a situation which grows more critical each year.

We want those people who have the idea that higher education in South Carolina has been overfunded, especially at the expense of elementary and secondary education, to know that this idea is both unwarranted and false. It is also dangerous. We should insist on the best at all levels of our education system, rather than attack higher education, which plays such an essential role in the health and well-being of our economy and the ultimate quality of our lives.

Now here is my fifth and final point: We at Clemson will dedicate ourselves to try to realize our full potential as a land-grant university, an institution, as Dr. Clodius has indicated, which is uniquely capable of bringing together the perspectives and the best minds in agriculture, engineering, all the other technologies and sciences, and the liberal arts. In the environment of the land-grant university, we are challenged to bring these areas together to consider all the aspects of problems like energy, the world food shortage, and the environment, to name only a few. The challenge is to develop the new technology to deal with those problems, and at the same time develop the new strategies to educate people about those problems and help them make whatever adjustments they must make in their attitudes and lifestyles.

The "band-aid" approach just won't work any longer for the "materialistic" problems of things like energy and hunger. There just is no magic solution out there somewhere to the problems of dwindling fuel reserves and growing enough food to help feed the world. The key, again, does not lie in a "materialistic" approach. The key is to rekindle that spirit of creativity and self-reliance I was referring to earlier. It is the kind of spirit we must have to develop an entirely new way of looking at ourselves and our world.

It is in that spirit that I have proposed and will continue to seek, the consensus and the means to establish an energy research and development center on this campus, making use, extensively I might add, of facilities and expertise that already exist at Clemson. The center I envision will represent a true partnership of scholarship, government, industry, and agriculture. It will enable our state to make the wisest and most efficient use possible of the state's resources and money by serving as a "site of coordination" for researchers from universities and colleges, industry and agriculture, and other state agencies and programs.

The "energy-environment-economic" crisis is one which will dominate our attention in the quarter-century ahead. We need right now to begin exploring that problem as it affects us here in our own backyard. We should not wait in vain on some other state or the federal government to develop a solution to meet our unique needs. And we should not be lulled into believing that a fragmented, "everybody-going-his-own-way" approach will get the job done here in South Carolina. We need an intelligent, efficient, and well-coordinated effort to find just the right combination of conservation, new technology, and ways to produce some fundamental changes in public attitudes and values if we are to have any hope of overcoming the energy problem this state will face over the next quarter century.

There, then, are my academic platform, some of the challenges we face, and something of the educational philosophy by which I propose to lead Clemson University in the decade of the 1980's. Let me now summarize my five points:

One—We will continue to develop academic excellence at Clemson University.

Two—We will continue to believe that knowledge is one of the most important treasures in life and the gift of knowledge is Clemson's most important obligation.

Three—We will work hard, work smart, and be innovative in everything we do.

Four—We are going to have good communications, and be good communicators, both on and off-campus.

Five—We are going to realize more completely our potential as a land-grant university, a unique institution among all the systems of education known to man.

That ultimately is my vision for Clemson University—an institution that has meant much to South Carolina, but which can and will mean much, much more in the future. We want to focus on our strengths and what makes us different, what sets us apart from, not what makes us similar to other institutions. Our goal is to become more truly a "people's university" and to work in close partnership with the people of this state and with our sister institutions in the state to create a stronger and more innovative system of higher education—a system which will be the envy of, and a model for, the entire nation.

Ladies and gentlemen, Clemson University faces great challenges, but also great opportunities in the future. With the energy problem here at home, with the world beginning to call on us for more and more food, and with the vast infusion of new industries and new people coming into South Carolina in the decades ahead, Clemson will have opportunities to serve and responsibilities to meet the likes of which we have never imagined.

Clemson has a great tradition, and now—the future is moving toward us. We have two options. We can face the future as people expecting to live in an "Age of Emptiness." Or we can face the future with a spirit which recognizes that materialism and material things alone are not the answer.

It is a spirit which can deal with the fact that we may have to sacrifice some things we have grown accustomed to, that we may not be as powerful as we once thought we were, but which also realizes that change is not always bad, and it can be planned for, and it can lead us on to new and greater adventures. It is a spirit expressed well by Alfred Lord Tennyson in a poem entitled "Ulysses." Ulysses is sitting at home, alone, tired, thinking about his adventures and his younger days, remembering the excitement he felt when he thought he could beat the world. But he doesn't dwell on the past. He suddenly looks out of his house to the sea and his ship, and thinks of the future, and he says:

There lies the port: the vessel puffs her sail.
There gloom the dark broad seas . . .
Come, my friends,
'Tis not too late to seek a newer world.

His words will serve as my response, and the response of Clemson University, to the challenges laid before us today and which we will surely face tomorrow. His goals and our goals are these:

To strive,
To seek,
To find,
And not to yield.
'Tis not too late to seek a newer world.

Come, my Clemson friends. We still have much to accomplish.

THE ENERGY PARADOX AND THE UNIVERSITY CHALLENGE

(By Robert L. Clodius)

There is a myth widespread in our land that being president of a large, complex university is an impossible job. If this were true, you might think that, with my Latin name, I am here before friends and countrymen, as was Anthony at Caesar's funeral, to bury Bill Atchley, not even to praise him. But because a university is not an impossible thing, but a beautiful and vital institution, and because this is not a funeral but a celebration, I am here to challenge him—and with him, Clemson University.

As difficult as it may be at times to manage, the university is an old and honored institution. In fact, it is the oldest continuously existing social institution in the world with the exception of the Althing in Iceland and the Church of Rome. Governments have come and gone. Cultures have arisen, flourished, and died. But the university has been in continuous existence since its founding in the 12th century—and there is precious little evidence of senility. Simply maintaining a tradition of that sort is an awesome responsibility—and an invigorating challenge to a University president.

Institutions, of course, exist only so long as they satisfy a need or fulfill a necessary function. What is it about the university that has enabled it to survive cataclysmic changes in cultures, governments, societies—what have you—for almost nine centuries so far?

Thomas Carlyle once wrote that "the true university is . . . a collection of books"; and, at one period in British history, Oxford and Cambridge were considered in just that way—as a collection of books. Their faculties were repositories of information which they passed on to students unchanged and unchallenged, making them in fact simply extensions of the library.

That would satisfy two of the functions of the university as I see it—the preservation and transmission of the known body of knowledge.

However, no institution limited simply to the preservation and transmission of a body of stable knowledge could have survived almost nine centuries of societal upheavals. The word "university" derives from the same Old French word that gives us "universe" and "universal," all connoting "whole" or "entire."

A third function—that of expanding and extending knowledge—must be added. In the sciences, we call this process "research"; in the liberal arts, it is more commonly known as "scholarship." In either case, it is the search for truth.

Perhaps I should have said truths—in the plural. Truth is a slippery thing. One person's truth is another person's belief or faith. Yesterday's truths are apt to be today's historical curiosities. The kind of truth that is in the university's province is based on fact, and is more of a process than it is a fixed entity. A question is asked. All the known information bearing on the answer is assembled and arranged in some sort of logical or meaningful order. From this, an hypothesis—a prediction, if you wish—is suggested. An experiment is organized to close the circle—to check the facts, the reasoning, the projections, and finally to tie the thing back together again. A truth is in this way established. But it is a conditional truth—conditional only upon the repetition of the facts, assumptions, and so forth of the self-consistent system in which it was obtained. And it is apt to raise more questions sometimes than it answers.

This method of pursuing the truth lends itself admirably to analysis, and it is often charged that the university dissipates its intellectual energies finding out more and more about less and less. But the process is also applicable to synthesis—to the fashioning of larger truths from a number of smaller ones—of bringing together relevant knowledge from disparate fields to attack complex problems. Because it includes in its jurisdiction all the fields of learning that mankind has been able to identify and organize, the university is uniquely equipped for attacking problems and answering questions requiring this type of approach.

To this, the pioneers who gave us the land-grant concept added another function—that of social responsibility. These institutions, as Jonathan Turner, the architect of the land-grant philosophy, put it, were to cover "all possible knowledge and all modes of science: abstract, mixed, and practical." They were to be involved in the society in which they existed, not insulated from it. Thomas Clemson would certainly have agreed with Ezra Cornell's statement that "I would found an institution in which any person could find instruction in any study." And he would have added that his institution should also conduct research and provide public service in all those studies.

This, then, as I see it, is the university. Its basic functions are to preserve, organize, expand, and transmit knowledge through the employment of a rigorous method of thought based on the establishment of verifiable truths—and to train disciples in the use of this method. That's a mouthful. The Germans of the 18th century shortened it to two words: lernfreiheit—and lehrfreiheit—freedom of investigation, freedom of learning, freedom for the teacher and freedom for the student—the unfettered search for truth.

Considering these functions—and the distinction with which they have been discharged by America's state and land-grant universities—the long survival of the university is hardly a mystery. No other institution is so uniquely qualified for attacking civilization's most basic problems.

Take, for instance, the matter of energy, which has been the symposium topic here. Energy, of course, is about as basic as things can get. Without it, there is no movement, and without movement there is no life. At first, there was only the energy manufactured by the human machine from the food he ate. At some point, man learned to potentiate the muscle-power use of this energy by inventing tools like levers and wheels. And then he enlisted the more powerful muscles of animals harnessed to the tools.

Well, one thing led to another to arrive at today's highly technological society—a society that simply could not have been created and could not continue to exist without the massive consumption of energy.

The energy-fueled changes that have been made since 1859 when Colonel Drake's Pennsylvania oil well came in have exercised a controlling influence on our social and spiritual environments. They have altered our concepts of time and space and even of their use. They have taken us from the farms to the cities and back again to suburbia and exurbia. They have taken us out of the fields and put us behind desks in offices where the climate is completely controlled by man-made, energy-fueled machines. They have made possible—perhaps even demanded—big business, big labor, and big government.

By contributing to the increase in the average life span, they have made available to us a wealth of mature judgment and experience no society before us has ever had, a fact emphasized by someone's statement that because life was nasty, brutish, and short, ancient history is largely a record of juvenile delinquency. They have eliminated the economic justification for slavery and yet made possible for each of us to have more "servants" than the wealthiest king in an earlier age. They have altered—and are altering—our concept of human labor. They have changed formal education from the privilege of the few of the necessity of the many, both for the society and for the individual. They have, in plain fact, altered every conceivable aspect of our lives.

And now, as everyone knows, we are faced with an energy crisis.

The most apparent manifestation of this crisis for most people are the lines at the gas pumps and the alarming increases we have to pay for gasoline. If this were all there was to it, we could perhaps write it off as inconvenience—a serious inconvenience, certainly—but still only an inconvenience that could be solved by conservation, greater use of mass transportation, and the like.

But there are far more serious manifestations. The realization that the world's supply of petroleum is finite and that it is being exhausted at an alarming rate has already affected not just our national but also the international economy. It has provided the federal government with yet another reason for increasing the bureaucracy and establishing rules and regulations affecting our daily lives. It has placed unaccustomed wealth and international power in the hands of countries, some of which apparently cannot use that power wisely or responsibly.

The person who wrote the article about petroleum in the Columbia Encyclopedia had a simple solution. "It is worth remembering," he wrote, "that the pursuit of happiness was not unknown before 1859." when Colonel Drake's oil well made petroleum a practical source of energy for us.

But, actually, that is no solution at all. More changes have been brought about in our lives in just the last century and a half than were made in our entire previous history. These changes are fundamental. We have built a man-made civilization based on the massive consumption of energy, and there is simply no going back. We could not, for instance, even feed today's population with only the energy sources available to us in the middle of the last century.

Nor do we need to go back if the supply of energy were the only problem. We have vast deposits of coal. The sun still shines, and if it stopped, we wouldn't have any worries. We wouldn't be here to worry. We already have a tremendously powerful source of energy in atomic fission. Atomic fusion could, in theory, give us an almost inexhaustible source of cheap energy. And the history of science teaches us that there are undoubtedly other sources out there somewhere that we don't know about yet.

The difficulty is that each of these sources, as do our present ones, for that matter, bring with them serious consequences involving almost every aspect of the quality of our lives. Even, as the amount of energy used in increases and the power of the energy multiplies, life itself, somewhere on the planet, is threatened. Drake's discovery, threatened the extinction of the whale. The use of petroleum has contributed to the pollution of the atmosphere, has made us significantly dependent economically upon unstable foreign governments, and has caused large areas of our fields and forests to be paved over with concrete and asphalt. Atomic power has the ability to destroy us by explosion in war or by poisoning our atmosphere by accident. The development of atomic fusion as a practical source of energy seems years and billions of dollars away, and will bring with it consequences we can't even imagine now.

This, then, is the paradox of energy: we can't live without it—massive amounts of it—but we're not at all certain we can live with it, literally and figuratively. We have come to depend vitally—I used the word deliberately—upon an almost unbelievably powerful servant. With his—or her—help, we have constructed a world of our own creation. But the servant seems constantly threatening to become a monster—a monster which, in providing us with the muscle power we must have to keep running the civilization we have created for ourselves, intrudes upon every aspect of our lives—our atmosphere, our environment, our economy, our health, our national security—our whole human ecology.

Nowhere else except at the university do we have the abilities, the knowledge, the insights to deal with such a universal problem: the scientists to establish and test the laws relating to the release of energy; the engineers to develop the technology for using it; the economists to explore the effect of its use on our economy; the health scientists to determine its consequences for our physical well-being, and the plant and animal scientists for the effect on our food supply; the earth and atmospheric scientists to explore how it will alter our environment; and surely the historians, psychologists, and sociologists, to determine the consequences for our culture and our society.

The energy crisis, in other words, challenges the university to do that which no other institution can do: to bring to bear on our most serious problems the totality—the universe—of knowledge through a systematic, fact-based exploration. In this instance, it is to provide for us—for all of us—an alternate source of energy sufficient to our expanding needs without creating, at the same time, a monster that could be as destructive as the energy is beneficial.

It is a tough challenge. But no one ever said that being a university president was an easy job. Good luck, Bill Atchley. We're all depending on you, on Clemson University, and those other great public universities that have taken as their mission the provision of instruction, research, and public service of the highest quality. The challenges is not somewhere outside. The challenge is right here within the boundaries of this lovely place. It is to take the massive problems that confront society, with all their paradoxes, to deal with them on the highest levels of research and scholarship, and to bring them to human scale and understanding.

MRS. GORSLINE TO BE HONORED

Mr. PERCY. Mr. President, on June 22, the Des Plaines, Ill., Public Library board of directors will honor Mrs. Såvena Ahbe Gorsline for her 20 years of service as a member of the library board. I would like to commend Mrs. Gorsline for her long and dedicated service to her community and the other members of the library board for recognizing her contribution.

Mrs. Gorsline, a native of Des Plaines, was appointed to the library board in 1960. Since that time, the Des Plaines Public Library has almost tripled its number of volumes and has increased by 150 percent the population it serves. During Mrs. Gorsline's tenure, the library also added a bookmobile service which brings the wonderful world of books directly to 22 neighborhoods in Des Plaines.

A charter member of the Des Plaines Historical Society, Mrs. Gorsline presently serves on the museum board of directors and is active in several other community groups, including the city of Des Plaines Beautification Committee, the Des Plaines Women's Club, and the Community Concert Association. She has also offered her time and efforts to the community chest united fund board and the American Red Cross board. The list is endless as her willingness to serve her community.

Mr. President, I am proud to count Mrs. Gorsline among my constituents and I thank her for the many years of service to the Des Plaines community.

INNOVATION AT THE CONSUMER PRODUCT SAFETY COMMISSION

Mr. PERCY. Mr. President, it was approximately 8 years ago, in 1972, that I cosponsored enabling legislation for the Consumer Product Safety Commission. Since that time, I have watched the Commission's controversial efforts with some concern. More recently, my hopes for an effective and efficient Commission were bolstered by the appointment of a trusted advisor and valuable counselor of mine, Stuart Statler, as a Commissioner of the CPSC. In his short tenure with the Commission, he has already demonstrated an innovative and aggressive approach to protecting the health and safety of American consumers.

One of his more recent creative and constructive efforts was an article appearing in the April 13, 1980, issue of Parade magazine entitled: "Consumers, Please Squawk!" In the article, Commissioner Statler informed readers that the CPSC can be a valuable resource for help and advice on consumer issues. In so doing, he has enhanced the ability of the CPSC to serve the American people by broadening consumer input to the Commission.

I commend Stuart Statler on his efforts and look forward to a more effective and efficient CPSC to come. I ask unanimous consent that this article be printed in the Record at this point, and recommend it to the attention of my colleagues.

There being no objection, the article was ordered to be printed in the Record, as follows:

Consumers, Please Squawk

(By Stuart M. Statler)

There is at least one agency in Washington, the U.S. Consumer Product Safety Commission, which is trying to understand and deal with the everyday concerns of people, and in so doing, to serve the public better. With the sole purpose of protecting the health and safety of American consumers in and around their homes, the CPSC depends on its contact with the public for its lifeblood. Other agencies can carry out their business without real input from those they serve, but the CPSC needs to hear from Americans in every walk of life, because all of them—all of us—are consumers.

The five commissioners who run the CPSC weigh the impact that thousands of consumer products have upon the safety and health of every American. We simply can't afford to talk only to manufacturers or retailers; we try to reach every household across the nation.

There are several reasons why the CPSC depends so heavily upon consumer input. Most personal injuries occur in the privacy of the home. Unless consumers share their experiences regarding unsafe products, the CPSC may never hear about those injuries and near-misses. Since they are not highway or railroad or airplane accidents, which attract a great deal of press attention, they may well go unnoticed. Worse, consumers frequently blame themselves for injuries which, upon closer inspection, were not really their fault—and, more important, could be prevented through safer design of the product itself.

The use of chainsaws typifies consumer reluctance to complain. Every year over 100,000 chainsaw users are injured, 50,000 seriously enough to require emergency room treatment. Most victims blame themselves; they feel that somehow they acted stupidly.

But engineers and epidemiologists at the CPSC have isolated a phenomenon called "kickback" which last year accounted for as many as 15,000 injuries. Kickback—which causes the saw to buck up, possibly striking the user—is more related to the design of the saw than to the way it is used. Yet until the CPSC began to study the widespread injuries from chainsaws, hardly anyone took the time to find out if the product itself could be redesigned to make it safer.

As a result of our engineering studies, we are now making major strides to promote safer chainsaws, by eliminating kickback, at only slightly higher costs. We expect to be able to convince manufacturers voluntarily to produce these improved saws; if not, the CPSC may have to regulate their manufacture to protect consumers from serious risk of injury.

Or take the case of the power lawnmower, found in almost every suburban home. Each year, about 150,000 persons are injured in accidents involving power mowers. Last year, over 60,000 sought hospital care for major injuries ranging from amputated toes to serious lacerations, some resulting in death. The vast majority of these stem from people coming into contact with the moving blade, which rotates at nearly 200 mph. In the collision between bone and steel, a finger or toe is seldom the winner.

Again, most injured consumers feel that they are somehow at fault and have no right to complain. Upon closer study, however, the CPSC has come up with some alternative performance requirements to prevent contact with the moving blade. These designs do not substantially add to the cost of lawnmowers or limit their effectiveness—they simply make injury far less likely.

The CPSC is committed to assuring safer products without needlessly limiting their utility. In several areas over the past few years, the commission demonstrably proved that sound regulation can be exceedingly cost-effective. For example:

By mandating certain improvements in the construction of cribs, the CPSC has reduced by more than 50 percent the number of infants who strangle themselves in the slats.

By requiring that all medications which could be poisonous if taken in an overdose be sold in child-proof containers, the CPSC estimates that it has prevented some 300,000 poisonings and saved at least 200 lives since 1973.

Last year, through its monitoring of the marketplace, the CPSC was involved in the recall of almost 200 products, which totaled over 53 million units of potentially serious hazards likely to end up in the hands of consumers. By working with and energizing industry, the commission warned consumers about these dangers, which included hairdryers containing asbestos, coffee pots known to fall apart and scald the user, unsafe toys, and wood-burning stoves likely to set houses aflame.

The CPSC acts as a resource for safety-conscious individuals and groups across the country. Last year, through our toll-free hotline, we answered over 500,000 consumer questions. We also responded to some 200,000 letters and products complaints. And we distributed over 5 million pamphlets and brochures containing safety tips.

The commission must constantly be on the lookout for new hazards. We're currently looking at a wide variety of potential hazards. For example, we are closely examining the role of aluminum wire in home fires. We are concerned about what is called ureaformaldehyde foam insulation—a popular energy-saving form of insulating existing homes as well as new ones—to find out whether it can be linked to persistent reports of acute respiratory and skin ailments. Current investigations run the gamut from fires caused by electric blankets to asphyxiations caused by unvented gas heaters; from toys that strangle infants to faulty amusement park rides that maim young and old alike.

Representatives of regulated industries and firms are constantly petitioning the CPSC to lessen the impact of its rulings. They pay very close attention to our actions, realizing that the commission is a strong defender of consumer safety. But if the CPSC is to stand up to vigorous industry pressure to water down its efforts, we must hear from the public.

The CPSC has jurisdiction over as many as 15,000 products. If you, as a consumer, become aware of any dangerous product, speak out. You can call our toll-free number, 800–638–8326 (800–638–8333 in Hawaii, 800–492–8363 in Maryland); or write to the Consumer Product Safety Commission, Washington, D.C. 20207, describing your concern. If we can't help you, we will try to put you in touch with someone who can.

The CPSC is an agency created to help consumers. But we don't hear from enough consumers because too few know about us. Our dedicated staff wants—needs—to hear from you. Alert us to safety and health concerns in and around your home.

NORTH DAKOTA COOPERATIVE CITED FOR POLLUTION CONTROL

Mr. BURDICK. Mr. President, Basin Electric Power Cooperative, headquartered at Bismarck, N. Dak., recently received a commendation from the Environmental Industry Council and the President's Council on Environmental Quality for developing a new technology to desulfurize flue gas in a coal-fired electric powerplant. The new technology is called dry scrubbing.

The main differences between this system and the wet scrubber is that the waste product is dry. The dry waste will not require the sludge handling auxiliary equipment needed for wet scrubbing, and maintenance should be reduced. As a result, approximately 50 percent less water is needed to operate a dry scrubber and 25 to 50 percent less energy is consumed in operating the scrubber.

Dry scrubbing has been widely received within the electric utility industry. Recognizing the advancement which the cooperative has made, the Environmental Industry Council and the President's Council on Environmental Quality, at their February annual meeting in Washington, D.C., presented Basin Electric Power Cooperative an Award of Excellence in Air Pollution Control for outstanding technological achievement and leadership in all areas of pollution abatement.

I want to add my commendation for the cooperative's achievements. Mr. President, I ask unanimous consent that the text of the Environmental Council's news release announcing the award be printed in the Record.

There being no objection, the release was ordered to be printed in the Record, as follows:

North Dakota Company Cited for Air Pollution Control

Washington.—An efficient dry method of removing toxic sulfur dioxide from smokestack gases of coal-burning electric power plants has won a national environmental award for Basin Electric Power Cooperative, Bismarck, North Dakota.

The method, technically known as dry scrubbing, was perfected beginning in 1976 in experiments at several Basin Electric generating plants in North Dakota.

The award is the 1980 National Environmental Industry Award for excellence in air pollution control, one of four citations in a program jointly sponsored by the President's Council on Environmental Quality and the Environmental Industry Council.

Gus Speth, CEQ's chairman, presented the awards during today's luncheon meeting of the 1980 Environmental Industry Conference, being held at the L'Enfant Plaza Hotel here.

Speth said there had been earlier efforts to perfect a reliable dry process for sulfur dioxide removal but none had succeeded.

The Basin Electric system uses an alkaline solution such as lime to trap the sulfur dioxide, as well as ash particles, in either a fabric filter baghouse or an electrostatic precipitator.

Rotating wheels beyond the plant's air heater atomize the lime. The resulting mist—along with so little water that later the water evaporates—reacts with the sulfur dioxide in the gases to form sulfites and sulfates.

They, along with the ash particles, are carried by the flue gas to the collection system.

Basin Electric said the process is highly energy efficient compared with other methods and has low maintenance and personnel requirements, as well as being easy to install.

Among the firms that helped in its development were Wheelabrator-Frye, Inc., Rockwell International, Joy Manufacturing Company, the Carborundum Company and Niro Atomizer, Inc.

First Basin Electric facility to use the new dry scrubbing system will be the Laramie River Station, near Wheatland, Wyoming, beginning this spring.

Eventually, the company said, dry scrubbers will be used for eight power generating units at four sites in four states—North and South Dakota, Montana and Wyoming.

Other award winners today and their categories were General Electric's Battery Business Department, Gainesville, Florida, water treatment; Cotty Synthetic Fuels, Inc., Signal

Hill, California, solid waste management; and Martin Marietta Alumina, Inc., St. Croix, Virgin Islands, energy conservation.

NEED A LIFT?

Mr. STEVENS. Mr. President, each year the American Legion publishes a booklet entitled, "Need A Lift?" which is an invaluable source of information to graduating high school students. This publication lists sources of information on vocational and technical schools, career opportunities, and scholarships.

The booklet has been published annually for 29 years by the American Legion. Originally prepared for the children of deceased or disabled veterans, the American Legion recognizes that all students may need some assistance in furthering their education. Additional copies of this useful and informative handbook may be ordered from: The American Legion, Need A Lift?, P.O. Box 1055, Indianapolis, Ind. 46206.

I ask unanimous consent that pages 3 to 27, and pages 38 to 43 of "Need A Lift?" be printed in the RECORD.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

GENERAL INFORMATION FOR THE STUDENT

You're smart to continue your education beyond high school.

You are interested in going to college or you wouldn't be reading this. Good for you! While the average male high school graduate will earn over $500,000 in a lifetime, the average male college graduate will earn $750,000. Getting a college education makes good sense-and money too.

CAREER INFORMATION AND SCHOLARSHIPS

The American Legion's Education and Scholarship handbook, Need A Lift? lists sources of information about many careers on pages 6 through 15. A postcard sent to the address of the careers that appeal to you will bring helpful information about where to study, courses to select, job opportunities, pay, etc. Also included in Need a Lift? You will find information about sources of many scholarships; however, thousands of others are available. Some may exist in your local community while others may be found in the publications described on the last pages of Need A Lift? After you have selected your course of study and the school you wish to attend, write to the Admissions Officer to determine the scholastic standards required and the possibility of qualifying for a scholarship offered through the school. The U.S. Office of Education has estimated that during 1979–80, the Basic Education Opportunity Grant Program will provide $2.43 billion for approximately 5.2 million undergraduate students; the National Direct Student Loan provides $738,239,000 gross and $310,500,000 Federal for an estimated 649.000 students; the Supplemental Educational Opportunities Grants, $340,100,000 to an estimated 573,000 needy students; approximately 853,000 students will take advantage of the $605,614,000 (of which $310,500,000 is new Federal capital) loans, and, the College Work Study Program will provide $604,130,000 (gross) ($550,000,000 Federal) for approximately 990,000 students. In addition, there are several hundred million in scholarships and loans provided each year through colleges, individual States, corporations, endowments and other organizations. Total sources of scholarships, loans and part-time jobs to help students annually are estimated by The American Legion's Education Program to be in excess of $4,000,000,000.

AND IF I DON'T?

If, for some reason, you don't get a scholarship, don't give up. Nearly every college or vocational school has loan funds at its disposal. Many organizations also offer loans. Most loans provide for repayment plans following graduation. Someone once said, "A man is a fool who won't bet on himself." You're betting on yourself when you borrow to further your education. If you'll look at those increased income figures above you'll agree that it's a good bet. In addition to scholarships and loans, there are plenty of opportunities for part-time jobs. Colleges, universities and vocational schools usually have the machinery working to find such a job for you. You probably won't want to work your first year. You may need to spend full time on your studies so you'll make a good beginning record and get used to college. If you really want to continue your education beyond high school—you can do it. Start planning early. Seek the advice of your parents, teachers, counselors, and friends. Know what you want and go get it. Good luck!!

PLANNING YOUR FUTURE

Here are some suggestions to help you prepare for the future and particularly for your education beyond high school. Discuss your plans and problems with your parents, counselors, and teachers.

1. Know Yourself. Achievement, abilities, interests and ambitions are important factors to be evaluated in setting your goals. Initiative, responsibility and personality will determine your degree of success. (Discuss this with your counselor.)

2. The World of Work. Explore the many occupational fields prior to entering high school—evaluate this information as it relates to your self-evaluation. Don't select an occupational field or goal just because "Uncle Charlie" is successful or thinks it is for you.

3. Plan for your vocation as early as possible. Start planning your future upon entering high school. Get some experiences in the various occupations which interest you. Find out all you can about these occupations. Talk to people actually doing the work in which you are interested. For instance, talk to your teachers about contacting people in careers that appeal to you.

4. Select your college or vocational school. Investigate the schools which offer training in the field of your choice. Talk to people who have attended these institutions if possible. If you don' know such a person ask the Education and Scholarship Chairman of your local American Legion Post or Auxiliary Unit and they will arrange for you to meet someone following the career in which you are interested. Find out the cost of your proposed course and what scholarships the school you selected offers. Learn about projected demands for the field of employment you select.

5. Plan your high school program. Certain courses are required for entrance to college. The catalogue of your chosen school will tell you what courses you should take. Your counselor will help you.

6. Learn to study. Your teachers can help you learn good study habits for various subjects. Work hard to constantly improve your study habits. You'll be glad you did.

7. Make good grades. Grades of "B" or better are called "recommended" grades. You must have recommended grades to be eligible for most scholarships. Good grades are important. If you are not getting recommended grades, talk to your teacher about your difficulty. Make frequent visits to your public library.

8. Become a well-rounded individual. Develop hobbies and participate in school, community, and church activities. Broaden your fields of interest through reading and contacts with people.

9. Planning Finances. Parents and students should consider the combination of savings, scholarships, loans and part-time student jobs when planning the financing of higher education. (Do not secure your information from old publications.)

10. Learn about college acceptance. Most degree granting institutions require applicants to take admission examinations of some kind. Read next page to learn more about when, where, and how to prepare for tests.

11. Prepare for scholarship and application early. Get references, transcripts, and other material in order long before the deadline. Obtain scholarship application blanks by December 1 of the year before you expect to start college.

WHERE TO START LOOKING

There are three general sources of scholarships, loans, and other educational aids. First, there are the colleges, universities and vocational schools themselves. There is scarcely a school in the United States without a scholarship fund, loan fund, or other service such as a student employment office. If you have already picked the school you want to attend, inquire regarding financial or job help available. Second, many state governments and the federal government offer educational aids. Some of these will be outlined in this booklet. The State Guidance Director generally will be able to give you more detailed information concerning your own state if it is not available at your local high school. Third, a vast number of private clubs and societies in your own home town, state associations and national organizations offer scholarships and loans. Your high school counselor should be your first stop for help toward higher education. Many Posts of The American Legion and Units of the American Legion Auxiliary have scholarship and loan funds. Talk to the Education Chairman of the local Post or Unit to see what help they can give.

THE BEST INVESTMENT

Your educational level when you enter the labor force will be important in determining your future income, personal satisfaction and ability to contribute to your family, community, state and Nation. It's your decision to make now.

The 1977 Current Population Reports, Consumer Income, Bureau of the Census, once again confirms the "money-value" and its relation to attaining as much education as possible. As can be seen from the table, five or more years of college can increase earnings almost 200% over what can be earned with just a junior high education.

Yearly income grows as education level rises

Years of school completed	*1977 yearly median income for head of household*
8 years or less	$9,610
High school graduate	17,110
4 years of college	23,410
5 or more years of college	26,040

Source: Current Population Reports, Consumer Income, Series P–16, No. 118, March 1979, Bureau of the Census, page 7.

"No student should decide he cannot afford to continue his education beyond high school": Mike Ayers, Editor.

SOURCES OF CAREER INFORMATION

The American Legion believes that many more students will continue their education if they are given the opportunity to learn about careers and to select a field of interest during their first two years in high school. Where students are in doubt about the career they wish to follow, the organizations listed below, which represents over 300 careers, will provide helpful information about where to study, courses to select, job opportunities, pay, etc.

The National Association of Trade and Technical Schools, 2021 K Street, N.W., Washington, D.C. 20006, has available free upon request, an updated Handbook of over 400 accredited trade and technical schools and the courses being offered. Schools are listed geographically with a career cross-reference.

The National Home Study Council, 1601 18th Street, N.W., Wahington, D.C. 20009, will mail, upon request, a directory of accredited home study schools and the subjects offered by the schools.

The Association of Independent Colleges and Schools has many member schools which offer general work or service, and funded scholarships to eligible students-subject to the controls of the Association. Some member schools also offer work-study programs. For a list of the approximately 500 AICS schools and for further information, please write to the Guidance Department, Association of Independent Colleges and Schools, 1730 M Street, N.W., Washington, D.C. 20036.

State private school associations have been established in most states to provide information concerning schools, details of course offerings, schedules, tuition and fee payments. For further information and address of your state association, contact your school counselor.

Accounting, Administration, Economics & Statistics, U.S. Department of Agriculture, Economic Research and Statistics Service, Personnel Division, Room 1459-South Building, 14th & Independence Ave., S.W., Washington, D.C. 20250.

Accounting, Amer. Inst. of Certified Public Acc'ts., Attn: Mrs. Beatrice Sanders, 1211 Avenue of the Americas, New York, NY 10036.

Accounting, Assoc. of Independent Colleges & Schools, 1730 M Street, N.W., Washington, D.C. 20036.

Accounting, National Society of Public Accountants, 1717 Pennsylvania Avenue, N.W., Washington, DC 20006.

Accounts Receivable Clerk, Hospital Financial Management Assoc., 666 North Lake Shore Drive, Chicago, Illinois 60611.

Admitting Officer, Hospital Financial Management Assoc., 666 North Lake Shore Drive, Chicago, Illinois 60611.

Advertising, American Association of Advertising Agencies, 200 Park Avenue, New York, N.Y. 10017.

Advertising & Communications, Fashion Institute of Technology, 227 West 27th Street, New York, New York 10001.

Advertising Design, Fashion Institute of Technology, 227 West 27th Street, New York, New York 10001.

Aeronautical Technology, Academy of Aeronautics, LaGuardia Airport Station, Flushing, New York 11371.

Aerospace Engineering, American Institute of Aeronautics and Astronautics, Director of Students Programs, 1290 Avenue of the Americas, New York, New York 10019.

Agricultural Engineering, American Society of Agric. Eng., Box 410, St. Joseph, Mich. 49085.

Agricultural Management, Farmers Home Administration, U.S. Department of Agriculture, 14th & Independence Avenue, S.W., Washington, D.C. 20250.

Agriculture, U.S. Department of Agriculture, Office of Personnel, Room 1087–S, 14th & Independence Avenue, S.W., Washington, D.C. 20250.

Agricultural Commodity Grader, U.S. Department of Agriculture, Food Safety and Quality Service, 123 East Grant Street, Minneapolis, Minnesota 55403.

Agricultural Marketing Service, U.S. Department of Agriculture, Personnel Division, Room 1726–S, 14th & Independence Avenue, S.W., Washington, D.C. 20250.

Agricultural Stabilization & Conservation Service, U.S. Department of Agriculture, Personnel Division, Room 4752–S, 14th & Independence Avenue, S.W., Washington, D.C. 20250.

Agronomy, The American Society of Agronomy, Inc., 677 South Segoe Road, Madison, Wisconsin 53711.

Air Conditioning, Refrigeration and Heating, Lincoln Technical Institute, Inc., 10 Rooney Circle, West Orange, New Jersey 07052.

Aircraft (A & P) Mechanic, Braniff Education Systems, Inc., P. O. Box 45174, Dallas, Texas 75245.

Air Transport Rating, Braniff Education Systems, Inc., P. O. Box 45174, Dallas, Texas 75245.

Anthropology, American Anthropological Association, 1703 New Hampshire Avenue, N.W., Washington, D.C. 20009.

Apparel Industry, Fashion Institute of Technology, 227 West 27th Street, New York, New York 10001.

Appliance Service Technician, Association of Home Appliance Manufacturers, 20 North Wacker Drive, Chicago, Illinois 60606.

Appliance Service Technician, Practical Schools, 1650 Babbitt, Anaheim, California 92805.

Apprenticeship, Bureau of Apprenticeship and Training, U.S. Department of Labor, 601 D Street, N.W., Room 5000, Washington, D.C. 20213.

Archaeology, Society for American Archaeology, 1703 New Hampshire Avenue, N.W., Washington, D.C. 20009.

Architecture—Careers: American Institute of Architects. Schools: Association of Collegiate Schools of Architecture. Registration: National Council of Architectural Registration Boards. Junior Colleges: Association of Student Chapters/AIA. Accreditation: National Architectural Accrediting Board, 1735 New York Avenue, N.W., Washington, D.C. 20006.

Artificial Insemination, National Association of Animal Breeders, Inc., 401 Bernadette Drive, P.O. Box 1033, Columbia, Missouri 65205.

Astronomy, American Astronomical Society, Education Office, Sharp Laboratory, University of Delaware, Newark, Delaware 19711.

Audiology, American Speech-Language-Hearing Association, 10801 Rockville Pike, Rockville, Maryland 20852.

Audit Clerk, Hospital Financial Management Association, 666 North Lake Shore Drive, Chicago, Illinois 60611.

Auto Mechanics, Lincoln Technical Institute, Inc., 10 Rooney Circle, West Orange, New Jersey 07052.

Automative Engineering, Land, Air, Sea and Space, The Society of Automative Engineers, Inc., 400 Commonwealth Drive, Warrendale, Pennsylvania 15086.

Avionics, Academy of Aeronautics, LaGuardia Airport Station, Flushing, New York 11371.

Banking, American Bankers Association, Bank Personnel Division, 1120 Connecticut Avenue, N.W., Washington, D.C. 20036.

Barber, National Association of Barber Schools, 304 South 11th Street, Lincoln, Nebraska 68508.

Barber, National Barber-Styling Career Center, 3839 White Plains Road, Bronx, New York 10467.

Body and Fender Repair, Lincoln Technical Institute, Inc., 10 Rooney Circle, West Orange, New Jersey 07052.

Bookkeeper, Hospital Financial Management Association, 666 North Lake Shore Drive, Chicago, Illinois 60611.

Boys' Clubs, Recruitment & Placement Service, Boys' Clubs of America, 771 First Avenue, New York, N.Y. 10017.

Bricklaying, Brick Institute of America, 1750 Old Meadow Road, McLean, Virginia 22101.

Business, Lincoln Technical Institute, Inc., 10 Rooney Circle, West Orange, New Jersey 07052.

Business Office Manager, Hospital Financial Management Association, 666 North Lake Shore Drive, Chicago, Illinois 60611.

Business Schools, Assoc. of Independent Colleges & Schools, 1730 M Street, N.W., Washington, D.C. 20036.

Camp Fire Girls, Camp Fire Girls, Inc., 4601 Madison Avenue, Kansas City, Missouri 64112.

Carpentry, United Brotherhood of Carpenters and Joiners of America, 101 Constitution Avenue, N.W., Washington, D.C. 20001.

Cartography, American Congress on Surveying and Mapping, 210 Little Falls Street, Falls Church, Virginia 22046.

Cartoonists, The Newpaper Comics Council, Inc., 260 Madison Avenue, New York, New York 10016.

Chamber of Commerce Management, American Chamber of Commerce Executives, 1133 15th St., N.W., Suite 620, Washington, D.C. 20005.

Chemical Industries, Manufacturing Chemists Association, Manager of Education, 1825 Connecticut Avenue, N.W., Washington, D.C. 20009.

Chemistry, American Chemical Society, Educational Activities Department, 1155 Sixteenth Street, N.W., Washington, D.C. 20036.

Chiropractic, Foundation for Chiropractic Education and Research, 3209 Ingersoll, Des Moines, Iowa 50312.

Chiropractic, International Chiropractors Association Education Commission, 1901 "L" Street, N.W., Suite 800, Washington, D.C. 20036.

Church Occupations, National Council of the Churches of Christ in U.S.A., Professional Church Leadership, 475 Riverside Drive, Room 770, New York, N.Y. 10027.

Serra International, Catholic Priestly and Religious Vocations, 22 W. Monroe Street, Chicago, Illinois 60603.

Clerical, Assoc. of Independent Colleges & Schools, 1730 M Street, N.W., Washington, D.C. 20036.

Club Management, Club Managers Assn. of America, 7615 Winterberry Place, Washington, D.C. 20034.

Coal Industry, Education Division, National Coal Association, Coal Building, 1130 17th Street, N.W., Washington, D.C. 20036.

Commercial and Domestic Air Conditioning, Heating and Refrigeration, Education Dynamics Institute, 2635 North Decatur Boulevard, Las Vegas, Nevada 89108.

Community Organization, United Way of America, 801 North Fairfax Street, Alexandria, Virginia 22314.

Computer Programming, American Federation of Information Processing Societies, Inc., Headquarters, 210 Summit Avenue, Montvale, New Jersey 07645.

Computer Programming, Empire Technical Schools, Inc., 576 Central Avenue, East Orange, New Jersey 07018.

Computer Programming and Technology, Control Data Institute—HQAO2J, Corporate Headquarters, 8100 34th Avenue South, Box O, Minneapolis, Minnesota 55440.

Construction Opportunities, Associated General Contractors of America, Construction Education Services, 1957 E Street, N.W., Washington, D.C. 20006.

Cosmetic Marketing, Fashion Institute of Technology, 227 West 27th Street, New York, New York 10001.

Cosmetology, National Association of Cosmetology Schools, 808 Main Street, Boonton, New Jersey 07005.

Cosmetology, National Beauty Career Center, 3839 White Plains Road, Bronx, New York, 10467.

Court Reporting, Lincoln Technical Institute, Inc., 10 Rooney Circle, West Orange, New Jersey 07052.

Crime and Delinquency, National Council on Crime and Delinquency, Continental Plaza, 411 Hackensack Avenue, Hackensack, New Jersey 07601.

Crop Science, Crop Science Society of America, Inc., 677 South Segoe Road, Madison, Wisconsin 53711.

Customer Engineering for Electric Typewriters, Empire Technical Schools, Inc., 576 Central Avenue, East Orange, New Jersey 07018.

Dairy Industry, Dairy Research, Inc., 6300 North River Road, Rosemont, Illinois 60018.

Data Processing, American Federation of Information Processing Societies, Inc., 210 Summit Avenue, Montvale, New Jersey 07645.

Demography, The Population Association of America, Inc., P.O. Box 14182, Benjamin Franklin Station, Washington, D.C. 20044.

Dental Assistants, American Dental Assistants Assn., 666 North Lake Shore Drive, Suite 1130, Chicago, Illinois 60611.

Dental Hygiene, American Dental Hygienists' Assn., 444 North Michigan Avenue, Suite 3400, Chicago, Illinois 60611.

Dental Laboratory Technology, National Association of Dental Laboratories, 3801 Mt. Vernon Avenue, Alexandria, Va. 22305.

Dentistry, American Association of Dental Schools, 1625 Massachusetts Ave., N.W., Washington, D.C. 20036.

Dentistry, American Dental Association, Division of Educational Measurements, Council on Dental Education, 211 East Chicago Avenue, Chicago, Illinois 60611.

Diesel, Lincoln Technical Institute, Inc., 10 Rooney Circle, West Orange, New Jersey 07052.

Dietetics, The American Dietetic Association, 430 N. Michigan Ave., Chicago, Illinois 60611.

Digital Electronics Technician, Practical Schools, 1650 Babbit, Anaheim, California 92805.

Display and Exhibit Design, Fashion Institute of Technology, 227 West 27th Street, New York, New York 10001.

Domestic Refrigeration, Practical Schools, 1650 Babbit, Anaheim, California 92805.

Draftsman, Public Relations Staff, Distribution, General Motors Corporation, Detroit, Michigan 48202.

Draftsman, Lincoln Technical Institute, Inc., 10 Rooney Circle, West Orange, New Jersey 07052.

Driving Occupations, American Trucking Associations, Inc., Educational Services, 1616 P Street, N.W., Washington, D.C. 20036.

Drycleaning and Laundry, The Registrar, International Fabricare Institute, 12251 Tech Road, Montgomery Industrial Park, Silver Spring, Maryland 20904.

Ecology, Ecological Society of America, Department of Biology, Rutgers University, Camden, New Jersey 08102.

Electronic Data Processing, American Federation of Information, Processing Societies, Inc., 210 Summit Avenue, Montvale, New Jersey 07645.

Electronic Data Processing Management, Hospital Financial Management Association, 666 North Lake Shore Drive, Chicago, Illinois 60611.

Electronics, Bell & Howell Education Group, Inc. Administrative Offices, 2201 West Howard Street, Evanston, Illinois 60202.

Electronics, Lincoln Technical Institute, Inc., 10 Rooney Circle, West Orange, New Jersey 07052.

Electronics, United Electronics Institute, Director of Admissions, 3950 Dixie Highway, Louisville, Kentucky 40216.

Energy, American Gas Association, 1515 Wilson Boulevard, Arlington, Virginia 22209.

Engineering (Consulting), American Consulting Engineers Council, 1155 Fifteenth Street, N.W., Washington, D.C. 20005.

Engineering, Engineers' Council for Professional Development—Guidance, 345 East Forty-Seventh Street, New York, New York 10017.

Engineering, National Society of Professional Engineers, 2029 K Street, N.W., Washington, D.C. 20006.

English, Occupational Outlook Service, U.S. Department of Labor, 441 G Street, N.W., Room 2916, Washington, D.C. 20212.

Entomology, Entomological Society of America, 4603 Calvert Road, College Park, Maryland 20740.

Fashion Buying & Manufacturing, Fashion Institute of Technology, 227 West 27th Street, New York, New York 10001.

Fashion Design, Fashion Institute of Technology, 227 West 27th Street, New York, New York 10001.

Fashion Illustration, Fashion Institute of Technology, 227 West 27th Street, New York, New York 10001.

F.B.I., Federal Bureau of Investigation, Department of Justice, Washington, D.C. 20535.

Federal Civil Service Careers, Job Information Center, Washington Area Office, U.S. Office of Personnel Management, Washington, D.C. 20415.

Fine Arts, Fashion Institute of Technology, 227 West 27th Street, New York, New York 10001.

Fire Protection Engineering, Society of Fire Protection Engineers, 60 Batterymarch Street, Boston, Massachusetts 02110.

Flight Engineer, Braniff Education Systems, Inc., P.O. Box 45174, Dallas, Texas 75245.

Floristry, Society of American Florists, 901 North Washington Street, Alexandria, Virginia 22314.

Food and Nutrition Service, U.S. Department of Agriculture, Food and Nutrition Service, Employment and Employee Relations Branch, Room 711 GHI, 14th & Independence Avenue, S.W., Washington, D.C. 20250.

Food Retailing, Food Marketing Institute, 1750 K Street, N.W., Suite 700, Washington, D.C. 20006.

Food Inspection, U.S. Department of Agriculture, Food Safety and Quality Service, 123 East Grant Street, Minneapolis, Minnesota 55403.

Food Service Careers, Scholarships, Courses, Natl. Institute for the Foodservice Industry, 20 North Wacker Drive, Suite 2620, Chicago, Illinois 60606.

Food Service Management, Educational Institute of the Hotel and Motel Association, Stephen S. Nisbet Building, 1407 South Harrison Road, Michigan State University, East Lansing, Michigan 48823.

Food Technology, Institute of Food Technologists Scholarship Center, 221 North LaSalle Street, Chicago, Illinois 60601.

Foreign Agricultural Service, U.S. Department of Agriculture, Personnel Division, Room 5627–S, 14th & Independence Avenue, S.W., Washington, D.C. 20250.

Foreign Languages, Occupational Outlook Service, U.S. Department of Labor, 441 G Street, N.W., Room 2916, Washington, D.C. 20212.

Foreign Service, Department of State, Board of Examiners, Washington, D.C. 20520.

Forester, Society of American Foresters, Wild Acres, 5400 Grosvenor Lane, Bethesda, Maryland 20014.

Forest Products, Wood Industry Careers Program, National Forest Products Assoc., 1619 Massachusetts Ave., N.W., Washington, D.C.

Forest Service, U.S. Department of Agriculture, Personnel Division, Room 801 RPE, 14th & Independence Avenue, S.W., Washington, D.C. 20250.

Funeral Directors, National Funeral Directors Association, 135 West Wells Street, Milwaukee, Wisconsin 53203.

Gemology, Gemological Institute of America, 1660 Stewart Street, Santa Monica, California 90406.

Geography, The Association of American Geographers, 1710 Sixteenth Street, N.W., Washington, D.C. 20009.

Geological Sciences, American Geological Institute, 5205 Leesburg Pike, Falls Church, Virginia 22041.

Geophysics, American Geophysical Union, 2000 Florida Avenue, N.W., Washington, D.C. 20009.

Geophysics, Society of Exploration Geophysicists, P.O. Box 3098, Tulsa, Oklahoma 74101.

Girl Scouting, Girl Scouts of the U.S.A., Human Resources Department, 830 Third Avenue, New York, New York 10022.

Grain Inspection and Weighing, U.S. Department of Agriculture, Federal Grain Inspection Service, Personnel Division, Room 1721–S, 14th & Independence Avenue, S.W., Washington, D.C. 20250.

Health Fields, National Health Council, Inc., 1740 Broadway, New York, New York 10019.

Home Economics, American Home Economics Association, 2010 Massachusetts Avenue, N.W., Washington, D.C. 20036.

Horticulture, American Association of Nurserymen, 230 Southern Building, Washington, D.C. 20005. (Send stamped, self-addressed envelope.)

Hospital Accountant, Hospital Financial Management Association, 666 North Lake Shore Drive, Chicago, Illinois 60611.

Law Enforcement, Law Enforcement Assistance, Administration, U.S. Department of Justice, Washington, D.C. 20531.

Law Librarian, American Association of Law Libraries, Secretary, 53 West Jackson Boulevard, Chicago, Illinois 60604.

Librarian, American Library Association, Office for Library Personnel Resources, 50 East Huron Street, Chicago, Illinois 60611.

Life & Health Insurance, American Council of Life Insurance, Education Services, 1850 K Street, N.W., Washington, D.C. 20006.

Loss Prevention/Security, Empire Technical Schools, Inc., 576 Central Avenue, East Orange, New Jersey 07018.

Machinist, National Machine Tool Builders Association, 7901 Westpark Drive, McLean, Virginia 22102.

Machinist, Natl. Tool, Die & Precision, Machining Association, 9300 Livingston Road, Washington, D.C. 20022.

Management, Assoc. of Independent Colleges & Schools, 1730 M Street, N.W., Washington, D.C. 20036.

Management Engineering Technology, Fashion Institute of Technology, 227 West 27th Street, New York, New York 10001.

Marine Science and Technology, Marine Technology Society, 1730 M Street, N.W., Washington, D.C. 20036.

Marketing, Sales & Marketing Executives Int'l., Career Education Division, 380 Lexington Avenue, New York, N.Y. 10017.

Material Handling, The Material Handling Education Foundation, Inc., 1326 Freeport Road, Pittsburgh, Pennsylvania 15238.

Mathematics, Occupational Outlook Service, U.S. Department of Labor, 441 G Street N.W., Room 2916, Washington, D.C. 20212.

Mathematics Teacher, National Council of Teachers of Mathematics, 1906 Association Drive, Reston, Virginia 22091.

Hospital Administration, American College of Hospital Adm., 840 North Lake Shore Drive, Chicago, Illinois 60611.

Hospital Admitting Clerk, Hospital Financial Management Association, 666 North Lake Shore Drive, Chicago, Illinois 60611.

Hospital Controller, Hospital Financial Management Association, 666 North Lake Shore Drive, Chicago, Illinois 60611.

Hospital Financial Management, Hospital Financial Management Association, 666 North Lake Shore Drive, Chicago, Illinois 60611.

Hotel and Motel Administration, Educational Institute of the Hotel and Motel Association, Stephen S. Nisbet Building, 1407 South Harrison Road, Michigan State University, East Lansing, Michigan 48823.

Illuminating Engineering, Illuminating Engineering Society of North America, 345 East 47th Street, New York, N.Y. 10017.

Insurance Clerk, Hospital Financial Management Association, 666 North Lake Shore Drive, Chicago, Illinois 60611.

Interior Design, Fashion Institute of Technology, 227 West 27th Street, New York, New York 10001.

Internal Revenue—Accounting, Law, Law Enforcement, Treasury Enforcement Agent, (Contact local address listed in yellow pages of your telephone book).

Jewelry Design, Fashion Institute of Technology, 227 West 27th Street, New York, New York 10001.

Journalism, The Newspaper Fund, Inc., P.O. Box 300, Princeton, New Jersey 08540.

Journalism, The Society of Professional Journalists, Sigma Delta Chi, 35 East Wacker Drive, Chicago, Illinois 60601.

Landscape Architect, The American Society of Landscape Architects, 1900 M Street, N.W., Suite 750, Washington, D.C. 20036. (Send label or self-addressed envelope)

Law, American Bar Association, Information Services, 1155 East 60th Street, Chicago, Illinois 60637.

Medical Laboratory—Certified Laboratory Assistant, Medical Laboratory Technician, Medical Technologist, Histologic Technician, Cytotechnologist, Nuclear Medicine Technologist, Specialist in Blood Banking, Specialist in Chemistry, Specialist in Hematology, Specialist in Microbiology, Technologist in Chemistry, Technologist in Hematology, Technologist in Microbiology, ASCP Commission for Medical Laboratory Personnel, ASCP Board of Registry, P.O. Box 4872, Chicago, Illinois 60680.

Medical Record Administrator, American Med. Record Association, 875 N. Michigan Ave., Suite 1850, Chicago, Illinois 60611.

Medical Record Technician, American Med. Record Association, 875 N. Michigan Ave., Suite 1850, Chicago, Illinois 60611.

Medical Record Transcriptionist, American Medical Record Association, 875 N. Michigan Ave., Suite 1850, Chicago, Illinois 60611.

Medical Secretary/Transcription, Empire Technical Schools, Inc., 576 Central Avenue, East Orange, New Jersey 07018.

Medicine, American Medical Association, Careers, 535 N. Dearborn Street, Chicago, Illinois 60610.

Menswear Design and Marketing, Fashion Institute of Technology, 227 West 27th Street, New York, New York 10001.

Metallurgy, American Society for Metals, Metals Park, Ohio 44073.

Microbiology, American Society for Microbiology, 1913 I Street, N.W., Washington, D.C. 20006.

Mortgage Banking, Mortgage Bankers Association of America, 1125 Fifteenth Street, N.W., Washington, D.C. 20005.

Morticians, National Foundation of Funeral Services, 1614 Central Street, Evanston, Illinois 60201.

Music, Music Educators National Conference, 1902 Association Drive, Reston, Virginia 22091.

Music Therapy, National Association for Music Therapy, Inc., P.O. Box 610, Lawrence, Kansas 66044.

National Park Service, Department of the Interior, Career Employment, National Park Service, 18th & C Streets, N.W., Washington, D.C. 20240.

Naval Architecture and Marine Engineering, The Society of Naval Architects and Marine Engineers, One World Trade Center, Suite 1369, New York, New York 10048.

Nurse Anesthetist, American Assn. of Nurse Anesthetists, 216 Higgins, Park Ridge, Illinois 60068.

Nursing, National League for Nursing, Inc., 10 Columbus Circle, New York, New York 10019.

Nursing-Practical, National Association for Practical Nurse Education and Service, Inc., 122 East 42nd Street, New York, New York 10017.

Occupational Therapy, American Occupational Therapy Assn., Inc., 6000 Executive Boulevard, Suite 200, Rockville, Maryland 20852.

Oceanography, Marine Technology Society, 1730 M Street, N.W., Washington, D.C. 20036.

Optometric Assistant/Technician, American Optometric Association, Paraoptometric Program, 243 North Lindbergh Boulevard, St. Louis, Missouri 63141.

Optometry, American Optometric Association, Career Guidance, 243 North Lindbergh Boulevard, St. Louis, Missouri 63141.

Osteopathic Medicine, American Osteopathic Association, Office of Osteopathic Education, 212 East Ohio Street, Chicago, Ill. 60611.

Packinghouse Worker, Amalgamated Meat Cutters and Butcher Workmen of North America, 2800 North Sheridan Road, Chicago, Illinois 60657.

Paleontology, The Paleontological Society, Attn: Dr. Walter C. Sweet, Department of Geology & Mineralology, Ohio State University, 125 South Oval Mall, Columbus, Ohio 43210. (Send self-addressed, stamped envelope with your request.)

Paperhanging, United States School of Professional Paperhanging, Inc., 16 Chaplin Avenue, Rutland, Vermont 05701.

Paper Industry, American Paper Institute, 260 Madison Avenue, New York, New York 10016.

Park Police, Department of the Interior, National Park Service, National Capital Region, 1100 Ohio Drive, S.W., Washington, D.C. 20242.

Pathologist, Intersociety Committee on Pathology Information, 4733 Bethesda Avenue, Suite 735, Bethesda, Maryland 20014.

Pattern Making Technology, Fashion Institute of Technology, 227 West 27th Street, New York, New York 10001.

Payroll Clerk, Hospital Financial Management Association, 666 North Lake Shore Drive, Chicago, Illinois 60611.

Petroleum Engineering, Society of Petroleum Engineers of Aime, 6200 North Central Expressway, Dallas, Texas 75206.

Pharmacology, American Society of Pharmacology and Experimental Therapeutics, Inc., 9650 Rockville Pike, Bethesda, Maryland 20014.

Pharmacy, American Association of Colleges of Pharmacy, Office of Student Affairs, 4630 Montgomery Avenue, Suite 201, Bethesda, Maryland 20014.

Photography, Fashion Institute of Technology, 227 West 27th Street, New York, New York 10001.

Physical Therapist, American Physical Therapy Association, 1156 15th Street, N.W., Washington, D.C. 20005.

Physical Therapist Assistant, American Physical Therapy Association, 1156 15th Street, N.W., Washington, D.C. 20005.

Physics, American Institute of Physics, 335 East 45th Street, New York, New York 10017.

Physiology, The American Physiological Society, 9650 Rockville Pike, Bethesda, Maryland 20014.

Plant Quarantine & Pest Control, U.S. Department of Agriculture, Animal & Plant Health Inspection Service, Room 514 Presidential Building CB–3, Hyattsville, Maryland 20782.

Plastering, National Plastering Industry's Joint Apprenticeship Trust Fund, 1000 Vermont Avenue, N.W., Washington, D.C. 20005.

Podiatry, American Podiatry Ass'n., 20 Chevy Chase Circle, N.W., Washington, D.C. 20015.

Power System Engineering, University of Illinois, 112 Engineering Hall, Urbana, Illinois 61801.

Printing Industry, Education Council of the Graphic Arts, Inc., 4615 Forbes Ave., Pittsburgh, Pa. 15213.

Process Measurement & Control, Process Measurement & Control Section (SAMA), 370 Lexington Avenue, New York, New York 10017.

Professional Chiefs and Cooks, The Culinary Institute of America, Placement Office, North Road, Hyde Park, N.Y. 12538.

Property and Liability Insurance, Insurance, Information Institute, 110 William Street, New York, New York 10038.

Psychiatry, American Psychiatric Association, Joint Information Service, 1700 18th Street, N.W., Washington, D.C. 20009.

Psychology, American Psychological Ass'n., Educational Affairs Office, 1200—17th St., N.W., Washington, D.C. 20036.

Public Accounting, National Society of Public Accountants, 1717 Pennsylvania Avenue, N.W., Washington, D.C. 20006.

Public Health, Parklawn Personnel Office, Parklawn Building, 5600 Fishers Lane, Room 4–35, Rockville, Maryland 20852.

Public Relations, Public Relations Society of America, Career Information Service, 845 Third Avenue, New York, N.Y. 10022. (Single copies $0.25. Bulk rates available on request.)

Purchasing Management, National Association of Purchasing, Management, Inc., 11 Park Place, New York, New York 10007.

Radio, National Assn. of Broadcasters, 1771 N Street N.W., Washington, D.C. 20036.

Real Estate Principles and Practices, Education Dynamics Institute, 2635 North Decatur Boulevard, Las Vegas, Nevada 89108.

Recreation, Parks & Leisure Services, National Recreation & Park Association, 1601 N. Kent Street, Arlington, Virginia 22209.

Reservations/Ticketing, Braniff Education Systems, P.O. Box 45174, Dallas, Texas 75245.

Respiratory Therapy, American Association for Respiratory Therapy, 1720 Regal Row, Dallas, Texas 75235.

Retail Meat Cutter, Amalgamated Meat Cutters and Butcher Workmen of North America, 2800 North Sheridan Road, Chicago, Illinois 60657.

Roadbuilding, American Road and Transportation Builders Association, 525 School Street, S.W., Washington, DC 20024.

Rural Electrification, U.S. Department of Agriculture, Rural Electrification Administration, Personnel Division, Room 4072–S, 14th & Independence Avenue, S.W., Washington, D.C. 20250.

Safety Professional, American Society of Safety Engineers, 850 Busse Highway, Park Ridge, Illinois 60068.

Sales and Marketing, Sales and Marketing, Executives-International, Career Education Division, 380 Lexington Avenue, New York, N.Y. 10017.

Science, Scientific Manpower Commission, 1776 Massachusetts Avenue, N.W., Washington, D.C. 20036.

Science, Occupational Outlook Service, U.S. Dept. of Labor, 441 G St., N.W., Room 2916, Washington, D.C. 20212.

Science and Education Administration, U.S. Department of Agriculture, Science and Education Administration, Personnel Division, Room 560, Center Building No. 1, Hyattsville, Maryland 20784.

Science Teaching, Nat'l. Science Teachers Ass'n., 1742 Connecticut Avenue, N.W., Washington, D.C. 20009.

Secretarial, Lincoln Technical Institute, Inc., 10 Rooney Circle, West Orange, New Jersey 07052.

Secretary, Assoc. of Independent Colleges & Schools, 1730 M Street, N.W., Washington, D.C. 20036.

Shorthand Reporting, Lincoln Technical Institute, Inc., 10 Rooney Circle, West Orange, New Jersey 07052.

Shorthand Reporting, National Shorthand Reporters Association, 118 Park Street, S.E., Vienna, Virginia 22180.

Social Science, Occupational Outlook Service, U.S. Department of Labor, 441 G Street, N.W., Room 2916, Washington, D.C. 20212.

Social Security Administration, College Relations Officer, Special Careers and Recruitment Branch, 401 Security Boulevard, Baltimore, Maryland 21235.

Social Work, National Association of Social Workers, Social Work Career Information Service, 1425 H Street, N.W., Suite 600, Washington, D.C. 20005.

Soil Conservation, U.S. Department of Agriculture, Soil Conservation Service, Personnel Division, Room 6219-S, 14th & Independence Avenue, S.W., Washington, D.C. 20250.

Soil Science, Soil Science of America, Inc., 677 South Segoe Road, Madison, Wisconsin 53711.

Speech Communication, Speech Communication Association, 5205 Leesburg Pike, Falls Church, Virginia 22041.

Speech Pathology, American Speech—Language—Hearing Association, 10801 Rockville Pike, Rockville, Maryland 20852.

Statistics, American Statistical Assn., Suite 40, 806-15th St., N.W., Washington, D.C. 20005.

Student Research Participation, U.S. Department of Energy, Oak Ridge Associated Universities, P.O. Box 117, Oak Ridge, Tennessee 37830.

Surveying, American Congress on Surveying and Mapping, 210 Little Falls Street, Falls Church, Virginia 22046.

Systems Analysis, Hospital Financial Management Association, 666 North Lake Shore Drive, Chicago, Illinois 60611.

Teaching Retarded Students, Nat'l. Assn. for Retarded Citizens, 2709 Avenue E East, P.O. Box 6109, Arlington, Texas 76011.

Television, National Assn. of Broadcasters, 1771 N Street, N.W., Washington, D.C. 20036.

Textile Design, Fashion Institute of Technology, 227 West 27th Street, New York, New York 10001.

Textile Technology, Fashion Institute of Technology, 227 West 27th Street, New York, New York 10001.

Tool and Die, Natl. Tool, Die & Precision Machining Association, 9300 Livingston Road, Washington, D.C. 20022.

Traffic Management, Academy of Advanced Traffic, Inc., One World Trade Center, Room 5457, New York, New York 10048.

Translators, American Translators Association, P.O. Box 129, Croton-on-Hudson, New York 10520.

Travel Agent, Braniff Education Systems, Inc., P.O. Box 45174, Dallas, Tex 75245.

Truck and Bus Mechanics, American Trucking Associations, Inc., Educational Services, 1616 P Street, N.W., Washington, D.C. 20036.

Truck and Bus Mechanics, Lincoln Technical Institute, Inc., 10 Rooney Circle, West Orange, New Jersey 07052.

Trucking Industry, American Trucking Associations, Inc., Educational Services, 1616 P Street, N.W., Washington, D.C. 20036.

United States Air Force Academy, Director of Admissions Liaison, USAF Academy, Colorado 80840.

U.S. Air Force Careers, Air Force Liaison Representative, Air Force Opporunities Center, Box 800, Valley Force, Pennsylvania 19481.

U.S. Air Force Community College (CCAF), Air Force Liaison Representative, Air Force Opportunities Center, Box 800, Valley Forge, Pennsylvania 19481.

U.S. Air Force Nurse, Air Force Liaison Representative, Air Force Opportunities Center, Box 800, Valley Forge, Pennsylvania 19481.

U.S. Air Force ROTC, Air Force ROTC, Advisory Service, Maxwell AFB, Alabama 36112.

U.S. Department of the Army, Commander, U.S. Army Recruiting Command, Attn: USARCASP-E, Ft. Sheridan, Illinois 60037.

U.S. Army ROTC, DCSROTC, U.S. Army Training & Doctrine Command, Fort Monroe, Virginia 23651.

United States Coast Guard Officer, United States Coast Guard Academy, Director of Admissions, New London, Connecticut 06320.

United States Marine Corps Officer, Headquarters Marine Corps (Code MRRO), Washington, D.C. 20380.

United States Merchant Marine Officer, Admissions Officer, U.S.M.M. Academy, Kings Point, N.Y. 11024.

United States Military Academy, Director of Admissions, United States Military Academy, West Point, N.Y. 10996.

United States Naval Academy, Candidate Guidance Office, U.S. Naval Academy, Annapolis, Maryland 21402.

U.S. Navy Officer, Commander, Navy Recruiting Command, 4015 Wilson Boulevard, Arlington, Virginia 22203; NROTC (Code 314), Medical Programs (Code 315), Officer Candidate School (Code 312), Enlisted Programs (Code 33), Aviation Program (Code 311), Nuclear Power Programs (Code 312).

Veterans Adminstration, Personnel Office of any VA Medical Center or Regional Office, or Veterans Administration, Office of Personnel (054), Washington, D.C. 20420.

Veterinarian, American Veterinary Medical Association, 930 North Meacham Road, Schaumburg, Illinois 60196.

Veterinarian, U.S. Department of Agriculture, Food Safety and Quality Service, 123 East Grant Street, Minneapolis, Minnesota 55403.

Watch Repairing, American Watchmakers Institute, Box 11011, Cincinnati, Ohio 45211.

Welding, American Welding Society, 2501 N.W. 7th St., Miami, Florida 33125.

Welding and Welding Technology, Hobart School of Welding Technology, Trade Square East, Troy, Ohio 45373.

Youth Services, Boy Scouts of America, Professional Recruiting, North Brunswick, New Jersey 08902.

In addition to the above listed careers, we recommend that each student carefully review the 1978–79 edition of Occupational Outlook Handbook compiled by the Bureau of Labor Statistics which contains updated information on about 850 occupations and 30 industries. A copy of this publication should be available in your school or city library, counselors office, or may be purchased for $8.00 paperback, $11.00 clothback by writing to the Bureau of Labor Statistics, 230 South Dearborn Street, Chicago, Illinois 60604.

SOURCES OF SCHOLARSHIPS AND OTHER FORMS OF FINANCIAL AID AVAILABLE TO ALL STUDENTS

FOR UNDERGRADUATES ONLY

The basic educational opportunity grant program (Basic Grants) makes funds available to eligible students attending approved colleges, community/junior colleges, vocational schools, technical institutes, hospital schools of nursing, correspondence schools and other post-high school institutions. In 1979–80 award period (July 1, 1979–June 30, 1980), you may apply for a Basic Grant if you are an undergraduate student and are enrolling on at least a half-time basis. Awards in 1979–80 range from $200 to $1,800 for a full school year. To apply for a Basic Grant, you may complete the Federal form called "Application for Determination of Basic Grant Eligibility," or one of several private or State need analysis applications which are used to determine eligibility for other sources of student aid. Check with your postsecondary school to see if they require the Financial Aid Form (FAF), the Family Financial Statement (FFS), the Pennsylvania Higher Education Assistance Agency (PHEAA) form, or the Student Aid Application for California (SAAC). You do not need to fill out the "Application for Determination of Basic Grant Eligibility" if you will fill out any of these forms. You may obtain copies of the forms that apply to you from postsecondary schools, high schools and public libraries. You may also receive an "Application for Determination of Basic Grant Eligibility" by writing to BEOG, P.O. Box 84, Washington, DC 20044. It is very important that you fill out the form you use as accurately as possible. If you fill out the form carelessly or inaccurately, you will be required to provide more accurate information before the Office of Education will tell you whether you are eligible for a Basic Grant.

The supplemental educational opportunity grant (SEOG) program is for students of exceptional financial need who, without the grant, would be unable to continue their education. You are eligible to apply if you are enrolled at least half-time as an undergraduate or vocational student in an educational institution participating in the program. Graduate students are not eligible. If you receive an SEOG, it cannot be less than $200 or more than $1,500 a year. Normally, an SEOG may be received for up to four years. However, the grant may be received for five years when the course of study requires the extra time. The total that may be awarded is $4,000 for a four-year course of study or $5,000 for a five year course. Contact the Director of Financial Aid at the institution you wish to attend.

The U.S. Coast Guard Academy educates young men and women for careers as commissioned officers in the U.S. Coast Guard. Appointments are made on the basis of an annual nationwide competition. The competitive test consists of the College Board Scholastic Aptitude Tests (SAT) or the American College Testing Assessment (ACT). There are no Congressional appointments and no geographical limitations. Graduates receive a commission as Ensign, U.S. Coast Guard and a Bachelor of Science degree. For detailed information, interested students should write to Director of Admissions, U.S. Coast Guard Academy, New London, Conn. 06320. Applications should be submitted prior to 15 December of the candidate's senior year in high school.

Air Force ROTC is conducted at colleges and universities located throughout the United States, Puerto Rico and the District of Columbia. Students may earn a commission by successfully completing either the Air Force ROTC Four-Year Program or the Air Force ROTC Two-Year Program. Air Force ROTC offers Four, Three, and Two-Year Scholarships on a competitive basis to both men and women students. The scholarships cover full tuition, certain fees and expenses associated with required courses, cost of curriculum-required textbooks, and a $100 nontaxable allowance each month during the school year. The scholarships are available in several categories to qualified applicants. However, we should inform you that as the needs of the Air Force change, scholarship offerings will be changed accordingly. Applications (DD Form 1893) for the Four-Year Scholarships are contained in the brochure Scholarship Applicant Bulletin. They should be sent directly to Air Force ROTC, Selections Division, Maxwell AFB, Alabama 36112. The deadline date for submitting applications for the Four-Year Scholarships is January 15 of the school year in which the student plans to enter college. Applicants for Four-Year Scholarship must take either the College Entrance Examination, Scholastic Aptitude Test (SAT), or the American College Test (ACT). Test deadline date can be no later than the December test cycle. Applications for the Three and Two-Year Scholarships should be made to the Professor of Aerospace Studies at the hosting institution during the students' freshman or sophomore year of college respectively. Appropriate application forms will be furnished by the Professor of Aerospace Studies at the Air Force ROTC detachment. Complete information about the Air Force ROTC program can be obtained by contacting the Air Force ROTC detachment on campus or by writing to Air Force ROTC, Advisory Service, Maxwell Air Force Base, Alabama 36112.

Army ROTC offers a college student the opportunity to earn a commission as a second lieutenant in the U.S. Army at the same time he or she earns a baccalaureate degree. Army ROTC is offered at over 250 colleges and universities across the Country. Four-year scholarship are awarded competitively to outstanding high school students who enter college as freshmen at any of the institutions hosting Army ROTC. Request for application packets must be submitted to Army ROTC, P.O. Box 7000, Larchmont, New York 10538 between April 1 and November 15. Three- and two-year scholarships are awarded competitively to students already enrolled in college and application for these awards are made through the Professor of Military Science. Scholarship cadets receive tuition, textbooks, lab fees and certain other educational expenses, plus a living allowance of up to $1,000 each school year the scholarship is in effect. Non-scholarship cadets in the Advanced Course (final two years) also receive this same living allowance for the last two years in the program. For further information, write Army ROTC, Fort Monroe, Virginia 23651.

The Naval ROTC scholarship program offers an excellent four-year program for high school graduates and a two-year program for college undergraduates in many leading colleges and universities throughout the United States where NROTC units are established. Candidates are chosen as the result of a nationwide competition and receive educational and other benefits leading to careers as commissioned officers in the Navy or Marine Corps. Applications will be considered based on scores obtained on either the Scholastic Aptitude Test (SAT) or the College Entrance Examination Board (CEEB), Princeton, NJ or the American College Test (ACT) of the American College Testing Program, Iowa City, IA. Applicants must apply for and take either of these tests prior to 1 December, and arrange with the appropriate testing agency to forward their scores to the NROTC Scholarship Program (0656). They must also submit their applications for the program during the period 1 March to 1 December. Successful students receive financial aid for two or four years of college. This includes tuition and educational fees, books, uniforms and $100 per month subsistence allowance. Detailed information and application blanks may be obtained at Navy or Marine Corps Recruiting Stations, from counselors and the Commander, Navy Recruiting Command (Code 314), 4015 Wilson Boulevard, Arlington, VA 22203.

The United States Merchant Marine Academy prepares selected young men and women for positions of leadership in the Maritime industry. Applicants must be high school graduates. A background in Mathematics and the Sciences is important. Graduates receive a Bachelor of Science Degree, a commission as Ensign in the Naval Reserve and a license as a Merchant Marine officer. Entrance requirements are similar to those of the other Federal academies. Information may be obtained by writing to the: Director of Admissions, U.S. Merchant Marine Academy, Kings Point, NY 11024.

The New Mexico Military Institute is now offering a $2,000 ($1,000 per year) scholarship available to members of the National Eagle Scout Association who enroll as full-time students at New Mexico Military Institute. This program has been coordinated through the offices of National Eagle Scout Association and Director Education Relationships. Applications and information can be obtained by writing the Director of Admissions or the Assistant Dean, New Mexico Military Institute, Roswell, New Mexico 88201. Application deadline is April 15. Awards made by May 1.

Extension of social security benefits to students attending school after reaching age 18 and up to age 22. The American Legion and its Auxiliary initiated and supported legislation to extend benefits under Title II of the Social Security Act, to unmarried sons and daughters of a deceased, disabled or retired parent and in some instances, grandsons and granddaughters who continue their education on a full-time basis beyond age 18. The legislation adopted by the 89th Congress, 1st Session, provides for the continuance of child's Social Security benefits beyond the age of 18 if the student is in full-time attendance at an accredited educational institution (including a vocational school). As of the end of December 1978, an estimated 850,000 students, age 18–22, received benefit payments at an annual rate of $1.7 billion. For further information, see your guidance counselor or contact the representative of the Social Security Office serving your community. This source represents nearly as much funds to assist students to further their education as all the public and private scholarships at all colleges and universities in the United States.

The Railroad Retirement Act provides monthly benefits for the student children of deceased railroaders who were insured under the Act at death. Dependent grandchildren of deceased railroaders may also be eligible if both their natural parents are deceased or disabled. To qualify, you must be single and attending a public or private accredited high school, vocational school, college or university on a full-time basis. Benefits continue until age 22 or until the end of the school semester after you attain age 22. If you are not attending school when you reach 18, you can still qualify for some benefits if you become a full-time student before age 22. Student children of retired railroad workers cannot qualify for benefits directly. However, a retired worker's benefit may be increased under a special guarantee provision of the Railroad Retirement Act if he or she has any children age 18–22 who attend school full-time. Further information may be obtained from the nearest Railroad Retirement Board Office. Address can be found in the telephone directory or by asking at any post office.

Bell & Howell schools scholarship program. Fifty-five full tuition scholarships in Electronics Engineering Technology will be awarded to high school graduates from the United States who wish to attend one of the U.S. Bell & Howell schools. Scholarships are divided among Bell & Howell schools in proportion to the number of scholarship applications submitted to each school. Finalists selected on basis of performance on SAT or ACT programs. Winners determined on basis of an essay and applicant's high school academic record. For application forms and further information, write: Bell & Howell Education Group, Inc., Administrative Offices, 2201 West Howard Street, Evanston, Illinois 60202.

U.S. Office of Education, Bureau of Education for the Handicapped Public Law 91–230, Part D, as amended, authorizes the U.S. Commissioner of Education to make grants to public or other non-profit institutions of higher learning, State education agencies, and on a discretionary basis, to certain other public or private non-profit agencies for preparing personnel to work with handicapped children. Students committed to a career involving the education of the handicapped may, upon acceptance to a preparation program, receive financial support for academic study. The amount of financial support will vary for level of study, and at the discretion of the agency. Grants are made directly to the agencies described above. Students seeking awards under this program, should apply directly to the higher education institution of their choice, or their respective state education agencies. Information regarding these awards may be obtained from the Director, Division of Personnel Preparation, Bureau of Education for the Handicapped, U.S. Office of Education, Washington, D.C. 20202.

The Clairol loving care scholarship program, a $50,000 annual program, is the only nationwide company-sponsored fund for women 30 or over who are continuing a post-secondary education to achieve career goals. Grants up to $1,000 are awarded for full or part-time study. No restrictions on marital status. Contact Business and Professional Women's Foundation, 2012 Massachusetts Avenue, NW, Washington, DC 20036.

National achievement scholarship program for outstanding Negro students, a compensatory activity, created in 1964, is conducted by National Merit Scholarship Corporation (NMSC) which also administers the National Merit Scholarship Program (described in the next entry. All grants to the Achievement Program are specified for the purposes of honoring academically able black students and awarding them college undergraduate scholarships. Currently, about 650 Achievement Scholarships worth nearly $2 million are awarded in each annual competition.

To enter the Achievement Program, black high school students must take the PSAT/NMSQT (which simultaneously makes them participants in the Merit Program), mark a space on their answer sheets requesting consideration in the Achievement Program, and meet NMSC eligibility requirements.

About 1,500 of the highest scoring eligible black students are designated Semifinalists in each Achievement Program. To ensure nationwide representation, a number are named in each of seven U.S. geographic regions, proportionate to each region's Negro population.

Semifinalists must meet further requirements and advance to Finalist standing in order to continue in the Achievement Schollarship competition. Every Finalist is considered for one of the scholarships, and all winners are chosen from the Achievement Program Finalist group. The selection of winners includes an evaluation of each Finalist's academic record and test scores, extracurricular activities and attainments, and the endorsement and recommendation of the student's school.

Three types of Achievement Scholarships are awarded annually: At least 325 are National Achievement $1,000 Scholarships that are single-payment awards allocated to winners on a regional representation basis; about 200 are corporate-sponsored four-year Achievement Scholarships for which winners must meet preferential criteria specified by the grantor organization, and that are worth between $1,000 and $6,000 over the four college years; and about 125 are college-sponsored Achievement Scholarships that provide between $250 and $1,500 during each of the winner's four undergraduate years of attendance at the sponsor college or university.

The PSAT/NMSQT Student Bulletin gives requirements students must meet to be eligible to participate in the Achievement Program and also lists sponsor organizations that currently provide support for Achievement Scholarships. A copy can often be obtained from the student's high school. Questions should be directed to: National Achievement Scholarship Program for Outstanding Negro Students, One American Plaza, Evanston, Illinois 60201 (phone: 312/866-5100).

National merit scholarship program is a nationwide competition for college undergraduate scholarships. The Merit Program is conducted by National Merit Scholarship

Corporation (NMSC), an independent nonprofit organization, established in 1955 to administer this annual competition. About 4,300 Merit Scholarships, valued at nearly $13 million, have been awarded each year in recent programs.

Secondary school students throughout the U.S. enter the competition by taking the Preliminary Scholastic Aptitude Test/National Merit Scholarship Qualifying Test (PSAT/NMSQT) given by their schools in October. To participate, students must meet published eligibility requirements established by NMSC.

About 15,000 top-scoring students are designated in each Merit Program. The highest scores in each state are named Semifinalists in numbers proportionate to the state's percentage of the Nation's total graduating high school seniors.

Semifinalists must meet further requirements and advance to Finalist standing in order to continue in the Merit Scholarship competition. Every Finalist is considered for one of the scholarships, and all Merit Scholars are chosen from the Finalist group. The selection of winners includes an evaluation of each Finalist's test scores, academic and extracurricular achievements, and the endorsement and recommendation of the student's school.

Three types of Merit Scholarships are awarded annually: At least 1,000 are National Merit $1,000 Scholarships that are single-payment awards allocated to winners on a state representational basis; over 1,500 are corporate-sponsored four-year Merit Scholarships for which winners must meet preferential criteria specified by the grantor organization providing funding for the award, and that are worth between $1,000 and $6,000 over the four college years; and about 1,800 are college-sponsored, four-year Merit Scholarships that provide between $250 and $1,500 during each of the winner's four undergraduate years of attendance at the sponsor college or university.

Details concerning eligibility and the Merit Scholarships offered are published annually in the PSAT/NMSQT Student Bulletin, sent to high schools. Questions and requests for additional information should be sent to: National Merit Scholarship Program, One American Plaza, Evanston, Illinois 60201 (phone: 312/866-5100).

National 4-H Council, through some 60 business corporations and foundations, offers more than 270 4-H college scholarships with total value of more than $250,000 and range from $500-$1,000. The majority are open only to current 4-H members who have won state honors in specific 4-H projects. Other college scholarships, ranging in value from $500 to $1,000, are available to present or former 4-H members now enrolled in college. Applicants for the latter should have an interest in one of the following fields: (1) animal science; (2) veterinary medicine; (3) forestry; or, agricultural business, economics and marketing. For further information on eligibility requirements, write to State 4-H Leader at the State Land-Grant University. A list of these leaders may be obtained from the National 4-H Council, 150 North Wacker Drive, Chicago, Illinois 60606.

The American Society for Metals Foundation for Education and Research sponsors the following financial aid programs: National Merit Scholarship and National Achievement Scholarship for Outstanding Negro Students—four-year grants available to seniors in all secondary schools within the fifty states, the District of Columbia and certain territories and possessions. These scholarships are awarded on a competitive basis and stipends are based on the student's individual needs as estimated by the National Merit Scholarship Corporation. Stipends range upward to $1,500 per year. Eligibility is determined by those who indicate they wish to pursue a career in the field of metallurgy/materials engineering, materials science. ASMFER also sponsors twenty $500 undergraduate scholarships for students in metallurgy that are attending colleges or universities in and are citizens of the United States, Canada or Mexico. Selection is based on interest in metallurgy, motivation, achievement, potential and scholarship. In addition, some individual A.S.M. chapters sponsor programs on a local or regional basis. For further information write: Education Director, American Society for Metals, Metals Park, Ohio 44073.

The National Scholarship Service and Fund for Negro Students (NSSFNS) maintains a free college counseling and referral service for Black and other minority and low-income high school students and also sponsors Student-College Interview Sessions in New Orleans, Louisiana; Houston, Texas; Atlanta, Georgia; Cleveland, Ohio; Chicago, Illinois; Richmond, Virginia; Boston, Massachusetts; Philadelphia, Pennsylvania; Philadelphia Area Office (PAO), 1616 Walnut Street, Suite 809, Philadelphia, Pennsylvania 19103; New York City for all minority and low-income students with college representatives. Additional cities may be added or deleted each year. Limited scholarship fund for NSSFNS counselees. For further information, write: NSSFNS, 1501 Broadway, New York, New York 10036 or NSSFNS-SERO, 965 Martin Luther King, Jr. Drive, N.W., Atlanta, Georgia 30314.

The National Association of Secondary School Principals and the National Honor Society estimates that they will provide $225,000 in scholarships in the amount of $1,000 each to high school seniors who are members of the National Honor Society. Application is made through local chapters in February. Awards are announced in May. Scholarships may be used in any accredited college, university or school offering a degree. Applications are mailed to chapters in late December. Also available is the Century III Leaders Program which provides 102-$1,000 scholarships or 102-$500 awards (2 each per state or D.C.) and one $10,000 national award to high school seniors who are selected by their schools. For information, contact the school principal in September or write to: The National Association of Secondary School Principals, 1904 Association Drive, Reston, Virginia 22091.

The Association of Independent Colleges and Schools has many member schools which offer general work or service, and funded scholarships to eligible students, subject to the controls of the Association. Some member schools also offer work-study programs. For a list of the approximately 500 AICS schools and for further information, please write to the Guidance Department, Association of Independent Colleges and Schools, 1730 M Street, N.W., Washington, D.C. 20036.

Science talent search, conducted by Science Service, sponsored by Westinghouse Electric Corporation and the Westinghouse Educational Foundation each year, offers scholarships for boys and girls in their last year of high school. Awards are based on high school records and national test scores, recommendations of high school teachers, a thousand-word report on an independent science research project by the student and interviews of forty finalists by judges at the Science Talent Institute in Washington, D.C. Awards include 10 scholarships of one $12,000, two $10,000, three $7,500 and four $5,000. The remaining 30 each receive Westinghouse Science awards of $500. State Science Talent Searches are conducted currently with the National Competition in 42 states and the District of Columbia. Detailed information is available from Science Service, 1719 N Street, N.W., Washington, D.C. 20036. Entry deadline date December 15, 1979.

The General Motors Institute has a cooperative program in engineering which includes paid employment. It is carried on in cooperation with plants and divisions of General Motors Corporation, which are the exclusive sponsors of the students in the program. Additional features which distinguish this program from others operated on the cooperative educational plan are: all students are on the cooperative plan; the cooperative phase starts on entrance into the program and continues through four years with alternating six week periods of instruction and work experience, and the fifth year during which the student works full-time in his sponsoring firm, but at the same time conducts a project study which forms the basis of an acceptable report in the form of a thesis to earn a degree. Training is offered in Mechanical, Industrial, Electrical Engineering and Industrial Administration. Baccalaureate degrees are offered in these fields. For further information, write to Admissions Officer, General Motors Institute, Flint, Michigan 48502.

AMOCO Foundation, Inc. offers scholarships to students who plan to study Petroleum Engineering, Geophysics, Geology or Engineering. Awards start at $700 for freshmen and progress $100 each year providing $3,400 for the four-year period. Further information may be obtained by writing to: Amoco Foundation, Inc., 200 East Randolph Drive, Chicago, Illinois 60601. Final decisions will be made by participating colleges.

The College of Insurance has a cooperative program in business administration/insurance and in actuarial mathematics. Both run on a five year plan of alternating trimesters (four month terms) of work and study, the first leading to a B.B.A. degree, the latter to a B.S. Each undergraduate upon being accepted by a sponsoring organization, will return to that organization every other trimester for paid work experience. While in school, the sponsor subsidizes two-thirds of the tuition and often returns the other third in the form of two annual bonuses if the student elects to stay with the sponsoring firm upon graduation. Cooperating sponsors include over 50 major life and property-liability insurance companies, brokerages, agencies and service organizations. The co-op starts in the freshman year with students typically rotating through major departments of the sponsoring firm in progressive work periods; total earnings over the five years average at least $13,000. The College is accredited by the New York State Board of Regents and the Middle States Association of Colleges and Secondary Schools. For further information, write to: Dir. of Cooperative Education, The College of Insurance, 123 William Street, New York, N.Y. 10038.

The Elks Foundation scholarship awards, for 50 years have made it possible for many students to attend college. For the 1979-80 school year, $840,000 in scholarships were awarded to 1,156 students ranging from $600.00 to $3,000.00. Any student in the graduating class of a high school or its equivalent, who is a citizen of the U.S.A. and resident within the jurisdiction of the Benevolent & Protective Order of Elks, may file an application. Scholarship, leadership, and financial need are the criteria by which applicants will be judged. Application blanks should be obtained from an officer of the local Elk Lodge or the Secretary of the State Elks Association and must be filed on or before February 10th with the Secretary or Lodge Foundation Chairman of the B.P.O. Elks Lodge in the city in which the applicant is a resident.

The Shell Companies Foundation, Incorporated, Two Shell Plaza, P.O. Box 2099, Houston, Texas 77001, annually offers 10 Shell Merit Scholarships and 10 Shell Achievement Scholarships through the National Merit Scholarship Corporation, One American Plaza, Evanston, Illinois 60201. The Merit Scholarships are for qualified graduating high school seniors planning careers as teachers of high school science or mathematics; and, the Achievement Scholarships are for qualified Black high school graduates preferably planning careers in business or technical fields. Further information on both programs can be obtained by writing the National Merit Scholarship Corporation or by contacting high school guidance counselors or principals.

Western Golf Association, Golf, Illinois, sponsors the Evans Scholars Foundation, which annually awards approximately 240 four-year scholarships to qualified caddies. Eligibility for Evans Scholarship: (1) Candidates must have completed junior year in high school and rank in upper 25 percent of class; (2) must have caddied for a minimum of two years; and, (3) must require financial assistance in order to attend college. The Evans Scholars program provides scholarships for approximately 900 caddies annually.

College work-study program provides part-time on and off campus employment to students enrolled on at least a half-time basis in colleges and eligible post-secondary institutions, to assist in paying college expenses. Special attention to students' major interests or career goals may be given in assigning jobs. For further information, students should contact the Director of Financial Aid or Student Employment Office of the school they select.

The Westinghouse Educational Foundation sponsors five merit scholarships annually.

1. The Westinghouse Family Scholarship—four $10,000 and forty $1,500 scholarships. Information on the Westinghouse Family Scholarship may be obtained from the Personnel Relations where the student's parent is or was (if deceased or retired) employed.

2. The Science Talent Search—forty awards. The student should request his science teacher to write to Science Clubs of America, 1719 N Street, N.W., Washington, DC 20036 to obtain information and application forms.

3. 4-H electric program—4-H Club members should contact their local 4-H leader or County Extension Agent for information and application.

4. Bertha Lamme scholarship—three $1,000 scholarships awarded to young women entering engineering as freshmen. For information write: Society of Women Engineers, United Engineering Center, Room 305, 345 East 47th Street, New York, N.Y. 10017.

5. National achievement scholarship program for outstanding negro students—five $1,000 scholarships. Information may be obtained through the National Merit Scholarship Corp., One American Plaza, Evanston, Ill. 60201.

Eligibility for each of these scholarships is limited to students residing in the United States. The Family Scholarship, The Science Talent Search, The Bertha Lamme and The National Achievement Scholarship Program require that the applicant be in his or her last year of high school and applications must be submitted during the Fall months of their Senior year. Students aged 14 through 19 are eligible for the 4-H Electric Program.

The Education Council of the Graphic Arts Industry, Inc., 4615 Forbes Ave., Pittsburgh, Pa. 15213 offers upon request a summary of scholarships made available by the Graphic Arts Industry, and an excellent description of the career opportunities in this field. Inquiries should be directed to the address indicated above. The Council's National Scholarship Trust Fund has awarded scholarships during the past 22 years for studies in printing management, printing technology and graphic arts education. For the school year beginning 1979-80, the Council has 35 new scholarships already available in the fields of printing management, engineering and teaching. Applications must be filed by Jan. 31.

Club Managers Association of America maintains undergraduate scholarships for students enrolled at colleges and universities offering courses in Hotel, Restaurant and Institutional Management. These scholarships, normally made available to students who have completed at least one year of undergraduate work, are awarded on the basis of scholastic ability, financial need and interest in private club management. Information on high school, college or university training in preparation for a club industry position can be obtained by writing the Club Managers Association of America, 7615 Winterberry Place, Washington, D.C. 20034.

The Colgate University Alumni Memorial Scholarships offers 30 National four-year scholarships with yearly stipends varying from $100 to $5,000 depending on need as determined by an analysis of the Financial Aid Form of the College Scholarship Service. Awarded annually to freshmen entering Colgate University. The deadline filing date is February 1. For additional information write: Director of Admissions, Colgate University, Hamilton, N.Y. 13346.

Aid Association for Lutherans awards at least 200 renewable and 100 non-renewable all college scholarships and 25 competitive nursing scholarships annually. Each applicant must be a high school senior holding an AAL certificate of membership and insurance in his or her own name. The CEEB SAT must be taken no later than December of the high school senior year. The American College Test (ACT), will be accepted under certain circumstances. Individual stipends are from $500-$1,750. The 100 non-renewable awards are for $500 each. Financial need is not considered until winners have definitely been selected. All-college scholarships are renewable for three additional years or until the requirements for a bachelor's degree are met, whichever is earlier. Renewal is based on satisfactory academic progress, school recommendation and continuing AAL membership. Applications may be secured by writing: Educational Benevolence, Aid Association for Lutherans, Appleton, Wisconsin 54919. Completed AAL applications must be submitted to College Scholarship Service/Sponsored Scholarship Programs by December 15.

National Presbyterian College scholarships are offered by the United Presbyterian Church U.S.A. to qualified Presbyterian young people entering as freshmen any of the participating United Presbyterian church-related colleges in the fall of each year. There are approximately 80 awards ranging from $100 to $1,400. There are honorary awards with no stipend where no need is shown. To qualify, applicants must be members of the United Presbyterian Church U.S.A. Applications and information may be secured by writing: National Presbyterian College Scholarships, Vocation Agency, United Presbyterian Church U.S.A., 475 Riverside Drive, New York, New York 10027, after mid-August. Deadline: December 1.

Samuel Robinson scholarships. For undergraduate students enrolled in one of the United Presbyterian-related colleges. No one may receive the scholarship more than once. Applicants must successfully recite the answers of the Westminster Shorter Catechism, and write a 2,000-word original essay on an assigned topic related to the Shorter Catechism. Amount of Award: $500. Deadline: April 14. For information, inquire of your financial aid officer at United Presbyterian-related colleges.

Knights of Columbus "Pro Deo and Pro Patria Scholarship Trust" for undergraduate scholarships. The Knights of Columbus has an established trust fund which will provide annually $1,000 scholarships to members, to sons and daughters of living or deceased members. The fund will also annually provide two $1,000 scholarships to Columbian Squires. Awards will be made on the basis of academic excellence regardless of need, and may be renewed annually subject to satisfactory academic performance. Five of these scholarships, and one for the Columbian Squire, are placed at the Catholic University of America. Students admitted to the freshmen class may apply for these scholarships through the Director of Financial Aid, Catholic University of America, Washington, D.C. 20064. Final filing date of applications is February 1. Five of these scholarships, and one for the Columbian Squire, may be used at a Catholic college of student's choice. Applications for these scholarships may be obtained from the Director of Scholarship Aid, Knights of Columbus, Supreme Council, Columbus Plaza (P.O. Drawer 1670), New Haven, Connecticut 06507. Final filing date for these applications is March 1.

Student opportunity scholarships. For young persons of limited opportunities, members of ethnic minority groups, related to the United Presbyterian Church in the U.S.A. Must be entering college as an incoming freshman and must apply to the college for financial aid. Amount of Award: $100 to $1,400. Those meeting requirements should write between January 15 and March 15 to: Student Opportunity Scholarships, United Presbyterian Church in the U.S.A., 475 Riverside Drive, Room 430, New York, New York 10027, for name of Area Representative who recommends nominees for scholarships.

The International Chiropractors Association provides funds directly to its approved colleges for their distribution of scholarships and educational assistance to students desiring to pursue chiropractic as a career. Additional information may be obtained by corresponding with International Chiropractors Association, Commission on Education, 1901 "L" Street, N.W., Suite 800, Washington, D.C. 20036 or from the Director of Admissions of the following approved chiropractic colleges: Cleveland Chiropractic College of Kansas City, 6401 Rockhill Road, Kansas City, Missouri 64131; Cleveland Chiropractic College of Los Angeles, 590 North Vermont Ave., Los Angeles, CA 90004; New York Chiropractic College, Post Office Box 167, Glen Head, NY 11545; Palmer College of Chiropractic, 1000 Brady Street, Davenport, Iowa 52808; Logan College of Chiropractic, 430 Schoettler Road, P.O. Box 100, Chesterfield, MO 63017; Sherman College of Chiropractic, P.O. Box 1452, 555 Reidville Road, Iowa 52808; Logan College of Chiropractic, College, 1269 Barclay Circle, Marietta, GA 30060.

American Medical Technologists' scholarship program offers six scholarships of $250 each to high school graduates interested in pursuing medical technology or medical assisting studies. Awards are based primarily on need, with consideration given to goals, school grades, activities, experience and personal references. Applicants must be enrolled, or contemplate enrolling in a school accredited by the Accrediting Bureau of Health Education Schools (list available by contacting the ABHES, 29089 U.S. 20 West, Elkhart, Indiana 46514), or enrolled or contemplate enrolling in a college, university or junior college medical technology or medical assisting program. May 20 is the filing deadline for applications and supporting documents. For additional information, contact AMT, 710 Higgins Road, Park Ridge, Illinois 60068.

The nursing student scholarship program. Under this program. Federally-supported scholarships are available through participating schools of professional nursing for students of exceptional financial need to pursue full-time or half-time study leading to a diploma in nursing, an associate degree in nursing or a baccalaureate with a major in nursing. The amount of the individual scholarship will depend on the general availability of student aid funds and on need as determined by the student's school. No scholarship may exceed $2,000 a year per academic year. Nursing students and potential students may obtain further information and scholarship application forms from the school of their choice.

Professional nurse traineeship program. Professional nurse traineeships are available through participating training institutions to help registered nurses prepare to teach in the various fields of nurse training, to serve in administrative or supervisory capacities, to serve as nurse practitioners, or to serve in other professional nursing specialties requiring advanced training. Traineeships provide a living stipend up to $3,900 per annum, and tuition and fees as set by the participating training institution. Trainees are selected by the training institutions. Further information and a list of participating institutions are available from the: Division of Nursing, Bureau of Health Manpower, Health Resources Administration, 3700 East-West Highway, Hyattsville, Maryland 20782.

Soroptimist International of the Americas Youth Citizenship award of $1,000 per Soroptimist region and a finalist award of $1,500 offered to high school seniors demonstrating good citizenship qualities. Citizenship includes integrity, worth and ability, encourages youth to develop highest concept of patriotism and effective cooperation in home and community affairs. Contact Soroptimist International of the Americas, 1616 Walnut Street, Philadelphia, Pennsylvania 19103. Deadline for submission of application, January 1, 1980.

RCA Corporation maintains one or more undergraduate scholarships at over 30 colleges and universities. These scholarships normally made available to students who have completed at least one year of undergraduate work, are available in the field of physical science, engineering, broadcast journalism, business and economics, telecommunications and Procurement/Materials Management as specified at each institution. The selection of scholars is made by the college or university in each case and students already enrolled should apply to the Scholarship or Financial Aid Officer for further information. In addition, up to 75 new scholarships are awarded annually to children of employees of RCA and its domestic subsidiaries. Up to 50 of these are new 4-year college RCA Merit scholarships. Also, up to 25 of these are new 2-year vocational/technical Career scholarships. RCA also awards about 25 National Merit and National Achievement $1,000 scholarships annually for students in the Nation at large. Information regarding the National Merit and Achievement programs is available from the National Merit Scholarship Corporation, One American Plaza, Evanston, Illinois 60201. Graduate fellowships are maintained in journalism, electrical engineering, electronics and physics at eight universities and are open to any qualified graduate student enrolled at the institutions which select the Fellow and administer grants.

Commissioned Officer Student Training and Extern Program (COSTEP). College students who have successfully completed a minimum of one year of study in medical, dental or veterinary school prior to assignment, and students who have completed a minimum of two years of a baccalaureate program prior to assignment in dietetics-nutrition, engineering, nursing, pharmacy, therapy, sanitary science or medical record administration are eligible to participate in the COSTEP program. COSTEP assignments fall into two major categories: Medical and Hospital Services, Research and Public Health Practice, Successful candidates are commissioned as reserve officers in the Commissioned Corps of the Public Health Service and called to active duty during vacation periods. Applications must be received (1) not later than October 1, 1979, for positions during the period January through April, 1980; (2) not later than February 1, 1980 for positions during the period May through August 1979; (3) ont later than April 1, 1980 for positions during the period September through December, 1980. For further information, write to COSTEP, Commissioned Personal Division, OPM/H-DHEW-Room 4-35, 5600 Fishers Lane, Rockville, Maryland 20852.

Educational Communications, Inc., Scholarship Foundation provides a minimum of 50 awards annually of $1000 each. Approximately 500 semi-finalists are selected on the basis of achievement test scores, grade point averages and leadership activities. Finalists are required to write an essay which is evaluated by committee. Some consideration is given for need for financial aid but this is not a major factor. Application may be obtained in most high school guidance offices or write direct to: Educational Communications Scholarship Foundation, 3202 Doolittle Drive, Northbrook, IL 60602. Application must be submitted by June 5th.

Guaranteed Loans for College and Vocational School Students

This program authorizes loans to students for educational expenses available from eligible lenders such as banks, credit unions, savings and loan associations, State agencies and schools. Students must be enrolled on at least a half-time basis in participating postsecondary institutions, ranging from vocational and technical schools to degree granting institutions. Students are eligible for Federal payment of interest charges of 7 percent on their loans during school years, during a 9–12 month grace period prior to the repayment period, and during authorized periods of deferment.

Loans must be repaid. Repayment normally is over a 5–10 year period with borrowers required to pay at least $360 per year. However, minimum monthly payments are frequently higher depending on total amounts borrowed. Failure to repay on a timely basis can damage a person's credit rating and may lead to legal action to recover the debt. Deferment of payment may be granted during any period in which the borrower is attending a participating institution on a full-time basis, is engaged in approved graduate fellowship study or a course of study under a rehabilitation training program for disabled individuals, up to 3 years while serving the U.S. Armed Forces, Peace Corps, or VISTA, or for a single period not exceeding 12 months if seeking and unable to find full-time employment.

Undergraduate students may borrow up to $2,500 per year, to a total of $7,500. Graduate students may borrow up to $5,000 per year to a total of $15,000 (including loans made at the undergraduate level).

The negotiation of each loan is between the student and the lending institution. Students who desire more information or wish to initiate a loan should discuss the matter with their lender or the financial aid administrator at their school. For further information, contact your counselor or financial aid administrator at the school in which you plan to enroll.

State sources of information on guaranteed loans including State operated programs:

ALABAMA

Regional Administrator, Office of Education, Region IV, 50 Seventh Street, N.E., Atlanta, Georgia 30323.

ALASKA

Alaska Commission on Postsecondary Education, Student Aid Office, State Education Department, Pouch F, AOB, Juneau, Alaska 99801.

ARIZONA

Regional Administrator, Office of Education, Region IX, 50 United Nations Plaza, San Francisco, California 94102.

ARKANSAS

Student Loan Guarantee, Foundation of Arkansas, Suite 515, 1515 West 7th Street, Little Rock, Arkansas 72202.

CALIFORNIA

California Student Aid Commission, 1410 Fifth Street, Sacramento, California 95814.

COLORADO

Regional Administrator, Office of Education, Region VIII, 11037 Federal Office Building, 19th and Stout Streets, Denver, Colorado 80202.

CONNECTICUT

Connecticut Student Loan Foundation, 25 Pratt Street, Hartford, Connecticut 06103.

DELAWARE

Delaware Higher Education Loan Program, c/o Brandywine College, P.O. Box 7139, Wilmington, Delaware 19803.

DISTRICT OF COLUMBIA

D.C. Student Loan Insurance Program, 1329 E. Street, N.W., Washington, D.C. 20004.

FLORIDA

Florida Student Financial Assistance Commission, Room 563, Knott Building, Tallahassee, Florida 32304.

GEORGIA

Georgia Higher Education Assistance Corp., 9 LaVista Perimeter Pk., 2187 Northlake Pkwy., Tucker, Georgia 30084.

HAWAII

Regional Administrator, Office of Education, Region IX, 50 United Nations Plaza, San Francisco, California 94102.

IDAHO

Student Loan Fund of Idaho, Inc., Route 5, Caldwell, Idaho 83605.

ILLINOIS

Illinois Guaranteed Loan Program, 102 Wilmot Road, Deerfield, Illinois 60015.

INDIANA

State Student Assistance Comm., 219 N. Senate Ave., Second Floor, Indianapolis, Indiana 46202.

IOWA

Iowa College Aid Commission, 9th and Grand Avenue, 201 Jewett Building, Room 201, Des Moines, Iowa 50309.

KANSAS

Higher Education Asst. Foundation, 51 Corporate Woods, 9393 West 110th Street, Suite 405, Overland Park, Kansas 62210.

KENTUCKY

Kentucky Higher Education Asst. Authority, 691 Teton Trail, Frankfort, Kentucky 40601.

LOUISIANA

Governor's Special Commission on Education Services, P.O. Box 44127, Baton Rouge, Louisiana 70825.

MAINE

Maine State Department of Education and Cultural Services, Augusta, Maine 04330.

MARYLAND

Maryland Higher Education Loan Corporation, 2100 Guilford Avenue, Baltimore, Maryland 21218.

MASSACHUSETTS

Massachusetts Higher Education Asst. Corporation, 1010 Park Square Building, Boston, Massachusetts 02116.

MICHIGAN

Michigan Higher Education Asst. Authority, 309 N. Washington Ave., Lansing, Michigan 48902.

MINNESOTA

Higher Education Asst. Foundation, 1100 Northwestern Bank Bldg., 55 East 5th Street, St. Paul, Minnesota 55101.

MISSISSIPPI

Regional Administrator, Office of Education, Region IV, 50 Seventh Street, N.E., Atlanta, Georgia 30323.

MISSOURI

Regional Administrator, Office of Education, Region VII, 601 East 12th Street, Kansas City, Missouri 64106.

MONTANA

Regional Administrator, Office of Education, Region VIII, 11037 Federal Office Building, 19th and Stout Streets, Denver, Colorado 80202

NEBRASKA

Regional Administrator, Office of Education, Region VII, 601 East 12th Street, Kansas City, Missouri 64106.

NEVADA

State Department of Education, Capitol Complex, Carson City, Nevada 89701.

NEW HAMPSHIRE

New Hampshire Higher Education Asst. Foundation, 143 North Main Street, Concord, New Hampshire 03301.

NEW JERSEY

New Jersey Higher Education Asst. Authority, 1474 Prospect Street, Post Office Box 1417, Trenton, New Jersey 08625.

NEW MEXICO

Board of Education Finance Comm. on Postsecondary Education, Legislative-Executive Building, Room 201, Sante Fe, New Mexico 87503.

NEW YORK

New York State Higher Education Services, Corp. Tower Bldg.,—Empire State Plaza, Albany, New York 12255.

NORTH CAROLINA

North Carolina State Education Asst. Authority, P.O. Box 2688, Chapel Hill, North Carolina 27514.

NORTH DAKOTA

Regional Administrator, Office of Education, Region VIII, 11037 Federal Office Building, 19th and Stout Streets, Denver, Colorado, 80202.

OHIO

Ohio Student Loan Commission, 50 West Broad Street, 8th Floor, Columbus, Ohio 43215.

OKLAHOMA

Oklahoma State Regents for Higher Education, 500 Education Building, State Capitol Complex, Oklahoma City, Oklahoma 73105.

OREGON

State of Oregon Scholarship Comm., 1445 Willamette Street, Eugene, Oregon 97401.

PENNSYLVANIA

Pennsylvania Higher Education Asst. Agency Towne House, 660 Boas Street, Harrisburg, Pennsylvania 17102.

PUERTO RICO

Regional Administrator Office of Education, Region II, 26 Federal Plaza, New York, New York 10022.

RHODE ISLAND

Rhode Island Higher Education Asst. Corporation, 274 Weybosset Street, Providence, Rhode Island 02903.

SOUTH CAROLINA

South Carolina Student Loan Corporation, P.O. Box 21337, Columbia, South Carolina 29221.

SOUTH DAKOTA

South Dakota Education Asst. Corporation, 104 Lincoln Street, Suite 105, Aberdeen, South Dakota 57401.

TENNESSEE

Tennessee Student Asst. Corporation, 707 Main Street, Nashville, Tennessee 37206.

TEXAS

Regional Administrator, Office of Education, Region VI, 1200 Main Tower Bldg., 15th Floor, Dallas, Texas 75201.

UTAH

Utah Higher Education Asst. Authority, 807 East South Temple, Suite 301, Salt Lake City, Utah 84103.

VERMONT

Vermont Student Asst. Corporation, 5 Burlington, Square, Burlington, Vermont 05401.

VIRGIN ISLANDS

Virgin Islands Board of Education, Commandant Gade, O.V. No. 11, Charlotte Amalie, St. Thomas, Virgin Islands 00801.

VIRGINIA

Virginia State Education Asst. Authority, 501 East Franklin Street, Suite 311, Professional Building, Richmond, Virginia 23219.

WASHINGTON

Regional Administrator, Office of Education, Region X, 1321 Second Avenue, Seattle, Washington 98101.

WEST VIRGINIA

Regional Administrator, Office of Education, Region III, Post Office Box 13716, 3535 Market Street, Philadelphia, Pennsylvania 19101.

WISCONSIN

Wisconsin Higher Education Corp., 150 East Gilman, Madison, Wisconsin 53702.

WYOMING

Regional Administrator, Office of Education, Region VIII, 11037 Federal Office Building, 19th and Stout Streets, Denver, Colorado 80202.

The united student aid funds programs bring together public-spirited financial institutions throughout the United States (which make low-cost educational loans) and selected *elementary, secondary, collegiate* and *professional* schools (which provide part of the reserve funds). Loans at cost or below are available to parents and students approved by the participating schools.

Loans to undergraduate students up to $2,500 yearly to a maximum of $7,500; loans to graduate students up to $5,000 yearly to a maximum of $15,000, with a 7% simple interest rate, are guaranteed under the terms of the Higher Education Act of 1965 as amended.

Loans to professional students in fields of medicine, dentistry and osteopathy up to $5,000 yearly to a maximum of $17,500 are made by selected participating lending institutions and guaranteed by USA Funds under a program sponsored by The Robert Wood Johnson Foundation.

Loans to parents up to $3,000 yearly with a simple interest rate that is less than customary installment rates are approved by selected participating schools, made by participating lending institutions, and guaranteed by USA Funds.

For further information, contact United Student Aid Funds, Inc., 6610 North Shadeland Avenue, P.O. Box 50827, Indianapolis, Indiana 46250.

Indian tribal grants and loans. Over 45 Indian tribes have established their own Grant and Loan Programs to promote higher education for their members. Contacts for tribal assistance should be made through the U.S. Dept. of the Interior, Bureau of Indian Affairs, Washington, D.C. 20242, or through the Tribal Headquarters.

The national direct student loan program. If you are a college student or a prospective college student, and in need of financial assistance to continue, or commence your college education, you may borrow for your college expenses. Aggregate loans may not exceed $10,000 for a graduate student including undergraduate loans; $5,000 for students who have not completed their bachelor's but have completed 2 years leading to a bachelor's degree; $2,500 for any other student. Repayment of the loan begins nine months after a borrower ceases to carry at least one half the normal academic work load and is to be complete within 10 years. Interest of 3% will begin at the time the repayment period begins. Should a borrower elect to teach in a designated school located in a poverty area, or in a pre-school program under the Economic Opportunity Act of 1964, or in a public or other non-profit elementary or secondary school for handicapped children, cancellation of the loan up to 100% is possible. Also, for a member of the Armed Forces of the U.S. who serves in an area of hostilities, cancellation up to 50% is possible. Rates of cancellation may be obtained from the institution's financial aid office. Interested students, enrolled on at least a half-time basis, should consult their guidance counselors or the student financial aid officer of the college or university in which they are expected to be enrolled.

Picket and Hatcher educational fund makes loans to financially needy undergraduate students enrolled full-time in colleges and universities offering broad liberal arts education. Loans are not available to students planning to enter the study of Law, Medicine or the Ministry. Loans are not available to students in vocational schools or business colleges. Since the Fund does not have an unlimited amount of money available, preference is shown to students from the Southeastern portion of the United States which includes the states of Alabama, Florida, Georgia, Kentucky, Mississippi, North Carolina, South Carolina, Tennessee and Virginia. The loans may include amounts required for fees, tuition, room and board, up to $1,800 for an academic year, with the total amount borrowed not to exceed $7,200. Loans will bear interest of 2% per annum while in college and 6% after a student leaves college or ceases to take as much as one-half of a normal student load. Repayment begins six months after a student leaves college or ceases to take as much as one-half of a normal student loan and monthly payments amount to at least ten percent of the borrower's income. For more information and application forms write: Pickett and Hatcher Educational Fund, P.O. Box 2128, Columbus, Georgia 31902.

The law enforcement education program (LEEP) authorized by the Crime Control Act of 1976, authorizes grants for in-service students to pay for tuition, mandatory fees and books, not to exceed $400 per semester or $250 per quarter for men and women who are currently employed by an eligible criminal justice agency and loans up to $2,200 per academic year to full-time students already employed or planning to become employed by a public law enforcement agency. Grant recipients are required to remain in full-time criminal justice employment for a period of two (2) years following the completion of any courses for which they received a grant. Loans are forgiven at the rate of 25% for each year of full-time employment with a public law enforcement agency. Applications are available from participating institutions. Further information and a list of participating institutions are available from the Office of Criminal Justice Education and Training, Law Enforcement Assistance Administration, U.S. Department of Justice, Washington, D.C. 20531.

The American Medical Association education and research foundation has established a Medical Education Loan Guarantee Program to help students, in need, who are qualified and enrolled in an approved training institution. The Loan Program, which is extended to medical students, interns and residents, is the result of a cooperative effort by American medicine and private enterprise. Detailed information may be secured from the Financial Aid offices at U.S. medical schools, or, the source listed above located at 535 N. Dearborn, Chicago, Illinois 60610.

The nursing student loan program. Federally supported loans are available through participating schools of professional nursing for students who need assistance to pursue a full-time or half-time course of study. Amount of an individual loan depends on the general availability of student aid funds and on need as determined by the student's school; however, no loan may exceed $2,500 per academic year, and no student may receive more than a total of $10,000 for all years in loan assistance. The total loan is repayable over a 10-year period beginning nine months after the borrower completes or discontinues his or her nursing studies. During the repayment period, interest accrues on the total loan at the rate of 3%. Repayment on a loan may be deferred during periods of active military duty and service in the Peace Corps and also during periods of advanced professional training in nursing. Up to 85% of a Federal nursing student loan may be canceled for five years of employment as a nurse in any public or nonprofit private agency, institution or organization. Moreover, under agreement with the Secretary, HEW, for at least two years of professional employment in an identified area of nursing shortage, up to 60% of all nursing education loans, regardless of their source, may be repaid; up to 85% for three years. Contact, the Director of Student Financial Aid at the school he/she is attending or plans to attend.

The health professions student loan program.* Under this program, Federally supported loans are available at participating schools of medicine, dentistry, osteopathy, optometry, pharmacy, podiatry, and veterinary medicine for students who need assistance to pursue a full-time course of study at the school. The amount of the loan depends upon the student's need as determined by the school; however, the maximum amount per academic year is the cost of tuition plus $2,500 or the amount of the financial need of the student, whichever is lesser. The loan is repayable over a 10-year period beginning one year after the student ceases to pursue a full-time course of study at a health professions school. During the repayment period, interest accrues on the total loan at the rate of 7 percent. Repayment on a loan may be deferred during periods of active military duty and service in the Peace Corps (up to three years each). Repayment may also be deferred during periods of advanced professional training, including internships and residencies. Obligations to repay the loan will be canceled in the event of death, or permanent and total disability. If a student fails to complete health professions studies, any outstanding loans made for the costs of such studies may be repaid by the Federal Government if the student is in exceptionally needy circumstances, is from a low-income or disadvantaged family, and cannot reasonably be expected to resume studies within two years. If an individual agrees to practice medicine, dentistry, osteopathy, optometry, pharmacy, podiatry, or veterinary medicine for at least two years in an area which has a shortage in his profession, the Federal Government will repay 60 percent (at the rate of 30 percent each year) of the outstanding principal and interest on the loan(s) and an additional 25 percent for a third year of practice in such an area. For further information on this program, contact, the Director of Student Financial Aid at the school he/she is attending or plans to attend.

The American fund for dental health provides a guaranteed loan program for undergraduate and graduate students to help meet urgent needs and is intended to supplement all other loan opportunities. Any dental student, in good standing, who is a U.S. citizen is eligible to apply for a loan. The maximum loan a graduate or undergraduate dental student may obtain under AFDH sponsorship for any academic year is $5,000. Application may be made more than once a year to meet the student's needs as long as the total does not exceed $5,000 per year. Each loan request must be approved by the school's financial aid officer as well as by United Student Aid Funds, Inc. On a cumulative basis, the total amount borrowable from this program for a student's education may not exceed $17,500. Applications are available only from your dental school's financial aids officer.

The health education assistance loan (HEAL) program is similar to the Guaranteed Student Loan Program of the Office of Education, Students of medicine, osteopathy, dentistry, podiatry, optometry, public health and veterinary medicine may borrow up to $10,000 a year and a total of $50,000. Pharmacy students, who are eligible only after completion of 3 years of training, may borrow up to $7,500 a year and a total of $37,500.

For students to take part in the program, their school must be receiving or eligible to receive a health professions capitation grant.

Interest is payable by a student throughout the life of the loan at a rate not to exceed 12%. The loan principal is repayable over a 10-15 year period starting 9-12 months after completion of training. However, payments of principal are not required during periods of up to 3 years of internship and residency training or service in the Armed Forces, National Health Service Corps, Peace Corps or Volunteers in Service to America (VISTA). At HEW's discretion, borrowers may enter into agreement with HEW for repayment of loans, plus interest, at a rate of not more than $10,000 a year for each year of service in NHSC or in private practice in a health manpower shortage area. Minimum service period is 2 years.

Information may be obtained from: Bureau of Student Financial Assistance, U.S. Office of Education, 400 Maryland Ave., S.W., Washington, DC 20202.

The American Optometric Association, through the Assistance to Graduates and Undergraduates Committee, has provided funds to establish a special reserve with the United Student Aid Funds. This enables optometry students to borrow money from financial institutions at a low interest rate. USAF guarantees the loan, supported by the AOA reserve. USAF is a nonprofit corporation which endorses low-cost loans made by participating hometown financial institutions to deserving students. In order to qualify for the loans, the AOA student member must be in good academic standing, pursuing a Doctor of Optometry degree and be beginning his first, second, third or fourth year of optometric school. He must have demonstrated a definite need for financial assistance to meet educational expenses. An eligible student may borrow up to $5,000 per academic year under all student guaranteed loan programs or $15,000 for an entire academic career including undergraduate and graduate study. For further information and application forms, write: The American Optometric Association, 243 North Lindberg Boulevard, St. Louis, MO 63141.

The American Legion and Auxiliary Post, unit and department loans. Many individual Departments, Posts and Units of The American Legion and Auxiliary often offer educational loans for the benefit of students within their areas. For further information, refer to Table II of NEED A LIFT? and also contact the local Post/Unit within your community.

RECOMMENDATION FOR CONSTRUCTION OF NEW NUCLEAR REACTOR FOR PRODUCTION OF WEAPONS MATERIAL

Mr. THURMOND. Mr. President, an interagency committee charged with a study of U.S. nuclear material needs for weapon programs has recommended that initial work for construction of a new production reactor begin immediately.

This finding is in line with concerns expressed by me and others involved in reviews of the nuclear weapons program budget requests. For the past several years the need for higher levels of weapons grade material has been obvious, yet the current rate of production has been low. Furthermore, despite efforts in the Arms Control Subcommittee of Armed Services, little substantive testimony has been received on the long-range needs of the military and especially the obvious requirement for a new production reactor.

Now an interagency group, with representatives of the Defense and Energy Departments, has recommended to the administration that "conceptual design begin immediately" on a $3 billion production reactor.

Mr. President, this administration has generally followed a policy of putting off to another day many badly needed defense programs. We are already seeing the failure of this policy as defense needs pile on top of one another and now the same parties are declaring that we cannot afford these programs. The truth of the matter is that we cannot afford not to have them as our very survival as a nation depends on a strong defense deterrent.

It will take about 10 years to build a new reactor and the only prudent step is to begin conceptual design immediately in order that we can meet our defense needs in the 1990's and beyond.

Mr. President, I ask unanimous consent that an article in the May 5, 1980, issue of the Washington Post entitled "U.S. Panel Urges New A-Reactor for Weapons" be printed at this point in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

U.S. Panel Urges New A-Reactor For Weapons

(By Walter Pincus)

An interagency committee studying long-range U.S. nuclear weapons needs has recommended construction of a $3 billion production reactor to keep providing nuclear materials for warheads and bombs beginning in the 1990s, according to participants in the study.

In recommending the new reactor, the committee made it clear that the nuclear arms race will probably continue into the 21st century.

The new production reactor would be the first built for the weapons program in 26 years and would represent a major step toward modernizing the aging nuclear arms-building complex.

Some facilities still used to produce today's nuclear bombs and missile warheads were constructed as part of the Manhattan project in the early 1940s that produced the first atomic bomb.

The study also recommends a $500 million program to upgrade these facilities around the country, each of which produces a key part of each nuclear weapon.

The interagency committee was established six months ago by the undersecretaries of Defense and Energy, both of whom are involved in weapons-building. Defense determines what weapons are needed:

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*Note: Medical and osteopathy students who will graduate after June 30, 1979 are eligible only if they demonstrate exceptional financial need.

Energy runs the research and development of warheads and their production.

The study directed by retired Lt. Gen. A. D. Starbird, attempted to project the Defense Department need for nuclear weapons through the year 2000. Rather than settling on one specific level, it agreed on a range of four possibilities. These extended from a cutback of the current stockpile of some 25,000 tactical and strategic warheads to a steady increase caused by failure to ratify the arms limitation treaty with the Soviet Union.

Currently, the United States has three reactors at Savannah River, S.C., operating at two-thirds of their capacities, turning out weapons-grade plutonium and tritium for the biggest weapons-building program the country has undertaken in 20 years.

Over the next six years the United States plans to turn out: new warheads for its Minuteman III land-based ICBM and Trident I submarine-based strategic missiles; a short-range Lance missile; an air-launched cruise missile; a new tactical nuclear bomb; a new strategic nuclear bomb; the extended-range Pershing missile and the ground launched cruise missile, both to be stationed in Europe.

In addition, engineering is being completed for the planned MX ICBM warhead and a new 8-inch nuclear artillery shell.

Beyond filling these approved new weapons needs, the reactors must continue to produce tritium for hydrogen warheads already in the stockpile, since tritium decays and must be replaced in the nuclear package every eight years.

Members of the Starbird panel made their recommendation for the new reactor because they were concerned that the aging Savannah River reactors could not be counted on to continue operating into the 1990s.

"They are not expected to break down," a scientist close to the study said, "but their useful life was only expected to be from 25 to 30 years."

Another production reactor at Hanford, Wash., which could turn out weapons-grade plutonium but now produces fuel-grade plutonium, is expected to be shut down by the end of the decade.

"The need for a new reactor is obvious," a study participant said.

Since it is expected to take at least 10 years to design and build the new reactor, the Starbird group recommended that conceptual design begin immediately.

The recommendations now go to the secretaries of Defense and Energy. If approved, they would go to the White House for review by the Office of Management and Budget. Eventually, the proposals would have to be submitted to Congress for authorization and funding.

In the past, neither the White House nor Congress has been eager to put money into a new production reactor. There has been some discussion—when it appeared the program needed more plutonium—of starting up one of two older Savannah River reactors that have been shut down for many years.

"It is better economics to shoot for a newer designed reactor," a leading nuclear scientist said in support of the Starbird study's proposal.

The new reactor would be larger than the reactors now in operation and could turn out more nuclear materials. It therefore would enable the United States to meet any needs created by a sharp increase in weapons proposed for the 1990s and beyond.

Scientists said that a second production reactor eventually will have to be constructed in the middle to late 1990s, when the Savannah River facilities are finally closed down. Thereafter, the two new larger reactors could handle the nuclear materials needs that now are met by three smaller reactors.

One issue bound to arise is where to locate the first new reactor. Since the Hanford reactor is to be shut down by 1990, that Washington site is considered a prime contender, according to one scientist close to the study. Another study participant, however, said Savannah River would most likely get the first facility.

NEED FOR NEW FOREIGN POLICY STANCE

Mr. THURMOND. Mr. President, much is being said in Washington today about the new Secretary of State and what this change means in the future foreign policy of our Nation.

Unfortunately, the preponderance of opinion indicates that the foreign policy of the Carter administration will continue very much along the lines it has followed over the past 3 years.

In my opinion, we need not only a new Secretary of State, but we need a new foreign policy. The foreign policy of the Carter administration has not met bold challenges in Southeast Asia, the Middle East, Africa, or South America. It has also embraced an unequal SALT agreement and handed over the Panama Canal at great expense and future risk.

The Nation needs a policy not of disarmament and human rights overtures, but one which strengthens our allies and operates from a position of military strength. The Soviets understand military power, and rebuilding our military forces must be our first priority. Any useful agreement with the Soviets can only be achieved if we deal from a position of strength.

This entire subject of the need for a new foreign policy approach is covered in a May 5, 1980 column in the Washington Post written by R. Emmett Tyrrell, Jr., editor-in-chief of the American Spectator. I ask unanimous consent that this article be printed at this point in the Record.

There being no objection, the article was ordered to be printed in the Record. as follows:

The Policy Must Go Too

How many millions of people died brutally during the period Secretary of State Vance presided so primly and irenically over our State Department? As many as died during the controversial reign of Henry Kissinger? As many as died during the reigns of William Rogers or Dean Rusk? It is, perhaps, a rude thing to contemplate, and in the genteel presence of Cyrus Vance one ought not be rude. We honor him for never having raised his voice, yet it remains a mystery whether Vance ever thought there might be anything in this world worthy of raising one's voice over.

Did Vance notice those millions of brutal deaths in Southeast Asia, the Middle East, Southwest Asia, Africa, Central America and less celebrated parts? Did he think it better that those deaths were attributable to murder rather than to warfare? Very few died with American-made weapons in their hands during his tenure. Most were starved or butchered as pawns in political struggles from which America has now totally withdrawn. Are we a better people for our forbearance? Now that we are no longer caricatured as the "world's policeman" have we grown in virtue and in world stature? Is America now more secure, and is the world a more peaceful place without our power looming over it?

Whether or not the former secretary of state ever thought about these questions is not clear. Certainly he never said much about them in public. In fact, he rarely raised any disturbing questions in public. If there was much danger beyond our shores, he never talked about it. Listening to him always left me with the impression that he felt that the greatest dangers to peace existed not beyond our borders but here at home.

More people in more diverse places died while Vance inhabited the seventh floor of our State Department than during the peacetime tenure of any of his predecessors in this century, with the possible exception of Cordell Hull. Not only that, but most of those who died did not die fighting. They were murdered. Our foreign correspondents know this as surely as they know how much more difficult it is to get news and hospitality in foreign countries today as opposed to, say, 10 years ago. Humanitarians like Leo Cherne of the International Rescue Committee know this even as they know that death and unspeakable suffering continue to grind on—their precious foods and medicines piling ever higher, unused and unusable thanks to the rising tide of barbarism and aggression that has accompanied the gentlemanly tenure of Vance at State and Carter in the White House.

In leaving the State Department for his native Wall Street, Vance said he left with "one great sadness," that being that 53 Americans remain captives in Tehran. I would have thought that he had many more causes for sadness. There are the aforementioned dead and dying. There is the chaos in Iran, a chaos that began under the Carter foreign policy and would have endured with or without the hostages. The totalitarian menace increases in Central America. NATO drifts from us.

The Soviets have surpassed us in tactical and strategic weaponry. Vance's SALT treaty languishes, and there is no Middle East settlement. Has any administration in this century presided over such a calamitous foreign policy? And has any administration, created more confusion?

After all, just what is the meaning of this resignation? Did Vance leave because of that failed military rescue mission, the one we undertook 172 days after our embassy was turned into a prison? Did he resign because President Carter has left the doves and become a hawk? If the president is reacting more strenuously to the Soviets, is he admitting that the diplomacy of the past three and a half years proved unsatisfactory? Well, if President Carter is becoming more defense-minded, why was it reported on April 16 that he had ordered a cut in our 1980 defense outlays? Why last week did he throw his weight against efforts in the congressional budget committees to raise defense spending?

The Carter administration has been rampant with sonorities about peace and brotherhood, but in truth it has followed a most perilous course. Those of us who have grown to relish a world free of uniforms and the sound of artillery have reason to be very dyspeptic with the present regime of goody-goody obfuscators. Beneath all its guff about human rights and disarmament it has made the world a far more dangerous place than it was just four years ago.

The Carter foreign policy has been to be disarmed and abusive. Apparently the new policy will be to be even more abusive and no better armed. The dangers to world peace increase. This is a foreign policy wholly designed for home consumption. Carter and Vance are steeped in the left wing's canards that the real danger to world peace is the mob of red-necked Yanks living in the hinterland. Thus, they have crooned to us that our military strength is colossal and that to spend more would be inflationary. They act as though the world beyond our shores holds no danger even as the corpses pile up and the thugs of our time grow more restless and more powerful.

ADMINISTRATION DEFENSE BUDGET LEVEL

Mr. THURMOND. Mr. President, after the Soviet invasion of Afghanistan the President said his January defense budget request was inadequate and would require an increase. Now the President has sent a letter to House Speaker O'Neill endorsing a $3.8 billion defense cut.

I hope that all of my colleagues in the Senate will consider these matters carefully when we vote for a defense budget increase. Special attention should be given to the effect that operations and maintenance budget cuts over the past several years of this administration have had on combat readiness.

The Senate also must consider the fact that we have aircraft without spare parts, ASW ships without ASW helicopters, ancient B–52's, no B–1 bomber, a new tank significantly behind its production schedule and woefully inadequate military pay that is forcing many of our servicemen to choose alternate careers in industry.

Mr. President, Mr. George F. Will published an editorial in the May 1, 1980 issue of the Washington Post, entitled "Just What You'd Expect From This Administration." I ask unanimous consent that this article be printed at this point in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Just What You'd Expect From This Administration

Hours before the eight old helicopters lifted off the deck of the USS Nimitz, bound for disaster in the desert, Jimmy Carter sent a letter to House Speaker Tip O'Neill endorsing a move to slash his own defense budget by $3.8 billion. This would drive the "post-Afghanistan" defense budget below even the level called for in Carter's January budget, which even Carter quickly repudiated as inadequate.

The eight mine-sweeping helicopters were veterans. The Navy has procured none of this model since 1975. (They were used in 1973 to clear Haiphong, a duty imposed by the "peace" treaty.) They have been sitting on carriers since last year. The loss of seven of them cut by one-third our helicopter mine-sweeping capability. Carter has rejected Navy requests for more of them.

The Nimitz has not seen port—any port—since Jan. 4. We have too few carriers, and too few planes, to equip those we have. Carter used a veto to frustrate Congress' demand for another carrier. For four straight years he has requested fewer new planes for the Navy than the Navy loses in operational attrition. So tours at sea become longer, flying becomes more dangerous. (A pilot who spends 20 peacetime years flying tactical aircraft from a carrier has a one-in-four chance of being killed.) And Carter opposes pay even sufficient to get all Navy families off food stamps.

Zbigniew Brzezinski says the lesson of the rescue mission is: "Do not scoff at American power. Do not scoff at American reach." But the mission resembled the Bay of Pigs operation in its tentativeness, in shaving the margin of safety, thereby betraying lack of conviction.

You would not expect conviction from a president who has repeatedly and pettily disparaged the Mayaguez rescue, which rescued. You would hardly expect conviction from a president whose proudest and loudest campaign boast—even after two soldiers died defending our embassy in Pakistan—was that during his presidency no American had died in combat. You would hardly expect conviction in the use of military assets by a president who struggles to decrease those assets.

The failed mission will be another occasion for flogging the military. Already a Washington Post commentary is headlined: "Another President Ill-Served by the Military He Heads." Actually, the military has been ill-served by the president and his appointees, including some senior officers who are distinguished primarily by behavior convenient for their civilian benefactors.

Consider Harold Brown, the secretary of defense, and Gen. David Jones, chairman of the Joint Chiefs of Staff.

Brown was Lyndon Johnson's secretary of the Air Force when political and irresponsible decisions were made about the TFX fighter. He presided over the making of the C5 fiasco. He was an architect of "selective" bombing to send this, then that, "signal" to Hanoi. It sent signals, all right—signals of uncertainty. It was a slow step-by-step policy similar to the administration's response to Iran. It dissipated U.S. power by allowing Hanoi to anticipate and adapt to each step. It was a policy that produced a tragically high ratio of force expended to objectives achieved.

As secretary of defense, Brown has deceptively packaged four straight budgets cutting real spending below that of the previous year. He has been a central actor in the advertising of first a fraudulent 5 percent, then a fraudulent 3 percent, defense increase, and has even tried to reduce this year's spending to produce the illusion of increases next year.

Jones is an Air Force general who was elevated to the chairmanship of the JCS after service selling the Panama Canal treaties and quelling Air Force protests about Carter's unilateral and unreciprocated killing of the B1 bomber. Fraudulent recruiting by sergeants reflects an atmosphere of abandoned integrity at the highest levels, by those who (to take just one example) say that the F15s at Langley Air Base, which are only 40 percent operationally ready are ready to fight a war. Or who are careful not to be politically inconvenient by insisting, indecorously, on decent pay for defending America.

Nothing changes. Carter abandoned his stay-at-home policy six days before the Texas primary to fly to Texas to visit the casualties of the Iran mission. He thereby indicated his unchanged determination that Iran shall remain the sun around which his campaign, and American foreign policy, revolve. Harold Brown, asked about Iran's nauseating display of American bodies, said the display was "disappointing." Nothing changes: those disappointing Iranians still won't live up to administration expectations.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Saunders, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

MESSAGE FROM THE HOUSE

At 1:19 p.m., a message from the House of Representatives delivered by Mr. Gregory, one of its reading clerks, announced that the House has passed the following joint resolution, with an amendment in which it requests the concurrence of the Senate:

S.J. Res. 89. A joint resolution permitting the supply of additional low enriched uranium fuel under international agreements for cooperation in the civil uses of nuclear energy, and for other purposes.

The message also announced that the House has passed the following bills, in which it requests the concurrence of the Senate:

H.R. 4890. An act to authorize appropriations for the Commercial Fisheries Research and Development Act of 1964 for fiscal years 1981, 1982, and 1983;

H.R. 5737. An act to amend the International Claims Settlement Act of 1949 to allow recovery by United States nationals for losses incurred in Vietnam;

H.R. 6022. An act to establish the Tensas River National Wildlife Refuge:

H.R. 6169. An act to establish the Bogue Chitto National Wildlife Refuge;

H.R. 6511. An act to designate the building known as the Federal Building in Morgantown, W. Va., as the "Harley O. Staggers Federal Building";

H.R. 6615. An act to amend the National Ocean Pollution Research and Development and Monitoring Planning Act of 1978 to authorize appropriations to carry out the provisions of such Act for fiscal years 1981 and 1982, and for other purposes;

H.R. 6727. An act to establish the Bon Secour National Wildlife Refugee; and

H.R. 6839. An act to authorize appropriations under the Endangered Species Act of 1973 to carry out State cooperative programs through fiscal year 1982.

HOUSE BILLS REFERRED

The following bills were read twice by their titles and referred as indicated:

H.R. 4890. An act to authorize appropriations for the Commercial Fisheries Research and Development Act of 1964 for fiscal years 1981, 1982, and 1983; to the Committee on Commerce, Science, and Transportation.

H.R. 5737. An act to amend the International Claims Settlement Act of 1949 to allow recovery by U.S. nationals for losses incurred in Vietnam; to the Committee on Foreign Relations.

H.R. 6022. An act to establish the Tensas River National Wildlife Refuge; to the Committee on Environment and Public Works.

H.R. 6511. An act to designate the building known as the Federal Building in Morgantown, W. Va., as the "Harley O. Staggers Federal Building"; to the Committee on Environment and Public Works.

H.R. 6727. An act to establish the Bon Secour National Wildlife Refuge; to the Committee on Environment and Public Works.

HOUSE BILL PLACED ON CALENDAR

The following bill was read twice by its title and placed on the calendar:

H.R. 6169. An act to establish the Bogue Chitto National Wildlife Refuge.

HOUSE BILLS HELD AT DESK

The following bills were read by title and held at the desk, pursuant to order of May 5, 1980:

H.R. 6615. An act to amend the National Ocean Pollution Research and Development and Monitoring Planning Act of 1978 to authorize appropriations to carry out the provisions of such Act for fiscal years 1981 and 1982, and for other purposes; and

H.R. 6839. An act to authorize appropriations under the Endangered Species Act of 1973 to carry out State cooperative programs through fiscal year 1982.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-3721. A communication from the Secretary of Agriculture, transmitting a draft of proposed legislation to repeal certain acts relating to exportation of tobacco plants and seed, naval stores, and wool; to the Committee on Agriculture, Nutrition, and Forestry.

EC-3722. A communication from the Director, Federal Emergency Management Agency, transmitting, pursuant to law, a Stockpile Report for April–September 1979; to the Committee on Armed Services.

EC-3723. A communication from the Deputy Assistant Secretary of Defense (Military Personnel Policy), transmitting, pursuant to law, reports submitted by present or former officers or employees of defense contractors; to the Committee on Armed Services.

EC-3724. A communication from the Secretary of the Interior, transmitting, pursuant to law, a feasibility study, new area, Rangelands, Calif., January 1980; to the Committee on Energy and Natural Resources.

EC-3725. A communication from the Administrator, Energy Information Administration, Department of Energy, transmitting, pursuant to law, (1) Petroleum Market Shares: Report on Sales of Refined Petroleum Products—January 1980; and (2) Petroleum Market Shares: Report on Sales of Retail Gasoline—January 1980; to the Committee on Energy and Natural Resources.

EC-3726. A communication from the Assistant Secretary of the Interior, transmitting a draft of proposed legislation to authorize the Secretary of the Interior to construct, operate, and maintain improved facilities for accommodating visitors, improving traffic flow, alleviating safety hazards, and expediting access at Hoover Dam, Boulder Canyon Project, Nevada; to the Committee on Energy and Natural Resources.

EC-3727. A communication from the Assistant Secretary for Policy and Evaluation, Department of Energy, transmitting, pursuant to law, a report entitled "The State of Competition in Gasoline Marketing, Part I, The Effects of Refiner Operations at Retail (A study required by Title III of the Petroleum Marketing Practices Act)"; to the Committee on Energy and Natural Resources

EC-3728. A communication from the Secretary of Commerce, transmitting a draft or proposed legislation to eliminate the duty on architectural, engineering, industrial or commercial drawings and plans; to the Committee on Finance.

EC-3729. A communication from the Secretary of Health, Education, and Welfare, transmitting, pursuant to law, the 13th annual report on Medicare, covering the administration and operation of that program during fiscal year 1979; to the Committee on Finance.

EC-3730. A communication from the Secretary of Health, Education, and Welfare, transmitting a draft of proposed legislation to amend the Social Security Act to improve the operation of the programs of supplemental security income, aid to families with dependent children, and child support enforcement by correcting certain program inequities and administrative and financing inefficiencies, and for other purposes; to the Committee on Finance.

EC-3731. A communication from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting, pursuant to law, international agreements other than treaties entered into by the United States within sixty days of the execution thereof; to the Committee on Foreign Relations.

EC-3732. A communication from the Secretary, Council of the District of Columbia, transmitting, pursuant to law, Council Resolution 3-322, "Transfer of Jurisdiction of Lot 802 in Square 1185 and Lot 842 in Square 1200 to the National Park Service for Park Purposes Resolution of 1980," adopted by the Council on February 5, 1980; to the Committee on Governmental Affairs.

EC-3733. A communication from the Secretary, Postal Rate Commission reporting, pursuant to law, pursuant to the Privacy Act; to the Committee on Governmental Affairs.

EC-3734. A communication from the Director, Office of Congressional Affairs, Equal Employment Opportunity Commission, transmitting, pursuant to law, a report on the administration of the Government in the Sunshine Act; to the Committee on Governmental Affairs.

EC-3735. A communication from the Mayor, District of Columbia, transmitting, pursuant to law, a report on administration of the District of Columbia Unemployment Compensation Act for calendar year 1979; to the Committee on Governmental Affairs.

EC-3736. A communication from the Deputy Assistant Secretary of the Interior, transmitting a draft of proposed legislation to eliminate the uneconomic assessment of certain fees assessed by the Secretary of the Interior in connection with the probate of estates of Indians; to the Select Committee on Indian Affairs.

EC-3737. A communication from the Acting Special Counsel, Merit Systems Protection Board, transmitting, pursuant to law, a report on administration of the Freedom of Information Act; to the Committee on the Judiciary.

EC-3738. A communication from the Attorney General of the United States, transmitting, pursuant to law, the annual report of the Attorney General for fiscal year 1979; to the Committee on the Judiciary.

EC-3739. A communication from the Secretary of Health, Education, and Welfare, transmitting, pursuant to law, the annual progress report on the five-year plan for Family Planning Services and Population Research; to the Committee on Labor and Human Resources.

EC-3740. A communication from the Chairman, National Diabetes Advisory Board, transmitting, pursuant to law, the Board's third annual report; to the Committee on Labor and Human Resources.

EC-3741. A communication from the Secretary of Education, transmitting, pursuant to law, a report on the study of school finance, Department of Education, 1980; to the Committee on Labor and Human Resources.

EC-3742. A communication from the Administrator, Veterans Administration, transmitting a draft of proposed legislation to amend chapter 21 of title 38, United States Code, to expand the eligibility for specially adapted housing benefits; to the Committee on Veterans' Affairs.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. LONG, from the Committee on Finance, with an amendment and an amendment to the title:

H.R. 2492. An act to extend until July 1, 1984, the duty suspension on crude feathers and downs (Rept. No. 96-684).

By Mr. CHURCH, from the Committee on Foreign Relations, without amendment, but with a preamble:

S. Res. 405. A resolution expressing the sense of the Senate with respect to compliance by the Soviet Union with the Convention on the Prohibition of the Development, Production and Stockpiling of Bacteriological (Biological) and Toxin Weapons and on Their Destruction.

By Mr. HATCH, from the Committee on the Judiciary, without amendment:

S. Res. 417. A resolution to express the sense of the Senate for a fitting tribute to the eight valiant American servicemen who died in an attempt to secure freedom for fellow Americans.

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. CHURCH, from the Committee on Foreign Relations:

David Marion Clinard, of Virginia, to be an Assistant Director of the U.S. Arms Control and Disarmament Agency.

George M. Seignious II, of South Carolina, to be a Member of the General Advisory Committee of the U.S. Arms Control and Disarmament Agency, to which he was appointed during the last recess of the Senate

George M. Seignious II, of South Carolina for the rank of Ambassador during the tenure of his service as U.S. Delegation Member at Large to such arms control negotiations as the Director of the U.S. Arms Control and Disarmament Agency may designate.

(The above nominations from the Committee on Foreign Relations were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

STATEMENT OF POLITICAL CONTRIBUTIONS

Nominations are to be reported for the period beginning on the first day of the fourth calendar year preceding the calendar year of the nomination and ending on the date of the nomination.

Nominee: George M. Seignious II.

Post: Rank of Ambassador while serving as U.S. Delegation Member at Large for Arms Control Negotiations.

Nominated: January 22, 1980.

CONTRIBUTIONS (AMOUNT)

Self: See attached list.

Spouse: See attached list.

Children and spouses names: Mr. and Mrs. Richard Padgett, none. Mr. and Mrs. Nick Chambers, none. George M. Seignious III, none. Molly Kent Seignious, none.

Parents names: Mrs. F. P. Seignious Senior, none.

Grandparents names: Not living.

Brothers and spouses names: None.

Sisters and spouses names: Mr. and Mrs. Lewis Freeman, none.

FEDERAL CAMPAIGN CONTRIBUTIONS OF GEORGE M. SEIGNIOUS II

1980: None.

1979: Joint Gift with Mrs. Seignious to Senator F. Hollings (D.-S.C.); Reelection Committee ($500 each).

1978: John Warner for Senate Committee ($25.00); Charles Wallace Campaign—County Council ($50.00)—Democrat; Nancy Stevenson Campaign Fund ($50.00)—Democrat; Re-elect Thurmond Finance Committee ($50.00).

1977: The National Republican Senatorial Committee ($25.00).

1976: President Ford Committee ($75.00); 1976 GOP Victory Fund ($25.00).

By Mr. WILLIAMS, from the Committee on Labor and Human Resources:

Steven A. Minter, of Ohio, to be Under Secretary of Education.

Thomas Kendall Minter, of Pennsylvania, to be Assistant Secretary for Elementary and Secondary Education, Department of Education.

F. James Rutherford, of the District of Columbia, to be Assistant Secretary for Educational Research and Improvement, Department of Education.

Albert H. Bowker, of California, to be Assistant Secretary for Postsecondary Education, Department of Education.

James E. Barnett, of Georgia, to be a Member of the National Council on the Arts.

(The above nominations from the Committee on Labor and Human Resources were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. LEAHY:

S. 2658. A bill to establish a rural weatherization grant program within the Department of Agriculture; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. RIBICOFF (by request):

S. 2659. A bill to amend chapter 87 of title 5, United States Code, to increase the amounts of regular and optional group life insurance available to Federal employees and provide optional life insurance on family members, and for other purposes; to the Committee on Governmental Affairs.

By Mr. MOYNIHAN:

S. 2660. A bill to clarify the definition of the term "local furnishing" in the Internal Revenue Code of 1954; to the Committee on Finance.

By Mr. TOWER:

S. 2661. A bill for the relief of Martin Alfredo P. Marasigan, M.D., also known as Freddie del Prado Marasigan, M.D.; to the Committee on the Judiciary.

By Mr. CHURCH (by request):

S. 2662. A bill to amend some of the administrative provisions of the International Communication Agency's basic enabling authorities; to the Committee on Foreign Relations.

By Mr. MOYNIHAN (for himself, Mr. JAVITS, and Mr. WILLIAMS):

S. 2663. A bill to amend title I of the Federal Water Pollution Control Act to authorize a demonstration project for the reclamation of the Hudson River; to the Committee on Environment and Public Works.

By Mr. COHEN:

S. 2664. A bill to authorize and direct the Secretary of the Treasury, to cause the vessel Fundy Pride, owned by the State of Maine, as represented by "The Department of Educational and Cultural Services" acting through its Division of Vocational Education, Washington County Vocational Technical Institute, to be documented as a vessel of the United States with coastwise privileges; to the Committee on Commerce, Science, and Transportation.

By Mr. BUMPERS (for himself, Mr. JACKSON, and Mr. JOHNSTON):

S. 2665. A bill to amend the Mineral Leasing Act of 1920, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. CHURCH (by request):

S. 2666. A bill to authorize appropriations for the International Natural Rubber Agreement for fiscal year 1981; to the Committee on Foreign Relations.

By Mr. NELSON:

S. 2667. A bill to amend the Small Business Investment Act of 1958; to the Select Committee on Small Business.

By Mrs. KASSEBAUM:

S. 2668. A bill to provide for certain importers of crude oil to contribute to the Strategic Petroleum Reserve; to the Committee on Energy and Natural Resources.

By Mr. MATHIAS:

S.J. Res. 172. Joint resolution to authorize and request the President to designate September 13, 1980, as "Commodore John Barry Day"; to the Committee on the Judiciary.

By Mr. CULVER (for himself, Mr. CHAFEE, Mr. DOMENICI, Mr. HATFIELD, Mr. JOHNSTON, Mr. LEAHY, Mr. MCGOVERN, Mr. MATHIAS, Mr. MOYNIHAN, Mr. PELL, Mr. PERCY, Mr. STEVENSON, Mr. TSONGAS, and Mr. RANDOLPH):

S.J. Res. 173. A joint resolution to authorize and request the President to proclaim the week of May 11 through 17, 1980, as "National Historic Preservation Week"; considered and passed.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. LEAHY:

S. 2658. A bill to establish a rural weatherization grant program within the Department of Agriculture; to the Committee on Agriculture, Nutrition, and Forestry.

RURAL AREAS AND SMALL CITIES ENERGY SAVINGS ACT OF 1980

Mr. LEAHY. Mr. President, energy experts rarely agree on anything. Their analysis of past energy problems and their projections for the future are seldom consistent and vary like the weather.

However, there is one basic fact on which there is a consensus. Energy pundits from all persuasions agree that the most viable and realistic method of reducing America's energy consumption immediately is through conservation. The only real choice we have for reducing our oil imports significantly over the next decade is to use less energy. It is that simple.

Various methods for reducing energy consumption are now either in debate or effect, including higher prices, the 55-mile-per-hour speed limit, and gas rationing. The legislation I introduce today will strengthen an equally effective yet less painful method of saving energy, the weatherization of homes. Adequate insulation can reduce home energy consumption by 20 to 30 percent.

The benefits of this bill are targeted to nonmetropolitan areas where half of the Nation's substandard housing is found. Through the insulation of the homes of the elderly, the handicapped, and the low-income, the Rural Areas and Small Cities Energy Savings Act will lower the fuel bills of those most in need and insure a more stable delivery of energy resources to the peoples of rural America living at the end of the energy pipeline.

The 60 million people of small town America need a weatherization program tailored to their circumstances and strengths. This bill does that by relying on the county based Farmers Home Administration, the community minded rural electric cooperatives, and the historic ability of rural Americans to join together to help themselves.

Mr. President, hearings before the Rural Development Subcommittee, the Energy Committee, the Labor and Human Resources Committee, and the Appropriations Committee have found current Federal weatherization programs to be ill-conceived, ineffective, and inefficient.

Appropriations for the DOE weatherization assistance program for fiscal years 1977 through 1980 total $490.5 million. As of the start of fiscal year 1980 only 20 percent of this money had been spent. The remainder, some $400 million, has sat dormant saving no energy and assisting no one.

The DOE program has weatherized 240,000 homes but is operating at less than 20 percent of the potential promised. One of its problems has been solved by allowing the hiring of non-CETA labor. However, this program alone will not provide sufficient home weatherization service in the short term. Although it has managed to weatherize a few more homes each year, the percentage of new homes weatherized is actually declining.

Finally, the fate of this DOE program is uncertain as the Senate recently voted overwhelmingly to create an expanded comparable program in the Community Services Administration. Yet, the final arbitration of whether DOE gets the program or CSA gets it back lies with the Appropriations Committee.

Mr. President, the weatherization program launched by the Department of Agriculture in 1977 is foundering. Designed to couple the community linkages and managerial resources of a rural electric cooperative with the financial resources of the Farmers Home Administration, it has suffered a stillbirth.

Over the last 3 years this program has only insulated 1,309 homes and spent $1.2 million in loans.

USDA's weatherization program does not work because it depends on loans targeted to the elderly, the handicapped and the low-income. These people are not in a position to even consider taking a loan regardless of the interest rate. First these people must buy food and heat their homes before they can think about a loan for anything. And with prices what they are, these people do not give much thought to loans for weatherization. They cannot afford to. The Federal Government cannot afford to ignore their needs if home energy is going to be saved.

The USDA program foundered because it gave rural electric cooperatives or community based organizations an incentive to participate. It was a poorly conceived plan from the start. The recent effort to allow deferment of REA loan payments to help salvage this weatherization program is a weak remedy.

The USDA weatherization program is a pitiful effort. To think that the combined efforts of the REA which has loaned over $30 billion since 1936, and the FmHA with a current portfolio in excess of $50 billion, is doing an adequate job by weatherizing 1,309 homes over 3 years is a heartless joke. It is a sarcastic approach to the real and present danger this country is in until we can reduce energy consumption.

The USDA weatherization program though a failure does have one thing right. It has recognized that in order to have a successful rural weatherization program you must rely on rural electric cooperatives. These cooperatives number over 1,000 with an average membership of 8,000 and serve over 25 million customers. They directly touch the lives of half of nonmetropolitan America.

Rural electric cooperatives brought electricity to the farms and modern plumbing to rural homes. These cooperatives helped to stem the massive migration to the big cities. Through this legislation they can help make this Nation and the people they serve energy independent.

Mr. President, I am introducing the Rural Areas and Small Cities Energy Savings Act of 1980 to save energy in those nonmetropolitan households most in need of assistance. The following is a brief summary of how this legislation would operate. Further details can be gleaned from the bill itself which immediately follows my remarks.

Under the legislation electric cooperatives and community based organizations would conduct energy audits of elderly, handicapped and low-income households outside of standard metropolitan statistical areas. Following the audits, the cooperatives and the organization would apply to FmHA for grant funds to weatherize eligible households they have audited. A $50 million grant fund would be created at FmHA for this purpose.

The cooperatives and organizations could each then pool the grants received from FmHA to weatherize eligible homes. These funds would be used to buy materials in bulk and hire contractors and necessary labor to insulate homes.

To defray costs, participating rural electric cooperatives and community based organizations could retain up to 7 percent of the grants they received from FmHA. Hearing testimony has shown that rural electric cooperatives do not participate in the current USDA weatherization program because they are not reimbursed for administrative costs they would incur. The Rural Areas and Small Cities Energy Savings Act provides a significant incentive for their active participation while insuring that the venture is worthwhile.

The program established by this legislation would be a good beginning to bring energy conservation to rural and small city America, while also serving the twin goals of decent housing and lower fuel bills.

Hearing dates on this legislation will be announced by the Rural Development Subcommittee of the Committee on Agriculture, Nutrition, and Forestry in the near future. Anyone with inquiries on the Rural Areas and Small Cities Energy Savings Act of 1980 should contact Ken Pierce of my staff at 224-4242.

Mr. President, I ask unanimous consent that the text of the Rural Areas and Small Cities Energy Savings Act of 1980 be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2658

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Rural Areas and Small Cities Energy Savings Act of 1980."

SEC. 2. Section 310B of the Consolidated Farm and Rural Development Act is amended by adding at the end thereof a new subsection (e) as follows:

"(e)(1) The Secretary shall develop and conduct a weatherization program for the purpose of making grants to finance the purchase or installation, or both, of weatherization materials in dwelling units occupied by low-income persons and families in rural areas. To the maximum extent practicable, grants under this subsection shall be devoted to weatherization work administered by rural electric cooperatives or, in any county where such a cooperative is not available, or an available cooperative does not participate in the program, a non-profit community based organization selected by the Secretary. Grants under this subsection are for the purpose of conducting weatherization projects on dwelling units owned by low-income persons and families in rural areas or, subject to the provisions of paragraph (5) of this subsection, low-income rental dwelling units for the benefit of low-income tenants living therein. Grants for the weatherization work performed under this subsection shall be made to the rural electric cooperatives and non-profit community based organizations participating in the program.

"(2) In making grants under this subsection, the Secretary shall give priority to the weatherization of dwelling units occupied by low-income elderly or handicapped persons.

"(3) The Secretary shall, in carrying out this subsection, consult with the Director of the Community Services Administration and the Secretary of Energy for the purpose of coordinating, to the maximum extent practicable, the weatherization programs conducted under this subsection, section 222(a)(12) of this Economic Opportunity Act of 1964, and part A of the Energy Conservation in Existing Buildings Act of 1976.

"(4) No grant under this subsection for the weatherization of any dwelling unit may exceed $1,500, including labor, materials, and administrative costs.

"(5) In making a grant under this subsection to finance the weatherization of a rental dwelling unit, the Secretary shall provide that (A) the benefits of weatherization assistance in connection with such unit shall accrue primarily to the low-income persons or family residing therein, (B) the rent on such dwelling unit will not be raised because of any increase in value thereof due solely to weatherization assistance provided under this subsection, and (C) no undue or excessive enhancement will occur to the value of such unit.

"(6) Rural electric cooperatives and non-profit community based organizations administering weatherization projects financed by grants authorized under this subsection first apply to and be approved by the Secretary for participation in the program. Rural electric cooperatives and non-profit community based organizations participating in the program authorized by this subsection shall conduct energy audits of dwelling units eligible for participation in the program as defined by paragraphs (12) and (13) of this section.

"(7) Rural electric cooperatives and non-profit community based organizations participating in the program authorized by this subsection shall, following the completion of no less than ten energy audits conducted under paragraph (6) of this section, submit an application to the Farmers Home Administration for grant funds authorized by this subsection to carry out necessary weatherization projects based upon those completed energy audits.

"(8) Rural electric cooperatives and non-profit community based organizations participating in the program authorized by this subsection may, on an individual basis, pool the grant funds they receive from the Farmers Home Administration to conduct the necessary weatherization work on homes having received an energy audit under paragraph (6) of this subsection. These pooled funds shall be used to finance the purchase and installation of weatherization materials used to carry out projects authorized by this subsection, and, subject to the limitation contained in paragraph (10) of this subsection, the administrative expenses incurred by rural electric cooperatives and non-profit community based organizations participating in the program.

"(9) Rural electric cooperatives and non-profit community based organizations participating in the program authorized by this subsection shall hire persons to perform the installation of weatherization materials on projects conducted under this subsection. However, rural electric cooperatives and non-profit community based organizations participating in the program authorized by this subsection may use volunteers and training participants and public service employment workers, assisted under the Comprehensive Employment and Training Act of 1973 or the Older American Community Employment Act, to perform the labor in conjunction with weatherization projects conducted under this subsection.

"(10) For their administration expenses, rural electric cooperatives and non-profit community based organizations participating in the program authorized by this subsection shall not be entitled to more than 7 percent of the total amount of the grants made to them.

"(11) The Secretary shall carry out the program authorized by this subsection in accordance with the weatherization standards described in paragraphs (2)(A) and (3) of section 413(b) of the Energy Conservation in Existing Buildings Act of 1976.

"(12) For purposes of this subsection, the terms "elderly," "handicapped person," "low-income," and "weatherization materials" shall have the same meanings given those terms in paragraphs (3), (5), (7) and (9), respectively, of Section 412 of the Energy Conservation in Existing Buildings Act of 1976."

"(13) For purposes of this subsection, the term "rural areas" means those areas not within a Standard Metropolitan Statistical Area as defined by the Bureau of the Census."

"(14) There are authorized to be appropriated for each of the fiscal years ending September 30, 1981, September 30, 1982, September 30, 1983, September 30, 1984, and September 30, 1985, $50,000,000 for making grants under this subsection."

By Mr. RIBICOFF (by request):

S. 2659. A bill to amend chapter 87 of title 5, United States Code, to increase the amounts of regular and optional group life insurance available to Federal employees and provide optional life insurance on family members, and for other purposes; to the Committee on Governmental Affairs.

● Mr. RIBICOFF. Mr. President, at the request of the Director of the Office of Personnel Management, I am introducing legislation to amend the Federal employees' group life insurance (FEGLI) law, chapter 87 of title 5, United States Code, to increase the amounts of regular and optimal group life insurance on family members and for other purposes.

The Director advises that the proposed bill is essentially identical to S. 2390 which I introduced by request on March 6, 1980. However, it has been modified so that there would be no immediate increase in total Government outlays, in response to the President's program to reduce expenditures and achieve a balanced budget in fiscal year 1981.

I ask unanimous consent that the text of the bill and a sectional analysis be printed in the Record.

There being no objection, the bill and analysis were ordered to be printed in the Record, as follows:

S. 2659

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 8704 of chapter 87 of title 5, United States Code, is amended—

(1) by amending subsection (a) to read as follows:

(a) the basic insurance benefit shall be an amount equal to the lowest multiple of $1,000 which is not less than the employee's annual rate of basic pay as prescribed by law, plus $2,000, but in no event may such amount be less than $10,000 nor more than the annual rate of pay applicable to positions at level II of the Executive Schedule under section 5313 of this title rounded to the next higher $1,000, plus $2,000.";

(2) by redesignating subsections (b), (c), and (d) as subsections (c), (d), and (e), respectively, and inserting before subsection (c) (as redesignated by this section) the following:

"(b) An employee eligible for insurance is entitled to be insured for an amount of group life insurance equal to the basic insurance benefit defined by subsection (a) of this section, plus an equal amount of group accidental death and dismemberment insurance, except that effective with the first pay period that begins on or after October 1, 1981, an employee eligible for insurance is entitled to be insured for—

"(1) group life insurance in an amount equal to the product resulting when the basic insurance benefit defined in subsection (a) is multiplied by the factor assigned to the employee's age under the following schedule:

"Age	Life insurance payable
35 and under	2.0 times basic benefit
36	1.9 times basic benefit
37	1.8 times basic benefit
38	1.7 times basic benefit
39	1.6 times basic benefit
40	1.5 times basic benefit
41	1.4 times basic benefit
42	1.3 times basic benefit
43	1.2 times basic benefit
44	1.1 times basic benefit
45 and over	1.0 times basic benefit;

and

"(2) group accidental death and dismemberment insurance in an amount equal to the basic insurance benefit defined by subsection (a).";

(3) by amending the last sentence of subsection (c) (as redesignated by this section) to read as follows: "For any one accident, the aggregate amount of group accidental death and dismemberment insurance that may be paid may not exceed an amount equal to the basic insurance benefit as defined by subsection (a) of this section."; and

(4) by amending subsection (d) (as redesignated by this section) to read as follows:

"(d) The Office of Personnel Management shall prescribe regulations providing for the conversion of other than annual rates of pay to annual rates of pay and shall specify the types of pay included in annual pay. For the purposes of this chapter, 'annual pay' includes:

"(1) premium pay under section 5545(c)(1) of this title; and

"(2) with respect to a law enforcement officer as defined in section 8331(20) of this title, premium pay under section 5545(c)(2) of this title.".

Sec. 2. Section 8706(b) of title 5, United States Code, is amended by deleting the phrase "without cost to the employee" in paragraphs (1) and (2).

Sec. 3. Section 8707 of title 5, United States Code, is amended to read as follows:

"§ 8707. Employee deductions; withholding.

"(a) During each period in which an employee is insured under a policy of insurance purchased by the Office of Personnel Management under section 8709 of this title, there shall be withheld from the employee's pay his share of the cost of the group life insurance and accidental death and dismemberment insurance. Whenever life insurance continues after an employee retires or while he is receiving compensation for work injuries, as provided under section 8706(b) of this title, employee deductions for insurance shall be withheld from annuity or compensation until the end of the calendar month in which the employee becomes 65 years of age, except that insurance shall be continued without cost to an employee who retires on immediate annuity or becomes eligible to continue insurance as a recipient of compensation for work injuries under subchapter I of chapter 81 of this title on or before December 31, 1989. The amount withheld from the pay, annuity, or compensation of each employee subject to insurance deductions shall be at the rate, adjusted to the nearest half-cent, of 66⅔ percent of the level cost as determined by the Office of Personnel Management for each $1,000 of the basic insurance benefit consistent with the current or final annual rate of basic pay as an employee.

"(b) Where an agency fails to withhold the proper amount of life insurance deductions from an individual's salary, compensation, or retirement annuity, the collection of such unpaid deductions may be waived by the agency when, in the judgment of the agency, the individual is without fault and recovery would be against equity and good conscience. However, where the agency so waives the collection of unpaid deductions, the agency must nevertheless submit the full amount of both the uncollected deductions and related agency contributions required under section 8708 of this title to the Office of Personnel Management for deposit to the Employees' Life Insurance Fund."

Sec. 4. Section 8709 of title 5, United States Code, is amended by adding at the end thereof the following new subsection:

"(d) The provisions of any contract made pursuant to this chapter which relate to the nature or extent of coverage or benefits (including payments with respect to benefits) shall supersede and preempt any State or local law, or any regulation issued thereunder, which relates to group life insurance to the extent that such law or regulation is inconsistent with the contractual provisions.".

Sec. 5. Section 8714a of title 5, United States Code, is amended—

(1) in the catchline by inserting "Standard" before "Optional";

(2) by inserting "standard" before "optional life insurance" and "optional insurance" wherever they appear; and

(3) by redesignating subsections (e) and (f) as subsections (f) and (g), respectively, and inserting before subsection (f) (as redesignated by this section) the following:

"(e) Where an agency fails to withhold the proper cost of standard optional insurance from an individual's salary, compensation, or retirement annuity, the collection of amounts properly due may be waived by the agency when, in the judgment of the agency, the individual is without fault and recovery would be against equity and good conscience. However, where the agency so waives the collection of any unpaid amount, the agency must nevertheless submit the full amount due to the Office of Personnel Management for deposit to the Employees' Life Insurance Fund.".

Sec. 6. Chapter 87 of title 5, United States Code, is further amended by inserting after section 8714a the following sections:

"§ 8714b. Modified optional insurance

"(a) Under the conditions, directives, and terms specified in sections 8709–8712 of this title, the Office of Personnel Management, without regard to section 5 of title 41, United States Code, may purchase a policy which will make available, to each employee insured for regular insurance, additional amounts of optional life insurance (without corresponding amounts of accidental death and dismemberment insurance) in addition to, or in lieu of, the standard optional insurance available under section 8714a of this title.

"(b) The modified optional insurance provided for by this section shall be made available to each insured employee, under such conditions as the Office of Personnel Management shall prescribe, in amounts of one, two, three, four, or five times the lowest multiple of $1,000 which is not less than the employee's annual rate of basic pay, at the employee's election, up to a maximum amount equal to five times the annual rate of basic pay for positions at level II of the Executive Schedule under section 5313 of this title after rounding to the next higher $1,000. An employee may reduce or terminate coverage elected pursuant to this section at any time.

"(c) The modified optional insurance elected by an employee pursuant to this section shall stop on separation from service, 12 months after discontinuance of pay, or on entry on active military duty or active duty for training, subject to a provision for a 31-day temporary extension of insurance coverage and for conversion to an individual policy as provided in sections 8706(a) and 8706(c) of this title. However, in the case of any employee who retires on an immediate annuity or who becomes entitled to receive compensation for work injuries under subchapter I of chapter 81 of this title because of disease or injury to the employee, so much of the modified optional insurance as has been in force for not less than—

"(1) the 5 years of service immediately preceding the date of retirement or entitlement to compensation, or

"(2) the full period or periods of service during which such insurance was available to the employee, if less than 5 years,

may be continued under conditions determined by the Office of Personnel Management after retirement or while the employee is receiving compensation under subchapter I of chapter 81 of this title because of disease or injury to himself and is held by the Department of Labor to be unable to return to duty. The amount of insurance continued under this subsection shall be reduced by 2 percent per month effective at the beginning of the second calendar month after the date the employee becomes 65 years of age and is retired or is in receipt of compensation for work injury. Such reduction shall continue for 50 months at which point the insurance terminates.

"(d) During each period in which the modified optional insurance is in force on an employee, the full cost thereof shall be withheld from pay. During each period in which an employee continues modified optional after retirement or while receiving compensation for work injuries as provided in subsection (c) of this section, the full cost thereof shall be withheld from the former employee's annuity or compensation, except that at the end of the calendar month in which the former employee becomes 65 years of age, the insurance shall be continued without cost. Amounts withheld under this subsection shall be deposited, used, and invested as provided in section 8714 of this title and shall be reported and accounted for together with amounts withheld under subsection 8714a(d) of this title.

"(e) Where an agency fails to withhold the proper cost of modified optional insurance from an individual's salary, compensation, or retirement annuity, the collection of amounts properly due may be waived by the agency when, in the judgment of the agency, the individual is without fault and recovery would be against equity and good conscience. However, where the agency so waives the collection of any unpaid amounts, the agency must nevertheless submit the full amount due to the Office of Personnel Management for deposit to the Employees' Life Insurance Fund.

"(f) The cost of the modified optional insurance shall be determined from time to time by the Office of Personnel Management on the basis of the employee's age relative to such age groups as the Office of Personnel Management establishes under section 8714a (e) of this title.

"(g) The amount of modified optional insurance in force on an employee at the date of death shall be paid as provided in section 8705 of this title.

"§ 8714c. Optional life insurance on family members

"(a) Under the conditions, directives, and terms specified in sections 8709–8712 of this title, the Office of Personnel Management, without regard to section 5 of title 41, United States Code, may purchase a policy which will make available, to each employee insured for regular insurance, optional life insurance (without accidental death and dismemberment insurance) on family members.

"(b) The optional life insurance on family members shall be made available to each insured employee under such conditions as the Office of Personnel Management shall prescribe and in the amount of $5,000 for a spouse and $2,500 for each child.

"(c) Optional life insurance on family members shall terminate upon the employee's separation from service, completion of 12 months in a non-pay status, entry on active military duty or active duty for training, or death, subject to a provision for a 31-day temporary extension of insurance coverage and for conversion to individual policies by the employee or surviving family members. However, in the case of any employee who retires on an immediate annuity or who becomes entitled to receive compensation under subchapter I of chapter 81 of this title because of disease or injury to the employee and who has had in force insurance under this section for no less than—

"(1) the 5 years of service immediately preceding the date of retirement or entitlement to compensation, or

"(2) the full period or periods of service during which such insurance was available to the employee, if less than 5 years,

optional life insurance on family members may be continued under the same conditions as provided in section 8714b(c) of this title.

"(d) During each period in which the optional life insurance on family members is in force, the full cost thereof shall be withheld from the employee's pay; when an employee is retired or receiving compensation for work injuries and is eligible to continue optional life insurance on family members, the full cost of the insurance shall be withheld from annuity or compensation, except that at the end of the month in which such employee becomes 65 years of age the optional family insurance shall be continued without cost to the employee. Amounts withheld under this subsection shall be deposited, used, and invested as provided in section 8714 of this title and shall be reported and accounted for together with amounts withheld under sections 8714a(d) and 8714b(d) of this title.

"(e) Where an agency fails to withhold the proper cost of optional life insurance on family members from an individual's salary, compensation, or retirement annuity, the collection of amounts properly due may be waived by the agency when, in the judgment of the agency, the individual is without fault and recovery would be against equity and good conscience. However, where the agency so waives the collection of any unpaid amounts, the agency must nevertheless submit the full amount due to the Office of Personnel Management for deposit to the Employees' Life Insurance Fund.

"(f) The cost of the optional life insurance on family members shall be determined from time to time by the Office of Personnel Management on the basis of the employee's age relative to such age groups as the Office of Personnel Management establishes under section 8714a(e) of this title.

"(g) The amount of optional life insurance in force on a family member of an employee or former employee on the date of the death of the family member shall be paid, on the establishment of a valid claim, to the employee or former employee or, in the event of the death of the employee or former employee before payment can be made, to the person or persons entitled to the group life insurance in force on the employee or former employee, under section 8705 of this title.".

SEC. 7. Section 8701 is amended—

(1) by changing the catchline to read "Definitions"; and

(2) by adding the following new subsection:

"(c) For the purpose of this chapter, 'family member' means the spouse of an employee or annuitant and an unmarried dependent child (other than a stillborn child) who is under 22 years of age, including—

"(i) an adopted child;

"(ii) a stepchild (but only if the stepchild lived with the employee or annuitant in a regular parent-child relationship; or

"(iii) a recognized natural child;

or such dependent unmarried child, regardless of age, who is incapable of self-support because of a mental or physical disability which existed before age 22. For purposes of this subsection, a child shall be deemed dependent on the employee or annuitant unless, at the time of the child's death, the employee or annuitant was neither living with nor contributing to the support of such child, as determined in accordance with such regulations as the Office of Personnel Management shall prescribe.".

SEC. 8. Section 8713 of title 5, United States Code, is repealed.

SEC. 9. The analysis of chapter 87 of title 5, United States Code, is amended—

(1) by changing the catchline of section 8701 to read "Definitions";

(2) by striking out the item relating to section 8714a and inserting in lieu thereof the following:

"8714a. Standard optional insurance.
"8714b. Modified optional insurance.
"8714c. Optional life insurance on family members."; and

(3) by designating section 8713 as "Repealed.".

SEC. 10. (a) Except as otherwise specified in this Act, the amendments made by sections 1 through 5 and sections 8 and 9 of this Act shall take effect upon enactment and shall have no effect in the case of an employee who died, was separated, or retired prior to the date of enactment. The amendment made by paragraph (4) of section 1 of this Act shall apply with respect to premium pay payable from and after the first day of the first pay period which begins on or after the date of enactment of this Act.

(b) The amendments made by sections 6 and 7 of this Act shall take effect on the first day of the first pay period which begins on or after the one hundred and eightieth day following the date of enactment, or on any earlier date that the Office of Personnel Management may prescribe which is at least sixty days after the date of enactment, and shall have no effect in the case of an employee who died, was finally separated, or retired prior to such effective date.

SEC. 11. The Employees' Optional Life Insurance Fund is available without limitations for expenses incurred by the Office of Personnel Management in carrying out sections 6 and 10 of this Act.

SECTION-BY-SECTION ANALYSIS

(To Accompany a Draft Bill)

"To amend chapter 87 of title 5, United States Code, to increase the amounts of regular and optional group life insurance available to Federal employees and provide optional life insurance on family members and for other purposes."

The Federal Employees' Group Life Insurance (FEGLI) Program has been criticized by employees, unions, Members of Congress, annuitants, the General Accounting Office, the quadrennial Commission on Executive, Legislative, and Judicial Salaries, the press, and many others as no longer comparable to the group insurance plans of other national employers. Their criticisms relate to the sharing of the program's costs between the Government and employees, the premium rates, and the design of the benefit package itself. To a considerable degree, this criticism is justified.

This legislative proposal is designed to improve the attractiveness of the FEGLI Program to employees and future annuitants, with no increase in the level cost of

the regular insurance, and with only a minimal increase in total Government outlays in the early years following enactment of the proposal, which will be fully offset in the long run.

The proposed bill would amend the FEGLI Program authorized under chapter 87 of title 5, United States Code to:

(1) Modify the existing schedule of regular FEGLI benefits to afford greater protection to young employees after October 1, 1981;

(2) Require that employees who, after December 31, 1989, become eligible to continue regular FEGLI while retired or receiving compensation for work injuries pay premiums until age 65;

(3) Authorize agencies to waive collection of retroactive deductions for regular or optional life insurance when the proper amounts have not been deducted from salary or retirement benefits through no fault of the insured individual; and

(4) Authorize two new employee-pay-all options offering additional life insurance on employees, expressed in multiples of salary, and flat amounts of life insurance on immediate family members.

The first section of the bill would redesignate the existing regular FEGLI life insurance amount as the "basic insurance benefit" and, effective the first pay period beginning on or after October 1, 1981, provide additional, age-adjusted life insurance coverage under the regular FEGLI program to employees under age 45, with no increase in cost over the present FEGLI regular premium. Regular group life insurance coverage for all insured employees presently consists of life insurance in an amount equal to the employee's annual salary, rounded to the next higher $1,000, plus $2,000 (subject to a minimum of $10,000 and a maximum of $63,000), plus an equal amount of accidental death and dismemberment insurance. For employees age 35 and under, the regular life insurance benefit will be changed to 2.0 times the present life insurance amount; for each year in excess of age 35, the factor 2.0 will be reduced by .1, until by age 45, and thereafter, the factor will be 1.0 and only the current basic life insurance amount will be payable. Accidental death and dismemberment protection will continue to equal the basic insurance benefit for all employees.

The first section would also provide that premium pay awarded to Federal law enforcement officers under 5 U.S.C. 5545(c)(2) shall be included as a part of annual pay for FEGLI purposes. Public Law 93-350, approved July 12, 1974, previously amended the Civil Service Retirement law to include such premium pay as a part of basic pay for annuity computation purposes, reflecting the view that the regularly recurring nature of this premium pay makes it a part of the career pattern of the employee and a reasonable basis for determining employee benefits. However, Public Law 93-350, perhaps inadvertently, failed to make a similar change in the Federal Employees' Group Life Insurance law.

Sections 2 and 3 of the bill propose to amend sections 8706(b) and 8707 of title 5, United States Code, respectively, to require that, beginning in 1990, employees who become eligible to continue regular insurance during retirement or while in receipt of workers' compensation must continue to pay premiums until age 65 for the unreduced FEGLI regular coverage which is provided under the present law at no personal cost.

Requiring employees who retire before age 65 to pay for continuing unreduced coverage is common practice in the contributory group insurance plans of many national employers. Employees who elect to continue optional FEGLI coverage while retired or receiving workers' compensation have, since the inception of the optional program in 1968, been subject to premiums for unreduced coverage to age 65. With respect to recipients of workers' compensation, it should be noted that when FEGLI was extended to employees in receipt of compensation for work injury by Public Law 84-541 (70 Stat. 213) in 1956, the legislative intent was to accord these individuals the same consideration as disability retirees. However, since Federal employees are currently relying on the Government's promise of unreduced coverage until age 65 at no personal cost when they retire on immediate annuity or are receiving workmen's compensation under prescribed conditions, those who become entitled to annuity or compensation benefits in the next several years would not be subject to this change.

Section 3 of the bill would also add a new subsection 8707(b) to title 5, United States Code, authorizing Federal agencies to waive retroactive collection of regular insurance deductions when the proper amounts have not been deducted from salary or retirement benefits through no fault of the insured individual. However, while the employee or annuitant may be excused from paying retroactive deductions, the erring agency would still be required to submit the amount due to the Office of Personnel Management for deposit to the Employees' Life Insurance Fund.

A recent court decision [*Shannon* v. *U.S.C.S.C.*, 444 F. Supp. 354 (N.D. Ca., 1977)] required that the Office of Personnel Management provide certain due process rights to annuitants from whose recurring payments debts are collected, including an opportunity for reconsideration of the debt (with the possibility of waiver or compromise, if applicable under the statute under which the debt arose) before collection begins. Although the resultant permanent injunction was technically limited to overpayments of annuity, the judge ruled that the waiver provision in the Civil Service Retirement law (5 U.S.C. 8346(b)) applied to all payments made to individuals as annuity and that the reason for the overpayment is not relevant. However, in its administration of the Federal Employees' Group Life Insurance law, the Office of Personnel Management has consistently held that underdeduction of life insurance deductions results in a debt owed to the FEGLI trust fund and that the statute establishing this program does not provide for waiver. In the interest of effective administration of the *Shannon* order and in the interest of equity for all FEGLI participants, section 3 proposes to insert specific waiver authorization in the FEGLI law.

Section 4 would exempt the Federal Employees' Group Life Insurance Program from any State or local law or regulation pertaining to the nature or extent of group life insurance coverage or benefits to the extent that such law or regulation conflicts with the provisions of any contract made under the FEGLI law. A similar provision was added to the Federal Employees Health Benefits law by Public Law 95-368, approved September 17, 1978. The provision for preemption of State and local group life insurance law is deemed advisable to eliminate all possibility of a conflict between section 6 of this bill, increasing levels of optional group life insurance available to employees, and any provision of State law limiting the amount of insurance which may be provided under a group insurance contract to citizens of the State.

Section 5 would redesignate the existing optional FEGLI program which has been in effect since February 1968 as the "Standard Optional Insurance" program, thereby distinguishing it from the new optional coverages authorized by section 6. It would also provide discretionary authority for Federal agencies to waive retroactive collection of optional insurance deductions corresponding to the authorization provided under section 3 with respect to regular FEGLI deductions.

Section 6 would authorize the Office of Personnel Management to purchase insurance policies making available two new employee-pay-all FEGLI options. Proposed section 8714b of title 5 offers all employees participating in regular FEGLI a "Modified Optional Insurance" plan under which they may purchase additional life insurance in multiples of one, two, three, four, or five times their salary, subject to a maximum limitation of five times the pay for positions at level II of the Executive Schedule under 5 U.S.C. 5313 (currently $60,662.50), rounded to the next higher $1,000. Employees who elect less than their maximum optional coverage will be permitted to increase their insurance whenever there is a change in marital status or a child is born or adopted into their immediate family.

Proposed section 8714c of title 5, which would be added by section 6 of the bill, offers all employees participating in regular FEGLI a plan of optional insurance in flat amounts on certain family members. Benefits amount to $5,000 on the spouse of an employee (or annuitant) and $2,500 on each unmarried dependent child from birth to age 22, or any unmarried dependent child, regardless of age, who is incapable of self-support because of mental or physical disability which existed before age 22. Employees who waive participation in the plan could enroll or re-enroll whenever there is a change in marital status or a child is born or adopted into their immediate family. The amount of optional insurance in force on the date of the death of a family member would be paid, upon establishment of a valid claim, to the employee or former employee. In the event of an employee's death before payment could be made to him or her, benefits would be paid to the person or persons entitled to the group life insurance in force on the employee or former employee.

There is no additional accidental death and dismemberment protection under either of the new optional plans. Premium rates for both plans would be determined from time to time by the Office of Personnel Management and would be age-adjusted on the basis of the same age groups as those specified for Standard Optional Insurance. Modified Optional Insurance would be rated per $1,000; Optional Insurance on Family Members would be rated as a flat amount for all enrolled employees in a given age group, regardless of the number of family members. There are also provisions authorizing agencies to waive retroactive collection of deductions when the proper amounts have not been withheld through agency error, as was explained above in the discussion of section 3.

Modified Optional Insurance and Optional Insurance on Family Members would stop (subject to a 31-day temporary extension and the privilege of converting the insurance to individual policies) upon the employee's separation from service, completion of 12 months in a non-pay status, or entry on active military duty. In addition, surviving family members would be able to convert all or any part of the optional family insurance to individual policies within 31 days of the insured employee's death. However, any employee who retires on immediate annuity or who becomes entitled to receive workers' compensation under 5 U.S.C., chapter 81, and is held by the Department of Labor to be unable to return to duty, would be able to continue optional insurance which has been in effect for the immediately preceding five years (or from the employee's first opportunity to elect such coverage, if less than five years), provided payment of premiums is continued until age 65. At the beginning of the second calendar month after the date on which the employee becomes 65 years of age and is retired or is receiving workers' compensation, benefits under both optional plans would begin to be reduced by two percent per month for 50 months until protection ends. No premiums would be required while the optional insurance is subject to reduction. Employees and annuitants would be able to reduce their Modified Optional Insurance or terminate coverage under either optional plan at any time.

Section 7 would define "family member" for FEGLI purposes to include the spouse of an employee or annuitant as well as any unmarried dependent child (other than a stillborn child), including an adopted child, stepchild (if the stepchild lived with the employee or annuitant in a regular parent-child relationship), or recognized natural child, who is under 22 years of age or who, regardless of age, is incapable of self-support by virtue of mental or physical disability which existed before age 22. This section would further provide that a child shall be deemed dependent on the employee or annuitant unless, at the time of the child's death, the employee or annuitant was neither living with nor contributing to the support of such child, as determined in accordance with regulations prescribed by the Office of Personnel Management.

The above definition of "child" is consistent with the current definitions under the Civil Service Retirement (CSR) law (5 U.S.C. 8341(a)(3)) and the Federal Employees Health Benefits (FEHB) law (5 U.S.C. 8901(5)), as amended by Public Law 96-179, approved January 2, 1980. The amendment of the definition of "child" in the CSR and FEHB laws is intended to fully implement recent judicial decisions and extend benefits and coverage to all dependent children. Because uniform definitions greatly facilitate adjudication of Federal employee benefits and dissemination of information to beneficiaries, the same definition of "dependent child" would be adopted for FEGLI purposes.

Section 8 proposes to abolish the Employee Advisory Committee on Federal Employees Group Life Insurance. Routine consultations with representatives of employee unions and agency directors of personnel have proven to be more effective vehicles of employee opinion in recent years and the last committee meeting of record was December 1971.

Section 9 amends the analysis of chapter 87 of title 5, United States Code.

Section 10 would establish the effective dates of these amendments to 5 U.S.C., chapter 87. Paragraph (4) of the first section, which provides that premium pay awarded to Federal law enforcement officers under 5 U.S.C. 5545(c)(2) shall be included as a part of annual pay for FEGLI purposes, would apply with respect to premium pay payable beginning the first pay period commencing on or after the date of enactment. Changes prescribed by sections 3 through 5 with respect to agency authorization to waive unpaid regular and optional insurance deductions under certain conditions and preemption of State or local group life insurance laws would be effective upon enactment. These changes would not have any effect in the case of employees who die, separate, or retire prior to the date of enactment.

As noted previously, the additional regular life insurance coverage for employees under age 45, authorized under paragraphs (1) through (3) of the first section, would become effective with the first pay period commencing on or after October 1, 1981. Provisions in sections 2 and 3 requiring deductions for regular FEGLI from insured individuals who are under age 65 and are retired or receiving workers' compensation would apply only in the case of employees who retire or begin receiving workers' compensation after 1989.

The new optional insurance plans would become effective on the first day of the first pay period that begins 180 days subsequent to enactment, or any earlier date that the Office of Personnel Management may prescribe which is at least 60 days after enactment, and would have no effect on employees who die, separate, or retire before the effective date.

Section 11 would make available the existing Employees' Optional Life Insurance Fund to meet administrative expenses incurred by the Office of Personnel Management in establishing the two new optional plans.●

By Mr. MOYNIHAN:

S. 2660. A bill to clarify the definition of the term "local furnishing" in the Internal Revenue Code of 1954; to the Committee on Finance.

● Mr. MOYNIHAN. Mr. President, my bill would let New York City tap the gas that is produced by decomposing garbage, have private companies supply it to city residents, and finance the endeavor with tax-exempt "industrial development bonds." Any other city can do this now. New York City cannot because of its unusual political structure—it has five boroughs.

As a general rule, industrial development bonds are taxable, not tax exempt. However, section 103(b)(4)(E) of the Federal tax code makes an exception for bonds that are used to finance "facilities for the local furnishing of electric energy or gas." The interest an investor earns on such bonds is not taxed.

The question is what is a facility for the "local furnishing"? Section 103 was placed in the code in 1968. But nowhere in the committee reports, in the transcript of the floor debate, or in the statement of the conferees is the term "local furnishing" defined.

The Internal Revenue Service takes the position that the facility must serve an area no larger than two contiguous counties. According to its regulations—

> (t)he term "facilities for the local furnishing" . . . means property which . . . is part of a system providing service . . . in one or more communities or municipalities, but in no event more than two contiguous counties (or a political equivalent).

But the service area may be one city and one contiguous county where the city is an independent entity, like Baltimore, Md.:

> For purposes of this subdivision, a city which is not within, or does not consist of, one or more counties (or a political equivalent) shall be treated as a county.

In 1978, Congress added a new sentence to the code. In effect, the new sentence defines local furnishing as either two contiguous counties or one city and one contiguous county, whether the city is an independent entity, like Baltimore, or not. But the statutory definition applies only to facilities for the furnishing of electricity. The bill I am introducing today would extend it to gas.

Under the present rules, Mr. President, every city, except New York, can build a facility to supply gas to its residents, and finance it with tax-exempt "industrial development bonds." Every city, except New York, is either a municipality within a county, or an independent unit. New York is disqualified because it has five boroughs, or "counties."

The present rules make a mockery of the word "local." It is a "local furnishing," for example, to supply gas to Jacksonville (766 square miles) or to Oklahoma City (636 square miles), but not to New York City (300 square miles), a city much smaller in geographic size.

I submit that local jurisdictions should be treated the same, whatever their political arrangements.

In addition, the term "local furnishing" should have the same meaning for plants that generate electricity and for ones that produce gas. The phrase is used once, in one sentence, as an adjective for both.

The Treasury Department supported the electricity amendment in 1978, after agreeing that furnishing power to a city and one contiguous county is sufficiently "local" that whatever bonds are issued should be tax exempt. As Don Lubick, the Assistant Secretary for Tax Policy, wrote me at the time—

> (s)ince a city is a single governmental unit, even if it embraces more than one county, the requisite local character of the furnishing is as much met by the standard you propose as by the current two-county standard. For reasons of consistency in the treatment of local jurisdictions for purposes of the "local furnishing" test, we therefore support your amendment.

I hope that the Treasury will look favorably on a second, similar amendment to cover facilities that produce gas. I ask unanimous consent, Mr. President, that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2660

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. Section 103(b) of the Internal Revenue Code of 1954 (relating to projects for which tax-exempt "industrial development bonds" may be issued) is amended by inserting the words "or gas" between "energy" and "from" in the last sentence of paragraph (4).

SEC. 2. The amendment made by this Act shall apply to obligations issued after the date of enactment.●

By Mr. CHURCH (by request):

S. 2662. A bill to amend some of the administrative provisions of the International Communication Agency's basic enabling authorities; to the Committee on Foreign Relations.

● Mr. CHURCH. Mr. President, I introduce by request a bill to amend some of the administrative provisions of the International Communication Agency's basic enabling authorities.

The bill has been requested by the acting director of the International Communication Agency and I am introducing it in order that there may be a specific bill to which Members of the Senate and the public may direct their attention and comments.

I reserve my right to support or oppose this bill, as well as any suggested amendments to it, when the matter is considered by the Committee on Foreign Relations.

I ask unanimous consent that the bill be printed in the RECORD at this point, together with the letter from the Acting Director of the ICA to the President of the Senate dated April 17, 1980.

There being no objection, the bill and material were ordered to be printed in the RECORD, as follows:

S. 2662

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) Sec. 202 (a) title III of the United States Information and Educational Exchange Act of 1948 (22 U.S.C. 1451–1453) is amended to read as follows:

"PERSONS TO BE ASSIGNED

"SEC. 301. The Director of the International Communication Agency is authorized, when the government of another country is desirous of obtaining the services of a person having special scientific or other techical or professional qualifications, from time to time to assign or authorize the assignment for service, to or in cooperation with such government, any person in the employ or service of the Government of the United States who has such qualifications, with the approval of the Government agency in which such person is employed or serving. No person shall be assigned for service to or in cooperation with the government of any country unless (1) the Director finds that such assignment is necessary in the national interest of the United States, or (2) such government agrees to reimburse the United States in an amount equal to the compensation, travel expenses, and allowances payable to such person during the period of such assignment in accordance with the provisions of section 302, or (3) such government shall have made an advance of funds, property, or services as provided in section 902. Nothing in this Act, however, shall authorize the assignment of such personnel for service relating to the organization, training, operation, development, or combat equipment of the armed forces of a foreign government.

"STATUS AND ALLOWANCES

"SEC. 302. Any person in the employ or service of the United States, while assigned for service to or in cooperation with another government under the authority of this Act, shall be considered, for the purpose of preserving his rights, allowances, and privileges as such, an officer or employee of the Government of the United States and of the Government agency from which assigned and he shall continue to receive compensation from that agency. He may also receive, under such regulations as the President may prescribe, representation allowances similar to those allowed under section 901(3) of the Foreign Service Act of 1946 (60 Stat. 999). The authorization of such allowances and other benefits and the payment thereof out of any appropriations available therefor shall be considered as meeting all the requirements of section 1765 of the Revised Statutes.

"ACCEPTANCE OF OFFICE UNDER ANOTHER GOVERNMENT

"SEC. 303. Any person in the employ or service of the United States while assigned for service to or in cooperation with another government under the authority of this Act may, at the discretion of his Government agency, with the concurrence of the Director of the International Communication Agency, and without additional compensation therefor, accept an office under the government to which he is assigned, if the acceptance of such an office in the opinion of such agency is necessary to permit the effective performance of duties for which he is assigned, including the making or approving on behalf of such foreign government the disbursement of funds provided by such government or of receiving from such foreign government funds for deposit and disbursement on behalf of such government, in carrying out programs undertaken pursuant to this Act: Provided, however, That such acceptance of office shall in no case involve the taking of an oath of allegiance to another government."

(b) Section 202(b) section 804 of the United States Information and Educational Exchange Act of 1948 (22 U.S.C. 1474) is amended—

(1) by revising paragraph (16) to read as follows:

"(16) purchase vehicles for use abroad, except that right-hand drive and security vehicles may be purchased without regard to any maximum price limitation established by law;";

(2) by striking out "and" at the end of paragraph 18;

(3) in paragraph 19 by striking out the period and inserting a semicolon and adding the word "and";

(c) Section 202(c) title VIII of the United States Information and Educational Exchange Act of 1948 (22 U.S.C. 1471–1478) is amended by adding at the end thereof the following new section:

"ACTING ASSOCIATE DIRECTORS

"SEC. 808. When an Associate Director of the International Communication Agency dies, resigns, or is sick or absent, the Associate Director's principal assistant shall perform the duties of the office until a successor is appointed or the absence or sickness stops."

(d) Section 202(e) section 802 of the United States Information and Educational Exchange Act (22 U.S.C. 1472) is hereby amended by inserting the letter "(a)" immediately before the words "In carrying on activities" and adding the following new subsections:

"(b) Any contract of the types authorized by subsection (a) and described in subsection (d) of this section which is funded on the basis of annual appropriations may nevertheless be made for periods not in excess of five years when—

(1) appropriations are available and adequate for payment for the first fiscal year; and

(2) the Director of the International Communication Agency determines that—

(A) the need of the Government for the property or service being acquired over the period of the contract is reasonably firm and continuing; and

(B) such a contract will serve the best interests of the United States by encouraging effective competition or promoting economics in performance and operation; and

(C) such a method of contracting will not inhibit small business participation.

"(c) In the event that funds are not made available for the continuation of such a contract into a subsequent fiscal year, the contract shall be canceled and any cancellation costs incurred shall be paid from appropriations originally available for the performance of the contract, appropriations currently available for the acquisition of similar property or services and not otherwise obligated, or appropriations made for such cancellation payments.

"(d) The types of contacts referred to in subsection (b) shall be those for the procurement of property or services, or both for the operation, maintenance and support of programs, facilities and installations for or related to radio transmission and reception, newswire services, and the distribution of books and other publications in foreign countries.

INTERNATIONAL COMMUNICATION AGENCY,
Washington, D.C., April 17, 1980.
Hon. WALTER F. MONDALE,
President of the Senate

DEAR MR. PRESIDENT: There is transmitted herewith proposed legislation that would amend some of the administrative provisions of the Agency's basic enabling authorities. Recognizing the legislative pattern of recent years, we have identified our proposal as Title II of an anticipated broader Foreign Relations Authorization Bill.

The bill would amend the Agency's basic enabling legislation to adjust several administrative provisions. Such changes, following the enactment of similar proposals last year, will improve our capability to administer Agency programs. An analysis explaining the proposed legislation is enclosed.

The Office of Management and Budget has informed us that there is no objection to the presentation of this proposed legislation to the Congerss from the standpoint of the Administration's program.

Respectfully,

CHARLES W. BRAY, III
Acting Director.

SECTION-BY-SECTION ANALYSIS

CHANGES IN ADMINISTRATIVE AUTHORITIES

Section 202.(a)—Assignment of Specialists. This proposal would enable the Director of the Agency to assign or authorize the assignment of any employee of the United States to a foreign government at the latter's request.

At present, only U.S. citizen employees may thus be assigned under the authority of section 301 of the Smith-Mundt Act. No reason appears why the assignment was restricted only to citizen employees. It may be that the employee with the requisite expertise is an alien, and it may be advantageous programmatically or psychologically for a third country national to give instruction.

The amendments to sections 302 and 303 are technical in nature required to bring the sections into conformity with section 301.

Section 202. (b)—Technical Amendments. (1) Purchase of automobiles with security features.

Terrorist activities abroad increase the risk of death or injury to U.S. personnel and of damage to U.S. vehicles or vehicles without security features. The presence of a chauffeur driven automobile of U.S. manufacture with diplomatic tags identifies the occupants as U.S. personnel. The large size of the automobile makes evasive driving in narrow streets difficult. The risk of death, injury or damage would be lessened if U.S. personnel in certain high risk areas were to be driven in automobiles of foreign manufacture or, alternatively, with optional security features.

This amendment brings the Agency's authority in line with identical authority granted to the Department of State in Title I of Public Law 96–68 (93 Stat. 416). Section 204(b)(4) of Public Law 96–60 (93 Stat. 400) granted the Agency authority to purchase right hand drive vehicles for overseas use without regard to maximum price limitation.

Section 202. (c)—Acting Associate Directors. During the absence, disability or death of an Associate Director or during a vacancy in the Office of Associate Director, his or her principal deputy succeeds to the duties on an acting basis. However, the validity of some actions could be in doubt and perhaps successfully challenged in court, particularly those involving the obligation of funds. It is clear that an Acting Associate Director cannot authorize the negotiation of certain contracts. Further, the Comptroller General has called into question the validity of actions taken by officials occupying on an acting basis positions whose incumbents are Presidential nominees confirmed by the Senate, unless specific legal authority provided for the temporary official so to act (*e.g.,* 56 Comp. Gen. 761 (1977); Decision B–150136, May 16, 1978).

This proposal would cure the deficiency by authorizing the deputy to exercise the full functions of the Associate Director. Such authority has long been granted to cabinet and military departments by the Vacancies Act (5 U.S.C. 3346), but the pertinent statute has thus not been extended to executive agencies.

Section 202. (d)—Multiyear Contracting Authority. The sole purpose amendments to Section 802 of the United States Information and Educational Exchange Act of 1948 (22 U.S.C. 1472) is to authorize the Agency to enter into contracts for property and services on a multiyear basis where such contracts are funded by annual appropriations.

The term of any such contract could not exceed five years. If a contract was canceled at any time after the fiscal year in which made by reason of the failure or refusal of Congress to appropriate funds for its continuation, a cancellation payment would be made to the contractor to reimburse him for the unrecouped portion of such items as startup costs that were to have been prorated over the originally contemplated contract period. Some examples of the sort of economies and the potential for increased competition that the Agency might expect to derive from such multiyear contracting:

First, there has long been a need for an offshore facility in Greece for the more economical and expeditious unloading of the substantial quantities of petroleum products used to operate our relay station at Kavala. A major supplier informed the Agency that if it had been offered a multiyear contract for these products, it would have installed the needed facility at its own expense.

Second, multiyear contracts for newswire services would result in less drastic annual price increases to the Agency.

Third, the tariff rates that the Agency pays for satellite broadcast transmission services would be lower under multiyear contracts.

Fourth, the cost to the Agency of obtaining computerized lists of books for use abroad by its numerous libraries would be substantially reduced under multiyear contracts. In addition, there would be a strong likelihood of increased competition for these contracts because the high startup costs could be amortized over a much longer period of time.

Fifth, in the absence of our ability to make other than one-year contracts for the maintenance of the grounds at our relay stations, we have encountered decreasing competition and, presumably, increased costs, inasmuch as many small business enterprises are unwilling or unable to absorb in one year the relatively large capital costs of equipment needed to perform these maintenance services.

The requested amendments are broadly analogous to the provisions contained in 10 U.S.C. 2306(g), which authorize certain agencies (primarily the military departments) to enter into contracts for periods of not more than five years for specified types of services (and related supplies) to be rendered outside the forty-eight contiguous states and the District of Columbia. However, these amendments have been cast in a simpler form.●

By Mr. MOYNIHAN (for himself, Mr. JAVITS, and Mr. WILLIAMS):

S. 2663. A bill to amend title I of the Federal Water Pollution Control Act to authorize a demonstration project for the reclamation of the Hudson River; to the Committee on Environment and Public Works.

● Mr. MOYNIHAN. Mr. President, I rise today to introduce a bill to authorize the Hudson River PCB Reclamation Demonstration project. My colleagues, Mr. JAVITS of New York and Mr. WILLIAMS of New Jersey, join me as cosponsors of this bill which I plan to offer as an amendment to the Clean Water Act in the Environment and Public Works Committee.

The Hudson River, a 75-million-year-old waterway, is highly contaminated with polychlorinated biphenyls, known as PCB's. For precisely the reason the chemical was synthesized, mass produced and utilized in transformers and other machinery—its resistance to decomposition—PCB's have become one of the more onerous toxic pollutants of our industrial era. This is a matter of utmost environmental and economic seriousness.

More than 630,000 pounds of PCB's were discharged by industry in the upper Hudson over a period of decades until their production and use were prohibited by the Environmental Protection Agency in 1978. Over half of this amount is still present within 40 miles of the original point of discharge, where it is concentrated in approximately 40 "hot spots." Some 5,000 pounds of PCB's each year flow out of these hot spots and disperse in the lower river where they cannot be recovered.

These long-term discharges of PCB's have taken a serious toll in the Hudson, not only on its fish and plant life, but also on the viability of industry and other enterprises downstream. Some species of fish in the river are contaminated with PCB's at concentrations in excess of acceptable Food and Drug Administration limits by up to a factor of 100, leading New York State to ban all fishing in the upper Hudson, and most commercial fishing in the lower Hudson. In addition, PCB contamination in the river bottom sediment has hindered dredging needed to assure an adequate harbor depth for the Port of New York and New Jersey and nearby industries, and nearly forced the temporary closing of that port.

New York has been actively working on this problem, but lacks the resources to address it unilaterally. In 1975 the State commenced legal action against General Electric, the company responsible for the preponderance of the PCB discharges. In settlement of that suit, a $7 million joint New York State-General Electric fund was created, which has been used during the past 2 years for studies and limited remedial action. New York State has also sought Federal assistance on three occasions. The State first sought funding under section 115 of the Clean Water Act which addresses in-place toxic substances such as PCB's. This application was denied by EPA on the grounds that Congress had never appropriated funds under section 115. A second New York application to EPA was made under section 201 of the Clean Water Act, for funding the project from its share of the sewage construction grant program. This application, too, was rejected, in this case because EPA deemed the clean-up program outside of their statutory authority under the sewage grant program. A third application similar to the second is still pending with EPA.

It makes little sense for the State and Federal Government to spend millions of dollars for sewage treatment along the Hudson when the river itself is laden with a toxic chemical. For this reason, the State of New York has designated the clean up of the PCB's in the Hudson River as its highest priority water quality project under the 201 program. Although EPA approves of this project and fully recognizes the consequences of further delay in dredging the so-called "hot spots," it is limited by its statutory authority. My bill will enable EPA to approve the use of 201 funds for the purpose of this project.

Under the demonstration program, EPA, in cooperation with the State, would dredge the 40 "hot spot" areas, removing up to 60 percent of the PCB's in the river. The contaminated sediments would be stored in secure landfills, which New York State has already identified. The State estimates that this project could be completed at a total cost of $40 million. My bill provides that this cost be shared between the State and Federal Government, with the State responsible for 25 percent of the cost.

I urge my colleagues on the Environment and Public Works Committee to incorporate this bill into the Clean Water Act reauthorization legislation presently under consideration.

Mr. President, I ask unanimous consent that a copy of my bill, and a fact sheet on PCB's in the Hudson River be printed in the RECORD.

There being no objection, the bill and factsheet were ordered to be printed in the RECORD, as follows:

S. 2663

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That title I of the Federal Water Pollution Control Act is amended by adding at the end thereof the following new section:

"HUDSON RIVER PCB RECLAMATION DEMONSTRATION PROJECT

"SEC. 116. (a) The Administrator is authorized to enter into contracts and other agreements with the State of New York to carry out a project to demonstrate methods for the selective removal of polychlorinated biphenyls contaminating bottom sediments of the Hudson River, treating such sediments as required, burying such sediments in secure landfills, and installing monitoring systems for such landfills. Such demonstration project shall be for the purpose of determining the feasibility of indefinite storage in secure landfills of toxic substances and of ascertaining the improvement in the rate of recovery of a toxic contaminated national waterway.

"(b) The Administrator is authorized to make grants to the State of New York to carry out this section from funds allotted to such State under section 205(a) of this Act, except that the amount of any such grant shall be equal to 75 per centum of the cost of the project and such grant shall be made on condition that non-Federal sources provide the remainder of the cost of such project".

FACT SHEET ON PCB'S IN THE HUDSON RIVER

To what degree is the Hudson contaminated with PCB's?

More than 630,000 pounds of PCB's were discharged by industry in the upper river area over a period of decades, until PCB production and use were prohibited by EPA in 1978.

Over half of this amount is still present within 40 miles of the original point of discharge, concentrated in approximately forty dense "hot spots."

Approximately 5000 pounds of PCB's per year flow from these hot spots and disperse in the lower river.

How serious a problem does this pose?

Some fish in the river contain over 100 times the Food and Drug Admministration's acceptable limits for PCB's in fish sold interstate.

As a result New York State has now banned all fishing in the upper Hudson and most commercial fishing in the lower Hudson.

PCB contamination in the river sediments near New York City delayed—and nearly prevented—dredging necessary for the continued operation of the Port of New York and New Jersey and nearby industries.

What action has New York State taken?

In 1975 New York began administrative action against General Electric, the company responsible for the preponderance of the river's PCB's.

A $7 million joint New York State-General Electric fund in settlement of that action has been used for over two years of studies and limited remedial action.

The state has thrice applied for federal assistance in clean-up under the Clean Water Act. One application was rejected because Congress had not funded Section 115, which addresses in-place toxics such as PCB's. The second application, for funding under the 201 sewage grant program, was denied because it was deemed outside the scope of that program. A third application is pending, also for 201 funds.

What remains to be done?

Dredging the forty "hot spots" in the river can remove over 60 percent of the remaining PCB's. A delay in this clean-up will make it less feasible each year, as increasing amounts of the PCB's in the hot spots disperse.

New York estimates that the clean-up will cost $40 million, of which three-quarters would be provided from New York's allotment of federal 201 sewage funds under the Moynihan amendment. New York State would be responsible for the remainder.●

By Mr. COHEN:

S. 2664. A bill to authorize and direct the Secretary of the Treasury, to cause the vessel *Fundy Pride*, owned by the State of Maine, as represented by "The Department of Educational and Cultural Services" acting through its Division of Vocational Education, Washington County Vocational Technical Institute, to be documented as a vessel of the United States with coastwise privileges; to the Committee on Commerce, Science, and Transportation.

"FUNDY PRIDE"

● Mr. COHEN. Mr. President, this bill would authorize documentation of the vessel *Fundy Pride*, as a vessel of the United States so that she may engage in the American fisheries for nonprofit, educational purposes.

The marine document of an American documented vessel serves a dual purpose. It is both a certificate of nationality and an authorization from the sovereign for the vessel's use in general or specific trades. The cabotage laws, designed for the protection of domestic labor and industry prescribe further prerequisites by limiting the use under the American flag of vessels built abroad. Such vessels may not transport passengers between ports or places in the United States, nor engage in the American fisheries unless private relief legislation is enacted.

The *Fundy Pride*, a 45-foot vessel, was built in Cape St. Mary's, Nova Scotia, Canada in 1962, and was brought to the United States by its owner, the Merle Corp. of Ossining, N.Y. On July 16, 1976, the Merle Corp. offered to donate the vessel to the State of Maine for use by the Marine Vocational Center of Washington County Vocational Technical Institute, which is located in Eastport, Maine. This offer was accepted, and the institute was authorized to take possession of the vessel on August 23, 1976.

The Marine Vocational Center will use the *Fundy Pride* in its fisheries training program, which commenced in September 1978. Unless legislation permitting documentation is enacted, the use of this vessel to the center will be lost.

Insofar as the Marine Vocational Center is a nonprofit educational institution, the bill would result in no competitive impact on U.S.-built vessels.

Enactment of this bill would result in no costs to the Federal Government, nor would it increase or affect Federal regulation in any way.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2664

Be it enacted by the Senate and House of Representatives of the United States in Congress assembled, That notwithstanding the provisions of Section 27 of the Merchant Marine Act of 1920 and the provisions of Section 4132 of the Revised Statutes as amended, the Secretary of the Department in which the Coast Guard is operating, shall cause the vessel *Fundy Pride,* built in Cape St. Mary's Nova Scotia, and now owned by the State of Maine, as represented by the Commissioner to be documented as a vessel of the United States, upon compliance of the usual requirements, to engage in the coastwise trade and the fisheries, so long as such vessel is owned by the State of Maine, or a citizen of the United States.●

By Mr. BUMPERS (for himself, Mr. JACKSON, and Mr. JOHNSTON):

S. 2665. A bill to amend the Mineral Leasing Act of 1920, and for other purposes; to the Committee on Energy and Natural Resources.

● Mr. BUMPERS. Mr. President, today I am introducing S. 2665, the National Coal Production, Distribution, and Utilization Act of 1980. The purpose of this legislation is to enhance the Nation's coal production, distribution and utilization by assuring the expeditious development of an adequate national coal distribution system.

Seven years after the Arab oil embargo of 1973 and despite the enactment of at least two major coal conversion acts, the Nation continues to be dependent on imported crude oil for its energy needs. Presently, conference committees of which I am a member are considering major legislative initiatives for encouraging and expediting the development of alternative fuels from domestic sources of energy. Perhaps our most extensive domestic source of energy and the source from which most alternative fuels will be produced is coal. However, our coal resources will be of absolutely no use to us unless a national coal distribution system exists which can move huge quantities of coal over long distances, from the point of production to the point of use, efficiently, economically and safely. Unfortunately, that national coal distribution system does not exist today and will not exist until coal slurry pipelines are given an opportunity to develop.

Coal slurry pipelines offer a safe, efficient and economical system for coal distribution. In a coal slurry pipeline system, coal is pulverized and mixed with water; the coal/water slurry is transported by pipeline to the point of use, the coal is separated from the water in a centrifuge at the point of use; the coal is then used as fuel and the water is used in an industrial application or cleaned for disposal. Several coal slurry pipelines have been planned to move western coal to Arkansas and other States along or near the gulf coast. At least one coal pipeline has been planned to move eastern coal to Florida and Georgia. Each of these pipelines will offer an environmentally safe, energy efficient and economical means of distributing coal among the coal consuming States. For instance, a recent study of the economic and energy benefits of the east coast coal slurry pipeline which was prepared by National Economic Research Associates, Inc. (NERA), found that this one pipeline could provide the following cumulative economic and energy benefits for the decade 1990–2000:

(1) save the nation 633.2 million barrels of diesel fuel, No. 2 heating oil and railroad fuel;

(2) save $4.8 to $9.2 billion in distribution costs to utility customers;

(3) save $19 billion in our nation's balance of payments;

(4) create 5,200 new coal mining jobs; and

(5) increase coal industry revenues by $432 million per year.

Yet, these coal slurry pipelines cannot be built today—regardless of their economic or energy savings—because many railroads will not grant the pipelines the necessary rights-of-way or access across railroad property. Given the extensive land-holdings of the railroads, most pipelines cannot be built without crossing railroad property.

No industry should be allowed, through unilateral action, to block the development of an adequate national coal distribution system. The stakes for our Nation are simply too great. Therefore, this legislation provides that the Secretary of the Interior, in consultation with the Secretary of Energy, may find that certain coal slurry pipelines are in the national interest. Any coal slurry pipeline which he finds to be in the national interest can acquire the necessary rights-of-way across the property owned by other distributors of coal by exercising the right of eminent domain in an appropriate State court or the district courts of the United States.

Mr. President, I urge the Senate to adopt this important legislation. We must get on with the business of developing and using our extensive coal resources. Coal development depends on an adequate national coal distribution system. Coal slurry pipelines are an essential and long-overdue element in that system.

I ask unanimous consent that the text of the legislation be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2665

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "National Coal Production, Distribution and Utilization Act of 1980."

FINDINGS AND PURPOSE

SEC. 2. (a) The Congress hereby finds and declares that—

(1) The United States' continuing dependence on foreign sources for petroleum and petroleum products entails grave national security risks, results in major balance of payment deficits and increases inflation and unemployment in the domestic economy;

(2) The United States possesses extensive coal reserves which must be produced, distributed and utilized to reduce this dependence on imported petroleum;

(3) These coal reserves cannot be developed and used for fuel unless adequate systems exist for the efficient and economic distribution of large quantities of coal across great distances; and

(4) The nation's coal distribution systems must include coal pipeline distribution which will assist the nation to develop efficiently and use its coal resources.

(b) The purpose of this Act is to enhance the nation's coal production, distribution and utilization by assuring the expeditious development of an adequate national coal distribution system by granting a limited right of eminent domain to coal pipelines designed for moving coal from producing areas to consuming markets.

SEC. 3. Subsection 28(a) of the Mineral Leasing Act of 1920, as amended, is further amended by inserting the word "coal" between "natural gas", and "synthetic".

LIMITED RIGHT OF EMINENT DOMAIN

SEC. 4. The Mineral Leasing Act of 1920, as amended, is further amended by adding a new Section 29 as follows and renumbering the present Section 29 and all subsequent sections accordingly:

"SEC. 29. (a) AUTHORITY TO ISSUE CERTIFICATE.—Upon application of any person proposing to construct a coal pipeline, the Secretary of the Interior, in consultation with the Secretary of Energy, shall determine whether the construction of such pipeline shall be in the national interest.

(b) FINDINGS.—In making a determination under subsection (a) with respect to any proposed coal pipeline, the Secretary of the Interior shall make findings on the extent to which the pipeline—

(1) would help meet national needs for coal distribution and utilization considering, among other matters, alternate routes or means of distributing coal;

(2) would contribute to the national security by displacing imported petroleum and coal;

(3) would enhance competition and provide new market outlets and opportunities for coal producers, including small and independent producers;

(4) might be impeded, delayed or made more expensive unless granted the power of eminent domain;

(5) would affect the environment, as compared with the impact of other routes or modes of distribution or other methods of utilization of the coal resources involved; and

(6) will be likely to result in lower costs to consumers for the coal distributed than would be in effect if such coal were distributed by other modes of transportation.

(c) RULES AND REGULATIONS.—The Secretary shall promulgate such rules and regulations as are necessary for the expeditious exercise of the authority granted in this Section.

(d) LIMITED RIGHT OF EMINENT DOMAIN.—Any person proposing to build a coal pipeline, the construction of which has been determined by the Secretary of the Interior to be in the national interest, may acquire a right of way from any person engaged in the business of distributing coal by exercising the right of eminent domain in the appropriate state court or the district court of the United States for the district in which such person's lands or rights-of-way are located. The practice and procedure in any action or proceeding for that purpose in the district court of the United States shall conform as nearly as may be practicable with the practice and procedure in similar actions or proceedings in the courts of the State where the property is situated: *Provided,* That the United States district courts shall only have jurisdiction of cases when the amount claimed by the owner of the property to be condemned exceeds $10,000.

(f) FOR PURPOSES OF THIS SECTION.—

(1) The term "coal pipeline" means any system for the transportation of coal (or its solid-derived products). A pipeline system includes the line pipe, valves, support structures, pumping units and similar facilities used or useful in the transportation of coal.

(2) The term "right-of-way", when used with respect to a coal pipeline, means such land, or interest in land, as may be necessary for the construction, operation, and maintenance of such coal pipeline.

(3) The term "person" means any individual, corporation, company, partnership, association, firm, institution, society, trust, joint venture, or joint stock company."

SEC. 5. Nothing in this Act shall be construed to authorize the further regulation of, or to relate to or otherwise affect regulation of, interstate common carriers, particularly railroads and pipelines.●

By Mr. CHURCH (by request):

S. 2666. A bill to authorize appropriations for the International Natural Rubber Agreement for fiscal year 1981; to the Committee on Foreign Relations.

● Mr. CHURCH. Mr. President, I introduce by request a bill to authorize appropriations for the International Natural Rubber Agreement for fiscal year 1981.

The bill has been requested by the Acting Assistant Secretary of State for Congressional Relations, and I am introducing it in order that there may be a specific bill to which Members of the Senate and the public may direct their attention and comments.

I reserve my right to support or oppose this bill, as well as any suggested amendments to it, when the matter is considered by the Committee on Foreign Relations.

I ask unanimous consent that the bill be printed in the RECORD at this point, together with the related analysis, and the letter from the Acting Assistant Secretary of State to the President of the Senate dated April 1, 1980.

There being no objection, the bill and material were ordered to be printed in the RECORD, as follows:

S. 2666

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled. That in order to meet obligations of the United States as a member of the International Natural Rubber Agreement, there are hereby authorized to be appropriated sums not to exceed $88,000,000 for the payment of contributions to the Agreement's buffer stock account. Such funds will be expended as necessary upon notification from the Executive Director of the Agreement's organization that such contributions, apportioned among member governments in accordance with the provisions of the Agreement, will be required to order to carry out buffer stock transactions to stabilize the price of natural rubber on international markets. These funds are authorized to remain available until expended.

DEPARTMENT OF STATE,
Washington, D.C., April 1, 1980.

Hon. WALTER F. MONDALE,
President of the Senate,
U.S. Senate,
Washington, D.C.

DEAR MR. PRESIDENT: There is transmitted herewith a legislative proposal to authorize appropriations for fiscal year 1981 for the International Natural Rubber Agreement.

The proposal provides for authorization of $88,000,000 in fiscal year 1981, to remain available until expended, for the costs associated with an appropriation request which was transmitted within the President's budget request. An analysis further explaining the proposed legislation is enclosed.

The Department has been informed by the Office of Management and Budget that there is no objection to the presentation of this proposed legislation to the Congress and that its enactment would be in accord with the program of the President.

Sincerely,

WALTER L. CUTLER,
Acting Assistant Secretary for Congressional Relations.

ANALYSIS

AUTHORIZATION FOR THE INVESTMENT IN THE INTERNATIONAL NATURAL RUBBER BUFFER STOCK APPROPRIATION

This provides authorization of $88,000,000 in fiscal year 1981 to cover the costs associated with membership in the International Natural Rubber Agreement.

U.S. participation in the proposed International Natural Rubber Agreement would include this contribution for the purpose of purchasing natural rubber for the Agreement's buffer stock. The buffer stock would buy and sell natural rubber in world markets to stabilize prices within an agreed range, thereby promoting adequate natural rubber supplies, which is in the interest of both producers and consumers. Upon termination of the Agreement the U.S. share of the remaining assets would be refunded.

CONTRIBUTION TO THE INTERNATIONAL NATURAL RUBBER BUFFER STOCK

JUSTIFICATION

This FY 1981 authorization request would provide for $88 million to make US contributions to the buffer stock account of the International Natural Rubber Agreement. The Agreement, which is scheduled to enter into force on October 1, 1980, provides for the establishment of an international buffer stock of 550,000 metric tons of natural rubber. Contributions by member governments to that buffer stock will be mandatory.

The International Natural Rubber Agreement was concluded October 5, 1979, and was signed by the United States on January 8, 1980. The Agreement is being transmitted by the President to the Senate as a treaty for its advice and consent consideration. The fundamental objectives of the Agreement are to stabilize natural rubber prices without disturbing long-term market trends and to seek expanding supplies of the commodity at reasonable prices. US participation in the Agreement, made possible by the mandatory contributions, will have the following specific benefits: it should encourage producers to expand production and undertake investments that will help assure future supplies (The US is the largest single consumer of this commodity); it should help dampen cyclical price fluctuations which might otherwise contribute to inflationary tendencies; it should for this commodity promote international economic cooperation which benefits both industrialized and developing countries; and it should strengthen our relationship with ASEAN and key friendly governments in Southeast Asia.

Member governments commit themselves to finance the total costs of the 550,000 ton stock, including acquisition as necessary plus related holding and rotational expenses. Financial contributions will be determined by the number of votes each member government holds in the Council. Accordingly, the financing will be shared equally between importing and exporting members and groups, with each member's share apportioned according to its net imports/exports. Based on the number of countries likely to join the Agreement and our analysis of past market trends and operational considerations, the Administration believes that a total of $88 million should be sufficient to meet US obligations that might arise. Although the Administration considers this amount adequate to meet our potential obligations, a supplemental authorization and appropriation might be required in the event of extremely adverse economic conditions during the life of the Agreement.

The Agreement provides for an initial contribution in cash equivalent to $33 million, of which the US share would be approximately $5 million. This contribution must occur within 18 months of the Agreement's entry into force; it is thus likely to be an FY 1981 outlay. The remaining $83 million will be held by the US Government but would be available for call up by the Council of the Agreement as and when necessary, on 30 days' notice, to Finance the US share of buffer stock purchases and operations.

The Agreement will have a five-year life, but may be extended for an additional two years. Therefore, a multiple year appropriation will be required. At the conclusion of the Agreement, contributions actually paid in by members will be refundable, subject to any operating profits or losses incurred during the life of the Agreement.●

By Mr. NELSON:

S. 2667. A bill to amend the Small Business Investment Act of 1958; to the Select Committee on Small Business.

● Mr. NELSON. Mr. President, I am introducing legislation today which will provide a cost effective remedy to the funding problems of the 301(d) Small Business Investment Company program which is commonly identified as the minority enterprise small business investment company (MESBIC) program. Created administratively in 1969 and through legislative mandate in 1972, MESBIC's are for profit venture capital companies licensed and regulated by the Small Business Administration. The licensees provide equity and long-term debt funds to small business concerns owned by socially and economically disadvantaged entrepreneurs. This is a unique private-public sector partnership which enables MESBIC's to leverage their private capital by selling preferred securities and subordinated debentures to SBA. Currently MESBIC's are eligible to leverage their private capital on a 4-to-1 ratio.

Appropriated funds needed to meet MESBIC leverage requests were sufficient until fiscal year 1979. Passage of Public Law 95–507, which provided additional operating MESBIC benefits, coupled with growing private sector demand for MESBIC funds, caused a short fall in that year in matching Federal dollars. Although SBA received applications for $32 million in leverage, only $22 million in appropriated funds was available. This situation resulted in MESBIC funding delays in excess of 9 months.

In 1980, the story is similar. There was an appropriation of $27 million, but there was a $6 million backlog in MESBIC leverage applications carried over from fiscal year 1979 that immediately decreased available MESBIC resources for the remainder of this fiscal year. After the seventh month of the current fiscal year, there are $45 million in leverage applications pending. Unfortunately, there is only $21 million in direct funds which means $18 million in funding requests will have to be denied unless relief is granted.

The legislation I am proposing today would help to alleviate this critical situation. MESBIC's sell debentures to the Small Business Administration at 3 percent below the cost of money to the Treasury for the first 5 years. Presently, all of these debenture funds come from the direct funds appropriated for this specific purpose. This bill would amend the Small Business Investment Act of 1958 by authorizing the Small Business Administration to sell the subsidized MESBIC debentures to the Federal Financing Bank (FFB), while continuing to appropriate funds to cover the interest differential. Presently FFB now purchases from SBA all debentures sold to SBA by regular small business investment companies (SBIC's) so the amendment merely places MESBIC's on par with reglular SBIC's.

If enacted, this measure would enable SBA to provide leverage funds to MESBIC in a timely manner. Failure to provide adequate and timely funding merely deprives economically and disadvantaged concerns from obtaining debt and equity moneys during a period of record high interest rates and tight money.

The track record of the MESBIC industry affirms the need for this legislation. In 1969, the typical small business financed through the MESBIC program was a small family owned concern with annual gross receipts of $30,261. Today, the trend toward larger, more diverse and viable investments is industrywide. The type of business financed by MESBIC's during 1979 was a profitable corporation less than 3 years old, employing 26 people, with gross revenues just under $900,000. Passage of this legislation will assure that similar types of forms will be able to receive needed equity capital in the future.

Mr. President, I ask unanimous consent that the text of the bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 2667

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 317 of the Small Business Investment Act is amended by—

(a) inserting after the word "purchased" the words "or guaranteed"; and

(b) by adding after the last sentence thereof, the following: "In the event the debenture is to be financed through the Federal Financing Bank, the Administration is authorized to pay the Federal Financing Bank during the first five years of the debenture the sum equal to the difference between the interest rate pursuant to section 303(b) and the reduced interest rate prescribed by this section.".●

By Mrs. KASSEBAUM:

S. 2668. A bill to provide for certain importers of crude oil to contribute to the strategic petroleum reserve; to the Committee on Energy and Natural Resources.

● Mrs. KASSEBAUM. Mr. President, in recent months increasing attention has been devoted to the need for the United States to resume efforts toward creating a reliable strategic petroleum reserve. The legislation I am introducing today will permit us to strengthen this vital component of our national security strategy.

Today our strategic petroleum reserve contains 91 million barrels of oil in reserve—less than a 12-day supply of imported oil. By comparison, Japan has enough in storage for 88 days. The timetable for filling the reserve indicates that we were to set apart 250 million barrels by the end of 1978 and 500 million by the end of 1980, with an ultimate goal of one billion by the end of 1985. Our actual levels are evidence of the need for quick action to begin filling the SPR once again.

Concern has been expressed that an austere budget precludes, for the time being, continued development of the SPR. As a member of the Senate Budget Committee, I am sensitive to these needs. I supported the Budget Committees ultimate recommendation on this function. As I stated then, however, we cannot ignore the implications of an interruption in the supply of oil to America. A recent study by Stanford University indicates that a cutoff of the supply we currently receive from the Persian Gulf area would result in an economic loss to the United States of more than $110 billion in a year. We must also ask ourselves whether the SPR represents an expenditure or an investment. As the price of oil continues to rise, the value of the oil we store also increases.

The 91 million barrels currently stored

in the SPR have appreciated by more than $1.5 billion in the past year. We must also consider the other beneficial effects that would result from a strong reserve. First and foremost, it will eliminate many of the energy insecurities and supply uncertainties under which we currently live. This would allow increased freedom for our policies in the Middle East. Second, it will reduce the concerns our allies have about aiding us in the Middle East by reducing the threat of supply interruptions to the West. And finally, it can help provide a hedge against future increases in the price of oil.

Mr. President, my bill will assume these advantages plus the additional beneficial effect of a smaller budget impact than several efforts now underway to restore full funding to the DOE program of acquiring oil for the SPR. It would accomplish this by requiring major crude importers—defined as those whose average daily imports equal 140,000 barrels—to begin contributing to the SPR at an annual rate equal to 5 times the average daily amount they import during each calendar year. These importers will retain title to the oil they contribute. The Government will, in effect, pay the importer's interest on the purchase price of the contributed oil. This interest compensation rate will approximate the average rate of return on equity for the domestic oil industry. Importers will have the right, upon repayment of the equity payments, to withdraw amounts in accordance with the distribution plan contained in the strategic petroleum reserve plan. The Secretary of Energy shall have the right to override this decision in the event that distribution would not be consistent with the defense objectives of the SPR. The Secretary of Energy shall pay the contributing importers, should it be necessary for the Federal Government to use SPR contributions, the market price at the time of withdrawal less accumulated annual equity payments. This proposal is intended to supplement other SPR acquisition programs. Taken in combination with proposals to segregate naval petroleum reserve oil for the SPR, this contribution program will assure quicker, cheaper completion of the Nation's reserve requirements. Had the legislation I am introducing today been in force during 1979, the SPR would have acquired an additional 24,760,609 barrels of crude oil, providing an additional 3-day import supply.

Mr. President, increased political uncertainties in the Middle East make it ever more likely that we will experience a major supply interruption in the coming years. It is, of course, impossible to fix a precise probability to such an occurrence, but it is obvious that we are nowhere near the requisite capability for dealing with an interruption of any significant magnitude. The consequences for our economy of a material interruption could be disastrous if we do not have an adequate reserve.

Anticipated shortages of oil aided the OPEC nations in hiking their prices and adding to our inflation. A strong reserve would ameliorate this problem.

I recognize that the SPR program has been beset by a variety of problems that have prevented it from reaching its full potential, but they are no longer the main obstacle. Storage capacity far exceeds supply, administrative problems at the Department of Energy are being resolved and the Nation is at work developing an adequate distribution system. Just last week, it was reported that oil was pumped out of caverns at all three reserve locations in Texas and Louisiana for the first time. The oil was withdrawn at a rate of 1.2 million barrels daily, faster than called for by design specifications.

Mr. President, other questions such as the optimal size of the reserve will have to be addressed in the coming months. But that in no way lessens the need for, nor does it provide an excuse for, further delay in placing oil into the SPR. I know many of my colleagues share this concern. I am confident that together we can fashion the appropriate legislation to resolve this problem.

Mr. President, I ask unanimous consent that the text of my bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2668

Be it enacted by the Senate and House of Representative of the United States of America in Congress assembled, That this Act may be cited as the "Strategic Petroleum Reserve Amendments of 1980."

SEC. 2. (a) Part B of title I of the Energy Policy and Conservation Act is amended by inserting the following immediately after the heading therefor "Subpart 1—Strategic Petroleum Reserve Program."

(b) Part B of the Energy Policy and Conservation Act is further amended by adding at the end thereof the following new subpart:

"Subpart 2—Importer Contributions

"DEFINITIONS

"SEC. 171. For the purpose of this subpart the term "major importer of crude oil" is defined, for each calendar year after the date of enactment of this subpart, as any person who imported more than 140,000 barrels of crude oil on a daily average during that calendar year.

"ESTABLISHMENT OF IMPORTER CONTRIBUTION

"SEC. 172. Each major importer of crude oil shall for each calendar year after the date of enactment of this subpart contribute to the Strategic Petroleum Reserve crude oil in an amount equal to the average daily amount imported by such person during such calendar year times 5.

"TITLE AND FEES

"SEC. 173. (a) All rights, title, and interest to the amounts of crude oil contributed under section 172 shall remain with the importer of such crude oil.

"(b)(1) The Secretary shall pay an annual fee to each contributing importer of crude oil on the price at which such oil was purchased in an amount equal to the average return on equity for the domestic oil industry for the calendar year during which the contribution was made.

"(2) The fee payable under paragraph (1) shall not be paid on costs of imported crude oil which are in excess of the world market price at the time of purchase.

"DRAWDOWN OF CONTRIBUTIONS

"SEC. 174. (a) The Secretary may permit any major importer (or successor in interest) to remove amounts of crude oil, not in excess of the amounts contributed by such importer, upon the commencement of distribution under the Distribution Plan contained in the Strategic Petroleum Reserve Plan which has taken effect pursuant to section 159(a) if such removal would not result in distributions contrary to the policy established by such plan.

"(b) In a case where the Secretary makes a distribution of crude oil from amounts contributed under this subpart, the Secretary shall make payments to such major importer (or successor in interest) in an amount equal to the world market price at the time of such distribution less the amount of fees paid to such importer pursuant to section 173.

"(c) Such payments made under section 174(b) shall in any event not exceed 100 percent of the average world market price for the three months immediately preceeding the date of distribution mandated under such section.

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 175. There are authorized to be appropriated to carry out the provisions of this subpart such sums as may be necessary."

SEC. 3. Section 161(a) of the Energy Policy and Conservation Act is amended by striking "The Secretary" and substituting "Except as provided in section 174, the Secretary."●

ADDITIONAL COSPONSORS

S. 882

At the request of Mr. WALLOP, the Senator from Arizona (Mr. GOLDWATER) was added as a cosponsor of S. 882, a bill to amend paragraph 5, section 613A(c), of the Internal Revenue Code of 1954.

S. 1570

At the request of Mr. INOUYE, the Senator from New York (Mr. MOYNIHAN), and the Senator from Louisiana (Mr. JOHNSTON) were added as cosponsors of S. 1570, a bill to amend section 203 of the Federal Property and Administrative Services Act of 1949 to authorize the donation of surplus real or personal property for use in connection with a public harbor.

S. 2224

At the request of Mr. HAYAKAWA, the Senator from Alabama (Mr. STEWART), the Senator from Minnesota (Mr. BOSCHWITZ), the Senator from New Hampshire (Mr. DURKIN), the Senator from Michigan (Mr. LEVIN), and the Senator from Wisconsin (Mr. NELSON) were added as cosponsors of S. 2224, a bill to amend the Small Business Act to increase the solar energy and energy conservation loan program authorization, and for other purposes.

S. 2237

At the request of Mr. CHURCH, the Senator from Montana (Mr. BAUCUS) was added as a cosponsor of S. 2237, a bill to amend the Colorado River Basin Project Act to prohibit any Federal official from undertaking reconnaissance studies of any plan for the importation of water into the Colorado River Basin.

S. 2505

At the request of Mr. LONG, the Senator from Rhode Island (Mr. CHAFEE), and the Senator from New York (Mr. MOYNIHAN) were added as cosponsors of S. 2505, a bill to amend the Internal Revenue Code of 1954 with respect to the deduction for business gifts awarded to employees by reason of length of service or for safety achievement.

S. 2580

At the request of Mr. SCHWEIKER, the Senator from New Jersey (Mr. WILLIAMS), the Senator from California (Mr. CRANSTON), the Senator from Maryland (Mr. SARBANES), the Senator from Maine (Mr. COHEN), and the Senator from South Dakota (Mr. MCGOVERN) were added as cosponsors of S. 2580, a bill to amend the Immigration and Nationality Act to provide procedures for administrative correction of the dates of birth of certain naturalized citizens.

S. 2581

At the request of Mr. CHURCH, the Senator from Maryland (Mr. SARBANES), the Senator from Indiana (Mr. BAYH), the Senator from Maine (Mr. COHEN), the Senator from South Carolina (Mr. THURMOND), and the Senator from Rhode Island (Mr. PELL) were added as cosponsors of S. 2581, a bill to amend title 5 of the United States Code and the Internal Revenue Code of 1954 to provide certain benefits to individuals held hostage in Iran and to similarly situated individuals.

S. 2582

At the request of Mr. CHURCH, the Senator from Maryland (Mr. SARBANES), the Senator from Indiana (Mr. BAYH), the Senator from Maine (Mr. COHEN), and the Senator from Rhode Island (Mr. PELL) were added as cosponsors of S. 2582, a bill to provide for the settlement and payment of claims of civilian and military personnel against the United States for losses in connection with the evacuation of such personnel from a foreign country.

S. 2620

At the request of Mr. NELSON, the Senator from Indiana (Mr. BAYH) was added as a cosponsor of S. 2620, a bill to expand the opportunities for small business participation in exporting, and for other purposes.

S. 2623

At the request of Mr. GOLDWATER, the Senator from Vermont (Mr. LEAHY), the Senator from New Hampshire (Mr. HUMPHREY), the Senator from Maryland (Mr. MATHIAS), and the Senator from Colorado (Mr. ARMSTRONG) were added as cosponsors of S. 2623, a bill to incorporate the United States Submarine Veterans of World War II.

SENATE JOINT RESOLUTION 39

At the request of Mr. RANDOLPH, the Senator from Minnesota (Mr. BOSCHWITZ) was added as a cosponsor of S.J. Res. 39, a joint resolution to provide for the designation of the second full calendar week in March of each year as "National Employ the Older Worker Week."

SENATE JOINT RESOLUTION 152

At the request of Mr. MATHIAS, the Senator from Michigan (Mr. RIEGLE) was added as a cosponsor of Senate Joint Resolution 151, a joint resolution to authorize and request the President to designate the week of September 21 through 27, 1980, as "National Cystic Fibrosis Week."

SENATE JOINT RESOLUTION 168

At the request of Mr. DOLE, the Senator from Virginia (Mr. WARNER), the Senator from Minnesota (Mr. BOSCHWITZ), the Senator from Maryland (Mr. MATHIAS), the Senator from Indiana (Mr. BAYH), the Senator from Maryland (Mr. SARBANES), and the Senator from Illinois (Mr. STEVENSON) were added as cosponsors of Senate Joint Resolution 168, a joint resolution designating July 18, 1980, as "National P.O.W.-M.I.A. Recognition Day."

SENATE RESOLUTION 411

At the request of Mr. HAYAKAWA, the Senator from New Hampshire (Mr. HUMPHREY), the Senator from Rhode Island (Mr. CHAFEE), and the Senator from Arizona (Mr. GOLDWATER) were added as cosponsors of Senate Resolution 411, a resolution expressing the sense of the Senate that no withholding tax be imposed on certain interest and dividends.

SENATE RESOLUTION 417

At the request of Mr. HATCH, the Senator from Tennessee (Mr. BAKER), the Senator from Kentucky (Mr. FORD), and the Senator from West Virginia (Mr. ROBERT C. BYRD) were added as cosponsors of Senate Resolution 417, a resolution to express the sense of the Senate for a fitting tribute to the eight valiant American servicemen who died in an attempt to secure freedom for fellow Americans.

AMENDMENT NO. 1698

At the request of Mr. WEICKER, the Senator from New Hampshire (Mr. DURKIN) was added as a cosponsor of amendment No. 1698 intended to be proposed to Senate Concurrent Resolution 86, a concurrent resolution setting forth for the recommended congressional budget for the U.S. Government for the fiscal years 1981, 1982, and 1983 and revising the second concurrent resolution on the budget for fiscal year 1980.

SENATE RESOLUTION 421—SUBMISSION OF A RESOLUTION OF DISAPPROVAL OF THE PHASE II INCREMENTAL PRICING RULE

Mr. GLENN submitted the following resolution, which was referred to the Committee on Energy and Natural Resources:

S. RES. 421

Resolved, That the Senate does not approve the proposed rule under section 202 of the Natural Gas Policy Act of 1978 (relating to incremental pricing of natural gas) a copy of which was transmitted to the Congress on May 6, 1980.

● Mr. GLENN. Mr. President, today the Federal Energy Regulatory Commission (FERC) has submitted to the Congress the second incremental pricing rule in the form of an amendment to the first rule. FERC was mandated by the Natural Gas Policy Act of 1978 (NGPA) to submit this phase II rule to the Congress by May 9, 1980. The phase II rule will go into effect unless either House of the Congress adopts a resolution of disapproval within 30 working days after the rule has been submitted. I am now offering such a resolution of disapproval.

I am submitting a resolution of disapproval to the phase II incremental pricing rule because I am very much concerned about the adverse impact which it will have on inflation, employment, oil imports, and on balance of payments.

As part of title II of the NGPA, Congress provided for a mechanism called "incremental pricing". One of the primary purposes of incremental pricing is to attempt to shield residential natural gas users from the higher prices of new gas supplies by passing along most of those higher costs to industrial gas users served by interstate pipelines.

FERC was mandated to implement the incremental pricing mechanism in two phases. The first phase went into effect January 1, 1980. That first rule applies only to large industrial boilers using at least 300 mcf/day of gas supplied by interstate pipelines. The rule permits gas for large industrial boiler use to be priced up to the equivalent of No. 6 high-sulfur residual fuel oil.

The second phase of incremental pricing is incorporated in the rule which FERC has submitted to Congress today. Title II of the NGPA mandated that FERC submit an incremental pricing rule to the Congress which expands the incremental pricing mechanism beyond the scope of the first rule. FERC has a great deal of discretion in defining the limits of the second rule. However, in contrast to the phase I rule, Congress has an opportunity through a one-House veto to disapprove of the phase II rule within 30 working days after its submission. If the phase II rule is disapproved, FERC has 2 years within which it can submit another rule.

The phase II rule which FERC has submitted would greatly expand the scope of the phase I rule. I believe that expansion to be ill-advised. FERC would expand the first rule beyond large industrial boilers to most other industrial natural gas users including process and feedstock use not statutorily exempt. The rule would only apply to gas used by an industrial facility exceeding 300 mcf/day. Further, the ceiling price for incrementally priced gas could not exceed the equivalent price of No. 6 high-sulfur residual fuel oil.

I am offering a resolution of disapproval of the phase II rule because I do not believe that the phase I rule should be expanded to include other industrial users of gas. I feel that circumstances have changed so as to negate certain assumptions relating to incremental pricing. Furthermore, I feel that the potential adverse consequences through the implementation of the phase II rule are likely to far outweigh the potential benefits originally envisioned.

Circumstances have changed. At the time of the congressional debate concerning the NGPA, natural gas was in short supply and oil prices were relatively stable. That situation has changed dramatically. Natural gas has become much more plentiful, especially in the interstate pipeline systems because of heightened drilling activity and the elimination of most of the pricing and regulatory differences between the interstate and intrastate systems. And oil prices are no longer stable. In 1979, they practically doubled and they continue to move up steadily.

My primary concern about the implementation of the phase II rule is that the natural gas consumer, who is to be the primary beneficiary of incremental pricing, is likely to be worse off because of it for the following reasons:

First, the phase II rule will increase inflation at a time when we must do everything we can to fight inflation. Manufacturers will pass along the higher fuel costs and this will result in higher consumer prices.

Second, the rule will increase oil imports at a time when we are importing over 40 percent of our oil at a cost in excess of $80 billion annually. Manufacturers, faced with higher gas costs due to incremental pricing, will switch off gas, if they can, and on to oil. This will increase demand for oil, and, hence, oil imports.

Third, the phase II rule will also cause American industry to be less competitive abroad, which will lead to job losses at home. Higher gas prices for industry will translate into higher product prices for goods shipped abroad. Those products will then be less attractive to foreign buyers. This will reduce demand for U.S. manufactured products and hurt job opportunities at home.

Fourth, it will also have the effect, along with higher oil imports, of exacerbating our already bloated balance-of-payments deficit which will lead to a higher inflation rate.

It is for these reasons that I am submitting this resolution of disapproval of the phase II incremental pricing rule.●

SENATE RESOLUTION 422—SUBMISSION OF A RESOLUTION TO PROCLAIM "NATIONAL CIRCLE K WEEK"

Mr. DOLE (for himself, Mr. BAKER, Mr. GOLDWATER, Mr. HATFIELD, Mrs. KASSEBAUM, Mr. MCCLURE, Mr. TOWER, Mr. YOUNG, Mr. DECONCINI, Mr. HEFLIN, Mr. NUNN, Mr. RANDOLPH, and Mr. TALMADGE) submitted the following resolution, which was referred to the Committee on the Judiciary:

S. RES. 422

Whereas, Circle K International is an organization of college students sponsored by Kiwanis International that provides a means for responsible student action in their communities;

Whereas Circle K International emphasizes the advantages of the democratic way of life and provides the opportunity for leadership training in service;

Whereas, Circle K International encourages the adoption and the application of high social, business and professional standards;

Whereas, Circle K International promotes the creation and maintenance of righteousness, justice, patriotism and good will;

Whereas, the members of Circle K International are presently involved in service projects to help the lonely child, the abused child, and the child in crisis under the theme, "Caring is Life's Magic";

Now, therefore, be it resolved, that the Senate of the United States show its appreciation and support by proclaiming February 15, 1981 through February 21, 1981 as National Circle K Week.

● Mr. DOLE. Mr. President, today I am submitting a resolution that proclaims the week of February 15, 1981, through February 21, 1981, as "Circle K Week."

Circle K was organized in 1936 as a fraternity at Washington State University by the Kiwanis Club of Pullman, Wash. Other Kiwanis Clubs developed an interest in Circle K and by 1944, 168 Kiwanis Clubs began sponsoring Circle K Clubs in the United States and Canada. In 1955, representatives from Circle K agreed to form an international organization under the sponsorship of Kiwanis International.

The primary purpose of Circle K International is to provide college students with an opportunity to help others and render service to society. Their motto is "We Build" and the Senator from Kansas believes that the members of Circle K live up to their creed. Their work in the community covers a broad spectrum of concerns, from tutoring disadvantaged youth to working with juvenile delinquents. Circle K members are at present, giving of their time, energy, and talents.

Today Circle K International is the largest collegiate organization in North America, with a membership of nearly 700 clubs throughout the United States.

This outstanding organization has had a long and illustrious history that deserves the recognition that this resolution will offer. For these reasons, I am proud to introduce this resolution and to urge my colleagues to join me in this effort to proclaim the week of February 15, 1981, as "Circle K Week."●

AMENDMENTS SUBMITTED FOR PRINTING

FIRST CONGRESSIONAL BUDGET RESOLUTION, 1981—SENATE CONCURRENT RESOLUTION 86

AMENDMENT NO. 1738

(Ordered to be printed and to lie on the table.)

Mr. TALMADGE (for himself, Mr. HELMS, Mr. MCGOVERN, Mr. YOUNG, Mr. CULVER, Mr. COCHRAN, Mr. MELCHER, and Mr. HUDDLESTON) submitted an amendment intended to be proposed by them, jointly, to Senate Concurrent Resolution 86, a concurrent resolution setting forth the recommended congressional budget for the U.S. Government for the fiscal years 1981, 1982, and 1983 and revising the second concurrent resolution on the budget for the fiscal year 1980.

● Mr. TALMADGE. Mr. President, I submit for printing an amendment to Senate Concurrent Resolution 86, the first concurrent resolution on the budget for fiscal year 1981.

The amendment would strike section 16 of the resolution. Section 16 provides that it shall not be in order in the House or the Senate to consider any legislation authorizing new direct loans or new loan guarantees unless that legislation also provides that the authority to make or guarantee such loans shall be effective only to such extent or in such amounts as are contained in appropriation acts.

Section 16 is tantamount to an amendment to the Congressional Budget Act of 1974. Under that act, loan guarantees and insured loans are specifically exempt from the definition of spending authority and there is no requirement that the legislative authority to make such loans be subject to the appropriations process.

Section 16 would have a significant effect on the price support and emergency credit programs under the jurisdiction of the Committee on Agriculture, Nutrition, and Forestry, as well as loan and guarantee programs under the jurisdiction of other committees.

This would include commodity loans that may be authorized in the 1981 farm bill. If in effect a few weeks ago, section 16 would have made the recent extension of the emergency economic loan program, S. 2269, subject to the appropriations process, and farmers might still be waiting for emergency credit to plant their crops.

Section 16 would cause a fundamental shift in our agricultural price support programs and result in an administrative nightmare. If the Appropriations Committee provided less money than needed to carry out commodity price support loans at the authorized levels, a number of questions would immediately arise: Who receives the loans and who does not?

Do wheat farmers receive price-support loans while corn producers do not? Would the Secretary of Agriculture be required to prorate the funds available for making loans? In addition, above average production or an embargo could also result in the appropriated levels being less than the amount that normally would be required.

In short, under the financing procedure dictated by section 16 of the resolution, commodity price support loan programs would no longer be a guarantee to farmers against unreasonably low commodity prices, and the ability of Congress to respond quickly in an emergency would be eliminated.

This section ignores why certain of our agricultural programs are entitlement programs—they are designed and funded in a manner that protect farmers against unpredictable events such as the weather, fluctuating economic conditions, or a grain embargo.

Mr. President, such a permanent and far-reaching provision as section 16 should not be made without a full realization of its ramifications. I would like to empahsize that my amendment does not change section 15 of the resolution. Section 15 of the resolution would establish overall loan and loan guarantee levels for fiscal year 1981. Standing alone, section 15 would not appear to adversely affect our Nation's farm programs.●

AMENDMENT NO. 1739

(Ordered to be printed and to lie on the table.)

Mr. METZENBAUM submitted an amendment intended to be proposed by him to Senate Concurrent Resolution 86, supra.

AMENDMENT NO. 1740

(Ordered to be printed and to lie on the table.)

Mr. CRANSTON (for himself, Mr. Williams, Mr. Tsongas, and Mr. Leahy) submitted an amendment intended to be proposed by them, jointly, to Senate Concurrent Resolution 86, supra.

AMENDMENT NO. 1741

(Ordered to be printed and to lie on the table.)

Mr. NELSON (for himself and Mr. Javits) submitted an amendment intended to be proposed by them, jointly, to Senate Concurrent Resolution 86, supra.

AMENDMENT NO. 1742

(Ordered to be printed and to lie on the table.)

Mr. SCHWEIKER (for himself, Mr. Boschwitz, Mr. Heinz, Mr. Levin, Mr. Lugar, Mr. Nelson, and Mr. Percy) submitted an amendment intended to be proposed by them, jointly, to Senate Concurrent Resolution 86, supra.

● Mr. SCHWEIKER. Mr. President, I rise to submit an amendment designed to help solve the very difficult problems faced by two beleagured industries and their workers critical to our economy: automobiles and steel. Cosponsoring my amendment are Senators Boschwitz, Mr. Heinz, Mr. Levin, Mr. Lugar, Mr. Nelson, and Mr. Percy. We call for a reduction in the fiscal year 1981 revenue floor of $200 million, to allow for "10–5–3" depreciation tax treatment for the auto and steel industries. These reductions are offset with in equal spending cut in general Government administrative overhead in all functions except defense, income security, and interest.

We contend that the budget must be revised now to accommodate for "10–5–3" tax relief for the faltering auto and steel industries. I plan to introduce authorizing legislation to this effect in the near future.

Let me say at the outset that I strongly believe accelerated depreciation tax treatment should be extended to all industries so that we can stop the alarming trend toward deterioration of America's industrial base. Yet broad based depreciation tax reform is costly, and its prospects for passage at this time are not certain given the current climate of fiscal uncertainty. If we cannot guarantee passage of broad based "10–5–3" reform this year, then we must at least make certain that urgently needed relief is provided for the industries and their workers with the greatest need.

There are no two manufacturing industries as crucial to our economic wellbeing as the automobile industry and the steel industry. Autos and steel are the backbone of industrial America. When they falter, the whole economy feels it. Consider the employment effects of an auto production slump alone: The tire industry goes flat; copper, zinc, lead, iron, and mining jobs disappear; and substantial employment in the glass and small electronic industries evaporates. Worker income used to purchase goods and services is lost, which creates a depression cycle of lost jobs and opportunities. A similar chain reaction is set off by a steel production slump.

These two key industries are at the center of the seamless web that is our economy. And the web is tearing at the center, as the auto and steel industries are weakened, shrinking, and badly in need of capital to retool and rebuild. We cannot sit by and watch them fail, and they cannot wait any longer for tax treatment which will enable them to make crucial capital improvements.

Recent newspapers and periodicals are filled with alarming news about the crumbling auto industry. First quarter earnings were down 95 percent from last year. The optimistic forecast for the second quarter is a loss of $700 million for the big three, and it may be as high as $1.2 billion. Domestic production dropped 31 percent in April compared to April 1979, and future production schedules are equally pessimistic. Layoffs are endemic. Out of a workforce of approximately 1 million, 210,000 are presently on indefinite layoff, and 47,000 more are on temporary layoff, a 25-percent industry unemployment rate which is probably headed higher. Already, this represents a higher unemployment rate than the U.S. experienced during the bottom of the Great Depression. Detroit is falling apart as small, fuel-efficient imports are taking a larger and larger share of the domestic auto market—up to a record 27 percent in April. If American automakers do not make the enormous investments needed to retool for smaller, more fuel-efficient cars, then we will see more plant shutdowns and the continued loss of American jobs to overseas competitors.

The steel industry, like the auto industry, is facing the most difficult problems in its history. Production is way down—from a high of 111 million tons in 1973 to an average of 92 million tons over the last 5 years. Subsidized import competition keeps constant downward pressure on domestic profits, which have been below the passbook savings rate for 3 of the last 4 years. The International Trade Commission recently ruled that strong evidence indicates foreign competitors are now injuring the domestic industry by "dumping" steel. The industry shrinkage has cost 90,000 steelworkers their jobs over the last 10 years, representing a 17-percent decline in industry employment. American steel facilities are badly in need of modernization to keep up with foreign competition and prevent further deterioration. Yet sufficient modernization and improvement of steel facilities will cost at least $50 billion over the next 10 years.

Our Government has played a significant role in bringing about the declining fortunes of these vital industries. In the automobile industry, Washington has mandated worthy but expensive safety, environmental, and fuel economy requirements which have cost the industry billions of dollars each year that otherwise would have gone for modernization and retooling. Continued compliance with Washington's regulatory requirements will mean more billions diverted away from productivity-improving investments, and less industry flexibility to deal with market demands. And the Federal Reserve Boards tight monetary policy is driving interest rates up to a point where financing a car is extremely difficult to afford, reducing customer demand. Because of such Government actions, the auto industry is caught in a squeeze which has driven one company to the edge of bankruptcy and threatens to do the same to the rest.

In the steel industry, the story is similar. Washington has looked the other way while foreign competition, propped up by foreign government subsidy, has driven an ever larger wedge into the domestic steel market. Regulatory demands have intensified, hitting the steel industry much harder than most. In 1977, for example, the industry spent a sum equal to 74 percent of its after-tax profits on EPA and OSHA mandated expenditures. Such expenditures are expected to remain a very high proportion of industry profit for at least 10 years. And most important, outmoded Federal depreciation tax laws have penalized and prevented industry efforts to modernize to efficiently meet the demands of the marketplace.

I do not mean to suggest that the auto and steel industries should share none of the blame for their present plight. But the point is that Washington's regulatory requirements and punitive tax laws now loom large as a part of the problem. Washington therefore has a responsibility to act before it is too late to stimulate these vital industries. The tax reform we are proposing is the best place to start.

The primary purpose of my amendment is to make room in the fiscal year 1981 budget for "10–5–3" depreciation tax reform for the auto and steel industries. Because of the 5-year phase-in contained in this "10–5–3" proposal, such relief will cause a revenue reduction of only $200 million in fiscal year 1981. Although this may not seem like adequate relief for two faltering giants badly in need of capital expenditures to retool and modernize, the amount of tax relief under "10–5–3" grows over the years—provided targeted industries do make necessary capital expenditures. If we act now, then the auto and steel industries, knowing of the significant depreciation tax relief they can expect in the future, can begin now to negotiate on firm ground in the bond market and with money center banks for capital required for urgently needed equipment replacement.

It makes good economic sense to stimulate investment and modernization through depreciation tax reform. This method of attacking the problems of the auto and steel industries is far preferable to Government subsidy, increased protection, or increased unemployment benefits because it helps to solve a fundamental structural problem—inadequate ability to raise investment capital—instead of simply providing costly but temporary, or postmortem relief. I support the passage of broad based depreciation tax relief, yet I fear such a proposal may not become law this year. It makes sense to enact relief for the most needy industries if passage of broader relief is uncertain. A little of an excellent thing is better than nothing.

The steel and auto industries and their workers in the grip of a depression, cannot afford to wait.

The basic problems within these two key industries can be solved if they make enormous capital investments in the near future. The steel industry must modernize to remain competitive. A study done by the McGraw-Hill economics department in 1979 called steel the most obsolete industry in America, with an estimated 26 percent of its plants and equipment technologically obsolete. The major reason steel mills have been closing so frequently is that outmoded facilities make them noncompetitive. Yet perennially poor profits, intense foreign competition, and Government regulation make capital needed to modernize extremely hard to come by. Worse, because current depreciation tax laws are based on the useful life of long-lasting steelmaking equipment, it takes an average of 14 years for steelmakers to recover the cost of their original investment. With inflation soaring, this long capital cost recovery period permits steelmakers to recover only a fraction of the funds needed to replace useless equipment.

Current depreciation tax laws penalize the auto industry in a similar manner. Domestic automakers must retool and make large capital investments necessary to convert to small car production. With energy prices soaring, both market forces and Government regulations mandate such conversion—which is estimated to cost a staggering $50 billion over the next 5 years in addition to what has already been spent. Shorter depreciation schedules are essential to help automakers meet their enormous and urgent capital formation needs.

Accelerated depreciation, such as the "10–5–3" amendment I am proposing for the auto and steel industries, will ultimately cost the Treasury nothing in nominal terms. It will simply make dollars available for investment more quickly. But because of the ravaging effects of inflation, money made available now is worth much more than money made available later—and this difference in purchasing power is the difference between creating a climate favorable for modernization and continuing a climate which will lead to ruination.

One final statistic: Economists estimate that for every job lost in the automobile industry, three jobs are lost elsewhere in the economy. Shutdowns in the steel industry have a similar rippling effect. The health of our economy rests in large part upon the health of these two industries. Since all economic indicators demonstrate we are now in a recession, it makes good economic sense to stimulate these two critical industries to prevent a further wave of job losses that is certain if they do not recover.

Broad based "10–5–3" depreciation tax relief would provide the most meaningful relief for our slipping economy, but we cannot be sure it will be enacted this year.

Due to a phase-in provision, fair depreciation treatment for the auto and steelmaking industries will cost only $200 million in fiscal year 1981. In fact, inaction could contribute to a budget deficit, since further steel and auto layoffs will mean less tax revenue and more trade adjustment assistance payments and unemployment compensation. However, to insure budget balance, my amendment lowers outlays for general administrative overhead by $200 million in fiscal year 1981. The Senate Budget Committee has suggested a 5-percent reduction in such expenses for fiscal year 1981; my amendment would mean a 5.5-percent reduction. This translates into a reduction of only one-tenth of 1 percent of total program funds for functions except income security, defense, and interest, which are exempted.

Mr. President, I appreciate very much the initial cosponsorship of Senators Boschwitz, Heinz, Levin, Lugar, Nelson, and Percy and I urge my colleagues to act now to mend the tear in the center of the seamless web that is our economy by making allowance in the budget for realistic depreciation tax treatment for the failing automobile and steel industries.

I ask unanimous consent that the amendment be printed at this point in the Record.

There being no objection, the amendment was ordered to be printed in the Record, as follows:

Amendment No. 1742

On page 2, line 6, strike out "$612,900,000,000" and insert "$612,700,000,000".

On page 2, line 7, strike out "$697,200,000,000" and insert "$696,700,000,000".

On page 2, line 8, strike out "$780,600,000,000" and insert "$779.600,000,000".

On page 2, line 12, strike out "—$3,700,000,000" and insert "—$3,900,000,000".

On page 2, line 13, strike out "—$9,600,000,000" and insert "—$10,100,000,000".

On page 2, line 14, strike out "—$33,500,000,000" and insert "—$34,500,000,000".

On page 2, line 22, strike out "$612,900,000,000" and insert "$612,700,000,000".

On page 3, line 5, strike out "$10,000,000,000" and insert "$9,500,000,000".

On page 3, line 6, strike out "$27,100,000,000" and insert "$26,100,000,000".

On page 3, line 10, strike out "$953,800,000,000" and insert "$954,300,000,000".

On page 3, line 11, strike out "$968,700,000,000" and insert "$970,200,000,000".

On page 3, line 16, strike out "$26,000,000,000" and insert "$26,500,000,000".

On page 3, line 17, strike out "$14,900,000,000" and insert "$15,900,000,000".

On page 4, line 19, strike out "$9,500,000,000" and insert "$9,490,000,000".

On page 5, line 4, strike out "$6,100,000,000" and insert "$6,094,000,000".

On page 5, line 14, strike out "$6,800,000,000" and insert "$6,793,000,000".

On page 5, line 24, strike out "$12,000,000,000" and insert "$11,987,000,000".

On page 6, line 9, strike out "$2,300,000,000" and insert "$2,298,000,000".

On page 7, line 4, strike out "$18,200,000,000" and insert "$18,181,000,000".

On page 7, line 14, strike out "$9,300,000,000" and insert "$9,290,000,000".

On page 7, line 25, strike out "$28,400,000,000" and insert "$28,370,000,000".

On page 8, line 10, strike out "$61,900,000,000" and insert "$61,835,000,000".

On page 9, line 7, strike out "$21,000,000,000" and insert "$20,978,000,000".

On page 9, line 17, strike out "$4,600,000,000" and insert "$4,595,000,000".

On page 10, line 2, strike out "$4,300,000,000" and insert "$4,296,000,000".

On page 10, line 12, strike out "$6,800,000,000" and insert "$6,793,000,000".●

AMENDMENT NO. 1743

(Ordered to be printed and to lie on the table.)

Mr. CRANSTON submitted an amendment intended to be proposed by him to Senate Concurrent Resolution 86, supra.

NOTICES OF HEARINGS

COMMITTEE ON GOVERNMENTAL AFFAIRS

● Mr. RIBICOFF. Mr. President, I wish to announce that the Committee on Governmental Affairs will hold a markup on Thursday, May 8, 1980, at 10 a.m., in room 3302, Dirksen Senate Office Building, to consider the following legislation: S. 1945, the Agency Accountability Act of 1979; S. 2419, shipper's export declarations; S. 2558, the Postal Service Act of 1980; S. 1699, the Energy Impact Assistance Act of 1979; S. 1647, Commission on Wartime Relocation and Internment of Civilians Act; and S. 742, the Nuclear Waste Management Reorganization Act of 1979.●

SELECT COMMITTEE ON SMALL BUSINESS

● Mr. NELSON. Mr. President, the Select Committee on Small Business will hold a markup concerning S. 1860, matters already scheduled but not concluded at the May 7 session, and other matters placed on the agenda.

The hearing will begin at 10 a.m., in room 424, Russell Senate Office Building, on May 13, 1980.●

SELECT COMMITTEE ON SMALL BUSINESS

● Mr. NELSON. Mr. President, the Select Committee on Small Business will hold a public hearing to receive the final report of the White House Conference on Small Business, on May 15, 1980.

The hearing will begin at 1 p.m., in room 424 of the Russell Senate Office Building.●

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

Mr. BURDICK. Mr. President, I ask unanimous consent that the Committee on Environment and Public Works be authorized to meet during the session of the Senate today to hold a hearing on a number of legislative items, including water resources, disaster relief, and water pollution.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON FOREIGN RELATIONS

Mr. BURDICK. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Wednesday, May 7, 1980, to hold a hearing on the nomination of Edmund S. Muskie as Secretary of State.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

OPPOSITION TO THE NEW TAXES

● Mr. BAYH. Mr. President, I rise today as a cosponsor of Senate Joint Resolution 159 and S. 2586 which would reverse the administration's attempt to levy new fees on gasoline. I take this step because I have been a longtime opponent of energy price increases by our multinational oil companies—in concert with the OPEC cartel—and cannot stand idly by when our own Government joins in this effort by raising energy prices even further.

On April 2, 1980, President Carter issued Presidential Proclamation 4744, creating a new petroleum import adjustment program, the purpose of which is to impose a so-called gasoline conservation fee of $4.62 per barrel on imports of crude oil with the burden of the fee to fall entirely on gasoline. As the President proposes to implement this gasoline conservation fee, the first passthrough of the estimated 10 cents per gallon to consumers will take place on May 5, 1980.

Mr. President, I strongly oppose this proposed increase in gasoline prices. American consumers have suffered enough during the past year as energy price increases for gasoline, home heating fuels, and electricity have eaten up more and more of their family budgets while inflation has reduced the value of their wages. It makes absolutely no sense to me to fight inflation with an import fee or increased Federal taxes on gasoline. The administration's own figures indicate such steps will further fire our inflationary spiral by increasing the Consumer Price Index by one-half of 1 percent in May or June of this year, and another one-quarter of 1 percent as increased gasoline costs ripple through the economy. Reducing our dependence on foreign oil is a national priority of the highest order, but raising prices is the cruelest means of achieving this goal because it puts the greatest burden on those least able to bear it—the middle-income wage earner who must travel to his or her job, the senior citizen living on a fixed income, the farmer who must transport his goods to market, and others dependent on automobiles for their means of livelihood—while our more affluent citizens can continue to go about their business with little, if any, impact on their lifestyle.

Mr. President, every day that our Nation remains dependent on foreign oil our national security is threatened. There is no question that we need to pursue all reasonable alternatives to continued dependence on foreign energy. But the hard fact about the gasoline conservation fee is that the major impact will be a transfer of money from American consumers to the Federal Treasury—to the tune of $10.3 billion for gasoline—in exchange for more inflation. And this will come at a time when gasoline prices have stabilized for the first time in 4 months after going up over the last months; when gasoline reserves are at record levels; and, 1 month before the OPEC cartel gathers to consider their next round of price increases and supply curtailments.

Mr. President, this is the wrong road to take. Unfortunately, this action has been initiated without involving the Congress. It has been imposed by Presidential proclamation and will appear at the pump in two weeks. We can either use the authority provided to the Congress in the windfall profit tax bill to disapprove the President's action, by enacting a joint resolution disapproving this fee, or watch the next round of energy price increases kicked off with a new Federal "tax." This new tax on gasline will not only impact the motoring public, but will effect gasoline users now exempt from the existing Federal excise tax on gasoline. These exempt users include, among others, farmers, who are already strapped for cash and credit to plant this year's crops; State and local governments, which face a loss of Federal revenue sharing; and nonprofit educational institutions.

Further, Mr. President, implementation of the gasoline conservation fee will be through another complex Department of Energy regulatory program. At a time when we have just received a General Accounting Office report which was highly critical of the Department's regulatory efforts to deal with the 1979 gasoline shortage, I must confess reluctance to involve DOE in yet another complex regulatory effort. And, I am disturbed by DOE comments that the regulatory maze necessary to implement this program may cost still another 1 cent per gallon at the pump.

Mr. President, I call upon my colleagues in the Senate and the House of Representatives to act quickly and decisively in disapproving this new tax through passage of Senate Joint Resolution 159. We must also take care of those persons and institutions which are usually exempt from Federal excise taxes on gasoline, by enacting S. 2586 to authorize the dispersal of refunds to any exempt user who might have the misfortune of paying the 10 cents per gallon conservation fee before our repeal effort is concluded.

I hope this effort will be successful.●

THE CONVEYANCE OF FEDERALLY OWNED LAND

● Mr. **GOLDWATER.** Mr. President, for a long time the State of Arizona has been concerned over the problems of federally owned land over which our State has no authority. Recently, the House of Representatives of the Arizona Legislature adopted a concurrent memorial urging that the President and Congress actively support and adopt legislation providing for the conveyance to the Western States of federally owned unreserved, unappropriated lands so that the Western States can be placed on an equal footing with the original States on the question of lands within their boundaries.

The Arizona House makes some strong arguments in favor of this action, and I ask that this concurrent resolution be printed in the RECORD.

The concurrent resolution follows:

HOUSE CONCURRENT MEMORIAL 2004

Whereas, on February 14, 1912, Arizona was admitted to statehood on the condition that it forever disclaim all right and title to unreserved, unappropriated public land within its boundaries; and

Whereas, the State of Arizona has strong moral, historic, economic and legal claims upon the unreserved, unappropriated public land retained by the federal government within its borders; and

Whereas, every new state admitted into the Union is entitled to exercise all of the powers of government which belong to the original states of the Union; and

Whereas, because Arizona and many of the western states were admitted to statehood on condition that they disclaim title to unappropriated land within their boundaries, Arizona and the western states have not been able to exercise their rightful legislative authority over federally owned lands within their borders; and

Whereas, there is precedent for large transfers of federally owned public lands designed to place new states on par with the original thirteen states of the Union; and

Whereas, this state and its citizens, as is true of the other western states, are at least as well-equipped to make the difficult policy decisions that are necessary for proper land use within the state's borders as is the federal government; and

Whereas, the appropriate role of the federal government in this land matter is that of trustee holding the unreserved, unappropriated lands within this state's borders and the other western states in trust for the respective states; and

Whereas, the federal government should now convey the trust lands to the western states in order for the states to exercise full sovereignty over their lands, thus placing the western states on an equal footing with the original states with respect to such land within their boundaries. Wherefore your memorialist, the House of Representatives of the State of Arizona, the Senate concurring, prays:

1. That the President and the Congress of the United States will actively support and adopt legislation providing for the cession and conveyance to the western states of federally owned unreserved, unappropriated land similar to the legislative plan expressed in S. 1680 introduced in the Senate of the United States, 96th Congress, 1st Session.

2. That the Secretary of State of the State of Arizona transmit copies of this Memorial to the President of the United States, the President of the United States Senate, the Speaker of the House of Representatives of the United States and to each Member of the Arizona Congressional Delegation.●

THE CASE OF IGOR GUBERMAN

● Mr. **LEVIN.** Mr. President, last August, while I was in the Soviet Union as a member of a congressional delegation, I learned from a group of Moscow's Soviet Jews who had been refused exit visas, that one of their friends, Igor Guberman, a poet, and Jewish activist, had been arrested on charges of dealing with stolen icons. Guberman had been an editor of the underground journal Jews in the U.S.S.R., a nonpolitical, cultural magazine.

He was also a well-known expert in medieval Russian art and icons. He collected icons in his flat in Moscow. More than 3 years before his arrest, he stopped purchasing icons so that he would not be charged with "illegal dealings." In December 1978, he applied for an exit visa with his family. In April 1979, he was asked by the KGB to cooperate in their monitoring activities. He was asked to follow the activities of emigrating Soviet Jews and to denounce Jewish activists and activities, including the magazine he worked for. He refused to cooperate. He was asked again. He refused again.

In August, he was arrested. His apartment was searched. His relatives reported that special attention was paid to his "literary materials on Jewish culture." Some of his friends were also detained by the KGB in an effort to gain evidence against him.

His trial was scheduled first for December, but it was finally held in early March. Just before the trial, 22 of our colleagues joined me in writing to President Leonid Brezhnev. We asked him to release Igor Guberman from prison and to allow him and his family to emigrate from the Soviet Union as they requested. Our efforts were unsuccessful and on March 11, we learned that Igor Guberman was sentenced to 5 years in a labor camp.

Igor Guberman's case is only one of many examples of continuing harassment of Soviet citizens who have spoken out against the repression of religious freedoms and who have applied for permission to leave the Soviet Union.

In the New York Times of May 5, I found an exceptional article detailing Igor Guberman's situation. I recommend it to my colleagues and to all who have continued to concern themselves with the cause of human rights in the Soviet Union despite the current freeze in our relations with that country.

I ask that the article be printed in the Record.

The article follows:

Wife Attributes Jailing of Soviet Jewish Activist to His Satiric Verse

(By Anthony Austin)

Moscow, May 4.—Until nine months ago Igor Guberman was something of a figure in Moscow's intellectual circles—wit, raconteur, science buff, icon collector, social gadabout, a link between the salons of respectable freethinking and the outer darkness of dissent.

Now he is in prison, sentenced as a criminal, a target of particular animus on the part of the authorities and the least cause célèbre in the Jewish activist movement.

The reason for his downfall, his wife and friends say, lies at least partly in the satirical political verses that he was suspected of writing. The verses were among the matters the K.G.B. asked about when they searched Mr. Guberman's apartment shortly before his arrest Aug. 13, his wife, Tatyana, said in an interview this week.

VERSES WERE CONFISCATED

"He pretended he didn't know what they were talking about," she said. "But they found some verses and confiscated them. When they weren't looking he placed his newest verses on top of a pile of papers they had discarded. I read them for the first time only after he was in prison."

Until five years ago Mr. Guberman was an engineering specialist who wrote books and articles on the side, gaining a reputation as a science-fiction writer and producing books for children and adults on bionics, psychology and the human brain.

His career came to an end in the mid-1970's when he threw in with Anatoly B. Shcharansky, the Jewish activist now serving a 13-year sentence for espionage. He made things worse by applying to emigrate to Israel in 1978. He became an editor of the typewritten journal Jews in the U.S.S.R., and, according to his wife and the journal's chief editor, Viktor Brailovsky, he twice rejected requests by the K.G.B. to turn informer against his editorial associates.

Finally Mr. Guberman was charged with trading in stolen icons. He denied knowing that the five icons he bought from two men in 1978 for 520 rubles had been stolen. Mr. Brailovsky mounted a campaign on his behalf with Western correspondents, arguing with a wealth of detail that his friend, as one of Moscow's best-known icon collectors, had been duped by the K.G.B. in an operation aimed ultimately at suppressing the unauthorized Jewish journal.

Mr. Guberman was tried in March in Dmitrov, a town 40 miles from Moscow near the site of the icon thefts, and was sentenced to five years in a labor camp. The court also ordered confiscation of his property, which meant that Mrs. Guberman and their two children, one aged 14 and the other 6, would be left with only the bare essentials—three beds, the most necessary clothes and basic kitchen utensils.

"I am sure they had it in for my husband because he wouldn't turn informer," Mrs. Guberman said. "But I am positive the verses were a contributory cause."

The verses, circulating in Moscow for several years, have also been a choice item in Soviet émigré circles in the United States and Israel. In view of the authorities' extreme sensitivity to mockery—there are laws against discrediting the Soviet state—Mr. Guberman wrote under the pseudonym Igor Garik, admitting his authorship only to close friends.

After being held incommunicado for five months, mostly in a prison at Volokolamsk, near Moscow, Mr. Guberman was finally allowed a visit by his wife after his trial. He informed her, she reported, that the K.G.B. had told him that his sentence would be light if he agreed to testify against Mr. Brailovsky and harsh if he refused. He refused.

He also told her of being questioned again about the verses, and again remaining silent.

NEW VERSES SMUGGLED OUT

"But now he has changed his mind," she said. "He has decided to let his authorship be known. He has smuggled out his newest verses, written in prison. Here they are."

The verses, here translated, reflect different moods. Some fall into the calm irony that characterizes his previous writing:

What keeps my county tirelessly moving
Is not the plan for more industrial gear
But a small office, ordinary, gloomy,
Where they manipulate the threads of fear.

Some verses deal with the "physical measures" taken against prisoners and with his thoughts on how he would stand up to such a test.

A man is being beaten.
We hear his screams, and yet
We're still: we haven't eaten
And we're low on cigarettes.

Other verses mock the paradoxes of a man in his current situation:

Russia is immune to plan—undefinable is she.
Where else must the common man
Go to prison to be free?

This Jew is in a mess.
I am at the end of my wits.
I have found the key to success
But I can't find the door it fits.

On April 11 the newspaper Sovetskaya Rossiya pictured him as an unscrupulous criminal who had financed a ring of icon thieves. On April 23 Mrs. Guberman was permitted to attend a closed hearing at which her husband's appeal against the five-year sentence was heard. The lawyer retained by Mrs. Guberman spoke for an hour.

EVIDENCE IS CALLED FLIMSY

According to her account of the lawyer's speech, he made the following arguments:

The charge of theft rested on the flimsiest evidence—a few words allegedly spoken at a meeting in November 1978, when one of the confessed thieves, Nikolai Gridin, came to Mr. Guberman's apartment with five stolen icons. According to the the trial record, Mr. Gridin testified that Mr. Guberman told him he looked tired; that he, Mr. Gridin, replied that he was up all night, engaged in robbery, and that Mr. Guberman commented, "Be careful."

The prosecution maintained that this showed that Mr. Guberman knew the icons he bought from Mr. Gridin that day were stolen. One of Mr. Gridin's confessed accomplices, Boris Yegorov, testified to having been told of this conversation by Mr. Gridin and in almost exactly the same words—a most suspicious circumstance, the defense lawyer argued, since two years had passed and Mr. Yegorov's memory of other key events was dim.

More important, the lawyer said, Soviet law required corroborative evidence from at least one other person present during the conversation, and the only other one there, a young confederate of Mr. Gridin's named Sergei Drobyshev, had failed to provide such evidence.

"He might as well have been talking to the wall," Mrs. Guberman said of the defense lawyer. "The judges didn't even try to look as though they were listening. After he was through they didn't ask a single question. They went to another room, came back and confirmed the sentence."

The sentence, she pointed out, was stiffer than that given to thieves, Mr. Guberman is to be transferred to a labor camp, which one she did not yet know.

"After it was over," she said, "the lawyer went up to one of the judges, a woman, and said how distressing it was that lawyers like him did their best to defend people but that the outcome was always decided beforehand. And the judge calmly answer, 'Yes.' "●

WOMEN OF ACHIEVEMENT

● Mr. BUMPERS. Mr. President, I ask that an article about three Arkansas women who have been selected as "Arkansas Women of Achievement" be printed in the Record. These women are honored in a book "Horizons—100 Arkansas Women of Achievement" made possible by a grant from the National Endowment for the Humanities. This undertaking is the first of its kind and serves to educate us about the enormous contributions these women have made to Arkansas. I look forward to publication of this work, at least in part because one of my own staff members, Irene Samuels, is one of the 100 women honored.

The article follows:

Three Local Residents Acclaimed as State's Women of Achievement

Three Hot Springs achievers are among 100 contemporary Arkansas women chosen for inclusion in the book, "Horizons—100 Arkansas Women of Achievement", The Arkansas Press Women announced recently.

Feature articles about and photographs of Eva V. Evans, Bobbie Jones McLane and Dorothy Stuck will appear in the book, to be published early this spring and made possible by grants from the National Endowment for the Humanities through the Arkansas Humanities Program and from the Arkansas Coordinating Committee for International Women's Year.

A native of Marianna, Eva Evans entered the Federal Service in 1949, employed by the Veterans Administration in Little Rock and later by the Department of the Army at Army-Navy Hospital in Hot Springs. She's been with the Forest Service, U.S. Department of Agriculture, for the past 20 years, serving as public information specialist and coordinator of women's conservation activities since 1968.

She recently was elevated to the public information officer post for the Ouachita National Forest in Arkansas and Oklahoma. In her new position, Miss Evans manages and executes the dissemination of information on Forest Service policies and ONF programs, activities and accomplishments. She serves as liaison officer with federal, state and local officials, mass media and private organizations.

Active in several women's organizations, she serves on the Program Committee of the National Federation of Business and Professional Women's Clubs, Inc., as a member of the Federation's Young Careerist Committee, served as National Convention on-site coordinator for the 1979 YCW Program in Boston, is a past state president of the Arkansas Federation of Business and Professional Women's Clubs, Inc.

Miss Evans is first vice president of the Arkansas Federation of Garden Clubs, Inc., president of the Hot Springs Council of Garden Clubs and public relations chairman for the four-state South Central Region of the National Council of Garden Clubs, Inc. She previously served 12 years as the Arkansas Federation's conservation chairman during which time she initiated a conservation speech contest for high school students, a project later adopted by the National Council for use in its 50 state federations. In 1975, she received the Arkansas Federation's Individual Service Award for Outstanding Achievement and an appointment to the National Council's Board of Directors, the organization's first energy conservation chairman.

She chairs the Health Committee for the Arkansas Women's Committee on Public Affairs, serves on the Public affairs and Intergovernmental Relations Committee for the Arkansas Federal Executives Association and is a member of the Ouachita National Forest's Equal Employment Opportunity Advisory Board.

The recipient of numerous awards and honors, Miss Evans in 1971 was named "Woman of the Year" by the Hot Springs Business and Professional Women's Club and in 1974 received the Secretary of Agriculture's Superior Service Honor Award in ceremonies at the Washington Monument in Washington, D.C.

Bobbie Jones McLane, a native of Hot Springs and graduate of Hot Springs High School, began her career with the United States Government with a war-time appointment to the War, Price and Ration Board. She later worked as chief clerk in the Commissary Section at the Army-Navy Hospital in Hot Springs, then served 18 months as an administrative assistant for the Wisconsin Military District in Milwaukee.

A continuity writer for Radio Station KWFC, then an employee of the Forest Service, Mrs. McLane in 1956 transferred to the U.S. Postal Service. Since 1974, she has been director, Employee and Labor Relations—the first woman to serve in a supervisory capacity in the history of the Spa center.

During 1978, she was for six months detailed to the position of officer-in-charge—acting postmaster—at Arkadelphia and subsequently received a Superior Achievement Award from the Postal Service. During her career, she's earned nine awards for superior performance of duties—one from the Postmaster General for support of community activities in commemoration of the United State's Bicentennial celebration.

An organizer and charter member of the Garland County Historical Society, an avid history and genealogy enthusiast, she has published 25 volumes of material about Arkansas historical records. Her first—"The McClellans of Alabama and Arkansas"—was called by Walter J. Lemke, late professor emeritus of journalism at the University of Arkansas, "the best family history yet written in Arkansas."

In 1967, Mrs. McLane—on award of a fellowship—was the only Arkansan to attend the Institute on Historical Agency and Historical Museum Publications at Vanderbilt University in Nashville, Tenn., and was that same year the only person from this state recognized by the American Association for State and Local History for "her significant contributions to the study and understanding of historical and genealogical research."

For 14 years the associate editor of the annual Historical Society's publication, The Record, she is chairman of the Arkansas Historical Commission. Her husband is Gerald B. "Sonny" McLane.

Born in Gravett, Ark., Dorothy Stuck grew up in Muskogee, Okla., and received her B.A. degree from the University of Arkansas at Fayetteville.

Upon graduation, the third APW honoree taught high school history in Marked Tree. Then, for 20 years, Mrs. Stuck and her husband, Howard, published three weekly newspapers in Poinsett County.

She also edited the Market Tree Tribune, during which time it won numerous state and national awards. A charter member of Arkansas Press Women, she received that organization's Woman of Achievement Award in 1964 and again in 1969.

As a delegate to the 1969–70 Constitutional Convention, she was the only woman to chair one of its substantive committees.

From 1970–79, Mrs. Stuck served as director of the Regional Office of Civil Rights for the Department of Health, Education and Welfare in Dallas. As director, she supervised a staff of 155 persons and her area of responsibility included five states—Arkansas, Louisiana, Texas, Oklahoma and New Mexico. In 1974, she received HEW's Distinguished Service Award—the highest honor given a civilian employee.

Mrs. Stuck served as editor of The Arrow, magazine for Pi Beta Phi sorority, from 1960–67.

She is vice president of Briggs Associates, Inc. of Little Rock, a firm that publishes American Preservation and Aquaculture magazines and provides management and entrepreneurial services.

The ABPW publication includes women who have achieved unusual degrees of success in the traditional roles of homemaking and education as well as those who have accomplished much in non-traditional professions such as law, medicine, finance and politics—often combining those careers with being wives and mothers. Women who have used their wealth and social status to foster programs in their communities are included as well as those who have overcome major social and economic barriers to achievement.

Authors of biographical sketches are members of the Arkansas Press Women or other Arkansas journalists and photographers. Hot Springs contributors to "Horizons" were Melinda Gassaway, managing editor, The Sentinel-Record, Las Beale, photographer, The Sentinel-Record and Inez E. Cline, city-county historian. Project director is Carol Griffee of the Arkansas Gazette and book editor is Kitty Sloan of the Paragould Daily Press.●

THE NEED FOR THE AV–8–B

● Mr. GOLDWATER. Mr. President, once again we have reached that time of the year in the Armed Services Committee when we are confronted with authorizing equipment for our uniformed services. Every year, for as many as I care to remember, both Houses have placed the AV–8, now the AV–8–B, in the authorization and appropriations bills with the Marine Corps. This is an aircraft they are completely sold on, that they want and they need. Mr. President, I personally have flown this aircraft. It is everything they say it is and it is a piece of equipment that I feel the Marines can put to better use than other equipment.

The Department of Defense seems determined not to give in. Just yesterday in writing up the tactical air power bill the AV–8–B was placed in it so, once again, I must ask the Department of Defense why they feel their judgment is better on equipment than the individuals who are called on—no—who are ordered to use that equipment? I would hope that the Defense Department would finally realize that the AV–8 vertical takeoff and landing fighter and close ground support aircraft is a needed and integral part of the Marine inventory and withdraw its constant opposition to it because, whether they like it or not, the Marines will fly the AV–8–B.●

THE EFFICIENCY OF GASOHOL

● Mr. BAYH. Mr. President, the critical problems facing us in the Middle East today dramatically underscore our vulnerability with regard to supplies of crude oil. As all of our colleagues know, there are a great many people in our Nation working to develop alternative energy sources—fuels which can replace crude oil; especially oil produced overseas.

Mr. President, I do not think there is any newspaper columnist in the United States who has been more vocal and more dedicated in his or her support for the gasohol movement than Mr. Jack Mabley of the Chicago Tribune. He is a man who has had a long and distinguished career as a journalist, a man who has never shied away from speaking out on the tough issues.

To his credit, Jack Mabley was an early supporter of the gasohol concept, and his column has provided Tribune readers in Chicago, Northwestern Indiana, and throughout the Midwest with a chronicle of the process made in establishing gasohol as a substitute for petroleum-based fuels. As chairman of the National Alcohol Fuels Commission I have found Mr. Mabley's column informative and useful in keeping me abreast of new developments in this budding industry.

Among those developments reported in Jack Mabley's column has been the fleet test conducted by Illinois Bell. That firm tested gasohol—a 90-percent gasoline and 10-percent alcohol blend—in a fleet of its repair trucks and company vehicles beginning in January of 1979. The results of that test are now in, and are extremely encouraging for those of us who believe in the potential of gasohol.

Mr. President, I ask that Jack Mabley's column of April 28, 1980, describing the results of the Illinois Bell gasohol test, be printed in the Record.

The column follows:

Illinois Bell Finds Gasohol Efficient

The most critical test of gasohol in Illinois has concluded with an enormous boost for this fuel made of 10 percent alcohol and 90 percent gasoline.

Illinois Bell obtained 4.8 percent better mileage with gasohol than with conventional fuels. Performance was superior, and there were indications that maintenance costs will be reduced with gasohol.

As a result of the testing which ran from January, 1979, through January this year, Illinois Bell announced it will expand its use of gasohol in its fleet statewide as the fuel becomes available, and is competitively priced.

The news release from Illinois Bell is so joyous to me I'll report its findings largely in its own words.

Illinois Bell now uses gasohol in 235 vehicles in Woodstock, McHenry, Watseka, Bradley, Bourbonnais, and Rock Falls.

The test was conducted in 30 vehicles in the Peoria area.

Ron Aldridge, division manager for automotive operations, said the trial indicated usage of the cleaner burning fuel could lead to savings in maintenance costs.

Gasohol could produce longer engine life, and reduce the number of tune-ups required to keep vehicles operating efficiently.

Said Aldridge: "One test group of older vehicles obtained much better mileage with gasohol than with regular gasoline. The test group with newer vehicles tended to obtain slightly better mileage results by using unleaded gasoline.

"Overall, test results indicated that the gasohol fuel obtained 4.8 percent better mileage than conventional fuels.

"Maintenance savings and other benefits of gasohol, including better cold weather starting and its potential as a gasoline extender, have convinced us to use the fuel where it is available at a cost-effective price."

Since the start of the 30-vehicle trial Illinois Bell saved 22,000 gallons of gasoline through use of gasohol. The company's 8,000 vehicles are the largest privately owned automotive fleet in the state, and uses 7 million gallons of gasoline annually.

The company also found that emissions were reduced with gasohol. Tests indicated a 30 percent decrease in carbon monoxide and an 8 percent drop in hydrocarbons.

"We're convinced that gasohol can be an important gasoline extender and could help us keep our vehicles on the road during any periods of gasoline shortages," Aldridge said. "If Illinois Bell used gasohol in all its vehicles, the company could save about 700,000 gallons of gasoline annually."

In the first six months of the test 15 vehicles used gasohol and a control group of 15 vehicles used gasoline. Then the 15 using gasohol switched to gasoline, and the control group went to gasohol.

Illinois Bell stressed that the trial was not a "laboratory" or "scientific" test. It was an operational field test to evaluate the fuel's performance under normal job and driving conditions. Drivers recorded mileage data and evaluated vehicle performance.

Operators of other auto and truck fleets have been watching Illinois Bell's test. This report is likely to turn other fleets on to alcohol.

Note that Bell wants alcohol "competitively priced." Alcohol costs vary widely, but a common price is $1.70 a gallon. New production facilities are springing up all over the country, and cheaper methods of production are being discovered and put into use.

There seems little doubt that the price of alcohol will come down as the price of gasoline goes up. The lines could cross this year, next, maybe five years from now.

More important than the price is the availability of a superior fuel in case of a critical shortage of imported crude oil. Gasohol uses only 10 percent alcohol, but a 20 percent mix is practical, and many cars are running on pure alcohol.

An increasing number of the oil giants are selling or preparing to sell gasohol. Standard of Indiana, Texaco, and Phillips are the pioneers. Last week Ashland and Cities Service made tentative agreements with alcohol producers.●

ON THE DEATH OF MARSHAL TITO

● Mr. CHURCH. Mr. President, the death of Marshal Tito well deserves our thought and attention. It is not simply that he was the last of the great wartime leaders of World War II. Nor should he be remembered solely for his remarkable political skill in binding Yugoslavia's heterogeneous people together as one nation for the past 35 years. Most of all, I believe, he will be remembered as a strategist and spokesman for the many nations which call themselves nonalined and use that term to describe a policy of genuine detachment from both East and West.

Looking back upon his career as a wartime partisan leader, a Communist ruler, and then a Communist renegade who dared defy Stalin, we may marvel at how the passage of time alters our perceptions of historical figures. For many years, Marshal Tito was reviled in the United States as a tough dictator. Later, our attitude shifted from hostility to tepid acceptance. Today, in death, he is widely respected as a leader who set his own course, refusing to succumb to pressures from the Soviet Union.

I share the confidence President Carter expressed in February that "Yugoslavia is a strong, fiercely independent, courageous, well-equipped nation that can defend itself." I also support the President's statement of May 4 that "America will continue its longstanding policy of support for Yugoslavia and do what it must to provide that support." Finally, I join those who hope that the people of Yugoslavia who found unity in Tito's lifetime will find a renewed sense of purpose in this moment of his passing. The survival of Yugoslavia as an independent nation would be Marshal Tito's great legacy to his own people and to the peace of the world.

We ought not to forget Tito's other legacy—the spirit of genuine nonalinement which he formulated and embodied. For many Americans, the notion of nonalinement was once something to be discarded as specious or fraudulent—a refusal to take sides which could only be interpreted as cowardice or as flimsy camouflage for sympathy with the Soviet Union. Over the years, however, we came to appreciate the logic of the efforts by Yugoslavia and many other nations to position themselves in a protective cluster outside the dangerous East-West conflict. From that stance, Marshal Tito was able to serve as a bridge between the superpowers and was able to mobilize the voices of many small nations with their own set of demands on the world's agenda and resources.

We have been reminded—most recently by the U.N. General Assembly's condemnation of the Soviet invasion of Afghanistan—that the small, often poor, sometimes difficult countries of the nonalined movement share with the United States a commitment to independence and pluralism among nations.

That commitment has formed the basis of our relationship with Yugoslavia. It is a foundation, as well, for the kind of peace and order that the United States wishes to help establish everywhere. The fact that his dedication to independence and pluralism is widely shared throughout the world is part of the legacy of Marshal Tito.●

THE 49TH BIRTHDAY OF IDA NUDEL

● Mr. LEVIN. Mr. President, on April 27 we marked the 49th birthday of Ida Nudel, a Soviet Jew who is a "Prisoner of Conscience." Currently, she lives in exile in Siberia. She has served 2 years of her 4-year prison term for alleged "malicious hooliganism." Her true offense was simply hanging a banner proclaiming "KGB, Give Me My Visa," from her apartment balcony. She has suffered terribly because she expressed her desire to emigrate to Israel.

Before she was arrested, Ida Nudel sent packages with vitamins, food, and letters of encouragement to prisoners. She visited those who had no families and tried to help all prisoners in whatever way she could. Because of her work, she earned the nickname "the Guardian Angel."

It is important to put this occasion in a broader perspective. As Ida Nudel lives out the nightmare of her exile in Siberia, the Soviet Government continues to refuse visas to most of the persons who apply. In Moscow, in the first 3 weeks of February, 18 known Soviet Jews were given permission to leave the Soviet Union. At the same time, about 70 persons received refusals. There are an estimated 800 refuseniks waiting for exit permits in Moscow. In Kiev, the situation is the same. Each week, about six Jews receive permission to leave. Yet, an average of 100 persons receive their refusals. There are about 3,000 refuseniks living in Kiev. These statistics are similar throughout that country.

Last year, a record number of Soviet Jews were allowed to leave the country. Emigration played a larger role in the life of Soviet Jews than ever before. Each month, over 4,200 persons were able to leave the Soviet Union. But this year, it appears that there is a most significant ominous countertrend. According to the Soviet Jewry Research Bureau of the National Conference on Soviet Jewry, the emigration statistics for recent months show a major decrease with the trending beginning in the summer of 1979. By February of this year, the number of monthly emigrations had dropped 30–35 percent from the 1979 average.

This analysis reports that new restrictions, implemented before the Soviet invasion of Afghanistan, were not directly connected to Soviet international policies. "The decrease in emigration seems to reflect the introduction of a demand for an invitation (visov) from a 'close of 1st degree relative.' " The Soviet Government has begun to use "insufficient kinship of the invitee" on a broader scale than ever before as an excuse to refuse the granting of a visa. In Kiev, where the restrictions are most severe only parents and children qualify. Overall, in the first 3 months of 1980, nearly one-third fewer applicants have been allowed to emigrate than were granted permission last year.

And, at the same time, repression has increased in the Soviet Union. The most notable victim of the new Soviet campaign has been Andrei Sakharov, the Noble prize-winning scientist. These measures have struck upon all groups—ethnic, religious, literary and national—and suggest an increasingly brutal policy designed to completely ferret out all possible dissent. And predictably, there has been a great resurgence of strong anti-semitism which has led to renewed fears for the future of the Jewish community in the Soviet Union.

Mr. President, taking note of these facts, thousands of people gathered in Dag Hammarskjold Plaza, near the United Nations in New York City, on Sunday, to mark Solidarity Sunday for Soviet Jewry. They demonstrated in support of a sustained U.S. position in defense of human rights throughout the world. And they demonstrated in support of the rights of individuals in the Soviet Union to practice their religions and exercise their freedoms to follow their personal beliefs. Ida Nudel made known her aspirations as she supported those who had been imprisoned before her. She knew the risk she was taking but she followed her conscience. After she was sentenced she made a final statement. I would like to repeat those words, which are as important now as they were almost 2 years ago when she spoke them:

> Out of despair, I carried out an act on June 1st by which I claimed my right to express openly. Although 'malicious hooliganism" is the formal charge, I am not being tried for this. Neither my June 1st protest on my balcony nor my participation in the June 4th demonstration at Trubny Square is the real reason for my trial today. I am standing trial for the entire past seven years of my life. Moreover, if, in a few years I will have to make my final statement again, I am absolutely certain I will say then, as I say now, that the past seven years of my life for which I sit in the dock today were the most difficult and yet at the same time the happiest years of my life. During the past seven years I have learned to walk proudly with my head high as a human being and as a Jewish woman. Every time I was about to help another friend, my heart filled with an extraordinary feeling unlike any other. Perhaps the closest such feeling is that which a woman feels when giving new life. If the remaining years of my life will be grey and monotonous, these seven years will warm my heart with the knowledge that my life has not been without a purpose. None of you, my judges, is capable of finding a punishment that would take revenge and deprive me of the triumph and the victory of these seven years.●

AIR DECONTROL IS SEEN AID TO SHIPPERS

● Mr. CANNON. Mr. President, I would like to insert an article which appeared in the Journal of Commerce into the Record. While the tendency is to concentrate on the passenger side of the airline business, this article points out the positive effects of airline deregulation on the air cargo business.

The article follows:

AIR DECONTOL IS SEEN AID TO SHIPPERS

(By Robert Burkhardt)

WASHINGTON.—Service to shippers has "improved substantially without undue price increases" since air cargo transportation was deregulated in 1977, according to a study published by a non-profit research group here.

The American Enterprise Institute for Public Policy Research said that "important new services have been initiated and rates have become more nearly aligned with costs as a result of deregulation."

In a booklet published by the AEI, entitled "Regulatory Reform in Air Cargo Transportation," Lucile S. Keyes said that the performance of the air cargo industry before the deregulation law passed Congress "was adversely affected by economic regulation."

LACK OF CARGO SPACE

Dr. Keyes cited a lack of cargo space in domestic markets which resulted from overly restrictive route and rate controls.

In addition, Dr. Keyes said, controls on pricing caused some capacity to be underutilized. Evidence indicates that government-imposed limits on operating authority added to costs and prevented the development of a fully-integrated, high-quality system of freight transportation.

"Protective regulation, and more particularly protective control over operating authority, has made possible the provision of inferior air freight service to the public, has caused unnecessary increases in costs of transportation in this field, and has placed unjustified obstacles in the way of the full development of expedited intermodal freight transportation on a broad geographical scale," she said.

The major reforms embodied in the new laws—open entry after a brief period, limited price control and immediate expanded authority for some firms in the field—brought rapid improvement, according to Dr. Keyes.

"Domestic air freight traffic carried by the all-cargo airlines showed a dramatic increase in 1978, when revenue ton-miles reached a level 26 percent higher than in 1977," Dr. Keyes declared.

"A major improvement in air freight has already resulted from regulatory reform . . . with a marked increase in the availability of transportation in freighter aircraft."

Rates charged for air freight have remained within the bounds of what would have been permitted under continued regulation, according to Dr. Keyes.●

EXCESSIVE GOVERNMENT TRAVEL

● Mr. SASSER. Mr. President, on February 28, the Senate Appropriations Committee, under the leadership of the distinguished and able chairman (Mr. MAGNUSON) and the equally distinguished ranking minority Member (Mr. YOUNG) received testimony on fraud, abuse, waste, and error in the Federal Government.

A principal witness was Deputy Director of the Office of Management and Budget, John P. White.

During the hearing, I questioned Mr. White closely about excessive Government travel.

$500 MILLION TRAVEL CUTBACK

Mr. White testified that the $500 million travel cutback legislation, which I sponsored and which was solidly supported by Chairman MAGNUSON and Senator YOUNG, is being implemented successfully.

A MATTER OF CONCERN

Excessive travel is a matter that is of concern to both the Congress and the administration. Unfortunately, it seems that some Federal departments and agencies are still paying insufficient attention to curbing excessive travel despite the efforts of the Congress and the Office of Management and Budget.

EXCESSIVE MEETINGS AND CONFERENCES

During the course of the hearing, I pointed out that despite the $500 million travel cutback, we still find, for example, that the Agriculture Department hosted a meeting in Frederick, Md., from January 15 to 18, 1980, for 44 employees. All but two employees were from the Washington area.

In another case, the Agriculture Department hosted a meeting, again in Frederick, Md., from January 20 to 25, 1980, for 28 employees. All but four employees were from the Washington area.

I pointed out to Mr. White that in both cases, holding these meetings in the Washington area would have resulted in substantial savings to the Government and the taxpayer by eliminating the cost of lodging and transportation for the Washington employees.

IRONIC SITUATION

I think this situation is especially ironic, Mr. President. We have a situation in this country where the farmers cannot borrow the money to plant their crops, but the Agriculture Department can find the funds to conduct the boondoggles I have just described.

FOLLOWED UP COMMENTS

To his credit, Mr. President, Deputy Director White followed up on my comments. He brought the matter to the attention of Secretary Bergland, who personally took an interest in clearing up this matter.

I ask that a memorandum from Assistant Agriculture Secretary Wallace to the heads of Agriculture Department agencies on the subject of meetings held in the Washington, D.C., area be printed in the Record at the conclusion of my remarks.

CONCLUSION

Mr. President, I believe the policy established by Secretary Bergland stands as a model that should be emulated by other Cabinet Members in their efforts to root out nonessential Federal expenditures. I hope that the staff at the various Departments and agencies will take note of the efforts of Secretary Bergland at the Agriculture Department and take similar thoughtful actions to curb excessive travel expenses.

The memorandum follows:

U.S. DEPARTMENT OF AGRICULTURE,
Washington, D.C., April 8, 1980.

Memorandum to Heads of Department Agencies

Meetings to be Held in the Washington, D.C. Area.

Tight budgetary constraints, current high rates of inflation, travel limitations and the need for stronger energy conservation efforts demand that we all exercise more than the normal amount of restraint in approving attendance at meetings and conferences. This is particularly true for USDA agency sponsored meetings attended mainly by Washington, D.C., based personnel.

In the past, a number of these meetings involving overnight accommodations have been held at sites located outside the D.C. metropolitan area. This arrangement means that the attendees will be reimbursed for travel and per diem or subsistence expenses since they are away from their official duty station. This in turn greatly increases the overall cost of the meeting or conference. Agency Heads are to take action to discontinue the use of conference sites outside the Washington metropolitan area for Washington-based personnel, and to use the numerous facilities within the D.C. area.

It is equally important that your agency exercise maximum care in determining the location of meeting sites for field-based personnel. These meetings should be fully justified and held in locations which will hold overall costs to minimum levels.

The Secretary is personally interested in having each of you join me in this effort to improve travel management and reduce travel expenditures. This matter has to be given your personal attention and full commitment if it is to be successful.

JOAN S. WALLACE,
Assistant Secretary for Administration.●

PRELIMINARY NOTIFICATION OF PROPOSED ARMS SALES

● Mr. CHURCH. Mr. President, section 36(b) of the Arms Export Control Act requires that Congress receive advance notification of proposed arms sales under that act in excess of $25 million, or in the case of major defense equipment as defined in the act, those in excess of $7 million. Upon receipt of such notification, the Congress has 30 calendar days during which the sale may be prohibited by means of a concurrent resolution. The provision stipulates that, in the Senate, the notification of proposed sale shall be sent to the chairman of the Foreign Relations Committee.

Pursuant to an informal understanding, the Department of Defense has agreed to provide the committee with a preliminary notification 20 days before transmittal of the official notification. The official notification will be printed in the RECORD in accordance with previous practice.

I wish to inform Members of the Senate that three such notifications were received on April 28, 1980.

Interested Senators may inquire as to the details of these preliminary notifications at the offices of the Committee on Foreign Relations, Room S-116 in the Capitol.

The material follows:

DEFENSE SECURITY
ASSISTANCE AGENCY,
Washington, D.C., April 28, 1980.

In reply refer to: I-1354/8 Oct.

Dr. HANS BINNENDIJK,
Professional Staff Member, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR DR. BINNENDIJK: By letter dated 18 February 1976, the Director, Defense Security Assistance Agency, indicated that you would be advised of possible transmittals to Congress of information as required by Section 36(b) of the Arms Export Control Act. At the instruction of the Department of State, I wish to provide the following advance notification.

The Department of State is considering an offer to a Northeast Asian country tentatively estimated to cost in excess of $25 million.

Sincerely,

WALTER B. LIGON,
Acting Director.

DEFENSE SECURITY
ASSISTANCE AGENCY,
Washington, D.C., April 28, 1980.

In reply refer to: I-1358/8 Oct.

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The Department of State is considering an offer to a Northeast Asian country for major defense equipment tentatively estimated to cost in excess of $7 million.

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ASSISTANCE AGENCY,
Washington, D.C., April 28, 1980.

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Acting Director. ●

RESTORING THE MILITARY BALANCE

● Mr. TOWER. Mr. President, this week the Congress will be considering the Senate Budget Committee's recommended defense expenditures as part of the first concurrent budget resolution.

In this connection, I would like to share with my colleagues recent remarks by Senator JACKSON on the importance of starting now to reverse the growing U.S.-U.S.S.R. imbalance of military power.

On the occasion of a CDM Friends of Freedom Awards Dinner, April 24, honoring Andrei Sakharov, Senator JACKSON said:

> Our country now confronts, for the first time, a potentially adverse strategic balance, a changing balance against us in theater nuclear forces in Europe, and a continuation of the West's inferiority in regional conventional forces.
>
> As our deficiencies have become apparent, and as the Soviets have surpassed us in one category after another of military power, they have become bolder, and we have become diffident, divided and unsure of ourselves . . .
>
> It is wise to try to balance the federal budget. But it is more important to begin reversing the growing imbalance in all categories of military power. The President has committed himself to such an effort. But his present program was framed before the invasion of Afghanistan and it needs substantial upward revision. The Senate Budget Committee has taken a good first step in this direction. By adopting the Hollings-Domenici amendment, the Committee has added 12 billion dollars to the President's January request.
>
> But where is President Carter now on this central issue?
>
> Is the President going to oppose those of us in the Congress who are struggling to make good his public commitments for real growth in defense spending?
>
> Or will he help us get a substantial increase that dramatically signals American intent to restore the military balance? . . .
>
> Only a strong America can stand up to the Soviet Union, safeguard the interests of our friends and allies, combat terrorism, champion basic human rights, and conduct wise and steady diplomacy.
>
> My friends, we can prove by the coming votes on the defense budget that a confident America is embarked on a long-term bipartisan effort to restore the balance of power.

I recommend Senator JACKSON's statement to my colleagues, and ask that it be included at this point in the RECORD.

The statement follows:

THE BALANCE OF POWER AND THE FUTURE OF FREEDOM

I want to join in welcoming all of you to this annual dinner sponsored by the Coalition for a Democratic Majority.

We are here tonight to honor the Soviet Union's most distinguished citizen. Our gathering tonight sends the message to Andrei Sakharov: we salute you.

That Andrei Sakharov has been exiled to Gorki—far from Western eyes and ears—is a clear indication of what the Soviet leaders have in mind: a stubborn refusal to respect internationally recognized human rights and a ruthless determination to silence the human rights activists.

Against the awesome and arbitrary power of the Soviet state, Andrei Sakharov and a few others have held out. They have done so against all the odds—odds they fully understood. They have placed their very lives at risk because they believe freedom of conscience, freedom of information, freedom of movement and freedom of the choice of one's country of residence are directly related to peace among nations and to the economic well-being of the world's peoples.

Tonight, among all others, we celebrate Andrei Sakharov and his stalwart wife Elena Bonner, Ida Nudel, Anatoly Shcharansky, Yuri Orlov, Vladimir and Maria Slepak, Viktoras Petkus, Naum Meiman, Oleksa Tykhy, Mykola Rudenko, Viktor Brailovsky, Aleksandr Podrabinek, Michal Kukabaka, Mustafa and Reshat Dzhemilev.

I know that many here tonight share my continuing dismay at an American policy on human rights that finds it convenient to criticize the petty dictatorships, with which the world unhappily abounds, but inconvenient to speak out about the Soviet system that inspires repression around the world.

Thus it is that the Administration speaks more about the abuse of human rights in Chile, the Philippines, Argentina and Guatemala, while speaking less about the violation of human rights in the Soviet Union. So the Administration brings home our Ambassador from Korea because liberties of South Koreans have been violated—but finds it impossible to summon our Ambassador from Moscow when the freedoms of so many Soviet citizens are trampled.

For too many officials, the intensity of the struggle for human rights abroad is inversely proportional to the power of the offender. We even have certain officials who subscribe to a unique arithmetic: they think that if a human rights standard is a good thing, then a double standard must be twice as good.

Only with sensible priorities can we hope to forge an effective policy out of the impulse to support the cause of international human rights. Only by reasserting our concern at the denial of basic rights in the Soviet Union can we make credible our concern about basic rights elsewhere.

I urge the Administration to keep world attention focused on the plight of Andrei Sakharov and his courageous compatriots in their struggle for freedom. I join Lane Kirkland and the Executive Council of the AFL–CIO in calling upon President Carter to make as his top priority for the Helsinki Review Meeting in Madrid in November a condemnation of the Soviet leadership's efforts to crush Dr. Sakharov.

My friends, the unpleasant truth is that America's willingness to stand up to the Soviet Union is now seriously in question.

For a decade, the military balance has been shifting against the West.

While our defense budgets were declining, theirs were increasing.

While we were negotiating strategic arms limitation, they were doubling their strategic forces.

While we have talked, they have acted.

Our country now confronts, for the first time, a potentially adverse strategic balance, a changing balance against us in theater nuclear forces in Europe, and a continuation of the West's inferiority in regional conventional forces.

As our deficiencies have become apparent, and as the Soviets have surpassed us in one category after another of military power, they have become bolder, and we have become diffident, divided and unsure of ourselves.

It should have come as no surprise that the Soviets concluded they could invade and occupy Afghanistan—and get away with it.

Despite the invasion of Afghanistan, one searches in vain for evidence that official Washington has learned the major lesson. After all, President Carter himself has said that the danger now facing our country is the gravest in the modern period.

But, where is the Administration's strong leadership to redress the military balance and so fortify our political determination and our diplomatic hand?

Where is the post-Afghan supplemental budget that would start closing the gaps?

Where is the serious five-year defense budget that is in any way relevant to the magnitude of the problem?

Where is the rallying of our allies in a joint defense effort comparable to the launching in NATO in the aftermath of World War II?

It made sense to boycott the Moscow Olympic Games even before Afghanistan. Some of us argued back in 1978 that the Olympics should be moved from Moscow to Montreal—a site more consistent with respect for human rights. But, an Olympic boycott as the major response to Afghanistan is a mere slap on the wrist, not a serious strategy for countering Soviet adventurism.

It is important to get our hostages out of Iran alive and free. We are all aware of the complexities of the hostage crisis. But in his preoccupation with the hostages, the President has underestimated the danger of a divided and weakened Iran falling into the Kremlin's lap. The Iranian nation is not the major adversary. The Administration needs to stop thinking and talking as though it were, or else it will make a bad situation worse. The real danger—the growing threat of Soviet Hegemony in the Middle East—requires a long-term, hard-headed geopolitical perspective. We cannot afford a foreign policy tuned to the vagaries of Presidential primaries and Presidential polls.

It is wise to try to balance the federal budget. But it is more important to begin reversing the growing imbalance in all categories of military power. The President has committed himself to such an effort. But his present program was framed before the invasion of Afghanistan and it needs substantial upward revision. The Senate Budget Committee has taken a good first step in this direction. By adopting the Hollings-Domenici amendment, the Committee has added 12 billion dollars to the President's January request.

But where is President Carter now on this central issue?

Is the President going to oppose those of us in the Congress who are struggling to make good his public commitments for real growth in defense spending?

Or will he help us get a substantial increase that dramatically signals American intent to restore the military balance?

The President often says he is a reader and admirer of Professor Reinhold Niebuhr. I urge him to take to heart these words of that distinguished theologian:

"There has never been a scheme of justice in history which did not have a balance of power at its foundation. If the democratic nations fail, their failure must be partly attributed to the faulty strategy of idealists who have too many illusions when they face realists who have too little conscience."

The lag in our military power is due to an absence of conviction, not of resources; it is within our capacity and that of our allies to correct it.

It is still possible to deter Soviet adventurism—but the time is short.

All of us here tonight have our work cut out to see that America puts first things first. Each of us—whatever our vocation or calling—must help stop the slide to weakness and surrender.

Only a strong America can stand up to the Soviet Union, safeguard the interests of our friends and allies, combat terrorism, champion basic human rights, and conduct wise and steady diplomacy.

My friends, we can prove by the coming votes on the defense budget that a confident America is embarked on a long-term bipartisan effort to restore the balance of power.

Nothing would do more to hearten our friends and allies abroad. Nothing would do more to give hope to those in the U.S.S.R. who are resisting Soviet oppression and aggression. And nothing would do more to assure that the free people of the world—and not the tyrants—will inherit the future.●

PROPOSED ARMS SALES

● Mr. CHURCH. Mr. President, section 36(b) of the Arms Export Control Act requires that Congress receive advance notification of proposed arms sales under that act in excess of $25 million or, in the case of major defense equipment as defined in the act, those in excess of $7 million. Upon such notification, the Congress has 30 calendar days during which the sale may be prohibited by means of a concurrent resolution. The provision stipulated that, in the Senate, the notification of proposed sales shall be sent to the chairman of the Foreign Relations Committee.

In keeping with my intention to see that such information is immediately available to the full Senate, I ask to have printed in the RECORD at this point the three notifications I have received. Classified portions of two of the notifications, which have been deleted for publication, are available to Senators in the office of the Foreign Relations Committee, room S–116 in the Capitol.

The material follows:

DEFENSE SECURITY
ASSISTANCE AGENCY,
Washington, D.C., April 24, 1980.

Hon. FRANK CHURCH,
Chairman, Committee on Foreign Relations,
Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding herewith Transmittal No. 80–58, concerning the Department of the Air Force's proposed Letter of Offer to Singapore for defense articles and services estimated to cost $33.8 million. Shortly after this letter is delivered to your office, we plan to notify the news media.

Sincerely,

ERICH F. VON MARBOD,
Acting Director.

[Transmittal No. 80–58]

NOTICE OF PROPOSED ISSUANCE OF LETTER OF OFFER PURSUANT TO SECTION 36(b) OF THE ARMS EXPORT CONTROL ACT

(i) Prospective purchaser: Singapore.

(ii) Total estimated value: Major Defense Equipment*, $30.4 million; other, $3.4 million; total, $33.8 million.

(iii) Description of Articles or Services Offered: Six (6) F–5E aircraft including government furnished aeronautical equipment for production installation, support equipment, and aircraft spares.

(iv) Military Department: Air Force (SBN).

(v) Sales Commission, Fee, etc. Paid, Offered or Agreed to be Paid: None.

(vi) Sensitivity of Technology Contained in the Defense Articles or Defense Services Proposed to be Sold: None.

(vii) Section 28 Report: Included in report for quarter ending 31 March 1980.

(viii) Date Report Delivered to Congress 24 April 1980.

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, D.C., April 28, 1980.

Hon. FRANK CHURCH,
Chairman, Committee on Foreign Relations,
Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding under separate cover Transmittal No. 80–59, concerning the Department of the Air Force's proposed Letter of Offer to Switzerland for defense articles and services estimated to cost $42.6 million. Shortly after this letter is delivered to your office, we plan to notify the news media of the unclassified portion of this Transmittal.

Sincerely,

ERICH F. VON MARBOD,
Acting Director.

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*As included in the U.S. Munitions List, a part of the International Traffic in Arms Regulations (ITAR).

[Transmittal No. 80–59]

Notice of Proposed Issuance of Letter of Offer Pursuant to Section 36(b) of the Arms Export Control Act

(i) Prospective Purchaser: Switzerland.

(ii) Total Estimated Value: Major Defense Equipment,* $36.3 million; Other, $6.3 million; Total $42.6 million.

(iii) Description of Articles or Services Offered: One thousand (1,000) SIDEWINDER AIR–9P–3 air-to-air missiles.

(iv) Military Department: Air Force (AAR).

(v) Sales Commission, Fee, etc. Paid, Offered or Agreed to be Paid: None.

(vi) Sensitivity of Technology Contained in the Defense Articles or Defense Services Proposed to be Sold: See Annex under separate cover.

(vii) Section 28 Report: Included in report for quarter ending 31 December 1979.

(viii) Date Report Delivered to Congress: 28 April 1980.

* * *

Defense Security Assistance Agency,
Washington, D.C., April 29, 1980.
Hon. Frank Church,
Chairman, Committee on Foreign Relations,
Washington, D.C.

Dear Mr. Chairman: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding under separate cover Transmittal No. 80–62, concerning the Department of the Navy's proposed Letter of Offer to Australia for defense articles and services estimated to most in excess of $7.0 million. Shortly after this letter is delivered to your office, we plan to notify the news media of the unclassified portion of this Transmittal.

Sincerely,
Erich F. Von Marbod,
Acting Director.

* * *

[Transmittal No. 80–62]

Notice of Proposed Issuance of Letter of Offer Pursuant to Section 36(b) of the Arms Control Act

(i) Prospective Purchaser: Australia.

(ii) Total Estimated Value: Major Defense Equipment,* [Deleted] Other [Deleted]; Total, [Deleted].

(iii) Description of Articles or Services Offered: [Deleted].

(iv) Military Department: Navy (AOJ).

(v) Sales Commission, Fee, etc. Paid, Offered to be Paid: None.

(vi) Sensitivity of Technology Contained in the Defense Articles or Defense Services Proposed to be Sold: See Annex under separate cover.

(vii) Section 28 Report: Included in report for quarter ending March 31, 1980.

(viii) Date Report Delivered to Congress: April 29, 1980.●

MARYLAND GENERAL ASSEMBLY HONORS MARSHALL HEAPS FAMILY

● Mr. MATHIAS. Mr. President, we have all heard the stories that begin, "I've got some good news and some bad news. * * *" Well, I need not remind my colleagues of the bad news—we get plenty of it in every morning's papers. But when some good news comes to my attention, I do want to share that.

The doom and gloom people would have us believe that Americans have become lazy and self-indulgent, and that we have lost the will to endure as the world's most dynamic Nation. I just wish they could all meet the Heaps family—Marshall and Ann and their four sons, Michael, Scott, Allan, and Robert—from Pylesville, Md. What is special about them is that they are one of the very few families in the history of Scouting where four brothers have attained Eagle Scout rank. And what's special about that is that it gives certain proof that the American spirit—of dedication to God and country, to truth and self-discipline and individual excellence—is alive and strong. As long as this country continues to produce young men of the caliber of the Heaps brothers, we can look forward confidently to the future. When the baton is passed to their generation, and it is their time to wrestle with the difficult challenges of leadership, we will be in safe hands.

My former colleagues in the Maryland House of Delegates recently gave the Heaps family a standing ovation and passed a special resolution to honor their achievements. To that accolade, I add my own hearty salute—to the boys for their accomplishment and their promise for the future; and to their parents for the encouragement and guidance that helped make it possible.

I ask that a newspaper article, reporting more fully the many activities of the Heaps family and their recognition by the Maryland General Assembly, be printed at this point in the Record.

The article follows:

Md. Gen. Assembly Honors Marshall Heaps Family

Pylesville, Md.—The Marshall T. Heaps family, Old Pylesville Road, was honored March 29 by the House of Delegates during the regular session of Maryland General Assembly.

House Resolution 235, introduced by Delegate William H. Amoss of Harford County, honored the family for the Eagle Scout status attained by the four sons, Michael, Scott, Allan and Robert.

Following the reading of the resolution and introduction of the family, a standing ovation by the entire House was awarded them for their achievements.

Later, the same day, recognition was also given the family by Harford County Senator Arthur Helton during the regular session of the State Senate.

One out of every 100 Scouts attain Eagle Scout status which is the highest award in the Boy Scouts of America program. The Heaps family of four brothers in one family attaining Eagle Scout honor is the only family of this size in the Baltimore Area Council region to have been so honored.

Michael, 22, who is married to the former Darlene Amrein, is a registered nurse employed in the recovery room at Franklin Square Hospital, Baltimore. He is also an Emergency Medical Technician (EMT) or paramedic of the Delta-Cardiff Volunteer Fire Company. Michael was recently accepted at the George Washington University, Georgetown, where he will study anesthesiology. A graduate of North Harford High School, he was senior class president and member of the band and football team. He became an Eagle Scout in 11th grade following the completion of his conservation project which was the planting of 150 walnut trees at Broad Creek Scout Camp, Whitford, Md.

Scott, 20, is employed by Heaps Oil Co., Cardiff, and is an active member of the local fire company. He is a graduate of North Harford where he was a member of the band, football and wrestling teams. His Eagle project was aiding in the restoration of the Old North Bend Church near Jarrettsville.

Allan, 18, a freshman student in agriculture at New York State University, is a North Harford HS graduate where he participated in band, wrestling and soccer. He was Harford County wrestling champion in 1978 and participated in the state finals. Allan's plans following college include farming. His experience includes working on his Grandfather Procheska's farm. His Eagle project included the restoration of tombstones, cleaning the cemetery and building a fence at the North Bend Church.

Robert, 17, will graduate in June from North Harford. A member of the wrestling team, he was recently awarded the Regional Wrestling Award. He also played football and is a trombonist in the band. His future plans include college in the fall. Bobby's Eagle project was the sanding and weatherizing of the bleachers on the North Harford Athletic field.

All the boys were members of Troop 964, Whiteford, and joined at age 11 years.

Both parents recalled amusing incidents and the many scouting, school, church and Little League affairs they have attended over the years.

Said Ann, their mother, "Having four sons involved in four different activities at the same time really kept their father and me hopping from one place to the other."

"In the Little League with the boys playing on different teams, Marshall and I were kept busy trying to attend all the games," she laughed. "Marshall went with one of the boys and I went with the other but the next time we switched, so you can imagine how we juggled our time for each one."

However, their father commented, the boys always reserved Wednesday night for scouts—no matter what other activity came up.

Mrs. Heaps said it really was a relief when the boys received their drivers' licenses. "Otherwise I was on the road constantly with one or the other," she chuckled.

The Heaps family is one of a very few families in the history of scouting, nationwide, where four brothers have attained Eagle Scout status.●

PROPOSED ARMS SALES

● Mr. CHURCH. Mr. President, the Senate Committee on Foreign Relations has received a notification under section 3(e) of the Arms Export Control Act stating that Argentina has circumvented U.S. law by transferring U.S.-built aircraft to Paraguay and Uruguay.

I ask that this notification be printed in the Record.

The material follows:

Under Secretary of State
For Security Assistance,
Science and Technology,
Washington, April 18, 1980.
The Hon. Frank Church,
Chairman, Committee on Foreign Relations,
U.S. Senate.

Dear Mr. Chairman: I am providing the following information pursuant to section 3(e) of the Arms Export Control Act.

The Department of State has received information that the Government of Argentina transferred, in November 1979, a number of aircraft purchased under the Foreign Military Sales program to Paraguay and Uruguay without first having obtained the consent of the United States Government in accordance with the terms under which the aircraft were sold. If the Government of Argentina had requested such consent, we might not have granted it.

The aircraft in question consist of one C–47 aircraft transferred to Paraguay and nine T-28B and three C-45 aircraft to Uruguay. Our records indicate the C-47 and C-45 aircraft were sold to Argentina in 1962, and that Argentina purchased a total of sixty T-28 aircraft from us that year. Argentina also received forty T-28 aircraft from France in 1966-67. We have been unable to ascertain whether the T-28 aircraft transferred to Uruguay were from those provided Argentina by France or the United States.

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*As included in the U.S. Munitions List, a part of the International Traffic in Arms Regulations (ITAR).

This matter has been raised with a senior Argentine military officer, who explained that he had thought that, in view of the age and condition of the aircraft, prior United States consent was not required for their transfer to third parties. We have stressed the seriousness with which we view any unauthorized transfers, and that United States consent was still required under the governing agreements regardless of the age or condition of the equipment. We have received assurances satisfactory to us that no further transfers would be made without United States consent. In addition, I discussed the contents of this letter and the requirements of our laws with the Ambassador of Argentina in a follow-up demarche.

In view of the foregoing assurances, and in light of the fact that Argentina is already excluded from further FMS sales or financing under section 602B of the Foreign Assistance Act of 1961, as amended, we do not believe that further action on these cases is warranted.

Sincerely,

MATTHEW NIMETZ.●

LAW CHANGES SEEN DRYING UP PRIVATE PHILANTHROPY

● Mr. ROTH. Mr. President, I would like to offer for my colleagues' consideration the following highlights from a new study by the Heritage Foundation, entitled "Philanthropy in America." The study published jointly by Heritage and the Institute for Research on the Economics of Taxation, deals with the effects of U.S. tax laws on private philanthropy.

The author of the study, Dr. Stuart Butler, is a policy analyst at the Heritage Foundation, where he specializes in the economics of social issues.

The information follows:

Law Changes Seen Drying Up Private Philanthropy

WASHINGTON, April 10, 1980.—Changes in U.S. tax laws during the past decade and new regulations affecting private foundations are having a seriously inhibiting impact on private philanthropy, a Heritage Foundation economist says in a major new study.

The end result, he says, is that more and more institutions which previously have relied on the private sector for funding may be forced to turn to government.

Such a development, Heritage President Edwin Feulner says in the introduction, would strike at the very heart of the American tradition of pluralism. "In a democracy the tendency will always be for public support to be given only to those institutions which further the existing attitudes of society. The voluntary sector, on the other hand, allows support to be channeled to social groups and institutions which do not necessarily enjoy the favor of the majority."

The threat which private philanthropy faces is not due to any decline in respect for the voluntary sector, Butler says. To the contrary, public opinion polls continue to indicate strong public support. A new Sindlinger survey, commissioned especially for the report shows that 7 out of 10 people feel private organizations do a better job than government at providing welfare and other charitable services, and the same proportion feels that the private sector, not the government, should provide them.

Dr. Butler shows that although contributions to charitable organizations grew steadily in the 1960s, gifts from some sectors either stagnated or fell in the 1970s, when measured in real terms. Measured in constant 1960 dollars, support from foundations fell from $1.5 billion in 1970 to only $1.0 billion in 1978, for instance, and bequests declined over the same period from $1.6 billion to $1.2 billion.

The cause of this, he argues, is that changes in the tax laws since 1969 have reduced many forms of donation, and new regulations governing foundations have hamstrung their activities. The most serious modifications include changes that now mean businesses can deduct many gifts only at original cost, not present market value—which reduces the tax benefit during periods of inflation. The foundation sector has been especially hurt by the need to maintain high "payout" rates, without regard to the needs of recipients, and by a new tax on their investment earnings—a departure from their previously tax-exempt status.

The payout requirement has become a real drain, Butler said, because it requires foundations to distribute to charity, each year, at least five percent of the paper value of their assets. This has slowed down reinvestment and, thus, the growth of the foundation sector and its ability to finance charity in the future. The requirement has also caused many foundations to terminate their activities and has dramatically cut the birthrate of new foundations, Dr. Butler said.

According to Butler, government agencies are now beginning to fill the vacuum created by the restrictions on the founding sector. "Combined with the inhibiting effects of legislation on other branches of the voluntary sector, the end result is the gradual, backdoor nationalization of philanthropy."

If the charitable sector is to be revived, Dr. Butler concludes, major changes must be made in the laws dealing with philanthropy in order to restore the incentive to give.

In a related paper also published by Heritage, Dr. Butler examines a bill (S. 219 and H.R. 1785), introduced by Senators Daniel Moynihan (D-N.Y.) and Robert Packwood (R-Ore.) and Congressmen Joseph Fisher (D-Va.) and Barber Conable (R-N.Y.) which would allow taxpayers to take a deduction for charitable gifts, whether or not they itemize deductions.

The widening use of the standard deduction, he points out, has cost the voluntary sector billions of dollars in recent years, because the tax incentive to give has been removed for lower income donors. European evidence indicates that when the tax incentive is confined to those with higher incomes, pressure grows to remove the so-called "tax loophole for the rich" and replace voluntary support by state aid.

The Heritage Foundation is a Washington-based public policy think tank.●

PROPOSED ARMS SALES

● Mr. CHURCH. Mr. President, section 36(b) of the Arms Export Control Act requires that Congress receive advance notification of proposed arms sales under that act in excess of $25 million or, in the case of major defense equipment as defined in the act, those in excess of $7 million. Upon such notification, the Congress has 30 calendar days during which the sale may be prohibited by means of a concurrent resolution. The provision stipulates that, in the Senate, the notification of proposed sale shall be sent to the chairman of the Foreign Relations Committee.

In keeping with my intention to see that such information is immediately available to the full Senate, I ask to have printed in the Record at this point the notification I have just received.

The material follows:

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, D.C., April 15, 1980.

HON. FRANK CHURCH,
Chairman, Committee on Foreign Relations, United States Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding herewith Transmittal No. 80-57, concerning the Department of the Navy's proposed Letter of Offer to the United Kingdom for defense articles and services estimated to cost $38.0 million. Shortly after this letter is delivered to your office, we plan to notify the news media.

Sincerely,

ERNEST GRAVES,
Lieutenant General, USA, Director
Defense Security Assistance Agency.

[Transmittal No. 80-57]

Notice of Proposed Issuance of Letter of Offer Pursuant to Section 36(b) of the Arms Export Control Act

(i) Prospective purchaser: United Kingdom.

(ii) Total estimated value: Major defense equipment*, $33.0 million; other, $5.0 million; Total, $38.0 million.

(iii) Description of articles or services offered: Nineteen (19) MK 17 mod O turbine pump ejection systems.

(iv) Military department: Navy (LBP).

(v) Sales commission, fee, etc. paid, offered or agreed to be paid: None.

(vi) Sensitivity of technology contained in the defense articles or defense services proposed to be sold: None.

(vii) Section 28 report: Case not included in section 28 report.

(viii) Date report delivered to Congress: 15 Apr. 1980.●

COMPUTER SECURITY

● Mr. RIBICOFF. Mr. President, the New York Times reported today that the Federal Bureau of Investigation and the Royal Canadian Mounted Police are investigating the possibility that a computer used to educate youngsters may have been involved in a criminal compromise of other automated data processing systems.

Mr. President, I request that the article by Peter Kihss be printed at this point in the Record.

The article follows:

[From the New York Times, May 6, 1980]

The Great Dalton School Computer Tie-In Mystery

(By Peter Kihss)

There is a computer at the Dalton School in New York that is used to acquaint children with some of the mysteries of the electronic age. And somebody seems to have learned to use the computer in ways that have stirred up law enforcement authorities in the United States and Canada.

According to an affidavit by the Federal Bureau of Investigation, the Dalton Computer system—used to teach pupils in the fourth to 12th grades—has somehow been getting tied into data networks in the two countries. These are networks to which the school does not even subscribe.

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[*] As included in the U.S. Munitions List, a part of the International Traffic in Arms Regulations (ITAR).

The result, according to the affidavit, which was filed in support of a search warrant, has been access or attempted access to computer systems operated by or for 21 Canadian businesses or other organizations. The F.B.I. said the interloper's effort at one point "disrupted" the operation of a system for one company, Scott Hart and Associates, and for a time "seized control" of the computer system used by Canada Cement La Farge, destroying some of its data.

MOTIVES NOT KNOWN

The Federal agency said it did not know who the culprit was or what the motive might be—mischief, vandalism or whatever. Any prosecution could come under a Federal fraud-by-wire statute. An assistant United States attorney, Charles Carberry, said yesterday that violations could be punished by up to five years in prison or $1,000 fines.

Dr. Gardner P. Dunnan, the private school's headmaster, said: "It is possible that someone is using a telephone outside the school that is being traced to a school line." Dalton is at 108 East 89th Street, but its lines are tied to a computer on 91st Street, he said.

The school has 1,220 students from prekindergarten through the 12th grade, including 800 in the nine upper grades, and has 180 persons on its faculty and administrative and clerical staffs.

THE TWO AFFECTED NETWORKS

The affidavit was made by Michael G. Wilson computer crimes coordinator for the F.B.I.'s New York office. He said two common carriers of communications data had been affected—the GTE Telenet Communications Corporation of Vienna, Va., a subsidiary of the General Telephone and Electronics Corporation with a network throughout the United States, and Datapac, operated by Bell Canada.

Access to Telenet can be achieved by a telephone at a computer terminal, and the caller must provide a password, identification number and the address of the subscriber with whom he intends to communicate.

On April 11 Scott Hart complained of a disruption. Telenet got in touch with the New York Telephone Company. A New York Telephone investigator, Frederick Fisher, allegedly traced access to a Dalton telephone.

On April 15 a complaint by Canada Cement LaFarge was said to have led to the same telephone. Later Mr. Fisher reported that four Dalton telephones were used 42 times starting April 16 for the unauthorized access.

Sgt. A. V. Whitson of the Royal Canadian Mounted Police was quoted as saying there appeared to have been a "systematic approach to penetration." The F.B.I. affidavit, citing a possible scheme to defraud, resulted in authorization of a search warrant by United States Magistrate Harold J. Raby, and seizure last April 25 of two plastic bags containing computer printouts and a terminal log sheet.

Canadian computer subscribers who were affected included the Universities of Toronto, Alberta and Waterloo, Concordia University, Bell Canada, Honeywell and óthers, according to the affidavit.●

VOLUNTARY PROGRAMS OF SOIL AND WATER RESOURCE CONSERVATION

● Mr. **ARMSTRONG**. Mr. President, the Colorado General Assembly is strongly in favor of continuing existing voluntary programs of soil and water resource conservation. As I understand this matter, the U.S. Department of Agriculture has been evaluating the Nation's conservation programs and is expected to submit to Congress some recommendations for program changes. The Colorado Legislature is concerned that some program alternatives under consideration by the Department would replace a voluntary and cooperative approach with mandatory national standards and regulations. The legislature contends, and I agree, that this is the wrong way to go.

In support of this contention, I submit for the RECORD the Colorado General Assembly's Senate Joint Resolution No. 13.

The joint resolution follows:

SENATE JOINT RESOLUTION No. 13

Whereas, existing voluntary practices, including soil and water resource conservation measures, have made American farmers and ranchers the most efficient and productive resource managers in the world, having reduced soil erosion and increased food production; and

Whereas, the "Soil and Water Resources Conservation Act" (P.L. 95–192), passed in 1977, directed the United States Secretary of Agriculture to appraise the nation's soil, water, and related resources on nonfederal land, to develop a program for the conservation and enhancement of such land, and to report its results and recommendations to Congress; and

Whereas, the United States Secretary of Agriculture is preparing a report to Congress which presents proposed federal strategies for soil and water resource problem areas, including some alternatives which are in opposition to the existing programs and historic policies of the United States Department of Agriculture, by which technical assistance and cost-sharing, loans, and other conservation programs are performed on a voluntary basis, with the farmer and rancher making individual decisions on specific projects at the local level; and

Whereas, the proposed objectives were derived from broad citizen response in a manner that could dilute the opinions of agricultural landowners and land users who would be directly affected by the proposed objectives and would impose national priorities and objectives upon individual farmers, ranchers, and state and local governments, and some objectives and strategies would mandate cross compliance with other programs, extensive regulations and retroactive penalties, federal purchase of resources, federally mandated and state-funded and state-administered programs, and additional economic costs to be borne by farmers and ranchers; and

Whereas, the proposed objectives and strategies would necessitate increased federal government involvement in state, local, and private land management decisions, additional federal government regulations and spending when the national interest seeks to limit such actions, and mandated compliance requirements which are contrary to a free enterprise system and existing voluntary policies of the United States Department of Agriculture; and

Whereas, the imposition of additional mandatory national standards and regulations for soil and water resource conservation would cause complexity and confusion relating to water quality and other resource aspects regulated by the United States Environmental Protection Agency and would interfere with and tend to usurp the established century-old water laws of Colorado and other states; and

Whereas, the extent, broadness, and time period of federal regulations under some program alternatives have caused grave concern in the Senate Agriculture, Natural Resources, and Energy Committee, the House Agriculture, Livestock, and Natural Resources Committee, and the House Game, Fish and Parks Committee of the Colorado General Assembly; now, therefore,

Be it resolved by the Senate of the Fifty-second General Assembly of the State of Colorado, the House of Representatives concurring herein:

(1) That the United States Department of Agriculture continue its existing program policies of voluntary assistance to farmers and ranchers and refrain from imposing mandatory national soil and water resource standards and regulations upon individual farmers and ranchers.

(2) That any soil and water resource conservation program, as it applies to Colorado, have as its main objective conservation of land and water resources to preserve and increase the production capacity of agricultural lands.

(3) That the USDA not utilize regulations or cross-compliance strategies or any other measures that would increase the cost of production for farmers and ranchers.

(4) That the USDA not impose additional mandatory national standards and regulations for soil and water resource conservation which cause complexity and confusion relating to water quality and other resource aspects regulated by the United States Environmental Protection Agency and which would interfere with and tend to usurp the established century-old water laws of Colorado and other states.

(5) That the USDA extend the response deadline to the Resource Conservation Act Response Analysis Center from March 28 to May 30, 1980.

Be it further resolved, That copies of this Resolution be forwarded to the United States Secretary of Agriculture and the Resource Conservation Act Response Analysis Center in the United States Department of Agriculture, the United States Secretary of the Interior, the United States Senate Agriculture, Nutrition, and Forestry Committee, the United States Senate Energy and Natural Resources Committee, the United States House Agriculture Committee, the United States House Interior and Insular Affairs Committee, the members of Congress from the State of Colorado, the President of the Senate and the Speaker of the House of Representatives of each of the states of Alaska, Arizona, California, Hawaii, Idaho, Kansas, Montana, Nevada, New Mexico, North Dakota, Oklahoma, Oregon, South Dakota, Texas, Utah, Washington, and Wyoming, and the President of the Nebraska legislature.●

TRIBUTE TO THURGOOD MARSHALL

● Mr. **MATHIAS**. Mr. President, many years ago, a Baltimore utility company decided to install an electric pole on a corner of Dolphin and Division streets. The company expected that it would be a simple and routine task. But they were in for a surprise. The spot the company had picked was on the sidewalk directly in front of a popular neighborhood grocery store owned by a black couple. Much to the dismay of the company, that couple did not want their sidewalk cluttered up by a utility pole. The wife of the store owner refused to let the employees of the electric company install the pole. The utility was forced to go to court and get an order authorizing the job. Rather than acquiesce, the woman placed her rocking chair over the spot selected for the pole; she refused to move. Weeks passed, but she would not budge. As her grandson has noted, she emerged finally as the victor of what may have been the first successful sit-down strike in Maryland. Her name was Annie Marshall.

Mrs. Marshall was the grandmother of Thurgood Marshall. Those of us who have followed Justice Marshall's remarkable career over the years know his tenacity. This story indicates that tenacity is a natural inheritance. He and his grandmother had much in common. Both attained their objectives because of their unyielding commitment to what they believed. This dedication and perseverance have helped Thurgood Marshall carve out a record as an advocate and jurist virtually unparalleled in American history. In recognition of his record of accomplishment, Justice Marshall's hometown—Baltimore, Md.—is dedicating a statue of him next week.

It is especially fitting that Justice Marshall will be honored on May 16, 1980—just 1 day before our Nation celebrates the 26th anniversary of the U.S. Supreme Court's historic decision in Brown against Board of Education of Topeka. No one else had a greater hand in shaping the events which led to the Court's finally abandoning the "separate but equal" doctrine on which the Court had put its imprimatur 58 years earlier. Thurgood Marshall and his colleagues at the NAACP Legal Defense and Educational Fund had put the case for racial equality before the Court. And, the Court had listened. The nine Justices unanimously and emphatically rejected the notion that some persons in this Nation are more equal than others.

Brown was a landmark decision. It marked the beginning of a vital phase of the American civil rights movement. It breathed new vitality into the constitutional guarantees of equal protection under law. It stung a Nation's conscience; it provided much of the impetus for the judicial and legislative "civil rights" revolution of the 1950's and 1960's. It irrevocably altered the American way of life.

But, Brown was more than a beginning. It was also an end. In the words of Judge Robert Carter, one of Marshall's closest advisers in the NAACP:

> Brown, of course, represented the culmination of many years of Justice Marshall's work as a brilliantly successful civil rights lawyer. It marked the fruition of an extended effort to forge, through court decisions a constitutional doctrine defining the due process and equal protection guarantees of the Constitution as dynamic instruments capable of effectively removing all real life impediments to the various forms, remnants and vestiges of racial discrimination.

But, for Thurgood Marshall, this effort to achieve racial equality through the courts began long before Brown. In fact, it began in his native Baltimore during the depression. It was then that the Howard Law School graduate hung out his shingle on 4 Redwood Street, and became one of a handful of black lawyers in the city. And, it did not take long for young Thurgood Marshall to make his presence felt.

Teaming with his mentor Charles Houston, noted civil rights lawyer and dean of the Howard University Law School, in 1935 Marshall challenged the policy of the University of Maryland Law School prohibiting the admission of students solely because of their race. As a result of their efforts, the first black was admitted to the State law school. It must have been a particularly satisfying victory for Thurgood Marshall who just a few years earlier, had himself not even sought admission to the University of Maryland Law School because of the school's discriminatory admissions policy at that time. This was the first of many great civil rights victories for Thurgood Marshall.

Shortly after his victory in the Maryland Law School case, Justice Marshall began a meteoric rise up the ladder of the NAACP. In rapid succession he became assistant special counsel, special counsel and finally in 1940, when the NAACP Legal Defense and Educational Fund was established as the legal arm of the NAACP, he was named its director-counsel. He served in this latter capacity until President Kennedy nominated him in 1961 to the Federal bench.

During his years with the NAACP, Thurgood Marshall cut a wide swath through segregated America. He was a figure to be reckoned with. Courthouses had a way of filling up when the word got out that Thurgood Marshall was coming to town. He adhered to the rule of the law and used it to attack racial segregation wherever he found it. Thurgood Marshall and his colleagues at the fund challenged virtually every form of discrimination. They brought cases involving voting rights, public accommodations, housing, recreational facilities, the fair application of our criminal laws and educational opportunities at all levels. The victories were many and satisfying. The defeats few and bitter. But, the losses never lessened the future Justice's resolve to push forward. And, push he did. In fact, he is credited with victories in 29 of the 32 cases he argued on behalf of the NAACP before the Supreme Court.

During his tenure as director-counsel, Justice Marshall engineered the fund's stunning victories. But, he would be the first to admit that he had many allies in developing the fund's legal strategy and implementing it in courts throughout the country. At that time, the fund was blessed with a wealth of legal talent, including Robert Carter, Jack Greenberg, Spottswood Robinson and James Nabrit and Charles Black, Jr. They all worked together, but, as Professor Black has recalled, their discussions "were to advise and inform the mind of Thurgood Marshall. He (Marshall) made the decisions. No votes were taken. He took the responsibility. There was never any doubt who was in charge." And, the most momentous decision that Marshall made with the advice of his trusted colleagues was whether the time was right to make a frontal attack on the "separate but equal" doctrine set down in Plessy against Ferguson.

The victory in Brown was the high water mark of Thurgood Marshall's career at the NAACP; but, his efforts as a legal advocate for minority rights did not stop there. Prior to his appointment to the U.S. Court of Appeals for the Second Circuit, Marshall directed several more significant legal battles. In addition to cases in which the court extended the Brown rationale to public transportation and recreational facilities, Marshall was involved deeply in the landmark case of Cooper against Aaron. In Cooper, the court unanimously rejected delaying tactics by Arkansas school officials and reiterated that Brown was the law of the land and must be obeyed by all.

During his 3½ years on the second circuit, Judge Marshall made a successful transition from advocate to magistrate. In fact, while serving on the court of appeals he compiled the remarkable record of never having one of his 118 majority opinions reversed. At 57, he seemed destined to finish his professional career on the second circuit.

But, President Lyndon Johnson had other ideas. His first was to appoint Judge Marshall on July 13, 1965 to be Solicitor General of the United States. Once again, Thurgood Marshall found himself in the familiar confines of the U.S. Supreme Court; 2 years later, President Johnson had another idea. He nominated Thurgood Marshall to the U.S. Supreme Court.

In making his nomination, President Johnson said:

> I believe he has already earned his place in history, but I think that it will be greatly enhanced by his service on the Court. . . . I believe he earned the appointment. He is best qualified by training and very valuable service to the country. I believe that it is the right thing to do, the right time to do it, the right man and the right place.

So, for the third time in his career, Thurgood Marshall appeared before the Senate Judiciary Committee as a Presidential nominee. This number of appearances prompted a majority of the committee to note:

> In the history of the Senate there probably has never been any nominee for any judicial position who has received more minute and searching examination. The nominee's (prior) appearances . . . have been most revealing. The very curtain of his soul has been parted, its full width opening to view his character, his philosophy, and the quality of his judicial temperament. This view, at this critical point in time, has shown Judge Marshall's unique qualifications to sit on the Nation's highest Court, and to enforce her laws and protect her Constitution fairly, fully and faithfully.

On August 30, 1967, the Senate confirmed Thurgood Marshall to the Supreme Court by a vote of 69 to 11.

In his years on the Supreme Court, Justice Marshall has amply justified President Johnson's faith in him and the faith of the Nation.

Every new Justice brings years of experience, professional and personal, to the Supreme Court. These experiences help shape both his views on the Constitution and, ultimately, the role he will play on the Court. Few Justices, however, come to the Supreme Court with a lifetime of experiences comparable to those of Justice Marshall. None have played such a crucial role in the effort to eradicate segregation in America. And none have themselves been the objects of such brutal discrimination. Thurgood Marshall brought a unique perspective to the Court—a perspective which the court needed. He was, as President Johnson had predicted, the right man in the right place at the right time. It was the right thing to do.

Federal Judge Irving Kaufman said:

Thurgood (Marshall) was able to sear the nation's conscience and move hearts formerly strangled by hoary intransigence. And, because of him, we are all more free.

That is the ultimate tribute in a democratic society. Thurgood Marshall has earned it.●

GRAIN EMBARGO IMPACT

● Mr. ARMSTRONG. Mr. President, I submit for the RECORD a copy of Senate Joint Resolution No. 7 adopted by the 52d General Assembly of the State of Colorado.

In this resolution, the Colorado General Assembly examines the impact the grain embargo can have on agricultural producers and recommends policies to offset adverse consequences of the embargo.

I encourage my colleagues to review this statement from the Colorado legislature.

The joint resolution follows:

SENATE JOINT RESOLUTION NO. 7

Whereas, a threat to our national security and to the independence of the people of Afghanistan exists because of the Soviet Union invasion; and

Whereas, as a result of this aggressive action by the Soviet Union, the President of the United States has declared an embargo against the sale of United States grains to the Soviet Union as necessary for our national security; and

Whereas, this embargo could create a severe financial burden for U.S. Agricultural producers that should be equally shared by all citizens of the United States; and

Whereas, agriculture is a basic industry in the United States and its financial well being is essential to the economy of this nation; and

Whereas, the efficient production of food and fiber by American agriculture provides food for export as well as abundant supplies for domestic consumption; and

Whereas, a vigorous and financially healthy agricultural industry must be based on an unencumbered market system which provides an equitable return for the labor, capital, and maintenance inputs of America's farmers and ranchers; and

Whereas, the freezing of grain sales to the Soviet Union could cause this nation to lose billions of dollars and could cause the loss of the foreign market which has been developed at great cost to the industry; now, therefore,

Be It Resolved by the Senate of the Fifty-second General Assembly of the State of Colorado, the House of Representatives concurring herein:

That the President and Congress of the United States are strongly urged to carry out emergency measures to reduce the severity of the embargo through the following means:

"(1) Increasing the export credit budget;

(2) Providing incentives to encourage production of alcohol fuels from farm products; and

(3) Expanding the embargo to other items of export to make the embargo more effective and equitable.

Be it further resolved, That copies of this resolution be transmitted to the President and Vice President of the United States, the Secretary of the United States Department of Agriculture, the United States House and Senate Agriculture Committees, each member of the Colorado Congressional Delegation, the President of the Senate and Speaker of the House of Representatives of each of the states of Alaska, Arizona, California, Hawaii, Idaho, Kansas, Montana, Nevada, New Mexico, North Dakota, Oklahoma, Oregon, South Dakota, Texas, Utah, Washington, and Wyoming and to the President of the Nebraska legislature.●

CHEMICAL WARFARE AND THE GENEVA CONVENTION

● Mr. DOLE. Mr. President, for the past 2 months, I have spoken in this Chamber about atrocities committed in South Yemen, Vietnam, Cambodia and, most recently, Afghanistan by the Soviet Union—atrocities with which we are only vaguely familiar and against which we have virtually no defense. I am speaking about the use of chemical warfare. The Senator from Kansas has repeatedly called upon the State Department and the Administration to direct the UN Committee on Disarmament to begin an investigation of the Soviet role in Afghanistan with regard to chemical warfare. Unfortunately, in the wake of new developments in Iran, there has yet to be a serious attempt made by either the State Department or the administration to address the implications of this international crime.

I suppose the old cliche, "out of sight, out of mind" too often rings true. But it is the feeling of the Senator from Kansas that these blasphemies against humanity may not be out of sight for long if we continue to allow the suspected use of chemical and perhaps even biological warfare by the Russians to continue unquestioned.

A CAUTIOUS APPROACH

While it may have been wise at first to approach the issue cautiously when reports were still unproven on the use of nerve gas in Afghanistan, the accident at Sverdlovsk last spring makes it extremely difficult to ignore or deny the Soviets' chemical/biological venturism. When over 1,000 citizens die within hours in one city, it becomes increasingly difficult to deny that biological research is being done. And when a government refuses to explain this ghastly occurrence to expectant conference members in Geneva, it becomes a deadly risk to continue to trust that government in critical negotiations.

The West has for too long assumed more than its share of responsibility for keeping channels of communication open with the Soviets. We have been misled, lied to, ignored and yet we have continued to jump at every opportunity that presented itself to concede to Soviet demands. The Soviet track record on agreements with the United States has been marked with reception and disrespect. They have stoically accepted our unilateral concessions, while snickering behind their hands. If this is to become the premise on which future negotiations are to be based, it is clear to the Senator from Kansas that the talks of long past are null and void and the prospect for future communication is gloomy.

BUSINESS AS USUAL IN SPITE OF LETHAL GAS

The administration has recently offered tough rhetoric against the Soviet Union since the invasion of Afghanistan opened their eyes to a long standing, tough reality. However, the President continues to offer ceilings on defense that allow little or no real growth after inflation. Vice President MONDALE has publicly conceded the Soviets' use of "lethal gas." Yet, the administration has conducted its diplomatic relations in a business-as-usual fashion that some in the press have even gone so far as to suggest amounts to trying to "cover up Soviet germ warfare capability." While few can deny that politicking is an integral part of our system of government, overt attempts at manipulating world events to suit an administration's political needs is utterly without justification.

If Geneva is to be the site and occasion for communicating and negotiating on biological and chemical warfare, it seems that one of the basic goals of the conference should be to utilize that opportunity to ask some simple and direct questions on the way in which chemicals are being used and the extent to which they are being developed in partcipating countries. The inability and/or unwillingness of the Soviet Union to answer these questions makes the conference a farce and the questions a waste of time.

The Geneva conference is one of the few active communication conduits between the West and the Kremlin since the invasion of Afghanistan. That, in itself, might seem enough to insure its continued viability and stature despite the costs. It is American policy to maintain the framework of U.S.-U.S.S.R. negotiations intact.

However, a closer examination of this relationship reveals that we are building our future on shaky ground. Within the past year, over 1,000 have died mysteriously and quickly at Sverdlovsk. There has yet to be a satisfactory explanation of the deadly anthrax spores which caused the mass epidemic. The Soviets can ignore our questions as probing obtrusively into their internal affairs, but as fellow human beings, transcending nationality, we are owed an explanation.

Mr. President, as stated before on previous occasions, the Senator from Kansas does not suggest or condone a U.S. response in the form of development of our own chemical arsenals. Steps in this direction would virtually insure a U.S. fate similar to that of the Soviets. There is an appropriate and needed response, however—one which should be employed immediately. Once again, I call upon the administration and the State Department to analyze the facts and publicly recognize that we have a serious problem. Only then can we begin to structure an adequate defense against biological and chemical weapons. Tough rhetoric will do little if we continue to ignore this dangerous threat to our existence. A failure to react may be more fatal to America than the nuclear arms race that has received so much more attention and which we have feared for so long.●

DESIGNATION OF AMMONIA AS A TOXIC POLLUTANT

● Mr. ARMSTRONG. Mr. President, I submit for the Record a copy of Senate Joint Resolution No. 21 adopted by the 52d General Assembly of the State of Colorado.

This resolution, points out the problem of a proposed designation of ammonia as a toxic pollutant. The legislature contends such designation and resulting nationwide standards would ignore local conditions which can greatly affect the degree to which ammonia is or is not a water quality problem. This resolution contains a list of such factors and I am sure my colleagues who have heard their constituents on this issue will find the Colorado legislature's statement of interest.

The joint resolution follows:

Senate Joint Resolution No. 21

Whereas, the United States Environmental Protection Agency is proposing to designate ammonia as a toxic pollutant under the "Federal Water Pollution Control Act"; and

Whereas, such a designation, based upon a stringent nationwide standard, would amount to an arbitrary and capricious act by the Environmental Protection Agency without consideration of the following factors:

(a) The form of ammonia, whether unionized or total;

(b) The extent of concentration;

(c) The economic cost of compliance after designation;

(d) The use of the best available technology economically achievable for effluent limitations;

(e) The variations in water temperature, the Ph level, the natural presence of ammonia in streams, and other stream characteristics;

(f) The types of aquatic biota present in various streams;

(g) Low stream flow conditions, which are often present in Colorado and other western states; and

(h) The substantial differences between total ammonia and other designated toxic pollutants and that total ammonia does not cause cancer, is not an accumulative chemical, is biodegradable, and is nonmutating; and

Whereas, such a designation would result in nationwide influxible stream standards affecting publicly owned treatment works as well as industrial users and thereby would cause severe economic and social impact upon local governments, with little or no additional protection of water quality; and

Whereas, Colorado and other states would be usurped of the power to enact provisions on the discharge of ammonia which are adapted to the nature of the various receiving waters and needs to be protected; and

Whereas, the effect of designating total ammonia as a toxic pollutant may actually cause a water quality degradation by a showing that an "aquatic life" use classification is not economically attainable for a stream; now, therefore,

Be it resolved by the Senate of the Fifty-second General Assembly of the State of Colorado, the House of Representatives concurring herein:

That the United States Environmental Protection Agency should not designate total ammonia as a toxic pollutant under the "Federal Water Pollution Control Act", and that the members of the Congress of the United States from the state of Colorado employ any means at their disposal to urge the Environmental Protection Agency not to cause severe economic and social damages to the several states by the designation of total ammonia as a toxic pollutant.

Be it further resolved, That copies of this Resolution be sent to the Administrator of the Environmental Protection Agency, to the Director of the Criteria Standards Division of the Office of Water Planning and Standards, E.P.A., and to each member of the Congress of the United States from the State of Colorado.●

U.S. COMPETITIVENESS—REMARKS BY SENATOR RIBICOFF

● Mr. JAVITS. Mr. President, my esteemed colleague, Senator Ribicoff, the senior Senator from Connecticut, has addressed a fundamental problem for our country: Seriously declining productivity and competitiveness in an increasingly complex and competitive world. He has done so in typically insightful and practical remarks delivered at the recently concluded Conference on U.S. Competitiveness held at Harvard University on April 26, 1980.

Most significantly, Senator Ribicoff calls for a national plan for productivity for America and he urges that development of the plan should be a principal objective of whomever is the President for the next 4 years. In his remarks, he lists the following actions that should be a part of any such agenda. I list them here because each of them merits close and serious consideration.

First a national awareness that productivity is a priority and that efforts to improve it require broad national support;

Incentives, in the general sense of the term, should be available to redirect our attention to U.S. competitiveness;

Tax provisions to encourage both capital formation and innovation are necessary;

The effort to re-examine Government regulations with a fresh perspective must be continued. Where regulation is needed it must be achieved at minimum cost and lessened administrative burden;

Research and development, once a prime concern in U.S. industry, needs more support and should be considered an investment in tomorrow's production;

Special industries, especially those in technologically advanced products, may require particular attention to be sure that the United States retains its leadership;

Our anti-trust laws may require adjustment to allow U.S. corporations to compete effectively abroad as other nations do, permitting certain practices we would normally discourage at home in terms of combined corporate marketing strategies.

Because Senator Ribicoff's remarks are especially timely and pertinent, I ask that they be included in the Record in full. I commend them to my colleagues.

The remarks follow:

Remarks by Senator Abe Ribicoff

INTRODUCTION

This conference poses a crucial question, and the answer is yes, the U.S. can remain competitive.

I am impressed with the enthusiasm of this group. There is among us a conviction that the United States is in a watershed period which will fundamentally affect our future. Many people here have been concerned about U.S. competitiveness for years. The issue is now more widely seen as serious and requiring concerted action. It is this sense among us of eagerness and impatience for action that I find encouraging. It is indeed time to turn this country around. We can certainly restore a competitive edge to America if we are honest about the depth of our problem and resolute in our determination to get moving.

In facing the question of productivity and competitiveness, it is painful for Americans to realize that we are not "Number One" in current performance. Economic progress, growth, and the better technology once synonymous with "American know-how" are part of our self image as a nation. To realize the truth and to pull a person or corporation out of a rut, the first step is to take account of the problem. The United States needs such an honest assessment. The Joint Economics Committee report is an excellent starting point for such candor. I am sure that there are others. They must be widely circulated and understood. The fact is that the U.S., while still a productive nation on an absolute scale, is rapidly losing its lead. Our OECD partners are rapidly closing the gap and have been doing so for a decade. Some of them will beat us before this decade is finished if they and we continue at present rates. That message ought to knock the complacency out of anyone still content with U.S. economic security.

After the scope of the problem is realized, some perspective might be healthy. The United States has a good position from which to compete. Our domestic resources include a strong industrial and agricultural base, a variety of domestic energy resources, an educated and skilled manpower base, and the largest national market in the world. Moreover, we have a political system capable of responding to new challenges. A nation which has sustained two world wars and a major depression in this century yet led the international post-war recovery is not without resilience and spunk. The American people may have frustrations, but we are certainly capable of fighting hard when we get tracked onto a good, serious battle.

I occasionally hear productivity being discussed in terms of ideology or cast in a liberal or conservative perspective. My perspective, frankly, is simply practical. When a ship steams along in good order it can carry all sorts of cargo and work many ports. But when there is trouble in the engine room, taking care of the power system becomes the first priority. The question is whether our economy will be strong enough to thrive, to compete, to adjust to new realities, and to provide for both the common defense and the social benefit of the nation. This is a national problem facing all of us, parties and political philosophies notwithstanding. We all face the practical matter of revitalizing the engine which drives our economy.

THE INTERNATIONAL DIMENSION

We will bring to the problem of competitiveness our own perspective and special concern. I am especially worried by the international economic situation and the state of U.S. leadership. The future is less encouraging than we had hoped. The United States and the other industrialized nations will have high rates of inflation for several years. Inflation destroys social fabric and makes insecure, desperate competitors out of both individuals and nations. We will have higher energy prices sapping our strength. We will face slower rates of growth and slackened demand, thereby denying to all the OECD partners the benefits of external economic strength and growing markets. The third world nations will find their hopes for growth and their escape from poverty and energy costs resisted by a slow-moving and defensive set of industrialized nations. Those institutions such as the International Monetary Fund and the World Bank which have until now acted with the confidence that the United States and others provided both strength and encouragement will need renewed inspiration. In sum, there are serious problems deeply imbedded in the international economic system.

This projection is grim. In the modern world "ecopolitics" and now "petropolitics" share equal status with geopolitics in the affairs of nations. A safe and prosperous world demands the effective leadership of the United States with a strong economy, a healthy currency within a sound monetary system, and a fair and functional relationship among trading nations. In this interdependent world our economies are tied and they depend on each other. Right now the world's tariffs have never been lower and the Toyko Round of trade negotiations has recently brought into play a new set of rules of the road to reduce non-tariff barriers. The IMF has proved its ability to cushion severe balance of payments strains and to apply both relief and common sense to nations in need. And the World Bank and regional and bilateral aid programs have directed increased flows of capital to productive enterprises in the third world. These systems are sound, but they face enormous challenges. The size of world debt is alarming, and some countries are at the point of near bankruptcy. The constant threat of protectionism, the increasing costs and decreasing certainty of supply of oil, and the prospect of more regional instability are enough to sober any optimist.

A weak United States in such a world is bad news for everyone. All of this while our economy is stagnant, inflation runs on, and our competitive position worsens. Our experiences in the electronics industry, in television and shipbuilding, in cameras and automobiles, may not be lessons learned but rather forewarnings.

It is time that we looked down the road at the business machine industries, at computers and aircraft and other advanced technology, and decided what shape we want to be in five or ten years from now. As a nation we lack that long term perspective. Such goals must be understood, translated into policy, and then defended against all the short term compromises which weaken any plan not vigorously protected.

We cannot allow ourselves to ignore the decline in our international economic strength which is as threatening as military action to a safe United States and a healthy Western world.

THE NATIONAL AGENDA

The question of U.S. competitiveness must be seen as a national political issue, not as just a businessman's complaint or an economist's projection. We have in plenary session documented the seriousness of the challenge. We have learned from Mil Batten that the Garth Associates poll finds the U.S. public not just ready but eager for real action. Later this morning we will learn what the panels have concluded about the ramifications of our productivity lag. The job facing us is to rally a nation back to economic strength. The message this group at Harvard should send forth is that the U.S. competitive position is a national issue during this election year.

Whoever is President for the next four years owes the nation a plan for productivity in America. The Democratic Party and the Republican Party must have in their platforms effective recommendations to improving productivity. Any candidate for Congress or the Senate must pay as much attention to a competitive program as to inflation and defense and energy. I am sure from our work so far that we will have some concrete recommendations from this bipartisan group for future action. An issue of this magnitude does not lend itself to a unified remedy at this early stage. But there can be a unity of purpose bringing together the differing perspectives represented here. From our discussions it is obvious that among the actions required will be these:

First a national awareness that productivity is a priority and that efforts to improve it require broad national support;

Incentives, in the general sense of the term, should be available to redirect our attention to U.S. competitiveness;

Tax provisions to encourage both capital formation and innovation are necessary;

The effort to re-examine Government regulation with a fresh perspective must be continued. Where regulation is needed it must be achieved at minimum cost and lessened administrative burden;

Research and development, once a prime concern in U.S. industry, needs more support and should be considered an investment in tomorrow's production;

Special industries, especially those in technologically advanced products, may require particular attention to be sure that the United States retains its leadership;

Our anti-trust laws may require adjustment to allow U.S. corporations to compete effectively abroad as other nations do, permitting certain practices we would normally discourage at home in terms of combined corporate marketing strategies.

All of these factors and perhaps others should be part of a comprehensive package. It would be wrong to delay action until a consensus is reached on a complete productivity program. Such a consensus will take time and will require a thorough airing of different perspectives from business, labor, and all the affected parts of our society. I am sure from my experience on the Finance Committee that economists will continue to offer differing projections and analyses throughout the debate; economists never seem to agree with one another. We can start with preliminary steps which are recommended by common sense, and we can use some pilot programs.

I believe that this conference has an opportunity. We can send forth a message that the United States must restore a competitive edge to its economy. We must do so to fight inflation, to create jobs, to lift our rate of growth, and to sustain both our national position and the strength of the international economic system. It is essential that the United States look at this serious challenge with a national perspective which will require a concerted effort from all Americans. I believe that the American people will welcome a call to action and the opportunity to work for a better tomorrow.

Let the message from Harvard in April of 1980 be that a group of leaders from the private sector and labor, from the Senate and the House, and from the academic world and the media, agree that our nation has an unmet priority. We ask the question whether the U.S. can remain competitive. A statement from us will serve as a catalyst during this political year. This challenge must be on the national agenda. The future of our country depends on our being equal to the task to remain competitive. And I am confident that the United States will meet that challenge.●

PUBLIC LANDS MANAGEMENT

● **Mr. ARMSTRONG.** Mr. President, I call attention of the Senate to House Joint Resolution No. 1006 adopted by the 52d General Assembly of the State of Colorado.

This resolution reflects the growing frustration in the West over the management of public lands by the Federal Government. What is often overlooked is the tremendous impact Federal policies have on the Western States. In Colorado, 35.6 percent of the acreage of the State is owned by the Federal Government. For other Western States the percentage of federally owned land is much higher: 63.7 percent in Idaho; 87.6 percent in Nevada; 65.1 percent in Utah, 44.2 percent in Arizona; 52.5 percent in Oregon, 46 percent in California; 48.6 percent in Wyoming, and 90.5 percent in Alaska.

In this resolution, the Colorado General Assembly is supporting a multistate study to analyze the impact of placing these lands under State jurisdiction. I am sure such a study would be a valuable addition to the current debate and commend this resolution to my colleagues.

The joint resolution follows:

HOUSE JOINT RESOLUTION No. 1006

Whereas, a vast percentage of the land in the western United States is public land owned or controlled, together with the minerals and energy resources contained therein, by the federal government, and approximately ninety-three percent of all land controlled by the federal government is located in the twelve western states; and

Whereas, There has recently been growing concern among the residents of the western states regarding the constitutionality of such ownership and control and the practical efficiency of continued federal ownership or control of such public land; and

Whereas, In several western states legislation is under consideration which is designed to claim state ownership of certain of such public lands, and Nevada has passed legislation laying claim to certain public lands, and there is before the Congress of the United States a bill providing for the conveyance of federally owned unreserved and unappropriated lands to the states; and

Whereas, Approximately thirty-six percent of Colorado's total land areas is owned or controlled by the federal government, of which approximately eight million three hundred thousand acres are managed by the Bureau of Land Management, and consequently there is in Colorado a growing interest in and concern with the subject of laying claim to such public lands, exclusive of lands located within national parks and national monuments, land used for military purposes, and lands designated as Indian reservations; and

Whereas, There is the need for a study and analysis of the effect and impact of divesting the federal government of such public lands and placing control and jurisdiction of such public lands in state governments; now, therefore,

Be it Resolved by the House of Representatives of the Fifty-second General Assembly of the State of Colorado, the Senate concurring herein:

That the General Assembly include in the legislative appropriation for the fiscal year 1980–81 an amount sufficient to allow Colorado to join in and to defray Colorado's share of the cost of a multistate study designed to analyze the effect and impact of the divestiture of public lands from the federal government and the placement of control and jurisdiction of such public lands in the states.

Be it Further Resolved, That copies of this resolution be sent to the President of the United States, each member of the Congress of the United States from the State of Colorado, the United States Secretary of Agriculture, the United States Secretary of the Interior, the United States Senate Agriculture, Nutrition, and Forestry Committee, the United States Energy and Natural Resources Committee, the United States House Agriculture Committee, the United States House Interior and Insular Affairs Committee, the President of the Senate and the Speaker of the House of Representatives of each of the states of Alaska, Arizona, California, Hawaii, Idaho, Montana, Nevada, New Mexico, Oregon, Utah, Washington, and Wyoming.●

TRIBUTE TO SERVICEMEN KILLED IN ABORTED RESCUE MISSION

● Mr. TALMADGE. Mr. President, I join my colleagues, the President of the United States, and all Americans in mourning the death of the eight soldiers who were recently killed in the aborted rescue mission in Iran.

Two of these brave men who lost their lives for the flag were from Georgia. Marine S. Sgt. Dewey L. Johnson was a resident of Dublin, and Air Force Capt. Lyn D. McIntosh was from Valdosta. On behalf of my fellow Georgians, I salute all of these soldiers for their courage and valor, and express to their families and loved ones our deepest sympathy and prayers.●

THE IMPORTANCE OF OIL SHALE

● Mr. ARMSTRONG. Mr. President, I submit for the Record a copy of Senate Joint Resolution No. 18 adopted by the 52d General Assembly of the State of Colorado.

In this resolution, the Colorado General Assembly discusses both the importance of shale oil resources in the West and some of the impediments to full development of this resource. I urge my colleagues to take a moment to review the position of the Colorado legislature on this critical energy question.

The joint resolution follows:

Senate Joint Resolution No. 18

Whereas, the President of the United States and the Congress of the United States have called for accelerating the rate of development of alternative energy sources; and

Whereas, the national dependence on imported oil has reached an alarming percentage of our total petroleum requirements; and

Whereas, the supply of imported petroleum is becoming increasingly unreliable and costly; and

Whereas, the enormous oil shale resources in Colorado and Utah afford the most likely opportunity for shale oil to become a significant alternative source of energy; and

Whereas, the ability to provide for offsite location of plant sites, processed shale disposal, and other oil shale facilities can enhance efficient resource recovery and sound environmental planning and is in the public interest; and

Whereas, in order to become more energy self-sufficient and have the ability to produce adequate supplies of petroleum products for our nation, it is essential that the nation's industries be authorized by the Congress of the United States to employ the most efficient technological resource recovery systems available; now, therefore,

Be it resolved by the Senate of the Fifty-second General Assembly of the State of Colorado, the House of Representatives concurring therein:

That we, the members of the Fifty-second General Assembly of the State of Colorado, do urge the members of the Congress of the United States from the state of Colorado and Utah and the Governors of Colorado and Utah to support the passage of federal legislation to permit the Secretary of the Department of the Interior to grant "surface only" uses on federal lands to serve as oil shale plant sites or areas for the disposal of overburden and processed shale, and other special uses.

Be it further resolved, That copies of this Resolution be sent to the President of the Senate and the Speaker of the House of Representatives of the Congress of the United States and to each member of the Congress of the United States from the states of Colorado and Utah, to the Governors of the states of Colorado and Utah, and to the Secretary of the Department of Interior.●

SENATOR SASSER OUTLINES SMALL BUSINESS ISSUES

● Mr. NELSON. Mr. President, just prior to the convening of the White House conference in Washington, D.C. on January 13–17, 1980, the Senator from Tennessee (Mr. Sasser), who is an outstanding member of the Senate Select Committee on Small Business, addressed the Tennessee delegation to that conference.

Senator Sasser's remarks on that occasion are an impressive statement on small business policy issues and legislation pending in the Congress designed to create a better climate for independent enterprise.

In my view, these thoughtful comments ought to be called to the attention of my colleagues and the Nation's small business owners and organizations, and I ask that they be printed in the Record.

The remarks follow:

Remarks by Senator Jim Sasser

Thank you very much for the privilege of letting me take part in this meeting of the Tennessee delegates to the White House Conference on Small Business.

I know how hard you have worked over the past year, meeting monthly to bring your expertise to bear on matters concerning small business.

I am pleased—and deeply honored—to be with you.

In 1975 the Wall Street Journal wrote that the small entrepreneur was the "forgotten man" of American politics.

"No one is leading a crusade against him, and it is probable that no one really wants to. He is merely being . . . harassed, ruined and bankrupted by a political process that takes him for granted and is utterly indifferent to his problematic condition."

You may feel that these statements are as true now as they were 5 years ago. They are not. Small business still faces problems. It is still not appreciated or recognized in the national priorities as it should be.

But since 1975 Congress has moved to change attitudes toward small business and has begun to recognize small business for what it is—a vibrant and vital force in our national economy.

From the moment I first came to Congress and especially since I became a member of the Small Business Committee, I have taken part in these efforts. For the first time since the 1940's, Congress is listening to small business and has acted in its interest in a number of ways.

For example, the most recent tax bill passed by the Congress contained a most progressive business tax structure. The new schedule provides a maximum tax saving of $14,750 per company and a total of $2 billion per year in tax relief for the 94% of U.S. corporations which earn less than $100,000 per year. The National Federation of Independent Business referred to this change as "the most significant tax reform of the last 40 years."

Another important feature contained in this same tax bill broadened the investment tax credit to provide a 10% credit for renovation of 20-year-old buildings and single-purpose farm structures.

The capital gains tax has also been reformed to benefit small business. From 1969 until 1976 maximum tax rates on capital gains increased from 25% to a peak of 49%. Last year a Small Business Committee hearing proved that this high tax had dried up desperately needed investment capital. Congress reacted quickly by accepting the committee's proposal to cut the capital gains rates back to 28%, a reduction of 43%.

By the spring of 1979 more than $500 million in new venture capital had been raised for small enterprises. The National Association of Small Business Investment Companies wrote that "new, young and growing small businesses have hundreds of millions of additional dollars available to them."

Still another reform eliminated the so-called "widow's tax." Until this change, a wife who worked alongside her husband in a farm or business—but did not make a cash contribution—was required to pay estate taxes on the full value of the property when her husband died.

A Small Business Committee amendment changed this highly unfair law. It gives credit for a wife's labor at the rate of 2% per year, up to a maximum of 50%, of the total farm or business value for estate tax purposes. Beginning last January 1, surviving spouses were allowed to claim this credit for all past years of labor.

Another bill that recently passed the Senate would allow small businesses which prevail in civil litigation or administrative proceedings against the Federal Government to recover their full legal costs, including reasonable attorney's fees. Under present law, a small businessman must bear all costs of litigation involving the Government—even if the Government's position is arbitrary, frivolous or groundless.

Many small businessmen simply cannot afford the cost of fighting improper or abusive Government action. As a result, they may be coerced into submission not because they are wrong—but because they cannot afford to prove they are right.

This bill is now being considered by the House Judiciary Committee. It is my sincere hope that the House will act quickly. The relief is sorely needed.

Another area of great concern to me and my colleagues on the Small Business Committee has been the small business share of Federal dollars for technical innovation. Of the billions doled out each year in research and development funds, small business is getting less and less. At present, it's only 3.5%.

This meager portion is being given in spite of overwhelming evidence which shows that small businesses are leaders in innovation and technical advancement. According to the National Science Foundation, since World War II firms with fewer than 1,000 employees were responsible for one-half of the "most significant new industrial products and processes." Firms with less than 100 employees produced 24% of such innovations—and developed 24 times as many major innovations per research dollar as did large firms.

My colleagues and I have introduced the Small Business Innovation Act of 1979 (S. 1860). It requires that Federal agencies increase their support for small businesses to a point where these firms receive 10% of each agency's research and development funds. It is estimated that this legislation could divert over $300 million per year to small businesses.

The climate for innovation must be improved. Our small innovative firms must be nourished to enable us to stem the precipitous decline in research and development. I believe that the innovation title contained in S. 1860 is a very positive step in this direction. I plan to work diligently to see that it is passed.

Another provision of the bill would allow

Federal agencies to tailor their regulations to fit the scale and abilities of the businesses being regulated. It encourages agencies to adopt alternatives which reduce the burden of compliance for small businesses while still accomplishing the goals of the legislation or regulations involved.

The small business enterprise is hit particularly hard by excessive regulation. It often has neither the financial capability nor the legal expertise to cope with the mushrooming regulatory regime. This provision seeks to lessen the disproportionate share of the regulatory burden that is borne by small business.

Additionally, the innovation bill contains tax incentives to encourage research and development by small firms. Capital gains realized on the sale of securities of a small business would be deferred if reinvested in another qualifying firm within 18 months. Qualifying small businesses would also have a loss carry-forward of 10 years, instead of the 7 under existing law. And they would be given a liberalized depreciation schedule for specialized equipment and instrumentation for research and development.

These and many other areas are now being examined in an effort to assure that the small business enterprise is not "forgotten" and never again will be. The indifference of Government toward small business must end. The country simply cannot afford to mistreat that segment of the national economy responsible for 55% of private jobs and 43% of the gross national product. Small business, the foundation of the Free Enterprise System must be protected.●

WAYNE N. ASPINALL UNIT

● **Mr. ARMSTRONG.** Mr. President, the Colorado General Assembly, in Senate Joint Resolution No. 25, recalls the long and continuing public service of Wayne N. Aspinall and endorses legislation now pending in the Senate to designate the Curecanti Storage Unit of the Colorado River storage project as the Wayne N. Aspinall Unit.

I encourage my colleagues to take a moment to glance at the list of accomplishments of this remarkable Coloradan and am pleased to be listed as a cosponsor of the legislation renaming this unit in his honor.

The joint resolution follows:

SENATE JOINT RESOLUTION NO. 25

Whereas, Wayne N. Aspinall has been a resident of the Grank Valley of western Colorado since early boyhood for the great majority of his almost eight-four years; and

Whereas, Wayne N. Aspinall unselfishly devoted forty-eight years of his life to elective office in the service of his fellow man; and

Whereas, Wayne N. Aspinall served as an outstanding legislator in both the House of Representatives and the Senate of the General Assembly of the state of Colorado for a period of sixteen years; and

Whereas, Wayne N. Aspinall was elected twelve times to the House of Representatives of the Congress of the United States, serving there for twenty-four years, during which time he was for twelve years chairman of the important House Committee on Interior and Insular Affairs which acted upon approximately one-fifth of the bills introduced into the Congress; and

Whereas, in 1956, while Wayne N. Aspinall was chairman of the Subcommittee on Irrigation and Reclamation of the House Committee on Interior and Insular Affairs, during which time there was bitter opposition to Colorado River water reosurce development projects, the Congress enacted the "Colorado River Storage Project Act", which at that time was the largest reclamation authorization act ever approved by the Congress, containing authorization to construct four large water conservation storage units (Curecanti, Flaming Gorge, Glen Canyon, and Navajo) and eleven participating irrigation projects in Colorado and her three sister states in the Upper Colorado River Basin, and containing authorization for priority of planning for twenty-five additional participating projects in the Upper Colorado River Basin; and

Whereas, in 1962, Wayne N. Aspinall was directly instrumental in securing the passage of legislation by the Congress authorizing the construction of the Fryingpan-Arkansas Project in Colorado and the San Juan Chama and Navajo Indian Irrigation Projects in Colorado and New Mexico; and

Whereas, in 1964, Wayne N. Aspinall successfully sponsored legislation in the Congress that authorized the construction of the Bostwick Park, Fruitland Mesa, and Savery-Pot Hook participating projects of the Colorado River Storage Project in western Colorado; and

Whereas, in 1968, Wayne N. Aspinall was a major force in maneuvering through the Congress the "Colorado River Basin Project Act" which then became the largest single reclamation project act in history, and which authorized construction of the Central Arizona Project and five additional participating irrigation projects of the Colorado River Storage Project in western Colorado; and

Whereas, under the chairmanship of Wayne N. Aspinall, the House Committee on Interior and Insular Affairs reported to the United States House of Representatives numerous bills, including bills which, upon their enactment, created and expanded units of the national park system, established basic laws pertaining to environmental improvement and outdoor recreation opportunities, protected the water and related land resources of our nation, and added two new states, Alaska and Hawaii, to the United States of America; and

Whereas, Wayne A. Aspinall has dedicated the major portion of his life to service to the nation, the Upper Colorado River Basin, the state of Colorado and especially to western Colorado with the result that Colorado is a much better place to live than it otherwise would be without his diligent and tireless efforts which enhanced the conservation, orderly development, and wise utilization of Colorado's water, land, and mineral resources; and

Whereas, a bill has been introduced in the United States Congress to designate the Curecanti Storage Unit of the Colorado River Storage Project as the Wayne N. Aspinall Storage Unit of the Colorado River Storage Project; now, therefore,

Be it resolved by the Senate of the Fifty-second General Assembly of the State of Colorado, the House of Representatives concurring herein:

That the General Assembly of the State of Colorado does hereby enthusiastically support and does hereby urge the Congress of the United States to promptly enact legislation to designate the Curecanti Storage Unit of the Colorado River Storage Project as the Wayne N. Aspinall Storage Unit of the Colorado River Storage Project.

Be it further resolved, That copies of this resolution be transmitted to the President of the United States, to the President of the Senate and the Minority Leader of the Senate of the Congress of the United States, to the Speaker of the House of Representatives and the Minority Leader of the House of Representatives of the Congress of the United States, to the chairman of the House Committee on Interior and Insular Affairs, to each member of the Congress of the United States from the State of Colorado, to the Governor of the State of Colorado, and to the President of Club 20, Grand Junction, Colorado.●

DR. MICHAEL KARL

● **Mr. EAGLETON.** Mr. President, every day our newspapers are filled with stories of men and women of noteworthy achievement. Almost always, those who have achieved great things have benefited greatly from their own achievements. Self-interest is a pervasive and powerful motivator.

Only occasionally are we privileged to read who has achieved not only greatly, but also selflessly. Such a man is my fellow Missourian, Dr. Michael Karl.

By trade, Michael Karl is a physician. He is a man of compassion and faith. Those qualities which have served him so well in his profession, also have benefited people throughout the St. Louis area. His involvement and leadership in many Jewish Federation of St. Louis services include the following: Chairperson of Commission in Services to Older Persons, Community Services Planning Committee, Council of Jewish Federations Committee on Aging, C.J.F. Community Services Planning Committee, and C.J.F. Board of Directors. Michael Karl also has been appointed to President Carter's Commission on the Family for which he has chaired regional meetings in regard to the national conference, and he recently was elected to the National Academy of Science.

The Jewish Federation of St. Louis is honoring Michael Karl on May 14. I am pleased to join the federation in paying tribute to his good works and in wishing him the best for the future.●

WATER RESOURCE POLICY

● **Mr. ARMSTRONG.** Mr. President, I submit for the RECORD a copy of House Joint Resolution No. 1015 adopted by the 52d General Assembly of the State of Colorado.

In this resolution, the Colorado General Assembly underscores the frustrations we encounter in trying to make sense out of this administration's water policy. Western reclamation projects produce not only generalized national benefits from increased agricultural production, flood control, recreation, and the like, but; also provide direct revenues returning identified reimbursable project costs to the Federal Government. One source for such revenues is that of power generated by these projects and sold to various utilities. The Colorado River Storage Project Act of 1956 provides that power revenues in excess of that necessary to meet construction and maintenance costs of existing projects shall be allocated to the various basin States and earmarked for use on other authorized but as yet unconstructed projects. However, if the administration continues its policy of opposition to additional storage projects, we will be unable to use this revenue source as envisioned in the 1956 act. The Colorado Legislature suggests that in the absence of a rational Federal policy, the State should be authorized to step in and use future excess revenues to meet our critical water storage needs.

While I believe the Nation has received substantial benefit from the Federal-State partnership in Western reclamation, in recent years that partnership has not been working. I think my colleagues will find this reaction from one Western State of interest.

The joint resolution follows:

HOUSE JOINT RESOLUTION No. 1015

Whereas, Under the "Colorado River Storage Project Act of 1956", the Congress of the United States allocated to Colorado forty-six percent of those power revenues generated by projects in excess of the revenues necessary for construction, maintenance, and operation; and

Whereas, Colorado contributes more than seventy percent of the waters used to generate power in the Colorado River storage projects; and

Whereas, if Colorado cannot construct the remaining projects which have been authorized by the Congress of the United States, it will accumulate surplus funds which it will be unable to use; and

Whereas, Every state in the Missouri River Basin, except Colorado, has received assistance from the Missouri River Basin power revenues; and

Be It Resolved by the House of Representatives of the Fifty-second General Assembly of the State of Colorado, the Senate concurring herein:

(1) That the Congress of the United States is urged to amend the "Colorado River Storage Project Act of 1956" to allocate the available revenues directly to the individual Upper Basin states for water resource development as the revenues accrue.

(2) That the Congress of the United States is urged to ensure that an equitable distribution be made to Colorado from the Missouri River Basin power revenues.

Be It Further Resolved, That copies of this resolution be sent to each member of Congress from the State of Colorado.●

EMPHASIS ON GROWTH

● Mr. ARMSTRONG. Mr. President, I submit for the RECORD a copy of House Joint Resolution No. 1022 adopted by the 52d General Assembly of the State of Colorado.

This resolution from the Colorado General Assembly, in support of economic policies designed to increase rather than redistribute our wealth, is very timely and I encourage my colleagues to review the comments of the Colorado Legislature as we consider the first concurrent budget resolution.

The joint resolution follows:

HOUSE JOINT RESOLUTION No. 1022

Whereas, The United States has experienced several years of declining or static per capita productivity; and

Whereas, The aging physical plants of United States industries put the United States at a disadvantage in relationship to products from countries with modernized facilities; and

Whereas, The United States relies less on imported oil than most of the major developed countries, yet has the highest inflation rate; and

Whereas, The United States inflation rate is currently placed at around twenty percent; and

Whereas, That inflation rate is the product of burgeoning government spending, a massive balance of payments deficit due to the inability of United States products to compete in the international marketplace, and the failure of the federal government to live within its means; and

Whereas, All of these problems are the direct result of overemphasis on public sector control of the economy and underemphasis on federal government encouragement of private sector investment; and

Whereas, The United States House and Senate Joint Economic Committee has recommended that capital investment be encouraged through a twenty-five billion dollar tax cut, one-half of which would be targeted at encouraging business investment expenditures; now, therefore,

Be It Resolved by the House of Representatives of the Fifty-second General Assembly of the State of Colorado, the Senate concurring herein:

That this General Assembly urges that the economic policy of this State and of the United States focus a renewed emphasis on growth rather than on the redistribution of paucity.

Be It Further Resolved, That copies of this Resolution be transmitted to the President of the United States, the Vice President of the United States, the Speaker of the House of Representatives of the United States, and each member of the Congress of the United States from the State of Colorado.●

THE "MARRIAGE PENALTY"

● Mr. ARMSTRONG. Mr. President, Senate Joint Memorial No. 1 adopted by the 52d General Assembly of the State of Colorado addresses the "marriage penalty" built into our present Federal tax structure and urges the adoption of remedial legislation.

I am pleased to be listed as a cosponsor of S. 376, which would allow a working married couple to have the same tax treatment as two single individuals. I appreciate the support of the Colorado Legislature for this tax reform proposal and believe my colleagues will find this resolution of interest.

The joint memorial follows:

SENATE JOINT MEMORIAL No. 1

Whereas, The federal income tax laws are so unfair to married persons that some married couples are obtaining divorces to obtain a tax advantage; and

Whereas, It ought to be the public policy of the United States to encourage the preservation of marriage by its laws, not to encourage the dissolution of that holy state; and

Whereas, The Congress of the United States has the power to amend the tax laws to promote the preservation of marriages and provide fairness to all; now, therefore,

Be It Resolved by the Senate of the Fifty-second General Assembly of the State of Colorado, the House of Representatives concurring herein:

That the Congress of the United States is hereby urged to enact legislation giving married persons the option of filing federal income tax returns jointly as a married couple or individually as single persons.

Be It Further Resolved, That copies of this Memorial be sent to the President of the United States, the President of the Senate and the Speaker of the House of Representatives of the Congress of the United States, and each member of the Congress of the United States from the State of Colorado.●

U.S. POPULATION

● Mr. PACKWOOD. Mr. President, I would like to report that, according to the latest U.S. Census Bureau approximations, the total population of the United States on May 1, 1980 was 222,705,442. This amount represents an increase of 138,810 since April 1, 1980. Since this time last year, our population has grown 2,246,475.

During the past month we have added enough additional people to our population to fill the entire city of Albany, N.Y. Over the past year, our population has increased enough to fill the city of Dallas, Tex., more than two times.●

CONVENTION ON PROHIBITION OF BIOLOGICAL WEAPONS

● Mr. PELL. Mr. President, we are all aware of the terrible outbreak of anthrax in Sverdlovsk in the Soviet Union in April 1979 and the questions this incident raises for Soviet compliance with the Convention on the Prohibition of the Development, Production and Stockpiling of Bacteriological (Biological) and Toxin Weapons and on Their Destruction. Although the Soviet authorities claim the outbreak was of gastric anthrax caused by contaminated meat, U.S. intelligence information indicates that the outbreak was of pulmonary anthrax caused by the accidental release into the air of spores.

The administration promptly raised this issue with the Soviets under the provisions of the convention, and sought a satisfactory explanation. To date, the Soviets have failed to provide an explanation or information which would enable the United States to determine that there has been no violation of the convention. Perhaps the Soviet leaders believe that, in the current atmosphere of crisis and confrontation, there is no reason for them to respond to our valid and strongly held concerns. If so, this would be tragic, and would feed into the worsening spiral of our bilateral relations. Failure to settle this issue would also cast a dark shadow over the Biological Weapons Convention and over arms control in general. In Senate Resolution 405, Senator PROXMIRE has given the Senate the means to put the Soviet Union on notice that the United States will pursue all the means available to it under the convention to resolve this dispute. I support this resolution and urge the Soviet Union to respond in a rational and cooperative way to avoid a further damaging blow to our bilateral relations and to the arms control process.●

WAR POWERS RESOLUTION REVISITED

● Mr. GOLDWATER. Mr. President, I believe the time has arrived for Congress to realize the war powers resolution is a mistake. We should repeal it before it does irrevocable harm to the Nation.

The recent, valiant effort by our military forces to rescue the American hostages in Iran is crystal clear proof that the war powers resolution is meaningless. President Carter ignored the statute just as any other President will have to do in time of grave national need.

Now, I know the administration is trying to create a legal loophole by arguing the law does not apply to humanitarian rescue missions. This argument has a nice public relations sound to it.

The truth is that President Carter understood the hands of the Commander in Chief cannot be tied by any hard and fast rules at a time when the safety of American citizens and freedoms compels immediate action.

Instead of developing case-by-case exceptions to the war powers resolution, which are nowhere present on the face of the text, I suggest that Congress should own up to the fact that it has made a mistake. The wise course to take is simply to wipe the war powers resolution off the law books.

Mr. President, as incredible as it seems, had President Carter complied with the law by bringing his plans to the Congress, the legislative branch could have passed a concurrent resolution requiring him to remove the rescue team the first moment they became engaged in hostilities. If our Armed Forces had encountered elements of Iranian forces instead of a busload of civilians, the war powers resolution would have authorized Congress to order a halt to the mission.

Under section 5(c), Congress can substitute its judgment for that of the President and countermand the Nation's Commander in Chief. The war powers resolution actually places the direction of the Armed Forces in the hands of Congress, should it choose to grab the reins.

Even the liberal columnist, Carl T. Rowan, who is not often in agreement with me, has written in the Washington Star of May 3, that:

> Foreign policy cannot be made by a single "Committee" of 535 lawmakers, most of whom are in re-election contests and are grandstanding for headlines and votes.

Mr. Rowan also points out that the requirement in the law for an advance warning to Congress of the rescue attempt is ludicrous. I agree.

It should be perfectly obvious that had the President brought his plans to the Congress, the military would not have gotten as far with them as they did. Actually, our forces achieved remarkable success in flying over hundreds of miles of Iranian territory without detection and making preparations inside Iran.

But, Mr. President, I believe the country runs into the same difficulty whether it is a rescue effort or not. When we use military aircraft operated by military pilots and crews to land 90 members of a military team fully equipped for combat inside the sovereign territory of another nation, it is an "act of war." The Geneva Conventions of 1949 are quite clear on this fact.

Our objective might have been limited, but the employment of force by one nation across state boundaries is undeniably an act of war, even if it is not a complete state of war.

Of course, I believe the mission was justified. I believe it was legal. It was legal both under international law, which recognizes the right of self defense, and it was legal under the U.S. Constitution.

Nevertheless, the operation was, as I said, an "act of war." The text of the Constitution makes no distinction between acts of war which are rescue operations and acts of war which are in some other way designed to protect the lives and freedoms of the American people. The war powers resolution makes no sense in either of these types of defensive situations.

For example, had the war powers resolution been in effect in 1941, it very likely would have prevented President Roosevelt from taking the defensive actions that were necessary in support of our own defense against Nazi Germany. When President Roosevelt sent the Army to occupy Greenland and Iceland without consulting Congress, he took a risk our forces would become engaged in hostilities.

When President Roosevelt ordered American warships to convoy military supplies sent to Britain in July of 1941, he took a grave risk our naval units would encounter hostile forces. In fact, by September, our ships were attacking German submarines. There had been no authorization from Congress.

What if the war powers resolution had been in effect? Is it not likely that Congress would have denied authority to the President to send troops to Iceland, some 2,300 miles away, in the face of imminent hostilities? Congress may have passed a concurrent resolution under section 5(c) of the resolution requiring the President to bring back our troops and to halt the convoys which were protecting the British lifeline in the Atlantic.

Testing the war powers resolution by this actual historical event, we can see that it may well have led to disaster in the face of the Nazi onslaught against the civilized world.

We cannot have any confidence that it will not cause complete disaster in the future, and I believe the time has arrived to repeal the law before it inflames a crisis beyond redemption.

Mr. President, the Washington Star has published a thoughtful editorial on this subject, and I ask that it may appear in the RECORD.

The editorial follows:

[From the Washington Star, May 5, 1980]

WAR POWERS IRRESOLUTION

The mood that produced the "War Powers Resolution" of November 1973 is now fading from memory. But the resolution, as we have been reminded of late, lingers on—the frown, so to say, of a vanished Cheshire cat.

Congress, passing that resolution over President Nixon's veto, felt at the time—with reason—that its control of warmaking had been derogated by presidential operations in Indochina. Recall, for instance, that one U.S. attorney general had called the Gulf of Tonkin Resolution the "functional equivalent" of a declaration of war, while a former U.S. ambassador asserted that the legal basis for Mr. Nixon's bombing of Cambodia was his re-election in 1972.

That the indignation stirred by such executive contumacy was in some part warranted does not, alas, render its expression in the War Powers Resolution wise or even useful today.

Indeed, since the resolution disavows any intent "to alter the constitutional authority of the Congress or of the President" (Section 8), what *does* it contribute to resolving the historic tension between presidents and Congress over war policy? What does it add to the bare-bones constitutional fact that a commander-in-chief has authority to commit U.S. armed forces at his choosing, but that Congress, with the power of the purse, need not pay for, and by withholding funds may halt, any military adventure it disapproves?

Well, one might answer, only in a political system bereft of civility and comity would either president or Congress resort to such peremptory and abrasive behavior. Usually, a president would consult Congress about important military operations, while Congress would withhold its judgment of a presidential initiative when the president was assumed to know more of the facts and was in good faith defending a vital national interest. So why not codify what civility and comity require?

That is an impressive argument. Yet it is obvious, 35 years into the atomic age, that the nation's vulnerability to sudden intercontinental attack requires the delegation of vast trust and discretion to any president, which is quite beyond reach of realistic congressional scrutiny. The War Powers Resolution recognizes that reality in Section 3, calling on a president to consult "in every *possible* instance" before committing U.S. forces to battle or hazard of battle.

The War Powers Resolution, in short, merely institutionalizes what commonsense and comity minimally dictate for wise officials in both branches.

What it leaves unclear, unfortunately, is what would or should occur in those controversial twilight areas over which people are sure to quarrel. For instance, when surprise is essential—as it was in the Iranian rescue mission—is a president obliged to "consult" beforehand? Assuming such an obligation—the attorney general has advised President Carter that the resolution does not require it—what would a member of Congress do if persuaded during "consultation" that some projected operation was rash or dangerous? Hold a press conference to denounce and abort it? Leak the plans to the press? Or accept complicity?

To ask these questions is to expose an unexplored but important angle of the asserted legislative prerogative. Prior consultation entails complicity; complicity may bridle criticism.

Sen. Arthur Vandenberg used to say that he wanted to be in on the takeoffs as well as the crash landings. But he spoke of policies, not military operations. There are advantages, easily underrated by legislators puffed up over abstract legal prerogatives, in not being consulted. And as for the resolution's attempt to establish procedures for sanctioning warlike executive moves within 60 to 90 days, it should be recalled that there were those—Sen. Thomas Eagleton, for instance—who opposed the War Powers Resolution with the argument that, in attempting to limit "undeclared wars" to 90 days, Congress might seem to be countenancing precisely such wars for the first time in history.

In a thoughtful editorial on "The War Powers Skirmish" the other day, *The New York Times* observed that "the legal arguments (over consultation) seem almost beside the point. Why not an ounce of genuine consultation before the raid to avoid a ton of contention and second-guessing afterward?"

A good question, practically speaking. But surely it is double-edged—if one assumes that consultation could in some ways preempt or estop the later exercise of congressional judgment.

The War Powers Resolution, in our view, raises more issues than it settles about the role of president and Congress in warmaking. No wise chief executive would venture upon a major act of warmaking—a blockade, say—without laying some congressional groundwork. Yet nothing in the War Powers Resolution, as we read it, would clearly make it illegal (not to mention unconstitutional) to act first and consult later.

The 90-day deadline, if it is ever tested in a critical situation when U.S. forces are already engaged, could easily prove embarrassing to a president, or Congress, or both, for it is unlikely that either would be disposed in that situation to press legalistic prerogatives to the ultimate test. Which is to say that legislative guidelines for foreign policy operations, especially military ones, are no substitute for the skills of negotiation and statecraft that we expect from presidents and congressmen.

As an attempt to formalize what defies formalization, and to predict the unpredictable, the War Powers Resolution is constitutionally and politically redundant. It probably should be repealed before it causes a cat-and-dog fight in a military crisis that makes the nation look foolish, indecisive and weak.●

THE CALENDAR

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendars Orders Nos. 717, 718, 721, 725, and 719.

Mr. BAKER. Mr. President, reserving the right to object, and I will not object, the purpose of my reservation is to advise the majority leader that the items he has just identified are cleared on our calendar. We have no objection to their consideration and passage.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that all the orders, with the exception of Calendar Order 719, be considered and adopted en bloc, with the amendments shown as adopted, and a motion to reconsider be laid on the table en bloc.

The PRESIDING OFFICER. Without objection, it is so ordered.

H. F. MULHOLLAND

The bill (S. 1626) for the relief of H. F. Mulholland and the estate of John Oakson, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in the administration of section 31(c) of the Mineral Leasing Act of February 25, 1920, as amended (30 U.S.C. 188(c)), the Secretary of the Interior is authorized and directed to receive, consider, and act upon a petition of H. F. Mulholland and the estate of John Oakason, lessees of record of terminated oil and gas lease numbered W–11843, for reinstatement of said lease if such petition is filed within ninety days after the effective date of this Act, together with the required rental, if any, including back rental accruing from the date of termination of the lease, notwithstanding the time limit for payment of such rental set forth in section 31(c) (30 U.S.C. 199(c)). The date of termination of the primary term of said lease as reinstated shall be May 31, 1985.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. BAKER. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 96–671), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

EXCERPT

PURPOSE

The bill directs the Secretary of the Interior to receive, consider and act upon a petition for reinstatement of oil and gas lease W–11843, if such petition is filed within 90 days of enactment, together with any required rental. The date of termination of the primary term is set as May 31, 1985.

SAN FRANCISCO BAY NATIONAL WILDLIFE REFUGE

The Senate proceeded to consider the bill (H.R. 4887) to authorize appropriations for the San Francisco Bay National Wildlife Refuge, and for other purposes.

UP AMENDMENT NO. 1065

Mr. CRANSTON. Mr. President, I send to the desk an amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from California (Mr. CRANSTON) proposes an unprinted amendment numbered 1065.

Mr. CRANSTON. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 1, amend line 3 to read:

"SEC. 1(a) That part of section 4 of the Act entitled "An Act to".

On page 2, line 5, strike "Sec. 2. (a)" and insert "(b) (1)".

On page 2, line 15, strike "(b)" and insert "(2)".

On page 2, line 15, strike "(a)" after the word "subsection" and insert "(b) (1)".

Add a new section 2 as follows:

"SEC. 2. Lands and waters and interests therein acquired by the Secretary of the Interior under the authority of the Migratory Bird Conservation Act (16 U.S.C. 718–718h; 48 Stat. 452), as amended, for inclusion in the Humboldt Bay National Wildlife Refuge, may be acquired subject to the interest of the State of California in lands now or formerly flowed by the tide, including the public trust of the State."

Mr. CRANSTON. Mr. President, this amendment would permit the Federal Government to acquire tidal lands at the Humboldt Bay National Wildlife Refuge subject to the interests of the State of California. These lands were in the process of being acquired by the Department of Interior, but acquisition cannot be completed because the Justice Department has raised an objection over the possibility of retained State interests. Justice Department regulations do not permit title clearance when there is a possible State claim remaining.

It is my understanding that this amendment is supported by both Justice and Interior. It is in the interests of the people whose property is being acquired—and in the interests of the Federal Government.

It is also my understanding that funds are already earmarked for the land acquisitions at Humboldt Bay National Wildlife Refuge, and no additional moneys are necessary as a result of this amendment.

I believe the amendment has been cleared on both sides of the aisle, and I move its immediate adoption.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. CRANSTON. I move to reconsider the vote by which the amendment was agreed to.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 96–672), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE OF THE LEGISLATION

The purpose of the legislation is to authorize an additional $4.2 million for land acquisition in the San Francisco Bay National Wildlife Refuge to remain available until September 30, 1983, to provide that the funds presently authorized for development remain available until expended, and to allow the U.S. Fish and Wildlife Service to complete the acquisition of tidelands subject to the interests of the State of California.

GENERAL STATEMENT

The San Francisco Bay National Wildlife Refuge was established by Public Law 92–330, which provided an authorization of $9 million for land acquisition and $11.3 million for development through fiscal year 1977. Public Law 95–299 subsequently extended the authorization through fiscal year 1980.

When acquisition is completed the refuge will comprise approximately 23,065 acres of the South Bay, supporting a rich diversity of fish and wildlife including harbor seals and five endangered species (the California clapper rail, least tern, brown pelican, peregrine falcon, and salt marsh harvest mouse). The area also provides migratory birds major nesting and feeding area in the Pacific flyway.

Of the total proposed refuge, the Fish and Wildlife Service has acquired 15,666 acres with contracts on 40 tracts comprising an additional 340 acres. Yet to be acquired are 22 tracts totalling 5,280 acres.

The bill (H.R. 4887) was considered, ordered to a third reading, read the third time, and passed.

TINICUM NATIONAL ENVIRONMENTAL CENTER

The Senate proceeded to consider the bill (S. 2382) to provide for the additional authorization for appropriations for the Tinicum National Environmental Center, which had been reported from the Committee on Environment and Public Works with amendments as follows:

On page 2, line 4, after $19,500,000" insert "(of which $8,400,000 shall be available beginning October 1, 1980)";

On page 2, line 8, after the word "Center" insert a comma and "to remain available until September 30, 1985".

So as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 7 of the Act of June 30, 1972, entitled "An Act to provide for the establishment of the Tinicum National Environmental Center in the Commonwealth of Pennsylvania, and for other purposes" (86 Stat. 391; 16 U.S.C. 668dd, note), as amended, is further amended to read as follows:

"SEC. 7. There are authorized to be appropriated, $19,500,000 (of which $8,400,000 shall be available beginning October 1, 1980) for acquisition of the Tinicum Environmental Center, for construction of environmental educational center facilities, and for other development projects on the Center, to remain available until September 30, 1985.

"SEC. 8. The Administrator of the Environmental Protection Agency, in consultation and cooperation with the Fish and Wildlife Service, is directed to investigate potential environmental health hazards resulting from the Folcroft landfill, within the authorized boundary of the Tinicum National Environmental Center, and to develop alternative recommendations as to how such hazards, if any, might best be addressed in order to protect the refuge and the general public.".

● Mr. HEINZ. Mr. President, I urge swift passage of my bill, S. 2382, allowing continued development of a unique urban wildlife habitat in Pennsylvania as a national environmental education center.

This legislation authorizes appropriations for the Tinicum National Environmental Center in Philadelphia for site acquisition, for construction of environmental education center facilities, and for other development projects, increasing the authorization from its current level of $11.1 million to $19.5 million. The need for this additional authorization is documented in Executive Communication 2659 forwarded to Congress by the Department of Interior on October 16, 1979. In addition to providing the increased authorization for appropriations, the bill also directs the Environmental Protection Agency, in consultation and cooperation with the Fish and Wildlife Service, to report on any possible environmental health hazards posed by the Folcroft landfill—a hazardous chemical dump within the boundaries of the refuge—and to recommend ways of addressing such hazards, if any.

By way of background, the Tinicum National Environmental Center was established as a result of Public Law 92-326, which directed the Interior Department to establish a 1,200-acre refuge and environmental center in the southwest corner of Philadelphia at the confluence of Darby Creek with the Delaware River. An important nesting and feeding ground for waterfowl and other wildlife, the marsh has increasingly been subject to the pressures for development from an urban area of 4 million people, and vast areas have been filled for highways and homesites and used for dumping. In response to this pressure, the Tinicum Wildlife Refuge was established in 1955 as a result of efforts by the Philadelphia Conservationists, Inc., and other groups. This and subsequent events documented in the communication from the Interior Department culminated in passage of Federal legislation in June 1972.

Recognizing the potential of Tinicum as an urban wildlife habitat, Congress has twice seen fit—during the 95th an 96th Congresses—to amend the original act to enlarge the boundaries of the Center and increase the authorization for appropriations. Once developed as an environmental center, Tinicum will offer opportunities for wildlife interpretation, outdoor recreation, and education—providing a much-needed respite from the concrete jungle for urban dwellers.

Tinicum Marsh is now used by a number of different species of migratory birds; in fact, 110 different species of waterfowl and wading birds have been recorded in the Tinicum area. Also found in the marshes and surrounding land areas are white-tailed deer, mink, weasel, otter, fox, muskrat, raccoon, and skunk. Of the 10 recorded species of fish, crappie, carp, and bullheads have been the object of numerous fishermen. The Fish and Wildlife Service expects the ecological diversity of the marsh to increase as rehabilitation of the marsh proceeds with development of the Tinicum Center.

S. 2382 would authorize the appropriations necessary to complete acquisition of the Center and to proceed with a number of the development projects proposed in Executive Communication 2659 and subsequent communications between the Fish and Wildlife Service and the committee. However, due to budgetary constraints the committee was not able to include authorization for appropriations at this time for the following development projects: Bank stabilization ($3.4 million), tidal wetland restoration ($3.4 million), managed water development and a new water control structure ($1.4 million), service road rehabilitation ($0.3 million), and habitat development ($0.3 million).

In addition to authorizing further acquisition and development projects, S. 2382 also directs the Environmental Protection Agency, in consultation and cooperation with the Fish and Wildlife Service, to report on possible environmental health hazards from the Folcroft Landfill and recommend possible solutions. The Folcroft Landfill was included in the boundaries of the Center as enlarged by previous Congresses and is the source of considerable leachate pollution; its acquisition represents the first acquisition by the Federal Government of a hazardous waste site.

In these times of fiscal austerity, I might stress to my distinguished colleagues that S. 2382 represents a "bare bones request." In approving the additional authorization for appropriations for development of the Tinicum Center, the Environment and Public Works Committee was sensitive to the need for budget austerity to help bring inflation under control. For this reason, the committee did not authorize funding for an additional $5.4 million in development projects proposed by the Fish and Wildlife Service. It was the hope of the committee that as economic conditions improve, additional authorization for appropriations to complete the development of the center might be provided.

Instead, the committee authorized the minimum amount of appropriations necessary to allow the continuing development of Tinicum as a national environmental education center and its preservation as a unique urban refuge consistent with the intent of Congress, as reflected in the original 1972 authorizing legislation and subsequent amendments during the 95th and 96th Congresses. The additional authorization also reflects a recognition that citizens groups in the area have made a substantial commitment of time and money to the preservation of the marsh and development of the education center, and that Federal moneys will augment rather than supplant these local efforts.

In addition to allowing development of the Tinicum Center to proceed, my legislation also recognizes that because acquisition of the Folcroft Landfill represents the first acquisition by the Federal Government of a hazardous waste site, the Federal Government should play a leadership role in eliminating any possible environmental health hazard posed by chemicals stored there. For this reason, S. 2382 directs EPA, in consultation and cooperation with the Fish and Wildlife Service, to assess any potential risks to human health or the Center itself and to recommend strategies for eliminating these risks, if any.

Additional authorization for this risk assessment was not necessary because EPA is already conducting an inventory of hazardous waste dump sites as part of its implementation of the Resource Conservation and Recovery Act of 1976. However, once EPA completes its recommendations, additional funding to remove any potential environmental health hazards may have to be secured. Possible sources of such funding include the cleanup fund established under section 311 of the Clean Water Act, special appropriations, and the so-called "Superfund" legislation now being considered by the Environment and Public Works Committee.

In closing, Mr. President, I ask the support of my distinguished colleagues for this legislation whose merits include increasing environmental awareness, relieving the pressures of urban living, and demonstrating safe disposal techniques for hazardous chemical wastes.●

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the bill, as amended, was passed.

Mr. BAKER. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 96-675), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

SUMMARY OF MAJOR PROVISIONS

S. 2382 authorizes appropriations for the Tinicum National Environmental Center in Philadelphia, Pa., for site acquisition, for construction of environmental education center facilities, and for other development projects. Specifically, S. 2382 increases the authorization for appropriations to develop this unique urban habitat as an environmental education center from its current level of $11.1 million to $19.5 million. The need for this additional authorization is documented in Executive Communication 2659 forwarded to Congress by the Department of Interior on October 16, 1979. In addition to providing the increased authorization for appropriations, the bill directs the Environmental Protection Agency, in consultation and corporation with the Fish and Wildlife Service, to report any possible environmental health hazards posed by the Folcroft landfill within the boundaries of the refuge and to recommend ways of addressing such hazards if any.

HELEN BARKAN

The resolution (S. Res. 418) to pay a gratuity to Helen Barkan, was considered and agreed to, as follows:

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay, from the contingent fund of the Senate, to Helen Barkan, widow of Sam Barkan, an employee of the Senate at the time of his death, a sum equal to eleven and one-half months' compensation at the rate he was receiving by law at the time of his death, said sum to be considered inclusive of funeral expenses and all other allowances.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. BAKER. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

GREAT DISMAL SWAMP NATIONAL WILDLIFE REFUGE

The Senate proceeded to consider the bill (H.R. 4889) to extend the authorization period for the Great Dismal Swamp National Wildlife Refuge, which had been reported from the Committee on Environment and Public Works with an amendment on page 2, beginning with line 1, insert the following:

SEC. 2. The Fish and Wildlife Act of 1956 (70 Stat. 1119), as amended (16 U.S.C. 742a–742d, 742e–742j), is further amended by adding a new section 14 as follows:

"SEC. 14. Notwithstanding subsection 5901 (a) of title 5, United States Code (80 Stat. 508) as amended, the uniform allowance for each uniformed employee of the United States Fish and Wildlife Service may be up to $400 annually."

Nothing in this section shall be construed as authorizing the enactment of new budget authority in fiscal year 1980.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time, and passed.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 96–673), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

EXCERPT

PURPOSE OF THE LEGISLATION

The purpose of the legislation is to extend until September 30, 1983, the authorization period for the Great Dismal Swamp National Wildlife Refuge located in the States of Virginia and North Carolina, and to increase the ceiling on the uniform allowance for Fish and Wildlife Service employees from $125 to $400 per year.

GENERAL STATEMENT AND SUMMARY OF PROVISIONS

The Great Dismal Swamp comprises 385,000 acres in Virginia and North Carolina and supports remarkably diverse populations of plants, fish, and wildlife.

In 1973 the Union Camp Co. and the Nature Conservancy donated 49,097 acres of the swamp to the Department of the Interior. A series of bills enacted by Congress—Public Law 92–478; Public Law 93–402; and Public Law 95–299—have authorized the study, further acquisition of 58,000 acres, and development of the Great Dismal Swamp as a national wildlife refuge.

Public Law 95–299 authorized an appropriation of $21.1 million ($15.75 million for land acquisition and $5.53 million for other purposes) for fiscal years 1978 through 1980. As passed by the House of Representatives on December 10, 1979, H.R. 4889 extends this authorization for 3 years—from October 1, 1980, to September 30, 1983.

The Subcommittee on Resource Protection held hearings on the legislation on February 4, 1980, with a representative from the Department of the Interior testifying in support of the bill. According to departmental testimony, the $15.75 million authorized for land acquisition by Public Law 95–299 should be sufficient to complete the refuge if the period for acquisition is extended. Acquisition has been slow, partly because much of the remaining 20,833 acres still to be acquired is divided among 80 landowners, and partly because the Fish and Wildlife Service is committed to acquiring the land only from willing sellers during the life of the current authorization in accord with present agreements.

The Committee on Environment and Public Works, on March 24, 1980, ordered H.R. 4889 reported after adopting an amendment to increase the maximum uniform allowance for Fish and Wildlife Service employees to $400 from the $125 ceiling set in 1965. Uniform costs have risen substantially since 1965 and costs can exceed $500 for a combination of uniforms required for certain employees. It is the committee's position that the Fish and Wildlife Service should exercise restraint in requiring uniforms for its employees. In addition, it is not inappropriate for Service employees to assume some financial burden for acquiring their uniforms. However, the burden should not be excessive and in some instances, when the maximum combination of uniforms is required, an allowance of up to $400 may be necessary. This does not confer any additional budget authority for fiscal year 1980.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the bill, as amended, was passed.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

HISTORIC PROPERTIES

Mr. ROBERT C. BYRD. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives on H.R. 126.

The PRESIDING OFFICER (Mr. MATSUNAGA) laid before the Senate the following message from the House of Representatives:

Resolved, That the House agrees to the amendment of the Senate numbered 2 to the bill (H.R. 126) entitled "An Act to permit the National Park Service to accept privately donated funds and to expend such funds on property on the National Register of Historic Places."

Resolved, That the House agree to the amendment of the Senate numbered 1 to the aforesaid bill with the following amendment:

Page 1, line 5, strike out "or", the second time it appears, and insert "and".

Resolved, That the House agree to the amendment of the Senate numbered 3 to the aforesaid bill with the following amendments:

Page 1, line 13, strike out "Service,", and insert "Service," and on page 2, after line 17 of the House engrossed bill, insert:

SEC. 2. The Act referred to in the preceding section is further amended in subsection 212(a) by changing the period at the end thereof to a comma, and inserting the following: "$2,500,000 in fiscal year 1981, $2,500,000 in fiscal year 1982, and $2,500,000 in fiscal year 1983."

Resolved, That the House agree to the amendment of the Senate to the title of the bill.

Mr. ROBERT C. BYRD. Mr. President, I move that the Senate agree to the amendment of the House.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from West Virginia.

The motion was agreed to.

Mr. ROBERT C. BYRD. I move to reconsider the vote by which the motion was agreed to.

Mr. CRANSTON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

RECESS TO TOMORROW AT 9 A.M.

Mr. CRANSTON. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate recess until tomorrow at 9 a.m.

The motion was agreed to, and at 9:34 p.m., the Senate recessed until tomorrow, May 7, 1980, at 9 a.m.

NOMINATIONS

Executive nominations received by the Senate May 6, 1980:

DEPARTMENT OF STATE

William Caldwell Harrop, of New Jersey, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Kenya and to serve concurrently and wtihout additional compensation as Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Seychelles.

Phillip R. Trimble, of New York, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Kingdom of Nepal.

C. William Kontos, of Illinois, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Democratic Republic of the Sudan.

Morris D. Busby, of Virginia, Deputy Assistant Secretary of State for Oceans and Fisheries Affairs, for the rank of Ambassador.

FEDERAL HIGHWAY ADMINISTRATION

John S. Hassell, Jr., of Georgia, to be Administrator of the Federal Highway Administration, vice Karl Smith Bowers, resigned.

IN THE NAVY

The following-named (civilian college graduate) to be appointed a permanent captain in the Medical Corps in the Reserve of the U.S. Navy, subject to qualification therefor as provided by law:

William R. Thornhill.

The following-named (ex-U.S. Naval Reserve officer) to be appointed a permanent commander in the Medical Corps in the Reserve of the U.S. Navy, subject to qualification therefor as provided by law:

Donald S. Welch.

The following-named (civilian college graduates) to be appointed permanent commanders in the Medical Corps in the Reserve of the U.S. Navy, subject to qualification therefor as provided by law:

Robert E. Adler.
Malcolm M. Sayre.

IN THE MARINE CORPS

The following-named Naval Reserve Officers Training Corps graduates for permanent appointment to the grade of second lieutenant in the U.S. Marine Corps, pursuant to title 10, United States Code, section 2107, subject to the qualifications therefor as provided by law:

Chandler, Scott E.
Correa, Michael W.
Duncan, David L.
Hertwig, Joseph L.
Ingram, Melvin T.
O'Neal, Allen M.
Ross, Craig D.
Rudolph, Michael E.
Sapp, Donald W.
Sommerhof, William S.

The following-named U.S. Naval Academy graduates for permanent appointment to the grade of second lieutenant in the U.S. Marine Corps, pursuant to title 10, United States Code, section 5573, subject to the qualifications therefor as provided by law:

Porter, Brian D.
Stein, Thomas G.

The following named Marine Corps enlisted commissioning education program graduates for permanent appointment to the grade of second lieutenant in the U.S. Marine Corps, pursuant to title 10, United States Code, section 5583, subject to the qualifications therefor as provided by law:

Cade, Robert W., III
Desroches, Gilbert
Madden, Shawn C.
O'Bryan, Patrick W.

The following-named Navy enlisted scientific education program graduates for permanent appointment to the grade of second lieutenant in the U.S. Marine Corps, pursuant to title 10, United States Code, section 5583, subject to the qualifications therefor as provided by law:

Baker, John W.
Bennett, Paul D.

The following-named U.S. Air Force Academy graduate for permanent appointment to the grade of second lieutenant in the U.S. Marine Corps, pursuant to title 10, United States Code, section 5585/541, subject to the qualifications therefor as provided by law:

Mulhern, Mathew D.

EXTENSIONS OF REMARKS

AN EXCITING FUTURE FOR TELEVISION IN EDUCATION

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 6, 1980

● Mr. BROWN of California. Mr. Speaker, when television was in its infancy, it was widely anticipated that this new technology would have a profound impact on education. Although many teachers today would regard the television set in the pupil's home as their worst enemy, recent technological developments give me renewed hope that television and related technologies may yet fulfill their potential as important educational resources. In April my Subcommittee on Science, Research, and Technology, in collaboration with the Subcommittee on Select Education, Chaired by PAUL SIMON, held 2 days of hearings and workshops on the use of information technology in education. From the testimony that was presented, and from observation of some of this new technology at the demonstration portion of our program, I am persuaded that the humane and thoughtful use of information technology in the educational process can make an important contribution to increasing productivity and to improving the quality of life of our citizens.

Mr. Speaker, there are a number of exciting new developments in video technology which expand the educational possibilities of the medium well beyond the conventional "talking head" format. Cable TV greatly extends the programing range of traditional broadcast delivery and, especially in interactive systems, allows almost unlimited possibilities for local community-based programing, much of which will originate in the schools. Satellite transmission already makes valuable educational resources available to remote areas, and in the near future, direct satellite broadcast to homes will provide individuals with college credit courses, self-instruction programs, continuing professional education, and lecture series. Videodiscs, in conjunction with microcomputers, will combine the visual impact of television with individualized instructional capability through random access of any desired frame. Videotext systems, already in use in Europe, will allow viewers in homes, schools, libraries, and museums to access data bases providing consumer information, news and weather details, and specialized information of many kinds.

The educational potential of these new video technologies is discussed in an article which appeared in the New York Times on April 20. I commend this article to my colleagues and ask that it be inserted in the RECORD.

The complete text of the article follows:

WHAT THE FUTURE WILL LOOK LIKE

(By Dan Hulbert)

Visualize a schoolboy of the future prodded, threatened and cajoled by his parents to "sit down in front of that television and do your homework." He seats himself in a plastic carrel with a screen in front of him and consoles on three sides. A "Viewdata" magazine on cable channel K scrolls slowly up the screen, listing the evening's programs: there's that required history documentary on channel Q. The boy switches to Q but elects to tape the program on the video cassette recorder—muttering "history's the pits"—and makes a mental note to play it back at double-speed the following morning just before he leaves for school.

Then he reaches for what looks like a thick, silvery phonograph record—a videodisk—and clamps it into a playback machine that scans it with a laser. Swiveling his chair to the other side of his carrel, he switches on a micro-computer that itself has a pale green screen. He presses a command key on the keyboard and a legend appears on the computer screen: "Which frame would you like to review?"

The boy replies by pressing a five-digit number in the keyboard and as he turns back to the disk player the screen becomes a blur as the disk spins forward to the designated still frame, and a set of multiple-choice questions appear. The boy answers the questions on the keyboard, and the computer punches out a card with his score. Then, pocketing the card, he reaches outside the window to adjust a parabolic antenna on the sill and settles back to watch a direct-satellite transmission of an Italian soccer match.

Though it's doubtful video education centers of the future will look like this patched-together, hypothetical model, they already do all of those things and more. They lack only the software, the programming, that might transform the face of education.

The changing economics of television may spur the growth of that software. Instead of forcing educational programs to "earn their keep" on the 13 crowded, competitive over-the-air bands by appealing to a mass audience with varied needs, cable television offers anywhere from 12 to 30 stations that cry out for more programs targeted to specific audiences—beginning algebra here, advanced algebra there, auto maintenance there. And pre-packaged videodisks free teachers from the tyranny of over-the-air television schedules that may not mesh with their class timetable.

But even if the cable-television operators are agreeable to carrying educational programs and even if publishers are able to translate dense textbook information onto disk, will the little red schoolhouse embrace the new video? Or will the hardware join previous generations of "audiovisual" gear gathering dust in school closets?

"I realize educational television has been a mixed success," said Gerald M. Levin, video group vice president at Time Inc. "But now the sheer abundance of options, if nothing else, assures a greater role for video. The teacher has so much more control of the alternatives that can be pumped through a display unit."

The boosters of educational video agree the business sector must first sort out which new technologies will win the battle of the marketplace, and then education, says Vivian Horner, vice president of program development for Warner Cable Corporation, "must take a giant piggyback ride on business."

Some of the most educationally useful technology may be snuffed out in its infancy; for instance, one of the most advanced prototypes for a computer-controlled videodisk uses the North American Phillip's MagnaVision player, which reads the grooves with a laser instead of a stylus, as the RCA player does. Some business journals have reported that the MagnaVision player has developed some problems during its test-marketing in Seattle, Dallas and Atlanta, and the laser machine's steeper price may also hobble it in the race with RCA.

Keeping such scenarios in mind here are some of the directions in which educational video is moving.

CABLE

"The principal cop-out of the cable television operators is to say they've invested everything in getting the hardware in the ground, and they don't have anything left over to buy quality programming or to initiate educational channels," said Dr. Clark Abt, a developer of computer software in the social sciences based in Cambridge, Mass.

"We make a lot of service available to educational institutions, but there's no free lunch," said Larry Howe, vice president of cable programming for American Television and Communications Corporation (ACT) in Englewood, Colo. "The trouble is each of these institutions is a little fiefdom unto itself serving its own educational needs. It's a chaotic picture. That's why you have no broad-based network of real instructional programming."

Despite this polarity of education and business, ACT cooperated with New York University's Alternate Media Center on a two-way educational cable project in Reading, Pa., that many consider a model for what educational video can and should be. Student councils at four schools can hold a video conference or have a conversation with the mayor as he sits in City Hall.

Though the FCC no longer mandates public-access channels as it did in the early days of cable, most operators still offer this free outlet to responsible agencies on a first-come, first-served basis. The key is for the educational agency to come forward with a proposal or to work with the cable operator at the time of franchise, and usually a channel can be dedicated to their use, and the schools wired at the outset when it is most economically feasible. Then, the operator may make studios available, but it's up to the school to handle the hardware and produce the show.

The Irvine, Calif., project evolved in this way, with the future cable franchisee and a school administrator sitting down over coffee one day and hatching a scheme wherein the school's video gear could be placed on a trolley and wheeled about between a number of classroom "two-way plug-ins" the franchisee would install.

But what is the alternative for education when the cable system is fait accompli? Warner's cable channel for children, called "Nickleodeon," is sophisticated and has a national base like Time Inc.'s Home Box Office, but as even Vivian Horner admits, it's "not really educational." A consortium of six community colleges in the West is planning an educational network to extend beyond their own student constituencies and charge a subscription-tuition fee. This type of plan has usually been considered impractical for any but the most general or generic course material. But a study of the Warner two-way system in Columbus, Ohio, called QUBE, in which viewers can answer televised multiple-choice "questions" by means of electronic impulses, is making some educators reconsider.

"We found from our 'instant Nielsen' feedback that a lot more people were watching the instructional programs out of curiosity than were actually signing up for courses to get a degree," Miss Horner said. "If we could translate that into subscribers, it may no longer be so naive to think this programming could be economically viable someday."

CASSETTES

The video cassette's major advantage over the disk is its ability to record what happens in the classroom; disks must be packaged at the factory. But there are fewer plans to put educational software on cassette than on disk, partly because the pattern in sales for pre-recorded cassettes shows that they are not nearly as popular as the cheaper blank cassettes on which the viewer can record anything he wants.

"I regretfully have to expect that commercial success of the cassette will come first and the hard instructional material will follow," said Terry Herndon, executive director of the National Education Association, which recently signed an agreement to develop current-affairs educational cassettes with ABC.

The ABC cassettes, possibly featuring a recognized news anchorman, will be produced in serial form every two weeks beginning next year. ABC also plans to transfer the Berlitz language courses onto tape, and paved the way by acquiring Berlitz's publisher, Macmillan. Time/Life Films has for six years produced cassettes in the continuing-education mold: Dick Cavett appears as the host of a speed-reading course, and Meryl Streep has been signed for a series of tapes called "Coping With Illness."

DISKS

WICAT Inc., an independent, non-profit institute based in Orem, Utah, is attempting to consolidate what its chairman, Dr. Dustin Heuston, calls "the three major stages of technology—the book, the tape or record, and the computer."

WICAT is developing prototypes for two of the largest textbook publishers, McGraw-Hill and Harcourt Brace Jovanovich, converting some of their scientific material onto disk. Real-life and animated sequences alternate with 600 "stills," usually containing quiz questions or the definition of new terms. The computer can also register a student's exam questions on the computer keyboard and tell him his score. Dr. Heuston said the next stage is to program the computer to memorize the frequent causes of students' mistakes and then perform "cognitive diagnostics" to tell the student what he's doing wrong, based on a kind of probability curve.

"If cable is the Book-of-the-Month Club, disk is the bookstore," said Miss Horner, one of cable's top programming executives and former director of research for "The Electric Company."

SATELLITE

Several satellite-distributed systems are breaking out of the "fiefdom" complex Mr. Howe mentioned. Public Broadcasting Service distributes by satellite from Washington to its over-the-air transmitters, and plans to consolidate all its educational programming on a network called PTV-3. The new Western Union Westar satellite opens the way for much more satellite-to-broadcast programming. But the consensus among educators and video executives is that the most hopeful combination for educational programming distribution is satellite to cable.

Seven years ago the Appalachian Regional Commission used financing from the National Institute of Education to align small colleges and cable systems throughout the Appalachian states and offer, in effect, a "Satellite University," with credit courses in a variety of fields. A similar satellite network, with two-way audio and one-way video, links Indian villages in northern Alaska, according to John Wicklein, president of Long Island educational channel WLIW. Carleton University in Ottawa has a complete two-way exchange of courses, via the Canadian "Hermes" satellite, with Stanford University.

Since these systems must usually be at least partly self-sufficient, programming tends to be "soft" or marketable rather than academic: cooking classes, filling in a tax form, continuing education for pharmacists, and the like.

The lack of satellite space—nearly all the nation's cable signals jockey for space on 22 transponders of the RCA Satcom I satellite—is a problem that will be resolved, but financing, public or private, remains an intangible.●

IRS REGULATIONS

HON. BARBER B. CONABLE, JR.

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 6, 1980

● Mr. CONABLE. Mr. Speaker, I am today introducing legislation to clarify the application of the vesting standards provided by the Internal Revenue Code of 1954.

The Employee Retirement Income Security Act of 1974 established three separate vesting schedules. Generally speaking, the purpose of these schedules is to determine the amount of retirement plan benefits a participant will receive when he or she retires or otherwise leaves the plan. A plan is given the option of electing one of these schedules. However, the Internal Revenue Service is given the authority to establish a special, more rapid, vesting schedule in "abuse cases."

In practice a serious problem has developed because the IRS recently issued proposed regulations which have the effect of requiring most retirement plans to adopt a vesting schedule that is more rapid than the statutory schedules.

The legislation would make it clear that the three statutory vesting schedules must be applied unless an abuse situation exists, and when the more rapid vesting schedule is used it must be limited to these abuse cases. Thus, the more rapid vesting schedule cannot, in practice, apply to nonabuse cases. The legislation will result in a more consistent administration of our pension laws and I urge its prompt enactment.●

REPEAL OF LOGAN ACT

HON. ANTHONY C. BEILENSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 6, 1980

● Mr. BEILENSON. Mr. Speaker, I am today introducing legislation to repeal the Logan Act, an 18th century statute which makes it a crime for any unauthorized U.S. citizen to communicate with a foreign government intending either, first, "to influence the measures or conduct of any foreign government * * * in relation to any disputes or controversies with the United States," or, second, "to defeat the measures of the United States."

The Logan Act was passed in 1799 in response to the action of a Dr. George Logan, who traveled to Paris to speak with French Government officials in an attempt to improve relations between America and France after the French Revolution. Resenting Dr. Logan's action—and overreacting to the fear of treason that was prevalent at the time—Congress passed the Logan Act prohibiting unauthorized U.S. citizens from any verbal or written communication with a foreign government regarding disputes with the United States.

This 1799 Act is now clearly outmoded. Insofar as there is a legitimate need to protect diplomatic efforts from private acts, the prohibited conduct can be covered by other provisions of law, such as those governing perjury and false statements, impersonation of officials, and so forth.

Further, there has never been a conviction or a trial under the Logan Act. And only one indictment has ever been returned—against Francis Flournoy, a Kentucky farmer, who wrote an article in 1803 advocating a separate Western nation allied to France; the Louisiana Purchase that same year made the separatism issue obsolete.

Rather than serving a useful purpose, the main use made of the Logan Act has been to allow periodic calls for prosecution motivated by opposition to the cause being expressed instead of actual concern about treason. There are fundamental constitutional problems with the act, including first amendment free speech and fifth amendment vagueness issues.

It is clearly time for the anachronistic, constitutionally unsound Logan Act to be repealed.●

GARDEN DAYS AT FRIENDS HOSPITAL

HON. CHARLES F. DOUGHERTY

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 6, 1980

● Mr. DOUGHERTY. Mr. Speaker, I would like to bring to the attention of my colleagues and the Nation an event which takes place each spring in Philadelphia. This event is Garden Days at Friends Hospital. Friends Hospital is the Nation's first nonprofit psychiatric hospital. The hospital grounds cover 100 acres in northeast Philadelphia and form a beautiful rural contrast to an urban area.

Friends Hospital was founded in 1813 on the current site of 100 acres. In its early beginning the land was farmed to help produce the food needed for the patients and staff. Today the grounds of Friends Hospital are widely known in the Philadelphia area for well-groomed lawns, a wide assortment of trees and shrubs, and 14-acre azalea gardens. The hospital has won several national and local awards for these finely maintained grounds, including the 1978 Professional Grounds Maintenance Society Award for Hospital Groundkeeping.

More than 10,000 azaleas adorn the hospital grounds. There are at least 43 varieties of azaleas on 14 acres of hospital property' giving a display each spring that is nothing less than spectacular. Since 1938 Friends Hospital has opened its grounds to the public each spring for three consecutive weekends.

Friends Hospital Garden Days is enjoyed each spring by thousands of people. It is a never-ending job to prepare for such an event and maintain the plants in a healthy state. The grounds of Friends Hospital come under the direct supervision of the director of maintenance and grounds, Mr. David F. Liddle. The grounds crew is made up of Mark Deussing, grounds supervisor; Dave Rutkowski, assistant supervisor; Mark Adami, Jim Biederman, Michael Dann, and Dale Nemec.

Mr. Speaker, Friends Hospital deserves our congratulations for its Garden Days. I would also like to salute the men who take care of the grounds for a job well done.●

TRIBUTE TO DONALD A. McINNIS

HON. ROBERT E. BADHAM

OF CALIFORNIA,

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 6, 1980

● Mr. BADHAM. Mr. Speaker, it is with extreme pleasure that I call the attention of this honorable body to the long and distinguished service to the city of Newport Beach, Calif., performed by Donald A. McInnis.

Mr. McInnis, who has retired after serving 12 years as a member of the Newport Beach City Council, including 4 of those years as mayor of Newport Beach, will be honored at a testimonial dinner on May 13, 1980.

It has been my good fortune to have resided in Newport Beach for some 30 years and to have respresented the city in the California Legislature and now in the U.S. House of Representatives. Therefore, it is with particular pride that I join Mr. McInnis' many friends, associates, and admirers on the occasion of the testimonial dinner in his honor.

To recount to my distinguished colleagues the accomplishments Mr. McInnis has made as a member of the Newport Beach City Council would be to single out just a segment of the career of a remarkable public servant and dedicated American.

For Don McInnis has served his country, not only in the military service, but as a key executive for one of our Nation's prime industrial giants, which has provided the United States technical, scientific, and military expertise which only the great private sector of the country is able to produce.

Mr. McInnis is a registered professional engineer, acquiring his degree from the University of Minnesota. After an early career of producing military optical equipment, as an industrial engineer and as a gas salesman, Don joined Northrop Corp. in 1952 where his executive qualities blossomed to their full potential.

At Northrop, Don McInnis rose steadily to become vice president and manager of operations for the company's electro-mechanical division in Anaheim, Calif. In 1975 he became president of Northrop Services, Inc., a wholly owned subsidiary of Northrop, and is also a corporate vice president of the parent company.

During his years as president of Northrop Services, Mr. McInnis, a nationally recognized environmentalist, has led his company's efforts in many diverse areas, contracting with the National Aeronautics and Space Administration, the Environmental Protection Agency, the U.S. Navy and has developed the world's largest pesticide laboratory.

With six offices throughout the Nation, plus headquarters in Anaheim, Calif., McInnis has traveled extensively overseeing the work of the 1,500 employees of Northrop Services.

Some of the notable activities of the company include the mouse factory in Arkansas, the rat factory in North Carolina, the Christmas tree farm in Oregon and the great experience of training sailors of the Saudi Arabian Navy.

Additional requirements of his executive position require that Mr. McInnis travel regularly to Las Vegas, Nev., where his company conducts experiments for the Environmental Protection Agency.

Yet in spite of an intensive workload for his company, Don McInnis has answered the call of his community, first winning election to the Newport Beach City Council in 1968 and subsequently being reelected three times. During this period his council colleagues twice selected him to be the city's mayor, for the years from 1972 to 1976.

Under the inspired leadership of Don McInnis, the city of Newport Beach has been recognized throughout California for its progress and budgetary wisdom, accomplishing great improvements for the city through prudent use of funds available.

In addition to his service as mayor, Don McInnis found time to serve as a member of Orange County's Airport Land Use Commission, as a member of the Local Agency Formation Commission, as a director and chairman of two Orange County sanitation districts.

Another service Mr. McInnis has been active in is the YMCA, Hoag Hospital 552 Club, and Amigos Viejos. He is a pilot, owns his own plane, and spends spare time farming on his new ranch in San Diego County. In private life, Don McInnis has been married for 38 years to the former Gail Nelson. They have one daughter, Mrs. Marilyn Wynia and two granddaughters.

It has long been my opinion that there are too few people in this world and in this Nation such as Don McInnis. People who are willing to make personal sacrifices in time and energy to serve their fellow citizens. I am proud to represent Newport Beach and to know Don McInnis and to take this opportunity to give him the public recognition that he so richly deserves.●

BEHIND THE SIGNS AT THE FDIC

HON. RON PAUL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 6, 1980

● Mr. PAUL. Mr. Speaker, I call the attention of my colleagues to an article that appeared in the Wall Street Journal last week. It concerns the FDIC and the minuscule reserves it has as insurance for the bank deposits in this country.

The article follows:

BEHIND THE SIGNS AT THE FDIC

NEW YORK, N.Y.—All this month, banks and thrift institutions have been taking down the signs saying that accounts are federally insured up to $40,000. They've been replacing them with placards proclaiming insurance up to $100,000 each. The increase was meant to be reassuring, and to many people it must be as comforting as the spring blossoms.

Not everyone, however, is reassured. Indeed, the extra coverage heightens what had been a quiet undercurrent of concern—how could the government make good on all those pledges if a spate of failures of sizable banks should suddenly develop?

The concern isn't, to be sure, the sort that ought to send anyone pulling money out of insured accounts and stuffing it under uninsured mattresses. But with inflation, recession and gyrating interest rates making life much less predictable for financial institutions, the concern is the sort that shouldn't be hushed up for fear of damaging confidence, either.

Fortunately, the wraps are coming off this highly sensitive issue. With Chrysler on its must-publicized drive along the precipice, coveys of lesser companies unable to repay bank loans on time, and the recent whispering about the viability of some prominent banks, financial analysts are earnestly examining the ability of Washington to head off—or at least contain—any incipient financial panic.

The first line of defense is the Federal Deposit Insurance Corp., which was created to halt the runs which had been wiping out banks by the thousands in the depression. In 1934, the FDIC covered accounts up to $5,000 each, with $1.61 in its kitty for each $100 of insured deposits. By the end of 1979, the coverage had gone up to $40,000, and the kitty to nearly $10 billion. But the deposits insured had swollen to $805 billion, bringing the ratio down to $1.22 per $100.

Then, reflecting concern about the hard-pressed thrift institutions, Congress surprised the FDIC by raising the ceiling to $100,000, as one small part of a major banking law. With a stroke of President Carter's pen on March 31, the FDIC's exposure soared by an estimated $75 billion. That promptly plopped the ratio down to about $1.11 for every $100 of deposits covered—the skimpiest ratio on record. (The FDIC can also tap the Treasury for $3 billion.)

The situation is "even worse than it looks," worries Jack Guttentag, a senior banking professor at the University of Pennsylvania's Wharton School. If the FDIC ever had to use any "significant" amount of that kitty to pay off depositors of any major bank, he reasons, the public would come to realize how little was left, and might well pull enough out of other banks to cause "a shambles." His recommendation: Eliminate the "mischievous" reserve fund altogether, so that no one would be panicked into thinking that it is all that stands between him and a chain reaction of collapses.

And quite a lot else does, Washington officials say. But, in carefully guarded anonymous responses, they admit that none of the other safeguards are assuredly fail-safe, either.

First, the FDIC hasn't ever paid off depositors of a big bank. Precisely to avoid what worries Prof. Guttentag, the agency usually arranges a "shotgun wedding" of the ailing bank into a healthy one, which takes over its deposits and most of its assets, mainly loans, sticking the FDIC only with the worst loans, many of which it eventually collects anyway.

Finding a willing and able mate gets harder when the troubled bank is very big, though, so officials hope Congress will allow emergency acquisitions across state lines, and are pondering ways to arrange hasty combinations of different types of institutions, such as banks with savings and loan associations.

Moreover, the Federal Reserve Board is the real "lender of last resort," officials stress, committed to create whatever money is necessary to keep a major bank afloat; under the new banking law, the Fed's "discount window" is open as well to other institutions with checking-type accounts, such as S&Ls and credit unions. But there's a Catch-22 which has officials nervous about going to jail for their efforts—the Fed isn't supposed to put money into a bank which wouldn't be solvent without it.

Ultimately, Prof. Guttentag adds, the Congress "would have no choice but to appropriate money" in whatever amounts are needed to keep the financial system from collapsing. Officials agree, but some of them, too, wonder if Congress could act swiftly enough. What if it isn't in session? Or, what if a big bank that needs rescue has been doing something some lawmakers dislike, like lending to South Africa?

The Congress, of course, wasn't set up specifically to cope with bank runs; the Fed was, but despite two decades to get ready, did so poorly that the FDIC had to be added; the latter's success in prevention is a blessing, but a bit of a mixed one in depriving the whole panoply of the experience of a full-scale test.

That such a crises might arise soon seems a lot less likely than it did only a few weeks ago, Washington sources say; the silver crash has been contained, bond prices have rebounded, interest rate strains are fading, much progress has been made against problems of such banks as First Pennsylvania and First Chicago, and even the contingency of a Chrysler bankruptcy isn't seen as endangering any banks.

Still, the concerns voiced by Prof. Guttentag aren't being brushed aside in Washington. More than those bold new $100,000 signs that's reassuring.●

MARK RINGIE AND KEITH LOVELLETTE NAMED TO ALL-AMERICAN HIGH SCHOOL BASEBALL TEAM

HON. SILVIO O. CONTE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 6, 1980

● Mr. CONTE. Mr. Speaker, I am delighted to inform you and my colleagues that two outstanding young athletes from my hometown of Pittsfield, Mass., Mark Ringie and Keith Lovellette, have been named to a 16-player U.S. high school all-star baseball team that is scheduled to tour western Europe or Taiwan this summer.

These two young men from Taconic High School in Pittsfield were selected from a field of 150 players from throughout the country who were nominated in February by major league scouts. The selection of Mark and Keith marks the first time two players from the same high school have ever been named to this type of touring team.

Mark Ringie, a senior catcher, is a three-sport All-Berkshire County performer and was named "Berkshire County Athlete of the Year" by radio station WBEC this past winter. He has been named as a first-team All-Berkshire selection in baseball, soccer, and hockey, and also was a leading member of the Tyler Aces' American Legion baseball team that captured the western Massachusetts championship last summer. Mark plans to attend the University of Delaware in the fall.

Keith Lovellette is a senior cocaptain pitcher for the Taconic Braves baseball team. He has played a leading role as the Braves have won the Berkshire Hills Conference northern division championship for the past two seasons. While making the All-Berkshire team as a pitcher last season, Keith may have even more potential as a hitter, and has, in fact, made the U.S. squad as an outfielder and designated hitter.

The All-American honor figures to cap spectacular high school athletic careers for both of these young men. I congratulate them for their past accomplishments and for receiving such a distinct honor as being named All-American. I also would like to extend to them my best wishes for a successful trip abroad and hope that their post-high school baseball careers are as enjoyable.●

CONSTITUTIONAL AMENDMENTS ON SCHOOL PRAYER

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 6, 1980

● Mr. PHILIP M. CRANE. Mr. Speaker, a few days ago, I distributed to most House offices copies of an excellent legal analysis of the power of the Congress to limit the jurisdiction of the Supreme Court. Written by Prof. Charles E. Rice of Notre Dame Law School, "Congress and Supreme Court Jurisdiction" is a publication of the American Family Institute, one of its "Studies in the Constitution and Public Policy." It persuasively addresses questions that may be raised in consideration of pending legislation, already passed by the Senate, which would withdraw jurisdiction from the Supreme Court in matters concerning voluntary prayer in the public schools.

That legislation, of course, has been referred to the Committee on the Judiciary, where it awaits—and awaits—action. Pending the resolution of its future, whether by committee action or by discharge petition, another fine study undertaken under the auspices of the American Family Institute should be helpful to Members of the House: "Constitutional Amendments on School Prayer," by Shraga Kawior.

The author of numerous publications in scholarly journals, Mr. Kawior brings to his analysis the religious and secular insights of both rabbi and lawyer. To assure his study the attention it deserves, I submit for the RECORD its introduction, an overview of congressional action on school prayer amendments since Engle against Vitale. The full text of this study is available upon request.

CONSTITUTIONAL AMENDMENTS ON SCHOOL PRAYER

(By Shraga Kawior)

On the last day of its 1961 term, the Supreme Court declared that the recitation of the Regents' Prayer of New York State—"Almighty God, we acknowledge our dependence on thee, and we beg thy blessings upon us, our parents, our teachers, and our country"—at the beginning of the public school day was an unconstitutional establishment of religion and was forbidden by the First Amendment. As was predicted at the time, the scope of the decision was later widened to include the proscription of Bible readings and the recitation of the Lord's Prayer. As Justice Goldberg noted: "The fact that the state had selected, rather than written, a particular devotional liturgy, was without Constitutional import." The emotional and critical reactions that followed showed that, in *Engel* v. *Vitale*, the Supreme Court had touched a vital and sensitive spot in the national life. In a way, the hostility generated was even greater than that of the *Brown* case. While *Brown* (though not its eventual implications) was accepted by most of the country as a moral decision and could be defended on humanitarian grounds, the same could not be said for the banning of school prayer. Congressman Frank Becker, the sponsor of a 1963 prayer amendment, called it, with perhaps some exaggeration, "the most tragic decision in the history of the United States." Within three days of the *Engel* decision more than fifty proposals for Constitutional amendments were dropped in the hopper.

Despite fluctuating trends in church attendance, Americans are a people whose traditions are deeply rooted in the belief in a Supreme Power. Indeed, the Declaration of Independence beseeches God's help; the motto "In God We Trust" appears on our coins and currency; sessions of the Supreme Court itself are begun with the prayer that "God protect this Honorable Court." By prohibiting worship in schools, the court has denied school children "the opportunity of sharing in the spiritual heritage of our nation." (Justice Stewart in dissent). Over forty years ago, Howard Beale expressed the predominant sentiment of the American people, and his words are still true today:

"Americans . . . generally are as determined to keep irreligion out of their schools as to exclude sectarianism. An overwhelming majority of citizens believe that teachers with interest in religion have a better influence on children than those of no religion. Religion makes children 'better children.' It gives them something that even parents who have discarded it wish them to have . . . 'Christian' in normal parlance is an adjective of commendation."

Naturally, no one is suggesting that the public school system should impose any religious beliefs on its students. Under the New York law that was struck down, any student could be excused from attending the prayer if he so desired. Prayers should be limited to those students who desire to say them. The state should, and Constitutionally must, remain neutral in the matter of religion: permitting free exercise. But to prevent children who want to pray from doing so is no longer neutrality but outright antagonism. To again quote Justice Stewart's solitary dissent:

"A compulsory state educational system so structures a child's life that if religious exercises are held to be an impermissible activity in schools, religion is placed at an artificial and state-created disadvantage."

The two decisions that must be examined in order to understand the holding of the Supreme Court are *Engel* v. *Vitale* (1961) and *Abington School District* v. *Schempp*, decided one year later. In the *Engel* case, reversing the decision of the New York Court of Appeals, the Court in an eight to one vote declared that to require the recitation of a prayer composed by a state body—i.e., the New York Board of Regents—at the beginning of each school day was an unconstitutional violation of the First Amendment's prohibition against establishment of religion. Justice Black, who wrote the majority opinion, stated:

"We think that the Constitutional prohibition against laws respecting an establishment of religion must at least mean that in this country it is no part of the business of government to compose official prayers for any group of the American people to recite as a part of a religious program carried on by government." (*Engel*, 370 U.S. 421 at 425 (1961).

Although the prayer was completely voluntary, allowing any student to be excused if he desired to do so, such a program was still unconstitutional. Justice Black noted that the First Amendment contains two separate prohibitions regarding religion: 1) Congress (and the individual States through the Fourteenth Amendment, which has been held to make the entire Bill of Rights applicable to the States) can make no law abrogating the free exercise of religion; and 2) Congress can make no law establishing a religion. Justice Black argued that these were two separate prohibitions. A voluntary prayer composed by a state agency may not be violative of the Free Exercise Clause as it permits freedom of choice, but it nevertheless may be unconstitutional by virtue of the Establishment Clause. As he expressed it:

"The establishment clause, unlike the Free Exercise Clause, does not depend upon any showing of direct governmental compulsion and is violated by the enactment of laws which establish an official religion. Whether those laws operate directly to coerce non-observing individuals or not (at 430)."

This is a point that must be stressed: coercion had nothing to do with the Court's holding. No matter how voluntary the daily prayer may be, it is still unconstitutional.

A year later, the Court took the next step. In *Abington*, the Court, again in an eight to one vote, held that Bible readings in the public schools were also an unconstitutional establishment of religion. Rejecting the contention that the Establishment Clause only meant that Congress could not favor one religion over another but was never meant to preclude nonsectarian religious practices, Justice Tom Clark declared that if the primary effect of any legislation is either the advancement or inhibition of religion, that legislation is void (374 U.S. 226).

In both decisions, Justice Douglas wrote a concurring opinion which interpreted the issue in a different light. He felt that the Establishment Clause meant that the government could not Constitutionally finance a religious exercise, no matter how minuscule the sum. Because the person leading the prayer—the teacher—is a public official on the public payroll, the practice was illegal. In a footnote, he called attention to a number of governmental financial "aids" to religion, both on the state and federal level, and suggested that all of them are possibly unconstitutional. Among those mentioned were the hiring of chaplains for the military and Congress paid by the government; the motto "In God We Trust" on currency and public documents; draft exemptions for ministers; tax benefits for churches and synagogues; financial aid to parochial schools; and even the words "Under God" in the pledge of allegiance. More than anything else, it was the Douglas concurrence that aroused most of the violent opposition to *Engel* and *Abington*. Indeed, many prominent theologians agreed with specific holding banning school prayer. The outcry was primarily centered not against that particular prohibition but rather against a fear that eventually the court would outlaw all the practices condemned by Douglas. The agitation was over the issue of what the court would do next rather than what the court had done already. This apprehension over the future explains why even States which had long abandoned prayers in public schools—e.g., California—were staunch supporters of the Becker Amendment.

It should be noted, however, that the Court did not hold many of the things it is accused of holding. Several justices made it clear that they did not subscribe to Douglas' extreme position. Justice Black stated in *Engel* that the ban on school prayer is not inconsistent "with the fact that school children . . . are officially encouraged to express love for our country by reciting historical documents such as the Declaration of Independence which contains references to the Deity or by singing officially espoused anthems . . . Such patriotic or ceremonial occasions bear no true resemblance to the unquestioned religious exercises that the state of New York has sponsored." (Footnote in *Engel* at 435). In the subsequent *Abington* decision, Justice Brennan, in a long and comprehensive concurring opinion, dealt with these problems in greater detail. Hiring chaplains in the armed services for the benefit of those men who wished to attend services was not analogous to a school sponsoring prayers for those students who want to say them. Brennan pointed out that "nothing in the Establishment Clause forbids the application of legislation having purely secular ends; i.e., the draft in such a way as to alleviate burdens upon the free exercise of an individual's religious beliefs" (347 U.S. 295). In other words, because members of the Armed Forces are in a position where, without positive assistance from the government, they will be unable to practice their religion, it is Constitutionally justifiable for the government to finance an activity that would otherwise be deemed an establishment to facilitate "free exercise." As for coins and currency, Brennan felt that litigants had no standing to raise the issue as they were not substantially affected. He also maintained the Constitutionality of draft exemptions for ministers and divinity students.

Nevertheless, there is some ground for concern. While the court did seek to dissociate its prohibition from the issues enumerated by Douglas, it did not succeed in providing a suitable analytic framework for doing so. For example, Justice Black merely states that patriotic anthems bear no resemblance to religious exercises, but provides no reason. While Brennan has given a good justification for military chaplains—otherwise free exercise would be abrogated—he didn't explain why *Congressional* chaplains are Constitutional. After all, Congressmen are free to attend their own churches.

The fact that, as Brennan states, "legislators were mature adults who may presumably absent themselves from such public and ceremonial exercises without incurring any penalty" should not make a difference if the violation of the establishment clause does not depend on coercion. Justice Clark, in the majority opinion in *Abington*, gave the test of primary purpose: If the primary purpose of a piece of legislation is the advancement of religion rather than a secular end, it is an unconstitutional establishment. Under that test, there should in fact be no justification for tax exemption for churches or indeed any federal or state aid to parochial schools. Furthermore, why should invocations of the Deity at inaugurations be permitted? Is not its primary purpose to affirm the belief in God? In short, though the Court expressly denied its intention to do so, its holding could conceivably be extended to many areas besides school prayer. The situation envisioned, and indeed welcomed, by Douglas could eventually take place with every vestige of God removed from public life. The potential for abuse is there because the Court has not been able to formulate a sufficiently narrow definition of Establishment which is at the same time broad enough to prohibit non-sectarian prayer. Their formulation would therefore logically permit a future court to prohibit many other things.

There was an alternative approach the Supreme Court could have used that would have prohibited school prayer, yet at the same time would not have raised the disturbing questions of government aid to religion. The Court could have decided that excusal provisions were inadequate because non-participating students, especially in elementary school, are often subject to ridicule from their friends and they are thus coerced indirectly into attending prayers to avoid this ridicule. Consequently, school prayers could have been regarded as violative of the "Free Exercise Clause" rather than the "Establishment Clause." Such an approach would not have committed the State to the degree of neutrality bordering on antagonism toward religion that *Engel* in its final form commands. Actually, this was the original reason why Edward Schempp decided to challenge the prayer program rather than allow his children to be excused. He stated at the trial that he did not want his children labeled as "odd-balls" or "atheists," which actually carried a connotation of communism and immorality. Justice Brennan took notice of this fact. He wrote that dissenters often face a cruel dilemma:

"Even devout children may well avoid claiming their right and simply continue to participate in exercises distasteful to them because of an understandable reluctance to be stigmatized as atheists or nonconformists simply on the basis of their request." (374 U.S. 290).

Many Constitutional scholars, in agreement with the court's holding regarding school prayer, believed that this "free exercise" argument was a preferable position to take as it would limit the context to the schoolroom. Nevertheless, Professor Louis Pollak of Yale has pointed out that, in spite of obvious shortcomings, there were reasons for the Court to base its case on the basis of Establishment rather than Free Exercise.

In the first place, a holding based on the inadequacy of excusal provisions could not be automatically extended to all school districts. Case-by-case adjudication would be needed to prove in every individual situation that dissenting students are looked down upon by their peers. (An analogy to this is the Supreme Court's holding that segregation was illegal per se—"separate schools are inherently unequal"—rather than maintaining that those particular black schools were in fact physically inferior.) On the other hand, prohibiting prayers on the basis of the Establishment Clause established a rule of law to be legally binding on every school district in the country.

A second reason relates to the concept of standing. If prayers were forbidden because their recitation interferes with the religious freedom of the dissenting children, the only ones who could challenge the program in court would be the "injured" children or their parents. On the other hand, illegal activity based on the Establishment Clause may be challenged by any citizen of the offending body, be it the Federal, State, or local government. (Though this itself is far from certain. The question of a citizen's possessing standing to challenge an activity of his government not directly affecting him is very complex and not fully resolved. In both *Abington* and *Engel*, the parents of dissenting children, not outsiders, brought suit).

The popular demand for a Constitutional amendment has not been constant but rather cyclical in nature. At various times through the years, the issue would drift into the background and then almost unexpectedly emerge. Within three days of the *Engel* decision, over fifty amendment proposals were introduced; all together, the House Committee on the Judiciary considered 146 separate resolutions. Some amendments were directed specifically to permit prayer and Bible reading in public schools and buildings. Others, in anticipation of what the Court might do next, permitted references to the Deity in any government ceremony, documents or currency. A third group, which included the most important resolution proposed by Congressman Frank Becker, attempted to combine both elements.

From April 22 to June 3, 1964, the House Judiciary Committee, under the threat of a discharge petition, conducted eighteen days of hearings on the Becker amendment. Ninety-seven Congressmen testified in support of some Congressional action. It appeared almost certain that the Becker amendment would at least reach the floor of the House for a full vote, but it died in Committee due to the opposition of many religious groups to any tampering with the First Amendment. On the last day of the hearings, a memorandum signed by 223 Constitutional lawyers was submitted to the Committee. Calling The Bill of Rights "our most precious heritage," they warned, "If the first clause . . . forbidding laws respecting an establishment of religion, should prove so easily susceptible to impairment by amendment, none of the clauses will be secure." This memorandum had great impact—one member of the Committee compared it to being hit by 223 bricks—and was probably decisive in the amendment's early demise. I mention it here not merely as a historical curiosity but rather to indicate that many prominent legal scholars, whether in agreement to the Court's holding or not, oppose a Constitutional amendment on school prayer and are willing to be vocal in their opposition. If the occasion arose, they probably would do it again.

Significantly, under the dynamic leadership of Senator Dirksen in 1966, a prayer amendment did obtain a majority vote in the Senate (49-37) but fell short of the two-thirds needed. In 1971, through the efforts of Congressman Wylie, a similar situation occurred in the House. Reaching the floor through the extraordinary procedure of a discharge petition, the amendment, similar to the Dirksen proposal, was approved by 240 Representatives (28 short of the necessary two-thirds of the 402 members then voting). There does appear to be a large number of members of Congress who would support some type of prayer amendment if the proper leadership is there to mobilize the effort. The fact that there is also less party responsibility and cohesion than there was in the 1960's may well be an advantage to advocates of a prayer amendment. The lack of party unity has mainly hurt the Democratic Party, e.g. witness their difficulty in overriding President Ford's vetoes, while the main support for a prayer amendment has always come from the G.O.P.

The success of an amendment proposal depends on 1) its legal justifications, 2) its specificity, not leaving room for ambiguities and potential abuse, and 3) its adherence to the basic liberties of the Bill of Rights.

Because many have felt that the Court's holding in *Engel* and *Abington* was erroneous from the standpoint of Constitutional law, a school prayer amendment may be viewed as a reaffirmation of Constitutional tradition, rather than a major departure from it.●

THE AIR FORCE LENDS A HELPING HAND

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 6, 1980

● Mr. BROWN of California. Mr. Speaker, the San Bernardino area experienced three successive and devastating rainstorms on January 14, 28, and February 16, 1980. When the heavy, torrential rains occurred in January, tons of mud, rock, and debris were loosened. This material washed down from the adjacent mountains into residential areas on the northern periphery of San Bernardino and Highland. These sections incurred devastating damage, some homes were buried up to the eaves with mud, and more than 60 dwellings were damaged in the Hampshire and Mountain Shadows areas. Estimated flood damage costs totaled approximately $3.5 million and included damages to private property, public roads, Federal facilities, as well as debris clearance, protection of property, repairs, and police and fire services. Subsequently, on February 16, 1980, President Carter declared San Bernardino a Federal disaster area. At this date, highway clearing operations are still in progress as the area recovers from the effect of these storms.

On January 16, 1980, early during this period of natural disaster, the Honorable W. R. Holcomb, mayor of San Bernardino, and other city officials contacted Norton Air Force Base seeking the assistance of the base in combating the effects of the ravaging mudslides in the Hampshire area. The response of Norton Air Force Base was swift, positive, and decisive. Under the direction of Col. Reginald Shaleski, base commander, and his deputy, Col. Maralin Coffinger, each squadron at Norton Air Force Base was rapidly organized through its respective first sergeant to provide volunteer relief service to the affected area of San Bernardino.

Coordinating the military effort directly with Mayor Holcomb's committee, the first sergeants' group provided specific services when and where they were needed in a most time sensitive and highly effective manner. Through the instrumentality of the first sergeants' group, the volunteer response of Air Force personnel was both heartening and of inestimable benefit to the civilian effort. Tasks included the transportation of volunteers, Air Force equipment, and meals to the mudslide areas. In addition to providing meals for the Air Force volunteers, Norton Air Force Base also fed an additional 200 California Conservation Corps personnel. The first sergeants acted as crew leaders for their volunteers, coordinated the effort directly with city officials, and provided members to assist in the operation of the volunteer command post at Wildwood Park.

Under the command of Col. David F. Ferree, base civil engineer, members of the prime beef emergency force (prime BEEF) were deployed to the stricken areas. Organized into three teams, these 100 Air Force civil engineer squadron members labored on 12-hour shifts with heavy equipment and hand shovels to remove huge amounts of mud and to construct check dams to prevent further damage. The spirit, enthusiasm, and physical effort expended by the volunteer and prime BEEF teams, working side by side with their civilian counterparts to avert the effects of a natural disaster, provided a most edifying and concrete example of exceptional, effective, and highly cooperative community relations. The rapid response, enthusiastic support, civic concern, and crucial assistance rendered by Norton Air Force Base personnel—officers, NCO's, and airmen alike—to the San Bernardino community in time of extreme need is an exceptional accomplishment in which the civilian and military members of San Bernardino may take immense and justifiable pride.●

ANSELMO A. "CHEMO" QUIJADA

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 6, 1980

● Mr. LAGOMARSINO. Mr. Speaker, it is my pleasure to call to the attention of my colleagues in Congress the dedication and community service provided over the past 25 years by a highly respected law enforcement officer in my congressional district.

Anselmo A. "Chemo" Quijada, an officer of the Ojai, Calif., Police Department for these past 25 years, will retire from that post on June 1, 1980. As juvenile officer for the Ojai Police Department, Chemo exhibited a keen awareness of the problems and needs of young people and constructively worked to address these needs. He organized the Police Boy's Club in the Ojai Valley and established a complete gymnasium and physical fitness program. Chemo's dedicated efforts sustained this viable organization through many difficulties until it was eventually assimilated into the community's park and recreation program. His hard work and tireless energy contributed to the development of a countywide program of summer camps for underprivileged children.

In almost every program working for youth, needy, underprivileged, or community service, Chemo has been a contributing force. He has been a mainstay of the local Scouting program, organized junior and senior boy's flag football teams, devoted time and energy to the Mexican-American scholarship program, alcoholics anonymous, the drug prevention center, the Ojai fiesta committee and service organizations such as the Optimists Club, the American Legion, the Ojai Valley Jaycees, and the Lions Club.

Although he has received commendations from various Federal, State, and local law enforcement agencies and civic organizations, his most treasured commendations are the numerous expressions of appreciation from the citizenry he has served for these past 25 years.

During the period from March 1958 to November 1961, I had the privilege of serving on the city council and as mayor of the city of Ojai. Chemo was then, and still is, a good friend and dedicated public servant.

I have spoken on the floor of the House of Representatives on many occasions on hehalf of the interests and concerns of the people and communities in my congressional district in California. It is indeed a particular pleasure to speak of the valuable contributions of my friend Chemo to his fellow citizens and to his community.●

HELEN HOLLIDAY CHOSEN FOR GOODWILL WEEK

HON. C. W. BILL YOUNG

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday May 6, 1980

● Mr. YOUNG of Florida. Mr. Speaker, I bring to the attention of my colleagues that this week, May 4-10, is National Goodwill Week across the country.

The 167 Goodwill Industries throughout the United States are observing as the theme for this year's Goodwill Week, "Goodwill Industries: An Investment in People for a Proud America." The President has proclaimed Goodwill Week and Ed Asner, star of movies and the television series, "The Lou Grant Show," is honorary chairman.

I am particularly proud because Helen Holliday of St. Petersburg, Fla., is being honored as the national Goodwill graduate for 1980. She is in the Nation's Capital this week for special recognition and to tour the monuments and landmarks. She will again be honored June 24-26 during Goodwill Industries annual Delegate Assembly in Indianapolis, Ind.

It has been my pleasure to become acquainted with Helen, and her life is an inspiration to all who have met her. Helen was afflicted, without warning, by Turner's Syndrome in 1966 when she was 13 years old. Also, she had a congenital deformity of the aorta artery and, during heart surgery, she suffered nerve damage. Helen is confined to a wheelchair but it confines only her body—not her spirit.

She enrolled in vocational rehabilitation programs at Goodwill Industries, Suncoast, St. Petersburg, in 1976, starting in work adjustment and progressing to sheltered employment.

Helen is being honored because she graduated to a productive job in business-industry. She is a typist clerk for General Electric Co. in St. Petersburg. As an employee, she is earning her way. She is more self-sufficient now than ever before. She is a consumer, a taxpayer, an American—and proud of it.

I commend Helen Holliday for her constant cheerfulness, and for her determination to overcome her handicaps. And, I commend Goodwill Industries throughout this Nation for their efforts to improve the quality of life for all handicapped people.●

HANDGUN DEATHS MUST STOP

HON. ROBERT F. DRINAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 6, 1980

● Mr. DRINAN. Mr. Speaker, during the month of March 1980, 549 people lost their lives because of handgun violence. The total for this year stands at 1,753 dead.

Each day that passes adds more lives to the list of those who have fallen victim to handgun misuse. Controls placed on the import of handgun parts together with a registration of handgun owners would significantly reduce the handgun deaths in this country. I urge that handgun control legislation be passed by this Congress.

Handgun Control, Inc., has compiled a list of media-reported handgun deaths for the month of March. The list follows:

Alabama (9): C. Collins, J. Gillespie, C. Orr, H. Parker, E. Payne, D. Ray, H. Scott, J. Simmons, W. Turner.

Arizona (8): C. Boom, O. Chapman, G. Hoffman, W. Moore, W. Rohrbacher, M. Spurlock, M. Taylor, unid. male.

Arkansas (5): W. Carolina, F. McCutcheon, D. Mathews, A. Nacarrato, G. Woods.

California (78): R. Abalos, K. Baker, L. Barbee, R. Bell, C. Bolton, E. Brand, T. Bryant, V. Bryant, M. Bucey, A. Caldera, R. Caponio, J. Cesar, D. Chavez, R. Collins, B. Covarrubias, C. Crawford, R. Ehlman, C. Follansbee, W. Franklin, D. Gentilli, V. Gentilli, G. Giles, D. Gonzalez, F. Hager, D. Hart, J. Hart, T. Hart, L. Henderson, A.

Hop, E. Horta, V. Ingram, M. Jenkins, E. Karas, D. Kernan, D. Kurtz, J. Lopes, J. Manville, D. Martin, I. McFarland, R. McNeese, M. Medina, J. Mendoza, R. Miano, K. Mickey, E. Morales, M. Oskay, H. Owens, D. Pirtle, A. Ramirez, J. Roig, R. Roquemore, D. Sahagun, L. Schulte, K. Shepherd, A. Silva, A. Smith, E. Smith, J. Smith, S. Smith, D. Thompson, D. Thorn, R. Villasenor, W. Voegele, H. Wallace, D. White, D. Williams, D. Williams, unid. male, unid. male, unid. female, unid. male, unid. male, unid. male, unid. male, unid. male, unid. female, unid. female, unid. male.

Colorado (16): G. Aderhold, B. Covey, P. Covey, R. Defond, H. Farrell, A. Frost, P. Grimberg, D. Iliff, M. Iliff, T. Kincaid, D. Kluge, R. Rhinehart, R. Schaneman, R. Stines, N. Thorne, S. Wicks.

Connecticut (2): J. Gonzalez and D. Lowney.

Delaware (1): I. Delgado.

District of Columbia (3): W. Bell, J. Daniels, and J. Jefferson.

Florida (23): D. Bafford, C. Barrett, C. Bell, D. Brushingham, P. Campbell, D. Christy, C. Edwards, W. Edwards, M. Estrada, R. Ford, D. Howell, T. Muff, W. Parker, M. Rivera, J. Santo, T. Snow, S. Taylor, R. Wilder, S. Wilkas, R. Williams, J. Willis, J. Wooden, unid. male.

Georgia (27): V. Aycock, J. Bennett, R. Brown, A. Crawford, C. Crawford, W. Cummings, J. Cutliff, B. Davis, W. Davis, R. Dozier, R. Edenfield, R. Giles, B. Glover, J. Hill, A. Johnson, W. Johnson, L. Kirkland, G. Miles, W. Phillips, C. Roberts, E. Roberts, J. Smith, T. Thomas, C. Walls, unid. female, unid. male, unid. male.

Hawaii (2): M. Kissner and A. Silva.

Illinois (10): J. Groeneveld, B. Maldonado, K. Nguyen, G. Patterson, R. Shoemaker, M. Simmons, D. Stidhan, M. Williams, N. Williams, D. Zamarioni.

Indiana (12): T. Carie, W. Houghton, R. Johnson, S. Lake, N. Lenox, R. Lloyd, P. McCowan, J. Portman, D. Stockdale, C. Thomas, T. Willett, I. Zalejski.

Iowa (4): D. Bronsema, D. Deberg, F. Sherbo, L. Warnke.

Kansas (7): T. Bialek, M. Helton, D. Moore, U. Moore, P. Oliver, R. Pahmahmie, unid. male.

Kentucky (11): C. Arnett, V. Baird, C. Bolton, G. Cecil, A. Dixon, C. Girdley, K. Heaton, N. Jones, E. Ligon, V. Lunsford, A. Maiden.

Louisiana (21): J. Anderson, J. Baldwin, W. Barges, B. Chaney, C. Dorsey, V. Duplantis, W. Gilmore, F. Grigsby, L. Horton, W. Jackson, M. King, C. Millet, M. Minnig, R. Quinn, B. Simmons, S. Thom, M. Tucker, Jr., S. Veselits, unidentified, unidentified, unidentified.

Maryland (7): M. Curry, R. Jennings, M. Preston, A. Randolph, E. Scott, G. Webb, M. Zurek.

Massachusetts (7): M. D'Amico, P. D'Amico, S. Harris, P. Lebel, A. Marzano, F. Stecchi, R. Valentine.

Michigan (8): R. Brauer, W. Hayes, Jr., J. Jackson, F. Ramsey, D. Saunders, C. Smith, Jr., T. Whetstone, W. York.

Minnesota (5): L. Lezer, V. Lezer, G. Wedlund, J. Wedlund, unidentified.

Mississippi (5): A. Edwards, N. Kincaid, B. Thomas, M. Williams, R. Willis.

Missouri (13): L. Barnett, Z. Blue, R. Brooks, W. Bryant, J. Gieferl, Jr., O. Gieferl, J. Harris, G. Moore, E. Ogle, T. Smith, O. Wheeler, G. Woods, D. Zamarioni.

Montana (3): D. Nault, L. Seymour, M. Seymour.

Nebraska (4): D. Branstiter, H. Branstiter, B. Crittendon, V. Shelton.

Nevada (4): J. Anderson, A. Arteago, A. Hopper, unid. male.

New Jersey (18): W. Allen, W. Bostick, J. Chibowski, M. Chibowski, R. Clarin, C. Dennis, G. Frascone, J. Harlow, E. Kelly, J. Lindsey, D. Mills, N. O'Neill, D. Rainey, D. Smith, J. Von Bischoffshausen unid. male, unid. male, unid. male.

New Mexico (5): M. Alamia, A. Holcomb, A. Phyfe, R. Rodriguez, N. Torres.

New York (19): F. Bonet, V. Cruz, M. Cuevas, R. Goldman, E. Hall, R. Holmes, J. Jenerette, J. Lopez, A. Lowenstein, E. Meekings, F. O'Connor, W. Richards, H. Smith, C. Spaight, H. Tarnower, P. Todoroff, E. Torres, E. Washington, unid. male.

N. Carolina (13): W. Bailey, P. Dunn, Z. Fowler, R. Lewis, R. Lowery, F. McKinney, J. Newman, I. Phifer, T. Pruitt, N. Wade, U. Wagoner, C. Walker, L. Warren.

Ohio (30): D. Anders, M. Browning, C. Chambers, H. Crim, J. Dugan, M. Gebbie, F. Gullion, R. Hallman, G. Hanson, L. Jackson, R. Johnson, M. Jones, M. Leach, J. Lewis, J. Macys, P. Newbourn, S. Newbourn, J. Noble, M. Overton, K. Redmond, N. Risinger, M. Rowland, T. Rowland, W. Ryan, L. Smith E. Taylor, J. Watkins T. Woodgeard, R. Wright, E. Yarbrough.

Oklahoma (12): S. Alvarez, J. Anthony, C. Baker, J. Beck, W. Byrd, M. Catt, D. Eaton, J. Ellis, R. Godwin III, B. Malone, J. Rose, L. Rutledge.

Oregon (12): M. Anderson, J. Debruycker, R. Debruycker, K. Folmsbee, D. Leighton, R. Leighton, C. Meuser, J. Meuser, G. Morgan, K. Parramoore, S. Perry R. Pierce.

Pennsylvania (10): H. Beaver, N. Briga, D. Dreher, M. Ligas, R. Lomax, L. McGlinsey, S. Reese, W. Scott, K. Smith, W. Stroud.

S. Carolina (7): C. Gray, L. Pauling, L. Shears, T. Taylor, K. Utley. R. Utley, D. Young.

Tennessee (32): E. Arms, R. Beasley, P. Bettis, L. Bond, R. Buckley Jr., J. Caldwell, F. Carmley, D. Christopher, J. Clevenger, E. Conner, T. Conner, P. Donley, C. Epperson, D. Fisher, K. Hart, D. Hollingsworth, J. Hurst, J. Jackson, R. Kirby, B. McKinney, H. McCrae, C. Mitchell, B. Moyers, L. Persley, S. Pewitt, C. Robinson, B. Simmons, C. Tanner, J. Thomas, J. Tribble, J. Yarberry, unid. male.

Texas (70): M. Alhmoud, E. Alvarado, R. Beaver, E. Briseno, D. Britton, A. Bryant, J. Burgin, S. Campbell, M. Carrillo, W. Clark, H. Coleman, M. Cougot, L. Crain, H. Delfierro, D. Doakes, P. Dohnalik, J. Angel, R. Calloway, L. Garcia, S. Garcia, M. Glawitsh, M. Gomez, R. Gonzales, L. Gray, G. Guitierrez, H. Handel, M. Harrison, B. Hemphill, J. Higginbotham, J. Hinojosa, W. Huskey, E. Jackson, O. Keith, L. Kennedy, J. Lavergne, R. Lawcock, R. Ledesma, A. Lowe, D. Lowe, R. Martinez, W. Mason, I. Moore, M. Moore, A. Nealy, B. Olgreen, T. Orr, A. Otero, R. Pavlicek, R. Pearson, L. Peart, M. Peters, J. Ramos, G. Redmon, T. Rhoden, E. Rodriguez, M. Sada, G. Salazar, J. Salazar, J. Short, R. Smith, L. Tiofilo, B. Turner, W. Wakumski, J. Walker, J. Wilburn, C. Wren, I. Ybarra, unid. male, unid. male, unid. male.

Utah (2): G. Carlson and unid. male.

Vermont (1): J. Smith.

Virginia (7): T. Branch, J. Hawkins, C. Jacobs, G. Malarain, G. Melton, E. Shoemaker, unid. male.

Washington (7): K. Breese, W. Everett, J. Jamison, A. Meredith, R. Oakley, O. Redman, H. Valencia.

W. Virginia (3): T. Mills, M. Herbert, D. Young.

Wisconsin (6): R. Ausman, G. Barker, G. Eichholz, J. Rodgers, L. Stone, R. Zimmerman.

Wyoming (2): D. Sullivan and M. Tschacher.

PREVIOUSLY UNREPORTED

January: J. Martin, E. Morgan, V. Nguyen, and H. Gee.

February: G. Short, M. Case, J. Schwanderlik, S. Vance, J. Pollock, T. Reyes, C. Slider, R. Alsobrook, T. Ballenger, M. Fortier, W. Hardaway, C. Carpenter, W. Cook, E. Morgan, S. Holland, J. Miller, L. Gathing, N. Mart, J. Smith, E. Alvarez, T. Ball, R. Brown, C. Ruff, M. Thornton, T. Thornton, F. Warwas, and S. Simmons.●

PERSONAL EXPLANATION

HON. ROMANO L. MAZZOLI

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 6, 1980

● Mr. MAZZOLI. Mr. Speaker, I was unavoidably absent from the House of Representatives April 30 through May 2, 1980. Had I been present, I would have voted: "No" on Roll No. 207, Representative SOLARZ' amendment to the first budget resolution, House Concurrent Resolution 307; "No" on Roll No. 208, Representative OBEY's amendment to House Concurrent Resolution 307; "No" on Roll No. 209, Representative OTTINGER's amendment to House Concurrent Resolution 307; "Aye" on Roll No. 210, to approve the Journal of Wednesday, April 30; "Aye" on Roll No. 211, House Concurrent Resolution 324, expressing gratitude to the late Governor of Puerto Rico, Don Luis Munoz Marin; "No" on Roll No. 212, Representative HOLT's amendment to House Concurrent Resolution 307 and; "Aye" on Roll No. 213, House Joint Resolution 541, making funds available for the temporary continuation of the Federal Trade Commission.●

CAN THE UNITED STATES REMAIN COMPETITIVE?

HON. CHRISTOPHER J. DODD

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 6, 1980

● Mr. DODD. Mr. Speaker, on April 28, 1980, I spoke in Stamford, Conn., before a group of about 50 chief executive officers of major corporations about ideas and recommendations discussed at the Harvard Conference on U.S. Competitiveness. Following is the text of my remarks:

This weekend I had the opportunity to sit down with leaders from business, government, labor, academia and the media at Harvard University to discuss a problem of increasing importance to this country—America's declining competitiveness in the international marketplace. I am sure it is no news to most of you that business in this country is facing unprecedented challenges from abroad. What I would like to talk about today is what we—and by "we" I mean both government and business—can do about it.

Since the mid-1960's, the U.S. competitive position has come under increasing attack from many sides. An inflationary spiral that started during Vietnam has continued largely unabated. Indeed, it had accelerated. Except for a brief respite caused by the worst recession since the Great Depression, this inflation has continued to the present day, reaching an unprecedented rate of 18 percent. The cost of foreign oil has increased uncontrollably. Our trade balance during the 1970s showed a deficit for the first time in history. Government expenditures represent an ever-greater proportion of our Gross National Product. Our productivity growth is now the lowest of the major industrial nations, while Japan and Germany surge ahead in a number of areas. And perhaps the most troubling problem is the growing dissatisfaction and mistrust the American people have for our institutions, government and business alike.

At the Harvard Conference, we engaged in intensive debate and discussion regarding these issues and others. One thing we all agreed upon is the need to undertake major reforms in a number of crucial areas—international trade, research and development, tax and investment policy, job creation.

We must recognize that if America is to maintain a strong, dynamic economy and regain its position of leadership in the world, America must revitalize its productive sector and forge a new spirit of cooperation between all segments of our society. Only then can we come to grips with the long-standing problem of industrial stagnation which threatens to undermine our national self-assurance and prosperity.

Obviously, as long as inflation continues at present levels, we will find it next to impossible to achieve so many of those domestic goals—full employment, adequate health care, housing and education, rising standards of living, and general economic security—that are essential to the well-being of a democratic society. We must tackle this grave problem in many ways. For starters, we must revamp our tax policies so business and industry can begin to modernize its plant and equipment. The Capital Cost Recovery Act (10-5-3) is perhaps the single most important step in this direction likely to be taken this year. By allowing a fast writeoff of expenses for structures, equipment and vehicles, 10-5-3 will encourage significantly greater investment in real productive assets.

In research and development, America must extend the joint business/government efforts applied with great success in the defense and aerospace sectors to a wide range of civilian sectors, such as transportation, health, energy, and nutrition.

Unfortunately, in his laudable effort to balance the federal budget, President Carter appears to have made significant cuts in allocations for research and development. For example, the budget for the National Science Foundation in the President's January spending proposal was $1.05 billion, an 11.1 percent increase. Last month, however, the NSF budget was reduced to $952 million for 1981—only a few million dollars more than the current year, and an actual loss when inflation is considered.

We must provide on-the-job training for the structurally unemployed so that they can become productive citizens and not remain subjects of welfare or make-work government programs with no long-term potential.

Government must set an example of spending discipline by targeting spending to those crucial areas and applying firm controls on federal outlays if we are to encourage similar restraint on the part of the public at large. This year, Congress will pass a fiscal year 1981 budget that is in balance for the first time in 12 years. For fiscal years 1982 through 1984, I have introduced H.R. 6706, which would limit federal budget outlays to fixed percentages of potential GNP—20 percent in 1982 and 19 percent in 1983 and 1984. Unlike other bills which tie spending to actual GNP, my bill (according to the Congressional Budget Office) provides ceilings which are more easily estimated, do not follow business cycles, and take effect gradually, thus allowing easier adjustment for the affected agencies and programs. Nevertheless, according to CBO, my bill would reduce total spending for 1982 through 1984 by $142 billion, $7 billion more than H.R. 5371 (Jones), the most nearly similar bill as far as I can tell.

Government also needs to improve the regulatory process by insuring that regulations that are enacted comply with the intent of the legislation authorizing their creation. In accordance with this objective, I have cosponsored H.R. 5858 (Sunset legislation), which would require periodic Congressional review of all regulations, agencies and programs after a certain period.

I could go on and on about desired changes in the economic and regulatory environment—the Joint Economic Committee, in its 1980 report, made thirty-two recommendations for dealing with the issues mentioned above. However, I must add a warning as well.

Historically, the American body politic has gone through pendulum-like swings—conservative at some times, including this time, and desirous of government activism at other times, such as the sixties.

If the goals of the Conference are to mean anything, and if we are to avoid the consequences of seething public frustration and anger, it is essential that government and business alike show sensitivity to the needs of the public at large. Government cannot afford to continue wasteful spending on questionable ventures, and business, particularly the energy industry, cannot afford in the long run to continue showing profit increases in the 150-200% range without providing unmistakable signs that the public will benefit directly in some way.

The public has shown over and over again what it can do to wasteful politicians—it removes them from power—and if business is not careful, it will be devoured as well.

All available information shows that the public today is restless as never before, distrustful of government and business alike. If business and government are to form a successful partnership along with the other diverse segments of our society, it is up to us to provide tangible evidence that we are working for the good of everyone—not just ourselves. Empty rhetoric simply will not do. A recent poll taken by Garth and Associates shows that the public is very sophisticated on a whole range of economic issues—from the impact of a balanced budget on inflation to the actual rank ordering of various nations in terms of productivity growth—as well as skeptical about the powers that be. The public simply cannot be fooled, and we should not try to fool them.

If we are to effectively implement the goals of this Conference, maintain faith in the capitalist system, and ultimately insure that the world we leave to our children and grandchildren is much better than the world we grew up in, then we owe it to all concerned to make sure that we always keep the welfare of those less fortunate in mind when we make decisions. It is a privilege, not a right, to exercise power, whether in the corporate sector or in the government sector, and it is up to us to demonstrate that we deserve that privilege.

Thank you.●

TRIBUTE TO COACH WALLACE "CHIEF" NEWMAN OF WHITTIER COLLEGE

HON. WAYNE GRISHAM

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 6, 1980

● Mr. GRISHAM. Mr. Speaker, I would like to take this opportunity to honor a man who, for the past 60 years, has been an outstanding example of leadership and stability to those of us who have had the privilege of knowing him.

For 44 years, ending in 1964, he coached teams from my alma mater, Whittier College, where he won the respect and admiration of his players, colleagues, and friends. These same people will gather in the Ettinger Faculty Center at Whittier this Saturday evening to honor him with a testimonial dinner.

His name is Wallace Newman, but he is better known as "Chief" to his friends in Whittier.

Chief Newman's collegiate teams compiled a record of 102 victories, 66 losses, and 14 ties during his tenure as coach. During that time they captured seven conference championships despite a 3-year interruption due to World War II. During his 28 years at the head of Whittier's baseball program, Chief engineered 10 conference championships for his ballclubs.

He was named to the National Association of Intercollegiate Athletics Hall of Fame, inducted into the American Indian Hall of Fame, and in 1979 was formally elected as one of the first members of the Whittier College Hall of Fame. All fitting tributes to a man who has coached longer than any other collegiate coach in the Western United States.

What little I can say here in tribute to this man can hardly touch the enormous impact that he has had on the countless students, players, coaches, and friends who have known him over the years.

Mr. Speaker, I am honored to be among them.●

REALISTIC DEFENSE POLICIES

HON. THOMAS B. EVANS, JR.

OF DELAWARE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 6, 1980

● Mr. EVANS of Delaware. Mr. Speaker, I would like to share with my colleagues some rather enlightening observations of a gentleman who has consulted with and advised many in this Chamber on both sides of the aisle. Eugene Rostow served his country as Under Secretary of State in President Johnson's administration. At present, he is Sterling professor of law and public affairs at the Yale University Law School.

Mr. Rostow joins many of his fellow citizens in expressing alarm at the glaring deficiencies of our foreign and defense policies. He writes that:

> It is particularly disagreeable for a longtime Democrat to admit that President Carter is playing politics with the safety of the Nation.

He states that this administration's foreign and defense policies confuse our allies and embolden our adversaries by demonstrating a lamentable lack of consistency and conviction. I fully support his call to the Congress to adopt firm and realistic programs to restore the capacity of the United States and its allies to protect our common interests.

The articles follow:

[From the New Haven Register, Apr. 20, 1980]

ROSTOW FEARS LACK OF FIRMNESS COULD BE CATASTROPHIC FOR UNITED STATES

If allies become convinced that U.S. policy abroad is irrational, the effect on all of civilization could be "catastrophic and irreversible," according to Yale Law School Professor Eugene V. Rostow.

Everyone in the election debate, from pundits to politicians, should insist that President Carter and Congress adopt firm programs, however painful right now, Rostow said.

In that way, the U.S. and allies can protect "common interests through concerted diplomacy, backed by the clear and visible capacity to use force if necessary," he argued.

Effective use of U.S. military force even in the Persian Gulf is in doubt, Rostow warned, until American strategic capability is restored and an all-oceans navy starts getting built.

Rostow is involved in the "election debate" himself as the head of Democrats for James Buckley, the Republican U.S. Senate contender. His support for Buckley is based on foreign and defense policy. From 1966 to 1969, Rostow was undersecretary of state for political affairs.

Carter proposals to impose economic sanctions on Iran amount to "an empty gesture," he said, "intended to make voters feel we have done something when we haven't."

Rhodesia was not crippled by such sanctions, he said, and "it should surely not be our policy, as George Ball said recently, to push Iran into the arms of the Soviet Union."

A boycott of the Olympic Games in Moscow is "hardly a serious policy for dealing with the Soviet conquest of Afghanistan," Rostow said.

"Nor could the president's threat to use force if the Soviet Union goes beyond Afghanistan have much influence on the course of events, since he has not taken the steps necessary to restore the deterrent influence of our strategic and conventional forces, wherever our interests may be in peril."

Carter's decisions on the B-1 bomber, Minuteman III, shrinkage of sea power, and pursuit of a "will-o'-the-wisp" strategic arms limitation treaty have weakened U.S. strategic and conventional forces, Rostow said. The result could be that American warnings "may well be treated as bluff."

The "coalition of nations" led by the United States should act now to contain the Soviet rush for power, he said.

"For 10 years, the United States and its allies, clinging to illusions of detente, have allowed the Soviet Union to outstrip them in arms, and on that basis to mount an accelerating drive for dominance," he said, but the "possiblity of peace itself hangs in the balance."

As a longterm Democrat, Rostow found it "particularly disagreeble to admit that President Carter is playing politics with the safety of the nation."

He charged, "While this cynical phenomenon is hardly unknown to American history, it has rarely been manifest on so large a scale and at such a dangerous time."

[From the New Haven Register, Apr. 20, 1980]

FIRM, REALISTIC DEFENSE POLICIES THE ONLY WAY TO WORLD PEACE

(By Eugene V. Rostow)

The critics and doubters of democracy are right to ask whether the fatal flaw of democratic governments is their resistance to accepting the world as it is. All Americans should approach the election of 1980 in the perspective of that uncomfortable question. For the state of world politics does not allow us the luxury of a prolonged campaign conducted in the atmosphere of old-fashioned buncombe.

The coalition of nations necessarily led by the United States must act now to contain the Soviet rush for power. For 10 years, the United States and its allies, clinging to the illusion of detente, have allowed the Soviet Union to outstrip them in arms, and on that basis to mount an accelerating drive for dominance. At the moment, therefore, the possibility of peace itself hangs in the balance.

Thus far, however, there has been no sign that the United States and its allies are undertaking an adequate political and military response to the Soviet campaign. It is particularly disagreeable for a longtime Democrat to admit that President Carter is playing politics with the safety of the nation. While this cynical phenomenon is hardly unknown to American history, it has rarely been manifest on so large a scale and at such a dangerous time. Under the pressures of the election, President Carter's conduct of our foreign relations is becoming more imprudent every day.

For example, an orchestrated chorus of complaint against our allies is heard from Washington, because the allies have been slow and dubious in supporting the administration's policies with respect to Iran and Afghanistan. With most people absorbed in the popular sport of grumbling about allies, few have noticed that the allies hesitate because they are not convinced that the administration's policies can meet the challenge of the situation.

While the free nations should surely not repeat the mistake they made in 1936 by participating in the Olympics, boycotting the Moscow Olympics is hardly a serious policy for dealing with the Soviet conquest of Afghanistan, one of the most sensitive strategic nodes of world politics.

Similarly, the administration's proposal to impose partial economic sanctions against Iran is an empty gesture, intended to make voters feel we have done something when we haven't. Economic sanctions have never had the slightest effect on the course of world politics, save to make things worse. Even Rhodesia was not crippled by economic sanctions. And it should surely not be our policy, as George Ball said recently, to push Iran into the arms of the Soviet Union.

Nor could the president's threat to use force if the Soviet Union goes beyond Afghanistan have much influence on the course of events, since he has not taken the steps necessary to restore the deterrent influence of our strategic and conventional forces, wherever our interests may be in peril.

The plain fact is that President Carter's decisions with respect to the B-1 bomber, the enhanced-radiation warhead, Minuteman III, the deliberate shrinking of our sea power, and the scale of our research and development effort, coupled with the defense budgets he has put before Congress, and his pursuit of the will o' the wisp of SALT II, have gravely weakened both our strategic and our conventional forces.

Until these decisions are reversed and we begin to restore our second-strike strategic capability, start building an all-oceans navy, and accelerate our research and development effort, the effective use of military force by the United States, even in the Persian Gulf region, is in grave doubt.

It follows therefore that American warnings may well be treated as bluff. In international affairs, as in other affairs, it is a wise rule never to bluff unless you are willing to have your bluff called.

If our allies become convinced that American policy is irrational, the consequences for the security of the United States—and to the future of humane civilization—could well be catastrophic and irreversible.

It is the duty of everyone engaged in the election debate—the candidates, the parties, the media and the voting citizens alike—to accept full responsibility for the state of our foreign and defense policy. They should eschew nonsense, double talk and incoherent slogans, refusing either to use them or to listen to them. And above all they should insist that the president and the Congress adopt firm and realistic programs, however controversial or painful in the short run, in order to restore the capacity of the United States and its allies to protect our common interests through concerted diplomacy backed by the clear and visible capacity to use force if necessary.●

RESTORING NONINFLATIONARY GROWTH

HON. ELDON RUDD

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 6, 1980

● Mr. RUDD. Mr. Speaker, in response to a recent letter soliciting expert advice from top economic leaders in Arizona, I have received a wealth of good input concerning ways to restore noninflationary growth in the United States.

Brevity has been the hallmark of these letters, demonstrating the ability of business leaders to get to the heart of the problems facing our country.

I would like to include at this point in the RECORD the sensible three-point anti-inflation, productivity proposals of Don B. Tostenrud, chairman of the board and chief executive officer of the Arizona Bank:

THE ARIZONA BANK,
April 28, 1980.

HON. ELDON RUDD,
Congress of the United States,
House of Representatives, Washington, D.C.

DEAR ELDON: As I think you know, I believe that the most important steps the nation should take to restore noninflationary growth are three:

1. Perseverance on the part of the Federal Reserve System in promoting slow, consistent growth in the monetary aggregates. The Fed is on the right course now. If it stays on it, inflation, inflationary expectations, and interest rates will come down. If it reverses course and allows another explosion in monetary growth rates, inflation, inflationary expectations, and interest rates will go up to new highs.

2. Federal fiscal restraint. The Administration's intention are good, but more paring will have to be done on federal spending and loan programs. Without more paring, the budget is unlikely to be brought into balance as the recession will probably cause federal revenues for the next year or so to fall short of projections.

3. Long-term inducements to saving and investment. The nation's productivity has declined alarmingly. The process of stimulating saving and investment should be speeded up. Legislation can help by easing the tax burden on savers and on businesses, the latter being the key source of productive investment in our economy.

I hope this might help. With all best wishes,

Cordially,

DON B. TOSTENRUD.●

REMOVE DISINCENTIVES TO U.S. EXPORTS

HON. PAUL FINDLEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 6, 1980

● Mr. FINDLEY. Mr. Speaker, members of U.S. Chambers of Commerce in countries around the globe were in Washington last week to take stock of U.S. exports in the world market and U.S. export policy. I had the opportunity to meet with four of these individuals who represented U.S. Chambers of Commerce in countries in Latin America, Asia, and Europe. Despite the differences in market conditions in these disparate continents, there was a unity of view among the chamber of commerce representatives regarding American export competitiveness.

U.S. export competitiveness, as they state, is rapidly declining. Many factors contribute to this disturbing trend but certainly one of the most damaging is U.S. policy itself. Indeed, a great inhibitor of U.S. exports is the tangle of laws regulating exports. The U.S. Government has failed to make export stimulation a high priority while it has placed onerous tax and antitrust burdens on American business abroad which have acted as disincentives to exports.

The result has been tragic: In 1979 the United States suffered one of its worst trade deficits in history. In 1980, the imbalance will probably be even worse. Trade deficits weaken the dollar and increase inflation. At a time of high inflation, high unemployment, and a dollar in which other countries place little confidence, Congress owes it to the American people to correct the legislative problems that now undercut American export competitiveness.

In particular, Congress should reexamine and amend sections 911 and 913 of the Internal Revenue Code which, as now written, act as a self-imposed tariff on the export of U.S. goods and services. Increasingly, fewer Americans can afford the tax burden of living overseas. Jobs once filled by Americans are now, therefore, going to Europeans and Japanese. A Japanese engineer working for an American firm abroad will write specifications for the Japanese products and components with which he is most familiar. The fact that Americans, because of U.S. laws, can no longer afford to work overseas has widespread repercussions beyond the immediate loss of employment to Americans. It has a far-reaching negative impact on U.S. exports.

There are many other pieces of legislation which need reviewing and amending. The Webb-Pomerene Act, the Export-Import Bank legislation, and current incentives for small businessmen to export goods and services overseas are at the top of the list.

It is critical that Congress take steps immediately to improve the climate for U.S. exports. The grimness of the recession we now face should tell us that the basic interests and the well-being of all Americans are at stake. We need the jobs and the profits U.S. exports provide. It is therefore critically important to undertake the necessary reforms in U.S. laws now.●

INFLATION AND THE TAX SYSTEM ARE TURNING OUR VALUES INSIDE OUT

HON. NEWT GINGRICH

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 6, 1980

● Mr. GINGRICH. Mr. Speaker, I want to share with my colleagues a disturbing letter sent me by a man in my district, Mr. William Moody. His letter carefully and methodically shows how three people earning the same salaries can have sharply differing Federal income tax bills.

That in itself is not surprising, given the nature of our tax system. The surprise is that, of Mr. Moody's three taxpayers, the fellow who is thrifty, minimizes debt, and saves for a rainy day pays four times the tax his fast living, credit consuming opposite number does. The man in the middle is moderately virtuous and the IRS treats him in a moderate way.

Mr. Moody's figures check out, and his letter is a graphic reminder that allowing tax deductions for interest payments on loans, while a policy that is beneficial when you have 1 or 2 percent inflation, serves today to hurt the thrift-conscious family trying to cope in an inflation-ridden, dispiriting environment.

Mr. Moody provides radical answers to the questions he raises. He would give tax rebates to people who save on a long-term basis. He also recommends we abolish the tax deduction for interest payments on loans. I say these are radical because they get to the root of the matter, meaning they would make saving more attractive than borrowing.

Though I do not endorse these steps, I believe Mr. Moody's letter will make us think harder and longer about what inflation is doing to our tax system, our attitudes, our morals, and our traditions. It is turning our world inside out. Saving for a rainy day becomes stupid and living for the moment becomes commonsense.

We better start treating these problems before the backward reality we are now seeing becomes the normal state of affairs.

Mr. Moody's letter follows:

DEAR MR. GINGRICH: Your letter to the editor of the Atlanta Journal, published on April 4, 1980 prompts me to write to you again. I don't wish to bother you with personal or petty problems, but it appears that you, like all the rest, have missed a major point in your fight against inflation.

Consider the circumstances of three men, A, B, and C, all married with no children. They are all salaried workers, earning $33,000.00 each, and their company has withheld $6,000.00 from each of them toward their income tax.

Now, Mr. A is considered the backbone of America. He is a frugal, thrifty conservative who pays cash for everything he buys. He lives in a small home that he bought in 1955 with a 4½ percent mortgage and his 1972 model auto is completely paid off. He has always carried sufficient hospitalization and life insurance. He and Mrs. A have saved for a rainy day and have $10,000.00 in savings which earned him an additional $500.00 during the past year. His total taxable income then is $33,500.00. In spite of his wife's lengthy illness, covered by insurance, the domestic he hired to assist her, which is not deductible, and the $800.00 he spent on his teeth, which was not 3 percent of his adjusted gross income, Mr. A can only muster a total of $3,300.00 in allowable deductions, so he chooses to accept the standard deduction. His tax bill is $6,802.00; and he must come up with $802.00 in addition to the $6,000.00 already withheld.

Mr. B is not quite so conservative. He recently moved out to an outstanding home on a ten-acre lot, and he and his wife each have a nice, new gas-guzzler. His mortgage is for forty years at 12 percent and his monthly payment includes $300.00 in interest. His car payments include another $100.00 in monthly interest. His other deductions such as tax, donations, etc. amount to $3,400.00, but Mr. B can add an additional $4,800.00 which he paid in interest. He thus reduces his tax base to $28,200.00. His tax on that amount is $5,025.00 and he can expect a refund from Uncle Sam in the amount of $975.00, which he will spend for that vacation trip to Florida.

Now, Mr. C is young and smart. He likes to live fast and impress his friends with his fancy home and fast cars. He sees no reason to save any money or to carry insurance on anything in his possession. The camper really belongs to the finance company—let them worry about it if it burns. Mr. C has a $9,000.00 boat and motor on a $1,200.00 trailer. His motor home, he boasts, is valued at $27,000.00. He has a special "mudder" pick-up which he uses only about four days out of the year for deer hunting. He mows his yard with a $1,500 mini-tractor that has everything except air conditioning. His home is the biggest and fanciest in the entire neighborhood and his furniture the very latest in design. Mr. C doesn't really own anything but the clothes on his back. The rest is owned by the bank or finance company. He has much trouble trying to keep up with his debt payments and, sometimes, he satisfies his creditors just by paying nothing but the interest due on his loans. Mr. C is not really concerned because he knows that the interest he pays is a deductible expense. With all his interest payments, Mr. C totals out his deductions at $18,600.00 and reduces his tax base to only $14,400.00. His tax bill is only $1,514.00. He can expect a refund of $4,486.00, enough for many parties and week-ends at his cabin on the lake.

Now let me chart this situation for you:

EFFECT OF INTEREST DEDUCTION ON TAX LIABILITY

Earnings for each	Tax withheld	Deductions for interest	Total deductions	Tax base	Total tax
Mr. A: $30,500	$6,000	None	Standard	$33,500	$6,802
Mr. B: $30,000	6,000	$4,800	$8,200	28,200	5,025
Mr. C: $30,000	6,000	15,200	18,600	14,400	1,514

Here you can see that Mr. C has "gained" $5,300.00 over Mr. A, or roughly 33% of his total interest payments. You can see also that the conservative, hard-working, taxpaying Mr. A ends up financing more than his share of federally-funded give-away projects, while having only the minimum for himself. On the other hand, Mr. C has learned to have his cake and eat it too—at the expense of the federal government. He is only thirty years old, but already has "use" of more of the "good things" in life than Mr. A ever dreamed of owning.

Then which of these men is the "wise one", and which one is the "fool"? How long will Mr. A leave his money in the bank to be taxed on the interest, while his dollars dwindle to the value of dimes? Why has the total of personal savings in America dropped to an all-time low? How long will all the Mr. A's in America foot the bill for a government which taxes their type of wisdom while encouraging Mr. C's type of foolishness? Even the conservative Mr. A is beginning to envy all the Mr. C's who converge on the lake in the Spring, with their cabins, campers and high-powered boats that tend to swamp his $99.00 Sears Special.

Let me give you an example: Let us say that my deductions are $3,400.00 and I pay $6,000.00 in taxes. If I buy and finance a $27,000.00 motor home, even at 12 percent, my first year's interest would be $3,240.00. I deduct it and reduce my taxes by $1,100.00. At 20 percent interest, I would experience an even greater reduction of $1,784.00 in my taxes. The government, in effect, pays approximately 33 percent of my interest payments, or subsidizes to that extent my foolhardy purchase.

We know that the costs of the federal budget must be met—balanced or not. If all the Mr. C's can avoid paying their share, then it's the Mr. A's who must foot the bill. In that case, it is not the federal government itself that subsidizes Mr. C's frivolous purchases, but, in fact, his conservative neighbor, Mr. A.

Now Mr. A is a peace-loving fellow. He always wants to do what's right and honorable. He believes in rendering unto Ceasar that which is Ceasar's, so he pays his tax without question. He has done so for years. Just as he has continued plodding to his job day after day, always hoping to get ahead, but never quite able to catch up with the crowd. He always wondered where that young neighbor up the street "gets all his money". Some day he's going to find out. He's going to realize that his tax money helped to pay for that big fancy boat that swamped his Sears Special last Spring. When all the Mr. A's in America take off their blinders and learn what the government has been doing to them, there is going to be one big explosion.

More and more of the A's and B's in the United States, and in other parts of the world, are realizing that "the grass is greener on the other side of the fence." They are joining the spendthrifts by the millions, creating or at least continuing this inflationary spending spree which the nation is now experiencing.

A 20 percent prime rate won't fight inflation. As a matter of fact, it has added fuel to fire. . . . buy now, before it jumps to 30 percent. Real estate prices in Atlanta have risen some 59 percent in the past year, and 35 percent in some areas just since January of this year. Horders cashed in their gold for dollars because they couldn't resist loaning out their millions for 20 percent. The new law permitting $400.00 tax-free interest income is a useful step, but is "peanuts" in comparison with what is really needed. The pressure on credit-card users is much too mild, and does not strike at the heart of the problem. You can't buy boats, motors and campers with credit cards.

Interest payments should not be considered as deductions for tax purposes. Don't reward the person who lives on credit—penalize him! On the other hand, don't penalize the man who pays cash and manages to save some of his earnings—reward him!

Consider that the merchant who sells a $10.00 item for cash, gets $10.00. If he sells the same item on a credit card, he not only must contend with extra paperwork, but also must deduct 2½ percent to 5 percent from his bank deposit to pay for the credit-card service. Thus he receives only $9.50 or $9.75 for his product, depending on the type of credit card. What has happened in such an instance is that the merchant himself has rewarded the credit-card user and penalized the man who paid cash. So, the cost of credit-card service should be added to the cost of any item sold on a credit card, or the cash purchaser should be rewarded with a like discount.

Savings, held in a bank for one full year should not only reap tax-free interest payments, but should be considered by the government for a tax rebate, perhaps up to 3 percent of the total amount involved. For example, if I should hold $10,000.00 in one-year certificates at 7 percent and thereby earn $700.00, I would not only have that amount tax-free, I would also be able to deduct 3 percent of the $10,000.00, or $300.00 from tax I would normally pay on other income. A ridiculous idea, you think? Not so! Not nearly as ridiculous as Mr. A paying 33 percent of Mr. C's interest payments.

What would be the likely results of these proposals? First, Mr. B, Mr. C and all others in their category would not get their refund checks and the Federal government would have a surplus of funds. Taxes could then be reduced, allowing everyone to pay a smaller, but fair, share. Credit buying would drop sharply at first, and some specialty shops and factories might fold. There would be a resulting increase in the unemployed. Personal savings would increase at a tremendous pace. Very soon, the bank vaults would be bulging with available money, but nobody would want to borrow it at a high interest rate. It would no longer be attractive since they would be unable to deduct the interest. The banks would be begging for credit customers. Soon, the rate of interest would begin to fall—to 15 percent, to 12 percent, to 8 percent, maybe even 3 percent, as it once was. Then the 3 percent government subsidy on personal savings would loom even bigger than before, and help to hold those savings in the bank even at low interest rates.

Somewhere along the route of decline for interest rates, existing, high-interest mortgages would be refinanced, and gradually, builders would start borrowing again for home construction. People who could afford the payments would again start buying the good things in life, but with full realization that foolish spending will not be subsidized by the government or by fellow tax-payers.

So much for my ideas on inflation. Again, I am afraid I lost your interest several pages back. Perhaps someday when you're in Atlanta or Carrollton, with time to spare, we can get together for an exchange of ideas, or a game of chess. If that would please you, I am at your service.

Respectfully yours,

WILLIAM O. MOODY.●

PERSONAL STATEMENT

HON. CLARENCE D. LONG

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 6, 1980

● Mr. LONG of Maryland. Mr. Speaker, each year at about this time I make a voluntary disclosure of income, taxes, assets, and liabilities.

For 1979, I paid a total of $24,070.30 in taxes, including $20,565.40 income taxes, and $3,504.90 property and sales taxes.

My chief source of income was $58,027.02 salary as Congressman. Other income included: an annuity of $1,338.15 and dividends of $788.33 from the Teachers Insurance Annuity Association (TIAA); $267.62 from the college retirement equities fund (CREF); gross rents of $5,700 from my farm and $600 from my townhouse both located in Harford County; $100 from the Sunpapers for an article; $169.33 in interest from savings.

Following my long standing policy, no gifts from constituents or interest groups, however small or in whatever form, were accepted by me or my staff—not even flowers or fruit.

As of January 1, 1980, real property consisted of my home in Ruxton purchased in 1946 for $32,000; a 112-acre farm in Harford County bought in 1965 for $118,000; and a townhouse in Harford County bought in late 1979 for $47,900. My farm was free of debt, my home mortgage will be paid off as of June 1, 1980, my mortgage debt for the townhouse, Yorkridge Federal Savings and Loan Association, is about $38,600.

Contributions to the Federal retirement system for 1979 totaled $4,642.16. In nearly 18 years as Congressman, I have contributed a total of $52,689.92 to this fund which cannot be withdrawn in cash. Estimated capital value to my Teacher's Insurance Annuity Association policies, which does not convert into cash, was about $21,661.85.

Other assets as of January 1, 1980 included a 1976 Buick sold in April for $1,150, a 1977 Plymouth station wagon valued at $2,500, home furnishings, my wife's jewelry, nearly all inherited, clothing, a small savings account, and a checking account sufficient to pay current bills.●

ENERGY: ISSUE OF THE 1980'S

HON. CARROLL HUBBARD, JR.

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 6, 1980

● Mr. HUBBARD. Mr. Speaker, I would like to call to the attention of my colleagues the concerns about the energy picture in America as addressed by Mr. Louis B. Strong of Louisville, Ky., president of the Kentucky Association of Electric Cooperatives, in his remarks to the Kentucky Electric Cooperatives' annual congressional breakfast today, Tuesday, May 6, 1980. He touches on the very poignant problem of our dependence on foreign oil and offers some rational options which need to be pushed forward immediately by Congress to alleviate this strain on our economy. The text of Mr. Strong's remarks follow:

OUR CONCERN

1. The United States' and the free world's energy problem is imported oil. If we didn't have an imported oil problem, we wouldn't have an energy problem. Imported oil now supplies one-fourth of America's vast energy requirements.

2. The industrial and economic systems of America, Western Europe and Japan cannot survive if they are cut off from the Persian Gulf oil located in the midst of the most politically unstable area of the world. Russian tanks and armies are only 300 land miles from this vital oil supply. Governments friendly to the Soviet Union now exist in several key areas surrounding this oil supply.

3. Oil imports are draining $10 million per hour from our economy. In 1980, oil imports may reach $80 billion. This is shaking the foundations of our economic system. The critical period for drastically reducing our dependence on imported oil and adjusting to a changed energy supply situation is about the next 15 years.

4. Our only options are to reduce drastically the use of oil for transportation by getting more miles per gallon and reducing the number of miles driven; and, to reduce stationary uses of oil for space heating and industrial processes through conservation and by shifting wherever possible from the use of oil to the direct burning of coal or the use of electricity generated from coal and nuclear energy.

5. It will take an all-out effort just to maintain domestic oil and gas production at current levels. New technologies, such as solar, gasohol and synthetic fuels, probably cannot make any significant contribution to our energy supplies in fewer than 15 to 20 years. The only energy sources we have in abundance with the technology in place to use are coal and nuclear.

6. Conserving electricity generated with coal or nuclear energy does not solve the oil import problem. But the efficient use of electricity generated with coal and with nuclear energy can be the swing factor that enables us to shift from imported oil to domestic fuel supplies.

7. The survival of our country depends on our making the right choices on energy within the next few years and on our continued access to Mid-East oil.

WHAT WE ASK

1. Above all we ask you to vote in a manner you consider best for your constituents, as well as our country. We have full confidence in each of our congressional delegates.

2. Continue your fight against over-regulation. Few problems continue to result in such needless expense as over-regulation. Currently, this is particularly costly in the environmental and energy alternative areas.

3. Use your influence to help direct attention to some ill-conceived notions of conservation. Far too many people believe conservation means using less electricity. This is only partly true. There is nothing wrong in using more electricity, so long as the use is sensible and efficient. Conservation is the efficient use of electricity.

4. Do everything you can, within reason, to help reduce our dependence on foreign oil. Perhaps, more than any other single cause, it is this expense which has led to the serious problems with our economy.

5. Urge Congress to review the Building Energy Performance Standards proposed by the U.S. Department of Energy, which encourage the use of precious oil and natural gas as heating fuels while discouraging the use of more readily abundant electricity.

Lastly, remember that we do appreciate your efforts. Individually and collectively our congressional delegation deserves high marks. Keep up the good work.●

IN CELEBRATION OF CINCO DE MAYO

HON. EDWARD R. ROYBAL

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 6, 1980

● Mr. ROYBAL. Mr. Speaker, each year el Cinco de Mayo, or the fifth of May, is a holiday celebrated by our great neighbors to the south in Mexico and by many communities throughout the United States. This date celebrates the battle in 1862 when a small patriotic force of Mexican soldiers defeated a much larger, better-equipped French army troop. The defeat of the French at Puebla stands as a landmark in the history of Mexico and symbolizes the victory of a proud and independent human spirit over foreign invasion. This spirit made it possible for the Mexican people to eventually expel Emperor Maximilian and the French from Mexico in 1867 and molded a sense of national pride that still exists today. In Los Angeles, Cinco de Mayo is celebrated by many persons of Mexican descent. This year, that holiday was marked by another significant event: a 24-hour salute to the Mexican holiday and to Mexican heritage by KABC talk radio. This is the first time an event like this has been attempted in radio and it marks a new bond of communication between the English- and Spanish-speaking people of southern California. Not only does this kind of programing inspire better understanding of the rich heritage and culture of Mexico, but it creates stronger ties between the various peoples within a community. I believe KABC talk radio deserves special commendation for initiating such an event. Talk show hosts asked Hispanic celebrities and entertainers and political, educational, and social leaders to share their experiences in broadcasts from the heart of my 25th Congressional District of Los Angeles. While many persons should be commended for making this event a success, two deserve special recognition for initiating it: George Green, KABC radio vice president and general manager, and Martin Ortiz, Whittier College professor and director of the Center of Mexican American Affairs. I also want to extend my best wishes to the Republic of Mexico and to all Americans of Mexican descent during this 118th anniversary of Cinco de Mayo.●

UNFAIR IMPORTS HAVE SEVERE IMPACT ON THE U.S. AUTO INDUSTRY

HON. PHILIP R. SHARP

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 6, 1980

● Mr. SHARP. Mr. Speaker, several weeks ago I urged the House to consider the severe impact unfair imports were having on the U.S. auto industry. Since that time, unemployment in the industry has increased.

Despite the welcome announcement last week by Nissan Motor Co. that they will build Datsun pickup trucks in the United States, there has been little change in the underlying problems.

A letter I have received recently from officers of the Warner Gear Division of Borg-Warner Corp., in Muncie, Ind., documents the unfair competition which is causing part of the unemployment in the industry.

I would like to quote from this letter:

> The main source of this imbalance comes from Japanese manufacturers "dumping" cars and trucks on the United States economy with very little penalty being felt through the amount of duty charged on these vehicles. Since 1970, the Japanese share of the U.S. market has grown from 3.5 percent to 16.6 percent while European manufacturers' share dropped from 11.7 percent to 5.1 percent. A major reason for this gain in market share is the special tax structure in Japan that allows some cars to be sold as much as $1,000 cheaper in foreign markets than in their own country. An example is the popular Toyota 1800 SE that has a cost of $4,800 to dealers in Japan and $4,000 to United States dealers; or a Datsun

> 210 that costs $4,100 to dealers in Japan and $3,400 to dealers in the United States. If this is an example of free trade, or an example of the effectiveness of our tariff structure, then something is very wrong.
>
> Japanese manufactured trucks are currently subject to a 4 percent duty under the classification of "truck/chassis components" when, in fact, they arrive in this country complete except for cargo beds. The cargo beds are then attached in the United States and in most cases, are sent from Japan on the same ships with the chassis. This is a clear evasion of the proper duty of 25 percent that would be effective on a complete truck. This is currently being reviewed by the Treasury Department and we urge your support in closing this loophole.

Mr. Speaker, my staff has contacted the Customs Commission and learned that a recommendation is expected on this point within the next few weeks. I sincerely hope that the correct and fair duty can be charged, and I believe we should be prepared to redefine these classifications by legislation if the Treasury Department cannot close the loophole.

The letter from Warner Gear continues:

> The Japanese, in turn, will import a intermediate size car produced in the United States that bears a dealer's cost of $6,400 and to that, they add the following:

	Amount
Base price	$6,400
Shipping and entry costs	610
Commodity tax (20 percent)	1,390
Internal freight	45
Product modifications made to U.S. cars in Japan; i.e. front fender mirrors, protective covers for chrome and paint, catalytic converter shield, and speedometer warning buzzer	5,090
Preparation charge	480
Advertising expenses	350
Warranty costs	480
Margin (36.4 percent)	5,330
Showroom price	20,175

> Product modifications analyzed on a value-added basis would add only $1,000 to the cost, but nearly $5,100 is charged. Further, the margin of 36.4 percent is higher than for Japanese produced cars and this car in the U.S. would carry only a 15 percent mark-up.
>
> This kind of "reciprocal" trade has resulted in a trade deficit on automobiles and trucks with Japan, amounting to over $10 billion and is second only to oil in trade deficits. Other countries limit imports of Japanese cars and trucks. France limits Japanese share of market at 3 percent, United Kingdom limits their market share at 10 percent and Italy limits vehicles imported from Japan at 2,000 units.
>
> Warner Gear, among other products, manufactures manual transmissions for domestic cars and trucks. In 1975, Warner Gear's share of the manual transmission market was 20 percent and in 1979 only 15 percent. We have lost business to foreign competition (Mexico) that benefits from their country's export credits which makes direct competition nearly impossible. The loss of this business has resulted in trade assistance for our workers in the past, but a totally free trade philosophy in this country can soon generate enough unemployment to make funding of these benefits impossible. This does not attack the cause of the problem, only the effects."
>
> In 1979, a total of 3,940,000 cars and trucks were sold in the United States with manual transmissions. Imported cars and trucks being smaller and more fuel efficient than many of their domestic counterparts have a very high rate of manual transmission installation. Seventy-three percent of all imported cars and 87 percent of all trucks were equipped with manual transmissions. This compares to installation rates of 10 percent for cars and 26 percent for trucks produced domestically, but only 56 percent of the manual transmissions used in domestic vehicles were produced in the United States.

MANUAL TRANSMISSION USAGE, 1979 MODEL YEAR

	Units
Imported vehicles	2,090,000
Domestic vehicles	1,850,000
Total	3,940,000
Domestically produced manual transmissions	1,040,000
Foreign produced manual transmissions	2,900,000
Total	3,940,000

The Warner Gear officials then make specific recommendations for import quotas, a higher U.S. content requirement for a vehicle to be considered domestic, and the closing of duty evasion loopholes, and then concludes:

> We fully support the UAW's position and realize many jobs are being exported through foreign trade practices. We also believe we should expect Japanese manufacturers to build plants in the United States if they want 22 percent of our market as they have enjoyed in January and February of this year. We must also caution you on relying on Japanese promises of future United States production as a reason to delay implementation of stricter trade laws. With the Japanese industry expanding and currently underutilized, it is unlikely that Japanese cars will ever be produced in this country by manufacturers other than Honda.
>
> Offers by the Japanese government of low interest loans and of indemnification against losses to Toyota and Nissan have not convinced them to invest in the United States. They apparently believe that United States manufacturers will be tougher to compete against as they continue downsizing vehicles and by the time they could be in operation in this country, competition would be intense. Even if they do establish plants in the United States, the help from the Japanese government would give them a competitive edge in this country.
>
> Please consider these points as you consider future legislation.

I believe this specific information helps to document the case I made in the CONGRESSIONAL RECORD on February 28, and I believe we must be willing to take strong actions. As one who supports the concept of free trade, I would recommend trade restrictions only with great reluctance. We must not take actions that cannot be justified to our world trading partners, because all nations have industries they would like to protect, and all consumers will suffer if tariffs and other trade barriers begin to rise again.

But let us not be suckers. Free trade must be a two-way street. If the Japanese want to relax under our international security umbrella while spending only a minor percentage of their national budget for defense; if they want to export their own unemployment to us by dumping products in the U.S. market; and if they want to continue to raise obstacles to the sale of U.S. goods in Japan, they must expect retaliation.

No one wants a trade war, but it takes two willing partners to keep the peace.●

FUNDING FOOD STAMPS 1980

HON. THOMAS J. DOWNEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 6, 1980

● Mr. DOWNEY. Mr. Speaker, in an article in the Washington Post this morning President Carter is quoted as saying that:

> Prospects are not good for averting a food stamp cutoff. We see the possibility, maybe even the probability, that in about 2 weeks 21 million Americans will no longer receive food stamps.

I urge my colleagues to avert that disaster and make it impossible for the President to blame this one on us. Included in the 1980 food stamp amendments (S. 1309) are sections which are vital to millions of elderly, poor, and young people. The most important would allow this program to continue without interruption and is contained in the revised second budget resolution for fiscal year 1980 which we are voting on today. The next step, part of S. 1309, is to raise the cap on spending for fiscal year 1980, and then to pass supplemental appropriations to fund the program fully for this entire year.

To cut off funding precipitously now would impact negatively on 10 percent of our total population, leaving them without money to eat. We must not let this happen.

Furthermore, provisions in S. 1309 would insure that other Federal benefits to food stamp recipients would not be counted as income and disqualify them in a needs test.

Amendments we will be considering could establish dangerous precedents concerning recipients of Federal assistance programs. One of them would deduct money from a food stamp grant from a family whose children participate in the school lunch program. Surely, no one really believes that these poor families are eating too well.

Mr. Speaker, again I ask that we vote on this bill with a clear understanding of the consequences of our inaction or uniformed action. This program is too important and it deserves our best shot.●

NOTIFICATION OF ADDITIONAL COSPONSORS TO H.R. 4717

HON. HERBERT E. HARRIS II

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 6, 1980

● Mr. HARRIS. Mr. Speaker, today I am pleased to add the names of five more of my colleagues to H.R. 4717, my bill to guarantee cost-effective contracting by the Federal Government and eliminate the practice of wasteful yearend spending sprees. Investigations by my subcommittee and reports by the General Accounting Office continue to uncover evidence that tax dollars are wasted in these areas despite repeated attempts by the executive branch to halt the practices.

The growing support for H.R. 4717 by my colleagues is a clear indication by the Members of this House that we are determined to take legislative action to eliminate waste in the executive branch. I commend all of the cosponsors of H.R. 4717 for their support in the interests of governmental efficiency.

The five are: ALLEN ERTEL, ROBERT MOLLOHAN, JOHN BURTON, ROBERT CARR, and ROBERT EDGAR.●

DEATH IN THE MIDDLE EAST

HON. PAUL FINDLEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 6, 1980

● Mr. FINDLEY. Mr. Speaker, the May 2 murder of five Israelis in Hebron is a great tragedy and a sad loss not only for their families but for all those who seek peace in the Middle East. I deplore this terrible act of Palestinian terrorism and the escalating level of violence by both Palestinians and Israelis in the West Bank.

It is horrible to witness such death and destruction at the very moment that we approach the May 26 target date for the conclusion of the Israeli-Egyptian autonomy discussions on the West Bank.

At the conclusion of the peace treaty between Israel and Egypt, I cautioned against too much optimism about a quick settlement to all the complex issues of the Middle East conflict. Now, in contrast, I hope that we will not too readily give in to despair and to a sense of resignation that these are intractable issues. We must instead continue to believe that Jews and Arabs will be able to coexist peacefully and with natural respect in the West Bank and in the Middle East. And we must continue to assist in promoting the fair solution that will achieve this end.

The first step must be an end to terrorism in the West Bank and in Israel. Violence must be replaced by a willingness to seek peaceful solutions to difficult problems.●

DECLINE IN U.S. PRODUCTIVITY

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 6, 1980

● Mr. LAGOMARSINO. Mr. Speaker, I would like to bring to the attention of my colleagues the following editorial, "Days work for day's pay", as it appeared in the Carpinteria Herald, Carpinteria, Calif.

I share the author's concern about the decline in U.S. productivity, and believe it to be a major ailment of and problem for the U.S. economy. We must work to increase our productivity if we are to solve the many problems facing us as a Nation.

The article follows:

DAY'S WORK FOR DAY'S PAY

Suppose a log-splitter is paid $4 an hour and splits 10 logs an hour. The unit labor cost of splitting a log is 40 cents.

Now suppose the splitter's wage rises 10 percent to $4.40 an hour, yet his output per hour—his productivity—remains unchanged. The unit labor cost of splitting a log goes up by 10 percent. So the log company has to charge more for its products to cover the increased labor costs.

A basic ailment of the U.S. economy, obscured by all the headlines and hubbub about inflation, recession, and the faltering dollar, is sluggishness in the growth of the productivity.

For more than a decade, U.S. productivity growth has been the lowest of any major industrialized country. This lagging performance reflects a slowing in America's creative pulse.

If we're going to solve major problems facing us as a nation, productivity must be improved.

"Without increases in output per hour, real standards of living cannot increase, poverty cannot be reduced, and environmental quality cannot be improved," says Burton G. Malkiel, chairman of Princeton University's department of economics writing in Harvard Business Review.

Stagnant productivity tends to erode the value of the dollar and build inflationary pressures. Only growth in productivity, Malkiel points out, can provide the increases in real output per person that bring overall gains in living standards. Wage settlements that outpace gains in productivity push up unit costs. Business raises its prices to cover the increased costs. Inflation flares.

Why is the U.S. falling behind in productivity? The reasons are numerous and complex. Some of them arise from broad social trends, such as the shift from an industrial to a service economy, with fewer manufacturing workers and more travel agents, waiters, and other service employees.

Three causes of slumping U.S. productivity bear special mention—weakness in business capital investment; a slowdown in research and development, particularly for long-term projects; and rampant government regulation. Taken together, they are dampening Yankee ingenuity, or innovation, that lies at the heart of improving productivity.

"While new investment and R&D expenditures may be called the engines of productivity growth, government regulatory policy serves at the reins," Malkiel asserts. Regulatory redtape, he says, "appears to throttle the productive energy of the country."

The productivity energy needs to be unthrottled. Here are some ways for the government to go about it:

Redirect national economic policies to encourage investment and technological advancement.

Improve the climate for risk taking.

Enact tax changes making it advantageous for business to experiment, innovate, create.

Strip away regulatory excesses which are draining off money that should be invested productively.

Perhaps, too, there should be renewed emphasis by all of us, as individuals, on delivering a full day's work for a full day's pay!●

TRIBUTE TO HAROLD RACOW

HON. NICHOLAS MAVROULES

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 6, 1980

● Mr. MAVROULES. Mr. Speaker, I take this opportunity to bring to your attention the myriad accomplishments of a distinguished member of my constituency, Harold Racow, of Beverly, Mass.

Harold, a pharmacist by trade, practiced for 54 years. In addition to this chosen profession, Harold served as a city alderman for 4 years as well as a member of the welfare board for 5 years and the board of appeals for 8 years. Harold was also the first chairman of the Beverly Heart Fund drive and a past president of the Kiwanis Club and the Beverly Cove Improvement Association. He is currently an instructor in cardiopulmonary resuscitation.

Harold Racow achieved the honor of grand mason and is the current president of the Temple Shalom in Salem, Mass. In the near future, the Salem Israel Bond Committee will be honoring Harold Racow and his wife, Edna, for their profound dedication to the synagogue, the Jewish people, and the State of Israel.

Harold Racow is an outstanding individual who has dedicated his life to serving his community. While the vast majority of persons choose not to become involved, Harold stands out as a shining example to all of us. He is a sincere, genuinely dedicated individual who deserves our recognition. I would like to join with the Salem Israel Bond Committee in offering this fine, upstanding individual the just recognition he so clearly deserves.●

ADDRESS BY ADM. THOMAS B. HAYWARD

HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 6, 1980

● Mr. SKELTON. Mr. Speaker, on May 1, the Chief of Naval Operations, Adm. Thomas B. Hayward, addressed the Society of Naval Engineers here in

Washington. I wish to share that address with the Members of this body, as it stresses that we are experiencing times when we should show our strength as Americans, not our weaknesses. Admiral Hayward's speech is as follows:

ADDRESS BY ADM. THOMAS B. HAYWARD

You're going to hear a different kind of speech today than the one which you more than likely expected from the Chief of Naval Operations. I'm not going to talk to you about ships, ship design, ship maintenance, ship reliability, inadequate numbers of talented personnel to man our Navy ships, the need for new and imaginative hull designs, the Russian Navy, or even my deep concerns about the eroding balance between the United States Navy and our Russian adversary, though I have strong views on all of these which I would like to share with you.

No, today I'm going to talk to you about America—the spirit of America. One might even call it the dis-spirit of America, the darker side of our country these days in our excessive search for things and people to criticize, condemn, tear down, and denigrate. A case in point is very real to us today.

One week ago at this very hour eight American helicopters and six C-130 cargo planes were flying over Eastern Iran, in the dark of night there, at very low altitude to avoid radar detection, heading toward a rendezvous near the "Great Salt Desert" some 250 miles southeast of Tehran. They were en route to a rendezvous with fate—a fate that was to lead to a tragic failure of the mission for which they had so meticulously trained and which they so desperately desired to fulfill—the successful rescue of Americans held hostage by the militant Iranians in the American Embassy. We all know the result—eight Americans dead, having sacrificed their lives while trying to save the lives of many other and helping to put behind us this corrosive situation that bedevils us all.

This episode has shown us Americans at their best . . . and at their worst. The men who flew the mission represented the finest qualities of the American spirit. In stark contrast, the crescendo of instant and uninformed recrimination, directed at anyone who possibly could be blamed for this national embarrassment, presents us at our worst. Our penchant for headhunting and thirst for scapegoats have added to our internal divisiveness at a moment when we should be showing our strength by linking arms and supporting our government and our Commander in Chief. So I want to say a few words about what I call this "Crisis in Confidence," as seen by one member of the Joint Chiefs of Staff.

First, let the record be clear. I'm not going to stand here and try to make excuses to you and the American public. The fundamental fact is that the mission failed. We let America down. More than that, we let our hostages down. No one is happy with the outcome, and we are particularly grieved over the loss of eight of our fellow countrymen. So if there is to be blame, that blame should be cast in only one direction—it properly lies at the feet of the Joint Chiefs of Staff who provided to the President our professional military advice that this mission was feasible. Where it doesn't lie is on the shoulders and conscience of those talented, dedicated, skilled, and courageous men who did their utmost to pull it off under some incredibly difficult circumstances. This is not a time for breast beating but a time to show our unanimous support for—and our pride in—those who gave their best effort in a risk-laden operation, and who would have been hailed as national heroes had it turned out differently. In no way will I stand silent beside the kind of innuendo which has been all too common in the media since last Friday, as exemplified by the statement that, "the saddest fact is that the professionals of the American military have compiled a modern record replete with failure and catastrophe." I stand before you today to tell you that the professionals of the American military are as good today as they have ever been—that the American sailor, soldier, airman, and marine is as competent and skilled, as loyal and dedicated, and as determined and unselfish as any Americans who have ever served. Denigration of those who have done their level best is a disservice to them, and a disservice to the image and prestige of America.

If they are so good, you ask, why then did we have to abort a mission that was so critical to the interests of the United States?

Given the technological greatness of our country—the best in the world we say—why did we have to call off an operation because too many helos broke down?

What does that say about the overall readiness of the American Armed Forces to go to war?

Given such meticulous preparation as this operation must have had, what confidence should we have that other weapons will perform in the mud and under fire?

Doesn't this support the contention that the brass is so obsessed with buying new weapons that we don't take care of the ones we already have?

Or, as the Chief of Naval Operations has been saying so strenuously these days, are we so short of skilled personnel in the all volunteer force that we couldn't run a successful rescue mission without taking excessive risks?

One might go on and on.

My purpose today is not to try to defend or explain this operation in any detail. The Secretary of Defense will be reporting to the Congress the results of our review of the mission, and I do not intend to preempt that report in any respect. However, enough can be said at this juncture, in my judgment, to let you appreciate that as early as last Saturday morning a great deal of prejudgment had already taken place, that a great number of conclusions have already been preempted through speculation, and that some courageous people, each of whom would have given his life if required, have been the target of careless innuendo through suggestions about lack of professionalism—competence—and ability.

So let's start by taking a brief look at the helicopter problem—the so called maintenance failure—the claim of unreliable equipment.

Since the arrival of the U.S.S. *Nimitz* on station in the Indian Ocean last February, relieving U.S.S. *Kitty Hawk*, eight RH-53 Sea Stallion helicopters were on board for the rescue mission. Over the next 100 plus days of continuous operations in the Arabian Sea, the helicopter maintenance crews compiled an exceptional record of aircraft readiness. For the 30 days preceding the mission, they kept seven of the eight aircraft almost continuously up and ready. Even though they were unaware of the specific mission to which they might be tasked, they were acutely aware that a special trust was placed on their ability to keep those helicopters in commission—that there was a unique importance associated with those aircraft—and they responded to that trust. A special logistic system had been covertly established within the naval aviation supply system to keep the *Nimitz* supplied with essential helicopter parts in a timely fashion while not revealing the possible mission. The helicopter detachment aboard *Nimitz* had all the people and technical skills the on scene commanders said they needed, in contrast to the shortages which are standard elsewhere in the Navy. Two civilian technicians were added to the crew in order that no stone would be left unturned to ensure that we had the best technical skill available when needed.

When the decision was made to begin the countdown for the rescue mission, extraordinary efforts were made to expedite the necessary parts to bring the eighth helo into a full mission readiness status. On 21 April all eight aircraft were ready; all were checked out; all were accepted by the flight crews; none had any discrepancies. This just didn't happen. It was brought about through meticulous planning, extraordinary dedication, exceptional talent, and plenty of hard work. Interestingly, though the eighth aircraft had not flown for the previous 60 days, it was one of the helos to arrive at "Desert One" without difficulty and was counted among those materially able to continue on with the mission. In fact, of the six helos that did arrive at the refueling point, only one was deemed not flyable—one of its two hydraulic systems had failed. But that was not disturbing, at first anyway, for helo number 5 was still en route, everyone thought, which would bring the number of fully operable aircraft up to six—the number needed to proceed.

Regrettably, number 5 never showed up.

Therein lies the real story of this aborted mission—the extraordinarily harrowing experiences of the crews as they negotiated their way through almost 3 hours of exhausting flying in an unpredicted dust storm.

The first two hours after leaving the darkened *Nimitz* went smoothly. The crews were feeling great. Then helo number 6 had to be landed and abandoned when an indicator warned of an impending rotor blade failure. Her crew was picked up by number 8, the "Hangar Queen," and all proceeded well. The crews' confidence grew with each passing mile, when suddenly, without warning, they found themselves surrounded by dust. Their special night vision devices were useless. They said it was like flying in a milkbowl—a darkened milkbowl at that. Vertigo was common among all the crews. It was then that the first critical malfunction occurred, in helo number 5.

The pilots were having enough difficulty just keeping their helicopter's attitude level with the horizon, which they could not see, when a failure occurred to the electrical source powering two primary navigational instruments. Experiencing extreme disorientation and being very dubious about their ability to navigate in the blind through the constricted mountain area immediately ahead, they were compelled to reverse direction when they couldn't make visual contact with the ground. They managed to find their way back to the *Nimitz* several hours later, almost out of fuel. With them went the prospect of mustering the needed six operational helos at the refueling site.

It was later learned that the failure of the power source on number 5 may have been caused by an inadvertent blocking of a cooling vent which led to overheating of the unit and its ultimate failure.

The other crews had proceeded on to the site, arriving in a near state of physical exhaustion from the exceptional effort required to fly for so long on instruments while being buffeted about in this extraordinary storm. Thanks largely to their skill and the remarkable capabilities of their helicopters, they got through. Had the mission been conducted under clear weather conditions, as planned and forecast, it would have continued on, as expected.

It's hard to imagine a confluence of circumstances that could have been any more unfortunate! What do the flight crews have to say about those helicopters now that the mission is over, a failure? They are adamant in their praise for the maintenance crews who made them ready to go. They say they never saw aircraft more ready than those with which they launched their mission. They would do it again tomorrow. So much for the helicopter story.

Now what about the competence of the professionals themselves who worked so hard for so many months in hopes that they would be the ones to liberate our imprisoned Americans?

It is important to appreciate that all four services were directly involved. Sailors, soldiers, airmen, and marines worked side by side, week after week, developing techniques, working out the details, practicing, practicing, practicing. Some fell by the wayside under the strenuousness of the requirement. Others took their place. Only the very best were chosen to execute the mission. To my knowledge there never has been any finer interservice cooperation, pulling together to make sure it would work. They had trained together as a team. They knew and trusted one another completely. They were totally confident. Anyone who suggests these men were not up to their job, that there was laxness in any of their performance or that they were not adequately prepared is proceeding from a vast base of ignorance. Theirs was a tough, demanding assignment. There was risk at every juncture, but it was a risk that had been thought out and accounted for. The mission took guts, and courage, and stamina. They had it all. They were professionals.

Which brings me down to the real test of courage—the decision made by the Commander in Chief to proceed with this mission. With the vision of twenty-twenty hindsight, all manner of political pundits have come out of their shells to take shots at the President. It's an easy thing to do. It requires no courage, no judgment, no exposure, no risk; and, as too many have demonstrated, no need for any great familiarity with the facts. I have no doubt this was one of the hardest decisions any president has been called upon to make, for the potential consequences of failure were somber. Let me assure you that those consequences were well considered in advance. But the potential gains to the country were exceptional and overriding. While not the responsibility of the Joint Chiefs of Staff, we were nevertheless aware of the many and complex considerations which were required to be weighed by the President. No one else could make this decision. The President has no idea, to my knowledge, that I am making these points today, but I want you and all others who might hear my remarks to know that the Joint Chiefs of Staff are absolutely confident he was right. The President made the correct decision. It took courage for him to do so, and I am pleased to note the Gallup and Harris polls conclude that the ovewhelming majority of Americans also agree it was the right thing to do.

To reiterate—if he was led down the wrong path at any point, the blame resides with his senior military advisers. We gave the rescue mission the mark of feasibility. We gave this mission thorough review time after time. At first, it was much too risky. The odds against it were too high, but as the plans were refined and the exercises rehearsed again and again, it became clear that the odds had greatly improved. The risks became acceptable, and it was our unanimous judgment that from a military point of view this rescue mission could be executed with a reasonable chance of success. Not a perfect chance. It was never a risk-free operation. But a reasonable chance, that warranted the risk, in a situation where the potential gains were tremendous. How do we feel about our judgment, now that the mission was a failure? Let me speak for myself, though I am sure I speak for each of the Chiefs. Our recommendation would be the same, this was not mission impossible—or even mission improbable. It was workable. We would do it again.

So, chip away at us if you feel you must have a target, but do it on the basis of fact—not speculation, innuendo or rumor. Of course, we can never provide you all the facts on all aspects of the operation. Those that are pertinent to the decision to abort will certainly be made public. But there will always be people to protect and concepts that must remain secret should the opportunity present itself in the future to take military action in the interests of the hostages, or our country. Which brings me back to my opening theme—the "Crisis of Confidence" we exhibit in ourselves. We're going to have to learn to trust somebody. So I say, come on America. Let's knock off our incessant search for someone else to blame. Let's recognize that we are in this thing together, that what has made this nation great is the moral strength and character of our people and our willingness to pull together in times of trouble. Well, these are times of trouble. These are times to show our strength, not our weakness. These are times to show our character, not our flaws.

At times like these it is often useful to look back on what other Great Americans have said during periods of stress and pressure. These words, I believe are particularly apt: "It is not the critic who counts, not the man who points out how the strong man stumbled or where the doer of deeds could have done better. The credit belongs to the man who is actually in the arena; whose face is marred by dust and sweat and blood * * * and who, at the worst, if he fails, at least fails while doing greatly, so that his place shall never be with those cold and timid souls who know neither victory nor defeat." Theodore Roosevelt said that—one of our greatest.

So let's keep our perspective and a sense of balance. Keep in mind that at this very moment hundreds if not thousands of Cubans are escaping across the Gulf to America. At this moment more boat people are being picked up in the waters off Vietnam in the South China Sea, desperately hoping for America. At this moment Iranians are seeking refuge and political asylum in America. For all our weaknesses, for all our ills, we are still the greatest, the strongest, and the kindest nation in the world. We are a land of opportunity. We are a land of the free. We are a land of the prosperous. Let's not forget how we came to be this way. Let me assure you the men and women in uniform who did their best to make this rescue mission a success will not forget. They are proud to be Americans.●

RECONSTITUTED MILK

HON. FREDERICK W. RICHMOND

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 6, 1980

● Mr. RICHMOND. Mr. Speaker, the Department of Agriculture currently has before it a petition by the Community Nutrition Institute to remove certain regulatory restrictions on the manufacture of reconstituted milk products. Regulations at this time require a maker of reconstituted milk to remit compensatory payments to the Federal milk order administrator who then distributes them to local producers of fresh milk.

Because of the controversial nature of this petition and its potential affect on consumer purchases and on our dairy industry, I share with my colleagues a recent article on this subject written by Tanya Roberts and published by the Department of Agriculture.

The article follows:

RETHINKING RECONSTITUTED MILK REGULATIONS

The continuing escalation of food prices and the public's concern over the cost of Federal regulations have created an interest in re-evaluationg regulations, including those concerning milk products for drinking. The Community Nutrition Institute recently petitioned USDA to amend current regulations which now largely eliminate the incentive to sell reconstituted milk.

Reconstituted milk is composed of nonfat dry milk, milkfat, and water which have been combined by the bottler. When compared with fresh milk, reconstituted milk may result in cost savings by:

Eliminating retail effects of regional differences in milk production costs—these differences are largely due to climate (milk production starts to fall off when the temperature reaches 70 degrees) and feed availability.

Eliminating retail effects of seasonal differences in milk production cost—nonfat dry milk produced in the spring can be stored for use in the more costly fall and winter months.

Smoothing out daily or weekly fluctuations in demand or supply.

Since reconstituted milk ingredients are easily and cheaply transported, the price of reconstituted milk would vary little among regions. In contrast, perishable and bulky fresh milk is expensive to transport which, coupled with the regional variability in production costs, causes substantial regional price variations. In 1978, farmers in Florida received $12.80 per 100 pounds of milk versus $9.36 in Minnesota.

POSSIBLE IMPACTS OF DEREGULATION

Farm milk prices—which are determined by Federal Milk Marketing Orders—vary regionally. Generally, the price increases directly with an area's distance from the upper Midwest—where the cost of production is lowest. Introducing reconstituted milk would place downward pressure on fresh milk prices in the Southeast and the Northeast markets where milk prices and cost are currently highest.

The possible shortrun differences in the bottlers' ingredient costs for reconstituted milk versus fresh milk are substantial. The ingredient costs for reconstituted milk can be calculated in a number of ways. The method used here was to:

Start with the support price of milk, which would be the lowest price possible for plants manufacturing powdered milk and butter to obtain raw products;

Add the cost of converting milk into butter and nonfat dry milk, and;

Add the cost of storing the nonfat dry milk and butter until it would be used.

The total ingredient cost of reconstituted milk would then be roughly the same throughout the Nation—$11.82 per 100 pounds of milk equivalent, or $1.03 per gallon.

If all the cost savings from reconstituted milk were passed on to consumers, price savings relative to fluid milk would vary throughout the country. For example, consumers in Miami could purchase reconstituted milk at 33 cents per gallon below the fresh milk price, while price discounts in Washington, D.C. would be about 16 cents per gallon.

In the long run, price and production adjustments would moderate the cost savings. The increased demand for powdered milk from the upper Midwest would cause milk prices there to rise, raising the ingredient cost of reconstituted milk above the $11.82 per 100 pounds. To the extent that reconstituted milk substitutes for fresh milk in some parts of the United States, the decline in demand for fresh milk would lead to falling prices in those parts of the country. The end result would be less regional variation of milk prices in the United States.

The leveling of regional price differences would also cause regional shifts in production. Less milk would be produced in the Southeastern and Northeastern States where costs of production are higher. More milk would be produced in the upper Midwest and surrounding areas where milk production costs are the lowest. During the transition period, dislocation costs would be experienced by farms in the areas where production declines were large.

A LOOK AT EFFICIENCY

The evaluation of efficiency has to include all costs incurred at the point of purchase for use in a milk product for drinking, and must consider longrun effects on the industry. These costs include the farm costs of producing milk plus the fuel and labor costs of transporting fresh milk (or ingredients of reconstituted milk) to the bottling plant.

The efficiency gain would come from the shift in regional production patterns toward areas with a comparative cost advantage in milk production, reduction of long distance transportation of highly perishable fresh milk by increasing transportation of nonfat dry milk and butterfat, consumer prices and consumption more closely aligned to production costs, and lower reserves of fresh milk production needed to cover fluctuations in demand and supply.

The magnitude of this efficiency gain is difficult to measure and the range of estimates is very wide—from $22-25 million per year to $125 million.

PRODUCTION ON SMALLER FARMS

The smallest dairy farms—roughly 33 cows per farm—are primarily located in the lowest cost production areas of Wisconsin and Minnesota. With deregulation of reconstituted milk, farms in these States and the surrounding area would experience an increase in prices paid for their milk for use in reconstituted milk. Production would expand through increases in dairy farm size, an increased rate of entry of new dairy farms, and/or a decrease in the exit rate of dairy farms.

The farms in the South where costs are highest, would experience a decline in farm prices, depending on the extent consumers switched to reconstituted milk. Production would drop through an increased rate of exit of dairy farms and a slower rate of entry of new dairy farms.

Farmers selling fresh milk in the drinking market would receive a lower price, and in turn, consumers would pay a lower price. The income transfer from farmers to consumers has been estimated at over $350 million—the drop in price multiplied by the original quantity of drinking milk sold.

However, farmers selling to milk manufacturing plants will receive a higher price, which translates into a gain in income to farmers in the upper Midwest and surrounding areas of more than $150 million. This increase would be passed onto consumers of cheese, butter, and ice cream.

So the net effect is to reduce farm income and consumer expenditures on the original quantity of dairy products by roughly $200 million annually.

IMPROVED STABILITY

Month-to-month and season-to-season fluctuations in demand and supply of fresh milk could be moderated by using and adding reconstituted products to inventories. While some destabilizing adjustments would occur as new products entered the market, the products would not appear overnight. Firms would have to decide to market and promote the new products, and it might take some time for consumers to accept reconstituted milk. More importantly, Federal and State labeling issues would have to be settled and many State prohibitions against selling reconstituted milk would have to be re-examined. Consequently, the impact would be moderated and spread out over several years.

CONSUMER CHOICE AND EQUITY

Reconstituted milk products would gradually appear in most U.S. markets if the current regulations were eliminated. Sales of the new products would depend primarily on their prices relative to the price of fresh milk, perceived taste differences among products, and product presentation—name, label, and advertising. The ability to purchase a greater range of less expensive drinking milk products would clearly benefit consumers. Even consumers of fresh drinking milk in the Southeast and Northeast would see fresh milk price declines because of product competition. Consumers of fresh milk in the upper Midwest, though, would experience a slight increase in their fresh milk prices in the long run. In the aggregate, milk prices to consumers would decline.

Another consideration is the distributional impact of the current regulatory policy on different groups of consumers. Limited product competition has resulted in higher milk prices, so low income consumers—who spend a greater percentage of their income on food—are hurt more than high income consumers. The current program also penalizes milk drinkers and subsidizes cheese and ice cream eaters.●

READING IS FUNDAMENTAL

HON. SILVIO O. CONTE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 6, 1980

● Mr. CONTE. Mr. Speaker, in the April 27, 1980, issue of the New York Times Book Review there appeared a very interesting article on the "Reading Is Fundamental" program. I would like to share it with my colleagues.

The article follows:

THE GREAT BOOK GIVEAWAY

(By Phyllis Theroux)

Shirley Hufstedler, the Secretary of Education has one—in her office. Amy Carter has one—probably in her room. "The Chesire Cat," a kids' bookstore in Washington, has one—right over the cash register. And of course, Maurice Sendak, the author-illustrator who created it, has the copyright on the poster he drew for "Reading Is Fundamental," the brainchild of Mrs. Robert McNamara, who decided that children who didn't read books might do otherwise if they were allowed to choose their own and take them home—for keeps.

Mrs. McNamara's bright idea, which began as a small pilot project involving poor children in bookless homes in Washington, has exploded over the 14 years of its lifetime. That lifetime was given a sizable new lease when, in 1976, Congress passed the Inexpensive Book Distribution Program, enabling communities to raise funds that the Federal government will match three-to-one, and tripling the number of books a community can buy.

This year, R.I.F. projects in 50 states are sending more than 11 million paperback books to places as far away as the bottom of the Grand Canyon, where books are carried by mule to a tribe of Suni Indians who will receive the first books ever published in the Suni language.

The project involves more than three million children at 13,000 sites, 11,000 in schools, and last October there was a special White House ceremony honoring R.I.F. Celebrities such as Carol Burnett, Edward Asner and Arthur Ashe lines up behind Amy Carter (the kid who had the foresight to take a book along to her first White House dinner) to talk about why reading is a very good idea.

As all this commendable activity proceeds, however, the sad fact remains that few Americans ever enter a bookstore. On the night the White House R.I.F. ceremony took place, Walter Cronkite reported on his CBS network radio program that a 1978 survey showed that "almost half the population of the United States never reads a book" at all. "An astonishing finding," commented Mr. Cronkite, going on to report that a Ford Foundation study showed that "depending on the definition of literacy used, there are 18 to 64 million adult illiterates in the United States today."

R.I.F. aims at kids—68 percent of them aged 6-to-11—the age at which the habit of reading either does or doesn't begin. "The bookless home is by no means a lower-income phenomenon," said Ruth Graves, the president of R.I.F. In the age of television, the number of children who aren't reading has increased significantly.

Here is how R.I.F. intends to correct that predicament. A community organization (75 percent of the projects are school-related, but other groups such as the Kiwanis Club and the Boy Scouts have been involved) applies to R.I.F. to start a project. Back comes a kit explaining how the program works. There are three requirements: the group must raise one-third of the funds themselves; it must "advance" book-distribution days with reading-related activities that stimulate children's interest in books; and they must agree to hold at least four book giveaway days a year—the theory being that an "addiction" must be supported with more than one shot at the printed word.

All invoice work is done at R.I.F. headquarters in Washington, where there is a staff of 50. The books that the community selects are ordered from the list of more than 260 publishers and distributors who are in on the discount program (the average discount is 40 percent). And that's it, except for distribution day, when children descend on the books like shoppers in Filene's basement, oblivious to the advance planning that has gone into the event.

At Abington elementary school in northern Virginia, the children came in orderly hordes throughout the day, escorted by their teachers, who stood aside and watched them riffle excitedly through the books—like "Little Prince." But "Curious George" was a big item. Stories about dinosaurs and sports heroes went fast. The times are changing: two boys asked for cookbooks. And one little girl in corn rows spent a long time looking at "Johnny Tremain" and decided, for reasons best known to her, that this was going to be her last choice.

An adult volunteer tried to push her own childhood favorite, "Caddie Woodlawn," on a boy who wasn't impressed. "Does it have any pictures?" he asked. "Not many" conceded the adult, "but she gets in trouble a lot and the book is full of good stories about how she gets out of it." He wasn't convinced. "What happens at the end?" he asked. That question was asked repeatedly. The adult couldn't remember. The book was returned to the table. He would choose his own, thank you very much—which is the whole idea behind R.I.F. The child who chooses his own book "owns" it in more ways than one.

"Ah," said a volunteer at a table where the books are checked out against a list of the names of children present, "I see you've gotten a book about Nadia Comaneci. What fun!" The little 7-year-old Chinese girl in the 7-Up T-shirt gazed solemnly at this excited adult. "Now I'm going to put your name right here so that this book will always be yours," said the volunteer, making a small show of inscribing the blank label on the front of the book with the child's name.

All day long the children at Abington lined up for their books to be inscribed; when distribution day was over, the tables were bare. A happy ending.

"Let me tell you a story," said Pamela Sacks, one of the owners of "The Cheshire Cat," the only children's bookstore in Washington. "R.I.F. is the embodiment of an idea that I experienced firsthand when I was a librarian at a private school here. There was one little boy, a scholarship student at the school, who had taken three books out of the library. But he refused to bring them back. Each time I asked him where they were, he made an excuse. Finally I realized that he wouldn't bring them back because he loved them too much. So I told him that if he would bring them back I would give him three paperback copies that he could keep for himself."

"The very next day, the three library books were returned. But before he would hand them over, he took my three paperback duplicates and lined them up against the originals and compared them—first picture for picture, and then line for line, to make sure that the ones I had given him were absolutely the same. Only then would he hand over the library copies. It was the most touching thing I have ever seen. Those three paperbacks were the beginning of his own library."

Paperbacks (R.I.F. doesn't buy hardcovers) are big business in the children's market. There has been a 700 percent increase in volume over the last year, which speaks volumes about the enduring popularity of books, if only they can be gotten into a child's hands.

What about the child who doesn't know enough about what he or she is capable of reading, and chooses a book that is too difficult? One of the R.I.F. staffers answered that question from a critic with a story about a book-giveaway in West Virginia: A boy chose a book that was the biggest, heaviest he could find, on the theory that heft makes right. "Everybody knew that the book was too hard for him," she said. "But the next time R.I.F. had a book day in West Virginia, that same child came back and asked for a dictionary."

Some ideas die because they are simply too good to be true. But R.I.F. seems to be one of those rare examples of how the Government has joined with the "grass roots" community and virtually everyone has wound up applauding—including public libraries (which originally opposed R.I.F.) and the publishing industry, which has begun to take paperback children's books almost as seriously as children do. Given a chance, a chance to own a book, which is what R.I.F. provides, Mrs. McNamara's bright idea seems to be too true to be anything but good, and getting better—like a book that is to wonderful to put down.●

SPACE AND THE HUMAN SPIRIT

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 6, 1980

● Mr. BROWN of California. Mr. Speaker, I inserted in the RECORD last week an article concerning the increased militarization of space and the dangers this trend presents, not only for our security, but also for the health of our civilian space policy. Today I want to commend to my colleagues, and to place in the RECORD, an article by the well-known writer James Michener on the spiritual benefits conferred on us as individuals and as a Nation by our activities in space exploration. This essay appears in the May 1980 issue of Omni and expresses Mr. Michener's sense of the importance of moving forward to meet the continuing challenge of space.

The article follows:

LOOKING TOWARD SPACE

(By James A. Michener)

There seem to be great tides that operate in the history of civilization, and nations are prudent if they estimate the force of those tides, their genesis, and the extent to which they can be utilized. A nation that guesses wrong on all its estimates is apt to be in serious trouble, if not on the brink of decline. Filled with speculation, men with clever minds can make remarkable contributions.

Toward the middle of the fifteenth century, nations faced problems comparable to those faced by individuals like Columbus, Vasco da Gama, and Sebastian Cabot. They had to decide whether they wanted to participate in the exploration of the world and, if so, to what degree of commitment. Those nations like Portugal and Spain that made early and fast decisions gained empires of fantastic richness. Others, like disunited Germany and Italy, which did not perceive the possibilities, suffered grave disadvantages and never caught up. England and France were very tardy, but in the end the first made a stunning recovery, the latter never did.

I am not primarily interested in either the exploits of a few daring captains or the economic advantages of the nations they represented. The more lasting effect was on the spirit of the times, that wonderful enlarging of the human consciousness when it realized that the old definitions no longer applied, when it knew that the world consisted of a great deal more than Europe. To have missed the explorations was regrettable, but to have missed this spiritual awakening would have been disastrous. France and Sweden are excellent examples of nations that did little of the manual work but that reaped the intellectual rewards of the period. One might almost argue that Portugal and Spain dragged home the raw material for France and Sweden to codify and digest, proving that any nation can participate in the great swing of civilization according to its peculiar capabilities. Portugal provided daring sea captains. England provided able administrators. France provided the philosophers. Those that provided nothing lost an entire cycle of historical experience, from which they never recovered.

Nor do I think that the rewards resulting from participation in a great cycle need be permanent, reaching down to all generations. I am quite content if my nation gains enlightenment or riches or advantages of other kinds for a respectable period. It can't be the hullabaloo of a single day or week, nor the celebration without foundation of some accidental accomplishment with little subsequent meaning. But if a nation responds to a challenge, succeeds in its effort, garners the rewards for a sensible period, and then loses the commanding position, I think no harm has been done. The nation has gleaned from that experience about all that it was destined to achieve, and a great good has been accomplished, because then the nation is prepared psychologically to tackle the next big problem when it comes along. And it surely will, for the life of any nation since the beginning of history has been a record of how it confronted the great challenges that inevitably came its way.

History is a grand mix of concepts, actions, organizings, and commitments that determines the extent to which any nation can achieve a good life for its citizens, and I believe without question that if a nation misses the great movements of its time, it misses the foundations on which it can build for the future.

One word of caution. I am not here speaking of either fad or fashion. I am not extolling the attractive ephemeral. And I am certainly not sponsoring the idea that was so fashionable in the 1930s that German Nazism represented "the wave of the future." Anyone who subscribed to that idea had a very limited view of what the future of the human race could be, and few fashionable ideas have ever crumbled so fast and so disastrously. The senate of any nation is obligated to discern the merely fashionable when it offers itself and to reject it.

Suppose that all I have said is true, which would be a miracle equal to those I've been discussing. Where does that leave the United States in relation to its space program? I am competent to comment on only three of its aspects, leaving the more technical details to others.

Are there nonmilitary advantages to be gained from a space program? The high technical requirements for success in space are so fundamental that spinoff rewards are almost automatic. Radio, television, medical instrumentation, miniaturization, watches, new food processors, communications, health advances, and improvements in clothing are some of the few advantages that I myself have gained because of the space program, and I am speaking only of small items that can be comprehended and used by the individual.

If one considers the larger items, such as intercontinental communications satellites, the mapping of weather patterns, the analysis of soils and forests, the exploration for minerals, including oil, the management of fisheries and the like, the potential rewards are multiplied many times.

I have followed our past space adventures about as carefully as an uninstructed layman could, and I have a rather imaginative mind, but I anticipated almost none of these significant by-products, and I doubt that any of us can predict where the next contributions will be made.

I have heard one impressive argument against what I am saying now. A man of some probity said, "If we had applied our scientific brains to these problems, we could have solved them all at one tenth the cost." He is right. Had Congress 20 years ago set aside a substantial budget, and had it authorized the assembling of a body of top scientists, and had it provided them with spacious laboratories and told them, "Devise a computerized navigational instrument that will operate regardless of where in space it is stationed," this could surely have been done. But neither Congress nor the human mind works this way. It is only when great felt needs spur the imagination that certain accomplishments become possible. As a project by itself, few of the bonuses cited above would have materialized; as part of a national effort with a clearly defined goal, they all came into being, and others like them will follow.

Are there military advantages to be gained from a space program? I would be terrified today if only Russian and Chinese vehicles were orbiting in space. Their military advantage would be so tremendous that we might almost suffer as a nation a kind of psychological shock from which we might never recover, for we would certainly be at their mercy.

I fear that potentials of space warfare have yet to be impressed upon the American public. We do not realize the overwhelming advantage a nation would enjoy if it alone commandeered space, if it alone could direct by radio beam when and where an object or its cargo were to be brought down to Earth. Any nation that allowed its enemies such a superiority would soon find itself doomed.

But if all nations have the capacity to utilize space defensively, then the peril is diminished and reasonable arrangements can be worked out. But only through parity can we fully succeed in this endeavor.

Therefore, the United States must have a sensible space program, whether it wants one or not. To fail to keep up with new developments in this field would be disastrous, and any presidential administration that permitted a lag should be resoundingly condemned. We have to know what the capabilities of space are, and we have got to retain our proficiency in using them.

Are there spiritual advantages to be gained from a space program? The spirit of man and the resolve of a nation are tenuous things, to be fortified by the strangest experiences or destroyed by the most unanticipated accidents. Outward events influence them, but inner resolves usually determine outcomes. A novelist sees men and women destroy themselves because the will to survive has been lost; a historian watches nations go down because of fatal wrong choices that sap the national energy. Usually the tragedy occurs when inner convictions are lost or when a sense of frustration or waning purpose prevails.

It is extremely difficult to keep a human life or the life of a nation moving forward with enough energy and commitment to lift it into the next cycle of experience. My own life has been spent chronicling the rise and fall of human systems, and I am convinced that we are all terribly vulnerable.

I do not for a moment believe that the spiritual well-being of our nation depends primarily upon a successful space program. There are, as Wiliam James said, moral equivalents to war, moral substitutes for any charismatic national experience. I am sure we could, as a nation, attain great spiritual reassurance from rebuilding our cities or distributing our farm produce better. And my experience in the arts has taught me to be suspicious of late fashions or high styles. Space programs are stylish today and run the risk of being abused.

But I also believe that there are moments in history when challenges occur of such a compelling nature that to miss them is to miss the whole meaning of an epoch. Space is such a challenge. It is the kind of challenge William Shakespeare sensed nearly 400 years ago when he wrote:

There is a tide in the affairs of men,
Which, taken at the flood, leads on to fortune;
Omitted, all the voyage of their life
Is bound in shallows and in miseries.
On such a full sea are we now afloat,
And we must take the current when it serves
Or lose our ventures.

We risk great peril if we kill off this spirit of adventure, for we cannot predict how and in what seemingly unrelated fields it will manifest itself. A nation that loses its forward thrust is in danger, and one of the most effective ways to retain that thrust is to keep exploring possibilities. The sense of exploration is intimately bound up with human resolve, and for a nation to believe that it is still committed to forward motion is to ensure its continuance.

I doubt there is a woman or a man who honestly believes that the United States could ever fall backward, as other nations have within our lifetime. Intuitively we feel that we are exempt. Yet for us to think so is to fly in the face of all history, for many nations at their apex were inwardly doomed, because their willpower had begun to falter, and soon their vulnerability became evident to all. Enemies do not destroy nations; time and the loss of will bring them down.

Therefore, we should be most careful about retreating from the specific challenge of our age. We should be reluctant to turn our back upon the frontier of this epoch. Space is indifferent to what we do; it has no feeling, no design, no interest in whether we grapple with it or not. But we cannot be indifferent to space, because the grand, slow march of our intelligence has brought us, in our generation, to a point from which we can explore and understand and utilize it. To turn back now would be to deny our history, our capabilities.

I was not overly impressed when men walked upon the moon, because I knew it to be out there at a specific distance, with specific characteristics, and I supposed that we had enough intelligence to devise the necessary machinery to get us there and back. But when we sent an unmanned object hurtling into distant space, and when it began sending back signals—a chain of numbers, to be exact—that could be reassembled here on Earth to provide us with a photograph of the surface of Mars, I was struck dumb with wonder. And when computers began adjusting the chain of numbers, augmenting some, diminishing others, so that the photographs became always clearer and more defined, I realized that we could accomplish almost anything out in the farthest reaches of space.

My life changed completely on the day I saw those Mars photographs, for I had participated in that miracle. My tax dollars had helped pay for the project. The universities that I supported had provided the brains to arm the cameras. And the government that I helped nourish had organized the expedition. I saw the universe in a new light and myself and my nation in a new set of responsibilities. My spirit was enlarged and my willingness to work on future projects fortified.

No one can predict what aspect of space will invigorate a given individual, and there must have been millions of Americans who did not even know Mars had been photographed. But we do know that in previous periods when great explorations were made they reverberated throughout society. Dante and Shakespeare and Milton responded to the events of their day. Scientists were urged to new discoveries. And nations modified their practices in accordance with these discoveries.

All the thoughts of men are interlocked, and success in one area produces unforeseen successes in others. It is for this reason that a nation like ours is obligated to pursue its adventure in space. I am not competent to say how much money should be spent. I am not competent to advise on how the program should be administered. But I am convinced it must be done.●

HELP FOR DEMOCRACY IN NICARAGUA

HON. DANTE B. FASCELL

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 6, 1980

● Mr. FASCELL. Mr. Speaker, over 6 weeks ago the House approved H.R. 6081, the Special Central American Assistance Act of 1980, a bill designed specifically to strengthen and encourage the non-Communist forces in Nicaragua. Although this urgent legislation was approved after a debate as thorough as any in recent years, further action has been stalled by the limitations of the current budget resolutions. We will soon vote on a motion to appoint conferees.

A recent editorial in the Miami Herald highlights the importance of the actions we take on the question of aid to Nicaragua. The $75 million aid package requested by the administration remains the key to our country's efforts to establish constructive relationships with the new government in Nicaragua, and to combat Marxist influence in this vital Central American country. Delay has already been costly for our national interests in Central America. Rejection of the aid package would strike a heavy blow at the forces we are seeking to help, the moderates and prodemocratic forces in the Nicaraguan Government and private sector.

As the House once again considers this important and urgent legislation, I would like to share this editorial with our colleagues.

Isolating Nicaragua Is a Mistake

Unwise inflexibility dominates the attitude of the U.S. House toward aiding Nicaragua's Sandinista government. That rigidity is particularly stressing to those who believe that enlightened self-interest and democratic principles should guide U.S. foreign policy.

A package of $75 million in aid—an amount that can betoken at best U.S. goodwill toward the people of Nicaragua—has been stalled for long months in Congress. The Carter Administration views that aid as the key to searching for a tenable relationship with the new and struggling Nicaraguan government.

Now the House leadership has postponed a vote on the bill, sensing that it was destined for defeat. It would thus seem that a majority of the U.S. House has a lamentably unrealistic view of international relations.

Opposition to the aid package has rested on the argument that the Sandinista government is a Communist wolf in drab fatigues, much like the early Castro regime.

There is actually no doubt that some members of the ruling junta have Marxist sympathies, at least. But there does not now seem to be adequate reason to doubt that the Sandinista government will respect individual liberties and property rights, either.

The world community in general is making meaningful gestures of support for and assistance to that war-ravaged nation. Those who have shown their good will include Venezuela, Mexico, the World Bank, West Germany, a group of Swedish labor unions, and Cuba.

The House, it seems, is angry about a recent high-level Nicaraguan delegation's recent trip to Eastern Europe. East Germany and the Soviet Union promised substantial aid, and Nicaragua and the Soviets agreed to strengthen ties. They also issued communiques expressing agreement on many issues, including the Soviet invasion of Afghanistan and Middle East policy.

Failing to help Nicaraguans in their time of need because of unproved fears could nurture the acrimony left from decades of indispensable U.S. support for the selfish, greedy, repressive Somozas. Congress should espy the danger of driving Nicaragua closer to the Soviets simply because Nicaragua needs help, whatever the source.

The chances of developing healthy relations with Nicaragua can only dim tragically if Congress says unnecessarily that the United States is not even willing to see what is possible.●

FOOD STAMP AMENDMENT

HON. PETER A. PEYSER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 6, 1980

● Mr. PEYSER. Mr. Speaker, during considerations of S. 1309, the Food Stamp Act Amendments, I will propose, with the support of the gentleman from Illinois (Mr. Simon), the gentleman from Vermont (Mr. Jeffords), and the gentleman from Alabama (Mr. Buchanan), an amendment to insure that the 21.4 million people receiving food stamps are not cut off as of June 1.

The situation is really quite simple. If the Congress is not able to pass the necessary authorization and appropriation bills by the May 24 deadline, benefits will then end on June 1.

Our amendment allows States to individually continue the food stamp program for 1 month with the promise that Congress, when it does pass the necessary legislation, will then reimburse the States for the month of June.

While there have been many disagreements, I cannot believe that the Congress is willing to allow this program to die. In spite of some abuses, many of which have been curtailed, 21.4 million people—young and old alike—rely on food stamps as a way of survival.

A copy of the Peyser-Simon-Jeffords-Buchanan amendment follows:

Amendment to S. 1309, as Reported, Offered by Mr. Peyser

Page 39, after line 22 insert the following new section:

RETROACTIVE REIMBURSEMENT

Sec. 202. From any funds appropriated for the fiscal year ending September 30, 1980, to provide benefits under the Food Stamp Act of 1977 after May 31, 1980, the Secretary of Agriculture shall reimburse participating States for any funds expended by such States to provide benefits in accordance with such Act to households for any time in the period beginning on June 1, 1980 and ending on June 30, 1980, to the extent that the Secretary would have expended funds under the authority of the Food Stamp Act of 1977 to provide such benefits to households and to pay administrative costs of State agencies, but for the operation of section 18 of the Food Stamp Act of 1977.●

THE VIETNAM VETERAN TODAY

HON. JOHN P. MURTHA

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 6, 1980

● Mr. MURTHA. Mr. Speaker, many of us who served in Vietnam have retained a deep concern for many of the men and women who served during that difficult war. For the information of the Members, I insert into the Congressional Record an article from the May 4 Washington Post outlining many of the problems faced by these veterans since the war.

The article follows:

Since Vietnam: Years of Quiet Desperation

(By Sandy Rovner)

Funny you might think, they don't look any different from anybody else, these handsome young men, bent on the business of their lives. They are in their 30s, none older than 35. Most have had some college education. Some have postgraduate degrees. They are mostly on fast career tracks, more successful than not in their chosen professions. Sure, they're loners, but then, that is a matter of choice, isn't it? They themselves might have told you (in no uncertain terms) that indeed it is—assuming, of course, they would have discussed it with you at all.

They are as different from one another as random individuals can be, these bright young men. But there are some basic common traits: They are all Vietnam veterans. And there is something else: They are survivors. The came back without apparent disablement. . . .

Their lives have gone on for the past 10 years or so, and gone on rather well, an uncritical eye might judge. But some of them are beginning to recognize that something is not quite right, that, perhaps, they should be—at very least—numbered among Thoreau's "mass of men [who] lead lives of quiet desperation. . . ." Others—no one is sure how many—are discovering that the quiet desperation is building up into more explosive channels. It is a syndrome the experts are calling "delayed stress."

"You can see it in lives that appear successful," says Steve Chapman of the Vietnam Veterans of America. "It's a sense of having been abused and having had their beliefs trashed on."

This is a story about three of those young men who served in Vietnam. They are typical in important ways of perhaps half a million of their fellow combat veterans in that saddest of wars. Each of the three was faced unexpectedly with rage and despair they had been carrying around—unknowingly—for about a decade. And in each case, they were—fortuitously, they now feel—directed to a young psychologist (who is not a veteran) and his assistant (who is) and a 12-week group therapy session which they have just completed.

They have been frank with each other, with themselves and with interviewers. They have asked that only their first names be used.

Peter is cool. He stayed in the Air Force after his return from Vietnam and was anybody's Hollywood image of an Air Force officer/gentleman. He even spent time as a White House social aide. Now he is an administrative official at a large agency and looks as Madison Avenue as he must have looked Air Force. He is tall, and his sandy-red hair and moustache bespeak his Scottish ancestry.

He sees himself as self-possessed, disciplined. He never married but "came close a few times." He always liked to have things his own way, he says. So when his control began to crack, it came as a considerable shock.

He was, he recalls, in a grocery store, cashing a check. It was last November. He asked the cashier the date. The cashier "turned to me and he snapped, 'If you were a veteran, you'd know what today is. It's Veteran's Day, the 11th day of the 11th month.' he was an old man and I turned on him and I said, 'You son of a bitch,' and I almost grabbed him, and I said, 'I fought in Vietnam and almost got killed 50,000 times and you tell me that? You know why I don't remember, because this goddamed Veteran's Day is not for us. It's for you old f---s.' When I got back to my car I was huffing and puffing and hyperventilating and I thought, 'I could have killed that man I was so mad.' "

"The big thing," says Bob, a 30-year-old medical student, "that you have to forget how to do when you go to war is this: You have to forget how to love people."

". . . Like love and affection and compromising," says Peter. "When you were in Vietnam you couldn't do those things and come back . . ."

"It is a kind of psychic numbing," says Ken Harbert, the physician's assistant who is co-leader of the group. "You put a shell around yourself, and for a lot of people, they haven't ever torn down the wall. You talk to friends, wives, relatives and they say, 'Well, he's changed since he's been in the war. He withdraws a lot. He's stoical, independent . . .' They use words like that."

"Because," says Bob, "people [in a war] get killed every day. Just like somebody's there one minute and then they're gone and if you really care about them you can't handle it. I had a really good friend that I'd gone through basic training with . . . and you know I really spent a lot of time with him. You're out in the jungle and there's not much to do except sit around and shoot the breeze . . . so I got pretty close to this guy and one day he got killed standing right next to me and . . . after that I just realized you can't get close to people.

"And that works pretty good, but it's hard to lose that. Once you've got that defense mechanism working for you it's very difficult to break it down. And I think that's pretty much a consensus. You know, we don't get close to people. And we don't let people touch us and we don't touch them, you know, psychically. Someone said when he walks into a room full of people, whether they're relatives or anything, he always feels different. And the thing about it is you are different . . ."

"It's not," says Dave, a photographer, who is 35, "the strung-out junkie who is totally wasted because of his war experience, but there is a lot of good, old-time, quiet desperation. I think the greatest majority of guys experience that more than anything else. That stuff is lurking around in the back of your mind all the time and I have a hunch that it influences a lot we do and we're just not aware of it . . ." Dave works at other jobs to support his photography which he refers to as his "art." He is shy and unprepossessing. There is something of the poet in him. He broke up with his wife 18 months after they were married. They had lived together for eight years before that. But he doesn't feel that the relationship was affected by his Vietnam experience.

"I'm not married," says Bob, who says he feels older than his 30 years but looks considerably younger. "I haven't known too many to be successful [among combat vets]. I don't think they do too well in marriage."

Peter got his first clue, he realizes in retrospect, about five years ago. "It was the day President Ford announced we were pulling out of Vietnam and you saw the guy come out of the embassy and fly away and he was the last American. There was something inside of me that just tore me to pieces. That's when I wanted to see the brass bands and everybody saying the war is over and, well, I was realistic and I knew that wasn't going to happen. So I thought well, what I'll do is I'll go to church tomorrow. And the priest [Episcopal] will say something. He says prayers for every s.o.b. in Washington, you know, he'll say one for the people who've come back from Vietnam, or who died at least.

"He never mentioned it. Never, never mentioned it. I remember as I was walking out the door, I turned to him and I said, "You're a hell of a lousy priest. You know that 55,000 people died and you couldn't say one damn thing about it."

"I didn't wait for an answer, and I knew at that moment I had a lot of anger in me that I'd never looked into."

Jeffrey Jay is the clinical psychologist who initiated the delayed stress group for Vietnam veterans at the Northern Virginia Psychotherapy Center in McLean. It is, he feels, a unique approach to a problem only just being identified, much less treated. For a host of reasons, the program is neither sponsored nor financed in any way by the Veterans Administration, although the VA is beginning an outreach program to deal with the delayed stress syndrome. But many of the Vietnam veterans, including Bob, Dave and Peter, are outspokenly bitter about the VA and determined to stay as far away as possible from an operation they feel betrayed them. In addition, the VA program is still bound in developing protocols and bureaucracy, they feel. So the Jay program is separate and private, the fees paid by the individuals.

Says Jay, a Ph.D. in psychology, "Anyone who was in Vietnam had a very full, rich experience including, at one extreme, experiences that were absolutely horrifying, terrifying, traumatic—going through day to day with the continuing presence of death or the possibility of being killed, through experiences that were intense uses of power, intense feelings of camaraderie between people depending on one another. But whatever happened—and a lot happened—stopped with an abruptness that is unusual in most people's lives . . . men described their last days as being in an airfield being bombed and having to fight their way onto a plane and then once inside, there is a stewardess serving food.

"And before they went, there had been a lot of public debate with people polarized and energized around this so when they came back it very quickly became a private issue. Vietnam sort of sank out of the consciousness of America, and all those experiences were relegated to something that went on inside. There was no way of talking about it and the veterans felt a mixture of fear and blame and real suspicion about feeling free to discuss it.

"On the other hand, people didn't ask. People didn't want to know. This includes families, close friends, wives, parents. So when the veterans got 'back in the world' all that experience had to be dealt with privately. . . ."

This kind of thing, says Jay, "creates a separation, and that's one of the things we hear, time and time again, 'I feel different from other people.' That's a statement you also hear in other kinds of psychiatric work and one of the most effective things to deal with this is just providing a way for people to start talking and give them a forum in which they can identify those things which really are not their fault, really are not peculiar to them, but are something that are shared in common. And provide an opportunity to own those experiences which were theirs and disown those which had nothing to do with them . . . or were much bigger than them."

"You have to look at the particular experience of the Vietnam veteran," Jay says. "There's a long list of things that were special about the Vietnam war, but in addition you can add those things which are common to all wars. It was special, first of all, because of the moral ambivalence and all the polarization. One did not simply go off to fight a war that was just and right. There are a lot of terrible things that happen in every war, but in addition, America didn't come out completely with a white hat. Another big thing that I don't think is dealt with directly enough is that we lost the war.

"So with all these ambivalences and questions that the veteran had coming back then, there were perhaps questions about whether or not he had done well, whether he had fulfilled his obligations. Here Johnny marching off to war was a late adolescent, as most were, so there was a lot on the line in terms of proving manhood, being good enough and doing the right thing and all the questions that come up: You kill and there are people who are killed all around you, and then for all that to have gone for naught, to have resulted in some kind of futile, vain action, in the end raises real questions in the mind of the veteran as to how well he really did do.

"A lot of anger results from feeling ripped off, feeling expected to have done something and not being able to have done it, ripped off for the time that was lost when he was there. There are also a lot of questions about self and a lot of bitterness and anger that is not dealt with any place. But the conflicts are still there and are dealt with internally."

The stress, revolving around the conflicts and the often negative self-image, builds up until something triggers it or until it simply has to find a way out. It can, Jay says, manifest itself in a broad range of symptoms including anxiety and nervousness, reactions to loud noises, nightmares, difficulties in sleeping, problems with relationships, problems with being close to anyone. Sometimes it can be dramatic, but the image of the spooked, murderous, wild-eyed veteran on a rampage is more a figment of the cathode tube than of reality. Often it is, indeed, years of quiet desperation.

Peter was an officer, in the Air Force, in administration and personnel. He'd joined the Air Force after his four years at a big midwestern state university because he'd been told the Army was "real bad," and "I got sick when I went out on boats and things."

Vietnam had never been a part of his consciousness, really, much less his life, and he volunteered for Vietnam duty rather dispassionately.

"The first night was when it came home to me that I had ended up in a war zone," he says. "I sat in a huge room all filled with beds and I was the only person in it. I remember all night long you could hear helicopters going up and down and artillery going off. . . . The Air Force never had artillery sounds. . . . I remember about 4 o'clock in the morning a woman came in to clean with a little broom. She was wearing black pajamas and the thought went through my mind, 'This woman's going to lob a hand grenade into my bed.' I just sat there shaking. That was the beginning of my fear in Vietnam.

"I was the support officer for 17 forward sites . . . it meant every day I had to fly to four or five of these little sites . . . they were just little dirt roads we landed on and people were constantly shooting at us, lobbing stuff at us. It was what I'd always pictured in my mind the Marines did and I never adjusted to it. It was as scary the last time as the first time. But I never said a thing about it while I was there. Never once did I express fear to anybody. It hit me that the only way to make it through was to be strong. It's all I cared about. I did my job. I didn't drink. I didn't smoke pot . . . My roommate cried every night, all night long, and had diarrhea and ran to the bathroom all night long. . . . We were bombed every night. I was very calm and cool. . . . One time my room got blown up by a rocket and there wasn't much left to it and I went over and just pushed all the debris aside, shook out my mattress, got in my bed, took out a flashlight, read about two pages and went to sleep. I remember the next morning [my roommate] called me the biggest a----he ever met because he said I had no feeling at all. And in a way, he was right. I had taken my feelings away."

"I was part of the big 1966 cattle-call," Dave says. He was 20. "I don't know how many were drafted at the same time. So I just went in and started being a soldier for a while. I drove a truck. The guys I was with were sent down to Texas and hooked up with a transport operation, then sent over on a troopship to Vietnam. That was a thrill in itself—me and 2,000 other soldiers and Marines for three weeks on a troopship. And we got 'in country' and right from then it started, within in an hour after we hit the place, you know, I got scared. As soon as we started walking on the soil, I thought, 'Oh boy, this is going to be a mess.'"

When he came back, he says, "I didn't feel that anybody was sympathetic to me. We were regarded as somewhere between villains and suckers. And I think that's pretty much the way I felt. . . . It's such a strange situation, not being able to come home a hero . . . and after I got back I wasn't involved politically in any of the antiwar stuff. I was just so glad to be out . . . I mean I didn't participate in the thing at the Capitol steps where they threw their medals away because I'd already thrown my medals away. . . .

"You had the feeling when you came back, 'Well, that's it. Let's get on with it.' Only apparently you can't get on with it."

". . . I always felt I was ashamed to be a Vietnam veteran," says Bob. "Like I went the whole route, volunteer, Green Beret, airborne . . . you know, all that stuff, the superkiller, because I figured if I was going to do it I'd be the best.

"And the thing about it is, it's been hard for me to accept that I'd made all those sacrifices and nobody really appreciated it. One day I just realized that even though Vietnam was all screwed up, it wasn't really my fault, and I really didn't have anything to be ashamed of. And if it had been any other time I'd probably have been a hero. Most of the people my age, you know, we grew up on World War II movies and the parades and the hero's welcome and I still don't think I can accept the fact that I went over there and did all that and I just slipped back home and nobody cared."

Bob comes from a small town in the southern Midwest. He went into the service as soon as he graduated from high school. It was the patriotic thing to do. He was 18. When he came back he was "19 going on 40."

The dean of his medical school sent Bob to Jeffrey Jay's "Back in the World" program when the veteran became so depressed he was unable to study. He had beaten a drug problem and a drinking problem himself. "But it seems like almost everyone has trouble after about 10 years. . . . I had never discussed Vietnam with anybody. I'd never talked to my parents about it because basically my philosophy was that it happened; it was a bad deal and [now it was time] just [to] go on with your life."

Dave had himself a "nice little emotional breakdown" and a friend had scouted out the Jay program.

Peter says, once he had buried his hostility to the priest, his problems did not overtly return until last November when three things happened to him within a few weeks.

"About a week after the incident in the grocery store, I saw some of those Vietnam stamps that came out honoring the Vietnam veteran with little medals, and I remember I bought a whole sheet of them and brought them home and I wrote across them all," 'Too little and too late," and hung it up on my wall.

"I realized then I had serious problems, a lot of anger."

Then a watch repair shop lost a watch he had gotten in Vietnam. "It had been stolen out of the repair shop. The salesman came in and he said, 'I know you bought that watch in Vietnam. It's not worth very much.' Well, I did grab him and I said, 'My watch has nothing to do with Vietnam . . . for what I went through in Vietnam I don't even want you questioning me about the damn thing." He said, "Look, I was in World War II. Why are you so upset?" And I said, "I don't want to hear about your lousy World War II and how good you guys had it and how bad you had it. . . ."

"About the same time I saw a notice about Jeffrey's group. I thought, 'I never feel stress.' Then I put down the article and I thought, 'Boy, do you feel stress.'"

The group—Dave, Bob and Peter and three others—met an hour and a half a week for 12 weeks with Jay and Ken Harbert. Jay is now putting together a second group.

"At first," says Peter, "I was fearful. I didn't know if there would be guys there with limbs lost and I felt guilty going to a group because lots of people suffered a lot worse than I did and here I was being a big baby because I was scared and now I'm angry because I was scared 10 years ago.

"Well, I got in there and we sat around and I was the first one to talk and I explained why I felt angry. I said, 'I feel really p----, especially about World War II veterans because they got everything and we got nothing and I was scared and I never expressed it and now I feel real bad about Vietnam. I feel like crying and I feel like hitting somebody.' And we went around the room and everyone said the same thing."

Says Bob, "Most Vietnam vets have a tendency to stay away from each other and I don't think there's anybody who can help a Vietnam veteran any more than another Vietnam veteran. . . . Everybody's got to work out their own solution, but it's much easier if you can have contact with somebody who's had the same problems and has dealt with them.

"I would love to be able to give a remedy for Vietnam veterans," he says, "but so far in our group—basically, a first-time thing—there's no precedent to go by and it's extremely difficult to say this is therapy or this is how you treat . . . and I don't think the book is going to be written for quite a while. We'll just keep trying."

The way Jeffrey Jay puts it is this: "Even if you're doing well, you can probably do better by letting it all out and finding a way to integrate it."

"I don't think there's any Vietnam veteran that doesn't have a problem," says Bob. "And I think for probably nine years I wouldn't admit to myself I had a problem and therefore wouldn't talk to anybody about it. Basically it was too painful and it was much better if I didn't think about it. Basically, if you can get to the point where you can talk about what it has done to you, that's one of the biggest therapeutic things you can do for yourself."●

A FUTURE FOR LEAA?

HON. ROBERT GARCIA

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 6, 1980

● Mr. GARCIA. Mr. Speaker, in the past 10 years, the Law Enforcement Assistance Administration has been the sole source from which cities could obtain funds to try innovative ideas within their criminal justice systems. Local money for new ideas has not been available because of financial problems encountered by most cities in the 1970's.

The agency is presently in the midst of a new restructuring, the outcome of which is still unknown. At the same time, its appropriations have been dramatically slashed, leading to speculation as to the continuation of the program as it has functioned in the past. The most important challenge will be whether LEAA will be able to streamline its operation effectively enough to work within current budget limitations and at the same time provide the national direction and vision in the criminal justice arena which no other agency can.

LEAA has been criticized for its inability to reduce crime, for its frequent changes in direction and emphasis and for the disproportionate amount of its funds spent on law enforcement. But LEAA's critics have failed to realize that with the agency's limited funding—each year, the program accounts for about 5 percent of total criminal justice expenditures—the only real impact LEAA could have was through the promotion of innovation and experimentation. Seed money from LEAA permitted local and State criminal justice planners to try new concepts and techniques that ordinarily would have been prohibited by budget limitations. Even programs that failed were useful to the extent that they provided criminal justice agencies with a knowledge of what would or would not work—knowledge that could then be communicated throughout the system.

Thus LEAA in its first 10 years has proved that the Federal Government could play a necessary role in nationwide approaches to crime reduction. By supplying enlightened leadership, fresh perspectives and funds to try new things, LEAA can facilitate an efficient and humane criminal justice system.●

GASOLINE ALLOCATION: A CHAOTIC PROGRAM IN NEED OF OVERHAUL

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 6, 1980

● Mr. GILMAN. Mr. Speaker, I would like to draw the attention of my colleagues to a study which several Members and myself have requested to be undertaken by the General Accounting Office. Their report, which is entitled "Gasoline Allocation: A Chaotic Program in Need of Overhaul," examines why the Department of Energy's gasoline allocation program was ineffective in managing the shortage experienced all across our country last summer and makes recommendations, many of which I have been advocating for quite some time.

Mr. Speaker, it is unfortunate that this report was not available last summer, when the administration and the Department of Energy were insisting on the effectiveness of the allocation system and at the same time, not providing Congress with all the facts regarding how much oil the oil companies really had in stock and why they were, arbitrarily, refusing deliveries to certain parts of the country, while other regions actually had a glut. I requested this GAO study when I realized that our present allocation system is riddled with substantial inequities. The reasons for such inequities is that the base period, upon which the whole allocation system is designed, is a false indicator of demand. New roads, changing weather conditions, different percentage of car sales and tourism, delayed planting or early planting by farmers, population shifts, even individual driving habits—all help to affect the volume of gasoline needed in various areas of the country at any given time.

This system can only get worse, because the more time between the base period and the present, the greater the discrepency between supply and demand. Until last year, the Department of Energy was using 1972 as a base period. It should be obvious to everyone that the country has changed substantially since 1972 in all of the aspects I previously mentioned. Recognizing this situation sometime during the last crisis or the long gas lines, the DOE gave their faulty system a shot in the arm by updating the base period. The irony of all this is that the major changes in driving patterns, populations shifts, et cetera continue to redefine the market situation and every updated base period grows more obsolete as each day passes. A good example of the detrimental impact of this system can be seen by looking at my own congressional district. Those people living in the suburbs and having to commute to New York during the workweek, found that they could not obtain the gasoline they needed, and if they could, the lines were outrageously long and the price higher by the week. However, in the rural areas of my district, there was not much of a shortage of gasoline, in fact, some stations reported to me that they had to turn incoming gas shipments away on several occasions.

The problem does not stop there. Since the allocation system and its accompanying regulations are doing little to conserve energy, we can safely argue that this past crisis, by its very nature, must and will repeat itself. Under the present rules, what is not pumped in 1 year out of the gas stations is lost in the following year's allocation. This pump-it-or-lose-it philosophy urges the dealers to sell as much gasoline as they can in order to avoid going out of business. Consequently, the Department of Energy's gas allocation system not only works against a system of free enterprise, it works against fuel conservation. The future does not look too promising.

As a result of numerous global events over the past decade, it is widely recognized that the United States ceased to have a surplus of domestically produced oil and therefore became a net importer of oil. In 1973 we imported 15 percent of our oil needs from abroad at the cost of $1.73 a barrel. Today, in 1980, we import roughly 50 percent of our oil needs from abroad at the cost of $29 and upward per barrel. Last year alone, we exported $60 billion to foreign economies in order to keep ours running. When one takes this into consideration, coupled with the enormous amount of tension raging throughout the Middle East and Persian Gulf, it becomes crucial to recognize the priority of not only our need for energy independence, but a workable internal allocation system that will minimize the disruption and flux in the markets.

The GAO report readily acknowledged this point by stating that "we were handicapped by the absence of clear, definitive guidance" and that:

> * * * the United States will continue to risk shortages as long as it depends, in substantial part, on imported energy. Furthermore, in a product-short situation, industry decisions and practices, based as they are on profit motivations, may not satisfy public interests or needs and will warrant Government intervention.

It has become imperative that the necessary Government intervention stress the need for further conservation and most certainly, an effective allocation program which will reward those States that have demonstrated—such as New York—a rising degree of energy efficiency. As the GAO report concludes with a number of recommendations to the Department of Energy, they adopt, quite strongly, some of the suggestions myself and others have been calling for over the past few years, including:

> Formulating a cost-effective and administratively workable alternative to a fixed base period, giving special attention to the adoption of a modified rolling base period.
>
> Establishing an information gathering and analysis system which will provide reliable data on the distribution of gasoline supplies and use the reports to evaluate whether there are serious imbalances in supply between States or regions, and to determine what adjustments to individual prime suppliers' allocation fractions would best correct the imbalances.
>
> Establishing a system for obtaining data on the use of the State set-aside program, including analyses which will highlight problems and the need for DOE action.

Mr. Speaker, I need not overemphasize the catastrophe that awaits us if we allow the present allocation system to carry us into the already energy stricken 1980's. I urge my colleagues to take a close look at this GAO report on gas allocations, dated April 23, 1980, and to bear in mind the challenge facing us if we wish to see the gas allocation system that will keep our country running with minimal pain during any future shortages.●

BROOKLYN TUBERCULOSIS AND LUNG ASSOCIATION

HON. STEPHEN J. SOLARZ

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 6, 1980

● Mr. SOLARZ. Mr. Speaker, I would like today to take this opportunity to congratulate the members of the Brooklyn Tuberculosis and Lung Association for their fine work over the years in the effort to combat tuberculosis.

Tuberculosis, a communicable disease with an especially high incidence in cities, affects about 28,000 persons in the United States per year, approximately 3,000 of whom die annually. Many of its victims are the poor and disadvantaged.

Since 1940, the incidence of tuberculosis has declined considerably, due largely to the development of new drugs and the implementation of successful public health measures. Experts fear, however, that a greater incidence of TB may again be on the rise due to a large influx of immigrants from parts of the world where TB is endemic—Mexico, the Caribbean, and Southeast Asia—and because of a breakdown in city public health programs that is the result of newly imposed tight budgetary controls. Considerable effort and an increase in funds will be necessary in the coming years to further reduce or even to maintain the incidence of tuberculosis at its current rates.

As it continues to raise money in the effort to eradicate tuberculosis, I would like once again to commend the Brooklyn Tuberculosis and Lung Association for its outstanding work. If I may, Mr. Speaker, I would like to insert in the RECORD the following short article by Sol Gorelick, president of the association, in honor of Ruth White, one of its leading members. Mrs. White's tireless effort and steadfast commitment through 50 years of service serve as a model of successful voluntary work at the local community level:

> Mrs. Ruth White is to the Brooklyn Tuberculosis and Lung Association what Emily Bissel was to the tuberculosis movement. While in 1905 Mrs. Bissel initiated the use of Christmas Seals as a way of raising funds to wipe out tuberculosis, Mrs. White continues that effort today, lending her name to over 50 million Christmas Seal appeals in the United States. Ruth White exemplifies voluntary effort at the local community level.
>
> For thirty years, Mrs. White has devoted her life to the service of others. An early leader in the struggle to eradicate tuberculosis, Mrs. White served on the Board of Directors of the American Lung Association for more than twenty years, providing distinguished service as Secretary of the ALA

and member of numerous committees. At home, Mrs. White serves on the Board of Directors of the Brooklyn Tuberculosis and Lung Association, Cancer Care, the Brooklyn Hospital Auxiliary and serves on the Legislation Committee of the United Hospital Fund.

On the 75th Anniversary of the American Lung Association, honoring Emily Bissel, all of Brooklyn salutes Ruth White who has served with equal distinction toward the prevention and control of lung diseases.●

SMALL BUSINESS WEEK

HON. HERBERT E. HARRIS II

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 6, 1980

● Mr. HARRIS. Mr. Speaker, small business is the keystone of the American free enterprise system. Next week, May 11-17, America will celebrate Small Business Week to recognize the contributions of small businesses to our economy and our way of life.

I believe strongly that Congress has a special obligation to help preserve a competitive marketplace where small businesses thrive, and where the needs of consumers are best served. One of the most important obligations is to stay out of small business' business. Government at all levels requires too many forms, applies too many regulations, and simply gets in the way too much. Our economy and our Nation could not survive without the innovation and commitment provided by small businessmen and women.

Many Americans take small businesses for granted. We often forget how "big" small business is:

There are over 14 million small businesses in the United States, providing 58 percent of America's total business employment;

The small business sector of the economy creates two-thirds of all new jobs in the economy, providing employment to millions of Americans;

Small businesses account for $7 out of $10 in sales by retailers and wholesalers, and $8 out of every $10 earned by construction firms; and

Small businesses are found in every part of the country, and in every sector of the economy.

Its tough for a small business to be successful even when times are good. But small businesses are the first to feel the bite of inflation, and small business employees are the first to lose their jobs in a recession.

Fully 55 percent of all new businesses fail within their first 5 years of operation. Yet because of the tenacity and enthusiasm of small businessmen and women, the small business sector continues to grow.

The traditional virtues of small business—personal service, merchant accountability to the consumer, and community involvement, are more important today in the marketplace than ever. Government and consumers both must take an active role in preserving a place for small business in our communities and in our economy.

The Federal Small Business Administration offers small businessmen and women various types of financial assistance, in addition to valuable business advice on marketing techniques, ways of improving efficiency, cutting operating costs, and providing better service to consumers. In addition, many Government programs reserve a specific percentage of contracts for small businesses. But more has to be done.

Redtape, excessive paperwork, and burdensome regulations which drain manpower and add to businesses operating costs—and to consumer prices—must be eliminated.

In addition, in my continuing study of wasteful year-end spending by Federal agencies, I have discovered—and small businesses have confirmed in congressional testimony—that when Government agencies rush to dump surplus funds at the end of the fiscal year, those funds almost never go to small businesses.

Wasteful year-end spending—which must be eliminated—cuts out small businesses and gives an exclusive gravy train to large corporations having the resources to hire full-time Government procurement officers and grant seekers. I have introduced legislation to limit year-end spending and put small businesses back in competition.

As consumers, all Americans must do their share to help small businesses by making a conscious decision to patronize your local merchants—the corner hardware store, shoe store, druggist, and others. These are our neighbors, who respond to the needs of our community—not to a plush corporate board room in New York.

Small businesses have built America. During Small Business Week, May 11-17, we should all reaffirm our commitment to the most vibrant and dynamic force in America's economy today—the small businessmen and women of our own communities.●

DRAFT REGISTRATION

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 6, 1980

● Mrs. SCHROEDER. Mr. Speaker, the New York Times finally came to its senses last week on the question of draft registration.

They accurately identified President Carter's cynical manipulation of the issue and the failure of an alert and independent Congress to face up to it.

The editorial, from the April 30, 1980, issue, follows:

FALSE ROAD TO A DRAFT

At this moment of despair over military failure in Iran, the Senate appears tempted to push through President Carter's proposal to register some young men for a nonexistent military draft. But this is a halfbaked measure that would do little for the armed forces and could further erode the constituency that real preparedness now requires. Congress should shelve the idea and move instead to an urgent inventory of all manpower needs.

Someday, some Administration will state persuasively why the armed forces need two million people rather than three million, or one. Someday, Americans will learn how inadequate the voluntary forces and reserves have become. Like so much else in the defense budget, personnel policies are said to derive from expert calculations. But to a large extent they represent what Congress has agreed to finance in response to the Pentagon's estimates of what the traffic will bear.

Such horse-trading should no longer be acceptable. You would think it would end at an emotional issue like universal registration so that military assumptions could be truly reexamined. We suspect that preparedness is in fact inadequate for the kind of military contingencies for which the Pentagon periodically has to plan. But suspicion is not good ground for policy. And registering, without even examining, a few million peripatetic youths will hardly add much to preparedness. This most sensitive issue is being managed in the sloppiest possible manner.

Among the sloppiest managers has been the President, who urged registration last January as one way to protest the Soviet invasion of Afghanistan. At first, like Congress, we applauded the idea. The nation has appeared weary since Vietnam, unwilling even to suppose that it might one day again want to defend a national interest abroad. That mood can be misleading to other nations. A quick move toward registering young people for a military draft would have been a useful diplomatic signal, particularly in an election year.

But the election angle has worked the other way. Far from asking the public for something patriotic, even if unpopular, Mr. Carter soon deflated his gesture. He confined the proposed registration to 19- and 20-year-olds, thus narrowing the number of voters directly affected. And after vowing ostentatiously not to allow any registration that excluded women, he agreed offstage to let Congress limit the measure to men.

Skepticism spread, as it should have. Now the matter turned not on demonstrating national will—most families had been taken off the hook—but on some real gain in preparedness. Yet Mr. Carter's defense experts said that postcard registration might save at most a week in case of a general mobilization. Others insist it could save up to 90 days, but even they do not pretend that the armed forces could absorb newcomers at such an accelerated pace. No one contends that registration would stimulate enlistments. Hardly anyone, in fact, claims very much for the measure except that rejecting it seems somehow unpatriotic.

On that flimsy basis, the House narrowly approved it last week and a Senate subcommittee, with Iran on its mind, consented easily yesterday. Its main appeal, however, is to the Joint Chiefs and others who want not so much registration itself as a test of the political waters for a return to the draft. They say voluntary enlistments are simply not producing the quality and quantity of recruits and reservists they need.

Those judgments deserve attention. But they do not justify a cynical political escalation in which a President asks for registration before revealing whether he favors a draft; asks for a draft before describing how fair the system of choice, and devises a draft before finally deciding what size forces are truly needed.

Need is the place to begin. The Senate should reject registration until the whole recruiting problem is fully examined, by a President willing to utter the hard truth and by an alert and independent Congress.●

PLIGHT OF AMERICAN HOSTAGES

HON. ED BETHUNE

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 6, 1980

● Mr. BETHUNE. Mr. Speaker, 2 weeks ago, at 5 o'clock in the morning, I received an overseas telephone call from a member of the European Parliament who, out of compassion and humanitarian concern for our hostages, took it upon himself to contact me personally with the news of our aborted rescue mission in Tehran.

James Moorhouse was the last person I expected to hear from that morning with such tragic news. Last summer, Moorhouse came to the United States on a study mission as head of the 13-member delegation and vice chairman of the Foreign Affairs Forum of the British Conservative Party. He and his wife, Libby, stayed with our family for the duration of their month-long visit. Moorhouse was elected to Parliament on June 6, 1979, and is a member of the Energy and Transportation Committees.

I heard from Mr. Moorhouse again recently, and wanted to share with my colleagues the resolution he and other distinguished members of the European Parliament adopted as an expression of international support for our efforts to secure the release of our hostages.

The resolution follows:

EUROPEAN PARLIAMENT WORKING DOCUMENTS

Motion for a resolution tabled by Mr. Fergusson of behalf of the European Democratic Group, Mr. Blumenfield on behalf of the Group of the European People Party, Mr. Berkhouwer on behalf of the Liberal and Democratic Group, with request for urgent debate pursuant to rule 14 on the plight of the Americans held captive in Tehran.

The European Parliament:

Recalling its resolutions of 16 November 1979 and 14 March 1980 requiring the Iranian authorities to effect immediately the release of the hostages held in the Embassy of the United States of America in Tehran,

Further recalling the resolution adopted by the General Assembly of the United Nations requesting the imposition of economic sanctions on Iran if the hostages continue to be help captive,

Welcoming the statement of the Foreign Ministers meeting in political cooperation on 10 April 1980 in Lisbon,

Recognizing the danger that prolonged violation of international treaty obligations can lead to the use of force in the pursuit of just objectives,

Anxious that traditional friendly relations between Iran and the countries of the European Community be restored as soon as possible,

Expressing its deep sympathy with the hostages and with their families in the United States of America,

1. Renews its condemnation of the Iranian authorities for permitting the illegal detention of diplomatic personnel;

2. Calls again, therefore, on the Iranian authorities to contrive the speedy release of those hostages, giving a specific date for this release;

3. Urges the Nine:

To take all necessary and practicable steps, acting in full consultation with the United States of America and other members of the Atlantic Alliance, to oblige the Iranian authorities to release the hostages,

To formulate a common policy in this regard and with due consideration for the critical political conditions in the region, so that they can act in concert,

To contemplate, in the event of the hostages not being released, the suspension of diplomatic relations between Iran and the Member States of the Community;

4. Expresses, in countering this grave threat to peace and to the rule of international law, its support for the United States of America as the principal victim, at present, of this outrageous breach of the normal conduct of peaceful relations between States;

5. Instructs its President to forward this resolution to the European Council, to the Foreign Ministers meeting in political cooperation, to the Council and Commission, to the Secretary-General of the United Nations and to the Ambassadors of Iran in the capitals of the Nine.

JUSTIFICATION

Urgency is required because of the gathering crisis in the Gulf area, and in order that the forthcoming meeting of the Foreign Ministers meeting in political cooperation and of the European Council can take account of the views of the European Parliament.●

THE EUROPEAN PARLIAMENT ADOPTS RESOLUTION BACKING THE U.S. EFFORTS IN BEHALF OF THE HOSTAGES IN IRAN

HON. JOHN BRADEMAS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 6, 1980

● Mr. BRADEMAS. Mr. Speaker, I have received the text of a resolution adopted by the European Parliament on April 15, 1980, supporting the U.S. efforts to secure the release of the Americans being held hostage by Iran and urging the member nations of the European Community to add their backing.

This resolution is particularly significant, Mr. Speaker, since it comes from an elected legislative body representing all of Western Europe.

Mr. Speaker, I include the text of that resolution in the RECORD:

The European Parliament,

Recalling its resolutions of 16 November 1979 and 14 March 1980 requiring the Iranian authorities to effect immediately the release of the hostages held in the Embassy of the United States of America in Tehran,

Further recalling the resolution adopted by the General Assembly of the United Nations requesting the imposition of economic sanctions on Iran if the hostages continue to be held captive,

Welcoming the statement of the Foreign Ministers meeting in political cooperation on 10 April 1980 in Lisbon,

Recognizing the danger that prolonged violation of international treaty obligations can lead to the use of force in the pursuit of just objectives,

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To take all necessary and practicable steps, acting in full consultation with the United States of America and other members of the Atlantic Alliance, to oblige the Iranian authorities to release the hostages,

To formulate a common policy in this regard and with due consideration for the critical political conditions in the region, so that they can act in concert,

To contemplate, in the event of the hostages not being released, the suspension of diplomatic relations between Iran and the Member States of the Community;

4. Expresses, in countering this grave threat to peace and to the rule of international law, its support for the United States of America as the principal victim, at present, of this outrageous breach of the normal conduct of peaceful relations between States;

5. Instructs its President to forward this resolution to the European Council, to the foreign Ministers meeting in political cooperation, to the Council and Commission, to the Secretary-General of the United Nations and to the Ambassadors of Iran in the capitals of the Nine.

JUSTIFICATION

Urgency is required because of the gathering crisis in the Gulf area, and in order that the forthcoming meeting of the Foreign Ministers meeting in political cooperation and of the European Council can take account of the views of the European Parliament.●

BUDGETING FOR JOBS AND ECONOMIC GROWTH

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 6, 1980

● Mr. KEMP. Mr. Speaker, today the House has a chance to vote for jobs and economic growth in 1981, and a chance to reject the policies which would bring more stagnation, joblessness, and a deep recession. Today the House will be given a chance to vote on the Republican budget of hope.

It's a budget of hope because it means more jobs for Americans in 1981. The Republican budget features a $32 billion tax cut—large enough for a 10-percent-across-the-board cut in individual tax rates, accelerated depreciation to provide greater incentives for business investment, and an incentive-oriented tax credit for savings. These tax cuts mean more jobs, at least 200,000 more jobs for Americans in 1981 than the Giaimo budget would provide.

The Republican budget means hope for the future because it guarantees more after-tax income for workers. The exploding rate of inflation is quickly pushing people up into higher tax brackets, and this "bracket-creep" will cost taxpayers nearly $40 billion in fiscal year 1981 under the Giaimo budget. Add to that the scheduled gas tax increase, savings tax increase, and payroll tax increase, and the Giaimo budget ends up costing each working American an additional $990 in taxes in 1981. The Republican substitute, on the other hand, rejects these new taxes on savings, gasoline, and income. Our budget would combat taxaflation by cutting personal income tax rates 10 percent across the board for all Americans.

And the Republican substitute means more for savers and investors, more for defense, more for veterans, and continuation of Saturday mail delivery.

Mr. Speaker, there is a growing consensus among economists that dramatic tax reform is needed, and that the Republican budget substitute is our best chance for strong, noninflationary economic growth in 1981. The Wall Street Journal commented on the growing support for the ideas behind the Republican budget last week, in an editorial entitled "Budgeting for Economic Growth." I commend this fine editorial to the attention of my colleagues at this time:

BUDGETING FOR ECONOMIC GROWTH

It's budget resolution time again on Capitol Hill, with the budget committees and legislators laying out an economic blueprint for the coming year. We hope they can pay some attention to the ideas now percolating through the economics profession, which were especially notable at an important conference last weekend at Harvard University.

We express this hope without much faith, for as House debate opens on a budget resolution a familiar ritual seems to be developing. The Budget Committee is promising a balanced budget for FY 1981, based largely on a growth in tax revenues of almost $100 billion. And even this balance is not likely to outlast the First Budget Resolution.

To see why, consider the fate of the 1980 budget. The Second Budget Resolution for FY 1980 was passed last autumn to govern the fiscal year from October 1979 to October 1980. Yet here we are seven months into the fiscal year, and the House is busy at work on third and forth budget resolutions for 1980. The third resolution, known as the revision of the budget, ups spending more than $19 billion, raising the official deficit to $38.2 billion. The fourth resolution, known as the Giaimo amendment, kicks in another $4.6 billion and raises the deficit to $42.8 billion. After the House gets through packing the spending into the 1980 budget, it will then balance the budget for the First Budget Resolution FY 1981.

House Republicans, foreseeing the inevitable growth in spending over the year, want to start from a lower level. And they want a cut in tax rates to protect real income from the rising tax burden. Their substitute budget resolution increases defense spending by $4.5 billion, holds the growth in overall spending $14 billion below the Budget Committee version, allows for both accelerated depreciation and a 10% cut in personal income tax rates and still balances the budget.

Without getting into specifics, the general direction sketched by the Republican substitute corresponds to the thinking of the conference on American competitiveness sponsored by Harvard, the Senate Subcommittee on International Trade led by Senators Ribicoff and Roth, and the New York Stock Exchange. American competitiveness and productivity, ran the consensus, can only be restored by basing economic policy in the 1980s on supply-side economics.

The participants—an influential group of congressional, business, labor and academic leaders—felt that a tax cut targeted on the supply side of the economy and effective in 1981 is not inconsistent with a balanced budget. The conference's task force on productivity, employment and standard of living, chaired by Rep. Jim Jones, felt that the need to encourage investment is so pressing that "a tax cut should take precedence over a balanced budget," which is a way of saying that if Congress doesn't want a deficit it can cut spending.

Overall the conference recommended aggregate tax reductions over the 1981-83 period of about $100 billion in gross revenues (without feedbacks) split evenly between individual and business reductions. Steve Entin of the Joint Economic Committee staff pointed out that even a cut of this size was peanuts compared to an approximate $340 billion growth in tax revenues projected over the same period.

Senator Ribicoff told the conference that "increasing productivity is good for every segment of society"—thus casting aside divisive debate about who benefits from tax cuts.

Senator Lloyd Bentsen made it clear that it is our competitors who benefit from the high and rising U.S. tax burden. As a result of bad tax policy, "We are asking the American worker to do tomorrow's job with yesterday's tools." Pulled down by lagging productivity, we are becoming "an also-ran in the race for economic opportunity."

Otto Eckstein of Data Resources, Inc. reported that growth in the personal income tax burden had driven 2 million people out of the work force and that the lack of a supply-side policy during the last 8 years had increased the core rate of inflation. Martin Feldstein of the National Bureau of Economic Research said that the tax burden on non-financial corporate income was one-third higher today than during the 1960s.

As Dean Henry Rosovsky told the conference, becoming less competitive is the symptom of a serious national disease. If recognized and treated in time, it can be cured. This week the House could take the first steps toward a cure by pushing to reduce the growth in the tax burden, in terms of both government spending and tax rates. The House can put American productivity on the road to recovery by adopting the substitute to the Budget Committee's First Budget Resolution for FY 1981. As the conference demonstrated, there's ample support for the treatment.●

TRIBUTE TO JOHN K. JEFFERIS

HON. DOUGLAS APPLEGATE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 6, 1980

● Mr. APPLEGATE. Mr. Speaker, I would like to bring to the attention of my colleagues in the House of Representatives, an event in the life of a constituent of mine that is, indeed, a mark of personal success.

On May 18, 1980, 17-year-old John K. Jefferis of Toronto, Ohio, will be presented with his Eagle Scout Award. By earning this distinguished honor, John has demonstrated at his young age such admirable qualities as leadership, knowledge, self-discipline, and concern for his fellow man. It is not every young man that achieves this level of Scouting as only 1 out of 100 are given this award.

John Jefferis is an 11th grade student at Jefferson Union High School where he has excelled both in and out of the classroom. A fine athlete, he has earned varsity letters in several sports and is currently participating on the track and wrestling teams.

John earned his Eagle rank by earning 33 merit badges, 12 more than the required 21, and by performing his Eagle service project for the community which was centered at Jefferson Lake State Park near Richmond, Ohio. It consisted of a general cleanup and improvement campaign of the most heavily used nature trails in the park.

Mr. Speaker, as Congressman from Ohio's 18th Congressional District, I am proud to claim such a fine, outstanding young man as a constituent. I know I speak for the district in offering most sincere congratulations to John Jefferis on a job well done.●

AN UNCOMMON RESOLVE: BREAKING THE COUNTRY CLUB CODE

HON. TIM LEE CARTER

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 6, 1980

● Mr. CARTER. Mr. Speaker, since I have been in Congress, it has been my pleasure to know George Koch, president of the Grocery Manufacturers of America. About 3 years ago, it came to his attention that the employees of the Congressonal Country Club were not being compensated for overtime and were not being treated fairly by the management. George is a conservative, but he has feeling for those who earn their bread from the sweat of their brows. He took up the fight for the employees of the country club. I believe that all who work will see the rightness of George's position.

I enclose the article from the Washington Post of March 16, 1980, giving an account of Mr. Koch's activities.

AN UNCOMMON RESOLVE: BREAKING THE COUNTRY CLUB CODE

(By Chip Brown)

Sometimes at night, from out on the oak-lined fairways and crewcut greens stretching below, the clubhouse of the Congressional Country Club looms like a great ocean liner adrift in the rich darkness of Potomac estates.

Lights blaze from the windows in the white stucco facade. Vaulting archways and castellated lines hint of Spanish architecture. From grand and courtly rooms come the voices of an anointed elite and their guests, savoring the pleasures of wealth, power and prestige.

Into this insular world now charges George W. Koch, a member of the club and a man no different in most respects from his compatriots in the upper middle class, except that he cradles the lance of a quixotic obsession and leads a ragtag band of Hispanics, blacks and college students in what has become his own epic crusade.

For this 53-year-old father of six, homeowner in a fashionable Potomac neighborhood, ardent backer of Ronald Reagan, and president of the Grocery Manufacturers of America, such a mission seems unlikely.

But Koch is a man with an uncommon resolve.

It gripped him three years ago when a middle-aged black waitress complained to him that his country club was shorting her pay. From that moment on, in his single-minded efforts to right what he saw as an injustice, Koch has interviewed more than 100 club waitresses, dishwashers, security guards and housekeepers and he has sifted through more than 40,000 documents, many plucked from the trash by employees eager to help him piece together a picture of what had been going on at the club.

His concern made him feel a little paranoid. To this day he keeps his files scattered in several places. There were social rebuffs when members would not shake his hand, and some threats against his job. But he would not be deterred. He testified on behalf of a waitress before a District unemployment compensation board. He sat for seven days of cross-examination as his deposition welled to 1,385 pages. And he kept paying the legal bills, now upwards of $100,000, for the suit to be filed against the club in Montgomery County Circuit Court three years ago.

"I can't save the world," Koch said recently. "But I have to carry out my responsibility where I have it. I will not stop until I have rectified what has been done wrong."

The burden Koch shouldered grew from an isolated complaint to his conclusion that Congressional had by as many as 15 different schemes defrauded hundreds of employes out of more than $1 million in wages since 1948. Chief among the skimming operations, Koch claimed, was an off-the-top deduction of 20 percent from every employe's paycheck, something the club termed simply "standard restaurant practice," although other restaurants in the area have no such deduction.

Koch's pursuit of wage complaints led him deeper into a netherworld of questionable club activities, including gambling, accounting irregularities and kickbacks in purchasing. He demanded to see the club's books.

Not only did the club's governing board deny the allegations, members conducted their own investigation and found the charges "without substance." Moreover, they argued that Koch (pronounced Cook) had no right to go through records that might breach the privacy of other club members. They told Koch, in so many words, to get lost.

Then two months ago, after receiving complaints from employes, the Maryland state attorney general's office decided to look into possible wage violations at the club that Koch had first alleged three years earlier. State investigators obtained a court order permitting them to inspect club records that have been sequestered since August 1977 when Koch and Congressional began struggling in court over Koch's right to see the records of his club.

Because he broke with the ranks of his own class to become their champion, George Koch has inspired a sense of awe and devotion among the workers.

"He's become a cult figure," said one former employe at the club. "It's the first time anyone has ever stood up and said, 'Hey this is wrong. How can they do this?' Judging from the people I've talked to, most employes thought he was some sort of cross between Don Quixote and the Second Coming."

What baffles his adversaries at the club the most is Koch's motivation. In the early going of his deposition last fall, the club's attorney asked if Koch had any history of mental disorder that might shed some light on his reasons for pursuing a matter in which he obviously had nothing to gain.

Congressional board member Ralph Guglielmi said of Koch: "People can conjure up attitudes and ideas that aren't too well founded at times."

"In Washington, that's the only thing some types of minds would conceive of," said California Democratic congressman Lionel Van Deerlin, a longtime acquaintance of Koch. "Anybody who bucks the establishment and is a part of it has got to be off his rocker. He discovered something that sickened him. He didn't get the answers, so he started to look into it and he didn't let go. There are darned few people who are part of the establishment that would take it on to protect small people who could not do anything for them in return."

Some friends worry that so much of Koch's life has gone into his obsession that he might be "off the deep end." Others lament the disillusioning of a man they portray as a very moral person with almost a corny belief: in the simple verities."

"It's become a preoccupation," said one. "It's distillusioned him. It's taught him that people can deal underhandedly and hypocritically in a little piece of paradise."

As the parties marked the third anniversary of their civil contest in February, the Board of Governors of the club had spent $125,000 to keep George Koch from breaching the privacy of club records.

"It's just the time it takes to get the process of litigation to bring the case to a determination," said former club president Richard G. Kline.

"Everytime I get discouraged," Koch observed a few weeks ago, "I just list some of the things that have been done to employees. Everytime I thought, was this worth the blood and sweat, there was another illegal act going on at a place I owned a piece of. It was very easy to become dedicated."

THE CALL

Each morning the T-1 bus heads out of the District for the shady Maryland suburbs. It lumbers past lordly homes and winding driveways until it swings in at 8500 River Road past the iron gates and guard house of the Congressional Country Club.

The doors fold back and out comes a morning shift of dishwashers and housekeepers, mostly black and Hispanic, ready to begin their work day at what has been the palatial 300-acre haven of corporate heads, judges, lawyers, doctors, congressmen and presidents from Calvin Coodlige to Gerald Ford.

In the summer, when the rough thickens along Congressional's fairways and the tall oaks tower in full leaf, the club's year-round staff of about 75 grows to more than 200 waiters, busboys, housekeepers, locker room attendants and lifeguards.

It was one such summer day, a Saturday in July five years ago, that a middle-aged black waitress named Juanita Chavis called George Koch, a portly gray-haired man with whom she had scarcely a passing acquaintance, even though he had been a member of Congressional since 1961.

Koch was at home in his sprawling brick house in Potomac where he liked to spend summer weekends by the poplar-shaded swimming pool with Helen, his wife of 30 years, and his six children.

Chavis said she was calling because she had been fired without a hearing. She had worked at the club for 24 years, sometimes staying late on evenings, sleeping in a chair in the club rather than returning home to Silver Spring so she could be up early to wait on breakfast parties.

Koch, who to this day has no idea why Chavis turned to him for help, listened patiently as she poured out a startling story: For nearly as long as she'd worked at the club, Chavis said, she had been paid less than she was owed. Koch said he would see what he could do, and advised her to write her grievances down and present them to the club's 16-member board.

And so it began.

Several attempts to secure Chavis a hearing proved fruitless, provoking only a warning to Koch "to keep his nose out of personnel matters." The threat he perceived in that advice crystallized his sense of indignation.

"It never occurred to me there was dishonesty at that point," he said. "But I don't like people being mistreated. I couldn't believe they would treat a human being that way."

Chavis was finally rehired three months later, and some of her back pay reimbursed. Koch's efforts in her behalf later prompted her to write him that he "was the kind of person that Christ taught his followers to be. Jesus said help the poor and see that justice be given to them. This is all you have tried to do for me and I do appreciate it."

The next summer, Congressional was bathed in the limelight of the 58th PGA championship, which the club had been chosen to host. Among the influx of new employes hired to handle the bicentennial crowds turning out for one of the top four events in professional golf were two University of Maryland students, Richard Harris and Robert Rubenstein.

The two sophomores had gotten summer jobs as waiters, and unlike many of their coworkers, they had sharp eyes for figures. After working five weeks, they concluded that their paychecks had been shorted for three pay periods. By their calculations, they'd been paid about $200 less than they deserved.

They were angry. They told the other employes what was happening to their paychecks, Rubenstein testified in a deposition, "because some employes there are poor people [who] are so scared of Congressional Country Club, of losing their jobs. Every week the club would rip them off blind and I mean blind."

For their complaints, Harris and Rubenstein got fired. Juanita Chavez told them to get in touch with George Koch.

After listening to their story, Koch wrote the club's manager, Joachim Saal, demanding that the two sophomores be given a hearing to consider reinstatement and reimbursement of back pay since the time they had been fired.

"As a member," Koch wrote on July 23, 1976, "I have only two objectives in becoming involved: seeing that the employes at Congressional are treated fairly and judiciously . . ." His motives, he said, were to prevent the federal or state governments from investigating the club for wage practice violations, and to prevent any union from getting a foothold at the club.

"Bad management," said Koch, "breeds unions."

Saal turned the letter over to the board. In the ensuing months Koch appeared before the executive committee, demanding a hearing for the two former employees and the right to exercise his prerogative as a member to inspect the club's wage records.

He got nowhere. "I thought it was a communications problem," he remembered. "I couldn't believe morally, ethically, or socially these people would steal from little people. Stealing becomes more despicable when you steal from people who are working for you."

Six months later, Koch felt he had exhausted all informal channels available to him. He called his family together and discussed the implications of what he proposed to do next. "As a family we talked about what going to court would mean. We knew the children wouldn't get lifeguard jobs at the club in the summer."

On Feb. 16, 1977, the self-avowed, right-wing conservative filed suit for access to Congressional's records in Montgomery Circuit Court. The date remains an indelible memory.

"It was embarrassing," he said. "Nobody sues their country club."

THE LION'S DEN

Of the 21 country clubs in Montgomery County, few are enveloped in quite the same aura as Congressional. With its $6,500 initiation fee, and $1,400 yearly dues, Congressional is close to the top of the priciest clubs in the affluent suburb but no other place can boast quite the same tradition of powerful businessmen and politicians. By reputation the club Calvin Coolidge inaugurated in 1924 has come to signify a place where the powerful congregate to craft real estate deals, business mergers and other deeds befitting the monied class.

It was at Congressional, for instance, that the cream of the county's real estate trade met for dinner in 1974 at the invitation of club member John P. Foley. As a result of table talk that night, six real estate firms were later convicted of conspiracy to fix commission rates and fined $160,000.

Congressional was the scene of a nationally reported story last year when a member bludgeoned a goose to death on the 17th green and was suspended for 90 days. (The board, according to one of the man's attorneys, "discovered morality and ecology at the same time and they couldn't handle it.")

But another member, after smashing a 40-year employee in the back with an eight-iron, was punished simply by being limited to two drinks at the bar. (Former club president Ben Brundred described the incident as a "purely unintentional accident." The member was "greeting his oldest friend, tapped him on the back [with the club] and hit him in a sensitive place," Brundred said.)

There are still no black members at the club despite an agreement with the Maryland attorney general to end discriminatory admission practices, a quid pro quo in which the club got to keep a preferential tax assessment that saves it almost $100,000 a year in property taxes.

Those who have been able to find the requisite two sponsors and gain admission have few complaints. "It's a pretty fine club," said former president Kline. "We've got a fine membership which typifies the people who live in the area and is representative of the people we all like to know."

There was one member, however, who some of the board leaders and club loyalists wished they'd never heard of.

George Koch walked into his personal Lion's den two days after he'd filed the lawsuit in February 1977. He brought his wife and his kids and they sat down in the club's Mixed Grill, where women are allowed. The evening was something of an ordeal. He was introduced to a member who refused to shake his hand. The maitre d' glared at his family. A member of the board walked over to his table, thrust his finger at Koch's chest and abusively muttered. Koch's children thought the man had pushed their father.

"I wanted to teach my children a lesson," Koch said. "I wanted to teach them that you must never be driven from your home, your church or your country club because of harassment."

News of the suit buzzed among Congressional's employes in the days immediately after Koch took the club to court.

"The atmosphere was tense," one employe remembered. "People thought something was going to get done."

It was only three days after Koch had filed when several employes noticed something that they thought was remarkable in light of the legal action that had been initiated.

Workers had been sent over to the 6-foot by 20-foot room in the soil barn called the Archives where the club stored records, receipts, paycheck stubs and an assortment of other documents. Boxes of material were ferried over to the club in Congressional's old white station wagon. Several employes were startled to find cardboard boxes and brown plastic trash bags of the stuff sitting on the loading dock waiting to be picked up by the garbageman.

"If the club had nothing to hide, why was this stuff being trashed," wondered one employe. "It was too coincidental, all this new kind of trash appearing right after the suit."

That evening, with the help of a colleague, the employe backed his car up to the loading dock, looked over his shoulder, and threw the bundles and boxes into his trunk. The pair slipped down the long hedge-lined, bump-ribbed entrance to the club, through the iron gates and then sped off down River Road, three miles, to the Potomac home of Koch.

No one was there. They left the haul on the back porch and vanished. It was the first of many trips.

"We went back and forth to his house with oral information or documents," one employe remembered. "You're talking about a lot of trips."

Meanwhile, Koch began to receive more documents in the mail, supplied by anonymous employes. The club management ordered the security guards to notify them whenever Koch came onto the grounds of the country club. Employes who were seen chatting with Koch were called into the manager's office and questioned on the substance of the conversation.

Engulfed with new reports from 35 witnesses, including 10 who prepared affidavits, Koch sought a wider spectrum of records in an expanded lawsuit that alleged irregularities in the PGA accounts, Christmas fund payments, auditing reports, purchasing practices and gambling in the exclusive Men's Grill.

Those charges have never been substantiated, but when Koch's charges surfaced that manager Saal had used club employes to clean his new Potomac house and repair a fence in his yard the club's bylaws were amended to forbid the practice.

That summer the employe manual was amended to forbid employes to discuss grievances with members. Later, the board batted around another change in the bylaws—to suspend any member who brings a suit against the club—but the proposal was never adopted.

The summer of 1977 was also the last time the club allowed Koch to throw his annual Grocery Manufacturers of America party, which each year drew more than 50 congressmen, senators and their families. The gala that started in the afternoon and stretched through dinner was especially popular for politicians with families because Koch hired clowns and had pony rides and other fun things for kids to do. Older guests with more sophisticated interests could swim, play tennis, and listen to comedian Mark Russell. In April 1978, Koch got a letter from the board telling him he could no longer use the club for the affair because some golf carts had been damaged by children.

THE CRUSADE

As the summer of 1977 tipped toward autumn, Koch spent less of his free time working in his yard and playing checkers with his kids and more of it absorbed in his crusade to restore what he called "standard business practices" to the management of Congressional.

Working an average of 20 hours a week, he invented an elaborate index system of tabs and cross-references to keep track of the mounting evidence, but the material grew so voluminous his system collapsed. The pool table in the family's rec room was overwhelmed with paper.

"We didn't play pool for two years," said Koch's son Greg.

In August 1977, at the order of Montgomery Circuit Court Judge John Mitchell, who had been assigned to the Koch-Congressional case, the club's books and records were seized by the county sheriff and sequestered in the courthouse.

In November, the two University of Maryland students, Harris and Rubenstein, filed a second suit against the club in an effort to recover back wages. At issue was no more than $200 or $300, but the club fought the ex-waiters for more than two years before finally settling out of court for a sum reportedly around $2,000 each.

"Every single step they could, they filed an objection," said an attorney familiar with the case. "They made incredible arguments against producing documents."

"We didn't do anything wrong, and we wanted it adjudicated," explained former president Brundred. "You do have to stand on principles sometimes."

With Koch's charges floating unanswered in the public domain, the Board of Governors decided to conduct their own investigation of the allegations.

In December, the board published a 14-page statement compiled by various board members and auditors from Lee, Hendricks and Co. The report satisfied the board that

Koch's charges were "not of real substance," Brundred said.

Since that time the case has dragged on through the court as lawyers for each side filed every sort of motion possible, hoping their respective clients could outlast each other in a war of attrition.

Koch's spirits sagged badly in 1978 when it seemed the case was hopelessly mired. He was hospitalized in late fall with a pulmonary embolism. He says it had nothing to do with his lawsuit, but a friend joked with him that he'd seen some of the board members "over at Mother of Mercy church, lighting candles, hoping you'd die."

He didn't. When he recovered, he took a day off to testify at a hearing for a 14-year club employe whose workman's compensation had been contested by the club.

For the housekeepers and potato peelers, bent to their quotidian labors while plaintiffs and defendants struggle on a different plane, things have gotten better at the club. A dental plan was started. Employes turned down a union, with, to be sure, a little prompting from the club, which said in the president's newsletter: "It is unlikely that a union would be of any benefit to either the membership or Club employes."

"I think our employes are some of the most satisfied of any group at country clubs," said Brundred. "We don't have a club unless we have happy employes."

Even Koch concedes that the work atmosphere is better. Some of his goals have been attained. The 20 percent deduction that the club took from the checks of workers as "standard restaurant practice" has been stopped. There is a new employe manual. The management is taking more care in informing the membership about club activities.

"But I'm not about to say boys will be boys," Koch said. "Those people have been waiting on me since 1961. I have a responsibility to do those things which the board has refused to assume. If you don't, you have a cancer that will fester and corrupt society."

A friend of Koch's who watched the tenacious lobbyist grow increasingly obsessed over the last three years speculates that what George Koch found and was horrified by were the traditional practices at all country clubs.

"What George Koch stepped into is probably absolutely traditional at all these country clubs. The only reason it's coming out at Congressional is that Congressional is unfortunate enough to have George Koch as a member."●

FAITH FELLOWSHIP DAY

HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 6, 1980

● Mr. RODINO. Mr. Speaker, it will be my proud privilege to participate in Faith Fellowship Day at the Fellowship Civic Center in East Orange, N.J., on May 10.

I will join with Mayor Thomas Cook of East Orange and the sponsors of this worthy event: The Reverend Walter G. Francis, president and founder of the Faith Gospel Tabernacle, and the Reverend Dr. William S. Smith, bishop of the Union Methodist Church and president of New Jersey Fellowship Units, Inc.

Performances by Tim Brome and his gospel group; the East Orange Senior Citizens' Vocal Group; the Faith Gospel Tabernacle Young People's Choir; and Mrs. Johnson, a soloist, will mark the day.

Mr. Speaker, the New Jersey Fellowship Units share an inspired commitment to community service and international understanding. Their International Institute at once strives to reunite families, help them adjust to their new life and retain their cultural heritage. Their Caribbean Youth Cultural Association aids both the young and the elderly. Their works help to strengthen our communities and enliven our culture.

I salute these efforts and look forward to Faith Fellowship Day.●

AMNESTY INTERNATIONAL REPORT ON SOVIET POLITICAL PRISONERS

HON. DON BONKER

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 6, 1980

● Mr. BONKER. Mr. Speaker, recently we had an opportunity to speak in support of Andrei Sakharov, Soviet physicist and Nobel Prize winner who was arrested by the Soviet authorities last January 22 and charged with subversive activities.

At that time I reminded my colleagues that Sakharov's arrest was not an isolated incident. For the past several months reports from Moscow indicate that the Soviet Union has been conducting a major crackdown on dissidents. These reports further indicate that dozens of people have been jailed, intimidated, or are under investigation by the KGB secret police for nonviolent human rights activities. This action is partially a cleansing operation before the Moscow Olympics, but more importantly it is directed at silencing those who would have been the most outspoken critics of the brutal invasion of Afghanistan.

Now, Amnesty International has published "a detailed account of the way Soviet authorities use hunger, forced labor, and dangerous drugs to punish imprisoned dissenters." This report is a revised and updated edition of Amnesty International's 1975 report on prisoners of conscience in the Soviet Union.

Amnesty International states:

> They knew of more than 400 people who had been tried and imprisoned or subjected to similar restrictions for exercising Human Rights. Since their 1975 report more reports of arrests and trials are emerging and Amnesty believes that there are many more prisoners of conscience than those of whom it knows. Official censorship and secrecy and the danger to those who speak out about political imprisonment make it difficult to estimate the total number.

Mr. Speaker, as chairman of the only subcommittee with jurisdiction over human rights policies—the Foreign Affairs Subcommittee on International Organizations—it is my policy to forcefully speak out against violations of human rights. Therefore, I commend to the attention of my colleagues two reports which are based on Amnesty's work concerning the outrageous violations of human rights in the Soviet Union. The first gives an excellent summary of Amnesty's comprehensive 200-page report, "Prisoners of Conscience in the U.S.S.R: Their Treatment and Conditions." The second is a powerful article by Eric Morgenthaler which appeared in the Wall Street Journal of April 30, 1980, entitled, "A Bleak Picture of Dissent In Soviet Union."

The information follows:

AMNESTY INTERNATIONAL PUBLISHES MAJOR REPORT ON SOVIET PRISONERS OF CONSCIENCE

Amnesty International today (Tuesday 29 April 1980) published a detailed account of the way Soviet authorities use hunger, forced labour and dangerous drugs to punish imprisoned dissenters.

The descriptions are in a comprehensive 200-page report, "Prisoners of Conscience in the USSR: Their Treatment and Conditions." A revised and up-dated version of a report first published in 1975, the new edition includes much recent evidence of the abuse of psychiatry for political repression and an analysis of Soviet law as applied to nonconformists.

In the four years between publication of the first edition and preparation of the second in mid-1979, Amnesty International learned of more than 400 people newly imprisoned or similarly restricted for exercising fundamental human rights. That total does not include those already imprisoned in 1975 or scores of new cases in recent months.

The international human rights organization believes that there are many more prisoners of conscience than those of whom it knows. The real number is veiled by official censorship, secrecy and the threat of retaliation against those who speak out against political imprisonment.

Punishment may take the form of a sentence to a labour camp or prison, confinement to a psychiatric hospital where the inmate has even fewer rights than in prison, exile to a remote part of the Soviet Union or banishment from the "offender's" home area.

Among the cases documented in the report are people punished for criticizing official policies, trying to defend the rights of others, complaining to the authorities about individual problems, holding unauthorized religious meetings, trying to leave the country, and even, in the case of Crimean Tartars, trying to return to their homeland within the USSR. A major category of political prisoners is made up of activists for the rights of national and ethnic groups.

The report quotes Soviet laws and official interpretations of them to show how the rights of expression and association can be used only to support approved viewpoints. It also shows, however, how Soviet courts repeatedly violate even these restrictive laws in order to punish dissenters.

Under the law against "anti-Soviet agitation and propaganda", for instance, proof is required that the accused acted with the intention of undermining the Soviet system, or knew he was spreading slanderous falsehoods. In practice, courts ignore this requirement and convict for the mere expression of opinion.

Amnesty International still has not heard of a single case in which a Soviet court has acquitted anyone charged with a political or religious offence.

The report includes detailed descriptions of the way hunger is used as an instrument of policy and punishment in prisons and labour camps, based on the accounts of prisoners and ex-prisoners, as well as official texts.

It describes the "standard diet" reported by prisoners in corrective labour camps, in which most political prisoners serve their sentences. Consisting in large part of rye bread, with limited amounts of meat, fish and other basic foods, this provides some 2,500 calories and 65 grams of protein. But hunger is increased as punishment for infractions of prison discipline, such as "deliberate" or "malicious" failure to fulfill work targets. Prisoners in punishment cells get only 1,300 to 1,400 calories and some 38 grams of protein every other day, with only bread, hot water and salt on the intervening days. If they continue to work, they get the 1,300 to 1,400 calorie diet every day.

According to international health standards, a man working very actively requires between 3,100 and 3,900 calories a day, and a protein intake of one gram for every kilo of body weight.

The illnesses caused by this kind of diet are often compounded by inadequate medical care. Prisoners suffering from chronic hunger and straining to meet output targets in the heavy labour often assigned to them are particularly vulnerable to accidents. Lack of investment in safety equipment increases the danger in such typical tasks as quarrying or using wood or metal cutting machines.

From the moment prisoners are sentenced they face what many have described as one of the harshest parts of their punishment: transport in overcrowded train wagons or vans, often without adequate food or water, and stopovers in damp, dirty transit cells, and exposure to attack by criminal prisoners.

The report makes use of a great deal of recent evidence on the way pyschiatric confinement is used against political and religious dissenters, much of it collected by human rights activists in the Soviet Union.

People who tried to bring complaints to government offices are reported to have been taken directly from the reception rooms of those offices to confinement in psychiatric hospitals, sometimes without even being seen first by a psychiatrist.

Under the law, an official diagnosis of "mental illness" is not grounds for confinement; it must be proved that the individual is dangerous to himself or others. In case after case involving dissenters, however, the courts and psychiatric authorities make no effort to show that the victims are violent or dangerous.

The report describes the vague definitions of "schizophrenia" used by official psychiatrists in these cases. It quotes a psychiatrist who explained in court that a dissenter's "delirium" was shown by "anti-Soviet" behaviour. Asked by the defence counsel, "What form did his delirium take?" the psychiatrist replied, "He did not respond to correction."

Once confined, prisoners of conscience are treated indiscriminately and routinely with powerful drugs which have dangerous side-effects when used this way. These drugs, including potent tranquillizers, are administered as punishment and as a form of pressure on dissenters to renounce their views. Insulin shock treatment is one of these punishments.

Much of the harshest treatment is inflicted on those sent to special psychiatric hospitals, where some prisoners have been known to have been kept for decades. These hospitals are under the direct authority of the Internal Affairs Ministry (MVD), rather than the health authorities. Criminal prisoners are recruited to serve as orderlies in them. Arbitrary and sometimes fatal beatings have been reported repeatedly from these institutions. "By all accounts," says the report, "not only the criminal orderlies but also administrative and medical staff have ferociously beaten helpless and non-violent inmates."

The report says that more than 100 people were known to have been forcibly confined to psychiatric hospitals for exercising human rights in the four years since the 1975 edition, joining many others whose confinement began earlier. In the months leading up to publication, Amnesty International has continued to hear of new cases.

A Bleak Picture of Dissent in Soviet Union

Nadezhda Gaidar suffered from "nervous exhaustion brought on by her search for justice," the Soviet psychiatric authorities explained. What that means is that she spent a lot of time in government offices, trying to register complaints.

Alexander Komarov was plagued by "psychopathy with tendency to litigation." Mikhail Kukobaka with a "mania for reconstructing society." Alexander Voloshchuk with "schizophrenia with religious delirium."

So those Soviet citizens, dissidents all, were adjudged mentally ill—and shipped off to the "special" psychiatric hospitals that the Soviet Union reserves for patients who represent "a special danger to society." And there, their prospects were truly frightening.

"When they brought Leonid Ivanovich into the visiting room, it was impossible to recognize him," wrote the wife of one dissident, Leonid Plyushch, who was being "treated" at one hospital with a powerful tranquilizer (and who later was exiled to the West). "His eyes were full of pain and misery, he spoke with difficulty and brokenly, frequently leaning on the back of the chair in search of support. His effort at self-control was evident as from time to time he closed his eyes, trying to carry on a conversation and to answer questions.

"But his inner strength was exhausted. Leonid Ivanovich began to gasp, to awkwardly unbutton his clothing . . . , his face was convulsed and he got cramps in his hands and legs. . . . It was evident that from time to time he lost his hearing. . . . Leonid Ivanovich could not control himself, and it was he who asked that the meeting be ended 10 minutes ahead of time. They took him away."

* * * * *

It should come as no surprise that the Soviets don't treat dissidents with kid gloves. Or that they use psychiatry as a tool of punishment. Or that their prisons are harsh and horrible places, where people are underfed and overworked.

Still, Ammesty International's first major look since 1975 at conditions in the Soviet Union, released yesterday, brings all the strands together into one extraordinary whole. Drawing on official Soviet sources as well as accounts by prisoners and those close to them, Amnesty paints a bleak, discouraging picture of a surreal system in which a political or religious dissenter has little chance against an almighty state. The title of Amnesty's report is "Prisoners of Conscience in the U.S.S.R.: Their Treatment and Condition."

Amnesty—an independent human-rights organization, which won the 1977 Nobel Peace Prize—says it knows of "more than 400 people" who were newly imprisoned in the U.S.S.R. for political or religious reasons in the four years ended last May 31, and "more than 100" who were forcibly confined to psychiatric hospitals. It says its accounting is "far from complete"—because of such problems as censorship and the threat of arrest to people publicizing such matters. (Amnesty's figures don't include the scores of arrests since last fall, when the Soviet authorities began a sweep of dissidents of every stripe—apparently partly in preparation for the Olympics.)

Amnesty charges that Soviet political trials "more closely resemble 'show trials' than serious attempts to determine guilt or innocence." It says it "still has not heard of a single case in which a Soviet court has acquitted someone charged with political or religious offenses." It cites the "outright persecution" of some lawyers who defended political clients too effectively.

The cases themselves often seem to be constructed with mirrors. Yuliya Okulova, a poet from Leningrad, was sentenced in 1976 to five years' internal exile for "systematically writing and distributing in written form fabrications known to be false which defame the Soviet state and social system." Among the evidence were poems and drawings which, the indictment said, "contained the deliberately false fabrication that freedom of speech, the press and creative art are absent in the U.S.S.R." In other words, because freedom of speech exists, it's a crime to say that it doesn't.

Amnesty scores the Soviet correctional system, saying inmates face "a regime of chronic hunger, inadequate medical care, and difficult, often dangerous compulsory labor." Hunger, it says, is "mandatory" under "official policy"; it mentions one labor camp where women prisoners were allowed a small flower garden, but were expressly forbidden to grow any vegetables in it.

* * * * *

One of the worst parts of the process is often the transportation of prisoners to their camps, prisons or places of exile. It's usually by van or train, and conditions normally are nightmarish. Amnesty includes prisoners' accounts of one notorious train transit—which took place during a heat wave in July 1972.

"Fifteen people in a sleeping compartment," one report begins. "Everybody bathed in sweat. Food spoiled. For two days they did not take prisoners to the lavatory. People had to use the corridors. . . . The windows were sealed shut. Only at the end of the deportation did they open the windows a little, but it did not help. People were lying naked on the floor. Dirt. Stink. Suffocation. One man died during the deportation. It was a terrible torture."

The study makes worthwhile reading for anyone concerned about the price of dissent under a totalitarian regime. Or for anyone who's simply interested in the tragically absurd—for, in so many ways, that's what the Soviet system is.

Thus, a psychiatrist, in committing an apparently sane and healthy dissident to a mental hospital, assures a court that "the absence of symptoms of an illness cannot prove the absence of the illness itself."

Or, in another case, this exchange:

Defense counsel: "In what way was the behavior of Rozhdestvov delirious?"

Expert: "All his remarks and his behavior bore the mark of anti-Soviet views."

Defense counsel: "What form did his delirium take?"

Expert: "He did not respond to correction."●

AMERICAN CITIZENS ABROAD

HON. BILL ALEXANDER

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 6, 1980

● **Mr. ALEXANDER.** Mr. Speaker, today I would like to finish inserting the issues which affect Americans living and working abroad as defined by an organization known as American Citizens Abroad.

These businessmen and women have the capability to visibly affect the trade deficits which face our Nation by their presence and reliance of American goods and services in the countries where they work.

I hope that in the future the Congress can make these people more competitive in the world trade arena.

The material follows:

ISSUE NO. 61

Short title: Discriminatory Preference to Some American Citizens in Conferring Citizenship on Adopted Children Abroad.

Summary of the problem: Section 323 of the Immigration and Nationality Act, which establishes the conditions under which a child adopted by an American citizen abroad can acquire American citizenship, makes a distinction between two classes of American citizens living abroad.

One class, including those in the Armed Forces, employed by the U.S. Government, research institutions, U.S. companies, international organizations, or serving as ministers or priests, is given the opportunity of having children adopted abroad acquire American citizenship without any prior residence in the United States by the child. The other class, containing all others including doctors, lawyers, engineers, consultants, architects and poets, etc. is not given the same rights. Children adopted by the underprivileged class cannot obtain American citizenship while the parent is abroad and before the child has lived for two years in the United States.

This discrimination can lead to very difficult problems for the American citizen parent and for the child abroad. It is not clear how the United States benefits from this discrimination.

ACA's question: Why are some American citizens, and their adopted children, given more benefits abroad than others? Why are not all U.S. citizens abroad equal before the law in terms of being able to give U.S. citizenship to their adopted children? What definition of equity makes such discrimination necessary, or justified?

ISSUE NO. 62

Short title: International Competitive Handicaps Caused by American Citizenship Laws.

Summary of the problem: There are a number of professions that are closed to American citizens living in foreign countries. In some countries, one must have local citizenship to practice law. In others, one must be a local citizen to practice medicine, or accept a post as a professor in the Universities.

Under present American law, if an American citizen acquires another nationality, for whatever reason, he is subject to loss of his American nationality.

A number of countries against whom the United States competes in the major markets of the world do not have such stringent laws. England, for example, allows its citizens to acquire another nationality and still remain English. Switzerland has a similar practice. France will tolerate a number of instances of voluntary acquisition of a second nationality without loss of French citizenship.

ACA's question: Is it really in the best interest of the United States to have such a strict policy concerning the acquisition of another nationality? If an American citizen is living abroad and wants to practice a profession whose foreign qualifications require the acquisition of another nationality, why must it be assumed that the individual does not retain loyalty to the United States if he acquires a second nationality? America loses some of its best, and most talented citizens this way. Is it really necessary? And if so, why?

ISSUE NO. 63

Short title: Additional Tax Problems for Overseas Americans.

Summary of the problems: In addition to the various taxation issues already mentioned which afflict overseas Americans, there are two other problems that also need to be addressed because of their impact on American competitiveness abroad.

The first problem comes from the U.S. policy of taxing overseas unearned income. The United States is the only major country of the Free World that taxes the overseas unearned income of its overseas citizens. Many in the United States feel that this is perfectly proper. Yet, those who suffer severe hardship from this tax practice are those usually who have worked to accumulate a nestegg for retirement. Overseas retirees, living mainly on the fruit of such capital accumulation are treated much worse under present U.S. law than those earning an income abroad. Sections 911 or 913 give some relief from U.S. taxes for those abroad by recognizing extraordinary overseas costs of living, housing, etc. There are no similar provisions giving any tax relief for unearned income.

The impact of this unfortunate tax practice of the United States is so severe in some cases that overseas Americans who are about to retire must seriously consider abandoning their U.S. citizenship and acquiring another nationality merely to be able to survive economically during their last years of life.

The second problem is of a different nature. The United States defines overseas taxpayer status either on the basis of an individual having been abroad for an entire tax year, or having been abroad for seventeen out of eighteen consecutive months under the physical presence test. It should be readily apparent that this second definition of eligibility for relief from U.S. taxes for work abroad can cause very serious complications for Americans working abroad.

Take the case of an individual in a high technology company who, in order to shelter some of his income from double taxation, must remain physically outside of the United States for seventeen out of eighteen months. His mobility in terms of direct contact with his colleagues at home is seriously impeded. Or take an architect, or engineer, or anyone else whose work abroad might require frequent contact with his company at home.

There are always good reasons for adopting rules such as those concerning the overseas taxation of Americans. The difficulty is that there are also dangerous side-effects that can destroy the economic health of individual Americans, their employers, and the entire United States.

ACA's question: In its quest to ensure that there can be no possible abuse of the U.S. tax system, and to ensure the maximum possible collection of revenue from Americans abroad, a number of unfortunate tax practices have been adopted. We wonder if this has not become an intense process of straining our gnats and swallowing camels?

Citizens of other countries working abroad can help their home countries and still build up a capital and income base for their retirement years. The U.S. has chosen tax practices that will severely hurt any overseas American who would like to do the same thing. We doubt the wisdom of such practices. And, we wonder if the President and the Congress are really convinced that such practices are necessary?

On the physical presence test practices of requiring an American to stay out of the United States for seventeen out of every eighteen months, we recognize that this was a brilliant way to stop provocative abuse of the earlier laws by a few movie stars, but we also recognize that it places some absurd burdens on the vast majority of overseas Americans who are trying to do a job abroad in competition with those of other nationalities. Consider also that it means that any company, American or foreign, will have much less difficulty sending employees of every nationality other than Americans to work with colleagues at their home company offices in the United States. We wonder at the wisdom of such policies.

Finally, on this physical presence test, we wonder if the President or the Congress have taken account of the fact that here again we have set up some landmark criteria which are not used by any of the foreign countries against whom we compete around the world. Indeed, to take the case of the United Kingdom, this country will give tax relief to any British resident if he is out of the U.K. for only one month during any tax year. The U.K. recognized the need to stimulate exports and was ready to give relief even to those domiciled at home for this stimulative purpose. We, on the contrary, will not give any relief to those abroad less than one year, and stretch the period out to seventeen months for minimum qualification for relief for those who cannot claim a bonafide residence abroad.

We are, and shall continue to be, paying dearly for such unenlightened policies. We hope the President will address these additional two issues in the full new analysis of how we treat Americans living abroad.●

THE GREAT SURVIVABILITY DEBATE

HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 6, 1980

● **Mr. SKELTON.** Mr. Speaker, during the war hysteria of Afghanistan and Iran, I watched an intriguing yet frightening national dispute begin to take place. It can be called the great survivability debate. I do not use the word "great" lightly, for I feel this public argument has an awesome relevance for each of us.

One side says that survival will be impossible because there is no way to escape and no place to hide if a nuclear war is fought. Proponents of this theory feel that our only salvation is total disarmament. Civil defense, they say, is "senseless." A second side argues that to even talk about survivability is admitting that we are considering nuclear war as a winnable option. These people usually subscribe to the assured destruction theory, which requires the populations in the United States and the Soviet Union to be vulnerable to each other's missiles. Many think this vulnerability will prevent a nuclear exchange. Opponents of this philosophy call it a mutual hostage relationship or mutual assured destruction (MAD). There is a third viewpoint. This position is that worldwide nuclear disarmament probably is not going to occur anytime soon, unfortunately, but it is possible to save human lives and survive a nuclear exchange. Proponents say we must take immediate steps to install a viable national civil defense system.

I accept the third position and, for the most part, I reject the first two views.

A group of Harvard and Boston area doctors espouse the "no place to hide" belief. They held a symposium at Cambridge, Mass., in February of this year and said civil defense is useless and there is not much we can do to protect ourselves. Many of those who argue that survivability is a direct course to holocaust are usually the same people who strongly criticized Presidential candidate George Bush's remarks following his January 24 interview with the Los Angeles Times. In that interview, Bush said it is possible to survive a nuclear war.

Although fascinating, the attitudes of these antisurvivalists are scarey. They insist that we give in to one of three grim choices—we have to become hostages or we must disarm or we will be forced to accept death by war. These prophets of extinction allow us no other alternatives.

First, I would like to respond to those who say there is no way to escape a nuclear war and civil defense is useless. The truth is * * * there is a strong potential for surviving a nuclear confrontation, but it takes planning now, otherwise the predictions of the doomsayers could become a self-fulfilling prophecy. At this writing, I have knowledge of 15 major national studies which conclude survival is possible, if we prepare ourselves.

I am not offering a blow-by-blow refutation of the gruesome effects of a nuclear war already so graphically described by the Boston doctors. That is the last thing I intend to do, for I know what a nuclear attack could do to this country. However, I feel the Boston doctors and those who support their viewpoint are ignoring the reams of information that conclude it is possible to live through a nuclear war. By doing so, they are consequently ignoring the moral and strategic needs to survive. I would be ecstatic to see the planet rid itself of our nuclear Pandora's box. But, I am also tempering this idealism with historical realism. Never in the written history of the world has a major nation voluntarily disarmed.

The nuclear attack scenario discussed at the Cambridge symposium assumes there is a war without proper protection and evacuation for the people. In other words, without civil defense. That is why their conclusions result in so many deaths and so much destruction.

The Boston physicians also fail to point out that only a relatively small area of the United States would receive direct hits. They concentrate on areas of impact, which, of course, will be devastated. However, most of the Nation will have to cope with radioactive fallout, a nuclear war effect we can survive once we overcome our ignorance about the subject. A December 1979 study by Dr. Roger Sullivan of System Planning Corp., a private research organization in Washington, probably comes closest to the truth. The report, titled "Survival During the First Year After a Nuclear Attack," studied the effects on Ohio following several direct nuclear hits. It found that if no protective action were taken by the people there, only about 20 percent would survive the initial blast and fallout. However, if a workable civil defense program were in place prior to the attack, then about 80 percent of the population of Ohio would live. This hand calculated finding is an independent confirmation of similar results obtained using large computer codes to study the effects for the United States as a whole.

Life after such an attack in Ohio would be considerably more primitive and difficult than it is in the United States today. However, the only serious threat to overall continued survival there, if civil defense were effective, might be lack of food. Whether or not this would be a problem would depend on the attack season and other details. This uncertainty would be removed by stockpiling grain.

Next, I would like to respond to those who say survivability of the people is a sure route to war. If Americans are not protected we are more likely to enter war simply because vulnerable populations would be considered attractive targets. The Soviet Union does not believe in holding its people hostage under the mutual assured destruction theory as the United States does. This mutual deterrence only works if both sides subscribe to the theory, so as the Soviets increase their military strength we are making Americans more vulnerable to a holocaust and the world more likely to enter war. To accept a policy of national nonsurvivability is subscribing to a suicidal philosophy for all Americans.

Man is a survivor. It is not his nature to throw his hands up in resignation and say all is lost, nor is it his inclination to stand idly by while his Government holds him and his family hostage to Soviet missiles. However, I wonder if he is not beginning to do both? Have we become so spoiled by our current lifestyles that anything less than luxury makes us gladly anticipate a quick death? Have we become so overwhelmed by the enormity of the nuclear threat that we have sheepishly allowed the Government to put our lives on the block with its mutual assured destruction policy?

Those who contend there is no escaping death unless we disarm or remain vulnerable for the purpose of deterrence are to be commended for the idealism buried within this posture. While some of the facts are correct, the bottomline of what they contend is dangerous. There are two additional problems with their arguments. First, if we constantly hear that there is no way to survive a nuclear war as a nation and as a people we begin to believe it. Our entire reason for living then comes dangerously close to becoming hopelessness. Second, hopelessness also becomes pervasive across the Nation when we understand we are purposely being held hostage to Soviet nuclear bombs. I believe this kind of gloom has already started to take a firm hold on our minds. This is Jonestown on a massive national scale.

I am the first to admit that there are many uncertainties associated with civil defense, however, every credible study I have seen agrees that effective sheltering and/or evacuation can potentially save lives. So, my trump card in the great survivability debate, civil defense, offers hope, and a good chance for survival. The Boston doctors can offer the naive goal of disarmament. The assured destruction advocates can only offer our lives as hostages with a continuation of the mutual assured destruction philosophy.●

ARREST OF REV. CHUN MING KAO IN TAIWAN

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 6, 1980

● Mr. STARK. Mr. Speaker, I join the many Americans protesting the arrest of Rev. Chun Ming Kao, general secretary of the Presbyterian Church in Taiwan. As Senator Kennedy stated April 30, "Friends of Taiwan will simply not understand a judgment against this respected church leader."

Mr. Speaker, I have heard from the director for East Asia, National Council of Churches on this grave development in Taiwan. Mr. Edwin Luidens sent me a copy of the following message sent to President Chiang Ching Kuo by Claire Randall, general secretary of the National Council of Churches of Christ in the U.S.A:

NATIONAL COUNCIL OF CHURCHES
OF CHRIST IN U.S.A.

President CHIANG CHING KUO,
Office of President,
Republic of China.

The National Council of Churches in the United States of America is urged by its member denominations to express clearly their sorrow that your government escalated pressure on the Presbyterian Church in Taiwan by arresting the Reverend Chun Ming Kao. Coerced confessions and public allegations against him will be totally ineffective in breaking down the confidence and respect of the international Christian community in Reverend Kao. His commitment to the welfare of all the people of Taiwan and his insistence on non-violent democratic processes in church and government and his support for your authority under the constitution are well known worldwide. We urge you to order your military and police authorities not to use coercive measures. We urge you to assure yourself that Reverend Kao is given due process under law during interrogation. We urge you to recognize that it is important for a secure and creative future of your country to have the active support and cooperative participation of persons like Reverend Kao and that he should therefore be released and restored to his duly elected position of leadership in the Presbyterian Church in Taiwan at the earliest possible time. Because of our profound concern we would appreciate a reply as to how your government is dealing with these matters.

WILLIAM HOWARD,
President.
CLAIRE RANDALL,
General Secretary.●

WOMEN IN MANAGEMENT

HON. CHRISTOPHER J. DODD

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 6, 1980

● Mr. DODD. Mr. Speaker, on Saturday, May 3, 1980, I had the opportunity to address a Women in Management seminar at Middlesex Community College. The following is the text of my remarks prepared for delivery:

A LOOK AT THE 1980'S: WOMEN IN TRANSITION

As each of us looked back at the close of the decade of the seventies and mused over the prospects for the eighties, many speculated that the seventies represented the demise of the American dream; the end of an era of innocence, prosperity, and positive change. The Vietnam War, Watergate, the economy, and the more recent Iranian situation all contributed to the assessment that the pervasive feelings among Americans were ones of frustration and disappointment.

The idea that things are bad and that they will only get worse—what President Carter has referred to as the malaise of the American people—is atypical of the American attitude about itself over the years: Atypical of the history of American responds to the worst of times—world wars, depression, and civil strife. Our history shows us that in those times we as a nation coped with our problems, whether internal or external, because we had the knowledge and confidence that as individuals and as a country we would see things get better; we could put ourselves and the country back to work; we could resume our efforts to achieve our full potential.

I do not believe in blind optimism. I do not want to suggest that we have not made mistakes in the past or that presently we are not faced with serious and difficult problems. But, I do suggest that we can face the tough issues and make the hard decisions on the domestic and international fronts, if we as a people have not lost our confidence—the spirit to rout out our problems, mount the obstacles, and get back to business.

I find the National attitude—the defeatism expressed by many here in Connecticut and across the Nation—ultimately more distressing than any of the very serious problems we are presently confronted with. The suggestion that we can't make the system work anymore—that it cannot effectively respond to domestic and international demands—is in itself debilitating. And, if left unchecked, or unchallenged, it could be extraordinarily destructive; more serious than the Watergate scandal and other incidents that may have given rise to such a crisis in faith.

I believe that we can make government work. And, while perhaps frustrated, there are many Americans who are looking for and finding indications that, even in these difficult times, we can and are being self-critical and responding with effective, positive social and political changes.

I am confident that those of you gathered here today are a testimony to this view. Some of you are already involved in businesses and government at the managerial level; but the majority of you are here to ferret out the ways and means to make your way in what was not too long ago a "man's world."

It is this kind of willingness to go against the odds; to surmount the adversity; and to demand rightful change that is the cornerstone of our national heritage. It has brought us a long way, and I look for your support to rekindle the embers of our national confidence.

It is interesting that while the nay-sayers paint a bleak picture of the decade we have just left behind (again, I don't suggest that they had no cause to be critical), the 70's saw significant advances towards eliminating job discrimination for women as well as for racial minorities and the elderly. In particular, I am struck with the dramatic increase in the numbers of working women in this country in the last several years and the changes in the social and economic roles of women, which have accompanied the increased numbers.

There was much to be disheartened about during the 70's, but the unprecedented numbers of women entering the work force and the increased opportunities for occupational mobility marked an exciting, new era for women in this country.

I was personally saddened that the close of the 70's did not see the passage of the Equal Rights Amendment. I strongly adhere to the belief that the Constitution must guarantee that "equality of rights under the law shall not be abridged by the United States or by any State on account of sex." And, I am still supportive of efforts to see the ratification of this amendment by 1982.

Despite the fact that the amendment has not yet been ratified, committed men and women have made headway in increasing equal employment opportunities. As you make your career decisions or career changes, you become part of the shift in the labor force, which has resulted, among other things, in the Bureau of Labor Statistics having to change out-dated terminology (such as the definition of a "head of household") and to create new and remodel old series and reports to provide new and specific data on working women.

We all know that problems for women in the job market still exist, but "women and work" is far from a stagnant issue. For example, in 1948, there were 40 women per 100 men in the work force; in 1979, this number rose to 73; and in 1980, it is projected that 83 women will be in the force per 100 men.

It is not surprising that the largest gain in the work force has been among women under 35—the result, in part, of the post war baby boom. Likewise, a variety of social and economic changes have resulted in this generation of women largely opting for different life patterns than their mothers: Women are now found in almost every job category listed in the National Census of Occupations.

Many of the gains that have been made are already documented, while some of the impact of the changes wrought in the 70's will be manifest in the 80's. I know that each of you will be heartened to learn that the occupational gains in higher paying jobs for women occurred among managers and administrators. The seventies saw the percentage of women managers and administrators rise from 16 percent to 25 percent; the percentage of professional and technical workers rise from 39 to 43 percent; and the percentage of craft workers rise from 3 to 6 percent. Further, for the 2 million minority women entering the force in the 70's, there was a 95 percent growth for professional and technical workers, and their growth in managerial jobs was 160 percent. These are important achievements, but the numbers and percents should be even greater and other goals of women in the work force remain unmet.

As I am sure you are well aware, there still exists such problems as the earnings gap between men and women; the lack of sufficient occupational mobility; the need for more day care, more flex time, and more part time positions; and the need to further reduce sex-role stereotyping of jobs.

This is only a partial list of unmet goals, but suffice it to say that the list is long. I am convinced, however, that the labor, concern, and involvement of women like yourselves will bear its fruits in the 80's. But I cannot stress too much my concern to see your active involvement in making government responsive in this and other areas of importance to our future well being. I want to see that the political activity among women parallels their growth in the work force.

I believe that we must have the active involvement of all our citizens, at all levels of government, if we are to turn around the growing sense that we as a nation and as individuals are ineffective with a less than promising future. We may have become complacent in the 70's; we may have found it easier to turn inward, attempting to look out for number one, come what may. However short of our national and self images we may have fallen, we can accept as a challenge of the 80's the reversal of this trend.

Together, we can revitalize our hopes and dreams; we can lay the fears and speculations of the nay-sayers to rest. The time, effort, commitment, and sacrifice may be great, but no greater than the reward of sustaining our unique national spirit and way of life.

In closing, I would like to share with you part of one of my favorite poems, "Stopping by the Woods on a Snowy Evening," by Robert Frost: "The woods are lovely, dark, and deep/But I have promises to keep/And miles to go before I sleep/And miles to go before I sleep." I hope that his works might sustain you, as they often do me, as you begin the long haul of establishing yourselves in your respective professions; and, moreover, sustain us together in our effort to reinstate our national sense of ourselves as a nation that is forward-looking, and which sets our priorities and fulfills our best prophesies.

Again, I want to wish you a productive day as you go to your workshops and future success in your careers. Thank you.●

EVANTHIA KOLLAS—ST. PARASKEVI "MOTHER-OF-THE-YEAR"

HON. JEROME A. AMBRO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 6, 1980

● Mr. AMBRO. Mr. Speaker, this Mother's Day, May 11, St. Paraskevi Greek Orthodox Church in Huntington, N.Y., will pay honor to Evanthia Kollas as the "Mother-of-the-Year." Mrs. Kollas' poignant life story of courage and faith makes her an excellent choice for this tribute.

Born in Greece approximately 70 years ago, Mrs. Kollas was unable to bear children of her own as the result of a lack of medical treatment for a miscarriage shortly after her marriage to Michael Kollas. Poverty and unavailability of proper health care also resulted in the amputation of her arm, when her village was invaded during World War II and she was injured by a bomb fragment.

After the conclusion of the war, Evanthia and her husband, Michael, escaped from the Communists who had gained control of their village and settled in free Greece. Because of her handicap, Evanthia was in need of domestic help to assist with the household chores. Knowing of her need for a young woman old enough to take care of her personal needs, a friend told her about a 15-year-old girl, but brought a 5-year-old child to her instead. She knew that she was unable to care for herself, much less for a needy youngster, but Evanthia realized that the little girl had nothing and no one to care for her, so she decided to adopt her.

In 1956, Evanthia, Michael, and their daughter came to America, assisted by the World Council of Churches which was funding similar emigration by many Greeks seeking to start a new life in the United States. Since coming to this country, Evanthia has immersed herself in the good works of St. Paraskevi Greek Orthodox Church and has assisted her daughter—now married—in raising her own family. To Evanthia Kollas, her daughter, her family, and her religious faith have been the beacons which have guided her life. On this Mother's Day, I am sure that my colleagues in the U.S. House of Representatives join with me and with the parishioners of St. Paraskevi Greek Orthodox Church in paying sincere tribute to this courageous and dedicated "Mother-of-the-Year," Evanthia Kollas.●

SMALL BUSINESS: NEW YORK'S FORGOTTEN MAJORITY

HON. HENRY J. NOWAK

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 6, 1980

● Mr. NOWAK. Mr. Speaker, many people do not realize the contributions of small business to capital formation and job formation in this country. The National Science Foundation has concluded that small firms produce about 24 times as many innovations per research and development dollar as large firms. This points up the fact that the future of the Nation's economically depressed urban areas lies with the small business sector.

In recognition of the contributions and potential of small business, the speaker of the New York State Assembly, Stanley Fink, issued a report on February 21, 1980, entitled "Small Business, New York's Forgotten Majority."

Because of the interest of the Congress and the American people in this issue, I insert those sections of the report dealing with capital formation in the CONGRESSIONAL RECORD. The material follows:

SMALL BUSINESS: NEW YORK'S FORGOTTEN MAJORITY

CAPITAL FORMATION

A United States Small Business Administration report stated: "Small business is frequently undercapitalized and cannot obtain sufficient funds. The credit problems facing small businesses are frequently the result of the interaction between supply and demand for funds and the risk and return required by those investing in a small firm. To improve the lot of the entrepreneur in the debt market, steps must be taken to expand the sources of credit, reduce its cost and simplify the procedure for obtaining this essential commodity."

Small businesses are severely disadvantaged in trying to obtain capital to launch a new venture or to simply expand. Large firms, typically, have access to the public securities market to raise capital. The accessibility of small businesses to the securities market has rapidly diminished. In the last decade, the number of small businesses obtaining capital in the public securities market nationwide fell from 548 firms and $1.5 billion in new capital in 1969 to 29 firms and $110 million in new capital in 1977.

Investment capital is increasingly under the control of large pension funds and the investment of these funds is governed by the Employee Retirement Income Security Act (ERISA). Its provisions, which are designed to protect pensioners from imprudent investments, acts to exclude pension fund investment in small issues. As a recent report to the U.S. Commerce Department summarized, "a conservative interpretation of these (ERISA) regulations requires the fund managers to limit their equity investment to stocks of blue chip firms traded in large volumes on public exchanges." This in effect excludes a vast pool of the nations wealth from being invested in small businesses.

Other problems which small businesses face in trying to obtain public investment include the following:

(1) The average cost of stock registration for companies with less than $5 million assets was $122,000 in 1976.

(2) Venture capital firms invested only 5 percent of their new investments in 1975 in new ventures and 2 percent to first-round financing. Difficulty in recycling investment funds was cited as the primary cause.

(3) The limitation of Regulation A offerings (stock offerings by small companies under a rule designed to facilitate the sale of securities by smaller companies) to $500,000 or less was cited as unrealistic because of the difficulty in underwriting such a small issue.

(4) The limitations that the SEC has developed on the secondary sale of securities are probably more damaging to small business financing in the public securities markets than the high cost of registration and the near disappearance of the private offering exemption.

Small businesses are also disadvantaged in borrowing to meet their debt capital needs. Small businesses frequently have higher risk factors due to their size and age. Banks frequently find, in addition, that a smaller loan is more expensive to make than a larger loan. Small businesses usually have to pay higher interest as a result. The problem is exacerbated when monetary policy in an inflationary period results in a tight money market.

Small business desperately needs access to capital in order to succeed in the present economic climate. In many cases, the lack of capital results in a small business folding or selling out to a large business. Improved access to capital is a necessary step in reducing the negative effects of continued economic concentration.

The following proposals are designed to foster such private sector capital formation and to increase the amount of capital available to small businesses. Most of the proposals can be implemented at the state level, but others require federal action and in the other cases state action in the absence of federal action would have very little impact. The Division For Small Business should act as an advocate for New York's small business community in seeking such federal action.

1. The exclusion from taxation of capital gains which result from job creating investments in small business should be greater than the exclusion available on other capital gains. The exclusion should be increased from 60% to 75% for capital gains realized from investments in independently owned firms of less than 500 employees and from 60% to 90% for gains realized from investments in such firms with less than 100 employees. Such a special exclusion should apply only to stock held for a minimum of three years and it should be made clear that these rates apply only to job creating investments and not to capital gains realized from the purchase and sale of real estate. These exclusion rates would either be the same or 10% less at the state level depending on whether or not the overall New York State capital gains exclusion rate is changed.

2. Taxation of capital gains should be deferred if the proceeds of a stock sale are re-

invested in a job creating small business within one year.

3. Start-up loss "carry forward" provisions should be extended from 5 to 10 years.

4. The Employee Retirement Income Security Act (ERISA) should be amended by Congress to make clear that pension fund managers are permitted to invest up to five percent of pension fund assets in small firms as long as those investments are considered sound.

These proposals should have a significant impact on the investment capital available to small business. The capital gains rate change should make investments in small business a much more desirable investment and help offset the perceived risk of investing in small businesses. This change, the capital gains deferral proposal and the proposed ERISA changes, would open up large sources of new small business investment. The ERISA proposal alone could have a potential impact of $25 billion since ERISA rules affect about $500 billion in potential investment capital. The "carry forward" proposal should help small businesses generate additional capital through retained earnings.●

H.R. 2817—THE MILITARY RETIREMENT INCOME EQUITY ACT

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 6, 1980

● Mrs. SCHROEDER. Mr. Speaker, last week I circulated a "Dear Colleague" on my bill H.R. 2817, the Military Retirement Income Equity Act. The "Dear Colleague" was filled with facts and figures. However, the best argument for the bill lies in the hundreds of letter I have received. The facts and figures come to life. The following is an example of one of these letters:

SAN ANGELO, TEX.,
March 14, 1980.

Re H.R. 2817 and H.R. 3677.
Hon. PATRICIA SCHROEDER,
Committee on Armed Service, U.S. House of Representatives, Washington, D.C.

DEAR REPRESENTATIVE SCHROEDER: After 19½ years of devoted faithful marriage to a career Air Force Master Sergeant, I was divorced from him simply because "he just didn't want to be married anymore." At a time when the children were getting older and we could spend more time with one another and begin to enjoy some of the benefits of our many years of military service, he chose not to be married! Because of his decision and because he had made life unbearable for our two children and myself, I was forced to give up everything I had sacrificed for and worked, side by side like a Trojan, with him to acquire. He walks away with what we both looked forward to having—what we both struggled for all those years. I am left with the care and raising of our two fine daughters, but nothing else tangible from almost 20 years of service to him and to my country.

I cannot possibly tell you in one letter the good times and the hardships we shared, but let me assure you that they all were shared. But, let me give you a brief idea of what I gave up, generally most willingly, and then let you judge the equity of what I received.

A National Merit Scholar, I married less than a year out of high school. For years, my husband doggedly prevented me from going back to school. When he was not fighting me about education, we were either just coming from one station or getting ready to PCS to another duty station. Whatever the reason, there was never enough money for me to go to school. Twenty years after marriage I still do not have a degree though I am struggling three hours at a time to get it. I am now required to continue raising our two children on less salary than I could earn with a degree.

I have lived in, and made a home in, everything from an igloo to a sand dune, so to speak, to keep our family together. I did it willingly and I have no regrets for it. I have burned wood to get hot water, poured clorox in my childrens' bath water so they would not be infected by contaminated water, hammered the stopper down in a bathtub to keep the cockroaches from swarming by the thousands all over the house, drunk water in which, if left standing for 24 hours, "things" began to swim, watched my daughter be depigmented by a rare fungus, accepted poor medical services at the hands of minimally trained doctors fresh out of medical school, gotten up before dawn to light a fire in a freezing house so my husband would be warm when he got up an hour later. I have spent countless nights alone and afraid in a strange and foreign land while my husband kept his military vigil, held my screaming babies down while corpsmen injected painful solutions into them so they could be with their daddy overseas, cooked meals at all hours of the day and night to meet my husband's, and the Air Force's schedule of shifts, slept when his shift schedule and the childrens' schedules permitted and only allowed myself to get sick if it wouldn't upset the family routine! I have been both mother and father to two growing daughters. Because my husband was in Security Service, I was deprived of sharing in the experiences of clearly half of his life. I was forced to live in ghettos in the 1960's because towns where we were stationed designated certain areas for minorities. I was subjected to racial slurs and insults to be near my husband and make his life easier so he could perform his duties better. I have known loneliness, fear, frustration, discrimination, deprivation and my husband's serious drinking, much of it prompted by the "system" of mandatory beer calls and a fellowship of men who expected to prove something by how much alcohol they could consume. Psychological treatment was denied my husband because it might cause him to lose his security clearance, so the children and I paid the price of living with a man who needed help. With that help, my marriage might not have ended.

While many other wives lived beyond their husband's earnings and were demanding of their earnings, causing the husbands to work second jobs, I scrimped and saved and made every stitch of clothing I wore (and some of his) so that he would not have to work a second job and could spend that precious time with our family. How many enlisted men or officers, for that matter, do you know who, in 20 years of service, never had to work a part-time job? I made his earnings do whatever they had to, no matter what I had to do without. When my husband's need to keep up with the Jones got the better of him, I was forced to quit school (I had just gone back) to take a full time job. I had to work twice as hard as some of the other workers because I had less education.

After 18 years of marriage, we built and owned a lovely home. Every square inch of that house was specially selected as I thought we had finally put down our roots and I wanted my home, and his, to reflect care and warmth and his pride. I raked and hoed in that yard—mowed and trimmed lawns and kept up this dream house—a house he convinced me we deserve though it took both our salaries to have and keep it. And the story goes on.

Today, seven months after divorce, and 18 months after his 20 year retirement date, I live in a tiny, dark apartment with our two daughters, still reeling from their father's desertion and the realization of total rejection as their father does not even pick up the phone to call them, despite the fact that he lives less than 2 miles away. The two allergy shots I had to take each week for survival are a thing of the past. I cannot afford to pay a private physician for the allergy shots so I just go without, and I suffer. I have no yard to work in or home to keep for a husband. My salary was not enough to make the $451.00 home payments so the girls and I had to give up our lovely home. My ex-husband now has it. The children had to give up their dog, raised from a pup. Three of us now live on half the income 4 of us used to.

The grocery bill is eating up my salary because I no longer have commissary privileges, nor do the children (military regulations do not allow dependents residing with a non-eligible spouse to maintain their commissary privileges.) I pay $45.00 per month for health care insurance, while his medical care is assured. I pay 30 percent more for household items because I do not have PX privileges. At an age when dental work becomes increasingly more necessary, I must pay full cost in order to keep my teeth—while his dental care is discounted. At a time of my life when our lives could have been the most secure, I am again struggling for survival, functioning as mother and father to our daughters, working every daylight hour and finding time to meet the needs of these extremely traumatized children, which are many and varied.

As a final painful straw, I am back in court trying to get the 20 percent of my ex-spouse's retirement which was awarded at the time of the divorce. (I am actually entitled to 27.7 percent—but once again I compromised in an effort to be fair and facilitate the divorce proceedings). To date, I have not received a dime of that entitlement! I feel certain the judge will not hold him in contempt of court as debt is not a contemptible matter according to the Texas Family Code. I can only hope for some sort of equitable judgment or that he will sign another amended set of court orders promising to begin payment at some future date. With his record of broken promises, I do not hold out much hope for that. Instead, I see a continuing struggle, year after year, to try to obtain what is legally and morally mine and ever mounting legal fees. I am being robbed as surely as someone came into my home each month and took the $117.00 directly from me and I have little or no recourse in the law.

I worked hard during those 19½ years. I sacrificed a great deal in the service of my country. I served with honor and pride. Had it not been for me and our family, my ex-spouse has often said he would not have remained in service nor would he have worked so diligently at his job. On my office wall I proudly display my retirement certificate, presented to me immediately after he received his.

Please help me and thousands of other women like me to get what is ours by law. Please support H.R. 2817 proposed by Rep. Pat Schroeder and H.R. 3677, which is the Hance bill, and any other legislation that will provide for a fair apportionment of the military retirement pay. These bills are not retroactive and, therefore, may exclude tens of thousands of women, but it is a start in the only decent direction. They do need to be retroactive at least to a certain specified date.

Should you need my testimony, or a further explanation of the torment and injustice I have suffered, I offer it willingly.

Sincerely yours,

CELESTE STANTON LUSBY.●

UNITED CALIFORNIA BANK AND SMALL CITIES PROGRAM

HON. JIM LLOYD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 6, 1980

● Mr. LLOYD. Mr. Speaker, I am proud to bring to my colleagues' attention the work of United California Bank at helping to ward off at home the financial malaise characterized by the cities of New York and Cleveland. As a strong member of California's business community, United California Bank felt a responsibility for the financial health of the cities in which its employees and their families live and work and embarked on the "Small Cities Program." The plan involved borrowing financial and managerial talents from business, academia, and Government and sending the team to a volunteer city to work with its officials.

I am happy to say that a city in my district, Montclair, took advantage of the concept and invited a small cities team to help on implementing the city's objectives of desirable industry growth, orderly residential development, and expansion of the retail area.

Working with Montclair officials, the small cities team set up a work productivity program for city employees. Service level budgeting was implemented, and midrange planning was begun to identify Montclair's special needs and levels of services. In addition, a financial planning program was developed for the police department, as an example for other departments to follow. The work took over 8 months and almost 1,500 hours—all at no expense to the Montclair taxpayer—and turned the city's hopes for the future into blueprint.

United California Bank's program is a model. Similar work is underway in the Seattle area, and the California Roundtable plans to extend the program to a variety of local government units.

I congratulate UCB on its efforts and for illustrating that business and the private sector do have a lot in common—the future.●

THREAT TO THE CANAL

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 6, 1980

● Mr. McDONALD. Mr. Speaker, troubles continue to mount over the Panama Canal Treaties and our Government continues to act as though these problems will all go away if everyone pretends not to notice. However, a 48-hour strike is not a laughing matter when it closes the Panama Canal down. Therefore, I commend this recent editorial from the Richmond Times-Dispatch of April 28, 1980, to the attention of my colleagues who are interested in how the Panama Canal Treaties are doing:

THREAT TO THE CANAL

A scant two years since the ratification of the treaties ceding immediate sovereignty over the Panama Canal Zone and eventual control over the canal itself to the Republic of Panama, Panama's left-wing government is flinging threats of violence as part of a campaign to flout legitimate American efforts to protect U.S. interests in the waterway. President Jimmy Carter's response to the newest threat to the canal meanwhile has been blandly accommodating to the blusters of the Panamanian dictatorship.

Panamanian President Aristides Royo in January sent Mr. Carter a vitriolic letter denouncing as "unacceptable" and "illegal" the implementing legislation for the canal transfer treaties, approved by Congress and signed by Mr. Carter last fall. By only a matter of days, the Royo letter's dispatch was followed by a Panamanian labor strike that shut down the canal for 48 hours. The walkout, supported by Panamanian communists and the regime of Gen. Omar Torrijos and President Royo, was the most serious deliberate disruption in the history of the waterway. Given the tenor of the government in Panama City, it very well may be an omen of troubles to come.

The Royo letter, following upon two earlier protests against the implementing legislation while it was still being considered by Congress, denounced a number of Congress' stipulations regarding the Panama Canal Commission, the joint U.S.-Panamanian authority that is to operate the canal until 1999, when Panama will take over operations entirely. Among the provisions of American law that Mr. Royo called "illegal" and "unacceptable" were those giving the American Defense secretary authority over the American commissioners and the American Congress approval power over the commission's budget. Other Panamanian objections include a requirement that Panamanian members of the commission abide by the same code of conduct as American members.

In pressing for his demands, the Panamanian president used rhetoric common to his country's variety of "diplomacy": the threat of violence. "Our nation," wrote Mr. Royo, "has not waged from 1904 to 1977 a tenacious struggle, leading to the sacrifice of blood . . . so that the important achievements of the recent treaty will be denied it . . . if such a denial is maintained, the present and future generations, no doubt, will also struggle."

Early last month, fully two months after President Royo sent his open letter to President Carter, Virginia's Sen. Harry F. Byrd Jr. asked to see Mr. Carter's reply and suggested making it public. The White House thereupon told an astonished Mr. Byrd that no answer to the Royo communique yet had been prepared. A week later, Sen. Byrd was offered a copy of Mr. Carter's reply to President Royo but was told it would not be made public for reasons of "executive privilege." Mr. Byrd refused to accept the letter under such a condition. Five days afterwards the letter was released.

The formerly "privileged" communication from the U.S. president to the Panamanian president turned out to be nothing but a stew of generalities, addressing not one of Mr. Royo's many specific complaints. The tone of the letter was blandly conciliatory, answering the Panamanian's violent threat with the sort of pablum one might expect a junior congressional aide to scribble for his boss in the hope of mollifying a cranky constituent.

"Your comments and observations on various aspects of the Panama Canal treaties of 1977 and the related implementing legislation were interesting and useful," Mr. Carter wrote to the hostile Panamanian leader. "We are giving them most careful consideration." Beyond this, Mr. Carter said nothing more substantive than that he would consider submitting some of Panama's complaints to Congress next year—conveniently after the U.S. election. He advised Mr. Royo that "many of the problems that have arisen so far, however, do not appear to be the result of legislative requirements, and so we need not wait for legislative action to address them."

It takes no geopolitical genius to infer from the Carter-Royo correspondence that the State Department's Gang That Couldn't Troubleshoot Straight is set to stalk once again in Central America, and that when it fires, not enemy interests but those of the United States may be expected to be injured. The president appears to be preparing to maneuver around both Congress and popular opinion in order to make concessions that he hopes might dull the Panamanian appetite for blood. Mr. Carter should not be allowed to get away with any such maneuvers and concessions.●

DISAPPEARANCE IN EL SALVADOR

HON. TOM HARKIN

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 6, 1980

● Mr. HARKIN. Mr. Speaker, it seems that the violence and terror and unrest in El Salvador has claimed yet another victim. I would like to take this opportunity to express my regret and concern over the disappearance of Rene Tamsen, a correspondent for a Washington, D.C., radio station, WHUR, who was working in San Salvador. Mr. Tamsen is a permanent U.S. resident whose sister is a U.S. citizen.

I urge the U.S. Department of State to continue its efforts to secure Rene Tamsen's whereabouts. I commend Ambassador Bob White for his efforts to locate Mr. Tamsen, and I urge the Government of El Salvador to cooperate with efforts to return Rene Tamsen safely to his family in the United States.●

SUPPORT MOUNTS FOR CAPITAL COST RECOVERY ACT

HON. JAMES R. JONES

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 6, 1980

● Mr. JONES of Oklahoma. Mr. Speaker, the mandate, in support of the Capital Cost Recovery Act, from the people and the business community of America continues to grow. I find myself in the enviable position of being able to name nearly 300 of my colleagues who have voiced their support through cosponsorship of this legislation. Just as important, though, are the endorsements I have received from businesses, small and large, and trade associations all over the United States.

None of those endorsements pleases me more than the one I have most recently received. The Industrial Research Institute, a vital and active organization which represents 250 important companies, has endorsed H.R. 4646 in a letter from their president, Mr. Jason M. Salsbury of American Cyanamid Co. The IRI recognizes the need for improved capital formation and productivity that its member companies feel. Passage of H.R. 4646 is necessary to the realization of this essential economic goal.

The beneficial ripple effect of this legislation, Mr. Speaker, cannot, of course. be exactly foretold. But its profound effect, for the good, on the American economy is suggested by Mr. Salsbury's letter. We know this bill will improve capital formation, increase productivity, and create jobs. In this one case, as Mr. Salsbury attests, it would provide a climate for increased technology, resulting in even more benefits for the American economy. When you multiply this by the thousands of industries to be affected, the result is almost overwhelming.

Mr. Speaker, H.R. 4646 is a beacon in the blanketing fog of a sagging American economy. I urge my colleagues to seek that beacon and to follow it. Its light will lead them safely past the rocky shoals, into the safe harbor of a sound economy. I call for swift enactment of this legislation. I commend the words of Mr. Salsbury to the attention of my colleagues. The letter follows:

INDUSTRIAL RESEARCH INSTITUTE, INC.,
New York, N.Y., April 3, 1980.

Hon. JAMES R. JONES,
House of Representatives, Cannon House Office Building, Washington, D.C.

DEAR MR. JONES: The Industrial Research Institute (I.R.I.) is comprised of 250 U.S. member companies who represent about 85 percent of all industrially-funded U.S. industrial research and development. Late last year, the I.R.I. published a formal position statement on government economic policies to stimulate industrial innovation which we believe is relevant to current tax policy issues before the Congress.

I.R.I. believes that inflation and other uncertainties in the investment environment have produced critical disincentives in our tax system for industrial innovation. These disincentives in our tax system for industrial innovation. These disincentives are discouraging capital investments of the type necessary to translate the results of successful research and development into the new products and processes essential to productivity growth, control of inflation, and international competitiveness.

I.R.I. strongly favors federal actions to increase the rate of capital formation. To this end, our position statement includes the recommendation that present tax regulations should be modified to allow for accelerated depreciation allowances for plant and equipment. We therefore applaud the actions that you and your colleagues are taking to enact legislation to improve capital recovery allowances.

I feel certain that passage of your bill, HR 4646, would produce substantial and immediate improvement in the rate of diffusion of advanced technology into the productive base of our economy, improve the rate of productivity growth, and contribute importantly to the long-term control of inflation.

Sincerely,

JASON M. SALSBURY,
President, Industrial Research Institute, Inc.●

PERCEPTIONS

HON. TOM HARKIN

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 6, 1980

● Mr. HARKIN. Mr. Speaker, last Tuesday, April 29, a newspaper column written by Rosalie Yacknin appeared in my hometown newspaper, the Ames, Iowa, Daily Tribune. The title of the column was "Perceptions." It could just as easily have been entitled "Dirty Tricks."

Ms. Yacknin's column demonstrates, by quoting from a speech given by Steve Roberts, the State chairman of the Republican Party in Iowa, the lengths to which the minority party is willing to go in straining reality and credulity in order to get its candidates elected.

I, for one, believe Ms. Yacknin—and Abraham Lincoln—are right: "You can't fool all of the people all the time." I am sorry to see the modern day Republican Party stray so far from its historic roots.

The text of Ms. Yacknin's column follows:

PERCEPTIONS

(By Rosalie Yacknin)

Two years ago Roger Jepsen beat Dick Clark, by all accounts one of Iowa's most popular senators.

Last Saturday, at a meeting of Ames Women in Communications, the state chairman of the Republican Party told how.

It all began, said Steve Roberts, with this cardinal rule for political public relations: To win election campaigns "perception is more important than reality."

The strategy makers faced a formidable challenge. "Clark had a 77 percent approval rating, absolutely phenomenal. The public perception was that he was an outstanding senator, a friend of the people and represented them well."

A Republican poll of Clark supporters revealed two key facts: One, few voters could recall anything specific Clark had done except that he had campaigned by walking through Iowa; and two, 25 percent considered Clark a conservative.

"Now, most Iowans consider themselves conservatives whether they are or not. It's that buzz word again—perception," Roberts smiled, as if inviting the audience to share in his insider's joke.

Jerry Mursener, Iowa's top p.r. pro according to Roberts, spotted Clark's Achille's heel. Roberts repeated Mersener's advice: "The way to beat Clark is to label him the most liberal senator in the Senate, regardless of what that means."

Accordingly, Republican image makers—the public relations experts—fired off long bursts of slogans, such as "Clark fits into a state like California; he's too liberal for Iowa" and Clark cares more for Africans than he does for Iowans."

Then they aimed at Clark's high marks for taking part in Senate voting sessions. "When he was in Washington, we said 'He doesn't care about Iowa, he's always in Washington.' When he came back to Iowa, we asked 'Why isn't he doing his job in Washington where he belongs?'

"You can use the same thing on any incumbent," Roberts confided cooly, never dropping his smile.

The woman taking notes felt a familiar tightening in her stomach and throat. A mental dialogue she tried to ignore kept playing in part of her mind.

"He's not saying anything you haven't heard about politics," she told herself. "And at least he has the honesty to tell it straight."

She had read Vance Packard's "The Hidden Persuaders" 20 years before. He had documented how public relations sleight-of-hand artists manufactured images to order for public consumption.

She had witnessed the transformation of Richard Nixon from "the man you wouldn't want to buy a used car from" to a president—with the help of a little makeup and massive p.r. Furthermore, she was getting too old to wear idealism becomingly.

But she had also read "1984."

She still shuddered at the word picture of an ultimate dictatorship in which an elite maintained power by monopoling facts and doling out tailor-made perceptions at will.

Her muscles grew tauter as Roberts reinforced his argument.

"The talk in the business is not the race between Grassley and Stoner," he was saying. "They talk about what will Jerry Mursener and Bob Bradsell do next. (Mursener is campaign manager for Stoner; Bradsell plans the Grassley campaign.)

"The game between Stoner-Grassley has nothing to do with who's the best. It's a game between Mursener and Bradsell. It's a case of two great gun slingers going against each other. The candidates are almost immaterial."

Warming to his subject, Roberts described how the professional handicappers had figured the odds at the starting line. He said Stoner began running with 7 percent voter support; Grassley, with 62 percent. "Now with media advertising Stoner is within 4 percent of winning."

The reason, he said is Mursener—"brilliant manipulation"—and money. "Public relations needs a money base. . . . Getting the name out is more important than what the candidate is saying."

He threw an example at the audience. "One woman we polled said she's voting for Stoner because he works so hard. She sees him all the time working on television."

A man in the audience asked if a good p.r. person could get anyone elected. "Most candidates have some qualifications," he conceded but switched the questioner back to the maintrack. "Some people will make representatives even if they're Godzilla the Monster," and he clinched his argument with another real life story.

"One candidate we got elected said now he'd have to figure out how to pay for high-cost housing in Washington. We told him he hadn't been elected to Congress; he'd been elected to the State Legislature."

The woman tried to analyze why she could not accept the unassailable, for she knew and believed you can't fight success. She weighed what she had heard—or not heard—with what she had seen—or not seen.

She had not seen a particular Republican or Democrat. She was awed because she had seen a political species.

She had seen a man joyous on his perch of political power, beaming signals of his past and future success. She had seen disdain for the voters' ability or will to make intelligent decisions. She had seen open admiration for the public relation practitioner's ability to fool voters with false images while withholding facts.

She had not seen embarrassment.

She had heard a view of politics that crossed her moral line, separating the tolerable for the intolerable. It was not so much that the man practiced what he preached that breached her line; it was that he practiced what he preached and could talk about it. Without apology, Roberts had freely and gleefully proclaimed what he practiced as if what was gave it legitimacy.

What she had not heard was concern that his listeners would respond with less than admiration—or—if they did—that their indignation would matter.

Worn cliches rang like battle cries through her mind. "Democracy depends on an informed public" and "The public's right to know" and the notion a political campaign acts like the nation's public forum.

The woman no longer cared if she looked well in idealism. Perspiring with tension, she asked her questions. Still relaxed, still smiling, still confident, Roberts gently answered with his own guiding cliche: "My job is to get my party elected."

She wanted to retort with another, "But you can't fool all of the people all the time." Instead, she wrote a column.●

HOUSE OF REPRESENTATIVES—*Wednesday, May 7, 1980*

The House met at 1 p.m.

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

O Lord, during this moment of prayer allow us to sense Your presence and acknowledge Your gracious love. Teach us, in the midst of the daily demands of responsibility, to use these brief moments to reflect in Your goodness to us and to receive encouragement. Though we accept the necessary tensions of decision and competing interests, help us always to keep our eyes on You, from whom comes all help, O Lord, our rock and our salvation. In Your name, we pray. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate agrees to the amendments of the House to the amendments of the Senate numbered 1 and 3 to the bill (H.R. 126) "An act to permit the National Park Service to accept privately donated funds and to expend such funds on property on the National Register of Historic Places."

The message also announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 2382. An act to provide for additional authorization for appropriations for the Tinicum National Environmental Center.

CUBAN REFUGEES

(Mr. DEVINE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DEVINE. Mr. Speaker, the flood of Cuban refugees to Florida is not simply a large-scale human tragedy. It also poses a serious threat to this Nation's immigration laws and internal security.

As of midnight some 20,000 Cubans have entered the United States as a consequence of Castro's decision to export his political dissidents and other undesirables. There are estimates that as many as 250,000 Cubans may come to the United States.

Another 250,000 Haitians want to enter this country, and are watching the Cuban situation closely.

Mr. Speaker, this country has long pursued a policy of opening its borders to political refugees. But we have no obligation to accept unlimited numbers of these people.

Many of the Cubans are undesirable aliens. Of the 300 an hour entering Florida, it is estimated that 60 are criminals. That is one jailbird a minute.

It is essential that we not abandon our immigration laws and procedures in this difficult period.

"DEATH OF A PRINCESS"

(Mr. PAUL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PAUL. Mr. Speaker, the scheduled showing of "Death of a Princess" on the Public Broadcasting Service next Monday evening should be canceled. I urge WGBH-TV and the PBS to do so.

If shown, this movie will create serious problems between the United States and Saudi Arabia, as was the case in Britain. In fact, showing this film could be the most serious diplomatic blunder in years—and there is a lot of competition for that title.

There is no inconsistency, despite my belief in complete freedom, in wanting to cancel this film.

The making of the movie was heavily subsidized by the American taxpayer, as is the PBS network. Such Government backing greatly magnifies the diplomatic significance of this film.

If it had been privately produced, and were to be aired on a private network, Congress would have no involvement.

The problems with this film stem from the unconstitutional and unnecessary involvement of the Federal Government in broadcasting. This involvement was created by Congress, and only Congress can resolve it.

Educational TV would survive without Government subsidies, and be the better for it. The pseudo-civil libertarians who claim that curtailing a Government broadcast violates the Constitution are all too willing to extract money by force from the American people, to finance such an inappropriate film.

We will have perpetual conflict between the "interests of the state" and the first amendment, so long as taxpayers' money is used to finance broadcasting.

Licensure of the airwaves is a problem as well. Brought to us by the father of the Depression, Herbert Hoover, broadcast licensing results in the electronic media being less free than the print media, through equal-time provisions and relicensing regulations.

The Congress should seriously consider the deregulation of the airwaves, based on the principles of private property. If the diplomatic crisis we face as a result of "Death of a Princess" causes serious debate on these issues, then it will have served a useful purpose. It is time that we considered the conflicts and dangers inherent in Government control and subsidization of broadcasting.

NORTHEAST-MIDWEST INSTITUTE REPORT ON INCREMENTAL PRICING

(Mr. HILLIS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HILLIS. Mr. Speaker, in order to gain a better understanding of the effects of incremental pricing, I asked the Northeast-Midwest Institute to study the issue and report their findings.

I have examined the institute's study which will be available May 12 and have come to the conclusion that phase II regulations which were submitted to the Congress yesterday, should be rejected. The report clearly states that implementation of phase II could cost the Northeast and Midwest jobs due to the closing of marginally profitable industrial facilities. The institute also finds that as these facilities are closed, residential gas prices will increase since there are fewer consumers to pay for production and transportation costs.

Certainly the original goal of incremental pricing was a worthy one. However, it is clear that full implementation of incremental pricing could severely hurt our productivity and should be rejected.

I urge my colleagues to read the Northeast-Midwest Institute's report. It is vital that we strike the proper balance between the need to help residential gas users pay for higher fuel costs and the need to improve our productivity. Phase II implementation could have a negative impact on both these objectives.

□ 1310

THERE GOES THE JUDGE?

(Mr. MICHEL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MICHEL. Mr. Speaker, last week Secretary of Education Shirley Hufstedler made a partisan attack on candidate Ronald Reagan in a speech at the National Press Club. I have read that speech. It is long on personal abuse and short on facts. It is a campaign document, pure and simple.

Listen to her words:

> It would make about as much sense to abandon the Federal responsibility for education in today's world as it would to dismantle the Pentagon and rely for the com-

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□ This symbol represents the time of day during the House Proceedings, e.g., □ 1407 is 2:07 p.m.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

mon defense on the flintlocks that the Constitution guarantees our right to bear.

Neither Ronald Reagan nor anyone else I know has said we should "abandon" the Federal role of education. What has been said is that the proper role of the Federal Government does not call for a Department of Education.

The Constitution places primary responsibility for defense on the Central Government; it places primary responsibility for education on the States and the people. So what can she possibly mean by this false analogy?

In subcommittee hearings, Judge Hufstedler assured me she would not use her office for partisan purposes. Obviously she takes her promises as seriously as the man who appointed her.

LAST MEMBERS OF IRAN RESCUE TASK FORCE ARRIVE IN UNITED STATES

(Mr. COURTER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. COURTER. Mr. Speaker, late yesterday, the last members of the Iran rescue task force arrived back in the United States. These were the men who gave their lives and whose bodies were desecrated; paying the ultimate price for their sense of duty and devotion to their Nation and fellow citizens held hostage. Though I am unaware of any Member requesting a special order on this occasion, I hope each and every one of us think about their sacrifice and reflect as to what their bravery has meant to our Nation and the world. We certainly owe them this much.

Thank you, Mr. Speaker.

POSTAL SERVICE VIOLATES PRESIDENT'S PRICE GUIDELINES

(Mrs. SCHROEDER asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. SCHROEDER. Mr. Speaker, last week the U.S. Postal Service, Richard Nixon's most visible legacy to the American people, proposed a big hike in postal rates to the Postal Rate Commission. Unless the Commission vetoes the increase, it will go into effect in 10 months.

If President Carter is looking for violators of his price guidelines to chastise, he ought to look at the Postal Service. The proposed 33 percent jump for first-class rates makes price rises in other services look petty. Some jawboning in this area might save every American money over the next few years.

Even more appalling is the distribution of this rate increase. The rates for first-class mail, which is the type most Americans use to pay gas bills and to send get well cards to their aunts, are supposed to jump from 15 to 20 cents. On the other hand, the rates paid by Time magazine and Reader's Digest are only supposed to go up by a scant 1.9 percent. The junk mailers will be forced to pay 17 percent more, but can save some of this amount through discounts.

I do not think the people of this country are going to sit quietly as the Postal Service raises rates and cuts services. The American people want a post office that delivers the mail at a reasonable price. Congress must take a more active role in making sure that the Postal Service does just that.

Mr. JOHN L. BURTON. Mr. Speaker, will the gentlewoman yield?

Mrs. SCHROEDER. I yield to the gentleman from California.

Mr. JOHN L. BURTON. Mr. Speaker, does this mean that people who send Grandparents' Day greeting cards are going to find that their postage rates have increased by about a third?

Mrs. SCHROEDER. That is right—and Mothers' Day cards also.

Mr. JOHN L. BURTON. Grandparents' Day is the most important day.

Mrs. SCHROEDER. Mothers' Day is very imminent.

PERMISSION FOR SUBCOMMITTEE ON HEALTH AND ENVIRONMENT OF COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE TO SIT DURING 5-MINUTE RULE

Mr. WAXMAN. Mr. Speaker, I ask unanimous consent that the Subcommittee on Health and Environment of the Committee on Interstate and Foreign Commerce be allowed to meet while the House is under the 5-minute rule today.

The ranking Republican, Dr. TIM LEE CARTER supports this request.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

DEBATE CALLED FOR ON MUSKIE NOMINATION

(Mr. BAUMAN asked and was given permission to address the House for 1 minute.)

Mr. BAUMAN. Mr. Speaker, the old saying is that politics stops at the water's edge, but I think commonsense should not. I have read this morning the statement of one EDMUND MUSKIE of Maine, stating that he intends to carry on the foreign policies of President Carter and Secretary Vance.

If that is the case, I think the very least the other body ought to do is to conduct an extensive debate on his nomination, exploring every facet of the policies as they have been in the past and should be in the future. And, if he means what he says, I think his nomination should be rejected.

The hour of this country is too late to continue these policies, and if that is what Mr. MUSKIE means, Mr. MUSKIE should not be Secretary of State.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. For those Members present, the Chair would like to make the following announcement:

Upon completion of the budget resolution, the House will take up the food stamp bill, the rule and general debate.

At the conclusion of general debate, the House will have finished the legislative business for the day.

FIRST CONCURRENT RESOLUTION ON THE BUDGET—FISCAL YEAR 1981

Mr. GIAIMO. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the concurrent resolution (H. Con. Res. 307) setting forth the congressional budget for the U.S. Government for the fiscal years 1981, 1982, and 1983 and revising the congressional budget for the U.S. Government for the fiscal year 1980.

The SPEAKER. The question is on the motion offered by the gentleman from Connecticut (Mr. GIAIMO).

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. ASHBROOK. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 383, nays 4, answered "present" 1, not voting 44, as follows:

[Roll No. 217]

YEAS—383

Abdnor
Addabbo
Akaka
Albosta
Alexander
Ambro
Anderson, Calif.
Andrews, N. Dak.
Annunzio
Anthony
Applegate
Archer
Ashbrook
Ashley
Aspin
Atkinson
AuCoin
Badham
Bafalis
Bailey
Baldus
Barnard
Barnes
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Beilenson
Benjamin
Bennett
Bereuter
Bethune
Bevill
Biaggi
Blanchard
Boland
Bolling
Bonior
Bouquard
Bowen
Brademas
Breaux
Brinkley
Brodhead
Brooks
Broomfield
Brown, Calif.
Brown, Ohio
Broyhill
Burgener
Burlison
Burton, John
Burton, Phillip
Butler
Byron
Campbell
Carney
Carr
Carter
Cavanaugh
Chappell
Cheney
Clausen
Clay
Cleveland
Clinger
Coelho
Coleman
Collins, Ill.
Collins, Tex.
Conable
Conte
Conyers
Corcoran
Corman
Cotter
Courter
Crane, Daniel
D'Amours
Daniel, Dan
Daniel, R. W.
Dannemeyer
Daschle
Davis, Mich.
de la Garza
Dellums
Derrick
Derwinski
Devine
Dicks
Donnelly
Dougherty
Downey
Duncan, Oreg.

Duncan, Tenn.
Early
Edgar
Edwards, Ala.
Edwards, Calif.
Edwards, Okla.
Emery
English
Erdahl
Erlenborn
Ertel
Evans, Del.
Evans, Ga.
Evans, Ind.
Fary
Fascell
Fazio
Fenwick
Ferraro
Findley
Fish
Fisher
Fithian
Flippo
Florio
Foley
Ford, Mich.
Ford, Tenn.
Forsythe
Fountain
Fowler
Frenzel
Frost
Fuqua
Garcia
Gaydos
Gephardt
Giaimo
Gibbons
Gilman
Gingrich
Ginn
Glickman
Goldwater
Gonzalez
Goodling
Gore
Gradison
Gramm
Grassley
Gray
Green
Grisham
Guarini
Gudger
Guyer
Hagedorn
Hall, Tex.
Hamilton
Hance
Hanley
Hansen
Harkin
Harris
Hawkins
Heftel
Hightower
Hillis
Hinson
Holland
Hollenbeck
Hopkins
Horton
Howard
Hubbard
Huckaby
Hughes
Hutto
Hyde
Ichord
Ireland
Jacobs
Jeffords
Jeffries
Jenkins
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kazen
Kemp
Kildee
Kostmayer
Kramer
LaFalce
Lagomarsino
Latta
Leach, Iowa
Leach, La.
Leath, Tex.
Lederer
Lee
Lehman
Leland
Lent
Levitas
Lewis
Livingston
Loeffler
Long, La.
Long, Md.
Lott
Lowry
Lujan
Luken
Lundine
Lungren
McClory
McCloskey
McCormack
McDade
McDonald
McHugh
McKay
Madigan
Maguire
Marks
Marlenee
Martin
Matsui
Mattox
Mavroules
Mazzoli
Mica
Michel
Mikulski
Miller, Calif.
Miller, Ohio
Mineta
Minish
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Mottl
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Murtha
Musto
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nelson
Nichols
Nolan
Nowak
O'Brien
Oakar
Oberstar
Obey
Panetta
Pashayan
Patten
Patterson
Paul
Pease
Pepper
Perkins
Petri
Peyser
Pickle
Porter
Price
Pritchard
Pursell
Quayle
Quillen
Rahall
Railsback
Rangel
Ratchford
Regula
Reuss
Rhodes
Richmond
Rinaldo
Ritter
Roberts
Robinson
Rodino
Roe
Rostenkowski
Roth
Rousselot
Roybal
Rudd
Runnels
Russo
Sabo
Santini
Satterfield
Sawyer
Schroeder
Schulze
Sebelius
Seiberling
Sensenbrenner
Shannon
Sharp
Shelby
Shumway
Shuster
Simon
Skelton
Smith, Iowa
Smith, Nebr.
Snowe
Snyder
Solarz
Solomon
Spellman
Spence
St Germain
Stack
Staggers
Stangeland
Stanton
Stark
Steed
Stenholm
Stewart
Stokes
Stratton
Studds
Stump
Swift
Symms
Synar
Tauke
Taylor
Thomas
Thompson
Traxler
Trible
Udall
Ullman
Van Deerlin
Vanik
Vento
Volkmer
Walgren
Walker
Wampler
Watkins
Waxman
Weaver
Weiss
White
Whitehurst
Whitley
Whittaker
Whitten
Williams, Mont.
Williams, Ohio
Wilson, Tex.
Winn
Wirth
Wolff
Wolpe
Wright
Wyatt
Wydler
Wylie
Yates
Yatron
Young, Fla.
Young, Mo.
Zablocki
Zeferetti

NAYS—4

Dickinson
Heckler
Lloyd
Mitchell, Md.

ANSWERED "PRESENT"—1

Ottinger

NOT VOTING—44

Anderson, Ill.
Andrews, N.C.
Bingham
Boggs
Boner
Bonker
Buchanan
Chisholm
Coughlin
Crane, Philip
Danielson
Davis, S.C.
Deckard
Diggs
Dingell
Dixon
Dodd
Dornan
Drinan
Eckhardt
Hall, Ohio
Hammerschmidt
Harsha
Hefner
Holt
Holtzman
Kelly
Kindness
Kogovsek
McEwen
McKinney
Markey
Marriott
Mathis
Preyer
Rose
Rosenthal
Royer
Scheuer
Stockman
Vander Jagt
Wilson, Bob
Wilson, C. H.
Young, Alaska

□ 1330

So the motion was agreed to.

The result of the vote was announced as above recorded.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the concurrent resolution (H. Con. Res. 307) with Mr. BOLLING in the chair.

The Clerk read the title of the concurrent resolution.

The CHAIRMAN. When the Committee of the Whole rose on Tuesday, May 6, pending was an amendment offered by the gentleman from Arizona (Mr. UDALL).

The gentleman from Arizona is recognized for 5 minutes in support of his amendment.

Mr. UDALL. Mr Chairman, there is an old story about the minister who was giving his semiannual hell, fire, damnation Judgment Day sermon to the congregation, and he said, "Brothers and sisters, Judgment Day is coming." He said, "On that great Judgment Day, there will be lightning and rain." He said, "Brothers and sisters, on that great Judgment Day there will be earthquakes, and on the Judgment Day," he said, "there is going to be weeping and wailing, and you are all going to gnash your teeth." The lady in the front row said, "But Reverend, I ain't got no teeth." And he said, "Madam, on that terrible Judgment Day, teeth will be provided."

Well, I do not bring glad tidings of great joy. There is going to be some gnashing of teeth around here if you do not back up this amendment I am offering. Let me just give some of the brothers and sisters an idea of the way you are going to spend the next 35 days. If my amendment fails, reconciliation is called for not later than June 15 in an amount certain. You are mandated to do the job.

If you are on the Post Office and Civil Service Committee, you might want to gnash your teeth a little bit. My friend JIM HANLEY in the next 35 days has got to produce changes in the law that will reduce spending in fiscal year 1981 by $3,639,000,000 in budget authority and by $4,204,000,000 in outlays.

You all ought to come over to the Post Office and Civil Service Committee some time. We got ED DERWINSKI, we got a great show over there, we got the pride of the Ozarks and all of those fellows. What is going to have to happen to meet this mandate of the Budget Committee? We are going to have to reduce the Federal pay increase from 10 percent in October down to 6 percent; at least Saturday delivery of mail is going, and probably more than that; the two-time a year adjustment in Federal retiree benefits, retirement benefits, will have to go; and you folks who have got blue collar Federal employees, they are going to take a whack, too. Ways and Means, you friendly folks over there on Ways and Means, will have to come up with $1.9 billion in savings between now and the 15th of July. Over at the Armed Services there will be great joy, where you will be mandated—not advised, but mandated—to produce $3.2 billion in savings by changes in the law. Agriculture, a big one, Public Works and Transportation, I have them all here, but let me quit with Veterans. Those of you on Veterans Affairs will have to come back with a modest amount of $400 million in reduced programs for the veterans and for the Veterans' Administration.

So the way you can head this off is to vote for this amendment of mine which says, "Yes, we are going to have a balanced budget and, yes we are going to have restraint and, yes, we are going to have reconciliation, but we are going to do it in August and September, the way the Budget Act contemplates."

To this point in the debate of this important resolution we have been concerned with amendments which are substantive. Amendments to this point have dealt with cuts to various programs and add-ons to various programs, all within the framework of the desire of the country and the Congress to get a balanced budget in this coming fiscal year.

I emphasize that this amendment deals with procedure and procedure only. That is why the chairmen of 16 standing House committees have joined me in support of this amendment. As Members know, these 16 chairmen have not all agreed on every amendment to this resolution. We have wide views on priorities. But we stand together on this amendment because you do not change the rules in the middle of the game.

Any study of the Budget Act and its legislative history makes it crystal clear that the Budget Committee, by reporting a bill with this reconciliation provision, asks the House to reverse the solemn decision made by both Houses in the conference committee in 1974. There may be arguments about some points in the legislative record, but no one can doubt that the whole budget scheme is designed to give us a target operation in the first resolution and binding ceilings in the second one. This was a compromise debated strenuously and finally settled in the conference committee and ratified by the House and Senate.

As I say, the history of the act is clear. Let me insert at this point, two paragraphs from the letter of the chairman to Speaker O'NEILL:

The reasons for that rejection are as valid today as they were in 1974. Given the time available to the Budget Committee, it is impossible for it to become well enough acquainted with all federal programs and activities to know where to apply appropriate economies program by program. The standing committees, with expertise in the programs in their respective jurisdictions, should attempt to translate the targets into program detail.

Invoking reconciliation in the first step of the congressional budget process undermines the committee system, reposing in the Budget Committee authority to legislate substantively with respect to the nature and scope of federal activities. Such a procedure which infringes on the legitimate roles of authority and appropriations proceseses, is not required in achieving a balanced budget.

The procedure brought to the floor by the Budget Committee this time simply passes the buck to the committee chairmen. I think all of us are ready to do our duty, to wield a painful ax if we have to, but it ought to be done 4 months from now, as all of us had a right to expect based on previous action on budget resolutions.

This is an attack on the budget process, but more than that, it is an attack on the committee system. There are, in my opinion, no compelling reasons for creating a precedent for invoking reconciliation in the first budget resolution. There are all kinds of good reasons for not disrupting the budget process this year. Once permitted, reconciliation in the first resolution would become a matter of routine and regular procedure. Hereafter, the first resolution would set ceilings, not targets, and the Congress would be controlled by one budget resolution adopted early in the year. Many weeks before relevant hearings could be held on which rational decisions could be based, irrevocable ceilings would be established with which all spending bills would have to conform.

The truth is that this budget resolution—like every first budget resolution to date—is nothing more than an educated guess. Recognizing this truth, we should be very slow to alter the budget process to force certain committees to make predetermined draconian cuts. Please note that section 3 instructs the committees, directs them, orders them to achieve cuts of a predetermined size. None of this was contemplated when the system was adopted. I think I speak for all of the committee chairmen in saying that we will do our duty, however tough it may be, but we ought to do it 4 months from now as we had a right to expect.

Incidentally, everyone in this committee knows that we are in a time of puzzling, deep-seated changes in our economic system. The economic assumptions of today will surely be no more valid than the economic assumptions of January are valid now. Who can guarantee the situation 4 months from now? We are told by the experts that an increase of unemployment of 1 percent of the labor force will cause an additional $25 billion gap in the move of the budget toward balance. So why make these decisions now? We will need flexibility in September; we will have flexibility in September, and we then can act in the light of conditions and developments between now and then.

There are no compelling reasons to require the committee chairmen to engage in a sensitive, disruptive procedure at this time.

I urge you to adopt my amendment. I place in the RECORD a letter to the Speaker from 16 committee chairmen who support the Udall amendment:

COMMITTEE ON INTERIOR
AND INSULAR AFFAIRS,
U.S. HOUSE OF REPRESENTATIVES,
Washington, D.C., March 27, 1980.

Hon. THOMAS P. O'NEILL, Jr.,
The Speaker, U.S. House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: We are opposed to the inclusion of reconciliation in the First Concurrent Resolution on the Budget.

Such action would have the effect of converting the spending limitation specified in the First Concurrent Resolution from targets to fixed ceilings. Ceilings were contemplated and proposed during initial consideration of the Congressional Budget Act in 1974 but rejected by both Houses in favor of maintaining the First Concurrent Resolution as a target for guidance of the Appropriations and Standing Committees.

The reasons for that rejection are as valid today as they were in 1974. Given the time available to the Budget Committee, it is impossible for it to become well enough acquainted with all federal programs and activities to know where to apply appropriate economies program by program. The standing committees, with expertise in the programs in their respective jurisdictions, should attempt to translate the targets into program detail.

Invoking reconciliation in the first step of the congressional budget process undermines the committee system, reposing in the Budget Committee authority to legislate substantively with respect to the nature and scope of federal activities. Such a procedure which infringes on the legitimate roles of authority and appropriations processes, is not required in achieving a balanced budget.

Balancing the budget should be accomplished by the spending committees in light of their evaluation of the priorities of the activities in their jurisdictions. The depth of the cut in any one program category should not be predetermined by the Budget Committee. It may suggest general overall reductions; it should not direct specific program cuts.

We understand that there is likely to be one substitute, and possibly a substitute to a substitute, to the Concurrent Resolution to resolve problems that have arisen since the Budget Committee ordered it reported. We urge your assistance in having included in any such substitute, language appropriately deleting reconciliation in the First Concurrent Resolution. In the event that there is not to be a substitute, we seek your assistance in having deleted from the First Concurrent Resolution provisions dealing with reconciliation by whatever means may be appropriate.

Sincerely,

Morris K. Udall, James M. Hanley, Frank Thompson, Jr., Henry S. Reuss, Ray Roberts, Harold T. Johnson, Carl D. Perkins, Jamie L. Whitten, John M. Murphy, Peter W. Rodino, Jr., Neal Smith, Ronald V. Dellums, Don Fuqua, Melvin Price, Clement J. Zablocki, Harley O. Staggers.

I also place in the record a list of organizations who support the Udall amendment.

The list referred to follows:

SUPPORTERS OF MR. UDALL'S AMENDMENT

The American Legion.

The Disabled American Veterans.

The Veterans of Foreign Wars.

AMVETS (American Veterans of World War II, Korea, and Vietnam).

The Paralyzed Veterans of America.

National Association of Counties.

National Women's Political Caucus.

National Association of Social Workers.

Committee for Full Funding of Education Programs.

Adult Education Association.

American Association of Colleges for Teacher Education.

American Association of Junior Colleges.

American Association of School Administrators.

American Association of State Colleges and Universities.

American Association of University Professors.

American Council on Education.

American Education Research Association.

American Federation of Teachers.

American Library Association.

American Personnel and Guidance Association.

American Vocational Association.

The Association of American Law Schools.

Association of American Universities.

Association for Education Communication Technology.

Association of Research Libraries.

Committee of Private University Students.

Council of Chief State School Officers.

Council for Exceptional Children.

Council of Great City Schools.

National Association of Independent Colleges and Universities.

National Association of Public and Continuing Education.

National Association of Secondary School Principals.

National Association of State Universities and Land Grant Colleges.

National School Boards Association.

U.S. Conference of Mayors.

State of New York.

State of California.

State of Missouri.

State of New Jersey.

American Society of Highway and Transportation Operators.

National Council of Senior Citizens.

National Low Income Housing Coalition.

National Employment Law Project.

National Urban League.

American Public Health Association.

Coalition for Health Funding.

American Nurses Association.

National Association of Letter Carriers.

National Treasury Employees Union.

American Federation of Government Employees.

American Academy of Pediatrics.

American Association of Colleges of Nursing.

American Association of Colleges of Osteopathic Medicine.

American Association of Colleges of Pharmacy.

American Association of Colleges of Podiatric Medicine.

American Association of Dental Schools.

American Association of University Affiliated Programs for the Developmentally Disabled.

American Congress of Rehabilitation Medicine.

Association of Nurse Anesthetists.

American Diabetes Association.

American Optometric Association.

American Psychological Association.

American Society of Allied Health Professions.

Association of American Medical Colleges.

Association of Schools and Colleges of Optometry.

Association of University Programs in Health Administration.

Citizens for Treatment of High Blood Pressure.

Association of Schools of Social Work.

National Association of Community Health Centers.

National Council of Community Mental Health Centers.

National Mental Health Association.

The National Foundation/March of Dimes.

AFL-CIO.

UAW.

AFSCME.

United Federal Communication Workers.

International Association of Machinists.

ADA.

☐ 1340

The CHAIRMAN. The time of the gentleman from Arizona (Mr. UDALL) has expired.

(By unanimous consent, Mr. UDALL was allowed to proceed for 3 additional minutes.)

Mr. PEYSER. Mr. Chairman, will the gentleman yield?

Mr. UDALL. I yield to the gentleman from New York.

Mr. PEYSER. I thank the gentleman for yielding.

There is something that troubles me on this. It appears to me if we follow this recommendation of the Budget Committee, that we are basically totally undercutting the authorizing committees whose function really is to develop these programs as they see fit in line with their research and study to do what is best to accomplish major ends.

Now if we act at this time on this, it is like saying all the work we have done is for nothing and we are following dictates of a committee which has not had a chance to do the kind of work we have. Is that basically it?

Mr. UDALL. The gentleman is precisely correct. If it were anybody but my friend, the gentleman from Connecticut (Mr. GIAIMO), who is one of the great men in the service of the Congress, I would say it is a grab for power. It is a grab for power to do things that the authorizing and appropriating committee ought to do; and it should not be done by fiat handed down by the Budget Committee, much as I respect the members who sit on that committee.

Mr. PANETTA. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, there is another Mo Udall story about the old man, the young boy and the donkey. They were going along with the young boy on the donkey, and they ran into a group of people; and they said, "For goodness sakes," to the young boy, "why are you letting the old man walk? You should have the old man on the donkey."

So they exchanged places, and the old man got on the donkey, and they ran into another group of people, and they said, "What are you doing to the old man? The little boy should be riding on the donkey. You should have the young boy riding on the donkey with you."

So they both decided to get on the donkey, and they ran into a group of people who said, "You know, both of you are weighing down on that poor donkey. It is really wrong what you are doing." So they decided, both the young boy and the old man, they would start carrying the donkey.

As they crossed the bridge, they lost their grip and the donkey fell into the river.

The moral of that story, according to the gentleman from Arizona (Mr. UDALL), if you do not make up your mind, you are going to lose your donkey.

The point is that we have reached the point where if we do not make up our minds on reconciliation, we are going to lose the budget resolution.

Reconciliation is essential to the resolution. It is essential as a procedure, as a tool, as a necessary discipline, and as a symbol that we are serious about passing a resolution that balances the budget.

Reconciliation is a legitimate tool under the budget process. Make no mistake about it. It is a legitimate tool. It is not a grab for power. It is, in fact, built into the Budget Act itself under section 310.

We have built it in under the first resolution under section 301(b)2, which states that the committee may recommend any procedure "which is considered appropriate to carry out the purposes of the act."

Now, that has not been made a point of order by anyone on the floor. It is, in fact, a legitimate parliamentary vehicle for us to build in reconciliation into the first budget resolution, because it is not only appropriate, but it is essential if we are going to have a balanced budget.

We add $9 billion as part of this budget resolution in legislative savings, recommended by the administration and the committee. There is no way—there is no way—that $9 billion in savings can be achieved without reconciliation.

Last year we targeted $2.7 billion in legislation savings in the second budget resolution. We achieved about $200 million out of that $2.7 billion savings that was supposedly targeted and which the committees were supposed to go after, $200 million out of $2.7 billion. That was after we had a first budget resolution that targeted almost $6 billion in savings.

Second, these are targets. These are not specific recommendations to the committees. The committees have the discretion to look at the areas that they believe ought to be recommended for savings. What the Budget Committee provides to the basic authorizing committees are suggestions and recommendations. They are not mandates. We do present a target figure for savings, but it is up to the discretion of the authorizing committees to decide where those savings ought to be made, and indeed only 8 of the 18 authorizing committees have instructions under this budget resolution.

Committees like Interior, Public Works, Merchant Marine and Fisheries are not included. Science and Technology, Judiciary, Government Operations, Banking, nor the Appropriations Committees, none of those are included with regards to the instructions.

The third point is with regard to time. The gentleman from Arizona says we ought to wait until September. The fact is that we are dealing with severe time constraints as it is. This summer we are going to be engaged in national conventions which means we will not have that much time here. We are going to be spending 1 month in September in which the resolution or the Budget Act only provides for 10 days for the committees to report back on reconciliation.

If you think there is chaos now in a 30-day period in which we provide until June 15, imagine a 10-day period in which the committees have to report back reconciliation on some of the major issues that are here. There are severe time constraints.

Mr. CHAPPELL. Mr. Chairman, will the gentleman yield?

Mr. PANETTA. I yield to the gentleman from Florida.

Mr. CHAPPELL. I thank the gentleman for yielding.

What would happen in the event, as an example, if the Appropriations Committee after the passage of this bill——

The CHAIRMAN. The time of the gentleman from California (Mr. PANETTA) has expired.

(By unanimous consent, Mr. PANETTA was allowed to proceed for 5 additional minutes.)

Mr. CHAPPELL. If the gentleman will continue to yield, suppose we pass this resolution, and suppose that the limit on defense is $145 billion, and the Appropriations Committee or the authorizing committee, as the case might be, brings back a bill to the House that exceeds that. When is reconciliation made? At that point?

Mr. PANETTA. Reconciliation is the process of saying to the committees, "You have a target figure of savings to reach." If the committee reports out a bill that exceeds that amount under the resolution, there is a holding of that bill at the desk, a delay on the enrollment of the bill that will hold the bill at the desk until sufficient savings have been passed.

Mr. CHAPPELL. In other words, when the resolution, the budget resolution, passes, if this reconciliation provision remains in it, when that Appropriations Committee or the authorizing committee, whoever it might be, comes back to this floor with a bill, in essence they have got to bring it inside of the figure given in the first budget resolution. Is that not correct?

□ 1350

Mr. PANETTA. The gentleman is absolutely correct.

But I might say that the gentleman from Arizona's amendment does not deal with the question of delay on enrollment; it deals solely with the question of the targeting to the committees under reconciliation. It does not deal with the delay on enrollment, which is another piece of the resolution.

Mr. CHAPPELL. Well, let me ask the gentleman, if he will yield further, is the gentleman saying even with reconciliation in the bill that that constitutes a target, or is the gentleman saying it is a firm figure?

Mr. PANETTA. The target on savings is a firm figure.

Mr. CHAPPELL. Absolutely.

Mr. PANETTA. But the savings proposals to achieve those particular savings are up to the discretion of the committees.

Mr. CHAPPELL. Yes, but what I am saying is in the beginning that is a firm figure that cannot be exceeded, and the committee can simply just stay inside of that figure, and that is the only response the committee has to a limitation; is that correct?

Mr. PANETTA. That is correct.

Mr. NELSON. Mr. Chairman, will the gentleman yield?

Mr. PANETTA. I am pleased to yield.

Mr. NELSON. If the gentleman from Florida will listen to this point, I want to underscore that the reconciliation instruction is instruction to eight substantive committees primarily on entitlement programs, and does not attach to the Appropriations Committee, which my colleague from Florida is concerned with regard to defense?

Mr. PANETTA. In response to the gentleman, there was another point that I was going to make, which is basically the savings targets we have provided here deal with reforms in entitlement type programs, permanent type programs, not the kind of discretionary programs the gentleman mainly focuses on in the Armed Services Committee.

Mr. CHAPPELL. Will the gentleman yield further?

Mr. PANETTA. I yield.

Mr. CHAPPELL. If the gentleman is dealing in procedural principles, it seems to me if this principle is to be started it could very easily be expanded to all committees and all types of programs; is that not correct?

Mr. PANETTA. I think, as with most delegations of power, it has been exercised with discretion. We felt trying to get a balanced budget mandated that we would implement this procedure of reconciliation in the first budget resolution or else we would have no savings opportunities to begin the fiscal restraint we are trying to achieve.

Mr. CHAPPELL. I agree in trying to make the savings, but what worries me is the procedural steps we are attempting to use here to bring that about.

Mr. PANETTA. The other point that needs to be made is that these savings are important regardless of the economic situation that impacts on the Nation. We are not talking about in this area savings that relate to completely discretionary areas. What we are targeting is reforms that have been recommended year in and year out.

For example, on the Ways and Means Committee let me indicate some of the areas of savings that have been specified by the committee.

Health programs:

Hospital cost containment.

Revision to make medicare benefits for the working aged supplementary to private insurance.

Elimination of bonus to hospitals for provision of routine nursing services to medicare beneficiaries.

Limitation on payments to hospitals to the nursing home rate for long-term case services.

Implementation of joint audit for medicare and medicaid.

Establishment of financial penalties to deter abuse of medicare and medicaid programs.

Competitive bid purchasing for equipment and services.

Other health care cost control proposals.

Federal compensation reform.

Income security programs:

Disability insurance reforms, including revision of benefit computations, increased work incentives, improved administration, and other changes.

Those are some of the recommendations on the Ways and Means Committee. Those are basic reforms that should be enacted regardless of what the economic situation is. We are talking about reforms in uncontrollable spending. We have 76.6 percent of this budget that is now uncontrollable because of various entitlement programs. We need to focus on reforms in those programs, and that is what most of these savings target.

The CHAIRMAN. The time of the gentleman from California has again expired.

(By unanimous consent Mr. PANETTA was allowed to proceed for 2 additional minutes.)

Mr. PANETTA. The basic problem in the budget we are dealing with, and I think this is something that has been debated over the last few days, is the lack of confidence of the American people in whether this Congress is going to have the will or the courage to do anything with regard to the budget, the fact that we are tied to special interests, the fact that committees will not, in fact, conduct proper oversight of ongoing programs in place.

If we fail to adopt reconciliation I think we confirm that basic lack of confidence in the process, that we do not have the will to do anything. If we fail to enact reconciliation I think it confirms the basic suspicion that we are going to say one thing, which is "Balance the budget," and do something else.

The point is that we have to make up our minds as Members here. We cannot be for a balanced budget and against reconciliation.

For those reasons I urge the Members to vote against this amendment.

Mr. UDALL. Mr. Chairman, will the gentleman yield?

Mr. PANETTA. I yield to the gentleman from Arizona.

Mr. UDALL. I was interested in the colloquy the gentleman had with the gentleman from Florida (Mr. CHAPPELL) and he seemed to be telling us, first, that they are not really binding, they are merely targets and advisory. Now he seems to be saying that these are binding, takes great pride in the fact that these are mandatory targets.

Let us talk about the Armed Services Committee and answer one question. I want to read from the bill on page 6. This is the last law we are asked to enact.

> The House Committee on Armed Services * * * shall reduce spending for fiscal year 1981 in enacted laws, bills, and resolutions by $3,263,000,000 in budget authority.

That does not sound like advice. That says they "shall."

Mr. PANETTA. If I may respond to that, the reason for that figure is because there is a dual referral here, both to the Committee on Post Office and Civil Service and to the Armed Services Committee with regard to the dollar reductions as well as with regards to changes in Federal pay compensation. That is the reason we have the Armed Services Committee involved.

I hope the gentleman is not trying to convey the impression that $3 billion somehow is going to be reduced from the Armed Services or from the defense area. We are basically targeting at reforms in pay.

The CHAIRMAN. The time of the gentleman from California has again expired.

(At the request of Mr. UDALL and by unanimous consent, Mr. PANETTA was allowed to proceed for 1 additional minute.)

Mr. UDALL. Will the gentleman yield further?

Mr. PANETTA. Yes; I yield to the gentleman.

Mr. UDALL. The bill clearly says, if I can read the English language, when we tell the Veterans Committee to chop off $400 million in ongoing programs, that is not advice, it is not counsel, it is an order. It is an order by the House of Representatives to that committee to cut off $400 million. If they only cut $300 million, that is not enough and the bills are held at the desk.

Mr. PANETTA. The gentleman lays that issue correctly before the House, which is we do set a target at a certain figure. It is up to the committee to reach that target figure, but it can do it and exercise its discretion to finance those savings in other areas other than what the committee recommended.

Mr. REGULA. Mr. Chairman, will the gentleman yield?

Mr. PANETTA. I yield to the gentleman.

Mr. REGULA. I want to compliment the gentleman on his statement and his work on the legislative savings. The question I would ask the gentleman: we keep hearing "cuts." Is not the gentleman really saying in reconciliation language they have to reestablish the increases to fit our targeted goal and the priority decisions rest with the committees that have the responsibility; is that correct?

Mr. PANETTA. The gentleman is correct. In addition to that, I might say it is not just the Budget Committee setting these targets; it is, indeed, the House of Representatives and the Congress.

The CHAIRMAN. The time of the gentleman from California has again expired.

(At the request of Mr. FRENZEL and by unanimous consent, Mr. PANETTA was allowed to proceed for 2 additional minutes.)

Mr. FRENZEL. Mr. Chairman, will the gentleman yield?

Mr. PANETTA. I yield to the gentleman.

Mr. FRENZEL. I want to thank the gentleman for his statement and congratulate him also. I think the gentleman has laid out the issue very clearly to the Members. It is simply whether we are serious about balancing the budget or not.

The Budget Committee cannot balance the budget, nor can this House, in passing the budget resolution. We need the cooperation of the authorizing committees and the Appropriation Committees. There is no other way to do it than through the reconciliation process. The very fact that the gentleman from Arizona has brought this amendment to the floor, sustained by 15 other committee chairmen, is evidence of the fact that the committee chairmen do not want to submit to a balanced budget. They are unwilling to make the difficult decisions that now face this House.

I think the gentleman is just right, and I thank him for his statement and hope the amendment is soundly defeated.

Mr. JENKINS. Mr. Chairman, will the gentleman yield?

Mr. PANETTA. I yield to the gentleman from Georgia.

Mr. JENKINS. Mr. Chairman, I would like to ask the gentleman in the areas he mentioned as far as the savings and the Committee on Ways and Means, I notice in the report that one of the items is hospital cost containment, which appears to be one of the larger items; is that correct?

Mr. PANETTA. That is correct.

Mr. JENKINS. This House already rejected hospital cost containment. Is the gentleman now saying that the Committee on Ways and Means ought to bring back hospital cost containment?

Mr. PANETTA. Let me state this issue was discussed in committee and it was our feeling, by virtue of the voluntary efforts that have been made in that area, plus any additional efforts that the committee might consider appropriate, that indeed a figure in the vicinity of $780 million could be achieved in savings, regardless of whether or not the cost containment legislation itself is specifically enacted.

Mr. JENKINS. Is the gentleman saying that in hospital cost containment that the Committee on Ways and Means has to take any other action?

Mr. PANETTA. That is absolutely correct.

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The CHAIRMAN. The time of the gentleman has expired.

(At the request of Mr. JENKINS, and by unanimous consent, Mr. PANETTA was allowed to proceed for 2 additional minutes.)

Mr. PANETTA. The point is this, that a set figure is presented to the Committee on Ways and Means, and it feels that this is not the area that they can achieve savings, then we are asking the committee in its own discretion and using its own prerogatives to set targets within that figure. We do not think that is asking the committee too much in trying to reach a balanced budget, where all of the committees are going to have to participate.

Mr. JENKINS. If the gentleman will yield further, the problem that bothers me in the Committee on Ways and Means is the gentleman is really mandating to the Committee on Ways and Means that if we do not bring back such a program, we can raise taxes.

Mr. PANETTA. No, I do not think so. The gentleman himself has often spoken about the waste that exists within a number of programs, and I am sure the gentleman could find sufficient savings in other areas.

Mr. GEPHARDT. Mr. Chairman, will the gentleman yield?

Mr. PANETTA. I yield to the gentleman from Missouri.

Mr. GEPHARDT. I thank the gentleman for yielding. I would like to speak with the gentleman from Georgia (Mr. JENKINS) about the point he just made. We debated this at length in the Budget Committee. The gentleman knows my involvement with hospital cost containment legislation and my concern with what the budget would set forth in that regard. It is my view that the savings that are shown in the budget with regard to hospital cost containment will be and are being achieved through the voluntary program, and that further action on the part of the Committee on Ways and Means will not be necessary to achieve that level of savings. The Ways and Means Committee has already brought out H.R. 2626 and that legislation, which now embodies the voluntary cost containment program, has been passed by this House. I have been through the figures with the CBO and with the Committee on Ways and Means staff, and it is my belief that those figures will be achieved without anything further being done by the Committee on Ways and Means in an affirmative manner to achieve those savings.

Mr. JENKINS. If the gentleman from California would yield, I appreciate the assurances of the gentleman from Missouri (Mr. GEPHARDT), but I simply note in the Budget Committee report that it says hospital cost containment, $780 million. I know the House has already rejected hospital cost containment.

Mr. PANETTA. The point is that the Budget Committee felt it would have the responsibility to lay out some areas that could be targeted by the committees. If we did not do that, we would be accused of not being specific as far as where these savings could be made.

Mr. SIMON. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, if I may for one minute, I would like to refer to something else in the resolution that has not been alluded to at all that could be a very significant thing. Then I want to discuss reconciliation. That one thing is the very last couple of sentences in the entire budget resolution calling upon the President to report back to Congress within 60 days as to what should be done to correct the Consumer Price Index—a small item, but it could be infinitely more significant as far as inflation than all the talk about a balanced budget and everything else.

Now, let me address this problem of reconciliation and the motion of our good friend, the gentleman from Arizona (Mr. UDALL). First of all, if we are serious about reconciliation, it has to come in the first budget resolution; it cannot come in the second budget resolution because it is too late.

Second, what has been suggested by the question of the gentleman from Georgia (Mr. JENKINS) and others is that this process is tough. It is. Let us make no mistake about it. There is no easy way to achieve what we are talking about achieving. We should fool ourselves in that regard.

We are breaking new ground. There are some questions that we do not know the answers to right now. We have never gone through this process before. For example, I happen to think—and this is no reflection on the chairman, who has done a significant public service as chairman of the Committee on the Budget, nor my colleagues on the Budget Committee—that we should have consulted the committees more as we moved into this process of reconciliation. The Committee on Post Office and Civil Service, for example, knows a great deal more about the ramifications of Saturday delivery than we do, and we did not consult adequately. The Committee on Education and Labor knows a great deal more about the school lunch programs than we do, and we did not consult adequately. I think that consultation process has to be improved.

I also suggested in appearing before the Committee on Rules, and requested, that each committee chairman who was affected by this reconciliation motion ought to have the right under a semiclosed rule to come in with an amendment to alter their particular mandate under the reconciliation process. I still believe that is sound, and as we go through the reconciliation process in years to come—and I think we have to if we are serious about the budget process—I think we have to leave the door open in this budget amendment for every committee chairman who is impacted by reconciliation to have the possibility of having an amendment to offer. I happen to believe that regardless of the good intentions of this body, come

March or so of next year it will be clear that we will have a deficit, regardless of our efforts. There is a chance that we will have a balanced budget, but if the Udall amendment is adopted, there is absolutely no chance that we will have a balanced budget. I do not see that we can avoid that reality.

The gentleman from California, my colleague on the committee (Mr. PANETTA) said the question is really, Are we serious about the budget process? I think ultimately it comes down to that. It is tough. There are no easy answers. We are breaking new ground, and in the process we are going to see some mistakes we have made. We are going to have to improve. But the answer is not rejecting this tool that gives us the only opportunity that we have to really get hold of this thing.

Mr. SMITH of Iowa. Mr. Chairman, will the gentleman yield?

Mr. SIMON. I will be pleased to yield to the gentleman from Iowa.

Mr. SMITH of Iowa. I thank the gentleman for yielding. I agree with a lot of what the gentleman says, especially with regard to the fact that there is no way that the Committee on the Budget can in reporting a resolution in time to pass by May 15 know enough about all of these programs to know what funding level to recommend for sure. That is the reason why I do not think we should have reconciliation in the spring. I just give the gentleman one example. The committee has recommended under function 370 reduction of $100 million in the Small Business Administrations Loan and Investment Fund.

Mr. Chairman, the Small Business Administration's business loan program is categorized under budget function 370, Commerce and Housing Credit. SBA's business loan and investment revolving fund is used to operate six loan programs, the primary one being the regular business loan program under section 7(a) of the Small Business Act. For fiscal year 1980 the Congress approved a total of $391 million in direct loans and $3.595 billion in guaranteed loans. For fiscal year 1981 the President recommended a total direct business loan program of $346 million, or a reduction of $45 million, and an increase in guaranteed lending to $4 billion. The basis of the President's proposed cut in direct lending is an administration proposal to target all direct loans. These target groups for fiscal year 1981 would consist of women, minorities, and handicapped. All others would be excluded from direct loan assistance.

The House Budget Committee in its report recommends a reduction in function 370, including a reduction in the appropriation for SBA's business loan and investment fund of $100 million with the Budget Committee's statement:

> With this reduction, 1981 budget authority and outlays would be at about fiscal year 1980 levels.

The Budget Committee is correct that a reduction of $100 million in budget authority and outlays in 1981 would leave them about the same as in 1980; but it is highly erroneous as to the impact such a reduction would have on SBA lending as it would involve a major reduction in the amount of direct loans.

Until fiscal year 1979, each appropriation for SBA included a reserve for anticipated losses resulting at some time in the future on loan guarantees. In the case of SBA's regular business loans, the reserve was computed at 15 percent. Under the old system, for each $1 billion of guaranteed regular business loans, Congress appropriated in advance a $150 million reserve. This was certainly the wise and prudent manner of funding future losses due to current programs. Beginning in fiscal year 1979, however, at the administration's request and at the Senate's insistence, we did away with this prudent system. Instead, we now only appropriate an amount sufficient to cover losses anticipated in the next fiscal year; we have absolutely no reserve to pay future losses when they occur in later years. This change did, however, have one immediate effect—it reduced the amount of budget authority and outlays in the current budget needed to support SBA's guaranteed loan programs. We are now going to have to pay for this foolish change by an increase in budget authority and outlays not only this year but for years to come.

Had we continued under the old "reserve" system, losses attributable to guaranteed loans made in fiscal year 1979 would have been covered by amounts appropriated for 1979; and similarly, future losses occurring because of guaranteed loans made in fiscal year 1980 would have been covered by moneys appropriated for 1980 as part of the 1980 budget. But as I stated we no longer follow this system and as a result the 1980 budget contains money to pay losses on loans guaranteed in 1979 and the 1981 budget request includes funding to pay losses originating from guaranteed loans made this year as well as in 1979. In the fiscal year 1981 budget, for example, $264 million is for losses or repurchases anticipated to occur in fiscal year 1981 on account of guarantees on loans made in 1979 and 1980. Looking at it another way, $264 million of the administration's request of $594 million in outlays or 44 percent, is uncontrollable. It goes without saying that this will continue ad infinitum and that even if SBA made no more guaranteed loans we would still have to continue to appropriate money to pay losses in the future due to guaranteed loans made in prior years.

The net result of the Budget Committee's recommendation that the appropriation to SBA's business loan and investment fund be reduced by $100 million from the amount recommended by the President, if adopted by the Appropriations Committee, would be to force a further reduction in the already meager amount of direct loans. Instead of a $45 million reduction as proposed by the President, the direct loans would have to be reduced $145 million from the 1980 level or a budget cut of 37 percent.

I believe we should be going in the opposite direction and increasing the amount of SBA direct lending especially in these times of high interest rates and an acute lack of capital, a shortfall which is devastating the small business community. Studies have clearly shown that the small business sector of our economy is the Nation's job creator and that jobs can be created through SBA loans, most of which will eventually be repaid. This is certainly much cheaper than the cost our Nation incurs by depriving the small business community of the capital it needs and thus preventing it from assisting our economy by adding to employment, and the ensuing increase in Federal income taxation, and a reduction in unemployment benefits, food stamps, and other Federal spending to assist the unemployed and their dependents.

I also want to point out that this budget resolution, as have previous ones, assumes that we will not have any large physical disasters besetting our Nation in fiscal year 1981. In an attempt to keep original budget requests low, the administration and the Congress repeatedly lowball the amount needed for capital for SBA's physical disaster program. As a result, supplemental appropriations are necessary and certainly this causes problems for any budget system. I simply want to point out that the $180 million in new funds requested by the President, and apparently included in the recommendations of the Budget Committee, in all probability will not be sufficient and that additional capital will have to be provided to SBA if loan assistance is to be provided to disaster victims.

Finally, I want to point out that the Budget Committee is again recommending enactment of a limitation on the amount of Federal loans which may be made in fiscal year 1981. I certainly hope that my colleagues on the Appropriations Committee will not heed this recommendation as to impose such a limitation upon disaster lending and would simply necessitate extra paperwork by the Congress in order to increase the limitation as needed to provide disaster assistance. The worst aspect, however, is that while Congress would be shuffling the papers to lift the ceiling, disaster victims would be denied loan assistance and thus additional harm would be inflicted upon them by the very government which seeks to lend them a helping hand in their hour of need.

Mr. SIMON. I think the gentleman's position is well taken up to a point. I think that somehow we have to work out a procedure where we work with the Small Business Committee and the other committees. However, I disagree with my friend, the gentleman from Iowa. If we wait until September 15, 15 days before the start of the next fiscal year, the horse is out of the barn.

Mr. SEIBERLING. Mr. Chairman, will the gentleman yield?

Mr. SIMON. I yield to the gentleman from Ohio.

Mr. SEIBERLING. I thank the gentleman for yielding. There is a real dilemma here. It seems to me that if we do not have reconciliation in the first budget resolution, then the gentleman is absolutely right. We have gone through a charade, and there is no way that we are going to make this really a serious effort, as it ought to be. On the other hand, there is a great deal of validity to what the gentleman from Arizona (Mr. UDALL) says in that the Committee on the Budget cannot possibly develop the knowledge and expertise to substitute for the authorizing committees and the appropriations subcommittees. So there has got to be some way to make sure that these twin concerns are handled.

My question to the gentleman is: If we vote against the Udall amendment and mandate reconciliation to the extent that the resolution does, then what is the escape valve, so that if the authorizing committee finds that there has been insufficient consideration in the Budget Committee, or if circumstances change in the economic outlook, or whatever, that we have some assurance that those factors will be taken into account before we pass the final budget resolution, or even before then if need be? What is the escape valve here?

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Mr. SIMON. The only escape valve is, I am afraid, a certain amount of chaos if we do not reject the Udall amendment. For this reason: The reason there is chaos—and I stand to be corrected by the chairman of my committee—the ceilings that we have on this budget resolution are not altered by the Udall amendment so that those who spend the money quickly and get their appropriations in first, they would get them okayed.

Mr. SEIBERLING. That is not my question. My question is, Suppose we reject the Udall amendment, which I personally think is the only logical thing to do, if we are going to make the budget process meaningful.

The CHAIRMAN. The time of the gentleman has expired.

(At the request of Mr. GIAIMO and by unanimous consent, Mr. SIMON was allowed to proceed for 5 additional minutes.)

Mr. SIMON. I yield further to the gentleman from Ohio.

Mr. SEIBERLING. Mr. Chairman, my question is suppose we reject the Udall amendment, stick with the committee position, require reconciliation. What escape valve is there in case the budget resolution does not correctly take into account something that the authorizing committee might feel is essential, or there is a change in circumstances between now and September? What is the escape valve in this process?

Mr. SIMON. Mr. Chairman, I will yield to the chairman of the Committee on the Budget and then I may care to add something.

Mr. GIAIMO. Let me first say to my friend from Ohio that it is not the intent of the Committee on the Budget to write legislation in any of these areas as the gentleman well knows.

Section 3, which is the section dealing with reconciliation, directs the various committees. For example, subsection (c) says that the House Committee on Education and Labor shall reduce spending for fiscal year 1981 in enacted laws, bills and resolutions by $839 million in budget authority and $786 million in outlays.

Now, in arriving at that judgment as to how much the committees could save, the Committee on the Budget is not usurping the power of the committee. The gentleman from Ohio knows, however, that there are many, many programs where the money could be saved. For example, the programs in the President's legislative reform packages have come before the Congress for some years and have annually been either ignored or not acted upon by the committees. These could be the programs in which the mandate of the House could be fulfilled, if the House adopts our budget resolution.

For example, we tell the appropriate committees to eliminate the twice-a-year cost-of-living adjustment for Federal retirees.

Now what will happen? They may substitute some other savings if they wish. We want them to come up with a total dollar amount in savings. We suggest these programs as possible areas and in fact historical areas where it has been demonstrated that there is at least a possibility of making these savings.

Mr. Chairman, what would happen on June 15, for example, if the committees report back and say, "We cannot make the savings which we have been mandated to make"?

Then they would be ignoring the will of this body, which will have voted this today.

Mr. Chairman, at that point nothing would happen unless this House determined to do something further. That something further could be for the Committee on the Budget or the Committee on Rules or someone else to report out some legislation in fact calling for these savings or other savings.

I would hope that the committees would not ignore the mandate of the House and Senate, if they adopt this resolution, as I hope they will. If they ignored it, they would be flying in the face of the order of the House and Senate to not make the necessary and required savings.

Mr. Chairman, let me go back a little. In March we had a historic meeting of the leadership of the House and Senate headed up by the majority leader of the House and the majority leader of the other body, and we discussed fully this whole budget process, particularly how we were going to attain balance, how we were going to reduce spending and do the other necessary things.

It was the consensus of those present that if we were serious about balancing this budget, we would have to go way beyond the mere adoption of a budget resolution, that it would have to in fact take the combined efforts of the leadership of both this House of Representatives and of the other body to make sure that what we determined was necessary in order to enact a budget in balance would in fact happen. That will take, I will say to my friend, the combined efforts of the leadership and the Members of this body and the other body to make certain that certain things happen this summer on the spending bills and on the legislative reform bills, or I guarantee you we will not have a balanced budget.

The CHAIRMAN. The time of the gentleman has expired.

(At the request of Mr. SEIBERLING and by unanimous consent, Mr. SIMON was allowed to proceed for 3 additional minutes.)

Mr. SIMON. Mr. Chairman, I would like to add one further point. We still do have that option of a second budget resolution.

If, for example, Mr. Chairman, my colleague from Iowa (Mr. SMITH) is correct in his statement about the SBA and the impact there, then that can be corrected in the second budget resolution but if we do not act now, if we postpone, we are dead.

Mr. SEIBERLING. Mr. Chairman, will the gentleman yield?

Mr. SIMON. I yield to the gentleman from Ohio.

Mr. SEIBERLING. Mr. Chairman, I thank the gentleman for yielding.

I think the gentleman from Connecticut has made an extremely persuasive statement. I think if we are really serious about getting a balanced budget, then I do not see how we can avoid requiring reconciliation.

Mr. Chairman, when I was in the Army—I am sure this will be recalled by others of us who were in the Armed Forces—every so often a directive would come down and say, "All headquarters will cut their staffs by 10 percent." Everybody would then scream bloody murder but they would have to do it. Then those who could produce, a few weeks later, evidence that they really had to have more people could get them, and others who were not able to do so found it hard to get them. That was the only way the Army came up with to keep the personnel in the headquarters from getting too overblown.

It seems to me in this huge Federal budget area we are going to have to adopt some kind of Draconian system of that sort.

Mr. Chairman, I do not happen to agree with all priorities in this resolution, and I voted to change some of them, but, nevertheless, the majority has spoken. It seems to me we are going to have to adopt reconciliation, impose these ceilings and have a system whereby, if some committee can demonstrate that they really should not be held to a particular level on a particular program, they can come back here and again place their case before the House with all the documentation and analysis and support they need, and if they cannot make a case then they are stuck with the budget ceiling.

Mr. Chairman, I know of no other way we are ever going to get out of the mess that we are in with respect to the budget being out of control and inflation being out of control unless we adopt this system.

Mr. Chairman, I think the gentleman from Arizona (Mr. UDALL) has made a very good argument but to me it is not persuasive. The logic is all in favor of requiring reconciliation and requiring it as part of the first budget resolution, much as I disagree with some of the priorities in it.

Mr. SIMON. Mr. Chairman, I thank the gentleman from Ohio. I would add but one other point. My good friend from Arizona (Mr. UDALL) said what he is seeking is to offer merely a procedural amendment. It is a procedural motion but it goes to the very heart of the process and we have to take some tough action here.

Mr. LATTA. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to the amendment. I probably could say, "We told you so," but I will not. As a matter of fact, if you take a look at the debate on this subject last year you will find the House Republicans were supporting reconciliation, the Senate was supporting reconciliation, and the majority of the House was not.

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Mr. GIAIMO. Mr. Chairman, will the gentleman yield?

Mr. LATTA. I will be happy to yield to my chairman.

Mr. GIAIMO. Mea culpa.

Mr. LATTA. Mr. Chairman, this is an important part of the budget process. It is a must if we are ever going to make this process work, and we are just delighted that the chairman is with us completely this time.

Let me say that we learn a little bit from the failures of the past. Let me point out that we had a provision in the last budget resolution, page H11258 of the CONGRESSIONAL RECORD of November 28, 1979, which reads as follows:

> SEC. 6. (a) In 1980, each standing committee of the House of Representatives having jurisdiction over entitlement programs shall include in its March 15 report to the Budget Committee of the House of Representatives specific recommendations as to what changes, if any, would be appropriate in the funding mechanisms of such programs to enable Congress to exercise more fiscal control over expenditures mandated by these entitlements.
>
> Within a reasonable period of time after March 15, 1980, the Budget Committee of the House of Representatives shall submit to the House such recommendations as it considers appropriate based on such reports.

Now, you know, we hear a lot about these entitlement programs that make up the uncontrollables in the budget. Now, you would think with language like that in the resolution, passed by the House last November 28, 1979, that these committees would have hastened to make recommendations to the Committee on the Budget to amend these entitlement shortcomings. Well, let me just read the list, committee-by-committee, of the recommendations for improvements of entitlement programs as presented to the Budget Committee.

Let me start with the Committee on Agriculture, under entitlements—no comment.

Appropriations—and they do not have any entitlements under their control, but have to, under law, provide the money for these entitlements, made this recommendation:

> Concern noted on automatic indexing of entitlements.

The Armed Services Committee's recommendation to the Budget Committee on entitlements—no comment.

Banking, Finance and Urban Affairs—no recommendation.

The District of Columbia—no recommendations.

Education and Labor—favors entitlements but will review current legislation.

At least, they said something.

Foreign Affairs—no recommendations.

Government Operations—the entitlement status of GRS may be an issue in reauthorization.

House Administration—no recommendations.

Interior and Insular Affairs—no changes to existing entitlements.

Interstate and Foreign Commerce—no change to existing entitlements.

Judiciary—no recommendations.

Merchant Marine and Fisheries—no change to existing entitlements.

Post Office and Civil Service—no comments.

Public Works and Transportation—no comments.

Rules—no recommendations, but there are no entitlement programs under Rules' jurisdiction.

Science and Technology—no comments.

Small Business—no comments.

Veterans' Affairs—no comments.

Ways and Means—strongly favors retaining existing entitlements.

This is the sum-total of what we received as a result of the action taken by this House last November 28 on the simple matter of entitlements. No recommendations were forthcoming.

Let me say, when we are presenting a budget to the American people supposedly in balance, and there is about $9 billion worth of revisions which must be made in present law in order to obtain that balanced budget, can we truthfully say that we have passed a budget resolution which is in balance, without providing the mechanism, namely reconciliation, to bring about those $9 billion in savings? You know the answer as well as I do. You cannot do it with a straight face.

So, we have got to have reconciliation in this budget if we really mean what we say to the American people. As has already been pointed out, we are not taking anything from the authorizing committees.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

(By unanimous consent Mr. LATTA was allowed to proceed for 1 additional minute.)

Mr. LATTA. We are only saying, "This is what you have to do in "*x*" dollars in your committee to make up a balanced budget."

That is all we are saying, and I am pleased to announce that on this side we are going to have almost unanimous support. We have a couple of Members wavering, but we are going to have almost unanimous support on reconciliation because we really want a balanced budget, and to have a balanced budget we need reconciliation, which is already in the law. We are not putting anything in the law that is not already there. We are just following the Budget Act which we passed in this House in 1974, and hopefully we can pass this overwhelmingly today and tell the American people that when we pass this resolution we are passing a resolution that is in balance, and we are going to keep it in balance.

We are trying to hold the line on Government spending and to balance the 1981 budget. The spending target of $611.8 billion and the revenue target of $613.8 billion contained in the budget resolution before us, however, are heavily dependent on the passage of changes in existing law which would result in savings of over $9 billion. If we delete reconciliation language, the tool to enforce these reductions in spending, we are in essence increasing the spending target to $620 billion and removing the tools necessary to achieve a balanced budget.

I ask my colleagues not to be swayed by the argument that the $9 billion of legislative savings assumed in this budget would be passed without reconciliation language. Let us take a look at the history of legislative savings last year in the fiscal year 1980 budget. The House Budget Committee reported out a first budget resolution recommending total spending of $532.7 billion and legislative savings of $6 billion. Over the course of the summer, the authorizing committees failed to act on most of those legislative savings proposals. As a result, the Budget Committee had to trim down the amount of legislative savings assumed in its second budget resolution to $2.7 billion. Even this amount could not be realized by the Congress, as it turned out. Only $200 million of the $2.7 billion was enacted into law.

In 1979, we witnessed a similar scenario. Of the $2.3 billion in legislative savings assumed in the first budget resolution, only $13 million was enacted into law.

The point to be derived from these experiences should be quite clear: Unless we provide for reconciliation in this budget resolution we will be facing a much higher spending ceiling in September in the second budget resolution.

I also feel strongly that we owe it to the American people to adopt a realistic first budget resolution this year. I ask my colleagues if they would feel comfortable passing the budget resolution before us without the reconciliation requirements necessary to see that the $9 billion in legislative savings is achieved. If we did so, we would be deceiving the public into thinking that we are doing something to combat the inflation problem, knowing full well that our recommended spending level understated our best estimate of spending by $9 billion. If we fail to preserve the reconciliation requirement in this budget, the argument that we are passing a balanced budget cannot be supported with a straight face.

I am sure most of my colleagues recall the battle we had over reconciliation last fall during consideration of the second budget resolution. The Senate and Republicans in the House supported reconciliation instructions in that resolution, but were eventually forced to give in to the majority of the House, who took the position that reconciliation instructions were unnecessary and that there "may be practical difficulties" with the procedure. Well, I say that the argument that reconciliation is unnecessary, that legislative savings will be achieved by merely urging committees to act has proved totally groundless. And the argument that practical difficulties and time limitations complicate the implementation of reconciliation does not hold any weight this spring. There is just no excuse for once again abandoning the vital and essential tool of reconciliation.

Reconciliation instructions will not encroach on the jurisdictions of the authorizing committees, as some of my colleagues have argued. While the Budget Committee has suggested certain cost-savings to the various committees, the committees are by no means bound to these proposals. Using their expertise and knowledge of their areas of jurisdiction, these committees are free to report out alternative ways of reducing spending.

We are on the brink of a major economic crisis. Inflation is soaring at an annual rate of 18.5 percent and unemployment has jumped to 7 percent. Unless we take firm action now to correct the misguided economic policies of the last few years, we may soon find ourselves in a depression rather than a recession.

Put simply, a vote to strike reconciliation is a vote to increase spending by $9 billion. I strongly urge my colleagues to defeat the Udall amendment.

Mr. ROBERTS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in strong support of the amendment offered by the distinguished chairman of the Committee on Interior and Insular Affairs, the gentleman from Arizona (Mr. UDALL).

I would like to comment on the remarks made by the gentleman from Ohio (Mr. LATTA). First, I am sure he must be aware that our committee has already passed reform legislation that would realize cost savings of more than $16 million in fiscal year 1980. That is reflected in the report of the Budget Committee accompanying the first concurrent resolution. Second, recently my full committee ordered reported a bill, H.R. 7102, which contains a provision that would result in reduced Federal outlays of more than $109 million in fiscal year 1981. I might add that this provision of the bill is being offered by the committee as an alternative to one of the recommendations proposed by the Committee on the Budget pertaining to third party reimbursement for medical care received in VA hospitals by certain non-service-connected veterans.

As to the issue of reconciliation, there is little I can add to what the gentleman has already stated. My comments shall therefore be brief. I believe in the legislative process. Through the committee structure, the House has been an effective body.

In my view, if the reconciliation instructions are not deleted from the first concurrent budget resolution, then we might as well abolish the authorizing and Appropriations Committee and transfer their functions to the Committee on the Budget. I have no quarrel with reconciliation under the procedure established by the Budget Act.

Mr. Chairman, this budget resolution would require the Committee on Veterans' Affairs to reduce or terminate current benefits, or reduce the amount of proposed cost-of-living increases in benefits for our Nation's veterans, totaling $400 million, by June 15, 1980. This mandate from the Budget Committee is made, to the best of my knowledge, without hearing from any individual or organization in public hearings who represent our 30 million veterans. Although I understand the American Legion, the Disabled American Veterans, the Veterans of Foreign Wars, and other service organizations have requested to appear before the Committee on the Budget on a number of occasions, they have been denied the opportunity to do so. Yet, the committee is willing to accept, without question, the suggested cuts in veterans benefits proposed by the administration. This is totally unacceptable to me.

Mr. Chairman, in prior years when we disagreed with the committee, we were allowed to go to the House floor to overturn decisions by the Committee on the Budget on the veterans budget. On a number of occasions, the House restored severe cuts imposed by the Budget Committee. Since the Committee on the Budget was established, we have been forced to go to the House to assure an adequate level of benefits and services for veterans. Never has the House failed to support us in our efforts. It simply means, Mr. Chairman, that the Committee on the Budget is, and has always been, out of step with the House—at least on veterans issues.

Mr. Chairman, I want every Member of this body to fully understand the problems we are going to create for veterans if the Udall amendment is not adopted. If we allow the Budget Committee's mandate to stand, a great number of veterans are going to be turned away from hospitals who need hospital care. More are going to be denied treatment in VA outpatient clinics. Many of those who cannot afford to pay for expenses to the VA hospitals will be denied patient travel reimbursement allowances. Hundreds of thousands of Vietnam veterans will be denied an adequate cost-of-living increase in education benefits, and all service-connected disabled veterans may not receive an adequate cost-of-living increase in their compensation benefits effective October 1, 1980.

It should also be noted, Mr. Chairman, that some of the same Members who have mandated these drastic reductions and the termination of veterans' benefits have introduced measures now pending before our committee to increase current benefit levels. Some have introduced bills that would create new entitlements costing many millions of dollars annually, if enacted. Some have written me urging that the committee hold early hearings in order to report their bills to the House. Yet, these same Members tell us we cannot have funds to keep current programs going at the level our veterans deserve.

Mr. Chairman, I hope the Members of the House reject the mandate proposed by the Budget Committee. How in the world can we explain such reductions to veterans who will be adversely affected when they know the House is considering or has passed legislation to add millions to our Federal budget, including, among other things:

First, $444 million (fiscal year 1980) and $352 million (fiscal year 1981) to provide initial resettlement assistance, cash and medical assistance for additional thousands of refugees coming into the country from Vietnam and other parts of Southeast Asia, Cuba, and elsewhere throughout the world;

Second, increase the food stamp program costs by $3.5 billion in fiscal year 1980 and $600 million more in fiscal year 1981;

Third, approximately $300 million in fiscal year 1981 for health planning;

Fourth, $1.2 billion in budget authority and $150 million in outlays (fiscal year 1981) for youth training and employment programs;

Fifth, $646 million (fiscal year 1981) for early and periodic screening, diagnosis and treatment of individuals under medicaid (increased entitlements);

Sixth, $912 million in fiscal year 1981 for welfare reform; and

Seventh, $80 million in economic support assistance for Nicaragua.

It is a tragic day, Mr. Chairman, when we have before us a measure that would mandate the Committee on Veterans' Affairs to report a bill by June 15 to "save" $400 million in veterans benefits while we continue to add millions to the budget as I have outlined above.

Our committee has initiated certain reform measures designed to eliminate inequities in several veterans' programs. We are considering additional proposals which, if enacted, would reduce Federal outlays substantially. I do not accept, however, the theory that we can, without proper hearings, immediately bring about $400 million in program savings.

Therefore, I strongly support the amendment offered by the gentleman from Arizona. Supporting his amendment does not add a penny to the budget targets established by the Committee on the Budget. The resolution without reconciliation will show a balanced budget. We can and should have a balanced budget and our committee will do its share to bring it about. I urge the members of the Committee on Veterans' Affairs and all Members of the House to join me in voting for the amendment offered by Mr. UDALL.

□ 1430

Mr. PERKINS. Mr. Chairman, will the distinguished gentleman yield?

Mr. ROBERTS. I am happy to yield to the distinguished chairman of the Committee on Education and Labor.

Mr. PERKINS. Mr. Chairman, I wish to compliment the distinguished gentleman from Texas (Mr. ROBERTS) for his statement.

Mr. Chairman, the amendment to strike the reconciliation instruction in this resolution deserves our support.

The reasons for this are not based upon emotion or instinct, but upon hard facts and common sense.

If we strip away the camouflage and a good deal of the rhetoric, we are staring at the stark shape of a power grab.

Under the guise of voting out a resolution to balance the budget, the Budget Committee actually is asking for a radical transfer of power unto itself from all of the legislative and appropriation committees of the House. Before a final vote is taken on House Concurrent Resolution 307, it would behoove us all to look at this power grab in all of its nakedness.

Now, I am not against reconciliation. I voted for the 1974 Budget Act of which reconciliation is an important and appropriate part. The smooth functioning of the budget process requires it.

But, Mr. Chairman, section III simply puts reconciliation on the horse-end of the cart. What is worse, it is put into the shafts backward.

Add to this spectacle the vision of the Budget Committee in the driver's seat—facing in who knows what direction—then we have a most remarkable vehicle indeed.

When the command is given to "Giddyup" it may go forward, it may go backward, it may go sideways—or it may go straight up and come crashing down on its axle.

That, I suggest, is not in the best interests of either the Congress or the country. If the budget process is to work, then it ought to work the way the Budget Act intended it would work.

That act contemplated that the Committee on Ways and Means, Agriculture, Post Office and Civil Service, Armed Services, Interstate and Foreign Commerce, Public Works and Transportation, Veterans' Affairs, Education and Labor, and so on, would continue to function as responsible and responsive organs of the House in dealing with the specialized and detailed aspects of their jurisdictions.

In the resolution before us, the Budget Committee would simply order the "fine tuning" of authorizing legislation from any of these committees, without itself holding 1 hour of hearings, without the expertise that comes of long experience and oversight of programs, and without having any notion of the real needs of the citizens.

If this power grab is successful and the Budget Committee does in fact get away with this grab for front-end reconciliation, we will have a situation roughly equivalent to a hospital dismissing the surgeons and letting the groundskeepers and maintenancemen operate on the the patient.

I will be blunt enough to say that if the Udall amendment is defeated, then it will not make any difference whether Members serve on Ways and Means, Education and Labor, Appropriations, or what have you. Service will be an empty honor, for those committees themselves will simply be bangles on some other horse's harness.

I would like to turn for a moment to a specific matter under the jurisdiction of the Committee on Education and Labor—the child nutrition programs.

Let me make it clear that I would not be standing here today taking up the time of the Members if the first budget resolution had set a target in accordance with the ground rules specified in the act. In those circumstances it would have been up to the Committee on Education and Labor to review the target and report the legislation. But that is not the case. The Budget Committee wants to play leapfrog with us. With a great running jump it dashes up behind us and mandates cuts of over $500 million in child nutrition. That, I submit, is rather like playing leapfrog with a unicorn.

Of course, the Budget Committee magnanimously says that we are free to determine in what programs and to what extent the savings will be made. But the fact is that Education and Labor has only a few programs in which to achieve legislative savings, child nutrition programs being one of them.

What the mandate boils down to, then, is that we have to apply the cuts to the program categories identified by the Budget Committee in its report. We have no power to spread the burden and minimize the hardship, and virtually no flexibility to meet a cut of this size.

I think it might be instructive if the Budget Committee were required to file an environmental impact statement on the effects of the cutbacks it has ordered. If that had been done in this case, the Budget Committee would not have to take on faith the administration's advice that over a half billion dollars could be cut out of our child nutrition programs. As far as I know, it has called no witness to determine whether the advice is well founded or not.

The committee simply heard the nice round figure of a half billion dollars, and down went the boom. It wants the Congress to swallow the recommendation whole, without giving anybody in the country a chance to come in and say what its effect will be.

As the Budget Act was written, it was structured wisely so that any erroneous judgments made in May could be retrieved in September in the second budget resolution. The House was thereby given some elbow room and a chance to listen to public witnesses on the effects of the initial targets. But by trying to build a September house on a May foundation that has not yet been properly laid, we are behaving imprudently as well as half-baked.

Finally, Mr. Chairman, I feel that there are few Members of this House who believe that the resolution, even, with reconciliation, will result in a balanced budget. Or, even if it did, that a balanced budget would have a marked impact on inflation. If the economists know anything that the rest of us do not—and that is a postulate to which I am now less firmly attached than in former years—a balanced budget may result in less than three-tenths of a percentage point decline in inflation. In that event, it does not become us to try to pull the wool over the country's eyes making Americans believe that this painful exercise is striking any real blow at the economic problem.

But even if we accept the notion that a balanced budget will reduce inflation, I am personally convinced that what we are doing insures the opposite—that we will not have a balanced budget. What we are doing is cutting back so drastically and sharply on Federal aid that it will cause further disappearance of American jobs. This unemployment, mated to the Federal Reserve's high interest policy will insure that we do not have a balanced budget. Loss of revenue and increased unemployment benefits will offset any gains we make by cutting back on expenditures of other programs.

I urge the Members to vote for the Udall amendment. Not only will it curb the growth of power of the Budget Committee at the expense of other jurisdictions, it will stem the rush to ever more fiscal instability resulting from unemployment and diminished tax resources. That is not what a balanced budget means. That is not what the Budget Act intended.

Mr. Chairman, no one has more dedication to the goal of a balanced budget than I—but there are ways to balance it without taking it out of programs that serve the poor and the old and the sick.

You know how often, during the past 30 years, I have taken to the floor to recount the terrible error we made back in 1953 when we allowed the Eisenhower administration to close down the synthetic energy program. There were ongoing pilot plants which were producing liquid fuel from coal at a price even then very close to petroleum. Now we are 27 years behind the eight ball. We have wasted 27 years of synthetic fuel development.

Not long ago, the Press Journal in Louisiana, Mo., recalled the brilliant work that the Louisiana plant had carried out back in the late 1940's and early 1950's. The story recalls that when the plant was finally closed down, the documents and records were sent into storage in Pennsylvania. And an inquiry made just recently by the newspaper to the Department of Energy indicated that the Department was not even aware that there had been a pilot plant back three decades ago.

Certainly the Department of Energy has demonstrated little ability to get us out of our energy crisis, and I believe the Congress could profitably cut several billion dollars out of its budget—and let some of our good programs for the poor and for the educationally underprivileged continue to do good.

And while we are about it, we could save some billions by cutting back on the State Department appropriation, too.

We could balance the budget, and we could do it in such a way that would not do any damage to the people at all.

Let us vote "aye" for the Udall amendment, and defeat reconciliation.

Mr. HANLEY. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the Udall amendment.

Mr. Chairman, I make this statement as one who was an advocate and a proponent of the budget control committee. I thought, and I still do, that it can serve as a major instrument in the operation of this House. Never did I think that I would have to come to the well and offer this type of statement. I am as committed to a balanced budget as any Member of this Congress, but I want very much to do it in a fair and responsible manner.

Each committee has certain jurisdiction in the Congress, a rather important responsibility. We happen to have a number of staff professionals who do nothing else but ply that particular road, and in this particular jurisdiction that is in the area of civil service and postal service.

The Budget Committee never has consulted with this committee. Thus the conclusion it arrived at was an arbitrary one, and I just want to make clear today some of the ramifications of the instructions that will be forced upon this committee resulting from the passage of this resolution.

No. 1, it was most unfortunate, in recognition of the fact that approximately $4 billion in cuts relates to the jurisdiction of this particular committee. That being the case, it seems to me that the rule should have provided some debate on the intricacies of the subject matter. That is academic. That accommodation was not provided.

To comply with the instructions of the Budget Committee we are going to have to make a determination with regard to Federal pay. It seems to me that if we are going to get on frequency with the Budget Committee, then we must recognize that irrespective of what the figures of the Bureau of Labor Statistics may be later this year, irrespective of what the Consumer Price Index might be later this year, we are going to mandate that all people who are Federal employees will get not more than 6 percent. God forbid that the rate should rise to 18 percent, but if it should go up to 18 percent, the Budget Committee mandates that they will not go beyond 6 percent.

These are our instructions. We are instructed by this committee to do this.

The cost-of-living adjustment affecting all of the retirees is certainly worthy of a great deal of consideration, but little consideration has been given it.

Let me turn, if I may, to the Postal Service. As we know, the Postmaster has moved with a rate hike proposal which will have the effect of increasing first class postage by 33⅓ percent. I remind the Members that that rate hike is based on the present fiscal status of the U.S. Postal Service, which happens to be confronted with an oncoming fiscal deficit of $600 million. Now, that is bad. But even worse is the projected fiscal deficit for the subsequent year which happens to be $2.3 billion. Add to those woes the fact that now we are going to compound that problem by taking away all of the public service appropriations provided that institution. These are appropriations that by law were enacted back in 1970 and that the institution was depending upon until 1985.

So now we are going to pull the rug out from underneath it and say, "You are not going to get any of these moneys. All $736 million in the way of public service moneys is going to be denied you."

The CHAIRMAN. The time of the gentleman from New York (Mr. HANLEY) has expired.

(By unanimous consent, Mr. HANLEY was allowed to proceed for 3 additional minutes.)

Mr. HANLEY. Mr. Chairman, we are also saying that in addition to the $736 million, we are also taking another $100 million away from the revenue foregone appropriation.

Mr. Chairman, let me assure my friends that all of this, if it becomes fact, will come back to haunt this Congress. As I have said several times during the past week or so, a future administration and a future Congress are going to have to deal with this U.S. Postal Service on a crises management basis because by virtue of this action we are indeed going to make the whole system crumble.

We are putting it into absolute jeopardy—and this is the greatest threat of all—the all-precious heart of the institution, the private express statute, because we are forcing that institution probably to provide but 5 days of service. Once we do that, we open it up to private enterprise. I am not saying there is anything wrong with that, but in exchange for the private express statute or the monopoly on first class mail, our Founding Fathers mandated the commitment that that service would be provided 6 days a week.

So by denying that 6th day we have opened a breach for the private entrepreneur. If that happens to be the case, the private entrepreneur will come aboard. For example, I would be delighted to serve the major cities in America with a courier service on that 6th day; I will do it for less money than the Postal Service, and it would be a very profitable business. I would not concern myself about the private express statute, as I believe my right would be sustained in court.

Let me say to my friends that this institution of Congress is being seriously affected by what the Budget Committee is doing. If we agree to what it is doing entirely, then why do we not just junk the committee system?

Mr. GIAIMO. Mr. Chairman, will the gentleman yield?

Mr. HANLEY. I will be delighted to yield to the chairman of the committee.

Mr. GIAIMO. Mr. Chairman, the gentleman referred to the approximately $4 billion that affects his committee, the Committee on Post Office and Civil Service. As he knows, it also affects the Committee on Armed Services because it deals with the cost-of-living adjustment for both civilian and military retirees. But in arriving at these recommended areas where we could find $4 billion, the committees of the House and the other body on the budget were not just reaching out blindly.

The CHAIRMAN. The time of the gentleman from New York (Mr. HANLEY) has expired.

(On request of Mr. GIAIMO, and by unanimous consent, Mr. HANLEY was allowed to proceed for 4 additional minutes.)

Mr. HANLEY. Mr. Chairman, let me respond to the gentleman.

Mr. GIAIMO. Mr. Chairman, I have not yet asked my question, so if the gentleman will yield further, I will proceed.

Mr. HANLEY. I yield to the chairman of the committee.

☐ 1440

Mr. GIAIMO. We do try to stay in communication with the gentleman's committees, we discuss these matters with the gentleman and members of his committees on the floor of the House and elsewhere, our staffs are in quite good communication with the gentleman's staffs, I will say to the gentleman. There is no absence of communication, as the gentleman is trying to indicate.

In addition to that, we also get the March 15 letters from the gentleman's committees and the other committees stating what the gentleman will do and, by inference, we draw conclusions about legislation to come during the year.

But let me get to my question. We try to find areas where we can recommend savings of money to the committees not via the reconciliation route, but through the normal budget process and, of course, it is implicit therein that we recommend that you save the money and you devise how to save it. If you save it in this area, fine; if you pick another area, that is fine also, it is up to you. But let us take the cost-of-living area. Here is an area where we recommend the elimination of the twice-a-year, cost-of-living adjustment for Federal retirees. Now, the gentleman and I personally are going to retire from this place in January, as the gentleman well knows, and the gentleman and I are going to draw twice-a-year, cost-of-living adjustments, whereas those on social security and other type pensions, certainly in the private sector, get cost-of-living adjustments for inflation once a year. But you and I, as Federal retirees, will get it twice a year.

Reform action in this area would save an estimated $1 billion. One billion dollars. That is a lot of money. Nothing has happened either on COLA or on the President's recommendation and the Budget Committee's recommendation for pay reform. Nothing happened last year, nothing has happened this year, and I will say to my friend that nothing will happen without reconciliation because of the pressure of the special interest groups. I know how strong they are. They have been crawling all over me. But it is an area of legitimate reform and you have not even had any hearings on it.

Mr. HANLEY. If the gentleman would be good enough to advise me when this administration called upon this committee to do what the gentleman is suggesting, would the gentleman advise me, and when did the administration ever send any legislation up that would suggest what the gentleman is suggesting now? The answer is, it has not done this.

Standing next to the gentleman is the chairperson of the subcommittee of jurisdiction, who may be able to shed some light on the subject. I will be delighted to yield to the gentlewoman from Maryland (Mrs. SPELLMAN).

Mr. GIAIMO. The reference to the President's recommendation was to the pay reform bill. If I said COLA, I meant the pay reform bill.

Mr. HANLEY. Fine.

The CHAIRMAN. The time of the gentleman from New York (Mr. HANLEY) has expired.

(By unanimous consent, Mr. HANLEY was allowed to proceed for 3 additional minutes.)

Mrs. SPELLMAN. Mr. Chairman, will the gentleman yield?

Mr. HANLEY. I yield to the gentlewoman from Maryland.

Mrs. SPELLMAN. I want to thank the gentleman for yielding.

Since the chairman of the Budget Committee did mention COLA, maybe it would be well to refresh the memory of the House as to what we have done there. If the Members will recall, just a couple of years ago we eliminated the 1-percent kicker. The retirees used to get an additional 1 percent, which was to make up for the lag in the time between the increase in the cost of living and the time that there would be an adjustment. We removed that 1-percent kicker with the promise—and I think this is very important—that there would be a twice a year adjustment in its place.

If the word of the Congress does not mean anything, then so be it. Let us just make that clear to the Nation. We made a promise. We ought to keep the promise.

Now, to go to the other subject that the Budget Committee chairman has brought up—pay reform—I use quotes around the word "reform." We have held three hearings on this legislation to date. Many more are contemplated. I want to assure the House that in terms of savings it means absolutely zero, zero, not 1 cent.

The administration said we would save $2.8 billion. When we pressed for an explanation as to where the $2.8 billion would come from, we learned that the exact amount will be "saved" whether or not the bill is passed. Federal employees, in order to be brought to comparability, should get a 10.4-percent increase. The administration is going to be proposing a 6.2-percent increase because that is what they think it would come to under this pay reform bill. The difference between the 10.4 percent and the 6.2 percent comes to $2.8 billion. As the administration terms it, it is not really a saving, it is a cost avoidance. Well, call it cost avoidance or call it whatever you will, it will be achieved without passing one word of that bill. We will save the $2.8 billion if the President comes in with the 6.2 percent adjustment figure we have been told he will offer. That $2.8 billion rests with the administration.

Mr. HANLEY. I thank the gentlewoman for putting both issues in proper perspective.

The CHAIRMAN. The time of the gentleman from New York (Mr. HANLEY) has again expired.

(On request of Mrs. SPELLMAN and by unanimous consent, Mr. HANLEY was allowed to proceed for 3 additional minutes.)

Mrs. SPELLMAN. If the gentleman will yield further, I think this colloquy we have just had, this explanation of the pay reform bill, indicates that, with all of the knowledge that my good friends on the Budget Committee have (and they are my good, respected friends), they cannot possibly know the details of the legislation in each of the committees as well as do the members of the committees.

Mr. HANLEY. I thank the gentlewoman for putting both issues, the issue of pay and COLA, into its proper perspective. And the fact of the matter is that the administration did not send up a presentation related to COLA, and the matter of pay reform has already been explained by the gentlewoman from Maryland (Mrs. SPELLMAN).

Mr. PANETTA. Mr. Chairman, will the gentleman yield?

Mr. HANLEY. I yield to the gentleman from California.

Mr. PANETTA. I thank the gentleman for yielding.

Mr. Chairman, I think the gentlewoman from Maryland has made an excellent point, because with regards to the pay reform issue, what in fact the committee did legitimately was to seek other savings that needed to be met and that the committee felt would be appropriate. That is all we are asking here. We are not telling you that you have to pass pay reform, we are not telling you that you have to pass COLA. What we are saying to the committees is that these are legitimate areas that ought to be looked at. If the committees can come up with other savings, then so be it. That is your discretion. But you have, I think, affirmed the basic thrust here. The committees have the responsibility to bring savings back to the floor if we are going to have a balanced budget.

Mr. HANLEY. With due respect to what the gentleman has said, if I read the resolution correctly, you are instructing certain committees of the House to do this and that on a particular day in June. It is an instruction, a mandate.

Mr. GIAIMO. Mr. Chairman, will the gentleman yield?

Mr. HANLEY. I yield to the gentleman from Connecticut.

Mr. GIAIMO. Mr. Chairman, on page 8 of the committee print, it says:

> The House Committee on Post Office and Civil Service and the Senate Committee on Governmental Affairs shall reduce spending for fiscal year 1981 in enacted laws, bills and resolutions by $3.639 billion in budget authority and $4.204 billion in outlays and are instructed to report on or before June 15, 1980, their recommendations for changes in new budget authority for fiscal year 1981 . . .

Mrs. SPELLMAN. Mr. Chairman, will the gentleman yield?

Mr. HANLEY. I yield to the gentlewoman from Maryland.

Mrs. SPELLMAN. Mr. Chairman, the Budget Committee is assuming that in each case we will be able to find moneys to replace those that they are recommending. I personally would feel that it would be an overwhelming breach of faith if we were to reduce the twice-a-year adjustment for retirees. I have no idea where we could possibly find that sum of money as a substitute. We have searched for it.

The CHAIRMAN. The time of the gentleman from New York (Mr. HANLEY) has again expired.

(On request of Mrs. SPELLMAN and by unanimous consent, Mr. HANLEY was allowed to proceed for 3 additional minutes.)

Mr. HANLEY. Mr. Chairman, I can only conclude that we are going to pick it up by not having a 20-cent first-class stamp but perhaps a 50-cent first-class stamp and, as opposed to not giving any pay increases, reduce the level of salaries throughout the Federal institution. And if anybody else has other ideas with respect to how you might bring that down into the perspective that the gentleman suggests, we welcome your thoughts.

□ 1450

Mr. WIRTH. Mr. Chairman, will the gentleman yield?

Mr. HANLEY. I yield to the gentleman from Colorado.

Mr. WIRTH. I thank the gentleman for yielding.

I have found this discussion between the chairman of the committee and the distinguished Congresswoman from Maryland very, very interesting. I think there is one point that has been made and there has been a lot of undertone that somehow the Budget Committee is assuming knowledge of the details and the specifics of the programs.

As the chairman of the Budget Committee just pointed out, we are not doing that. We are not targeting a specific program, but rather a level of expenditure.

Now, if that level of expenditure, as the gentlewoman was suggesting, is going to be difficult to reach, that is something that is decided upon by the whole House. That is something that we have been debating and working on in the House for the last 2 weeks. Is it too high? Is it too low? What changes ought to be made?

The House, it seems to me, has been very good about working its will as to what that level of expenditure and those particular target areas ought to be. Is it that appropriate for the Post Office and Civil Service Committee to say to the House: "We do not think that your particular judgment, Members of the House, all 435 Members, is accurate, but, rather, what we think is our judgment as a smaller group of people is adequate, and we are going to overrule what the Members of the House, a majority of the House, wants to do." It seems to me that that is the answer to the question the gentlewoman raises, is it going to be difficult? Yes, it is going to be difficult to find those savings, but it is going to be difficult to find $22 billion in savings found throughout the whole budget. It is not going to be easy.

I thank the gentleman for yielding.

Mr. HANLEY. I would only conclude that most desirable it would have been had there been some consultation with the committee, a bit of give and take, some dialog, so that we could have put these figures within the world of the real, something that is reachable, as opposed to an arbitrary mandate about approximately $4 billion.

Mr. VOLKMER. Mr. Chairman, will the gentleman yield?

Mr. HANLEY. I yield to the gentleman from Missouri.

Mr. VOLKMER. I respect the gentleman very highly in his remarks, and the gentlewoman from Maryland also. It appears that perhaps the gentleman would not be able to cut back on this $4 billion. In other words, this money that is absolutely necessary has to be spent for those specific purposes.

If I listen to other chairmen, I am sure I am going to hear the very same thing. That leaves me in a dilemma, the gentleman understands. I, for one, like the gentleman in the well, am in favor of a balanced budget. Correct?

Mr. HANLEY. Correct.

Mr. VOLKMER. I have heard other chairmen say that, that we have got to have a balanced budget.

The CHAIRMAN. The time of the gentleman from New York (Mr. HANLEY) has expired.

(At the request of Mr. VOLKMER and by unanimous consent, Mr. HANLEY was allowed to proceed for 2 additional minutes.)

Mr. VOLKMER. Mr. Chairman, will the gentleman yield further?

Mr. HANLEY. I yield to the gentleman from Missouri.

Mr. VOLKMER. If we have to spend this money that the gentleman says we have to spend, and the other gentleman said, and we cannot have reconciliation, then we are either going to have to have a deficit and not a balanced budget, or, guess what, in my opinion, the gentleman can correct me if I am wrong, we have got to raise taxes. Is that right?

Mr. HANLEY. There is no such thing as a free lunch.

Mr. VOLKMER. If we are going to have a balanced budget and we are going to spend the money, we have got to get the money from somewhere. The gentleman may be proposing raising postal rates. That is another raise in taxes. Is the gentleman in favor of raising taxes?

Mr. HANLEY. Not at all. I am in favor of anything that is reasonable and responsible which reduces the budget, of course, a tax increase is unnecessary. If the gentleman has any ideas, we conduct hearings on an ongoing basis within this committee, and if the gentleman has ideas with respect to the civil service program or the Postal Service, whereas responsible reductions can be made, come on in. We will welcome the gentleman with open arms.

Mr. VOLKMER. Let us assume the gentleman is correct and they cannot be made, and as every other chairman says here, these things cannot be done. We have to spend this money. Then we either have to have a deficit and borrow the money to spend if we do not have enough revenues, or we have to raise taxes to provide the revenues.

Mr. HANLEY. As I say, I am committed to a balanced budget if at all possible, but what is so magic about a balanced budget? May I ask that question? What is so magic about it?

Mr. VOLKMER. As far as I am concerned?

Mr. HANLEY. What is so absolutely magic about the balanced budget? Is that going to bring heaven right down on Earth and from that point on we live in a world of Utopia?

Mr. VOLKMER. I do not believe so, but I do believe that it will, one, have a little bit to do with our inflationary rate and a decline therein, and the other thing, it will give a symbol to a lot of people that we spend within our means.

Mr. REGULA. Mr. Chairman, I move to strike the requisite number of words.

There is a proverb that says wisdom consists of 10 parts, 9 of which are silence and 1 of which is brevity, and I am going to be brief.

I would suggest to the gentleman from Missouri, that there is an alternative being used that he did not mention, and that is to print the money. That is what we have been doing for a long time. That is why we are faced with the inflation rate that we have today.

I dare say there is not a Member of this body who has not been out on the stump attacking the fat in the Federal budget. How we love to attack the fat in the Federal budget. This is the way to solve our financial problems, to get rid of the fat. Yet, suddenly we hear today that we cannot even find $9 billion of savings in a budget of $611.8 billion.

I hear these committee chairmen saying we cannot find all this fat we have been talking about that amounts to less than 1½ percent of the Federal budget.

I say to the Members, I think if we make an effort, we can. That is why we have a second budget resolution.

The chairman of the Budget Committee made the point very accurately when he said these reconciliation requirements are recommendations, that we have a second budget resolution to adjust the aggregate totals and make changes in our priorities. A vote for reconciliation says we will try to save the needed less than 1½ percent of this budget in legislative savings.

We have indicated some areas in the budget resolution that this might be achieved.

I would only add one thing. The gentleman from Arizona (Mr. UDALL) mentioned about teeth on judgment day, but what reconciliation does is put teeth on budget day. If you do not have reconciliation, you do not have teeth in the budget, and you are not going to achieve all of the desirable goals we have been talking about over these many days. If you are for a balanced budget, if you are for lower inflation rates, if you are for lowering interest rates, you have to vote "no" on this amendment, and vote to keep in this resolution reconciliation. It is the heart of the budget process.

Mr. NELSON. Mr. Chairman, I rise in opposition to the amendment.

In my one year and a half here in the Congress, I have not heard better debate, and I am most appreciative of this discourse of ideas; and I am very grateful to be able to take a part in it.

I believe the vote on this amendment is the true test of congressional will—to determine whether or not we want the balanced budget.

Congress must fiscally discipline itself, and if we can do this and if we can pass a budget in balance or with a surplus and hold that line all the way through the conference committee, then we are going to send out a very healthy fiscal message to the people of this country. After 11 years, it will be a welcome message.

There are a number of specifics that are worthy of merit in this reconciliation process. The whole House, as the gentleman from Colorado (Mr. WIRTH) said, works its will as to the aggregates in functional spending categories. Then the individual committees come in and flesh out, if you will, the skeletal structure of the budget.

Work needs to be done ahead of time so that you do not wait until September 15 and then at the last minute try to cut $9 billion as reconciliation in a rush.

Let us start our reconciliation cuts now. The pressure will be on. People will be focused on it. Then when you bring all of those reconciliation cuts from the committee in June, they will come in one package. It makes it more understandable and simpler to vote as you see all of it at once.

□ 1500

I commend the reconciliation process to the House and would urge a no vote on the Udall amendment.

Mr. JONES of Oklahoma. Mr. Chairman, I move to strike the last word and rise in opposition to the amendment.

Mr. Chairman, I will not take my full time because I think the arguments for and against this amendment are very simple, concise, and easily understood. Basically this is the litmus test for whether or not we really believe in a balanced budget.

What I hear in the debate today from those who are favoring this amendment is, yes, we are for a balanced budget, but let us not put any teeth into it so we can achieve it; yes, we are willing to vote for this budget, but, no, it cannot be achieved. I hear arguments that say the Budget Committee is taking away the jurisdiction of the appropriating and authorizing committees. That just simply is not the case.

This reconciliation device does not tell the authorizing committees what to do or how to do it. All this does is to give us a device with some teeth in it, to let us say OK, we are going to vote for a balanced budget and we are going to achieve a balanced budget.

There is no great magic to achieving a balanced budget. What you do is specify how much revenue is going to be raised and specify how much money is going to be spent. If the money to be spent matches the revenues to be raised, we have a balanced budget.

What I hear today is we cannot limit

the spending to that amount that will give us a balanced budget. I think we have to. I think this is precisely what the American people are looking for. Are we serious? Is this a sham, or is it a balanced budget in genuine terms?

Reconciliation will let us tell the American people well before the 1981 fiscal year begins that we can achieve a genuinely balanced budget.

I think it is absolutely essential, it is absolutely the true test as to whether or not we really believe in a balanced budget. I hope very much this House will go on record in support of reconciliation and vote against the Udall amendment.

Mr. CONABLE. Mr. Chairman, I move to strike the last word and rise in opposition to the amendment.

Mr. Chairman, we have had a lot of rich oratory this morning. I agree with the gentleman from Florida that it has been a very interesting debate.

I would like to add another simile. Last week I was home in western New York. In the back of my house there is a lovely slope blooming now with thorn and wild apple. I walked out there early in the morning and listened to the birds. It was beautiful. It was a very harmonious time. I wondered what was going on.

After a while it occurred to me that every one of those songbirds was engaged in the spring defense of his territory before the nesting. We have had some of that defense of territory here this morning, and the song has been an alluring one: "Yes, I am for a balanced budget, but do not in any way impinge on my particular nest."

This is the opportunity we have to make the budget process in fact a fiscal process. What we do here establishes the pattern of how much getting and spending we are going to do to lay waste our powers. Nobody else can do this pattern work. Once we have decided that, obviously it is the role of the legislative committees and others, the Ways and Means Committee and the Appropriations Committee to decide the details of how we are going to arrive at the fiscal aggregates set by the Budget Committee.

We have lots of safeguards in the process, but if we start out with the idea that somehow we are not going to impinge on anybody's territory to any degree, let them do what they wish, do whatever lovely thing comes into their mind whenever it comes into their mind to do it, then we are going to continue to have a budget process that has no fiscal reality in it. A good economy cannot come from fiscal chaos: chaos ultimately hurts us more than discipline.

It is too bad we have to be stern with ourselves. It would be a lot more fun if everybody could do his thing, if everybody could feather his own nest in whatever way he wanted. The people are telling us that the lack of fiscal discipline in the past has brought America to a pretty unhappy state. Having failed to find economic happiness in a state of nature, we better try fiscal policy for a while and see if it will not help us straighten out.

I think that will bring a surer sense of harmony in the battle of those defending their territory. I hope this amendment will be stricken down and I hope we will demonstrate that we have the discipline and the understanding to do what is necessary. I think we must start in the spring if we are to get a handle on the myriad of entitlements, the so-called uncontrollables, the backdoor spenders and so forth. Otherwise we are going to find ourselves, at the time of the second budget resolution when truly we must have reconciliation, too late in the process to achieve the goal we all want, which is by timely discipline to get our economy back on a sound basis. True economic harmony is our hope—the liquid note of joy, not the more jarring note of partisan defense.

Mr. OTTINGER. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the Udall amendment.

Mr. Chairman, I support the Udall amendment, not primarily for the reasons that have been put forward here, to protect the integrity of the Authorization and Appropriations Committees, but because what we are doing by this reconciliation provision is voluntarily adopting a straitjacket that will make us unable to meet the changed conditions that unquestionably are going to affect this country and affect this budget very radically.

There is no question in my mind that the budget that is put forward as balanced at the present time is a sham. It is not going to be balanced. The entire assumptions on which this budget was formed have evaporated. We already have a 2.6 percent drop in the leading economic indicators. All of the economic experts are predicting a deep recession. In just this last month unemployment reached 7 percent. It was just 6.2 percent 1 month ago. Both the inflation and unemployment figures on which this budget was based have soared.

The President's inflation expert now is forecasting 8 percent unemployment for the first quarter of 1981 and the increase in unemployment already represents something like a $12 to $14 billion add-on to the deficit as every 1 percent increase in unemployment adds $25 billion to the deficit.

So we are just kidding ourselves when we talk about this budget being balanced. Recession and inflation will demolish the balance. The terrible thing is if we adopt this resolution, then we are not going to be able to respond to the problems that are going to occur. We are going to say these budget ceilings are more important than people being able to eat, people being able to retain jobs. We are going to hold on to this budget resolution at all costs. Reconciliation will require appropriations to be cut regardless of economic disaster in the country.

The response is going to be, "Well, we can take care of that in a subsequent budget resolution."

If my colleagues would take a look at what is happening now—in fiscal year 1980—because of the artificial ceiling we adopted with respect to the fiscal 1980 budget. Because of that ceiling and because of the changed economic conditions, eight days from now, 8 days from now the Department of Agriculture is going to have to tell the various States that the people are going to have to go hungry, they cannot have food stamps. They are going to have to start telling people on unemployment, "Sorry folks, no benefits left; there is no money left."

□ 1510

Very shortly after that, the same thing is going to take place with respect to black lung benefits and medicare and medicaid and military pay. But no, no, no. The Budget Committee says we cannot act. They say the only important thing before the Congress, what we are here to do, is to see to it that those ceilings are maintained—and the military should not get paid. Why bother? People who cannot afford an adequate diet should not have adequate diets. But we have got to keep that budget ceiling.

At the present time the supplemental appropriations bill, which is waiting, which the Appropriations Committee would like to see put through regardless of the budget ceiling so that we can get the food stamps out, so that we can get the unemployment benefits paid, so we can get the military paid, is being held up by the Budget Committee members who say, no, the budget ceiling should come first. I say that is nonsense. I say we have got to have the flexibility. If the economy is going to go down into the doldrums, if we are going to see millions of additional people unemployed, if we are going to see thousands of businesses go into bankruptcy, this Congress has got to be able to act to meet those emergencies, and we should not put ourselves in a straitjacket by adopting a budget ceiling and then saying, "balancing the budget has got to come first; I am sorry, folks; the country has got to go to wrack and ruin."

I urge adoption of the Udall amendment so that we can do what the people of this country sent us to Congress to do—meet the needs of this great Nation.

Mr. FITHIAN. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, I have reserved whatever time is allotted me on this budget resolution to speak in opposition to the Udall amendment because I think we all recognize that it is the heart and soul of the process. I would just say by way of opening remarks to my friend, the gentleman from New York who asked for any ideas we had on the Post Office, we might think in terms of just asking each class of mail to pay its way, and whatever that costs, that is the way to balance the postal budget. Maybe that sounds too simple.

I want first to compliment the chairman of the Committee on the Budget and all the members of the Committee on the Budget. This is my sixth year here. I have been here for the entire time and the duration of the budget resolution. This is the first time that the Budget Committee has actually responded totally to the will of the country. This cost a lot of hours and a long time and a lot of hard work, and it was not arrived at easily. I think it is totally correct that if we are serious about delivering what we say we are delivering, then we have to have a reconciliation process. I would point out that in 15 of the 16 preceding fiscal years this Congress has failed to balance its income with its expenditures. I cannot believe as a historian that those 16 years have been that bad. I look back on those 16 years and I do not find them to be the worst of times. Yet by the process we have engaged in, we have never delivered in but one of those years a balanced budget.

Let me also suggest that the parade that I have seen to the well today reminds me ever so much about the old tale of the emperor who went about his empire insisting that he had this, that, or the other kind of clothing on, until a small child said, "But the emperor has no clothes." Either we are going to face up to reconciliation or we are going to accept the will and the judgment of those who have spoken against reconciliation, which is to say that we will tell the American people that we have clothes on in the budget, that we are balancing the budget, while in fact the budget has no clothes—the emperor has no clothes. Maybe we could say in the words of Shakespeare, "Brutus methinks you protest too much."

There are those who have protested that they want a balanced budget cannot find 1.5 percent in cuts. If they are right, then we ought to really do the decency to the American people to stop this charade and go out and say that we are not going to balance the budget. But they are wrong. We can put in place the discipline of reconciliation. Why, then, I ask, if we are to adopt the Udall resolution do we have the budget process at all? Why should we go through this business? We have been agonizing here for days. It seems to me that if we cannot then deliver, we should not promise. This is a balanced budget resolution. But I would remind you that last year with the committees we did not reconcile when it was an imbalanced budget. The legislative savings that were written into the last budget were achieved by the collective wisdom and effort of all of the committees to the rate of 1 percent of what we promised the American people. One percent of what was said we would go out and achieve in our authorizing committees was actually achieved.

Let me then say that the most important thing about all of this is that this method which the Budget Committee has now proposed is the fairest possible method. It is much fairer, I would argue with the committee chairmen who are on the opposite side, than to tell them on September 10 that they have 10 days to reconcile. At least, we have a full month and we have a part of a congressional session. I would suggest if we are going to achieve what we agree to try to achieve, then it is much more doable now, not later. This method is sound because it insures that the agencies and the departments will have sufficient notification of the proposed legislative changes to legislate savings, make changes, and issue rules and regulations that conform to the congressional mandate, not at the last hour—everybody knows what this House gets into the last few hours of the session—not in the last minute, not delaying it until long after the fiscal year 1981 begins.

Reconciliation simply adds the necessary discipline to the budget resolution to insure that the Congress can balance the Federal budget for the first time in more than a decade.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. FITHIAN was allowed to proceed for 1 additional minute.)

Mr. FITHIAN. We become so accustomed to deficit budgets that we pile one program on top of another without thinking of the fiscal consequences for this country. The time has come finally to draw the line on deficit budgets. Only by adopting the reconciliation will there be sufficient discipline in the budget process to achieve this goal. Voluntary compliance will not work. Voluntarism will not work. The only thing I see that has a prayer for working is the discipline of a budget resolution with teeth in it, and a budget resolution without reconciliation is a budget resolution without any teeth, and then we will have all just played charades for so many days.

Reconciliation is the only means available to achieve a balanced Federal budget in fiscal year 1981. The Congress must make the difficult, but necessary and unpopular decisions, to reduce Federal expenditures, balance the Federal budget and curb inflation. We need performance, not promises, assurances, not dreams. We need to adopt the reconciliation process in the first concurrent budget resolution (H. Con. Res. 307) if we are to achieve a balanced Federal budget this year.

The first concurrent resolution on the budget (H. Con. Res. 307) is an historic break through in many ways. First, it is the first balanced budget submitted to the Congress since 1969, after more than a decade of deficits which averaged nearly $40 billion annually. Second, it is the first balanced budget ever submitted under the Congressional Budget Act of 1974. Despite all the special interest pressures requesting spending increases, the Budget Committee courageously resisted these unrelenting demands, and their effort should be congratulated. Third, the budget resolution attracted bipartisan support for a balanced Federal budget in fiscal year 1981. Bipartisan support, a long established Senate tradition, adds a degree of credibility and permanence to the House budget process. Fourth, the first concurrent resolution on the budget implements an unusual procedural device called reconciliation. To insure that the balanced budget plan becomes a reality, not an illusion, the reconciliation process is a tough enforcement provision with some real teeth in it. Without reconciliation, there will be no balanced Federal budget in fiscal year 1981.

The historic adoption of reconciliation lays the groundwork for a speedy and effective method of balancing the Federal budget. The reconciliation process mandates that eight House and Senate authorizing committees report legislative savings of $9.059 billion. Thus, each committee must examine their portfolio of programs and projects and selectively trim these funds from already authorized expenditures.

Normally, the implementation of reconciliation comes in the second concurrent budget resolution, under the 310 procedure. Since there will not be sufficient time to consider these budget cuts fully in the last 2 or 3 weeks of the Congress, I support the Budget Committee's decision to place the reconciliation process in the first concurrent resolution on the budget.

Mr. CORMAN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, my vote for the Udall amendment is not a vote against a balanced budget; it is a vote against the process being used here. It is irresponsible and misleading. The gentleman from California on the Budget Committee, in singling out committees they are trying to get a handle on, cited the Committee on Ways and Means, and I think that is justifiable. Let me show you what is being done here. The Budget Committee tells us the Committee on Ways and Means must raise $4.5 billion in tax increases. Let me tell you, we have had some hearings in that committee, and if you are going to get a bill out raising taxes, you are going to have to do it with a discharge petition. The Committee on Ways and Means is not going to report out a bill to increase or speed up the collection of taxes. We do not have a single vote on the minority side, and I am not sure we have many more on the majority side.

The Budget Committee decides how much the budget will be cut, but it gives the Ways and Means Committee the pleasure of either raising taxes or cutting expenditures. If we do not raise $4.5 billion in increased taxes, we will have to cut $4.5 billion from worthy programs.

Let me suggest a couple of other things the Budget Committee has blessed us with. First of all, I must say in fairness to them they do not have much time to work, and they have a lot of ground to cover. Somebody suggested to them that there was about a half billion dollars in savings in welfare reform and the savings could be taken this year and the expenditures the next. They were informed there was no way in the world to get those savings in 1981. First of all, the Senate is probably not going to act on the bill. But assuming they did, State legislatures would have to act to implement the savings. Still they charged this $500 million as a savings for the next fiscal year, and when we suggested to them that might present a problem, they recommended we find it somewhere else.

Mr. GIAIMO. Mr. Chairman, will the gentleman yield?

Mr. CORMAN. I yield to the gentleman from Connecticut.

Mr. GIAIMO. I thank the gentleman for yielding. I want to commend the gentleman because he more than almost anyone whom I know has been trying to find some legislative reform, and he has accomplished it. He did so in disability insurance. He did so in the welfare reform package, I believe which is presently in conference. And he did so in title XX, Social Services. I think he has in his subcommittee tried to come up with about $350 million. If we had had more of that we would not be here arguing today.

☐ 1520

Let me talk about that so-called $4 billion. The gentleman said $4.5 billion package before the Committee on Ways and Means. I think it is $4.2 billion.

The gentleman has already done some of that, too. The housing bond tax legislation which is $400 million, you reported that out of your committee and we passed it in the House. What we are recommending you do is to try to find the rest of it and we suggest some ways. This did not just come out of the heads of members of the Committee on the Budget, it came out of those 8 days of meetings with the leadership with inputs from the gentleman's committee and others, and we are suggesting you can possibly find $3.4 billion not in a new tax but in the withholding on interest and dividends. I know it is tough. All this business we are doing is tough, but it is possible.

Perhaps the gentleman can find something better. It is not a new tax but it is a law. As the gentleman well knows you are supposed to pay your taxes on interest and dividends. Some people do not. We are recommending that withholding and we will get an increase of $3.4 billion.

Then we suggested, out of $313 billion in revenues, try to find some users fees, try to find perhaps $500 million in user fees. We even suggested the airport fees and the waterway fees or whatever else. They are reasonable requests.

Finally, I have little argument with the gentleman's committee. The gentleman's committee has tried, has cooperated and has come forth with legislation. The Committee on Ways and Means came forth with one of the largest legislative reforms last year, hospital cost containment. It was not the fault of your committee what happened to us here on the floor. However, there are other areas where the special interest groups are so entrenched—not in the area of your committee but in others, so entrenched that nothing will come forth.

The CHAIRMAN. The time of the gentleman has expired.

(At the request of Mr. JOHN L. BURTON and by unanimous consent, Mr. CORMAN was allowed to proceed for 3 additional minutes.)

Mr. CORMAN. I yield to the gentleman from California.

Mr. JOHN L. BURTON. Mr. Chairman, I requested that the gentleman from California have additional time that he might explain that special interest forces do not have influence on the Committee on Ways and Means.

I do not want to take up the time of the special interest forces who do not make out too well on Ways and Means, but I would like to commend the gentleman for his remarks and as someone who was supporting a balanced budget with my colleague, the gentleman from California (Mr. ROUSSELOT), at a time when it was not popular, I think that this reconciliation process is a fraud. The Committee on the Budget has to come up in balance and instead of making a lot of cuts in defense and other areas where they might, they say, "Go find the money somewhere else," and they lateral the ball off. They do not take any heat. If a tax is passed they say, "Blame Ways and Means, Mr. Oil Producer, we just recommend it."

We know that your committee has roughshod over the oil industry, because the special interest forces have no influence in your committee. The gentleman can pick the insurance lobbies, he can pick the corporations, he could balance the budget and put us in surplus because special interest forces have nothing to do with the gentleman's committee.

Mr. CORMAN. Mr. Chairman, let me retrieve a couple minutes of my time.

I thank my colleague from California very much.

Mr. Chairman, if we approve reconciliation, there are going to be teeth, and let me tell you who they are going to bite. We are not going to get the $3.4 billion withholding and we are not going to get the $780 million hospital cost containment and we are not going to get the $500 million in savings from welfare because we do not have time now to do it, even if the Senate acted today. So we have to find that money somewhere else. We are not going to find it in social security benefits. We are going to find it in the poorest of the poor.

The Committee on the Budget, Mr. Chairman, already found $125 million of it. Do you know where it was? It was in legislation that would help children who are abandoned in this Nation, who have neither parent. I thought, if there was one proposal the Committee on the Budget would retain it was that one. I even convinced the President to include it in his budget, but the Committee on the Budget took it out.

Mr. Chairman, since I have been the chairman of the Subcommittee on Public Assistance of the Committee on Ways and Means I have done my best to live within budget proposals and to cut expenditures where we could. However, we cannot possibly find $4.2 billion, even if we do away with help for children and even if we do away with help for the severely handicapped. That money is not there. That is what is wrong with reconciliation and that is what is wrong with this process. You have to spread the burden. If this House will not pass tax laws, you cannot make up the difference from the poor. You have to take a couple of bucks away from the Marine Corps, too, and I really do not want to do that.

Mr. PANETTA. Mr. Chairman, will the gentleman yield?

Mr. CORMAN. I will yield to the gentleman.

Mr. PANETTA. I thank the gentleman for yielding. The difficult thing is, if we are going to reach a balanced budget, it has to come from somewhere. We have $16 billion in reductions here. Admittedly, as the gentleman has pointed out, it is rough, it is rough no matter what area you go into. But you cannot come in here and say you are for a balanced budget but you cannot find the savings.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. CORMAN was allowed to proceed for 2 additional minutes.)

Mr. CORMAN. Let me respond to the gentleman. I just do not agree with the cuts the Budget Committee insists on. If we spread these cuts evenly over that $600 billion we are going to spend, that would be fine, but that is not what one does with reconciliation. If the House decides not to raise $4 billion more in taxes, we are not going to require all committees to make that up. The Ways and Means Committee is going to have to make it up and it will not come from social security recipients—and it should not—it will come from a very narrow base of people, the poorest of us, and they will be seriously affected. That is my problem.

Mr. PANETTA. Mr. Chairman, will the gentleman yield further?

Mr. CORMAN. I yield to the gentleman.

Mr. PANETTA. I do join with the chairman in paying my respect to the Committee on Ways and Means.

The reality is, Mr. Chairman, the bulk of those entitlement programs, that is 76 percent of this budget that is uncontrollable, that the bulk of those entitlement programs rest within the jurisdiction of the gentleman's committee. That is just the reality with which we deal. It is unfortunate. It puts all of the pressure on the gentleman and I recognize that but these recommendations are not just the committee's, they come from the administration. They come from CBO. Indeed, they come from members of the gentleman's committee themselves.

Mr. CORMAN. Mr. Chairman, let me retrieve 30 seconds of the last 2 minutes. Members of the Budget Committee proposed that $500 million could be saved from the AFDC program. CBO informed the committee it could not save $500 million in the first year. That savings would not occur until the first full year after the program was implemented. The President also recommended these dependent children not be deprived.

When I support the Udall amendment I am not voting against a balanced budget. I am suggesting to you that you have a process that is not working and you have to take it back and find a better solution.

Mr. PANETTA. If the gentleman would yield, I would suggest it would be much more to the point to vote against the balanced budget resolution then to vote against reconciliation because the two have to be unified.

Mr. GEPHARDT. Mr. Chairman, will the gentleman yield?

Mr. CORMAN. I yield to the gentleman from Missouri.

Mr. GEPHARDT. I thank the gentleman for yielding.

I deeply respect the work the gentleman does as a subcommittee chairman of our Committee on Ways and Means.

Mr. Chairman, I would like to say to the gentleman I think the gentleman has put in very sharp focus for us the very argument that is going here.

In my view in the past, we have opted to fund all things over the objective of cutting down Federal spending or balancing the budget.

The CHAIRMAN. The time of the gentleman has expired.

(At the request of Mr. Gephardt and by unanimous consent, Mr. Corman was allowed to proceed for 2 additional minutes.)

Mr. GEPHARDT. Will the gentleman yield further?

Mr. CORMAN. I do yield to the gentleman from Missouri.

Mr. GEPHARDT. What reconciliation will require of us is to make decisions. For instance, in the Committee on Ways and Means, do we want to cut off orphan children, do we want to hurt people who really have need or do we want to pass higher user fees on people who have private aircraft? I have an answer for that and I am sure the gentleman does, too. I would like to have that debate go on in the House. I would like to have those decisions made.

Mr. Chairman, in the past we have done both. We have funded the orphan children and we have let people get by, in my view, with too low user fees for general aviation. We could go on and on and talk about other tax credits and tax breaks that we give through the code.

Mr. Chairman, I would suggest to the gentleman we can bring those things out of our committee and pass them on the floor if people see that as the stark choice they have to make.

Mr. WIRTH. Mr. Chairman, will the gentleman yield?

Mr. CORMAN. I yield to the gentleman from Colorado.

Mr. WIRTH. I thank the gentleman for yielding. I, too, want to pay my respect to the gentleman for what the gentleman has done in his subcommittee, the Committee on Ways and Means.

Mr. Chairman, I understand what the gentleman says about the difficulty in arriving at the revenue figures suggested by the Committee on the Budget but as the gentleman from Missouri has pointed out, we are not saying that that be the direction in which the revenue is raised. The gentleman and we have all talked about, for example, general aviation user fees. The average private pilot in this country is paying 15 percent of the cost of taking off and landing his or her aircraft. The taxpayer is paying 85 percent of that load. In general aviation 88 percent is paid by the user of that. That is a perfectly legitimate place to look for revenues, as are Coast Guard user fees, bargeway fees and so forth.

Mr. Chairman, there was also extensive discussion, as the gentleman knows, about taxes on tobacco and cigarettes.

□ 1530

If we are looking at all of those options, I understand the problems the gentleman is pointing out. The reasons I wanted the gentleman to yield—and I appreciate it—is to point out that there is no directive coming from the committee by any means, but rather we are calling for broad discussion.

The CHAIRMAN. The time of the gentleman from California has again expired.

(By unanimous consent Mr. Corman was allowed to proceed for 1 additional minute.)

Mr. CORMAN. Mr. Chairman, just let me suggest to the Members, you have all underscored the precise problem. You want the Ways and Means Committee to find $4.2 billion or $3.5 billion, and there are a lot of places to find it. The only people that have any stake in it are the people who are the worse off, because those are the programs that Ways and Means has the ability to cut back. If we cannot bring you a tax bill, we have to bring you a bill that will reduce aid to dependent children and aid to the severely handicapped, because those are the two categories you did not include in the budget.

If you would spread out these cuts, and if I thought the Armed Services Committee had some stake in a tax increase because they would lose money if they did not vote for it, I would feel better about the burden Ways and Means has been asked to bear in raising this money. Mr. Chairman, I recommend a "yes" vote on the Udall amendment.

Mr. MICHEL. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to the motion to strike the reconciliation language.

Not in a decade in this House have we seen such affection for our standing committees.

At every turn in the budget debate, there is someone coming to the defense of committee jurisdiction. When there was an attempt to put a cap on spending, the guardians of the committees said the budget resolution was not the vehicle. Let the committees do it. When we sought to bear down on uncontrollables, they said no. Let the committees do it. When we sought to reconcile budget targets, they said no. Let the committees do it.

And where have the committees been? Last November we included in the second budget resolution a provision calling on them to report back to us by March 15 on the ways we could deal with entitlements and other uncontrollables. Only 2 of 19 committees even bothered to comply. Last November we sheepishly backed away from reconciliation. Since then, budget outlays have risen by $25 billion. For the sake of the committees we are now waiving provisions of the budget resolution 60 to 70 times a year. Next week we are going to be debating supplemental appropriations for 1980 of $17 billion. Last year the figure was closer to $11 billion.

But here we are again, being ever so cautious not to put too much pressure on the committees, for fear we may back ourselves into a corner and have to practice what we are preaching about balanced budgets and fiscal responsibility.

The argument that we must not fix ceilings in place of flexible targets is nothing more than double-talk. There is no such thing as a fixed ceiling on spending in this Congress. If we do not fall back on budget waivers, we work faster than a magician coming up with some other way to spend more money.

I do not seek to undermine the authority of committees. I do seek to prevent the complete undermining of the budget process. It is already a hapless, hopeless, useless process. Coming to this floor to debate a budget resolution is like coming to a masquerade ball where we all pretend to be doing something we are not. We have to wear the masks, because we cannot face up to the fact that the Federal budget is out of control.

My distinguished colleague from Maryland (Mr. Mitchell) said yesterday that he did not know how he was going to vote on the Latta amendment, because a vote in favor of the 1981 budget would be more deceitful. While we disagree on what economic medicine is best for his constituents, we are in complete agreement on what it is we are doing with the budget process. We are deceiving the American people.

This is not a fiscal document we have here, but a political document. It is not designed to cool the fires of inflation, so much as to cool the fires of an angry electorate tired of high taxes and inefficient, wasteful and abused Government services.

When the debate on reconciliation is over and done with, I intend to call for a division of the question on this budget resolution so that we may have a separate vote on the 1980 and 1981 budget figures.

I have no reservations about the vote on 1981. This first budget resolution has been escorted through this House under heavy guard of the Rules Committee without a nick or a scratch. The distinguished chairman of the Budget Committee has repulsed attacks from the right and from the left, and in the end, I suspect he will find that he has kept his troops in line through it all. Victory will be his and I congratulate him on this, his last battle of the budget.

We have heard the litany of 1980 outlays many times during our debate on the budget. We started in the spring with outlays of $532 billion. That rose to $547 billion, and then to $567 billion, and it is now, for the time being, $571 billion. I understand that there are already plans in the works to shoot it up higher.

We cannot simply fold 1980 figures in with the estimates for 1981 and pass them out of this House as though they were a nonissue in this debate; 1980 is an issue, and we have to have a definitive up or down vote on this issue.

The 1981 budget is not the issue. It is the nonissue.

And 1981 is farther away from reality than a pennant for the Chicago Cubs—1980 is reality. We are still in the 1980 fiscal year. We are faced with uncontrolled increases in spending this year. There is no reason for rhetoric, no time for procrastination, and no room for retreat. We either take a stand or we don't, here and now today.

But I still think this vote ought to be taken, for the record. I sought to separate these two budgets from the beginning, and fought the rule on this resolution to make in order an amendment to make a start on reduction of expenditures in 1980. I now seek a division because I still believe, more than ever, that we have to take a stand on this year's spending. If we do not, then we have no right to vote out a 1981 resolution masquerading it as a balanced budget. If this Congress cannot exercise fiscal responsibility in 1980, then it will not exercise restraint in 1981, and the American people ought to know it ahead of time.

Obviously positioning myself as I have, I hope the Udall amendment will be soundly defeated.

Keep reconciliation alive. Without it we bury the budget process.

Mr. WRIGHT. Mr. Chairman, I move to strike the requisite number of words.

The CHAIRMAN. The Chair recognizes the gentleman from Texas, the majority leader (Mr. WRIGHT).

Mr. WRIGHT. Mr. Chairman, I oppose this amendment. The amendment would dull the claws and blunt the teeth of this resolution.

The reconciliation process, which requires our committees to stay within the budget ceiling for each category of spending, is the heart and soul of the budget procedure. Without it, the totals we approve today for each function will be only targets. With it, they will be enforceable ceilings.

This amendment would postpone until next September the enforcement of those ceilings. It is true that we have followed that procedure in the past. It is true, as the authors of the amendment declare, that the budget resolution presently before us calls for an unusual discipline this early in the year.

But it also is true that we face a highly unusual situation. Inflation has hovered for weeks near 18 percent. Total debt, public and private, has soared to $4.5 trillion.

Interest rates skyrocketed to unprecedented heights, stalling out our economic growth. Only now, at least partly in recognition of our determination to balance the budget, are interest rates beginning to come back down to normal.

These are unusual circumstances. They call for unusual action. They call for unusual discipline and unusual determination.

If we go forward with the reconciliation provision intact—requiring committees to abide within the total spending ceiling—the world will see that we are serious.

Those who lend money will see that we mean it, and interest rates will continue on the downward path.

The consuming public will see that Congress is serious about halting inflation, and the inflation psychology will begin to abate.

We have acted in good faith these last few weeks while this resolution has been under consideration. We have rejected amendment after amendment. We have demonstrated the determination to hold fast to the $2 billion surplus and the $10.5 billion budget cushion.

We have resisted temptations to unbalance the budget with more spending and also with unmanagable tax reductions.

Having gone forward under the banner of a balanced budget, let us not now retreat when the tide is just beginning to be turned. I urge you to reject this amendment, to hold fast to the balanced budget and to retain the reconciliation provision which lets us enforce it.

□ 1540

Mr. WEISS. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. Chairman, I was not privileged to be a Member of this body in 1974 when the Budget Act was adopted by this House and by the Congress, but I have had occasion during the course of these past few weeks to reread the debate that took place on the floor in relation to it.

My recollection is that the distinguished gentleman from Missouri (Mr. BOLLING), who is now chairman of our Committee on Rules, was the manager of the bill. In the course of the various colloquys that took place, there is just not the slightest question in my mind but that the reconciliation process was never, never intended to apply to the first budget resolution. So it seems to me that the Budget Committee at the very least is overreaching in offering reconciliation at this stage.

But I think the most serious problem of the debate and of the process is that we are debating as if the budget resolution really was what counted in our economy and in our Nation at this time. Of course what really counts is what is happening in the real world outside of this Chamber.

Our distinguished colleague, the gentleman from New York (Mr. OTTINGER), has related what is happening, not only on the basis of our sense of it and our constituents' sense of it but on the basis of what most economists are predicting, and that is an 8 to 9 percent unemployment level sometime in the early part of the calendar year 1981.

In the course of this debate we sometimes get the feeling that the only legislation, the only law, that matters is the Budget Act and the budget resolution process.

I want to read to the Members from a section of a law which I think is particularly applicable at this stage in our economy. Public Law 95–524, signed into law on October 27, 1978, barely a year and a half ago contains a provision titled, title VI, countercyclical public service employment program. The section reads as follows:

> STATEMENT OF PURPOSE
>
> SEC. 601. It is the purpose of this title to provide for temporary employment during periods of high unemployment. It is the intent of Congress that such employment be provided during periods when the national rate of unemployment is in excess of 4 percent, and that the number of jobs funded shall be sufficient to provide jobs for 20 percent of the number of unemployed in excess of 4 percent, or 25 percent of the number of unemployed in excess of 4 percent in periods during which the national rate of unemployment is in excess of 7 percent.

Mr. Chairman, it just so happens that the unemployment levels now are in excess of 7 percent. What I just read happens to be the law as it exists today.

Section 602 goes on to say:

> On or before March 1 of each year, the President shall report to the Congress the amount that would be needed to be appropriated for the following fiscal year in order to provide jobs . . . in fiscal years during which the President estimates that the national rate of unemployment will exceed 7 percent, for 25 percent of the number of unemployed in excess of 4 percent.

Then, Mr. Chairman, it goes on to say as follows:

> Such report shall contain the President's estimate of the unemployment rate for the following fiscal year, the number of unemployed in excess of 4 percent of the labor force, and the average man-year cost of each public service employment opportunity.

Pursuant to that mandate, pursuant to that existing provision of law, the President in the budget that he sent up to us in January said that following:

> This program—provides temporary employment assistance grants to State and local prime sponsors and Indian tribes during periods of high unemployment. It will provide an average of 200,000 jobs in 1981. As required by section 602 of Public Law 95–524, the following information is provided for 1981:
>
> The unemployment rate is estimated to be 7.4 percent.
>
> The number of unemployed in excess of 4 percent of the labor force is estimated to be 3.62 million.
>
> The average cost per year of title VI public service employment opportunities is estimated to be $10,194.
>
> The amount that would be needed to be appropriated to provide public service jobs for 25 percent of the unemployed in excess of 4 percent is $9.950 million.

Mr. Chairman, those are the President's figures in his budget. Clearly the law would require that he provide for $9.95 billion to pay for $3.62 million public service CETA positions. Instead the President's budget called for only $2.044 billion and 200,000 jobs.

The CHAIRMAN. The time of the gentleman from New York (Mr. WEISS) has expired.

(By unanimous consent, Mr. WEISS was allowed to proceed for 3 additional minutes.)

Mr. WEISS. Mr. Chairman, when the President submitted his revised budget in March of 1980, in some mysterious way he concluded that the unemployment in fiscal 1981 would be only 7.3 percent and offered a reduction in countercyclical public service employment from the January figure of 200,000 to 149,000, and a reduction in budget authority from $2.044 billion to $1.35 billion. Today, of course, the estimate of unemployment is between 8 and 9 percent.

Our own Budget Committee in its report, in the face of all the projections and the requirements for money in excess of $9.9 billion to meet the requirements of the law on the books right now also recommends reducing public service employment under title VI of the countercyclical public service employment program by 50,000 enrollees to the 150,000 figure of the President.

Mr. PANETTA. Mr. Chairman, will the gentleman yield?

Mr. WEISS. I will yield in just one moment.

It seems to me, Mr. Chairman, that if we are going to be adhering to one provision of the law, then we ought to be adhering to other provisions of the law as well. If in fact we are facing the kind of unemployment levels which the President has projected, then we ought to be following the mandates of the law on the books right now and providing at least for the possibility—and that is all the budget resolution would give us—of expending moneys for the public service jobs which Public Law 95-524 mandates.

Reconciliation would prohibit us from dealing with the very dire circumstances that millions of Americans who are in the process of losing their jobs—and hundreds of thousands have already lost their jobs—would be faced with in the forthcoming year.

Mr. PANETTA. Mr. Chairman, will the gentleman now yield?

Mr. WEISS. I yield to the gentleman from California.

Mr. PANETTA. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, with all due respect to the gentleman's arguments, I think he is arguing more against the overall resolution than against reconciliation.

Mr. WEISS. Mr. Chairman, if the gentleman will allow me to reclaim my time, I am not.

What I am saying is that even if those projections were not in existence today but were likely to be in existence in the forthcoming 6 months, say, by the time this budget resolution would go into effect, if we have reconciliation, between now and September we would not be able to meet the expectations of the worst recession since the 1930's.

Mr. PANETTA. Mr. Chairman, if the gentleman will yield further just so we may clarify the point, the gentleman is talking about $16 billion in reductions in this resolution; $9 billion is in the form of legislative savings. Those are the only areas covered by reconciliation. The area of CETA reductions and the area of the other reductions the gentleman is talking about do not fall in the realm of reconciliation.

Mr. WEISS. Mr. Chairman, if the gentleman will allow me to explain it, the fact is that the budget resolution itself talks about these provisions resulting in the reduction of $349 million in outlays in 1980 and $1.350 billion in public authority and $841 million in outlays in 1981. This is part of the budget resolution that is before us.

Mr. PANETTA. But it is not part of reconciliation.

The CHAIRMAN. The time of the gentleman from New York (Mr. WEISS) has again expired.

(On request of Mr. NELSON, and by unanimous consent, Mr. WEISS was allowed to proceed for 3 additional minutes.)

Mr. NELSON. Mr. Chairman, will the gentleman yield?

Mr. WEISS. I am pleased to yield to the gentleman from Florida.

Mr. NELSON. Mr. Chairman, I want to try to nail down this point, because I think the gentleman from New York (Mr. WEISS) has raised a most serious question here that needs to be clarified.

The gentleman from New York is actually arguing against the totals, the aggregate totals and the specific recommendations that the Budget Committee has made in its budget resolution.

□ 1550

The gentleman's arguments do not attach to the question of reconciliation.

Let me give an example. The $9 billion directed to the eight committees, those funds for reconciliation do not prevent entitlement programs which, under existing law, would be considered to be activated to increase spending for certain kinds of programs that the gentleman is saying.

Mr. WEISS. If the gentleman will allow me, unfortunately the program I have just read from the budget and from the public law itself is not an entitlement program. What it does is to set forth the intention of that legislation as to what the number of positions ought to be.

If the Education and Labor Committee were, between the time that this reconciliation went into effect in the middle of June and September, to come forward in recognition of the depression that is facing us and suggest the expenditure in an amount above that which has been forced upon us with the reconciliation process, it in fact would be subject to a point of order. It could not be adopted. It could not go into effect to cure the problems that the country is facing.

Mr. NELSON. If the gentleman will further yield on that point, I would respectfully suggest to the gentleman that he is arguing against that particular aggregate in the budget resolution and that his argument does not attach to the question of reconciliation.

Mr. WEISS. If I may, I have been hearing that argument all afternoon. And, of course, it is almost like the Lincolnian argument as to how many hairs make up a beard. Every time you point to a particular hair, you say, "That is not a beard," and you point to another one, and you say, "That is not a beard. We are not telling you which part to shave, just shave the beard." But the fact is that, in totality, the various components make up the aggregate.

OK, you do not have to cut CETA, right? You can cut child welfare programs, health programs, aid to the handicapped programs. But the fact is that you cannot say to all of them, "We are not forcing a cut on you." Of course you are forcing a cut.

Mr. OTTINGER. Mr. Chairman, will the gentleman yield?

Mr. WEISS. I yield to the gentleman from New York.

Mr. OTTINGER. Mr. Chairman, I would like to agree with my friend, the gentleman from New York, and point out that what you are doing is taking targets in the first budget resolution and making ceilings out of them, as the people on the Budget Committee have admitted. That means that appropriations are going to be held at the desk and you cannot make changes that otherwise you could make, regardless of the targets that were established in the budget for changed conditions. I think that is what the gentleman from New York and I am really concerned about.

Mr. MICHEL. Mr. Chairman, will the gentleman yield?

Mr. WEISS. I yield to the gentleman from Illinois.

Mr. MICHEL. I thank the gentleman for yielding.

Mr. Chairman, I want to commend the gentleman, first of all, for going back and reading the legislation that brought about this whole budget process. If more Members would go back and read the debate, they might be very well informed.

It is true that when it was initially conceived, there were those of us who thought that reconciliation was more in keeping during consideration of the second budget resolution. What has happened and what we could not foresee at that time is that then given only 15 days, unfortunately, senior members on our Appropriations Committee have come up to the point, in practical fact, and said, "There is no way now, with this constraint on us that we can do it."

The CHAIRMAN. The time of the gentleman from New York (Mr. WEISS) has again expired.

(On request of Mr. MICHEL and by unanimous consent, Mr. WEISS was allowed to proceed for 2 additional minutes.)

Mr. WEISS. I yield to my colleague, the gentleman from Illinois.

Mr. MICHEL. And because of that, it is very much in order that we consider reconciliation now in terms of the first budget resolution so that we are not caught unawares.

Mr. WEISS. If I may say this to my distinguished friend: The fact is that until this year, my recollection is that the reconciliation process was not used at all.

Mr. MICHEL. That is exactly the point the gentleman from Illinois has been making. There has been a very, very significant deficiency.

Mr. WEISS. Not only has reconciliation never been offered in regard to the first budget resolution, it has not even been suggested previously for the second resolution. Until we got caught in this mania of balancing the budget, regardless of the cost to the economy, of the cost to our people, we were concerned with reducing costs, reducing wastes, reducing expenditures, but we never tried to fit ourselves into an iron jacket. I think the whole discussion as to reconciliation is only part of this obsession with the balanced budget, about which I think before this year is out we are all going to be saying, "It was a nice idea, but not in this kind of economy."

Mr. MICHEL. The gentleman is making part of a point that I was making earlier, and only to the extent, I would say to the gentleman, that reconciliation was, if he read completely that debate, a very significant part of the overall process, and without it, it really leaves an awful lot to the imagination.

Mr. WEISS. I am glad the gentleman really agrees with me on this. It was intended to apply to the second budget resolution and not to the first budget resolution.

Mr. WIRTH. Mr. Chairman, will the gentleman yield?

Mr. WEISS. I yield to the gentleman from Colorado.

Mr. WIRTH. Mr. Chairman, I would like to try again, as my colleague, the gentleman from Florida and the gentleman from California tried to do, to see if we can get the gentleman to understand the distinction between a discretionary program like CETA, which is the one the gentleman was referring to, which is not covered in this reconciliation resolution.

The program the gentleman was referring to, CETA, the Udall amendment has no relevance to CETA whatsoever, it is not applicable to CETA. CETA is a discretionary program which falls under the authority of the Appropriations Committee. The Udall amendment does not apply to the Appropriations Committee process at all. The Udall amendment applies to various legislative entitlement programs of which CETA is not included.

Mr. WEISS. Assuming, for the sake of argument, that that in fact is so——

Mr. WIRTH. Well, it is so.

Mr. WEISS. It applies to a food stamp program, it applies to a welfare program, it applies to a whole host of public assistance programs. The argument is still the same. We are talking about an economy that is in severe distress, where everybody is saying that things are going to get much, much worse. We are facing a recession worse than anything since the 1930's, and at in spite of that, what the Budget Committee is recommending to us is that we tie our arms behind our backs so that we cannot react to that situation. I find that to be incomprehensible.

Mr. DERWINSKI. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, this has been a rather unusual debate. If I personally tended toward exaggeration, I would say it has been almost an historic debate. For example, I find myself supporting the position of the gentleman from New York (Mr. WEISS) and opposing therefore the carefully crafted position of the gentleman from Illinois (Mr. MICHEL).

But just to set my position straight, first let me say that I favor a balanced Federal budget. Furthermore, I favor reduction of the national debt by a surplus in the budget. And, therefore, to pursue those goals most effectively, I join in support of the amendment offered by the gentleman from Arizona (Mr. UDALL) to strike section 3 of the concurrent budget resolution. It is time for us to look at the facts.

The budget resolution does not truly represent a balanced budget. It only balances the budget on paper. The latest Economic Indicators show that the decline in our economy is going to be much worse than forecast previously. The unemployment figures for April show a drastic rise. Unemployment, which was 6.2 percent 1 month ago, is now 7 percent. The budget resolution assumes an average rate of unemployment in fiscal year 1981 of 7.5 percent. Mr. Kahn, the President's inflation manipulator, is predicting a total of 8 percent in the first quarter of 1981. At the 8 percent level the negative flow of one-half of 1 percent would result in an adverse effect of between $12 and $14 billion on the concurrent budget resolution's estimated surplus of $2 billion.

Whether we are members of the Committees on Post Office and Civil Service, Veterans' Affairs, Ways and Means, Education and Labor, Armed Services, or Public Works and Transportation, we are certainly not prepared to carry out the proposed cuts or increase revenues in a budget resolution by mandating legislative changes that we know the Congress should not adopt.

Frankly, we are fooling ourselves and our constituents if we think otherwise.

For example, I doubt that we would be prepared to cut or reduce Veteran benefits or services by $400 million.

As a ranking member of the Post Office and Civil Service Committee, I am especially concerned with the recommendation to reduce postal appropriations by $836 million for fiscal year 1981 and a complete elimination to the Postal Service after 1981. That kind of cut in funds for the postal system will result in disastrous reductions in service which the American people have received for more than 100 years.

Elimination of the public service subsidy would end 6-day mail service and result in other major service cuts to be determined by the Postal Service. The revenue foregone appropriation provides reduced postal rates for religious, charitable, and educational organizations and institutions.

Therefore, there would be no opportunity, if we did not strike section 3, for the Post Office Committee to offer carefully considered alternatives to the administrative proposals. The legislative committees' role would render meaningless.

In this regard, Mr. Chairman, I vote in favor of Mr. UDALL's motion in order to preserve the role of the legislative committees in carrying out programs under their jurisdiction. The imposition of reconciliation as the first step in the Congressional Budget process really amounts to giving the Budget Committee authority to legislate on the nature and scope of Federal activities and infringes on the appropriation process.

Mr. ZABLOCKI. Mr. Chairman, will the gentleman yield?

Mr. DERWINSKI. I yield to the gentleman from Wisconsin, the de facto Secretary of State.

Mr. ZABLOCKI. I thank the gentleman for yielding.

Mr. Chairman, I just want to point out that we are not poles apart on this issue. Furthermore, there have been rare occasions that I could be in agreement with my colleague and dear friend, the gentleman from Illinois. But on this issue I am in complete agreement, and I compliment the gentleman for his remarks.

Mr. Chairman, I rise in support of the amendment offered by the gentleman from Arizona, to strike section 3 of House Concurrent Resolution 307.

At the outset, I want to emphasize that my support of this amendment in no way detracts from my support of a balanced budget for fiscal year 1981, as recommended by the House Budget Committee in section 1 of the concurrent resolution. I am convinced that a balanced budget is an important first step toward curing our inflationary problems, and commend the distinguished chairman of the Committee on the Budget for his courageous leadership on this issue.

I do however, strongly object to section 3 of the concurrent resolution which would invoke reconciliation in this the first step of the congressional budget process contrary to the intent of the Congressional Budget Act.

If section 3 is permitted to stand, it will in my opinion do irreparable damage to the authorization/appropriation process. Standing committees of the House would become mere bookkeepers in the legislative process by abdicating their expertise and respective jurisdictions to the Budget Committees. Such a radical change in the legislative process is not in my view essential to achieving a balanced budget. Specific cuts in program categories should not be predetermined by the Budget Committees in the absence of the judgment of the appropriate standing committee of jurisdiction.

I want to commend the gentleman from Arizona for his leadership in offering this amendment and urge its adoption.

Mr. DERWINSKI. Mr. Chairman, in all modesty, I will accept the compliment of the gentleman from Wisconsin.

Mrs. FENWICK. Mr. Chairman, will the gentleman yield?

Mr. DERWINSKI. I yield to the gentlewoman from New Jersey.

Mrs. FENWICK. I thank my colleague for yielding.

Mr. Chairman, I do not know what is going to restrain this Congress, to tell you the truth. We speak of the legitimate committee process, and what has it produced? We have heard that this is no time for economy and that we cannot have constraints because of the condition of the economy. But we have had complete cycles in the economy, and when did we ever have a balanced budget and some drop in the national debt?

I am desperate, and I think the country is desperate. We are getting the feeling that we cannot stop the runaway spending. We cannot stop the growth of agencies. We cannot control the operations of this Government.

Mr. DERWINSKI. We can. All we have to do is to mandate a balanced budget; then the legitimacy of the committees lies in the expertise of these Members which the panel on the Budget Committee has not had time to acquire. You must look at the tremendous experience that comes with committee responsibility over the years, the knowledge, the in depth feel for the problems. You do not have it in this new game with CPA's that the Budget Committee plays. That is why the Udall amendment is absolutely essential to the legitimacy of the legislative process.

Mrs. FENWICK. But the expertise of the committees has been disastrous.

☐ 1600

Mr. DERWINSKI. Only those committees that do not agree with us on savings. When they agree with us, they have been in order.

Mr. BAUMAN. Mr. Chairman, will the gentleman yield?

Mr. DERWINSKI. I yield to the gentleman from Maryland.

Mr. BAUMAN. The gentleman serves on several very distinguished committees and has built up a great deal of expertise on his own. I gather in his discussion of legislative turf that has just preceded his yielding to me, he is interested in preserving the programs that have had such a great success and have come out of his two committees. Which is it, Post Office or foreign aid he is most concerned about?

Mr. DERWINSKI. I would say they are both vital to the well-being of our country, with certain limitations.

I could think of for example abolishing agriculture subsidies, speaking of a less sacred entity. I could think of a number of programs that we could well abolish, such as HUD subsidy programs, the annual public works overkill, and others.

The CHAIRMAN. The time of the gentleman from Illinois (Mr. DERWINSKI) has expired.

(At the request of Mr. SHUSTER and by unanimous consent, Mr. DERWINSKI was allowed to proceed for 2 additional minutes.)

Mr. SHUSTER. Mr. Chairman, will the gentleman yield?

Mr. DERWINSKI. I yield to the gentleman from Pennsylvania.

Mr. SHUSTER. I thank the gentleman for yielding.

I am sure my friend knows that while he says we should let the committees work their will, that in the past, the Budget Committee has made recommendations, for example, in fiscal 1980, last year, of legislative savings in the first budget resolution of $6 billion. However, without reconciliation, the end result was a savings of only $200 million or about 3.3 percent. So the committees were 96.7 percent nonresponsive to the suggestions for legislative savings. Is the gentleman saying that something has changed?

Mr. DERWINSKI. Yes.

Mr. SHUSTER. And this year there is going to be a different response?

Mr. DERWINSKI. What has changed is the mood of the country. The lack of support last year for adjusted figures reflected the lack of drive, the lack of mood in this Congress. We still had the spending mood last year. Now, we have a balance-the-budget mood. I expect the committees to adjust accordingly, but I expect them to do it based on their knowledge of their turf, as opposed to the well-intended but very often misdirected goals of the Budget Committee. That is the real issue before us.

Mr. SHUSTER. I thank the gentleman and congratulate him on his confidence, which I do not share.

Mr. WIRTH. Mr. Chairman, will the gentleman yield?

Mr. DERWINSKI. I yield to the gentleman from Colorado.

Mr. WIRTH. I understand the gentleman's interpretation as the country's mood being the great enforcer on the committee's structure.

The CHAIRMAN. The time of the gentleman from Illinois (Mr. DERWINSKI) has again expired.

(At the request of Mr. WIRTH and by unanimous consent, Mr. DERWINSKI was allowed to proceed for 2 additional minutes.)

Mr. WIRTH. If the gentleman will continue to yield, what happens if, in fact, we pass the Udall amendment, we go to the middle of September and the committees have not acted to arrive at the $9 billion the gentleman from Pennsylvania is talking about, instead of that we have the dismal less-than-4-percent record that characterized our activities last year. Where do we go from there?

Mr. DERWINSKI. I read into the gentleman's question the disbelief that the House or the full Congress, having taken this position of support of the view of the gentleman from Arizona (Mr. UDALL), would then turn its back on its responsibility. I fail to understand why all of a sudden the only fountain of truth and the only strength in the entire Congress seems to be in this newly developed budget process. Strength lies in our authorization and in the Appropriations Committees.

If we support the gentleman from Arizona, then we will support him to the end of the process, which is to handle the reconciliation in the proper manner within each committee.

Mr. WIRTH. If the gentleman will yield further, I think that that response begs the point if I might. The point is that reconciliation provides the enforcement for the legislative savings that the whole House agrees to.

If you follow the argument of the gentleman in the well and you go to the Udall amendment, that spills over even if you assumed reconciliation by the 15th of September, the House goes into adjournment, and we have election time and arrive at the 97th Congress, how do we achieve the legislative savings if the gentleman is incorrect that the mood of the country is not adequate as the great enforcer to achieve the $9 billion in legislative savings?

Mr. DERWINSKI. The real point I am making is that I do not believe the Budget Committee and its figures which it intends to mandate upon every one of our authorizing committees. The Budget Committee has arrived at neither a scientific or logical figure in most cases.

I argue that the real responsibility, and therefore the discipline, must be returned to the committees that actually hold that awesome responsibility. In that case, we would logically, if we adopt the Udall amendment, logically follow through and meet the intended goals.

Mr. GIAIMO. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, I think we have had an historic debate here today. I think that what is at stake is the very future of the Budget Act itself.

I understand the arguments in support of the amendment of the gentleman from Arizona. I respect the concerns of the committee chairmen, who are concerned that the Budget Committee is trying to invade their turf.

I know how difficult it is whenever we get into a debate here on turf or reforms or committee jurisdictions or all of those questions. They are probably the most difficult and brutal debates that we ever have in this chamber.

Invading jurisdiction is not the intent of the Budget Committee, and certainly it is not the intent of this gentleman from Connecticut or the members of the committee which I have the privilege to chair.

I want to assure the chairmen of the committees that the Budget Committee is not trying to encroach upon their jurisdiction. We are given a job to do, and that is to look at the totality of Federal spending and see how best we can arrive at a balanced budget, which the people of the Unitd States are demanding.

I also recognize the argument of some of the speakers who have been in the well who have other purposes and other motives in mind, and they make them quite clear when they speak. They are not interested in balancing a budget. They are not interested in controlling spending. They are not interested in cutting spending. In fact, they are interested in turning on the printing press which we have done in Government these many years.

We will see them by their votes as they vote for or against budget resolution or efforts to control spending.

I want to address myself to those of this body who wonder why we are having this great debate over this word "reconciliation."

My goodness, it takes time and effort to have to explain it to each other and certainly to a lot of the public. What we are saying is that in a budget of $611 billion, we are trying to make some savings, and we are making $16½ billion in reductions in spending programs.

We are asking the revenue committees to come up with an additional $4.2

billion in ascertainable revenues. We are asking committees of appropriate jurisdiction to come up with ascertainable legislative reforms which will result in saving $9 billion.

Let me tell the Members, if these things do not happen, we can forget a balanced budget. If that is what we want to do, then let us do it. Let us say so, and let us tell the American people we really cannot live within the disciplines of the Budget Act, we are incapable of doing it here in Congress. We are good at voting programs, at spending moneys, but when it comes to cutting, reducing or reforming, we do not want to do it.

I do not think that is what we want to do. If this were a usual year, an ordinary year, we perhaps would not be arguing reconciliation in the first budget resolution. But this is not a usual year.

☐ 1610

Let me go back. First, let me go back to last fall when the other body attempted to put reconciliation in its second budget resolution, in the fall resolution, and there was great disagreement in the other body to the extent that they suspended debate and had several days of caucus by the majority party and the minority party. After that debate reconciliation was adopted in the other body by a vote of 90 to 6.

The CHAIRMAN. The time of the gentleman from Connecticut has expired.

(By unanimous consent Mr. GIAIMO was allowed to proceed for 5 additional minutes.)

Mr. GIAIMO. The resolution then came back to this body. I and members of the majority resisted efforts to impose reconciliation over the objections of the members of the minority who thought and believed that it had to be effected. The basic argument that I used and believed in last fall was we have legislative reform working in our committees, we have confidence that our committees are trying to do their best. That was our argument last fall. Let us give our committees the benefit of the doubt; let us not try to compel them via this very heavy legislative tool of reconciliation.

Now, do my colleagues know what happened? The president in his original budget last year sent up a legislative reform package of $6 billion for the first budget resolution. We adopted it. Nothing happened. We reduced it in the second budget resolution to $2.7 billion. Of the $2.7 billion, how much in legislative reform came out of our committees? $200 million.

So the legislative reform-voluntary method did not work last year.

This year my colleagues should know the other body has reconciliation not only for 1981, as we do, but also for 1980, as we do not. Early this year when the inflation rate went to about 18 percent, there was a panic in this city. The money markets were in disarray. There was uncertainty in the investing sector of America. There was uncertainty by the businessmen and women of America on whom we depend to pay taxes that make this great Federal budget of ours operate. There was great uncertainty on the part of the President as to his January budget, which he had sent up.

As a result of meetings between the President and the leadership of the House and the other body it was decided to set up an emergency ad hoc committee headed by the distinguished majority leader of the House, the gentleman from Texas (Mr. WRIGHT) and the distinguished majority leader of the other body, the gentleman from West Virginia, Senator BYRD. On this ad hoc committee were the leadership of the House and the other body and representatives of the various committees on an ad hoc basis, and also the chairmen of the House and Senate Budget Committees. There were several basic agreements that evolved out of these 8 straight days of meetings. The first was that we should balance the budget, that we, the Federal Government, have got to send out the signal to the Nation that we are committed to the war on inflation, that we are determined to reduce inflation in this country which is eating America alive, and that we must do it immediately. We recognized that we must take steps in the monetary area, in the regulatory area, in the energy area, and many other areas. But certainly first and foremost, the most important thing we must do would be to put our own fiscal house in order and put our own budget in balance. That was agreed to in principle by all at those meetings.

Second, it was agreed that we would do this sincerely by reducing expenditures, not by estimating taxes above where we thought they would be, which would give us more revenues, obviously, and more leeway to spend. But it was essential we balance the budget by reducing expenditures. We recommended that and agreed to it, and we went over every program, every function of Government, looking for areas where we could reduce spending.

Also present at those meetings were the Secretary of the Treasury, the Director of the OMB, and the Chairman of the Council of Economic Advisers representing the President.

The CHAIRMAN. The time of the gentleman from Connecticut has again expired.

(By unanimous consent Mr. GIAIMO was allowed to proceed for 5 additional minutes.)

Mr. GIAIMO. Mr. Chairman, we had a crisis on our hands. We have a crisis on our hands now. We have inflation at 18 percent. We have interest rates at unacceptably high levels, even though, thank goodness, they seem to be beginning to come down. We had chaos in our financial markets threatening the very structures of the society upon which 220 million Americans depend. We recognized we had to face up to this crisis and make substantial cuts, which we have done, totaling $16.5 billion. It was recognized that there were areas where we could find some revenues without increasing taxes through some user fees perhaps, or through the withholding of existing taxes on interest and dividends.

Third, we looked at the legislative reform packages which Presidents traditionally send up year after year after year, pleading with the Congress to enact laws which will reform and change parts of some of these programs which cannot be justifiably defended. We recognized that if we could not use reconciliation as a tool, the same thing would happen this year as happened last year. The recommendations would be ignored by the committees, not because the committees do not want to cooperate, but because it is so difficult.

It is so difficult to overcome many of these special interest groups in this Congress. I am a veteran of World War II, but do my colleagues think they can withstand the veterans lobby in this country which can overwhelm the committees of the Congress if they are not forced and pushed and told by the House and the other body to enact certain reforms? Do my colleagues know the power of the postal lobby in this country and of the special interests of the Postal Services concerned with second, third-, and fourth-class mail in this country? I could go on and on. We recognized if we are to balance this budget this year we must have reconciliation and we must have it now in May and June.

It will do us no good to wait until the second budget resolution in September when it will be too late, given the fact that Congress will have to adjourn for the elections, and it will be too late for the Congress to rectify the inactions of committees. If there is inaction now, what will happen by June 15 if the committees fail to act? It is up to you. It is up to all of us. If we decide in this House that something must be done, then it will be done.

☐ 1620

If we decide to go along with the committees as some have said, it is not going to happen. Then so be it. At that point, Mr. Chairman, we will not have a balanced budget. At that point we will have ignored the discipline of the Budget Act. The purpose of the Budget Act is not to do the legislating for committees; the purpose of the Budget Act is to look at the total budget of this Nation and try to establish some priorities and try to cut that pie up into the various shapes, into the various sizes needed by the various functions of our Federal operation. And that is what we are trying to do.

If you want to condemn this committee for stepping on toes, so be it. What this committee is trying to do is save the integrity of this Congress insofar as its commitment to the American people that it is going to stop spending money it does not have. It is going to stop taxing people via the indirect tax of inflation, which is the most vicious and cruel tax of all. It is trying to get a handle on Federal spending.

What this amendment would do would be to remove the discipline which you, not the committee—which you, the Members of this great House of Representatives—would be imposing on your committees.

I plead with you, if you want to balance the budget, if you want to preserve the integrity of this Congress, vote down this amendment.

Mr. MILLER of California. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, I rise in opposition to the Udall amendment. That may sound strange to some Members of this body who have watched me come time and again before the Congress to ask for appropriations, to ask for authorizations for programs to help children, to help the less fortunate of our society.

I became interested in politics in a period of time when all politicians who were out on the stumps talked about setting new priorities. When I ran for the Congress the first time, I also talked about setting new priorities, and when I got here, I found out here that every other Member of Congress had talked about setting new priorities. I found out that what that really meant was the justification for the spending that you desire and the definition of another gentleman's waste.

I think that what we have done is we have kidded the American public all too long that we are setting priorities when in fact we have set none. I have watched the deficit in this Congress be raised time and time again. I have never seen it raised for anything that I believe in. I have seen it raised for the MX missile. I have seen it raised for strategic weapons when that was in vogue. Then I saw it turned around and it was raised for conventional weapons when that was in vogue. I have seen it anticipated that it be raised for something called a rapid deployment system, for a B-1 bomber that could not do its mission. What became apparent to me was that by having that variable in the system, in the equation of this adjustable deficit, time and again the people that I came to try to help, the people whom I was concerned about that this country has an obligation to—the old and the unfortunate and the poor and the children of this country—never had the deficit raised in their name. So the deficit was raised with amendments, and conservatives would generally support amendments for these programs that I disagree with, and then they would vote against the budget because the budget was in deficit. That is called having your cake and eating it, too. Only in Congress can you do that.

But let us now review what took place in this Congress last week. We had the Obey amendment that barely lost. We had the Ottinger amendment. We had other amendments offered. Then we had the Gramm-Holt amendment. Do you know what? The Gramm-Holt amendment did not pass. Why? Because they had to cut too many people too deeply to eke out the kind of defense spending that they wanted, that they thought Afghanistan and blunders around the world by this administration would justify. To get that kind of defense spending you had to cut the old too deeply; you had to cut the children too deeply; you had to cut other recipients of necessary programs, and that did not sell in the Congress. That approach did not miss as narrowly as did the Obey amendment. That approach was trounced. But if we were playing under the old rules of adjustable deficit, I suspect the Gramm-Holt amendment would have passed, because we all know that national security is a great garnerer of votes in the Congress. So Gramm-Holt would have passed; but the deficit would have been increased; the conservatives would have voted against the budget; and the liberals would have been hung with being bigtime spenders because we have an obligation to report a budget of this country. I say no more am I going to play in that arena.

We will find out if in fact there is a great Democratic coalition in this country, and we will operate under a balanced budget. I want to pay tribute to the chairman of the committee, the gentleman from Connecticut (Mr. GIAIMO), who I think has done a fine job. I happen to think his budget stinks, but I think he has done a wonderful job. So these are not my priorities. This is not what I would vote for necessarily, but I do believe that it has kept many of the things that I do not believe in and that I think are wrong for this country from also being included in the process. I do not think that that would have happened without the pressure for a balanced budget. And I certainly do not believe that that will happen if we do not apply reconciliation, because without reconciliation I know where they are going to get the money. The gentleman from California (Mr. CORMAN) knows where they are going to get the money. They are going to get it from the less fortunate. But I do not think this Congress is going to be so prepared just to extract it from those individuals as they did without reconciliation. I think we are going to ask the Defense Committee to chip in a little bit, and maybe we will want to look at some of these programs a little more closely than we have looked at in the past, because don't you ever mislead your constituents that that deficit is going for the poor and the unfortunate in this country. That deficit is the cushion by which the special interests keep you from looking at what they are doing to the Federal budget.

The CHAIRMAN pro tempore (Mr. STUDDS). The time of the gentleman has expired.

(By unanimous consent, Mr. MILLER of California was allowed to proceed for 5 additional minutes.)

Mr. MILLER of California. If you have a deficit and you can get everybody to agree to deficit spending as a modus operandi of the Congress, what you can do then is you can keep them from looking at tobacco subsidies; you can keep them from looking at pork barrel; you can keep them from looking at tax subsidies that can no longer be justified—those things that used to be called tax preferences but which today have lapsed into loopholes. You can keep the Congress from looking at those. But if the Congress is under the mandate to take care of the people in this country who are in desperate need, as Ronald Reagan would say, to take care of the truly needy, and you work within a balanced budget and a reconciled budget, you must then look at all avenues to garner the revenues so that that can be done. So while I may not agree with this budget, and I would have hoped that the Obey amendment would have passed so that this budget would have been more humane, and while I agree with the people who have spoken here this afternoon, I think the people of this country are going to come back to us and ask us to help this economy, ask us to help those unfortunate people who are unemployed, and we will have to deal with that later on.

But what is most important to me is I believe that this process finally has become the vehicle whereby nobody again will be able to run off with the entire store because, as I have sat here for 6 years, those people who are interested in the defense of this country and interested in it in the sense of any contract that will go to their district must be good, will no longer be able to create a deficit at my expense, and no longer will many of us have to pay for their sins, because the budget will be in balance and those kinds of foolish expenditures will no longer be tolerated because the money will not be available.

So I suspect that many liberals might want to look at reconciliation as a vehicle to keep what has happened for so many years in this Congress from happening again whereby we are just constantly saddled with a deficit that is there for no other purpose than to protect the special interests in this country, many of whom tell you at the end of the letter, "By the way, I believe in a balanced budget."

☐ 1630

You cannot do it and we should not do it and I think we ought to end that game right here and now and I ask the Members who oppose the Udall amendment.

Mr. SEIBERLING. Mr. Chairman, will the gentleman yield?

Mr. MILLER of California. I will be delighted to yield.

Mr. SEIBERLING. Mr. Chairman, the gentleman has expressed my sentiments exactly. I wish to commend the gentleman. This process cuts both ways. As the gentleman pointed out, we found that out on the Latta amendment and the Holt amendment. It is not correct to say that liberal programs are the only ones that are going to suffer.

Yes, Mr. Chairman, some of them are suffering in this resolution, although the gentleman and I voted to change its priorities. But without a system to force this Congress to make decisions on priorities and to take the system seriously, we are never going to reorient priorities, we are never going to get tax reform, we are never going to get the kind of liberal democratic program that I think this Congress is to some extent, deserting. Until we get this system in place and make sure that everybody understands it is there to stay and get the public to understand it is there to stay, we are not going to have a new priorities kind of Congress.

Maybe the next Congress is not going

to have the right priorities but if it does not the people are going to be better able to see what a difference it makes if we make this system work.

Mr. Chairman, I commend the gentleman for his statement and I hope my liberal friends will support him because if there is one thing that is clear, it is that heavy deficit spending in times of severe inflation does not help liberal programs. It destroys them, because inflation makes the value of the money that went to support them worth less and less. All we have to do is look at the devastation that this budget resolution represents for many of them. There are many other things, such as price controls, payroll tax cuts, productivity incentives, energy conservation incentives, and so forth, that need to be done if we are to lick inflation, but those are not before us today. What is before us is the opportunity to show that Congress is serious about fighting inflation on all fronts.

Mr. MILLER of California. Mr. Chairman, I commend the gentleman for his remarks.

In closing, Mr. Chairman, I would just like to say that the gentleman from Ohio touched on a subject that I cannot believe I missed but I did, and that is the pressure for real tax reform, for ending the loopholes, the pressure will never mount as long as the special interests can count us into deficit spenting because then, what we will have to do in the Committee on Ways and Means is, we will pit the homeless children of this country, the old folks of this country against the special interests of this country.

The CHAIRMAN pro tempore. The time of the gentleman has expired.

(By unanimous consent, Mr. MILLER of California was allowed to proceed for 1 additional minute.)

Mr. MILLER of California. We will take those constituencies and march them to this Congress and let the Congress choose between them and the oil companies and the tobacco producers and those kinds of loopholes. I dare say that I have faith that this Congress will pick those individuals, those citizens of this country who are in need and they will do it at the expense of those tax loopholes that are only here because we have been conned into raising the deficit year in and year out so that we keep away from looking at those kinds of special preferences that are fraught throughout this entire governmental system of spending.

Mr. BAUMAN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, at the risk of ruining the reputation of the two preceding speakers, I would like to agree with their conclusions but, for the most part, I would like to completely disassociate myself from their remarks. I will explain that. I do disagree with some of the arguments these gentlemen have advanced but I admire their conclusions and, good men, I think, can differ.

I want to say amen. Amen to the remarks to the gentleman from Connecticut who only a few months ago was against budget reconciliation and is now for it. That in itself is a reconciliation. Amen. Come down brothers and sisters, come to the well and speak out, speak out in behalf of the balanced budget. Oh yes, brothers and sisters. This is music to my ears.

Turn your books to No. $612 billion and we will all sing the balanced budget song.

Mr. GIAIMO. Mr. Chairman, will the gentleman yield?

Mr. BAUMAN. I yield to the gentleman. Amen. Yes.

Mr. GIAIMO. Mr. Chairman, I want to commend the gentleman.

Mr. BAUMAN. Amen.

Mr. GIAIMO. I want to commend the gentleman. The gentleman has been working long and hard, trying to make a convert here. The gentleman has finally made one.

Mr. BAUMAN. I just want to say that I am sorry that the gentleman's retirement has brought him to this late conversion. If we had only had him with us for the balanced budget last year and in years past he may have been able to stay in Congress forever simply on what might have been his record.

And the gentleman from California (Mr. MILLER), I want to praise his conclusions, too. Yes, I want to say that it is true that the programs conservatives support programs such as national defense which do cost money. If we are going to have a country, it does cost something to preserve it. But the gentleman, too, has arrived at the correct conclusion on reconciliation.

Mr. Chairman, may I say this: The most unworthy argument of all I have heard in favor of the Udall amendment was that of "turf." I do not mean the grassy stuff that cost so much to roll out on your lawn; since they are not building any homes now we do not need much turf. I am talking about legislative turf. We get accused in this Congress repeatedly of putting our own personal and parochial interests ahead of the national good. I can understand a district's parochial interest being put, on occasion, ahead of what might be described as a national good. But a chairman, and a subcommittee chairman being offended because the Committee on the Budget has the audacity to add up the spending figures and say, "We have to make cuts, please consider a cut, please make a little cut in one of your programs."

The answer comes back, "I am the chairman. I am the subcommittee chairman. You dare to suggest that I must consider the possibility of making a cut in a program under my jurisdiction?"

What poppycock, my colleagues. What poppycock. Go back and explain to your people that you could not balance the budget because of the pride of some committee chairman.

Eighteen percent inflation. Eighteen percent, twenty-percent interest rates and you argue legislative turf.

You know, we had a former Attorney General of the United States, Ebenezer Hoar. He made the comment once that Congressmen are like hogs—and I think that is a very unfortunate phrase—but he said they are like hogs, if you want to get a hog's attention in the barnyard, you get a stout 2 by 4 before you give him the command and hit him across the snout. Thus you get his attention.

Well, I am glad that collectively the congressional snout has been struck by the 2 by 4 of 18-percent inflation. You finally noticed we need a balanced budget.

So I say today, reconcile, my brothers and sisters, reconcile here on this amendment and vote against the motion by the gentleman from Arizona (Mr. UDALL) to strike this important clause.

Mr. HYDE. Mr. Chairman, will my brother yield?

Mr. BAUMAN. I yield to the distinguished gentleman from Illinois (Mr. HYDE).

Mr. HYDE. I want to thank my brother in the well, and I think the gentleman does not sufficiently appreciate the depth of the conversion that has occurred.

Mr. BAUMAN. It is very deep here, I would say to the gentleman.

Mr. HYDE. It was a few short months ago that the distinguished chairman from Connecticut was in the well talking about the child health insurance program and the gentleman from Michigan had an amendment to make it an annual appropriation rather than an entitlement and the crusader from Connecticut stood there and said:

> We are going to look at these entitlements, but not this one. Not this one. This is the wrong time.

Mr. BAUMAN. Do not speak too harshly of the gentleman.

Mr. HYDE. The depth of the conversion is remarkable.

Mr. BAUMAN. It is. And I say redemption is at hand. We must overlook the past sins of all and now that we have come to the bar of economic justice, we must do right.

Mr. HYDE. Would the gentleman say that political scientists should well note that a new axiom of political science has been here established that an 18-percent inflation rate is the point at which the Democratic Party understands that deficit spending is bad for the poor and the underprivileged?

Mr. BAUMAN. The polls also may have something to do with it, I will say to the gentleman.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. BAUMAN was allowed to proceed for 2 additional minutes.)

Mr. BAUMAN. Mr. Chairman, I have excoriated the majority side a little bit, even though I have agreed with some of them on the pending question. I would like to address now some remarks to my side of the House.

Mr. Chairman, I am informed under the rule we are not able to speak on the budget after we vote on this amendment except by unanimous consent, so I want to speak to my leaders—wherever they are; they are around somewhere I am sure. I want to say this to them. We as the minority party will remain so, and justifiably so, if in fact we choose to be the Rose Ruiz of deficit spending.

Now let me explain that. If we as a party, are going to get in at the last mile and support the Giaimo budget, we will betray our principles and deserve to be disqualified.

The Giaimo budget is a deficit budget, and includes a $100 million tax increase. It is a budget that does not balance, a budget that causes great economic harm, a budget that has a classy veneer on it, but underneath is the same old liberal economic philosophy that has brought us to the ruin we face today.

□ 1640

We have no obligation, as the conservative party, to pull the chestnuts of these liberal folks out of the fire. They pretend to control this House but they do not. The closest budget amendment that came near to passage which made any sense was the Republican Rousselot amendment that would have only balanced the budget and reduced taxes.

Make them come to our side and deal after we defeat this budget, and we will give you a budget the American people can be proud of; that will help the people.

The majority leader, the gentleman from Texas—for 9 months more, at least—Mr. WRIGHT, said that this was not a charade, a political charade, as my leader, the gentleman from Illinois, (Mr. MICHEL) said. It is indeed a political charade, this so-called balanced budget. A charade is defined in Webster's dictionary as, "An almost transparent pretense."

There "ain't no" almost about this transparent pretense. This budget is out of balance. We should force the majority to accept its responsibility and not give them aid and comfort.

We should not vote for this final passage of this unbalanced budget resolution. We only have a few days left to correct these budget problems, and we will do it, but if you vote for it, you vote for inflation and deficits and the same old bankruptcy with a new veneer on it.

Mr. HEFTEL. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I do not know whether I should address the body as "my colleagues," or "my brothers and sisters," but in any event, although I have great respect for the gentleman from Arizona, I think we must defeat his amendment which would eliminate reconciliation from the first budget resolution.

We are an institution with one trillion dollars of debt. We incurred that debt under the system that this amendment would perpetuate. We cannot afford that system. We have an interest bill of between $100 and $150 billion a year. Think for a moment what it would mean to this Nation if those dollars were available for the benefit of the people.

But, irresponsible spending of the past, imbalanced budgets of the past, have created a debt which we cannot now afford to assume. We cannot afford to make the payments on the interest, let alone the principal. In order to achieve fiscal responsibility we must start with a balanced budget. However, the balanced budget is not the target. The target must be the trillion dollar debt. We must reduce our debt. Which means we must first break even, and then start building yearly surpluses.

For, whatever went on in the last 20 years in this body, we know that the committee system was willing to spend money it did not have, and that nobody knew how to stop it. We must have fiscal responsibility. We must have discipline. We must have the so-called CPA's to tell us, "You are going broke," and we have got to listen to them. Any other institution would have to listen or it would end up like Chrysler.

The tax revenues will not continue to take care of irresponsibility. We are on the verge of what could be a constitutional convention to mandate a constitutional amendment requiring that we maintain a balanced budget. It would be the height of irresponsibility on our part if we forced the people to go to those lengths.

So, I hope that we defeat this amendment, but more important, I hope that we realize that we can no longer have deficits; that we cannot afford our interest overhead. We must impose fiscal discipline upon this body. Our Budget Committee is that discipline, and let us work with them—not against them—because they are going to be the salvation of this body and of this Nation.

Mr. SEIBERLING. Mr. Chairman, will the gentleman yield?

Mr. HEFTEL. I yield to the gentleman from Ohio.

Mr. SEIBERLING. Mr. Chairman, I think the gentleman has made a very fine statement. I would simply like to take this opportunity to respond to a couple of points made by the gentleman from Maryland.

If there was a conversion of some of the people on this side of the aisle, it started in 1974 when we adopted the Budget Act. At that time, I know a lot of the colleagues said, "Well, it will never work," but now complaints are being made because there is a serious effort to make it work.

If there was a further step in the conversion, it did not take place this year. It took place in 1978, when a majority of this House voted that by fiscal year 1981 we should have a balanced budget. That is exactly what the committee's resolution would do.

The question before us, the real test, is, do we mean it? Are we going to make it stick?

There may be times when it is necessary, because of economic or other circumstances, to have an unbalanced budget. Even so staunch a Republican as former President Nixon espoused the idea of a "full employment balanced budget," which meant that in times of serious unemployment we might have to have an unbalanced budget. But, the corollary to that is that when times are good, we should have a surplus and use it to pay off some of that debt. Certainly in times of severe inflation and excruciating interest rates we should at least try to avoid a budget deficit.

The gentleman has made an excellent point, and I do not think he is a recent convert, either. However, I believe he recognizes that these things cannot always be done instantly. It has taken time to get down from the $66 billion deficit of the last budget of the Ford administration to a balanced budget in this, the fourth year of the Carter administration. But the time has arrived, and we must make it clear that we mean business.

Mr. HEFTEL. Whether the conversion took place in 1976 or some other year, I think what matters is that we learn today what that conversion meant, and that we dedicate ourselves to fiscal responsibility. Be we liberals or conservatives—Democrats or Republicans—our national debt threatens all of us—and all of our institutions.

Mr. OBEY. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I take the well at this time both to oppose the Udall amendment and to make several other remarks on the resolution which I think are appropriate at this moment.

I think one of the most important reasons to oppose the amendment is because if it passes, as has been indicated, the opportunity to really achieve a balance which is aimed at under this resolution is simply not going to be there. I think the most important reason for this House to pass the balanced budget resolution is so that the country can discover, after we have a balanced budget resolution passed, that we have to do a whale of a lot more than simply balance the budget if we really want to get a handle on inflation and if we really want to attack the real causes of inflation.

The fact is that the two industrialized states with the lowest rates of inflation last year, Germany and Japan, had deficits which were far greater in economic terms than was the deficit of the U.S. Government last year. In fact, their deficits translated into an economy our size would be approximately $75 billion in the case of Germany and $125 billion in the case of Japan.

That ought to indicate to us that we need to do a whale of a lot more than simply balancing the budget if we do really want to control inflation. I hope that by balancing the budegt we will then be able to redirect the country's attention to some of the more fundamental needs that we must address if we are going to in fact whip inflation.

We perhaps then might get some attention to the necessity to reform our transportation system in this country, to remove some of the economic irrationalities which exist there. We might then get some more attention paid to what we to reform the way we deliver medical care in this country, to promote group practice and other methods by which we can bring medical costs down. We might even get some more attention paid to what we really have to do on energy if we want to reduce that portion of the inflationary pressure which we have in this country at the present time.

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Mr. Chairman, I would also like to address my remarks to both the Udall amendment and the resolution in general.

To the Members of the House who voted for my amendment last week, let me say that I appreciate that support. This budget resolution is not the budget resolution which I want. I deeply believe it does fall too heavily on the shoulders of the poor. It does not do enough to attack some of the real economic problems we have. I worked as hard as I could on my amendment to change it, and so did a lot of you. But that amendment lost by 12 votes.

We have another battle coming down the line, and that is the battle in conference with the Senate. As the Members know, that Senate resolution is substantially below the House resolution on domestic programs for the jobless, the poor, and the ill. It is substantially above the House resolution on Pentagon spending.

In my judgment, Members of this House who want that final conference report to reflect the values of the House rather than the Senate budget resolution ought to in the end support the resolution as it now exists. I think the best way we can strengthen the House position in conference, in dealing with what I consider to be an atrocious State resolution, is to have broad support for this resolution when it leaves the House all across the political spectrum. If not, you weaken the ability of the House committee to defend the House priority structure in that conference committee.

I would urge you to vote against the Udall amendment and to vote for the resolution on final passage. I would say that those who are thinking about voting against this resolution, whatever the outcome of the Udall amendment, will have plenty of time to review the final product when it comes back from conference. You will have plenty of time to determine whether or not it is a fair product which you can take to the country.

If you really want to get the country's attention focused on some of the real economic programs we are going to have to deal with if we are going to lick inflation in this country over the next 10 years, I would suggest that at this time you stick with the committee and vote for the committee resolution on final passage.

Mr. ASHBROOK. Mr. Chairman, the Congress is once again entering its yearly effort to formulate a budget for the Federal Government. As in past years the rhetoric of the budget process is laced with reference to how the budget will bring real relief to the taxpayer, and how the budget will be an exercise in fiscal responsibility. Somehow this optimistic rhetoric gives way to the demands of big government. The final shape of the budget will be more of the same high tax, high spending that has been the norm for many years in Washington. Why does this happen year after year? How can a Congress that was elected in the year of Proposition 13 and the tax revolt end up spending record amounts of taxpayers money?

Part of the blame can and does fall on the bureaucracy. The GSA fraud and the other examples of waste have been cited many times in this Chamber. This year the President added his own role to the budget busting process by offering five different budget packages in less than 4 months. This confusion of packages has been an easy mark of those who want to focus blame for why we have a budget no one wants funded by a tax burden no one can bear. The bureaucratic or Carter incompetence excuses still do not provide a full explanation of why this year's budget is going to look just like every other year's budget. No matter how much time is expended on the rhetoric of fiscal responsibility or on the actual House consideration of the budget it is almost a certainty that fiscal year 1981 will waste just as much money, encounter just as much fraud, and burden just as many taxpayers as other recent budgets. In fact, there is a high probability that fiscal year 1981 will exceed its predecessors in these categories.

Why then does the growth of the Federal budget, and its related burden on the taxpayer, persist in quantum annual expansions? The answer lies in the process itself. Born out of a desire to reform the budget process in 1974 the current system is a blue print for failure. During the course of the congressional budget cycle the present system will eliminate accountability, obscure responsibility, and call into question the reliability of the numbers and statistics used. These flaws stem from the faulty assumptions in the original reform and in the blatant efforts to co-opt the system once the fiscal roof began to cave in on the big spenders in Congress. No matter which programs voters want promoted or how big a budget taxpayers want to pay for the current state of budgeting in the House is an embarassment that should appall anyone who desires good government for their money.

Originally, the budget process spelled out in 1974 encompassed all spending of the Federal Government. This comprehensive approach was to be embodied in two resolutions. One to be passed in May to provide general targets for spending and one passed in September that created binding ceilings for appropriations. A process of reconciliation between standing committees and the budget ceilings was also instituted to allow for adequate time to hold the line on agreed-upon spending levels. This system immediately ran into a problem in the House. Many Congressmen dislike saying no to pleas from interest groups for more spending. The original process of allowing the Congress to blame the budget ceilings set earlier for their decisions gave way to a headlong effort to find ways around the ceilings. The binding power of the second budget resolution collapsed as standing committees refused to commit to reconciliation. Finally, a third budget resolution came into being. This allowed the Congress to simply total up all of its spending and report out a resolution showing revised budget ceilings reflective of the new, higher totals. In effect, the House resigned itself to returning to the pre-1974 budget process without formally doing so.

If the failure of the budget process would have stopped there everything could have been out in the open and the voters could have decided whether or not the failure was unavoidable or whether new Congressmen were needed to hold the spending line. Unfortunately, many incumbents were hesitant to allow the voters such a clear choice. Instead of scrapping the 1974 system, a series of "reforms" took place to maintain the veneer of a budget process while allowing spending to go on unchecked.

The first breakthrough to muddy the budgetary waters was to allow off-budget items to be resurrected. These accounts, located in three Cabinet Departments and two agencies will amount to $24.1 billion for fiscal year 1981 in budget authority and $18 billion in outlays. While there are some offsetting receipts in these accounts they still amount to a major deficit that is not included in the overall budget. The growth of off-budget items has simplified the process of making the budget look a little smaller and a little more in balance than it really is.

Another breakthrough was the third budget resolution and supplemental appropriations. It is unrealistic to expect that a multibillion-dollar budget may not need adjustments during the course of the budget year. Fuel costs, natural disasters, economic downturns and other factors may cause the need for additional funds to be appropriated in one account or some reprograming to take place between two accounts. However, these realities of budgeting have served as an easy opportunity to have the first and second budget resolutions become just political documents. In late April each year the House can make a great show out of holding the line on spending or, in the case of fiscal year 1981, having a balanced budget.

By the fall when the second resolution comes around it is increasingly difficult for the House to stand by the many times ludicrous levels passed in the giddy weeks of April. Instead of having to go on record capitulating to the spending sprees of the standing committees the second budget resolution gives a little ground, but still upholds the figures of April. Sometimes outrageous steps are taken to maintain fantasy in the face of reality. For fiscal year 1980 various amendments were added to the second budget resolution by the Budget Committee to keep the deficit under $30 billion. Among them an assumption that $300 million would be saved by hospital cost containment. This bill was not even on the House floor at the time the amendment passed. Today it has still not moved in the Senate though the House passed a weakened version. Another amendment discovered a $2 billion savings for "the earlier effect of cash management initiatives," whatever that meant to its proponents. What it actually meant was that $2 billion was to be cut out of the deficit by a stroke of an accountant's pen. No real cut and no real saving occurred, except it did sound good in the press. A third amendment cut of $1.5 billion from the deficit by adding that amount as a "technical adjustment" to the revenues. The result was a tight sounding budget with a $29.2 billion deficit.

What happened to the second budget resolution for fiscal year 1980? Additional spending burst through the ceilings by $19.1 billion, creating an additional $8.5 billion in the deficit. Instead of forcing the House to face up to its outrageous assumptions of the second resolution by having a vote on a third resolution, the Budget Committee placed the third resolution in the first resolution for fiscal year 1981. The Rules Committee then obliged the Budget Committee by preventing a separate vote on the third resolution. If all of this sounds confusing, it is. Just as confusing an enemy aids the winning of a battle so does confusion of the voters make it easier for Congress to move ahead on spending without the need to account for itself.

The flood of new spending eventually has to be paid for. In the Federal Government this payment is in the form of newly printed inflated dollars. The accounting for these cheaper dollars comes in the national debt. The size of the national debt used to be a few billion dollars with savings bonds and other Government securities accounting for a majority of the debt. Now the national debt is approaching a trillion dollars. This figure has been dismissed as unimportant by many economists who believe the debt is "money we owe ourselves" anyway so there is no need to worry about its size. However, as of fiscal year 1981 the interest payments alone on the national debt will reach $83.6 billion. That means more tax revenues or more usurping of private capital just to pay interest.

The size of the national debt, therefore, became another embarrassment for the Congress. It is difficult to posture as a fiscal conservative if there have to be votes to increase the debt ceilings every now and then. At first the Congress tried brinkmanship. The Treasury allowed the money supplies to run down to nothing and then alarm bells would ring around Washington. "The Government must default or the bureaucrats go without pay," would come the cry. "Benefits would be cut off," would be another cry. In the end the debt ceiling would be raised in the name of saving the republic.

This did not work last fiscal year. Too many in the House began to understand the brinkmanship game. They considered it an affront to the taxpayers and issued stern warnings well in advance of the brinkmanship ploy that either spending be held within its limits or they would stand by and let it all hit the fan. Thankfully for the big spenders, the Budget Committee and the Rules Committee discovered a new method of ducking the debt issue. A provision was passed as part of a rule to the second budget resolution of fiscal year 1980 to allow some unelected clerk of the House to simply erase the debt limits and allow the ceiling to rise as the red ink piled up. This passed, so now there is no need to put the House through the embarrassment of showing the taxpayers it does not know how to add; only some unelected clerk gets that onus.

The debt limit avoidance will not be enough to satisfy the electorate in 1980. Proposition 13 and the tax revolt have forced the concept of a balanced budget into the political agenda. This year there has been a boom in balanced budgets. The President issued a balanced budget, on his third try, and the Budget Committee did him one better by reporting out a small surplus. What is incredible about both of these balanced budgets is that spending actually goes up by record amounts. How could this happen? Two very harmful ploys were used to fashion the balancing acts. The first was some more of the accounts manipulations that were used in the second resolution of fiscal year 1980. Assumptions were made that were dubious, such as underestimating inflation. Programs were delayed until the end of the fiscal year 1981 year, thereby assuring a third resolution for fiscal year 1981.

The second damaging ploy used was the cruel fiction that the budget is balanced at all. To cover the giant leaps in spending giant leaps in taxation are included. The windfall profits tax, the oil import tax, and other taxes that the consumers will have to face in the form of higher prices are included. Higher taxes under social security and higher tax rates because of inflation forcing incomes into higher tax brackets make an appearance. For fiscal year 1981 the increase in the tax burden, not counting inflation burden, will be close to $100 billion. The balanced budget, therefore, is only balanced by confiscating more money from the incomes of taxpayers.

It is no wonder that the voters are confused and the taxpayers bewildered. The rhetoric says one thing, the figures say another, and the final outcome will be yet another. In the end the taxpayer pays more and gets less service, the Government gets bigger and does less, and the big spenders in Congress get off scot free because few people understand what happened. This is no way to run a government and no way to budget. Unfortunately, the system has been created to fail. It is up to the voters to demand elected officials commit themselves to building a system that works.

Mr. Chairman, this House is in the process of creating a budget for fiscal year 1981. Unfortunately, the process of budgeting tax dollars and holding spending to that budget has been an utter failure. In fact, I would have to say that it has been a cruel sham on the taxpayers of this Nation. In the last 5 years, we have had to have three third budget resolutions to allow unbridled spending to exceed the levels of the second budget resolution. This year we are not even allowing a separate vote on the third budget resolution. In past years this House has allowed the national debt to climb without any effort to stop the spending spree. This year we will not have any votes on the debt as last year the House voted to just let things take their course. This year we supposedly have a balanced budget, but it is balanced only by juggling figures which will inevitably lead to a fourth third budget resolution next year and because almost $100 billion in new tax burdens have been placed on our citizens. This process is a sick joke on the American public, and no one is laughing.

The legacy of failure of the budget process is a legacy of waste within the Federal Government. Since the Congress refuses to be held accountable for overspending the bureaucracy sees no need to hold itself responsible either. Every year billions of dollars of taxpayers' money are wasted because of fraud that goes unpunished, inefficiency that goes uncriticized, and unnecessary spending that goes unchecked. The examples of such waste have become common fixtures in daily news. Their burden on the taxpayer and on the efficiency of vital Government services are also well known. Since everyone knows about waste and the harm it does to this Nation, why does it persist? In fact, it seems to grow each year.

The reason waste exists and spreads in the Federal Government is the budget process is presently incapable of identifying and addressing the problem. Part of this problem is the nature of government itself. Bureaucracy has a vested interest in self-preservation. Since government supposedly exists because there is a problem that needs solving, solving the problem can be the fastest way to end the life of a given agency. The National Aeronautics and Space Administration was considered the star among bureaucracies in the 1960's. It received all the money it needed and was lavished in publicity and compliments. Once it had succeeded in landing a man on the Moon it was destined for oblivion. Today NASA has to fight for its life and suffers from both obscurity and budget cuts. Such are the rewards for success in Washington.

Therefore, failure is its own reward in the world of big government. If poverty, or urban decay are still around at the end of a fiscal year, then both future existence and future expansion of the agency in charge are assured. In some cases, criteria to define the problems are changed to assure that a problem is still around. This has happened with unemployment statistics and with food stamp eligibility. A case could be made that many programs used to address these issues may not exist or would be phased down if the original criteria were still in place.

The games bureaucrats play do not fully explain why waste persists. The 96th Congress was trumpeted as the "Oversight Congress." By definition this implies that the Congress would cut through the bureaucratic gamesmanship and ask pointed questions about why programs exist and what could be done differently if existence was justified. Except in isolated cases this attempt at oversight has failed. A Department of Education was narrowly approved in the face of clear evidence that it was not needed and could possibly hurt education in America. The Department of Energy spends more dollars yet the Nation has less energy. Other programs with recent records of waste have received additional funds. How can this happen?

One of the key elements of the failure for Congress to exercise oversight is that information on Government finances is not complete. This may be hard to understand in a city seemingly awash with information. However, the present budget system works against full knowledge of the information necessary to conduct oversight on programs.

One of the building blocks for the Federal budget is the Treasury account number. These 11-digit numbers serve in the same way checking account numbers do to identify where dollars go in the bureaucracy. Treasury account numbers are on all documents sent to Capitol Hill by the bureaucracy during budget time. They are also in the massive appendix to the budget issued by the President. However, once these numbers come to the Hill they virtually disappear. The budget resolutions do list the general function numbers, but these are only the last three digits of the Treasury numbers. By the time authorization and appropriation bills reach the floor of the House no Treasury numbers appear at all. In fact the moneys within these accounts are usually rearranged in the form of legislative titles that correspond to statutory language.

Why are Treasury accounts important? If a bill comes to the House floor and the House wishes to identify a specific program being administered by a specific agency it can sometimes take hours of research to track the information. To track how many Treasury accounts may be part of a general effort to eradicate a problem and to identify the actual amounts of Federal dollars being spent could take days. When you consider that there are over 1,000 Treasury account numbers there could be years worth of man-hours involved in any single effort to conduct oversight over the expenditure of funds. Given the small staffs of individual Members and the severe time constraints on the House when first the budget and then a mountain of funding bills reach the floor all at once, there is virtually no way oversight can be conducted on a broad scale. Why then are Treasury numbers deleted from funding legislation? By deleting the numbers the power of information becomes focused in the hands of the bureaucracy and the majority staffs of the Budget and Appropriations Committees. The smaller minority staffs of these committees confront the same constraints of resources as do Member offices. The result is that unless a Member wants to take the staff's word on how money is being spent either vast amounts of time must be spent rechecking the figures or the attempt is abandoned.

The importance of Treasury accounts is underscored by the perennial question of "where do you cut the budget?" Every year Members out of frustration with the growth of Government offer across the board spending cuts. These are always met with opposition because they are supposedly "meat ax" approaches. The reason they are across the board cuts and not specific is because in any given funding bill it is impossible to break the money down by accounts to make the specific cut. By keeping the information on treasury accounts difficult to compile the big spenders assure that meat ax cuts will be offered.

Without easy access to Treasury accounts Members of Congress must embark into oversight without the necessary maps. This places all but a chosen few at a great disadvantage in confronting the vague statements of agency spokesmen and of the chairmen of the standing committees. Unless a Member or his or her staff wish to devote hours to deciphering Treasury documents and manually indexing the funds with the accounts and then cross-indexing these figures with both agency organization charts and bill language can there be even a rudimentary attempt at oversight. This is not to say oversight does not occur. However, it does answer the question of why no comprehensive oversight has succeeded.

With the flow of funds so muddied by several layers of legislative language and the clear tracking of funds difficult at best it is no wonder that many programs can slip through each year regardless of the best efforts put forth by budget cutters. Efforts to cut through the laundering of Federal funds have met with opposition by both the big spenders and the bureaucrats. Efforts to have the highly touted Inspector General reports from the various agencies coded by Treasury acounts have not met with any success. Efforts to have the Treasury numbers listed in the budget resolution reports or in the funding bill reports have gone nowhere. In other words, for all the rhetoric about oversight, nothing has been done to open up the one key to information about Federal funds that would make oversight a reality.

With Members of Congress forced to chip away at the Federal bureaucracy with inadequate tools the opportunity for the big spenders and the bureaucrats to run rampant with tax dollars is ample. One of the most successful methods of pushing big spending without looking like big spending is being pushed is using the old "Who's on first" routine. When an authorization bill comes to the floor a proponent argues against a spending cut because it should be made in the appropriation bill. When the corresponding appropriation bill comes to the floor the same proponent tells the budget cutter that the cut should have been made on the authorization bill. The reason given is that the commitment to spend has already been made, therefore, the hands of Congress are tied. When, in the case of the International Development Bank authorization, the budget cut is offered to the authorization bill and the budget cutter states openly that the appropriation bill will be too late to cut the funds the proponents retort that it is already too late because the authorization is of itself the implementing of a previous commitment. In the end the spending goes through yet everyone can point the finger at a previous action.

Another way to promote spending has been the brinksmanship act. A Federal bureaucracy goes about spending money and expands eligibility over and above congressionally mandated levels. The bureaucracy usually finds some expansionary loophole in the original legislation that can be interpreted to cover the new expenditures. When the agency is about to run out of funds it comes to the Congress and states that unless more funds are authorized certain groups will go unfunded. In the case of food stamps this ploy is used to perfection. Each year the food stamp rolls expand without explicit congressional mandate, but when the money runs out the food stamp bureaucrats immediately list the original target groups as the ones who will be hurt unless extra funds are approved. This very event will happen in Congress in the near future. The bureaucrats always state that they cannot separate the funds for recipients to cut the newer groups and always state that they have no time to readjust if money is not forthcoming. In October 1979 the USDA tipped its hand by stating it was going to try brinksmanship on food stamps. At that time I called attention to this fact. In a few weeks Members of Congress will express surprise and alarm to the program running out of funds and maybe they will succeed in stampeding the House into buying the "wolf cry" one more time.

The brinksmanship players, the self-preservationists, and the information withholders have all become permanent fixtures in the world of budgeting. They work in all program areas, some that liberals like and some conservatives might like. The bottom line to their existence and their success is that the system of budgeting fails to allocate resources in an open, or knowledgeable manner. In the end the system suffers and the taxpayer suffers. Until something is done to stop the waste, by opening up access to the necessary tools, the status quo will continue. The Congress can change that status quo. To do so may eliminate some of the alibis used when spending and taxation goes beyond the limits of reason and it would eliminate some of the old boy networks that have arisen in Washington between big spenders and bureaucrats, but it would bring better government to the Nation. I think most people would consider that a positive turn of events.

Mr. Chairman, the American taxpayer is bewildered by the record rise in Federal spending. In fiscal year 1969 the Federal budget was only $184 billion. At that time the boom in domestic programs and in the Vietnam war were at their height. For 1981, when America is at peace, but with its defenses at the lowest level in recent memory, the budget is at $628 billion. Many beleaguered taxpayers wonder how so much money could be spent in such a short time and yet there seems to be no improvement in what they receive from their Government. In fact it seems that with inflation at record levels, interest rates at record levels, and bureaucracy tying up productivity that things have actually gotten much worse as Government spending increased.

The rate Government spends tax dollars is becoming ludicrous. Just a few blocks from here the U.S. Chamber of Commerce has what they call a Federal spending clock. The clock has two faces and a large tote board. The smaller clock face has a hand that sweeps past ticking off every time $10,000 is spent by the Federal Government. The hand sweeps by so fast it is hard to keep track of. It only takes a half second for the hand to sweep by once. On the larger clock a little light flashes every time $100,000 is spent. A light flashes every 5.8 seconds. Every 58 seconds a beep is heard which documents another million dollars being spent. That is almost hard to imagine.

My colleague from California, Mr. ROUSSELOT, documented back in February that the Federal Government now spends more every second than the average family of four makes in a year. That works out to $17,364 per second. This figure is for fiscal year 1980. I am sure the spending per second will go much higher in fiscal year 1981. These two examples: A clock hand sweeping by at ever increasing velocity and a figure showing spending higher than earnings begin to indicate that matters are clearly getting out of hand on Federal spending. The taxpayer knew this fact years ago. However, every election year the taxpayers who are mad in April over their tax burden are confused in November by the mountain of rhetoric where every incumbent is able to say they voted to cut spending and hold the line on taxation. The voter gets further confused when they read remarks by the President or a bureaucrat regarding how they are doing all they can to cut spending and to hold the line on Government growth. If everyone is cutting spending and holding the line how come things are out of control? This has become a major quandary for the taxpayer who watches his or her paycheck shrivel up to virtually nothing as withholding taxes cut bigger portions out each year and inflation eliminates their buying power. What is going on?

In other remarks I have made recently, I have tried to explain how the system of budgeting hampers any real efforts to cut Government growth. The bureaucracy has its own games of institutional survival that defeats the system. In the Congress the budget process ends up being an exercise in frustration as figures get juggled and bills get passed no matter what is done by the budget cutters. In the attempt to have oversight over big government the tools to conduct adequate program review are either nonexistent or unavailable save to a select few.

What can be done? The first thing is to remember that the tools to cut the budget already exist. There is no need for sunset laws, or for zero based budgeting, or for any other new reform to be passed. The Congress has the tools to do all that needs to be done at this very moment. The only thing lacking is the courage to use the tools. Sunset can be accomplished by simply not voting funds for a given program or agency. In the case of the Federal Trade Commission the agency was legally sunsetted 3 years ago. Only the hesitancy of Congress to shut the rogue agency down and pursue other means of protecting the consumer has prevented sunset from happening. As long as emergency appropriations are passed to prolong the FTC life the Congress is on record circumventing the sunset apparatus it was given in the Constitution through having the power of the purse.

Zero-based budgeting is another example of fallacy covering fact. If a manager is a good one he or she will always begin from the standpoint that their job and agency are expendable. From that "zero base" an analysis takes place to see if there is still a need for their or their agency's existence, and, if so, in what form. In Washington institutional survival is the name of the game. No bureaucrat in his or her right mind would consider themselves expendable. Last year the major snowstorm buried the capital in 28 inches of snow. The head of the civil service issued an announcement that only necessary personnel should come in to work until the snow was cleared away. Immediately the phone lines into Washington were flooded with frantic calls from bureaucrats inquiring if they were necessary personnel. In this type of survival mentality environment there is no way zero-based budgeting will ever occur on a grand scale.

That leaves the Congress as the sole protector of the treasury. Only if Congress holds the line will spending be held within reason. But I have already stated that the system is designed to fail, because most big spenders do not want to be on record voting big tax burdens to their constituents year after year. How then can the Congress stop the growth of Government? It does have the tools, but how will it get the courage?

The first thing forgotten in the budget process is the fact that the Congress serves its constituents, not the bureaucracy. This fact seems to be forgotten during budget time. Only bureaucrats and the professional constituents are heard when it comes to spending the Nation's wealth. The bureaucrats are heard because it is their collective neck that is on the line if Congress decides to listen to the taxpayer instead of the tax wasters. The professional constituent is another matter. A cottage industry has arisen in Washington for countless groups posturing as speaking for the "voter" or the "taxpayer" or the "consumer." These groups are sometimes only one or two individuals with a computer mailing list for fundraising who make a living of testifying on behalf of the Nation. There are many groups that will state openly the size of their constituency based on membership rolls and do not posture beyond those bounds. There are many others, however, that say they speak for millions when they speak only for themselves. Congress has fallen into the trap of listening and believing these self-styled advocates. The result is that the view of reality in Washington is warped. The first thing Congress should do is begin to listen to its real constituents and not to the professionals, who have vested interests in keeping big government big.

The change in Congress responsiveness to America will only come if the voters force that change. Change will only come if the voters are informed about what is really going on. The change will only take place if the Congress opens up its budget system to allow for the flow of vital information to all Members of Congress. The use of Treasury account numbers in all budget documents will allow any Member to locate specific data on specific funds and to assess their effectiveness. This is not now available. A budget system that has open rules so Members can address specific issues in the budget should be mandatory. Who cares if the process may take longer than it presently does? Is the object of the budget to allocate funds and decide on spending levels in an atmosphere of openness and full knowledge, or is it to see how fast big spending can be railroaded through? More time spent on the budget and on assessing all information in an atmosphere of openness would mean Congress would spend more time being sure existing programs functioned properly instead of creating new programs that are bound to fail. Oversight, however, is not as popular an issue as is creating something new. The press is not as interested in fine tuning as it is in the big new spending package. The voter can help reorient the Congress in November.

Another tool that would be crucial in cutting Government spending and conducting oversight is current services. Current services is a term used to describe the amount of services being carried out by a given agency in light of congressional mandate. Each year the funding level for providing current services goes up the rate of inflation set by the Office of Management and Budget (OMB). Any funding over the level of current services is an expansion of the program by the bureaucracy. Only after the Congress has acted on this new level will that become the current service level for future years. Unfortunately, current service figures are lumped in with expansion above current services when they are presented on the floor of the House. This is called budget creep. What happens is when a budget cutter offers an amendment to cut a given budget by a set amount the proponents of big spending state that the cut is cutting into the "meat" of the program. Since most Members do not have up-to-date current services figures, they cannot dispute this argument and most budget cutting amendments fail. This is a game that is played year in and year out. In fact, there are current services figures available. They are in printouts that come from the Congressional Budget Office and OMB. These printouts also list how much each agency is expanding its budget above current services. This list is compiled by Treasury account number which shows, once again, how imporant those numbers are. The following is a functional list of the original printout on current services for the fiscal year 1981 budget:

CARTER ADMINISTRATION PROPOSALS (FISCAL YEAR 1981) COMPARISON WITH CURRENT SERVICES

	Budget function	Budget authority (billions)	Outlays (billions)
050	Defense	+13.065	+8.565
150	International affairs	+.686	+.148
250	General science	+.148	+.128
270	Energy	+3.598	+1.368
350	Agriculture	+.135	+.603
370	Commerce and housing	+.088	+.055
400	Transportation	+1.975	+.812
450	Community and regional development	+.839	+.403
500	Education, training and social services	+3.278	+1.582
550	Health	+.617	+.685
600	Income security	+6.444	+2.945
700	Veterans benefits	+.545	+.388
750	Administration of justice	+.092	+.048
800	General government	+.096	+.097
850	General purpose fiscal assistance	+1.153	+1.153
900	Interest		
920	Allowances	+2.000	+1.500
	Total	+34.759	+20.480
	Total (minus defense function)	+21.694	+11.915

These figures show that it is possible to eliminate $34.7 billion in budget authority without cutting into the "meat" of any program. It works out to $21.6 billion, if it is decided that the military increases are needed. In fact, the Congress could decide the merits of each function expansion above current services. Instead this entire analysis is not even discussed during House consideration of the budget. Budget creep is simply assumed, added in, and covered up.

Current services provide a method by which the Congress can truly assess the growth of Government. If the Congress decided it wanted to hold the line on spending it could cut the $34.7 billion and have a larger budget cut than any currently being advocated for fiscal year 1981. This, therefore, is how the budget can grow even with large sounding budget cuts. If you cut $18 billion from the budget, you still have an expansion by a similar amount through budget creep. This is a rather startling finding. What is even more amazing is that the bureaucracy, the Carter administration, and several key leaders of the majority party have known about this all along. On the other hand, it took the hard work of staff people from Congressman BAUMAN's office and a number of aides from other offices almost a year to discover and analyze this material. Is it no wonder that the budget grows, and oversight fails when this type of coverup is going on?

In the future course of the fiscal year 1981 budget process I plan to offer motions and amendments that will try to force this Congress to open up its budget process and to tell the American taxpayer what is really happening to their money. It is an effort that may take more than this year to do. A number of other Members who share my commitment to open Government and accountable decisionmaking have already expressed a deep interest in bringing responsibility back to the budget. This is the alternative we offer. It is not specific cuts, but a method of opening up Government so that, in the future, decisions are made with full knowledge. From that base Government will be brought under control, and taxes will be eased. I hope a majority of my colleagues concur.

● Ms. HOLTZMAN. Mr. Chairman, although I support a balanced budget, I strongly oppose the budget resolution and the misplaced priorities and the geographic and social inequities that it contains.

This budget resolution will cut programs that provide essential services and support for financially troubled cities, for the elderly, for mass transit, for the unemployed, for the fight against crime, and for needy children. The budget resolution will severely limit the eligibility of persons for current programs, such as food stamps and low-income energy assistance. At the same time, it will delay the effective date of new initiatives, such as the youth education employment initiative and the child health assurance program. I proposed amendments that would have improved the budget resolution by restoring funding for many of those programs, but those amendments were not permitted to be offered under the rule and as a result we have had no chance to discuss the changes I proposed.

I am also concerned that this budget resolution accepts the idea that higher unemployment is a requirement for reducing inflation. Our experience during the last 19 years, during which this Nation has experienced both a growing level of unemployment and an accelerating rate of inflation, has proven that that notion is bankrupt. In the 1960's, unemployment averaged 4.8 percent, and the Consumer Price Index increased at an annual rate of 2.5 percent. During the 1970's, consumer prices rose at an average rate of 7.4 percent, but unemployment also increased to 6.2 percent. Higher unemployment has not "cured" inflation in the last two decades. What makes us think that an unemployment rate of 7.6 percent will cure inflation next year?

Moreover, I oppose the budget resolution because it is geographically biased. While it cuts or eliminates programs that are essential to the Northeast and the Midwest, such as the State share of revenue sharing and countercyclical assistance, it leaves virtually untouched those pork-barrel expenditures that benefit the South and West. As a result of the reductions in this budget resolution, New York State is expected to lose close to $800 million. Of that amount, more than $200 million will be lost to New York City alone. These are not minor cuts in insignificant programs. These cuts are major, and they will reduce our ability to fight crime, to conserve energy and to rebuild our deteriorating cities.

Yet, at the same time that it forces cities and States like New York into even tighter financial straits, the budget resolution mutely accepts and condones the growing transfer of wealth in this country from the East to the West.

As a result of the decontrol of oil prices and the exemption of State royalties and severance taxes from the windfall profit tax, the revenues of the oil-producing States are expected to increase by $128 billion over the next 10 years. Applying the windfall profit tax to those revenues, as my second amendment to the budget resolution would have proposed would generate more than $10 billion by 1990—and would still leave the oil producing States with $118 billion in increased revenues.

That $10 billion would be more than enough to fund the States' share of revenue sharing if that program were limited to those States that are experiencing significant fiscal distress or that will be really hard hit by the country's recession. It could also be used to fund programs to promote the economic development of the Northeast and Midwest.

Like a domestic version of OPEC, the oil-producing States will be able to use their vast revenues to increase services, to attract industry, and to lower other taxes. Alaska has already begun that process by abolishing its income tax and paying cash dividends to its citizens. And, like a domestic version of the Third World, the Northeast and the Midwest will be importing ever more expensive fuel, and will continue to need massive Federal assistance.

My third principal objection to the budget resolution is that it fails to address the problems of our cities and the need for massive reinvestment in our cities. Over the next decade we must rebuild our mass transit systems, we must develop incentives for private industry to remain and grow and provide jobs in our older cities. And we must rebuild the infrastructure of streets and bridges and water mains and sewers that make life in urban areas possible. What does this budget resolution do about these problems? Unfortunately, instead of fully funding mass transit, it calls for appropriations $100 million less than the level authorized under current law. It reduces funds for new economic development programs by 50 percent, despite the view of the Public Works and Transportation Committee that "Federal assistance to economically distressed areas should be increased rather than curtailed." It delays grants for sewer rehabilitation and improved wastewater treatment. And it delays research and development for new, alternative energy sources that would free the Northeast from dependence on both the domestic and foreign versions of OPEC.

Finally, this budget does not confront the endemic problem of waste and mismanagement in the Federal bureaucracy. The report of the Budget Committee notes that the President's January budget included about $30 billion for personnel compensation, benefits, and overhead costs. From that figure, the committee cut only $954 million, or a mere 3 percent. In spite of the fact that the budget will eliminate such important and useful programs as LEAA, there are no specific reductions for some of the wasteful and useless activities of the Federal Government, such as excessive printing and publication costs, movie production, and nonessential travel. If we adopt this budget resolution, we will reduce child nutrition programs, but there will be no freeze on the construction of Federal buildings. GAO has shown that the use of consultants is abused throughout the Federal bureaucracy, yet the budget reduces programs with a direct effect on peoples' lives, while agencies like the Department of Energy will still be able to spend 80 percent of its remaining budget on consultant contracts.

For these reasons the misplaced priorities in the budget, the failure to treat all regions of the country equally, the absence of an urban program, and the failure to focus necessary cuts on proven waste and proven inefficiency I cannot support the budget resolution, and I urge its defeat.●

● Mr. KEMP. Mr. Chairman, I must register my opposition to this budget resolution, and I ask my colleagues to join me in voting "no" on final passage for the following reasons:

THE GIAIMO BUDGET IS "BALANCED" THROUGH AN INCREDIBLE TAX INCREASE

As we all know, there are two good reasons for supporting a balanced budget:

The first is that deficits tempt, and in extreme cases force, the Government to monetize the debt, which causes inflation.

The second is that heavy Government borrowing "crowds out" the private borrowing of available savings, with a severe negative impact on the economy.

As long as the Federal Reserve remains determined to tighten up on its excess creation of money, the monetization of debt is not the main worry. Instead, the object of balancing the budget is to keep individuals and businesses from getting clobbered by Government borrowing which siphons off potentially productive investment and drives up interest rates.

But remember that the method of balancing the budget is crucial. If a deficit is reduced by restraint in spending, it is all to the good. A dollar not spent by the government is a dollar not taxed, borrowed, or monetized.

If the budget is balanced by a revenue increase caused by a rise in taxable employment or productivity, this is simply the fiscal dividend of national prosperity.

But the Giaimo budget chooses neither of these acceptable methods of budget balance. Instead, the Giaimo budget is "balanced" through a massive 1-year tax increase. In effect, this budget proposes to tax away the very resources that would have been crowded out by a deficit.

In other words, the Giaimo budget destroys the very reason for balancing the budget.

Why should we support a budget balanced by huge increases in the marginal tax rates on individuals and businesses? Why support a number of new taxes, especially on savings, investment in housing and the use of energy? In dollar terms, the increase in receipts due to raising tax rates or imposing new taxes in fiscal year 1981 is $69.6 billion in the Giaimo budget, and overall receipts are scheduled to increase by nearly $100 billion.

These are unconscionable policies to be proposing in the midst of a recession, with productivity, employment and output falling.

But even more importantly, we should vote against final passage because the Giaimo budget will not be balanced.

All of the foregoing assumes the Giaimo budget, now balanced on paper, will be balanced in fact. Let us consider the more likely prospect: This budget will not be balanced because of the recession.

When unemployment rises, there is virtually no way to stem the drop in revenues and the automatic rise in spending on entitlements which occur. The Congressional Budget Office estimates this combined effect at $25 to $29 billion for each 1 percentage point rise in unemployment ($20 to $22 billion in lost revenue, and $5 to $7 billion in higher spending). This estimate does not include the inevitable increases in discretionary "antirecession" spending programs.

Largely because of the deteriorating economic situation, the CBO already estimates that the President will need the oil import fee to balance the budget, and the CBO is using optimistic assumptions about inflation and recession.

If, in fact, the budget cannot be balanced for even 1 year, despite massive, multiple tax-rate increases, it is time to admit that this strategy only takes us further from the goal of consistently balanced budgets.

Furthermore, a vote for the Giaimo budget is a vote for a deep recession.

Whether or not you believe that the majority will actually succeed in balancing their budget, there is no reason for you to vote for this budget resolution.

If the Giaimo budget stays in balance, it can only do so at the expense of the people we are trying to protect from government financial pressure.

If it does not, then we have the worst possible combination—rising Government borrowing, rising tax rates, and swelling spending, while the Federal Reserve applies the monetary brakes.

Either way, the Giaimo budget spells disaster.

Now is not the time for a contradictory tax increase, which would only serve to deepen the recession. Instead, we should be designing policies to restore health to our economy, to reinstate strong, noninflationary economic growth, to get this country moving again.

Finally, if you are planning to vote for this supposedly balanced budget out of political necessity, remember that the real political issue in November will be jobs and growth as the means of combating inflation.

The long-awaited recession of 1980–81 has arrived in full force. In April alone, 827,000 Americans lost their jobs, the largest jump in unemployment since January of 1975. The black unemployment rate climbed to 12.6 percent. The joblessness rate for teenagers rose to an incredible 16.2 percent. And those who still had jobs saw their purchasing power drop by 7.3 percent.

Last month, the index of leading economic indicators plunged 2.6 percent, the largest decline in 5½ years. The housing industry collapsed as construction tumbled 5.8 percent, the sharpest monthly drop in 36 years. The auto and steel industries were hit hard—Ford suffered record losses, layoffs of steel and auto workers soared. And record high interest rates combined with 18-percent inflation to put thousands of small businesses permanently out of business.

This is only the beginning. By November, 8 percent of all American workers will be unemployed—by late spring of 1981, unemployment will be up around 9 percent.

That means that within a year, millions of Americans will not be paying taxes, will not be breadwinners for their families, will not feel like whole people in the eyes of their friends, and millions will need assistance from the Government until they are again gainfully employed.

I urge you to make a humane choice and reject this contractionary, job-destroying budget of despair. If you do not feel you can vote "no," then I ask you to at least vote "present" rather than to join in bringing on still more economic hardship to the American people.●

● Mr. MONTGOMERY. Mr. Chairman, I rise in strong support of the amendment offered by the distinguished chairman of the Committee on Interior and Insular Affairs, Mr. UDALL.

My comments are directed to those who would say we cannot have a balanced budget without reconciliation in the first concurrent budget resolution. Other Members who have commented on this have clearly established that this is simply not the case. No Member of the House feels stronger than I do that we must balance the budget and I shall do everything I possibly can to bring it about.

The chairman of our Committee on Veterans' Affairs, the gentleman from Texas (Mr. ROBERTS) has already expressed his willingness to bring about certain reforms that would reduce federal outlays in fiscal year 1981. Knowing him as I do, I am sure the House will be considering legislation from the Committee on Veterans' Affairs that will reduce Federal outlays whether, as a committee, we are mandated or not.

My opposition to reconciliation in the first resolution stems from the fact that our committee will be mandated to bring about savings by June 15. In other words, the committee will have no more than 4 weeks to make its recommendations to the Budget Committee.

I have two problems with this procedure. First, I have serious reservations about the level of cuts proposed by the Budget Committee that would total more than $400 million. This cannot be done without adversely impacting on our Nation's veterans. Most of the recommendations of the Budget Committee have been rejected by the Committee on Veterans' Affairs on more than one occasion.

Second, if we are to realize anything near this amount of cost savings, we must have adequate time to review the programs so that we can be sure the cuts we are proposing are realistic.

We must not be mandated to make hasty decisions. It is unwise to institute instant reform. Members of this body will regret making cuts without proper hearings. This can only be done if we are allowed to hold these hearings during the next 2 months. By that time, I am certain we can recommend to the House legitimate reforms. Only then can we bring about savings in a rational manner.

I urge my colleagues to support the Udall amendment. It will not increase Federal outlays at all. We can still have a balanced budget when the House establishes its ceilings in the second concurrent budget resolution in September. We can then impose mandated cuts to the Authorization and Appropriations Committees if at that time we are not within the targets or ceilings recommended by the Committee on the Budget. That is the procedure established by the 1974 Budget Act. Let us give it a chance to work by adopting the Udall amendment.●

● Ms. HOLTZMAN. Mr. Chairman, although the revised second budget resolution for fiscal year 1980 has a substantial increase for food stamps, which I completely support, I cannot vote for that section of House Concurrent Resolution 307 because it cuts funds for elementary and secondary education. We need increases in both programs and it is wrong to finance one at the expense of the other. For that reason I will vote "present," ●

The CHAIRMAN. The question is on the amendment offered by the gentleman from Arizona (Mr. UDALL).

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. UDALL. Mr. Chairman, I demand a recorded vote:

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 127, noes 289, not voting 16, as follows:

[Roll No. 218]

AYES—127

Addabbo
Anderson, Calif.
Andrews, N.Dak.
Applegate
Bailey
Barnes
Beard, R.I.
Bennett
Bevill
Biaggi
Bingham
Bonior
Brinkley
Brodhead
Broomfield
Brown, Calif.
Buchanan
Burton, John
Burton, Phillip
Cavanaugh
Chappell
Chisholm
Clay
Collins, Ill.
Conte
Conyers
Corman
Coughlin
D'Amours
Davis, Mich.
Davis, S.C.
de la Garza
Dellums
Derwinski
Dickinson
Diggs
Dingell
Dixon
Duncan, Tenn.
Early
Edgar
Edwards, Calif.
Ferraro
Fish
Florio
Ford, Mich.
Ford, Tenn.
Garcia
Gilman
Gonzalez
Hanley
Harris
Harsha
Hawkins
Heckler
Holtzman
Horton
Howard
Ireland
Johnson, Calif.
Jones, N.C.
Jones, Tenn.
Kastenmeier
Kazen
Kildee
Lederer
Leland
Lent
Lujan
McKay
Mathis
Matsui
Mavroules
Mikulski
Mitchell, Md.
Montgomery
Mottl
Murphy, Pa.
Musto
Myers, Ind.
Myers, Pa.
Nedzi
Nichols
Nolan
Oakar
Oberstar
Ottinger
Patten
Perkins
Peyser
Price
Quillen
Rahall
Rangel
Reuss
Richmond
Rinaldo
Roberts
Rodino
Roe
Rosenthal
Roybal
Shannon
Smith, Iowa
Solarz
Spellman
St Germain
Staggers
Stark
Steed
Stokes
Stratton
Thompson
Traxler
Udall
Vanik
Vento
Walgren
Waxman
Weiss
Williams, Mont.
Wilson, C. H.
Wolff
Yatron
Young, Alaska
Zablocki
Zeferetti

NOES—289

Abdnor
Akaka
Albosta
Alexander
Ambro
Annunzio
Anthony
Archer
Ashbrook
Ashley
Aspin
Atkinson
AuCoin
Badham
Bafalis
Baldus
Barnard
Bauman
Beard, Tenn.
Bedell
Beilenson
Benjamin
Bereuter
Bethune
Blanchard
Boggs
Boland
Bolling
Boner
Bonker
Bouquard
Bowen
Brademas
Breaux
Brooks
Brown, Ohio
Broyhill
Burgener
Burlison
Butler
Byron
Campbell
Carney
Carr
Carter
Cheney
Clausen
Cleveland
Clinger
Coelho
Coleman
Collins, Tex.
Conable
Corcoran
Cotter
Courter
Crane, Daniel
Crane, Philip
Daniel, Dan
Daniel, R. W.
Dannemeyer
Daschle
Derrick
Devine
Dicks
Dodd
Donnelly
Dornan
Dougherty
Downey
Drinan
Duncan, Oreg.
Eckhardt
Edwards, Ala.
Edwards, Okla.
Emery
English
Erdahl
Erlenborn
Ertel
Evans, Del.
Evans, Ga.
Evans, Ind.
Fary
Fascell
Fazio
Fenwick
Findley
Fisher
Fithian
Flippo
Foley
Forsythe
Fountain
Fowler
Frenzel
Frost
Gephardt
Giaimo
Gibbons
Gingrich
Ginn
Glickman
Goldwater
Goodling
Gore
Gradison
Gramm
Grassley
Gray
Green
Grisham
Guarini
Gudger
Guyer
Hagedorn
Hall, Ohio
Hall, Tex.
Hamilton
Hance
Hansen
Harkin
Heftel
Hightower
Hillis
Hinson
Holland
Hollenbeck
Hopkins
Hubbard
Huckaby
Hughes
Hutchinson
Hutto
Hyde
Ichord
Jacobs
Jeffords
Jeffries
Jenkins
Jenrette
Johnson, Colo.
Jones, Okla.
Kemp
Kindness
Kostmayer
Kramer
LaFalce
Lagomarsino
Latta
Leach, Iowa
Leach, La.
Leath, Tex.
Lee
Lehman
Levitas
Lewis
Livingston
Lloyd
Loeffler
Long, La.
Long, Md.
Lott
Lowry
Luken
Lundine
Lungren
McClory
McCloskey
McCormack
McDade
McDonald
McEwen
McHugh
Maguire
Markey
Marks
Marlenee
Martin
Mattox
Mazzoli
Mica
Michel
Miller, Calif.
Miller, Ohio
Mineta
Minish
Mitchell, N.Y.
Moffett
Mollohan
Moore
Moorhead, Calif.
Moorhead, Pa.
Murphy, Ill.
Murphy, N.Y.
Murtha
Natcher
Neal
Nelson
Nowak
O'Brien
Obey
Panetta
Pashayan
Paul
Pease
Pepper
Petri
Pickle
Porter
Preyer
Pritchard
Pursell
Quayle
Railsback
Ratchford
Regula
Rhodes
Ritter
Robinson
Rose
Rostenkowski
Roth
Rousselot
Royer
Rudd
Runnels
Russo
Sabo
Santini
Satterfield
Sawyer
Scheuer
Schroeder
Schulze
Sebelius
Seiberling
Sensenbrenner
Sharp
Shelby
Shumway
Shuster
Simon
Skelton
Smith, Nebr.
Snowe
Snyder
Solomon
Spence
Stack
Stangeland
Stanton
Stenholm
Stewart
Stockman
Studds
Stump
Swift
Symms
Synar
Tauke
Taylor
Thomas
Trible
Ullman
Van Deerlin
Vander Jagt
Volkmer
Walker
Wampler
Watkins
Weaver
White
Whitehurst
Whitley
Whittaker
Whitten
Williams, Ohio
Wilson, Bob
Wilson, Tex.
Winn
Wirth
Wolpe
Wright
Wyatt
Wydler
Wylie
Yates
Young, Fla.
Young, Mo.

NOT VOTING—16

Anderson, Ill.
Andrews, N.C.
Danielson
Deckard
Fuqua
Gaydos
Hammerschmidt
Hefner
Holt
Kelly
Kogovsek
McKinney
Madigan
Marriott
Moakley
Patterson

□ 1700

The Clerk announced the following pairs:

Mr. Anderson of Illinois, with Mr. Kogovsek.

Mr. Gaydos with Mr. Hammerschmidt.

Mr. Danielson with Mr. Deckard.

Mr. Andrews of North Carolina, with Mrs. Holt.

Mr. Patterson with Mr. Kelly.

Mr. Moakley with Mr. Madigan.

Mr. Fuqua with Mr. Marriott.

Messrs. CARTER, LEWIS, LONG of Maryland, MARKEY, and McCORMACK changed their votes from "aye" to "no."

Messrs. DE LA GARZA, COUGHLIN, and DUNCAN of Tennessee changed their votes from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

The CHAIRMAN. For what purpose does the gentleman from Connecticut (Mr. GIAIMO), the chairman of the committee, rise?

□ 1710

Mr. GIAIMO. Mr. Chairman, I ask unanimous consent to address the committee for 10 minutes. I intend to yield 5 minutes of that 10 minutes to the gentleman from Ohio (Mr. LATTA), in order to explain to the committee where we are now and what is about to happen.

The CHAIRMAN. Is there objection to the request of the gentleman from Connecticut?

Mr. BAUMAN. Mr. Chairman, I reserve the right to object.

I reserve the right to object simply to make sure that those who may be opposed to the resolution have a chance to be heard. I would like to ask the gentleman whether or not those who might be opposed to the resolution will also receive 5 minutes.

I have no idea how the two gentlemen who are the subject of the request are going to vote, except in the case of the gentleman from Connecticut.

Mr. GIAIMO. Mr. Chairman, will the gentleman yield?

Mr. BAUMAN. I yield to the gentleman from Connecticut.

Mr. GIAIMO. I do not want to get into a lengthy debate on this. The gentleman from Ohio needs 5 minutes to explain what he intends to do or what the minority intends to do. I would like to explain to the majority what we intend to do.

Mr. LATTA. Mr. Chairman, will the gentleman yield?

Mr. BAUMAN. I yield to the gentleman from Ohio, reserving the right to object.

Mr. LATTA. May I say to the gentleman from Maryland, I will be happy to yield him some time out of my 5 minutes.

Mr. GIAIMO. I am asking for 5 minutes for the gentleman from Ohio.

Mr. BAUMAN. Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to

the request of the gentleman from Connecticut?

There was no objection.

The CHAIRMAN. The gentleman from Connecticut (Mr. GIAIMO) is recognized for 10 minutes.

Mr. GIAIMO. Mr. Chairman, I yield 5 minutes to the gentleman from Ohio (Mr. LATTA).

Mr. MICHEL. Mr. Chairman, will the gentleman yield?

Mr. LATTA. I yield to the gentleman from Illinois.

Mr. MICHEL. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, for those Members who were not on the floor when we were discussing and debating the Udall amendment, I made the point that I wanted to make the request to divide the question on spending for 1980 and 1981. Members will recall that during the course of the deliberation on the rule, I requested that the previous question be voted down in order to open up the rule to provide for that specific vote on that amendment. That was denied. So here we will have an opportunity with the division of the question to have a separate vote on 1980 and 1981. I will make that request immediately after the disposition of the gentleman from Conneticut's amendment has been disposed of and prior to final passage.

Mr. GIAIMO. Mr. Chairman, will the gentleman yield?

Mr. LATTA. I yield to the gentleman from Connecticut.

Mr. GIAIMO. As I understand it, the next vote would be on the motion to rise, and then the gentleman would move to divide?

Mr. MICHEL. I would be in the House.

Mr. GIAIMO. In the House?

Mr. MICHEL. Yes; and prior to final passage. I was going to make it by way of a parliamentary inquiry, but I think that it explains the ground rules very well, and I thank the gentleman for permitting us to make a point.

Mr. LATTA. Mr. Chairman, I yield 2 minutes to the gentleman from Maryland (Mr. BAUMAN).

Mr. BAUMAN. I thank the gentleman for yielding.

Mr. Chairman, I take this time to appeal to the Members of the minority party not to vote in favor of this budget. This is not a balanced budget in any sense of the word. It is a sham and a delusion. It claims to have a $2 billion surplus, which the Congressional Budget Office the other day, although it was quickly squashed, indicated is already way out of balance.

We have fought in our party for years in order to bring to the American people an end to inflation, an end to high taxes and some sort of balance in our economy.

Now, we are being asked to support a budget that is out of balance, that is at the highest level of spending in history, $612 billion, and a budget that presupposes $100 billion in tax increases because of the policies of the party in control of this Congress, both real tax increases and inflationary tax increases.

I appeal to the Republican Members not to abandon our position at this time. I know some of our leaders feel an obligation to vote for this because perhaps they are concerned that the label says "balance." It is not balanced. If we at this last juncture abandon our historic stand, we could forever remain a minority party and that is what some want in this Chamber. But I suggest to the Members that those on the other side who jeer so loudly have brought us to the present crisis of 18-percent inflation, 18-percent interest and high unemployment all at once, a horror few could ever have accomplished.

So stand by your principles at this crucial point and vote against this grotesque unbalanced budget. The saddest event of all will occur if Republican votes provide the majority for a continuation of the liberals' economic bankruptcy that is ruining America.

The CHAIRMAN. The gentleman from Ohio (Mr. LATTA) has 1½ minutes remaining.

Mr. GIAIMO. Mr. Chairman, I yield 1½ minutes to the gentleman from Ohio (Mr. LATTA).

Mr. LATTA. I thank the gentleman.

Let me say to my colleagues, we have reached that point of decision. Let me address my remarks primarily to my friends on my right and also to my friend who just preceded me.

We have brought many of our friends on the left kicking and screaming to a position of support for a balanced budget. We have been advocating a balanced budget for far too long without success. Today we have a balanced budget, not balanced the way you and I would like to see it balanced, but it is balanced to the extent that we will not be borrowing money to finance a deficit in fiscal year 1981. The need for a balanced budget has been accepted by many who have opposed balanced budget resolutions in the past.

We have not gotten all that we wanted for defense, but the other body's figure for defense is higher than the resolution now before us. Our Republican substitute was higher than the Budget Committee's proposal on defense. This figure needs to be increased and I think it can be in conference.

As I brought out on the floor the other day in a colloquy with the majority leader, we will probably come back from conference with a figure nearer to what we had in the Republican resolution than the figure in the pending resolution. To do this, we must get to conference. In order to get to conference, we need to pass a resolution.

We have achieved, by the vote just taken, a principle that Republicans unanimously—unanimously—supported by a floor vote of last year, the matter of reconciliation. In this we have won one of the most important battles of the budget.

This is another important victory for Republican process, in molding a workable and effective budgetary process.

We have made other gains. It was my amendment, adopted in committee, which assures us of a productivity-type tax cut. Now, we can argue that we have not gotten all that we wanted and vote down the resolution. But past experience—and check the record—indicates that the House has voted down a resolution, it meant higher expenditures were then included to gain votes for passage rather than less spending.

I recall the insertion of an Obey amendment for education, that cost the taxpayers over $300 million after the House failed to accept a conference report.

Now, we can travel this same route again. We can vote down this resolution and force the chairman and the majority members of the Budget Committee to go in search of votes to pass the resolution by making additional expenditures to please this or that interest group. I do not think we want to go that route again. I think we want to establish the principle of a balanced budget for our Nation and start living within our means. If we are to reduce inflation, lower interest rates, and put people back to work we must start now. Because I feel so deeply about the need for a balanced budget, I am reluctantly going to support the resolution we have before us, even though it is not all that I would have liked. This will not be an easy vote for me but I'm hoping it will help set us on a course of fiscal responsibility for many years to come.

I would urge my friends to vote today for the concept of a balanced budget. Let us do our part to answer the prayer of the American people for a balanced budget and a way out of the fiscal mess we have been in for so long.

□ 1720

The CHAIRMAN. The Chair recognizes the gentleman from Connecticut (Mr. GIAIMO) to close debate.

Mr. GIAIMO. Mr. Chairman, I want to commend my friend from Ohio and associate myself with his remarks and thank him for the many, many weeks and months of hard work that he has put into making this budget a reality.

I want to advise the Members that we are now ready to rise as a committee and that we are going to vote on the adoption of the budget. I also understand that there will be a motion to divide the question by the gentleman from Illinois (Mr. MICHEL).

That means that we will be voting on the 1980 budget which has to be revised upwards, as my colleagues know, by a third budget resolution which is incorporated herein, and on the 1981 budget.

I further understand that we will be voting on the 1981 balanced budget first, if the question is divided.

After that we would have a separate vote on the 1980 budget, which is in heavy deficit, as my colleagues know.

I want to caution those of my colleagues who might feel disposed to vote against a 1980 budget that there are billions of dollars in appropriations for fiscal 1980 waiting to come to this floor. There is $2.9 billion for food stamps. There is $2.3 billion for defense. There is $2.7 billion for pay raises in defense and in the civilian agencies. There is money for disaster relief, the highway welfare, social services, child welfare, fire fighting, refugee assistance. There are literally billions of dollars worth of supplemental appropriations which cannot be brought to the floor unless we pass the 1980 revised budget.

Because of higher inflation, as my colleagues know, the estimated costs have gone higher, and we have to raise the ceiling. So please do not be persuaded to vote against the 1980 budget revision. It would literally bring disaster on our country.

As for 1981, it is in balance. I urge my colleagues to vote for it.

Mr. OBEY. Mr. Chairman, will the gentleman yield?

Mr. GIAIMO. I yield to my colleague from Wisconsin.

Mr. OBEY. Mr. Chairman, I would simply urge Members on this side of the aisle who voted for my amendment last week to vote for this resolution. If my colleagues want to put the Budget Committee in the best position to defend the House bill as opposed to the other body's priorities, we need votes from this side of the aisle for the resolution.

● Mr. RATCHFORD. Mr. Chairman, for many of my colleagues in the House, the vote on final passage of the first budget resolution for fiscal year 1981 poses a painful dilemma.

We cannot afford to ignore the mandate for a balanced Federal budget in 1981. For the great majority of Americans, the goal of a balanced budget has become too important a symbol of discipline for the Congress to fail in the current effort. Our action today will send an unmistakable signal—of commitment and of sacrifice—to the American public which will set the tone for the anti-inflation fight in the 1980s.

Yet there will be a price to be paid for the balanced budget, and the sacrifices will teach us all the sense in which many Federal programs have a very direct impact on the health and welfare of our Nation. The budget cuts of 1981 will be felt in every community in the Nation, in programs for the elderly, in job opportunities for our youth, in health care for the sick and housing for the poor. While there are examples of waste to which we can and must respond, the idea that we can sharply cut spending without at least delaying progress toward improvements in the quality of American life is a myth. The lesson will be a difficult one to learn.

The budget dilemma in fiscal year 1981 serves as a reminder that there is no "free lunch." Whether in the area of veterans' benefits, education or environmental protection, we cannot provide for our servicemen, teach our children, or clean our air and water without also paying the price. With the current state of the economy, we must respond with a balanced budget, and some spending cuts are unavoidable. Our task remains one of carefully weighing our national needs, setting clear priorities for Federal spending to insure that we use our scarce resources wisely and effectively.

The final vote is made particularly difficult by the failure of the House to demonstrate a greater sensitivity to some of our most pressing social needs. While the House budget provides for a strong national defense, including the greatest single-year jump in authorized defense spending since World War II, the House Budget Committee's proposal is less responsive in its treatment of some important social programs. For this reason, I strongly supported the amendment offered by Congressman Obey which would have preserved the level of defense spending and maintained a balanced budget, while strengthening an appropriate balance between defense and domestic expenditures by restoring funds for high priority social programs. I was deeply disappointed when the Obey amendment failed on the House floor by a narrow 12-vote margin.

Mr. Chairman, final passage of the budget resolution is also made more difficult by the way in which the House debate has evolved, providing us with no opportunity to vote on separate issues of major policy significance such as the elimination of Saturday mail delivery. While the budget process must set targets for fiscal restraint, it should not deprive the Congress of the chance to set policy in a direct and forthright manner, examining proposals for legislative change on their merits. I am deeply disturbed by the proposed elimination of Saturday mail delivery, and view the proposal of such importance as to warrant a thoughtful debate on its impact and a separate vote on its adoption. The budget before us will not give us the opportunity to consider these issues.

The task before us is clear. With a strong mandate for a balanced budget, we have no alternative but to approve the proposal of the House Budget Committee which is now before us. For those of us with a deep concern for the impact of spending cuts on social programs, the House version of the budget looms as our best alternative, more responsive to our national needs than either the President's budget or the Senate proposal. The emerging Senate budget resolution is particularly troubling, with dangerously skewed priorities for Federal spending. The House budget already supports for a strong national defense, including an increase of $15.2 billion or 11.5 percent in defense outlays—to move further in this direction, as the Senate proposes, would be unconscionable. We must oppose further cuts which would cripple programs addressing our pressing domestic as well as defense needs.

The challenge of a balanced budget will be difficult—the responsibility of a compassionate budget will require all of our collective discipline and strengths. Given the alternatives, I urge my colleagues to approve the House budget before us today, and then to oppose any future attempts in conference to destroy the careful balance which the House version attempts to preserve.●

Mr. GIAIMO. I would remind my colleagues that our first vote here last week was on the Giaimo amendment, which revised the 1980 budget. We voted for it overwhelmingly. I would urge my colleagues to vote the way they voted on the Giaimo amendment last week.

Mr. Chairman, I move that the Committee do now rise and report the concurrent resolution back to the House with an amendment, with the recommendation that the amendment be agreed to and that the concurrent resolution, as amended, be agreed to.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the Chair, Mr. Bolling, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the concurrent resolution (H. Con. Res. 307) setting forth the congressional budget for the U.S. Government for the fiscal years 1981, 1982, and 1983 and revising the congressional budget for the U.S. Government for the fiscal year 1980, had directed him to report the concurrent resolution back to the House with an amendment, with the recommendation that the amendment be agreed to and that the concurrent resolution, as amended, be agreed to.

The SPEAKER. Under the statute, the previous question is ordered.

The question is on the amendment.

The amendment was agreed to.

PARLIAMENTARY INQUIRY

Mr. MICHEL. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER. The gentleman will state his parliamentary inquiry.

Mr. MICHEL. Mr. Speaker, has the Speaker put the question on final passage?

The SPEAKER. Not yet.

The question is on the concurrent resolution.

Mr. MICHEL. Mr. Speaker, I demand a division of the question. Specifically I ask that a separate vote be taken on section 6, the so-called third budget resolution for fiscal year 1980.

The SPEAKER. The first question is on agreeing to sections 1 through 5 and section 7 of House Concurrent Resolution 307.

PARLIAMENTARY INQUIRY

Mr. MICHEL. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER. The gentleman will state his parliamentary inquiry.

Mr. MICHEL. Mr. Speaker, in dividing the question, is it not correct that the first vote is on the 1981 budget resolution and the second vote is on the 1980 budget resolution?

The SPEAKER. The gentleman is correct. We are voting on the 1981 resolution.

The question is on agreeing to sections 1 through 5 and section 7 of the concurrent resolution.

Mr. LATTA. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 225, nays 193, not voting 14, as follows:

[Roll No. 219]

YEAS—225

Akaka
Albosta
Alexander
Ambro
Anderson, Calif.
Annunzio
Anthony
Ashley
Aspin
Atkinson
AuCoin
Bailey
Baldus
Barnard
Bedell
Beilenson
Benjamin
Bennett
Bevill
Biaggi
Blanchard
Boggs
Boland
Bolling
Boner
Bonker
Bouquard
Bowen
Brademas
Breaux
Brinkley
Brodhead
Brooks
Brown, Calif.
Burlison
Byron
Carr
Chappell

Coelho
Conable
Conte
Corman
Cotter
D'Amours
Daschle
Davis, S.C.
de la Garza
Derrick
Dicks
Dingell
Dodd
Donnelly
Dougherty
Downey
Drinan
Duncan, Oreg.
Duncan, Tenn.
Eckhardt
Edgar
Edwards, Ala.
English
Ertel
Evans, Ga.
Evans, Ind.
Fary
Fascell
Fazio
Ferraro
Fisher
Fithian
Flippo
Florio
Foley
Ford, Mich.
Fountain
Fowler
Frenzel
Frost
Fuqua
Gephardt
Giaimo
Gibbons
Ginn
Glickman
Gonzalez
Gore
Gramm
Green
Guarini
Gudger
Hall, Ohio
Hall, Tex.
Hamilton
Hance
Hanley
Harkin
Harris
Heftel
Hightower
Holland
Hollenbeck
Howard
Huckaby
Hughes
Hutto
Ichord
Ireland
Jeffords
Jenkins
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kazen
Kildee
Kostmayer
LaFalce
Latta
Leach, La.
Leath, Tex.
Lederer
Lehman
Levitas
Lloyd
Loeffler
Long, La.
Long, Md.
Lowry
Luken
Lundine
McCloskey
McCormack
McHugh
McKay
Maguire
Markey
Marks
Matsui
Mattox
Mazzoli
Mica
Mineta
Minish
Mollohan
Montgomery
Moore
Moorhead, Pa.
Mottl
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Murtha
Natcher
Neal
Nedzi
Nelson
Nichols
Nowak
Obey
Panetta
Pashayan
Patten
Patterson
Pease
Pepper
Pickle
Preyer
Price
Pritchard
Quillen
Rahall
Ratchford
Regula
Reuss
Roe
Rose
Rostenkowski
Runnels
Sabo
Santini
Seiberling
Sharp
Shelby
Simon
Skelton
Smith, Iowa
Spellman
Stack
Staggers
Stanton
Steed
Stenholm
Studds
Swift
Synar
Thompson
Traxler
Udall
Ullman
Van Deerlin
Vanik
Vento
Volkmer
Walgren
Wampler
Watkins
Weaver
White
Whitley
Whitten
Williams, Mont.
Wilson, Tex.
Wirth
Wolff
Wolpe
Wright
Wyatt
Wylie
Yatron
Young, Mo.
Zablocki
Zeferetti

NAYS—193

Abdnor
Addabbo
Andrews, N. Dak.
Applegate
Archer
Ashbrook
Badham
Bafalis
Barnes
Bauman
Beard, R.I.
Beard, Tenn.
Bereuter
Bethune
Bingham
Bonior
Broomfield
Brown, Ohio
Broyhill
Buchanan
Burgener
Burton, John
Burton, Phillip
Butler
Campbell
Carney
Carter
Cavanaugh
Cheney
Chisholm
Clausen
Clay
Cleveland
Clinger
Coleman
Collins, Ill.
Collins, Tex.
Conyers
Corcoran
Coughlin
Courter
Crane, Daniel
Crane, Philip
Daniel, Dan
Daniel, R. W.
Dannemeyer
Davis, Mich.
Deckard
Dellums
Derwinski
Devine
Dickinson
Diggs
Dixon
Dornan
Early
Edwards, Calif.
Edwards, Okla.
Emery
Erdahl
Erlenborn
Evans, Del.
Fenwick
Findley
Fish
Ford, Tenn.
Forsythe
Garcia
Gilman
Gingrich
Goldwater
Goodling
Gradison
Grassley
Gray
Grisham
Guyer
Hagedorn
Hansen
Harsha
Hawkins
Heckler
Hillis
Hinson
Holtzman
Hopkins
Horton
Hubbard
Hyde
Jacobs
Jeffries
Kemp
Kindness
Kramer
Lagomarsino
Leach, Iowa
Lec
Leland
Lent
Lewis
Livingston
Lott
Lujan
Lungren
McClory
McDade
McDonald
McEwen
Madigan
Marlenee
Martin
Mathis
Mavroules
Michel
Mikulski
Miller, Calif.
Miller, Ohio
Mitchell, Md.
Mitchell, N.Y.
Moffett
Moorhead, Calif.
Musto
Myers, Ind.
Myers, Pa.
Nolan
O'Brien
Oakar
Oberstar
Ottinger
Paul
Perkins
Petri
Peyser
Porter
Pursell
Quayle
Railsback
Rangel
Rhodes
Richmond
Rinaldo
Ritter
Robinson
Rodino
Rosenthal
Roth
Rousselot
Roybal
Royer
Rudd
Russo
Satterfield
Sawyer
Scheuer
Schroeder
Schulze
Sebelius
Sensenbrenner
Shannon
Shumway
Shuster
Smith, Nebr.
Snowe
Snyder
Solarz
Solomon
Spence
St Germain
Stangeland
Stark
Stewart
Stockman
Stokes
Stratton
Stump
Symms
Tauke
Taylor
Thomas
Trible
Vander Jagt
Walker
Waxman
Weiss
Whitehurst
Whittaker
Williams, Ohio
Wilson, Bob
Winn
Wydler
Yates
Young, Alaska
Young, Fla.

NOT VOTING—14

Anderson, Ill.
Andrews, N.C.
Danielson
Gaydos
Hammerschmidt
Hefner
Holt
Kelly
Kogovsek
McKinney
Marriott
Moakley
Roberts
Wilson, C. H.

□ 1740

The Clerk announced the following pairs:

On this vote:

Mr. Kogovsek for, with Mrs. Holt against.

Mr. Moakley for, with Mr. Kelly against.

Mr. Charles H. Wilson of California for, with Mr. Hammerschmidt against.

Until further notice:

Mr. Roberts with Mr. Marriott.

Mr. Danielson with Mr. McKinney.

Mr. Gaydos with Mr. Andrews of North Carolina.

Mr. DUNCAN of Tennessee changed his vote from "nay" to "yea."

So sections 1 through 5 and section 7 of the concurrent resolution were agreed to.

The result of the vote was announced as above recorded.

The SPEAKER. The question is on agreeing to section 6 of the concurrent resolution.

Mr. LATTA. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 241, nays 174, answered present 1, not voting 16, as follows:

[Roll No. 220]

YEAS—241

Addabbo
Akaka
Albosta
Alexander
Ambro
Anderson, Calif.
Annunzio
Anthony
Ashley
Aspin
Bailey
Baldus
Barnes
Beard, R.I.
Bedell
Beilenson
Benjamin
Bennett
Bevill
Biaggi
Bingham
Blanchard
Boggs
Boland
Bolling
Boner
Bonior
Bonker
Bouquard
Bowen
Brademas
Breaux
Brinkley
Brodhead
Brooks
Brown, Calif.
Burlison
Burton, Phillip
Byron
Carr
Cavanaugh
Chisholm
Clay
Coelho
Collins, Ill.
Conte
Conyers
Corman
Cotter
D'Amours
Davis, Mich.
Davis, S.C.
de la Garza
Dellums
Derrick
Dicks
Diggs
Dingell
Dixon
Dodd
Donnelly
Dougherty
Downey
Drinan
Duncan, Oreg.
Early
Eckhardt
Edgar
Edwards, Calif.
Emery
English
Ertel
Evans, Del.
Fary
Fascell
Fazio
Ferraro
Flippo
Florio
Foley
Ford, Mich.
Ford, Tenn.
Frost
Fuqua
Garcia
Gephardt
Giaimo
Gibbons
Gilman
Glickman
Gonzalez
Gore
Gray
Green
Guarini
Gudger
Hall, Ohio
Hance
Hanley
Harkin
Harris
Hawkins
Heckler
Heftel
Hightower
Hillis
Holland
Hollenbeck
Horton
Howard
Huckaby
Hutto
Ichord
Jeffords
Jenrette
Johnson, Calif.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kazen
Kildee
Kostmayer
Leach, La.
Lehman
Leland
Lent
Lloyd
Long, La.
Long, Md.
Lowry
Luken
Lundine
McCloskey
McCormack
McEwen
McHugh
McKay
Madigan
Maguire
Markey
Matsui
Mavroules
Mica
Mikulski
Miller, Calif.
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moffett
Mollohan
Moorhead, Pa.
Murphy, Ill.
Murphy, N.Y.
Murtha
Musto
Myers, Pa.
Natcher
Neal
Nedzi
Nelson
Nichols
Nowak
Oakar
Oberstar
Obey
Ottinger
Panetta
Patten
Patterson
Pease
Pepper
Perkins
Peyser
Preyer
Price
Pritchard
Pursell
Rahall
Railsback
Rangel
Ratchford
Reuss
Richmond
Rinaldo
Rodino
Roe
Rose
Rosenthal
Rostenkowski
Roybal
Sabo
Santini
Scheuer
Seiberling
Shannon
Simon
Skelton
Smith, Iowa
Snowe
Solarz
Spellman
St Germain
Stack
Staggers
Stark
Steed
Stewart
Stokes
Stratton
Studds
Swift
Synar
Thompson
Traxler
Udall
Ullman
Van Deerlin
Vanik
Vento
Volkmer
Watkins
Waxman
Weiss
White
Whitley
Whitten
Williams, Mont.
Williams, Ohio
Wilson, Tex.
Wirth
Wolff
Wolpe
Wright
Wyatt
Yates
Yatron
Young, Mo.
Zablocki
Zeferetti

NAYS—174

Abdnor
Andrews, N. Dak.
Applegate
Archer
Ashbrook
Atkinson
AuCoin
Badham
Bafalis
Barnard
Bauman
Beard, Tenn.
Bereuter
Bethune
Broomfied
Brown, Ohio
Broyhill
Buchanan
Burgener
Burton, John
Butler
Campbell
Carney
Carter
Chappell
Cheney
Clausen
Cleveland
Clinger
Coleman
Collins, Tex.
Conable
Corcoran
Coughlin
Courter
Crane, Daniel
Crane, Philip
Daniel, Dan
Daniel, R.W.
Dannemeyer
Daschle
Deckard
Derwinski
Devine
Dickinson
Dornan
Duncan, Tenn.
Edwards, Ala.
Edwards, Okla.
Erdahl
Erlenborn
Evans, Ga.
Evans, Ind.
Fenwick
Findley
Fish
Fisher
Fithian
Forsythe
Fountain
Fowler
Frenzel
Gingrich
Ginn
Goldwater
Goodling
Gradison
Gramm
Grassley
Grisham
Guyer
Hagedorn
Hall, Tex.
Hamilton
Hansen
Harsha
Hinson
Hopkins
Hubbard
Hughes
Hyde
Ireland
Jacobs
Jeffries
Jenkins
Johnson, Colo.
Kemp
Kindness
Kramer
LaFalce
Lagomarsino
Latta
Leach, Iowa
Leath, Tex.
Lee
Levitas
Lewis
Livingston
Loeffler
Lott
Lujan
Lungren
McClory
McDade
McDonald
Marks
Marlenee
Mathis
Mattox
Mazzoli
Michel
Miller, Ohio
Montgomery
Moore
Moorhead, Calif.
Mottl
Murphy, Pa.
Myers, Ind.
Nolan
O'Brien
Pashayan
Paul
Petri
Pickle
Porter
Quayle
Quillen
Regula
Rhodes
Ritter
Robinson
Roth
Rousselot
Royer
Rudd
Runnels
Russo
Satterfield
Sawyer
Schroeder
Schulze
Sebelius
Sensenbrenner
Sharp
Shelby

Shumway
Shuster
Smith, Nebr.
Snyder
Solomon
Spence
Stangeland
Stanton
Stenholm
Stockman
Stump
Symms
Tauke
Taylor
Thomas
Trible
Vander Jagt
Walgren
Walker
Wampler
Weaver
Whitehurst
Whittaker
Wilson, Bob
Winn
Wydler
Wylie
Young, Alaska
Young, Fla.

ANSWERED "PRESENT"—1

Holtzman

NOT VOTING—16

Anderson, Ill.
Andrews, N.C.
Danielson
Gaydos
Hammerschmidt
Hefner
Holt
Kelly
Kogovsek
Lederer
McKinney
Marriott
Martin
Moakley
Roberts
Wilson, C. H.

☐ 1750

The Clerk announced the following pairs:

On this vote:

Mr. Kogovsek for, with Mr. Martin against.

Mr. Lederer for, with Mr. Hammerschmidt against.

Mr. Moakley for, with Mrs. Holt against.

Mr. Charles H. Wilson of California for, with Mr. Marriott against.

Until further notice:

Mr. Roberts with Mr. McKinney.

Mr. Gaydos with Mr. Kelly.

Mr. Danielson with Mr. Andrews of North Carolina.

So section 6 of the concurrent resolution was agreed to.

The result of the vote was announced as above recorded.

DESIGNATING CERTAIN LANDS AS ADDITIONS TO THE SANDIA MOUNTAIN WILDERNESS, NEW MEXICO

Mr. SEIBERLING. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H.R. 3928) to amend the Act of November 8, 1978 (92 Stat. 3095), to designate certain Cibola National Forest lands as additions to the Sandia Mountain Wilderness, New Mexico, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 3, after line 3, insert:

SEC. 2. Section 4 of the Act of November 8, 1978, is amended by changing "$12,000,000" to "$20,000,000".

Page 3, after line 3, insert:

SEC. 3. The proviso in section 1 of the Act of November 8, 1978, is amended to read as follows: "Provided, That the tract of land described in this section shall not be included within the exterior boundaries of the Cibola National Forest until the Secretary of Agriculture determines that the city of Albuquerque, New Mexico, has acquired an option to purchase a tract of land containing approximately 640 acres located immediately to the west of such tract for open space or city park use: *And provided further*, That if such option is not exercised the tract of land described in this section shall no longer be included within the exterior boundaries of the Cibola National Forest.".

Mr. SEIBERLING (during the reading). Mr. Speaker, I ask unanimous consent that the Senate amendment be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The SPEAKER pro tempore. Is there objection to the original request of the gentleman from Ohio?

There was no objection.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. SEIBERLING. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the Senate amendments just concurred in.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

AUTHORIZING CONCERTS BY THE NATIONAL SYMPHONY ON CAPITAL GROUNDS

Mr. YATES. Mr. Speaker, I offer a concurrent resolution (H. Con. Res. 330) authorizing concerts by the National Symphony on Capitol Grounds, and ask unanimous consent for its immediate consideration.

The SPEAKER pro tempore. The Clerk will report the concurrent resolution.

The Clerk read the concurrent resolution, as follows:

H. CON. RES. 330

Whereas the National Symphony Orchestra has expressed a desire to perform free concerts on the United States Capitol Grounds for the entertainment of the citizenry of our Nation; and

Whereas these performances would be similar to those presently given by the service bands under authority of 40 U.S.C. 1391: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That the National Park Service shall be permitted to sponsor a series of four National Symphony Orchestra concerts on the Capitol Grounds during 1980, such concerts to be free to the public and arranged not to interfere with the needs of Congress, under conditions to be provided by the Architect of the Capitol.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

Mr. ROUSSELOT. Mr. Speaker, reserving the right to object, and I will not object, will the gentleman explain briefly why this concurrent resolution is necessary?

Mr. YATES. Yes. I will.

Mr. Speaker, if the gentleman will yield, this is a continuation of the tradition started last year of having free concerts for the public by the National Symphony Orchestra on the west lawn of the Capitol.

Mr. ROUSSELOT. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

FOOD STAMP ACT AMENDMENTS OF 1980

Mrs. CHISHOLM. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 651 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 651

Resolved, That upon the adoption of this resolution it shall be in order to move, section 402(a) of the Congressional Budget Act of 1974 (Public Law 93–344) to the contrary notwithstanding, that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (S. 1309) to increase the fiscal year 1979 authorization for appropriations for the food stamp program, and for other purposes, and the first reading of the bill shall be dispensed with. After general debate, which shall be confined to the bill and shall continue not to exceed two hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Agriculture, the bill shall be read for amendment under the five-minute rule. It shall be in order to consider the amendment in the nature of a substitute recommended by the Committee on Agriculture now printed in the bill as an original bill for the purpose of amendment under the five-minute rule, said substitute shall be read for amendment by titles instead of by sections, and all points of order against said substitute for failure to comply with the provisions of clause 5, rule XXI are hereby waived. It shall be in order to consider an amendment to said substitute recommended by the Committee on Ways and Means, amending the Internal Revenue Code and printed in the Congressional Record of May 1, 1980, and said amendment shall not be subject to amendment except for the offering of pro forma amendments for the purpose of debate only. After the adoption of said amendment, no further amendment to said bill or to the committee amendment in the nature of a substitute shall be in order in the House or in the Committee of the Whole to further change or affect the Internal Revenue Code. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or to the committee amendment in the nature of a substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

The SPEAKER pro tempore. The gentlewoman from New York (Mrs. CHISHOLM) is recognized for 1 hour.

Mrs. CHISHOLM. Mr. Speaker, I ask unanimous consent to make the following technical correction in House Resolution 651:

On page 2, line 19, after "of" delete "May 1, 1980" and insert in lieu thereof: "April 30, 1980".

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from New York?

There was no objection.

Mrs. CHISHOLM. Mr. Speaker, for purposes of debate only, I yield the customary 30 minutes to the gentleman from Mississippi (Mr. LOTT), pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 651 provides for the consideration of the bill S. 1309 to increase the fiscal year 1979 authorization for appropriations for the food stamp program, and for other purposes.

Mr. Speaker, this is an open rule, with one very limited exception. The rule allows for the offering of any germane amendment to the legislation as it is considered under the 5-minute rule. However, the resolution specifically makes in order an amendment to be offered by the Committee on Ways and Means amending the Internal Revenue Code; the Ways and Means amendment is nonamendable, being subject only to an up-or-down vote and may be debated by the offering of pro forma amendments. In addition, the resolution prohibits any further amendments to the legislation which further change or affect the Internal Revenue Code.

The rule provides for 2 hours of general debate to be equally divided and controlled by the chairman and ranking minority member of the Committee on Agriculture. It shall be in order to consider the amendment in the nature of a substitute recommended by the Committee on Agriculture now printed in the bill as an original bill for purposes of amendment under the 5-minute rule and the bill shall be read for amendment by titles rather than by sections. The rule provides for one motion to recommit with or without instructions.

As referred to earlier, Mr. Speaker, House Resolution 651 specifically makes in order an amendment recommended by the Committee on Ways and Means which is not subject to amendment. At the request of the Committee on Agriculture, the Committee on Ways and Means reviewed the language of S. 1309, relating to the disclosure of certain income tax data by the Social Security Administration to the Department of Agriculture and to State food stamp agencies in order to enforce certain provisions of the Food Stamp Law. After determining that the disclosure provisions of the Internal Revenue Service must be amended to effectuate this change, the Committee on Ways and Means has recommended the adoption of the amendment.

Mr. Speaker, the specific prohibition against amendments to the Ways and Means provision and any others which seek to amend the Internal Revenue Code was necessary to insure that extensive amendments to the tax code would not be in order.

The Ways and Means' amendment is necessary to make appropriate conforming changes to existing laws to effectuate the Agriculture Committee amendment; any further changes to the Internal Revenue Code would be both inappropriate and a clear infringement of the jurisdiction of the Committee on Ways and Means.

House Resolution 651 waives section 402(a) of the Congressional Budget Act against consideration of the bill. Section 402(a) of the Budget Act provides that it shall not be ordered to consider any bill which authorizes the enactment of new budget authority for a fiscal year unless that bill has been reported on or before May 15 preceding the beginning of such fiscal year. Since section 201 of the bill would raise the authorization ceiling for the food stamp program for fiscal year 1980, and since the bill was not reported on or before May 15, 1979, it would be subject to a point of order under section 402(a) of the Budget Act. The Budget Committee supports this waiver of section 402(a) to permit consideration of the bill.

In addition, Mr. Speaker, the rule waives clause 5 of rule XXI against consideration of the committee substitute. Clause 5 of rule XXI prohibits appropriations in a legislative bill. The waiver is purely technical, since there are no appropriations in the bill. However, section 128 of the bill provides for the payment of certain legal fees and other expenses incidental to the defense of officers and employees of the Department of Agriculture. This new authority could result in the use of funds already appropriated for the operation of the Department of Agriculture. The use of funds already appropriated for another purpose is technically considered a reappropriation, and thus the waiver is necessary.

Mr. Speaker, we are all aware of the serious situation that now faces the food stamp program and the millions of needy recipients of food stamp benefits. If Congress does not act immediately on S. 1309 and provide additional food stamp funding by May 15, the States will be ordered to suspend the issuance of benefits to millions of Americans. I will reserve my comments on this vital legislation for general debate. This is a matter of extreme urgency, and I would urge my colleagues to adopt House Resolution 651 so that the House may proceed to the consideration of S. 1309.

□ 1810

Mr. LOTT. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, House Resolution 651 is a modified open rule providing for the consideration of the Food Stamp Act Amendments of 1980. The rule allows 2 hours of general debate on the bill and waives section 402(a) of the Congressional Budget Act against consideration of the bill. This Budget Act section requires that new budget authority be reported by May 15 preceding the beginning of the fiscal year for which it is effective. Since section 8 of the original bill would raise the authorization ceiling for the food stamp program for fiscal year 1980 from $6.2 billion to $8.7 billion and since the bill was not reported on or before May 15, 1979, it would be subject to a point of order under section 402(a) of the Budget Act.

The rule makes in order the committee amendment in the nature of a substitute to be considered as an original bill for the purpose of amendment and the substitute is to be read by titles rather than by sections. In addition, clause 5 of rule XXI, appropriations in a legislative bill, is waived against consideration of the substitute. Since the categories of people receiving benefits under the program have been expanded, previously appropriated funds could be used for different purposes than originally ordered.

Next, the rule makes in order the amendment recommended by the Committee on Ways and Means amending the Internal Revenue Code and printed in the CONGRESSIONAL RECORD of April 30, 1980. The amendment perfects the provision of the bill relating to the use of certain income tax data for enforcing the food stamp law. The amendment is not subject to amendment except for the offering of pro forma amendments for the purpose of debate. No further amendments to change or affect the Internal Revenue Code are in order.

Lastly, the rule allows one motion to recommit with or without instructions.

Mr. Speaker, the part of this bill which has attracted the most attention is that which increases authorizations for the food stamp program in fiscal years 1980 and 1981. As we are all painfully aware, the program has once again reached the limit which was placed on its spending for the fiscal year. Consequently, this bill sets new funding levels for these two fiscal years and to be certain that we are prepared when these limits too, are exceeded, the committee has been generous enough to provide us with cushions. These will allow the Secretary to lift the new caps by 5 percent for fiscal year 1980 and 10 percent for fiscal year 1981, allowing the costs of the food stamp program to reach $10.7 billion by the end of fiscal 1981—almost doubling the cost of the program since 1977. Not the least of my concerns is the fact that this so-called cushion will remove funding authority from the committee and place this responsibility in the Secretary's hands—an abdication of congressional authority and possibly a precedent for other authorizing committees to be bypassed.

In addition to raising these caps, the bill contains some 22 amendments aimed at program reform. I recall food stamp reform of 1977 when Congress passed legislation aimed at restricting eligibility. What did we accomplish? We included a major liberalizing provision eliminating the purchase requirement which added some 3½ million people to the program. However, we did not come close to eliminating the 1.3 million projected.

Mr. Speaker, I shudder to think what the outcome of our empty and ill-conceived attempts at reform will be. If the program's costs follow the precedent set between 1977 and what is being requested for 1981, by fiscal 1985, the program could cost as much as $20 billion.

I know that there are numerous amendments to be offered, including at least one substitute permitting the States to become more involved in setting their own eligibility and benefit levels. In addition, there is the recoupment amendment offered in committee by the gentleman from Vermont. Recoupment is an idea which was first suggested by then Congressman Andrew Young in the 94th Congress. The purpose of the Jeffords recoupment amendment is to treat benefits received by higher income recipients as interest-free loans, requiring benefits to be repaid if the recipient's adjusted gross income exceeded 175 percent of poverty level and he received food stamps because of temporary unemployment. I am pleased that the House will have an opportunity to improve this legislation through some carefully constructed amendments, and I intend to support those amendments which will restore some order to the chaos existing in the current program.

Mr. Speaker, I yield 2 minutes to the gentleman from Vermont (Mr. JEFFORDS).

Mr. JEFFORDS. Mr. Speaker, originally I had intended to try and oppose the rule. However, through some legal imagination and skillful drafting, we have been able to redraft the amendment so that I believe it will be held in order. It is not quite as trim a system as the one presented to the Rules Committee which is unfortunate. It is unfortunate that the Rules Committee did not see fit to allow me to give it in the original form, for ironically it might actually help protect the very agency that they are trying to protect, the IRS, from some administrative problems.

Nevertheless, I want to make it clear that I do not oppose the rule at this time. I intend to offer my amendment in its redrafted form. I would hope that the Members would give careful consideration to it at that time. I think it is an excellent proposition that will help to do much to restore confidence in the integrity of the food stamp program.

Mrs. CHISHOLM. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

Mr. FOLEY. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the Senate bill (S. 1309) to increase the fiscal year 1979 authorization for appropriations for the food stamp program, and for other purposes.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Washington (Mr. FOLEY).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the Senate bill, S. 1309, with Mr. SIMON in the chair.

The Clerk read the title of the Senate bill.

The CHAIRMAN. Pursuant to the rule, the first reading of the Senate bill is dispensed with.

Under the rule, the gentleman from Washington (Mr. FOLEY) will be recognized for 1 hour, and the gentleman from Virginia (Mr. WAMPLER) will be recognized for 1 hour.

The Chair recognizes the gentleman from Washington (Mr. FOLEY).

Mr. FOLEY. Mr. Chairman, I yield myself such time as I may consume.

□ 1820

Mr. BAUMAN. Mr. Chairman, will the gentleman yield?

Mr. FOLEY. I yield to the gentleman from Maryland.

Mr. BAUMAN. I just wanted to ask the gentleman what the plan is for the remainder of the evening so the Members might make their schedules accordingly.

Mr. FOLEY. Insofar as I have any decision in the matter, it is our intention to try and finish the general debate on the bill in its entirety, I will tell the gentleman, but we will not attempt to proceed to have the bill read for amendment in any fashion.

Mr. BAUMAN. So there is not likely to be any more votes or rollcalls?

Mr. FOLEY. I hope we will not have any more votes. Perhaps the quorum call that might possibly be raised will not be raised on the gentleman's side, and I think Members would appreciate that.

Mr. BAUMAN. I thank the gentleman.

Mr. FOLEY. Mr. Chairman, I rise today in support of S. 1309, a bill that amends the Food Stamp Act of 1977 in two major ways. First, it would provide sufficient increased authorizations for fiscal years 1980 and 1981 to keep the food stamp program alive for the next 16 months, delivering benefits to the well over 21 million Americans who need such assistance in order to avoid hunger and malnutrition and the social, economic, and personal harm they entail. Second, it would impose upon the food stamp program the toughest, most extensive collection of provisions to deter error and punish abuse ever found in any nutrition program or in any single piece of income security legislation passed by Congress. Both parts of this bill are crucial to the future of the program. Only if both parts are enacted can the food stamp program effectively feed the needy, and only the needy.

THE NEED TO RAISE THE CAP NOW

The increases that the Committee on Agriculture has proposed in the authorization ceilings the Congress imposed on the program in 1977 are absolutely essential. I am sure that, by now, you are aware that, unless the Congress has taken action by May 15—just 1 week from Thursday—to furnish sufficient funding for the program for the months of June, July, August, and September, the Secretary of Agriculture has no recourse but to order every State in the Union to suspend the issuance of all food stamp benefits as of June 1. The Secretary has already written the Governor of every State in the Union on April 28, notifying him or her of the problem and warning him or her to take immediate precautions, including developing contingency plans for providing other forms of emergency assistance to low-income families. This is a very serious business, indeed.

The program would cease operating entirely on June 1. It could be revived again later when funds became available, but, in the interim, substantial hardship would befall the approximately 21.7 million needy Americans who were on the food stamp rolls in March of this year. These people would be forced to rely upon their already meager resources—most of them already have less than $10 a day per household to subsist on—to obtain food unless and until the Congress: First, lifts the $6.188 authorization ceiling for fiscal year 1980; second, revises the second concurrent resolution of the budget for fiscal year 1980 upward to reflect that rise in the ceiling in both budget authority and outlays—the third concurrent resolution we just approved achieves this by virtue of the Giaimo amendment; and third, enacts the necessary supplemental appropriations—the Agricultural Appropriations Subcommittee of the House Appropriations Committee has already taken such action on April 28, and the full committee is expected to take further steps later this week.

All of these necessary actions may well be accomplished in time, but that is growing shorter and shorter. We cannot afford the social chaos that would prevail were we to fail to meet the deadline. If we do not succeed, we will be seriously harming people who cannot help themselves. Over three out of every five food stamp recipients in the latest survey were found to be either elderly, disabled, or children under the age of 18. Since then, the number of elderly persons on the program has grown by at least one-third. My staff estimates indicate that at least 12 percent and perhaps as many as 15 percent of all persons currently served by the program are age 60 or over, which amounts to 3.2 million elderly individuals who would literally not know where their next meal was coming from for weeks in the future. That is a frightening prospect, one we cannot allow to occur.

Sixty-nine percent of all food stamp households in that survey were headed by women. The average monthly income of all participating households was around $3,800 a year or $320 a month. Such people will have serious difficulties indeed coping with a total shutdown of their food purchasing power. We are not talking about people making thousands of dollars a month or $15,000 a year. We are dealing with households at the depths of the economic barrel. Their average income, as indicated, is significantly less than half of the poverty level for households of comparable size. Over 90 percent have gross incomes below the applicable poverty line. Sixty percent have no liquid assets whatever, while 95 percent have assets under $1,500. Two-thirds of them own no car; nearly three-quarters of them do not have a home of their own.

Food stamps form the primary or sole source of income for one out of every five households that use them. These households either have no income or the income that they do have in the form of earnings or other benefits totals less than the value of the food stamps they receive. They do not all come from major metropolitan centers. Nearly one out of every three recipients is from a rural project area. They are, of course, required to help themselves if they are able, but most are not. Only 15 percent of all heads of food stamp households are employable persons who are unemployed. The vast majority of adult food stamp participants are either working full time (12 percent), but at wages so low as to qualify them for assistance, or else unable to work because of age (16 percent), disability (16 percent), or the responsibility of taking care of pre-high school age children or incapacitated adults (35 percent).

In general, food stamp recipient households have been hit harder than others by the economy and, particularly, inflation. Overall income in the United States increased 40 percent during the past 4 years, while the incomes of food stamp beneficiaries went up less than one-fifth as much or only 7 percent. The cost of necessities (food, shelter, medical care, and household utilities) during this same period has risen faster than the cost of other items. Unfortunately, the needy spend 90 percent of all of their income on these necessities, while the rest of America spends only about 60 percent of its income to buy them.

We cannot in good conscience abandon these people to their own nonexistent resources, if only for a week. We cannot be responsible for an unprecedented cutoff, however brief, of vital benefits that support human life. There is no doubt in my mind—and a recent study by the Field Foundation confirms my belief—that the food stamp program is the most effective social program in aid of the poor in operation today. In 1967, when a team of doctors funded by the Field Foundation went across the country to examine the status of hunger and malnutrition among poor Americans, they returned to report that they had found hungry children suffering diseases caused by malnutrition that were well known in Africa and Central and South America, but not the United States. In 1979, after they had conducted a similar study, they were able to report that—

> Now in those same areas, there is nowhere the same evidence of gross malnutrition we saw then. In the Mississippi delta, in the coal fields of Appalachia and in coastal South Carolina—where visitors 10 years ago could quickly see large numbers of stunted, apathetic children with swollen stomachs and the dull eyes and poorly healing wounds characteristic of malnutrition—such children are not to be seen in such numbers today.

The primary reason for the dramatic difference, for the 33 percent decline in infant mortality and the greater than 50 percent reduction in infant deaths from diarrhea, influenza, pneumonia, and immaturity (all directly related to poverty and malnutrition), was, from their perspective, the existence and intervention of the food stamp program. They stated categorically that—

> The food stamp program does more to lengthen and strengthen the lives of disadvantaged Americans than any other noncategorical social program and is the most valuable health dollar spent by the Federal Government.

This 1967 study, books, TV documentaries, newspaper articles, and active concern exhibited most notably by President Richard Nixon in convening the December 1969 White House Conference on Food, Nutrition, and Health, perhaps the finest monument of his first term in office, resulted in the development of legislative recommendations to pass a more meaningful food stamp program, the one that we are extending today.

Unfortunately, since 1969, the program has become more the victim of unfair abuse than, as has been repeatedly asserted, itself abused. It has been saddled too long now with myth upon myth, unfounded story after story of Cadillacs crammed with groceries, shopping carts laden with $10 sirloin steaks and $20 lobsters and hamburger bought to feed dogs. All are distortions. Program rules disqualify Cadillac owners. Persons enjoying 37 cents in benefits a meal ($35 per person a month) hardly buy luxury items or, if they do, the consequence is starvation the rest of the month. The Federal Government is quite penurious when it comes to bestowing food stamps allotments. For example, a family of four with absolutely no net income left after all deductions are subtracted from their gross income and, thus, with no funds of its own left to purchase more food, has the princely sum of 57 cents per person with which to buy the entire ingredients of every meal. The welfare Cadillac turns out to be a bicycle. We must discard these repetitious fairy tales and honestly confront the reality of human need in hard times and the justice of our satisfying that need.

The appropriation required to keep the program going is, according to the administration's latest estimates, $2.791 billion. That is the sum that the administration has informed us on April 30 will be required to maintain full funding of benefits given current economic conditions, even taking into account a package of $133 million in legislative reductions in program expenditures for fiscal year 1980. These legislative savings have been recommended both by the administration and the House Budget Committee, and will be offered shortly as amendments to S. 1309 by Mr. PANETTA. I anticipate that they will be accepted.

The authorization problem for fiscal year 1981 is equally serious. While the 1980 cap is approximately $2.791 billion short of what the administration has determined will be necessary, the 1981 cap of $6.236 billion is at least $3.234 billion under what the Department's April budget revisions suggest will be required to furnish food stamps in appropriate amounts to all eligible recipients from October 1, 1980, through September 30, 1981. It is as much as $4.097 billion less than the Congressional Budget Office's (CBO's) April 22 estimates for fiscal year 1981, as modified to include expected legislative savings.

WHY THE CAP IS OUTDATED

S. 1309, as reported by the Committee on Agriculture, is designed to raise the authorization ceilings for both fiscal years in order to accommodate economic impacts that were unforeseen when Congress first imposed the cap on food stamps in July of 1977. While the cap was, as conceived, a useful construct intended to give the authorizing committees controls over program spending and prevent the program from remaining an unchecked entitlement, it has become an inflexible corset, unreasonably restraining appropriate program growth brought about by unanticipated factors. The fixed level of estimated expenditures that constituted the cap was based upon economic projections supplied by the Congressional Budget Office as of February 1977. These projections were quickly bypassed by events.

The intervening three and one-quarter years have obviously undermined whatever validity those projections may originally have had. In the context of the administration's January budget estimates for the program, food price inflation in excess of what was anticipated is directly responsible for approximately 53 percent of the rise in program costs, adding over $1.4 billion to the cost of the program in fiscal year 1980 and $2 billion in fiscal year 1981. The Department has informed us that each 1 percent increase in the Consumer Price Index for food generates approximately $100 million in added food stamp costs.

Increased unemployment is responsible for another 26 percent of the surge over the 1977 estimates or approximately $800 million and $900 million, respectively, in the 2 fiscal years at issue. Each one-tenth of 1 percent in the unemployment rate tends to bring between 75,000 and 110,000 people onto the program at a cost of around $50 million. That means, for example, that last week's jump in unemployment would, if the rate remained at least 7 percent for the next 16 months, add $133 million in costs to the program for fiscal year 1980 and $400 million for 1981.

The remainder of the expansion can be attributed to several factors, foremost among which is the income level of the new participants attracted to the program in 1979, after the implementation of the Food Stamp Act of 1977 and its elimination of the purchase requirement (EPR). The over 4 million program entrants traceable to EPR were considerably poorer than expected. The new EPR feature meant that eligible households no longer needed to pay, for example, $100 in cash to obtain $200 of food stamps. Instead, a family could receive the $100 in food stamps that had been their previous bonus without first having to put up cash. Obviously, the family would have to use its own money if it wished to secure more than $100 worth of food, but it did not have to deposit that cash as a prerequisite to program participation. Thus, for the first time, persons who were cash poor at food stamp issuance time were enabled to participate.

One more unnecessary barrier to use of the program by the very persons it was intended to serve tumbled. But, because those who were able to participate with the barrier down turned out to be at least as poor as existing recipients (it had thought they would be working poor at the upper end of the low-income ladder), the cost of EPR to the program was more than had been foreseen, perhaps as much as $530 million more in fiscal year 1980 and $640 million more in fiscal year 1981, or approximately 18 percent of the needed increase in authorization levels as of January.

Together, these three factors account for almost 97 percent of the growth in the program through January, with inflation twice as important as unemployment and three times as significant as EPR.

CUSHIONING THE GAP

Since January, the administration as well as CBO has had to revise its estimates upward to reflect the impact of the deteriorating economic situation. Eligible households who previously had determined that it was not worth the effort to secure food stamps now feel impelled to do so, given the combined impact of inflation and recession on the funds they have available to spend on other necessities, including housing and utility costs. Program participation has recently surged from 19.6 million persons as of November 1979, to 21.7 million in March, reflecting current economic pressures upon low-income households. Congress can hardly hope accurately to forecast or manipulate factors (other than inflation or unemployment) that might well function, singly or in combination, to boost food stamp costs above even those revised budget levels, including the advent of natural disasters, the prospect of major cuts in various States' welfare budgets, the possibility of another boost in energy prices, the highly uncertain nature of the timetable for implementing some of the savings features of this bill, and similar unforeseeable circumstances.

None, any, or all of these possible developments might happen. Any one might be enough in and of itself to breach the new cap set in S. 1309 in a fashion impossible to remedy in the tight time frame that would exist. The result would either be unintended harm to program recipients or else more unnecessary funding crises in August–September 1980 and the late summer of 1981. These potential problems can be forestalled now by providing a reasonable cushion beyond the cap that permits program control to remain in the hands of Congress and the authorizing process without destroying the value of the program to poor persons. A realistic limit upon food stamp program spending is certainly better than no limit at all, and equally better than an unrealistic limit that imprisons the heart of the program in rigid chains.

Given this continual problem of relying upon inherently unreliable cost estimates and replacing one artificial lid on expenditures with another, the majority of the committee voted to supply the program with a needed cushion, permitting an override of the President's January 1980 budget projections for fiscal year 1980 by as much as 5 percent (or up to $437 million) and for fiscal year 1981, whose status is far more uncertain, by as much as 10 percent (or up to $974 million). As the latest estimates from the administration and CBO suggest, the cushion should be sufficient to meet projected funding requirements in both years, but it is still likely to be a close call.

This is the only reasonable way to avoid another round of food stamp reauthorizations and supplemental appropriations this year and next and to stop legislating about food stamps in a constantly renewed state of emergency. Under S. 1309, the Secretary could seek appropriations about the new cap—but within the cushion—in either fiscal year or both. Whenever he determined it advisable to do so. Simultaneously or thereafter, he would have to inform both the House and Senate Agricultural Committees in writing that he needed to invade the cushion because of any one or more of a variety of economic or program factors, such as unanticipated increases in food prices, the rate of unemployment, or program participation (for whatever reasons these increases were occurring, including the recent situation attributable to overall inflation psychology and pressures); changes in the program brought about by S. 1309 itself, including the pace of its implementation, disasters, reductions in State welfare benefits, and a host of similar factors. This written report to the authorizing committees would be necessary 60 days before he sought to translate the appropriations into outlays, provided, of course, that Congress granted his funding request through the appropriations process. The report and justification trigger the Secretary's ability to use the appropriated cushion, but not to seek it in the first place.

LEGISLATIVE REDUCTIONS IN COST

I fully realize the necessity of applying some legislative brakes to this program. I am in accord with the recommendations of both the administration and the House Budget Committee in this connection and, indeed, participated in the early stages of their formulation. Those recommendations are about to be offered by myself or other members of the Agriculture Committee as amendments to S. 1309 that would save $133 million in fiscal year 1980 and $433 million in fiscal year 1981 by:

First. Providing annual (every January) rather than semiannual (every January and July) cost adjustments to the thrifty food plan which defines program benefits and to the standard deduction for all participating households, as well as updating the excess shelter cost deduction in January rather than July, thereby denying any increase in benefits from these three factors in July 1980 and reducing their impact on the succeeding fiscal year (savings—$436 million over both years);

Second. Refusing to update the poverty level of net eligibility to reflect March cost adjustments, thereby limiting program eligibility (savings—$50 million);

Third. Cutting off the eligibility of all college and graduate students, allowing to participate (if they satisfy the income and assets tests) only those students who are under 18 or over 60, mentally or physically unfit, employed at least 20 hours a week during the regular school year or involved in a work study program, heads of households with dependents, or participants in the AFDC work incentive program (savings—$60 million); and

Fourth. Lowering the maximum liquid assets limitation for a nonaged household from $1,750 to $1,500 (savings—$20 million).

In addition, CBO has estimated that S. 1309's error rate sanctions provisions would save about $90 million in fiscal year 1981, although the Department views S. 1309 as saving $186 million. Postponing the implementation of S. 1309's expansion of the excess medical deduction for the elderly and increase in the dependent care deduction until fiscal year 1982, a proposal to be offered, would further reduce S. 1309's impact on the fiscal year 1981 budget by $122 million.

In all, members of the House Agriculture Committee, including myself, expect to offer and to have accepted a package of amendments reducing the cost of S. 1309 in fiscal years 1980 and 1981 combined by a total of $688 million. A further $90 million savings is contained in S. 1309 itself for a general total of $778 million. This sum represents the changes we have made in our legislative posture after reporting the bill out of committee, changes that we initiated in response to the developments in the budget situation. The total of our reductions in the cost of the existing program is either $656 or $762 million, depending on whether one accepts the calculations of CBO or the administration. All of this evidences our good faith participation in the budget process as well as our recognition that certain carefully targeted program reductions are justifiable.

DETERRING ERROR AND PUNISHING FRAUD AND ABUSE

Despite the obvious attention given the substantial rise in permitted expenditures, the most significant portions of the bill, not merely in terms of bulk (22 separate amendments covering nearly three-fourths of the lines), but primarily from the perspective of long-term impact upon the shape of the food stamp program, are the 15 basically bipartisan measures that deal with reducing error, fraud, and abuse. However generously motivated Americans may be to furnish resources to the poor to enable them to survive, particularly in the face of significant inflation and slowed economic growth, they understandably object if they believe that those resources are being abused. This committee agrees wholeheartedly with that concern.

These aims of the committee are reflected in this bill and, particularly, in the antifraud, error, and abuse provisions that comprise its core. These amendments are responsive to suggestions for tightening up the program contained in the October 1978–March 1979 and April 1, 1979–September 1979 semiannual reports of the Department's Office of Inspector General or to deficiencies uncovered by the committee itself. Taken as a whole, they clearly constitute part of a continuing massive effort to save program money for the use of those who need it most by denying it to the unentitled.

The 15 strong provisions are intended to give the Inspector General all of the authority he desires to halt program fraud and the States all of the appropriate incentives to reduce program error. Indeed, the bill goes well beyond what the Inspector General has sought to strengthen stringent program administration. The arsenal of investigative and deterrent weapons thus furnished program administrators is substantially more extensive than that applicable to any other federally sponsored nutrition program and at least as comprehensive (if not significantly more so) as that available to police any other Federal income security legislation. The new antifraud, error, and abuse measures contained in this bill include:

First. Computer matching. Strong encouragement for, coupled with permission to, the Secretary and State agencies to computer match information supplied by applicants and recipients against all available wage and benefit data contained in all relevant Federal agency (including Social Security Administration) files and in the files of the Department and the States to verify all income information in a manner that cannot be manipulated in any way by the applicant or recipient, This is the single most effective technique now in existence for avoiding error and fraud and preventing benefit payment to ineligible persons and benefit overissuances to eligible ones. Appropriate safeguards and limitations would obviate misuse of the information so obtained.

Second. Increased cost-sharing for computerization. A bonus of 25 percent in additional Federal cost sharing (over the normal 50 percent) for the administrative costs incurred by State agencies in developing and installing computerized systems for handling program data in order to make full and efficient use of computer matching and to lower error rates.

Third. Retrospective accounting. Provision of an option to the States to determine eligibility and benefits for certain types of households for a given month in light of a prior month's actual income. This will enable States to diminish error rates, since past income can be accurately ascertained, while future income is difficult to predict precisely. The Inspector General strongly supports giving States this option.

Fourth. Periodic reporting. A companion requirement compelling certain categories of households in States relying upon retrospective accounting to submit periodic reports (probably monthly, in most instances) on their income as a condition of continuing to receive food stamp benefits.

Fifth. State liability for errors. A penalty upon those States that fail to meet certain specified performance standards in controlling their error rates, including negative case actions, in light of national standards, with States to be liable for all erroneous allotments over their prescribed limit out of the Federal administrative cost-sharing that would otherwise be available to them. The Inspector General recommended this concept of requiring States to share in the cost of their own mistakes, as "the most effective device we know of to make those States and projects with poorly managed operations take an aggressive interest in improving the program."

Sixth. State incentives for reducing errors. Concomitant rewards for those States that are exceptionally successful in reducing their error rates, either absolutely in relation to specified low error rates or comparatively in terms of significant percentage improvement.

Seventh. Verification. New and strengthened verification procedures enabling certification workers to verify household size as well as verify intensively where computer profiles reveal that substantial dollar level errors are associated with particular household characteristics. Use of these error-prone profiles would be subject to approval by the Secretary. This should end the misperception of many State officials that their hands are tied in connection with verification.

Eighth. Photo identification. A requirement that all certified eligible households, other than those certified at home or by mail, acquire photographic identification cards to present with their authorization to purchase cards when obtaining food stamps in those areas, primarily central cities, in which the Secretary, in consultation with the Inspector General, finds that such a procedure would help protect the integrity of the program.

Ninth. Forfeiture of property involved in illegal transactions. A grant of authority to the Secretary to confiscate cash or goods used in food stamp trafficking in which large volumes of stamps are illegally obtained in exchange for lesser amounts of cash or less valuable commodities and later redeemed for a profit.

Tenth. Restrictions on aliens. The income and resources of an ineligible alien member of a household would be partially attributed to that household, thereby diminishing its benefits. Certification workers who determine, on the basis of information furnished by an applicant household, that a member of that household is in the United States in violation of the immigration laws, are to report that firm, legal conclusion in writing to the Immigration and Naturalization Service.

Eleventh. Strikers. Strikers per se would not be eligible for food stamps and would be per se ineligible unless they were either exempt from work registration or eligible for food stamps prior to going on strike or were involved in a lockout or else could demonstrate that their income fell within the requisite eligibility levels, their assets were sufficiently low, and their work registration status complied with the governing work rules.

Twelfth. State administrative fraud hearings. Permission to States to refrain from developing an administrative fraud structure so long as they ardently and vigorously pursue fraud in their court systems. Many States contend that administrative antifraud effort is not cost effective.

Thirteenth. Interference with the program. A ban on any Federal financial support to any person, organization, or group that interferes with or impedes, directly or indirectly, the implementation of any provision of the act or any regulations. This is designed to halt Federal funding of efforts illegally to hassle or harass State and local officials seeking to operate the program in good faith or the use of tactics of violence and intimidation.

Fourteenth. Special financial audit review of high participation States. Assurance that any State in which program participants constituted more than a fixed percentage of the State's total population would immediately be subject to intensive financial audit.

Fifteenth. Extension of workfare. Authority to extend workfare pilot projects another 12 months through the end of the authorization of the underlying law on September 30, 1981, coupled with a competitive process to select the best possible 14 projects for a reliable test of the efficacy of the concept.

With the addition of this slew of amendments to tighten up program operations, the committee believes that it has thoroughly canvassed all of the available antifraud techniques and devices and directed implementation of those it has found to be efficacious in reducing error and abuse at a reasonable administrative cost. Once these techniques and devices are fully in place in fiscal years 1980 and 1981, the food stamp program should have the opportunity it has been denied in the last 5 turbulent years of congressional action to settle down and become stable. It must no longer be subject to an annual congressional revision of prior marching orders whose content is inevitably unpredictable and the accompanying plethora of new regulations which must be incorporated in handbooks, manuals, and, most troublesome of all, instilled in the conduct of tens of thousands State and local certification workers. Retraining personnel, rewriting manuals, and reprograming computers are socially wasteful activities that can themselves be a major source of the error we allegedly seek to eliminate.

It is time that the program be viewed as mature and treated appropriately, so that error is not artificially induced by constant change. It is time to call a halt to the perpetual amending process. The States are understandably at the end of their patience with our unsettling method of repealing our mandates before they have even begun to be enforced. Good program administration demands that the program be allowed a period of peace in which it can most fruitfully and effectively diminish the incidence of fraud, error, and abuse, while continuing to perform in the outstanding fashion I noted earlier to eliminate hunger and malnutrition in the United States.

Mrs. FENWICK. Mr. Chairman, will the gentleman yield?

Mr. FOLEY. I yield to the gentlewoman from New Jersey.

Mrs. FENWICK. I thank the gentleman for yielding.

I know that changes have been made. I think we all applaud the big, really tremendous effort that the committee has made to reach it. I would like to ask: Could the gentleman tell me what is the maximum income of a family of four which might be eligible for food stamps?

Mr. FOLEY. Well, the maximum is $11,412, at which level the household would receive $31 in stamps for a month or $1 a day to supply 12 meals.

Mrs. FENWICK. For a family of four.

Mr. FOLEY. That is the maximum. That is not the average, by any means. The average is $3.800 per household.

Mrs. FENWICK. No, but that is the maximum.

I thank the gentleman.

Mr. FOLEY. By the way, one of the things that this bill does is postpone the July adjustment in the poverty level, which will tend to keep that level from rising and thus prevent persons or families of higher income from becoming eligible for the program.

Mrs. FENWICK. I thank the chairman for his answer.

Mr. MITCHELL of Maryland. Mr. Chairman, will the gentleman yield?

Mr. FOLEY. I yield to the gentleman from Maryland.

Mr. MITCHELL of Maryland. Mr. Chairman, I rise in support of the measure being considered today—S. 1309, the Food Stamp Act Amendments of 1980. I am particularly concerned that the current "balanced budget mania," which is sweeping this Congress, may suggest that the "meat-ax" approach to reducing Federal spending is in order for the food stamp program. The anticipated introduction of amendments to cripple the intent of S. 1309 by incorporating unnecessary requirements for participation in the program, should be rejected since S. 1309 addresses those problems which necessitate reform in the food stamp program's implementation.

As the Members of this House must realize, the current authorization levels for the food stamp program are based on earlier economic projections which have long since been inadequate due to rising food costs and higher unemployment. One major component of S. 1309 increases the cap on the food stamp program to $8.7 billion for fiscal year 1980, and $9.7 billion for 1981. It is imperative that we not adopt any amendments which may weaken or eliminate this critical provision since Food and Nutrition Service officials have acknowledged that if the cap is not lifted, and Congress fails to allocate a needed $8.3 billion, significant benefits will be cut. Moreover, the provision in S. 1309 which calls for raising the cap on the food stamp program spending is flexible enough to stipulate that the authorizations may be exceeded by 5 percent in 1980, and 10 percent in 1981 should unanticipated economic conditions occur that would increase program costs.

A second major part of S. 1309 is one which deserves careful attention. This component contains what are notably some of the strongest measures ever proposed by the House Agriculture Committee to reduce fraud and error in the food stamp program. I certainly share the concerns of the Members of this House for the elimination of wastefulness in the implementation of critical intergovernmental programs. I believe everyone is all too familiar with my stand on unnecessary and wasteful defense spending, to name another area of concern. However, in this instance, my primary concern is that the "tightening up" of the food stamp program's administrative mechanisms to prevent abuse will clear the way for greater participation in the program by those who truly need its benefits the most. I am certain that the Members of this body have carefully reviewed the new antifraud, error, and abuse provisions that are contained in S. 1309. While I believe that there are countless other programs—inside and outside the Federal sector—which warrant administrative and abuse reforms more so than the food stamp program, let me just state that the provisions contained in S. 1309 should remain untampered.

The third major component of S. 1309 demonstrates that the anticipated implementation of the bill's antifraud provisions will not be designed to deny food stamp benefits to those who are in dire need of them. These provisions expand food stamp benefits to certain households which have been heretofore excluded from the program. In addition, such critical provisions as the one which states that energy assistance payments or allowances made under any Federal, State, or local law shall be excluded from income in calculating eligibility and benefits, certainly deserve our support.

Let me also urge my colleagues to reject attempts to incorporate any provisions into S. 1309 which would call for the reduction of a family's food stamp benefits if a free or reduced school lunch is served to their children. Specifically, such attempts, as we saw last week contained in the Gramm-Holt substitute to the first concurrent budget resolution for fiscal year 1981, are aimed at the elimination of duplicative benefits for a household. Certainly, as I mentioned earlier, we are all concerned about ridding the vital food stamp program of waste, fraud, and duplication. However, it must be realized that the Federal school lunch program was designed by Congress as a supplement, and not a substitute for children's nutritional needs. We must also face the fact that our children cannot be penalized for the mismanagement, poor administration, and admittedly the abuse and fraud involved in the food stamp program implementation. Cutting into the household benefits based on a family's participation in the supplemental school lunch program is not getting to the root of administrative problems—it is making our children pay for Federal, State, local, and in some cases, parental mistakes. The existing provisions contained in S. 1309 and not the incorporation of an amendment which involves a supplemental school lunch program, should serve as the basis for fraud reduction efforts in the food stamp program.

The measure before us today by no means represents a panacea with respect to the needed reforms in the food stamp program's administration. On the other side, we still may not view this legislation as facilitating the program's complete responsiveness to all needy families. However, no one should deny the need for S. 1309's provisions. The food stamp program is presently dependent on the passage of a supplemental appropriation for its continued operation. The program is certainly in need of the reform mechanisms contained in S. 1309. Last, and most importantly, the food stamp benefits undoubtedly need to be expanded to include such individuals as women and children residing in shelters for battered women. S. 1309 expands the benefits to include these individuals and others who are deserving. The Food Stamp Act Amendments of 1980 should be adopted, and I urge its passage without crippling amendments.

Mr. RODINO. Mr. Chairman, will the gentleman yield?

Mr. FOLEY. I yield to the distinguished gentleman from New Jersey, the chairman of the Judiciary Committee.

Mr. RODINO. Mr. Chairman, I rise to urge that we move as expeditiously as possible to approve S. 1309, the Food Stamp Act Amendments of 1980.

We all know that this vital program is facing an ominous deadline—by May 15 action must be completed on the first concurrent resolution on the budget, the authorizing bill now before us, and a supplemental appropriation bill providing the necessary additional funds for this fiscal year. Otherwise the Department of Agriculture will be legally obligated to order suspension of the program on June 1.

The prospect of suspension of all food stamp benefits is absolutely appalling. Currently 21.4 million Americans receive food stamps—approximately 10 percent of our population. In my own congressional district, the city of Newark alone has 90,000 residents who depend on the food stamp program to meet their daily food needs.

Mr. Chairman, the people involved are our fellow citizens least able to sustain themselves without the vital assistance provided by the food stamp program. They are the elderly, the young, the disabled, the unemployed. Their average income is significantly less than half of the poverty level. Over half of our Nation's food stamp households have gross incomes of under $3,600 a year.

Moreover, food stamp recipients are for the most part not able in any way to increase their incomes. Over 20 percent of all food stamp households are headed by persons over 60. The vast majority of adult food stamp participants are either working full-time but at wages so low as to require assistance, or else unable to work because of age, disability or the responsibility of taking care of prehigh school age children or incapacitated adults.

We cannot abandon these least fortunate in our society, even temporarily, to privation, malnutrition, and the threat of starvation. Inflation is not their fault. Unemployment is not their fault. Our miscalculations on food stamp program costs are not their fault. They cannot help growing older or suffering the ravages of disability and accident.

There are families now with absolutely no net income left after deductions who have only food stamps with which to buy food. Many members of our armed services have been forced to rely upon food stamps to feed their families. Mothers across the country are struggling to care for their children on the small sum of 57 cents per person with which to buy every ingredient of every meal.

I was very moved by a letter I received from an attorney working with the Rutgers Legal Aid Clinic who is deeply concerned that we will cast aside our poor. He described most eloquently one of his cases:

> A man, age 59, and his wife came to me the other day to seek counsel with regards to obtaining Social Security Disability benefits. The man had worked as a truck driver for most of his life and recently underwent an operation for cancer of the lung. One lung was removed. The man wished to return to

> work but his doctor said there was no way he could do so.
>
> At the point when he came to see me the man and his wife had exhausted their temporary disability benefits and had no resources left upon which to draw. They had applied to Welfare for the first time in their lives and, after waiting three weeks, had not yet been properly processed through the system so that they could receive a check. During this time though they did receive food stamps. Were it not for the food stamps this couple would not only be penniless but might well be starving Further, both the man and his wife were already under great physical and emotional stress.

Mr. Chairman, under the circumstances confronting us, I maintain that all of us in Congress have a heavy responsibility to our fellow citizens in need. We are all guardians of the health, safety—and indeed survival—of the men, women, and children who depend on food stamps for existence.

We must put aside all matters of partisanship, and speedily resolve all disagreements of consequence, while foregoing the leisure of extended debate on insignificant issues, to enact as soon as possible this measure and the other two legislative matters essential to avoid any disruption in the food stamp program.

Mr. RATCHFORD. Mr. Chairman, will the gentleman yield?

Mr. FOLEY. I yield to the gentleman from Connecticut.

□ 1830

Mr. RATCHFORD. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, we are all aware of the severe crisis now facing the food stamp program. Unless the Congress acts very quickly, food stamp benefits in all States will stop on June 1, and the consequences—in human terms—will be devastating.

Our highest priority following passage of the budget resolution must be an increase in the spending cap on the food stamp program to permit continuation of benefits this summer. The Food Stamp Act Amendments of 1980, as reported by the House Agriculture Committee, would take this essential step, lifting the spending ceilings from the current $6.2 billion to the $8.7 billion which will be required to fund the program this year.

Without question, there are other issues in this legislation for the House to consider—including attempts to tighten up administration of the food stamp program to eliminate waste and fraud. Yet we cannot allow a lengthy debate to hide the urgency of congressional action on the spending cap within the next few weeks. The program is basically sound, and the benefits are desperately needed by the poor and the elderly—the extension of the program represents a responsibility that a compassionate society cannot ignore.

Knowing of the importance of congressional action to lift the spending cap, I strongly urge rapid enactment of the Food Stamp Act Amendments of 1980. Assuming that a supplemental appropriation for the food stamp program will be brought to the floor in the very near future, I remain hopeful that the Congress will prevent any disruption of food stamp benefits in the months ahead.

Mr. GLICKMAN. Mr. Chairman, will the gentleman yield?

Mr. FOLEY. I yield to the gentleman from Kansas.

Mr. GLICKMAN. Mr. Chairman, I, too, of course, support this bill. I support the chairman's remarks and would like to make two quick comments.

First of all, we have in this bill acted very reasonably and responsibly because we have not totally eliminated the cap which existed beforehand, but we have raised the cap and added a cushion to provide enough flexibility so that if unemployment goes up or food price inflation continues to go up we will provide that cushion so that poor people will not have to worry about having their benefits cut off.

Second, I would urge this House to reject amendments which may sound good on their face but would so unnecessarily complicate the program that there would be no way that we could get an authorization bill passed by May 15, and the benefits into both the hands and mouths of needy people. If we want to honor our commitment on food stamps, we will pass the bill as recommended by the chairman of the committee.

There has been considerable debate in Congress on the merits of the funding ceiling or cap on food stamp program expenditures. Unlike most other social programs, like medicare, which operate on an entitlement basis and permit open-ended spending, the food stamp program has been subject to a cap on its annual authorization since 1977. Spending levels for the succeeding fiscal years were established at that time.

When the ceiling was enacted, it was anticipated that its presence would improve spending control and financial responsibility in the food stamp program. One factor not taken into account was a skyrocketing rate of inflation that particularly impacted retail food prices. In 1977 when the cap figures were developed, the Congressional Budget Office (CBO) estimated that food prices would increase 3 to 4 percent a year. In fact, food prices went up 22 percent between 1977 and 1979, and are presently projected to have gone up 46 percent between 1977 and 1981.

Accordingly, an increase in the ceiling was approved last year to permit funding for the remainder of fiscal year 1979 and we are here again today to approve an increase for the rest of this year and 1981 as well. Failure to approve such an increase by the May 15 deadline will cause the program to be shut down on June 1. Such action will be disastrous to many needy Americans who rely on food stamps to supplement their daily nutritional requirements. The people hurt will be those who can least afford it. Sixty percent of those participating in the program are the very old and very young—those with the least ability to change their economic situations. Over half of the households receiving food stamps have gross incomes under $3,600 a year.

Opponents of the cap believe that its absence would eliminate these last minute rushes for increases. I feel differently and oppose its removal. A cap permits us to maintain adequate fiscal oversight over the program while assisting low-income Americans. The cap is more necessary than ever to keep the program within spending limits. It is significant in prodding us to review eligibility criteria and program operations. In this belief I offered an amendment in committee which is included in the bill before us to increase the 1980 cap to $8.7 billion and the 1981 cap to $9.7 billion. To account for unanticipated changes in the economy which have caused these 11th hour pushes to raise the ceiling, my provision includes an authorization cushion which would permit an increase over the cap of 5 percent in 1980 and 10 percent in 1981. These cushions would only be allowed when certain economic conditions occur such as severe unemployment or a significantly higher inflation rate. Congress would have to continue to approve any increase over the cushion amounts.

The funding levels in the provision are based on USDA estimates for program costs for 1980 and 1981. I am hopeful that these amounts will be adequate. Nevertheless, the cushion is particularly crucial at this juncture because we are dealing with more variables than ever before. First, the CBO, by assuming a more pessimistic picture for the economy, has projected food stamp expenditures above the Department's figures. Second, the administration has included in its estimate a $200 million savings from a reduced error rate in fiscal year 1981. In my judgment, it may be unrealistic to assume such sizable savings so rapidly. Third, since the economy has taken a downturn since approval of the provision, unemployment has been increasing. Each one-half of 1 percent increase in unemployment adds between $250 and $270 million in costs to the program.

I do not want to expose food stamp recipients to the hardship of reduced benefits during these inflation-stricken times. We have a moral obligation to insure that needy Americans can meet their nutritional requirements. It also makes more sense than responding to inadequate nutrition after the fact through higher medical costs. At the same time there is an obligation for us to carefully scrutinize budget expenditures, especially those that are increasing dramatically. The cushion approach sets a realistic goal for food stamp expenditures, while allowing needed flexibility. By retaining the fiscal guidelines imposed by the cap, the program stays in the authorization process where it belongs. This guarantees what was always most meaningful about the cap—adequate congressional oversight.

Mr. BAUMAN. Mr. Chairman, will the gentleman yield?

Mr. FOLEY. I yield to the gentleman from Maryland.

Mr. BAUMAN. Mr. Chairman, I would just like to respond briefly to the comments made by the gentleman from Kansas (Mr. GLICKMAN), with whom I sometimes agree. One thing, however, that has really burned me up in this whole debate about food stamps is the argument the gentleman just made. Every time we bring this bill up at the very last minute, when there is a crisis, we are told not to accept any more amendments because people are going to go hungry.

I think this bill is one of the most important we face and every amendment ought to be addressed in a reasonable fashion with debate on the merits and rejected or passed, but we ought not to labor under the fabricated crisis of a deadline that is upon us. I wish the bill had been before us much earlier.

Mr. FOLEY. Let me just say that the Committee on Agriculture reported this bill some time ago. It would have been my desire to bring it to the floor at an earlier time. Frankly, with the necessity to adopt a third budget resolution for 1980, it seems to me that the House would first need to dispose of at least its tentative decisions with respect to the budget resolution for 1980 before a bill of this magnitude could appropriately be brought to the floor.

But I would agree with the gentleman, that these are not the best circumstances under which to bring a bill to the floor. I would also agree with him that as far as consideration of amendments are concerned every amendment ought to be and should be considered appropriately by the committee. In fact, with the exception of a rule affecting amendments on the Internal Revenue Code, which the gentleman from Vermont mentioned earlier, we have an open rule on this bill and all amendments will be in order that are germane.

Mr. GLICKMAN. Mr. Chairman, will the gentleman yield?

Mr. FOLEY. I yield to the gentleman from Kansas.

Mr. GLICKMAN. I would like to comment to the gentleman from Maryland that I did not mean the amendments to be offered. I am sure all have been well thought out. I would say, unfortunately, both through the efforts of the Department of Agriculture and perhaps through our own scheduling, we are up to a crisis point in time, and I think that if we burden this bill with an extraordinary number of amendments we probably could not get it passed in time to prevent a cutoff of benefits.

Mr. AKAKA. Mr. Chairman, will the gentleman yield?

Mr. FOLEY. I yield to the gentleman from Hawaii.

Mr. AKAKA. Mr. Chairman, I rise in support of S. 1309. Since coming to the Congress, I have been actively involved in food stamp legislation on several occasions. Each time, we have done the best that we could to anticipate economic conditions which would allow us to forecast the need for food stamps. In 1977, when we set the caps for fiscal year 1980 and fiscal year 1981, no one could see the amazing rise in food prices.

When cap figures were developed for fiscal year 1980, it was estimated that food prices would rise at an average rate of 3 to 4 percent a year. Thus, the cap for expenditures was set at $6.19 billion for fiscal year 1980. In reality, food prices went up 22 percent between 1977 and 1979 and are presently estimated to go up another 8 to 10 percent between 1979 and 1980.

Another major factor contributing to higher costs in the program is rising unemployment. When cap figures were developed in 1977, it was estimated that unemployment would be under 6 percent in fiscal year 1980. In fact, unemployment is now expected to average 6.7 percent in fiscal year 1980. Similar changes are anticipated to take place in fiscal year 1981, necessitating changes in the cap for that year.

Let me stress that these are changes that were not, and in all fairness, could not be anticipated when cap figures were drawn up in 1977. We cannot turn our backs on the many poor recipients who face a complete cutoff of benefits in June of this year. These are fair and necessary increases, and I urge my colleagues to support this legislation.

Mr. FOLEY. Mr. Chairman, I reserve the balance of my time.

Mr. WAMPLER. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, we bring this bill to the floor under something of a "funding crisis" atmosphere. Secretary of Agriculture Bergland has indicated that he must "suspend" benefits by June 1 unless Congress acts prior to May 15. Both program administrators and recipients alike are contacting Members of Congress appealing to prevent this June 1 cutoff. There can be no doubt that the funding situation is serious, and I am especially concerned that the impact of possible program termination upon the elderly and disabled, those least able to provide for themselves.

However, I do feel it necessary to point out that the Secretary's attribution of congressional liability for the funding crisis is not the assessment I would make of liability for this dilemma. There are several reasons for my conclusion.

First, the other body passed authorizing legislation in the summer of 1979, and the House Committee on Agriculture reported S. 1309, the fiscal 1980 and 1981 authorizing measure, on February 27, 1980. Action was not scheduled because of the administration's delay in submitting the President's revised budget; the expected January 21 budget did not arrive until January 28, and the revised budget arrived March 31, 1980. Such delay in turn delayed the Congress in proceeding with its budget process in a timely fashion. Moreover, there apparently was a decision made between the Speaker and the chairmen of the Rules and Budget Committees that no bills requiring budget waivers for fiscal years 1980 and 1981 would be taken up on the floor until after House action on the first and third budget resolutions.

Second, I feel it should be pointed out that the fact that program funding is short should not have come as any surprise on April 15, 1980; rather, USDA officials have known all along that the $6.189 billion fiscal year 1980 appropriation is inadequate if food stamp allotments are to be fully funded. Further, the Secretary has apparently chosen to ignore the authority given him by the Lugar amendment which is the language contained in section 18 of the 1977 act which allows him to make discretionary benefit reductions so that the value of the allotments issued would not exceed the appropriation.

I understand that Secretary Bergland has based his decision not to make any benefit reductions on his determination that the language of the House and Senate Appropriations Committee report accompanying the 1980 appropriations bills are expressions of congressional intent to fully fund the program at "current benefit levels." In my mind, even if one were to concede that these reports are expressions of congressional intent to continue the program, I do not believe it is clear that such language assumed that the Department should go ahead with January indexation of benefits which the Department did; or that the Department should not address in any way some measure for controlling this incredible growth rate.

Certainly, the Secretary's decision to fully fund the program until appropriations run out carries with it some risk unless he was given assurances by the Speaker and the majority leader of the other body that the House would come to the rescue in time.

Also, I think it important that attention be called to the "new ballgame" we are dealing with under the recently implemented 1977 Food Stamp Act legislation, which was adopted at the administration's strong urging. Traditionally, USDA has based food stamp estimates on two basic factors—projected food costs and unemployment figures. I do not consider that these predictors alone are reliable as forecasters for the new program because we are experiencing dramatic program growth and the cost at a time when food prices are actually declining and when unemployment has remained well within earlier projections. According to a Congressional Budget Office paper of April 22, 1980, to the Senate Budget Committee revising its January 1980 fiscal year 1980 and 1981 current policy food stamp projections, the suggestion is made that the program has demonstrated a phenomenal growth rate because of the income transfer imprimatur it has taken on with the elimination of the purchase requirement. The CBO paper reads:

> While food prices have clearly stabilized during this period (first quarter, 1980), other basic necessities have experienced unprecedented increases—housing increased at a 19.5 percent rate, fuel oil at a 62.6 percent, gasoline at a 95.4 percent, transportation costs at a 33.6 percent, public transportation at a 26.3 percent, and medical care at a 16.9 percent.
>
> Rapid price increases have resulted in low and lower-middle income families choosing to reallocate their limited incomes so as to select those commodities which are subsidized and thereby continue to maintain their real purchasing power in the nonsubsidized goods. Since the elimination of the purchase requirement, the food stamp program has become more of a direct income transfer program, directly substitutable for nonfood purchases. Hence, the propensity to participate in the program increases with

relatively high rates of inflation in nonfood, but still basic items.

I certainly do not think we know all there is to know about the estimating methodology for the new program, but I do suggest that other factors are now at work driving up program growth. We need to recognize clearly that the substituted portion of the allotment is being spent on nonfood components of the market basket which are escalating in cost faster than the food component. This lure of the free, substituted income is bringing into the program more lower-middle-income people, and the impact of the numbers of people who will be lured to the program is difficult to measure because it is a behavioral decision.

Also, S. 1309, like all the other food stamp bills of recent memory, has a net impact of cost, not of savings. This is because eligibility is expanded even further under the bill than what current law provides.

What I am saying in short is that we cannot fault program estimators for shortfall projections. Certainly, I feel that CBO has given us their most complete and up-to-date information. Rather, what we do know is that the food stamp program with the elimination of the purchase requirement is a new ballgame. Further, we can say with certainty that the traditional program variables for growth estimation—that is, food prices and unemployment rates—simply are no longer the basic factors at play.

We do not even have a characteristic survey of participants under the new act which would be reflective of the changes of the 1977 act upon program recipients.

While I do not condone the somewhat contrived funding crisis. I do feel the best course of action is for the Congress to act promptly to resolve these problems and keep the food stamp program in operation.

Even though we are again operating under a "funding crisis" atmosphere, as we have on every occasion we have addressed food stamps since the implementation of the 1977 act, I do not think we should fail to address real reform measures. As we go about amending this bill, we should keep in mind that a large portion of the additional money we are being asked to authorize can really be traced to the truly disheartening economic situation. However, we should also keep in mind that the expansionist nature of the new act and its high gross income limit have more than a little to do with the increased need also. Members should ask themselves if they really believe a family of four with gross income in excess of $17,000 should be eligible for food stamps. If not, then S. 1309 is the vehicle for reduction. I urge my colleagues to look at this bill in depth. Let us address the bill in an effective manner and not be stampeded into careless legislative action.

□ 1840

Mr. Chairman, at this time I yield 6 minutes to the distinguished gentleman from Idaho (Mr. SYMMS).

Mr. SYMMS. Mr. Chairman, the Food Stamp Act Amendments of 1980 raises the authorization for fiscal year 1980 by an additional $2.5 billion over the $6.2 billion already appropriated, and for 1981 an additional $3.5 billion over the $6.2 billion authorized in the Food Stamp Act of 1977. Furthermore, the Committee on Agriculture has taken the step of adopting the Glickman amendment which authorizes an additional 5 percent for fiscal year 1980 and an additional 10 percent for fiscal year 1981 above these figures for unanticipated increases if the Secretary deems the extra percentage is necessary. According to the statement coming from the majority side of the aisle, S. 1309 would impose upon the food stamp program the toughest, the most extensive collection of provisions to deter error and punish abuse ever found in any nutrition program or any single piece of income-security legislation passed by Congress. Supposedly, the majority are pointing to the provisions for the computer crosschecking of earnings information, retrospective accounting, error rate sanctions, and the like. There is no doubt that some of these provisions would have an impact on fraud detection and error rate reduction, and there is especially noteworthy in this regard the incentive for States to acquire increased computerization to accommodate more meticulous crosschecks in the future. However, I think one should keep in mind that most earnings information is quite stale, as much as 2 years old before it is computerized, and, thus, it will not be a tool for eligibility determinations but only a tool for audits which occur much later.

Furthermore, the respective accounting provision has the name of reform, but it does not have any effective compliance dates for households to make income reports or dates for program cutoff if the households do not report in a timely manner. Thus, the households can be carried into infinity for all intents and purposes.

Another thing, Mr. Chairman, S. 1309 dramatically increases the number of deductions households may take, even though the standard deduction inserted in the 1977 Food Stamp Act was designed to provide households with a lump sum that allowed for several specific deductions. The reform of the 1977 Food Stamp Act was supposed to eliminate the itemized deductions and give each household a monthly standard deduction which represented the former itemized deductions.

Since the passage of the 1977 Food Stamp Act, the Congress has restored many of these deductions. This fact, coupled with the many income items which are excluded from the calculation process, is the reason that very high-income households can receive food stamps. For example, under this legislation, a family of four can have a gross income limit of well over $17,000 and legitimately get food stamps.

Mr. FOLEY. Mr. Chairman, will the gentleman yield?

Mr. SYMMS. I yield to the gentleman from Washington.

Mr. FOLEY. I thank the gentleman for yielding. I know the gentleman would be concerned, as I would, if some action on our part would permit that. I am going to offer an amendment which will postpone any adjustment of the poverty line this July, which will keep the eligibility at approximately the present level and not the allowed increases the gentleman is referring to. I hope I will have support on that.

Mr. SYMMS. I compliment the chairman for that correction.

The only way to reduce total program outlays and scale the program to the lowest income sector of our population is to address the income eligibility parameters, and this bill does not do so. I will be pleased if the chairman is going to address that problem. Of course, I think we must see, Mr. Chairman, that as long as we have 12 percent to 20 percent inflation rates, more and more families are going to continue to qualify for food stamps. I think that the concern of myself and many other Members of this body is that when one looks at the record and sees that in 1977 we spent $5.5 billion on food stamps, we came in and reformed the program so that it would be corrected, and to find out that in fiscal year 1981 we are talking about nearly $11 billion for food stamps is quite disconcerting, I think, not only to us but to the taxpayers of the United States who happen to be in an income category, say, from $10,000 to $15,000 a year with a family of four who are not taking advantage of the program and who continue to see this program grow and grow and grow.

□ 1740

I know I most certainly am distressed about the fact that the Secretary of Agriculture could have anticipated the problem that he was in. He had the parameters within the law when we passed it last year with the Lugar amendment which we also passed in the House which called for the other than pro rata as the way to space out the use of the food stamps so they could give those stamps to the most needy, so they would not run out at the end of the year but here we are up against the wall in a situation where the Secretary of Agriculture is saying if we do not get legislation right away then the blind and the most needy and the disadvantaged, the older senior citizens and so forth will be without food.

I think that it is important that we as a body recognize what has happened. I think it is also important that we do make substantial amendments on the floor of the House tomorrow.

The CHAIRMAN pro tempore (Mr. STEWART). The time of the gentleman has expired.

Mr. WAMPLER. Mr. Chairman, I yield 2 additional minutes to the gentleman from Idaho.

Mr. SYMMS. In summary, I would simply say, Mr. Chairman, that I think the tragic part of this is that the major restricting reforms have not yet been made and I would encourage the Members of this body to restore the purchase requirements back to the food stamp program so that we will have two things happen with the program: First, we will assure that the people who receive the benefits of the program will be getting closer to, at least, an adequately nutritious diet and they will be allocating a bigger share of their dollars to food, and couple that with the discipline that this brings to the program.

Mr. Chairman, the most figures that have been released by CBO, which I think are noteworthy for the committee, point out that the increased food price has increased the cost of the program by 37 percent, increased unemployment by 26 percent and increased participation by 35 percent as more and more people are coming into the program and the removal of the purchase requirement has made it much easier for people to get on the program and opening up the floodgates of numbers of people participating so I hope we would look favorably upon that amendment.

Mr. Chairman, I also will be offering an amendment to strike the Glickman cushion from the bill because I do believe that the Glickman amendment most certainly is an invitation to those people in the administration, whether they be from my party or from the majority party, to go ahead and spend extra money because you have always that 10 percent cushion you can fall back on, so then they go out and advertise the programs more, and these are some of the problems with which this Congress must come to grips.

Furthermore, Mr. Chairman, I would say in passage of the budget that passed today, I would like to be able to close on an optimistic note.

The CHAIRMAN pro tempore. The time of the gentleman has expired.

Mr. WAMPLER. Mr. Chairman, I yield to the gentleman 1 additional minute.

Mr. SYMMS. Mr. Chairman, I might like to close on a more optimistic note to say that maybe we will get the economy turned around and have less demand on this type of program but I have to say with the passage of the budget that passed the Congress today where taxes are being raised on the working producing Americans, I see no hope that we are not going to drive the economy further into a corner and I think this is a most frustrating situation that the Congress is faced with and I would hope we would make those reforms here on the floor of the House that need to be made, and I understand there are some 18 amendments that will be offered by the minority which I do support.

Mr. SHUMWAY. Mr. Chairman, will the gentleman yield?

Mr. SYMMS. I yield to the gentleman from California.

Mr. SHUMWAY. Mr. Chairman, I have a number of serious misgivings concerning S. 1309, as reported by the House Agriculture Committee.

I need not remind my colleagues that this is the second time in this Congress that we have found the need to debate the food stamp program. Earlier in this session, we passed the Food Stamp Act Amendments of 1979. Now we are told by the administration to quickly pass another authorization bill so food stamp benefits will not stop on June 1. It would be interesting to learn why the need for increased expenditures was not addressed in the 1979 debate. Rather than look at the issues in great detail, the food stamp bill must be expedited in an effort to keep the program financially afloat.

The authorized ceiling under current law is $6.2 billion for both fiscal year 1980 and 1981. We are only 8 months into this fiscal year, and already the Food and Nutrition Service tells us they are out of money. The latest figures available from CBO indicate $9.2 billion will be needed to complete this year. A shortfall of $3 billion is projected—an amount roughly equal to 50 percent of the current authorization level. What kind of management would overlook a deficit of $3 billion?

I realize that food prices have increased, unemployment is up, and participation levels are at an alltime high, but I still fail to comprehend such a gross underestimation. The Carter administration would have us believe that Congress has been waffling on the food stamp issue. In yesterday's Washington Post, the President was quoted as saying, "We've got a battle on our hands," referring, of course, to the bill we are discussing today. However, I strongly believe that the administration is attempting to put Congress on the defensive in an effort to sidestep the need to explain this dramatic increase in spending or to review the effectiveness of the food stamp program. I am wary of this campaign rhetoric, and am also skeptical of the administration's efforts to manage the program in an efficient and accountable manner.

Therefore, I strongly urge my colleagues to give serious consideration to the amendments which are to be offered to this legislation. Members from both sides of the aisle have done extensive research and preparation for their proposed amendments. I am convinced that the thrust of their efforts is not to reduce benefits but rather to tighten administrative procedures and to reduce overhead costs, thereby strengthening the program's ability to serve the Nation's truly needy.

As participation in the food stamp level climbs to 21.5 million people, 1 out of every 10 Americans is obtaining food stamps. I find it very difficult to believe that 10 percent of the population is in such dire straits.

The original food stamp program initiated in 1964 was designed to assist the destitute and indigent who could not otherwise feed themselves. The 1964 program could be considered a "last resort" and a well-intentioned hand up. However, we have permitted the program to degenerate into little more than a handout. Eligibility criteria have been altered several times so that now students are eligible for food stamps, as is a family of four whose gross income is no more than $17,928.

In other words, the program is moving away from its original intent of feeding the truly needy and is now following the course of becoming a general welfare program. This entails significant increases: Participation has tripled since 1970, and the cost for the program will have nearly doubled in the 4-year period ending in 1981. Estimates for 1981 are expected to exceed $10 billion, a figure which exceeds the total cost of the food stamp program during the first 11 years of its existence.

Something is inherently remiss in a Government program which grows so much in so short a period of time. It is not the ability of the Congress to continue providing benefits which is at issue here, but rather, the administration of the program which must be addressed. We are not necessarily here to cut the benefits offered, but rather to make food stamp administrators more careful of how they handle the taxpayers' money. Again, I urge my colleagues to consider the amendments which will be offered to tighten the administration process.

I would like to address my remarks to another aspect of the program. When Congress passed the 1977 act and rewrote the entire food stamp program, it abolished the purchase requirement. More than any other change made in 1977, elimination of the purchase requirement has been the impetus for the dramatic rise in participation. Champions of food stamps would have us believe that this phenomenon is due in large part to escalating food prices. However, a close examination of the record indicates otherwise.

The Congressional Budget Office states that food prices for the first quarter of 1980 grew at an annual rate of only 2.0 percent. Although food prices have stabilized, other necessities have increased significantly: housing, 19.5 percent; fuel oil, 62.6 percent; public transportation, 26.3 percent; and health care, 16.9 percent.

However, during the same 3-month period when food prices climbed only 2 percent, the food stamp rolls climbed from 20.7 million in January to an estimated 22 million in March—an increase of nearly 10 percent. It does not require an expert to conclude that low- and moderate-income families are using the food stamp program as "free money" in an effort to shift their incomes so as to maintain their ability to continue purchasing nonsubsidized commodities. I do not believe that this was the thrust of the original food stamp act, and I further contend that food stamps should be used for the purchase of food, and not the indirect purchase of nonessential commodities.

Mr. Chairman, there are many flaws in this program which demand correction and the attention of this body. I urge my colleagues not to be swayed by emotional pleas, and I strongly believe that the time has come to strengthen this program administratively so that it can fulfill its role in being an effective means of feeding our needy citizens.

Mr. FOLEY. Mr. Chairman, I yield such time as he may consume to the gentleman from Ohio (Mr. STOKES).

Mr. STOKES. Mr. Chairman, I rise in strong support of S. 1309, the Food Stamp Act Amendments of 1980.

I do so primarily because of the overwhelming need to raise the benefits cap, and to do so in as short a time as possible. As I am sure my colleagues are aware, if we do not pass this bill by May 15, the food stamp program will be suspended June 1.

This suspension simply cannot be permitted to occur. More than 19 million

Americans receive benefits from the food stamp program, benefits which are critical to families and individuals wishing to protect themselves against hunger and malnutrition. These protections in turn help provide safeguards against illness and against severe social and economic displacement. It is easy to see that the food stamp program indirectly provides benefits far beyond that of meeting basic nutritional needs.

And few will deny that the food stamp program fulfills its prime purpose better than any other current social program designed to help the poor of this country. As the Agriculture Committee pointed out, a 1967 Field Foundation study discovered malnutrition-related diseases throughout this country. A similar study 12 years later found those diseases largely eradicated. There were no longer large numbers of swollen, stunted, listless children with sores, slow healing wounds, and other symptoms of malnutrition. In that period, infant mortality declined 33 percent. The study concluded that the changes resulted mostly from the introduction of the food stamp program, and the committee concurred in the further statement that "the food stamp program does more to lengthen and strengthen the lives of disadvantaged Americans than any other noncategorical social program" and is "the most valuable health dollar spent by the Federal Government."

The importance of the food stamp program cannot be denied. It must be funded at a level that keeps it viable and guarantees benefits to all who need them. The fiscal year 1980 and 1981 benefit caps of $6.2 billion were established on the basis of economic forecasts made in 1977. Economists in that year could not foresee the economic buffeting that this Nation would be undergoing now. Adherence to these overoptimistic forecasts will devastate the food stamp program and its participants. I, for one, do not want to tell the disadvantaged of this country that they have a choice of no benefits for 3½ months this year or, as an alternative, assistance comprising 4 cents a meal.

I do not want to have to explain to members of households subsisting on less than $10 a day next year why for 4 months this Congress has decided that they will get no help meeting basic human requirements.

Such people will not, and indeed should not, accept such statements from me or any other member of our Government. In any modern society, there will inevitably be a significant population living in poverty. Many of the individuals in this class are unemployable or hold full-time jobs which still do not pay enough to allow a wage earner to rise above the poverty level. These people cannot be blamed for their need, or be expected to listen to excuses. Neither can they be blamed for food price increases. Inflation did that, at the same time that it was causing their relative economic position to decrease further. The poor cannot be forced to shoulder responsibility for rising unemployment. In fact the very Government which may be terminating assistance in a few weeks is largely to blame for that.

All of these factors—need, inflation and unemployment—have served to accelerate food stamp outlays much faster than could have been foreseen in 1977. They have placed more households below the eligibility line by gradual changes in economic factors, and thrown others below that line by forcing them out of productive employment. Now, an unprecedented and unforeseeable number of citizens of this Nation qualify for food stamps and desperately need the assistance which they provide. It is incumbent upon this body to compensate for its overly ambitious planning, and raise the fiscal year 1980 cap to $8.7 billion and the fiscal year 1981 cap to $9.7 billion.

It is also essential that we protect the poor of this Nation against similar shortsightedness by retaining the cushion for the cap. We are seeing now what harm an artificial lid can create, at the same time that economic trends in this country are amply demonstrating the massive problems in even short-term economic and spending forecasts. We must allow for errors, and provide a cushioning allowance significant enough to guarantee that all needy individuals will continue to receive necessary assistance should this Congress again have improperly predicted the future.

Uninterrupted provision of services of the food stamp program, the most effective and important social welfare program which we have, is imperative. We cannot deny critical benefits and penalize the needy of this country because our crystal ball failed us 3 years ago. I urge my colleagues in the House to vote for S. 1309, the Food Stamp Act Amendments of 1980, and against all amendments which would serve to deny assistance to those in need.

Mr. FOLEY. Mr. Chairman, I yield 5 minutes to the gentleman from New York (Mr. PEYSER).

Mr. PEYSER. Mr. Chairman. I rise in strong support of this legislation and with the hope that every effort will be made that we can pass this legislation and pass the other necessary legislation in order that we can meet the deadline established by the Secretary of Agriculture in order that the food stamp program will continue in June.

It is my understanding that the Secretary has stated that on the 15th of May he will be notifying the States that unless the legislation is completed, not just this legislation but appropriations and all other legislative parts of this program that have to be completed by both Houses, unless all these steps are completed by the 24th of May he will then notify the States that the program will not continue as of June 1. In other words it will terminate as of June 1.

Now, Mr. Chairman, as I have indicated, it is my hope that every Member will feel the urgency and will act in both bodies and in conference in time to move this out. However, there certainly is the possibility that this will not happen. I am going to be offering an amendment, Mr. Chairman, and I am joined in this amendment by the gentleman from Illinois (Mr. SIMON), the gentleman from Alabama (Mr. BUCHANAN), and the gentleman from Vermont (Mr. JEFFORDS) in stating the following:

My amendment would merely say that in the event, by the 24th of May, we have not enacted all of the necessary legislation in order to enable the program to continue on June 1, that the Congress will state that at such time as the necessary legislation is enacted, it will reimburse any of the States that, under the terms of the Food Stamp Act, continue the program as of the 1st of June.

Now there has been some concern that this amendment could possibly take the cutting edge off the need to act immediately in the Congress. I do not really think that is the case because I think we all recognize the urgency of the entire situation.

Now, Mr. Chairman, yesterday I notified all 50 Governors of the amendment that I am introducing so that they in turn will be looking at their own situation in their States to see what action, if they are going to take the action, must be done, legislatively or with additional controls that they may need in order that, as of June 1, the program can be carried by the individual States.

This amendment obviously does not commit any State to do anything but what it says, again, Mr. Chairman, if the States do take that action and if this amendment is passed, as I hope it would be, that the States would be reimbursed for just the month of June. This is a one month reimbursement we would offer when the appropriate legislation has been enacted by the House and the Senate and signed into law.

Now, it is just that simple and it is my hope that we will find this to be a noncontroversial amendment and one that can be accepted to protect the over 21 million people who are now relying on the food stamp program.

Mr. Chairman, I yield back the balance of my time.

□ 1900

Mr. FOLEY. Mr. Chairman, I yield such time as he may consume to the gentleman from Puerto Rico (Mr. CORRADA).

Mr. CORRADA. Mr. Chairman, I rise in support of the Food Stamp Amendments of 1980, S. 1309, a bill which would enable the Department of Agriculture to continue providing food stamp benefits during this period of economic distress to 21 million American citizens, including 1.8 in Puerto Rico, who are the neediest of our poor people.

As Resident Commissioner from Puerto Rico, since coming to Congress in 1977 to represent the people of Puerto Rico and your more than 3.3 million fellow U.S. citizens who reside there, I am called upon frequently to speak for the interests of my constituents on a variety of issues.

And, in a time of considerable support for a balanced budget, it is natural that some concern has been expressed over the past 3 years—in the media and in Congress—about the high level of participation of Puerto Rico in the food stamp program.

As of April 7, 1980, 1.8 million Puerto Ricans, slightly more than 500,000 families, participate in the program, a program which provides them access to an adequate nutritional diet.

Let me be quite frank in saying to all of you here today, that the food stamp program—in Puerto Rico and in this Nation—is a living proof of the compassion and goodwill of the U.S. Congress that the needy of this country, that the less fortunate in our society, that the impoverished amongst us have, at the minimum, a chance to feed their families.

Although originally passed in 1964, the food stamp program was not extended to Puerto Rico by Congress until 1972 and was not implemented until 1974.

For 10 years, poor Puerto Ricans—despite the fact that we fight in defense of this country and pay very high taxes to our own government—were denied the benefits of this program.

For 10 years, we in Puerto Rico saw applied a dual standard of citizenship, one that still denies us equal participation in some of the Federal welfare programs such as the supplemental security income (SSI) program and the AFDC program. And the denial of these benefits—which count as received income—has resulted in the fact that more than half of our population is on food stamps and, due to the crisis the program is presently confronted with, will face a possible disruption of these benefits unless the Congress acts to resolve the situation we are in.

In the recession of 1974–76, the island was heavily impacted by inflation and by increasing unemployment, yet the U.S. food stamp program provided immeasurable benefits, not only to the needy families participating in the program, but also to the food retailers and to the mainland based providers of staples that ship foodstuffs to our island.

Puerto Rico imports more than 90 percent of our food and these imports provided jobs in California, Louisiana, and New York—in every State of the Union and the food stamp program—presently operating at a monthly estimated level of $70 million—enables our citizens to purchase these products.

Even though we have a high number of food stamp participants, the simple fact remains that Puerto Rico is fourth in the Nation in the total number of poor people, with over half of the population qualifying for food stamps, and official unemployment hovering at 17 percent.

Puerto Rico has over 3.3 million U.S. citizens, ranking 25th in the Nation on the basis of population but for those who claim that our island is already well taken care of by Federal aid programs, let me point out that according to 1978 Census Bureau data, Puerto Rico received $344 in Federal aid per capita which is the U.S. median. Twenty-four States and the District of Columbia received more Federal aid per capita than Puerto Rico. The District of Columbia alone received $1,639 per capita in Federal aid in 1978.

Our loss of Federal aid since we do not receive SSI benefits, as I mentioned before, stands at a figure of $370 million and under the medicaid program, we are limited to a $30 million ceiling, or $120 million less than we would receive under equal treatment.

Mr. Chairman, I want to express my personal appreciation to the many dedicated members of the House Agriculture Committee who have worked hard, and for months, to continue the food stamp program and to raise the spending cap which would allow the continuation of the program at the present level through the remainder of the present fiscal year.

The committee has taken prudent and sound measures which will decrease fraud and error, to provide for changes in eligibility to target the benefits to the most needy, and to raise the cap to insure that the Federal Government will meet the commitment to those persons who must rely on this assistance.

I urge your strong support of this legislation and hope that the Congress will move swiftly to provide the needed additional funds for the program.

A denial or disruption of these invaluable benefits for the poor would, I believe, be a slap in the face to the most needy in our society, discriminating one class of citizen harshly and needlessly.

I hope the Congress will act favorably on S. 1309.

Mr. WAMPLER. Mr. Chairman, I yield 5 minutes to the distinguished gentleman from Missouri (Mr. COLEMAN).

Mr. COLEMAN. Mr. Chairman, under the 5-minute rule, I will be offering an amendment which will end the duplication and overlap between the food stamp program on one hand and the free school lunch program on the other. Food stamp benefits are calculated on the assumption that all family members receive three meals per day at home, and that is what the food stamp is to go for. However, for some 53 percent of the households that receive food stamps, there are some 6.8 million youngsters who also qualify and eat free school lunches at school. As a result of this overlap and duplication, American taxpayers are, in effect, subsidizing four meals instead of three.

There are two ways to end the duplication. One is to cut out the school lunch program, and the other is to cut back food stamps proportionately. I believe the school lunch program is a good program. I believe the children who are under that program have an opportunity to receive a very nutritious meal. I might say that standards for a meal in the school free lunch program are higher than the benefits a person receives for food stamps.

Members also know that the money is going to an actual meal itself that is there, available for an individual youngster. When we give food stamps to a family, of course, there is no control over how that family might expend and utilize the food stamps for individual members or for particular meals.

So, this is the purpose of the amendment. According to the Congressional Budget Office, the minimum amount of savings involved would be at least $500 million for 1981. I think that is a significant amount of money to save.

My amendment is not an amendment to degrade the food stamp program. It is an attempt to create more credibility with this program, to keep it so that it can continue for those truly needy people in this country. But, when taxpayers are seeing an amount of money that is being spent in Washington on various programs, and seeing the escalating price of the food stamp program to almost $11 billion for next year, it is imperative for all of us—proponents, opponents, those who feel that the food stamp system can be adjusted—to look for ways, meaningful ways, positive ways, to make it more acceptable. I suggest that one way to minimize the impact on the recipients, and one which will as I said before, estimatedly save a half billion dollars for next year, is to cut out this duplication and surplus under the two programs that are now in existence.

Mr. Chairman, I thank the gentleman from Virginia for yielding me this time.

Mr. WAMPLER. Mr. Chairman, I yield 5 minutes to the distinguished gentleman from Iowa (Mr. GRASSLEY).

Mr. GRASSLEY. Mr. Chairman, the fact that food stamp benefits are scheduled to be cut off June 1, barring any immediate intervention by Congress, should come as no surprise, especially to the administration. The Department of Agriculture has known for a long time that the $6,189 billion fiscal year 1980 appropriation would be inadequate if food stamp allotments were fully funded.

USDA Secretary Bergland notified Chairman FOLEY of the House Agriculture Committee in his monthly report on April 15 that the food stamp program is operating at an expenditure level of over $9 billion. Mr. Bergland advised that May 15 is the latest date the USDA can take action to spare millions of the poor, elderly, and disabled from suspension of food stamp assistance. The letter also implied that such program suspension would be largely attributable to the lack of "timely congressional disposition of the food stamp funding situation."

I beg to differ. Despite efforts to bring needed authorizations to the House floor for consideration, the administration and certain Members of Congress have continually dragged their feet in attempts to respond to the problem. Congress must now legislate in an artificially created "crisis" because, in large part, of President Carter's delay in forwarding his budget recommendations both for fiscal years 1980 and 1981. Acting Secretary Williams was forwarding recommendations on food stamp funding revisions for the House budget resolutions as late as March 4. Furthermore, the Speaker and other majority leaders have collaborated in an agreement to delay action on food stamp authorization until after action on the first and third budget resolutions.

Apparently, the administration and key congressional leaders have opted to let the situation turn into a "crisis," let the money run out, and blame the Congress—or at least those Members of Congress who have reservations about the continued billion dollar add-ons.

I urge my colleagues not to let this "emergency" that has been created preclude true reforms and attempts to bring under control a problem some would dismiss as "uncontrollable." Let us not allow emergency authorization to be stampeded through the House with little protest, bypassing congressional oversight, as apparently some would have it. Congress must exercise oversight over a program that has been plagued by problems for years.

The cost of the food stamp program has jumped from $5.5 billion in fiscal year 1978 to a projected $10.7 billion in fiscal year 1981, despite so-called reforms promised by its administrators as a result of the Food Stamp Act of 1977. Error rates in the program due to overpayments and fraud are still running at 12 percent—which translates into $1 billion per year. Audit reports of USDA's Office of Inspector General indicates that error rates in certain audited States of as high as 40 percent, in the income reporting area, went unheeded.

Now, as USDA has moved up its 1980 projection to almost $10 billion from its earlier prediction of $6.189 billion, it has cited unexpected fast-rising food prices and unemployment rates as the culprits. No mention was made of the high rate of misspent funds or the fact that USDA has engaged in such an expansion program that participation in some States has tripled.

Traditionally, USDA has based food stamp estimates on two basic factors—projected food costs and unemployment factors. But a look at this criteria shows that January estimates assured that the unemployment rate would average 6.3 percent in the second quarter—the actual figure was 6.1 percent. Not only has unemployment remained well within projections, but food prices have remained stable.

Noting these facts, the Congressional Budget Paper suggests that such penomenal program growth has occurred to a large degree because of the elimination of the purchase requirement and contends that the food stamp program has become a direct income transfer program—with recipients substituting food purchases with nonfood items.

Although the program cries out for reform to curb soaring costs—and to target benefits to the lowest range of society—proposals to provide discipline for this indulgently operated Federal program have not enjoyed notable success.

Amendments that would improve the food stamp program, for example, to recoup excess benefits from relatively "wealthy" recipients, have been offered and rejected by a nonyielding majority.

During consideration of S. 1309, we will have a chance to make needed funds available for the remainder of the fiscal year and return the food stamp program to its rightful concept of a nutrition-adequate diet guarantee as opposed to simply free income. We can, if we are willing to take the time and expend the energy, do both.

To give this matter less than our full and undivided attention and study would be unfair to the millions of truly needy Americans and a criminal offense to the taxpayers who must foot the bill.

□ 1910

Mr. RICHMOND. Mr. Chairman, I yield such time as he may desire to the gentleman from Texas (Mr. GONZALEZ).

Mr. GONZALEZ. Mr. Chairman, I first wish to thank the distinguished chairman of the subcommittee, the gentleman from New York (Mr. RICHMOND), and also his associates on both sides and the chairman of the overall committee for doing what I think is as good a job as could be done under the circumstances.

I am not familiar with the ins and outs of the tangled history, as to who is to blame or why the administration or the Secretary of Agriculture would come out with very strong statements recently about the Congress being the bottleneck. All I know is what I see back home.

I have a very intimate personal relationship with this program. I think I am about the only Member still in the House who was a coauthor of the original legislation we entertained here. In 1964 we were beginning the program as a pilot program.

In view of the remarks that my good friends, the distinguished gentleman from Iowa (Mr. GRASSLEY), made a few minutes ago, I must say that he is a lot younger than I am, and I am going to remind him of a few points here because of my age and his relative youth.

The Honorable Leonor Sullivan from Missouri, who was then the chairman of the Subcommittee on Consumer Affairs—and I was one of the ranking members of that subcommittee at that time—had fought very much for this program. I recall this history for the benefit of my colleague, the gentleman from Iowa. We had labored for a number of years under the surplus commodity food distribution type of program, and since I have always been blessed with a very intimate association with my district and every component in that district, social, economic, and political, I can tell the Members that there is no way to compare the humanity and the improvement that the Congress and our country manifested when we switched from the surplus commodity food program to the food stamps.

I still have tremendous faith in this program. I think it has worked by and large, at least in my jurisdictional and as a whole in my home State of Texas. I must say that Texas is a very strict State in the catalog or list of States with respect to "welfare." It does not rank very high. As a matter of fact, it ranks in the upper thirties, if I remember, or maybe even in the forties. It is very tough and strict. Maybe that is the way it should be. I am not disputing that. I would say that compared to the State of New York, Texas is very, very strict in its allowances and in all of the spectrum of relief programs.

In food stamps, there has not been any one major type of scandal in the State of Texas, either in or out of my district. As a result of what I see, I note only that the abject need is very general. I am sure that I can say, with no fear of rebuttal, that the overwhelming, preponderant number of people that I know who are on food stamps—and some of them have been for quite a number of months, some of them have been temporarily—have been cases that I would not dispute for a minute. Every single Member of this House, whether he was for or against the food stamp program, would admit that those cases were legitimate, and that certainly these particular individuals or families were worthy recipients of the benefits of the program.

Mr. PEYSER. Mr. Chairman, will the gentleman yield?

Mr. GONZALEZ. I am delighted to yield to the gentleman from New York.

Mr. PEYSER. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I want to say, No. 1, that I concur with what the gentleman is saying in support of this program, and I commend him for the work he has done on it for many years.

I do, though, simply want to make reference to New York, because the gentleman did refer to New York and the question of how they have carried out the food stamp program. I do want to say, because I have made a point of meeting with people and going to some of the areas that are handling food stamps in the city of New York particularly, that they do try—and I know the gentleman did not mean to infer otherwise—very hard to enforce and carry out the full implications of the law.

Mr. GONZALEZ. No, I did not mean to infer that they do not.

Mr. PEYSER. The numbers we are dealing with, of course, in the city do increase the element of occasional fraud, if you will, or people trying to beat the system. But the people who are working with that program are really doing the best they can and in most cases are being very effective. I know the gentleman did not mean to infer that it was a loose operation there.

Mr. GONZALEZ. No, no. Mr. Chairman, I am delighted and grateful to my colleague, the gentleman from New York (Mr. PEYSER), for pointing this out, because I was thinking of coming back to that point, for I feared there would be some misconstruction or some improper interpretation of the comparison since I specifically singled out New York.

The truth is that one reason I have New York in mind is that since I can remember New York has always been in the forefront and in the advance in the Nation with humane programs and very, very successful programs in every range of social endeavor. When I was chief probation officer many years ago in my county, it was to New York that we looked for leadership.

Nothing has pained me more than to read that precisely in this area of New York they have had to confront what I consider to be shameful and very serious cutbacks. With such things, for example, as a free college admission or open college admission to any working student in New York, it pained me personally to see that cut out during the recent financial crisis in New York.

I want to point out that what I say is backed up by what I have done. I am one of those few Members from Texas who voted for the New York financial bill, and I am delighted that it did pass. Mr. Chairman, what I said was intended to leave with the Members the impression that I was making a favorable comparison to Texas, because in reality I am critical of my home State for not being more humane.

Mr. PEYSER. Mr. Chairman, if the gentleman will yield further, I do appreciate that. I do know of the gentleman's support for the city and its program, and that is really why I wanted to clarify what I knew the gentleman meant. I appreciate it, and the city of New York appreciates what the gentleman has done for it as well.

Mr. GONZALEZ. Mr. Chairman, I thank the gentleman. In turn, I say that mentally I had intended to come back to this subject.

Mr. Chairman, to conclude what I do have to say, I think the work has been done, and anything I add cannot sufficiently express my gratitude to the committee members, because I have long sweated this problem out. However, I think it is important to say that there are very serious misunderstandings or myths about this program and related welfare programs.

The myth is that this is constantly referred to as a program that is intended exclusively or predominantly to benefit "minorities." The truth is that it benefits the poor, who are now still in abundance in our country.

We are going into a reverse trend; we are going into the second reconstruction at this point in our country. The poor are the first to fall, and they are the least able to defend themselves.

The great overwhelming majority of the poor are not really ethnically minorities. They belong to the majority group, if we want to look at it ethnically, which I detest, because I do not like that kind of degradation.

We are either all Americans or we are not. As I have said repeatedly, we are either all children of God or we are stepchildren. But the fact is still the same, and under the pressure of financial exigencies, with all of these programs, there are still Members in this House who have fought against them every inch of the way and are taking advantage of a financial crisis to do away with them.

Mr. Chairman, I hope that we do not do that in this case.

Mr. WAMPLER. Mr. Chairman, I yield 6 minutes to the distinguished gentleman from Vermont (Mr. JEFFORDS).

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Mr. JEFFORDS. Mr. Chairman, first I would like to say that I do support the legislation. But I would like to first take a few minutes to alert Members to the amendment which I will be offering tomorrow which will be referred to as the recoupment amendment. I do this because there has been considerable misinformation or misunderstanding about the amendment, due to the fact that a previous one has been offered and a lot of studies have been done.

I would like to go over the purpose of this amendment first. The intent of the food stamp program is to give assistance to people at the poverty level after certain deductions. But for various reasons, the way the program works out, if you take a look back and take a look at some of the people who did receive benefits, you will find that about 7 percent of the households, or about 1.4 million people in households were well above that level; in fact, above 1.75 times the poverty level.

So the purpose of this amendment is to say, "Hey, people below that level, many of them are not even entitled to food stamps." So let us take a look back and say, "OK, if for some temporary reason you need some help, we will consider the help to you, but we will consider it as a loan and we will ask you to pay that loan back 50 cents on the dollar when you earn over and above this threshold level."

It is not different from some programs we have with respect to college students. We give grants to some, loans to others, small businesses, and a lot of other programs. It merely says, "Fine. If you need a loan temporarily, we will give it to you, but you have to pay it back."

It is not novel in the law either. In fact, the Internal Revenue Service, in section 6305, has a similar program for absent fathers in recouping money that they owe the Government. It is also not dissimilar from the policy established recently by the Committee on Ways and Means on unemployment compensation. When it exceeds certain levels, it will be required to be taxed. Nor is this a proposition which is novel to the Members here. It was originally introduced by Congressman Andrew Young back in 1974 in his food stamp bill. In 1977 a study was ordered on this. It was extensively studied. As a result of that study, many of the problems which were in the original proposition I introduced in 1977 had been removed. The administrative burdens have been reduced very substantially. In fact, it is a good amendment right now.

Mr. GRADISON. Mr. Chairman, will the gentleman yield?

Mr. JEFFORDS. I yield to the gentleman from Ohio.

Mr. GRADISON. Is it not true, I ask the gentleman, that at an earlier stage this same concept had the support of the Carter administration?

Mr. JEFFORDS. That is correct. At one point it had the support of the Carter administration, and at one point this concept was taken by the chairman of the Ways and Means Committee, and it may even still be in there, in the welfare reform bill. So this is not a novel concept. This is a good concept. It is one that has had a lot of thought to it. It could bring back a substantial amount of money. It is interesting to note, depending upon whether the administration is for it or who is for it or against it and the kind of estimates we get, the lowest estimate we have now is that it will net—this is after administrative costs and other costs—$56 million, and it could result in up to $700 million coming back into the treasury to help relieve the cap which is presently being very severely pushed.

Also, in addition to that, it will for the first time give us a real computer check of people who are in the food stamp program, because we will be able to have the Internal Revenue Service checking the figures that are told to the welfare office versus those that are told to Uncle Sam on the tax returns. So in that respect, it will help reduce fraud and abuse very substantially.

I think it is an excellent amendment, one which should be given serious consideration of the Members, and I would urge their approval of it.

Mr. GRADISON. Mr. Chairman, will the gentleman yield?

Mr. JEFFORDS. I yield to the gentleman from Ohio.

Mr. GRADISON. I thank the gentleman for yielding.

Mr. Chairman, I want to take this time to compliment the gentleman from Vermont for his work on this amendment. As the gentleman knows, we worked together in an attempt to draft an amendment which might gain the support of the Ways and Means Committee. It was not possible during the brief time available to that committee during this sequential referral process for that committee to look into this matter in any detail at all. Unfortunately, the Rules Committee did not draft a rule that would make it possible for this House to act on a specific amendment to the Internal Revenue code along the lines of what the Ways and Means Committee had been asked to consider.

Therefore, I want to especially compliment the gentleman for revising his amendment in a manner which will make it possible for this House to consider the very important proposition that for those whose incomes are well above the poverty threshold, some recoupment of the benefits previously received should be expected by the taxpayers.

Mr. JEFFORDS. I thank the gentleman.

Mr. Chairman, I would also point out that this has bipartisan support. It has the support of the gentleman from Florida (Mr. GIBBONS) on the majority side of the Ways and Means Committee, and the gentleman from Georgia (Mr. MATHIS) on the majority side of the Agriculture Committee.

I just want to say in conclusion that this amendment is really to get after the people who really cause the problems for the food stamp program. These are the people who are in the food stamp lines who everyone knows have incomes well and above what they may have or what people should have, at least with their understanding of the program. So I hope that with this amendment we can reestablish some confidence in the integrity of the food stamp program.

Mr. FOLEY. Mr. Chairman, before the gentleman from Vermont (Mr. JEFFORDS) leaves the well, I yield myself 1 minute.

Mr. Chairman, I just want to say that, of the members of the Committee on Agriculture on both sides of the aisle who worked very hard on this bill, none has worked harder than the gentleman from Vermont (Mr. JEFFORDS).

I am going to be in the unfortunate position tomorrow of opposing his amendment, but I do so in the conscious belief that he has made extraordinary contributions to the food stamp legislation through his service on the committee and he has shown throughout that time of service a compassion and concern for those who are in true need in the United States. It does the gentleman and our committee great credit.

Mr. JEFFORDS. I appreciate those very kind words from my chairman.

Mr. WAMPLER. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Kansas (Mr. SEBELIUS).

Mr. SEBELIUS. Mr. Chairman, I would like to take just a minute or 2 to address an issue which has been a source of annoyance to my constituents and to me. I am speaking about USDA scare tactics and campaign to generate mail on this food stamp bill. They have never liked the cap since it was placed on there on the will of the House, and they have done very little about it, as far as that is concerned, except to figure out a way to get around it.

It was on April 28 that the Secretary

of Agriculture announced that he would cut off food stamp payments on June 1 if we do not act on food stamp legislation by May 15. That is all well and good if that is what the Carter administration wants. But they have known, the administration has known, for over 4 months they were going to run out of money by the first of June, and they have not done a thing about it until it gets down to this point of crisis. That is what makes me so disgusted with them. They put a cap on there and they had the tools in this bill to back it up, to handle it so that they could have taken the ones who are least eligible and backed them up and still have taken care of those in need. But, no, they want to cry it all up. But I am really concerned about the administration being so anxious to prove legislation and increase funding for the food stamp program at the same time that President Carter has been so adamantly opposed to any increases in the outlays of farm programs. That is well known to every member of our committee. I am very disappointed there are only two members of the majority side of the Committee on Agriculture present at this time. In recent weeks, the Committee on Agriculture has passed several bills to increase price loan support levels and other items to require a paid diversion to try to get us back in balance after the embargo, and the administration expressed strong opposition to each of these measures. Today we did pass one, and I think, thanks to our good chairman, we are going to accept it, at least I hope so, Mr. Chairman, even though I would like to have made it a little stronger, with a little more benefit.

Mr. FOLEY. Mr. Chairman, will the gentleman yield?

Mr. SEBELIUS. I yield to the gentleman from Washington.

Mr. FOLEY. Mr. Chairman, I want to say, also, that the gentleman from Kansas (Mr. SEBELIUS) has rendered distinguished service. The gentleman is, unfortunately, leaving the committee and the Congress this year.

The gentleman made a reference a moment ago that there were only two members of the Committee on Agriculture from the majority side on the floor at the moment. I think if we look around we will find there are only two members from the minority side of the committee on the floor right now.

Mr. SEBELIUS. By George, they did run out on me. I thank the chairman for bringing that to my mind. It only reflects on the fact that, when the Committee on Agriculture has a bill, they put us at the end of the day at the end of the week at the end of the month and let us talk so that they can get us out of the way but nobody has to remain to listen to it.

Mr. FOLEY. Mr. Chairman, I yield myself 1 minute.

Mr. Chairman, if we do not have a great majority of the Congress here on either side of the aisle, we certainly have Members who are concerned about this problem and are trying to face the issues. I think tomorrow, when all of our colleagues are here, there will be an opportunity to consider all of the amendments that will be offered. I am sure the result will be a wise decision on the part of the Congress.

Mr. SEBELIUS. If the gentleman will yield, I certainly join the chairman in that remark, and I appreciate his other kind remarks.

I just want to go on record as stating my opposition to the administration's position which would apparently deprive our most important economic segment, which produces the food we are involved in here today. With that mentality I find little wonder why we are plagued with high inflation and a lot of other misguided things taking place.

Mr. WAMPLER. Mr. Chairman, I yield 5 minutes to the distinguished gentleman from Pennsylvania (Mr. WALKER).

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Mr. WALKER. I thank the distinguished gentleman for yielding me the time.

I rise with some concerns about S. 1309, because I think it represents a continuation of some of the problems that we have seen in the food stamp program over a period of years. The food stamp program's size and scope has increased substantially in the 17 years since it was created. The original program, enacted in 1964, had as its purpose a provision of nutritional assistance to those who were in real need of such assistance. However, since 1964, the cost of the program has increased by over 30,000 percent and has doubled since 1977. The number of people receiving benefits in the program has risen by almost 5,000 percent since the program began, and this year the estimates are over 20 million people will receive food stamps.

But the truly unfortunate consequence of this crushing expansion, besides its impact on the taxpayer, is the fact that the truly needy are not receiving an adequate amount of assistance, nor are they receiving the type of assistance that they require.

So therefore, Mr. Chairman, I intend at the appropriate time to offer an amendment in the form of a substitute to deal with some of the major problems that I see that have accrued within the program.

Problem No. 1: The State governments do not have the degree of responsibility or flexibility necessary to run efficient and effective programs.

Ever since 1970, when the Federal Government assumed total responsibility for setting benefit levels and determining eligibility, State administrators have been deprived of an essential element in efficient program administration, namely control over their own programs. Funding for the current program is 100-percent Federal.

Forced to comply with strict Federal standards, the States have lost a requisite degree of responsibility they need and have even been penalized for not complying with those standards whether they were applicable to their particular situation or not.

There have been numerous legislative efforts aimed at increasing State responsibility, but those have been minimal and really only apply to one portion of the program—fraud control. Consequently, these efforts have fallen far short of the maximum degree of responsibility needed.

The solution to that particular problem, it seems to me, is to maximize State responsibility. Obviously, the solution is to increase the degree of responsibility in the form of a block grant program. This would maximize responsibility by giving the States a finite amount of money to run their individual programs. That is what this substitute would do. It would convert the food stamp program into a block grant system beginning on October 1, 1981. This would allow the States 1 year to set up their own programs.

Until that date, the funding for the current fiscal year would be increased to $9 billion, a figure which is slightly higher than the figure in the committee bill, but a figure which I think represents the oncoming recession and represents the responsible level of funding given the standards that are going to be the growth in the months ahead.

Starting October 1, 1981, the fund block grant mechanism would be established. This would eliminate much administrative overhead and assure a more efficient program. The block grant maximizes the incentive for States to run tight programs so they could qualify for discretionary use of excess funds. States would be allowed to use the excess funds for increasing benefits in existing human service programs. It would do away with $500 million that is now being spent at the Department of Agriculture to administer this program on the Federal level. This is a duplicative kind of administration simply because the States are already running the program, and we would simply give them the responsibility that entails that administrative control that they now have. Also, I think it applies to the agricultural interest across the country who have been increasingly concerned about the fact that the Agriculture Department is becoming less of an Agriculture Department and more of a welfare department. This would cut back on that responsibility and return the program in the Agriculture Department to its original intent, namely, to serve agriculture.

Problem No. 2 in the program: Uniform benefit levels are not reflective of variations in regional costs of living.

Along with giving the States a finite amount of money to run their own program, they must be given the authority to determine what the benefit level should be in their particular eligible population areas.

There are actually two problems with the current benefit level formula. Not only is the level of assistance often inadequate, but the type of assistance is inadequate as well.

What we would do is give the States the authority to determine benefit levels. What we would do is say that the States could determine the kind of benefit levels that apply to their particular situation.

In addition, we have found that 15 percent of the money, according to a study made in 1973, is used to purchase foods of fairly low nutritional value. What we are attempting to do in this program is to include within it a component to allow the States to develop their own nutritional programs.

The CHAIRMAN. The time of the gentleman from Pennsylvania (Mr. Walker) has expired.

Mr. WAMPLER. Mr. Chairman, I yield 2 additional minutes to the gentleman from Pennsylvania.

Mr. WALKER. We are attempting to put in nutritional components that would speak to particular standards.

The third problem in the program, the federally mandated eligibility standards are too loose.

Even the most conservative estimates indicate at least 35 million people are eligible for food stamp benefits. Many other estimates say it is closer to 60 million people.

Despite that, the rate of participation is particularly disturbing. Approximately 21 million people will receive food stamps this year. A sizable percentage—the administration estimates it at 15 percent—are the beneficiaries of fraud, abuse, and error. There are simply too many people receiving benefits for the Federal Government to keep track of it.

So what we would propose in the block grant program is to give the States the authority to determine eligibility. By so doing, we could eliminate much of the abuse that takes place.

In addition, the program would put in a workfare component which would give the State the option of establishing workfare in their States and thereby putting eligibility along with the workfare component. These are the main components of the substitute.

Basically, as I say, what it is attempting to do is create a block grant system which will increase eligibility or increase the eligibility tightness. It will put in a workfare component and also a nutritional component.

Mr. FOLEY. Mr. Chairman, will the gentleman yield?

Mr. WALKER. I would be glad to yield to the distinguished chairman.

Mr. FOLEY. Does the gentleman have the endorsement of this program by some of the Governors?

Mr. WALKER. We are attempting right now to talk to the National Governors Association. We have talked to many State officials in the past who have indicated a very definite degree of willingness to support such a program, but I do not have those specific endorsements at this time.

Mr. FOLEY. I wonder if the gentleman could tell me if it is his view that the States that presently administer the program and have error rates would not have error rates if they administered the program under his substitute amendment? Is it not true that the present program is actually administered by the States?

The CHAIRMAN. The time of the gentleman from Pennsylvania (Mr. Walker) has expired.

Mr. FOLEY. Mr. Chairman, I yield 1 additional minute to the gentleman from Pennsylvania.

Mr. WALKER. I thank the chairman for yielding the time for an answer.

Absolutely the States do administer the program right now, which is the reason why we think the $500 million of administrative cost at the Federal level is somewhat duplicative. Yes, we think under this program it would eliminate a lot of error and abuse in those States, because they would get to keep any excess funds where they drop down the amount of spending as a result of eliminating fraud and abuse, so there would be an incentive for them to do it. There is no incentive under the present program. We are creating an incentive to eliminate that.

Mr. FOLEY. In the bill as reported by the committee, there is an incentive built into lower error rates by providing additional money for the States' cost of administration. That is in the bill.

Mr. WALKER. I thank the gentleman for that explanation. I am aware of that, but the important thing about this particular provision is the fact that what it does is give the States a chance to use it in other programs as well, in human services programs, so they would have far more discretionary use of the money.

Mr. WAMPLER. Mr. Chairman, I yield such time as he may consume to the gentleman from Arizona (Mr. Rudd).

Mr. RUDD. Mr. Chairman, the food stamp program is surely one Federal program which cries for fundamental reform.

The participation levels and cost of the program have skyrocketed in recent years. Participation in March 1980, was 21.7 million—1 in every 10 Americans. Another 10 million Americans are eligible for food stamps under the liberal eligibility guidelines of current law.

The fiscal year 1980 level of spending for the food stamp program approved by the Congress last year was $6.2 billion. The Carter administration has already requested an additional $2.5 billion which is authorized in this bill.

In its March revisions, the administration conceded that an additional $100 million—above the $2.5 billion—would be needed to complete the fiscal year.

However, the Congressional Budget Office's latest estimate is that an additional $497 million above the $2.5 billion authorized in this bill will be needed in order to finance the program through the fiscal year ending September 30, 1980.

These additional costs represent a 50-percent increase over the appropriations voted by the Congress just 1 year ago.

Additionally, for fiscal year 1981, the Congressional Budget Office now estimates a figure of $10.7 billion, $1 billion above the administration's projected figure used in the just-passed budget resolution.

Obviously, we are going to have a repeat on the familiar administration tune of underestimating the cost of the food stamp program for fiscal year 1981.

The most recent increases in costs because of additional recipients—a jump from 20.2 million in December 1979 to 21.7 million in March 1980—cannot be attributed to either higher food prices or increased unemployment.

The Congressional Budget Office reports that for the first quarter of 1980 both figures remained constant.

Rather, it seems that low and lower-middle income families respond to high rates of inflation in much the same way as higher income families—that is, they seek ways to stretch their incomes.

The CBO hypothesizes the reason for the increases—

> These rapid price increases [in basic non-food necessities] have resulted in low and lower-middle income families choosing to reallocate their limited incomes so as to select those commodities which are subsidized and thereby continue to maintain their real purchasing power in the non-subsidized goods. Since the elimination of the purchase requirement, the food stamp program has become more of a direct income transfer program, directly substitutable for non-food purchases. Hence, the propensity to participate in the program increases with relatively high rates of inflation in non-food, but still basic items. (April 22, 1980, memorandum from Congressional Budget Office to Senate Budget Committee.)

Mr. Chairman, it should be emphasized that there is no reason why the $6.2 billion appropriation for this program should run out under the crisis atmosphere which prevails today.

The administration has known since last summer that there would be insufficient funds to continue the program unless action was taken to reduce the hundreds of millions of dollars of misspending due to abuse, fraud, and overissuance of food stamps to the undeserving.

The Congress passed legislation last year which specified that when the Secretary determined that funds would be insufficient to complete the fiscal year, he should begin to implement contingency planning for benefit reductions with special consideration for the elderly, physically or mentally handicapped or otherwise disabled.

Yet the Secretary of Agriculture has ignored this law and relied instead on appropriations conference report language which he felt gave him leeway to continue the program at full steam.

Congress should not be pushed into a crisis atmosphere on food stamp legislation. This, too, is a rerun of the past. The administration is always pressuring Congress for immediate appropriations without wanting to allow consideration of substantive reforms which would reduce program costs.

With food stamp spending running 50 percent above authorized appropriations, however, it should be obvious that significant consideration must be given to proposals to reduce these costs and more effectively target benefits to those most in need.

For instance, Mr. Chairman, one of the most obvious abuses of the current food stamp program is that families with incomes substantially above the poverty line are eligible for food stamps.

Because eligibility is currently determined by net income after subtracting a number of deductions, 4-person households with incomes well over the food stamp poverty line of $8,222 can receive food stamps under current law.

For instance, a family of four could conceivably be earning as much as $12,000 to $13,000 yearly and still be eligible for food stamps.

Indeed, the Department of Agriculture's latest statistics indicate that 13 percent of all food stamp households had gross incomes above the poverty line.

When the bill is read for amendment, I intend to offer an amendment to restrict eligibility to households with gross income below the poverty line, plus a provision allowing a 15-percent higher gross income limit for those families who are working.

This latter provision will serve as a work incentive for families to work their way out of poverty.

This reform measure is essential to making this program serve the truly needy without unduly assisting those families with gross incomes above poverty at a great expense to the American taxpayer.

Mr. Chairman, I would like to insert at this point in the Record several charts which demonstrate the rapid growth of the food stamp program, both in costs and participation, as well as information indicating the gross income levels which households could receive between July and December 1980 and still be eligible for food stamps.

Recent monthly food stamp participation levels

[Number of persons, in millions, participating]

October 1978	15.3
November 1978	15.4
December 1978	15.9
January 1979	17.4
February 1979	18.0
March 1979	18.5
April 1979	18.6
May 1979	18.4
June 1979	18.3
July 1979	18.4
August 1979	19.0
September 1979	19.3
October 1979	19.4
November 1979	19.6
December 1979	20.2
March 1980	21.7

Source: Food and Nutrition Service.

Annual food stamp appropriations

1965	$35,600,000
1970	577,000,000
1971	1,576,000,000
1972	1,866,800,000
1973	2,212,900,000
1974	2,838,900,000
1975	4,693,900,000
1976	5,691,800,000
1977	5,550,000,000
1978	6,100,000,000
1979	6,800,000,000
1980	[1] 9,200,000,000

[1] Estimated.

MAXIMUM EFFECTIVE GROSS INCOME ELIGIBILITY (UNDER EXISTING LAW) PERIOD OF JULY TO DECEMBER 1980

Family size	Net income cutoff [1]	Maximum gross income [2]
1	$4,172	$8,065
2	5,522	9,753
3	6,872	11,440
4	8,222	13,128
5	9,572	14,815
6	10,922	16,502
7	13,622	19,877
8 and over	+1,350	+4,538

[1] OMB poverty level with special food stamp escalator.

[2] Assumes working household eligible for 20 percent earned income credit, $80 standard deduction. $110 dependent care/excess shelter deduction. (Does not assume deductions for payments above $35 for medical expenses which are available for elderly, blind and disabled.)

Note: Figures verified by Congressional Budget Office.

MAXIMUM EFFECTIVE GROSS INCOME ELIGIBILITY (UNDER S. 1309 AS REPORTED FROM HOUSE AGRICULTURE) PERIOD OF JULY TO DECEMBER 1980

Family size	Net income cutoff [1]	Maximum gross income [2]
1	$4,172	$8,063
2	5,522	12,153
3	6,872	13,840
4	8,222	15,528
5	9,572	17,215
6	10,922	18,902
7	13,622	22,277
8 and over	+1,350	+6,938

[1] OMB poverty level with special food stamp escalator.

[2] Assumes working household eligible for 20 percent earned income credit, $80 standard deduction, $160 dependent care deduction; $110 excess shelter deduction. (Does not assume deductions for payments above $10 medical expenses which are available for elderly, blind and disabled under S. 1309 as reported by House Agriculture Committee.)

Note: Figures verified by Congressional Budget Office.

Mr. FOLEY. Mr. Chairman, I yield such time as he may consume to the gentleman from New York (Mr. Richmond).

Mr. RICHMOND. Mr. Chairman, the food stamp program is on the brink of a funding crisis that could be devastating to millions of poor Americans. Unless Congress authorizes and appropriates additional funds by May 15, just 1 week from tomorrow, the Secretary of Agriculture must legally order the States to suspend the program on June 1. As responsible public officials, we must avert such a disaster.

I am sure that you and many other of our colleagues are asking what has caused this funding crisis? The food stamp program is in need of additional funding primarily because the economy has not behaved as was predicted in 1977 when the current spending ceilings were set.

The fiscal year 1980 and fiscal year 1981 caps or ceilings, established in 1977, are $6,188 billion and $6,236 billion, respectively. At that time CBO estimated food prices would go up 3 to 4 percent a year. In reality, food prices increased 22 percent between 1977 and 1979 and are predicted to increase to 46 percent between 1977 and 1981. This additional inflation in food costs, over the 1977 estimates, is projected to add $1.4 billion to the costs of the program for fiscal year 1980 and add $2 billion for fiscal year 1981.

In 1977, CBO also estimated the unemployment rate to be under 6 percent for fiscal year 1980 and fiscal year 1981. In fact, unemployment is now projected to rise to 7.2 percent in fiscal year 1980 and 7.5 percent in fiscal year 1981. For each 1-percent increase in unemployment, 1.2 million people are added to the program.

Food price inflation and higher than expected unemployment rates account for 81 percent of the committee approved bill S. 1309 increases the caps to $8.7 billion and $9.7 billion for fiscal year 1980 and fiscal year 1981, respectively.

Because earlier economic forecasts have proven incorrect, S. 1309 also provides an additional 5 percent authorization margin for fiscal year 1980 and 10 percent for fiscal year 1981 should program costs exceed the new ceilings because of higher than expected food price inflation and unemployment.

Mr. Chairman, it is critical that S. 1309 be adopted by the House promptly. Congress can and must act swiftly to head off a disaster that will affect the health and well-being of millions of low-income Americans.

Thank you, Mr. Chairman.

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Mr. FOLEY. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I think we have come to the close of this general debate on the food stamp bill. Tomorrow we will be considering amendments to the bill and druing that time the entire House will have an opportunity to pass its judgment.

In my own view it is critical that the House adopt S. 1309 and that we have a prompt reconciliation of our views with the other body and bring a conference report back to the House because, Mr. Chairman, there are today over 21 million people who receive the benefits of the food stamp program. As I said earlier, 60 percent of those 21 million are children under 18, the disabled, and elderly Americans. An overwhelming number, 60 percent, are households headed by women, and the vast majority of these are truly poor people. The average income is less than $4,000 a year. Most of these people are poor or dependent upon this program to an extraordinary extent for the kind of adequate nutrition that can make the difference between a healthy child who is able to perform in school and who will later be able to productively engage in self-employment and self-support, or a person perhaps stunted for life by the ravages of malnutrition.

In 1967, Mr. Chairman, a foundation sponsored a program of reviewing the nutritional character of many hundreds of thousands of Americans throughout the country. That particular study, sponsored by the Field Foundation, found in Appalachia and other parts of the United States tragic evidence of the kind of nutritional diseases that were thought only to exist in Third World countries, diseases that were thought to be unknown in the United States. They also found evidence of severe privation as well as disease.

That led, in 1969, to one of the finest acts, in my judgment, of President Nixon's first term, which was the convening of a White House Conference on Hunger in America. It was the determination of the Nixon administration, under President Nixon's personal initiatives, that we would adopt programs that would make hunger in America no longer a reality, at least hunger no longer a reality because of an inability of any family to afford an adequate diet.

In 1977, 10 years after the original study, and in 1978, the Field Foundation returned to examine those same areas that had been examined 10 years before. They found to a remarkable extent a complete absence of any kind of nutritional diseases as had existed only a decade before. Their report I think is illustrative of some of the successes of these programs which need to be commented upon because there has been so much criticism of, in particular, the food stamp program.

The primary reason for the dramatic difference, for the 33-percent decline in infant mortality and greater than 50-percent reduction additionally in infant deaths from diarrhea, influenza, pneumonia, and immaturity, all directly related to malnutrition, was the existence of and intervention of the food stamp program. They stated categorically that the food stamp program does more to lengthen and strengthen the lives of the disabled and disadvantaged Americans than any other noncategorical social program and is the most valuable health dollar spent by the Federal Government.

This program has had its problems. The Committee on Agriculture has sought over the years to improve the operation of the program and it has come before the Congress for reauthorization.

The bill we bring to the Congress today and will tomorrow contains some of the most extensive provisions ever written in any bill to eliminate fraud, abuse, and error. I hope with the amendments, which I and other Members will offer, we will be able to shape a more effective program. But it is critical that we act as soon as possible because I do not think any Member of this Congress and certainly none of this House would believe that the appropriate way to modify the food stamp program, whatever their criticisms, is just to lead to a categorical ending of the program for all recipients on the 1st of June without any warning, without any opportunity for private undertakings to fill in for the tremendous impact that such a cut would have on the millions of poor in the United States. I repeat, there are 13 million of them who are children under 18, disabled, and elderly Americans.

So, Mr. Chairman, I hope as we consider the amendments tomorrow we will also consider the need to act responsibly in continuing this program for those millions and millions of Americans who increasingly rely on it and who are justly and properly receiving its benefits.

Mr. Chairman, I yield back the balance of my time.

Mr. WAMPLER. Mr. Chairman, I have no further requests for time, and I yield back the balance of my time.

The CHAIRMAN pro tempore. Pursuant to the rule, the Clerk will now read by titles the committee amendment in the nature of a substitute recommended by the Committee on Agriculture now printed in the reported bill as an original bill for the purpose of amendment.

The Clerk read as follows:

S. 1309

Be it enacted by the Senate and House of Representatives of the United State of America in Congress assembled, That this Act may be cited as the "Food Stamp Act Amendments of 1980".

Mr. FOLEY. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. FOLEY) having assumed the Chair, Mr. STEWART, Chairman pro tempore of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 1309) to increase the fiscal year 1979 authorization for appropriations for the food stamp program, and for other purposes, had come to no resolution thereon.

PRESIDENT JUDGE JAMES C. CRUMLISH

(Mr. LEDERER asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. LEDERER. Mr. Speaker, the cause of justice has been advanced by the swearing in of a distinguished Philadelphian, Judge James C. Crumlish, Jr., as president judge of the Commonwealth Court of Pennsylvania. This key appellate court, which is only a decade old, has established itself as a leader in judicial administrative innovation and has issued landmark opinions in such important and evolving legal areas as land use, governmental regulation, constitutional and environmental law.

Judge Crumlish was sworn in as president judge on April 8 by Supreme Court Chief Justice Michael J. Eagan. I take particular delight in inserting in the CONGRESSIONAL RECORD comments that were made at President Judge Crumlish's induction by John M. Elliott, a senior litigating partner in the prestigious Philadelphia law firm of Dilworth, Paxson, Kalish & Levy. My family and I have known Judge Crumlish's family for the past 50 years. Mr. Elliott's remarks capture the essence of the varied and challenging careers of this highly qualified Philadelphian.

The Crumlish family has contributed significantly to civic and charitable causes in Pennsylvania. President Judge Crumlish's father, James C. Crumlish, Sr., was himself the distinguished president judge of the Philadelphia judiciary which included such legal giants as Curtis Bok, Louis Leventhal, and Gerald Flood. I extend my very best wishes to President Judge Crumlish his lovely and accomplished wife Rosemary, who serves as a member of the prestigious Philadelphia Art Commisison, and their family.

The remarks follow:

REMARKS OF JOHN M. ELLIOTT

Emerson said that "All institutions are but the lengthened shadow of a single man." Recently, a distinguished President Judge was suddenly and tragically taken from us. Today, another eminent Jurist asumes the significant burdens of leading this great Court which has in a short decade established itself as a national leader in both judicial administrative innovation and as a meaningful contributor to the development of the substantive law of this commonwealth in such vital and evolving areas as the environment, land use, constitutional matters, and governmental regulations.

President Judge James C. Crumlish, Jr., loves Pennsylvania and the law deeply. While he has already served this Commonwealth unstintingly, Jim Crumlish's elevation to President Judge of this distinguished Court enhances his opportunity for further effective public service.

President Judge Crumlish's incisive mind and vital spirit will place disputes in proper context and seek guidance for the future through a patient analysis of the present and a wise reading of the past.

Fortunately, the acorn doesn't fall far from the oak. Jim Crumlish's humane qualities of mind and spirit were not produced in a vacuum. Like his father, the late respected James C. Crumlish, Sr., of Common Pleas No. 7, President Judge Crumlish draws strength from the eternal values of family, church, community and service to his fellow man.

Perhaps the spirit which has already nourished Jim and Rosemary Crumlish through a challenging variety of careers—as private attorney; decorated World War II officer; Philadelphia's highest ranking law enforcement official; and Judge of the highly respected Commonwealth Court is best captured in a 1957 speech by President John F. Kennedy who observed:

"All of us of Irish descent are bound together by the ties that come from a common experience; experience which exists in memories and in legend, but which is real enough to those who possess it. And thus whether we live in Cork or in Boston, in Philadelphia or in New York, we are all members of a great family which is linked together by that strongest of chains—a common past. It is strange to think that the wellspring from which this great fraternal empire has sprung is but a small island in the far Atlantic with a population only a fraction of the size of Pennsylvania. But this is the source, and it is the green and misty island to the east that we honor here tonight—honoring it particularly for its devotion to human liberty."

The Irish were not the only race to display extraordinary devotion to liberty, or the only people to struggle unceasingly for their national independence. But the special contribution of the Irish, and I believe—the emerald thread that runs throughout the tapestry of Jim Crumlish—has been the constancy, the character, the faith they displayed through centuries of oppression when they were denied even the most rudimentary religious and civil rights.

This "common experience" has imbued President Judge Crumlish with what Camus called a "sense of injustice"—an instinct to help, to heal, to cut through legal persiflage and reach the essence of the human issues inextricably woven into legal disputes.

Jim Crumlish possesses the classic Baconian qualities of a leader which were articulated by John Buchan in his immortal Pilgrim's Way:

"He is a full man from wide reading and much thought seasoned by experience; an exact man from his scrupulous logic; and a ready man from his native wit—and above all, he always manifests a friendly warmth which makes it good for a diversity of mankind to stand with him.

"He never dogmatizes; his sharp dialectic makes him a pricker of bubbles; he has the gift of felicitous and apt phrase; his humor—though irony and satire are among his formidable weapons—is for the most part tolerant, with a sophisticated humanity about it. Most importantly, he has an acute sense of proportion and a disdain for pretense and posturing."

In today's world of rapid change and challenge, these values of abilities are sorely needed. Today is a happy and tonic day for Pennsylvania.

President Judge Crumlish, we all wish you and your distinguished colleagues continued success.

CALIFORNIA FAMILY CHOICE INITIATIVE OFFERS HOPE FOR PARENTS EVERYWHERE

(Mr. ASHBROOK asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ASHBROOK. Mr. Speaker, every now and then the beneficiaries of giant bureaucracies let their guard down for a brief but revealing moment and disclose the motives behind their activities. Such an episode came last spring when the Association of California School Administrators commented on a referendum proposal for "family choice" in education which two Berkeley law professors hope to make the proposition 13 of 1980. In a special report to their members, the school administrators said:

> "Parent choice" proceeds from the belief that the purpose of education is to provide individual students with an education. In fact, educating the individual is but a means to the true end of education, which is to create a viable social order to which individuals contribute and by which they are sustained. "Family choice" is, therefore, basically selfish and anti-social in that it focuses on the "wants" of a single family rather than the needs of society.

Mr. Speaker, I wish the educrats of Washington—the Pat Harrises and Joe Califanos and Mary Berrys—would be as candid as this when they appear before our committees to talk about Federal education policy. If they would simply admit that the main interest of big government is in social and political manipulation, not in individual academic excellence, we could save ourselves a lot of time and trouble. When well-meaning congressional liberals vote for bigger and flashier education programs, I think it is in the hope that they will be helping kids to become more competent in verbal and mathematical skills, better informed about literature and history, more able to think and act for themselves. But for educrats like the California school administrators, these goals are secondary to their coercive ideological agenda. The very word "education" has a different meaning for the school establishment than for the rest of us.

Given their premises, the California authorities are right to fear the "family choice" proposal. Authored by Berkeley professors John Coons and Stephen Sugarman, the family choice initiative would cut through the Gordian knot of bureaucratic monopoly to entrust basic decisionmaking to people whose intimate knowledge and long-term commitment to children no public agency can ever rival: parents. It has the daring simplicity of all real reforms: subsidizing individuals instead of institutions.

The Coons-Sugarman plan would provide State-financed scholarship certificates to families with school-age children. These families could then "spend" their certificates at whatever schools they might choose: public or private, religious or secular, specialized or conventional. I have long been a supporter of this type of educational voucher or parental choice system. By creating a competitive market in education, this system would guarantee increased responsiveness, variety, and efficiency. For the first time in the history of Californa's public schools, every teacher would have the morale-bracing satisfaction of knowing that every child in his class was there as a result of positive choice rather than geographic accident. For the first time, parents and children would know that they could seek a school more suitable to their particular needs without having to move to a new—and probably more expensive—neighborhood.

Opponents of family choice claim that such educational decisions are too important and too complicated to be left to anyone but professionals. But surely these decisions are not any more complex than decisions about health care; and yet we allow patients—even if they are subsidized through medicare or medicaid—to choose their own doctors and hospitals. When we allow people to retain this basic control over their own and their children's bodies, why should we insist that the State control their minds?

In the long run, the Coons-Sugarman plan would mesh beautifully with Federal legislation to abolish the dozens of categorical education programs administered from Washington and to replace them with block grants for the States to spend as they see fit. For example, a State could use its Federal education money to finance extra-value certificates for the parents of handicapped or disadvantaged children. I introduced such legislation last year in the form of a substitute amendment to the reauthorization of the Elementary and Secondary Education Act. The Coons-Sugarman initiative fortifies my confidence that this kind of radical decentralization is the wave of the future, not just in California, but across the Nation.

CURTAILMENT OF GOVERNMENT SPENDING PRACTICES NECESSARY

(Mr. ADDABBO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ADDABBO. Mr. Speaker, I have sat through this debate on the budget bill with a growing sense of dread. I understand the fears of the Members that Government spending practices need to be curtailed so that we do not contribute to the very inflation we are trying to end. I understand as well the attraction of a balanced budget because a balanced budget is at least a symbol that the Government is acting to stem deficit spending. I understand as well the calls for a strong national defense. International events have confused and frightened our citizens over the last year or so, and in periods of uncertainty, it is better to be well defended against potential enemies than not to be.

But I am convinced we are making serious mistakes here on this floor, all in the name of prudence. I am convinced that when we begin to ignore the legitimate needs of our people, as many are doing with almost every vote that has been taken in recent weeks, then this Congress is out of touch with the American people and is out of touch with the needs of this Nation.

As we talk about the values of a balanced budget, we see unemployment edging ever closer to double digits once more. The construction industry, the automobile industry, the tourist industry, the steel industry—I could go on and on, but the point is that in depressed industries, people are being laid off and there is no real expectation that they will be back to work soon. These are not welfare cheats that some in this House like to talk about so much; these are hard-working American families with mortgages to pay, children to feed and no money coming in. Are we in this Congress going to ignore the plight of these people?

We have senior citizens, the ill, the disabled, the handicapped people in this country who cannot fend for themselves in a time of rising costs. Do we ignore these legitimate needs? We have millions of children in schools around the Nation who require a decent education so that they someday will have the knowledge that will allow them to become taxpayers. Do we shortchange the schools and doom a goodly percentage of children to a second-class life? We have hospitals in trouble all across the country because it costs them more to treat patients than Federal programs reimburse them. Do we want them to stop treating illness? Should they blithely carry on to bankruptcy?

We have told city and State governments that we want Americans to use mass transit facilities, but we cut back on Federal dollars for mass transit programs in the very areas where the problem is most acute. We collect Federal tax dollars from all of the 50 States with a vengeance and turn around and provide most of the Federal spending to a handful of States, begrudging money that must be spent in the others. The Northeast and Midwest States number among them States that are near extremis, and in the name of budget cutting we end State revenue sharing.

We tell cities we want them to spend money prudently, yet we urge them to adopt programs that spend more local dollars than Federal dollars. Now, we are on the verge of ending the Federal participation in these programs.

We know that on the streets of this Nation, drug abuse is a growing problem. Our answer to that is to cut back on Federal Customs Service inspectors whose presence tends to stem the supply of illicit narcotics to our shores.

I could go on and on, but I see no reason to do so. The problems of this country are apparent to all of us. Inflation is a problem. So is unemployment. So is industrial capacity and the ability of our businesses to compete equally with foreign firms. We are overregulated in areas and underregulated in others. Our Federal programs sometimes work and sometimes they are senseless and ought to be ended.

But what scares me most of all is that we in the Congress are not moving forcefully to meet these challenges. We are responding to fear and mob passion, and we are putting ourselves into a bind where we simply will not have the capability to do what needs to be done in the months ahead to help our people when they cannot help themselves. We are placing our emphasis on a balance sheet rather than on human needs, and it is my belief that our foolishness will have to be paid for with very real human suffering. I believe that a year from now—or sooner—we are going to have to undo all of the damage we are doing presently to domestic programs. By then, for so many of our citizens, it is going to be too late.

ABUSE OF THE FUEL ASSISTANCE PROGRAM

(Mr. STANGELAND asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. STANGELAND. Mr. Speaker, during the last few days we have discussed the need for reducing the growth in Federal spending and balancing the Federal budget and, ultimately, cutting the taxes of every working American. It can be done, but we have to weed out the waste and abuses that are currently taking place in the bureaucratic arm of the Federal Government.

I recently learned of a situation in the Seventh District of Minnesota, which I find appalling and distasteful, and I think it points out that changes must be made in governmental operation if we are to balance the budget and begin working for the people instead of against them.

The problem I discovered is with the fuel assistance program. One subsidized housing unit in my district currently is receiving rental subsidy from the Department of Housing and Urban Development. What this means is that the people who reside in this apartment building only pay 25 percent of their income as rent to live there and the Federal Government picks up the remaining portion of the rental price, including what is tacked on for the cost of utilities. In this type of rental subsidy unit, the price the renter pays remains 25 percent of his or her income, regardless of the overall rental charged by the owner. In other words, the owner can raise the price, but the charge to the renter would stay the same unless their income increases.

Now, I find the crisis assistance program is soliciting applications from residents of this subsidy unit for the fuel assistance program so as to pay for the increase in fuel prices accrued. This, my friends, is preposterous and blatantly in violation of the intent of this Congress in providing fuel assistance. These renters are already being subsidized for the increase in fuel costs because they participate in this HUD program and the crisis assistance program, on top of what they already receive, is trying to hand out additional funds which could be used by other people who truly need fuel assistance. It appears these CAP agencies are trying to give excessive money away—money that was not needed because of a comparatively mild winter.

In this instance, the CAP organization wrote an $11,000 check to the apartment owner and, in turn, he wrote checks to the renters because he had already received compensation from HUD for increased fuel prices.

This is truly a waste of taxpayer dollars and the inefficiency of the operation of this program is robbing from the truly needy by throwing away funds which could be used constructively. If we have to find ways to spend the money, then the program must be restructured. We cannot operate a government which permits and continues to allow this wasteful Government spending.

Congress unwillingness, as was demonstrated Tuesday in the vote on the Latta amendment, to control unnecessary spending such as this is deplorable and I think we owe the taxpayers of this Nation an apology. They struggle to make a dollar just to survive and pay their taxes and all we do is squander what is turned into the Treasury.

Congress must assume an oversight role and take the necessary initiatives to insure that Federal programs are operated as intended and that the people who are supposed to benefit actually receive what is coming to them.

☐ 1950

A BALANCED BUDGET ONLY ON PAPER

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. GRADISON) is recognized for 30 minutes.

Mr. GRADISON. Mr. Speaker, today the House approved what has been widely billed as a balanced budget for next year after rejecting a number of alternatives—each of them said to be balanced as well. I am disturbed by the possibility that the public may conclude that the budget will indeed be balanced. There is room for considerable modesty by us all in claiming that the Congress has changed its ways and now has brought the United States into the promised land of balanced budgets.

Much as we need a balanced budget—and need it now—it seems doubtful indeed that the budget will be balanced in light of the severe recession now underway and the resulting rise in unemployment.

As an example the U.S. Chamber of Commerce now estimates the budget for next year—instead of being balanced—will instead be $43 billion in deficit. No doubt other estimates will follow in the weeks and months ahead. My impression is that the business and financial markets will not be surprised by a deficit next year, much as they hope it will be held to a minimum.

But the general public could be in for a rude shock if the President and Congress—running for reelection—claim victory in the battle for a balanced budget, and then it turns out that a deficit in the tens of billions of dollars is the actual result. This could easily cause yet another loss of confidence in the Government and further questioning of the trustworthiness of elected officials. And it could easily reignite inflation by giving the public the impression that the Congress—while talking about budget restraint—is not really doing anything about it.

Basically we have balanced the budget on paper—but on paper only. The budget assumes far better economic conditions than appear likely. The budget assumes that Congress will increase revenues and cut spending in ways which at best are hope—not reality—at this time. And the budget assumes that the Congress and the President will not indulge in a last-minute preelection spending binge.

Mr. Speaker, I ask that the new budget estimates of the U.S. Chamber of Commerce appear at this point in the RECORD.

HOUSE DATA ON BUDGET "TOTALLY IRRELEVANT," CHAMBER ECONOMIST SAYS, PREDICTING REAL GNP DECLINE IN 1981

[Graphs not printed in the RECORD]

WASHINGTON, April 30.—The leading indicators index for March released today declined for the seventh time in the last nine months, affirming that a recession is underway, said Dr. Richard W. Rahn, vice president and chief economist of the U.S. Chamber of Commerce. He continued:

"Today's ongoing House floor debate about a high tax, high spending, balanced budget (House Concurrent Resolution 307, the 'Giaimo' bill) has been made totally irrelevant as the economy slides rapidly into recession. The Budget Committee bill proposing a $96 billion increase in taxes is based upon now totally unrealistic economic assumptions, but House Budget Committee members seem unaware of this."

The Committee's bill (H. Res. 307) assumes that unemployment will be at 7.3 percent in the last quarter of 1980 and will average 7.5 percent in 1981. According to the U.S. Chamber's latest forecast, unemployment will be at 7.8 percent at the end of this year and will average 9 percent through 1981. The Budget Committee's bill assumes that 1981 real Gross National Product (GNP) will be 1.1 percent higher than in 1980; the Chamber now forecasts that real GNP will decline 0.1 percent in the same period. The H. Res. 307 Committee report assumes a "mild recession in 1980, followed by a modest recovery in 1981." A more realistic forecast calls for a deeper recession, the Chamber contends.

This new information on the economy implies that while the House debates a First Concurrent Resolution with a $2 billion surplus for Fiscal 1981, it is more reasonable to expect a $42 billion deficit for that period, prompting the Chamber economist to conclude:

"It is clear that we are facing a deep recession which will do little to mitigate inflationary pressures. Therefore, it is time for the Congress and the Administration to make major changes in fiscal policy which will get to the heart of our inflation problem by removing the impediments to economic growth. To reduce the suffering which will result from the recession and to begin the renewal of economic growth, federal spending growth needs to be cut and a major tax cut needs to be enacted in order to spur employment, saving and investment."

THE IMPOSSIBILITY OF A BALANCED BUDGET FOR FY 1981

As the U.S. economy moves into the bottom of recession in 1981, unemployment will continue to rise and will peak around 9 percent.

GNP for 1981 will show no growth in real terms and will be at about the same level as 1980.

As a result, government expenditure and the deficit will be greater by FY 1981 than FY 1980. No balanced budget will be possible.

BUDGETING FOR ECONOMIC GROWTH

It's budget resolution time again on Capitol Hill, with the budget committees and legislators laying out an economic blueprint for the coming year. We hope they can pay some attention to the ideas now percolating through the economics profession, which were especially notable at an important conference last weekend at Harvard University.

We express this hope without much faith, for as House debate opens on a budget resolution a familiar ritual seems to be developing. The Budget Committee is promising a balanced budget for FY 1981, based largely on a growth in tax revenues of almost $100 billion. And even this balance is not likely to outlast the First Budget Resolution.

To see why, consider the fate of the 1980 budget. The Second Budget Resolution for FY 1980 was passed last autumn to govern the fiscal year from October 1979 to October 1980. Yet here we are seven months into the fiscal year, and the House is busy at work on third and fourth budget resolutions for 1980. The third resolution, known as the revision of the budget, ups spending more than $19 billion, raising the official deficit to $38.2 billion. The fourth resolution, known as the Giaimo amendment, kicks in another $4.6 billion and raises the deficit to $42.8 billion. After the House gets through packing the spending into the 1980 budget, it will then balance the budget for the First Budget Resolution FY 1981.

House Republicans, foreseeing the inevitable growth in spending over the year, want to start from a lower level. And they want a cut in tax rates to protect real income from the rising tax burden. Their substitute budget resolution increases defense spending by $4.5 billion, holds the growth in overall spending $14 billion below the Budget Committee version, allows for both accelerated depreciation and a 10 percent cut in personal income tax rates and still balances the budget.

Without getting into specifics, the general direction sketched by the Republican substitute corresponds to the thinking of the conference on American competitiveness sponsored by Harvard, the Senate Subcommittee on International Trade led by Senators Ribicoff and Roth, and the New York Stock Exchange. American competitiveness and productivity, ran the consensus, can only be restored by basing economic policy in the 1980s on supply-side economies.

The participants—an influential group of congressional, business, labor and academic leaders—felt that a tax cut targeted on the supply side of the economy and effective in 1981 is not inconsistent with a balanced budget. The conference's task force on productivity, employment and standard of living, chaired by Rep. Jim Jones, felt that the need to encourage investment is so pressing that "a tax cut should take precedence over a balanced budget," which is a way of saying that if Congress doesn't want a deficit it can cut spending.

Overall the conference recommended aggregate tax reductions over the 1981–83 period of about $100 billion in gross revenues (without feedbacks) split evenly between individual and business reductions. Steve Entin of the Joint Economic Committee staff pointed out that even a cut of this size was peanuts compared to an approximate $340 billion growth in tax revenues projected over the same period.

Senator Ribicoff told the conference that "increasing productivity is good for every segment of society"—thus casting aside divisive debate about who benefits from tax cuts.

Senator Lloyd Bentsen made it clear that it is our competitors who benefit from the high and rising U.S. tax burden. As a result of bad tax policy, "We are asking the American worker to do tomorrow's job with yesterday's tools." Pulled down by lagging productivity, we are becoming "an also-ran in the race for economic opportunity."

Otto Eckstein of Data Resources, Inc. reported that growth in the personal income tax burden had driven 2 million people out of the work force and that the lack of a supply-side policy during the last 8 years had increased the core rate of inflation. Martin Feldstein of the National Bureau of Economic Research said that the tax burden on nonfinancial corporate income was one-third higher today than during the 1960s.

As Dean Henry Rosovsky told the conference, becoming less competitive is the symptom of a serious national disease. If recognized and treated in time, it can be cured. This week the House could take the first steps toward a cure by pushing to reduce the growth in the tax burden, in terms of both government spending and tax rates. The House can put American productivity on the road to recovery by adopting the substitute to the Budget Committee's First Budget Resolution for FY 1981. As the conference demonstrated, there's ample support for the treatment.

U.S. CHAMBER FORECAST

Outlook.—Recession will develop faster than either Administration forecasts or our baseline forecast made in January, and it will be deeper than most major forecasting services are predicting. The quickening pace of the recession reflects our judgment that the small business sector faces much worse economic conditions than are currently showing up in government statistics. Second, our Consumer Opinion Survey for May, 1980, shows a substantial weakening of intentions to buy right now compared with a year ago. As a result of these two factors, unemployment will accelerate in the second quarter to 6.9 percent and to 7.5 percent in the third quarter. For 1980 unemployment will average 7.1 percent. For 1981 it will average 9 percent.

KEY ASSUMPTIONS ON FISCAL POLICY (UNIFIED BUDGET)

Spending.—A budget figure of $612 billion is assumed for FY 1981. This corresponds closely to the administration's revised budgetary proposal and also to H. Con. Res. 307. Because of the recession, however, actual expenditures are forecast to be $651 billion for FY 1981. This reflects added transfer payments, the so-called "automatic stabilizers", as well as added fiscal stimulus applied throughout FY 1981. Receipts are forecast to be $608 billion during the same period, so that our expectation is for a $43 billion deficit for FY 1981.

Receipts.—A July 1981 tax cut is assumed in our forecast. The $30 billion cut is divided between individual income tax reductions ($18 billion) and a variety of tax cuts for business ($12 billion). Windfall profits taxes and the Administration's oil import tariff are also incorporated.

U.S. ECONOMIC OUTLOOK, 1979–82

[Percent change or billions of dollars]

	Quarters									Years			
	Actual		Forecast							Actual	Forecast		
	1979:4	1980:1	1980:2	1980:3	1980:4	1981:1	1981:2	1981:3	1981:4	1979	1980	1981	1982
Gross national product:													
Current dollar GNP	2,457	2,520	2,551	2,575	2,625	2,686	2,765	2,876	3,000	2,369	2,568	2,832	3,262
Percent change	10.5	10.7	5.0	3.8	7.9	9.7	12.3	17.1	18.3	11.3	8.4	10.3	15.2
Real GNP	2.0	1.1	−5.1	−6.3	−2.4	−0.6	2.1	6.5	7.2	2.3	−1.1	−0.1	5.3
Final sales	3.6	1.5	−5.5	−5.2	−1.5	−1.0	1.7	6.1	5.7	2.7	−0.3	−0.2	4.6
Consumption	4.1	1.6	−4.4	−4.5	−1.0	−2.7	0.6	4.6	5.6	2.6	0.1	−0.7	4.5
Residential investment	−4.9	−19.8	−56.6	−40.5	−15.7	31.4	49.5	53.0	45.7	−5.7	−25.3	6.9	31.5
Business fixed investment	−0.5	1.3	−3.9	−8.5	−9.6	−7.3	−10.3	6.2	1.9	6.2	−1.0	−6.2	4.0
Equipment	−6.0	0.3	−4.6	−6.4	−4.2	−4.1	−1.3	0.4	2.1	4.7	−2.1	−3.0	3.6
Structures	12.2	2.8	−2.3	−12.4	−19.9	−13.6	−27.7	20.7	1.4	9.6	1.4	−12.5	4.8
Exports	7.1	13.5	1.0	−1.6	−2.0	−0.5	5.5	6.5	6.3	10.1	6.9	1.6	6.1
Imports	8.1	13.7	−9.3	−5.8	−2.2	−2.2	−0.8	1.6	7.3	4.4	2.3	−1.9	6.4
Government purchases	6.0	5.4	−2.0	−1.3	3.3	3.4	3.3	2.9	2.0	0.4	2.0	2.3	0.6
Federal	16.1	16.3	−1.9	0.6	12.8	5.3	7.5	6.4	3.3	0.9	6.1	6.0	−0.3
State-local	0.9	−0.7	−1.9	−2.5	−2.1	2.3	0.7	0.7	1.2	0.2	−0.3	0.0	1.1
Inventory change (billions of dollars)	6	5	4	−4	−11	−8	−5	−2	9	18	−2	−1	22
Merchandise trade balance (billions of dollars)	−28	−42	−37	−35	−36	−37	−38	−38	−43	−25	−38	−39	−57
Industrial production	−0.3	−0.2	−9.4	−10.7	−5.3	−2.0	2.7	10.1	12.9	4.1	−3.5	−1.1	9.6
Capacity utilization rates:													
Manufacturing	84.6	83.7	81.1	78.0	76.3	75.4	75.4	76.9	79.0	85.7	79.8	76.7	82.5
Primary processing	86.4	84.5	81.0	77.0	74.5	73.7	73.6	75.9	78.8	87.8	79.3	75.5	83.6
Materials industries	86.3	85.2	81.3	76.9	74.3	73.0	72.7	74.5	77.4	87.2	79.4	74.4	82.0
New car sales	9.8	10.7	9.4	9.6	9.6	9.7	9.7	9.8	10.1	10.7	9.8	9.8	10.6
Domestic	7.5	7.9	6.9	7.0	6.9	7.0	7.1	7.2	7.5	8.4	7.2	7.2	7.9
Imports	2.3	2.8	2.5	2.6	2.7	2.7	2.7	2.6	2.6	2.3	2.7	2.6	2.8
Housing starts	1.6	1.3	0.9	0.9	1.0	1.3	1.4	1.6	1.8	1.7	1.0	1.5	2.0
Employment, wages and prices:													
Employment	1.8	0.6	−1.7	−1.0	0.1	−2.3	0.1	1.4	3.4	2.7	0.4	−0.4	2.4
New jobs (millions)	1.7	0.6	−1.7	−1.0	0.1	−2.2	0.1	1.3	3.3	2.0	−0.5	0.6	2.7
Unemployment	5.9	6.1	6.9	7.5	7.8	8.7	9.1	9.2	8.9	5.8	7.1	9.0	8.6
Average hourly earnings	8.5	9.5	9.2	9.3	9.5	9.9	9.8	9.7	9.7	8.1	9.0	9.7	9.9
Compensation	9.1	10.2	9.9	9.5	9.9	12.7	10.7	10.7	10.5	9.0	9.5	10.8	10.6
Productivity	0.3	−0.7	−5.3	−4.6	−1.6	−1.6	0.2	2.8	3.1	−1.1	−2.2	−1.0	2.2
Unit labor costs	8.5	11.3	16.0	14.8	11.7	14.3	10.4	7.8	7.1	10.2	12.0	11.9	8.2

U.S. ECONOMIC OUTLOOK, 1979–82—Continued

[Percent change or billions of dollars]

	Quarters									Years			
	Actual		Forecast							Actual 1979	Forecast		
	1979:4	1980:1	1980:2	1980:3	1980:4	1981:1	1981:2	1981:3	1981:4		1980	1981	1982
Employment, wages, and prices—Continued													
Real disposable income	1.1	0.6	−3.3	−2.5	−2.7	−2.2	1.4	8.3	4.2	2.3	−0.8	−0.1	3.8
Per capita ($80)	8,182	8,182	8,094	8,023	7,350	7,887	7,897	8,036	8,100	8,198	8,062	7,980	8,206
Consumer credit extended:													
Nominal percent change	−14.7	7.6	−12.1	−0.8	11.8	−1.4	8.9	16.6	22.6	8.0	−1.0	5.9	16.3
Real percent change	−22.3	−4.3	−22.1	−11.2	1.1	−10.8	−1.2	6.1	11.8	−0.7	−10.9	−4.4	6.2
Consumer prices	13.6	16.6	17.7	13.9	9.3	9.3	9.9	9.8	10.0	11.3	14.8	10.6	10.1
GNP deflator	8.3	9.5	10.7	10.7	10.6	10.3	9.9	9.9	10.4	8.9	9.6	10.3	9.4
Producer prices	16.7	17.3	17.4	14.6	14.3	14.1	13.6	13.5	13.8	12.5	16.2	14.2	12.8
Fuels—Related products	53.5	54.3	44.2	34.4	29.6	26.2	27.6	28.8	28.5	26.6	48.4	29.5	22.7
Farm products	5.2	−15.4	5.9	2.9	8.2	8.9	5.7	4.7	9.1	13.5	0.2	6.7	10.1
Business profits and interest rates:													
Before tax profits	243	260	243	225	214	207	211	230	253	237	236	225	277
Corporate tax liability	96	103	97	89	85	82	84	92	101	93	94	90	102
After tax profits	147	157	147	135	129	125	127	139	152	144	142	136	175
Inventory valuation adjustment	−47	−64	−64	−61	−57	−56	−56	−57	−60	−42	−61	−57	−57
Capital consumption allowance	−20	−22	−23	−23	−25	−26	−28	−30	−32	−17	−23	−29	−26
Profits from current production	80	71	60	51	47	43	44	52	60	86	57	50	92
Adjusted for inflation ($80 B)	86	74	61	51	45	40	40	46	53	95	58	45	76
Percent change	−31.7	−44.9	−55.0	−51.8	−35.6	−37.8	−4.2	79.7	71.2	−5.0	−39.2	−22.5	69.3
Per unit of output (percent of GNP)	3.5	2.9	2.4	2.0	1.7	1.5	1.4	1.6	1.8	4.0	2.3	1.6	2.3
Profit margins before tax	9.9	10.3	9.6	8.7	8.1	7.7	7.6	8.0	8.5	10.1	9.2	7.9	8.5
Profit margins after tax	6.0	6.2	5.8	5.2	4.9	4.6	4.6	4.8	5.1	6.1	5.5	4.8	5.4
Savings rate (percent)	3.5	3.4	3.6	4.1	3.8	3.9	4.1	5.0	4.7	4.5	3.7	4.4	3.9
Monetary base	8.9	8.1	3.1	0.6	3.6	1.1	4.7	6.0	8.6	8.2	6.2	3.4	8.1
Money supply (M1)	5.0	3.9	2.1	0.8	1.9	−0.9	−1.4	4.2	5.9	5.2	4.3	1.0	5.0
M1 plus time deposits	9.2	5.7	4.2	0.2	1.8	1.0	1.6	5.1	5.0	8.0	6.1	2.1	6.1
AAA corporate bonds (percent)	10.5	12.1	12.8	12.2	11.7	10.9	10.6	10.4	10.2	9.6	12.2	10.5	10.3
Mortgage rate—New homes (percent)	12.1	13.6	15.0	14.3	13.8	13.4	13.0	12.7	12.7	11.2	14.1	12.9	13.0
Federal funds rate (percent)	13.6	15.0	16.8	14.3	12.2	10.6	9.3	8.7	8.8	11.2	14.6	9.4	9.7
Prime rate (percent)	15.1	16.3	19.1	16.6	14.1	12.8	12.0	11.1	11.0	12.7	16.5	11.7	11.5
Government fiscal policy (billions of dollars):													
Federal tax receipts	525	541	558	560	573	605	625	633	664	498	558	632	716
Federal expenditures	540	564	576	603	626	641	657	682	702	509	592	671	738
Surplus or deficit (NIA)	−16	−23	−18	−43	−52	−36	−32	−49	−38	−11	−34	−39	−22
State/local tax receipts	369	376	379	384	389	398	408	421	436	355	382	416	470
State/local expenditures	343	351	358	365	372	384	395	405	414	330	362	400	443
Surplus or deficit (NIA)	26	25	21	19	18	13	13	17	22	25	21	16	27
Total Government balance (NIA)	10	2	3	−24	−35	−23	−19	−33	−17	13	−13	−23	5
Unified budget—Receipts [1]	38	40	140	140	143	151	156	158	166	165	358	609	----------
Unified budget—Outlays [1]	46	48	144	151	156	160	164	171	175	155	388	652	----------
Unified Federal surplus [1]	−8	−7	−4	−11	−13	−9	−8	−13	−10	−10	−30	−43	----------

[1] Annual figures are fiscal year numbers.

Source: U.S. Chamber of Commerce, Forecast Center.

Mr. Speaker, I now yield to the gentleman from Michigan (Mr. STOCKMAN).

Mr. STOCKMAN. I appreciate the gentleman's yielding, and I want to commend him for this effort.

It is unfortunate that so soon on the heels of passing this first balanced budget resolution in the history of the entire budget process, we have to be taking out this special order to call attention to the fact that the results we will see from both prediction and experience over the next year are likely to differ dramatically from the expectations that were generated here today, but I have to conclude that despite all the hard work and good faith-effort that was made in the last 10 weeks, we have fallen far short of the task.

We were told many times during the debate this week and last week that we have a $2.5 billion surplus program targeted for next year, and that beyond that we have a $10 or $11 billion cushion in the form of the oil import fee that has not yet been committed. But I would suggest this afternoon that if we analyze the economic reports and the evidence that has accumulated in the last 2 or 3 weeks, we will realize that all of that is entirely illusory. The economy is deteriorating so rapidly that many of the forecasts on which the committee deliberations of March were based, and on which the discussions this week were based, are going to prove to be far off the mark. I think we will find that within a month when new estimates are made as to what the real revenue levels are and what the real outlay levels are, implied in the policies in this budget on both the tax side and the spending side, in light of new forecasts of economic performance next year, that we are going to see a very large deficit looming before us once again.

It seems to me that we can expect nothing less than the spending of $625 billion or $630 billion next year, not $612 billion as many of the automatic stabilizers, so-called, kick in. I think we have to recognize that the revenue figures in this budget are highly illusory. Some of the legislative revenue changes will not materialize, thank goodness, but much of the revenue generated by an assumed level of economic activity and employment will not appear as well.

The other point that I think needs to be made today is that if it is true that the numbers that we have before us are entirely illusory and that this budget is far from balanced, what was the real purpose of the exercise that we went through today and in previous days? I would like to suggest for the record, if nothing else, what we have succeeded in doing today is not passing a meaningful policy for next year that can offer some hope of restoring prosperity and restoring opportunity for the American people. Fiscal policy will be formulated over the summer and the fall. It will be in response to far different conditions.

What we have done here in terms of both numbers and policies is irrelevant for 1981. But what we have done is ratify a policy for 1980 that has been disastrous because by including the third resolution in the final bill that we passed today and in upping the spending ceiling once again and permitting the total overrun during fiscal year 1980 to reach the staggering sum of $40 billion over what we planned and budgeted last spring at this very time for fiscal year 1980, by permitting the deficit to widen enormously from a level of the midtwenties to more than $45 billion this year, this Congress in a sense has acquiesced and has adopted policies which are the primary cause of the recession that is causing so much distress in the country today and will probably get worse in the months ahead. So the important thing that we have done here is not to adopt a constructive, helpful, hopeful policy for 1981; the important thing that we have done is ratify a disastrous policy for 1980.

It suggests to me that we have a way to go before this budget process can become a meaningful instrument or tool to bring about an economic program for this country that will tap the resources, that will tap the capacity of our economy to once again experience the kind of prosperity and opportunity that the American people want.

But more importantly than anything else, we have set a terrible precedent here. Not only have we misled the public, but we have misled ourselves by thinking that a paper balance of the budgetary resolution, achieved almost entirely by increasing revenues and raising the tax-rate burden on the economy, constitutes a viable fiscal policy and the fulfillment of a constructive objective. It does not, and that is what we have done here today. It has been sadly deficient.

So I again want to express my support for the basic points that the gentleman has been raising and suggest that within a very short period of time, perhaps a few days or even weeks, we will find that this balanced budget resolution, which will receive properly bold headlines tomorrow, will have been as shortlived as the WIN buttons that appeared in September 1974. What we have to do now is start again and see whether we can formulate some policies that really address the real needs of our country and the conditions that we actually face in the economy today.

I appreciate the gentleman's yielding.

Mr. GRADISON. I appreciate the gentleman's comments. Certainly the experience in dealing with this budget suggests that we need to review budget policy in much longer terms than just a year in time and, indeed, that many of the economic difficulties that we are facing today are the result of distortions built into the economy which were a direct result and a result that could have been anticipated from the fiscal policies carried out by this Government in recent years.

Certainly the extravagant Federal borrowing for both on-budget and off-budget items has resulted in great pressure on the financial markets during the peak of the boom and has raised interest rates, and it has certainly been a direct cause of a great deal of the unemployment and suffering facing people in the housing and auto industries, among others. It is a pity in view of this experience which is so recent, indeed, which is causing pain to many of our citizens at this very time, that we are not taking a longer and more realistic view of our proper role in setting sound fiscal policies for the years ahead.

Mr. Speaker, I now yield to the gentleman from Georgia (Mr. GINGRICH).

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Mr. GINGRICH. I want to commend my colleague from Ohio for holding this particular special order. Approximately 6 months from now we will be at judgment day in terms of the national elections and I think it will make interesting reading in late October and early November to come back and read today's RECORD and look at the promises of the majority and the things that were said about the budget and the things that are being said in this special order, and look at the reality of the situation we will then be in.

I wanted to draw out a couple of specific examples of why I feel that the debate today and over the last 2 weeks has really done a great disservice to this country.

In a free society, words are terribly important because they are the only measure people have of what to expect. When words are deliberately misused or are used in ways which lead people to expect things that will not happen, they degrade and decay the whole process of trust which is the basis of our society.

There has been a great deal of talk about a balanced budget which is frankly nonsense. This budget is not going to be balanced. I know of no one who in private thinks it is. It is in fact a paper promise.

Let me give a few examples of why it is not going to be balanced. The eight-tenths of 1-percent rise in joblessness during April was the largest 1-month rise since January 1975. As a specific facet of the decline in the economy, the economists for the National Association of Homebuilders projected a 1-million-unit drop in housing starts will mean a loss of $125 million in economic activity, 1.6 million jobs, $27.5 billion in wages, and anywhere from $11 to $14 billion in taxes at the Federal, State, and local levels.

The current projections are that only half as many houses will be started in 1980 as were started in 1978.

In one State, Wyoming, in the forest products industry alone there is 70 percent unemployment already and we have not felt the bottom.

The Christian Science Monitor on May 5 said:

> Americans appear to have lost their chance of balancing the budget for the first time in 12 years, although President Carter still pays lip service to that concept. With unemployment rising swiftly and recession deepening over the land, Federal tax revenues will shrink and spending will grow.

It would have been comforting had this House been honest and straightforward and said, "Yes, we know what the recession is going to do, we know that in fact the budget is not going to be balanced, we know that in fact we face real problems."

Forbes, on May 12 said and I quote:

> The recession of 1973–75 was the worst economic slump since World War II. A couple of important numbers published in mid-April support the view that the recession now under way is likely to be deeper and more prolonged than the last one.

Forbes goes on at a later point to say:

> A slump in the production of business equipment has consistently preceded a decline in a much broader sector of the economy—spending on new plant and equipment.

In other words, the multipliers are starting, the dominoes are beginning to fall and as each industry decays it then carries other industries with it.

Business Week on May 5 said:

> Given the speed with which the recession is developing, President Carter's new policy of economic restraint, announced on March 14 is already in jeopardy. It may well rival former President Ford's Whip Inflation Now program as the shortest-lived economic policy in memory. If the current downturn is on a track parallel to that of the last time around, the jobless rate could be approaching 8 percent sometime this summer—well above the projections of the administration.

Now, the point I would make is that these are not irresponsible partisan statements, there are not casual political comments. The best outside observers in this country fully expect a severe recession, a deep contraction, increasing unemployment and it is in fact a direct result of Government policy.

My last quote is Van Doorn Ooms, the Chief Economist of the Office of Management and Budget who said:

> We have been forecasting a recession's development since last July, and it is rather nice to be finally getting it.

I suspect that there are a lot of people who are getting laid off, who are getting unemployment or who are getting bankrupt who would not necessarily agree with "it is rather nice to be finally getting it."

The thing I would like to say to my colleague, and the reason I think this special order is so important, we are talking about more than jobs, we are talking about more than inflation, we are talking about more than just a need to turn the tide and begin programs and policies that will lead to real prosperity, to real growth, to new factories, to new development.

We are also, I think, faced with the most severe undetermining of political credibility since the beginning of the depression. The American people are being told daily that help is on the way and yet the truth is that this budget does not offer help, it does not offer hope, it will in fact by massively raising government tax revenues increase the government's share of the economy, increase the depth of the recession, increase the amount of unemployment, increase the pain in the cutting of real take home pay.

Mr. Speaker, I want to close by thanking my colleague for giving us the chance to look at the real situation as opposed to the sort of fantasies that were bandied about during the debate.

Mr. GRADISON. Mr. Speaker, I certainly want to thank the gentleman for measure of the bankruptcy of the ideas of economic growth that have been sold to the American public in recent years. We were told that the only way to deal effectively with inflation is to bring on the suffering of a recession into which we are now entering. There are clearly better ways and I am not at all clearly convinced that the budget debate and the budget policies that resulted in final action today in the House on the House version of the budget resolution indicate the wise course for us to follow in trying to bring about reasonable economic growth and reasonable stable prices in the long run.

Mr. Speaker, I yield back the balance of my time.

ADDRESS OF CONGRESSMAN JOHN BRADEMAS, "THE 1980 MEETING ON THE ARTS," METROPOLITAN MUSEUM OF ART

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. FORD) is recognized for 10 minutes.

● Mr. FORD of Michigan. Mr. Speaker, the Committee on Education and Labor earlier this week completed work on the House of Representatives legislation continuing the authorizations of the National Endowment for the Arts, National Endowment for the Humanities and Institute of Museum Services as well as amending the Arts and Artifacts Indemnity Act.

These measures, Mr. Speaker, constitute the major Federal programs in support of cultural activities in our country, and I am hopeful that the full House will mirror the overwhelming bipartisan support each of these programs received in our committee.

Prior to this committee action, the Subcommittee on Postsecondary Education conducted 8 days of hearings on these programs in Washington and throughout the country. In the course of these hearings, we heard about many of the exciting activities taking place around the country as well as about the problems facing those who support the arts and other cultural activities.

Our colleague on the committee and the distinguished majority whip, the Honorable **John Brademas** of Indiana, addressed many of these issues in his keynote address, "Times Go By Turns," delivered before "The 1980 Meeting on the Arts," a convocation held on April 20 and 21 at the Metropolitan Museum of Art in New York City.

Mr. **Brademas** was introduced on that occasion by Douglas Dillon, chairman of the board of the Metropolitan Museum.

Mr. Speaker, I insert at this point in the Record the remarks of Mr. Dillon and Mr. **Brademas**.

INTRODUCTION OF REPRESENTATIVE JOHN BRADEMAS BY DOUGLAS DILLON AT 1980 MEETING ON THE ARTS, METROPOLITAN MUSEUM—APRIL 21, 1980

It is a great pleasure for me to welcome this distinguished group here to the Metropolitan. We are delighted to serve as hosts to this 1980 Meeting on the Arts. I am sure that all of us will gain from the experience of these two days and will leave here better able to cope with the problems that are facing the Arts in the Eighties. I want to particularly thank Barbaralee Diamonstein for her efforts in arranging this remarkable meeting. We are all much in her debt.

My pleasant task this morning, which I feel honored to have been chosen for, is to introduce our keynote speaker, a man who needs no introduction to any culturally oriented audience.

I have known John Brademas and counted him as a friend for over twenty years, ever since his first term in Congress. He had earlier graduated Magna Cum Laude from Harvard where he was elected to Phi Beta Kappa and had also received a PhD in Social Studies from Oxford where he was a Rhodes Scholar.

John Brademas came to Congress as a young man of 33 whose educational record and service as an Executive Assistant to Adlai Stevenson promised great things. He has more than lived up to that promise. He has won the respect and admiration of his colleagues in the House of Representatives where he serves as Majority Whip, the third ranking position in the Majority Leadership. As such he has broad influence and power which extends over all areas of Congressional activity.

But we welcome him here today particularly for his role in promoting Federal recognition of, and support for, the Arts and Humanities in all their forms. He was the chief sponsor in the House of the Arts, Humanities, and Cultural Affairs Act which set up the two National Endowments, of the Arts and Artifacts Indemnity Act and of the Museum Services Act which set up the Institute of Museum Services. In short, he, along with Senator Pell in the Senate, is primarily responsible for all the legislation of the past 15 or 20 years giving recognition to the importance of the Arts.

But John Brademas is not one to rest on his oars. Despite his current heavy legislative responsibilities, his door is always open to anyone with a problem involving cultural policy. We are all of us fortunate that we have John Brademas in Washington for he is one of very few members of Congress who, in addition to his district, serves the whole nation as his constituency. It is typical of him that he responded favorably to Barbaralee's invitation to come here and address us today. I am proud to introduce to you my good friend, John Brademas of Indiana.

TIMES GO BY TURNS

(Keynote address of Congressman
John Brademas)

I am honored and pleased to have been invited to be with you this morning for this "1980 Meeting on the Arts."

I should like at the outset to pay special thanks to my good friends Douglas Dillon and Barbaralee Diamonstein.

Without the remarkable energies and talents of Barbaralee in helping organize this impressive event, I know it would not have been possible.

She—together with the American Council on the Arts, the Aspen Institute and the Ladies Home Journal—deserves the appreciation of all of us.

Douglas Dillon, meanwhile, has been through another ho-hum month at the Met . . . what with the unveiling of the new "André Meyer Galleries" of 19th century European art and the opening of the splendid Chinese bronze exhibition (which I visited last week). Few citizens of this city do so much to enrich its life—the lives of all who visit the Metropolitan Museum of Art—as does Douglas Dillon.

May I say that I am pleased also to see here another good friend who heads another great museum in this city, Mrs. Blanchette Rockefeller.

I am glad, too, as I always am, to return to New York, this great ganglion of a city. And what more appropriate reason could there be for a visit than to undertake an examination of the future of the arts in America?

And, Barbaralee, I must tell you how impressed I am that you have gathered here for this purpose so distinguished and talented a group of people.

II. AT HOME WITH THE ARTS

Now, you may be wondering, in the midst of this celebration, really, of artistic endeavor in America, "Why do we listen to a politician from the plains of Indiana?"

I can neither sing nor dance nor play an instrument. When it comes to acting, however, few Congressmen or Senators will make so sweeping a denial of talent!

For nearly twenty-two years, however, as a member of the Commitee on Education and Labor of the United States House of Representatives, I have been intimately involved in helping write laws that provide Federal support to the National Endowment for the Arts and to the National Endowment for the Humanities, support for museums and libraries, for schools and colleges and universities.

Much of my service in public life, therefore, has been devoted to the effort that brings us together here today: strengthening the place of the arts in the life of our country.

So, I feel at home with you.

III. A MOMENT OF IMPORTANCE

As we meet this morning, the talk all over the city is of money: "Who's going to get what?" "Where will it come from?" "Who's going to pay for it (whatever 'it' is)?"

Whether it's the subway strike or the cabfare hike, money in New York City these days is hard to find and, perhaps for that reason, easy to talk about.

I can assure you that in Washington we're talking about money too. For in recent months, there has swept through the Nation's Capital a determination to balance the Federal budget for the 1981 fiscal year . . . in response to a perceived desire on the part of the American people that Congress "do something" to try to bring inflation under control.

Whether balancing the budget will have that effect is not altogether clear, but what is, in my judgment, evident is that Congress will this year insist on a balanced budget.

And so there is little question either that, for those who have grown accustomed to an expanding Federal presence, there is a new mood in Washington: And the appropriate phrase to describe it is neither "Breaking Away" nor "Starting over" nor "Being There". It is "Making Do".

Now I remind you that 1980 marks the 15th anniversary of the legislation that created the National Endowment for the Arts and the National Endowment for the Humanities, probably the single most important measure ever enacted in this country in support of the life of the mind and of the imagination.

And I must tell you, too, that even now, this very week, we who sit on the Education and Labor Committee of the House of Representatives will be deep into consideration of proposals to continue the life of the two endowments for five more years as well as to extend two other major pieces of arts legislation, the Museum Services Act and the Arts and Artifacts Indemnity Act.

IV. TRENDS AND COUNTERTRENDS

Let me tell you a little of what my colleagues and I who serve on the subcommittee with jurisdiction over this legislation have been doing. But before I do so, let me take just one moment to pay particular tribute to the work of three of these colleagues: The distinguished chairman of the subcommittee, William Ford of Michigan; the ranking Republican on the subcommittee, John Buchanan of Alabama; and another talented young Republican, Jim Jeffords of Vermont, along with Sid Yates of Illinois, who faithfully oversees these matters for the Appropriations Committee. Of course, I need hardly remind an audience in New York of the active support for the arts of my good friend from New York, Congressman Mario Biaggi, Peter Peyser and Ted Weiss, as well as Congressman Frank Thompson of New Jersey. And, of course, I must salute Senator Claiborne Pell of Rhode Island and your own Jacob Javits as well. As you can see, arts support in Congress is strictly a bipartisan affair!

In any event, in recent months our subcommittee has been conducting hearings, in Washington and throughout the country, to examine the "state of the arts", so to speak, and to assess the impact, at the local level, of Federal *support* of the arts.

We visited Detroit and San Francisco and Cedar Rapids and New York—and, you will not be surprised to hear, had a day of testimony from more than a dozen witnesses from Indiana as well.

What did we find? What is the state of the arts today?

If we are to judge from what we heard during our hearings, the answer is vigorous, nay, vibrant. We listened to nearly one hundred people in all—artists and actors, educators and community arts organizers, jazzmobile directors and museum administrators, dancers and opera singers.

We covered an extraordinary range of activities, and we only skimmed the surface! I have little doubt, however, that what we found in these very different cities is true, in greater or lesser degree, in other communities as well.

GROWING APPETITE

For America's appetite for the arts is growing and shows no signs of being sated. Consider these numbers:

In 1966, the Arts Endowment estimated that there were only a handful of professional, non-profit performing arts organizations in the country, including 53 professional symphonies, 27 opera companies, 12 resident theatres, 10 resident dance companies and 27 touring dance companies. There were only 7 state arts agencies in the United States.

What is the situation today?

We find 144 professional symphonies (as compared to 58 in 1966), 65 fully professional opera companies, 70 large and 200 small theatre companies, and *300* dance companies! Every state in the union now has a *full-time* state arts agency, and the states now appropriate a total of nearly $90 million a year for the arts, compared to $4 million in 1965.

These figures reflect an interest in, and exposure to, the arts unlike anything we have seen before in this country. And I find it particularly gratifying, and a positive sign for the future, that much of this new attention to the arts is to be found among young people.

In considering the future of the arts in America, we must consider the marvels of technology as well. For increasingly sophisticated equipment has had much to do with creating larger—and increasingly sophisticated—audiences.

Who knows how far this process will extend? My good friend Doug Davis, in fact, heralds the start of a new "arts age" built on scientific advances already made or soon to be at hand. And he may be right. We have, after all, moved in little more than a century from daguerrotypes and lead-type printing presses to "Live From the Met" and satellite transmission of full-color motion pictures with Dolby sound. And the pace accelerates!

FEDERAL RULE

We heard then, in our hearings, about new technologies and local arts activities and the creation of new arts lovers among the young. But what we heard about most consistently, as a part of of this flourishing arts scene I have been describing for you, was the crucial importance of Federal support for the arts.

Witnesses spoke not solely of Washington's role as a source of direct financial assistance to cultural institutions, but also of the other valuable functions the Federal Government performed:

As a catalyst for State and local government support of the arts;

As a lever—through the highly successful challenge grant programs of the two endowments—to encourage increased support by individuals and by business and industry; and

As a sounding board for generating greater public awareness of the arts. Indeed, our hearings served that purpose themselves, as witness the extensive coverage given our recent day at the Juilliard School by both the Times and the Daily News.

In sum, then, we found a Nation with a thriving arts scene, an understanding of the need to support these activities and an appreciation of the role the Federal Government has played in enhancing this support.

TROUBLED AS WELL

Having said all that, however, I am obliged to paint the other half of the picture. And that half is not nearly so bright. For if the state of the arts can be described as "vibrant", it can, with equal justification, be described as troubled.

Here are some of the factors I have in mind as we consider the climate in which we must now make decisions about the arts:

First, inflation and the spiraling cost of energy have placed an unexpected squeeze on the operating budgets of cultural institutions large and small;

Second, growing tensions between the United States and the Soviet Union have increased pressure for military, rather than domestic, spending;

Third, resistance, at the Federal, State, and local levels, to bond issues and new taxes has infected the balanced budget movement with a strong case of "Proposition 13 fever." I shall have more to say about this in a moment;

Fourth, cutbacks in arts education programs in our schools have grown out of—and, in my view, distorted—the so-called "back-to-basics" movement in education; and

Fifth, the feeling is present in many quarters that the arts are an add-on, to be supported only if money is left over after the "important" matters are dealt with. Not surprisingly, people holding this view rarely find any money left over.

DISTURBING "COUNTERTRENDS"

These negative signs—"countertrends," if you will—are disturbing to all of us here today. As one who must somehow ride the various cross-currents of politics and policy in this and other areas, I can tell you such countertrends make life particularly difficult.

Much of politics consists of reading and responding to the public mood, yet the public is of several, contradicting moods:

On the one hand, increased leisure time and the search for new and exciting ways to fill it give the arts a larger and larger role in the lives of most Americans. Yet the Calvinist ethic lives on, and for some, leisure time is still a luxury.

On the one hand, political support for the arts has expanded almost exponentially in recent years. In the House of Representatives, Members who neither knew nor cared much about the arts are now pressing for even greater Federal support for them.

John Buchanan of Alabama—who, as I said, is the ranking Republican on our subcommittee—has been pleased to tell our witnesses how he "got religion" on the arts and how proud he was of the designation, several years ago, of Birmingham, Alabama, as an "All-American City"—based on its improved race relations and its burgeoning arts community. Yet, on the other hand, the political vitality of the balanced budget movement, and its likely impact on our cultural institutions, and our schools and colleges and universities, cannot be ignored.

On the one hand, we see vastly increased travel abroad by Americans, and great attention paid to exhibits like King Tut or Dresden or the Chinese bronzes, which illuminate another culture. Yet foreign language studies and international affairs courses have been slashed or eliminated altogether by school boards and college administrators throughout the country.

On the one hand, we see—as we did over and over again in California—an expectation of further defeats on referenda to cut state taxes and vital state services. Yet many of these same people also anticipated that Washington—which, needless to say, has problems enough of its own—would come to the rescue with increased Federal funding. I was constrained to warn these witnesses that, if the people of California were intent on committing hara-kiri, Washington would not stanch the bleeding.

In matters of government spending, we discovered in our hearings that the American people have been speaking with discordant voices.

And an uncertain public makes charting a course for arts policy in the eighties equally uncertain.

V. NEW STRATEGIES FOR NEW TIMES

How are we to respond to the kinds of conditions I have outlined, those of you who support the arts in your communities and states, and those of us who help set Federal policy in support of the arts?

Well, we certainly do not respond by throwing up our hands and leaving the field to others less inclined to struggle on behalf of the arts. The stakes are too high.

But the altered world I have described for you requires new ground rules and, therefore, new strategies to deal with them.

Let me suggest, from my perspective as a legislative champion of the arts, several such strategies; and bear in mind here that I shall try to be instructive rather than exhaustive.

The first strategy is realism. We must understand that the good old days of constantly rising budgets are gone. Nor is this the time to be writing major new programs in support of the arts, or for many other programs either, for that matter. We are in a time of cutback and trim.

I recently spent two weeks taking part in a process as painful as any I have experienced in my twenty-two years in the House. For eight straight days—morning and evening, weekday and weekend—leaders of the House and Senate met with the President's top economic advisers to try to devise a balanced budget for the coming fiscal year.

I say "painful" because the pressure was really on to reduce expenditures for programs I have long supported, programs which, in terms of needs to be met, are already underfunded. I can tell you that we were able to hold the line against sharp cuts in money for the Arts and Humanities Endowments and the Institute of Museum Services. On the other hand, I should be less than candid if I promised you vastly increased funding for these programs—the time is not right.

I should point out, too, that the congressional budget-making process has several steps, of which the meetings I have described were just one. Our subcommittee will set authorization levels for NEA, NEH, and IMS, "marking up" the bill, we call it—the amendment stage. And I suspect that we shall be somewhat more generous than our colleagues on the Senate authorizing committee were able to be.

Both the House and the Senate must, of course, vote on the bills recommended by their respective committees, and a final compromise bill must be approved.

But then, the House and Senate Appropriations Committees will have their say!

To reiterate, the process is not a simple one. And, with inflation figured in, we can be excused for comparing ourselves to Alice, forced to run as hard as she could simply to stay in one place.

USE EXISTING RESOURCES

All the more reason, then, in following this strategy of realism, to make the best possible use of existing resources, of whatever size, and to develop new resources as well, a subject I want to explore in greater detail in a moment.

Now, having extolled the virtues of pragmatism and lowered expectations, I may surprise you with my second suggested strategy: Advocacy. You should be more active than ever before in fighting for support of the arts, and you should press your effort at all levels of government—local, State and Federal.

As part of this fight, you must change people's minds as to what constitutes so-called "non-essential" Government spending. Support for arts education programs in our schools is a prime example, and an area where your efforts could make a major difference with important consequences for the future.

In the conflict between heightened consciousness and tightened pocketbooks, there are no clear winners. But I believe the "cutback-and-trim" and "back-to-basics" forces, in slashing arts education budgets, misdirect their energies. Nothing could be more basic than that our schools help develop complete human beings, children who can read and write, think and feel.

You must press this point—and the growing evidence that arts education pays significant dividends in helping children learn more traditional skills—on all those who help set school policy.

Let me suggest another focus for your advocacy: Those of us in public office. In his statement before the subcommittee, Theodore Bikel, of course, argued in favor of continued Federal support for the arts, but went on to say this:

"What distresses me somewhat is that we seem to be forced to make these basic arguments each time we come before you, as though it were perennially required for the arts to present a case in justification of their very existence within the framework of Government concern; that each time there are those who would dismiss us as frills and luxuries and that therefore, only the private sector should be properly concerned with our Nation's culture. I know that the members of this committee are far more enlightened and sophisticated than to need basic appraisals but the suspicion persists that we may have to resort to basics for the sake of others not so enlightened."

Bikel's generously exaggerated view of our sophistication aside, I believe he is right. But the "back to basics" of which he speaks should be seen as an opportunity as much as an obligation.

I know, for example, that in the House of Representatives, an entire new generation of men and women—well over half the membership—has come to Washington in just the past half-dozen years. Many of these Representatives have little awareness of the efforts that led to Federal support of the arts. I suspect the situation is much the same in State and local legislative bodies, and you should therefore seek these officials out and make your views known to them.

CREATIVE POLITICS

My third and final strategy is this: Creative politics. Those of you who support the arts must bring new players into the game and forge new and stronger alliances in pursuit of your goals. This is all the more important at a time when, as we have discussed, existing sources of funding are less bountiful.

Any examination of American history makes clear the value of such alliances. Let me suggest some of the moves I have in mind:

You must, for example, convince business leaders that "patron of the arts" is an appropriate, indeed, a desirable, role for them to play. While business support for the arts has been growing, corporations still have a long way to go. For years, average corporate giving to nonprofit institutions has remained at just one percent of pre-tax profits.

I read last month of Lawrence Wien's extraordinary efforts to add a spark to the corporate giving picture. As The Times reported, under a headline that termed him the "Lone Ranger of corporate philanthropy," Mr. Wien has bought 100 shares each of some 135 companies that reported profit increases, and he has filed shareholder proposals with more than 80 of them. In most cases he has asked that companies raise their annual level of giving to 2 percent.

Apparently, Mr. Wien has been somewhat successful. Although corporate management has consistently recommended against his proposals, a number of those companies have decided to increase their philanthropy.

Now, I am not suggesting that Lawrence Wien's stategy is a practical one for each of us. Quite clearly, such behavior takes a person of large vision—and larger checkbook!

But there are people here who do have some influence in the boardrooms of America, and that influence is a resource that ought not be overlooked.

FOUNDATION ASSISTANCE

In similar fashion, I believe that foundations, which for years had been a major component of arts support in this country, should be prevailed upon to resume their leadership. According to the comprehensive survey of "public and private support for the arts in New York City" published earlier this year by the cultural assistance center, total foundation giving—only 10 percent of which traditionally goes to the arts—from 1970 to 1978 grew from $1.9 billion to $2.2 billion, an increase of only 16 percent.

By contrast, during this same period, corporate giving rose 150 percent, from $0.8 billion to $2.0 billion, while individual giving increased 128 percent, from $14.4 billion to $32.8 billion.

The survey notes, by the way, that individuals thus gave fifteen times as much to all charitable organizations as either corporations or foundations and may constitute for arts organizations "a largely untapped resource".

In discussing creative politics, I do not mean to limit myself to new forms of direct financial support. It is just as important to encourage greater cooperation among organizations now working in the field so that existing resources might be more effectively utilized.

In that connection, the recent cooperative proposal of the National Assembly of State Arts Agencies and the National Association of Community Arts Agencies for a new NEA "state and local incentive program" is a positive development.

The purpose of the program would be threefold:

First, to assist State and local arts agencies in becoming better able to support the arts;

Second, to develop and encourage new levels of State and local government money to support the arts; and

Third, to encourage cooperative planning and preparing for the arts between and among local arts agencies, State arts agencies and the National Endowment for the Arts.

This proposal, and the cooperative effort required both to produce and implement it, seem to me extremely valuable.

DANGER OF FRAGMENTATION

One of the paramount dangers facing the arts today, many people feel, is fragmentation. The diversity that makes the arts so exciting to performer and observer alike makes coordinated effort difficult.

It was Voltaire who wrote, "All arts are brothers; each one is a light to the others." Two centuries later, we often seem to forget that fact. Claims for the prominence of one art form over another—or of one group or one community—can undermine what should be a common commitment to the arts as a whole.

That is why a conference of this kind is so important. Let me suggest, in fact, to Barbaralee that "The 1980 Meeting on the Arts" not be a "one-time-only" event, but that she consider making it an annual occurrence—a gathering of the clans, if you will, to keep us in touch with one another on a more regular basis.

I have discussed creative politics in terms of new money and new levels of cooperation. But creative politics involves new constituencies as well, and for that, new awareness.

For example, I was stunned at the number of people we spoke to in California who recited a litany of disasters that would stem from the passage of "Proposition 9" later this year—but who went on to say "and if it gets on the ballot, it will pass overwhelmingly."

These people may be right, although I understand that Proposition 9 is now running into strong opposition.

I believe, in fact, that, in California and elsewhere, as people come to recognize the potential impact of such measures, they are beginning to fight back.

For we are talking, not only about a few artists but of the millions of people who visit a museum, attend a concert, or see a play.

We are talking not only about school children but about their parents and teachers and school administrators as well.

We are talking not only about teenagers who will have fewer things to do but about local officials and neighborhood leaders who recognize that community art programs can offer a life rope to youngsters in trouble.

Together, all these people represent a constituency capable of changing many minds. You must make common purpose if you hope to influence policy in the difficult days ahead.

Politicians of all types, by nature and by necessity, want to be responsive to the people they represent; and it would be a great mistake for public officials at any level to underestimate the degree of public support that does exist for the arts. But it is the responsibility of you who are advocates for the arts intelligently, creatively, effectively to articulate that conviction to your representatives, elected and appointed.

VI. CONCLUSION

These, then, are only some suggestions I would offer as we enter a troubling but exciting decade. Much of what I have said may appear to be political in nature, but the matters we are considering at this "Meeting on the Arts" are largely matters of public policy and public perception. Insuring a vigorous and vital role for the arts in American life will require the building of coalitions and the mobilization of constituencies, both political tasks for which I suspect all of you are far better equipped than you might imagine.

"Times go by turns," wrote the poet Robert Southwell nearly 400 years ago, "and chances change by course/from foul to fair, from better hap to worse."

These are difficult times, to be sure, but armed with energy and good will and imagination, we can make our way to fair weather once again.

Thank you.●

MCCC SOLAR CAMPUS IS PUTTING MISSCO ON INTERNATIONAL MAP

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Arkansas (Mr. ALEXANDER), is recognized for 10 minutes.

● Mr. ALEXANDER. Mr. Speaker, on April 25, 26, and 27, Energy Expo '80 was held on the campus of the all solar powered Mississippi County Community College in Blytheville, Ark. This first regional Mid-South energy exposition featured 12 public workshops, an energy film theater, and more than 70 energy-related exhibits and demonstrations.

The purpose of Energy Expo '80 was to demonstrate to people at the local level the highest state of art for energy conservation and alternative energy production. Attendance at this 3-day event exceeded 25,000 people, and from the enthusiasm of the attendees, exhibitors, and workshop participants, it was evident that Energy Expo '80 significantly expanded awareness of the energy and economic options available to break the foreign oil habit and achieve energy self-sufficiency.

One of the collateral benefits of the Expo was to focus attention on Mississippi County Community College, popularly known as MC,[3] which is the world's largest total solar photovoltaic energy demonstration project. This particular facility attracted considerable attention from the 72 foreign visitors—senior government officials and university professors—that attended Energy Expo '80.

Concerning the Expo and Mississippi County Community College, an interesting article appeared in the Osceola Times which I offer for the consideration of all Members of Congress:

[From the Osceola (Ark.) Times, May 1, 1980]

MCCC SOLAR CAMPUS IS PUTTING MISSCO ON INTERNATIONAL MAP

(By Phil Mullen)

Energy Expo '80, held at the Mississippi County Community College last weekend, was an evident success as big crowds braved the wet and cold weather to stream through the huge tent and view the more than 50 exhibits and to attend the many workshops.

Two participants best illustrated the affair: Congressman Bill Alexander, the chief sponsor of Expo, and Mark Smoot, MCCC student, who came all the way from Denver, Colo. to study solar engineering.

Congressman Alexander, as he attended church at Calvary Episcopal on Sunday, was elated at the conferences, meetings and receptions which he had attended and which also welcomed energy experts and students not only from all over this country but also from 20 foreign countries.

Mr. Smoot is an example or how the Mississippi County Community College is nationally famous as the first "All Solar Campus" and which has been one of the pioneers in offering associate degrees in solar engineering.

The young man is not exactly a stranger here. He is married to the former Miss Pam Taylor, daughter of Mr. and Mrs. J. W. Taylor.

More than two years ago, Mr. Smoot began regarding the field of solar engineering as the opportunity of the future, "something like computers were 25 years ago," he said.

His in-laws, the Taylors of Osceola, Ark., mailed him a newspaper clipping about this new college and its all-solar campus. His wife was very agreeable to moving back home for a spell and so they did.

Mr. Smoot has been employed part time and had attended MCCC where he will graduate next month with a degree in Solar Engineering.

Mrs. Smoot, remembered here as a very pretty high school girl, is a registered nurse, graduating from St. Joseph's Hospital in 1974. She has been serving at Osceola Memorial Hospital the past two years. Her mother worked there before her.

The two met after Miss Pam Taylor had visited in Denver and liked it and just removed herself from Memphis to the mile high city.

Now they will return to Denver where Mr. Smoot will work and continue his education. He will pursue further engineering studies. This is a field, he says, "which is exciting in addition to offering a means of making a livelihood."

Authorities state that solar power will provide 20% of this nation's energy needs by the year 1990.

And Mississippi County Community College, of Blytheville, Ark., no doubt will remain as one of the outstanding educational institutions in this sunny field. ●

A SALUTE TO REV. WILLIAM F. CROCKETT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. STOKES) is recognized for 10 minutes.

● Mr. STOKES. Mr. Speaker, on Sunday, April 27, 1980, I had the opportunity to share a momentous occasion with a very close friend. The occasion was the trial sermon of Rev. William F. Crockett which was delivered at the Shiloh Baptist Church at 5500 Scovill Ave. in Cleveland, Ohio. The senior pastor of the church is the distinguished and esteemed Dr. Alfred M. Waller.

Mr. Speaker, Reverend Crockett shared the intimate fact with me and other close friends that he has known for some time that God had called him to preach and that he had tried to avoid the call. A few weeks ago, he shared with me his decision to stop running from God's call and stated that he had made plans to enter the ministry and deliver his trial sermon.

Mr. Speaker, Reverend Crockett is a very able, talented, educated, and articulate individual. He has been actively involved in every facet of the community—in its civic, religious, social, and political activities. The evidence of his involvement in the community was demonstrated by the host of friends who joined him on this occasion in order to demonstrate, not only their respect and admiration, but their thorough support of his new role in life.

Reverend Crockett is a graduate of the Cleveland College of Western Reserve University and has a MBA degree from Baldwin-Wallace College in Berea, Ohio. Currently he is a student of theology at Ashland Theology Seminary.

In terms of his professional career, he is currently an employee of the CETA Administration, Human Resources for the city of Cleveland. He has also worked as an inspector for the board of elections, as an EEO Officer with the CETA program in Cleveland and as a supervisor with the Cuyahoga County Board of Elections. Additionally, he currently serves as the project director for the Carnegie Roundtable.

His fraternal affiliations include his position as the associate editor of the Lamp which is the official publication of the Prince Hall Masonic Grand Lodge of Ohio, deputy imperial convention director of the Ancient Egyptian Arabic Order Nobles of the Mystic Shrine and membership in the Prince Hall Masons and Shriners.

Therefore, as you can see, Mr. Speaker, Reverend Crockett is an extraordinary man who has given generously of his time and talents to many organizations and people. Now, this man has decided to do even more for people by dedicating his life to God and entering the ministry.

At this time, Mr. Speaker, I want to share Reverend Crockett's trial sermon entitled "Obeying the Command" with all of my colleagues whom I am sure join me in extending their heartiest congratulations to this new minister:

OBEYING THE COMMAND

I should like to invite your attention to two pages of Scriptures as recorded in the Living Bible.

In John 9:4 it is written, "All of us must quickly carry out the task assigned us by the one who sent me, for there is little time left before the night falls and all work comes to an end."

Hebrews 12:25 says, "So see to it that you obey him who is speaking to you. For if the people of Israel did not escape when they refused to listen to Moses the earthly messenger, how terrible our danger if we refuse to listen to God who speaks to us from Heaven."

For just a few minutes, I want to talk to you from the subject, "Obeying the Command".

Down through the ages, God has seen fit to speak to man at different times and in different ways. But whatever His means of communication—whether direct, through visions and dreams, or otherwise, it is man's best interest to listen and to respond when God speaks.

History and personal experience attest to the fact that reward and success are the fruits of obedience. Similarly, however, we are also made aware of the harsh and oftentimes frightening consequences of disobedience.

Although there are numerous examples of this balance of great Truth, briefly I'd like to discuss the roles of two Biblical figures who can be found at opposite ends.

When Abram was 99 years old, God appeared to him and said ". . . I am the Almighty God; walk before me and be thou perfect." God then issued to Abram specific instructions. He changed his name to "Abraham" and established with him a covenant, or contract. In effect He told Abraham that he was being assigned certain duties, and that he was required to carry them out exactly as he was instructed. God told him his wife's name was being changed from "Sarai" to "Sarah", and although Sarah was then 90 years old, she was going to bear Abraham a son whose name was to be Isaac. Listen to me Abraham, this new name I've given you has special meaning, for you'll become the father of multitudes, of nations and kings. I am making you the owner of all the land of Caanan and it shall be yours forever. Prosperity and abundance shall be yours. You shall be my agent and the leader of the people.

They tell me that Abraham fell down on his face, laughed and said in his heart, "I'm already a hundred years old and Sarah is 90, how can she possibly bear me a son at this late date." Let me use my own imagination here. In his mind Abraham is questioning God, saying Lord, it is a matter of common knowledge that at our age the human reproductive organs have degenerated into a nonproductive state. The biological realities of humankind just don't permit Sarah and me to produce a son, and maybe, just maybe Lord, you meant to tell me something else.

Man has always wanted to apply his own understanding and logic to any situation that seems out of the ordinary, and Abraham was no different. What is it that causes us, with all our limitations and imperfections, to question our Creator who fashioned us out of the dust, as it were?

Abraham's strong faith and trust in God enabled him to put aside his own doubts and suspicions, and he did as he was instructed. And everything God said he would do, He did. That has always been and ever shall be the case with God.

Come with me now and contrast the prophet Jonah's response with Abraham's.

Jonah was a prophet of Israel, a citizen of Gathhepher in Galilee. During the reign of Jeroboam, he had foretold Israel's recovery of Hamath. There came a time when God instructed Jonah to go to the city of Neneveh, a city consumed with wickedness. Jonah was to speak out against their sinfulness and tell the people that God was most displeased. But Jonah did not want to go and boarded a ship at Joppa to run away to Tarshish. He paid for his ticket and "climbed down into the dark hold of the ship," there to hide from the Lord.

I wonder how many of us have at some point tried to hide from the Lord. I must personally plead guilty, but I tell you there just is no hiding place, for if there were, I would not be standing here in this capacity at this moment. Two and one-half years ago it was revealed to me that I should preach the gospel of Christ but that wasn't what I wanted. My own agenda was replete with things I wanted to do with the remaining years of my life, and while much on that agenda had to do with doing the Lord's work, it included a major flaw that could only be erased by complete obedience on my part. In the intervening months between 1977 and last month God spoke to me on four major occasions and each time, except the last one, I attempted to interpret something other than the message conveyed to me. Oh I made up my mind some time ago that one-tenth of what I earn doesn't belong to me, but to God. I understood and still practice visiting the sick, feeding the hungry and generally sharing with others a portion of that with which God has blessed me. But God kept on pricking my conscience, and I said I tell you what I'm going to do, Lord, I'll make a tradeoff with you. I've been asked to serve as superintendent of the Sunday School and if the people want me, I'll do that job and that should satisfy Your demands on me. I'll give it everything I've got and maybe this tinge of guilt I feel at not doing exactly what you've told me to do, will somehow go away.

It does not work that way, my friends. It was sheer brainlessness on my part to think I could substitute my will for God's. Just like Jonah, who felt the Lord's wrath and experienced great agitation and disorder because of disobedience, I too have been exposed to the agonizing trauma of upheaval, disruption and even defeat.

And so I decided to search the Scriptures to counterbalance the results of doing my own thing, as opposed to doing what God told me to do. I discovered or rediscovered, that in the book of *Numbers*, Aaron and his sons received compensation for obedience in rendering service in the Tabernacle, and therefore must obey.

In *Psalms* the righteous are steered away from harm, success is the reward of the obedient, and although weeping may endure for a night, it is promised that joy comes in the morning. I must obey.

In *Proverbs* I'm told to trust in the Lord with all my heart and lean not to my own understanding; that the evil man gets rich for a moment but the obedient man's reward lasts forever. I've got to obey.

Isaiah promised that God will come in all his power and pass out rewards equal to what each of us has done. I have to obey.

Matthew tells me that the follower of Christ will be reviled, persecuted and lied about, but he said be happy about it because a tremendous reward awaits me; then Christ poses the question, "What profit is there if you gain the whole world—and lose eternal life. I tell you I've got to obey.

In *I Corinthians* Paul says "If I were volunteering my services of my own free will, then the Lord would give me a special reward; but that is not the situation, for God has picked me out and given me this sacred trust and I have no choice."

Phillipians reminds me ". . . I can do everything God asks me to with the help of Christ who gives me the strength and power"; that it is the Lord Christ who is going to pay me, giving me my full portion. I must obey.

In *Hebrews* I'm instructed to keep my trust in the Lord alive, to keep on doing His will no matter what happens, if I want Him to do for me all that He has promised. I must obey.

2 Peter informs me that destruction lies in store for false teachers and those who live in evil pleasures day after day, pretending to be what they're not. I've just got to obey.

Revelations exposed to me the Glory of God and promised the return of Christ to reward all according to their deeds. I must obey.

In conclusion, I am grateful to God that with all my sinfulness, flaws and imperfections, He yet permits me to look heavenward and cry out, "Father."

I am therefore consumed by the desire to live out the remainder of my life in such a way that God can, with a smile of approval and satisfaction on His countenance, look down upon me and say my son, my son, my son.

God bless you.●

PHILIP MAZZEI

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. ANNUNZIO) is recognized for 5 minutes.

● Mr. ANNUNZIO. Mr. Speaker, I rise to call the attention of my colleagues to a learned address delivered by Sister Margherita Marchione at the Conference on the Contribution of Italians to the United States before the Civil War held by the National Italian American Foundation in Washington, D.C., on April 18, 1980.

Sister Margherita is the Nation's leading scholar on the life of Philip Mazzei, the great American statesman who shared his political ideas with Thomas Jefferson as they worked together in the movement for this country's independence.

Sister Margherita, who heads the Salvatori Center for Mazzei Studies at Fairleigh Dickinson University, has authored a book on Mazzei. In a recent letter to her, the Honorable George M. White, Architect of the Capitol, wrote, in part:

> Mazzei is no stranger to us at the Capitol, since it was he who assisted Benjamin H. Latrobe in 1806 in locating fine Italian sculptors for our building, then under construction. Your book on Mezzei would be a very welcome addition to our library, indeed.

I hope my colleagues will be as inspired as I am by such a report on the contributions and response of our forbears to the challenges and travail of our Nation during their period in our history.

Excerpts from Sister Margherita's address follow:

ADDRESS BY SISTER MARGHERITA MARCHIONE

I shall begin by reading a translation of Philip Mazzei's epitaph, written in Latin by his friend Giovanni Carmignani at whose request Mazzei wrote his Memoirs:

"To Philip Mazzei of Poggio a Caiano, a high-minded and most incorruptible man, the best of citizens even in evil times, who saw the ways of many peoples and cities. Granted citizenship in the United Colonies of North America, he carried out for them a diplomatic mission in France and throughout Europe and wrote excellent commentaries on their bodies politic. He accepted a diplomatic mission in France from the most humane of Polish Kings, Stanislaus Poniatowski, who was one of his more intimate friends. Well deserving of both Monarchy and Republic, and felicitously reconciling differences, he won honors and favors for himself and friends. He died in Pisa on March 19, 1816, at the age of 86. Wheretofore Antonia, his wife, and Elizabeth, his daughter, Gratefully placed this memorial."

The epitaph stands, as a resumé of Mazzei's life—the life of an interesting figure of the Enlightenment—which began on December 25, 1730, almost 250 years ago.

Today we honor Philip Mazzei, a Citizen of the World who lived in Florence, Italy, and was the Grand-Duke's friend.

In Smyrna, he was a surgeon. In London he was a merchant. In Paris he was Virginia's agent. In Warsaw he was advisor to King Stanislaus. In Albemarle County, Virginia, he was called "after Mr. Jefferson, the best leader in the county."

In 1771, Mazzei developed a plan to form an agricultural company for the purpose of introducing into the colonies the different cultures of Europe. It met with the approval of Thomas Adams and a group of Virginians. It did not take much convicing to get Mazzei involved. In fact, in 1773 he ended his stay in foggy London to move to sunny Virginia, where the climate, both physical and ideological, would be more congenial to him—a Tuscan and a Whig well-versed in the teachings of the French philosophies.

Soon Mazzei's fame spread among the gentlemen farmers of Virginia. Through Thomas Adams he was offered 5,000 acres by the Assembly, which he did not accept. He chose instead to go beyond the mountains where he hoped to find suitable land. On the way there, he and Adams were invited by Jefferson to rest at Monticello. Engaged in agricultural experimentation, Jefferson was delighted to talk shop with the sparkling visitor who had just arrived with men, plants and implements to transform Virginia agriculture.

Mazzei relates in his *Memoirs* that early the following day he and Jefferson made a tour of Monticello. He learned that the adjoining 400 acres belonged to a "poor farmer" who could not afford slaves. The cabin there would be large enough for Mazzei's farmers. Jefferson convinced his guest of the quality of Albemarle's rich, red clay soil and, to add force to his argument, he offered a gift of 2,000 acres to add to the 400. The men cleared the land and Jefferson supervised the building of a main house for Mazzei. Other buildings were added to his estate, *Colle*, which rose within sight of Jefferson's Monticello.

In Virginia, Mazzei lost no time in organizing a company for the purpose of raising and making wine, oil, silk. It was the first "Wine Company" in America. Thirty-one prominent colonial leaders (including Lord Dunmore, George Washington, Thomas Jefferson) subscribed paying 50 pounds sterling per share. Virginians were eager to participate in his schemes for producing new products and for encouraging viniculture. Years later, Benjamin Henry Latrobe wrote to Mazzei (6 March 1805): "The time is already approaching when our vines and our olives will spread your name and our gratitude over a great portion of our country."

Within a few months after his arrival, Mazzei not only became a naturalized citizen but, aware of the tensions between Great Britain and the Colonies, he lost no time in espousing the cause of the Colonies. His agricultural undertakings were gradually pushed into the background by events of military and political importance and, like his friend Jefferson, he was totally involved in the movement for independence. They shared political ideas, and according to his *Memoirs*, Mazzei and Jefferson published a periodical sheet which was distributed by the gazettes. They agreed that Mazzei's writings should be anonymous and so his newspaper articles appeared under the pseudonym of "Furioso." In our search we have not found this pseudonym; instead we learned that Mazzei called himself "Citizen of the World." We located his "Observations of a citizen of the word to an *American*" which he transcribed for Count de Vergennes in 1781. The lengthy front-page article extended to page two of Dixon & Hunter's *Virginia Gazette*. It was published in the August 24, 1776 issue.

Perhaps Mazzei's greatest contribution to the cause of the American Revolution was as a propagandist. Not sharing the reluctance of other Americans to sever all ties with Great Britain, it was easier for him to advocate a complete break. His first defense of the American cause to European readers is dated February 12, 1774 in *Notizie del Mondo*. On June 10, 1775, (before Thomas Paine's writings) he wrote a similar piece for the *Gazzetta Universale*. In it Mazzei states that the Colonies are "united and are now so tightly bound together that the whole world cannot disunite them, and if but one is touched, all of them will react." He then speaks of Boston blockade, the work of the Committees of Correspondence, and the election of delegates to the General Congress. And in September 1776 he translated the Declaration of Independence for both those papers. Mazzei fought against the misunderstandings and deliberate misrepresentations disseminated by the European newspapers.

Mazzei's involvement in political affairs was constant. After the landing of the British at Hampton, he marched with the Independent Company of Albemarle County. When Lord Dunmore took refuge on the Fowey man-of-war, the Assembly requested that he order the arms, which were left in the palace, to be removed to the public magazine. Lord Dunmore refused to comply. On June 24, 1775, a group of twenty-four Virginians including Philip Mazzei, successfully stole the arms. Not only was Philip Mazzei a member of the group, but he also contributed toward the expenses of this undertaking.

By 1776, Mazzei was an active presence in Albemarle County politics. While virtually none of his incoming correspondence survives, his letters to John Page and to Patrick Henry attest to his feelings at home with the Virginia leaders. Mazzei's "Instructions of the Freeholders of Albemarle County to their Delegates in Convention" is a concrete example of his desire to participate in the drafting of a constitution for the new state.

There is no doubt that this recently identified document-draft was written by Mazzei. Its importance was recognized in 1952 when Julian Boyd stated in an editorial note (*The Papers of Thomas Jefferson, Vol. 6*) that Jefferson's "own draft-constitution of 1783 was influenced by these views of the Albemarle inhabitants." Boyd printed the clerk's copy found among Jefferson's papers. He was not aware that the document was Mazzei's. Written in May 1776, Mazzei's words are prophetic when he speaks of "men now labouring under the oppression of Tyranny in other Countries who will fly to this free land." Apparently these "Instructions" were circulated (and/or printed) because we have, in Mazzei's hand, his answer to the objections that were made.

Permit me to observe: (1) No one took the time to investigate who might have written the "Instructions" found in the Library of Congress and whether that person might not have played a role in the drafting of the Virginia Bill of Rights and the Virginia Constitution of 1776. (2) No one noted the 40-page draft among Mazzei's personal papers in Pisa, Italy. (3) No one noted that Mazzei's letters to John Page and to Patrick Henry, written before the Declaration of Independence, clearly refer to these "Instructions."

When the Colony of Virginia was in need of money and army supplies, Governor Patrick Henry, Jefferson and other Virginians agreed to send Mazzei as Virginia's agent to the Grand-Duke of Tuscany. Jefferson had already written to John Hancock (October 19, 1778): "He [Mazzei] has been a zealous whig from the beginning and I think may be relied on perfectly in point of integrity." Mazzei had impressed them with his knowledge of European sovereigns and his understanding of their ways.

When he finally arrived in Paris, via Ireland, in November, Benjamin Franklin greeted him cordially but, disapproving of missions by the separate states, withheld his credentials. Two years later, Mazzei received copies from Virginia. But it was too late. His mission to raise funds failed. A letter of recall from Governor Harrison reached him in Florence. Mazzei, anxious to explain his conduct, sailed for America and arrived at Hampton, Virginia, in November 1783.

With his return to Virginia, Mazzei became chief organizer of "The Constitutional Society," which was formed in 1784. Its purpose was to allow discussion of important political issues before legislative decisions were made and to preserve the "pure and sacred principles of liberty." The Society was made up of thirty-four important citizens of Virginia. Among them were: James Madison, James Monroe, Patrick Henry, John Marshall. This organization was an example of Mazzei's belief in the importance of ideas and the power of the written word. Nowhere was Mazzei's vision clearer than when he organized this group to discuss and defend the fundamental rights of the people. Mazzei's motion at the second meeting gave it its title, "The Constitutional Society." Although the Society met but few times, its formation displayed an eighteenth-century eagerness to unite for worthy purposes and was an example of the ferment of political thought in the post-revolutionary years.

Mazzei's devotion to his adopted country and his longing for America never diminished. Building upon his talents as a propagandist, he set out once more to counteract false representation of America. In 1788 he published his four-volume History of the United States. John Adams and Thomas Jefferson were very warm in their encouragement of Mazzei's project. They answered his queries, and Mazzei incorporated their answers. He also included Benjamin Franklin's "Information on those who would emigrate to America" and essays by Concorcet. The work went through two French editions and a German adaptation and it is a reminder of the links between American and French political thought in the year immediately preceding the French Revolution.

Always eager to form clubs for the discussion of contemporary political and social issues, Mazzei joined with others—Lafayette, Mirabeau, La Rochefoucauld—to found "The Club of 1789." He was also its secretary of foreign correspondence.

Mazzei's principal involvement with the French Revolution was as an observer and reporter. His participation in French affairs was related to his involvement with Polish affairs. He lived in Paris and functioned as an employee—first as unofficial agent and then as charge d'affaires—of King Stanislaus. Soon after reading Mazzei's *Recherches*, the King invited him to Warsaw, telling him that he looked forward to the opportunity of knowing him personally. Mazzei arrived there early in 1792, to be both friend and advisor. He wisely urged Stanislaus not to issue paper money, and wrote Reflections on the Nature of Money and Exchange. Stanislaus was pleased. He had the pamphlet translated into Polish and printed immediately; in one week fourteen thousand copies were distributed. Later, it was translated into French and, when Mazzei retired to Pisa, the Italian version was printed. (Perhaps Mazzei's pamphlet will enlighten our leaders during this time of inflation!)

In 1802, at the age of 72, Mazzei traveled to Russia to claim his Polish pension and collect money which Count Potocki owed him. When he returned to Pisa, he resumed the cultivation of his own little garden, happy to be just plain *Pippo l'ortolano* as his friends called him (Phil the gardener). He continued to offer his services to his adopted country. His final gesture of friendship to the United States was the hiring of two Sculptors in 1805 for work in the national capitol, Washington, D.C. From Pisa, at the age of 75, Mazzei wrote to Latrobe:

"I am much obliged to the President and you for having procured me the opportunity of imploying myself in the service of my dear adopted country, where I have never lost the hope of ending my old days." Mazzei set out for Rome, and hired Giovanni Andrei and Giuseppe Franzoni to bring their Italian artistic talents to the United States.

Mazzei's last years were devoted to his wife Antonia and to the education of Elisabetta. He spent his time gardening and writing his *Memoirs*—an interesting account of his life which includes many of the great people of his times.

Soon there will be a microfilm edition and Guide with over 2,500 documents, and an unabridged translation of Mazzei's *Memoirs*. If you would like to see the work in progress, come to the Salvatori Center for Mazzei Studies—the only place in the world where all existing Mazzei documents may be found.●

PERSONAL EXPLANATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida (Mr. NELSON) is recognized for 5 minutes.

● Mr. NELSON. Mr. Speaker, I was absent yesterday on rollcalls 215 and 216 due to a commitment to deliver the commencement address to the graduating class of Brevard Community College in my district. Had I been present I would have voted "no" on the Latta substitute and "no" on the Rousselot substitute to the first budget resolution for fiscal 1981. I believe the adoption of either of those substitutes would have destroyed the carefully balanced budget resolution framed by the House Budget Committee and would have made it impossible to adopt a resolution providing for a balanced budget in the next fiscal year.●

SECRETARY SCHLESINGER OFFERS SOME WISE OBSERVATIONS ON THE FAILURE OF THE IRANIAN HOSTAGE RESCUE MISSION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. STRATTON) is recognized for 10 minutes.

● Mr. STRATTON. Mr. Speaker, in the past couple of weeks the American press, the American people, and the American Congress have all devoted a great deal of time and attention to a minute scrutiny of that ill-fated mission. These inquiries, of course, are designed for the most part to understand the mission and the reasons for its failure, so as to be better prepared in the not unlikely event that at some not, I hope, too distant time, we might wish to repeat that rescue effort with a greater measure of success.

In that connection, I believe that one of the finest and most broad-gauged assessments of the failed mission was presented by former Defense Secretary James Schlesinger in an article that appeared on the Op-Ed page of yesterday's New York Times. I believe that Mr. Schlesinger's analysis and recommendation's deserve the careful attention of every Member of this Congress.

The article referred to follows:

SOME LESSONS OF IRAN

(By James R. Schlesinger)

WASHINGTON.—President Carter's courageous decision to authorize the hostage rescue mission in Iran has drawn the public support deservedly given to Presidents during times of trouble. While the costs of failure unquestionably are high, the costs of apparent impotence and unwillingness to act could be even higher. A great power cannot retain influence when the conviction becomes widespread that it lacks the will to employ force to protect its interests.

Nonetheless, it is not too soon for some preliminary stock-taking, for this ill-fated mission calls into question a good many of our recent national habits and assumptions. A preliminary assessment suggests that the plan was too complex—had too many moving parts. Yet, it is hardly appropriate to blame the President, the military planners, the field commanders, reluctant allies, or bad luck. Rather it is time for careful diagnosis of longer-term influences. Much of the immediate problem is but a reflection of the larger national mood and of national self-indulgence of the last decade. As we "learn the lessons of Iran," to a large degree it will require the unlearning of the false lessons of Vietnam. Here, then, are some lessons of Iran.

Lesson No. 1. Any military operation will be a microcosm of the overall defense Establishment. Efforts should be and are made—through selection and training—to insulate specialized forces from the ills of the larger body. But no such effort can be wholly successful, particularly in the American military Establishment with its penchant for equality and antipathy to special treatment. Overall deficiencies in recruitment, training, maintenance, force structure, and budget support almost inevitably will be reflected in specific operations. The aborting of the mission points directly to questions of maintenance, equipment age and reliability, training and the status of our conventional and unconventional forces. Increasingly in the past decade, the military Establishment has been placed on short rations. The response of the military services has been to grimace, to salute their civilian overlords and march off bravely saying, "Can do, sir." Yet, operations and maintenance have been subjected to relentless budget-chopping. Flying hours have been reduced too much. Equipment is aging. The Navy has too few, overworked ships—too long at sea and too infrequently overhauled. In practice, the all-volunteer force has reduced the quality and the retention of personnel. Having decided to rely on the market, we do not meet the market test of comparability. Pay ceilings have led to the steady loss of technicians. The Navy, for example, is 20,000 petty officers short. How can these intractable problems fail to affect conditions on, say, the Nimitz?

If the United States intends to retain the military capability to fulfill its role as a superpower, it will have to cease caring last for its military requirements, cease the standard budgetary games, and devote more than 4.5 percent of the gross national product to defense.

Lesson No. 2: The role of planning is to squeeze to the irreducible minimum the element of luck. Bad luck can destroy any operation, but careful planning will enhance the probability of success. Luck smiles on the prepared. Planners should strive to bring together tested forces and equipment—men and units that have worked together, and know from experience that their associates can be trusted. Sharing the glory (or blame) by parceling out an operation among all the services is a secondary consideration. Rehearsals should be faithful replicas of the planned mission. Maximum authority should be delegated to the field. Chances for success are reduced by building in too many decision points for political review. Once initiated, an operation should be aborted only for the gravest reasons—indeed, as any operation involving risk proceeds, caution and timidity become evermore beguiling to policy makers.

Lesson No. 3: Retention of successful tactics from the past requires an effective institutional memory. Mechanisms to prevent the loss of valuable experience can preclude falling into preventable errors. For example, the raid at Sontay prison in North Vietnam in 1970 was well-planned and brilliantly executed. The distances were substantial. The Air Force helicopters used were air-refuelable, and the crews had many hours of night flying and refueling experience. Air Force pilots have had extensive experience working with Army combat units and in delivering them to the combat zone. Experience and trust go together. In a complex operation, the chain is only as strong as the weakest link. Clearly the helicopter link could have been strengthened by drawing on proved equipment and on experience.

Lesson No. 4: Cooperative hosts may be essential. Both the Israelis at Entebbe and the West Germans at Mogadishu, Somalia (not to mention the role of Thai airfields in the Mayaguez affair) depended on the collaboration of friendly states or neighbors. The reluctance of nearby states to provide full support handicapped our Iranian operation. In its period of international preeminence, America failed to provide an adequate long-term base structure. The Middle East now seems divided between those allies with whom the United States does not want to be associated—and those allies that do not want to be openly associated with the United States. The natural reluctance is reinforced by a loss of American prestige—and of trust—since to be a third-world ally of the United States has recently appeared quite perilous. Such weaknesses can be cured only by a foreign policy perceived as strong and steadfast—and providing full support and protection to our associates.

In the depths of our post-Vietnam discontent, it was widely accepted that a reduced defense budget coupled with limited military capabilities would preclude our involvement abroad. It will not. It will only insure that unavoidable involvement occurs with reduced chance of success. If we are honest with ourselves, if from this failure we can demonstrate the capacity to learn, we may yet turn yesterday's setback into tomorrow's success.●

IN MEMORY OF EIGHT BRAVE AMERICANS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. ROBERTS) is recognized for 5 minutes.

● Mr. ROBERTS. Mr. Speaker, last night, May 6, an Air Force aircraft brought the bodies of eight gallant U.S. servicemen home to America. They had chosen their profession to serve their country in its defense in troubled times and in a troubled world. They had trained in special skills to react to any circumstance if America or Americans were threatened or endangered. Along with their comrades who undertook the valiant rescue attempt for the Americans held hostage in Iran, they had volunteered for what many had said, and many still say was impossible. Yet, even in the attempt, they found true success and great admiration in the eyes of America and the rest of the world.

As we have in the past for thousands who have fallen in defense of our Nation and thousands more wounded or disabled in that service, we as a government and as a people stand ready to honor that sacrifice and to acknowledge our debt to their families, the widows and children of these brave men. This is a firm and lasting commitment as mandated by the Congress, the Veterans Administration and a grateful Nation.

We welcome the fallen home. No dishonor afforded them at the hands of those who appoint themselves our enemies can ever mar their memory of our gratitude for their service, their goal or their sacrifice.

A national Memorial Service for the eight servicemen will be held at Arlington National Cemetery Memorial Amphitheater this Friday, May 9, 9 a.m.●

THE CONNECTION BETWEEN PRODUCTIVITY AND INFLATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. LAFALCE) is recognized for 15 minutes.

● Mr. LAFALCE. Mr. Speaker, inflation is a relatively easy concept to understand, although some commentators are thoroughly confused about the sources of inflation. Productivity is a deceptively difficult concept to master, with the unfortunate result of general indifference to it in this country.

Due to the lack of interest in productivity, very little work has been done on this very important economic indicator. For example, conventional wisdom has long held that a 1-percent increase in productivity would reduce inflation by a corresponding 1 percent. That belief seemed logical for decades, as it possessed a certain amount of simplicity and balance. One of the first major economists to challenge that wisdom was Michael Evans, president of Evans Econometrics, who asserted that a 1-percent increase in productivity would produce a 2-percent decline in inflation. However, there was no concrete evidence for that assertion.

A recent report issued by the Joint Economic Committee has presented empirical evidence that Evans was a good deal closer to the truth than conventional wisdom. Utilizing the most modern and rather intricate econometrical formulae, the report found that there is a multiplier effect at work in the relationship between productivity and inflation, which increases the reduction of inflation at a greater rate than previously understood. This new report should focus increasing attention on productivity as a key, if not the key, toward the effective control of the rate of inflation.

Corresponding to the greater attention on improvements in productivity has been increased and often new interest in supply-side economic policies. The only major drawback to supply-side economic policies has been the relative lack of forecasting experience, using these innovative policies. In order to help correct this deficiency, the Joint Economic Committee has been working with Dr. Otto Eckstein of DRI, in order to develop a full-scale and credible supply-side econometric model. Happily, that task has been completed, and the Congress has been presented with the first report which used that model.

That report, entitled "Tax Policy and Core Inflation," is particularly timely, in light of double-digit inflation and growing economic stagnation. The report concluded that the reduction of the core rate of inflation can only be accomplished through supply-side tax incentives to boost new investments and growing productivity, unless one wanted to risk a possible economic depression by sole reliance on traditional fiscal and monetary measures. I am pleased that the committee and Dr. Eckstein confined their study to legitimate supply-side tax policies, such as investment tax credits and accelerated depreciation, and avoided snake oil nostrums, such as across-the-board cuts in personal income taxes. The latter claim to be supply-side tax policies, but they are actually a bizarre reincarnation of some of Lord Keynes' contributions to economics.

Mr. Speaker, I want to take this opportunity to commend the distinguished Senator from Texas, Mr. BENTSEN, who has led the Joint Economic Committee into fertile fields of study. I look forward to future reports on productivity and supply-side economic policies from the committee.●

YEAR END SPENDING CONTROL ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Virginia (Mr. HARRIS) is recognized for 5 minutes.

● Mr. HARRIS. Mr. Speaker, today I am introducing the Year End Spending Control Act which would establish firm controls over wasteful yearend spending sprees by limiting agency spending to 20 percent during the last 2 months of the fiscal year.

My Subcommittee on Human Resources has conducted an intensive investigation and received testimony from a wide variety of groups, individuals and Government agencies concerning the problem of yearend spending. The subcommittee's probe has revealed that funds appropriated for specific programs are not being rationally obligated to achieve the congressionally intended objective. Rather, much of the funds are being pushed out in the final weeks of the fiscal year on questionable contracts, grants, and other spending.

GAO investigations, done at my request, are documenting the fact that funds are being diverted from the purpose laid out by Congress, causing millions, perhaps billions, of dollars, to be wasted on unnecessary projects and purchases during the last 2 months of the fiscal year. Federal agencies operate under a "use it or lose it" policy which reflects a fear that their budget will be cut the following year unless all funds are expended. Former Treasury Secretary Blumenthal has stated that yearend spending amounts to agencies "literally pushing money out the door with a wheelbarrow."

The administration has expressed concern about this wasteful yearend spending and has repeatedly issued directives to agencies in an effort to curb the abuses. Each summer since 1977, President Carter and OMB Director James McIntyre have urged agencies to avoid yearend spending sprees. Despite these directives, the yearend spending remains a major abuse. In fiscal year 1979, seven major Federal agencies spent more than 20 percent of their single year appropriations in the last 2 months of the fiscal year * * * 47.2 percent at HUD—$16 billion, 41.7 percent at EPA—$2.2 billion, 22.9 percent at HEW—$14.3 billion, 30.3 percent at Commerce—$907 million, 23.1 percent at Interior—$1.3 billion, 22.1 percent at Postal Service—$3.2 billion and 22.8 percent at DOT—$1.4 billion. If these seven agencies had limited spending to 20 percent in the last 2 months of the fiscal year, they could have saved $13 billion. I am convinced that a substantial portion of this amount could have been returned to the Treasury with minimal adverse effect on congressionally mandated programs.

In addition, I recently received a GAO study which I requested because of my concern that in-house capability was not being considered prior to contracts being let for consulting services. While the report showed the in-house capability was indeed not considered in many instances, it also noted that 54 percent of the consulting contracts examined were awarded during the final quarter of the fiscal year. In fact, 35 percent of those actions were initiated during the final 90 days. Senator PRYOR and I have been working closely on the widespread problem with consultant services and we hope to introduce legislation in this area later this month.

I have also requested a major GAO study specifically on yearend spending which is due to be completed in June. An interim report which I received from the GAO on May 1, documented further evidence of the serious problem of yearend spending at HUD. According to the GAO, HUD has been overstating its legal commitments at the end of a fiscal year and then canceling them later. This HUD procedure reflects the "use it or lose it" attitude of Federal agencies to commit any remaining funds at yearend so that Congress will not trim their budget the following year. It has also allowed HUD to create a multibillion surplus of funding authority at a time when Congress is struggling to trim Federal expenditures and balance the budget.

Quite simply, the flurry of obligations at the end of the fiscal year is a very poor management practice. Increased yearend obligational activity places Government negotiations in a very poor bargaining position and results in contracts and grants being let and goods being purchased without adequate consideration. This "rush" to award contracts and grants seriously impairs the objectiveness as well as the thoroughness of the proposal evaluation process. In addition, I am particularly concerned that a large number of the contracts being let at the end of the year are sole-source to big firms ostensibly based on "unique qualifications" and "time exigency." This type of yearend giveaway effectively bars firms without the "connections" and is "wired" against small businesses, which do not have the "inside track."

Direct congressional action to halt the yearend spending sprees must be taken. The waste clearly has not been eliminated administratively. As a matter of fact, it appears that while OMB has been monitoring outlays, it has been ignoring obligation rates. It makes no sense to me for OMB to check funds already "spent" while ignoring the even more important task of monitoring funds which could be saved. As a result, the practice of obligating "use or lose" funds at the end of the fiscal year has continued unabated.

Last July, I introduced a comprehensive "economy in Government" bill (H.R. 4717) which would limit yearend spending and eliminate wasteful Federal contacting. Section 3 of H.R. 4717 parallels the yearend spending provision that has been included in the Department of Defense appropriation bill since 1953. During the past year, however, my subcommittee held numerous hearings on H.R. 4717 and GAO spent a considerable amount of time investigating the problem of yearend spending abuse. Many legitimate questions and concerns about the yearend spending provision of H.R. 4717 were raised by witnesses at these hearings and in discussions with my colleagues, OMB, GAO, and the Library of Congress. Therefore, I have been working closely with the GAO to improve this provision. The Year-End Spending Control Act which I am introducing today represents these efforts.

This bill—which deals only with yearend spending—would limit total agency spending in the last 2 months of the fiscal year to 20 percent, but it would use the existing apportionment process to administer the limitation. In addition, it would allow OMB to authorize legitimate exemptions to the 20-percent yearend limitation, but it would require OMB to report the exemption to Congress. Finally, any actions to satisfy the 20-percent limitation would be exempt from the reporting requirement of the Impoundment Control Act of 1974.

This language was endorsed by GAO in recent testimony before the Government Operations Committee:

We support the temporary use of a limitation on year-end spending as a means of conveying Congress' concern—not only with year-end spending itself—but with the need to strengthen the budget execution and procurement process.

It is easy to be shocked by waste and pay lipservice to its elimination. But if we are going to control wasteful year-end spending, legislative action is required. I urge my colleagues to cosponsor my bill and join the fight to control wasteful yearend spending.●

□ 1800

A TRIBUTE TO ANN HEBERT HOWELL, NATIONAL MULTIPLE SCLEROSIS MOTHER OF THE YEAR, ON THE OCCASION OF HER VISIT TODAY TO THE HOUSE

(Mr. LIVINGSTON asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. LIVINGSTON. Mr. Speaker, I rise today to honor an outstanding lady, who we are fortunate to have visiting with us today.

Ann Hebert Howell was entertained at the White House by the President today as National Multiple Sclerosis Mother of the Year, The letter which won her this honor was written by her husband, Monroe Howell, and it is especially meaningful to Ann because it is symbolic of his love and devotion for her. I am submitting the letter for inclusion in the RECORD, Mr. Speaker, because it stands as a testimony to the personal triumph of a fine lady over one of life's most harsh adversities.

Ann Howell is my wife's lifelong personal friend, and she is truly a great lady. Despite her illness, she has become a nursing home administrator and serves as breadwinner for the family while her husband attends dental school. Ann is also a counselor to other victims of multiple sclerosis all around the country, and is active in the chamber of commerce and the PTA, in addition to caring for two children.

Ann was born and raised in Thibodaux, La., and lives there now, serving as administrator for the Louisiana Home for the Aged.

In honoring Ann as Mother of the Year we honor her, not only for her success as wife and mother, but for her courage and spirit as an exceptional human being.

Letter to the National Multiple Sclerosis Society:

On May 2, 1972 Ann Herbert Howell was a wife and mother of two children. She was loving, vibrant and a determined achiever. Today, she is a M.S. victim and these traits have been enhanced. In December, 1972, the M.S. was diagnosed and the New Orleans's physician's prognosis was tainted with doom and little hope. The steady deterioration was quick as she slipped from an unsteady gait, to a cane, to a wheel chair. The bright, vibrant personality was replaced by fear and frustration. She could not hold her children and they could not understand. And I, her husband, became oversolicitous and scared. I could offer no hope and little encouragement. For six months we were a dismal family.

The summer of 1973 we sought other medical help in Houston, Texas. There she received new treatment and hope and her miraculous improvement was rapid. Ann returned from Houston with renewed determination to beat M.S. and rejoin the family. That winter she completed the Nursing Home Administration course at L.S.U. in Baton Rouge and became administrator for the Louisiana Home for the Aged in Thibodaux, La. Under her guidance, the nursing home has doubled in patient capacity, and "La Boss," as she is fondly referred to by her Cajun residents, has the reputation of running one of the best nursing homes in the state. Since Ann has learned to cope with her disability, she has developed a special sensitivity and capacity for understanding her residents, who respond to her with love, admiration, and respect, As a part of the business community, Ann joined the Chamber of Commerce where she serves as this year's president.

In 1973, Ann joined the Louisiana M.S. Society and was appointed to the board of directors. As a M.S. patient, she has sought to share her experiences and hope with other patients. Following stories of her struggles with M.S. in newspaper and magazine articles, other M.S. victims began calling her for hope and advice. Calls have been received from all over the state, the United States, Canada, Mexico and Puerto Rico. She's shared her experiences with these patients and tries to give them courage, hope and determination. Her advice to them is to be active, to be open with their disease and to stay involved with their families. With these patients she exchanges ideas on physical and mental therapy. Ann has needed courage to talk to many of these people who are discouraged and full of self-pity. Many times she hangs up the phone and cries because she shares the feelings of frustration and futility with these new friends. But she never refuses a call and will talk as long as they will listen and share their feelings.

As a husband, I have been by her side to witness Ann's ups and downs, her courage, her determination and her giving. Her case of M.S., too, continues to have its relapses and remissions, but she never quits. She will drive with one good eye to go to work or to deliver the children to piano lessons or scouts. She summons up the strength to attend meetings and to act as coordinator of the school auction. At times, when her therapy has caused her to become swollen with fluid and marred her physical beauty, she has braved the public eye to attend baseball games and school plays. When the course of M.S. has impaired the functions of her arms and legs, she has continued to provide home care for her family. Usually her family is the one that must insist that she take a break and rest.

At present she is successfully serving as family provider, father and mother. Two years ago I decided to change occupations and enter dental school. While I'm away in New Orleans during the week, home on weekends, Ann is at home, sending the children to school in the morning, taking them to afternoon activities, providing them with necessities, discipline, and love. On weekends she is a loving and supportive wife and companion. In short, she is our family's strength.

In times of trouble with the disease, she determinedly refuses to give in to M.S. Whether in remission, with a cane, or in a wheel chair, she is continuous. Ann will always be OUR Mother of the Year. This year, she merits recognition as National M.S. Mother of the Year.

MONROE HOWELL.

PERSONAL EXPLANATION

(Mr. LEDERER asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. LEDERER. Mr. Speaker, I would like to take this time to ask that I may clarify an error in the CONGRESSIONAL RECORD of Wednesday, April 16, 1980. I asked that I be paired in the affirmative on both the Symms substitute on S. 2009 and on final passage. These votes were incorrectly recorded as negative pairs.

I appreciate this opportunity to clarify my vote for the RECORD.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows to:

Mr. KOGOVSEK (at the request of Mr. WRIGHT), for May 7 and 8, on account of representing the House of Representatives at the funeral of the late President Tito of Yugoslavia.

Mr. DANIELSON (at the request of Mr. WRIGHT), for May 7 and 8, on account of representing the House of Representatives at the funeral of the late President Tito of Yugoslavia.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. GRADISON) to revise and extend their remarks and include extraneous material:)

Mr. KEMP, for 60 minutes, today.

Mr. ASHBROOK, for 30 minutes, today.

Mr. GRADISON, for 30 minutes, today.

(The following Members (at the request of Mr. CORRADA) to revise and extend their remarks and include extraneous material:)

Mr. FORD of Michigan, for 10 minutes, today.

Mr. ALEXANDER, for 10 minutes, today.

Mr. STOKES, for 10 minutes, today.

Mr. GONZALEZ, for 15 minutes, today.

Mr. ANNUNZIO, for 5 minutes, today.

Mr. NELSON, for 5 minutes, today.

Mr. STRATTON, for 10 minutes, today.

Mr. ROBERTS, for 5 minutes, today.

Mr. LAFALCE, for 15 minutes, today.

Mr. HARRIS, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. GRADISON) and to include extraneous matter:)

Mr. MICHEL.

Mr. KEMP in two instances.

Mr. SYMMS in two instances.

Mr. BROWN of Ohio.

Mr. ASHBROOK in five instances.

Mr. O'BRIEN in two instances.

Mr. DANNEMEYER in two instances.

Mr. DOUGHERTY.

Mr. DANIEL B. CRANE in two instances.

Mr. DERWINSKI in two instances.

Mr. CONABLE in two instances.
Mr. GREEN.
Mr. HYDE.
Mr. ROYER.
Mr. BOB WILSON.
Mr. MCCLOSKEY in two instances.
Mr. MOORE.
Mr. RUDD.
Mr. SHUSTER.

(The following Members (at the request of Mr. CORRADA) and to include extraneous matter:)

Mr. DODD in two instances.
Mr. PEASE.
Mr. DINGELL.
Mr. AUCOIN in two instances.
Mr. MATHIS.
Mr. HAMILTON in two instances.
Mr. ASPIN.
Mr. LONG of Maryland in two instances.
Mr. SOLARZ in two instances.
Mr. RODINO in two instances.
Mr. WOLFF in two instances.
Mr. OBERSTAR.
Mr. CORMAN.
Mr. MURTHA.
Mr. HALL of Ohio in three instances.
Mr. SKELETON.
Mr. LAFALCE.
Mr. KAZEN.
Mr. RATCHFORD.
Mr. FAUNTROY.
Mr. LEHMAN.
Mr. CORRADA.
Mr. OTTINGER.
Mr. FOLEY.
Mr. RANGEL.
Mr. DASCHLE.

ENROLLED BILL SIGNED

Mr. THOMPSON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which were thereupon signed by the Speaker:

H.R. 126. An act to permit the Secretary of the Interior to accept privately donated funds and to expend such funds on property on the National Register of Historic Places.

ADJOURNMENT

Mr. CORRADA. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 8 o'clock and 7 minutes p.m.), the House adjourned until tomorrow, Thursday, May 8, 1980, at 11 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

[*Omitted from the Record of May 6, 1980*]

4304. A letter from the President of the United States, transmitting amendments to the requests for supplemental appropriations for fiscal year 1980 and appropriation language for fiscal year 1981 for the Department of Labor (H. Doc. No. 96-308); to the Committee on Appropriations and ordered to be printed.

4305. A letter from the Secretary of the Army, transmitting notice of the Army's intention to transfer certain obsolete chemical agent identification sets from various locations to the Rocky Mountain Arsenal, Colo., pursuant to section 409(b)(4) of Public Law 91-121; to the Committee on Armed Services.

4306. A letter from the U.S. Commissioner of Education, Department of Health, Education, and Welfare, transmitting a proposed interpretation of Indian preference in federally assisted school construction projects, pursuant to section 431(d)(1) of the General Education Provisions Act, as amended; to the Committee on Education and Labor.

4307. A letter from the Comptroller General of the United States, transmitting a report on the audit of the Bureau of Engraving and Printing fund for fiscal year 1979, pursuant to section 6 of the act of August 4, 1950, as amended (88 Stat. 1964) (GGD-80-47, May 5, 1980); to the Committee on Government Operations.

4308. A letter from the Chairman, Board of Directors, Tennessee Valley Authority, transmitting a report on the agency's activities under the Freedom of Information Act during calendar year 1979, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

4309. A letter from the Secretary, Postal Rate Commission, transmitting the annual report of the Commission on its implementation of the Privacy Act, pursuant to 5 U.S.C. 552a(p); to the Committee on Government Operations.

4310. A letter from the Chairman, Federal Energy Regulatory Commission, transmitting proposed final regulations implementing phase II of the incremental pricing program for natural gas, pursuant to section 202(c) of Public Law 95-621; to the Committee on Interstate and Foreign Commerce.

4311. A letter from the Administrator of Veterans' Affairs, transmitting a draft of proposed legislation to amend title 38, United States Code, to authorize the Administrator to provide a memorial plaque or marker in appropriation situations to the next of kin of an individual who would otherwise be memorialized in a national, private, or local cemetery; to the Committee on Veterans' Affairs.

4312. A letter from the Comptroller General of the United States, transmitting a report on U.S. efforts to educate and train the poor in developing countries (ID-80-18, May 5, 1980); jointly, to the Committees on Government Operations and Foreign Affairs.

[*Submitted May 7, 1980*]

4313. A letter from the Acting Secretary of the Navy, transmitting a draft of proposed legislation to amend title 10, United States Code, to provide for involuntary retirement of permanent Regular officers designated for limited duty in the Navy or Marine Corps consistent with that provided other permanent Regular officers; to the Committee on Armed Services.

4314. A letter from the Director, Federal Emergency Management Agency, transmitting a report that the Agency acquired no real or personal property during the quarter ended March 31, 1980, pursuant to section 201(h) of the Federal Civil Defense Act of 1950, as amended; to the Committee on Armed Services.

4315. A letter from the District of Columbia Auditor, transmitting copies of various reports of his Office, pursuant to section 455 of Public Law 93-198; to the Committee on the District of Columbia.

4316. A letter from the Secretary of the Council of the District of Columbia, transmitting a copy of Council Resolution 3-322, to approve the transfer of jurisdiction of certain areas from the District of Columbia to the National Park Service for park purposes (S.O. 79-213) (Ward 3); to the Committee on the District of Columbia.

4317. A letter from the Secretary of Health and Human Services, transmitting notice of a further delay in the submission of the comprehensive plan from the Advisory Board on Child Abuse and Neglect to maximize coordination of child abuse and neglect prevention and treatment activities, required by section 6(b) of Public Law 93-247, as amended; to the Committee on Education and Labor.

4318. A letter from the Acting Assistant Secretary of State for International Organization Affairs, transmitting copies of reports issued by the United Nations Joint Inspection Unit during the second half of 1979, pursuant to section 301(e)(3) of the Foreign Assistance Act of 1961, as amended; to the Committee on Foreign Affairs.

4319. A letter from the Assistant Attorney General for Administration, transmitting notice of a proposed new records system, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

4320. A letter from the Chairman, National Credit Union Administration Board, transmitting a report on the Board's activities under the Freedom of Information Act during calendar year 1979, pursuant to 5 U.S.C. 552b(j); to the Committee on Government Operations.

4321. A letter from the Secretary of the Interior, transmitting notice of the proposed refund of a minimum royalty payment totaling $15,000 to Shell Oil Co., pursuant to section 10(b) of the Outer Continental Shelf Lands Act, as amended; to the Committee on Interior and Insular Affairs.

4322. A letter from the Secretary of the Interior, transmitting notice of the proposed refund of 1 year's rental totaling $17,280 on an Outer Continental Shelf lease to Shell Oil Co., pursuant to section 10(b) of the Outer Continental Shelf Lands Act, as amended; to the Committee on Interior and Insular Affairs.

4323. A letter from the Secretary of Health and Human Services, transmitting the annual report of the Director of the national cancer program for fiscal year 1979 and the annual plan for the program for fiscal years 1981-85, pursuant to section 404(a)(9) of the Public Health Service Act, as amended; to the Committee on Interstate and Foreign Commerce.

4324. A letter from the Secretary of Commerce, transmitting a draft of proposed legislation to amend the International Travel Act of 1961 to authorize additional appropriations, and for other purposes; to the Committee on Interstate and Foreign Commerce.

4325. A letter from the Chairman, Federal Energy Regulatory Commission, transmitting proposed regulations to exempt industrial users to phase 1 of the incremental pricing program required by section 201 of the Natural Gas Policy Act of 1978 from the upper two tiers of the three-tier price ceiling mechanism contained in the regulations implementing phase 1, pursuant to section 206(d) of the act; to the Committee on Interstate and Foreign Commerce.

4326. A letter from the Chairman, Federal Energy Regulatory Commission, transmitting proposed regulations to extend the interim exemption from incremental pricing for agricultural uses of natural gas, pursuant to section 206(d) of Public Law 95-621; to the Committee on Interstate and Foreign Commerce.

4327. A letter from the Acting Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting reports concerning visa petitions approved according to certain beneficiaries third and sixth preference classification, pursuant to section 204(d) of the Immigration and Nationality Act, as amended; to the Committee on the Judiciary.

4328. A letter from the Chairman, U.S. International Trade Commission, transmitting a draft of proposed legislation to provide authorization of appropriations for the U.S. International Trade Commission for fiscal year 1982; to the Committee on Ways and Means.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. BROOKS: Committee on Government Operations. Report on a thorough critique of certification of transport category aircraft by the Federal Aviation Administration (Rept. No. 96-924). Referred to the Committee of the Whole House on the State of the Union.

Mr. STAGGERS: Committee on Interstate and Foreign Commerce. H.R. 6395. A bill to amend the Consumer Product Safety Act to modify certain postemployment restrictions applicable to officers and employees of the Consumer Product Safety Commission (Rept. No. 96-925). Referred to the Committee of the Whole House on the State of the Union.

REPORTED BILLS SEQUENTIALLY REFERRED

Under clause 5 of rule X, bills and reports were delivered to the Clerk for printing, and bills referred as follows:

Mr. BOLAND: Permanent Select Committee on Intelligence. H.R. 7152. A bill to authorize appropriations for fiscal year 1981 for the intelligence and intelligence-related activities of the U.S. Government, for the Intelligence Community Staff, and for the Central Intelligence Agency retirement and disability system, and for other purposes; referred to the Committee on Armed Services for a period ending not later than May 16, 1980, for consideration of such provisions of the bill as fall within its jurisdiction under clause 1(c), rule X (Rept. No. 96-926, pt. 1). Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. THOMPSON (for himself and Mr. Frenzel):

H.R. 7281. A bill to authorize appropriations for the Federal Election Commission for fiscal year 1981; to the Committee on House Administration.

By Mr. CONYERS:

H.R. 7282. A bill to establish a Federal Oil and Gas Development Corporation to provide for the exploration for and extraction of oil and gas located on and under Federal land; jointly, to the Committees on Interior and Insular Affairs, Interstate and Foreign Commerce, and Science and Technology.

By Mr. ASHBROOK:

H.R. 7283. A bill to amend chapter 81 of title 5, United States Code, to provide for annual cost-of-living adjustments of compensation under the Federal Employees' Compensation Act, as amended; to the Committee on Education and Labor.

By Mr. BRODHEAD:

H.R. 7284. A bill to deny entitlement to hospital insurance benefits under part A of title XVIII of the Social Security Act in the case of certain disabled individuals currently entitled to health benefits under the civilian health and medical program of the uniformed services (Champus); to the Committee on Ways and Means.

By Mr. DINGELL (for himself and Mr. Waxman):

H.R. 7285. A bill to amend the Federal Food, Drug, and Cosmetic Act to limit the antibiotic drugs which may be used in subtherapeutic doses in animal feed; to the Committee on Interstate and Foreign Commerce.

By Mr. GAYDOS (for himself, Mr. Moorhead of Pennsylvania, Mr. Walgren, Mr. Murphy of Pennsylvania, Mr. Atkinson, and Mr. Bailey):

H.R. 7286. A bill to extend deadlines in the Clean Air Act applicable to stationary sources, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. HARRIS:

H.R. 7287. A bill to establish controls on yearend expenditure practices of Federal agencies; to the Committee on Government Operations.

By Mr. LaFALCE (for himself, Mr. Steed, Mr. Corman, Mr. Addabbo, Mr. St Germain, Mr. Mitchell of Maryland, Mr. Bedell, Mr. Richmond, Mr. Baldus, Mr. Nolan, Mr. Nowak, Mr. Ireland, Mr. Kildee, Mr. Evans of Georgia, Mr. Barnard, Mr. Leach of Louisiana, Mr. Hall of Ohio, Mrs. Spellman, Mr. Bereuter, Mr. Conte, and Mr. Broomfield):

H.R. 7288. A bill to amend the Small Business Act to improve procurement opportunities for small business concerns; to the Committee on Small Business.

By Mr. LaFALCE (for himself, Mr. Smith of Iowa, Mr. Steed, Mr. Corman, Mr. Addabbo, Mr. St Germain, Mr. Mitchell of Maryland, Mr. Bedell, Mr. Richmond, Mr. Baldus, Mr. Nolan, Mr. Nowak, Mr. Kildee, Mr. Evans of Georgia, Mr. Barnard, Mr. Leach of Louisiana, Mr. Hall of Ohio, Mrs. Spellman, Mr. Conte, and Mr. Bereuter):

H.R. 7289. A bill to amend the Small Business Investment Act of 1958 to authorize the Small Business Administration to guarantee debentures issued by certain State or local development companies; to the Committee on Small Business.

By Mr. LEDERER (for himself and Mr. Murphy of Pennsylvania):

H.R. 7290. A bill to amend the Internal Revenue Code of 1954 to provide for the establishment of reserves for surface mining land reclamation and for the deduction of amounts added to such reserves; to the Committee on Ways and Means.

By Mr. MATHIS:

H.R. 7291. A bill to amend title 28 and title 18 of the United States Code to prohibit and remedy the interstate restraint of children in violation of rights of custody and visitation, and for other purposes; jointly, to the Committees on the Judiciary and Ways and Means.

By Mr. MOORHEAD of Pennsylvania:

H.R. 7292. A bill to increase the authorization for the Council on Wage and Price Stability, to extend the duration of such Council, and for other purposes; to the Committee on Banking, Finance, and Urban Affairs.

By Mr. NEAL:

H.R. 7293. A bill to amend the Internal Revenue Code of 1954 to expand the category of targeted groups for whom the new employee credit is available to include displaced homemakers; to the Committee on Ways and Means.

By Mr. PRICE (for himself and Mr. Bob Wilson) (by request):

H.R. 7294. A bill to amend section 673b of title 10, United States Code, to increase from 50,000 to 100,000 the number of members of the Selected Reserve who may be ordered to active duty other than during a war or national emergency; to the Committee on Armed Services.

H.R. 7295. A bill to amend title 10, United States Code, to authorize the Secretary concerned to determine the period of time to be allowed between the time a reservist is ordered to active duty and the time the reservist enters upon active duty; to the Committee on Armed Services.

By Mr. RINALDO:

H.R. 7296. A bill to amend section 4067 of the Revised Statutes to define further the circumstances under which certain aliens within the United States may be treated as alien enemies; to the Committee on the Judiciary.

By Mr. SMITH of Iowa (for himself, Mr. Steed, Mr. Corman, Mr. Addabbo, Mr. St Germain, Mr. Mitchell of Maryland, Mr. LaFalce, Mr. Bedell, Mr. Richmond, Mr. Baldus, Mr. Nolan, Mr. Nowak, Mr. Ireland, Mr. Kildee, Mr. Evans of Georgia, Mr. Barnard, Mr. Leach of Louisiana, Mr. Hall of Ohio, Mrs. Spellman, Mr. Conte, and Mr. Bereuter):

H.R. 7297. A bill to amend the Small Business Investment Act of 1958 to provide for the investment of temporarily unneeded funds, to modify the authority of the Small Business Administration regarding financing, and to statutorily establish the eligibility of Asian Pacific Americans to participate in programs under section 8(a) of the Small Business Act; to the Committee on Small Business.

By Mr. SMITH of Iowa (for himself, Mr. Steed, Mr. Corman, Mr. Addabbo, Mr. St Germain, Mr. Mitchell of Maryland, Mr. LaFalce, Mr. Bedell, Mr. Richmond, Mr. Baldus, Mr. Nolan, Mr. Nowak, Mr. Ireland, Mr. Evans of Georgia, Mr. Barnard, Mr. Leach of Louisiana, Mr. Hall of Ohio, Mrs. Spellman, Mr. Conte, and Mr. Bereuter):

H.R. 7298. A bill to facilitate the operations of the office of the Chief Counsel for Advocacy of the Small Business Administration; jointly, to the Committees on Small Business and Post Office and Civil Service.

By Mr. WAXMAN (for himself, Mr. Preyer, Mr. Maguire, Mr. Luken, Mr. Walgren, Mr. Gramm, Mr. Leland, Mr. Shelby, and Mr. Murphy of New York):

H.R. 7299. A bill to revise and improve the Federal programs of assistance for the provision of mental health services, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. WATKINS:

H.R. 7300. A bill to amend the Internal Revenue Code of 1954 to exempt independent producer oil from the windfall profit tax and to allow certain royalty owners the exemption for such oil; to the Committee on Ways and Means.

By Mr. NEDZI (for himself and Mr. Whitehurst):

H.R. 7301. A bill to authorize certain construction at military installations for fiscal year 1981, and for other purposes; to the Committee on Armed Services.

By Mr. NEDZI:

H.R. 7302. A bill to amend section 1719 of title 44, United States Code, to transfer to the Superintendent of Documents the function of distributing Government publications to certain foreign governments; to the Committee on House Administration.

By Mr. WHITE (for himself, Mrs. Holt, Mr. Montgomery, Mr. Kazen, Mr. Won Pat, Mr. Hillis, Mr. Nedzi, Mr. Nichols, Mr. Hopkins, Mr. Bennett, Mr. Dan Daniel, and Mr. Bob Wilson):

H.R. 7303. A bill to amend title 10, United States Code, to establish a noncontributory program of educational assistance for persons enlisting in the Armed Forces after September 30, 1980; to the Committee on Armed Services.

By Mr. WOLFF (for himself, Mrs. Heckler, Mr. Hall of Ohio, Mr. Diggs, Mr. Solarz, Mr. Pritchard, Mrs. Chisholm, Mrs. Collins of Illinois, Ms. Mikulski, Mrs. Schroeder, Mrs. Smith of Nebraska, Mrs. Snowe, and Mrs. Spellman):

H. Con. Res. 329. Concurrent resolution expressing the deep concern of the Congress over the plight of Cambodian people and its strong support for humanitarian assistance for those people and a peaceful resolution of the conflict in Kampuchea; to the Committee on Foreign Affairs.

By Mr. HANSEN (for himself and Mr. Rhodes):

H. Con. Res. 331. Concurrent resolution to authorize participation in an interparliamentary meeting between delegates from the Congress of the United States and the Parliament of the Islamic Republic of Iran to discuss matters of concern to the people of both nations, including, but not limited to, the steps necessary to bring about the release of American diplomatic personnel and others detained by militant elements within the country of Iran; to the Committee on Foreign Affairs.

By Mr. PERKINS (for himself and Mr. Goodling):

H. Con. Res. 332. Concurrent resolution disapproving certain regulations submitted to the Congress on April 24, 1980, with respect to the law-related education program authorized under sections 346, 347, and 348 of the Elementary and Secondary Education Act of 1965; to the Committee on Education and Labor.

By Mr. ZABLOCKI (for himself, Mr. Bailey, Mr. Brademas, Mr. Fountain, Mr. Fascell, Mr. Rosenthal, Mr. Wolff, Mr. Bingham, Mr. Yatron, Mr. Solarz, Mr. Bonker, Mr. Studds, Mr. Ireland, Mr. Mica, Mr. Barnes, Mr. Gray, Mr. Hall of Ohio, Mr. Wolpe, Mr. Bowen, Mr. Fithian, Mr. Broomfield, Mr. Derwinski, Mr. Findley, Mr. Buchanan, Mr. Winn, Mr. Gilman, Mr. Guyer, Mr. Lagomarsino, Mr. Goodling, Mr. Pritchard, Mrs. Fenwick, Mr. Quayle, Mr. Peyser, and Mr. Bauman):

H. Con. Res. 333. Concurrent resolution expressing the sense of the Congress with respect to the efforts of the Americans who participated in the Iran rescue mission; to the Committee on Post Office and Civil Service.

By Mr. HYDE:

H.J. Res. 543. Joint resolution proposing an amendment to the Constitution of the United States providing that all persons shall have the right to be free from discrimination; to the Committee on the Judiciary.

By Mr. RINALDO:

H.J. Res. 544. Joint resolution authorizing the President to impose on the Iranian Government a $50 million fine, payable from blocked Iranian assets, for each day that U.S. citizens held hostage or otherwise illegally detained in Iran continue to be held hostage or so detained beyond a date designated by the President; to the Committee on Foreign Affairs.

By Mr. MATHIS:

H. Res. 659. Resolution to establish a Select Committee on International Terrorism; to the Committee on Rules.

MEMORIALS

Under clause 4 of rule XXII,

[*Omitted from the Record of May 6, 1980*]

452. The SPEAKER presented a memorial of the Legislature of the State of California, relative to indexing Federal income taxes, which was referred to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII.

Mr. FROST presented a bill (H.R. 7304) for the relief of Candido Augusto Urizar and Delores de Jesus Turcios Urizar, which was referred to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 809: Mr. Guarini.

H.R. 1918: Mr. Philip M. Crane and Mr. Petri.

H.R. 2400: Mr. Drinan and Mr. Hughes.

H.R. 2644. Mr. Stangeland.

H.R. 4223: Mr. Emery, Mr. Brown of California, and Mr. Studds.

H.R. 4329: Mr. Forsythe, Mr. Kindness, and Mr. Kramer.

H.R. 5862: Mr. Thomas, Mr. Leach of Iowa, Mr. Paul and Mr. Breaux.

H.R. 5965: Mr. Rousselot, Mr. Grisham, Mr. Won Pat, Mr. Lujan, Mr. Erdahl, Mr. Young of Alaska, Mr. Dougherty, Mr. Patterson, and Mr. Courter.

H.R. 6194: Mr. Abdnor, Mr. Addabbo, Mr. Anderson of California, Mr. Bedell, Mr. Beilenson, Mr. Biaggi, Mr. Bonior of Michigan, Mr. Bonker, Mr. Brodhead, Mr. Phillip Burton, Mr. Cavanaugh, Mrs. Chisholm, Mr. Clay, Mr. Clinger, Mr. Coelho, Mr. Coleman, Mr. Conyers, Mr. D'Amours, Mr. Dellums, Mr. Dingell, Mr. Diggs, Mr. Dodd, Mr. Dornan, Mr. Downey, Mr. Drinan, Mr. Duncan of Tennessee, Mr. Edgar, Mr. Evans of the Virgin Islands, Mr. Fary, Mr. Fauntroy, Mr. Fazio, Mrs. Fenwick, Ms. Ferraro, Mr. Fish, Mr. Florio, Mr. Ford of Tennessee, Mr. Ford of Michigan, Mr. Forsythe, Mr. Gray, Mr. Gudger, Mr. Hammerschmidt, Mr. Harris, Mr. Hawkins, Mr. Hollenbeck, Mr. Hopkins, Mr. Howard, Mr. Hughes, Mr. Hutto, Mr. Jenrette, Mr. Jones of Tennessee, Mr. Kildee, Mr. LaFalce, Mr. Leach of Louisiana, Mr. Lederer, Mr. Lee, Mr. Lehman, Mr. Long of Maryland, Mr. Lundine, Mr. Maguire, Mr. Markey, Mr. Matsui, Mr. Mavroules, Mr. McKinney, Ms. Mikulski, Mr. Mitchell of Maryland, Mr. Moakley, Mr. Moffett, Mr. Mollohan, Mr. Murphy of Illinois, Mr. Myers of Pennsylvania, Mr. Neal, Mr. Nedzi, Mr. Nolan, Ms. Oakar, Mr. Oberstar, Mr. Panetta, Mr. Patten, Mr. Porter, Mr. Price, Mr. Rangel, Mr. Richmond, Mr. Rinaldo, Mr. Rodino, Mr. Roe, Mr. Rosenthal, Mr. Roybal, Mr. Sabo, Mr. Scheuer, Mrs. Schroeder, Mr. Simon, Mr. Smith of Iowa, Mrs. Snowe, Mr. Solarz, Mr. Stack, Mr. Stark, Mr. Stokes, Mr. Tauke, Mr. Traxler, Mr. Vento, Mr. Walgren, Mr. Weaver, Mr. Weiss, Mr. Whitehurst, Mr. Whittaker, Mr. Charles H. Wilson of California, Mr. Wolff, Mr. Yates, Mr. Yatron, Mr. Zeferetti, Mr. Leland, Mr. Ireland, Mr. Williams of Ohio, Mr. Guarini, and Mr. Mattox.

H.R. 6196: Mr. Panetta.

H.R. 6228: Mr. Moorhead of California.

H.R. 6377: Mr. Scheuer, Mr. Lowry, Mr. Howard, Mr. Murphy of Pennsylvania, Mr. Edgar, Mr. Ottinger, Mr. Gray, Mr. Oberstar, Mr. Marks, Mr. McCloskey, Mr. Johnson of California, Mr. Yatron, Mr. Davis of Michigan, Mr. Williams of Montana, Mr. Donnelly, Mr. Wolpe, Mr. Ambro, Mr. Harkin, Mr. McHugh, and Mr. Neal.

H.R. 6380: Mr. Bedell and Mr. Panetta.

H.R. 6732: Mr. Grassley.

H.R. 6825: Mr. Rangel, Mr. Conyers, Mr. Clay, Mr. Corrada, Mr. Horton, Mr. Won Pat, Mrs. Chisholm, Mr. Weiss, Mr. Simon, Mr. Mitchell of Maryland, Mr. Downey, Mr. Hanley, Mr. Addabbo, Mr. Wolff, Mr. Ottinger, Mr. Patten, Ms. Oakar, Mr. Fary, Mr. Johnson of California, Mr. Blanchard, Mr. Kildee, Mr. Solarz, Mr. Roybal, Mr. Hawkins, Mr. Myers of Pennsylvania, Mrs. Collins of Illinois, Mr. Waxman, Mr. Gray, and Mr. Stokes.

H.R. 6913: Mr. Drinan.

H.R. 7043: Mr. Nolan, Mr. Erdahl, Mr. Findley, Mr. Spence, Mr. Young of Alaska, Mrs. Smith of Nebraska, Mr. Bowen, Mr. Jeffords, Mr. Bedell, Mr. Hall of Texas, Mr. Abdnor, Mr. Steed, Mr. Downey, Mr. Leath of Texas, Mr. Daniel B. Crane, Mr. Mathis, Mr. Leach of Louisiana, Mr. Weaver, Mr. Bereuter, Mr. Oberstar, Mr. Murphy of Pennsylvania, Mr. Kogovsek, and Mr. Fithian.

H.J. Res. 451: Mr. Stack and Mr. Mathis.

H.J. Res. 525: Mr. Hinson, Mr. Miller of Ohio, Mr. Solomon, Mr. Livingston, Mr. Stangeland, Mr. Dornan, Mr. Thomas, Mr. Evans of Georgia, Mr. Lagomarsino, Mr. Lott, Mr. Huckaby, Mr. Burgener, Mr. Robert W. Daniel, Jr., Mr. Atkinson, Mr. Jenrette, Mr. Dougherty, and Mr. Royer.

H.J. Res. 533: Mr. Akaka, Mr. Ambro, Mr. Benjamin, Mr. Bethune, Mr. Bowen, Mr. Carter, Mr. Coelho, Mr. Conte, Mr. Findley, Mr. Forsythe, Mr. Hall of Ohio, Mr. Hammerschmidt, Mr. Hawkins, Mr. Hollenbeck, Mr. Howard, Mr. Hughes, Mr. Lagomarsino, Mr. Leland, Mr. Mathis, Mr. Mavroules, Mr. Nowak, Mr. Richmond, Mr. Royer, Mr. Solarz, Mr. Solomon, Mr. Stangeland, Mr. Winn, Mr. Won Pat, Mr. Wyatt, Mr. Yatron, and Mr. Guarini.

H. Con. Res. 323: Mr. Lagomarsino, Mr. Hinson, Mr. Flippo, Mr. Fithian, Mr. Corrada, Mr. Madigan, Mr. Addabbo, Mr. Rousselot, Mr. Roe, Mr. Whitehurst, Mr. Porter, Mr. Mollohan, Mr. Bethune, Mr. Mazzoli, and Mr. Erlenborn.

H. Res. 590: Mr. Findley.

H. Res. 603: Mrs. Collins of Illinois.

DELETION OF SPONSORS

Under clause 4 of rule XXII, sponsors were deleted from public bills and resolutions as follows:

H.R. 6722: Mrs. Bouquard.

PETITIONS, ETC.

Under clause 1 of rule XXII,

342. The SPEAKER presented a petition of the Parma Democratic Club, Parma, Ohio, relative to declaring Presidential Election Day as a national holiday, which was referred to the Committee on Post Office and Civil Service.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

S. 1309

By Mr. WALKER:

—Page 39, line 2, strike out "$8,744,774,000" and insert in lieu thereof "$9,000,000,000".

Page 39, line 4, strike out "$9,739,276,000" and insert in lieu thereof "$9,200,000,000".

—Page 39, after line 22 insert the following new title:

TITLE III—FOOD STAMP PROGRAM REFORM

AMENDMENTS TO DEFINITIONS

Sec. 301. Section 3 of the Food Stamp Act of 1977 (7 U.S.C. 2012), as amended by title I of this Act, is amended—

(1) in subsection (c) by striking out the second sentence and all that follows through "reports, the" and inserting in lieu thereof "The"; and

(2) by striking out subsection (o) and subsection (q) and redesignating subsection (p) as subsection (o).

STATE PARTICIPATION IN PROGRAM FORMULATION

Sec. 302. The first sentence of section 4(a) of the Food Stamp Act of 1977 (7 U.S.C. 2013 (a)) is amended—

(1) by inserting "of a participating State" after "State agency";

(2) by striking out "within the" and inserting in lieu thereof ", in accordance with

eligibility criteria established by such State, within such" after "determined"; and

(3) by inserting "determined on the basis of benefit levels established by such State" before the period.

ELIMINATION OF UNIFORM ELIGIBILITY CRITERIA

SEC. 303. Section 5 of the Food Stamp Act of 1977 (7 U.S.C. 2014), as amended by title I of this Act, is amended—

(1) in subsection (a), by inserting ", in accordance with eligibility criteria established by the State involved," after "determined";

(2) by striking out subsections (b), (c), (d), (e), (f), and (g); and

(3) by redesignating subsection (h) as subsection (b).

ELIMINATION OF UNIFORM ELIGIBILITY DISQUALIFICATIONS

SEC. 304. The Food Stamp Act of 1977 (7 U.S.C. 2011–2027), as amended by title I of this Act, is amended by striking out section 6 and redesignating section 7 as section 6.

ELIMINATION OF UNIFORM VALUE OF ALLOTMENT

SEC. 305. Section 8 of the Food Stamp Act of 1977 (7 U.S.C. 2017) is amended—

(1) by striking out "Sec. 8." and inserting in lieu thereof "Sec. 7.";

(2) by striking out subsection (a); and

(3) in subsection (b) by striking out "(b)".

(b) Section 9 and section 10 of the Food Stamp Act of 1977 (7 U.S.C. 2018, 2019), as amended by title I of this Act, are redesignated as section 8 and section 9, respectively.

STATE PLANS

SEC. 306. (a) Section 11(b) of the Food Stamp Act of 1977 (7 U.S.C. 2020(b)) is amended—

(1) by inserting "of a State" after "political subdivision" the first place it appears; and

(2) by inserting "of such State" after "political subdivision" the second place it appears.

(b) Section 11(e) of the Food Stamp Act of 1977 (7 U.S.C. 2020(e)), as amended by title I of this Act, is amended—

(1) in paragraph (1)—

(A) in subparagraph (A) by striking out ", including" and all that follows through "subsection;" and inserting in lieu thereof "; and";

(B) by striking out subparagraph (B); and

(C) by redesignating subparagraph (C) as subparagraph (B);

(2) by striking out paragraph (2) and paragraph (3);

(3) in paragraph (4)—

(A) by striking out "(4)" and inserting in lieu thereof "(2)"; and

(B) by striking out the colon and all that follows through "necessary";

(4) by striking out paragraphs (5), (6), (7), and (8),

(5) in paragraph (9)—

(A) by striking out "(9)" and inserting in lieu thereof "(3)"; and

(B) by striking out "as defined in sections 5(d) and (e) of this Act" and inserting in lieu thereof ", determined in accordance with the definition of income established by such State,";

(6) by redesignating paragraph (10), (11), and (12) as paragraphs (4), (5), and (6), respectively;

(7) by striking out paragraph (13) and redesignating paragraphs (14), (15), and (16) as paragraphs (7), (8), and (9), respectively;

(8) by striking out paragraph (17);

(9) by redesignating paragraph (18) and paragraph (19) as paragraph (10) and (11), respectively;

(10) in paragraph (10), as so redesignated, by striking out "notwithstanding paragraph (8) of this section,";

(11) in paragraph (11), as so redesignated, by striking out the period at the end thereof and inserting in lieu thereof "; and"; and

(12) by adding at the end thereof the following new paragraph:

"(12) that the State agency shall establish a work program involving the performance of work in return for benefits provided under the food stamp program and shall require as a condition of eligibility to receive benefits under the food stamp program that members of households to whom such program applies participate in such work program.".

(c) Section 11(g) of the Food Stamp Act of 1977 (7 U.S.C. 2020(g)), as amended by title I of this Act, is amended—

(1) by striking out "or" before "the State plan of operation";

(2) by striking out "or the Secretary's standards" and all that follows through "section 16(b)(1) of this Act,"; and

(3) by striking out "and, whether or not the Secretary" and all that follows through "appropriate".

(d) Section 11 of the Food Stamp Act of 1977 (7 U.S.C. 2020), as amended by title I of this Act, is amended—

(1) by striking out "Sec. 11." and inserting in lieu thereof "Sec. 10.";

(2) by striking out subsection (i) and subsection (j) and redesignating subsection (k) and subsection (l) as subsection (i) and subsection (j), respectively; and

(3) by adding at the end thereof the following new subsection:

"(k) No provision of this Act shall be construed to prohibit any State participating in the food stamp program from establishing any program designed to encourage households receiving coupons to purchase nutritional food.".

CONFORMING AMENDMENTS

SEC. 307. (a) Section 12 of the Food Stamp Act of 1977 (7 U.S.C. 2021) is amended—

(1) by striking out "Sec. 12." and inserting in lieu thereof "Sec. 11."; and

(2) by striking out "section 14" and inserting in lieu thereof "section 13".

(b) Section 13 of the Food Stamp Act of 1977 (7 U.S.C. 2022) is amended—

(1) by striking out "Sec. 13." and inserting in lieu thereof "Sec. 12."; and

(2) in the first sentence by striking out ", including" and all that follows through "recipients".

(c) Section 14 and section 15 of the Food Stamp Act of 1977 (7 U.S.C. 2023, 2024), as amended by title I of this Act, are redesignated as section 13 and section 14, respectively.

STATE ADMINISTRATIVE RESPONSIBILITY

SEC. 308. Section 16 of the Food Stamp Act of 1977 (7 U.S.C. 2025), as amended by title I of this Act, is amended—

(1) by striking out "Sec. 16." and inserting in lieu thereof "Sec. 15.";

(2) by striking out subsections (a), (b), (c), (d), and (e);

(3) in subsection (f)—

(A) by striking out "(f)" and inserting in lieu thereof "(a)"; and

(B) by striking out "The Secretary and" each place it appears;

(4) in subsection (g)—

(A) by striking out "(g)" and inserting in lieu thereof "(b)";

(B) in paragraph (2) by striking out "sections 5 and 6" and inserting in lieu thereof "established under this Act by the State involved"; and

(C) in paragraph (4)—

(i) by striking out "section 14" and inserting in lieu thereof "section 13"; and

(ii) by striking out ", through withholding amounts otherwise payable to the State agency pursuant to subsection (a) of this section,";

(5) by redesignating subsections (h), (i), (j), (k), and (l) as subsections (c), (d), (e), (f), and (g), respectively;

(6) in subsection (e), as so redesignated, by striking out "subsection (h)" and inserting in lieu thereof "subsection (c)"; and

(7) by adding at the end thereof the following new subsection:

"(h) Not more than 10 per centum of the funds received for any fiscal year by a State agency to carry out the food stamp program under this Act may be used by such State agency to pay the administrative costs of such State agency involved in the operation of such program for such fiscal year.".

RESEARCH AND EVALUATION

SEC. 309. Section 17 of the Food Stamp Act of 1977 (7 U.S.C. 2026), as amended by title I of this Act, is amended—

(1) by striking out "Sec. 17." and inserting in lieu thereof "Sec. 16.";

(2) by striking out subsection (b) and redesignating subsection (c) as subsection (b); and

(3) by striking out subsection (d) and subsection (e).

DISTRIBUTION OF FUNDS TO STATES

SEC. 310. The Food Stamp Act of 1977 (7 U.S.C. 2011–2027) is amended by inserting after section 16, as so redesignated by section 309, the following new section:

"DISBURSEMENT OF FUNDS; REPORTS

"SEC. 17. From the funds made available for States participating in the food stamp program for any fiscal year to provide benefits under the food stamp program and to pay the related administrative costs of state agencies of such States, the Secretary shall pay to each such State an amount which bears the same ratio to the aggregate amount of funds so made available for all such participating States as the population of such State bears to the aggregate population of all such participating States. For purposes of the preceding sentence, the population of any State shall be determined by the Secretary of Agriculture on the basis of the latest available population estimates provided by the Bureau of the Census in Series P–25, Current Population Reports, or its successor series).

"(b)(1) The Secretary shall pay quarterly to any State one-fourth of the amount of funds payable under subsection (a) to such State.

"(2) Any amount of the funds which are received by a State under subsection (a) and which are in excess of the amount of funds required by such State to carry out the food stamp program may be expended by such State to carry out human services programs in such State.

"(c)(1) Before each fiscal year begins, the State agency of each State participating in the food stamp program shall submit to the Secretary a report setting forth the purposes, including human services programs, for which funds to be received by such State agency under this Act will be disbursed and obligated, and the amount of such funds which will be disbursed or obligated for each such purpose.

"(2) Not later than October 31 of the calendar year in which such fiscal year ends, such State agency shall submit to the Secretary a report setting forth the purposes, including human services programs, for which funds received under this Act during such fiscal year have been disbursed and obligated, and the amount of such funds disbursed or obligated for each such purpose.

"(3) The reports required to be submitted under this section shall be in such form and shall contain such supplementary information as the Secretary may require.".

ELIMINATION OF FEDERAL RESTRICTIONS ON ALLOTMENTS

SEC. 311. (a) Section 18 of the Food Stamp Act of 1977 (7 U.S.C. 2027), as amended by title I and title II of this Act, is amended by striking out subsections (b), (c), and (d).

(b) Section 18(a) of the Food Stamp Act of 1977 (7 U.S.C. 2027(a)), as amended by title I and title II of this Act, is amended—

(1) in paragraph (1)—

(A) by striking out "(1)";

(B) by striking out the colon and all that follows through "factors." and inserting in lieu thereof a period;

(C) by striking out "section 17" and inserting in lieu thereof "section 16"; and

(D) by striking out the last sentence; and

(2) in paragraph (2) by striking out "(2)" and inserting in lieu thereof "(b)".

EFFECTIVE DATE

SEC. 312. The amendments made by this title shall take effect on September 30, 1981.

—Page 39, strike out line 23 and all that follows through line 4 on page 40 and insert in lieu thereof the following:

Amend the title to read as follows: "A bill to amend the Food Stamp Act of 1977 to authorize States to establish eligibility criteria and benefit levels applicable to recipients of benefits under the food stamp program, to increase the authorization of appropriations for fiscal years 1980 and 1981, and for other purposes.".

By Mr. PEYSER:

—Page 39, after line 22, insert the following new section:

RETROACTIVE REIMBURSEMENT

SEC. 202. Section 18 of the Food Stamp Act of 1977, as amended, is amended by adding at the end thereof the following new subsection:

"(e) (1) Notwithstanding any other provision of this Act, the Secretary—

"(A) shall sell coupons to any State participating in the food stamp program on May 31, 1980, for distribution to eligible households for June 1980 upon the request of such State to purchase coupons;

"(B) may redeem purchased coupons in such State with the receipts from coupons sold under this subsection; and

"(C) may expend the receipts from the sale of coupons under this subsection to administer the food stamp program for June 1980 in States which purchase coupons under this subsection.

"(2) For purposes of paragraph (1) (A) the Secretary shall sell coupons at a cost equal to the sum of the face value of such coupons and a proportionate share of the costs incurred by the Secretary to administer the food stamp program with the authority provided by this subsection.

"(3) For purposes of paragraph (1) (B) the Secretary, in cooperation with the Secretary of the Treasury, shall redeem coupons purchased under this subsection in the same manner as the Secretary redeems coupons with funds appropriated to carry out this Act.

"(4) From any funds made available after the date of the enactment of this Act to the Secretary for the fiscal year ending September 30, 1980, to carry out this Act, the Secretary shall reimburse States which purchase coupons under this section and which carry out the food stamp program in accordance with this Act.

"(5) The amount of any reimbursement paid to a State under paragraph (4) shall be equal to the sum of the aggregate purchase price paid by such State for coupons purchased under this section and any administrative costs for June 1980 for which such State would have been reimbursed under this Act with funds appropriated to carry out this Act for June 1980.

"(6) The authority vested in the Secretary by paragraph (1) (A) and paragraph (1) (C) of this subsection shall lapse if funds to carry out this Act for June 1980 are appropriated before June 1, 1980.".

By Mr. SYMMS:

—Page 24, after line 2, insert the following new section (and redesignate succeeding sections accordingly):

REINSTATEMENT OF PURCHASE REQUIREMENT; ADMINISTRATION

SEC. 116. (a) Section 3(b) of the Food Stamp Act of 1977, as amended, is amended by inserting "and any amount to be paid by such household for such allotment" before the period.

(b) Section 7(d) of the Food Stamp Act of 1977, as amended, is amended by striking out the third and fourth sentences.

(c) Section 8(a) of the Food Stamp Act of 1977, as amended, is amended by striking out "reduced by" and all that follows through "this elimination".

(d) Section 8(b) of the Food Stamp Act of 1977, as amended, by inserting "which is in excess of the amount charged such household for such allotment" after "eligible household".

(e) Section 8 of the Food Stamp Act of 1977, as amended, is amended by adding at the end thereof the following new subsections:

"(c) Notwithstanding any other provision of law, households shall be charged for the allotments issued to them, and the amount of such charge shall represent a reasonable investment on the part of the household, but in no event more than 30 per centum of the household's income, except that—

"(1) allotments may be issued without charge to households with an income of less than $30 per month for a family of four under standards of eligibility prescribed by the Secretary; and

"(2) the Secretary shall provide a reasonable opportunity for any eligible household to elect to be issued an allotment less than the allotment authorized to be issued to such household under subsection (a) of this section. The charge to be paid by any eligible household electing to exercise the option described in the preceding sentence shall be an amount which bears the same ratio to the amount which would have been payable under this subsection for an allotment issued to such household under subsection (a) as the allotment actually issued to such household bears to the allotment that would have been issued to such household under subsection (a).

"(d) (1) Funds derived from the charges made for allotments shall be promptly deposited, in a manner prescribed in the regulations issued pursuant to this Act, in a separate account maintained in the Treasury of the United States for such purpose. Such deposits shall be available, without limitation to fiscal years, for the redemption of coupons.

"(2) (A) The Secretary shall by regulation prescribe the manner in which funds derived from the distribution of coupons (charges made for allotments) shall be deposited by coupon issuers. Such regulations shall contain provisions requiring that coupon issuers promptly deposit such funds in the manner prescribed by the Secretary, except that such regulations shall, at a minimum, require that (i) such deposits be made at least weekly, and (ii) upon the accumulation of a balance on hand of $1,000 or more, such deposits be made within two banking days following the accumulation of such amount.

"(B) Any coupon issuer, or any officer, employee, or agent thereof, convicted of violating the regulations issued under subparagraph (A) of this paragraph shall be fined not more than $3,000, or imprisoned not more than one year, or both.

"(3) (A) Coupon issuers receiving funds derived from the distribution of coupons (charges made for allotments) shall be deemed to be receiving such funds as fiduciaries of the Federal Government, and such coupon issuers shall immediately set aside all such funds as funds of the Federal Government. Funds derived from the distribution of coupons (charges made for allotments) shall not be used, before the deposit of such funds in the manner prescribed by the Secretary, for the benefit of any person, partnership, corporation, association, organization, or entity other than the Federal Government.

"(B) Any coupon issuer, or any officer, employee, or agent thereof, convicted of violating subparagraph (A) of this paragraph shall be fined not more than $10,000 or a sum equal to the amount of funds involved in the violation, whichever is the greater, or imprisoned not more than ten years, or both, except if the amount of such funds is less than $1,000, then such issuer shall be fined not more than $3,000, or imprisoned not more than one year, or both.

"(4) (A) The Secretary shall by regulation require that upon the deposit, in the manner prescribed by the Secretary, of funds derived from the distribution of coupons (charges made for allotments), coupon issuers shall immediately send a written notice to the State agency, accompanied by an appropriate voucher, confirming such deposit. In addition to such other information deemed by the Secretary to be appropriate, such regulations shall require that such notice contain—

"(i) the name and address of the coupon issuer;

"(ii) the total receipts of such coupon issuer derived from the distribution of coupons (charges made for allotments) during the deposit period;

"(iii) the amount of the deposit;

"(iv) the name and address of the depository; and

"(v) an oath or affirmation signed by the coupon issuer or, in the case of a corporation or other entity not a natural person, by an appropriate official of the coupon issuer, certifying that the information contained in such notice is true and correct to the best of such person's knowledge and belief.

"(B) Any coupon issuer, or any officer, employee, or agent thereof, convicted of failing to provide the notice required under subparagraph (A) of this paragraph shall be fined not more than $3,000, or imprisoned not more than one year, or both.

"(C) Any coupon issuer, or any officer, employee, or agent thereof, who knowingly provides false information in any notice required under subparagraph (A) of this paragraph shall be fined not more than $10,000, or imprisoned not more than ten years, or both.

"(5) (A) The Secretary shall by regulation require each coupon issuer at intervals prescribed by the Secretary, but not less often than monthly, to send to the Secretary, or his designee, a written report of the issuer's operations during such period under the food stamp program. In addition to such other information deemed by the Secretary to be appropriate, the regulations shall require that the report contain—

"(i) the name and address of the coupon issuer;

"(ii) the total receipts of the coupon issuer derived from the distribution of coupons (charges made for allotments) during the report period;

"(iii) the total amount of deposits made by the issuer of funds derived from the distribution of coupons (charges made for allotments) during such period;

"(iv) the name and address of each depository receiving such funds from such issuer; and

"(v) an oath or affirmation, signed by the coupon issuer, or in the case of a corporation or other entity not a natural person, by an appropriate official of the coupon issuer, certifying that the information contained in the report is true and correct to the best of such person's knowledge and belief.

"(B) Any coupon issuer, or any officer, employee, or agent thereof, convicted of failing to provide any notice required under subparagraph (A) of this paragraph shall be fined not more than $3,000, or imprisoned not more than one year, or both.

"(C) Any coupon issuer, or any officer, employee, or agent thereof, who knowingly provides false information in any notice required under subparagraph (A) of this paragraph shall be fined not more than $10,000, or imprisoned not more than ten years, or both.

"(6) The Secretary may by regulation require State agencies to provide periodic reports to the Secretary, or his designee, containing a consolidation of the respective coupon issuer's notices to such State agencies at such intervals as the Secretary in his discretion deems appropriate.

"(7) The Secretary and the United States Postal Service shall jointly arrange for the prompt deposit of funds collected by the United States Postal Service on behalf of a State from charges made for coupon allotments.".

(f) The heading for section 8 of the Food Stamp Act of 1977, as amended, is amended to read as follows:

"Value of Coupon Allotment and Charges to be Made".

(g) Section 11(e) of the Food Stamp Act of 1977, as amended, is amended—

(1) in paragraph (18) by striking out "and";

(2) in paragraph (19) by striking out the period and inserting in lieu thereof "; and"; and

(3) by adding at the end thereof the following new paragraph:

"(20) notwithstanding any other provision of law, for the institution of procedures under which any household participating in the program shall be entitled, if it so elects, to have the charges, if any, for its allotment deducted from any grant or payment such household may be entitled to received under title IV of the Social Security Act and have its allotment distributed to it with such grant or payment.".

(h) Section 15(a) of the Food Stamp Act of 1977, as amended, is amended by inserting "purchase by and" before "issuance".

(i) Section 18(a) of the Food Stamp Act of 1977, as amended, is amended by inserting after the second sentence the following: "Such portion of any such appropriation as may be required to pay for the value of the coupon allotments issued to eligible households which is in excess of the charges paid by such households for such allotments shall be transferred to and made a part of the separate account created under section 8 (d)(1) of this Act.".

(j) Section 18(b) of the Food Stamp Act of 1977, as amended, is amended—

(1) by inserting "(1)" after "(b)",

(2) by striking out the first sentence and inserting in lieu thereof the following: "In any fiscal year, the Secretary shall limit the value of coupons issued which is in excess of the value of coupons for which households are charged, to an amount which is not in excess of the portion of the appropriation for such fiscal year which is transferred in accordance with subsection (a) of this section to the separate account referred to in such subsection."; and

(3) by adding at the end thereof the following: "If the Secretary determines that any of the funds in such separate account are no longer required to carry out the provisions of this Act, such portion of such funds shall be paid into the miscellaneous receipts of the Treasury.".

(k) The amendments made by this section shall take effect on January 1, 1981.

By Mr. ZEFERETTI:

—Page 15, line 13, strike out "and".

Page 15, strike out line 14 and insert in lieu thereof the following:

(2) striking out "that portion of"; and

(3) striking out ", that exceed $35 a month".

SENATE—*Wednesday, May 7, 1980*

(Legislative day of Thursday, January 3, 1980)

The Senate met at 9 a.m., on the expiration of the recess, and was called to order by Hon. ROBERT MORGAN, a Senator from the State of North Carolina.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Let us pray.

Eternal Father, whose mercies are new every morning, open our eyes to Thy beauty, open our minds to Thy truth, open our hearts to Thy spirit, and use us this day to advance the Nation's welfare and extend Thy kingdom among men.

Draw together the world of the visible and the invisible, the temporal and the eternal, and unite us in our labors with that unseen Host, whom we have loved long since and lost awhile, especially those who gave their lives in Iran. Grant that being compassed about with so great a cloud of witnesses we may run with patience the race that is set before us looking unto the author and finisher of our faith for guidance and strength.

In His holy name we pray. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. MAGNUSON).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., May 7, 1980.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable ROBERT MORGAN, a Senator from the State of North Carolina, to perform the duties of the Chair.

WARREN G. MAGNUSON,
President pro tempore.

Mr. MORGAN thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE MAJORITY LEADER

The ACTING PRESIDENT pro tempore. The majority leader is recognized.

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Journal of the proceedings be approved to date.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

FIRST CONCURRENT BUDGET RESOLUTION

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will now resume consideration of the pending business, Senate Concurrent Resolution 86, which the clerk will state by title.

The legislative clerk read as follows:

A concurrent resolution (S. Con. Res. 86) setting forth the recommended congressional budget for the U.S. Government for the fiscal years 1981, 1982, and 1983 and revising the second concurrent resolution on the budget for the fiscal year 1980,

The Senate resumed the consideration of Senate Concurrent Resolution 86.

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from Maine (Mr. COHEN) is recognized to call up his amendment.

Mr. COHEN. Mr. President, I ask unanimous consent that Tom Heyerdahl, of my staff, and Marianne Klink, of Senator SIMPSON's staff, be granted privilege of the floor.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

AMENDMENT NO. 1773

(Purpose: To reduce budget authority and outlays for water projects)

Mr. COHEN. Mr. President, I have an amendment at the desk and I ask that it be stated.

The ACTING PRESIDENT pro tempore. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Maine (Mr. COHEN), for himself, Mr. SIMPSON and Mr. NELSON, proposes an amendment numbered 1733.

Mr. COHEN. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The amendment is as follows:

On page 2, line 17, strike out "$687,900,000,000" and insert "$687,400,000,000".

On page 2, line 22, strike out "$612,900,000,000" and insert "$612,400,000,000".

On page 3, line 4, strike out "$0" and insert "+$500,000,000".

On page 3, line 9, strike out "$927,800,000,000" and insert "$927,300,000,000".

On page 3, line 15, strike out "$32,700,000,000" and insert "$32,200,000,000".

On page 5, line 23, strike out "$11,600,000,000" and insert "$11,100,000,000".

On page 5, line 24, strike out "$12,000,000,000" and insert "$11,500,000,000".

Mr. COHEN. Mr. President, I am pleased to join with Senators SIMPSON and NELSON in offering this amendment which will reduce budget authority and outlays for water resources projects $500 million below the levels recommended in Senate Concurrent Resolution 86. This is an area of the budget where fiscal restraint and policy reforms are long overdue, and where significant savings can be achieved in the effort to balance the Federal budget, lessen the tax burden of all Americans, and bring inflation under control.

I want to stress at the outset that the amendment makes no judgments with respect to the merits of any particular water project. It is not an attempt to resurrect the President's ill-fated "hit-list," or to gut the Nation's water resources program. Rather, it is an acknowledgment that not all water projects are urgent or high priority, and that many, in fact, are eminently postponable—some indefinitely. Approval of the amendment will also acknowledge that a larger share of the burden of subsidizing Federal water projects should be shifted from the backs of taxpayers to the pocketbooks of those who benefit most from their construction.

No project would have to be halted or eliminated to achieve reductions in the range of $500 million in fiscal year 1981. By placing a spending cap on certain projects or imposing a fractional reduction applied evenly across the board, $500 million could be trimmed from the budget while sustaining a substantial level of construction and maintenance activities. Alternatively, the Congress could increase waterway user charges to a level necessary to attain the savings contemplated in the amendment. Finally, funds could be diverted from projects which are now on accelerated construction schedules to insure that other high priority projects are not seriously underfunded.

Opponents of this amendent will no doubt argue that this proposed reduction in funding will only drive up the ultimate costs of Federal water projects, due, of course, to inflation. Additionally, it will be argued that the Senate Budget Committee has already wielded its knife in this area, and further surgery is unnecessarv and unwarranted.

Neither of the aforementioned arguments is likely to elicit a sympathetic response from the American taxpayer who can no longer afford to buy a decent home, properly educate his children, put a nutritious meal on the table, plan for retirement, or take a needed vacation. Raging inflation, record levels of Federal taxation, soaring food and energy costs, and interest rates at historic highs have combined to deal a crushing blow to millions of American families who rightfully ask when the Federal Government is going to make real sacrifices that it calls upon them to make.

Real sacrifice, of course, will require that we abandon our traditional ways of doing business. It will require that the theoretical commitment we have all made to balancing the budget be matched by a willingness to accept the pain and discipline necessary to get the job done. Above all, it will require that in the pursuit of our own economic agendas, we not lose sight of what is best for the Nation as a whole.

Our present water resources policy, if one can properly label it a policy, offers one of the best examples of blurred vision politics in action. It is a process founded, nourished, and sanctioned by political clout and custom. It is a process that has long been considered sacrosanct—a legislative enclave seemingly immune to attack. While other areas of the budget are attacked with a vengeance, most alternative budget balancing proposals do not so much as lay a glove on water projects.

I am deeply troubled that in setting our Nation's spending priorities, we show little reluctance to cut revenue sharing and needed health, energy, and mass transit programs, yet display no inclination to impose a fairer share of the budget cutting burden on water projects. This speaks volumes about the priorities of this Congress.

Trading political favors at public expense is hardly a new game. Just as the cherry blossoms arrive in Washington every spring, so too does a legion of supplicants seeking favored treatment for their local water projects. It is a ritual that has been repeated for decades, with only the names and the faces changing.

Clearly, our present economic difficulties demand that we rethink past practices, however sanctioned by custom. No program or policy should be immune from scrutiny, notwithstanding the strengths of its constituency. And few programs have a constituency as strong as water development policy.

My distinguished colleague from New Mexico, Senator DOMENICI, who is a member of the Senate Environment and Public Works Committee, recently offered the following candid assessment of the present system for authorizing and funding water projects:

> The United States desperately needs a water policy, but unless we are prepared to make some major changes, the work of this committee will continue to be a willy-nilly process, listening to a few congressional witnesses about their pet projects, and the situation will get worse . . . There is no effort to identify priorities. We sit here in the committee and just authorize and send everything on to the Appropriations Committee. Our current policy is simply ad hoc . . . every Congress finds the omnibus rivers and harbors bill coming up in the last 15 days. We push through an 80-page bill with 300 projects; most of the Senators couldn't pronounce half of the names of the projects.

Mr. MOYNIHAN. Mr. President, will the Senator yield for a question at this point?

Mr. COHEN. I yield.

Mr. MOYNIHAN. As my distinguished friend is speaking of a committee of which I am a member, and elucidating a viewpoint with which I have very much sought to associate myself, I should like to address to him a perhaps rhetorical question but one which has a very great deal to do with the problems we are facing with the budget and the issues to which he is referring.

The Senator is a learned and experienced legislator. I am sure he is familiar with the idea in economics of a free good, something for which you pay nothing.

It used to be thought, for example, that the air was a free good, and it turned out later that it was not.

Is it not the defining characteristic of water projects, as they come out of that era of American history that Mark Twain called "The Great Barbecue," that they are seen, by those who can obtain them through the congressional political process, as free goods?

They appear not to cost anything. They do not impose any cost on the region, the State, the county that gets them. They do not run down any ledger or account that is available. It is a kind of cargo cut in the manner of New Guinea. The Federal largess comes and is discharged. It is a miracle, and it is free.

It is precisely the thought that no costs are imposed upon anyone else that has led to the abuse of this system to the point where worthwhile projects are tainted by the expectation that they have no value, as so many others do not.

If we address ourselves to the problem of a budget that has seemed out of control to many persons, is it not to this kind of consideration that we should direct our attention, rather than to the legitimate and documented claims which we find in other parts of our social programs?

Mr. COHEN. The question raised by the Senator from New York certainly needs no response from me. It answers itself.

I suggest to the Senator that it is not only a question of having a philosophy of free goods, but also that some States receive free goods while others do not. It is a question of the equity of the distribution of these types of water projects or free goods.

I was going to quote the able and distinguished Senator from New York, from his past statements on a similar type of analysis about water projects, when he did, indeed, call it "The Great Barbecue." But he went on to say:

> It's not respectable, but it's greatly profitable. States come running because these water projects are essentially free goods.

The distinguished Senator from New York also has characterized the benefit-cost ratio as "a systematic deception in which primitive people invoke the techniques of modern science they don't understand."

Other members of the Senate Environment and Public Works Committee have been equally critical of the current process. One of my colleagues in this endeavor, Senator SIMPSON, remarked during a recent markup session on rivers and harbors legislation that "what we have here is a slush fund of projects to raid the Treasury * * * a parade of turkeys. You would never put a nickel of your own money into some of these projects."

In a joint letter of August 5, 1977, to the Comptroller General, Senators MUSKIE and BELLMON, on behalf of the Budget Committee, requested that the General Accounting Office conduct an in-depth analysis of certain aspects of our water resources program. I quote briefly from this letter:

> Our water resources programs bear closer scrutiny from an economic standpoint. The Administration recently has raised questions concerning the documentation of need, the accuracy of benefit-cost ratio analyses, and the enormous cost overruns that have occurred in some water projects. Congress and the Administration agree on the need for a water resources program which promotes prudent fiscal policy and careful resource planning.
>
> To enable Congress to set national spending priorities and accordingly to direct and control water resources programs, all pertinent information pertaining to water projects authorization must be accurately presented to the committees involved. To provide a complete picture, atlernatives to projects and their associated costs must be delineated. Also, Congress sorely needs better information on the costs at the time of project authorization and during construction for predictive purposes.

In its report to Senator MUSKIE and BELLMON, GAO noted the following major deficiencies in the present process for authorizing and funding water projects:

Cost estimates presented to Congress for water resources construction authorization are not based on reliable information. As a result, Federal water projects are generally experiencing large cost growth over the cost estimates presented to the Congress at the time the projects were authorized for construction;

Because there are far too many projects for the available funding to construct each project at its optimum rate, improvements are needed to set priorities so that the highest priority projects can be constructed efficiently, while those with the lowest priority be deferred or perhaps left unfunded. Delays and backlogs causing cost growth on major programs could be reduced if priorities were properly established and transmitted to Congress;

Both the corps and the Water and Power and Resources Service—formerly the Bureau of Reclamation—provide incomplete conceptual design data for use by the Congress in authorizing large amounts of funding to construct major water resources projects;

More should be done, according to the GAO, by the aforementioned agencies to provide a better basis for a congressional decision on the need for a particular project and the best alternative for meeting that need.

For the most part, GAO's criticisms remain valid today.

Although the GAO's study did not dwell at length on the development of benefit-cost ratios for Federal water projects, this has been an area of great concern to me for some time. Central to the formulation of the benefit-cost ratio is the choice of the interest or discount rate.

As some of my colleagues know, many water projects survive largely because Congress continues to permit the use of a ludicrously low discount rate in judging their economic viability. It is, of course, possible to justify almost any project if the discount rate is low enough. However, when we subsidize water development projects through the use of unrealistically low-interest rates to produce an artificially favorable cost-benefit ratio, we are doing so at the expense of some other activity where Federal funds could be more productively used. This practice not only represents an exercise in self-deception, but yields an extremely poor return on the taxpayer's investment.

The time to end this charade is at hand. I remain prepared to support water resource projects which can stand on their own merits, but frankly, I am tired of being asked to support economic cripples which cannot possibly pass muster in the marketplace.

I fully recognize that this amendment strikes a sensitive nerve with many of my colleagues. One never questions the virtues of motherhood, apple pie, and water projects without inviting a vigorous dissent. Past skirmishes over water policy reforms have left the battlefield littered with the corpses of would-be reformers, so I do not underestimate, for even a moment, the intensity of feeling on this particular matter.

I firmly believe, however, that the time is ripe to reexamine past practices in this area. The need for fiscal restraint has imposed a special obligation on this Congress to reform its ways, and to abandon practices which are wasteful, parochial, and frequently inflationary.

The budget resolution is an appropriate vehicle for mandating needed reforms in our water development policy, and adoption of this amendment will provide the boost that is necessary to get this process underway.

Mr. MOYNIHAN. Mr. President, I wonder if the Senator from Maine will yield at this point for a comment, his very important statement having just been made.

Mr. COHEN. I yield.

Mr. MOYNIHAN. I know he would wish to be associated, as I certainly would, with the others who support this process. The statement as to what has happened to our water programs is that they have become irrational and wasteful. They do not save water. They do not preserve watersheds. Here I can only offer an impression, but it seems to me that over the period of the last 75 years the most obvious programs, the best and most worthy programs, have commenced and been completed, while more and more these programs partake of a boondoggle and make-work rather than conservation. Hence it became the curious phenomenon that the opposition to such programs became most vigorous within the community in the United States that most associated itself with conservation issues.

I draw the attention of my friend from Maine to the Tennesse-Tombigbee Waterway, which is one of the enterprises we will be funding. I have said in the past, in jest but not extravagantly, that the United States is cloning the Mississippi River, that the ancient Greeks could regard it as a hubristic enterprise of the sort to bring upon us the vengeance of a Deity who would think us ungrateful for the river He gave us in the first place.

The Tennessee-Tombigbee Waterway is a canal that goes from the Gulf of Mexico to the Ohio Valley. As of today the benefit-cost ratio on Tennessee-Tombigbee has dropped to 1.08 to 1. If it ever slips to 0.99 of course that is fatal. It never does. This is with an interest rate estimate of 3¼ percent.

There are many mournful results of the 1936 floods in the Ohio Valley but none more to be regretted than the benefit-cost ratio. It has permanently tainted veracities of the data of the U.S. Government.

Mr. COHEN. Mr. President, will the Senator yield?

Mr. MOYNIHAN. I am happy to yield.

Mr. COHEN. Mr. President, I point out that the cost of that particular project has accelerated or escalated some $400 million in 1 year.

Mr. MOYNIHAN. The figure is right, and that is only the beginning. The project requires the disposal of more cubic yards of dredged soil than did the Panama Canal. Who will we give it to? They might ponder that imponderable.

This is not enlightened public works. This is the display of randomly distributed influence in an irrational process.

Among other things it imposes upon State governments and local community projects they increasingly do not want or about which they in any event have no choice. One of the things we have been trying to point out in the last 3 years to the advocates, even the less thoughtful ones, of these programs is that they are not happy and they are not getting anywhere. They get mixed up.

Nothing was more surprising than when, in our Budget Committee deliberations, at a time when we thought we were going to be carefully reducing, we cut the general revenue sharing by 25 percent, and suddenly found ourselves increasing the chairman's mark for water resources. If there is going to be sacrifice, if that is the term, if there is going to be reduction, which surely is the term, it should be general and it should, as the Senator from Maine has said, be addressed to areas where the level of public support is diminishing and controversy rising. This is the general concern of the sort the Senator from New Mexico has expressed, which the Senator from Maine quoted recently.

When the Senator from Maine is willing I will ask unanimous consent to substitute for his proposal an amendment which would have the effect of transferring the half-billion dollars reduced by his proposal to the function that provides general revenue sharing, such that the very sharp reduction, 25 percent reduction in revenue sharing, might be mitigated somewhat.

I see that we have here in the Chamber three of the most learned and distinguished advocates of different points of view on this matter, and I think they would wish to speak directly to the water resources question. I think the Senator from Maine, since it is his amendment we are still discussing—I will not presume to speak for him—would want to hear from these other Senators.

I will defer until we have had some exchanges if they wish.

Mr. JOHNSTON. Mr. President, has the distinguished Senator from New York made a unanimous-consent request?

Mr. MOYNIHAN. I have not, but I will do so.

Mr. JOHNSTON. Mr. President, will the Senator from South Carolina yield me some time?

Mr. HOLLINGS. I would be glad to yield to the distinguished Senator such time as he may desire.

The ACTING PRESIDENT pro tempore. The Senator from Maine has the floor.

Mr. COHEN. Mr. President, I want to thank the Senator from New York for his enlightened comments. It struck me, as he was comparing the Tennessee-Tombigbee project with the Panama Canal, that the Pentagon may have some interest in launching a new source of motor transportation for its MX missile. We have seen that they have changed from a racetrack to a straight-line method. They are also giving consideration to a shallow underwater missile system. Perhaps the new canal, which boggles the mind, might be an appropriate vehicle to transport the MX at an appropriate time.

Mr. President, in relation to one of the comments raised by the Senator from New York about projects which are irrational, unwanted, and undesirable, let me just read from a statement made by the Senator from Montana (Mr. BAUCUS) about a month ago, when he made a statement on the floor of the Senate about a project called the Libby Additional Units Reregulating Dam, the acronym of which is LAURD. I would suggest that we change it to "PORK," because here is what the Senator from Montana had to say about the project. He said, and first, let me give you the summary about the Libby Rereg Dam controversy. "First, LAURD would cost $300 million; second, GAO's recent study gives it the worst benefit/cost ratio in GAO's long history of similar studies, 58 cents in benefits for every $1 spent.

"Third, the Congressman from the district and a Senator from the State agree it is too wasteful to build." When was the last time you heard a Member of Congress fighting to kill a $300 million project of Federal spending in his own State?

"Fourth, LAURD is not a normal water project; it is solely a peaking power project, no irrigation, no flood control, no recreation, and almost no new power. It just substitutes surges of power for continuous power.

"And, fifth, alternatives to LAURD have not been explored; even the need for new peaking capacity has not been established."

Those are the comments from the Senator from Montana, who opposes the construction of a $300 million project in his State.

That is just one example of the kind of unnecessary, wasteful, and unproductive projects that are included in our water resources development program.

At this time I yield to the Senator from Wyoming.

Mr. SIMPSON. Mr. President, if I am not mistaken, we have a limited amount of time on this particular amendment controlled by Senator COHEN; is that not correct?

The ACTING PRESIDENT pro tempore. The Senator is correct. The time is controlled by Senator COHEN and the Senator from South Carolina.

Mr. COHEN. Mr. President, how much time is remaining?

The ACTING PRESIDENT pro tempore. The Senator has 32 minutes and 34 seconds.

Mr. COHEN. I would yield at this time——.

Mr. HOLLINGS. Mr. President, I yield to the distinguished Senator from Louisiana.

The ACTING PRESIDENT pro tempore. The Senator from Louisiana.

Mr. JOHNSTON. Mr. President, I thank the distinguished chairman.

In a time of inflation it is difficult because it calls on all of us to, perhaps, think more selfishly, and it brings forth from the Nation and, indeed, from this body, perhaps more acrimony and competition than there ought to be.

One of the more disturbing directions that I have seen this Senate go in and this country go in in recent weeks and months, Mr. President, is what some would call the balkanization of the country, the pitting of region against region, of section against section, the Frost Belt versus the Sun Belt, the haves versus the have-nots; the social spenders against defense. All of these tensions, all of these conflicts, are coming to the fore, and we see this, indeed, I think, today, Mr. President. The have-nots in terms of water are after those who have water.

I think it is important, though, Mr. President, to consider water in terms of its national function, in terms of its national needs.

One of the earliest and most important decisions made at the Constitutional Convention was to give to Congress the power to regulate commerce between the States and foreign countries, and that is because of the terrible experience this country had in the Articles of Confederation when each State had the right to enact its own tariffs, when each State was a small city-State unto itself with the power to control that commerce.

In the Constitutional Convention they decided that commerce should be a national concern. So it was that it gave to Congress the power to regulate commerce, the power to enact all duties, and to prohibit all others between States.

It was soon after the Constitution was confected that we embarked upon a national water policy. It was to be the responsibility of Congress to provide for navigable waterways, and Congress has done that for two centuries. For two centuries they have provided for navigable waterways, much to the profit of this country.

If you look at all of the expenditures on water we have made in this country—and, yes, there have been some bad projects, but there have been some monumentally great projects—if you add them all up and take the composite cost/benefit ratio, it exceeds 7 to 1.

Where would we be without navigation, Mr. President? I ask the distinguished Senator from New York, sitting as he does on one of the greatest ports, one of the largest ports, in the entire world, not all built by the Corps of Engineers, but at least maintained by them, where would we be? The point is, it is vitally important. The most important economic impact in this whole area is not the Federal Government, but the Port of Baltimore. So it is in my State the Port of New Orleans; so it is around the country. Ports are vital to this Nation.

Mr. MOYNIHAN. Mr. President, will the Senator yield for a question?

Mr. JOHNSTON. Yes, indeed.

Mr. MOYNIHAN. I altogether agree with what the Senator says. Everybody has his favorite decision of John Marshall. Mine would be Gibbons against Ogden in 1884 which established this policy for public improvement of waterways and the development of the Ohio, Mississippi, Missouri systems, which is one of the great achievements of the country.

By 1850 there was more tonnage on the inland waterways in the United States than the British merchant marine. But there is such a thing as running a good thing too far and getting to the point where we are doing things which are mockeries of the earlier enterprises. In any event, I know I would like to hear the Senator from Louisiana, who knows of my regard for him, tell me, and tell the Senator from Maine, what he means when he says we are balkanizing our country and we are having a dispute here between the have-nots in relation to water against those who have? Those are his words.

Mr. JOHNSTON. I would be glad to respond to my distinguished colleague.

Mr. MOYNIHAN. How is it that some came to have and some came to have not?

Mr. JOHNSTON. Mr. President, I would be happy to respond to that because that is at the heart of what I am saying. What I mean is that water projects across this country are put where they are needed.

For example, with respect to flood control, we have in the whole Mississippi River and tributaries system, the setting up of a system of levees to control the diabolical flooding of the Mississippi River.

One of the things we found in the great flood of 1923 was that many jurisdictions were building levees locally, and that exacerbated the problems in other parts of the country. So Congress decided this should be a national concern, and we spent that money on the Mississippi River and tributary system because it is needed, because the Mississippi River happens to flow in certain places and does not flow in other places.

We put hurricane levees in places along the coast because that is where the hurricanes are. We build projects to furnish water to the arid West because it is the West that is dry. We dredged the harbors where there are harbors to be found. Mr. President, the point is we put these in areas of highest opportunity.

Does the State of New York receive some water projects? Yes. Does it receive its pro rata share? Not on the water projects account itself, of course not. But, Mr. President, the projects are put where they are needed, and I hope Congress will look at projects as a national concern.

When Congress looked at the so-called New York underwriting bill, so-called bail-out bill, we did not just look at and bail out every city and underwrite their bonds in the country because they did not all need it, and we did not all come in and say "Well, what is in it for me?"

We said the city of New York, the largest city in the country, the capital of commerce, the banking center of the world, center of culture and theater and many things wonderful, or so our friends would advertise to us and we believe, that city is in danger of going under if we do not help. And we helped because you needed it. We say, Mr. President, that we ought to help in waterways because the country needs it.

Now, is this an increasing account? Is it a runaway budget? Mr. President, the facts show otherwise.

If you look at the last 10 years in water resources expenditures, in real dollars, it has come down in both total appropriations and in the construction accounts. Both of those accounts have come down.

Mr. President, I ask unanimous consent that this table be printed in the RECORD showing that these expenditures have come down.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE III.—*Corps of Engineers Appropriations FY 1967 Through FY 1981*

[Dollars in thousands]

Fiscal year	Actual appropriation	Value in July 1965 dollars
1967	965,955	965,955
1968	967,599	921,523
1969	862,713.5	778,454
1970	711,992	587,058
1971	851,178	650,494
1972	1,025,084	703,844
1973	1,203,943	727,002
1974	873,589	503,399
1975	966,338	502,248
1976	1,237,151	600,460
1977	1,436,745	621,268
1978	1,537,820	620,945
1979	1,343,711	507,796
1980	[1] 1,573,266	556,945
1981 (Budget	1,576,681	515,896

[1] Includes proposed supplemental. Pay Raise $13,400; Other $92,300.

Mr. JOHNSTON. Mr. President, this amendment would cut $500 million from this budget and transfer it to revenue sharing. The total revised construction budget of the Corps of Engineers today is only $1.4 billion. If you took it all from just the ongoing construction contracts in the account, it would almost cut it in half. If you took it from operations and maintenance, it would cut operations and maintenance more than half. We would, in effect, be closing ports and harbors around this Nation.

We spend a pittance keeping our harbors open—dredging the Port of New

York, dredging the Mississippi River, dredging the Charleston Harbor, and others. What a monumentally silly thing it would be to quit that dredging and to shut down commerce.

We also operate and maintain our hydroelectric powerplants, Mr. President, that produce energy for this Nation. What an incredible thing to do to stop maintaining our hydroelectric dams.

The PRESIDING OFFICER. The Senator's 10 minutes have expired.

Mr. JOHNSTON. Mr. President, may I have an additional 2 minutes?

Mr. HOLLINGS. Mr. President, I yield 2 additional minutes to the Senator.

Mr. JOHNSTON. Mr. President, you can certainly pick out projects which are your unfavorite projects. The unfavorite projects for some, the Dickey-Lincoln hydroelectric project in Maine, I know, is a splinter under the nail of my friend from Maine. His senior colleague thinks it is a great and wonderful project, as do many other Maine people who have testified before our committee.

We came down on the side of continuing with that project, not because we want to cram something down Maine's throat, but because the leadership there established a project, pointed out an energy need and told us we ought to have it.

I do not know where else you are going to get the power in Maine. Where is it going to be? Is it nuclear in Maine that you want? Is it coal? Or do you want us to burn the coal and send you the acid rain?

Mr. COHEN. Mr. President, if the Senator would yield, I do not want to spend over a billion dollars on a project that produces only 2 hours of peaking power a day.

Mr. JOHNSTON. Mr. President, it is less than $1 billion for the Dickey-Lincoln Dams.

Mr. COHEN. It is a billion-dollar project

Mr. JOHNSTON. As a matter of fact, the latest projections we have is $825.5 million for 830 megawatts in the project for peaking power, of which $810 million is reimbursable with interest. And the peaking power is the most valuable of all, because it means you do not have to build the other kind of power.

The PRESIDING OFFICER. The Senator's 2 minutes have expired. Who yields time?

Several Senators addressed the Chair.

Mr. COHEN. Mr. President, I yield 5 minutes to the Senator from Wyoming, (Mr. Simpson.)

Mr. SIMPSON. Mr. President, I appreciate the Senator yielding. I have a markup in the Judiciary Committee and have to be there in a very few moments.

Mr. President, I am fully aware that this is an area where angels fear to tread, especially for one in my sensitive position as being a Senator from the West. I want to speak in support of the amendment I have cosponsored with Senator Cohen to reduce budget authority and outlays for water resources projects $500 million below the levels proposed for the fiscal year 1981 by the Budget Committee. That is absolute heresy for me. It was done with some pain.

Just let me briefly refer to the amendment and the intent of it from the prospective of a Western Senator who has a deep concern and a deep belief that Federal spending must be reduced. This, necessarily, means that each and every Federal program, each department and each agency of the Federal Government must be involved in the process, of reducing spending as well as each Senator.

The amendment does not propose to earmark cuts in any specific project. Furthermore, there are other considerations in such a reduction, such as changes in waterway user fees—a subject, I am sure, that would necessitate a serious review of water policy.

Mr. President, questioning the need for certain water projects or proposing a reduction in those projects is not a popular position in the Western United States.

I often think of the story of the Eastern person who said, as he was looking at a mink farm: "How often do you skin those animals?" The mink farmer said: "Only once. After that, it makes them kind of jumpy." Perhaps I will find, back in my constituency, that skinning may not be too good.

My support of this amendment is not a popular thing for me to do. However, I feel it must be done. It just does not make any sense to me that we will have to stand here on the floor of the Senate this year, as we did last year, and debate whether or not to cut several hundred million dollars from some fine social program when a $4.3 billion water projects bill is being developed by the Senate Environment and Public Works Committee.

One of the great frustrations to me is to go to the Senate Chamber and scrap for fiscal sanity and then go back to the committee and vote for projects that, indeed, are unpronouncable and, as Senator Cohen has said, I have referred to some of them as turkeys. I have made that statement before—because, while we are chopping at the budget, trying to be responsible, sitting on the back burner over there in the committees is the same old stuff: Business as usual back at the ranch. It simply means add another one to it, get yours in, and never touch the holiest of holy.

Well, it is a classic example, in my mind, of how we—the Congress—have allowed the Federal budget to reach the proportions that it has.

The Budget Committee has recommended this total of $3.8 billion in budget authority and $3.7 billion in outlays. Senator Cohen and I are proposing to reduce that figure by $500 million. Well, I am inclined to want to lower the budget totals in almost every function of the budget below those levels hammered out by the Senate Budget Committee.

And I emphasize that we are not taking aim at specific projects in any particular State. We are talking about water projects.

We have heard the Senator from Louisiana express his concern—because this is a subject which is veritably sacred in some regions of the country, particularly the West and the South. It is awfully tough for us to make an easy distinction between a vote on a broad budget total for water resources and the frequently very real and very critical need for certain water projects in our own States.

There are abuses; indeed, there are; the kind that rate media exposés and stories on "60 Minutes." However, we say, "I can't vote against funding water projects. What would happen if some of that cut hits my State?"

And so it goes, and the Federal pie keeps getting bigger and bigger. We do not deal very well with it.

The ACTING PRESIDENT pro tempore. The Senator's 5 minutes have expired.

Mr. COHEN. I yield 5 additional minutes, Mr. President.

Mr. SIMPSON. I thank the Senator.

Congress contributes to this never-ending cycle by authorizing water projects and then they stack them up on a never-ending list. Some of these projects have been on the list for 30 years and we continue to appropriate funds to carry out those projects as they move up on the list. That is why we are frequently discussing projects which have been authorized for that period of time and they are still flopping around and gasping for breath—and for funds.

We have a $30 billion backlog of projects to deal with. Under new recommendations of the Water Resources Council, many of those projects will not survive when judged by the new computation of economic benefits proposed by the Council.

Here we are at the point where we must come to some type of resolution as to how we might collapse the 26-year period of time from project authorization to construction. After being on the drawing board for that length of time, some of those projects are not only no longer reasonable but they are no longer practical—they are no longer affordable. They are unrealistic and should be defined as such. There are some of those right in my home State of Wyoming. That is horrible enough.

In the committee hearings, my good friend from New York referred to the Tennessee-Tombigbee Waterway as a "cloning of the Mississippi River." It could not have been more clearly said.

Similar analogies are applicable to other water projects.

When we consider new water reclamation bills I am fully aware that we often feel there is a glandular reaction. In the Corps of Engineers, their eyes glaze when they are confronted with the sound of running water anywhere in America. And the Bureau of Reclamation has that same reaction to cascades. Waters are there and they must be impounded.

I am also fully aware that one of the fears we in the Western States have is that perhaps we are going to get our pockets picked by some of the urban centers in America when we reallocate those water resources funds.

Once those water projects are proposed, the pork barrel aspect of the scheme continues and the funding is controlled by a single issue. That is the ancient and venerable pursuit, "You vote for mine and I will vote for yours and we will deal with the taxpayer later."

Do you know what you get when you trade a vote on a bad bill? You get two bad bills. That is about the result of that.

I had not been a Member of the Senate for 3 months when, at a meeting of the Policy Committee, one of my colleagues advised, "Do not forget to get your projects in. It is the last day." There was such a stampede at the committee door you could almost hear the crashing and smashing of bones.

So the States now, in my mind, must begin to deal realistically with this. They must come up with some of their own money. They must have the legislatures of their States select the water projects they want constructed.

In conclusion, Mr. President, it is a case that we can no longer afford the luxury of spending the taxpayers' money in this absurd manner—somewhere it has to stop. I want to lend additional credibility to this effort of Senator COHEN—a remarkable legislator with a remarkable intent and interest in this bill—by supporting this amendment as a Senator from a Western State.

I am one who is going to suffer. I may suffer in more ways than one when I am finished. Woe is me—the mail will roll in and my lanky frame will likely be tarred and feathered when I come into view on the Western plains on my next jaunt home. But there is no press guy waiting to crank out a press release about SIMPSON going to the mat and saving the Nation in a fiscal matter. I am picking this one which is dear to my heart. This amendment is from a freshman Senator who offers it—not in the spirit of martyrdom—but from some commonsense.

I am going to feel a lot of pain on this one. However, America and the American people scoff at us when we do not cut back where it hurts us. "Put up or shut up" is what they say at the poker table, and it is that time for the Congress.

Mr. COHEN. Mr. President, let me commend the Senator from Wyoming. If there is a historian of the Senate, he would write that the Senator who just spoke perhaps jeopardized his own State's interest in the overall interests of the country.

Mr. HOLLINGS. Mr. President, I yield 5 minutes to the Senator from New Mexico.

Mr. DOMENICI. I thank the Senator for yielding 5 minutes to the Senator from New Mexico.

From what has been said here this morning by my good friend from New York, one would expect the Senator from New Mexico to rise in support of cutting a half billion dollars out of this function as it pertains to water needs and water projects in this country. But I am not going to.

Quite to the contrary, I am here to support the level of funding that the Budget Committee recommends for this fuction.

Let me first say that we just cannot, in this Senator's opinion, cut the basic water programs any further than they have already been cut. What I think we would be doing, if we cut more, is to cut off our water in spite of our thirst.

It is absolutely ridiculous, in this Senator's opinion, to equate the need for reform in water programs of America with effectively dismantling, cutting almost to the point of doing away with, a water program for this country.

In the Public Works Committee I have been out front for water program reform. I am most pleased that the Senator from New York has joined me in a demonstration approach to make our water program work better, work more equitably, and I hope all those who are concerned here today will join in water program reform.

Let me suggest that because that program is not working well does not mean that we ought to destroy it. Spending for the Corps of Engineers is down 50 percent—not 5 percent—50 percent in real dollars in 15 years. What more does the Senate want? The very nature of the program's failures is causing it to come in at a level of funding tht is practically rockbottom.

If the military is in trouble, you do not dismantle it. You do not take away all its funding and say, "When you find out a way to make it work, we will give you some money." You will not have any military in the meantime.

The water needs of the United States are growing. The need for dollars spent prudently and equitably with some prioritizing by the U.S. Congress on water projects is growing, not diminishing.

The Council on Environmental Quality, along with myself and other Senators who oppose the present program and want it reformed, issued a report about 6 weeks ago on what they called the next American resource crisis—water. They did not say we need less concern about water. They said it is the next American crisis.

We have already cut this program every year. The Budget Committee cut it. If I understand correctly, there are no new starts that can bid under this budget level. As I understand in the Budget Committee that was presented by the staff, that there were no new starts. Can there be any doubt that when everybody is saying there is a need for more rather than less, there is a need for reform in the program, that we ought to come along now and take $500 million out of this program which has already been cut, which is on the verge of being reformed? Do you want to start the reform of water programs in America from such a level of funding so low that it will take 10 years to get the reform programs funded?

Or do you want to acknowledge that dollars spent for water projects are inadequate now but, if we were to change our approach, with reform, with a better way of getting rid of the long-lead times, better State prioritizing, would it not be better to start with a level of funding that is at least the level that is in this budget?

It is true that there are great backlogs of unfunded programs. It is true that programmatic selection is ad hoc. It is true that the average time for projects in the corps is 26 years from the time they are first initiated in terms of the bureaucracy until the time they are started. But if anyone thinks that this function is fat, that it has too much money in it, then let us seriously consider the fact that America's water programmatic needs are more, not less, than the amount provided.

The only reason that we are funding at this low level is that we are indeed urging reform so that broader-based support will come from this President and other Presidents, so we can get on with the very important job of the National Government's responsibility substantially to support water programs in this Nation.

For the Members of the Senate who might think the Committee on the Budget addressed this issue in a cavalier manner, I just checked and we voted 11 different times on this function. It was one of the most debated functions in our 7 days of discussions; 11 full votes on this issue. I submit the Budget Committee has done a good job. We ought to leave this alone. This record will make a good history of how reform-minded Senators have become on water. I only hope they will support reform in the substantive law, but not destroy the base program funding level.

Mr. HOLLINGS. Mr. President, I yield myself such time as the Senator from Oklahoma needs.

The PRESIDING OFFICER (Mr. RIEGLE). The Senator from Oklahoma is recognized.

Mr. BELLMON. Mr. President, this debate brings to mind some of the arguments which took place in my own State of Oklahoma about 35 years ago over the merits of making the Arkansas River navigable. Many opponents laughed at the notion of floating barges on the Arkansas. It is a river that was frequently described as being a mile wide and an inch deep. One opponent, who happened to be a Member of this body at that time, took the position that it would make more sense to pave the Arkansas and turn it into a highway than to make it navigable.

What happened is that the Kerr-McClellan navigation project was authorized; it was constructed. It was built at a cost of $1.2 billion, which, if my memory serves me right, was the largest public works project ever undertaken in this country at that time. It has now been in operation for 1 years. It is carrying between four and five times as much tonnage as was forecast at the time the project was authorized.

It has prevented hundreds of millions of dollars in flood damage. It is providing invaluable water for municipal, industrial, power generation and recreational uses. Its proven benefit/cost ratio is excellent. It is far above the estimates made by the corps, and my experience with the corps is that they tend to be conservative. They refuse to take credit for what they call imputed benefits. The result of it is that when these projects are finally in place, finally operational, the benefits are always more—at least in my experience—than the corps will claim.

My criticism of the corps is that they are not adept enough at tooting their own horn and taking credit for what they do. I think those in this body who are critical of the corps, if they will go and look at the results of many of these projects, will realize that this is one Government agency that does not waste money. More than that, it is very careful about the recommendations they make about where Government investments can be made.

To get to the figure in this budget, we are really recommending no increase above last year's operating level for water resources activities. Because of inflation, which is particularly high in the construction industry, the figure we have in the budget is actually a cut in real dollars below last year's level.

Mr. President, when you look beyond just 1 year at what has happened in water development projects, you find that, in constant dollars, in 1976, we spent $4.2 billion for water development for function 300; $4.2 billion in 1976. In fiscal year 1981, the year we are working on now, we shall spend, in constant dollars, $3.7 billion, a cut of $500 million over the last 5 years in function 300. So, if anything, Mr. President, this function is being underfunded, not overfunded.

There are many kinds of Government spending, certainly. One of those I feel is most important is what I think of as investments rather than overhead. Here is an expenditure, a function, where we make an investment, where we get back a rich return for the use of our tax dollars, not for 1 year or 2 years but for, literally, decades.

I fail to see the merit in trying to cut back any farther than we have here in an effort to satisfy the objections of some people who, I think, misunderstand the purpose and the results that we get with this investment. This $500 million reduction will result in even greater slowdown and curtailment of operation, maintenance, and construction activities than is assumed in the resolution. Both the administration and the authorizing committees are involved in considering a new water policy reform and a reduction of this size could do much to disrupt the reform process that is already underway.

Mr. President, I strongly oppose this amendment. It is not clear what the total results will be, but it is clear that it will mean a significant cut in the efforts to harness this Nation's water resources to deal with the future transportation needs of the country and to make it possible for us to harness the energy that still exists in our Nation's water system. I feel strongly that the Budget Committee has been responsible here and I urge the Senate to defeat this amendment.

Mr. HOLLINGS. Mr. President, how much time do we have?

The PRESIDING OFFICER. The Senator from South Carolina has 36 minutes and the Senator from Maine has 22 minutes remaining.

Mr. HOLLINGS. Mr. President, I shall let the Senator from Wisconsin go ahead.

The PRESIDING OFFICER. The Senator is recognized for 10 minutes.

THE TENNESSEE-TOMBIGBEE WATERWAY: FAT IN THE FEDERAL PORK BARREL

Mr. NELSON. Mr. President, during the past few weeks, all Members of Congress have searched for ways by which to reduce spending and bring the Federal budget into balance. Many cuts are going to have to be made in worthwhile and cost-effective programs. However, there are some Federal expenditures which can be ended entirely, with no loss whatever to the public interest—in fact, with a profit.

The amendment proposed by my distinguished colleagues from Maine and Wyoming to reduce Federal spending on water resource projects by $500 million is an appropriate budget reduction, and I am happy to be a cosponsor.

Nearly a year ago, I introduced legislation to deauthorize one prime example of wasteful water project spending, the Tennessee-Tombigbee Waterway, S. 769. At that time, March 27, 1979, the overriding question was whether or not the project was economically justified. The evidence is extensive and compelling that it is not and Congress should stop throwing good money after bad on an unnecessary and obsolete waterway.

Ending appropriations for this project, one of the great pork barrel boondoggles of all time in the Congress, would be one way to help balance the budget, reduce inflation, and, at the same time, strike a blow for sanity in Federal water projects policy.

Mr. President, I wish to say for the record that I am not opposed to the Tennessee-Tombigbee because it is not in my State. There has been one, the one, water project of consequence in the State of Wisconsin. I have opposed it for 10 years. Finally, after the corps proceeded despite the fact that the cost/benefit ratio was not there, condemned 9,500 acres of land, removed the landowners, and completed a dam two-thirds of the way—finally, the President put it on his hit list and it was terminated. And there sits the project.

I agreed with the President. It should have been stopped, It was in my State. It was a boondoggle from the beginning. It would have violated Federal water quality standards.

What was the judgment of the corps? The corps started out by saying that this project would control the floods on the Kickapoo River, while creating a 600-acre lake. They used a very high benefit from recreation to justify the project, which was evaluated, criticized and refuted by studies of the University of Wisconsin.

So, without coming back to the Congress, the corps went ahead and expanded the project from 1,800 acres to 9,500, from a 600-acre lake to an 1,800-acre lake, and then put in the recreation benefits so that they could claim a positive cost-benefit ratio.

What are the facts? The total assesed valuation of all the land in the whole flood plain as of about 8 years ago, was less than $30 million. The cost of the LaFarge dam project exceeded $50 million.

There we had the corps coming in and the Congress insisting upon funding a project which cost $20 million more to build structures to stop the floods than to buy all the property and move it out of the flood plain.

The Tennessee-Tombigbee is by some dimension 10,000 times as bad. It is absolutely incredible. I think if the Congress ever addressed and heard the story, or if the public were aware of it, they would be not only astonished, they would be outraged beyond belief.

Let me give some statistics on a project that started off at an estimated cost of $323 million and is now above $3 billion, and still going up.

New and, if it is possible, even more damning information on the Tennessee-Tombigbee has come to light since the deauthorization legislation I introduced last year. In 1 year, the ultimate project cost has increased by 50 percent. In 1979, the Corps of Engineers advanced a cost estimate of $2 billion, while I reported that independent experts were estimating that the cost would be closer to $3 billion—a $1 billion difference, just 1 year ago. Not surprisingly, in 1980, the corps now admits, 1 year later, that the project cost will exceed $3 billion.

So the corps was off $1 billion in 12 months. They have done this every single year as they continue to get the Congress to fund a project that should never have been started.

Mr. JOHNSTON. Will the Senator yield?

Mr. NELSON. Yes, for a question.

Mr. JOHNSTON. I am not aware of the $3 billion. Could the Senator tell me where this $3 billion estimate has been made by the Corps of Engineers?

Mr. NELSON. I will get it for the Senator and submit it in the record.

Mr. JOHNSTON. The estimate given us is $1.6 billion.

Mr. NELSON. That would not surprise me.

Another example—in September 1979, the U.S. Fish and Wildlife Service published its fish and wildlife coordination report which found that it will be necessary for the corps to acquire 118,800 acres of prime farm and forest land to mitigate project impacts on fish and wildlife habitat. Not only are the estimated $38 million in land acquisition costs not included in the $3 billion price tag for the Tenn-Tom, but the resulting cost of $320 per acre is probably underestimated by a factor of at least two. Furthermore, the acreage that would be taken is potentially productive farm and timber land which should remain on the tax rolls rather than being added unnecessarily to the Federal land burden.

The price tag of the Tenn-Tom has increased nearly tenfold since the 91st Congress first appropriated construction funds in 1971 (then, $323 million). Its yearly cost increases have exceeded the rate of inflation and indeed are a classic example of the kind of wasteful, politically generated Federal spending that has helped to generate that ruinous rate of inflation.

Mr. COHEN. Will the Senator yield?

Mr. NELSON. Yes.

Mr. COHEN. The Senator was just asked where he got the figure of $3 billion. I will answer that on the Senator's behalf. I have a copy of a document published by the Corps of Engineers in justification for the construction request to the Congress. The corps' own document estimates that the ultimate cost for development will be $3 billion.

Mr. President, I ask unanimous consent to have that printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

SUMMARY CONSTRUCTION PROGRAM (PB-1)—CHANNELS AND HARBORS (NAVIGATION)

[Fiscal years 1980 and 1981]

Item (a)	Project cost estimate (b)	Total to Sept 30, 1979 (c)	Current 1980 (d)	Budget 1981 (e)	Balance to complete after 1981 (f)
Method of financing:					
Federal funds (CofE only):					
Allocations		7,000,000	[1] 20,800,000		
Unobligated carryover from prior year			58,500		
Total funds available for obligation			20,858,500		
Appropriations required				17,800,000	25,900,000
Non-Federal contributions:					
Contributions			1,000,000		
Unobligated carryover from prior year					
Total funds available for obligation			1,000,000		
Appropriations required				1,000,000	1,200,000

[1] Reflects transfer of $1,500,000 to the project and proposed transfer and/or supplemental appropriations of $9,000,000 into the project.

Note: Effective date Jan. 1, 1980. Division: South Atlantic. District: Mobile. Region: South Atlantic—Gulf. Basin: Tombigbee. Project: Mobile Harbor, (Theodore Ship Channel), Alabama.

Appropriation title: Construction, General—Locks and Dams (Navigation).

Project: Tennessee-Tombigbee Waterway, Alabama and Mississippi (Continuing).

Location: The project is located in west-central Alabama and northeastern Mississippi; in Marengo, Sumter, Greene, and Pickens Counties, Ala.; and Noxubee, Lowndes, Clay, Monroe, Itawamba, Prentiss, and Tishomingo Counties, Miss.

Authorization: 1946 River and Harbor Act.

Remaining benefit—Remaining cost ratio: 2.5—Inital; 2.3—Ultimate.[1]

SUMMARIZED FINANCIAL DATA

	Amount
Estimated total appropriation requirement	$1,750,000,000
Estimated Federal cost (Initial—CofE)	1,750,000,000
Estimated Federal cost (U.S. Coast Guard)	600,000
Estimated Federal cost (National Park Service)	9,400,000
Estimated non-Federal cost	165,000,000
Cash contribution	None
Other costs	165,000,000
Total estimated project cost (Initial)	1,925,000,000
Total estimated project cost for ultimate development	[1] 3,030,000,000
Federal cost	2,737,500,000
Non-Federal cost	292,500,000

	Amount	Accumulated percent of estimated Federal (CofE) cost
Allocations through Sept. 30, 1979	[2] $621,747,000	
Conference allowance fiscal year 1980	165,000,000	
Allocation fiscal year 1980	[3] 246,500,000	
Allocations to date	868,247,000	50
Appropriation requested fiscal year 1981	209,000,000	62
Balance to complete after fiscal year 1981	672,753,000	

[1] Includes $585,000,000 for channel improvements below Demopolis (not authorized), $145,000,000 for authorized future recreation development in about year 1997 and $375,000,000 for future lock construction at Demopolis and Coffeeville in about year 2002 (not authorized). These amounts include $742,000,000 for an estimated inflation allowance from Oct. 1, 1979, through the construction period.

[2] Includes $2,100,000 transferred to the National Park Service for excavation of a portion of Pool E.

[3] Reflects transfer of $23,500,000 to the project and proposed transfer and/or supplemental appropriation of $58,000,000 to the project.

PHYSICAL DATA

Entire project:	
Length (miles)	232
Depth (feet):	
River section	9
Canal and divide sections	12
Bottom width (feet):	
River and canal sections	300
Divide section	280
Locks (10 single lift, 110 ft by 600); dams	(5)
Gainesville lock and dam—lift, 36 ft	

Aliceville lock and dam—lift, 27 ft.
Columbus lock and dam—lift, 27 ft.
Aberdeen lock and dam—lift 27 ft.
Lock A—lift, 30 ft.; lock B—lift, 25 ft.
Lock C—lift, 25 ft.; lock D—lift, 30 ft.
Lock E— lift, 30 ft.; Bay Springs lock and dam—lift, 84 ft.

Lands and damages:
Acres: Fee—78.174; easement—26,187.
Type—Agricultural and wooded.
Improvement—Typical farm units.

Relocations:	
Roads	$979,000
Cemeteries, utilities and structs.[1]	17,536,700
& RR. bridges—39 mi of track	167,024,100
Alabama Great Southern RR	(11,750,000)
AT&N RR	(3,725,000)
ICG RR	(47,879,000)
C&G RR	(21,930,000)
SL & SF RR	(44,465,000)
MS RR	(15,415,000)
Southern RR	(21,860,000)

[1] Includes 31 mi of Tennessee Valley Authority facilities to be relocated at a cost of $3,268,000.

STATUS: (JAN. 1, 1980)

	Percent complete	Completion schedule
Entire project	39	September 1986.
Demopolis Lake	65	September 1986.
Lands and damages	100	August 1975.
Relocations	11	December 1982.
Channels and canals	87	September 1986.
Cultural resources	100	June 1975.
Gainesville L & D	80	September 1986.
Lands and damages	100	December 1977.
Relocations	100	September 1978.
Reservoirs	100	September 1978.
Dams	100	November 1977.
River closure		October 1978.
Locks	94	June 1980.
Lock-in-operation		October 1978.
Roads	43	September 1983.
Channels and canals	73	September 1986.
Recreation facilities	14	September 1983.
Cultural resources	95	January 1980.
Bldgs, grounds and utilities	4	March 1983.
Permanent operating equipment	84	September 1986.
Aliceville L & D	54	September 1986.
Lands and damages	90	June 1980.
Relocations	3	September 1986.
Reservoirs	100	December 1979.
Dams	100	December 1979.
River closure		December 1979.
Locks	100	December 1979.
Locks-in-operation		December 1979.
Roads	55	September 1983.
Channels and canals	35	September 1985.
Recreation facilities	2	December 1983
Cultural resources	17	September 1980.
Buildings, grounds and utilities.	0	September 1976.
Permanent operating equipment.	3	September 1984.
Columbus L & D	36	September 1986.
Lands and damages	75	September 1980.
Relocations	1	September 1985.
Reservoirs	80	June 1980.
Dams	91	September 1980.
River closure		December 1980.
Locks	97	September 1980.
Locks-in-operation		December 1980.
Roads	44	June 1985.
Channels and canals	6	September 1985.
Recreation facilities	4	June 1985.
Cultural resources	27	September 1982.
Buildings, grounds and utilities.	0	June 1985.
Permanent operating equipment.	7	September 1986.
Aberdeen L & D	38	September 1986.
Lands and damages	76	September 1980.
Relocations	23	September 1983.
Reservoirs	14	December 1985.
Dams	61	September 1985.
River closure		December 1985.
Locks	77	December 1980.
Lock-in-operation		September 1986.
Roads	9	September 1986.
Channels and canals	2	September 1986.
Recreation facilities	0	September 1986.
Cultural resources	17	December 1981.
Buildings, grounds and utilities.	0	September 1986.
Permanent operating equipment.	0	September 1986.
Lock A	42	September 1986.
Lands and damages	72	September 1980.
Relocations	1	March 1985.
Reservoirs	59	September 1980.
Dams	76	November 1980.
Raise pool		December 1981.
Locks	84	November 1980.
Locks-in-operation		September 1986.
Roads	53	September 1984.
Channels and canals	29	September 1985.
Recreation facilities	2	September 1984.
Cultural resources	7	September 1982.
Buildings, grounds, and utilities.	0	September 1985.
Permanent operating equipment.	0	September 1985.
Lock B	23	September 1986.
Lands and demages	82	September 1980.
Relocations	3	September 1984.
Reservoirs	29	September 1985.
Dams	33	September 1982.
Raise pool		September 1986.
Locks	29	September 1982.
Lock-in-operation		September 1986.
Roads	14	September 1985.
Channels and canals	17	September 1985.
Recreation facilities	0	September 1985.
Cultural resources	31	September 1980.
Buildings, grounds and utilities	0	September 1985.
Permanent operating equipment	0	September 1985.
Lock C	17	September 1986.
Lands and damages	68	September 1980.
Relocations	0	September 1981.
Reservoirs	34	September 1984.
Dams	13	June 1982.
Raise pool		September 1986.
Locks	8	June 1982.
Lock-in-operation		September 1986.
Roads	21	September 1985.
Channels and canals	6	September 1986.
Recreation facilities	0	September 1985.
Cultural resources	4	September 1981.
Buildings, grounds and utilities	0	September 1985.
Permanent operating equipment	0	September 1985.
Lock D	8	September 1986.
Lands and damages	88	September 1980.
Relocations	0	September 1982.
Reservoirs	7	September 1981.
Dams	0	March 1984.
Raise pool		September 1986.
Locks	3	March 1984.
Lock-in-operation		September 1986.
Roads	0	September 1985.
Channels and canals	0	September 1985.
Recreation facilities	0	September 1985.
Cultural resources	3	September 1980.
Buildings, grounds and utilities	0	September 1985.
Permanent operating equipment	0	September 1985.

	Percent complete	Completion schedule
Lock E	8	September 1986.
Lands and damages	18	September 1980.
Reservoirs	25	September 1980.
Dams	0	September 1984.
Raise pool		December 1984.
Locks	2	September 1984.
Lock-in-operation		September 1986.
Roads	15	September 1985.
Channels and canals	17	September 1985.
Recreation facilities	0	September 1985.
Cultural resources	0	September 1981.
Buildings, grounds and Utilities	0	September 1985.
Permanent operating equipment	0	September 1985.
Bay Springs L. & D	22	September 1986.
Lands and damages	100	August 1979.
Relocations	68	December 1982.
Reservoirs	12	October 1982.
Dams	22	March 1981.
River closure		August 1983.
Locks	11	June 1983.
Lock-in-operation		September 1986.
Roads	29	June 1983.
Channels and canals	46	December 1980.
Recreation facilities	0	September 1983.
Cultural resources	26	September 1981.
Buildings, grounds and utilities	0	August 1983.
Permanent operating equipment	1	August 1983.
Divide cut	47	September 1984.
Lands and damages	100	September 1978.
Relocations	59	September 1981.
Roads	0	September 1983.
Channels and canals	44	September 1984.
Recreation facilities	11	September 1983.
Cultural resources	86	September 1980.
Buildings, grounds, and utilities	5	December 1982.

Justification: The Tennessee-Tombigbee project will provide a shorter, more direct connecting Waterway between the eastern Gulf Coast and the Tennessee, Ohio and Upper Mississippi River Valleys. The project would be a new, inter-territorial trade route between the Gulf Coast and much of the mid-continent region of the United States. The lowering of production and marketing costs afforded by cheaper transportation would benefit a major segment of the population. Economic impact of the Waterway may, therefore, be considered as national in scope.

The navigation pools that will be created by the project with a water surface area of approximately 42,000 acres would provide significant recreation benefits if adequately developed and properly maintained. There are no major recreation developments within the Tombigbee basin above Demopolis which provide a variety of water-based activities such as could be developed on the Tennessee-Tombigbee Waterway.

Counties located within a reasonable commuting distance of the project which have been designated redevelopment areas under Section 401(a) of P.L. 89-136 are as follows:

Title IV:

Sub-Section 1: Lawrence County, AL; and Wayne County, TN.

Sub-Sections 1, 2 & 7: Hale County, AL.

Sub-Section 2: Perry County, AL; and Choctaw and Okatibbeha Counties, MS.

Sub-Sections 2 and 7: Sumter County, AL.

Sub-Sections 2 and 8: Choctaw, Fayette and Marion Counties, AL; and Benton and Noxubee Counties, MS.

Sub-Sections 2, 7 and 8: Greene County, AL; and Kemper County, MS.

Sub-Section 3: Choctaw Indian Reservation.

Sub-Section 6: Lee County, MS.

Sub-Section 7: Lauderdale County, MS.

Sub-Section 8: Bibb, Colbert, Franklin, Lamar, Lauderdale, Marengo, Pickens and Tuscaloosa Counties, AL; Alcorn, Calhoun, Chichasaw, Clay, Itawamba, Lowndes, Noshoba, Pontotoc, Prentiss, Tippah, Tishomingo, Union, Webster and Winston Counties, MS; and Chester, Decatur, Hardeman, Hardin, Henderson, McNairy, and Perry Counties, TN.

Counties within the Appalachian Region which are within a reasonable commuting distance of the project are as follows:

Alabama: Bibb, Pickens, Tuscaloosa, Lamar, Fayette, Marion, Lawrence, Winston, Franklin, Colbert and Lauderdale Counties.

Mississippi: Kemper, Winston, Noxubee, Choctaw, Pontotoc, Benton, Tippah, Lowndes, Monroe, Lee, Itawamba, Union, Prentiss, Alcorn, Tishomingo and Marshall Counties.

In August 1974, a Greene County, Alabama, road within the Gainesville Lock and Dam construction area was relocated at a cost of $268,000. In September 1975, a Sumter County bridge, within the Gainesville pool, was relocated by State Highway Department maintenance forces. In May 1975, bills for authorization of said referendum and issuance by TVDA of an additional $25,000,000 in bonds, were introduced in the 1975 legislative session; however, these bills did not receive committee clearance during the 1975 session. Similar bills were introduced again in the 1976 session. The bills passed the House of Representatives by a 91-2 vote and were unanimously passed by the Senate. The Governor signed the bills on 24 August 1976. In a referendum held on 23 November 1976 the voters of Alabama authorized the issuance by TVDA, of an additional $25,000,000 in bonds. The Federal Highway Administration allocated Alabama $11,700,000 in FY 1977 for the State Highway 17 crossing, $9,800,000 in FY 1978 for the U.S. Highway 11 crossing, and $2,800,000 in FY 1979 to complete Highways 17 and 11. Of the $11,700,000 initially allocated for State Highway 17, $4,372,100 was reallocated to Mississippi. A total of $19,927,900 has been allocated to Alabama, which should be sufficient to complete their highway relocations. State Highway 17 crossing was awarded on 17 February 1978 for $5,558,320 and U.S. Highway 11 crossing was awarded on 26 October 1978 for $7,721,653; this will complete bridge relocation required by the State of Alabama.

By resolution of 22 March 1977, TVDA extended assurances for cost sharing of future recreation development and operation, maintenance and replacement of recreation facilities consistent with adopted administrative procedures conforming to PL 89-72 provisions.

Comparison of Federal cost estimates: The current Federal (Corps of Engineers) cost estimate of $1,750,000,000 is an increase of $220,000,000 over the latest estimate ($1,530,000,000) submitted to Congress (FY 1980). This change includes increases of $37,182,000 based on higher price levels to 1 October 1979; $100,000,000 for an estimated inflation allowance from 1 October 1979 through the construction period; $27,304000 for design changes in quantities ($10,997,000), additional recreation facilities in the River Section ($6,965,000), an improved cultural resource program ($1,555,000), additional water quality and water control monitoring facilities ($3,000,000), additional engineering studies ($3,320,000) and numerous smaller items ($1,467,000); and $55,514,000 for post contract award and other estimating adjustments which includes bids received ($42,213,000), contract modifications ($10,883,000), and other adjustments ($2,418,000).

Benefit-to-cost-ratio: The benefit-cost ratio for the fiscal year for which Congress appropriated initial construction funds (FY 1971) was 1.6 to 1. The benefit-cost ratio is based on the project functioning independently.

Status of environmental impact statement and compliance with Clean Water Act: The Final Environmental Impact Statement (EIS) was filed with the President's Council on Environmental Quality (CEQ) on 20 April 1971. Continuing environmental studies have not identified any significant deviations from the EIS as filed, and therefore, it is still valid. A nine-volume compilation of several of these environmental studies, entitled "First Supplemental Environmental Report," was forwarded to CEQ on 1 October 1975 to be appended to the final EIS. This report contains additional environmental information compiled since 1971. A second supplemental report entitled "Second Supplemental Environmental Report" was filed with the Environmental Protection Agency (EPA) on 28 February 1978 and contained additional information since filing the first Supplemental Environmental Report.

The provisions of Section 404 of the Clean Water Act have been met by a Section 404 Evaluation Report signed by the District Engineer for construction segments as follows:

Construction segment, Divide Cut Section 3A.

Compliance date 12 May, 1977.

The provisions of Section 404 of the Clean Water Act do not apply to the construction segments listed below, because the improvements do not involve the placement of dredged material in the waters or wetlands of the United States.

Demopolis—Relocation of Alabama Great Southern RR Bridge.

Bay Springs—Reservoir Clearing.

Divide Cut—Relocation of Walker's Crossing of the Southern RR.

The provisions of Section 404 of the Clean Water Act have been met for the construction segments listed below by the previous issuance of a nationwide permit which covers this construction. This permit was issued by regulation dated 19 July 1977, and provides for the placement of dredged or fill material used as backfill or bedding for utility line crossings and fill placed incidental to the construction of bridges, with certain restrictions.

Demopolis—Relocation of American Telephone & Telegraph Facilities.

Aliceville—Relocation of South Central Bell Telephone Facilities.

Divide Cut—Relocation of ICG RR Waterway Bridge.

The provisions of Section 404 of the Clean Water Act have been met for the construction segments listed below:

HISTORICAL CHANGES IN BASELINE FEDERAL COST ESTIMATE

[Division: South Atlantic. District: Mobile. Projects: Tennessee-Tombigbee Waterway, Alabama and Mississippi]

	Estimates presented to Congress ($1,000)				
Item	Original baseline (1)	Cumulative changes (2)	Last (3)	Incremental change (4)	Current (5)
Federal cost	$323,000		$1,530,000		[1] $1,750,000
(price level)	(July 1969)		(Oct. 1978)		(Oct. 1979)
Reason for change		($1,207,000)		[1] ($220,000)	
(a) Price escalation		846,111		[2] 132,347	
(b) Design changes		334,148		[3] 27,304	
(c) Additional education added under general authorization					
(d) Authorized modification					
(e) Post-contract award and other estimating adjustments		−12,693		[4] 55,514	
(f) Schedule changes					
(g) Sundry		6,336			
(h) Real estate		33,098		[5] 4,835	

[1] Includes $100,000 allowance for estimated inflation from Oct, 1, 1978, through the construction period.

[2] Includes $96,900 allowance for estimated inflation from Oct. 1, 1979, through the construction period.

[3] $27,304 increase includes: ($10,997) for change in quantities based on more accurate information obtained during preparation of detailed design and plans and specifications; ($6,965) for additional facilities and services for the recreation program in the river section; ($1,555) for mitigation of additional archaeological sites based on more comprehensive surveys; ($3,000) for additional water quality and water control monitoring facilities; ($3,320) for additional engineering studies; ($1,467) for numerous small changes.

[4] $55,514 increase due to bids received ($42,213), contract modifications ($10,883) and a reanalysis of contingencies for on-going contract work ($2,418).

[5] Includes $3,100 allowance for estimated inflation from Oct. 1, 1979, through the construction period.

Mr. NELSON. I did not have that at hand. My staff person who has been on this project for several years has the backup statistics. I did not have them here. I thank the Senator for submitting that.

I think it is important to point out another factor about this project. When the corps reports ultimate project cost, it is referring to—and understand this, something that has never been authorized—it is referring to an unauthorized project which extends another 217 miles from Demopolis to Mobile, Ala.

So, they are including in their factors a project that has never been authorized by the Congress.

Mr. President, annual spending for this project has increased by 15.8 percent for each of the past 2 years, significantly faster than the overall Federal budget which has gone up at a much maligned rate of 11.8 percent.

Last year, fiscal year 1980, the Congress appropriated $165 million for construction of the project. Another $23.5 million was transferred from other projects, and another $58 million has been requested in a supplemental fiscal year 1980 appropriation, thus making the total expenditures for the year in excess of $246 million. For fiscal year 1981, another $209 million in appropriations has been requested. And while the total expenditures in fiscal year 1981 for Tenn-Tom are impossible to predict with any certainty, it is a safe bet that they will considerably exceed $209 million.

But in spite of these mammoth appropriations, well over $2 billion remains to be appropriated for this meritless project. Halting the Tennessee-Tombigbee Waterway would be both a boon to the taxpayers and a symbolically significant step in reducing fruitless Federal spending. The President has directed that all Federal agencies examine their recommended budget for fiscal year 1981 to eliminate excess spending in order to curb inflation. The Corps of Engineers would have an easy job of complying with the President's directive if they would only look at the Tennessee-Tombigbee.

A DESCRIPTION OF THE TENNESSEE-TOMBIGBEE WATERWAY PROJECT

A brief description of the Tennessee-Tombigbee Waterway and a review of its incriminating economic history may be useful. The original project was authorized in 1946 for the purpose of facilitating barge traffic on the Inland Waterway System. But the project which is currently under construction is not the project that was authorized by Congress.

The Tennessee-Tombigbee Waterway project is a 232-mile long navigation channel from the Tennessee River at the Pickwick Pool in Tennessee to the Tombigbee River, terminating at Demopolis, Ala. Starting at the northern terminus of the project, this channel consists of three distinct sections: A 40-mile cut section through a divide connecting the Tennessee River to the Tombigbee River; a 44-mile canal section with five locks and dams, which parallels the river from the Bay Springs lock and dam to Amory; and a 148-mile river section with four locks and dams from Amory, Miss., to Demopolis, Ala. From Demopolis, the southern terminus of the authorized project, barge traffic would continue on the Tombigbee to the Gulf of Mexico at Mobile, Ala.

It is important to note the distinction between what the corps calls the initial project and what it calls the ultimate project. Initial project costs are for the authorized project from the Pickwick Pool of the Tennessee River to Demopolis, Ala. When the corps reports ultimate project costs, it is referring to an unauthorized project which extends another 217 miles from Demopolis to Mobile, Ala. I will return to this issue, since it is for the ultimate unauthorized project that the benefit/cost ratio for this project has been calculated by the corps.

HISTORY OF THE TENNESSEE-TOMBIGBEE WATERWAY

For 21 years following its 1946 authorization, the corps was unable to justify construction of the project on economic grounds. In 1946, at the time of authorization, the benefit/cost ratio was 1.05 to 1—according to the corps, using everything they could bring to their command. Having had experience with them in my own State in seeing how they could blow up the figures on recreation benefits, I suspect the same is true in this figure.

In 1951, at the conclusion of hearings by the House Appropriations Committee, that committee reported that the project was not economically sound—I emphasize, not economically sound—and that its staff had found the benefit/cost ratio to be 0.27 to 1. I emphasize and repeat, 0.27 to 1. All planning was, therefore, directed to be discontinued, the funds previously allotted to the Tenn-Tom were revoked, and the project was placed in a deferred-for-restudy category.

The first restudy was called for in 1957 and completed in 1962. Again, the House Appropriations Committee rejected the project on economic grounds. The benefit/cost ratio was then calculated to be 1.08 to 1. In 1964, a second restudy was undertaken by the corps. This time, the corps dramatically changed the design of the project—just as they did with the LaFarge Dam—without obtaining, or even asking for, authorization from Congress. By nearly doubling the width of the project, from the authorized width of 170 feet to 300 feet, and by adding duplicate locks at two locations, the corps was finally—by their own statistics—able to increase the projected benefit/cost ratio to 1.24 to 1. However, the text of Secretary of the Army Stanley Resor's cover letter submitting the economic reevaluation report to the Appropriations committees in 1967 illustrates that even with this benefit/cost ratio, the economic foolhardiness of the project was fully recognized.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. NELSON. Mr. President, will the Senator yield me 2 additional minutes?

Mr. COHEN. I yield.

Mr NELSON. I quote Secretary Resor:

> The Tennessee-Tombigbee project has been under study for many years; in fact, the first study can be traced back to 1874. The current report is the fourth on this project by the Corps of Engineers since the end of World War II. In each previous instance the proposed investment was found only marginally justified; and that is also the case with the present study.
>
> Each purpose served by a project such as this must be economically justified. The principal purpose served by the Tennessee-Tombigbee Water project is navigation, which accounts for about $311 million of the total first cost. The estimated benefit/cost ratio for these features of the project required solely for navigation is 1.01, although if area redevelopment benefits are added, it reaches 1.24.
>
> While the inclusion of redevelopment benefits is not inconsistent with sound economic analysis, I have reservations about the wisdom of investing in a project which demands so heavily on counting local wage payments in calculating the benefit/cost ratio.
>
> Furthermore, if the costs of the project prove to be even slightly underestimated, or the projected waterway traffic slightly overestimated, the present barely favorably benefit/cost ratio will be lost.
>
> All in all, the conclusion is inescapable

> that the Tennessee-Tombigbee navigation project continues to lack that margin of economic safety which typically marks federal investments in water resource development.

Nevertheless, the project received approval from the Appropriations Committees for planning funding. Construction funds were first appropriated in 1971, and construction began in December 1972. Since 1974, project costs have skyrocketed, and project benefits have plummeted. Using corps' estimates, the benefit/cost ratio dropped from its all-time high of 1.6 to 1 in fiscal years 1970 through 1972 to 1.2 to 1 in 1980, below the level that former Secretary of the Army Stanley Resor called marginal in 1967. However, even this marginal benefit-to-cost ratio is bluntly repudiated by independent expert analysis by Dr. Joseph L. Carroll of Pennslvania State University and Dr. Robert Haveman of the University of Wisconsin, which shows that a more realistic figure for the benefit/cost ratio is closer to 0.23 to 1.

This tells us something about the magnitude of the massive waste of taxpayers' money on a project which never should have been started and, for Heaven's sake, should be stopped now.

Thus, instead of providing a return on the Federal investment, the Tennessee-Tombigbee Waterway will actually lose money on every dollar we sink into it.

That the Carter administration considers the project's economic credentials dubious is demonstrated by the Tennessee-Tombigbee Waterway's inclusion in its water project review.

In February 1977, the Tenn-Tom was included in the Carter administration's major review of water resource projects, because it did not meet the economic and envionmental criteria established by the administration. Specifically, the Tenn-Tom failed to meet the administration's environmental criterion that completion of a project would not result in any major adverse environmental impacts, and it failed to meet their economic standard that incremental benefits will exceed the remaining costs—when discounted at a rate of 6⅜ percent. On April 18, 1977, the President released the findings of the Tenn-Tom evaluation:

> Environmentally, the project will destroy productive agricultural and forest land, free-flowing streams and wildlife habitat; it will reduce fisheries resource and cause water quality degradation; it will require relocation of 230 families and loss of archeological sites.

Economically, the remaining costs and benefits discounted at the then-current rate of 6⅜ percent resulted in a benefit/cost ratio of 0.87 to 1, clearly not meeting the administration's own standard.

Even so, Federal funding for the Tenn-Tom was not discontinued. I believe the facts demonstrate that this unfortunate decision to continue funding the Tenn-Tom was, like so many previous decisions regarding this project, clearly unjustified.

It is time for the administration to reconsider its decision. And if the administration can not or will not, then Congress must.

The Tennessee-Tombigbee is an economic disaster. When the 79th Congress first authorized the project, they thought they were committing $117 million in Federal funds. When the 91st Congress first appropriated funds to begin construction, the cost was reported as $323 million, a relatively modest increase over 25 years. The rate of increase is no longer modest. It is, in fact, shockingly immodest. According to the corps, the total cost to the American taxpayer was estimated in fiscal year 1973 at $386 million; in fiscal year 1975, $623 million; in fiscal year 1977, $1.36 billion; in fiscal year 1980, it was $1.677 billion; and today, in fiscal year 1981, it is $1.925 billion.

BENEFITS AND COSTS

The figures discussed above refer to initial project costs. In themselves, those figures should doom this misbegotten project. However, there is another aspect to the reporting of benefits and costs which is even more devastating to the economic case for the Tennessee-Tombigbee Waterway.

As I indicated at the outset, the corps was unable to justify the Tennessee-Tombigbee Waterway until the project was nearly doubled in size, without congressional authorization. From 1966 to 1975, the projected benefits were based on an unauthorized 300-foot-wide, 449-mile-long waterway, rather than the authorized 170-foot-wide, 232-mile-long waterway. Costs, however, were reported only for the authorized project. In 1976, the corps partially abandoned this ruse by modifying their annual budget submissions to Congress to differentiate between the initial 232-mile project to demopolis and the ultimate 449-mile project to Mobile. The benefits and costs for the project since construction funds were first appropriated in 1971 are as follows, and I ask unanimous consent that this table be printed in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Fiscal year	Initial cost	Ultimate cost (billions)	Initial B/C ratio	Ultimate B/C ratio
	Millions			
1971	$323	NA	1.6	NA
1972	346	NA	1.6	NA
1973	386	NA	1.5	NA
1974	465	NA	1.5	NA
1975	623	NA	1.5	NA
1976	815	NA	1.4	NA
	Billions			
1977	$1.36	NA	1.08	1.3
1978	1.41	NA	1.15	1.4
1979	1.56	$1.874	1.19	1.3
1980	1.677	2.013	1.2	1.3
1981	1.925	3.030	[1]2.5	[1]2.3

[1] Calculated as remaining benefits and costs.

Mr. NELSON. Mr. President, the ultimate project cost has jumped from $2 billion to over $3 billion in a single year. And even this fantastic figure is based on an absurdly low interest rate of 3¼ percent. But as we all know, no one, including the Federal Government, can borrow money at 3¼ percent.

Even with this huge increase in project costs, the reported benefit/cost ratio has amazingly and dramatically improved. I submit that Congress must question this latest piece of Tennessee-Tom-foolery.

In the past, every fiscal year request has included a benefit/cost calculation for the project based correctly upon total benefits, however inflated, and total costs, however understated. Only by such a presentation of total benefits and costs can a fair and accurate evaluation of the project be made. Indeed, the regulations of the Corps of Engineers require that total benefits be compared to total costs in arriving at a true benefit/cost ratio. At last year's ultimate cost of $2.013 billion, the benefit/cost ratio was 1.3 to 1.

This year, however, the corps has used an economic sleight of hand to conveniently write off nearly $900 million and produce a benefit/cost ratio of 2.3 to 1, which is wholly imaginary. Rather than comparing the total benefits and costs of the project, the corps has compared only the remaining benefits and costs. Since all the benefits of the project remain to be realized, the corps thus is able to continue to use the total benefits of the project in calculating the ratio. However, without explanation or rationale, the corps uses only the remaining costs of the project in calculating the benefit/cost ratio, thus effectively disregarding the $868 million which has already been allocated for construction. As anyone can see, such a comparison not only makes no sense, it artifically inflates the benefit/cost ratio to a level of laughable dimensions. Using such sophistry, the benefit/cost ratio of a project increases with each dollar spent and reaches infinity upon completion of construction. This is ludicrous.

The obvious reason for such larcenous legerdemain is the simple fact that calculating the ratio in the traditional and required manner would have relegated the project to the scrap heap. Based on the method of calculating the benefit/cost ratio which was used last year and every previous year, the 1981 benefit/cost ratio for the Tennessee-Tombigbee Waterway should be closer to 1.04 to 1. Apparently, the corps preferred not to report such a figure. Thus, instead of facing the issue squarely and admitting the disastrous economics of Tenn-Tom, the corps has chosen to fabricate a benefit/cost ratio and mislead the Congress.

This conduct is reprehensible and unacceptable in light of the obvious necessity for fiscal candor and restraint. It is the high water mark of deceit in a project which was already far beyond the flood stage in untruths and deception.

But the importance of this project goes far beyond the lack of candor exhibited by the corps. The inflation rate in this country has a death grip on our productive future. A courageous decision to eliminate waste from the budget of the Corps of Engineers by deleting the request for the Tennessee-Tombigbee Waterway would provide an important example of this administration's dedication to cutting needless expenditures. Indeed, very few other actions would more dramatically underscore our commitment to halt inflation. I have written to President Carter urging him to take this action.

Mr. President, at some point we must wake up and realize that we simply cannot afford the "get along go along" politics of the past any longer. If we are to save our economy, we must dedicate ourselves to an all-out war on waste. Mr. President, this project should be killed.

Mr. COHEN. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator from Maine has 10 minutes remaining.

Mr. COHEN. Mr. President, to follow up on what the Senator from Wisconsin has just said about the irrational, undocumented, and inconsistent application of cost/benefit ratios, I should like to read from a summary of an August 7, 1978, report from the Comptroller General's office. I will not include the entire report in the RECORD, but I ask unanimous consent that portions of the executive summary be printed in the RECORD.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

EXECUTIVE SUMMARY

An Overview of Benefit-Cost Analysis for Water Resources Projects: Improvements Still Needed, CED–78–127; B–167941. August 7, 1978. 33 pp. +4 appendices (9 pp.).

Report to the Congress: by Elmer B. Staats, Comptroller General.

Issue Area: Water and Water Related Programs: Federal Agencies' benefit-cost analyses (2506).

Contact: Community and Economic Development Div.

Budget Function: Natural Resources, Environment, and Energy: Water Resources and Power (301).

Organization Concerned: Department of the Interior; Department of the Army; Corps of Engineers; Department of Agriculture; Water Resources Council.

Congressional Relevance: House Committee on Public Works and Transportation; Senate Committee on Environment and Public Works; Congress.

Authority: Flood Control Act of 1936 (49 Stat. 1570). Water Resources Planning Act of 1965 (42 U.S.C. 1962). BOB Circular A–4. Senate Document 97. H.R. 10004 (95th Cong.). H.R. 8060 (95th Cong.). B–177442 (1974). B–167941 (1973). B–136280 (1972). B–167712 (1972). B–164844 (1969). B–125042 (1967).

Federal water resources projects are seldom authorized unless their estimated benefits exceed their estimated costs. The Water Resources Council (WRC) established principles and standards for planning water resources projects which were to help establish uniform procedures for more accurate benefit-cost analysis. Findings/Conclusions: In spite of the importance of cost-benefit analyses, Federal water resources agencies have had a continuing problem preparing accurate, uniform, logically developed benefit-cost ratios. Present standards and criteria are not specific enough to provide guidance for developing procedures for benefit-cost analysis. Lack of uniformity in methods of computing benefits has resulted in inconsistent and questionable computations, especially in areas such as recreation, area redevelopment, and navigation benefits. In some instances, agency regulations were not being followed, and questionable assumptions and inaccurate computations were made. Also, objective analysis is hampered by agency self-interest and outside influence. Alternatives for achieving more objective and reliable analyses would be to establish a focal point within the existing organizational structure or to establish an independent group to either prepare or review benefit-cost analysis.

Recommendations: The WRC should: review principles and standards and provide specific guidance and criteria to insure uniform benefit computations, request the agencies, if they have not done so, to submit their procedures for implementing the principles and standards for approval, and review implementing procedures which have been approved for uniformity.

To show that the GAO report is, in fact, accurate, let me move on to a letter from Michael Blumenfeld, Assistant Secretary of the Army for Civil Works, to Mr. Brent Blackwelder, Washington representative of the Environmental Policy Center. Mr. Blumenfeld's letter encloses a computation of the remaining benefit/cost ratios (RBRCR) of all those projects which are included in the fiscal 1981 construction budget at the current discount rate, 7⅛ percent.

It will be interesting to find out how many of the projects in the fiscal 1981 budget are actually authorized at a rate that is 3¼ percent, as opposed to those authorized at the current interest rate.

Mr. President, I ask unanimous consent that the letter from Mr. Blumenfeld be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF THE ARMY,
Washington, D.C., May 1, 1980.

Mr. BRENT BLACKWELDER,
Washington Representative,
Environmental Policy Center,
Washington, N.C.

DEAR BRENT: Thank you for your letter of April 11, 1980.

The justification sheets for FY 1981 continuing construction projects display two ratios: one is the remaining benefit/remaining cost ratio (RBRCR), at the applicable discount rate, and the other is the benefit/cost ratio (BCR) at the applicable discount rate as it was presented to Congress in the fiscal year in which the project received initial construction funding. This presentation of BCRs was initiated by the Corps, and prior to implementation, was concurred in by this office, the Office of Management and Budget, and the Committees on Appropriations.

Although initiated by the Corps in this instance, computation of the RBRCR in connection with budget submissions was originally suggested several years ago by OMB staff. The RBRCR presentation is preferred for budgeting decisions over the BCR for the total project because it is the appropriate indicator of the relationship between unrealized benefits and uncommitted costs. To the extent that they are used as discriminators in setting priorities for budgeting, all RBRCRs should be calculated at the same discount rate. For this reason, we furnish OMB the RBRCR at the current interest rate for each ongoing construction project which we propose for funding. This information, as prepared in the fall of 1979 in connection with the Army's FY 1981 budget submission, is enclosed.

As a minimum change from current practice, we intend to specify the discount rate used whenever a BCR is presented. But, more to the point of your letter, please be assured that we are exploring the possibility of displaying on justification sheets the remaining benefit/remaining cost ratio calculated at the current discount rate in addition to the applicable interest rate.

Sincerely,

MICHAEL BLUMENFELD,
Assistant Secretary of the Army,
(Civil Works).

Mr. COHEN. Mr. President, I point out that the remaining benefit/cost ratio is preferred by the corps as the appropriate indicator of the relationship between unrealized benefits and uncommitted costs.

Mr. JOHNSTON. Mr. President, will the Senator yield?

Mr. COHEN. I should like to conclude.

I note that 25 of the projects included in this summary—have a negative cost/benefit ratio, less than 1 to 1, some are as low as 0.39 returning 39 cents on every Federal dollar invested.

I ask unanimous consent that this material be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

Project title	
Jones Bluff Lock & Dam, AL	N/A
Mobile Harbor (Theodore Ship Channel), AL	2.40
Tennessee-Tombigbee Waterway, AL and MS	1.25
Chena River Lakes, AK	9.80
Indian Bend Wash, AZ	4.30
Phoenix and Vicinity, AZ (Stage 2 and remaining work)	1.10
McClellan-Kerr Arkansas Riv NAV System, Locks and Dams, AR and OK	N/A
Norfolk Lake-Highway Bridge, AR	N/A
Ouachita and Black Rivers, AR and LA (1960 Act)	1.10
Red River Levees and Bank Stab. BLW Denison Dam, AR, LA and TX	0.79
Crescent City Harbor, CA	0.37
Cucamonga Creek, CA	1.80
Dry Creek (Warm Springs) Lake and Channel, CA	2.50
Imperial Beach, CA	1.30
Los Angeles—Long Beach Harbors, CA	10.00
New Melones Lake, CA	4.70
Sacramento River Bank Protection Project, CA	N/A
Sacramento River and Major and Minor Tributaries, CA	N/A
San Diego River and Mission Bay, CA	3.50
San Francisco Bay to Stockton, CA	1.30
Santa Maria Valley Levees, CA	4.90
Santa Paula Creek, CA	0.85
Walnut Creek, CA	1.60
Bear Creek Lake, CO	3.30
Chatfield Lake, CO	2.30
New London, CT	3.00
Park River, CT	7.70
Potomac Estuary Pilot Water Treatment Plant, DC	N/A
Broward County, FL (Reimb.)	1.70
Central and Southern Florida, FL	2.20
Dade County, FL	5.40
Four River Basins, FL	1.50
Port Everglades Harbor, FL	2.60
St. Lucie Inlet, FL (Sec. 201)	6.80
Tampa Harbor (Main Channel), FL	2.50
Hartwell Lake, GA and SC (Fifth Unit)	1.76
Richard B. Russel Dam and Lake, GA and SC	1.50
Savannah Harbor Extension, GA	2.30
Barbers Point (Deep Draft) Harbor, Oahu, HI	1.15
Dworshak Dam and Reservoir, ID	N/A
Lewiston-Clarkston Bridge, ID and WA	N/A
East Moline, IL	1.90
East St. Louis and Vicinity, IL	0.68
Fulton, IL	1.40
Kaskaskia Island Drainage and Levee District, IL	0.79
Kaskaskia River Navigation, IL	1.04
Little Calumet River, IL	N/A
Lock and Dam 26, Mississippi River, Alton, IL and MO	2.10
McGee Creek Drainage and Levee District, IL	0.65
Milan, IL	1.50
Mississippi River between the Ohio and Missouri Rivers (regulating works), IL and MO	1.70
Rockford, IL	1.90
Smithland Locks and Dam, IL, IN and KY	N/A
Wood River Drainage and Levee District, IL	N/A

Evansville, IN	1.08
Patoka Lake, IN	1.13
Uniontown Locks and Dam, IN and KY	N/A
Bettendorf, IA	1.40
Clinton, IA	6.30
Coralville Lake, IA	N/A
Evansdale, IA (Sec. 201)	1.80
Missouri River, Sioux City to Mouth, IA, KS, MO and NE	5.90
Missouri River Levee System, IA, NE, KS and MO	2.50
Saylorville Lake, IA	2.90
Waterloo, IA	3.90
Big Hill Lake, KS	1.09
Clinton Lake, KS	N/A
El Dorado Lake, KS	3.50
Hillsdale Lake, KS	2.50
Big South Fork National River and Recreation Area, KY and TN	N/A
Cave Run Lake, NY	0.55
Dayton, KY	0.81
Laurel River Lake, KY	0.70
Paintsville Lake, KY	2.00
Southwestern Jefferson County, KY	1.40
Taylorsville Lake, KY	1.20
Atchafalaya River and Bayous Chene, Boeuf, and Black, LA	6.10
Grand Isle and Vicinity, LA (Sec. 201)	1.90
Lake Pontchartrain and Vicinity, LA (Hurricane Protection)	3.80
Larose to Golden Meadow, LA (Hurricane Protection)	3.50
Mississippi River Baton Rouge-Gulf Mexico-SW Pass and Bar, LA	19.00
Mississippi River, Gulf Outlet, LA	1.16
New Orleans to Venice, LA (Hurricane protection)	2.80
Overton Red River Waterway Lower 31 miles, LA	N/A
Red River Waterway, Mississippi River to Shreveport, LA	0.71
Red River Emergency Bank Protection, LA, AR, OK and TX	N/A
Vermilion Lock, LA (replacement)	1.30
Baltimore Harbor and Channels, MD and VA (1958 modification)	0.78
Bloomington Lake, MD and VA	N/A
Charles River Natural Valley Storage Areas, MA	5.90
Saginaw River, MI	1.26
North Nashua River, MA	4.20
Big Stone Lake—Whetstone River, MN and SD	6.74
Mankato and North Mankato, MN	0.98
Roseau River, MN	0.74
Wild Rice River, South Branch and Felton Ditch, MN	1.90
Winoka, MN	2.50
Yazoo River, Belzoni Bridge, MS (Advance participation)	1.30
Blue River Channel, Kansas City, MO	1.70
Clarence Cannon Dam and Reservoir, MO	4.70
Harry S. Truman Dam and Reservoir, MO	4.90
Little Blue River Lakes, MO	1.40
Little Blue River Channel, MO	1.70
Mississippi River, Agricultural Area No. 8 (Elsberry), MO	9.20
Perry County Drainage and Levee Districts 1, 2, and 3, MO	2.00
Smithville Lake, MO	3.80
Great Falls, MT	2.90
Libby Additional Units and Reregulating Dam, MT	2.00
Libby Dam, Lake Koocanusa, MT	N/A
Elizabeth, NJ	1.60
Los Esteros Lake, NM	N/A
Cattaraugus Harbor, NY	1.30
Dunkirk Harbor, NY	2.00
East Rockaway Inlet-Rockaway Inlet and Jamaica Bay (Part 1), NY	N/A
Ellicott Creek, NY	1.60
Fire Island Inlet to Montauk Point, NY	2.10
Irondequoit Bay, NY	1.90
New York Harbor Collection and Removal of Drift, NY and NJ	5.20
Scajaquada Creek, NY	2.30
Yonkers, NY	13.60
AIWW—Replacement of Federal Highway Bridges, NC	N/A
B. Everett Jordan Dam and Lake, NC	2.70
Carolina Beach and Vicinity, NC (Hurricane protection)	2.60
Falls Lake, NC	2.60
Manteo (Shallowbag) Bay, NC	1.30
Wrightsville Beach, NC	1.25
Alum Creek Lake, OH	0.80
Caesar Creek Lake, OH	0.39
Chillicothe, OH	1.80
Cuyahoga River Basin, OH	1.07
East Fork Lake, OH	1.12
Mill Creek, OH	N/A
Newark, OH	2.20
Point Place, Toledo, OH	1.14
West Harbor, OH	2.00
Arcadia Lake, OK	1.30
Candy Lake, OK	1.70
Clayton Lake, OK	2.30
Copan Lake, OK	2.10
Skiatook Lake, OK	2.40
Waurika Lake, OK	N/A
Applegate Lake, OR	N/A
Bonneville Second Powerhouse, OR & WA	2.60
Lower Columbia River Bank Protection, OR & WA	1.00
McNary Lock & Dam, Lake Wallula, OR & WA	N/A
Willamette River Basin Bank Protection, OR	1.07
Willow Creek Lake, OR	0.39
Chartiers Creek, PA	3.40
Cowanesque Lake, PA	N/A
Presque Isle Peninsula, PA	N/A
Tioga—Hammond Lakes, PA	N/A
Portugues & Bucana Rivers, PR	1.10
Cooper River, Charleston Harbor, SC	1.20
Little River Inlet, SC & NC	1.40
Aquilla Lake, TX	1.90
Arkansas-Red River Basins Chloride Control, Area VIII, TX	1.30
Brazos Island Harbor, TX	0.73
Buffalo Bayou & Tributaries, TX	1.30
Corpus Christi Ship Channel, TX	2.30
El Paso, TX	0.70
Freeport & Vicinity, TX (Hurricane Flood Protection)	N/A
GIWW-Chocolate Bayou, TX	1.30
Highland Bayou, TX	2.60
Lakeview Lake, TX	2.30
Lavon Lake Modification and East Fork Channel improvement, TX	0.61
Mouth of Colorado River, TX	0.86
Port Arthur and vicinity, TX (Hurricane flood protection)	1.60
San Antonio Channel improvement, TX	0.75
San Gabriel River, TX	2.70
Taylors Bayou, TX	0.88
Texas City & vicinity, TX (Hurricane flood protection) ($4.1 M)	0.73
Texas City Channel Industrial Canal, TX	3.70
Three Rivers, TX	2.10
Vince and Little Vince Bayous, TX	0.50
Gathright Dam and Lake Moomaw, VA	3.40
Virginia Beach, VA (1962 modification) (REIMB)	1.60
Chief Joseph Dam additional units, WA	1.07
Ice Harbor additional units, WA	N/A
Little Goose additional units, WA	N/A
Lower Granite Lock and Dam, WA	N/A
Lower Snake River F&WL Compensation, WA, ID & OR	2.80
Beech Fork Lake, WV	1.50
Burnsville Lake, WV	1.10
R. D. Bailey Lake, WV	0.61
Stonewall Jackson Lake, WV	1.12
Prairie Du Chien, WI	2.03

Mr. COHEN. Mr. President, I reserve the remainder of my time.

Mr. JOHNSTON. Mr. President, will the Senator yield?

Mr. COHEN. I yield for a question.

Mr. JOHNSTON. Mr. President, the Senator from Maine just put into the RECORD a document purportedly showing that the cost of Tenn-Tom is more than $3 billion. I stated that the cost given to use was approximately $1.7 billion.

I ask the Senator: Do his figures not show that the estimated Federal construction of Tenn-Tom is $1.7 billion? Do his figures not also show that when you add on things like channels and locks not yet authorized, to be built in the next century, only then do you get up to $3 billion?

I ask every Senator to look at this document. It supports precisely what I said. It does not support a present cost of Tenn-Tom at $3 billion. Senators owe it to themselves to look at what the actual cost is.

Mr. COHEN. A page of history is worth a volume of logic, and a page of history in water projects indicates that there has been a dramatic increase in cost from the initial estimate furnished by the corps to the ultimate construction.

I yield to the Senator from New York.

Mr. MOYNIHAN. I thank the Senator from Maine.

Mr. President, through some technicality, it may be that my name has not been listed as a cosponsor of this amendment, and I ask unanimous consent that this be done at this time.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MOYNIHAN. Mr. President, we have had an important debate this morning. We have brought forth to this body some numbers which, even if we have not finally settled upon them, are things upon which agreement can be reached.

More and more, we see the truth of two propositions. The first, which the Senator from Maine was talking about in our colloquy, is that this is an archaic system of random political award in which seemingly free goods are distributed.

I say to the Senator from Louisiana that Tennessee-Tombigbee, if it cost $3, would not be worth it. It is the damage it will do, as much as the cost it will incur, that arouses our concern in the eloquent statement of the Senator from Wisconsin.

Second, we have heard the Senator from Louisiana speak of a reality which is important. He spoke of the have-nots, in relation to water, as against those who have. We all have water, but what has happened is that the political nature of the allocation of these resources has led to misapplication.

The Senator from Oklahoma will never hear a word from me against the Arkansas River project. I think it made sense. But it did not come about because of the sense it made in this case but because of the people who sponsored it. That is not a sustained basis for public policy.

Mr. BELLMON. Mr. President, will the Senator yield?

Mr. MOYNIHAN. I yield.

Mr. BELLMON. I believe the Senator will recall that the same kinds of argument were made against the Arkansas River project as are being made against other projects. It is easy to look back and say they were good. It takes vision to look ahead and say they are going to work.

Mr. MOYNIHAN. The Senator is right,

because, historically, people often underestimate benefits. But it is the record of this Chamber, for more than two centuries, that they often vastly overestimate them.

We have brought up issues that need to be resolved. A national policy needs to be put in place which is not in place.

UP AMENDMENT NO. 1066

(Purpose: To provide for $500 million in targeted fiscal assistance by reducing spending for water projects by an equivalent amount)

Mr. MOYNIHAN. Mr. President, the Senator from Maine calls for a reduction in his function of the budget of $500 million. By a previous agreement with him, I am sending to the desk an amendment which has the purpose of increasing the general revenue-sharing function of the budget by a like amount in order that municipalities and other units of government, pressed by the oncoming recession, might feel less of the impact.

I note that section 850 of the budget, in which this would make a slight increase, was the heaviest cut function in the entire budget-cutting process. It was reduced by a quarter; where the President had recommended a considerable figure, and the Senate Finance Committee had recommended an even larger figure, we found ourselves reduced to $6.3 billion.

This is below the current law of $8.5 billion and well below the recommendation of the Finance Committee of $9.6 billion. By substituting the funds, transferring the funds within the resolution, we would get back to $6.9 billion which is almost a third less than the requests of the Finance Committee itself.

Mr. President, I send an unprinted amendment to the desk and ask unanimous consent that it be read and considered.

The PRESIDING OFFICER (Mr. FORD). Without objection, it is so ordered.

The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from New York (Mr. MOYNIHAN) proposes an unprinted amendment numbered 1066 to the amendment No. 1733.

In the nature of a substitute to amendment No. 1733.

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Strike lines 1 through 10, and insert in lieu:

On Page 10, line 11, strike "$6,300,000,000" and insert in lieu thereof "6,800,000,000".

Add: On Page 10, line 12, strike "$6,800,000,000" and insert in lieu thereof "$7,300,000,000".

Mr. MOYNIHAN. Mr. President, I think we have had the debate that we wished to have this morning on the subject of water resources. The Senator from Maine has done us a great service in this regard.

I simply wish to capsule in 3 minutes the reason I am proposing that we now vote to transfer the $500 million that he reduces to section 850, the funds for general revenue sharing.

The current law for revenue sharing is $8.5 billion. It is the cleanest, most direct aid to State and local government we have. It is institutional. It has been an improvement on federalism which seems to me to be much valued and ought to be preserved.

Unhappily, upon the recommendation of the administration and under the forces of the time, and although the Finance Committee proposed a $9.6 billion program, we have before us a proposal for $6.3 billion. This would be a modest increase, a useful one. I wish to make it clear that no specific formula for distribution is presented here.

In particular I make the case that the formula presented to the House of Representatives is in no way contemplated. It is not excluded, but certainly not contemplated. This is money to be made available for decision by the Finance Committee in the first instance and, of course, the Senate itself in the second.

Accordingly, Mr. President, unless the distinguished managers of our resolution wish to comment I will have my remarks concluded as such and am prepared to vote when the manager of the resolution is prepared to do so.

I thank him for his courtesy in allowing this departure from the established procedure. It is yet another element that bodes well for those members of the Budget Committee who will be following the leadership of the Senator from South Carolina.

Mr. HOLLINGS. Mr. President, I thank the distinguished Senator.

It could be that I do have here the formula that the administration has proposed, and I shall address some remarks to that because that is the only formula we do have, but before I get into it I am sure the Senator will want to comment on that.

Mr. President, first, with respect to the position that we are now in, we would be voting then on the Moynihan amendment which is a combination of the Cohen-Moynihan approach, namely, to take $500 million out of function 300, water resources, and transmit that or add it on to function 850, for an increase in revenue sharing for the municipalities as described by the distinguished Senator from New York.

Mr. President, first let me say a word about water projects before we get to the transitional aid issue.

We have heard a good bit about turkeys and the great barbeque, and all of these other particular projects.

In the education of this Senator, also, the budget process has to be an education of the Senate itself. Senators time and again and the chairmen will tell us from the different committees: "You are not a line itemizing committee; you do not have the authorization; you do not have the in-depth hearing; you cannot go after these single projects."

And then we come to the Chamber itself. I am not telling Senators whether they should or should not do this. This is just a reminder about the budget process and how it is bound to work. Senators select out individual projects like the Tombigbee Dam or the Arkansas-Oklahoma, Kerr-McClellan, making Tulsa a seaport, and several others that they have found.

The distinguished Senator from Wisconsin found one up in his backyard that he did not like.

From the process of Budget Committee members, honestly, these individual projects should come out and be debated in the authorizing and particularly in the appropriations committees.

But in consideration of the overall budget process, they are bound to be considered. So once again, as a little reminder, we point out that it is inevitable many times that these things will come out and it is not the intent of the Budget Committee but I think really a feeling on behalf of the entire Senate.

But, as we pick out individual projects let us look with a broader view and a vision to water and water resources. As the distinguished Senator from New Mexico pointed out, the next American resource crisis in America is going to be water.

I never forget my distinguished friend, the President of the United States, coming out of Plains, Ga., and the first thing he recommended when he got to town was to do away with water resource projects, reclamation projects, development and everything else.

A great advantage of service in the Senate is to listen to those who participated in and are benefited by water projects, and then one understands the tremendous benefits to the Nation as a whole.

For example, the use of water in the Midwest has been of vital concern for the past 75 years. At the turn of the century the different Governors started working out on a bipartisan fashion, 11-State usages of the waters from the Colorado River. The Senator from Arizona, the conscience of the conservative, BARRY GOLDWATER, will talk about different things, but he will get really livid when he talks about the waters of the Colorado River because he can feel it and when one hears him, one feels it. We need that experience because we come to realize that historically on balance these things deserve a resounding vote of approval.

The entire cost of them over the years has been some $9 billion in projects. The croplands, the agricultural produce from the reclaimed resources in 1 year amount to $9 billion.

These cost-benefit ratios one will hear time and again from different Senators using the Corps of Engineers' measure of cost and benefits and everything else of that kind. I suggest that we look and find out just what water projects have done. Senators from North Dakota and South Dakota and coming down the Midwest will tell us if we look at the old map that would be desert land had it not been for the reclamation and water projects.

What is the objection right this minute to the MX dispersal? Water. That is what it is. It is not defense of the country, not patriotism, not whether it is a wise thing militarily or a good strategy. The real crunch at this point is the same crunch we had at the turn of the century, 75 years ago, and that is water, because they are going to consume all the water in that particular area.

So I do not think it serves us well to discuss the alleged turkeys. I do not have to use any better descriptive language than the President himself on a particular project. As the Governor of the State of Georgia said, and I will give Senators his picture if they want it, the greatest day in the history of Georgia, he said, was when we got the Russell Dam. The greatest day in the history of the State of Georgia was when we got the Russell Dam.

We will find that coming down to Savannah from the headwaters of Georgia, Tennessee, North Carolina, and South Carolina, coming right on down the borderline between Georgia and South Carolina is the Hartwell Dam, which has paid for itself, and Clark's Hill, which is paying for itself with interest. These are very, very valid projects. We do not have to wonder about their cost/benefit ratios.

But in between that arid spot where once again man's ingenuity for engineering can go to create a dam or lake and develop a hydroelectric project, you find with a press of a button back in Atlanta that you no longer have an arid, dry situation.

As the former Congressman, Bryan Dorn, from that particular district said, a jackrabbit crossing that swamp would have to pack its lunch because there is nothing there. The nature boys come running out of all the areas and they talk about animals and all sorts of devastation, the greatest devastation that you have ever seen, and it is zilch. They have not been there. They have not seen it because no one goes there. In fact, there are signs all around saying "danger to your life," over the rocks and everything else, because they are going to punch the button and there is going to be 14 feet of water, and it is a very dangerous situation.

So they conceived of the Russel Dam, and in instituting it Jimmy Carter, who was the Governor, called it the greatest day in the history of the State. But when he got to Washington it is a boondoggle and a turkey, and a barbecue date.

He was going to discipline the Congress for their wasteful ways. The fact of the matter is the Congress overrode him, and it should have. It is the best investment, that billion dollars, that was ever spent, to get a waterway up to Tulsa. I probably would have been one of the first ones to question it. But it has been proved valid. It is better than sitting on gold in Kansas because of inflation and other changes since it was approved and built. It has been a tremendous return to the people.

So, overall, I would emphasize that reclamation and water, and water projects, are something to invest in, and we should definitely favor it. There is a tremendous payoff, particularly now with the recession and problems of unemployment. There projects are winners at creating jobs, better than the countercyclical programs, and grabbing them up like we did has paid off better than our zeal in the inner cities. It is water projects we are talking about in this Moynihan amendment, with the proposed transfer to transitional aid. We know these water resource projects. We know the construction. We know the wages earned by those wage earners in those jobs.

But here in this budget, Mr. President, we have been caused to constitute a certain degree of unemployment because we are cutting the budget. We came forward earlier with the particular figures. They have been cited, but I cite them again for the purpose of emphasis, because the news stories say "untouchable water resources," "the boondoggles and the turkeys and the barbecues," they say we are going to have, "the great barbecue."

Well, if you look at the figures, Mr. President, in 1977 it was at $3.2 billion. In 1978 it went up to $3.5 billion. In 1979 to $3.9 billion, and this year, the present fiscal year, we were spending at the rate of $4.2 billion.

Now, that is in regular current dollars.

At the beginning of the year, President Carter cut that back $100 million in his January budget, and in March he cut it another $200 million, and when the Budget Committee met we cut it another $200 million, so that actually in this budget resolution we have projected $3.7 billion or a cut of $0.5 billion, which amounts to more than a 10-percent cut. In real or constant dollars, it is a cut of $0.9 billion, almost $1 billion, if you please, in water resources projects.

We discussed that same Russell Dam. We discussed that same rediversion canal. I have one where they have a rediversion canal, and they are running out of areas to dredge, and in the end we are going to save millions and millions of dollars in dredging costs if we can get it rediverted. But the Crops is giving notice that come June they are not issuing any new contracts. There is going to be a holdup. There is going to be unemployment, and there are going to be some layoffs. But I think perhaps they are going to have to do that, Mr. President, because the name of the game is to whip inflation. Inflation is the enemy, and that is what we are fighting against.

Perhaps, instead of the $60 million that would be allocated for that Russell Dam, because of inflation, we will not expend that entire amount, expend only half of it or even less. That is the very value, you might call it, of the congressional oversight or review, because we can gage these things. We have a very difficult time trying to turn on and off, and to start projects and then stop them. They talk about every one of these projects continuing on. Like the Corps of Engineers projects, I watched Congress build the FBI Building, which was supposed to start around $20 million, and ended up at $70 million or $80 million. I remember when I was involved with the budget, it was costing $1 million a day in cost overruns.

The Madison Library, that has gone up. Everything we have around here has gone up. It is not the Corps of Engineers alone; it is all construction and particularly congressional construction. So do not excoriate just the Corps as if we invented prudence in this body. Heavens above, we have heard enough of that talk.

So much for the projects themselves.

The Budget Committee has looked at them in the overall. We approve of projects to improve our water resources. That is one of the best investments we have ever made, particularly in the West and the Midwest, and particularly now here with flood control. We have had floods down in Jackson, Miss. we have had floods in other parts. I saw on the 60 Minutes show a Columbia River project in Tennessee which looked like it was going to be a stagnant pond. If that is the case, then I commend CBS for exposing that. It is a matter of exposing and eliminating waste.

But to find one that is bad, let us not go overboard as the Congress is wont to do. That is our trouble in national defense. We found one war that was bad, Vietnam. We have that moving group on this floor of the Senate that says there is never going to be any defense. We are never going to have registration or an army or anything. We are just going to lay down and smile and grin, I guess, and pray and petition the World Court and the United Nations.

So here we are.

Now moving on to the Moynihan amendment and the transitional aid, there again, Mr. President, we thought we had the President's approval. We were meeting—I say others really because I only was in the meeting at times—but it was the leadership meeting, and I commend the leadership for it, particularly our distinguished majority leader. I think when the bond market slumped about a month ago, at the behest of the majority leader and Senator MUSKIE, our chairman of the committee, there were leadership meetings with participants not only from the House side and the Senate but also from the White House, and it was a marathon session, around-the-clock, including Sunday and late at night for at least 8 days.

Under the leadership drive of Senator ROBERT C. BYRD we got a general feel that something had to be done, that we had to respond and respond now. It was uniformly agreed across the board that we had to cut and that we had to balance the budget. Part of that was my particular job. I served 20 years ago with the distinguished Senator from Maine, Senator MUSKIE—we served on an Intergovernmental Relations Advisory Commission. Senator RIBICOFF and I were appointed by President Eisenhower.

I was talking revenue sharing when he, the Senator, was talking rural development, and the first bill I introduced then, in February of 1967, was for State revenue sharing.

On the back row was my good friend Robert Kennedy. He said, "I cannot send that money to Albany." He said, "The city of New York would never see it." He said, "We cannot send revenue sharing to Albany. The city of New York would never see it," said the late Robert Kennedy.

So I said, "Bobby, what do you intend to do?" He said, "Well, it sounds like a good idea," and he then introduced a bill for revenue sharing to the municipalities and counties.

Thereupon, in a few months, we reconciled, and the result was a dual approach to the States and a proportion to the municipalities, and the proportion to each was put in law with $2.3 billion going to our States and $4.6 billion to the municipalities, and the proportion constitutes $288 million to the city of New York. We had not cut that at all. We had not cut out the cities. I have lost my share for education in the State's needs, and I have to lose that willingly if we are going to have to cut back on some thing and balance the budget.

Mr. MOYNIHAN. Will the Senator allow me to make a statement in response to his in this regard?

Mr. HOLLINGS. Yes.

Mr. MOYNIHAN. Mr. President, I would like to make a statement that it will be my purpose in the Finance Committee to propose that the $500 million that would be transferred to function 850 be used for State revenue sharing.

The Senator is, of course, correct that it is State revenue sharing that has been completely wiped out. That seems to me to be a bad idea, a wrong precedent, destroying a really creative introduction into the federalism of this country.

I cannot, of course, guarantee the outcome. Our chairman very accurately states that we appropriate to general poses. But that will be my purpose and I wish that to be understood.

Mr. HOLLINGS. Mr. President, I thank the distinguished Senator.

I hope now that Senators will cooperate, because this budget process is most complex.

Mr. MOYNIHAN. It is taking time.

Mr. HOLLINGS. Mr. President, I do not mind so much the time, it is the understanding. I see our good friends here from the Policy Committee at the table. They come up and say: "What is the vote?" And the vote is a moving target.

How in the world do you decide? We are given multiple choice questions down here in the well. It is true or false; you vote yes or no.

When the Senator presented it, he said municipalities, but not he says it is States.

Mr. MOYNIHAN. Mr. President, I said—I hope I am not wrong—that clearly we would not specify what particular form would emerge from the Finance Committee—and we cannot—but I am saying it would be my purpose in the Finance Committee to purpose this be added to the State revenue sharing.

Mr. HOLLINGS. And not the municipalities?

Mr. MOYNIHAN. Not to local revenue sharing.

Mr. HOLLINGS. Not to local revenue sharing.

Mr. MOYNIHAN. If this is successful.

Mr. HOLLINGS. Mr. President, that would save us a good bit of time about the transitional aid.

I was prepared to debate a little bit on the Cohen amendment and then on the Moynihan transitional amendment. Now we have a funding proposal for the State revenue sharing and he is appealing to my heart. I really would love to give some additional funds to the States.

Yet we look at the States—and mine is no exception. The problem in Columbia is what to do with the reserve, what to do with the surplus. I am being constantly beseeched by our distinguished Governor—and one of my best friends—to please support this program and that project, when down there in Columbia, S.C., they all are trying to find out what to do with the reserve and whether, constitutionally, they can maintain it.

Alaska is getting up a new plan to mail you money depending on how long you live there. Texas is trying to find out what to do with the money, and on down the line.

I do not have the exact chart that shows the States have tremendous surpluses. I have seen one. There are some short changed.

Be that as it may, I thought that the administration, then, would support, because they have constantly supported, a $2.3 billion cut from State revenue sharing.

I would just, by ways of emphasis, then, turn to the Budget Committee recommendation. The Cohen amendment, would require at least a 20-percent cut in the construction and operation of the water resource projects by the Corps of Engineers and other agencies. The Budget Committee has already assumed outlay reductions in water resources activities of $400 million below the President's January budget and $300 million below the revised March request. In addition, the committee recommendation represents a cut of about 10 percent from the current level of construction and operation and could cause delays at over 200 projects.

The proposed cut in this amendment of another $500 million, I respectfully submit, would be devastating. It would slow down flood control projects that reduce the loss of life and property from flooding. It would delay hydroelectric dams that help reduce the country's dependence on energy supplies.

One of the biggest increases in the budget, one that keeps going on up, is the energy area.

This amendment would shorten the operating hours and reduce capacity at navigational locks and dams, and allow increased silting of ship channels and harbors

I asked, Mr. President, about the locks and dams. They tell me that would have to be determined by the way in which the Appropriations Committee treats that.

Does the Senator have a question?

Mr. COHEN. Will the Senator yield for a question?

Mr HOLLINGS. Yes.

Mr. COHEN. The Senator mentioned hydroelectric power. I happen to be one who favors the construction of the small hydroelectric facilities. But my understanding is that of the 203 water projects contained in the fiscal 1981 budget for the Army Corps, only 21 produce hydropower. Most are navigation or flood control projects.

Mr. HOLLINGS. Mr. President, I would say advisedly, from just the little experience I have, if you please, Mr. President, within the Appropriations Committee, that you get incremental shares that come along on the hydroelectric projects. When you are looking for savings and you are a Senator on the Appropriations Committee, we start off, for example, with the Russell Dam, which is $500 million. But this year's increment is a $60-million increment. So if I am a Senator and I am trying to make that cut, that generally is where the cuts are going to come from, the hydroelectric.

Mr. JOHNSTON. Mr. President, will the Senator yield?

Mr. HOLLINGS. I am delighted to yield.

Mr. JOHNSTON. Mr. President, as the Senator looked at the budget, would he not find that there are 21 hydro projects in the Pacific Northwest alone and that the total number of projects is somewhere in the neighborhood of 75 to 85 nationwide, some of which are very large projects?

Mr. HOLLINGS. I thank the distinguished Senator for that information and that valuable contribution.

Mr. President, a 20-percent cut in water projects would affect the adequacy of future water supplies for municipal, industrial and agricultural purposes.

A $500 million cut in water resources could delay installation of additional hydroelectric generating capacity at the Bonneville (Oregon-Washington) and Chief Joseph (Washington) Dams and could delay construction of new hydropower dams such as the Richard B. Russell Dam (Georgia-South Carolina) and the Harry S Truman Dam (Missouri).

The amendment could postpone further construction of an enlarged lock and dam 26 on the Mississippi River, which is needed to relieve barge traffic congestion, and could reduce operating hours of other locks, dams and bridges to less than 24 hours per day.

Construction of navigational facilities, such as the Tennessee-Tombigbee Waterway (Alabama-Mississippi), Red River Waterway (Louisiana), and Charleston Harbor (South Carolina) could be delayed.

The amendment could force slower construction of flood control projects such as Stonewall Jackson Lake (West Virginia), Lakeview Lake (Texas), and Dry Creek Lake (California).

Finally, Mr. President, because Congress is not likely to impose a reduction in the water resources project, the amendment is likely to encourage spending that would be now for aid to the States without any assumed savings. In other words, if you put additional funds onto the States revenue-sharing program, the committee's plan for budget balance will be jeopardized.

If the proposed savings are realized, there is plenty of time to recognize the savings in the second resolution and to consider the provision of a funding allowance for further aid to the States.

But I think that the Governors and everyone else has now become reconciled to the budget savings upon which we found agreement on both sides of the Capitol, and particularly with the White House itself.

Now, this is a new one to me. I have been looking over 35 amendments, including several that are going to come and try to increase, actually, the State aid or the State's share of revenue sharing, save and excepting the amendment of the distinguished Senator from Kansas. I think his has a variable approach to it, to go for categorical grants, rather than the revenue sharing. But, be that as it may, we will take that up at the time.

This amendment should be judged in light of the Budget Committee recommendation for a $0.9 billion, $900 million, cut in constant dollars to already ongoing projects. The Corps and the projects themselves are in distress over it. They are going to have to suffer that distress. We are all going to have to sacrifice some in various places, and this is one of the program areas that is already doing its fair share in trying to get us toward that balanced budget. We have to oppose the Cohen amendment.

Mr. BELLMON. Will the Senator yield?

Mr. HOLLINGS. Yes, I yield.

Mr. BELLMON. Mr. President, I just wanted to ask the Senator a question. The Senator from Louisiana is also on the Budget Committee.

During our debate on this matter in the Budget Committee, it was made very clear that the cut we made was probably deeper than was in the long-term interests of the country because it is going to have the effect of causing these projects to cost more. It is going to stretch them out and increase their costs. I felt we cut too deeply. The idea of cutting another 20 percent is almost irrational.

Mr. JOHNSTON. The Senator is absolutely correct. We now have a shortfall in the Corps of Engineers of more than $200 million right now, money taken for floods, principally. That is in ongoing projects. That is right now. Then we cut some $400 million from current law, which is below in current dollars where we are now.

If the Senator will look at the table I put in the RECORD, it will show that the Corps of Engineers in constant dollars have been continuously going down. We do not have the money to finish the projects we now have. To take $500 million out of a $1.4 billion construction program would almost cut ongoing work in half. All of our operation and maintenance funds, which includes keeping all of the harbors and navigational channels in the country open, is only about $900 million. And that is also hydropower plants maintenance and all the rest of the water resources functions. It would be incredible, the effect of this, if the Congress were silly enough to pass it.

Mr. COHEN. Will the Senator yield?

Mr. HOLLINGS. I will be glad to yield.

Mr. COHEN. The Senator suggested it would be irrational to make that kind of a cut. Yet I look through the votes in the Budget Committee and I see that the distinguished senior Senator from Maine, the chairman of the Budget Committee, made a motion to cut some $300 million out of the budget for water projects. Senators MUSKIE, CHILES, BIDEN, HART, METZENBAUM, MOYNIHAN, EXON, and BELLMON voted for the $300 million cut. That was later reversed, but we had the chairman of the Budget Committee voting to cut some $300 million out of the water project budget. How rational was that?

Mr. BELLMON. If the Senator will check the record, that had to do partially with the waterway user charge issue, which was a separate matter.

Mr. COHEN. As I suggested in my opening remarks, I would support an increase in the user charge to offset my proposed cut.

Mr. MOYNIHAN. Will the Senator yield?

Mr. CRANSTON. Will the Senator yield?

Mr. HOLLINGS. I yield to the Senator from California.

Mr. CRANSTON. Mr. President, I would like very much to support the pending amendment. It would restore to function 850 the room for the transitional assistance program proposed by the administration.

Mr. HOLLINGS. Will the Senator yield? Does the Senator know it has been corrected? It is the State revenue sharing, not the transitional assistance item. That is causing some confusion. That has been revised. The Senator from New York said, as a member of the Finance Committee, that it was revised. The amendment reads a figure amount, but the Senator said it would be his intent as a member of the Finance Committee to press for extra funds to go to State revenue funds and not the transitional assistance program proposed by the President.

Mr. MOYNIHAN. If the Senator would be kind enough to yield, I was explicit in saying that we could in no way permit any of the committees to allow for such a program. I supported a personal preference with respect to this amendment. The Senator from California is entirely correct if he foresees that this may be used for the transitional program. It may very well be.

Mr. CRANSTON. I would assume that the amendment has been improved by that change. But, nonetheless, I have concerns about it. It is consistent with my alternate budget that I am going to call up I hope later today, although I have a somewhat lower outlay rate based on assumed late enactment of the program.

The pending amendment would assume a cut in water project funding of $500 million below the level assumed in the Senate Budget Committee in function 300. I, too, believe a further cut in water projects is a possibility. My alternative proposal assumes a cut in water project funding of $300 million below the level of the Budget Committee, a slightly more moderate position with respect to water projects than that of the junior Senator from Maine. So the Senator's legislative assumptions are remarkably like two of my own, and I would like to be able to support the amendment. It is not hard to imagine another $200 million being saved by further slowing or cutting back on water projects.

However, much as I would like to support the amendment, I cannot. I cannot because the legislative assumptions which we make in adopting budget numbers are not binding. They are just figures that are presented for discussion and for consideration. They are not binding.

The Budget Committee has cut more than water projects from function 300. It has assumed the elimination of the entire land and water conservation fund in achieving its numbers. My own substitute would restore $700 million to this function for that fund which is used to purchase State and Federal parklands before the cost of that land goes out of sight or before the land is developed beyond redemption. This amendment restores none of that money.

The amendment would further cut the budget in this function without guaranteeing that the cut would apply only to water projects. For that reason, and that reason alone, I cannot support the amendment.

Mr. MOYNIHAN. Will the Senator yield for a question?

Mr. CRANSTON. Yes.

Mr. MOYNIHAN. Has he contrived a place for amending the budget resolution to specific subfunctions? I did not think that was possible.

Mr. CRANSTON. No. The Senator is not able to make specific assumptions. That is one problem with this amendment.

Mr. MOYNIHAN. Would it not follow that the Senator would have the same problem with his amendment which I am interested in supporting?

Mr. CRANSTON. No, because my numbers are higher so there is much more room in my amendment.

Mr. MOYNIHAN. But there is no specificity.

Mr. CRANSTON. No. There cannot be specificity, but there is much more room so a logical assumption can be made.

Mr. MOYNIHAN. I will not dispute the Senator on that, but I say that if this Congress wants to go, as this Senate has the opportunity right now, on record as to what is to be, and the distinguished Senator from Louisiana spoke of the haves and have-nots of water, and we have talked of the absurdities of the program, here is a chance to take a proven choice away from a controversial area where money is wasted and put it to uses which are necessary in the context of an incoming recession, an oncoming recession, a recession that seems to me to require that we do something about the finances of our State and local governments as that crisis begins to develop. There are States with reserves. God bless them. Most have none such. Almost no city has such in our part of the Nation. In any event, we have had a good debate here this morning and if the chairman is prepared, I am prepared to yield back the remainder of my time on the matter.

Mr. DOMENICI. Before the chairman yields, will he yield me 2 minutes?

Mr. HOLLINGS. I yield to the distinguished Senator from New Mexico.

Mr. DOMENICI. Mr. President, I want to inquire of the Parliamentarian. We have a Moynihan amendment that is a substitute for the Cohen amendment. Is that the parliamentary situation?

The PRESIDING OFFICER (Mr. PRYOR). The Senator is correct.

Mr. DOMENICI. So that if the Cohen amendment were tabled, it would carry with it the Moynihan amendment. Is that correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. DOMENICI. I merely ask that to establish the record. I am not disposed to table at this point. I think we ought to go ahead and vote.

Mr. President, let me just comment. There are at least two reasons to vote against the Moynihan amendment. I think the point has been adequately made that water projects in this country have been adequately cut in past years. I need not apologize for my enthusiasm for reforming the water program of this country. I think the only substantive measure pending in the Congress to reform it is my bill. The good Senator from New York (Mr. MOYNIHAN) is my prime cosponsor. But I repeat, it serves no useful purpose to completely dismantle a water program when we know that we are going to have to fund in the future not less but more for water.

Also, if there are absurdities in this program, I submit to the Senate by cutting it we are not going to get rid of the absurdities.

There are obviously those that are going to get funded that are going to continue to be on an ad hoc basis. We are going to end up with as many irrational decisions as we have now. I hope that we shall leave it at the meager level that the Budget Committee has; then all of those who are so concerned today about pork, about turkeys, will join in reforming the water program so that we can then have adequate dollars to pay for a real water program. Do not cut it back until there is nothing left. Then we shall have the job, when it is reformed, of trying to put money in water programs.

Mr. MOYNIHAN. Will the Senator allow a statement from his cosponsor in that regard?

Mr. DOMENICI. I am glad to.

Mr. MOYNIHAN. There will be problems no matter how it comes out. I hope we do indeed press forward with the proposal he has just made.

He is right. He has been a pioneer. He has seen visions of rationality which have, so far, eluded this body. He knows how proud I am to be associated with him in the enterprise.

Mr. DOMENICI. I greatly appreciate those comments and I do intend to press forward for reform. I do not want anyone to mistake my position. The real funding for water projects in this country is down 50 percent in real dollars over the last 15 years. I believe that is enough. I believe we ought to proceed from that level and try to reform it. We are going to end up needing more money in water projects in years to come.

I hope that because I am for it, no one misunderstands. I intend to support the Budget Committee's level, which is a substantial cut.

The second reason to vote against the Moynihan amendment is that it does cut $500 million out of that function, then adds $500 million to the function that includes general revenue sharing. On the one hand, he says it is general revenue sharing. Another Senator comes and says it is assistance for the large cities that are in trouble.

We do not know what it is for, but we do know that we are going to cut water and put $500 million in a function, either for general revenue sharing or special assistance to those large cities of America that the President and a few others think cannot get through this recession.

Mr. MOYNIHAN. Will the Senator yield?

Mr. DOMENICI. Let me finish this one thought and I shall yield.

I want the Senate to know that, indeed, there was a vote in the Committee on the Budget on that $500 million. The vote was 13 to 4 against. To put $500 million in for special assistance to a few select cities in trouble, the vote was 13 to 4 against that.

What we are doing is confusing the issue by saying it is not really that 13 to 4 subject matter, but it might be. It is not revenue sharing which the committee also cut; it might be the other.

So it seems to me, the Budget Committee was very wise. They cut water substantially. There will be an adequate opportunity on this floor to vote up or down on general revenue sharing for the States. This is not the amendment to do it on, because what we are doing is confusing the issue with reference to where the $500 million will go, and we are specifically taking it out of water projects. I do not think that is the way to do it.

I thank the floor manager for yielding me time.

Mr. MOYNIHAN. Mr. President, if I may say once again, when the manager is ready, I am prepared to yield back my time.

I should like, for the record, to respond to my friend from New Mexico and say that between 75 and 80 percent of State revenue sharing funds are passed through to localities. There is no mystery about where this money ends up.

I am prepared to yield back my time if the manager thinks this is appropriate and ask for the yeas and nays on my amendment.

Mr. HOLLINGS. Mr. President, I am ready to go. I think the posture right now is that we have the yeas and nays on the Cohen amendment, and it has already been modified by unanimous consent, so it would be on the Cohen amendment that we have the yeas and nays.

The PRESIDING OFFICER. If the Senator will suspend, the question will be on agreeing to the Moynihan amendment. The Cohen amendment has not been modified.

Mr. MOYNIHAN. A parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. MOYNIHAN. My understanding is that it was a substitute for the Cohen amendment which was by unanimous consent——

The PRESIDING OFFICER. By unanimous consent, it is a substitute for the Cohen amendment.

Mr. HOLLINGS. I am not in favor of the Cohen amendment.

Mr. President, let us pause for just a minute for the good of the body on this score. We are falling into a very frustrating dilemma and it is going to be highly confusing and basically a disservice to us, the Senators, as a body.

Why do I say that? We have to have an understanding on what we are really voting upon. Readily, we all agree, if you look at the Budget Committee report, that we are not a line item committee. We have been admonished time and again on this issue. So we put in the categories and we put in general revenue sharing and reduce it by a third. The President says that will take out the State share amounting to $2.3 billion, the House says the same thing, and the Senate says the same thing.

In fairness to all the Senators, I inquired so I could advise them as to what we are voting upon. If we are voting on a double situation, just tell me so and we shall debate the transitional aid proposal. I have not debated transitional aid. Now they want to come up and say that the funding is for that. What they are doing is, as the Senator from New York says it is, to add funds for the State share, that $500 million. But all the publicity, all the correspondence, all the lobbying on behalf of the White House and everything else has been done on $500 million transitional aid to the municipalities. The original mailout by our distinguished colleague from New York said just that: $500 million for transitional aid. That is the way he started his talk.

So let us be fair with each other. All Senators want to know exactly what they are voting upon when they come to the floor. We understand, obviously, why the budget is arranged this way, and that is the way we want it. We do not want the Budget Committee—if the Senate wants us to, we could—to argue these things in particular. We are glad to vote on them in particular and we are glad to accept that responsibility. But I do not believe the Senate wants us to have that. That belongs in the authorizing and the Appropriations Committee. It belongs to us as gentlemen and, as my distinguished colleague, whom I respect so much, the Senator from New York, says, to act upon this matter "as a mature body."

The mature way is that we have to tell each other what we mean, and to mean what we say. I am prepared to debate transitional aid—I have heard a lot about it. I do not think we need to debate further, because it is clear what the Senator indicates, about the State revenue sharing, and about where the $500 million goes. The $500 million, to the Senator from New York, under his version, goes to the States. Is that correct?

Mr. MOYNIHAN. I am sorry that I cannot satisfy the chairman, because he knows that there is no way for me to say it is correct or incorrect. I simply said what my position with respect to this matter would be if this amendment succeeds. The matter will be decided when it comes up in the Finance Committee—we cannot commit the committee.

I am a member of the Finance Committee and know as well as the Senator does about the appropriation process.

Mr. HOLLINGS. I know what the situation is and what he cannot guarantee later. But what is the present intent of this particular amendment? We have to be able to tell the membership. When they come down here, are we to say to the Senator who says, "What are we voting on?" that Senator MOYNIHAN says that, later in the Finance Committee, he hopes it goes to the States, but other Senators may have it go to transitional aid. Do we, then, interpret it that way?

Is that what the Senator is saying? I am ready now to debate the transitional aid proposal if we are going to give our colleagues a multiple choice quiz down here rather than a vote.

Is that the Senator's feeling about it?

Mr. MOYNIHAN. There is no complexity about this, Mr. President. We are increasing function 850 by $500 million. That is what the clerks should report at the table. How that ultimately will be resolved will be determined later. I see the chairman of the Committee on Finance is here. He will have more than something to say about the matter.

We have been cut to $6.3 billion—cut to $6.3 billion. This merely restores a half billion out of a cut of $3.3 billion.

I do not think the issue of a specific question of transitional aid can be debated here. I say it would be to no purpose to do so at this moment.

A specific proposal of that kind could come up. But it is not binding and ought not, in my view, for the good of this body. Such specifics ought not be too much introduced into our debates on the budget, or else this becomes the all-purpose debate of the Senate and can consume its entire time.

Mr. President, I ask that the clerk state that this would decrease the water function by $500 million and increase section 850 by the exact same amount, an amount that is, I believe, restoring—the chairman of the Finance Committee might be interested in this—about one-sixth of the reduction which the Budget Committee made in our request for this function.

Mr. HOLLINGS. Mr. President, in all candor, I find that trickery. The reason I characterize it as trickery is that we all know better.

What we are saying is that the Finance Committee—and we all agree the distinguished chairman is here, the Senator from Louisiana (Mr. LONG)—could possibly take a different view. In that case it may be that we could never pass it. We had reconciliation, and we included the reconciliation, in the second budget resolution for fiscal year 1981, and we have yet to get the reconciliation.

So they did take a different view. We know that from experience.

But we are talking about items in a particular budget where Senators ought to know what the amendment is and what the intent is, and have one single intent.

We cannot come up with a fellow who wants transitional aid and says, "There is a figure, and that means transitional aid for us," and the other fellow comes up and says, "Oh, no, that is for States, you are interested in States," and another man says, "Oh, we can use it for this."

We had that yesterday. The only thing was that the figure was wrong. The distinguished Senator from New Jersey increased the revenue. We had already had $10 billion there from the excise fee. But he said then, "I am estimating we are getting less," so the figure ended up that he was giving me an arithmetic answer.

This is chicanery; that is all it is.

We are trying to effectuate a discipline for a balanced budget. Now we will have to try to discipline the Senate itself, to have the Senators act like Senators, like grown men.

I mean, this is the U.S. Government, the U.S. Senate. If we come up and play games, like back at the local level, and all that, and get a telephone call out there and then vote, I know that kind of government.

I was down there one time, and I heard about a certain speaker pro tempore. It was in the Georgia State Legislature. There was a speaker named Hand. I watched him. He had a long thing that looked like the Safeway store yellow list.

The former Governor of Arkansas, the distinguished Presiding Officer, will remember these days back in State legislature days.

All the bills were listed and somebody who did not particularly care for him, or did not care for his measures, could have him called to the telephone. He would take the call and bam, the measure was killed right there, his bill was dead, gone.

I told him I heard of machine politics. That was the first time I had seen government run by Hand. He killed 10 bills with the telephone trick in the Georgia State capital that day when I was visiting there.

But I hope now, here in the Senate, we are not going to bog down, trying to get people to discipline themselves toward fiscal responsibility. Really, bring down this interest rate, and we are beginning to show some effect. Break ranks now and give any Senator a multiple choice as he comes to the well and say, "I do not really know what it means, we cannot tell what Senator LONG will do with it."

I do not know. I think he is the most reliable fellow, and I love him. But do not blame it on the Senator from Louisiana and the Finance Committee, and the other committees. Let us say what we mean and mean what we say.

I will now have to debate transitional aid. Is that the idea now of the Senator from New York, to say someone could vote for that amendment, that same amendment, and have it mean in his mind, as he votes, $500 million transitional aid?

Mr. MOYNIHAN. Yes; he certainly could.

I say further to the chairman, that surely he knows that there is no increase or decrease in any function of the budget resolution which has in consequence a predictable and decided outcome in a particular program. It is not possible to do that.

However, of all the 18 budget functions, there is not one, save interest on the public debt, which is more narrow in its legislative consequences than 850—850 is general purpose fiscal assistance.

It is the most narrowly defined of all the functions save that of the interest.

Mr. NELSON. Will the Senator yield?

Mr. MOYNIHAN. I am happy to.

Mr. NELSON. Would it not be true, and obviously from the dialog on the floor of the Senate, that if the Senator's amendment prevails, the legislative intent is clear and unambiguous and would be, in effect, an instruction when it got to the Finance Committee to allocate this money to revenue sharing, which is what the whole debate is about?

Mr. MOYNIHAN. The Senator is entirely correct.

The Finance Committee could only allocate it to revenue sharing. But it need not be revenue sharing for counties only, or cities only, or States only, but it must be general purpose revenue sharing.

Mr. NELSON. Yes.

But that really is not as large a problem?

Mr. MOYNIHAN. No.

Mr. NELSON. Since one-third of the money of revenue sharing automatically goes to the States, two-thirds automatically goes to the municipalities, and a significant number of the States passed the total amount——

Mr. MOYNIHAN. Eighty percent of the money ends up in the localities.

It is the most narrowly drawn function in the budget except interest on the public debt. We know what we are voting for. Frankly, I begin to wonder why we are not voting.

I say once again to my distinguished chairman, I am happy to yield back the remainder of my time.

Mr. HOLLINGS. Mr. President, let us clarify the Senator's understanding.

It is very interesting, the Senator from Wisconsin, who had his amendment printed, pleads so much that there is really no misunderstanding. It is just general revenue sharing. We are just discussing some general revenue sharing for the States, or it may be for the cities, municipalities, and counties.

But, there has been a division of these funds between the different levels of government. We discussed that division. Everyone has discussed that division. We have seen the intent circularized by letter to all our colleagues, and we have taken different positions and the transitional aid proposal has been discussed.

The distinguished Senator from New York says this would be the transitional aid that the cities need so badly, and that is how he presented the amendment. We can look at the records.

Then he stood up 10 minutes later and said, "No, I have changed my mind, it goes to State general revenue sharing." We can look at the record; the record will reflect that.

Then what will we say? According to the Senator from Wisconsin, say whatever we will, vote however we want.

We cannot do that, nor can we discipline folks for a balanced budget, if we cannot discipline ourselves for a clear understanding on what we intend by the amendment.

Mr. MOYNIHAN. Will the Senator yield?

Mr. HOLLINGS. For one more question, but I will nave to debate. I thought when we took the unanimous-consent request for the acceptance of that particular amendment as a substitute that we would save time and get one vote and, certainly, have one understanding when we had one vote. We should not have multiple choice down here.

Now, instead, the Senator is giving us multiple choice. So I will have to decide one of those choices and go right to what Wisconsin gets under the traditional aid proposal.

A great difficulty that we have, actually, involves all the automobile employment going down, but American Motors in Wisconsin is going up. American Motors in Wisconsin is going up. Then we look at how this money is distributed to the authors of that particular amendment and to New York, where they had the primary. The Representative from Connecticut, the distinguished chairman of the Budget Committee on the House side, called it the Carter-New York primary amendment.

We have now the administration proposal for local distribution. Since we do not have any other proposal, we have assumed that this is the only one, because the administration has been pressing for this one.

We find that Wisconsin gets $5.83 per capita. South Carolina gets $1.37. You can go right on down the list to where they need all this transitional aid in Wisconsin, as their auto employment continues to increase. There is automobile employment in one place in the country, and we see a very interesting thing. California gets 18 percent. New York gets 24 percent of this. Take two States side by side—Illinois and Indiana. Illinois has much more of a problem and has 11 million people. Indiana has only 5 million people. But Illinois—I guess we still have a dispute with Mayor Byrne in Chicago—gets $1.12. You get more than double that in Indiana if you live there and you vote right. You get $2.60 per capita.

That is what the administration wanted to bring in as transitional aid. We will debate transitional aid in this body and tell exactly what is what and who is who and what we mean. Transitional aid—political aid, the political transition; that is what it is, not financing. It is not a budget, budgetary transition. We can go right on down the list.

Mr. MOYNIHAN. Mr. President, will the Senator yield for a question?

Mr. HOLLINGS. I yield for a question.

Mr. MOYNIHAN. I ask the chairman two questions.

Did he not hear me state in my remarks opening this matter that the $500 million to be transfered to section 850, "other general purpose fiscal assistance," did not contemplate the formula discussed, debated, and voted upon in the House of Representatives? I said it did not preclude it; it could not; but it did not contemplate it.

I ask the Senator, did he not hear me say that? If he did not hear, then here is my opportunity to repeat it. It does not contemplate anything of the kind. By definition, it does not exclude.

Second——

Mr. HOLLINGS. Let me answer the first question. I will answer the first question by saying yes, you said that in your opening statement. But now your posture on the floor is that, "I don't mean what I say, and any Senator can take whatever he wants." I am taking whatever I want.

[Laughter.]

That is the dilemma you put us in. You might not intend this schedule or the House schedule or the President's schedule, but you told me, "Dear Senator, don't worry about that. It's just a little amount. It is under function 850." Where I may say something, the chairman of the Finance Committee may take a different one. That puts me to the task of choosing the one I happen to choose.

Mr. MOYNIHAN. I hope that is one of the attractions of the amendment.

Mr. HOLLINGS. Now are you choosing it again if it is an attraction?

Mr. MOYNIHAN. I ask the chairman: Did he ever hear me use the word "transitional" until this moment, today, on this floor, on this matter? Have I ever used the word "transitional"?

Mr. HOLLINGS. You said we can use any word we want. You used the word "municipal."

Mr. MOYNIHAN. I used the word "municipal." I admit to that enormity.

[Laughter.]

Mr. HOLLINGS. That enormity, and there you go.

I have to give it some kind of description. That is the most polite description I can give it—transitional. We know what it is. It is a political kitty in an election year, that is all. Any President should be able to scare up $500 million somewhere to take care of a large city vote.

You tell me I have the choice, and I am taking the choice, and now you are angry that I take the choice. It wastes the time of the Senate.

I could go on and on, Mr. President. We will get into this more thoroughly when we get into the Nelson amendment, which has this same proposal in Nelson clothing. He has just a general thing, but it is hidden way underneath the rest of the package of changes; and if you look at the record which was submitted by our distinguished friend and printed, you will find the same thing. It has been bobbing up.

We have had no less than three or four conferences. I tried to get the White House not to go after us on this particular amendment. They insisted, so now here we are.

When the gentleman came up and said, "municipal," I recognized it right away. We have commonsense. We know what is going on on this floor.

Then he said, "Oh, no; I didn't say 'transitional.'" But in the exchange, the Senator from Wisconsin and the Senator from New York said, "Yes, you can call it what you want, because it is general revenue sharing, and take your choice." You cannot tell what is going to happen.

I submit, sincerely, that we cannot operate on that particular basis.

Mr. NELSON. Mr. President, will the Senator yield for a question?

Mr. HOLLINGS. I yield.

Mr. NELSON. The Senator from Wisconsin did not hear the completion of the allegation that something was hidden someplace in the substitute amendment I have offered. Will the Senator enlighten me as to what he is referring to?

Mr. HOLLINGS. I could refer to it in the RECORD, the amount you provided in the general revenue sharing, in the transfer. You have the same $500 million. You do not think you have that $500 million?

Mr. NELSON. The Senator said I had something hidden in there—way, way back in some secluded rendezvous some place. I am wondering what it is.

Mr. HOLLINGS. In the statement, you do not cover it as thoroughly as the Senator from New York does.

Mr. NELSON. I say this to the Senator, so that the Senate will have full disclosure: The Senator from Wisconsin is not hiding anything.

At the home of the Senator from South Carolina, this week, way in advance of submitting the amendment, I thought, in all fairness to the chairman of the committee, I should tell him, in his home, what I proposed. Is that trying to hide something?

Yesterday, I put in the proposal and went to the Senator, and I said: "Now I have put it in"; because I think that in dealing fair and square and above board, the chairman is entitled to know in advance, because, as chairman, he has to be prepared to comment on everything introduced here.

I object to the suggestion that somehow the Senator from Wisconsin is trying to hide something in some secluded place. I have said nothing, one way or another, on the pending amendment of the Senator from New York. All I did was ask the question: Is it going to revenue sharing? I said nothing about a formula.

I assume that if, in fact, $500 million were transferred from the water projects and put into revenue sharing, if it came from the Finance Committee, it would be distributed in the way the formula applies, recognizing that we are eliminating in this budget State revenue sharing, and that it would go to municipalities, and on a formula by which it is currently distributed.

In any event, I have not taken a position on what formula it should go. I am not part of the amendment. I simply think the $500 million would be better spent going to the municipal revenue sharing than to the present project. If it were my amendment, I might spend it somewhere else than on municipal.

Mr. HOLLINGS. Will the Senator permit me to have the floor?

Namely, you have made the point I made. You deem it $500 million and support it because it is intended for municipal assistance.

Mr. NELSON. No; the Senator does not listen very well.

Mr. HOLLINGS. Where do you have the $500 million go?

Mr. NELSON. It is not my amendment.

Mr. HOLLINGS. I know, but we are going to vote on it. It is not mine, either.

Mr. NELSON. The Senator from New York is earmarking it—or intending to earmark it—for revenue sharing. That is all right with me.

Mr. HOLLINGS. No; for States or municipalities. We know it is revenue sharing. Are States on your mind or municipalities? I understood you to say that it would be better to go to the municipalities.

Mr. NELSON. It is not my amendment; but since we are eliminating State revenue sharing, I assume that if it came to Finance, it would be a compelling argument that it go to the municipalities. But I cannot resolve that for the Finance Committee.

Mr. HOLLINGS. We have to resolve it for the Senate. We do not go down here and argue. We go down here and cast our votes.

The Senator is assuming something. The Senator thinks under the amendment that he can assume that it could go to municipalities. Is that right?

Mr. NELSON. I would so guess. Does the amendment specify where it will go?

Mr. HOLLINGS. No; that is why I am asking the question.

Mr. NELSON. Would that not be the responsibility of the Finance Committee?

Mr. HOLLINGS. We have been in that argument about the responsibility of the Finance Committee.

Mr. NELSON. That is what the Senator is fussing about. After all, it is not the responsibility of the Budget Committee to tell the authorizing committees how it should spend within the title.

Mr. HOLLINGS. Amen, brother. That is exactly what we have been saying.

Mr. NELSON. All right.

Mr. HOLLINGS. We say in all fairness to tell what is intended. Everyone said since the beginning, and the distinguished Senator was in the budget conferences, and we have been meeting and trying to balance this budget, and we said that we are going to try to hold back on the States' share of revenue sharing. We all know that.

Mr. NELSON. We did not say hold back. We said eliminate it.

Mr. HOLLINGS. Eliminate it.

Mr. NELSON. I agree with that.

Mr. HOLLINGS. The Senator agrees with that.

Mr. NELSON. I have been advocating that for years.

Mr. HOLLINGS. Now to add $500 million, and we did not put that in the budget, as the Senator says, because we are not a line item committee, but in adding the $500 million where do we put it?

Mr. NELSON. Obviously this amendment would end up, I think, having to go to the municipalities because it is generally agreed that we are eliminating State revenue sharing.

Mr. HOLLINGS. Then the best we can say is, as the Senator sees it, that is the whole point. It could go to municipalities.

The Senator from New York said it went to States.

I think that is really unfair to Senators themselves. They do have hearings. They do have other responsibilities. They have their staffs here and they want to be counseled and advised "What am I voting on?"

Leaving open who it could favor, I think is an insidious way, if nothing else, to try to pass an amendment. To the Senator from Wisconsin it is to come to the municipalities. To a Senator who has a principal concern, let us say, with large municipalities we say, "We have $500 million for you"; whereas to a Senator from the smaller States, when he comes to the Chamber we say, "Oh, you are getting $500 million." I do not think that is ordinary procedure or a fair way to present an amendment.

I do not think the Senator from Wisconsin believes that is a fair way to present it.

Mr. NELSON. In all due respect, I think that is the only way one can present it.

If one looks at each one of these categories and the amendment and the substitute that I offered, the substitute the Senator from California has offered to allocate and reallocate some money from the defense budget to various categories, it is going to be up to the authorizing committees to decide where the money goes. There is no way that we can earmark it starting here.

The whole budget is filled with that and since we rely upon the judgment of the authorizing committees, there is nothing wrong with that, and this amendment only does that. The committee will decide it.

I will vote for the municipalities if it comes over there because I think it is a better expenditure of the $500 million than in the water projects.

Mr. MOYNIHAN. Mr. President, may I ask the Senator one last question?

Mr. HOLLINGS. Yes.

Mr. MOYNIHAN. Have I not been spanked for an hour and a quarter now? I am prepared to yield back my time and vote.

Mr. HOLLINGS. We are going to yield back our time. I have just one closing comment.

Mr. MAGNUSON. Mr. President, before the Senator makes that, will the Senator yield?

Mr. HOLLINGS. Yes. I yield to the Senator from Washington.

Mr. MAGNUSON. Mr. President, I just came in the Chamber. I have been busy with appropriations.

The Appropriations Committee is going to solve a lot of these problems we are talking about.

But as I understand it, this amendment is to take $500 million away from water projects in the West. Is that correct?

Mr. COHEN. Not in the West. Out of the budget.

Mr. MAGNUSON. I mean water projects.

Mr. COHEN. Water projects, many of which are in the West.

Mr. MAGNUSON. Which water projects does the Senator have in mind that he is going to eliminate?

Mr. COHEN. I do not want to get into particulars. If the Senator had been here earlier, we took up one example in the State of Montana, a project called Libby Additional Units Re-regulating Dam, or LAURD, which I think is appropriate under the circumstances. It is not wanted, needed, or justifiable economically.

I listened to the distinguished chairman of the Budget Committee talk about deception. The greatest deception in the budget is that we have many projects authorized at 3¼ percent interest rate. I do not think there is anyone in this country who can borrow money at that rate.

Mr. MAGNUSON. Why does not the Senator from Maine leave that up to the Appropriations Committee? We scrutinize our water projects pretty well, and the water projects are evaluated on—the Senator from Maine may not realize this—on a benefit-to-cost ratio. If the cost is less than the benefit, why then we will probably approve it.

Another thing, while the Senator might give one horrendous example—there are always some bad ones—there are very few white elephants. Does the Senator from Maine realize that these projects are funded as loans from the Federal Government? They are only loans. They pay back their cost.

Mr. COHEN. Mr. President, I submitted a list of 25 projects that have a negative cost-benefit ratio that are in this budget.

Mr. MAGNUSON. All right. We will review those in the Appropriations Committee.

Mr. COHEN. We could save $168.2 million on those projects alone, not to mention the marginal ones.

Mr. MAGNUSON. The Appropriations Committee decided they are going to eliminate aid to the States, did they not? They decided that. Why do we not get down to rock bottom and vote on that and then talk about water projects later? Why make the trade? I do not care whether one calls it transitional, or whatever one calls it. Let the water projects stand on their own.

I have heard the Senator from New York many times complaining that New York finances the dams in the West. The funds are paid back with interest. They are a loan. Senators talk about balancing this budget. There are $32 million in the budget for loans, good loans, and a good business characterizes a loan as an asset, not a debit, do they not?

Mr. MOYNIHAN. Yes.

Mr. MAGNUSON. One can say tomorrow that the budget is balanced if we want to cut out loans. But they are put in the budget and put in the amount of the deficit.

I do not think we should be trading water projects for revenue sharing to the cities or States or counties. I think that is some kind of chicanery.

Mr. COHEN. It is my intent to take out the pork barrel.

Mr. MAGNUSON. Why does the Senator pick on the water projects? Does he have knowledge of wasteful water projects?

Mr. COHEN. I do. I have one in my State which should be defeated—a billion dollar boondoggle. I have some knowledge of that. For several years I have been carefully studying it.

● Mr. BAUCUS. Mr. President, I support the amendment of the Senator from Maine.

As a Senator from an arid Western State, I have always recognized the importance of constructive water development. Water projects have played a key role in Montana's development, providing for irrigation, economical electrical energy, and recreation.

Irrigated agriculture is a cornerstone of Montana's economy. Farmers and ranchers would be far worse off today if previous Congresses had not recognized the importance of constructive water development.

Similarly, hydroelectric power has helped Montana industry by providing economical, reliable, and nonpolluting energy.

And, in a State that has limited recreational opportunities, water development has provided a great source of recreation and enjoyment for many Montanans.

In Montana, water is life. Responsible water development, water development that increases opportunities for irrigation, that provides adequate water supplies for towns and industry, that expands recreation—continues to be crucial to Montana.

But, that does not mean we should foolishly waste money on projects. That would be fiscal irresponsibility of the worst sort. Now, at a time when we face 20 percent inflation and 20 percent interest rates, it is absolutely imperative that spending be reduced and that the budget be balanced. And, as my colleagues know all too well, all of us are being forced to reject additional funding even for programs that we would like to support.

Other Senators have pointed out, correctly I believe, that there is a great deal of wasteful spending when it comes to water projects. As I said before, I support water projects that will return benefits to the public in excess of what they cost. But I cannot condone the use of the public's money for projects in which identifiable benefits will never equal costs of construction and operation.

One example of such a wasteful water project is the Libby Re-Regulating Dam which the Army Corps of Engineers has proposed to build in my State of Montana. According to a General Accounting Office analysis, the public will receive 58 cents for every dollar of taxpayers' money invested.

Now I don't know too many businessmen who would invest in a project with that kind of a negative projected return. As Senators, we have a responsibility to use public funds as carefully or even more carefully than we would use our own.

I don't think the Libby project is an isolated example. Thus, I will vote for Senator Cohen's proposal to cut Federal spending $500 million by reducing, for this year, the Federal commitment to water projects.

And, as always, I will be ready to support and work in favor of constructive water development projects that will provide more in benefits to the public than they cost.

THE TIMBER INDUSTRY

Mr. President, to a certain extent the Senate may be overlooking a very important consideration here. I support Senator Cohen's effort to cut $500 million from function 300, mission 1—spending for water projects.

But I suggest that Senators take a close look at function 300 and the Budget Committee's proposal to reduce spending in function 300 over the next 5 years.

The cut is drastic: According to the committee report, budget authority for function 300—natural resources and environment—will be reduced from its 1979 level of $13.2 billion to $12 billion in 1985. Adjusted for inflation, I would guess that the Budget Committee's recommendation if enacted into law, would mean a real cut in vital Western programs of probably 50 percent over the next 5 years.

I urge the Senate to take a closer look at some of the things being cut in function 300 to see if they are truly in the best interest of the country.

Some of the key projects that I think might be restored—using some of the money made available by Senator Cohen's amendment—are substantial cuts in reforestation and capital improvement programs for our public lands.

Senator Church and I have introduced legislation to increase capital investments on public lands. Currently, unemployment is increasing dramatically in communities that rely on the timber industry. Those people who are unemployed could be put back to work through such programs as Youth Conservation Corps, Young Adult Conservation Corps, Jobs Corps, and traditional Forest Service contracting programs like roadbuilding and advanced site preparation for timber sales.

These are programs that should not be cut back. The future of this Nation's timber industry rests on their being given the funds necessary to reforest cut lands, to build roads, to improve timberlands. By eliminating the funds for these kinds of activities we are handcuffing the timber industry at a time when we should be doing all we can to insure its future health.●

Mr. PRESSLER. Mr. President, I share my colleagues' concern about wasteful spending, and perhaps we have, in the past, funded water projects of marginal worth.

I know that my colleague from Wyoming is concerned about a water project in his State that probably should not have been built. Bad projects have been built. But many good projects have been constructed as well.

The Budget Committee adopted a very low mark for function 300. Water projects are funded at current law levels. I made the motion to fund water resources at current law in the Budget Committee after it became clear that a higher figure was unacceptable to most of the committee's members. Frankly, I think $3.8 billion in budget authority and $3.7 billion in outlays for fiscal year 1981 is too low. The authorizing committees recommended more and even then the authorizing committee recommendation on water projects represented a cut.

I might add that my home State is not depending on the fiscal year 1981 budget to build a huge water project. We have several projects we would like to see built—the Gregory Pumped Storage Unit and WEB—but these projects have not been authorized as yet. These are projects which have local support and which are environmentally sound. Most of the projects waiting for construction funds are sound.

A budget cut of $500 million, since we are unable to line item cuts during consideration of this resolution, may well cut money from the operation and maintenance funds as well as study funds for ongoing Corps of Engineers water quality studies. Sixty percent of the water resources budget goes for construction with the other 40 percent going to operation and maintenance and water studies. We cannot assume that $500 million would be cut solely from the construction of water projects.

South Dakota does not have a major water project which would be hurt by further cuts. The State does, however, have several extremely important water quality studies underway which could be imperiled by a $500 million cut. Our State's water plan is dependent upon the completion of these studies.

We are being penny wise and pound foolish about water development in our Nation. There are plenty of good projects waiting to be constructed and their cost will increase daily with inflation. If some of my colleagues are dissatisfied with the benefit of certain water projects, I would suggest they air their concerns before the Appropriations Committee or the authorizing committees of the Senate. We have delayed too long on water development, and we seem to be spending more money overseas on water project construction than we do within our country.

I would urge my colleagues to join me in voting against delay and eventual increased costs by voting against this amendment.

The PRESIDING OFFICER. Will Senators please suspend?

The time allocated to the Senator from South Carolina on the amendment has expired. All of the remaining time belongs to the Senator from New York, Senator Moynihan, and he has 22 minutes remaining.

Mr. FORD. Mr. President, will the Senator yield it back?

Mr. MOYNIHAN. Mr. President, I have never known a sense of such power.

In the interest of lunchtime, in the interest of a clear decision, in the interest of getting along with the budget once again I say I am not only prepared to yield back but I do yield back my time and ask for the yeas and nays.

Before doing so, may I simply say to our beloved President pro tempore that there was no intention on the part of anyone in this debate to be regional in this matter. The word "West" was never mentioned. I know so well how right he is about the rewards that have come from the Grand Coulee Dam, and the Colorado River developments. He is absolutely right. I want him to know we know that.

Mr. MAGNUSON. All right.

Mr. MOYNIHAN. Mr. President, I yield back my time and ask for the yeas and nays on my amendment.

The PRESIDING OFFICER. Is there a sufficient second?

Mr. BELLMON. Mr. President, I move to table the current amendment and ask for the yeas and nays.

Mr. MOYNIHAN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. MOYNIHAN. Mr. President, the matter before us is my substitute for the amendment of the Senator from Maine. I believe that is what the Senator from Oklahoma wishes to table.

Mr. BELLMON. Mr. President, let me ask a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. BELLMON. Mr. President, I wish to dispose of the entire matter. I felt by tabling the Cohen amendment we would accomplish that objective.

The PRESIDING OFFICER. The Senator is right.

The Chair first wishes to ascertain is there a sufficient second on the amendment of the Senator from New York?

There is a sufficient second.

The yeas and nays were ordered.

Mr. BELLMON. Mr. President, I now move to table the Cohen amendment and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. MOYNIHAN. Mr. President, parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. MOYNIHAN. It was my understanding that one amendment was substituted for the other and, therefore, it would be the substitute amendment that is before us.

The PRESIDING OFFICER. Both the substitute amendment and the underlying amendment offered by the Senator from Maine are before the body at this time.

Mr. MOYNIHAN. I thank the Chair.

The PRESIDING OFFICER. And it is in order to move at this time to table the underlying amendment.

Mr. MOYNIHAN. I thank the Chair.

Mr. DOMENICI. Mr. President, parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. DOMENICI. If the motion to table made by the distinguished Senator from Oklahoma is agreed to by the Senate does that dispose of both the Cohen amendment and the substitute Moynihan amendment?

The PRESIDING OFFICER. The Senator is correct.

Mr. DOMENICI. I thank the Chair.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the amendment proposed by the Senator from Maine.

The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Alaska (Mr. GRAVEL), the Senator from Hawaii (Mr. INOUYE), the Senator from Massachusetts (Mr. KENNEDY) and the Senator from Maine (Mr. MUSKIE) are necessarily absent.

Mr. STEVENS. I announce that the Senator from Maryland (Mr. MATHIAS) is necessarily absent.

I also announce that the Senator from Pennsylvania (Mr. HEINZ) is absent on official business.

The PRESIDING OFFICER (Mr. BOREN). Are there any other Senators desiring to vote?

The result was announced—yeas 54, nays 40, as follows:

[Rollcall Vote No. 99 Leg.]

YEAS—54

Armstrong
Bellmon
Bentsen
Biden
Boren
Bumpers
Burdick
Byrd, Robert C.
Cannon
Chiles
Church
Cochran
Cranston
Culver
DeConcini
Dole
Domenici
Exon
Ford
Garn
Goldwater
Hart
Hatch
Hatfield
Heflin
Hollings
Huddleston
Jackson
Johnston
Kassebaum
Laxalt
Long
Magnuson
McClure
Melcher
Morgan
Nunn
Percy
Pressler
Pryor
Randolph
Ribicoff
Sasser
Schmitt
Stennis
Stevens
Stevenson
Stewart
Tower
Wallop
Warner
Williams
Young
Zorinsky

NAYS—40

Baker
Baucus
Bayh
Boschwitz
Bradley
Byrd, Harry F., Jr.
Chafee
Cohen
Danforth
Durenberger
Durkin
Eagleton
Glenn
Hayakawa
Helms
Humphrey
Javits
Jepsen
Leahy
Levin
Lugar
Matsunaga
McGovern
Metzenbaum
Moynihan
Nelson
Packwood
Pell
Proxmire
Riegle
Roth
Sarbanes
Schweiker
Simpson
Stafford
Stone
Talmadge
Thurmond
Tsongas
Weicker

NOT VOTING—6

Gravel
Heinz
Inouye
Kennedy
Mathias
Muskie

So the motion to lay on the table Mr. COHEN's amendment No. 1733 was agreed to.

Mr. HOLLINGS. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. BELLMON. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. MOYNIHAN addressed the Chair.

The PRESIDING OFFICER. The Senator from New York.

The Senate will be in order.

Mr. MOYNIHAN. I thank the Chair.

May I rise to thank those Senators who found it possible to support the Senator from Maine and myself in this matter. The vote was 54 to 40, and the answer is "fight."

The day of the domination of this body by the parochial concern of creating water projects as free goods of the Federal Government to be paid for by one region and enjoyed dubiously by another is waning, and this vote is an indication.

I thank the President. I have finished.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. HOLLINGS. The next amendment, Mr. President, will be offered by the Senator from California (Mr. CRANSTON).

The PRESIDING OFFICER. The Senate will be in order.

AMENDMENT NO. 1743

(Purpose: To provide a more reasonable level of veterans' programs funding)

Mr. CRANSTON. Mr. President, I call up my amendment No. 1743.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from California (Mr. CRANSTON) proposes an amendment numbered 1743.

Mr. CRANSTON. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 9, line 6, strike out "$21,500,000,000" and insert in lieu thereof "$22,300,000,000" and on line 7, strike out "$21,000,000,000" and insert in lieu thereof "$21,600,000,000".

On page 10, lines 21 and 22, strike out "$72,200,000,000" each place and insert in lieu thereof "$71,800,000,000" each place.

On page 2, line 6, strike out "$612,900,000,000" and insert in lieu thereof "$613,100,000,000", on line 12, strike out "−$3,700,000,000" and insert in lieu thereof "−$3,500,000,000", on line 17, strike out "$687,900,000,000" and insert in lieu thereof "$688,700,000,000", and on line 22, strike out "$612,900,000,000" and insert in lieu thereof "$613,100,000,000".

Mr. CRANSTON. Mr. President, let me first briefly state that what I am calling up now is an amendment which approaches in a different and, I believe, more prudent way the problems addressed by the amendment offered yesterday by the Senator from New Hampshire and the Senator from South Carolina. The amendment seeks to deal with needs in the veterans function relating to GI bill and compensation cost-of-living increases and health care.

It is in accord with the budget recommendations of the Veterans' Affairs Committee, but it does not accomplish what is needed there by taking money from any other program. It does not take from national defense. It does not take from the jobs program. It does not take from any other function. And it does not unbalance the budget.

It provides for $600 million in increased funding for the veterans programs in accordance with the prudent, careful, very stringent recommendations of the Veterans' Affairs Committee. But it finds the funds for that purpose within a balanced budget by taking into account a CBO reestimate of the President's March revision of the cost of interest on the public debt in the 1981 budget.

This CBO estimate, taking into account declining interest rates, provides for a $400 million reduction from the estimate used by the Budget Committee.

That accounts for $400 million of the $600 million that is needed to maintain balance.

The other $200 million comes from a very careful, slight revision in what is assumed by the Budget Committee about revenue changes proposed by the President in his January and March budget. Some of those revenue changes will be made by the President without any legislative action required by the Congress. Some of these proposals do require action by the Congress.

The Senate Budget Committee has assumed that, of almost $11 billion in assumed revenue changes that the President had included in his January budget as revised in March, $6.4 billion could be counted on, I suggest without specifying which after careful review that $6.6 billion can be counted on and, therefore, revenue is $200 million higher than the Budget Committee's.

Plainly, this is a very minimal difference when we take into account the huge sums—over $600 billion—that are considered in relationship to the small revision—$200 million—that I am suggesting.

It is also a minimal difference when matched against the probable margin for statistical error analogous to the margin of error we are all familiar with in polls that are taken about political contests.

The Senate Budget Committee's recommendations for the first resolution for the past 4 years have been further from the mark than the mere $200 million that I am suggesting they are now low.

In the last 2 years, the Budget Committee estimates of revenues have underestimated what turned out to be the actual revenues by more than $20 billion each year. So my suggestion that we can increase the estimate by $200 million is a de minimis proposal that I believe is realistic, as I will spell out in more detail later, and, therefore, that permits us to do what is needed to keep our commitments to veterans without unbalancing the budget and without taking money from any other program category.

Mr. President, as chairman of the Veterans' Affairs Committee, I have proposed in this amendment the very carefully developed and prudent recommendations of that committee for the fiscal year 1981 budget, and I would like to outline specific areas of funding for veterans' programs as proposed in my amendment compared to the recommendations of the Senate Budget Committee and its assumptions in making those recommendations.

With respect to entitlement programs, in mission one, income security for veterans, my amendment is designed to provide for a cost-of-living increase in service-connected disability compensation programs at a percentage equal to the cost-of-living increase that will be afforded social security and VA non-service-connected pension beneficiaries on July 1 of this year—14.3 percent.

In contrast, the Senate Budget Committee's recommendation provides for an increase of only 11.8 percent in the service-connected compensation rates. This Budget Committee assumption is based on a highly unrealistic February 1980 CBO projection that the inflation rate for the 12 months ending September 30, 1980, will be only 11.8 percent.

Mr. President, the Veterans' Affairs Committee and the Senate as a whole last year rejected the use of projections of inflation as an appropriate basis for compensation cost-of-living rate increases. Economic projections always involve the risk of substantial error, as I just noted in relation to revenue estimates.

In fact, in 1978, the projection on which the Congress based the service-connected compensation rate increase enacted that year missed the mark and resulted in a cost-of-living increase that was 20 percent too low to protect compensation recipients from the full effects of inflation. Therefore, last year the Veterans' Affairs Committee recommended and the Senate passed a compensation increase based on the premise that such increases should be tied to the actual increase in inflation, as are social security benefits and VA pension benefits. In fact, the Congress enacted a compensation cost-of-living increase last year at the same percentage—9.9 percent—as the cost-of-living increase that social security and VA pension beneficiaries received.

Thus, I strongly believe that this year's compensation increase for our Nation's service-connected disabled veterans and for the survivors of those who have died in or as a result of service should be no less than the increase provided to social security and non-service-connected VA pension beneficiaries, and I am very pleased to note that the administration has also decided this year to propose a compensation cost-of-living rate increase based on actual inflation and is urging an increase based on the same Social Security Act indexed increase.

Mr. President, the Budget Committee's assumption that the service-connected disability compensation cost-of-living increase this year should be based on an outdated projection of inflation over the 12-month period ending September 30 of this year and is not well founded. It is clear that the Budget Committee has failed to make sufficient provision in its budget recommendations for the fair and adequate cost-of-living increase that this most deserving of all groups of Federal income security beneficiaries is rightfully entitled to receive.

Also with respect to mission 1, the resolution as reported assumes—as the Budget Committee's report states—the enactment of certain unspecified "savings" in veterans' income security benefits, an apparent reference to legislation to deprive the survivors of wartime veterans of VA burial benefits where the death of the veteran is non-service-connected. The administration does not support this reduction of benefits, and there is no such legislation pending in either House of Congress. It is extremely unlikely that such legislation, even if introduced, would be reported favorably, passed, or enacted.

These two unrealistic assumptions on the part of the Budget Committee enabled that committee to reduce the mission one target levels by $0.2 billion in budget authority and outlays. My amendment would restore those amounts.

Mission 2, veterans' education, training, and rehabilitation, also includes entitlement programs. In this mission, my amendment is based on a fiscally responsible legislative program, proposed by the Veterans' Affairs Committee, as follows:

First, although the Veterans' Affairs Committee fought for and the Senate passed on January 24, 1980, legislation to provide for a 15-percent cost-of-living increase in GI bill benefits. The Veterans' Affairs Committee and I are now recommending a 10-percent increase, in recognition of the compelling necessity to hold down spending. The administration concurs in this increase. In light of the fact that Vietnam-era veterans using the GI bill have received no rate increase for 3 years, I believe that this is a minimal raise but that it is reasonable in light of present prevailing budget restraints.

I see the Senator from West Virginia standing and I am delighted to yield to him.

Mr. RANDOLPH. I thank the Senator.

Mr. President, I address my able colleague and good friend from California (ALAN CRANSTON). I think of him as the chairman of the Veterans' Affairs Committee of the Senate, with a commitment to our veterans, based upon valid argument, which substantiates the reasons that I think the Senate should accept the amendment pending at the desk.

My schedule calls for me to be elsewhere during the debate. However, I shall be here at the time of the vote on the amendment to support its adoption.

I believe that what the Senator is saying in these various categories is proof positive that his amendment is based upon equity in the various budget categories that he has outlined. There is a very real debt which we must never fail to provide through programs in Congress, which will give to those men and women who have served our country to protect our freedom and security. We must not fail in our commitment to provide the benefits and quality health care that our veterans and survivors, and dependents have earned.

I share the commitment Senator CRANSTON has in this very important area of Senate committee jurisdiction. I want the record at this point to indicate that I am sure the membership of the Senate, in conscience and conviction, will vote yes or no on the amendment, but I wanted, very quietly but very earnestly, to say that there is merit and justification in what he presents and I shall support him on rollcall with my vote. I urge my colleagues to support amendment No. 1743.

Mr. CRANSTON. I thank the Senator very much for his warm and generous remarks. His support means a great deal and I am very grateful for it. He is himself a great leader and champion in all matters pertaining to veterans affairs and so many other vital areas.

Mr. MATSUNAGA. Will the Senator yield?

Mr. CRANSTON. Yes, I yield.

Mr. MATSUNAGA. Mr. President, as a member of the Committee on Veterans' Affairs, I rise in strong support of the amendment offered by the distinguished chairman of the Veterans' Committee (Mr. CRANSTON), which would increase the totals for budget authority and outlays for veterans' benefits and services under function 700 in the first concurrent budget resolution as reported to the Senate by the Budget Committee.

At the very outset, Mr. President, I emphasize the fact that Senator CRANSTON and the Veterans' Committee members that support his amendment are not making this effort to amend the first concurrent budget resolution without proper justification. We do not, and I am sure that all Senators do not, take lightly the fact that we are requesting the Senate to approve an increase in budget levels for veterans' programs at a time when we are trying desperately to balance the budget and hold the line on inflation. Indeed, it should be pointed out that Senator CRANSTON, in his capacity as majority whip and chairman of the Veterans' Affairs Committee, was a key participant in the discussions which led to the submission of President Carter's balanced budget for the coming fiscal year.

In terms of the veterans' function, Chairman CRANSTON recognized that veterans are suffering from inflation along with all other Americans and would benefit from a balanced budget as one of the several steps we must take in order to bring inflation under complete control. The chairman proposed and the Veterans' Committee approved a fiscal year 1981 legislative program which is, in my judgment, fiscally prudent and responsible, but will, at the same time, provide sufficient funding to insure the continuation of all essential services for our Nation's veterans.

However, Mr. President, we are very concerned that the function 700 budget levels in both budget authority and outlays under mission 1, income security for veterans, and mission 2, veterans' education, training, and rehabilitation, are based on unrealistic assumptions and are substantially below the levels which we believe to be essential in order to successfully carry out the programs under these missions.

With respect to entitlement programs in mission one, the Budget Committee is recommending a cost-of-living increase in service-connected disability compensation programs of only 11.8 percent. This figure is based on what the Veterans' Committee believes to be a highly unrealistic February 1980 Congressional Budget Office projection that the inflation rate for the 12 months ending September 30, 1980, will be only 11.8 percent.

Mr. President, as Chairman CRANSTON has already indicated, the Veterans' Affairs Committee and the Senate last year rejected the use of projections of inflation as an appropriate basis for compensation cost-of-living increases. Such economic projections consistently involve the risk of substantial error, which may result in the approval of a cost-of-living increase which is far too low to protect disability compensation recipients from the full effects of inflation.

Accordingly, the Veterans' Committee last year recommended and the Senate passed a compensation increase based on the premise that such increases should be tied to the actual increase in inflation, rather than projections, as are social security benefits and VA pension benefits. Congress confirmed this by enacting a compensation cost-of-living increase last year at the same percentage—9.9 percent—as the cost-of-living increase received by social security and VA pension beneficiaries.

Furthermore, the administration has also decided to propose a compensation increase based on actual inflation and is urging that this increase be based on the same Social Security Act index.

In view of these circumstances, the Cranston amendment is designed to provide for a cost-of-living increase in service-connected disability compensation programs at an equal percentage to the increase provided to social security and VA pension beneficiaries—14.3 percent. I am sure my colleagues will agree that the budget resolution must make sufficient provision for a fair and adequate cost-of-living increase for these most deserving disabled veterans.

Mr. President, the Veterans' Affairs Committee, earlier this year, recommended to the Budget Committee a fiscally responsible legislative program for the entitlement programs under mission two of function 700, veterans' education, training, and rehabilitation. Chairman CRANSTON'S amendment, as it pertains to mission two, is based on the committee-approved program.

First, the Cranston amendment provides for a 10-percent cost-of-living increase for GI bill benefits. Senators will recall that the Veterans' Committee fought for and the Senate passed in January legislation providing a 15-percent increase in GI bill benefits. However, Chairman CRANSTON believes, and the administration concurs, that a 10-percent increase is reasonable and acceptable in recognition of the compelling necessity to hold down spending. In view of the fact that Vietnam-era veterans using the GI bill have not had a cost-of-living increase in 3 years, we strongly believe that we must provide at least a 10-percent increase in GI bill benefits.

Second, the Cranston amendment provides for certain badly needed, but prudent, legislative initiatives in the area of rehabilitation, education, and employment assistance for service-connected disabled veterans. The Veterans' Affairs Committee has already reported legislation which will modernize and expand rehabilitation services for disabled veterans in an effort to bring the VA program up to the level of assistance provided to nonveterans in Federal/State vocational rehabilitation programs. It is my understanding that the administration also supports this Veterans' Committee initiative.

Third, the Cranston amendment provides for a targeted delimiting date extension, which was passed by the Senate earlier this year, and assumes the enactment of certain cost-savings legislation that the Veterans' Committee has reported and the full Senate has passed to eliminate waste and abuse in VA flight and correspondence training programs, to strengthen the VA's debt collection efforts, and to achieve certain other savings in the GI bill programs.

Mr. President, the Budget Committee has recommended budget figures for mission 2 based on assumptions that the Congress will enact a 10-percent GI bill benefit increase, a targeted delimiting date extension, and an enhanced vocational rehabilitation program.

However, as Chairman CRANSTON has said, by failing to allow for the full costs of legislation, as reported by the Veterans' Affairs Committee, to modernize the VA's vocational rehabilitation program and by assuming the total elimination of GI bill benefits for flight and correspondence training, the Budget Committee has failed to make adequate provision for the Veterans' Committee's prudent and responsible legislative program.

Mr. President, I strongly agree with the chairman of the Veterans' Affairs Committee that the committee's record and its proposed legislative program are fully responsive to the budget process and the fiscal and economic restraints under which the Budget Committee and the Senate is operating.

We are convinced that the Budget Committee's figures for missions one and two of function 700 will not be able to provide a fair and adequate cost-of-living increase for disability compensation programs and a reasonable GI bill benefit increase. Chairman CRANSTON'S amendment seeks to restore amounts essential to sustain the critical entitlement programs under these missions. We believe that anything less will seriously jeopardize our legitimate efforts to provide veterans with reasonable protection from the effects of inflation.

Mr. President, I urge my colleagues to give thoughtful and favorable consideration to the Cranston amendment.

Mr. CRANSTON. I thank the Senator from Hawaii very much for his kind remarks. As is the Senator from West Virginia, he is an able, devoted, hardworking, and very effective member of the Veterans' Affairs Committee. I thank him for his support.

Mr. President, my amendment would also provide for certain badly needed, but modest legislative initiatives with respect to rehabilitation, education, and employment assistance programs for veterans.

These include a long-needed overhaul of the 37-year-old legislative framework for the VA's vocational rehabilitation program for service-connected disabled veterans. The existing legislation does not reflect the great advances in recent decades in the field of rehabilitation of handicapped people. VA rehabilitation programs for those disabled as a result of service in our Armed Forces fail to provide up-to-date rehabilitation services, and service-connected disabled veterans are not provided with a range of services and assistance on a par with that which Federal-State vocational rehabilitation programs provide nonveterans. Our committee has already ordered reported the legislation, S. 1188, to correct this situation and it is generally in accord with the administration's recommendations in this area.

My amendment would also provide for the targeted delimiting date extension that the Senate passed earlier this year, and thus would provide a further opportunity—as the administration has also proposed—for unemployed Vietnam-era veterans to receive on-job training benefits and for those without a high school diploma to pursue secondary education or vocational objective courses.

In addition, my amendment would allow funding for improvements in the on-job training and employment assistance programs carried out by the VA and the Department of Labor to help overcome certain persistent employment difficulties experienced by veterans, particularly disabled veterans and veterans of the Vietnam-era. The total cost of these three initiatives in fiscal year 1981 would be about $110 million.

Third, my amendment assumes the enactment of certain cost-saving provisions that the Veterans' Affairs Committee has reported and the Senate has passed to eliminate waste and abuse in VA flight and correspondence training courses, to strengthen the VA's debt collection efforts, and to achieve certain other savings in the GI bill program. The estimated fiscal year 1981 savings from these provisions would be $61 million. Thus, the net outlay impact of this very prudent legislative program would be approximately $50 million in addition to the amount—$286 million—required for the 10-percent cost-of-living increase.

In the January 24 Senate debate on S. 870—the proposed "GI Bill Amendments Act of 1979"—both the chairman and the ranking minority member of the Budget Committee concurred with the Veterans' Affairs Committee approach in dealing with the flight and correspondence issues. Thus, it was most disappointing to learn that the Budget Committee has assumed the enactment of legislation to eliminate completely GI bill benefits for such training. That approach is unfair to those veterans who wish to make legitimate use of flight training or correspondence courses for employment purposes.

Mr. President, the Budget Committee report on the resolution indicated that that committee's recommendations are based on assumptions that the Congress will enact a 10-percent GI bill increase, the targeted delimiting extension, and an enhanced vocational rehabilitation program. However, by failing to allow for the full costs of legislation, as reported by the Veterans' Affairs Committee, to modernize the VA's rehabilitation program and by assuming total elimination of GI bill benefits for flight and correspondence training, the Budget Committee has again failed to make adequate or reasonable provision for the Veterans' Affairs Committee legislative program that I have outlined for this mission.

Mr. President, as I have indicated, the veterans' income security and education, training, and rehabilitation missions together make up the entitlement programs under the Veterans' Affairs Committee's jurisdiction and, in the crosswalk to the Veterans' Affairs Committee under this resolution, they would be combined in one set of budget authority and outlays totals. Considering the combined figures for these two missions, the Budget Committee's recommendations would produce a shortfall of $0.3 billion in budget authority and $0.2 billion in outlays below what is necessary for the Veterans' Affairs Committee's prudent legislative program for veterans entitlement programs that I have outlined and that I strongly believe is fully in keeping with the great need for budget restraint.

In summary, Mr. President, with the Budget Committee's figures for these two missions, we would not be able to provide a fair and adequate cost-of-living increase in disability compensation programs and a reasonable GI bill rate increase after 3 years without such an increase. Thus, it is extremely important that my amendment be agreed to in order to correct the inequities inherent in the Budget Committee's recommendations in these areas.

Mr. President, with regard to the budgetary levels for mission 3, veterans' hospital and medical care, my amendment would provide for $6.8 billion in budget authority and $6.5 billion in outlays—the levels recommended by the Veterans' Affairs Committee.

Mr. President, in this mission, my amendment reflects budget authority reductions of $245 million and outlay reductions of $195 million from the President's January budget for programs as presently authorized. These reductions were arrived at after extensive discussions with the administration during and following the unprecedented congressional and administration leadership meetings on the budget earlier this year. The budget authority and outlay reductions would result primarily from the deferral of medical construction projects, capital investment, and new facility activations, from reductions in the purchase of supplies and in beneficiary travel reimbursements to nonneedy, non-service-connected veterans, and from certain administrative savings. Although these reductions do reflect real austerity, they would not result in the closing of any VA health-care facilities or any reductions in VA health-care personnel or in the services to which veterans are entitled.

Our committee's budget authority recommendation of $6.8 billion for this mission—based as it is on a series of cuts that were carefully worked out with the administration—is the same, in rounded numbers, as the administration's appropriations request, as revised in the President's March budget, for the accounts included in this mission.

I want to assure my colleagues that those cuts we are proposing do indeed come close to the bone. Any further reductions would immediately begin to injure the VA health-care system. Having gone through such a painstaking process to make all possible cuts in order to contribute to the achievement of a balanced budget for fiscal year 1981—but without disrupting this critical part of veterans' programs—I found it extremely disappointing to see the Budget Committee slash our recommendations in this mission so deeply. Their action seems to have ignored all we had done to fashion a truly prudent, fiscally responsible budget. A cut of $400 million in a VA health-care budget recommendation that had already been pared down so extensively simply cannot be implemented without producing severe dislocations and seriously weakening the system. For example, it cannot be implemented by tightening up administrative expenses and eliminating certain purchases of supplies and equipment and maintenance and repair items. Our committee's recommendations have already wrung such items out of the budget.

Let me take a further moment to mention two aspects of VA programs that I think all Senators should have in their minds as they vote today—in this time of great international tension and threats to world peace—on whether to maintain a viable, effective VA health-care system or to cause the damage to that system that the Budget Committee's recommendations would produce.

Mr. President, veterans' programs serve in very constructive ways as partial repayment of the debt which the Nation owes to those whose service has kept it strong, free, and safe from invasion during a century in which powerful military forces have often threatened the security of our people. In my view, it is essential that these programs be accorded the same high priority that attached to the national needs which our veterans have met, and that this priority continue undiminished during times of peace secured through the service and sacrifices of those veterans.

In addition, veterans' programs bear a direct and very important relationship to our Nation's military defense. The role of the VA in national defense has two important aspects, one intangible and the other tangible. The intangible aspect relates to the recruitment and retention of capable, motivated military personnel and to their morale. The defense of our Nation and the great costs entailed include our commitment to restore our warriors injured while serving the Nation. If we are perceived as failing to keep our promises to veterans of past conflicts—by, for example, impairing the VA's ability to provide health-care services to eligible veterans—it is difficult to expect that those presently in the service and would-be recruits will be eager to serve. Thus, it should be understood that the costs of war do not end with the cessation of hostilities; our obligation to those who fight, their families, and their survivors continues as an ongoing cost of national defense and must be understood as such.

Moreover, Mr. President, in the event of a future conflict the VA would be called upon to play a vital role in caring for military casualties. Thus, the tangible element in the VA/national defense equation is that the VA health-care system, with its 172 hospitals and hundreds of other health-care facilities, is the first backup to the relatively meager medical resources available to the Department of Defense in the event of war. The great importance of the VA to our military prepardness must be understood and given the full consideration that it deserves when we vote on the budget.

Thus, Mr. President, it is critically important—both to keep our solemn commitment to the Nation's veterans and to assure the Nation's military preparedness—that we make adequate provision in the budget for VA health-care programs. My amendment—while reflecting all truly feasible economies and belt-tightening—would provide that assurance. The recommendation of the Budget Committee to provide $400 million less in budget authority for the veterans' health-care mission would clearly deprive us of that assurance and, in context of this budget, would produce the gravest threat to a viable VA health-care system that I have seen in more than 11 years in the Senate.

Now let me explain the second half of my amendment—which allows me to maintain a balanced budget.

Mr. President, my amendment maintains the balance in the budget. It accepts the administration's estimate of Federal interest payments, as reestimated by the Congressional Budget Office to correct for CBO's latest economic assumptions.

In light of the recent decline in interest rates, which began after the Senate Budget Committee completed its markup, I believe the lower estimate of Federal interest by OMB is far more likely to be correct.

That accounts for $400 million.

The additional $200 million is in an added revenue estimate.

This amendment assumes that $6.6 billion of the $10.9 billion in revenue initiatives proposed in the administration's budget will be adopted instead of the $6.4 billion assumed by the Budget Committee.

This assumes that the Treasury Department cash management changes under existing law which the administration proposes to implement by administrative action—worth $2.8 billion—will take place.

But it does not assume that either of the legislative cash management proposals—passage of which is unlikely—will be enacted.

It assumes that $3.4 billion will be realized from withholding tax on the income from interest and dividends, as is implicit in the Budget Committee's revenue estimate. While the Budget Committee did not specifically make this assumption, it is implicit in the $6.4 billion revenue change which the Budget Committee assumed.

There is no other realistic way to achieve $6.4 billion in "additional revenue collections" assumed by the Budget Committee from among the administration's proposals, without the inclusion of the $3.4 billion resulting from this assumption, and the Budget Committee made no contrary assumption.

My proposal assumes that from among other miscellaneous administration proposals totaling $3.2 billion, a minimum of an additional $400 million will be realized. With the administrative cash management proposals—$2.8—which I have assumed this adds up to a total of $3.2 compared to the $3.0 assumed by the Budget Committee. When you add the $3.4 billion in new withholding, this estimate of revenues totals $6.6 billion compared with the committee's $6.4 billion.

The additional miscellaneous administration proposals—all included in the administration's January and March budgets—include:

Limiting issues of tax exempt housing bonds—which is under consideration in revised form in the House; an alteration—but not necessarily the administration's proposal—in the credit currently provided for overseas oil taxes; an increase in passport and visa fees; changes in the law affecting airport and airway users; elimination of the taxable earnings maximum in the employer portion of the railroad retirement fund; and establishment of an oil and hazardous substance fund.

I do not assume that the withholding tax on independent contractors will be enacted.

In all other respect, the revenue number in this amendment is identical with that of the Senate Budget Committee's.

To the extent I have made particular legislative assumptions, they are illustrative only—but my number varies by only $200 million from that of the Budget Committee, and I believe that even more of these administration proposals are likely to be enacted or implemented than those assumed in the revenue number I have used in this amendment.

My amendment accurately reflects a realistic level of funding for veterans' programs—and offers a reasonable way to meet those needs within the structure of a balanced budget, and without taking funds from any other vital national priority.

Mr. President, I urge adoption of the amendment.

Mr. EXON addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. HOLLINGS. I yield to the Senator from Nebraska.

The PRESIDING OFFICER. The Senator from Nebraska is recognized.

Mr. EXON. Mr. President, I have not made a final determination yet, but I suspect that, as I generally have in the past, I will probably be voting against the amendment being offered by my friend and colleague from California, for several reasons—unless he can make a better case to me than he has thus far while I have been listening to it on the floor of the United States Senate.

I am a member of the Budget Committee and I would be the first to say to my friend from California, and anyone who cares to listen, that the document we came out with in that committee is not a perfect document in any sense. It may be that we did not treat the veterans fairly.

However, I assure the Presiding Officer and my colleagues that those of us who have tremendous interest in and are sensitive to the needs of veterans did not intend to do violence to the veterans' programs, as the chairman of the Veterans' Affairs Committee is indicating on the floor of the Senate today.

I happen to be a veteran myself. I have stood four square for veterans' causes and veterans benefits all during my private and public life, and I shall continue that in the future.

When I was home on the Easter recess, I did hear from some of my friends who are active in veterans' organizations who said, "We noticed in veterans' publications that you have voted against, Senator EXON, some of the benefits for veterans."

I know that this body is influenced entirely too much, I think, by those who keep score, who keep records, who put out their percentages of votes for or against a certain cause. I certainly know that the veteran organizations have considerable political clout.

But, somewhere along the line, we must realize and understand that if we balance this Federal budget, as we are trying to do, Mr. President, we are going to have to make some parings, if you will, on some of the budgets authorized or suggested by some of the organizations, or some of the appropriating committees.

When we talk about cuts, I think it is important we keep this in proper perspective.

I emphasize again that I am one member of the Budget Committee who generally sticks by the overall recommendations of that committee. Otherwise, it seems to me that if we are going to violate the recommendations of the Budget Committee, we are going to destroy the budget process; and if we destroy the budget process, I think the past history of this body indicates that we have no chance whatever to balance the Federal budget.

Therefore, I state very frankly, Mr. President, that I become a little weary at times of the series of votes we are required to cast in this body, by those who bring political pressure to bear on those of us who are very concerned about balancing the budget without emasculating any specific program.

I am very concerned—and I have spoken with the present Presiding Officer about this on many occasions—about the fact that the agricultural budget that came out of the Budget Committee is far too low, in my opinion. In fact, the agricultural budget is the only one of the major spending programs, of all the spending programs of the Federal budget, that is going down, down, as a percentage of the total budget.

It is projected that in the upcoming years, the overall budget for agriculture will drop between 3 and 4 percent of the total budget of the U.S. Government, to about one-half of 1 percent. So I think we can say that agriculture is taking it on the chin. I suspect that there is no chance whatever in this body to get the agricultural budget raised, at a time when that very important segment of our economy is nearly on the rocks.

Therefore, I point out to my friend from California that we are legitimately concerned about the rights of the veterans—and I agree with him that we have a solemn commitment to keep to the people who serve this country in time of need—but I am not very much persuaded by that kind of argument, from what I have heard today on this subject.

I recall that before we adjourned, before the first of the year, after we thought we had the budget somewhere in line, we came into this body, and I think there were only 18 souls, including the Senator from Nebraska, who stood on this floor and voted against increasing benefits for veterans and increasing benefits for some of the handicapped. It is tough to do those things, and I know it is not politically popular.

But I drive home once again that those of us who take an overall look at this budget, those of us who recognize that we are going to have to restrain our spending in some areas that are near and dear to our hearts, should not be persuaded unless we have the facts at hand. Some of those facts I have at hand, and I will stand corrected, if it can be corrected.

As part of the record, and leading up to the vote on this politically sensitive issue, I point out that the Budget Committee's recommendations for veterans' programs have been reasonably generous, I think, in comparison with all the other programs. We have tried to balance this. Everyone knows that if we ever are going to balance the Federal budget, we will have to set some priorities and that we cannot meet all the needs we have and with which we continue to be confronted.

The problem with the Federal Government in the past has been that we have caved in time and time again to special interest groups that cry for need, and in some cases those needs are very justified.

I am just trying to make the point that with the fiscal 1981 budget, unless we can take the heat, unless we can take the political abuse that undoubtedly is going to come to some who stand firm for achieving a balanced budget in as realistic a term as possible, unless we can do that for just 1 year, then we never are going to prove to the people of the United States that we truly want a balanced budget.

The Budget Committee's recommendations for veterans' programs may not be all they should be, but I am not ashamed of the recommendations we have made when we balance off what the needs of the total economy are.

The recommendations of the Budget Committee allow for a 27-percent growth in funding since 1975 for veterans.

One, they provide a 13.9-percent cost-of-living increase in pension benefits to needy, aged veterans.

Two, a 10-percent cost-of-living increase in GI bill benefits.

Three, an 11.8-percent cost-of-living increase in compensation benefits to disabled veterans. CBO estimates that this increase will keep veterans compensation benefits constant in real terms.

Four, other liberalizations in veterans' training and rehabilitation benefits.

Five, funding for new VA health care facility construction projects.

One of the assumptions of the Budget Committee in this regard was proper reimbursement by private insurance carriers to those veterans who are covered and go to a veterans hospital. For reasons I never have been able to understand, we have not had the enthusiastic support I think we should have had from the veterans organizations with regard to private insurance, health and accidents—the hospitalization insurance carrier—ignoring an individual who happens to be a veteran and has a policy with a particular company. When he goes to the veterans' hospital, the obligation of the insurance carrier to the person it has insured is ignored because he gets free hospitalization care.

One of the things the Budget Committee has done—and I think we deserve the support of the Veterans Committee and the veterans' organizations—is to say, "Why should we let the insurance carriers off the hook on a premium that the veteran and his employer have paid for health and hospitalization insurance?" The insurance carrier does not have to pay that when the veteran goes to a veterans' hospital. It is not realistic and it is not fair.

I think that if we cannot get through a bill such as that, it indicates to me that we really are not interested in helping the veteran with his true needs and that we indirectly are compensating some of the insurance carriers.

The other thing that has been talked about here, but only briefly, is something that some of the veterans' organizations have stood for firmly in the past, and those are unreasonable "benefits."

I use that word advisedly. I am talking about such things as flight training.

The fact is that most of the millions of dollars we have expended in taxpayers' money for flight training has been only for the benefit of the individual, as some kind of entertainment or pursuing what he would like to do. I do not believe that very many veterans have benefited. Certainly, not many veterans have benefited from the amount of money we have put into a flight training program. Basically, it is simply used as something that is there and provides no real benefit to the veteran.

We certainly should have been looking at a program such as that over the years and said that, rather than spending money on flight training, we should have been putting that money into the improvement of our veterans hospitals, to help the needy veteran, to help the disabled veteran.

We have to bring an end to the idea that we can do everything for everybody, even if they are veterans.

If my friend from California can explain to me why I should vote for his amendment, after the remarks I have just made, I may be persuaded to change my mind.

I thank the chairman for yielding time to me, and I yield back the remainder of the time which was allotted to me by the chairman.

Mr. CRANSTON. Mr. President, I will be glad to respond to my friend from Nebraska. I know of his concern for a balanced budget and his concern for the appropriate use of Federal funds.

I was one of the architects of the budget process. I served on the Budget Committee for 4 years, at the outset of its activities. I have great respect for the process. I would do nothing to destroy it.

However, I do not see the Budget Committee as the fount of all conceivable wisdom and the Senate without the right to consider making changes in what comes out of the Budget Committee if, in its wisdom, it sees fit to do so. To say that the Senate cannot and must not change what the Budget Committee does is to say that the Senate has no appropriate role and that only the Senators on the Budget Committee have a right to determine programs, priorities, outlays, revenues and so forth.

It is not a matter of just yielding to political pressure that is involved. The Senate Veterans' Affairs Committee has been very stringent in cutting back on programs that it thought should be cut back.

It has come in with a recommendation of $300 million less in appropriations than the President's January request. It has pared back many programs over the last year. And it has been subjected to considerable criticism from the veterans organizations for its efforts to act in a restrained fashion. My amendment thus incorporates the recommendation of the Veterans' Affairs Committee to reduce by $300 million spending that the President proposed in January for this function.

The Senator from Nebraska mentioned the necessity of keeping the budget balanced. The budget amendment that I am proposing for Veterans' Affairs takes full account of that need.

The Senator from California shares fully the concerns and the desire of the Senator from Nebraska for a balanced budget, and this amendment would not unbalance the budget. It is carefully designed to take into account interest costs as reestimated by CBO from the President's budget estimate of interest that the Federal Government will have to pay.

Second, we include a revenue estimate, only $200 million above that of the Budget Committee, that we believe is totally realistic. That would account for the other $200 million needed to provide the added $600 million in outlays needed for this amendment without unbalancing the budget.

Again, the Budget Committee estimates of anticipated revenues are not sacred. They can never be entirely accurate. They have been off every year by a far larger sum than the sum I am suggesting they are now perhaps off, $200 million. Two years ago the Budget Committee underestimated revenues by more than $20 billion. Last year the Budget Committee underestimated revenues by more than $20 billion—$20 billion-plus in both cases.

To suggest that we take into account a $200 million underestimate in terms of what the President's revenue assumptions and proposals are with respect to revenues is certainly appropriate and certainly totally within the margin of error—and does not and will not, in my view, lead to an unbalanced budget.

On two specific items that the Senator mentioned, let me say as to flight training that we have taken into account the need to cut back on waste in that program and we have done so in the bill passed by the Senate on January 24, S. 870/H.R. 5288. And both the chairman of the Budget Committee, Senator MUSKIE, and the ranking member on the minority side, Senator BELLMON, stated at that time that we had been very prudent and careful and had come in with recommendations that take into account legitimate complaints about flight and correspondence training under the G.I. Bill. Then, the Budget Committee ignored the understanding of January and assumes that the whole program should be eliminated.

On the matter of intent raised by my friend from Nebraska, the intent of the Budget Committee was certainly not to do any harm to necessary programs for veterans, nor was it the intent of the Senator from Nebraska or any member of that committee to do any harm to veterans. But the assumptions and the actions taken by the Budget Committee in the judgment of the chairman of the Veterans' Affairs Committee would do just that.

I wish to close by just responding in a bit of detail now on one matter that the Senator raised, the matter of health insurance reimbursements.

It sounds like a very, very sensible idea, that there should be reimbursements by the insurance companies and that we should, therefore, make a savings in Federal spending, but when one analyzes it carefully I think that that proposal does not bear scrutiny.

The Senator talked about a balanced budget. The Budget Committee has made an assumption that there will be a $200 million savings in that respect—that I am absolutely convinced is totally unrealistic—and, therefore, the budget is going to be out of balance by $200 million if that committee and the Senate persist in making that assumption.

The House of Representatives is never going to pass that legislation. I think it is very clear that there was some support for it in the Senate Veterans' Affairs Committee before we delved into it in total detail. After we did that, that support evaporated, and when we dealt with this matter in the Veterans' Affairs Committee recently—just last week—not one member of that committee—I am going to pause so the Senator can hear this remark.

I want the Senator to hear this.

Mr. EXON. I want to hear it also. Go ahead.

Mr. CRANSTON. I want to say that this matter was before the Veterans' Affairs Committee a few days ago, and no member of that committee offered an amendment, a legislative proposal to go to health insurance company reimbursement. That would seem to me to indicate that it is very unrealistic to assume that any such legislation is going to move.

Possibly a floor amendment in the Senate would cause it to be adopted by this body, but I do not believe it would survive in the House of Representatives.

That is my realistic appraisal of the sentiment there. And I think when the facts about it are understood by Senators and by Members of the House of Representatives it will be clear to the Senator from Nebraska why the assumption that that money can be made available is not valid.

Let me just give a little bit of detail why the Veterans' Affairs Committee has rejected, and I am opposed to the enactment of, so-called third party reimbursement legislation that would require health insurers and other such entities to reimburse the VA for the cos of non-service-connected care provided to their insureds in VA facilities.

I grant that this legislation seems to be attractive, as I said, especially in view of the hundreds of millions of dollars in recoveries that the administration claims it could collect. But I believe that the estimates of collections are not based on any kind of valid data about the extent, scope, or depth of veterans' private health insurance coverage. The fact is that there are no data whatsoever on those critical matters.

I emphasize that this legislation requires virtually every health insurance policy, group and individual, that would be issued or renewed in the future to be rewritten. Reimbursement could not go forward in the present format of health insurance policies. They would all have to be rewritten so as to delete the exclusion of coverage for VA and other Government-provided care. Presently, there are exclusions in the policies. In my view, to legislate those clauses out of existence would be an unwarranted imposition on the private sector, especially in the absence of reliable data on which realistic estimates of the potential collections can be based. Thus, it would be premature to advance this legislation before we have adequate data, and it would certainly be very premature to assume that that kind of a saving can be made in the current year's budget.

I also stress that this legislation would impose a new, double layer of administrative costs on Americans who pay health insurance premiums and Federal income taxes.

The study called for in the bill our committee approved on May 1 would provide an accurate assessment of those new costs. In the meantime, the Blue Cross-Blue Shield Association has prepared an estimate of the administrative costs to the Blue Cross-Blue Shield carriers, with a range of from $11 million to $23 million in the first year alone. These new costs would be passed along. They would be passed right along to all Americans with Blue Cross-Blue Shield coverage.

In the case of for-profit insurers, the additional premiums to cover VA claims and new administrative costs would include an additional amount for profits. At the VA a whole new bureaucratic layer would have to be instituted to do accounting, billing, and litigating, and we would have to provide that staff at some cost, increasing the VA's administrative expenses. Obviously, these expenses would add to overall health-care costs and expenditures nationally, without providing one iota of additional care. There would be no more care. There would just be significant new costs.

Moreover, in order to make collections, the VA concedes that it must provide for a new billing system that is acceptable to the health insurers. I have seen no satisfactory evidence that the VA has any such billing system.

I have no doubt that enactment of S. 759 would produce disputes and long drawn-out delays on individual claims, all culminating in extensive litigation, as health-care insurers challenge the constitutionality of the legislation—and there is a significant constitutional question—and resist VA billing methodologies, and it would not result in any significant Federal budgetary cost savings in fiscal year 1981.

For these reasons, I believe that the substantial opposition to this measure at the hearing on this legislation last year was fully justified.

In addition, based on the current, inadequate knowledge we have regarding the amount of any health-insurance reimbursements, I believe that the only purpose to be served in seeking these recoveries would be for the VA to prepare for its inclusion under a national health insurance program, a development to which the veterans' organizations are strongly opposed. I share their opposition to the VA being made a provider to receive reimbursement under any national health insurance plan.

Mr. President, the Veterans' Affairs Committee has twice rejected this legislation, first during our budget markup in March and second during our recent markup on health legislation.

Rather, during its consideration of S. 2534, in our May 1 markup, the committee included a provision to require the VA to develop an adequate data base. That is the first step. Let us see if there are data that justify this approach.

The data do not exist now to estimate the actual extent of veterans' health-plan coverage. In addition, the committee approved a requirement in that bill that CBO and CRS develop information concerning the impact on health-care premiums and the VA's and health insurers' administrative costs. These steps, in my view, are the responsible, prudent approach to the very complex, far-reaching issues involved in health insurance reimbursement legislation. To go further at this time on the basis of the inadequate data we now have would entail the very great risk of precipitating totally unnecessary and counter-productive inflationary increases in health care costs, and would produce serious intrusions into the private sector, with no valid assurance of any true Federal budgetary cost savings in any reasonably foreseeable period of time.

Thus, I strongly oppose the enactment of S. 759 at this time and the Federal intervention into the insurance field, and I ask that our colleagues not assume that any savings can be made as a result of enacting that legislation because I do not realistically see how it can be done.

I hope that I have convinced the Senator from Nebraska that he should now support my amendment.

Mr. EXON. Mr. President, will the Senator yield?

Mr. CRANSTON. I would be happy to yield.

Mr. EXON. I thank my friend from

California. I am very much concerned about not having enough money there to adequately take care of the veterans.

Let me go to the heart of this matter. Let us take a 55-year-old World War II veteran who is now working in a plant and is part of a group health hospital plan in that plant, and let us assume he pays his share of the premium or pays all of the premiums for that group or in many cases it is split between the employer and the employee.

That 55-year-old veteran has an ailment of some type and he goes to the regular hospital in the area and he is covered by Blue Cross or Blue Shield or some of the other private insurance carriers. His bill is paid or most of it, and the insurance works in due course.

That same veteran though decides to go to—he has paid the premium, and now he decides to go over to—the veterans' hospital where, as I understand it—and correct me if I am wrong—he could obtain treatment there at the veterans' facility without any cost whatsoever to the insurance carrier to whom he has paid premiums. Is that fair or is that not the case?

Mr. CRANSTON. If he is an eligible veteran and certifies he is unable to pay, he can get that care from the VA.

The point is that his insurance policy presently excludes reimbursement by the VA. The present policy of that 55-year-old veteran you referred to has a clause that states that there will be no reimbursement for care given in a Federal hospital.

Thus, if that clause is deleted by a Federal law or otherwise the insurance carriers will have to raise their premiums to readjust the rates, and the veteran, the 55-year-old you refer to and all others in his group plan are going to have to start paying more for his insurance if we make this change.

At our hearings last fall——

Mr. EXON. Mr. President, will the Senator yield at that point? Is the Senator saying that that 55-year-old veteran to whom I referred, who is working in a plant where they have a group policy, that the policy is cheaper because he is a veteran in that plant and has the option of going to a veterans' hospital?

Mr. CRANSTON. His premium is lower because the VA care is excluded under the contract. Otherwise, up goes the rate, the whole group's rate. But that is the way insurance policies are written.

Mr. EXON. What the Senator is saying then, as I understand it, is if you had one plant employing 20 people at the same age group with no veterans in it, and you had another plant employing 20 people that had all veterans in it the premium for the plant with all the veterans in it would be different from the plant with no veterans. Is that the way insurance is written in the private sector today?

I suggest, before you answer the question, that probably would not be borne out by the rates the insurance companies charge, but I am not sure.

Mr. CRANSTON. That might be the case. Presumably, the insurance company spreads the costs across the board with respect to one group.

There is another point I would like to mention. In our hearings last fall, it was demonstrated without contradiction that the present situation does not result in any windfall to insurance carriers. That has been a common presumption: that maybe there is a big windfall to insurance carriers. The tenth is that their premium rate structure, so closely regulated by State insurance laws and by very severe regulations do not—and I repeat do not—take into account any payouts for VA-provided care because the policies specifically precludes that kind of payout.

Mr. EXON. I understand that. In other words, what has developed over the years is that they have written into these policies exclusions that the insurance company is not going to pay any money to the veterans' hospital facility, and I understand that. I guess the question some of us have is why should that be automatically written into the policies, and if I understand the reasoning that the Senator from California is using, it is that this has happened this way and if we should ever change it it is going to cause an increased premium for everyone in America who happens to take part in a group hospital plan; is that right?

Mr. CRANSTON. I agree that is what would happen under S. 759. Moreover, to change it that way would cause new administrative costs to the Government, new administrative costs to the insurance companies, and increased premiums to the individuals.

Mr. EXON. Then it is fair to assume that indirectly, by allowing the insurance companies to be off the hook as far as treatment to a veteran in a veterans' facility is concerned, it has been an indirect subsidization of insurance premiums.

Mr. CRANSTON. No, I would not say that based upon the testimony we received in our committee. This is a matter that I feel should be explored, as I indicated in my response earlier. We are exploring it. We have asked for a study, and the studies are underway. But to leap to a judgment now, to assume a saving of $200 million that is not about to be made this year is, I think, improper, inappropriate budgeting, inappropriate budget balancing, and it is the kind of budgeting that leads to deficits.

Mr. EXON. I very much thank the Senator for the colloquy that we have engaged in, the Senator from California and myself. I am not sure the Senator has convinced me, but I am thinking about it.

Mr. CRANSTON. I am hopeful, I am very hopeful.

Mr. HOLLINGS. Mr. President, it is the desire of the Senators to move right along in our consideration of this amendment. However, we want to make something clear with respect to our estimations.

When the Senator from California comes in and reestimates another $200 million, I think that we should place in the RECORD a table which shows alternative revenue-raising measures in fiscal year 1981.

For example, the House Budget Committee estimated cash management initiatives at $2.6 billion. The administration estimated it at $4.3 billion.

The House estimated tax-exempt housing bonds at $0.4 billion, and the administration at $1.1 billion. These estimates vary greatly between the House and the administration.

Other alternatives for revenue-raising measures in fiscal year 1981 include: First, railroad retirement taxes; second, the oil hazardous substance cleanup; third, airport and airway taxes; fourth, withholding on interest and dividends; fifth, withholding on independent contractors; sixth, foreign tax credit; seventh, increased IRS auditing; eighth, increased passport and visa fees; and ninth, unspecified measures.

I ask unanimous consent that this particular table be printed in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

ALTERNATIVE REVENUE-RAISING MEASURES IN FISCAL YEAR 1981

	SBC	HBC	Administration
Cash management initiatives		2.6	4.3
Tax-exempt housing bonds		.4	1.1
Railroad retirement taxes		.3	.3
Oil and hazardous substance cleanup		.1	.2
Airport and airway taxes		.2	.2
Withholding on interest and dividends		3.4	3.4
Withholding on independent contractors			.6
Foreign tax credit			.7
Increased IRS auditing		.3	$
Increased passport and Visa fees			.1
Unspecified measures	6.4		
Total	6.4	7.3	10.9

Mr. HOLLINGS. The Budget Committee assumes $6.4 billion for alternative revenue-raising measures in fiscal year 1981. The Senator from California assumes $6.6 billion or $200 million in additional taxes.

Mr. President, I rise in opposition to the Cranston amendment. The first argument I would make against this amendment is that it would pay for part of a $600 million increase in veterans' funding by raising taxes by $200 million.

The Budget Committee has been criticized for assuming too much of a revenue increase as it is. The Finance Committee is telling us that it does not want to raise all the revenues that the Budget Committee assumes, and that should be clearly understood.

We consulted with our Finance Committee colleagues and the staff. We think that we have come up with the right figure.

The question is, Do we really want to raise taxes another $200 million to cover higher spending?

The Cranston amendment would cover the rest of the spending increase for veterans' programs—not by cutting other programs—but by simply re-estimating the cost of interest. The Budget Committee's figure for interest is $72.2 billion, based on CBO's latest official estimate.

But Senator CRANSTON says that this figure is wrong. Based on preliminary CBO re-estimates, he says that the real cost of interest is $71.8 billion—$400 million lower than CBO's official estimate.

What he does not say, Mr. President, is that according to those same preliminary CBO re-estimates, spending in other functions will probably be higher.

I had an exchange of letters with the distinguished Director of the Congressional Budget Office (CBO), Dr. Alice Rivlin. She says:

> On balance, the changes would raise somewhat our estimate of 1981 outlays.

I ask unanimous consent that the letter to Dr. Rivlin and her letter in response be printed in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, D.C., May 7, 1980.

Dr. ALICE M. RIVLIN,
Director, Congressional Budget Office, Congress of the United States, Washington, D.C.

DEAR DR. RIVLIN: As you know, the 1981 First Budget Resolution reported by the Senate Budget Committee was completed too early to fully incorporate the budgetary information contained in the Administration's March 31 update of its January budget request. At this time, the Committee does not plan to ask the Congressional Budget Office to depart from its regular procedure of making comprehensive reestimates of budget spending estimates for scorekeeping purposes twice each year in January and July.

During the Senate debate on the First Budget Resolution, however, questions have arisen regarding the current estimate for interest receipts and the budgetary effects of other information contained in the Administration's March 31 update. Therefore, it would be helpful if you could provide a general indication of the potential changes to your previous 1981 spending estimates based on your analysis of the Administration's March 31 budget update.

Sincerely.

ERNEST F. HOLLINGS.

CONGRESSIONAL BUDGET OFFICE,
Washington, D.C., May 7, 1980.

Hon. ERNEST F. HOLLINGS,
U.S. Senate,
Washington, D.C.

DEAR SENATOR HOLLINGS: This is in response to your letter concerning the current status of CBO estimates of 1981 outlays. Based on our analysis of the President's March 31 budget revisions, we made some preliminary reestimates of 1981 spending during the month of April. These reestimates include some possible downward revisions, such as the one in interest receipts mentioned in your letter, and some upward changes. On balance, the changes would raise somewhat our estimate of 1981 outlays.

As you noted in your letter, under current procedures CBO does comprehensive reviews of spending reestimates twice a year. We will undertake our next complete review of 1981 spending estimates in July, following the submission of the President's mid-session review and prior to the markup of the Senate Budget Resolution. Our April preliminary reestimates will be incorporated in this comprehensive review. Based on past experience, we would expect a number of additional revisions to our current estimates at that time. However, it is much too early to determine whether the net budgetary impact would be to raise or lower estimated outlays.

Sincerely,

JAMES BLUM,
(For Alice M. Rivlin, Director).

Mr. HOLLINGS. Dr. Rivlin says in her letter:

> On balance, the changes would raise somewhat our estimate of 1981 outlays.
>
> As you noted in your letter, under current procedures CBO does comprehensive reviews of spending reestimates twice a year. We will undertake our next complete review of 1981 spending estimates in July, following the submission of the President's mid-session review and prior to the markup of the Senate Budget Resolution. Our April preliminary reestimates will be incorporated in this comprehensive review. Based on past experience, we would expect a number of additional revisions to our current estimates at that time. However, it is much too early to determine whether the net budgetary impact would be to raise or lower estimated outlays.

Senator CRANSTON does not want to pick up these increased estimates. He only wants the downward reestimates to pay for his veterans' increases. He just takes the downward side.

Mr. President, everyone knows that the economic outlook is presently uncertain and volatile. In such circumstances, the budget could be reestimated weekly or even daily. But such a procedure would reduce this budget process to chaos.

In July when CBO updates their estimates, many of the numbers are bound to change. But as Dr. Rivlin says in her letter, "it is much too early to determine whether the net budgetary impact would be to raise or lower estimated outlays."

Mr. President, I also have two items that I would like to have printed in the RECORD. One item addresses the CBO, forecasting methods and accuracy; the other item is a table of actual budget totals. The CBO has eight full-time working economists around the year and around the clock reading the computers with four of the forecasting services: Data Resources, Inc.; Chase Econometrics; Wharton Economic Forecasting Associates; and Merrill Lynch Economics.

They have developed an impressive track record over the years. Their estimates, with respect to budget authority, revenues, and outlays, have been pretty close and near the target. These estimates are closer to the target than the Office of Management and Budget estimates.

We have to take the most nearly accurate estimates; this does not include estimates which are in the middle. We have to predict these estimates with some kind of accuracy. As we look back over the 5-year period, we find a pretty good track record.

I ask unanimous consent to have printed in the RECORD the CBO forecasting methods and accuracy material, plus their table of actual results.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

CBO FORECASTING METHODS AND ACCURACY

CBO's projections of outlays and revenues depend on economic assumptions prepared by their Fiscal Analysis Division. About 8 professionals monitor economic developments on a continuing basis and, based on their observation and use of 3 or 4 econometric models, prepare forecasts twice a year or more often if necessary. These forecasts include forecasts of GNP in current dollars of constant purchasing power, of inflation as measured by the Consumer Price Index and by the GNP deflator, and of unemployment. The econometric models they now use are those of the major forecasting services: Data Resources Incorporated, Chase Econometrics, Wharton Economic Forecasting Associates and Merrill Lynch Economics.

The forecasts of GNP in current dollars and the components of GNP which are taxable—for example corporate profits and wages and salaries—are used by the Tax Analysis Division to estimate revenues according to their own equations. Whenever possible they also check their results using the equations of the Treasury Department.

The forecasts of unemployment and inflation are used by the Budget Analysis Division in preparing the projections of outlays.

CBO's economic forecasts are generally similar to the published forecasts of the major private forecasters. They have tended to share with the private forecasts a pattern of over-estimating unemployment and under-estimating inflation during the past 3 years of cyclical expansion. This pattern of error might not continue—indeed it might be reverse—in a period of recession.

The CBO published forecasts are presented as ranges, reflecting the recognition that economics is an inexact science. The forecasts of revenues and outlays use the midpoints of the ranges for the economic variables. It is intended that there be an equal likelihood of error on either side of the forecasts for either revenues or outlays.

The attached table compares the estimates of budget authority, revenues, outlays, deficit, and public debt subject to limit in the Budget Resolutions for Fiscal Years 1976 through 1979 with the actual results. The estimates in the First Resolution, in some instances, diverge from the actual results because of policy changes made in subsequent Resolutions. Other special factors also influence the comparison between early estimates and the actual results in a few years. In particular, the revenue estimate in the First Resolution for FY 1977 did not anticipate the tax cut that was finally incorporated in the Third Resolution amended. In FY 1979, the revenue estimate in the First Resolution did not reflect a pattern of over-withholding of taxes that developed last year as a result of the way in which the tax cut enacted in 1978 was incorporated in the withholding tables. Outlays in FY 1977 and 1978 were over-estimated in part because spending under new or rapidly increased programs could not be implemented as fast as planned.

CONGRESSIONAL BUDGET RESOLUTIONS AND ACTUAL BUDGET TOTALS, FISCAL YEARS 1976-79

[In billions of dollars]

Fiscal year	Budget authority	Revenues	Outlays	Deficit	Public debt subject to limit
Fiscal year 1976:					
First resolution	395.8	298.18	367.0	68.82	617.0
Second resolution	408.0	300.8	374.9	74.1	622.6
Actual	413.8	299.2	364.8	65.6	621.6
Overrun/shortfall (−)	5.8	−1.6	−10.1	−8.5	−1.0
Transition quarter (July 1 to Sept. 30, 1976):					
First resolution	91.1	86.0	101.7	15.7	641.0
Second resolution	96.3	86.0	102.0	16.2	647.2
Actual	90.9	81.7	94.4	12.7	635.8
Overrun/shortfall (−)	−5.4	−4.3	−7.8	−3.5	−11.4
Fiscal year 1977:					
First resolution	454.2	362.5	413.3	50.8	713.1
Second resolution	451.55	362.5	413.1	50.6	700.0
Third resolution	472.9	347.7	417.45	49.75	718.4
Third resolution amended	470.2	356.6	409.2	52.6	701.3
Actual	464.4	356.9	401.9	45.0	700.0
Overrun/shortfall (−)	−5.0	.3	−7.3	−7.6	−1.3
Fiscal year 1978:					
First resolution	503.45	396.3	460.95	64.65	784.9
Second resolution	500.1	397.0	458.25	61.25	775.45
Actual	500.4	401.1	449.9	48.8	772.7
Overrun/shortfall (−)	.3	4.1	−8.4	−12.5	−2.8
Fiscal year 1979:					
First resolution	568.85	447.9	498.8	50.9	849.1
Second resolution	555.65	448.7	487.5	38.8	836.0
Revised second resolution	559.2	461.0	494.45	33.45	834.2
Actual	556.7	465.9	493.7	27.7	827.6
Overrun/shortfall (−)	−2.5	4.9	−.8	−5.7	−6.6

Note: The overruns/shortfalls (−) shown in this table are the differences between the actuals and the final budget resolution. Actual totals have been adjusted where necessary to agree with the budgetary treatment of various items used for the budget resolutions.

Mr. HOLLINGS. Finally, Mr. President, this amendment would provide funding for veterans' benefits and services of $22.3 billion in budget authority and $21.6 billion in outlays for fiscal year 1981. The budget authority figure is the exact figure that the Senator from California joined with us in voting down yesterday afternoon.

The Budget Committee's recommendations for veterans' programs are generous. I emphasized them yesterday. They allow a 27-percent growth in funding for veterans' programs.

The Budget Committee's recommendations provide a 13.9-percent cost-of-living increase in pension benefits to needy, aged veterans; a 10-percent cost-of-living increase in GI bill benefits; and an 11.8-percent cost-of-living increase in compensation benefits to disabled veterans. CBO estimates its increase will keep veterans' compensation benefits constant in real terms. We have not cut the veterans. Furthermore, the Budget Committee's recommendations also provide that other liberalizations in veterans' training and rehabilitation benefits and funding for new VA health care facility construction projects.

Mr. President, I must stress the fact that the legislative savings assumed in the Budget Committee's recommendation for veterans' programs are not harmful. For example, the committee assumes that third-party insurers will be required to reimburse the VA for medical care provided to insured veterans in VA hospitals. This change only requires insurance companies to provide the coverage they have contracted to provide sort of a truth in contracting between the veteran and his company. He is paying the premium. He is trying to get the coverage which he pays for and should receive. Third-party reimbursement would not reduce the total funding available for veterans' health care programs.

Also, the Budget Committee recommendation assumes reductions in flight and correspondence training for veterans. Studies conducted by GAO and CBO indicate that these benefits generally do not promote the readjustment of veterans to civilian life. For this reason, the Senate recently passed a bill, S. 870, the GI Bill Amendments Act of 1979, reducing these programs by the amount assumed in the Budget Committee's recommendation.

So we are only following the direction of Congress and this Senate.

The Cranston amendment assumes various liberalizations in veterans' programs. In times of budget restraint, new initiatives must be avoided or held to a bare minimum. If inflation is to be brought under control, prudent reductions in all Federal programs are necessary—even veterans' programs.

But, in the overall, we have proceeded. I emphasize in closing that it is an increase where we have cut general government by 16 percent.

I yield.

The PRESIDING OFFICER (Mr. STEWART). The Senator from California.

Mr. CRANSTON. Mr. President, I will take about 2 minutes and then I will be glad to yield back the remainder of my time so we can get to a vote.

Let me just say, on the revenue matter, that the Budget Committee report on page 24, referring to the way it gets its figures, speaks of "additional revenue collections" of $6.4 billion. These additional revenues could be achieved by a variety of alternative means, including faster collection of tax liabilities due under current law.

The Budget Committee never spelled out how they would get that $6.4 billion.

My belief is the $6.6 billion I am assuming could be achieved from the same general source within the President's suggestion on revenues and, obviously, there is room for a mild point of difference in estimating on a matter of that magnitude.

That is the only difference between what the Budget Committee states and what I am now suggesting regarding revenues.

I would like to point out that if the revenue reestimate was approved that I have suggested, we would be up to $613.1 billion in revenues. The House is at $613.8 billion; considerably higher than my amendment now proposes. Rather plainly, a conference between the House and the Senate is going to arrive at some middle figure higher than the figure I am now suggesting. And that will then be defended as a reasonable revenue estimate by the Budget Committee when it comes back with its conference report.

Thus, I believe it is clear that there is room for small differences, and it is a very, very small difference that I am suggesting here.

I would like to add that it is my understanding that the Budget Committee during its markup arrived at an outlay figure of $612.9 billion and then felt it needed a revenue figure to match that and that is how this precise figure of $612.9 billion in the resolution was arrived at.

I would like to add one final point regarding my discussion with the Senator from Nebraska regarding insurance company reimbursements and S. 759. In our May 1 committee meeting, the Veterans' Affairs Committee did approve legislation to facilitate VA reimbursement from outside the VA in three situations where the VA provides health care to a veteran: where the veteran is covered by no-fault insurance, or workers' comp, or where the veteran could recover the cost of that health care under a State or local crime victim compensation statute. That legislation, title III of S. 2534, may yield literally scores of millions of dollars in reimbursements and thus reduced Federal outlays.

Mr. President, I am prepared to yield back the remainder of my time if the Budget Committee is prepared to do likewise.

Mr. BELLMON. Will the Senator yield 1 minute?

Mr. HOLLINGS. I yield.

Mr. BELLMON. Mr. President, I think it is in order to inform the Senate as to what this budget resolution actually does in the veterans' area. We have had a lot of talk about what it does not do.

This figure which we have in the resolution for the veterans function assumes a 13.9 percent cost-of-living adjustment for pension beneficiaries, it assumes an 11.8 percent cost-of-living adjustment for compensation beneficiaries, and a 10 percent cost-of-living adjustment for veterans using the GI bill. It also provides for an extension of the GI bill eligibility period and improvements in rehabilitation programs. More than that, it funds new VA construction projects which have been recommended by the committee.

The fact is that the tight budget situation we face this year requires that we carefully scrutinize all programs in order to get the budget in balance. We feel that we have been as fair as possible with not only the veterans' function but others as well. Mr. President, I strongly urge the defeat of the Cranston amendment.

THE VETERANS' AFFAIRS BUDGET

● Mr. BAUCUS. Mr. President, I support Senator Cranston's amendment to adjust the Veterans' Affairs budget to a level adequate to meet the needs of our American veterans.

We must balance the Federal budget to help curb the raging inflation that punishes every American, especially veterans, many of whom are on low or fixed incomes. I recognize that some very important programs will have to be cut back if we are to achieve this goal. But, I strongly believe that any proposed cuts must be made responsibly and not jeopardize or eliminate necessary services, or unfairly burden any sector of the American population.

The Veterans' Affairs budget has already been cut back sharply in the administration's proposed budget. The Senate Budget Committee has proposed even deeper cuts in the Veterans' Affairs budget. In fact, under the Budget Committee's proposal, many veterans' benefits and services, particularly medical care, will suffer severely. This of course means that the many veterans who depend on these programs will suffer as well.

Therefore, I support Senator Cranston's amendment to restore $600 million in outlays and $800 million in budget authority in the Veterans' Affairs budget. This is the reasonable level recommended by the Veterans' Committee.

The budget must be balanced, but not at the expense of the American veterans. Veterans served this country when this country needed them. I cannot justify letting the veterans down in the name of a balanced budget. I am sure that most veterans are willing to accept some cuts, but not cuts that threaten the very existence of the programs intended to compensate them for their years of service to this country. Let us balance the budget, but let us not ask the American veteran to bear more than his fair share of the burden.●

Mr. HOLLINGS. Mr. President, does the Senator yield back the remainder of his time?

Mr. CRANSTON. Yes. I have answered the statement of the Senator from Oklahoma. I yield back the remainder of my time.

Mr. HOLLINGS. I yield back the remainder of my time, Mr. President. I move to table the amendment and I ask for the "yeas" and "nays."

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The question is on agreeing to the motion to lay on the table the amendment of the Senator from California (Mr. Cranston). The "yeas" and "nays" have been ordered and the clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Alaska (Mr. Gravel), the Senator from Hawaii (Mr. Inouye), the Senator from Massachusetts (Mr. Kennedy), the Senator from Louisiana (Mr. Long), and the Senator from Maine (Mr. Muskie) are necessarily absent.

Mr. STEVENS. I announce that the Senator from Tennessee (Mr. Baker), the Senator from Indiana (Mr. Lugar), and the Senator from Maryland (Mr. Mathias) are necessarily absent.

Mr. HOLLINGS. Regular order, Mr. President.

The PRESIDING OFFICER. Is there any Senator in the Chamber who has not voted who desires to?

The result was announced—yeas 47, nays 45, as follows:

[Rollcall Vote No. 100 Leg.]

YEAS—47

Armstrong
Bellmon
Bentsen
Biden
Boschwitz
Bumpers
Byrd, Harry F., Jr.
Byrd, Robert C.
Chafee
Chiles
Cochran
Danforth
Dole
Domenici
Exon
Garn
Goldwater
Hart
Hatch
Hayakawa
Heflin
Heinz
Hollings
Huddleston
Humphrey
Jackson
Jepsen
Johnston
Kassebaum
McClure
Metzenbaum
Nunn
Packwood
Percy
Proxmire
Pryor
Ribicoff
Roth
Schmitt
Schweiker
Stevens
Stevenson
Talmadge
Thurmond
Tower
Wallop
Young

NAYS—45

Baucus
Bayh
Boren
Bradley
Burdick
Cannon
Church
Cohen
Cranston
Culver
DeConcini
Durenberger
Durkin
Eagleton
Ford
Glenn
Hatfield
Helms
Javits
Laxalt
Leahy
Levin
Magnuson
Matsunaga
McGovern
Melcher
Morgan
Moynihan
Nelson
Pell
Pressler
Randolph
Riegle
Sarbanes
Sasser
Simpson
Stafford
Stennis
Stewart
Stone
Tsongas
Warner
Weicker
Williams
Zorinsky

NOT VOTING—8

Baker
Gravel
Inouye
Kennedy
Long
Lugar
Mathias
Muskie

So the motion to lay on the table Mr. Cranston's amendment (No. 1743) was agreed to.

Mr. HOLLINGS. Mr. President, I move to reconsider the vote by which the motion to table was agreed to.

Mr. BELLMON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. Who yields time?

Mr. HOLLINGS. Mr. President, Senator Pressler has the next amendment, and I yield to the Senator at this time.

The PRESIDING OFFICER. The Senator from South Dakota.

AMENDMENT NO. 1701

(Purpose: To reduce the rate of growth of spending for international affairs (also reducing public debt growth)

Mr. PRESSLER. Mr. President, I call up amendment No. 1701, and I yield to the Senator from Indiana to identify himself as a cosponsor. The amendment will be noted as the Pressler-Bayh amendment.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from South Dakota (Mr. Pressler) for himself and Mr. Bayh proposes an amendment numbered 1701:

On page 2, line 17, strike out "$687,900,000,000" and insert in lieu thereof "$687,600,000,000"; on line 22, strike out "$612,900,000,000" and insert in lieu thereof "$612,700,000,000"; and on line 23, strike out "$687,200,000,000" and insert in lieu thereof "$687,100,000,000".

On page 3, line 9, strike out "$927,800,000,000" and insert in lieu thereof "$927,600,000,000"; on line 10, strike out "$953,800,000,000" and insert in lieu thereof "$953,500,000,000"; and on line 11, strike out "$968,700,000,000" and insert in lieu thereof "$968,400,000,000"; on line 15, strike out "$32,700,000,000" and insert in lieu thereof "$32,500,000,000"; on line 16, strike out "$26,000,000,000" and insert in lieu thereof "$25,700,000,000"; and on line 17, strike out "$14,900,000,000" and insert in lieu thereof "$14,600,000,000".

On page 4, line 18, strike out "$23,400,000,000" and insert in lieu thereof "$23,100,000,000"; on line 19, strike out "$9,500,000,000" and insert in lieu thereof "$9,300,000,000"; and on line 22, strike out "$9,700,000,000" and insert in lieu thereof "$9,600,000,000".

Mr. PRESSLER. Mr. President, I yield to the Senator from Indiana and then I will proceed with my reasons for this amendment. As I have indicated in my "Dear Colleague" letter, the amount involved, $200 million, is a very small cut, but it is an important symbolic effort.

I yield to the Senator from Indiana.

Mr. BAYH. Mr. President, I appreciate my colleague from South Dakota yielding. I am glad to associate myself with him on this amendment.

I particularly appreciate his willingness to let me make a few remarks at the beginning of the debate.

Unfortunately, I am supposed to preside over two different committees within the next 5 minutes and will not be able to participate in the debate on this amendment.

But we are going through one of the most difficult periods of my experience in the Senate where we are having to make some tough choices.

How do we determine whether to fund more for veterans, for cancer patients, for education of our children, or more to help fund agricultural programs? Those are very difficult choices.

Each, in his own judgment, makes the choice that he feels best for his constituency and for his country.

But it seems to me inexcusable at a time of trying to balance the budget to find a greater increase in foreign assistance and foreign aid programs than we find as far as certain domestic programs are concerned.

I think the amendment on which I am privileged to join with the Senator from South Dakota is very modest. I do not see how it, in any way, will affect some of the meaningful programs which are important to the national security of our country. I am sure the Senator will enumerate those in his presentation.

I hope my colleagues give serious attention to supporting this amendment. It seems to me the least we can do to see we are not sending more assistance overseas, to help people throughout the world, than we are to help our own citizens here in the United States.

I thank my colleague.

Mr. PRESSLER. I thank the Senator from Indiana for his fine statement.

Mr. President, this amendment is a very modest cut, only a 2.11 percent cut below the committee recommendation. It does not in any way jeopardize our commitments to our good allies, such as Israel. It does not endanger our commitments abroad, except to seek greater efficiency, and also to send a signal to some of our wealthier allies that we expect and hope they will begin paying a larger portion of the burden in terms of general international community duties.

I am aware that this amendment might not be very popular in some quarters of the foreign policy establishment. However, in visiting with a number of foreign policy experts I have found support for this amendment.

I am also aware that an amendment of this sort might be misconstrued by some people, so at the outset I will say what I do not have in mind.

We cannot line item programs here in the budget resolution. As a member of the Budget Committee, I am particularly and keenly aware of that factor. Thus, we are not obliged under the provisions of my amendment to specify what the Foreign Relations Committee should do with specific programs in order to meet budget resolution targets.

Mr. President, I am reminded that I am to ask for the "yeas" and "nays" on this amendment and I will now do so before I proceed further. I ask for the "yeas" and "nays" on this amendment.

The **PRESIDING OFFICER**. Is there a sufficient second? There is a sufficient second.

The "yeas" and "nays" were ordered.

Mr. **PRESSLER**. Mr. President, our colleagues on the Foreign Relations Committee will do their best, as always, to produce the most appropriate mix of programs within budget constraints, so I do not propose to tell them what to do.

Second, I do not propose in this amendment to cut out programs. I do not want to undercut the Middle East peace efforts. I want Israel to remain as strong as possible.

I am a dues paying member in the Sioux Falls, S. Dak., local United Nations Association chapter, and I consider myself very much an internationalist.

The **PRESIDING OFFICER**. The Senate is not in order. The Senator is entitled to be heard. Those who are carrying on conversations in the Chamber are asked to please leave the Chamber.

Mr. **PRESSLER**. Mr. President, this amendment is not in any way aimed at weakening our commitment abroad. Some of our allies, our finest allies, have been with us through thick and thin, and their economic security warrants the best situation we can provide.

Now, let me indicate what my objective is with this amendment.

My amendment would reduce the budget outlay to $9.3 billion, by $200 million, a very small amount. This is only 2.11 percent below the committee recommendation. and it still would make available $9.3 billion for international affairs.

This outlay would slow down the rate of growth in outlays for this function. Fiscal year 1978 spending was $5.9 billion. Thus, the rate of increase for this function would exceed increases in the cost of living if the President's request or if the committee recommendations were adopted. This is nearly a doubling of expenditures in only 3 years' time.

The purpose of this amendment is to restrain the rate of growth in spending for activities in the international affairs function. This can be accomplished without destroying programs.

The amendment is offered for the following reasons:

First, the Senate and the American people are on record as favoring a balanced budget.

Second, domestic program reductions offered by the President and the Budget Committee in some cases exceed the cut proposed for international affairs.

Third, domestic economic problems, inflation, high interest rates, excessive taxation, and recession require that our budget balancing consider domestic spending priorities first.

Fourth, significant administrative efficiencies can help to achieve the $200 million reduction sought by this amendment.

Fifth, prosperous U.S. allies can well afford to assume more of the combined aid and defense burden which has been borne by the United States.

This is a bold step, but it is a step toward genuine sharing, partnership, and cooperation among the developed free nations of the world. Putting the brakes on the growth in U.S. spending for international affairs will mean shifting more of these obligations to nations which now seek the opportunity to demonstrate their support for U.S. policies through actions and not merely words. Mutual respect among our allies would be enhanced.

I will not recite here some of the figures which will be presented when my amendment to the defense function is called up. These figures, however, clearly show that the United States spends much more on defense than some of our allies who have higher per capita GNP. It is fair, I believe, to look at the combined efforts of ourselves and our allies in defense plus security and economic assistance to other nations. Our total expenditures for peace and prosperity are unsurpassed.

Yesterday, the distinguished Senator from Virginia (Mr. HARRY F. BYRD, JR.) referred to the situation that would exist if the President's, or the Budget Committee's, levels were adopted. The fact is that even if Senator BYRD's $9 billion level had been adopted, we would even then have still had a huge increase over 1979 expenditures. Quite a few Senators voted with him on that—I believe 29.

I refer again to the Middle East special security assistance bill, which became law last year. Senator CHURCH, Senator JAVITS of the Foreign Relations Committee generously agreed to an amendment I sponsored, which was adopted, that requested a Presidential report on consultation with our allies to increase their contributions. I have been disappointed, very frankly, in the President's brief report. The report is not much more than a letter which did not give us any solid quantitative evidence and did not lead us to any conclusions about where we stand.

Mr. President, I ask unanimous consent that the President's report which is very brief—disappointingly brief and ambiguous—be printed in the RECORD today. It is invaluable information for those who need to know what the administration's efforts have been in this area. I have to give credit to the administration for trying, but this report indicates that they have not been very successful in getting our allies to do more. This is a very thin and inadequate report of only four pages.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

U.S. EFFORTS TO ENCOURAGE THIRD COUNTRY AID AND INVESTMENT IN ISRAEL AND EGYPT AND THE IMPACT OF ARAB SANCTIONS ON THE ECONOMY OF EGYPT

INTRODUCTION

Section 7(b) of the Special International Security Assistance Act of 1979 (Public Law 96–35) requires a report to the Congress not later than January 31, 1980 concerning:

(1) the efforts made by the United States to consult with other countries in order to increase the economic assistance provided by other donors to Egypt and Israel and to others in the region participating in the peace process; and

(2) the impact on Egypt's economy of Arab sanctions against Egypt.

This report constitutes the report called for by section 7(b) of Public Law 96–35. It is divided into two main sections, corresponding to the two matters addressed by that statute.

I. U.S. Efforts to Encourage Third Country Aid and Investment in Israel and Egypt.

BACKGROUND

Since the signing of the Treaty of Peace on March 26, 1979, we have taken a number of steps to encourage other countries to maintain or to increase their economic assistance to and to stimulate private foreign investment in Egypt and Israel.

So far as Israel is concerned, we have continued our long standing policy of promoting political and economic support for Israel by other countries. We have encouraged certain countries to establish or reestablish diplomatic relations with Israel along with normal trade and commercial ties. This is in addition to our wider efforts around the world to mobilize political support for the peace process. On the economic side, we have concentrated our endeavors on ways to help Israel deal with its current balance of payments problem. To this end, we have, in selective cases, supported investment in Israel by American firms to expand export earnings. Israel's Associate Membership in the European Community gives Israeli exports certain advantages in the European market.

Such investments provide not only capital inflows but also transfer up-to-date technology which improves Israel's competitive position in world trade. With regard to the Arab boycott of Israel, U.S. policy and legislation have been effective in reducing the adverse impact of the boycott. We have tried to help Israel's national airline, El Al, to obtain new landing rights and thereby expand its air routes.

The magnitude of our bilateral assistance program is such that other donor assistance to Israel has not been significant in recent years, except for the approximately $80 million a year in low-interest, long-term loans provided by the Federal Republic of Germany. As Israel's per capita income reached $4,100 in 1979, potential aid donors prefer to direct their economic assistance to less developed countries.

Egypt's needs place that country in a different situation. With a 1979 per capita income of about $400 and facing a wide array of economic problems characteristic of developing countries in general, Egypt is much more dependent upon assistance from a variety of outside sources. The unexpected severity of the sanctions imposed against Egypt at the Baghdad Summit made it clear that strong efforts would have to be exerted to assist Egypt in the light of the cutoff of official Arab aid.

We have taken advantage of appropriate opportunities, both bilateral and multilateral, to encourage continuing and increased aid. The Secretary of State raised the matter of aid to Egypt with officials of the European Economic Community and the President discussed it during the Economic Summit held at Tokyo last June. At those meetings and, even more in our bilateral discussions with allied and friendly governments, it became evident that the interests of present and prospective donors vis-a-vis Egypt and Israel vary in the larger Middle Eastern context.

Each country must consider the degree of its dependence upon petroleum resources in the region; the size of the export market and hopes for its expansion; and, most important, its view of the prospects for a comprehensive peace settlement. In some cases, these interests are at odds, but the fact that the OECD countries have maintained or increased their assistance programs in Egypt is an indication of how widely shared is the belief that a peace settlement is essential.

THE CONSULTATIVE GROUP FOR EGYPT

The World Bank's Consultative Group for Egypt has been a primary and very effective focus of our efforts to date. Like the Egyptians, we were especially gratified when the Group met in Paris on December 19–20, 1979. The meeting marked the third time in as many years that Egypt's principal donors gathered to consult. Attendees included delegations from the International Finance Corporation, the African Development Bank, the European Economic Community and the European Investment Bank, the International Monetary Fund, the United Nations Development Program, and the Development Assistance Committee of the Organization for Economic Cooperation and Development (OECD).

Participating countries, in addition to the United States and Egypt, were: Belgium, Canada, France, the Federal Republic of Germany, Italy, Japan, the Netherlands, Switzerland and the United Kingdom. Austria joined the Group for the first time this year. Iran and the Arab members (Saudi Arabia, Kuwait, Qatar and the United Arab Emirates) did not attend.

The U.S. delegation drew the attention of the Group to our increased level of aid to Egypt, specifically the $300 million Peace Program package. As has been the practice in previous meetings of the Consultative Group, contributing countries did not announce specific aid commitment levels for the coming year. Nevertheless, all of the delegations declared their readiness to continue supporting Egypt's development efforts in future years. Since then, two major donors—the IBRD/IDA and Japan—have announced increased commitments for the current or coming year.

EUROPEAN ECONOMIC COMMUNITY AID

The EC has been and remains a substantial contributor to Egypt's aid needs. Israel is an Associate Member of the Community. EC programs in Egypt include both project and concessional food aid. We were pleased when the EC Commission opened, at mid-year, an office in Cairo to oversee its programs there and to promote investment in Egypt by European companies. The European Investment Bank has committed loans for the Suez Canal widening project, a major thermal power plant, and for industrial development projects. EC Community aid has been running at the level of $110 million per year and Egypt has been and likely will remain the largest recipient of the Community's concessional food assistance program.

BILATERAL EUROPEAN ASSISTANCE PROGRAMS

In addition to aid provided under the aegis of the EC, a number of countries have significant bilateral programs in Egypt, which ranks second among recipients of assistance from the Federal Republic of Germany. We have made clear our readiness to share information and further coordinate our programs with the FRG. France has been a major contributor, particularly of food aid. An economic and technical assistance agreement with Egypt, signed in Cairo last October, will provide funds for telecommunications and electrical projects. The United Kingdom is participating with us in projects to rehabilitate sewer systems in Cairo and is carrying out several programs in the irrigation sector. Italy, Denmark, Belgium and Holland are contributing aid to Egypt this year in a variety of fields.

EFFORTS TO PROMOTE INVESTMENT

Major efforts were undertaken to promote private investment in Egypt and Israel by American firms. Business and investment promotion activities are handled by the Israel-U.S. Joint Business Council and the Egypt-U.S. Joint Council.

Ambassador Robert Strauss undertook a special responsibility to encourage American firms to invest in Egypt and Israel. He led three separate delegations of U.S. businessmen to both countries in April, July, and October of last year. Discussions resulting from those contacts are continuing between a number of American and Egyptian and Israeli private and public firms.

Although no final investment decisions have been announced, discussions are currently underway in Egypt on ready-made clothing projects, a joint venture to assemble and install irrigation pumps, and several firms are investigating possible housing projects.

After Ambassador Strauss left government service, United States Trade Representative Ambassador Reubin O'D. Askew agreed to take over responsibility for investment promotion and trade matters. Ambassador Askew will make initial visits to Egypt and Israel in February.

In Egypt, AID and the Overseas Private Investment Corporation have, or will initiate this year, programs to support private sector project feasibility studies. These programs supplement the efforts of the Egyptian General Authority for Investments and Free Zones to stimulate private investment in the country.

Mr. PRESSLER. Mr. President, recently I returned from the Interparliamentary Union meeting in Oslo, Norway, and while there, I served on the committee dealing with refugees. We are all concerned about refugees, and this amendment does not reduce our commitment in that area. What was of interest to me was that the United States bears much of the burden in the international refugee program. We are extremely generous in granting permanent resident status and citizenship to these individuals. But other countries that take refugees, frequently take them on a temporary work visa which may or may not be renewed as they search for a new homeland. Our country is made up of native Americans and many immigrants, and that is a very positive factor. But if one analyzes any aspect of foreign aid—and there are a number of different ways of calculating these figures—our dollar cost burden is increasing at a faster rate than elsewhere.

Perhaps we could or should require specific data on all aid programs of all nations, and I shall be offering amendments later on assistance bills to see if we can obtain those kinds of statistics. I find it very difficult to get accurate figures from the President, the Secretary of State, and the Pentagon.

I recently attended the Ditchley conference in England, and in my preparation I was searching for hard figures, and I could not obtain them. We need much better figures in this area. These better figures would include calculations of the actual costs and the actual relationship of a country's wealth to its foreign aid and defense spending efforts.

It would help to require the administration to provide annually highly detailed reports on contributions of all the donor nations. I would also apply such a requirement to the Arab states, to Japan, to Europe, to those countries which are not now making a contribution similar to ours. This should include Communist nations, too.

It would also be of assistance to amend the multilateral banks bill and the bilateral aid bill to include annual reporting requirements. We need to know accurately what our prosperous allies are giving, to whom they are giving assistance, and what the per capita of GNP effort is. If this can be done, it will be a great step forward in clarifying the obligations of donor nations relative to aid and defense.

I do not see this small 2.11 percent cut as punitive or harmful in any way. I realize that, like the United States, many countries are reeling from increasingly high inflation rates and deficit budgets.

I cite an article by Dr. Kenneth Adelman in the March 27, 1980, Washington Post, in support of the view that Japan should and could find a way to increase its combined aid and defense effort. Adelman argues that Japanese feelings about increased military spending on their own behalf could be compensated for by substantial increases in real development assistance, thus lessening that burden on the U.S. taxpayers, or by assuming other international responsibilities. Adelman says that the current sharing of these expenses could be shifted and put more of the expense on Japan. This seems only equitable in view of the facts that American Forces are on the frontlines of Japanese defense and that Japan currently spends only 0.9 percent of GNP on defense.

I would go further to include the Arab states, the prosperous European countries, and, indeed, even the oil rich countries of South America.

Mr. President, as a member of the Budget Committee, I have seen calls for the United States to sacrifice domestic human needs and to have various cuts in our budget that are much greater than the cut I am proposing, a 2.11-percent cut, which is a very small reduction. Indeed, the larger cut that was sought by Senator HARRY F. BYRD, JR., did not pass, and had I been present at that time I certainly would have voted for it, although that vote would not have made a difference.

Let me conclude my argument for this amendment, first of all, by again thanking Senator BAYH for his earlier remarks. Let me also say that I commend him on his concern for fiscal responsibility and also his concern for support in terms of our international commitments.

Mr. President, I ask unanimous consent that two tables be printed in the RECORD. These tables show foreign aid and defense expenditures of the United States and our more prosperous allies and the historical totals of U.S. economic and military assistance.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

FOREIGN AID AND DEFENSE EXPENDITURES, 1977

[Amounts in billions of U.S. dollars]

	Total defense spending (A)	Total foreign aid spending (B)	Percent of GNP (A+B)
United States	$100.9	$5.751	5.601
West Germany	17.3	1.672	3.722
Japan	6.3	3.065	2.360
Denmark	1.1	.357	3.214
Belgium	2.5	.415	3.577
Netherlands	3.8	.944	4.492
Norway	1.1	.321	3.977
Switzerland	1.3	.149	2.283

HISTORICAL TOTALS OF U.S. ECONOMIC AND MILITARY ASSISTANCE

The following table presents summary and detailed information relating to the totality of U.S. foreign assistance (economic and military) furnished to other nations during the period fiscal years 1946–78. It has been extracted from information assembled and presented by the Agency for International Development in the current edition of its publication, U.S. Overseas Loans and Grants.

HISTORICAL UNITED STATES FOREIGN ASSISTANCE [1]

Summary for all countries

Total, Economic and Military Assistance, fiscal years 1946–1978	$206,014,000,000
Total, Other U.S. Loans and Grants, fiscal years 1946–1978	33,952,000,000
Total, fiscal year 1979 (estimated)	11,374,671,000
Grand total, U.S. Foreign Assistance, fiscal years 1946–1978	[2] 251,340,671,000

Detail by region and country

(Fiscal years 1946–1978)

A. Near East and South Asia	52,988,400,000
Afghanistan	531,900,000
Bahrain	2,300,000
Bangladesh	1,312,600,000
Cyprus	117,600,000
Egypt	4,168,700,000
Greece	5,225,400,000
India	9,799,700,000
Iran	2,164,800,000
Iraq	95,500,000
Israel	11,913,600,000
Jordan	2,055,300,000
Lebanon	231,300,000
Nepal	223,700,000
Oman	1,700,000
Pakistan	5,593,400,000
Saudi Arabia	324,200,000
Sri Lanka	398,800,000
Syria	480,700,000
Turkey	7,690,000,000
Yemen, People's Democratic Republic of	4,500,000
Yemen, Arab Republic	92,800,000
Central Treaty Organization (CENTO)	55,800,000
Near East and South Asia Regional	504,100,000
B. Latin America	17,085,500,000
Argentina	462,900,000
Bahamas	300,000
Barbados	2,700,000
Belize	8,700,000
Bolivia	872,600,000
Brazil	3,062,000,000
Chile	1,366,600,000
Colombia	1,560,400,000
Costa Rica	238,200,000
Cuba	20,100,000
Dominican Republic	584,900,000
Ecuador	408,800,000
El Salvador	197,300,000
Guatemala	435,900,000
Guyana	114,000,000
Haiti	235,000,000
Honduras	272,500,000
Jamaica	162,000,000
Mexico	320,700,000
Nicaragua	312,900,000
Panama	414,900,000
Paraguay	198,000,000
Peru	773,400,000
Surinam	5,800,000
Trinidad and Tobago	40,600,000
Uruguay	248,500,000
Venezuela	353,600,000
ROCAP	278,300,000
East Caribbean Regional	106,000,000
Latin America Regional	4,028,000,000
C. East Asia	62,347,000,000
Burma	185,500,000
Cambodia	2,131,200,000
China, Republic of	6,567,300,000
Hong Kong	43,800,000
Indochina, Undistributed	1,557,100,000
Indonesia	2,717,000,000
Japan	3,950,800,000
Korea, Republic of	13,169,300,000
Laos	2,507,400,000
Malaysia	216,000,000
Philippines	2,870,600,000
Ryukyu Islands	413,700,000
Singapore	21,900,000
Thailand	2,289,900,000
Vietnam	23,360,000,000
Western Samoa	7,600,000
East Asia Regional	337,800,000
D. Africa	7,833,400,000
Algeria	202,700,000
Angola	1,200,000
Benin (formerly Dahomey)	20,400,000
Botswana	64,500,000
Burundi	16,000,000
Cameroon	65,300,000
Cape Verde	24,200,000
Central African Empire	13,200,000
Chad	61,300,000
Congo, People's Republic of the	8,400,000
Djibouti, Democratic Republic of	1,100,000
Entente States	5,200,000
Ethiopia	648,400,000
Gabon	16,100,000
Gambia, The	14,300,000
Ghana	336,700,000
Guinea	140,300,000
Guinea-Bissau	10,500,000
Ivory Coast	43,300,000
Kenya	286,400,000
Lesotho	45,700,000
Liberia	284,200,000
Libya	230,100,000
Madagascar	19,000,000
Malawi	32,600,000
Mali, Republic of	109,000,000
Mauritania	40,600,000
Mauritius	16,900,000
Morocco	1,197,100,000
Mozambique	25,900,000
Niger	93,000,000
Nigeria	408,500,000
Rwanda	19,100,000
Sao Tome & Principe	400,000
Senegal	113,800,000
Seychelles	1,300,000
Sierra Leone	65,700,000
Somalia Republic	103,200,000
South Africa, Republic of	1,300,000
Southern Rhodesia	7,000,000
Sudan	156,300,000
Swaziland	25,900,000
Tanzania	218,200,000
Togo	37,800,000
Tunisia	974,400,000
Uganda	43,400,000
Upper Volta	87,200,000
Zaire	700,400,000
Zambia	79,100,000
Portuguese Territories	3,400,000
Central and West Africa Regional	147,000,000
East Africa Regional	37,000,000
Southern Africa Regional	146,800,000
Africa Regional	382,900,000
E. Europe	44,142,600,000
Albania	20,400,000
Austria	1,256,800,000
Belgium-Luxembourg	1,867,300,000
Czechoslovakia	193,000,000
Denmark	922,000,000
Finland	57,000,000
France	8,466,700,000
German Democratic Republic	800,000
Germany (Federal Republic)	4,980,500,000
Berlin, West	131,900,000
Hungary	32,700,000
Iceland	82,200,000
Ireland	146,500,000
Italy	5,877,600,000
Malta	84,400,000
Netherlands	2,312,300,000
Norway	1,245,700,000
Poland	539,300,000
Portugal	1,147,700,000
Romania	22,400,000
Spain	2,235,200,000
Sweden	109,000,000
United Kingdom	8,779,600,000
U.S.S.R.	186,400,000
Yugoslavia	2,821,900,000
Europe Regional	624,000,000
F. Oceania	980,500,000
Australia	123,600,000
New Zealand	8,600,000
Papua New Guinea	300,000
Trust Territory of the Pacific Islands	824,200,000
Other Oceania	23,900,000
G. Canada	30,500,000
H. Interregional	20,605,700,000

Information as of September 30, 1978.

[1] Basic data (fiscal years 1946–78) taken from "U.S. Overseas Loans and Grants and Assistance from International Organizations," a publication of the Agency for International Development. See this publication for explanation and detail. Summary totals may differ slightly due to use of full numbers.

[2] Through September 30, 1978, repayments of principal and interest of both economic and military loans total $25,278,000. In addition, it is estimated that $7,869,000 will be repaid on AID loans in fiscal year 1978.

Mr. PRESSLER. Mr. President, I ask unanimous consent to have printed in the RECORD a U.S. News & World Report article describing why there is increasing resistance in this country to ever-increasing foreign aid spending, and tables showing Indochinese refugee resettlement efforts.

There being no objection, the article was ordered to be printed in the Record, as follows:

NEW STORM GATHERING OVER U.S. FOREIGN AID

Economic concerns at home and U.S. setbacks abroad are stirring up the heaviest opposition in years to America's foreign-aid programs.

As a result, fewer and fewer members of Congress are willing to defend foreign assistance or resist a growing effort on Capitol Hill to slash aid programs as a step toward balancing the federal budget.

What discourages many lawmakers is that instability and anti-American hostility continue to flourish around the globe despite U.S. foreign-aid expenditures of nearly 195 billion dollars since World War II.

Says Representative C. W. Bill Young (R-Fla.): "There is a general feeling the world is ripping us off. The American people are just fed up with the way their foreign-aid dollars are being spent."

But, argues Representative Paul Findley (R-Ill.) "Despite its failures, foreign aid is indispensable for our nation. We have no choice.

The foreign-aid debate is growing at a time when wealthy nations are being urged as never before to increase their economic and military help to countries hard hit by spreading hunger and chaos.

An international commission headed by former West German Chancellor Willy Brandt said in February that the world faced a "somber future" unless wealthy nations accepted drastic trade and aid reforms. Among its proposals: Changes that would increase aid to developing nations by 50 billion to 60 billion dollars a year by 1985.

Secretary of State Cyrus Vance, testifying in behalf of the administration's proposed 10.5-billion-dollar foreign-aid budget for 1981, told Congress that a beefed-up aid program is essential if the U.S. is to challenge Russia's bid for influence among so-called nonaligned nations of the Third World. "A policy which addresses in their own terms the genuine needs and priorities of Third World nations is a policy which also has the effect of helping us compete effectively with the Soviets," Vance said.

Yet, critics argue that all too often America's generosity has been wasted on corrupt, repressive and unstable governments. In some cases, billions of dollars have gone to countries without producing any noticeable improvements in global stability, living standards or official support for U.S. interests.

Many say that they are particularly discouraged by the explosion of anti-American violence in Iran, which has received some 1.3 billion dollars in U.S. economic and military aid since 1946. "Iran was a classic example of our foreign aid being made as an investment," says Representative Robert E. Bauman (R-Md.). "Then a new government overthrew the old, and we wasted all that money." Adds Representative Don Bonker (D-Wash.): "Iran, if anything, is a statement of how not to support a developing country. We should have relied more on people-oriented programs. We're going to make the same mistake in Saudi Arabia."

Afghanistan, it is argued, fell under Communist rule despite a half-billion dollars in U.S. aid since 1946. In Nicaragua, nearly 300 million dollars in aid bolstered the dictatorship of Anastasio Somoza but failed to make the regime more democratic or to prevent its ouster by leftist insurgents.

Disillusioned over failures and feeling pressure from taxpayers to curb federal spending, Congress since the mid-1970s has reflected increasing skepticism of U.S. aid priorities. "Closer scrutiny has revealed that many aid programs are not advancing U.S. foreign policy and, indeed, are counter-productive to our objectives in some cases," contends Representative Eldon Rudd (R-Ariz.).

Not only have lawmakers routinely cut Carter's administration requests for new spending authority, they have insisted on greater congressional control over the distribution of such money.

Restrictions barring aid to a long and growing list of countries—from Turkey to Rhodesia—have been tacked on to aid legislation. The result: The U.S. effort has become so erratic and inflexible that experts are questioning how long foreign aid can remain an effective instrument of foreign policy.

Special targets of congressional critics are international financial institutions such as the World Bank, through which billions of dollars in U.S. economic aid flows. Financed largely by industrialized nations, these organs make low-interest loans to developing nations for roads, dams and other major projects.

Critics contend that multinational lending groups too often funnel money to governments that are opposed to U.S. interests. For this reason, American participation in such financing should be reduced, they argue. A showdown came last fall when the House voted to cut by nearly a third President Carter's request for 3.6 billion dollars in multinational aid for 1980.

Administration officials, contending that multilateral programs are an important conduit for U.S. aid, have spent much of the past year fighting to kill a House amendment to the still pending 1980 foreign-aid bill. The rider would bar international lending groups from using any U.S. aid for loans to Vietnam, Cuba and other countries deemed hostile to U.S. interests. Only after World Bank President Robert S. McNamara promised to make no loans to Vietnam this year did the House agree to shelve the restriction, at least for now.

Reflecting Congress's deep division over foreign aid: Six months into the fiscal year, the lawmakers still have not appropriated funds to operate aid programs in 1980.

Although both houses approved separate bills last year, differences were so wide that a House-Senate committee set up to draft a compromise remained stalemated until March.

However, with overall federal spending for the year already exceeding the limits set by Congress, the 1980 foreign-aid funding bill is still in jeopardy and may never be enacted. To do so would require raising the budget ceiling—an unlikely prospect in light of the President's call for fiscal austerity. Meanwhile, agencies that administer aid have been allowed to continue spending at last year's levels.

The bill hung up in Congress calls for 1980 aid expenditures of 8.1 billion dollars—about 1.4 billion less than the administration requested.

At the projected 1980 level, U.S. foreign aid would be 0.3 percent of total national income. That compares with 0.7 percent in 1970, and with substantially larger shares of income that nations such as Norway, France, Canada or Britain devote to foreign aid.

About half of U.S. assistance is earmarked for direct economic aid administered through the Agency for International Development (AID). Other major foreign-aid expenditures include subscriptions to multinational financial institutions, military assistance, contributions to international development organizations, the Peace Corps, refugee aid, narcotics control and Food for Peace, which distributes U.S. surplus commodities overseas.

Although the trend in foreign-aid spending has been generally upward since 1946, there have been distinct shifts in the objectives of aid and the pattern of its distribution.

The earliest programs—notably the highly successful Marshall Plan—were aimed primarily at helping war-torn European countries rebuild their economies after World War II. Most aid went to Western Europe, Japan, Taiwan and the Philippines.

Later, in the Cold War era, emphasis turned to mutual security, with more and more money earmarked for military purposes. As economic aid to Western Europe tapered off, new economic and military assistance flowed into Iran, Turkey, India, Pakistan and South Korea. Greece and Yugoslavia continued to get substantial aid.

The pattern shifted again in the early 1960s with the establishment of more programs of direct help to economically weak countries in hopes of making them self-sufficient. Other programs were set up to aid the war-ravaged Middle East and Indo-China.

In 1973, Congress directed AID to shift its effort away from big capital projects and to focus on helping to provide for basic human needs in the poorest countries—those with per capita incomes below $625 a year.

By 1979, U.S. aid reached 102 countries and territories. Of some 13.8 billion dollars spent last year, about half was in the form of grants, the rest loans. The 1979 figure includes an increase of 4.6 billion, mostly military sales credits, provided to Israel and Egypt under the Camp David accords.

For 1981, Carter is asking Congress for an aid package that Vance has labeled "austere in view of the challenges with which we must deal." It includes 4.9 billion dollars for security assistance, 2 billion for bilateral development assistance, 1.9 billion for international financial institutions and 1.6 billion for Food for Peace.

In the wake of Russia's adventurism in Afghanistan, Congress is believed ready—despite the misgivings of many senators and House members—to give the administration additional funds for security-related aid. Asserts a White House aide: "Afghanistan may bring home to people that we have been scaling down security assistance."

Until the administration decided to scrap its own proposal, quick approval had been predicted for legislation to furnish some 400 million dollars in economic and military help to Pakistan, considered a last line of defense against further Soviet adventurism in Southwest Asia. Pakistani President Zia ul Haq reportedly rejected the offer of U.S. help, after contemptuously referring to the amount as "peanuts."

POLITICAL FUROR

In February, the House approved, over strong opposition, a bill authorizing resumption of aid to Nicaragua, which was halted after the Somoza regime was toppled by leftists. Arguing that Nicaragua has become "another Cuba," conservatives demanded restrictions on any U.S. aid, while the administration countered that unrestricted aid was needed to help the Nicaraguan people "resist social turmoil and possible Communist domination." The measure won Senate approval and is awaiting final congressional action.

Congress also is under pressure this year to provide more military aid to other Mideast and Central American nations, and to Turkey and Thailand.

Where will this additional money come from? Many senators and House members are predicting that budget constraints will require Congress to shift funds away from long-term economic aid in order to meet growing demands for security assistance. Also there is a good chance that the President, currently revising his 1981 budget, may lower his requests for development aid, particularly to areas not involved in immediate crises.

Looking ahead, AID Administrator Douglas J. Bennet sees mounting difficulty in convincing Congress and the public that foreign aid is money well spent. Says Bennet: "We will simply have to find a way to accomplish more with less."

RESETTLEMENT OF INDOCHINESE REFUGEES

Country	Resettlements April 1975 to June 30, 1979	Resettlements [1] July 1, 1979 to June 30, 1980	Total resettlements [1] April 1975 to June 30, 1980
Argentina		4, 500	4, 500
Australia	22, 759	14, 000	36, 759
Austria	346	580	926
Belgium	1, 336	2, 062	3, 398
Brazil	37	63	100
Cameroon	3		3
Canada	15, 076	36, 000	51, 076
Denmark	570	800	1, 370
Finland		100	100
France	50, 637	22, 600	73, 237
Federal Republic of Germany	3, 735	12, 000	15, 735
Gabon	4		4
Greece		200	200
Hong Kong	252		252
Iceland		30	30
Iran	47		47
Ireland		200	200
Israel	168	200	368
Italy	256	1, 000	1, 256
Japan	51	500	551
Liechtenstein		20	20
Luxembourg	47	100	147
Malaysia	2, 137	600	2, 737
Monaco		25	25
Netherlands	469	1, 360	1, 829
New Caledonia	38		38
New Zealand	948	1, 200	2, 148
Norway	870	2, 400	3, 270
Paraguay	31		31
Philippines	127		127
People's Republic of China	230, 000	10, 000	240, 000
Spain	1	1, 000	1, 001
Surinam		750	750
Sweden	263	2, 000	2, 263
Switzerland	1, 677	1, 000	2, 677
Taiwan		1, 000	1, 000
United Kingdom	2, 841	10, 000	12, 841
United States	210, 000	168, 000	378, 000
Total	544, 726	294, 290	839, 016

[1] Estimated.

Source: U.S. Coordinator of Refugee Affairs.

ANALYSIS OF FISCAL YEAR 1980 CARE AND MAINTENANCE CASELOAD OF THE UNITED NATIONS HIGH COMMISSIONER FOR REFUGEES

Country	Projected average daily population	Daily care and maintenance cost per capita	Projected daily cost	Total year cost
Thailand:				
Land	168, 000	$0.25	$42, 000	$15, 372, 000
Boat	8, 200	.25	2, 000	732, 000
Malaysia	77, 100	1.00	77, 000	28, 182, 000
Hong Kong/Macau	253, 000	2.00	506, 000	185, 196, 000
Indonesia	90, 700	2.00	181, 000	66, 246, 000
Japan	2, 500	6.00	15, 000	5, 490, 00(
Philippines	11, 300	1.10	12, 000	4, 392, 00(
Singapore	600	3.50	2, 000	732, 00(
Taiwan	4, 300	5.00	4, 000	1, 464, 000
Other	600	5.00	3, 000	1, 098, 000
Subtotal	616, 900		844, 000	308, 904, 000
People's Republic of China	195, 000	.60	117, 000	42, 822, 000
Total	811, 900		961, 000	351, 726, 000
Projected U.S. contribution				[1] 105, 500, 000

[1] Projected U.S. contribution equals 30 percent.

Mr. PRESSLER. Mr. President, as I noted earlier, I am an internationalist and I support the need for an effective foreign aid effort overall. But during my years in the Army and as a student abroad I visited over 40 countries and had an opportunity to observe firsthand some of our aid programs, some of our State Department operations, and other U.S. foreign efforts. Frequently in these programs there is much waste.

Mr. President, I question some of our priorities. We have water projects that we are initiating and financing abroad, either directly or indirectly, that exceed those that we are supporting in our own country. I know that some projects in our own country are controversial, but there are many that are not controversial that would produce and generate electricity and provide irrigation. We must demonstrate more care for some of the responsibilities that we have in this country.

Mr. President, I know what hard work has gone into this budget resolution. Senator HOLLINGS and Senator BELLMON and others should be commended for their skillful leadership. In fact, their leadership to this point has been so skillful that the committee resolution is still intact.

But I do hope my distinguished colleagues will join me in making this very modest change; $200 million less for the international affairs function will not demolish any of the programs contained in this function.

Indeed, most of the cuts can be made in the area of overhead and administration of State AID, ICA, and in contributions to international organizations and banks.

Mr. President, it may be of some assistance to include in the RECORD some information on refugee efforts in recent years. The Interparliamentary Union Conference which I attended as a Senate delegate last month, unanimously adopted a resolution urging more efforts to deal with the refugee problem. This resolution might be used by the administration to get better cooperation from our allies to do a better job in permanently settling, or making citizens of, more refugees. It is not enough that most of them simply renew worker permits—they should naturalize more refugees as we do. I ask that the IPU resolution be included in the RECORD, along with a Foreign Relations Committee report page showing Indochinese refugees resettlement efforts by various countries. We should note that the figures on refugees actually admitted to various countries, and permanent resettlement of political refugees, are not very reliable. We need to have much better information on this score, too.

Mr. President, I ask unanimous consent that this material be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

THE PROBLEM OF REFUGEES: ITS JUDICIAL AND HUMANITARIAN ASPECTS

(Draft resolution unanimously adopted by the Committee on Parliamentary, Juridical and Human Rights Questions)

The 67th Inter-Parliamentary Conference,

Greatly concerned at the massive and continuous increase in the number of refugees and displaced persons throughout the world,

Noting the phenomena and *deploring* the general spread of actions responsible for these massive population movements, such as armed conflicts, foreign interventions and violations of human rights,

Alarmed by the serious decline in the protection of human rights in many regions of the world,

Deeply moved by the numerous losses of human lives and by the physical and spiritual tragedies experienced by these uprooted populations,

Stressing the imperative duty of individuals and States to ensure respect for the fundamental rights of refugees and displaced persons, and particularly their safety,

Considering that the creation of conditions for voluntary repatriation is the most desirable and effective solution to problems of refugees and displaced persons,

Convinced of the absolute need for concerted action by the whole international community to resolve the difficult problems of the legal, physical, political and cultural protection of these millions of individuals.

Aware of the burden placed on host countries by refugees,

Recognizing the need for immediate relief for those in distress, on land as well as at sea,

1. *Affirms* the need for all States to respect the fundamental principles of the granting of asylum and *non-refoulement* set out in the Declaration on Territorial Asylum adopted by the United Nations General Assembly in 1967;

2. *Calls on* all countries to comply with all resolutions of the United Nations on refugees and displaced persons;

3. *Calls on* all countries to accede to the international conventions on the status of refugees, particularly the Geneva Convention of 1951, the 1967 Protocol and the regional conventions on the right of asylum and the status of refugees, and to adopt appropriate

domestic legislation which would make it possible to observe scrupulously the provisions contained therein;

4. *Calls on* States to support the action of the United Nations High Commissioner for Refugees, as well as of other humanitarian organizations acting at the national and international levels;

5. *Notes with satisfaction* the magnitude of the efforts made by some countries for the temporary or permanent acceptance of refugees, as well as the financial contributions received, particularly after the international meetings held at Arusha, Geneva and New York in 1979;

6. *Stresses* that the present situation requires an equitable sharing of obligations and burdens among all the parties concerned: countries of origin, host countries and third countries;

7. *Urges* all Parliaments to approach their respective Governments in order to secure:

(a) Respect for the elementary rules on protection of and assistance to persons in distress;

(b) Increased offers to accept refugees and displaced persons;

(c) Accelerated reunification of families;

(d) An appreciable increase in the financial contributions to action undertaken by the international community, particularly the United Nations High Commissioner for Refugees, in those regions where the situation of refugees and displaced persons is the most tragic;

(e) The establishment and simplification of administrative procedures regarding asylum and determination of refugee status;

(f) Recognition of the right to return to achievement of the necessary conditions for the voluntary repatriation of refugees and displaced persons to their countries and places of origin, with the full and effective guarantee of their fundamental rights;

(g) Integration of refugees, on request, into the social and political life of the host country, while preserving their identity and cultural heritage;

(h) Maximum co-operation with efforts to provide relief to refugees and displaced persons;

8. *Solemnly reaffirms* the absolute necessity for all States to respect the fundamental principles, treaties, and legal obligations governing relations among nations, particularly the peaceful settlement of disputes, the right of peoples to determine their future, without foreign interference, and respect for fundamental human rights, in order to reduce the causes of the scourge currently affecting more than 11 million human beings.

Mr. PRESSLER. Mr. President, this resolution concerning refugees was unanimously adopted by the Interparliamentary Union Committee on Parliamentary, Juridical, and Human Rights Questions, of which I was a member in Oslo, and I believe that it is a very useful document.

The Senate and the American people are on record favoring a balanced budget. Domestic program reductions offered by the President and the Budget Committee in some cases exceeded the cut proposed for international affairs.

Certainly we should put care for our own elderly and care for education and other efforts here at home ahead of foreign assistance. This foreign aid cut would not be as great as many cuts we are making in our own domestic programs.

Never in our recent history have we had such high inflation, such high interest rates, excessive taxation, and at the same time a recession.

It is our strongest feeling, after studying this matter, that significant administrative efficiencies can help to alleviate the mere $200 million reduction sought by the Pressler-Bayh amendment. Also I feel that the passage of this amendment will send a clear signal to our allies and to other prosperous nations in the world that we are entering an era when, although the international financial burdens of the United States will still be borne, we will not continually increase our commitment in light of other countries failing to increase theirs.

Thus, I urge my fellow Senators to support this amendment and to reduce the international affairs budget function for fiscal year 1981 by $200 million, or 2.11 percent, below the level recommended by the Budget Committee.

This is a strong step, but it will provide a clear reflection of the feeling of our people. It will not destroy any programs, but it will send a signal both to our allies and to those nations in need of help that our aid dollars must be spent more efficiently and that we expect more help in shouldering this burden.

This merely will put the brakes on the growth of U.S. spending for international affairs. It will, hopefully, shift more of those obligations to nations which now seek the opportunity to demonstrate their support for U.S. policies through actions, and not mere words.

Mr. President, I wish to assert once again that I do not propose to cut funds which are designed to create conditions of peace in the Middle East. I am well aware of the dangers that would result if this Nation turned its back on that portion of the world. The security of that area rests in large part upon the economic stability of nations of that region.

Mr. President, I ask unanimous consent to print in the RECORD, a memorandum prepared by the American-Israel Public Affairs Committee dealing with the economic needs of Israel.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

ISRAELI ECONOMY

Never in Israel's troubled history has her economy faced such a grave situation. This is reflected in an annual inflation rate of 111 percent in 1979, a deficit in the balance of payments in excess of $4 billion last year and a $15 billion foreign debt in a country with a GNP of only $14 billion (by comparison, that is roughly equal to less than three days' GNP for the United States).

Under a new finance minister, Israel has adopted stern austerity measures that in only a few months have begun showing promising results. These are:

Substantial reduction in foreign procurement by the Ministry of Defense;

A cut in real terms of 6 percent in the budgets of nearly all other government ministries for 1981;

A 6 percent manpower reduction in the public sector and a freeze on construction of public buildings, schools and hospitals, and

Interest rates on loans for home mortgages and development projects will from now on reflect in full the rate of inflation, i.e., the principle owed will increase at the same rate as inflation.

In human terms, this policy means severe restrictions across the fabric of Israeli society. Unemployment will rise, prices for bread and milk and other staples are going up, badly needed school rooms and hospital space will not be built, and a growing population will face an even greater housing squeeze.

Already during 1979 the prices of dairy products were increased fourfold; public transit fares were increased threefold; edible oil prices were increased fourfold, and electricity prices were increased 2.75 times.

The price of a U.S. gallon of gasoline in Israel is more than $2.50. In order to pay for it, the average Israeli has to work 1.2 hours compared to 10 minutes of work in the U.S.A. for the same gallon of gas. Thus it is little wonder that since 1974 average gasoline consumption per vehicle has decreased by 45 percent, 24 percent of that in 1979 alone.

Nevertheless, even these stringent measures cannot change overnight or even in one year Israel's basic problem—its lopsided balance of payments.

For the first time in Israel's history, the price of imported oil will exceed—by far—the cost of defense purchases abroad. The oil bill for 1981 is now estimated to be $2.6 billion, compared to $1.45 billion in 1979 and only $665 million the year before that. Part of this stems from Israel relinquishing the Alma oil fields in the Sinai to Egypt last fall. Israel discovered and developed these oil fields entirely on its own. Now these fields enable Egypt to become an oil exporting nation and greatly improve its own balance of payments position. In 1981 alone, Israel will be paying Egypt an estimated half billion dollars for this oil.

Israel has an extraordinary large foreign debt, largely due to the enormous defense burden it has been forced to bear since birth. One result is that her debt service to the U.S. government in FY 1981 alone will be roughly equal to the total Economic Support Fund assistance it will receive from the United States this year.

If Israel cannot get the foreign currency it needs to finance its deficit, and this will be the case if the U.S. aid level for FY 1981 is limited to the Administration's present proposal, the following consequences could follow:

On the civilian side:

1. Foreign exchange reserves will dwindle to unacceptable levels. This will harm Israel's financial standing and ability to borrow in financial markets and could cause outflows of capital from Israel.

2. The increased risks involved in lending to Israel will result in higher interest rates for all new borrowing.

3. A shortage of foreign currency needed to finance the import of needed raw materials will cause a long period of high unemployment.

On the defense side:

1. Israel will be unable to meet its military import needs as presented in the aid request and acknowledged by DOD experts and reflected in the recent AID report on Israel.

2. The ability of Israel to proceed with the peace process and take new steps in that direction depends on its confidence in its own security. This confidence is undermined, however, if Israel is unable to finance the defense materials it needs at a time when so many of its neighbors are being armed at unprecedentedly high levels by communist and western nations alike.

Total external debt, 1981 (worldwide), $19.15 billion.

Total external debt, 1981 (U.S. Govt.), $8.6 billion; $6.66 billion defense; $1.94 billion civilian.

1981 debt service (worldwide), $2.595 billion. Principle, $1.200 billion.

1981 debt service (U.S. Govt.), $750 million; principle, $200 million; $175 million defense; $25 million civilian.

Interest (worldwide), $1.395 billion.

Interest (U.S. Govt.), $550 million; $507 million defense; $43 million civilian.

Short term debt (worldwide), $.125 billion.

Short term debt (U.S. Govt.), $0.

Long and medium term loans (worldwide), $1.270 billion.

Long and medium term loans (U.S. Govt.), $550 million.

Mr. PRESSLER. Mr. President, may I ask how much time I have remaining?

The PRESIDING OFFICER (Mr. BRADLEY). The Senator has 37 minutes and 30 seconds remaining.

Mr. PRESSLER. Mr. President, I have completed my opening statement and Senator BAYH has made a brief statement.

Mr. President, I ask unanimous consent to add Senator HARRY F. BYRD JR., as a cosponsor of this amendment also.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HOLLINGS. Mr. President, as I pointed out in my opening statement on the resolution, the Budget Committee had a tough job and did as well as it could possibly do. The President had requested $10.1 billion in outlays for function 150, and we cut it back $600 million. So this is $200 million reduction, partly from administrative expenses, sounds innocent, but remember that the $600 million reduction recommended by the committee already includes a cut in administrative costs of 5 percent or $100 million on top of previous reductions from the President's request. The executive branch did request enough in administrative costs to yield the savings sought by this amendment.

Senator PRESSLER would reduce the Budget Committee's recommendation for function 150, international affairs, by $200 million. His "Dear Colleague" letter on this amendment gives two reasons for it. First, he says that his amendment would slow down the rate of growth in outlays for this function without destroying effective programs. Second, he wants to shift more of these international obligations to our allies. Let me take a few minutes to talk about these reasons.

Mr. President, I think that what we should really look into very carefully is how this function has grown. What about the rate of growth in this function?

Senator PRESSLER points out that the outlays increased from $5.9 billion in fiscal 1978 to $9.5 billion in 1981 if the Budget Committee's proposed ceiling is fully subscribed to.

But what are the causes for this growth? Was it foreign aid for programs such as the World Bank and the Agency for International Development? Is that what it is? Or is it for other items such as military assistance to Israel, promotion of American exports, and foreign military sales? An examination of the budget accounts in function 150 shows that very little of the growth between fiscal 1978 and fiscal 1981 was a result of increases in international development programs. So the increases are elsewhere.

Let us look, for example, at refugee programs. Tens of thousands of the Cubans are landing in one State, Florida, right now. About $1 billion may be needed already to take care of the Cuban refugee problem that we did not contemplate in the Budget Committee markup for this function and for the income security function. Before we could contemplate the Cuban problem, imbibe it and take care of it, we find that refugee programs have increased from $100 million in fiscal 1978 to more than $500 million in 1981, with a new problem again at our doorstep. We do not know yet how much will be requested for the Cubans who are fleeing Castro's dictatorship.

I am sure the Senator does not want to go back to fiscal 1978 levels on refugee programs.

What about Public Law 480 food aid? It was $800 million in fiscal 1978, but next year the budget resolution makes room for $1.1 billion. The President and many Members would like to see much more money for Public Law 480 food aid in an effort to raise grain prices a little and develop additional American export markets. I am sure the Senator from South Dakota does not want to roll back the increase in Public Law 480 food aid.

Now, a big chunk of growth comes then from the Export-Import Bank. It goes to American exporters. We have a new initiative for international trade in the Federal Government, practically mandated by Congress. It was instituted by this administration last November and provides a new Under Secretary of Commerce in charge of international trade. He takes over the functions and responsibilities that were under the Departments of State and Treasury and America's Special Trade Representative, Ambassador Askew.

We are also trying to strengthen the Export-Import Bank in an effort to promote American exports and turn around this terrible trade deficit.

For this reason the Export-Import Bank is proposing to spend at least $1.3 billion more in fiscal 1981 than it spent in fiscal 1978. I wish we did not have to subsidize loan rates for American exports, but we are in competition with other countries. As long as other countries offer 5- or 7-percent loans for their products, American exporters will need some help from the Federal Government. I am sure the Senator does not object to the increase for the Export-Import Bank.

The last big area of growth is security assistance. We always think of the national defense function when somebody mentions national security. But we should never forget, Mr. President, that the Budget Committee recommendation provides $3.1 billion in outlays for international security programs. This is money which goes to Egypt, Israel, Turkey, Greece, Portugal, the Philippines, allies, and friends who provide base facilities and help in many ways.

I wish I had the luxury of just standing on the floor and saying that I am for Israel and I believe in the United Nations, then claim that my cuts would not affect them. A Senator can take his own institutions and claim to protect them. Others will protect different programs.

This particular category you can see that any cut of this size could fall on Israel even though it would not be so intended. In fiscal 1981 outlays for Egypt and Israel are expected to be $1.1 billion more than the amount we provided in fiscal 1978. Much of this is associated with the peace treaty between Egypt and Israel. That is the treaty President Carter made possible last year.

Other security programs, such as the foreign military sales trust fund and economic aid to Turkey, will cost $500 million more in fiscal 1981 than they did in fiscal 1978. I do not believe that too many Senators want to cut back on security assistance at a time when the Russians and the Cubans are popping up everywhere we look.

I believe that this accounts then for the $3.6 billion increase in outlays between fiscal 1978 and our recommendation of $9.5 billion for this coming fiscal year 1981.

But let us, Mr. President, take a look at the other objective of the amendment, that is, the distinguished Senator would shift the burden of foreign aid to U.S. allies. What are the merits of this argument?

Americans are generous. We have been unique in world history in helping to restore the economies of defeated foes like Germany and Japan after World War II.

In 1949 we should never forget, at the peak of the Marshall Plan the United States spent 2.3 percent of its gross national product on foreign aid. Many Europeans remember this with gratitude, although some of the youngsters over there do not seem to be as aware of it today. But many Americans continue to believe that we provide a large part of our budget and our GNP for international affairs.

Americans are still generous. Now that the Europeans and the Japanese are back on their feet, and sometimes racing ahead of us, we still provide large amounts of money for international affairs. Of the $9.5 billion in outlays provided for in the committee's recommendation, $3.8 billion is for development assistance, Public Law 480 food aid, and refugee assistance, and another $3.1 billion is for international security programs.

Two things have changed since 1949: Spending for international affairs has dropped from 2.3 percent of the GNP to three-tenths of 1 percent, Mr. President, of our gross national product.

In 1978, the last year the committee has complete statistics on, the United States provided $5.7 billion for foreign assistance, but other countries provided $12.3 billion, or twice as much. Twelve other countries provided a greater percentage of their GNP for public foreign assistance programs than we did. Of course, none of them contributed as much as we did to the cost of military programs to defend the free world.

Still I should emphasize the point, which should be clear to all, that our allies have already picked up much of the burden of foreign assistance, and they must pick up much more of this burden in the future.

Let me summarize my response to Senator PRESSLER's objectives: The growth in spending in international affairs is justified and is not excessive. Our allies have already picked up much of the burden of foreign assistance. The committee, as I pointed out, already recommends a reduction of $600 million from the President's March request of $10.1 billion. The Budget Committee's outlay recommendation for fiscal 1981, $9.5 billion, is $400 million less than the $9.9 billion we believe necessary for fiscal 1980.

Another further point should be emphasized. The President's request is $10.1 billion. There is no way for Congress to live within the $9.3 billion total proposed by this amendment, a reduction from the President's request of $800 million, without reducing programs such as Public Law 480 or the Export-Import Bank, the State Department programs or security assistance to the Middle East.

As the table I placed in the RECORD on May 5 on page 9854 shows, the President's proposal for development assistance, other than Public Law 480 food aid and refugee programs, would result in only about $300 million in fiscal outlays in fiscal 1981.

If there were no new appropriations for the remaining development programs listed in that table, and I am not suggesting that we should cut them all out but I am merely giving an example, then the Pressler amendment would still require cuts of $500 million elsewhere.

Where are we going to find $500 million? As I indicated on May 5, the committee's assumption that current lower levels will prevail for most nonsecurity programs already suggests that some reductions from the President's request will be necessary in Public Law 480 food aid, and in U.S. contributions to international organizations. But current law levels for these programs are less than $200 million below the President's budget.

To live with the amendment then Congress would have to go below the fiscal 1980 level for programs such as Public Law 480 food aid or State Department and consular services or the Export-Import Bank or refugee programs. It just cannot come out of the World Bank or the Agency for International Development. More popular programs, effective programs, Mr. President, must be reduced if we adopt this Pressler amendment.

So I would urge and suggest very strongly to my colleagues that the amendment be rejected.

I yield to the distinguished Senator from New York.

Mr. JAVITS. Mr. President, I will not duplicate, but rather adopt the very fine and potent argument made by my colleague from South Carolina.

Mr. President, I have personally lived with the matter of engendering greater contributions by our allies. And I would like to address myself to that issue, as this represents a very important element in Senator PRESSLER's effort to reduce this particular function.

Might I say, first, to bear out Senator HOLLINGS' point that, although Senator PRESSLER contends that the cut is de minimis, when you analyze the figures, you find that it is a very important cut, which would result in materially embarrassing a good deal of what we wish to accomplish in respect to foreign policy.

And for this reason: Function 150 includes economic, security, and refugee assistance; Exim Bank credits and Public Law 480. Over 67 percent of the 1981 outlays are committed from future year authorizations or involve Public Law 480 or Exim Bank. Only $2.95 billion in 1981 outlays are associated with assistance programs we are presently authorizing, and it is these outlays that the Pressler amendment would affect.

When you deduct from that outlay figure these elements which the Senator and everybody else does not want to see cut—that is, economic support for Israel, Egypt and, the other indispensable programs—we come up with "dispensable" outlays figure of about $700 million. And even that figure would include the very modest amount of funds which we pay for the U.S. contribution to the international financial institutions and the U.N.

So when you take out the items which are noncuttable and deal with the items which might be cuttable, and I stress "might be cuttable," we find that a $200 million cut begins to look more like 30 percent, rather than the 2 percent that Senator PRESSLER cites. Therefore, Mr. President, it is a material cut. That is my basic point.

I would like to reiterate the figure which Senator HOLLINGS so properly gave; with respect to the level of U.S. assistance, when compared to that of the other donor countries: We are way down on the totem pole, No. 14 in percentage of gross national product devoted to foreign aid, roughly speaking, about one-third of 1 percent of our gross national product, as compared with 13 other nations, many of which can afford it a lot less than we and are nevertheless way ahead of us.

Mr. President I would like to deal with the major point which I think the Senator wished to make—the sending of a signal to our allies to share the international burden of foreign aid. I would like to indicate that in terms of the ultimate action which we should take, the Senator has already had considerable success. We wrote into the last foreign aid bill section 126, which reads as follows:

> In recognition of the rapidly growing economic strength and ability to contribute to international development and security efforts of other nations, it is the sense of the Congress that the President should take all appropriate steps to negotiate with those nations with adequate financial resources to provide assistance to increase their contributions for development assistance through multilateral programs as well as through bilateral efforts.

I wish to point out that this has had a very considerable effect, particularly as we have reduced our percentage of participation materially in some of the international institutions down to below the 25 percent level. We have also reduced even further our participation in special funds, like the Witteveen Fund of the International Monetary Fund which was especially designed to deal with the international imbalances resulting from the OPEC oil price increases.

Much of this contribution has been taken up now by the OPEC countries, which without any question should be providing even greater aid. But, in view of their own background and in view of what they know to be our necessity for their cooperation, they have been slower than, in my judgment, they ought to be.

But, after all, the way to bring the other donor countries along is by the constancy of our action, which has had results, and that we would be unwise to give them the excuse that: Well, if we are opting out, why should they not opt out?

Mr. President, the Senator from South Carolina has already made it clear that the Budget Committee pared this function down to the bone and, indeed, it did. The analysis of the figures on each particular item clearly demonstrate that.

But to return again to this matter of our allies' contribution. I have talked this over with the chairman of the Foreign Relations Committee. I am prepared to give the mover of the amendment assurances that we propose to include in the foreign assistance bill, which we are presently marking up, or we will consider very closely a floor amendment by Senator PRESSLER an instruction to the President to provide us a detailed annual report on what our allies are doing with respect to their contributions for foreign aid and other official assistance.

That would include, by the way, refugee assistance. This is a logical extension, I reiterate, to section 126, which Senator PRESSLER, himself, was the author of and to which I have referred.

It seems to me, Mr. President, that in terms of a result—and, of course, this will apply to the OPEC countries as well—the approach I have outlined is the promising course to pursue.

But I think, Mr. President, we would be cutting off our nose to spite our face if, having gone through this same debate in respect of a very major cut two days ago, which would have literally dismantled this program, and which the Senate sided with us, we would turn around and make this small cut. I think we would be very unwise to go for this allegedly small cut but which, when you apply it to the items which are "cuttable" you will find it is really a 25 or 30 percent cut. We would just nullify with one hand what we are trying to do with the other.

So I hope very much, without in any way challenging the good faith or the desire to be constructive by the Senator from South Dakota, and pointing out what I have already said respecting his previous amendment and our purpose to extend it further, that the Senate will reject this particular amendment.

The PRESIDING OFFICER. Who yields time?

Mr. BELLMON. Mr. President, I yield myself 5 minutes.

Mr. President, I fully understand the purpose of the amendment of the distinguished Senator from South Dakota. I can understand why he feels that the foreign aid function is one where, perhaps, some savings are possible .

I would like to say to the Senator, though, that on the Budget Committee there are many who felt as he does that this function can be cut. In all candor, it was very carefully examined for the opportunity to make cuts.

I think he will find that we have been highly responsible in the provision we have made for this function, and that the savings he wants have already been taken into account so far as is realistically possible.

When we look back at what has happened in the last year, we will find that the destabilizing effect of the cut-off of exports of oil from Iran was probably the biggest single element that contributed to the discomfiture of the free world. We have seen oil prices more than double in the last 12 months. I believe it makes us realize that maintaining a stable world is certainly our objective and it is certainly worth some investment, both of our time and of our wealth.

When we talk about stability, we certainly have to take into account the need for stability in the Middle East. The free world gets about 70 percent of its oil from that Persian Gulf area. I think anyone who is realistic will realize we simply cannot fight a war over there and expect to produce oil in the same area at the same time no matter how much military capability we have. There is simply no way that an oil field can operate at the time a war is going on.

So if we are going to have access to that oil we simply must do all we can to maintain the peace of the area. The economic health of the entire industrialized world depends on that oil.

These funds, when you get right down to the nub of it, are largely dedicated to trying to keep peace in the Middle East, and we have a selfish reason, of course—there are more noble reasons—and the basic selfish reason is that we need the oil and they need our help so they can deal with the problems they have and keep the area stable.

The Senator from South Dakota, as is the Senator from Oklahoma, is a farm State Senator. Sometimes we overlook the fact that the greatest market now for U.S. farm products is in the so-called LDC, the developing countries, where we now market more of our cotton, wheat, feedgrains, and soybeans than we do anyplace else in the world. This may be a surprise to some Members of the Senate, but the greatest market now for American farm commodities is not Japan, not Russia, not western Europe, but our greatest market is in the less developed countries.

Much of these funds go to the LDC's, and we are finding out that we get a rich payout on these funds in two ways. First of all, these funds help to reduce tensions in those countries and contribute to the stability of those governments, and, second, as the economies improve, the first desire of the people, of the citizens, of those countries is for better diets and for better living conditions. That results in much greater sales of U.S. products and more jobs for U.S. citizens.

So here, Mr. President, we have what I think is an ideal opportunity. We help others and at the same time we help ourselves. I feel that this is one of the best investments we can make of the U.S. tax dollars both for the near term and for the long term.

I would say again, we have already been very—I almost want to say harsh with this function—that is almost too stern a word—we have already taken out all the excess funds that were there. There is simply no room for a cut such as that recommended by the Senator from South Dakota. The cut he recommends would do enormous harm not only to those who benefit from these programs but to our country as well.

Mr. JAVITS. Will the Senator yield for a comment on something he just said?

Mr. BELLMON. I am happy to yield.

Mr. JAVITS. I hope Members will pay strict attention to the point which I am about to mention in this debate. The Senator pointed out that our principal customers now in exports are the developing countries, among which are the truly developing countries, the really poor countries. This is an extraordinarily new economic fact which we are finding it hard to realize. Forty percent of our exports now go to those countries. They are our biggest customers. What we should do is to be out there building them up. There is plenty of room for us, for Japan, Germany, and everybody else if we ever built them up to remotely what they ought to be.

I really think this is one of the real new keys to the foreign policy of the United States.

Mr. BELLMON. I thank my friend from New York. He is exactly right. There were those who opposed foreign aid initially because they felt it would help these developing countries produce their own foods and that we would lose markets. The exact opposite is true. As they develop, our opportunities for sales grow and both sides benefit.

Mr. President, I yield 1 minute to the distinguished majority leader.

NOMINATION OF EDMUND S. MUSKIE

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that at the hour of 3:30 p.m. today the Senate go into executive session for not to exceed 15 minutes, 5 minutes to be under the control of Mr. Helms, 5 minutes under the control of Mr. Church, and 5 minutes under the control of Mr. Javits, on the nomination of Mr. Muskie. Immediately upon the disposition of the vote the Senate will return to legislative session, following the motion to reconsider and the motion to table, and then notifying the President, but over all not to exceed 15 minutes.

Mr. STEVENS. Reserving the right to object and I shall not object, we have cleared this with the Senator from New York and the minority leader. This does apply to waiving some of the rules with regard to nominations. Under the circumstances, I have no objection.

Mr. ROBERT C. BYRD. Mr. President, I thank the distinguished acting Republican leader.

I ask unanimous consent that all Senators may have until the close of business today to insert their statements as in executive session on the nomination.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD subsequently said: Mr. President, I forgot a moment ago to express my thanks to the distinguished minority leader for his assistance in clearing the nomination of Mr. Muskie for action by the Senate today. I inadvertently overlooked that, so I express my thanks to him now.

Mr. President, I ask unanimous consent that it be in order now, as in executive session, to order the yeas and nays on the nomination of Mr. Muskie.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. ROBERT C. BYRD. I thank the distinguished Senator from Oklahoma for yielding.

FIRST CONCURRENT BUDGET RESOLUTION

The Senate continued with the consideration of the first concurrent budget resolution.

Mr. PRESSLER. Mr. President, I summarize briefly by answering some of the points which have been raised.

I commend the Senator from New York for his fine work in the area of international relations. We junior Members of the Senate look to no other Senator in the area of foreign relations with greater respect than the Senator from New York.

Let me also thank him for his work on an amendment which I sponsored last year and which he supported. The amendment asked the President to ask the other nations to help out more with some of the international problems which affect us all. Indeed, I previously mentioned that I was not fully satisfied with the administration's report. I felt that a formal letter or request should be sent to the various nations. We attached that amendment not only to the Middle East agreement, which I strongly support, but also to one other bill last year. The report from the State Department and the President was too brief. The administration has let it be known that it urges other countries to help out, but there is very little evidence to support such a claim in the report.

I thank the Senator from New York for his generous offer, and we shall pursue it, irrespective of the fate of this amendment. We must try to get more specific figures on what countries are really doing in this area.

One frustration I had in getting prepared to go to the recent Interparliamentary Union meeting was to get some reliable concrete figures on others' assistance levels and permanent residency or naturalization policies concerning refugees and migrant workers.

That is what I want from the White House. I should think that this information would be readily available. We must begin telling our people more accurately what is going on in foreign aid.

The incoming chairman of our Committee on the Budget made some excellent remarks, but I should like to point out in partial response that foreign aid spending in 1980 is 29 percent above the level of 1979. That is an amazing increase compared to what we have been doing in some of our domestic programs.

The distinguished Senator from New York said we have a responsibility to build up the lesser developed countries and we do. I have worked in less developed countries. But I have observed that, too often, our aid goes to the top 5 percent of the people in those countries and the United States frequently gets no credit from the general population for it.

My amendment certainly does not advocate cutting off any programs. It does not even advocate any substantial reduction in any of them. We can help less developed countries better with a more effective foreign air program, one that is more multilateral in nature.

Indeed, this reduction would be a signal to the State Department, to AID, to the various international banks, and to others to begin using that money for more developmental type purposes and not merely charity for the top leadership of the recipient countries. The top 5 percent of the people in some of those countries are making a smaller contribution financially to their own country than are middle class taxpayers in the United States.

It was mentioned, perhaps because I am a representative of a farm State and and advocate of Public Law 480, that this amendment might mean a reduction in grain prices. I do not believe it will. Reductions can be made in administrative overhead costs. But it always intrigues me that when the price of grain drops, even as much as a 50 percent drop, we seem to be delivering only the same number of Public Law 480 bushels. Is the surplus money then used in other portions of the foreign aid programs? Our farmers are certainly not getting paid the kind of per-bushel payment anticipated in many of these programs. That is a point of great curiosity to me.

I am a strong supporter of the Public Law 480 program and will remain so. The distinguished chairman of the Budget Committee went through his various points and asked, do we want to reduce this, do we want to reduce that? Indeed, none of these programs would have to be reduced in a major way. We have calculated this reduction to achieve greater administrative efficiency. It is a very small, 2.11-percent reduction.

To conclude my response, Mr. President, I again commend my friend, the distinguished Senator from New York. My staff and his staff have talked recently to find a way to obtain more specific indication from the President as to what other nations are doing. I believe strongly that we must bring this matter to a vote to express the will of the Senate in this important area. I think we need to make this reduction, to send this signal to our allies and the world. We need also to send it to some of our own agencies and to the White House.

I say we need to pass this amendment to send a signal to the President that his requested increase is too large—let me remind the Senate, it was a 29-percent increase in 1980 over 1979. What domestic program of ours can claim a 29-percent increase? We are asking the elderly to cut back, we are asking education to cut back. We have not fully funded maintenance costs at many of our military installations. I recently visited one of our Air Force bases and found the conditions, in terms of equipment and housing, in a deplorable state.

I yield back my time unless somebody wishes to use a portion of it.

The PRESIDING OFFICER. Is all time yielded back?

Mr. HOLLINGS. Does the Senator from New York want time?

Mr. JAVITS. Yes, 1 minute, Mr. President.

Mr. HOLLINGS. I yield 1 minute to the Senator from New York.

Mr. JAVITS. Mr. President, the signal, unhappily, will not be the right signal, because our allies are just waiting for that kind of signal in order to cut back their own aid program. We shall be whistling in a graveyard on that basis, in terms of getting any more out of them. The Budget Committee has been over this with a fine-tooth comb and they were certainly out there to cut, not increase this function. I need not remind the Senate, that after all, the incoming chairman of this committee himself was the most desirous of cutting to allow the maximum room for defense.

The important point is that the signal will not be the right one. I believe that the best signal in terms of getting more out of our allies which, is to follow the course already pledged to him by Senator CHURCH and myself.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the amendment. The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Alaska (Mr. GRAVEL), the Senator from Massachusetts (Mr. KENNEDY), and the Senator from Maine (Mr. MUSKIE) are necessarily absent.

Mr. STEVENS. I announce that the Senator from Tennessee (Mr. BAKER) is necessarily absent.

The PRESIDING OFFICER (Mr. HEFLIN). Are there any other Senators desiring to vote?

The result was announced—yeas 48, nays 48, as follows:

[Rollcall Vote No. 101 Leg.]

YEAS—48

Armstrong
Bayh
Bentsen
Burdick
Byrd, Harry F., Jr.
Cannon
Cochran
DeConcini
Dole
Eagleton
Exon
Ford
Garn
Goldwater
Hart
Hatch
Hatfield
Heflin
Heinz
Helms
Humphrey
Jepsen
Laxalt
Long
McClure
McGovern
Melcher
Morgan
Nelson
Nunn
Pressler
Proxmire
Pryor
Randolph
Ribicoff
Roth
Schweiker
Simpson
Stennis
Stevens
Stewart
Stone
Talmadge
Thurmond
Wallop
Warner
Young
Zorinsky

NAYS—48

Baucus
Bellmon
Biden
Boren
Boschwitz
Bradley
Bumpers
Byrd, Robert C.
Chafee
Chiles
Church
Cohen
Cranston
Culver
Danforth
Domenici
Durenberger
Durkin
Glenn
Hayakawa
Hollings
Huddleston
Inouye
Jackson
Javits
Johnston
Kassebaum
Leahy
Levin
Lugar
Magnuson
Mathias
Matsunaga
Metzenbaum
Moynihan
Packwood
Pell
Percy
Riegle
Sarbanes
Sasser
Schmitt
Stafford
Stevenson
Tower
Tsongas
Weicker
Williams

NOT VOTING—4

Baker
Gravel
Kennedy
Muskie

So the amendment of the Senator from South Dakota (No. 1701) was rejected.

Mr. HOLLINGS. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. BELLMON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

(The following occurred later:)

Mr. STONE. Mr. President, I ask unanimous consent that my "no" vote on the Pressler amendment be changed to "aye." It will not change the outcome.

The PRESIDING OFFICER. Is there objection?

Mr. HEINZ. Mr. President, reserving the right to object, what vote is that?

Mr. STONE. On the Pressler amendment.

Mr. ROBERT C. BYRD. It does not change the outcome.

Mr. PRESSLER. Mr. President, was that vote 49 to 47?

The PRESIDING OFFICER. The vote was 47 yeas, 49 nays. This will make it 48 yeas, 48 nays. The measure will still be defeated.

Without objection, it is so ordered.

(The above tally has been changed to reflect the foregoing order.)

AMENDMENT NO. 1702

(Purpose: To gradually reduce budget authority and outlays for United States NATO base operating support costs (also reducing public debt growth))

Mr. PRESSLER. Mr. President, I call up amendment 1702 and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from South Dakota (Mr. PRESSLER) proposes an amendment numbered 1702.

Mr. PRESSLER. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 2, line 17, strike out "$687,900,000,000" and insert in lieu thereof "$687,600,000,000"; on line 18, strike out "$759,300,000,000" and insert in lieu thereof "$758,700,000,000"; and on line 19, strike out "$831,500,000,000" and insert in lieu thereof "$830,300,000,000"; on line 22, strike out "$612,900,000,000" and insert in lieu thereof "$612,700,000,000"; on line 23, strike out "$687,200,000,000" and insert in lieu thereof "$686,600,000,000"; and on line 24, strike out

"$753,500,000,000" and insert in lieu thereof "$752,400,000,000".

On page 3, line 9, strike out "$927,800,000,000" and insert in lieu thereof "$927,600,000,000"; on line 10, strike out "$953,800,000,000" and insert in lieu thereof "$953,000,000,000"; and on line 11, strike out "$968,700,000,000" and insert in lieu thereof "$966,800,000,000"; on line 15, strike out "$32,700,000,000" and insert in lieu thereof "$32,500,000,000"; on line 16, strike out "$26,000,000,000" and insert in lieu thereof "$25,200,000,000"; and on line 17, strike out "$14,900,000,000" and insert in lieu thereof "$13,000,000,000".

On page 4, line 6, strike out "$173,400,000,000" and insert in lieu thereof "$173,100,000,000"; on line 7, strike out "$155,700,000,000" and insert in lieu thereof "$155,500,000,000"; and on line 10, strike out "$204,500,000,000" and insert in lieu thereof "$203,900,000,000"; on line 11, strike out "$183,100,000,000" and insert in lieu thereof "$182,500,000,000"; on line 14, strike out "$233,900,000,000" and insert in lieu thereof "$232,700,000,000"; and on line 15, strike out "$208,600,000,000" and insert in lieu thereof "$207,500,000,000".

Mr. PRESSLER. Mr. President, I have long been concerned with the fact that the United States is bearing a much greater burden than some of our NATO allies and the Japanese in the world security community. I have observed that some of these nations are almost equally prosperous in some cases and by some quantitative measure more prosperous than the United States.

It seems that the United States is providing a security blanket for our friends in NATO and the Japanese. We do have great responsibilities, and we will meet those responsibilities. But increasingly, the question is being asked, should the United States do so much of this alone?

I recently had the privilege of visiting our NATO base in Iceland, where we bear almost 100 percent of the cost of that installation.

The PRESIDING OFFICER. Let us have order.

The Chair is having difficulty listening to the Senator.

Mr. PRESSLER. Mr. President, I do not see my amendment or my efforts in any way as punitive, nor in any way weakening our defense, but rather as a signal to our allies in Europe and Japan and elsewhere that the U.S. taxpayers are becoming increasingly concerned about the level at which we are spending.

Indeed, in 1977 Japan's expenditure for defense per citizen was $54; in 1978 it was $74. France spent $254 per person in 1977 and $325 in 1978. West Germany spent $271 and $337. Great Britain spent $214 and $239 per person in those years. But the United States spent $480 per person in 1977 and $517 per person in 1978.

In other words, our taxpayers are being asked, and have done so willingly, to contribute to defense programs throughout the world to protect other countries that are beginning to exceed our own prosperity. This is causing us to reassess our priorities.

The last amendment that I offered, relating to a reduction in foreign aid, failed on a tie vote, and would have passed but for a few changes in votes before final tally. It could have well gone the other way.

I do think that vote and the amendment at hand should be a clear signal to our allies and to the President and to the State Department and to our Defense Department that we should be more aggressive in asking some of our allies and Japan for help in defending world peace and prosperity.

I cite an article by Kenneth L. Adelman in the March 27, 1980, Washington Post in support of the view that Japan should and could find a way to increase its combined aid and defense effort. Adelman argues that Japanese reluctance about increased military spending on their own behalf could be compensated for by substantial increases in real development assistance, thus lessening that burden on U.S. taxpayers, and/or by assuming more of the $1.2 billion spent annually on the maintenance of U.S. forces stationed in Japan. Adelman says that the current sharing of these expenses could be shifted to put more of the expense on Japan. This seems only fair in view of the facts that those American forces are on the frontlines of Japanese defense and that Japan currently spends only 0.9 percent of GNP on defense.

The United States spends over 5 percent of its GNP on defense, and this share of GNP is not going to change even with some substantial increases in fiscal year 1981 over the President's budget request. According to Defense Secretary Harold Brown, however, our European allies' defense spending averages about 3.5 percent of GNP. They have been improving their efforts in recent years, but they still have a way to go to reach an equitable level of burden-sharing. Secretary Brown, in his February 27, 1980, testimony to the Budget Committee stated the following facts: First, DOD calculations of combined NATO defense spending in 1979 reached $213 billion; second, the U.S. share of this spending was $118 billion, or about 55 percent.

The question is being asked why the United States should sacrifice domestic human needs, and some of our own defense needs, while the percentage of GNP spent on combined defense and foreign development and security assistance by our allies is so much lower than our combined effort as a percentage of GNP, or on a per capita basis?

Last summer during Senate consideration of the Middle East peace special security assistance package for Israel and Egypt, which I supported, I offered an amendment, which was adopted and has been described earlier this afternoon, to ask the President to negotiate with our prosperous allies to increase their development assistance efforts in the Middle East. I was very disappointed to receive only a sketchy response from the administration when I checked to see what steps had been implemented under this amendment.

I had thought that in response to the clear mandate by Congress the President would have sent letters or consulted in a major productive way with the various other nations that are as prosperous or more so than ourselves.

Mr. President, I ask unanimous consent to have printed in the RECORD a table from the July 1979 GAO report to Congress on NATO's defense program. This table shows the Department of Defense analysis of the cost of U.S. commitments to NATO in fiscal year 1979 budget.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

The cost of NATO commitments in the fiscal year 1979 budget

[costs $ billions]

A. Forces committed to NATO. Includes general purpose forces and support elements forward-deployed in Europe and general purpose forces that are ready to rapidly deploy to counter Soviet aggression—currently planned for the European theater crises. The latter are mainly based in the U.S. and in general would be withheld from deployment to contingencies elsewhere	40.5
B. Multipurpose forces. Includes general purpose forces that would be used in a NATO conflict, based upon current Defense Department planning, but could be available for conflicts in other areas; Strategic Reserves, Strategic Forces, Intelligence and Central Communication activities	64.2
C. Forces for other contingencies. Includes the remaining general purpose forces, which are mainly forward-deployed in other regions of the world to meet the needs of other contingencies. These forces would all be involved in the general conflict with the USSR which would accompany the outbreak of hostilities in Europe—they could be redeployed to Europe or may engage the USSR in some other area	11.1
D. Unallocated costs. Includes DoD retired pay	10.2

SOURCE.—Department of Defense. Assistant Secretary (Program Analysis and Evaluation).

Mr. PRESSLER. Mr. President, the distinguished former Under Secretary of State, George Ball, spoke in London on March 17 of this year on the need for U.S. allies to spend more on defense. He suggested that Japan should build two aircraft carriers for the United States at their expense.

In May 1978, the NATO Defense Ministers agreed on a long-range NATO defense improvement plan. The plan included a commitment by all partners to substantial increases in defense spending. It should be noted, however, that in 1970 that same group adopted a long-range plan of improvement for the 1970's and many of the points in that 1970 plan are repeated in the 1978 NATO Defense Ministers' promises. We are getting nowhere while Warsaw Pact forces have been greatly enhanced in the past decade.

In 1982 cruise missiles will be deployed in the European theater. In the meantime, all NATO partners need to do more in the area of defense spending—and the same applies to Japan.

The marks I suggest would require other NATO partners to absorb more of the cost of operating and supporting U.S. bases in their countries. We would continue to supply the necessary fuel for Air Force and Army operations, but our allies can well afford to pay the cost of certain items and operating support expenses. We would continue to pay most of the U.S. bases' operating expenses.

The purpose of this amendment is to decrease the U.S. share of U.S. base operating support costs in Japan and the European NATO nations. You will note on page 49 of the committee report that the Budget Committee endorses the principle that our prosperous NATO and Japanese allies should assume more of our base operating support costs in their countries. The amendment would have Japan and our NATO partners absorb more of these costs.

Mr. President, I was present in the Budget Committee and I offered, along with Senator Riegle, that language to put into the Budget Committee's report to serve notice, to send a signal to some of our prosperous allies that we would like them, very frankly and bluntly, to pay more of the share.

I noted strong allied support for higher defense efforts by U.S. allies while attending the 80-nation Interparliamentary Union meeting in Oslo, Norway, and the Ditchley Foundation's annual Legislators' Conference on NATO's future held at Ditchley Park, England, during the Senate's Easter recess. Administration bilateral consultations with the allies should be able to produce revised status-of-forces agreements on this change for the following reasons:

First. The allies have not been as supportive of U.S. policy toward the Soviet Union and Iran as we would like. Yet, there are indications that they are seeking ways to support us through other suitable actions, and not mere rhetoric, which do not compromise their respective definitions of their own national interests. This amendment would make available to them an affordable and significantly useful demonstration of allied unity and resolve vis-a-vis Soviet imperialism, the Iranian violation of international law, and the clear need to strengthen allied defense efforts.

Second. U.S. defense spending as a percentage of GNP is now about 5 percent, greatly exceeding Japan, less than 0.9 percent and the NATO average of 3.5 percent of GNP. Yet GNP per capita of several of these countries approximates or even exceeds U.S. GNP per capita. Thus, they can afford to commit larger amounts to mutual defense efforts which protect their interests as much as our own.

Third. The Budget Committee recommendation provides for an increase in national defense of $38 billion over actual fiscal year 1979 spending and $21.7 billion over estimated fiscal year 1980 spending. The increase from fiscal year 1980 to the fiscal year 1981 recommended level is 5.7 percent in real growth terms, exceeding the 5 percent real growth target commitment made last year by many Senators, including me. It also far exceeds the now unrealistically low 1977 NATO allies commitment to a 3 percent real growth.

And even that 3 percent real growth level is not being met. Indeed, I have learned that less than a 1.4 percent real growth increase in defense spending by our NATO allies is being met, and I clearly think we should send a vivid message that we are not satisfied with that effort on the part of our prosperous allies both in NATO and Japan and elsewhere in the world.

Thus, my proposed reduction of $200 million would still have leave a defense outlay of $155.5 billion, real growth of over 5 percent, and nominal growth of over 16 percent.

Fourth. Adoption of the amendment would establish a specific U.S. target for the allies which could make it easier for their national leaders to persuade their respective publics that the 3 percent NATO defense real growth commitment must be met or exceeded.

My preference would be to transfer the $200 million from Japan and NATO base operating support costs to other operations and maintenance needs within the defense budget, rather than reduce the functional total by that amount. However, Senate floor procedure on the Budget Resolution will not permit such an intra-functional transfer. I would prefer to see even more than an additional $200 million go into the reduction of the huge backlog of base maintenance and repair needs at U.S. Air Force and other military installations within the United States.

The condition of many of our bases here at home will reach slipshod proportions if a significant infusion of maintenance and repair funds is not made during the next fiscal year and following years. Our allies can afford to absorb $200 million more in base operating support costs in fiscal year 1981, and progressively more in future years.

Mr. President, I ask unanimous consent to have printed in the Record an editorial on military pay from the March 21, 1980, Rapid City (S. Dak.) Journal.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

Military Should Be Adequately Compensated

> The budget-balancing exercise the Carter administration is going through may well add to the most pressing problem the armed services face—retaining experienced personnel.
>
> The original 1981 budget proposal didn't contain adequate funding for military personnel, operations and maintenance costs. Those funds could be further trimmed as the Defense Department's contribution to austerity.
>
> None of the branches of the armed forces is retaining more than six out of ten of its personnel after their second term of service. The declining re-enlistment rates among non-commissioned officers have resulted in a shortfall of about 74,000 people affecting every branch of the service, particularly the Army.
>
> Cost of this attrition is enormous. It may take 10 years and as much as $150,000 to train a replacement for an aviation mechanic on a B52 bomber at Ellsworth Air Force Base.
>
> The reason the all-volunteer force concept is not working, both in terms of attracting new recruits and retaining them, is an unwillingness on the part of the government to pay them enough. Pay for military jobs has been held down by linkage to more popular civilian civil service jobs and by anti-inflationary pay caps.
>
> Over the past seven years, the purchasing power for all military personnel declined an average of more than 14 percent with some grades slipping almost 25 percent behind the rate of inflation. The average compensation for an enlisted man is currently $9,900 a year which is below the government-defined "lower" standard of living level for a family of four. At least 100,000 and possibly as many as 275,000 military families may be eligible for public welfare assistance such as food stamps.
>
> Military pay scales never have equaled those of private industry. But lower PX and commissary prices, housing allowances and free health care supplemented cash income. However, some of these perquisites now have been reduced or eliminated and the value of others eroded by inflation.
>
> The Senate has addressed the retention problem in a bill that targets $3.2 billion over the next five years into key areas such as re-enlistment bonuses, housing subsidies, flight and sea pay. The measure, opposed by the Carter administration, is now in the House of Representatives. It should be passed.
>
> Even if the peacetime draft is re-established, the problem of retaining experienced personnel would remain. To retain the skilled servicemen and women this country must have to maintain and operate sophisticated weaponry and support equipment, the armed services must be able to compete for talent with the civilian market. Further, those who choose the armed forces must be compensated enough so they can live with security and dignity.

Mr. PRESSLER. The editorial clearly states the problem which Senators Domenici, Armstrong, Hatch, Hollings, and others in this Senate, including me, have been making. Military pay today is inadequate to maintain effective, qualified volunteer forces.

Mr. President, I would like, before concluding, to quote from a speech by the Under Secretary of Defense for Policy, Mr. Robert Komer. He has spoken to the allies several times. In February he spoke in Munich on the future of the alliance. I would like to include in the Record a brief excerpt from Mr. Komer's address. Mr. Komer said, in part:

> The future of the Alliance will depend critically on how well we respond collectively to these challenges. I emphasize "collectively"—and not just because I have long been an apostle of coalition defense. I do so because the gravity of the security problems we confront in the 1980s makes a greater collective security effort strategically imperative. The first requisite is increased defense spending—not a one-time reaction but a steady and consistent multi-year buildup of combined defense strength.
>
> The U.S. at least is rising to this challenge. We will raise defense obligations almost 5 percent per year in real terms 1981–85. We will: (1) preserve nuclear deterrence via nuclear equivalence, with or without SALT II or III; (2) maintain our control of the seas; (3) improve our contribution to Europe's defense; and (4) greatly enhance our capabilities to respond rapidly to threats in East or Southwest Asia. If this takes more funds than are currently being programmed, I am confident we will provide them. Whether our Allies will join us in this effort is a question central to the Alliance's future. For a long time Europe has not borne the proportion of the common defense burden which would seem warranted by its political stake and economic growth. Japan has done even less. This was understandable when Europe and Japan were recovering from the ravages of World War II. Does it any longer adequately reflect the balance of mutual interest or that of our

> comparative economic strength? Indeed, we Americans are increasingly asking whether Europe is as interested in its own defense as is the United States or perceives the same threat.

Mr. Komer continued:

> Nor is the collective burden difficult to support if we have the collective will to do so. While Soviet defense spending has far outstripped the U.S., NATO spending as a whole is still comparable to that of the Warsaw Pact. In strong contrast to the USSR, we Americans are blessed with mostly well-to-do Allies. And if one adds to NATO's total the prospective defense outlays of Japan, South Korea, and other U.S. Allies, we not only outspend the Soviet Bloc but maintain larger forces under arms.

Mr. President. Mr. Komer concluded:

> But the problem is more complex than this simplistic comparison would suggest. If one looks at outputs—guns, planes, tanks, ships—instead of inputs, the USSR is still out-investing NATO and spending much more on R&D. It is doing so more efficiently too. The USSR and its client forces have a much higher degree of standardization and interoperability—doctrinal and logistic as well as in equipment—than do the heterogeneous forces of NATO and other Allies. There is far more wasteful overlap and duplication in Allied defense establishments than in those of the Soviet Bloc. Herein lies a critical weakness. We do not receive a proportionate return in on-line strength from all the dollars, deutsche marks, francs, pounds, and even yen we collectively spend.
>
> Thus greater "Alliance Cooperation," as NATO calls it, is the second indispensable requisite of adequate defense. Indeed, we Americans see it as the only viable avenue to credible NATO deterrence/defense in the turbulent 1980s at a cost which free societies can readily accept.
>
> Despite all the deep-seated obstacles to more intimate cooperation, can we any longer afford not to overcome them in the turbulent Eighties? Here is the second question crucial to NATO's future. If NATO continues to give mostly lip service to "Alliance Cooperation," I fear for its future viability. The reason I say this is because NATO's current conventional deficiencies are so great, and the continuing growth in Warsaw Pact capabilities so menacing that only through greater cooperation—as well as greater efforts—can we reasonably hope to cope with the threat.

So I think this is very significant coming from the Under Secretary of Defense, Mr. Komer. Incidentally, I served with him many years ago, and I think his judgments in this area of defense are generally very sound.

Mr. President, let me conclude by saying that the purpose of this amendment is not to be disruptive in any way to our defense operations. It is merely to send a signal that there will be a very slight decrease in the U.S. share in the base operating costs in Japan and NATO nations. I would cite page 49 of the Budget Committee report which endorses this principle and, indeed, this puts some teeth into that principle.

I have found that without some kind of a financial action very little is done. I cite, at least, the example of what happened last year with our amendment, asking the President to request our allies for more help.

The allies have not, in my view, been as supportive of the U.S. policy as we would like. Of course, that is their decision. But the point is we are holding together a mutual defense network, and our portion of it is much higher than that of our prosperous allies.

The Budget Committee recommendation provided for an increase in national defense of $38 billion over actual fiscal year 1979 spending and $21.7 billion over estimated fiscal year 1980 spending. The increase from fiscal year 1980 to the fiscal year 1981 recommended level is 5.7 percent in real growth terms, exceeding the 5 percent real growth target commitment made last year by many Senators, including myself.

It also exceeds the now unrealistically low 1977 NATO alliance commitment to a 3 percent real growth. Thus, my proposed reduction of $200 million would still leave a defense outlay of $155.5 billion, real growth of over 5 percent, and nominal growth of over 16 percent.

But, more importantly, the adoption of the amendment would establish a specific U.S. target for the allies which could make it easier for their national leaders to persuade their respective publics that the 3 percent NATO defense real growth commitment must be met or exceeded.

So, Mr. President, with that I conclude my initial remarks on my amendment. I think that Senator RIEGLE wanted to speak on it. I would like to preserve Senator RIEGLE's option to speak on it, if I still have time.

Mr. HOLLINGS. We can withhold, Mr. President, if the Senator will withhold, we can withhold and allow him to be heard.

Is it the Senator's intent to pursue it to a vote?

Mr. PRESSLER. Mr. President, my present intentions are not to pursue it to a vote, but I would like to discuss it with Senator RIEGLE who has supported this matter in principle.

Is it possible that we are going to carry over at 3:30?

Mr. HOLLINGS. We will have to carry it over until after we have the distinguished Secretary's confirmation vote.

Let me only say, if the Senator will yield only for a minute, that while we agree in principle that there should be greater contribution by our allies—and I will detail it out when we have sufficient time, detail specifically how they have supported, for example, President Carter's initiative to increase defense spending—there is no procedure for accomplishing this goal. In other words, you would have to adopt that procedure, you would have to come before Congress, both bodies, or at least change the status-of-forces agreement with the allies, so you would not chastise an ally for adhering to an agreement, to say, "Here we have it and we are doing what you say we should do and you have given us the very dickens for it."

This thing is to be negotiated between the governments, and certainly with the Committee on Foreign Relations on both sides, and I will elaborate on that point after the hour of 3:30.

EXECUTIVE SESSION

The PRESIDING OFFICER. Under the previous order, the hour of 3:30 having arrived, the Senate will go into executive session to consider the nomination of the Honorable EDMUND S. MUSKIE to be the Secretary of State, which the clerk will report.

NOMINATION OF EDMUND SIXTUS MUSKIE OF MAINE TO BE SECRETARY OF STATE

The assistant legislative clerk read the nomination of EDMUND SIXTUS MUSKIE of Maine to be Secretary of State.

The PRESIDING OFFICER. Under the previous agreement, 5 minutes has been allotted to the Senator from North Carolina, Mr. HELMS; the Senator from Idaho, Mr. CHURCH; and the Senator from New York, Mr. JAVITS. The yeas and nays have previously been ordered.

Who yields time?

The Senator from Idaho is recognized.

Mr. CHURCH. Mr. President, I yield myself such time as I may require of the 5 minutes allotted to me.

Mr. President, we are being asked today to advise and consent to the nomination of EDMUND MUSKIE to be the Secretary of State. Speaking for myself—and I suspect for nearly everyone in this Chamber—there can be no more welcome request.

ED MUSKIE has been a friend and colleague for many years. He is a Senator whose judgment and sense of duty I respect highly. Now the President has asked Senator MUSKIE to take on heavy new responsibilities at a time when the country cries out for sound leadership and a consistent, understandable statement of national purpose in our foreign policy.

As I noted at the hearing held by the Foreign Relations Committee this morning, Senator MUSKIE has been nominated to become our Nation's 56th Secretary of State. Of his predecessors in that office, 28 have come from the Senate and of those 28, 19 have come from the Foreign Relations Committee.

Cordell Hull, chosen from the Senate, served as our Secretary of State during World War II and James Byrnes, also chosen from the Senate, served during the initial phases of the cold war. Now Senator MUSKIE has been called to the post at a moment in history that is also fraught with danger.

In moments of peril and international tension, we have a healthy tendency in this country to draw together, not as Republicans or Democrats, but as Americans. I urge my colleagues today in the Senate to unite in this same spirit and to support the nomination of their colleague, ED MUSKIE.

I can think of no man better equipped to pursue the process of consultation that can unite the executive and legislative branches of government in common purpose in these times of need.

Mr. President, at the confirmation hearing this morning, ED MUSKIE made an opening statement encompassing his general views and the approach he intends to take in his new responsibilities.

I think it would be most appropriate that that statement appear at this point in the RECORD. Mr. President, I ask unanimous consent that Senator MUSKIE's statement be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the Record, as follows:

Statement of Senator Edmund Muskie

Mr. Chairman and members of the Committee: Lengthy opening statements at confirmation hearings have not been our practice. I will not begin a new tradition today.

Let me begin with a basic point: I believe now, as I believed a week ago, that the Congress must be a full partner in designing our international posture and must be fully informed on its implementation. The Administration, the nation, and our foreign policies are the stronger when the Congress is consulted before major policy decisions are made, and during the course of major negotiations.

This is the first of what I expect to be many discussions with this Committee. I look to Capitol Hill—to my colleagues and friends here—for guidance as well as support, for suggestions and healthy challenge.

I also want to take a moment to offer some general views—on our foreign policy . . . on the role of the Secretary of State . . . on the connection between our international posture and our condition at home.

We are a nation of great power. Our actions and decisions have global effects. For our own people, for our friends around the world—and for those who are not our friends—our fundamental course must always be clear.

I have brought no detailed new blueprint to this hearing. Only days ago I was seated on your side of this room.

In the days ahead I will be carefully reviewing all significant elements of our international posture.

Presumably I will recommend to the President that we adjust some old policies and assert some new initiatives.

But I can certainly state this much now: I would not be here if I did not support the central elements of the foreign policy now in place—the policy that has been fashioned by President Carter and Secretary Vance.

While there may be changes, there will also be continuity. Our nation's foreign policies will continue to serve our nation's interests—the same interests that previous administrations and previous Secretaries of State have sought to defend and advance.

Let me begin with my fundamental beliefs.

I believe in strong American defenses. We must maintain the military balance. We must continue to modernize all elements of our defense forces. Dollars spent on defense, as in any other area, must never be dollars wasted.

I believe in strong alliances—in our collective defense, in continuing to strengthen our forces, in consulting regularly and with trust.

I believe in a firm and balanced policy toward the Soviet Union. The search for common ground has been disrupted not by American preference but by Soviet action. While aggression continues we must not relent in imposing a heavy price. As Soviet policies allow, we must never be blind to opportunities to work for peace.

I believe that balanced arms control agreements fortify our security. The SALT II agreement is no gift to our rivals; it can serve our own interests by limiting the threats we face.

I believe in a positive diplomacy of active engagement. It is in our interest to work for peace in troubled areas, especially the Middle East. It is to our advantage to improve our relations with nations which have interests in common with us—including many whose views and values differ from ours. We must build our new relationship with the People's Republic of China. We must continue to broaden our ties to the nations of the Third World and of Eastern Europe.

And I believe that America must stand for human progress. Our freedom and rights are more secure when freedom and human dignity are advanced around the world. Our own economy is strengthened by the economic progress of others. We must lead international efforts to surmount an international energy crisis and its consequences; to address the condition of hundreds of millions of human beings living in degrading poverty; and to strengthen an international trading system that is fair to our workers and our farmers, our businessmen and our consumers.

These past months have been times of great trial. Terrorism in Iran . . . aggression in Afghanistan . . . radical escalation in the price of petroleum . . . these and other challenges will test us fully in months to come.

But the past few years have been times also of accomplishment and strong American leadership. Modernization of conventional and theater nuclear forces in NATO . . . Camp David . . . SALT II . . . China normalization . . . the Panama Canal treaty . . . peace in Zimbabwe . . . regular economic summits . . . successful multilateral trade negotiations . . . human rights advances in many countries . . . each is a new strength we can use to butress American leadership in the future.

I am confident of that leadership or I would not be here before you. Americans want their country to be a constructive international presence. And we are. We have many strengths, not least of which is our system of values, founded upon a belief in individual worth.

Your inquiry today is directed not only to the substance of our foreign policies, but also to my concept of the role of the Secretary of State.

The Secretary of State must carry out a number of duties. And priorities must be set among them.

These are my priorities.

First, and most important, the Secretary of State is the principal adviser to the President on foreign policy issues. He must have the primary responsibility for recommending our foreign policy course, and seeing that the President's decisions are then implemented. President Carter has made it clear that he expects me to play this role, and I intend to do so.

Second, the Secretary of State is the President's principal spokesman for his foreign policies. I intend to be very active in this role. I strongly believe in the value of clear and direct public discussion of our foreign policies. And I intend to consult very closely with the Congress on the shape and direction of our foreign policies.

Third, the Secretary of State must make sure that the State Department and the Foreign Service, as a whole, are fully engaged in the processes by which policy is made . . . and in discussions of foreign policy with the Congress and our public. Neither the Secretary nor the Department can succeed if they do not have confidence in each other, and work together.

I intend to make full use of the Department, and our Ambassadors, in a fourth role: the conduct of our diplomacy abroad. There are times when only a Secretary of State can manage a negotiation for our nation. But to the extent possible, I will limit my own travel and rely on our skilled diplomats.

A Secretary of State has other roles, as well: in administration of the State Department, in helping manage and coordinate the overseas activities of U.S. government agencies, and in managing the flow of information from the State Department to the White House and other agencies. Each must be carried out efficiently. Each should require less of the Secretary's time than the first roles I discussed.

This is my concept of the job. The President has said that he supports me in it. I will need your support, and counsel, as well.

Let me conclude with these thoughts:

I come to this new assignment after twenty-two years as a member of the United States Senate. I have participated with many of you in the foreign policy debates of the past decade—indeed, the past generation.

Through these trials our society has been moved to strengthen and vigorously exercise our machinery for dissent and disagreement. That is all to the good. We are better for it.

But our challenges call on us to focus as intently upon another part of our national character—our ability to pull together and respond as Americans when our interests are under attack.

I do not believe there can be unanimity on the great and complex questions before us. But there can be a spirit of cooperation as we address them. I appear before you today in that spirit.

Mr. CHURCH. Mr. President, I yield to our distinguished majority leader.

Mr. ROBERT C. BYRD. Mr. President, I thank the distinguished chairman of the Foreign Relations Committee.

With this vote, we confirm the appointment of Edmund Muskie, of Maine, as Secretary of State. This action marks the transformation of Mr. Muskie from holder of one of this Nation's highest elective offices—U.S. Senator—to the holder of one of this Nation's highest appointive offices—Secretary of State.

Ed Muskie becomes Secretary of State at a very difficult moment in international affairs. He assumes his responsibilities in the midst of a series of ongoing problems—the hostage situation in Iran, the brutal Soviet intervention in Afghanistan, the negotiations on Palestinian autonomy. Relations with some allies and some nations of the Third World are strained, and there is much speculation about the direction of American foreign policy.

This is, as well, a difficult moment in our domestic political life. We are in the middle of a heated Presidential election campaign. The Nation faces economic problems. The climate of opinion in America is uncertain.

I know of no man in America better suited to meet the challenges of these difficult times than Ed Muskie. I have known Ed Muskie now for 22 years. During that time, I have worked closely with him in the Senate. And during the years that I have served as majority leader, I have worked even more closely with him in dealing with some of the most difficult problems that have come before the Senate. Increasingly, I came to lean upon Ed Muskie for the strength and the vision that he gave to the problems that confronted this Senate over that period. My admiration for him has continued to grow over the years.

He is a man of uncommon courtesy, unquestioned integrity, and unusual intellect. He is equal to the tasks he faces as Secretary of State. He is an example of the best that public life has to offer.

Anyone who knows Ed Muskie knows he will be the President's No. 1 foreign policy adviser. And he will put his own personal stamp on U.S. foreign policy, just as he has for years put his own personal stamp on the legislation that has been enacted by the Congress of the United States. He is not a man to be a caretaker.

As I have stated, I view the transformation of the distinguished Senator from

Maine into the Distinguished and Honorable Secretary of State with mixed emotions: the State Department's gain is the Senate's loss. What matters is that the Nation continues to benefit from the services of Ed Muskie.

The PRESIDING OFFICER. Who yields time?

Mr. BAKER. Mr. President, on behalf of Senator Javits, who has control of this time, I yield myself 1 minute.

The PRESIDING OFFICER. The Senator from Tennessee.

Mr. BAKER. Mr. President, I want to take but just a moment to pay my respects to the President of the United States for a wise choice in the selection of our colleague, Senator Ed Muskie, to be the next Secretary of State.

I, too, have known Ed Muskie for many years. We have served together on the Environment and Public Works Committee, spanning the entire time of my service in the committee. It has been one of the rare privileges of my career to share that forum with him and share many issues on which we often agree and sometimes disagree with equal enthusiasm.

Mr. President, I believe that Senator Muskie will be in the tradition of the great Secretaries of State who have served this Nation. I believe he will serve as Cordell Hull, my predecessor in office who succeeded to Secretary of State, served.

I see great progress for this country in foreign policy under the guidance of my colleague and friend Ed Muskie of Maine.

I congratulate him on this elevation and I pay my highest respects to the President for his choice.

I express my regret that we will lose him as a colleague. I cheer that we have a man of his capability and competence at the helm of the Department of State.

I now yield 1 minute, on behalf of the Senator from New York, to the distinguished Senator from Maine (Mr. Cohen).

Mr. COHEN. Mr. President, Ed Muskie has been a friend to me ever since I was elected to Congress in 1972.

He never has allowed partisan considerations to divide us—we have differed on a number of issues but that difference was never divisive or bitter or personal. He is noted as being a man of passion. I recall Justice Holmes once spoke of public-spirited men when he said that—

> Life is action and passion and one must share in that action and passion at the risk of being judged not to have lived.

Ed Muskie will never be judged not to have lived because he has shared in the action and passion of his days and now has been asked to undertake an even more formidable challenge that faces our country.

His selection by President Carter to be Secretary of State is a proud moment for Maine, but I share the majority leader's ambivalent emotions about it.

The State of Maine has been well served by his dedication, his intelligence, and pursuit of excellence in this body for the past 22 years. The State of Maine is going to lose one of its most effective voices in the history of the Senate. The Senate is going to lose one of its most able legislators. But the country will gain a man who will bring great credit to the office of Secretary of State and a sense of coherency to our foreign policy.

I am going to miss Ed Muskie's daily friendship and his leadership. I am going to join in wishing my friend Godspeed in his new office, and I only hope that should I be fortunate to spend another 20 years in this body I shall be able to measure up to the standard of excellence he has set.

The PRESIDING OFFICER. Who yields time?

Mr. RANDOLPH. Will the Senator from North Carolina yield?

Mr. HELMS. Mr. President, I will be glad to yield 1 minute of my time to the Senator from West Virginia.

Mr. RANDOLPH. Mr. President, I am appreciative to my colleague.

Mr. President, those of us on the Environment and Public Works Committee feel closer, perhaps, to Ed than even members of other committees on which he has served. In 1963, the Senator from Maine became the first chairman of our Air and Water Pollution Subcommittee. I salute him, as do all members of the committee, as he leaves us now. We will always remember that the streams are cleaner and the air purer because of what he has accomplished in the committee and the Congress.

We shall remember you not only on the Hill, but we shall, regardless of political affiliation work with you in the Cabinet, Ed, to the very best of our conscience and commitment. I have cherished our personal friendship for 22 years. Through your leadership America will be secure and ultimately the peoples of this world will live in understanding and peace.

No navigator ever distinguished himself on a calm sea, it has been written. Our Republic is in troubled waters. Ed Muskie will apply his steady hand to the rudder.

ENVIRONMENTAL ACCOMPLISHMENTS OF SENATOR MUSKIE

In 1963, Senator Muskie became the first chairman of the Senate Subcommittee on Air and Water Pollution. For the past 17 years, he has been Congress' principal authority on legislation to protect the Nation's air and water. The Clean Air and Clean Water Acts are monuments to his foresight and judgment, and his ability to express the Nation's will to preserve our natural heritage and restore a healthful environment.

His capacity for coping with complex and controversial matters in environmental law is well known. Ed Muskie has been a careful legislator, whose attention to environmental bills has been firm and fair.

This is a measure of the patient and deliberate style of Senator Muskie, our leader in these areas of environmental law. Ed Muskie has believed the Congress should fully analyze and consciously decide each part of the Nation's environmental policy. The examination given these bills at Senator Muskie's insistence until a consensus of the committee and the Senate support it, have produced environmental laws which are workable, and effective.

Senator Muskie has not confined himself to domestic environmental problems. He has been a leader in the Senate and in the Nation on international environmental issues.

One of the catalytic events for international environmental issues was the United Nations Conference on the Human Environment held in Stockholm in 1972. Senator Muskie was designated as a U.S. delegate to that Conference, but because of the Presidential campaign, had to relinquish his spot to an alternate. However, his statements on the Senate floor prior to that Conference were used by the congressional delegation to the Stockholm Conference. They helped this country play a constructive role in establishing a United Nations international organization with emphasis on protection of the environment.

Senator Muskie has served as one of the Senate advisers to the Law of the Sea Conference. In this capacity he has always shown a great interest in those negotiations. When those negotiations appeared to be taking a tack that would not lead to adequate environmental protection of the marine resources of the world, he intervened to articulate the view that such protection was essential. This same interest surfaced most recently in the Senate's consideration of the deep seabed mining legislation. Senator Muskie led Senate efforts in seeing that environmental requirements were met during any exploration and processing activities undertaken in the oceans.

Senator Muskie led Senate efforts to assure that the National Environmental Policy Act applied to international environmental impacts as well as domestic impacts. When efforts were made to curtail this interpretation, he held hearings on the subject and vigorously argued on the Senate floor to protect the application of this law to U.S. activities abroad.

Ed Muskie recognized the problems that oil spills were creating along our shorelines, and forged legislation to create an oilspill liability scheme to clean up the discharge of oil and hazardous substances into navigable waters. This effort began with the Water Quality Improvement Act of 1970, and was expanded to include hazardous substances in 1972. These laws created strong incentives for owners of vessels and on-shore facilities to handle their products with an improved level of care in order to avoid spills and to move quickly to clean up spills which occurred. That legislation has now led to efforts to apply those same principles to the improper disposal and release of hazardous substances generally.

The legislative backbone for action for a clean environment was passed primarily through the leadership of Senator Muskie. Among these pieces of legislation were:

The Clean Air Act of 1963, authorizing Federal research and technical assistance to the States, and matching grants to States, regional, and local agencies for the creation or improvement of regulatory control programs, with

Federal enforcement responsibility in interstate pollution cases.

The Clean Air Act Amendments of 1965, providing the Secretary of Health, Education, and Welfare with authority to establish auto emission standards.

The Clean Air Act Amendments of 1966, providing grants to the States to maintain effective air pollution programs.

The Air Quality Act of 1967, which established a policy to prevent deterioration of clean air, and provided for designation of air quality control regions and for the setting of air quality standards.

The Clean Air Act Amendments of 1970, which required the establishment of national air quality standards to protect public health and welfare, to be achieved nationwide by specified deadlines; provided tools for the achievement of these standards, including the establishment of stringent auto emission standards and stationary source standards; and set penalties for polluters and authorized citizen action to enforce the laws.

The Energy Supply and Environmental Coordination Act of 1974; which provided for short-term variances for stationary sources from emission limitations when clean fuels were not available; provided for extension of compliance date requirement for sources which converted to coal; and authorized a 1-year extension of statutory auto emission standards.

The Clean Air Act Amendments of 1977, which reaffirmed the national commitment to achieving public health related air quality standards and compliance with stringent auto emission standards by statutory deadlines, established a framework for the prevention of significant deterioration of clean air, established a flexible policy to permit development in dirty areas conditioned on reasonable progress toward achieving air quality protective of public health, and set up a tough new civil penalty policy for stationary sources out of compliance with applicable requirements.

The Water Quality Act of 1965, that enunciated a national policy of water quality enhancement; established a water quality standards program; and increased grants for construction of municipal sewage treatment facilities.

The Clean Water Restoration Act of 1966, authorizing $3.4 billion in Federal grants for municipal sewage treatment facilities, and eliminating limitations on grants which restricted participation by major cities.

The Water Quality Improvement Act of 1970, which strengthened Federal authority to deal with oil pollution, sewage from vessels, and pollution from Federal and federally approved facilities.

The Federal Water Pollution Control Act Amendments of 1972, which created a two-phase program of effluent controls to achieve water quality which is suitable for swimming and the propagation of fish and wildlife by 1983; increased Federal grant assistance for municipal waste treatment facilities to $18 billion over 3 years; and provided funds for long-range areawide waste management planning.

The Clean Water Act of 1977, which authorizes an additional $25 billion to continue the municipal wastewater treatment construction grant program; and redirects the industrial effluent control program to target on the removal of toxic pollutants.

And he worked with me on:

The Resource Recovery Act of 1970, which provided financial assistance to the States for the construction of solid waste disposal facilities; and authorized research into innovative methods of reusing, recovering, and recycling wastes.

The 1976 amendments to the Solid Waste Disposal Act, which established the program for the control of hazardous wastes and provided for State and local government solid waste management planning and a ban on open dumping.

Senator MUSKIE's subcommittee interests have expanded in recent years to include additional environmental legislative activities, such as the Toxic Substances Control Act, the Safe Drinking Water Act, and the Marine Protection, Research, and Sanctuaries Act. He also took the leadership in developing the environmental portions of the Deep Water Port Act of 1974 and the Outer Continental Shelf lands oil spill title in 1978.

Mr. MATSUNAGA. Will the Senator yield?

Mr. HELMS. I am delighted to yield 1 minute to my friend from Hawaii.

Mr. MATSUNAGA. Mr. President, it is on extremely rare occasions that the Chief Executive makes a move which is unanimously acceptable to the Congress. This is one of the rare occasions. I congratulate both the President and Senator MUSKIE on the occasion.

Mr. HELMS. I yield 1 minute to the Senator from Vermont.

Mr. STAFFORD. Mr. President, I wish to be associated with what our distinguished chairman, Senator RANDOLPH, has said about our distinguished colleague, now about to be our Secretary of State, ED MUSKIE. I think I particularly will miss ED MUSKIE a great deal on the Environmental Subcommittee where we have struggled through many battles together. He will be irreplaceable. I hope I will not jinx his undertaking his service as Secretary of State by almost quoting somebody who once said to a different person what I will use in this way: I think I am going to sleep better, personally, and I believe the Nation will, because ED MUSKIE is Secretary of State.

Mr. DOMENICI. Will the Senator yield 30 seconds?

Mr. HELMS. Mr. President, if I may reserve 2 minutes of my time, I will yield 30 seconds to the Senator from New Mexico.

Mr. BAKER. On behalf of Senator JAVITS I yield 1 minute to Senator DOMENICI.

Mr. DOMENICI. I thank the Senator.

Mr. President, I, too, have served my entire 7½ years all of it on committees with ED MUSKIE. I want to say to him personally that I am absolutely convinced that the U.S. Senate is a much better place because he served on it.

I now know that America's relationships with other countries will also be better for your service as Secretary of State. We will miss you, but we wish you great success.

Mr. HELMS. Mr. President, this morning in the Foreign Relations Committee I cast what was for me the most difficult vote I have cast since coming to the Senate. It was difficult in the most personal way. I think my friend, Senator MUSKIE, knows that. The advise and consent responsibility of a Senator speaks for itself. The Constitution does not say that we shall advise and consent on the basis of friendship. Our obligation is to act on every nomination on the basis of what is best for the country. I trust I made clear this morning that my vote on this nomination was in no way an indication of disaffection for a man for whom I have great personal affection. If there is any doubt about it—and I am sure there is none in ED MUSKIE's mind—let me emphasize it again for the record.

The inescapable truth is that the vote on this nomination is a referendum on U.S. foreign policy. It is not a referendum on how much we like ED MUSKIE. It is, I say again, a referendum on the existing U.S. foreign policy and I share the view of millions of Americans that it is a policy that has been a disaster for the United States and for the free world.

My friend from Maine, whom all of us are going to miss, made clear this morning that he intended to continue and to pursue that very policy.

So it is with deepest respect personally and the greatest affection that I say to my friend ED MUSKIE, that I am glad you will continue to have the privileges of the Senate floor. To my recollection there has not been another Secretary of State who has been able to come on this floor to watch us at close range. I wish you well and I assure you, ED, if I may bend the Senate rules and address you in the first person, that I want to work with you in any way I can.

Mr. President, I ask unanimous consent that a statement I released earlier this afternoon be printed in the RECORD at this point.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF SENATOR JESSE HELMS

The vote on Ed Muskie's nomination was really a referendum on existing U.S. foreign policy—and I share the view of millions of Americans that this policy has been a disaster for the United States and the free world. Senator Muskie made clear in his comments today that he agrees with this policy, and that he will pursue it. Moreover, his voting record has been constantly supportive of this policy—including the give-away of the Panama Canal, the abandonment of Taiwan, and many other crucial issues. As I made clear at the committee hearing this morning, I consider Ed Muskie my friend—but a friend with whom I have strongly disagreed in matters of crucial foreign policy. He knows that I do not hold him in disaffection—but, as I said earlier, if my own brother, whom I love dearly, were nominated for this post, and if he pledged to continue this disastrous foreign policy, I could not

support him. I wish Ed well, and will work with him in any proper way for the benefit of America.

The PRESIDING OFFICER. The remaining time is under the control of the Senator from New York.

Mr. JAVITS. I yield a half minute to the Senator from South Carolina.

Mr. HOLLINGS. Mr. President, I had the distinction of meeting Senator Muskie 20 years ago when Senator Ribicoff and I were appointed to the Intergovernmental Relations Advisory Commission. Ed Muskie was the innovator of it. He was the originator of our theme here and the theme was standard long before other themes. He was the innovator of the sunset provision to bring accountability into the open. Of course, of all things, he brought the balanced budget and the budget process to the Congress. If we are doing any good at all, and we have our fingers crossed for mighty close point, Mr. President, I can say right to the point it has been because of his leadership and what he has left us all by way of an outstanding staff and precedent. We are grateful to you, Ed.

Mr. President, as our good friend Ed Muskie prepares to leave the Senate and take up the burdens of his new office, I want to say just a few words about Ed and the service he has given his country already.

For the past couple of days, I have been busily occupied on this floor in handling the first concurrent budget resolution. This particular budget, and indeed the whole congressional budget process, owes its lifeblood to the senior Senator from the State of Maine. Without the good judgment and wise leadership of Senator Muskie at the helm, the budget process would not have survived these past 5 years. And let no one underestimate the magnitude of what has been accomplished. No longer does the Congress go haphazardly through the maze of Government financing. We look at the budget whole now, we assess its impact on the totality of the American economy, we as a body set the targets and encourage the discipline so necessary if we are to have fiscal discipline. This kind of procedure is absolutely essential, but the need alone is not enough to produce the result. For that we need leadership, conciliation, and tough-minded judgment. It took an Ed Muskie to make the process work, and that process will always be associated with him as one of his proudest achievements as U.S. Senator.

But those achievements go far beyond just the world of budget ledgers and finance. No one has worked so hard, and effectively, on the problems of air and water pollution as our wise friend from Maine, and he was hard at it long before it became fashionable, or "chic," to do so. Here is yet another enduring Muskie legacy.

I know many other Senators wish to speak today, and I will not monopolize the time of the Senate any more than I already have with the budget resolution today, to recite all the particular accomplishments of this fine public servant. But I do wish to say a few words about Ed Muskie the Senator and the man. It has been one of the inspirations of my 14 years in the Senate to work alongside him. When I think of Ed Muskie, I think of his rock-ribbed integrity. His first question of a proposal is always as to its essential rightness or wrongness, and before the powerful Muskie personality and talent is put behind a measure, the Senator from Maine must be convinced beyond the shadow of a doubt that what he is working for is good and just and right. In a time of change and flux, and when so many lead by political poll, Ed Muskie stays true to the fundamental values and virtues which built this country and took it to greatness. His compass is a moral compass, and it is always true.

The next thing I think of when I think of Ed is that finely honed analytical mind. He has few peers, inside the Senate or outside, when it comes to the ability to look at a complex issue, break it down to its essentials, and to evaluate its every facet. He makes the difficult seem easy, although he knows it never is so easy. He is a man for the times, when there are no simple solutions, and when the keenest of judgment calls are required almost every day.

I think too of his candor. I know I speak for many colleagues as well as for myself when I say how much more productive it is to deal with a person who tells it straight from the shoulder, who pulls no punches, and who tells it just exactly as he sees it. That, again, is a quality becoming all too rare these days. And it is a quality which has a lot to do with the many legislative achievements made by the Senator from Maine.

The Senate's loss is the Carter administration's gain now. Ed Muskie brings new distinction, and urgently needed talents, to the Department of State in these trying days for America. Carried one step further, the strengths and talents he takes to the administration will be the Senate's gain too, because I foresee a new era of cooperation and understanding between the State Department and the Congress of the United States.

He will bring stability, judgment, candor, and imagination to a job necessitating all these qualities. And he brings the experience of a quarter century in public life, during which he has become thoroughly familiar with foreign problems as well as domestic. He knows the issues, he knows the statesmen of the world, and anyone who thinks Ed Muskie needs an apprenticeship as Secretary of State just does not know very much about their man.

We look forward now to a new relationship with our good friend, and while we will not see him on the day-in, day-out basis of the past 22 years, we will still have his leadership, his counsel, and his friendship. I particularly plan to take full advantage of the friendship he and I have developed, as we work on the budget and other items which carry the Muskie imprint.

The President has made a superb choice. The Senate knows it and is acting with dispatch to get him on the job in State. To Ed, to Jane, our heartfelt thanks for what you are to us, and our best wishes and full support as the two of you set sail on this new challenge.

Mr. JAVITS. Mr. President, when the roll was called this morning in the Foreign Relations Committee, the clerk called Muskie and he voted "present." I think that is symptomatic of why we take such pride and pleasure in his appointment to be Secretary of State of the United States.

In the substance of what makes foreign policy, I hope the Senator will consider an indissoluble link with the Senate and with the Congress. We are in deep trouble. Our policy is in grave disarray. It has always been said around here that when we are in trouble we close ranks. But with whom and for what purpose is the question.

The Senator comes to the executive department with a constituency. That is the critical make way in his becoming the new Secretary of State.

They say in my faith, behold, I have given you a good doctrine, forsake it not.

That is what I would like to say to our new Secretary of State. Congratulations to him and to Jane.

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that Mr. Muskie may have 5 minutes to address the Senate. May I say to all of my colleagues that the request has already been entered providing for statements of Senators to be entered into the Record before the close of business today.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR 5-MINUTE RECESS

Mr. ROBERT C. BYRD. Mr. President, I also ask unanimous consent, Mr. President, that immediately following the vote, after the Senate has returned to legislative session, that the Senate stand in recess for 5 minutes that we may extend our good wishes and congratulations as well as our statements to Senator Muskie.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. NELSON. Will the Senator yield for 2 minutes?

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that I may have 2 minutes to yield to Mr. Nelson.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. NELSON. Mr. President, I wish to go on record as concurring with what my colleagues have said about Senator Muskie. I have known him for 22 years. He had the great good perceptive judgment to come into my State in 1958, without even knowing who I was, to campaign in my behalf. I do not know whether he would do it after having become acquainted with me or not.

All of us who have had the opportunity to work with him—and I once had the privilege of serving on his committee on air and water pollution—have admiration for the dedication, the intelligence, the courage with which Ed Muskie approached every problem that he confronted.

Many things have been said about Ed Muskie here and I just wish to say one thing about a matter that is as important to this country as any other issue that has been before the country and the Congress in my memory. That is the contribution that Ed Muskie has made in the environmental field.

He has contributed more than anyone else in this country, to fight to establish the standards of air quality and water quality for this country. It has been a magnificent achievement when one looks back at where we were in the late 1960's and where we are now. Senator Muskie has shown in his contributions to the legislation his legislative efforts have resulted in programs that have improved the quality of the water and the air in this country dramatically. This is probably the most important thing that we have done environmentally in the past 10 years. It will serve as a mark of great distinction and credit to Senator Muskie after he and all of us are long gone.

I congratulate Senator Muskie and I wish him well in his important enterprise. I am satisfied that he will perform there with great distinction as he did as Governor of his State and as a Member of the U.S. Senate.

I thank the majority leader.

Mr. STEVENS. Mr. President, today marks a proud moment for the U.S. Senate as one of our own is about to be confirmed as the next Secretary of State. Edmund Muskie has served this body with great distinction for over 22 years and this new challenge represents yet another milestone in his illustrious political career.

Senator Muskie has earned his reputation as the Senate's most vociferous and able champion of environmental causes. Under his authorship, the Senate passed major Federal clean air and water laws. As one of his adversaries with respect to some of this legislation, I know firsthand how tenacious he can be in defense of the principles he believes in.

Along with Senator Henry Bellmon, the senior Senator from Maine has been responsible for insuring the need for fiscal restraint in Government spending through his leadership on the Senate Budget Committee. His efforts on behalf of this unpopular cause were not diminished simply because there was the possibility of his losing friends over where cuts should be made. Instead, he and Senator Bellmon stood together and fought off every major attempt to increase the budget beyond their committee's recommendations.

Edmund Muskie has been known to have a stubborn Yankee temper, but in my opinion this will aid him in his current challenge as Secretary of State. There will be no question as to who will be in charge of foreign policy with Ed Muskie in there fighting for what is best for this country.

I look forward to working with him in his new capacity, just as I have these past several years in the Senate and wish him the very best of luck in what promises to be one of the more difficult, yet exciting challenges of his distinguished life in the service of his country.

Mr. GLENN. Mr. President, I rise in enthusiastic support of Ed Muskie's nomination to the Office of Secretary of State. In the 6 years I have been a Member of this body, it has been my privilege to know few men as thoughtful, competent, and unswervingly dedicated to the public good as the senior Senator from Maine.

That his nomination comes at a critical time in our national history is evident even to the most casual observer. As the events in Iran, Afghanistan, Latin America, and elsewhere make clear, we are truly at a watershed for our foreign policy and for our military alinements around the world.

We have witnessed a tremendous growth in Soviet military power and, in Afghanistan, a new Soviet willingness to use her own troops outside of Eastern Europe. When coupled with earlier moves by Cuban surrogates across the African continent and in South Yemen on the Saudi border, and with the increased Soviet naval activity in the Indian Ocean, the free world has good cause for alarm. Nor can we afford to ignore the growing number of Soviet combat troops on disputed islands north of Japan, or the expansion of the Soviet/Vietnamese offensive against Cambodia or the utter refusal of the Soviets to accommodate us as regards her combat troops in Cuba.

We can no longer ignore this naked Soviet expansionism around the world. We must immediately set about defining our foreign policy goals—and must do so before we finally settle the matters of our defense budget and military force alinements. A sound defense budget and military configuration depends on a sound and well-thought out foreign policy. And such a foreign policy is now essential to our national well-being.

In this critical time, therefore, it is vital that our Nation have a Secretary of State who will be more than a caretaker. It is crucial that we have a Secretary of State who will take an active role in the architecture of our foreign policy. No one who knows Ed Muskie well can think that he would be anything other than active—or that he would allow himself to be overshadowed by others who are not accountable to the Congress or to the people. Indeed, the President himself has indicated that Ed Muskie will play the pivotal role in future U.S. foreign policy. And there is evidence that the White House also is seeking to return to a more orderly and less crisis-dominated policymaking process than that which has been in place over the last 6 months.

Both the President and the country as a whole need Ed Muskie at this critical, historical juncture. In my view, the Office of the Secretary of State can do with a man of no less stature than that possessed by Ed Muskie. I heartily endorse his candidacy and urge his speedy confirmation.

Mr. DOLE. Mr. President, the Senator from Kansas rises to congratulate the Senator from Maine and commend the wisdom that selected this man who has been such a distinguished Member of this Chamber for many, many years. Ed Muskie has compiled a record of public service, and service in the public interest, that is equaled by few others.

His tenure as chairman of the Budget Committee is a fine example of his ability and dedication to principles that override political expediency. He is a man of unquestioned integrity. Although he and the Senator from Kansas sit an opposite sides of the aisle, and have been on opposite sides of many issues and political philosophies, never have I questioned his sincerity of purpose nor lost my respect for his talent and capability.

The State Department acquires in its new Secretary an acclaimed statesman and politician, who will give that Cabinet post new respect and forcefulness in the Halls of Congress and among the foreign ministries overseas, while his astute knowledge and experience will bring an informed and cohesive perspective to White House foreign policy decisionmaking. In these troubled and dangerous times, when America appears weak, befuddled or beset on all sides on the world scene, it is the heartfelt and bipartisan wish of the Senator from Kansas, and I am sure by all Members of this body, that Secretary Muskie be eminently successful in his new role.

Mr. RIBICOFF. Mr. President, I vote proudly for my friend Ed Muskie to be Secretary of State. Ed Muskie is an especially capable man. Our Secretary of State carries a double burden: He must understand America, and he must pursue our Nation's interests in a difficult world. For a job of that sort you need a man like Ed Muskie.

There is a sense of concern among the American people these days, and rightfully so. In addition to our immediate crisis in Iran we face Soviet expansionism, international economic instability, an alliance looking for leadership, and trouble spots around the globe. I can think of nothing better for the United States than the sight of Senator Muskie taking charge of our foreign policy. He knows this Nation well. He will defend us, and he will work to make the best of the enormous problems before him. And he will certainly command the respect and the cooperation of our allies. The American people are fortunate to have a familiar and reassuring voice responding to their concern.

Ed Muskie and I became friends when we were both elected Governors of our States in 1954. When I came to the Senate in 1963 Ed Muskie had already been here for 2 years, building the reputation that has made him a statesman and a respected colleague. We have worked together in this Senate. We have served on the Governmental Affairs Committee and have shaped a considerable bit of legislation together. I remember especially working with Ed Muskie on the Budget and Impoundment Act of 1974, a milestone law which was the start of one of his fine chapters in this House, the creation of budgetary discipline. We have worked on environmental issues, we have established new parts of the U.S. Government and reorganized others, trying to keep an organizational and management structure modern and capable of responding to the challenges of modern times. Ed Muskie has been a voice of wise counsel on the Governmental Affairs Committee.

Mr. President, when a friend such as this leaves the Senate I feel a bit empty. For almost 18 years I have considered Ed Muskie a source of strength. We all know that when you have Ed Muskie on your side you stand tall and you have a tenacious fighter. Both as a friend and as one who has tended to be on the same side all those years, I will miss him. The Senate could use many of his caliber.

In voting to advise and consent to this nomination I know that Ed Muskie will shoulder the heaviest burdens he has ever lifted. But he is the man for that job. And we as a Nation are the better for it. The United States and the free world have a moment of encouragement and optimism. Just when we needed him most, we have Ed Muskie as Secretary of State. Our loss in the Senate is certainly a gain for the Nation, Mr. President, and I wish my friend the strength and the courage to meet this new challenge.

Mr. BELLMON. Mr. President, since coming to the Senate 11½ years ago, I have voted on dozens of confirmations. Many have been worthy individuals, highly dedicated to serving their country. In my judgment, few have been called to a greater responsibility than Senator Muskie and none have been better endowed with the qualities required by the office they seek to fill.

Having served with Senator Muskie over the past 5½ years as a member of the Senate Budget Committee, I have come to have a boundless respect for the intellect, the ability, the integrity and the basic sense of fair play possessed by the distinguished senior Senator from Maine. More than any person I have ever worked with, he has demonstrated the extraordinary quality needed to recognize a great need and the discipline necessary to avoid diversion and bring together the intellectual and political resources needed to translate ideas into results.

Mr. President, in a way I have mixed feelings as I comment upon the impending confirmation of Senator Muskie as Secretary of State. His departure from the Senate will be a severe loss to the legislative process. Having worked with Senator Muskie on the Budget Committee for several years, I am aware as anyone of the high caliber of his skills as a diplomat and a negotiator. I have also had ample opportunity to see him "lay down the law" of reality in making hard points related to the congressional budget process.

A characteristic of immense value which he will take to the State Department and the management of U.S. foreign policy is the ability to cut right to the heart of vitally important matters. I have often spoken critically of the foreign policy which has typified the Carter administration. It has been my belief that the administration has never developed a clear picture of U.S. defense and foreign policy goals which he could use as a guide in pursuing the day-to-day management of U.S. interests throughout the world. Lack of such a coherent view of foreign policy objectives has not permitted the administration to coordinate its budget priorities in the areas of defense and foreign affairs with the realities of the world today. The lack of such a prioritization has also prevented the Congress from being able to adequately assess the merits of administration foreign policy initiatives.

The lack of such an overall perspective of U.S. foreign policy goals, which our defense budget also implicitly supports, has hampered Senator Muskie's attempts to recommend proper defense and foreign affairs budget recommendations as often as it has hampered mine. Senator Muskie supported the Budget Committee's attempts this year to broaden its examination of U.S. defense and foreign policy in order to acquire a better assessment of our goals, both short-term and long-term, in the world.

It is my hope and expectation that Senator Muskie will carry this desire to identify and prioritize U.S. foreign policy goals with him to the State Department. I encourage him to do so. I know of no one who would be better able to force the foreign policy infrastructure in this country to reassess the basic tenets of U.S. goals in the world today. In my mind, this is an endeavor which must be carried out if there is to be any hope of dealing successfully with the rapidly affairs as he brought to the budget proc-

Mr. President, America's relations with the world are becoming so complicated and the amount of money we are required to spend for our defense is becoming so large—we will spend a trillion dollars for national defense in the next 5 years—that we must have a clear understanding of what we are trying to accomplish. Otherwise, we will be the prisoner of world events and our defense posture, not directed at clearly defined, specific goals, will cause resources to be essentially squandered.

I hope Senator Muskie will play a large new role in forcing the administration to clearly define its defense and foreign affairs goals. It certainly needs his help and talents. Our allies are amazed and dismayed by the fluctuations in our international actions and stances. Our major adversaries increasingly see the United States as lacking will and commitment. I believe Ed Muskie will perform admirably in reversing both these situations.

To sum up, Mr. President, for many years, the foreign policy of this country has been criticized as lacking direction and coherence. Based upon my acquaintance with the former chairman of the Budget Committee, Senator Muskie, I am confident that as soon as he has had time to focus thoroughly on the problems which confront this Nation in the international arena, he will bring the same coherence to this Nation's foreign affairs as he brought to the budget process.

The fact that he is coming to the office of Secretary of State from outside the diplomatic process will likely prove to be a huge asset to the country. Frequently, capable individuals newly confronted with great responsibilities are able to see clearly where those with long familiarity with the subject are handicapped by longstanding alliances and by their excess knowledge of minutiae.

Mr. President, I cast this vote for the confirmation of Ed Muskie as Secretary of State with great pride and with complete assurance that he is the right man in the right place at the right time.

Mr. MATSUNAGA. Mr. President, it is on extremely rare occasions that our Nation's chief executive makes a move which is unanimously acceptable to the Congress. The nomination of Ed Muskie to be Secretary of State appears to be one such move. The President could not have made a wiser choice in filling the position left vacant by the resignation of Cyrus Vance, whose shoes many felt would be most difficult to fill.

Our colleague and friend, Ed Muskie, will take to his new post the wisdom of more than 20 years in public service and the stature of a man who is considered one of the few men truly qualified for the Nation's highest elective office. He will give to our foreign policy the sense of order, competence and calm deliberation which is expected not only by Americans but by our allies and friends throughout the world. As one who participated with Ed Muskie in interparliamentary conferences, I know that he commands the respect and admiration not only of his American colleagues, but, more importantly, also of leaders of foreign countries.

I congratulate both President Carter and Senator Muskie on this nomination, which is to say that I will support it.

Mr. SIMPSON. Mr. President, I have always been fascinated by the Biblical reference in the passage of the life of a man as to there being "a time"—a time to reap and a time to sow—you remember the passage. That is how I feel about this appointment. This is the time for Ed Muskie. It seems terribly appropriate for him to take on this task at this time in our history.

I must admit to a special kind of regard for this nominee. As a young lawyer in Cody, Wyo.—one always interested in politics and an avowed "Senate watcher"—I was often amazed at the prowess of Ed Muskie. Although I certainly did not always concur in the issues he alined himself with, I found myself admiring the zeal and enthusiasm with which he pursued his causes. He is a scrapper. I guess I have always enjoyed that in others since I seem to enjoy it myself.

It would be difficult to account in an impassive way how I felt when—after being here for only several weeks—I was locked in combat with the senior Senator from Maine at a hearing on the Environmental and Public Works Committee. Not a very enviable position for a freshman Senator from Wyoming. Well, the going got heavy and the issue became secondary to the feelings of emotion and excitement I had in taking on this venerable "old pro" of this body.

But I hung in even though I recall well they shot my amendment out of the saddle by a vote of about 12 to 2. I scrapped for my position—just as Ed Muskie has always learned to do for his. I remember leaving that meeting after my first baptism under fire at the committee level, and catching a ride on the elevator with Ed. I will never forget his counsel and advice. He said, "Simpson, I think you are going to do all right around here because to be a good Senator you have to be about half an SOB—and I see you are."

Well, I loved that and I have not forgotten the delightful expression and twinkle of the eye that was winged along with the remark. And then Ed took me aside as we headed back to the Capitol and he said, "Let me tell you about my first bit of combat in the U.S. Senate. It was a debate with Wayne Morris of Oregon and boy do not think I have ever forgotten that day—." He then went on to relate a fascinating and very human narration of that first encounter of his. Little things indeed.

But those are the type of things that one remembers when you begin to sort out this extraordinary job of serving as a U.S. Senator. Since that time I have always known that when I would speak, Ed would listen. And I certainly always tried to do that diligently with him. I also recall a delightful and impromptu dinner with him in the Senate dining room during a late session—a time in which he shared much of himself. He is a remarkable man. He will do a remarkable job. He is fair, loving and tough. That is a combination we need a good deal more of in this town. I am most pleased and enthused about his appointment. The young people today have a phrase that fits this situation pretty well. In his dealings with the heads of State, and the princes and the potentates and with the Congress, the laymen and the citizens of this country, they will know—in the vernacular of the young people of the day—"where he is coming from". His message will be clear and forceful—no mincing or manipulation. He is the right guy at the right time at the right place. Jane, his helpmate of many years will be there at his side. They both require our prayers and our support. They have mine. May God bless him in his efforts.

Mr. CANNON. Mr. President, it is with great pleasure that I join my colleagues in voting approval of Ed Muskie's nomination as Secretary of State. Ed and I came to the Senate together in 1958, so I have had more time than many Senators to work with him and observe his performance.

It is a performance that did this institution proud, Mr. President, and that is why I am certain every American will be proud of his performance as Secretary of State. Although the overwhelming reaction to this appointment has been favorable, there have been some who question his lack of experience in foreign affairs. Let me say to those critics that Ed Muskie will master his new job and will make up with diligence and intelligence whatever he lacks in experience.

The fields of environmental protection and congressional budget control were new when Ed Muskie entered them, but he proved more than a match for them. Indeed, his work on behalf of environmental protection assures him a place in this Nation's history. And if the gruelling job of bringing budget restraint to the U.S. Senate does not win him public accolades, it does give him a position of everlasting respect in this body.

What the United States needs now in foreign policy Ed Muskie has in abundance. That is a clear sense of this Nation's goals and aspirations and a dogged determination to have those needs met. As I said when the nomination was announced, Ed is an able advocate and a tough adversary. This country could have no stronger ally in its corner than Ed Muskie when it comes to dealing with the various hostile forces at large in the world today. This is a good appointment and the American people will come to appreciate that fact over the weeks and months to come.

Mr. PELL. Mr. President, I have long admired and had much affection for Ed Muskie, and I am delighted to join with my colleagues today in support of his confirmation as the 56th Secretary of State.

Senator Muskie has the wisdom, experience, and national outlook necessary to be the senior officer in the Cabinet. The fact that Senator Muskie is so highly regarded by his Senate colleagues and has been such a successful legislator will make him a valued asset to the President.

Senator Muskie and I have worked together for many years as members of the Foreign Relations Committee, and he was one of my predecessors as chairman of the Arms Control Subcommittee. I have always had the greatest respect for Senator Muskie's ability, integrity, and devotion to furthering our country's interests around the world. From a purely personal point of view, I am pleased that Senator Muskie, with whom I have shared a deep interest in environmental protection, will be our next Secretary of State, because I am convinced that the protection and enhancement of the world's environment will be one of the foremost international issues of the future, and Senator Muskie has the experience and commitment to exercise great leadership in that area. I believe, too, he will have a steady and peaceful hand on the helm of our ship of state.

I was one of many Members of this body who deeply regretted Cyrus Vance's decision to leave the administration. I fully understand and appreciate the position of principle that impelled Secretary Vance to resign. And, I can think of no finer successor than Senator Ed Muskie. All of us will miss him in this Chamber, but my best wishes go with him as he takes up his new and awesome responsibilities.

Mr. CULVER. Mr. President, for almost every Senator this is one of the most difficult votes cast during his or her service here. The decision is an easy one on the merits, but a particularly painful one by the knowledge that we lose a colleague of authentic stature both as a legislator and as a moral force.

As we recall our years here—whether they go back as far as 1959 when Ed Muskie took his seat or as recently as this Congress—his influence and personal force have been unmistakable. Not only has he always looked as if he belonged here; he also acted for more than 21 years so as to bring honor to the institution and meaning to our laws. He was never a narrow specialist or single-issue man. He never segmented in his mind the needs of our Nation at home or abroad. He managed wisely to aline a disciplined budgetary philosophy with the just claims of the ordinary citizen. He was always a man who understood the raw nerves of politics without recoiling into cynicism or fatalism. And as his political roles widened and his interests expanded, he always remained a man from Maine, never losing touch with his origins or his fellow citizens. Above all, Ed Muskie posseses perspective and a capacity to distinguish the truly important from the merely transient issues and controversies which we encounter in political life.

When we think of Ed Muskie's career here, we remember the extraordinary scope of his achievements—architect and builder of a new budgetary process, a champion of a decent natural environment, a path-breaker in modern urban legislation, a detective of waste in Government, a harmonizer of the countless demands made on the budgetary and human resources of our Government. And no Senator is free of envy of his gifts as a political craftsman—in reshaping the political map of Maine as Governor and Senator.

In the end, however, we see most vividly in him a rare strength and wholeness of character. He has the best qualities of a teacher and public philosopher—reason, eloquence, seasoned judgment and integrity. Those qualities are among those most needed in a Secretary of State. In casting a vote for his confirmation, we are not only expressing confidence in and admiration for Ed Muskie, but also seeking to restate the primacy of his new position in the conduct of our foreign affairs. Everything in his past suggests that he will remain a working partner of both the President and the Congress.

Mr. ROBERT C. BYRD. Mr. President, I yield the floor to Senator Muskie.

The PRESIDING OFFICER. The Senator from Maine is recognized.

Mr. MUSKIE. Mr. President, I must say to my colleagues that this is the moment I have dreaded for 10 days—not the vote, but the fact that this will mean saying goodby to the Senate.

I moved to this desk and this seat because this is the desk and seat I have occupied for 20 years. I have occupied it because I have found that the acoustics from this spot are better than any other spot in the Senate and, having a weak voice [laughter], I thought it was important to enhance it in every way that I could.

I should like to say thank you to Senator Church, Senator Javits, and my colleagues on the Committee on Foreign Relations for the hospitable way in which the hearing was conducted this morning. They tested me just enough not to reveal my shortcomings, yet gave me an opportunity to express some views that I have had over the years about foreign policy and the direction in which we ought to move. But what I liked most about the hearings and about what you have had to say today and over the 10 days since the President asked me to take this assignment is the confidence you have expressed in my ability to handle this new responsibility, whether or not you had doubts about the views which I hold.

I understand what Senator Helms was saying with his vote this morning and with his remarks this afternoon. I always honor an act of conscience. I think that is what Senator Helms was doing.

I want to say to you, those of you who are more recently my colleagues and those of you who have been my colleagues for 22 years, that I cannot think of any motivation that could more surely generate a drive toward excellence on my part in whatever responsibility I have than the awareness that I must meet your test of my final performance. This is what has moved me in the Senate for 22 years.

I sought, also, of course, principally to meet the approval of my constituents. But this body is the kind of body in which, if one wishes to leave his mark, he must gain the respect and the approval of 99 colleagues, who set a high test.

When I first came to the Senate, I was asked what kind of role I hoped to play. I said—

> Well, it seems to me there are three ways to gain visibility in the Senate. One is to be a leader, and that takes some time. The second is to reach for headlines, and that won't last.
>
> The third is to do one's homework to the point that the Senate comes to rely upon one for the special knowledge and perspectives and insights that one develops.

So I chose the third route. Whether or not I have succeeded in meeting my test, you and history will have to record, if history is interested at all, and no one can be sure of that.

I look around and see all of those of you have been associated with my principal endeavors:

Senator Randolph, who has been chairman of the Committee on Environment and Public Works for most of the years that I have served on it. I have been ranking Democrat to him for all those years;

Senator Ribicoff, chairman of the Committee on Government Operations, on which I served for so many years;

My good friend, Henry Bellmon, who, with me, undertook the task of trying to make the budget process work. I cannot find the words to say "thank you" to him for his contribution, which is lasting and which is continuing under the leadership of my successor, Senator Hollings.

I am drifting into a risk, now. I cannot possibly name all of you who have contributed to my education as a Senator and to whatever I have succeeded in doing. I appreciate the generous comments of my colleague from Maine, Senator Cohen. It is typical of him. He has always been gracious across party lines and I have always appreciated it. I dislike leaving that relationship just when it was beginning to develop and bloom.

There is the majority leader, who has said to you, and he has said to me privately, that he has come to depend on me, and he has said it in ways that I know he means it. I have developed the strongest feelings of friendship and affection for him and respect for his performance as majority leader, and I shall miss that.

Howard Baker—I think I was here when he first came here as Senator. I was at that point more senior, although I think he became a senior Senator before I did, one of the anomalies of this body. But in any case, I enjoyed our association so much, especially because of the graciousness and the ability and the understanding which was extended to me from that side of the aisle on many things about which we differed from time to time.

I think we had more in common with each other than we disagreed about.

I do not want to extend this. I do not like to say "goodbye," but I do. But this is not the last you will hear from me and I am sure it will not be the last I hear from you, not unless the Senate changes its stripes about foreign policy and about your prerogatives with respect to the responsibility of shaping it.

So, I expect to hear from you. But what I hope to see, and I am certain I will, is an environment much like that which we have known here. You will hear my views, I will hear yours, and out of the exchange, hopefully, we can forge a stronger, more positive relationship in the field of foreign policy between this institution and the administration, and that will be a healthier thing for our country.

I do not need to always prevail with my views, even though from time to time I sound as though I must. I only sound that way. It is an intimidating quality I have nurtured and developed over many, many years, and I do not intend to surrender it, and insist upon it. But, in like manner, you will express your views to me.

So I look forward to a continuation of this relationship on a more adversary basis, perhaps, but on the same basis of mutual affection and respect that I feel this afternoon.

Thank you all so much for what you have contributed to my life.

[Applause, Senators rising.]

The PRESIDING OFFICER. The question is, Will the Senate advise and consent to the nomination of Edmund S. Muskie, of Maine, to be Secretary of State? On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. MUSKIE (when his name was called). Present.

Mr. CRANSTON. I announce that the Senator from Alaska (Mr. Gravel), the Senator from Massachusetts (Mr. Kennedy), and the Senator from Vermont (Mr. Leahy) are necessarily absent.

I further announce that, if present and voting, the Senator from Alaska (Mr. Gravel), the Senator from Vermont (Mr. Leahy), and the Senator from Massachusetts (Mr. Kennedy) would each vote "yea."

The PRESIDING OFFICER (Mr. Tsongas). Are there any other Senators in the Chamber who wish to vote?

The result was announced—yeas 94, nays 2, as follows:

[Rollcall Vote No. 102 Ex.]

YEAS—94

Armstrong
Baker
Baucus
Bayh
Bellmon
Bentsen
Biden
Boren
Boschwitz
Bradley
Bumpers
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Chafee
Chiles
Church
Cochran
Cohen
Cranston
Culver
Danforth
DeConcini
Dole
Domenici
Durenberger
Durkin
Eagleton
Exon
Ford
Garn
Glenn
Goldwater
Hart
Hatch
Hatfield
Hayakawa
Heflin
Heinz
Hollings
Huddleston
Inouye
Jackson
Javits
Jepsen
Johnston
Kassebaum
Laxalt
Levin
Long
Lugar
Magnuson
Mathias
Matsunaga
McClure
McGovern
Melcher
Metzenbaum
Morgan
Moynihan
Nelson
Nunn
Packwood
Pell
Percy
Pressler
Proxmire
Pryor
Randolph
Ribicoff
Riegle
Roth
Sarbanes
Sasser
Schmitt
Schweiker
Simpson
Stafford
Stennis
Stevens
Stevenson
Stewart
Stone
Talmadge
Thurmond
Tower
Tsongas
Wallop
Warner
Weicker
Williams
Young
Zorinsky

NAYS—2

Helms
Humphrey

ANSWERED "PRESENT"—1

Muskie

NOT VOTING—3

Gravel
Kennedy
Leahy

So the nomination was confirmed.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the nomination was confirmed, and I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the President of the United States be immediately notified of the conformation of the nomination.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that after the Senate returns to legislative session and before the recess I be recognized for 1 minute.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE SESSION

The PRESIDING OFFICER. The Senate will now return to legislative session.

The Senator from West Virginia is recognized.

Mr. ROBERT C. BYRD. Mr. President, I yield to Mr. Stone.

(Mr. Stone's statement is printed following the vote on amendment No. 1701.)

RECESS UNTIL 4:27 P.M.

The PRESIDING OFFICER. Under the previous order, the Senate will stand in recess for 5 minutes.

The Senate, at 4:22 p.m., recessed until 4:27 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. EAGLETON).

FIRST CONCURRENT BUDGET RESOLUTION

The Senate continued with the consideration of the concurrent resolution.

The PRESIDING OFFICER. The Chair recognizes the Senator from West Virginia.

Mr. ROBERT C. BYRD. Mr. President, on behalf of Mr. HOLLINGS, I yield myself 1 minute.

Mr. President, I ask unanimous consent that upon the disposition of the amendment by Mr. PRESSLER, Mr. CRANSTON be recognized to call up his amendment No. 1740.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that upon the disposition of the amendment by Mr. CRANSTON, Mr. EAGLETON be recognized to call up his amendment and that there be a time limitation thereof of 30 minutes to be equally divided in accordance with the usual form.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, are there other Senators who could indicate their intentions to call up amendments?

Mr. THURMOND. Mr. President, I have an amendment. Senator CRANSTON will be working with me on an amendment probably to my amendment, and it will not take but a few minutes, though, on each one.

Mr. ROBERT C. BYRD. Mr. President, I thank the Chair for its indulgence.

AMENDMENT NO. 1702

Mr. RIEGLE. Mr. President, am I correct in the assumption that we are now prepared to resume consideration on the Pressler amendment which is pending?

The PRESIDING OFFICER. I believe that to be the case.

Mr. RIEGLE. Mr. President, does the Senator from South Dakota have time remaining that he might be able to yield to me?

Mr. PRESSLER. I yield to the Senator from Michigan.

Mr. RIEGLE. I thank the Senator for yielding.

Mr. President, I say to him that I applaud his initiative in bringing up this amendment in the Chamber today.

This is an amendment in substantially this form which he and I offered in the Budget Committee. I hoped to be here earlier but had other matters to attend to in the Banking Committee and, therefore, was not able to be present for the first part of the debate on this amendment.

I want to join with my colleague and emphasize to everyone in the Chamber the defense spending differentials that exist between the United States and our principal allies around the world. The hard fact we have to face is that we carry the bulk of the free world defense costs, both in terms of absolute expenditures and percentage of GNP. A number of our friends around the world who benefit from those defense expenditures, not only spend far less than we do, but today find themselves in much stronger financial positions nationally than is the United States.

To illustrate this problem, in 1979 the United States was spending roughly $520 per capita on free world defense. Other major countries spend far less. Britain, for example, was spending $314 in contrast to our $520; France was spending $349, Germany doing somewhat better at $396. As you can see, in each case it is substantially below what we spend. Our percent of GNP spending on defense was 5 percent in 1979, Germany's was only 3.4 percent, Denmark's was only 2.4 percent. But probably the most vivid illustration would be the case of Japan. While we were spending the $520 per capita on defense last year, Japan was spending $87. While we were committing 5 percent of our GNP to the free world defense, the Japanese were committing less than 1 percent of their GNP for that purpose.

The reason it is important for us to take a look at this now is that we are about to substantially increase our defense spending, and we must examine the burden that this imposes on our economy. I think some of the increase was justified. I think other parts of it are not justified. But in any case, I think the consensus will be to substantially increase U.S. defense expenditures.

But if our allies are not being asked to increase their spending, not just on an equivalent basis, but to make up for this built-in differential, we are going to find ourselves in a more severe economic dilemma in the United States.

It will add, to our inflation rate, and our deficit, if we continue to ignore these basic defense spending differentials throughout the free world.

So, the Pressler amendment is designed to ask our allies, who are serving as host countries to American military forces based abroad, to assume more of the support costs for those American forces that are based in their countries.

I think it is little enough to ask. I think this amendment is in the interest of fairness and commonsense, and is certainly in the interest of getting our own financial condition under better control. It is essential that we apply constructive pressure to get these costs borne more equitably than has been the case in the past.

I know that there is some question—currently I have not had a chance to talk with my colleague from South Dakota—as to whether or not a vote, a record vote, is necessary or desirable in this instance, and I am not sure it is because I would suspect we probably do not have the votes to prevail. But I would say to him and to my other colleagues that if we, in a sense, allow this issue to be settled on a voice vote tdoay I do not think we ought to be prepared to do that again at the next go-around unless there is some substantial improvement in this area, unless there is some serious effort by the administration to start some serious discussions with our allies, and where we can see some progress in more equitable burden-sharing with our allies. Barring this, I think we are going to find ourselves in a situation where we are going to have to actually vote for some changes here on the floor.

I am prepared to be part of an effort to try to marshal the support that it takes in terms of actual legislative initiatives. I am not willing to press that point today, unless the Senator from South Dakota feels strongly about it.

But, in the future I will be prepared to do so. It is my understanding—I did not hear the comments of the new chairman, who, by the way, I regard very highly and whom I welcome to the post as chairman of our Budget Committee, and I am delighted, to have worked with him on the Commerce Committee and on the Budget Committee. I look forward to working with him for a long time to come in harmony and good will on the Budget Committee.

But I gather he has said he has a concern in this area that the allies ought to be doing more and that it is his intent, as well, to help urge that constructive change, be brought about to require our allies, and encourage our allies, to shoulder a fairer share of our common burden.

Mr. HOLLINGS. Mr. President, I thank the distinguished Senator from Michigan for his kind comments. I am looking forward very much to working with him on the committee.

The fact is, as the Senator indicates, I sympathize very, very much with the feelings of the Senator from Michigan and the Senator from South Dakota in the thrust of the amendment. Unfortunately, the budget resolution does not allow us that kind of flexibility. The best we can do, as we have done here in a good attempt, is to sort of cut back $200 million. But unless and until we pass the different legislation through both Houses, and unless and until we change the status-of-forces agreement, say, between the country of Japan and the United States of America, which obviously cannot be done in this particular resolution, then what you, in essence, would be doing is cutting $200 million out of operation and maintenance.

So I hope the Senators would not press for a vote. We have many other amendments waiting here, and we are trying to move the time. I would be glad to work with the distinguished Senator from South Dakota and the distinguished Senator from Michigan, who are both outstanding members of our Budget Committee. Let us keep the pressure on them.

Mr. RIEGLE. I will just conclude by saying it would be a better route for us to go to actually see a change in the status-of-forces agreement, and that is something the administration would have to take the initiative on, and I hope they will.

I might say that even within the status-of-forces agreement, as it now stands, that while the current financial arrangements meet the letter of that agreement, it would be entirely possible for the Japanese particularly to interpret that agreement in such a way that they would be altogether free to make a larger contribution if that were their wish.

I certainly hope that will be the view that is taken here. I might say, with the problems we face on the commercial side—we are going to lose $10 billion in the trade account with Japan this year with trucks and cars, 2 million Japanese cars are coming into the United States—we cannot have all of these things continue because we are spending $520 per capita while they are spending $87 per capita, and the money they are not spending on free world defense becomes part of their industrial base which, in turn, is creating these economic differentials that are hurting our balance of payments and which cause rising unemployment in the United States.

So all of these things have to connect. I am pleased that the chairman is willing to work with us to see if we cannot have the bill to try to get things moving in the direction that should bring about a more substantial and equitable contribution by the allies in the support costs that we are having to bear abroad. I appreciate what he said, and I look forward to working with him on that.

I would suggest that from my point of view a vote is not necessary on this, and I will not so ask for one.

Mr. PRESSLER addressed the Chair.

The PRESIDING OFFICER (Mr. Pell). The Senator from South Dakota.

Mr. PRESSLER. I concur that a vote is not needed. I am pleased that the committee has adopted language in its report which supports the goal which this amendment seeks. I am aware that budget resolutions are not line item legislation and that it is difficult to focus cuts in the defense function. I believe, however, that the debate we have engaged in this afternoon has been helpful and has sent some signals to our allies, to Japan, to the White House, to the Defense Department, to the policy makers. I think there will be substantial support for the concept embodied in my amendment when other legislation comes before this Chamber. In fact, we found substantial support in the Budget Committee, and I do want to commend the chairman for his comments, and I want to commend Senator Riegle for his comments and his fine leadership in this area. He, too, has been concerned about the fact that some of our allies should assume more of the burden that U.S. taxpayers are currently bearing.

Mr. President, with the agreement of others, I am prepared to withdraw my amendment, and I ask unanimous consent——

Mr. ROBERT C. BYRD. The Senator does not need unanimous consent.

The PRESIDING OFFICER. The Senator can withdraw his amendment without asking for unanimous consent.

Mr. PRESSLER. Then I withdraw my amendment.

Mr. ROBERT C. BYRD. The Senate will be late today in order to expedite action on the resolution. It is hoped the resolution can be enacted by the close of business tomorrow. There will not be any rollcall votes on Friday, in conformity with the commitment that was made some weeks ago that there would not be any rollcall votes through May on Fridays, barring an emergency.

Therefore, in order to complete action on this resolution before the close of business tomorrow I think it will necessitate staying in late today and tomorrow also, if need be.

But the more progress that is made today by the Senate the less time the Senate will have to spend on the resolution tomorrow in order to complete action on it.

I thank the distinguished Senator from California for his willingness to expedite his amendment.

The PRESIDING OFFICER. Under the previous order, the Senator from California is recognized.

AMENDMENT NO. 1740

(Purpose: To provide a better balance among competing national priorities within a balanced budget)

Mr. CRANSTON. Mr. President, I call up my printed amendment, a substitute amendment, numbered 1740, and I ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from California (Mr. Cranston), for himself, Mr. Williams, Mr. Tsongas, and Mr. Leahy, and Mr. Levin proposes an amendment numbered 1740.

Mr. CRANSTON. Mr. Preisdent, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Strike out all after the resolving clause through page 11, line 16, and insert in lieu thereof the following:

That (a) the Congress hereby determines and declares, pursuant to section 301(a) of the Congressional Budget Act of 1974, that, for the fiscal year beginning on October 1, 1980—

(1) the recommended level of Federal revenues is $616,800,000,000 and the amount by which the aggregate level of Federal revenues should be increased is $200,000,000;

(2) the appropriate level of total new budget authority is $700,800,000,000;

(3) the appropriate level of total budget outlays is $616,800,000,000;

(4) the amount of the deficit or surplus in the budget which is appropriate in the light of economic conditions and all other relevant factors is $0; and

(5) the appropriate level of the public debt is $927,800,000,000, and the amount by which the temporary stautory limit on such debt should be accordingly increased is $37,700,000,000.

(b) Based on allocations of the appropriate levels of total new budget authority and of total budget outlays as set forth in paragraphs (2) and (3) of subsection (a) of this section, the Congress hereby determines and declares pursuant to section 301 (a) of the Congressional Budget Act of 1974 that, for the fiscal year beginning on October 1, 1980, the apporpriate level of new budget authority and the estimated budget outlays for each major functional category are as follows:

(1) National Defense (050):

(A) New budget authority, $165,000,000,000;

(B) Outlays, $153,200,000,000.

(2) International Affairs (150):

(A) New budget authority, $24,600,000,000;

(B) Outlays, $9,900,000,000.

(3) General Science, Space, and Technology (250):

(A) New budget authority, $6,600,000,000;

(B) Outlays, $6,200,000,000.

(4) Energy (270):

(A) New budget authority, $7,000,000,000;

(B) Outlays, $7,000,000,000.

(5) Natural Resources and Environment (300):

(A) New budget authority, $12,400,000,000;

(B) Outlays, $12,400,000,000.

(6) Agriculture (350):

(A) New budget authority, $5,400,000,000;

(B) Outlays, $2,300,000,000.

(7) Commerce and Housing Credit (370):

(A) New budget authority, $5,700,000,000;

(B) Outlays, $200,000,000.

(8) Transportation (400):

(A) New budget authority, $23,400,000,000;

(B) Outlays, $19,000,000,000.

(9) Community and Regional Development (450):

(A) New budget authority, $9,000,000,000;

(B) Outlays, $9,400,000,000.

(10) Education, Training, Employment, and Social Services (500):

(A) New budget authority, $32,900,000,000;

(B) Outlays, $30,700,000,000.

(11) Health (550):

(A) New budget authority, $71,600,000,000;

(B) Outlays, $62,100,000,000.

(12) Income Security (600):

(A) New budget authority, $252,100,000,000;

(B) Outlays, $220,000,000,000.

(13) Veterans Benefits and Services (700):

(A) New budget authority, $22,300,000,000;

(B) Outlays, $21,400,000,000.

(14) Administration of Justice (750):

(A) New budget authority, $4,300,000,000;

(B) Outlays, $4,600,000,000.

(15) General Government (800):

(A) New budget authority, $4,600,000,000;

(B) Outlays, $4,300,000,000.

(16) General Purpose Fiscal Assistance (850):

(A) New budget authority, $6,800,000,000;

(B) Outlays, $7,000,000,000.

(17) Interest (900):

(A) New budget authority, $71,800,000,000;

(B) Outlays, $71,800,000,000.

(18) Undistributed Offsetting Receipts (950):

(A) New budget authority, —$24,700,000,000;

(B) Outlays, —$24,700,000,000.

Mr. CRANSTON. I want to thank the majority leader for his cooperation in my being able to go at this time. I thank the chairman of the Budget Committee, Senator Hollings, and the ranking minority member, Senator Bellmon, for their cooperation.

Mr. ROBERT C. BYRD. Mr. President, I thank the distinguished majority whip for his kind comments.

Mr. CRANSTON. I thank the Senator very much.

Since the Budget Committee has reported its version of the budget, the unemployment rate has risen 7 percent and interest rates have started to soften. The prime rate has dropped by more than 1½ points since the Budget Committee issued its report 3 weeks ago.

I have a rather startling announcement about the downward trend in interest rates. A major thrift institution in California, Home Savings and Loan Association of Los Angeles, has just dropped its prime mortgage rate from 17½ percent to 12¾ percent. I think that is probably an unprecedented drop in interest rates. Home Savings and Loan said it was designed to save the housing industry from total collapse in California.

Inflation remains our most severe problem. But a deep recession is not an acceptable cure, even if it would work—and I am convinced that it would not work to end our economic problems. It would not stop inflation, let alone deal with the other difficulties that confront all of us.

I believe we need a budget that will deal as best we can with both inflation and unemployment, while cushioning the harshest impacts of this troubled economy on those least able to bear those impacts, and who will suffer most from both inflation and unemployment—namely, the elderly, the poor and the handicapped.

In addition to meeting the tests I have just mentioned, the Federal budget must maintain at adequate levels our vital national commitments—to defense, to foreign policy, to energy production and conservation, and to transportation.

I do not believe the budget presented by the Budget Committee meets these tests.

Mr. President, I believe my alternative budget represents sound policy throughout the budget, not just in the social areas, not just in the domestic areas of the budget, but in the national security and international affairs functions as well.

I believe that no nation surpasses ours in strength, both because we are militarily strong and because we have a free and strong economy and society that responds to the needs and to the will of our citizens.

Last fall, I made a commitment to support an increase in defense spending in fiscal year 1981.

Obviously, a majority of my Senate colleagues agree and intend to support an increased level of defense spending this year over the level of spending for defense in fiscal year 1980.

I propose increasing defense spending for fiscal year 1981 by $2.7 billion in outlays largely by accelerating programs already in the pipeline, and $500 million in new budget authority above and beyond the increases proposed in the President's defense budget in March. My proposal provides 6 percent real growth in outlays, compared with the President's budget which provides 3 percent real growth in outlays over present fiscal year 1980 estimates.

I am convinced that this additional real growth in defense is necessary this year. I expect Congress to initiate some defense improvements which cannot be funded at the President's budget level.

My proposal will support these added defense programs without crippling other vital priorities, while still balancing the overall Federal budget and without using any portion of the oil import fee.

By contrast, the defense funding level recommended by the Senate Budget Committee is simply too high and tries to do too much in 1 year.

I have said repeatedly that while I believe strongly that we need a balanced budget, I do not believe we should balance that budget on the backs of those in greatest need in our society.

Mr. President, I want to stress once again that while my amendment proposes a lower defense figure than that recommended by the Senate Budget Committee, it is not a cut in national defense spending.

Under my amendment, we would be spending substantially more for defense than last year, plus an allowance for inflation. My amendment allows for 5.72 percent real growth in outlays over fiscal year 1980. And, I repeat, it provides for more defense spending than requested in President Carter's budget. It thus cuts only the figure that came from the Senate Budget Committee.

I think that the Senate should recognize that that is a figure that is open to consideration by the entire Senate. The committee's report on the first concurrent budget resolution mentions only one specific defense program, the MX basing funds, which, in budget terms, is a small item, $500 million, which the committee does not propose to cut or to add.

During the Budget Committee markup the distinguished Senator from South Carolina circulated a list of defense adds and cuts that he and Senator DOMENICI of New Mexico were advocating, which totaled $12.2 billion in budget authority and $7.5 billion in outlays. But since the Budget Committee recommended the addition of $9.3 billion in budget authority and $2.6 billion in outlays to the President's budget request—lesser figures in both cases than those which Senator HOLLINGS and Senator DOMENICI had in mind—we cannot even assume that the list circulated to the committee by the Senator from South Carolina and the Senator from New Mexico represents the committee's assumptions about what programs are needed above and beyond the Carter budget.

We just do not know what those assumptions are.

Similarly, the Senate Armed Services Committee did not specify what additions to the Carter budget its membership felt were needed when it made its recommendations to the Senate Budget Committee for function 050.

So we do not have any precise picture before us of exactly what is contemplated for national defense. I think that, in this category, as in others, we should know what we are doing before we spend the taxpayers' money.

That really reflects the viewpoint that was expressed by the Senator from South Carolina this morning when he was discussing the amendment of the Senator from Maine and the proposal to amend that by the Senator from New York, Senator MOYNIHAN.

As we consider an effort to deal with priorities, taking into account the needs of various segments of our society, I think particular attention must be paid to function 500, which includes the Federal effort for training and employment opportunities for people who have suffered one disadvantage or another in our society.

The administration estimates that the unemployment rate will average 7.3 percent for calendar year 1981. CBO estimates it at 7.5 percent. And CBO projects a fourth quarter 1981 unemployment rate of 7.6 percent.

In the face of these distressing statistics, which in the face of the latest news appear understated, the administration's revised budget was neither padded nor generous. It reduced the level of operation for the Young Adult Conservation Corps, phased out welfare reform demonstration programs, and reduced countercyclical public service jobs from 200,000 to 149,000, cutting a total of $1.350 billion in budget authority and $840 million in outlays.

From this base the Senate Budget Committee assumed the deferral of the youth employment program until fiscal year 1982 (October, 1981); phased out title VI (countercyclical public service jobs) of CETA; eliminated the Young Adult Conservation Corps; slashed $300 million out of the already underfunded summer youth employment program; cut the WIN (work incentive now) program; deferred the Carter "private sector initiative," and cut in half the administration's proposed increases in aging, ACTION, vocational rehabilitation, and social services (except for title 20 and child welfare services).

By undercutting much of the Federal effort toward employment assistance, the Budget Committee assumed savings of $3.5 billion from the Carter budget in budget authority and $2.3 billion in outlays.

Nor was Federal assistance to education spared.

The Senate Budget Committee proposes funding for elementary, secondary and vocational education at $300 million in outlays below the current law levels—and $700 million below current law levels for higher education.

My proposal restores funding for education, employment training, and social service programs to a level approximately equal to CBO's re-estimate of the Carter budget. These funds are far less than the amount necessary to meet the needs which they are designed to address. These particular programs are vital if disadvantaged people are to break the cycle of poverty.

I deeply regret not being able to do more for these programs in the amendment that I am offering. But I believe my substitute presents a marginally acceptable alternative in a very tight year, in a year when I agree with the need for a tight budget and in a year where I am proposing an amendment that would keep the President's budget in balance.

Mr. President, I have detailed the rest of my budget in a RECORD statement on April 30.

Let me now say only that I believe that the Budget Committee has seriously and severely underfunded energy, transportation, and the nutritional and housing assistance provided in function 600 and made regrettable, severe and unwise cuts in veterans' benefits and services, in the Land and Water Conservation Fund, and in security and trade assistance, as well as badly misestimating costs under the Trade Adjustment Assistance Act in function 600.

For all these reasons, and more which I have set out in full before, I urge that my substitute amendment be adopted.

I would like to deal with one other aspect of this. There have been suggestions that this is the liberal alternative to a middle-of-the-road budget now before us as compared also to a very conservative budget offered earlier in the form of the Armstrong-Roth amendment. I do not think that that represents clearly and accurately the nature and impact, nor the purpose, of the amendment that I am offering.

President Carter is deemed by some Democrats to be a very conservative President. That is an issue now in the Presidential campaigning across the land. The budget that I have offered, the alternative, is $500 million more for defense than the Carter budget as reestimated by the Congressional Budget Office. It spends more on national defense than the President requests. So it is hardly a more liberal budget than that proposed by the President.

It provides more outlays than the Carter budget as reestimated by the Congressional Budget Office to the tune of $5.3 billion. So this is hardly a "liberal" alternative. It is simply, I believe, a rational alternate budget based upon more sensible priorities than the proposal placed before the Senate by the Senate Budget Committee.

For all these reasons and many more, I urge adoption of my substitute amendment.

The PRESIDING OFFICER. Who yields time?

Mr. BELLMON. Mr. President, I think many of us would agree with some of the objectives Senator CRANSTON has in mind. We would all like to see our defense expenditures go down. We would all like to do more in the social area. The problem is that the real world we live in makes it very difficult to ignore the fact that for many years, at least the last 20 years, the Soviet Union has been increasing its defense expenditures, in real terms, by something like 4 percent a year. During that time, the United States has been holding its defense effort almost level. In other words, we are spending the same amount of dollars now in constant dollars as we were back around 1960.

There was a time during the Vietnam war period when our effort increased. As soon as that war was over, however, we cut back. The Soviet Union has gone right on increasing its defense spending and now we face the very distasteful necessity of playing catchup and increasing our defense efforts so that we will not be perceived by the world as having lost our interest in maintaining peace in the free world.

To get down to cases, Senator CRANSTON talked about the very sharp April rise in unemployment. This was not a totally unexpected development. We have been talking about a recession. The monetary policy that the Federal Reserve has been following was almost certain to produce unemployment since high interest rates mean there is not money for housing or many other kinds of investments. The result has been that housing has virtually stopped. The purchase of automobiles is down dramatically and unemployment has increased as a consequence.

This budget, frankly, was based on the expectation of a recession. We have assumed that unemployment would rise to somewhere around 7.5 percent during 1980. We feel that the April unemployment rise indicates clearly that the period of economic expansion has ended temporarily. However, we need to be a little cautious about assuming that this situation requires any change in our fiscal policy.

It is very likely that monetary policy will change. We already see interest rates coming down. This means that housing will pick up again shortly, jobs will be created, and, hopefully, the economic slowdown will not be too serious.

In this budget resolution, we resolved to balance the Federal budget at the lowest reasonable spending level in order to slow inflation and provide the Federal Reserve some flexibility to ease monetary policy. When we worked on this resolution we were faced with a rate of inflation, based on the Consumer Price Index, of up around 18 percent. There is simply no way this Nation's economic institutions can survive an inflation rate of that magnitude. It remains, I believe, the highest priority for this country to fight inflation, to establish a stable, economic policy. This budget still needs to address that problem as its highest priority.

I believe the policy that we have set, the fiscal policy we have adopted, is beginning to have its intended effect. The New York Times this morning reports that the Federal Reserve has eliminated the interest rate charge on the money it lends to the larger banks. This action will lower borrowing cost and hasten the already sharp decline in interest rates that began 2 weeks ago.

I remind the Senator from California that the prime rate has declined 2½ percentage points in the last 2 weeks, and Treasury bills have come down a dramatic 5 percentage points. So already we are seeing money being more available, we are seeing the cost of borrowing come down, and, in my judgment, it is only a brief period before the private sector will begin to react to these more favorable conditions and we will see our economy begin to stabilize.

In my opinion, the best policy for Congress is to remain firm on its policy of restraint, and in this way encourage the Federal Reserve to ease interest rates further. Lower interest rates will certainly revive the construction industry, as I have said. This is responsible for about half of our present unemployment. More activity in construction should ease the stress on the economy, particularly if we can see the same kind of recovery in the automobile industry that lower interest rates should bring.

There will be new cars introduced this fall or later this summer and, hopefully, they will be eagerly received by the market. This certainly will help the unemployment problems in the automobile industry, which are more serious, perhaps, than in any other part of the economy.

Mr. President, I agree with the Senator from California, that we do not want to take actions that are unnecessarily harsh on the poor in our society. However, I believe that the high and rising inflation is a crueler and more destructive result than our present brief period of slow economic growth.

So, Mr. President, we have to look at two realities: One is the reality that we need to be doing more in the defense area, and this budget does that. We change our defense policy for the first time in trying to bring our level of spending up to the point that we will again be able to demonstrate to the world that we are serious about maintaining peace in the world.

The second reality is that while, temporarily, we do have economic stresses and while, temporarily, unemployment is rising, I feel that by retaining the fiscal policies this budget establishes, we shall probably help low-income people and those who are at the lower end of the economic scale more than we would if we went along with the policies Senator CRANSTON recommends. These policies would have the effect of exacerbating inflation and working the greatest hardships on those least able to protect themselves from the stresses that inflation brings.

Again, I say that I am sympathetic with the position the Senator takes. I believe that the policy he recommends, however, is not the right policy for these times.

(Mr. EXON assumed the chair.)

Mr. HOLLINGS. Mr. President, I yield 10 minutes to the distinguished Senator from New Mexico.

Mr. DOMENICI. I thank the Senator.

Mr. President, basically, in summary, rather than address the effect of the Cranston amendment on the social programs, which I think my good friend from Oklahoma has talked about—and they are rather straightforward and obviously, this proposal would increase a number of them—I would rather speak about what it is going to do to our national defense and what it is going to do to this budget—two basic principles.

Everyone should know that, while Senator CRANSTON's amendment cuts a significant amount of money out of our military preparedness—namely, $8.4 billion out of budget authority and $2.5 billion in outlays for the year 1981—he still recommends that we spend more than the Senate Budget Committee's resolution. So, on the one hand, while this amendment would seek, in this Senator's opinion, to reverse exactly the one significant policy change made in this budget resolution by cutting defense substantially, it is not enough for the Senator from California. That savings that he is going to take out of defense is not enough. He is going to add $3.9 billion more, and he says we are just going to have more revenue. Whatever his assumptions are, everybody ought to understand that Senator CRANSTON wants to take these billions out of defense.

He is very concerned that our social programs do not have enough money, so he puts all that into social programs. Then he says that is not enough, he wants to find some more to put in there. So he changes our revenue assumptions from $612.9 billion to a higher number so he can find $3.9 billion more to put in those social programs.

I tend to agree with my good friend from Oklahoma that we could do everything if there were no end to money, if the taxpayers of America were not concerned about excessive taxation, if we were not already at the Senate Budget Committee's level, balancing a budget at the highest level of taxation on the American people in the history of the United States.

At one point, we were arguing, I say to the Presiding Officer, he and I, in his capacity as Senator from Nebraska, that we were at the second highest level, because during the Second World War, when we were totally mobilized to win, we were taxing the American people at a higher level than proposed here. But we had to increase our revenue measures to come in with a surplus. We had a good economy and we had the President's $10 billion or $11 billion.

Now, we are at the highest level of taxation in the history of the Republic to come up with our balanced budget plus a surplus of $11-plus billion that we shall get if the import fee remains in effect and is collected.

That is not enough for the Senator from California. We can find some more revenue, he says, and we are going to have another $4 billion. So we are going to take that new $4 billion that he finds in this money that we are going to take out of defense, and we are going to put that all combined to make sure that none of the social programs of this country is significantly cut.

They have not been growing very fast, anyway, Mr. President, as we all know. They have, for the last 20 years, been the social conscience of America. That is good that we have one. It has prompted us to concern ourselves with spreading the blessings of this free enterprise system, through Government, to our people through functions like CETA, like food stamps, like social security, highway programs—they all have good goals. They are all wonderful programs. They have just been growing like Topsy.

What the Budget Committee said is that it is time to take a good, hard look at one of the, if not the, principal and most significant functions of a national government; that is, our national defense.

For 15 years, while we concerned ourselves with spending our taxpayers' dollars for our people, we effectively permitted our national defense to be funded at about 2.5 percent less each year, if we use real dollars, about 2.5 percent less than the previous year. I ask the Members of the Senate, and I believe the American people have already answered the question; it is time for us to answer it: Is America safer today than we were 15 years ago? Is America's defense as adequate today as it was 15 years ago?

I think the American people, with their good, intuitive sense, have said, no, this is a more dangerous world for America, for freedom, for our national interest than it was 15 years ago.

Without going to all the experts we have gone to, the American people also said, And the Soviet Union is not weaker than it was 15 years ago; it is stronger. I think they are saying to this Congress: If that is true, why do you not do something about it?

The main, simple fact is that the Senate Committee on the Budget—and I was proud to be a part of it, I was proud to be a cosponsor of the amendment with the floor manager of the bill, our new chairman—the Hollings-Domenici amendment set the mark for this function. It sets a mark that clearly changes the trend line of the use of American taxes and says we have had enough of an inferior American military preparedness.

A country as great as ours, that can afford to spend as it has on all kinds of programs, a country with three times the productive capacity of the Soviet Union, perhaps three and a half times, ought to be ashamed of itself to be behind the Soviet Union in all kinds of conventional weaponry, maintenance, weapons systems, standing military, tanks, Soviet navy growing by leaps and bounds. I could go on and on.

What we have said in this budget resolution is that we are not going to take chances. If we are going to overspend, we are going to overspend on the side of being sure that we move—the President of the United States, the Secretary of Defense, and those that procure and those that run our military—we are going to have it second to none again.

We are also suggesting in this amendment that if we want an All-Volunteer Army, we had better face up to the facts and pay for it. The budget resolution assumes that the military personnel, the men and women in uniform in the U.S. Army, ought to be paid a living wage. It suggests that if the American people knew that we were underpaying our All-Volunteer Army to the extent that we have thousands of military families on food stamps, if they knew that, they would be here insisting that we increase this budget. If they knew that we are thousands of petty officers short because they leave after many years of experience because we have a miserable incentive pay program for our military, they would be here.

The American taxpayer would be here. He would show us where to cut. I guarantee they would not be cutting the pay of the military like we have for the past 5 years.

This budget mark says, "You pay the military, give them a significant across-the-board pay raise, put in place a sensitive pay system to keep the middle management personnel, be that in the Navy, Army, or Air Force."

The PRESIDING OFFICER. The Senator's 10 minutes have expired.

Mr. DOMENICI. An additional 5 minutes.

This bill also speaks loudly for the American people. They are saying, "We are tired. We are tired of training our pilots to fly the most sophisticated weapons in the world only to find after they have a few years of experience that they have to leave the military because we will not pay them."

It says, "We do not want any more of that."

It also says that it is time to recognize that we made a tremendous mistake 5 years ago when we cut back on Navy shipbuilding.

It says that we are not going to put up with that.

The greatest productive nation on Earth and we can hear people getting up and talking about a recession, talking about our lack of productivity.

The American economy in a recession is three times better than the economy of our adversary in the world.

We hear people talk about our not being able to afford to pay for our military, to pay for new weapons.

Mr. President, I want to comment on one other thing. We hear our wonderful friends in the Senate, and I respect them dearly, stand up and say that they are also for a strong military. But they do not want any waste.

So, year after year, because somebody comes forth with the rhetoric, "We do not want any waste," we cut the military.

The problem is that the waste is still there and the military's necessities have been chopped to pieces.

Where are those who want to cut the military when it comes to talking about waste in the domestic programs of America? I ask each one of them who are so filled with rhetoric about needing competitive bidding, needing to make sure we manage the weapons system procurement better.

We recognize all that. Why were they not saying the same thing when the social program went up 2,400 percent in 6 or 7 years? Why did they not cut it 8 percent or 10 percent and say that there is obvious waste in it, too?

I, for one, acknowledge there is waste in everything the Federal Government does. But I am not going to be part of permitting America's military unpreparedness in this kind of risky world. I am not going to stand by and watch it go through another decade of being chopped to pieces, as it has been in the last decade and a half.

That is why I think the most historic thing the budget resolution does is unequivocally turn the trend line on military preparedness upward 6 full percent real growth. That means, for everyone to understand, inflation plus 6 percent.

Now, if anyone does not want to put that much in military, then vote for Senator CRANSTON's amendment and start it right back down the trend line, where it has been for 15 years.

If we want to do something historic.

then vote with the Budget Committee, a modest cut in the trend line growth of social programs and a dramatic increase in expenditures for the military.

No if's, and's, or but's. The choice is clear. A modest cut in social programs, a significant increase in military preparedness. Yes or no.

If we adopt Senator CRANSTON'S amendment we want neither. If we do not want the modest cut in the social programs, if we think that is too severe, and back what we took out of military and $3.9 billion more that he finds by changing our revenue figures.

So, this offers everyone in this body a clear, not complicated, issue of what they want to be for in voting budget priorities and assumptions for expenditures in the taxpayers' dollars in 1981.

Mr. President, the budget resolution is Congress' tool for setting fiscal priorities, for identifying those national responsibilities which demand the highest attention. The budget resolution now under consideration treats national defense as our most pressing budget priority. The fiscal year 1981 first budget resolution recommends targets for function 050: National defense, of $173.4 billion in budget authority and $155.7 billion in outlays. This is an increase of $8.9 billion in budget authority and $5.2 billion in outlays over the President's revised March request for national defense. The budget resolution recommends increases to the President's defense budget request based on assessments of specific deficiencies in our defense posture. These deficiencies are well known to all who have taken the time to learn the alarming status of our military readiness.

Military manpower problems, both new recruitment and retention of experienced personnel, are reaching an unparalleled level in the services today. As many experts have correctly noted, the United States has not kept the bargain it made with the Armed Forces when the All-Volunteer Force concept was instituted. The Government has not kept military pay and other benefits equal with other developments in the economy. Whatever rationalizations and excuses may be made to refute this situation, the fact remains that people are "voting with their feet" and leaving the service in record numbers.

Our tactical air forces are not being maintained at adequate levels. Both the Air Force and the Navy are not even receiving sufficient new aircraft to replace those lost through aging and accidents.

Our naval forces, combatants and support vessels, are actually shrinking at a time when our farthest global interests are most in jeopardy and the U.S. Navy will bear the brunt of the responsibility to protect them.

Ammunition and missile inventories, seriously depleted in previous years, have never been fully restored. Now we face the prospect of military confrontation and combat in which we would be unable to sustain our military presence with any certainty.

Military operations and maintenance funds, the favorite budget "whipping boy" year after year have been cut so often and so consistently that our general lack of military readiness is today a shocking hidden cancer eroding our national security posture.

Military construction funds, a little-noticed but important aspect of the defense budget, have been cut for so long that major parts of our defense posture's physical infrastructure are deteriorating to the point that a massive new construction program may be necessary in the near future.

The United States virtually abandoned the strategic military arena for 10 years, allowing the Soviets to capture superiority in several important areas of capability while we clung to the hope that arms control would somehow rescue us from our deteriorating situation.

Mr. President, few of these deficiencies, which threaten the very basis of U.S. security, were addressed by the administration's original January defense request, and the revised March request actually exacerbates existing force problems in its rush to compensate for the expanded tempo of Indian Ocean operations. I would like to comment, in this regard, upon an issue which has increasingly occupied my thoughts and my concern. The same concern was expressed very succinctly by William F. Buckley, Jr. in a Washington Post article:

> Was the recent desert rescue mission's failure in Iran an expression, technically and symbolically, of the deterioration of military posture?

The question is appropriate. The SALT decade appears to have had a perverse effect on our entire attitude toward military preparedness—as if arms control negotiations have somehow eliminated the responsibility to maintain a national defense posture. I am afraid we have reaped the rewards of our lax attention to the necessity of a dynamic defense posture.

Responding to congressional concern regarding Soviet military advances, the President and the Secretary of Defense previewed a fiscal year 1981 defense request last December and proudly alleged that it represented "an increase of nearly 5.6 percent after inflation" in budget authority. The Secretary of Defense declared that:

> Should our assumptions as to future inflation, on which the program as based, later prove to have been underestimated, the Administration will take appropriate action to preserve the integrity of this program. . . . We mean to see that this program is carried out.

The President's fiscal year 1981 state of the Union message to the Congress claimed a real growth of more than 5 percent. The President declared that it was "imperative that the Congress approve this strong defense budget without any reduction," and he allowed as how he was setting a growth rate for defense that he could "sustain over the long haul."

From this point on, Mr. President, the Carter fiscal year 1981 defense claims began to erode at an amazing rate. Only a few weeks later, the figure of 5 percent real growth was abandoned as the administration slid back to the 3-percent NATO-related real growth target. Even this proved false as a DOD memo printed in the Wall Street Journal revealed the administration more interested in promoting the political illusion of outlay estimates and inventing convenient inflation estimates in order to create an artificial claim of 3.1 percent real growth.

Mr. President, I have given up any hope of learning what the administration's true defense plans are. The shifting sands of the Carter defense budget set a new record for complete illogic on April 22 when President Carter sent a letter to House Speaker O'NEILL opposing the Holt amendment and supporting the Obey amendment to the House budget resolution. The Holt amendment, which the President opposed, would have increased the defense budget target over the President's March request by $2.1 billion in budget authority and $2.5 billion in outlays.

In the same document, the President then supported the Obey amendment which actually proposed cutting the defense budget target below the President's March budget by $3.9 billion in budget authority and $2.5 billion in outlays. The Obey amendment was even $900 million below the President's original January defense budget request in budget authority. Plainly put, Mr. President, Jimmy Carter went on record endorsing a dramatic slashing of his own pre-Afghanistan defense request. The whole episode would be humorous if its potential consequences were not so serious for U.S. defense planning.

Mr. President, I am amazed by the attitude of anyone who continues to oppose an increase in U.S. defense preparedness in the face of the existing situation. What will it take to awaken these individuals to the degree to which our defense potential and our global position have eroded? The fact that real U.S. defense spending has decreased as our threats increase appears not to bother them. What will? They appear to regard our defense posture as something comparable to new public housing programs; as if national security was something we have the option to forego depending on the state of the economy.

It is puzzling to listen to the arguments of those who seek to cut the budget resolution's defense target. What is their reasoning? Do they deny the reality of the U.S. military deficiencies I have already cited? Some evidently feel that there is some equality principle that demands that basic defense needs be slighted so that all domestic spending programs can also be covered within overall fiscal constraints. Seeing to the adequacy and credibility of the common defense is the first priority of any government. I cannot accept the abandonment of priorities espoused by those who seek to cut the defense target in this resolution. Any view that our myriad of domestic spending programs must have a higher priority than national defense reflects a severe misunderstanding by people with the mistaken belief that we are still back in the late 1950's when the United States was the preeminent and unthreatened military power in the world.

Mr. President, especially serious is the view of some people that the Pentagon is particularly wasteful, as if the maintenance of defense capability was inherently useless, and that the country's defense must presumably be penalized for the fact that the DOD is as prone to inefficiency as any other large bureaucracy. I will not attempt to defend the management of the DOD, any more than I would try to defend the management of the Department of Health and Human Services. We must continue to demand improvements in the administration of the DOD. But if some waste is the consequence of seeing to our defense needs as these improvements evolve, then that is a fact which we must accommodate. I cannot accept the alternative theory that as waste and inefficiency robs the defense budget of some effectiveness the Congress should further cut the budget by some corresponding amount as some type of penalty.

The most amazing argument against the budget resolution's defense target is that it exceeds the President's request. In my mind that is a point in the resolution's favor. The President's fiscal year 1981 budget, original or revised, is not adequate in any respect. It does not address the Nation's economic problems correctly and it does not present an adequate approach to our defense requirements.

If the Carter fiscal year 1981–85 defense program is regarded as the U.S. national security blueprint for the 1980's the message it sends is that the United States is more interested in appearance than substance, more intent on manipulating numbers to create the appearance of defense improvements than in meeting real U.S. defense posture needs. This administration has consistently been incapable of identifying, establishing, and pursuing national security priorities and objectives.

Mr. President, the Senate should acknowledge that there must be a different standard for the national defense infrastructure of our country—which addresses a threat against which we must remain uncompromisingly resolute—as opposed to the various domestic bureaucracies of the Federal Government whose activities can afford to fluctuate with the cycles in our economy without risking our national defense and global position. The rest of the world is not closely watching the year-to-year emphasis we give to our many domestic programs. However, our allies need to see and our adversaries must see a strong, coherent, and consistent defense budget and military posture maintained as the most potent symbol of U.S. global presence, commitment, and resolve.

The PRESIDING OFFICER. The Senator's time has expired.

Several Senators addressed the Chair.

Mr. BELLMON. Mr. President, I ask for 1 additional minute to ask the Senator a question.

The Senator from New Mexico may not have been on the floor a few weeks ago when the distinguished Senator from New York (Mr. MOYNIHAN) made what I thought was one of the most profound statements I have heard on the floor of the Senate.

We sometimes seem to think we can separate defense and social services. He made the statement, and I think I am quoting him precisely:

> The greatest social service any government can do for its citizens is to assure their security.

I think we need to keep that in mind here. We can talk all we want about doing good things for people, but if we allow our defense to fall into such disarray that we can no longer provide for the services of our people, all other things will be relatively meaningless.

I believe the Senator will agree with me that that is really the situation that could develop if we do not change our defense effort.

Mr. DOMENICI. Mr. President, I ask the floor manager to yield me 2 minutes more.

Mr. HOLLINGS. Surely.

Mr. DOMENICI. Let me say to Senator BELLMON that I wholeheartedly agree with the very profound statement that the junior Senator from New York (Mr. MOYNIHAN) made.

I think we completely underestimate the good sense of the American people. I believe they, right now, by a compelling majority, sense that America is unsafe in a very dangerous world.

I do not think they need any big explanation. I do not think they say that we were once dominant in the world and we want to be that again, and tell everyone what to do.

I think the good commonsense of Americans are saying that something is wrong when the destiny of so many countries in the world is being influenced directly, or covertly, by the Soviet Union, when they are so present in the Indian Ocean, when they are in Afghanistan, right in the middle of the energy reserves of the world that we could not survive without—and the Senator knows that.

I think it is just our turn to follow what our people clearly sense, that they do not want to take a risk with our freedom. They know freedom is hard. It demands a lot of responsibility, is fragile in a world filled with dictators. But somehow, they are frightened today, and I believe they are frightened precisely because of what we just described, a Congress of the United States that has been prone to find excuses rather than spend money for military preparedness, find social needs that come first.

Now we find ourselves, in most respects, second to the Soviet Union in direct capacity, parity, and strategic, and inferior in conventional weapons.

I close by saying that when I speak of the American people's good sense, I want to speak about just a few people, New Mexicans.

The PRESIDING OFFICER. The Senator's time is expired.

Mr. DOMENICI. One minute.

Mr. HOLLINGS. Yes.

Mr. DOMENICI. My New Mexicans, 5,000 of them, answered a survey where I gave them a budget, Mr. President.

I cut the budget into pieces out of a pie. I told them what we were spending in 1980 and asked them to fill out their own budget and answer two or three simple questions.

I think that what I have just described about Americans is true in spades about New Mexicans; 75 percent said, "Spend more on military, not less." At the same time, 68 percent to 70 percent said, "Spend less on social programs, not more."

I think they clearly understand that a great power like America should not be taking the risk over budgets like this when it comes to military preparedness. They are saying, "We will pay it. You budget it and you appropriate it. We don't want a military that is second to the Soviet Union, and we don't want servicemen on food stamps and subsidies, and we don't want master sergeants and petty officers quitting with 20 years of service because you can't pay them enough. Find a way."

That is what we did in this budget. We should leave it alone.

Mr. CRANSTON. Mr. President, I know that the Senator from New Mexico would not deliberately misrepresent the position of the Senator from California nor the purpose or intent or specifics of his amendment.

However, to the careless listener, there would be a very great misunderstanding of the amendment of the Senator from California because of the lack of care with which the Senator from New Mexico chose his words.

I have not suggested cutting national defense. I have suggested cutting national defense below a figure taken out of the air by the Budget Committee. I have proposed spending more than President Carter has suggested. I propose in my amendment spending more for national defense to give us an additional strength.

Mr. TOWER. Mr. President, will the Senator yield for a question?

Mr. CRANSTON. I yield.

Mr. TOWER. The Senator says that the Budget Committee picks the figure out of the air. The Armed Services Committee recommended an even higher figure than the Budget Committee. Is the Senator suggesting that the Armed Services Committee picked the figure out of the air? If he is, I would like to set him straight on that, on his time.

Mr. CRANSTON. The Armed Services Committee did not provide details as to what the sum they suggested would be used for in its recommendation to the Budget Committee.

Mr. TOWER. I will provide that for the Senator, because I assure him that the Armed Services Committee, under the able leadership of Senator STENNIS, never picks anything out of the air.

Mr. CRANSTON. The Armed Services Committee requested a specific figure from the Senate Budget Committee but, it did not provide backup. It did not indicate what that money would be used for.

Mr. TOWER. I differ with the distinguished Senator. I provided the committee with a letter which outlined the various areas this spending could cover, and I would be delighted to get more specific with the Senator from California. It includes a type of aircraft manufactured in his State.

Mr. CRANSTON. Was that a proposal of the Senator from Texas or was it an adopted proposal of the Armed Services Committee?

Mr. TOWER. It was what the Armed Services Committee considered was needed to cover various specified areas of expenditure.

Would the Senator like me to respond to his question?

Mr. CRANSTON. Yes

Mr. TOWER. We identified that, over and above the revised budget that was presented, we would require $1.4 billion more simply to restore Air Force aircraft procurement to last year's plan—that is to say, just to bring the type of aircraft production up to last year's plan. We would require $1.2 billion additional for naval aircraft and $1.5 billion more for shipbuilding, simply to maintain our narrow maritime edge into the mid-1980's, based on last year's testimony to the Armed Services Committee or prior to President Carter's new commitment to the Persian Gulf.

We determined that we would require $1.1 billion more for aircraft spares for the Air Force alone, for peacetime readiness and for absolute minimum war reserve.

If the Senator would like, we could show him a stack of newspaper articles noting how aircraft are currently being cannibalized to keep them in the air because we do not have enough spare parts. Also, a minimum of $600 million more for ordnance to reach one-sixth of the DOD requirement for war reserves.

Mr. CRANSTON. I ask if that is an official statement from the Armed Services Committee or the contents of a letter sent to the Budget Committee by the Senator from Texas?

Mr. TOWER. This is what the Armed Services Committee has identified. There is no official authorization bill, and that is the only thing that speaks absolutely officially.

What the Senator said was that this was picked out of the air, and I am telling the Senator that it was not. It is based on hard, cold facts. The Armed Services Committee is not going to pick something out of the air——

Mr. CRANSTON. What does the word "identified" mean? That does not mean action has been taken by the committee.

Mr. TOWER. The Senator from Texas did not suggest it was an action taken by the committee. Certainly, the arrival at a budget figure was determined by the committee, and it was based not on thin air, as the Senator suggests. He suggests that 17 members of the Armed Services Committee are a bunch of irresponsible nincompoops and that they just dreamed up a figure.

I am telling the Senator what was discussed in the Armed Services Committee and what was identified as our problem area. That is why, by a vote of 13 to 2, the Armed Services Committee arrived at that figure.

Mr. CRANSTON. Nonetheless, it is not a figure based upon a precise recommendation to the Senate itself as to what the money would be used for.

Mr. TOWER. What is the Senator's amendment based on in terms of precise, specific cuts, and where do those cuts come from? I suggest he takes those out of the air. He suggests that 17 members of the Armed Services Committee have been totally irresponsible and do not know what they have been talking about.

By the way, some rather liberal Senators voted to support that.

Mr. CRANSTON. The amendment of the Senator from California does not cut; it increases defense spending above the level requested by the President. That was the point I made to the Senator from New Mexico, who stated that I am cutting national defense.

I am proposing that national defense be increased; I know it must be increased.

The second point I make is that the Senator from New Mexico indicated that I was suggesting that we pass additional tax revenue measures. I am not proposing that. All I have suggested is that there could be a different interpretation and a different assumption as to which of the President's assumptions or revenues are realistic.

My figure is $200 million higher than that of the Budget Committee. The Budget Committee has not shown a great capacity to estimate revenues. They have underestimated revenues by more than $20 billion each year in the last 2 years they have made such estimates.

The third point: The Senator suggested—he did not flatly say it, but a listener might get the impression—that I am not proposing that any social cuts be made, that all social programs be expanded. That is not the case.

Under the budget constraints imposed upon all of us, the budget I am proposing would lead to less money for food stamps, less for nutrition, no young adult conservation corps, no welfare reform, less public service jobs, less community development.

The programs that are being cut—very unwisely, I think—in the Budget Committee's report are not all "social programs" either. They are programs that mean a great deal to the well-being of our economy, such as Amtrak, which would be cut one-third by the Budget Committee's proposal. Most of the Amtrak money would be available just to pay off penalty provisions in contracts, to pay off people with whom contracts have been signed, for not fulfilling those contracts—not a very wise way to use the taxpayers' money. Housing would be cut. Mass transit would be cut. Energy would be cut very substantially.

Of 25 demonstration programs designed to lead us to new energy alternatives, every one either would be canceled out or slowed down to a crawl. I do not believe that is a rational, responsible setting of priorities.

I differ with the Senator on one final point. I do not think that we are a second-rate nation in any respect. I believe we are the strongest nation on Earth, when you take everything into account—military strength; economic strength; the strength of our political system; our free institutions which permit criticism, the expression of self-doubt, questioning, prodding, probing, and changing. Technologically, we lead the world. When we add all those factors, I believe we are the strongest nation on the face of the Earth.

I think we should look to ourselves and to the world with greater confidence than we sometimes display.

Mr. DOMENICI. Mr. President, will the Senator yield?

Mr. HOLLINGS. I yield.

Mr. DOMENICI. Mr. President, I wish to say to my good friend from California I do not believe I intentionally misquoted him, and I am not going to go back and say how I think he misquoted me. I could find three of those in his interpretation of what I just said.

It appears to me that basically he believes the figures that the Budget Committee recommends for defense are too high and he proposes that those figures be cut.

Those figures that we proposed are less than the figures officially transmitted to the Budget Committee by the Armed Services Committee. We had six full hearings on military preparedness, the mission of the U.S. military in foreign policy, all in the Budget Committee itself, and I repeat the budget authority and the outlay numbers are less than the figures officially transmitted by a 13-to-1 vote by the Armed Services Committee.

I leave it up to the Senator. I leave it up to the Senate. If that is pulling figures out of the air, I submit that the Senator is more guilty than we because he pulled figures out of the air on his pet functions more times than not, and out of deference to his expertise we accept the letter when he tells us this function should have $3 billion more in it and we consider it. He has submitted it out of the air if we have taken it out of the air.

Second, I do believe it is fair to say the Senator takes from the military number—I did not say he increased taxes, I say he estimates revenues higher than we do—and he used the higher revenue and what he cut out of the military he put in social programs.

As far as the Budget Committee's past history on estimating revenue the Senator is right; we have not been on target. I submit neither has the Department of the Treasury, neither has CBO, neither have any economists because almost all the error has been because of inflation that no one could predict and no one did predict.

The PRESIDING OFFICER. The Chair hates to interrupt but wishes to make sure Senators realize time is being run. The present time is being charged to the Senator from California.

Is that the understanding of both Senators in the Chamber?

Mr. CRANSTON. That suits me. I do not wish to use any more time. But I wish to ask one question of the Senator.

The PRESIDING OFFICER. The Chair is sorry to interrupt the Senator from New Mexico. He may proceed.

Mr. DOMENICI. Mr. President, I was finished unless the Senator from California had some questions of the Senator from New Mexico.

Mr. CRANSTON. Mr. President, I wish to ask the Senator from New Mexico one question. I do not propose to take more time of the Senate. But since he and the Budget Committee have come in with a national defense figure that is less than that requested by the Armed Services Committee would it be fair to charge that the Senator from New Mexico is cutting national defense?

Mr. DOMENICI. It would be fair to say that the Senator from New Mexico is supporting a figure for national defense that significantly cuts the figure recommended by the Armed Services Committee, yes.

Mr. CRANSTON. That is exactly the description of the amendment which significantly cuts the figures that came out of the Budget Committee.

Mr. BELLMON. Mr. President, will the Senator yield me 3 minutes?

Mr. HOLLINGS. I yield the distinguished Senator from Oklahoma 3 minutes.

Mr. BELLMON. Mr. President, in response to the comments made earlier by the distinguished assistant majority leader about our taking our figures out of thin air, I call to the attention of the Senate the fact that the Budget Committee this year held I believe six hearings on national defense. If there is any function in this budget that got a careful review by the committee, I think the national defense figure, our function 050, is the one we gave most attention to.

So this figure is most carefully arrived at and it is certainly not picked in any irresponsible or accidental way.

Mr. President, I think it is also worth the Senate's attention to focus on what has happened in the various programs over the last couple of decades. I have in my hand a table which I shall submit for the RECORD, showing what has happened between 1961 and 1981 in constant dollars in the various functions.

For instance, and I do not wish to read all of these, the function referred to as general purpose fiscal assistance, that is function 850, over the last 20 years has gone up by over 2,000 percent. In the last 10 years that function has gone up 700 percent.

Then, the defense function, function 050, during that same 20-year period in real dollars, constant dollars, has gone up 16.5 percent. In the last 10 years defense has gone down 6.9 percent. In the last 10 years defense has gone up only 5.8 percent and other functions in the social area have gone up anywhere from 2591.3 percent down to in the case of income security 261 percent.

Mr. President, I ask unanimous consent to print in the RECORD these tables to which I have made reference.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

PERCENT CHANGE IN REAL OUTLAYS BY FUNCTION, FISCAL YEARS 1961–81

[Ranked in order of increase, in billions]

Outlays by function	In fiscal year 1981 dollars[1] 1961	1971	1981	1961–81 real change (percent)
General purpose fiscal assistance	$0.3	$1.0	$6.8	2,166.7
Health	2.3	30.4	61.9	2,591.3
Energy	.9	2.1	6.8	+655.6
Education, training, and employment	4.3	20.3	28.4	+560.5
Community and regional development	1.4	6.0	9.3	+564.3
Administration of justice	.9	2.7	4.6	+411.1
Income security	60.5	114.7	218.3	+260.8
Interest	23.2	40.6	72.2	+211.2
Natural resources	4.5	8.1	12.0	+166.7
General science	2.3	8.6	6.1	+165.2
Transportation	11.2	16.8	18.2	+62.5
General government	3.4	4.1	4.3	+26.5
Veterans benefits	16.3	20.3	21.0	+28.8
Defense	133.6	156.9	155.7	+16.5
International affairs	11.2	8.5	9.5	−15.2
Agriculture	7.7	8.9	2.3	−70.1
Commerce and housing credit	3.2	5.0	0.2	−93.8
Offsetting receipts	−6.8	−17.2	−34.7	−2,632.4
Total	298.4	437.8	612.9	118.6

[1] Using a GNP implicit price adjustment factor of 186.7 percent (inflationary increase during 1961–81 period).

Note: Functiona lbreakdown of fiscal year 1961 are estimates, since categories have changed.

PERCENT CHANGE IN REAL OUTLAYS BY FUNCTION, FISCAL YEARS 1971–81

[Ranked in order of increase, in billions]

Outlays by function	1971	Senate rec FCR[1] 1981 (constant dollars[2])	Percent change
General purpose fiscal assistance	$0.5	$3.5	700
Energy	1.0	3.5	350.00
Health	14.7	31.9	217.00
Income security	55.4	112.5	203.06
Administration of justice	1.3	2.4	+84.61
Interest	19.6	37.2	+89.79
Natural resources	3.9	6.2	+58.97
Education, training, and employment	9.8	14.6	+48.93
Community and regional development	2.9	4.8	+65.51
Transportation	8.1	9.4	+16.04
General government	2.0	2.2	+11
International affairs	4.1	4.9	+19.51
Veterans benefits	9.8	10.8	+10.2
Defense	75.8	80.2	+5.8
General science	4.2	3.1	−26.2
Agriculture	4.3	1.2	−72.1
Commerce and housing credit	2.4	.1	−95.8
Offsetting receipts	−8.4	12.7	−51.2
Total	211.4	315.8	+40.7

[1] January 28 submittal.

[2] Adjusted with GNP deflator (107 percent inflationary increase).

Mr. BELLMON. So, Mr. President, it is a matter of priorities. In the last 20 years Congress and perhaps for very good reason has given high priority for taking care of the social needs of our citizens, and during that period of time we have held our defense effort almost constant. It has gone up 16 percent in constant dollars since 1961 and gone up only 5.8 percent in constant dollars since 1971.

All we are attempting to do in this budget, as the Senator from New Mexico has said so eloquently, is to in a way reassess our priorities and place greater emphasis than we have in the past on our efforts to keep our defenses strong.

Mr. President, I believe a study of these tables will help the Members to see that the social area has been extremely well attended to in the last two decades and now the time has come for us to do more in the defense area, and that is what our budget does.

The PRESIDING OFFICER. Who yields time?

Mr. HOLLINGS. Mr. President, I yield 10 minutes to the distinguished Senator from Texas.

The PRESIDING OFFICER. The Senator from Texas.

Mr. TOWER. Mr. President, what the Senator from California is proposing is that the United States accept the posture of permanent and irrevocable military inferiority to the Soviet Union. He is proposing that we maintain a military force that is not adequate to meet our commitments, to secure our territorial integrity, to defend our vital interests, and to defend our sealines of communication throughout the world.

The Senator from California is proposing that we sacrifice the ability to defend our vital interests, to the extent that a military force will permit us to do that, to afford ourselves the short-term comfort of some additional domestic spending.

The Senator from California is suggesting that we sacrifice the welfare of the entire country to provide additional funding for a few beneficiaries in this country.

A majority of the people in the United States, according to recent surveys, indicate that more, not less, but more should be spent for national defense, because there is a growing awareness in the country that we are behind the Soviet Union in virtually every area of military capability, that in the next 2 years we will lose our essential equivalence in strategic capability and that in 5 to 7 or 8 years we will lose our tenuous margin of naval superiority.

Already the Soviets are emboldened about military adventures throughout the world because they do not believe they will be confronted by a credible challenge on the part of the United States of America.

So this proposal, if adopted, will demonstrate the Senate has no vision. We are more interested in the politics of domestic spending than we are the security of the people of the United States.

To hell with the generation that comes down the pike 10 years hence. We do not care whether there is a cure or not as long as we preserve a lot of our pet domestic spending programs for today. After all, the next generation is not going to vote in this year's election.

Can we be so lacking in vision that

we are prepared to accept permanent military inferiority to the Soviet Union?

The distinguished Senator from Oklahoma has cited the figures. Domestic spending in many areas has gone up by hundreds of percentages and in real terms military spending has gone down and is now at perhaps the lowest percentage of GNP of any peacetime year since before World War II.

Mr. President, this is an enormously serious situation. There are a lot of things in this budget which has been proposed by the Budget Committee we will not do. The Senator from California asked why we needed this money. Well, I gave him some reasons why we needed it.

Now, let me tell you why even that is short. We need to do about $15 billion more. I know that is a high figure. But how much are we going to pay for the security of the United States of America? How much are we going to pay for the economic security of the United States of America?

If our sealines of communication are cut and we are denied the oil from the Middle East, our economy will collapse and we will not have the resources to take care of the needy and the socially disadvantaged in this country. That is what it means. Believe me they will be cut, and believe me we will be denied those sources if we are militarily weak. That is the stake the people have in it, and the poor people have the greatest stake of anyone else because they will be the ones to suffer most in an economic collapse of the United States.

The budget proposed by the Budget Committee is in itself inadequate, and the Senator from California wants to cut it.

Let me tell you what this budget will not provide for and what there is still left to be done. It will not provide for an Indian Ocean naval presence on a permanent basis. It will not provide for an interim penetrating bomber such as the B–1 or a stretched version of the FB–111. It will not provide for ammunition reserves more than one-sixth above our existing requirements.

It will not provide for spares for readiness above one-sixth of our current requirements.

It will not provide for missile procurement for air-to-air missiles above 30 percent of our requirement. It will not provide funds for maintenance backlog which now exceeds $15 billion.

It will not provide for manpower compensation that is badly needed to maintain a proper retention rate.

Maybe the Senator from California does not mind seeing those fine U.S. naval personnel in his State on food stamps. Maybe he is perfectly prepared to see those workers who make that splendid F–18 aircraft laid off to take advantage of some of the welfare programs he wants to provide for by reducing defense and raising domestic spending.

In fact, what he proposes to do here is to reduce us below the bare minimum of what we ought to be doing. As a matter of fact, what we propose here in this budget will not even get us up to the level of acceptable risks in terms of a relative force posture between the United States and the Soviet Union.

So that is where we are, Mr. President. It might be politically popular with some politically powerful constituencies in this country to cut defense for some domestic programs. But the fact of the matter is that in so doing we will subordinate the safety and the welfare of the entire American Republic to the special interests and benefits of the few.

The PRESIDING OFFICER. Who yields time? The Senator from California.

Mr. CRANSTON. I am astounded to learn and tremble for the security of my country at the pronouncement of the Senator from Texas that a reduction of $2.5 billion under the figure proposed by the Budget Committee will condemn the United States forever to inferiority to the Soviet Union in military and overall strength.

Mr. TOWER. The additional $8.4 billion in authority, so it means we cannot obligate for future programs—$8.4 billion in authority, do not forget that.

Mr. CRANSTON. We are talking about $2.5 billion in outlays.

Mr. TOWER. Do not forget the $8.5 billion.

Mr. CRANSTON. 8.4 in authority—if the U.S. total future depends upon a decision at this moment relating to $10 billion we are indeed in trouble. I do not believe that we are in that sort of trouble. I believe we are the strongest Nation on the face of the Earth. I intend to see to it that we stay there, and I again am told that I am cutting the defense budget. I again state that I am not.

The Carter total submission for 1980 was $134 billion. My proposal for 1981 is $153.2 billion, which is a $19.2 billion increase or a 14.32-percent increase. After you account for inflation, it is a 5.72-percent increase.

Let me quote from a higher authority than the Senator from Texas or myself on national defense matters.

Secretary Brown, when he appeared before the Senate Armed Services Committee giving a preview of the fiscal 1981 defense budget, stated:

> The defense program we propose has been designed around a pace of growth that the Nation will be able to sustain—economically and politically, until our objectives are achieved. It reflects a recognition of the other pressing plans on our national resources—energy, social welfare, health—that we will face at a time when the need to control inflation will limit the size of the total Federal budget. We cannot abandon, and have no intention of abandoning, those other national objectives.

So what our Nation needs is a steady defense effort which we and our allies can depend on and plan around. What we do not need and what the Department of Defense does not seek is a burst of defense spending which deprives us of the ability to meet our other national commitments.

It defies logic to argue that any defense number smaller than that recommended by the Budget Committee represents a cut in defense.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that, upon the disposition of the amendment by Mr. CRANSTON, Mr. NELSON be recognized to call up his amendment and that the previous order providing for the Eagleton amendment be so modified that the Eagleton amendment would then follow the Nelson amendment.

I have cleared this with Mr. NELSON, Mr. EAGLETON, with the minority, and with the two managers.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that a vote in relation to the pending amendment occur no later than 6:30 p.m. today, with Mr. CRANSTON having the control of 5 minutes, Mr. LEVIN 10 minutes, and Mr. BELLMON and Mr. HOLLINGS in control of the remaining time.

The PRESIDING OFFICER. Is there objection?

Mr. McCLURE. Mr. President, reserving the right to object, and I do not intend to object, but Senator BELLMON is not here.

Mr. ROBERT C. BYRD. Mr. President, I withhold the request temporarily.

(Later the following occurred:)

Mr. ROBERT C. BYRD. Mr. President, I renew my request.

The PRESIDING OFFICER. Is there objection?

Mr. ROBERT C. BYRD. Senator BELLMON is in the Chamber now.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Who yields time?

Mr. HOLLINGS. Let me yield 5 minutes to the distinguished Senator from North Carolina.

The PRESIDING OFFICER. The Chair recognizes the Senator from North Carolina.

Mr. HELMS. I thank the distinguished manager of the bill, and I thank the Chair.

Could I direct a question to my friend from South Carolina or to the distinguished Senator from California?

The PRESIDING OFFICER. The Senator from North Carolina is attempting to get the attention of the floor manager.

Mr. HELMS. There is no problem. I know the Senator is busy and I dislike interrupting him.

Is it his understanding that on page 4, under function 600, the Cranston amendment would increase funding for food stamps by $1.3 billion?

Mr. HOLLINGS. There is an increase in food stamps under this function. Let me check for the accuracy of the answer to the question.

Mr. HELMS. I will direct the question to the distinguished Senator from California, if I may interrupt him for just 1 second. Under function 600, Senator CRANSTON, on page 4, is my understanding correct that you are proposing a $1.3 billion increase for food stamps?

Mr. CRANSTON. The proposal would be approximately what the administration has proposed, which is $0.5 billion under the current level of spending for food stamps, so it amounts to a reduction in the present program.

Mr. HELMS. Well, the point I make is that your amendment calls for $252,100,000,000, is that correct?

Mr. CRANSTON. This calls for aid or support for a number of different programs such as trade assistance adjustment.

Mr. HELMS. I understand, but I am trying to get the precise figure for food stamps, if the Senator has that information.

Mr. CRANSTON. Will the Senator repeat the question?

Mr. HELMS. I beg your pardon.

Mr. CRANSTON. Would the Senator repeat the question?

Mr. HELMS. I am trying to ascertain, if the Senator will accommodate me, the precise increase over the Budget Committee recommendation for food stamps. Is it $1.3 billion?

Mr. HOLLINGS. I stand to be corrected by the Senator from California, but as we compute it, the distinguished Senator's figure is $.9 billion or $900 million above.

Mr. HELMS. Rather than $1.3 billion?

Mr. HOLLINGS. That is right, $900 million.

Mr. HELMS. Assuming the Senator from California does not disagree with that figure——

Mr. CRANSTON. If the Senator will yield, the Senate Budget Committee assumes reductions of $900 million in outlays in food stamps. That is about 10 percent of the program. By assuming unspecified legislative savings, those savings would deny 2 million low-income people the benefit of the program, and what my amendment does would be to effectively restore the level to what the President's figure would be. That is still a reduction of $.5 billion in the food stamp program.

Mr. HELMS. But which is $900 million more than the budget resolution?

Mr. CRANSTON. Yes.

Mr. HELMS. Mr. President, to further concur in the comments made by the distinguished Senator from South Carolina and the distinguished Senator from Texas with reference to national defense, in the judgment of this Senator, every dollar spent for a second rate defense capability is a wasted dollar.

As Senator Tower and others have emphasized, the American people have repeatedly made clear that they are willing to sacrifice and pay for a defense capability second to none in the world.

But I shall not address my remarks to defense. As ranking member of the Committee on Agriculture, Nutrition and Forestry, I want to talk about the food stamp program.

The PRESIDING OFFICER. The Senator's 5 minutes have expired.

Mr. HOLLINGS. Mr. President, I yield 3 minutes to the distinguished Senator.

Mr. HELMS. Mr. President, the budget resolution assumes savings in function 600, and that includes food stamps which are, of course, crosswalked to the Agriculture Committee.

These savings can easily be accomplished if Congress does what it is almost honorbound to do, and that is to reform such programs as the food stamp program.

Now, some of us in this Senate, and particularly on the Agriculture Committee, have been battling for this for years. The worst ripoff in the Federal Government has proven to be the food stamp program. No one challenges the duty of any of us, all of us, to do what we can for the truly needy, the deserving. But what we have had in the food stamp program is an absolute ripoff of the taxpayer.

The food stamp program can be reformed—it must be reformed—along with child nutrition programs and other programs. Then there will be adequate funds, perhaps more than adequate funds, under the recommendation of the Budget Committee in this resolution.

The budget resolution's funding levels for these programs do not, Mr. President, represent cuts. They amount to large increases in the spending of taxpayers' money, increases over this year's expenditure level.

Senators are bound to know that the food stamp program has mushroomed over the past few years. The 1977 Food Stamp Act provided for the fiscal year 1981 program to spend as much as $6.2 billion. Yet, the Congressional Budget Office tells us that, unless there are some changes made, some reforms that are so badly needed, the food stamp program will spend $10.8 billion a year.

Advocates of the program are quick to point out that food price inflation has been greater than Congress expected when writing the 1977 Food Stamp Act. However, they will not directly speak to the fact that, in the decade between 1970 and 1980, the food stamp program averaged a budget growth of over 30 percent a year.

We all recognize the devastating effect inflation can have on costs. But, an average growth of 30 percent every year for 10 consecutive years is more than can possibly be justified to American taxpayers.

Without amendment, the fiscal year 1981 food stamp program will cost at least $1.6 billion more than this year. We are not debating cuts in the food stamp program budget—we are simply deciding whether or not to control its growth.

UNEMPLOYMENT

Advocates of the food stamp program do a great deal of moaning about so-called cuts to their program in the face of rising unemployment, but no Senator should be misled. Rising unemployment is assumed in projecting food stamp costs for fiscal year 1981. The Budget Committee's work took full account of expected increases in unemployment. Furthermore, eligibility for the food stamp program is based on the income of the individual applicant. No eligible food stamp applicant would be held off the program because some restraint is placed on the food stamp budget. Rising unemployment rates should not be a factor for Senators deciding whether to stand by this reasonable limitation on food stamp budget growth.

INFLATION

There is another point about which food stamp advocates have been doing a lot of moaning. They claim that because of inflation the food stamp program's budget growth should not be restricted. That is ridiculous, the food stamp program grows with inflation. In fact, four different elements of the food stamp program are indexed to the Consumer Price Index.

Therefore, food stamp benefit amounts grow with inflation.

Not only does this indexing make food stamp program benefits inflation-proof, there is considerable evidence that it actually overcompensates for inflation. There is a consensus among economists that the Consumer Price Index overstates the effects of inflation because it does not allow for market basket substitution.

The CPI assumes that consumers purchase the same products no matter how much a given product's price increases relative to similar products. For example, even though the price of beef has increased much more than the price of chicken over the past few years, the CPI assumes that food stamp recipients consume just as much beef and no more chicken.

The long-term effect of this built-in overstatement of inflation is evident in the preliminary report of the last national food consumption survey done by USDA. It states that since the previous food consumption survey, done in 1965, the food at home component of the CPI has risen by 100 percent. Meanwhile, the amount American households actually spend on food has risen by 89 percent. So, the CPI rose by 11 percent more than actual food expenditures. And, that says nothing of the fact diets are much more nutritious.

While the effects of inflation are most certainly devastating, no Senator should cast his vote today under the mistaken view that the food purchasing power of food stamp households is eroding away. Because of the overadjustments in food stamp benefits that result from the program being indexed to the CPI, the food purchasing power of food stamp households is insulated from inflation. So, like unemployment, inflation should not be a factor for Senators who are deciding whether or not to support restraints required to balance the budget.

Mr. President, this budget resolution provides for a generous food stamp budget after some very reasonable program changes have been accomplished. And, those changes are badly needed. The food stamp program is out of control. Not only has its cost risen by over 75 percent in the last 3 years, the number of food stamp recipients has also reached incredible levels. In March, 21.7 million people received food stamps. That is right, approximately 10 percent of America is receiving free food stamps. Furthermore, cost projections assume further program growth.

Congress must correct this situation because Congress is to blame for it. The Food Stamp Act of 1977 is so loosely written that one of every seven Americans is eligible for free food stamps.

All of this begs the old question that food stamp advocates have never answered: When everybody is riding the wagon, who is going to pull it?

The program changes assumed in this proposal are very moderate program reforms which can easily be accomplished. As ranking minority member of the Committee on Agriculture, Nutrition, and Forestry, I am confident that changes in the food stamp program which accomplish the savings assumed in this proposal can be enacted without any of the adverse effects that have been so woefully predicted.

Mr. President, with at least one of every seven Americans eligible for free food stamps, I think it is high time that Congress undertake some of the reforms that are needed to control the program's budget growth and begin to clear its badly tarnished reputation.

Mr. HOLLINGS. Mr. President, we are trying to move ahead now. The Senator from California has been very indulgent. I have withheld my comments until this moment and I hope we can summarize our views and then move on to a vote.

The Cranston amendment would completely reverse the policy direction embodied in this resolution.

First, Mr. President, Senator CRANSTON argues that he has found more revenues than the Congressional Budget Office and the Senate Budget Committee for fiscal year 1981 and, having found these revenues, Senator CRANSTON says we have more money to spend.

This is very interesting. When we had the veterans' amendment by the distinguished Senator from California, he found $400 million. Now he has another, a bigger and better amendment, and he has found another $3.9 billion—almost $4 billion.

All you need to do is to find a particular program, a program that you wish to enhance, and then go out and find the revenues.

Mr. CRANSTON. Mr. President, I would like to suggest that perhaps I found some of those revenues the Budget Committee failed to find in previous years when they underestimated things.

Mr. HOLLINGS. Mr. President, my distinguished colleague has been a really outstanding member of the Budget Committee. I wish he would have stayed with us and then he would have been through the turmoil of trying to find extra revenues.

But, in any event, having found the additional $3.9 billion, let us look at it.

The Senate Budget Committee, in our deliberations on the resolution, was under the impression that we had a mandate, Mr. President, from the Senate, to balance the budget at the lowest possible level of total spending.

As a matter of fact, the total spending in the Budget Committee resolution is $2 billion above the target the committee set for itself when we began the markup.

The distinguished Presiding Officer was there during the entire markup and he will remember that. He made one of our best amendments when he called for a 5-percent administrative cut all across the board. That saved us some $2.4 billion.

But as a committee, we found that $612.9 million in total Federal outlays was about the lowest level we could have and still meet what we all agree are high priority needs of having a balanced budget at the lowest possible level of total spending.

The Budget Committee was further under the impression that the Senate had directed us, when it voted on the Muskie amendment to the Roth resolution, to set aside any surplus for a tax cut.

That is exactly what we did.

Now Senator CRANSTON comes along and says we do not really want to balance the budget at the lowest possible level of spending. We want to spend more money.

Senator CRANSTON is certainly entitled to take that position and try to get the Senate to affirm that position. He is absolutely right in trying to take that position. Of course, the Senate has a perfect right to debate and change any provision in this resolution if a majority of the Senate wants to do so.

This is, Mr. President, the Senate's budget, not the committee's budget.

On the other hand, I do think that the Senate is entitled to the committee's views on the Cranston amendment just as it is entitled to his views on the committee's recommendations.

I can tell the Senate that had the committee thought there would be higher revenues in 1981, if we had come along and found an additional $3.9 billion, we would have recommended, in accordance with the instructions from the Senate, a deeper tax cut, not more spending.

That, Mr. President, is the basic difference between the two approaches.

As to priorities that the Cranston amendment would have the Senate embrace, Senator CRANSTON would cut national defense well below the levels that many feel are necessary if the United States is to meet the growing, dangerous Soviet threat. What would Senator CRANSTON do with the savings, the so-called savings, from defense and the increased revenues he has "found"?

He would increase section 8 of public housing, a program criticized by the General Accounting Office in a recent report, a program which the distinguished Presiding Officer, Senator EXON, moved in the committee to eliminate any new funding for. He is a former Governor and he knows what a disaster it has been in his State.

The Budget Committee does not recommend abolishing the section 8 program, but it does recommend restraint in this program in which the average lifetime cost is $100,000 per unit.

The committee believes the time has come for us to crank down a little, to put on more pressure, insist on better program operations, and more efficient administration and produce cost savings. Evidently, the Senator from California disagrees.

Senator CRANSTON would launch a major new mass transit initiative this year. Never mind that we do not have a clear idea of our mass transit needs in the eighties, never mind that we do not have a legislative agenda to meet those needs, Senator CRANSTON wants to push ahead.

I say, and the Budget Committee said, this is not the year in which we would begin major new domestic policy initiatives. If we cannot exercise the restraint to put off such new initiatives for 1 year, we will never be able to live on our promise for a balanced budget.

Let me point out that one of the proposals put forth for the use of these new transportation funds in the President's budget was a public relations program which would have cost $450 million over 2 years. I say to you, Mr. President, this is not affordable, even if it were desirable, and I question whether the Federal Government should spend almost a half billion dollars on advertising to convince people not to drive to work alone.

Senator CRANSTON would also begin a new youth initiative this year. We are all sympathetic, certainly I am as anyone, to the needs of the hard-core unemployed, particularly minority inner-city youth. One of the few places where the Budget Committee allowed for increases in our recommended budget was in programs to serve the structurally unemployed.

Under the Budget Committee recommendations, we will spend well over $1.5 billion for youth employment programs and another $1 billion for education programs to meet the needs of unemployed youth. I support the need for a careful review of youth programs and enactment of legislation to meet the needs of unemployed and disadvantaged youth. But it is all a matter of timing; this resolution assumes funding for such a new program in fiscal year 1982, when we will hopefully have more room for new initiatives.

I say again to the Senate that, if we cannot live within these kinds of choices, we will never be able to balance our budget.

Let me also address myself to Senator CRANSTON's proposed increase for food stamps. Everyone has said that the Budget Committee cut the food stamp program. On the contrary, the budget resolution before the Senate includes a $2.5 billion supplemental for food stamps in fiscal year 1980 and $3.8 billion in 1981 (not counting assumed legislative savings). That is a 40-percent increase over current law and a 28-percent increase over fiscal year 1979.

(Mr. NUNN assumed the chair.)

Mr. HOLLINGS. If the Senator from South Carolina or the distinguished Senator from Georgia, our present Presiding Officer who has led the way in national defense, had come to the floor and asked for a 40-percent increase, Members would have laughed us out of the Chamber. But they accept that not with gratitude and graciousness. On the contrary, they say we are stabbing the poor in the back and then trying to get publicity on programs such as transportation, section 8, and other programs which have not proven their worth.

We certainly have not recommended national defense increases in this order of magnitude, Mr. President.

In accordance with the agreement, at this time I will yield to either the distinguished Senator from California or the Senator from Michigan, whoever would prefer to go first.

Mr. President, under the consent agreement, I yield 10 minutes to the distinguished Senator from Michigan.

Mr. LEVIN. Mr. President, I thank my friend and I commend him for the work he is doing in the Budget Committee, which he now heads, though I disagree with his conclusion. I believe the committee is entitled to the commendation and thanks of this body.

Mr. President, I support the Cranston amendment. I believe it strikes a better balance between meeting the domestic and military needs of this Nation than does the Budget Committee recommendation.

I believe, Mr. President, we have to reorient our defense spending practices and philosophies to permit us to purchase in adequate number the weapon systems which are capable of meeting the threat, as opposed to striving for technology's sake to have the best of everything.

The Cranston proposal will encourage the Congress to do just that.

I would like to give just two examples from my own experiences as a member of the Armed Services Committee. Although it does not specifically address line items in its budget recommendation, the Senate Budget Committee nevertheless had a set of working assumptions for defense programs for fiscal 1981 on which it based its recommendations.

Among those assumptions were that we would begin developing a new manned bomber and accelerate procurement of supercomplex Navy and Marine Corps fighter and attack aircraft.

Mr. President, according to the testimony before our Armed Services Committee during the past year and a half, there are serious questions whether the Air Force itself has a firm idea about what type of new manned bomber is needed to meet future threats and whether we need some of the Navy and Marine Corps aircraft which the Budget Committee assumed should be purchased.

I remind this body that the Department of Defense opposes these purchases. It is my recollection of the testimony of the Department of Defense witnesses that even if they were given additional funds by Congress, the purchases which are proposed, which I have just outlined, would not be their next priority.

I should like, Mr. President, to address, finally, those among us who point to the Soviet military forces as the ultimate in deterrence and defense. We hear a great deal about how the Soviets are 10 feet tall and that we are only 4 feet small. Mr. President, as a member of the Armed Services Committee, I am happy to say that this is just not true and that the United States still maintains the most capable military forces in the world, even if we do need to make improvements in certain areas.

I asked the Chairman of the Joint Chiefs of Staff on this point whether he would substitute our forces for that of the Soviets. His answer was "No." I cannot think of any bottom-line question which is more important to be answered than that one.

Too often, Mr. President, we forget the threats that the Soviets face when we make some of these comparisons and, too often, we minimize our own capabilities when we make these same comparisons.

As a member of the Committee on Armed Services, I have studied both the quantity and quality of the forces of the United States and its allies and compared them to that of the Soviet Union and its allies. We hear often about the numerical imbalances which supposedly exist between the United States and NATO, on the one hand, and the Soviets and the Warsaw Pact, on the other. We hear much less about those numerical and qualitative comparisons of our adversaries in many important categories.

For example, we are told that the Soviet navy outnumbers ours 2 to 1; interceptor aircraft, 8 to 1; tanks, 5 to 1; armored personnel carriers, 2 to 1; and artillery, 4 to 1. A more accurate quantitative assessment would compare the forces of both the NATO and Warsaw Pact alliances, since it is highly unlikely that the United States and the Soviet Union could engage in a major conflict without involving their allies.

Such an assessment would also address qualitative factors such as pilot capabilities and training, ship endurance, and the quality of weapons and sensors. Such a quantitative comparison shows that the record is much more mixed and even between the United States and NATO, on the one hand, and the U.S.S.R. and the rest of the Warsaw Pact, on the other. United States-NATO actually has more men under arms—2,842,000—than does the U.S.S.R.-Warsaw Pact, 2,647,000. In tanks, in the region of most likely conflict, Europe, their numerical advantage is significantly offset by our large advantage in anti-tank guided weapons.

The tactical aircraft balance—fighters, interceptors, and ground attack planes—is about equal, with both sides having about between 4,000 and 5,000 after mobilization. Assessment of naval forces which contribute most to combat capabilities in a war—in other words, major surface combatants and general purpose submarines and under-way replenishment ships—U.S.-NATO is significantly ahead or about equal to U.S.S.R. and the Warsaw Pact. It is our projection that this state of affairs is going to continue right into the 1990's.

All of these comparisons can be demonstrated by a table which I have prepared. I ask unanimous consent, Mr. President, that it be printed in the RECORD at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

CONVENTIONAL MILITARY BALANCE (STATIC MEASURES)

	NATO	Warsaw Pact
Men under arms (Army/Marines)	2, 842, 000	2, 647, 000
Artillery (Europe)	6, 200	14, 000
Tanks in North, Central and Southern Europe	11, 000	27, 200
Tanks overall	17, 000	45, 000
Antitank guided weapons	100, 000	50, 000
Tactical aircraft	4, 000–5, 000	4, 000–5, 000
Major surface combatants	400	235
Submarines (general purpose) nuclear and conventional	220	250

Note: Estimates are rounded and approximate. Sources are DOD and International Institute of Strategic Studies, "The Military Balance, 1978–79 and 1979–80".

NAVAL STATIC MEASURES COMPARISONS

	United States/ NATO	U.S.S.R./ Warsaw Pact
I. THE PRESENT		
Total numbers of ships	1,600	2,000.
Total metric tonnage	7,900	3,400.
Numbers of major surface combatants.	400	235.
Tonnage of major surface combatants.	Ahead	
Numbers of general purpose submarines (nuclear and conventional).	220	250.
Numbers of nuclear submarines.	Ahead	
Numbers of diesel submarines.		Ahead.
Numbers of carriers	Ahead	
Tonnage of carriers	Greatly ahead[1]	
Numbers of amphibious ships.		Slightly ahead.
Tonnage of amphibious ships.	Greatly ahead[1]	
Numbers of mobile logistics ships.		Ahead.
Tonnage of mobile logistics ships.	Greatly ahead[1]	
Numbers of mine warfare ships.		Do.
Tonnage of mine warfare ships.	Slightly ahead	
Numbers of coastal patrol ships.		Greatly ahead.
Tonnage of coastal patrol ships.		Slightly ahead.

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[1] Indicates where tonnage is an especially important qualitative measure.

Note: All numbers approximate. Source is DOD.

II. The future:

NATO maintains a slight advantage in '81–'90 deliveries of major combatants—carriers, major surface combatants, general purpose submarines, and amphibious ships.

NATO also will deliver more total tonnage in mobile logistic and fleet support ships in this time period.

In terms of total numbers, DoD expects the Soviet Navy to decline by 1988. Major combatants are expected to decline.

Thus, in terms of total tonnage, NATO/U.S. will maintain its significant edge.

In terms of total numbers of major combatants, it also will maintain its advantage.

Mr. LEVIN. The bottom line in all this, Mr. President, is that we can maintain our quantitative military edge and our qualitative advantage, or equality, with our adversaries by increasing our defense spending as contemplated in the Cranston proposal. We can also begin making needed defense improvements in a reasonable manner.

I remind the Chair and others that the Cranston proposal, although it is a reduction from the Budget Committee, nonetheless is substantially in excess of the President's March defense budget figure. That is an important increase in these days when we are trying to balance the budget.

By adopting the Cranston proposal, Mr. President, we can avoid upsetting the delicate balance between satisfying our national security needs and critical domestic economic and social needs. I hope that we will adopt the balance which is set forth in the Cranston proposal. I hope that some of the redress which it brings about between the domestic needs of this country, the needs of our economy, and our defense needs will be accepted by the Senate as a more balanced approach to the threats, both economic at home and military abroad, which face this country.

The PRESIDING OFFICER. Who yields time?

Mr. HOLLINGS. Does the Senator from California want some time?

Mr. CRANSTON. Mr. President, I thank the distinguished Senator from Michigan for his fine and strong supportive statement. I express my total agreement with his view that the United States is No. 1 in overall capacities—military, economic, technological, societal—in any real test of strength with any other people. For that reason, I think we should, while doing all that is necessary to insure that we stay No. 1 and to enhance our strength where we need to, be prudent and rational in the ways that we expend our precious resources.

Mr. President, I have nothing more to say. I am glad to yield back any remaining time so we may proceed to a vote.

Mr. HOLLINGS. I am prepared to do that, too, Mr. President. Let me first comment with respect to cutting defense.

As the distinguished Senator from California knows, that shows the democracy of our Congressional Budget Office. He found that they had reestimated the President's defense figure, which the President submitted in March. As they constitute it, rather than being 151.1 in outlays, they computed it to be 153.1. The distinguished Senator from California gives practically that same figure. He gives it as 153.2.

The reason I make reference to that is to show what is eliminated because we went down the list, we argued back and forth. We got into many defense matters. I can only answer the distinguished Senator from Michigan about a plane—the B–52, which is getting to be older than the pilots on most of them. They are having their airframe cracks. If he asked, the Chairman of the Joint Chiefs, it depends on when the Senator asked. The Chairman of the Joint Chiefs was the one who designed the B–1 and was the greatest proponent of the B–1 program when he was in the Air Force and before he became chairman.

We know we need an advanced manned bomber. Everyone agrees with that. One school of thought says cut one in half, the F–111, and stretch it out and put more electronic equipment on it. The other says take B–52's and put cruise missiles on them. But one way or the other, a new long-range bomber, is in the cards. Everything we need is not hardware. The President did not include in his March request, an increase for an 11.7-percent pay raise for military personnel. That does not deal with planes and that is not saying whether we are No. 1 or any other number. We will discuss that in a little while, I take it, on the next amendment.

I can guarantee that the Cranston amendment does not take care of the 20-percent pay absorption that the Budget Committee proposed. It does not take care of the Nunn-Warner provisions for personnel, to raise pay the middle grades, to have benefits increased for middle grade skills, in order to keep their technical capabilities. These are real needs, the guts of the Army, the Navy, and the Air Force.

We provide for R. & D. and procurement increases, $400 million outlays. O. & M. increases, $1.1 billion. We provide for the higher CBO inflation rate, and the full amount of the fuel price increase.

FISCAL RESPONSIBILITY

● Mr. BAUCUS. Mr. President, the Budget Committee should be applauded for recommending a balanced budget. I hope that for the first time since 1968, the budget will be balanced in 1981.

But, balancing the budget in the way proposed by the Budget Committee sets a disturbing precedent. I cannot agree with the methods that have been used to balance this budget. Expenditures have not been cut enough, and billions of dollars of new taxes will be required to avoid a deficit.

Mr. President, our highest priority must be to reduce inflation and the high interest rates that threaten to cripple the American economy. This requires fiscal restraint.

We need a balanced budget, but there is only one fiscally responsible way to balance the budget, and that is to cut spending.

Unfortunately, both the administration and the Budget Committee appear to be willing to balance the budget by imposing new taxes on the American people.

NEW TAXES

The Senate Budget Committee proposal calls for $16.5 billion in new taxes. Let me briefly describe these new taxes and their implications for our constituents.

First, an oil import tax that will add 10 cents per gallon to the price of gasoline is proposed. I recognized the importance of reducing our dependence on imported oil. But we cannot ignore the fact that rapidly rising energy prices have already created real hardships for many Americans.

This is particularly so in Montana where great distances between towns, our agricultural economy and cold winters mean that we often feel the pinch of higher energy prices more quickly and severely than other parts of the country.

The gasoline tax proposal is inequitable. It will increase the cost of fuel for farmers already caught in a severe cost-price squeeze. It will place a new burden on the many Montanans who must drive long distances for jobs, schools, and medical care.

The budget suggests approval of the administration's so-called cash management initiatives. These would require taxpayers to file and pay for estimated taxes more often. They would impose new paperwork and financial burdens on individuals and business.

A third new tax proposal is withholding on interest and dividends. Again, this is a paperwork-generator for the banks and companies that would have to calculate and withhold these sums. In addition, Americans who depend on interest and dividend income for retirement or pay medical expenses could find their income immediately and unfairly decreased.

Another new tax suggestion is elimination of tax-exempt housing bonds. These are a key source of credit for homebuilding. I can't emphasize enough how high interest rates have damaged the Montana economy; in recent months there have been over 4,000 layoffs in the wood products industry. While that number may not seem large to a Senator from Michigan or New York, it represents a substantial impact on the Montana work force.

HOW SPENDING CAN BE CUT

Mr. President, I prepared an amendment which would reduce spending in this budget by $6.4 billion. I will not offer the amendment at this time, as the Senate has already rejected similar proposals for reducing spending.

But I want to emphasize the point that there is a great deal of fat, and a great deal of potential waste in the Budget Committee proposal.

All of us recognize the importance of maintaining a strong and adequately funded defense. And we recognize the importance of programs that provide basic human needs for food, housing, health, and education. To a large extent these needs would not be addressed at all if they were not addressed by the Federal Government.

But this does not mean that waste and inefficiency cannot be eliminated. Nor does it mean that some programs are sacrosanct.

For example, funding for water development projects should be reduced. Coming from a Western State, I have great appreciation for the benefits of water development and have strongly supported beneficial water development projects.

But Congress has funded too many projects where costs greatly exceed any identifiable benefits. I do not think we should spend billions of dollars on projects that waste the public's funds. Sure, they are politically popular. But that should not make them immune from Senate scrutiny.

Similarly, I think we can cut back the enormous mass transportation grants that benefit only a limited number of the Nation's largest cities. I am distressed that this budget calls for $1.7 billion for rail transit systems in 12 urban areas. Meanwhile Montana's railroad transportation system is collapsing.

Similarly, I would propose that community development block grants—which primarily benefit the Nation's largest cities and are primarily used to fund projects which local communities are not willing to finance themselves—be scaled back.

There is more involved here than just arguing over priorities. For too long Congress has permitted Federal agencies to grow willy-nilly without responsibly determining whether this expansion is justified. That, in itself, breeds inefficiency and waste.

The Budget Committee reduced all administrative budgets by 2½ percent, and I think this is a step in the right direction.

During the past year, the Subcommittee on Limitations of Contracted and Delegated Authority, which I chair, has conducted comprehensive investigations of the General Services Administration and part of the Office of Education.

These investigations revealed that hundreds of millions of taxpayer dollars were being spent wastefully and needlessly. I am sure there are many more throughout Federal agencies.

Congress must take a hard look at all spending programs not only during the budget and appropriations process, but during the rest of the year as well. Irresponsible use of Federal funds can be eliminated, but only when authorizing committees and appropriations subcommittees take the time to examine comprehensively the Federal agencies in their jurisdiction.

A modest scaling back of the massive amount added to the defense budget would further reduce the pressure for new taxes.

Earlier this year, I spoke of the need to maintain a strong, efficient and lean defense. I expressed my willingness to spend what is necessary to insure the security of the United States.

It was my concern then, and it remains my concern now, that wise, necessary increases in defense spending not be replaced by crude, across-the-board percentage increases. Let us not forget the cost overruns of the past.

Since I spoke last the administration has raised its defense request to represent a 5.2-percent rate of real growth for 1981. The Senate Budget Committee proposes to increase the already substantial addition the administration requested.

But neither the Budget Committee nor the Department of Defense have given any clear assurances that these funding increases can be used wisely and efficiently. In the absence of serious congressional oversight, much of this spending increase could be wasted.

The point I want to make is that waste in defense spending hurts taxpayers just like waste in any other program. In spite of the need for improving our Nation's defenses, we cannot afford not to closely scrutinize defense expenditures.

SUMMARY

Mr. President, I would like to leave my colleagues one very strong message: That the only responsible way to balance the budget is to reduce spending.

I cannot support the Nation that a variety of new taxes are needed to balance the budget. The Senate could achieve a balanced budget without new taxes. It would require reducing spending by about $6.4 billion dollars—just over 1 percent of the proposed budget.

There are many swollen programs that could be reduced to achieve this modest spending reduction. These include mass transit grants, community development grants, part of the proposed increase in defense spending, wasteful water projects—the list goes on and on. In addition Congress should reduce expenditures in those programs where there are records of waste, fraud, and mismanagement.

By making these needed spending cuts, and by indicating our resolve to avoid imposing new taxes on the American public, Congress could send a clear signal that a new era of fiscal responsibility is at hand.

Mr. President, I will vote against this amendment to substantially increase Federal expenditures. I will continue to support reasonable and responsible fiscal policies.●

Mr. WARNER. Mr. President, I am pleased that the debate on the budget resolution has focused on our defense requirements. Every Senator should give this issue the highest priority and the attention that it deserves.

I have studied the matter closely and wish to share with you my concerns.

Words that the "nation faces a period of crisis" are often over used. However, to a very real extent, this is the first time since World War II that our national interests have been threatened so dramatically on a number of fronts.

On one hand we face an aggressor who has at his disposal a strong nuclear strategic force which some will argue is superior to ours. How he will choose to use that force—through nuclear coercion and intimidation, initiation of a nuclear holocaust, or leverage for deterrence, is an uncertainty that we must recognize.

On the other hand, we must cope with a changing world which, encouraged by revolutionary causes, is flexing its muscles on all fronts. We cannot remain aloof and ignore the issue. We depend upon our friends and allies. We need the critical natural resources that the rest of the world has to offer. Our economic stability depends upon establishing a world marketplace. These interests are critical to our future and are ones that must be protected by a sound defense which assures national security.

The observations I bring to you come from my own perspective. I have had the privilege of serving in two branches of the U.S. Armed Forces—the Navy and the Marine Corps. During the last 10 years, I have served as Secretary of the Navy and now as a Senator who is a member of the Senate Armed Services Committee. This has provided me the vantage point of seeing a shift in our national budget priorities first hand, and I am troubled by what I have seen.

Over the past decade, there has been a steady erosion of America's comparative military position. This slippage continues and is attributable principally to the failure of the United States to compete effectively with the Soviet Union in the military arena over the past 15 years.

While diverting substantial resources to the operations of large conventional forces in the stubborn conflict in Southeast Asia in the 1960's and early 1970's, we remained, in the category of nuclear arms, content for the most part to live off of capital invested in the 1950's and early 1960's. In so doing, we provided the Soviet Union the opportunity to steal a massive military march on the West. That the Soviets took advantage of that opportunity is no longer questioned.

It has become abundantly clear that—during the past decade—the Soviet Union has been systematically devoting far more resources to national defense than we have. It is also clear that a continuation of this unequal investment in military power poses grave dangers for U.S. national security.

In his testimony before the committee on the fiscal year 1981 defense budget and 5-year defense plan, Secretary of Defense Harold Brown stated:

> The amount that the United States is spending now on national defense is smaller in real terms than what we were spending in 1963. Real Soviet spending for defense, however, has nearly doubled in that time. Because we were very much stronger than they at the outset of that period, we retained an approximate equality of military power. But we cannot allow the trend to continue without risking military inferiority.

The comparative spending figures speak for themselves. During the period 1969–78, for example, the Soviet Union invested a total of $104 billion more than the United States in military equipment and facilities, and $40 billion more in research and development. According to a 1979 CIA assessment, the Soviet Union is still outspending the United States for military forces by at least 40 percent annually. In the critical category of strategic arms, the CIA concluded:

> Over the 1968–78 period, the level of Soviet activity for strategic forces (exclusive of RDT&E) measured in dollars was two and a half times that of the United States. U.S. activities declined steadily until 1976, when they began growing at a slow rate. As a result, in 1978 the Soviet level was about three times that of the United States.

The CIA also concluded that Soviet investment in general purpose forces during the same period exceeded that of the United States by some 35 percent.

The significance of this spending difference is difficult to comprehend unless one considers what it means in terms of hardware and systems. If the United States had been budgeted at the Soviet level for defense, we could have procured in addition to our existing force structure:

The full 244 aircraft B–1 program; the complete multiple protective shelter MX system; the planned Trident submarine procurement with improved missiles; 7,000 XM–1 tanks; planned infantry fighting vehicles; new rapid deployment force airlift; and F–14, F–15, F–16, F–18, and A–10 tactical aircraft required for force modernization.

The consequences of this decade of disparity in defense investment are apparent across the entire spectrum of military power. Indeed, the basic strategy governing the most demanding of all U.S. military commitments may no longer be viable. Since its formal adoption in 1967, the strategy of flexible response has been predicated on strategic and theater nuclear superiority as a means of offsetting NATO's conventional force inferiority on the Eurasian continent. Yet that nuclear superiority has vanished during the past decade. In the realm of strategic armaments, the Soviet Union has gained at least a rough equivalence with the United States, and the greater momentum of her ongoing strategic programs will dictate a further deterioration in our comparative position during the coming half-decade. Many will argue that we are already in a period of strategic imbalance.

It is against this backdrop of loss of strategic nuclear parity, emerging nuclear disadvantage, and conventional force inferiority that our needs for military programs which assure national security must be judged.

The current situation is alarming:

The Chief of Naval Operations has reported to the Secretary of Defense that the decline in retention of second-term personnel is rapidly approaching crisis proportions. Second-term retention in the Navy is down from 59 percent in 1975 to 36 percent this past fall. "Retention could be the controlling factor in our force levels within a year or two," according to the CNO.

The Air Force is 2,400 pilots short and it is expected that, if current reenlistment rates do not improve, the pilot shortage will go as high as 5,000. Only 27 out of every 100 pilots are reenlisting at the end of their first term, down 50 percent from just 2 years ago. We lost $500,000 to $750,000 in training expenses for each pilot who leaves.

Personnel recruitment and retention of qualified individuals in highly skilled positions pose the critical problem which may be the weak link in our defense structure.

Current mobilization plans calling for active units first, Army Reserves to take over their bases, and utilization of the Individual Ready Reserve (IRR) to take over for casualties are fraught with one shortfall upon another. The Nifty Nugget wartime mobilization simulations showed that we could only fill 52 percent of infantry manpower, 73 percent of artillery, and 28 percent of armor requirements.

Army's medical service has less than 40 percent of doctors, 25 percent of nurses and half the medics needed to look after casualties.

Military personnel at the lower ranks are on food stamps because their income is below the poverty level.

Due to a shortage of spare parts, only 50 percent of the F-14 and F-15 tactical aircraft are "fully mission capable."

Current ammunition production capabilities cannot make up deficiencies in war reserve stocks in a major conflict that begins on short notice.

The Soviets have 1,398 intercontinental ballistic missiles. The United States has 1,054.

The Soviets have 950 submarine-launched ballistic missiles. The United States has 656.

Since 1964, the number of U.S. long-range bombers has been reduced from 1,300 to 348. The Soviets are adding at least 30 Backfire aircraft per year to the 160 bombers now deployed.

The Soviets have close to 10,000 strategic air defense missiles. The United States has none.

The Soviets have deployed an anti-ballistic missile system around Moscow. The United States removed its operational site.

The Soviets have 7,200 radar systems used for air or missile defense. The United States has 134.

The Soviets produce 2,000 tanks a year to our 650.

The Soviets build 500 combat aircraft a year to our 275.

The Soviets build 350 helicopters per year to our 150.

The Soviets build five times as many combat vehicles as we do.

The Soviets build six attack submarines a year compared to our three.

Production is unreasonably slow. During World War II the P-51 Mustang was designed, tested, and ready for production in 117 days. That compares with the 10 years required to develop the current F-16.

Since 1953, our defense budget has decreased from 57 to 23.2 percent of the Federal budget and from 12.1 to 5.2 percent of the gross national product.

Social welfare expenditures per capita have increased at an annual rate of 7 percent since 1964. They comprised 38 percent of all Government outlays in 1950 and now have risen to over 60 percent of the total.

Mr. President, the facts speak for themselves—the shortages are real, the threat is significant, and the time is now. We simply must increase our defense spending to assure the continued security and freedom of our Nation. Expenditures for national security should have the highest priority because our military personnel have the right to expect fair treatment, good equipment, and plenty of it.

I ask my colleagues that, when they consider the budget resolutions, they think of their responsibility to provide the Nation a secure defense which is clearly second to none. A strong and ready force cannot only cap military actions by aggressors in the strategic sense or terrorists worldwide, but, by its very existence, deter hostile initiatives from happening in the first place.

We must assume that the budget provides for this security. We have the obligation to assure Americans that we have provided a strong national defense through a strategic nuclear deterrent that is survivable, conventional forces that assure maritime superiority and protection of areas of our national interest, and a rapid deployment force capable of thwarting brush fire conflicts worldwide.

We also must remember that we have the direct obligation of providing our military personnel with the proper level of support. We cannot ask people to serve throughout the world without giving them the weapons and materiel to which they are entitled.

I urge Congress to respond to our defense needs. I have examined the issues critically as a member of the Armed Services Committee, as have others. Americans have been awakened from their false sense of security by international events. We must share the facts with them.

The growing Soviet threat is real. Revolutionaries have been able to place our national interests at risk. It is time for Congress to respond. Our defenses need strengthening.

I thank the Chair.

Mr. HOLLINGS. We yield back our time.

Mr. CRANSTON. I yield back the remainder of my time.

Mr. HOLLINGS. Mr. President, I ask for the yeas and nays on the Cranston amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the amendment of the Senator from California. The yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Alaska (Mr. GRAVEL), the Senator from Massachusetts (Mr. KENNEDY), the Senator from Vermont (Mr. LEAHY) and the Senator from Maine (Mr. MUSKIE) are necessarily absent.

The PRESIDING OFFICER. Are there any other Senators who wish to be recorded?

The result was announced—yeas 13, nays 83, as follows:

[Rollcall Vote No. 103 Leg.]

YEAS—13

Bradley
Burdick
Cranston
Culver
Levin
Matsunaga
Randolph
Riegle
Sarbanes
Stevenson
Tsongas
Weicker
Williams

NAYS—83

Armstrong
Baker
Baucus
Bayh
Bellmon
Bentsen
Biden
Boren
Boschwitz
Bumpers
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Chafee
Chiles
Church
Cochran
Cohen
Danforth
DeConcini
Dole
Domenici
Durenberger
Durkin
Eagleton
Exon
Ford
Garn
Glenn
Goldwater
Hart
Hatch
Hatfield
Hayakawa
Heflin
Heinz
Helms
Hollings
Huddleston
Humphrey
Inouye
Jackson
Javits
Jepsen
Johnston
Kassebaum
Laxalt
Long
Lugar
Magnuson
Mathias
McClure
McGovern
Melcher
Metzenbaum
Morgan
Moynihan
Nelson
Nunn
Packwood
Pell
Percy
Pressler
Proxmire
Pryor
Ribicoff
Roth
Sasser
Schmitt
Schweiker
Simpson
Stafford
Stennis
Stevens
Stewart
Stone
Talmadge
Thurmond
Tower
Wallop
Warner
Young
Zorinsky

NOT VOTING—4

Gravel
Kennedy
Leahy
Muskie

So the amendment of the Senator from California (No. 1740) was rejected.

Mr. HOLLINGS. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. BELLMON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senate will be in order. The Senate is not in order. Will Senators please clear the aisles?

Mr. ROBERT C. BYRD. Mr. President, I hope Senators will heed the Chair because we have a lot of votes yet today, a lot of amendments, and I hope Senators will heed the Chair and let us have order.

The PRESIDING OFFICER. I thank the Senator from West Virginia.

The Senator from Wisconsin is recognized under the previous order.

AMENDMENT NO. 1741

(Purpose: To redistribute $2.4 billion from functions 050 and 900 to critical domestic programs)

Mr. NELSON. Mr. President, I call up amendment No. 1741 and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Wisconson (Mr. Nelson), for himself and Mr. Javits, Mr. Metzenbaum, Mr. Tsongas, and Mr. Williams proposes an amendment numbered 1741:

Strike out all after the resolving clause through page 11, line 16, and insert in lieu thereof the following:

That (a) the Congress hereby determines and declares, pursuant to section 301(a) of the Congressional Budget Act of 1974, that, for the fiscal year beginning on October 1, 1980—

(1) the recommended level of Federal revenues is $612,900,000,000 and the amount by which the aggregate level of Federal revenues should be decreased is $3,700,000,000;

(2) the appropriate level of total new budget authority is $694,000,000,000;

(3) the appropriate level of total budget outlays is $612,900,000,000;

(4) the amount of the deficit or surplus in the budget which is appropriate in the light of economic conditions and all other relevant factors is $0; and

(5) the appropriate level of public debt is $927,800,000,000, and the amount by which the temporary statutory limit on such debt should be accordingly increased is $32,700,000.

(b) Based on allocations of the appropriate levels of total new budget authority and of total budget outlays as set forth in paragraphs (2) and (3) of subsection (a) of this section, the Congress hereby determines and declares pursuant to section 301(a) of the Congressional Budget Act of 1974 that, for the fiscal year beginning on October 1, 1980, the appropriate level of new budget authority and the estimated budget outlays for each major functional category are as follows:

(1) National Defense (050):

(A) New budget authority, $166,500,000,000;

(B) Outlays, $153,700,000,000.

(2) International Affairs (150):

(A) New budget authority, $23,400,000,000;

(B) Outlays, $9,500,000,000.

(3) General Science, Space, and Technology (250):

(A) New budget authority, $6,400,000,000;

(B) Outlays, $6,100,000,000.

(4) Energy (270):

(A) New budget authority, $6,900,000,000;

(B) Outlays, $6,800,000,000.

(5) Natural Resources and Environment (300):

(A) New budget authority, $11,900,000,000;

(B) Outlays, $12,000,000,000.

(6) Agriculture (350):

(A) New budget authority, $5,600,000,000;

(B) Outlays, $2,300,000,000.

(7) Commerce and Housing Credit (370):

(A) New budget authority, $5,600,000,000;

(B) Outlays, $200,000,000.

(8) Transportation (400):

(A) New budget authority, $21,500,000,000;

(B) Outlays, $18,400,000,000.

(9) Community and Regional Development (450):

(A) New budget authority, $8,900,000,000;

(B) Outlays, $9,300,000,000.

(10) Education, Training, Employment, and Social Services (500):

(A) New budget authority, $31,400,000,000;

(B) Outlays, $29,100,000,000.

(11) Health (550):

(A) New budget authority, $71,200,000,000;

(B) Outlays, $62,000,000,000.

(12) Income Security (600):

(A) New budget authority $250,000,000,000;

(B) Outlays, $219,200,000,000.

(13) Veterans Benefits and Services (700):

(A) New budget authority, $21,800,000,000;

(B) Outlays, $21,000,000,000.

(14) Administration of Justice (750):

(A) New budget authority, $4,400,000,000;

(B) Outlays, $4,600,000,000.

(15) General Government (800):

(A) New budget authority, $4,600,000,000;

(B) Outlays, $4,300,000,000.

(16) General Purpose Fiscal Assistance (850):

(A) New budget authority, $6,800,000,000;

(B) Outlays, $7,300,000,000.

(17) Interest (900):

(A) New budget authority, $71,800,000,000;

(B) Outlays, $71,800,000,000.

(18) Undistributed Offsetting Receipts (950):

(A) New budget authority, −$24,700,000,000;

(B) Outlays, −$24,700,000,000.

Mr. NELSON. Mr. President, I ask unanimous consent that the Senator from Ohio (Mr. Metzenbaum), the Senator from Massachusetts (Mr. Tsongas), and the Senator from New Jersey (Mr. Williams) be added as cosponsors to the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield for a request?

Mr. NELSON. I yield to the majority leader for that purpose.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent, and the request has been cleared with Mr. Hollings and Mr. Bellmon, that the time on the amendment by Mr. Nelson be cut in half, in other words, that there be 1 hour equally divided.

Mr. NELSON. Mr. President, let me confirm that with the Senator from New York (Mr. Javits). Is the Senator agreeable to a 1-hour limitation?

Mr. JAVITS. Mr. President, I wish to conserve the time of the Senate, but I really think, having heard the last debate and as our measure covers a great deal of ground, it is too short, and I do want to shorten it. I wish to concur with my colleagues, but let us say an hour and a half. That is agreeable.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there be an hour and a half on the amendment equally divided.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. I thank the Chair.

Mr. NELSON. Mr. President, I yield to the distinguished Senator from Texas (Mr. Tower) for 15 seconds.

Mr. TOWER. Mr. President, I ask unanimous consent that Alton Keel of the Armed Services Committee staff be accorded the privilege of the floor during consideration and vote on this amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, if the Senator will allow me just one more time to interrupt him, and I beg his pardon, we are getting inquiries from many Senators as to the length of the session today, and I discussed this with the two managers. It appears that perhaps the Senate will go until about 10 o'clock tonight, give or take a little bit, with rollcall votes.

I thank the Senator.

Mr. NELSON. Mr. President, Senator Javits and I introduced an alternative budget yesterday for the fiscal year 1981 budget reported by the Budget Committee in the first concurrent budget resolution. This is the amendment now before the Senate.

The alternative budget we propose would balance the Federal budget for fiscal year 1981 at the outlay level established by the Budget Committee.

Under this substitute, a total of $2.4 billion in outlays contemplated by the Budget Committee, $2 billion in national defense and $0.4 billion in interest, would be redistributed to alleviate, in part, sharp reductions in important programs.

The reductions contemplated by the Budget Committee in transportation, education, job training, employment and social services, health, social security, retirement benefits, unemployment insurance, food stamps, child nutrition, fiscal assistance and housing assistance will be partially offset by this amendment.

The purpose of this amendment is to moderate the severity of the reductions proposed by the Budget Committee for fundamental human and social service programs.

The alternative budget we propose would guarantee that national defense outlays planned for fiscal year 1981 would grow by over 3 percent in real terms.

There is a general consensus in Congress and throughout the country that the strength and capability of our national defense should be enhanced. In order to achieve this goal, it is imperative that the national defense budget be increased. That is what the Nelson-Javits amendment does.

In fiscal year 1980, it is estimated by the Congressional Budget Office that $134 billion will actually be spent on national defense. Our amendment provides for an outlay of $153.7 billion in fiscal year 1981, or a 1-year increase of $19.7 billion. This increment in national defense represents an increase of 14.7 percent.

In comparison to the figure approved by the House Budget Committee and affirmed by the House of Representatives for fiscal year 1981, this amendment provides $5.8 billion more in defense outlays.

In comparison to the defense outlay level for fiscal year 1981 proposed by the President in the administration's revised March budget, this amendment provides outlays that are $3.2 billion more than those submitted to the Congress.

By any measure, this amendment places significant emphasis on the enhancement of our military strength. It is a level that would fully honor the Nation's commitment to our NATO allies and provide overdue and needed funding for manpower, weapons, operations, and maintenance programs.

Therefore, the Nelson-Javits substitute provides budget authority and outlays planned for national defense in fiscal year 1981 that will enable our country to sustain its role in the world; to protect its vital interests in areas of strategic importance; and most importantly, to insure that our military strength is second to none.

Mr. President, the question before the Senate is simply this: At what rate can and should the national defense budget be increased?

In my judgment, the Budget Committee has taken appropriate action in approving a budget resolution that would enhance our Nation's military preparedness. At the same time, the outlay figure approved by the Budget Committee for fiscal year 1981—$2 billion more than that proposed by this amendment—is in excess of what can effectively be expended.

Mr. President, let me in summary say that this basically is a very simple amendment which reallocates $2 billion of the outlays in the bill for defense to other functions which I have mentioned.

The basic figures are these:

Mr. President, this amendment provides for a defense budget of $153.7 billion. That figure is $5.8 billion more in defense outlays than was approved by the House Budget Committee and affirmed by the House of Representatives for fiscal 1981.

Furthermore, this figure of $153.7 billion is $3.2 billion more than the outlays proposed in the administration's revised defense budget.

So I wish to make it clear from the beginning that this is a very significant increase in defense spending outlays in this budget—not a cut.

By any measure, this amendment places significant emphasis on the enhancement of our military strength.

I listened to the debate here today. I think it is perfectly clear that everyone in Congress—probably with no exception at all in this body and perhaps so in the other body—and the vast majority in the country recognizes the necessity for expanding our commitment to conventional weapons and, therefore, supports an increase in real dollar appropriations for defense over an extended period of time.

The sole question is at what rate, at what pace can we best make these additional appropriations and best expand them?

That is the only issue between us.

Mr. President, obviously, in any matter such as this, subjective judgments are made by each and every single person and if we turned the responsibility over to 535 Members of the House of Representatives and Senate and advised them that they had a $612.9 billion limit to deal with, we would end up with 535 different budgets, all of them, I would guess, would increase defense spending, some of them a modest amount, some of them a very large amount.

If we turned that responsibility over to 10,000 people in the private sector and gave them the same charge, the same responsibility, we would come out with 10,000 different budgets all within the $612.9 billion constraints which we have agreed to here.

So this budget represents subjective judgments on my part as it represents subjective judgments on the part of everyone else who looks at it. It is, as a matter of fact, however, a very, very significant dollar and real dollar increase in the budget over current rates of expenditure.

In my judgment, the Budget Committee has taken appropriate action in approving a budget resolution that would increase our military preparedness. At the same time, the outlay figure approved by the Budget Committee for fiscal year 1981—$2 billion more than is proposed by this amendment—is in excess of what can be effectively expended.

A top military budget expert advised me this morning that this assessment is correct, that it is in excess of what can be effectively or most effectively expended in fiscal year 1981.

By reallocating $2 billion from the military expenditures, and by accepting the Congressional Budget Office assumption that interest rates will be reduced by $400 million with the achievement of a balanced budget, this substitute provides for the following additions to the domestic budget:

Transportation, including mass transit—$200 million to provide additional financial assistance for mass transit, railroad and highway programs;

Education, training and social services—$700 million to partially counter deep cuts proposed for youth employment and training, elementary and secondary education aid for poor children and other employment and training programs;

Health—$100 million for critically needed health service delivery programs, including CHAP;

Income security—$900 million to be used to offset proposed reductions in social security, food stamps, low-income housing assistance, and child nutrition programs; and

Fiscal assistance—$500 million in special targeted aid for economically distressed areas.

A BALANCED BUDGET: OUTLAYS, REVENUES AND NATIONAL PRIORITIES

Mr. President, there is broad support throughout the Nation for a balanced Federal budget. Thirty State legislatures have passed resolutions in support of a constitutional amendment to require a balanced Federal budget. Workers, State and local government officials, farmers, small and large businesses, and a broadly based coalition of interest groups and organizations agree on one point: Congress should balance tht Federal budget to combat inflation.

The Nelson/Javits amendment provides for a balanced budget.

A balanced budget all by itself will not result in an immediate and dramatic reversal of the current inflationary trends. But a balanced budget is a first step which, when taken in conjunction with a whole series of actions to enhance American productivity, reduce our dependence on foreign oil supplies, and gear up our Nation's human resources and industrial capacity, will lead to a solution of our inflation problems.

Under the Budget Committee's recommendation to the Senate, fiscal year 1981 outlays and revenues would be in balance at a level of $612.9 billion. In addition, $10 billion would be reserved for future tax reductions. The Nelson/Javits alternative budget provides that the fiscal year 1981 revenues and outlays would be exactly the same as those proposed by the Budget Committee.

Therefore, there is no difference between this amendment and the Budget Committee on the issue of a balanced budget or on the level of Federal spending necessary to arrive at a balanced budget.

The question our amendment raises is: How should the budget be balanced?

On this question, Mr. President, it is my judgment that the Nelson/Javits amendment strikes a more even balance between domestic national priorities and feasible military expenditures.

Mr. President, there is no question that significant reductions in many domestic programs will be necessary in order to balance the budget.

But, these reductions do not need to be so severe. They would be moderated by the adoption of this amendment.

The Nelson/Javits budget, Mr. President, is a budget that is balanced mathematically. It places the necessary emphasis on the expenditure of additional defense funds. And, at the same time, it balances competing national priorities in a manner that is more equitable than the budget agreed to by the Senate Budget Committee.

Mr. President, at this point I would like to explain in detail the provisions in the Nelson/Javits amendment and the differences with the Budget Committee.

FUNCTION 050: NATIONAL DEFENSE

This substitute would guarantee that national defense outlays in fiscal year 1981 would grow in excess of 3 percent in real terms over fiscal year 1980.

Our proposal for fiscal year 1981 national defense outlays of $153.7 billion—the committee mark is $155.7 billion—exceeds the President's January request of $146.2 billion, the revised March budget figure of $150.5 billion, and the level of defense spending approved by the House Budget Committee and affirmed by the House of Representatives of $147.9 billion.

There is some disagreement about both the actual level of fiscal year 1980 outlays and about CBO's inflation projection of 10.6 percent for fiscal year 1981. But even accepting the Budget Committee's own estimate of fiscal year 1980 defense outlays—$134 billion—our amendment would represent an increase of $19.7 billion over fiscal year 1980 outlays. This is a 14.7 percent increase over fiscal year 1980. If inflation averages above 10.6 percent in fiscal year 1981—October 1, 1980, to September 30, 1981—defense outlays would exceed 3-percent real growth

This defense budget will fully confirm the administration's commitment to our NATO allies.

Mr. President, the Senate has committed itself to the proposition that our defense capabilities should be significantly enhanced. I support this position.

The Soviet invasion in Afghanistan,

the uncertainty of the continued flow of oil supplies from the Middle East and the outrageous and illegal conduct of the Iranian Government underscore the need to improve our military forces.

So the issue before the Senate is not whether the defense budget should be increased. The issue is at what pace should these increases in defense spending be made during the next budget year and in future years.

In my judgment, a steadily increasing defense effort is needed—a defense effort that our allies can depend upon and plan around.

There is no quarrel here among any of us on that point. The flurry of activity which is proposed by the Budget Committee would not serve our Nation well. It is unnecessary. Secretary Brown made this point very well when he presented testimony before the Armed Services Committee earlier this year:

> The defense program we propose has been designed around a pace of growth that the nation will be able to sustain—economically and politically, until our objectives are achieved. It reflects a recognition of the other pressing claims on our national resources—energy, social welfare, health—that we will face at a time when the need to control inflation will limit the size of the total federal budget. We cannot abandon, and have no intention of abandoning, those other national objectives.

By proposing a level of defense spending that is $5.2 billion more than that requested by the administration, I do not believe that the Senate Budget Committee will achieve the desired result: a steady and dependable defense effort.

During consideration of the defense budget by the Budget Committee, Senator Lawton Chiles addressed this very point in succinct and unambiguous terms. At that time he stated:

> We started off and we said we're going to provide a 5% growth, and now the race is to see how much more than that we can provide. Well, it seems to me like you want to chart a course, but you want that to be a steady course, and you want it to have time to build up. You want to allow yourself the time to get the capacity for that build-up, but if you just go out and throw a bunch of money out there right now as fast as you possibly can, I think it has to be highly inflationary. I think you could get more waste, and you're not going to get the kind of build-up that you need.

Mr. President, the defense level proposed by the Nelson/Javits substitute—$3.2 billion above the level requested by the President in March and $5.8 billion more than the level approved by the House—is sound. It is a level that will allow us to make every improvement the administration has called for in its defense budget, and also make additional funds available over and beyond that requested by the Secretary of Defense to make other necessary improvements in our Armed Forces.

Most importantly, the defense level proposed in our amendment will allow our country to remain strong at home and to insure the domestic tranquility that is fundamental to a strong international posture.

FUNCTION 400: TRANSPORTATION

This function addresses the national need to:

Develop and maintain a transportation system that meets the needs of commerce and the public in a safe, reliable, and increasingly efficient manner;

Insure that transportation policy and programs are consistent with the Nation's economic, environmental, and social goals; and

Encourage energy conservation.

Major areas supported by this function include: Highways; railroads; mass transit; and air transportation.

The Budget Committee recommends $19.9 billion in budget authority and $18.2 billion in outlays for this function in fiscal year 1981.

Under the Nelson/Javits amendment, the budget authority, or appropriation level, for transportation would be $21.5 billion and the actual expenditures would be $18.4 billion for fiscal year 1981.

The Budget Committee proposes to reduce our national commitment to railroads and to the effort to save energy through the substitution of mass transit for automobile usage.

In all, the committee proposed that transportation missions be reduced by $600 million in budget authority and $200 million in outlays below the current law level.

Outlays for the whole transportation function would be cut 7 percent from 1980, while CBO says inflation will be running at about 10.6 percent. Thus, there would be a real dollar cut of at least 18 percent in transportation.

The cuts, if approved, would mean that buses, rail cars, and transit operating assistance will not be available to hard-pressed local governments. These reductions, in view of the national energy shortages, are not necessary, prudent, or defensible.

Mass transit is perhaps one of the more significant means by which urban populations can significantly reduce their energy consumption. And rail transportation, everyone realizes by now, is vital to our national transportation network.

The Nelson-Javits amendment restores $200 million of the committee's reductions.

FUNCTION 500: EDUCATION, TRAINING, AND SOCIAL SERVICES

Mr. President, the recommendation of the Budget Committee would have the Senate cut almost $1.5 billion from the estimated outlays which will be made in fiscal year 1980. This, in effect, is $2 billion less than the current law amount required for education, training, and social services.

More specifically, the committee would:

First, eliminate the CETA countercyclical public service jobs program, which now provides 200,000 jobs nationally;

Second, phaseout the welfare reform jobs demonstration program;

Third, cut $300 million out of the summer youth employment program;

Fourth, defer $150 million in funding for the new youth employment-education initiatives until 1982, even as the time-bomb of minority youth unemployment approaches 50 percent in our inner cities; and

Fifth, reduce elementary and secondary education assistance for schools with high proportions of poor children by half, as part of a total $300 million cut in elementary and secondary education below current law.

Accordingly, the Nelson-Javits substitute proposes to restore $700 million to function 500 for education, training, and social services.

If this substitute is agreed to, the Appropriations Committee will handle the utilization of the $700 million in accordance with its consideration of the competing priorities for the proposed function total of $29.1 billion.

FUNCTION 550: HEALTH

Mr. President, the health function serves a wide range of people and programs, including maternal and child health care, family planning services, health professions training, preventive medicine, and mental health and alcohol and drug abuse grants.

The Budget Committee has recommended a 22-percent reduction in real funding of the health services mission over 5 years; a 29-percent reduction in real funding of the health research mission over 5 years; a 33-percent reduction in real funding in the health care training mission over 5 years; and a 14-percent reduction in real funding in consumer and occupational health and safety over 5 years.

Our alternative budget restores $300 million in budget authority to the health function for critically needed health programs, the cost of which would be partially offset by savings in medicaid and medicare through the adoption of legislation, as assumed by the Budget Committee.

Our amendment would add $100 million in outlays for fiscal year 1981 to the Budget Committee's recommendation for function 550.

FUNCTION 600: INCOME SECURITY

Mr. President, there are seven missions in the income security function: Social security, Federal employment retirement and disability; unemployment compensation, including trade adjustment assistance; public assistance, including food stamps; nutrition programs; housing assistance; and certain other similar programs like low income energy assistance.

Mr. President, the programs in this function, under the jurisdiction of the Finance Committee, the Agriculture Committee and the Appropriations Committee, are entitlement programs. Absent specific legislative changes, outlays are driven solely by inflation and the number of beneficiaries. The law commits the Federal Government to make certain payments to individuals who meet certain qualifications.

The Senate Budget Committee recommends that these income security programs be cut by $3.4 billion below current law. The Nelson-Javits substitute would restore $900 million of this amount.

Let us examine a few examples of how the committee proposes to cut $3.4 billion below current law:

First. Social security: $500 million by reducing "low priority" social security benefits;

Second. Federal retirement: $500 million by paying cost-of-living adjustments for civil service retirees once a year instead of twice.

Third. Unemployment compensation: $200 million by eliminating UI benefits for CETA enrollees who are terminated after 18 months of service in accordance with the statutory provisions in CETA;

Fourth. Public assistance, including food stamps: $1.4 billion in the food stamp program—$800 million of which is in such invidious proposals as counting low income energy assistance and school lunch subsidies in computing food stamps benefits;

Fifth. Nutrition program: $500 million, through once a year cost of living adjustment for child nutrition programs and other reforms.

In addition, the Budget Committee proposes to reduce the President's request for section 8 and public housing assistance by 90,000 housing units, from 300,000 proposed by the President to 210,000 units.

And, finally, in the fuel assistance program, the committee would provide only $1.6 billion of the authorization of $3.1 billion which was part of the windfall profits tax bill conference agreement. This is essentially last year's level of assistance, even though heating oil and gas prices are expected to rise by 20 percent.

Mr. President, I do not agree with all of these reductions. At this early stage of the budgetary process, with a very uncertain and ominous economic situation closing in on us very quickly, the Senate should at least provide the additional $900 million we propose.

FUNCTION 850: GENERAL PURPOSE FISCAL ASSISTANCE

The Budget Committee resolution provides for the elimination of $1.7 billion of general revenue sharing which is distributed to the States. This is an assumption which I fully support.

However, with rising unemployment and the increased demand for services that will be made upon localities as the impact of the current economic situation is fully felt, cities and localities will need additional assistance. The Nelson/Javits amendment provides $500 million of assistance to cities and local governments. Congress will determine, at a later point, how and where it can most appropriately be spent. In making this determination, the Senate Finance Committee and the House Government Operations Committee will help determine how this sum of money will be used.

FUNCTION 900: INTEREST

This function of the budget provides funding for the cost of borrowing money. The interest function includes both interest paid and interest received by the Federal Government.

Under the administration's March budget request, $68.8 billion was included for the outlay for function 900. At this time the CBO has reestimated the cost of this function, and has established the outlay level at $71.8 billion; this is $400 million lower than the committee estimate. The Nelson-Javits amendment uses the reestimated figure by CBO as the appropriate number, which is associated with the achievement of a balanced budget.

CONCLUSION

Mr. President, the Nelson-Javits proposal is a tight and fiscally responsible budget proposal for fiscal year 1981. It is a budget which meets all our domestic, military, and international obligations. I urge the Senate to adopt this alternative budget.

Mr. President, this is a brief summary of the administration view on the level of the defense budget:

> The President's recommended Defense position is $5.2 billion in outlays below the Senate Budget Committee's recommended number of $155.7 billion.
>
> The President's proposal provides for sustained real growth in Defense at a rate of 3 percent per year. This growth rate has been sustained over the past two years and is programmed through the FY 1985 out year period. The Senate Budget Committee's position equates to 6.9 percent real growth in FY 1981. This large one-time influx of funds would do more to disrupt the orderly Defense acquisition process than the steady sustained growth proposed in the budget.
>
> Given that there is little that can be added to the Operating and Personnel accounts, which represent 55 percent of the Defense Budget, the bulk of the increase will have to be applied to the 35 percent of Defense related to acquisition of weapons systems. Since this area of Defense has a slow first year outlay rate of $5.2 billion converts to close to $10.0 billion in budget authority or 11.4 percent real Defense growth in budget authority compared to the 5.2 percent recommended by the President.
>
> Assuming that as much as $8.0 billion of this added budget authority will go to Defense purchases the impact will undoubtedly fuel the inflationary pressure on the economy. The $2.0 billion reduction proposed in the Nelson Amendment would, if applied to reduced purchases, convert to approximately $6.0 billion in budget authority and would leave adequate funds for Operating and Personnel increases essential to a strong Defense.
>
> The Defense acquisition process for FY 1981 began its orderly process back in January 1979. If approved and appropriated, the large increase to Defense purchases would severely tax the orderly acquisition process. Given the pressure to obligate appropriated funds, the added purchases over plan could lead to wasteful procurements which in turn would tarnish the Defense image in the public eye. Such adverse publicity would do more to hurt Defense than the $3 to $5 billion symbols being argued in the budget resolution.

Mr. President, I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. JAVITS. I yield myself 5 minutes.

The PRESIDING OFFICER. On whose time?

Mr. JAVITS. On the time of the proponents.

The PRESIDING OFFICER. The Senator from Wisconsin controls the time.

Mr. NELSON. Let me say this: The Senator from New York initiated a conference with me in the development of this substitute amendment that we are proposing jointly. In fact, the Senator from New York really should have control of the time. But in any event, I yield to the Senator from New York whatever time he may desire.

Mr. JAVITS. Five minutes. If the Chair will let me know when I use 5 minutes.

Mr. President, the issue here is not defense. It is $2 billion, which is the amount of the difference between our provision for defense and that of the Senate Budget Committee, is not going to cure manpower and it is not going to cure operations and maintenance, and it is not going to cure all the things which have been argued here about defense.

Two billion dollars is a marginal figure which, if you take every argument that has been made here on the side of the managers of the bill, all you can say is OK, it will be $2 billion more. It is not going to make any function basically different from what it will be without that $2 billion.

But, Mr. President, the $2 billion will make a quantum basic difference in the other functions which have been unreasonably cut, and where important elements of our population have every reason to be offended that they have been treated in a discriminatory way.

The amounts which Senator NELSON and I are adding are incremental amounts designed to somewhat ameliorate the discrimination which so many groups in our country feel has been practiced in the way this money has been allocated.

That is the essence of our argument. The point is that defense, on which we are just as concerned as anybody, will not be materially interfered with, and leaving this amount where it is will not make that quantum major difference compared to the disquiet and dissatisfaction, especially as we now get onto much higher defense expenditures, which will rankle in the breasts of the poor, the lame, the halt, the blind, the dependent young, the old, and so forth. That is the whole point we are trying to make.

Senator NELSON, in my judgment, has dealt very intelligently with the national defense function, and I have had my say on it just now.

I would like to deal now with what the amounts we are adding mean to the other functions, beginning with transportation, for example. In transportation, which is the first item with which we deal, what we are adding represents a contribution to the effort of this country to deal with the energy crisis, and where it is being dealt with effectively to enable people to go ahead with some part of their transportation programs so that it may be effective and not be absolutely and completely crippled. That is its only purpose, Mr. President. The aggregate amount involved of $200 million is exactly designed to accomplish that particular purpose.

Then the next item which we find on our list is education, training, and social services, where we are adding $700 million.

Let us for a moment examine that particular proposition. On that one, Mr. President, the Nation is facing a rising rate of unemployment and a severe recession, and what the Budget Committee's recommendations would do would be to wipe out the countercyclical public service jobs program now providing 200,000 jobs nationally, just when we are going into a serious recession. It would phase out the welfare reform jobs demonstration program. It would knock $300 million from the summer youth employment program, running the risk, a serious risk, Mr. President, of a hot summer in which we will have grave difficulty in the streets, especially in the major and the older cities. It would defer $150 million in funding for the new Youth Employment Education initiative, the one hopeful program for breaking the back of this syndrome which gives us 30 to 50 percent unemployment in the ghetto areas in the major cities among minority youth, and it would reduce by one-half the elementary and secondary education assistance for schools with high proportions of poor children.

One of our great newspapers, Mr. President, had this to say about this particular cut. It said:

> In a budget of some $600 billion, there have to be better places to cut fat than from the already lean futures of poor young Americans.

The PRESIDING OFFICER. The Senator's 5 minutes have expired.

Mr. JAVITS. Mr. President, I yield myself 2 additional minutes.

The next function is health, Mr. President, where we still are far behind in any kind of national approach to health care. We propose to add $100 million.

In income security, Mr. President, which deals with the bedrock solicitude of the National Government for the people who need its help the most, we must not knock out these very essential items, including unemployment compensation, the food stamp program, nutrition programs, important elements of the fuel assistance program, and the social security program.

Mr. President, in short, elementary justice dictates some better alinement of our priorities in this budget resolution, which fails to reflect the requirements of justice to great bodies of American people.

As the morale of our people is just as vital as any other consideration for our country, it is in that interest that the equities have to be realined. We have realined them on the most minimal possible basis.

Again, I repeat, what we have taken by way of $2 billion in respect to defense will not make or unmake the defense program, but it will make a mighty contribution to the morale of the American people, especially those who need Government help the most, and to the sense of decency of all Americans.

It is on those grounds that we believe that this amendment should be carried.

Mr. WILLIAMS. Mr. President, I rise in support of the Nelson/Javits amendment.

The Nelson/Javits proposal is an amendment of moderation. It does not raise total revenue or total spending above the levels recommended by the Budget Committee. Both would remain balanced at $612.9 billion.

If this proposal is adopted, a portion of the massive cuts recommended by the Budget Committee could be restored while funding for defense still exceeds the President's request by several billion dollars.

This amendment would allow for continued funding of the strategic petroleum reserve as well as restoring some cuts in energy research and conservation. In future years, this amendment provides support for the bulk of the President's energy initiative although funding authority would be spread out over several years.

This amendment would allow for additional funding for EPA water and sewer construction grants to correspond with the President's January request for this program.

If adopted, Nelson/Javits could lead to a restoration of much needed funds for mass transit while providing a modicum of additional help to highways as well.

Funding for the youth initiative could be accommodated by the adoption of the Nelson/Javits amendment. It would also allow for a minimal level of CETA, title VI jobs instead of the total elimination proposed by the Senate Budget Committee. In light of the astonishing increase in unemployment that occurred in April, it seems absurd to call now for the removal of a program that is one of this country's primary countercyclical tools. Nelson/Javits would also lessen the severity of the proposed cutbacks in summer youth and education programs.

Nelson/Javits would allow for restoration in the Budget Committee's sharp cuts in some of the categorical health grants programs including the National Institutes of Health and the Center for Disease Control.

The income security function was especially hard hit by the Senate Budget Committee's recommendations, including proposed cuts in social security benefits, food stamps, low income energy assistance, and the assisted housing programs. Nelson/Javits would permit augmented funding for these programs, although still below current law levels.

Nelson/Javits would allow for slight restoration of funding in both the veterans and justice functions. The funding levels proposed by this amendment, however, still fall far short of what is presently provided under current law.

Finally, Nelson/Javits would restore a small portion—$500 million—of the massive cuts on fiscal assistance which the Budget Committee has recommended.

Mr. President, as this budget debate has progressed, it has become apparent to me, and I am sure to many others, that this body has little desire to deviate from the recommendations set forth by the Budget Committee. This adherence and loyalty to the committee's wisdom is admirable, but I think misplaced. The committee in its recommendations has failed to account sufficiently for the possibility of a substantial recession over the next 18 months. The committee has failed to face up to the inflation problem by not adequately providing for a comprehensive energy policy, and by cutting needed services and benefits to those groups in the population hardest hit by inflation.

Mr. President, the Nelson/Javits amendment does not represent my first choice for this budget resolution. Indeed, it probably is not the first choice of any Senator. But, in my opinion, it does represent a small step in the right direction by at least addressing the problems of recession and energy, while recognizing the need to bring down the present unacceptably high levels of inflation. For these reasons, I strongly endorse Nelson/Javits and I urge my colleagues to do so as well.

Mr. JAVITS. Mr. President, I yield 5 minutes to the Senator from Ohio.

Mr. METZENBAUM. Mr. President, we have heard many eloquent speeches here in the last few days urging support for this or that national priority, this or that approach to restoring the economic health of our Nation.

In a different time, and under different circumstances, I would be here arguing for more money for urban parks, more money for solar energy and energy conservation programs. I would have been arguing for spending more money on domestic programs in general to improve the quality of life for all Americans.

But I am very much aware of the concerns that are now uppermost in the minds of the American people. The American people are concerned—and I am concerned—about the dangerous trends we see in the world today.

The Soviet Union continues to pour its resources into a military buildup that goes far beyond what is needed for legitimate self-defense.

The chaos in Iran—the continuing agony of our hostages—illustrates the great dangers we face because of our dependence and that of our allies upon the oil of the Persian Gulf.

These recent developments—and many others—have demonstrated to us that we must take steady, prudent and responsible steps in conjunction with other nations to strengthen our military forces.

But while we are making the necessary investments in national security, we face an urgent need to act against inflation.

I do not intend today to address the merits—or lack thereof—of wage and price controls, supply side economics and the other approaches that have been proposed to bring inflation under control. But there is one thing that I am absolutely convinced we must do and do now—and that is present to the people of this country a balanced Federal budget.

A balanced budget is no panacea for our economic problems. But I believe that it is a necessary precondition for the strong, tough action against inflation that we have needed—and that we so obviously have not had.

But that said, Mr. President, I want also to say that the budget resolution as approved in committee is a callous and unrealistic document that fails to provide for the basic survival needs of millions of Americans—and this, Mr. President, in the face of an administration policy committed to driving this nation into a recession. The Senate Budget Committee resolution not only ignores that reality, it compounds the misery.

It places the main burden of fighting inflation on the backs of the poor.

This resolution assumes a sizable increase in unemployment while proposing massive cuts in programs designed to provide jobs.

It assumes continuing high levels of inflation while proposing massive cuts in programs designed to insure income stability. Millions of Americans will find their incomes squeezed from one end by joblessness and from the other end by inflation, and our actions to date indicate that we are willing to accept this, that we simply do not care.

Well, I, for one, do care and I am not willing to accept it. It is clear to me that even within the revenue constraints imposed by the Senate Budget Committee resolution. It is possible as provided by this amendment, to achieve a much better balance in the allocation of resources—and to do so while providing for a major expansion of defense spending.

Mr. President, it is for that reason that I have joined with Senators NELSON, TSONGAS, and JAVITS in sponsoring this amendment. This amendment is an effort to restore to the budget process some semblance of concern for the well being of our people here at home. It provides for a major expansion of defense spending, but it also provides some protection for crucial domestic programs. The outlays for defense proposed by our amendment are more than adequate to meet the 5 percent real growth target set by the Hollings amendment to the second budget resolution last year. It exceeds the amount requested by the administration by $3.2 billion. This is not a cut in defense spending fully responsive to the very sobering events of the past several months.

The cuts proposed by the Senate Budget Committee are shortsighted and ill-conceived, Mr. President. We cut jobs programs knowing full well that unemployment costs twice as much as job creation. We cut food stamps, these programs will skyrocket as this recession which the administration has engineered takes effect. We cut mass transit programs in the midst of a national effort to achieve energy independence. I am not saying that we have to restore all of these cuts, but the depth of the cuts proposed by the Senate Budget Committee endanger our domestic national security. They are completely unsupportable.

We must not balance this budget by shortchanging the poor, the elderly, and the unemployed. Our amendment not only balances the budget, it balances national priorities as well. None of the changes we seek can be considered seeking support for pet projects. Jobs, transportation, health, food, and housing are not pet projects. They are essential programs vital to the strength and health of our Nation, a vital part of our national security.

There have not been many times during our history when the challenges facing the machinery of public policy have been as numerous, as diverse, and as serious as they are today. It is my firm belief that in these times, responsible leadership requires a disciplined, fair and sober allocation of our scarce and precious resources so as to obtain a wise and farsighted mix of domestic as well as defense programs.

This Nation must be prepared to meet its world responsibilities.

But, Mr. President, we do not enhance our security abroad by weakening our society here at home. I believe that our substitute resolution strikes a realistic balance between our defense needs and the needs of our people. I urge its adoption.

Mr. JAVITS. Mr. President, I yield 2 minutes to Senator McGOVERN.

The PRESIDING OFFICER. The Senator from South Dakota.

Mr. McGOVERN. Mr. President, I rise in support of the Nelson-Javits amendment. A good many arguments have already been made in support of this amendment. I would like to speak just very briefly to the importance of restoring some of the cuts that have been proposed in the food stamp program and the nutritional programs in general.

The food stamp program, as I think most Members of the Senate know, is an absolutely crucial part of our effort to maintain the nutritional health to the American people. Some 20 million-plus of our citizens are dependent upon this program, even to maintain minimum nutritional standards.

It is my own view that the cuts that are now pending before the Senate, if not restored along the lines proposed by Senator JAVITS and Senator NELSON, would work a most painful and severe hardship on our fellow citizens who have depended on this program.

We have made a commitment in the Congress in recent years to put an end to hunger in the United States. It is a war that we are actually winning. I think one of the success stories in American Government is what had happened with the support of the Congress over the last decade in putting an end to hunger in this country. It has been a good investment for us in terms of the future health of the people of the United States.

The PRESIDING OFFICER. The Senator's 2 minutes have expired.

Mr. JAVITS. I yield 1 additional minute.

Mr. McGOVERN. Mr. President, to sum up: First. The largest portion of the $1.4 billion savings in food stamps comes from two measures with very negative effects—reducing food stamps for families whose children are eligible for school lunches, which would save $600 million, and counting low income energy assistance for purposes of computing income for food stamps, which saves $200 million.

Second. The Helms school lunch proposal would create severe administrative problems, thus increasing costs and error substantially. Benefits would have to be recomputed monthly, since the number of schooldays differs in most months. Schools would have to supply lists of eligibles, since eligibility for free and reduced-price school lunches differs from food stamp eligibility. Food stamp offices would have to cross-check these lists. Five million children attend schools without school lunches—schools that are often in the same area as schools with lunch programs. Again, more cross-checking would be necessary.

Third. The Helms amendment would reduce food stamps by 53 cents per lunch, whereas the average per meal benefit is only 36 cents. Thus, most families would be losing a greater amount than they are receiving per meal. For many families, each school lunch the child is eligible for, regardless of whether the child ate it, would cost the family a meal and a half in benefits.

Fourth. A meal and a half in benefits is a lot to lose when the benefits are already inadequate. USDA's food consumption survey found that only 10 percent of families spending at the food stamp level got all of the recommended daily allowances of nutrients. Because Congress has recognized that food stamp benefits are often nutritionally inadequate, we have chosen to supplement them for the three most vulnerable groups—children, through school lunches, pregnant and nursing mothers and infants, through WIC, and the elderly, through the elderly feeding programs. School lunches do not duplicate food stamps, they supplement them.

Fifth. As to counting low income energy assistance in computing income—we are taking with one hand what we have given with the other. The rationale behind energy assistance was to give extra aid to those most severely hit. Why should we then take it away? We count energy assistance in computing benefits for no other Federal program. Counting it for food stamps is a bad precedent.

Sixth. We are not talking about families that can easily absorb a cut in benefits. Half of the families make under $3,600; three-quarters of them make under $4,800; 60 percent of the people getting food stamps are either the very young or the very old. While the overall average income of Americans has gone up 40 percent in the past 4 years—slightly ahead of a 30-percent rise in the cost of living—the incomes of food stamp users rose by only 7 percent in this period.

Seventh. I urge adoption of the Nelson-Javits amendment so that we will not have to make these Draconian food stamp cuts.

The Nelson-Javits amendment to the budget resolution will:

First. Add $900 million to function 600 for food stamps and social security.

Second. Add $700 million to function 500 for education and training.

Third. Add $200 million for transportation.

Fourth. Add $100 million for health.

Fifth. Add $500 million for fiscal assistance. Total additions: $2.4 billion.

The $2.4 billion will be found by reducing defense by $2 billion to $153.7 billion, a 4 percent real growth. Interest would be reduced by $400 million.

Mr. President, I believe the funds we will invest in this program will save us money in that it results in improved health and reduced medical bills for the future.

So for a variety of reasons that I think are hardheaded in terms of the future security and well-being of the American people, I hope this amendment will be adopted. It does not restore all of the funds that have been cut from the food stamp program, but it goes a long way in making this program function.

I commend the Senator from New York and the Senator from Wisconsin for their continued interest in the nutritional health of our people. I hope very much this amendment is adopted.

Mr. HOLLINGS. Mr. President, I yield such time as he may desire to the distinguished Senator from Mississippi.

Mr. STENNIS. I thank the Senator from South Carolina, Mr. President. I will certainly not abuse his confidence.

Mr. President, I want to say with emphasis that we have been over these different figures about the estimates the best we can. We debated the Department of Defense figures for last year and we have debated them some this year. We will have these bills up shortly. The items will all be debated again, passed on, and the figures will be set.

But if we pass the pending amendment, and I speak with great deference to the purposes of the supporters of the amendment, and split the difference with the House on the budget resolution amendment, we would have $900 million under the present budget figure of President Carter. So we would be going back and retracing and would really not have enough funds to do the things that I think should be done.

Let me make this additional point and I will complete my remarks.

It would certainly be error to think that our committee is composed of spenders who want to stuff the bag full of money. We have talked this thing over repeatedly and very earnestly. When we go to write up the bill we will present to the Senate, we are not going to just put in some extra money here, there, and everywhere, if we happen to have the margin to under the budget resolution as finally agreed upon.

It has already been agreed that each item will have to stand absolutely on its own merits. We will pass on all of those of the high essentials first. Then we will come to the other highly important items and pass on those, taking care of the needs regardless of which service they are in. We are not trying to use up whatever money may be left whether we think it is needed or not.

I say to you, Mr. President, we know along with others that we have to take this additional look. We have to protect the American dollar. We have to come as close as we can to balancing this budget. We also will be doing other things that are necessary to restore the solidarity and the respect abroad of the American dollar, and the respect at home for the American dollar and its buying power.

It has gotten to where we have reached the point that our own people do not have regard and respect for the dollar that they earn, and with which they try to make ends meet. It will not buy enough. They know something is the matter and they think part of the blame rests with us.

I think all of us are trying to give more meaning to these figures in whatever department they are found. But, Mr. President, there is no doubt about where we are with reference to our military program. It has to be augmented and it is a very expensive undertaking. The dollars just will not buy much when it comes to these highly expensive planes, ships, missiles, and everything else, but how can we dare be found wanting or second rate?

I believe we already have a figure that is sound. We will have a pretty hard knocking in the markup of the Department of Defense authorization and appropriation, and we will come in with a firm figure that will be justified. Then Members will have a chance to pass on what they really believe those needs are.

Mr. NUNN. Will the Senator yield 30 seconds?

Mr. HOLLINGS. First, I want to say that I know the distinguished chairman of the Armed Services Committee will have to leave the floor very soon. No one has given more leadership over the many, many years, and has worked so hard around the clock. He is not only the chairman of the Armed Services Appropriations but also the chairman of the Defense Appropriations Subcommittee.

I yield.

Mr. NUNN. I congratulate the chairman of his excellent statement, Mr. President. I also applaud the Senator from South Carolina for his tremendous leadership.

I also applaud the Senator from Oklahoma and the Senator from New Mexico on the other side of the aisle who have done such a superb job in this respect. I think this is an example of the changing opinion in the Congress and in the Senate. I think it is an example of meeting defense needs that have not been met in previous years. I do congratulate the Senator from South Carolina. I fully support the Budget Committee position and I would urge my colleagues to vote against the Nelson amendment.

Mr. HOLLINGS. I thank the distinguished Senator from Georgia.

I yield 5 minutes to the distinguished Senator from Texas.

Mr. BENTSEN. I thank the Senator.

Let me say I join in the comments concerning the Senator from Mississippi. I had a great pleasure and education in serving on the Armed Services Committee with the distinguished chairman.

Let me say to the Senators handling this bill, to the Senator from South Carolina and the Senator from Oklahoma, that I think they have done a great job in handling this resolution. I have heard my friend, the Senator from Wisconsin, say this is a matter of subjective judgment. Yes; I suppose it is subjective thinking. But I think also there is long analysis by that committee and a great deal of debate in trying to arrive at what is proper in the overall allocation, in trying to arrive at a balanced budget. What we have to do is break inflationary expectations.

I went down to the supermarket the other day with my wife. She trapped me into that. We were going down the aisle and I saw this fellow stamping prices on the ends of cans. I was pushing this basket for my wife.

Do you think I got behind that fellow or in front of him, Mr. President? I got in front of him. I knew the prices he was stamping on the cans would be higher than the prices that were on there before.

That is what a balanced budget does, it helps bring down inflationary expectations and that is what, more than anything else, it will achieve in trying to curb inflation.

How do you allocate expenditures among the many needs of this country, the scarce resources that we have?

That is what this committee has done with long, tough hours of analysis.

Subjective judgment? Well, not only subjective judgment. The other day we had a survey of a military airfield in Virginia and another one in California, a survey of the aircraft on those fields. How many of them could fly?

More than half could not get off the ground. Why? Because maintenance crews had been cannibalizing parts; because they did not have the money to keep up the maintenance on the aircraft.

I have been subjected to that. I understand that. I flew my missions overseas, and I saw aircraft cannibalized. I saw us take altimeters out of one, flight indicators out of another, weapons out of another, patch them up and try to fly them, and fly them sometimes without the backup systems. Incremental, maybe, but very important to the guys who are trying to fly them, terribly important.

Two billion dollars—I have not been here long enough not to think that is still an awful lot of money.

We just voted, 83 to 13, to turn down an amendment that cut out $2.5 billion. The sponsors of these amendments keep saying, they are adding funds to the defense function. We are talking about a resolution that is before us now, not something the House has done, or the administration's budget request.

They are talking about cutting this function and the last amendment would have cut it $2.5 billion. This one is cutting it $2 billion. How in the world are we going to justify voting against the last one, which cut it $2.5 billion and say, well, this, you know, is much less; we are going to cut this one $2 billion?

Mr. NELSON. Will the Senator yield?

Mr. BENTSEN. I did not interrupt my distinguished friend and I do not have much time. I shall be glad to yield if I get more time.

Mr. President, at this juncture in the Congress' timetable, it is indispensable that we allow our Defense Authorizing and Appropriating Committees discretion in reassessing our defense needs and proposing how to strengthen the U.S. force posture. I remind my colleagues, Mr. President, that the budget resolution places ceilings, not quotas, on expenditures. When all the evidence is in, when our authorizing and appropriating committees have finished their hearings and deliberations, this Chamber may vote to spend less than the figures before us.

However, now is the time to commit ourselves to vigorously renew our Military Establishment. After years of cutting, or at most holding the line, in defense spending, we find our capabilities deteriorating as our principal adversary continues to build, and build, and build. Every year since 1960, according to the best estimates, the Soviet Union has increased its total military outlays by 3 percent in real dollar terms. Now the Soviets are spending about 50 percent more than we do, in equivalent dollars. They continue to raise the ante by 3 percent a year.

I am not saying we must match the Soviets dollar for dollar, gun for gun. Everyone in this Chamber knows that is a simplistic solution. The challenge before us is to allocate what is necessary—sacrificing if necessary—in order to assure that our Armed Forces are fully capable of carrying out the missions to guarantee America's integrity and its political and economic interests around the world, and to support its foreign policy.

God knows it needs support.

Many of these capabilities have been placed in doubt during recent months. I should like to take a moment to review some of the more acute problems in our defense posture.

In the area of strategic deterrence, we face a "window of vulnerability" for the immediate future, during which the Soviet Union could theoretically wipe out most of our land-based Minuteman missiles and leave the President with no options to respond other than capitulation to Soviet demands or the massive retaliation that would launch a dreaded holocaust. I do not want the United States to have to blink first in a strategic showdown.

The budget resolution promises no immediate solution for this strategic trend; there is none. However, it allows us to begin upgrading all areas of our strategic triad. It signals the Pentagon to take a second look at MX missile deployment, to make sure we start this project on a sound basis. We must keep our strategic forces fully credible. Given the frailty of arms control at the present time, it is an area where we must not skimp.

Our active fleet of ships is half the size it was 10 years ago. Stepped-up expenditures allowed by this budget permit us to begin to expand to some extent. The Soviets outnumber us in every category of fighting ship except aircraft carriers, and they are continuing their alarming program of submarine construction. Adm. Stansfield Turner has wisely pointed out that the naval balance is "not just a numbers game." But too many experts are concerned about our inability to control sea lanes in time of war.

The House Defense Appropriations Subcommittee recently discovered that the Air Force is filling half or more of its supply requisitions through cannibalization or drawing from war reserve stocks. The Air Force says its budget to procure replenishment spares for fiscal year 1981 is underfunded by a total of $2.1 billion. What good are our new F-15's if we are barely able to keep half of them in the air?

Most of our services are experiencing a dangerous flight of noncommissioned officers—the second- and third-termers that make our increasingly sophisticated weapons run. Last year, more than 40 percent of those up for reenlistment in each service chose to leave. The 14-percent decline in their purchasing power since 1972, when the All-Volunteer Forces were created, has to be related to this problem.

Many of my colleagues saw the recent Washington Post story disclosing that Navy petty officers with families are having to apply for food stamps to make ends meet. The military commissaries take in more than $10 million a year in food stamps. Not only does this situation cause the flight of personnel which is making it difficult for the Navy to man new ships coming on line, it is itself really indecent. Are we not willing to keep our soldiers in the services and off the welfare rolls?

These and scores of other problems require action. First, we must act quickly to solve our deficiencies of manpower and readiness. At the same time, we must begin with all deliberate speed to invest where necessary to maintain a credible strategic and tactical deterrent and to give the United States the full range of options it needs to confront changing—and growing—threats in the Persian Gulf, the Middle East, and Europe.

That is why defense is the one area where our budget cannot be further cut. Mr. President, in a memorable inaugural address delivered 19 years ago, President John F. Kennedy said:

> Only when our arms are sufficient beyond doubt can we be certain beyond doubt that they will never be employed.

I yield to my distinguished friend from Wisconsin.

Mr. NELSON. I thank the Senator from Texas.

Mr. President, I yield myself 3 minutes.

Mr. President, I asked earlier, when I had the floor, that the brief summary of the administration's review of the budget defense level be printed immediately following my statement. I ask unanimous consent that, immediately following that summary, a comparison of the Senate Budget Committee and the Nelson-Javits amendment as to revenues, total budget authority, total outlays, deficit surplus, and public debt be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

COMPARISON OF SENATE BUDGET COMMITTEE (SBC) AND NELSON/JAVITS (N/J) AMENDMENT

REVENUES, BUDGET AUTHORITY, AND OUTLAYS

[In billions of dollars]

	Fiscal year—					
	1981		1982		1983	
	SBC	N/J	SBC	N/J	SBC	N/J
Revenues	612.9	612.9	697.2	697.2	780.6	780.6
Total budget authority	687.9	694.0	795.3	763.4	831.5	824.6
Total outlays	612.9	612.9	687.2	686.3	753.5	751.0
Deficit/surplus	0	0	+10.0	+10.9	+27.1	+29.6
Public debt	927.8	927.8	953.8	952.9	968.7	965.3

Mr. NELSON. Mr. President, I want to emphasize, for people who read the RECORD at least, that there is not a budget cut for defense. This is an increase of $5.8 billion over the House committee figure which has been confirmed by the House of Representatives. This amendment provides for an increase of $3.2 billion over what the President asked for in his revised budget in March of this year.

Second, the Budget Committee, which is ably led on both the minority side by Mr. BELLMON and on the majority side by Mr. HOLLINGS, certainly did get into this matter in great depth. I want to make it clear that the committee was not unanimous at all on the vote to set the budget outlay at $155,700,000,000 as it was finally adjusted. On the vote to set the outlay as it is in the Senate budget resolution, the vote was 10 to 8. It was not a unanimous vote. In fact, one of the eight was Senator MUSKIE, Chairman of the Budget Committee.

Nobody doubts Senator MUSKIE's sincerity, his credentials in respect to understanding the problem at hand. There were eight votes against the Budget Committee level. The vote was 19 to 8, so there was a 2-vote margin within the committee itself on the question of whether or not the budget outlay for defense should be set this high. The question was sharply divided.

Mr. President, how much time do the Senator from Wisconsin and the Senator from New York have left on their amendment?

The PRESIDING OFFICER. The Senators have 13 minutes remaining.

Mr. NELSON. And how much time is left on the other side?

The PRESIDING OFFICER. Twenty-nine minutes.

Mr. MOYNIHAN. Will the Senator from Wisconsin yield 5 minutes to the Senator from New York?

Mr. NELSON. If the Senator from New York is offering an amendment, the Senator will have his own time, will he not?

Mr. MOYNIHAN. I can establish that, if the Senator would allow me to consult with the Parliamentarian. I will speak to him in a moment.

Mr. NELSON. We have only 13 minutes.

Mr. MOYNIHAN. My problem is that what I have before me is an amendment in the nature of a substitute. If the managers would agree to a unanimous consent, I would like to send this to the desk, speak to it for 10 minutes, and then withdraw it. That would then be my time.

Mr. NELSON. Yes.

Does the Senator wish to do that now?

Mr. MOYNIHAN. Whatever is convenient to the Senator from Wisconsin.

Mr. NELSON. Any order is convenient. The Senator from Massachusetts wished to speak.

Mr. MOYNIHAN. It would be appropriate following the Senator from Texas' statement.

Mr. NELSON. Why does the Senator not proceed to offer it, then?

Mr. MOYNIHAN. Would that be agreeable to the manager?

Mr. HOLLINGS. We have a unanimous consent and are really trying, I have some backed up votes, to get a vote here around 8 o'clock. Could the Senator limit his time? As I understand it, he is just bringing it up and then withdrawing it.

Mr. MOYNIHAN. I will limit the time to 10 minutes, is that possible?

Mr. HOLLINGS. Let us do it. The Senator will withdraw it?

Mr. MOYNIHAN. That is correct.

May I say, in less than 10 minutes?

Mr. DOMENICI. Reserving the right to object, where does the 10 minutes come from, Senator NELSON's amendment, or his own amendment?

Mr. MOYNIHAN. If I get unanimous consent, from my own amendment.

Mr. DOMENICI. Are we not trying to have a vote as soon as possible?

Mr. HOLLINGS. We have agreed to vote, and that time would run out about 8:15. We have speeches on this side.

Mr. MOYNIHAN. Mr. President, I can do this in 5 minutes.

Mr. HOLLINGS. Good.

I yield the time to the Senator.

Mr. MOYNIHAN. I thank the Senator.

UP AMENDMENT NO. 1067

(Purpose: To amend the First Concurrent Budget Resolution so as to more adequately address our urgent national defense and social needs)

Mr. MOYNIHAN. Mr. President, I send to the desk an unprinted amendment in the nature of a substitute and ask unanimous consent for its consideration.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

The clerk will state the amendment.

The legislative clerk read as follows:

The Senator from New York (Mr. MOYNIHAN) proposes an unprinted amendment numbered 1067.

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Strike out all after "viz:" and insert the following:

On page 4, line 7, strike $155,700,000,000 and insert in lieu thereof $154,700,000,000.

On page 5, line 13, strike $3,900,000,000 and insert in lieu thereof $6,900,000,000.

On page 5, line 14, strike $6,800,000,000 and insert in lieu thereof $6,500,000,000.

On page 5, line 23, strike $11,600,000,000 and insert in lieu thereof $11,400,000,000.

On page 5, line 24, strike $12,000,000,000 and insert in lieu thereof $11,500,000.

On page 6, line 9, strike $2,300,000 and insert in lieu thereof $2,100,000,000.

On page 6, line 18, strike $5,100,000,000 and insert in lieu thereof $5,600,000,000.

On page 7, line 3, strike $19,900,000,000 and insert in lieu thereof $21,500,000,000.

On page 7, line 4, strike $18,200,000,000 and insert in lieu thereof $18,400,000,000.

On page 7, line 24, strike $29,400,000,000 and insert in lieu thereof $31,400,000,000.

On page 7, line 25, strike $28,400,000,000 and insert in lieu thereof $29,100,000,000.

On page 8, line 9, strike $70,900,000,000 and insert in lieu thereof $71,200,000,000,000

On page 8, line 10, strike $61,900,000,000 and insert in lieu thereof $62,000,000,000

On page 8, line 19, strike $245,300,000,000 and insert in lieu thereof $250,000,000,000

On page 8, line 20, strike $218,300,000,000 and insert in lieu thereof $219,200,000,000

On page 9, line 6, strike $21,500,000,000 and insert in lieu thereof $21,800,000,000

On page 9, line 16, strike $4,200,000,000 and insert in lieu thereof $4,400,000,000

On page 10, line 11, strike $6,300,000,000 and insert in lieu thereof $6,800,000,000

On page 10, line 12, strike $6.800,000,000 and insert in lieu thereof $7,300,000,000

On page 10, line 21, strike $72,200,000,000 and insert in lieu thereof $71,800,000,000

On page 10, line 22, strike $72,200,000,000 and insert in lieu thereof $71,800,000,000

Mr. MOYNIHAN. Mr. President, I sent to the desk an unprinted amendment, and asked for its immediate consideration, but I should like to state at the outset that I will not call for a vote on it, as I am persuaded by consultations with my colleagues that it would not have sufficient support to pass.

Nevertheless, I believe that my amendment to the comprehensive substitute offered by my good friends and colleagues, the distinguished Senators from Wisconsin and New York warrants the attention of the Senate. For it addresses what I regard as the one large shortcoming of their proposal—a shortcoming shared by the comprehensive substitute developed by the distinguished majority whip—which otherwise addresses many of the egregious shortcomings of the first concurrent resolution as reported by the Committee on the Budget as did the Cranston substitute. Because so many of the choices, decisions, and priorities embodied in the committee version are unacceptable, the Nelson-Javits substitute commands our support. But my own support is qualified, even reluctant, as a result of the shortcoming that my amendment seeks to remedy.

Let me first describe the sources of my dissatisfaction with developments to date in connection with the fiscal 1981 budget.

It was clear last autumn that heroic efforts would have to be made—and would be made—to "balance" this budget. That undertaking is necessary and wholly predictable, not least because during the previous year's budget deliberations the Congress determined that the 1981 budget should be balanced.

For decades, it has been a maxim of fiscal theory—a doctrine shared by most political parties, or perhaps more accurately, a doctrine adopted by each successive administration of whichever party to hold office since the end of World War II—that it was entirely appropriate for the Federal Government to incur deficits from time to time so long as corresponding, periodic surpluses meant that over time the budget would be substantially in balance.

If this seems a truism, it may be recalled that for more than a generation following the Civil War, a Congress preoccupied with paying off the war debt consistently ran budget surpluses, regardless of the business cycles of the time, such that deflation became a continuous problem, and a sterile dispute over monetary policies became a very fertile part of national politics for a generation or more.

Our problem, by contrast, has been one of practice, not principle. We are now in the fifth successive administration which, while avowing the principle of a balance, and on occasion of a surplus budget, has produced only deficits. President Eisenhower's was the last administration to produce a truly balanced budget, that for fiscal year 1960.

In the meantime, economic conditions have turned against the easy predominance of the United States in the immediate postwar period. The reasons for this need not be reviewed here. What is to be noted is that while successive administrations and Congresses have spared themselves the inconvenience of producing balanced budgets at the "top" of the business cycle, and have let huge deficits accumulate during the low periods, something like a national crisis of public confidence has developed.

The most striking evidence of this crisis of confidence is that 30 States have applied to Congress to convene a constitutional convention to ordain a balanced budget, and three others have submitted related petitions.

If it be recalled that the last such convention, and the only other, was held in 1787 in Philadelphia, and that once convened the whole of the arrangement of American Government would be opened to reordering, and that another five States or so could get us there, it will be seen that this is not the time to aver that 1981 might not be just the year for a balanced budget, which while surely sound in theory, is nonetheless an et cetera. The time to do it is now.

Rather, the time to do it was in January when the President submitted the executive budget. Contrary to all expectations and prior indications, yet another deficit was proposed. Within weeks, as inflation soared, and money markets grew more tumultuous, it was clear that a major miscalculation had been made. Beginning in March, meetings between the executive branch and Congress began preparing for a third resolution which would bring a semblance of balance to the second half of fiscal year 1980, and a proper balance to fiscal 1981.

The difficulty with this process is that by turning over the first formal decisions to the Budget Committee, and doing so after the major components of the budget were already fixed, it was inevitable that the reductions agreed to would be most costly to States such as New York, and to social programs with which New York is associated. As it happened, the process acquired an aspect of vengeance altogether inappropriate to what should have been a nonpartisan and nonideological effort. As a result, although I participated in the process from the outset, in the end I voted against the result.

The time has now come to consider amendments to that budget resolution. The distinguished Senators from New York and Wisconsin have painstakingly and conscientiously crafted a truly comprehensive substitute that seeks to contain the damage done by the Budget Committee to the budget functions and programs that sustain our neediest citizens, which are the budget functions and programs that we will find ourselves relying on ever more heavily as the present recession deepens. While still stringent, even painful, the Nelson-Javits substitute permits at least an element of continuity in our cash assistance programs, in food stamps, in employment programs, in education, in health, in housing, in refugee assistance, in mass transit, in community development, in unemployment compensation, in veterans' benefits, and in myriad other areas. To deny that continuity is to rend the social fabric of the Nation; is to punish the needy for the recession that they did not cause; is to deepen the economic distress of our urban industrial centers; and is to force harsh and unreasonable cuts on public and private agencies that are already unable to keep up with the mounting demand for their services.

For all of these reasons, the Nelson-Javits substitute is an urgently needed improvement in the budget resolution.

But as I have indicated, the substitute is unsatisfactory in one important particular.

This, of course, is national defense. The Nelson-Javits substitute adopts for fiscal 1981 a level of defense outlays $600 million higher than the level proposed by the Carter administration, as reestimated by the Congressional Budget Office. This is exactly $2 billion below the outlay level recommended by the Budget Committee. A far wider gap is visible in budget authority, however, and the distinction is consequential. In national defense, perhaps more than in any other area of Federal activity, the level of budget authority in a given year signals the intentions of the Congress with respect to defense spending in subsequent years. Weapons systems and other major procurements of defense material are multiyear undertakings. Contracted for in one year, they are in large part sustained by outlays in subsequent years. Hence, the difference of $6.9 billion in defense budget authority that emerges when one compares the Budget Committee proposal with the Nelson-Javits substitute is consequential. The higher figure signals the resolve of the Budget Committee to embark on a sustained effort to strengthen our defenses in ways that I believe they should be strengthened. This is the kind of sustained strengthening that the Senate envisioned last year when it voted—with my support—for the so-called 3-5-5 percentage increases in defense spending.

I propose, therefore, that the Nelson-Javits substitute be modified to include the level of budget authority in function 050 that was envisioned by the Budget Committee, with an appropriate increase in outlays—approximately $1 billion—needed actually to undertake the level of commitments envisioned by the Budget Committee.

Let me offer an example. The Budget Committee added funds to the President's proposals sufficient to restore funding for Navy aircraft: the F-14, the F-18, the P3C, the A-6, and the EA-6B. The administration had proposed to cut procurement of these planes, and in the case of some to close production lines altogether. In the judgment of the Budget Committee, this was a mistake. And rightly so. These planes in particular are essential to our ability to uphold the Carter doctrine. The President has announced our determination to resist the extension of Soviet power into the area of the Persian Gulf. If we are to defend the Straits of Hormuz, we will simply have to have the hardware that makes this feasible. This means many things; among others it means strengthening our air and naval forces. Without the aircraft I have mentioned, our fleet defense suffers, our mining capabilities are reduced, and our capabilities for electronic warfare decline. This is why the Budget Committee restored them. But here is the point: In restoring these to the budget, we added very little to outlays. To guarantee that these planes will be built, what we needed was sufficient budget authority. These planes represent relatively small amounts—for the F-14, A-6, and EA-6B, for example, approximately $400 million in authority in fiscal 1981 accompanied by less than $100 million in outlays—but they illustrate the point I am making. To assure that our defense effort is sustained in the future, we must commit the resources now.

In sum, I would add $1 billion in outlays in function 050 of the Nelson-Javits substitute in order to provide the needed increases in defense spending and would offset that increase with a $0.5 billion reduction in water projects in function 300 (the same reduction envisioned in the amendment offered earlier by Senator COHEN), a $0.2 billion reduction in function 350, and a $0.3 billion reduction in function 270. I would also maintain the budget authority for function 050 at the level approved by the Senate Budget Committee ($173.4 billion)—reaffirming our commitment to a strong national defense.

With those changes, I would be entirely content with the Nelson-Javits substitute. Without those changes, it has my reluctant support, for it is demonstrably less damaging to my State and region than is the proposal of the Budget Committee.

Mr. President, I say to my colleague from Wisconsin and my revered senior colleague from New York that the purpose of my amendment is to maintain the budget authority in the defense function as provided by the Budget Committee.

In this respect, I would have to share the sentiments so ably stated by my colleague and friend from Texas just now. It is a position which we voted for last year when those of us who committed ourselves to a 3-5-5 formula for defense, and I would feel it inappropriate to withdraw from that.

At the same time, I feel the Senators from New York and Wisconsin have ably responded to a budget which is distorted in the impact it is having upon the social programs of the country, an impact that came about because of the bizarre manner in which the administration, having committed itself to a balanced budget, sent us an unbalanced one, then withdrew, asked us to balance it in an ongoing 7-day session in room S-211, then changed its mind several times thereafter, and left us in a situation, however, to the outside world it might appear, which appears to me to do some credit to the ability of the Congress when we consider the obstacles placed in our way by the administration.

That having been said, Mr. President, and realizing that my amendment would not have the support of the body, I will, with respect and gratitude for the aid of my senior colleague and my friend from Wisconsin, withdraw the amendment.

I thank the Chair for its courtesy in this manner, as is invariably the case of those of us who ask for special consideration.

Mr. HOLLINGS. I thank the Senator.

The PRESIDING OFFICER. The amendment is withdrawn.

Mr. HOLLINGS. I yield 5 minutes to the Senator from Oklahoma.

Mr. BELLMON. Mr. President, I thank the distinguished chairman of the Budget Committee.

Mr. President, as I understand the Nelson-Javits amendment, they propose to spend $6.1 billion more money, more budget authority, than is included in this resolution. Such an increase will certainly cause future outlays to go up, will make it much more difficult to achieve a balanced budget this year and in future years, and it will definitely limit the opportunity for future tax cuts.

To be accurate, this amendment should also change the fiscal year 1982 and 1983 totals because, if this amendment is approved, it will certainly affect the spending in those years.

The amendment would also effectively reject the priority given national defense in this resolution. It will cut $6.9 billion in defense budget authority and $2 billion in outlays for function 050.

The amendment will increase budget authority for domestic programs by the $6.9 billion cut out of defense outlays, plus an additional $6.1 billion for a total increase of $13 billion for domestic programs.

Mr. President, that figure becomes highly significant when looked at in light of what we have been doing over the last 20 years.

I have already put in the RECORD a chart showing that, in the period between 1961 and 1981, defense spending has gone up 9.4 percent, but spending in the health function has gone up 2,613 percent. Spending in education, training, and employment is up 644 percent. Community and regional development has gone up 528.6 percent. Income security has gone up 263.6 percent. It all shows that we have already been extremely generous in the same functions Senator JAVITS and Senator NELSON propose to increase with their amendment.

When we look only at the last 10 years, we find spending in real dollars for defense has gone down by 6.9 percent, and during that time we have had significant increases in the functions such as health, income security, education and training, and community and regional development.

So, Mr. President, already, we have been concentrating on the social side at the expense of our defense issues.

This budget tries to change those priorities, and now the Nelson-Javits amendment would put us back in the same pattern we have been following for the last 20 years.

Mr. President, this amendment will shift all the $2 billion cut from outlays in defense programs to domestic programs. This amendment would provide funds for some new starts in 1981, such as energy-related transportation and funding for a new youth employment initiative.

Mr. President, on the last point, the resolution maintains most of the youth programs that are already a part of law, that are part of CETA, and, certainly, there is no need to invent new youth programs.

What we need is to make the ones we have on the books work more effectively.

The resolution specifically assumes continuation of the parts of CETA that are aimed at helping the structurally unemployed.

In my view, we simply cannot begin funding new domestic initiatives this year and hope to achieve the objective of balancing the budget, reducing Federal spending in relation to GNP, and help start bringing inflation down to levels that can at least be tolerated.

There are several programs on which the proponents of this amendment want to spend money which have been shown to be of questionable value. I will mention only a couple of them.

One is the section 8 housing program, where they propose to add $4 billion. We know that program has had serious management problems, and that the costs of it are far in excess of the estimates that have been given to us by HUD. Some of these housing units will cost more than $400,000 each over the 40 years they are in the program. The total program costs are absolutely frightening.

This amendment also would put some additional money into other questionable programs, which I will not take the Senate's time to discuss.

What we are really doing here is reversing the priority decisions which the Budget Committee has recommended and going back to the patterns of the past. Those past decisions have contributed to inflation and have caused this Nation's defense capability to decline to the point that we seem to be losing our credibility and giving the Soviet Union opportunities to move into many areas of the world where situations are developing that hold enormous implications for the United States in the future.

The PRESIDING OFFICER. The Senator's time has expired.

Who yields time?

Mr. HOLLINGS. I yield to the Senator from New Mexico.

Mr. DOMENICI. Mr. President, I spoke for a considerable amount of time on the previous amendment, and I do not want to repeat my arguments; because, for the most part, they are the same as these. The previous amendment failed; this one should fail.

In terms of the damage it will do to the budget mark for military preparedness, it is little different from the previous amendment. The previous amendment, which failed by a very significant margin, would cut $2.5 billion in outlays in 1981. This one would cut, too. I fail to see where there is very much difference. Technically, they might argue that there is a difference in budget authority, but the bottom line is that the Senators who felt that the Budget Committee had set a rather historic precedent in turning the trend line around in terms of the expenditure of our people's money for military preparedness, said on the last vote, with a resounding "aye," that they wanted America to add significantly to the military expenditures, because the American people, intuitively, are right—we have been denying the military what they need to carry out America's military policy. If that was true then, it is more true now.

I wish to address another issue. It seems to me that this amendment is supported by the President of the United States. At least, his Secretary of Defense allegedly has joined others in promoting this amendment. If Senators are confused as to what he is for and what the President is for, they should be; because the President of the United States, on April 22 of this year, sent a letter to the Speaker of the House. In that letter, the President put his name to words that said, "I support the Obey amendment." Perhaps if we had his letter tonight, he would support the Nelson-Javits amendment.

Mr. President, I ask unanimous consent to have printed in the RECORD the letter from the President to the Speaker of the House dated April 22, 1980.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE WHITE HOUSE,
Washington, D.C., April 22, 1980.

Hon. THOMAS P. O'NEILL, Jr.,
Speaker of the U.S. House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: As the House of Representatives begins its consideration of the First Budget Resolution for Fiscal Year 1981, I wanted to convey to you and your colleagues the Administration's position on several issues.

The Resolution as reported closely resembles my proposed budget. I am pleased that the House Budget Committee, under the leadership of Chairman Giaimo, moved so quickly and responsibly in reporting a Resolution. Except for the Obey amendment mentioned below, we will support the position of Chairman Giaimo in opposing all amendments for FY 1981. In addition, we will support the technical amendment for FY 1980 to be offered by Chairman Giaimo.

The Obey amendment will seek to increase funding for key domestic programs, while increasing receipts consistent with my budget, for a net addition to the FY 1981 surplus. This amendment includes $500 million in 1981 for the two-year Transitional Assistance Program I proposed to protect local governments against abrupt financial dislocation resulting from ending the state share of General Revenue Sharing. I strongly favor the adoption of this amendment.

I am extremely concerned about the amendment to be offered by Congresswoman Holt to increase spending in the defense function to a level well above my revised budget, while severely reducing other functions. The adoption of such an amendment would repudiate the careful consideration of the House Budget Committee. It would reduce social and other non-defense functions to an unacceptably low level while providing for far more defense spending than is needed or advisable. I am strongly opposed to this amendment and urge the House to defeat it.

House action on this Resolution will be the first key test of the commitment that all of us have made to disciplining Federal spending and balancing the budget. Failure to live up to that commitment would be a major setback in our fight against inflation. I urge the House to act promptly and responsibly.

Sincerely,

JIMMY CARTER.

Mr. DOMENICI. What is significant about the President, on April 22, supporting the Obey amendment? The only thing significant is that no one knows what the President is for. That is why the Budget Committee said it is time to decide unequivocally what the Senate is for.

I will tell Senators what the Obey letter of President Carter is all about. I do not think the Members of the Senate will believe this. President Carter, in a letter on April 22, is supporting a military preparedness mark in the U.S. House of Representatives, which we will call "Obey" here tonight. I will tell Senators what it is.

In January, the President, sent us the budget for military preparedness. He said the budget authority should be $161.8 billion. He sent us a March reestimate—his budget. Do Senators know what the budget authority figure was in March, after Afghanistan, after a speech to the American people? After reminding Congress that we have to spend more for military preparedness, his March revision was $164.5 billion—about $3 billion more.

The Obey letter of April is now supporting a cut—not below March; below January. This letter is now for $160.9 billion—$1 billion under January, $2.6 billion under March.

Tonight, they want Senators to support the distinguished Senator from Wisconsin and the very distinguished senior Senator from New York (Mr. JAVITS), who they got to submit another Presidential amendment, with the support of the Secretary of Defense and Mr. McIntyre, and it is different from all of them.

So I believe what Senators should do is decide whether they think Senators NELSON and JAVITS, who have found a new number, are better than the President in January, the President in March, or the President in April, when he wrote and supported Obey; or whether they want to support the Budget Committee, which historically has been judicious, has had six full hearings, took the recommendations of the U.S. Senate Armed Services Committee, and said, "Better a little bit high. We will take a little off that." The Budget Committee recommended a figure to the U.S. Senate that will turn the corner on America's military preparedness.

We live in an unsafe world, and activities such as those I have described contribute to its continued dangerous nature, contribute not one bit to its stability or its safety.

I submit that the most historic thing about this budget resolution which Senators NELSON and JAVITS would change is that a large group of U.S. Senators have said—many of them sitting 6 years on this Budget Committee—that it is time to turn the corner and respond to an unsafe world with certainty, specificity, and quit saying to the American people that we cannot afford to defend ourselves—a most preposterous argument—that we cannot afford to defend ourselves in this dangerous world.

I repeat: An American economy in recession is three times more capable of defending America than the Soviet Union's economy at full tilt.

So we hear arguments here today: The American economy may be going into recession, but we are not sure. We cannot afford it, because if we do that, we will deny social programs which Senator BELLMON has just described have gone up, over a period of 15 years, from a low of 200 percent to a high of 2,400 percent, and defense is down in real dollars.

But here comes another amendment telling the greatest productive nation on Earth that we cannot afford it. Do not say we cannot afford it and that we do not need it based upon the Secretary of Defense of the United States, and do not say it based upon President Carter's recommendations, because it is fair to say that the Secretary of Defense has none and the President does not know what he is talking about.

In fact, if Senators want to support the President, Senator NELSON should offer the Obey amendment tonight, because on April 22 that is what the President was for—the Obey amendment—$1 billion less than he submitted in January, $3 billion less than his March revision, with a lecture to the American people and to Congress that we should beef up our defenses in between.

I hope the Senate will respond not to the Budget Committee but to a dangerous world and to the clamor by the American people that we face up to the realities of this world and quit saying that we cannot defend ourselves, that it is too expensive, that there is too much waste, or that there is waste everywhere. If we want to cut the military because there is waste, let us cut everything because there is waste; but let us not take a risk in a dangerous world.

Mr. BELLMON. Mr. President, the Senate Budget Committee's recommendation for function 050: national defense for fiscal year 1981 is $173.4 billion in budget authority and $155.7 billion in outlays. I supported these targets during the Budget Committee's deliberations, not because I am confident that they represent the optimum levels of defense spending, but because I am convinced that the United States has been too lax in the past decade in the measures it has taken to maintain its national defense capabilities. Certain key areas of our defense potential—manpower, operations and maintenance, training, and military construction—have been neglected for too long. Inflation has increased the cost of maintaining a national defense capability and I do not believe the Congress can continue to demand that the Pentagon absorb this effect without serious consequences. In addition to the effects of inflation on manpower and maintenance costs, the increasing complexity of modern weapons has raised the cost of security. I share the concerns of many that we have gone down the road of complexity far enough, yet we must recognize that this course, which we have actively followed for many years, cannot be abandoned overnight.

Beyond these economic and technical realities of maintaining a military capability, I am very concerned about the character of the international environment we have entered. It seems that the next decade will present the United States with its greatest global challenges in the post-World War II period. We must view Soviet actions for what they are: A concerted attempt to field a superior conventional military capability which they can use to support their political/military objectives anywhere in the world they may choose. I do not know how to characterize Soviet actions as anything but a challenge to our global interest, prestige, and leadership. The Soviet Union is now actively involved in the conquest of Afghanistan and the support of Cuban and Vietnamese proxy forces in Africa and Cambodia. Soviet forces are massed around the borders of what many strategic observers feel will be their next target of opportunity, Iran. United States-European allies are being alternatively courted and threatened by the Soviet Union in an attempt to drive a wedge between the Western Alliance.

Soviet actions, ever more aggressive, are supported by a military posture which is the product of the most intensive across-the-board qualitative and quantitative military buildup witnessed. For the last 10 years, Soviet leaders have devoted an incredibly large proportion of their economic resources to national defense. The result has been a sustained and still growing deployment effort in all areas of Soviet military capability. Soviet strategic forces are now superior to U.S. forces in key capability regions. Soviet submarine-launched ballistic missiles with ranges exceeding 5,000 nautical miles are deployed while comparable U.S. systems are still in development. The vulnerability of the U.S. land-based leg of the strategic Triad resulting from Soviet deployment of highly accurate MIRV warheads now forces the United States to proceed with new strategic systems. Soviet conventional land forces and tactical air forces have been increased and improved. The Soviet Union's force projection capabilities have also grown. Most disturbing of all: Soviet development of powerful global naval forces demonstrate a clear intention to contest U.S. capabilities on the oceans as well.

While the Soviet Union has been busily improving its ability to promote and then take advantage of political/military instability throughout the world, the Third World has been changing also. Once again, U.S. interests in strategic regions of the world, such as the Persian Gulf, have been dramatically affected. Events in Iran threaten basic interests, such as access to oil and the political stability of the Moslem world.

While the United States has a variety of means with which to confront these global realities, nearly all of them are premised on the expectation that the United States will continue to possess a military capability "second to none."

Mr. President, I am afraid that if present trends in U.S. defense spending continue this will not be the case. Some of my colleagues will maintain that we have already forfeited our military position of preeminence. This is a real danger but I am not prepared to agree that we are hopelessly behind. I think all Members will be surprised and concerned to learn that we are spending on defense today, in fiscal year 1980, the same amount, in real terms, as we did in 1965. The threat has changed greatly since 1965 and I believe the priority we give to U.S. defense spending must reflect this fact.

The proposed fiscal year 1981 Senate budget resolution assumptions give first priority to the task of redressing some of the most worrisome deficiencies in our defense posture which the President's request continued to neglect or actually exacerbated. These include:

Full amount of DOD fuel price supplemental in fiscal year 1981 higher inflation rate assumptions;

Full comparability pay raise for military personnel (11.7 percent versus administration cap of 7.4 percent);

Lower pay absorption requirement (20 percent versus administration's 40 percent);

Full implications of Senate-passed Nunn-Warner military benefits proposal;

Increased production of Air Force and Navy tactical aircraft to help meet existing shortfalls and achieve more effective unit-cost production rates;

Procurement of additional nuclear attack submarines to preserve fleet goals in this important area of U.S. military superiority;

Increased procurement of ammunition and tactical missiles to alleviate existing inventory shortfalls and depleted war reserve stocks;

Increased O. & M. funding to promote Army training, meet Indian Ocean operating requirements, and fund Navy and Air Force requirements for steaming hours and flying hours;

Initiation of Trident II SLBM development program in fiscal year 1981, increased military construction funds to support Indian Ocean facility initiatives; and

Increased funding for DOE military activities to support strategic and theater nuclear modernization programs.

Mr. President, some Members may oppose this defense spending target on the grounds that it shows real growth exceeding the NATO 3 percent outlay real growth commitment or the 5 percent BA real growth target which the Senate supported in the fiscal year 1980 second budget resolution. The fiscal year 1981 resolution defense target is not the result of an effort to hit some abstract real growth target. It was the result of decisions to provide funding flexibility for the deficiencies in our defense posture which I just listed. There was never anything magic about the 3 percent and 5 percent real growth figures. The 3 percent figure represented what was politically possible to agree upon in the NATO context. The 5 percent figure was supportable in the Senate last September. Neither accurately reflected real needs. Indeed, I am prone to think that our defense posture has gotten too serious to think that some formula of annual real growth can rectify the situation. We need to identify the real deficiencies in our force posture and provide whatever resources are required to rectify these weaknesses and retain the proper global military balance. The present budget resolution does reflect real needs and is the result of an effort to meet them.

Mr. President, I would like to touch briefly upon two closely related issues. Much of the defense funding we are debating today is directly related to the military requirements needed to maintain access to oil in the Middle East. For the moment, there appears to be no alternative to readying our naval and mobility forces to protect U.S. access to the Persian Gulf. However, I have no illusions that the flow of oil could be maintained if warfare ever began in that region. The reality of Soviet naval capabilities, as well as the inherent vulnerability of passage into the Persian Gulf, as well as oil production machinery in the region, would insure that no supertankers would move to the United States until hostilities were resolved and oil production could be restored. These facts make it important that the United States proceed without delay to implement plans for development of alternative energy sources—I have foremost in mind the construction of synthetic fuel plants.

Mr. President, I am not sure that we would not be doing the Nation's long-term interests more good if we took a good portion of the $8.9 billion increase in defense budget authority we are discussing now and devoted it instead to the construction of synthetic fuel plants. Until we implement means to reduce America's dependence on far-away supplies of oil located in unstable areas of the world, the Nation's continued well-being will rest on a precarious situation and the danger of warfare will only grow.

The second related issue I wish to address concerns a matter I have discussed at length previously. On several occasions I have suggested that the Senate ought to undertake a comprehensive review of U.S. defense and foreign policy objectives, creating a special select committee as a forum to pull together the Senate's national security and foreign policy expertise. I have introduced Senate Resolution 299 proposing the creation of such a forum and I have appeared before the Senate Foreign Relations Committee on two occasions in support of this proposal. Several of my Senate colleagues have joined me in cosponsoring this proposal.

Now, Mr. President, it was inevitable that any suggestion that Senate expertise on defense and foreign policy matters be pooled for the purpose of producing a comprehensive assessment of long-term U.S. goals and objectives would lead to jurisdictional difficulties and this was certainly the case in this instance. The Foreign Relations Committee claimed jurisdiction, as was its prerogative under the Senate rules. To my knowledge, no other relevant committees were inclined to participate in such an examiantion run by the Foreign Relations Committee. The few hearings the Foreign Relations Committee held which were presumably related to my proposal attracted no great attention and I know of no further plans for other hearings or any report.

Mr. President, the whole point of my original proposal was that the entire Senate should get involved in a review of U.S. foreign policies which would shed some badly needed insight upon the direction U.S. actions should take to best support long-term national interests. The first vital step is to identify these interests. The Senate is expected each year to authorize and appropriate billions of dollars to support military and foreign relations programs which presumably promote our policies and national interests. After 12 years in the Senate, I have never heard a good explanation of what these policies and interests are. I do not believe they have recently been defined. I think it is essential that they should be.

Given the burden of responsibilities that the Foreign Relations and Armed Services Committees have, I believe that this examination must be the product of a special select committee, made up of members of the relevant committees who would then appoint and oversee the work of a distinguished panel of outside defense and foreign policy experts. Only a select committee, named by the majority and minority leaders, could accomplish the pooling of the Senate's expertise in these areas and guarantee that the product would receive the attention of the entire Senate.

Mr. President, I have written the majority and minority leaders on several occasions asking them to pursue this issue. I now ask them again. As we enter a decade of great international change and uncertainty, it is essential that the Congress and the country possess a clear and comprehensive view of our long-term concerns and goals. I think I can speak for all the members of the Budget Committee in saying that such an examination of U.S. defense and foreign policy considerations would have been invaluable as the committee debated the proper priority to accord the defense budget.

Six months have passed since I first suggested such an examination. No action was taken, so the Senate must determine a target for defense spending without the benefit of any such findings. Mr. President, I am supporting the Budget Committee's defense budget recommendation with recognition that the Budget Committee, and now the entire Senate, lacks an important tool for helping to determine our optimum defense needs, and with the admonition to the Senate that the decision to make greater budgetary resources available for national security makes it more important than ever that the Congress clearly understands future requirements in order to avoid squandering these additional resources.

The Budget Committee's increases to the President's defense budget address several chronically underfunded areas such as manpower, spare parts and ammunition inventories, readiness training, and operations and maintenance. Furthermore, a strengthening of the defense budget sends the most visible signal possible to our allies and enemies alike that the U.S. commitment to its global responsibilities is still intact. I am greatly disturbed by recent Soviet aggressiveness. I am concerned that it reflects a decision on the part of the Soviet leadership that the United States is weak and undecided and that they are at the edge of a great opportunity. The active maintenance of our defense capabilities is our most effective means of preventing any Soviet miscalculation. I cannot draw any conclusion other than to believe that Soviet planners still believe that they can acquire a military superiority which will help them realize their political goals. We have no alternative but to disabuse them of that impression by demonstrating our intention to counter their political/military initiatives whenever they occur. The defense spending targets contained in this budget resolution are intended to support this objective.

Mr. HOLLINGS. Mr. President, I yield myself now only a few minutes.

Mr. President, it is necessary to emphasize once again that the committee's budget proposal is balanced—not only in the sense that revenues match outlays—but also in the sense that the allocation of resources matches the needs of our society.

The proposed amendment would upset that balance of priorities in three ways.

First, it would divert precious resources from the critical effort to secure our defense and protect our vital interests around the world.

Mr. President, I hardly think it is necessary to review once again the tremendous demands which are now being made on our military forces. The recommended budget would merely allow us to begin to make the required improvements. But the proposed amendment would leave us $2 billion short of the funds we need to do that.

The proposed amendment would not allow us to accommodate a full comparability pay raise for military personnel. Nor would it provide for the full cost of the Nunn/Warner pay provisions.

In short, it would tie our hands as we watch the growing flight of critical career military personnel from uniform.

The proposed amendment would not compensate fully for the increased tempo of U.S. military operations in the Indian Ocean and elsewhere around the world. Funding for operations and maintenance would decline and therefore our military needs for essential funds would not be met.

The proposed amendment would not accommodate a number of important R. & D. and procurement programs that the Appropriations and Armed Services Committees of both Houses have endorsed—the Joint Chiefs have recommended in past years—and the President's own fiscal year 1980 budget suggested would be required for the 1981–84 period.

Mr. President, it is argued that, under the proposed transfer amendment, we could keep our commitment to NATO for a real defense spending increase of 3 percent. But the amendment would not allow us to keep our commitment to the

American people—a commitment which is inherent in our public responsibility—a commitment to build and maintain an unquestioned defense capability.

I reject the reasoning which suggests that we can consider our responsibility fulfilled if we simply meet a 3-percent growth commitment made in 1977 while shirking our duty to meet the military needs of 1980.

Second, the proposed amendment calls for reducing the allocation of funds committed to meeting interest payments on the national debt. The committee recommends $72.2 billion in budget authority and outlays for that purpose. The proposed amendment would cut $400 million below that.

Mr. President, the CBO conducts two formal reestimates of the entire budget before markup of the first and second budget resolutions. At these times, all programs can be assessed fully. During the course of the year, information on programs may indicate that particular estimates may be too high or too low.

In July, CBO will make such a formal reestimate. There is simply no way to stand here today and assert what the reestimate will show. I have a letter from CBO which documents that uncertainty.

The proponents of the amendment may be right. It is possible that interest costs will decline by $400 million. It is just as possible that those costs will increase by $400 million or more.

But Mr. President, any budget is largely dependent on such imponderables and reestimating prospects. We must proceed with the assumption that the current estimates are roughly accurate. It would be irresponsible for this body to determine, for the sake of temporary convenience, that the estimates will change to reflect wishful thinking.

Third, the proposed amendment contemplates shifting the funds withdrawn from interest and from our hardpressed military forces in order to add more resources to a series of domestic programs.

Mr. President, we are fighting a battle against inflation, a battle to restore confidence in the American economy, and a battle to convince the American people that we are serious about the need to take strong action. Adoption of this amendment would set us back in all three efforts.

Moreover, the proposed increases in domestic programs just cannot be justified in the fiscal setting which now prevails.

The amendment would add $3.2 billion in budget authority and $200 million in outlays to the strategic petroleum reserve and assumes unspecified offsetting reductions of $200 million in budget authority and outlays.

Based on testimony given by the administration, the purchase of more oil for SPRO would be directly in conflict with American foreign policy. A plan to increase those reserves could well impair our chances for a positive outcome of the May OPEC meeting and could help raise the world price for oil.

Moreover, since its conception in fiscal year 1975, about $5.5 billion has been appropriated for oil acquisition for SPRO and only $1.4 billion has been spent.

So how can we justify spending more now—at a time when the need to reduce Federal spending is so clear.

The amendment would add $300 million in budget authority for EPA construction grants. The committee proposal provides adequately for meeting current law levels. Large increases cannot be justified in a policy of fiscal discipline.

For commerce and housing credit, the amendment would increase funding to accommodate the Brooke-Cranston program. It would also assume increased asset sales by the rural housing insurance fund to partially offset this increase.

But such increased asset sales are unenforceable. Congress has no authority to compel them.

Moreover, the Brooke-Cranston allowance in this amendment would only assist 20,000 housing units. The section 235 housing program already approved by the Senate in S. 2177 would provide interest reduction subsidies for 100,000 units.

For transportation, the proposed amendment calls for increases beyond the committee-recommended levels by $1.6 billion in budget authority and $200 million in outlays.

It would provide for almost all of the President's transportation energy initiative. But neither the proposed amendment nor the President's proposal provides for the operating subsidies which such expanded transit systems would require. So the real costs would be even higher than the amendment suggests.

The amendment's provision for $300 million in budget authority for highway construction is unnecessary. The Public Works Committee has recommended a reduction in the fiscal year 1981 obligation ceiling.

For education, training, employment, and social services, the amendment would add $2 billion in budget authority and $700 million in outlays—another unjustified expense.

At a time of fiscal restraint, the committee is convinced that the President's youth employment initiative must be deferred until fiscal 1982. The amendment would fund it in fiscal 1981.

The committee assumes that 14-year-olds will no longer participate in summer youth programs. The evidence shows that they have not gained meaningful work experience from the program. But the amendment would restore funds to cover their participation.

The committee assumes that the CETA countercyclical program, title VI, will be phased out. It has not served as an effective countercyclical too. The amendment would continue the program.

Mr. President, the proponents of the amendment, like many Senators, will argue that these programs should be provided for. But their relative lack of merit in light of the present economic emergency simply cannot justify the expense.

For health programs, the proposed amendment would add funds for discretionary initiatives. But budget authority for discretionary health programs has increased by 58 percent since 1975. That rate of increase has more than outpaced inflation.

The committee's recommendation for reductions in health manpower education programs would only affect student subsidies that have outlived their usefulness or do not do what they are designed to do.

Half of the committee's proposed reductions in discretionary health programs are due to the assumption that agencies will reduce administrative and operating expenses by 5 percent. Such reductions can surely be achieved without seriously impairing the delivery of services.

For income security, the amendment would add $4.7 billion in budget authority and $900 million in outlays.

It would increase budget authority for subsidized housing by $3.8 billion. But the committee's proposal is already generous. Its new budget authority of $27.3 billion would fund an additional 236,000 housing units. Between 1981 and 1985, outlays would grow by 16 percent a year.

The proposed amendment would add 100 million in budget authority and outlays for the low-income energy assistance program. The committee proposes holding the level to the $1.6 billion mark which was provided in 1980.

The press has been filled with accounts of abuses in this program. With added experience in administration and targeting, the 1980 funding level should be adequate to provide the same level of services to those who are truly needy.

The amendment would increase food stamp funding by $800 million in budget authority and outlays. The committee assumed a $1.4 billion legislative savings in the program. CBO now tells us that program outlays may turn out to be $500 million higher in fiscal year 1980 and $600 million higher in fiscal year 1981 than when the committee marked up its resolution.

In view of these rapidly escalating costs, it is essential to better target the program.

For veterans' programs, the proposed amendment calls for a budget authority increase of $300 million.

A recent National Academy of Sciences study shows that the VA's decisions on constructing facilities have been made without due regard for the availability of non-VA facilities.

Moreover, a GAO study tells us that the VA has inadequately planned for changes in the size and age mix of the veteran population.

Because of problems such as these, the administration has decided to study VA hospital construction plans more carefully. In light of our tight fiscal policy, the Senate should not accept the amendment's call for more funds in the area.

The amendment would restore part of the cut the committee proposes for LEAA. But the administration actually assumes elimination of all LEAA grant funding.

LEAA has been criticized roundly. It

has achieved no measurable reduction in crime, and program abuses are historic.

Finally, Mr. President, the proposed amendment would add a half billion dollars in budget authority and outlays for general purpose fiscal assistance. It would increase funding for the President's proposed special targeted aid for economically depressed areas.

The President's program would provide aid to all 39,000 units of local government which now receive revenue sharing funds. That is not inadequate targeting, that is no targeting at all.

These funds would go to Beverly Hills and Fairfax County as well as to decaying inner cities. We have no business even considering such an allocation of scarce Federal resources.

There is certainly no reason to believe that such a program would be enacted or funded. A funding allowance of $500 million was rejected by the House Budget Committee, and was not even suggested to the Senate committee.

Mr. President, the Budget Committee has constructed a plan which meets our fiscal obligations while meeting our obligation as a compassionate and responsive Government.

The proposed amendment would undermine that effort. What is more, it would undermine our defenses in the process.

The proposed amendment unbalances the budget—not in terms of deficits but in terms of priorities.

I urge the Senate to reject that unbalanced proposal.

Mr. President, I ask unanimous consent that a comparison of the Nelson-Javits amendment to the amendment of the Senate Budget Committee recommendation with an addendum thereto also be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

COMPARISON OF NELSON/JAVITS AMENDMENT TO SBC RECOMMENDATION, FISCAL YEAR 1981

[In billions of dollars]

		SBC		Nelson/Javits		Javits/Nelson over (+) under (−) SBC recommendation	
		BA	O	BA	O	BA	O
050	National defense	173.4	155.7	166.5	153.7	−6.9	−2.0
150	International affairs	23.4	9.5	23.4	9.5		
250	General science, space, and technology	6.4	6.1	6.4	6.1		
270	Energy	3.9	6.8	6.9	6.8	+3.0	
300	Natural resources and environment	11.6	12.0	11.9	12.0	+.3	
350	Agriculture	5.6	2.3	5.6	2.3		
370	Commerce and housing credit	5.1	.2	5.6	.2	+.5	
400	Transportation	19.9	18.2	21.5	18.4	+1.6	+.2
450	Community and regional development	8.9	9.3	8.9	9.3		
500	Education, manpower, social services	29.4	28.4	31.4	29.1	+2.0	+.7
550	Health	70.9	61.9	71.2	62.0	+.3	+.1
600	Income security	245.3	218.3	250.0	219.2	+4.7	+.9
700	Veterans benefits and services	21.5	21.0	21.8	21.0	+.3	
750	Law enforcement	4.2	4.6	4.4	4.6	+.2	
800	General government	4.6	4.3	4.6	4.3		
850	Revenue sharing, etc	6.3	6.8	6.8	7.3	+.5	+.5
900	Interest	72.2	72.2	71.8	71.8	−.4	−.4
950	Undistributed offsetting receipts	−24.7	−24.7	−24.7	−24.7		
	Total	687.9	612.9	694.0	612.9	+6.1	
	Revenues		612.9		612.9		
	Deficit/surplus		0		0		

EFFECT OF NELSON/JAVITS AMENDMENT

Cuts from SBC recommendation	BA	O	Effect of Nelson/Javits
0 50 National defense	−6.9	−2.0	Would not accommodate a full comparability pay raise for military personnel or provide the full cost of the Nunn Warner pay provisions, at a time when the military is suffering from declining recruitment rates and the loss of skilled mid-level career personnel. Would not compensate fully for the increased tempo of U.S. military operations in the Indian Ocean and around the world. Funding for readiness and O. & M. would decline and therefore DOD needs for operating funds could not be met. Would not accommodate a number of important R. & D. and procurement programs that the Appropriations and Armed Services Committees of both Houses have endorsed, that the Joint Chiefs of Staff have recommended in past years, and that the President's fiscal year 1980 budget suggested would be required in the fiscal year 1981–84 programs.
900 Interest	−.4	−.4	The Nelson/Javits interest number is based on an informal CBO estimate. The SBC recommendation is consistent with the formal CBO estimate. Money markets have recently been extremely volatile and Treasury borrowing costs have fluctuated widely. Any changes in interest estimates should be based on formal assessments, not just the most recent report. When CBO formally re-estimates the budget in July the interest estimate may decline by $0.4 billion, but it also may increase by that amount, or more.
270 Energy	+3.0		Would restore $3.2 billion in budget authority and $0.2 billion in outlays to the Strategic Petroleum Reserve (SPRO); assumes unspecified offsetting reductions of $0.2 billion in budget authority and outlays. Based upon the recent testimony of administration and DOE officials, the acquisition of oil for SPRO is in direct conflict with U.S. foreign policy. Due to the instability of the world oil market and the proposed implementation of economic sanctions against Iran, the U.S. probably could not acquire oil at this time without negatively affecting the outcome of the May OPEC meeting and the world price of oil. At a time when reduced Federal spending is needed, this program is a logical target for cutbacks. Since its conception in fiscal year 1975, approximately $5.5 billion has been appropriated for oil acquisition for SPRO but only $1.4 billion has been spent.
300 Environment and natural resources	+.3		Would add $0.3 billion in budget authority for EPA construction grants. The SBC recommendation already assumes funding for this program at current law levels ($3.4 billion in budget authority), and in a period of fiscal restraint large increases do not seem warranted.
370 Commerce and housing credit	+.5		Would increase funding to accommodate the Brooke-Cranston programs; and assumes increased asset sales by the Rural Housing Insurance Fund (RHIF) to partially offset this increase. A reduction of $0.1 billion in budget authority and outlays through increased asset sales by the RHIF are unenforceable. The timing of asset sales is determined by the administration under existing law. Congress has no authority to compel asset sales. The Brooke-Cranston allowance in this amendment would assist only 20,000 housing units. The modified sec. 235 housing program already approved by the Senate in S. 2177 would provide interest-reduction subsidies to 100,000 units, at a fiscal year 1981 cost of $0.1 billion.
400 Transportation	+1.6	+.2	Would increase funding for the President's energy transportation initiative, highway construction and mass transit capital assistance. Would provide $1.4 billion for the energy transportation initiative keyed to accelerated development and expansion of transit system. The President's proposal does not provide for the increased operating subsidies which these expanded systems would surely require. The proposed restoration of budget authority is totally unnecessary. The Public Works Committee has supported the Budget Committee's assumed reduction in highway obligations which means this highway budget authority will not be needed in fiscal year 1981.
500 Education, training, employment, and social services	+2.0	+.7	Nelson/Javits would provide $1.2 billion in budget authority and $0.1 in outlays for the President's youth initiatives. SBC recommendation defers this program until fiscal year 1982. Such a major new initiative should be deferred in this time of budgetary restraint. Nelson/Javits would restore part of the reductions in summer youth programs. SBC assumed that 14-yr-olds would no longer participate in the summer youth program because youths of this age have not gained meaningful work experiences from this program. Nelson/Javits would continue the CETA countercyclical public service employment program (title VI), although at a reduced level. The Budget Committee recommendation assumes that this program would be phased out on the grounds that it has not served as an effective countercyclical tool. The committee recommendation, however, provides increased funding for the better targeted CETA employment and training programs for the structurally unemployed.
550 Health	+.3	+.1	Nelson/Javits would add funds for discretionary health programs. Budget authority for discretionary health programs has increased by 58 percent since 1975. This increase has more than outpaced inflation for that time period—49 percent. The recommended reductions in health manpower education programs would only affect those student subsidies that have outlived their usefulness or that do not effectively address the problems of geographic and specialty maldistribution of health professionals. Half of the Budget Committee's proposed reductions in discretionary health programs are due to the assumption that agencies will reduce their administrative and operating expenses by 5 percent. In times of tight budget restraint, it is not unreasonable to assume that such savings can be achieved without seriously affecting service delivery.

EFFECT OF NELSON/JAVITS AMENDMENT—Continued

Cuts from SBC recommendation	BA	O	Effect of Nelson/Javits
600 Income security	+4.7	+.9	The amendment would increase budget authority for subsidized housing by $3.8 billion. The recommendation is already very generous. It provides new budget authority of $27.3 billion for fiscal year 1981. This would fund an additional 235,000 housing units. Under the committee recommendation between 1981 and 1985 outlays would grow by 16 percent per year. The amendment would add $0.1 billion in budget authority and outlays to the low-income energy assistance program. The Budget Committee recommendation provides $1.6 billion, the same amount that was provided for 1980. This program was new in 1980, and the press was filled with stories of people receiving benefits who did not need them. The Budget Committee believes that, in 1981, with more experience in administering the program and better targeting of benefits, this level of funding will provide the same level of aid to the most needy, in spite of increases in fuel costs. The amendment would increase funding for food stamps by $0.8 billion in budget authority and outlays. The Budget Committee assumed $1.4 billion legislative savings in the food stamp program. The food stamp program was only recently projected to cost $8.7 billion in fiscal year 1980 and $10.0 billion in fiscal year 1981. CBO now states that program outlays are expected to be $0.5 billion higher in fiscal year 1980 and $0.6 billion higher in fiscal year 1981 than when the Budget Committee marked up the resolution. In view of rapidly escalating costs of the food stamp program, it is essential to better target the program to hold down costs.
700 Veterans benefits and services		+.3	A study conducted by the National Academy of Sciences suggests that the VA's decisions on the construction of facilities have been made in the past without reference to the availability of community hospitals or to non-VA construction under way or planned. For example, a GAO study of the Camden, N.J. VA hospital, indicated that this hospital would not be cost-effective since it would drain patients from other hospitals located in the Camden-area. More importantly, the Camden-area is presently overbedded; this area already has 3 community hospital and veterans could seek care at these hospitals. Other GAO studies criticize the VA's planning model for hospital construction. The study indicated that the VA's planning model does not recognize, in a precise way, expected changes in the size and age mix of the veteran population. Because of the problems relating to the construction of hospitals, the administration has decided to study present as well as future proposals with regard to hospital construction—particularly VA hospital construction.
750 Administration of justice		+.2	Would restore part of the reduction in funding for LEAA assumed in the committee recommendation. The amendment is inconsistent with the administration's March revisions, which assumes elimination of LEAA grant funding. There have been several negative evaluations of LEAA, it has failed to achieve a measurable reduction in crime, and there is no guarantee that the authorization enacted last year will be successful in removing historic program abuses.
850 General purpose fiscal assistance	+.5	+.5	Would increase funding for the President's proposed special targeted aid for economically distressed areas. The President's proposal, sent up in mid-April, provided aid to all units of local government. Aid would go to all 39,000 units that receive local revenue sharing. That does not qualify as a program targeted in needy governments. The funds would go to everyone. These funds would go to Scarsdale and to Westchester County, N.Y. They would go to Beverly Hills and San Clemente, Calif. They would go to Chevy Chase, Md., and to Aspen, Colo. There is no reason to believe that the new program will be enacted or funded. A funding allowance of $500 million was rejected by the House Budget Committee, and was not even offered during Senate Budget markup. Provision of a funding allowance for an uncertain new proposal, just sent up on Apr. 16, does not make sense when we are at the same time reducing other existing, proven programs and not funding State general revenue sharing or countercyclical aid.

Mr. HOLLINGS. Mr. President, let me try to bring this debate into focus because what we see or hear are statements that we have not cut anything. That we have not cut the defense budget.

It reminds me when I hear these Senators who say they have not cut the defense budget and how strong we are in America and how we are second to none that they shall very conscientiously or unconsciously add, "When we consider our culture, our economy, our industry," that they are really talking about defense, knowing that it is in a deplorable state, a very deplorable state.

We hate to make that statement. The military commanders come to the Congress and they ask for the draft as they did last year. They can make their statements on military balance and they make them right. All we need is more Members to witness the hearings and see every Chief of Staff say that we are going down in capability. Now the stark reality on the attempted rescue mission or any other military task we try to do shows. It shows whether it is a report out in Los Angeles, whether it is a report of the Washington Star, whether it is the New York Times account of a B-52 cracking apart worse than the DC-10's, whether it is a report that 40 percent of the middle grades are not reenlisting, whether it is a report that we have not been successful with the volunteer Army, or whether it is a report about Nifty Nugget.

Our needs were reflected in the Senate vote last September 18, before Iran and Afghanistan occurred. We were responding to a year-in year-out cut of defense spending making us weaker. Just this morning we pick it up again, and now the Reserves and the National Guard have passed a resolution condemning the administration and the deplorable condition of the state of the Guard and Reserve. We know now that if we had to fight in Europe, that within 30 days if we tried to replace the casualties we would be shy 500,000. We went into an executive session in this Chamber last year but now it has been reported publicly that we are 500,000 shy in the Guard and Reserves. The enemy would have a weapon to destroy half the Army. We have been worried to death wanting to know what it is. But we systematically and methodically cut our defense spending down and do not meet our needs.

Yet the sponsors of this amendment come here and say nothing is cut.

I am reminded of a story of the gentleman who never did like the police. He was always getting a ticket. He was cussing the police department, "We have too many." He did not like the law and he was always raising sand, and there was too much law enforcement, too many policemen. He never could get along until one day his daughter was selected as May Queen and they could not have the parade. He found out why they could not have a parade. They would not permit it because there was not enough policemen. Then he ran out and around wanting more police. Why? Not that he wanted more policemen but he wanted a parade.

Now the Senators come along. They are not for defense. They never have been for it. They do not believe we are strong and they are pleased with it. That is what worries the people in the armed services.

Really even with the amounts that we give them, they feel that they have been publicly repudiated and no one up here in this Congress cares about them.

And the leadership of this particular amendment are pleased with the downfall of the defense. Do not let them tell you differently. They come now and they say, "Oh, we are always for strong defense." But they are not for it. Look at their vote and look at their actions and look at what has been done. We tried to politely bring their attention to what has occurred.

So like the gentleman now who comes for a policeman so he can have a parade, these Senators wanted added programs and they figure they can get them if they give themselves a little bit more defense than what they would want. They really have done a sacrificial thing with real courage and now they are going ahead with defense and they are really convincing themselves that there is not a cut.

There is a $2 billion cut in outlays in this amendment and a $6.9 billion cut in budget authority.

If you please, Mr. President, this $6.9 billion cut becomes $13.1 billion the ensuing fiscal year and $18.4 billion the following year. So they know just how they are getting at defense. They are telling themselves now they have come up to a figure and we have not cut anything.

Let us give them a list of what they did cut because the distinguished Senator from New Mexico covered it as thoroughly as one could to say what the President wanted.

Mr. President, I ask unanimous consent to have printed in the RECORD the President's March request compared to the Budget Committee recommendation, function 050—National Defense. This gives an example of what may be cut by this amendment.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

PRESIDENT'S MARCH REQUEST COMPARED TO SBC RECOMMENDATION FUNCTION 050: NATIONAL DEFENSE

[In billions of dollars]

	Fiscal year 1981	
	Budget authority	Outlays
President's March request	164.5	150.5
Increase for 11.7 percent pay raise for military personnel	+1.2	+1.2
20 percent pay absorption instead of of 40 percent absorption	+.6	+.6
Nunn-Warner provisions and other miscellaneous personnel items	+.5	+.5
R. & D. and procurement increases	+3.9	+.4
O. & M. increases	+1.4	+1.1
Higher inflation rate, fuel price increases, and other program differences	+1.9	+2.0
Savings resulting from 5 percent rather than 2 percent reduction in general operating expenses	-.6	-.6
SBC recommendation	173.4	155.7

Mr. HOLLINGS. The President on March 31 submitted a revised figure for National Defense and by April 22 he submitted a formal letter cutting $5 billion out of what he submitted on March 31.

You wonder why our defenses are down? You wonder why we do not have any credibility in our national defense and our foreign policy? We call for 3 percent real growth and most of our allies come along and do it. They all try to cooperate.

Mr. President, I ask unanimous consent to have printed in the Record a list of real growth figures for the NATO alliance.

There being no objection, the list was ordered to be printed in the Record, as follows:

REAL INCREASES IN NATO DEFENSE SPENDING (OUTLAYS)

	1978	1979	1980
Belgium	+6.7	+4.5	-2.0
Canada	-.2	+.9	+3.4
Denmark	+3.1	+.2	-.6
France	+4.9	+3.0	+3.5
Germany	+3.0	+2.0	+1.0
Italy	+3.2	+.8	+0
Netherlands	-5.3	+3.5	+2.1
United Kingdom	-.3	+3.9	+3.2
United States	+1.5	+3.2	+3.2
Non-United States NATO	+2.1	+2.7	+2.0

[1] These percentages are based on a NATO definition of defense spending.

Mr. HOLLINGS. Mr. President, let me get the list out. I can tell my colleagues. Looking at 1978, Belgium went up 6.7 percent, France went up over 4 percent. They met those goals. And even Italy and Germany. But we came up with 1.5 percent.

So we get to a NATO conference and we talk. It is debated within the armed services committee, others within the appropriate committee. Secretary Komer from DOD says what we really need is 6 percent real growth. Six percent real growth and that was testified to 2 years ago.

He said realistically we could not get it so we compromised at 3 percent.

This budget resolution offers 5.7 percent real growth in outlays. We made a special real growth pledge in budget authority in the Chamber last September 18. Now we have had Iran and Afghanistan and we are more aware of the demise of our defenses. Therefore, we offer a 5.7 percent real growth to start building up military capability. This amendment starts cutting it. They cut $6.9 billion out of budget authority in this amendment.

Interestingly, Mr. President, this is nothing more than the Cranston amendment changed around, if you please. The facts are the same, the pattern is the very same. The Cranston amendment—they came up with some $3.9 billion, if you remember, in revenues. Well, they only take up $400 million in this one, and then get the rest from the budget, the defense budget, figure. But there we are. They come and make their talks.

I was really a little disturbed to see my colleague, who has chaired the Committee on Nutrition, and I supported the continuation hopefully to try to do something about that war on hunger—you cannot tell it budgetarily, but when he started back in 1968 the budget was $200 million; in 1969 food stamps were $225 million. We only had, by medical survey at that particular time, some 12 million at the most suffering from malnutrition in any wise in this country, and we started working on them.

Well, have we cut the 12 million to, say, 6 million after working? We did not have women, infants and children feeding. We did not have Meals on Wheels. We did not have the lunchroom programs extended. We have all of those, and I am proud of the leadership of the Senator from South Dakota (Mr. McGovern).

But look at the budget. You cannot tell it. Instead of 12 million we have gone up to 23 million. It is 12 million and up to 23 million personnel, up, up, and away. Instead of just the millions of dollars, not even $1 billion, we jumped to $4.5 billion in 1975, and now this budget resolution calls for $9.2 billion, a doubling in 5 years, an actual 40-percent increase.

We have got $2.5 billion in here for the 1980 supplemental, translating into a $3.8 billion for the 1981 budget.

Yet they have got the gall to come here and say that we are not doing anything for hunger, and let us put another $800 million in. The hungry poor are not going to see that $800 million, I can tell you that. They are double in that spectrum, and they have been getting there.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. HOLLINGS. I will have to yield myself time on the resolution. Has all time gone?

The PRESIDING OFFICER. Yes.

Mr. HOLLINGS. I will just close in a couple of minutes, yielding myself a couple of minutes.

Mr. President, this seriously cuts the defense budget. It is the same as the Cranston one reconfigured, and it includes some $500 million for transitional assistance.

The Senator from Wisconsin describes it in his mailout as fiscal assistance which provides $500 million in specially targeted aid for economically distressed areas. This is the White House item that we discussed early this morning, and until we get into that I do not believe I will use any more time on the bill, but I will wait and see what the Senator from Wisconsin says about that.

Mr. NELSON. Mr. President, how much time does the Senator from Wisconsin have left?

The PRESIDING OFFICER. Twelve minutes.

Mr. NELSON. Mr. President, I ask that 3 minutes be reserved for the Senator from New York at the conclusion of my remarks so that he can conclude the debate.

I will yield momentarily to Senator Tsongas.

I must say that if a man from Mars, who knew what the facts were, was in the gallery listening to the argument of the Senator from New Mexico and the Senator from South Carolina, he would not know whether to laugh, cry or check into the nearest psychiatric hospital.

One would think somehow that the proposal here of the Senator from New York and the Senator from Wisconsin is to abolish the Army, the Navy, and the Air Force.

Well, that is nonsense. Let us get the facts straight. The budget proposed by the Senator from New York and the Senator from Wisconsin increases outlays by 14.7 percent. The committee budget increases outlays by 16.2 percent. The real dollar increase in the Nelson/Javits amendment is 4.1 percent and in the Budget Committee it is 5.6 percent. So all this noisy rhetoric coming from the opposition charging that somehow or another defense is being sold out is nonsense when the difference between the two is $2 billion out of some $155 billion. Can anybody seriously accept that as a serious agrument?

Mr. President, I find it interesting that these attacks being made upon those of us who offer this amendment also are attacks upon the eight members of Senator Hollings' committee who did not support the defense outlays approved by the committee. What has been said on the floor about those of us who offer the amendment applies, in a like manner, to Senator Kassebaum, Senator Riegle, Senator Metzenbaum, Senator Sasser, Senator Johnston, Senator Biden, Senator Chiles, and Senator Muskie. Are the Senator from New Mexico and the Senator from South Carolina suggesting that these distinguished members of their own committee are selling out America? If so, why do they not have the courage to stand up on the floor and say so. It is all a bunch of nonsense, and they know it.

Under the Nelson/Javits proposal, there is a huge defense increase.

As for the Senator's comment on special targeted fiscal assistance, all I would like to say is that the Senator from South Carolina voted for this measure on a rollcall vote on August 3, 1979.

Mr. President, I yield all but the remainder of the time to the Senator from Massachusetts.

Mr. TSONGAS. Mr. President, how much time do I have?

The PRESIDING OFFICER. The Senator from Wisconsin has 8 minutes and 45 seconds remaining, of which he has reserved 3 minutes for the Senator from New York.

Mr. TSONGAS. Mr. President, I will

not take all the time in order that the Senator from Michigan may speak.

Mr. President, I rise in support of the substitute I have cosponsored with Senators NELSON, JAVITS, and METZENBAUM. This substitute, while not affecting the Senate Budget Committee's balance of 1981 receipts and outlays, attempts to strike a better balance between defense expenditures and various domestic programs. I am committed to a balanced budget—this substitute does not affect that. I am committed to a realistic increase in defense expenditures. This approach provides for that as well. Finally, I am committed to a sensible balance between domestic and defense needs; and this substitute, I believe, restores some balance to an, at present, lopsided budget.

The substitute accomplishes the following: Defense outlays for 1981 are reduced by $2 billion. This $2 billion in 1981 outlays is redistributed in the following manner: $200 million is added to function 400 (transportation); $700 million is added to function 500 (education, training, and other social services); $100 million is added to function 550 (health); $900 million is added to function 600 (income security); and $500 million is added to function 850 (fiscal assistance).

Let me reemphasize that I, too, am committed to a balanced budget for fiscal year 1981. Although I am soberly aware of a balanced budget's limited potential for direct reductions in our inflation, nevertheless it provides a symbol of commitment to fiscal restraint. Moreover, by limiting ourselves to spend only our revenues, we force the Congress to recognize that we have a limited pie to divvy up. For too long this institution has dealt with spending choices among competing public projects by deciding to fund all of them. Such an approach, by allowing each of us to secure funds for our projects, demands that we reduce private expenditures. Our constituents were taxed directly in some cases. More times than not, however, they were taxed through inflation. The Government printed money and their purchasing power dropped. We cannot continue to operate in this fashion. We must all accept the tough choices inherent in budget decisions both between public projects and between the public sector and the general private sector. A balanced budget, although far from a panacea for curing inflation, is useful today, because it brings home this message of choice. Let me reemphasize that this substitute leaves the Senate Budget Committee's balanced budget intact.

Mr. President, this substitute would set the defense function outlays at $153.7 billion, which is $2 billion lower than the Budget Committee's figure of $155.7 billion. Despite this reduction, outlays will still exceed the President's request, CBO's reestimate, and the House approval level.

Mr. President, I believe there is a consensus in the Senate that funding for our defense needs must be raised significantly. I am part of that consensus. Last year, I voted for a 3-percent real increase in defense expenditures for fiscal year 1980. I fully support a similar increase for fiscal year 1981. The substitute before you will accomplish just that—a real growth in defense outlays of over 3 percent from last year's levels. This increase more than satisfies the President's commitment to our NATO allies and will provide sufficient funding to address the serious manpower, maintenance, and operation deficiencies which now hamper the smooth functioning of our Armed Forces.

While I fully appreciate the diligent efforts of the Budget Committee to provide for the Nation's defense needs, I must question whether the Department of Defense could absorb efficiently a 5.7-percent real increase in outlays. It is vitally important that the Senate respond to real shortcomings in our military posture. But it would be unnecessary and counterproductive to supply more funds than could be effectively utilized to remedy these deficiencies.

Mr. President, a commitment to balancing the budget and to providing defense expenditures must be accompanied by some commitment to mass transit, for our energy consumptive nature is both extravagant and a threat to our Nation. It is imperative that we begin to back out oil imports, for our economy and our national security. This substitute restores $200 million of the cuts in transportation, essential to any plan for our Nation.

The increase in function 550 of $100 million in outlays is a necessary increase in order to attempt to adequately address the health care needs of all Americans. While the medicare and medicaid programs comprise 86 percent of this function, a large percentage of our population remains seriously underserved. This additional $100 million in function 550 will help us to continue to address the health care needs of the underserved and the medically indigent.

Mr. President, while I support the immediate need to balance the budget in an attempt to provide stability to the American economy, I am very concerned about the long-term economic needs of our Nation as well. To eliminate job programs for the structurally unemployed and for minority youth serves only to perpetuate an instability that we will recognize as intolerable. It is clear to me that the federal budget must address both long-term and short-term goals. Unemployment among minority youth already exceeds 60 percent.

We have all lived through long, hot summers that are the result of hopelessness and frustration. It is very likely that in the face of joblessness, our cities will again combat the justifiable wrath of thwarted minority youth who want to be productive citizens and who have not been granted the opportunity. In my view, the offender in this instance is a Government that only defers the hopes of the unemployed rather than providing the opportunity for a meaningful contribution. The Federal Government will be the offender if we allow a $2.4 billion reduction in function 500.

This substitute seeks to restore only $700 million to this function. I would seek full restoration if there were a chance that the Senate would favorably consider it. However, it is my fervent hope that my colleagues will agree that restoration of $700 million to this function will help avert continued destabilization of our economy.

Similarly the Senate Budget Committee has cut into the food stamps and social security programs. The Senate Budget Committee figure for the income security function is a full $2.8 billion below CBO's reestimate of Carter's budget. Again, a drastic reduction in light of the difficult times our poor will face in the months ahead is a cruel and undeserved punishment. My amendment seeks to restore less than half of this, but $900 million will be returned to function 600.

Mr. President, the Budget Committee's recommendation for a $600 million outlay cut in the revenue sharing program in function 850 will inflict fiscal hardship on State and local governments at a time when they can ill afford it. I have always supported the revenue sharing program and I find it particularly difficult to accept the logic of the Budget Committee's reduction.

This substitute would restore $500 million, a part of the reduction. I do believe that any program must face up to the necessity of reductions for fiscal year 1981, but with this substitute amendment to minimize the severity of our austerity in this most vital program.

To conclude, this budget leaves the budget in balance. It accepts the Senate Budget Committee's revenue estimate. It provides for a realistic increase in defense expenditures consistent with our commitment to our NATO allies. Moreover, it provides a commitment to mass transit and the minimal support necessary to respond to the hardships and deprivation faced by the Nation's disadvantaged.

Mr. President, I am not sure we are talking about the same budget. As the Senator from Wisconsin pointed out, the substitute sets defense at $153.7 billion. I do not understand how that can be equated with a weak defense. It is $2 billion lower than that of the Budget Committee, and I think the points raised by the Senator from Wisconsin make the point rather well.

I would just like to point out to my colleagues that we seem to engage in what could be called the Arnold Schwartzenegger approach to defense. The more we pump iron, the stronger we are.

Well, try putting him in the ring sometime, because pumping iron and having more aircraft carriers are not a strong defense.

Many people sat here all those years and poured iron into Vietnam. What good did it do? All the muscle in the world had no effect whatsoever because we were on the wrong side.

If you think this world is going to respond to that kind of approach, you ought to go out in it sometime, live there sometime, and see what a very different perspective the world has.

The great vulnerability we have in this country is to the pipeline of our oil supplies coming out of the Pesrian Gulf.

You tell me how all this military equipment is going to deal with a cutoff of the Persian Gulf. Well-trained, well-motivated guerrilla forces can go into the Persian Gulf, take out the supply lines, take out the refineries, take out the dock facilities, and then what are you going to do?

The issue in defense is our dependence upon foreign crude. Transportation, we cut it. Conservation, we will cut it. Where is the relationship between the real security needs and what is in the budget? It seems to me at some point there will be a balance achieved in this Congress and people will understand how all the pieces interrelate. At some point we will understand the strength of this country is its capacity to control its energy supply, its capacity to have a strong economy, its capacity to be sensitive to what is happening in the world, and its capacity to be sympathetic and compassionate to its own people. That is the strength.

The strongest physical being ever to inhabit the Earth was the dinosaur. It is not around. It did not know how to evolve.

I would suggest it is about time we learned that lesson.

I commend the Senator from Wisconsin, the Senator from Ohio, and the Senator from New York for their initiative in this respect. I thank the Senator from Wisconsin for the time.

Mr. LEVIN. Mr. President, how much is remaining?

The PRESIDING OFFICER (Mr. Bayh). There are 5 minutes remaining. The Senator from New York has 3 minutes reserved.

Mr. JAVITS. Mr. President, I yield 2 minutes to the Senator from Michigan.

Mr. LEVIN. Mr. President, as a member of the Armed Services Committee, I am obviously concerned about the adequacy of our national defense and I am as committed as anybody to making sure that we have a defense capacity second to none.

The Senator from South Carolina indicated that the Iranian affair shows the deplorable state of our defenses. The Iranian affair shows quite the opposite. It shows that a rescue mission can be destroyed because of the failure of a $5 critical part; not because of the shortage of billions in defense dollars but because a $5 part failed.

It shows that we have to concentrate more on execution, more on detail; that what we have to worry about is "will" and mobility and manpower, and not simply on hardware.

The Nelson-Javits amendment avoids using scarce taxpayer dollars on lower priority military procurement programs which either the Defense Department or the armed services involved do not want.

For example, the Senate Budget Committee assumptions include $500 million to develop a new manned bomber which the Air Force is not requesting; $300 million to develop a Marine Corps fighter which the DOD thinks is too expensive and not capable enough; and some untold millions of dollars to accelerate procurement of Navy fighter and attack aircraft which the Defense Department decided would prevent it from achieving much higher priority defense objectives.

Regarding the additional funding for a manned bomber addition, Gen. David Jones, the Chairman of the Joint Chiefs of Staff and himself an Air Force officer, told our committee this year—and this is somewhat different than what my friend from South Carolina reported to us a few minutes ago.

The PRESIDING OFFICER. The time of the Senator from Michigan has expired.

Mr. LEVIN. Mr. President, may I have 1 more minute?

Mr. JAVITS. Mr. President, I yield an additional minute to the Senator from Michigan.

Mr. LEVIN. Gen. David Jones said the following concerning the manned bomber:

> Although I was a long-time advocate of the B-1 and I have wished the decision had been otherwise, I am particularly concerned about the early eighties. Therefore, if additional money were available, my priorities would be primarily on near-term things, though not to the exclusion of long-term. I don't put the B-1 bomber in the near-term category.

Mr. President, there are other cogent reasons why the full Senate should adopt the Nelson-Javits amendment and reject the recommendation of the Budget Committee.

Mr. President, there is a torment loose in this Nation which the budget given to us by the committee does not treat. There is a sense of dispair in this country which it does not address. And there is a sense of alienation in this land which it does not deal with.

These fears and feelings come from the very essence of our present economic policies. We have apparently decided that inflation is no longer acceptable and that the only way to rid ourselves of this demon is to engineer and accept a recession. The theory is that a recession will take the steam out of the economy and bring an end to the ravages of inflation.

I agree that inflation is intolerable. And I agree we ought to do what we can to control it. But I do not agree that we must plan and accept a recession as a substitute to this problem. I believe we must counter such a recession and soften its blow in this budget. I want to outline those reasons now and as I do, I will indicate the ways in which this substitute serve to moderate the impacts created by the document given us by the Budget Committee.

First, if our national budget does not moderate the impact of tight money policy now in effect, this recession could be worse than anyone thinks it should be. When the administration undertook to slow down the economy, the goal was to "fine tune" the system—to slow down inflation with moderate increases in unemployment. But that approach did not work well. The constant increases in interest rates mandated by Federal Reserve decisions demonstrated that. The 7-percent national unemployment rate established last Friday demonstrated that. And the quotation in today's Washington Post attributed to a key Carter advisor which indicated a fear that unemployment might rise to 11 percent this year clearly demonstrates that.

These devastating events have all been created by policies already in place. If we add to that a budget which cuts counter-cyclical programs and reduces aid to areas of intolerably high unemployment and people who become unemployed, then I fear that we will have created a recession much deeper and severe than anything which anybody wants.

While the Nelson-Javits amendment does not go far enough, in my opinion, at least it moves in the right direction. As the most politically possible alternative, I support then efforts to moderate the recession in a way consistent with the goal of fighting inflation.

Second. this amendment can help equalize the burden created by the recession. Inflation harms everyone. But a recession asks only some members of our society to make a sacrifice. Given the reality of our economic system, this recession will impact more severely on some financial and geographic sectors of our economy than others. Let me give you an example.

As the recession slows down demand, that restraint will be most notable in the housing industry and the durable goods manufacturing sector of the economy. The auto industry stands as the primary example of that impact—people will simply put off the purchase of a new car. Last year, when we passed the Chrysler legislation, we recognized just how severe the impact of plant closings could be. We said we could not stand idly by while a major employer was forced out of business. We said that not because the Congress cared about Chrysler per se. We said it because we cared about the workers and the communities whose fate was tied to the future of the corporation. We helped that company because we cared—because we could not stand silently by and watch the economic fallout of our inaction.

But now we are pursuing policies which will create the very conditions we sought to avoid just a short 5 months ago. Literally hundreds of thousands of workers at Chrysler, at Ford, at GM, and at AMC will not survive this recession with their jobs intact. And literally hundreds of thousands of additional workers in allied fields—such as the steel industry, in the supplier network, the rubber industry—will severely feel the blow of layoffs and plant closings.

Are we really ready to turn our backs on these people? Are we really ready to ignore the human motives which compelled us to act just 5 months ago? Are we really ready to sacrifice all those jobs and all that economic activity? And are we prepared to take the consequences of seeing those burdens fall unevenly throughout this land?

I hope not. I hope we are not going to sit here helplessly while we now have a 12.2-percent rate of unemployment in my own State of Michigan. I hope we are not going to endorse a policy which has the effect of pushing unemployment rates up 1.1 percent in Pennsylvania between March and April while watching those same rates fall 1.4 percent in Texas.

I hope we are not going to tell some States and regions that they have to pay the entire price of fighting inflation.

I hope we are not going to do that—but that is what the Budget Committee recommendation before us tends to do. The substitute before us does not allow us to avoid a recession. But what it does accomplish—and what I support—is a way to moderate the impact of that recession and a way to help equalize that impact.

Third, even without the moderating force of this amendment, no recession will bring us enough relief from inflation to justify the cost we are being asked to pay. Some oppose this amendment because they fear that its modest and moderate increase in social expenditures will negate the anti-inflationary strategies now in place. But that simply is not the case.

The notion that recession can cure inflation is based on an economic theory that holds that there is a continuing close relationship between levels of unemployment and rates of recession. It was a nice theory in its time and it seemed to explain economic behavior for a number of years. But it is not a nice theory in this time and it has not explained our economy for a number of years. It certainly cannot explain the increases in inflation during the last recession; it cannot account for the years of stagflation; and it cannot anticipate impact of OPEC price decisions on the energy sensitive components of the CPI.

I find the basic notion of recession as a cure for inflation to be unwarranted. While there is a wage-price spiral which may be dampened by increases in unemployment, if we eliminate the totality of the spiral we would cut inflation by less than 8 percent leaving it still over 10 percent. I simply do not know how we can accept millions more people being thrown out of work to join us in exchange for a 10- or 11-percent inflation rate.

In conclusion, Mr. President, I support this substitute because I believe it makes moderate progress toward giving us a budget we can live with—a budget which seeks to moderate what now appears to be an unnecessarily severe recession; a budget which cares about human needs as well as economic needs; a budget that recognizes the need to equalize and moderate the burdens of fighting inflation; and a budget that keeps faith with the large social purposes of this Nation.

The PRESIDING OFFICER. The Senator from New York has 2 minutes and 6 seconds remaining.

Mr. JAVITS. Mr. President, there have been some statements made here that I think the Member who made them should regret and withdraw.

This amendment is my amendment. I brought it to Senator Nelson and he joined me. I did not consult the administration. They have gotten aboard it now, but it is not their amendment. It is mine. I represent that to the Senate.

Second, I have been here longer than the Senator from South Carolina, and I voted aye on more appropriations bills than has the Senator from South Carolina as a result. I am not soft on defense. I am very hard on it.

Third, and very importantly, I was against this volunteer Army from the beginning and told the Senate that it was the wrong way to go. But the Senate did not listen. That is how soft I am on defense. And I am a liberal and proud of it, but I am not soft on defense.

Now, last and very important, the Senator says we are selling defense down the river, in effect, and he was not very kind about it or very polite about it.

Now, we are cutting these outlays from the committee recommendation by one-half of a percent. We are cutting the budget authority from the committee recommendation by only 4 percent. But we are increasing this figure by over $6 billion over what the House did by a majority; and by over $19 billion over fiscal year 1980. Are they selling defense down the river? They have got a $147 billion figure, where we have $157 billion. Are they selling it down the river? And is that to apply to them, as well,

Gentlemen, let us not run away with ourselves. We want to run a just country and this amendment is designed to somewhat redress, in a very minor way, the balance between those who need Government help for many other things and the defense budget.

It is not going to make any difference in that defense budget, considering the amounts involved. But it makes a great difference in letting millions of Americans know that justice is being done to them in this budget consideration.

It is for those reasons, Mr. President, that I hope very much the Senate will look with favor on this amendment.

The PRESIDING OFFICER. All time has expired.

Mr. HOLLINGS. Mr. President, I move to table the amendment. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The clerk will call the roll on the motion to table.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Alaska (Mr. Gravel), the Senator from Massachusetts (Mr. Kennedy), the Senator from Vermont (Mr. Leahy), and the Senator from Maine (Mr. Muskie) are necessarily absent.

Mr. STEVENS. I announce that the Senator from Maryland (Mr. Mathias) and the Senator from South Dakota (Mr. Pressler) are necessarily absent.

The PRESIDING OFFICER. Are there any other Senators who wish to vote?

The result was announced—yeas 64, nays 30, as follows:

[Rollcall Vote No. 104 Leg.]

YEAS—64

Armstrong
Baker
Bellmon
Bentsen
Biden
Boren
Boschwitz
Bumpers
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Chiles
Cochran
Cohen
Danforth
Dole
Domenici
Durenberger
Durkin
Exon
Ford
Garn
Glenn
Goldwater
Hart
Hatch
Hayakawa
Heflin
Heinz
Helms
Hollings
Huddleston
Humphrey
Inouye
Jackson
Jepsen
Johnston
Kassebaum
Laxalt
Long
Lugar
McClure
Morgan
Nunn
Packwood
Percy
Proxmire
Pryor
Ribicoff
Roth
Schmitt
Schweiker
Simpson
Stennis
Stevens
Stewart
Stone
Talmadge
Thurmond
Tower
Wallop
Warner
Young
Zorinsky

NAYS—30

Baucus
Bayh
Bradley
Burdick
Chafee
Church
Cranston
Culver
DeConcini
Eagleton
Hatfield
Javits
Levin
Magnuson
Matsunaga
McGovern
Melcher
Metzenbaum
Moynihan
Nelson
Pell
Randolph
Riegle
Sarbanes
Sasser
Stafford
Stevenson
Tsongas
Weicker
Williams

NOT VOTING—6

Gravel
Kennedy
Leahy
Mathias
Muskie
Pressler

So the motion to lay on the table Mr. Nelson's amendment (No. 1741) was agreed to.

Mr. HOLLINGS. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. FORD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 1736

(Purpose: To reduce the recommended levels of budget authority and outlays for energy for fiscal years 1981, 1982, and 1983 in order to reduce by 5 per centum the outlays for operations and administration of the Department of Energy)

The PRESIDING OFFICER. The Senator from Missouri is recognized.

Mr. EAGLETON. Mr. President, I call up my amendment No. 1736.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Missouri (Mr. Eagleton) proposes an amendment numbered 1736:

On page 2, line 17, strike out "$687,900,000,000" and insert "$687,800,000,000".

On page 2, line 18, strike out "$759,300,000,000" and insert "$759,200,000,000".

On page 2, line 19, strike out "$831,500,000,000" and insert "$831,400,000,000".

On page 2, line 22, strike out "$612,900,000,000" and insert "$612,800,000,000".

On page 2, line 23, strike out "$687,200,000,000" and insert "$687,100,000,000".

On page 2, line 24, strike out "$753,500,000,000" and insert "$753,400,000,000".

On page 3, line 4, strike out "$0" and insert "+$100,000,000".

On page 3, line 5, strike out "+$10,000,000,000" and insert "+$10,100,000,000".

On page 3, line 6, strike out "+$27,100,000,000" and insert "+$27,200,000,000".

On page 3, line 9, strike out "$927,800,000,000" and insert "$927,700,000,000".

On page 3, line 10, strike out "$953,800,000,000" and insert "$953,600,000,000".

On page 3, line 11, strike out "$968,700,000,000" and insert "$968,400,000,000".

On page 3, line 15, strike out "$32,700,000,000" and insert "$32,600,000,000".

On page 3, line 16, strike out "$26,000,000,000" and insert "$25,900,000,000".

On page 3, line 17, strike out "$14,900,000,000", and insert "$14,800,000,000".

On page 5, line 13, strike out "$3,900,000,000" and insert "$3,800,000,000".

On page 5, line 14, strike out "$6,800,000,000" and insert "$6,700,000,000".

On page 5, line 16, strike out "$6,300,000,000" and insert "$6,200,000,000".

On page 5, line 17, strike out "$8,400,000,000" and insert "$8,300,000,000".

On page 5, line 19, strike out "$8,700,000,000" and insert "$8,600,000,000".

On page 5, line 20, strike out "$9,000,000,000" and insert "$8,900,000,000".

Mr. ROBERT C. BYRD. Will the Senator yield to me?

Mr. EAGLETON. Yes, Mr. President.

TIME-LIMITATION AGREEMENT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that, on the amendment by Mr. CHILES, there be a time limitation of 40 minutes, to be equally divided.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, if the Senator will indulge me, I ask unanimous consent that all remaining rollcall votes tonight be limited to 10-minute rollcall votes, with the warning bell to sound after the first 2½ minutes.

Mr. DeCONCINI. Mr. President, I object.

The PRESIDING OFFICER. Objection is heard.

Mr. EAGLETON. Mr. President, I send to the desk what is in the nature of a technical amendment to my amendment.

The PRESIDING OFFICER. Is there objection to the modification? The Chair hears none.

The modified amendment is as follows:

(Purpose: To reduce the recommended levels of budget authority and outlays for Energy for fiscal years 1981, 1982, and 1983 in order to reduce by $100 million the outlays for operations and administration of the Department of Energy)

On page 2, line 17, strike out "$687,900,000,000" and insert "$687,800,000,000".

On page 2, line 18, strike out "$759,300,000,000" and insert "$759,200,000,000".

On page 2, line 19, strike out "$831,500,000,000" and insert "$831,400,000,000".

On page 2, line 22, strike out "$612,900,000,000" and insert "$612,800,000,000".

On page 2, line 23, strike out "$687,200,000,000" and insert "$687,100,000,000".

On page 2, line 24, strike out "$753,500,000,000" and insert "$753,400,000,000".

On page 3, line 4, strike out "$90" and insert "+$100,000,000".

On page 3, line 5, strike out +"$10,000,000,000" and insert "$10,100,000,000".

On page 3, line 6, strike out "+$27,100,000,000" and insert "+$27,200,000,000".

On page 3, line 9, strike out "$927,800,000,000" and insert "$927,700,000,000".

On page 3, line 10, strike out "$953,800,000,000" and insert "$953,600,000,000".

On page 3, line 11, strike out "$968,700,000,000" and insert "$968,400,000,000".

On page 3, line 15, strike out "$32,700,000,000" and insert "$32,600,000,000".

On page 3, line 16, strike out "$26,000,000,000" and insert "$25,900,000,000".

On page 3, line 17, strike out "$14,900,000,000" and insert "$14,800,000,000".

On page 5, line 13, strike out "$3,900,000,000" and insert "$3,800,000,000".

On page 5, line 14, strike out "$6,800,000,000" and insert "$6,700,000,000".

On page 5, line 16, strike out "$6,300,000,000" and insert "$6,200,000,000".

On page 5, line 17, strike out "$8,400,000,000" and insert "$8,300,000,000".

On page 5, line 19, strike out "$8,700,000,000" and insert "$8,600,000,000".

On page 5, line 20, strike out "$9,000,000,000" and insert "$8,900,000,000".

Mr. EAGLETON. Mr. President, let me explain this: The modification of the amendment is stated in the statement of purpose clause. It is the only difference.

Mr. President, I ask unanimous consent that the distinguished Senator from New Hampshire (Mr. DURKIN) be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. EAGLETON. Mr. President, the purpose of this amendment is to require an additional $100 million reduction in the budget of the Department of Energy in fiscal year 1981. I believe there is at least that much and probably a great deal more waste and deadwood to eliminate. If there is any Department in Government more in need of budget discipline, I do not know about it.

Mr. President, when the Department was established in 1977, I shared the hope of many on both sides of the aisle that we could meld the hodgepodge of energy agencies we then had into a coherent and effective force. Obviously, there were formidable organizational problems to overcome and an ongoing crisis to contend with. Nobody expected overnight success. But, neither were they prepared for the unbroken string of bellyflops that constitute the record of that Department to date.

As a member of the Government Affairs Committee, I have chaired two oversight hearings on various aspects of the Department's activities and have participated in a number of others. Each was more appalling than the one before. I found, for example, that the DOE officials responsible for administering the gasoline allocation program were openly opposed to the very concept of allocation, even during severe shortages of the kind we needlessly suffered after the Iranian revolution.

These people bluntly stated their belief in letting the oil companies decide who got what, if any fuel, and that attitude permeated the Department's performance. Some areas of the country, like Washington, found themselves with hour-long gaslines while other regions were awash in surplus. Dealers who were denied adequate supplies to survive in business were forced to wait up to 6 months for a hearing on their urgent hardship appeals. If it had been planned that way, there could not have been a more thorough discrediting of the allocation program than occurred at the hands of DOE.

During congressional debate on deregulation of crude oil prices, the DOE told us decontrol would add $16 billion to crude oil costs through 1981 and would raise fuel prices just 4 cents or 5 cents per gallon. That was the official estimate. Months after the decision was made, we were told "oops, small error." The increase in crude oil costs could be 50 percent higher or as much as $24.8 billion and the increases in gasoline prices might be as high as 12½ cents per gallon. Frankly, I think even that was an underestimate.

As though that were not enough, the same report confessed that the Department erred in its estimate of how much new oil we could expect from these higher prices. It appears that what we were told in April 1978, was about 30 percent too high. So, not only are we going to pay a great deal more than we were told, but we are going to get a great deal less for our money.

That performance led me to chair an oversight hearing on the operations of the Energy Information Administration which Congress established to try to get some straight answers about energy production in this country. Based on what I heard at that hearing, that Agency is years away from producing its first relevant and up-to-date report and there seems to be no prospect of the Agency ever developing its own sources of data. It continues to rely on handouts from the oil companies. Worse, there is no evidence that such work as is done by these analysts ever gets plugged into the DOE policymakers.

In the next couple of weeks, I shall chair yet another hearing on the reported efforts of the DOE to transfer out of the Department its newly appointed Inspector General. I expect that hearing will produce some further discouraging information on the dismal performance of DOE.

Mr. President, one of the functions of DOE is to protect the interests of the consumer against unwarranted price increases. That seems to be another instance where the Department does not have its heart in the job. Over the years, DOE has led the chorus in calling for deregulation of all price restrictions and advocating the imposition of stiff gasoline excise taxes. Last year, the Department intervened in a lawsuit brought by consumer groups against natural gas producers. The Department sided with the producers and argued for allowing much higher prices for gas already flowing in pipelines.

Just last week, the Department repeated the performance by ordering Sohio to increase its retail price of gasoline by an average of 10 cents a gallon. But, in what has become a recurring pattern of decisionmaking, the Department this week reversed its own order, conceding that the order of last week was hasty.

Perhaps the greatest single blunder by the Department was to allow the oil companies to bank price increases. Under that decision, an oil company which was unable to foist a price increase on consumers in one period was allowed to add it on later when the market tightened up. The effect was to render enforcement of retail price regulations virtually impossible.

The Members of this Senate are well aware of the sad history of delays and hasty rewrites of the standby gasoline rationing program mandated by the 1975 Energy Conservation Act. Even today I am advised that a workable program has not been put together by the Department and recently primary jurisdiction over the program has been transferred to another division of DOE.

Mr. President, I could go on for a good part of the day describing in great detail the shortcomings and failures of the present DOE. I will spare the Senate that ordeal and instead submit at this point a list of 48 General Accounting Office and Inspector General reports made over the last 3 years criticizing one or another aspect of DOE's management of our energy program. The list, which is by no means exhaustive, is headed by the most recent GAO report entitled "Gasoline Allocation: A Chaotic Program in Need of Overhaul." I ask unanimous consent that the entire list be printed at this point in my remarks.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

SUMMARY OF GAO REPORTS ON DEPARTMENT OF ENERGY

Title, date, and report No.:

1. Gasoline Allocation: A Chaotic Program in Need of Overhaul, April 23, 1980, EMD-80-34.

2. Uncertainties about the Effectiveness of Federal Programs to Make New Buildings More Energy Efficient, January 28, 1980, EMD-80-32.

3. Federal Demonstrations of Solar Heating and Cooling on Commercial Buildings, Have Not Been Very Effective, April 15, 1980, EMD-80-41.

4. The Energy Department's Office of Environment Does Not Have a Large Role in Decision-Making, January 29, 1980, EMD-80-50.

5. The New 10-Year Plan for Energy Conservation in Federal Buildings Will Not Adequately Meet Requirements of the Energy Policy and Conservation Act, July 20, 1978, EMD-78-89.

6. Department of Energy Has Not Given Adequate Emphasis and Attention to the Timely Organization, Staffing, and Management of the Assistant Secretary for Conservation and Solar Applications, May 17, 1979, EMD-79-64.

7. Separate Research and Commercialization Roles and Responsibilities for the Solar Energy Research Institute and the Regional Network Can Lead to Fragmentation, Lack of Coordination, and Program Ineffectiveness, January 24, 1978, EMD-78-26.

8. Solar Demonstrations on Federal Residences—Better Planning and Management Control Needed, April 14, 1978, EMD-78-40.

9. The Propriety of Certain Department of Energy Expenditures in Connection with its Solar Energy Program, September 7, 1978, EMD-78-107.

10. Questionable Suitability of Certain Salt Caverns and Mines for the Strategic Petroleum Reserve, August 14, 1978, EMD-78-65.

11. The Department of Energy has Failed to Obtain Sufficient Data on Regional Demand and Imports of Refined Petroleum Products to Create a Strategic Petroleum Reserve, March 20, 1979, EMD-79-14.

12. The Department of Energy Has Not Issued Any Loan Guarantees for Demonstration Facilities to Produce Alternative Fuels for Domestic Purposes, April 3, 1979, EMD-79-35.

13. Natural Gas Reserves Estimates: A Good Federal Program Emerging, but Problems and Duplications Persist, June 15, 1979, EMD-78-68.

14. Problems with Publications Related to the Clinch River Breeder Reactor Project, January 6, 1978, EMD-77-74.

15. Reporting of Nuclear Weapons Projects Can Be Improved, March 10, 1978, PSAD-78-80.

16. Construction Management Problems Have Delayed Completion of the New Plutonium Facilities at Rocky Flats, Colorado, June 2, 1978, PSAD-78-90.

17 Tennessee Valley Authority Can Improve Estimates and Should Reassess Reserve Requirements for Nuclear Power Plants, March 22, 1979, PSAD-79-49.

18. The Operating-Licensing Program for Nuclear Powerplants Should Be Completely Reevaluated, May 15, 1979, EMD-79-67.

19. Emergency Natural Gas Purchases: Actions Needed to Correct Program Abuses and Consumer Inequities, January 6, 1978, ID-78-17.

20. Need to Improve Regulatory Review Process for Liquefied Natural Gas Imports, July 14, 1978, ID-78-17.

21. Improved Energy Contingency Planning Is Needed to Manage Future Energy Shortages More Effectively, October 10, 1978, EMD-78-106.

22. Improvements Needed in the Enforcement of Crude Oil Reseller Price Controls, May 29, 1979, EMD-79-57.

23. Crude Oil Imports Likely to be Higher Than Estimates in the President's National Energy Plan, October 14, 1977, EMD-78-5.

24. The New National Liquefied Natural Gas Import Policy Requires Further Improvements, December 12, 1977, EMD-78-19.

25. More Attention Should Be Paid to Making the U.S. Less Vulnerable to Foreign Oil Price and Supply Decisions, January 3, 1978, EMD-78-24.

26. Oil and Gas Royalty Collections Serious Financial Management Problems Need Congressional Attention, April 13, 1979, FGMSD-79-24.

27. Coal Trespass in the Eastern States—More Federal Oversight Needed, May 25, 1979, EMD-79-69.

28. Policy Needed to Guide Natural Gas Regulation on Federal Lands, June 15, 1979, EMD-78-86.

29. Shortcomings in Data Systems Used in Managing Natural Gas and Propane Supplies During Shortages, March 24, 1978, EMD-78-51.

30. The Department of Energy's Consolidation of Information Processing Activities Needs More Attention, May 3, 1978, EMD-78-60.

31. Improvements Needed in the Department of Energy's Efforts to Develop a Financial Reporting System, July 31, 1978, EMD-78-95.

32. Where Are the Delays in the Hearing Processes of the Federal Energy Regulatory Commission, February 13, 1979, EMD-79-28.

33. Better Planning Needed to Deal With Shifting Regional Energy Demand, February 22, 1978, EMD-78-35.

34. The Department of Energy's Practices for Awarding and Administering Contracts Need to be Improved, November 2, 1979, EMD-80-2.

35. Iranian Oil Cutoff: Reduced Petroleum Supplies and Inadequate U.S. Government Response, September 13, 1979, EMD-79-97.

36. Fossil Energy Research, Development, and Demonstration: Opportunities for Change, September 18, 1978, EMD-78-57.

37. By Making the Lawrence Berkeley Laboratory a Federal Computer Center the Department of Energy Can Save Millions While Serving Government Agencies, February 2, 1978, EMD-78-30.

38. Transportation Charges for Imported Crude Oil—An Assessment of Company Practices and Government Regulation, October 27, 1977, EMD-76-105.

39. Review of the Department of Energy's Controversial Termination of a Research Contract, January 2, 1979, EMD-79-21.

40. A Review of the Department of Energy's Energy Tax Policy Analysis, March 13, 1979, EMD-79-26.

41. Key Crude Oil and Products Pipelines Are Vulnerable to Disruptions, August 27, 1979, EMD-79-63.

REPORTS FROM THE OFFICE OF THE INSPECTOR GENERAL

42. Verification of Pricing Violation Refunds by the Office of Enforcement, February 20, 1980, IGA-79-12.

43. Slow Payment of Contractor Invoices, January 23, 1979, IGA-79-9.

44. Unallowable Overtime Payments to Department of Energy (DOE) Employees, December 7, 1979, INV-17-1.

45. Management of Government-Owned Property Held by Department of Energy Offsite Contractors, December 28, 1979, IGA-79-6.

46. Report on Inspection of Certain Unallowable, Unnecessary and Unauthorized Expenditures at the Solar Energy Research Institute, May 17, 1979, INS-79-3.

47. Investigation of Questions of Possible Document Destruction by the Office of Special Counsel for Compliance, March 17, 1980, IG-104.

48. Allegations of Improper Supplier Practices Affecting Gasoline Lines at Independent Stations, February 20, 1980, IG-103.

Mr. EAGLETON. Mr. President, an even sterner verdict on the Department's performance has been rendered by the American people and by the Department's own employees. In a recent survey which I sent to some 700,000 of my Missouri constituents, I asked how they rate the performance of the Energy Department. One percent responded "very good." Fourteen percent rated it "good." Eighty-five percent rated it "poor." I judge opinion in the country at large to be about the same.

Only a shade more charitable was the opinion of DOE employees surveyed in a random sample by the National Treasury Employees Union. In that survey, 80 percent of the employees responding thought that management at DOE was either poor or exhibited no leadership. Forty-eight percent of the employees said they thought the Department was in a state of chaos. Finally, 67 percent volunteered that they are considering leaving the Department. I ask unanimous consent that a newsletter published by the National Treasury Employees Union be printed at this point in my remarks.

There being no objection, the newsletter was ordered to be printed in the RECORD, as follows:

EMPLOYEES VOICE OPINION ABOUT THE DEPARTMENT OF ENERGY

In view of the importance of the results of the DOE employee opinions survey, we are devoting the entire March issue to presenting and analyzing the results. The Union believes that this expression of the employees' views is a critical issue which DOE management and the Congress can ignore only at their peril.

We want to thank all of the employees who took time to answer the questionnaire. This simple exercise demonstrates that there are still people who are willing to do something more than complain in order to change their condition.

The results of the survey are startling in their implications and should prove sobering to both the Congress and DOE management. Part of the motivation for conducting this opinion poll was to counter a recent survey by the President's Office of Personnel Management. OPM's poll, widely played up in the press, claimed to show that federal employees were all happy in their jobs and content with the civil service? Obviously, OPM did not survey DOE employees.

We leave it to the good judgment of the reader to decide if President Carter's OPM did another propaganda number on the American public.

ANSWERS IN PERCENTAGE

Do you feel that the merit promotion system at DOE insures the promotion of the best qualified employee? Yes 6, no 94.

Is there a "buddy" system operating in your work area? Yes 86, no 14.

Do you believe that certain candidates are preselected for jobs that are posted as vacant? Yes 95, no 5.

Based on its history in this Agency, do you feel that the equal employment program is effective? Yes 28, no 72.

Do you feel that supervisors in your area are practicing discrimination? Yes 65, no 35. On age 34, on sex 36, on race 22, on religion 8.

How do you rate your immediate supervisor in his/her ability to deal with employees? Superior 13, well-trained 10, average 32, poorly trained 17, should not be a supervisor 28.

Do you believe that you have job security at DOE? Yes, 31; no, 69.

Do you believe that superior performance will get you promoted? Yes, 12; no, 88.

Are you presently considering leaving DOE? Yes, 67; no, 33.

Has the Civil Service Reform Act improved federal employees protection from management abuse at DOE? Yes, 1; no, 33; made worse, 38; don't know, 28.

Do you think that the Senior Executive Service is improving management at DOE? Yes, 4; no, 96.

What is your opinion about the SES salaries compared to comparable jobs in private industry? Very overpaid, 18; overpaid, 27; comparable, 26; underpaid, 24; very underpaid, 5.

What's your opinion of the management leadership at DOE? Excellent, 1; good, 3; fair, 16; poor, 47; no leadership, 33.

What is you general opinion of DOE as an Agency of the Federal Government? Excellent, 0; good, 5; fair, 20; poor, 27; chaos, 48.

What is your opinion of management's ability to accomplish the mission of DOE? Excellent, 1; good, 4; fair, 28; poor, 67.

Has the ability of DOE to accomplish its mission been improved or reduced over the past year? Greatly improved, 2; improved, 11; same, 38; reduced, 29; greatly reduced, 20.

Do you believe that DOE management is being politicized by the Administration? Yes, 94; no, 6.

What is your opinion of your salary compared to comparable jobs in private industry? Very overpaid, 1; overpaid, 6; comparable, 48; underpaid, 36; very underpaid, 9.

Do you think that your views can influence personnel practices at DOE? Yes, 11; no, 89.

How do you rate the effectiveness of your Union Local to represent and protect your rights? Very effective, 8; effective, 25; not effective, 27; don't know, 40.

Are you a member of the Union? Yes, 56; no, 44; if not, why not? ——

Are you a member of a minority? Yes, 26; no, 74.

What is your age group? Under 20; none; 20, 8; 30, 36; 40, 29; 50, 25; 60, 2.

What is your grade? GS–3, none; 4, none; 5, 4; 6, 6; 7, 18; 8, 5; 9, 7; 10, 1; 11, 7; 12, 5; 13, 9; 14, 20; 15, 17 SES, 1.

Note: All percentages have been rounded up.

Questions 1, 2, 3 speak to the employees perception of DOE's merit system. The August, 1978 survey results showed that 94–96 percent of the employees believed the merit system to be a sham. This new survey displays almost exactly the same results.

Questions 4, 5 graphically illustrate the failure of the EEO program at DOE. In point of fact, the statistics on each question have become more negative by five percentage points since the 1978 survey. We believe that this accurately reflects the direction in which equal opportunity is moving in DOE.

The responses to question 6 essentially duplicate those of 1978—showing that any efforts DOE management has made to select and train better supervisors have failed to produce results.

Questions 7 and 8 are key questions which reveal major problems here at DOE and probably with the civil service in general.

Question 9 was asked to discover the true level of discontent of the employees with DOE. Our perception was that about one-half of the employees were trying to leave DOE. We were surprised that almost two-thirds said they were seeking other employment. This statistic is well supported by the fact that DOE is more than one thousand people under strength. The employees are voting with their feet.

The responses to questions 10, 11, and 17 are interesting in that they reveal that the employees are aware of the damage being done to them by President Carter's Civil Service "reforms."

Questions 13, 14, 15, 16 test the employees perception of DOE management. In the 1978 poll, only 5 percent gave management excellent or good marks, while 46 percent viewed DOE as in chaos. This new survey gives essentially the same results. Of far greater importance is the employees perception that the ability of DOE to accomplish its mission has been severely reduced.

The response to question 18 on employees pay is puzzling. In the face of government studies showing federal pay from 5 to 26 percent behind private sector pay for comparable jobs, 7 percent of DOE employees consider themselves overpaid, and 48 percent think their pay comparable? A closer analysis of the responses to question 18 indicates that these employees tend to be relatively young and hold relatively high grades. It is interesting that this group also tended to rate management high on questions 1, 3, 11, 13, 14, 15, 16. Does this forecast the future under Civil Service "reform" and the SES where "responsiveness" and "personal loyalty" are to be the criterion for pay raises and promotions?

One difference in this new survey is the preponderance of responses from Union members versus non-members. In 1978, the ratio was 2 to 1 favoring non-members, while this year the ratio is more nearly equal. We believe that this relatively high response from Union members indicates a higher level of awareness and involvement in trying to better federal employment. In general, the responses from Union members and nonmembers are the same. Statistically different results were given for questions 2, 5, 6, 7, 8, and 10. As an example, members responded 90 percent Yes on question 2 versus 80 percent Yes for nonmembers. On question 7, members answered 77 percent No, non-members 58 percent No. On question 8, members responded 93 percent No, while nonmembers answered 80 percent No. Interesting results were obtained for questions 23, 24. Nonmembers tended to be much younger (average age 34 versus 40 for members) and have lower grades (high 9 versus mid-11).

The part of question 21—If not, why not?—gathered some very revealing responses. Quite a few employees said that they were afraid of being fired or otherwise retaliated against if they joined the Union. We find in practice just the opposite to be true, but for a significant number of employees to believe this clearly indicates a major problem for the Labor/management program.

A few respondents had some harsh comments to make about the Union. While we don't relish criticism, we do welcome it and try to be responsive to it. How else can we improve our ability to serve the membership? We do, however, take exception to those who termed the Union News a "yellow rag," "too strident" or "not positive."

The administration is putting out millions of dollars of propaganda against us federal employees. Big business spends hundreds of millions to lobby Congress and sell the American public on its viewpoint, a viewpoint in most cases in opposition to the interest of us everyday American working people. The Department of Energy employs hundreds of people whose sole function is to press management's views and expand management's control over the employees.

In contrast to all of this, we can afford $85 per month and a hell of a lot of volunteer effort to write, print, and distribute our Union News, the only collective voice of the DOE employees. So for those who think we are "strident" and "not positive" we can only apologize for our sometimes harsh and unsophisticated approach. However, it appears from the results of the survey that the Union is showing admirable restraint in carrying out its responsibilities to present the views of the employees!

Mr. EAGLETON. Mr. President, the sorry record of DOE performance would be enough, in my opinion, to justify adoption of my amendment at this time and a serious effort in the near future to transfer all energy functions to a new organization. But, there is an additional justification for my amendment and that is that the Department is slowly but surely losing many of the functions that gave rise to its creation in the first place. Under existing law all petroleum allocation and price control programs will expire on October 1, 1981. Even before that date the Department has been divested by Executive decision of its authority over allocation and prices of diesel, heating oil, aviation fuel and growing number of categories of crude oil. Also under existing law the Department is easing toward deregulation of natural gas.

With regards to major new energy initiatives such as development of synthetic fuels, Congress has seen fit to place responsibilities in the hands of a separate agency. It is not unusual, of course, for a Government agency to continue on and grow long after the work it was assigned was completed. It is a way of life in Washington. But, it is a way of life the American people are increasingly coming to reject. Energy is too important a topic to the future of this country to be left to bureaucracy as usual.

Some people say a cut as deep as the one I propose would gut the Department. I say you cannot gut a hollow shell.

Mr. President, patience has its limits. There comes a time when one has to face up to facts and the fact is that this Department is a painful failure, beyond much hope of repair through internal organization. I believe that ultimately the Department may have to be scrapped and replaced by a new, leaner organization which possesses the expertise and the freedom of movement necessary to mount an accelerated program of energy development. I intend to make that a priority goal in the next Congress. For now, I believe the greatest service the Department can perform is to reduce its drain on the American taxpayer.

Mr. President, I reserve the remainder of my time.

Mr. JOHNSTON. Mr. President, I do not see the Senator from South Carolina on the floor.

Mr. BELLMON. I will yield to the Senator.

Mr. JOHNSTON. Six minutes?

Mr. BELLMON. Six minutes.

The PRESIDING OFFICER. The Senator from Louisiana.

Mr. JOHNSTON. Mr. President, it is not terribly comfortable to be defending the energy function of the Department of Energy because we all know it has to be desired in its level of performance and expertise of its personel in solving the problems of energy in this country, and I do not do that.

What I do say to the Senate is that to adopt the amendment of the distinguished Senator from Missouri would make the situation much worse.

The problem with the Department of Energy now, Mr. President, is, first, direction from Congress which has been lacking; second, the expertise of the personnel is not really what it ought to be in the Department of Energy, principally because of the method by which it was created, which was that when we came in and created it they requisitioned certain numbers of employees from all the constituent agencies that made the Department of Energy. They told the Department of Interior, for example, they needed so many people from the Department to come over and run those functions of the new Department of Energy to which responsibility had been transferred.

The problem was that in making the requisition, Interior, for example, did not give all their best people. Rather, in some respects, they would give people they could afford to get rid of, and so did many other departments.

Now, we do not cure that problem, the problem of embedded incompetence—if there is such a problem, and I believe that to some extent it exists—we do not cure the problem of embedded incompetence by firing people willy-nilly throughout the Department. We do not solve the problem of energy regulation by abolishing the people in the Department who are charged by law with a duty of enforcing those regulations. Rather, all we do is slow things down.

Mr. President, we have heard two parts of the Department of Energy greatly criticized. One is the EIA, the Energy Information Agency.

Mr. President, my subcommittee has conducted hearings with the Energy Information Agency over a period of many, many days. We have regular reports from them. I can say that they are not perfect, Mr. President, but I can say they have done, I think, an excellent job, considering the nature of the problem.

The nature of the problem, Mr. President, is trying to take all of the very complicated and difficult facts with respect to oil supply, world oil supply, current crude supply, middle distillates, gasoline, and all those other things which are an accumulation of thousands and thousands of bits of information, try to distill that in as quick a period of time as possible, and try to make it understandable and credible to the American people and to the industry.

The difficulty is, Mr. President, it cannot be oversimplified, we cannot take the results of an estimate of world crude, or national crude supply, and print it on a bumper sticker and have everybody believe it.

I sat through those hearings, Mr. President, heard them give us the information, and had that information challenged, not on the basis of fact, that it was not factual, or not the best information available, but simply because it conflicted with the predisposition of those who wanted to hear and those who wanted to prove a point.

So, Mr. President, EIA has done a good job. If we abolish EIA, or if we abolish it in part by cutting its employees, then we do not have any credible source of information.

If they are not the best available, I can tell Senators there is no better source of information in this country.

On whom do you want to rely—the oil companies? Do you want to rely on the Lundberg letter or one of these?

Mr. President, we created that agency in order to give us credible information, and they are begininng to do so. You cannot get credible information by cutting them a full 10 percent. We already have provided for a 5-percent cut. Another 5-percent cut, another $100 million, would decimate that agency and make it totally impossible to get the right information.

We also are told that ERA, the Energy Regulatory Administration, is getting ready to phase out with deregulation. That is not so.

In the first place, the allocation program is in law and must be administered until October of 1981. This cut would be in this budget. So, in the first place, you must continue with that program in the meantime.

Second, they are engaged in a tremendous job right now in trying to implement gasoline-rationing regulations.

Those regulations soon will be submitted to Congress for approval. Upon approval, they will go into the very difficult and time-consuming process of what we call preimplementation. That means finding the banks—if banks are to be the ones to distribute the coupons—getting the whole machinery ready to go. Why do we need to preimplement? Because as matters now stand, without preimplementation of gasoline rationing, it will take at least 12 months and up to 16 months to get the program into operation.

The PRESIDING OFFICER. The Senator's 6 minutes have expired.

Mr. BELLMON. I yield the Senator an additional 2 minutes.

Mr. JOHNSTON. Mr. President, gasoline rationing alone calls not for a decrease in the number of personnel but, really, an increase, if the program is to be implemented properly. We have the President's 10-cent import tax with what amounts to a new system of entitlements which will call for the Energy Regulatory Administration to administer. I am not for that program at this particular time, and perhaps Congress will kill it. If it does not, ERA has to administer it.

As to audits for overcharges, I am sure the distinguished Senator from Missouri wants to pursue the $5 billion in overcharges that have been identified by the Energy Regulatory Administration as being due for overcharges in the oil markets. If you take away the money, you forget the overcharges. I do not believe that the Senate collectively wants to do that.

In summary, I say this: We already have provided for a 5-percent cut in this account as well as many other accounts. They are not doing the job they should be doing in the Department of Energy. I think the solution to that is to alter the civil service program, to give them authority to kick out the deadwood and hire new people who are more competent. But we cannot address the problem of competence, the problem of civil service, by simply cutting the budget. If you cut the budget, you will take the slots in the Department which are now empty, which would be filled with the more competent people, and abolish those slots and simply freeze in the deadwood, and assure that we will never have a higher degree of competence.

I hope we will defeat this amendment.

Mr. BELLMON. Mr. President, I yield 3 minutes to the Senator from Washington.

Mr. JACKSON. Mr. President, the amendment of the Senator from Missouri speaks for itself. It represents an effort to legislate on a budget resolution and bypass the legislative committee's jurisdiction.

It seems to me that the budget resolution is not an appropriate vehicle to resolve other than the fiscal policy issues which are intended by the budget.

I know it is popular to attack the Department of Energy, but a lot of people do not know the scope of the work of the Department of Energy. Almost 40 percent of the Department of Energy involves the weapons programs formerly carried out by the Atomic Energy Commission. It includes the research, the development, and the production of fissionable material in connection with our strategic defense needs. This severe amendment is directed at Los Alamos, Livermore, Argonne—all these great laboratories.

Mr. President, many people have forgotten, too, that the Federal power marketing administrations are involved: Southwestern Power, Southeastern Power, Western Area Power, Alaska Power Administration, the Bonneville Power Administration. The REA's are involved in this; they have a great interest in the efficient performance of the power marketing agencies' functions. They affect the reliability of electric power systems across much of the rural South and West.

So we are not dealing here with a situation in which you come in and attack the bureaucrats, which I know is a popular thing in an election year. But the Senate should realize that when you are dealing with the Department of Energy, you are dealing with an agency that brought together the function of a lot of former agencies. It is not purely a situation in which we are dealing with petroleum regulatory matters. We are dealing, for example, with gasohol programs and other synthetic fuels. This Department's program is very diverse.

I think it is a grave error to come in here on a line item basis and cut this agency, when the Budget Committee already has reduced the Department of Energy by 5 percent across the board.

In conference we are in the process of putting together a synthetic fuels program as well as major conservation and gasohol initiatives. We are trying to really get on top of a whole series of programs that are vital in the research and development area.

By cutting personnel, you are not just hitting the bureaucrats, but you also are hitting the groups they serve. You are hitting the farmer. The Southwest Power, the Southeast Power, the Bonneville people, and all the REA's are involved in this, and Senators should not forget it.

The budget resolution is intended to provide fiscal guidance to the legislative committees of the Senate in their formulation of policies within their jurisdiction. From this perspective the budget process provides a constructive input to the work of the legislative committees.

Amendments such as the one before us now would preempt the function and role of the authorizing committees of the Senate. If such amendments are successful then the legislative committees might just as well shut down and let the budget process decide our national policies not only for energy but for transportation, the environment, public works, education, labor, as well as any other matter.

The formulation of national energy policy is the responsibility of the Committee on Energy and Natural Resources and the creation of governmental agencies is the responsibility of the Committee on Governmental Affairs.

Mr. President, the amendment therefore should be defeated. If the Senator from Missouri wishes to pursue this matter further he should introduce appropriate legislation which can then be referred to the appropriate committees of jurisdiction.

Mr. DOMENICI. Mr. President, will the Senator yield?

Mr. HOLLINGS. I yield 3 minutes to the Senator.

Mr. DOMENICI. I ask the Senator from Missouri: What did he say about his public opinion poll in his State?

Mr. EAGLETON. I cited a public opinion poll in which we asked the opinion of our constituents as to what they thought about the Department of Energy. One percent said they thought the Department of Energy was doing a very good job; 14 percent rated it good; 85 percent rated it poor.

Mr. DOMENICI. I thank the Senator. If that is a justification for cutting $100 million out of the personnel of the Department of Energy, I think we have a better justification for abolishing the U.S. Senate.

The poll in the Senator's State is somewhat like a poll with respect to the U.S. Senate. About 19 percent think the Senate is doing very good. The rest think we are doing miserable to poor. So we are about par with the Department of Energy.

Perhaps the good Senator from Missouri would propose that we cut the Senate in half, abolish half the Senators. That would save a lot of money.

Mr. EAGLETON. I have a counterproposal. My cut of $100 million comes to 1 percent, not 5 percent. I can agree to cutting the size of the U.S. Senate by one Member, and I volunteer the Senator from New Mexico to be the one to go. [Laughter.]

Mr. DOMENICI. I thought that perhaps the Senator is doing this because he does not want to be the one to go.

Senators should know that the Senator from Nebraska (Mr. EXON) prevailed in the Budget Committee. This resolution has a 5-percent cut for DOE. That is $100 million.

Another assumption that has been made is that we would absorb 40 percent of any changes in pay. That is somewhere between $50 million and $100 million. We are supposed to absorb that. The point is that these are mere recommendations.

Yet, there are $200 million in cuts already in the budget. If, for some reason, those $200 million are not met, then $200 million will come out of research, out of various programs that everybody knows are good.

So it seems to me that all we are doing is saying that cutting $200 million recommended by the Budget Committee is not enough. The good Senator would like to make it $300 million, when we really do not know how they are going to absorb the first $200 million. I think this is not the time to do that, and I urge the rejection of the amendment.

Mr. HOLLINGS. Mr. President, I have 1 minute remaining.

The PRESIDING OFFICER. The Senator has 1 minute remaining.

Mr. HOLLINGS. And the Senator from Missouri has time.

Mr. EAGLETON. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator from Missouri has 4 minutes remaining.

Mr. EAGLETON. Mr. President, I yield a minute of my time.

Mr. HOLLINGS. I thank the Senator from Missouri.

I was going to make my motion at the end when the Senator completed his remarks.

I will simply say this in a minute and then I will make the motion.

The Energy Department is an amalgamation of the Federal Power Commission, the Federal Energy Commission, the Energy Research and Development Administration, and the old Atomic Energy Commission. Very few people stop to think about the makeup of the Department of Energy. The energy issue became such a political football that we created this multibillion-dollar department.

What we did is merge these agencies together and now they have approximately the same number of personnel the individual departments had to begin with.

Already, we included in this budget resolution a 5-percent across-the-board reduction for operating and administrative expenses. The additional $100 million would constitute an additional 10-percent cut, and it is just too severe. A cut of this magnitude would only make DOE even more inefficient.

I thank the distinguished Senator.

Mr. EAGLETON. Mr. President, I shall be brief.

I compliment my colleague from Louisiana, Senator JOHNSTON, on an outstanding display of courage. He stood up and looked around the Chamber waiting for some other Senator to get up and defend the Department of Energy. He found no takers immediately and he himself leaped into the fray. For that he is entitled to the respect of this body.

Moreover, I think he hit the nail on the head in his remarks. He said he wished there were some way we could just get rid of that deadwood over there, in the Department of Energy. God knows, Mr. President, there is a lot of that deadwood because when they created this entity other agencies threw some of their deadbeats into the Department of Energy. Overnight it became an amalgam of deadbeats. If we could only get rid of the deadwood, Senator JOHNSTON inferred, he would go along with at least the thrust of my amendment.

The problem, as I understand it, is no one has the guts to bring a DOE authorization bill to the Chamber. When did we last have a DOE authorization bill? Can someone refresh me?

Mr. JOHNSTON. Mr. President, if the Senator will yield, we reported one out this week.

Mr. EAGLETON. We have one coming?

Mr. JOHNSTON. It will be in the Chamber here very shortly.

Mr. EAGLETON. My Lord. How many years we have been operating without an authorization bill?

If we are going to have an authorization bill, I will propose an amendment that will permit the discharge of deadbeats and deadwood in the Department of Energy irrespective of other civil service protection. We should get these deadbeats and deadwood who have been thrown into that agency. But they cannot do it under the guise of the phony civil service reform bill that we all voted for a few years ago because that was civil service reform in name only and not in substance.

I will conclude with this: The budget of this Department, Mr. President, for outlays is $10.3 billion. If the 100 Members of the Senate want to go on record saying that in a budget of $10.3 billion for this ineffective Department, the most ill-run Department in the U.S. Government, that it cannot withstand a cut of $100 million, only 1 percent, then that is their business and they can vote accordingly.

I think if there is one grievous fault with my amendment it is far too modest in its scope.

Mr. President, I yield back the remainder of my time, and the Senator from South Carolina, I presume, wants to make a motion to table. But I ask for the yeas and nays on my amendment.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. HOLLINGS. Mr. President, I move to table the amendment and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from South Carolina to lay on the table the amendment of the Senator from Missouri.

On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Texas (Mr. Bentsen), the Senator from Alaska (Mr. Gravel), the Senator from Massachusetts (Mr. Kennedy), the Senator from Vermont (Mr. Leahy), the Senator from South Dakota (Mr. McGovern), the Senator from Maine (Mr. Muskie), the Senator from Mississippi (Mr. Stennis), and the Senator from Illinois (Mr. Stevenson) are necessarily absent.

Mr. STEVENS. I announce that the Senator from Maryland (Mr. Mathias), the Senator from South Dakota (Mr. Pressler), and the Senator from Texas (Mr. Tower) are necessarily absent.

The PRESIDING OFFICER. (Mr. Sarbanes). Is there any Member in the Chamber who has not yet voted who desires to vote?

The result was announced—yeas 49, nays 40, as follows:

[Rollcall Vote No. 105 Leg.]

YEAS—49

Baker
Baucus
Bayh
Bellmon
Biden
Bradley
Bumpers
Burdick
Byrd, Robert C.
Cannon
Chafee
Chiles
Church
Cochran
Cranston
Culver
Domenici
Durenberger
Ford
Glenn
Goldwater
Hatfield
Hollings
Huddleston
Inouye
Jackson
Javits
Johnston
Levin
Magnuson
Matsunaga
McClure
Melcher
Moynihan
Packwood
Pell
Percy
Randolph
Ribicoff
Sasser
Stafford
Stevens
Talmadge
Thurmond
Tsongas
Wallop
Warner
Williams
Young

NAYS—40

Armstrong
Boren
Boschwitz
Byrd,
  Harry F., Jr.
Cohen
Danforth
DeConcini
Dole
Durkin
Eagleton
Exon
Garn
Hart
Hatch
Hayakawa
Heflin
Heinz
Helms
Humphrey
Jepsen
Kassebaum
Laxalt
Long
Lugar
Metzenbaum
Morgan
Nelson
Nunn
Proxmire
Pryor
Riegle
Roth
Sarbanes
Schmitt
Schweiker
Simpson
Stewart
Stone
Weicker
Zorinsky

NOT VOTING—11

Bentsen
Gravel
Kennedy
Leahy
Mathias
McGovern
Muskie
Pressler
Stennis
Stevenson
Tower

So Mr. Hollings' motion to lay on the table Mr. Eagleton's amendment (No. 1736, as modified) was agreed to.

Mr. HOLLINGS. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. JACKSON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from West Virginia.

Mr. ROBERT C. BYRD. Mr. President, Mr. Talmadge will call up an amendment, which I understand is ready to be called up. I ask unanimous consent that there be a time limit not to exceed 10 minutes, to be equally divided.

Mr. PROXMIRE. Mr. President, reserving the right to object, and I do not think I will object, but I want to make sure I understand what the amendment does before I consent to it, because there is an amendment I heard the Senator was going to offer that I do wish to speak on.

Mr. TALMADGE. Mr. President, it is agriculture price support and section 16 of the budget resolution.

Mr. PROXMIRE. Only Commodity Credit Corporation and nothing else?

Mr. TALMADGE. That is correct.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that Mr. Chiles follow Mr. Talmadge and that there be a time limitation on the amendment of Mr. Chiles not to exceed 40 minutes, to be equally divided in accordance with the usual form.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that Senators Pryor and Sasser be recognized to call up their amendment after the Chiles amendment and that there be a time limitation on their amendment of 20 minutes, to be equally divided.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, may I say to my colleagues that the only rollcall vote I would anticipate for the remainder of this evening would be a possible rollcall vote on the amendment by Mr. Chiles.

The PRESIDING OFFICER. The Chair recognizes the Senator from Georgia.

UP AMENDMENT NO. 1068

(Purpose: To exempt new agricultural loan programs which are funded through the Commodity Credit Corporation from the requirement in section 16 that all new loan and loan guarantee programs be subject to the appropriations process)

Mr. TALMADGE. Mr. President, on behalf of myself, Senators Helms, Dole, Bellmon, Boschwitz, Culver, and Hart, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk proceeded to read the amendment.

Mr. TALMADGE. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 20, line 25, insert the following: after "Acts," the following:

"This section shall not apply to agricultural price support and related programs of the type in operation on January 1, 1980, which are funded through the Commodity Credit Corporation.".

Mr. TALMADGE. Mr. President, I have discussed this amendment with the distinguished floor managers of the bill, the distinguished Senator from South Carolina and the distinguished Senator from Oklahoma. They are agreeable to it. It is an amendment that has much merit and should be adopted.

Under the resolution reported by the Budget Committee——

Mr. DOLE. Mr. President, may we have order?

The PRESIDING OFFICER. Will the Senator suspend for a moment? The point is well made. The Senate is not in order. Will Members please take their seats?

Mr. TALMADGE. Mr. President, under the budget resolution submitted by the distinguished committee, the agriculture price support program of agricultural commodities would be administratively impossible. The amendment would exempt from the provisions of section 16 agricultural price support programs administered by the Commodity Credit Corporation.

My amendment would amend section 16 of Senate Concurrent Resolution 86, a section that would have the effect of permanently amending the rules of the Senate. Section 16 provides that it shall not be in order in the House or the Senate to consider any legislation authorizing new direct loans or new loan guarantees unless that legislation also provides that the authority to make or guarantee such loans shall be effective only to such extent or in such amounts as are contained in Appropriation Acts.

As reported by the Senate Budget Committee, Senate Concurrent Resolution 86 contains three sections that would place procedural restrictions on floor consideration of appropriations, entitlement programs, loans or loan guarantees, and tax reductions. These are sections 16, 17, and 18 of the resolution. In addition, the Budget Committee indicated in its report an intent to propose three other amendments to the budget resolution that would place even more severe restrictions on floor consideration of these matters. The resolution, together with the committee amendments proposed by the Senate Budget Committee, would substantially change the congressional budget process.

Since these dramatic changes would substantially affect the programs under my committee's jurisdiction, I wrote Senator Muskie on April 21, 1980, expressing my concerns. In that letter I stated that while I wholeheartedly support a balanced budget and have introduced a bill to mandate that the President do so for fiscal year 1981, I believe that the dramatic changes proposed in the resolution should be considered as amendments to the Congressional Budget Act with appropriate hearings by the Committee on the Budget, the Committee on Rules and Administration, and the Committee on Governmental Affairs. Mr. President, I ask unanimous consent that my letter to Senator Muskie and his reply be printed in the Record at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. TALMADGE. The Senate Budget Committee is unwilling to accept my suggestion to have these changes go through the normal legislative process, and I am compelled to offer this amendment to section 16 of the resolution.

Under current budget procedures, some funds for loan and loan guarantee programs are not subject to the appropriations process. Under section 16 of the proposed budget resolution, legislative committees could continue to enact new loan and loan guarantee programs, but the money to fund these new programs would have to be authorized in a separate appropriations bill. Any legislation not in conformity with section 16 would be subject to a point of order.

This change would have a significant effect on the price support programs under the jurisdiction of the Committee on Agriculture, Nutrition, and Forestry. This would include commodity loans that may be authorized in the 1981 farm bill.

Section 16 would cause a fundamental shift in our agricultural price support programs and result in an administrative nightmare. If the Appropriations Committee appropriated less money than needed to carry out commodity price support loans at the authorized levels, a number of questions would immediately arise: Who receives the loans and who does not? Do wheat farmers receive price support loans while corn producers do not? Would the Secretary of Agriculture be required to prorate the funds available for making loans? In addition, above average production or an embargo could also result in the appropriated levels being less than the amount that normally would be required.

In short, under the financing procedure dictated by section 16 of the resolution, commodity price support loan programs would no longer be a guarantee to farmers against unreasonably low commodity prices, and the ability of Congress to respond quickly in an emergency would be eliminated. This section ignores why certain of our agricultural programs are entitlement programs—they are designed and funded in a manner that protects farmers against unpredictable events such as the weather, fluctuating economic conditions, or a grain embargo.

Mr. President, such a permanent and far-reaching provision as section 16 should not be adopted without a full realization of its ramifications. I would like to note that my amendment does not change section 15 of the resolution. Section 15 of the resolution would establish overall loan and loan guarantee levels for fiscal year 1981. Standing alone, section 15 would not appear to adversely affect our Nation's farm programs.

However, section 16 is unique in several ways. First, as I understand it, section 16 is the only provision in the resolution that is permanent—and not just applicable to fiscal year 1981. Second, section 16 goes way beyond what the President has called for in his credit budget. Realizing that many agricultural price support and related programs—including credit programs—must be entitlements to operate effectively and efficiently, the President's credit budget excludes these programs. Third, section 16 goes much further than what the House has done in its resolution concerning credit. Fourth, section 16 is not necessary for a balanced budget—and my amendment would not increase the 1981 deficit one dollar.

It may be argued, Mr. President, that section 16 would not render our agricultural price support and related programs useless and impractical since if emergencies arise, the Senate could pass an emergency appropriations bill increasing the amount to be used for commodity loans or other related programs. My reply is that this all takes time.

Farmers do not understand involved budget procedures and unnecessary delays—they have to make production and marketing decisions months in advance. They must be assured that the price support loan rates and other related programs are not subject to limitation—since an embargo, good weather, or deteriorating economic conditions affect dramatically the level of loans needed to insure a stable and productive agricultural economy.

For these reasons, Mr. President, I urge all of my colleagues to support this amendment.

Exhibit 1

Committee on Agriculture,
Nutrition, and Forestry,
Washington, D.C., April 21, 1980.

Hon. Edmund S. Muskie,
Chairman, Committee on the Budget, U.S. Senate, Washington, D.C.

Dear Mr. Chairman: The Committee on the Budget recently reported the first concurrent resolution on the budget for fiscal year 1981 (S. Con. Res. 86). The Senate will shortly begin debate on the resolution, and there are a few issues I would like to raise with you.

First, in our March 15 budget report to you, we requested that you inform us what recommendations of major importance contained in our report were or were not incorporated by the Committee on the Budget in the first concurrent resolution. I have not received your response to this request, and I look forward to receiving it before the Senate's debate of the resolution.

Second, I notice that the resolution you reported contains several provisions that amend the Senate rules, and in fact, have the effect of amending the Congressional Budget Act of 1974. The proposed changes would dramatically affect the price support and farm credit programs under my Committee's jurisdiction.

For example, under section 16 of the resolution, it appears that the use of the Commodity Credit Corporation in funding any new price support loans as entitlements might no longer be possible. A point of order could be made against any legislation authorizing new direct loans or new loan guarantees unless the legislation makes the new loan authority effective only to such extent or in such amounts as are contained in appropriation Acts.

If Commodity Credit Corporation price support loans are to be made subject to the appropriations process, this would be a fundamental shift in our agricultural price support programs and result in an administrative nightmare. It is for these reasons I believe that this change should be considered as an amendment to the Congressional Budget Act and not a part of the first concurrent resolution on the budget for fiscal year 1981. Likewise, I think that the other changes in the rules of the Senate should be considered as amendments to the Congressional Budget Act with appropriate hearings by the Committee on the Budget and the Committee on Rules and Administration.

Third, the resolution contains so-called "reconciliation" instructions to several committees for fiscal year 1981—an unprecedented change since the first concurrent resolution is only supposed to establish tentative spending targets. I do not believe that there is any basis in the Congressional Budget Act of 1974 or its legislative history for converting the spending levels in the first concurrent resolution from targets to fixed ceilings. I would, therefore, appreciate your advising me of the legal authority for inclusion of the "reconciliation" instructions.

While I wholeheartedly support a balanced budget, and have so for years, I am of the view that invoking "reconciliation" in the first step of the Congressional budget process is neither prudent nor appropriate in carrying out the purposes of the Congressional Budget Act. If the instructions are adopted by the Senate and the House, decisions would have to be made on billions of dollars of cuts in programs in an unusually short time (by June 9, 1980, or ten days after Congress completes action on this resolution)—four months before the beginning of the new fiscal year.

Fourth, the "reconciliation" instructions require that the Committee on Agriculture, Nutrition, and Forestry reduce its budget authority and outlays by $2 billion—$1.5 billion of which is targeted to be saved from the food stamp and special milk programs. If these programs, however, are not entitlements, as you state in your report, and are not allocated to my Committee for purposes of a "cross-walk", why is my Committee expected to come up with the $1.5 billion in savings? Food stamp spending can clearly be held down by the Committee on Appropriations, and current law provides a way for the Secretary of Agriculture to reduce food stamp payments to recipients according to the money that is appropriated. Therefore, since my Committee does not have direct spending jurisdiction in the case of the food stamp and special milk programs, what budget authority and outlays would we be expected to cut if the instructions are adopted in their present form by the Senate and the House?

In conclusion, I believe that the inclusion in the resolution of the "reconciliation" instructions infringes on the roles of the authorizing and appropriations committees and is not required in achieving a balanced budget.

With every good wish, I am
Sincerely,
Herman E. Talmadge,
Chairman.

Committee on the Budget,
Washington, D.C., April 29, 1980.

Hon. Herman Talmadge,
Chairman, Committee on Agriculture, Nutrition and Forestry, Russell Senate Office Building, Washington, D.C.

Dear Mr. Chairman: I am happy to respond to your letter of April 21, 1980, in which you inquire about various aspects of S. Con. Res. 86, the First Budget Resolution for FY 1981.

While the Budget Committee does not "line-item" funds in the Budget Resolution, the Committee has to make certain assumptions in reaching the functional totals contained in a Budget Resolution. Thus, the Committee assumed several of the major recommendations of the Committee on Agriculture in the First Budget Resolution for FY 1981, including:

All of the recommended legislative savings in the food stamp program; (plus additional savings of $900 million)

All of the recommended savings in the child nutrition and special milk programs; and

Most of the recommended increases for agriculture research programs.

With respect to other major recommendations, the Committee assumed:

Funding at current levels of Commodity Credit Corporation farm price support programs;

$.1 billion less than recommended by the Agriculture Committee for the WIC program;

$1.1 billion for P.L. 480 for Peace;

$.2 billion less than the Committee recommendation for agriculture conservation and forest management; and

No funding for new energy biomass programs.

With regard to Section 16 of the First Resolution, we have been contacted by your staff and understand your concerns. We have indicated to them our desire to accommodate your Committee's needs with regard to the Commodity Credit Corporation price support programs. These programs, while not annually funded through the regular appropriations process, receive periodic appropriations review, since budget authority for the Commodity Credit Corporation is provided by its permanent borrowing authority, any increase in which must be appropriated.

You raised several questions regarding the reconcilation instructions in S. Con. Res. 86. First, it is clear that such instructions may be contained in the First Budget Resolution. Section 301 of the Act (which relates to the contents of the First Budget Resolution) specifically authorizes the inclusion of "such other matters relating to the budget as may be appropriate to carry out the purposes of this Act." Section 301(b)(2) authorizes the First Budget Resolution to require "any other procedure which is considered appropriate to carry out the purposes of this Act."

Specifically, the Budget Act does not preclude a First Budget Resolution from containing "reconciliation" instructions, or any other matter which related to achieving the purposes of the budget process.

This board grant of authority was intended to give the Budget Committee flexibility to recommend the Senate consider such additional procedures as are needed to facilitate implementation of the budget decisions contained in the First Budget Resolution.

The reconcilitation instructions in S. Con. Res. 86 are such procedures. They are an appropriate and necessary means of implementing the First Resolution budget plan, the goal of which is to achieve a balanced federal budget in fiscal year 1981.

With regard to the instructions to the Committee on Agriculture, you note correctly that the Budget Committee has suggested that savings be achieved in the food stamp program, which technically has not been an "entitlement" program since enactment of the Food Stamp Act Amendments of 1977. However, even with those revisions, Congress has continued to treat the Food Stamp Program as if it were an entitlement. Appropriations have been provided each year up to the maximum authorized levels. In fact, the "cap" on appropriations was lifted in 1979, in order to provide the full level of food stamp benefits contemplated by the Act.

In this light, Budget Committee thought it appropriate to suggest to the Senate that the only Committee with any real control over the program be asked to consider such changes in the substantive law as may be necessary to reduce food stamp spending. The current "cap" on appropriations does nothing more than suggest to the Appropriations Committee the minimum level of spending for this program, rather than imposing the outside limit. Clearly, any real savings in the Food Stamp Program will have to be made by changes in the substantive law.

With respect to the special milk program, we believe that it is an "entitlement" program, and as such, the appropriate amount of direct spending authority will be crosswalked to the Committee on Agriculture under the First Budget Resolution.

I hope this letter answers the questions you raised. I would be happy to provide any additional information you might need.

Sincerely,

EDMUND S. MUSKIE.

Mr. PROXMIRE. Will the Senator yield?

Mr. TALMADGE. I yield to the Senator from Wisconsin.

Mr. PROXMIRE. Mr. President, I support the amendment to exclude the lending activities of the Commodity Credit Corporation from the coverage of section 16 of Senate Concurrent Resolution 86, the first concurrent resolution on the budget for fiscal year 1981.

While I believe that it is essential to retain section 16 intact, as part of a new congressional budget process, I have become convinced that the loans involved in the price support programs of the Commodity Credit Corporation (CCC) are sufficienly different from other Federal direct loan and loan guarantee programs as to make it both unnecessary and inadvisable to include them under the appropriations requirements established by section 16. Basically, the CCC provides price support to producers of agricultural commodities through loans, and also through purchases, payments, and other means. Most of the loans it makes are nonrecourse loans. This means that the commodity involved serves as collateral for the loan, and upon maturity the borrower may deliver or forfeit such collateral, that is, his crop, to satisfy the loan obligation in lieu of direct repayment. Thus the nonrecourse loan programs of the CCC closely resemble its purchase programs. This is distinctly different from the many other Federal loan and loan guarantee programs, which involve financial assistance to a non-Federal borrower without any intent to purchase.

I understand, too, that it is very difficult to predict the amount of such loans that will be needed in any fiscal year, due to uncertainties of weather, market conditions, and the like. Many farmers throughout the country, including the dairy farmers in my own State of Wisconsin, depend on having the price support programs of the CCC, including the nonrecourse loans, immediately available to meet their needs. The Office of Management and Budget recognize the problems involved with the CCC in the March revisions to the President's fiscal year 1981 budget, which simply requests "such sums as may be necessary" for the nonrecourse loan program, rather than setting a specific dollar limitation. Although this approach alone might have sufficed to deal with the problems, I also think there are sufficient reasons here to justify a complete examption for the CCC, as I stated above.

However, Mr. President, I must state emphatically at thos point that I will oppose any further attempts to exempt specific credit programs from the coverage of section 16. This provision, and section 15 which precedes it, form the basis of a new system for congressional control of Federal credit programs. This system is vitally needed, both as a component of the congressional budget process and as an integral part of our efforts to combat inflation.

Now that we have gotten this long-needed reform underway, I am most concerned that we avoid any repetition of what occurred after the unified budget was adopted in 1969. At that time, we saw one Federal credit agency after another, starting with the Export-Import Bank, either exempted from the Federal spending budget totals or established off-budget to begin with. It has taken us years to regain some notion of budget integrity in this area, and we still have not restored all of the agencies involved to on-budget status. Sections 15 and 16 offer the best opportunity we have had to instill some rationality into the Federal Government's credit activities. Let me describe further what sections 15 and 16 would do:

Section 15 establishes a congressional Federal credit budget. It sets ceilings on total Federal credit activity for fiscal year 1981, both direct loans and loan guarantees, and its states the sense of the Congress that there be limitations on the on-budget and off-budget lending activities of the Federal Government through the appropriations process.

Section 16 provides the mechanism for implementing this Federal credit budget, by requiring that all credit programs go through the appropriations process. Specfically, it would raise a point of order against any legislation authorizing new direct loans or new loan guarantees unless such authority is subject to limitations contained in appropriations acts.

The amendment would leave section 15 intact, but would strike section 16. It would allow the principle of a Federal credit budget, but remove the means of enforcing it. This is like removing the teeth, but leaving the gums: You do not lose everything, but you cannot accomplish much.

Mr. President, I feel it is vital that Congress act now and act thoroughly to bring Federal credit programs under effective budgetary controls.

As chairman of the Committee on Banking, Housing, and Urban Affairs, which has jurisdiction over the bulk of these programs, I have long been concerned about the burgeoning growth of Federal credit programs, particularly those which are not included in the Federal budget. A recent Congressional Budget Office study shows that off-budget direct loans grew by 70 percent between 1976 and 1979—twice the rate of growth in budget outlays. Loan guarantees, which are all off-budget, grew even more, by 108 percent. Over the period from 1979 through 1981, off-budget direct loans outstanding are slated to increase by 58 percent, while loan guarantees outstanding will grow 28 percent.

Because there programs escape the budget process, they are seen as a free good. There is little thought given to how we can best allocate scarce Federal credit resources, even though the impact on the economy is substantial. For instance, the Federal Government is providing millions of dollars in loan guarantees for risky ventures at a time when home buyers and farmers and healthy small businesses are being squeezed to the bone.

The tight credit policies currently imposed by the Federal Reserve—as an essential part of the anti-inflation effort—point up sharply the need for an effective Federal credit budget. Through the Budget Act and the appropriations process, we have careful congressional scrutiny of spending programs and their potential impact on the economy. We are now going through the difficult and painful process of making selective cuts in Federal spending in order to balance the budget and damp down inflation. We badly need a similar process for Federal credit programs, so we can set priorities for allocating credit and make monetary policy consistent with fiscal policy.

Mr. President, I applaud the efforts of the members of the Budget Committee to establish such a credit budget process under this first concurrent resolution on the budget for fiscal year 1981. I wrote a letter to the chairmen of both the Senate and House Budget Committees in mid-March urging them to take action in this area, and I am delighted to say that both committees have responded and responded well. In my view, the Senate has done the more thorough job. Senate Concurrent Resolution 86 contains both the aggregate limitations on direct loans and loan guarantees established under section 15 and the enforcement through the appropriations process provided under section 16. Both are necessary to an effective credit budget process. I urge that both of these provisions be approved without any further exemptions.

Mr. TALMADGE. Mr. President, I yield to the Senator from Iowa.

Mr. CULVER. I thank the distinguished chairman for yielding.

Mr. President, as a cosponsor, I rise in support of the amendment by the distinguished chairman of the Committee on Agriculture, Nutrition, and Forestry to exempt agricultural commodity loans from the requirements of section 16 of the first Senate budget resolution.

This section would impose totally unworkable and counterproductive restrictions on farm commodity loan programs by limiting Commodity Credit Corporation loans to the amount authorized by appropriations bills.

Appropriations measures are generally developed months before there is any clear estimate of what CCC loan demand will be after the harvest. If the appropriations estimate is too low, some farmers could be denied loans because money has run out. This would undermine the entire concept of the loan program as a price support floor to prevent disastrous declines in farm prices.

This restriction would make it extremely difficult for either the Congress or the administration to respond to emergencies such as grain embargoes, unexpected crop production levels in the Southern Hemisphere or credit squeezes created by other Government policies. Iowa farmers have experienced all three of these in the first 5 months of this year and it was only the flexibility to respond that has enabled either Congress or the administration to provide any relief to those whose very livelihoods have been jeopardized.

The fact that this response has, thus far, been inadequate to forestall the deepest farm recession in most people's memory is clear evidence to me that existing budget restraints on agricultural programs are more than adequate. The measure proposed by section 16 would put a straitjacket on commodity programs tantamount to repeal of the most basic element of our farm programs for the past 45 years.

If the members of the Budget Committee want to raise what amounts to a major modification of the Commodity Credit Corporation Charter Act, they should proceed through regular legislative channels. The Committee on Agriculture, Nutrition and Forestry clearly has jurisdiction.

The backdoor approach being proposed by this resolution without hearings and even without consultation with the appropriate committees of jurisdiction is both dangerous and irresponsible.

Throughout my career in the Congress I have been a strong supporter of the congressional budget process. I have attempted and will continue to attempt to work with the Budget Committee to obtain a balanced budget for fiscal year 1981. Section 16 of this resolution will not help balance this budget. It will simply create admnistrative and procedural roadblocks to enacting and carrying out the programs that lie at the heart of American farm policy—the commodity loan programs.

I strongly urge my colleagues to vote for this exemption and concentrate on the task of balancing the fiscal year 1981 budget.

Mr. BOSCHWITZ. Mr. President, will the Senator yield?

Mr. TALMADGE. I yield to the Senator from Minnesota.

Mr. BOSCHWITZ. Mr. President, I would like to commend the chairman and the ranking minority member of the Agriculture Committee, and their staffs, for their work on the first concurrent budget resolution.

It was because of their investigation of the resolution that the problem with the Commodity Credit Corporation's price-support program was called to my attention. I know that Senator TALMADGE, Senator HELMS, and a majority of my other colleagues on the Agriculture Committee are greatly concerned with the language included in section 16 of this budget resolution, as it relates to the annual funding of the Commodity Credit Corporation's price-support program.

At the same time, I feel the Members of this body must make a concerted effort to balance the Federal budget if we are ever going to get a handle on inflation. One particular reason why the effort to balance the budget has been so difficult is that each year, as much as $150 billion worth of direct loans and loan guarantees are not subject to the annual appropriations process. Because of this situation, the President proposed that the Congress develop a credit budget to limit the explosive growth in new Federal credit programs. In recent years, the growth of Federal loans and loan guarantees have out-paced the growth in direct spending. Between 1976 and 1979, direct lending by on-budget agencies increased by 31 percent; direct lending by off-budget agencies increased by 70 percent; and loan guarantees increased by 90 percent.

A major reason for this rapid growth in Federal credit programs is that these activities are largely outside the regular budget process. Loans made by off-budget agencies, whose activities are by law excluded from Federal budget totals, and loan guarantees, in which the Federal Government guarantees repayment of the indebtedness of another person or government, are inadequately controlled by the budget process because they are largely excluded from the budget total. In the case of loan guarantees, for example, most frequently no accounting transaction occurs in the Federal budget unless a default occurs.

In response to President's request, the Senate Budget Committee adopted a limited credit budget, as stated in section 15 of the resolution. In addition, the committee included language in section 16 which calls upon the President and the Congress to control fiscal year 1981 credit activities through the appropriations process.

Mr. President, as a member of the Budget Committee, I agreed to the "cap" figures placed on new loans, which was $63.9 billion, and primary loan guarantees, which was $77 billion. I also agree, in theory, to the language in section 16 which states, and I read from the budget resolution:

> It shall not be in order in the House or Senate to consider any bill, resolution, or amendment authorizing new direct loans or new loan guarantees unless that bill, resolution, or amendment also provides that the authority to make or guarantee such loans shall be effective only to such extent or in such amounts as are contained in appropriation acts.

However, I do not honestly believe that when members of the Senate Budget Committee agreed to this language they knew what the impact would be on the Commodity Credit Corporation's price support loan and emergency credit programs.

Mr. President, whether you agree or not with the overall budget marks included in the budget resolution with respect to agriculture function 350, every Member of this body should be aware of the significant and dramatic impact on our agricultural policy if the language in section 16 is adopted as reported out by the Budget Committee. Under section 16, the use of CCC moneys for funding of any new price support loans as entitlements will no longer be possible.

Under current law, the House and Senate Agriculture Committees have direct spending jurisdiction with regard to the CCC price support program. This means that when the House and Senate

Agriculture Committees authorize a given loan rate for corn, soybeans, wheat, sorghum, barley, oats, peanuts, tobacco, cotton, dairy products, and rice under the price support loan program, the Appropriations Committees will simply reimburse the Commodity Credit Corporation (the CCC has a $25 billion authorization ceiling) for the cost of such a price support program. Thus, once a price support level is established all those farmers which apply and qualify for the loans are assured of receiving them.

The impact of section 16 will mean that a point of order could be made against any legislation reauthorizing one of the current price support programs unless the legislation provided that loans only be made in such amounts as contained in appropriation acts. This means that when the House and Senate Agriculture Committees begin work next February on the 1981 farm bill, loan rates established for each of the commodities covered under the bill will be subject to spending ceilings set by the Appropriations Committee.

In a letter to Senator MUSKIE, dated April 21, Senator TALMADGE stated:

> If the CCC price support loans are to be made subject to the appropriations process, this would be a fundamental shift in our agricultural price support program and result in an administrative nightmare.

By calling this change an administrative nightmare, Senator TALMADGE was referring to a situation where the Appropriations Committee appropriated less money than was needed to carry out the commodity price support loans at the authorized levels. If indeed this were the case, a number of questions would immediately arise.

First. Who would receive the loans and who would not?

Second. Would wheat farmers receive price support loans while tobacco producers would not?

Third. What would happen if a large crop occurred and appropriated funds would be less than the amount required in order to handle the loan demand?

Fourth. How would the Appropriations Committee ever be able to predict the level of loan demand when so many uncontrollable factors are involved (such as yields)?

It is obvious from these questions that it is simply not possible to have our current CCC price support program subject to annual appropriations. In fact, if the Congress did indeed make this change, our entire farm program would be in jeopardy. This is because of two major reasons.

First, our farm program has had two goals since the Korean war; one being supply management and the other income stabilization. The Congress and the Department of Agriculture have used the price support program as the means to accomplish these goals.

Currently, a corn farmer from Minnesota is protected against unreasonably low corn prices by participating in the set-aside program, which makes the farmer eligible for price support loans on his/her crop. Under the set-aside program, a farmer agrees to let a certain percentage of his/her land lie fallow in return for eligibility for price support loans, disaster payments, et cetera.

Participation in this program, and thus loan demand, varies from crop year to crop year according to changes in market prices, world production, export demand, and domestic feed demand. The first year that the Appropriations Committee underestimates loan demand for this program, our Nation's farmers would be in an uproar. Farmers would no longer trust the CCC to have such funds available to make their price support loans. The net result would be that farmers would not participate in the set-aside program, and thus excess supplies of agricultural commodities would be prevalent.

The second impact of this proposal would be to limit the flexibility of the Department of Agriculture and the House and Senate Agriculture Committees to react to unreasonably low prices for a given commodity. For example, if Members of the Congress felt that soybean farmers were facing a severe crisis because of depressed market prices, legislation could be passed which would increase the soybean loan rate. No appropriation would be needed; only the congressional authorization to increase the loan rate.

However, under this new budgetary process, a higher loan rate could only be implemented if both an authorization and a supplemental appropriation bill passed the Congress and were signed by the President.

Mr. President, one final point should be made about section 16. During markup of the resolution much discussion centered around the President's credit budget proposal. We debated at length the "caps" that were placed on each of the different credit type programs, whether they were for on-budget or off-budget agencies. However, section 16, which makes many of these direct loan and loan guarantee programs subject to annual appropriations, was added as a technical or staff amendment. As a member of the Budget Committee I had no idea that the section was added.

In theory I agree with making many of these loans guarantee programs subject to annual appropriations. But, I simply do not think that the Budget Committee spent enough time debating this change, a change which will affect as much as $150 billion in direct loan and loan guarantees annually, to include it as part of this resolution.

Again, let me point out, I support the idea that is put forward in section 16; however, allowing this proposal to go forward without a close examination of its impact on the many affected loan guarantee programs, is simply unacceptable.

Before I yield to some of my colleagues on the Agriculture Committee, I want to stress the importance of this amendment to every Member of this body. Each one of my colleagues has a farming constituency in their State which is dependent on the price support programs to balance the forces of supply and demand so that they receive a fair price for their commodity. If this program were made subject to annual review by the Appropriations Committee, it would spell disaster for all of our Nation's farmers—whether they produce cotton, soybeans, or milk.

I urge my colleagues to support this very important amendment.

Mr. TALMADGE. Mr. President, I yield to the Senator from Idaho.

Mr. McCLURE. Mr. President, I ask unanimous consent to be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TALMADGE. Mr. President, I yield the floor.

Mr. BELLMON. Subsequent to the President's request for a credit budget in his 1980 budget document, and his 1981 budget which implements credit limits the first concurrent resolution contains a credit control system which—

First, provides for a limitation on direct loans of $63.9 billion and a limitation on loan guarantees of $77 billion;

Second, provides a "sense of the Senate" resolution that no more than $25.8 billion can be off-budget; and

Third, it requires all new credit authorizations to be subject to appropriations limitations.

We all know how rapidly loan programs have grown—between 1976 and 1979 direct lending by on budget agencies increased by 30 percent; direct lending by off-budget agencies increased by 70 percent; and loan guarantees increased by 90 percent. By 1981 the Federal Government will have $179 billion of direct loans and $422 of loan guarantees outstanding. And there would be no end in sight if some form of control is not imposed. We have come to realize that even though loans may be repaid they impact the economy and financial markets—and even though guarantees may appear costless, they too have an economic impact and possible Federal obligation. We simply must bring them under control and section 16 of the resolution is designed to give the Senate the process it needs to do that.

The Commodity Credit Corporation is a unique element in the Federal lending system, however. Alone among credit programs, CCC is an entitlement loan which is triggered when market rates fall below a legislated loan rate—every farmer who meets eligibility requirement, and has agreed to the loan contract is entitled to a loan—no action or limitation by appropriations would change that.

It is therefore a useful amendment to exempt CCC from the section 16 requirements. The Senate needs section 16, however. I congratulate the Senator for offering this amendment.

I yield to the Senator from Mississippi.

Mr. COCHRAN. Mr. President, the domestic problem currently on everyone's mind is the near 20-percent rate of inflation that is destroying all of us. In my opinion, unwillingness of Government to balance its budget has been one of the major factors behind continued runaway inflation. So I am encouraged to see Congress taking appropriate actions to bring about fiscal responsibility in Government, and I support the establishment of a credit budget as contained in section 15 of the budget resolution.

At the same time, I want to join the able chairman of the Senate Agriculture Committee in warning against making changes that would have the effect of amending the Congressional Budget Act of 1974. I agree with the Senator from Georgia that such a permanent and far-reaching provision as section 16 should not be accepted without a full realization of its ramifications. Therefore, Mr. President, I join in cosponsoring the amendment to strike section 16 from Senate Concurrent Resolution 86.

If section 16 remains intact, some of our very basic and extremely important agricultural programs designed to provide assistance to farmers against the many risks and uncertainties they face would be affected. Farmers could no longer be assured that price support loans would be available to protect them against low prices. In addition, legislation to deal with emergency conditions, such as those existing this spring following the grain embargo, would be subject to needless procedural delays.

The agricultural programs we have today evolved over the last half century into a very effective means to deal with many of the problems faced by farmers. Commodity price support loans are the cornerstone of several of these programs.

First, one of the physical facts of agriculture is that generally crops are harvested once a year. Thus during a 2 to 3 month period, the entire year's supply is available for sale. Prices are generally lowest during harvest because of the large supply on the market. Prices generally increase during the year as the market begins to clear. The commodity loan program is a marketing tool available to farmers so they are not forced to sell at depressed prices during harvest. This allows farmers to benefit from a more orderly marketing of their production during the year.

Second, the farmer-held reserve program for grain provides the means by which farmers can hold excess production off the market during periods of overproduction and depressed prices. For those commodities without a reserve program, such as cotton, soybeans, and tobacco, the loan serves as a price floor. If price support loans became unavailable, the program would become inoperative and farmers would simply have to sell at depressed prices.

Third, when stocks become excessive, the need exists to encourage farmers to adjust production. The loan rate again is an important part of the program. Farmers who do not participate in a required acreage set-aside are not eligible for price support loans. Thus, the availability of loans is the incentive used to encourage farmers to participate in the program. Any uncertainty about loan availability would destroy the effectiveness of the set-aside program.

Past experience has proven that it is virtually impossible to predict with any degree of accuracy the level of commodity loan outlays a year in advance, as would be necessary under the appropriations process. The outlays generally depend on the relationship between the market price and the loan rate. Crop conditions can and do cause large variations over relatively short periods of time in the volume of Commodity Credit Corporation loan operations. Thus it would be impossible to assure farmers that the amount appropriated would meet the need.

All my discussion so far has been about programs designed to assist farmers who have made a crop. For various reasons beyond the farmer's control, he may have an economic crisis. A crop failure, for example, where a farmer has very little to sell, will result in severe financial problems. There is no way to predict the timing nor the magnitude of events leading to economic emergencies in agriculture. Thus credit programs designed to deal with emergency situations should not be subject to additional delays as would be the case under the appropriations process. One more constraint this spring: delaying passage of the economic emergency loan program would have resulted in the credit being too late for producers in my State.

It is easy to see that any attempt to set an arbitrary dollar ceiling would disrupt and distort the functioning of our major programs designed for orderly marketing, price support, and production adjustment, and would needlessly delay our ability to meet emergency credit needs in agriculture.

Thus, Mr. President, while I support bringing credit under control, I think we should not take irresponsible actions which would in effect destroy agricultural programs which have served both agriculture and our country well since the 1930's.

Mr. HOLLINGS. Mr. President, I yield to the Senator from New Mexico.

Mr. DOMENICI. Mr. President, I ask unanimous consent that I be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HOLLINGS. Mr. President, I rise to join in support of the Talmadge amendment. I thank the distinguished Senator and chairman of our Agriculture Committee for working out this amendment. It allays the fears of many Senators with respect to restrictions on the Commodity Credit Corporation farm price support loans.

Mr. President, I am willing to accept this amendment exempting the Commodity Credit Corporation (CCC) farm price support loans from section 16 of the budget resolution.

As you know, section 16 provides that it shall not be in order for the House or Senate to consider legislation authorizing new direct loans or loan guarantees unless that legislation also provides for appropriations review.

Many Senators have expressed their concern that this provision would unduly restrict the farm price support loan programs. Upon a thorough examination of the existing status of these programs in relation to other Federal credit activities, I found that I concur with the assessment of my colleagues. The CCC farm price support loan programs are unique and already subject to various forms of congressional controls.

Total CCC financing is already under appropriations control, thus, in effect providing appropriations limits on overall program loan volume.

The farm price support loans are fully collateralized by the commodities they support.

Since price support loans constitute direct spending which is on budget, these loans are currently included in the spending totals for the agriculture function in the budget resolution.

It appears that the objective of section 16, focusing attention on Federal credit activities and providing a mechanism for gradually instituting comprehensive congressional control, would not be ill served by exempting the farm price support programs.

Mr. TALMADGE. Mr. President, I ask unanimous consent that the Senator from Alabama (Mr. STEWART), the Senator from Montana (Mr. MELCHER), the Senator from West Virginia (Mr. ROBERT C. BYRD), the Senator from Washington (Mr. MAGNUSON), the Senator from Florida (Mr. CHILES), the Senator from Florida (Mr. STONE), the Senator from Kentucky (Mr. FORD), the Senator from Virginia (Mr. WARNER), and the Senator from Utah (Mr. HATCH) be added as cosponsors.

The PRESIDING OFFICER. Without objection, it is so ordered.

● Mr. DOLE. Mr. President, I support the amendment offered by Senator TALMADGE to strike section 16 from Senate Concurrent Resolution 86.

Section 16 would have the effect of permanently amending the rules of the Senate.

Section 16 provides that it shall not be in order in the House or the Senate to consider any legislation authorizing new direct loans or new loan guarantees unless that legislation also provides that the authority to make or guarantee such loans shall be effective only to such extent or in such amounts as are contained in appropriation acts.

CHANGES CONTAINED IN SENATE CONCURRENT RESOLUTION 86

Under current budget procedures, some funds for loan and loan guarantee programs are not subject to the appropriations process. Under section 16 of the proposed budget resolution, legislative committees could continue to enact new loan and loan guarantee programs, but the money to fund these new programs would have to be authorized in a separate appropriations bill. Thus, actual amounts expended for such new loan or loan guarantee programs would be subject to the judgments of the appropriations committees of the House and Senate.

This change would have a significant effect on the price support and emergency credit programs under the committee's jurisdiction. This would include commodity loans that may be authorized in the 1981 farm bill. If in effect a few weeks ago, section 16 would have made the recent extension of the emergency economic loan program (S. 2269) subject to the appropriations process, and farmers might still be waiting for emergency credit to plant their crops.

Section 16 would cause a fundamental

shift in our agricultural price support programs and result in an administrative nightmare. If the Appropriations Committee appropriated less money than needed to carry out commodity price support loans at the authorized levels, a number of questions would immediately arise.

In short, under the financing procedure dictated by section 16 of the resolution, commodity price support loan programs would no longer be a guarantee to farmers against unreasonably low commodity prices, and the ability of Congress to respond quickly in an emergency would be eliminated. This section ignores why there are entitlement programs such as our agricultural programs that are in place to protect farmers against unpredictable events such as the weather, fluctuating economic conditions, or a grain embargo.

I do not have any quarrel with the Budget Committee. Section 16 makes very substantial changes in the way we have been doing business.

I do not feel adequate hearings, notice or time were given for Senators and the various committees affected by section 16 to analzye and comment on the suggested changes.

Changes of this magnitude need to be discussed and debated by all concerned. I feel it is appropriate to strike section 16 at this time to allow full discussion to take place.

It is important that we make the right decisions after careful thought and study. Mr. President, I urge the adoption of this amendment.●

● Mr. ZORINSKY. Mr. President, I support the amendment offered by Senator TALMADGE, the distinguished chairman of the Senate Agriculture Committee.

Mr. President, as my colleague from Georgia has already pointed out, the effect of section 16 of Senate Concurrent Resolution 86 would be to substantially change the current budget process. The proposed change—which would subject any new loan or loan guarantee legislation to the appropriations process—could have a devastating impact on this country's agricultural price support programs.

The Commodity Credit Corporation price support loan programs for grains and other agricultural commodities are operated as an entitlement program. In the past when such legislation has been passed and signed by the President, the new loan levels immediately go into effect. Farmers can count on receiving the loan. They are, if they are otherwise eligible, entitled to the loan.

However, if section 16 of the budget resolution is allowed to pass in its present form, this would no longer be the case. Instead the new price support legislation would also have to go through the process of hearings and consideration by the appropriations committees. Then it would be subject to consideration by Congress as a part of the USDA appropriations bill. Only after both of these requirements had been met would funds for the loan programs become available, and only then could the loans actually be made.

If section 16 passes, unamended, any new legislation Congress may take to increase current wheat or corn price support loans in order to offset the drastically higher production costs farmers have this year, would be jeopardized.

Moreover, Mr. President, the appropriations process may not provide sufficient funding. How can the Appropriations committees and Congress as a whole, possibly be expected to accurately predict months in advance, the size of American grain, cotton, or soybean crops?

How can we know what world and domestic weather conditions will be? How can we foresee market prices 6 months in the future? And how can we predict how many farmers will choose to participate in the Federal farm program?

That being the case, Mr. President, it is entirely possible that insufficient funds would be appropriated for the loan programs. Farmers would be in doubt as to the exact level of support, and would be unable to make fair planting and marketing judgments.

Moreover, as Chairman TALMADGE has pointed out, section 16 would be an administrative nightmare for the USDA.

If insufficient funds were appropriated, or market conditions changed substantially, the USDA would somehow have to decide how to allot the limited loan funds. It could mean that one wheat farmer receives a price support loan, while his neighbor does not. It could mean that everyone receives a smaller loan. In either case, the uncertainty would spell disaster for the program, and disaster for the American farmer.

Section 16 would also affect related Commodity Credit Corporation loans, such as the storage facility loan program.

In short, Mr. President, section 16 would have far-reaching consequences for the agricultural price support programs.

I want to emphasize, Mr. President, that amending section 16 in the manner proposed by Senator TALMADGE would in no way impair the efforts of Congress to balance the Federal budget. The Talmadge amendment would not increase spending a single dime. Further it does not preclude the adoption of a Federal credit budget.

Instead, the amendment simply provides for a more cautious and well-thought out approach to the question of placing limits on credit programs.

CCC price support loans are the heart of our country's farm program. Section 16 in its present form would rip that heart out, and in doing so would wreak havoc with the agricultural economy.

I urge all of my colleagues to support the amendment.●

Mr. HELMS. Mr. President, I support this amendment, of course. Section 16 of the Senate Concurrent Resolution 86—if adopted—would cause a fundamental change in the process through which credit programs are funded.

On its face, this proposal may seem reasonable, but it actually goes far beyond reasonable fiscal responsibility; it would mean the virtual death of the agricultural price support programs. Therefore, this amendment is absolutely essential.

The price support programs of the Commodity Credit Corporation are the very centerpiece of a delicate mix of agricultural policy. To make the change in these programs contemplated by the Budget Committee would eliminate our agricultural policy by ripping out its very heart.

The staples of America's diet and economy would be placed on a roller coaster market. Fluctuations in market prices of a magnitude heretofore unbelievable, would become commonplace. In turn, our agricultural economy would be battered cruelly.

The precise adverse effect of abandoning America's agricultural policy is difficult to foretell. However, I am persuaded that America would no longer be a reliable exporter of agricultural commodities. Within a few short years the family farm could very well be purged from the countryside. Only large corporations could muster the capital required to survive the sort of volatile commodity markets which would result from this change. Of course, consumers would ultimately bear the cost of wild market fluctuations.

Mr. President, those who are not fully familiar with the agricultural price support programs will undoubtably wonder how simply making future credit programs subject to appropriations would reek such havoc. Well, a little background may be helpful: The Commodity Credit Corporation (CCC) and USDA supports the prices of corn, cotton, wheat, rice, peanuts, tobacco, sugar beets and cane, dairy products, honey, wool, mohair, barley, oats, rye, grain sorghum and soybeans. Eligibility for these CCC programs is typically based on farmer participation in production adjustment programs, thereby helping to stabilize the various commodity markets. Farmers participate in these programs because they know that certain benefits will flow to them under certain conditions.

If the CCC programs are made subject to appropriations there will be no certainty that the benefits of the various programs will be available. So, in effect, farmers would be asked to reduce their production without any assurance that the Government will uphold its end of the bargain.

The need for the price support programs is determined largely by the weather and market conditions. The flexibility for CCC programs under the current funding process must be retained for the programs to function. Since there is no way for these programs to function without full funding, either the appropriations process contemplated here, without this amendment, would be only ceremonial, or this is a back-door attempt to kill the programs altogether.

Frankly, I am confident that the distinguished Budget Committee intends neither the death of farm programs nor a ceremonial legislative exercise. Instead, I believe section 16 of the budget resolution is simply the result of hasty committee action. There was no debate when this proposal was brought up late in the evening. There had been no hearings at which this proposal was discussed. In short, the ramifications that would result from adoption of section 16, as it now stands, were not considered.

Mr. President, a proposal like section 16 of this resolution may be appropriate if narrowed. Therefore, I support the amendment.

The PRESIDING OFFICER. Is all time yielded back?

The question is on agreeing to the amendment of the Senator from Georgia.

The amendment was agreed to.

Mr. TALMADGE. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. HOLLINGS. I move to lay that motion on the table.

The PRESIDING OFFICER. Without objection, it is so ordered.

Under the previous order, the Chair recognizes the Senator from Florida to call up his amendment.

UP AMENDMENT NO. 1069

Mr. CHILES. Mr. President, I send to the desk an amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Florida, Mr. CHILES, for himself, Mr. DOMENICI, Mr. JOHNSTON, Mr. STONE, and Mr. YOUNG, propose an unprinted amendment numbered 1069.

Mr. CHILES. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of section 14, page 19, line 24, add the following:

It is the further sense of Congress that due to the extreme rates of inflation in the U.S. economy, the possible inflationary effects of Federal regulations and legislation shall be carefully monitored as part of this program of fiscal restraint. Inflationary effects should therefore be a prime consideration in developing both regulations and legislation. In order to coordinate the aggregate economic impact of regulations with Federal fiscal policy, it is the sense of Congress that the President should implement a "zero net inflation impact" policy for the Federal regulations promulgated in the remainder of FY1980 and FY1981. This policy will require the President to keep an accounting for fiscal years 1980 and 1981 of all new regulations which have a significant, measurable cost to the economy. The aggregate net increase in costs or price effects of new regulations would have to be offset by modifications to existing regulations which reduce the costs or price effects by at least that amount in fiscal years 1980 and 1981, as well as subsequent fiscal years. The cost-saving modifications need not affect the same area of economic activity as the cost-inducing regulations. The President should institute an exemption procedure to assure the promulgation of regulations necessary to avert any imminent threat to health and safety.

It is also the sense of Congress that the Director of the Congressional Budget Office should issue a periodic "inflation scorekeeping" report which shall contain an estimate of the positive or negative inflationary effects, wherever measurable, of legislation enacted to date in the current session of Congress. The report shall also indicate for each bill, promptly after it is reported by a committee of Congress, whether:

1. It is judged to have no significant positive or negative impact on inflation;

2. It is judged to have a positive or negative inflationary impact on the amount specified in terms of both dollar amounts and change in the Consumer Price Index;

3. It is judged likely to have a significant positive or negative impact on inflation, but the amount cannot be determined immediately.

Mr. CHILES. Mr. President, my amendment would augment the anti-inflation policy of the balanced budget resolution for fiscal year 1981 by setting forth a zero net inflation impact policy for Federal regulations issued in the remainder of 1980 and 1981.

Balancing the Federal budget is the cornerstone of our fight against inflation. But I think we need to take other actions, as well.

Every time I talk to business people in my State, they say: "That's fine that you are balancing the budget. But if you don't do something about the regulations, you are not going to really do anything about inflation, especially when new ones are coming out every day and imposing new burdens on us."

My amendment says that, in the current economic climate that we are in, we should not add any inflationary pressure from regulations.

This does not mean we are going to bring Government to a standstill. We have learned to cut spending for old programs to make room for new ones.

Mr. President, may I have order in the Senate?

The PRESIDING OFFICER. The Senator's point is well taken.

Mr. CHILES. Mr. President, what this would say is if we are going to have new regulations, we ought to make room for those new regulations by doing something about cutting some of the old regulations that are not doing anything and that are just costing money.

The administration has taken some important steps to create a regulatory council to try to monitor new regulations. Unfortunately, the focus has all been on new regulations.

No one is looking at existing regulations. The pressures of work are such that all they are doing is looking at new ones. No one goes back and looks at all of the old ones that are on the books, which are causing an expense and involving time.

My amendment sets up the situation where the agencies would have to go back and look at some of their old regulations if they want to propose new ones.

Some people have suggested that we institute a full regulatory budget, comparable to the spending budget. I think that is a fine goal, but I am not sure that we are ready or able to do that right now. I think this amendment, however, would be a good first step.

It says the President would have to set up an accounting system for those new regulations which have a significant, measurable cost to the economy. We recognize that some regulations are too minor to be counted, or that the effects are so uncertain that no one could put a price tag on them.

But we know on the other hand that there are major regulations that we can put a price tag on. The "zero net inflation impact" over the course of a year means that agencies would have to reexamine their existing regulations, either to streamline them or to eliminate some provisions, in order to achieve cost reductions and offset the increases of new regulations.

In effect, what we are talking about is a balanced budget for regulations.

Mr. President, right now we have the kind of situation for regulations which we had for spending before the new Budget Act came into place. We look at each regulation and weigh its cost and benefit, but we have no way of knowing what the total cost of regulations is over the year.

It is just like passing spending bills one at a time, the way we did it for years around here. At the end of the year we would add up what we had done and suddenly found we had spent a lot more than we took in.

This amendment provides two kinds of flexibility since we are starting out on a major new effort.

First, we allow regulatory costs in one area of economic activity to be offset by reductions in another area. For example, if there is an increased cost for environmental protection, you could offset it by a reduction in tax reporting forms.

So we are not requiring that each agency has to balance within its own activities.

The second form of flexibility is the requirement of a waiver provision, so that if there is a need for an emergency regulation to avert some imminent threat to public health or safety, the President can execute a waiver and institute the regulation. We are not trying to stop Government or prohibit being able to pass an emergency regulation or some kind of regulation that is absolutely necessary for the health or welfare of the country.

In addition, this amendment also provides for an inflation scorekeeping to be done by the CBO. We find now that the Congressional Budget Office has set up a small unit which has been measuring the economic impact of legislation. They have provided some useful analyses, but right now they are only picking out a few bills and some with major potential impact have slipped by.

We have developed this year a workable system that can provide Congress with necessary information without impeding its work. On every bill reported out of a committee the Congressional Budget Office would indicate promptly whether it appears to have a significant positive or negative impact on inflation.

If it has a significant positive or negative impact, the amount of the impact is specified in terms of both the dollar amount and the potential change in the Consumer Price Index.

Third, if it appears to have a significant positive or negative impact but the amount cannot be determined immediately.

Most legislation will not have a significant impact, but where the CBO and the administration have been working on an issue they ought to be able to provide an estimate right away.

We know that we are part of the cause of inflation because we pass legislation. We never really look at that legislation and determine whether it is going to have an inflation impact or not. Under this, CBO would set up the provision and we would have a chance to see it, see what the benefits are, see what the impact is, positive or negative, and what the influence would be on the CPI, the Consumer Price Index.

We would be able to weight that and determine whether that is what we should be seeking in that legislation or whether we should be looking at some other way.

Mr. President, I reserve the remainder of my time.

Mr. RIBICOFF. Will the Senator yield me 10 minutes in opposition?

Mr. HOLLINGS. I yield.

Mr. RIBICOFF. Mr. President, the proposal of the Senator from Florida changes the fundamental nature of the way Federal regulations are adopted, and the way substantive changes in regulatory statutes are enacted. It would do so without the benefit of any hearings on the proposal or specific analysis of its likely effects. It is unworkable, it violates basic principles of administrative law, and it ignores legislative alternatives that have been carefully considered and adopted by the Governmental Affairs Committee.

The proposal may only be a part of a concurrent resolution—and therefore not strictly binding on the President. But it strongly encourages the President to implement the proposal. Congress should not be on record as supporting such an unwise proposal.

First. The proposal would blindly amend a wide range of different regulatory statues.

Existing regulations have been adopted by agencies to comply with prior congressional directions. They may be specifically required by law. New regulations are similarly issued to comply with congressional mandates. To force an agency to repeal or modify one regulation to make issuance of another regulation possible will force an agency in effect to break one law to comply with another.

For example, an energy regulatory agency such as DOE or FERC may be required by law to issue new regulations which result in higher energy costs and significant inflation. Is the agency not to do this? Or is it supposed to do so only if it reduces the price of energy in another area. Or is some third, totally unrelated agency, such as the CPSC, Consumer Product Safety Commission, supposed to issue new rulings rolling back safety requirements on cribs, regardless of the requirements of the statutes or the carefully adopted policies of the agency? What logic or principle should lead the CPSC to lower its safety standards so DOE may issue regulations increasing the cost of energy?

The resolution fails to lay out any guidelines or standards which the President may follow when choosing between the competing policy goals of different regulations. The proposal in effect advocates that Congress turn over to the President all responsibility for regulatory policies without any direction or organizing principle which would prevent the President's action from being totally arbitrary and capricious.

Second. The proposal violates basic principles of administrative law.

The proposal looks to the President to make sure that there is no net increase in the costs or price effects of new regulations. Presumably he would do so by telling agencies which regulations they will have to modify, and to what extent, to make up for the increased cost of other new regulations. An agency, even an independent agency such as the SEC, would have to comply regardless of the consequences. This would destroy the independence of such agencies which Congress insisted on when it created the agencies in the first place.

The President and his small staff lack the expertise and the resources necessary to make difficult choices among all the Government's varied and technical regulatory programs in any kind of reasoned or informed way. Yet, under the proposal, the President could presumably act to balance the regulatory budget without any notice or opportunity for the public to comment—in violation of basic due process and the procedures of the Administrative Procedure Act, as carefully interpreted by the courts over the last 34 years.

In making his decisions, he could talk to one side or one vested interest without giving anyone else a chance to respond before acting. And he could act in the face of the expert judgment of the agencies which are supposed to know about the effects and needs of the rules it issues. The process is unlikely to result in either fair or well-informed decisions.

Mr. President, the proposal is unworkable. Agencies are unable, without extensive study, even to estimate the "cost" regulations will have on the economy. The proposal assumes that regulations which impose additional costs will lead to inflation. This may or may not be the case, depending on many variables. Even with extensive and costly study of thousands of existing or proposed regulations, agency estimates of the "cost" of its rules are bound to be very rough and inexact predictions of the likely effect of the regulation on the economy, generally, and on inflation specifically. The resolution, therefore, implies a precision which is just not obtainable.

Even if the state of the art were better than it is, trying to balance out all government regulations would require endless studies, delays, and confusion. All regulations will be susceptible to change. Business will not be able to make its future business decisions with any certainty that the regulations in place today will be on the books 1 month or 1 year from now.

Mr. President, there are better alternatives. The Governmental Affairs Committee and the Judiciary Committee have been working on legislation to effect across-the-board reform of the regulatory process. The bill, which the Governmental Affairs Committee has already reported, and which the Judiciary Committee has until June 1 to consider, requires agencies to analyze the economic effect of all the major rules it proposes. Other provisions require agencies to consider the continued necessity of existing regulations. This carefully drafted legislation will result in greater awareness by agencies of the costs of its proposed or existing regulations without violating the basic regulatory statutes, or basic notions of due process. But, because of the many problems mentioned above, the bill approved by the Governmental Affairs Committee does not contain the kind of approach suggested by the amendment offered by Senator CHILES. The committee specifically rejected, by a vote of 11 to 2, a proposal to give the President the kind of veto authority over agency regulatory proposals implied here.

Mr. President, I believe this proposal of the distinguished Senator is unworkable, it is unsound. We have been working for years in the Governmental Affairs Committee to come up with real regulatory reform. We have 34 cosponsors. The committee voted unanimously to vote the bill out. It is now before the Judiciary Committee, which has 45 days to suggest modifications. They have until June 1.

The real regulatory reform legislation should be on the floor at the beginning of June. Then there will be a complete opportunity to go into the entire regulatory process with any amendments thereto. We have been working for years for real regulatory reform and I do believe we will give the Senate an opportunity this year to have regulatory reform.

The proposal of the distinguished Senator will be counterproductive and destroy any possibility of regulatory reform during this session of Congress.

Mr. President, I yield the floor.

Mr. DOMENICI. Mr. President, will the Senator from Florida yield 2 minutes to the Senator from New Mexico?

Mr. CHILES. I yield.

Mr. DOMENICI. Mr. President, I support this amendment as an original cosponsor. While I have great respect for Senator RIBICOFF, I really hope it is what he said it is. He suggests that this may be a dramatic change in the regulatory system of this country. What I am afraid of is that it is not going to be that because, if it is, I would be for it in spades.

All it says is that for 1980 and 1981, while this country attempts to get out from under economic stagnation, we will have zero regulatory increases imposed on this economy.

I think it is a superb idea. All Senator CHILES is saying is while Congress, the President, the bureaucrats decide how they are going to reform, the $100 billion drag on the American economy is enough. He says there is plenty of room in that great big pot; if you are going to pass some more, go look at some that are not so worthwhile and take a few out.

This is not unknown in the Federal Government. Does the Senator know what we do today with reference to air pollution? We have a tradeoff policy precisely like this. We say if there is dirty air, it is dirty enough and if you want to dirty it any more, go clean some up and trade it off—a little bit of dirt for a little bit of dirt.

It is precisely called the trade-off policy in the Clean Air Act.

Mr. RIBICOFF. If the distinguished Senator will yield, that is not what the amendment of the Senator from Florida is trying to do, trade off something in the Environmental Protection Agency. What it is saying is, go through the entire gamut of all regulations, whatever they are, whatever agency, and trade off there, which could be contrary to a statute or legislation now on the books. So you are dealing with apples and oranges.

That is not what is being proposed by the distinguished Senator. He is going across the entire gamut. Each year, some 700 regulations are passed and we are trying to get a handle on it.

I say to the distinguished Senator, the committee unanimously voted for the regulatory reform proposal which is now before the Judiciary Committee. They have until June 1 and I am sure the majority leader will be placing this on the calendar right after June 1. Then we shall have an opportunity to go into the entire regulatory reform issue.

Mr. DOMENICI. I say to my good friend that I am sorry I was misunderstood. I did not say this amendment applied to the Clean Air Act. I said it is a workable concept.

When we talk about keeping our air clean, what we said is, if it is dirty, you are not going to dirty it any more. We did not have anything more serious than this. We said, if you are going to add to it, you take some out; somebody goes and measures.

What I said was that that was very general, very vague, much like Senator CHILES' proposal. But it worked there. I think it will work here. He is only saying that, for 1980–81, we will have a zero economic impact similar to the clean air rules.

Is that not correct, I ask the Senator from Florida?

Mr. CHILES. That is correct. I thank the distinguished Senator from New Mexico for his comments.

Mr. President, I think the point that was made is a little bit strange. In order not to handicap the administration, we did not say that if you want to pass an environmental regulation, you must cut an environmental regulation. If we had done that, I think there might be a lot of consternation on the floor by saying that. What if you have to have another environmental regulation and you cannot find one to cut? We said, if you want to pass a regulation, you have the whole Government to try to determine where there is one that is not doing any good, where there is one that you can get rid of. We are just trying to allow the maximum flexibility we possibly could.

Mr. President, this proposal is workable with the current governmental framework.

The present structure created by President Carter for managing Government regulations could effectively implement a "zero net inflation impact" policy.

The Regulatory Council, created by the President in October 1978 includes the heads of 35 Federal regulatory agencies. The Council's functions are: First, to put together a calendar of Federal regulations; second, to help identify and coordinate plans for dealing with any significant cross-cutting regulatory issues; and third, undertake projects such as reviewing the cumulative effect of regulations on industries or sectors.

The Regulatory Analysis Review Group is chaired by the Council of Economic Advisors and includes the principal economic and regulatory agencies of Government. The RARG objective is to help agencies better analyze alternative approaches to regulation.

The Office of Management and Budget has been assigned by the President to oversee his Executive Order 12044 concerning the simplification of regulations. The OMB evaluates: First, the clarity of regulations; second, the opportunities for public comment; third, the consideration of alternative approaches to regulations; and fourth, the preparation of regulatory analyses as appropriate.

These three entities work together to provide a structure for managing regulations Government-wide which could implement a zero inflation impact policy.

The regulatory reform bill, S. 262, which my distinguished chairman, the distinguished Senator from Connecticut, has referred to statutorily authorizes the Regulatory Council, places it within the executive office, and clearly assigns the President's management arm a report and review responsibility for Government regulations. The bill essentially strengthens the management structure the administration presently employs to manage regulations from a Government-wide standpoint.

That structure could also be used to complement this policy.

One thing the bill does not do: It does not require any looking at past regulations.

Mr. President, I just think we have reached a point, and I talk to so many business people every day who say, no one ever looks at anything we put on the books. We go and create these agencies, we assign them a mandate; we then create another agency. But nobody ever looks back at anything they do. And they do not look back, either.

The one thing this would do is require us to weigh that. Over this critical period we are talking about that we are trying to get some handle on inflation, we would end up with some kind of zero impact.

If we are talking about sending a message out to the people that we are serious about inflation and we want to do something about curing the anticipation of inflation, that it is going to be worse next year than it is this year, I do not think any message we could send would be better than to say we are going to have a balanced regulatory budget over the next 2 years.

Mr. BRADLEY. Will the Senator yield for a question?

Mr. CHILES. Yes, I yield to the Senator from New Jersey.

Mr. BRADLEY. The EPA is about to promulgate a series of regulations concerning toxic wastes. Under the Senator's proposal, he has an exemption for emergency regulations.

Is it the Senator's judgment that these regulations about to be promulgated fall under the emergency regulation, or must there be an inflation impact statement?

Mr. CHILES. Well, an inflation impact statement is one thing. I hope there would be an inflation impact statement on this, anyway, because I think that helps us to look and determine it is the best way.

But under this, if the President decided there would be an imminent threat to health, and it was necessary to act immediately, he could make that certification and then impose those regulations without having to meet any other criteria. It would be up to the President to make that determination.

Mr. BRADLEY. On each regulation?

Mr. CHILES. That is right.

Mr. BRADLEY. I thank the Senator.

Mr. JOHNSTON. Will the Senator yield for 1 minute?

Mr. CHILES. Yes.

Mr. JOHNSTON. Mr. President, I take pleasure in joining the distinguished Senator from Florida in supporting this amendment.

If we look at the causes of inflation, it seems to me there are three: deficit spending, high cost of energy, and overregulation of the economy.

I think overregulation of this economy, Mr. President, is just as important as the first two causes of inflation.

This amendment, in a very real and tangible way, will get a handle on this problem. It is the best, most creative solution to the problem of overregulation I have seen in this Congress since I have been here in 7 years.

I hope the Senate will support it.

Mr. CHILES. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The Chair recognizes the Senator from South Carolina.

Mr. HOLLINGS. I thank the distinguished Presiding Officer.

Mr. President, there was a question when this amendment was first drawn with respect to germaneness. I am not pursuing that. But that did deter my attention from the amendment, thinking all along I would not have to deal with it.

Now I look at it and see the zero inflation impact policy, and how it is to be set up, and how it is to be administered.

I agree, as the Senator from Louisiana says, it is a needed thing. I agree with the intent. But the idea of a central regulatory office in the National Government stops me in my tracks.

Just as he said, if we get an environmental regulation that does not mean we have to take off an environmental regulation. That means we go around the Government and find one, and take one off somewhere else that it is not needed.

Now, therein is where we get the difficulty. How in a practical, realistic fashion, will we get to that, to the department of Government, and receive——

Mr. CHILES. Will the Senator yield?

Mr. HOLLINGS. Let me complete the thought.

Receive the call. In the letter it says we have an impractical regulation here, we have one that costs about $500,000, so we would like to take off a $500,000 regulation from another department.

How do we do that?

Mr. CHILES. Very simply. We have now under Executive order, and we will have under statute, a regulatory council which is made up of all the regulatory agency heads, some 35 of them sit on that council.

They are now to assess any new regulations and look at any sort of cross purpose regulations.

One thing they have not been given to do is to look at anything on the books now.

What this would say is, when those 35 sit down, they decide, "Look, boys, I have got to have a regulation here, and if you can have a place in the environmental regulation to take off one, I think that is where it should be."

If we want to make it that kind of bind, as we go along, so every agency has to take one off in the agency, I can buy that.

But I do not think most people here can. I can stomach that without any problem.

I think that would give the Senator from Connecticut a lot more problems than what I am proposing here.

I am proposing that at that table they would sit down and say, "Look, we have to do something. It looks like the regulatory agenda this year."

Mr. HOLLINGS. Will the Senator put this on his time?

Mr. CHILES. Yes. Right now, under the Executive order, they have a regulatory calendar, a 12-month agenda of what new regulations are coming out.

They sit down and say, "It looks like that is what we will need. What is the cost going to be?"

It will be x number of dollars. All right, how do we find that cost without putting a further burden on this economy, without putting a further drag, the $100 billion drag, we have now placed on the economy.

Everybody could sit there and say, "OK, I will put up this much," and when we had enough to cover those regulations, that would be fine.

We do that for a lot of other things, including air if we dirty it. Why not do it?

We are so afraid to put anything that will be a burden on the bureaucracy. We do not want to make anything to be impractical on the bureaucracy.

Does anybody think about what is impractical for the businessman, what is impractical for the American economy, what is impractical, any of these bureaucrats, when he imposes that regulation? Do we ever think for a minute what the heck the cost will be, or how impractical it will be for somebody?

I am ready to make something a little impractical on the bureaucrats, to make them sit down and determine what they have to take off if they have something else on. I think the American people are ready for that.

Mr. HOLLINGS. Mr. President, certainly, no one has given greater or better leadership to our budget process than has the distinguished Senator from Florida. Many, truly, would like to be able to go along with him.

But I have to bring to my colleague's mind, still following through, that there is no system. We have very little information on the actual cost of regulations on the books.

I remember one time we were making a talk. They had a Federal Register. At the end of the wall were 10,000 pages. Now it is over 60,000 or 70,000 pages.

Take the oil import fee. I know it is a tax. But look at the Federal Register, and all the regulations go.

They said, "Wait a minute."

One person said, "That is $10 billion worth of regulations." Another said, "No, just for the added personnel, the oil companies, and all, it only costs about $10 million, rather than $10 billion."

So, go through the Government and find $5 million worth of regulations to cut off.

I am trying to follow this through because we do not have that central office. We do not have one office to really make that decision. We have not set it up. I want to be realistic about this proposal.

Mr. RIBICOFF. Will the Senator yield?

Mr. HOLLINGS. Yes.

Mr. RIBICOFF. It is estimated that every economic impact analysis will cost about $250,000.

There are thousands of regulations every year. No one knows how many are on the books.

What is sought to be achieved is placing all this great power in the hands of the President.

But those of us who know how the executive departments work realize the President is never going to make those decisions on the regulations. He has got too much to do with the hostages, with inflation, with Afghanistan.

Some 28- or 30-year-old boy at the White House will make those decisions.

If we are dissatisfied with regulations, that oversight should come right from the Congress and the committees that have jurisdiction over the various regulatory agencies. It is our responsibility.

But what the distinguished Senator is trying to do is put it in a handful of youngsters in the White House to have control of the economic life of this country.

If the President wants to do that himself, I would trust the President. But we know the President is not going to look at the thousands of regulations. He will buck it down to a clerk who will give him a piece of paper for his initials.

What I am trying to say is that after years in the Governmental Affairs Committee, we have worked to come up with a major regulatory reform which was voted out unanimously by the Governmental Affairs Committee.

The distinguished Senator from Florida had a similar proposal before the Governmental Affairs Committee, and it went down by a vote of 11 to 2. He could get only one vote out of the committee to back him up to give the authority to the President.

We are going to have on this floor, after the Judiciary Committee uses up its time by June 1, the major regulatory reform. We have already worked with the American Bar Association, the National Association of Manufacturers, and the U.S. Chamber of Commerce to come up with regulatory reform that has the backing of all major groups in this country.

What the distinguished Senator is going to do is destroy, with this amendment, the work of that committee, which has worked so hard. The proposals of the distinguished Senator from Florida have been voted down consistently, and these were similar proposals in the Governmental Affairs Committee.

Mr. HOLLINGS. I wonder whether the distinguished Senator from Florida will look at the amendment, starting with the fifth line:

> In order to coordinate the aggregate economic impact of regulations with Federal fiscal policy, it is the sense of Congress that the President should implement a "zero net inflation impact" policy for the Federal regulations promulgated in the remainder of fiscal year 1980 and fiscal year 1981. This policy will require the President to keep an accounting for fiscal years 1980 and 1981 of all new regulations which have a significant, measurable cost to the economy.

And down to the end of that paragraph.

That is what bothers me. I want to get to the regulations. I agree with the Senator about the businessmen's problems. I have been on track for the last 2 years, and every week I have been hearing about regulations.

I am not trying to transfer it in an unrealistic way in which it will not be administered.

I assume this is limited to private corporate entities, business entities. It does not say anything about State or local governments, or other governmental entities.

We had a bill passed this week on State hospitals and State penitentiaries. It was filibustered, but let us say that those who prevailed were in the right. I know what that budget is going to be. I have the State-Justice-Commerce appropriations. The Justice Department is going to have about $30 million to administer on the State institutions, to see that they are clean, to see that the individuals are taken care of and that the personnel is adequate. It is going to be $10 million to $20 million, and that is what the budget is going to be next year. Where are we going to take off the $10 million in regulations?

We run away with these programs, but we talk about zero impact. I want to do what the Senator from Florida wants to do, but I do not believe we can do it. The President would have no way to do it. He would have to be elected to two new terms.

Mr. CHILES. I do not understand what the Senator is talking about.

Mr. HOLLINGS. The zero impact—does the Senator insist upon that part of the inflation impact policy? I like the part that says, "the director of the Congressional Budget Office should issue a periodic 'inflation scorekeeping' report."

I think that is a good move, and the

initiative taken by the Senator is timely, and I would like to follow through with that.

Late one evening, we adopt a zero impact regulatory policy. I know what it means and the next fellow knows what it means. But then we look at the Federal Register and all the regulations, and we have no central office and no system of costing it. We will institute all kinds of bureaucracy and regulations in order to regulate, unless we put this in a more understandable and supportable context.

Mr. CHILES. I say to the distinguished Senator from South Carolina that if we take that out, we have nothing left.

There are two thoughts here. One is to control the impact of regulations and the other has CBO develop a scorekeeping system. I like the inflation scorekeeping and I want to have that.

It seems to me that the people are entitled to have us speak on the economic effect of regulations, even if it is late at night, even if we are passing some other legislation late at night.

To say that we think it should be the sense of Congress, and that is what this is—the Senator is right; it is not a law. It is not binding. It is not going to put the President in that kind of straitjacket. But, as the public policymakers, we are supposed to set the public policy. I think we can express ourselves, that we should go the rest of the year, 1980 to 1981, without having an additional inflation impact of new regulations.

If we need new regulations, let us get some of the old ones off the books. It is a sense of Congress, and we are telling the President that should be the public policy. If that goes too far, then I think Senators should vote against it.

The PRESIDING OFFICER. Who yields time?

Mr. CHILES. I yield back the remainder of my time.

Mr. HOLLINGS. I yield back the remainder of my time.

The PRESIDING OFFICER. All time has been yielded back.

The question is on agreeing to the amendment of the Senator from Florida. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Texas (Mr. Bentsen), the Senator from Alaska (Mr. Gravel), the Senator from Massachusetts (Mr. Kennedy), the Senator from Vermont (Mr. Leahy), the Senator from South Dakota (Mr. McGovern), the Senator from Maine (Mr. Muskie), the Senator from Mississippi (Mr. Stennis), and the Senator from Illinois (Mr. Stevenson) are necessarily absent.

Mr. STEVENS. I announce that the Senator from Maryland (Mr. Mathias), the Senator from South Dakota (Mr. Pressler), the Senator from Delaware (Mr. Roth), the Senator from Texas (Mr. Tower), and the Senator from North Dakota (Mr. Young) are necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber wishing to vote?

The result was announced—yeas 53, nays 34, as follows:

[Rollcall Vote No. 106 Leg.]

YEAS—53

Armstrong
Baker
Biden
Boren
Boschwitz
Byrd, Harry F., Jr.
Chafee
Chiles
Cochran
Cohen
Danforth
DeConcini
Dole
Domenici
Durenberger
Durkin
Exon
Ford
Garn
Hart
Hatch
Hatfield
Hayakawa
Heflin
Heinz
Helms
Huddleston
Humphrey
Jepsen
Johnston
Kassebaum
Laxalt
Lugar
McClure
Melcher
Morgan
Nunn
Packwood
Pell
Pryor
Sasser
Schmitt
Schweiker
Simpson
Stafford
Stevens
Stewart
Stone
Talmadge
Thurmond
Wallop
Warner
Zorinsky

NAYS—34

Baucus
Bayh
Bellmon
Bradley
Bumpers
Burdick
Byrd, Robert C.
Cannon
Church
Cranston
Culver
Eagleton
Glenn
Goldwater
Hollings
Inouye
Jackson
Javits
Levin
Long
Magnuson
Matsunaga
Metzenbaum
Moynihan
Nelson
Percy
Proxmire
Randolph
Ribicoff
Riegle
Sarbanes
Tsongas
Weicker
Williams

NOT VOTING—13

Bentsen
Gravel
Kennedy
Leahy
Mathias
McGovern
Muskie
Pressler
Roth
Stennis
Stevenson
Tower
Young

So Mr. Chiles' amendment (UP No. 1069) was agreed to.

Mr. CHILES. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. DOLE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 1070

(Purpose: To increase revenue assumptions for fiscal 1981 by $1 billion)

The PRESIDING OFFICER. The Senator from Tennessee.

Mr. SASSER. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from Tennessee (Mr. Sasser) for himself and Mr. Pryor proposes an unprinted amendment numbered 1070.

Mr. SASSER. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 2, strike line 6 and insert in lieu thereof: "Fiscal Year 1981: $613,900,000,000;"

On page 2, strike line 12 and insert in lieu thereof: "Fiscal Year 1981: −$2,700,000,000;"

On page 3, strike line 4 and insert in lieu thereof: "Fiscal Year 1981: +$1,000,000,000;"

On page 3, strike line 9–11 and insert in lieu thereof: "Fiscal Year 1981: $926,800,000,000;" "Fiscal Year 1982: $952,800,000,000;" "Fiscal Year 1983: $967,700,000,000;"

On page 3 strike line 15 and insert in lieu thereof: "Fiscal Year 1981: $31,700,000,000;"

ORDER OF PROCEDURE ON AMENDMENTS

Mr. ROBERT C. BYRD. Mr. President, will the distinguished Senator yield for a unanimous-consent request?

Mr. SASSER. I yield to the majority leader.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that immediately following the disposition of the amendment by Mr. Sasser and Mr. Pryor that the amendment by Mr. Hatch, which is at the desk, be made the pending business; that there be a 1-hour time limitation on it to be equally divided in accordance with the usual form, the time not to begin running tonight; and upon the disposition of the Hatch amendment on tomorrow the amendment by Mr. Stevens be made the next order of business; that there be a time limitation on Mr. Stevens' amendment of not to exceed 1 hour to be equally divided in accordance with the usual form; and that one amendment by Mr. Schweiker, one amendment by Mr. Jepsen, one amendment by Mr. Humphrey be limited to 1 hour each, the time to be divided and controlled in accordance with the usual form.

The PRESIDING OFFICER. Is there objection?

Mr. BAKER. Mr. President, reserving the right to object, the only sequencing, as I understand, is the sequencing of the Hatch amendment and the Stevens amendment on tomorrow morning?

Mr. ROBERT C. BYRD. The Senator is correct.

Mr. BAKER. I have no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that it be in order at this time to order the yeas and nays on the amendment by Mr. Hatch.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. ROBERT C. BYRD. I make the request.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. ROBERT C. BYRD. Mr. President, I thank the distinguished Senator from Tennessee (Mr. Sasser).

Mr. SASSER. Mr. President, last March 18, I spoke about the need for a resolution that would express the sense of the Senate that: First, Federal travel and transportation cost should be cut by $500 million; second, consultants should be cut by $500 million; and third, the Federal Government should do a better job of collecting its debts—just debts owed the Government by citizens and businesses.

This would result in a reduction of $1 billion in expenditures and $1 billion in revenue—thus narrowing the deficit by $2 billion.

I was joined in this colloquy, on March 18, by the able and distinguished junior Senator from Arkansas (Mr. Pryor).

COSPONSORS

Since March 18, I have taken the floor several times to urge my colleagues to join me in this initiative—the proposed Sasser-Pryor resolution. The able Senator from Arkansas has held several hearings on the abuses in the employment of consultants in the Federal departments and agencies as well.

So far, Senators Magnuson, Proxmire.

STEWART, BOREN, FORD, DECONCINI, HUDDLESTON, DURKIN, METZENBAUM, BUMPERS, HARRY F. BYRD, JR., LEAHY, and BAUCUS have joined Senator PRYOR and me as original cosponsors in the sense of the Senate resolution I have described.

LEADERSHIP OF BUDGET COMMITTEE

Mr. President, I wish to commend the distinguished chairman (Mr. MUSKIE) and ranking minority member (Mr. BELLMON) of the Budget Committee for all the hard work and long hours they put into the development of this budget resolution. As a member of that committee, I am personally aware of, and thankful for, their hard work in bringing the resolution to the Senate floor.

The distinguished floor manager and acting chairman of the Budget Committee (Mr. HOLLINGS) is to be commended for his able and effective leadership in moving this resolution here on the floor of the Senate.

BUDGET RESOLUTION INCORPORATES SASSER-PRYOR CUTS

Mr. President, the budget resolution incorporates the essentials of two of the three major suggestions of the proposed Sasser-Pryor sense of the Senate resolution. The Sasser-Pryor initiative proposed a cut of $500 million in travel and transportation and a $500 million cut in the employment of consultants. The resolution proposes a cut of $3.1 billion in nonessential administrative costs, much of which, presumably, will be nonessential travel, transportation and consultant costs.

BETTER DEBT COLLECTION

On March 18, I called the attention of the Members to the simply poor job the Federal Government is doing in collecting its debts.

Just last year, the Federal agencies wrote off over $1 billion in debts. That amount was simply written off—it just disappeared from the books of the various Federal agencies.

Mr. President, can you imagine that? Now some quick arithmetic indicates that amount was equivalent to the taxes paid by 500,000 Tennesseans is just written off, excused, forgiven, forgotten about by the Federal Government. No wonder we have a hard time balancing the budget.

PROPOSED AMENDMENT

Mr. President, if the actions suggested in the Sasser-Pryor initiative were adopted by the Federal departments and agencies, approximately $1 billion could be collected. Consequently, I am recommending that the amount in the budget resolution for revenue be raised by $1 billion in anticipation that the Federal departments and agencies will adopt the debt collection suggestions in the Sasser-Pryor initiative—all of which I might add have the support of the Comptroller General.

The net effect of this amendment—hopefully—will be the collection of $1 billion in just debts owed to the Government—and a dollar owed to the Government is just like a dollar owed to the American people. The funds could be used to retire $1 billion of the national debt or for other purposes. This would be in sharp contrast to the situation that obtained in fiscal year 1979 when $1 billion—the amount of taxes paid by 500,000 Tennesseans—was simply written off without a trace.

I urge my colleagues to support this amendment.

Mr. President, I yield to the distinguished Senator from Arkansas.

Mr. PRYOR. I appreciate the Senator from Tennessee yielding to me.

Mr. President, I would like to compliment the Senator for the leadership that he has taken in this endeavor. He has brought to the forefront an issue that I think the U.S. Senate, the Congress of the United States, and certainly the American people, should be aware of and sensitive to, especially in this time of budgetary crisis in which we are seeking to find new sources of revenue and find areas where we can cut back expenditures without damaging those programs that serve and service human needs.

Mr. President, I would also like to compliment the Budget Committee members for the outstanding work they have done throughout this debate that has been going on for the last 2 days on the floor of the U.S. Senate.

I think that Senator HOLLINGS has done a wonderful job in very clearly enunciating some of the grave issues that face us as a people as we consider how we will proceed in an attempt to balance the budget and, at the same time, attempt to share the resources of this land and the programs that we have among our people throughout the States and communities which we represent in the United States.

Mr. President, I did join with the Senator from Tennessee (Mr. SASSER) in a debate relative to three areas. One area is the necessary cutting of $500 million for fees which are being paid to consultants in every branch of Government today by almost every agency and department of Government. I feel, many other people feel, and I also believe the General Accounting Office feels, that consultants are in areas that should be performed by Federal civil servants, especially the making of policy, not by people who have become known as the shadow government, the unelected government—individuals who are beginning, at a very rapid rate, to set policy for this country and are responsible to no one.

Another area—and this is an area that our distinguished friend, the junior Senator from Tennessee, has been a great leader in—is the fact that this Government expends some $8.9 billion each year in Federal travel.

Mr. President, I think all of us share the same feeling of the Senator from Tennessee (Mr. SASSER) in realizing that we cannot continue to be this extravagant in the movement of Federal employees throughout our Government.

Mr. President, the third area that our resolution addressed relaxed to what this particular amendment directs itself to this evening; that is, the collection of some $1 billion in debts that are today owed not only to the Government, as Senator SASSER has more succinctly and eloquently said than I, but it is owed to the American people. Debts of all kinds, debts that are overdue and debts that should be collected by the Government so that we can help to balance our budget and so that we can continue providing the services that are so absolutely necessary for our people and for our country.

In closing, Mr. President, I would like to say that this particular amendment addresses itself specifically tonight to the area of Federal debt collection. It is an area that has haunted this Government. It is a concern that has given us grave problems. To be very honest, and I believe the Senator from Tennessee realizes this, on one particular vote in my first year in the Senate in 1979 I did not support some of the concepts that the Senator from Tennessee was supporting at that time. But since then I have studied this matter further, and because I have seen that these are debts that are justly owed to the American people, I believe we should encourage the agencies and the departments throughout our Federal Government to go out and collect these debts and to bring these moneys back into the Federal Treasury where they belong.

Mr. President, I am proud to join Senator SASSER in this amendment this evening. I apologize for the lateness of the hour. I appreciate the courtesies of the chairman, Senator HOLLINGS.

Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. HOLLINGS. Mr. President, the Senator from Arkansas has brought a fresh approach to a problem that many of us recognize. This approach gives us a basis within the budget process to propose a 5-percent cut on administrative costs throughout the various administrative departments in Government.

Had it not been for Senator PRYOR's innovative approach with respect to consultant fees, and bringing it very vividly to all of us here in the Congress and the public at large, had it not been for Senator SASSER on the Budget Committee also exposing the undue amounts in travel pay, it would have been an unrealistic motion on behalf of the Senator from Nebraska (Mr. EXON) when he increased the 2-percent to a 5-percent amount. But due to the groundwork and actual leadership given by both Senator SASSER and Senator PRYOR to these needs, we realized it was not just, as we call it, a meat-ax approach but something which could be effectuated within each of the departments. We could see the results.

When it comes to the debt collection, we have a very difficult time assuming revenues that the Congressional Budget Office and the administration do not yet foresee.

I recognize and encourage the important saving initiatives of the two distinguished Senators. We will carefully monitor the progress made in increasing this Federal debt collection initiative. I take it through added oversight in the Congress, through the Departments themselves, and the agency awareness with respect to these debts as listed in the remarks of the distinguished Senator from Tennessee, with respect to the State Department example, the LEAA, the interest costs, the Geological Survey and everything else, in a very orderly and logical way he has enunciated it right down to a final report.

It could well be that by the time of the second concurrent resolution, which comes in another 120 days, working with CBO and the administration, we can begin to reflect these costs.

If at that time we can reflect the collections to the extent of $1 billion, that will be fine. We would be the first to join in with the suggestion and include them in the budget resolution. But I think it is not quite timely at this point to collect and count $1 billion at this particular moment just when we are starting this new initiative.

I would hope, rather than pressing the amendment this evening, at this particular time, they would consider perhaps withholding it and letting us look at this in depth at the time of the consideration of the second concurrent budget resolution.

Mr. SASSER. Mr. President, I wish to call several points to the attention of the distinguished floor manager (Mr. HOLLINGS) to which he has already alluded.

PRESIDENT'S DEBT COLLECTION PROJECT

First, last October 15, the President's Management Improvement Council initiated a debt collection project under the direction of the Office of Management and Budget. This project springs—at least in part—out of special appropriations hearings that I conducted on March 20, 1979 on "Improving Government Debt Collection Operations."

DEBT COLLECTION PROJECT—INTERIM REPORT

In the March 20, 1980 interim report to the Management Improvement Council, the project manager outlined the magnitude of the problem. There are 23 major Federal departments and agencies which have over $100 million in receivables each.

Let me give a few examples of the potential for savings:

STATE DEPARTMENT EXAMPLE

The President's debt collection project found that the Department of State has only full-time employee to service over 3,000 accounts—amounting to almost $100 million for accounts receivable.

LEAA EXAMPLE

In the Law Enforcement Assistance Administration, only 4 part-time and 2 full-time employees have been assigned to service 210,000 student loan accounts amounting to more than $150 million.

I am advised that in the private sector at least 30 people would be assigned to a debt collection effort of such a magnitude. An additional person would be employed to follow up on every 200 to 300 problem or delinquent accounts—and reportedly the LEAA program has a goodly number of delinquent accounts.

INTEREST LOST

The General Accounting Office reported 2 years ago that $200 million is being lost annually because interest is not being charged on overdue accounts. At that time the prime rate was about half of what it is now so the Government—and the taxpayer—is losing about $400 million annually in interest alone.

GEOLOGICAL SURVEY

The Geological Survey collects royalties for oil and gas removed from Federal and Indian lands. However, the Survey is not collecting all that is owned by the oil and gas industry because of faulty accounting procedures. In addition, Mr. President, $359 million of the payments received in 1977 were past due. Can you imagine that, Mr. President? The American taxpayer, in effect, provided a $359 million interest free loan to the oil and gas industry in 1977.

FINAL REPORT

Mr. President, the President's debt collection project contemplates a final report on August 20, 1980. This will allow for implementation of the recommendations for fiscal year 1981. Based on the interim report, I am confident that whatever recommendations are finally implemented will raise $1 billion in revenues by collecting the just debts owed to the Government by businesses and individuals.

CONCLUSION

Mr. President, as a member of the Budget Committee, I am keenly aware of the responsibility of the distinguished floor manager, Senator HOLLINGS, and I recognize the difficulty that Senate conferees will encounter in conference on this budget resolution. Consequently, I am willing to abide by the wishes of our distinguished chairman and withdraw the amendment at this time. The amendment can be reoffered at a later date as the chairman has indicated, during consideration of the second concurrent budget resolution, and after the President's debt collection project has made its final report.

The sources for $1 billion in savings from improved debt collection can be more clearly defined at that time.

I thank the able and distinguished floor manager and the ranking minority member for their understanding on this matter, and I withdraw the amendment at this time.

The PRESIDING OFFICER. Without objection, the amendment is withdrawn.

Mr. HOLLINGS. I thank the distinguished Senator from Tennessee and the distinguished Senator from Arkansas. I appreciate the opportunity to work with them on this matter.

UP AMENDMENT NO. 1071
AMENDMENT NO. 1753

(Purpose: To reduce revenues and outlays to permit tax cuts to encourage productivity)

The PRESIDING OFFICER. If Senators will suspend, the Chair will lay down the next amendment at this time.

Mr. ROBERT C. BYRD. Yes, Mr. President.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Utah (Mr. HATCH) proposes an unprinted amendment numbered 1071.

The amendment is as follows:

Proposed by Mr. Hatch

On page 2, beginning with line 4, strike out through line 16 on page 11 and insert the following:

(1) the recommended level of Federal revenues is as follows:

Fiscal year 1981: —$11,000,000,000;
Fiscal year 1982: $674,600,000,000;
Fiscal year 1983: $747,400,000,000;

and the amount by which the aggregate levels of Federal revenues should be increased or decreased is as follows:

Fiscal year 1981: —$11,000,000,000;
Fiscal year 1982: —$32,200,000,000;
Fiscal year 1983: —$66,700,000,000;

(2) the appropriate level of total new budget authority is as follows:

Fiscal year 1981: $679,400,000,000;
Fiscal year 1982: $745,000,000,000;
Fiscal year 1983: $824,200,000,000;

(3) the appropriate level of total budget outlays is as follows:

Fiscal year 1981: $605,600,000,000;
Fiscal year 1982: $674,600,000,000;
Fiscal year 1983: $747,400,000,000;

(4) the amount of the deficit or surplus in the budget which is appropriate in the light of economic conditions and all other relevant factors is as follows:

Fiscal year 1981: $0;
Fiscal year 1982: $0;
Fiscal year 1983: $0;

(5) the appropriate level of the public debt is as follows:

Fiscal year 1981: $927,800,000,000;
Fiscal year 1982: $963,800,000,000;
Fiscal year 1983: $1,005,800,000,000;

and the amount by which the temporary statutory limit on such debt should be accordingly increased is as follows:

Fiscal year 1981: $32,700,000,000;
Fiscal year 1982: $36,000,000,000;
Fiscal year 1983: $42,000,000,000;

(b) Based on allocations of the appropriate levels of total new budget authority and of total budget outlays as set forth in paragraphs (2) and (3) of the preceding subsection of this resolution, the Congress hereby determines and declares pursuant to section 301(a) of the Congressional Budget Act of 1974 that, for the fiscal years beginning on October 1, 1980, October 1, 1981, and October 1, 1982, the appropriate level of new budget authority and the estimated budget outlays for each major functional category are respectively as follows:

(1) National Defense (050):
Fiscal year 1981:
(A) New budget authority, $173,400,000,000;
(B) Outlays, $155,700,000,000.
Fiscal year 1982:
(A) New budget authority, $204,500,000,000;
(B) Outlays, $183,100,000,000.
Fiscal year 1983:
(A) New budget authority, $233,900,000,000;
(B) Outlays, $208,600,000,000.

(2) International Affairs (150):
Fiscal year 1981:
(A) New budget authority, $22,900,000,000;
(B) Outlays, $9,300,000,000.
Fiscal year 1982:
(A) New budget authority, $14,200,000,000;
(B) Outlays, $9,400,000,000.
Fiscal year 1983:
(A) New budget authority, $13,200,000,000;
(B) Outlays, $9,500,000,000.

(3) General Science, Space, and Technology (250):
Fiscal year 1981:
(A) New budget authority, $6,300,000,000;
(B) Outlays, $6,000,000,000.
Fiscal year 1982:
(A) New budget authority, $6,700,000,000;
(B) Outlays, $6,600,000,000.
Fiscal year 1983:
(A) New budget authority, $7,000,000,000;
(B) Outlays, $6,900,000,000.

(4) Energy (270):
Fiscal year 1981:
(A) New budget authority, $3,800,000,000;
(B) Outlays, $6,700,000,000.
Fiscal year 1982:
(A) New budget authority, $6,100,000,000;
(B) Outlays, $8,100,000,000.

Fiscal year 1983:

(A) New budget authority, $8,600,000,000;

(B) Outlays, $8,800,000,000.

(5) Natural Resources and Environment (300):

Fiscal year 1981:

(A) New budget authority, $11,400,000,000;

(B) Outlays, $11,600,000,000.

Fiscal year 1982:

(A) New budget authority, $11,400,000,000;

(B) Outlays, $12,200,000,000.

Fiscal year 1983:

(A) New budget authority, $11,700,000,000;

(B) Outlays, $12,600,000,000.

(6) Agriculture (350):

Fiscal year 1981:

(A) New budget authority, $5,500,000,000;

(B) Outlays, $2,200,000,000.

Fiscal year 1982:

(A) New budget authority, $6,400,000,000;

(B) Outlays, $4,300,000,000.

Fiscal year 1983:

(A) New budget authority, $4,400,000,000;

(B) Outlays, $5,100,000,000.

(7) Commerce and Housing Credit (370):

Fiscal year 1981:

(A) New budget authority, $5,000,000,000;

(B) Outlays, $200,000,000.

Fiscal year 1982:

(A) New budget authority, $5,700,000,000;

(B) Outlays, $2,600,000,000.

Fiscal year 1983:

(A) New budget authority, $6,200,000,000;

(B) Outlays, $2,900,000,000.

(8) Transportation (400):

Fiscal year 1981:

(A) New budget authority, $19,500,000,000;

(B) Outlays, $17,800,000,000.

Fiscal year 1982:

(A) New budget authority, $18,300,000,000;

(B) Outlays, $18,700,000,000.

Fiscal year 1983:

(A) New budget authority, $19,400,000,000;

(B) Outlays, $19,800,000,000.

(9) Community and Regional Development (450):

Fiscal year 1981:

(A) New budget authority, $8,700,000,000;

(B) Outlays, $9,100,000,000.

Fiscal year 1982:

(A) New budget authority, $8,300,000,000;

(B) Outlays, $8,600,000,000.

Fiscal year 1983:

(A) New budget authority, $8,700,000,000;

(B) Outlays, $8,800,000,000.

(10) Education, Training, Employment, and Social Services (500):

Fiscal year 1981:

(A) New budget authority, $28,800,000,000;

(B) Outlays, $27,800,000,000.

Fiscal year 1982:

(A) New budget authority, $29,500,000,000;

(B) Outlays, $28,000,000,000.

Fiscal year 1983:

(A) New budget authority, $30,800,000,000;

(B) Outlays, $30,200,000,000.

(11) Health (550):

Fiscal year 1981:

(A) New budget authority, $69,300,000,000;

(B) Outlays, $60,500,000,000.

Fiscal year 1982:

(A) New budget authority, $79,400,000,000;

(B) Outlays, $68,300,000,000.

Fiscal year 1983:

(A) New budget authority, $91,100,000,000;

(B) Outlays, $77,400,000,000.

(12) Income Security (600):

Fiscal year 1981:

(A) New budget authority, $242,900,000,000;

(B) Outlays, $216,700,000,000.

Fiscal year 1982:

(A) New budget authority, $273,100,000,000;

(B) Outlays, $243,800,000,000.

Fiscal year 1983:

(A) New budget authority, $302,300,000,000;

(B) Outlays, $270,500,000,000.

(13) Veterans Benefits and Services (700);

Fiscal year 1981:

(A) New budget authority, $21,000,000,000;

(B) Outlays, $20,500,000,000.

Fiscal year 1982:

(A) New budget authority, $22,300,000,000;

(B) Outlays, $21,900,000,000.

Fiscal year 1983:

(A) New budget authority, $24,200,000,000;

(B) Outlays, $23,800,000,000.

(14) Administration of Justice (750):

Fiscal year 1981:

(A) New budget authority, $4,100,000,000;

(B) Outlays, $4,500,000,000.

Fiscal year 1982:

(A) New budget authority, $4,300,000,000;

(B) Outlays, $4,300,000,000.

Fiscal year 1983:

(A) New budget authority, $4,500,000,000;

(B) Outlays, $4,600,000,000.

(15) General Government (800):

Fiscal year 1981:

(A) New budget authority, $4,500,000,000;

(B) Outlays, $4,200,000,000.

Fiscal year 1982:

(A) New budget authority, $4,600,000,000;

(B) Outlays, $4,500,000,000.

Fiscal year 1983:

(A) New budget authority, $5,000,000,000;

(B) Outlays, $4,800,000,000.

(16) General Purpose Fiscal Assistance (850):

Fiscal year 1981:

(A) New budget authority, $6,200,000,000;

(B) Outlays, $6,700,000,000.

Fiscal year 1982:

(A) New budget authority, $6,200,000,000;

(B) Outlays, $6,200,000,000.

Fiscal year 1983:

(A) New budget authority, $6,500,000,000;

(B) Outlays, $6,400,000,000.

(17) Interest (900):

Fiscal year 1981:

(A) New budget authority, $70,800,000,000;

(B) Outlays, $70,800,000,000.

Fiscal year 1982:

(A) New budget authority, $71,500,000,000;

(B) Outlays, $71,500,000,000.

Fiscal year 1983:

(A) New budget authority, $76,500,000,000;

(B) Outlays, $76,500,000,000.

(18) Undistributed Offsetting Receipts (950):

Fiscal year 1981:

(A) New budget authority, —$24,700,000,000;

(B) Outlays, —$24,700,000,000.

Fiscal year 1982:

(A) New budget authority, —$27,500,000,000;

(B) Outlays, —$27,500,000,000.

Fiscal year 1983:

(A) New budget authority, —$29,800,000,000;

(B) Outlays, —$29,800,000,000.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there now be a period for the transaction of routine morning business, and that Senators may speak therein.

The PRESIDING OFFICER. Without objection, it is so ordered.

RATIFICATION OF THE GENOCIDE CONVENTION: THE FIRST STEP

Mr. PROXMIRE. Mr. President, there are still those who maintain that ratification of the Genocide Convention will be of little use; that this treaty will not significantly help in the world's struggle to end the threat of this most horrifying and barbarous crime against humanity.

I do not argue that ratification of the Genocide Convention will lead to an instant end of mass murder. It will not.

But neither do I think it will be meaningless.

And I cannot understand how we, as human beings, can fail to lend our support to a treaty which guarantees the most basic right—the right to live—to all human beings.

The U.S. Senate has had the opportunity to ratify the Genocide Convention since 1949 when it was first submitted by President Truman. President after President since that time have repeatedly called upon the Senate to act. The Senate Foreign Relations Committee has reported the treaty favorably four times. And over the years the list of supporters across the country has grown. Numerous civic, religious, professional, and political organizations have all endorsed the treaty.

Yet still we hesitate.

Documents in many countries throughout history have set out certain rights and freedoms to be safeguarded for their citizens. Our own country's commitment to these fundamental rights is implicit in such documents as our Declaration of Independence and the Bill of Rights. They have served as vital tools for the magnificent progress we have made in guaranteeing the basic rights to all our citizens.

And yet, as effective as these documents have been, their goals were not immediately established. It has been a long and difficult struggle. A struggle which still faces the world as reports of genocide, both real and alleged, continue.

It is too late to save the already millions of victims of this horrible crime of genocide. Whatever we do now—it is too late for them. But there is one simple step we can take now which can start us on the road to alleviating this most heinous crime.

What is that step?

It is the ratification of the only treaty which declares genocide a crime under international law and thereby guarantees the right to live to all ethnic, religious, national, and racial groups.

Admittedly this is only a small step. It will not work miracles. It will not automatically end once and for all this most horrible act of genocide. But let us remember that none of the great documents of mankind produced such instant results. Not even our own Bill of Rights.

But they did shape history in the long run.

Mr. President, the same can be true of the Genocide Convention which guarantees the right to live—a right which is inherent in the basic beliefs of the American people.

We must give it a chance, however.

We must ratify the Genocide Convention now.

NATION'S ECONOMIC CONDITION

Mr. PRESSLER. Mr. President, I am gravely concerned about the Nation's economic condition, especially as it affects small business people who operate about 98 percent of all companies in America. Robert J. Casey, editor of the National Small Business Association (NSB) monthly "Economic Letter," reports that small business persons have a severe loss of confidence in future business activity. NSB, the oldest organization in the service of small business, has 50,000 direct members throughout the Nation. Additionally, it represents 4 million more small businesses through the Small Business Legislative Council, composed of 78 associations, both national and regional.

I was privileged to have an article printed in this month's issue of the "Economic Letter" which presents my analysis of how the Federal Reserve Board's tight money policy is affecting small business, and my recommendations for both short-term and long-term actions to aid small business.

Mr. President, I ask unanimous consent to have printed in the Record the text of my May Economic Letter.

There being no objection, the letter was ordered to be printed in the Record, as follows:

Fed's 'Tight Money' Policy Putting Squeeze on U.S. Small Business

(By Senator Larry Pressler)

The present "tight money" policy of the Federal Reserve Board (FRB) is putting the squeeze on small business. The most visible and dramatic effect of this policy is high interest rates which increase short-term, variable costs. Increased costs of financing inventories and other current assets reduce or eliminate profits.

If short-term costs cannot be passed on to the customers, the small business operator is forced to cut costs by such methods as reducing inventories, minimizing variable costs, cutting payrolls, and deferring capital expenditures. While costs reduction and efficiency are necessary and desirable, these forced short-term methods are just that—short-term. If such short-term methods work, a business may survive for a while, but the cost of survival must be measured in terms of lost sales and profits due to low inventories, lack of jobs and incentives due to payroll cuts, and decreased productivity due to deferred capital expenditures.

My interest in and concern for small business is both parochial and national: As one of the Senators from South Dakota, whose economy is almost entirely dependent on small business and agriculture (often one and the same) and as a member of the Senate Select Committee on Small Business, which has the responsibility to represent interests of small businesses across the nation, about 98 percent of all American firms.

Small businesses are perhaps the most vulnerable to the ravage of inflation and skyrocketing interest rates. Small business is truly at the "front lines" in the economic battle.

Even though the short-term of survival, it pales in comparison to long-term cost. Each business must not only meet its short-run expenses, but plan for the long-range policies to be a prosperous going concern. The belt-tightening pressures are further compounded by the Federal Reserve Board's restriction on credit availability. Although the FRB announced that "special effort will be made to maintain credit for farmers and small businessmen," and has adopted NSB recommendations to move in this direction, restricting consumer credit will have a substantial impact on small businesses by reducing credit sales to customers. The pressures of short-term cost reduction and reduced sales make long-range viability more difficult and are driving many small businesses to the brink of bankruptcy.

The prospects for massive liquidations or bankruptcies of small businesses are staggering. The employees of bankrupt businesses will be without jobs. Suppliers of bankrupt businesses will lose at least part of their market, which reduces demand for their product and could result in additional employee lay-offs. The direct cost of lower employment to the government is a reduction in income and employment tax revenues. The greater cost to our entire economy is a further decline in productivity by eliminating many innovative businesses, leading to a further downward spiral.

The serious plight of small business requires both short-term and long-range action. The Senate Small Business and Finance Committees have held hearings on capital formation to determine what course should be taken. Because of the immediacy of the crisis, it is imperative that quick, effective action be taken by the Congress and the President to encourage capital formation and improve cash flow for small businesses. Additionally, a moratorium should be imposed on government regulations which mandate nonprofitable capital expenditures. Furthermore, short-term, low interest emergency loans should be made available to help small businesses weather the current crisis.

Short-term, emergency actions will not be a cure-all for small business and our economic problems. Long-range actions must be taken to bring inflation under control. The FRB monetary policies must be coupled with fiscal restraint to be effective. Although a balanced budget is not the ultimate solution, it is a step in the right direction. What is needed is a substantial reduction in government spending.

Any successful long-term economic policy must also include changes in the basic tax structure. Such changes must be sufficient to induce a higher rate of consumer and business savings and investment. The current low savings and investment rates have adversely affected the country's productivity and directly fed inflation and our declining competitiveness in many sectors of international trade.

Government spending could be limited to a percentage of GNP. I cosponsored Senate Resolution 380 which would limit total budget outlays in FY 81 to 21 per cent of GNP. I am also a cosponsor of legislation requiring the President to submit a balanced budget each year, since the budget process begins with the Administration.

Another means of curbing government spending is for Congressional Committees to actively exercise their oversight responsibilities on governmental agencies. This could take the approach of either requiring stricter standards for justifying budget increases, or starting with predetermined automatic reductions and receiving input from the agencies as to where the mandatory reductions can best be made.

Finally, we must reduce our national debt. At the present time, 13 cents of each dollar requested by the President for government spending is for interest in our national debt. Such a high percentage of "fixed spending" can and must be reduced. To help bring it under control, we must reduce unnecessary foreign aid and oppose attempts to raise the national debt ceiling. Furthermore, our NATO allies must share more of our common defense burden.

There is an increasing awareness of the pressures facing small business. A growing consensus is forming in Congress for some of the actions outlined here. The White House Conference on Small Business and NSB have made many productive recommendations, ideas we are happy to have, because they are the first step toward solution of problems.

Recession Has Arrived, Survey Indicates; Some Foresee "Disaster"

INDEX SHOWS LOSS OF CONFIDENCE IN PROJECTED BUSINESS ACTIVITY

The National Small Business Association (NSB) Index of the Small Business Outlook has been warning of an approaching recession since January. Now, the monthly survey shows alarming signs that "bad times" have definitely arrived. The NSB Index of the Small Business Outlook plunged to 43 for May, a ten-point decrease since April, indicating a loss of confidence in projected business activity.

"Disaster" . . . . . . "business is dead" . . . . . . "help is needed" . . . . . "I'm going out of business." These are some of the grim comments by NSB members who responded to the monthly association survey.

Several NSB respondents used the word "disaster" to cover their opinion of business conditions. Many blame their difficulties on the government's anti-inflation program. "High interest rates are killing us," said an Illinois member.

The NSB Index peaked at 64 in May 1979. The 21-point drop to the May 1980 figure of 43 is reflected in the reports of 65 per cent of the survey respondents, who say business is now worse than a year ago. Only 29 per cent say "better" and six per cent say "no change."

There were 45 per cent who predicted sales increases in May, but 57 per cent expect net earnings after taxes to decrease during the month.

Employment is sliding downward. Forty per cent believe there will be a decrease in employment during May, while only 13 per cent foresee increases.

Incoming orders to manufacturers and retailers will be less in May, according to 62 per cent of the NSB members polled, (compared with 29 percent last month). Only 27 per cent said orders will increase.

Thus, the nation's best leading indicator, small business says we are experiencing poor economic conditions even "disaster."

The NSB survey is primarily concerned with short-term projections. It is based on the percentage of survey respondents indicating an "increase" or "decrease" in dollar volume of sales and net earnings after taxes. Ten other indicators are registered.

Every part of America and every Standard Industrial Classification are represented in NSB's Economic Survey.

REMOTE SENSING—ITS POTENTIAL

Mr. PRESSLER. Mr. President, last month, the Society of Exploration of Geophysicists held their Sixth Annual Pecora Symposium and Exploration in Sioux Falls, S. Dak. The theme of the program was the integration of remote sensing into the exploration process. The program included a number of interesting papers on how to apply remote sensing methods, in combination with other more conventional methods, to manage our natural resources.

I have long taken a special interest in land remote sensing activities. The Earth resources observation system (EROS) located near Sioux Falls, S. Dak., was established in 1972 as a receiver and archivist of satellite pictures of the Earth. With the help of over 400 highly skilled employees, EROS produces simulated aerial photographs and maps of the Earth's surface.

EROS Data Center has proven its ability in assessing rangeland potential, mapping snowfall in the watersheds, and surveying agricultural developments. EROS is an excellent example of advanced achievements in modern technology which will contribute to the development of our natural resources.

The highlight of the Pecora Symposium and Exploration was the keynote luncheon speech given by our distinguished colleague from New Mexico, Senator SCHMITT. Senator SCHMITT, who has an impressive scientific background, has long had an active role in the effective use of our space satellite system programs. The speech is entitled "The Politics of Remote Sensing," and is extremely enlightening on this subject.

Mr. President, for the benefit of those Senators who wish to further acquaint themselves with this subject, I ask unanimous consent that this fine speech be printed in the RECORD.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

THE POLITICS OF REMOTE SENSING

(By Senator HARRISON SCHMITT)

This nation is facing some of its toughest tests as it moves through the beginning decade of its third century. Not the least of these tests will be the "Technology" test.

Will we develop the institutional foundations, the national will, and the political maturity to use technology to survive as a nation, or will we give up: throw it in on the greatest human experiment of all time? I'm an optimist about the answer, although you could question my sanity for being so. The lack of technological perspective in government policy is massive in its proportions.

Throughout its history, science and technology have provided the United States with its most significant new national policy options. That the overwhelming majority of the American people believe this to be true and will be true in the future has been shown by survey after survey.

Look at a few of the more obvious examples from the past:

The transcontinental railroad opened up a continent and preserved the destiny of a new nation.

The automation of manufacturing laid the foundation for our early economy and the defense of freedom in two world wars.

The on-going agricultural revolution not only has fed our people and spurred their economic growth, but has fed much of the world.

The science and technology of mineral, oil and gas exploration provided the base for our modern national growth.

The construction of the Panama Canal established the U.S. as the dominant maritime and trading nation of the world as well as created new technology for our industry.

The harnessing of nuclear energy, although incomplete, ended a war, prevented other wars, and could provide inexhaustible energy for mankind if we are wise enough to handle it.

The electronics revolution has drawn the people of the world together with a potential for good unmatched in history.

The vast base of technology from our space endeavors supplies a continuous stream of new services in an infinite number of areas. These include not only remote sensing of our environment and its resources, but health care, communications, computers, energy efficiency, and consumer products, to name only a few.

There are many more examples which, on close examination, show that critical new policy options were created by science and technology for expansion, growth and protection of the nation and the vast improvement of the well-being of its citizens.

True, through ignorance or neglect there have been adverse consequences from these new technologies, but the total benefits far outweigh the costs. Few Americans would advocate turning back the clock; however, as we move even more aggressively into the future, we must learn from the mistakes in judgment in the past.

Remote sensing, as a major component of the information age that is on the horizon, is one of the, as yet untapped, technological resources for the making of new policy. The political immaturity with which our governmental institutions deal with this vast policy resource is enough to frost a chili pepper.

For example, information systems technology, in the broadest sense, makes it possible to rationally imagine the gradual elimination of hunger, disease, poverty and ignorance in the underdeveloped portions of the world. These four horsemen of disaster are rushing down on mankind and freedom at unparalleled speeds.

However, for the first time in human history, we can consider technically realistic means of stopping their onslaught and using that capability as the foundation of our foreign policy toward the underdeveloped nations of the world.

The foundations for this new foreign policy lie in the gathering, analysis, distribution and use of information. There is no present indication that our institutions and their leaders have any conception of what that statement means.

The collection and distribution of information on a worldwide basis via satellite has provided a distinct change in the course of human history. The most graphic demonstration of this change came when, on Christmas eve, 1968, hundreds of millions of human beings throughout the world, simultaneously had a new thought about a familiar object in the night sky—the Moon.

The men of Apollo 8 were there, and the Moon would never be the same for anyone. Now, we realize that the world will never be the same: that there are solutions to those age-old problems of the human condition on Earth. There are solutions if we are wise enough to reach out and grasp them.

Through information technologies, we can and should create programs aimed at permanent, eventually self-financing, services for worldwide communications, weather and ocean forecasting, earth resources discovery or monitoring, societal services like education, and prediction of natural events of disastrous human consequences or broad scale economic impact.

Through technology and know-how we can and should help underdeveloped nations create agricultural, health, resource and educational systems that permit their entry into the 20th Century.

In spite of the potential of remote sensing, the administration has advocated the policies of bluster and delay in its development and broad scale use. The Congress, as is usual in technological matters, has followed this vacuous lead.

I can recall few examples of hearings where a technology has received more praise and less support than those on remote sensing. But then maybe I forget other hearings on earthquake prediction, medical research, space shuttle, energy alternatives, climate forecasting, communications technology, and the like. The list of intentionally missed opportunities is endless.

During the last days of the 95th Congress, and then again in the current 96th Congress, I introduced a national aeronautics and space policy act. As proposed implementing legislation for that act, I also introduced an earth resources information satellite corporation act.

If it were enacted into law, this second bill, the "earthsat bill", would provide the statutory basis for the creation of a commercial operational service, modeled after COM SAT, for the gathering and dissemination of Earth resources information for both domestic and foreign markets.

We have done nothing but go backward since the introduction of this legislation. One has to wonder if the introduction of these bills was to blame. I hope not. In fact, I am confirmed in my belief in the "earthsat" approach by the stumbling move by the Carter Administration to give NOAA interim responsibility to develop an operational Earth resources system and its subsequent budget decisions that clearly make it impossible for NOAA or any Government agency to succeed, much less compete with more aggressive foreign interests.

I am now cynical enough about the Carter Administration to believe that this reorganization was to create the illusion of policy without having to do anything substantive.

But before I sink into a fit of depression over what might be, but now is not, let me review the basic foundations upon which the politics of remote sensing rest.

The terms "Earth resources information" and "remote sensing" are gradually becoming a part of our everyday vocabulary, although not yet exactly household phrases.

Remote sensing as an art in science has been around for a long time; first and foremost, in the form of man's eyes. We are very far from duplicating with instruments and systems, the capabilities of those eyes and their unbelievable sophisticated data processing system we call the brain. However, we have learned over the past decade to vastly extend their reach through satellites, high-altitude aircraft, increased knowledge about the Earth and its resources, an explosion of technology in the sensing of the response of natural materials to electromagnetic radiation, and an unbelievable expansion of data processing techniques.

These technologies have all contributed to making visible and useful that which was previously hidden and wasted.

It is this extension of our ability to use our eyes and brain to observe, integrate, synthesize, interpret and apply which we have come to know as remote sensing.

The broad scale use of the unique view of earth offered by satellites began in the 1960's with the development of telecommunications and weather satellite systems. The obvious success of these efforts, culminating in comsat, intelsat, and the world weather watch, was based on the long-established need for global communications and weather information. In addition, there was in existence a long-established institutional base to use telecommunications and weather information.

The need for modern earth resources information and the institutional base to serve those needs has developed slowly in spite of the obvious potential of such information. Unlike telecommunications and weather data, remotely gathered earth resources information was not in general use prior to the space age since it was not available except in the form of standard aerial photography.

With the existence and ever-broader potential of information from the landsat and seasat systems, and the increased understanding of the techniques and value of data from such systems, most people agree that the time has come to develop an operational earth resources information service.

Commercial and governmental applications for the information from an operational system have been well demonstrated and reviewed at this meeting. In particular, the following major areas for the utilization of remote sensing capabilities can be cited:

Improved agricultural information and production based on the identification and repetitive monitoring of crop yields, damage, and infestation.

Improved rangeland management and production based on repetitive evaluation of vegetation, soil, water, and livestock characteristics.

Improved forest products production based on identification of types and suitability of trees and on repetitive monitoring of change due to natural and human effect.

Improved water resources management through direct and repetitive measurement and evaluation of surface water, and by geological evaluation of soil and subsurface features of hydrological significance.

Improved targeting of favorable localities for mineral and energy exploration and for expanded production based on more rapidly available and higher quality geologic maps, and on the sensing of various chemical elements due to their influence on vegetation, mineral, soil, textural, or thermal characteristics.

Improved repetitive identification of adverse changes in urban and rural situations due to human habitation.

Improved monitoring of natural or artificial environmental changes based on repetitive evaluation using a wide variety of techniques.

Improved identification evaluation and monitoring of marine and coastal resources.

This foundation, plus the broad policy benefits, have convinced me of the viability of a commercially-based operational system for the gathering, pre-processing and marketing of remotely gathered earth resources information.

Well-established operational programs exist in telecommunications and weather-forecasting. The presently operational entities of these programs are, respectively, in the comsat/intelsat and NOAA/world weather watch organizations.

These two types of activity illustrate several of the organizational and management options available in the development of an operational earth resources information system. Yet, the United States has not meaningfully come to grips with how it will reap the economic and political advantages of this technology it introduced to the world.

As with telecommunications, the potential advantages in the use of earth resources information lie in both the commercial and public sectors. This fact indicates to me that the operational management of an earth resources information system should be organized as an investor-owned, regulated corporation, modeled after the successful experience with comsat in the telecommunications field.

Unfortunately, the politics of remote sensing in the United States have not come of age. It appears we are doomed, if present trends are allowed to continue, doomed to stumble along in costly bureaucratic reorganization, one tape recorder away from having nothing to reorganize for, while other nations steal the technological march.

While other nations move forward, we in Washington debate whether industry is sufficiently committed. While we debate, industry waits instead of moving forward anyway. While landsat goes belly-up, we debate the value of NOSS to the Defense Department, the value of thematic mapping, and the value of stereo.

We have suffered policy paralysis brought on by ignorance or, worse, by calculated indecision in fear of both free enterprise and technology. The rapid cure for this paralysis exists, but the medicine of constructive action is too strong for the advocates of the decline of our national fortunes.

It is up to to you, in Government and out, individual companies and in geosat, individually and together, to work in the political system to force this medicine on our collective leadership.

I hope that you will help me, help yourselves, convince this great country that its golden age is ahead and that information technology is part of that age. Get involved. Stay involved.

OUR AILING ECONOMY

Mr. MATHIAS. Mr. President, the one statement that you will not get any arguments on in the United States today is that something has to be done about our ailing economy. Rarely does a week go by when we are not shaken by another economic indicator gone wild. In the last month, we have had to face squarely, for the first time, the prospect of 20 percent inflation and 20 percent interest rates.

Our economic problems have many causes. There are not, nor will there be, any easy answers to them. It is tempting to throw up our hands in frustration and predict that we have lost our direction and drive, that we have reached our peak and had better brace ourselves for a long and painful decline.

I am not so pessimistic. Steven Muller, the distinguished president of the Johns Hopkins University, has a different theory. He thinks that the United States is on the threshold of maturity, not senility. After years of unlimited, almost unconscious, growth in both government and the private sector, we are gangly and awkward, and we must adjust to these new dimensions.

Adapting to these changes is the task that faces our Nation. Business, because of its instinct for survival, has begun to discover ways to cope with the changes. The Government, effectively without competition, has been slower to recognize the need to conform to these new standards.

Limited growth is the issue that we must focus on as we consider the fiscal year 1981 budget. A general agreement has been reached that we must balance the fiscal year 1981 budget. The Senate Budget Committee has offered its budget recommendation, Senate Concurrent Resolution 86, for a balanced budget. This mark sets outlays and revenues at $612.9 billion, with no surplus or deficit.

While many of us do not agree with the figures that the Budget Committee has recommended, I recognize that they have made many difficult decisions and commend them on their initiative. They have given us a framework within which to begin our debate, and they have made one point clear: that a balanced budget will entail spending cuts. It will require tightened belts for everyone, and the elimination of programs for a few. Our challenge is to target Federal spending to the most critical areas and to end shortsighted, inefficient programs.

We must reexamine our spending priorities and the role of the Federal Government in our changing society. Our job is not to support the individual members of society—we do not have the means, nor should we have the inclination, to do so. The Government's role is to lead our society as a whole, promoting a strong country which in turn will allow the American people to help themselves. A thriving private sector will have low unemployment, high productivity.

Our country needs leadership that will so challenge the people that they will make the demands, the sacrifices, and the changes that will revitalize our Nation. It is our job to encourage Americans to do their job—to save and invest so business can modernize and expand; to explore new domestic and international markets; to develop new technology, and to conserve energy. Programs that will promote these goals—that will foster an economic climate in which American private enterprise, and thus all Americans, can thrive—must be stressed.

At the same time, we must emphasize programs that invest in the future of our society, ones that educate the young, protect our environment, and promote and protect the human rights of all our people.

It is not an easy task that lies before us. But, it is one that we, as the servants of the United States, must tackle with a clear knowledge of our goals for the coming decade.

TAX REVOLT HALL OF FAME

Mr. HATCH. Mr. President, some day soon, when the American taxpayers regain operational control of their Government, a new museum will be erected down on the Mall, among all the other Smithsonian buildings. It will be the Tax Revolt Hall of Fame, and the first hero to be enshrined therein will be Paul Craig Roberts, one of the straight-thinking bold believers who launched our contemporary tax revolt.

My definition of revolution is Dr. Roberts and a typewriter. Through the sheer force of his ideas and argumentation, he has taught many of us—not many enough, sad to say—to see what has been right there before our eyes all along. He has insisted, against the cruel orthodoxy that dominates the President's Council of Economic Advisers, that America's economic future can be prosperity and growth, not retraction and self-denial.

The economists call Dr. Robert's ideas supply side theory. I call it commonsense. It has been the basis for some of the most important legislative initiatives in the last two Congresses. It underlies the groundswell of sentiment in favor of tax-rate reduction. It is, in these times of grim economic statistics and puny economic programs, our last, best hope to get America back on the track again, back on the high road to its destiny.

But this is not a speech about tax cuts. It is both a tribute and a welcome. For while giving Craig his due, I am pleased to announce that he is returning to Washington from his recent post as associate editor and columnist of the Wall Street Journal. He has been appointed senior fellow in political economy at the Georgetown University Center for Strategic and International Studies, where he joins the company of other senior-scholars who include Henry Kissinger and James Schlesinger.

It is good to have Craig return to the scene of the crimes. The crimes, that is, of escalating taxes, hideous inflation, rigged Federal budgets, and worsening unemployment: the entire litany of woe that has resulted from perverse mismanagement of our economy.

It will be even better to have his counsel and leadership in our future efforts to set things straight: To remove the burden of Big Brother from the backs of the American workers, to keep the greedy hand of Government out of the purses of housewives and the pocketbooks of retirees.

I will not speculate as to the further future. But just as I am confident of the good sense of the American people, just as I am convinced of the merits of their tax revolt, so too am I certain that the November elections, and decisions made subsequent thereunto, will bring Dr. Roberts the sweetest triumph—what John Greenleaf Whittier called "the safe appeal of Truth to Time."

Mr. President, I ask unanimous consent to have printed in the Record, and take considerable pride in sharing with my colleagues the press release from the Georgetown University Center, announcing Dr. Roberts' appointment.

There being no objection, the press release was ordered to be printed in the Record, as follows:

Wall Street Journal Editor Joins CSIS

Washington.—Dr. Paul Craig Roberts, Associate Editor of the editorial page and columnist of the Wall Street Journal, has been appointed Senior Fellow in Political Economy at the Georgetown University Center for Strategic and International Studies effective June 1, according to CSIS Chairman Dr. David M. Abshire.

Dr. Roberts brings to his new Center post a broad experience in national politics and international economics. Prior to joining the Wall Street Journal, Dr. Roberts served as Chief Economist with the Minority Staff of the House Committee on the Budget and as Economic Counsel to Congressman Jack Kemp. He also served as a staff associate with the Defense Subcommittee of the House Committee on Appropriations. In the Senate, he acted as Economic Counsel to Senator Orrin Hatch. Dr. Roberts helped manage the tax cut movement in the Congress during 1975–78 and drafted the original version of what became known as the Kemp-Roth bill.

Dr. Roberts will also serve as a contributing editor of Harpers Magazine. He has had a number of academic appointments including the Hoover Institution at Stanford University, the Department of Economics at Virginia Polytechnic Institute, Tulane University, the University of New Mexico, and George Mason University. He is the author of two books and has been published widely in a number of professional and popular journals. Dr. Roberts holds an undergraduate degree from the Georgia Institute of Technology and has studied at the University of California, Berkeley, and Merton College, Oxford, as well as the University of Virginia from which he holds a Ph.D. in Economics.

Dr. Abshire, in announcing the appointment, said: "Dr. Roberts brings to the Center a unique combination of strong economic scholarship, practical legislative experience, and an established record of communications outreach. With the continuing distress in the domestic and international economic picture, his presence at CSIS will substantially strengthen the Center's contribution in that key policy area. He was instrumental in causing a shift in the focus of economic policy towards the supply site of the economy, and hence will bring new insights to our work."

CONGRESSMAN'S 1943 PREDICTION CAME TRUE

Mr. HUDDLESTON. Mr. President, we all know the tremendous problem facing the United States in being so dependent on foreign sources for our oil. There is today in the Washington Post an article written by one of our colleagues who is at the forefront now of the crisis with which we are confronted, and who has been a veritable voice crying in the wilderness for many years relating to the problem confronting this country today, having foreseen these difficulties approaching many years ago.

This article to which I refer alludes to a speech by our distinguished colleague, the senior Senator from West Virginia (Mr. Jennings Randolph). I would like to quote from just one portion of that address:

> In the future we will not be able to depend on the importation of oil from any foreign country, even though it may appear to be a very friendly one now . . . for then a major portion of our economy could be subjected to the whims and control of outside powers. Unless we have our own sources of gasoline and oil, in time of peace we might be forced to pay exorbitant prices. And, if supplies are cut off in time of war, our entire military machine would be helpless.

Mr. President, that speech was made by Senator Jennings Randolph in the year 1943, 37 years ago, when he was a Member of the House of Representatives.

Mr. President, I ask unanimous consent that the entire article, which appeared in the Washington Star of Wednesday, May 7, 1980, be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From the Washington Star, May 7, 1980]

Congressman's 1943 Prediction Came True

(By Lance Gay)

(In the future we will not be able to depend on the importation of oil from any foreign country, even though it may appear to be a very friendly one now . . . for then a major portion of our economy could be subjected to the whims and control of outside powers. Unless we have our own sources of gasoline and oil, in time of peace we might be forced to pay exorbitant prices. And, if supplies are cut off in time of war, our entire military machine would be helpless.)

The speaker was then-Rep. Jennings Randolph, D-W. Va.

The date of the speech: 1943.

In a career that has spanned the last half-century, no one has been more of an advocate of coal than Randolph—the last serving member of Congress who was sworn in with Franklin D. Roosevelt in 1933.

Randolph says he's not gloating and gleeful that what he said in 1943 has come true. He said he's worried about the state of affairs in which the United States now finds itself.

"Now at long last, we realize what the situation is when the nation's annual payout is over $90 billion for foreign oil," he said. "But it's not the balance of payments situation alone. That just points to the tragedy. The tragedy is the price we pay is the price they tell us, and the amounts they receive are the amounts they tell us."

During World War II, West Virginia was the dominant coal-producing state in the nation, and Randolph was interested in pushing the home-state product in Washington.

So it was that in 1943 Randolph emerged as the admittedly enthusiastic prime House sponsor of legislation that set up demonstration plants using German technology to prove that coal could be turned into gasoline.

With German U-boats spotted off the coast of New England, Randolph said he wanted to dramatize the need to develop domestic alternative gasoline supplies in case foreign petroleum supplies were cut off and in addition for use in the post-war aviation industry.

"A dark cloud on the horizon of vastly increased air transportation is the recent decline in the rate of discovery of new petroleum pools," he wrote in an article published by Aero Digest in 1944.

And so it was that Randolph took part "in the first, and as far as I have been able to find out, the only aircraft flight in which passengers have flown in the United States using synthetic fuel."

Using 40 gallons of gasoline converted from coal at the Bureau of Mines demonstration plant and with a friend at the controls, Randolph flew 175 miles from Morgantown, W. Va., to Washington's National Airport in November 1943.

"I don't think it was a gimmick," Randolph recalled. "It certainly was not a dramatic event. . . . But I did think it might be a catalyst for the development of coal into gasoline, and it proved that we could do it."

The flight of the "first coal-gasoline plane" was accorded three paragraphs in the editions of the Evening Star that day. The project gradually petered away with the end of the war and the disappearance of the U-boats from the coastline.

"It just sort of went away," said Randolph.

So did Randolph, turned out of office in 1946 with the post-war Republican landslide.

But since he returned to Capitol Hill as a senator in 1958, Randolph resumed with a vengeance his efforts to boost coal production and utilize the various possibilities for coal, partly in an effort to dig the coal industry out of its deep post-war depression and bring jobs back to Appalachia.

Without a domestic fuels and energy policy, he said that year, "each year of delay brings us closer to disaster."

But his coal boosterism—more often than not couched in the politically smooth argot used on the Senate floor—was largely dismissed on Capitol Hill and in the White House. His letters on the issue to President Richard Nixon in 1968 were side-tracked by the domestic counsel's office. In 1970 Nixon refused to endorse Randolph's idea of creating a national energy commission.

Today at age 78 and West Virginia's senior senator, Randolph says it's "a tragic irony" that the United States has not turned faster to coal.

Now, in what is probably his last term in office, Randolph said that Americans have awakened to the realization that complacency over energy for the future has bartered away the country's independence and security.

"We did wait, we floundered, yes," he said.

"But all I want is to see something done that's imperative be done. . . . Coal is fraught with problems, I admit and, yes, I'm dissatisfied that we haven't done it sooner. But there are some areas that it can be done and done now, and we can do it.

"World events have moved in on us, descended upon us. But I have no doubt now there is a commitment to using coal, synfuels, oil shales, forestry. I believe now, in this year of 1980, the framework is being put in place of an energy strategy that represents a commitment to this country."

Mr. WARNER. Mr. President, I would like to add a footnote to the distinguished Senator from Kentucky in speaking on behalf of our distinguished colleague, Mr. RANDOLPH. Indeed, I would like to say he has been an inspiration to the freshman class of the Senate, and his vigor and patience today are every bit as good as they were years ago.

MINUTEMAN OF THE YEAR AWARD

Mr. WARNER. Mr. President, last month, my distinguished senior colleague, Senator HARRY F. BYRD, JR., delivered a speech to the Department of Virginia Reserve Officers Association. In that address, Senator BYRD pointed to the many troubles our Nation has encountered in recent years as a result of the many flawed policies of the Carter administration. In fact, he stated that in his view, the United States currently had no foreign policy, but instead had ". . . vacillation and weakness, twists and turns; courting adversaries and discounting friends; speaking boldly then capitulating."

In his speech, Senator BYRD pointed not only to the problems we face but to potential solutions. He listed five important steps on the road to restoring America's strength and confidence and its prestige. The first was to strengthen and revitalize our Armed Forces and the last was to strengthen our economy.

I believe Senator BYRD's thoughts are worthy of consideration by every Member of the Senate and, for that purpose, I ask unanimous consent that the full text of Senator BYRD's speech be printed in the RECORD at this time.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

MINUTEMAN OF THE YEAR AWARD

The number one problem, as I see it, facing the Armed Services, both in the reserve components and active forces, is manpower. I was, therefore, very encouraged to learn that the Virginia Reserve Officers Association has taken a lead in facing that issue by adoption of a very explicit military manpower resolution at its conference in Norfolk on January 26 of this year.

I received a copy of the resolution soon after it was adopted by the ROA National Council in Washington on George Washington's Birthday, February 22.

That date was highly appropriate. The great military genius of General Washington was not so much his ability to win battles but rather his ability to inspire and hold together an Army under difficult circumstances. We need a similar brand of leadership today.

The thesis of the ROA resolution is, as you know, three fold. First, it proposes a reconstitution of the selective service machinery; second, it suggests revision of existing selective service legislation; and finally, it recommends a study and eventual adoption of national service.

As a member of the Senate Subcommittee on Manpower and Personnel, I have been required to study in detail the manpower and personnel problems of the three Services. Some time ago, I became convinced that, at a minimum, we should return to selective service registration.

More than a year ago, I introduced a bill to require the reinstitution of selective service registration. My bill was approved by the Committee on Armed Services but has not become law. Nevertheless, the President has adopted at least part of the plan I then recommended.

However, the President included in his recommendation a proposal that young women as well as men be required to register.

The Senate Subcommittee on Manpower and Personnel defeated the President's proposal for the registration of women by a vote of 5 to 2. In my judgment, that part of the President's plan which involved women is, as a practical matter, dead.

Even the President agrees that women have no role in combat, and since the main purpose of selective service is to obtain adequate manpower for combat, there is no logical reason to cause young women to register for possible conscription.

And at this stage there should be no doubt that manpower and personnel problems have indeed reached a crisis level.

I recently asked the Secretaries of the Army, Navy, and Air Force to provide data on first-term enlistments and on the enlistment bonus program.

The information I subsequently received discloses some interesting and perhaps unexpected facts.

Of 100 individuals enlisting in the Army this year, 29 are not expected to complete the first two years of service. Many others are expected to leave service after two years but before completion of a full term of enlistment. Based on data from the most recent eligible year group of first-term enlistees only 17 of 100 will reenlist.

The Navy loses 24 enlistees of every 100 in the first two years of service, and in the Marines, 26 are gone before the expiration of the same initial time period. Reenlistment rates in the Navy and the Marine Corps are also poor. Only 11 percent of Marine first-termers reenlist and 22 percent of Navy first-termers elect another tour.

In the Air Force, the situation is not much better. 21 airmen out of a 100 are out before the end of the first two years of service. Only 22 airmen out of 100 decide on a second tour.

These statistics are more than disturbing. They are evidence that discipline and morale in the all-volunteer force do not equate with discipline and morale in the military before the all-volunteer concept was adopted.

The statistics also suggest that the recruiting process is not producing adequate numbers of individuals suited for military service.

Finally, the high losses of first-term enlistees cause an enormous loss of defense funds and force unnecessary reductions in the invesment of defense dollars in badly needed weapons and materiel.

Since the adoption of the all-volunteer force concept, personnel cost, as a proportion of defense cost, has grown steadily and has steadily eaten away at the muscle of our not-so-well armed forces.

Corrective actions have been attempted. The enlistment bonus program is a prime example.

If the payment of enlistment bonuses made a significant contribution to maintaining manning levels in the military forces, then perhaps bonus costs could be justified. The facts indicate otherwise.

Of every 100 enlistees in the Army who have been paid enlistment bonuses only 15 reenlist, compared with 14 for all first-term enlistees. The attrition rate of first-term bonus recipients in only slightly better than the rate of attrition among enlistees who are not paid a bonus.

The same basic patterns hold true in the Air Force, Navy, and Marine Corps.

Enlistment bonuses were authorized initially for three categories in the three Services.

The bonus program has mushroomed in expense and scope far beyond what was originally intended and far beyond the basis on which the program was first accepted by Congress.

I must say finally that Reserve components, although they too have substantial problems, are in relative terms a distinct asset to the Armed Services. Reserve components provide a readily deployable mobilization force of critical value and of relatively low cost.

I am concerned, however, that Reserve components are often slighted by the Department of Defense in the annual budget submission of that Department.

As many of you know, Reserve components now possess less than 70 percent of the basic equipment authorized to Reserve units by Tables of Organization and Equipment. The shortfall exceeds some $3 billion dollars in authorized but not supplied weapons, vehicles, aircraft, and other materiel.

Inasmuch as Reserve components are fully expected to fulfill wartime missions upon mobilization, Reserve component units should be fully supported by the Department of Defense and should not be left more or less to fend for themselves.

I need not explain to those assembled tonight that the primary peacetime mission of the Reserve is preparedness for war. No other purpose can justify the expense of Reserve forces to taxpayers nor the many hours of devoted service, often itself uncompensated, which reservists give to their units.

I have always encouraged civilian employers to give their full support to the National Guard and Reserves. As an employer, I have had and now have several members of my own staff who are active in Reserve units.

So I congratulate all of you for the work you are involved in and for the good service you and other reservists have rendered to the United States.

I encourage your continued efforts.

While it is always important to maintain our military manpower and our reserve force in a high state of readiness, it is especially important today.

Indeed, our entire defense structure must be brought to a position of real strength.

For it is increasingly clear that the Soviet Union is stepping up the pace of its aggression around the world.

During the 1970's, Russia embarked on the most massive military buildup in the history of the world—both strategic and conventional. No longer does the United States have nuclear superiority, and our control of the seas is threatened.

Our position as the leader of the Free World has steadily eroded. The seizure of the American Embassy in Iran and the holding of 50 Americans as hostages are the culmination of this trend.

Nation after nation has found that we are so anxious to please the world that terrorists and fanatics, many of them communist-inspired and equipped with Russian arms, can abuse our representatives without fear of reprisal.

In my judgment, the United States does not have a foreign policy.

Dr. Brzezinski, the President's National Security Advisor, takes one view as to how to respond to world events. The Secretary of State, Mr. Vance, usually takes a different view.

The President agrees with both.

Instead of a policy, we had vacillation and weakness, twists and turns; courting adversaries and discounting friends; speaking boldly then capitulating.

Last August, President Carter announced the presence of a Russian combat brigade in Cuba. Throughout September, he termed this unacceptable. On October 1, he capitulated—accepting the unacceptable.

President Carter expressed surprise and dismay at the Russian invasion of Afghanistan. I share his deep concern, but the amazement is hard for me to understand.

Russia has always been willing to crush any people who, once subjected to communist domination, later seek freedom. World opinion has never stopped Russian tanks.

Russia's aggressive designs never change. But the pace of Soviet expansion increases whenever the Kremlin perceives an opportunity.

That is why we must change course. We must have a firm, resolute and steadfast foreign policy. We must have a policy that recognizes that Russia will continue to take advantage of any opportunity to expand her influence.

We must be aware that Russia is moving closer and closer to the Persian Gulf through which flows most of the free world's oil.

Conditions in the Middle East are deteriorating because of the turmoil in Iran and fears created by Russia's invasion of Afghanistan. My sources indicate that America's traditional friends in the Persian Gulf region are becoming apprehensive, and accommodations with the Soviet Union are probable.

Not only is there dread about Russian intentions, but confidence in America as a steadfast ally is in decline.

Direct Russian intervention in Iran cannot be ruled out. The Soviets have the airborne capability to capture the oil fields to the southwest and they have massive forces at Iran's northern border.

But Russia's historic preference is for subversion rather than direct assault. Afghanistan is an exception.

Turbulence in Iran practically invites Communist subversion. It seems likely that Iran will have, in the not too distant future, a government willing to do Russia's bidding.

If Russia takes over Iran, either directly or indirectly, she will be able to control the Persian Gulf and dictate to which countries and in what quantities the oil will flow. Two-thirds of the free world's oil imports come from the Gulf, including most of the supply for Japan and Western Europe.

Russian dominance in the Persian Gulf could menace free nations around the world.

Frankly, I do not trust the Russian leadership. In my judgment, Lenin's goal of world domination for communism is still the ultimate goal of the Russian leaders.

Yet, while the Russians have pursued global dominance, our government has followed a line of accommodation and conciliation.

President Carter canceled production of the neutron bomb. He successfully urged cancellation of the B-1 Bomber. Only 14 months ago, he vetoed a new nuclear aircraft carrier, and reduced planned construction of other naval ships. Admiral Long, Commander-in-Chief Pacific, recently testified before the Senate Armed Services Committee that he is "uncomfortable with our ability to handle the Russian submarine threat".

Unfortunately, this Administration has presented to the world an image of instability and irresolution—in the vain hope that the Russian leaders would depart from a 60-year record of world aggression.

What this nation needs is a firm and established program so that our friends and enemies alike can anticipate a logical and rational reaction. We must be steadfast.

We get in trouble in the world when we are weak—or when we are perceived to be weak.

I propose that we take several steps to reverse the deterioration of respect for the United States in the eyes of the world.

First, we must revitalize our armed forces, especially our manpower—active and reserve.

Second, we should call for prompt trade sanctions against Russia in the United Nations. We need a total trade embargo—by the United Nations, if we can, by the United States alone if we must.

Third, we should activate the covert activities of the Central Intelligence Agency and support rather than hinder that work. It is foolish for a great nation to deprive itself of a strong and effective Intelligence Service.

Fourth, we must insist that Japan and our European allies carry a larger and more equitable share of the responsibility for regional defenses on which their continued freedom depends.

And while we move to strengthen our defenses and establish a firm and consistent foreign policy, we must also take steps to insure our economic security.

Let us recall that national security does not depend solely on military forces—vital though they are. True security requires that a nation have not only a strong defense, but also a soundly based financial structure.

We must put an end to the ballooning growth of federal spending and the long string of deficits which our government has run.

President Carter's budget—which appears about to be rubber-stamped by the Congress with only minor changes—calls for a spending increase of $64 billion in spending next year over the level approved by the Congress for the current year.

I can think of nothing better calculated to insure continued high inflation than such a huge boost in government expenditures.

The interest cost of the national debt in the new budget—just the interest—will be $80 billion. That means interest on the debt will equal more than 50 percent of the cost of our entire national defense structure.

Massive government borrowing is required to finance the accelerated and accumulated deficit spending—thus pushing interest rates upward.

The tremendous growth in spending in this new budget is not caused by defense needs.

In fact, of the $64 billion spending increase, only about one-fourth will go to defense.

The truth is that President Carter is asking Congress for billions of dollars in new and expanded spending programs having no relation at all to defense.

All of this is bound to weaken our economy and our dollar—and if we continue to debase our currency, do we not jeopardize our ability to maintain a strong national defense?

While our nation faces great problems, I am optimistic about the future. My optimism is based on my confidence in the collective judgment of the American people. If the American people become aroused—Washington will listen to their demands.

In my judgment, the American people are ahead of their leaders in perceiving the dangers to our nation through uncontrolled federal spending and erratic foreign policy.

The people understand that our nation must have a sound economy and a strong defense.

Only the strong can be free!

A TRIBUTE TO EDMUND MUSKIE IN SUPPORT OF HIS NOMINATION AS SECRETARY OF STATE

Mr. BRADLEY. Mr. President, as colleagues who have worked closely with President Carter's nominee as Secretary of State, we know better than does anyone else how fortunate the President is to have won the services of the very distinguished senior Senator from Maine. A moments' reflection on his character and career tells you that he is the right choice during these difficult times. I personally take great comfort in knowing that the wisdom, insight and energy Senator Muskie has demonstrated time and again in the interest of responsible legislation in the Senate will now be available to our Nation's foreign policy formulation and implementation.

During my year in the Senate, there is no Senator I have come to respect more for his clear thinking, judgment, and courage than Senator MUSKIE. Senator MUSKIE has been an outstanding legislator in the U.S. Senate generally—but he particularly has demonstrated his flair for sagacious leadership as chairman of the Senate Budget Committee, and I would like to note that during our current deliberations on the setting of Federal budgetary priorities, we suffer a great loss by his absence from the debate.

As chairman of the Budget Committee, Senator MUSKIE has shown time and again his ability to meet the challenges of reconciling competing points of views—all of which lay claim to considerable merit, but all of which cannot be accommodated simultaneously. This is precisely the sort of problem that the formulation of foreign policy repeatedly presents, posing the need to weigh priorities, exercise judgment with a view for the long term and the whole, and then defend that judgment in a way that builds consensus in the Nation, rather than disappointment and dissent.

In endeavors demanding leadership, Senator MUSKIE excels. He has an instinct for the broader view and the wise course. He has a talent for careful deliberation, informed choice, followed by articulate spokesmanship and purposeful implementation. In short, he has precisely the qualities which greatly need to be brought to bear on U.S. foreign policy.

With Senator MUSKIE as Secretary of State, I have hope that we will enter a period of opportunity in difficult times, rather than one of despair. No one is better suited to bring America's image in the world to a high point of strength, leadership and integrity than our colleague, and I offer him my support and cooperation during his tenure.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Saunders, one of his secretaries.

EXECUTIVE MESSAGE REFERRED

As in executive session, the Presiding Officer laid before the Senate a message from the President of the United States submitting a nomination, which was referred to the Committee on Banking, Housing, and Urban Affairs.

(The nomination received today is printed at the end of the Senate proceedings.)

MESSAGES FROM THE HOUSE

ENROLLED BILL SIGNED

At 6:23 p.m., a message from the House of Representatives delivered by Mr. Berry, one of its reading clerks, announced that the Speaker has signed the following enrolled bill:

H.R. 126. An act to permit the Secretary of the Interior to accept privately donated funds and to expend such funds on property on the National Register of Historic Places.

The enrolled bill was subsequently signed by the President pro tempore (Mr. MAGNUSON).

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. CRANSTON, from the Committee on Labor and Human Resources, with an amendment and an amendment to the title:

S. 1843. A bill to provide for Federal support and stimulation of State, local, and community activities to prevent domestic violence and provide immediate shelter and other assistance for victims of domestic violence, for coordination of Federal programs and activities pertaining to domestic violence, and for other purposes (together with supplemental and minority views) (Rept. No. 96-685).

By Mr. PELL, from the Committee on Rules and Administration, without amendment:

S. 2517. A bill to rename certain buildings of the Library of Congress (Rept. No. 96-686).

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. CHURCH, from the Committee on Foreign Relations:

Edmund Sixtus Muskie, of Maine, to be Secretary of State.

(The above nomination from the Committee on Foreign Relations was reported with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

By Mr. CHURCH, from the Committee on Foreign Relations:

Ralph Earle II, of Pennsylvania, to be Director of the U.S. Arms Control and Disarmament Agency (together with additional views) (Ex. Rept. No. 96-33).

(The above nomination from the Committee on Foreign Relations was reported with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

By Mr. PROXMIRE, from the Committee on Banking, Housing, and Urban Affairs:

Lyle Elden Gramley, of Missouri, to be a Member of the Board of Governors of the Federal Reserve System (Ex. Rept. No. 96-34).

(The above nomination from the Committee on Banking, Housing, and Urban Affairs was reported with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

By Mr. BAYH (for Mr. KENNEDY), from the Committee on the Judiciary:

John S. Martin, Jr., of New York, to be U.S. Attorney for the Southern District of New York.

Henry S. Dogin, of New York, to be Director of the Office of Justice Assistance, Research, and Statistics.

Thomas Edward Delahanty II, of Maine, to be U.S. Attorney for the District of Maine.

John W. Spurrier, of Maryland, to be U.S. Marshal for the District of Maryland.

Homer F. Broome, Jr., of California, to be Administrator of the Law Enforcement Assistance Administration.

John Saul Edwards, of Virginia, to be U.S. Attorney for the Western District of Virginia.

James R. Laffoon, of California, to be U.S. Marshal for the Southern District of California.

Margaret Muth Laurence, of Virginia, to be an Assistant Commissioner of Patents and Trademarks.

Raymond L. Acosta, of Puerto Rico, to be U.S. Attorney for the District of Puerto Rico.

(The above nominations from the Committee on the Judiciary were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

By Mr. BAYH (from Mr. KENNEDY), from the Committee on the Judiciary:

Norma Holloway Johnston, of the District of Columbia, to be U.S. District Judge for the District of Columbia.

Odell Horton, of Tennessee, to be U.S. District Judge for the Western District of Tennessee.

John T. Nixon, of Tennessee, to be U.S. District Judge for the Middle District of Tennessee.

ORDER FOR STAR PRINT—AMENDMENT NO. 1724

Mr. SIMPSON. Mr. President, on April 30, 1980, I submitted for printing Amendment No. 1724 intended to be proposed by me to S. 1722.

On page 2 of the amendment, there are two errors in the printing of the amendment.

Mr. President, I ask unanimous consent that the amendment be star printed.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR STAR PRINT—EXECUTIVE CALENDAR

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there be a star print of today's Executive Calendar—I make this request as in executive session—which would show the favorable reporting by the Foreign Relations Committee of the nomination of Mr. MUSKIE to the office of Secretary of State.

The PRESIDING OFFICER. Without objection, it is so ordered.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. PROXMIRE:

S. 2669. A bill for the relief of Marlon Dolon Opelt; to the Committee on the Judiciary.

By Mr. STEWART:

S. 2670. A bill to authorize appropriations for the studies under the National Flood Insurance Act of 1968 for the fiscal years 1981 and 1982; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. STENNIS:

S. 2671. A bill for the relief of Mrs. Josefina N. Sta Ana; to the Committee on the Judiciary.

By Mr. DURKIN:

S. 2672. A bill to encourage communities to adopt and implement community programs designed to achieve significant energy savings and encourage the use of renewable energy resources within their jurisdictions; to the Committee on Energy and Natural Resources.

By Mr. PELL:

S. 2673. A bill to amend the act of October 22, 1965 (79 Stat. 1069), providing for the establishment of the Roger Williams National Memorial in the city of Providence, R.I., and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. DURENBERGER:

S. 2674. A bill for the relief of Deofil L. Orteza, Rosemarie Orteza, Doefil A. Orteza, Jr., and Joseph-Mari A. Orteza; to the Committee on the Judiciary.

By Mr. McGOVERN (for himself and Mr. DOLE):

S. 2675. A bill to amend and extend the provisions of the child nutrition programs authorized by the National School Lunch Act, as amended, and the Child Nutrition Act of 1966, as amended, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. DURENBERGER:

S. 2676. A bill to amend the Internal Revenue Code of 1954 to encourage small business capital formation; to the Committee on Finance.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. STEWART:

S. 2670. A bill to authorize appropriations for the studies under the National Flood Insurance Act of 1968 for the fiscal years 1981 and 1982; to the Committee on Banking, Housing, and Urban Affairs.

● Mr. STEWART. Mr. President, I am introducing a bill today to authorize appropriations for flood insurance mapping studies. These mapping studies are required under the statute that created the Federal flood insurance program.

As you know, the Congress has authorized funds for the required mapping since the program was initiated. The bill I am introducing would provide the amount that will, according to the administration, be needed to carry out the studies during fiscal year 1981.

Mr. President, flood insurance is a necessity in many parts of the country. Maps and flood prone areas are essential for the provision of flood insurance. The bill I am introducing will enable the Federal Insurance Administration to secure the basic data that is required to operate a sound program of flood insurance.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was

ordered to be printed in the RECORD, as follows:

S. 2670

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 1376(c) of the National Flood Insurance Act of 1968 is amended by adding the following sentence: "There are also authorized to be appropriated for studies under this chapter not to exceed $61,591,000 for fiscal year 1981 and such sum as may be necessary for fiscal year 1982." ●

By Mr. PELL:

S. 2673. A bill to amend the act of October 22, 1965 (79 Stat. 1069), providing for the establishment of the Roger Williams National Memorial in the city of Providence, R.I., and for other purposes; to the Committee on Energy and Natural Resources.

ROGER WILLIAMS NATIONAL MEMORIAL

● Mr. PELL. Mr. President, I am introducing legislation to amend the act of October 22, 1965 (79 Stat. 1069) providing for the establishment of the Roger Williams National Memorial in the city of Providence, R.I.

This new legislation is necessary to divide the present combined land and development ceiling authorizations, assigning respective costs, and to raise the development ceiling for the memorial by $1,318,000.

The act of October 22, 1965, which I introduced, provided for the establishment of a national memorial to Roger Williams in tribute to his contributions to the cause of religious freedom. The park project was conceived and remains a central part of the redevelopment of downtown Providence, R.I.

This legislation authorized $700,000 for the combined purposes of land acquisition and development. The land was purchased from the Providence Redevelopment Authority, leaving $544,000 for development.

Unfortunately, this park subsequently fell victim to funding freezes under the Johnson and Nixon administrations during the Vietnam war. Interested civic, historic, and preservation groups agreed upon a conceptual design but, alas, major landscaping and actual construction has not yet started.

During the 15 years since this project was first authorized, costs have increased dramatically. I have been advised that the authorization remaining for development is not enough to even complete proposed landscaping. The park currently is several vacant, seeded city lots in the heart of Rhode Island's capital city.

This park has the potential of becoming a centerpiece of the ongoing revitalization of downtown Providence. Plans call for it to be a meticulously landscaped urban park and memorial to one of our great founding fathers.

It is my hope that work on this long-delayed park can get up to speed and that the vision I had more than 15 years ago of a fitting tribute to Roger Williams can be realized in the near future.●

By Mr. McGOVERN (for himself and Mr. DOLE):

S. 2675. A bill to amend and extend the provisions of the child nutrition programs authorized by the National School Lunch Act, as amended, and the Child Nutrition Act of 1966, as amended, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

CHILD NUTRITION AMENDMENTS OF 1980

Mr. McGOVERN. Mr. President, today I join with my distinguished colleague, Senator DOLE, the ranking Republican member of the Agriculture Committee's Subcommittee on Nutrition, in introducing the Child Nutrition Amendments of 1980.

This bill makes a number of important substantive improvements in the breakfast, lunch, summer feeding, child care, and WIC programs to make them more responsive to the needs of participants and to strengthen program administration. Regrettably, the bill also cuts in excess of $400 million, over a 10-percent cut from present law.

This bill is the product of many long hours of deliberation among representatives of the organizations most closely associated with the programs. Many of the provisions of the administration bill were incorporated verbatim. On new provisions the administration was consulted to make them more workable from an administrative point of view, including the goal we all share of reducing paperwork.

The weeks and weeks of negotiations have produced, I believe, an excellent bill for these constraining budgetary times. This belief is confirmed by the list of groups that have endorsed the bill—the American School Food Service Association, the National Milk Producers Federation, the National Anti-Hunger Coalition, and the Children's Foundation.

In describing the bill, let me turn first to the proposed cuts. It deeply pains me to be proposing cuts in the child nutrition programs. These and other Federal feeding programs have been hugely successful. Doctors from the Field Foundation, returning to poverty areas they had visited 10 years earlier found, "Our first and overwhelming impression is that there are far fewer grossly malnourished people in this country today than there were 10 years ago." They attributed this success to the expansion of Federal feeding programs.

Although the success of these programs has been demonstrated, I am deeply committed to a balanced budget this year. Thus, each and every Federal program must be examined with greatest care to determine if and how deep cuts can be without damaging the basic structure of workable programs. My colleague and I have done this with the child nutrition programs. The cuts we have made are as deep as we believe can be made without hurting the basic structure of the program. The net savings is just at the level the Agriculture Committee recommended to the Budget Committee for the child nutrition programs. Our bill cuts $413 million in these programs. The committee recommendation was a cut of $458 million but offset by a $46 million increase in the WIC program over fiscal year 1981 authorization.

I have focused on the impact of the cuts in relation to the basic structure of the program, but I would like to take a moment to examine the effect of these cuts on the food service industry. A recent study showed that 8.8 percent of the $114 billion in sales volume in the food service industry comes from primary and secondary schools. With a multiplier effect of $3 for every $1 spent by the Federal Government in the lunch program, $400 million in cuts would cause a reduction in the food service industry in schools of $1.8 billion to a level of $8.3 billion. This is not an inconsequential amount for the industry to absorb.

The first major savings in the bill is a reduction in the basic reimbursement rate for school lunches, the so-called section 4 rate. Section 4 will be cut by 2½ cents for all categories of lunches—free, reduced-price, and paid—except in school districts where 75 percent or more of the children receive free and reduced-price lunches, for a savings of $94 million. Schools may decide to make up the entire difference by raising the charge to the paying student. Or, the school may decide that because of the importance of keeping paying students in the program to keep the economies of scale and to improve the nutrition, only a portion of the reduction will be passed along to paying students and that the rest would be absorbed in other ways. But, recognizing that some schools do not have enough paying children to absorb the reduction even in part by the paying child, we have provided a "safety net" to exempt those school districts with 75 percent or more needy children from this 2½ cent cut.

The "safety net" schools, those exempted from the 2½ cent provision, will nonetheless be subject to the reduction in reimbursement caused by making the update for inflation annually instead of semiannually, as in present law. The savings for annualization in section 4 and in section 11—additional subsidy for free and reduced-price meals—would be $70 million. The combined effect of the annual update and the 2½ cent cut will mean that non-safety net schools will receive 16.25 cents per paid lunch instead of 19.325 cents. The section 11 additional reimbursement for reduced-price lunches would be reduced from 93.58 cents to 88.32 cents. That for the free lunch reimbursement would be reduced from $105.58 to $100.32.

Eligibility standards and charges for reduced price meals are altered by our bill. The administration had proposed that the eligibility standard be lowered from 125 and 195 percent of poverty for free and reduced-price meals, respectively, to 100 and 175 percent, and that the hardship deduction that few families utilized be replaced with a standard deduction similar to food stamps. The net effect of these two proposals was to reduce eligibility to approximately 115 and 185 percent of poverty.

We were very concerned that the lowering of the eligibility standard for free meals would cause great harm to those families who are most vulnerable in these recessionary times—those near the poverty level. Therefore, while adopting the concept of the standard deduction and lowering the reduced-price eligibility to 175 percent of poverty, we lowered the eligibility for free to only 115 percent, thereby essentially retaining the free eligibility at its present level.

Coupled with the changes in eligibility requirements in our bill is a change in the reimbursement rate that will have the effect of raising the price of reduced-price lunches from 10 to 20 cents. At present schools in a few States charge 20 cents. But since the Federal Government will make up the difference between 10 and 20 cents through the reimbursement rate, most schools have chosen the 10-cent charge. By eliminating this extra reimbursement, we believe most schools will go to a 20-cent charge. This is not mandated, however, so schools could continue to charge 10 cents if desired. The combined savings of the changes in eligibility and increase in charge is $95 million, according to CBO, or $113 million under USDA calculations.

We chose not to go any lower than 175 percent of poverty for the reduced price cutoff because of the large "notch" effect. Those families between 185 and 195 percent of poverty under our provision will be going from paying 10 cents to perhaps paying 65 or 75 cents. Many of them will find it more economical to "brown bag" it—or even worse—not eat at all. To go even lower than 175 percent of poverty could cause even more departures from the program, and even more nutritional damage, two effects we strongly deplore.

Likewise, an increase in charge above 20 cents would mean even more dropouts from the program. It will be difficult enough for families to pay twice as much as they paid before, without causing them to pay even more.

The special milk program will be changed as proposed by the administration—the reimbursement for milk for paying students who have milk available in one of the other programs, will be capped at 5 cents, a 3½ cent reduction from next year's 8½ cent rate. This will save $56 million. This proposal does not alter the basic structure of the special milk program as did proposals the Senate has dealt with in other years and so is a much more acceptable program. With milk also remaining an important part of other child nutrition programs, I believe the dairy producers will not be severely hurt by the proposal. The increase in WIC funding over last year will help to lessen the impact of the special milk cut, since one-half of the WIC nutrition packet is usually dairy products.

The commodity program for the lunch and breakfast programs will be reduced modestly. Lunch commodities will be reduced by 1 cent per meal, from the approximately 17 cent level scheduled for next year. This is, in effect, merely not updating for inflation, since the level of support this year is about 16 cents. This would bring a savings of $43 million. In addition, the administration had proposed to eliminate, through administrative action, the 3 cent per meal in commodity support that had been given for breakfast program participation. We concur in this administrative action, for a savings of $19 million. This reduction in breakfast commodity support will not directly affect the breakfast program since the commodities are distributed to the States, with no requirement that they be used in schools with the breakfast program.

The effect of these changes on many of the producers of commodities will be substantially lessened by their substitution with "bonus" commodities. Under this authority, the Secretary of Agriculture can distribute commodities in surplus to schools in addition to the regular commodity program distribution. The Department has testified that they will distribute $80 million in surplus commodities next year.

Equipment assistance for the lunch and breakfast programs will also be reduced from $20 million to $15 million under our bill.

Savings in the child care feeding program would come through two changes. The reimbursement rate for the snack would be cut by 3 cents across-the-board. In fiscal 1981 they would have received 32 cents for a snack for a nonpaying child, 24.25 cents for a reduced-price child, and 8 cents for a paying child, were it not for this change. The savings will be $6 million. The other savings in CCFP would come from a reduction in the equipment authorization from $6 million to $4 million.

A savings of $5 million in outlays will also be realized through reducing the authorization level for the nutrition education and training program to $15 million. Since spending has been at a lower rate during the start-up period, I believe this cut will not be too damaging. However, I believe the success that this program is showing in its early years warrants the reestablishment in fiscal year 1982 of the 50 cent per child entitlement that was in the law in fiscal years 1978 and 1979. Testimony before the Subcommittee on Nutrition indicated that the program's size and success would merit such increased spending.

The final cut we are making in the bill is one suggested by the administration. The number of meals that can be reimbursed in the summer program will be limited to two except in camps and migrant programs, for a savings of $18 million. This two meal limit will parallel the meal service during the school year and will limit the abuse and waste that has been found in some programs serving multiple meals.

Our bill does not contain the administration's other cost saving proposal for the summer program—limiting private sponsors that do not prepare their own food to those that serve 15 or fewer sites and fewer than 1,500 children. Although some of the extensive abuse found in the summer food program came from sponsors who did not prepare their own food, many actions have been taken through congressional mandate and administrative action to tighten up the system. In fact, the USDA inspector general in his latest report to Congress expressed "cautious optimism that the most serious abuses of the program are declining."

I would also note that the problems still existing in the program cannot be solely attributed to private sponsors. A 1979 inspector general audit report noted that of the 10 percent of the meals that were ineligible, over half were from school sponsored programs.

The savings from the administration proposal of $27 million comes not just from eliminating ineligible payments but in large measure from eliminating children from the program. In too many areas, especially in large cities, the private sponsors are the only ones available. However, we have included in our bill provision to permit private sponsors that do not prepare their own food to participate only if another sponsor is not available.

We have also included two other measures in our bill to strengthen the summer program. Each State will be required to do outreach in areas of concentration of low-income children in addition to the outreach provisions of present law. Schools would be required to notify the State by March 15 of each year whether they want to run a summer program. This would give parents the opportunity to work for other sponsors in areas where schools have indicated they are not going to be the sponsor.

I have spent much of my time today, as we often do in Congress these days, discussing the cost saving proposals of this bill. But I do want to take a moment to highlight some of the other changes that this bill would make, for they are vitally important as well.

To make meals more attractive to children, this bill would direct schools to provide at least two choices in each of the five food items that make up a school lunch. In the milk category, one of the choices must be whole milk, to avoid the problem of children refusing milk because they do not like a low-fat milk.

Congress enunciated its strong support for expansion of the breakfast program when it incorporated the following into the law in 1975:

> As a national nutrition and health policy, it is the purpose and intent of the Congress that the school breakfast program be made available in all schools where it is needed to provide adequate nutrition for children in attendance.

Our record of progress toward meeting this goal leaves much to be desired. Only one-fourth of the 12.1 million children receiving free and reduced price lunches are participating in the breakfast program. These needy children are the ones the breakfast program could benefit the most.

To accelerate implementation of our several important changes in the program. First, beginning with the 1981–82 school year, in school districts where the reimbursement is inadequate to cover costs, if 40 percent of the children are needy, as defined by receiving free or reduced price lunches, and all the schools in the district with 25 percent or more needy have the breakfast program, then all breakfast schools would receive the "severe need" reimbursement rate established in 1978—an extra 11 cents per free breakfast— 63.6 cents versus 52.9 cents—and an extra 15 cents for a reduced price breakfast—58.6 cents versus 43.5 cents. This provision would cost $26 million in fiscal year 1981.

A second provision establishes a petition procedure to achieve a dialog in a community about the breakfast program. If 10 percent of the parents petition school authorities to have a breakfast program, the authorities must announce a decision within 120 days whether they will implement such a breakfast program. A public hearing would be required prior to a rejection of the breakfast program. This provision will still leave full discretion in the local authorities on breakfast program implementation, but it will provide a vehicle for public discussion.

To facilitate outreach, States would be required each year to visit one-third of the schools in the State that have 25 percent of the children receiving free or reduced-price lunches and yet have no breakfast program.

I believe these three provisions together will greatly strengthen the breakfast program in areas with lower income families, where it is needed most.

As I indicated earlier, our bill would reauthorize WIC at the $900 million level set by present law. Each year thereafter, there would be no authorization limit. Instead, such sums as are appropriated would be the limit. I believe this step, short of creating an entitlement, is important to underscore the dramatic results of this program.

The Washington Post summarized the results of the WIC program in its April 5, 1980, editorial "Some Programs Work." I ask that the editorial be inserted in the Record at the close of my remarks. I would like to add one statistic coming out of the Harvard study that the Post does not mention—for every $1 spent in the prenatal part of the WIC program, $3 in future hospitalization costs were avoided. If only we could say that about all our Federal programs.

The bill also contains program revisions in WIC such as improving outreach among migrants, providing bilingual personnel and nutrition education materials, where appropriate, requiring States to reallocate funds within States to insure the most effective distribution of dollars, and permitting States to advance-fund organizations where necessary.

Our bill does not contain the administration's proposal to prohibit a WIC voucher program from starting in an area with a WIC commodity program, or vice versa. I believe that as long as we do not have sufficient funding to serve all the eligible population, we should permit both programs to operate in the same area where that will substantially increase the number of people served.

I would like to turn to another provision the administration proposed that was not included in this bill—a requirement that States must administer the summer feeding program and the child feeding program or lose administrative moneys for the school lunch program. I recognize the concern the administration has with the burden of running the programs at the regional level, but I believe we must take another approach to remedying the problem. We must examine the reasons that States turn over the administration of the programs to the Federal Government and get at the root of the causes. I believe that is a more productive approach than the penalties the administration proposes, but it is also a more time-consuming process than can be completed at this time. Therefore, our bill is supporting the recommendation of the National Advisory Council on Child Nutrition that the regional offices be permitted to continue to run the programs.

I turn to one last, but very important provision of the bill, before I close. Our bill would make permanent the authorizations for the WIC, summer feeding, State administrative expenses, nutrition education, and training, and equipment assistance reserve programs, thus bringing them into line with the other permanently authorized child nutrition programs—school lunch, school breakfast, child care, equipment assistance, and commodities programs. This does not mean that we will not be examining these programs with regularity. We are doing it now as evidenced by the changes being made by this bill in the permanently authorized programs. It does mean that we will be restating our commitment to the importance of good nutrition for our Nation's children and the crucial role the child nutrition programs play.

Mr. President, in this time of budget austerity, we must not lose sight of the beneficial effects of the child nutrition programs. Our bill keeps our eyes on the goal of adequate nutrition for all while weighing carefully the fiscal constraints of our times. I believe we have achieved an appropriate balance.

I ask unanimous consent that the bill and a section-by-section analysis be printed in the Record, together with the Post editorial.

There being no objection, the bill and material were ordered to be printed in the Record, as follows:

S. 2675

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Child Nutrition Amendments of 1980".

AMENDMENTS TO THE NATIONAL SCHOOL LUNCH ACT

Sec. 2. Section 4 of the National School Lunch Act is amended by adding, at the end thereof, the following: "Commencing in the fiscal year ending on September 30, 1981 for any school food authority in which (for the second preceding school year) less than 75 percent of the children participating in the program received free and reduced-price lunches, the national average payment under this section, after being adjusted in accordance with the provisions of section 11(a) of this Act, shall be reduced by 2½ cents. *Provided,* That the provisions of this sentence shall not affect the amount of State Administrative Expense funds disbursed under Section 7 of this Act.".

Sec. 3. Section 6 of the National School Lunch Act is amended by—

(a) deleting the second sentence of subsection (a);

(b) inserting, between the first and second sentences of subsection (e), the following: "For the school year ending June 30, 1981, the Secretary shall not offer commodity assistance based on the number of breakfasts served to children pursuant to Section 4 of the Child Nutrition Act of 1966, as amended: *Provided,* That the Secretary is authorized, in subsequent school years, to donate foods in an amount of 3 cents per school breakfast, and such amount may be adjusted on an annual basis to reflect changes in the Price Index for Food Used in Schools and Institutions"; and

(c) inserting, between the fifth and sixth sentences of subsection (e), the following: "Commencing in the school year ending on June 30, 1981, the national average value of donated foods, or cash payments in lieu thereof, as established and adjusted in the preceding sentences of this subsection, shall be reduced by 1 cent.".

Sec. 4. Section 9 of the National School Lunch Act is amended by—

(a) in subsection (a)—

(1) in the third sentence, striking out "(and, when approved by the local school district or nonprofit private schools, students in any other grade level in any junior high school or middle school)"; and

(2) adding at the end thereof a new sentence as follows: "To encourage students to consume food from each of the five food items contained within the four food components of the school lunch program, each school, to the maximum extent practicable, shall offer no less than two alternative food choices for each of the five food items: *Provided,* That in the choice of milk items, at least one of the two alternative choices shall be whole milk."; and

(b) in subsection (b)—

(1) in paragraph (1), revising the sixth sentence to read as follows: "The income guidelines for reduced-price lunches shall be prescribed at 15 percent above the applicable family size income levels in the income poverty guidelines prescribed by the Secretary.";

(2) in paragraph (1), revising the eighth sentence to read as follows: "Such income guidelines for reduced price lunches shall be prescribed at 75 per centum above the income poverty guidelines prescribed by the Secretary.";

(3) in paragraph (1), amending the ninth sentence by striking out "95" and inserting, in lieu thereof, "75"; and

(4) redesignating paragraph (2) as paragraph (3) and inserting a new paragraph (2) that shall read as follows:

"(2) In computing household income in all States except Alaska, Hawaii, and Guam, the Secretary shall allow a standard deduction of $60 a month for each household. Such standard deduction shall be adjusted every July 1 to the nearest $5 to reflect changes in the Consumer Price Index of the Bureau of Labor Statistics for items other than food for the twelve months ending the preceding March 31: *Provided,* That the first such adjustment shall be made starting on July 1, 1980 and shall reflect changes in the Consumer Price Index of the Bureau of Labor Statistics for items other than food for the period September 1977 through March 1980. The monthly standard deduction allowed in Alaska shall bear the same ratio to the standard deduction allowed in the contiguous States as the applicable income poverty guidelines for Alaska bear to the applicable income poverty guidelines for the contiguous States. The monthly standard deduction allowed in Hawaii and Guam shall bear the same ratio to the standard deduction allowed in the contiguous States as the applicable income poverty guidelines for Hawaii bear to the applicable income poverty guidelines for the contiguous States.".

Sec. 5. Section 11 of the National School Lunch Act is amended by—

(a) deleting in the fifth sentence of subsection (a), the following: ": *Provided,* That if in any State all schools charge students a uniform price for reduced-price lunches, and such price is less than 20 cents, the special assistance factor prescribed for reduced-price lunches in such State shall be equal to the special assistance factor for free lunches reduced by either 10 cents or the price charged for reduced-price lunches in such State, whichever is greater";

(b) adding at the end of subsection (a) the following: "Commencing in the fiscal year ending on September 30, 1981, the Secretary shall prescribe on July 1 of each fiscal year annual adjustments in the national average rates for lunches served under section 4 of this Act and the special-assistance factor for lunches served under section 11 of this Act; and the national average rates for breakfasts served under section 4 of the Child Nutrition Act of 1966, as amended, that shall reflect changes in the cost of operating a school lunch and breakfast program under these Acts, as indicated by the change in the series for food away from home of the Consumer Price Index for all Urban Consumers published by the Bureau of Labor Statistics of the Department of Labor: *Provided*, That such adjustments shall be computed to the nearest one-fourth cent: *Provided further*, That the adjustments for July 1, 1981, shall reflect the changes in the series for food away from home for the most recent twelve-month period for which such data are available and a projection of such changes by the Secretary, in light of the best available data, through August 31, 1981: *Provided further*, That adjustments for July 1, 1982, and thereafter shall reflect the changes in the series for food away from home based on a projection of such changes by the Secretary for the twelve-month period from the preceding to the succeeding August 31."; and

(c) in subsection (e)—

(1) redesignating paragraphs (2) and (3) as paragraphs (4) and (5), respectively; and

(2) adding new paragraphs (2) and (3) as follows: "(2) In the State plan of child nutrition operations required under paragraph (1) of this subsection, each State educational agency shall set forth its plan of statewide breakfast program targeted outreach to low-income areas, including, but not limited to, (i) a calculation of the number of schools in the State that qualify for 'severe need' reimbursements under section 4(d) of the Child Nutrition Act of 1966 together with calculations of the number of schools that received such reimbursement levels during the year preceding the year for which the plan is being submitted and a projection of the number of schools that will receive such reimbursements during the plan year, and (ii) a calculation of the number of schools that qualify for 'especially needy' food service equipment assistance under section 5(b) of the Child Nutrition Act of 1966 together with calculations of the number of schools that received such assistance during the year preceding the year for which the plan is being submitted. A list of the names of the schools, by school district, that received food service equipment assistance under section 5 of the Child Nutrition Act of 1966 during the year preceding the year for which the plan is being submitted shall be made available to the public. In the school food program agreements signed by the State educational agencies and each school food authority that operates the school lunch program, lists shall be provided of: (i) the names and addresses of schools, by school district, that will initiate the breakfast program during the plan year, and (ii) the names and addresses of all 'needy non-implementation' schools which for purposes of this paragraph, are those schools which, according to the most reasonably available estimates, provide 25 per centum or more of their school lunches for free or at a reduced-cost under section 9(b) of this Act. Such agreements, as well as the State plan of child nutrition operations, shall be available for inspection by any member of the public. Each State shall list, on a document to be made available for inspection by the public, by no later than October 1, which needy non-implementation schools will have their principals and school food authorities visited by personnel of the State education agency during the plan year for the purpose of improving their receptivity to the breakfast program: *Provided*, That no less than one-third of the State's needy non-implementation schools shall have their principals and school food authorities so visited. The State educational agency shall mail informational packets about the breakfast program to the principals and school food directors of all of the needy non-implementation schools. The State educational agency shall also prepare and disseminate posters and leaflets about the school breakfast program for all schools in the State and other members of the public, and in areas where a large number or percentage of people are more familiar with a language other than English, such posters and materials shall be appropriately multilingual.".

(3) "At least 45 days prior to the submission of the State plan of child nutrition operations to the Governor, , the State educational agency shall conduct hearings to enable the general public to participate in the development of the State plan.".

Sec. 6. Section 12 of the National School Lunch Act is amended by—

(a) inserting in subsection (d)(6), after "retarded", the following: "except Job Corps Centers funded by the Department of Labor";

(b) amending subsection (f) to read as follows: "In providing assistance for program payments in Alaska and Hawaii. The Secretary shall, and in providing assistance for program payments in Guam, American Samoa, Puerto Rico, the Virgin Islands of the United States, the Trust Territory of the Pacific Islands, and the Commonwealth of the Northern Mariana Islands. The Secretary may, establish appropriate adjustments for each such State to the payment rates prescribed under sections 4, 11, 13, and 17 of this Act, and section 4 of the Child Nutrition Act of 1966, to reflect the differences between the food program costs in those States and the food program costs in all other States."; and

(c) adding at the end thereof a new subsection (i) to read as follows: "(i) Claims eligible for reimbursement for meals served during a fiscal year under this Act or the Child Nutrition Act of 1966 shall be limited to those claims that are submitted to the appropriate State agency within ninety days after the end of such fiscal year. with the exception of claims so filed but subsequently amended as a result of an audit or investigation.".

Sec. 7. Section 13 of the National School Lunch Act is amended by—

(a) adding at the end of subsection (a) (2) a new sentence as follows: "Notwithstanding any other provision in this section, private non-profit service institutions, which purchase meals from a food service management company, shall not be allowed to participate in the program unless there are no applications pending from a school or another service institution to serve children in the same geographical area: *Provided*, That for purposes of this sentence only, it shall be deemed that no application is pending by a private service institution that does not intend to use vendors or a school or other public service institution, if no such service institution indicates to the State, by March 15 of any year, that it wishes to operate the program.":

(b) inserting, between the first and second sentences of subsection (a)(4), the following: "If a school has not indicated to the State, by March 15 of any year that it wishes to operate the program, such school shall lose its priority of funding under the preceding sentence. If a school indicates, after March 15, a desire to operate the program and another service institution also proposes to serve the same area, the State shall select the service institution that it determines will operate the program most successfully. To insure that maximum outreach has been conducted by States among schools, States shall be required to inform all school food authorities, who operate the school lunch program under this Act under the direction of the State agency, prior to March 15, of their eligibility to participate. Subsequent to March 15, States shall provide information upon request to any member of the public regarding whether any school has indicated its desire to operate the program in a particular geographical area or areas. Each State shall establish an application deadline date, and shall accept applications to operate the program after such date only when failure to do so would deny the program to an area with poor economic conditions or would result in a significant number of needy children not having access to the program."

(c) adding at the end of subsection (a)(4) a new sentence as follows: "States shall conduct active outreach efforts to identify eligible institutions to participate in the program in areas with large concentrations of low-income families, unless such areas are already adequately served by eligible institutions.";

(d) amending subsection (b)(2) to read as follows: "(2) Any service institution shall be permitted to serve lunch and either breakfast or a supplement each day of operation, and any service institution that is a camp or that serves meals primarily to migrant children shall be permitted to serve up to four meals per day of operation if the service institution has the administrative capability, and the food preparation and food holding capabilities (where applicable), to manage more than one meal service per day, and if the service period of different meals does not coincide or overlap. Such meals which camps and migrant programs may serve include a breakfast, a lunch, a supper, and meal supplements.";

(e) amending subsection (b)(4) to read as follows: "(4) The Secretary may allow States to (A) permit service institutions that prepare their own meals to use a preapproved portion of the reimbursement that is otherwise available for operating costs under subsection (b)(1) of this section to defray administrative costs, and (B) permit service institutions that prepare their own meals to use a preapproved portion of the available reimbursement that is otherwise available for administrative costs under paragraph (b)(3) of this section to defray operating costs.";

(f) adding at the end of subsection (e) new paragraphs (3) and (4) as follows: "(3) Each fiscal year the Secretary shall make available to States administering the Summer Food Service Program for Children, for purposes of conducting audits of all participating service institutions, an amount up to 2 percent of the funds expended by each State in the program under this section, during the preceding fiscal year.

"(4) Institutions that are required to have an audit conducted of their program in accordance with standards developed by the Secretary shall receive final payment as soon as the results of the audits have been received, reviewed. and approved by the State.";

(g) amending subsection (k)(1) to read as follows: "(k)(1) The Secretary shall pay to each State for its administrative costs incurred under this section in any fiscal year the amount of $30,000 plus an amount based upon (A) 20 percent of the first $50,000 in funds distributed to that State for the program in the preceding fiscal year; (B) 10 percent of the next $100,000 distributed to that State for the program in the preceding fiscal year; (C) 5 percent of the next $250,000 in funds distributed to that State for the program in the preceding fiscal year; and (D) 2½ percent of any remaining funds distributed to that State for the program in the preceding fiscal year: *Provided*, That the amount paid to each State shall not exceed thirty-three and one-third percent of the program funds expended in the State during the preceding fiscal year: *Provided further,* That the Secretary may adjust the amount paid to any State to reflect changes in the size of its program since the preceding fiscal year. Any State that receives funds under this subsection shall hire and retain at least one person who, on a year-round basis, shall administer the program and provide technical assistance to potential program sponsors.";

(h) redesignating subsection (k)(2) and (k)(3) as (k)(3) and (k)(4), respectively, and inserting a new subsection (k)(2) to read as follows: "(2) The Secretary may establish criteria under which additional funds may be provided to a State for its administrative costs if a State justifies that it would otherwise have insufficient resources to assure program integrity.";

(i) amending subsection (m) to read as follows: "(m) States and service institutions participating in the program under this section shall keep such accounts and records as may be necessary to enable the Secretary to determine whether there has been compliance with this section and the regulations issued hereunder. These accounts and records shall at all times be available for inspection and audit by representatives of the Secretary, the Comptroller General of the United States, and appropriate State representatives and shall be preserved for a period of time, not in excess of five years, determined by the Secretary to be necessary. The Secretary may establish special procedures for the conduct of audits of participating service institutions in order to ensure program integrity." and

(j) in subsection (p), striking out "ending September 30, 1980" and inserting, in lieu thereof, the following: "each fiscal year thereafter".

SEC. 8. Section 14 of the National School Lunch Act is amended by—

(a) in subsection (a) striking out "during the period beginning July 1, 1974, and ending September 30, 1982" and inserting in lieu thereof "for each fiscal year"; and

(b) adding at the end thereof a new subsection (f) as follows:

"(f) Each State agency that distributes agricultural commodities and other foods to schools participating in programs under this Act shall establish procedures so that any school may request and receive to the extent practicable the desired amounts and types of commodity assistance available to the State during any school year. When offered commodities are not accepted by a school during any school year, alternate commodities shall be offered for delivery if available to the State during the same school year. For the purposes of this subsection, "alternate commodities" shall not include any commodities available from stocks of the Commodity Credit Corporation and designated by the Secretary as a bonus over and above the level of assistance to be provided to the State under section 6(e) of this Act."

SEC. 9. Section 15 of the National School Lunch Act is amended by—

(a) in subsection (a)—

(1) in the first sentence thereof, striking out "nineteen" and inserting in lieu thereof "eighteen";

(2) in the second sentence thereof, striking out "a person engaged in child welfare work" and inserting in lieu thereof the following: "a representative of a nonprofit organization that has experience with, and knowledge of, the child nutrition programs";

(3) in the second sentence thereof, striking out "a person engaged in vocational education work" and inserting in lieu thereof the following: "a person involved with the operation of the Child Care Food Service Program; a person involved with the operation of the Summer Food Service Program; and a State coordinator of the Nutrition Education and Training Program";

(4) in the second sentence thereof, striking out "four" and inserting, in lieu thereof, "one"; and

(5) before the last period thereof, inserting the following: "Provided, That one such member shall also be a representative of a private school."

(b) in the second sentence of subsection (f) striking out "annually" and inserting, in lieu thereof, "every other year".

SEC. 10. Section 17 of the National School Lunch Act, is amended by—

(a) in subsection (c)—

(1) deleting, in subparagraphs (1)(C), (2)(C), and (3)(C), "January 1 and";

(2) deleting, in subparagraphs (1)(C), (2)(C), and (3)(C), "six-month" and inserting, in lieu thereof, "twelve-month"; and

(3) deleting, in subpargraphs (1)(C), (2)(C), and (3)(C), at the end thereof, the period and inserting, in lieu thereof, the following: ": *Provided,* That the average payment rate for supplements served to these institutions, commencing in the fiscal year ending on September 30, 1981, shall be 3 cents lower than the adjustment prescribed by the Secretary in accordance with the adjustment formula set forth in this sentence.";

(b) adding at the end of subsection (g), a new subsection (5) as follows: "(5) The State agency shall use appropriate bilingual materials to perform outreach and train local administrative personnel.";

(c) striking "6,000,000" where it appears in subsection (n) and inserting in lieu thereof "$4,000,000";

(d) adding at the end of subsection (q) a new sentence as follows: "The Secretary may establish procedures for the conduct of audits of participating institutions in order to assure program integrity."; and

(e) redesignating subsection (r) as subsection (s) and inserting a new subsection (r) to read as follows: "(r) The Secretary is authorized to require each State to establish a standard form of contract for use by institutions in purchasing meals. The Secretary may prescribe requirements governing bid and contract procedures for the purchase of meals including, but not limited to, procedures for review and approval of contracts by States, provisions to ensure maximum free and open competition, and safeguards to prevent collusion.".

AMENDMENTS TO THE CHILD NUTRITION ACT OF 1966

SEC. 11. Section 3 of the Child Nutrition Act of 1966 is amended by inserting, between the seventh and eighth sentences, the following: "Notwithstanding the previous two sentences, the rate of reimbursement per half-pint of milk, which is served to children who are not eligible for free milk and which is served in schools, child care institutions, and summer camps participating in meal service programs authorized under the National School Lunch Act and this Act, shall be 5 cents."

SEC. 12. Section 4 of the Child Nutrition Act of 1966 is amended by—

(a) in the first sentence of subsection (d) deleting the period and inserting, in lieu thereof, the following: ": *Provided,* That, commencing at the beginning of the school year ending on June 30, 1982, all schools, under the jurisdiction of a particular school food authority, shall qualify for such severe need additional funding if (1) during the most recent second preceding school year for which lunches were served, 40 percent or more of the lunches served to students attending schools under the jurisdiction of the school food authority were served free or at a reduced-price, (2) the rate per meal established by the Secretary is insufficient to cover the costs of the breakfast program, and (3) all of the schools under the jurisdiction of the school food authority, which provide 25 percent or more of their school lunches for free or at a reduced-price, participate in the school breakfast program: *Provided further,* That a school food authority may not receive district-wide severe need additional funding if it qualified for such assistance, under the criteria established in the preceding proviso, as a result of its termination of a school feeding program in any of its schools."; and

(b) adding, at the end thereof, a new subsection (h) to read as follows: "(h) If, in any school year, the parents of ten percent of the children enrolled in any school petition the principal or school food authority to implement the school breakfast program, such school food authority, within 120 days of the petition's submission, shall decide and publicly announce, or shall cause its designated representatives (such as the principal or food service officer of the affected school) to decide and publicly announce whether it will implement the breakfast program in such school: *Provided,* That no school official shall reject a petition for breakfast program implementation without there first being held a public hearing before the school food authority, with notice about such hearing provided to all parents of children attending the affected school, on the advisability of implementing the breakfast program.".

SEC. 13. Section 5 of the Child Nutrition Act of 1966 is amended by—

(a) amending subsection (a) to read as follows: "(a) There is hereby authorized to be appropriated for the fiscal year ending September 30, 1980, not to exceed $20,000,000; for the fiscal year ending September 30, 1981, not to exceed $15,000,000; for the fiscal year ending September 30, 1982, not to exceed $30,000,000; for the fiscal year ending September 30, 1983, not to exceed $35,000,000; and for each succeeding fiscal year, not to exceed $40,000,000; to enable the Secretary to formulate and carry out a program to assist the States through grants-in-aid and other means to supply schools drawing attendance from areas in which poor economic conditions exist with equipment, other than land or buildings, for the storage, preparation, transportation, and serving of food to enable such schools to establish, maintain, and expand school food service programs."; and

(b) In subsection (e)—

(1) striking out "and" the first time it appears in the first sentence, and inserting after "September 30, 1980," the following: "and each fiscal year thereafter,"; and

(2) striking out the fifth and sixth sentences and inserting, in lieu thereof the following: "if, at the end of six months in any fiscal year, any funds so reserved for a State have not been obligated, the Secretary shall immediately apportion such funds among the States in accordance with the provisions of subsection (b) of this section.".

SEC. 14. Section 7 of the Child Nutrition Act of 1966 is amended by:

(a) striking the period at the end of the second sentence in paragraph (a)(1) and inserting, in lieu thereof, the following: "to the agency or agencies responsible for the administration of the programs authorized under the National School Lunch Act and Child Nutrition Act, except section 17 of the Child Nutrition Act. These funds, together with State funds specified in subsection (h), shall be used to assure the proper, effective, and efficient State administration of programs authorized under the National School Lunch Act and Child Nutrition Act, except section 17 of the Child Nutrition Act.";

(b) revising paragraph (a)(5) to read as follows: "(5) Funds available to States under this subsection and under section 13(k)(1) of the National School Act shall be available to the State for use as needed in meeting the costs of administration of programs authorized under this Act and the Child Nutrition Act, except section 17 of the Child Nutrition Act.";

(c) revising subsection (e) to read as follows: "(e) The Secretary shall establish a date by which each State shall submit to the Secretary a plan for the disbursement of funds provided under this section for each year, and the Secretary shall reallocate any unused funds, as evidenced by such plans, to other States as the Secretary deems appropriate."; and

(d) striking, in subsection (i), "ending September 30, 1980" and inserting, in lieu thereof, "each fiscal year thereafter".

Sec. 15. Section 15(c) of the Child Nutrition Act of 1966 is amended by inserting after "retarded" the following: "except Job Corps Centers funded by the Department of Labor".

Sec. 16. Section 16 of the Child Nutrition Act of 1966, is amended by adding at the end thereof a new sentence as follows: "The Secretary shall have the power to determine the amount of and settle and adjust any claim and to compromise or deny all or part of any such claim or claims arising under the provisions of this Act, the National School Lunch Act, or the regulations issued pursuant to these Acts.".

Sec. 17. Section 17 of the Child Nutrition Act of 1966 is amended by—

(a) in subsection (c)(2), striking out "September 30, 1982" and inserting in lieu thereof "each fiscal year thereafter";

(b) adding at the end of subsection (f)(2) a new sentence as follows:

"At least one month in advance of such public hearings, the State agency shall notify local agencies, appropriate health officials and professionals (including pediatricians, obstetricians, and nutritionists having demonstrated an interest in the program), organizations composed of potentially eligible program participants, and organizations of advocates of low-income people about the date, time, location, and format of the hearings.";

(c) amending subsection (f)(3) to read as follows: "(3) Each State agency, based on regulations promulgated by the Secretary (which, for each State, shall take into account the numbers in the eligible program population of migrant farmworkers, including the number of migrants projected to come into each State and the length of time such migrants will remain in the State, as well as the administrative funds necessary to serve migrant farmworkers) shall set aside program funds that are sufficient to serve and provide benefits to migrant farmworkers. The Secretary shall review and evaluate each State's projections of migrant funding needs under the preceding sentence, and shall ensure that funds set aside to serve migrants are used for such purposes. The Secretary shall also establish procedures under which migrant farmworkers who have been certified to participate in the program, continue to receive program benefits, to the maximum extent practicable, on a timely basis whenever they leave a State or project area and travel to another State or project area that is operating the program. In each State plan of operation, the State agency shall describe how it intends to spend the funds set aside for migrant farmworkers, including the funding of local agencies that can initiate the program in areas where large numbers of migrant or seasonal farmworkers are employed or reside (and giving a preference, in such funding, to migrant health agencies and farmworker organizations with access to health services in high migrant impact areas). In developing this portion of the State plan of operation, the State agency shall consult with appropriate migrant and seasonal farmworker organizations. The State shall undertake, in conjunction with migrant and seasonal farmworker organizations, outreach services to areas where large numbers of migrant and seasonal farmworkers are employed and reside, and the State may pay, out of the administrative funds provided under subsection (h) of this section, expenses incurred by such migrant and seasonal farmworker organizations in the undertaking of outreach activities. The Secretary shall establish a nationally-uniform definition of 'migrant farmworker' for the purposes of this section.";

(d) in the third sentence of subsection (f)(12) inserting a period after "commercially available" and striking all that follows;

(e) in subsection (f)(14), inserting after "appropriate", the words "bilingual personnel and" and adding at the end of the subsection a new sentence as follows: "In developing nutrition education materials, the State agency shall ensure that such materials are responsive to the cultural, ethnic, and language needs of persons eligible for program services.";

(f) in subsection (g), striking out "$950,000,000 for the fiscal year ending September 30, 1982" and inserting in lieu thereof the following: "such sums as Congress may choose to appropriate for each fiscal year thereafter";

(g) in subsection (h)(2)—

(1) striking out "of the fiscal years 1979 through 1982" and inserting, in lieu thereof "fiscal year"; and

(2) adding, at the end thereof, a new sentence to read as follows: "The Secretary is authorized to make additional amounts available to the States based on the number of local agencies serving migrants and the number of migrants served.".

(h) adding, at the end of subsection (h), a new paragraph (5) to read as follows: "(5) For those local agencies that demonstrate to the satisfaction of the State agency that advance funding of administrative expenses is necessary to administer the program in an effective and efficient manner, the State agency shall forward in advance an amount equal to the projected administrative costs of such agencies for a period, as determined by the State agency, of up to three months."; and

(i) in the second sentence of subsection (i), striking the period at the end thereof and inserting in lieu thereof the following: ": *Provided*, That the Secretary, in formulating any such reallocation, shall take into account any previously unanticipated changes in the flow of the migrant stream from one State to another: *Provided further*, That the Secretary shall not reallocate unspent program funds set aside for serving migrant farmworkers if there is a likelihood that such money will ultimately be spent during the course of the fiscal year and, if any such funds are reallocated, the Secretary shall give first preference in reallocating such funds to States that need additional funding to serve migrant farmworkers. Within 45 days of any reallocation of funds by the Secretary from one State to another, each State agency shall determine whether any of its local agencies are unable to spend the funds allocated to them. If any of such local agencies are deemed unable to spend their full allocation, the State agency shall reallocate the projected unexpended funds to either new local agencies in the State or local agencies in the State that are seeking, and that have the capability, to serve additional eligible persons.".

Sec. 18. Section 19 of the Child Nutrition Act of 1966 is amended by—

(a) in subsection (f)(1) deleting the period, at the end thereof, and inserting, in lieu thereof, the following: "*Provided*, That, to the maximum extent practicable, materials developed under this section, in areas where a substantial number of child nutrition program participants have a primary language other than English, shall be bilingual.".

(b) in subsection (h)(3)—

(1) inserting after the first sentence a new sentence as follows: "At least one month prior to the submission to the Governor of the comprehensive plan for nutrition education, the State coordinator shall either conduct hearings to enable the general public to participate in the development of the State plan or comply with the requirements of paragraph (4) of this subsection.";

(2) striking out "and" where it appears directly before clause (E);

(3) inserting before the period at the end of the third sentence the following: "; (F) a description of the State's plan for publicizing the availability of grants and contracts, which publicity shall be extended to land grant universities, other institutions of higher education, public or private nonprofit education of research agencies, community groups, consumer and advocacy organizations, family and group day care sponsoring organizations, child care centers, parent and community organizations, and local school districts; and (G) a description of the activities to be undertaken in the plan year."; and

(4) adding, at the end thereof, the following: "If the State coordinator does not conduct a public hearing under the second sentence of paragraph (3), the State shall establish an advisory council to assist such State in developing the nutrition information and training program pursuant to this section. If such an advisory council is established, the State shall ensure that low-income participants and local program administrators of programs under section 4 of this Act, sections 13 and 17 of the National School Lunch Act, and the school lunch program are included on such State advisory council.".

(b) in subsection (j)—

(1) in paragraph (1), deleting "and" the first time it appears therein and inserting, after "October 1, 1978," the following: "October 1, 1981, and each fiscal year thereafter,";

(2) in paragraph (2), deleting "year beginning October 1, 1979," and inserting, in lieu thereof, the following: "years beginning October 1, 1979 and October 1, 1980,"; and

(3) in paragraph (2), deleting the period at the end of the first sentence and inserting, in lieu thereof, the following: ": *Provided*, That there is hereby authorized to be appropriated, for the fiscal year beginning October 1, 1980, not in excess of $15,000,000.";

(4) amending paragraph (3) to read as follows: "(3) Enrollment data used for purposes of this subsection shall be the latest available to the Secretary.".

Sec. 19. The Child Nutrition Act of 1966 is amended by adding at the end thereof a new section 21 as follows: "Sec. 21. School food authorities that operate the school lunch program and/or the school breakfast program, but not including the school lunch and/or breakfast program in residential child care institutions, shall promote activities to involve students and parents in such programs. These activities may include menu-planning, enhancement of the eating environment, program promotion, and related community support activities. These activities may also include the formation of parent-student advisory committees in schools to assist such schools in improving the quality of the program and increasing participation and food consumption; *Provided*, That parent-student committees which have been established for other educational purposes may be used as such advisory committees.

TECHNICAL AMENDMENTS TO THE NATIONAL SCHOOL LUNCH ACT

Sec. 20. The National School Lunch Act is amended by—

(a) inserting in section 12(d)(1) "the Commonwealth of the Northern Mariana

Islands," immediately after "American Samoa,";

(b) redesignating "Section 22 STUDY OF MENU CHOICE" as "Section 23";

(c) amending section 6(e) to read as follows:

"(e) Among those commodities delivered under this section, the Secretary shall give special emphasis to high protein foods, meat, and meat alternates (which may include domestic seafood commodities and their products). For the fiscal year ending June 30, 1975, and subsequent school years, the national average value of donated foods, or cash payments in lieu thereof, shall not be less than 10 cents per lunch. That amount shall be adjusted on an annual basis through the school year ending June 30, 1979, to reflect changes in the series for food away from home of the Consumer Price Index published by the Bureau of Labor Statistics of the Department of Labor. For the school year ending June 30, 1980, and subsequent school years, the amount specified by the second sentence of this subsection, as adjusted for the school year ending June 30, 1979, in accordance with the third sentence of this subsection, shall be adjusted on an annual basis to reflect changes in the Price Index for Food Used in Schools and Institutions, which shall be computed using five major food components in the Bureau of Labor Statistics' Producer Price Index (cereal and bakery products; meats, poultry and fish; dairy products; processed fruits and vegetables; and fats and oils). Each component shall be weighted using the same relative weight as determined by the Bureau of Labor Statistics. The value of food assistance for each meal shall be adjusted each July 1 after the school year ending June 30, 1979, by the annual percentage change in a three-month simple average value of the Price Index for Foods Used in Schools and Institutions for March, April, and May each year. The adjustments required by this subsection shall be computed to the nearest fourth cent. Notwithstanding any other provision of this section, not less than 75 per centum of the assistance provided under this subsection shall be in the form of donated foods for the school lunch program.";

(d) amending the second sentence of section 12(h) to read as follows: "In no event, however, shall Federal reimbursement to school food authorities exceed the combined cost of operating both the lunch and breakfast programs."; and

(e) amending the fourth sentence of section 11(a) to read as follows: "For the purposes of making special assistance payments in accordance with the preceding sentence, the numbers of lunches served by a school to children eligible for free lunches and reduced-price lunches, respectively, during each school year of the three-school-year period shall be deemed to be the numbers obtained by multiplying the number of lunches served during each such year by the percent of lunches served during the first school year of such period that were served to children eligible for free and reduced-price lunches, respectively, unless that school elects, for purposes of computing the amount of such payments, to determine on a more frequent basis the number of children eligible for free and reduced-price lunches who are served lunches during such period.".

TECHNICAL AMENDMENTS TO THE CHILD NUTRITION ACT OF 1966

Sec. 21. The Child Nutrition Act of 1966 is amended by—

(a) in the second sentence of section 3, inserting "the Commonwealth of the Northern Mariana Islands," after "American Samoa,"; and

(b) in section 15(a), inserting "the Commonwealth of the Northern Mariana Islands," after "American Samoa,".

IMPLEMENTATION

Sec. 22. The Secretary shall promulgate and implement final regulations to effectuate sections 6(b), 6(c), 7, 15(b), and 17(b) of this Act by no later than January 1, 1981, and the Secretary shall promulgate and implement final regulations to effectuate sections 4(a), 5(c), 8(b), 10(b), 12, 17(c), 18(b), and 19 of this Act by no later than July 1, 1981: *Provided*, That final regulations enforcing the provisions in section 5(c) concerning the content of school food program agreements between State educational agencies and school food authorities shall be promulgated by no later than January 1, 1981. All other provisions shall be implemented as expeditiously as possible.

Section-by-Section Analysis

Section 1: Short Title—Child Nutrition Amendments of 1980.

Section 2: This section cuts the "Section 4" reimbursement rate for all categories of lunches (free, reduced price, and paid) by 2½ cents except in school food authorities where 75 percent or more of the average daily program participants receive free or reduced price lunches. Savings: $94 million. This section is in lieu of the Administration's 5 cent cut for paid lunches.

Section 3: This section makes two reductions in the commodity program. First, for the 1980–81 school year only, it prohibits USDA from taking administrative action to give 3 cents in commodities to States for each breakfast served in the State, a savings of $19 million that was incorporated in the President's budget. For subsequent school years, an authorization of 3 cents, which may be adjusted by the CPI, is provided.

Second, commodity assistance which in the 1980–81 school year would otherwise be 17 cents, is reduced by 1 cent. Savings: $43 million.

Section 4: This section requires each school, to the maximum extent practicable, to offer at least two alternative food choices for each of the five food items established under USDA's regulations (i.e. milk, meat or meat alternative, vegetable, fruit, and grain). By providing such alternatives, the legislation would more adequately encourage students to consume food from each of the five food item categories, since an alternative would be available for any food that is not consistent with a student's tastes, Because milk is a nutritious food, whole milk is required to be an option to assure that the milk component is a highly consumed food. As many children will not select the milk component if not offered whole milk, it is unwise to limit the milk option to the child by omission of whole milk.

Subsection (b) makes several changes in eligibility requirements and provides a local option system for the breakfast program. The eligibility for free meals will be established at 115 percent and eligibility for reduced price meals will be established at 175 percent of the Secretary's Income Poverty Guidelines.

The subsection also establishes a standard monthly deduction for the computation of eligibility for free and reduced-price meals. This standard monthly deduction replaces the current itemized income deductions allowed in hardship situations and used by relatively few applicants. The new monthly deduction will be similar to that used in the 48 contiguous States and the District of Columbia in the Food Stamp Program, and would be used across the board on all applications.

The combined effect of these changes will be to leave eligibility for reduced price lunches at approximately the 125 percent of poverty level of present law and to lower the reduced price level from 195 percent to about 185 percent. The combined effect of these changes, along with the increase from 10 to 20 cents in the price of reduced-price lunches (see Section 5) will save $95 million, according to CBO, or $113 million, according to USDA. The Administration had proposed changing the eligibility to 100 and 175 percent plus the standard deduction, and had not proposed to raise the reduced-price lunch cost.

Section 5: Subsection (a) makes the reimbursement differential for reduced-price lunches uniform at 20 cents less than for free lunches, thereby taking away the incentive for schools to offer a reduced-price meal at less than 20 cents. (Present law increases the reduced-price reimbursement to make up the difference for schools that charge below 20 cents. Only a few States thus have schools that charge 20 cents at present.)

Subsection (b) provides for an increase in reimbursement rates for the lunch and breakfast programs to reflect the cost of living only once, on July 1, instead of twice a year as at present, for a savings of $70 million. (Administration second budget proposal.)

Beginning on July 1, 1981, the update will be based on a projection of the CPI to August 31, instead of the present May 31, to reflect more accurately the cost of the meals during the school year for which the reimbursement is being made.

Subsection (c) contains three changes for the development of State plans of child nutrition operations and School Breakfast Program outreach. First, the section requires increased specificity for describing and undertaking statewide School Breakfast Program outreach efforts to low-income areas. The plans would set forth the number of schools that received (in the previous year), and are projected to receive (during the plan year), "severe need" reimbursement rates and "especially needy" food service equipment assistance. A list of the names of schools that received, in the previous year, food service equipment assistance (regardless of whether such schools received "especially needy food service equipment assistance) shall be made available to the public.

Second, as part of the School Food Program agreements signed by State educational agencies and each school food authority, lists shall be developed of the names of schools that will initiate the Breakfast Program during the plan year, as well as the names of "non-implementation schools." for Breakfast Program initiation.

At a minimum, the lists of "non-implementation schools" would have to include those schools which have not implemented the Breakfast Program and which provide 25 percent or more of their school lunches for free or at a reduced-price. (This definition of a "non-implementation school" is virtually identical to the definition that USDA, in its regulations and guidance material for school year 1980–81, has established for identifying a "needy school".) Based on those lists, each State agency would be required to undertake outreach efforts with principals and school food authorities from at least one-third of the schools on the "non-implementation school" list.

Other outreach efforts for School Breakfast Program expansion, including multi-lingual materials where appropriate, would also be required. The State is to prepare a list setting forth which one-third (or more) of the "non-implementation schools" would receive the benefit of the direct outreach visitations by State officials. That list shall be made available to the public by October 1 each year. The State plan of child nutrition operations and the School Food Program agreements shall also be made available for inspection by the public.

The third essential change that would be brought about by subsection (c) is the requirement that the public be given an opportunity to participate in the development of the State plan of child nutrition operations. The bill requires that each State conduct public hearings at least 45 days before the State agency submits its proposed plan to the Governor.

Section 6: Subsection (a) would amend the definition of school to exclude Job Corp Centers funded by the Department of Labor from participation in the School Lunch Program. Funds previously provided to Job Corp Centers through the School Food Programs are being requested instead in the appropriation for Job Corp Centers, which is included in the appropriation for the Department of Labor's Employment and Training Administration. This change will simplify the accounting of these funds, and will preclude the possibility of duplicate funding for the same meals from two different Federal funding sources. (Administration proposal.)

This section would also establish a consistent approach to adjusting reimbursement levels for all Child Nutrition Programs in Alaska, Hawaii, and other outlying areas. The current statutory provision allows only for adjustments of the meal rates in the National School Lunch Program, the School Breakfast Program, and the Child Care Food Program. The provision would allow the Secretary to make rate adjustments in sections 13 and 17 of this Act consistent with those for other child nutrition programs. (Administration proposal.) In practice, the Secretary has only established a reimbursement variance for the State of Alaska. This section would require variations of the reimbursement rates for Hawaii as well as Alaska.

Subsection (c) would incorporate the provision of the Agricultural Appropriations Act of 1980 limiting the eligibility of claims for reimbursement for meals served during a fiscal year to those submitted to the appropriate State agency within ninety days after the end of such fiscal year. Adjustments to filed claims due to audit or investigation would continue to be allowed beyond the ninety days.

Section 7: This section makes a number of changes in the Summer Lunch Program, Section 13 of the National School Lunch Act. Subsection (a) would restrict participation of service institutions that do not prepare their own food to locations in which no school or service institution that self-prepares food has agreed by March 14 to operate a program. The Administration has proposed that private non-self-preparer sponsors that served over 1,500 children at more than 15 sites be prohibited from operating the program.

Subsection (b) would specify that if a school does not indicate its intention to operate the program by March 15, it shall lose its priority status. States would be required to inform school food authorities prior to March 15 of their eligibility for the program. After March 15, States would be required to provide information upon request regarding whether any school has indicated its intention to operate the program in a particular area or areas. Such a request would be most likely to cover a locality, but could cover the State as a whole. States would also set an application deadline date, and accept applications after the date only when a needy area or a significant number of needy children would otherwise go unserved.

Section 7 adds a new sentence to subsection (a)(4) to require an outreach effort by the State to identify and extend the program to eligible institutions in areas with large concentrations of low-income families. This effort is in addition to other outreach required in the State plan. (Administration proposal.)

Subsection (d) revises subsection 13(b)(2) of the Act to limit most institutions to two meal services per day—lunch plus either breakfast or a supplement. This is consistent with the two meal services provided in schools during the regular school year, and would avoid some waste and abuse that has resulted from excessive numbers of meal services. Residential camps, day camps, and programs serving primarily migrant children could continue to be eligible to serve up to four meals a day. Savings: $18 million. (Administration proposal.)

Subsection 13(b)(4) is revised by striking obsolete language and replacing it with language allowing States to provide self-preparation sponsors with more flexibility in the use of funds earmarked for operating costs or administrative costs. This should enable more effective management by self-preparation sponsors, and provide an incentive for sponsors to prepare their own meals. (Administration proposal.)

A new paragraph (3) would be added at the end of subsection (e) which provides the States, for the purpose of auditing program sponsors, with 2 percent of the program funds used during the preceding year. The intent of this subsection is to provide for necessary funds to States administering the Summer Food Service Program for Children to conduct program audits as required by the Secretary of both large and small sponsors. States are now required to provide audits of small service institutions and may not pass this cost on to the sponsor; however, present law does not provide funding for this purpose. In addition, large sponsors presently provide and pay for their own audits, and these audits sometimes do not properly identify deficiencies and overclaims. This provision will require States to conduct independent audits of large sponsors as well as small ones and provide funds to do so, thereby reducing waste and abuse. (Administration proposal.)

Another new paragraph (4) would be added at the end of subsection (e) which would provide that institutions which are required to have an audit conducted of their program in accordance with standards developed by the Secretary would receive final payment as soon as the results of the audit have been reviewed by the State.

This provision will strengthen the integrity of the summer program by ensuring that sponsors required to have an audit conducted on their operations shall not receive final payment until the audit has been reviewed by the State. This will enable the State to withhold funds for any expenditures that the audit discloses were inappropriate or unallowable. (Administration proposal.)

Subsection (k) of Section 13 would be revised to increase the amount of funds made available to States for administrative expenses incurred in the Summer Food Service Program by providing for a base amount of $30,000 plus an amount based on (A) 20 percent of the first $50,000 in funds distributed to the State for the program in the preceding fiscal year; (B) 10 percent of the next $100,000; (C) 5 percent of the next $250,000; and (D) 2½ percent of any remaining funds distributed for the program in the preceding fiscal year with a limitation that the amount paid to States under this section will not exceed 33⅓ percent of the program funds expended in the State during the preceding fiscal year. The Secretary is authorized to adjust amounts paid to a State to reflect changes in the size of its program. (Administration proposal.)

Subsection (k) would be further amended to permit the Secretary to provide additional State administrative expense funds to selected States which sufficiently demonstrate that additional funds are needed to effectively administer the program. This provision has been recommended by the General Accounting Office. It is envisioned that the Secretary would prescribe criteria limiting eligibility for additional funds to only a small number of States which have large and particularly difficult programs to manage.

Such States would have to justify their need for additional funds, based on insufficient resources. States would have to demonstrate full and effective use of State Administrative Expense funds which could be utilized to administer the Summer Food Program in addition to providing other information. The Secretary would make decisions on whether to provide additional funds on a case-by-case basis, and would establish an upper limit on the percentage or amount of additional funds that a State could receive. (Administration proposal.)

Subsection (m) would be revised to provide the Comptroller General and appropriate State representatives (such as auditors) access to accounts and records. This provision also gives the Secretary the authority to establish audit procedures to address individual regulatory requirements of the program. Due to the nature and history of this program, the Department is particularly concerned about the need for adequate audits and audit requirements. (Administration proposal.)

The section would also make the authorization permanent.

Section 8: Section 8 would make the authorization of the commodity program permanent. This section, in conjunction with Section 2 of the bill, would delete the sentence added by P.L. 95–166 to section 6(a) of the National School Lunch Act providing that any school participating in the food service programs under the National School Lunch Act may refuse not more than 20 percent of the total value of commodities offered for lunches in any school year and receive in lieu thereof other commodities to the extent that other commodities are available to the State during that year. Instead, States would be required to establish procedures to ensure that schools may request and receive the desired amounts and types of commodity assistance available to the State.

This change would allow schools to refuse more than 20 percent of their allocation of commodities. If commodities are available, schools would be allowed to request and receive substitute commodities in any amounts, where under the current law the percentage of substitution is limited to 20 percent. Substitute commodities offered to schools in place of commodities refused shall be in addition to any commodities available from stocks of the Commodity Credit Corporation and designated by the Secretary as a bonus. Bonus commodities are made available to the school as an incentive to increase their use and are not counted against the level of assistance prescribed by law. (Administration proposal.)

Section 9: This section would restructure the makeup of the National Advisory Council on Child Nutrition to more closely reflect the Council's focus on Child Nutrition Program administration. The section would decrease the number of Department of Agriculture officials appointed to the Council by the Secretary and replace the persons engaged in child welfare work and vocational educational work. The section would provide for the appointment of a child nutrition advocate, a Child Care Food Program representative, a Summer Food Service Program representative, and a Nutrition Education and Training Program coordinator in their place. One of the Council's members would be required to be a representative of a private school.

The section would also provide for a biennial report of the Advisory Council to the President and the Congress in place of the current annual report. (Administration proposal except private school member requirement.)

Section 10: This section makes a number of changes in the Child Care Food Program requested by the Administration and contains a savings provision not proposed by the Administration. The new savings provision is contained in subsection (a) and would reduce the reimbursement for the snack in the Child Care Feeding Program by 3 cents, from the reimbursement rate for fiscal '81 of 32 cents for free, 24.25 cents for reduced, and 8 cents for paying Savings: $6 million.

Subsection 17(n) would be changed to provide for the use of $4,000,000 for providing Food Service Equipment Assistance (FSEA) to Child Care institutions. This change would reduce the amount available for this purpose from $6 million to $4 million. The proposed reduction would more closely align budgetary authorization with projected expenditures. Many States have historically not fully expended their equipment allocations. In fiscal year 1978, $3,000,000 was available for use but only a little over $2,000,000 was expended. In fiscal year 1979 the FSEA allocation was increased to $6,000,000, but total expenditures amounted to only $3,600,000. Savings: $2 million.

This section would also provide for a number of conforming changes in section 17 of the Act to provide for basing the rate of payments for lunches or suppers in the Child Care Food Program on the national average payment factor prescribed in section 4 for the corresponding category of lunches. The savings is incorporated in the estimate in Section 2.

Subsection (b) requires State agencies to use bilingual material when performing outreach and other services in areas where significant numbers or percentages of people have a language of primary familiarity other than English. This will ensure that State outreach and other services are provided on an equitable basis in minority communities.

Subsection (q) would be revised to enable the Secretary to establish specific audit procedures to address individual regulatory requirements of the program.

This section would also add a new subsection (r) authorizing the Secretary to require States to develop standard contracts for sponsors which purchase meals from vendors. The provision also authorizes the Secretary to establish requirements for competitive bidding and procurement which will help to reduce fraud, waste, and abuse in the program.

AMENDMENTS TO THE CHILD NUTRITION ACT

Section 11. This section would establish a subsidy of five cents for milk served to children ineligible for free milk in schools, child care institutions and summer camps participating in other meal service programs authorized under the National School Lunch Act or the Child Nutrition Act of 1966. Milk served free to needy children would continue to be subsidized at the full cost of the milk to the schools. All schools would continue to be eligible for participation in the Special Milk Program and would be able to make special milk available to all students. The current rate of subsidy would continue to be provided to schools and institutions not participating in other federally supported child nutrition programs.

Section 12. Subsection (a) is designed to provide, beginning with the 1981–1982 school year, financial incentives, for school districts in impoverished areas, to implement the School Breakfast Program in all of their schools in needy neighborhoods. Under this section, a school district could receive "severe need" higher reimbursements for all of the schools in the school district if:

(1) 40 percent or more of the school lunches served in the school district were provided for free or at a reduced-price; (2) the regular School Breakfast Program reimbursement rate is inadequate to cover the costs of the program; and (3) all of the schools in the school district, in which 25 percent or more of the lunches served are provided for free or at a reduced-price, are implementing the School Breakfast Program.

To ensure that this provision is not abused, the section prohibits any school district from obtaining district-wide "severe need" assistance if it qualifies for such aid as a result of dropping a school meals program in one or more of its schools. (For example, if a school district dropped the School Lunch Program in a school that had only 5 percent needy children in it—and thereby achieved a 40 percent or higher rate of free and reduced-price lunches for all lunches served in the district—it would not be entitled to district-wide "severe need" additional assistance.) Cost in FY '81: minimal. Cost in FY '82: $26 million.

Subsection (b) establishes a petition procedure for the breakfast program. If 10 percent of the parents petition school authorities to implement the breakfast program, the authorities must announce a decision within 120 days whether they will begin a breakfast program. A public hearing would be required prior to a rejection of the breakfast program.

Section 13: Section 13 reduces the authorization for the Food Service Equipment Program from the present $75 million (FY '80 appropriation of $20 million) to $15 million for fiscal year '81, $30 million for fiscal '82, $35 million for fiscal '83, and $40 million for fiscal years thereafter. This will save $5 million in outlays in fiscal year '81, as the Administration had proposed. In addition, it will save $60 million in Budget Authority in fiscal '81, $45 million in fiscal '82, $40 million in fiscal '83, and $35 million thereafter.

The section also makes permanent the 40 percent equipment reserve for schools that are planning to initiate breakfast or lunch programs. It changes the reserve clause, however, to require the Secretary to reallocate unobligated funds to States on the basis of the general allocation formula instead of first requiring a reallocation among reserve States, as in present law.

Section 14: This section would amend section 7 of the Child Nutrition Act to provide funds for State administrative expenses to be made available to the State agency or agencies responsible for administration of Child Nutrition Programs. If the Governor designates a State agency in place of the State Educational Agency for administration of one or more of the programs authorized under this Act and the National School Lunch Act, the amount of funds allocated by formula for administration of that program would be available to the agency designated by the Governor. The section also provides for the combination of these funds with State funds for use in effective and efficient administration of Child Nutrition Programs. The sentence providing for the funding authorization contained in this subsection is deleted since it conflicts with the authorization in subsection (i) and was inadvertently added during the proceedings leading to the enactment of P.L. 95–627. (Administration proposal.)

This section also changes the current law to eliminate the requirement that funds be used to administer the program for which the allocations are made under section 7(a)(2) and 7(a)(3) of this Act and section 13(k)(1) of the National School Lunch Act, when a single State agency administers more than one program, and to eliminate the 10 percent limitation on the State's authority to transfer administrative funds among these programs under the same circumstances.

State agencies that administer only one program under these Acts would receive administrative expense funds based upon the allocation formula for that program. This change will provide the States with increased flexibility in maximizing the use of available administrative expense fund resources in the programs where most needed.

The statute would no longer be construed to require the maintenance of separate staffs within one agency for program administration. States would be encouraged to use staff across the board to manage programs, and to concentrate staff to meet peak workloads during Summer Food Service Program operations, free and reduced price statements reviews, and School Breakfast or Child Care Food Program approvals. (Administration proposals.)

The Section would make permanent the authority providing for the appropriation of funds for this purpose.

The Section would extend the provision requiring States to furnish information concerning the anticipated disbursement of SAE funds and allow the Secretary to reallocate unused funds to other States on the basis of the information received. (Administration proposal.)

Section 15: Section 15 would amend the definition of school to exclude Job Corp Centers funded by the Department of Labor from participation in the School Breakfast Program.

Section 16: Section 16 would provide the Secretary with authority to determine the amount of and settle and adjust claims or to compromise or deny all or part of any claim arising under the provisions of the National School Lunch Act and the Child Nutrition Act of 1966, as amended, or the regulations issued pursuant to these Acts. This authority parallels the authority provided the Secretary in the Food Stamp Act of 1977 for the administration of the Food Stamp Program. (Administration proposal.)

Section 17: This section makes a number of improvements in the Special Supplemental Food Program for Women, Infants and Children (the so-called "WIC" Program). It extends the authorization from its expiration date of September 30, 1982, to a permanent authorization, and eliminates the authorization ceiling for fiscal 1982 and thereafter. (Under current law, the authorized funding ceiling for the program is $900 million in FY 1981 and $950 million in FY 1982.) Congress would still control the program's funding level through the appropriations process, but the parameters for the program's funding levels would be increased.

Subsection (b) would require States to give to various groups and individuals interested in the program—local agencies, health professionals, and participant and advocate organizations—at least 30 days notice in advance of public hearings. This is to ensure that such groups will have the opportunity for input into the State plan.

This section would also seek to improve the opportunities of migrant farm workers to participate in the WIC program. Each State would be required to estimate the number of migrant participants in the coming year and to set aside sufficient funds to serve them. Migrant health agencies and farmworker organizations with access to health services would be given priority for funding in areas with large numbers of migrants. The States would also be required to conduct outreach efforts in high migrant areas and could provide funds for migrant farmworker organizations to do outreach. The Secretary is required to establish procedures to ensure that migrants certified in one State will continue, to the maximum extent practicable, to receive benefits as they travel. The Secretary is also required to set up a national uniform definition of "migrant farmworker" to facilitate uniformity in the program. This section does not create an entitlement for migrants.

Subsection (d) would revise Subsection 17(f) to delete the authority of the Department to provide products such as infant formulas under the WIC Program which are not commercially available. It is difficult to ensure that the formula production always has adequate quality control to ensure that all the formulas produced meet the required specifications. The Department has had to recall shipments of non-commercially available formula for the commodity supplemental food program which had been approved on the basis of clinical tests, but which had problems once issued in bulk.

To improve the program for bilingual participants, the State is required to use appropriate bilingual personnel in administration and to develop nutrition education materials that are responsive to the cultural, ethnic, and language needs of participants.

Subsection (h) requires the provision of advance funding for local administrative expenses whenever such advance funding is deemed by the State agency, upon application by a local agency, to be necessary to promote effective and efficient program operations. Currently, local agencies are provided with three months of advance funding at the commencement of program operations but not thereafter. This section would extend this concept to permit advance funding of up to three months for on-going programs. Many local agencies, particularly in low-income neighborhoods, function on marginal budgets, and advance funding is necessary to assist them to operate the program. Advance funding would reduce the financial vulnerability of such local agencies and clinics, thereby encouraging them to participate in the program.

Subsection (i) parallels the Secretary's right to reallocate unused funds from one State to another. Under this subsection, each State, upon a reallocation of funds by the Secretary, must make a determination as to whether any local agency is unable to spend its full allocation. If the State determines that a local agency cannot spend its full allocation, the State, within one month of the Secretary's reallocation, must reallocate the projected unused funds either to an agency that will initiate the program or to an agency that has already implemented the program but needs additional funds to feed unserved eligible women and children.

Section 18: Section 18 makes several changes in the Nutrition Education and Training Program. To provide greater access to nutrition education by bilingual individuals, this subsection (a) would require States, to the maximum extent practicable, to use materials in other language in areas where a substantial number of participants have a primary language other than English.

To improve public input into the program, Section 18 requires a State either to hold a public hearing at least 30 days prior to the submission of the State plan to the Governor, or, create an advisory council representative of certain specified interests. The State plan must be written to include the activities to be conducted in the plan year.

This section would limit funding for the NET program in fiscal '81 to $15 million, as the Administration had proposed. Savings: $5 million. After fiscal '81, the program would return to the entitlement of 50 cents per child per year that was in the law in fiscal '78 and '79.

Subsection (j)(3) would be amended to allow the Secretary to use the most current data available on enrollment for the distribution of funds. This change would eliminate the requirement that the data be certified by the Office of Education of the Department of Health, Education and Welfare. The Office of Education, DHEW, can only provide certified enrollment data on public and private schools and nonresidential child care. Therefore, enrollment data on public and nonprofit private residential child care institutions must be taken from the "Annual Report of Meal Service in Schools" submitted by State agencies to FNS. This change would allow the Secretary to use the FN data in addition to HEW data.

Section 19: This section requires local program administrators of the lunch and breakfast programs to promote greater student and parental input in the operation of the programs (particularly in menu-planning).

Section 20: This section would make technical changes to the National School Lunch Act.

Under other provisions of law, the Commonwealth of the Northern Mariana Islands is eligible for the programs authorized by the National School Lunch Act. Subsection (a) makes a conforming change in the National School Lunch Act to reflect this.

Subsection (b) would provide for the redesignation of section 22, "Study of Menu Choice" as section 23. This section was part of P.L. 95-627. This section number duplicates the use of section 22 which was added to the National School Lunch Act by P.L. 95-561, Education Amendments of 1978 enacted on November 1, 1978. Section 1408 of P.L. 95-561 added section 22 to the National School Lunch Act to extend the benefits of the National School Lunch Program to children in "Department of Defense Overseas Dependent's Schools." The error occurred since both amendments were under consideration at the same time.

Subsection (c) also rewrites the current law to correct an error in the data used for computing the adjustments to the rate of commodity assistance.

Subsection (d) would amend subsection 12(h) to clarify the provision allowing schools to combine the costs of operating both the lunch and breakfast programs.

Subsection (e) would amend subsection 11(e) to provide reimbursement in schools electing to serve all children free meals during any period of three successive school years based on the percentages of meals served to children eligible for free and reduced price meals during the first year, as applied to the total number of meals served in the second and third years. This changes the current law which provides reimbursement during the second and third years on the basis of the number of meals served during the first year. This change is needed because current law could lead to schools receiving payments for meals in excess of those served, or could lead to inadequate payments to schools, if enrollment increased or decreased significantly.

Section 21: This section would amend section 3 and 15(a) of the Child Nutrition Act of 1966 to provide conformity to the other provisions of law under which the Commonwealth of the Northern Mariana Islands is eligible for the programs authorized under the Child Nutrition Act of 1966.

Section 22: Section 22 prescribes implementation dates. Regulations will be required to be promulgated by January 1, 1981, for the Summer program, the equipment reserve, rates for outlying areas, 90 day claims limitation, and the WIC hearing announcement provision. By July 1, 1981, regulations would be required to be promulgated on quality of meals, the child nutrition State plan, selection of commodities, breakfast, most of WIC, the NET State plan, and parent-student involvement. All other provisions would be required to be implemented as soon as possible.

SOME PROGRAMS WORK

For a number of years, the infant mortality rate in the United States has been a subject of some consternation; by this measure, which is frequently used to determine the level of civilization of a society, the United States has consistently ranked well below Western Europe and some of the other industrialized countries. Besides, the problem is concentrated among the poor and the black, and babies of young mothers who are badly nourished are in special danger.

In 1973, as part of an effort to do something about it, the Women, Infants and Children Supplemental feeding program (WIC) was enacted. The program provided dairy products, orange juice and other essential foods to low-income pregnant women who were diagnosed by physicians as having nutritional problems. This program was the brainchild of nutrition researchers and pediatricians who felt strongly that the combination of prenatal medical care and nutritional help would make a difference in the health of both mothers and babies.

For the first couple of years, the program looked like a depressing replica of so many other efforts to break into the poverty cycle. It was plagued by administrative difficulties and lethargic management, and it was not easy to persuade the mothers to take the food. Lots of tired, pregnant women found the prospect of carrying two weeks' worth of milk home on the subway more than they could manage.

But with a few changes here and there—more enthusiastic management, a change from distributing the food itself to distributing vouchers to be cashed in at the local supermarket, and time to work out the snags—WIC has turned into one of the genuine success stories of federal social policy.

Two carefully controlled studies, one at the Harvard School of Public Health and the other in Waterbury, Conn., found that the program has made a big difference. Infant mortality dropped among babies born to mothers who were getting food through the program, compared with a similar group who did not. Participating mothers had fewer low-birth-weight (under 5½ pounds) babies. Such tiny babies often suffer complications, and frequently don't pull through. The program also picks up infants who start out dangerously small, and provides the formula and other food to help them catch up to their normal weight. The evidence is that this is working too.

This news is important. In the somewhat murky world of social program evaluation, the clarity of these findings is extraordinary. It is good that something is working and that it is working to help resolve this most basic human problem. Among all the budget reductions, funds for this program are going up, and that is good too. Some programs do work.

Mr. DOLE. Mr. President, today Senator McGOVERN and I are introducing a bill targeted to savings in the child nutrition programs for this country. The savings involved in these provisions total between $413 and $431 million. The variable is derived from a difference in estimates between the Congressional Budget Office and the U.S. Department of Agriculture. I am convinced that the savings achieved in the ways described will leave the programs themselves intact, and that the administrative changes in these provisions will serve to provide increased flexibility and efficiency within the various programs.

SIGNALS OF THE CURRENT TIMES

It is well known that Senator McGOVERN and I have always been strong supporters of these child nutrition programs, supporting measures to expand and improve these programs. However, we, like everybody participating in the Federal Government today, recognize the necessity for cutting back on the burden of expenses which our Federal Government now faces. During these times we all have to make sacrifices. There are very few programs that have been left untouched as the great hand of fiscal restraint sweeps by. Defense, because of the lack of strength demonstrated by our country in recent times, has been recognized as a great priority on the spending agenda.

ROLE OF FEDERAL GOVERNMENT AS GUARDIAN OF THE PEOPLE

For decades, the American people, especially those in need, have looked to the Federal Government for relief of their plight, and the Federal Government has come a long way in responding to that need. However, its burden has become great in the process. The people of this country expect much from our Government, but it alone cannot provide all the answers. Not only does our Government act as guardian in protecting our freedoms, but it tries to help those who need assistance the most. Those in this category are increasing in numbers, as our economy dives into recession, bringing with it added hardship on those who were already in precarious economic circumstances. Because of the symptoms manifested by our ailing economy, we have to be selective in targeting our assistance resources to those most in need.

PROPOSED CUTS IN CHILD NUTRITION PROGRAMS

Because our Government too has recognized that its budget does not provide for unlimited resources, we in Congress have a responsibility to the taxpayer to save money where possible, at the same time trying to preserve the maximum amount of benefits to those families and individuals undergoing the greatest hardship in these perilous economic times. I believe that the cutbacks that we have proposed in the child nutrition programs through this legislation will do the least amount of damage to the benefits provided.

Many of the cuts outlined in this bill are adaptations of the administration's previous proposals; but I think that the provisions of this bill will serve to target benefits more directly to those in most need. For example, instead of the 5 cents reduction in subsidy to paying students in the school lunch program, we have proposed a 2.5-cent cut across the board, which would assure the continued integrity of the program as a whole; additionally, those schools where 75 percent or more participants receive free and reduced priced lunches are exempted, providing a safety net.

The greatest amount of savings is achieved by raising the reduced price charge to 20 cents, and changing the eligibility standards to 115 and 175 percent of poverty, plus a standard reduction for free and reduced price lunches, respectively. CBO estimates savings of $95 million while USDA claims potential savings of $113 million. The administration had previously proposed changing the eligibility to 100 and 175 percent of poverty plus the standard deduction, but had not proposed to raise the reduced-price lunch cost.

ROLE OF THE ADVOCATES

I would like to thank the advocate representatives who assisted in putting this bill together, through their testimony at hearings and meetings with staff. It is never easy to accept funding reductions, but these people went about assisting us by suggesting areas that might be cut in line with the $412 million net savings set forth by the Agriculture Committee. The advocates were very constructive in presenting their ideas to us, and deserve a considerable amount of credit for input in coming close to the $500 million mark.

CONCLUSION

It is certainly regrettable that, because of the economic climate in which we are forced to live, we have to be thinking in terms of reducing funding for programs that have proven their value over time. However, certain changes can be made relatively painless, without a great reduction of benefits to our Nation's needy, and when this can be done, we owe it to the taxpayers to give some relief to their burden wherever possible.

It is my hope that this current economic crisis will cause all Americans to find within themselves that strength of individual initiative that made this country great, and that they will do everything within their means to lessen the demands on the Federal Government and contribute to the society in which we all participate as citizens.

This bill attempts to fulfill the nutrition needs of our Nation's children, while, at the same time saving the Federal Government over $400 million in costs.

By Mr. DURENBERGER:

S. 2676. A bill to amend the Internal Revenue Code of 1954 to encourage small business capital formation; to the Committee on Finance:

SMALL BUSINESS CAPITAL FORMATION ACT

● Mr. DURENBERGER. Mr. President, during the past few months we have witnessed a dramatic rebirth of interest in the future of the small business sector. It is an encouraging development, and one that was long overdue. It is impossible to overstate the contribution small business makes to the quality of life in American society.

Approximately 97 percent of the Nation's businesses are small businesses. These 14 million independent enterprises provide the livelihood for 50 million Americans, 55 percent of the private nonfarm labor force. They produce 43 percent of our gross national product, and are responsible for over 99 percent of the new jobs created in the economy each year. If each of these businesses hired just one more employee in the coming year, they could completely eradicate the Nation's unemployment problem.

But the contributions of the Nation's small businesses cannot be measured in dollars and cents alone. Small business men and women have traditionally been innovators, and their ideas have added immeasurably to the quality of our daily lives. In the last half century, small businesses have given us the stainless steel razor blade, the transistor radio, the photo-copying machine, the jet engine, the "instant photograph," the helicopter, insulin, powersteering, the automatic transmission, air-conditioning, cellophane, and even the pocket calculator. Overall, small businesses have produced nearly half of our industrial innovations over the past 25 years.

In January 1980, small business was given the prestige of its own White House Conference. Delegates from across the Nation merged their ideas into a series of specific recommendations, and accolades for their work flowed from every level of government.

But 3 months after the White House Conference, any small businessman would be justified in asking whether anyone in Government had really listened. The small business sector continues to bear the brunt of an administration choosing to fight inflation with interest rates alone. The real burden of high interest rates is falling on businesses "unfortunate" enough to have inventories, or "unfortunate" enough to be small. Not surprisingly, small business bankruptcies are rising at a dramatic rate. Congress has ignored the Conference recommendations by rejecting efforts to limit spending to a fixed percentage of the GNP. And both Congress and the administration have chosen to balance the Federal budget with higher taxes, rather than the spending reductions recommended by the conferees.

Against this record, some small business men and women have expressed the fear that the recommendations of the White House Conference will end up like the recommendations of so many other government conferences—printed, praised, and filed away. These recommendations deserve a far better fate, and as Members of the Senate we have both the opportunity and the responsibility to insure that they are heard and acted upon. This morning, I am introducing the Small Business Capital Formation Act, legislation that embodies the basic tax recommendations of the White House Conference. A parallel bill is being introduced in the House of Representatives by my distinguished colleague from the Third District of Minnesota, Congressman BILL FRENZEL. The bill achieves five basic reforms:

First. A restructuring of the corporate income tax, with maximum benefits focused on the smaller businesses.

Second. Establishment of a savings tax incentive by reducing the maximum rate on "savings income" from 70 to 50 percent.

Third. Repeal of the $100,000 "cap" on eligibility of used equipment for the investment tax credit.

Fourth. Establishment of a 10-percent tax credit (maximum $750–$1,500) for investment in original issue stock of a small business.

Fifth. Presently, an estate qualifies for extension of tax payments if 65 percent of the adjusted gross estate consisted of interests in closely held corporations. The bill reduces that figure to 33⅓ percent.

Each of these reforms would ease the obstacles facing small businesses in their effort to accumulate investment capital. Investment is the key to small business survival. And the bill I have filed this morning is itself an investment in the future of American small business.

By supporting the bill and the reforms it offers, the Senate can assure those who attended the White House Conference that their message was heard. I urge everyone of my colleagues to join as a cosponsor.●

ADDITIONAL COSPONSORS

S. 76

At the request of Mr. Stone, the Senator from South Carolina (Mr. Hollings) was added as a cosponsor of S. 76, a bill to amend the title XVIII of the Social Security Act to authorize payment under the medicare program for certain services performed by chiropractors.

S. 769

At the request of Mr. Nelson, the Senator from New York (Mr. Moynihan) was added as a cosponsor of S. 769, a bill repealing the authorization for Tombigbee and Tennessee Rivers project.

S. 2074

At the request of Mr. Levin, the Senator from Ohio (Mr. Metzenbaum) was added as a cosponsor of S. 2074, a bill to amend title 39 of the United States Code to provide for the postage-free mailing of absentee ballots and other materials pertaining to absentee ballots.

S. 2239

At the request of Mr. Packwood, the Senator from Minnesota (Mr. Boschwitz), the Senator from Texas (Mr. Tower), and the Senator from Oregon (Mr. Hatfield) were added as cosponsors of S. 2239, a bill to amend the Internal Revenue Code of 1954 with respect to the income tax treatment of incentive stock options.

S. 2301

At the request of Mr. Cochran, his name was added as a cosponsor of S. 2301, a bill to amend the Omnibus Crime Control and Safe Streets Act of 1968 to assist law enforcement agencies in achieving a binding law enforcement officers' bill of rights.

S. 2374

At the request of Mr. Baucus, the Senator from Alabama (Mr. Heflin) was added as a cosponsor of S. 2374, a bill to amend the Congressional Budget Act to limit the growth of Federal taxation and spending and to achieve balanced budgets, and for other purposes.

S. 2634

At the request of Mr. Bentsen, the Senator from Georgia (Mr. Talmadge), and the Senator from North Dakota (Mr. Young) were added as cosponsors of S. 2634, a bill to provide for making of payments to certain citizens and nationals of the United States held hostage in Iran, and for other purposes.

SENATE JOINT RESOLUTION 161

At the request of Mr. Bentsen, the Senator from Alabama (Mr. Heflin), the Senator from South Dakota (Mr. McGovern), and the Senator from Iowa (Mr. Jepsen) were added as cosponsors of Senate Joint Resolution 161, a joint resolution proposing an International Code of Business Conduct.

SENATE RESOLUTION 412

At the request of Mr. Roth, the Senator from Oklahoma (Mr. Boren), the Senator from Minnesota (Mr. Boschwitz), the Senator from Maine (Mr. Cohen), the Senator from Nebraska (Mr. Exon), the Senator from Alabama (Mr. Heflin), the Senator from New Hampshire (Mr. Humphrey), the Senator from Illinois (Mr. Percy), the Senator from Tennessee (Mr. Sasser), the Senator from Illinois (Mr. Stevenson), the Senator from South Carolina (Mr. Thurmond), and the Senator from Texas (Mr. Bentsen) were added as cosponsors of Senate Resolution 412, a resolution relating to the attempted rescue of the Americans held hostage in Iran.

AMENDMENT NO. 1701

At the request of Mr. Pressler, the Senator from Virginia (Mr. Harry F. Byrd, Jr.) was added as a cosponsor of amendment No. 1701 proposed to Senate Concurrent Resolution 86, a concurrent resolution setting forth the recommended congressional budget for the U.S. Government for the fiscal years 1981, 1982, and 1983 and revising the second concurrent resolution on the budget for fiscal year 1980.

AMENDMENT NO. 1733

At the request of Mr. Moynihan, his name was added as a cosponsor of amendment No. 1733 proposed to Senate Concurrent Resolution 86, a concurrent resolution setting forth the recommended congressional budget for the U.S. Government for the fiscal years 1981, 1982, and 1983 and revising the second concurrent resolution on the budget for fiscal year 1980.

AMENDMENT NO. 1741

At the request of Mr. Nelson, the Senator from Massachusetts (Mr. Tsongas), the Senator from New Jersey (Mr. Williams), and the Senator from Ohio (Mr. Metzenbaum) were added as cosponsors of amendment No. 1741 proposed to Senate Concurrent Resolution 86, a concurrent resolution setting forth the recommended congressional budget for the U.S. Government for the fiscal years 1981, 1982, and 1983 and revising the second concurrent resolution on the budget for fiscal year 1980.

SENATE RESOLUTION 423—SUBMISSION OF A RESOLUTION WITH RESPECT TO PROPOSED RULE II INCREMENTAL PRICING

Mr. STONE (for himself, Mr. Dole, Mr. Ford, Mr. Lugar, Mr. Stevenson, Mr. Laxalt, Mr. Chiles, Mrs. Kassebaum, Mr. Exon, Mr. Helms, Mr. Bayh, Mr. Cochran, Mr. Jepsen, Mr. Tower, Mr. Danforth, Mr. Goldwater, Mr. Hatch, and Mr. Durenberger) submitted the following resolution, which was referred to the Committee on Energy and Natural Resources:

S. Res. 423

Resolved, by the Senate, That the Senate does not approve of the proposed rule under section 202(a) of the Natural Gas Policy Act of 1978 (relating to the incremental pricing of natural gas) a copy of which was transmitted to the Congress on May 6, 1980.

● Mr. STONE. Mr. President, I am today submitting with Senator Dole, Senator Ford, Senator Lugar, and other Senators a resolution of disapproval with respect to the proposed phase II incremental pricing rule. This proposed rule was transmitted to the Congress on May 6. Under the Natural Gas Policy Act of 1978, either House of Congress has 30 consecutive congressional days to disapprove of the proposed rule.

I am opposing this proposed rule because it will have a seriously adverse impact upon many industrial users of natural gas with an ultimate inflationary impact upon consumers throughout the country. I have first-hand knowledge of the extreme difficulty the application of incremental pricing would have on agricultural businesses in my State of Florida.

The statute itself establishes only the most fleeting period of relief. Section 206 (b)(1) provides an interim exemption from incremental pricing for all agricultural uses of natural gas. Section 206 (b)(2), however, directs that this broad exemption may only remain in effect until May 9, 1980—by which time the FERC is instructed to fashion a permanent exemption that excludes all agricultural gas uses for which an alternate fuel is both "economically practicable" and "reasonably available." In other words, under the statutory scheme, agricultural gas users who possess an alternate fuel capability are protected from incremental pricing only during the brief interval between the onset of phase I incremental pricing (which became effective on January 1, 1980) and the issuance of phase II regulations (in May of 1980).

Nevertheless, because Congress granted to the FERC the authority—in section 206(d)(1) of the NGPA—to establish new incremental pricing exemptions beyond those set forth in the statute, the FERC has now proposed to utilize this authority in order to extend the interim agricultural gas use exemption past the statutory deadline. Under the original FERC proposal, an additional year would have been provided before agricultural gas users with an alternate fuel capability are forced to bear the burdens of incremental pricing. However, the FERC has now proposed an extension of the interim exemption only for the period until September 1, 1980.

The FERC's policy, although welcome for the limited relief that it provides, nevertheless constitutes nothing more than a postponement—rather than an avoidance—of the thrust of the statute. The question remains: What will happen to the agricultural industries after the proposed postponement expires? Indeed, since the FERC's proposal is subject to a possible veto by either House of Congress, what will happen in June or July of 1980 if one House or the other disapproves the FERC's proposed policy?

The FERC has already provided one indication of the policies which will ultimately govern agricultural gas users if incremental pricing remains in effect. At the same time that it proposed a 1-year postponement of the statutory mandate for a narrow agricultural gas use exemption, the FERC also issued a proposed rule which embodies the permanent agricultural gas use exemption that will ultimately go into effect. Under the FERC's proposal, all agricultural gas users will automatically become subject to incremental pricing—until and unless such users affirmatively prove to the FERC that they do not possess an alternate fuel capability.

The proposed rule does not delineate what criteria will be used by the FERC in determining whether or not a user has proven the lack of an alternate fuel capability. However, the FERC has recently indicated that it may follow the same approach that it has adopted in interim regulations governing ineligibility for special curtailment protection afforded to agricultural gas users in section 401 of the NGPA. If this approach is adopted by the FERC, both phase I and phase II agricultural users could become subject to incremental pricing if they have burned either coal or residual fuel oil at any time since 1973.

Given such a policy, a substantial portion of the agricultural industries could lose their present protection from incremental pricing. The increased energy costs facing such industries would hardly be helpful to the economy in the many States, such as my own, where agriculture plays a pivotal role. More importantly, however, these increased energy costs would quickly make themselves felt at millions of dinner tables across America.

How do we avoid such a development? A partial answer lies in the veto of phase II—which would at least protect agricultural process and feedstock users from incremental pricing. Since a phase II veto would still leave agricultural boilers vulnerable to incremental pricing, however, only the repeal of incremental pricing provides a total answer.

Particularly at a time when domestic natural gas supplies appear to be adequate—due to production incentives provided for in the 1978 act it is inappropriate to permit this proposed rule to go into effect. I am encouraged that this resolution of disapproval is submitted by a bipartisan and regionally diverse group of Senators. I urge the Senate Energy Committee to give this resolution immediate consideration and hope that it will be favorably acted upon.●

● Mr. DOLE. Mr. President, I am pleased to join my colleague from Florida, Mr. Stone, in submitting today the disapproval resolution of title II of the Natural Gas Policy Act of 1978 which provides for the incremental pricing of natural gas to most interstate industrial gas users. During debate on the provisions of the 1978 Natural Gas Policy Act, I argued against the passage of the incremental pricing scheme for the exact reasons of economic hardship and confusion that the industry and consumer are experiencing today. The intent of incremental pricing at that time was to provide for gas price increases being paid entirely by industrial customers, thereby protecting residential customers from price increases. However, all customers are having to pay the higher prices under this scheme through the increased costs of consumer goods. As a result, we will continue to experience reduced economic growth and increased unemployment. An independent study by Wharton Econometric Forecasting Associates projects that inflation between 1980 and 1990 averaging nearly 1 percent higher each year due to incremental pricing. Additionally, the GNP could experience a reduction of $35 billion by 1985 and over 1 million jobs would be lost by 1990 as a result of title II.

ADDITIONAL BUREAUCRACY

The complicated pricing system under the Natural Gas Act has added to the administrative responsibility and bureaucratic redtape of the Department of Energy, FERC, gas industry companies, and industrial gas users. With the imposition of title II, these costly and time-consuming burdens will only increase and exacerbate the confusion that the companies and consumer must deal with.

CONVERSIONS TO OIL

Incremental pricing will result in the displacement of natural gas with foreign oil in the industrial sector. At a time when this Nation is attempting to gain some degree of energy independence from the OPEC cartel, the Senator from Kansas sees the incremental pricing scheme as contradictory to the many energy measures providing for synfuel development and increased domestic development passed this Congress. The American Gas Association estimates that gas price increases, as a result of oil displacement, could exceed 30–40 percent under phase I, and 90–110 percent under phase II. By 1990, 1.9 to 3.2 trillion cubic feet of gas sales would be lost, increasing oil demand to almost 1 million barrels per day. The impact on this industry, Mr. President, would also result in higher interest rates for gas utilities' debt financing and ultimately higher costs of gas service for all gas customers.

I ask unanimous consent to have printed in the Record, Mr. President, letters from various gas companies indicating the severe impact that full incremental pricing will have on not only their operations, but also on their customers.

There being no objection, the letters were ordered to be printed in the Record, as follows:

The Gas Service Co.,
Kansas City, Mo., April 23, 1980.

Hon. Robert Dole,
Dirksen Building,
Washington, D.C.

Dear Senator Dole: About a month ago I wrote to you regarding several matters of interest to our company and the gas industry in general. One of these was specifically incremental pricing. The information which follows shows how ineffective the present program is. The new law has taken us out of a market we have served for over forty years and replaced our fuel with oil. The purpose of the incremental pricing was to raise the price of gas so that it would not be wasted and to make coal a more attractive economic alternative. So far it has only served to make oil more attractive in our service area.

What has happened is that gas is now artificially priced such that oil dealers can beat our price and take away our business. Paradoxically, the Kansas Corporation Commission just awarded us a rate increase by assessing the entire amount of increase in this class of customer who has stopped using our gas. The result to the Gas Service Company will be less than the anticipated increase as projected by the Kansas Corporation Commission. As you will see in the attachments, the equivalent price for gas (comparable to oil) changes monthly and is always different between Kansas and Missouri. The price shown for oil equivalent was originally $3.29 in Missouri for April, but subsequently changed.

In Kansas City there is one market for oil and it is presently about $1.78 to $2.00/MM Btu equivalent. The rate for gas, as per our tariffs, is $2.13 in Missouri and $2.25 in Kansas. The loss of this load is a tremendous financial setback to the Company and can only be replaced if the State Commissions see fit to charge the other customers and then only after six to eleven or more months of dragged out regulatory review.

The point I am trying to make is that incremental pricing is an excellent example of how government gets into business and begins to mess it up. We had, until recently, the finest utility and energy distribution systems in the world. Once legitimate costs began to go up, the political process said, "stop", and the utilities have been forced to trade off service for cost. What we as a society are doing is compounding the problem for the future. If we let the people pay for the service today, tomorrow's retirees will not have so much to make up and, in the long range, governmental subsidy will be reduced.

We appreciate your support to date of S. 2392 and trust that the information attached will help reinforce your position and to convince others.

Thank you for your consideration of this matter.

Sincerely,

W. S. LaLonde.

The Gates Rubber Co.,
Denver, Colo., April 22, 1980.

Hon. Robert Dole,
Dirksen Senate Office Building,
Washington, D.C.

Dear Senator Dole: I am pleased that you are one of the co-sponsors of Senate Bill S2392 to repeal the Federal requirement of incremental pricing under Title II of the Natural Gas Policy Act of 1978 (NGPA).

I wish to add my support to your effort to repeal this unfair and ineffective law. Already it is causing many firms to switch to alternate fuel (No. 6 oil) as their primary fuel. We, too, are considering this move. Incremental pricing is tying a rate structure to a fuel that is inherently volatile—a yo-yo target. Last week's move by the Energy Information Administration (EIA) of posting one figure as the alternative fuel price and then drastically revising that figure later is an example of what I am saying. Using the incremental pricing for Colorado as an example: March $2.81 per million BTU's (MBTU's), April $3.06 MBTU's, and revised April $2.26 MBTU's. This causes us some confusion in making strategic business decisions on capital expansion and on day-to-day activities.

This trend industry converting from natural gas to oil is in contravention to the National Energy Policy.

Companies that are dependent upon incrementally priced natural gas are being put at a competitive disadvantage with those in its industry who use either intrastate gas (not subject to incremental pricing) or oil in their production facilities. The tire and rubber industry is already at a competitive disadvantage with foreign imports, and cannot stand the added burden of artificially inflated costs.

I urge you to continue to support the repeal of this unfair and ineffective law. To do so will ultimately benefit not only industry, but all consumers as well.

Very truly yours,

L. L. Rose,
Vice President,
Corporate Engineering.

Colt Industries,
Kansas City, Kans., April 1, 1980.
Subject: S. 2392
Hon. Robert J. Dole,
U.S. Senate Dirksen Senate Office Building, Washington, D.C.

Dear Senator Dole: Thank you for cosponsoring the above bill to repeal the natural gas incremental pricing provisions of Title II of the Natural Gas Policy Act of 1978.

We understand that the Federal Energy Regulatory Commission will be sending to Congress in early April the rule to carry out the second phase of the incremental pricing program of the NGPA of 1978. The estimated annual cost to Colt Industries under this Phase II FERC rule would be $15.8 million. We, therefore, strongly urge you to veto this rule when it is brought to the Senate floor for a vote.

Your constituents here at the Fairbanks Morse Pump Division appreciate your support in these matters.

Very truly yours,
W. Jackson Letts.

National Gypsum Co.,
Dallas, Tex., March 10, 1980.
Hon. Robert J. Dole,
Dirksen Senate Office Bldg., Washington, D.C.

Dear Senator Dole: Currently the Federal Energy Regulatory Commission is reviewing the comments filed on the Commission's Notice of Proposed Rulemaking issued on November 15, 1979 on the extension of incremental pricing to all industrial uses of natural gas. Under Section 202 of the Natural Gas Policy Act of 1978, they are required to issue a rule by May 9, 1980 which will amend the regulation which now incrementally prices gas used in boiler applications.

National Gypsum Company is a manufacturer of building products with 13,000 employees that operates fifty plants and 150 sales centers, at least one of which is in the state you represent.

Many of our manufacturing operations are energy intensive and require natural gas in a non-boiler application. The rulemaking as proposed would more than double the energy cost in those operations. These costs cannot be absorbed and must therefore be passed on to the consumer of goods we produce.

In addition to its inflationary effect, this increase in selling prices will result in competitive disadvantages with foreign and in many cases domestic producers. A copy of our written testimony which we filed on February 29, 1980 explains these and other reasons why we recommend incremental pricing be confined to boiler use of natural gas.

While we feel confident the Federal Energy Regulatory Commission after reviewing the testimony filed, will publish regulations that will limit incremental pricing to boiler use of natural gas, it is possible that they may still extend it to other industrial uses. Either the House or the Senate can veto the regulation if they judge it not to be in the best interest of our nation's welfare.

If incremental pricing is extended beyond boiler use, I urge that you recommend and/or support the vetoing of such proposed regulation.

Sincerely,
T. W. Ferguson, Jr.

Owens-Corning Fiberglas Corp.,
Kansas City, Kans., March 24, 1980.
Hon. Robert J. Dole,
Dirksen Senate Office Building, Washington, D.C.

Dear Senator Dole: I see that you have co-sponsored bill S. 2392, to repeal Title II of the Natural Gas Policy Act mandating imposition of incremental pricing on industrial users. I would like to thank you very much for taking this action.

The ill considered pricing scheme proposed by F.E.R.C. would increase the cost of natural gas to Owens-Corning Fiberglas by over 100 percent in 1981, or $76 million. This compares to profits of $109 million for our company in 1979. This would cause insulation prices to increase substantially, thereby discouraging energy conservation.

Phase I is costing our Kansas City facilities over $1 million in added cost/year and Phase II would increase our cost $13 million. These gas increases are so significant that Owens-Corning will be forced to consider shifting production to facilities operating in the exempt intrastate market during periods of less than full capacity operations. Our Kansas City facilities would be very vulnerable to such moves.

Again, thanks for co-sponsoring S. 2392, to repeal Title II of the Natural Gas Policy Act.

Sincerely,
Richard O. Webb,
Plant Manager.

Mr. DOLE. Mr. President, title II of the NGPA should not be implemented for the economic reasons alone, this pricing scheme would increase our inflation spiral and add to the decreased earning and spending power of the consumer. Having to displace gas with imported oil is contrary to the comprehensive national energy policy that this Congress, and Nation, have been working hard to achieve in the past months. The sheltering of the residential customer from higher heating costs will never be instituted as we have witnessed the ceiling price for natural gas prices rise to 225 percent since 1978.

The environmental impact must also be addressed under this possible pricing network. During the work of myself and many of my colleagues in 1972 and 1974, comprehensive and effective legislation was enacted for clean air and water standards. Standards in pollution control and elimination were established to protect the ecosystems from further deteriorations that had resulted in haphazard management programs of the past. Switching by industrial users from natural gas, which is cleaner to burn than oil, will impact air pollution levels; particularly in the metropolitan areas, and destroy what advancements we have made in protecting the environment.

Mr. President, I urge my colleagues to join me in cosponsoring this measure and for its passage before May 9 when the rules for phase II under the NGPA are issued.●

Mr. FORD. Mr. President, I am today cosponsoring with Senator Stone and others a resolution of disapproval of regulations to implement the phase II incremental pricing provisions of the Natural Gas Policy Act (NGPA), Public Law 95–621.

As many of my colleagues know, the incremental pricing program was established under title II of the NGPA. In that legislation, Congress directed that industrial gas users served by interstate gas companies bear a disproportionate share of the costs of certain types of natural gas. Congress also directed, however, that the incremental pricing program must be implemented in two stages. Under the first stage—known as phase I—only boiler fuel users of natural gas must come under incremental pricing. Phase I went into effect January 1 of this year. Under phase II, the scope of incremental pricing would be expanded to include a great number of other industrial gas consumers.

Under both phase I and phase II, the targeted passthrough of certain natural gas acquisition costs is permitted to occur until such time as industrial gas customers reach a level of price parity with whatever fuel oil is deemed appropriate by the Federal Energy Regulatory Commission (FERC).

The regulations promulgated by FERC for phase I were not subject to congressional review. With respect to phase II, however, Congress specifically reserved the authority to make the final decision as to whether to expand incremental pricing.

On Tuesday, the FERC issued its final phase II regulations and formally submitted them to Congress for consideration. Following the FERC submission of the regulations, the House Commerce Energy and Power Subcommittee conducted a hearing on the FERC regulations and overwhelmingly reported a resolution disapproving the phase II incremental pricing rule. Today the House Commerce Committee voted to disapprove the phase II regulations. It is my understanding that this resolution could probably pass the Full House this week.

The resolution which I am today introducing serves as a vehicle should the Senate need to consider the veto of the phase II regulation. Although hearings are tentatively scheduled later this month on phase II, it appears likely that if the House of Representatives disapproves the phase II regulation before that time, as outlined in section 202 of the act, phase II will never occur. However, should the House not act within a required 30-day period, it is my strong hope that this resolution will be quickly acted upon by my colleagues on the Senate Committee on Energy and Natural Resources and in the Senate.

Here are six reasons for introduction of this resolution:

First. Phase II incremental pricing, by substantially increasing the prices which industry must pay for natural gas, should have an adverse impact on the economy. To the extent that industrial gas users passthrough these increased energy costs to the consumer, the overall rate of inflation will be increased. To the extent that industrial gas users do not passthrough these costs, the higher gas prices will be paid through offsetting reductions in personnel and/or reduced investment.

Thus, in some cases, phase II incremental pricing would increase the already intolerable inflation rate. In other cases, phase II would increase the magnitude of a recession that already constitutes serious cause for concern. Already phase I incremental pricing has generated a similar negative impact upon the economy. The impact of phase II would be substantially greater in magnitude because, according to FERC estimates, phase I affects only 5,000 to 7,000 industrial gas customers, while phase II would increase the total to more than 50,000 such customers.

Second. By artificially increasing natural gas costs for the approximately

45,000 industrial gas users currently exempt from incremental pricing, phase II would create an incentive for numerous industrial concerns to shift from natural gas use to oil use. A significant shift from gas to oil has already occurred among those industrial customers who are subject to phase I.

Phase II incremental pricing would clearly compound this effect, at a time when reduction of America's dependence upon imported oil has become a national objective of the highest priority;

Third. Because gas which is bought and sold in the intrastate market is exempt from incremental pricing, phase I has effectively reintroduced the segmentation of the national gas market into interstate and intrastate components. The phase II incremental pricing rule would amplify this effect, hindering the relative growth of interstate market gas sales and making some regions of the Nation more dependent upon foreign oil as a result.

It is ironic that phase II, which is designed to implement one portion of the NGPA, would artificially depress the demand for natural gas at the same time that the wellhead pricing provisions of the NGPA are working effectively to increase the available supplies of natural gas. We are all aware that the intrastate market access mechanisms in title III of the NGPA have greatly improved the supply situation in the interstate market. In addition, drilling and exploration activity, which is the precursor to new gas production, increased dramatically in 1979 in response to the NGPA wellhead price incentives. As recently as this past Monday the American Gas Association announced another indicator of an improved supply situation bv reporting that 1979 additions to the Nation's gas reserves reached the highest level since 1967. The additional reserves in 1979 were 14.3 Tcf—35 percent higher than the 10.6 Tcf additions reported for 1978.

Thus, if phase II incremental pricing is not vetoed, Congress will have acted effectively to increase gas supplies with one hand, while hindering the use of these gas supplies to displace oil with the other hand. With 50 percent of our oil coming from foreign sources, this is a result we simply cannot in good conscience permit;

Fourth. As I have noted, the FERC estimates that phase II incremental pricing would expand the number of affected industrial gas users to about 50,000. The administrative burdens associated with incremental pricing (at the Federal, State, and individual company levels) would therefore increase manyfold;

Fifth. Phase II incremental pricing would be unfair to residential users of oil and electricity. Such energy users would face the inflationary impact of phase II but would receive no offsetting benefits. In effect, residential oil and electricity users would be subsidizing residential gas users; and

Sixth. Phase II incremental pricing will cause American produced goods to become less competitive in international markets. For example, the phase II rule would greatly affect domestic steel production, rendering it significantly less competitive with imports.

Mr. President, defeating this phase II incremental pricing rule will lessen the tendency to open up this year other aspects of the Natural Gas Policy Act, including the extension of incremental pricing to the intrastate market.

I have demonstrated during the past 3 years in what I believe to be an evenhanded approach with respect to our Nation's natural gas policy. Several of us were engaged literally day and night for months in seeking the balance in the NGPA. I do not propose that measures such as rule II would upset this balance by relocating industrial gas users from the Midwest, East, and upper Southern States to the gas producing States.

Let me also note that the FERC, in submitting the phase II regulations to the Congress, has explicitly declined to either endorse phase II or recommend its rejection. According to FERC Chairman Charles Curtis, phase II incremental pricing poses public policy questions which only Congress can or should resolve. I believe Chairman Curtis is correct and that the policy questions, many of which I have just mentioned, fully justify support for the resolution to disapprove the phase II rule.

● Mr. LUGAR. Mr. President, I rise in strong support of Senator STONE's resolution to disapprove phase II of incremental pricing and urge my colleagues to vote for this resolution of disapproval, should phase II come before the Senate for a vote.

Phase II—incremental pricing which was submitted yesterday to the Congress by the Federal Energy Regulatory Commission (FERC), proposes to extend incremental pricing to cover virtually all industrial users of natural gas—some 50,000 users. Its intended purpose is to protect residential users from increases in the price of natural gas by requiring industry to shoulder the burden of these increased costs. Not only will incremental pricing not achieve its intended purpose of protecting the residential user, but it will bring with it disruption to jobs and the economy which I am certain its proponents never intended.

Phase I has been damaging enough to jobs and the economy. Instead of extending incremental pricing any further, we should repeal it altogether. I have heard from literally hundreds of businesses throughout the country—chemical, textile, paper, steel, glass—to name a few—who have already experienced enormous increases in their costs. Phase II would make their costs so high—some increasing well over 100 percent—that many would be forced to relocate to areas where gas is not incrementally priced, or to shutdown altogether.

In either case, jobs and the economy in communities throughout the country will suffer as a result.

To the extent that these costs are passed on to the consumer, the overall rate of inflation will increase.

Foreign competition, which already hurts the tile and steel industries, will be even worse under incremental pricing, since foreign firms are not subject to incremental pricing.

Some firms have already switched from gas to oil as a result of the rising costs of natural gas under phase I. Switching is expected to increase under phase II as more industries are subjected to incremental pricing. The resulting load loss will mean higher costs for residential users who will have to bear a larger share of the fixed costs paid by all users of natural gas.

The Northeast-Midwest Institute will release a study on Monday, requested by Indiana Representative ELWOOD HILLIS, which elaborates these findings. The study points out that the Northeast and Midwest, which use over one-third of the Nation's natural gas, already have higher ceiling prices than other regions of the country. The price under phase II would increase these costs, making it difficult for industry to absorb them, with results described above.

The irony of all of this is that incremental pricing will not protect the residential user. FERC originally said that residential users would save only $25 per year. During testimony on phase II yesterday before the House Energy and Power Subcommittee, FERC chairman, Charles Curtis, revised that estimate to only $10 a year—a paltry $0.84 per month in savings.

Mr. President, Chairman Curtis yesterday referred to incremental pricing as "a crude instrument" to aid in protecting residential users. The House Energy and Power Subcommittee voted in favor of Congressman PHIL SHARP's resolution, disapproving phase II, with only one dissenting vote. The full Interstate and Foreign Commerce Committee followed suit by voting out the resolution of disapproval to the House. I believe that this speedy and overwhelming response to the disapproval resolution is testimony that phase II will only compound our economic and regulatory problems and will protect no one, while harming many.

I urge my colleagues to adopt Senator STONE's resolution disapproving phase II of incremental pricing under the Natural Gas Policy Act.●

● Mr. BAYH. Mr. President, I rise today as a sponsor of Senate Resolution 423 which will veto the Federal Energy Regulatory Commission's (FERC) proposed rulemaking to implement phase II incremental pricing under title II of the Natural Gas Policy Act (NGPA) of 1978. While I believe that FERC has done a reasonable job of working with the congressional mandate to implement incremental pricing, theirs was probably an impossible task. I criticized the NGPA at the time of its passage and subsequent events relating to the implementation of the incremental pricing provisions have proven that criticism to be right on target. The phase II rulemaking should be vetoed.

On September 19, 1978, I rose to express my opposition to the conference report on the NGPA for several important reasons. First, I strongly opposed taking price controls off natural gas. Although more gas is now being supplied to consuming States, such as Indiana, since this bill passed, I believe that is because Congress, through the NGPA, succumbed to the economic blackmail of the natural gas producers, who were bent on keeping their gas out of our market until they got the price they wanted. Now we have more gas in the consuming States, but that natural gas is tied to the price of oil. With the pricing mechanism of the NGPA and approaching decontrol, we can look forward to natural gas prices increasing in lockstep with the OPEC cartel price for crude oil.

Second, it was clear that the conference report seriously compromised the consumer protections contained in the Senate version of the NGPA. The supporters of the natural gas deregulation bill that came out of the House-Senate conference claimed consumers would be protected from soaring gas prices through the incremental pricing provisions in the conference report. I did not agree with this assessment at that time and these fears have been confirmed. Under phase I, consumers in Indiana have been saved about 15 cents per month. FERC's best estimate of the consumer savings under phase II ranges from 15 cents to $2.00 per month. Meanwhile, the increased prices of natural gas will add $4.00 per ton to the cost of basic steel and cause increased production costs for all industrial gas users. These will be passed on to consumers, firing inflation. Further, if phase II is implemented, one Indiana utility, which has a heavy industrial market, says that they will lose 25 percent of their industrial gas load, which would cause the average price of gas to residential consumers to increase by 22 percent or $75 per year.

Mr. President, unfortunately consumers will not be substantially helped by these provisions, while they may lose through higher prices for consumer products and lost jobs. I hope the Senate will disapprove phase II provisions. At the same time, while I understand that it is unlikely that the pricing issue will be reopened, I am still in favor of really taking a step in the interest of consumers by reimposing price controls on domestic energy and taking pricing decisions out of the hands of the OPEC cartel and putting them back in this country where they belong.

Third, I worried that enactment of the NGPA conference report would make industries in the consuming States less competitive with those in the producing States. The Northern Indiana Public Service Company (NIPSCO), a gas utility serving heavy industry in northern Indiana, has reported to me that several Indiana industries will shift their operations to southwestern producing States if phase II is implemented. Letters I have received from companies in Indiana underscore the real possibility of relocations or decisions not to locate in the Midwest should phase II stand.

Fourth, I said that the enactment of the NGPA conference report would not, as claimed at the time, save crude oil. The impact of the incremental pricing provisions has been that many large boiler users have made fuel switches to residual fuel oils. With the current record stocks of residual fuel oils, gas prices are being underbid by resourceful fuel oil marketers. Any system which encourages greater crude oil use is not in the national interest and only prevents our movement toward energy independence.

Mr. President, because of my deep concern over the reports my constituents were bringing me on the impact of incremental pricing, as chairman of the Senate Northeast-Midwest Coalition, I asked the Northeast-Midwest Institute to prepare a regional energy impact brief on the effects of incremental pricing of natural gas in the Northeast and Midwest regions. This report is important because these industrialized regions consume over a third of the natural gas used in the United States but supply less than 2 percent of the natural gas. The report, which will be issued next Monday, arrives at conclusions similar to those I reached when the natural gas conference report was before the Senate—that consumers would not benefit from the incremental pricing provisions, that phase II would result in fuel-switching and an economic disadvantage to regions producing no natural gas but dependent on it for industrial uses.

Mr. President, I am the last Senator in this body who would support a measure that would result in unnecessary higher energy prices for consumers. The unfortunate fact is that phase II incremental pricing will not protect consumers and could well cost jobs in producing States such as Indiana, which already suffer too great an unemployment burden. Phase II could well create a competitive disparity between consuming and producing States. Phase II could well result in greater use of oil at a time when the country needs to conserve these fuels. Phase II will not prevent energy price increases. In short, Mr. President, I urge my colleagues to join me in supporting the legislative veto of this unfortunate and highly disruptive rulemaking.●

SENATE RESOLUTION 424—SUBMISSION OF A RESOLUTION TO DISAPPROVE THE INCREMENTAL PRICING RULE

Mr. JACKSON submitted the following resolution, which was referred to the Committee on Energy and Natural Resources:

S. Res. 424

Resolved, That the Senate does not approve the proposed rule under section 202 of the Natural Gas Policy Act of 1978 (relating to incremental pricing of natural gas) a copy of which was transmitted to the Congress on May 6, 1980.

● Mr. JACKSON. Mr. President, section 202 of the Natural Gas Policy Act of 1978 (NGPA) requires the Federal Energy Regulatory Commission to develop a rule to expand the scope of incremental pricing required by the act to all nonexempt industrial users. That rule is subject to congressional review. Either the Senate or the House of Representatives can preclude the rule from being put into effect by adopting a simple resolution of disapproval.

The rule required by section 202 was submitted yesterday for our consideration. It was referred to the Committee on Energy and Natural Resources. The committee will hold a hearing on the rule on May 22 unless action is taken in the House prior to that time which would make our consideration of the rule moot.

As a courtesy to my colleagues who may wish to pursue a resolution of disapproval, I am introducing such a resolution today.

Mr. President, I ask unanimous consent that the letter transmitting the rule to the Senate be printed in the RECORD, along with a brief statement explaining the rule which was presented yesterday to the House Subcommittee on Energy and Power by the Chairman of the Federal Energy Regulatory Commission, Charles B. Curtis.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

FEDERAL ENERGY REGULATORY COMMISSION,
Washington, D.C., May 6, 1980.

Hon. WALTER F. MONDALE,
President of the U.S. Senate,
Washington, D.C.

DEAR MR. PRESIDENT: The Federal Energy Regulatory Commission has finalized regulations implementing Phase II of the incremental pricing program, as required by section 202 of the Natural Gas Policy Act of 1978 (NGPA). The statute requires that this rule be submitted to the Congress for review no later than 18 months after the date of enactment, by May 9, 1980. Either House may prevent the regulations from taking effect by adopting a resolution of disapproval within 30 legislative days.

The Phase II rule submitted herewith would extend the incremental pricing program to all industrial users except those specifically exempted by statute and set a uniform price ceiling for natural gas sold to industrial fuel oil, but would exempt from incremental pricing the first 300 thousand cubic feet used each day by each facility for uses subject to Phase II.

As you know, the NGPA provides for phased deregulation of most newly discovered natural gas by 1985. The incremental pricing provisions, a program to transfer a larger proportion of the higher costs of new gas to industrial users, were included to partially shelter residential and other high priority users from the full immediate impact of higher gas costs and to mitigate potential disruption in the natural gas market following deregulation. The portion of new gas costs assigned to industrial users is to be limited by a ceiling price tied to the price of alternative fuels.

The statute requires that incremental pricing be implemented in two phases. Phase I applies to large industrial facilities using more than 300 thousand cubic feet per day of natural gas as a boiler fuel (to generate steam or electricity). The Commission implemented Phase I of the incremental pricing program on November 9, 1979.

An industrial user subject to incremental pricing is intended, under the statute, to pay up to the price of No. 2 distillate fuel oil. However, the Commission is given discretion to reduce the price ceiling to the regional price of No. 6 residual fuel oil in order to prevent industrial load loss. Industrial load loss of significant magnitude would lessen the protection from the higher costs of natural gas provided to residential users, one of the two stated objectives of the incremental pricing program. Under this authority, the Commission has adopted a three-tier system of price ceilings based on the regional prices of No. 2, No. 6 low-sulphur, and No. 6 high-sulphur fuel oil. The price to an individual facility is tied to the alternative fuel that the facility is actually equipped and authorized to burn.

The Commission submitted to the Congress an exemption under the authority provided in section 206(d) of the NGPA suspending the upper two tiers of the three-tier system for one year. The exemption was proposed to prevent industrial facilities from switching to fuel oil at the beginning of the winter heating season which might jeopardize supplies of home heating oil and to give the Energy Information Administration adequate time to implement a data collection program to determine the appropriate prices of all three grades of fuel oil. The Congress did not disapprove this partial exemption rule; it will remain in effect until November 1, 1980.

The average price per million Btu's for No. 6 high-sulphur fuel oil is now in the range of $3.00 to $3.25, No. 6 low-sulphur sells for $4.00 to $4.50 and No. 2 is sold for approximately $5.50.

Section 202 of the NGPA requires the Commission to propose a Phase II rule "expanding [the] application [of the incremental pricing program] for other industrial uses." The Commission is granted broad discretion in determining the proper scope of the expansion. The Commission has determined that the purposes of the incremental pricing program would best be realized by extending the program to all industrial users other than those specifically exempted by statute, and that a broad Phase II rule would present the Congress with the meaningful choice seemingly required by the fact that Congress specifically reserved to itself the option to review and, if so determined, disapprove these regulations.

The Commission is proposing to set a single-tier price ceiling at the price of No. 6 high-sulphur fuel oil for Phase II users. This proposal is based on extensive public comment received in the course of a series of public hearings held throughout the country.

With this letter, the Federal Energy Regulatory Commission respectfully submits for Congressional review the regulations implementing Phase II of the incremental pricing program as required by section 202 of the Natural Gas Policy Act of 1978.

Sincerely,

CHARLES B. CURTIS,
Chairman.

STATEMENT OF CHARLES B. CURTIS

Mr. Chairman and members of the Subcommittee, my colleagues and I are here today to discuss with you the Federal Energy Regulatory Commission's regulations implementing Phase II of the incremental pricing program required by Title II of the Natural Gas Policy Act of 1978 (NGPA).

This rule proposes a broadening of the scope of the incremental pricing program. Let me say at the outset that the Commission has come to this assignment with the view that we have been asked to bring our technical expertise to bear on the design of a workable Phase II rule that best advances the purposes underlying incremental pricing.

In our Phase II order, we have attempted to provide the Congress with our best assessment of the relative costs and benefits of expanding the incremental pricing program. But the Commission believes that the fundamental evaluation of any Phase II rule is one that Congress has expressly and properly reserved to itself. The judgment as to whether this Phase II rule will achieve the social goals set out by the Congress and, indeed, whether these goals are still appropriate, is one that the Congress and the Congress alone should make.

Before I describe these rules in further detail, I would like to talk about my understanding of the social and economic purposes underlying the NGPA and the incremental pricing provisions.

The NGPA is the product of compromise. On the one hand, there were those who felt that price controls on natural gas had discouraged exploration and development because gas was regarded as a public utility service and not as a "commodity". This faction, which included most of American industry, claimed that, at least with respect to newly discovered gas, it would be best to leave prices to the market forces on which a private enterprise economy generally relies.

On the other hand, there were those who did not accept the premise that sharply higher prices would lead to commensurately sharp increases in supply and felt that natural gas is a finite, non-renewable resource which must be conserved. This faction felt that the only thing certain about deregulation is that it would shift enormous streams of income from consumers to producers; that the real flaw in the Natural Gas Act (NGA) was the fact that it created a pernicious dichotomy between the tightly regulated interstate market and the largely unregulated intrastate market, and that the cure for that was extension of regulation to the intrastate market.

In 1978, the Congress compromised and extended regulatory controls to the intrastate market as a transitional measure, while deciding to deregulate in phases.

Everybody knew that deregulation (however gradual) would make gas more expensive—both during the transition and after 1985, when most gas would be sold at free market prices. The Congress was concerned about the equitable allocation of those additional gas costs.

The Congress decided that it would be in the public interest to place more than the pro rata share of that burden on industrial users of gas. That would shield the residential consumer from the full impact of higher gas prices.

Incremental pricing also has another conceptual basis. This is the market-ordering idea. As I see it, this idea rests on certain judgments about the natural gas market, which I'll attempt to describe.

Market forces in a deregulated environment will value domestic natural gas in relation to some alternative energy source. The primary alternative is oil which is priced considerably above the cost based prices previously allowed under the Natural Gas Act and indeed considerably above the price path set out in the NGPA.

Consequently, gas could rise sharply and abruptly in 1985 when significant quantities of gas are to be decontrolled. The potential exists at that time, therefore, for an enormous transfer of wealth from gas consumers to gas producers. Hence, the Congress searched for some sort of a constraint that would act as a brake on prices. It was thought that incremental pricing would serve this purpose because price-sensitive industrial customers would already be paying at or quite near the price of their alternative fuel. It would not take much to push these industrial users above the line precipitating a switch to other fuels. The threat of industrial load loss, it was reasoned, would cause pipelines to watch their gas costs and would discourage aggressive competitive bidding for gas.

Thus, we have two quite different foundations to incremental pricing. One views incremental pricing as an equitable program grounded on social judgments that industry should bear a greater share of the burden of increased costs for the most precious of our fossil fuels. The other views incremental pricing as a force countervailing average cost pricing in order to improve the performance of the markets so as to allow market forces to effectively substitute for a system of government price controls.

Our task in designing a Phase II rule to give effect to these objectives reflects our tentative conclusion that the so-called market ordering purpose will not be served by extending the incremental pricing program. At present, the Commission does not believe that its discretion to set appropriate alternative fuel ceiling prices is a sufficiently broad grant of authority to allow ceiling prices higher than actual fuel prices, thus removing the threat of industrial load loss which was to restrain pipeline bids. This "cap problem" arises from a statutory construction that sets industrial gas prices up to, but no higher than, the price of alternative fuel oil. The ceiling prices may instead have the effect of shielding industrial users from the very disorder they are supposed to help cure, and deflecting rising gas costs onto exempt high priority users who were to be protected.

However, we did find that an extension of incremental pricing would further the Congressional purpose in sheltering high priority users from some of the impact of increased gas costs. Hence, we are submitting to the Congress a rule which will extend incremental pricing to all industrial facilities that do not have statutory exemptions. We chose a broad scope for the rule because: (1) this maximizes the potential to shelter high users and (2) we could not find any satisfactory basis for exempting one industry group from another, to distinguish the social value of one industry as higher or more important than the social value of another.

The Congress should seriously consider the following issues and questions in deciding whether to go forward with Phase II of incremental pricing.

On the one hand, Congress should consider:

Because of its characteristics, natural gas is considered to be our most valuable fossil fuel.

The high-sulphur No. 6 oil price represents the minimum commodity value of this precious fuel. Pricing policies which fail to reflect this minimum commodity value tend to encourage waste and subsidize imports.

The No. 6 high-sulphur residual fuel oil price most recently published for the month of April is less than the marginal supply price for most major interstate pipelines. More than 10 percent of major interstate pipeline supply is acquired at price levels which are equal to or exceed the delivered price of gas to industry.

If industry encounters significant problems remaining profitable when natural gas prices are set on a par with the high-sulphur resid, a defeat of Phase II may simply postpone the problem, not cure it.

On the other hand, to the extent that the problems are merely transitional, and I suspect most are, the question arises whether industry isn't better able to manage the distributive difficulties presented by rapid increases in energy prices than are residential users, inasmuch as industry at least has the potential ability to pass these increased fuel costs on in the form of higher prices for goods and services.

With respect to the concerns over the inflationary impacts of incremental pricing, to the extent that industry is unable to pass through these costs, the result of incremental pricing may be anti-inflationary (albeit perhaps recessionary) in its ultimate impact.

On the other side of the ledger, one might consider these factors:

Although the purchased gas costs of interstate pipelines increased by almost 50% from August 1978 to August 1979, prices to residential customers served by local distribution companies feeding off of interstate pipelines increased only 15%, running only slightly ahead of the general rate of inflation. Do residential users in such circumstances really have an equitable claim to shelter from these impacts?

If the real significant price impacts under the Natural Gas Policy Act are likely to occur in 1985, shouldh't the program be deferred until a time closer to that date? Inasmuch as the burdens of incremental pricing must be carried by industrial users accounting for only 15% of interstate consumption while the benefits are distributed over the other 85% of the load, aren't the benefits spread so thin as to be relatively insignificant as compared to the burdens allocated to industrial facilities? Given the prospects of a general downturn in the economy, why risk adding to recessionary pressures for so small an individual benefit?

I am not really prepared to suggest the answers to these questions. Obviously much of this turns on fundamental questions of judgment and policy. They are political judgments—the grist of the legislative mill. But I would suggest that the answers are not straightforward. It is, to me, a difficult riddle whether to go forward with Phase II or not. That, as I have said before, is clearly a decision which the Congress has reserved for itself. For my part, I think it is well committed to Congressional judgment.

Thank you.●

AMENDMENTS SUBMITTED FOR PRINTING

BUFFALO BILL DAM AND RESERVOIR—S. 821

AMENDMENT NO. 1744

(Ordered to be printed and referred to the Committee on Energy and Natural Resources.)

Mr. WALLOP (for himself and Mr. SIMPSON) submitted an amendment intended to be proposed by them, jointly, to S. 821, a bill to authorize the Secretary of the Interior to construct, operate, and maintain modifications of the existing Buffalo Bill Dam and Reservoir, Shoshone project, Pick-Sloan Missouri Basin program, Wyoming, and for other purposes.

● Mr. WALLOP. Mr. President, the legislation that Senator SIMPSON and I are introducing seeks to consolidate several legislative issues involving the Buffalo Bill Dam and Reservoir, Shoshone project, Pick-Sloan Missouri Basin program, Wyoming.

The legislation provides for the modification of the Buffalo Bill Dam by raising the height of the dam by 25 feet, enlarging a spillway, construction of a visitor's center, dikes and impoundments, and replacing a power generating facility. Also, the legislation authorizes the Secretary of the Interior to acquire lands within the Polecat Bench Area and provides acreage equivalency within the Shoshone project, Pick-Sloan Missouri Basin program, Wyoming.●

FIRST CONGRESSIONAL BUDGET RESOLUTION, 1981—SENATE CONCURRENT RESOLUTION 86

AMENDMENT NO. 1745

(Ordered to be printed and to lie on the table.)

Mr. STEVENS (for himself, Mr. MATHIAS, and Mr. GOLDWATER) submitted an amendment intended to be proposed by them, jointly, to Senate Concurrent Resolution 86, a concurrent resolution setting forth the recommended congressional budget for the U.S. Government for the fiscal years 1981, 1982, and 1983 and revising the second concurrent resolution on the budget for the fiscal year 1980.

AMENDMENT NO. 1746

(Ordered to be printed and to lie on the table.)

Mr. LONG (for himself, Mr. TALMADGE, Mr. MAGNUSON, and Mr. DOLE) submitted an amendment intended to be proposed by them, jointly, to Senate Concurrent Resolution 86, supra.

AMENDMENTS NOS. 1747 THROUGH 1750

(Ordered to be printed and to lie on the table.)

Mr. PERCY submitted four amendments intended to be proposed by him to Senate Concurrent Resolution 86, supra.

AMENDMENT NO. 1751

(Ordered to be printed and to lie on the table.)

Mr. PERCY (for himself and Mr. SCHMITT) submitted an amendment intended to be proposed by them, jointly, to Senate Concurrent Resolution 86, supra.

● Mr. PERCY. Mr. President, the amount of money owed the Federal Government is enormous and growing. Total accounts and loans receivable due the Government had increased to $165 billion, as of fiscal year 1979. Most of the total debt will be routinely collected; however, an increasing amount requires more effective collection action to minimize the amount that will be written off as uncollectible.

Federal agencies have not been aggressive in collecting their debts. This amendment will provide an incentive for the agencies to collect debts. It calls for a $1.1 billion reduction in fiscal year 1981 for debt collection.

The large amount owed the Government results from several Federal activities, including tax assessments, sale of Government services, overpayments, and loan programs. Overall figures are not available on the amount of the claims written off by the agencies. However, examples follow which provide insight into the magnitude of the problem:

Over $1.2 billion was actually written off in fiscal year 1979 alone; this is the first year agencies were required to submit figures. Some agencies have not reported.

According to information reported to the Treasury Department by the agencies, the estimated cumulative allowance for bad debts was about $4 billion in fiscal year 1979. This figure is substantially understated; some agencies do not report uncollectibles at all and some underreport.

The Office of Education has over $4 billion in receivables. About $1 billion is in default.

Based on commercial experience, on the results achieved by the State of New Jersey's educational loan program, and specific tests by GAO, the Federal Government can collect more debts by implementing certain commercial practices that are adaptable to the Federal Government. These commercial practices include:

Reporting defaulted accounts to credit bureaus.

Using the debtor locator service to trace debtors.

Making greater use of automation.

Strengthening the content of demand letters.

Senator SASSER and Senator PRYOR should be commended for their efforts to promote this issue. However, I believe that it is important to move now to provide the executive branch with the incentive to collect these delinquent debts.●

AMENDMENT NO. 1752

(Ordered to be printed and to lie on the table.)

Mr. McCLURE (for himself and Mr. DOLE) submitted an amendment intended to be proposed by them, jointly, to Senate Concurrent Resolution 86, supra.

AMENDMENT NO. 1753

(Ordered to be printed.)

Mr. HATCH proposed an amendment to Senate Concurrent Resolution 86, supra.

DEPARTMENT OF STATE AUTHORIZATIONS—S. 2444

AMENDMENT NO. 1754

(Ordered to be printed and referred to the Committee on Foreign Relations.)

Mr. PELL submitted an amendment intended to be proposed by him to S. 2444, a bill to amend the Department of State Authorization Act for fiscal years 1980 and 1981 to provide additional authorization for fiscal year 1980, and for other purposes.

THE PENNY-WISE AND POUND-FOOLISH CLOSING OF AMERICAN CONSULATES

● Mr. PELL. Mr. President, last year when the Congress enacted the Department of State Authorization Act, fiscal years 1980 and 1981, a provision that I sponsored was included in the bill as section 108 requiring that 10 consular posts in Europe, the Middle East and Asia not be closed. The posts which the administration planned to close last year and which were covered by my amendment were Salzburg, Austria; Bremen, Germany; Nice, France; Turin, Italy; Goteborg, Sweden; Adana, Turkey; Tangier, Morocco; Mandalay, Burma; Brisbane, Australia; and Surabaya, Indonesia.

When the President signed this bill into law, he singled out section 108 for special comment. He said that despite the mandatory wording of this section, he would consider it "as a recommendation and not a requirement," because it infringed on his constitutional prerogative to appoint consuls. I regret that the President took that position, as I believe that section 108 is entirely consistent with the Congress constitutional prerogative to authorize and appropriate funds and to stipulate how those funds should be used.

Although the President took issue with the constitutionality of section 108, he did defer action on closing the consulates, much to my satisfaction. On February 19 of this year, however, the President decided to go ahead with closing 7 of the 10 posts listed in section 108. They are: Salzburg, Bremen, Göteborg, Nice, Turin, Brisbane, and Mandalay. Adana, Surabaya, and Tangier will be kept open.

I very much regret and oppose this decision because our consular posts are a vital part of our diplomatic frontline. They provide a valuable presence outside of the capital cities in the countries in which they are located and thus help to insure that the views of our Government are made known to leaders outside foreign capitals. Our consular posts also provide valuable reporting on political and economic developments to our embassies. In addition, consular posts perform important trade promotion functions and provide various services to U.S. citizens.

As a member of the European Subcommittee of the Foreign Relations Committee, I am most familiar with the importance of the five European consulates scheduled for closure later this month. The following summary of the importance of the cities which the administration proposes to abandon in terms of resident U.S. representation will, I hope, persuade my colleagues that every effort should be made to convince the administration that its plan to close consulates in these cities is penny wise and pound foolish.

TURIN, ITALY

This is the second largest industrial city of Italy and is the headquarters of such well-known Italian firms as Fiat and Olivetti. It is also the center of the Communist dominated trade union movement. The U.S. consulate at Turin serves an area of 4.6 million, including 3,000 Americans, and American companies export approximately $300 million worth of products to the Turin area each year. Italy is undergoing serious political difficulties, and the closing of the U.S. consulate in Turin could signal a decreased U.S. interest in Italy at precisely the time when we should be conveying just the opposite message.

SALZBURG, AUSTRIA

The ties between the United States and western Austria, which the Salzburg consulate serves, have been very close through the years. Salzburg was the seat of the American zone of occupation for 10 years, and Austrians in the area have long cherished the close relationship with the United States that is nurtured by the U.S. consulate in Salzburg. Chancellor Kreisky has personally registered his concern to me and the administration regarding the decision to end the U.S. presence in Salzburg particularly in the face of growing Soviet activity and influence in the area. The U.S. consulate serves about 1,800 resident Americans and over half a million U.S. tourists annually.

In addition, the Salzburg area is home to 14 American university exchange programs; two American high schools; and two American graduate studies programs, including the prestigious Salzburg Seminar. Furthermore, fully 25 percent of the trade opportunities developed in Austria came from the consulate in Salzburg.

GOTEBORG, SWEDEN

Along with the return of our American Ambassador to Stockholm in 1974, the reopening of the U.S. Consulate General in Goteborg has been an important factor in the improvement of U.S.-Swedish relations that became strained during the Vietnam war. Goteborg is the second largest city in Sweden with a population of 700,000, but the consulate serves all of western Sweden containing over half the Swedish population. Goteborg is the principal port of Sweden and is a major trade center for all of Scandinavia. The fact that 45 other countries have consulates in Goteborg says something about the importance of the area if for no other reason than to promote trade. In this connection, the Soviet Union is building a $4-million trade and cultural center in Goteborg, and if the United States is to compete effectively with the Soviets in the trade and cultural areas, an on-the-spot presence is essential.

BREMEN, GERMANY

The U.S. consulate in Bremen is important primarily from a trade point of view and because of the recent arrival of new U.S. military units into the Bremen area. Bremen is a major European shipping center, and fully 50 percent of the container traffic through Bremen is from or to the United States. American companies sell more to and buy more from the Bremen area than companies from any other country. For certain products—tobacco, wood, pulp, paper, primary chemical products, aircraft and motor vehicles—close to 50 percent of U.S. exports to Germany pass through Bremen, and the American Consulate there plays an important role in developing trade opportunities. Moreover, German local governments very much want a continued U.S. presence in Bremen.

NICE, FRANCE

The consulate in Nice has a heavy workload in trade promotion and in serving the needs of some 3,500 Americans residing permanently in the area. Seventy American companies have operations in the Nice area including such major corporations as IBM, Texas Instruments, Dow Chemical, Rohm and Haas, J. D. Searle and Motorola; and several others are contemplating setting up offices in Nice which is an area of increasingly attractive business opportunities for American firms. The consulate in Nice serves an area of some 1.5 million inhabitants living in a highly developed commercial and industrial area with an intense interest in U.S. products.

The savings to be generated by the closing of these five European consulates plus the two in Burma and Australia would only be about $1.6 million. That is a pittance in comparison with the benefits we receive. If, however, even a saving that small is considered important, the Administration could cover the costs of maintaining these posts by raising the cost of immigrant visas by a mere $5. The fee for these visas is currently $25 and has not been raised in at least 25 years. Since, therefore, finding the money to operate these consulates is not really a problem, I see no reason to close them. At a time when so many countries are telling us, "Yankee go home," I do not see why we are unwilling to heed the appeals of governments and business groups that are saying, "Yankee stay here," regarding the consulates.

In an effort to keep these valuable diplomatic and commercial outposts open, I am today offering an amendment to S. 2444, the fiscal years 1980 and 1981 supplemental authorization bill for the State Department that would prohibit the use of any authorized funds to close any of the posts listed in my amendment of last year; and earmark funds that could be used only for the operation and maintenance of the consulate scheduled to be closed. Since both of these proposals relate to the Congress' power of the purse, I hope that the kind of Constitutional question that arose with the enactment last year of section 108 can be avoided.

Mr. President, I ask unanimous consent that the text of my amendment to S. 2444 be printed in the RECORD.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

AMENDMENT NO. 1754

At the appropriate place in the bill add the following new section:

"Section . Section 108 of the Department of State Authorization Act, Fiscal Years 1980 and 1981 (P.L. 96–60), is amended by adding the following new paragraph:

"'(c) No funds authorized to be appropriated under this Act shall be available to close or render inoperable the consular posts in paragraph (a) of this Section listed. Furthermore, of the amounts authorized to be appropriated by Section 102 (a) (1) of this Act for fiscal years 1980 and 1981, $1,700,000 shall be available each year only for expenses to operate and maintain consular posts at Turin, Italy; Salzburg, Austria; Goteborg, Sweden; Bremen, Germany; Nice, France; Mandalay, Burma; and Brisbane, Australia.'" ●

NOTICE OF HEARINGS

COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS

Mr. PROXMIRE. Mr. President, I wish to announce that on May 29 and May 30 the Committee on Banking, Housing, and Urban Affairs has scheduled hearings to consider the effect of excessive commodities speculation on the Nation's banking system and credit markets. The hearings will focus on futures trading in financial instruments or their equivalents including foreign exchange, Treasury obligations, Government guaranteed securities, gold and silver. The hearings will not cover trading in agricultural commodities which are, of course, within the jurisdiction of the Committee on Agriculture. The hearings will cover any legislation which may be introduced. For my own part, I am considering legislation to authorize the Board of Governors of the Federal Reserve System to prescribe deposit requirements and regulate credit which may be extended in connection with the purchase or sale of certain financial instruments.

The hearings will be held in the committee hearing room 5302 of the Dirksen Senate Office Building, beginning at 10 a.m. each day. Any persons requiring additional information about the hearings may contact Mr. Howard Menell of the committee staff at 4-7391.

AUTHORITY FOR COMMITTEES TO MEET

SUBCOMMITTEE ON ENERGY RESEARCH AND DEVELOPMENT

Mr. BURDICK. Mr. President, I ask unanimous consent that the Energy Research and Development Subcommittee of the Committee on Energy and Natural Resources be authorized to meet during the session of the Senate today beginning at 2 p.m. to hold a hearing on legislative reclamation matters.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON THE JUDICIARY

Mr. BURDICK. Mr. President, I ask unanimous consent that the Committee on Judiciary be authorized to meet during the session of the Senate today, beginning at 2 p.m., to consider Civil Rights Commission reauthorization, the juvenile justice bill, regulatory reform legislation.

The PRESIDING OFFICER. Without objection, it is so ordered.

SELECT COMMITTEE ON SMALL BUSINESS

Mr. BURDICK. Mr. President, I ask unanimous consent that the Select Committee on Small Business be authorized to meet during the session of the Senate today beginning at 2 p.m. to hold a mark-up session on S. 2224, the solar energy loan bill and other pending calendar business.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON ARMED SERVICES

Mr. HOLLINGS. Mr. President, on behalf of the majority leader, I ask unanimous consent that the Committee on Armed Services be authorized to meet during the session of the Senate today to hold a hearing on the Iranian hostage rescue mission.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

Mr HOLLINGS. Mr. President, also on behalf of the majority leader, I ask unanimous consent that the Committee on Environment and Public Works be authorized to meet during the session of the Senate today to hold a markup session on legislation relating to water resources, water pollution, and environmental research and development.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Committee on Environmen and Public Works be authorized to meet during the session of the Senate on Thursday, May 8, 1980, to hold a markup session on legislation relating to water resources, water pollution, environmental research and development and public buildings.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Committee on Energy and Natural Resources be authorized to meet during the session of the Senate on Thursday, May 8, 1980, to hold a markup session on S. 1637, legislation to establish competitive oil and gas leasing in favorable areas within producing geologic provinces, and other pending calendar business.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON MERCHANT MARINE AND TOURISM

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Merchant Marine and Tourism Subcommittee of the Committee on Commerce, Science, and Transportation be authorized to meet during the session of the Senate on Thursday, May 8, 1980, beginning at 2 p.m., to hold a hearing on H.R. 6613, maritime collective bargaining.

The PRESIDING OFFICER. Without objection, it is so ordered.

SELECT COMMITTEE ON INDIAN AFFAIRS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Select Committee on Indian Affairs be authorized to meet during the session of the Senate on Thursday, May 8, 1980, beginning at 1 p.m., to hold a markup on the reauthorization of the Indian Health Care Improvement Act; S. 2223, Indian inheritance; and S. 1181, Tribal State Compact Act.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON FOREIGN RELATIONS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate tomorrow, to hear an official from the State Department on Iran and to markup S. 2423, the International Development and Security Cooperation Act of 1980, and S. 2588, to authorize appropriations for the Peace Corps.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

RECYCLING OF WASTE OIL

● Mr. DOMENICI. Mr. President, for the last three Congresses, I have introduced legislation to encourage the recycling of waste oil. The Environment and Public Works Committee held hearings on my bill, S. 2412, on May 5, 1980, with witnesses testifying from the Environmental Protection Agency, the Department of Energy, the National Bureau of Standards, the Association of Petroleum Re-refiners, and the National Association of Oil Recovery Coordinators.

In addition, I was extremely pleased to note Michael H. Brown's article in the business section of the New York Times on May 4, 1980 because it seems that a growing awareness of the need for rerefining is surfacing.

The benefits of rerefining lubricating oils include tremendous energy savings and a reduction in pollution—two major goals of this Nation.

I call on my colleagues to support this effort and to enact S. 2412 into law this year. I ask that the New York Times article and my opening statement before the Environment and Public Works Committee be made a part of the RECORD at this point.

The article and statement follows:

A WASTED NATIONAL RESOURCE: MILLIONS OF BARRELS OF ENGINE OIL

(By Michael H. Brown)

In Pennsylvania, it has been dumped into abandoned coal mine shafts or left in rusting 55-gallon barrels. In Missouri and Texas, it has been sprayed as a dust suppressant on rural roadways, causing health problems and an environmental mess. In New York City, it is burned off as low-grade fuel or simply unloaded into landfills. And in every community, it is poured onto fields to kill unwanted grass, dumped down basement sewers or discarded in the nearest trash can.

Each day, according to Federal and industry figures, Americans waste 70,000 barrels of used lubrication oil. That is not a large part of the 9 million barrels of petroleum imported every day, but, by the end of each 12 months, the figures add up impressively. Efforts at salvaging waste oil, however, have been dwindling markedly despite new technologies and what is supposed to be a national effort to conserve petroleum, and the industry points to Government regulations as the cause of much of its problems.

Annually, more than 2.3 billion gallons of lubrication oil are used in the country, and although 1.2 billion gallons are recoverable, less than 100 million gallons will be re-refined for future use. During the 1960's, up to 400 million gallons were re-used annually with about 150 facilities in the business. Today, only 13 re-refiners are active members of the Association of Petroleum Refiners.

It has become, as George Booth 3d of North Tonawanda, the only major re-refiner in New York, put it, "pretty much a dying industry."

IT DOESN'T WEAR OUT

The lubricant oil is recovered from car service stations, automotive dealerships, air terminals, factories and railroad yards. During its many uses it picks up metal contaminants, grit, and, often, toxic chemicals, which can be filtered and distilled out. Oil does not wear out any more than water does.

Far from the methods of yesteryear, when waste oil was passed through cheesecloth and put back to work, there are now techniques of gravity separation, centrifuging, coalescing, clay filtration, flash distillation and chemical absorption. In Bartlesville, Okla., the Phillips Petroleum Company has perfected a system, called the Phillips Re-refined Oil Process, that can recover 90 percent or more of spent engine oil. One of its plants, purchased by Texaco Mexicana, has a capacity of 20 million gallons a year.

Still, the industry is shrinking and it

traces the origins of its decline to 1965, when the Federal Trade Commission, concerned about the poor grade of lubricants being sold, moved to mandate that the product be labeled "made from previously used oil."

"From the 1920's to the 1960's, re-refiners were selling it without a label and were really selling garbage," said Charles Donaldson, a staff attorney for the Federal Trade Commission. "With waste oil there was no idea what was getting into the tank—it was all mixed together. What quality was the base stock? And it was hard to tell which additives were proper to add in."

The F.T.C. is waiting for the Bureau of Standards to devise a standard quality and performance test for re-refined oil—an endeavor that could take five years and, when it is settled upon, cost up to $20,000 per test. Engines must be torn down to gauge corrosion, wear and tear, and residue accumulations as well as to determine the types of blends and additives.

But that comes as little comfort to those who, like Curtis Moore, a staff aide of the Senate Environmental and Public Works Commission, consider the recovery of oil as essential to national energy efforts and the F.T.C. label too discouraging to potential buyers.

"The way I see it, it looks like the industry was sent into a real tailspin after the F.T.C. labeling requirement," Mr. Moore said. "When I look at the label I get the feeling that some grease monkey has just drained the oil out of a crank case and is trying to sell it to me." Mr. Moore, among others, suggests the label be changed to describe '"recycled" or "re-refined" oil.

Another Government-imposed road block was that of excise taxation. Before 1965, the Treasury Department had taxed lubrication oil made from fresh petroleum at 6 cents a gallon, while exempting reclaimed oil. That advantage was wiped away in 1968 by the Internal Revenue Service when it was determined that re-refiners did not qualify as "off-highway users," a category necessary to qualify for the Excise Tax Reduction Act.

So it was that refiners, who typically pay 15 to 20 cents a gallon for feedstocks of used oil and spend up to 50 cents a gallon in the recycling processes, were in a poor position to compete with unlabeled virgin products selling for $1.10 to $1.25. Because of the labeling requirement, and the taxation, they could at best expect a gross margin profit of 20 cents a gallon with a retail sales price of 90 cents.

Whatever marginal income was to be derived by re-refining oil was further diminished by other governmental regulations that dissuaded potentially huge customers from buying their products. Years before, the Defense Department had decided against allowing used oil for its equipment because of reservations over the quality, thus eliminating not only one of the largest oil clients in the world but, with the same stroke, discouraging purchases by other Federal agencies and state and local governments.

"Everything the Government did exacerbated the problem," said Jim McBane, executive director of the re-refiners association. "Our oil is just as good as virgin oil, but to the consumer it's dirt. The label forces us to be the lowest price on the shelf, and that's tough to swallow."

ADDITIVES A PROBLEM

In addition, re-refiners are squeezed by basic advances in lubricant technology. By the end of the 1960's, Detroit was producing powerful motors with such high-performance standards that ordinary oil was no longer sufficient. Chemical additives—emulsifiers and cleansing agents—were now added to the crude, making it more difficult to filter out the pure oil in the re-refining process. Once they got the oil out, they had to remix new additives.

To break down the new blends, those re-refiners who could afford the necessary equipment have tried using a method known as acid-clay filtration, in which particles are separated out and the oil filtered through absorbant clay. But even with this there was a major problem: The process created a hazardous sludge that had to be dumped in special landfills—and at high cost. Many of the dumps were a three-state journey from the distiller and charged $800 a load.

A final blow came as a result of the Arab oil embargo of 1973 and the resultant upward spiral in import prices. While the new scarcity of petroleum should have been a boon to recyclers, the maneuvers by the Organization of Petroleum Exporting Countries have instead created a new obstacle; competition with hundreds of independent waste haulers competing for the used feedstocks. So valuable has petroleum become that these haulers can offer more to service stations than can re-refiners, selling it to burners for 30 cents a gallon with no overhead except transportation. Where a re-refiner pays 20 cents a gallon, waste haulers can afford up to 30 cents.

"We've got problems," said Mr. McBane, "all along the way."

If economic factors alone aren't enough to encourage re-refining—most estimates state that the United States could save $1 million a day in imports from total recycling—then there are the many environmental factors that come into play. When waste oil is burned for heat, it releases into the air large quantities of lead and, if the oil has been mixed with other industrial residues, carcinogenic compounds such as polychlorinated biphenyls, or PCB's.

The haulers themselves, who are frequently paid to take away especially contaminated waste oil, have created the most notable damages. One such oil "scavenger" in 1971 drew from a Missouri factory waste storage tank residues generated in the manufacture of the antibacterial agent hexachlorophene and mixed them with oil he later used for dust control on rural roads and horse arenas.

The hexachlorophene contained dioxin, one of the most toxic substances ever synthesized by man—a compound with 10,000 times the punch of sodium cyanide. Within days of the spraying, sparrows and other birds roosting in barn rafters dropped from their perches and died, along with dozens of horses. A 6-year-old child was hospitalized with respitory troubles and internal hemorrhaging.

Toxic-laden waste oil has also troubled New York City. Two weeks ago, a fire erupted in a 75,000-gallon pond of waste oil in Flushing Bay, Queens, sending into the air and toward Shea Stadium a black column of smoke that officials said probably carried PCB's.

Such distressing environmental effects have led one official of the Environmental Protection Agency, Hugh Kaufman, manager of the agency's waste assessment branch, to complain that large oil companies are not doing their share to recover the oil—and in fact have inhibited efforts to do so.

"The companies put barriers up," Mr. Kaufman asserted." The Federal Trade Commission put the labels on re-refined oil based on lobbying efforts by the oil companies. Their virgin products are a high-profitability item."

All of which is flatly denied by the American Petroleum Institute, which says that the only reason it hasn't done more to develop re-refining technology is that it thought such efforts were already being handled by the Federal Government.

"The oil industry has not lobbied to have re-refined oil labeled," said Bobby Hall, a spokesman for the institute. "I don't think anyone has an ax to grind with re-refinery."

In fact, say industry sources, several major oil companies, now running low on stocks from the Middle East, are actively seeking economical means of recovering the products. "We can take a product worth perhaps 15 cents a gallon and produce a product with $1.40," said Emil A. Malick, Phillips's special projects director overseeing its project. "It's absolutely irrational to dump this oil."

Recently, a number of governmental changes have occurred that re-refiners hope will save their industry. The military has decided to accept some of their oil, the E.P.A. is considering tight restriction on competing waste haulers, and a petition by the re-refiners association calling for elimination of discouraging labels was presented last week to the F.T.C.

In addition, Senator Pete V. Domenici, Republican of New Mexico, has proposed an amendment to the Resource Conservation and Recovery Act that would call for a review of the label.

Still, for the "large-dollar" investors that are needed to enter the business; there are as yet no guarantees. And when and if they come, say those on both sides of the debate, they may be contained in legislation that won't be implemented for months, if not years.

STATEMENT OF SENATOR PETE V. DOMENICI ON S. 2412

Most oil products cannot be recycled because they are consumed in use, but lubricating oils can be rerefined and restored to their original quality. The industry is fond of saying lubricating oil never wears out; it just gets dirty. Despite this, less than five percent of the used lubricating oil generated in the United States is presently re-refined while over 95 percent is dumped into sewers or waterways, spread on roads, or burned. The present methods for disposing of used lubricated oils create major environmental hazards and waste about 42,000 barrels of oil every day—oil which is three times as valuable or ordinary fuel oil.

About 1.2 billion gallons of used lubricating oils are produced in the United States each year, principally from automotive crankcase oil (55 percent), industrial and aviation lubricating oils (36 percent), and industrial process oils (7–8 percent). Almost half of this is lost through disposal on land or in the water. Most of the remaining one half is burned as fuel. Only about five percent is re-refined into lubricating oil.

Present methods for disposing of used lubricating oils can create serious environmental problems:

Used lubricating oil is the largest single source of oil pollution in the nation's rivers and streams. A study by the American Petroleum Institute estimates that 44 percent of oil pollution in U.S. streams, waterways, and habors comes from used oil. Runoff from rivers and streams, consisting largely of used lubricating oils, is in turn the most important single source of oil pollution in the oceans.

Because of the concentrations of lead, MMT, and other noncombustible contaminants in used lubricating oils, the burning of waste oil that has not been re-refined, except under the most carefully controlled circumstances, presents hazards to human health and the environment. Despite this, there are no federal and few state laws regulating burning of waste oil.

About half of all the used oil generated in the United States is simply thrown away, roughly about 45 percent is burned, and the remainder is re-refined. By comparison with today's inherently wasteful practices, the re-refining of all used lubricating oils back into lubricants would produce a net energy savings of 42,000 barrels of oil per day. This savings would be reflected in reduced oil imports in the same net amount. This energy savings takes into account both the energy used in re-refining and the energy lost by not burning that portion of used lubricating oils which is presently used for this purpose.

The real resource loss in the United States failure to re-refine used oil is, however, substantially greater than the figure of 42,000 barrels per day would indicate. Less than two percent of the average crude oil stream is suitable for use in manufacturing lube oils without greatly increasing the energy cost of production. The western Pennsylvania and west Texas fields which have historically provided much of the domestic crude most valuable for this purpose are in serious states of depletion. Thus, a failure to recycle and conserve the lube oil we now have will mean higher and higher costs for lubricating oil in the future.

The conservation of this resource base by re-refining would be even more important than the conservation of energy by re-refining. If petroleum based lubricating oils became unavailable, either through foreign government action or the natural decline of oil fields providing suitable lube-bearing crude, the country could literally come to a grinding halt.

There is no available, in-place technology to meet all of the country's lubricating needs in the absence of sufficient supplies of high-quality petroleum.

Despite its obvious advantages to the country, the quantity of used oil re-refined in this country has fallen sharply since the early 1960's. During the 1940's and 1950's the United States re-refined substantially all the used lubricating oil which it generated. But the number of re-refiners has dropped from 150 in 1960 to less than 30 today, with a concomitant drop in capacity. Most of the remaining re-refiners say they are in poor financial condition, with additional business failures occurring every year. Some of this decline can be attributed to operation of the market place during an era of apparent plenty. However, much of its also resulted from governmental policies and actions. Chief among these is the labeling policy imposed by the Federal Trade Commission.

In 1965, the Federal Trade Commission issued a trade regulation rule which required that the term "made from previously used oil" be prominently displayed on the front of each container of re-refined lubricating oil. Simultaneously, the Commission forbade use of the term "re-refined" with respect to most such oil. The basis of this rule was not a finding by the FTC that re-refined oil was in any way inferior in quality to virgin oil. Rather, the FTC concluded that, since some consumers thought a "used" product was inferior, they should know what they were buying. The Commission further decided that use of the term "re-refined" would not communicate this information because some individuals could interpret this to mean that the product was virgin oil which had been refined more than once.

The result of this trade regulation rule has been to substantially foreclose the automotive motor oil market to re-refined products. Few buyers want to risk damage to their engines which might ensue from "previously used oil," even though that oil may, in fact, be as good or better than virgin oil. Recent tests in which municipal vehicles in San Diego operated exclusively using re-refined oil showed lifetime engine wear to be equal or less than would have been expected in similar engines using top quality virgin lubricating oil. These results have been confirmed by tests at the Department of Defense, which is presently revising its military procurement policy.

The procurement standards of the Department of Defense have a substantial influence on the market for re-refined lubricating oil. DOD is the nation's largest buyer of vehicle lube oil and its largest producer of used oil. Even more importantly, the General Services Administration has delegated authority to the Defense Supply Agency to procure fuel and lubricants for the entire federal government. Finally, the DOD specifications for lube oil quality are, like its specifications in other areas, automatically adopted by numerous state and local governments and large commercial concerns.

Military specifications for tactical vehicles and for administrative vehicles both require that "no re-refined constituent materials" be used in any lubricating oil purchased pursuant to either standard, even if such oils meet all other quality specifications. As a consequence, all U.S. Government sales and many sales to state and local governments are effectively barred to re-refiners.

Government inaction has been as damaging to re-refinement as government action. Direct burning and direct disposal on land or in water can both harm the environment and deprive the nation of a valuable resource. But because the costs associated with direct burning are substantially less than those associated with re-refining, firms engaged in direct burning frequently outbid re-refiners for feedstock. This has resulted in the further decline of the re-refining industry.

About half of the used oil generated in the United States is disposed into the environment. But the most significant form of direct dumping is by individual "do-it- yourselfers" who change their own motor oil and dispose of the waste in a storm sewer, garbage can, or back yard. In such a case, the used oil with all its pollutants enters the environment immediately. Unfortunately, the increasing number of people who change their own oil, and the decreasing number of service stations willing to do so, have caused a sharp increase in the completely uncontrolled disposal of used crankcase oil. At present, neither the federal government nor any state has enacted laws aimed at dealing with this problem. Used oil which is dumped can never be re-refined, and constitutes a significant threat to the environment.

It was to conserve used oil as a resource, while reducing its threat as a waste that I introduced S. 2412. The bill attempts to remove artificial impediments which have been created by governmental action, but without tampering with the proper functioning of the marketplace. S. 2412 contains a distinct bias in favor of re-refinement because that seems to be the safest and most efficient way to utilize waste oil but it does not preclude its use for other purposes when that is economically preferable to re-refinement and can be done safely.

This is a classic case where government acting through an excess of zeal has created a situation contrary to the national interests. The Federal Trade Commission has declined to re-evaluate the wisdom of its labelling requirements. The Department of Defense took years to re-test re-refined oil products. And the Environmental Protection Agency has been unwilling to adequately regulate the collection and disposal of waste oil even though it is believed to be the source of most oil pollution in this country. The purpose of S. 2412 is to restore some semblance of rationality to this situation. It attempts to do this in the following manner:

First, it requires that all re-refined oil be labelled, but prohibits use of the term "previously used." The Federal Trade Commission conceded that the term "previously used" was inflammatory and, in fact, selected those words precisely because they conveyed a negative connotation to the consumer. The consumer has a right to be told what is in the product he is buying and he has a right to know whether it will do the job it is intended for. But to intentionally convey a negative impression where one is not warranted is deceptive, not informative. It smacks of the worst kind of governmental paternalism and seems to proceed from the assumption that people are incapable of making sound judgments based on facts. For that reason, use of the term "previously used" is prohibited, but labelling to "assure that purchasers of recycled or re-refined oil are fully and accurately apprised of the nature and quality of the product and its fitness for its intended use" is mandated. In addition, new oil—meaning oil which is virgin or re-refined—must be labelled to encourage return of used oil to collection centers.

Second, the bill prohibits contracts or agreements intended to discourage the use of recycled oil. The penalty for violation of the prohibition is a treble damage award to the injured party.

Third, the bill encourages States to establish programs for the collection of waste oil and, where feasible. the use of recycled oil. To expedite implementation of this provision, the bill permits the Administrator of EPA to delegate his authority under either this bill or the Resource Conservation and Recovery Act to States.

In summary, the bill is fairly simple and straightforward. To the best of my knowledge, most of its provisions are relatively non-controversial. In fact, I consciously sought to avoid provisions which might be fraught with controversy and thus cause this bill to be delayed or killed. This is an important issue, one of which we can act without any particular delay and one on which we should act. I hope my colleagues in the Senate and elsewhere agree and will proceed.●

PROPOSED ARMS SALES

● Mr. CHURCH. Mr. President, section 36(b) of the Arms Export Control Act requires that Congress receive advance notification of proposed arms sales under that act in excess of $25 million or, in the case of major defense equipment as defined in the act. those in excess of $7 million. Upon such notification. the Congress has 30 calendar days during which the sale may be prohibited by means of a concurrent resolution. The provision stipulated that, in the Senate. the notification of proposed sales shall be sent to the chairman of the Foreign Relations Committee.

In keeping with my intention to see that such information is immediately available to the full Senate, I submit for printing in the RECORD at this point the three notifications I have received. Classified portions of two of the notifications, which have been deleted for publication, are available to Senators in the office of the Foreign Relations Committee, room S-116 in the Capitol.

The notifications are as follows:

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, D.C.

Hon. FRANK CHURCH,
Chairman, Committee on Foreign Relations,
Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding herewith Transmittal No. 80-60 and under separate cover the classified annex thereto. This Transmittal concerns the Department of the Air Force's proposed Letter of Offer to Greece for defense articles and services estimated to cost $12.8 million. Shortly after this letter is delivered to your office, we plan to notify the news media of the unclassified portion of this Transmittal.

You will also find attached a certification as required by Section 620c(d) of the Foreign Assistance Act of 1961 that this action is consistent with Section 620(b) of that statute.

Sincerely,

Erich F. Von Marbod,
Acting Director.

[Transmittal No. 80–60]

Notice of Proposed Issuance of Letter of Offer Pursuant to Section 36(b) of the Arms Export Control Act

(i) Prospective purchaser: Greece.

(ii) Total estimated value: Major defense equipment*, $11.3 million; Other, $1.5 million; total, $12.8 million.

(iii) Description of Articles or Services Offered: Two hundred (200) AGM–65B missiles with related spare parts and depot maintenance equipment.

(iv) Military Department: Air Force (YCJ).

(v) Sales Commission, Fee, etc. Paid, Offered or Agreed to be Paid: None.

(vi) Sensitivity of Technology Contained in the Defense Articles or Defense Services Proposed to be Sold: See Annex under separate cover.

(vii) Section 28 Report: Case not included in Section 28 report.

(viii) Date Report Delivered to Congress: May 12, 1980.

Under Secretary of State,
Washington, D.C., March 12, 1980.

Pursuant to Section 620C(d) of the Foreign Assistance Act of 1961, as amended, and the authority vested in me by section 6(b)(1) of the Department of State Delegation of Authority No. 104, as amended, I hereby certify that the provision of AGM–65B missiles, spare parts, and depot maintenance equipment to the Government of Greece is consistent with the principles contained in Section 620C(b) of the Foreign Assistance Act of 1961, as amended.

This certification will be made part of the certification to the Congress under section 36(b) of the Arms Export Control Act regarding the proposed sale of the above-named articles and is based on the justification accompanying said certification, and of which such justification constitutes a full explanation.

Matthew Nimetz.

Defense Security Assistance
Agency,
Washington, D.C.

Hon. Frank Church,
Chairman, Committee on Foreign Relations, Washington, D.C.

Dear Mr. Chairman: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding under separate cover Transmittal No. 80–61, concerning the Department of the Navy's proposed Letter of Offer to Australia for defense articles and services estimated to cost in excess of $7.0 million. Shortly after this letter is delivered to your office, we plan to notify the news media of the unclassified portion of this Transmittal.

Sincerely,

Erich F. Von Marbod,
Acting Director.

[Transmittal No. 80–61]

Notice of Proposed Issuance of Letter of Offer Pursuant to Section 36(b) of the Arms Export Control Act

(i) Prospective Purchaser: Australia.

(ii) Total Estimated Value: Major Defense Equipment,* [deleted]; Other, [deleted]; total, [deleted].

(iii) Description of Article or Services Offered: [Deleted].

(iv) Military Department: Navy (AOF).

(v) Sales Commission, Fee, etc. Paid, Offered or Agreed to be Paid: None.

(vi) Sensitivity of Technology Contained in the Defense Articles or Defense Services Proposed to be Sold: See Annex under separate cover.

(vii) Section 28 Report: Included in report for quarter ending March 31, 1980.

(viii) Date Report Delivered to Congress: May 2, 1980.●

THE FORMAL ESTABLISHMENT OF THE U.S. EDUCATION DEPARTMENT

● Mr. PELL. Mr. President, I am very proud to join in the salute to the formal establishment and operation of the U.S. Education Department.

This event is the culmination of many years of hard work to accord education major public policy status. It is truly a most significant turning point, for education will now have not only a position but also a voice at the highest level of our government.

The establishment of the Education Department recognizes and responds to the need for placing a high priority on the education of the American people. It signifies beyond doubt the importance which this administration and our Nation attach to the education of the 60 million persons enrolled in public and private educational institutions today.

While total Federal education assistance amounts to only about 7 percent of our Nation's annual education investment, the Federal contribution cannot be minimized. With Federal education spending of more than $14 billion annually, the new Education Department's budget is larger than the budgets of several other Federal Departments, including State, Interior, Justice, and Commerce. The new Department, therefore, is in a unique position to become a strong and forceful advocate for effective education policymaking at the Federal level.

Mr. President, I have frequently said that the strength of our Nation is in the sum total of the education and character of its people. I believe deeply that the new Department demonstrates the depth of our commitment to that principle, and hopefully our determination to carry it through to full realization.●

THOMAS EDISON'S LABORATORY

● Mr. DOMENICI. Mr. President, in the May 7 Wall Street Journal, I noted the article by Georgette Jasen detailing the potential hazards of Thomas Edison's old laboratory in West Orange, N.J., which has been preserved in its original condition. The article explains the potential hazards of old chemicals that have been sitting in the laboratory since 1927 and the serious possibility of explosions.

The article was extremely interesting, but what particularly caught my eye was a fact that would naturally be of interest to me. It seems that Mr. Edison last used the lab for experiments in trying to extract natural latex from a variety of plants. This little piece of information is fascinating to me because of my work in setting up a Government research program to further the development and commercialization of the rubber plant, guayule. The price of rubber has doubled in the last 2 years, which makes our efforts in establishing a native source of rubber much more crucial to meet our needs of the future, particularly for our military.

Mr. President, I ask that Ms. Jasen's article be printed in full at this point in the Record.

The article follows:

After 50 Years, Some Fear Edison's Vials Now Might Be Vile

(By Georgette Jasen)

West Orange, N.J.—Thomas A. Edison's apron and lab coat hang on a peg in the corner. Bunsen burners, test tubes and beakers stand as if awaiting the great man's next experiment. On the desk is a 1920 catalog of chemicals.

The air smells pungent. Mr. Edison's chemistry laboratory is just as he left it when he died in 1931.

And that is the problem.

Environmental officials are worried that those quaint vials of mysterious and doubtless decomposing compounds constitute something of a chemical time bomb. The lab, after all, is a National Historic Site, and more than 55,000 visitors, most of them schoolchildren have been trooping through it each year.

A chemist with the Environmental Protection Agency's emergency response group said, "There are chemicals you have to get rid of, and you can't just pour them down the drain."

There haven't been any accidents so far. Nor is there evidence of anyone's being harmed by exposure to the chemicals. But, says Mr. Polito, "You have to consider the risk of not doing it. People have been killed in ether explosions. People have been killed cleaning out chemical storerooms, we know that." One of the chemicals here, picric acid, can explode. Another, betanaphthylamine, can cause bladder cancer.

MYSTERY CONTAINERS

Ray Kremer, acting superintendent of the site, says there are 10,000 items in the lab and two storage areas. Some of the jars and vials aren't even labeled. Some labels are illegible or bear only numbers.

One storeroom is jammed with dusty containers holding substances used to make reagents for Mr. Edison's experiments. "Three months ago I would have had no qualms about going in there and lifting the lid," says Mr. Kremer, pointing a flashlight at a barrel. "Now I wouldn't touch it."

The possible hazards at the lab came to light during a safety inspection by the National Park Service, which operates the site. The 25-by-100-foot lab is one of seven buildings, that make up the historic site. (The others remain open to the public.) Here Mr. Edison developed the motion-picture camera and improved the phonograph.

EPA chemists and archivists had to pore through 260 pages of records from a 1941 inventory in the lab, more than 1,000 cards from a 1973 inventory and dozens of Mr. Edison's notebooks just to do an inventory of the lab and storerooms.

Officials hope to retain as many of Mr. Edison's original containers as possible, but some 200 hold possibly explosive substances and probably will be destroyed.

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*As included in the U.S. Munitions List, a part of the International Traffic in Arms Regulations (ITAR).

CONTAMINATED PIPES?

There could be complications. And bureaucracy must be served. Will the cleanup detract from the historic nature of the site? The Park Service doesn't think so, but it has to confer with state historic preservation officials.

Beginning in 1927, the company he founded continued the research for six years after his death but didn't find a satisfactory alternative to the rubber plant.

The Edison lab is a special case, because so many of its chemicals are old or unidentified. But widespread public concern over toxic chemicals has prompted some schools and universities to question the safety of their laboratories. Princeton University recently called in experts to help detonate ether purchased for its chemistry laboratories in the 1960s and now thought to be explosive. A year ago, New Jersey environmental officials assisted scores of the state's high schools, colleges and pharmacies in disposing of the explosive picric acid.●

DEATH OF MR. ARTHUR LEVITT, COMPTROLLER OF NEW YORK STATE

● Mr. MOYNIHAN. Mr. President, I rise today to mourn the death of one of the most distinguished public servants in the history of New York, Mr. Arthur Levitt, comptroller of the State for the past 24 years. It has been my great honor to know the Colonel, as we called him, since I first entered public life 25 years ago, and in that time I watched the admiration of my early years mature into nothing but the highest respect for his integrity and wisdom. It is not too much to say that he established and pursued policies of fiscal management that were the model for, and the envy of, State comptrollers throughout the Nation. New York shall miss its guardian of the public purse, but his legacy shall keep his memory always with us.

Colonel Levitt became an institution in the life of New York for a half-century. Few men have been so recognized for their integrity; no one has been more deserving of such recognition.

Mr. President, I ask that Colonel Levitt's obituary in this morning's New York Times be printed in the RECORD.

The obituary follows:

ARTHUR LEVITT DEAD AT 79; COMPTROLLER FOR 24 YEARS

(By Maurice Carroll)

Arthur Levitt, who served as New York State Comptroller for 24 years and built the office into a power that other politicians regarded as above politics, died yesterday at the age of 79.

He suffered a massive heart attack at his desk in his office at the Lincoln Savings Bank, 200 Park Avenue, where he was a senior investment adviser.

A square-shouldered, straight-backed man with a manner that was often austere, Mr. Levitt came to office out of Brooklyn's civic world, not its Democratic clubhouses, and he played a distant role in party affairs as his political prestige grew.

Politicians regarded him as unbeatable. Even the Republicans thought from time to time of giving him their ballot line and, as he approached the end of his record six terms in 1978, few doubted that, if he decided to run, he could win again.

A MAN OF SOBER IMAGE

He was the last of the durable politicians of the Rockefeller era in New York politics. Gov. Nelson A. Rockefeller stepped aside first, in 1973. In 1978 Louis J. Lefkowitz, who built the same sort of massive electoral majorities as a Republican that Mr. Levitt did as a Democrat, decided not to seek re-election as Attorney General.

As befitted the chief fiscal officer, Mr. Levitt had a sober image. His pouchy eyes had the sad look of a man who had read one too many government budgets. His voice, which retained a nasal twang from his Brooklyn beginnings, was deep and solemn. He dressed conservatively, like the bankers with whom his agency worked.

His manner was polite, even courtly, never ebullient.

As Mr. Levitt approached retirement, he said he was proud that he had converted the Comptroller's job into "a really nonpartisan office, in the same sense as a judgeship."

Under him the office became an aggressive auditor not only of state and local money but also of the way governments did their jobs.

Like a protective parent, he guarded the billions of dollars in pension funds, of which he was the sole trustee, against the attempted encroachments of other politicians.

Even when New York City tottered into fiscal crisis, Mr. Levitt declined to commit the funds to much more than a token role to keep the municipal government solvent.

The one thing that gave him pause before he decided to retire was his fear, he said, of the "demands that those pension funds be used to refinance the City of New York."

Mr. Levitt withstood the pressures to make such a commitment, both from City Hall and from the fiscal monitors spawned by the city's tribulations just as, he recalled, he had stood up to the redoubtable Robert Moses early in his tenure as Comptroller.

He told of a private meeting at which Mr. Moses tried to sell Gov. Averell Harriman on tapping those funds for a politically attractive low-cost housing program.

"Harriman broke in," Mr. Levitt recalled. "He could just have let me bear the brunt, but he said, 'I won't ask Arthur to do that. As a fiduciary, he has to obtain the highest yields possible.' "

REJECTED KOCH'S ARGUMENT

Years later, Mayor Koch, then new in office, tried to lecture Mr. Levitt on his responsibilities to give investment support to the city government.

"The nerve of him—Koch had no right to talk to me that way," Mr. Levitt said later in the steely tone he reserved for those who did not agree with his standards of "fiduciary responsibility," one of his favorite phrases.

Mr. Levitt was the president of the New York City Board of Education when, in 1954, Mr. Harriman telephoned and asked if he would be the State Comptroller candidate on the Democratic ticket. The original candidate, involved in a public contract scandal, had had to step aside.

"What's a Comptroller?," asked Mr. Levitt's wife, Dorothy.

Her husband ultimately redefined the job.

He started performance audits of state and local government. His emissaries examined not only budget books but also management practices and then—in reports that, with careful attention to political good manners, had been checked beforehand by their targets—made suggestions for improvements.

The Comptroller's office is ubiquitous in government affairs, if not always clearly defined in public perception. It manages the state employee pension systems, invests state money, manages the state's cash, pays the state's bills. It also oversees the welfare inspector general and a special deputy who reports on New York City's fiscal recovery.

While modernizing the 2,400-employee office and broadening the scope of its activities, Mr. Levitt was a fiscal conservative who never abandoned the basics.

"Two plus two makes four," he once said, "whether the Comptroller is a Democrat or Republican."

He liked his close aides to call him "Colonel," a title he earned in World War II service with the Judge Advocate General's Corps. His bearing and appearance retained something of the military.

He disciplined himself with daily 65-minute sessions of punishing exercise that included push-ups, sit-ups, rowing and bicycling that enabled him to stay at the same trim 175 pounds that he had weighed as a Columbia College wrestler.

Mr. Levitt was born on June 28, 1900. He served as a private in World War I, then went to Columbia College, graduating in 1921, and the Columbia University Law School, graduating in 1924.

Then he started on a legal career and an active role in Brooklyn's civic and charitable affairs.

In 1946, he took on his first political assignment, campaign manager for Assemblyman Irwin Steingut in a primary election. In 1952 he was appointed to an unsalaried post on the city school board by Mayor Vincent R. Impellitteri, and in 1954 he was elected board president.

The voters rejected him only once, in 1961, when he was picked by Democratic leaders to run for Mayor of New York City against the incumbent, Robert F. Wagner, who ran and won the Democratic primary. Mr. Levitt resumed his elective success on the state ballot.

"BACK-DOOR FINANCING"

Mr. Levitt had the friendship and what he called the "complete cooperation" of Governor Rockefeller, but he was also a persistent critic. He warned of the consequences of the freewheeling style of Rockefeller state finance.

When Mr. Levitt won his sixth term in 1974, the year Hugh L. Carey brought the Democrats back into the Governor's office, his margin was more than two million votes.

But there were some political disappointments in his closing days in office.

He tried to head off the City Comptroller Harrison J. Goldin, from winning the Democratic nomination as his successor. He resented Mr. Goldin's tentative steps toward a challenge to him and, he told friends, he feared that Mr. Goldin would be less circumspect than he in keeping the money-short city from getting some of the state pension fund investments.

But Mr. Goldin won the nomination.

Mr. Levitt's response was to give a veiled endorsement to the Republican candidate. Edward V. Regan, who won the general election. By then Mr. Levitt had come to regard the office as a trust that had little to do with partisan politics.

"I consider the office of Comptroller, properly viewed," he told reporters once, "as one for which a candidate runs under a party aegis, but once having assumed the office, he is expected to pursue it with fidelity to higher principles and in complete fulfillment of the highest ideals."

Mr. Regan, was giving a luncheon speech in Rochester when he was handed a note about Mr. Levitt's death.

"He was my friend and I was his student," Mr. Regan said. "He was a man of enormous integrity. He had an unswerving devotion to fiscal responsibility."

Governor Carey said in a statement: "The voters had an enormous amount of trust in him, which they reflected time after time at the polls. He in turn consistently reaffirmed their judgment with the excellence of his stewardship."

Mr. Lefkowitz described him as "an outstanding public official and a great, warm human being."

Senator Jacob K. Javits said, "By his rectitude in high public office, he set an incomparable standard for public office holders," and Senator Daniel Patrick Moynihan said, "Colonel Levitt became an institution in the life of New York for a half-century."

Mayor Koch said that Mr. Levitt's service "set standards nationwide that everyone holding such office aspires to fulfill."

Mr. Levitt is survived by his wife, the former Dorothy Wolff, and his son Arthur Jr., who is president of the American Stock Exchange.●

LIBRARY OF CONGRESS ISSUE BRIEF ON COMPUTER SECURITY

● **Mr. RIBICOFF.** Mr. President, a comprehensve view of computer crime and security is given in a Library of Congress issue brief written by Louise Becker of the Science Policy Research Division. I request that the issue brief, No. IB80047, be printed in the Record.

The brief follows:

Computer Crime and Security, Issue Brief No. IB80047

(By Louise Becker, Science Policy Research Division)

April 10, 1980.

ISSUE DEFINITION

The expanded use and increased dependence of all sectors of the economy on computers and data communication technologies, have triggered consideration and development of protective safeguards. This Issue Brief focuses on computer-related criminal activity and on some of the security safeguards which protect computer equipment, services, and products. Recognizing the value and sensitivity of certain types of computer data, Congress has proposed and enacted legislation strengthening protection of computer and information resources. Congress' attention to these issues has in part encouraged Federal, State, and private groups to examine the area of computer crime and security.

Computers and automated information systems have revolutionized modern society. The dependency of all sectors of the economy on these tools and the associated products and services has highlighted the need for appropriate protections of the resources.

BACKGROUND AND POLICY ANALYSIS

Computer crime and other threats

The wide diversity of computer system threats may include modification, destruction, unauthorized access, and denial of use or services. Dangers to automated systems may be intentional or unintentional and often involve both technical and nontechnical aspects. The causes of computer abuse and misuse run the range from deliberate criminal intent to human error. Indeed, computer abuse is sometimes perceived as "man triumphing over machine." Media accounts, on occasion, highlight unusual circumstances, such as the case of the man shooting a computer for sending the wrong bill or the fired computer programmer who gets revenge by instructing the computer to wipe out all payroll accounts.

Nonetheless, computer abuse contributes to part of the estimated annual $40 billion loss resulting from economic, business, and white-collar crimes. Computer crime, a distinct but not exclusive form of computer abuse and misuse, includes fraud, embezzlement, theft, extortion, larcency, espionage, and sabotage.

Other threats to computer products and services include possible damage from fire, water, and other natural disasters as well as from energy shortages (e.g., power outages and brownouts) and other technical changes.

Computer-related Crime Methods

The diversity of computer crime methods complicates the issue. Computer-related criminal methods may be complex and often carry exotic names, such as: data diddling (changing data before or during input to a computer); trojan horse (converting placement of computer instructions in the computer program so that the computer performs unauthorized functions while allowing the program to perform its intended function); salami technique (taking small slices without noticeably reducing the whole, as illustrated in a financial system in which small fractions of money (round offs) may be deducted without immediate notice); superzapping (unauthorized use of a specialized computer program that by-passes all controls so that information within the computer may be modified or disclosed); trap doors (computer program instructions which are designed to allow entry by side-stepping certain requirements or weaknesses in design, logic, or electronic circuitry); logic bombs (an "unauthorized" computer programming instruction which is triggered and executed at a certain time and performs an undesired function); scavenging (obtaining information that may be left in or around a computer facility); and piggybacking and impersonation (unauthorized physical or electronic access to a computer or facility). It is also possible to wiretap and intercept data communications in a manner similar to telephone wiretapping, thereby permitting another type of unauthorized access to information and services. In addition, manual or automated data leakages (unauthorized access to data) also permit unwarranted disclosures and illegal access to data and services.

Detecting and assessing computer crime is frequently difficult. In many instances, a crime is discovered accidentally, and the process used to commit the crime may remain obscure. The reporting of a computer crime may have additional penalties beyond the initial loss. For example, certain organizations may be unwilling to report computer crimes because such action may lower public trust and confidence in those institutions. In addition to adverse publicity, revelations of specific internal procedures and the possible danger to associated information systems often discourages reporting of such crimes. Thus, it is understandable that many institutions and organizations, both public and private, do not relish this type of publicity. This reluctance to report computer-related crime prevents detection and limits prosecution of computer criminals.

COMPUTER SECURITY

Computer security measures have been developed to deal with the vast array of real, potential, and imagined threats. These measures include a broad range of techniques and tools designed to safeguard equipment (hardware), computer programs (software), computer/communication networks, data in the systems, and associated information products. The high cost of computer systems and the value of the data in the systems have encouraged the development of risk assessment programs and contingency planning efforts to protect information technologies from abuse or misuse.

Computer security measures are aimed at controls associated with,

Identification of individuals who may have access

authorization functions, that is which individuals have access to what data or services

monitoring and surveillance of computer operations—checking transactions and processes

systems integrity—assuring performance and reliability of the system

Some of the tools and techniques currently used to safeguard data processing include:

(1) Physical Security Measures are generally associated with protecting the facility, equipment, and data from damage that may be the result of intruders, natural disasters such as fires and floods, and other physical threats. These measures usually include traditional "lock and key" elements aimed at limiting and controlling access to the computer facility and associated areas. In addition, preventing fires and other hazards from affecting computer operations also is part of physical security.

(2) Technical Measures are designed to prevent illegal electronic access, data modification, destructive use, and interception of computer products and services. Often they include techniques such as passwords (which limit access to authorized system users who are provided with a set or series of terms, numbers, or actions); data encryption (the transformation of data to a code form readable only by the intended recipient); and monitors or surveillance (devices that assess computer performance and may be used as an external check on the correct operation of the system). Recently, experimental innovations such as Kernalized Secure Operating Systems (KSOS), a mechanism to protect a computer's operating system from unauthorized access or disclosure, have received attention. Technical software and hardware safeguards are being developed continually and included in new products and services. The inherent complexities and technical aspects of computers and automated information network systems also may serve as a protective mechanism against certain unauthorized users.

(3) Administrative Measures include a broad range of activities associated with specific management and operating policies and practices. Establishment of specific procedures, guidelines, and standards directed at providing a secure environment fall within this category, as do personnel screenings of individuals who plan, design, handle, or operate the computer systems and the associated data and information. In addition, techniques such as computer systems, audits, and risk assessment are generally associated with administrative functions, but also may employ physical and technical measures.

CONGRESSIONAL INITIATIVES

The effective management of computer and information resources continues to be an important issue for the Congress. Oversight of sensitive Federal ADP systems has highlighted the need for appropriate security measures to safeguard valuable resources. Concern with protecting personal privacy and safeguarding other sensitive information has encouraged development of programs to cope with the problem. Congress, in enacting the Brooks Act (Public Law 89-306), provided for the efficient and economical management of Federal ADP resources. An important factor in stimulating computer security measures has been a growing appreciation of the value and sensitivity of Federal ADP programs and services. The Privacy Act of 1974 (Public Law 93-567) has also contributed to broader implementation of computer security measures. The Act specifies the protection of Federal personnel data systems and requires the security of personal data systems. Since many Federal information systems are automated, this Act has led to increased emphasis on the use of computer security measures.

Federal privacy legislation also has been directed at protecting private sector and State data. Laws protecting the confidentiality and privacy of criminal justice records, financial, and educational data have fostered new policies and practices. The Crime Control Act of 1973, which amended the Omnibus Crime Control and Safe Streets Act of 1968, specifically concerns the privacy and security of federally supported criminal arrest records, most of which are part of State government criminal justice systems. (See Privacy Issue Brief IB74105.)

Protection of Federal Government ADP resources also has been aided by the establishment of additional internal investigative functions. Legislation enacted in the 94th and 95th Congresses provided for the creation of an inspector general's office in the Department of Health, Education, and Welfare (HEW) (Public Law 94-505); Public Law 94-452 established Offices of Inspector General in 12 Federal departments and agencies; and Public Law 95-1, which created the Department of Energy, establishes an office of inspector general to combat fraud and abuse. (See Issue Brief 77094, Law Enforcement Reorganization at the Federal Level.)

Besides its broader interests in computer management, the Congress is also concerned specifically with computer crime and abuse. The Senate Committee on Governmental Affairs (formerly Committee on Government Operations), chaired by Senator Ribicoff, has issued two studies on this matter. The first of these studies, "Problems Associated With Computer Technology in Federal Programs and Private Industry," reviews some of the major issues and problems associated with computer abuse. Included in this Senate document are three studies by the General Accounting Office, indicating the extent of computer crime in Federal systems, a CRS-prepared overview of computer and information security efforts in the Federal Government, and a compendium of readings on crime and related subjects. The follow-up 1977 report by the Senate staff, "Computer Security in Federal Programs", includes recommendations that the Office of Management and Budget (OMB) direct Federal agencies to put into effect appropriate computer security precautions and safeguards. In addition, the committee report urged Federal agencies to improve coordination of computer resource protection efforts, develop additional computer security standards, and establish personnel security policies. In keeping with these recommendations and the statutory requirements of the Privacy Act of 1974, the OMB has initiated a computer security program, discussed below.

Based on the investigations and findings of the Senate Committee on Government Operations, Senator Ribicoff introduced S. 1766, the Federal Computer Systems Protection Act of 1977, in the 95th Congress. [An identical bill (H.R. 8421) was introduced in the House by Representative Rose.] S. 1766 was the subject of hearings before the Senate Committee on the Judiciary, Subcommittee on Criminal Laws and Procedures. The Senate and House computer crime bills received no further action in the 95th Congress.

At the beginning of the 96th Congress, the Federal Computer Systems Protection Act of 1979 (S. 240) was introduced by Senator Ribicoff with some minor changes. [An identical bill (H.R. 6196) was introduced in the House by Representative Nelson.] S. 240 would make it a Federal crime to misuse Federal computer systems, systems of certain financial institutions, and computer systems which use interstate facilities. Four distinct areas of computer crime are addressed by the bill: fraudulent records or data: unauthorized utilization of data; alteration or destruction of data; and stealing of products, services, or data associated with computers or information systems. In brief, S. 240 makes it a crime to use or attempt to use a computer with intent to defraud or obtain property falsely and to embezzle or steal property. On Nov. 6, 1979, the Senate Judiciary Subcommittee on Criminal Laws and Procedures referred an amended version of the bill to the full committee for consideration.

GENERAL ACCOUNTING OFFICE

Over the years the General Accounting Office (GAO) has expressed concern regarding ineffective management of Federal ADP systems. Specifically, GAO has commented on the lack of a comprehensive computer security program for Federal agencies, the limited employment of risk assessment techniques, the low utilization of available technical guidance, and the infrequent use of internal audits to improve ADP security. The GAO, as noted earlier, also has focused on the problem of computer crime in Federal programs. In reviewing specific Federal ADP systems, GAO has continued to express concern regarding the adequacy of computer security safeguards. In testimony given Apr. 23, 1979, before the House Committee on Armed Services, Subcommittee on Research and Development, the GAO recommended a coordinated Federal computer security effort. Specifically the GAO suggested that the Secretary of Defense establish within the Department of Defense (DOD) an office with authority and responsibility for computer security. GAO envisioned that this office would control all computer security research and development and also review and control all DOD computer security specifications. This office, in GAO's view, should review and approve computer security plans for the DOD World Wide Military Command and Control Systems (WWMCC) computers. Stimulated in part by these recommendations, DOD has established a computer security initiative, described below.

FEDERAL GOVERNMENT

Many of the early pioneering efforts to protect data in the Federal Government were confined to sensitive or classified data systems related to national security. While the defense agencies continue to make progress in securing systems, civilian agencies also have begun to apply computer security measures to protect their sensitive information systems. These Federal computer security efforts have stemmed in part from the previously cited provisions of the Privacy Act of 1974. Since ADP management is a shared responsibility of individual agencies and those Federal agencies with overall management responsibilities (sometimes referred to as "central agencies"), such as the Office of Management and Budget (OMB) and the General Services Administration (GSA), implementation of computer security measures has received considerable attention at various levels in the Federal Government.

In 1978 the Federal Data Processing (ADP) Reorganization Study Group (part of the President's Reorganization Project) completed a series of studies on improvements to be made in Federal ADP acquisition, management, and use. Computer security was specifically addressed as one of the problems associated with operational management and national security. Some of the ADP reorganization teams' recommendations are reflected to an extent in the OMB policy described below.

The OMB, in consultation with the Senate Committee on Governmental Affairs, has established a Federal computer security program. Specific guidelines (OMB Circular A-71) have been issued to assist agencies in the control and auditing of sensitive computer applications. The OMB policy directs agencies to designate a security official for each computer installation and to screen all personnel working on the design and operation of sensitive systems. Federal agencies are encouraged to conduct periodic audits and risk analyses and to develop contingency plans to reduce the effect of computer breakdowns, fires, or other mishaps. Under the program, the National Bureau of Standards (NBS) is assigned responsibility to develop and issue computer security standards and associated guidelines. The formulation of policies and regulations for physical security of computer installations is the responsibility of the GSA. The GSA's review of ADP acquisitions (procurements) will include a check of appropriate security safeguards. The Office of Personnel Management (OPM) is responsible for personnel security guidelines.

The establishment of an inspector general's office in HEW, now the Department of Health and Human Services (HHS), has resulted in increased efforts to protect computer-based systems. The HHS inspector general's staff includes a computer adviser who has focused on the Problems associated with computer crime and security. Early initiatives undertaken by the HHS included computer-matching programs such as Project Match. These matching programs attempt to ferret out ineligible individuals, who are receiving Federal funds or support and to limit other errors and abuses, such as incorrect payments and unverified entries. Some of these matching programs have met with considerable opposition. For example, the proposed National Recipient System (NRS), which would have assisted States in reducing fraud, abuse, and error in the Social Security administration's (SSA) Aid to Families and Dependent Children (AFDC), was terminated after a GAO review (GAO letter report, May 29, 1979, HRD-79-105074) questioned the effectiveness of the program's plan and expressed specific concerns regarding the possibility of invasion of personal privacy. At issue is the concern for protecting personal data and limiting information disclosures. SSA is currently developing a work plan to assess State-Federal information exchanges.

The Secretary of Health, Education, and Welfare in late 1978 held a 2-day meeting, "National Conference on Fraud, Abuse, and Error: Protecting the Taxpayer's Dollar." This conference included a special session on computer technology which involved discussions on the detection and prevention of fraud and abuse in automated information systems.

Computer security and risk management initiatives also have been undertaken by other Federal agencies. The National Bureau of Standards' (NBS) Computer Security and Risk Management Standards Program focuses on the Federal information processing standards mandated by the Congress and the executive branch. The program is aimed at improving Federal data processing, protecting personal data, and safeguarding valuable data and assets. Specifically, the NBS program addresses computer security standards including physical security, access controls, and data encryption. Contingency planning methods and standards related to the techniques associated with risk analysis and security audits also are being developed by NBS.

NBS was instrumental in the development of the Federal Data Encryption Standard. This standard is a means of protecting information by transforming or disguising data so that only selected users can discern its meaning. The standard specifies an encryption algorithm (mathematically-based cipher or coding system) which is to be used in protecting information in ADP systems and networks. While the standard has been developed for use by Federal Government agencies, some private sector organizations, such as financial institutions, are considering using this encryption algorithm.

The Department of Defense, which handles large amounts of sensitive data, is continuing to make progress in the development and use of computer security technologies. In June 1978, the DOD Computer Security Initiative Program was established partially as a response to GAO recommendations to integrate the computer security effort. The program, administered by the Office of the Under Secretary of Defense for Research and Engineering, is directed to "(1) coordinate ongoing DOD computer security research activities; (2) serve as the technical focus for approval of secure systems within the DOD; and (3) foster the development of secure computer system" [by computer manufacturers]. The primary thrust of the DOD program is to promote the development of "trusted" computer systems, that is, systems that have significant integrity so that they may be used in a shared environment in which data security levels vary. (For example, a "trusted" computer system containing unclassified, secret, top secret, and other security categories safely could handle these several levels of secure data without compromising the information contained at any level in the system.)

The DOD program is designed to promote technological developments and encourage the transfer of certain computer security innovations to nondefense agencies and the private sector. Predicated on the theory that, if a sufficient computer security market can be identified, commercial development of "trusted systems" will be stimulated; and DOD, in conjunction with NBS, held a series of meetings in late 1979 and early 1980 to promote the exchange of information on this subject.

Criminal justice agencies have expressed continued concern for effective security of their critical systems. Specific measures have been instituted to protect privacy of criminal arrest records. The Crime Control Act of 1973 (P.L. 93–83) has provided a framework for the privacy and security of both Federal and federally supported criminal justice systems. Subsequent Federal regulations (40 Federal Register 22214, amended by 41 Federal Register 11714) have been issued to assist criminal justice agencies in protecting criminal justice information systems. Criminal justice agencies have also been concerned with preventing computer crime. Both at the Federal and local levels, appropriate training programs have been developed to assist criminal justice officials in dealing with computer crime. The FBI Academy has developed a special computer crime course to assist investigators in understanding technical and legal aspects of computer crime. The Law Enforcement Assistance Administration's National Criminal Justice Information and Statistics Service (NCJSS) has conducted studies on computer crime countermeasures and reviewed State privacy and security statutes.

STATE GOVERNMENT

States have demonstrated their concerns with protecting automated information systems. Both State and privacy legislation and ADP management practices are designed to prevent unwanted disclosure or compromise. The sensitivity of financial data, inventories, criminal justice arrest records, medical information, and educational data are a few of the types of State ADP applications that have merited additional security precautions. While protection of personal data has been a major concern, States have also begun to consider preventing computer crime. Several States have enacted computer crime legislation, including Arizona, California, Colorado, Florida, Illinois, Michigan, New Mexico, North Carolina, Tennessee, and Utah. Some of this legislation defines types of computer crime and includes specific penalties. Computer Business Equipment Manufactures Association (CBEMA) reported that over 15 other States have bills pending before their legislatures on this subject.

PRIVATE SECTOR

Over the years, the private sector (especially computer hardware and software vendors) has encouraged development of computer security standards and protective measures. Commercial vendors contributed toward the development of secure computer systems. More effective computer memory management techniques exemplified by Kernel Secure Operating Systems (KSOS), which provides an always active access check, and improved encryption standards represent some of the key developments in protecting computers and information systems. In addition, developments such as visual memory and intelligent terminals in which computer capabilities are enhanced, may also contribute to increasing security of systems. Innovative techniques and tools have provided more reliable and dependable systems. The computer and information industries have promoted the development of risk assessment management techniques and improved computer security methods. One substantial contribution by the computer industry has been to provide information and to educate users about computer security and computer crime.

FUTURE CONSIDERATIONS

More beneficial and efficient use of computer technology requires that ADP systems be adequately protected. The possibility that computers may be used in criminal activity increases the need to improve security and risk assessment management. Modern technological advances, such as electronic message systems, electronic funds transfers, and personal computers, will apparently place additional demands on the computer safeguard capabilities.

The protection of data, programs, and computer facilities from abuse and misuse often requires innovative approaches. Congress has established a role in supporting technological and administrative innovations to cope with this problem. Among the options currently considered and discussed are programs which would singly or in combination:

Provide more comprehensive risk assessment planning;

Develop a national research program to stimulate computer security developments including both hardware and software innovations;

Encourage intensive evaluation of computer safeguards and audit techniques;

Require that Federal agencies address computer security issues in the context of overall operation as well as in design, procurement, and implementation stages of systems development;

Develop stringent standards to ensure reliability of computers and computer-related products, such as programs and documentation;

Encourage agencies to audit and analyze information systems, especially those systems containing sensitive data;

Require the use of computer security impact statements in Federal systems; and

Promote an extensive study by an interagency group to evaluate innovative techniques to cope with computer crime and abuse.

LEGISLATION

S. 240 (Ribicoff et al.)/H.R. 6192 (Nelson et al.).

Federal Computer Systems Protection Act of 1979. Amends Title 18, U.S. Code making it a crime to use Federal computers, financial institution computers, and those affecting interstate commerce for fraudulent or illegal purposes. Senate bill was introduced Jan. 25, 1979; referred to Committee on the Judiciary. Committee held hearings Feb. 28, 1980. House bill was introduced Dec. 19, 1979; referred to Subcommittee on Civil and Constitutional Rights of the Committee on the Judiciary.

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U.S. Library of Congress. Congressional Research Service. Federal jurisdiction under the computer crime bill in light of proposed amendments [by] Raymond Natter, Legislative Attorney American Law Division. Oct. 24, 1979. [Washington], Library of Congress. Congressional Research Service, 1979, 9 p.●

THE YELLOW RIBBON CAMPAIGN FOR AMERICAN HOSTAGES

● Mr. GOLDWATER. Mr. President, I am sure that my colleagues that have driven past the Iranian Embassy in recent weeks have noticed the yellow ribbon which festooned the large oak trees there as a token of American sympathy for the hostages held in Tehran. I should like to point out that the yellow ribbon campaign in southern Arizona has also been an enormous success since it began there on April 9. Nearly 20 miles of yellow ribbon have been given out to people and organizations interested in displaying their concern for the hostages. The campaign in my home State is sponsored by Tucson radio stations KAIR–AM and KJYK–FM, and by McDonald's restaurants in southern Arizona.

In this connection, Mr. President, I would like to insert in the Record a press release issued in Tucson which describes the program from its inception there.

The press release follows:

KAIR/KJYK and McDonald's Give Out 20 Miles of Yellow Ribbon for Hostages

Nearly 20 miles of yellow ribbons have been given out in the last two and a half weeks in a campaign to remember the American hostages in Iran. The yellow ribbon campaign was sponsored by Tucson radio stations KAIR–AM and KJYK–FM, and by McDonald's restaurants in southern Arizona.

Dick Paye, local sales manager of KAIR/KJYK, announced Monday that 350 rolls of yellow ribbon, totaling 105,000 feet, were distributed through southern Arizona McDonald's restaurants during the campaign which ended Sunday (April 27). Distribution of the ribbons began April 9.

The yellow ribbon campaign is spreading around the country, now that it has peaked in Tucson. A local McDonald's spokesman said that he has received calls from McDonald's representatives in other states, and from businessmen as far away as Detroit, who are interested in starting yellow ribbon campaigns of their own.

And it all started in Tucson with "KAIR is Concerned."

"We have given out enough ribbon," Paye said, "to stretch from our studios (at 3438 N. Country Club Road) to the top of Mt. Lemmon (as the crow flies). If Tucsonans had carried the yellow ribbon to Washington, D.C., it could have stretched from the Capitol to the Washington Monument ten times."

The yellow ribbon campaign began March 17 when KAIR Program Director Harry Reith read a "KAIR is Concerned" editorial over the radio airwaves. Reith suggested that Tucsonans tie yellow ribbons around their car antennas as a gesture of support for the hostages. Yellow ribbons began to sprout from automobile aerials around the city. Listeners began to call KAIR, asking where they could get yellow ribbons.

In response to the demand, KAIR/KJYK began making yellow ribbons available on April 9, exclusively at Tucson McDonald's restaurants. The response mushroomed. The boxes of ribbons had to be replenished more than once a day at some locations.

Veterans of Foreign Wars Catalina Post No. 4903 and Ladies' Auxiliary got into the act. Members volunteered to pass out yellow ribbons at many local McDonald's restaurants. Demand mushroomed. KAIR/KJYK listeners from Nogales, Sierra Vista and Willcox asked for yellow ribbons. The McDonald's restaurants in those towns were included in the campaign. Twelve McDonald's restaurants participated.

"We have really been gratified by the overwhelming enthusiasm shown by McDonald's employees and owners," Paye said. "Besides passing out ribbons, they wore them in their hair and everything."

Paye said that most of the ribbon was furnished by the Plantsman (a Tucson florist) at cost. Volunteers at the Tucson Voluntary Action Center cut a lot of the ribbons, with the entire KAIR/KJYK staff pitching in to help meet the demand.●

TRANSPORTATION SYMPOSIUM

● Mr. BAUCUS. Mr. President, early this year, February 15, I sponsored a transportation symposium in Bozeman, Mont. More than 180 people attended and participated in the symposium. Among the participants were Federal, State, and industry transportation experts and Montanans of diverse backgrounds. Because many interested Montanans were unable to attend, I would like to share with them, and with Members of the Congress, a brief summary of what transpired.

At this juncture, I submit the symposium agenda and the list of panels and panelists for the Record.

The material follows:

Transportation in the 1980's: Where Are We Headed?

(A symposium sponsored by Senator Max Baucus on February 15, 1980, in the Senior Citizens Social Center, Bozeman, Mont.)

PROGRAM

8:15 a.m. Registration.

9:00 a.m. Welcome: Lyall Schaeffer, State Director, ASCS.

9:05 a.m. Opening remarks: Max Baucus, U.S. Senator.

9:15 a.m. Address: Fran Valluzzo, Director of Transportation, National Conference of State Legislatures.

9:30 a.m. Panel 1: Railroad Policy and Planning.

Panel 2: Barges: The Missouri and Columbia.

11:00 a.m. Panel 3: Trucking and Small Communities.

Panel 4: Air Travel and Small Communities.

12:30 p.m. No-Host lunch—Speakers: Ronald F. Schrader, Director, Office of Transportation, U.S. Department of Agriculture; Mike Katz, Director of Planning, Bonneville Power Administration.

2:00 p.m. Panel 5: Transportation of Agricultural Commodities.

Panel 6: Transportation of Energy Resources.

3:45 p.m. Panel 7: Where Do We Go From Here

4:45 p.m. Closing remarks: Max Baucus, U.S. Senator.

9:30 A.M.

Panel 1: Railroad policy and planning

Moderator: John Delano, Director, Montana Railroad Association.

Keynote: Ed Hymson, Chief, Regulatory Analysis Division, U.S. Department of Transportation.

Commentators: Allan Boyce, Assistant Vice-President, Executive Department, Burlington Northern, Inc.; Gene Radermacher, Transportation Consultant, Radermacher & Associates.

Panel 2: Barges: The Missouri and Columbia River Systems

Moderator: Alan Newall, Program Manager, Historical Research Associates.

Keynote: Ron Roberts, Chief, Economics Branch, Missouri River Division, U.S. Corps of Engineers.

Commentators: David S. Paxson, Economist, Association of American Railroads; Ken Boyer, Chief, Economics Branch, North Pacific Division, U.S. Corps of Engineers; Ronald F. Schrader, Director, Office of Transportation, U.S. Department of Transportation; Bob Brastrup, Executive Secretary, Montana Wheat Research and Marketing Committee.

11:00 A.M.

Panel 3: Trucking and small communities

Moderator: Mike Rice, President, Transystems, Inc.

Keynote: Richard Klem, Economist, Office of Policy and Analysis, Interstate Commerce Commission.

Commentators: Lana Batts, Director, Economics Department, American Trucking Associations, Inc.; Ed Hymson, Chief, Regulatory Analysis Division, U.S. Department of Transportation; Herb Sammons, Rancher, Cut Bank, Montana.

Panel 4: Air travel and small communities

Moderator: Lloyd Rixie, President, TAP, Inc., Economic Consultants.

Keynote: John Smith, Director, Office of Community and Congressional Relations, Western Region, Civil Aeronautics Board.

Commentators: Michael Ferguson, Administrator, Aeronautics Division, Montana Department of Community Affairs; Gary Woltermann, Director of Planning, Big Sky Airlines; Dan Todd, Vice President, Governmental Affairs, Frontier Airlines.

2:00 P.M.

Panel 5: Transportation of agricultural commodities

Moderator: Lyall Schaeffer, State Director, Agricultural Stabilization and Conservation Service, U.S. Department of Agriculture.

Keynote: Ronald F. Schrader, Director, Office of Transportation, U.S. Department of Agriculture.

Commentators: Terry Whiteside, Director, Marketing and Transportation Division, Montana Department of Agriculture; Viggo Anderson, Transportation Director, Montana Grain Grower's Association and Montana Citizens Freight Rate Association; Ralph O. Avery, Assistant Vice President, Pricing Division, Burlington Northern, Inc.; Richard Klem, Economist, Office of Policy and Analysis, Interstate Commerce Commission.

Panel 6: Transportation of energy resources

Moderator: Dorothy Bradley, Director of Information, National Center for Appropriate Technology.

Keynote: Charles Metzger, Regional Representative, U.S. Department of Energy, Region VIII.

Commentators: Bob Anderson, Energy Policy Assistant to the Director, Montana Department of Natural Resources and Conservation; Ed Hymson, Chief, Regulatory Analysis Division, U.S. Department of Transportation; David S. Paxson, Economist, Economics and Finance Department, Association of American Railroads; Mike Katz, Director of Planning, Bonneville Power Administration.

3:45 P.M.

Panel 7: Where do we go from here: An agenda for the 1980's?

Moderator: Max Baucus, U.S. Senator.

Keynote: Montana State Senator Larry Fashbender.

Commentators: John Delano, Director, Montana Railroad Association; Alan Newall, Program Manager, Historical Research Associates; Mike Rice, President, Transystems, Inc.; Lloyd Rixie, President, TAP, Inc., Economic Consultants; Lyall Schaeffer, State Director, Agricultural Stabilization and Conservation Service, U.S. Department of Agriculture; Dorothy Bradley, Director of Information, National Center for Appropriate Technology.

PURPOSE

Mr. BAUCUS. I held the symposium because I believe it is crucial that we begin to construct a transportation agenda that examines and meets the transportation needs of Montana and the Nation.

We face many challenges as we embark on the 1980's. Few of these challenges are more demanding or more important to our Nation's—and to Montana's—economic health than that of transportation.

Transportation affects nearly every aspect of our lives. It is often said that there are three necessities in life—food, clothing, and shelter. All three revolve around and depend upon a fourth—transportation.

Today, serious problems beset our transportation system. Transportation facilities have become increasingly fragile and unable to meet the demands placed upon them. In Montana, for example, we export over 85 percent of our grain and roughly 90 percent of our coal production. Yet, Montana faces chronic grain-car shortages as well as the loss of one of its two bulk-hauling railroads.

And our transportation dilemmas are not confined to Montana. Everywhere one looks one sees a transportation network that is fragile and inadequate, fraught by fragmentation and myopia.

Moreover, our transportation difficulties are compounded by our need to conserve energy. Transportation, alone, accounts for the largest, single share of energy usage in this country. Fully 30 percent of all our energy resources are consumed by the transportation sector.

To construct a transportation network equal to our Nation's economic capacity which simultaneously reduces energy consumption, thus, presents us with an enormous challenge. It also presents us with a great opportunity. Our ability to move forward rather than backward in meeting the challenges of our age will depend, in large measure, upon the restructuring and revitalization of our transportation network.

To begin to meet this challenge and opportunity, I decided that it would be worthwhile to bring Federal and State officials, industry representatives, and Montanans together in a forum. I thought it would be a good idea to look at transportation from a national perspective—to see where we are headed—and to see where and how Montana fits into that direction.

From such a beginning, I thought we could begin to address the common problems we face, to create an atmosphere conducive to a productive dialog, to begin to play a role in shaping national policy, while seeing that Montana's needs are thoroughly examined.

RESULTS

I was not disappointed. To be sure, we could not and did not solve our transportation problems in 1 day. There are, afterall, no technological quick fixes, no simple formulas, no gimmicks that can hoist us from the transportation labyrinth we confront.

As a beginning, however, the symposium was a large success. We assembled a distinguished lineup of panelists who interacted with a lively, knowledgeable, and diverse audience of Montanans.

We discussed a broad range of transportation issues. Prominent among them were railroad deregulation and the question of captive shippers; the future of grain and coal traffic on the Snake, Columbia, and Missouri Rivers and the improvement of rail and truck connections with water carriers; regulatory reform of the trucking industry and its potential impact upon small communities, shippers, and carriers; the fact of airline deregulation and its short- and long-term impact on airline service within Montana and the western region; the relationship of agricultural production to the development of a secure, stable transportation network at nondiscriminatory costs; and the alternatives for the transportation of energy resources.

We identified and agreed upon a number of problem areas. Nearly everyone conceded, for example, that the demand for agricultural transportation services had outstripped the transportation system's capacity to provide them; that transportation snarls are lasting longer and recurring with increasing frequency; that the complex network of railroads, barges, and trucks is buckling under the weight of a mounting volume of grain shipments; that whatever relief the recent grain embargo to Russia yielded to the transportation system was only temporary.

There appeared to be, also, a general consensus that neither the worst fears of those who opposed airline deregulation nor the best hopes of those who supported it had come to pass. Instead, Montana, like many other rural areas, is in the midst of a transition in airline service between the decline of service by major carriers and the development of service by regional and commuter airlines. Symposium participants also agreed that the entire transportation network suffers from a lack of comprehensive planning, and that greater strides must be made toward planned integration of transportation facilities.

There were many other areas of general agreement as well. Admittedly, identifying the problems was easier than devising the solutions.

Nevertheless, a number of potential changes in the configuration of the transportation system were offered for discussion. These included: increased "intermodalism," the marriage of the flexibility of trucks to the more energy-efficient, longer haul railroads; the use of grain subterminals, unit trains, and negotiated contract rates; the development of transportation cooperatives; and the standardization of truck weights and lengths, to name but a few. The fact that little consensus was achieved on solutions, in contrast to the problems, was to be expected.

SUMMARY: RURAL TRANSPORTATION WITHIN A NATIONAL CONTEXT

The symposium proved to be very successful in at least one very important respect. From the symposium emerged the recognition on the part of all participants—including our Federal guests—that rural transportation problems could no longer be addressed, if ever they could be, as an isolated set of problems. It also became evident that rural transportation problems could no longer be viewed simply as a matter of improving farm-to-market roads and regulating carriers of commodities. The movement of people, as well as goods, must be given greater attention in rural areas, for changes in the distribution of population and economic activity have affected significantly the structure and requirements of rural transport services.

One of the guests from Washington summed up well this recognition. Remarking on his travel itinerary from Washington, D.C., to Bozeman, Mont., he said:

> I know you have problems here—my airline ticket reads like a dictionary of geographical place names.

Elaborating, he noted that—

> We need a rural flavor into our transportation planning activities. We have not had that in the past.

A sound and effective transportation system in rural areas is truly in the national economic and social interest. People and enterprises within urban areas are heavily dependent on the efficiency and costs of rural transport services. We must now move forward to new initiatives in attacking our common transportation needs.●

YUGOSLAVIA WITHOUT TITO—ADOPTION OF SENATE RESOLUTION 419 URGED

● Mr. ROTH. Mr. President, President Tito's funeral is tomorrow, May 8. The Soviet Union will be represented by an imposing delegation led by President Brezhnev himself. It takes very little imagination to understand why the Soviets are paying such elaborate deference to the man who dealt them one of their most bitter foreign policy defeats. Most of the Soviet leadership is rushing to Belgrade to bury not only President Tito but also his carefully crafted heritage of Yugoslavian independence and nonalinement. The insincerity of Brezhnev's mourning will be matched only by the warmth of his invitation for Yugoslavia's new leaders to renounce these heresies and return to the fold. Thinly disguised beneath the velvet glove of friendship will be the threat of force, as the Soviets yet again try to bring Yugoslavia under the steel grip of their control.

The people of Yugoslavia have no illusions about Soviet intentions toward their country. Much of the country's postwar history has been the deadly business of maneuvering to elude Soviet infringement of their sovereignty. But with Tito's death, this strategically located nation faces the most crucial test of its independence. During this critical transition period, Yugloslavians are anxiously watching how the United States and its allies react to Soviet probes for weakness.

We hope it was of some comfort to them that immediately after Tito died President Carter made clear where the United States stands. He reaffirmed that this country "* * * will continue its longstanding policy of support for Yugoslavia and do what it must to provide that support." To reinforce the President's stated position, I urge that the Senate agree to Senate Resolution 419 which I submitted on May 4, 1980 expressing the sense of the Senate that the United States firmly opposes any attempt by the Soviet Union to violate or subvert the political independence, territorial integrity, or nonalined status of Yugoslavia.

I submit for the RECORD an article which appeared in the May 6 edition of the Christian Science Monitor. This thoughtful analysis by David K. Willis examines the methods beyond military force which are available to the Soviet Union for undermining the independence of Yugoslavia.

The article follows:

YUGOSLAVIA WITHOUT TITO TEMPTS HUNGRY SOVIET BEAR

(By David K. Willis)

MOSCOW.—Tied down with troops in Afghanistan, worried about Iran, and uncertain about President Carter, the Kremlin is unlikely to launch any military activity against post-Tito Yugoslavia any time soon.

But Western experts in Moscow believe the Soviet Union might well begin exerting long-range economic pressure on Belgrade in an effort to widen Soviet influence inside Yugoslavia.

Experts also think the Soviets will have a freer hand inside the nonaligned movement now that Tito's immense personal prestige and authority are gone.

It was Tito who stood up against the argument of Cuba, Vietnam, Ethiopia, and others that Moscow is the "natural ally" of the nonaligned movement—most recently at the Havana nonaligned summit meeting.

While predicting future Soviet behavior is risky at best, the consensus here is that the Soviets have much to lose by even hinting at military action against Belgrade.

To the Soviets the temptation is as mouthwatering as ever: access to the Adriatic Sea, new pressure on NATO members Greece and Turkey as well as on Western Europe, and an end to the aggravating Tito-style of independence in what Stalin considered his own backyard.

But the US and Western Europe are already alarmed at Soviet missile and conventional-strength buildups. They are raising defense budgets accordingly. Medium-range missiles are to be installed in NATO countries within three years.

The West is watching intently to see if the Soviets gain any significant leverage inside Iran. (Moscow has some 115,000 troops committed to nearby Afghanistan.)

To move troops toward Yugoslavia would mean risking the loss of Soviet propaganda positions in Europe. Since Romania would not permit Soviet troops to cross its territory, they would have to be moved via the Black Sea and Bulgaria, or northward through Hungary.

It would find Yugoslavia's 22 million people, already alerted by the Soviet invasion of Afghanistan, ready to fight as the partisans did against the Nazis in World War II. The Yugoslavs call it the Total People Defense Force.

Yugoslavia maintains its entire 260,000-man armed forces on its own territory. Reservists number about 500,000. No match for the Soviets in the air (330 planes versus 1,700 Soviet aircraft in Eastern Europe), the Yugoslav tactic would be to delay an invasion long enough to allow the reserves to arm and take to the mountains south of Zagreb.

A far more likely move would be for the Soviets to use their Bulgarian allies to step up pressure on the Macedonian population in southern Yugoslavia. In that way, they could exploit nationalistic divisions and split the Yugoslav union apart.

Also likely, in the short term, is economic pressure.

Yugoslavia has only observer status with the East European economic bloc known as Comecon. Comecon members buy Soviet oil at less than the current price of the Organization of Petroleum Exporting Countries. Belgrade pays the full OPEC amount—and imports about one-third of its oil from Moscow.

Already Yugoslavia sells 41 percent of its exports to the Eastbloc. It has a foreign debt of about $13 billion. And planners are believed anxious to reduce last year's record $3.3 billion balance-of-payments deficit by cutting exports 6 percent this year.

One way to do this would be to pay lower Soviet prices for oil, and spend less money for Western imports and more for cheaper Eastern imports.

Some analysts here believe the Soviet's best choice is to expand credits for East European power plants and steel mills. They point out that although the Yugoslavs do buy much Soviet oil, they have just built a new oil pipeline from the Adriatic Sea.

Other analysts believe Moscow holds little economic leverage over Belgrade, since most of the two-way trade is on a barter basis and the Yugoslavs run a manageable deficit.

Another possibility for the Soviets would be to try to pry Yugoslavia's economically weathered southern provinces (Bosnia-Herzegovina, Kosovo and Montenegro) away from the richer northern areas (Slovenia and Croatia).

Yugoslav shipbuilding exports slumped last year, and the Soviets could offer lucrative contracts.

The Soviets have cooperated in building coal-fired power plants in Yugoslavia as a way of using its coal reserves. Diplomats who have lived in Belgrade say Yugoslavian planners prefer Western technology if they can get it. But inflation and other pressures might force them back to the East bloc for more imports and technology as well.

Meanwhile, the Soviets are on notice from President Carter that any Soviet attack against Belgrade would bring a Western response. Mr. Carter promised Feb. 13 to consider military aid for Yugoslavia.●

SUPPORT FOR WEICKER-HATFIELD AMENDMENT ON HOUSING INDUSTRY AND REAL ESTATE MARKET

● **Mr. DURKIN.** Mr. President, I rise to cosponsor the Weicker-Hatfield amendment No. 1698, which will effectively and economically address the collapse of the housing industry and real estate market. I implore my colleagues in the Senate to join me in my support for this measure to activate a viable Brooke-Cranston program.

When mortgage rates went through the roof this winter, dreams of homeownership were relegated to the cellar. Even with the recent decline in the prime interest rate, only the wealthy can afford to buy a new home. The Brooke-Cranston program will provide mortgages at reduced rates and once again make it possible for people of normal means to finance their own shelter.

Reviving those dreams is important, but this amendment represents much more than a convenience for home buyers. It is the difference between profit and the poorhouse for thousands of builders and realtors; it is the difference between a pay check and an unemployment check for thousands of people working in the related industries of lumber, construction supplies and even furniture, appliances, and other household goods.

The statistics portray the human cost the recession has already extracted. In New Hampshire—one of the Nation's fastest growing States—a full 75 percent of those in the construction business have already been forced out of their jobs. Housing starts are down 75 percent. Nationwide, housing starts are at the lowest they have been since 1966—they are already 42 percent below the level of a year ago and are far lower than the most pessimistic forecasters had predicted. With the loss of an estimated 1 million housing starts since 1978, some 1.6 million jobs have been lost, along with $27.5 billion in wages and $7.5 billion in Federal, State, and local tax revenue.

It would be impossible to ask for this program this year if it did not make economic sense. The Department of Housing and Urban Development calls Brooke-Cranston a "no-cost" program because the income realized from jobs gained and the costs saved due to decreased unemployment will at least equal the net cost of the program.

The program is not a free lunch, it is an investment. Best of all, it is anti-inflationary. If we allow the construction market to stagnate now, too few homes will be built to meet the public's demand once the mortgage market returns to normal. That shortage will once again force the price of homes through the roof.

Activation and funding of the Brooke-Cranston program will prevent that shortage by providing mortgage assistance for single-family home and multifamily housing. Under the program, the Government National Mortgage Association is authorized to issue commitments to purchase below-market interest rate private mortgages, which in turn are sold as market yield instruments. (The cost to the Federal Government is the difference between the interest rates at purchase and at sale.)

The Weicker-Hatfield amendment provides room in the budget for activation and funding for the Brooke-Cranston program, with funds to be released on August 1, 1980 and October 1, 1980. Most of those funds will be recaptured by the Government, the ultimate cost of the program over the next 6 years will be far less than the initial outlay. This legislation will create 200,000 additional housing units, and 400,000 additional jobs. The administration's proposal to revise HUD's 235 program will do less than half that job, and is an inadequate, hollow gesture.

On April 22, the Senate overwhelmingly endorsed revisions to the successful Brooke-Cranston program when it voted 89 to 5 for Senate bill 2177, which I cosponsored. It is now time for the Senate to take this essential step toward the immediate implemention of this program. I urge you to support amendment 1698.●

MORTGAGE REVENUE BONDS

● Mr. BAYH. Mr. President, I am joining others in cosponsoring S. 2064 which would provide that interest on certain mortgage revenue bonds would be exempt from Federal income tax. What this bill really does is to lift the cloud on tax-exempt housing bonds which has existed since the introduction of H.R. 5741 in the House. That House bill severely restricts the use of tax-exempt bonds for financing single-family residential mortgages and has caused great harm to the housing industry.

The bill which passed the House basically cuts off all tax-exempt financing after 2 years. It limits to $150 million the amounts of tax-exempt bonds which can be issued by each State which did not take action before April 24, 1979. Indiana is a State whose State housing agency was set up early in 1979 before the cutoff date in the House bill. However, the cutoff date now prevents issuance of more than $150 million because the Indiana State Housing Agency has been under cloud of a law suit which prevents issuance of bonds until the Indiana supreme court upheld its constitutionality earlier this month.

The bill which I am cosponsoring contains none of these hinderances and injustices, but it does target the housing to low- and middle-income families. Under our bill, tax-exempt status would be provided for bonds issued by a State housing authority. The law passed by the Indiana General Assembly directs the proceeds of State housing agency bonds toward persons and families of low and moderate income.

Under our bill, tax-exempt status would also be provided for bonds issued by a qualified local housing agency for families with incomes that do not exceed 120 percent of the median family income if over half of the proceeds are available to families whose income does not exceed the area median income. Finally, exempt status would be given to bonds which are used in connection with housing assistance, redevelopment, or revitalization programs with respect to which a contribution is made from a Federal grant equal to at least 5 percent of the single family housing proceeds from the bonds.

The bill I am sponsoring has no 2-year cutoff. It is a continuing program. It does not have transition rules which exclude the State of Indiana. It does not have a $150 million limit for those that do not qualify under transition rules. It is a broad-based, equitable program directed toward low- and middle-income single family housing.

At a time when housing starts are headed downward toward only 1 million this year, I think there is a special need to encourage, rather than discourage, the use of tax-exempt mortgage revenue bonds to stimulate the housing industry. It is particularly imperative that any limitations on the amount of tax exempt bond authority be removed while housing starts remain below an average of 1.6 million starts per year. Tax-exempt bonds may have a special role to play in providing protection against cyclical drops in the level of housing starts.

I would like to see this bill move. The homebuilders in my State believe that this is one of the quickest ways action can be taken to help the housing industry. Although not perfect, this bill offers a clear alternative to the restrictive approach taken in the House of Representatives. By joining in cosponsoring of this bill, I hope to encourage speedy action on it.●

THE TRINITY SQUARE REPERTORY COMPANY

● Mr. PELL. Mr. President, it is a distinct pleasure for me to note the opening at the Kennedy Center of Rhode Island's Trinity Square Repertory Co. This fine theater company, certainly one of the leading regional repertory companies in the country, will begin an engagement on May 14 at the John F. Kennedy Center for the Performing Arts and run through June 7.

The company will present "Sea Marks" by playwright and author Gardner McKay. It will feature veteran Trinity performers, Timothy Crowe and Mina Manente, as an Irish fisherman and a Welsh woman who correspond and ultimately fall in love. It is a touching and poetic love story which has been delighting Rhode Island audiences since it opened earlier this year at the Lederer Theater, Trinity's home in downtown Providence.

Over the past 16 years, Trinity Square Repertory Co., under the inspired leadership of its founder and continuing artistic director Adrian Hall, has offered professional theater of the highest quality to the people of my home State of Rhode Island. I am also proud that we in Rhode Island have been able to share Trinity's exceptional talents and outstanding achievements through its visits to cities such as New York, Philadelphia, Cincinnati, Boston, Phoenix, and Edinburgh, Scotland.

Trinity is a professional theater of considerable national stature and significant accomplishment, and we are indeed fortunate to have them at the Eisenhower Theater.●

WORLDWIDE STATUS OF WOMEN

● Mr. PERCY. Mr. President, former Secretary Cyrus Vance sent an important message to all U.S. posts overseas on April 1 which I would like to share with my Senate colleagues. His message summarizes reports he received from American Embassies around the world on ways in which the United States could be more effective in improving the status and rights of women worldwide.

Secretary Vance had a professional and personal commitment to furthering women's rights. He was the only Secretary of State to receive the Women's Action Organization award for his efforts. His longsighted view and his purposeful actions as Secretary will be one of the many reasons we will miss him. We know that Secretary MUSKIE also has a deep commitment to equal rights for women and we can count on him to continue Secretary Vance's efforts and develop new initiatives during his administration of the Department of State.

I ask that the April 1, 1980, message from former Secretary Vance to all American posts overseas be printed in the RECORD.

The message follows:

WORLDWIDE STATUS AND RIGHTS OF WOMEN—MESSAGE FROM SECRETARY VANCE

I deeply appreciate the response of posts to joint CIRTEL State/AID/ICA Peace Corps 138588 on ways to advance the status of women as an integral element of U.S. Foreign Policy. Nearly 90 percent of posts responded with thoughtful and valuable proposals which we have summarized below.

Posts submitted some 150 examples of ways they have already found to encourage host countries to recognize the rights and advance the status of women. These examples are particularly useful and timely in view of the second World Conference on the Decade for Women, scheduled for July 1980 in Copenhagen, to which each U.N. member nation will send a delegation to present its own national agenda. The preparations for the Conference now underway in each country offer us an opportunity to raise the question of the local status of women.

I recognize that what we do in the United States is crucial to what we can do or advocate abroad. I also recognize that the status of women is a highly sensitive issue in many countries. Furthermore, there may arise or now exist extraordinary circumstances, such as marked political instability or anti-U.S. sentiment, when an active pursuit of enhanced women's rights by the country team is not appropriate.

Recognizing these limits, there is still a wide range of opportunities for discussion, action and country team planning. I look to you to assure personally that your staff and relevant members of your mission consider these proposals in Embassy activities and in preparing country programs.

A Summary of general conclusions of post responses.

1. In most countries there has been at least modest and, for some, considerable progress over the last decade in advancing the rights and status of women. These rights are now widely recognized under law and by internationally approved instruments. More women are being educated and are coming to occupy more positions of influence, especially in the professions and Government. New Government (or private) machinery has been established in many countries to address women's interests and responsibilities.

2. However, the implementation and enforcement of laws extending human rights to women are generally lax. In many countries, the laws themselves fail to provide women with equal civil, political and economic rights, such as those involving property, divorce, and inheritance. Inequitable rates of pay for the same work are universal, even in highly developed countries. Women everywhere predominate in menial or lower status jobs. Women are generally underrepresented in such powerful bodies as labor organizations, as well as cabinets, parliaments, national councils, the higher courts and large business. Even in highly modernized Western countries, traditions of male dominance persist. Rural conservatism and even conservatism of the women themselves in many countries perpetuate unjust conditions and make progress painfully slow. These attitudes are not easily eradicated, yet forces for change are reported at work almost everywhere.

3. The process of modernization, however, often affects women in adverse ways. In many LDC's women—particularly the low-income and rural women—are the primary victims of pervasive unemployment, urban migration, rapidly advancing technology,

overpopulation, and the widening gap between the educated and the illiterate poor. As Embassy Ankara writes, "Pressures associated with the rapid shift to urban society have been especially acute for rural women . . . while the rise of urban middle- and upper-class women has masked their problems." The consensus is that it will take the constant, informed attention and support of host governments and citizens, or international and private organizations, to insure that women share equally in the benefits and not just the burdens of development and modernization.

4. A significant number of U.S. Missions have made sustained efforts to advance women's status. Our joint CIRTEL has strengthened their positions and has sparked, renewed interest in, and generally advanced the concept of, equality for women. As presented here, the number and quality of examples of success from posts and post proposals for U.S. action should reinforce work underway and stimulate new efforts. We expect and hope that many of these initiatives will become standard practice and a foundation for policy in missions generally.

5. The following proposals and examples for Embassy action can be applied, without additional funding, by most posts, wherever located (Section B). Additional proposals for developing countries are detailed separately (Section C).

B. Embassy examples/proposals for diplomatic ways to encourage host countries to advance the status of women.

1. Put "our own house in order," specifically, put more women officers in visible, responsible positions at U.S. embassies. As Embassy Abidjan notes: "We must first demonstrate that we have confidence in our own women officer. When host countries see a higher percentage of women in decision-making positions in our embassies abroad not only are they likely to imitate us, but we ourselves will stand on stronger ground in our advocacy of women's rights." Posts widely acknowledge the positive effect of U.S. women in senior positions. As a Near Eastern embassy reports, "We are a public demonstration of the equality of women, having for years past had women as diplomatic officers on our staff in a part of the world where women are unthinkable as diplomats."

2. Show the U.S. commitment to human rights and equality of opportunity by increasing the number and responsibility of women nationals hired locally. According to Embassy Abu Dhabi: "Assignment of women officers, as well as secretaries, and employment of Arab and non-Arab third-country women nationals in the Embassy are more obvious examples of U.S. use of women power."

3. Assure that the Embassy is at all times in contact with the host country's (a) women leaders, (b) government-established bureaus/directorates of women's affairs, (c) appropriate women's organizations. A significant number of embassies report designation of a special "Women's Affairs Officer." From Bonn, the Ambassador writes, "I have specifically asked a member of my personal staff to follow and report on issues of importance to women as they develop here . . . and instructed my staff to express strong U.S. support for the significant steps taken by the German Government in recent years to improve the status of women."

4. Reassess Embassy's own attitudes toward women nationals (a) by reviewing Embassy's contact list carefully "to make sure our unconscious biases or an assumption of local biases hasn't led us to leave out possible useful contacts because they are women" (Embassy Santiago); (b) by substituting "working dinners and luncheons for men and women" to replace "stag" functions where these are still practiced (Embassy Pretoria); and (c) inviting local women leaders to Embassy functions "for serious discussions," not merely for social occasions (Embassy Brussels).

5. Arrange more exchanges between U.S. and host country women individually and in groups, emphasizing the selection (a) of more women IVS (international visitors); (b) of more "top" U.S. women as "American participants" to come to speak on U.S. political, social and cultural issues to mixed, repeat, mixed audiences at universities, unions and at Embassy luncheons/dinners.

6. Encourage greater exchange of information on women and on women's issues in all posts by: (a) having standard Embassy reporting include data on the local situation of women and their material contribution to host countries' basic needs and GNP; (b) having the Ambassador take the lead in using interviews, speeches and articles to discuss U.S. women's status; (c) disseminating information on U.S. women through more USIA exhibits, seminars and enlarged library collections on women, including material on women's civil/political/economic rights, population control, child care, legal reforms, etc., and (d) stimulating cross-cultural support by putting host country women's organizations in touch with U.S. organizations, public and private institutions, and individuals concerned with the advancement of women.

c. Specific Embassy recommendations for developing countries.

1. Encourage host countries to arrange more training for women. Use all possible means—AID, USICA, Peace Corps, local and foreign PVOs, U.N. or third-country agencies, private foundations. Lack of training continues as the predominant factor in women's continued low status. Specifically (a) expand training programs to non-traditional areas, including administration, law, labor, cooperative management; (b) make a major effort to see that women farm workers are included in all training in agricultural extension and in new technologies and processes; (c) to offset the frequent practice of training already advantaged women, encourage more non-formal training of low-income rural and urban women in income-producing skills.

2. Support/encourage local governments' collection of statistical data on women—income, migration, employment/unemployment, family patterns—for use in planning development projects and in Embassy economic reports. Many LDC posts advise that lacking such data, country and U.S. planners can make serious mistakes in program design and allocation of priorities.

3. Support/encourage surveys of women's contribution to national food production (Embassy Bamako). Estimates indicate that 70 percent to over 90 percent of rural women in most Third World countries engage in agriculture. However, few objective factual assessments exist of women's material contribution to the host country's total food supplies and GNP. Sharper studies would "raise the level of general awareness that many projects and techniques designed to increase agriculture production are based on the false premise that men do most of the agricultural work; and encourage rural development innovations designed to be implemented by women" (Embassy Brazzaville).

4. In planning development projects, identify felt needs especially of rural women—a "rule too often neglected (Embassy Djakarta). Embassy Bamako reports that perhaps the greatest needs include better access to wells, pumps, potable water, carts to carry water. Hauling water, often exclusively "women's work," may alone take two to four hours per day. Embassy Accra concurs: "The most important single (U.S.) step could be providing piped water or wells for each community."

5. Encourage and where feasible plan for arranging women's access to credit through cooperatives or otherwise, especially women farm workers, market women and artisans in handcrafts.

6. Use more effectively—and expand—Ambassadors' self-help funds. These discretionary funds, now available to Ambassadors posted in developing countries, have "exceptional potential," involve "minimal paper work, and (produce) speedy action" on self-help projects. Embassy Dakar urges that these funds be "constructively expanded and supplemented with additional funding especially earmarked for small projects of immediate impact on enhancing the status of women."

7. Encourage funding of more self-help or projects by local and foreign PVOs, private foundations, U.N. agencies, especially where host country may be sensitive to U.S. funding. Teaching income-earning skills is repeatedly stressed as a priority for self-help projects for both urban and rural low-income women.

8. Encourage involvement of more women Peace Corps volunteers in design of development projects.

9. Use all available assistance programs of U.S. Government. Examples: use PL 480 funds for self-help projects; channel more Food for Peace to maternity/child care centers.

10. Help call attention to possible negative aspects of some "modernization" development programs; e.g., Embassy Banjul is attempting to help its own and host country officials "understand the social consequences" of a new river development project which will soon open vast, new areas to rice cultivation, which is traditionally women's work. The Embassy asks: "Will men assist women in the larger rice fields, or will already overburdened women cultivators simply face a much heavier burden?" "What will be the effects on social, family structure?"

These thoughtful proposals show that many embassies have developed a variety of diplomatic and practical strategies for encouraging the advancement of women. Although the major responsibility rests ultimately in Washington, where coordination with USICA, Peace Corps and AID is already underway, embassies and other posts clearly have a role to play. The issue of women's rights and status is an integral part of the human rights equation. As such, it is integral to US foreign policy. The Copenhagen Conference lends new urgency and relevance to the U.S. role.●

ORDER FOR RECESS UNTIL 9 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until the hour of 9 a.m. tomorrow morning.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE CALENDAR

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate now proceed to the consideration of Calendar Order No. 708.

Mr. BAKER. Mr. President, reserving the right to object, and I will not object, that item is cleared on our calendar and we have no objection to its present consideration.

The PRESIDING OFFICER. Without objection, it is so ordered.

FEDERAL LAND POLICY AND MANAGEMENT ACT AMENDMENT

The Senate proceeded to consider the bill (S. 2209) to amend the Federal Land Policy and Management Act, which had been reported from the Committee on Energy and Natural Resources with an amendment on page 2, beginning with line 4, insert the following:

SEC. 2. Paragraph (2) of subsection (c) of section 303 of the Federal Land Policy and Management Act is amended to read as follows:

"(2) The Secretary may authorize Federal personnel or appropriate local officials to carry out his law enforcement responsibilities with respect to the public lands and their resources. Except as provided in this paragraph such designated personnel shall receive the training and have the responsibilities and authority provided for in paragraph (1) of this subsection. The Secretary may also grant enforcement responsibilities for any Federal laws or regulations relating to the public lands or their resources to Federal personnel or appropriate local officials who are not and will not be authorized to carry firearms. The Secretary shall prescribe the training to be received by, the equipment requirements for, and the procedures to be followed by such persons with limited enforcement authority.".

So as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 303(a) of the Federal Land Policy and Management Act (43 U.S.C. 1733) is amended by inserting the following sentence after the end of the first sentence: "Any person who violates any such regulation which is lawfully issued under this Act shall be fined no more than $500 or imprisoned no more than six months, or both.".

SEC. 2. Paragraph (2) of subsection (c) of section 303 of the Federal Land Policy and Management Act is amended to read as follows:

"(2) The Secretary may authorize Federal personnel or appropriate local officials to carry out his law enforcement responsibilities with respect to the public lands and their resources. Except as provided in this paragraph such designated personnel shall receive the training and have the responsibilities and authority provided for in paragraph (1) of this subsection. The Secretary may also grant enforcement responsibilities for any Federal laws or regulations relating to the public lands or their resources to Federal personnel or appropriate local officials who are not and will not be authorized to carry firearms. The Secretary shall prescribe the training to be received by, the equipment requirements for, and the procedures to be followed by such persons with limited enforcement authority.".

Amend the title so as to read: "A bill to amend section 303 of the Federal Land Policy and Management Act.".

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed.

The title was amended so as to read:

A bill to amend section 303 of the Federal Land Policy and Management Act.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. BAKER. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

USE OF CERTIFIED MAIL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Committee on Governmental Affairs be discharged from further consideration of H.R. 5673 and that the Senate proceed to its immediate consideration.

The PRESIDING OFFICER. Without objection, the committee will be discharged and the bill will be stated by title.

The legislative clerk read as follows:

A bill (H.R. 5673) to authorize the use of certified mail for the transmission or service of matter which, if mailed, is required by certain Federal laws to be transmitted or served by registered mail, and for other purposes.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the bill is before the Senate and open to amendment. If there be no amendment to be offered, the question is on the third reading and passage of the bill.

The bill (H.R. 5674) was ordered to a third reading, was read the third time, and passed.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. BAKER. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that Calendar Order No. 724, S. 2101, now be indefinitely postponed.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate go into executive session to consider the nominations on page 1 of the calendar under the Judiciary and that on page 2, the Senate proceed to the consideration of the nominations under National Council on Education Research, continuing throughout page 3.

Mr. BAKER. Mr. President, reserving the right to object, and I shall not, once again, the purpose of the reservation is to advise the majority leader that all of the nominations identified by him are cleared for consideration and confirmation on our calendar.

There being no objection, the Senate proceeded to the consideration of executive business.

Mr. ROBERT C. BYRD. Mr. President, I thank the minority leader.

I ask unanimous consent that the nominations be considered and confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations are considered en bloc and confirmed en bloc.

The nominations considered and confirmed en bloc are as follows:

THE JUDICIARY

C. Moxley Featherston of Virginia, to be a judge of the U.S. tax court.

William M. Fay, of Pennsylvania, to be a judge of the U.S. tax court.

Charles R. Simpson, of Illinois, to be a judge of the U.S. tax court.

NATIONAL COUNCIL ON EDUCATIONAL RESEARCH

Helen S. Astin, of California, to be a member of the National Council on Educational Research.

TO BE AMBASSADOR

George M. Seignious II, of South Carolina, to be ambassador.

U.S. ARMS CONTROL AND DISARMAMENT AGENCY

George M. Seignious II, of South Carolina, to be a member of the General Advisory Committee of the U.S. Arms Control and Disarmament agency.

David Marion Clinard, of Virginia, to be Assistant Director of the U.S. Arms Control and Disarmament Agency, vice John Newhouse, resigned.

NATIONAL COUNCIL ON THE ARTS

James E. Barnett, of Georgia, to be a member of the National Council on the Arts.

Steven A. Minter, of Ohio, to be Under Secretary of Education.

Thomas Kendall Minter, of Pennsylvania, to be Assistant Secretary for Elementary and Secondary Education, Department of Education.

F. James Rutherford, of the District of Columbia, to be Assistant Secretary for Educational Research and Improvement, Department of Education.

Albert H. Bowker, of California, to be Assistant Secretary for Postsecondary Education, Department of Education.

NOMINATIONS PLACED ON THE SECRETARY'S DESK IN THE COAST GUARD AND NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION

Coast Guard nominations beginning David J. Tirrell, to be commander, and ending Bruce D. Weyermann, to be commander, which nominations were received by the Senate and appeared in the Congressional Record on March 26, 1980.

Coast Guard nominations beginning David K. Arnold, to be lieutenant commander, and ending Bruce C. Skinner, to be captain, which nominations were received by the Senate and appeared in the Congressional Record on April 2, 1980.

National Oceanic and Atmospheric Administration nominations beginning Richard H. Allbritton, to be captain, and ending John W. Humphrey, Jr., to be ensign, which nominations were received by the Senate and appeared in the Congressional Record on March 24, 1980.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the nominations were confirmed en bloc.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmations of the nominations.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate return to the consideration of legislative business.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF PROCEDURE TOMORROW

Mr. BAKER. Mr. President, will the majority leader give me his attention for just a moment?

Mr. ROBERT C. BYRD. Yes, Mr. President.

Mr. BAKER. It is now almost 11 o'clock. We are convening at 9 in the morning. According to a count on this side of amendments yet to be disposed of, there are some 18. I am sure there are some on the majority side as well. May I inquire, is it the majority leader's intention to try to finish consideration of the budget resolution on tomorrow?

Mr. ROBERT C. BYRD. Yes, it is, Mr. President. The manager of the resolution (Mr. Hollings) and the ranking member (Mr. Bellmon) both feel that it is very important that the resolution be completed on tomorrow because the conference between the two Houses needs to begin work on the resolution. The supplementals are backed up behind the resolution. There are other bills on the Senate Calendar against which points of order might be made prior to the final action on that resolution.

Finally, Senators are concerned that if the resolution should go over until Monday, there would be many more amendments, possibly, by that time.

Mr. BAKER. Mr. President, I thank the majority leader.

It would appear to me then that we are in store for a long session on tomorrow.

Mr. ROBERT C. BYRD. Yes. I hope Senators would be willing to reduce the time on their amendments tomorrow, and I would urge we do what we can to persuade them to do that.

Mr. BAKER. Mr. President, I once again thank the majority leader. I would point out that four Senators, I believe, on our side have already agreed to abbreviated times for the consideration of their amendments, and we will endeavor to pursue that further in the morning.

But I think Members on this side, at least, who read the Record in the morning should be on notice that 18 amendments remain on this side and some number, no doubt, remain on the majority side, and, even with shortened times for consideration, that we are liable to run late tomorrow evening.

Mr. ROBERT C. BYRD. Very late, yes. I am glad the minority leader has made this observation because I think it is important that Senators realize we will be very late tomorrow evening, and all the more necessary and desirable that Senators be willing to cut the time on their amendments.

Mr. BAKER. I thank the majority leader.

Mr. ROBERT C. BYRD. I thank the minority leader.

RECESS UNTIL 9 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I shake hands with the distinguished minority leader at 4 minutes until 11 o'clock p.m., and move, in accordance with the previous order, that the Senate stand in recess until 9 o'clock tomorrow morning.

The motion was agreed to; and at 10:57 p.m., the Senate recessed until tomorrow, Thursday, May 8, 1980, at 9 a.m.

NOMINATIONS

Executive nominations received by the Senate May 7, 1980:

National Consumers Cooperative Bank

Alexis Herman, Director of the Women's Bureau, Department of Labor, to be a member of the Board of Directors of the National Consumer Cooperative Bank for a term of 3 years (new position).

CONFIRMATIONS

Executive nominations confirmed by the Senate May 7, 1980:

Department of State

Edmund Sixtus Muskie, of Maine, to be Secretary of State.

National Council on Educational Research

Helen S. Astin, of California, to be a member of the National Council on Educational Research for a term expiring September 30, 1982.

Ambassador

George M. Seignious II, of South Carolina, for the rank of Ambassador during the tenure of his service as U.S. delegation member at large to such arms control negotiations as the Director of the U.S. Arms Control and Disarmament Agency may designate.

U.S. Arms Control and Disarmament Agency

George M. Seignious II, of South Carolina, to be a member of the General Advisory Committee of the U.S. Arms Control and Disarmament Agency.

David Marion Clinard, of Virginia, to be an Assistant Director of the U.S. Arms Control and Disarmament Agency.

National Council on the Arts

The following-named person to be a Member of the National Council on the Arts for the remainder of a term expiring September 3, 1980:

James E. Barnett, of Georgia.

Department of Education

Steven A. Minter, of Ohio, to be Under Secretary of Education.

Thomas Kendall Minter, of Pennsylvania, to be Assistant Secretary for Elementary and Secondary Education, Department of Education.

F. James Rutherford, of the District of Columbia, to be Assistant Secretary for Educational Research and Improvement, Department of Education.

Albert H. Bowker, of California, to be Assistant Secretary for Postsecondary Education, Department of Education.

The above nominations were approved subject to the nominees' commitments to respond to requests to appear and testify before any duly constituted committee of the Senate.

The Judiciary

The following-named persons to be judges of the U.S. Tax Court for terms expiring 15 years after they take office:

C. Moxley Featherston, of Virginia.

William M. Fay, of Pennsylvania.

Charles R. Simpson, of Illinois.

In the Coast Guard

Coast Guard nominations beginning David J. Tirrell, to be commander, and ending Bruce D. Weyermann, to be commander, which nominations were received by the Senate and appeared in the Congressional Record on March 26, 1980.

Coast Guard nominations beginning David K. Arnold, to be lieutenant commander, and ending Bruce C. Skinner, to be captain, which nominations were received by the Senate and appeared in the Congressional Record on April 2, 1980.

National Oceanic and Atmospheric Administration

National Oceanic and Atmospheric Administration nominations beginning Richard H. Allbritton, to be captain, and ending John W. Humphrey, Jr., to be ensign, which nominations were received by the Senate and appeared in the Congressional Record on March 24, 1980.

EXTENSIONS OF REMARKS

AMERICAN FISHERIES PROMOTION ACT

HON. LES AuCOIN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 7, 1980

● Mr. AuCOIN. Mr. Speaker, the Merchant Marine and Fisheries Committee soon will report to the House H.R. 7039, the American Fisheries Promotion Act. I want to take a few moments to alert my colleagues to the importance of this comprehensive legislation in reviving our drowning fishing industry. This is an industry that has been ignored too long—ignored for what it has been, ignored for what it is, and ignored for what it can be.

The fishing industry has always been important to America, providing valuable foodstuff and other products. Today, the fishing industry represents the hub of commerce in rural areas on our Nation's vast coastline. In addition to providing livelihoods, fishing also sustains a way of life that is important for America to preserve.

Despite its important role today, fishing could be and should be making an even greater contribution. We live in a world where people are starving by the millions. Fish could help feed those people. Even in our own backyard, we have Americans whose diets are dangerously deficient. To them, fish offer a source of life-enriching protein.

The need to promote the fishing industry is obvious, yet we have dawdled in stepping forward to provide the necessary assistance in a comprehensive manner.

Our neglect and our cavalier attitude toward the fishing industry have now put us at the brink. The U.S. fishing industry—particularly the seafood processing segment—is in serious trouble.

In my congressional district alone, four or five processors are about to sink. One already has.

New England Fish Co., considered in our region as one of the most stable seafood processors, has declared bankruptcy and closed its doors on operations in Oregon, Washington, and Alaska.

In Oregon, New England operated two plants, with an annual payroll of about $1.8 million and supporting 50 fishing boats. Both plants were the major employers in the two small coastal cities in which they were located. The jobless rate in those two communities is grim. Difficult choices face unemployed workers, many of whom have done nothing else in their life but work in the fishing industry. Some will hire on elsewhere with other processors. But many will be forced to abandon their trade, their city, and their way of life.

This is the kind of economic and social devastation we are facing. The problem is this kind of devastation does not merit national concern, as the plight of Chrysler did. The truth is this kind of devastation should worry us more than Chrysler.

As a member of the House Banking Committee, I thought the bailout of Chrysler set a bad precedent of propping up a company whose products had been rejected in the marketplace. That is not the problem of the U.S. fishing industry.

The fishing industry is undercapitalized, fragmented, and nonmarket oriented. It has not been rejected in the marketplace—it has never got its product to the marketplace.

And that is why H.R. 7039, the American Fisheries Promotion Act, is so desperately needed. The Oregon coast does not want a bailout. The coast wants a chance.

Since coming to Congress, I have made fisheries development a major priority. Two of my legislative proposals are mirrored in H.R. 7039's provisions to extend the Capital Construction Fund and Obligation Loan Guarantees to seafood processing facilities. Enactment of these provisions is essential if Congress is sincere in its desire to keep U.S. seafood processors, both small and large, in operation. We cannot hope to build up to full use of our resources in the 200-mile zone if we do not have processors on line to bring the fish to market.

Marketing of seafood products is yet another area where this bill takes direct aim—especially marketing to other countries. In 1979, the U.S. imported almost $4 billion of fish products, while exporting only about $1 billion—even though one-fifth of the world's commercially harvestable fisheries resources are found in waters off the United States. We have got to turn this situation around.

H.R. 7039 attacks this problem headon. It attacks the trade barriers that foreign countries have erected by denying or cutting back on allocations of our surplus fish to countries that unduly restrict importation of U.S. fish and fish products. And it mandates the appointment of additional fisheries attaches.

Foreign fishing is another problem. Foreign fishing vessels interfere with U.S. boats. Foreign fishing vessels interfere with U.S. gear. In the last year Oregon black cod fishermen have filed 33 claims for loss of pots and longlines—some reporting as many as seven separate incidents on a single claim. Foreign fishermen take a significant number of fish other than those they are licensed to catch under their so-called incidental take.

As a Nation we are committed to full use of our ocean resources and to having U.S. fishermen harvest these resources. I have previously indicated my support for a phaseout of foreign fishing and for a 100-percent observer program until that time, and I repeat that commitment again today.

Harvesting of all our offshore fisheries resources by U.S. fishermen is the objective of the Fishery Conservation and Management Act. This goal presumes that sound management will determine harvesting efforts. But sound management is impossible without sound data. A 100-percent observer program is a necessary step in the direction of building our data base. And it is a step toward insuring full enforcement and proper compliance.

I have told that to NOAA Administrator Richard Frank, and I have heard it from a frustrated Pacific Fishery Management Council—not to mention angry and frustrated fishermen. I'm pleased to see this program is an integral part of any act claiming honestly to promote American fisheries.

Many other provisions of H.R. 7039 are important, timely, and meritorious. Especially I note the emphasis placed on fishing vessel loans, fisheries development, fuel efficiency, and fish quality.

Fuel efficiency in particular deserves special note. Fuel costs are soaring. In many cases fuel now approaches half the cost of operating a fishing boat. That is why I'm glad to see language instructing approval of one or more Saltonstall-Kennedy projects designed to improve fuel efficiency in the industry.

The American Fisheries Promotion Act reaffirms the Federal commitment to improve a much needed industry. H.R. 7039 can develop the markets for Americans to enjoy the fisheries products off our shores that other nations now consume. If we intend to harness the wealth of underutilized species for the American diet—species that compose 90 percent of the foreign catch in our 200-mile zone—we have got to demonstrate that intent in a strong fisheries policy, one H.R. 7039 will dictate.

I wholeheartedly endorse the concepts contained in this bill, and I commend it to my colleagues. The American fishing industry is in its 11th hour. Indeed it may already be a minute before midnight. We must

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

move quickly and forcefully. The future of America's first industry is at stake.●

EVANGELICAL FREE CHURCH MAKES ITS ANTIABORTION STAND CLEAR

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 7, 1980

● Mr. ASHBROOK. Mr. Speaker, there is nothing unusual about a church disagreeing on a particular moral point with the public position of one of its members on the political scene. The whites-only membership policy of Mr. Carter's home church, or the exclusion of blacks from higher levels of the Mormons, which Mr. Romney regretted during his political career are two recent examples. A recent article in the Evangelical Beacon, published by the Evangelical Free Church, says it is "very clear that Representative ANDERSON does not represent the consensus of opinion in the free church in regard to his pro-choice views on abortion." The important point here is not the fact that his church disagrees with one of Mr. ANDERSON's specific stands. The real point is that it is not exclusively Catholic proabortion legislators who have this difference with their church. The stereotyping of prolife movement as Catholic is dangerous and insulting to all of us of every faith, and it is for this reason that the Evangelical Beacon article should be regarded as particularly significant.

I was enraged some time ago when the Congressional Quarterly, in listing congressional votes on abortion-related issues, had a special marking for Members who were Roman Catholic. Singling out political figures on the basis of their religious affiliation is something our Founding Fathers rejected two centuries ago. When it raises its head today, then it must be attacked, repeatedly and single-mindedly, until it crawls back under a rock where it belongs.●

JOLIET, ILL., SOCIAL SECURITY OFFICE COMMENDATION

HON. GEORGE M. O'BRIEN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 7, 1980

● Mr. O'BRIEN. Mr. Speaker, too often we Americans tend to be preoccupied with the problems and faults of our Nation and fail to recognize and take pride in the many strengths and good programs we have. Recently, I had the opportunity to meet informally with the Social Security Administration's district office in Joliet, Ill., to discuss its local operation as well as the national social security program. Social security, however you view its appropriateness in today's economy, is one of this Nation's success stories from the administrative standpoint. With a national accuracy rate of 96 percent and an administrative cost of less than 2 percent, there are very few who could fault this program on its delivery to the people. The Joliet, Ill., office is to be particularly commended for its delivery service to the local area. The Joliet office ranked first in performance out of 12 districts in the central Illinois area. In achieving this ranking, that office demonstrated a 99-percent-accuracy rate in processing SSI claims and a 98.8-percent-accuracy rate in processing retirement benefit claims. In addition, there are several other areas in which they achieved outstanding results. At this point, I would like to include in the RECORD a letter I received from Mr. James H. Becker, district manager of the Joliet office, so that all may see that social security employees, especially those in Joliet, work to provide others with the very best public service.

SOCIAL SECURITY ADMINISTRATION,
Joliet, Ill., March 25, 1980.

Hon. GEORGE O'BRIEN,
Member, U.S. House of Representatives, 101 N. Joliet Street, Joliet, Ill.

DEAR MR. O'BRIEN: Thank you for taking the time from your busy schedule to participate in our staff meeting last week. Your presentation was candid, informational and much appreciated by everyone involved.

Those of us who work within the Social Security Administration have long been proud of the effectiveness and eficiency of our agency. It has been particularly frustrating to us that the press and the public, in their generalized criticism of federal agencies and employees, appear to be unaware of the fact that the Social Security Administration, which will be responsible for one-quarter of the national budget this year, operates at less than a 2 percent administrative cost margin and achieves a 96 percent payment accuracy rate in its programs. As was pointed out in our meeting, the cost efficiency and operational effectiveness of our agency are unmatched, to my knowledge, by any private industry or government agency in the world.

Naturally, my staff was happy with your acknowledgement of the efficiency of Social Security Administration, nationally, and of the Joliet district office, locally, in serving your constituents. We concurred fully with your observation that it is time the American public ceases its preoccupation with the faults in our society and government and begins to recognize and take pride in our strengths—one of which is our agency.

Prior to the close of our meeting, you asked that I provide you with a copy of the data used by Mr. Budney in his presentation of awards to six of my staff, so that you could read this information into the congressional record and have it placed in an article in the Joliet newspaper. Attached, for use, is a copy of that data.

In closing, let me thank you, again for your presentation to my staff. I will look forward to our next meeting with pleasure.

Sincerely,

JAMES H. BECKER,
District Manager.

PERFORMANCE OF SSA AND THE JOLIET DISTRICT OFFICE

OVERALL SSA FINANCIAL PERFORMANCE—FISCAL YEAR 1978

Benefit payments to public (RSDI and SSI)	$98,500,000,000
Administrative costs (RSDI and SSI)	1,990,000,000
Total funds spent (RSDI and SSI)	100,490,000,000
Percent spent for Administration	1.99

ADMINISTRATIVE PERFORMANCE—FEBRUARY 1980

	National performance	Chicago region	Central Illinois area	Joliet district [1]
RSI claims payment accuracy	95.9 percent	96.5 percent	96.1 percent	98.8 percent.
SSI claims payment accuracy	96.9 percent	97.2 percent	98.2 percent	99.0 percent.
RSI claims processing time (application to payment)	31.9 days	30.6 days	31.6 days	27.1 days.
DIB claims processing time (D.O. to State)	7.0 days	6.3 days	6.2 days	3.5 days.
SSIA claims processing time (application to payment)	17.2 days	16.9 days	14.4 days	10.5 days.
SSI B/D claims processing time (D.O. to State)	8.5 days	7.5 days	6.6 days	5.2 days.
Postentitlement actions processed in 30 days	93.0 percent	95.4 percent	98.0 percent	100 percent.

[1] Note: The Joliet District Office ranked 1st in performance out of 12 districts in the central Illinois area.●

DEPARTMENT OF EDUCATION

HON. WILLIAM E. DANNEMEYER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 7, 1980

● Mr. DANNEMEYER. Mr. Speaker, the new Department of Education, which opens its doors today, has placed on its seal an acorn embedded in an oak tree. What the designers of that seal forgot is that nothing grows in Washington except bureaucracies. Excerpts from a recent conversation with the new Secretary of Education reveal the truth of that statement:

One, I am going on the stump around the country to elevate the consciousness of Americans about what classroom teachers do, to provide a greater sense of value for classroom teachers. On a longer range, I am hopeful that we can encourage regional conferences with various elements of the education community to begin to address the problems "whole." I want them to start talking to each other. In order to get hold of the paperwork burden we have to know who's putting the burden on—which agencies.

That last statement about looking for culpable agencies is like a man standing in the middle of a barn asking where is the smell coming from. A change of five votes in the House last July would have scuttled the new agency. Now that it is in business, what should we demand from an agency which has a budget of $14 billion—larger than that for the Department of Commerce, Interior, Justice, or State—and 16,000 employees? I would recommend as this agency's curriculum those subjects that are of primary educational interest to our citizens and schools: discipline and the basics.

The discipline that the new Department should exercise is self-discipline: a serious reduction of the Federal administrative burden imposed on our schools. "Between 1967 and 1977, student population in California declined 3 percent, the number of teachers declined 5 percent and the number of principals and assistant principals went up 10 percent," according to a Berkeley law professor.

The new Department of Education can get down to basics by cutting away the undergrowth of choking programs and regulations, and by submitting honest audits to Congress about their impact on the ability to teach, learn, and achieve in our schools.

A statement by Thomas Jefferson best summarizes the American idea of local control of education:

> If 12 or 1,500 schools are to be placed under one general administration, an attention so divided will amount to a dereliction of them to themselves. It is surely better then to place each school at once under the care of those most interested in its conduct.

Every administrator in the new Department of Education should have to write that statement 100 times.●

DID CANDIDATE CARTER EXPLOIT THE AMERICAN FAMILY?

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 7, 1980

● Mr. MICHEL. Mr. Speaker, in 1976, candidate Jimmy Carter went around the country telling Americans he was going to do something about the plight of the American family. A recent article in the Wall Street Journal documents in specific detail what many of us have long suspected: far from doing anything beneficial for the American family, President Carter's policies have contributed to its problems.

As the author of the Journal article puts it:

> One wonders, for instance, whether Mr. Carter's 1976 emphasis on the subject merely represented a blatant exploitation of the emotional content of the issue * * *.

Anyone who is still not convinced that Jimmy Carter blatantly exploits the emotional content of issues just has not been paying attention lately.

At this point I wish to insert in the RECORD, "Mr. Carter's Family Plans" by Timothy D. Schellhardt, in the Wall Street Journal, May 1, 1980:

MR. CARTER'S FAMILY PLANS

(By Timothy D. Schellhardt)

WASHINGTON.—Remember all that political palaver about the plight of the American family?

The family's plight was a campaign theme that Jimmy Carter discovered and popularized during his 1976 presidential campaign. Reeling off statistics documenting increases in divorce, illegitimate births, runaway youth and impoverished Americans, Mr. Carter attacked the Ford administration's economic and social policies as being anti-family. He promised a slew of "pro-family" initiatives—tax reform, welfare-system overhaul and comprehensive health insurance, among others—and pledged as President to "reverse the trends we have seen toward the breakdown of the family in our country."

Four years later—how fares the family? All things considered, the American family doesn't appear any better off, and it may be worse off, than in the pre-Carter years. The statistics that candidate Carter enjoyed reciting in 1976, for the most part, have continued to soar. And the President has failed to keep many of his promises for helping the family.

"PAID ONLY LIP SERVICE"

Indeed, that 1976 campaign theme—saving the beleaguered family—may well come back to haunt Mr. Carter this fall if, as expected, he is the Democratic nominee. Already his likely opponent, Republican Ronald Reagan, contends the President has "paid only lip service to the family." An administration adviser, Columbia University sociologist Amitai Etzioni, agrees. The family, he says, hasn't been "an active, strong priority" with Mr. Carter.

If that's true, and an examination of the record suggests just that, it raises some questions. One wonders, for instance, whether Mr. Carter's 1976 emphasis on the subject merely represented a blatant exploitation of the emotional content of the issue, as well as a means of stilling the troublesome abortion issue. One wonders whether Mr. Carter simply discovered that in this capital it's easier to make a promise than keep it. And, while almost every government decision undoubtedly has some bearing on the family, one wonders to what extent that institution can be changed by any President or any government policies; presumably, social and cultural influences count more heavily.

What underlies these questions and concerns? First, consider some of the statistics Mr. Carter frequently rattled off in 1976 and examine what has happened since.

Two of every five marriages end in divorce, he noted then; that ratio hasn't improved.

One child in eight was then born out of marriage; it's now one in six.

One child in seven was living in a single-parent household in 1976; the proportion has now become one child in five. Children in foster homes then numbered 350,000; now they total 500,000.

Only one-third of U.S. families could then afford to buy a home; that share has since plunged to less than 5 percent.

In 1976, Mr. Carter complained that the price of a home had risen $16,000 and mortgage interest rates had climbed 50 percent during eight years of Republican White House rule. However, since he's been President, the median price of an existing home has jumped by $18,400 and mortgage interest rates have nearly doubled.

Candidate Carter also liked to talk about how inflation forces many wives to seek paying jobs contributing to the disintegration of the "traditional" family—the husband as wage-earner, the housewife mother, and their children. Yet in the first three years of his presidency, the number of two-earner families climbed by 2.2 million. Despite this rise, however, the median family income barely kept pace with inflation. Another government measure—the inflation-discounted income of a worker earning the average wage and claiming three dependents—actually declined 8.4 percent. These indicators suggest a further weakening of the family since 1975.

To be sure, not all the statistics have grown worse. Since 1976, the number of new jobs has risen significantly, by about nine million. This gain has helped reduce the number of Americans on welfare by about 1.75 million and the number of poverty-level Americans by almost 500,000.

But these figures can't compensate for the persistent, omnipresent inflation that many sociologists and experts on the family contend may have the greatest impact on the family structure. Prices, which climbed at a 7-percent rate while Mr. Ford was in office, have been surging at an average 11.6 percent clip during the first 39 months of Mr. Carter's presidency. Just lately, of course, inflation has far outstripped that average.

"There's no question that inflation and the economy contribute to the pulls and stresses within the family," says Alfred McDonald of the Center for the Family at the University of Massachusetts, Amherst. Says Carol Stack, director of Duke University's Center for the Study of the Family and the State, "inflation has a devastating effect on families, especially those on fixed incomes."

Even more than the dismal data, Mr. Carter's unkept campaign pledges bother some people who expected much more than the President has delivered. "His rhetoric about the family hasn't been translated into important legislation or potent administration initiatives," contends Alfred Kahn, a Columbia University professor of social policy.

In speech after speech in 1976, Mr. Carter outlined specific "pro-family" steps he would take. He proposed changing the nation's tax system to prevent discrimination against families, but he has since abandoned pursuit of a major overhaul of the tax structure. It continues to penalize married couples by making them pay more in taxes than they would have paid if they remained single.

Two years ago Congress did erase a so-called "anti-grandmother" tax provision that candidate Carter decried in 1976; that provision had disallowed a child-care deduction if a family employed a relative closer than a cousin to babysit, but the President's own Treasury Department at first opposed the change.

The welfare system Mr. Carter criticized hasn't been overhauled, although he has sought substantial changes. The national day-care program he called for in 1976 hasn't materialized, either. And the national health insurance system he advocated isn't likely to clear Congress any time soon.

Congress has been debating most of these issues for years, so perhaps it's not surprising that the President's proposals haven't passed. But in 1976 candidate Carter noted the slowness of the lawmakers on these measures and maintained that he could muscle his bold plans through Congress without many changes.

In any case, the President has neglected to use his own authority for action to ease family strains. Candidate Carter maintained that transfer and assignment policies in the armed services don't consider their impact on the military family. But there hasn't been any major move to alter them since 1976. He also decried urban renewal programs that uproot homes, families and entire neighborhoods. Yet no discernible changes have followed.

AN OFFICE FOR FAMILIES

Last October, President Carter announced that the Department of Health, Education and Welfare was creating an office for families. Yet six months later, that office has no director, only one professional staffer and no funds for action this year.

Mr. Carter has been three years late in fulfilling one oft-repeated 1976 promise: the convening of a White House Conference on Families soon after becoming President. Such a conference will be held this summer in three cities, but expectations for results aren't high. The planners can't even agree on a definition of "family," and delegate-selection conventions in several states have become nasty confrontations between interest groups, mainly pro- and anti-abortion advocates.

The White House conference, administration consultant Etzioni says, "isn't going to be successful." Acknowledges another administration official: "We wish the whole thing would go away. It's been a nightmare."

Certainly, Mr. Carter can't be faulted for expressing concern about the erosion of family values and structure. Furthermore, the question of the government's proper role in influencing family life is worth considering.

But through indifference or inability to fulfill expectations he raised in 1976, Jimmy Carter may have seriously hurt the chances for any meaningful future dialogue on the family by presidential candidates. The public may distrust whatever the politicians say.

And that's a shame.●

THE 100TH ANNIVERSARY OF THE HAMBURG VOLUNTEER FIRE DEPARTMENT

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 7, 1980

● Mr. KEMP. Mr. Speaker, on the evening of June 11 the Hamburg Volunteer Fire Department will hold its annual inspection of firefighting and rescue equipment. This public event commemorates the department's 100th year of service to the western New York community.

Volunteer firefighters provide a vital service to our communities at considerable risk to their own safety and life. Yet many times we do not realize the major expense associated with organizing and maintaining our country's volunteer fire forces.

Volunteer fire departments face high costs in the purchase of firefighting equipment. Inflation has multiplied their costs dramatically. Firefighters should receive an income tax deduction for the clothes they buy for firefighting. Nonprofit volunteer firefighting organizations should receive an exemption from Federal excise taxes on gasoline, diesel fuel, automotive parts, and communication services. I have supported legislative efforts now in Congress to achieve these ends, and I have cosponsored a bill to establish criminal penalties for anyone who acts violently toward a firefighter during the discharge of his or her duties.

I am particularly proud of the Hamburg volunteers because they are my neighbors and friends. Ever since I first came to the Buffalo area in 1962 I have lived with my wife and family in Hamburg, and our fire department is among the finest in the Nation. I am personally grateful to all the men and women who do so much for our community.●

INCONSISTENCY ON NICARAGUA

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 7, 1980

● Mr. HAMILTON. Mr. Speaker, today's issue of the New York Times carries a succinct editorial critical of Congress' delay in providing aid to war-ravaged Nicaragua. Entitled "Managua Go-Round," the editorial points out the inconsistency of attempting to foster democracy in Nicaragua by turning a deaf ear to the pleas of that nation's private sector. I insert the editorial into the Congressional Record for the benefit and use of my colleagues:

Managua Go-Round

Congress is going round and round on legislation meant to help democratic forces in Nicaragua, in a dizzy display of circular reasoning.

Both the Senate and House have approved a long-promised $75-million aid package, but a conference committee is needed to reconcile differences in language. What is normally a routine step, the appointment of conferees, seems destined to provoke yet another whirl in the House.

When it comes to Managua, some members of Congress can see only Red. They argue that a Communist takeover in Nicaragua is inevitable, because Washington refused to hunker down with the bankrupt and corrupt Somoza dictatorship. Now, by deliberately stalling on aid for Nicaragua's private sector, they are, in effect, hastening the realization of their worst fears. Meanwhile, they shout "Aha!" and "We told you so!" and almost exult at every apparent reverse for Nicaragua's democrats.

The most recent such alarm was over the resignation of two leading non-Communists, Alfonzo Robelo and Violetta Chomoro, from Managua's ruling junta. But the doomsayers ignore a corollary fact—that the junta has agreed to let the private sector fill the vacancies. And they overlook the private sector's campaign to commit the junta to free elections.

The political direction of Nicaragua is far from clear. Economic reality, for the moment, strengthens the private sector. An insolvent and war-stricken country needs foreign credits. The Soviet bloc is holding back on aid until the revolution's direction is more to its liking. The only significant help now comes from Nicaragua's Latin neighbors and Western Europe.

No amount of outside help can guarantee that democratic forces will prevail. But does the United States not wish to try to help them? If the revolutionary regime is forced to look only to the East for help, it will surely become that much easier to turn East also for ideology. The longer Congress dithers about honoring last fall's aid pledge, the more it demoralizes and, yes, betrays, the Nicaraguan democrats whose political lives and property are crucially at stake.●

WASHINGTON AND THE NEW ILLITERACY

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 7, 1980

● Mr. ASHBROOK. Mr. Speaker, today is Salute to Learning Day, a White House media hype celebrating the birth of the new Department of Education. Tonight's evening news will undoubtedly show scenes of President Carter on the White House lawn, boasting about how he has spent more on Federal education programs than any previous President.

I wish Mr. Carter would stop and take a look at what is really happened to learning under these programs he is so proud of. The annual Gallup education poll shows that public confidence in the schools is at an all-time low, surveys by the education community show that the most talented teachers and principals are quitting their jobs out of sheer frustration, and test scores show that the academic achievement of high school seniors has fallen steadily ever since the mid-1960's. If a private corporation had the kind of track record that the Federal Government has in education, it would be sued for consumer fraud.

Defenders of these programs act like the Soviet Ministers of Agriculture who claim that Russia has had 63 consecutive years of bad weather. They blame everyone and everything but themselves—for example, television. The trouble with that explanation is that test scores were actually rising in the late 1950's and early 1960's, when television was becoming a universal habit. But in 1965 President Lyndon Johnson created the U.S. Office of Education, and the test scores have been going downhill ever since.

It is hard to see how this new Department of Education will be able to improve on this performance, since the only important change from the old Office of Education is that the boss gets to attend Cabinet meetings. There are 378 senior positions in the new Department, of which 356 will be filled by holdovers from the previous structure. In your local school it is possible to flunk people who do not learn, but not in the Washington bureaucracy.

If the President wants to improve learning instead of just saluting it, let him judge these programs by their actual results instead of their promises. If he uses academic excellence as the standard of judgment, he will find that there is very little reason to celebrate today.●

CONSTITUENTS FROM PENNSYLVANIA'S FOURTH DISTRICT VOICE OPINIONS ON KEY ISSUES

HON. CHARLES F. DOUGHERTY

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 7, 1980

● Mr. DOUGHERTY. Mr. Speaker, in February I mailed to all households in the Fourth Congressional District of Pennsylvania a questionnaire seeking public opinion on major national issues. More than 6,500 of my constituents took the time to respond. Many of them included thoughtful comments which provided me with additional insight into the concerns of the people I represent in Congress.

Perhaps the most significant message from the Fourth Congressional District is that people are intensely concerned with the problems of energy and inflation and the state of our national defense. In addition, our citizens are troubled about what they perceive to be the inability of their national leaders to find adequate solutions to the complex problems which face America today. This lack of confidence in Government is a clear challenge to those of us who serve in Congress to search more diligently for ways to meet the needs of the people we represent.

I would like to share the results of my public opinion survey with my colleagues. The questions I asked, the answers I received, and my comments follow:

1. Would you favor or oppose changing the Constitution to have the President serve only one 6-year term instead of two 4-year terms?

Favor, 31 percent; oppose, 66 percent; no response, 3 percent.

Those who favor limiting the President to one 6-year term say that this would allow the President to serve more effectively since he would not be concerned about his reelection. Along with 66 percent of those who answered my questionnaire, I am opposed to a one-term presidency because it would remove the President from accountability to the people as is now required when he stands for reelection.

2. Do you favor or oppose an amendment to the Constitution which would require that the Federal budget keep income and expenses in balance?

Favor, 83 percent; oppose, 13 percent; no response, 4 percent.

I strongly support efforts to reduce Federal spending by cutting waste and duplication. However, in our efforts to balance the Federal budget, we must address long-term issues and not just immediate solutions. Hasty actions may have a devastating impact on our local governments, weaken our defense efforts, and do a great deal of harm to vital programs for our senior citizens, children with special needs, and others. We should couple reduced Government spending with a gradual movement toward a balanced budget.

3. Do you favor or oppose public financing of primary and general elections for the House and the Senate, as Presidential primaries and elections are not financed?

Favor, 42 percent; oppose, 50 percent; no response, 8 percent.

I believe public financing for congressional elections would be beneficial to our election process because it would allow candidates to act independently of pressure groups and in the best interest of the people.

4. Do you favor or oppose the Federal Government giving financial assistance to parents who send their children to nonpublic schools?

Favor, 56 percent; oppose, 43 percent; no response, 1 percent.

School pluralism—the existence of both public and nonpublic schools—is an American tradition which has historically offered parents alternatives in schools for their children and has enriched our national life and culture. Because of my belief that equal educational opportunity should be available for all of America's young people, I have introduced legislation to extend educational grants to the families of elementary and secondary age children who choose to attend non-public schools.

5. Do you favor or oppose busing children to achieve racial balance in the schools?

Favor, 5 percent; oppose, 94 percent; no response, 1 percent.

Forced busing of school children is the wrong way to solve the segregation problem. Busing has not worked out and has, in fact, contributed to the decay and further segregation of many school districts as well as to the flight of families from urban areas. Compelling a student to attend a public school other than the one nearest his residence can only lead to the ruin of public education in the United States.

6. As you know, the United States has begun diplomatic relations with Communist China. Do you generally approve or disapprove of this step in our foreign policy?

Approve, 84 percent; disapprove, 12 percent; no response, 4 percent.

I agree with 84 percent of those who responded that diplomatic relations with Red China are necessary. We must, however, take every necessary step to insure the continued existence of the Republic of China on Taiwan as a free, secure and independent nation.

7. Do you approve or disapprove of the decision to ask for a boycott of the 1980 Olympics in Moscow?

Approve, 82 percent; disapprove, 15 percent; no response, 3 percent.

In view of the Soviet aggression in Afghanistan, I support the President's decision to boycott the 1980 Olympics in Moscow. We should not feast at the table of a known criminal. Just as there are other places to eat, there are other places to hold the 1980 Summer Games. I have cosponsored legislation which requests games here in the United States if an alternative site is not chosen by the Olympics Committee for these valuable international events.

8. Do you approve or disapprove of permitting prayer in public schools?

Approve, 84 percent; disapprove, 13 percent; no response, 3 percent.

I am in favor of permitting periods of meditation in public schools with participation on a voluntary basis. While Congress is prohibited by the First Amendment to the Constitution from passing laws "concerning the establishment of religion or prohibiting the free exercise thereof", I support legislation which would allow the basic moral question of prayer in the public schools to be decided on the State rather than the national level.

9. Do you approve or disapprove of increasing the Nation's defense budget?

Approve, 77 percent; disapprove, 19 percent; no response, 4 percent.

The United States must be second to none when it comes to defending our national interests. As a member of the House Armed Services Committee, I am doing all I can to insure that the Department of Defense made every dollar count in terms of manpower training and weapons procurement. Necessary increased spending for national defense does not conflict with economic stability. Our economy is dependent upon world trade, access to both raw materials and foreign markets, and safe, secure sea lanes.

10. Have recent world events changed your opinion about the defense budget?

Yes, 65 percent; no, 33 percent; no response, 2 percent.

Our defense effort cannot be related to what we would like to do but rather to what actions by the Soviet Union require us to do. Soviet aggression in recent months has increased the determination of Americans to do whatever is necessary to protect our national security.

11. Should the United States continue to honor its commitment to Israel not to recognize the PLO until the PLO recognizes the independence of Israel?

Yes, 72 percent; no, 20 percent; no response, 8 percent.

Israel was created and recognized as an independent nation by the United Nations. The United States must continue to honor our commitment to Israel and not engage in any relationship with the PLO until the PLO and the Arab States formally recognize the existence of Israel as a free and independent nation with guaranteed and secured borders.

12. Do you think that all young men of military age should be registered with the federal government to be available for the draft?

Yes, 79 percent; no, 17 percent; no response, 4 percent.

As a member of the House Armed Services Committee, I voted with my colleagues to amend the Defense Authorization bill to provide for the registration of all eighteen year old men effective January 1, 1981. A strong defense posture is essential to our survival as a nation. An effective stand-by draft mechanism is a necessary guarantor of our national security under an All-Volunteer Force.

13. If a draft were to become necessary, should young women be required to participate as well as young men?

Yes, 57 percent; no, 39 percent; no response, 4 percent.

Women should not be included in the Selective Service System at this time. Government studies clearly show that there is no military reason for such an action. In case of a national emergency a sufficient number of women would enlist in the service to fill available noncombat positions.

14. Do you think the Federal Government should pay any of the cost of an elective abortion?

Yes, 19 percent; no, 78 percent; no response, 3 percent.

Throughout my public life, I have had a strong prolife commitment. I have cosponsored a proposal to amend the Constitution to guarantee the right to life of the unborn child.

15. Do you support construction of federally subsidized housing in your neighborhood for those on fixed incomes—the poor and the elderly?

Yes, 32 percent; no, 64 percent; no response, 4 percent.

The effects of the construction of low-income housing upon a stable neighborhood—homes, schools, and businesses—are profound and harmful. After careful study of all aspects of section 8 housing, I am on record strongly opposing section 8 housing developments in Northeast Philadelphia.

16. Should we have a national program of health insurance giving medical and hospital care to everyone, with the government paying part of the cost?

Yes, 59 percent; no, 36 percent; no response, 5 percent.

Changes in the present health care system are necessary to provide the best in health services at the lowest cost with the least amount of federal bureaucracy. My question is whether a national health insurance is the answer. I am closely examining a wide variety of proposals before the Congress concerning a good plan for national health insurance.

17. Which do you think presents the greater risk to our Nation—the presence of nuclear power plants or the energy shortage that would result if these plants were closed?

Nuclear plants, 36 percent; energy shortage, 59 percent; no response, 5 percent.

The safety of nuclear energy is being severely scrutinized by the 96th Congress. I believe that nuclear energy is necessary in the immediate future to supplement dwindling supplies of petroleum. In the long run, however, we must develop other sources of energy and gradually phase out nuclear power production.

18. If the decision has to be made between somewhat dirtier air through the use of our ample coal supplies and less dependence on foreign oil, which would you choose—the use of coal or continued dependence on foreign oil?

Coal, 92 percent; foreign oil, 5 percent; no response, 3 percent.

Our energy shortage is so critical that we do not have the luxury of choosing which energy source to use; we need them all. And we must decrease our dependence on foreign oil. I am particularly interested in the production of synthetic fuels from our abundant supply of coal.

19. Do you think a new SALT arms agreement with the Soviet Union would strengthen or weaken our national security?

Strengthen, 22 percent; weaken 63 percent; no response, 15 percent.

In the face of deteriorating U.S. relations with the Soviet Union and without firm indications of the Russian intent and good faith in the SALT process, I agree with those 63 percent who believe a new arms agreement would weaken our national security.

20. In the next 5 years, which one of the following areas of concern do you think should receive the greatest amount of our national attention and effort?

National defense, foreign policy, social and human services, energy/environment, other.

Twenty-eight percent of those who answered said "national defense"; 30 percent, "energy and environment"; 11 percent, "social and human services"; 5 percent, "foreign policy"; 26 percent listed other areas of concern. Over half of those who listed other areas of concern answered "inflation." While all of these areas need a great deal of our national attention, I agree that the most urgent are questions having to do with national defense, the economy, and the energy shortage.

22. What do you think is the biggest problem facing our country today?

Many different responses and thoughtful comments were included in the answers to this last question. Respondents again listed problems of national defense, energy and inflation. A large number of responses indicated a serious lack of confidence in government and a deep concern about a lack of integrity and honesty on the part of some elected officials. Again, my own opinions are similar to those of my constituents who responded to my questionnaire.

Mr. Speaker, I am indeed grateful to those of my constituents who took the time to share with me their opinions. Knowing what the people in my district think about the key issues is helpful to me in my effort to serve my constituents effectively in Congress. I trust that my colleagues will also benefit from the results of my 1980 questionnaire.●

THE PAINFUL TRUTH ABOUT LIBERIA

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 7, 1980

● Mr. DERWINSKI. Mr. Speaker, it seems that the media and especially the Washington press corps are so thoroughly wrapped up with the U.S. political scene and events in Iran that little attention has been directed to the tragic developments in Liberia.

I wish to insert a column by William Raspberry, which appeared in the May 6 edition of the Chicago Tribune, entitled "The Painful Truth About Liberia," which brings to light the recent events in Liberia:

THE PAINFUL TRUTH ABOUT LIBERIA

(By Bill Raspberry)

WASHINGTON.—I know what to expect by now, but that doesn't keep me from flinching when I see a familiar name on the lists of those executed in Liberia's revolution.

Here is a man who took time to show me around Monrovia during a visit several years back. There are two more I met at a cocktail party given for me by the Liberian Press Union. There is the man who smoothed the way for me to join the president on a motorcade into the Liberian countryside.

And, of course, there is the president himself, among the first to fall in the bloody April 12 coup. It is a most disconcerting thing to learn that these people have been shot down like so many wild animals.

Nor does it help to know that at least some of them deserved it—if you buy into the rules that govern these things.

My friends and acquaintances had, after all, been the oppressors. They knew it, and I knew it, though it was difficult for either of us to think in those terms while they remained in control.

The painful truth is that the situation in Liberia was not vastly different from the situation in say, Rhodesia: a settler minority running the place, reserving most of the privileges unto itself, while exercising dominion over the more numerous indigenous population.

Indeed, the most obvious difference is that in Liberia, both the oppressed and their oppressors were black.

The Liberian ruling class, the Americo-Liberians descended from the former American slaves who migrated to West Africa nearly 140 years ago to establish the country, seemed no more oppressive to me than the white Rhodesians must have seemed to a white American visitor. The thing about being a successful oppressor is that you don't have to work at oppression. You go right on being a businessman, a government official, a shopkeeper, a family man—no better or worse than your counterpart anywhere in the world.

But the Americo-Liberians certainly were viewed as oppressors by the indigenous Liberians—and to a degree unsuspected even by knowledgeable Americans.

I've talked recently to an American just returned from Monrovia. "I have to say I wasn't aware of the intensity of the hatred," he told me. "Even the Americos are saying they didn't realize they were hated so much.

"I worked in an office that employed both Americos and indigenous people, and I have been amazed at the hostility. After the coup, they started referring to the Americos as 'settlers' and treating them really coldly. I heard several of them say they hoped all 91 (of the officials in detention) would be executed. 'You don't know what they've done to us for 137 years,' they would tell me.

"I'd see them looking at the newspaper pictures of the executions, and they'd be smiling."

This unsuspected reservoir of hatred, no doubt, accounts for the post-coup excesses of the present rulers. But it also casts a pall over the revolution, even for those who acknowledge the justice of the coup.

Randall Robinson, executive director of the pro-Africa lobby Transafrica, sent a cable to the provisional head of government, Sgt. Samuel Doe, warning of the risk of supplanting oppression with mindless brutality.

Robinson's message dealt less with the mutilation of bodies and the circus atmosphere surrounding the executions than with the summary justice of the military tribunal.

"If the reports are in the main accurate, we in America who strive for a more just American response to Africa as a whole call upon your nation's new leadership to hew to a course that would guarantee fair treatment and due process of law to all of those who subsequently come to trial.

"We recognize that the previous government concentrated virtually all political power and wealth in the hands of a minority that refused to concern itself with the broader welfare of the Liberian people.

"We fear, however, that in the eyes of the world, those who made the revolution may have, in its wake, eroded the moral basis for its making."

It's a message Doe needs to hear—not for my friends and acquaintances, who, even if some of them survive, are permanently out of power, but for the people, on whose behalf the revolution was undertaken.●

ANTIBIOTICS IN ANIMAL FEED—A THREAT TO DRUG EFFICACY IN HUMANS

HON. JOHN D. DINGELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 7, 1980

● Mr. DINGELL. Mr. Speaker, today I am introducing for myself and my colleague, HENRY A. WAXMAN, the Antibiotics Preservation Act, a bill to protect the therapeutic efficacy and lifesaving value of human antibiotics.

For decades we have witnessed the diminishing therapeutic efficacy of human antibiotics, particularly penicillins and tetracyclines. Antibiotics that once hailed an era of miracle cure now stand at the hallmark of an age of antibiotic abuse and ineffectiveness. The medical literature is rife with examples of their decline:

Penicillin—once the drug of choice for treatment of Haemophilus influenza, the most common cause of bacterial meningitis in children and infants, is now virtually useless for such therapy and has been supplanted by chloramphenicol, an antibiotic with substantially greater toxicity and a lower margin of safety.

Tetracycline—highly effective in treating the life-threatening disease of cholera until recently, is now a futile regimen.

Ampicillin—a semisynthetic penicillin was virtually 100 percent effective against the virulent human pathogen Salmonella in 1967; now, only one in four Salmonella infections are effectively treated with ampicillin.

Also, 85 percent of all enteropathogenic E. coil, one of the most common causes of human dysentery, have been shown to be completely or partially resistant to nine of the most common human therapeutic antibiotics.

This brief list provides but a glimpse at mounting evidence which documents that once powerful antibiotics have been rendered impotent.

But, what has caused this deterioration? In the broadest sense it is the antibiotics themselves. An antibiotic is a form of therapy that not only eliminates disease-causing and non-disease-causing bacteria sensitive to it, but, at the same time enhances the survival and subsequent propagation of any bacteria resistant to it. Moreover, no antibiotic is 100-percent effective against a particular organism. Hence, those bacteria that escape antibiotic action are favored for subsequent dominance within the bacterial population. All too often, what is predicted in theory occurs in practice. The continuous and indiscriminate use of antibiotics promotes the survival of drug resistant disease-causing bacteria. In recognition of these facts, respect must be shown for the untoward and deleterious effects which inevitably occur wherever and whenever antibiotics are not used in exacting, prudent, and discriminating manner.

Despite the cautions, caveats and contraindications attendant to antibiotic usage, more than 40 percent of many antibiotics manufactured in this country are used in a practice that is anything but exacting and discriminate. The practice to which we refer, of course, is the continuous administration and consumption of subtherapeutic doses of antibiotics for the purpose of growth promotion in livestock. This practice by its continuous, inexact, and indiscriminate nature, creates an ideal environment in which to nurture and propagate resistant bacteria.

Of the utmost concern are the two antibiotics used most widely in animal feeds, penicillins and tetracyclines. These same antibiotics were initially developed and are the drugs of choice for treating numerous human and veterinary infectious diseases. Consequently, a situation has evolved where the therapeutic value of human antibiotics has been severely compromised or perhaps lost in the name of growth promotion. The fact that numerous growth promoting antibiotics other than penicillins and tetracyclines currently exist makes their continued use in animal feed untenable, in light of their importance as drugs for the treatment of human diseases.

The ominous deterioration of antibiotic effectiveness is overshadowed only by a foreboding of further decline sustained by the following:

Bacterial resistance to antibiotics resides in extrachromosomal pieces of genetic material known as resistant plasmids (R-plasmids). Of the highest significance is the fact that R-plasmids are found in and transferred between disease causing pathogens and nondisease causing (nonpathogens) bacteria. Thus drug resistant nonpathogens serve as a virtually inexhaustible and ubiquitous reservoir of drug resistance genes, which can be transferred to pathogens. Moreover, plasmid mediated resistance provides the vehicle for simultaneous transfer of resistance to one or more antibiotics. This phenomenon is poignantly depicted in the changing resistance patterns of Salmonella. In 1967, less than 1 percent of Salmonella strains exhibited concurrent resistance to six or more antibiotics; yet only 8 years later, that figure had increased to almost 10 percent. The figure today is surely higher.

Human and veterinary infections, which once were effectively treated by penicillin and/or tetracycline, now require more aggressive therapy with antibiotics that frequently present an increased toxic risk.

The growing obsolescence of crucial therapeutic antibiotics has exerted increased pressure to develop substitutes. Unfortunately, a declining rate of discovery of new antibiotics suggest that they are, like fossil fuels, an exhaustible resource. The proliferation of bacterial resistance mechanisms not only has vastly increased the costs of innovation, but has forced the use of succeeding waves of expensively developed new antibiotics, which account for most of the antibiotic dollar volume in this country.

As with any complex scientific issue involving human health effects, uncertainties exist. Skeptics of restricted antibiotic use in animal feed are quick to point out that clinical abuses of antibiotics contribute to the problem of growing bacterial resistance. They also point out the relationship between the use of subtherapeutic doses in cattle feed and subsequent human disease is yet to be quantified. The former contention is true; the latter, specious and illiberal. Clinical uses are usually of short duration, voluntarily assumed by the patient, directed at specific organisms, and regularly monitored by the physician. On the other hand, subtherapeutic use of these same antibiotics in animal feeds is continuous, ubiquitous, undirected, unmonitored, and results in risks to human health that are involuntarily assumed by each and every one of us.

With regard to the contention that the human health effects attributable to this practice are insufficiently quantified, a recently released National Academy of Sciences report on antibiotics in animal feeds maintains that the lack of quantitative data linking human illness with subtherapeutic levels of antibiotics must not be equated with proof that the proposed risks do not exist. The report concludes that the research necessary to quantitatively measure the human health risks could not be realized or even approximated because of insurmountable technical difficulties.

The Office of Technology Assessment (OTA) has previously analyzed the risks and benefits of subtherapeutic levels. In a July 1979 report, OTA concluded that the health risks from the development of bacterial resistance to antibiotics in feed are of greater concern than the risks of cancer from diethylstilbestrol (DES), as used in livestock practices. Skeptical voices are further muted by evidence which appeared in the February 8, 1980, Journal of the American Medical Association (JAMA), verifying the spread of a drug-resistant Salmonella infection in animals, whose feed contained antibiotics in subtherapeutic doses, to a hospitalized human population.

As previously noted, the paramount and overriding concern of those supporting the unqualified use of antibiotics in animal feeds is that there is not precise quantification of the risk. Ironically, however, OTA has noted that once at the point when significant effects on human and animal health become widely observable and quantifiable, it may be too late to address the problem. In short, the effects may well be irreversible.

In the name of insuring the future health and welfare of the American people by preserving the efficacy of human therapeutic antibiotics, the time for action is now, before we are faced with a quantifiable tragedy. Toward this end we introduce and urge the ready passage of the Antibiotics Preservation Act.

The intent of the bill is clear, basic, and speaks to the utmost level of commonsense within us—remove human therapeutic antibiotics from animal feed and replace them with those approved animal feed antibiotics. This initiative not only will permit livestock producers to enjoy the benefits of antibiotics, but moreover, will reserve the penicillins and tetracyclines of this world for their primary mission of saving human lives and curing disease in both man and animals.

We urge our colleagues to join in consponsoring this long overdue measure.

The text of the bill follows:

H.R. —

A bill to amend the Federal Food, Drug, and Cosmetic Act to limit the antibiotic drugs which may be used in subtherapeutic doses in animal feed

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Antibiotics Preservation Act".

SEC. 2. The Congress finds—

(1) those antibiotics, particularly penicillins and tetracyclines, which are the drugs of choice for use in humans against numerous infectious diseases are also the primary antibiotics for use in animal feeds in subtherapeutic amounts;

(2) the continuous use of these and other antibiotics in subtherapeutic amounts has resulted in the development of pathogenic bacteria in animals that are singly and multiply resistant to such antibiotics;

(3) such pathogenic bacteria are then transmitted to humans where they colonize and cause diseases (such as meningitis, gonorrhea, and salmonellosis) for which there is virtually no effective antibiotic treatment;

(4) the Office of Technology Assessment in its report, "Drugs in Livestock Feed", concluded that the health risk to humans from the development of pathogenic bacteria resistant to antibiotics is greater than the risk of cancer presented by the use of diethylstilbestrol (DES) in animal feed;

(5) to avoid this risk to human health several Western European countries have for a number of years restricted the use of antibiotics in subtherapeutic amounts in animal feed; and

(6) the adoption of such a restriction in this country will protect the public health by preserving the efficacy of human antibiotics and will not hinder the raising of livestock because there are numerous approved substitutes for the human antibiotics currently used in animal feeds.

SEC. 3. (a)(1) Section 507 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 357) is amended by adding at the end the following:

"(i) To provide reasonable assurance of the continued effectiveness in humans of antibiotic drugs, the Secretary shall designate, by regulation, antibiotic drugs which may not be used in subtherapeutic doses (as defined in such regulation) in animal feed or in ingredients of animal feed. The Secretary may, upon application and by order, authorize the use of an antibiotic drug designated under this subsection in an animal feed or in ingredients of an animal feed if the Secretary determines such use is required to meet a compelling need.".

(2) Not later than one hundred and eighty days after the date of the enactment of this Act, the Secretary of Health, Education, and Welfare shall first promulgate the regulation prescribed by section 507(i) of the Federal Food, Drug, and Cosmetic Act designating antibiotic drugs which may not be used in subtherapeutic doses in animal feed or in ingredients of animal feed.

(b) Section 501(a)(1) of such Act (21 U.S.C. 351(a)(1)) is amended by inserting before the period the following: "; or (7) if it is an animal feed or an ingredient of an animal feed bearing or containing in subtherapeutic doses an antibiotic drug designated under section 507(i) and the use of the drug has not been authorized by an order issued under such section".●

LUIS MUNOZ MARIN

HON. CARDISS COLLINS

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 7, 1980

● Mrs. COLLINS of Illinois. Mr. Speaker, I would like to take this opportunity to express sorrow over the death of Luis Munoz Marin, the former Governor of Puerto Rico.

This man was dedicated to the wellbeing of Puerto Rico's people. Later in his life he was quoted as saying, "My principal interest is the economic status of the poor." During his four terms as Governor, he established the Popular Democratic Party, and oversaw the writing of a constitution that gave 2.2 million Puerto Ricans U.S. citizenship and financial aid, the U.S. currency and mails.

One of Governor Marin's greater accomplishments was his Operation Bootstrap program. This program helped transform Puerto Rico's agrarian society into an industrial one. It also improved educational and electrical facilities.

These enrichments instigated by the Governor's program gave reason for many people to compare him with Franklin Roosevelt.

One of his greatest concerns was for Puerto Rico to remain a Commonwealth. He felt that humiliation would be brought upon all Puerto Ricans if the U.S. Congress ever rejected a request from his island to become a State. Until the end of his life, he worked against this idea of statehood.

Governor Marin was also noted for being a poet. He was nicknamed "the Bard" and enjoyed being referred to as a poet-leader. I would like to share with you a poem that was written about this man.

THE WISE MAN

A scared moon on a dark night
 Is not more pale,
Nor thin mist under an arc-light
 When the wires fail;

Timid love in a weak one
 Is not more still,
Nor dead grass in a sleek sun
 By a dried-up rill;

The whole of the rocked sphere
 Is not more wise—
Than the man who is boxed here,
 With his closed eyes!

In closing Mr. Speaker, I would like to commemorate "the Bard" for his dedication to the people of Puerto Rico.●

THE VIETNAM VET: SINCE VIETNAM

HON. THOMAS A. DASCHLE

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 7, 1980

● Mr. DASCHLE. Mr. Speaker, the following article, by Sandy Rovner, explains the difficulties Vietnam veterans are still having as a result of their participation in the Vietnam war. The hostility and bitterness they feel toward the Veterans' Administration is one of the main reasons that myself and others fought unsuccessfully in 1979 to have the VA's outreach program for victims of delayed stress contracted out to private community based mental health centers. Unfortunately, there are many others out there who will refuse to utilize the VA's facilities and instead are forced to pay for outside counseling or even go without, oftentimes with tragic consequences.

Another criticism of the new Outreach effort is that there is nothing the center offers other than counseling. There is no meaningful employment program available to provide the necessary linkage the vet centers so badly need. This is especially important as most Vietnam veterans have been delimited from their GI bill education allowance.

This is why members of the House Veterans' Affairs Committee must pass a meaningful employment program, along the lines that Mrs. HECKLER or myself have introduced. Though the veterans in Ms. Rovner's story are employed, the facts are that unemployment is still high among blacks and other minorities and that underemployment is a serious problem among all Vietnam veterans. A meaningful employment program might do a lot in convincing Vietnam veterans that despite the tardiness of the current effort and the shambles of other employment programs for veterans, Americans do care and desire to rehabilitate Vietnam veterans to the fullest extent imaginable.

The article follows:

SINCE VIETNAM: YEARS OF QUIET DESPERATION

(By Sandy Rovner)

Funny, you might think, they don't look any different from anybody else, these handsome young men, bent on the business of their lives. They are in their 30s, none older than 35. Most have had some college education. Some have postgraduate degrees. They are mostly on fast career tracks, more successful than not in their chosen professions. Sure, they're loners, but then, that is a matter of choice, isn't it? They themselves might have told you (in no uncertain terms) that indeed it is—assuming, of course, they would have discussed it with you at all.

They are as different from one another as random individuals can be, these bright young men. But there are some basic common traits: They are all Vietnam veterans. And there is something else: They are survivors. They came back without apparent disablement. . . .

Their lives have gone on for the past 10 years or so, and gone on rather well, an uncritical eye might judge. But some of them are beginning to recognize that something is not quite right, that, perhaps, they should be—at very least—numbered among Thoreau's "mass of men [who] lead lives of quiet desperation. . . ." Others—no one is sure how many—are discovering that the quiet desperation is building up into more explosive channels. It is a syndrome the experts are calling "delayed stress."

"You can see it in lives that appear successful," says Steve Chapman of the Vietnam Veterans of America. "It's a sense of having been abused and having had their beliefs trashed on."

This is a story about three of those young men who served in Vietnam. They are typical in important ways of perhaps half a million of their fellow combat veterans in that saddest of wars. Each of the three was faced unexpectedly with rage and despair they had been carrying around—unknowningly—for about a decade. And in each case, they were—fortuitously, they now feel—directed to a young psychologist (who is not a veteran) and his assistant (who is) and a 12-week group therapy session which they have just completed.

They have been frank with each other, with themselves and with interviewers. They have asked that only their first names be used.

Peter is cool. He stayed in the Air Force after his return from Vietnam and was anybody's Hollywood image of an Air Force officer/gentleman. He even spent time as a White House social aide. Now he is an administrative official at a large agency and looks as Madison Avenue as he must have looked Air Force. He is tall, and his sandy-red hair and moustache bespeak his Scottish ancestry.

He sees himself as self-possessed, disciplined. He never married but "came close a few times." He always liked to have things his own way, he says. So when his control began to crack, it came as a considerable shock.

He was, he recalls, in a grocery store, cashing a check. It was last November. He asked the cashier the date. The cashier "turned to me and he snapped, 'If you were a veteran you'd know what today is. It's Veteran's Day, the 11th day of the 11th month.' He was an old man and I turned on him and I said, 'You son of a bitch,' and I almost grabbed him, and I said, 'I fought in Vietnam and almost got killed 50,000 times and you tell me that? You know why I don't remember, because this goddamed Veteran's Day is not for us. It's for you old f---s.' When I got back to my car I was huffing and puffing and hyperventilating and I thought, 'I could have killed that man I was so mad.'"

"The big thing," says Bob, a 30-year-old medical student, "that you have to forget how to do when you go to war is this: You have to forget how to love people."

". . . Like love and affection and compromising," says Peter. "When you were in Vietnam you couldn't do those things and come back . . ."

"It is a kind of psychic numbing," says Ken Harbert, the physician's assistant who is co-leader of the group. "You put a shell around yourself, and for a lot of people, they haven't ever torn down the wall. You talk to friends, wives, relatives and they say, 'Well, he's changed since he's been in the war. He withdraws a lot. He's stoical, independent . . .' They use words like that."

"Because," says Bob, "people [in a war] get killed everyday. Just like somebody's there one minute and then they're gone and if you really care about them you can't handle it. I had a really good friend that I'd gone through basic training with . . . and you know I really spent a lot of time with him. You're out in the jungle and there's not much to do except sit around and shoot the breeze . . . so I got pretty close to this guy and one day he got killed standing right next to me and . . . after that I just realized you can't get close to people.

"And that works pretty good, but it's hard to lose that. Once you've got that defense mechanism working for you it's very difficult to break it down. And I think that's pretty much a consensus. You know, we don't get close to people. And we don't let people touch us and we don't touch them, you know, psychically. Someone said when he walks into a room full of people, whether they're relatives or anything, he always feels different. And the thing about it is you *are* different . . ."

"It's not," says Dave, a photographer, who is 35, "the strung-out junkie who is totally wasted because of his war experience, but there is a lot of good, old-time, quiet desperation. I think the greatest majority of guys experience that more than anything else. That stuff is lurking around in the back of your mind all the time and I have a hunch that it influences a lot we do and we're just not aware of it . . ." Dave works at other jobs to support his photography which he refers to as his "art." He is shy and unprepossessing. There is something of the poet in him. He broke up with his wife 18 months after they were married. They had lived together for eight years before that. But he doesn't feel that the relationship was affected by his Vietnam experience.

"I'm not married," says Bob, who says he feels older than his 30 years but looks considerably younger. "I haven't known too many to be successful [among combat vets]. I don't think they do too well in marriage."

Peter got his first clue, he realizes in retrospect, about five years ago. "It was the day President Ford announced we were pulling out of Vietnam and you saw the guy come out of the embassy and fly away and he was the last American. There was something inside of me that just tore me to pieces. That's when I wanted to see the brass bands and everybody saying the war is over and, well, I was realistic and I knew that wasn't going to happen. So I thought well, what I'll do is I'll go to church tomorrow. And the priest [Episcopal] will say something. He says prayers for every s.o.b. in Washington, you know, he'll say one for the people who've come back from Vietnam, or who died at least.

"He never mentioned it. Never, never mentioned it. I remember as I was walking out the door, I turned to him and I said, 'You're a hell of a lousy priest. You know that 55,000 people died and you couldn't say one damn thing about it.' "

"I didn't wait for an answer, and I knew at that moment I had a lot of anger in me that I'd never looked into."

Jeffrey Jay is the clinical phychologist who initiated the delayed stress group for Vietnam veterans at the Northern Virginia Psychotherapy Center in McLean. It is, he feels, a unique approach to a problem only just being identified, much less treated. For a host of reasons, the program is neither sponsored nor financed in any way by the Veterans Administration, although the VA is beginning an outreach program to deal with the delayed stress syndrome. But many of the Vietnam veterans, including Bob, Dave and Peter, are outspokenly bitter about the VA and determined to stay as far away as possible from an operation they feel betrayed them. In addition, the VA program is still bound in developing protocols and bureaucracy, they feel. So the Jay program is separate and private, the fees paid by the individuals.

Says Jay, a Ph.D. in psychology, "Anyone who was in Vietnam had a very full, rich experience including, at one extreme, experiences that were absolutely horrifying, terrifying, traumatic—going through day to day with the continuing presence of death or the possibility of being killed, through experiences that were intense uses of power, intense feelings of camaraderie between people depending on one another. But whatever happened—and a lot happened—stopped with an abruptness that is unusual in most people's lives . . . men described their last days as being in an airfield being bombed and having to fight their way onto a plane and then once inside, there is a stewardess serving food.

"And before they went, there had been a lot of public debate with people polarized and energized around this so when they came back it very quickly became a private issue. Vietnam sort of sank out of the consciousness of America, and all those experiences were relegated to something that went on inside. There was no way of talking about it and the veterans felt a mixture of fear and blame and real suspicion about feeling free to discuss it.

"On the other hand, people didn't ask. People didn't want to know. This includes families, close friends, wives, parents. So when the veterans got 'back in the world' all that experience had to be dealt with privately. . . ."

This kind of thing, says Jay, "creates a separation, and that's one of the things we hear, time and time again, 'I feel different from other people.' That's a statement you also hear in other kinds of psychiatric work and one of the most effective things to deal with this is just providing a way for people to start talking and give them a forum in which they can identify those things which really are not their fault, really are not peculiar to them, but are something that are shared in common. And provide an opportunity to own those experiences which were theirs and disown those which had nothing to do with them . . . or were much bigger than them."

"You have to look at the particular experience of the Vietnam veteran," Jay says. "There's a long list of things that were special about the Vietnam war, but in addition you can add those things which are common to all wars. It was special, first of all, because of the moral ambivalence and all the polarization. One did not simply go off to fight a war that was just and right. There are a lot of terrible things that happen in every war, but in addition, America didn't come out completely with a white hat. Another big thing that I don't think is dealt with directly enough is that we lost the war.

"So with all these ambivalences and questions that the veteran had coming back then, there were perhaps questions about whether or not he had done well, whether he had fulfilled his obligations. Here Johnny marching off to war was a late adolescent, as most were, so there was a lot on the line in terms of proving manhood, being good enough and doing the right thing and all the questions that come up: You kill and there are people who are killed all around you, and then for all that to have gone for naught, to have resulted in some kind of futile, vain action, in the end raises real questions in the mind of the veteran as to how well he really did do.

"A lot of anger results from feeling ripped off, feeling expected to have done something and not being able to have done it, ripped off for the time that was lost when he was there. There are also a lot of questions about self and a lot of bitterness and anger that is not dealt with anyplace. But the conflicts are still there and are dealt with internally."

The stress, revolving around the conflicts and the often negative self-image, builds up until something triggers it or until it simply has to find a way out. It can, Jay says, manifest itself in a broad range of symptoms including anxiety and nervousness, reactions to loud noises, nightmares, difficulties in sleeping, problems with relationships, problems with being close to anyone. Sometimes it can be dramatic, but the image of the spooked, murderous, wild-eyed veteran on a rampage is more a figment of the cathode tube than of reality. Often it is, indeed, years of quiet desperation.

Peter was an officer in the Air Force, in administration and personnel. He'd joined the Air Force after his four years at a big midwestern state university because he'd been told the Army was "real bad," and "I got sick when I went out on boats and things."

Vietnam had never been a part of his consciousness, really, much less his life, and he volunteered for Vietnam duty rather dispassionately.

"The first night was when it came home to me that I had ended up in a war zone," he says. "I sat in a huge room all filled with beds and I was the only person in it. I remember all night long you could hear helicopters going up and down and artillery going off. . . . The Air Force never had artillery sounds. . . . I remember about 4 o'clock in the morning a woman came in to clean with a little broom. She was wearing black pajamas and the thought went through my mind, 'This woman's going to lob a hand grenade into my bed.' I just sat there shaking. That was the beginning of my fear in Vietnam.

"I was the support officer for 17 forward sites . . . it meant every day I had to fly to four or five of these little sites . . . they were just little dirt roads we landed on and people were constantly shooting at us, lobbing stuff at us. It was what I'd always pictured in my mind the Marines did and I never adjusted to it. It was as scary the last time as the first time. But I never said a thing about it while I was there. Never once did I express fear to anybody. It hit me that the only way to make it through was to be strong. It's all I cared about. I did my job. I didn't drink. I didn't smoke pot. . . . My roommate cried every night, all night long, and had diarrhea and ran to the bathroom all night long. . . . We were bombed every night. I was very calm and cool. . . . One time my room got blown up by a rocket and there wasn't much left to it and I went over and just pushed all the debris aside, shook out my mattress, got in my bed, took out a flashlight, read about two pages and went to sleep. I remember the next morning [my roommate] called me the biggest a------ he ever met because he said I had no feeling at all. And in a way, he was right. I had taken my feelings away."

"I was part of the big 1966 cattle-call," Dave says. He was 20. "I don't know how many were drafted at the same time. So I just went in and started being a soldier for a while. I drove a truck. The guys I was with were sent down to Texas and hooked up with a transport operation, then sent over on a troopship to Vietnam. That was a thrill in itself—me and 2,000 other soldiers and Marines for three weeks on a troopship. And we got 'in country' and right from then it started, within an hour after we hit the place, you know, I got scared. As soon as we started walking on the soil, I thought, 'Oh boy, this is going to be a mess.' "

When we came back, he says, "I didn't feel that anybody was sympathetic to me. We were regarded as somewhere between villains and suckers. And I think that's pretty much the way I felt. . . . It's such a strange situation, not being able to come home a hero . . . and after I got back I wasn't involved politically in any of the antiwar stuff. I was just so glad to be out . . . I mean I didn't participate in the thing at the Capitol steps where they threw their medals away because I'd already thrown my medals away. . . .

"You had the feeling when you come back, 'Well, that's it. Let's get on with it.' Only apparently you can't get on with it."

". . . I always felt I was ashamed to be a Vietnam veteran," says Bob. "Like I went the whole route, volunteer, Green Beret, airborne . . . you know, all that stuff, the superkiller, because I figured if I was going to do it I'd be the best.

"And the thing about it is, It's been hard for me to accept that I'd made all those sacrifices and nobody really appreciated it. One day I just realized that even though Vietnam was all screwed up, it wasn't really MY fault, and I really didn't have anything to be ashamed of. And if it had been any other time I'd probably have been a hero. Most of the people my age, you know, we grew up on World War II movies and the parades and the hero's welcome and I still don't think I can accept the fact that I went over there and did all that and I just slipped back home and nobody cared."

Bob comes from a small town in the southern Midwest. He went into the service as soon as he graduated from high school. It was the patriotic thing to do. He was 18. When he came back he was "19 going on 40."

The dean of his medical school sent Bob to Jeffrey Jay's "Back in the World" program when the veteran became so depressed he was unable to study. He had beaten a drug problem and a drinking problem himself. "But it seems like almost everyone has trouble after about 10 years. . . . I had never discussed Vietnam with anybody. I'd never talked to my parents about it because basically my philosophy was that it happened; it was a bad deal and [now it was time] just [to] go on with your life."

Dave had himself a "nice little emotional breakdown" and a friend had scouted out the Jay program.

Peter says, once he had buried his hostility to the priest, his problems did not overtly return until last November when three things happened to him within a few weeks.

"About a week after the incident in the grocery store, I saw some of those Vietnam stamps that came out honoring the Vietnam veteran with little medals, and I remember I bought a whole sheet of them and brought them home and I wrote across them all, 'Too little and too late,' and hung it up on my wall.

"I realized then I had serious problems, a lot of anger."

Then a watch repair shop lost a watch he had gotten in Vietnam. "It had been stolen out of the repair shop. The salesman came in and he said, 'I know you bought that watch in Vietnam. It's not worth very much.' Well, I did grab him and I said, 'My watch has nothing to do with Vietnam . . . for what I went through in Vietnam I don't even want you questioning me about the damn thing.' He said, 'Look, I was in World War II. Why are you so upset?' And I said, 'I don't want to hear about your lousy World War II and how good you guys had it and how bad you had it. . . .'

"About the same time I saw a notice about Jeffrey's group. I thought, 'I never feel stress.' Then I put down the article and I thought, 'Boy, do you feel stress.' "

The group—Dave, Bob and Peter and three others—met an hour and a half a week for 12 weeks with Jay and Ken Harbert. Jay is now putting together a second group.

"At first," says Peter, "I was fearful. I didn't know if there would be guys there with limbs lost and I felt guilty going to a group because lots of people suffered a lot worse than I did and here I was being a big baby because I was scared and now I'm angry because I was scared 10 years ago.

"Well, I got in there and we sat around and I was the first one to talk and I explained why I felt angry. I said, 'I feel really p----, especially about World War II veterans because they got everything and we got nothing and I was scared and I never expressed it and now I feel real bad about Vietnam. I feel like crying and I feel like hitting somebody.' And we went around the room and everyone said the same thing."

Says Bob, "Most Vietnam vets have a tendency to stay away from each other and I don't think there's anybody who can help a Vietnam veteran any more than another Vietnam veteran. . . . Everybody's got to work out their own solution, but it's much easier if you can have contact with somebody who's had the same problems and has dealt with them.

"I would love to be able to give a remedy for Vietnam veterans," he says, "but so far in our group—basically, a first-time thing—there's no precedent to go by and it's extremely difficult to say this is therapy or this is how you treat . . . and I don't think the book is going to be written for quite a while. We'll just keep trying."

The way Jeffrey Jay puts it is this: "Even if you're doing well, you can probably do better by letting it all out and finding a way to integrate it."

"I don't think there's any Vietnam veteran that doesn't have a problem," says Bob. "And I think for probably nine years I wouldn't admit to myself I had a problem and therefore wouldn't talk to anybody about it. Basically it was too painful and it was much better if I didn't think about it. Basically if you can get to the point where you can talk about what it has done to you, that's one of the biggest therapeutic things you can do for yourself."●

GOVERNMENT THROUGH THE LOOKING GLASS, OR ALICE IN ADMINISTRATIONLAND

HON. DANIEL B. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 7, 1980

● Mr. DANIEL B. CRANE. Mr. Speaker, the administration's tax on imported oil, which will add 10 cents to the price of every gallon of gasoline we buy, is clearly inflationary—by the administration's own estimates. It will add approximately three-fourths of a percentage point to our already skyrocketing inflation rate. The tax will add about $300 to the gasoline bills of the average American family every single year.

Is the considerable damage resulting from this new tax compensated for by a significant reduction in gasoline use? No, not at all. The administration admits that the tax will only have a less than minimal impact, about a 1-percent reduction in gas use.

Apparently, the administration thinks that boosting inflation is all right as long as the leadership is perceived as "doing something, anything." Unfortunately, what they have chosen to do is punish Americans living in rural areas who have no access to public transportation. They have punished the millions of Americans who are dependent upon their automobiles for their livelihood. They have chosen to punish all of us, rural and citydweller alike, by talking against inflation and taking the one road that guarantees more inflation.

The apparent lack of direction of this administration reminds me of the conversation between the Cheshire cat and Alice in Wonderland, in which Alice asks, "Could you tell me please which way I ought to go from here?"

"That depends a good deal on where you want to go," said the cat.

"I don't much care where," said Alice.

"Then it doesn't matter which way you go," said the cat.

The Mattoon (Ill.) Journal Gazette has seen through the administration's looking-glass perception of public policy, and I commend the April 8 editorial to my colleagues.

The editorial follows:

TAXPAYERS STUCK AGAIN

Anyone who reads these columns with any degree of regularity knows that we have been a persistent advocate of a balanced federal budget.

We urged that a balance come about through reductions in spending, not by adding new taxes that will be paid by the consuming public.

Yet that is what President Carter has done in his drive to balance his 1981 budget. About the first of May the price of gasoline which you buy will go up 10 cents per gallon. This will happen because Mr. Carter has decreed a per barrel tax on imported oil beginning at once.

The obvious purpose in balancing the budget is to stop the rise in inflation which reached more than 18 percent in January and scared the president and the Congress into making a genuine move to cut the budget announced in January.

A 10-cent per gallon increase in the price of gasoline is in itself inflationary. It will immediately add about one-half point to the rate of inflation. It is being added in the holy name of conservation. But the truth is that it is being done to make possible a balanced 1981 budget.

And the 10-cent per gallon tax increase, while inflationary per se, will also have an inflationary impact on practically all commodities because prices will have to reflect the additional transportation and delivery charges.

The motoring public has already reacted to the burgeoning price of gasoline. Usage in the first months of 1980 has been less than in 1979. And hence fuel has been conserved in substantial quantities.

There are many people who have to drive to their jobs and in many places they have to drive just to get around where public transportation is non-existent or unsatisfactory.

And don't think this tax will go away. Mr. Carter has already said that he will ask the Congress to raise the present federal tax of four cents per gallon to fourteen cents in the future when the import tax is lifted.

There were many other ways that the budget could have been balanced without this tax which is garbed in the name of conservation.

Just last year, for instance, the then Department of Health, Education, and Welfare admitted that it has wasted or squandered $7 billion. Was its budget cut by that much? Don't be foolish.

The federal government abounds with waste like the masseurs who are paid to massage congressmen and the 57 members on the staff of Mrs. Carter.

The burden has landed where it always does—right on the back of the poor citizens whose taxes always pay the way.●

ENERGY CONTROLS RAISE PRICES TOO

HON. WILLIAM E. DANNEMEYER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 7, 1980

● Mr. DANNEMEYER. Mr. Speaker, last Friday the Washington Post carried a little story in its business and finance section that should be required reading for everyone concerned about control or decontrol energy policy. The gist of it was that the Department of Energy, pursuant to its entitlements program, has ordered Ohio's largest gasoline retailer to boost—yes, raise—its gasoline prices by 10 cents a gallon at the pump, to bring those prices into line with those being charged by independent gasoline marketers.

The rationale being offered for this remarkable order is that Sohio, the firm in question, was able to charge only $1.01 per gallon—a price independents could not match—because of a subsidy it receives on Alaskan crude oil under the entitlements program. So, to make up for one injustice, DOE is going to perpetrate another on Ohio gasoline purchasers.

Two wrongs do not make a right, or so the saying goes, and particularly not in this instance. Ostensibly, the purpose of the entitlements program is to equalize costs for U.S. refiners of crude oil. But instead of equalizing costs, it raises them; to wit, this case in Ohio simply corroborates the finding of a 1975 Presidential task force which indicated that the entitlements program costs consumers $900 million to $1 billion per year.

The ultimate irony of all this is that this element of Government control simply was not necessary. As the Post article points out, free market forces would have resolved any inequities without resort to an expensive Government program. Likewise, if the free market were permited to operate with regard to prices as well as supplies, the greatest supply at the lowest total cost would result. All Federal regulation does is hide the true cost of energy on the one hand while raising it unnecessarily on the other.

While it may be of little consolation to those Ohioans who will have to pay 10 cents a gallon more for gas, if this episode points up, as it should, the counterproductive nature of entitlements programs, allocation systems, price controls, and Government regulation of energy development in general, it may have served a useful purpose. Instead of trying to refine Government regulation of energy prices and supplies, what we need to do is eliminate such regulation altogether, and the sooner we do it, the quicker we can avoid repetition of DOE's bungling.

Just in case my colleagues did not see the writeup on the latter, and would like to refer to it, I insert the May 2, 1980, article entitled "Boost Pump Prices, U.S. Tells Sohio" which appeared in the Washington Post, in the RECORD at this time:

BOOST PUMP PRICES, U.S. TELLS SOHIO

(By Peter Behr)

Looking a little like Br'er Rabbit in his battle with the tar baby, the Energy Department yesterday ordered Ohio's largest gasoline retailer to boost its pump prices by 10 cents a gallon.

The price increase, imposed on Standard Oil Co. (Ohio), was meant to bring Sohio's prices in line with other Ohio gasoline marketers, particularly a group of independent dealers who protested that their inability to compete with Sohio's low prices was driving them out of business.

Sohio, had been selling regular gasoline for a low as $1.01 a gallon recently, thanks to a subsidy it receives on Alaskan crude oil shipments to its gasoline refineries. The subsidy is created under the Energy Department's entitlements program, which is meant to equalize the costs all United States refiners pay for crude oil.

But the effort to undo the effects of the subsidy in Ohio by Marvin Goldstein, head of the Energy Department's Office of Hearings and Appeals, plunged the department into new controversy yesterday.

Rep. Lyle Williams (R-Ohio) called for a congressional investigation.

Goldstein's order could force Sohio to add the 10-cent surcharge to its pump prices for three months while the Energy Department tries to untangle the regulatory conflicts.

In the short run, the order amounts to a $14 million federal tax on Sohio's gasoline over May, June and July because Goldstein directed that proceeds from the added gasoline charge be paid to the Treasury.

He left open the possibility of a revision in regulations that would include the $14 million in the pool of funds that oil companies pay each other to equalize refiners' crude oil costs.

Jack Blum, representing independent gasoline marketers, had complained that Sohio, Exxon Corp. and Arco—the principal importers of Alaskan crude oil—had a price break of between $4 and $7 a barrel thanks to the entitlements program.

The concession had been granted initially to permit the companies with Alaskan oil to compete with domestic oil companies that didn't face the high costs of transporting the Alaskan crude to the lower 48 states.

But the steady escalation in oil prices worldwide and in the United States has permitted the Alaskan oil producers to compete readily with domestic refiners.

Sohio, in a statement yesterday, said it will take the Energy Department to court.●

HERBICIDE EXPOSURE

HON. LES ASPIN

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 7, 1980

● Mr. ASPIN. Mr. Speaker, I am very concerned, as I hope my colleagues are, about the health effects of herbicide exposure on our Vietnam veterans. I have been contacted by veterans and nonveterans alike about this issue. Most of them are quite concerned that the Veterans' Administration and the Department of Defense have displayed an irresponsible and insensitive attitude toward veterans who feel they have been afflicted with illnesses attributable to herbicide exposure.

There is no question that thousands of veterans were in fact exposed to herbicides while in Vietnam and there is little question about the potential health hazards that exposure may cause. There is documentation that dioxin causes cancer and birth defects in lab animals. And now there is documentation available that dioxin causes cancer in humans as well. An epidemiology study performed by Hardell and Sandstrom in Sweden showed that exposure to phenoxyacetic acids caused a six-fold increase in the risk of obtaining soft tissue sarcomas.

The VA has yet to comment on these studies and appears likely to try and discredit them. Nevertheless, it is imperative that the VA speed up their efforts to resolve the health questions raised by exposure to chemical herbicides. Already, Vietnam veterans have had to wait 10 years. It will be a national tragedy if they have to wait another 10 years for the resolution of this matter.●

LONG-TERM EFFECTS OF THE HOLOCAUST

HON. STEPHEN J. SOLARZ

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 7, 1980

● Mr. SOLARZ. Mr. Speaker, recently I participated in a special ceremony commemorating the 37th anniversary of the Warsaw ghetto uprising, at which Rosie Nebenhaus, who works in my district office, delivered a most moving address. Ms. Nebenhaus, whose parents are both survivors of the holocaust, discussed several of the long-term effects the holocaust has had not only on those who endured confinement and torture in concentration camps but on their offspring as well.

Ms. Nebenhaus' speech was a compelling reminder to me, and to all others present at Brooklyn's Shorefront YM-YWHA for the ceremony that day, of the crucial importance of both heightening the understanding and perpetuating the memory of the holocaust experience around the world. Mr. Speaker, I insert the text of the speech in the RECORD so that my colleagues and other readers may, as I was, be inspired by its eloquent message:

SPEECH OF ROSIE NEBENHAUS ON THE WARSAW GHETTO UPRISING

It is indeed an honor and a privilege for me to address you today to commemorate the 37th Anniversary of the Warsaw Ghetto Uprising and to perpetuate the memory of the Six Million Jewish men, women and children who perished in Europe at the hands of the Nazis. It is an honor for me to speak before this audience, the majority of whom are survivors of the Holocaust, including my own parents, and aunts and uncles who are with me today, and to share with all of you, my feelings and thoughts about the effects of the Holocaust on the second generation—the children of survivors. And finally it is truly a great honor for me to participate in this commemoration with a man who is recognized the world over as a champion of human rights and civil rights, and who has an unyielding commitment to the dignity and preservation of life—Jewish life and non-Jewish life—around the world. That man is, of course, Congressman Steve Solarz.

Thirty-five years has passed since the end of World War II and the liberation of the death camps. It is now time for the children of survivors to find out what happened to their parents during the war.

Many parents never told their children of their camp experiences because they were afraid that this information would harm them. Children were afraid to ask questions because they didn't want to find out how truly horrible it was for their parents and they also didn't want to bring up painful memories for them. The majority of children who did ask questions soon found that they could not remember the answers for more than a short time anyway.

It is also time for the children to learn what effects their parents' camp experiences have had on them. There is no doubt that the "second generation" children's psyches, behavior, and values have been affected by their parents' experiences during the Holocaust. Numerous studies have been done on the effects of the camp experiences on the survivor. But in recent years, psychologists and psychiatrists have also been studying the effects of the survivors' experiences on their children. For the most part, the studies have shown that children of survivors are remarkably well-adjusted and highly successful. Studies have also shown that the survivors themselves are also well-adjusted and highly successful, and that there exists a mutually loving and respectful bond between parents and children. There are, however, a good many exceptions to this rule and there are documented instances of severe pathology in both these groups.

As I started to say before, there has been a "Conspiracy of Silence" for most survivors. Survivors didn't talk much about their war experiences, to their children, in order to spare them pain, but neither did they talk to anyone else. It was too horrifying for most people to hear about the atrocities and in addition many people felt guilty because they were spared. But the children knew of the horrors. They saw it in their minds, they felt it in their hearts and they felt it in their guts. Many children were told, but the majority got it through osmosis—they felt the terror, the pain, the agony, the loss and the mourning.

The children could tell what their parents' experiences were like by how their parents distrusted the outside world, especially the gentile figures in uniform, or how their parents agonized over having to make decisions. Making a decision in the camps—choosing to go right or left—meant the difference between life and death. The children of survivors could tell what it must have been like because of the pervasive worry and despair that filled the home, and the inability of their parents, sometimes, to cope even with the smallest of changes. Children sensed that their parents would never be truly happy because they lost everything and everyone they loved.

Every illness became a catastrophe. Every trip that a family member made meant the possibility that that family member might never return. I can tell you that even now, whenever I take leave of my parents, a deep and dark thought comes into my mind for a split second and says "this might be the last time you'll ever see them." And I can recognize that same thought on my mother's face ever time I leave in a car or on a plane.

That is why so many children of survivors live at home longer than most other children. It has even been discovered that family members sometimes check on each other's breathing to make sure that they are alive. Loss is a common theme for children of survivors. Children of survivors have been deprived of a heritage where family members die of natural deaths. To children of survivors, love very often means loss and death. I would like to tell you about this game I played with God when I was 8 or 9 years old.

When I was 8 or 9, I challenged God to a game. I said to Him, "God, I'm going to make a list of every way and every means by which a person can die—ways like disease, heart attack, cancer, getting shot, getting stabbed, getting hit by a train, falling out a window." The list took me a week to complete. After it was finished, I summoned God and said to Him, "The only way that you can take my parents from me is by coming up with a way to die that I do not have on my list." I'm happy to report that I won that game. My parents are still alive.

The survivor parents often told their children that since they lost their entire family in Europe, they only lived for their children. Children of survivors often heard, "You're all I have now." This poses an immense burden on the children and an awesome responsibility to BE something, to replace all their dead relatives, especially their murdered half siblings. They feel that they must be "Wunderkinder"—miracle children—born out of the ashes. This responsibility, to turn into a successful, happy child, is compounded by the need to shield their parents from pain. Many children of survivors never tell their parents anything they think might be painful for them. Many children, when they were younger never told their parents when they got sick at school or when they were taunted by other children.

Children of survivors often feel, "How can I make my parents suffer, when they have suffered so much already?" And the worst possible thing a child could hear if they did hurt their parents was, "Is this what I survived Auschwitz for?"

Perhaps the most pervasive feeling in the children of survivors is the wish to undo the Holocaust for their parents and the helplessness that comes from not being able to do so. I know that sometimes I feel that I would give anything, do anything, even give up my life, to undo it.

Children of survivors have a heightened sensitivity to suffering—anyone's suffering—but particularly to a family member's suffering. One of the ways children channeled the feelings of helplessness at not being able to undo the Holocaust was to choose careers in the helping professions. An overwhelming number of children of survivors are social workers, doctors, psychologists, teachers and lawyers. Since children of survivors have been cast in the helping role their whole lives anyway—acting not as children, but often as parents to their parents—functioning as advocates, mediators, arbitrators, filling out forms, negotiating with authorities and so on—the transition seems almost natural.

One of the most dramatic effects of being a child of survivors is that we very often cannot be silent in the face of injustice. Many children of survivors feel that the Holocaust, although for them a uniquely Jewish tragedy, has major universal implications. Fighting against racial genocide in other countries, the oppression of minorities, and other liberation struggles are activities which many children of survivors are engaged in. The meaning of the Holocaust has moved us out of inertia and apathy and energized us into action. I have an overwhelming feeling that even though it's been 40 years since Nazi Facism embarked on its crusade to annihilate the Jewish people and other non-Aryans, little really has been done to learn or act upon the lessons of the Holocaust. Nazism and other forms of oppression are alive today. The racist policies of Adolf Hitler are practiced in the Soviet Union, Cambodia, Latin America, and other countries. Political repression and the utter contempt for human rights, exhibited by Nazism, are destroying freedom in many parts of the world today.

Any time a human being—Jew, Vietnamese, Black, American Indian—is thought to be an untermench—less then human vermin to be stepped on and obliterated—we open the door for another Holocaust. Nothing is more precious to me than human life. No one can be less than human to me. No one deserves less than the basic rights of freedom, justice, and liberty.

I also believe that there are forces in this country even today that operate very much the same way that the Nazis did. These are the new right forces that blame particular groups of people for all the problems in the world. The American Nazis, Ku Klux Klan and other rightist groups blame Jews, Blacks, women, union members. You know Hitler expounded that Jews were the single and simplest explanation for what went wrong in Germany. Some of these extreme rightist groups go as far as to use God to justify their reasons for hating and wanting to destroy certain groups, just as Hitler did in Mein Kampf, when he claimed that by "defending himself against the Jews, he was fighting for the work of the Lord." That is a great distortion of religion. We cannot afford to permit any of this to continue in the United States.

I see the task for children of survivors as twofold. The first is being committed to the lessons of the Holocaust and to strengthen our understanding of all aspects of the Holocaust, but particularly the reasons for how and why Nazi Facism arose in Germany. We must use this knowledge now to find ways of eradicating Nazism, Fascism, and Racism from the face of the earth.

The second part of the task, I believe, is directed toward being committed to preserving the Jewish heritage and the love for the Jewish people and never forgetting the 6 Million Jewish people—our grandparents, our aunts and uncles, our cousins, our half brothers and sisters—who perished in the Holocaust. They should not remain nameless and faceless people.

To remember them and the entire Holocaust experience, we must learn to disseminate true and accurate information about the Holocaust, since we were taught so inadequately about this subject in the public schools, universities and yeshivas. For example, the world knows little or nothing about the other side of the Holocaust picture—Jewish resistance, how the Jews struck back at their tormentors. The epic Warsaw Ghetto uprising is famous, but it is not widely known that in almost every ghetto and in every labor and concentration camp, there existed a Jewish underground organization that kept up the prisoners' morale, reduced their physical suffering, committed acts of sabotage, organized escapes, collected arms and planned and carried out revolts. It filled me with pride to learn that in my father's ghetto of Chezochova, a revolt was carried out. It also filled me with pride to learn of the many underground fighters who were women. The tremendous courage of the resistance fighters needs to be told and passed on from generation to generation, just as every survivor's experiences need to be told and passed on from generation to generation.

I will always wonder how such crimes, such horrors, could have been committed. I will never know this or why some chose murder and others martyrdom. All my questions about the Holocaust only lead me to anguish—but it doesn't lead me to despair.

The most truly heroic and astounding fact about the Holocaust to me is how in the face of these horrors, so many Jews continued to have faith and hope—the resistance fighters helped, the spiritual leaders helped, the gallows humor helped, even the songs like the Vilna Partisan's Hymn—"never say you walk the final road," helped.

I want to leave you with something that means a great deal to me. It's a passage from "The Diary of Anne Frank." Like so many children of survivors, for a very long time, I could not bear to read or watch anything having to do with the Holocaust. It was only a few months ago that I read "The Diary of Anne Frank," and I can't tell you what an impact this young girl's writing had on me. I'm going to read to you Anne Frank's entry dated, July 15, 1944. She wrote this 8 months before she and her family were captured and her subsequent incarceration at Bergen-Belsen, where she died of Typhus at the age of 16, two months before liberation. "It's really a wonder that I haven't dropped all my ideals, because they seem so absurd and impossible to carry out. Yet I keep them, because in spite of everything, I still believe that people are really good at heart. I simply can't build up my hopes on a foundation consisting of confusion, misery, and death. I see the world gradually turned into a wilderness. I hear the ever-approaching thunder which will destroy us too. I can feel the suffering of millions and yet, if I look up into the heavens, I think that it will all come out all right, that this cruelty will end, and that peace and tranquility will return again.

"In the meantime, I must uphold my ideals, for perhaps the time will come when I shall be able to carry them out."

Anne, you were not able to carry them out—but there are many of us—children of survivors and other peace-loving people—who will fight for justice and truth, who will not forget you, who will not forget the millions who perished in the Holocaust, who will not forget the hundreds of thousands who survived the Holocaust, and Anne, we will carry them out for you.●

CONGRESSMAN PETRI POINTS TO CUBAN REFUGEE LESSON

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 7, 1980

● Mr. ASHBROOK. Mr. Speaker, in his weekly report to his constituents, my colleague, TOM PETRI, points out the essential lesson of the mass Cuban escape to the Peruvian Embassy grounds in Havana: the Communist world is seething with people who want to get out of it. This is an obvious fact, as the Berlin Wall and all the barbed-wired borders around every Communist country make clear, but we must not let the obviousness of this fact prevent us from pointing it out, again and again, at every opportunity, as Mr. PETRI has done.

Even for those who do not attack communism for religious or moral reasons, this simple fact should be enough to discredit it: Communism is a system under which human beings, given any choice at all, do not want to live. However much we may criticize the popular targets of liberal rage, South Africa, Middle Eastern monarchies, or Chile, the fact is that only one system on Earth resorts to barbed wire, mines, machineguns to keep its people in.

I congratulate Mr. PETRI for focusing on the important point of what, to far too many people, is just another news story.

The complete text of Mr. PETRI's weekly report for April 23, 1980, follows below:

WEEKLY REPORT FROM CONGRESSMAN TOM PETRI

The first wave of Cubans seeking asylum from Castro's Communist rule were airlifted out of Havana last week. The remarkable story of this mass exodus to freedom began the week of April 4 when officials at the Peruvian embassy in Havana opened the embassy gates to admit refugees fleeing Cuba. Almost immediately, the grounds were jammed with some ten thousand people who left everything behind for a chance to go to Peru.

Some ten thousand people suddenly presented an opportunity to flee their country. They seized that opportunity in a flash. In our own country and around the world, we often hear people extol Cuba as a great model society. But let's not be deluded.

Those ten thousand people in Havana had no illusions about the regime under which they lived. They were willing to do almost anything, go almost anywhere, just to get away from it. Their courageous choice dramatically exposes the true, repressive nature of the Castro regime.

Our own nation is far from perfect, and the other free world countries have their faults as well. But why has there never been a flood of refugees to Cuba, to Russia, to Vietnam, to mainland China or to any communist country? That question needs no answer. It's a testimony to the basic underlying strength of our system, regardless of dips in prestige, foreign policy reverses or economic troubles.

I hope that those in Latin America and elsewhere who are tempted to emulate the Cuban regime will take careful note of the message sent to them by the refugees in Havana. I hope that our diplomats will lose no opportunity in bringing this message home to the peoples of the world.●

UNITED STATES-SOVIET DISCUSSIONS ON AFGHANISTAN PRIOR TO THE SOVIET INTERVENTION

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 7, 1980

● **Mr. HAMILTON. Mr. Speaker, on January 30, 1980, the Subcommittee on Europe and the Middle East of the Committee on Foreign Affairs held a hearing with Marshall D. Shulman, Special Adviser on Soviet Affairs to the Secretary of State, to review the status of United States-Soviet relations in light of the Soviet invasion of Afghanistan. Several members were interested about when we first had indications of ominous Soviet activity in and near Afghanistan and what representations, conversations, and warnings our Government made to the Soviet Union about these activities.**

In order to try to get a more complete picture of our communications with the Soviet Union prior to their invasion of Afghanistan additional information was requested for the public record. We had an exchange of letters which sought to clarify the substance, time, and nature of United States-Soviet contacts in the period of August to December 1979, before the invasion of Afghanistan.

This exchange of letters provides some useful new information but does not explain why strong representations were not made during the fall of 1979. One interest in probing this was to determine whether the Soviet drive into Afghanistan could have been blunted in its final stages through forceful diplomatic representations to the Soviet Union. There should be important lessons which could be drawn from this period for the future if we can ever accurately determine precisely what happened in the period starting August 1979.

The correspondence with the State Department follows:

DEPARTMENT OF STATE,
Washington, D.C., February 12, 1980.

Hon. LEE HAMILTON,
Chairman, Subcommittee on Europe and the Middle East, House Foreign Affairs Committee, House of Representatives.

DEAR MR. HAMILTON: This is in response to your request during my appearance before your Subcommittee on January 30, 1980, for further information about discussions between the U.S. and the Soviet Union prior to the Soviet invasion of Afghanistan.

As I mentioned to you during my testimony, we discussed Afghanistan with representatives of the Soviet Union both here and in Moscow on five occasions in December before the invasion. In each case, the level of discussion was such that there could be no mistake about the authority and official character of the discussion.

The dates on which such discussions occurred were:

December 8, 1979;
December 11, 1979;
December 15, 1979;
December 17, 1979; and
December 27, 1979 (before news of the invasion).

In addition to the foregoing confidential discussions, we undertook to bring the issue into the public domain on several occasions, with the twin objectives of increasing awareness of the possibility of Soviet action and signalling to the Soviet Union that the matter was of sufficient concern to volunteer information publicly. The first such occasion was December 4, when Department Spokesman Hodding Carter addressed the question of Soviet presence in Afghanistan in the press briefing; a text of Mr. Carter's statement is enclosed. Additional information was provided to the press on December 12 and 15. On December 22, a responsible official of the Department held a background session for the press. Coverage of this background session was quite extensive as can be seen in newspapers published on December 23.

We also undertook during December to alert allied nations and a number of other countries with whom we had been consulting for some time about the Afghan situation. This was done through approaches in diplomatic channels.

I am not able to provide texts or detailed records of our diplomatic communications with the Soviet Union on this matter. However, with Secretary Vance's authorization I can characterize these exchanges as unsatisfactory Soviet responses to our expressions of concern about their intentions.

Only when we raised urgently with them the massive military airlift which occurred over the Christmas weekend did the Soviets acknowledge their military action, which they claimed was taken to meet "outside threats" to Afghanistan, allegedly pursuant to a request by the Afghan Government. They claimed their military action was limited and that troops would be withdrawn when no longer needed. By this time, the takeover in Kabul was already in progress. They took the initiative in volunteering similar statements to many other governments in the 24 hours following the invasion and coup in Kabul.

I hope the foregoing is helpful to you and your Subcommittee. If I can be of further assistance in clarifying the steps we took, I would be most happy to do so.

Sincerely,

MARSHALL D. SHULMAN,
Special Adviser on Soviet Affairs to the Secretary of State.

Enclosure.

MARCH 18, 1980.

Hon. MARSHALL D. SHULMAN,
Special Adviser on Soviet Affairs to the Secretary of State, Department of State, Washington, D.C.

DEAR MR. SHULMAN: I want to thank you for your letter of February 12, 1980 in reply to my verbal request made during your appearance before my Subcommittee on January 30, 1980 for additional information concerning official contacts between our government and the Soviet government concerning Afghanistan prior to the Soviet invasion.

I must say that I was hoping for a more substantive account of those discussions and a more thorough explanation of the timing of those discussions. While appreciating the fact that those December discussions with Soviet officials in Washington and in Moscow were confidential, it is my judgment that you should be able to describe in considerable detail how we presented our position, what their response was, what questions we posed to them, what answers they gave, and what consequences for SALT and overall relations we mentioned and what probing they did of our potential reaction.

It seems to me that if you are only able to characterize these U.S.-Soviet exchanges as "unsatisfactory Soviet responses to our expressions of concern about their intentions", then you deny the Congress and the American public an opportunity to evaluate Soviet intentions and responsiveness and to have any input into how to make our policy and intentions clearer and sharper to the Soviet Union. Therefore, I hope you will be able to provide the Subcommittee with a more complete description of those discussions.

I and members of my subcommittee were also particularly interested in the timing of the discussions with the Soviets when viewed in relationship to intelligence reports, starting in the summer of 1979, of ominous Soviet military activity toward Afghanistan. You mentioned in your testimony, for instance, that we had intelligence reports in August of Soviet military activities which indicated aggressive intentions toward Afghanistan. You also stated that there was a high-level Soviet military visit to Afghanistan in October. If this is an accurate reading of your testimony, then, why did our government wait until December to make any official presentation or protest to the Soviet government. Weren't there reasons why we should have communicated immediately in August and repeatedly thereafter to the Soviet government concerning the risks involved of their deepening their military involvement in Afghanistan. I hope that you can also provide for our hearing record answers to these questions regarding our intelligence reports and the timing of our discussions with the Soviet government.

I appreciate your further assistance in clarifying these questions which certainly seemed to me to be the thrust of questions put to you by me and the members of my subcommittee.

With best regards.

Sincerely yours,

LEE H. HAMILTON,
Chairman, Subcommittee on Europe and the Middle East.

DEPARTMENT OF STATE,
Washington, D.C., April 10, 1980.

Hon. LEE HAMILTON,
Chairman, Subcommittee on Europe and the Middle East, House Foreign Affairs, Committee, House of Representatives

DEAR MR. HAMILTON: Your letter of March 18, 1980, goes to the heart of the problem of deterring Soviet actions that adversely affect international stability and our interests. While I regret that I cannot be more explicit about the substance of our discussions with the Soviets regarding Afghanistan, I recognize the serious purpose of your inquiry and perhaps can contribute some further clarification of the nature of the situation in the latter part of 1979 and our responses to it.

I agree with your emphasis on the importance of making our intentions and policies clear to the Soviet Union, and indeed this is what we sought to do with respect to Afghanistan. However, the weight of our views was diminished by the frayed state of US-Soviet relations and the fact that we had already invoked the prospect of damage to US-Soviet relations and SALT on several other issues. Moreover, the brazen way in which the Soviets moved to topple Amin was unexpected; we believe even the Soviets did not expect events to develop quite as they did. Our approaches to the Soviets before the invasion were all made in the context of our concern about any increased Soviet military role in Afghanistan, and I can assure you categorically that our communications with the Soviet Union were such as to leave no doubt in their minds about the seriousness with which we would regard their military intervention in Afghanistan.

The visit to Afghanistan of General Ivan Pavlovskiy, Chief of the Soviet Ground Forces, for two months between August and October 1979 was certainly an indication of a Soviet dilemma about how to resolve the military problems of the Kabul regime, as I pointed out in my testimony before your Committee last October. But actual Soviet movement of troops and equipment towards Afghanistan was observed only in late November, prompting us to make the December approaches to the Soviets cited in my letter of February 12.

In my view, we acted as promptly and as forcefully as the evidence warranted. The Soviets could have been under no misapprehension about our attitude. They simply underestimated or chose to disregard the international political storm that would greet their clumsy interference in Afghanistan, just as they underestimated the difficulty of pacifying this fiercely independent country.

I have once again consulted with Secretary Vance about your request for further details of the intelligence available to us and the content of our discussions with the Soviet Union, and I regret that I am not authorized to add to the information previously supplied, owing to the sensitive nature of the sources and the diplomatic discussions involved.

Sincerely,

MARSHALL D. SHULMAN,
Special Advisor on Soviet Affairs
to the Secretary of State.

COMMITTEE ON FOREIGN AFFAIRS,
HOUSE OF REPRESENTATIVES,
Washington, D.C., April 16, 1980.

Hon. MARSHALL D. SHULMAN,
Special Adviser on Soviet Affairs to the Secretary of State, Department of State, Washington, D.C.

DEAR MARSHALL: Thank you for your letter of April 10, 1980 in response to my letter of March 18, 1980.

In your letter, you mentioned the two-month visit of General Ivan Pavlovskiy, Chief of the Soviet Ground Forces, to Afghanistan between August and October 1979. Several questions arise: Did we make representations to the Soviet government regarding this extended visit? When did we speak to them about it, where, what did we say, and what did they say to us?

I appreciate the sensitivities of discussing certain diplomatic exchanges except in very general terms but the fact of those discussions and their timing cannot be considered sensitive information.

I appreciate your attention to this matter.

With best regards.

Sincerely yours,

LEE H. HAMILTON,
Chairman, Subcommittee on Europe and the Middle East.

DEPARTMENT OF STATE,
Washington, D.C., May 1, 1980.

Hon. LEE HAMILTON,
Chairman, Subcommittee on Europe and the Middle East, House Foreign Affairs Committee, House of Representatives.

DEAR LEE: This is in response to your letter of April 16, 1980, asking whether the United States made representations to the Soviet Government about the visit of General Ivan Pavlovskiy to Afghanistan between August and October 1979.

We did not approach the Soviet Government about Pavlovskiy's visit, the mission of which was not clear at the time. His presence in Afghanistan, which was never publicly acknowledged by the Soviet Union, was one of several phenomena that prompted us to state publicly during this period our strong view that there should be no interference in Afghanistan's internal affairs. For example, the Department Spokesman reiterated this policy at the daily press briefing on September 19, 1979, in the context of the events surrounding President Taraki's replacement by President Amin and ambiguous military activities in the USSR north of the Afghan border. I similarly stated our policy in my prepared statement to your Subcommittee on October 16.

I might add that we did consult during this period with a large number of countries having interests in the region or a stake in Afghanistan's continued independence and nonalignment, with the object of focusing their attention on the Soviet military role in Afghanistan.

Sincerely,

MARSHALL D. SHULMAN,
Special Adviser on Soviet Affairs,
to the Secretary of State.●

A SOLUTION TO OUR ECONOMIC AND ENERGY PROBLEMS

HON. DAWSON MATHIS

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 7, 1980

● Mr. MATHIS. Mr. Speaker, our Nation must quickly recognize that inflation and energy are closely tied. I read with great interest an advertisement prepared by a distinguished automobile dealer from South Carolina that addressed the issues. Mr. Bill Hancock, former president of the National Automobile Dealers Association, published the following message that I ask to share with my colleagues:

A SOLUTION TO OUR ECONOMIC AND ENERGY PROBLEMS

The President, your Congressmen and Senators can solve the critical economic and energy problems facing the nation.

The roots of these problems are two-fold: First, spiralling inflation caused by the high price of imported oil; Second, our government is spending more than its income.

Our country had a world trade surplus every year from 1896 to 1970. In this seventy-four years, we had little inflation and interest rates were low.

The last trade surplus was in 1975. Inflation at that time was 4 percent interest was 6 percent.

Today, with a projected $80 billion world trade deficit for this year alone, inflation is currently at 14 percent and interest rates are at 20 percent.

Topping the list of imports which produce the deficit is oil averaging $1 billion every four and one-half days. We would now have a $20 billion trade surplus if we imported no more oil in 1979 than we did in 1970. Our continuing demand for high-priced foreign oil has us literally over the barrel.

Several alternatives have been proposed: conservation; nuclear; solar; and decontrol of oil prices to make it possible for companies to spend the additional money necessary to extract heavy oil.

However, the surest and fastest way is through a domestic synfuels industry—oil manufactured from coal, tar sands and shale. Programs to achieve this objective must be expedited. We have enough oil in coal to satisfy the country's current oil needs for 700 years, enough in tar sands for 200 years, and enough in shale for 400 years.

The surest and fastest approach is shale. We have 200 times more proven reserves of oil in shale than in conventional crude oil. This represents over 2,400 billion barrels of oil—more than 4 times the conventional oil reserves of the world.

Producing oil from shale is not new. The process was first developed in Scotland in 1894. China has been successfully producing oil for its refineries from open-pit oil shale mines since the late 1930's. In fact, our research and development plants were so effective that by the early 1950's government plants on government lands in Colorado demonstrated the technology.

We know how to produce oil from shale. Producing oil from shale has four distinct advantages;

First, we can do it safely, effectively and economically. Today many companies have successful research and development and demonstration programs. These programs need to be pushed to full-scale commercial operations.

Second, the U.S. has an abundance of proven shale oil reserves. It can produce oil of low sulphur content and its use would tend to reduce auto and power plant emissions.

Third, it can be produced price-competitively. Estimates range from $20 to $26 per barrel. Some say for less than petroleum, if we consider exploration costs for oil, and if we consider by-products available from shale. We are now paying $37 per barrel on the spot market to OPEC. Economists tell us when we produce 1 million barrels of oil a day from shale, the price of that oil—rather than the price dictates of the OPEC nations—will determine the world price of oil.

Fourth, 84 percent of our oil shale is on government land which the President can release by executive order. Congress can also pass legislation necessary for the development.

Here is what all citizens must do. Contact the President, your Congressman, and your Senators. Tell them government must solve the energy problems. Tell them a shale oil program can cut our dependence on foreign oil and stop the primary cause of inflation. An oil shale industry will create jobs. Billions now going tax free to OPEC will be subject to U.S. taxes, allowing for funding of worthwhile U.S. programs.

The NAACP said it best; "Give us jobs, not handouts."

Here is what Congress and the President must do. History shows us there are two essentials in our ability to control inflation:

First, we must have a trade surplus. Second, we must have a balanced budget. The only way to have a trade surplus is through self-sufficiency in energy. The only way other than nuclear is through synfuels. We have an abundance of oil in coal, tar sands and shale. Shale is by far the most advanced and best way. Our best reserves are in a concentrated area—Colorado, Utah and Wyoming. In one 100 square mile area of the Piceance Valley of the Green River Basin in Colorado, in the most barren of lands in a remote area, there is enough oil in shale to last this country for 100 years.

The President must open government lands and adopt policies to expedite the economic mining of shale. He must insist on—and the Congress must pass—a balanced budget. The Congress must adopt legislation to insure there are no financial, environmental bureaucratic or other delays in the efficient extraction of oil from shale. This they can and should do now.

The government and the nation's energy companies have, in the past ignored oil extraction from shale. Individual companies or joint ventures should be formed to lease selected areas of government land with proven amounts of shale oil. Within five years, these companies should be required to meet specific, but obtainable goals leading to U.S. energy independence. Conservative estimates predict 5 million barrels of oil a day will be produced in a 100 square mile area of Colorado alone.

In the interim, in a six-month period we can convert stationary power plants now using oil to gas. This will free 3 million barrels of oil a day and cut our dependence on foreign oil in half. We will only have to import oil from Canada, Venezuela and Mexico.

The U.S. has an abundance of gas. It is estimated the additional gas used until shale oil is available will only reduce our known reserve of gas by 1 year.

It is up to every citizen to contact his Congressman and Senators and insist on these measures. If we don't, we only have ourselves to blame.

It has been said there are 10 two-letter words to live by: "If it is to be—it is up to me."●

POLISH CONSTITUTION DAY

HON. HENRY J. HYDE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 7, 1980

● Mr. HYDE. Mr. Speaker, on Sunday May 4, I was invited to address the Washington area division of the Polish American Congress as they celebrated Polish Constitution Day at Catholic University.

My remarks follow, and I hope some of my colleagues will find them of interest:

POLISH CONSTITUTION DAY

I am honored to speak to you today in commemoration of the 189th anniversary of the Polish Constitution of 1791.

This celebration today—and in those few parts of the world where men and women are free to assemble and speak their minds and express their hearts—is a testament to the enduring ideals of human dignity and liberty embodied in that precious document.

It is supremely ironic that the Communists forbid acknowledgment of the Polish Constitution—as though they can efface the pages of history and supplant the celebration of freedom on May 3rd with the mockery of May Day.

We hear so often that the Soviet Union is only seeking peace, and our own halting efforts at strengthening our military capabilities are a threat to that peace. But peace is a word of many colors—the peace of the victor is not that of the vanquished. The brave Afgahni people now know that too well. There is the peace of the prison and of the grave and the peace of the slave. Such peace is beneath the contempt of honorable men.

Those of us who have known war—counted its wounded and buried its dead—have wept over its smoking cities and scorched earth, its hungry young and its homeless old—do not cherish peace any less—but we must insist that if the price of this peace is submission to the dehumanization of Communism, then it is a price we will not pay.

The outstretched hands of the boat people of Vietnam and Cuba signal to even the willfully ignorant that life under Communism, no matter where, is literally Hell on earth.

Thomas Aquinas, in commenting upon Sacred Scripture tells us of the "evil peace, which our Lord came not to send upon earth." (Matt. 10:34) And so we gather today to reaffirm our faith that resistance to tyranny is truly obedience to God.

The universality of the ideas of freedom and justice and human dignity is remarkably evident when you consider that in America our own glorious Constitution of 1789 embraced the same philosphy as the Polish Constitution of 1791. So different in history and heritage, so many continents apart, and yet these same aspirations found imperishable expression in these two documents, one American and the other Polish—two nations who possessed a love of God and a shared sense of human destiny.

Our capacity for self-deception was never more clear than on August 1, 1975, when we and 34 other nations signed the Helsinki Accords. Have not the Soviets told us incessantly that only those acts are moral which further the class struggle? We had no right to expect them to respect the basic rights of man set forth in these Accords. But we believe what we want to believe, and so once more the hopes and prayers of the people in the Captive Nations go unfulfilled. We lament this—and we shall remember.

To return home for a moment, it would be wrong to assume that even here there is no discrimination against Americans of East and South European origin. In our government's zeal to provide equal opportunity to minority groups, the entire machinery of government has been mobilized to enforce affirmative action goals which have the effect of making some of our citizens more equal than others.

In 1957 Congress established the Civil Rights Commission, and from that day to this, this Commission has done virtually nothing to study and report on discrimination affecting East and South Europeans. Blacks, women, Hispanics and Indians get a lot of attention, but the rest of us are not much noticed.

One of the strongest fighters for justice and equality in our government is Senator Jesse Helms of North Carolina. He has taken action to mandate the Civil Rights Commission to direct some of its attention and resources to this problem. In June of 1979, he amended the law, to authorize the Commission to report to Congress on this ethnic discrimination. As a result, the Commission held a "consultation in Chicago on December 10 and 11, 1979. To date, nothing has been published concerning this consultation and you can be sure that Senator Helms and I will persist in our efforts to get the Civil Rights Commission to carry out its mandate in an even and fair fashion.

This year has been identified as the Year of the Child. When one thinks of children, the institution of the family comes instantly to mind. It is the family which provides the basic unit of society, and where the values and morality that guide us all are instilled and take root and flourish.

The genius of the Polish people—and of the millions of East Europeans—is their particular devotion to the family. It is in the family that one's ethnic identity and cultural appreciation develop. It is in the family that love of God, respect for parents and love of country are nurtured. If a child is fortunate enough to have Polish parents, he soon learns that the word DUTY is as important as the word "right."

There are some 30 million Americans of East European heritage. They instill in our country an abundance of those virtues that are indispensable to any nation if it is to survive the barbarians who now stalk the earth. Communism subordinates the individual to the class as Nazism did to the race and Facism did to the nation. But Christianity upholds the primacy of the individual—because each of us is made in the image and likeness of God—and the Christianity of Poland lights up the darkest corners of the planet—the brighter and braver because it survives and flourishes under persecution.

Our country needs the Polish example—because all around us freedom is under assault. All around us, in direct proportion to the attacks on human rights is a loss of faith in God and the reduction of mankind to units of production, and consumption—and hence disposable—expendable. We need your faith, your strength, your steadfastness.

A writer with the gift of prophecy once said that we in the West stand on the only island of freedom that is left in the whole world . . . "There is no place to flee to . . . no place to escape to. We defend freedom here or it is gone. There is no place for us to run, only to make a stand. And if we fail, I think we face telling our children, and our children's children, what it was we found more precious than freedom. Because I am sure that someday—if we fail in this—there will be a generation that will ask."

God has blessed the world with a universal leader, Pope John Paul II. He embodies the Polish spirit and the Polish spirituality. May he live a long and fruitful life and may he see the restoration one day of the ideals of the Polish Constitution of 1791 in his beloved homeland, and thus will we all be blessed.●

MIDDLE RIVER JUNIOR HIGH SCHOOL

HON. CLARENCE D. LONG

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 7, 1980

● Mr. LONG of Maryland. Mr. Speaker, I welcome the students and their chaperones from the Middle River Junior High School from Middle River, Md., who are today visiting the Capitol. My constituents, who are taking an art studio class, will tour the Library of Congress, the Supreme Court, the gallery of the House of Representatives, the Smithsonian, and the National Cathedral. I will meet with my friends from Middle River Junior High to discuss the legislative process. The students' day here promises to be an interesting and informative one, and I am certain that they will much enjoy Washington's art and architectural treasures.

Mr. Speaker, I invite you and my distinguished colleagues to join me in welcoming:

The chaperones: Mrs. Schelle, Mr. and Mrs. James Shook, Mrs. LuAnne Crizer, Mrs. Joan Loudon, Mrs. Mary Lee Hutchins, Mr. Elmer McDorman, and Mrs. Dora Moody.

The students: Mike Harbin, Bill Harris, George Phillips, Sam Sessa, Carlethia Spence, Mike Kikas, Tim Tinches, Joe Beach, Mark Eidman, and Karen Glenn.

Valerie McRae, Sam Shea, Susan Thompson, Joe Wooden, James Smith, Lee Hicks, Joyce Burgess, Lori Jacobs, Becky Cagle, Laura Strickler, and Ned Greenburg.

Kirsten Steiner, Katie Carnes, Gary Dobbs, Al Dutey, Ray Gardner, Janice Green, Ron Hogg, Denise Jones, Chuck Rayman, and Sheila Zalatimo.

Teresa Balochi, Jim DeBadts, Kyle Garland, Stacy Golebieski, Susan Lloyd, Pam Lominac, Louise Martins, Annette Prentice, Damon Quinn, and Dreama Reed.

Dorthy Rolf, Mickey Strider, Scott Brawn, Denny Cohenour, Pat Day, Joe Dominick, Gene Evans, Bob Hardester, Marty Joines, and Mike Kowalski.

Joe Schilling, Jim Seling, Jim Shomper, Mark Smith, Ron Steele, Phil Stinebaugh, Greg Welch, Cindy Brown, Dawn Fish, and Sheila Greene.

Donna Holter, Kim McCleave, Kim Rhodes, Carol Robertson, Rose Swift, Sue Trabing, Jackie Sullivan, Charles McNeal, Mia Mickey, and Kim Allen.

Monica Asher, Scott Bailey, Kim Bailey, Rodger Boother, Joe Czawlytko, Melanie Davis, Julie Delligatti, Valarie Everhart, Billie Fender, and Cindy Fisher.

Lisa Fouch, Brenda Gardner, Joyce Garton, Deanna Hensley, Shellie Newton, Gina Payne, Anita Rawlings, Kathy Schell, Paula Sheets, and Diane Smith.

Greg Stapleton, Lori Stevens, Janice Trent, Billy Whitcomb, Peggy Winiarski, Kevin Arnold, Mike Barrett, Billy Carroll, Darrick Clark, and Robert Lentz.

Joe Pollyson, Pat Slifker, Doug Sykes, Becky Belcher, Tina Costin, Lisa Franklin, Rhonda Messman, Pat Ordiway, Colleen Peyton, and Connie Robinson.

Sherry Wolfe, Sarah Schaaf, Denise Waggoner, Terry Cohen, Melvin Kestner, Kathy Abate, Sherry Baumgarten, Bob Bently, Otelia Clark, and James Dorff.

Karen Duty, Bridget Gerst, Scott Goldburn, Charles Holderby, Gary Jackson, Towanda Jones, Robert Kahl, Sonya Porter, Jeff Rose, Debbie Ruth, Winona Smith, Sue Warnick, and Tammy Watson.●

THE SECOND DECADE

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 7, 1980

● Mr. HAMILTON. Mr. Speaker, I insert my Washington report for Wednesday, May 7, 1980, into the CONGRESSIONAL RECORD:

THE SECOND DECADE

The nation has entered the second decade of the environment almost without notice.

Earth Day was front-page news ten years ago. With skits, placards, marches, rallies, and teach-ins, 20 million citizens called for action to clean up America. The National Environmental Policy Act, which requires an assessment of the environmental impact of federal decisions, was enacted into law in 1970. The cause of all these goings-on was simple: recognition of the need to preserve the quality of the air, water, and land.

The intervening ten years have given us landmark legislation to protect the environment. It has indeed been a period of intense legislative activity. Congress has passed more than two dozen laws concerning air and water pollution, toxic chemicals, strip-mining, and noise. New agencies have been created to police the environment. These laws and institutions, of course, are means, not ends, but to a significant degree they have begun to work. The steady deterioration of our air, water, and land appears to have been largely halted.

The question is not whether progress has been made, but how much. There are some considerable achievements: the air in the cities is more breathable; fish are returning to rivers, harbors, and lakes that were once lifeless; DDT residues in human tissues are declining. One of the worst problems—overall water quality—has not shown a vast improvement during the 1970s, but at least it is not getting any worse. Managers in government and industry now take into account the environmental consequences of their actions. Virtually all people understand that the air, water, and land can no longer be society's trash bins. Concern for these indispensable natural resources has become a major factor in our system of political values. Without doubt, the national consciousness of the fragility of our planet has been raised.

In spite of these gains, the question of how much progress remains difficult to answer. The ragged groups of citizens for a cleaner environment have given way to disciplined platoons of lawyers, bureaucrats, scientists, and lobbyists who wage a professional war to protect the environment. With the establishment of the Council on Environmental Quality and the Environmental Protection Agency, the environmental movement has been institutionalized. The passion for a cleaner America has been translated into the fine print of the law books, a web of government regulations, and a mountain of research reports. But progress in the field has been spotty, the costs of cleaning up have been very high, and new problems (chemical dumps, oil spills, acid rain, etc.) have kept emerging. A psychological change has taken place, too. We have lost some of the ardor we had a few years ago.

This psychological change is most important for makers of public policy. It stems in part from the head-on collision of the environmental movement with a counter-movement worried about inflation, recession, and energy. The counter-movement is quick to seize on those cases where the costs of cleaning up may outweigh the benefits. I am aware that there will always be bitter disputes about costs, benefits, timetables, and trade-offs—essential issues in any regulatory effort—but I continue to believe that everyone generally agrees on the need for clean air, water, and land. Another reason for the change is the increasingly complexity of the environmental debate. The problems of the 1970's now seem relatively easy—removing a few pollutants from a few stationary sources never really taxed our will or our technology. The problems of the 1980's are different, a fact underscored by the possible existence of hundreds of life-threatening chemicals that may be seeping into the environment. We have succeeded in combatting the most obvious threats to air, water, and land only to discover more subtle menaces.

I am persuaded that the American people want clean surroundings, and that they are willing to pay for them. It is no calamity (indeed, it is to be expected) that economic considerations will arise and that environmental issues will become more complex. Growing complexity and the balancing of costs and benefits characterize almost every worthwhile public endeavor today.

Overall, I look upon the 1970's with some satisfaction. At the beginning of the decade, the nation was faced with dirty air, fouled water, and littered land. It responded with imagination and creativity. My opinion is that future generations of Americans will look back on the 1970's with approval, and they might even credit us with some environmental foresight. I think that the achievements of the 1970's have embedded a concern for the earth and its finite resources deeply into the social and political policies of the country.

The challenges of the coming decade are clear. At home, our goals include the control of toxic substances, saving public lands in Alaska, protecting coastal areas and declining farmland, and developing conservation techniques and every renewable energy resource. In the world at large, the problems include the spreading of deserts, the disappearance of wildlife, deforestation, the overfishing and polluting of the oceans, a rapidly expanding world population, nuclear proliferation, the build-up of carbon dioxide in the atmosphere, and the changing of the earth's climate. Vigorous pursuit of these goals, and a vigorous response to these problems, are duties we owe both to ourselves and to the future.●

TRIBUTE TO OWEN L. MAHN

HON. JAMES C. CORMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 7, 1980

● Mr. CORMAN. Mr. Speaker, after 37 years of incessant dedicated public service, Mr. Owen L. Mahn will be honored by the San Fernando, Calif., Lions Club. Fellow Lions will hold the ceremony on June 5, 1980, in Los Angeles.

Mr. Mahn has devoted his 82 years as an outstanding community servant of the San Fernando Valley. He was born on March 29, 1898, in Sylmar, Calif., graduated San Fernando High School and then received his law degree, cum laude. He will conclude his remarkable record of 37 years of perfect attendance at weekly club meetings. He was secretary of his club for 35 of these years.

Besides Owen Mahn's extensive Lions Club contributions, he was a volunteer fireman for 20 years and retired as station superintendent of the San Fernando Post Office following 36 years of public service. He is also very loyal and active in civic and religious organizations. For the past several years he has served as secretary of the National Association of Retired Federal Employees.

I call on the Members to join me in honoring Owen L. Mahn for his many years of service and accomplishments to the San Fernando Valley community.●

H.R. 7263

HON. BARBER B. CONABLE, JR.

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 7, 1980

● Mr. CONABLE. Mr. Speaker, I, along with several other Members, have introduced legislation to clarify the tax treatment of contributions made under retirement plans that are established by U.S. businesses primarily to provide benefits for certain foreign employees.

The Employee Retirement Income Security Act of 1974 provided only limited rules concerning the tax treatment of these contributions. This lack of legislative guidance has created problems for the Internal Revenue Service and the business community.

The legislation would correct the current uncertainty by establishing statutory rules concerning the kinds of contributions that would be deductible for Federal income tax purposes. These rules would provide certainty for the business community and allow it to offer employees competitive wages and retirement benefits. Compensation packages of this type will enable our businesses to attract qualified employees and to more effectively compete with foreign businesses.

The bill is strongly supported by members of both parties, the Treasury Department and the business community. I would hope the bill can be promptly considered and enacted into law.

The text of the bill follows:

H.R. 7263

A bill to amend the Internal Revenue Code of 1954 with respect to the treatment of retirement and similar plans maintained for nonresident aliens.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 404 of the Internal Revenue Code of 1954 (relating to deduction for contributions of an employer to an employees' trust or annuity plan and compensation under a deferred-payment plan) is amended by adding at the end thereof the following new subsection:

"(I) Plan Maintained for Nonresident Aliens.—

"(1) In general.—If the conditions of section 162 or section 212 are satisfied, in the case of a plan described in this section (other than a plan with respect to which deductions are claimed under subsection (a)(1), (2), or (3)) which during the taxable year is maintained primarily for the benefit of persons substantially all of whom are nonresident aliens, subsections (a)(5) and (d) shall not apply (unless the taxpayer elects to apply either of those subsections with respect to such plan) and there shall be allowed as a deduction that portion of amounts paid or accrued with respect to which the requirements of paragraph (2) or (3) of this subsection are satisfied if—

"(A) the benefits provided by the plan are either required by foreign law or set forth in a written document communicated to the active participants;

"(B) in the case of a defined benefit plan, the deduction is limited to amounts paid or accrued in respect of benefits that are reasonably capable of actuarial estimation;

"(C) to the extent the amount taken into account is dependent upon acturarial determinations, the actuarial cost method and assumptions used are in the aggregate reasonable; and

"(D) the amount to be taken into account for the taxable year is determined in a manner consistent with generally accepted accounting principles in the United States applicable to the charging of pension costs against income.

"(2) Funded amount.—If an amount determined under paragraph (1) that has not been allowed previously as a deduction is transferred to a separate trust or fund (whether or not benefits to be provided therefrom are subject to a substantial risk of forfeiture), the requirements of this paragraph are satisfied—

"(A) if—

"(i) in the case of a defined benefit plan—

"(I) the amount transferred and any income earned thereon may not revert to the employer or to the employer's benefit prior to the satisfaction of all liabilities with respect to participants and beneficiaries under the plan; and

"(II) the transferred amount does not exceed the full funding limitation for the year determined under section 412; or

"(ii) in the case of a defined contribution plan—

"(I) the amount transferred and any income earned thereon may not revert to the employer or to the employer's benefit; and

"(II) the amount taken into account is allocated to individual accounts of participants that will be adjusted at least annually for the income and expenses of the fund; and

"(B) if the amount taken into account is transferred not later than the date described in subsection (a)(6).

"(3) Other amounts.—To the extent an amount determined under paragraph (1) does not satisfy the requirements of paragraph (2) and has not been allowed previously as a deduction, the requirements of this paragraph are satisfied if such amount—

"(A) at the time of the payment or accrual, is paid or accrued in respect of benefits that are not subject to a substantial risk of forfeiture; and

"(B) if accrued, represents the actuarial present value of such accrued benefits.

"(4) Direct payments.—A payment, which is not subject to a substantial risk of forfeiture, to a participant or beneficiary by an employer, shall be allowed as a deduction to the extent not previously allowed as a deduction under this subsection.

"(5) Carryovers.—For purposes of this subsection, payments or accruals in any taxable year in excess of the amount allowed as a deduction under this subsection for such year (other than amounts not allowed as a deduction due to the operation of paragraph (6)), shall be treated as a payment or accrual in the next succeeding taxable year.

"(6) Limitations.—The amount allowed as a deduction under paragraph (1) shall not exceed the amount allowed as a deduction without regard to this paragraph multiplied by a fraction, the numerator of which is the payments or accruals made on behalf of active participants who are nonresident aliens, and the denominator of which is the payments or accruals made on behalf of all active participants. The preceding sentence shall not apply if during the taxable year—

"(A) at least 95 pecent of all active participants are nonresident aliens, and

"(B) at least 95 percent of the contributions made to or benefits accruing under the plan during the taxable year in respect of active participants are in respect of active participants who are nonresident aliens.

"(7) Accounting method.—Any change in the method (but not the actuarial assumptions) used to determine the amount allowed as a deduction under paragraph (1) shall be treated as a change in accounting method under section 446(e)."

(b) Section 312 of such Code (relating to effect on earnings and profits) is amended by adding at the end thereof the following new subsection:

"(1) Effect on Plans Maintained for Nonresident Aliens.—For purposes of computing the earnings and profits of a foreign corporation for any taxable year, the expenses paid or accrued under a plan described in section 404(i) shall reduce the foreign corporation's earnings and profits to the extent that such amounts would be deductible if the provisions of section 404(i) were applicable to such foreign corporation for its taxable year."

(c) Section 964(a) of such Code is amended by inserting "or 312(1)," after "section 312(k)(3)".

(d) Section 679(a)(1) of such Code is amended to read as follows:

"(1) In general.—A United States person who directly or indirectly transfers property to a foreign trust (other than a trust described in subsection (a) or (i) of section 404) shall be treated as the owner for his taxable year of the portion of such trust attributable to such property if for such year there is a United States beneficiary of any portion of such trust."●

DETECTIVE GEORGE THOMAS

HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 7, 1980

● Mr. RODINO. Mr. Speaker, it was a pleasure this past weekend for me to be present at a dinner honoring Detective George Thomas of the Newark Police Department.

The occasion was the retirement of Detective Thomas after 25 years of service with the department. I was honored to join with law enforcement and community leaders in saluting his work and his achievements.

The contributions and leadership of George Thomas have extended beyond Newark and New Jersey to the Nation. He and I worked often together on programs of crime prevention, and his expertise, insights, and wisdom were immensely valuable in helping to shape my legislative efforts.

In 1975, he was chairman of the National Black Police Association, after having served as that organization's region I chairman.

In the Newark Police Department, he took on greater and greater challenges from the time he began as a foot patrolman in 1955. He became a detective in 1963, a license investigator in 1969, and police community relations expert in 1972. At the time of his retirement, he was in the Newark comprehensive crime prevention program.

George Thomas is the outstanding kind of citizen who had to contribute more to the community than his formal police work. His activities included Board of Directors of the Newark Branch of the NAACP; president of Batons, Inc.; member of the New Jersey Association of Community Relations Officers; Bronze Shields; and the New Jersey Crime Prevention Association.

His talent and knowledge were recognized by many awards, and also by appointments to represent the Newark Police Department as a lecturer at Rutgers Law School and as a consultant with the U.S. Department of Justice.

Along with so many others in Newark, I salute the outstanding career of George Thomas, and I am honored to be associated with him.●

DEPARTMENT OF HEW NEWSPEAK

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 7, 1980

● Mr. ASHBROOK. Mr. Speaker, it is only 1980, but in the bureaucratic domain of Patricia Harris' Department of Health and Human Resources—formerly the Department of Health, Education, and Welfare—the newspeak of George Orwell's "1984" is already taking hold.

Students of Orwell will recall that in his fictional state, language was used by the authorities to obfuscate any undesirable aspects of government operations the ruling bureaucratic class did not care to have publicized—or, for that matter—to acknowledge.

A recent CBS network commentary by Charles Osgood regarding Secretary Harris' Orwellian approach to the problems of fraud, waste, and abuse in her Department would be laughable were it not so disturbing in terms of the arrogant attitude taken by Carter administration bureaucrats toward the public's right to know how its tax money is being spent—or as the case may be, misspent.

I believe all Members of Congress should take note of what Charles Osgood rightly calls Secretary Harris' "patrician" decision to alter the language to suit her particular ideological and political mold. I am inserting pertinent excerpts of the Osgood CBS radio commentary of March 11, 1980, in the CONGRESSIONAL RECORD:

> There is no more fraud, abuse and waste in the Department of Health, Education and Welfare. Secretary Patricia Harris has seen to that. At a recent meeting of her executive staff, Mrs. Harris eliminated fraud, waste and abuse at HEW by the simple expedient of ordering that the phrase, fraud, waste and abuse be eliminated and replaced throughout the department with the words program misuse and management inefficiency.
>
> A recent Inspector General's report found a lot of waste at HEW, not to mention fraud and abuse. So it's rather interesting to note that from now on there won't be any fraud, abuse or waste at all. Only a little program misuse and management inefficiency.
>
> Now if you have to choose between fraud, abuse and waste and program misuse and management inefficiency, I suppose program misuse and management inefficiency are better, the words being far longer, fuzzier, less pejorative and more pretentious and therefore far more pleasing to bureaucratic ears.
>
> Sure enough, at least one senior executive in HEW, Herbert Doget [?] of the Social Security Administration, got up from that meeting with Secretary Patricia Harris and followed right up on her order to replace the phrase, fraud, abuse and waste with the phrase program misuse and management inefficiency.
>
> He shot off a memo to his own people saying he agreed, quote, "that the Secretary's terminology reflects what we are measuring and working to eliminate. The change is effective immediately. Please see that it is effected in your areas of responsibility," unquote. And so, at HEW, with a merciful mandate of a memorandum, no more fraud, abuse and waste.
>
> If fraud and abuse and waste are what trouble you, you will approve what they've done at the old HEW. They've wiped out abuse, fraud and waste and the like with the stroke of a pen, with a surgical strike. Now waste has been wasted, abuse got the noose and no longer is fraud still abroad on the loose.
>
> Mrs. Harris has made her patrician decision and has wiped out those things with amazing precision. Fraud, waste and abuse will no longer embarrass pertinent reports to Patricia R. Harris. Fraud, waste and abuse simply do not exist. They are gone, and good riddance. They'll never be missed. And the only things left to cause trouble or care are a little program misuse and management inefficiency here and there.
>
> Although citizen taxpayers have to applaud this daring attack on abuse, waste and fraud, HEW now is officially free of fraud, of abuse and of waste, of all three. It's devoid now of fraud and of waste and abuse. We are much better off with some program misuse.
>
> The new words and phrases the bureaucrats live with, don't fire us up so. They're things we can live with. Fraud is an ugly word, waste seems so crude, abuse is offensive and borders on rude. And such words in a grand departmental report are insufficiently polysyllabic, too short. Program misuse and management inefficiency do not suffer from this very deadly deficiency. They are loyal like long lasting, lingering names intended to bore one but not to inflame.
>
> You'll be happy to know, since the bill you must foot, that from now on abuse, waste and fraud are kaput.●

HOUSING AND THE BUDGET

HON. CHRISTOPHER J. DODD

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 7, 1980

● Mr. DODD. Mr. Speaker, I rise in support of House Concurrent Resolution 307, which provides for a balanced budget in fiscal year 1981. This resolution provides a necessary first step in the fight against inflation, a fight we must win if we are to restore our housing sector to a healthy condition.

After months of controversy among economists and others, it is now quite clear that the long-predicted 1980 recession has finally arrived. The Bureau of Labor Statistics announced the other day that the April unemployment rate nationwide reached 7 percent, up from 6.2 percent a month ago and the largest monthly increase since January 1975. However, because the monetary authorities have for some time deemed it necessary to raise interest rates to record levels in the name of fighting inflation, the extra-sensitive housing and construction industry is on the verge of a full-blown depression. Unemployment in the construction industry for April exceeded 15 percent and is estimated to reach 23 percent by December.

Why are we suffering under these record-high interest rates? Because there is too much inflationary spending going on in the economy. What is the source of this spending? There are many causes, both public and private, but one thing is clear: until the Government gets spending under control and balances its budget, we cannot expect the general public to show similar restraint, and inflation and interest rates will not drop significantly until the economy undergoes a much more serious recession than the one we are now experiencing.

Our economy today is facing an overall inflation rate of 18 percent, the highest since World War II, and this is creating major distortions in the housing and financial sectors.

Single digit mortgages today are unheard of, construction money is very expensive, and the extraordinary increases in housing prices are only offset somewhat by the inability of the aspiring middle-income homeowner to obtain financing at reasonable rates. The National Association of Homebuilders has predicted that housing starts in 1980 will fall to 965,100 units, 47 percent below the 1979 level and the lowest level since World War II. The hard times facing the housing industry in general are affecting realtors as well.

The average annual income of brokers and salespeople has fallen from $20,000 in September of 1979 to $13,000 in April of 1980. Although the recently passed Mortgage Subsidy Bond Tax Act, which I supported, will make cheaper mortgage money available to the people who need it most to put a decent roof over their heads and cheaper construction money to developers as an incentive to build lower- and middle-income rental housing, this act is only a temporary and partial solution and will not address the long-term problems facing the industry as a whole. It is essential that the Government act now to stem the inflationary tide that threatens to destroy the housing industry nationwide.

Unfortunately, until very recently the only Federal agency playing an active role in the fight against inflation has been the Federal Reserve Board, and they have acted as one would expect them to—by raising interest rates through the roof. In the absence of any complementary policies on the part of the Congress and the executive branch, the Fed really has no choice but to continue this extremely restrictive monetary policy, and this poses a significant threat to our economic health in the long run by drying up needed capital for private investment which is in turn needed if we are to significantly improve our productivity trends in our most important industries.

In fiscal year 1981, the President and both Houses of Congress are considering budget resolutions that are in balance for the first time in 12 years. This is extremely important because we must get the Federal Government out of the business of borrowing money if we are to have any additional downward impact on inflation and interest rates. It is quite clear that the Fed has no intention of lowering interest rates significantly unless and until we enforce tight spending requirements and maintain balanced budgets.

I do not pretend for a moment that balancing the budget is done easily. It is simple to espouse the overall goal of budget balancing, but it is extremely difficult to decide where to make the appropriate cuts. Even in the present situation, where the proposed fiscal year 1981 budget resolutions are in balance largely because of increased tax revenues, the pressure from literally dozens of special interest groups to exempt their programs is enormous.

Nor do I believe that balancing the budget should be undertaken at the expense of essential human service programs designed to protect the vital interests of the elderly, the poor, the jobless, our children. We need to eliminate the waste and fat from bloated bureaucracies which spend relatively large portions of their budgets on self-administration and relatively small portions on the actual delivery of their essential services.

In order to insure that Congress is as strict on spending after this election year as it appears to be during this election year, I have introduced H.R. 6706, a bill that would tie Federal budget outlays to potential GNP and cut spending by $142 billion during the 1982-84 period, according to the Congressional Budget Office.

If we are to begin restoring the housing industry to a state of high employment, where high-quality housing can be built at reasonable cost and sold at reasonable prices, and if we are to bring the cost of financing housing construction and purchases down to an acceptable level, there is no question that many reforms must be undertaken. Many of these reforms will be politically difficult for many Members of Congress to accept, and I do not intend to discuss all of them here. But Congress is presently considering at least some important pieces of legislation that will assist not only the housing industry, but other industries as well.

In the area of regulation, I have cosponsored H.R. 5858, so-called sunset legislation, which would require periodic congressional review of regulations, agencies, and programs in order to determine if their continued existence is desirable. If Congress determines they are not, these agencies, regulations, and programs would eventually be terminated. I have also supported the concept of legislative veto, where Congress would have the power to override those regulations which are determined to run contrary to the public interest. While strong, independent regulatory agencies are unquestionably in the Nation's interest and should be kept strong, they should also be subject to greater input from those who are directly affected by their regulations.

We also need to expand incentives for saving that at the same time will not divert funds from S. & L.'s and other institutions that have historically provided the bulk of new home financing. The phaseout of regulation Q must be accompanied by other measures, such as tax incentives for savers and mortgage investors, that will keep funds available for buyers and builders alike.

To sum up, Congress needs to look at a wide range of measures involving tax, regulatory, and financial reform if we are to adequately address the acute problems of housing shortages and high costs. But one thing Congress can clearly achieve now is a strong measure of fiscal restraint that will alleviate some of the upward pressure on interest rates. If we cannot achieve this, we will have a difficult time impressing upon the Nation in general that spending restraint is necessary. If that turns out to be the case, prices and interest rates will stay high, the housing sector will remain depressed, and the middle class will have to continue deferring its goal of homeownership.

There are no easy solutions to this crisis facing our Nation, but if we are to ever begin devising solutions, we must first instill discipline in our budget and spending processes. The longer we wait, the worse the problem will become, so we must act decisively and act now.●

TRIBUTE TO ARTHUR LEVITT

HON. S. WILLIAM GREEN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 7, 1980

● Mr. GREEN. Mr. Speaker, the State of New York yesterday lost one of its most dedicated and effective public servants when Arthur Levitt died of a heart attack. Mr. Levitt has had a unique career in New York politics and was one of the greatest vote-getters in the State's history. I was proud that for the last year Arthur Levitt served as chairman of my Academy Selection Committee, which assists me in making my nominations to the U.S. service academies.

Mr. Levitt began his public service career as president of the New York City Board of Education and in 1954 was elected State comptroller, a position he retained for a record 24 years. In 1966 he won reelection to that office by a plurality of 1.6 million votes—a victory margin which has never been matched. He became a trustee of the Lincoln Savings Bank in 1959 and, following his voluntary retirement from the comptroller's position in 1978, he became a senior investment counselor for that bank. He also then began to serve as a counsel to the firm of Phillips, Nizer, Benjamin, Krim & Ballon, a role he maintained until his death yesterday.

Seldom do the people of any State have the privilege to be served by a public official with the stature Arthur Levitt possessed. I feel honored to have been associated with him, and I join all New Yorkers in praising his service.●

SOCIAL SECURITY—IS IT REALLY OUR MONEY?

HON. DANIEL B. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 7, 1980

● Mr. DANIEL B. CRANE. Mr. Speaker, not long ago I introduced H.R. 3606, the Right To Survive at 65 Act. This bill will stop punishing those who receive social security and also work.

People work all their lives and are forced to pay into the social security system; but that same system penalizes them if they want to continue to work and receive their full benefits. For every $2 earned over the limit, they lose $1 in social security.

The money that people contribute to the social security system is theirs; but the system refuses them access to it except under certain conditions. Can you imagine what would happen to a private pension fund if it tried that? It would be closed down for fraud.

My bill permits anyone who wishes or needs to work to do so and still receive their full social security benefits.

The Mount Carmel (Ill.) Daily Republican Register, edited by Phil Gower, has recently editorialized on the subject of earning money while receiving social security, and I commend the November 19, 1979, editorial to my colleagues:

SOCIAL SECURITY NEWS

Let's assume you're on Social Security, just like 35 million other people in the nation.

You may be retired, a widow, even a college student. In one way or another, you're dependent on that monthly check.

But the check looks pretty small these days, doesn't it?

In August of this year, for example, the average amount going to the nation's 18.7 million retired workers on Social Security was $314.92. That's slim pickings in an economy where the inflation rate is zipping along at 13 percent a year.

There's a way to help you survive a little better. You can work. For pay.

Some folks on Social Security can't, of course. Some are too fragile, or ill.

But the vast majority are able to earn some extra money. Some already do. More will have to.

Congress in 1977 understood these facts.

It changed the Social Security law so that those dependent on the monthly checks could earn more, without penalty.

The amounts you can earn—in part-time work, for example—don't seem large. But they can help a lot.

So there's some good news. It is this:

—Starting Jan. 1, persons aged 65 through 71 who are on Social Security will be able to earn $5,000 in calendar year 1980 without penalty. That's up $500 from $4,500 they can earn without penalty this year.

—Starting Jan. 1, persons aged 62 through 64 who are on Social Security will be able to earn $3,720 in calendar year 1982 without penalty. That's up $240 from the $3,480 they can earn without penalty this year. And that also applies to dependents of disabled persons (not disabled), widows on Social Security, children who survive Social Security beneficiaries and are going to college through Social Security payments.

These new limits are still subject to income and payroll taxes, though the income taxes are likely to be negligible if that's the total amount of earned income.

People who are 72 or older are exempt from these limits and are permitted to earn any amount they can, without penalty.

Those under 72 who earn above the annual limit lose $1 from their Social Security checks for every $2 earned. Thus, if you're in the 65-72 category and earn $6,000 or $7,000 next year you'll still get most of your Social Security check (not subject to taxes) each month. If you earn $6,500, for example, you'll lose only $750 of that from your year's Social Security checks—that is, you lose half of the $1,500 above the $5,000 limit.

Altogether, there are 23 million persons aged 65 or more receiving Social Security checks. Nearly 17 million are retired workers; the rest are survivors and dependents.

In the 62-to-65 group are two million retired workers and almost a million survivors and dependents.

Congress established regular, $500-a-year upward steps in earnings limits for the 65-and-older group, and decreed that the earnings limit for the 62-through-64 group would be decided by the average increase in wages for each year—that's about 6.9 percent this year.●

IDAHO LEGISLATURE CALLS FOR CASH IN LIEU OF COMMODITIES AMENDMENT FOR THE NATIONAL SCHOOL LUNCH PROGRAM

HON. STEVEN D. SYMMS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 7, 1980

● Mr. SYMMS. Mr. Speaker, I would like to call my colleagues' attention to an important joint memorial recently passed by the Idaho State Legislature, urging Congress to amend the National School Lunch Act and allow all States to operate school lunch programs on a cash basis.

The Boise School District was one of eight school districts that participated in the USDA's cash in lieu of commodities program. The result was a savings in 1 year of $87,000. In a year in which we are seeking ways to balance our Federal budget and rekindle productivity at the local level, we must address program modifications such as these, which, if applied on a national basis, would save the American taxpayer $163 million. The Boise School District, when left to manage its own affairs, was able to provide a better quality lunch at a lower cost.

Any measure that will make our programs more cost effective is worthy of support. I commend this joint memorial to the attention of my colleagues when this issue comes before the House. The joint memorial reads as follows:

STATE OF IDAHO HOUSE JOINT MEMORIAL NUMBER 27

A joint memorial to the honorable Senate and House of Representatives of the United States in Congress assembled, and to the honorable congressional delegation representing the State of Idaho in the Congress of the United States

We, your Memorialists, the Senate and the House of Representatives of the State of Idaho assembled in the Second Regular Session of the Forty-fifth Idaho Legislature, do hereby respectfully represent that:

Whereas legislation is now pending before the United States Congress to amend the National School Lunch Act and allow all states to operate school lunch on a cash basis; and

Whereas the Boise School District operated a pilot project which demonstrated an $87,000 savings for one year of operation as a cash basis school lunch program, resulting in 4.6 cents per lunch savings; and

Whereas under the pilot project, the Boise School District found that they had better planning capability, lower labor costs, decreased plate waste, and greater student satisfaction with the school lunch program; and

Whereas the present commodity portion of the school lunch program results in significant costs to the taxpayer as a result of waste in duplication in the purchase, storage, and transportation of commodities, which costs would be greatly reduced if the free enterprise system resumed food distribution in response to a cash school lunch program; and

Whereas the Boise District pilot project was one of eight conducted nationally and all demonstrated a cost savings under the cash program; and

Whereas estimated savings, nationwide, would exceed $160,000,000 with adoption of the cash alternative to the present commodity portion of the school lunch program: Now, therefore, be it

Resolved by the members of the Second Regular Session of the Forty-fifth Idaho Legislature, the Senate and House of Representatives concurring therein, That we urge the Congress of the United States to act favorably upon adoption of amendments to the National School Lunch Act which would enact the cash alternative to commodity distribution; be it further

Resolved, That the Secretary of the Senate be, and she is hereby authorized and directed to forward copies of this Memorial to the President of the Senate and the Speaker of the House of Representatives of Congress, and the honorable congressional delegation representing the State of Idaho in the Congress of the United States.●

ENGINEERED CRASH FLATTENS HOUSING AND TIMBER INDUSTRIES

HON. LES AuCOIN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 7, 1980

● Mr. AuCOIN. Mr. Speaker, last week when I was home in Oregon, I spoke to a young man who considers himself lucky to have at least part of a job.

This young man lives in Willamina, a small town in the Oregon Coast Range, one of the most productive timber-growing regions in the world. He works at the sawmill. Because operations are curtailed, he works only every other week, earning $375. On the weeks he is not working, he collects $125 in unemployment benefits. This is the income with which he is struggling to support himself, his wife, and a 2-year-old son. I asked him how he manages to support a family on that. He explained he had been drawing from his savings account. He said hotdogs and rice have become the mainstays of the menu in his household. I asked how the savings were holding out.

"They're pretty well drawn down," he told me. "Last week I had to let my life insurance lapse." When I inquired how long it had been since he and his wife had been out to dinner, he replied that it had been in April, on their wedding anniversary. Her parents had treated. They had gone to McDonald's.

Mr. Speaker, the grim truth is this young man is fortunate, because unlike thousands of jobless millworkers and other workers whose livelihoods are linked to housing and timber, he is still getting a paycheck.

In Oregon and the Northwest, there is no more critical issue today than the engineered crash in the housing and timber industries. This crash is not only painful; it is unnecessary. And in the long run, it will cause more inflation than it is supposed to cure.

"Crash" is not too strong a word to use in describing what has happened. Look at the statistics:

> Housing starts are down dismally because of shortage-generated price inflation and double-digit mortgage interest rates. During the first months of 1980, as the prime rate rose to above 20 percent, housing starts were down 27 percent from last year at the same time. Estimates are that housing starts in 1980 will barely exceed 1 million. This at a time when we need at least 2 million starts annually to meet growing housing demands. But who can be surprised at this when history shows that for every 1 percent increase in mortgage interest rates, 720,000 potential homebuyers are priced out of the market.
>
> When the housing market plummets, so does the timber industry. In Oregon, 108 lumber mills either closed or are operating with curtailed production schedules, putting 8,964 workers out of jobs; 56 plywood plants in Oregon are closed or curtailed, putting another 7,525 workers on the bread line.
>
> Nationwide, more than 20,000 plywood workers are jobless and on the West Coast 44,000 lumbermen are out of work. And the figures are still rising, as the bottom absolutely drops out of the U.S. housing market.
>
> The economic situation is compounded in the Northwest because we are our own major customer for our own region's lumber, because transportation costs are so great our lumber isn't competitive east of the Rocky Mountains. So we get a double shot—inflationary high interest rates, and recession caused by sharply escalating unemployment.

Mr. Speaker, what we are witnessing is another episode in the relentless boom/bust cycle, which is ever deepening. Each cycle, as it grows steeper, superinflates housing prices while on the upswing and knocks out more timber operations, more homebuilders, and more carpenters on the downswing.

The sad reality is that tight money policies, in the name of curbing inflation, actually perpetuate and accelerate it, certainly as far as housing goes. The demand for housing does not diminish, but the ability to supply it does—with fewer builders and fewer carpenters—and that forces up prices.

You cannot build 2 million houses one year, and 1 million the next, and expect the homebuilding industry to remain stable. You cannot expect the housing industry to gear up to meet peak demand when it knows just around the corner it will be plunged into the abyss. You cannot expect carpenters to hang around and wait for the good times to return. They have families to feed, and they cannot do it on an economic roller coaster.

I call this latest round of premeditated high interest rates an engineered crash because there can be no doubt what happens when this old medicine is tried. The housing and timber industries suffer. And their suffering has reached the point of where their very futures are imperiled, and with them the dream each American has of owning his own piece of paradise, a home. We must bring down interest rates now, and the first step is to balance the Federal budget. Tight money policies imposed by the independent Federal Reserve Board are a response to deficit spending by the Congress. It is sort of like gorging yourself one day and fasting the next.

I submit that the gorging must stop, and that Federal spending must be brought into balance with Federal revenues. The only way to force down interest rates is to get the Federal Government out of the borrowing business, because when it borrows money, you cannot, at least at interest rates you can afford. The Federal Government can afford it because it prints more money, which you wind up paying for through inflation.

Because the working people of our country have already paid their share through high-interest rates and inflated tax rates, I believe we must balance the Federal budget without resorting to new taxes. And, we can balance the budget and still have programs sensitive to the needs of the poor and disadvantaged. That is why, for example, I voted last week for the Obey amendment that preserves funding for important social programs by making deeper cuts in areas that are wasteful.

But balancing the Federal budget will not stop inflation alone, nor is it all that should be done. I support implementing the Brooke-Cranston program that will stimulate new housing and put people back to work. The Brooke-Cranston emergency home purchase assistance program will ease the current downturn in housing by stimulating commitments for up to 200,000 additional units of housing, with interest rates middle-income Americans can afford.

This is a tested program that worked before during a serious housing crisis in 1974-75. It requires a minimum of Federal redtape. It will work immediately. The money is already there, through repayments on mortgages issued earlier. If we can stimulate commitments for 200,000 housing units—including a fair share in the Pacific Northwest—it will mean 350,000 jobs. This will go a long way toward reversing the recession we find ourselves in.

In addition to Brooke-Cranston, there are other steps we can take, such as the Comprehensive Housing Development Act, which I have cosponsored in the House. This measure would boost construction of single-family houses by modifying the section 235 low-mortgage-interest program. It also would establish a new program to lower interest rates on rental housing projects, at a time when virtually no multifamily rentals are being built anywhere. Together, these two steps would stimulate 220,000 units of single and multifamily housing, and create another 385,000 jobs. This is another sound step toward returning stability to the housing and timber industry.

And we should not stop there. We are facing major energy shortages in this country, and one immediate, noncontroversial step we can take is to conserve electricity. I am the chief sponsor of legislation that would accelerate energy conservation in communities throughout the Nation. The program is called the energy development block grant program, and it is patterned after the successful community development block grant program. Under my program, money would be earmarked for energy conservation plans devised at the local level on a community-by-community basis. Federal guidelines would be held to a minimum. Results are all that would count.

My program recognizes that the major obstacle to conservation is not the absence of regulations, but the availability of financing and a plan to follow. My measure will provide both the means and the direction to accomplish an important goal. As a spinoff, it would encourage grassroots innovation. Investing in energy conservation on a communitywide basis is our surest short-term investment in energy resources. Studies indicate we can salvage as much as 40 percent of the energy we are now using—and wasting. Not a small dividend is that we are talking about labor-intensive activity, and that, too, means jobs.

Let me conclude by saying that the energy development block grant program symbolizes how I think we can best fight inflation and keep people working. This program begins to cure one of the basic causes of inflation by reducing energy waste, and thus our dependence of precarious foreign sources of oil. At the same time, it creates jobs to keep the economy going. We have not reached the point in our Nation's history when we have to surrender to shortages and to bleak economic news. Our tradition has been, and will continue to be, to produce our way out of our fix.

Another example of how we can work ourselves into better shape is sound management of our Federal forest lands:

> We should keep funding for the U.S. Forest Service at adequate levels to ensure timber is ready to be sold when housing markets explode once more, as they surely will.
>
> We should settle the wilderness issue in Oregon once and for all.
>
> And, we should invest in reforestation. The Forest Service maintains almost 1 million acres that have not been reforested. Every day that passes means one less day of growth of trees, and that costs all of us money—and will cost people in the Northwest jobs.

Mr. Speaker, these are investments that will block inflation down the road and provide greater stability in the timber and housing industries.

In the United States, we can beat inflation—and we can do it without resorting to threadbare conspiracies that plunge us into recession. We can have an economy that allows people to earn a decent living without seeing their earnings sapped away through inflation and rising taxes. We can have millions of Americans realize their dream of owning a home, without being subjected to punitively high interest rates. We can build America without tearing her down first. We can rally the American people to sacrifice if they are convinced our leadership is sound and the sacrifice is fair.●

PHILANTHROPY IN THE HEALTH CARE FIELD

HON. TONY P. HALL

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 7, 1980

● Mr. HALL of Ohio. Mr. Speaker, recently my colleague from Kentucky, the Honorable TIM LEE CARTER, received an award from the Association for Hospital Development during the annual meeting in Washington.

At that time, Dr. CARTER expressed his support of philanthropy and, specifically, its role in the health care field. I believe that Dr. CARTER's remarks are worth noting. Therefore, I would like to insert them into the RECORD at this time so that all our colleagues will have the benefit of his views:

REMARKS OF THE HONORABLE TIM LEE CARTER BEFORE THE ASSOCIATION FOR HOSPITAL DEVELOPMENT

I want you all to know that I share your concerns about philanthropy. It is my belief that private philanthropy is one of the great strengths of our nation. The thirty-eight billion dollars which Americans voluntarily gave last year is a symbol to me of the kind of creative public spirit on the part of our citizens which is vital to our life as a nation.

I assure you that I will do all that is within my power to support and enhance private philanthropy, especially in the health care field.

I know that you share my concern that certain steps taken in recent years by the Federal Government threaten the very existence of health care philanthropy. In our zest for reform of the health care system, we have often paid too little attention to its strengths, because the debate has focused almost completely on the curing of weaknesses. However, if in the course of attempting to cure these perceived deficiencies in the health care system we destroy its strengths, we will have done the American people a serious disservice.

It is this concern that led me to introduce the Voluntary Hospital Philanthropic Support Act. This bill establishes clearly a firm policy that the ability of hospitals to attract voluntary donations and all of the ancillary benefits associated with donations, must be preserved. The bill also makes substantive amendments to Federal reimbursement policies which will, in my view, correct existing deficiencies in the law which threaten private philanthropy for hospitals.

I am pleased to report to you that with the valuable assistance of my good friend, John Grupenhoff, who ably represents your group in Washington, we were successful in obtaining the approval of the Subcommittee on Health and the Environment for these amendments. They have been added as amendments to H.R. 4000, a bill containing a variety of medicare/medicaid amendments, which is presently pending before the full Committee on Interstate and Foreign Commerce. Nevertheless, our work has just begun if we are serious about protecting private philanthropy.

The bill, as amended, must still obtain the approval of the full Commerce Committee—approval which is by no means assured. Moreover, since H.R. 4000 is under the joint jurisdiction of the Commerce Committee and of the Ways and Means Committee, the amendments approved by the Commerce Committee, philanthropy included, must be approved by the full House before a final vote on the legislation is taken. For this reason, it is vitally important that every Member of the House, particularly those who serve on the Commerce Committee and the Ways and Means Committee, are informed as to why present policies inhibit philanthropic support of our Nation's nonprofit hospitals. I hope that while you are here in Washington, each of you will take the time to inform your Representatives about this important matter.

I know that you will agree that it is imperative that we protect philanthropic support of our voluntary hospitals. I believe that passage of the philanthropic amendment contained in H.R. 4000 will send a signal to the hospitals and the citizens of this country that Congress is concerned about artificial obstacles which decrease the benefits of private philanthropy. I hope that you will help me to see that this legislation is passed as soon as possible.

Thank you very much.●

MARY HILLARD RECEIVES RED CROSS CERTIFICATE OF MERIT

HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 7, 1980

● Mr. SKELTON. Mr. Speaker, I would like to call attention to a noteworthy act of mercy undertaken by one of my constituents, Ms. Mary Hillard of Independence, Mo. Ms. Hillard has been named to receive the Red Cross Certificate of Merit for sustaining a life by using skills and knowledge that she learned in a volunteer training program offered by the Red Cross.

On October 13, 1979, Ms. Hillard, trained in Red Cross cardiopulmonary resuscitation (CPR), came upon the scene of a traffic accident. Stopping to assist the injured, Ms. Hillard determined that one of the victims had neither pulse nor respiration. She supervised and assisted a bystander in providing CPR, and they continued to give CPR to the victim until the arrival of the ambulance personnel. Without a doubt, the use of CPR by Ms. Hillard sustained the victim's life until medical help could be obtained.

This meritorious action exemplifies the highest ideals of the concern of one human being for another, and it is a model from which we can all learn.●

SAGA OF COWBOYS AND POLISH ACCENTS

HON. ABRAHAM KAZEN, JR.

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 7, 1980

● Mr. KAZEN. Mr. Speaker, one of the joys of my House service has been repeated several times when I have been invited to events in Panna Maria, Tex., the oldest Polish settlement in our Nation. In tribute to the heritage of the people now living there, I want to share a news report from the Chicago Tribune of May 6, in which Reporter Charles Leroux chronicled how brave people, led by heroic priests, founded this small village in my district. I suggest that the inspiration which this article provided to me should well be shared by my fellow Members of this House:

PANNA MARIA, TEX.—There is just one intersection in this tiny town on either side of a farm road deep in the heart of Texas, 50 miles southeast of San Antonio.

There's one church and one school. Felix Snoga's store is a grocery, gas station, and post office all in one, and also provides a shaded front porch where town dogs stretch out for a nap. If you stopped at Snoga's for a cold pop or went to the church rectory to see if there was anyone there to unlock the town museum, you'd probably be talking to someone who spoke English as though it was his second language.

The cross street is Pulaski Street. The church is Catholic. The accent you hear from many of these lifelong Texans is Polish. The reason goes back 126 years.

Early in December, 1854, 100 Polish families from Upper Silesia set foot in Galveston. They came at the bidding of one of their own, Father Leopold Moczygemba, a missionary priest from Silesia, who was ministering to the Germans living in central Texas.

Father Leopold knew that the Poles of Silesia chaffed under the rule of Prussia and had suffered some religious persecution. Their biggest problem, however, was economic. Since the feudal system had been abandoned in 1830, a peasant's acre no longer was inherited intact by one child but was divided among the children. High birth rates shattered farms.

Father Leopold looked over the vastness of Texas and saw the fields of a promised land. He bought a parcel on a plateau overlooking the junction of the San Antonio and Cibolo rivers—paid 'way too much for it, five times what good land nearby sold for—and wrote home to his four brothers and their neighbors the Polish equivalent of "Y'all come."

Eight hundred men, women, and children came. They spent nine weeks packed together on a ship. A few died on the journey. A few more gave in to yellow fever in Galveston. The rest rented Mexican carts, loaded up their feather beds, their farm implements, and the cross from the parish church back in the old country, and walked for two weeks south along the coast to Indianola.

There they turned inland on the oxcart road to San Antonio. More died along the way and were buried beside the trail. There were births, too, and mothers wrapped their infants in blankets against the cold and resumed walking. When they passed through the towns of Victoria and Yorktown, some of the party dropped out and let the procession go on without them.

Almost all the men wore broad-brimmed, low-crowned, black felt hats and blue jackets of heavy wool. The women wore skirts that came to two or three inches above the ankle, short for that time and place. Many of both sexes wore wooden shoes. The Americans they encountered stared with amusement and awe.

On Christmas Eve they arrived at the plateau overlooking the rivers and named the place Panna Maria, for the mother of the Christ Child.

Father Leopold said a midnight mass under the largest live oak in a small grove, a mass of thanksgiving and a petition to God for the strength to carve a life out of this inhospitable place. Some of the Poles slept under the oaks the first several nights. Others dug holes, covered them with the tall grass that grew everywhere, and huddled in the earth with their families. Exposure took its toll; malaria swept the colony. There were scorpions and rattlesnakes in such numbers as to constitute a Biblical plague. There was talk of hanging Father Leopold.

Then, little by little, the Dziuks and Mankas, the Moczygembas and Urbanczyks, the Rzeppas and Szudas, the Kiolobassas and other families began to build. They first made huts of pickets and mud with grass roofs. John Gawlik built the first stone house in 1859. The Kasprzyk and Rzeppa families put up sturdy stone houses soon after.

Together, the community built a church with stone walls two feet thick. The floor was sand; there were no pews, no choir loft; homespun covered the windows. Once, when a baptism was scheduled, two rattlesnakes were found curled around the baptismal font.

The worst varmints that plagued the colonists weren't the snakes or the crocodiles or the spiders. The worst were the Americans.

"Whether traveling or at home," Father Adolph Bakanowski, a pastor of Panna Maria's Immaculate Conception church in the late 1860s, wrote, "We had no peace. These cowboys entered the church during the services with their hats on and smoking cigarets. They would come out around the altar during the mass and curiously examine the contents of the chalice. On the road they would shoot at the Polander's feet, in many instances wounding him. As a protection against such and against the snakes that crawled everywhere, I provided myself with a revolver. A rosary in my pocket and the revolver hanging in a scabbard on my saddle, I went along so that everyone who did not believe the word of God would believe my revolver—the god of the Americans."

An early settler recalled in his memoirs, "When our wretchedness forced us to leave our families and seek money and food, we were shown, by some, the practical end of a gun and were told to dance for our pay, which, eventually, we did not get. That was the hardest blow of all. After weeks, even months of hard labor, we were forced to return home penniless where children cried for bread."

A few Americans treated the colony with kindness. Some resident of nearby Helena, the first county seat, offered jobs (at 50 cents a day). John Twohig, from whom the land of Panna Maria had been purchased, sent loads of corn. Thomas Ruckman, an early Karnes County pioneer, sent meat and corn. William Butler, another pioneer, drove 12 steers into Panna Maria as a gift to the hard-pressed community.

(On Christmas Eve, 1884, Butler's son died in a barroom brawl in Helena. Butler swore to kill the town that killed his boy. He used his influence to route the Aransas Pass railroad away from Helena, which withered and became a ghost town.)

The settlement was visited by drought in 1856 and flood in 1869. For three years during the Civil War, there was no priest, and the dying faced eternity without the sacraments. But Panna Maria kept building.

They wanted a school. A partitioned-off room in a barn had served as a classroom in the early years of the settlement; but the settlers wanted a real school, and in 1867 construction was begun. After two years of hard work and repeated collections and bickering over costs, the school was dedicated.

Father Bakanowski wrote to the headquarters of his order in Paris about the indebtedness caused by the building project and the devastation caused by the floods, but a subsequent letter had a far different tone:

"Beautiful is the scenery around (the school). From one side, one can see the villagers and, beyond them, the woods; from the south side, one sees fields and meadows and a wide expanse of thousands of acres. First appear the well-kept fields of cotton (a colony of freed slaves had been established near Panna Maria after the war, and those people taught the Poles now to cultivate cotton) and corn, farther begins a decline culminating in the San Antonio River on the banks of which grow large pecan trees; the foliage is thick and the stream clear as crystal. There one comes across congregating rabbits, wild cats, and panthers."

The panthers are gone, but the barn that once housed a classroom is now Snoga's store; the Gawlik house is now a barn; the pecan trees still grow, and the live oak beneath which that first mass was said spreads grandly next to the new (1877) Immaculate Conception church.

And the Poles are still there. In the cemetery north of town, their names on headstones stare unflinching into the sun of the boundless sky of the Lone Star State. In front of the handful of houses in town and the farmhouses in the surrounding fields stand mailboxes with the same names as those in the cemetery, the same as those who came 126 years ago. There are about 100 families here now, same as in the beginning.

This is certainly not the largest Polish settlement in America, but it is the oldest, and on a hot, lazy day with no traffic on Texas Farm Road 81 and only the sound of birds and the flutter of butterflies in the air, it's like living surrounded by a sigh of relief after the struggles, the feats of endurance that took place here.

In Snoga's store there's a pamphlet you can buy that tells the history of the settlement. The Rev. Edward J. Dworaczk, who wrote the pamphlet, dedicated it to:

The first settlers of this historic hamlet
Who left their native land of suffering and oppression
To seek life, liberty, and the pursuit of happiness
In the land of promise,
And because they faced this new life with courage,
Patience, and fervent trust in God, they made
Life for their descendants
Worth living.●

PUERTO RICAN ATHLETES IN MOSCOW OLYMPICS

HON. BALTASAR CORRADA

OF PUERTO RICO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 7, 1980

● Mr. CORRADA. Mr. Speaker, my office has been receiving inquiries regarding the participation of Puerto Rican athletes in the Moscow Olympics and I just would like to bring my colleagues up to date on this matter.

The Puerto Rico Olympic Committee has been recognized since 1948 as a separate entity by the International Olympic Committee and is therefore not bound by the decision taken by the U.S. Olympic Committee; however, Mr. Speaker, I believe that as American citizens Puerto Rican athletes should support President Carter in boycotting the Moscow Olympics in repudiation of the Soviet invasion of Afghanistan. Both houses of the Commonwealth legislature and the Governor of Puerto Rico, the Honorable Carlos Romero Barceló, have also expressed themselves along the same lines and as a matter of fact the legislature has voted to discontinue funding for those sports federations which send athletes to Moscow. Unfortunately, the Puerto Rico Olympic Committee has approved a motion that allows each sports federation on the island to decide whether or not to send athletes to the Moscow Olympics; however, signs are encouraging and the first federation to take a vote on whether or not to go to Moscow, the swimming federation, has overwhelmingly voted not to go.

I want to assure my colleagues that both the Governor and I will continue to dialog with the various federations in Puerto Rico urging them to boycott the Moscow Olympics.

In fact, three sports federations in Puerto Rico have already decided not to go—the swimming, judo, and yachting federations. Other federations have not yet voted on the question and the track and field federation, by a vote of 5 to 4 voted to go but efforts are being made to have that decision reconsidered.

Mr. Speaker, I insert a copy of a resolution adopted by the Legislative Assembly of Puerto Rico prohibiting the use of public funds of the Commonwealth of Puerto Rico to sponsor sending Puerto Rican athletes to the Moscow Olympics:

PUERTO RICO HOUSE OF REPRESENTATIVES CONCURRENT RESOLUTION NO. 3708

To amend the Title and to add a Paragraph to Article 6 of the Concurrent Resolution No. 37 of June 28, 1978, to dispose that the funds assigned to the Public Recreation and Parks Administration for its use, among others, by the Puerto Rico Olympic Committee, cannot be used to send the Offical Delegation of Puerto Rico to the 1980 Moscow Games.

It is hereby resolved by the Puerto Rico Legislative Assembly:

SECTION 1. The Title is amended and a Paragraph added to Article 6 of the Concurrent Resolution No. 37 of June 28, 1978 so that it reads as follows:

"To assign to the Public Recreation and Parks Administration for the use of the Puerto Rico Olympic Committee of the Organizing Committee for the VII Pan American Games of 1979 and the Organizing Committee of the XIV Centro-American and Caribbean Games of 1982, of the net product of one of the extraordinary drawings of the Puerto Rico Lottery that are undertaken during each of the Fiscal Years 1980-81, 1981-82, 1982-83 and 1983-84 and authorize the Secretary of the Treasury to advance the annual amount that may be needed to complete the sum of $9.75 million to send the Official Delegation from Puerto Rico to the Centro-American and Caribbean Games to be held in Medellin, Colombia in July 1978; the organization of the Pan American Games to be held in Puerto Rico in the year 1979; for the Organization of the XIV Centro American and Caribbean Games to be held in Puerto Rico in the year of 1982 and for the use of the Puerto Rico Olympic Committee in the development and fomenting of sports through its affiliated Federations."

"Article 6.—The Puerto Rico Olympic Committee in the assignation and use of the funds appropriated by this Resolution for the development and fomenting of sports through its affiliated Federations shall oversee that the following norms and proceedings be followed:

(a) ....
(q) ....
....
1.— ....
5.— ....
....
1.— ....
5.— ....

Providing that the funds assigned in this Resolution cannot be used either directly or indirectly by the Puerto Rico Olympic Committee nor by its affiliated Federations nor by any entity or any person to participate or sponsor in any way the 1980 Olympic Games to be celebrated in that year in the City of Moscow of the USSR."

The Puerto Rico Olympic Committee as well as all the affiliated Federations, entities or individuals that decide to participate in the 1980 Olympic Games, shall be barred from receiving public funds for any of their activities beginning with the approval date of this law through July 1, 1981 and shall reimburse the general revenue those amounts that from the funds assigned for Fiscal Year 1979-80 they have expended and obligated as of the approval date of this law for the purpose of their participation in said Olympic Games.

SEC. 2. This Concurrent Resolution shall become effective immediately after its approval.●

RONALD REAGAN AS PRESIDENT

HON. BOB WILSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 7, 1980

● Mr. BOB WILSON. Mr. Speaker, one of Washington's most experienced political pros, Lyn Nofziger, who was a trusted aide and Presidential campaign adviser to Governor Reagan until he was "seared" by John Sears, has written a very objective article on the type of President that Reagan will be when he is elected in November.

Having known and watched President Eisenhower, Governor Reagan, and Lyn Nofziger through their political careers, I am impressed and concur with Nofziger's comparision of Reagan to Eisenhower.

This Nation needs the type of leadership that Eisenhower gave us in those 8 golden years of peace and progress, when we rebuilt our military strength, promoted meaningful civil rights, restored our national economic vitality, and made America proud of itself. That is the kind of leadership we need in these perilous times and that is why America will turn to Ronald Reagan for leadership this year.

I include Nofziger's article from the San Diego Union as a portion of my remarks:

[From the San Diego Union, May 4, 1980]

AN EX-AIDE'S VIEW: WHAT KIND OF PRESIDENT WOULD REAGAN BE?

(By Lyn Nofziger)

As Ronald Reagan steadily draws nearer to the Republican presidential nomination, one question is asked with increasing frequency: If elected what kind of president will Reagan be?

Unfortunately, the question is unanswerable. One can guess or can look at the record and draw conclusions. But, in fact, it is impossible to say what kind of a president any man will be until he has held the office for a period of time. For the presidency magnifies, or brings out of those who hold it, traits, flaws, strengths and weaknesses never before apparent.

No one could have predicted in advance that the haberdasher, Harry S. Truman, would have been competent, courageous, tough; that the Southerner, Lyndon Johnson, would have become a domestic and social liberal; or that the anti-communist, Richard Nixon, would be the one to open the door to Communist China.

So it is probably safe to say that nobody, including Reagan, can really say what kind of a president he would turn out to be.

Nevertheless, a close look at Reagan the man, as well as Reagan the governor, may give some sort of indication. At the same time, since he could well become president, it is probably time to straighten out some misconceptions regarding him.

Reagan the man has been accused of being shallow, not particularly smart and lazy. He has been called an actor, mouthing lines but having little substance. He is charged with being unimaginative, with no ideas of his own.

It is true that Reagan is not Einstein, and it is equally true he doesn't pretend to be. Nor is it likely that he is in the class of, say, Jefferson as a deep thinker. But this is not to say he is either shallow or dumb. His record as governor clearly indicates that he can tell a good idea from a bad one, that he can deal as an intellectual equal with intelligent politicians such as Jesse Unruh, with highly regarded university administrators such as Charles Hitch, with presidents such as Richard Nixon. Admitted experts, deep thinkers, national leaders have not come away from Reagan accusing him of being unintelligent or shallow.

There is more, however, to the charge that Reagan is not innovative, that he did not think up all the bright ideas that came from his administration. On the other hand, how many presidents have thought up and set down on paper those positive things for which their administrations are known.

The fact is, idea men and ideas are a dime a dozen. Good presidents, good governors, good administrators sift out the good ideas and see that they are put into practice or made into law. Reagan, for instance, probably did not think up the details of California's welfare reform, but he did recognize the workable ideas and he did put those into practice. Clearly he did not draft his famous Proposition 1, the tax limitation proposal, but just as clearly he ordered his staff to find a way to keep taxes under control. Voters have a right to expect that he will work this way as president.

Reagan has been accused of being lazy because he likes to keep regular office hours—9 to 5, generally speaking. Actually, Reagan has never hesitated to work at the office early or late when the situation demanded it. But more importantly, Reagan prefers to take his office reading home with him. He likes to read it in bed, or while lounging around the house or pool. He has never felt it necessary to prove he can outwork the other fellow by hanging around the office until a late hour.

Though reporters and critics have questioned many things about Reagan, they have never questioned one quality essential to the presidency—courage. And the ability to make a tough decision and not look back.

Perhaps the toughest decision Reagan had to make as governor was the decision to let the execution of the killer of a police officer go on as scheduled. He had qualms. He prayed and he talked with his minister. He studied the record and he met with his legal affairs secretary and other high level staff. Then he made the decision to let the execution go ahead.

Several times as governor he faced down angry mobs or walked through them. Once it was stone-throwing, car-rocking student protestors at a University of California Board of Regents meeting. Another time it was supporters of Cesar Chavez in the state Capitol.

Another quality a president must have is stamina. Reagan's health is good. His campaign pace this year should lay to rest any question of ability to stand up under either physical or mental pressures.

When Reagan appoints members of his cabinet, they likely are in for a shock. For the most part, new presidents send their cabinet officers out to take charge of their departments "and run it as if it were yours." As a result, cabinet secretaries tend to wind up as ambassadors from their departments to the White House, serving as emissaries from the entrenched bureaucracies and the vested interests. When Reagan, as governor, named his cabinet, he sent the members forth to carry administration policy to the departments and to carry it out in them. Reagan cabinet officers were Reagan's men in the departments; they were not the departments' men in the Reagan cabinet.

There may be a second shock also for cabinet officers who have served other presidents. Reagan keeps in contact with his cabinet secretaries. As governor he held regular weekly cabinet meetings at which policies proposals and problems were thrashed out.

"Roundtabling" was the word used and the policy followed in the Reagan gubernatorial office. "Roundtabling" can be expected in the Reagan presidential office. Reagan is a man who likes to hear all sides before he makes his decision. Though he occasionally talks when he shouldn't, he seldom acts without the benefit of the best advice he can find.

In the wake of the Carter administration, Washington insiders have expressed the fear that Reagan as president will be hurt by a lack of experience in two areas: congressional relations and foreign policy.

Two points need to be made here. First of all, any president in either of these areas is highly dependent on cabinet and staff, including the secretary of state, the chairman of the National Security Council and the assistant to the president for congressional relations.

Reagan's record for surrounding himself with competent people at both cabinet and staff levels is good.

The second point is that dealing either with other nations or with members of Congress calls for ability and experience in negotiating and for a willingness to compromise. Reagan views himself as a superior negotiator. He likes to point out that for several years he represented the Screen Actors Guild in negotiations with the heads of the studios, a tough, hard-nosed breed indeed.

As governor he proved he did know how to negotiate effectively. Equally important, he learned when to compromise, when not to compromise and when to go over the head of the Legislature directly to the people.

As president, Reagan can be expected to negotiate but not to back down. And, when there is an impasse, he can be expected to use television, at which he is a master, to take his case directly to the people and to rally them behind him. In this regard, he had—and has—a favorite saying: "If we can't make them see the light, we can at least make them feel the heat."

Reagan, as governor, depended heavily on staff. He can be expected to do the same if elected president. He is not a detail man. Details he leaves for others. Unlike Jimmy Carter, he would never worry about scheduling the use of the White House tennis court—or swimming pool or bowling alley. Nor would he worry about who got to eat in the White House mess.

Instead, he would save himself for developing the big programs and making the big decisions.

There have been charges that he depends too heavily on staff, that he does not pay enough attention to detail, that he is not interested in the routine, day-to-day activities. If these are fault, the criticism is probably justified. However, a job as big as the presidency clearly calls for a chief executive who can be selective in the use of his time and efforts. Reagan can be that.

Another criticism, common to most executives, is that Reagan tends to surround himself with a palace guard, that as governor he was difficult or next to impossible to see. The problems of the presidency and the magnitude of the job undoubtedly mean that he will continue to be relatively inaccessible. But all presidents are inaccessible to those they don't have time to see. Accessibility is relative and personal. Reagan, like other presidents, will see those he has to see for governmental or political reasons; he won't see many others unless someone invents a longer day.

The preceding is a very sketchy outline of what kind of president Reagan might be, at least in one observer's opinion. To sum it up, Reagan's approach to governing is probably nearer to that of Dwight D. Eisenhower than to that of any other recent president. He will have a chief of staff and he will use the staff system effectively.

Though a warm and friendly individual, he is not a politician's politician, and he can be expected to develop few warm friendships among the members of Congress.

He will set out to give the nation his kind of conservative government, but he will be willing to compromise for part of a loaf in almost any area where he clearly cannot get it all.

He will not hesitate to make the tough decisions as the need arises, but he will not act rashly or in haste or without consultation. His bark will be worse than his bite.

If he manages to surround himself with good staff and a competent, supportive cabinet and if he is not dissuaded from attempting to do those things that today he thinks must be done, Reagan could turn out to be an effective president whose appeal to the nation rivals his previous appeal to Californians.

On the other hand, it must be remembered that Reagan has failings, faults and frailties, just like any other president has had.

Fate will put these in the balance along with his assets, his intelligence, his courage, his convictions, his political instincts and his decency.

And sometime during his four-year term, the good and the bad will begin to sort themselves out as he meets the daily problems and crises of government. Only then will the nation, if it chooses to elect him, see just what kind of a president Ronald Reagan will be.●

FEDERAL RETIREES

HON. WILLIAM LEHMAN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 7, 1980

● Mr. LEHMAN. Mr. Speaker, I recently met in my district office with a group of civil service retirees who were extremely concerned about the possibility of losing their twice-a-year cost-of-living adjustments.

The group, which consisted of representatives from NARFE, feared that their retirement security was now being threatened by budget cuts.

I strongly support efforts to balance our Federal budget, but I do not believe that in the process we can avoid our commitment to our retirees.

I commend the Post Office and Civil Service Committee, which has so far resisted any attempts to reduce the number of cost-of-living adjustments for Federal retirees.●

THE SHADOW OF THE GUNMAN

HON. PAUL N. McCLOSKEY, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 7, 1980

● Mr. McCLOSKEY. Mr. Speaker, the death of our friend and former congressional colleague, Allard Lowenstein, caused a number of us to pledge to work to end the wide and uncontrolled use of concealable handguns. Last week 43 of us asked Chairman RODINO to push ahead with appropriate handgun control legislation, and he has agreed to hold hearings in late June.

Despite the forceful voice of the National Rifle Association, of which I am pleased to be a member, there is considerable editorial support for handgun control. Some editorials from reputable newspapers are attached as examples:

[From the Bennington (Vt.) Banner, Mar. 20, 1980]

THE SHADOW OF THE GUNMAN

Last Thursday, Allard Lowenstein offered this urgent advice to Senator Kennedy's New York campaign aides: Don't forget gun laws; be sure that one of the senator's taped commercials includes a plea for federal control of handgun sales. On Friday, the former New York congressman was fatally shot in his office. The man accused of the killing had bought a pistol in a Connecticut gunshop, using a driver's license for identification. The purchase was perfectly legal, even though the purchaser had been committed to a mental institution in the same state.

"Guns don't kill people. People kill people." That bumper-sticker slogan of the gun lobby is nonsense. Many impulsive murders would never occur if the attackers lacked easy access to handguns. America is the only industrial society without effective national controls on the sale of firearms. The distinction would end if Congress passed Sen. Kennedy's handgun control bill. One provision would authorize the police to block the sale of handguns to persons with a history of mental disorder. It would have prevented the man charged with murdering Lowenstein from buying a Spanish-made weapon with $120 and a driver's license.

A sound federal gun law alone would not keep felons or the deranged from acquiring firearms. But the absence of such a law also undercuts the gun-control measures of states like New York, whose neighbors persist in lax standards. In thwarting the desire of a majority of Americans, as expressed in a multitude of polls, the firearms zealots ignore the shadow of the gunman of American life.

[From the Binghamton (N.Y.) Evening Press, Mar. 19, 1980]

GUNS DO KILL PEOPLE

Many Americans seem to accept as truth anything that fits on a bumper sticker. The slogan doesn't have to make sense as long as the phrasing is catchy and the message fits. Thus, we are treated to this dangerous bit of nonsense: "Guns don't kill people. People kill people."

By refusing to acknowledge the vital connection between the human trigger finger and the gun, individuals and groups opposed to gun registration neatly remove the weapon from consideration in violent deaths.

Of course, the slogan and the point of view it represents are ridiculous. If the gun lobby were committed to telling the truth, its bumper stickers would read, "Guns alone don't kill people. People with guns kill people."

Ask the family and friends of former New York Congressman Allard K. Lowenstein, who was gunned down in his Manhattan law office last Friday afternoon. The man accused of the killing used a driver's license for identification to buy a pistol in a Connecticut gunshop. The purchase was perfectly legal, even though the purchaser had been committed to a mental institution in Connecticut.

Ironically, on the day before he died Lowenstein had urged Senator Edward M.

Kennedy's staff not to forget federal control of handgun sales as a campaign issue in New York State.

A sound federal gun law, like Senator Kennedy's proposed handgun control bill, would not have prevented the death of Allard Lowenstein by itself. But it would have stopped the man charged with murdering Lowenstein from buying a handgun with $120 and a driver's license. The Kennedy bill would authorize the police to block the sale of handguns to persons with a history of mental disorders.

In the Lowenstein case, that may have been enough to prevent a violent and fatal crime.

A sound federal handgun law also would help states like New York to enforce existing gun control measures. The way things now stand, New York's efforts often are thwarted by the willingness of neighboring states—including Connecticut—to look the other way.

This time, that laxness helped cost the life of a crusader for civil rights and political sanity. The loss of Allard Lowenstein was too great a price to pay.

[From the Portland (Maine) Telegraph, Mar. 23, 1980]

Murder Made Easy

The shooting death of Allard Lowenstein last weekend was just one more tragic argument for sensible gun control in this country.

The man accused of killing the longtime liberal activist was a former inmate in a Connecticut mental institution. Yet he was able to buy the murder weapon in a Connecticut gunshop as easily as he might have bought a bag of groceries. All it took was $120 and the flash of a driver's license.

A national handgun control bill sponsored by Sen. Edward Kennedy—for whom Lowenstein had been actively campaigning at the time of his death—might have prevented the gun from falling so easily into the killer's hands. It would have provided time for a check on the man's background and permitted authorities to block the sale of a pistol to a person with his mental history.

But even the mildest and most sensible gun control proposals inevitably run into the most vigorous resistance of the gun lobby, which views such suggestions as a plot to disarm sportsmen and other law-abiding citizens.

Here in Maine, a legislative proposal to require a simple three-day waiting period in the purchase of a handgun has been repeatedly rejected over the years, due to organized opposition from the rod-and-gun-club crowd.

We're not saying a national gun control law would have prevented the senseless slaying of Allard Lowenstein—or of countless other shooting victims in this country every year—but it might have.

The fact that this shooting might have been avoided—and at no cost to anyone's constitutional liberties—makes the death of this bright American idealist particularly tragic.

[From the St. Louis (Mo.) Post-Dispatch, Mar. 20, 1980]

How Many To Lose?

At the memorial service this week for former Rep. Allard K. Lowenstein, Rep. Pete McCloskey recalled that Mr. Lowenstein had once asked him, "How many great leaders do we have to lose to a deranged person with a concealed gun?" Mr. Lowenstein was referring to the murder of Robert Kennedy, but the question can be raised in his case as well, for he was a great man—in an untidy, hectic but unusually effective way—in the cause of human rights, here and abroad, and he was shot to death by an apparently deranged former protege in the civil rights movement.

The man who killed Al Lowenstein had been a mental patient. Yet he had no problems buying the murder weapon—a Spanish-made automatic pistol—in Connecticut, after showing his driver's license and undergoing a waiting period while police checked to see if he had a criminal record. Now it is true that without the easily purchased pistol, Mr. Lowenstein's killer might still have accomplished his objective, by club or by ax or by brute force. The fact is, however, that someone who had no business owning a handgun found no impediment to obtaining one. And having obtained it, he put it to the most common use for which such a weapon is designed, the shooting of a human being.

True, had he been a felon, he would not have been allowed to buy the pistol. But even that barrier would be largely broken down if a bill sponsored by Rep. Volkmer (supported, shamefully, by Sens. Eagleton and Danforth) is approved. According to the measure, which is intended to make it easier to obtain guns and more difficult for the government to take them away, persons convicted of more than 40 types of felonies would be permitted to purchase or deal in handguns. These felonies, incredibly, include extortion, violations of the Gun Control Act, felonious assault and assassination of members of Congress. Could this be Congress' idea of a memorial for Al Lowenstein?

[From the Haverstraw (N.Y.) Times, Mar. 20, 1980]

Gun Control Needed

The tragic shooting death of former Congressman Allard K. Lowenstein once again points up the drastic need for stiffer gun control.

Mr. Lowenstein's death last week at the hands of a man who allegedly purchased a handgun for $120 demonstrates that the free market in the purchase of weapons should be halted.

It was reported that the man who shot Mr. Lowenstein had passed a police check before he was able to purchase the weapon, suggesting that the current laws in effect in most states are now inadequate.

Mr. Lowenstein's murder made headlines, but there were thousands of men and women—and yes, even children—who die each year from wounds inflicted by guns. Many of these die as a result of arguments. Crimes and even accidents. But regardless of why they die, they are still dead.

The gun lobby in this nation has long contended that guns don't kill—that it is people who kill each other. It is an argument that for years has failed to persuade us to change our minds about guns.

New York State has one of the toughest gun control laws in the nation, but still that hasn't prevented the untold homicides that occur each year. While it may be difficult to legally purchase a gun here, there are plenty available on the black market for a price.

The only sensible way to prevent deaths like Mr. Lowenstein's is to halt the sale of guns to most individuals. If an individual can't present a legitimate reason to have possession of a gun, he should not be able to buy one.

We have seen presidents, senators, mayors and others cut down senselessly.

Gun control in this nation is long overdue. How many shootings and deaths do we have to experience before we come to the realization that guns do kill people; and if there weren't guns distributed so freely among our residents, fewer people would die each year.●

PIKESVILLE SENIOR HIGH

HON. CLARENCE D. LONG

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 7, 1980

● Mr. LONG of Maryland. Mr. Speaker, I welcome the 12th-grade students from the Pikesville Senior High School who, with Mr. Sidney Chernick, are visiting the Capitol. My constituents will tour Congress, observe the House of Representatives in action, and visit the FBI.

Mr. Speaker, distinguished colleagues, I hope you will join me in welcoming:

Lisa Chado, David Flater, Barbara Klotzman, Sherry Kronthal, Mark Lichtenberg, Stewart Pearlman, Jay Renbaum, Sharon Richmond, Troy Waiderner, Andrea Abramson, Miriam Bloom, Karen Ehudin, Anthony Glasser, Sandra Greenberg, Linda Katz, Stephen Katz, Ruth Kowarski;

Eileen Lipsitz, Dan Luxenberg, Jane Miller, Marilyn Murveit, Gary Posner, Terry Scherr, Doug Seeb, Melinda Siegel, Amy Silberman, Fran Silverstein, Susan Steinberg, Wayne Ury, Melody Waldman, Susan Cohen, Wendy Weiner, Terry Lipsitz, Jill Smeyne;

Michelle Weisman, Scott Moses, Jill Polanski, Manuel Cegla, Lisa Cohen, Craig Wolf, Larry Goldman, Toby Hessenauer, Scott Freiman, Ellen Seamen, Debbie Abramson, and Jeff McCall.●

SCHOOL FOOD PROGRAMS

HON. TONY P. HALL

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 7, 1980

● Mr. HALL of Ohio. Mr. Speaker, earlier this year, one of my constituents, Mrs. Betty Bender, testified before the Elementary, Secondary, and Vocational Education Subcommittee of the Education and Labor Committee on the subject of school food programs. Mrs. Bender, who is supervisor of food services for the Dayton, Ohio, Public Schools, expressed her views on both the current commodity program and the proposed letter of credit program.

In the subcommittee last week, an amendment offered by my colleague, Hon. WILLIAM FORD, failed. This amendment would have changed the existing commodities program to one of letters of credit. Since Congressman FORD may offer this amendment before the full House, I insert Mrs. Bender's remarks into the RECORD at this time so that they can be reviewed by all my colleagues:

TESTIMONY ON THE SCHOOL FOOD PROGRAM

The Dayton Board of Education has had the opportunity to experience both commodities and cash-in-lieu of commodities. Although the report on the cash-in-lieu of commodity pilot program from the United States Department of Agriculture states that the data is ambiguous and inconclusive, each of the participating school districts felt the pilot program to be most successful from a management viewpoint. Now a letter of credit has been proposed as a possible solution to commodity problems.

The National School Lunch Act of 1946 clearly states its purposes to be:

1. To provide improved and better nutrition for school children, and

2. To provide an outlet for surplus commodity foods.

Schools throughout the nation recognize and accept these two premises and have actively and successfuly managed the school feeding program with these goals as major key factors. It is now thirty-four years later, and school districts such as ours are faced with the same problems as the Federal Government, i.e., how to balance the budget, reduce costs in an inflationary era, and provide the support, education and service to a system burdened with a decreasing enrollment, decreased tax base, and inflationary costs. School boards expect efficient management, a balanced budget, and maximum service for children. These expectations appear to be in harmony with those of the Congress and the United States Department of Agriculture.

The past thirty-four years have wrought many changes in our country. The food service industry has experienced extreme changes as a result of sophisticated, selective customers. Sophisticated students are the child feeding program customers. Customers who demand quality, nutritious food, and a selective menu. This type of customer has led to menu changes and new methods of preparation. The school feeding programs have expanded, and central kitchens and commissaries have been built in an effort to meet the commitment to feed children. As these changes have occurred, commodity products have become a misfit, or are inappropriate in some food service operations. The resulting frustrations of the conscientious food service operator lead to the following questions.

1. What determines a surplus commodity?

2. Why should commodities be purchased in forms that are not usable in the school system?

3. Why should the children of this nation eat foodstuffs of poor quality?

4. Why should section 6 commodities be determined by the United States Department of Agriculture?

Until 1970, the Dayton Board of Education provided food service at the secondary level only. All elementary schools were neighborhood schools and all elementary students were expected to eat their meals at home. At this point in time, the Dayton Board of Education, in response to pressures from State and Federal levels and several inner-city organizations, accepted its responsibilities to the community and made the decision to expand food service to all schools. The Dayton Board of Education submitted plans for a central kitchen based upon prepared foods to the State Department of Education, and received approval for nonfood assistance monies to equip the facility, plus the sixty elementary schools in Dayton. The central kitchen has proven to be an extremely efficient and effective method of feeding the elementary students of Dayton, and the percentage of participation is 87 percent. The equipment utilized has allowed the production rate of 135 meals per manhour of labor to be attained and maintained since the first year of operation. It is this type of efficiency that allows the food service section of the Dayton Board of Education to maintain a self-sufficient budget.

The Dayton Board of Education also maintains twelve on-site production kitchens which serve the secondary schools. Production rate in these kitchens is 25 meals per manhour. The menu selection is wide and varied, far in excess of the choice of two type a meal plans offered at elementary levels. I point this out as a matter of information as I present the following cost analysis of processing commodities.

COMMODITY PROCESSING COST ANALYSIS—TURKEY

	In dollars
Commercial:	
24-lb. turkey @ $0.7308 per pound	17.59
Shipping @ $0.065 per pound	1.56
Handling charge @ $0.0225 per pound	.54
12.19-lb. processed turkey @ $0.43 per pound	5.24
Credit for 11.8-lb. unused product @ $0.06 per pound	−.71
12.19-lb. yield (50.8%), total cost $2.10 pound	25.64
On-site:	
24-lb. turkey @ $0.7308 per pound	17.59
Shipping @ $0.065 per pound	1.56
Handling charge @ $0.0225 per pound	.54
10.56-lb. processed turkey @ $0.235 per pound (½-hr. labor)	3.67
10.56-lb. yield (44%), total cost $2.21 pound	23.36
Minimum bid price for all white turkey roll, per pound	1.17
Maximum bid price for all white turkey roll, per pound	1.43

COMMODITY PROCESSING COST ANALYSIS—CHICKEN

	In dollars
Commercial:	
59,430 lb. chicken @ $0.564 per pound	33,518.52
59,430 lb. chicken shipped @ $0.065 per pound	3,862.95
59,430 lb. handling charge @ $0.03 per pound	1,782.90
59,430 lb. chicken processed @ $0.54 per pound	32,092.20
54,675.6-lb. yield (92%)	71,256.57
Cost per pound	1.30
Cost per serving	.43442
Packaging charge	.1598
Cost per serving	.59422
On-site preparation:	
30-lb. chicken @ $0.564 per pound	16.92
30-lb. chicken @ $0.065 per pound	1.95
30-lb. chicken @ $0.03 per pound	.90
30-lb. chicken @ $7.33 per hour	14.66
27.6-lb. yield (92%)	34.43
Cost per pound	1.247
Cost per serving	.415
Bid price—fully cooked breast portion (3½–4 oz.)	.315
Packaged by the Dayton Board of Education	.035
Cost per serving	.350

COMMODITY PROCESSING COST ANALYSIS—GROUND BEEF

	In dollars
30,360 lb. ground beef @ $1.1872 per pound	36,043.39
30,360 lb. ground beef shipped @ $0.065 per pound	1,973.40
30,360 lb. ground beef handling charge @ $0.02 per pound	607.20
30,360 lb. ground beef processed @ $0.369 per pound	11,202.84
28,720.6-lb cooked beef patty	49,826.83
Cost per pound	1.763
Cost per 2.4-oz. patty	.264
Bid price to Dayton Board of Education using same formula (2.4-oz. patty)	.205

COMMODITY PROCESSING COST ANALYSIS—GROUND PORK

	In dollars
5,940 lb. ground pork @ $0.8571 per pound	$5,091.17
5,940 lb. shipped @ $0.065 per pound	386.10
5,940 lb. handling charge @ $0.02 per pound	118.80
5,940 lb. processed @ $0.369 per pound	2,193.05
4,217.4-lb. yield (71%)	7,789.12
Cost per pound	1.85
Cost per 2.4-oz. patty	.277
Bid price per 2.4-oz. patty	.224

Since returning to the commodity program on July 1, 1979, the Dayton Board of Education has been offered $534,079.22 value in commodities. The Dayton Board of Education has accepted $397,639.91. This means that we have refused $136,439.31, or 25.7 percent of the commodities offered. The commodities refused have been butter, flour, peanut butter, rice, shortening, rolled wheat, rolled oats and peanut granules. All items refused were offered in amounts in excess of normal usage. To date, the Dayton Board of Education has expended: Commercial storage, $2,572.01; distribution costs, $14,791.71; State handling charges, $19,536.00; and processing charges, $80,035.24, for a total of $116,934.96, to utilize the commodities accepted.

This total, coupled with the dollar value of the commodities refused, equals 10¢ per meal which could have been spent on a student lunch or realized in savings to the child nutrition programs.

The proposed letter of credit appears to offer a reasonable solution to school districts with serious commodity problems, and to agriculture, since schools would still utilize commodities designated by the United States Department of Agriculture. However, it appears to allow adequate flexibility to schools. It would increase competition for the companies which are willing to process commodities, and which are now limited in number.

I would urge that consideration be given to the following points.

1. To allow a school district to make application for the letter of credit program. It is at this point untried and untested. By allowing school districts to participate by request, it would allow Congress and the Department of Agriculture to set parameters, correct any unforeseen errors, and evaluate the program.

2. I would urge that school districts be allowed to upgrade the quality of product specified by the Secretary of Agriculture with the local district being responsible for any added cost.

School food service operators want to perform well for the children they feed. They also must maintain sound management practices. Commodity costs such as I have pointed out in the Dayton schools do not meet good management practices.

Mister Chairman and members of the committee, thank you for allowing me to present the views of the Dayton public schools food service section.●

REV. BOYD B. CANTRELL

HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 7, 1980

● Mr. RODINO. Mr. Speaker, many Newark area community leaders gathered last Friday evening to honor Rev. Boyd B. Cantrell of the Hopewell Baptist Church. I was pleased to join with them in saluting Reverend Cantrell on the 19th anniversary of his ministry at that great church, and I was privileged to offer remarks about him at the dinner.

Reverend Cantrell is the spiritual leader of a beautiful church. He is also a respected and influential leader who has positively touched the lives of many hundreds of individuals in the community. Under his leadership, Hopewell Baptist Church has become an inspirational, stabilizing, and constructive force.

Just 10 years ago, Hopewell was housed in a small, modest structure. As a result of Reverend Cantrell's vision and leadership, the people of Hopewell Baptist Church have obtained a magnificent building for their house of worship, a structure so distinctive that it is now being considered for a landmark designation.

The eloquent and inspirational voice of Reverend Cantrell is also distinctive. He—like another Georgia preacher, the late Martin Luther King, Jr.—knows how to invoke words and deeds to translate visions into reality. Through his 19 years of committed and conscientious leadership, all the people of the community as well as the members of his church have held on to the dream described by Martin Luther King, Jr.

It was truly a pleasure to join with community leaders and parishioners in honoring the 19th anniversary of Reverend Cantrell's leadership with Hopewell Baptist Church. I pledge to him my continued respect, admiration, and cooperation.●

VOTE ON HOUSE CONCURRENT RESOLUTION 307

HON. W. HENSON MOORE

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 7, 1980

● Mr. MOORE. Mr. Speaker, today I voted for final passage of House Concurrent Resolution 307, the First Concurrent Budget Resolution for Fiscal Year 1981, although I certainly disagree with how that budget was balanced.

I believe a balanced budget is most important fiscally, psychologically, and politically. It is important fiscally as it will reduce Federal borrowing in a crowded capital market next year to just off-budget items. Such a reduction is needed to make capital available to the private sector and reduce interest rates. It will also in and of itself reduce inflation, although not solve it.

Psychologically it is important as the American people need a positive sign from Congress that we are finally serious about stopping inflation, which is in large part caused by Federal Government deficit spending. Passage of a balanced budget is such a signal; defeat—no matter for what good reason—will be viewed by a skeptical public as business as usual. This is an important start, the first targeted balanced budget since 1969, and the first balanced budget resolution in the history of the Budget Act. A defeat here could trigger a national feeling of hopelessness and submission to inflation.

Third and finally, there are important political considerations. This is the first time some liberals, moderates, and fiscal conservatives have successfully worked together toward a balanced budget resolution. To now abandon that coalition because the budget isn't exactly as one group within the coalition would like it, might well prevent the formation of a majority for a balanced budget again for some time to come. To destroy that newfound cooperation and defeat the resolution would probably produce a far worse resolution upon reconsideration.

Those three important reasons, in my opinion, outweigh the valid criticism which I support, that essentially this budget will be balanced by tax increases rather than spending cuts. I will not support those tax increases. There will still be a balanced budget without them. There is $13.7 billion in essentially two major tax increases in the resolution and a surplus of $12.3 billion counting $10.3 billion earmarked for a possible tax cut. I am one of the two original authors of House Joint Resolution 531 to legislatively overturn the President's oil import fee, and am one of five congressional plaintiffs in a Federal lawsuit filed Monday to block the fee on constitutional and legal grounds. This fee is one of the three taxes and accounts for $10.3 billion of the tax increase. The President's new 15 percent withholding of interest and dividend income is a second tax increase of $3.4 billion. I am opposed to it and will use all means at my disposal within the Committee on Ways and Means to defeat it.

The defeat of these two increases, in which I am actively involved, will remove $13.7 billion in new taxes from the real budget offset by the $12.3 billion surplus leaving an apparent deficit of $1.4 billion. I believe there will not be a deficit but a surplus as the windfall profit tax revenue receipt in the budget is based on oil selling for $35 per barrel. It is selling for more than that now and the price will continue to escalate in fiscal year 1981 which will more than offset this apparent deficit.

Therefore, I voted for the balanced budget resolution, although not totally to my liking, as I believe its passage is of significantly more merit than its defeat.●

NEED FOR A NATIONAL DAY OF PRAYER

HON. ELDON RUDD

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 7, 1980

● Mr. RUDD. Mr. Speaker, a distinguished Arizonan, Mr. Allan C. Mayer, has provided me with a copy of President Lincoln's 1863 proclamation for a day of national prayer and humiliation. It is most appropriate that we follow the example of our Nation's 16th President and seek a reaffirmation of spirit in these most trying days, for never in the history of our country have we faced such difficult crises on all fronts. At this point I include President Lincoln's proclamation:

A PROCLAMATION

FOR A DAY OF HUMILIATION, FASTING AND PRAYER

Whereas, the Senate of the United States, devoutly recognizing the Supreme Authority and Just Government of Almighty God, in all the affairs of men and of nations, has, by a resolution, requested the President to designate and set apart a day for National prayer and humiliation:

And Whereas, It is the duty of nations, as well as of men, to owe their dependence upon the overruling power of God, to confess their sins and transgressions, in humble sorrow, yet with assured hope that genuine repentance will lead to mercy and pardon, and to recognize the sublime truth, announced in the Holy Scriptures and proven by all history, that those nations only are blessed whose God is the Lord:

And, Inasmuch as we know that, by His devine law, nations, like individuals, are subjected to punishments and chastisements in this world, may we not justly fear that the awful calamity of civil war, which now desolates the land, may be but a punishment inflicted upon us for our presumptuous sins, to the needful end of our national reformation as a whole People? We have been the recipients of the choicest bounties of Heaven. We have been preserved these many years in peace and prosperity. We have grown in numbers, wealth, and power as no other nation has ever grown. But we have forgotten God. We have forgotten the gracious hand which preserved us in peace, and multiplied and enriched and strengthened us; and we have vainly imagined, in the deceitfulness of our hearts, that all these blessings were produced by some superior wisdom and virtue of our own. Intoxicated with unbroken success, we have become too self-sufficient to feel the necessity of redeeming and preserving grace, too proud to pray to the God that made us!

It behooves us, then, to humble ourselves before the offended Power, to confess our national sins, and to pray for clemency and forgiveness.

Now, therefore, in compliance with the request, and fully concurring in the views of the Senate, I do, by this my proclamation, designate and set apart THURSDAY, the 30th day of April, 1863, as a day of National Humiliation, Fasting and Prayer. And I do hereby request all the People to abstain on that day from their ordinary secular pursuits, and to unite, at their several places of public worship and their respective homes, in keeping the day holy to the Lord, and devoted to the humble discharge of the religious duties proper to that solemn occasion.

All this being done, in sincerity and truth, let us then rest humbly in the hope, authorized by the Divine teachings, that the united cry of the Nation will be heard on high, and answered with blessings, no less than the pardon of our national sins, and restoration of our now divided and suffering country to its former happy condition of unity and peace.

In Witness Whereof, I have hereunto set my hand, and caused the seal of the United States to be affixed.

By his excellency,

ABRAHAM LINCOLN,
President of the
United States of America.●

ASIAN PACIFIC AMERICAN HERITAGE WEEK

HON. CECIL (CEC) HEFTEL

OF HAWAII

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 7, 1980

● Mr. HEFTEL. Mr. Speaker, today, May 7, marks the first day of the Asian Pacific American Heritage Week. More than 350,000 of the national total of over 4 million Asian and Pacific Americans reside in my island State of Hawaii. I take personal pride in being a part of this State which epitomizes the American tradition of richness and strength through cultural diversity.

Recognition of those who have come from Asian and Pacific countries, including China, Japan, Korea, Southeast Asia, the Philippines, and the Pacific islands signifies an awareness and appreciation of the contribution these Americans have made to our own cultural heritage and institutions. I am especially pleased to note that this is the second year in a row that the President has seen fit to recognize these Americans and their deeds through his proclamation.

In celebration of this week, we should take the opportunity to reexamine our own heritage, and in doing so, gain insight into the needs and tasks that lie before us as we work to bring the promises of America home to everyone. We have come a long way, surmounting outright and unmitigated injustice and prejudice to reach this point where we can celebrate our fellow Asian and Pacific Americans. At the same time, we must remember that there are many challenges that still confront us. We must continue to erase false stereotypes and images that still linger. In greeting new Asians and Pacific islanders coming to our shores, as well as in recognizing those who are still experiencing inequities and discrimination, we must insure that everyone has the same opportunities to share in the American dream.

The strength of our Nation rests in the diversity of our backgrounds and our ability to build together upon them, and I urge my colleagues to join with me in participating in the celebration of the Asian Pacific American Heritage Week.●

TRIBUTE TO HON. FRANK B. BLUM, SR.

HON. BILL ROYER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 7, 1980

● Mr. ROYER. Mr. Speaker, the residents of San Mateo County mourn the passing of Hon. Frank B. Blum, who served as a San Mateo County Superior Court judge for over 18 years.

Judge Blum was born in San Francisco and graduated from San Francisco Law School in 1940. Upon admission to the bar of the State of California, he opened a general law practice in San Francisco and Daly City, the northernmost city of San Mateo County.

He served as city attorney for Daly City from 1949 to 1957. He was appointed to the superior court bench in 1957 and served varied assignments in civil, domestic, juvenile, criminal, and presiding judge departments. He is best remembered as the cofounder of the court of conciliation which provides counseling in domestic relation actions. With his many judicial duties, Judge Blum was still very active in civic and charitable affairs.

Upon reaching 60 years of age in 1975, Frank Blum retired from the bench and returned to the general practice of law with his son, Frank, Jr.

Frank Blum had a multitude of engaging attributes. He was a vibrant human being, affable, sociable, and liked by all. He delighted in meeting people and being with them. In his legal, judicial, and public endeavors he contributed freely of his time and resources, with a firm conviction that the roots of true happiness grow deepest in the soil of service to others.

Frank Blum was also the epitomy of the family man. He adored his wife Lois and children, Frank B. Jr., William, and Diane.

Those who knew Frank Blum recognized in him a larger sense and capacity for life than most people. He loved the law, but he loved people more and the whole experience of life. His family, fellow attorneys, and citizens of San Mateo County will sorely miss his presence.●

SORROW AT THE PASSING OF ALBERT LAMBERTI

HON. LESTER L. WOLFF

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 7, 1980

● Mr. WOLFF. Mr. Speaker, I rise today in deep sorrow at the passing of one of the most prominent citizens of the Sixth Congressional District of New York, Mr. Albert Lamberti, business manager of the Nassau County District Council of Carpenters. I was a close friend of Mr. Lamberti's, and I was shocked to hear of his tragic death at the untimely age of 48.

Mr. Lamberti was highly respected by his colleagues, and he was chosen as a leader among them time and time again. He served as the business manager of the 2,500-member district council of carpenters for 2 years, and as the business representative of the 500-member local 1397 of the Carpenters Union for 10 years. He was legislative director of the Nassau-Suffolk Building Construction Trades Council for the past 5 years.

In addition, Mr. Lamberti was vice president of the Long Island Federation of Labor, vice chairman of the Long Island Committee for Jobs and Energy Independence, a member of the executive board of the first district of the New York State Council of Carpenters, a director of the Long Island Education and Community Services Agency, Inc., and a member of the board of directors of Angel Gardians for the Elderly.

Mr. Lamberti, originally of Port Washington and a graduate of Port Washington High School, resided in Westbury. He was known as a highly accomplished carpenter, a trade he practiced for 18 years.

Mr. Lamberti leaves three sons—Joseph, Peter, and Chris, and one daughter, Kari; two sisters, a brother, and one grandson. To his family I extend my most sincere sympathies. I can only say that all of us should learn from this fine man's selflessness. He was truly dedicated to his community and his country, and he will be sorely missed.●

NATIONAL METRIC WEEK

HON. TONY P. HALL

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 7, 1980

● Mr. HALL of Ohio. Mr. Speaker, it has been brought to my attention that this is National Metric Week, May 5-9, 1980, and that many States, as well as organizations are participating in activities to better inform the American public of the metric system, as well as its voluntary use in this country.

More importantly, I am pleased that the U.S. Metric Board, under the able direction of their chairman, Dr. Louis F. Polk, of my district in Dayton, Ohio, is leading the way in this effort of providing consumers with the information necessary to make educated decisions in the marketplace.

In this regard, I call attention of my colleagues to an article on National Metric Week that recently appeared in the Washington Post, and insert it in the RECORD at this time.

The article follows:

IT'S NATIONAL METRIC WEEK: THINK 10

The metric system gradually is making its way into the everyday lives of most Americans, sometimes without them being aware of it. Among items that now are measured metrically are wine and spirits, gasoline and pharmaceuticals. People refer to the 35 mm camera and the 100-meter dash without giving it a second thought.

Still the mere mention of liters and kilometers usually brings confused looks and blank stares. As part of the continuing metrication of America, this week has been designated National Metric Week. More than 30 states including Maryland, Virgina and the District, are participating in programs designed to familiarize the public with metric terms and the metric system.

The program is co-sponsored by the National Metric Board and the National Council of Teachers of Mathematics. Groups all over the country will be conducting seminars on how to make the metric system more understandable.

The move to introduce the metric system in this country dates to 1866 when Congress authorized the use of the metric system and gave each state a set of standard metric weights and measures. The United States was one of 17 nations that signed an agreement in 1875 creating the International Bureau of Weights and Measures in France to standardized metric measures.

For more information on Metric Week activities, call 620-9840 or 235-2820.●

A SALUTE TO ROBERT SIGHOLTZ

HON. WALTER E. FAUNTROY

OF THE DISTRICT OF COLUMBIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 7, 1980

● Mr. FAUNTROY. Mr. Speaker, those who work for our fellow Americans by serving in the public arena often give more time to their jobs than to themselves or their families. Time for loved ones is precious and often quite rare. Yet, some public servants sacrifice their precious time to extend a hand of help, friendship, and love to others. They give of themselves not because they have to, but because they want to; not because their job requires them to do so, but because of a personal devotion and commitment to the people and community they serve. Such servants of the people deserve our respect, admiration, and special recognition.

Robert Sigholtz is one of these special servants of the people. Some of you may know Mr. Sigholtz as the Executive Director of the District of Columbia Armory Board which operates Robert F. Kennedy Stadium and the D.C. Armory complex (Starplex). Mr. Sigholtz has responsibility for coordinating hundreds of successful events at the Starplex, including sporting contests, concerts, and international exhibits. Under his management the Starplex has gained prestige as a first-rate facility for holding major sporting events and feature attractions with the highest standards of professionalism.

To earn this distinction has meant that sometimes Mr. Sigholtz has had to give up precious time reserved for himself and his family. While I am proud of the outstanding work Mr. Sigholtz has done for the people of the Nation's Capital as Executive Director of the Starplex—giving us a quality, revenue generating public arena and stadium—I want to salute him for sacrificing his precious time on behalf of the poor people of the District of Columbia.

For more than 5 years, Bob Sigholtz has inconspicuously joined me and others of our community in supporting the Shaw community food basket project. While its most conspicuous undertaking revolves about the Thanksgiving holiday by assuring that poor families in the Shaw neighborhood share in the bountiful blessings that so many of us take for granted, its outreach is full time and demanding of people like Bob Sigholtz.

Bob Sigholtz has never failed in helping the Shaw project reach its goals. When he could use his precious time for himself or his family, he has chosen to work for the Shaw food basket project attending planning sessions, raising money, soliciting volunteers, and contributions.

Even with his commitment to the Shaw community food basket project, Bob still manages to use some of his precious time assisting in the spiritual, physical, and intellectual development of young athletes through his work with the Amateur Athletic Union and the Association of Interhigh Coaches and Schools.

We in the Nation's Capital are eternally indebted to Robert Sigholtz for his unyielding commitment to the least of us. The people of our city join me in recognizing this public servant for his unique character and spirit which exemplify the ideals and of outstanding American citizenship.

Because he has willingly given his precious time in service for the people, the Mayor and the Council of the District of Columbia have designated May 14, 1980, as Robert Sigholtz Day in the Nation's Capital. I join in their tribute and submit for the CONGRESSIONAL RECORD and our history the proclamation and resolution of the Mayor and Council:

ROBERT SIGHOLTZ DAY, MAY 14, 1980, BY THE MAYOR OF THE DISTRICT OF COLUMBIA

A PROCLAMATION

Whereas on May 14, 1980, the Shaw Community Center Food Committee is "Roasting" Robert Sigholtz at the Robert F. Kennedy Stadium; and from this event, all the proceeds will go toward the Thanksgiving Day Food Project; and

Whereas Robert Sigholtz is a dedicated and tenacious community leader, and one who contributes much of his time and energy to community needs, and is regarded by many as a consummate in addressing basic concerns of the community; and

Whereas Robert Sigholtz serves on the Food Committee of the Shaw Community Center, and has been a great worker with this committee which provides food at Thanksgiving for needy families to help alleviate hunger; and

Whereas Robert Sigholtz has a long and distinguished record of community involvement; he is a person very willing to serve residents of our city; and because of his untiring commitment to serve our residents, special recognition is due him:

Now, therefore, I, the Mayor of the District of Columbia, do hereby proclaim Wednesday, May 14, 1980 as "Robert Sigholtz Day" in Washington, D.C., and call upon the residents of our city to join with me in honoring Robert Sigholtz for his dedicated concern for the welfare of our residents; his contributions to our city are unparalleled by common comparison and because of his many contributions to our city special recognition is accorded him.

MARION BARRY,
Mayor, District of Columbia.

A resolution in the Council of the District of Columbia to honor Robert H. Sigholtz and declare May 14, 1980, as Robert H. Sigholtz Day in the District of Columbia

Whereas Robert H. Sigholtz is General Manager of the District of Columbia Armory Board and is charged with the awesome responsibility of overseeing the operations of the Robert F. Kennedy Memorial Stadium and the District of Columbia Armory, now both known as Starplex; and,

Whereas Robert H. Sigholtz is well known not only by those who participate in and frequent the many athletic and other events at Starplex, but also by the Washington community at large for his commitment to our community, amply shown by his work with the Shaw Community Center, the Multiple Sclerosis Society, the Mayor's Fellowship Group, the Amateur Athletic Union, the Boys' Club of Washington, and the Association of Inter-high Coaches and Schools, the Touchdown Club among many others; and,

Whereas because of this demonstrated commitment to our community, the Shaw Community Center Food Committee is "roasting" Robert H. Sigholtz on Wednesday, May 14, 1980. Now, therefore, be it

Resolved by the Council of the District of Columbia, That this resolution may be cited as the "Robert H. Sigholtz Day Resolution of 1980."

SEC. 2. The Council of the District of Columbia wishes to express its appreciation to Robert H. Sigholtz for his unselfish commitment to our community and declares Wednesday, May 14, 1980 as Robert H. Sigholtz Day in the District of Columbia.

SEC. 3. This resolution shall take effect immediately upon its adoption by the Council of the District of Columbia.●

INTERNATIONAL COMMUNICATIONS AND UNDERSTANDING

HON. PAUL N. McCLOSKEY, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 7, 1980

● Mr. McCLOSKEY. Mr. Speaker, in response to the report by the President's Commission on Foreign Language and International Studies, 28 Members of Congress have formed an International Education Group to coordinate our efforts in the House in raising standards of international education and improving our Nation's expertise in foreign cultures, politics, and trade. In this time of international turmoil, the need for communication with foreign nations is becoming more and more critical. I commend the following article from this month's Smithsonian magazine to my colleagues attention as an inspiring example of one man's efforts to improve international communication and understanding:

A MANIC PROFESSOR TRIES TO CLOSE UP THE LANGUAGE GAP

(By Richard Wolkomir)

In a Dartmouth College classroom, six New York City transit policemen recite in unison: "¡Ay Dios mio!" Their instructor, a specially trained fellow officer, raises his arms like a choir director and the chorus repeats: "¡Ay Dios mio!"

Feinting, the instructor looks to the left, then abruptly snaps his fingers at a man sitting to his right. The man repeats, solo: "¡Ay Dios mio!"

Why are big-city policemen at an Ivy League college in New Hampshire chorusing "Oh my God!" in Spanish? They have come to learn—quickly and effectively—how to communicate with New York's 2.6 million Spanish-speaking citizens. And, in the process, they are demonstrating the potency of a high-voltage method of teaching foreign languages that could help to improve international relations.

Behind it all is John Rassias, a burly 54-year-old Dartmouth language professor with a bass voice, curly black hair, a lopsided grin, a boxer's nose and a wild teaching style: he hurls chairs against walls, breaks eggs over students' heads, rips his shirt to symbolize freeing of the self, and harangues his classes in French while dressed as an 18th-century philosopher. His classroom style is unique. But his method is now used in the teaching of all languages at Dartmouth and at more than 38 other schools.

While enrollments in language classes nationwide have dropped steadily over the past ten years, Dartmouth's language enrollments have grown substantially. And test at Dartmouth and at other schools using this method show that it yields results far superior to those of traditional teaching methods.

Teachers from high schools and colleges elsewhere, propelled by the country's alarming language gap, are going to Dartmouth to observe the technique.

Just before World War I, 36 percent of all U.S. students at the pre-university level studied a modern foreign language. Today, only 15 percent take a foreign language, and fewer than five percent ever reach the third year. One-fifth of all U.S. public high schools now offer no foreign language courses at all. Among other lamentable results:

Frenchmen had a good chuckle a few years ago on reading claims that Pepsi-Cola threw cold water on friendship. Chagrined company officials—who had intended the message to be "Pepsi is the refreshment of friendship"—promptly yanked the ads.

Cars with interiors marked "Body by Fisher" were advertised in Belgium with this unintentionally ghoulish translation: "Corpse by Fisher."

Some 10,000 English-speaking Japanese businessmen now operate in New York City alone, but of some 900 American business people in Japan, only a handful speak even rudimentary Japanese.

Government foreign-affairs agencies are worried that declining foreign-language enrollments in our schools will lower the quality of new recruits for their services and increase their language training costs ($100 million in 1978). Only eight percent of U.S. colleges and universities now require a foreign language for admission, down from 34 percent in 1966.

In 1978 the President established the Commission on Foreign Language and International Studies to analyze the problem. In November 1979, the commission members (including Dartmouth's John Rassias) reported that our neglect of foreign language and civilization studies hobbles the country in diplomacy and international trade. "Americans' incompetence in foreign languages is nothing short of scandalous, and it is becoming worse," they charged.

The commission suggested steps that range from reinstating college language requirements to creating high schools that specialize in languages and foreign studies. But the report emphasized: "The decline in foreign language enrollments is in large measure a response to poor instruction."

Now an increasing number of language teachers see innovative approaches to teaching as a way to add vitality to their classrooms. In fact, says John Rassias, his method actually is a reaction to the dismal language teaching he encountered as a student.

The son of immigrants, he learned to speak Greek first, English second. From his earliest days, he associated languages with "the sights, the sounds, the smells, the warmth" of the Greek community in Manchester, New Hampshire, where he grew up. Then he was burned in an accident that left him bandaged like a mummy. For nine months he couldn't see. "I knew people by their voices," he says. "From their tones I could discern happiness, I could discern sorrow—so language early became almost mystical for me."

In high school, his romance with languages ended. For one thing, his French textbook was populated by cardboard Parisians who chattered endlessly about the weather and misplaced pens. There were other drawbacks. One day, to force him to pronounce the letter "r" as the French do, the teacher used a pencil as a tongue depressor. "I couldn't help myself," he says. "I bit her." Today he keeps the same brand of pencil on his desk at all times. It reminds him of what to shun in teaching languages.

Languages must be spoken, he believes. But in a traditional class each student can speak no more than four times during the period. "That's like learning mathematics without examples," says Rassias. He also insists that relience on vapid textbooks actually hinders a student's progress. Furthermore, the atmosphere in too many language classes is soporific—"Valium Valley," he calls it.

By the time he was graduated from high school, he was "completely turned off by languages." As a Marine stationed in postwar Japan, he found that—unable to speak Japanese—he wandered the country like a phantom, cut off from the people, baffled by their culture. Suddenly his fascination with languages rekindled.

A civilian again, he earned a degree in French at the University of Bridgeport in Connecticut, then studied in France for two years on Fulbright scholarships. At last he was a teacher himself, ready to fire others with his own zest for language. The results were depressing: "In the classroom I felt that I really wasn't doing much, that I wasn't making much of a difference in people's lives."

Dejected, he turned to a second love, the theater, and went back to France, this time to study drama. He earned a doctorate, and began to act professionally in Paris. But teaching was on his mind.

"One day I had this interesting thought—why only teaching? Why only acting?" he says. "Using acting techniques, couldn't a teacher improve his ability to communicate?"

He returned to the University of Bridgeport as an instructor, determined to create a new teaching system. When the Peace Corps asked him to help improve its language courses, he had his chance. The result, much refined, is today's "Dartmouth Intensive Language Model." In action, it looks like a Gene Kelly dance number speeded up.

BEHIND THE MADNESS IS ARTFUL CALCULATION

The scene: a Dartmouth classroom. A group of undergraduates are watching their instructor, Marty Peterson, a senior from Lake Forest, Illinois. She is an "apprentice teacher," trained to conduct drills.

For a moment she studies a script in her left hand, a professor's outline of what he wants her to teach that day. Then she erupts into action, leading the class in choral renditions of sentences to be learned, zigzagging among the desks.

Looking one way, she points at someone across the room, snapping her fingers for a recitation. If the student answers correctly, she blows a kiss. If incorrectly, she stabs the offender with an imaginary stiletto, snaps at another student for the answer, then snaps again at the student who got it wrong.

Her finger-snapping gives the class a jivey beat as she paces the room, now standing, now stooping to eye level with the students. When a girl has trouble squeezing out an answer, Marty drops to her knees, smiling encouragement, trying to pull out the answer with her hands. The girl gets it right? She earns a *très bon!* and a hug. Marty jumps up and, finger-snapping and whirling, leads the class on to new material.

"You could mistake the atmosphere of this teaching method for fun," she later tells a visitor.

Actually, John Rassias has carefully choreographed every move and gesture in the apprentice teachers' repertoires. And behind his own madman antics are hours of painstaking rehearsal at home. His madness conceals artful calculation.

His strategy is to maximize the number of times each student speaks aloud in the new language. Thus, language classes at Dartmouth are limited to 22 students per section. Every day, for 50 minutes, each section meets with a master teacher, a Dartmouth professor who explains the day's lesson. Using the method's fast pace and dramatic techniques, the professors pronounce new material for the class, explain grammatical points and clarify the lesson.

Next, the section breaks in half, each half spending 50 minutes with an apprentice teacher, an undergraduate trained in the Rassias method. Finally, the students go to a language laboratory for further practice, monitored by another trained undergraduate.

"But do you know how much homework they have? Virtually zilch!" says Rassias. "Instead of doing homework, they spend extra time in class, speaking." And one of the keys is the intense drill sessions with apprentice teachers.

At the beginning of each term, Rassias holds a three-day workshop for students interested in apprentice jobs. A recent workshop was typical—250 candidates turned out for the approximately 30 slots open. Balancing precariously on chair arms and prowling bearlike among the candidates packing the auditorium, Rassias said, "From now on we're going to be in a fishbowl!" Observing them that night were teachers from high schools in Rhode Island and Massachusetts. "All *right*—let's go!" he exclaimed. And he outlined for the audience the rudiments of the method.

First, in all language classes, the only language spoken is the language being taught. To introduce new words, the master teachers act them out, rather than speak in English, he said. Second, to make sure that each student speaks 65 times per 50-minute session, apprentice teachers must hustle the class along, snapping their fingers to maintain the rhythm.

After the workshop, Rassias tells the visiting high school teachers how they can adapt the method. For instance, given a 45-minute period, they can spend the first 25 minutes presenting the basic lesson. The remaining 20 minutes are for drill, perhaps led by an advanced high school student.

It's also important, he says, how teachers stress the five facets of learning a language: grammer, comprehension, vocabulary, fluency, accent. Commercial schools usually stress vocabulary, while many academic teachers stress accent. Rassias gives the most weight to grammar and the least to accent.

"I don't mean that we allow students to use an English pronunciation," he says. "But if you spend too much time harping on accent you cut people off at the pass, make them afraid to speak. If, without humiliating you, I can get you to speak even the most extraordinarily wrong thing, in the beginning I'll reward you with as much enthusiasm as if you were receiving the Légion d' Honneur. I tell my students, 'Have the courage to be bad, to make mistakes—but speak!' "

To encourage speaking, Rassias has devised an arsenal of techniques, such as make-believe press conferences and other skits. The New York City transit policemen learning Spanish at Dartmouth found themselves in an imaginary subway station. A heart attack victim lay on the platform, two men were picking his pockets, a crowd watched in silence. The policemen were taught how to deal—in Spanish—with the situation.

Dartmouth drill classes write their own skits in the language they are studying. They wear costumes and lug in props. Rassias, who has (to say the least) an affinity for the spotlight, once vivified a skit about the fall of Troy with anachronistic special effects: the recorded whine of falling bombs, flashing lights as they exploded, puffs of smoke.

To master counting, students may call off the numbers on rapidly rolled dice. Or they may play a game called "dots": as students call off the numerals, the teacher connects a series of numbered dots on the blackboard to spell out a word.

In a vocabulary drill, the instructor gives students a cue sentence, such as "I haven't eaten; therefore I am hungry." Then the instructor may say, "I haven't drunk," and point to a student to complete the sequence: "Therefore I am thirsty."

Into all classes, teachers inject culture. One technique is the micrologue," a minute-long monologue on anything from French crêpes to Romanian agriculture, depending on the language under study. The teacher repeats the micrologue three times, while students write it down. Then students must repeat it for their classmates and answer questions.

After ten weeks studying a language, Dartmouth students can opt for the "Language Study Abroad" program. Better than half do. Students spend several months in a country where the language is spoken, living with a local family.

"One of our favorite tricks is to drive these kinds out on a Friday and sort of parachute them into obscure villages lost in the countryside, which no one ever heard of," says Rassias. "They have no money and they have to get by for three days by making friends and earning their keep. Then they have to come back with a complete oral and written report on the village's history, economy and social pecking order."

Most students are positive about having fellow undergraduates as drill instructors. Michael Cooper, a freshman from New York City, says: "Students tend to be intimidated by older people, by professors, and so when you have an instructor who's much closer to your age I think you open up more."

Teachers in other schools increasingly are adapting the Dartmouth model to their own classrooms. The Exxon Education Foundation—calling the method "an educational innovation of demonstrated merit"—from 1976 to 1978 disseminated information about Rassias' method and provided funding for some colleges and universities to adopt it.

Meanwhile, jolted by the report of the President's Commission, the nation's education system may be poised for a renaissance in language studies. Already straws are in the wind, and here are a few:

In three towns along the Vermont-Quebec border, with federal funding, an English-French bilingual educational program is offered to all children, beginning with 4-year-olds. In Burlington, Vermont, the high school's seven-year-old "total immersion" program has students spend most of one semester off-campus, taking all subjects—from history and art to science—in French, then spend a month in France or Quebec.

VAPORIZING THE LANGUGAGE BARRIERS

In Philadelphia, 14,000 pupils in grades four to six, in 85 city schools, are taking Latin; Los Angeles has a similar program. A high school in Jamaica, New York, now offers nine langugages, including Hebrew, Chinese, Russian and Greek.

Bilingual programs are springing up in schools nationwide, in response to the influx of students who speak Spanish, Vietnamese and other languages.

Meanwhile, at Dartmouth, Rassias continues to astonish his students, appearing one day as Denis Diderot, another as an ornately robed Chinese emperor, cold cream splotching his face to simulate leprosy.

"What we're doing is extremely simple." he says. "We're giving people the desire to communicate with others, to understand others, to be sensitive—we want to aim some big educational ray guns at these stupid language barriers and vaporize them, poof!"●

NATIONAL YOUTH SERVICE PLAN WELL RECEIVED BY STUDENTS

HON. GEORGE M. O'BRIEN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 7, 1980

● Mr. O'BRIEN. Mr. Speaker, as a cosponsor of H.R. 2206, the National Youth Service Act, I was particularly pleased to have the bill's principal sponsor, our colleague Pete McCloskey, as the keynote speaker at the third annual O'Brien youth leadership conference on May 2 at Prairie State College in Chicago Heights, Ill.

After hearing Congressman McCloskey outline his plan, the 122 participants—high school juniors and seniors from 34 high schools throughout the 17th Congressional District—were polled on their reaction to the concept on national service choices rather than a military-only draft. I would like to share the results of this poll, along with several of their comments, with my colleagues.

The students, of both sexes, were polled as to the options they would select, with the following results:

Fifty-two percent would perform 1 year of civilian public service—conservation work, community assistance, Peace Corps, VISTA, church-related activities.

Forty-four percent would volunteer for 2 years of military service providing eligibility for education benefits.

Two percent would opt for 6 months of active military duty plus 5½ years in the Reserves with some educational benefits.

Two percent would choose none of the above which, under the McCloskey plan, would result in their being placed for 6 years in a draft pool from which they would be called for military service if there are not enough volunteers to meet requirements.

The student group, which was almost evenly male and female, offered the following comments as to why they chose a particular option:

". . . it is my duty to serve. I would like it to be over a definite period of time without having to be on reserve, or worry about being drafted."

"I oppose war, but feel a person should serve his country in some way . . ."

"I could learn a skill in the Army that would benefit me when I go on to a college education."

". . . there are none of the uncertainties that related to reserve service or a draft pool . . . everyone would be required to serve in one way or another . . ."

"I don't consider myself the type to become a soldier. I feel I should still in some way directly take part in community services to benefit my state and country."

The results of this poll and comments received are almost identical to those received by Congressman McCloskey on polls he has taken of high school seniors in California. This indicates to me there the youth of America are willing to fulfill their duty to their country if given viable alternatives. The 44 percent who would volunteer for 2 years of active military duty would help cure the current enlistment problems of the All-Volunteer Army. I urge my colleagues to consider the National Youth Service Act as a potential solution to the very real needs of our military forces today.●

FOOD STAMP PROGRAM

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 7, 1980

● Mr. RANGEL. Mr. Speaker, I would like to take this opportunity to express my support of S. 1309—formerly H.R. 5907—the Food Stamp Act Amendments of 1980. The three major provisions of this bill attempt to reduce error and abuse in the program, expand eligibility for benefits to certain households and, raise the funding cap of the food stamp program. In short, the bill requests additional funding for this program.

The cost ceilings for fiscal year 1980 and 1981 were established in 1977 and are proving inadequate due to higher food costs, higher unemployment, and lower incomes for new participants.

In 1977 the Congressional Budget Office predicted that food costs would rise 3 to 4 percent per year. Unfortunately, these prices have actually increased by 22 percent between 1977 and 1979 and are expected to increase to 46 percent by 1981. This food cost increase will amount to an approximately $1.4 billion increase to the costs of the fiscal year 1980 food stamp program and about a $2 billion increase for fiscal year 1981. CBO also forecasted the fiscal year 1980 unemployment rate to be under 6 percent. Again, unemployment is projected to rise to 7.2 percent in 1980 and 7.5 percent in fiscal year 1981. For each 1 percent increase in unemployment, 1.2 million people are added to the program.

S. 1309 increases the ceilings for the fiscal year 1980 and 1981 programs in order to compensate for higher than expected food costs and unemployment. Also, given the uncertainty of economic forecasts, S. 1309 provides an additional 5 percent authorization margin for fiscal year 1980 and 10 percent for 1981 should inflation estimates prove erroneous. Compounding the problem of inaccurate inflation estimates is the fact that participants entering the program after the abolition of the purchase requirement, are poorer than expected. Since these new participants will continue to receive benefits in 1980 and 1981, the cost of the program will increase proportionately.

As you may know, food stamp benefits are based on a very low diet plan. These benefits provide families with "minimally nutritious" meals. Currently, this program provides the most basic assistance to help low income families subsist. For example, in New York City, a welfare family of four receives $12.34 to cover all expenses except rent and medical care. If food stamps are eliminated, this same family would be forced to live on $8.40 per day. This just doesn't seem quite possible to me.

In the month of April, 20 million Americans used food stamps to put food on tables that otherwise might have remained empty. If Congress does not act quickly, and food stamp distribution comes to a halt, there will be millions upon millions of hungry people in this country.

If the budget has to be balanced, and cuts have to be made, they must be made in other areas. We simply cannot afford to let the people go hungry.

In determining a list of priorities, the war on hunger must surely remain at the top of everyone's list of problems to be reckoned with. It is impossible to conceive of a more basic, fundamental right than the right to subsist, the inalienable right to see one's family fed. In a society where affluence abounds, we must never turn our backs on the most needy who should rightly have some piece, no matter how small, of the resources at hand.

During these times of spiraling inflation, when there is popular sentiment to tighten the fiscal belt, we simply cannot force the most financially unfortunate to bear the greatest burden of our new found austerity. I strongly urge the passage of S. 1309. It is our most essential social service and it is absolutely necessary for the health and well-being of almost 20 million Americans.●

A DEDICATION FOR GUS MASCARO AND THE NEW ROCHELLE BOYS CLUB

HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 7, 1980

● Mr. OTTINGER. Mr. Speaker, on May 18, I will be attending the dedication of a new building for the New Rochelle, N.Y., Boys Club. This building will serve both as a center for the club and a community center for the entire city.

While the dedication of a new building is not, in and of itself, remarkable, the history of the Boys Club in New Rochelle and its efforts to obtain a new headquarters is indeed remarkable.

Some 2 years ago, the Feeney Park Branch of the New Rochelle Boys Club was the victim of a fire. The Boys Club members were determined to recover from this serious blow and they have done just that. They turned to the New Rochelle City Council for help in building a new branch. The eventual result was a combined Boys Club and community center which will open this year. I cannot praise enough the effort that resulted in this cooperative project between the club and the community.

This all comes only shortly after the Boys Club celebrated its golden anniversary last year. In 1929 a group of New Rochelle citizens joined to form a recreation club for the boys of underprivileged families. The group met in the Washington School. Later that year the club was able to get its own clubhouse when the city rented a house for it for $1. The next year, the club was chartered as a nonprofit corporation, and its operations moved to the then-new Feeney Park.

The 50-year history of the club has been marked by rapid growth. It is now divided into three branches, and serves some 1,800 youngsters from New Rochelle and surrounding communities. "Boys Club" is now a misnomer, for the club has involved girls in its activities since 1932.

It is no surprise that last year the Feeney Park Boys Club changed its name to the August E. Mascaro Branch of the New Rochelle Boys Club. Because Gus Mascaro, who was executive director of the club for over 30 years, played a crucial role in the success of the club.

Gus first joined the White Plains, N.Y., Boys Club when he was 9. By the age of 16 he was on the board of directors. Two years later he was on the club's staff. Gus also worked for Boys Clubs in Brooklyn, Washington, and Newton, Mass. But Gus spent most of his professional life in New Rochelle, where, all of us would agree, he was more responsible for the growth of the Boys Club than any other single person.

Many public officials in New Rochelle will testify to Gus' contributions, not only because they have dealt with him in their roles as public officials, but because so many were themselves members of the Boys Club Mascaro headed. Just three among those who were members of the Boys Club are Mayor Leonard Paduano, former mayor, Frank Garito, and City Councilman Don Zaccagnino.

Congratulations are in order for Gus Mascaro, for contributing so much to the youth of New Rochelle, and for the Boys Club, for its anniversary and new home.●

TRUE REFORM OF THE FOOD STAMP PROGRAM

HON. BUD SHUSTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 7, 1980

● Mr. SHUSTER. Mr. Speaker, yesterday, the House Republican Policy Committee adopted a statement urging true reform of our Nation's food stamp program. The program is clearly out of control; the cost of the program has skyrocketed from $610 million in 1971 to an estimated $10.7 billion in 1981. Recognizing the widespread abuse, waste of taxpayer's money, and maladministration of the program by the Federal Government, the Republican Policy Committee calls for adoption of five amendments to S. 1309, the Food Stamp Act Amendments of 1980. Together, these amendments could save the taxpayer over $2.5 billion annually and still insure that those citizens truly in need receive nutritional assistance. Following is the text of the committee's statement:

REPUBLICAN POLICY COMMITTEE CALLS FOR FOOD STAMP REFORM

The House Republican Policy Committee strongly supports efforts to reform the nation's food stamp program. The Policy Committee believes that the minimum goals for true reform should be that the benefits go only to those who are truly in need, that eligibility standards be redefined, that the integrity of the program be restored through administrative simplification, and that the public confidence in the program should be heightened by lessening the burden on the taxpayer caused by mismanagement, error or fraud. Unfortunately, the bill reported our of the House Agriculture Committee, and pending Floor consideration, S. 1309, is designed to achieve cosmetic reform, but not true reform.

S. 1309, the Food Stamp Act Amendments of 1980, continues the recent trend of turning the food stamp program into an income maintenance program rather than a food and nutrition effort. Beginning in 1977 with the "elimination of the purchase requirement" and with the attempt to uncap the authorization level, food stamp apologists have tried to wrest control of the program from Congress by making it an entitlement and giving the Secretary of Agriculture total authority. S. 1309 culminates these efforts by raising the authorizations for fiscal years 1980 and 1981 to maximum levels and then awarding the Secretary of Agriculture unilateral authority to increase these levels if he feels it justified. Incredibly, the House Agriculture Committee voted to abdicate its Constitutional duties by delegating to the Secretary a "cushion" of 5 percent in fiscal year 1980 and 10 percent in 1981 by which he may increase the authorization levels. This action was taken in Committee despite the fact that the cost of the food stamp program has grown from $610 million in fiscal year 1971 to an estimated $10.7 billion in fiscal year 1981!

The Policy Committee wishes to emphasize that it supports the basic underlying principle of the food stamp program of providing needed nutritional assistance to those of our less fortunate citizens living at or below the poverty level. The Committee strongly objects, however, to the maladministration of the program by the Federal government and to the waste of taxpayer money through abuse or use of the program by those who do not truly need assistance. The last few months have seen a burgeoning of beneficiaries, with recipients growing at the rate of almost one-half million per month, from 15 million in October 1978 to nearly 22 million in March 1980. Although some of this increase no doubt is a result of increasing unemployment and high inflation, there is also no doubt that there is widespread program abuse. For example, during the last quality control review of the program in 1977, the General Accounting Office found that there was an error rate of 12 percent in administration of the program. Assuming this same rate in 1980, almost $1 billion of total program expenditures is being issued in error during the current fiscal year. For these reasons, the Policy Committee urges support of amendments to be offered on the House Floor to correct these abuses.

Specifically, the Committee urges adoption of amendments which would:

(1) Restore the purchase requirement. The Congressional Budget Office estimates this amendment would save $800 million in fiscal year 1981.

(2) Institute the policy of "recoupment" whereby recipient earning annually in excess of 175 percent of the poverty level of income would be required to repay to the government a portion of the benefits received. The Congressional Budget Office estimates savings of $50-$300 million annually.

(3) Restructure the eligibility standards by re-defining the income and deduction formula. This could save an estimated $600 million annually.

(4) Reduce the overlap between the food stamp program and the school lunch program. The Congressional Budget Office estimates annual savings of $630 million.

(5) Convert the food stamp program into a block grant program run by the states, thereby eliminating the $500 million annual federal cost to administer the program. States would have the authority under the program to include both workfare and nutritional requirements. States would be allowed to use excess funds from savings in the food stamp program for increasing benefits in existing public assistance programs.

Finally, the Policy Committee wishes to go on record criticizing the Carter Administration for creating a fiscal crisis in the current year's food stamp funding. First, the crisis was created by President Carter's delay in forwarding his "revised" budget to Congress. Then, the Democratic leadership delayed taking the food stamp bill to the House Floor until after the fiscal year 1980 Third Budget Resolution and the fiscal year 1981 First Budget Resolution were passed by the House. Moreover, under sections 18 (b) and (c) of the food stamp law, the Secretary of Agriculture is to institute phased benefit reductions if he determines that benefit levels will exceed appropriated funds available. The Secretary has ignored this mandate and has, instead, publicly indicated that he will be forced to suspend all food stamp benefits, to all beneficiaries, effective June 1 of this year unless Congress approves additional funds by May 15. By acting in this risky manner, the Secretary appears to be threatening total program shut down in order to force Congress to act on S. 1309 in a legislative "crisis" atmosphere.

Despite the pressure of this manufactured crisis, the Policy Committee urges all Members to closely inspect the long term ramifications of S. 1309 as reported out of the Committee and to support the floor amendments which will help make this bill true food stamp reform legislation.●

RESOLUTION ON THE CRISIS IN THE FOOD STAMP PROGRAM

HON. THOMAS S. FOLEY

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 7, 1980

● Mr. FOLEY. Mr. Speaker, I wish to include in the RECORD the resolution on the crisis in the food stamp program approved by the governing board of the National Council of Churches, May 7, 1980:

Whereas the Food Stamp Program since its beginning in 1964 has become a vital weapon in the struggle against hunger and poverty in America, so much so that the Field Foundation, in its study of hunger in America in 1977, stated that food stamps are making a crucial difference in improving the quality of the lives of many poor Americans; and

Whereas 20.8 million citizens of the United States now rely on food stamps as an aid to adequate nutrition; and

Whereas at least 16 percent of the households receiving food stamps are headed by elderly people and approximately half of all recipients are children; and

Whereas the Food Stamp Program is the primary income support program providing aid to the working poor; and

Whereas the USDA data indicates that 87 percent of food stamp benefits go to families living below the poverty line, and the average benefit is only 36¢ per person per meal; and

Whereas the Food Stamp Program was funded for $6.2 billion in fiscal 1980, an amount that will carry the program only to the end of May; and

Whereas additional funding of approximately $2.5 billion is needed to continue the program through the end of the fiscal year, which is September 30; and

Whereas Congress is also threatening to make major cuts in funding for the Food Stamp Program in fiscal year 1981; and

Whereas the proposed cuts in the Food Stamp Program are in addition to numerous proposed reductions in health, housing, education and employment programs which will significantly affect poor people and reduce their ability to provide adequately for themselves and their families; and

Whereas Secretary of Agriculture, Robert Bergland, has stated that he will be forced to stop issuing food stamps at the end of May 1980 if Congress does not act by May 15, 1980, to appropriate the necessary funds: Therefore be it

Resolved, That the Governing Board of the National Council of Churches: (1) Urge the Members of Congress to do everything in their power to implement the necessary legislative steps to maintain the Food Stamp Program through this fiscal year without interruption and provide sufficient funds to continue the program without cutbacks through fiscal year 1981; (2) call on churches throughout the nation to consider the plight of people in their communities should the program be interrupted during the summer or be inadequately funded in fiscal year 1981, beginning in October, and to prepare themselves to minister to the great numbers of our sisters and brothers who will suffer from malnutrition, taking specal care to identify the "hidden" poor, including the elderly, who are scattered throughout our low- and middle-income neighborhoods.●

CONGRESSMAN BROWN URGES IMMEDIATE IMPLEMENTATION OF ALCOHOL WARNING LABELS

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 7, 1980

● Mr. BROWN of California. Mr. Speaker, this Congress has been deliberating on the subject of health warning labels for alcoholic beverages for years now with no substantive result.

In 1977, the Food and Drug Administration sought to require health warnings on alcoholic beverage labels by administrative rule. This proposed rule was eventually withdrawn. In 1978, Congress held hearings on the need to require health warnings for the fetal alcohol syndrome. Even though the evidence was overwhelming to show the dangers of ethyl alcohol to an unborn fetus, no action was taken by Congress or the administration to warn pregnant women. Finally, in 1979, Senator THURMOND attached his longstanding bill requiring alcohol warnings to the NIAAA authorization legislation. To nearly everyone's surprise, this proposal passed the Senate with a 2 to 1 majority. However, even with the support of two-thirds of the Senate, no health warnings yet exist on alcoholic beverage labeling or advertising.

As a result of Senator THURMOND'S bill and the efforts of Senator RIEGLE'S subcommittee, the FDA and the BATF were called upon to study health warnings for alcoholic beverages and to report to Congress by June 1, 1980.

I anxiously await the findings of this report but feel confident that warning labels will be endorsed.

Once we accept the concept of alcoholic beverage warning labels, the question then arises, what will the labels say? In the past I have endorsed a general health warning: "Caution: Consumption of Alcoholic Beverages May Be Hazardous to Your Health." In following the deliberations of hearings and articles on this subject, I now believe a specific label would be more effective without imposing an undue burden on the industry.

One proposal made by the American Council on Alcohol Problems is a short, concise, but effective labeling alternative. I support this labeling alternative and share its contents, along with accompanying explanations, with my colleagues:

WARNING

Using this product:

Too fast may cause sickness or death,

May impair driving ability,

May create dependence or addiction, and

During pregnancy may harm the unborn.

Legal Age Required for Purchase

TOO FAST MAY CAUSE SICKNESS OR DEATH

Alcohol can produce euphoria but it can also lead to some tragic results in a short period of time. Drinking too much too fast can cause serious illness, even death. This fact is not generally known.

Numerous examples of this appear in the press. It could happen to anyone but occurs most often with youth. In 1976 a college student in Ames, Iowa (age 18), drank many beers rapidly in a bar. He later drank a lot of vodka, tequila and brandy at his fraternity house. He was found dead in bed in the morning.

In 1979 a youth in Wisconsin (age 19), tried to set a drinking record. He drank 46 shots of brandy, whiskey and rum in 4 hours, collapsed, was taken home, and was found dead in the morning. Fifty people who watched this event did not object. They must not have known the lethal danger.

It is easy to forget how many drinks are taken during a social event or while drinking with friends. A person can become ill, vomit to get rid of the alcohol, or have to be taken to a hospital for help.

The amount of alcohol consumed is what is important—not whether it is beer, wine, whiskey, vodka or something else. Body weight is also a factor. A 200-lb. man can handle twice as much alcohol as a 100-lb. man. A woman who weighs half as much as a male companion but drinks as much is in greater danger. Consuming no more than two drinks in an evening is a safe course.

MAY IMPAIR DRIVING ABILITY

Most people know the danger of driving while "drunk" but do not know that only two drinks (2 beers or equivalent alcohol in wine) will cause a 25 percent impairment in driving ability for a man of average weight. The body "burns" alcohol slowly so the level in the body can rapidly increase. In a special Swedish study, 37 expert drivers were tested for speed and accuracy while sober. After taking only 2 beers or 2 mixed drinks, a second test showed the 25 percent impairment.

Most states have a legal blood-alcohol level of 0.10 percent. This means if a reading is above that, one can be charged with driving while impaired. However, actual impairment begins at half that amount—0.05 percent.

Two drinks (1 oz. of 86 proof alcohol or approx. 12 oz. of beer) consumed in 1 hour by a 160-lb. man will produce a blood-alcohol level of about 0.05 percent. Each additional drink will add another 0.02 percent. Thus, over 4 puts one above 0.10 percent. Most state public safety departments will provide an estimator wheel telling levels in the case of greater or lesser body weights.

Alcohol often combines with other factors such as fatigue, speed, or road and weather conditions to cause accidents—which but for the alcohol would not occur. Alcohol affects some people more than others. The safest and recommended policy is never to drive after any drinking.

MAY CREATE DEPENDENCE OR ADDICTION

Frequent drinking can lead to psychological dependence and/or physical addiction. Some think this can happen only to people with severe mental problems—that one with good character, health, education and general will power can drink without danger. Since addiction (alcoholism) occurs only in a minority of persons who drink, there is a temptation to believe it will not happen to you.

Addiction strikes people in all walks of life. Even "normal" people often wind up "hooked" on alcohol, much as most of those who use heroin and other drugs.

There are many theories on why some have trouble and others do not. Among claimed causes is a sensitivity of the hypothalamus—the section of the brain that controls all non-conscious body functions. One theory is that hypoglycemics—those whose bodies produce an excess of insulin—are especially addictable. There is some evidence of metabolic differences between alcoholics and non-alcoholics. Some ethnic groups seem especially vulnerable. If there is a family history of alcoholism, danger to offspring appears to be 4 times greater.

A craving for alcohol is a flag that addiction may be developing. The only 100 percent safe course to avoid this danger is never to use alcohol.

DURING PREGNANCY MAY HARM THE UNBORN

Medical authorities have long admitted that smoking cigarets by an expectant mother will affect and even damage the fetus (the unborn child in the womb). Until recently the damaging effect of alcohol has not been as widely admitted. Now researchers state positively that use of alcohol in beverages is damaging to the fetus.

At first it was said only alcoholics (women who had been drinking over a period of time) were likely to bear babies with birth defects. Recent research has shown that even moderate drinking by an expectant mother may be paid for by the infant in the form of growth deficiency, small brain, facial distortion, mental retardation, poor coordination, and skeletal and heart defects. Doctors who have conducted this research advise total abstinence by a pregnant woman or one considering pregnancy.

Dr. David Smith, Prof. of Pediatrics at the University of Washington (Seattle), one of the first to identify this "fetal alcohol syndrome", says one in every 350 to 500 infants is born with some type of mental or physical defect caused by the mother drinking during pregnancy. Both alcohol and cigarets are said to hit the fetus like a "chemical sledgehammer." This danger has been recognized and reported upon by the U.S. Government through the National Inst. on Alcohol Abuse and Alcoholism (NIAAA).

More recently it has been claimed that alcohol can harm male sperm, so men expecting to father a child should consider this danger, too.

LEGAL AGE REQUIRED FOR PURCHASE

Until early 1970 the almost uniform legal age for buying alcoholic beverages over the country was 21. Then some states lowered the age to 18 or 19. In these states alcohol-related accidents involving drivers under 21 increased. Now the trend is to raise legal drinking ages. Maine, Massachusetts and New Hampshire have raised back to 20. Michigan, by a vote of the people in 1978 (57 percent in favor) raised back to 21. Iowa, Minnesota, Montana, New Jersey and Georgia raised from 18 to 19. Other states are proposing similar action.

Many wonder why those under 21 should be prohibited from buying alcoholic beverages. Over the years, society has intuitively recognized that as the proper age without knowing the scientific reason for it.

Dr. Jorge Valles, M.D., for many years director of alcoholism therapy at the U.S. Veterans Hospital in Houston, states such a reason. He claims addiction results from sensitivity of the hypothalamus section of the brain. Immature youth are especially sensitive. He says: ". . . the younger the age at which an individual starts to ingest alcohol, the greater the chances that he will develop into a chronic alcoholic. For the action of the alcohol is channeled directly toward the adolescent's imbalanced hypothalamus and autonomic nervous system, thereby obstructing his emotional maturation on both psychological and physiological levels."

There are many reasons why youth should not drink. Alcohol reduces control over behavior in social relationships and leads to a variety of dangerous situations. There is good reason why society wants a higher legal drinking age.●

VIOLENCE IN GUATEMALA

HON. DONALD J. PEASE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 7, 1980

● Mr. PEASE. Mr. Speaker, what follows is the first installment of a two-part report on living conditions and human rights abuses in northern Guatemala. It was provided to me by a parish priest who has spent many years living and working with the people of this region. The priest's identity can be established but he has requested anonymity out of fear for his life.

This report bears out the rapid polarization that is occurring among the Guatemalans, many of whom are Indians, who live in the northern part of the country. This trend is very ominous. It underscores the urgency of our gaining an understanding of the complex forces at work within Guatemalan society. Unless we recognize the countervailing pressures at work, our country will have little hope of identifying what role we might be able to play in helping promote peaceful, democratic change within Guatemala.

The report follows:

Report on Violence in Northern Quiche, Guatemala

(By a parish priest)

INSURGENCY-COUNTERINSURGENCY, AUGUST 1979 TO JANUARY 1980

Within the situation of violence in which during the past three years each person of the Indian communities of the Ixil zone of Quiche has suffered, the period between August 1979 to January 1980 is the worst. This time period focuses in on the Ixil area as the nerve center, the "hot" area of the repressive state. The focus of human rights violations, militarism and violence which all Guatemalan people suffer is here.

The most notable characteristic of the area is change. Change in quality and extension of the level of insurgency and counterinsurgency. Change in the protagonists of the events: the Ixil people, the Army of the Poor (EGP), the Guatemalan Army and the para-military groups. Change in space and change in time. The conflicting events occur so rapidly and with such force that in an attempt to follow them one runs the risk of losing the total perspective and the roots and origin of the conflict.

Within the Ixil zone, the communities of Cotzal and Nebaj continue to be areas of continual violence while the community of Chajul, which until now had been in a more or less lethargic state becomes the center of major conflict within the area.

Armed violence within Quiche spreads from the Ixil area north to Uspantan and Chicaman. At the same time a similar situation extends to the Department of Huehetenango which borders on Quiche.

The central and southern part of Quiche which until now have not suffered the problems of the north are awakened to new political problems caused by wall paintings, threats, flyers, black lists etc. Towns such as Sacapulas, San Pedro Jocopilas, Santa Cruz of Quiche, Zacualpa, Joyabaj which had been without violence find themselves surrounded in their streets and walls by anti-communist signs against the Army of the Poor (EGP), against the PGT and in some places by death threats against neighbors. In Santa Cruz, Quiche, the first black lists from para-military groups appear. In one of these the names of the priests Luis Guirriarán, former pastor of Chichicastenango, Bartolome Sanchiz, ex-pastor of the Cathedral, Andres Ignacio Lanz, director of the Diocesan Radio Station, "Quiche Radio"; community leaders such as Mr. Rogelio Azurdia director of the radio newspaper "The Voice of the People" of "Quiche Radio"; Mr. Emeterio Toj Medrano, expresident of the Catholic Action Board of Directors of Santa Cruz parish, political leaders such as Mr. Jorge Baca etc.

If we could place a map of Quiche in front of us and color the Ixil area red and then shade in all the areas affected by violence we would find that between August 1979 and January 1980 gradually all of Quiche would be shaded red.

The Guerrilla Army of the Poor during this period stops being a group of outsiders to area farmers. It is no longer small or large. It becomes a popular force and a nucleus of peasant organization because of the massacre and the military occupation endured by the people during the past three years. During this period the E.G.P. has taken its first steps from political action to military action. The armed confrontations against the Army in the communities of Chajul, Cotzal, Chicaman, Uspantan demonstrates this.

The beginning of this year shows us a militarized Quiche. The southern part has small groups of Mobile Military Police (PMA), the north is under the direct control of the National Army.

Uspantan, Nebaj, Corzal, Chajul and sections of Ixcan contain permanent military encampments more or less large which remind all of the residents that they live in a state of war not peace. No matter how hard government sources try to deny it and the communications media of the country pretend they are not aware of this fact.

Every violent act which has taken place in the area which funnels through information channels and through them to public opinion is immediately denied by the government's official sources. Defense Ministry's declarations of early January serve as an example where they justify the Army's presence in Quiche because "northern Quiche is full of Cubans." During this report more examples will be given.

The recent Nicaraguan war has great repercussions in the Army policy towards the occupied communities of northern Quiche. Since August, the people felt a change in their relationship with the Army. The Army makes a great effort not to appear as an occupation force apart from the people but at the same time its methods of control are sharpened, of infiltration, of spying and corruption of the people. As they begin to remake their public image as the people's defenders and development promoters by means of Civic Action, terrible repression against entire communities takes place violating all their human rights as has happened in the town of Chajul. All of the farmers constitutional guarantees are violated.

Because of the supposed counter insurgency war all personal and communal security has been banished as well as citizens rights to moral and physical integrity, all farmer's organizations are being destroyed. These organizations are potential motors of economic development. The so called war has caused many families to flee because of the terror in which they live. They seek refuge in work on the coastal farms, in Guatemala City or in other parts of the country.

Not only the guerrillas and the Army have changed during this period but the communities have begun a process of profound transformation. Small groups, but each day growing larger, unable to endure the poverty and military repression, have begun surfacing in each village. Out of these groups have been born the first manifestations of campesino resistance to the Army. The protests of the Uspantan campesinos before the Guatemalan Congress, the manifestations in Chajul and Cotzal give proof of this. The villages in the area begin their own protests giving the conflictive situation the first indications of a revolutionary process.

August 1979

Rumors circulate that the guerrilla has begun to take root in the northern section of the municipalities of Uspantan and Chicaman. In the municipality of Chajul, the people tired of the Army's abuses are beginning to join the guerrilla. On August 17, at 9:00 in the evening, the Army kidnaps the catachist Capulina, son of Mr. Antonio Cruz of Santa Adelina, Cotzal hacienda. His tortured cadaver appears the next day at the entrance of the hacienda Brol, Cotzal. With a message of E.G.P. written on a bracelet two cadavers brutally tortured are thrown beside the highway in Pulay, Nebaj. It is rumored that the Army kidnapped them in the Ixcan area.

The guerrilla begins vigorous political activity. They occupy the villages of Chixix, Caxijay, Santa Abelina, Asich, Chipal all in the municipality of Cotzal; the towns of XIX, Xolcuay, Chemal, Ilom of Chajul; also Santa Marta, Tzumal Grande, Bicotz, Bicalama, Pulay, Acul, Tzalbal of Nebaj. In all these villages the guerillas are Indian farmers from the area who a few years previously had fled from the Army's repression. After meetings with the communities the jails were burned.

On August 18, the E.G.P. executes two youths from Tzalbal, Nebaj, Juan and Pedro Terraza who were known publically as Army spies and informers.

September 1979

The E.G.P. occupy some villages in northern Uspantan. During the night, the Army kidnaps two farmers, leaders in the agricultural cooperative from the farm El Soch. Nothing has been heard of them since. At El Soch, the E.G.P. executed Honario Garcia, owner of the farm El Rosario and Eliu Martinez owner of the farm la Soledad for inhuman treatment of the farm workers and because along with the Army they captured two campesinos from the farm El Soch.

The E.G.P. occupied the house of the North American pastor in Las Pacayas, searched for documents and information he was giving the U.S. government and then burned the building. The next day, the North American Protestant ministers, Peace Corps volunteers and AID personnel left the Uspantan area permanently.

The Army along with large landowners in the area of Soch occupied the village of San Pablo el Baldio (which borders on the farm El Soch, Uspantan), and kidnapped eight campesinos. They were taken to the military encampment Xejul in the vicinity of the town Uspantan. Of these eight people only one has reappeared. The others are presumed assassinated. A group of campesinos from Uspantan interrupted the National Congress asking that their kidnapped relatives be returned and denounced the abuses, robberies, rapes and tortures by the National Army. The government and the Army immediately denied these things had occurred and accused the Indians as being communists and that Cubans were making the campesinos take political acts.

The town of Cotzal for the first time in its history began a political demonstration against the municipal council. More than a thousand campesinos gathered in the town plaza with loudspeakers, demanded and obtained from the mayor, their civic rights which had been denied by the former mayor, Mr. Gaspar Perez, "exterminator" of Cotzal along with the Army and who had been executed by the Guerrillas. After two hours of demonstrating, the people were able to have the new municipal market closed (a special project of the former mayor) and have the market relocated on the plaza in front of the parish church in the center of town.

October 1979

More than 2,000 campesinos, including men, women and children demonstrated against the Army which for three years had occupied Cotzal. The people marched from the plaza to the military garrison and were received there by a lieutenant and troops armed with machine guns and bombs. Women and children begged the soldiers to return their kidnapped relatives or at least their remains. The lieutenant answered that he was not a killer of the people and the communists had instigated the demonstration. The people answered, "We don't know what a communist is but we do know the damage the Army has caused our community since it has occupied it. One of the signs they carried said, "Army assassinator of Colom Argueta and the campesinos of Uspantan." The lieutenant said, "the communists made that sign and the students told you who Colom Argueta is." The people answered, "Colom Argueta is the people." The demonstrators asked the Army to leave the town, because they could no longer endure their abuses. (10/6/79)

On October 26, 1979, at 3:00 p.m. a truck carrying men back from the coast was stopped at the entrance of Cotzal, the Army had black lists of community residents. Mr. Juan Sajic was kidnapped. When the people of the village heard about the kidnapping a large group went to the military garrison to demonstrate. They asked for Mr. Juan Sajic. The Army denied that they had him. Juan Sajic was taken by helicopter from the rear of the garrison.

On October 18, 1979, the E.G.P. occupied Chajul for a few hours. The following day a group of the E.G.P. attacked a group of soldiers on the road between Chajul and Juil. They killed three soldiers and left one wounded, taking all the weapons. The E.G.P. leader returned to Chajul, gathered the people and demonstrated the captured guns. He advised the people to organize because the Army was sure to enter Chajul and take reprisals against them.

On October 20, an Army patrol occupied Chajul and began a systematic search, beating and abusing the people. When the traditional shout of the Chajules began, men, women, youths, children and old people came out of their homes armed with stones, sticks and machetes and the whole town confronted the Army in the central plaza. Between the two groups were the bodies of the three soldiers killed by the Guerrillas. An Army helicopter began to fly over the group as they talked. The people demanded that the Army leave and if they didn't do so, they were prepared to attack them. They said that they would kill more than the Army could. One citizen demonstrated he had been beaten by the soldiers. The lieutenant in command asked for a stick and began to beat the responsible soldier leaving him almost dead.

The people again demanded that the Army leave and began to push the soldiers until they left the town. Indignant over the situation they had endured in Chajul, they decided to lynch Pedro Pacheco and Melchor Xinic Army colaborators and informers. They killed them with sticks and buried them on the town's edge. The Army moved its encampment from Juil to Jaboncillo a kilometer from the town.

On October 3, 1979, five hundred people demonstrated in Chajul for three hours asking the municipal authorities to remove the Army from Chajul. In retaliation on October 19, the Army captured a youth in Pulay (Nebaj) as he left worship services in the chapel and transporting him in a jeep to Xolcuay, (Chajul). They took the people out of the chapel, put the men against the wall and with threats of shooting them they demanded to know who the guerrillas were. The jeep returned to the Army detachment of Juil that night stopping at several small stores on the road, robbing money and cases of soft drinks and beer. The next day, more than 100 campesinos came armed with stones, sticks and machetes towards the military garrison in Juil to rescue the captured youth. The demonstration stopped en route when he came walking along the path.

On October 27, three presumed tourists were attacked on the highway near Pulay (Nebaj). Alain Phietumuler, a Frenchman, was killed. A Japanese, Mastoshi kujashiy and a Canadian Lorne Thomas Quick were wounded. The event is cloudy because there are clear indications that they weren't simple tourists and it isn't known if they were attacked by the Army or the guerrillas.

Two days later, October 29, 1979, the Army completely occupied Pulay (Nebaj) brutally searching house to house, robbing and beating many residents. In Mr. Antonio Chavez home a soldier robbed Q208 which he had borrowed to repair his roof. Mr. Lucas Ajanel lost Q55. Mr Jacinto Brito Q5, etc. etc.

On Wednesday October 7, 1979, in Cunen, Mr. Sinverio Castaneda, mobile military police (PMA) stationed in Cunen killed two policemen and seriously wounded three while they slept. The national police who slept in the next room, said that he identified himself as a guerrilla and after taking all the arms fled out the door where some companions were awaiting him. The barracks of the PMA in Cunen is known for its abuses against the people. The Army reported through its information channels that a drunk soldier had killed some of his companions.

November 1979

In the first days of May, the center of conflict moved north to Huehuetenango. On Sunday, November 4, the E.G.P. occupied the village of San Juan Ixcoy for a morning. The same day, the village of Barillas demonstrated against the National Army asking them to leave the municipality. On the 6, 7, 8 and 9 of November the E.G.P. occupied the communities San Francisco Mixlaj, San Jose las Flores, el Llano and el Campamento all in the municipality of Chiantla. Also in November the military Zone of Santa Cruz of Quiche, General Gregorio Solares is transferred to Huehuetenango where a modern military barracks has been built.

On November 16, 1979, the E.G.P. occupied for the second time Salquil Grande, Nebaj. The occupation took place all morning of market day. On November 14, helicopters buzz the Salquil Grande area and bomb the mountainous terrain near the village of Vicalama, Nebaj. The results are unknown.

On November 16, 1979, the National Army carried out a civic action campaign for three days in Cotzal. In spite of the fact that the Army advertised through the press to 10,000 campesinos that they had benefited from this campaign receiving medicines and food, the campaign was a failure. On the first day, the whole town demonstrated while the Army explained using loudspeakers, the benefits and contributions they had brought to the communities. In the plaza, the people with their loudspeakers denounced the abuses and the repression by the Army. They asked the Army to leave the municipality. Part of the Civic Action team returned to Nebaj the first day of the campaign in Cotzal.

During November the guerrillas carried out a surprise attack on a platoon of soldiers which had occupied the plaza in Cotzal. A group of eight guerrillas attacked from the four plaza entrances. The shooting was mainly directed at the Army officers. A lieutenant was killed and soldiers were wounded. A guerrilla was blown up by a hand grenade. When the guerrillas left, the soldiers excited by the action shouted, "The catechist has fallen. The guerrilla has fallen," and began to beat the remains of the cadaver, trying to force the people to do the same. Because the people wouldn't cooperate in this effort, they dragged the cadaver, kicking it and shouting, "Cotzalenos, guerrilleros, catechists guerrillas, we will go to the mountains, we will eat guerrilla." That night the Army surrounded the village and started a house to house search abusing the people, threatening and beating them, finishing their search the middle of the next day. Many people were dragged to the military camp where they were interrogated, beaten and struck with sticks. They were gradually freed.

Approximately 1,000 Kaibile soldiers arrived at the Jaboncillo (Chajul) military detachment on November 2, 1979. According to rumor circulating in the capital, this column was equipped with bazookas, antiaircraft machine guns, and every soldier was armed with modern Israeli armaments. These were the soldiers who were charged with clearing out the Ixil zone, so that no guerrilla would be left alive, and for whom no cost was spared. The radio and newspapers reported that the guerrillas shot down one Army helicopter and that they destroyed a Kaibele patrol in the Juil (Chajul) mountains. The Army officially denied this report.

Near the end of the month, the Army began a campaign of "civic action." The people, fearful before the prospect of reprisals and because of rumors spread by the same Army to the effect that they must either participate in the campaign or suffer the consequences, regularly participated in the campaign.

On November 23, the guerrillas attacked the entrance to the town of Chicaman in an Army truck that is used to carry asphalt to repair potholes in city streets. They left three soldiers dead.●

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules

Committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an interim procedure until the computerization of this information becomes operational, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Thursday, May 8, 1980, may be found in the Daily Digest of today's RECORD.

Meetings Scheduled

MAY 9

9:30 a.m.
Commerce, Science, and Transportation
Science, Technology and Space Subcommittee
To resume hearings on S. 2015, proposed Transportation Energy Efficiency Act, and on proposed amendments thereto.
235 Russell Building

10:00 a.m.
Foreign Relations
To hear and consider the nominations of Robert V. Keeley, of Florida, to be Ambassador to Zimbabwe; Gordon R. Beyer, of Florida, to be Ambassador to Uganda; Charles E. Marthinsen, of Virginia, to be Ambassador to the State of Qatar; and Dean R. Axtell, of Illinois, to be Executive Vice President of the Overseas Private Investment Corporation.
4221 Dirksen Building

MAY 12

9:00 a.m.
Energy and Natural Resources
To hold hearings on the nomination of Clyde O. Martz, of Colorado, to be Solicitor of the Department of the Interior.
3110 Dirksen Building

10:00 a.m.
Banking, Housing, and Urban Affairs
To hold oversight hearings to investigate the circumstances surrounding an Export-Import Bank's (Eximbank) decision to grant a low-interest loan to Ansett Airlines in Australia, and to review Eximbank's overall policy on aircraft financing.
5302 Dirksen Building

2:30 p.m.
Appropriations
Business meeting, to resume consideration of H.J. Res. 521, appropriating additional funds for fiscal year ending September 30, 1980, for the Selective Service System.
S-128, Capitol

Banking, Housing, and Urban Affairs
Business meeting, to markup S. 864 and 2379, bills to facilitate the formation of U.S. export trading companies to expand export participation by smaller U.S. companies.
5302 Dirksen Building

MAY 13

10:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for the National Park Service.
1224 Dirksen Building

Banking, Housing, and Urban Affairs
To continue oversight hearings to investigate the circumstances surrounding an Export-Import Bank's (Eximbank) decision to grant a low-interest loan to Ansett Airlines in Australia, and to review Eximbank's overall policy on aircraft financing.
5302 Dirksen Building

Select on Small Business
Business meeting, to consider S. 1860, proposed Small Business Innovation Act, and other pending legislation.
424 Russell Building

Special on Aging
To resume hearings to explore initiatives to stimulate opportunities for continued work for older persons.
6226 Dirksen Building

2:30 p.m.
Banking, Housing, and Urban Affairs
To continue oversight hearings to investigate the circumstances surrounding an Export-Import Bank's (Eximbank) decision to grant a low-interest loan to Ansett Airlines in Australia and to review Eximbank's overall policy on aircraft financing.
5302 Dirksen Building

MAY 14

9:30 a.m.
Commerce, Science, and Transportation
Science, Technology and Space Subcommittee
To resume hearings on S. 2015, proposed Transportation Energy Efficiency Act, and on proposed amendments thereto.
235 Russell Building

10:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee.
To hold hearings on proposed budget estimates for fiscal year 1981 for the Department of the Interior.
1223 Dirksen Building

2:00 p.m.
Appropriations
Transportation Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1981 for the Department of Transportation.
1224 Dirksen Building

MAY 15

9:15 a.m.
Banking, Housing, and Urban Affairs
Consumer Affairs Subcommittee
To resume hearings on S. 1928, to strengthen fair credit reporting, and provide safeguards for citizens in the areas of credit, banking, and insurance records.
5302 Dirksen Building

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1981 for the Department of Housing and Urban Development, and Independent Agencies.
1318 Dirksen Building

Appropriations
Transportation Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1981 for the Department of Transportation.
1224 Dirksen Building

1:00 p.m.
Select on Small Business
To receive a briefing on the final report of the White House Conference on Small Business.
424 Russell Building

MAY 16

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1981 for the Department of Housing and Urban Development, and Independent Agencies.
1318 Dirksen Building

Banking, Housing, and Urban Affairs
Securities Subcommittee
To resume hearings on S. 1533 and 1940, bills to provide an exemption for qualified small business venture capital companies.
5302 Dirksen Building

MAY 20

9:30 a.m.
Commerce, Science, and Transportation
*Science, Technology and Space Subcommittee
To hold hearings on industrial applications of recombinant DNA techniques.
235 Russell Building

10:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for the Office of the Secretary and the Office of the Solicitor, Department of the Interior.
1223 Dirksen Building

2:00 p.m.
Office of Technology Assessment
The Board to hold a meeting on pending business items.
EF-100, Capitol

MAY 21

9:00 a.m.
*Veterans' Affairs
To resume hearings on the Federal Government's efforts to assist Vietnam-era veterans in readjusting to society, and the use of expected appointments for disabled veterans.
412 Russell Building

10:00 a.m.
Energy and Natural Resources
Business meeting, to consider pending calendar business.
3110 Dirksen Building

MAY 22

9:30 a.m.
Labor and Human Resources
Child and Human Development Subcommittee
To hold oversight hearings to examine issues affecting infant mortality, and preventable birth defects.
4232 Dirksen Building

10:00 a.m.
*Select on Indian Affairs
To hold hearings on S. 2513, to promote economic self-sufficiency among Indian tribes by providing tax incentives to industries who hire Indians and locate on or near their reservations.
1318 Dirksen Building

MAY 28

10:00 a.m.
Energy and Natural Resources
To hold hearings on the impact of acid rain in the atmosphere resulting from an increased use of coal.
3110 Dirksen Building

MAY 29

9:30 a.m.
*Veterans' Affairs
To hold hearings on proposed legislation to establish a cost-of-living increase for service-connected disability compensation.
412 Russell Building

10:00 a.m.
Banking, Housing, and Urban Affairs
To hold hearings on proposed legislation relating to possible effects of excessive commodities speculation on the Nation's banking system and credit markets, focusing on futures trading in financial instruments or their equivalents.
5302 Dirksen Building

MAY 30

10:00 a.m.
Banking, Housing, and Urban Affairs
To continue hearings on proposed legislation relating to possible effects of excessive commodities speculation on the Nation's banking system and credit markets, focusing on futures trading in financial instruments or their equivalents.
5302 Dirksen Building

JUNE 2

10:00 a.m.
Select on Indian Affairs
To hold oversight hearings on the implementation of Federal recognition procedures, relating to the acknowledgement of nonrecognized Indian tribes.
5110 Dirksen Building

JUNE 4

10:00 a.m.
Select on Indian Affairs
To hold oversight hearings on the implementation of the Judgment Fund Distribution Act.
5110 Dirksen Building

JUNE 10

10:00 a.m.
Select on Indian Affairs
To hold oversight hearings on the implementation of the Tribally Controlled Community College Act.
5110 Dirksen Building

JUNE 11

9:30 a.m.
*Veterans' Affairs
To hold oversight hearings on the activities of the Inspector General of the Veterans' Administration.
412 Russell Building

JUNE 19

9:30 a.m.
Veterans' Affairs
To hold hearings on S. 2020 and 2596, bills to provide educational assistance programs for those individuals who enlist in the Armed Forces, and to hold oversight hearings on the implementation of current educational incentive programs to promote an All Volunteer Force.
412 Russell Building

JULY 1

10:00 a.m.
Veterans' Affairs
To hold oversight hearings on the implementation of small business loan programs for veterans recommended by the White House Conference on Small Business.
412 Russell Building

HOUSE OF REPRESENTATIVES—*Thursday, May 8, 1980*

The House met at 11 a.m.

The Reverend Spyridon C. Papademetriou, Protopresbyter, St. Matthew's Greek Orthodox Church, Reading, Pa., offered the following prayer:

In the Name of the Father, and of the Son, and of the Holy Spirit: Almighty God, Father of all people, we bow in humble gratitude for the multitude of Thy mercies showered upon us.

We are grateful for this great Nation conceived in liberty and dedicated to equality. Our fathers trusted in Thee; in these desperate and dangerous times, strengthen our faith, too. Give our leaders clear vision to see Thy will as their duty and inspire them with the might of Thy wisdom to do it.

Teach us that "righteousness exalts a nation." Let us see clearly and follow faithfully the ideals that belong to our peace and the peace of the world. For the sake of Thy kingdom on Earth. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

Mr. SOLOMON. Mr. Speaker, pursuant to clause 1, rule I, I demand a vote on agreeing to the Speaker's approval of the Journal.

The SPEAKER. The question is on the Chair's approval of the Journal.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. SOLOMON. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 370, nays 14, answered "present" 1, not voting 47, as follows:

[Roll No. 221]

YEAS—370

Abdnor
Addabbo
Akaka
Albosta
Alexander
Ambro
Anderson, Calif.
Andrews, N. Dak.
Annunzio
Anthony
Archer
Ashbrook
Ashley
Atkinson
AuCoin
Badham
Bafalis
Bailey
Baldus
Barnard
Barnes
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Beilenson
Benjamin
Bennett
Bereuter
Bethune
Bevill
Biaggi
Bingham
Blanchard
Boggs
Boland
Bolling
Boner
Bonker
Bouquard
Bowen
Brademas
Breaux
Brinkley
Brodhead
Brooks
Broomfield
Brown, Calif.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burlison
Burton, Phillip
Butler
Campbell
Carney
Carr
Carter
Cavanaugh
Chappell
Cheney
Clausen
Cleveland
Clinger
Coelho
Coleman
Collins, Ill.
Collins, Tex.
Conable
Conte
Conyers
Corcoran
Corman
Cotter
Courter
Crane, Daniel
Crane, Philip
D'Amours
Daniel, Dan
Daniel, R. W.
Dannemeyer
Daschle
Davis, Mich.
de la Garza
Deckard
Derrick
Devine
Dickinson
Dicks
Dingell
Dixon
Dodd
Dornan
Dougherty
Downey
Drinan
Duncan, Oreg.
Early
Edgar
Edwards, Ala.
Edwards, Calif.
Emery
English
Erdahl
Erlenborn
Ertel
Evans, Del.
Evans, Ga.
Evans, Ind.
Fary
Fascell
Fazio
Fenwick
Ferraro
Findley
Fish
Fisher
Fithian
Flippo
Foley
Ford, Tenn.
Fountain
Fowler
Frenzel
Frost
Fuqua
Garcia
Gephardt
Giaimo
Gibbons
Gilman
Ginn
Glickman
Goldwater
Gonzalez
Gore
Gradison
Gramm
Grassley
Gray
Green
Grisham
Guarini
Gudger
Guyer
Hagedorn
Hall, Ohio
Hall, Tex.
Hamilton
Hammerschmidt
Hance
Hanley
Hansen
Harris
Hawkins
Heftel
Hillis
Hinson
Hollenbeck
Holt
Holtzman
Hopkins
Horton
Howard
Hubbard
Huckaby
Hughes
Hutto
Hyde
Ireland
Jeffords
Jeffries
Jenkins
Jenrette
Johnson, Calif.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kazen
Kelly
Kemp
Kildee
Kindness
Kramer
LaFalce
Lagomarsino
Latta
Leach, Iowa
Leach, La.
Leath, Tex.
Lederer
Lee
Lehman
Leland
Levitas
Lewis
Livingston
Loeffler
Long, La.
Long, Md.
Lott
Lowry
Lujan
Luken
Lundine
Lungren
McClory
McCormack
McDonald
McEwen
McHugh
McKay
Madigan
Maguire
Markey
Marks
Marlenee
Martin
Matsui
Mattox
Mavroules
Mazzoli
Mica
Michel
Mikulski
Miller, Calif.
Miller, Ohio
Mineta
Minish
Mitchell, N.Y.
Moffett
Mollohan
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Mottl
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Murtha
Musto
Myers, Ind.
Natcher
Nedzi
Nelson
Nichols
Nolan
Nowak
O'Brien
Oakar
Oberstar
Obey
Ottinger
Panetta
Pashayan
Patten
Patterson
Paul
Pease
Pepper
Perkins
Petri
Peyser
Pickle
Porter
Preyer
Price
Pritchard
Pursell
Quillen
Rahall
Rangel
Ratchford
Regula
Reuss
Rhodes
Richmond
Rinaldo
Ritter
Roberts
Robinson
Rodino
Roe
Rose
Rosenthal
Rostenkowski
Roth
Rousselot
Roybal
Royer
Rudd
Russo
Sabo
Santini
Sawyer
Scheuer
Schulze
Sebelius
Seiberling
Sensenbrenner
Shannon
Sharp
Shelby
Shumway
Shuster
Simon
Smith, Iowa
Smith, Nebr.
Snowe
Snyder
Solarz
Solomon
Spellman
Spence
St Germain
Stack
Staggers
Stangeland
Stanton
Stark
Steed
Stenholm
Stewart
Stockman
Stokes
Stratton
Studds
Stump
Symms
Synar
Tauke
Taylor
Thomas
Thompson
Traxler
Trible
Udall
Ullman
Van Deerlin
Vanik
Vento
Volkmer
Walgren
Wampler
Watkins
Waxman
Weaver
Weiss
White
Whitehurst
Whitley
Whittaker
Whitten
Williams, Mont.
Wilson, Tex.
Winn
Wirth
Wolff
Wolpe
Wright
Wyatt
Wylie
Yates
Yatron
Young, Fla.
Young, Mo.
Zablocki
Zeferetti

NAYS—14

Burton, John
Coughlin
Derwinski
Forsythe
Goodling
Harkin
Heckler
Jacobs
Lloyd
Mathis
Schroeder
Swift
Walker
Young, Alaska

ANSWERED "PRESENT"—1

Neal

NOT VOTING—47

Anderson, Ill.
Andrews, N.C.
Applegate
Aspin
Bonior
Byron
Chisholm
Clay
Danielson
Davis, S.C.
Dellums
Diggs
Donnelly
Duncan, Tenn.
Eckhardt
Edwards, Okla.
Florio
Ford, Mich.
Gaydos
Gingrich
Harsha
Hefner
Hightower
Holland
Ichord
Johnson, Colo.
Jones, N.C.
Kogovsek
Kostmayer
Lent
McCloskey
McDade
McKinney
Marriott
Mitchell, Md.
Moakley
Myers, Pa.
Quayle
Railsback
Runnels
Satterfield
Skelton
Vander Jagt
Williams, Ohio
Wilson, Bob
Wilson, C. H.
Wydler

□ 1110

So the Journal was approved.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed without amendment a bill of the House of the following title:

H.R. 5673. An act to authorize the use of certified mail for the transmission or service of matter which, if mailed, is required by certain Federal laws to be transmitted or served by registered mail, and for other purposes.

The message also announced that the Senate had passed with amendments in which the concurrence of the House is requested, bills of the House of the following titles:

H.R. 4887. An act to authorize appropriations for the San Francisco Bay National Wildlife Refuge, and for other purposes; and

H.R. 4889. An act to extend the authorization period for the Great Dismal Swamp National Wildlife Refuge.

The message also announced that the

Senate had passed bills and a joint resolution of the following titles, in which the concurrence of the House is requested:

S. 1626. An act for the relief of H. F. Mulholland and the estate of John Oakason.

S. 2209. An act to amend section 303 of the Federal Land Policy and Management Act; and

S.J. Res. 173. Joint resolution to authorize and request the President to proclaim the week of May 11 through 17, 1980, as "National Historic Preservation Week."

☐ 1120

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. WRIGHT). The Chair desires to make two announcements.

The first announcement is that all Members and their spouses are invited to attend memorial services at Arlington Cemetery tomorrow morning, Friday, May 9, 1980, for the eight servicemen killed in Iran. Buses will leave the House steps at 8:30 a.m. and will return at 10:30 a.m. Please notify the Sergeant at Arms if you plan to attend.

The second announcement is that today the House will consider the Senate bill, S. 1309, Food Stamp Act Amendments of 1980. The House will remain in session however late it may take to complete that bill this evening, if that reasonably can be done. If it should be apparent late this evening that it is impossible to finish the bill tonight, the House shall be in session again tomorrow and continue in session until the bill is finished. In the event a session tomorrow should be made necessary by the failure to complete the bill tonight, the House would convene at 11 o'clock tomorrow morning.

PBS AIRING OF "DEATH OF A PRINCESS"

(Mr. ZABLOCKI asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ZABLOCKI. Mr. Speaker, the reported decision by the Public Broadcasting Service to make available for airing the movie, "Death of a Princess," is a matter of deep regret to many of us concerned with the best interests of the United States in foreign policy matters.

We of course cannot dictate to PBS what it shall and shall not circulate for broadcast. Freedom of speech and the press is a cherished right in this country. I am second to none in my support of it. At the same time, I believe the media should exercise this freedom responsibly.

It seems to me that the decision to show this particular movie publicly is ill-advised and, indeed, irresponsible in view of the problems such broadcasting clearly will cause for the United States.

Saudi Arabia has registered strong objections to certain parts of the film. Although called a documentary, it is more fictional than factual. Its showing in the United Kingdom has caused serious strains in relations between Saudi Arabia and Britain.

Saudi Arabia is a friend of the United States. It is an important oil supplier to the United States and other countries of the free world. It is helpful to the United States in many other ways.

It is particularly regrettable that the decision to broadcast the movie has been made by an organization which is funded in part from U.S. Government funds. I would hope that those responsible for the proposed broadcast would reconsider their decision.

Mr. BROOMFIELD. Mr. Speaker, will the gentleman yield?

Mr. ZABLOCKI. I yield to the gentleman from Michigan.

Mr. BROOMFIELD. I thank the gentleman for yielding.

Mr. Speaker, I wish to join with the gentleman from Wisconsin in expressing concern over the proposed showing of the movie "Death of a Princess."

Such a public broadcasting in this country will have an adverse impact on U.S. interests abroad.

We already have more than enough difficulties overseas and disarray in our foreign policy.

We should not add to those difficulties by insulting one of our good friends in a strategic area of the world, a friend which has made clear to us how offensive the film is to them.

I hope that good judgment and concern for U.S. foreign policy interests will prevail.

Mr. ZABLOCKI. I thank the gentleman for his contribution.

Mr. VOLKMER. Mr. Speaker, will the gentleman yield?

Mr. ZABLOCKI. I yield to the gentleman from Missouri.

Mr. VOLKMER. I thank the gentleman for yielding.

Mr. Speaker, I would just like to join the gentleman from Wisconsin (Mr. ZABLOCKI) in his remarks. I believe the sentiment of the House will be overwhelmingly in support of the gentleman's remarks today.

Mr. ZABLOCKI. I thank the gentleman.

FREEDOM OF THE PRESS IN AIRING OF "DEATH OF A PRINCESS"

(Mr. MAGUIRE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MAGUIRE. Mr. Speaker, I had not intended to speak, but I am surprised to hear the statements we have just heard from the gentleman from Wisconsin (Mr. ZABLOCKI) and from the gentleman from Michigan (Mr. BROOMFIELD). I think there are probably some Members of this House who would share with me the feeling that in a country with the first amendment and freedom of the press, it is not appropriate for leading Members of the House to appeal in this way to a medium that has the right to broadcast what it sees fit to broadcast. I would also say that the actions of a foreign government or of persons in a foreign country surely have always provided and will provide in the future material for dramatizations. It does strike me that these appeals are a bit of overkill here in response to the situation which has been cited. Surely the first amendment takes precedence in this instance over any discomfiture felt by representatives of any foreign government or even Members of this House.

The SPEAKER pro tempore (Mr. ZABLOCKI). The Chair recognizes the gentleman from Texas (Mr. WRIGHT).

THE HARSH REALITY OF FOOD STAMP EXPIRATION

(Mr. WRIGHT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WRIGHT. Mr. Speaker, today we consider the emergency food stamp bill. We intend to finish it today. We will remain in session late if necessary. If completing the bill tonight should become impossible, we will return to it and complete it tomorrow.

An investigative reporter for the Fort Worth Star-Telegram, Michael Berryhill, has written a very perceptive article on the subject before us today which describes with heart-rending clarity the reality of our sometimes abstract debate.

Mr. Berryhill has investigated the use of food stamps in Tarrant County, Tex. He has talked to the people who use them, the people who run stores where the stamps are exchanged, the people who decide who is eligible and the people who investigate fraud.

He found a woman who had recently suffered a stroke and is totally dependent on food stamps to eat. Are there those here who would cut off those stamps?

He found that 35 percent of the recipients of food stamps are elderly or disabled. Are there those here who would cut them adrift in a sea of hunger?

He found that 20 percent of the recipients have jobs—yet are so poor that their income leaves them below the poverty level. Would America be better off if such people were deprived of any help?

Mr. Berryhill found that 27 percent of those who receive food stamps use them for less than 6 months. Are we to believe that they used stamps for sport? Of course not. Those people were in temporary trouble and food stamps helped them get back on their feet.

He found that the average income for a food stamp family is $320 a month—$3,800 a year. A family of five with an income of less than $4,000 a year receives $146 a month in food stamps. Are there those here who believe such families are living high on the hog?

This investigative reporter found that fraudulent applications amount to less than 1 percent of the program and that trained investigators catch most of the miscreants. The biggest food stamp fraud of the year did not involve welfare clients but businessmen who were attempting to buy stamps with which to cheat the Government.

He found that in Tarrant County alone the loss of food stamps would hurt 41,000 people directly. And a cutoff would cost retailers nearly $500,000 a month.

The situation in my county is probably quite typical of the Nation as a whole.

The headlines on Mr. Berryhill's articles accurately sum up the facts:

> Many will face hunger in June if their food stamps are cut off.

And—

> Most recipients really need food stamps.

Are there those among us who believe we could summarily kill this program without causing pain and suffering among the poor and needy? Are there those among us who really feel that the way to cut Federal spending is to take food from the hungry?

Mr. Speaker, I ask that the article from the Fort Worth Star-Telegram by Michael Berryhill concerning the food stamp problem appear at the conclusion of legislative business in today's RECORD, and I earnestly recommend it to the careful reading of my colleagues.

□ 1130

THE BURLISON CONSTITUTIONAL AMENDMENT

(Mr. BURLISON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BURLISON. Mr. Speaker, do you want the House to select the next President?

Mr. Speaker, it very well may, inasmuch as there is a serious third party challenge which may prevent either of the major candidates from obtaining a majority of the electoral vote. See the May 3 edition of the Congressional Quarterly.

When our constituents wake up on the morning of Wednesday, November 5 and and that they have not selected a President, but instead the House will make the choice, outrage will sweep the land. Your constituents will want to know what you have done to prevent this electoral disaster.

As of now, 31 of us will have a rational response. We have sponsored the Burlison constitutional amendment providing for direct popular election of the President.

You may recall from history that the House did make the selection in 1800 and 1824. Still worse, on three occasions, the candidate getting the most popular votes was denied the Presidency. These instances were all in the last century. This will be intolerable to our modern, more sophisticated electorate. Brace yourselves, however, for it may happen again this year.

Mr. Speaker, for some years now I have been the chief sponsor of this resolution. I plan to reintroduce it with additional sponsors on May 22. I urge my colleagues to join with us in this effort.

My colleagues should note that our distinguished friend from Illinois, Mr. ANDERSON, is among our cosponsors.

THE REFUGEE PROBLEM

(Mr. MICA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MICA. Mr. Speaker, this Nation is facing another crisis. It is brewing by the moment. At this very minute, literally thousands of refugees are pouring across the straits between Cuba and Florida that may well set off a chain reaction in Haiti, Mexico, and every Latin American nation in this hemisphere.

First, I think we need to realize this is not a Florida problem. This is a U.S. problem, and it is going to hit home to all Members when the various relocation centers are announced throughout the United States where thousands of Cubans and Latin Americans will be resettled.

Also, it is an international problem in that we are going to have to turn to all nations in this hemisphere and in fact all over the globe to come together with a policy for resettlement of all refugees. We can no longer speak in terms of Cuban, Haitian, or Vietnamese refugees. We must develop a policy now that addresses realistically all refugees.

It is now starting to be of proportions that are beyond the comprehension of any Member of this body. We must address this problem immediately.

THE IMPORTANCE OF AMERICA BECOMING ENERGY SELF-SUFFICIENT

(Mr. LEVITAS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LEVITAS. Mr. Speaker, I listened with great interest and some despair to the remarks of the gentleman from Wisconsin (Mr. ZABLOCKI) and the gentleman from Michigan (Mr. BROOMFIELD), concerning their suggestion on the floor of this House that the Public Broadcasting System not show a certain television program.

That may be the most shocking argument to wake up the American people on how important it is for this country to become energy self-sufficient and not depend on foreign sources for our oil, because these nations are now not only content with trying to dictate our foreign policy, they are now trying to dictate to us on abrogating the Bill of Rights of the U.S. Constitution.

We are a nation that has hallowed freedom of speech and freedom of the press. These first amendment rights are part of the basic character of our national identity.

The Public Broadcasting System and our other news media have never been subjected to this type of censorship or intimidation.

Our press and electronic media have a proud history of dealing with provocative discussion on the entire range of social, economic and political issues.

I think that if there is any message that comes across, the time for this Nation to become energy self-sufficient is at hand so that no amount of foreign pressure based on economic threat can force us to yield our fundamental principles embodied in the Bill of Rights.

If a foreign nation suggested we abandon our freedoms upon threat of force, we would immediately and forcefully reject that suggestion and courageously defend our liberty. We can do no less when that threat is economic rather than military. We must defend ourselves by sacrificing or taking other steps to become energy independent and defend ourselves from economic threats.

AMERICA OFFERS HOPE TO THOUSANDS OF CUBAN REFUGEES

(Mr. BIAGGI asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. BIAGGI. Mr. Speaker, as this Nation witnesses the spectacle of tens of thousands of Cuban refugees streaming onto our shores, we are reminded once again of what a great nation we are. These refugees, like the thousands who have preceded them over time, have consciously chosen America for the many benefits that this great Nation provides.

The Cuban exodus in some respects is an indictment of the system of communism as practiced by Fidel Castro. The Castro system is oppressive and debilitating. The Cuban economy is in desperate condition.

Conversely, America is a land of opportunity and hope for its citizens and for all those who enter our shores. The tens of thousands of Cubans could have gone elsewhere—but did not. They chose America.

When, in recorded history, have we ever witnessed a mass exodus of Americans escaping to another nation? It has never happened and it never should. The present Cuban situation should give pause to those in this Nation who find them constantly criticizing our country.

PERMISSION FOR COMMITTEE ON SCIENCE AND TECHNOLOGY TO SIT THIS AFTERNOON

Mr. FUQUA. Mr. Speaker, I ask unanimous consent that the Committee on Science and Technology be permitted to sit this afternoon.

The SPEAKER pro tempore (Mr. MINISH). Is there objection to the request of the gentleman from Florida?

There was no objection.

WORLD MUST GRIEVE FOR UNKNOWN DISSIDENTS

(Mrs. FENWICK asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. FENWICK. Mr. Speaker, I received a letter this morning which really should make all of us weep. It is a very simple statement:

> I am sorry to inform you that long-term refusnik Issaac Zlotver died in Sverdlovsk of Cancer on April 7, 1980.

This man is unknown to most of the world and probably to most of my colleagues. We have been trying to get a visa for him and his wife for 4 years. His wife died. Now he is dead. He never was able to get out. He wanted to see his grandchildren and now he never will.

He is not a Sakharov or a Solzhenitsyn or a famous person for whom the world has reverberated in sorrow and concern; not Scharansky, or Tikhy or Rudenko or one of the famous people who have suffered as he has suffered. He is Jewish, but there are Lutherans, Protestants, Baptists, Pentacostalists, and Roman Catholics who have suffered in the same way, and their names are never even known.

Somehow the world must grieve too for those who are not famous. Somehow they stand more clearly for the hordes of nameless, lost human beings than do the very few precious and famous people who are able to get out because of the pressure of world opinion.

NATION'S DEFENSE CAPABILITIES IN SAD SHAPE

(Mr. HYDE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HYDE. Mr. Speaker, to judge by some of the debate yesterday those of us who voted for the Holt-Gramm increase in defense spending were made to feel as through we are the spirital descendents of Genghis Khan.

It is in that context that I point out that yesterday it was announced that the 53 adjutants general representing National Guard units in every State and three territories are issuing resolutions highly critical of the way the Carter administration has allowed the National Guard to deteriorate.

The National Guard and the Reserves have 60 percent of the Nation's mobilization burden, but enjoy only 5 percent of the defense budget.

One officer said, "We couldn't mobilize enough firepower to stop Snow White and the Seven Dwarfs—our equipment is 25 years old and half of it isn't even functional; it's a joke."

It is not the sort of joke to produce much laughter outside of the Kremlin.

UNITED STATES SHOULD NOT INSULT SAUDI ARABIA BY SHOWING OF FILM

(Mr. DICKINSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DICKINSON. Mr. Speaker, I think perhaps the American people are not aware of the fact that Saudi Arabia is our historic friend. The public accounts of the meetings of the OPEC nations prove that they have consistently tried to hold prices down to the benefit of the United States and the West. They have increased their crude production by a million barrels a day to take up the slack when Iran went out of the market. They have resisted the demands of other OPEC members to abandon the dollar as their standard currency.

I would have to take exception, or at least differ with my good friend from Atlanta when he says the PBS should not show restraint and good taste and thus not offending a friend and ally at a critical time by showing, on U.S. owned media, a film that is extremely offensive to the Saudis—a film that is so offensive that they have even kicked out the British Ambassador because it was shown in England.

I question the judgment and common sense of the PBS officials who would disregard our Nation's best interest in this matter. I think it is just stupid. We do not need to go out of our way to make enemies. We have enough of them already.

To gratuitously insult a friend and ally which has befriended us in our time of need is dumb and to say that trying to persuade the PBS to act in the best interests of the United States is somehow a form of censorship is ludicrous.

● Mr. RHODES. Mr. Speaker, I wish to associate myself with the remarks of the gentleman from Wisconsin (Mr. ZABLOCKI) and the gentleman from Michigan (Mr. BROOMFIELD) regarding "Death of a Princess."

I am very concerned that the Public Broadcasting System is planning to distribute this movie for showing on television. I do not, for 1 minute, question their right to air this program; but, I do, however, seriously question their judgment in airing a program that is offensive to a key ally in a critical area of the world.

To weaken one of our best friends in the Mideast at this critical time when our foreign policy is in such disarray is, I believe, not in our best national interest.

The Saudis have expressed their opposition to this film and I am hopeful that PBS will temper their right to free speech with their responsibility to the American public and reconsider their decision.●

U.S. CONSTITUTION SHOULD BE FOREMOST CONSIDERATION IN SHOWING OF FILM

(Mr. MOFFETT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MOFFETT. Mr. Speaker, I have the greatest respect for those who have spoken, the distinguished chairman of the Foreign Affairs Committee and the distinguished ranking minority member, the gentleman from Alabama, in support of the notion that we should not, that we should urge that a TV program not be shown. I just wish that they would step back a moment though.

Regardless of what we think of Saudi Arabia as an ally, and I think it is arguable, with all due respect to the gentleman from Alabama, that they have been really as interested in keeping prices down and so forth as they say, but I think we ought to step back a minute and consider whether this is not a very dangerous moment where we are urging such a thing in the United States of America. It is one thing to believe it; it is another thing to get in the well of the House of Representatives and urge that a TV program not be shown. I think we ought to rethink that kind of suggestion.

UNITED STATES SHOULD NOT SHOW FILM ON SAUDI ARABIA

(Mr. CARTER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CARTER. Mr. Speaker, over the years I have watched closely the oil prices that are charged by the OPEC nations as well as the prices which we pay our producers here in this country. At the present time, for new oil, we are paying no less than $38 a barrel. For the oil at Elk Hills and from Teapot Dome we pay $40 or more a barrel. At the same time, Saudi Arabia is only charging us $26 a barrel.

I want to commend that country for its friendship and kindness toward us. By not raising these prices it is acting as a balancing power in keeping the prices down. They have been tremendously good to this great country of ours.

I personally oppose showing a film which would be offensive to our friends, the Saudis.

The first amendment to the Constitution of the United States states:

> Congress shall make no law respecting an establishment of religion, or prohibiting the free exercise thereof; or abridging the freedom of speech, or of the press; or the right of the people peaceably to assemble, and to

petition the government for a redress of grievances.

Justice Holmes held that the first amendment right of freedom of speech did not include the right to shout "fire" in a crowded theater. If we show a film which is so offensive to Saudi Arabia that they would cut off our oil, it would have a disastrous effect on the economy of the United States.

I should think that under the same ruling of the learned Justice that the right to ban movies which would result in a disaster to this country would be within the meaning of the first amendment.

FIRST AMENDMENT PRIME CONSIDERATION IN SHOWING OF FILM

(Mr. GORE asked for and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GORE. Mr. Speaker, I had not planned to make a speech today until I heard the comments being made.

Do our colleagues wish the Congress to impose censorship on the Public Broadcasting System to prevent the showing of a film that might be offensive to a foreign country? Yes, the Saudi Arabians are our friends. Yes, we have a strong relationship with them, but they must understand that our traditions in this country are quite different.

We have something called the first amendment to our Constitution which protects free speech, and our Government does not have the power, nor does it have the desire to impose censorship on those who would express views that might be offensive to someone else, either in this country or overseas.

☐ 1150

THE RESPONSIBILITY OF THE ELECTRONIC MEDIA

(Mr. DEVINE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DEVINE. Mr. Speaker, I am concerned about responsibility on the part of the electronic media. I say that because last night I was listening to one network, and they reported that another major network had learned that the White House may be planning another type of rescue mission.

It seems to me that the god of these electronic media people appears to be a scoop. The one who gets the story first puts it out so they can brag about beating their competition. They do not concern themselves about the security of the country.

The very basic tenet, at least during the time that General Eisenhower was the Chief of Staff of our Armed Forces, was that you never ever tell the enemy what you are planning to do. Moreover, you never ever tell the enemy what you are not going to do. It seems to me that this particular network rendered a disservice by leaking this type of a report.

FOOD STAMP ACT AMENDMENTS OF 1980

Mr. FOLEY. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the Senate bill (S. 1309) to increase the fiscal year 1979 authorization for appropriations for the food stamp program, and for other purposes.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Washington (Mr. FOLEY).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the Senate bill S. 1309, with Mr. SIMON, in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee of the Whole rose on Wednesday, May 7, section 1 had been considered as having been read and open to amendment at any point. It shall be in order to consider an amendment to title I of said substitute printed in the CONGRESSIONAL RECORD on April 30, 1980, and said amendment shall not be subject to amendment except for the offering of pro forma amendments for the purpose of debate. No further amendments are in order which further change or affect the Internal Revenue Code.

Are there any amendments to section 1?

AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. WALKER

Mr. WALKER. Mr. Chairman, I offer an amendment in the nature of a substitute.

The Clerk read as follows:

Amendment in the nature of a substitute offered by Mr. WALKER: Page 39, line 2, strike out "$8,744,774,000" and insert in lieu thereof "$9,000,000,000".

Page 39, line 4, strike out "$9,739,276,000" and insert in lieu thereof "$9,200,000,000".

Mr. WALKER (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The CHAIRMAN. The Chair is advised the Clerk did not read the correct amendment. The Clerk will read the amendment in the nature of a substitute.

The Clerk read as follows:

Amendment in the nature of a substitute offered by Mr. WALKER: Page 39, after line 22 insert the following new title:

Mr. WALKER (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. WALKER. Mr. Chairman, the amendment I am offering is in the nature of a substitute and would substantially change and reform the entire food stamp program, because what this amendment seeks to do is convert the present food stamp program into a block grant program. It seeks to do this because I think that it is generally recognized that there have been a number of failures, generalized failures, in the food stamp program. This amendment seeks to address those failures.

Mr. Chairman, the food stamp program's size and scope have increased substantially in the 17 years that it has been in existence. The original program which was enacted in 1964 had as its purpose to provide nutritional assistance for those who were truly in need of such assistance.

The CHAIRMAN. The gentleman will suspend for just a moment. The Chair is advised by the Parliamentarian that the gentleman has not offered a proper amendment in the nature of a substitute here. An amendment in the nature of a substitute would strike everything after the enacting clause. This is an amendment adding a new title III.

Mr. WALKER. Mr. Chairman, it was my understanding that the amendment was prepared in the form of a substitute.

The CHAIRMAN. The amendment at the desk is not prepared in that form, the Chair is advised. When the committee reaches title II, the first part of the gentleman's amendment would be in order. The Chair will rule that the amendment is not pending at this time.

Mr. WALKER. I thank the Chairman, and I am sorry for that confusion.

The CHAIRMAN. Are there any amendments to section 1?

Mr. SYMMS. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Idaho has an amendment to section 1. This is the short title of the bill.

Mr. SYMMS. It is on page 24, Mr. Chairman.

The CHAIRMAN. The Chair doubts that that is an amendment to section 1. The amendment of the gentleman from Idaho (Mr. SYMMS) is not to section 1, but to title I.

The Clerk will read title I.

The Clerk read as follows:

TITLE I—REDUCTION IN FOOD STAMP ERROR AND FRAUD AND REVISION OF DEDUCTIONS

MEALS IN SHELTERS FOR BATTERED WOMEN AND CHILDREN

SEC. 101. (a) Section 3 of the Food Stamp Act of 1977, as amended, is amended by—

Striking out in clause (1) of subsection (g) "and (7)" and inserting in lieu thereof "(7) and (8)";

(2) striking out in subsection (g) "and (7)" and inserting in lieu thereof "(7)";

(3) inserting immediately before the period at the end of subsection (g) the following: ", and (8) in the case of women and children temporarily residing in public or private nonprofit shelters for battered women and children, meals prepared and served, by such shelters";

(4) inserting in the last sentence of subsection (i) after "section 1616(e) of the Social Security Act" the following: "temporary residents of public or private nonprofit shelters for battered women and children"; and

(5) striking out in clause (2) of subsection (k) "and (7)" and inserting in lieu thereof "(7), and (8)".

(b) Section 10 of the Food Stamp Act of 1977, as amended, is amended as follows:

(1) inserting after "purchased" a comma;

(2) striking the comma immediately after "residents"; and

(3) inserting after "programs" the following: ", public and private nonprofit shelters that prepare and serve meals, for battered women and children".

EXCLUDING ENERGY ASSISTANCE PAYMENTS FROM INCOME

Sec. 102. Section 5(d) of the Food Stamp Act of 1977, as amended, is amended by—

(1) deleting the "and" before "(10)";

(2) deleting the period at the end thereof and adding the following: ", and (11) any payments or allowances made under any Federal, State, or local laws for the purpose of providing energy assistance.".

The effective date of this amendment shall be November 1, 1979.

CONSUMER PRICE INDEX

Sec. 103. Section 5(e) of the Food Stamp Act of 1977, as amended, is amended by inserting "for all urban consumers" after "Consumer Price Index" (et passim).

DEPENDENT CARE DEDUCTIONS FOR WORKING ADULTS

Sec. 104. Section 5(e) of the Food Stamp Act of 1977, as amended, is amended by:

(1) in the fourth sentence, striking out all of (1) and inserting in lieu thereof the following: "(1) a dependent care deduction for the actual cost of payments necessary for the care of a dependent regardless of the dependent's age, up to a maximum of $150 per month, per household, when such care enables a household member to accept or continue employment, or training or education which is preparatory for employment, and";

(2) in the fourth sentence, deleting everything after "March 31" up to the period at the end of the sentence; and

(3) in the last sentence, in clause (B), striking out "that for the excess shelter expenses deduction contained in clause (2) of the preceding sentence" and inserting in lieu thereof the following: "described in clause (1) of the preceding sentence.".

EXPANDED MEDICAL DEDUCTIONS FOR THE ELDERLY

Sec. 105. Section 5(e)(A) of the Food Stamp Act of 1977, as amended, is amended by—

(1) inserting "or their spouses" before "exclusive of special diets,"; and

(2) inserting "$10" in lieu of "$35".

MEDICAL DEDUCTION FOR THE BLIND AND DISABLED IN CERTAIN AREAS

Sec. 106. Section 5(e) of the Food Stamp Act of 1977, as amended, is amended, by:

(1) in the fourth and last sentences, inserting "and blindness" after each time "disability" appears; and

(2) in the fourth and last sentences, striking out "title II" each time that it appears and inserting in lieu thereof: "titles I, II, X, XIV, and XVI".

RETROSPECTIVE ACCOUNTING

Sec. 107. Section 5(f) of the Food Stamp Act of 1977, as amended, is amended as follows:

"(f) Household income for those households which by contract for other than an hourly or piecework basis, or by self-employment, derive their annual income in a period of time shorter than one year, shall be calculated by the State agency for the purpose of determining household eligibility by being averaged over a twelve-month period. For those households which receive nonexcluded income of the type specified in subsection (d)(3) of this section, such income shall be calculated by being averaged over the period for which it is provided. State agencies shall elect and utilize one of the following two methods in calculating income for all other households:

"(1) taking into account the income reasonably anticipated to be received by the household in the certification period for which eligibility is being determined and the income which has been received by the household during the thirty days preceding the filing of its application for food stamps so that the State agency may reasonably ascertain the income that is and will be actually available to the household for the certification period; or

"(2) using income received in a previous month as the basis in accordance with standards prescribed by the Secretary, except for the month of application and subsequent month(s) specified by the Secretary for newly applying households (other than households reapplying within thirty days after the end of a prior certification period). In addition, the Secretary shall make modifications or exceptions to this method of income calculation with respect to households experiencing sudden and significant losses of income (including households experiencing losses of income of $50 per month or more) or the addition of a new member, households in immediate need in accordance with the provisions of subsection 11(e)(9) of this Act, migrant farmworker households, and other classes of households if the Secretary determines that this method of income calculation would be impracticable to administer or would cause serious hardship for such households. In promulgating regulations governing the method of income calculation described in this subsection, the Secretary shall consult with the Secretary of Health, Education, and Welfare so that, wherever feasible, and consistent with the purposes of the applicable Acts, households receiving income under title IV–A of the Social Security Act shall have income calculated on a consolidated and comparable basis."

VEHICLE USE BY HANDICAPPED HOUSEHOLD MEMBERS

Sec. 108. Section 5(g) of the Food Stamp Act of 1977, as amended, is amended by in the second sentence thereof—

(1) inserting after the phrase "other than one used to produce earned income" the following: "or that is necessary for transportation of a disabled household member"; and

(2) deleting the phrase "or to transport disabled household members".

STATE OPTION ON ADMINISTRATIVE FRAUD HEARINGS

Sec. 109. Section 6(b) of the Food Stamp Act of 1977, as amended, is amended by inserting after the first sentence thereof the following: "Each State agency shall have the option to proceed against such alleged fraudulent activity either by way of administrative fraud hearings in accordance with paragraph (1) or by of referring such matters to appropriate legal authorities for civil or criminal action in accordance with paragraph (2) of this subsection, or both.".

PERIODIC REPORTING

Sec. 110. Section 6(c) of the Food Stamp Act of 1977, as amended, is amended by striking everything after the first sentence and inserting in lieu thereof the following:

"(1) State agencies which have elected to use a system of retrospective accounting in accordance with section 5(f)(2) of this Act shall require certain categories of households to file periodic reports of household circumstances in accordance with standards prescribed by the Secretary. Other State agencies, which have received the approval of the Secretary, may also require such categories of households to file periodic reports. Each household which is not required to file such periodic reports on a monthly basis shall instead be required to report or cause to be reported to the State agency on a form designed or approved by the Secretary, changes in income or household circumstances which the Secretary deems necessary in order to assure accurate eligibility and benefit determinations.

"(2) Any household required to file a periodic report pursuant to paragraph (1) of this subsection shall, (A) if it is eligible to participate and has filed a timely and complete report, receive its allotment, based on the reported information for a given month, within thirty days of the end of that month unless the Secretary determines that a longer period of time is necessary, (B) have available special procedures which permit the filing of the required information in the event all adult members of the household are mentally or physically handicapped or lacking in reading or writing skills to such a degree as to be unable to fill out the required forms, (C) have a reasonable period of time after the close of the month in which to file their reports on forms approved by the Secretary, and (D) be afforded prompt notice of failure to file any report timely or completely, and given a reasonable opportunity to cure that failure (with any applicable time requirements extended accordingly) and to exercise its rights pursuant to subsection 11(e)(10) of this Act.

"(3) Reports required to be filed pursuant to paragraph (1) of this subsection shall be considered complete if, in accordance with standards prescribed by the Secretary, they contain sufficient information to enable the State agency to determine household eligibility and allotment levels. All report forms, including those related to periodic reports of circumstances, shall contain a description, in understandable terms in prominent and bold face lettering, of the appropriate civil and criminal provisions dealing with violations of this Act including the prescribed penalties. The reporting requirements prescribed by paragraph (1) of this subsection shall be the sole such requirements for reporting changes in circumstances for participating households. In promulgating regulations implementing these reporting requirements, the Secretary shall consult with the Secretary of Health, Education and Welfare and, wherever feasible, households which receive assistance under title IV–A of the Social Security Act and which are required to file comparable reports under that Act shall be provided the opportunity to file reports coincidentally for purposes of both Acts.".

CONFORMING AMENDMENTS FOR RETROSPECTIVE ACCOUNTING AND PERIODIC INCOME REPORTING

Sec. 111. Section 3(c) of the Food Stamp Act of 1977, as amended, is amended as follows:

"(c) 'Certification period' means the period for which households shall be eligible to receive authorization cards. For those households which are required to submit periodic reports as provided in section 6(c)(1) of this Act, the certification period shall be at least six months but no longer than twelve months. For households that are not required to submit periodic reports, the certification period shall be determined as follows:

"(1) In the case of a household all of whose members are included in a federally aided public assistance or general assistance grant, the period shall coincide with the period of such grant.

"(2) In the case of all other households, the period shall be not less than three months: *Provided*, That such period may be up to twelve months for any household consisting entirely of unemployable or elderly or primarily self-employed persons, or as short as circumstances require for those households as to which there is a substantial likelihood of frequent changes in income or household status, and for any household on initial certification, as determined by the Secretary.".

Sec. 112. Section 5(d)(2) of the Food Stamp Act of 1977, as amended, is amended by inserting after the comma the following: "subject to modification by the Secretary in light of section 5(f)(2) of this Act.".

Sec. 113. Section 11(e)(4) of the Food Stamp Act of 1977, as amended, is amended by inserting immediately after "subsection" the following: ": Provided, That the timeliness standards for submitting the notice of expiration and filing an application for recertification may be modified by the Secretary in light of sections 5(f)(2) and 6(c) of this Act if adminstratively necessary;".

PARTICIPATION BY STRIKERS

Sec. 114. Section 6(d) of the Food Stamp Act of 1977, as amended, is amended by adding the following new paragraph:

"(4) Notwithstanding any other provision of law, a household shall not participate in the food stamp program at any time that any member of such household, not exempt from the work registration requirements of the preceding subsection (1), is on strike as defined in section 501(2) of the Labor Management Relations Act, 1947, because of a labor dispute (other than a lockout) as defined in section 2(9) of the National Labor Relations Act: Provided, That a household shall not lose its eligibility to participate in the food stamp program as a result of one of its members going on strike if the household was eligible for food stamps immediately prior to such strike, but in no case shall the household receive increased benefits under this Act as a result thereof: Provided further, That such ineligibility shall not apply to any household that does not contain a member on strike, if any of its members refuses to accept employment at a plant or site because of a strike or lockout: Provided further, That such ineligibility shall not apply if the household meets the income qualifications, assets requirements, and work registration requirements, as mandated in subsection (1) of this section.".

INCOME AND RESOURCES OF INELIGIBLE ALIEN

Sec. 115. Section 6(f) of the Food Stamp Act of 1977, as amended, is amended by adding the following: "The income (less a pro rata share) and financial resources of the individual rendered ineligible to participate in the food stamp program pursuant to this subsection shall be considered in determining the eligibility and the value of the allotment of the household of which such individual is a member.".

MATCHING OF INCOME INFORMATION AND OTHER VERIFICATION

Sec. 116. Section 11(e)(3) of the Food Stamp Act of 1977, as amended, is amended by—

(1) inserting the following after "section 5(d) of this Act": "(in part through the use of the information, if any, obtained pursuant to subsections (h) and (i) of section 16 of this Act)"; and

(2) adding after the phrase "sections 5 and 6 of this Act," the following: "although the State agency may verify prior to certification, whether questionable or not, the size of any applicant household and any factors of eligibility involving households that fall within the State agency's error-prone household profiles as developed by the State agency from the quality control program undertaken pursuant to section 16 of this Act and as approved by the Secretary,".

PHOTO IDENTIFICATION

Sec. 117. Section 11(e) of the Food Stamp Act of 1977, as amended, is amended by deleting "and" at the end of subsection (15), and adding the following new subsection:

"(17) that the State agency shall require each household certified as eligible to participate by methods other than the out-of-office methods specified in the last sentence of subsection (2) in those project areas or parts of project areas in which the Secretary, in consultation with the Department's Inspector General finds that it would be useful to protect the programs integrity, to present a photographic identification card when utilizing its authorization card in order to receive its coupons.".

REPORTING ILLEGAL ALIENS

Sec. 118. Section 11(e) of the Food Stamp Act of 1977, as amended, is amended by adding the following new subsection:

"(18) notwithstanding paragraph (8) of this subsection, for the immediate reporting to the Immigration and Naturalization Service by the State Agency of a determination by personnel responsible for the certification or recertification of households that any member of a household is ineligible to receive food stamps because that member is present in the United States in violation of the Immigration and Nationality Act.".

COMPUTERIZATION

Sec. 119. Section 11(e) of the Food Stamp Act, as amended, is amended by inserting "; and" at the end of subsection (18) and adding the following new subsection:

"(19) At the option of the State agency, for the establishment and operation of an automatic data processing and information retrieval system(s) which meet such conditions as the Secretary may prescribe and which is or are designed to provide efficient and effective administration of the food stamp program.".

STATE COMPLIANCE WITH LAW

Sec. 120. Section 11(g) of the Food Stamp Act of 1977, as amended, is amended by—

(1) inserting after "determines" the following: ", upon information received by the Secretary, investigation initiated by the Secretary or investigation that he shall initiate upon receiving sufficient information evidencing a pattern of lack of compliance by a State agency of a type specified below,";

(2) deleting the "or" before "the State plan of operation";

(3) inserting after "section" the following: "or the secretary's standards for the efficient and effective administration of the program established pursuant to section 16(b)(1) of this Act";

(4) deleting the period at the end of the second sentence and inserting thereafter the following: ", and, whether or not the Secretary does refer such matter to the Attorney General, the Secretary shall proceed to withhold from the State such funds authorized under section 16(a) and (c) of this Act as the Secretary determines to be appropriate.".

Sec. 121. Section 16(b) of the Food Stamp Act of 1977, as amended, is amended by deleting the last sentence thereof.

SOCIAL SECURITY OFFICE APPLICATION

Sec. 122. Section 11(i)(2) of the Food Stamp Act of 1977, as amended, is amended by deleting the phrase "simplified affidavit" and inserting "simple application" in lieu thereof.

SPECIAL FINANCIAL AUDIT REVIEW OF HIGH PARTICIPATION STATES

Sec. 123. Section 11 of the Food Stamp Act of 1977, as amended, is amended by adding the following new subsection:

"(1) If in any quarter of a fiscal year, the ratio of a State's average food stamp participation in that quarter to the State's total population in that quarter (estimated on the basis of the latest available population estimates as provided by the U.S. Department of Commerce, Bureau of the Census, Series P–25, Current Population Reports (or its successor series)) should exceed sixty per centum, the Department's Office of Inspector General shall immediately schedule a financial audit review of a sample of project areas within that State, and shall, within two fiscal year quarters thereafter, provide a report to the Congress of its findings and recommendations.".

FORFEITURE OF PROPERTY INVOLVED IN ILLEGAL FOOD STAMP TRANSACTIONS

Sec. 124. Section 15(a) of the Food Stamp Act of 1977, as amended, is amended by—

(1) Inserting "(1)" before "provide", and

(2) Deleting the period at the end thereof and inserting in lieu thereof the following: "and (2) subject to forfeiture and denial of property rights any nonfood items, moneys, negotiable instruments, securities, or other things of value furnished or intended to be furnished by any person in exchange for coupons or authorization cards in any manner not authorized by this Act or the regulations issued pursuant to this Act, with any such forfeiture to be conducted and forfeited property disposed of in accordance with those procedures set forth in section 511 of the Comprehensive Drug Abuse Prevention and Control Act of 1970, as amended, that the Secretary determines to be appropriate in the context of this Act.".

STATE INCENTIVES FOR REDUCING ERROR

Sec. 125. Section 16(c) of the Food Stamp Act of 1977, as amended, is amended as follows:

(1) deleting "Effective October 1, 1978," and capitalizing "the";

(2) inserting "(1) effective October 1, 1978," after the phrase "such share to";

(3) inserting "(A)" after the phrase "State agency whose";

(4) inserting "semiannual" before cumulative";

(5) inserting "area" in lieu of "is" after "section" and before "less";

(6) deleting the period after "centum" and inserting the following: "and (B) whose rate of invalid decisions in denying eligibility as calculated in the quality control program undertaken pursuant to subsection (d)(1) of this section is less than a nationwide percentage that the Secretary determines to be reasonable,"; and

(7) deleting the period at the end thereof and inserting the following:

"(2) effective October 1, 1980, 65 per centum of all such administrative costs in the case of a State agency meeting the standards contained in paragraph (1) of this subsection,

"(3) effective October 1, 1980, 60 per centum of all such administrative costs in the case of a State agency whose cumulative allotment error rate as determined in paragraph (1)(A) of this subsection is greater than five per centum but less than eight per centum or the national standard payment error rate for the base period, whichever is lower, and which also meets the standard contained in paragraph (1)(B) of this subsection; and

"(4) effective October 1, 1980, 55 per centum of all such administrative costs in the case of a State agency whose annual rate of error reduction is equal to or exceeds 25 per centum; but no State agency shall receive more than one of the increased federally funded shares of administrative costs set forth in paragraphs (1) through (4) of this subsection.".

STATE LIABILITY FOR ERRORS

Sec. 126. Section 16 of the Food Stamp Act of 1977, as amended, is amended by adding the following new subsection:

"(g)(1) The Secretary shall institute an error liability program pursuant to which each State agency shall, other than for good cause as determined by the Secretary, pay to the Secretary or have withheld by the Secretary as described in paragraph (4) of this subsection, the amount by which the dollar value equivalent of the State agency's payment error rate, as determined by the Secretary, for each six-month period, exceeds the dollar value equivalent of either—

"(A) the State agency payment error rate for the base period less a national annual rate of error reduction, as determined by the Secretary, taking into account program circumstances and rates of error reduction in comparable Federal or federally assisted public assistance programs, or

"(B) the national standard payment error rate for the base period, whichever is higher.

"(2) As used in this subsection (A), 'base period' means, for fiscal year 1981, the six months beginning October 1, 1979, and ending March 31, 1980 and, for any fiscal year thereafter, the six months beginning October 1 of the prior fiscal year, and ending March 30 of the prior fiscal year; (B) 'payment error rate' means the percentage of all food stamp allotments which are issued in a given period by a State agency to households which fail to meet the eligibility requirements of sections 5 and 6 of this Act, are overissued to eligible households, and are underissued to eligible households; (C) 'national standard payment error rate' means the weighted mean payment error rate for all State agencies; and (D) 'dollar value equivalent' means the value of allotments determined by multiplying a given error rate by the dollar value of all the allotments issued by a State agency during the particular period in question.

"(3) The Secretary shall conduct a study to determine whether it is feasible to include in the calculation of each State agency's payment error rate, and in the calculation of the national standard payment error rate, invalid decisions by each State agency denying eligibility to households which are in fact eligible. If the Secretary determines that such a change in the method of calculation is feasible, the Secretary shall implement changes in the method of calculating payment error rates for the purposes described in this section.

"(4) In the event that the Secretary makes a claim against a State for payment pursuant to paragraph (1) of this subsection, that State may seek administrative and judicial review of such claim pursuant to the procedures set forth in section 14 of this Act. If such claim is ultimately determined to be valid or is not contested by the State, it shall be collected by the Secretary and may be collected through State payment, through withholding amounts otherwise payable to the State agency pursuant to subsection (a) of this section, or through other mechanisms authorized by the Federal Claims Collection Act of 1966.".

PROVISIONS OF INFORMATION

SEC. 127. Section 16 of the Food Stamp Act of 1977, as amended, is amended by adding the following new subsections:

"(h) Notwithstanding any other provision of law, the Secretary of Health, Education, and Welfare shall disclose, upon request, to officers and employees of the Department of Agriculture and, upon written request, to officers and employees of a State agency, information with respect to wages, net earnings from self-employment, benefits, and payments of retirement income contained in the records of the Social Security Administration, including information in the form of information from returns from the master files of the Internal Revenue Service previously disclosed to him or his officers and employees pursuant to law, which is necessary (as he determines after consultation with the Secretary) for purposes of determining or auditing a household's eligibility to receive assistance or the amounts thereof under the food stamp program, or verifying information related thereto: Provided, That the Secretary of Health, Education, and Welfare shall establish such safeguards as the Secretary determines by regulation are necessary to insure that information made available under the provisions of this subsection is used only for the purposes authorized by this subsection.

"(i) Notwithstanding any other provision of law, any State agency which has the responsibility for the administration of the State unemployment compensation laws shall disclose, upon request, to officers and employees of the Department of Agriculture and, upon written request, to officers and employees of a State agency, wage information and information with respect to whether an individual is receiving, has received, or has made application for, unemployment compensation, the amount of and periods for which such compensation was paid or is payable, the individual's address, and whether such individual has refused an offer of employment, and, if so, a description of the employment offered and the terms, conditions, and rate of pay therefor, subject to safeguards of the type described in subsection (h) established by the appropriate official.

"(j) Notwithstanding any other provision of law, any Secretary of any Federal department and any Federal officers or employees of any Federal department or agency who have information with respect to wages paid or benefits given to any individual by the department or agency of which such Secretary, officer, or employee is part shall disclose, upon request, to officers and employees of the Department of Agriculture and, with the consent of the Secretary and upon written request, to officers and employees of a State agency, such information subject to safeguards of the type described in subsection (h) established by the appropriate official.".

PAYMENT OF CERTAIN LEGAL FEES

SEC. 128. Section 16 of the Food Stamp Act of 1977, as amended, is amended by adding the following new subsection:

"(k) Notwithstanding any other provision of law, counsel may be employed and counsel fees, court costs, bail, and other expenses incidental to the defense of officers and employees of the Department of Agriculture may be paid in judicial or administrative proceedings to which such officers and employees have been made parties and which arise directly out of their performance of duties pursuant to this Act.".

COST SHARING FOR COMPUTERIZATION

SEC. 129. Section 16 of the Food Stamp Act of 1977, as amended, is amended by adding the following new subsection:

"(1) Effective October 1, 1980, the Secretary is authorized to pay to each State agency an amount equal to—

"75 per centum of the costs incurred by the State agency in the planning, design, development, installation, or leasing of automatic data processing and information retrieval systems which the Secretary determines (A) will assist in meeting the requirements of this Act, (B) meet such conditions as the Secretary prescribes, (C) are likely to provide more efficient and effective administration of the food stamp program, and (D) will be compatible with other such systems utilized in the administration of State plans under the program of Aid to Families with Dependent Children under title IV of the Social Security Act: *Provided*, That there shall be no such payments to the extent that a State agency is reimbursed for such costs pursuant to any other Federal program or uses such systems for purposes not connected with the food stamp program: *Provided further*, That any costs matched pursuant to this subsection shall be excluded in determining the State agency's administrative costs under any other subsection of this section.".

CONTINUATION OF CASH-OUT PILOT PROJECTS

SEC. 130. Section 17(b)(1) of the Food Stamp Act of 1977, as amended, is amended by adding the following new sentence: "Any pilot or experimental project implemented pursuant to this paragraph involving the payment of the value of allotments in the form of cash to eligible households shall be continued until October 1, 1981, if, prior to the scheduled termination date of such project, legislation is enacted providing for a cash payment to such households in lieu of food stamps to become effective on October 1, 1981.".

WORKFARE PILOT PROJECT REVISIONS

SEC. 131. Section 17(b)(2) of the Food Stamp Act of 1977, as amended, is amended by deleting everything after "Act" in the last sentence thereof and inserting in lieu thereof the following: "shall issue interim reports no later than October 1, 1979, October 1, 1980, and March 30, 1981, shall issue a final report describing the results of such pilot projects based upon their operation from their commencement through the fiscal year ending September 30, 1981, and shall pay to the agencies or organizations operating such pilot projects 50 per centum of all administrative costs involved in such operation.".

The provisions of section 17(b)(2) of this Act involving sharing of administrative costs shall be effective upon the date of enactment of this Act.

STUDY OF CPI

SEC. 132. Section 17 of the Food Stamp Act of 1977, as amended, is amended by adding the following new subsection:

"(e) The Congressional Budget Office, in consultation with the Secretary, and the Secretary of the Department of Commerce and the Secretary of the Department of Labor, shall review the Consumer Price Index and the various alternative consumer price or cost-of-living indices, such as the Personal Consumption Expenditures (PCE) Deflator, to examine the limitations of each statistical alternative and the factors causing the various indices to differ with each other and to reflect inconsistencies with their own prior year indices in measuring the cost-of-living or the rate of inflation. The study shall seek to determine whether the Consumer Price Index is the most accurate indexation base for the food stamp program, or whether an alternative or combination of alternatives may be the more accurate indexation base in order to reflect consumer prices or changes in the costs of living. The Congressional Budget Office shall report the results of the study to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry, of the Senate, together with such recommendations as the Congressional Budget Office deems appropriate, by February 1, 1981.".

USE OF FEDERAL FUNDS TO INTERFERE WITH PROGRAM IMPLEMENTATION

SEC. 133. Section 18(a) of the Food Stamp Act of 1977, as amended, is amended by—

(1) inserting "(1)" immediately after the section designation; and

(2) adding the following new paragraph:

"(2) No funds authorized to be appropriated under this Act or any other Act of Congress shall be used by any person, firms, corporation, group, or organization at any time, directly or indirectly, to interfere with or impede the implementation of any provision of this Act or any rule, regulation, or project thereunder, except that this limitation shall not apply to the provision of legal and related assistance in connection with any proceeding or action before any State or Federal agency or court. The President shall insure that this paragraph is complied with by such order or other means as he deems appropriate.".

Mr. FOLEY (during the reading). Mr. Chairman, I ask unanimous consent that title I be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Washington?

There was no objection.

AMENDMENT OFFERED BY MR. BEDELL

Mr. BEDELL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Bedell: Page 38, after line 21 insert the following new section:

ADMINISTRATION OF OUTREACH ACTIVITIES

Sec. 140. Section 11(e)(1(B) of the Food Stamp Act of 1977, as amended, is amended by inserting the following before the semicolon: "and not impose any time requirements related to outreach activities upon any personnel administering the program in any political subdivision in the State".

Mr. BEDELL. Mr. Chairman, I will just take a minute or two. The purpose of this amendment is to correct a problem that at least exists in my State and may exist in other States.

In a recent visit to my district, I found that food stamp personnel were being required to spend several hours per month in outreach efforts to try to get more people to come and take food stamps at the same time that our food stamp program is running out of money and threatens to be completely eliminated.

Mr. Chairman, the amendment which I am offering to S. 1309, the Food Stamp Act amendments, is an attempt to inject a degree of reason and commonsense into the manner in which the food stamp program is administered.

A few weeks ago, when I was back in my district in northwest Iowa listening to constituents at my open door meetings, I was approached by some of those who are charged with implementing the food stamp program at the local level. They described to me their great frustration with being required by the State—at a time when funds for the program are nearly exhausted and the program rolls continue to increase at an alarming rate—to spend a certain number of hours each week with groups and individuals, informing them that they may be eligible for food stamp benefits.

Regardless of the level of support which one has for the food stamp program, I think that most of us will agree that it makes absolutely no sense for the States to set mandatory "outreach" requirements when program personnel could better spend their time reviewing applications and cases in an effort to reduce fraud or error in the program. Also, as I just mentioned, this effort seems even more ridiculous when required at a time when the food stamp program is threatened to be shut down for lack of funds.

I am sure that some of the States will contend that their specific outreach requirements are made necessary by directives handed down from the Federal Government. Such is not the case, and that is the point that I wish to make clear with this amendment.

This amendment restricting States from requiring local food stamp workers to engage in any given amount (in terms of hours) of outreach activities is intended to prohibit any imposition of specific time standards upon local personnel, who need all of their time to carefully certify applicants in order to reduce error rates.

Mr. Chairman, I think that my amendment is an obvious and needed one, and I urge its prompt adoption.

As far as I know, the amendment is noncontroversial. I would ask the chairman of the committee if that is true, and I now yield to the chairman of the committee.

Mr. RICHMOND. I thank the gentleman from Iowa for yielding, and I would like him to know that we accept his amendment as read.

Mr. BEDELL. I would like to yield now to the ranking minority member on the committee.

Mr. WAMPLER. I thank the gentleman for yielding.

Mr. Chairman, the gentleman from Iowa has provided us with a copy of his amendment. I have studied it, and I am prepared to accept it.

Mr. BEDELL. I thank the gentlemen.

Mr. Chairman, I yield back the remainder of my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa (Mr. Bedell).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. SYMMS

Mr. SYMMS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Symms: Page 24, after line 2, insert the following new section (and redesignate succeeding sections accordingly):

REINSTATEMENT OF PURCHASE REQUIREMENT; ADMINISTRATION

Sec. 116. (a) Section 3(b) of the Food Stamp Act of 1977, as amended, is amended by inserting "and any amount to be paid by such household for such allotment" before the period.

(b) Section 7(d) of the Food Stamp Act of 1977, as amended, is amended by striking out the third and fourth sentences.

(c) Section 8(a) of the Food Stamp Act of 1977, as amended, is amended by striking out "reduced by" and all that follows through "this elimination".

(d) Section 8(b) of the Food Stamp Act of 1977, as amended, by inserting "which is in excess of the amount charged such household for such allotment" after "eligible household".

(e) Section 8 of the Food Stamp Act of 1977, as amended, is amended by adding at the end thereof the following new subsections:

"(c) Notwithstanding any other provision of law, households shall be charged for the allotments issued to them, and the amount of such charge shall represent a reasonable investment on the part of the household, but in no event more than 30 per centum of the household's income, except that—

"(1) allotments may be issued without charge to households with an income of less than $30 per month for a family of four under standards of eligibility prescribed by the Secretary; and

"(2) the Secretary shall provide a reasonable opportunity for any eligible household to elect to be issued an allotment less than the allotment authorized to be issued to such household under subsection (a) of this section. The charge to be paid by any eligible household electing to exercise the option described in the preceding sentence shall be an amount which bears the same ratio to the amount which would have been payable under this subsection for an allotment issued to such household under subsection (a) as the allotment actually issued to such household bears to the allotment that would have been issued to such household under subsection (a).

"(d)(1) Funds derived from the charges made for allotments shall be promptly deposited, in a manner prescribed in the regulations issued pursuant to this Act, in a separate account maintained in the Treasury of the United States for such purpose. Such deposits shall be available, without limitation to fiscal years, for the redemption of coupons.

"(2)(A) The Secretary shall by regulation prescribe the manner in which funds derived from the distribution of coupons (charges made for allotments) shall be deposited by coupon issuers. Such regulations shall contain provisions requiring that coupon issuers promptly deposit such funds in the manner prescribed by the Secretary, except that such regulations shall, at a minimum, require that (i) such deposits be made at least weekly, and (ii) upon the accumulation of a balance on hand of $1,000 or more, such deposits be made within two banking days following the accumulation of such amount.

"(B) Any coupon issuer, or any officer, employee, or agent thereof, convicted of violating the regulations issued under subparagraph (A) of this paragraph shall be fined not more than $3,000, or imprisoned not more than one year, or both.

"(3)(A) Coupon issuers receiving funds derived from the distribution of coupons (charges made for allotments) shall be deemed to be receiving such funds as fiduciaries of the Federal Government, and such coupon issuers shall immediately set aside all such funds as funds of the Federal Government. Funds derived from the distribution of coupons (charges made for allotments) shall not be used, before the deposit of such funds in the manner prescribed by the Secretary, for the benefit of any person, partnership, corporation, association, organization, or entity other than the Federal Government.

"(B) Any coupon issuer, or any officer, employee, or agent thereof, convicted of violating subparagraph (A) of this paragraph shall be fined not more than $10,000 or a sum equal to the amount of funds involved in the violation, whichever is the greater, or imprisoned not more than ten years, or both, except if the amount of such funds is less than $1,000, then such issuer shall be fined not more than $3,000, or imprisoned not more than one year, or both.

"(4)(A) The Secretary shall by regulation require that upon the deposit, in the manner prescribed by the Secretary, of funds derived from the distribution of coupons (charges made for allotments), coupon issuers shall immediately send a written notice to the State agency, accompanied by an appropriate voucher, confirming such deposit. In addition to such other information deemed by the Secretary to be appropriate, such regulations shall require that such notice contain—

"(i) the name and address of the coupon issuer;

"(ii) the total receipts of such coupon issuer derived from the distribution of coupons (charges made for allotments) during the deposit period;

"(iii) the amount of the deposit;

"(iv) the name and address of the depository; and

"(v) an oath or affirmation signed by the coupon issuer or, in the case of a corporation or other entity not a natural person, by an appropriate official of the coupon issuer, certifying that the information contained in such notice is true and correct to the best of such person's knowledge and belief.

"(B) Any coupon issuer, or any officer, employee, or agent thereof, convicted of failing to provide the notice required under subparagraph (A) of this paragraph shall be fined not more than $3,000, or imprisoned not more than one year, or both.

"(C) Any coupon issuer, or any officer, employee, or agent thereof, who knowingly provides false information in any notice required under subparagraph (A) of this paragraph shall be fined not more than $10,000, or imprisoned not more than ten years, or both.

"(5)(A) The Secretary shall by regulation require each coupon issuer at intervals prescribed by the Secretary, but not less often than monthly, to send to the Secretary, or his designee, a written report of the issuer's operations during such period under the food stamp program. In addition to such other information deemed by the Secretary to be appropriate, the regulations shall require that the report contain—

"(i) the name and address of the coupon issuer;

"(ii) the total receipts of the coupon issuer derived from the distribution of coupons (charges made for allotments) during the report period;

"(iii) the total amount of deposits made by the issuer of funds derived from the distribution of coupons (charges made for allotments) during such period;

"(iv) the name and address of each depository receiving such funds from such issuer; and

"(v) an oath or affirmation, signed by the coupon issuer, or in the case of a corporation or other entity not a natural person, by an appropriate official of the coupon issuer, certifying that the information contained in the report is true and correct to the best of such person's knowledge and belief.

"(B) Any coupon issuer, or any officer, employee, or agent thereof, convicted of failing to provide any notice required under subparagraph (A) of this paragraph shall be fined not more than $3,000, or imprisoned not more than one year, or both.

"(C) Any coupon issuer, or any officer, employee, or agent thereof, who knowingly provides false information in any notice required under subparagraph (A) of this paragraph shall be fined not more than $10,000, or imprisoned not more than ten years, or both.

"(6) The Secretary may by regulation require State agencies to provide periodic reports to the Secretary, or his designee, containing a consolidation of the respective coupon issuer's notices to such State agencies at such intervals as the Secretary in his discretion deems appropriate.

"(7) The Secretary and the United States Postal Service shall jointly arrange for the prompt deposit of funds collected by the United States Postal Service on behalf of a State from charges made for coupon allotments.".

(f) The heading for section 8 of the Food Stamp Act of 1977, as amended, is amended to read as follows:

"VALUE OF COUPON ALLOTMENT AND CHARGES TO BE MADE"

(g) Section 11(e) of the Food Stamp Act of 1977, as amended, is amended—

(1) in paragraph (18) by striking out "and";

(2) in paragraph (19) by striking out the period and inserting in lieu thereof "; and"; and

(3) by adding at the end thereof the following new paragraph:

"(20) notwithstanding any other provision of law, for the institution of procedures under which any household participating in the program shall be entitled, if it so elects, to have the charges, if any, for its allotment deducted from any grant or payment such household may be entitled to receive under title IV of the Social Security Act and have its allotment distributed to it with such grant or payment.".

(h) Section 15(a) of the Food Stamp Act of 1977, as amended, is amended by inserting "purchase by and" before "issuance".

(i) Section 18(a) of the Food Stamp Act 1977, as amended, is amended by inserting after the second sentence the following: "Such portion of any such appropriation as may be required to pay for the value of the coupon allotments issued to eligible households which is in excess of the charges paid by such households for such allotments shall be transferred to and made a part of the separate account created under section 8(d)(1) of this Act.".

(j) Section 18(b) of the Food Stamp Act of 1977, as amended, is amended—

(1) by inserting "(1)" after "(b)",

(2) by striking out the first sentence and inserting in lieu thereof the following: "In any fiscal year, the Secretary shall limit the value of coupons issued which is in excess of the value of coupons for which households are charged, to an amount which is not in excess of the portion of the appropriation for such fiscal year which is transferred in accordance with subsection (a) of this section to the separate account referred to in such subsection."; and

(3) by adding at the end thereof the following: "If the Secretary determines that any of the funds in such separate account are no longer required to carry out the provisions of this Act, such portion of such funds shall be paid into the miscellaneous receipts of the Treasury.".

(k) The amendments made by this section shall take effect on January 1, 1981.

Mr. SYMMS (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Idaho?

There was no objection.

□ 1200

Mr. SYMMS. Mr. Chairman, back in 1977 the minority strongly recommended that the purchase requirement not be eliminated because of a number of reasons stated below. Along with each reason is given a statement of what has happened on every count.

1977 PREDICTION

First. Elimination of the purchase requirement would increase participation, but it would most benefit the highest income eligibles who have high food stamp purchase requirements. As the poorest eligibles now have low or "zero" purchase requirements, it is likely that their decision not to participate in the food stamp program is based on other factors such as pride, et cetera.

RESULT

Participation was 15.3 million in October 1978; just a year and a half later it was 21.7 million in March 1980.

Of the $10.8 billion outlay CBO is carrying for fiscal year 1981 funding need, $6.2 billion was authorized in the 1977 act, which projection was looking ahead to increased participation. Still here in May of 1980 we are looking at an additional $4.6 billion increase in 1981 authorization, $1.6 billion of which is directly traceable to the impact of the purchase requirement elimination, according to CBO.

1977 PREDICTION

Second. Elimination of the purchase requirement would transform the food stamp program from a nutrition program into a general income supplement by freeing up some of the money participating households now spend for food for other expenditures.

RESULT

Again quoting CBO in its April 22, 1980 paper, "Fiscal Year 1980 and 1981 Current Policy Food Stamp Revisions," it is clear that food stamp households are using the new "free" income for nonfood items in the market basket which are escalating faster in price than is the food item:

> Grocery store food prices declined 0.2 percent in January, declined 0.4 percent in February, and were up 1.0 percent in March. Food prices increased at an annual rate of only 2.0 percent for the three months ending in March. While food prices have clearly stabilized during this period, other basic necessities have experienced unprecedented increases—housing increased at a 19.5 percent rate, fuel oil at a 62.6 percent, gasoline at a 95.4 percent, transportation costs at a 33.6 percent, public transportation at a 26.3 percent, and medical care at a 16.9 percent.
>
> These rapid price increases have resulted in low and lower-middle income families choosing to reallocate their limited incomes so as to select those commodities which are subsidized and thereby continue to maintain their real purchasing power in the nonsubsidized goods. Since the elimination of the purchase requirement, the food stamp program has become more of a direct income transfer program, directly substitutable for non-food purchases. Hence, the propensity to participate in the program increases with relatively high rates of inflation in nonfood, but still basic items.

1977 PREDICTION

Third. Eliminating the purchase requirement would save approximately $30 million in administrative expenses associated with the printing and issuance of food stamps. However, there would be a net increase in food stamp program costs ranging from $800 million to $1.1 billion due to increased participation by high income eligible households.

RESULTS

It is true that EPR has some administrative simplification benefits which have had a new savings impact of perhaps $30 to $40 million, but the total net impact has been one of cost—in terms of billions.

1977 PREDICTION

Fourth. Elimination of the purchase requirement has been supported largely on the grounds that illegal abuse would be curbed. It is true that food stamp vendors (agencies that sell food stamps to the public) would be eliminated and that some of the recently exposed accountability problems would thereby be eliminated. However, it also is likely that the perceived value of food stamps by participating households would decrease (since they would pay nothing for them) and that the potential for trafficking and other illegal activity would increase.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. SYMMS was allowed to proceed for 2 additional minutes.)

Mr. SYMMS. Mr. Chairman, we really do not have any quality control data which can be applied to the new program because quality control was disbanded during implementation of the new program. However, in applying the latest available quality control error rate of the former act (13.4 percent) to the projected 1980 benefit outlay of $9.2 billion, errors are accounting for in excess of $1 billion of total program dollars.

Also, USDA's Office of Inspector General revealed early this year a few of the details of "Arabscam," the biggest illegal trafficking scheme in the history of the program.

In short, hard data for an assessment of this issue is not in, but the logic that the potential for illegal trafficking is increased remains the same.

1977 PREDICTION

Fifth. In summary, while elimination of the purchase requirement would simplify program administration somewhat, it would do so at the expense of basic program objective and integrity. The net cost to taxpayers initially would be in the neighborhood of $1 billion annually.

RESULT

Program integrity definitely was sacrificed for administrative simplicity. Food stamp households are substituting "free income" for nonfood items, and the program has little nutritional impact any more.

The supplemental appropriations request for fiscal year 1979 was $620 million. This year, if CBO is right, the supplemental need will be in excess of $3 billion; and for fiscal 1981, the need will be in excess of $4 billion—if we are lucky. It likely will be much more than that.

Mr. Chairman, I think what we are saying is, it was predicted we would have these problems with this program. Now, unfortunately, the predictions have come true. What I would ask the members of the committee to do is, let us recognize that we in the Congress made a mistake when we removed the purchase requirement back in 1977.

Mr. RICHMOND. Mr. Chairman, will the gentleman yield?

Mr. SYMMS. I will be delighted to yield to my distinguished chairman, the gentleman from New York.

Mr. RICHMOND. I thank the gentleman from Idaho for yielding.

Mr. Chairman, the gentleman from Idaho has worked closely on this food stamp program as long as I have. The gentleman from Idaho knows the food stamp program very well. For the gentleman to come forth with an amendment which reinstates the purchase requirements, knowing all of the facts that he does, absolutely amazes me.

Mr. Chairman, when we eliminated the purchase requirement, we were able to reduce the fraud and error with respect to the flow of cash in the program.

Mr. Chairman, before we eliminated the purchase requirement the poorest of poor people could not participate in the food stamp program because they did not have the money with which to buy food stamps. Without the purchase requirement many of the very poor are now receiving food stamp benefits.

The gentleman knows that by eliminating the purchase requirement we substantially reduced our administrative costs. What the gentleman wants to do is actually reverse our entire food stamp program, increase fraud, increase error rate, and take the poorest of the poor people off the food stamp roles.

Mr. Chairman, this is the most reactionary, ineffective, inefficient amendment the gentleman could possibly offer.

Mr. SYMMS. Mr. Chairman, I will reclaim my time. I appreciate my distinguished chairman's emotion in this program and his strong feeling toward it but I think what has happened, Mr. Chairman, is that because of the fact that the stamps are viewed to be "free," there has been an increased trafficking in these stamps, an increase in fraud and abuse, and an increase in the program cost and caseload.

The record shows very clearly that we have gone from a program with purchase requirement costing around $5.5 billion. Now, without the purchase requirement, it is nearly $11 billion. I urge the passage of this amendment, Mr. Chairman.

Mr. RICHMOND. Mr. Chairman, I move to strike the last word.

Just to finalize my argument with the gentleman from Idaho, I would like the gentleman to know that since we eliminated the purchase requirement, the elderly in the United States, the poorest of the poor elderly people increased participation in the food stamp program by 32 percent. Rural people, the people the gentleman represents, increased participation in the food stamp program by 42 percent. Before we eliminated the purchase requirement, these people just did not literally have the few dollar bills in their hands with which to buy the food stamps.

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Idaho (Mr. SYMMS).

□ 1210

The question was taken; and on a division (demanded by Mr. SYMMS) there were—ayes 12, noes 14.

Mr. SYMMS. Mr. Chairman, I demand a recorded vote, and pending that, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count.

Mr. SYMMS. Mr. Chairman, I withdraw my point of order of no quorum.

RECORDED VOTE

Mr. SYMMS. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 112, noes 289, not voting 31, as follows:

[Roll No. 222]

AYES—112

Abdnor
Archer
Ashbrook
Badham
Bafalis
Bauman
Beard, Tenn.
Bereuter
Bevill
Broomfield
Brown, Ohio
Broyhill
Buchanan
Burgener
Butler
Campbell
Carney
Cheney
Cleveland
Coleman
Collins, Tex.
Corcoran
Courter
Crane, Daniel
Crane, Philip
Daniel, Dan
Daniel, R. W.
Dannemeyer
Derwinski
Devine
Dickinson
Dornan
Duncan, Tenn.
Edwards, Ala.
Edwards, Okla.
Erlenborn
Flippo
Goldwater
Grassley
Grisham
Guyer
Hagedorn
Hall, Tex.
Hance
Hansen
Hillis
Hinson
Holt
Ichord
Jeffries
Jenrette
Johnson, Colo.
Kelly
Kemp
Kindness
Kramer
Lagomarsino
Latta
Leath, Tex.
Lee
Lewis
Loeffler
Lott
Lungren
McDonald
McEwen
Madigan
Marlenee
Martin
Michel
Miller, Ohio
Mitchell, N.Y.
Montgomery
Moorhead, Calif.
Mottl
Myers, Ind.
Nichols
O'Brien
Pashayan
Paul
Porter
Quillen
Rhodes
Robinson
Roth
Rousselot
Rudd
Schulze
Sebelius
Sensenbrenner
Shelby
Shumway
Shuster
Smith, Nebr.
Snyder
Solomon
Spence
Stangeland
Stump
Symms
Taylor
Thomas
Trible
Ullman
Walker
Wampler
Whitehurst
Whittaker
Winn
Wyatt
Wydler
Young, Fla.

NOES—289

Addabbo
Akaka
Albosta
Alexander
Ambro
Anderson, Calif.
Andrews, N. Dak.
Annunzio
Anthony
Applegate
Ashley
AuCoin
Bailey
Baldus
Barnard
Barnes
Beard, R.I.
Bedell
Beilenson
Benjamin
Bennett
Bethune
Biaggi
Bingham
Blanchard
Boggs
Boland
Bolling
Boner
Bonker
Bouquard
Bowen
Brademas
Breaux
Brinkley
Brodhead
Brooks
Brown, Calif.
Burlison
Burton, John
Burton, Phillip
Byron
Carr
Carter
Cavanaugh
Chappell
Chisholm
Clausen
Clay
Clinger
Coelho
Collins, Ill.
Conable
Conte
Conyers
Corman
Cotter
Coughlin
D'Amours
Daschle
Davis, Mich.
Davis, S.C.
de la Garza
Deckard
Dellums
Derrick
Dicks
Diggs
Dingell
Dixon
Donnelly
Dougherty
Downey
Drinan
Duncan, Oreg.
Early
Eckhardt
Edgar
Edwards, Calif.
Emery
English
Erdahl
Ertel
Evans, Del.
Evans, Ga.
Evans, Ind.
Fary
Fascell
Fazio
Fenwick
Ferraro
Fish
Fisher
Fithian
Florio
Foley
Ford, Mich.
Ford, Tenn.
Forsythe
Fountain
Fowler
Frenzel
Frost
Fuqua
Garcia
Gephardt
Giaimo
Gibbons
Gilman
Gingrich
Ginn
Glickman
Gonzalez
Goodling
Gore
Gradison
Gramm
Gray
Green
Guarini
Gudger
Hall, Ohio
Hamilton
Hammerschmidt
Hanley
Harkin
Harris
Harsha
Heckler
Heftel
Hollenbeck
Holtzman
Hopkins
Horton
Howard
Hubbard
Huckaby
Hughes
Hutto
Hyde
Ireland
Jacobs
Jeffords
Jenkins
Johnson, Calif.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kazen
Kildee
LaFalce
Leach, Iowa
Leach, La.
Lederer
Lehman
Leland
Levitas
Livingston
Lloyd
Long, La.
Long, Md.
Lowry
Lujan
Luken
Lundine
McCloskey
McCormack
McHugh
McKay
Maguire
Markey
Marks
Mathis
Matsui
Mattox
Mavroules
Mazzoli
Mica
Mikulski
Miller, Calif.
Mineta
Minish
Mollohan
Moore
Moorhead, Pa.
Murphy, Ill.
Murphy, Pa.
Murtha
Musto
Myers, Pa.
Natcher
Neal
Nedzi
Nelson
Nolan
Nowak
Oakar
Oberstar
Obey
Ottinger
Panetta
Patten
Patterson
Pease
Pepper
Perkins
Petri
Peyser
Pickle
Preyer
Price
Pritchard
Pursell
Rahall
Railsback

Rangel
Ratchford
Regula
Reuss
Richmond
Rinaldo
Ritter
Rodino
Roe
Rose
Rosenthal
Rostenkowski
Roybal
Royer
Russo
Sabo
Santini
Sawyer
Scheuer
Schroeder
Seiberling
Shannon
Sharp
Simon
Skelton
Smith, Iowa
Snowe
Solarz
Spellman
St Germain
Stack
Staggers
Stanton
Stark
Steed
Stenholm
Stewart
Stockman
Stokes
Stratton
Studds
Swift
Synar
Tauke
Thompson
Traxler
Udall
Van Deerlin
Vanik
Vento
Volkmer
Walgren
Watkins
Waxman
Weaver
Weiss
White
Whitley
Whitten
Williams, Mont.
Williams, Ohio
Wilson, Tex.
Wirth
Wolff
Wolpe
Wright
Wylie
Yates
Yatron
Young, Alaska
Young, Mo.
Zablocki
Zeferetti

NOT VOTING—31

Anderson, Ill.
Andrews, N.C.
Aspin
Atkinson
Bonior
Danielson
Dodd
Findley
Gaydos
Hawkins
Hefner
Hightower
Holland
Kogovsek
Kostmayer
Lent
McClory
McDade
McKinney
Marriott
Mitchell, Md.
Moakley
Moffett
Murphy, N.Y.
Quayle
Roberts
Runnels
Satterfield
Vander Jagt
Wilson, Bob
Wilson, C. H.

☐ 1220

The Clerk announced the following pairs:

On this vote:

Mr. Marriott for, with Mr. McDade against.

Mr. TAUKE, Mr. HARRIS, Mrs. SPELLMAN, and Messrs. DIXON, KASTENMEIER, and LIVINGSTON changed their votes from "aye" to "no."

So the amendment was rejected.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. PANETTA

Mr. PANETTA. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. PANETTA: Page 38, after line 21, insert the following:

SEC. 134. Section 3(o) of the Food Stamp Act of 1977, as amended, is amended by—

(1) inserting "through January 1, 1980," after (4);

(2) deleting the period after "respectively" and inserting a comma in lieu thereof; and

(3) adding at the end thereof the following: "and, as of January 1, 1981, adjust the cost of such diet every January 1 to the nearest dollar increment to reflect changes in the cost of the thrifty food plan for the twelve months ending the preceding September 30."

SEC. 135. Section 5(e) of the Food Stamp Act of 1978, as amended, is amended by—

(1) deleting the comma after "1978" in the second sentence and inserting "through January 1, 1980," immediately thereafter;

(2) deleting the period at the end of the second sentence;

(3) inserting at the end of the second sentence the following: "and, starting January 1, 1981, shall be adjusted every January 1 to the nearest $5 to reflect such changes for the twelve months ending the preceding September 30.";

(4) deleting "(commencing July 1, 1978)" in paragraph (2) in the fourth sentence and inserting "on July 1, 1978 and July 1, 1979" in lieu thereof;

(5) deleting the period at the end of the fourth sentence; and

(6) inserting at the end of the fourth sentence the following: ", on January 1, 1981, adjusted annually to the nearest $5 increment to reflect such changes for the eighteen month period ending the preceding September 30, and, on every January 1 thereafter, adjusted annually to the nearest $5 increment to reflect such changes for the twelve months ending the preceding September 30."

SEC. 136. The provisions of sections 104, 105, and 106 shall take effect on October 1, 1981.

Mr. PANETTA (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

☐ 1230

Mr. PANETTA. Mr. Chairman, yesterday the House adopted the budget resolution recommended by the Budget Committee, including savings of $520 million in the food stamp program. The amendment I offer represents $303 million of those savings for fiscal year 1981 and $133 million for fiscal year 1980.

This issue was debated in part during the discussion on the budget resolution. The amendments that I offer were recommended by the administration, they were discussed and recommended by the leadership group that discussed the budget resolution and discussed areas where savings could be made in the food stamp program, and they were recommended by the Budget Committee and adopted by this House yesterday.

We all recognize the importance of the food stamp program and the need to meet the nutritional needs of the elderly and the handicapped and the poor. The fact is that that need is likely to increase. But the costs of the program have also increased. We are now talking about costs that will reach close to $11 billion for fiscal year 1981. That is a tremendous cost escalation. It is threatening to undermine support for the program itself. It is threatening, in addition to that, to cut into the basic benefits that are provided to those who truly need the program.

The amendments I offer basically retain the benefits that are provided by the program, but cut back on the increases insofar as the twice-a-year cost-of-living increases are concerned and also increases that have been added by the committee.

The first part of the amendment provides for an annualization of the present semiannual adjustment of the program at a savings of $133 million in fiscal year 1980 and $303 million in fiscal year 1981.

The trend that is recommended in the budget resolution and that was debated, in fact, during the course of the budget resolution is that we should begin to move toward annualized adjustments. That is, in fact, the case right now with regard to social security recipients. There are efforts to extend it to other areas as well.

I think there are two basic reasons for this. One is to try to minimize the amount of paperwork and administration that goes into twice-a-year annualization increases, increases in the amount of paperwork, because the program is being constantly adjusted, being constantly played with.

The second point is to try to develop in a once-a-year annualization formula a better formula that would more accurately reflect actual increases in the prices paid for food. I think it can be done far better on a once-a-year basis than on a twice-a-year basis.

Annualizing the cost-of-living increase in the thrifty food plan and the standard deduction as of January of each year does not reduce any household's benefits. It merely delays projected increases in benefits for a 6-month period. Where benefits used to be at least 3 (March 31 to July 1, September 30 to January 1) months out of date and as much as 9 (March 31 to January 1, September 30 to July 1) months behind time, they will now be 3 to 15 months (September 30 of year X to January 1 of year X plus 2) out of step, an increase of 3 months in the average lag (from 6 months before to 9 months hereafter).

Households on the program will have to wait until January 1, 1981, to enjoy the full increase in the thrifty food plan, which would otherwise have gone to between $215 and $217 a month for a household of four as of July 1 of this year. Instead, all households of four will be entitled to approximately $228 each month on January 1, as would have been the case had these Panetta amendments not been proposed. Similarly, none of the households will profit on July 1 from the $1.50 monthly increase in per household allotment attributable to the $5 postponed rise in the standard deduction from $75 to $80 a month, but all will benefit on January 1 from the likely $85 standard deduction to be implemented then.

The anticipated monthly rise in the excess shelter expense deduction from $90 to $110 based upon changes in the shelter, fuel, and utilities components of housing costs in the Consumer Price Index for all urban consumers for the period April 1, 1979, through March 31, 1980, will not go into effect on July 1, but will be postponed until January 1, 1981, when the rise is likely to be even greater to account not only for the period from April 1, 1979, through March 31, 1980, but also the additional 6 months until September 30, 1980.

Had these amendments not been offered and, hopefully, adopted in conjunction with amendments to refuse to update the annual poverty level through March and to postpone, until fiscal year 1982, the new dependent care deduction, the maximum annual gross income ceiling for a household of four would have gone from $11,412 (less 20 percent for work expenses or $2,280, less $900 for the standard deduction, less $1,080 for the maximum excess shelter expense deduction, or $7,152 net, which is the poverty level for such a household) to $15,492 (less $3,098, $960, $1,320, respectively, as well as a $1,920 maximum for day care, to a revised and updated poverty level of $8,196); $15,492 a year is approximtely $2,000 or so less than the median family income in this country.

There is no justification whatever at any time for making 40 to 50 percent of the households in this country eligible to participate in this program and receive food stamps, however small their allotments. The American public would not stand for it. It is bad public policy. It would destroy the meaning of the program and its targeting upon the truly needy. I am delighted to be an originator of amendments that help to prevent the occurrence of this undesirable result.

The present formula for benefits provides twice-a-year increases on July 1 and on January 1. The fact is that the present formula runs 3 to 9 months behind because of the formula itself and the method of its implementation. It is our hope that, in moving toward annualization, the Secretary will take the opportunity to adjust the formula itself to more accurately reflect the increases that have occurred and to encourage administrative cost savings in that process.

The second part of the amendment is basically a deferment, a delay, in the committee amendments to increase the medicare, medical, and child care deductions. That would result in a savings of $122 million for fiscal year 1981.

The purpose of the standard deduction, when we did some of the basic reforms in the food stamp program a few years ago, was to try to get rid of a number of special deductions that had been provided for.

Last year, however, the Congress adopted a special medical deduction and stated that any cost in excess of $35 could be made a part of that medical deduction. That recommendation is now in the process of being implemented by the Department of Agriculture.

The committee, when it discussed this bill, moved ahead to reduce the deduction from $35 down to $10. While that effort may make some sense, it makes more sense to hold off at least for 1 year in providing that additional deduction until we can see how the $35 deduction is implemented, what impact it has, and then decide what adjustments need to be made. If in fact we jump ahead from a $35 to a $10 deduction now, it means a whole new set of regulations and administrative change that might bog down the program.

The CHAIRMAN. The time of the gentleman from California (Mr. PANETTA) has expired.

(By unanimous consent, Mr. PANETTA was allowed to proceed for 2 additional minutes.)

Mr. PANETTA. Mr. Chairman, in addition to that, there are obviously some cost savings that can be achieved in fiscal year 1981. At a time when we are trying to hold the budget in balance, it makes sense to defer these increases for that year.

So the amendment that I offer here, that is made up of the annualization and the deferment, as I said, is recommended and supported by the administration, it is recommended by the Budget Committee and contained in the budget resolution adopted yesterday, and it is supported by the chairman of the Committee on Agriculture, so I would urge its adoption.

AMENDMENT OFFERED BY MR. PHILIP M. CRANE TO THE AMENDMENT OFFERED BY MR. PANETTA

Mr. PHILIP M. CRANE. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

> Amendment offered by Mr. PHILIP M. CRANE to the amendment offered by Mr. PANETTA: amend section 136 by striking out "104, 105, and" and add the following at the end of the amendment:
>
> Page 14, strike out line 12 and all that follows through line 14 on page 15 (and redesignate succeeding sections accordingly).

Mr. PHILIP M. CRANE. Mr. Chairman, I want to commend the gentleman from California for the thrust of his amendment, and mine is a very modest alteration of the intent. My concern is simply that, with the state of the economy and expenditures and our great desire to endeavor to keep our books in balance, I think all of the arguments that apply to fiscal year 1980 apply equally to fiscal year 1981. I would, therefore, argue against an expansion or a liberalization of the eligibility requirements even in this next fiscal year.

I think when one talks about the food stamp program and recognizes how it has ballooned in this past decade—in fact, the increases in costs in the years 1970 to 1980 have been, in percentage terms, 1350 percent, and one American in 10 now qualifies—it is apparent that we have a program that is no longer under control. I think, further, one should look at the eligibility under this existing program to get some idea of the generosity. I did some quick paper calculations based upon my own family situation, with 8 children, and with my 8 children, my wife and myself, we could qualify for the maximum food stamp eligibility under the maximum deductions provided if I made as much as $42,895.

It seems to me that what we have done is go beyond the original intent of trying to provide some assistance to truly needy people.

Mr. SYMMS. Mr. Chairman, will the gentleman yield?

Mr. PHILIP M. CRANE. I yield to the gentleman from Idaho.

Mr. SYMMS. Mr. Chairman, I compliment the gentleman from Illinois and also the gentleman from California for offering the amendment that he offered and then this amendment to it.

I think it is well to note that this program has now gone way beyond the realm of what it was originally intended to do, and that was to provide nutritional diets to people who are less privileged than what could be expected in this country. Now we have a program that seems to be running out of hand and has no discipline.

As the gentleman in the well remembers, last year in the package that passed the House the Secretary of Agriculture was given by the Congress the authority to start restricting the expansion of the program based on need; in other words, to save those stamps back for the most needy, the poorest of the poor, if you will.

□ 1240

That has not been the case of the Administration. I think that this is an effort to still try to keep some kind of discipline in the administration of the program of what the gentleman from Illinois is saying, and I compliment him for offering the amendment, and the gentleman from California.

I hope that the gentleman from California would accept the gentleman's amendment and then we could accept it as part of the bill so that we can keep that control by Congress over a program that is badly in need of control.

What we are really saying is that it is our responsibility in Congress to regulate the people who are running the program, and they have to have that discipline from us, or else they will just flood them out like a fire hose.

Mr. PANETTA. Mr. Chairman, will the gentleman yield?

Mr. PHILIP M. CRANE. I yield to the gentleman from California.

Mr. PANETTA. I thank the gentleman for yielding.

Just so I better understand the gentleman's amendment, would it in fact then eliminate the medical deduction and child care deduction completely?

Mr. PHILIP M. CRANE. No. It does not touch section 106. It strikes out section 104 of the gentleman's amendment, and I believe that if this is in fact a true copy of the gentleman's amendment, and that was my understanding, then it strikes out all of section 136 in the gentleman's amendment, the last phrase, the provisions of section 104, 105, but it does not touch 106.

Mr. PANETTA. If the gentleman would yield further, as I read it, it says the provisions of 104, 105, and 106, shall take effect on October 1, 1981.

Could the gentleman describe specifically for the House what that does so we better understand what the impact of this amendment is?

Mr. PHILIP M. CRANE. What my amendment to the gentleman's amendment does is simply strike in that line, "104, 105 and." In other words, it would then read, "The provisions of section 106 shall take effect on October 1, 1981."

Mr. PANETTA. What specifically is the impact of that? That is what I am trying to get at so the House will understand what we are doing.

Mr. PHILIP M. CRANE. The impact is an economy estimated in the amount of $50-odd million, which is not a great sum, but as Everett Dirksen used to say:

> A billion here and a billion there adds up to real money.

The CHAIRMAN. The time of the gentleman from Illinois (Mr. PHILIP M. CRANE) has expired.

(At the request of Mr. PANETTA and by unanimous consent, Mr. PHILIP M. CRANE was allowed to proceed for 2 additional minutes.)

Mr. PANETTA. Will the gentleman yield?

Mr. PHILIP M. CRANE. I yield to the gentleman from California.

Mr. PANETTA. I understand the savings issue. I guess what I am trying to get at is what is the gentleman doing? Does he eliminate the medical care or child care? What is the gentleman doing?

Mr. PHILIP M. CRANE. The objective is to hold the current law on expense deductions. That is the intent of my amendment to the gentleman's amendment.

Mr. PANETTA. To hold the present law deductions on a permanent basis, in other words, rather than a deferment to 82, which is what my amendment provides for, the gentleman would make that a permanent situation?

Mr. PHILIP M. CRANE. If I can reclaim my time for a minute, the whole question could be reviewed again of course at a future date. All I am arguing is that the gentleman's compelling argument dealing with 1980, I think, looking at the state of the economy, should be extended through 1981 and then perhaps reconsidered after that date.

Mr. ZEFERETTI. Mr. Chairman will the gentleman yield?

Mr. PHILIP M. CRANE. I yield to the gentleman from New York.

Mr. ZEFERETTI. I thank the gentleman for yielding.

Is the gentleman saying then under section 105 that he would do away with the medical expenses?

Mr. PHILIP M. CRANE. It would simply have the effect, as I say, of holding all of the existing deductions precisely where they are. There would be no alteration of existing deductions.

Mr. ZEFERETTI. I ask the gentleman, if we are talking about helping the needy and the ones who are most needful, are we not talking about those very ones in section 105 who are the blind, the handicapped and the elderly? If there is ever a group of people who need the assistance and who do not have a record of any kind of abuse, I think it is these very people who we would want to lend assistance to.

Mr. PHILIP M. CRANE. Well, we are already lending assistance to them at the present time. I understand that the gentleman is contemplating an amendment or perhaps has one to the amendment of the gentleman from California (Mr. PANETTA), that would decrease the deduction that is allowable for medical expenses, decrease or eliminate it altogether. I certainly understand and sympathize with the intent of what the gentleman has in mind, but I do not think now is the time to do it.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois (Mr. PHILIP M. CRANE) to the amendment offered by the gentleman from California (Mr. PANETTA).

The question was taken, and on a division (demanded by Mr. PHILIP M. CRANE) there were—ayes 12, noes 21.

So the amendment to the amendment was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. PANETTA).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. CORMAN

Mr. CORMAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CORMAN: Strike out section 127 and insert in lieu thereof the following:

DISCLOSURE PROVISIONS

SEC. 127. (a) (1) Subsection (1) of section 6103 of the Internal Revenue Code of 1954 (relating to disclosure of returns and return information for purposes other than tax administration) is amended by adding at the end thereof the following new paragraph:

"(7) DISCLOSURE OF CERTAIN RETURN INFORMATION BY SOCIAL SECURITY ADMINISTRATION TO DEPARTMENT OF AGRICULTURE AND TO STATE FOOD STAMP AGENCIES.—

"(A) IN GENERAL.—The Commissioner of Social Security may disclose return information from returns with respect to net earnings from self-employment (as defined in section 1402), wages (as defined in section 3121(a) or 3401(a)), and payments of retirement income which have been disclosed to the Social Security Administration as provided by paragraph (1) or (5) of this subsection—

"(i) upon request, to officers and employees of the Department of Agriculture, and

"(ii) upon written request, to officers and employees of a State food stamp agency.

"(B) RESTRICTION ON DISCLOSURE.—The Commissioner of Social Security shall disclose return information under subparagraph (A) only for purposes of, and to the extent necessary in, determining an individual's eligibility for benefits, or the amounts of benefits, under the food stamp program established under the Food Stamp Act of 1977.

"(C) STATE FOOD STAMP AGENCY.—For purposes of this paragraph, the term 'State food stamp agency' means any agency described in section 3(n)(1) of the Food Stamp Act of 1977 which administers the food stamp program established under such Act."

(2)(A) Subparagraph (A) of section 6103 (p)(3) of such Code (relating to records of inspection and disclosure) is amended by striking out "(1)(1) or (4)(B) or (5)" and inserting in lieu thereof "(1)(1), (4)(B), (5), or (7)".

(B) Paragraph (4) of section 6103(p) of such Code (relating to safeguards) is amended by striking out "(1)(3) or (6)" in so much of such paragraph as precedes subparagraph (A) thereof and inserting in lieu thereof "(1)(3), (6), or (7)".

(C) Clause (i) of section 6103(p)(4)(F) of such Code is amended by striking out "(1)(6)" and inserting in lieu thereof "(1)(6) or (7)".

(D) The first sentence of paragraph (2) of section 7213(a) of such Code is amended—

"(i) by striking out 'or any educational institution' and inserting in lieu thereof 'any educational institution, or any State food stamp agency (as defined in section 6103(1)(7)(C))', and

"(ii) by striking out 'subsection (d), (1)(6), or (m)(4)(B)' and inserting in lieu thereof 'subsection (d), (1)(6) or (7), or (m)(4)(B)' ".

(3) The amendments made by this subsection shall take effect on the date of the enactment of this Act.

(b)(1) Section 303 of the Social Security Act is amended by adding at the end thereof the following new subsection:

"(d)(1) The State agency charged with the administration of the State law—

"(A) shall disclose, upon request and on a reimbursable basis, to officers and employees of the Department of Agriculture and to officers or employees of any State food stamp agency any of the following information contained in the records of such State agency—

"(i) wage information,

"(ii) whether an individual is receiving, has received, or has made application for, unemployment compensation, and the amount of any such compensation being received (or to be received) by such individual.

"(iii) the current (or most recent) home address of such individual, and

"(iv) whether an individual has refused an offer of employment and, if so, a description of the employment so offered and the terms, conditions, and rate of pay therefor, and

"(B) shall establish such safeguards as are necessary (as determined by the Secretary of Labor in regulations) to insure that information disclosed under subparagraph (A) is used only for purposes of determining an individual's eligibility for benefits, or the amount of benefits, under the food stamp program established under the Food Stamp Act of 1977.

"(2) Whenever the Secretary of Labor, after reasonable notice and opportunity for hearing to the State agency charged with the administration of the State law, finds that there is a failure to comply substantially with the requirements of paragraph (1), the Secretary of Labor shall notify such State agency that further payments will not be made to the State until he is satisfied that there is no longer any such failure. Until the Secretary of Labor is so satisfied, he shall make no further certification to the Secretary of the Treasury with respect to such State.

"(3) For purposes of this subsection, the term 'State food stamp agency' means any agency described in section 3(n)(1) of the Food Stamp Act of 1977 which administers the food stamp program established under such Act."

(2) Paragraph (2) of section 304(a) of the Social Security Act is amended by striking out "subsection (b) or (c)" and inserting in lieu thereof "subsection (b), (c), or (d)".

(3) The amendments made by this subsection shall take effect on January 1, 1983.

Mr. CORMAN (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. CORMAN. Mr. Chairman, this bill was referred to the Committee on Ways and Means for the specific purpose of reviewing the section pertaining to the disclosure of income tax information, held by the Internal Revenue Service, and wage information in the records of State unemployment insurance offices to the Department of Agriculture and State agencies that administer the food stamp program. It was the Ways and Means Committee's position that we should have the current IRS disclosure of information safeguards apply in the case of food stamps as they do with other programs. This was the unanimous position of the committee.

I would urge that the bill be amended accordingly.

Mr. ZEFERETTI. Mr. Chairman, on behalf of the chairman of the Committee on Agriculture, we accept the amendment of the gentleman from California.

Mr. SYMMS. Mr. Chairman, I move to strike the last word.

I yield to my friend, the gentleman from California (Mr. CORMAN), if he would explain his amendment.

Mr. CORMAN. I thank the gentleman for yielding.

Section 127 of the food stamp bill requires the disclosure of certain income tax information in the files of the Social Security Administration and certain wage and unemployment insurance information in the records of State unemployment agencies to the Department of Agriculture and the State agencies that administer the food stamp program. The proposed amendment would replace section 127 of the bill with language requiring disclosure of the same information through appropriate amendments to the Internal Revenue Code and the Social Security Act rather than the Food Stamp Act.

Under the amendment, tax return information in the files of the Social Security Administration would be disclosed in accordance with the procedures, conditions and safeguards specified in section 6103 of the Internal Revenue Code. As a condition for receipt of its Federal unemployment administrative grant, the State unemployment agency would have to make available, under procedures and safeguards to be established by the Secretary of Labor, information in its records pertaining to an individual's wages, home address, unemployment insurance eligibility, and offers of employment. Such tax return and unemployment insurance information would be made available to the Department of Agriculture and State food stamp agencies only for the purposes of, and to the extent necessary for, determining a person's eligibility for food stamps.

In addition, the food stamp agencies must protect tax information so that it does not go to the other entities.

Mr. SYMMS. In other words, the food stamp administrator can get the information from the IRS, but he cannot share it with anyone else?

Mr. CORMAN. That is correct.

Mr. SYMMS. I thank the gentleman.

The CHAIRMAN. If the Chair could inquire of the gentleman from California, it is the amendment referred to in the rules, recommended by Ways and Means?

Mr. CORMAN. That is correct, Mr. Chairman.

Mr. ROUSSELOT. Mr. Chairman, I move to strike the requisite number of words.

Can the gentleman tell us, can any other agency other than the Department of Agriculture obtain this information?

Mr. CORMAN. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. I yielded to the gentleman from California.

Mr. CORMAN. Not under this amendment. There are provisions in the law, however, and there are also provisions as the gentleman remembers under 4904, that allow disclosure of this information for other specified purposes. For example, certain tax information is available to the child support enforcement program, and certain tax and unemployment information is available to the AFDC agencies.

□ 1250

The purpose of this amendment is to put the IRS disclosure restrictions on the Department of Agriculture and State food stamp agencies.

Mr. ROUSSELOT. So basically the information can be utilized by the Department of Agriculture but is pretty restrictive in the way it can be utilized or requested by other agencies?

Mr. CORMAN. If the gentleman will yield further, it would have to be authorized if it were to go to another agency. This authorizes its use only in ascertaining the eligibility for food stamps.

Mr. ROUSSELOT. I thank the gentleman and, Mr. Chairman, I yield back the balance of my time.

Mr. WALKER. Mr. Chairman, I move to strike the last word.

If I could ask the gentleman from California a question about his amendment, when the gentleman says it goes to the Department of Agriculture, does that infer that the State agencies that are administering the program on behalf of the Department of Agriculture are also eligibile to get this information?

Mr. CORMAN. Mr. Chairman, will the gentleman yield?

Mr. WALKER. I yield to the gentleman.

Mr. CORMAN. I would say to the gentleman yes, it includes availability to the Department of Agriculture and State food stamp agencies.

Mr. WALKER. I thank the gentleman and yield back the balance of my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. CORMAN).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. COLEMAN

Mr. COLEMAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. COLEMAN: On page 24, following line 2, insert a new section 116 reading as follows, and renumber the remaining sections of title I accordingly:

"REDUCING OVERLAP BETWEEN FOOD STAMP AND SCHOOL LUNCH PROGRAMS

"SEC. 116. Section 8(a) of the Food Stamp Act of 1977, as amended, is amended by—

"(1) striking out 'The' in the first sentence and inserting in lieu thereof '(1) Except as provided in paragraph (2) of this subsection, the'; and

"(2) adding at the end thereof a new paragraph reading as follows:

"'(2) The value of the allotment which State agencies shall be authorized to issue to any households containing members who attend schools which participate in the national school lunch program shall be determined by reducing that household's allotment determined under paragraph (1) of this subsection by the product, rounded to the nearest whole dollar, obtained by multiplying (A) a monthly amount equal to the projected average allotment per person per meal for the first three quarters of the fiscal year corresponding to the applicable school year for which the reduction shall be made, by (B) the national average number of meals per month available under the national school lunch program during the preceding nine-month school year, as determined by the Secretary, by (C) the number of household members eligible to receive meals under the national school lunch program, by (D) a national average attendance factor prescribed by the Secretary. In carrying out the provisions of this paragraph, the Secretary shall prescribe a national average attendance factor, based on the best available data. Any reduction in a household's allotment pursuant to this paragraph shall be applicable only to the nine months of each year which generally correspond to the respective State's school year, as determined by the State agency.'."

Mr. COLEMAN (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. COLEMAN. Mr. Chairman, food stamp benefits are calculated on the assumption that each family member will receive three meals per day, but for 53 percent of the families who receive food stamps that is not necessarily the case, because 6.3 million youngsters who receive food stamp benefits, also receive a free school lunch at the local school.

My amendment simply takes away the duplication and the overlap between these two food assistance programs. It eliminates this overlap by eliminating the food stamp allotment for that particular meal.

I want to point out that there is only going to be a reduction in food stamps and not in the school lunch program.

Frankly, there are two ways to accomplish what I am trying to do. One of them is to reduce or do away with the school lunch program, which I feel would be wrong. The other is a reduction in food stamp benefits.

I also want to emphasize that it affects only those households where the students are going to a school that participates in the school lunch program. If the school or the school district does not participate in the school lunch program there will be no reduction in benefits to that household.

The CBO estimates, upon past projections, that this particular amendment will save close to $500 million for fiscal year 1981. The CBO estimates that the administrative costs would be minimal.

So, Mr. Chairman, I think it is important as we look at trying to cut costs in the food stamp program that we analyze where we can cut. It seems to me this is one particular place where we can shave $500 million off the cost of the program without really taking away any food from any needy person who should be receiving food stamps.

Mr. BIAGGI. Mr. Chairman, will the gentleman yield?

Mr. COLEMAN. I yield to the gentleman.

Mr. BIAGGI. Mr. Chairman, is it the gentleman's contention that recipients are now receiving dual benefits under the present program?

Mr. COLEMAN. That is my position, and I think, the intent of the Congress. A look at the legislative history indicates that the food stamp legislation was passed completely independent of the school lunch program and that, in fact, taxpayers are paying for four meals instead of three meals per day for at least those youngsters that are participating in the free school lunch program.

Mr. BIAGGI. So the gentleman's

amendment would guarantee the continuance of the school lunch for the student involved but would reduce the food stamps for that person at home because that person is in fact being fed in the school lunch program?

Mr. COLEMAN. The gentleman understands the amendment quite well.

Mr. BIAGGI. I thank the gentleman.

Mr. COLEMAN. I might also point out, as the gentleman well knows, the lunch at the schools is more nutritious and actually costs the taxpayers more to feed the youngsters at school. But I think it is important to continue that program because we know, No. 1, the meal is available and we know that it is of high nutritional value. Food stamps, of course, we give to the local household and they can spend them on the individuals involved how they wish and on the meals they want to plan on their own. I think my amendment guarantees a higher nutritional value for the student.

Mr. SYMMS. Mr. Chairman, will the gentleman yield?

Mr. COLEMAN. I yield to the gentleman from Idaho.

Mr. SYMMS. Mr. Chairman, I compliment the gentleman for his amendment. I think that is one point that we do need to make here in this Chamber, and that is in view of the fact the Congress has, in its wisdom, made it very clear that the food stamp program no longer is a program which assures an adequately nutritious diet to the recipients of the program, that the gentleman's emphasis means those taxpayers' dollars, and I mean those hard-earned taxpayers' dollars that will be spent in a transfer payment program to the benefit of the needy will insure that at least that lunch that the child gets will be an adequate, nutritious lunch at school instead of, say, a nonnutritious diet that might have been purchased through food stamps. I think the gentleman is making an excellent point. I think it is a very judicious use of the taxpayers' dollars. I think we should all consider the hard-working, producing taxpayers in the country at times like this.

The gentleman's amendment will save nearly $500 million. I think we ought to accept the gentleman's amendment. I certainly accept it and commend him for offering it.

Mr. COLEMAN. I thank the gentleman. I would want to point out one additional factor. The formula I propose takes into consideration the attendance factor of the students involved and it also, of course, takes into consideration the three months the student is not in school because of summer vacation. So neither the child nor the family will be penalized.

The CHAIRMAN. The time of the gentleman from Missouri has expired.

(At the request of Mr. Hughes and by unanimous consent, Mr. Coleman was allowed to proceed for 2 additional minutes.)

Mr. HUGHES. Mr. Chairman, will the gentleman yield?

Mr. COLEMAN. I yield to the gentleman.

Mr. HUGHES. I wonder if the gentleman can tell me whether it would be eligibility for the meals that would be the determining factor.

Mr. COLEMAN. Yes.

Mr. HUGHES. I will tell the gentleman what prompts the question. Suppose a youngster does not eat the meal. Suppose he is sick or for some other reason does not like the lunch, which happens often, as the gentleman knows. Does the gentleman's amendment take that into account?

Mr. COLEMAN. We have to consider that if a person is poor enough to receive taxpayer assistance that it is up to them if they want to refuse to eat the food. I know there is plate waste in our school lunch program but I do not think the taxpayers can stand there and force a child to eat at home or at school. That problem is really not addressed in my amendment. Any such problem is in the school lunch program and has to be worked out in the USDA.

Mr. HUGHES. If the gentleman will yield further, the answer then is it does not take that into account?

Mr. COLEMAN. I cannot assume, for example, that a food stamp household will spend their money judiciously or wisely either, or even that they are going to give that child a meal a day. It is conceivable that all of the money could be spent on food for the mother and father. So there is no way to control that at all even under the present food stamp program.

Mr. SYMMS. Mr. Chairman, will the gentleman yield?

Mr. COLEMAN. I yield to the gentleman.

Mr. SYMMS. I thank the gentleman for yielding. In relation to the gentleman's question, first of all it does take into account absenteeism. If the student is absent, there is a formula for that.

But I think more importantly than the fact that absenteeism is considered, so part of the gentleman's question is most certainly undertaken with the gentleman's amendment, but more importantly I think there is a limit to just how far this Congress can go in taking responsibility for everything that takes place in the United States. I know there are some of us here in this Chamber—not the gentleman from Idaho—but there are some here who would like to have the Government take responsibility and take care of everything from the cradle to the grave. But I think we know that does not work.

As the gentleman from Iowa (Mr. Grassley) pointed out yesterday, people did not formerly have problems of starvation.

The CHAIRMAN. The time of the gentleman from Missouri has again expired.

(At the request of Mr. Symms and by unanimous consent, Mr. Coleman was allowed to proceed for 1 additional minute.)

Mr. SYMMS. If the gentleman will yield further, when the churches, the States, and local communities, and individuals took care of the needy in this country, we did not have the problem that we have now that the Government is trying to run some kind of redistribution of the wealth program and hand out food to everybody.

Mr. COLEMAN. I do want to address the gentleman's concern.

☐ 1300

The amendment specifically reads that the Secretary shall prescribe a national attendance factor, and he is going to take into consideration that these youngsters who are on food stamps, the lower-income people, are absent more than the higher-income students, and that is going to be factored into this particular formula.

Mr. HUGHES. Mr. Chairman, will the gentleman yield?

Mr. COLEMAN. I yield to the gentleman from New Jersey.

Mr. HUGHES. I thank the gentleman for yielding. I want to tell the gentleman that I originally found his amendment attractive, so I am seeking only further enlightenment when I ask these questions. I have some very legitimate concerns. I have had youngsters in school, and too often they did not want to eat the lunch available to them. They were obviously not entitled to the free school lunch program—but they did eat in the same cafeteria.

Mr. COLEMAN. I think the gentleman has some very good concerns. I have children in school, too, and I visited school in my district.

The CHAIRMAN. The time of the gentleman has expired.

(At the request of Mr. Hughes, and by unanimous consent, Mr. Coleman was allowed to proceed for 2 additional minutes.)

Mr. COLEMAN. I understand the gentleman's concerns. My point is that there is no way to ever insure that the recipient is going to spend his money wisely, or on what type of foods, or on what meals they have, or that the youngster at home may even want to eat meals prepared there. He may want to eat Fritos and cupcakes and they might not be available. On the other hand maybe the family cooks a nutritional meal.

Mr. HUGHES. If the gentleman will yield further, I think what the gentleman contends is very worthwhile because I find, and I am sure the gentleman finds, that people will gripe particularly in these hard times about public assistance programs of all types, but they understand that we have a responsibility to provide assistance to the needy. What they do complain about is those instances where they feel there is double-dipping, where there is chiseling, or there is fraud or abuse. So it was for that reason that I became attracted to the gentleman's particular amendment. I think that any program provision that is perceived as not being fair works to the detriment of the people who need assistance. They just undermine an otherwise worthy or needed program. But I am not too sure that the gentleman really reaches the target with his amendment, because I think in essence he might be penalizing families often that need those resources. I do not think we can presume that the neediest who are entitled to the school lunch or the school breakfast are going to necessarily receive those meals for a myriad of reasons.

Mr. COLEMAN. Would the gentleman allow me to reclaim my time to answer that. Ninety percent more of the people who are on the food stamp program are eligible and participate in the free school lunch program, so I think the statistics probably do not support the gentleman's concern. But let me just say in emphasis that I agree with the gentleman that this amendment is a constructive amendment. It does not try to penalize anybody for anything; it simply takes away an overlapping benefit for a benefit that is being offered in a school for a free school lunch.

Mr. RICHMOND. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise in strong opposition to the amendment. There is no duplication of child nutrition and food stamp programs. These two programs have coexisted for 15 years. The school lunch program simply complements the food stamp program in helping poor children achieve a minimally adequate diet. Congress has long recognized the importance of providing special nutritional assistance for extremely vulnerable groups in our society—children and the elderly.

It is important to understand exactly what this provision would do to the poor. For each school age child who attends a school with a lunch program, the monthly food stamp allotment would be reduced by $10. Keep in mind that the average food stamp benefit is just $34 a month per person. This reduction would occur regardless of how poor the child is and whether or not the child actually receives the lunch. Children who are ill at home or are not able to eat lunch because of medical or religious reasons would still have food stamp benefit reductions.

My colleagues will remember that when we eliminated the purchase requirement, very poor households began to participate in the food stamp program. Some of these children are from those very same impoverished households. These are our poorest children—the very ones who are most in need of adequate nutrition.

Teachers will testify to the futility of teaching dull, inattentive children who are hungry. This amendment, if adopted would assure an abundance of poor, hungry children in our Nation's schools where we are spending an average of $3,500 per child a year in education assistance.

I would like to bring to the attention of my colleagues a statement from the Field Foundation's report on hunger in the United States.

> Summarizing their 1977 findings, the Field medical team stated: "Our first and overwhelming impression is that there are far fewer grossly malnourished people in this country today than there were ten years ago. Malnutrition has become a subtler problem. In the Mississippi delta, in the coal fields of Appalachia and in coastal South Carolina—where visitors ten years ago could quickly see large numbers of stunted, apathetic children with swollen stomachs and the dull eyes and poorly healing wounds characteristic of malnutrition—such children are not to be seen in such numbers. Even in areas which did not command national attention ten years ago, many poor people now have food and look better off. This change does not appear to be due to an overall improvement in living standards or to a decrease in joblessness in those areas. In fact, the facts of life for Americans living in poverty remains as dark or darker than they were ten years ago. But in the area of food there is a difference. The Food Stamp Program, the nutritional component of Head Start, school lunch and breakfast programs, and to a lesser extent the Women-Infant-Children (WIC) feeding programs have made the difference."

Surely my colleagues will recognize their obligations to the children of this country. For this and the other reasons that I have addressed, I urge my colleagues to vote "no" on this amendment.

Mr. COLEMAN. Mr. Chairman, will the gentleman yield?

Mr. RICHMOND. I yield to the gentleman from Missouri.

Mr. COLEMAN. I thank the gentleman for yielding. I want to clear up a point about the administrative costs. According to the Congressional Budget Office in a letter dated April 25 from Mrs. Rivlin, she says that the administrative difficulties would be minimized. As she said, the case workers would have to find out if there are children in the family and what school they attend, and that is about all. So there are no great administrative nightmares that the gentleman refers to. I think it can be very easily administered.

Mr. RICHMOND. I think the gentleman will understand that if this is to be administered properly, each child would have the deduction applied only when he had lunch. It would be a totally administrative nightmare. It is a totally unfair amendment to children.

Mr. COLEMAN. That is not the basis of my amendment. It does not go family by family, individual by individual. We are talking about 20 million participants in food stamps, and you cannot do it on a case-by-case basis.

Mr. RICHMOND. What is going to be happening is many people are going to be unfairly penalized. I do not think this great Congress should unfairly penalize the poorest of the poor children in the United States.

Mr. SYMMS. Mr. Chairman, will the gentleman yield?

Mr. RICHMOND. I yield to the gentleman from Idaho.

Mr. SYMMS. I thank the gentleman for yielding. I would say that the major problem I see with the gentleman's argument is that the secret to helping poor people in this country is not more government programs and more spending and more disincentives for people to work, to save, and to be thrifty, but some kind of an incentive to encourage people to produce more. The gentleman is taking the attitude that somehow or another we are going to be depriving hungry children of a school lunch. That is not the case. For every dollar that will not be spent in the food stamp program, if the amendment offered by the gentleman from Missouri is passed, and it saves $500 million, that will be $500 million that might actually provide the head of a household with a job. The gentleman well knows that; he is a businessman in his private life.

The CHAIRMAN. The time of the gentleman has expired.

(At the request of Mr. BIAGGI, and by unanimous consent, Mr. RICHMOND was allowed to proceed for 2 additional minutes.)

Mr. BIAGGI. Mr. Chairman, will the gentleman yield?

Mr. RICHMOND. I yield to the gentleman from New York.

Mr. BIAGGI. I thank the gentleman for yielding. I previously engaged in a colloquy with the maker of the amendment, the gentleman from Missouri (Mr. COLEMAN), and we dealt with the premise of his amendment, which was to eliminate a duplication of funding, some funds set aside for school lunch; other funds set aside for the food stamps, with all being factored in. Is it the gentleman's contention that there is duplication, but the duplication is warranted in light of nutritional needs?

Mr. RICHMOND. I thank the gentleman from New York for his question. It is my contention that the food stamp program alone only allows 38 cents per person per meal for any family. The gentleman and I know that that is insufficient to provide adequate nutritional assistance to any family. The school lunch program at least provides one-third of the nutritional daily requirements to our children who participate in the school lunch program. Our children are the ones who need that additional food in order to learn at school and build healthy bodies. I think the two programs together make a lot sense, and I thank the gentleman's great committee for helping with both of these programs.

Mr. GRASSLEY. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of this amendment. I want to say, first of all, that it is a shame that the gentleman from Missouri (Mr. COLEMAN) even has to be in the forefront to offer this amendment. One would think that with the tight budget situations we have that somebody from the majority party would be offering the amendment, or we would have some of the people who administer these programs downtown suggesting these amendments for they should want to get out of the law the waste that comes as a result of duplication.

□ 1310

Over here on this side if we had a general of the Army who was getting paid twice for the same meal the majority party Member would be in here trying to do away with that abuse. If we had doctors who were getting paid for performing a medicaid operation twice—and we have had that—we would be trying to do away with that sort of duplication.

In an instance where people are getting paid for two meals, it is justifiable that they only get paid for one, particularly when the resources of this Nation are limited and hence we ought to make our resources go as far as possible.

However, the main crux of the debate here, as it focuses upon the amendment of the gentleman from Missouri is whether or not you view this program as a nutritional program, or whether you view it as an income redistribution program. Quite frankly, the food stamp program was started for those people who were the poorest of the poor in this Nation who were spending 30 percent of their income on food and still did not have a nutritionally adequate diet. Then food stamps were instituted for those people spending 30 percent so they could be supplemented in their income so their food availability would be brought up to a nutritionally adequate level.

Now the bottom line of it is, if you are being paid for eating a meal twice, then it is above and beyond what that purpose is and obviously the people who are defending the existing program see the food stamp program other than as something to provide people who are hungry with a nutritionally adequate diet.

Mr. Chairman, I think we ought to get back to the original purpose of the food stamp program. If we get back to that purpose, that the food stamp program is a nutrition program and not an income supplement program, then we are going to have more public respect for the program and the program is going to have the ability to maintain its existence regardless of the political opposition it might have.

Mr. Chairman, there is not a person in this House who will not support the program for what it was intended, but not when it gets beyond that, and it has gotten beyond that, when we count people twice for the same meal. Obviously, if you want to support the program, if you want to maintain the program, if you want it to be a nutrition program, then you ought to support the Coleman amendment. If you want it to be something else—and it is going to become something else and maybe it already is, then oppose the Coleman amendment. However, bear the burden will you, of future days and future years of the public disrespect the program is going to have and the whole thing might go down the drain and I am sure that most of you over on the Democrat side of the aisle do not want that to happen.

Mr. MILLER of California. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, this amendment has been talked about as being an amendment to help with the nutrition of children. Apparently what this amendment would do is, it would deduct from the food stamp allotment to poor families the value of the school lunch for the days that the child has attended school.

Well, I dare say I do not believe that the gentleman who drafted the amendment understands all of the problems related to the school lunch program because he would know then that there are many poor children who show up in school everyday and do not eat the school lunch provided, either because they are intimidated by school officials, they are segregated into lines so those poor little children will know what this country has given them even though it is contrary to law. They are given different colored tickets even though it is contrary to law and their pride does not let them participate. It happens in every region of this country. Hundreds of thousands of children choose not to participate because of their pride.

Mr. Chairman, let us talk about what else we are doing in this amendment. We are taking an attack on the children of the poor and we are telling them that we are going to deduct from their household food budget the price of a school lunch. Now the food stamp program says they get 38 cents to spend per meal and that this will be reduced based upon this formula of attendance and the other criteria which is certainly better than Mr. HELMS suggested in the Senate. That that will be reduced.

Well, Mr. Chairman, what do we do for senior citizens in this country who participate in senior citizens feeding programs under the Older Americans Act and get food stamps? Is this Congress ready to take on the senior citizen and deduct the price or whatever the in-kind contribution is and deduct that from their food stamp allotments? Mind you, the senior citizens vote, children do not. Keep that in mind.

What about our children, Mr. Chairman? Our children who are in the school lunch program get a 30-cent subsidy or 35-cent subsidy per day per meal from the Federal Government. Now maybe you should file an amendment to your Federal income tax because I suspect you have been given an in-kind contribution by this Federal Government of 35 cents a day and it sounds like income to me and you had better deduct it from your $60,000-a-year salary.

Mr. Chairman, are we going to pick on the children of the poor in the name of some kind of fiscal austerity and responsibility and are we going to ignore your children and mine if they participate in the school lunch program, get a 35-cent subsidy? I mean, I am trying to contain my laughter. You cannot be serious.

Are we going to continue to go around and shake hands in the senior citizens programs in our districts and tell them to campaign for us when we know they are double dipping at the Federal nutritional trough? Do not forget to tell them, the proponents of this amendment, that you will be coming on next year to eliminate this fantastic lunch that is before them, generally made up of cold cuts between two pieces of white bread, a little coffee, maybe some tea, a little sugar, and they come from miles to get it. Why? Because we know it is more than nutrition. We know that it is the social aspect of getting those folks out of the house. We know that they come together and they live better lives. So it is not just nutrition.

Now, when we stand up here in the name of fiscal austerity and responsibility and we want to take from some poor family a few cents a day—I mean, imagine this, if your kid shows up and you are poor and goes to a school lunch and you get the benefit, you pay 38 cents, you could not go to McDonalds and get him a burger. I mean you could not go to a show. Do not worry about how they are wasting their resources. They could not get on a bus to anywhere.

What are they stealing from us?

This reminds me of when we used to want to punish people who cheated on medicaid. We are always going to punish the poor people on medicaid. What did they get if they cheated? They got a shot in the rear end. The doctor got $25 but we were punishing the patient. He got a shot of water in his rear end.

Then we spend billions of dollars trying to chase them down.

The CHAIRMAN. The time of the gentleman has expired.

Mr. MILLER of California. Mr. Chairman, I ask unanimous consent to be allowed to continue for 3 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

Mrs. FENWICK. I object.

The CHAIRMAN. Objection is heard.

Mr. MATHIS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise only to offer the distinguished gentleman from California (Mr. MILLER) those additional 3 minutes needed to complete his presentation.

Mr. MILLER of California. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I would take this time only to allow the gentleman from Missouri (Mr. COLEMAN), the author of the amendment, to respond.

Mr. COLEMAN. Mr. Chairman, will the gentleman yield to me?

Mr. MATHIS. I will be delighted to yield to the gentleman from Missouri.

Mr. COLEMAN. I thank the gentleman for yielding.

The speech of the gentleman from California (Mr. MILLER) was a very fine speech, but it did not direct itself to my amendment. I would ask the gentleman to show me one word in this amendment that has anything to do with senior citizens. One word.

Mr. MILLER of California. Mr. Chairman, I will reclaim my time.

The CHAIRMAN. The gentleman from Missouri (Mr. MATHIS) has the time.

Mr. MILLER of California. Mr. Chairman, will the gentleman yield to me?

Mr. MATHIS. I yield to the gentleman from California.

☐ 1320

Mr. MILLER of California. Mr. Chairman, I would like to respond. That is my challenge to you. If you are so sincere in your efforts, let us get on with a comprehensive amendment, and let us make sure that we declare on our income taxes the price of the school lunch subsidy your children and my children get if they participate; and let us make sure we get the senior citizens and cut the price of that baloney sandwich they are getting. Let us not just go after the children of the poor.

Mr. COLEMAN. If the gentleman

wants to offer an amendment, go right ahead.

Mr. MILLER of California. I do not believe in what you are doing.

Mr. COLEMAN. We are not talking about 35 cents for the cost of the school lunch program. The gentleman is unaware that the school lunch is higher in nutritional value and it costs $1.20, not 36 cents. The gentleman has the school lunch program mixed up with——

Mr. MILLER of California. I was talking about the subsidy to middle-class participants.

Mr. COLEMAN. We are talking about food stamps here. I believe in the school lunch program and I want to continue it. It is a good program which probably has three times as much nutritional value as food stamps. The only argument the gentleman has heard today against my amendment is that we cannot force these kids to eat a free meal at school.

Mr. MATHIS. Mr. Chairman, let me reclaim my time.

Mr. Chairman, I have been at the forefront in attempting to force fiscal responsibility, fiscal integrity, in the committee and on the floor of this House, as my friends on both sides of the aisle know. But, I simply think that in adopting this amendment we are being penny wise and pound foolish. I think it is probably going to end up costing more money in administrative costs to attempt to find out those children who are in fact eating lunch at school.

I support the school lunch program, as the gentleman does. I do not want to prolong this debate.

Mr. COLEMAN. Mr. Chairman, will the gentleman yield further?

Mr. MATHIS. I yield to the gentleman.

Mr. COLEMAN. Mr. Chairman, I just again want to point out that the source of my information is from the Congressional Budget Office, in which I quoted Mrs. Rivlin. Administrative difficulties would be minimized simply to see if they are in fact attending the school, then they qualify for this deduction. If they do not, they are not going to get any reductions in their food stamps.

Mr. MATHIS. I would say to my friend from Missouri, if he wanted to impress the gentleman from Georgia, he must have a better source than the Congressional Budget Office.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Missouri (Mr. COLEMAN).

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. COLEMAN. Mr. Chairman, I demand a recorded vote, and pending that, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count.

RECORDED VOTE

Mr. COLEMAN. Mr. Chairman, I withdraw my point of order of no quorum, and demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 134, noes 269, not voting 29, as follows:

[Roll No. 223]

AYES—134

Applegate
Archer
Ashbrook
Badham
Bafalis
Barnard
Bauman
Beard, Tenn.
Bennett
Bethune
Bevill
Biaggi
Breaux
Broomfield
Brown, Ohio
Broyhill
Burgener
Butler
Byron
Campbell
Carney
Chappell
Cheney
Clausen
Cleveland
Coleman
Collins, Tex.
Conable
Corcoran
Cotter
Coughlin
Courter
Crane, Daniel
Crane, Philip
Daniel, Dan
Daniel, R. W.
Dannemeyer
Derwinski
Devine
Dickinson
Dornan
Edwards, Ala.
Erlenborn
Evans, Ga.
Evans, Ind.
Frenzel
Giaimo
Gingrich
Ginn
Goldwater
Gradison
Gramm
Grassley
Grisham
Guyer
Hagedorn
Hall, Tex.
Hammerschmidt
Hance
Hansen
Hinson
Holt
Hopkins
Huckaby
Hutto
Ichord
Ireland
Jeffries
Jenkins
Johnson, Colo.
Jones, N.C.
Kelly
Kemp
Kindness
Kramer
Lagomarsino
Leath, Tex.
Lee
Lewis
Livingston
Loeffler
Lott
Lujan
Lungren
McClory
McDonald
Martin
Mica
Miller, Ohio
Montgomery
Moore
Moorhead, Calif.
Mottl
Myers, Ind.
O'Brien
Pashayan
Paul
Porter
Railsback
Rhodes
Robinson
Roth
Rousselot
Royer
Rudd
Santini
Sawyer
Schulze
Sebelius
Sensenbrenner
Sharp
Shumway
Shuster
Snyder
Solomon
Spence
Stangeland
Stenholm
Stockman
Stratton
Stump
Symms
Tauke
Thomas
Trible
Vander Jagt
Walker
White
Whitehurst
Winn
Wyatt
Wydler
Wylie
Young, Mo.

NOES—269

Abdnor
Addabbo
Akaka
Albosta
Alexander
Ambro
Anderson, Calif.
Andrews, N. Dak.
Annunzio
Anthony
Ashley
Atkinson
Bailey
Baldus
Barnes
Beard, R.I.
Bedell
Beilenson
Benjamin
Bereuter
Bingham
Blanchard
Boggs
Boland
Bolling
Boner
Bonker
Bouquard
Bowen
Brademas
Brinkley
Brodhead
Brooks
Buchanan
Burlison
Burton, John
Burton, Phillip
Carr
Carter
Cavanaugh
Chisholm
Clay
Clinger
Coelho
Collins, Ill.
Conte
Conyers
Corman
D'Amours
Daschle
Davis, Mich.
Davis, S.C.
de la Garza
Deckard
Dellums
Derrick
Dicks
Diggs
Dingell
Dixon
Dodd
Donnelly
Dougherty
Downey
Drinan
Duncan, Oreg.
Duncan, Tenn.
Early
Eckhardt
Edgar
Edwards, Calif.
Edwards, Okla.
Emery
English
Erdahl
Ertel
Evans, Del.
Fary
Fascell
Fazio
Fenwick
Ferraro
Findley
Fish
Fisher
Fithian
Flippo
Florio
Foley
Ford, Tenn.
Forsythe
Fountain
Fowler
Frost
Fuqua
Garcia
Gephardt
Gibbons
Gilman
Glickman
Gonzalez
Goodling
Gore
Gray
Green
Guarini
Gudger
Hall, Ohio
Hamilton
Hanley
Harris
Harsha
Hawkins
Heckler
Heftel
Hillis
Hollenbeck
Holtzman
Horton
Howard
Hubbard
Hughes
Hyde
Jacobs
Jeffords
Jenrette
Johnson, Calif.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kazen
Kildee
Latta
Leach, Iowa
Leach, La.
Lederer
Lehman
Leland
Levitas
Lloyd
Long, La.
Long, Md.
Lowry
Luken
Lundine
McCloskey
McCormack
McHugh
McKay
Maguire
Markey
Marks
Marlenee
Mathis
Matsui
Mattox
Mavroules
Mazzoli
Mikulski
Miller, Calif.
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Moorhead, Pa.
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Murtha
Musto
Myers, Pa.
Natcher
Neal
Nedzi
Nelson
Nichols
Nolan
Nowak
Oakar
Oberstar
Obey
Ottinger
Panetta
Patten
Patterson
Pease
Pepper
Perkins
Petri
Peyser
Pickle
Preyer
Price
Pritchard
Pursell
Quillen
Rahall
Rangel
Ratchford
Regula
Reuss
Richmond
Rinaldo
Ritter
Roberts
Rodino
Roe
Rose
Rosenthal
Rostenkowski
Roybal
Russo
Sabo
Scheuer
Schroeder
Seiberling
Shannon
Shelby
Simon
Skelton
Smith, Iowa
Smith, Nebr.
Snowe
Solarz
Spellman
St Germain
Stack
Staggers
Stanton
Stark
Steed
Stewart
Stokes
Studds
Swift
Synar
Taylor
Thompson
Traxler
Udall
Ullman
Van Deerlin
Vanik
Vento
Volkmer
Walgren
Wampler
Watkins
Waxman
Weaver
Weiss
Whitley
Whittaker
Williams, Mont.
Williams, Ohio
Wilson, Tex.
Wirth
Wolff
Wolpe
Wright
Yates
Yatron
Young, Alaska
Young, Fla.
Zablocki
Zeferetti

NOT VOTING—29

Anderson, Ill.
Andrews, N.C.
Aspin
AuCoin
Bonior
Brown, Calif.
Danielson
Ford, Mich.
Gaydos
Harkin
Hefner
Hightower
Holland
Kogovsek
Kostmayer
LaFalce
Lent
McDade
McEwen
McKinney
Madigan
Marriott
Michel
Quayle
Runnels
Satterfield
Whitten
Wilson, Bob
Wilson, C. H.

☐ 1330

So the amendment was rejected.

The result of the vote was announced as above recorded.

☐ 1340

AMENDMENT OFFERED BY MR. FOLEY

Mr. FOLEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FOLEY: Page 38, after line 21, insert the following:

ADJUSTMENT OF POVERTY GUIDELINES

SEC. 137. Section 5(c) of the Food Stamp Act of 1977, as amended, is amended by striking everything after "forty-eight contiguous States" and inserting a period at the end of that phrase.

REDUCTION IN ASSETS LIMITATIONS

SEC. 138. Section 5(g) of the Food Stamp Act of 1977, as amended, is amended by deleting "$1,750" and inserting "$1,500" in lieu thereof.

RESTRICTION ON STUDENT PARTICIPATION

SEC. 139. Section 6(e) of the Food Stamp Act of 1977, as amended, is amended by deleting everything after "(1)" and inserting in lieu thereof the following: "is physically and mentally fit and is between the ages of eighteen and sixty, (2) is enrolled at least half time in an institution of higher education, and (3)(A) is not employed a minimum of twenty hours per week or does not participate in a federally financed work study program during the regular school year or (B) is not the head of a household (or spouse of such head) containing one or more other persons who are dependents of that individual because he or she supplies more than half of their support, or (C) is not so enrolled as a result of participation in the work incentive program under title IV of the Social Security Act, as amended (42 U.S.C. 602)."

SEC. 140. Section 6(d) of the Food Stamp Act of 1977, as amended, is amended by deleting everything after "person" in the parenthesis in paragraph (D) of subsection (2) of such section and inserting in lieu thereof the following: "enrolled in an institution of higher education shall be ineligible to participate in the food stamp program unless he or she meets the requirements of subsection (e) of this section)".

Mr. FOLEY (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. FOLEY. Mr. Chairman, these amendments—there are three parts involved in the amendment which I have offered to the Committee. My package of amendments would save $130 million in fiscal year 1981 when it would become effective given the time lag necessarily associated with promulgating regulations. It is, nontheless, significant from the point of view of the soundness of the program.

First, I would end the practice we instituted in 1977 of updating the income poverty guidelines, which serve as the program's net income limit, to reflect Consumer Price Index data as of March of a given calendar year. Instead, the Department would rely upon the poverty line announced in April of each year based upon the prior calendar year's average Consumer Price Index or the data as of approximately June, 10 months previous.

Updating the income poverty guidelines was enacted because of our concern that the poverty line would otherwise be anywhere from 12 to 24 months out of date, since for example, the poverty line in effect from July 1, 1980, through June 30, 1981, would, without the alteration, reflect consumer prices in or about June 1979. Because the poverty line essentially affects only the gross income ceiling, given the structure of deductions that work on top of it, and has no impact at all upon the actual benefits or allotments of any eligible household, it was a prime target for budget savings that would not harm the truly needy.

The net income eligibility limit will, therefore, not be as current as it might be, but that will not radically revise the program's coverage or goals. In fiscal year 1982, for example, the net income limit for a four-person household would rise only to $7,450 rather than $8,200 under this proposal. The savings attributed to renouncing the update are $50 million a year.

Second, I would close off most of the remaining access of students to the program. The new rules governing students enacted in 1977 have functioned to restrict student participation. They denied eligibility to students who could have or were claimed as tax dependents in ineligible households and to students who did not register for work in school vacation or recess periods lasting more than 30 days.

They further required that students either work 20 hours a week—or its minimum wage equivalent in dollars—or be enrolled in a work study program or be registered for 20 hours of work a week or be the head of a household with at least one dependent or be otherwise exempt from work registration because of fitness, age, work incentive participation, parental status, caretaker status, and the other exemptions. These rules did considerably tighten the program's administration.

Nonetheless, the latest program characteristics survey revealed that approximately eight-tenths of 1 percent of the total number of persons certified for food stamps were full-time students. This means that at least 200,000 students are still on program rolls.

Two hundred thousand is too many. That is a clear indication that however much we tightened the rules in 1977 we did not tighten them enough. There are sufficient grant (BEOG's, SEOG's) and loan moneys (GSL and NDEA loans at interest rates substantially below the market) to enable most impoverished students not only to pay their tuition with Federal financial assistance, but also their room and, more important, their board. There is little justification in allowing them to supplement existing Federal resources targeted at educational need (but covering much more than mere tuition and books) with further resources designed to help them pay for the same goods. Students' needs should be dealt with in an educational context.

Thus, I propose to eliminate approximately three-fourths or 150,000 of the remaining students from program rolls by making all students prima facie ineligible. I would, however, allow continued participation by those who either are working 20 hours a week or who are, for other reasons, currently exempt from the work requirement. Work exempt students have, for several years, been viewed as deserving of special congressional consideration in providing food benefits because of their relative inability to supplement their grants and loans. This covers the elderly (over 60), the normally precollege young (under 18), the disabled and handicapped, including the mentally unfit, heads (or spouses of heads) of households in which one or more other persons are dependents of the head, and WIN program participants, who tend either to be employed or otherwise subject to a distinct work requirement.

Students who are unable to work for a variety of reasons or who do in fact work or comply with a stringent work requirement contained in a separate and distinct Federal program like WIN need food stamps more than the other students. Accordingly, I have determined that they and only they should be allowed to continue their status as program eligible. Merely registering for work will not suffice for able-bodied students. If they try hard enough, they can find some form of compensated employment for 20 hours a week. To allow them merely to register rather than to work is not appropriate given their unusual attractiveness to employers, including the very institutions they attend.

The only work exemptions I have not incorporated in this new drastically reduced version of student eligibility are the ones for parents and caretakers (they could hardly enroll at least half-time in an institution of higher education—and some will still qualify as heads of households or their spouses who may split child-caring chores), alcoholic and drug rehabilitatees, and those working fewer than 20 hours, but earning enough in briefer periods of time to make the equivalent of 20 hours of minimum wage pay.

This latter exemption has been abused by students working 4 to 5 hours in specialized activities at $10 to $12 an hour and then refusing to work any more, citing food stamp work rules as the excuse. Since the work rules as applied to students are the only ones under serious review in 1980 prior to the collection and analysis of work data, eliminating the dollar instead of hours rule as applied to students is a good place to start. Other groups' use of the rule will be explored and dealt with in the reauthorization for fiscal year 1981 and beyond.

As a result of these student changes, it will no longer be necessary for the Department to superimpose the messy summer work requirement which secures work for no one but the local administrators who have to deal with two separate universes of students or the equally cumbersome and now useless tax dependency criteria. We can save $60 million in fiscal year 1981 by imposing these new limits upon student participation.

Finally, I would reduce the liquid resources assets limit for all households other than those composed of two or more persons containing a person 60 years of age or over. The reduction would be from $1,750 to $1,500. The limit for elderly households of two or more would remain at $3,000. Available data indicate that 60 percent of all food stamp users have no liquid assets at all, while 95 percent have less than $1,500. Five percent of currently enrolled households may under my amendment, therefore, have to spend down their cash reserves by $250 as a precondition to program eligibility.

I urge the Members to support the amendment.

I might say, before I yield back the balance of my time, that with these amendments and those adopted earlier on behalf of the gentleman from California (Mr. PANETTA), we have completed the amendments that the Committee on Agriculture presented to the Budget Committee as our proposals for savings under the budget resolution. They amount to saving $688 million from S. 1309 as reported from the Agriculture Committee on February 27.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Washington (Mr. FOLEY).

The question was taken; and the Chairman announced that the ayes appeared to have it.

Mr. SOLOMON. Mr. Chairman, I demand a recorded vote.

A recorded vote was refused.

So the amendment was agreed to.

AMENDMENT OFFERED BY MR. FINDLEY

Mr. FINDLEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. FINDLEY: Page 36, after line 12, insert the following new section (and redesignate succeeding sections accordingly):
>
> WORKFARE JOB-SEARCH TIME PERIOD
>
> SEC. 131. Section 17(b)(2) of the Food Stamp Act of 1977, as amended, is amended by adding after the phrase "thirty days" in the second sentence the following: "(ten days in at least one pilot project area designated by the Secretary)".

Mr. FINDLEY. Mr. Chairman, I am offering an amendment that would make a slight change in the law governing the pilot workfare projects under the food stamp program. Though slight, it is a change that will greatly facilitate an effective test of the workfare concept in the important demonstration project now being conducted under Federal sponsorship by the county of San Diego, Calif.

The 1977 legislation authorizing the workfare demonstration projects requires a 30-day wait before able-bodied food stamp applicants are referred to workfare officials in the pilot communities. This amendment would have the effect of reducing the waiting period from 30 to 10 days for the San Diego project only.

San Diego presents a special situation with special needs. It is the only pilot community that is also a popular resort area, and like other popular resort areas it attracts many transients who sign up for food stamps on arrival. Many of these individuals draw food stamps for just a month or two before moving on. The result of the 30-day waiting period has been to prevent San Diego workfare officials from involving many of these individuals in the workfare experiment. Presently 30 days pass before workfare officials receive the referral. Then they must contact the individual to set up a counseling interview. Only then can a job be assigned. By the time these steps are finished, typically the better part of 2 months has been lost.

Reducing the waiting period in San Diego would provide a better test of workfare by facilitating participation in workfare of a larger proportion of the potentially eligible food stamp population. It is my expectation that under this amendment the names of those coming into the food stamp program in San Diego target areas would be forwarded to workfare officials within a couple of days after they make application. The San Diego workfare staff could contact the individual during the 10-day waiting period and promptly schedule the initial workfare counseling interview. The interview would take place within a day or two after the waiting period ends. Most participants would complete workfare processing during the first month after having applied for food stamps.

In that way the expected positive influence of the work requirement in encouraging the unemployed to find employment in the private sector would come into play much sooner. And the same would be true for the positive impact on participants of the experience of working in public service jobs. Also, savings to taxpayers and valuable work for the community would begin sooner.

Under my amendment, San Diego participants would still be allowed adequate time for job search activities. San Diego officials report that many participants have been actively hunting for work even before the waiting period begins. That activity combined with job-search activity during a shorter 10-day waiting period will allow plenty of time before the public service work requirement goes into effect. And the job search can easily continue since a typical public service work requirement takes only a few days a month to fulfill.

The small change made by this amendment would improve the research aspect of the demonstration projects. I have been informed by research experts on the staff of the General Accounting Office that it is very common to fine-tune demonstration projects during the course of their conduct. In this case, the change would go into effect at the end of the first year of the San Diego project. The second year would be conducted under the reduced waiting period. Evaluators would be able to compare performance under both requirements. And the second year of the San Diego experience would give evaluators a useful set of data for comparison with other pilot communities, which, of course, will remain under the 30-day waiting period requirement.

Thus, there is much to be gained by this amendment and nothing to be lost. I urge my colleagues to support it.

Mr. RICHMOND. Mr. Chairman, will the gentleman yield?

Mr. FINDLEY. I yield to the gentleman from New York.

Mr. RICHMOND. I thank the gentleman for yielding.

Mr. Chairman, on behalf of the distinguished chairman of the Committee on Agriculture, we accept the gentleman's amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois (Mr. FINDLEY).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. ZEFERETTI

Mr. ZEFERETTI. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. ZEFERETTI: Page 15, line 13, strike out "and".
>
> Page 15, strike out line 14 and insert in lieu thereof the following:
>
> (2) striking out "that portion of"; and
>
> (3) striking out ", that exceed $35 a month".

Mr. ZEFERETTI (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. ZEFERETTI. Mr. Chairman, this amendment simply removes the $10 threshold in section 105, for claiming excess medical expenses for the elderly, blind, and disabled. Last session the House overwhelmingly passed H.R. 4303, which set a threshold level of medical expenses at $10. This was later raised to $35. In accepting the Senate passed language contained in the conference report. Now in the Food Stamp Act Amendments of 1980 we are lowering the level back down to $10. I commend the agriculture committee in their effort. However, I feel we can and should go one step farther. Keep in mind we are talking about the people who are most likely to incur medical expense. Our elderly and disabled who are living on restrictive income need every possible dollar to keep up with large medical costs, rising rents, and ever increasing utility bills. Removing the $10 threshold level could mean the difference in whether these people eat for several days. I have had the Congressional Budget Office prepare an estimate of what effect this amendment would have in terms of actual cost. They reported a figure of about $15 to $30 million. Hardly, an overwhelming figure in light of the amount the program is presently costing.

In addition, I would like to point out this amendment will not result in an increase in the amount of funds authorized by the Agriculture Committee. The reported bill has a cap which cannot be exceeded.

Mr. Chairman, I do not want to get into a debate as to who needs food stamps the most. I believe if people are hungry they should be fed, but certainly the disabled and elderly of our country need every benefit we have the capacity of providing, and this is one I believe is desperately needed.

Let me reiterate two major points of this amendment:

First. It will allow the blind, disabled, and elderly of our country to deduct all medical expenses, while imposing a modest increase of expenditures within the total authorization; and

Second. By adopting this amendment we will be directly helping the citizens of our country who are the most likely to incur medical costs, who are on a restrictive income, and therefore who undoubtably need this additional benefit.

Skyrocketing medical costs and the rapid rise of inflation are causing an unbearable strain on these people. We now have an opportunity to give them a small amount of help. Let us not let this opportunity pass us by.

□ 1350

Mr. RICHMOND. Mr. Chairman, will the gentleman yield?

Mr. ZEFERETTI. I yield to the gentleman from New York.

Mr. RICHMOND. I thank the gentleman for yielding.

On behalf of the distinguished chairman of the House Committee on Agriculture, we accept the gentleman's amendment, with the understanding that it would be implemented in fiscal 1982.

Mr. ZEFERETTI. That is correct.

Mr. BIAGGI. Mr. Chairman, will the gentleman yield?

Mr. ZEFERETTI. I yield to the gentleman from New York.

Mr. BIAGGI. I thank the gentleman for yielding.

I want to commend the gentleman for his amendment. It is the sensitivity to the blind, the disabled and elderly and certainly the most disadvantaged, that it reflects the better qualities of this House and this process.

Mr. ZEFERETTI. I thank the gentleman for his comments.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. ZEFERETTI).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. RUDD

Mr. RUDD. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. RUDD: Page 24, after line 2 insert the following new section (and redesignate succeeding sections accordingly):

GROSS INCOME ELIGIBILITY TEST

SEC. 116. (a) Section 6 of the Food Stamp Act of 1977, as amended, is amended by adding at the end thereof the following new subsection:

"(j) No household shall be eligible to participate in the food stamp program for any month in which the reasonably anticipated monthly gross income of such household for the certification period involved exceeds the greater of—

"(1) one-twelfth of the nonfarm income poverty guideline prescribed by the Office of Management and Budget for a household equal in size to the household requesting certification; and

"(2) in the case of a household with earned income, the sum of the amount described in paragraph (1) and 15 per centum of such amount (to compensate for taxes, mandatory deduction from salary, and work expenses).

For purposes of this subsection, the term 'gross income' shall have the same meaning as 'household income' as determined pursuant to section 5(d) of this Act prior to any deductions pursuant to section 5(e) of this Act.".

(b) The amendment made by subsection (a) shall apply for the purpose of determining the eligibility of households to receive food stamp benefits in any period beginning after the date of the enactment of this Act for which such household applies to be certified to receive such benefits.

Mr. RUDD (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Arizona?

There was no objection.

Mr. RUDD. Mr. Chairman, one of the most obvious abuses of the current food stamp program is that families with incomes substantially above the poverty line are often eligible for food stamps. My amendment will save one-half billion dollars, because eligibility is currently determined by net income at the poverty level after subtracting a number of possible deductions, a four-person household, for example, with a gross income well over the food stamp poverty line of $8,222 can receive food stamps under the current law.

For instance, a family of four could conceivably be earning as much as $12,000 to $13,000 yearly—$4,000 above the poverty line—and still be eligible for food stamps.

Allowable deductions, under current law, include 20 percent of all earned income, $75 per one household per month. Standard deduction, up to $90 per month for payments made for dependent care or excess shelter/cost, and payments above $35 per month for medical expenses. For aged, blind, disabled.

The following chart outlines the net income cutoffs, which will apply for July to December 1980, together with the maximum gross income which could be earned using all of the deductions.

	Net income cutoff [1]	Maximum gross income
Family size:		
1	$4,172	$8,065
2	5,522	9,753
3	6,872	11,440
4	8,222	13,128
5	9,572	14,815
6	10,922	16,502
7	13,622	19,877
8 plus	+1,350	+4,538

[1] OMB poverty level with special food stamp escalator.

To make matters worse, S. 1309—as reported from the House Committee on Agriculture—increases these gross income limits even further.

The following are figures indicating the amounts that families will be able to earn on a yearly basis under the provisions of S. 1309:

	Net income cutoff [1]	Maximum gross income
Family size:		
1	$4,172	$8,063
2	5,522	12,153
3	6,872	13,840
4	8,222	15,528
5	9,572	17,215
6	10,922	18,902
7	13,622	22,277
8 plus	+1,350	+6,938

[1] OMB poverty level with special food stamp escalator.

The Department of Agriculture's latest published figures indicate that 13 percent of all food stamp households had gross incomes above the poverty line.

With such liberal eligibility guidelines it is no wonder that 21.7 million people are on the rolls, with another 10 million eligible.

It should be noted that the House considered a similar proposal in 1975. The House defeated this proposal 159 to 230.

At this time Members expressed the hope that the administration would work to tighten the eligibility requirements. There was also concern that such a limitation should not be placed on an appropriations measure.

The 5 intervening years have demonstrated the wisdom of the proposal. The Department of Agriculture has not made any attemtps to tighten or more closely supervise gross income eligibility. The Department continues to report households with gross incomes above the poverty line. The cost of the food stamp program continues to escalate emphasizing the need for this reasonable reform.

The truly poor will not be affected by this amendment. Obviously they will have both net and gross incomes below the poverty lines. This amendment is designed to screen from the program those households with gross incomes above poverty.

In my view, the House needs to restrict food stamp participation to those below the poverty line. A higher ceiling of 15 percent above poverty would be allowed under my amendment for earned income.

A gross income limitation plus 15 percent will serve to target food assistance to the truly needy, reduce higher income families from eligibility, and save the American taxpayer's money.

I urge adoption of this amendment.

Mr. FOLEY. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I think that of all the amendments that have been offered by people on the House floor who urge a conservative approach, this is the most surprising, because this amendment, although it is superficially attractive, creates the worst of all possible welfare programs. It produces a work disincentive.

The effect of this amendment is to punish people who work and to target the benefits to those who do not.

The effect of the Rudd amendment would be to place a large, what we call technical notch, at the point of poverty-plus 15 percent. It would do more than anything that we could do in this bill to tell the working poor who receive benefits of this program, "Don't work. It does not pay. Be a welfare, total dependency food stamp case. Keep your incomes under poverty-plus 15 prcent and you will get the benefits. Go over that and we are going to tax you 100 percent of your benefits—100 percent of your benefits."

I think conservatives understand it. I certainly believe we all understand that you cannot expect anybody in this society to go out and work and have their hard-earned work taxed away.

I personally think we ought to reduce the maximum tax level from 70 to 50 percent. I am going to introduce legislation to that effect just because I think very high tax rates tend to discourage incentive to work.

It works the same way when we are talking about benefits. If you tax 50 or 60 to 70 or 80 or 100 percent of the benefits that a person receives when they earn income, you do as much as you can to discourage that person from working. You reward not working and you discourage working.

If there is anything in the welfare reform program we have talked about for years that we should be able to agree on, it is to get people to work. Get people to work. Reward them when they work. Give them incentive to work. Give them some incentive to get out there and earn a dollar and say, "We want you to do this."

□ 1400

But this type of fixed ceiling has the opposite effect. It says cross this line, cross this poverty plus 15 percent line and we are going to tax your benefits heavily.

Second, I think both sides of the aisle reflect a continued concern for the welfare of the elderly in particular. We have adopted resolutions offered from the minority side to increase the benefits of families who have medical and dental and shelter problems, particularly the elderly. We have given them an additional benefit over and above the standard deduction.

The amendment offered by the gentleman from Arizona (Mr. Rudd) would have the effect of making ineligible 22 percent of all elderly people who are on this program precisely because they claim exactly those benefits: shelter, medical, and dental deductions. This would put a fixed ceiling on their eligibility, regardless of the significance of the medical problems they might have and regardless of their age, regardless of their disability. I think that is an unfortunate consequence of this amendment.

Now, they talk about going up to $15,000 or $16,000 eligibility. The amendment I just offered that was agreed to has stopped that. The amendment I offered limited eligibility to the poverty guidelines and did not allow them to go up in July. So that is not true. It is suggested that they are going to go up to $15,000 and somebody said they are technically already at $11,000 for a family of four. Do my colleagues know how much a family of four gets at that level? They receive $1 per day for 12 meals. At $15,000, a fictional level of eligibility they would receive $4 a month or 1 cent per person per meal. That is hardly something that is going to drive a lot of people into the food stamp program.

I think there have been exaggerations. Worse than that, the proposed solution would have the effect of discouraging what all of the work incentive and all of the welfare programs focus on, getting people out to earn money so that they reduce dependency.

Second, the food stamp program, if it has done anything in an unusual way, has provided child nutrition first and, second, has provided assistance to the working poor. Hardly any other programs do that.

The CHAIRMAN. The time of the gentleman from Washington has expired.

(By unanimous consent, Mr. Foley was allowed to proceed for 3 additional minutes.)

Mr. FOLEY. Most of our programs in the past have erred, have erred on the side of discouraging work. I have committed myself in these programs to two things above everything else. I want to eliminate fraud and abuse to the maximum ability that it can be done. I am not ashamed to say that I am a hawk on fraud and abuse, because I want to see this program targeted to the people who need it. But this is not eliminating fraud and abuse in this program by the amendment of the gentleman which provides benefits, strictly speaking, to those below the poverty line. When we do that without a graduated benefit, we eliminate the work incentive and put social security people, elderly people, into a situation where the special medical, dental, and shelter provisions we have incorporated for them are lost.

For that reason I hope the majority will reject this amendment.

Mr. RUDD. Mr. Chairman, will the gentleman yield?

Mr. FOLEY. I am pleased to yield to the gentleman.

Mr. RUDD. Mr. Chairman, I thank the gentleman for yielding and respect the views of the distinguished gentleman from Washington (Mr. Foley), chairman of the Committee on Agriculture, for his sincere dedication to the job that he has and the work that he puts into it. There is no intent, let me assure the gentleman, that this is a partisan amendment in any way.

Mr. FOLEY. No, I know that. I agree.

Mr. RUDD. This is for America. If we look at the pronouncements that go back and forth across this chamber and every committee saying we have to stop spending, we have to cut spending, we have to reduce taxes, it goes on all the time, it goes on at press conferences, we see it in the paper, it is everywhere. Yet this amendment that I have offered produces just that incentive. It really is an incentive because America has grown in greatness for the simple reason that people had some control over what they can do in their lives and what they can do with their lives.

This amendment establishes a poverty level but it adds 15 percent more which would bring it up to something like $9,300 a year. But what it does is this graduated scale goes up and it also tells people involved that if they want to go to work, they can. It encourages and provides incentive. If they are not able to go to work, they will be recipients. There is no way that this is going to hurt the elderly, the lame, the blind, the infirm. But it will be an incentive for people who really want to live a life for themselves, to achieve self respect, to respect the individuals as an individual.

I thank the gentleman for yielding.

Mr. FOLEY. I certainly agree that there is no partisanship in this. The gentleman's motives and intentions are not only honorable, but I share them. I agree with him. We disagree as to whether this is a good method to accomplish our joint purpose.

Again, I would just like to say that last year we had enormous concern on the part of Members on both sides of the aisle about elderly people who had heavy shelter costs, and medical and dental bills being cut off from the food stamp program as a result of the standard deduction.

The CHAIRMAN. The time of the gentleman from Washington has again expired.

(By unanimous consent Mr. Foley was allowed to proceed for 2 additional minutes.)

Mr. FOLEY. Gentlemen from both sides of the aisle came forward and offered amendments and they were adopted to set up a special deduction in addition to the standard deduction for shelter and for medical and dental expenses of the elderly.

Now the gentleman puts a fixed cap on the program for a family regardless of whether that income is expended for shelter or for medical expenses. I want to advise the Members that the people who will be affected are the elderly with heavy medical expenses. They will be affected by this amendment. If their gross income exceeds the poverty line and their circumstances, plus 15 percent, they will not be eligible. That is just a reality. I do not think the gentleman particularly intends that. But that is what will happen under the gentleman's amendment.

Second, I feel it would be too restrictive in terms of a work incentive and will discourage people from exercising the kind of effort to find self-employment that we hope for.

It is a respectful difference in the means, not certainly a difference over the intention.

Mr. RUDD. If the gentleman will yield further, with regard to medical expenses, this amendment does not apply to the aged, the blind, or disabled, and would not be restricted, that part of it would not be restricted.

Mr. FOLEY. Can the gentleman point out to me where it says that? The gentleman says "(j) No household shall be eligible."

Mr. RUDD. We are talking about the $35 per month for medical expenses, which applies only to the aged, the blind, and the disabled.

Mr. FOLEY. The gentleman's amendment limits eligibility for every household in the program as far as I can tell.

Mr. RUDD. I do not see in any way that the amendment would hurt the aged, the blind, or disabled. I hope my colleagues will support the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Arizona (Mr. Rudd).

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. RUDD. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device and there were—ayes 106, noes 297, not voting 29, as follows:

[Roll No. 224]

AYES—106

Archer
Ashbrook
Badham
Bauman
Beard, Tenn.
Bennett
Bereuter
Broomfield
Brown, Ohio
Broyhill
Burgener
Butler
Byron
Campbell
Carney
Cheney
Collins, Tex.
Corcoran
Coughlin
Crane, Daniel
Crane, Philip
Daniel, Dan
Daniel, R. W.
Dannemeyer
Devine
Dickinson
Dornan
Edwards, Okla.
English
Erdahl
Erlenborn
Evans, Del.
Evans, Ind.
Frost
Gibbons
Gingrich
Goldwater
Gramm
Grisham
Guyer
Hagedorn
Hall, Tex.
Hansen
Harsha
Holt
Hopkins
Ichord
Jacobs
Jeffries
Johnson, Colo.
Kindness
Kramer
Lagomarsino
Latta
Leach, Iowa
Leath, Tex.
Lee
Lewis
Livingston
Loeffler
Lott
Lujan
Lungren
McClory
McDonald
Madigan
Mattox
Miller, Ohio
Mitchell, N.Y.
Montgomery
Moorhead, Calif.
Mottl
Myers, Ind.
Patten
Paul
Pickle
Rhodes
Ritter
Roberts
Robinson
Roth
Rudd
Sawyer
Schulze
Sebelius
Sensenbrenner
Shuster
Smith, Nebr.
Snyder
Solomon
Spence
Stangeland
Stenholm
Stockman
Stratton
Stump
Symms
Taylor
Thomas
Trible
Whitehurst
Whittaker
Wilson, Tex.
Winn
Wydler
Yatron

NOES—297

Abdnor
Addabbo
Akaka
Albosta
Alexander
Ambro
Anderson, Calif.
Andrews, N. Dak.
Annunzio
Anthony
Applegate
Ashley
Atkinson
Bafalis
Bailey
Baldus
Barnard
Barnes
Beard, R.I.
Bedell
Beilenson
Benjamin
Bethune
Bevill
Biaggi
Bingham
Blanchard
Boggs
Boland
Bolling
Boner
Bonker
Bouquard
Bowen
Brademas
Breaux
Brinkley
Brodhead
Brooks
Buchanan
Burlison
Burton, John
Burton, Phillip
Carr
Carter
Cavanaugh
Chappell
Chisholm
Clausen
Clay
Cleveland
Clinger
Coelho
Coleman
Collins, Ill.
Conable
Conte
Conyers
Corman
Cotter
Courter
D'Amours
Daschle
Davis, Mich.
Davis, S.C.
de la Garza
Deckard
Dellums
Derrick
Derwinski
Dicks
Diggs
Dingell
Dixon
Dodd
Donnelly
Dougherty
Downey
Drinan
Duncan, Oreg.
Duncan, Tenn.
Early
Eckhardt
Edgar
Edwards, Calif.
Emery
Ertel
Evans, Ga.
Fary
Fascell
Fazio
Fenwick
Ferraro
Findley
Fish
Fisher
Fithian
Flippo
Florio
Foley
Ford, Mich.
Ford, Tenn.
Forsythe
Fountain
Fowler
Frenzel
Fuqua
Garcia
Gephardt
Giaimo
Gilman
Ginn
Glickman
Gonzalez
Goodling
Gore
Gradison
Grassley
Gray
Green
Guarini
Gudger
Hall, Ohio
Hamilton
Hammerschmidt
Hance
Hanley
Harkin
Harris
Hawkins
Heckler
Heftel
Hillis
Hinson
Hollenbeck
Holtzman
Horton
Howard
Hubbard
Huckaby
Hughes
Hutto
Hyde
Ireland
Jeffords
Jenkins
Jenrette
Johnson, Calif.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kazen
Kelly
Kemp
Kildee
LaFalce
Leach, La.
Lederer
Lehman
Leland
Levitas
Lloyd
Long, La.
Long, Md.
Lowry
Luken
Lundine
McCormack
McHugh
McKay
Maguire
Markey
Marks
Marlenee
Martin
Mathis
Matsui
Mavroules
Mazzoli
Mica
Mikulski
Miller, Calif.
Mineta
Minish
Mitchell, Md.
Moakley
Moffett
Mollohan
Moore
Moorhead, Pa.
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Murtha
Musto
Myers, Pa.
Natcher
Neal
Nedzi
Nelson
Nichols
Nolan
Nowak
O'Brien
Oakar
Oberstar
Obey
Ottinger
Panetta
Pashayan
Patterson
Pease
Pepper
Perkins
Petri
Peyser
Porter
Preyer
Price
Pritchard
Pursell
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Railsback
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Ratchford
Regula
Reuss
Richmond
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Rodino
Roe
Rose
Rosenthal
Rostenkowski
Rousselot
Roybal
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Santini
Scheuer
Schroeder
Seiberling
Shannon
Sharp
Shelby
Shumway
Simon
Skelton
Smith, Iowa
Snowe
Solarz
Spellman
St Germain
Stack
Staggers
Stanton
Stark
Steed
Stewart
Stokes
Studds
Swift
Synar
Tauke
Traxler
Udall
Ullman
Van Deerlin
Vander Jagt
Vanik
Vento
Volkmer
Walgren
Walker
Wampler
Watkins
Waxman
Weaver
Weiss
White
Whitley
Whitten
Williams, Mont.
Williams, Ohio
Wirth
Wolff
Wolpe
Wright
Wyatt
Wylie
Yates
Young, Fla.
Young, Mo.
Zablocki
Zeferetti

NOT VOTING—29

Anderson, Ill.
Andrews, N.C.
Aspin
AuCoin
Bonior
Brown, Calif.
Danielson
Edwards, Ala.
Gaydos
Hefner
Hightower
Holland
Kogovsek
Kostmayer
Lent
McCloskey
McDade
McEwen
McKinney
Marriott
Michel
Quayle
Quillen
Runnels
Satterfield
Thompson
Wilson, Bob
Wilson, C. H.
Young, Alaska

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Messrs. GIAIMO, CONABLE, MARTIN, ROUSSELOT, SHUMWAY, and COURTER changed their vote from "aye" to "no."

Mr. BENNETT changed his vote from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MRS. FENWICK

Mrs. FENWICK. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mrs. FENWICK: Page 24, after line 2, insert the following new section (and redesignate succeeding sections accordingly):

REINSTATEMENT OF PURCHASE REQUIREMENT; ADMINISTRATION

SEC. 116. (a) Section 3(b) of the Food Stamp Act of 1977, as amended, is amended by inserting "and any amount to be paid by such household for such allotment" before the period.

(b) Section 7(d) of the Food Stamp Act of 1977, as amended, is amended by striking out the third and fourth sentences.

(c) Section 8(a) of the Food Stamp Act of 1977, as amended, is amended by striking out "reduced by" and all that follows through "this elimination".

(d) Section 8(b) of the Food Stamp Act of 1977, as amended, by inserting "which is in excess of the amount charged such household for such allotment" after "eligible household".

(e) Section 8 of the Food Stamp Act of 1977, as amended, is amended by adding at the end thereof the following new subsections:

"(c) Notwithstanding any other provision of law, households, except those households which contain a member who is over 60 years of age or is blind or disabled, shall be charged for the allotments issued to them, and the amount of such charge shall represent a reasonable investment on the part of the household, but in no event more than 30 per centum of the household's income, except that—

"(1) allotments may be issued without charge to households with an income of less than $30 per month for a family of four under standards of eligibility prescribed by the Secretary; and

"(2) the Secretary shall provide a reasonable opportunity for any eligible household to elect to be issued an allotment less than the allotment authorized to be issued to such household under subsection (a) of this section. The charge to be paid by any eligible household electing to exercise the option described in the preceding sentence shall be an amount which bears the same ratio to the amount which would have been payable under this subsection for an allotment issued to such household under subsection (a) as the allotment actually issued to such household bears to the allotment that would have been issued to such household under subsection (a).

"(d)(1) Funds derived from the charges made for allotments shall be promptly deposited, in a manner prescribed in the regulations issued pursuant to this Act, in a separate account maintained in the Treasury of the United States for such purpose. Such deposits shall be available, without limitation to fiscal years, for the redemption of coupons.

"(2)(A) The Secretary shall by regulation prescribe the manner in which funds derived from the distribution of coupons (charges made for allotments) shall be deposited by coupon issuers. Such regulations shall contain provisions requiring that coupon issuers promptly deposit such funds in the manner prescribed by the Secretary, except that such regulations shall, at a minimum, require that (i) such deposits be made at least weekly, and (ii) upon the accumulation of a balance on hand of $1,000 or more, such deposits be made within two banking days following the accumulation of such amount.

"(B) Any coupon issuer, or any officer, employee, or agent thereof, convicted of violating the regulations issued under subparagraph (A) of this paragraph shall be fined not more than $3,000, or imprisoned not more than one year, or both.

"(3)(A) Coupon issuers receiving funds derived from the distribution of coupons (charges made for allotments) shall be deemed to be receiving such funds as fiduciaries of the Federal Government, and such coupon issuers shall immediately set aside all such funds as funds of the Federal Government. Funds derived from the distribution of coupons (charges made for allotments) shall not be used, before the deposit of such funds in the manner prescribed by the Secretary, for the benefit of any person, partnership, corporation, association, organization, or entity other than the Federal Government.

"(B) Any coupon issuer, or any officer, employee, or agent thereof, convicted of violating subparagraph (A) of this paragraph shall be fined not more than $10,000 or a sum equal to the amount of funds involved in the violation, whichever is the greater, or imprisoned not more than ten years, or both, except if the amount of such funds is less than $1,000, then such issuer shall be fined not more than $3,000, or imprisoned not more than one year, or both.

"(4)(A) The Secretary shall by regulation require that upon the deposit, in the manner prescribed by the Secretary, of funds derived from the distribution of coupons (charges made for allotments), coupon issuers shall immediately send a written notice to the State agency, accompanied by an appropriate voucher, confirming such deposit. In addition to such other information deemed by the Secretary to be appropriate, such regulations shall require that such notice contain—

"(i) the name and address of the coupon issuer;

"(ii) the total receipts of such coupon issuer derived from the distribution of coupons (charges made for allotments) during the deposit period;

"(iii) the amount of the deposit;

"(iv) the name and address of the depository; and

"(v) an oath or affirmation signed by the coupon issuer or, in the case of a corporation or other entity not a natural person, by an appropriate official of the coupon issuer, certifying that the information contained in such notice is true and correct to the best of such person's knowledge and belief.

"(B) Any coupon issuer, or any officer, employee, or agent thereof, convicted of failing to provide the notice required under subparagraph (A) of this paragraph shall be fined not more than $3,000, or imprisoned not more than one year, or both.

"(C) Any coupon issuer, or any officer, employee, or agent thereof, who knowingly provides false information in any notice required under subparagraph (A) of this paragraph shall be fined not more than $10,000, or imprisoned not more than ten years, or both.

"(5) (A) The Secretary shall by regulation require each coupon issuer at intervals prescribed by the Secretary, but not less often than monthly, to send to the Secretary, or his designee, a written report of the issuer's operations during such period under the food stamp program. In addition to such other information deemed by the Secretary to be appropriate, the regulations shall require that the report contain—

"(i) the name and address of the coupon issuer;

"(ii) the total receipts of the coupon issuer derived from the distribution of coupons (charges made for allotments) during the report period;

"(iii) the total amount of deposits made by the issuer of funds derived from the distribution of coupons (charges made for allotments) during such period;

"(iv) the name and address of each depository receiving such funds from such issuer; and

"(v) an oath or affirmation, signed by the coupon issuer, or in the case of a corporation or other entity not a natural person, by an appropriate official of the coupon issuer, certifying that the information contained in the report is true and correct to the best of such person's knowledge and belief.

"(B) Any coupon issuer, or any officer, employee, or agent thereof, convicted of failing to provide any notice required under subparagraph (A) of this paragraph shall be fined not more than $3,000, or imprisoned not more than one year, or both.

"(C) Any coupon issuer, or any officer, employee, or agent thereof, who knowingly provides false information in any notice required under subparagraph (A) of this paragraph shall be fined not more than $10,000, or imprisoned not more than ten years, or both.

"(6) The Secretary may by regulation require State agencies to provide periodic reports to the Secretary, or his designee, containing a consolidation of the respective coupon issuer's notices to such State agencies at such intervals as the Secretary in his discretion deems appropriate.

"(7) The Secretary and the United States Postal Service shall jointly arrange for the prompt deposit of funds collected by the United States Postal Service on behalf of a State from charges made for coupon allotments.".

(f) The heading for section 8 of the Food Stamp Act of 1977, as amended, is amended to read as follows:

"Value of Coupon Allotment and Charges to be Made".

(g) Section 11(e) of the Food Stamp Act of 1977, as amended, is amended—

(1) in paragraph (18) by striking out "and";

(2) in paragraph (19) by striking out the period and inserting in lieu thereof "; and"; and

(3) by adding at the end thereof the following new paragraph;

"(20) notwithstanding any other provision of law, for the institution of procedures under which any household participating in the program shall be entitled, if it so elects, to have the charges, if any, for its allotment deducted from any grant or payment such household may be entitled to received under title IV of the Social Security Act and have its allotment distributed to it with such grant or payment.".

(h) Section 15(a) of the Food Stamp Act of 1977, as amended, is amended by inserting "purchase by and" before "issuance".

(i) Section 18(a) of the Food Stamp Act of 1977, as amended, is amended by inserting after the second sentence the following: "Such portion of any such appropriation as may be required to pay for the value of the coupon allotments issued to eligible households which is in excess of the charges paid by such households for such allotments shall be transferred to and made a part of the separate account created under section 8(d) (1) of this Act.".

(j) Section 18(b) of the Food Stamp Act of 1977, as amended, is amended—

(1) by inserting "(1)" after "(b)",

(2) by striking out the first sentence and inserting in lieu thereof the following: "In any fiscal year, the Secretary shall limit the value of coupons issued which is in excess of the value of coupons for which households are charged, to an amount which is not in excess of the portion of the appropriation for such fiscal year which is transferred in accordance with subsection (a) of this section to the separate account referred to in such subsection."; and

(3) by adding at the end thereof the following: "If the Secretary determines that any of the funds in such separate account are no longer required to carry out the provisions of this Act, such portion of such funds shall be paid into the miscellaneous receipts of the Treasury.".

(k) The amendments made by this section shall take effect on January 1, 1981.

Mrs. FENWICK. Mr. Chairman, I have an amendment which is familiar to all. When I first came to this House in January of 1975, I was distressed to see that the elderly, the blind and the disabled were required to bring cash to buy their food stamps. With another member of the committee, I tried very hard to have an exemption for those people, the elderly, the blind and the disabled, for whom transportation is a great problem and for whom the transportation of cash is a burden and very dangerous.

Mr. Chairman, this morning I voted against the Symms amendment which would have restored the cash requirements for everyone, but I do hope that this amendment can be adopted. We all know what happened when we lifted the cash requirement, the purchase requirement on food stamps. The committee opposed it when I proposed it. The committee opposed it even for the elderly, the blind and the disabled. We struggled with the committee to try to get this exemption for these three groups and the committee resisted, telling us that it would inflate the program and attract a number of people. This was a surprise, but because it included only those elderly, blind and disabled people.

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We have seen what has happened. The number has gone up from 15 million to over 21 million clients. The number may go much further. I believe that we must reinstitute the purchase requirement for those who can afford that and are able-bodied. The very poor would remain exempt as they are now. I present this amendment with the exception for the elderly, blind, and disabled, for whom transportation and the carrying of cash is a very, very grave danger .

Mr. PANETTA. Mr. Chairman, will the gentlewoman yield?

Mrs. FENWICK. I yield to the gentleman from California.

Mr. PANETTA. Mr. Chairman, as I understand the gentlewoman's amendment, she would essentially restore the purchase requirement for all recipients except the elderly, blind, and disabled.

Mrs. FENWICK. It would exempt those groups and also any household which contains someone who is elderly, blind, or disabled.

Mr. PANETTA. Well, there are two basic concerns I have with that. One is that the main thrust of eliminating the purchase requirement in the first place was to target it at the truly poor in the country. As a result of eliminating the purchase requirement, it has, in fact, targeted at the truly poor witness the fact that the number of rural poor has increased substantially in the program. I am concerned about what would be the discrimination of deciding that perhaps the elderly poor do not have to meet the purchase requirements, but the other poor do.

Second, the problem of additional administration of that program. The division of families among the elderly, the handicapped, and the blind and all others brings an incredible administrative burden to the program itself.

Mrs. FENWICK. At the time of applying for food stamps, all they have to do is say that they have a member of the family who is elderly, blind, or disabled. The point is, the requirement that there should be cash is not damaging. The point is that carrying cash around is dangerous for elderly, blind, and disabled people. In other words, what we are trying to do is to exempt the elderly, the blind, the disabled from something which is a practical requirement.

Mr. GLICKMAN. Mr. Chairman, will the gentlewoman yield?

Mrs. FENWICK. I yield to the gentleman from Kansas.

Mr. GLICKMAN. Mr. Chairman, does the gentlewoman know how many households would be involved?

Mrs. FENWICK. I believe about 13 percent probably would be involved; would be exempted, in other words.

Mr. GLICKMAN. Does the gentlewoman have specifics on what the dollar savings would be, or what the additional expenditures would be in terms of administrative costs?

Mrs. FENWICK. No, there are no additional administrative costs.

Mr. GLICKMAN. I disagree with the gentlewoman here. I know that the gentlewoman is one of the most compassionate Members of this House. I believe, however, that she is being very discompassionate against those who do not fall into that "category," who are poor in our society and who deserve food stamps, and who happen not to be blind, elderly, or disabled.

Mrs. FENWICK. I would like to reclaim my time. You know, for many, many years we operated this compassionate program with the requirement that everybody carry cash. When I came here, knowing what I knew about the blind, particularly, that it is impossible for them with regard to transportation, that it is impossible for them to carry cash, and dangerous, I felt that they ought to be exempted from the requirement that they should carry cash. The committee resisted, in its wisdom, and the decision was right as applied to all recipients—the committee was right. They said, if you eliminate this cash requirement, you are going to see what happens to the program.

The CHAIRMAN. The time of the gentlewoman from New Jersey has expired.

Mr. MILLER of California. Mr. Chairman, I ask unanimous consent that the gentlewoman be allowed to proceed for 3 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

Mrs. FENWICK. Mr. Chairman, I have never yet asked for additional time in this House, and I do not really approve of my standing here taking the time of the House.

Mr. MILLER of California. Mr. Chairman, I hope the gentlewoman would accept the additional time so that she could explain this rather complicated amendment.

Mrs. FENWICK. Since the gentleman from California requested it, and if he would accept my apology to objecting to his request for additional time earlier, I will give him the time, the first time I have ever requested it.

Mr. MILLER of California. I thank the gentlewoman for this historic moment, and I accept her apology.

The CHAIRMAN. The gentlewoman from New Jersey is recognized for 3 additional minutes.

Mrs. FENWICK. Two will do.

The CHAIRMAN. The gentlewoman has requested 2 minutes.

The gentlewoman from New Jersey is recognized for 2 additional minutes.

Mr. MILLER of California. Mr. Chairman, we previously had an amendment, if I am correct, that would have reimposed the purchase requirement. That was turned down. Now, the gentlewoman is seeking to reimpose it with the exception of the elderly, the blind, and the disabled.

Mrs. FENWICK. Yes. I voted against it because it did not include that exemption.

Mr. MILLER of California. On the theory that it is somehow dangerous for them to carry cash.

Mrs. FENWICK. It is.

Mr. MILLER of California. I wonder if the gentlewoman would consider an amendment that maybe those people who live in high-crime areas would be exempted also, because some people who do not fall within the gentlewoman's classifications such as single parents, single heads of households, must walk through very high-crime areas. I have some in my district who are constantly mugged and constantly held up.

Mrs. FENWICK. I was a single woman, head of household.

Mr. MILLER of California. Did the gentlewoman live in a terrible neighborhood?

Mrs. FENWICK. I worked in New York, in dangerous places. I was working in an office in New York for many, many years; for 14 years. I know what it is.

Mr. MILLER of California. When we have to start worrying about muggers in the gentlewoman's neighborhood, then we have something to worry about.

Mr. MARLENEE. Mr. Chairman, will the gentlewoman yield?

Mrs. FENWICK. I yield to the gentleman from Montana.

Mr. MARLENEE. Mr. Chairman, I would like to associate myself with the gentlewoman's remarks and reinforce the fact that these people who are blind and who are disabled are subject to the predators of our society; people such as quadraplegics, who cannot defend themselves, should not be made more vulnerable.

Mrs. FENWICK. They are disabled.

Mr. MARLENEE. They have to go down the street in wheelchairs. There are the blind, one of whom was robbed in the highway outside of a Montana town the other day. These are the people we should be helping and the people to whom our compassion goes out.

Mr. FOLEY. Mr. Chairman, I rise, regretfully, to speak against the amendment.

Mr. Chairman, no person in this House commands the respect of Members of both sides of the aisle more legitimately than does the distinguished gentlewoman from New Jersey, and her concern about the poor and disabled in our society has been proven time and time again. So, it is with great reluctance that I find myself in the unusual position of most respectfully disagreeing with her amendment. I must say that in doing so she raises an issue and a problem which we should address, and perhaps we should do so when we reconsider the food stamp legislation next year.

Certainly, I was myself of somewhat of a divided opinion about whether we should eliminate the purchase requirement in 1977. My original view was that we should not do so because the purchase requirement had some effect in encouraging people to put more of their resources into nutrition by requiring partial purchase of food stamps. The present system does not, of course, give families more than they would have received under the old arrangement. A family under the previous program might have to put up $75 to obtain $150 of food stamps. Now the family does not receive the $150; it only receives the $75 bonus.

But, in some cases, the $75 that was formerly assigned to purchase of food stamps could now be used for purchasing other kinds of goods. There is some legitimate reason to worry about whether somewhat less than total resources are being applied.

In that situation, there is a very good question about whether the purchase requirement should be eliminated.

But, there were disadvantages to the purchase requirement that I think we ought to recognize. The most important disadvantage is that, for many of the poorest families, obtaining the resources to buy into the food stamp program at the right times was difficult. We substantially lowered the amount of the purchase that had to be made that one time in order to encourage the possibility of families buying the food stamps allotted to them to get the benefit of the bonus.

But secondly, it involved enormous complex and costly transactions throughout the country; involving purchase facilities where vendors, such as banks and savings and loan institutions, were asked to sell these food stamps and the Federal Government paid what the bank or savings and loan institution often considered to be a very inadequate kind of transaction fee for the transaction.

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In some cases, not with banks and savings and loan institutions, but, in some instances, with other vendors, fraud was committed either in withholding payments from the Federal Government or in delaying the payments so that the vendors used the Federal money. We brought in amendments to the law to make it a criminal offense to withhold money from the vendors if there was a sufficient problem to justify this.

If we were to change the law now as the gentlewoman from New Jersey (Mrs. FENWICK) suggests, it would not affect households with elderly, blind, and disabled, but it would affect the majority of all households including almost all of those with children. It would involve us in going into contracts again with all these banks and vendors to sell the food stamps. It would probably cost a couple of hundred million dollars in transaction allowances to handle the sale of those food stamps. It would involve inaugurating an enormously complicated new program, reversing back to the old system.

We have not held hearings on this amendment, the committee did not consider it, and I think, with all due respect, that, while serious attention might well be given to this concept of restoring the purchase requirement, we should not do it on the floor in a floor amendment, but we should take this into consideration as a result of hearings for that purpose.

I would be perfectly willing to agree to hold hearings for that purpose if any members of our committee or any Members of the House would like to introduce legislation for that purpose.

Mr. Chairman, I really think this is something that ought to be carefully considered, rather than adopt it quickly on the spur of the moment, even though it is sponsored, in my judgment, by such a distinguished Member.

Mr. GLICKMAN. Mr. Chairman, will the gentleman yield?

Mr. FOLEY. I yield to the gentleman from Kansas.

Mr. GLICKMAN. Mr. Chairman, I would also just like to make the point that this bill is only an authorization through fiscal year 1981. It actually is only going to last for another year and 3 months, so actually we will have to reauthorize the bill very soon.

I would suggest that any structural change of the type that the gentlewoman proposes be held off until we reauthorize the food stamp program for fiscal years 1982 and beyond.

The CHAIRMAN. The time of the gentleman from Washington (Mr. FOLEY) has expired.

(By unanimous consent, Mr. FOLEY was allowed to proceed for 4 additional minutes.)

Mr. STOCKMAN. Mr. Chairman, will the gentleman yield?

Mr. FOLEY. I yield to the gentleman from Michigan.

Mr. STOCKMAN. Mr. Chairman, I have been as concerned as anybody about the explosive growth of this program, but I have consistently voted against the purchase requirement because I do not think it has anything to do with the fundamental problems in terms of cost, enrollment, and so forth.

What we seem to have here is largely a coincidence between a large increase in enrollment, from 15 to 21 million and going up, and the fact that the purchase requirement was lifted a couple of years ago.

But is there any study done or is there any hard evidence that there is a cause-and-effect relationship? I do not see how the purchase requirement itself or having it lifted could be responsible for what might be attributable to other changes that have been made in past years.

Mr. FOLEY. Mr. Chairman, I know that the gentleman will understand that estimates of how people behave and why they act as they do are always somewhat problematical.

When the purchase requirement was dropped, we insisted that it not be eliminated before other changes, including deduction changes, in the program had been effectuated by regulation. So the 1977 amendments did not take effect until 1979.

Now, in 1979, coincident with these new regulations dropping the purchase requirement, something like close to 3 million people were added or almost 4 million people were added to the program. Many of those additions, we believe, came not from changes in economic conditions but from the encouragement, or whatever one might want to term it, resulting from the fact that the purchase requirement was no longer in effect. The studies that have been done indicated that most of those people were among the poorest recipients of the program, and that they were more rural than urban. That was something that had not been anticipated.

Given those changes, they were justified in receiving the higher bonus, but they put additional burdens economically on the program. We do feel a rather substantial group came into the program after the purchase requirement was dropped.

Mr. Chairman, the other side of that is that they were poor people. They were not marginal people at the top of the program, but very poor people at the bottom.

Mr. STOCKMAN. Mr. Chairman, will the gentleman yield further?

Mr. FOLEY. I yield to the gentleman from Michigan.

Mr. STOCKMAN. Mr. Chairman, that is exactly the point I was trying to raise.

If we are concerned with the looseness in this program in terms of higher income families getting benefits that they perhaps should not be getting; or if we are concerned about those with only temporarily low incomes but substantial incomes over the course of an entire year, we are not really addressing these kinds of problems with the purchase requirement issue, is that correct?

Mr. FOLEY. Mr. Chairman, I think that is very true. The purchase requirement does not in and of itself reach that particular category of concern that the gentleman just mentioned.

There are, for example, people who have periodically during the year a rather high income and who then would not be justified to receive benefits under the food stamp program, but because they have spotty or seasonal employment, they sometimes are in and out of the program. That has been one of the concerns of the so-called recoupment amendment.

The purchase requirement does not touch that. The people at the high rate of eligibility usually do not participate, even without a purchase requirement, because at the very marginal end of the program, as I said, a family of four would be eligible for $1 of stamps a day. It just simply is not worth it to go down and apply for that. So that is a theoretical benefit, not an actual one.

The concerns that I have about switching now without hearings are that it would take several months, if not a year, to go through the process of writing the regulations and changing all the manuals in the States and setting up all the vendor accounts, as well as providing for vendor authority.

The CHAIRMAN. The time of the gentleman from Washington (Mr. FOLEY) has again expired.

(By unanimous consent, Mr. FOLEY was allowed to proceed for 1 additional minute.)

Mr. FOLEY. Mr. Chairman, many of the public facilities and private businesses did not really relish continuing in this program, and, if we are going to consider going back to the purchase requirement, we really ought to hold hearings on the subject the gentlewoman has raised. What does it do, and what does it not do in relationship to the effectiveness of the program? How much additional cost is there? Is the business community ready to take it up, and what problems of fraud in the community do we have? What benefits are there with the purchase requirement?

Mr. Chairman, I hope that we do not take this action with an amendment from the floor since the committee has not had an opportunity for hearings. This is something I would be glad to consider in the further authorization of the bill next year. I think this is not a good step to take at this time on such short notice.

Mr. SEBELIUS. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, I want to commend the gentlewoman from New Jersey (Mrs. FENWICK) because I believe she is trying to get at the heart of things. The one problem we wanted to address to assist the elderly, blind, and disabled. When we took the purchase requirement off, it was "Katie bar the door."

I think the thing we should realize and think about whether we want a food stamp program or not. This thing has gotten so loose and we are escalating the cost so fast that this program is in trouble. We heard the figures given to us by the gentleman from Idaho, that tell us that in a little while we are not going to be able to provide the food stamps for those who need them and who want them. A special reason to return to the purchase requirement is the bonus arrangement.

The idea is that we are trying to attract people to receive more food for nourishment. Many people spend nothing for food except food stamps. That is all they were going to do with it, and they are not going to spend any money for food. The purpose of the program was to help people get more to eat. They have to spend some of their money out of their overall budget for food and with that in mind, and with the multiplier with the bonus, they are going to get more nutrition; we are going to help with the carrot rather than the stick.

Mr. Chairman, I think the gentlewoman from New Jersey has the right approach. Certainly that is the way to go if we want to save the food stamp program.

Mr. SYMMS. Mr. Chairman, will the gentleman yield?

Mr. SEBELIUS. I yield to the gentleman from Idaho.

Mr. SYMMS. Mr. Chairman, I thank the gentleman very much for yielding.

I heard the point the distinguished committee chairman made about the gentlewoman's amendment and about hearings. I think if there has ever been a matter that has had adequate hearings, it is this question. We have had hearings in the Congress for a long period of time, and the Congress made the decision.

Many Members who were in the minority made the argument that if the purchase requirement were removed, Mr. Chairman, then we would soon find the program has lost its discipline and would be weakened.

I think the gentlewoman from New Jersey is quite correct in her amendment and that it should be supported. We have the record in today's debate already made this afternoon.

What is happening in this Congress with this program is that the program has gone from 5½ to 11 million, and we do not know where it is going to go in the future. We can make a positive step toward restoring an adequate nutritional diet to those people who are participants in this program and also restore some discipline to the program.

Mr. Chairman, I hope the amendment is adopted.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. SEBELIUS. I yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Chairman, I appreciate the gentleman's yielding.

Mr. Chairman, the committee chairman raised the argument that there have been no current hearings, and I think my colleague, the gentleman from Idaho, pointed out that there has been adequate testimony in hearings previous to this year when the Congress put this program together.

☐ 1450

But previously, there was a purchase requirement. The Department knew how to implement such purchase requirements. So it is not starting a new concept; is that correct?

Mr. SEBELIUS. That is correct.

Mr. ROUSSELOT. I assume that the bill still has to go to conference, there still would be additional time for the Department to catch up, to be able to be prepared for reintroduction of the purchase requirement, if both Houses sustained that point of view. So the fear that somehow the Department would not be able to implement it just is not true.

Mr. SEBELIUS. That is correct.

Mr. McCLORY. Mr. Chairman, will the gentleman yield?

Mr. SEBELIUS. I yield to the gentleman from Illinois.

Mr. McCLORY. I thank the gentleman for yielding.

Mr. Chairman, I agree with the argument presented and the amendment offered by the gentlewoman from New Jersey. It seems to me that what we are doing in this amendment is to restore a program which was good and proven good. Since we abandoned that program of purchasing food stamps the cost of the food stamp program has skyrocketed.

I recall the debates which took place when we installed this program originally in 1967, at a cost of $34 million, in order to help out farmers who were experiencing agricultural surpluses. We also sought to add nutrition to the diets of those in need. But what we have done is to expand a well-intentioned program into a $10 billion annual appropriation which must be paid for by the American taxpayers.

Mr. SEBELIUS. That is correct.

Mr. McCLORY. And, as I understand it, the Congressional Budget Office has estimated that by restoring the purchase requirement we can save hundreds of millions of dollars. It would seem to me that if we are going to justify this program at all, we should try to make those savings as we continue the program.

Mr. SEBELIUS. I thank the gentleman for his contribution.

Mr. MATHIS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, it is difficult to oppose under any circumstances an amendment that is advertised as one that is going to reduce the cost of the food stamp program. This one will. But I think it aims at the wrong group of people. You are not talking about, by voting to reinstate that purchase requirement, getting after those people at the top end of the food stamp program; you are talking about going after the poorest of the poor.

Now, if you want to do that, I think you probably could remove 2½ or 3 million people from participation in this program. Most of them are going to be rural. Studies prove that. And most of them, information in hand now proves where they are in income categories, and they are middle to low. Now, if you want to reduce 2½ million participants, you simply vote for the amendment offered by the gentlewoman from New Jersey and you can take them off. But I think you are going to be hurting the people that we ought to be trying to help most.

Let me also say that I would question, respectfully, the gentlewoman's suggestion that there would be no additional cost involved with the adoption of this amendment, because there very clearly will be. I think you probably are going to see something in the area of $100 million to $200 million in new administrative costs come about as a result of the additional paperwork and the additional funds that are going to have to be handled by employees, additional trips back and forth to financial institutions, as the chairman pointed out, that are not now required. Of course it is going to cost more money.

Mrs. FENWICK. Mr. Chairman, will the gentleman yield?

Mr. MATHIS. I would be delighted to yield to the gentlewoman from New Jersey.

Mrs. FENWICK. I thank my courteous colleague for yielding.

Mr. Chairman, when I tried to get this amendment in 1975, 1976, both of those years, I tried to use the argument of the administrative costs. So I found from the committee what they are. The committee derided the costs as minimal; they objected to my exempting the elderly, the blind, and the disabled, and they said that, at most, it would be 1 percent of savings for that group.

Mr. MATHIS. If I may reclaim my time. I did not tell the gentlewoman that at that time, and whomever did, obviously, was wrong. It is very simple. There are very high administrative costs that will be involved.

Mr. JONES of North Carolina. Mr. Chairman, will the gentleman yield?

Mr. MATHIS. I yield to the gentleman from North Carolina.

Mr. JONES of North Carolina. I thank the gentleman for yielding.

Mr. Chairman, I would like to call to the attention of the committee that one of the greatest criticisms of the food stamp program when we had the cash requirement was the fraud and the embezzlement that was practiced and unpunished by the vendors who were in charge of collecting this money. So when we removed the cash requirement, we certainly eliminated that part of the violation of our laws.

Mr. MATHIS. The gentleman from North Carolina is eminently correct.

Mr. STARK. Mr. Chairman, will the gentleman yield?

Mr. MATHIS. I yield to the gentleman from California.

Mr. STARK. I thank the gentleman for yielding.

Mr. Chairman, I think the gentleman would agree, and I know that in my district many of my poorest constituents get their pay daily, if not weekly; and when the requirement is $50 cash, these people, who live each day or from week to week on the small amounts of money that they take home, find it difficult to get $50 together at once to buy their monthly allotment of food stamps.

I would suspect that in some of the rural areas, where people do occasional work, and particularly the poor people who pick up part-time work where they cannot get paid daily or weekly, would have the same problem.

Does the gentleman find that condition exists?

Mr. MATHIS. The gentleman is absolutely correct. It is those people who are unable at any particular point during the month to put together that amount of cash money that we would be impacting most severely by the adoption of this amendment to reinstate that purchase requirement.

I suspect that we are going to be fighting on the floor of the House again this afternoon in an effort to take away the spending limitation, the cap, which the gentleman from New York knows I favor. We have to have discipline in this program, but this is not the way to do it, by going after the people who are at the bottom of the economic level. If you want to reduce the participation, take some off of the top.

Mr. SYMMS. Mr. Chairman, will the gentleman yield?

Mr. MATHIS. I yield to the gentleman from Idaho.

Mr. SYMMS. I thank the gentleman for yielding.

Mr. Chairman, there are two points that I think should be made here. One is that if the amendment of the gentlewoman from New Jersey is adopted, you are reinstating very strict penalties for those vendors that the gentleman from North Carolina talked about for violation of the program.

No. two, on the argument about going after the poorest of the poor, the massive numbers of people who are now participating in the program, in terms of total numbers of people, are not necessarily just the poorest of the poor. What you are getting in this whole argument is that this program is going out of sight, and the working, producing taxpayer who earns, say, from $10,000 to $14,000 a year is outraged at the lack of accountability that this program has.

The CHAIRMAN. The time of the gentleman from Georgia (Mr. MATHIS) has expired.

(By unanimous consent, Mr. MATHIS was allowed to proceed for 3 additional minutes.)

Mr. MATHIS. Mr. Chairman, I will say to the gentleman from Idaho that the gentleman knows full well that the gentleman from Georgia knows that this program is out of hand. I am going to join the gentleman this afternoon in attempting to keep a ceiling on this program, to absolutely insist that we have some kind of fiscal discipline. But the gentleman also knows that most of those who have come into the program as a result of the elimination of the purchase requirement are the poorest of the poor.

Mr. SYMMS. Not most of; not in terms of numbers.

Mr. MATHIS. A great majority of them.

Mr. SYMMS. Some of them have, in terms of percentages, yes; but not in terms of real numbers of people. In terms of total numbers, people are taking advantage of the program now because it is not an inconvenience for them anymore to bother. They just come in to get the stamps and they can have them within 2 days, and most importantly they do not have to pay money to get them. So there is no discipline left. In eliminating the purchase requirement, we had to take the words "adequate nutritious diet" out of the bill, and in so doing, defeated the very purpose of the food stamp program.

Mr. MATHIS. The gentleman knows that I did not agree with that. I did not agree with taking that wording out. I do not agree with the administration's program. I think it is one of the most horribly run programs in the country. But I am not willing to get the kind of reduction that the gentleman seeks by taking it away from the poorest people who are participating.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. MATHIS. I yield to the gentleman from California.

Mr. ROUSSELOT. I appreciate the gentleman's yielding.

Mr. Chairman, I think the statistics that I have just seen show that it is not all the poorest of the poor who are entering the program.

Mr. MATHIS. No, not all.

Mr. ROUSSELOT. Or even close to half.

Mr. MATHIS. More than half.

Mr. ROUSSELOT. Now, it is true that in the rural areas there has been a greater increase among the poorest of the poor But this is still basically an urban program, as the gentleman well knows.

Mr. MATHIS. I would not agree with that.

Mr. ROUSSELOT. Most of the food stamps go to the big urban areas, like New York City and all of the places that are close to your heart.

Now, I want to say to my colleague that the facts do not bear out that it is only or primarily the poorest of the poor who are going for this program, and the gentleman has got to know that. It has gone up to 22 million people using this program. The gentleman knows darn well that lot of people are misusing this program.

Mr. MATHIS. The gentleman is correct.

Mr. ROUSSELOT. All that my colleague, the gentlewoman from New Jersey, is trying to do—a Member who has proven her compassion time and time again—is to require some kind of a contribution on the person who is receiving these free food stamps. And I think that the gentlewoman has made her point. She has eliminated the handicapped, given them an exemption, eliminated the blind, the very poor. The gentlewoman has provided an exemption of the kind that the gentleman wants, and I hope the gentleman will support it.

Mr. MATHIS. If I may reclaim my time, there is nothing in the gentlewoman's amendment that exempts the very poor, as the gentleman says. Blind, disabled, and elderly, yes, it is there.

The CHAIRMAN. The time of the gentleman from Georgia (Mr. MATHIS) has again expired.

(By unanimous consent, Mr. MATHIS was allowed to proceed for 1 additional minute.)

Mr. MATHIS. Mr. Chairman, if the gentlewoman from New Jersey wants to join me in attempting to find some kind of purchase requirement for those who are above a certain income level to participate in the program, fine. I will support her enthusiastically in that endeavor. But not an amendment that across the board impacts most severely on those people who are least able to afford it.

We ought to defeat this amendment and get on to the other business.

Mr. BAUMAN. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. Chairman, I think we ought to again restate the problem we face here. I think there is a direct correlation between the enormous growth in this program in the last 10 years, 1,350 percent growth, and the fact that we did away with the purchase requirement 3 years ago.

Some several years ago I had occasion to pay a private visit to Great Britain to study the health system there for a period of 7 days and I visited all parts of the country. The one theme that was repeated over and over by those who administered the program and supported it and those who were on the outside and opposed it was that the major failure of the British health system came when all restraints and requirements of payment for drugs or medical service or prosthetic devices were removed by the Government.

□ 1500

Hitherto to that time there was a requirement of various types of payment that operated to produce second thoughts for the individual patient who might or might not need medical assistance.

So instead of any restraint on them, once payments were removed they consistently saw the system as a free system where no one really paid for it, when in fact the taxpayers were paying for it, and so there was unlimited demand created. Thus began the collapse of the system.

Whenever you offer a commodity free to the public, people obviously are going to line up and ask for all they can get.

Paying some small amount does instill a discipline on the individual who thinks twice about asking for a service if he really does not need it.

I would like to refer my colleagues to the words of our former colleague from Missouri, Leonor Sullivan, who was one of the original proponents of this program, and before her retirement, several years ago, she said:

> No one—no one—should receive food stamps free, no matter how small their income. That was another mistake made in 1970. They should be required to pay something for the food stamps—whatever they can afford to spend for food out of their limited income—

Mrs. Sullivan goes on, and I quote:

> even if it is only 50 cents or $1 for a month's food. Otherwise—and this is now the case in some situations—the stamps are considered a kind of "funny money" which are merely handed over as a gift from some mysterious source and do not have to be regarded as something you work for and buy. Anything handed over free in that fashion, whether it be food stamps or anything else, invites cheating and abuse.

That is all we are saying and embodying in the amendment of the gentlewoman from New Jersey; the blind, the disabled, the elderly are exempted, and those others will be requested to pay some small amount of their income; and that may serve as some check on a program that is now totally out of hand.

I urge support of the amendment.

Mr. FOLEY. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I want to make one point clear, because it is constantly misinterpreted.

The elimination of the purchase requirement did not of itself give any additional benefits to any family. A family that received $50 worth of bonus stamps by actually getting $100 in stamps in return for $50 in cash now gets the $50 bonus without the purchase. The change did not give any free stamps to any family or any additional stamps to any family over what they had before. I just want to make that point clear.

There is an argument that it tends to remove a requirement to put some additional meaning into food stamps by purchase, but the bonus value of the program does not change by elimination of the purchase requirement.

Mr. SYMMS. Mr. Chairman, I move to strike the requisite number of words.

I want to say, in addition to what the distinguished chairman has said in order to make this clear, the gentlewoman's amendment also has a formula in it so those people who are better off and less disadvantaged will pay a higher premium for stamps than those who are more disadvantaged and have a bigger need for them. So there is an accountability for that factor.

Mr. FOLEY. Mr. Chairman, will the gentleman yield?

Mr. SYMMS. I yield to the gentleman from Washington.

Mr. FOLEY. That same formula exists without the purchase requirement since families with higher incomes get fewer bonus stamps, and families with lower income get more.

Mr. SYMMS. That is right, but it just makes it better with this amendment.

Mr. GONZALEZ. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise because reference was made to a quotation from the Honorable Leonor Sullivan, and I think I am about the only remaining Member of the House who was coauthor with Leonor Sullivan in 1964 when we had the first pilot type of project legislation made necessary, and ultimately we got the legislation, because I think that going back to the period of time that this quotation is rendered from tends to distort what I think Leonor Sullivan would be saying under the present circumstances. I think the issue is the pending amendment, and what has transpired historically since the inception of the program and the reality of the facts confronting us in the guise of doing it in the name of the most needy, what we would be in effect foisting is the real deprivation in the greatest area of need.

I do not know how much contact the various Members have intimately with the people in the district who are the recipients of these food stamps. I happen to have a pretty intimate contact. I tell my colleagues it would be a travesty of justice to do this at this time under these circumstances after the historical experience that has led to the present system.

But most of all, the argument sounds a little bit hollow, considering the source.

I remind this body what I have said in the same context before, that the people who have been against this program since 1964, even in its pilot form under the guise of budgetary restraints, under the guise of trying to target it only to the most needy, really are still very much against the program. They are not going to vote for the program.

It goes back to what I recall as appropriate, a little ditty by Dorothy Parker, that went to the effect:

Higgledy-piggledy, my little white hen,
She lays eggs only for gentleman.
I can't persuade her with pistol or lariat,
To come across for the proletariat.

The CHAIRMAN. The question is on the amendment offered by the gentlewoman from New Jersey (Mrs. Fenwick).

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. SYMMS. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 154, noes 248, not voting 30, as follows:

[Roll No. 225]

AYES—154

Abdnor
Andrews,
N. Dak.
Archer
Ashbrook
Badham
Bafalis
Bauman
Beard, Tenn.
Bennett
Bereuter
Bevill
Broomfield
Brown, Ohio
Broyhill
Buchanan
Burgener
Butler
Byron
Campbell
Carney
Chappell
Cheney
Clausen
Cleveland
Coleman
Collins, Tex.
Corcoran
Courter
Crane, Daniel
Crane, Philip
Daniel, Dan
Daniel, R. W.
Dannemeyer
Deckard
Derwinski
Devine
Dickinson
Dornan
Duncan, Tenn.
Edwards, Okla.
Emery
Erdahl
Erlenborn
Ertel
Evans, Del.
Evans, Ind.
Fenwick
Fish
Flippo
Forsythe
Fountain
Gibbons
Goldwater
Goodling
Gramm
Grassley
Grisham
Guyer
Hagedorn
Hall, Tex.
Hammer-
schmidt
Hance
Hansen
Harsha
Hillis
Hinson
Holt
Ichord
Jeffries
Johnson, Colo.
Jones, Okla.
Kelly
Kemp
Kindness
Kramer
Lagomarsino
Latta
Leach, La.
Leath, Tex.
Lee
Loeffler
Lott
Lujan
Lungren
McClory
McDonald
McEwen
McKay
Madigan
Marlenee
Martin
Mattox
Mazzoli
Miller, Ohio
Montgomery
Moorhead,
Calif.
Mottl
Myers, Ind.
Nichols
O'Brien
Pashayan
Paul
Petri
Porter
Pritchard
Railsback
Regula
Rhodes
Ritter
Roberts
Robinson
Roth
Rousselot
Royer
Rudd
Santini
Schulze
Sebelius
Sensenbrenner
Sharp
Shelby
Shumway
Shuster
Smith, Iowa
Smith, Nebr.
Snowe
Snyder
Solomon
Spence
Stangeland
Stanton
Stenholm
Stump
Symms
Tauke
Taylor
Thomas
Trible
Vander Jagt
Walgren
Walker
Wampler
White
Whitehurst
Whittaker
Whitten
Wilson, Tex.
Winn
Wyatt
Wydler
Wylie
Yatron
Young, Alaska
Young, Fla.

NOES—248

Addabbo
Akaka
Albosta
Alexander
Ambro
Anderson,
Calif.
Annunzio
Anthony
Applegate
Ashley
Atkinson
AuCoin
Bailey
Baldus
Barnard
Barnes
Beard, R.I.
Bedell
Beilenson
Benjamin
Bethune
Biaggi
Bingham
Blanchard
Boggs
Boland
Bolling
Boner
Bonker
Bouquard
Bowen
Brademas
Breaux
Brinkley
Brodhead
Brooks
Burlison
Burton, John
Burton, Phillip
Carr
Carter
Cavanaugh
Chisholm
Clay
Clinger
Coelho
Collins, Ill.
Conable
Conte
Conyers
Corman
Cotter
Coughlin
D'Amours
Daschle
Davis, Mich.
Davis, S.C.
de la Garza
Dellums
Derrick
Dicks
Diggs
Dingell
Dixon
Dodd
Donnelly
Dougherty
Downey
Drinan
Duncan, Oreg.
Early
Eckhardt
Edgar
Edwards, Calif.
English
Evans, Ga.
Fary
Fascell
Fazio
Ferraro
Findley
Fisher
Fithian
Florio
Foley
Ford, Mich.
Ford, Tenn.
Fowler
Frenzel
Frost
Fuqua
Garcia
Gephardt
Gilman
Gingrich
Ginn
Glickman
Gonzalez
Gore
Gradison
Gray
Green
Guarini
Gudger
Hall, Ohio
Hamilton
Hanley
Harkin
Harris
Hawkins
Heckler
Heftel
Holtzman
Hopkins
Horton
Howard
Hubbard
Huckaby
Hughes
Hutto
Hyde
Ireland
Jacobs
Jeffords
Jenkins
Jenrette
Johnson, Calif.
Jones, N.C.
Jones, Tenn
Kastenmeier
Kazen
Kildee
LaFalce
Leach, Iowa
Lederer
Lehman
Leland
Levitas
Livingston
Lloyd
Long, La.
Long, Md.
Lowry
Luken
Lundine
McCloskey
McCormack
McDade
McHugh
Markey
Marks
Mathis
Matsui
Mavroules
Mica
Mikulski
Miller, Calif.
Mineta
Minish
Mitchell, Md.
Moakley
Moffett
Mollohan
Moore
Moorhead, Pa.
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Murtha
Musto
Myers, Pa.
Natcher
Neal
Nedzi
Nelson
Nolan
Nowak
Oakar
Oberstar
Obey
Ottinger
Panetta
Patten
Patterson
Pease
Pepper
Perkins
Peyser
Pickle
Preyer
Price
Pursell
Rahall
Rangel
Ratchford
Reuss
Richmond
Rinaldo
Rodino
Rose
Rosenthal
Rostenkowski
Roybal
Russo
Sabo
Sawyer
Scheuer
Schroeder
Seiberling
Shannon
Simon
Skelton
Solarz
Spellman
St Germain
Stack
Staggers
Stark
Steed
Stewart
Stockman
Stokes
Stratton
Studds
Swift
Synar
Thompson
Traxler
Ullman
Van Deerlin
Vanik
Vento
Volkmer
Watkins
Waxman
Weaver
Weiss
Whitley
Williams, Mont.
Williams, Ohio
Wirth
Wolff
Wolpe
Wright
Yates
Young, Mo.
Zablocki
Zeferetti

NOT VOTING—30

Anderson, Ill.
Andrews, N.C.
Aspin
Bonior
Brown, Calif.
Danielson
Edwards, Ala.
Gaydos
Giaimo
Hefner
Hightower
Holland
Hollenbeck
Kogovsek
Kostmayer
Lent
Lewis
McKinney
Maguire
Marriott
Michel
Mitchell, N.Y.
Quayle
Quillen
Roe
Runnels
Satterfield
Udall
Wilson, Bob
Wilson, C. H.

☐ 1320

The Clerk announced the following pairs:

On this vote:

Mr. Lent for, with Mr. Bonior of Michigan against.

Mr. Lewis for, with Mr. Brown of California against.

Mr. Marriott for, with Mr. Kostmayer against.

Mr. Michel for, with Mr. Roe against.

Mr. Quillen for, with Mr. Charles H. Wilson of California against.

Mr. Bob Wilson for, with Mr. Danielson against.

Mr. DASCHLE and Mr. GARCIA changed their votes from "aye" to "no."

Mr. MARLENEE and Mr. WHITE changed their votes from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. SHUMWAY

Mr. SHUMWAY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Shumway: Page 24, after line 19 insert the following new section (and redesignate succeeding sections accordingly):

ELIMINATION OF STATE OUTREACH ACTIVITIES

Sec. 117. (a) Section 11(e)(1) of the Food Stamp Act of 1977, as amended, is amended—

(1) by striking out subparagraph (A) and subparagraph (B) and inserting in lieu thereof the following new subparagraph: "(A) not conduct food stamp outreach activities with funds provided under this Act; and"; and

(2) by redesignating subparagraph (C) as subparagraph (B).

(b) Section 16(a) of the Food Stamp Act of 1977, as amended, is amended by striking out paragraph (1) and redesignating succeeding paragraphs accordingly.

Mr. SHUMWAY (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the Record.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. SHUMWAY. Mr. Chairman, my amendment eliminates the requirement which is currently in the law which mandates that States conduct food stamp outreach activities. It strikes section 11(e)(1) of the Food Stamp Act of 1977 and inserts new language to read: the State agency shall "not conduct food stamp outreach activities with funds provided under this Act;".

Mr. Chairman, it is increasingly obvious to me that the outreach aspect of the food stamp program is no longer necessary. We all know now that participation is at an all-time high. I believe very strongly that Americans know what this program is. They know what is available to them and what their needs indicate, and they know how to have access to the program.

I think particularly at a time when we are trying to streamline the operation of this program, to continue to reach out and to spend scarce tax dollars to advertise a program of this sort is a mistake for us to perpetuate. I think the unprecedented number of Americans now receiving food stamps certainly points to this conclusion. I realize that in the future, because of the prospect of unemployment and the effects of the recession, the number eligible to participate will probably increase. But I would like to point out to the Members that my amendment in no way cuts benefits to recipients. It has no impact whatsoever upon eligibility requirements. It simply eliminates an aspect of the food stamp program which I believe is no longer needed.

☐ 1530

The CBO estimates that my amendment will save roughly $5 million in Federal outlays. I would hasten to point out, however, that I believe this estimate is unduly conservative. I think the actual savings will be considerably more in dollars particularly when we realize that the States have to share on a 50-to-50 basis in funding this program and, therefore, the very minimum amount of money would be some $10 million.

I took a check in my own district and learned that an agency that works three counties in the center part of California spends $12,000 a year for such outreach activities. I am told also there are 3,100 such agencies operating across the country. If we multiply, assuming my district is average which I believe that it is, that $12,000 by the 3,100 agencies we see that the price of this program is a great deal more than the $5 or $10 million which CBO claims for it.

Mr. Chairman, I think what we are talking about here today primarily is streamlining a program, eliminating some unnecessary Federal expenditures and since the administration of this program is really what is under fire here today, I think my amendment goes a long way toward easing some of those difficulties.

There have been many food stamp coordinators throughout the country who asked for this kind of relief. Many letters have been sent to my office and I am sure that other Members have received the same, indicating that citizens in service areas across the country are aware of the program and how to apply for food stamps. Others have said that local welfare boards have gone on record as opposing additional outreach activities. Some have said they would like to express their hearty opposition to additional procedures for the food stamp outreach plan. My own welfare director in San Joaquin County, Calif., said bluntly, "Outreach is a waste of money and we do not need it."

Also, Mr. Chairman, he indicated to me that the results of the $12,000 per year which they are spending in that 3-county area have been checked, and it turns out that about 12 people a year are brought into the system because of this outreach program. The cost for such benefits is just astronomical to taxpayers.

Mr. Chairman, when Congress passed the 1977 act and we rewrote the food stamp program, the USDA published its regulations on outreach in November of 1979. I have looked at those regulations very closely. I have talked with county officials who are charged with implementing them. There is no doubt in my mind or in the minds of the administrators with whom I have talked that those regulations which require the use of telephone hotlines, films, media, radio, and TV advertisements, and newspaper advertisements, clearly are demanding too much and are far too extensive.

Mr. Chairman, I think if we are really serious about streamlining this program and eliminating some unnecessary costs, this is the kind of amendment we should adopt to bring to an end the outreach program which has been nothing but a burden for the taxpayers of America to shoulder in recent years.

Mr. Chairman, this amendment, again, does nothing to change eligibility or reduce benefits. It simply removes an unnecessary, federally mandated program.

The CHAIRMAN. The time of the gentleman has expired.

(At the request of Mr. SYMMS and by unanimous consent, Mr. SHUMWAY was allowed to proceed for 2 additional minutes.)

Mr. SYMMS. Mr. Chairman, will the gentleman yield?

Mr. SHUMWAY. I yield to the gentleman from Idaho.

Mr. SYMMS. Mr. Chairman, I thank the gentleman for yielding and I also thank the gentleman for offering this amendment. The gentleman talks about the outreach program. In my travels around my State and district, I find that people I talk to, the working men and women who are paying for this program, are very offended about what they call advertising rather than outreach. They say, "You people in Congress, you not only tax us to pay for these types of programs but then you go pay somebody to advertise those programs."

We ought to get this in perspective. We are talking about a program now that has some 22-plus million Americans, nearly 10 percent of our population, receiving food stamps and many more that may be eligible if we do enough publicity and enough advertising which entices people to come in and get hooked in on the Federal dole and all the problems it brings the people who start relying on it.

Mr. Chairman, I think the gentleman is absolutely correct. We ought to call this what it is. This is, to stop the effort of the USDA to advertise this program so that a bigger, wealthier bureaucracy ultimately will be built.

Mr. Chairman, when one thinks about yesterday's budget that passed this House that raises taxes on working Americans, and when they find out what the Congress is doing, I believe there are going to be a lot of people in grassroots America that are very offended at yesterday's action on the part of the Congress to actually raise taxes by several billions of dollars in order to say that we have achieved a balanced budget. When they find out their tax bill is going up, their inflation is going up, all the cost of living is going up, then they turn on the television set, if they are still lucky enough to afford one, and see a program advertising some kind of a Government inducement to lure and entice people to come in and succumb to the Federal dole. This amendment is certainly an admirable amendment and I hope the amendment will be passed unanimously by the House.

Mr. ROBINSON. Mr. Chairman, will the gentleman yield?

Mr. SHUMWAY. I yield to the gentleman from Virginia.

Mr. ROBINSON. I thank the gentleman for yielding.

Mr. Chairman, I rise in strong support of the amendment offered by the gentleman from California.

It is evident that with or without the Outreach program, the food stamp program has been growing at a tremendous rate—since 1964, the average annual increase in recipients has been 1.1 million people. I only wish our economy could experience such growth. Since 1970, the number of food stamp recipients will have tripled, by the end of 1981. The number of recipients of food stamps will have broken the 20 million mark—an increase of 5,511 percent.

Today, we are considering "emergency" food stamp legislation.

The Secretary of Agriculture has threatened to "suspend the issuance of food stamp benefits for June 1980 unless and until supplemental appropriations are provided."

In the face of this emergency, I would like to point out that food stamp Outreach efforts still are being continued.

I have recently received correspondence from public welfare department officials throughout the State of Virgina regarding the Outreach program. I believe their message speaks for itself:

From an official in Danville, Va.:

> We believe that there is every indication that the U.S. Congress in its efforts to trim back on the food stamp program needs to immediately and totally clip the U.S. Department of Agriculture's ability to initiate any policy as an interpretation of congressional intent. By acting as an interpreter of congressional intent on food stamps, the U.S. Department of Agriculture has created their own budget-breaking program by neatly composing such a multitude of loose, confusing, and conflicting policies, the program can only expand and unbalance the Federal budget.

An official in Fredericksburg, Va., writes:

> Clerical and professional time is being spent on a program that may well be terminated on June 1 due to overspending. This time and energy is needed in our area to assist in other crying needs such as foster care for children and assistance for the aged. Persons in our area are well aware of the Food Stamp Program. Evidence of this is

> clear in the almost doubling of Food Stamp participation in the past 21 months.

A Stafford County official wrote:

> It is incongruous to call for increased participation in food stamps which will cause increased federal expenditures while we enter a period of austerity and reduction in federal spending. Despite its faults, the Food Stamp program does have many virtues. We are concerned that the new Food Stamp Outreach emphasis represents the irresponsible trend in the administration of the Federal Government.

From Rappahannock County, Va.:

> From the start of the Food Stamp Program in Rappahannock County in June, 1974, there has been a steady increase in participation; we have done a moderate amount of outreach and we have been sure that everyone knew about the availability of the program. With the elimination of the purchase requirement in January 1979, there was a dramatic rise in cases; from December 1978 to December of 1979 there was an increase of 78.6 percent. It is evidence that the citizens of Virginia know about the program and that additional outreach is unnecessary. Local boards are unable to understand why they are being required to do outreach in order to increase the number of participants when President Carter is asking for a reduction in federal spending and Congress is wrestling with whether to appropriate money to keep the Food Stamp program going.
>
> The extensive outreach efforts which we are now being required to make, which include the active recruitment of volunteers, work with the media, special efforts for migrant farmworkers, a review of factors which inhibit participation in the program—such as lack of transportation or agency and community attitudes—and the formulation of corrective action, are resulting in the need for additional agency staff; indeed, we have received an information bulletin from the Department of Welfare regarding the establishment of new positions to handle the increased workload.

With reference to the "volunteers" it is of interest to note that the Department's regulations offer little by way of justification for a corps of volunteers to solicit more food stamp recipients, but the Department mandate that there must be an attempt by State agencies to "actively attempt to recruit volunteers," and that volunteers "must receive sufficient training."

As defined by the Department a volunteer can be anyone who—

> Either under the direction of the State agency or in the course of his/her duties under the direction of a cooperating agency, performs information or noninformational food stamp outreach activities without pay from the State Agency.

The Rappahanock official summarizes the situation like this:

> The problem which needs to be addressed is that the U.S. Department of Agriculture has written regulations without considering their financial impact on the states. It even seems to us that they don't care what the impact might be.

Another twist to the story from Harrisonburg, Va.:

> The Agriculture Department's efforts with Outreach programs in our area have now reached an over-saturation point.
>
> Resentment and hostility for the program has been continually building as the community has been bombarded with Outreach efforts.
>
> The over-sell has caused a backlash and we have the elderly and the disabled refusing to take food stamps because of the community feeling. There were people who received help with their fuel who were obviously eligible for food stamps and who very vehemently told the Eligibility Worker that they would not accept them and be seen in grocery stores with them. We do not want anyone to go hungry, but we firmly believe there must be a better way than the current plan.

If we are, indeed, sincere about our efforts to balance the budget or restore some kind of fiscal sanity to the operation of our Government, I believe that adoption of this amendment is one way we can send a signal about the seriousness of our intentions.

It is not a very common occurrence to have the administrators of a program using Federal funding plead with us to cutback on aspects of their program. I would hope that this testimony will touch upon the conscience of legislators who are calling for prudent spending in Government.

AMENDMENT OFFERED BY MR. FOLEY AS A SUBSTITUTE FOR THE AMENDMENT OFFERED BY MR. SHUMWAY

Mr. FOLEY. Mr. Chairman, I offer an amendment as a substitute for the amendment.

The Clerk read as follows:

Amendment offered by Mr. FOLEY as a substitute for the amendment offered by Mr. SHUMWAY: Page 24, after line 19 insert the following new section (and redesignate succeeding sections accordingly):

ELIMINATION OF STATE OUTREACH ACTIVITIES

SEC. 117. (a) Section 11(e)(1) of the Food Stamp Act of 1977, as amended, is amended—

(1) by striking out subparagraph (A) and subparagraph (B). "; and

(2) by redesignating subparagraph (C) as subparagraph (B); and

Mr. FOLEY (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. FOLEY. Mr. Chairman, I think there is some justification for the amendment or at least part of the amendment offered by the gentleman from California (Mr. SHUMWAY). That is that States should not be required to conduct Outreach activities if they do not feel that those are appropriate activities to conduct.

Now, Mr. Chairman, what my amendment does is simply say that the requirement in the present State plans that States must conduct Outreach activities is stricken, leaving it up to every State to decide whether information should be given to potential or real food stamp recipients.

If we are confident, as many are, that the States can do a better job if they are given their own option to decide how to spend the money—the gentleman from Idaho (Mr. SYMMS) feels his State will not spend any money on Outreach if it is not required to. This would allow the State of Idaho to reduce Outreach expenditures to zero. On the other hand, if the State thinks that some portion of Outreach for some impacted group, in terms of information or otherwise is desirable, it lets the State make that decision, and it provides Federal cost sharing if the State makes the decision. However, it puts the responsibility squarely on the States.

Mr. Chairman, if we want to say that we believe the States should be given a chance to make their determination, this amendment is preferable to that of the gentleman from California (Mr. SHUMWAY). The amendment offered by the gentleman from California (Mr. SHUMWAY) in his amendment says that the Federal Government will not allow States to have any resources to do Outreach, whether they want to or not. My amendment leaves it totally up to the States. The Federal Government judgment is controlled by the States and the Federal Government money only is involved if the States in their own judgment decide to spend it. Let us decide here whether we want to give the States the authority. I am willing to do that and to abide by their judgment. I hope the majority of the committee will accept that position.

Mr. SYMMS. Mr. Chairman, will the gentleman yield?

Mr. FOLEY. I yield to the gentleman from Idaho.

Mr. SYMMS. I thank the gentleman very much for yielding. I would have to say that the chairman's position is making progress and although I think I personally would prefer just to outlaw Outreach, the chairman certainly is making headway and I commend the gentleman for it.

Mr. Chairman, there is but one flaw I think we must mention. The States do not share in the cost of the distribution of the stamps, themselves. The Federal taxpayers provide for that so the States do not necessarily have the incentive they might otherwise have if they were paying even a small portion of the cost of Outreach or of the stamps.

Mr. FOLEY. If the gentleman will permit, I think the gentleman knows that is another issue entirely. What we are here dealing with is whether the States should first be required to conduct Outreach and I agree they should not. The second is whether they should be permitted to conduct Outreach with some partial Federal cost sharing if they decide to do so.

Mr. Chairman, the Shumway amendment would prevent that; my amendment would permit it.

The Foley substitute is a State's right or a State-controlled amendment over a decision in the Shumway amendment that, regardless of what a State wants to do, it can get no Federal assistance for Outreach.

Mr. Chairman, there are some cases, I think, where States might have legitimate reason for making some information available to some groups in their States about food stamps and they ought to be able to conduct that with some Federal assistance, but without being required to spend a dime.

□ 1540

That is what the Foley substitute does, puts the priority on a State decision rather than any Federal decision that mandates another Outreach program. That is just as bad as one that mandates Outreach.

Mr. SYMMS. I commend the chairman. We are making headway.

Mr. MATHIS. Mr. Chairman, will the gentleman yield?

Mr. FOLEY. I yield to the gentleman from Georgia.

Mr. MATHIS. Mr. Chairman, I want to join with the gentleman from Idaho in saying to the distinguished chairman that I think this is a step in the right direction. But, if we were in fact to reject the Foley amendment and adopt the amendment offered by the gentleman from California (Mr. SHUMWAY), would there be restrictions on the States conducting their own Outreach programs then, using State funds in their entirety?

Mr. FOLEY. No, but the States would be denied any ability to get the kind of Federal cost-sharing of amounts spent on Outreach. I think frankly, if a State decides to spend 50 cents out of every dollar or so for Outreach programs when it is not required, I think probably the State's judgment, since it has an investment in that, ought to be respected.

What the Shumway amendment does is to prevent a State from getting any Federal assistance, any Federal dollars. They have to finance that 100 percent. But, the Foley amendment says that if the States want to spend some money, they only have to spend half of what it costs for Outreach programs, and the Federal Government will put in the other half up to the sum the States decide appropriate.

The CHAIRMAN. The time of the gentleman from Washington has expired.

(At the request of Mr. SHUMWAY and by unanimous consent, Mr. FOLEY was allowed to proceed for 2 additional minutes.)

Mr. SHUMWAY. Mr. Chairman, will the gentleman yield?

Mr. FOLEY. I yield to the gentleman from California.

Mr. SHUMWAY. Mr. Chairman, may I ask the gentleman, one of the purposes for my amendment is to get the Federal Government out of the business of dictating to States what kind of Outreach programs they may have. Under the gentleman's proposal, if even one State should opt that they should have that kind of Outreach program, the Federal Government would remain in the same position it is today, indicating what direction the Outreach program should take. Is that not correct?

Mr. FOLEY. I think that the Federal Government can have some control over the program. No State will be able to have exaggerated, expensive Outreach programs. The Federal Government can impose reasonable limitations on the cost-sharing side of it. All I am saying is that the States should be allowed, where the Federal Government is willing, to conduct their own Outreach programs and receive 50-percent Federal pay in the cost of it as long as the Federal Government is not required to expend more than a reasonable amount.

What the gentleman's amendment does is deny the States any Federal money for any Outreach program, however justified the program might be. All I am saying is that, why do we not let the States decide, put the confidence in the States. If they decide that they do not want any Outreach program, my amendment says that none need to be had. The Federal Government cannot mandate an Outreach program.

If the States want to undertake that, the Federal Government would be able to contribute half the cost, as they do on every other administrative aspect of the program.

I want to put in the States' hands. I think the gentleman has a good point.

Mr. SHUMWAY. My only question with the gentleman's position is really on a States rights position insofar as the Federal Government remains calling the shots, telling the States how the program should be conducted. There is nothing in my amendment that would preclude the States using their own funds, their own ideas, and so forth, in conducting their own Outreach programs. That is what I am striving for in my amendment.

The CHAIRMAN. The time of the genleman from Washington has again expired.

(By unanimous consent Mr. FOLEY was allowed to proceed for 1 additional minute.)

Mr. FOLEY. Mr. Chairman, I guess our difference of opinion is that the only aspect of the food stamp program in which the States would not get legitimate cost-sharing is administration on Outreach programs. That is making a judgment that the State should not get a dime of Federal assistance for Outreach programs no matter what the States think is usefulness or need is. I think that is making a judgment to curb a State from conducting any Outreach programs, no matter how justified. Under my amendment, the Federal Government cannot require any Outreach program if the State does not desire an Outreach program, and if it is a legitimate program, up to 50 percent of the cost can be borne by the Federal Government. But, it puts the State in the position of making a decision and being eligible for Federal cost-sharing without requiring the State to undertake an Outreach program it does not want to have. In fact, the State could eliminate all Outreach programs, thus saving itself and the Federal Government all the funds that would otherwise have been required.

Mr. SYMMS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I hesitate to get up to argue against my distinguished chairman from the neighboring State of Washington because he puts the argument so clearly in his perspective that it makes it sound as though somehow we are really going to gain something with his amendment. I would have to say that we are going to gain some things with his amendment. It is a step in the right direction, but the amendment of the gentleman from California (Mr. SHUMWAY) takes into account that one of the major failures in Federal welfare programs—not just food stamps, but all Federal welfare programs—is that the incentive for those people who run the programs is not to get less people in the program, but to get more people in the program. Then, they build a bigger empire and hire more help, and they can have two secretaries and so forth.

We have all seen this come to the point where the Federal Government has grown so that it now costs 22.5 percent of the gross national product. If the amendment of the gentleman from California just stops the expansion of the advertising of a program, it will have a deterrent on the bureaucrats' desire to make a bigger program, get more people on the program, more perspective, so that they can get a promotion and become a GS-14, or GS-15, or what have you.

The problem with the amendment of the gentleman from Washington is that it does not address the fact that the reality is that the Federal taxpayers and Federal dollars come into States to run the food stamp program, and those administrators of the programs will still have the incentive to expand the programs. I just believe, even though I have to agree with my chairman that he is certainly allowing the States discretion, and certainly in some States people will perhaps not permit their State to continue outreach. I would be encouraged with even this step. But still in many States the incentive by those people who are actually administering the program will be, "Let us advertise on TV, get more people in, and then we will have a multibillion-dollar program instead of a $10 billion program."

Mr. COLEMAN. Mr. Chairman, will the gentleman yield?

Mr. SYMMS. I yield to the gentleman from Missouri.

Mr. COLEMAN. Mr. Chairman, I am sure the gentleman's district is like mine. I read in the local newspapers an organized operation, with press releases from the county agencies that administer food stamps. It is there on the front page and says, "x" county has x number of food stamp recipients—a new high."

It is as if they are happy and are out there to increase this goal and to encourage people to come in off the street who may be eligible, but who are making it on their own as taxpayers and citizens. But these public relations programs that are part of that Outreach program make is look as though this is a goal, like the local telethon for a charity. It is in many papers. That is what they are doing with our money.

It is not going to the people themselves who need it. It is to encourage people who want to go ahead and be self-sufficient, who do not want a Federal handout.

To me, the gentleman's amendment is right on the mark, although I can count votes and I realize that the gentleman from Washington has a number of votes he has at his disposal. I would hope that even under these circumstances a compromise might be reached, because surely the amendment as it is will be opposed by the chairman and I think it is pretty well down to the chairman's suggestion.

Mr. FOLEY. Mr. Chairman, will the gentleman yield?

Mr. SYMMS. I yield to my very distinguished friend, Mr. FOLEY, from the capital of northern Idaho, Spokane, Wash.

Mr. FOLEY. Mr. Chairman, I am startled that the gentleman from Missouri, a distinguished member of the Committee on Agriculture, thinks that I have votes at my disposal. Believe me, I do not feel that I have votes at my disposal, and every vote that supports a position that I take is one that I have to try to encourage by argument. It is not available to me.

□ 1550

But if it were available to me, I would still feel, with respect, that this is an overreaching amendment that goes beyond the problem. I can see that the Federal Government should not be telling the States that they must spend money for Outreach which that State agency does not feel meets the need.

From that standpoint, I concur in the amendment, and that is the thrust of my amendment to the amendment.

What I do not agree with is that the gentleman's amendment prohibits States from getting any cost sharing or any Outreach of any kind. If there is a program to inform certain elderly people about a program that they might otherwise not know about, that is simply information; it is not encouraging them to join. That is just information, and that would have to be borne, under the gentleman's amendment, totally by the State without any Federal assistance. It seems to me that that is an unfair burden to be put on any State. Certainly we ought to have a little more confidence in the States.

The CHAIRMAN. The time of the gentleman from Idaho (Mr. SYMMS) has expired.

(By unanimous consent, Mr. SYMMS was allowed to proceed for 2 additional minutes.)

Mr. FOLEY. Mr. Chairman, I think we ought to have a little more confidence in our own States than to believe that we cannot leave the decision in their hands and have a program conducted responsibly.

Now, if the gentleman from Idaho (Mr. SYMMS) believes that his State does not want to be forced to conduct outreach, so be it. The Foley substitute would not require that. But if there is some limited Outreach the State of Idaho wants to conduct among native Americans, among migrant workers, or among the blind or elderly, they could have a limited program of Outreach, with some cost sharing for that kind of program. That is the kind of decision that protects States' rights.

From that standpoint, Mr. Chairman, I hope the substitute amendment is adopted.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Washington (Mr. FOLEY) as a substitute for the amendment offered by the gentleman from California (Mr. SHUMWAY).

The amendment offered as a substitute for the amendment was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. SHUMWAY), as amended.

The amendment, as amended, was agreed to.

AMENDMENT OFFERED BY MR. ROUSSELOT

Mr. ROUSSELOT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ROUSSELOT: Page 22, after line 18 insert the following new section (and redesignate succeeding sections accordingly):

EXPANSION OF WORK REGISTRATION REQUIREMENT

SEC. 114. Section 6(d)(2)(B) of the Food Stamp Act of 1977, as amended, is amended by striking out "twelve" and inserting in lieu thereof "six".

Mr. ROUSSELOT. Mr. Chairman, the food stamp authorization provided in this bill is an additional $2.5 billion over the $6.2 billion appropriated by Congress last year. The Congressional Budget Office has now estimated that an additional $497 million (on top of $2.5 billion) will be needed to complete fiscal year 1980, and will bring fiscal year 1980 costs to 50 percent above that approved by Congress just last year. In light of these escalating costs, it is important that we approve amendments to reform the program in order to more effectively target assistance and to reduce costs.

This amendment that I am introducing would reform the work registration portion of the Food Stamp Act, as amended. The present law exempts from the work registration requirement a parent, or other member of a household, with responsibility for the care of a dependent child under the age of 12 as well as care of an incapacitated person. This amendment would change the age of the child from 12 to 6, to parallel the AFDC (aid to families with dependent children program) requirements and bring the food stamp program into alinement with it.

The importance of this amendment is obvious when you look at the Department of Agriculture's latest statistics—published in February 1980 about February 1978 caseloads—indicated that 35.1 percent of all household heads are exempt from work registration either because they are caring for an incapacitated adult or a child (12 or under).

Every one of us here knows that law provides that every American child, regardless of his parents' income, is entitled to an education. From age 6, children attend school during the day hours and they are not at home. It is possible for their mother, father or caretaker to assume work responsibilities during these hours. It is not necessary to exempt these individuals from the work registration requirement because their children are in school.

Mr. Chairman, I take no exception with the exemption for a parent or other member of the household, for children under the age of 6. I do not believe that exemption should extend until the youngest child is age 12. Under the AFDC program, the work registration exemption is allowed for a family member caring for a child up to age 6. Why not bring these two programs into conformity? It is only logical.

The food stamp program should not provide disincentives to work. Keeping this exemption on the books as it is currently written does create an disincentive for an able-bodied individual who could prove most productive in the work force. Not only would the lowering of this exemption age cut the costs of this program substantially, it would also assist in creating goals and incentives for young parents.

We should not punish those who cannot find employment, yet neither should we punish the taxpayer who must pay for the $8 billion cost of this program when it can be easily lowered. During these times of economic pressure, many women are finding that to stay off the welfare rolls, to keep from needing to apply for food stamps, they are entering the job market and supplementing their family's income. I am sure that they would want the work registration exemption to apply only to children 6 years of age or younger.

Finally, I would like to note that current food stamp law provides up to $90 a month income exemption for child-care payments to help compensate for work-related expenses of child care. And, this bill, as reported out of the Agriculture Committee, will raise that deduction to $160 per month and lower the $35-per-month medical expense deductible to $10 as well.

This is a good amendment; it strengthens the work registration requirements. It creates an incentive. It fosters self-reliance and eventual termination of food stamp participation. It is estimated that this amendment would save $34 million.

Mr. Chairman, I hope that the committee will accept this amendment. I would like to ask my colleague, the ranking minority member of this committee, does he have any objection to bringing the food stamp program into compliance with the AFDC program?

Mr. WAMPLER. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. I am honored to yield to the gentleman from Virginia.

Mr. WAMPLER. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, as I understand the thrust of the gentleman's amendment, I certainly would not have any objection to it because, as the gentleman from California has pointed out, the General Accounting Office and others have urged this type of action so there would be some element of uniformity in the various public assistance programs of the Federal Government. I certainly think the amendment is worthy, and it is one the minority is willing to accept.

Mr. ROUSSELOT. Mr. Chairman, I appreciate that support. I know the gentleman from Virginia (Mr. WAMPLER) is a very careful student of the whole food stamp program, and I am sure his support of the amendment will be very helpful.

Mr. MATHIS. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. I yield to the gentleman from Georgia.

Mr. MATHIS. Mr. Chairman, the gentleman from California (Mr. ROUSSELOT) is to be commended for offering this amendment. I think it ought to be adopted, and I associate myself with the gentleman's remarks.

Mr. ROUSSELOT. Mr. Chairman, I appreciate the support of my colleague, who is an active member of the Committee on Agriculture.

Mr. FOLEY. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. Of course, I yield to the committee chairman.

Mr. FOLEY. Mr. Chairman, I regretfully cannot join in the enthusiasm for the gentleman's amendment.

Let me ask, does the gentleman have an estimate of the cost of the amendment in terms of work registration cost?

Mr. ROUSSELOT. No, I do not have an absolute cost except to say to my colleague that I am sure it would not cost any more than it does under the AFDC program.

As the gentleman knows, it has worked very well in the AFDC program. I am sure that is why the General Accounting Office recommended that we do this.

The CHAIRMAN. The time of the gentleman from California has expired.

(By unanimous consent, Mr. ROUSSELOT was allowed to proceed for 2 additional minutes.)

Mr. FOLEY. Mr. Chairman, if the gentleman will yield further, what I am concerned about is that we do not really have very much of a program for day care for women who have children from the age of 6 to 12. The expansion in day care deductions in this bill would be postponed until fiscal year 1982.

If we require women who have children between 6 and 12 to register for work, we may find a situation where we are going to spend quite a bit of money for work registration, perhaps as much as $50 million on top of the existing $70 million already being spent for work registration, with neither the jobs nor the child assistance that is needed to allow them to work.

Again let me say that I know what the gentleman is striving to do, but I am concerned that in the present environment this may be an additional expenditure of job registration funds without actually reducing the cost of the program.

Mr. ROUSSELOT. Mr. Chairman, if I may comment on that, I think the gentleman would find that under the AFDC program it has not been a high administrative cost. It merely encourages the individuals to go on the work list. It is an incentive, too, to foster self-reliance, and I am sure the gentleman wants to do that.

I really think that by paralleling the AFDC program, we would show that we are trying to bring our two programs in to compliance.

☐ 1600

Mr. FOLEY. I think what I am concerned about is that the AFDC program supplies child care, and from that standpoint it is an entirely different arrangement with children who are 6 to 12 in the household. We had some additional deductions for child care in the food stamp program, but to save funds, we postponed them.

The CHAIRMAN. The time of the gentleman from California (Mr. ROUSSELOT) has expired.

(By unanimous consent, Mr. ROUSSELOT was allowed to proceed for 2 additional minutes.)

Mr. ROUSSELOT. My recollection is that the savings to be achieved by this would probably be around $34 million. Any additional cost of administration, I am sure, would fit easily within that.

Mr. FOLEY. The Department of Labor has asked for $70 million to conduct the work registration program for the food stamp program for just 13 percent of the households.

Mr. ROUSSELOT. Yes.

Mr. FOLEY. So at that rate, the program would not be saving money; it would be costing money.

Mr. ROUSSELOT. According to the Department of Agriculture's latest statistics published in February 1980, they indicate that about 35 percent of all of the household heads are exempt from the work registration. So we are not requiring absolutely everybody to register. So it is only an increase of that amount.

Anyway, I would be glad to have my chairman's support. I think it would work. And if we found that there were any great problems, we could come back and change it. The gentleman is going to bring the bill back next year anyway. Let us try it for a year, to see how it goes.

Mr. FOLEY. I would like to have some assurance that there was some better savings in mind than the negative savings which the Department of Agriculture estimates would be accomplished.

Mr. ROUSSELOT. I do not think the gentleman would want to say that it is negative to encourage mothers to put themselves on the work rolls, that that is negative. It is an indication that they might go to work and help support themselves and their children.

Mr. FOLEY. I think it would be fine if they had adequate care for the children in the home when they do it, and I think it would be fine if it did not cost more money than it achieved in savings. I am concerned about both of those aspects.

Mr. ROUSSELOT. We would sure like to have the gentleman's support, and I appreciate the gentleman's comments.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. ROUSSELOT).

The question was taken; and on a division (demanded by Mr. ROUSSELOT) there were—ayes 22, noes 9.

So the amendment was agreed to.

The CHAIRMAN. Are there further amendments?

For what purpose does the gentleman from Vermont (Mr. JEFFORDS) rise?

Mr. JEFFORDS. Mr. Chairman, I have an amendment at the end of title I, and I think that would come after any further amendments to title I.

The CHAIRMAN. Are there further amendments to title I? If not, the gentleman's amendment is in order.

AMENDMENT OFFERED BY MR. JEFFORDS

Mr. JEFFORDS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. JEFFORDS: Page 38, line 6, strike out "Section 18(a)" and insert in lieu thereof "Section 20(a), as so redesignated by section 204 of this Act,".

Page 38, after line 21, insert the following new title:

TITLE II—REPAYMENT FOR CERTAIN EXCESS FOOD STAMP BENEFITS RECEIVED

FUNDS TO PROVIDE ASSISTANCE

SEC. 201. The first sentence of section 4(a) of the Food Stamp Act of 1977, as amended, is amended by inserting ", and any funds collected by and any funds transferred to the Secretary under section 19," after "of this Act".

CONDITIONAL ASSISTANCE

SEC. 302. The last sentence of section 5(a) of the Food Stamp Act of 1977, as amended, is amended by inserting ", conditional upon such repayment as may be determined pursuant to section 18 of this Act," after "furnished".

NOTICE OF CONDITIONAL NATURE OF ASSISTANCE

SEC. 203. Section 11(e) of the Food Stamp Act of 1977, as amended, is amended—

(1) in paragraph (2) by striking out "household.", and inserting in lieu thereof the following: "household, and of the conditions under which repayment in cash for any excess benefits received by members of an eligible household may be required in accordance with section 18 of this Act. A State agency shall provide a description of such conditions in understandable terms to each individual who is 19 years of age or older and who is a member of an eligible household which applies to participate in the food stamp program.";

(2) in paragraph (18), as added by section 118 and amended by section 119 of this Act, by striking out "and" at the end thereof;

(3) in paragraph (19), as added by section 119 of this Act, by striking out the period and inserting in lieu thereof "; and"; and

(4) by adding at the end thereof the following new paragraph:

"(20) that the State agency shall furnish to each individual to whom section 18(a) of this Act applies the information required in section 18(d)(1) and shall certify to the Secretary of the Treasury the information required in section 18(d)(2).".

LIABILITY FOR EXCESS FOOD STAMP BENEFITS RECEIVED

SEC. 204. The Food Stamp Act of 1977, as amended, is amended by redesignating section 18 as section 20, and by inserting after section 17 the following new sections:

"REPAYMENT FOR EXCESS BENEFITS RECEIVED

"SEC. 18. (a)(1) Each individual who is 19 years of age or older during any entire taxable year and who, in any taxable year, participates in the food stamp program as a member of any household participating in the food stamp program, and has countable income in excess of the exempt amount shall be liable to the United States as determined in accordance with paragraph (2) and paragraph (3) of this section.

"(2) For purposes of paragraph (1), in the case of any individual who files a Federal separate income tax return such individual shall be liable for an amount equal to the lesser of—

"(A) the value of the coupons alloacted to such individual in such taxable year; and

"(B) one-half of the amount by which the countable income of such individual for such taxable year exceeds the exempt amount.

"(3) For purposes of paragraph (1), in the case of two individuals who file a Federal joint income tax return such individuals shall be jointly and severally liable for an amount equal to the lesser of—

"(A) the value of the coupons allocated to both such individuals in such taxable year; and

"(B) one-half of the amount by which the countable income of such individuals for such taxable year exceeds the exempt amount.

"(b) Subsection (a) of this section shall not apply to—

"(1) any individual who participates in the food stamp program during the entire taxable year involved; and

"(2) any individual who is a member of a household which has household income, during the entire taxable year of such individual, comprised of only supplemental security income benefits under title XVI of the Social Security Act, State supplementary payments described in section 1616(a) of such Act, and payments of the type referred to in section 212(a) of Public Law 93-66.

"(c) For purposes of subsection (a) and notwithstanding subsection (b), there shall be allocated to each individual 19 years of age older the lesser of—

"(1) an equal share of all of the coupons received by each household of which such individual is a member participating in the food stamp program in any taxable year of such individual, for any period during which such individual is a participating member of each such household; and

"(2) a share of the coupons received by each such household in such taxable year for any period during which such individual is a member of such household, determined in accordance with regulations issued by the Secretary to prevent any extreme inequity.

"(d) Pursuant to such regulations as the Secretary and the Secretary of the Treasury may issue jointly and for purposes of determining the liability of any individual under subsection (a) of this section, the State agency shall—

"(1) furnish for each calendar year, before February 1 following such calendar year, to each individual who is 19 years of age or older, who participates in the food stamp program in such State in such calendar year, and who is not an individual described in subsection (b) of this section—

"(A) a statement specifying the amount of coupons allocated to such individual in such calendar year as determined in accordance with subsection (c) of this section; and

"(B) such other information as may be necessary to carry out the provisions of this section; and

"(2) certify to the Secretary of the Treasury for each calendar year, before March 1 following such calendar year—

"(A) the name and address of each individual 19 years of age or older who participates in the food stamp program in such State in such calendar year and who is not an individual described in subsection (b) of this section.

"(B) the amount of coupons allocated to each such individual in such calendar year as determined in accordance with subsection (c) of this section; and

"(C) such other information as may be necessary to carry out this section.

"(e) For purposes of this section:

"(1) 'Adjusted gross income' shall have the meaning given it in section 62 of the Internal Revenue Code of 1954.

"(2) 'Countable income' means, in the case of any individual who files a Federal separate income tax return and in the case of two individuals who file a Federal joint income tax return, for any taxable year the sum of adjusted gross income and any unemployment compensation received in such taxable year which is not included in gross income pursuant to section 85 of the Internal Revenue Code of 1954.

"(3) 'Exempt amount' means—

"(A) in the case of any unmarried individual who files a Federal separate income tax return and in the case of two individuals who file a Federal joint income tax return, for any taxable year an amount equal to 175 percent of the income standard of eligibility established under section 5(c) of this Act applicable to a household having the number of members equal to the number of personal exemptions allowable as a deduction by such individual, or by such two individuals, as the case may be, for such taxable year under part V of subchapter B of chapter 1 of the Internal Revenue Code of 1954, for persons who are members of the household of such individual, or of any household of either of such two individuals; and

"(B) in the case of any married individual who files a Federal separate income tax return for any taxable year an amount equal to one-half of the amount determined in accordance with subparagraph (A), except that for purposes of determining such amount the number of such personal exemptions shall be increased by one.

"(4) 'Taxable year' shall have the meaning given it in section 7701(a)(23) of the Internal Revenue Code of 1954.

"(5) 'Unemployment compensation' shall have the meaning given it in section 85(c) of the Internal Revenue Code of 1954.

"(f) The Secretary may transfer to the Secretary of the Treasury an amount, as specified in appropriations acts, of any funds appropriated to carry out this Act for fiscal years beginning after September 30, 1980, which is sufficient to enable the Secretary of the Treasury to carry out section 19 of this Act.

"(g)(1) Of the aggregate amount of any funds collected under section 19 and made available to the Secretary by appropriations acts to carry out this subsection, the Secretary shall—

"(A) transfer 15 per centum of the aggregate of such funds, but not to exceed $15,000,000 in any fiscal year, to the States, and

"(B) use the portion of the aggregate of such funds not transferred to the States under subparagraph (A), to carry out the provisions of this Act.

"(2) For purposes of paragraph (1)(A), the amount of funds to be transferred to each State shall be an amount equal to the product of—

"(A) the lesser of—

"(i) 15 per centum of the aggregate of any funds so collected and made available to the Secretary under section 19; and

"(ii) $15,000,000 in any fiscal year; and

"(B) the aggregate amount of liability for funds to be collected under the regulations prescribed in accordance with section 19, from individuals who are residents of such State, as specified on their respective Federal income tax returns, divided by the aggregate amount of liability for funds to be collected under such regulations from residents of all the States.

"(3)(A) Any State which accepts funds transferred under paragraph (1)(A) shall distribute such funds to the State agency conducting the food stamp program in such State.

"(B) Any State agency which receives funds distributed under subparagraph (A) shall use such funds to carry out the food stamp program.

"COLLECTION OF REQUIRED REPAYMENTS

"SEC. 19. (a) The Secretary and the Secretary of the Treasury shall issue jointly regulations establishing the procedures for determining and collecting any liability imposed by section 18(a). Such regulations shall provide that—

"(1) to the extent feasible, any liability shall be collected by the Secretary of the Treasury in coordination with his responsibilities under other Federal laws; and

"(2) any liability not collected by the Secretary of the Treasury shall be collected by the Secretary.

Such regulations may provide that such liability shall be offset by any overpayment of a Federal tax to which the individual involved is entitled but for the operation of this subsection, and such offset shall be treated as if it were a refund of such overpayment.

"(b) Funds collected under subsection (a) shall be deposited in the Treasury as miscellaneous receipts and shall be available to the Secretary of the Treasury to defray administrative costs incurred in carrying out the provisions of subsection (a) and to the Secretary to carry out the provisions of this Act, in such amounts as are specified in appropriation Acts.".

AVAILABILITY OF FUNDS REPAID FOR EXCESS BENEFITS RECEIVED

SEC. 205. The first sentence of section 20(b) of the Food Stamp Act of 1977, as so redesignated by section 204 of this title, is amended—

(1) by inserting "of the sum" after "excess"; and

(2) by inserting "and the aggregate of any funds collected and made available to the Secretary under section 19 of this Act in such fiscal year" before the period.

CONSTRUCTION OF AMENDMENT

SEC. 206. No provision of the amendment to the Food Stamp Act of 1977 made by section 204 of this Act shall be construed to change or affect in any manner the Internal Revenue Code of 1954 or the application of any provision of such Code.

CONFORMING AMENDMENT

SEC. 207. Section 4(a) of the Food Stamp Act of 1977, as amended, is amended by striking out "section 18" and inserting in lieu thereof "section 20".

APPLICATION OF AMENDMENTS

SEC. 208. Section 18(a) of the Food Stamp Act of 1977, as added by section 204 of this title, shall apply in the case of any individual to each taxable year of such individual beginning on or after the first day of the first calendar year beginning after the date of the enactment of this Act.

EFFECTIVE DATES

SEC. 209. (a) Except as provided in subsection (b), the amendments made by this title shall take effect on the date of the enactment of this Act.

(b) The amendments to section 11(e) of the Food Stamp Act of 1977, as made by section 203 of this title, and section 18(d) of the Food Stamp Act of 1977, as added by section 204 of this title, shall take effect on the first day of the first calendar year beginning after the date of the enactment of this Act.

Page 38, line 22, strike out "TITLE II" and insert in lieu thereof "TITLE III".

Page 38, line 24, strike out "SEC. 201." and insert in lieu thereof "SEC. 301.".

Page 38, line 24, strike out "section 18(a)" and insert in lieu thereof "section 20(a), as so redesignated by section 204 of this Act,".

Mr. JEFFORDS (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Vermont?

There was no objection.

Mr. STARK. Mr. Chairman, I reserve a point of order on the amendment.

Mr. JEFFORDS. Mr. Chairman, this is a significant amendment, and Members have been alerted to it. It is the one referred to as recoupment. This is slightly different from the one printed in the Record, only to make sure there is no rules problem.

Basically, what it does is this: It says that we are in trouble; we have a program which is getting out of hand, in a sense. What it does is, it says, "Let us take a look at the end of the year and see how many people ended up on food stamps that we really did not intend to have on food stamps, people other than those the program was really designed to take care of."

The program is designed to give people at the poverty level, after certain deductions, food stamps. What this amendment says is that if we look back at the end of the year and we find out that there were people on food stamps above 1.75 times the poverty level, then we ought to shift the program and say, "All right, we admit you had a temporary problem"—and, incidentally, these people are not on food stamps at the end of the year—"and we will consider the food stamps that you received as an interest-free loan. You will be liable to pay it back."

For purposes of collection, we want to use to the extent possible the Treasury Department and the auspices of the Internal Revenue Service.

How many people are we talking about here? I think this is staggering, when you think about it. There are now about 1.4 million recipients on the program who, at the end of the year, have incomes well in excess of what we thought they would have if they were going to be entitled to benefits under the program. So it will do a significant thing in bringing this program back to where the people of this country can have confidence in it. We can retarget the money to the people who really need it. This amendment will do much to restore public confidence, for the people we will recoup from are those people who are in the stores with their food stamps, and other people realize they are relatively high-income people and want to know why they are on food stamps.

Let me point out some of the things this amendment does not do. It does not cut back on benefits for the people we are expecting to serve, that is, the people at the poverty level after deductions. We do not affect anyone who is on only SSI. We do not affect those people who are on food stamps year-round. All we do is to treat in a different way those people who, for temporary reasons, got on the food stamp program and at the end of the year are in pretty good shape. We say to them, "Fine, we are glad you got the food stamps, but we want to treat your benefits as an interest-free loan and have you pay it back."

This does not represent a dramatic change in our philosophy. We do this in our student loan programs. We give grants to low-income students and then if they are above a certain income level we give them low-interest loans. It is no different than what we do in the Small Business Administration. This is no draconian proposal. It was first introduced by Congressman Andrew Young in the 94th Congress when he recognized, as a lot of us did then, that we needed reforms in the program. He realized that we ought to treat some benefits as loans.

Also, the gentleman from Oregon (Mr. Ullman), chairman of the Committee on Ways and Means, wrote this proposal into his welfare reform bill and said, "Yes, this is a good proposal, and not only for food stamps. Perhaps we ought to do this for AFDC also."

Mr. STARK. Mr. Chairman, will the gentleman yield?

Mr. JEFFORDS. I yield to the gentleman from California.

Mr. STARK. I thank the gentleman for yielding.

Mr. Chairman, I have a statement by Chairman Ullman, who has had to be absent from the floor, who does oppose the gentleman's amendment. I did not want the gentleman to follow that track very long, and I will read his statement in the Record later.

Mr. JEFFORDS. I know he does not support it now. The Ways and Means Committee obviously always takes care of the Internal Revenue Service. I understand that.

Mr. STARK. If the gentleman will yield, I think he opposes it on moral grounds also.

Mr. JEFFORDS. All right, fine.

Mr. Chairman, this amendment also looks at a second group of people who are creating a serious problem in this country, and that is the group of people which was the subject of the Comptroller General's report back about 1976, which said:

> We are losing about one-half billion dollars out of the food stamp program.

The primary reason for that is that there are a lot of people who give a different set of income figures to the welfare office than they do to the IRS.

The CHAIRMAN. The time of the gentleman from Vermont (Mr. Jeffords) has expired.

(By unanimous consent, Mr. Jeffords was allowed to proceed for 5 additional minutes.)

Mr. JEFFORDS. As I was saying, there is a number of people who give a different set of income figures to the food stamp agencies than they give to the Internal Revenue Service, on their tax form. Recent figures indicate the error rate nationally in this program is 13.4 percent. In some States, income-reporting errors run as high as 40 percent. What this bill would do, in conjunction with an amendment already passed, is to allow a cross check. It would give information to the Internal Revenue Service that will give the IRS an idea as to which people are cheating on the system.

I want to point out that I first offered a recoupment amendment in 1977, and as a result of that, a 2-year study of this issue was authorized. Recoupment has been studied very extensively. Unfortunately, the issuance of this report was delayed, delayed and delayed. For some mysterious reason it came out just before recoupment was considered in the Agriculture Committee. We didn't have enough time to correct some of the problems. So there will be some questions raised as to administrative burden, but those problems have been corrected. My amendment system now places very little burden on administrators. It does not require any new data to be taken by the food stamp offices except possibly for a small percentage of nonnuclear families.

□ 1610

In addition, the so-called WX form which the amendment would require is a very simple form. It does not have much information on it. It is easily prepared by the food stamp offices and easily understood by recipients. To dispel the misunderstanding that there is a loud outcry from food stamp offices on recoupment let me say that we sent out this new proposal to all the food stamp offices in the country and we received the following reply, among others:

> We do realize, however, that many individuals and families applying for and receiving food stamps are not "needy" throughout the entire year. There is a substantial number of individuals who, because of seasonal employment, layoffs, and peak periods, are without adequate resources for a short period during the year. Their annual gross income, however, would not place them in the "needy" category. We do not oppose recoupment for such individuals and families.

Another letter, from the District of Columbia, ends as follows:

> And please feel free to contact me at any time if I can assist you in this most worthwhile effort.

That gives you an idea that the amendment we have now is one that is administratively feasible. It is one that will work.

How much will recoupment bring back? Is it worthwhile in terms of net revenues generated? Estimates vary widely.

With the amendment we have now, with the administrative cleanup we have accomplished—and this is after paying off the cost to the Internal Revenue Service and the States.

Mr. STARK. Mr. Chairman, will the gentleman yield?

Mr. JEFFORDS. I yield to the gentleman from California.

Mr. STARK. Why does the Internal Revenue Service come into this?

Mr. JEFFORDS. Under the provisions of this amendment, the Secretary of the Treasury could require the Internal Revenue Service to carry out some of the collection procedures. If it is done, then the IRS would be reimbursed for its costs.

Mr. STARK. Would it not be necessary to change the Internal Revenue Code?

Mr. JEFFORDS. Absolutely not. There is no question about that. I think the law is clear on the fact that although a certain provision of the law requires a certain agency to do things, it does not preclude any other law requiring them to do something else. We believe this amendment is well within the rule and within the law.

Mr. STARK. If the gentleman will indulge me for a little colloquy here, section 642(a) of the Internal Revenue Code——

Mr. JEFFORDS. I would rather not

give up my time. I know we are going to get into this on a point of order. I would appreciate it if the gentleman would wait until that time so I can continue and not exhaust my time.

Mr. STARK. I would be glad to request additional time for the gentleman, if he would yield to me, because I know he said in his "Dear Colleagues" and other times, "Do you have a plan for collecting the income?"

I am concerned here, as the gentleman well knows, with any burden or change on the Internal Revenue Department, and I really do not know how the gentleman intends to collect this money.

Mr. JEFFORDS. What we would like to do, to the extent possible under the restrictive rule passed by the Committee on Rules, is to utilize the Internal Revenue Service to assist in the collection according to regulations which will be jointly agreed to by the Secretary of Agriculture and the Secretary of the Treasury. The hope is—and I realize it is in question under the rule——

The CHAIRMAN. The time of the gentleman from Vermont (Mr. JEFFORDS) has expired.

(At the request of Mr. STARK and by unanimous consent, Mr. JEFFORDS was allowed to proceed for 5 additional minutes.)

Mr. JEFFORDS. We would hope to offset recoupable benefits against the refunds that the recoupable taxpayer would most likely have coming to him. Whether this would be allowed under the law and under the rule is questionable. I admit that. But that is what we would like to see done. Whether it can be done, I do not know, but I would say this, that I would expect that, if this amendment is adopted and goes into effect, the Committee on Ways and Means would certainly take the position that it is foolish to require things of the Internal Revenue Service which could be very simple with the modification of the Tax Code, but quite complicated and an additional burden without such a modification.

I expect the House would say, "this is a good concept," and if that is the will of the House I cannot believe that the Committee on Ways and Means would say, "OK, we do not care."

We are going to make it hard and difficult on the Internal Revenue Service, and the heck with them.

I am sure they would come back and make it easier for them to carry out recoupment.

Mr. STARK. I thank the gentleman.

Mr. JEFFORDS. As I was saying, the minimum this amendment would raise is $59 million annually. It could raise several hundred million dollars a year. For instance, when the gentleman from Oregon (Mr. ULLMAN) was thinking about putting this in the welfare reform bill a different law, significantly different areas of eligibility, et cetera, but not so dissimilar that this does not give you an idea of the potential he asked for revenues figures CBO came back and said it could be as much as $1.3 billion. I recognize this amendment would recoup less than that, but CBO, as I pointed out before, estimated that we are losing about half a billion dollars on income errors and other errors in the program. This amendment would help reduce that.

So the worst it is going to do is net us $59 million, after the administrative cost. The most it can do is bring in several hundred million dollars and also restore some confidence that the program is not giving money to people who are not needy. It will cut back on the complaints we get about people in the food stamp lines who have relatively high incomes.

Mr. WAMPLER. Mr. Chairman, will the gentleman yield?

Mr. JEFFORDS. I yield to the gentleman from Virginia.

Mr. WAMPLER. I thank the gentleman for yielding.

Mr. Chairman, the gentleman from Vermont has discussed his amendment under a reservation of a point of order made by the gentleman from California, Mr. STARK. I would not presume to anticipate how the Chair might rule on any given point of order, but let me say that the gentleman from Vermont has worked long and hard on what has become known as the Jeffords recoupment amendment.

I supported this amendment in committee, because I thought it was a worthy idea. The gentleman from Vermont is not only an able legislator and a very able member of the committee, but he is an able attorney, and I want to compliment him and commend him for the work that he has put on this concept. I hope that the committee will see fit to adopt it in the event it is ruled in order.

I thank the gentleman for his contribution.

Mr. JEFFORDS. I appreciate the ranking member's kind comments. A lot of work has gone into this, because we recognize it is important that we try to insure that this program, which has grown so much in the amount of money that is being spent, is really targeted to those people who are truly in need. This proposal represents an attempt to bring some rationality back to the eligibility requirements of this program and to restore confidence in the food stamp program.

The CHAIRMAN. Does the gentleman from California (Mr. STARK) insist on his point of order?

Mr. STARK. Mr. Chairman, I will insist on my point of order and ask to be recognized.

The CHAIRMAN. The gentleman from California is recognized on his point of order.

Mr. STARK. Mr. Chairman, I make a point of order against the Jeffords amendment. I object in no uncertain terms to the amendment as a violation of the rule providing for the consideration of this bill.

The rule provides that after the amendment recommended by the Committee on Ways and Means is adopted no further amendment is in order "to further change or affect the Internal Revenue Code."

The Ways and Means Committee amendment has been adopted. The amendment offered by the gentleman from Vermont effectively amends section 6402(a) of the Internal Revenue Code. It is therefore in violation of the rule.

The Jeffords amendment creates a liability for excess food stamp benefits received. It then provides that the Secretary of the Treasury and the Secretary of Agriculture may provide for the collection of this liability by offsetting the liability against tax refunds otherwise due an individual on account of overpayment of a Federal tax. This effectively amends 6402(a) of the Internal Revenue Code. This section is the only authority that the Secretary of the Treasury has to reduce the amount of refund due a taxpayer on account of overpayment of a tax. The section provides that refunds can only be reduced by the amount of an individual's other tax liability. The Jeffords amendment does not create a new tax. It therefore effectively expands the power granted to the Secretary under this section of the Internal Revenue Code. It therefore effectively amends the Internal Revenue.

Mr. Chairman, this morning I received the following letter from the Commissioner of Internal Revenue:

COMMISSIONER OF INTERNAL REVENUE,
Washington, D.C., May 8, 1980.

Hon. FORTNEY H. STARK,
House of Representatives,
Washington, D.C.

DEAR MR. STARK: We understand that today Mr. Jeffords will offer a floor amendment to S. 1309 amending the Food Stamp Act to require the Internal Revenue Service to collect excess food stamp benefits and permitting us by regulation to offset these excess benefits against tax refunds to which the affected taxpayers would otherwise be entitled.

It is clear beyond question that this proposal would effectively amend section 6402 (a) of the Internal Revenue Code. Section 6402(a) requires the Service to refund the balance of an overpayment of tax remaining after permissible offset by any existing internal revenue tax liability of the taxpayer. Neither 6402(a) nor any other Code provision allows us to offset tax refunds by anything other than tax liability, and there is absolutely no way under the Code to modify the plain requirements of section 6402(a) by regulation. Mr. Jeffords' proposal would add excess food stamp benefits to the list of permissible offsets and do it under the Food Stamp Act instead of the Internal Revenue Code.

Mr. Jeffords' proposal would also charge the Service with directly collecting excess food stamp benefits. Because these excess benefits are not internal revenue taxes, none of our collection authority provided by the Internal Revenue Code could be exercised, and we are at a loss to understand what collection authority we would have that is not presently available to the Department of Agriculture under, presumably, the Federal Claims Collection Act.

It is imperative that any Internal Revenue Service involvement in collecting excess food stamp benefits, either directly or by means of offsetting these benefits against tax refunds, be taken up by the Ways and Means Committee in the form of proposed amendments to the Internal Revenue Code so that the impact of the proposal on the Internal Revenue Service and Federal tax administration can properly be assessed. We do not believe that the proposal should be acted upon by the House as an amendment to the Food Stamp Act.

This analysis of Mr. Jeffords' proposal is furnished at the request of your staff.

With kind regards,

Sincerely,

JEROME KURTZ.

In a letter dated May 7, 1980, sent to all Members by the gentleman from Vermont the following statement regarding the recoupment amendment was made:

> Repayment of the liability for excess food stamp benefits received would take place through the federal income tax reporting system.

It would seem, Mr. Chairman, that even the proponent of this amendment recognizes that his amendment affects the Internal Revenue Code.

Mr. Chairman, the Jeffords amendment clearly affects the Internal Revenue Code. Thus it is not in order under the rule adopted for the consideration of this bill. For these reasons I urge the Chair to sustain this point of order.

☐ 1620

I would make two hypothetical answers to my colleague. I think I phrased the question so that it would require a yes or no answer.

If the gentleman would agree, and if the courts would uphold the Secretary would not be required to refund any tax overpayment, then I submit that the amendment is moot or is of no effect. My point of order would not be sustained.

If, however, there is any effect, not necessarily a change, but an effect on the Internal Revenue Code, and the effect is to require the Secretary to take some of that tax overpayment, then I say it affects section 6402(a) which now says very clearly and very definitively that those overpayments shall be returned to the taxpayer.

I guess I wish I were an attorney so I could cite something more learned than to suggest that if it walks like a duck, quacks like a duck, looks like a duck, it is a duck.

I would hope the Chair would see fit to say either the amendment, as I suspect, is out of order, or that the legislative dialog would indicate that there would be no way for the Secretary of the Treasury to withhold any of the tax overpayment due such person.

I urge the Chair to rule on my point of order.

The CHAIRMAN. Does the gentleman from Vermont wish to be heard on the point of order?

Mr. JEFFORDS. Yes, I do, Mr. Chairman.

First of all, what I really want to do is quote from the amendment. It is on page 10, section 206:

> No provision of the amendment to the Food Stamp Act of 1977 made by section 204—

The one we are talking about—

> of this Act shall be construed to change or affect in any manner the Internal Revenue Code of 1954, or the application of any provision of such Code.

This is right out of the rule.

What the gentleman would ask the Chair to do is change this body from a parliamentary body into a court of law and have the Chair act as a judge, not as chairman of the committee, for what he seeks for the chairman to do is interpret the Internal Revenue Code and make a judgment as a judge as to whether or not this is occurring. The amendment we are seeking here says we do not believe it does, and if it does it cannot, by virtue of the provision, it cannot affect it and, therefore, whether it be the Attorney General or some court of law who would say—

> All right, you cannot do that; what you are trying to do is wrong; you cannot have it and offset against the refund.

We happen to believe, or I happen to believe that it is possible that they could interpret it to say that that is not an affect on the Internal Revenue Code because even though the Internal Revenue Code says that nothing prevents a refund from being used for some other purpose, I think that is a possible interpretation, that we are not affecting the Code. We are affecting a result of the Code which would not have anything to do with the Internal Revenue Code. It might affect the procedures under which the Internal Revenue Service operates, but there is nothing that says that the Internal Revenue Service can only do things which are prescribed in the Internal Revenue Code. They can do other things.

But I think, as the Chairman ruled last time, that it is not nongermane to ask some other body to undertake some additional burdens, but you cannot change and restructure the burdens they have. We say this might be an additional burden, but irrelevant to the Code. Let me say in finality that is a judgment to be made by a court, a judgment to be made by the Attorney General, but not by the Chairman of the House, because the bill itself precludes it from being interpreted as in violation of the rule.

The CHAIRMAN. It is not the function of the Chairman to rule on the merits of an amendment, but whether an amendment, on its face, complies with the Rules of the House.

The gentleman from California appropriately pointed to the sentence in the House Resolution 651 in question, as to whether in fact this amendment causes further change in or effect on the Internal Revenue Code.

The Chair was aware that this controversy was pending. The Chair has read the amendment as it appeared in the RECORD and was prepared to rule that the amendment was not in order in that form.

The amendment, however, as offered, does contain the additional language,

> No provision of the amendment to the Food Stamp Act of 1977 made by section 204 of this Act shall be construed to change or affect in any manner the Internal Revenue Code of 1954 or the application of any provision of such Code.

The Chair would rule that on its face and for the reasons stated by the gentleman from Vermont the amendment does comply with the rule and the amendment, therefore, is in order.

Mr. STARK. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I would like to read for the record a statement by Chairman ULLMAN on the recoupment.

Since, in several statements, it has been implied that I support this provision, I would like to set the record straight. A similar provision was included in my Welfare Reform Act of 1978; however, I do not support this amendment today for the following reasons:

First. The Ways and Means Committee, which has jurisdiction in this area, has not held hearings and received appropriate comment from the Internal Revenue Service, Treasury, and other parties affected by this amendment. This amendment regardless of how drafted involves the jurisdiction of this committee because it anticipates using annual income data from tax returns to compute the amount of recoupment.

Second. There seems to be no reason to single out the food stamp program for recoupment. We, the Congress, should consider in an orderly fashion whether this policy should be applied to food stamps or other programs as well. Recoupment for food stamps alone is not cost effective.

Third. This is a major amendment and will require, if implemented, substantial administrative organization. This amendment is not cost effective, and there is some doubt as to whether the total amount of increased liabilities will exceed the administrative cost that will be imposed upon the Internal Revenue Service and the State welfare agencies.

Thus, while the concept of an annual accounting period and treating food stamps that go to people with low monthly incomes that have relatively high annual incomes as a loan is a concept with some merit, the details have not been worked out. There are many definitional differences between the food stamp unit and the IRS filing unit which we as a committee should investigate.

Therefore, I want to make it clear to the Members of this body that I do not support the recoupment amendment as outlined in the Jeffords amendment and that it invades the jurisdiction of the Ways and Means Committee.

Mr. Chairman, I would like to go on and suggest, with all due respect for my friend and colleague from Vermont, that it is a fuzzy amendment, fuzzy in that if, indeed, my point of order does not lie, it is clear that there is no plan for collecting this money and it is clear that the Internal Revenue Service, through its rule, would not be able to collect. It seems to me to be counterproductive for us to be creating a bureaucracy and not giving them any instructions as to what to do.

I am sure the gentlemen on the other side of the aisle oppose that as much as I do. I know they have fought creating new bureaucracies. But to create one that does not know what it is supposed to do or how it is going to do it seems to me to be very counterproductive.

If, indeed, the gentleman's intentions are the same as they have been in his "Dear Colleagues" and his past statement in the RECORD, that intention, I am sure he would be willing to admit, is to try and get tax overpayments as a means of recoupment, and I submit there is a proper forum for doing that and that is through the Ways and Means Committee. I think we would be perfectly glad to proceed with that. That is a jurisdictional argument, but without a clear-cut direction as to how this is collected, I think we are just creating more problems than we would have otherwise, and I would urge defeat of the amendment.

□ 1630

Mr. GRADISON. Mr. Chairman, will the gentleman yield?

Mr. STARK. I will be glad to yield to my colleague, the gentleman from Ohio.

Mr. GRADISON. I thank the gentleman for yielding. During the Ways and Means Committee consideration of this bill, I indicated my intention to offer the Jeffords recoupment proposal as an amendment to the bill, and it was my understanding that we would be able to get into it at that time. It happened that the committee lost its quorum and adjourned before this amendment was considered. Unfortunately, what happened subsequently was that the chairman of our committee indicated in a letter to the chairman of the Committee on Rules that the Committee on Ways and Means had completed its consideration of this bill, S. 1309, but without going further to indicate that there was this additional important substantive amendment which was proposed, and which we did not get into at that time.

I would agree with the gentleman in the well that this raises important questions which the committee should get into. I would not agree, however, with the suggestion that it only can be done on a comprehensive basis, because that is not how we have faced the identical problems in the past. Specifically, we have provided a form of recoupment, if that is the correct term, with respect to unemployment compensation benefits in the Revenue Act of 1978, and separately provision for the use of the Internal Revenue procedures and the Internal Revenue Service for the collection of funds for MATS and FOGS. So to take this third one up is not consistent with the approach that we have used in the past. I would ask the gentleman this question: Could the gentleman give us assurance, regardless of what happens to this amendment today, that during this session——

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. STARK was allowed to proceed for 5 additional minutes.)

Mr. GRADISON. Will the gentleman yield for the completion of my question?

Mr. STARK. I yield to the gentleman.

Mr. GRADISON. Could the gentleman assure us that the Committee on Ways and Means will provide the opportunity for hearings during this year on the substance of the Jeffords recoupment proposal?

Mr. STARK. The gentleman's question implies a certain stature and seniority on the Ways and Means Committee that the gentleman in the well does not enjoy.

Mr. GRADISON. The gentleman was speaking on behalf of the chairman of the committee.

Mr. STARK. When I got to the end of the chairman's statement, I think my authority from the chairman ended. As far as this gentleman is concerned, if recoupment is something that the House finds should be done in whatever area, I would be anxious that our committee consider recoupment an inefficient way. I do think that as far as the Jeffords amendment is concerned, my own personal feeling is that if the House decided to do something like that, we would be silly not to do it in the most efficient, economical way, which might very well be the Internal Revenue System, although I am concerned about the Internal Revenue System becoming a bill collector for other agencies of the Government because of the very delicate balance we have now in collecting income taxes alone. But I think that is one I would be glad to see hearings held on to see if there is a policy that we could come up with that would be good for the country to keep our voluntary tax system from faltering.

Mr. GRADISON. I want to thank the gentleman for his statement. It is a very powerful argument for supporting the Jeffords amendment and as a means of gaining assurance that the Ways and Means Committee will consider this issue.

Mr. STARK. The only assurance the gentleman has is mine, and I am on pretty thin ice.

Mr. RICHMOND. I move to strike the requisite number of words.

All of the Democrats on the House Committee on Agriculture have the utmost respect and affection for the gentleman from Vermont (Mr. JEFFORDS). The gentleman from Vermont is constantly helpful, understanding, and in every way a wonderful colleague, except on this matter of recoupment. Back in 1977 the gentleman from Vermont brought up recoupment. At that time it was opposed by the Department of Agriculture, the Department of the Treasury, and the committee. The gentleman from Vermont said recoupment at that time would save $200 million. The USDA/IRS said it would save $50 million. The gentleman from Vermont did not believe it would save $50 million. So the Congressional Budget Office did a second study which still showed it would save $50 million. Now we are back in 1980 discussing recoupment again. If this recoupment is so wonderful, why is it the Internal Revenue Service is against it? Every single State is against it. Every single Governor is against it. The Secretary of Agriculture is against it. The Inspector General of the U.S. Department of Agriculture is against it. In addition, the gentleman from Vermont during his very lengthy dialog neglected to say that that $50 million which might be saved will not be saved until 1983. So let us all remember that recoupment in general is an administrative morass. Nobody wants it except the gentleman from Vermont.

Let me just read from one letter from the Secretary of Agriculture, Secretary Bergland. In testimony before our subcommittee in October the Secretary said:

> Recoupment would represent perhaps the most major imposition on states of new administrative burdens and of administrative complexity in the recent history of the food stamp program. We are, frankly, not sure that a number of states will be able to make it happen even if it is written into law.
>
> I believe that one of our major goals must be to simplify the program. That is what the Administration and Congress tried to do in 1977. Recoupment appears to be an extremely large step in the other direction. We feel it would adversely impact on other aspects of state operation as well due to the sheer size and complexity of the task. In addition, the Internal Revenue Service believes recoupment would complicate administration of the tax system. I do want to express my deep concern and my fear at this time that recoupment could be a serious mistake of very major proportions.

Mr. JEFFORDS. Mr. Chairman, will the gentleman yield for clarification?

Mr. RICHMOND. I yield to the gentleman from Vermont.

Mr. JEFFORDS. I thank the gentleman for yielding. I think he will agree that the amendment he is referring to, and the one that the Secretary of Agriculture testified on, is a substantially different amendment from the one that this body is facing now. The implications for food stamp offices and the Internal Revenue Service are totally different under this amendment.

Mr. RICHMOND. Except the gentleman will recall that he has changed the amendment probably eight times, and no matter how he changes the amendment, the possible saving is still only $50 million. The possible saving comes only in the year 1983. The recoupment is an administrative morass.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. RICHMOND was allowed to proceed for 2 additional minutes.)

Mr. RICHMOND. Recoupment is an administrative morass, and nobody wants it. The Governors do not want it. Virtually all State food stamp administrators are against recoupment.

Mr. JEFFORDS. That is not correct. I read from two letters earlier in my debate, which the gentleman may not have heard, letters which support recoupment. In fact, to my knowledge, we have had only three negative responses from the States, and we have written to every State in the union on this matter. We got some neutral letters. Second of all, the amendment the gentleman is talking about, which all of this objection is to, is totally different, and it was because of that amendment and because of the study that was done that we were to find, one, that several food stamp offices agree recoupment is administratively feasible. The Internal Revenue Services agrees it is administratively feasible. I met with the IRS as late as two weeks ago.

Mr. RICHMOND. The gentleman from Vermont is wrong. He knows the Internal Revenue Service is against recoupment.

Mr. JEFFORDS. I know that. That goes without saying, but that is a totally different question than whether or not it is not administratively feasible. I recently sat with an IRS representative who said that with a particular change, we agree that it is administratively feasible. And we made that change.

Mr. SYMMS. Mr. Chairman, would the distinguished Chairman, the gentleman from New York (Mr. RICHMOND) yield to me?

Mr. RICHMOND. I yield to the gentleman from Idaho.

Mr. SYMMS. I thank the gentleman for yielding. There is one group of people who do want this amendment that is offered by the gentleman from Vermont (Mr. JEFFORDS), and that is the taxpayers, the weary, weary taxpayers who are being taxed and taxed and taxed to death. They would love to have this amendment pass.

Mr. RICHMOND. I thank the gentleman. I yield back the remainder of my time.

Mr. WEISS. Mr. Chairman, I move to strike the requisite number of words, and I rise to oppose the amendment.

Mr. Chairman, I want to express my opposition to the amendment and to commend the distinguished chairman of the subcommittee, my friend and colleague from New York (Mr. RICHMOND), for his very, very excellent work in making sure that the poor, including the working poor, would have the continuation of this very necessary food stamps program. I also want to compliment the distinguished chairman of the Committee on Agriculture for his outstanding efforts.

Mr. Chairman, I wish to express my strong support for S. 1309, the Food Stamp Act Amendments of 1980, a bill to revise upward the ceiling on food stamp expenditures for fiscal years 1980 and 1981.

This legislation will help insure that Americans in need of food assistance are not penalized for the extraordinarily steep rise in food prices over the past several months.

In the event that the revised spending estimates of $8.7 billion for fiscal year 1980 and $9.7 billion for fiscal year 1981 are too low, the Agriculture Committee wisely added a 5-percent discretionary spending margin for fiscal year 1980 and a 10-percent margin for 1981. This increase in funding is needed because of economic miscalculations made in 1977. At that time, the Congressional Budget Office estimated that food prices would rise 3 to 4 percent annually. In reality food prices increased 22 percent between 1977 and 1978, and are predicted to increase 46 percent between 1977 and 1981. Similiarily, the rate of unemployment is about three times the predicted value, and each 1 percent rise in unemployment adds 1.2 million people to the program. The fact that food price inflation and higher than expected unemployment rates account for fully 81 percent of the spending increases included in S. 1309 is a sobering reflection of our grim economic situation.

In the face of an expected recession, as well as growing unemployment and skyrocketing inflation, it would seem wise to eliminate the spending ceiling altogether; however, this legislation represents a significant and essential attempt to hold the line on hunger for many Americans.

The food stamp caseload in my State has grown by approximately 25 percent in the last year—from an estimated 2 million participants in December 1979. That amounts to nearly 12 percent of our State's population. Failure to fund adequately this program and to avoid restrictive amendments will severely impact these nearly 2 million residents—many of whom are at the subsistence level or below. Included in the food stamp program are not only people on our conventional public assistance programs, but many SSI recipients, senior citizens, and significant numbers of the working poor. These people can ill afford to lose any food purchasing power, especially at a time when food prices are rising at record rates. Further, loss of 1 month's food stamp benefits in New York would result in a loss of $12.9 million in food expenditures and $4.7 million in farm income. Since every good stamp dollar has a multiplier effect of 3.64, a 2-month suspension of the program would cost New York City's private sector more than $200 million, most of which would be borne by the food supply and service industries.

Numerous restrictive amendments will be offered to this bill. I strongly urge a vote against them. Specifically, any amendment which would offset program benefits by the value of school lunch and/or breakfast program subsidies is an example of benefit reduction which would exacerbate an already critical quality control situation. Any potential savings would be far outweighed by administrative complexity, holding school systems in part responsible for the computation of a recipient's benefits. Most importantly the fact is that such reductions are in direct contradiction to the nutritional goals of this program.

Because of pressing time constraints, if these restrictive amendments are passed, we will be forced to adopt legislation which will severely harm the very people it is designed to help. The effect on our lower income citizens, who receive an average of 33 cents a meal, would be devastating. In this period of skyrocketing inflation and growing unemployment, it is unconscionable to be contemplating cuts of this sort in this program.

As a long time advocate of expanded and improved nutrition services for lower income people, I urge my colleagues to vote against these restrictive amendments, and vote for S. 1309 as requested by the Agriculture Committee.

Mr. FOLEY. Mr. Chairman, I move to strike the necessary number of words.

Mr. Chairman, I am concerned about two things in the consideration of this amendment. One, I am concerned about the fact that however appropriately and skillfully the gentleman from Vermont (Mr. JEFFORDS) has constructed the amendment to meet the conditions of the rule, in my judgment, it is a revenue issue. It is a tax issue. Whether we should or should not tax benefits to those who have higher than anticipated incomes is also a legitimate question. So I am troubled that the question is appropriate, but the forum is wrong.

☐ 1640

This is a bill of the Committee on Agriculture. We are sitting here as the Committee of the Whole on an agriculture bill and we are asked to make a tax decision. I am, therefore, concerned that there be some opportunity to look at this issue, which the gentleman from Vermont has raised, which is a reasonable issue to examine, but I do not think this is the appropriate place to examine it without the judgment of the Committee on Ways and Means on the matter, the taxing committee of the Congress.

Mr. Chairman, I personally would be willing to request that my distinguished friend, the chairman of the Committee on Ways and Means hold hearings on the gentleman's proposal in the Committee on Ways and Means where it could be addressed in its appropriate nature as a tax provision, a revenue code provision, if this amendment could be withdrawn at this time in the consideration of this bill. Otherwise I am constrained to oppose it. I really think it deserves consideration. I think it deserves the consideration of the Committee on Ways and Means, and this committee, I think, should await that judgment.

Mr. JEFFORDS. Mr. Chairman, will the gentleman yield?

Mr. FOLEY. I yield to the gentleman from Vermont.

Mr. JEFFORDS. Mr. Chairman, this is a very difficult question for me because I know we have substantial support for the amendment and I know it is even conceivable we could win. However, I am constrained to offer to the body an amendment which is imperfect because of the rule that was offered. I am deeply sorry that the Committee on Rules did not see fit to allow me a rule which would have allowed this to be debated in its best form. I therefore think, with the assurances of both the gentleman from California and the gentleman from Washington, the chairman of the committee, that they will do all they can to get this amendment looked at and treated in the forum where it should be treated—because it does have significant impact upon the Internal Revenue Service—I would offer to withdraw the amendment so that it can be subject to the kind of critical hearings which may build support for it and assist us in getting the program under control.

Mr. Chairman, I hope the gentleman will also yield to a sponsor of my amendment from Georgia at this time.

Mr. STARK. Mr. Chairman, will the gentleman yield?

Mr. FOLEY. I yield to the gentleman from California.

Mr. STARK. I would like to assure my colleague from Vermont that I will join with my chairman and my colleague from Indiana and my colleague from Michigan who is also with the Committee on Ways and Means (Mr. BRODHEAD) to prevail upon the gentleman from Oregon (Mr. ULLMAN), the chairman of the Committee on Ways and Means, to conduct hearings on this matter and give it due consideration.

Mr. Chairman, I appreciate the gentleman's offer.

Mr. MATHIS. Mr. Chairman, will the gentleman yield to me?

Mr. FOLEY. I yield to the gentleman from Georgia.

Mr. MATHIS. Mr. Chairman, I am not sure what is the parliamentary situation at this point, if the gentleman is about to ask unanimous consent to withdraw the amendment, but if the gentleman would yield, I would just like to ask the gentleman from Vermont if this is a new issue, this recoupment. Is this something that just came up today and the gentleman ran to the floor with an amendment, or has this not been around for awhile, this notion that the taxpayers might have a right to reclaim some overpayments that are going out through this program. Has there not been ample time for hearings on recoupment before today? Is this something that just walked in off the street?

Mr. JEFFORDS. Mr. Chairman, will the gentleman yield?

Mr. FOLEY. I yield to the gentleman from Vermont.

Mr. JEFFORDS. As the gentleman well knows, recoupment is not a new idea. I have here in my hand a study, a voluminous two-year study on the very subject. But, Mr. Chairman, it is true that the amendment I propose, even though it has been studied, perhaps still has not been given the scrutiny by the Internal Revenue people and the Committee on Ways and Means necessary for the molding of the kind of provisions that might be necessary to accomplish its aims most effectively.

The CHAIRMAN. The time of the gentleman from Washington has expired.

Mr. MATHIS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I would, of course, yield to my friend from Vermont to continue his statement but before I do, let me say we can have consideration by the Committee on Ways and Means, we have heard about the jurisdictional responsibilities and who is going to do what.

Mr. Chairman, I suggest to the gentleman—and I have said this in committee several weeks ago—we are going to drag every red herring we can across the path of recoupment. We can beat this thing around for the next several years, if we want to have some more hearings or we can vote on the basic issue here today. I would respectfully suggest to the gentleman I would like to see that vote occur. I would like to see this House go on record as either being in favor of or being opposed to the concept of recoupment.

Mr. Chairman, I stood in the well of this House a few minutes ago and opposed reinstatement of the purchase requirement because I thought it went after the poorest of the poor. That is not where we ought to be going. We ought to be going after overpayments and this is the way you do it, through this kind of recoupment procedure.

Mr. SYMMS. Mr. Chairman, will the gentleman yield?

Mr. MATHIS. Certainly I yield to my friend from Idaho.

Mr. SYMMS. Mr. Chairman, I would like to compliment the gentleman from Georgia and say I share his willingness to vote on this issue and dispose of it today and find out how a few people feel. After all that has been going around here for the last week or two, talking about budget restraints, I think we should vote on this.

Mr. MATHIS. I thank my friend from Idaho.

Mr. Chairman, I can tell my friend from Vermont exactly what the Internal Revenue Service is going to say about this proposal or any other one that you care to present. They are going to be opposed to it. You cannot write a plan that they are going to support and neither can any other Member of this body and neither can the Committee on Ways and Means.

Mr. Chairman, I would suggest we vote on the question of recoupment and I would urge the gentleman not to withdraw or attempt to withdraw his amendment and if he asks for unanimous consent to do so I would be constrained to object.

Mr. JEFFORDS. Mr. Chairman, will the gentleman yield?

Mr. MATHIS. Of course I will yield to my friend from Vermont.

Mr. JEFFORDS. Mr. Chairman, I appreciate the gentleman's efforts. I know how hard the gentleman has worked. Part of this amendment does contain an important provision which would assist the States by reimbursing them with additional funds for any problems they might have, and I certainly appreciate the efforts the gentleman has put into that provision.

Mr. Chairman, obviously I would not have offered this amendment if I did not feel it was appropriate to do so at this time. However, I think I probably will move to withdraw it and of course the gentleman may object to that.

Mr. MATHIS. Mr. Chairman, I yield back the balance of my time.

Mr. JEFFORDS. Mr. Chairman, I ask unanimous consent that I be permitted to withdraw my amendment.

Mr. MATHIS. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

Mr. BRODHEAD. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I am sympathetic to the concerns that motivated my colleague from Vermont to offer this amendment. The abuse of the food stamp program, the receiving of food stamp benefits by those who are not entitled to receive them is a concern to all of us and certainly the efforts that the gentleman from Washington has made and the efforts made by the gentleman from New York and the gentleman from Vermont have been to try to tighten up and improve the program. They have my full support.

However, Mr. Chairman, I am concerned that the impact of this amendment is not going to be to reduce fraud and error in the program but in fact may possibly go in the other direction.

Mr. Chairman, I do not think there is any question, and those who have examined this proposal almost unanimously conclude that it does complicate the administration of the program. It introduces substantial new paperwork into the program. It means a whole new level of records that have to be kept.

Mr. JEFFORDS. Mr. Chairman, will the gentleman yield?

Mr. BRODHEAD. I will yield to the gentleman from Vermont.

Mr. JEFFORDS. Would the gentleman please be more specific? I am confused because the information I get from the food stamp offices does not agree with what the gentleman is saying.

Mr. BRODHEAD. I was going to give an example. For example, there would be the necessity to match up the W-2 form that the individual receives from his or her employer with the records of the food stamp program. As the gentleman is well aware, employers have to supply to their employees by January 31 under the law a complete record of earnings for that individual for that year. As the law exists today, those who administer the food stamp program—primarily the State welfare agencies—do not have the obligation to compile that information by January 31. This will mean they will have to collect all this information much earlier than they would otherwise have to collect it and would have to match it up with the W-2 forms.

Mr. JEFFORDS. Mr. Chairman, if the gentleman will yield, who has to match it with the W-2 forms?

Mr. BRODHEAD. As the gentleman has written the amendment, it is not exactly clear who is going to administer the program and that is one of the problems with the amendment.

□ 1650

Mr. JEFFORDS. The gentleman said someone is going to have to make up the form. Who is that someone?

Mr. BRODHEAD. Well, as I said, it is pretty vague here as the gentleman has written the amendment; whether it is going to be the Secretary of the Treasury or the Secretary of Agriculture that is doing to have the ultimate responsibility to carry out the gentleman's amendment.

Mr. JEFFORDS. It is not the employer, and it is not the recipient, right?

Mr. BRODHEAD. Well——

Mr. JEFFORDS. So, this is no different than unemployment compensation, the form that people send in; is it?

Mr. BRODHEAD. Well, it certainly adds a new requirement to the program, and everyone has concluded that is the case, and that it would have administrative complexity, and the Inspector General of the U.S. Department of Agriculture has concluded that it would add to the administrative complexity and administrative cost of the program. It would require the hiring of additional people to administer this. That is uncontested. There is no serious dispute about the fact that this would require the hiring of additional people and the collecting of additional records.

But, that is not really the fundamental

reason why I am opposed to the amendment. Fundamentally, I think the question is this: We are concerned, as I said, about fraud and abuse, but who is it that is going to wind up making this recoupment which is in effect a tax? It is going to be, not those illustory or, in some cases real, welfare bums, if you will, the people that never work and are out collecting all the welfare payments they can get. This amendment is not directed at those people. This amendment would only apply to people who have worked; that is, whose income is 175 percent of the poverty level. We are talking about workers who for a substantial portion of the year were gainfully employed and who then lost their jobs during the year.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

(By unanimous consent Mr. BRODHEAD was allowed to proceed for 5 additional minutes.)

Mr. BRODHEAD. In the district which I represent, this would impact primarily on people who are employed in the automobile industry. The automobile industry is a very cyclical and volatile industry. It has people who work part of the year, who are very frequently laid off. So, we are talking about a person who works part of the year—a taxpayer, earning fairly good wages, and who paid taxes on those wages.

Then, that person, man or woman, finds himself or herself laid off, without a job. At that point, they are not normally eligible for food stamps because the food stamp program has an asset test, and under the revised food stamp program normally the assets test will be $1,500. So, they have to spend out the money they have down to the point where they are worth $1,500 or less. At that point, if they do not have an income, and if their assets are $1,500 or less, they become eligible for the food stamp program because they are, under the law, impoverished. They have worked let us say from January to June, and maybe spent up their savings by September. Maybe in October they start drawing food stamps, and draw food stamps in October, November, and December. So, we are talking about somebody who is without a job; and, with assets of $1,500 or less.

We are going to say to that person, "Because you had a substantial amount of income in the first part of that year; let us say you made nine or ten thousand dollars, and at that point, adding the food stamp benefits and other things you received, your income is in excess of 175 percent of the poverty level, you become subject to a tax, and the tax can be as high as 50 percent of the food stamp benefits you receive."

My question is this: If the person is without a job—or else they would not have gotten food stamps—and without any assets, where are they going to get the money to pay the tax with? The money they earned has, of course, been spent. It must have been spent or else they would not be eligible for food stamps. They could not possibly be eligible unless they had spent all their money. Then, at that point we are going to say, "You are going to be subject to a tax."

It seems to me that we ought to be going after people that should not be receiving welfare benefits or food stamp benefits, and we ought not to be going after people who are workers, who are taxpayers, who find themselves temporarily in an impoverished situation. We are talking about people who are hardworking American taxpayers, and saying to those people, "Because all those years you have worked hard and paid your taxes, the first time you become eligible to receive some kind of Government benefit, you are going to have to pay a stiff tax, a 50-percent tax."

To me, that is unfair, directed at the wrong sort of people. So, I urge opposition to it because I think it is harmful, repressive, unfair, unnecessary, and unduly complicates the food stamp program. Studies show that there is not going to be any serious money raised under the amendment until 1983, so really, we are not talking about saving the taxpayers any money, but we are talking about putting a strong, harsh burden on the taxpayers.

Mr. MATHIS. Mr. Chairman, will the gentleman yield?

Mr. BRODHEAD. I yield to the gentleman from Georgia.

Mr. MATHIS. Mr. Chairman, I just wonder what the gentleman's response would be to his taxpayers whose average income is less than the individual that he is talking about, who never draws food stamps, who is paying taxes; who is sick and tired of seeing people who have incomes higher than his for the year enjoy the benefits for at least a part of the year of the food stamp program. Do we have a responsibility to those taxpayers?

Mr. BRODHEAD. I think we certainly do, and if there are people working and drawing income and at the same time drawing food stamp benefits, that is a crime and should be dealt with in the harshest manner possible. But, I am talking about the situation which this amendment would apply to, where the people work part of the year, are laid off, are out of work, lose jobs, for some reason become impoverished, out of work. We are going to say to those people, "You worked and you paid your taxes and you lost your job. Now, at the very point where you can realize some of the things you worked for, some of the benefits, you are not entitled to that. We are going to take that back."

Mr. MATHIS. I think any example the gentleman might be citing at this particular time would be at least a mild exaggeration. Those are not the people who have worked——

The CHAIRMAN. The time of the gentleman from Michigan has again expired.

(At the request of Mr. MATHIS and by unanimous consent, Md. BRODHEAD was allowed to proceed for 2 additional minutes.)

Mr. MATHIS. What I understood the gentleman from Vermont in his amendment, before he attempted to withdraw it—I assume he is going to vote for it now—what he was trying to do was get to those people out of work for whatever reason for a month, two or three, but still could make up to $25,000 in annual income, which he wants to reclaim—or did want to reclaim; I think he still does—those food stamps that went to those recipients of the program. I join him in that, and I do not know how the gentleman could oppose that kind of effort.

Mr. BRODHEAD. I oppose it because I think, if one thinks the thing through, we realize that the person never could have received food stamps in the first place unless that person was impoverished. So, he received a benefit that he was legally entitled to receive.

In the second place, he never would become subject to the requirements of this amendment unless he had actually worked, earned money. So, I think it is precisely the situation I am talking about.

With this amendment you are not going to get the people who are trying to defraud the program. You are going to be going after the solid citizen, the person who went out and worked and earned money and paid his taxes. That is the only way you are going to collect any money. So, you are talking about a person who makes a clean breast of everything, who actually is a worker. One cannot become subject to this amendment unless one is a worker and a taxpayer.

So, it seems to me that it is most unfair. Every study has shown that there is fraud, waste, and abuse in the program. I am sympathetic to efforts to go after that, but this amendment is going after the wrong people. Why lay a burden on taxpaying Americans when we have people defrauding the public?

Mr. MATHIS. I say to the gentleman, those are the people we are trying to protect, these hard-working, taxpaying Americans who are tired of seeing their money misspent in maladministration of programs such as this.

Mr. BRODHEAD. I appreciate what the gentleman is saying, but I am saying that the amendment is misdirected.

☐ 1700

The CHAIRMAN. The question is on the amendment offered by the gentleman from Vermont (Mr. JEFFORDS).

The question was taken; and on a division (demanded by Mr. MATHIS) there were—ayes 20, noes 13.

RECORDED VOTE

Mr. FOLEY. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 241, noes 147, not voting 44, as follows:

[Roll No. 226]

AYES—241

Abdnor
Alexander
Ambro
Anderson, Calif.
Andrews, N. Dak.
Anthony
Archer
Ashbrook
Ashley
Atkinson
AuCoin
Badham
Bafalis
Bailey
Bauman
Beard, Tenn.
Bedell
Benjamin
Bennett
Bereuter
Bethune
Bevill
Biaggi
Boland
Boner
Bouquard
Breaux
Brinkley
Broomfield
Brown, Ohio
Broyhill
Buchanan
Burgener
Burlison
Butler
Campbell
Carney
Carr
Carter
Cavanaugh
Chappell
Cheney
Clausen
Cleveland
Clinger
Coleman
Collins, Tex.
Conable
Conte
Corcoran
Cotter
Coughlin
Courter
Crane, Daniel
Crane, Philip
D'Amours
Daniel, Dan
Daniel, R. W.
Dannemeyer
Davis, Mich.
de la Garza

Derwinski
Deckard
Devine
Dickinson
Dicks
Donnelly
Dornan
Duncan, Tenn.
Edwards, Okla.
Emery
English
Erdahl
Erlenborn
Ertel
Evans, Ga.
Evans, Ind.
Fenwick
Findley
Fish
Fithian
Flippo
Forsythe
Fountain
Frenzel
Frost
Fuqua
Gephardt
Giaimo
Gibbons
Gingrich
Ginn
Glickman
Goldwater
Goodling
Gore
Gradison
Gramm
Grassley
Green
Gudger
Guyer
Hagedorn
Hall, Tex.
Hamilton
Hammerschmidt
Hance
Hanley
Hansen
Harkin
Harsha
Heckler
Heftel
Hillis
Hinson
Holt
Hopkins
Hubbard
Huckaby
Hughes
Hutto
Hyde
Ireland
Jacobs
Jeffords
Jeffries
Jenkins
Jenrette
Jones, Okla.
Kazen
Kelly
Kindness
Kramer
Lagomarsino
Latta
Leach, Iowa
Leach, La.
Leath, Tex.
Lee
Levitas
Livingston
Lloyd
Loeffler
Lott
Lujan
Luken
Lundine
Lungren
McClory
McCloskey
McDonald
McKay
Madigan
Marks
Marlenee
Martin
Mathis
Mattox
Mavroules
Mazzoli
Mica
Miller, Ohio
Montgomery
Moore
Moorhead, Calif.
Mottl
Myers, Ind.
Natcher
Nelson
Nichols
O'Brien
Panetta
Pashayan
Patterson
Paul
Pease
Petri
Pickle
Porter
Pritchard
Pursell
Railsback
Ratchford
Regula
Ritter
Robinson
Rose
Roth
Rousselot
Royer
Rudd
Russo
Santini
Satterfield
Sawyer
Schroeder
Schulze
Sebelius
Sensenbrenner
Sharp
Shelby
Shumway
Shuster
Smith, Iowa
Smith, Nebr.
Snowe
Snyder
Solomon
Spence
Staggers
Stangeland
Stanton
Stenholm
Stockman
Stratton
Stump
Swift
Symms
Tauke
Taylor
Thomas
Trible
Van Deerlin
Vander Jagt
Volkmer
Walker
Wampler
White
Whitehurst
Whittaker
Whitten
Williams, Mont.
Williams, Ohio
Wilson, Tex.
Winn
Wydler
Wylie
Yatron
Young, Alaska
Young, Fla.
Young, Mo.
Stack
Stark
Steed
Stewart
Stokes
Studds
Synar
Thompson
Traxler
Vanik
Vento
Walgren
Watkins
Waxman
Weaver
Weiss
Whitley
Wirth
Wolff
Wolpe
Wyatt
Yates
Zablocki
Zeferetti

NOES—147

Addabbo
Akaka
Albosta
Annunzio
Applegate
Baldus
Barnes
Beard, R.I.
Beilenson
Bingham
Blanchard
Boggs
Bolling
Bonker
Bowen
Brademas
Brodhead
Brooks
Burton, John
Burton, Phillip
Byron
Chisholm
Clay
Coelho
Collins, Ill.
Conyers
Daschle
Davis, S.C.
Dellums
Diggs
Dingell
Dixon
Dodd
Dougherty
Downey
Drinan
Duncan, Oreg.
Eckhardt
Edgar
Edwards, Calif.
Fary
Fascell
Fazio
Ferraro
Fisher
Florio
Foley
Ford, Mich.
Ford, Tenn.
Fowler
Garcia
Gonzalez
Gray
Guarini
Hall, Ohio
Harris
Hawkins
Hollenbeck
Holtzman
Horton
Howard
Johnson, Calif.
Jones, N.C.
Jones, Tenn.
Kastenmeier
Kildee
LaFalce
Lederer
Lehman
Leland
Long, La.
Long, Md.
Lowry
McDade
McHugh
Markey
Matsui
Mikulski
Miller, Calif.
Mineta
Minish
Mitchell, Md.
Moakley
Moffett
Mollohan
Moorhead, Pa.
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Murtha
Musto
Myers, Pa.
Nedzi
Nolan
Nowak
Oakar
Oberstar
Ottinger
Patten
Pepper
Perkins
Peyser
Preyer
Price
Rahall
Rangel
Reuss
Richmond
Rinaldo
Rodino
Roe
Rosenthal
Rostenkowski
Roybal
Sabo
Scheuer
Seiberling
Shannon
Simon
Skelton
Solarz
Spellman
St Germain

NOT VOTING—44

Anderson, Ill.
Andrews, N.C.
Aspin
Barnard
Bonior
Brown, Calif.
Corman
Danielson
Derrick
Early
Edwards, Ala.
Evans, Del.
Gaydos
Gilman
Grisham
Hefner
Hightower
Holland
Ichord
Johnson, Colo.
Kemp
Kogovsek
Kostmayer
Lent
Lewis
McCormack
McEwen
McKinney
Maguire
Marriott
Michel
Mitchell, N.Y.
Neal
Obey
Quayle
Quillen
Rhodes
Roberts
Runnels
Udall
Ullman
Wilson, Bob
Wilson, C. H.
Wright

□ 1710

The Clerk announced the following pairs:

On this vote:

Mr. Rhodes for, with Mr. Bonior of Michigan against.

Mr. Quillen for, with Mr. Kostmayer against.

Mr. Michel for, with Mr. Corman against.

Mr. Lewis for, with Mr. Barnard against.

Mr. Marriott for, with Mr. McCormack against.

Mr. Kemp for, with Mr. Neal against.

Mr. Mitchell of New York for, with Mr. Brown of California against.

Mr. Grisham for, with Mr. Charles H. Wilson of California against.

Messrs. SKELTON, LONG of Maryland, and DINGELL changed their votes from "aye" to "no."

Messrs. GLICKMAN, BAILEY, PURSELL, HARKIN, DAVIS of Michigan, BOLAND, JONES of Oklahoma, PEASE, GORE, and FROST changed their votes from "no" to "aye."

So the amendment was agreed to.

The result of the vote was announced as above recorded.

PERSONAL EXPLANATION

Mr. GILMAN. Mr. Chairman, I missed the last vote, on the amendment offered by the gentleman from Vermont (Mr. JEFFORDS) because I was at a meeting at the White House concerning the decision of the Ford Motor Co. to close its large plant in Mahwah, N.J., which borders on my congressional district.

Had I been present, I would have voted "no" because I feel the recoupment provision is not administratively feasible.

□ 1720

PARLIAMENTARY INQUIRY

Mr. ASHBROOK. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state his parliamentary inquiry.

Mr. ASHBROOK. Mr. Chairman, the gentleman from Vermont offered an amendment, page 38, line 6, which was in title I. The adoption of the amendment would seem to preclude further amendments to title I, although in reading the bill there are still 15 lines left on page 38 of title I.

My parliamentary inquiry is whether or not the adoption of the Jeffords amendment precluded further amendments to title I?

The CHAIRMAN. The amendment offered by the gentleman from Vermont, among other things, offers a new title, so that amendments to title I would not be in order.

Mr. ASHBROOK. I thank the Chairman for his ruling.

The CHAIRMAN. The Clerk will read title II.

The Clerk read as follows:

TITLE II—FOOD STAMP FUNDING

APPROPRIATIONS CEILING

SEC. 201. The first sentence of section 18 (a) of the Food Stamp Act of 1977, as amended, is amended by:

(1) striking out "$6,188,600,000" and inserting "$8,744,774,000" in lieu thereof;

(2) striking out "$6,235,900,000" and inserting "$9,739,276,000" in lieu thereof; and

(3) adding thereto the following:

": *Provided,* That appropriations may exceed these authorization limits by amounts not in excess of five per centum thereof for the fiscal year ending September 30, 1980, and ten per centum thereof for the fiscal year ending September 30, 1981, if, sixty days before outlays exceed these limits, the Secretary informs the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate of that fact and justifies exceeding these limits by specifically relating its causes to (1) unanticipated increases in the Consumer Price Index of the Bureau of Labor Statistics for food affecting the cost of the thrifty food plan, (2) unanticipated increases in the rate of unemployment, and (3) other unanticipated increases in the level of participation in the program or in allotment levels based upon the impact of other federally aided assistance programs, changes in the food stamp program itself, disasters, and similar factors.".

Mr. NOLAN (during the reading). Mr. Chairman, I ask unanimous consent that title II be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. NOLAN. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I just want to rise in support of the bill. It is badly needed. The cost studies show that the funds are well spent, and to just make the point that if for some reason this process is not completed in the time that is required, there is sufficient language in the law now in section 15(a) in the judgment of this legislator, for the Secretary of Agriculture to go ahead and continue the issuance of coupons.

Mr. Chairman, I rise in support of S. 1309, the Food Stamp Act Amendments of 1980.

I know some of my colleagues will point to the size of the program, and the fact that cost estimates are approaching $9 billion for this fiscal year as evidence that the program should be cut back. But let me point out that conclusive studies have shown that those benefits are wisely spent by food stamp recipients. At an average benefit level of $1.15 per person per day, or 38 cents per meal, they have to be.

Recent studies conducted for USDA have shown that food stamp recipients are much "sharper shoppers" than are other people in the overall population. There is evidence that food stamp participants buy less expensive types of food than the general public. Less is spent on prepared bakery products, and more spent on flour and cereal products. Less is spent on beef steak and other beef and veal, and more spent on cheaper meats such as pork and poultry, and on fish. Food stamp recipients spend significantly less of their food dollars on snack foods, such as nuts, chips, and pretzels, than do nonfood stamp households.

The House Agriculture Committee, in its February 1980 report, stated:

> It [the Committee] has heard far too much already about Cadillacs filled with groceries purchased with food stamps or shoppers parading carts full of $10 sirloin steaks and $20 lobsters to checkout counters. Those myths are inconsistent with the harsh truth: the average food stamp recipient as of December, 1979 had . . . a sum hardly sufficient to buy anything more than three ounces of hamburger meat, let alone a steak. . . . The welfare Cadillac turns out to be a bicycle.

Mr. Chairman, I am deeply concerned about the impending June 1 suspension of food stamp benefits. Despite the consensus in Congress that the program be continued, it is possible that every last step in securing supplemental funding will not have been completed by Congress by May 15. As past precedent demonstrates, we are well aware that—in the absence of congressional completion of the supplemental appropriations legislation, and in the light of Congress clear intention to avert a cutoff of the program—Secretary Bergland has the power, under section 15a of the Food Stamp Act, to issue food stamps for June in advance of the supplemental appropriation. That section clearly authorizes the Secretary to provide for the issuance "of coupons to such person or persons, and at such times and in such manner, as the Secretary deems necessary or appropriate to protect the interests of the United States * * *" I can think of no clearer example of when invocations of the Secretary's authority under this section could more clearly protect the interests of the United States. Certainly the hardships and unrest that would be avoided throughout the country, and the prevention of hunger and malnutrition, clearly mandate the need for the Secretary to act to continue the program.

It should be understood that USDA would not be actually expending funds on June food stamps until July because the redemption process and the ultimate outlay of funds lags behind issuance by approximately 5 weeks. The intent of Congress is clear—witness Senate passage of S. 1309 last year, recent House passage of the Giaimo amendment to the revised second concurrent budget resolution, and the legislative history surrounding congressional passage of the fiscal year 1980 agricultural appropriation last fall. The harm to over 20 million poor people should June benefits be delayed or suspended is overwhelming. It strikes me that it would be an outright misuse of authority were the Secretary to fail to order issuance of June food stamps.

This crisis was caused by our inability to adequately predict in 1977 the effects of galloping food price inflation and unemployment. The poor, the daily victims of that inflation and unemployment, can ill afford the consequences of our mistaken economic projections. I urge support for S. 1309, and for full funding for the food stamp program.

AMENDMENT OFFERED BY MR. SYMMS

Mr. SYMMS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SYMMS: Page 39, line 2, insert "and" at the end thereof.

Page 39, line 4, strike out "; and" and insert in lieu thereof a period.

Page 39, strike out line 5 and all that follows through line 23.

Mr. SYMMS (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Idaho?

There was no objection.

Mr. SYMMS. Mr. Chairman, I will be very brief. It will not take the entire 5 minutes to explain this very exemplary amendment. This amendment addresses the problem that in this bill, as written, the Glickman amendment, which was adopted by the Committee on Agriculture, provides what we call a 5-percent and a 10-percent cushion. What that cushion does is it authorizes the Department of Agriculture to be able to come before Congress if they have a cost overrun. In other words, for fiscal year 1981 we have authorized $10.7 billion, with the 10-percent overrun "cushion" built in, so the Department can come down here and get an extra billion dollars—from $9.7 billion to the full $10.7 billion—without going back to the proper authorizing committee.

The amendment before us simply restores some kind of a budgetary and appropriation process to the Congress. I believe if we accept the bill as written, that we are adopting a very risky policy for the Congress. This process of allowing for up to a 10-percent overrun on a a bill that authorizes $9.7 billion is an open invitation for those people running the program to have a 10-percent cost overrun. And the process, as I said, will reduce congressional oversight.

Mr. Chairman, all I am saying is, to oversimplify this, we have a 10-percent cost overrun in the bill built into it that the Secretary of Agriculture may spend without coming back to the authorizing committee. I propose that we remove the cushion and have the bill stand as it is on the merits of the amount of money appropriated and not allow for a 10-percent commission.

I yield back the balance of my time.

Mr. GLICKMAN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I think the gentleman from Idaho explained the situation very well, but I view this as a very, very key amendment to this bill. I thought I would explain to the Members what happened.

Historically, as of 1977, when we reauthorized the food stamp program and due largely to the efforts of the gentleman from Georgia (Mr. MATHIS), we put a cap on the food stamp program, which said that we wanted that oversight.

We did not want an unlimited budgetary expenditure, so that cap was put in for this year slightly in excess of $6 billion due to the efforts of the gentleman from Georgia.

Now, due to a lot of things which we know have happened because they have caused us to come back here to try to amplify the budget, whether it has to do with unemployment or food price inflation or the elimination of the purchase requirement, we are coming back here to increase that budget by over $2.5 billion for this year to $8.74 billion and to about $9.73 billion for next year.

□ 1730

During the debate on the bill it became obvious in my mind, as well as to most members of the committee, that we wanted to keep a cap on the program because we felt if we let go with the cap and just had "such sums as may be appropriated" we would be turning this into an entitlement program and we did not want that to happen.

But the longer we got into the issue we saw all sorts of things were happening. Food price inflation was higher than we ever estimated. The country was beginning to come into a recession. Unemployment was moving up much, much faster than we would like and much faster than the administration would even admit.

So we wanted to provide some protection on this bill, keeping a cap on it, but still saying that if inflation continued at its current level and if unemployment continued at its current level we would not have to come back in July or August of this year and have another one of these emergencies. Frankly, that was the reason we did what we did. We put a cap of $8.74 billion this year and $9.73 billion next year. Then we added 5 percent to the cap this year and 10 percent to the cap next year. The Secretary has to comply with certain criteria in order to use that extra money.

This is far better, Mr. Chairman, than eliminating the cap altogether. Yes, it does, quite honestly, conceivably add $420 million this year as a cushion and conceivably adds $870 million next year as a cushion. But I would point out to my colleagues that the Congressional Budget Office right now estimates the food stamp program this year to cost $9.1 billion. That is $360 million more than our cap.

I would point out to my colleagues unless we have this cushion we will be faced with the same bind in the middle of August with the administration running down here saying they are going to have to cut off food stamp benefits.

People out in the rural areas and the urban areas of America are going to say, "What is wrong with you people in Congress, did you not just pass an appropriation and an authorization to try and take care of this program?"

So the purpose of the cushion is to insure, No. 1, we keep a cap, because most of the food activists wanted to eliminate the cap in its entirety and, second of all, to prevent a situation from developing where during either the end of this year or next year, if unemployment would go up dramatically, we would have to come back to this very place again and say, "Give us more money." I think for that purpose this is not only a conservative approach this committee has taken, but also a very reasonable approach to the hundreds and hundreds of thousands of people out there who both use food stamps and administer them, to know that this Congress is willing to insure that we will not have another crisis very soon.

Mr. FOLEY. Mr. Chairman, will the gentleman yield?

Mr. GLICKMAN. I yield to the gentleman from Washington.

Mr. FOLEY. Mr. Chairman, I agree with what the gentleman in the well has stated. I think it is one thing to keep congressional oversight of this program. That is reasonable. It is another thing to come back in about 3 months with legislation, not in a yearly authorization or yearly oversight, but monthly oversight is ludicrous. It does not help the program. Any changes made in the law have to be implemented through all of the States.

Let me tell my colleagues on the committee they should talk to their State agencies about what is causing errors. Ask your State administration, whatever party they belong to, what they think is causing error in the program. They will tell you that Congress is constantly changing the provisions of the act, which have to be implemented by new training manuals, have to be implemented by calling in of all the food stamp caseworkers, and have to be implemented through reprograming of computers, is making it impossible for States trying to eliminate errors to be able to do so. Again, some reasonable stability to the program is essential if we are going to have good administration. The elimination of the 5-percent inflation adjustment cushion will probably require that we come back here in August, in about 3 months, to do this all over again.

The **CHAIRMAN.** The time of the gentleman from Kansas has expired.

(At the request of Mr. FOLEY and by unanimous consent, Mr. GLICKMAN was allowed to proceed for 2 additional minutes.)

Mr. FOLEY. Will the gentleman yield further?

Mr. GLICKMAN. I yield.

Mr. FOLEY. Mr. Chairman, that is not responsible oversight. That is not responsible oversight. That is just making a mockery of any administration of this program. It is particularly unlikely we are going to benefit the administration of this program with that kind of conduct. It is going to create more uncertainty, more anxiety for the people who are on the program, more difficulty in administration, and it is just going to lead to error and error and error in the administration of the program. People who are always asking for this kind of oversight are asking for bad, wasteful, expensive administration and it is absolutely against every motive of those who say they want strong, tough, congressional oversight and strong, tough, effective administration of the program.

Let us have some reasonable period for these changes we are implementing today to be carried out in the program by the State agencies that have the responsibility.

Mr. GLICKMAN. I urge the defeat of the Symms amendment.

AMENDMENT OFFERED BY MR. MATHIS TO THE AMENDMENT OFFERED BY MR. SYMMS

Mr. MATHIS. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

> Amendment offered by Mr. MATHIS to the amendment offered by Mr. SYMMS: Strike everything after the first line and insert:
>
> Page 39, line 2, strike out "$8,744,774,000" and insert in lieu thereof "$9,191,000,000".
>
> Page 39, line 4, strike out "; and" and insert in lieu thereof a period.
>
> Page 39, strike out line 5 and all that follows through line 23.

Mr. MATHIS (during the reading). Mr. Chairman, I ask unanimous consent that the amendment to the amendment be considered as read and printed in the RECORD.

The **CHAIRMAN.** Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. MATHIS. Mr. Chairman, what my amendment would do, very simply, is for fiscal year 1980, the year the gentleman from Idaho (Mr. SYMMS) is removing the cushion for, and simply leaving the $8,744,000,000 cap, I would change that figure to $9,191,000,000. I would also remove the cushion.

This figure is not one that was just plucked from the air or some figure that was arbitrarily arrived at, but is in fact, the estimate today of the Congressional Budget Office as to what the program will cost for the remainder of fiscal year 1980.

The second change I make is to strike out from the amendment of the gentleman from Idaho the change, that is the limitation for fiscal year 1981. I would leave that figure at $9,739,000,276 and I would, as I say, take out entirely the so-called cushion amendment that my friend from Kansas (Mr. GLICKMAN) had installed.

Mr. Chairman, we have already effected today, I think, some meaningful savings in this program. With the adoption of the proposal by the gentleman from California (Mr. PANETTA) we are told we are going to save $133 million. We have not taken that into consideration in attempting to establish this ceiling.

So I think we know there is some cushion within the $9,199,000,000 cap that I am attempting to place.

Mr. FOLEY. Mr. Chairman, will the gentleman yield?

Mr. MATHIS. Certainly, I yield to the distinguished chairman.

Mr. FOLEY. The gentleman in the well has been invloved in this issue for many years and is the principal author of the legislation providing for a cap.

I have some misgivings about the elimination of the inflation cushion for 1981, but the gentleman's amendment is much preferable to the Symms amendment with respect to the expenditure levels of 1980 and much more realistic and much more likely to result in the orderely administration of the program for the balance of this year. For that reason, because I feel very strongly the Symms amendment would be damaging to the effective administration of the program in the remainder of this year and, speaking for myself, I would accept the Mathis substitute.

Mr. GLICKMAN. Mr. Chairman, will the getleman yield?

Mr. MATHIS. I yield to the gentleman from Kansas.

Mr. GLICKMAN. Mr. Chairman, as the author of this cushion amendment I think the gentleman's amendment to the amendment recognizes, No. 1, a cushion was needed in 1980 because the gentleman has gone up not only 5 percent but slightly in excess of 5 percent. While I, too, would prefer a 1981 cushion, because I do not think the 1981 figure will be enough, I, too, am willing to accept the amendment because I think the real crisis is to authorize and appropriate for the rest of this year.

Mr. MATHIS. I appreciate the gentleman's support.

Mr. SYMMS. Mr. Chairman, will the gentleman yield?

Mr. MATHIS. I yield to the gentleman from Idaho.

Mr. SYMMS. Mr. Chairman, I believe that the Glickman amendment constitutes an unconstitutional delegation of legislative power under article I of the Constitution to an official of the executive branch of the Government for reasons among others that the authority is vague and ambiguous in the standard that it attempts to prescribe for such delegation.

The language contained in section 201 states that the Secretary may exceed specific authorization limits by amounts in excess of 5 percent for fiscal year 1980 and 10 percent for fiscal year 1981 if, within 60 days before the outlays exceed these specific limits, the Secretary informs the House and Senate Agriculture Committees of that fact and justifies exceeding those limits by relating its causes to: First, unanticipated increases in the CPI; second, unanticipated increases in the rate of unemployment; and, third, other unanticipated increases in the level of participation in the program "and similar factors."

This vague and ambiguous language certainly does not constitute a constitutional standard by which the Secretary can act. The authorization of funds function has historically resided in the Congress. Under the Constitution, the authorization of funds is given to the Congress and not to the executive department nor can it be delegated to the Executive except within very narrow constraints.

The proviso itself acknowledges in the first line that we are permitting the Secretary to exceed these authorization limits. The title of the bill has been changed to indicate that the bill is designed to remove specific dollar limitations on appropriations.

You will note that the authorizing committees do not have to or are they required to approve the outlays which exceed the cap contained in section 18 of the Food Stamp Act. In point of fact, both of the legislative authorizing committees of the Congress, the Agriculture Committees, are bypassed.

Mr. Chairman, not only is the language contained in the Glickman amendment impractical and unconstitutional, but it constitutes a dangerous precedent which this House should not endorse in any way by language in a bill or by procedural precedent.

Mr. SYMMS. Mr. Chairman, although I have a great number of misgivings about the gentleman's amendment, it appears to me it is the best that can be achieved at this hour on the House floor.

Mr. MATHIS. Mr. Chairman, I thank the gentleman, and yield back the balance of my time.

☐ 1740

The CHAIRMAN. The question is on the amendment offered by the gentleman from Georgia (Mr. Mathis) to the amendment offered by the gentleman from Idaho (Mr. Symms).

The amendment to the amendment was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Idaho (Mr. Symms), as amended.

The amendment, as amended, was agreed to.

The CHAIRMAN. Are there further amendments to title II?

AMENDMENTS OFFERED BY MR. WALKER

Mr. WALKER. Mr. Chairman, I offer amendments.

Mr. Chairman, I ask unanimous consent that my amendments be considered en bloc.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The Clerk read as follows:

Amendments offered by Mr. Walker: Page 39, line 2, strike out "$8,744,774,000" and insert in lieu thereof "9,000,000,000".

Page 39, line 4, strike out "$9,739,276,000" and insert in lieu thereof "$9,200,000,000".

Page 39, after line 22 insert the following new title:

TITLE III—FOOD STAMP PROGRAM REFORM

AMENDMENTS TO DEFINITIONS

Sec. 301. Section 3 of the Food Stamp Act of 1977 (7 U.S.C. 2012), as amended by title I of this Act, is amended—

(1) in subsection (c) by striking out the second sentence and all that follows through "reports, the" and inserting in lieu thereof "The"; and

(2) by striking out subsection (o) and subsection (q) and redesignating subsection (p) as subsection (o).

STATE PARTICIPATION IN PROGRAM FORMULATION

Sec. 302. The first sentence of section 4(a) of the Food Stamp Act of 1977 (7 U.S.C. 2013(a)) is amended—

(1) by inserting "of a participating State" after "State agency";

(2) by striking out "within the" and inserting in lieu thereof ", in accordance with eligibility criteria established by such State, within such" after "determined"; and

(3) by inserting "determined on the basis of benefit levels established by such State" before the period.

ELIMINATION OF UNIFORM ELIGIBILITY CRITERIA

Sec. 303. Section 5 of the Food Stamp Act of 1977 (7 U.S.C. 2014), as amended by title I of this Act, is amended—

(1) in subsection (a), by inserting ", in accordance with eligibility criteria established by the State involved," after "determined";

(2) by striking out subsections (b), (c), (d), (e), (f), and (g); and

(3) by redesignating subsection (h) as subsection (b).

ELIMINATION OF UNIFORM ELIGIBILITY DISQUALIFICATIONS

Sec. 304. The Food Stamp Act of 1977 (7 U.S.C. 2011–2027), as amended by title I of this Act, is amended by striking out section 6 and redesignating section 7 as section 6.

ELIMINATION OF UNIFORM VALUE OF ALLOTMENT

Sec. 305. Section 8 of the Food Stamp Act of 1977 (7 U.S.C. 2017) is amended—

(1) by striking out "Sec. 8." and inserting in lieu thereof "Sec. 7.";

(2) by striking out subsection (a); and

(3) in subsection (b) by striking out "(b)".

(b) Section 9 and section 10 of the Food Stamp Act of 1977 (7 U.S.C. 2018, 2019), as amended by title I of this Act, are redesignated as section 8 and section 9, respectively.

STATE PLANS

Sec. 306. (a) Section 11(b) of the Food Stamp Act of 1977 (7 U.S.C. 2020(b)) is amended—

(1) by inserting "of a State" after "political subdivision" the first place it appears; and

(2) by inserting "of such State" after "political subdivision" the second place it appears.

(b) Section 11(e) of the Food Stamp Act of 1977 (7 U.S.C. 2020(e)), as amended by title I of this Act, is amended—

(1) in paragraph (1)—

(A) in subparagraph (A) by striking out ", including" and all that follows through "subsection;" and inserting in lieu thereof "; and";

(B) by striking out subparagraph (B); and

(C) by redesignating subparagraph (C) as subparagraph (B);

(2) by striking out paragraph (2) and paragraph (3);

(3) in paragraph (4)—

(A) by striking out "(4)" and inserting in lieu thereof "(2)"; and

(B) by striking out the colon and all that follows through "necessary";

(4) by striking out paragraphs (5), (6), (7), and (8),

(5) in paragraph (9)—

(A) by striking out "(9)" and inserting in lieu thereof "(3)"; and

(B) by striking out "as defined in sections 5 (d) and (e) of this Act" and inserting in lieu thereof ", determined in accordance with the definition of income established by such State,";

(6) by redesignating paragraphs (10), (11), and (12) as paragraphs (4), (5), and (6), respectively;

(7) by striking out paragraph (13) and redesignating paragraphs (14), (15), and (16) as paragraphs (7), (8), and (9), respectively;

(8) by striking out paragraph (17);

(9) by redesignating paragraph (18) and paragraph (19) as paragraphs (10) and (11), respectively;

(10) in paragraph (10), as so redesignated, by striking out "notwithstanding paragraph (8) of this section,";

(11) in paragraph (11), as so redesignated, by striking out the period at the end thereof and inserting in lieu thereof "; and"; and

(12) by adding at the end thereof the following new paragraph:

"(12) that the State agency shall establish a work program involving the performance of work in return for benefits provided under the food stamp program and shall require as a condition of eligibility to receive benefits under the food stamp program that members of households to whom such program applies participate in such work program.".

(c) Section 11(g) of the Food Stamp Act of 1977 (7 U.S.C. 2020(g)), as amended by title I of this Act, is amended—

(1) by striking out "or" before "the State plan of operation";

(2) by striking out "or the Secretary's standards" and all that follows through "section 16(b)(1) of this Act,"; and

(3) by striking out "and, whether or not the Secretary" and all that follows through "appropriate".

(d) Section 11 of the Food Stamp Act of 1977 (7 U.S.C. 2020), as amended by title I of this Act, is amended—

(1) by striking out "Sec. 11." and inserting in lieu thereof "Sec. 10.";

(2) by striking out subsection (i) and subsection (j) and redesignating subsection (k) and subsection (l) as subsection (i) and subsection (j), respectively; and

(3) by adding at the end thereof the following new subsection:

"(k) No provision of this Act shall be construed to prohibit any State participating in the food stamp program from establishing any program designed to encourage households receiving coupons to purchase nutritional food.".

CONFORMING AMENDMENTS

Sec. 307. (a) Section 12 of the Food Stamp Act of 1977 (7 U.S.C. 2021) is amended—

(1) by striking out "Sec. 12." and inserting in lieu thereof "Sec. 11."; and

(2) by striking out "section 14" and inserting in lieu thereof "section 13".

(b) Section 13 of the Food Stamp Act of 1977 (7 U.S.C. 2022) is amended—

(1) by striking out "Sec. 13." and inserting in lieu thereof "Sec. 12."; and

(2) in the first sentence by striking out ", including" and all that follows through "recipients".

(c) Section 14 and section 15 of the Food Stamp Act of 1977 (7 U.S.C. 2023, 2024), as amended by title I of this Act, are redesignated as section 13 and section 14, respectively.

STATE ADMINISTRATIVE RESPONSIBILITY

Sec. 308. Section 16 of the Food Stamp Act of 1977 (7 U.S.C. 2025), as amended by title I of this Act, is amended—

(1) by striking out "Sec. 16." and inserting in lieu thereof "Sec. 15.";

(2) by striking out subsections (a), (b), (c), (d), and (e);

(3) in subsection (f)—

(A) by striking out "(f)" and inserting in lieu thereof "(a)"; and

(B) by striking out "The Secretary and" each place it appears;

(4) in subsection (g)—

(A) by striking out "(g)" and inserting in lieu thereof "(b)";

(B) in paragraph (2) by striking out "sections 5 and 6" and inserting in lieu thereof "established under this Act by the State involved"; and

(C) in paragraph (4)—

(i) by striking out "section 14" and inserting in lieu thereof "section 13"; and

(ii) by striking out ", through withholding amounts otherwise payable to the State agency pursuant to subsection (a) of this section,";

(5) by redesignating subsections (h), (i), (j), (k), and (l) as subsections (c), (d), (e), (f), and (g), respectively;

(6) in subsection (e), as so redesignated, by striking out "subsection (h)" and inserting in lieu thereof "subsection (c)"; and

(7) by adding at the end thereof the following new subsection:

"(h) Not more than 10 per centum of the funds received for any fiscal year by a State agency to carry out the food stamp program under this Act may be used by such State agency to pay the administrative costs of such State agency involved in the operation of such program for such fiscal year.".

RESEARCH AND EVALUATION

SEC. 309. Section 17 of the Food Stamp Act of 1977 (7 U.S.C. 2026), as amended by title I of this Act, is amended—

(1) by striking out "SEC. 17." and inserting in lieu thereof "SEC. 16.";

(2) by striking out subsection (b) and redesignating subsection (c) as subsection (b); and

(3) by striking out subsection (d) and subsection (e).

DISTRIBUTION OF FUNDS TO STATES

SEC. 310. The Food Stamp Act of 1977 (7 U.S.C. 2011–2027) is amended by inserting after section 16, as so redesignated by section 309, the following new section:

"DISTRIBUTION OF FUNDS; REPORTS

"SEC. 17. From the funds made available for States participating in the food stamp program for any fiscal year to provide benefits under the food stamp program and to pay the related administrative costs of State agencies of such States, the Secretary shall pay to each such State an amount which bears the same ratio to the aggregate amount of funds so made available for all such participating States as the population of such State bears to the aggregate population of all such participating States. For purposes of the preceding sentence, the population of any State shall be determined by the Secretary of Agriculture on the basis of the latest available population estimates provided by the Bureau of the Census in Series P–25, Current Population Reports (or its successor series).

"(b)(1) The Secretary shall pay quarterly to any State one-fourth of the amount of funds payable under subsection (a) to such State.

"(2) Any amount of the funds which are received by a State under subsection (a) and which are in excess of the amount of funds required by such State to carry out the food stamp program may be expended by such State to carry out human services programs in such State.

"(c)(1) Before each fiscal year begins, the State agency of each State participating in the food stamp program shall submit to the Secretary a report setting forth the purposes, including human services programs, for which funds to be received by such State agency under this Act will be disbursed and obligated, and the amount of such funds which will be disbursed or obligated for each such purpose.

"(2) Not later than October 31 of the calendar year in which such fiscal year ends, such State agency shall submit to the Secretary a report setting forth the purposes, including human services programs, for which funds received under his Act during such fiscal year have been disbursed and obligated, and the amount of such funds disbursed or obligated for each such purpose.

"(3) The reports required to be submitted under this section shall be in such form and shall contain such supplementary information as the Secretary may require.".

ELIMINATION OF FEDERAL RESTRICTIONS ON ALLOTMENTS

SEC. 311. (a) Section 18 of the Food Stamp Act of 1977 (7 U.S.C. 2027), as amended by title I and title II of this Act, is amended by striking out subsections (b), (c), and (d).

(b) Section 18(a) of the Food Stamp Act of 1977 (7 U.S.C. 2027(a)), as amended by title I and title II of this Act, is amended—

(1) in paragraph (1)—

(A) by striking out "(1)";

(B) by striking out the colon and all that follows through "factors." and inserting in lieu thereof a period;

(C) by striking out "section 17" and inserting in lieu thereof "section 16"; and

(D) by striking out the last sentence; and

(2) in paragraph (2) by striking out "(2)" and inserting in lieu thereof "(b)".

EFFECTIVE DATE

SEC. 312. The amendments made by this title shall take effect on September 30, 1981.

Mr. WALKER (during the reading). Mr. Chairman, I ask unanimous consent that the amendments be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. WALKER. Mr. Chairman, I ask unanimous consent that the figures in the amendments that were just read be put in conformation with the amendment just agreed to, as amended.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. WALKER. Mr. Chairman, these amendments are very comprehensive amendments because they deal with the program as a whole rather than going to some of the specifics that we have talked about today. There is no need for me to reiterate many of the points that have been made on the floor today about the growth of this program and the astounding growth within the last several months of the program. But what this attempts to do is look at that crushing expansion and not only its impact on the taxpayer, which has been considerable, but also the fact that the truly needy are not receiving an adequate amount of assistance, nor are they receiving the type of assistance that they require.

These amendments would do basically four things. Those four things include converting the program to a block grant program. They include putting in a workfare component. They include putting in a nutrition component and also taking the program and making it far more efficient and thereby eliminating a lot of the fraud and abuse. How we do this is by converting to a block grant program, because one of the problems we have identified in the time that I have been looking into this program with the welfare reform task force on which I serve is that we have found that the State governments do not have the degree of responsibility or flexibility necessary to run efficient, effective programs.

Ever since 1970 when the Federal Government assumed total responsibility for setting benefit levels and determining eligibility, State administrators have been deprived of an essential element in efficient program administration; namely, control over their own programs. Funding for the current program is 100 percent Federal.

Forced to comply with strict Federal standards, States have lost the requisite degree of responsibility they need and have even been penalized for not complying with those standards whether they were applicable to their particular situation or not.

What we should do to eliminate that problem is to maximize State responsibility. That is what this particular amendment would do by converting into a block grant. The block grant system would begin on October 1, 1981. This would allow the States over a year to begin setting up their own programs. Until that date, the funding for the current fiscal year would remain the same as what was adopted in the amendment offered by the gentleman from Georgia (Mr. MATHIS), but starting on October 1, 1981, a permanent block grant funding mechanism would be established. The important thing about this block grant mechanism is that it begins immediately to save money. The money that it saves, the $500 million, due to go up to $600 million next year, over program administration costs here in Washington means that those dollars would be available for the truly needy, and I think that is an important component of what we are attempting to achieve here.

It can also be assumed that this conversion to block grants will stabilize costs and then gradually reduce them over the next several years. This is also in line with agricultural interests, because many of them have looked into the growing trend of the Department of Agriculture toward more and more welfare in that Department, and this would eliminate a lot of the welfare responsibilities of that Department and aim it back toward what should be its main goal, and that is serving agriculture.

Another problem that is identified in the food stamp program is that uniform benefit levels are not reflective of variations in regional costs of living. In other words, along with giving the States a finite amount of money to run their own program, they must be given the authority to determine what level of benefits their particular eligible population requires.

There are actually two problems with the current benefit level formula. Not only is the level of assistance often inadequate, but the type of assistance is inadequate as well.

The solution is to give these States the authority to determine benefit levels. Currently the benefit levels are indexed according to the Consumer Price Index, and because of that, a uniform allotment is distributed to all recipients in all parts of the country.

The problem with this is that the cost of living is not uniform nationwide, so what a food stamp recipient in one State receives in the way of food stamp benefits may be nowhere near the level needed in some other part of the country.

Not only are millions of recipients not getting the level of assistance they need, but they are not getting the type of assistance they need, either.

Mr. MATHIS. Mr. Chairman, will the gentleman yield?

Mr. WALKER. I yield to the gentleman from Georgia.

Mr. MATHIS. I thank the gentleman for yielding.

If I understand what the gentleman is saying, if I represent a State that has a relatively low cost of living, my State would be penalized by the adoption of the gentleman's amendment.

Mr. WALKER. Absolutely not; absolutely not. The formula for distribution of funds under this particular amendment is based upon the historic use of food stamps as well as population of the State. So what I am saying is that in terms of benefit levels, that would be what the State might have left in excess funds, which could then be used on a priority basis for other human needs in the State. But the formula does not reflect that. The formula reflects the historic use of food stamps as well as population.

Mr. MATHIS. Did I not understand the gentleman to be talking at that point when I interrupted him of the cost of living in a State?

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. WALKER was allowed to proceed for 5 additional minutes.)

Mr. MATHIS. In other words, if the gentleman would be so gracious as to yield further, the cost of living in a particular State or any geographic region of the country has nothing to do with the gentleman's formula.

Mr. WALKER. With the formula in the amendment. However, the point that I am trying to make in that particular argument is that this cost of living does differ and, therefore, the States could adjust their benefit levels under the program for the cost of living within that State, but it would have no point whatsoever with regard to the amount of money the States would get. The formula is on population and on historic use. However, if the State, because of a lower cost of living, has excess funds left over at the end of the year, that means they could distribute them to other human resource needs in that State, and I think that is very responsive to the needs of the poorest of the poor whom we are trying to help. It also creates an incentive on the part of the States to keep the benefit levels to a reasonable degree so that they would have the priority use of the money at the end of the year.

Mr. MATHIS. It seems to me that what the gentleman is saying is just exactly what I asked him, that it would judge the States first, then, on the basis of the cost of living.

Mr. WALKER. No; I would say again to the gentleman that the cost of living has nothing to do with the amount of money the States get. It would simply be reflected in the amount of benefits the State would get for the people in the State, but it would also insure that the money that would be left over could be used for human services afterward.

I would like to continue on with the dialog with the gentleman, but I would like to go on with my statement.

The other thing that this amendment does is that it says to the States that they ought to have a nutritional component in the program. I think this is one of the things we have decided over the years was one of the basics of the program, and this says the States should have a nutrition program. It does not say it should limit the food totally. It encourages the States to set up programs requiring the purchase of nutritional food. That is left up to the States, but they should have a nutrition component.

Finally, another identified problem in the program is that federally mandated eligibility standards are too loose.

Even the most conservative estimates indicate that at least 35 million people in the country are eligible for food stamp benefits. Many other estimates indicate that it is closer to 60 million people who are eligible.

We would like to make certain that the eligibility determination is made at the State level and give the States the authority to determine those eligibility requirements.

Because of the high rates of error and abuse, billions of dollars are siphoned off that could have been used to actually raise benefit levels to the truly needy, if the program were run efficiently.

State governments are one level of government closer to the people and can, therefore, better determine who it is in their population that needs assistance. They can operate with a degree of flexibility not found in the Federal Government and adapt their programs to their particular needs.

Also this amendment would give the States authority to adopt the workfare program and would be able through that workfare program to further tighten the eligibility standards in the State. That is one of the major components in the bill. It also contains a number of reporting provisions for the States. But the main points are clear. The States, by being given the proper incentives and by being allowed to adapt their programs to their particular problems, can run programs that actually end up giving the truly needy the level and type of assistance they need. It also makes certain that we have a program that, instead of fattening bureaucrats, it goes to feeding the hungry. It is time to do something about the failure of the food stamp program. It is time to do the right thing, and I would urge adoption of the amendment.

□ 1750

Mr. HOPKINS. Mr. Chairman, will the gentleman yield?

Mr. WALKER. I will be glad to yield to the gentleman.

Mr. HOPKINS. Mr. Chairman, I thank my colleague for yielding.

Could the gentleman give me some information on the amount of money currently being spent for administrative purposes on the Federal level of this program now?

Mr. WALKER. According to the Department of Agriculture, the amount of money they are spending presently for administering this program at the Federal level is $450 million to $500 million, annually. The projection for next year is a little over $600 million. They are doing this in a duplicative kind of spending because the States are administering this program. It is the States that are out there running the program so they are incurring administrative costs too. Why not just allow the administration at the State level, the costs that are being incurred there, to be the total administrating costs, by converting to a block grant. That is what this amendment does.

Mr. HOPKINS. Mr. Chairman, will the gentleman yield further?

Mr. WALKER. Yes; I will be glad to yield to the gentleman.

Mr. HOPKINS. Would it be fair to assume if those figures are correct—$450 million to $600 million in administration costs on the Federal level per year—if the block grant concept went through which the gentleman proposes, would it be safe to assume we would save $450 to $600 million annually?

Mr. WALKER. I would say to the gentleman that that is money that more likely would end up helping some truly needy people with benefit levels. What we would do with the block grant program is assure that the growth of this program would be slowed dramatically because of the increased eligibility standards of the States. I also believe that that money, then, could be contributed on a far more equitable basis.

As far as actual savings are concerned, if we consider the fact that the truly needy are actually getting the benefits, rather than bureaucrats being fattened, yes that is a savings.

Mr. FOLEY. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, the amendment offered by the gentleman contains a completely new scheme for assisting the States in the nutrition program which is presently carried on by food stamps. The gentleman has designed that program to meet his judgments of what would be a more effective kind of administration.

Incidentally, Mr. Chairman, to my knowledge, there is not a single Governor, Republican or Democratic in the United States or the Commonwealth of Puerto Rico or any other territories who has endorsed this plan. There has not been a single hearing before any committee of Congress or a single witness that I know of who has discussed this plan.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. FOLEY. I yield to the gentleman from California.

Mr. ROUSSELOT. In the Committee on Ways and Means we discussed a direct grant program to States on the AFPC, and others.

Mr. FOLEY. But this is not this.

Mr. ROUSSELOT. No, but it is not a new concept.

Mr. FOLEY. Mr. Chairman, if the gentleman will allow me to reclaim my time, I think the statement still stands, there is not a single incident in which this plan has been discussed in a hearing before a committee.

Mr. ROUSSELOT. The Agriculture Committee?

Mr. FOLEY. No, this plan.

Now, also, Mr. Chairman, the gentleman is promising benefits with respect to which I simply must say the facts do not at all justify his assertions. He is saying that about $500 million of Federal costs are involved in the administration of the program. I refer the gentleman to page 50 of the report where he will find that $408 million of Federal expenditures are for cost sharing to the States. The States spend that money, not the Federal Government.

The $143 million that is Federal expenditure, and $408 million, that is State cost sharing. The States spend that money.

Mr. WALKER. Mr. Chairman, will the gentleman yield?

Mr. FOLEY. I yield to the gentleman from Pennsylvania.

Mr. WALKER. I certainly understand that point. I appreciate the gentleman making the point. I have not cut the money for the program whatsoever in this amendment and therefore that money would be available but what we are saying is that money, instead of paying the Federal costs—and those Federal costs come from all the Government regulation——

Mr. FOLEY. Mr. Chairman, I thank the gentleman. I get the gentleman's point and I will yield further in a moment, but I think what the gentleman is saying is, here is $500 million that the Federal Government wastes in Washington that could be made available to the States out there to help needy people. Of that $555 million, $408 million of it is used to hire State employees, to run State computers, to provide for State offices, to do all the things the States need to administer this program. Not the Federal Government. The Federal Government provides the money. The States spend the money.

Mr. WALKER. Mr. Chairman, will the gentleman yield?

Mr. FOLEY. I will yield in just a moment. The gentleman has had time to express his views on this and I am going to take time and then I will yield to the gentleman even if it is necessary to request additional time.

What I am concerned about is that the colloquy, unless I misunderstood it grossly, the colloquy of the gentleman was that we had all these hundreds of millions of dollars that were spent on Federal administration in Washington. The gentleman from Kentucky just had a colloquy. That is not true. Eighty percent of all the administrative money that is spent by the Federal Government is spent by the States in the States, not in Washington, D.C., and it is spent for such things as paying the salaries of State employees and paying the rent and the light and the water of State offices and providing for computers that the States operate.

Now let us please deal with realities where they are, Mr. Chairman. There is not a $500 million bureaucracy in Washington on food stamps. That is simply not true. The fact of the matter is that there are State offices and county offices that administer this program and the Federal Government pays for half or more of that cost and that is what the $408 million is for and to suggest those workers would simply be able to evaporate and the State administration would simply go away if we handed it over to the States I say is totally misleading. We would still have to have a State administration. The funds would still have to be spent by the States. There would not be a savings to hand out to hard pressed needy people except that you just create those savings in your mind.

Mr. WALKER. Mr. Chairman, will the gentleman yield?

Mr. FOLEY. Let me just continue a moment if I may. The gentleman is anxious to debate and I am, too, but I want to state my views before I yield to the gentleman.

The second thing is this is a construction which would totally revamp this program without any State opportunity to be heard on it. The gentleman hands over to the States the responsibility to spend a substantial amount of resources.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. FOLEY was allowed to proceed for 5 additional minutes.)

Mr. FOLEY. You are handing over to the States the responsibility to spend a substantial amount of resources without getting a single Governor of either party to say that they think it is a good idea, without getting a single administrator of the programs in the States to have an opportunity to review it, without having the courtesy even for the State governments, to let them suggest whether they are for this or not.

Mr. Chairman, if this amendment is going to be seriously considered, any appropriate consideration should include an opportunity to hold hearings and to hear the State officials and to see if this is what they think should happen. I am not talking about a partisan thing. There are Republican Governors and Republican administrations and Democratic Governors and Democratic administrations.

We ought to do them both the courtesy of giving them an opportunity to decide whether they would prefer this kind of administration of a nutrition program before we rush, in a matter of a few minutes on the floor of the House of Representatives, to totally redesign its program without a single hearing in the appropriate committee.

Mr. Chairman, the gentleman has a plan here that may have some merit but it certainly does not justify this quick draw business on the floor of the House to decide for States how they want to administer programs that involve, as has been said many times today, 21 million of the citizens.

Mr. WALKER. Will the gentleman yield?

Mr. FOLEY. Yes, I will now yield to the gentleman.

Mr. WALKER. I thank the gentleman for yielding. As I say, there is not cut off that $500 million in here but by the gentleman's own figures he is saying there is $100 million being spent in Washington, D.C., for administration of this program.

Mr. FOLEY. Does the gentleman want to take the $100 million? Seventy million dollars is job search conducted by the Department of Labor. Thirty-five million dollars is coupons that have to be printed and are printed here in Washington.

Mr. WALKER. Will the gentleman yield further?

Mr. FOLEY. I yield to the gentleman.

Mr. WALKER. What I am saying is that a lot of those kinds of things could be taken over by the States and if the States are permitted to set their own regulations rather than having to react to Federal regulations, which the gentleman just argued on the Glickman amendment before is the largest cause of error and abuse—the States themselves say over and over again that is the reason why their programs are failing, is because they have to comply with all these Federal regulations which are a burden to them, and that was the argument the gentleman made. I was hoping the gentleman would get up and use that argument again because that is specifically the argument for this block grant program.

Mr. FOLEY. Surely if this program has benefit to the States and to proper administration, there ought to be some Governors and some administrators in this country who will be willing to come forward and endorse it.

Mr. WALKER. Will the gentleman yield further?

Mr. FOLEY. I yield further.

Mr. WALKER. I thank the gentleman for yielding. In all honesty, the amendment was put together within just the last couple of weeks. We have not even polled these people.

Mr. FOLEY. Mr. Chairman, that is exactly what concerns me.

Mr. WALKER. I understand what the gentleman is saying. However, I would also point out to the gentleman the only time we ever consider this program is under emergency circumstances. The only time we ever get a chance to amend the program is in a crisis kind of situation. Therefore, one reason why some of us react in a crisis situation is because that is the method given us to consider the program.

□ 1800

Mr. FOLEY. That is not true. We had hearings 7 months ago. The gentleman was a Member of Congress then. He did not come forward and offer this plan at that time. He has never communicated to our committee, to my knowledge, with this plan, or even outlined it in a vague detail and asked us for consideration. We have never had a single request to consider it in the orderly disposition of our committee. He has not got a single Governor or administrator a chance to look at it.

All I am saying is, because it has been put together—I will not say slapdash—in the last 2 weeks, it is of such far-reaching character that to suggest without any consultation with the States, that they ought to change the whole program to what the gentleman thinks is a good idea, without any consultation with any State officials the gentleman thinks ought to be given the freedom to implement his proposition——

Mr. WALKER. If the gentleman will yield further I thank him, because I would not want it to go on the record that it is some sort of slapdash effort.

Mr. FOLEY. I said that I did not call it a slapdash effort.

Mr. WALKER. It was put together with the help of the former U.S. Commissioner of Welfare. While there were not hearings held before the gentleman's committee, I submit to the gentleman that the minority party also has some prerogatives, and of course it is their task force which developed this approach. We went out and went into food stores all over the country, taking a look at the program and spent some time trying to accumulate data. So, it was put together over a period of time. The actual drafting of the program took just the last couple of weeks.

The CHAIRMAN. The question is on the amendments offered by the gentleman from Pennsylvania (Mr. WALKER).

The question was taken; and on a division (demanded by Mr. WALKER) there were—ayes 18; noes 29.

RECORDED VOTE

Mr. WALKER. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 111, noes 268, not voting 53, as follows:

[Roll No. 227]

AYES—111

Archer
Ashbrook
Badham
Bafalis
Bauman
Bennett
Bethune
Brown, Ohio
Broyhill
Buchanan
Burgener
Butler
Byron
Campbell
Carney
Chappell
Cheney
Clausen
Cleveland
Collins, Tex.
Conable
Corcoran
Coughlin
Courter
Crane, Philip
Daniel, Dan
Daniel, R.W.
Dannemeyer
Deckard
Derwinski
Devine
Dickinson
Erlenborn
Forsythe
Frenzel
Gingrich
Goldwater
Goodling
Gradison
Grassley
Guyer
Hagedorn
Hammerschmidt
Hance
Hansen
Harsha
Hillis
Hinson
Holt
Hopkins
Hyde
Jeffords
Jeffries
Kelly
Kindness
Kramer
Lagomarsino
Lee
Livingston
Loeffler
Lott
Lujan
Lungren
McClory
McDonald
Martin
Miller, Ohio
Montgomery
Moorhead, Calif.
Mottl
Myers, Ind.
O'Brien
Pashayan
Pritchard
Regula
Rhodes
Ritter
Robinson
Roth
Rousselot
Royer
Rudd
Santini
Satterfield
Sawyer
Schulze
Sebelius
Sensenbrenner
Shumway
Shuster
Snowe
Snyder
Solomon
Spence
Stangeland
Stanton
Stockman
Stump
Symms
Taylor
Trible
Vander Jagt
Walker
White
Whitehurst
Whittaker
Winn
Wydler
Wylie
Yatron
Young, Alaska

NOES—268

Addabbo
Akaka
Albosta
Alexander
Ambro
Anderson, Calif.
Andrews, N. Dak.
Annunzio
Anthony
Applegate
Ashley
Atkinson
AuCoin
Bailey
Baldus
Barnes
Beard, R.I.
Beard, Tenn.
Bedell
Beilenson
Benjamin
Bereuter
Bevill
Biaggi
Bingham
Blanchard
Boggs
Boland
Bolling
Boner
Bonker
Bouquard
Bowen
Brademas
Breaux
Brinkley
Brodhead
Brooks
Burlison
Burton, John
Burton, Phillip
Carr
Carter
Cavanaugh
Clay
Clinger
Coelho
Coleman
Collins, Ill.
Conte
Conyers
Cotter
D'Amours
Daschle
Davis, Mich.
Davis, S.C.
de la Garza
Dellums
Derrick
Dicks
Diggs
Dingell
Dixon
Dodd
Donnelly
Dougherty
Downey
Drinan
Duncan, Oreg.
Duncan, Tenn.
Eckhardt
Edgar
Edwards, Calif.
Emery
English
Erdahl
Ertel
Evans, Ga.
Evans, Ind.
Fary
Fascell
Fazio
Fenwick
Ferraro
Findley
Fish
Fisher
Fithian
Flippo
Florio
Foley
Ford, Mich.
Ford, Tenn.
Fountain
Fowler
Frost
Garcia
Gephardt
Gibbons
Gilman
Ginn
Glickman
Gonzalez
Gore
Gramm
Gray
Green
Guarini
Gudger
Hall, Ohio
Hall, Tex.
Hamilton
Hanley
Harkin
Harris
Hawkins
Heckler
Heftel
Hollenbeck
Horton
Howard
Hubbard
Huckaby
Hughes
Hutto
Ireland
Jacobs
Jenkins
Jenrette
Johnson, Calif.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kazen
Kildee
Kostmayer
LaFalce
Leach, Iowa
Leach, La.
Leath, Tex.
Lederer
Leland
Levitas
Lloyd
Long, La.
Long, Md.
Lowry
Luken
Lundine
McCloskey
McDade
McHugh
McKay
Madigan
Maguire
Markey
Marks
Mathis
Matsui
Mattox
Mavroules
Mazzoli
Mica
Mikulski
Miller, Calif.
Mineta
Minish
Mitchell, Md.
Moakley
Moffett
Mollohan
Moore
Moorhead, Pa.
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Musto
Myers, Pa.
Natcher
Nedzi
Nelson
Nichols
Nolan
Nowak
Oakar
Oberstar
Obey
Ottinger
Panetta
Patten
Patterson
Pease
Pepper
Perkins
Petri
Peyser
Pickle
Porter
Preyer
Price
Pursell
Rahall
Railsback
Rangel
Ratchford
Reuss
Richmond
Rinaldo
Roberts
Rodino
Roe
Rose
Rosenthal
Roybal
Russo
Sabo
Scheuer
Schroeder
Seiberling
Shannon
Sharp
Shelby
Simon
Skelton
Smith, Iowa
Smith, Nebr.
Solarz
Spellman
St Germain
Stack
Staggers
Steed
Stenholm
Stewart
Stokes
Stratton
Studds
Swift
Synar
Tauke
Thompson
Traxler
Van Deerlin
Vanik
Vento
Volkmer
Walgren
Wampler
Watkins
Waxman
Weaver
Weiss
Whitley
Whitten
Williams, Mont.
Williams, Ohio
Wilson, Tex.
Wirth
Wolff
Wolpe
Wright
Wyatt
Yates
Young, Fla.
Young, Mo.
Zablocki
Zeferetti

NOT VOTING—53

Abdnor
Anderson, Ill.
Andrews, N.C.
Aspin
Barnard
Bonior
Broomfield
Brown, Calif.
Chisholm
Corman
Crane, Daniel
Danielson
Dornan
Early
Edwards, Ala.
Edwards, Okla.
Evans, Del.
Fuqua
Gaydos
Giaimo
Grisham
Hefner
Hightower
Holland
Holtzman
Ichord
Johnson, Colo.
Kemp
Kogovsek
Latta
Lehman
Lent
Lewis
McCormack
McEwen
McKinney
Marlenee
Marriott
Michel
Mitchell, N.Y.
Murtha
Neal
Paul
Quayle
Quillen
Rostenkowski
Runnels
Stark
Thomas
Udall
Ullman
Wilson, Bob
Wilson, C. H.

□ 1810

The Clerk announced the following pairs:

On this vote:

Mr. Michel for, with Mr. Fuqua against.

Mr. Thomas for, with Mr. McCormack against.

Mr. Marriott for, with Mr. Quillen against.

Mr. Lewis for, with Mr. Evans of Delaware against.

Mr. FINDLEY changed his vote from "aye" to "no."

So the amendments were rejected.

The result of the vote was announced as above recorded.

□ 1820

AMENDMENT OFFERED BY MR. PEYSER

Mr. PEYSER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. PEYSER: Page 39, after line 22, insert the following new section:

RETROACTIVE REIMBURSEMENT

SEC. 302. Section 18 of the Food Stamp Act of 1977, as amended, is amended by adding at the end thereof the following new subsection:

"(e) (1) Notwithstanding any other provision of this Act, the Secretary—

"(A) shall sell coupons to any State participating in the food stamp program on May 31, 1980, for distribution to eligible households for June 1980 upon the request of such State to purchase coupons;

"(B) may redeem purchased coupons in such State with the receipts from coupons sold under this subsection; and

"(C) may expend the receipts from the sale of coupons under this subsection to administer the food stamp program for June 1980 in States which purchase coupons under this subsection.

"(2) For purposes of paragraph (1) (A) the Secretary shall sell coupons at a cost equal to the sum of the face value of such coupons and a proportionate share of the costs incurred by the Secretary to administer the food stamp program with the authority provided by this subsection.

"(3) For purposes of paragraph (1) (B) the Secretary, in cooperation with the Secretary of the Treasury, shall redeem coupons purchased under this subsection in the same manner as the Secretary redeems coupons with funds appropriated to carry out this Act.

"(4) From any funds made available after the date of the enactment of this Act to the Secretary for the fiscal year ending September 30, 1980, to carry out this Act, the Secretary shall reimburse States which purchase coupons under this section and which carry out the food stamp program in accordance with this Act.

"(5) The amount of any reimbursement paid to a State under paragraph (4) shall be equal to the sum of the aggregate purchase price paid by such State for coupons purchased under this section and any administrative costs for June 1980 for which such State would have been reimbursed under this Act with funds appropriated to carry out this Act for June 1980.

"(6) The authority vested in the Secretary by paragraph (1) (A) and paragraph (1) (C) of this subsection shall lapse if funds to carry out this Act for June 1980 are appropriated before June 1, 1980.".

Mr. PEYSER (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. PEYSER. Mr. Chairman, the amendment that I am now offering is merely an escape hatch for the millions of people who are on the food stamp program in the event that the Congress does not complete all of the legislation necessary to provide the necessary funding to continue the act for the balance of the year. My amendment would authorize the States to fund the program for the month of June with the knowledge, assuming my amendment passes, that the Congress will pay back the funds advanced by the States for the month of June when the food stamp legislation is finally passed.

Mr. Chairman, I do want to take this opportunity to state that the gentleman from Illinois (Mr. SIMON), the gentleman from Alabama (Mr. BUCHANAN), and the gentleman from Vermont (Mr. JEFFORDS) has joined with me in offering this amendment.

It is my hope that the Congress will complete all the necessary legislation so that this amendment is not needed. I do want to compliment the Agriculture Committee, the Appropriations Committee, and the Rules Committee for the effort that they are now making to bring about the complete enactment of this legislation.

Mr. RICHMOND. Mr. Chairman, will the gentleman yield?

Mr. PEYSER. I yield to the gentleman from New York.

Mr. RICHMOND. I thank my colleague, the gentleman from New York, for yielding.

Mr. Chairman, on behalf of the distinguished chairman of the Committee on Agriculture, our committee is willing to accept the gentleman's amendment.

Mr. PEYSER. I thank the gentleman for his comments.

Mr. Chairman, I yield back the balance of my time.

Mr. CONTE. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, this amendment is really not needed at all. I would like to inform the committee what we have done today. We have been working on food stamps in the Appropriations Committee all day. We have reported out a supplemental appropriation of some $18 billion, and in order to move this we took out the food stamp money, $2,500-some odd million, and move it in a separate track, went up before the Committee on Rules, and we have obtained a rule and we will have it on the floor of the House here Tuesday.

Unfortunately, if the Committee on Agriculture had been able to bring this bill to us earlier, we would not be in this predicament; but we and they are in this predicament because of budget resolution restraints, and we have done everything humanly possible. Most likely, we will have that appropriation passed and on the President's desk before this authorization bill.

Mr. BAUMAN. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from Maryland.

Mr. BAUMAN. Mr. Chairman, while I may not share the characterization of the Committee on Agriculture, the gentleman is quite right. His committee has gone ahead, and the Committee on Rules this afternoon has made totally superfluous the Committee on Agriculture and this appropriation pending before us and the Budget Act and the Rules of the House, and probably the Constitution. On Tuesday we will be acting upon the legislation the gentleman described.

Mr. FOLEY. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I yield to my good friend, the gentleman from Washington (Mr. FOLEY), the chairman of the Committee on Agriculture.

Mr. FOLEY. Mr. Chairman, I want to take the time to compliment the Appropriations Committee and the Rules Committee for taking unusual but necessary action, in my judgment, to insure that there would not be a matter of 5 days or a week's time in delay of the arrival of the food stamp program.

Unless I make a great misjudgment, when we complete action tonight this House will vote in a large majority to authorize extension of the food stamp program. I may be wrong, but I think that judgment is probably correct. But there would be a danger, if the Appropriations Committee and the Rules Committee did not act promptly, that on midnight on the 15th or before, cutoff orders would be issued to all the States, stopping the food stamp program effective June 1. After the completion of the authorization legislation and the conference report and the supplemental appropriation and the conference report and the Third Budget Resolution and conference report, we might have that finished by the 23d of May. Of course, instructions would go forward to the States to resume the issuance of food stamps. But because some States require 10 to 12 days to submit the stamps through the mails, the full allocation of food stamps might not arrive until the 7th or 8th or 9th of June. That would put enormous strain on voluntary food agencies, various kinds of community funds and other local governments. I do not believe that is going to be necessary because of the wise judgment made by the Appropriations Committee. The distinguished ranking minority member, the gentleman from Massachusetts (Mr. CONTE), the gentleman from Mississippi (Mr. WHITTEN), the gentleman from Massachusetts (Mr. BOLAND), and others on the committee acted wisely today.

I do not believe that this amendment is necessary. On the other hand, I do not want to prolong the debate on it. Let us take the amendment, it is not going to do any harm, and get on with it.

Mr. CONTE. Mr. Chairman, the chairman of the Committee on Agriculture has explained this fairly thoroughly.

I do not think the amendment is necessary; but if the author wants it, let him have it.

I do want to give credit, also, to the gentleman from Illinois (Mr. YATES), because in the full committee this morning, when we got into this issue, it was the leadership of the gentleman from Illinois (Mr. YATES) who made the motion to move this on a separate track.

The CHAIRMAN. The time of the gentleman from Massachusetts (Mr. CONTE) has expired.

(On request of Mr. FOLEY and by unanimous consent, Mr. CONTE was allowed to proceed for 2 additional minutes.)

Mr. FOLEY. If the gentleman will yield, I just want to say that, for one thing, I disagree very strongly with the gentleman, and the record should show this.

The Committee on Agriculture has reported this bill for some months, but we could not bring the bill to the floor without violating the spirit, if not the direct provisions, of the Budget Act, because the third budget resolution was not adopted. I hope the gentleman will not carry on the record that the Committee on Agriculture had failed in its responsibilities, because we brought this bill to the floor the afternoon—the afternoon—of the adoption of the third budget resolution, for the rule and general debate, and today. I think that should not be overlooked.

Mr. CONTE. Mr. Chairman, the gentleman from Washington is absolutely right. We were under the same constraints. Until we got that third budget resolution through here last night, there was nothing that we could do on the Appropriations Committee.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. PEYSER).

The amendment was agreed to.

● Mr. STOKES. Mr. Chairman, I rise in support of S. 1309, the Food Stamp Act Amendments of 1980.

I would like to point out that the food stamp program is only a small supplement to the already stretched food budgets of low-income people. The average bonus for the food stamp program has not changed significantly, in real dollar terms, for the last 10 years. The increased cost of the program is due to the increasing numbers of people needing the program because of food price inflation and unemployment.

The bonus is based on the thrifty food plan, the lowest cost diet plan the Department of Agriculture has ever devised. Although food price inflation was 11.5 percent in 1978 and 10.1 percent in 1979, the value of the thrifty food plan increased only by 9.5 and 7.3 percent, respectively. Thus, the food stamp program provides an average of only $1.15 a day or 38 cents per person per meal in benefits. In fact, the most a family with no income at all can get in food stamps comes to about 53 cents per person per meal.

It is obvious that the thrifty food plan is inadequate for a poor family's needs. USDA has acknowledged this. In recent rulemaking published in the Federal Register in April of this year, USDA stated that:

> The Department recognizes that a number of factors make it difficult for many families to obtain an adequate diet on the amount of money which represents the cost of the Thrifty Food Plan. In fact, data on food consumption among low income households indicate that fewer than one in ten families spending an amount of money equivalent to the cost of the Thrifty Food Plan received 100 percent of the Recommended Daily Allowances. Less than half received even two-thirds of the Daily Allowances . . . The average food purchaser, without specific nutritional skills and training, would find it difficult to make the food choices which provide an adequate diet on the amount of money which represents the cost of the plan.

I make these remarks in order to demonstrate that the increased cost of the food stamp program is not a consequence of our having been too generous in setting food stamp benefit levels. Nothing could be further from the truth.

But noting how meager food stamp benefits are, particularly when set against rapidly increasing food prices, should not detract at all from the urgency of the task before us: Passage of S. 1309 and completion of all of the steps necessary to continue this vital program beyond May 31.

The actions the House has taken in this Congress so far make clear our intent to provide the necessary funding for the continuation of the program this summer. House passage of the Giaimo amendment to the revised second budget resolution was only the most recent indication of our unambiguous and emphatic resolve to keep the food stamp program operational without interruption and without a diminution of benefits.

But I am fearful that we will not have completed our task by May 15, despite our intention to do so. We are currently locked in a very difficult and controversial debate on the budget resolution—the passage of which, under our rules, must be completed before a supplemental appropriation can be enacted. Thus, there is a real possibility that we will not be able to pass the supplemental appropriations legislation by USDA's self-imposed deadline of May 15. In that event, I strongly urge Secretary Bergland to make use of the authority afforded him by section 15(a) of the Food Stamp Act, and thereby order timely issuance of June food stamps, even in advance of the passage of the supplemental appropriations bill. Section 15(a) authorizes the Secretary to take such action, notwithstanding other provisions of the act, when to do so would be in the national interest and when it is clear that Congress will provide the necessary funds later on. This is precisely what the Agriculture Secretary did at the outset of this fiscal year, and it would be wrong for him not to invoke this authority again in light of our resolve to fully fund the program and in light of the tragic harm and hunger that would be experienced by millions of needy people if he failed to do so.

I submit that it is absolutely imperative for the Secretary to take such action. We have not come this far in the 16-year history of the modern food stamp program, with the substantial advances the program has brought toward the eradication of malnutrition and chronic hunger, only to arrive at a complete halt of the program. The erosion of the already limited budgets of poor people by soaring inflation makes that prospect particularly intolerable.

Section 15(a) afforded the Secretary the authority to issue food stamps on time last October. You will recall that 12 days elapsed from October 1 until October 12 when Congress passed a continuing resolution to provide emergency funding until the Agriculture appropriations bill could be enacted later in the month. Notwithstanding the 12-day lapse, food stamps were issued at the beginning of the month as authorized by section 15(a).

The circumstances are no less urgent now, nor is the certainty that Congress will complete the actions necessary to provide the additional funding any less clear now.

I urge Secretary Bergland to take such action, and I urge my colleagues to support passage of S. 1309 and all the other steps necessary to provide full funding for the food stamp program.●

● Mr. BIAGGI. Mr. Chairman, I rise to support the immediate passage of S. 1309, the Food Stamp Amendments of 1980. Obviously we are faced with a rather compelling issue—our failure to complete favorable action on this legislation by May 15 will mean an end to the food stamp program on June 1. This, as my colleagues are well aware, would precipitate one of the most severe domestic crises in modern memory.

I am not a particular fan of legislating under the gun. This ultimately leads to imperfect legislation which is advanced under the guise of responding to an emergency. This is exactly the case here today.

Some of the circumstances which have led us to this point today are in fact uncontrollable. The effect of inflation alone has added some $3.4 billion in costs to the food stamp program for the fiscal years 1980 and 1981. This constitutes more than one-half of the approximately $6 billion we are adding to the program under S. 1309.

Another factor which weighs heavily on the current food stamp crisis has been the escalating increase in unemployment. Again based on the projections which guided the Congress in setting funding levels for the program, we are expecting a lower unemployment rate. However these higher rates translate into additional costs to the program of $770 million for fiscal year 1980 and $930 million for fiscal year 1981.

The final reasons why we need this legislation is because of a vastly increased eligibility base, in part created by earlier amendments to the Food Stamp Act which eliminated the purchase requirements. According to the Committee on Agriculture—households brought into the program through the elimination of the purchase requirement were poorer than expected. Translated into dollars, this means that an additional $540 million in program costs for fiscal year 1980 and $640 million for fiscal year 1981. It is perhaps in the area of program eligibility that this Congress could be more careful about avoiding the specter of having people not truly in need obtaining food stamps. Already in the debate accompanying this legislation we have heard instances of families and individuals with incomes far above the standard definition of need receiving food stamps. What disturbs me the most is the fact that through expanding benefits under food stamps to the nonneedy, we are faced with a situation of jeopardizing benefits for people for whom the food stamp program is absolutely essential.

We have reached the point where a staggering 10 percent of our Nation's population are receiving food stamps. This measures out to some 21.4 million Americans. Again, as we consider this legislation, we must remember that this entire group of Americans will be deprived of these benefits come June 1.

I serve as an original member of the House Select Committee on Aging and in that capacity am fully aware of the importance of the food stamp program for our seniors. We find an increasing number of senior citizens qualifying for the food stamp program and for many of them it can constitute the difference between remaining independent and being placed in a nursing home. Hearings I have conducted as a member of the Aging Committee has disclosed that upward of 25 percent of seniors in nursing homes are there for an inability to maintain a proper diet. Food stamps are not the entire answer, but they do help in many instances. I believe we have a special obligation to pass this emergency bill to avoid the specter of millions of starving older Americans.

I must express my support for the efforts undertaken in this bill to reduce the elements of fraud and abuse in this program which have made it a target for much criticism. I am particularly in favor of the provisions to computer match important data on recipients to insure that their eligibility standards are identical to those provided under law. This information gathering is for the sole purpose of relating the individual's eligibility for the food stamp program, nothing else. Similarly, I support the provisions in S. 1309 which calls for all certified eligible households in project areas designated by the Secretary to acquire photographic identification cards to present when obtaining food stamps. Finally the bill provides the Secretary with new powers to avoid food stamp trafficking.

I support the following other provisions of the legislation:

I strongly agree with the committee's decision to lower from $35 to $10 a month the threshold level for claiming excess medical expenses. Further, I consider it only right that these deductions be extended to cover not only the blind, elderly and disabled, but their respective spouses regardless of age.

As one who helped lead the fight in this House on behalf of the Emergency Low Income Energy Assistance Act, I applaud the committee's decision not to include as income for purposes of food stamp eligibility, those payments received under this program. We should remember that only SSI recipients and those persons with incomes just above the poverty level are eligible for energy assistance. The amount they received this past winter was just enough for them to cover the rapidly escalating cost of home energy. To penalize them by counting this as income for food stamp eligibility would defeat the whole purpose of the energy assistance program.

Similarly, I commend the provision in S. 1309, which does regard as income for eligibility, the value of a vehicle necessary for the transportation of a handicapped household.

Finally, as a member of the House

Select Education Subcommittee, which developed the Domestic Violence Prevention and Assistance Act, I support the provisions in this legislation which provide that women and their children who are temporarily residing in shelters for battered women are eligible for food stamps. On April 21, I chaired a hearing of the House Select Committee on Aging on elderly victims of domestic violence. I trust that the committee's intent would be to include all residents of these shelters—regardless of their age.

I would like to briefly address another portion of this legislation. I refer to the section which calls upon the Congressional Budget Office to prepare a report which would determine if the Consumer Price Index is the most accurate indexation base for the food stamp program. I have been a long time critic of the Consumer Price Index, and our undue reliance on it to calculate benefits for important programs, especially the cost-of-living increase for social security. This year's 14.3-percent increase, called for by President Carter, is one of the most realistic in recent years, but the CPI still remains a flawed measuring guide to reflect cost-of-living factors in areas such as the Northeast. I await the CBO report with great interest.

As a representative from the State of New York, I fully recognize the importance of S. 1309 to our State. It is estimated that 1.7 million persons in New York State are food stamp recipients. Included among these recipients are more than a quarter of a million elderly for whom this program is tremendously important for survival. A cutoff of food stamps would have a cataclysmic impact on the State economy which would drive my home city of New York closer to the edge of fiscal ruin. This must be avoided.

In summary, S. 1309 is not a bill we can postpone action on any further. June 1 is but 3 weeks away. Can Members fathom the prospects of their poor and elderly constituents who rely on food stamps for their daily meals, suddenly losing all benefits? Where will they turn? Have we reached the level of callousness that we would permit a situation like this to occur? I will not stand here and defend the food stamp program as a model of efficiency. It is not. It never has been. Yet, do we solve the problem by ending it for everyone?

There are people in need in this nation and the food stamp program happily is reaching them. The food stamp program has helped to alleviate the acute hunger problems which disgraced this Nation in the early 1960's. Yet the food stamp program has also fallen victim to bureaucratic obesity. We in the Congress can trim the fat without killing the entire body of the program.

I urge passage of S. 1309 to avert the most immediate crisis at hand—the ending of the program on June 1. I also urge that we redouble our efforts to eliminate those elements of fraud and waste in the program which have contributed to excessive program costs and which do nothing to allow vital benefits to reach needy people.

Our country is entering a period of recession. Where it will end, no one really knows. Yet recession like inflation has a way of severely impacting those least able to defend themselves. The large majority of food stamp recipients have little if any defense against the inflation, and if this program is allowed to terminate—that is one less defense at their disposal. Let us offer the continuation of help and hope to the poor and needy of our Nation. Let us pass S. 1309 without further delay.●

● Mr. BROWN of California. Mr. Chairman, in the interest of speeding passage of this long-delayed legislation, I will not take much time at this point. There are, however, a few comments that I would like to make on the bill before us.

I think that it is important for us to keep in mind the basic purpose of this program—to help feed the poor of this country. As a veteran of many of these food stamp reauthorizations I have seen this basic purpose become obscured as this program has become a vehicle for displaying our dissatisfaction with a number of Federal programs. This year, for instance, we have a provision that requires food stamp workers to act as Immigration and Naturalization Service agents and turn in suspected undocumented aliens.

I find this provision to be duplicative since we already require all food stamp recipients to have social security numbers which can only be issued to citizens and legal residents. I also seriously doubt its usefulness, given the fact that INS cannot respond to the information that it already possesses. Even though undocumented aliens comprise only 0.5 percent of food stamp recipients, according to most studies, we are focusing on this small segment out of some feeling that we will accomplish some grand reduction in the abuse of this program. I opposed this provision in Agriculture Committee and would have attempted to have this provision stricken today were it not for the overriding need to pass this bill as quickly as possible.

By placing a cap on this food stamp program authorization, we have sought to turn this program into a way to control the inflationary effect of Federal programs. Yet I have heard of no parallel measures offered when cost overruns on existing military procurement contracts reached $28.8 billion in just the last quarter of 1979. That is nearly twice the amount needed to balance the Federal budget but no one has offered to place a cap on that program.

On Monday, Howard Hjort of the Department of Agriculture testified that American consumers are paying more than $16 billion a year in overcharges on food because of food industry concentration. This to me is a much more serious cause of inflation and one which directly causes and increase in the cost of the food stamp program, and yet with the exception of our distinguished colleague NEAL SMITH, no one has shown a great deal of interest in dealing with this problem.

What I am trying to get at is that this program is not the source of our ills nor the source of their cure. It is an easy program to attack, partly because of its past inefficiency, but mostly because it grows in size in a direct proportion to our economic problems and becomes an easy target. I hope that in our consideration of the food stamp program this year, we can keep its central purpose in mind—feeding the poor—and save our other concerns for specific legislation focused on those issues.

This year more than ever we must keep this central purpose in mind and act quickly to avoid this program being suspended for the month of June. It would be a grave mistake to put millions of Americans through the confusion and hunger that our inaction would cause. Local governments and private charitable organizations would be forced to expend valuable resources because of our delay.

Congress intends to keep the program going, judging by the fact that these Food Stamp Act amendments are the first order of business following the completion of the budget resolution. However, we may be late in approving this legislation because of problems created by our budget process.

If we cannot complete authorization and funding of the food stamp program by the deadline for June issuance, I would urge the Secretary of Agriculture to invoke the authority vested in him by section 15(a) of the Food Stamp Act and order issuance of the June food stamps in advance of the supplemental appropriation.

Section 15(a) fits the present circumstances: Action by the Secretary to issue June stamps is absolutely essential to protect the interests of the United States and its people. The specter of severe hunger and malnutrition which the food stamp program has done so much to alleviate; administrative chaos at food stamp offices hard pressed to explain the cutoff; and general social unrest strike me as reasons enough for the Secretary to invoke his authority to issue June stamps. I strongly urge the Secretary to take such a course if we fail to act in time.

Such action would be stopgap in nature, for I have no doubt that completion of the necessary congressional action will occur no later than sometime in June at the latest, failing action before the deadline for June issuance.

It remains incumbent upon us to pass S. 1309, and to act expeditiously on the remaining steps that will bring about full funding for the program. I urge all my colleagues to support this bill.●

● Mr. FRENZEL. Mr. Chairman, there is a real problem with amendments to the food stamp program that are designed to save money. The problem is that the administrative expense to carry out the reduction often is as great as the anticipated savings.

I believe our food stamp program costs the taxpayers too much. I am anxious to make savings where possible and eventually to cash out the program completely. But the Simms amendment to restore the purchase requirement would lop people from the wrong end of the income scale of the program. The Coleman amendment to eliminate double food benefits has been modified for better administration. It will add slightly to interview time, but in general it does a good job to eliminate an obvious overlap.

In the end, I will vote for the bill, despite great reservation about the cost, because there is no alternative. I believe, however, unless the program is cashed out, or further reductions are achieved, it will run up against budget ceilings next year just as it did this year.

Most Americans simply do not believe 10 percent of their fellow citizens should be supported by food stamps, or that the costs of food stamps should have increased six times in the past decade. Neither do I. We must make further progress in reducing food stamp costs.●

● Mr. GOLDWATER. Mr. Chairman, the abuse and fraud of the food stamp program are well known, but the greatest problem is neglect by a Congress which refuses to exercise its responsibility to overhaul the program.

The need for food stamp reform has been recognized by some of us for a long time. The program has grown from a $610 million baby in fiscal year 1971, to an almost $11 billion behemoth in fiscal year 1981. Participation in the program has increased from 15.3 million persons in October 1978 to 22 million persons in March 1980. I cannot believe that 1 in every 10 Americans are truly in need of food stamps. And the American people who foot the bill cannot understand why Congress does not act to find out exactly what is going on here.

I do not advocate eliminating food stamps for those who are truly in need. However, I refuse to sit by while the food stamp program, once intended to assist the needy in obtaining a nutritionally balanced diet, is quickly becoming an entitlement program. We cannot afford an uncontrollable program in these budget-cutting times, and yet that is exactly what this bill before us is trying to establish. The 1977 Food Stamp Act amendments set funding caps for the program for fiscal years 1978 through 1981. Now, this bill raises those caps to a level so high that they provide no effective limitation on food stamp spending. I ask my colleagues: How can these "caps" have any real effect when Congress keeps increasing them whenever the program needs additional funds? Furthermore, if we grant the Secretary of Agriculture authority to lift those caps by 5 percent in fiscal year 1980 and 10 percent in fiscal year 1981, we will be removing the food stamp funding from its traditional authorizing forum and handing it over to the bureaucracy. If there is anything we do not need and the American people do not want, it is more bureaucracy. What we do need to support right now are proposals to tighten up the food stamp program and eliminate fraud. We should reinstate the purchase requirement, with expected savings of $800 million. Thanks to the elimination of that requirement, over 3,500,000 new participants were added to the food stamp rolls, and increased costs to the program amounted to over $11 billion.

Mr. Speaker, the American people work hard for a living and they are deeply angered over financing a program which gives some, who are not in need, a "free ride." Congress has the opportunity to act here today. We have said we are for a balanced budget; we have said we are for responsible spending; we now have the opportunity to show the American people just what we mean.●

● Mr. NICHOLS. Mr. Chairman, the food stamp issue before us today places this legislative body in the dilemma of balancing our moral convictions with the political and budgetary realities of government. On the one hand, there is not a single Member of the House who would support legislation precluding the socially disadvantaged, the indigent, the handicapped, or the elderly—those who cannot care for themselves—from receiving adequate daily nourishment. On the other side of the coin, we are confronting a Government program which has been abused by many of those taking advantage, not only of the program but of the good will of the American taxpayer as well.

In Alabama alone, there are 594,044 persons receiving food stamps. A very large portion of these persons are genuinely in need of the assistance which is provided through this program. I am especially concerned for the elderly, the disabled, and the handicapped who must have food stamps in order to survive. In addition, the unemployment rate in my own home county is currently 12.8 percent—almost double the national average—and many of these proud Americans are forced to seek Government assistance in light of the present economic conditions. I can assure you, Mr. Chairman, that these individuals would greatly prefer putting in a honest 40-hour workweek than spending hours in line at the food stamp office.

But, Mr. Chairman, I have nothing but contempt for free-loaders who, because of this lack of initiative, use the food stamp program and other federally assisted programs when they ought to be seeking gainful employment. Both the Congress and the States have a responsibility to remove such persons from the food stamp rolls, and I find much criticism throughout my district in this respect.

Mr. Chairman, I want to insure that those individuals who truly need food stamps are eligible to receive this assistance. I supported the program the first time it came to the House floor for a vote, and I will continue to support the basic philosophical principles which this body endorsed in the original food stamp act.

Today it is my intention to support those amendments which will responsibly return the food stamp program to the original intentions of the Congress. I am supportive of such amendments to this act that will clean up the program, eliminate unauthorized persons from receiving food stamps and authorize better screening of applicants for food stamps. I believe such changes will benefit and secure the future viability of the entire food stamp program.●

● Mr. MITCHELL of Maryland. Mr. Chairman, I rise in support of S. 1309, and urge my colleagues to support this effort to continue the operation of the program.

We are now all aware of the immediacy of the problem facing us with regard to the continuation of the food stamp program. By the end of May, the costs of the program will have exhausted the amount we appropriated for this fiscal year. It is thus our responsibility to duly legislate a continuation of the program.

This problem is caused by a myriad of problems which, by now, are all familiar to us. The greatest problem, of course, is that the administration and our own budget office seriously underestimated the projections of inflation and unemployment that were used to set the spending ceiling on the program in 1977. Those problems were exacerbated by other provisions of the 1977 act that brought more people into the program—people who, by the way, had always been eligible but were kept out of the program by administrative obstacles, such as the purchase price. It now appears that these newly participating poor people are poorer than had been anticipated, thus necessitating the expenditure of greater-than-expected benefit levels.

Regardless of the causes of the problem we now face, the problems was not caused by the poor people who depend on food stamps each month. They have not been responsible for the worsening economy; they did not make the projections of inflation and unemployment that have turned out to be so inaccurate; they have not had any choice about whether or not they were laid off, thereby necessitating their use of food stamps.

And they should not be made to pay the price. They should not have to understand why our budget process is so important, and why any appropriations bill may not be considered until the budget resolutions are completed. They will not be able to understand why, in the face of overwhelming evidence that this Congress will continue the food stamp program, it is running out of appropriated funds.

Therefore, we should act expeditiously today to pass S. 1309, lifting the authorization level for the program for this fiscal year and next, and paving the way for the supplemental appropriation that is needed to fully fund the program. However, there is no reason why our potential problems in working out our operating budget for next year should block operation of the program for even 1 day. There is no reason why food stamps cannot be issued on June 1 in anticipation of the appropriation that is certain to follow. There is no reason why the Agriculture Secretary cannot issue the stamps as usual under the authority of section 15(a) of the Food Stamp Act in advance of our action on an appropriation bill. Indeed, this is his responsibility given the dire straits that millions of Americans will face if he fails to use this discretion. While this in no way relieves us of the responsibility to act today, it would be wrong for the Secretary to let the program end precipitously next month because our internal processes prevented prompt appropriations action.

The Secretary's continuation of the food stamp program, in advance of our appropriation, is certainly not unprecedented as the events of the beginning of this fiscal year demonstrated. His use of the authority in section 15(a) of the Food Stamp Act previously demonstrates his ability to continue the program now. He certainly should now follow that precedent.

Mr. Chairman, the food stamp program has made a tremendous contribution to the improvement of the nutritional well-being of America's poor. In concert with the other governmental antihunger efforts, the tragic examples of hunger and malnutrition that were so prevalent a decade ago have been ameliorated. We have all heard the criticisms of the food stamp program over the years, some of them true but many of them myths, and we worked hard 3 years ago trimming what little fat there was. Still, it is not easy for most of us to support this program without hearing from many of our constituents who have heard only about alleged program abuses.

But whatever specific criticisms we may have about the program; whatever ideas we share about improving program operation; there is no question about the need to raise the spending ceiling and make sure those people who are eligible for assistance are not prevented from getting that aid. Moreover, it is time that we stop being so defensive about our support for this program, and recognize that the food stamp program has probably been the most successful social program the Government has operated in the last 10 years. The food stamp program works, and it has meant the difference between hunger and minimal nutritional adequacy for millions of needy people.

Therefore, I strongly support S. 1309, and I encourage my colleagues to join me in making sure the food stamp program is able to continue its job of feeding the hungry.●

● Mr. SIMON. Mr. Chairman, a provision in the food stamp authorization bill being considered today is of great consequence to this Congress. That provision changes the measure used to calculate the change in cost of living for the food stamp program from the CPI-W, which represents wage and clerical workers, to the CPI-U, which represents all urban consumers. This provision also requires the Congressional Budget Office to prepare a study on whether the CPI itself is the most accurate indexation base for the food stamp program to reflect changes in the cost of living.

These provisions will have an almost negligible impact on the cost of the program or on the amount that is paid out to recipients, in the short term. But it is an important step for this Congress, which must constantly monitor its most critical inflation numbers, and study them to make sure they accurately and fairly represent changes in the cost of living.

The CPI-U, for all urban consumers, was first published in 1978. It was created to provide a more comprehensive Consumer Price Index to reflect expenditures for the many population groups whose income payments are now being escalated. It also measures inflation and guides monetary and fiscal policy for the Nation as a whole. The CPI for all urban consumers represents about 80 percent of the total population. The CPI-W, which is still published by the Labor Department and is still used for indexing most Federal programs, represents less than 45 percent of the total population. Changing the cost-of-living adjustor to a more representative, broader based index, will help make this a fairer, more representative program.

The second part of this provision, requiring a study of the CPI itself as a cost-of-living indicator, speaks to a more fundamental question. The Consumer Price Index has been criticized for a number of inaccuracies and distortions as a measurement. Economists for the Council of Economic Advisors, the Bureau of Labor Statistics and elsewhere have criticized these distortions, particularly in the way in which homeownership costs are calculated. These distortions cause the cost of everything—including the massive cost of Government—to increase at an ever faster rate. The CBO and House Budget Committee estimate, for example, that the distortion in the way the CPI is calculated will cost between $5 billion and $7 billion in this fiscal year, probably more in fiscal year 1981.

A study of the kind proposed in the food stamp legislation will help Congress assess the needs and problems with our national inflation measure. This study is just one of a number of studies being requested on this issue. The House Budget Committee's Inflation Task Force has called for an administration review of the cost-of-living indexes. A provision making such a request has been included in the first concurrent resolution on the budget, passed Wednesday by the House.

As a result, the administration has agreed to appoint an economic policy group to conduct such a study. These efforts are a necessary part of our continuing congressional oversight of the effect of inflation on all sectors of our economy, and should be welcomed by every Member of Congress.●

● Mr. MURPHY of New York. Mr. Chairman, I rise in support of S. 1309, The Food Stamp Act Amendments of 1980. The outcome of today's debate will greatly affect those 20 million Americans—10 percent of the population—who depend on food stamps to maintain a subsistence diet.

There is a basic misconception concerning the food stamp program; many believe that most people who receive food stamps do not really need them at all. In reality, the majority of the people who receive food stamps have an annual income, before taxes, of less than $4,000.

A delay or a reduction in food stamp funding would severely impact residents of New York State. More than 1.7 million people in New York State receive food stamps, including 1.162 million recipients in New York City. Aside from the severe impact a food stamp reduction would have on the nutrition of the recipients, it would also cause a major economic disruption of both the New York State and the national economy. For example, the food stamp program would result in the loss of $12.9 million in food and $4.7 million in farm income in New York alone. Retail food stores, with eight percent of their sales in food coupons, would be hit the hardest.

The food stamp program has exceeded the spending cap due to three factors; a much higher than anticipated inflation in food prices, continued unemployment, and the influx of more poor people than expected as a result of the elimination of the purchase requirement in 1978.

I support a fully funded food stamp program, and will oppose amendments restricting the program, including those which would:

Deduct the value of free or reduced price school lunches served to needy children, from the amount of food stamp benefits their family receives. Most importantly, this amendment should be opposed because it would deprive children of good nutrition in their formative years by curbing their participation in feeding programs, but it also should be opposed as it would create an administrative disaster for the States;

Provide for an annual rather than semiannual cost-of-living adjustment in food stamp benefits;

Delay implementation of provisions expanding medical deductions for the elderly and disabled, and for child care purposes;

Require recoupment of food stamp benefits from people whose annual income exceeds the poverty level. This would severely impact the temporarily poor and unemployed, act as a disincentive for regaining employment, while again, posing considerable administrative headaches.

The goal of our Government is the balancing of our Federal budget to reduce inflation. Unfotunately, social programs are the first hit when reductions in Federal spending are taking place. But the grocery bill for our Nation's poorest families should not bear the burden of these cuts.

S. 1309 will increase food stamp program funding to $8.74 billion for fiscal year 1980 and to $9.74 billion in fiscal year 1981. The bill also adds new antifraud and abuse provisions to the program, revises the eligibility of some participants, and makes miscellaneous amendments in program administration. In short, it is a vital measure.

The time to act is now. Our poor, our elderly, our children, cannot afford any suspension or reduction in their level of subsistence. We have adopted House Concurrent Resolution 307 allowing for sufficient additional funds for this program. We must today enact the authorizing legislation to raise the food stamp spending cap for fiscal year 1980, and we must approve supplemental appropriation providing the necessary dollars—all before May 15. We have a heavy responsibility to those in this country who depend on this Congress the most—the needy. I urge my colleagues to support this bill and prevent the disruption of this necessary social program.●

Mr. BRODHEAD. Mr. Chairman, I rise in support of S. 1309. I am first and foremost concerned about the over 20 million low income people who will suffer if the food stamp program is suspended June 1.

But I would like to point out that the food stamp program's benefits extend beyond the poor.

In setting up the food stamp program, Congress recognized that the benefits of the program are felt throughout the economy. The Food Stamp Act of 1977 declares that Congress finds that the program will promote the distribution in a beneficial manner of the Nation's agricultural abundance and will strengthen the Nation's agricultural economy, as well as result in more orderly marketing and distribution of foods.

In fact, the foremost reason for the creation of the food stamp program back in the 1930's was to distribute the agricultural surplus that was being held to keep food prices up. Today, the food stamp program still benefits the economy, and in these days of extraordinary food price inflation, the Federal dollars that roll into local communities from the program are needed more than ever.

Food stamps have often been called "grassroots revenue sharing." Because eligibility for stamps is tied to income, benefits from the program flow directly into those communities with high unemployment, low income, and large numbers of poor people. The funds are put directly into the hands of needy people, who in turn spend those food stamps in grocery stores all over the country.

According to the Department of Agriculture, substantial program cuts would have an impact on food expeditures and farm income. Recent data from USDA shows that a program cut would have the following adverse effects on food expenditures and on the farm sector:

Cutting the program by—	Reduces food expenditures by—	And reduces farm income by—
$100	$35	$14
$200	70	28
$400	140	56
$800	280	112
$1,000	350	140

These figures assume that if food stamp participants no longer receive full benefits, they might substitute some of their resources in place of stamps. But if they are unable to make this substitution, as will be the case for most program recipients in this period of extraordinary inflation in the cost of all necessities, then the adverse effects on the farm sector will be even more severe. With no substitution for food stamps at all, a cut of $100 million would reduce food expenditures by $90 million and farm income by $36 million.

If the cost of beans is up 250 percent and milk is $2 a gallon, low-income people cannot afford to buy as much and food stamps become critical to those food budgets. If people do not have food stamps, and there is not any money left in their budgets to shift to food buying, they simply will cut back on food purchases. It is possible, therefore, that some local economies will suffer a dollar-for-dollar loss in retail food sales if the program shuts down in June.

We have all heard stories of retailers in our districts bemoaning the recent slumps in sales at Christmas time. I can only imagine the impact on local and State economies if suddenly food sales dropped by $5,000 or $50,000 or $500,000 in one month.

One of the benefits of the program is also its ripple effect. On top of the direct effect of increasing food purchases, the program has an indirect ripple effect because grocers hire more people, who then have spending money to buy more clothes or pay other bills; those retailers then hire more people who in turn spend their money and so on.

USDA economists have found that the new business generated by the food stamp program has a multiplier effect of 3.64. This means that for every food stamp dollar spent by food stamp households an additional $3.64 in new business is generated in their communities. For every food stamp dollar lost because of a shutdown of the program, and the inevitable lag time in starting up the program when the funds are finally provided by Congress, the loss will ripple throughout the economy, affecting all sectors of the community.

I make these remarks to point out the widespread impact of a suspension of food stamp benefits on June 1. Congress must provide the additional funding as it is clear that it will.

But if Congress fails to act in time, Secretary Bergland should invoke his authority under section 15(a) of the Food Stamp Act and save food stamps in advance of the supplemental appropriations bill. The circumstances facing the Secretary now are similar to those faced by USDA at the commencement of this fiscal year. You will recall that Congress had not yet passed the Agriculture appropriation bill or the continuing resolution as of the first 12 days of fiscal year 1980. Not until October 12 did we pass a continuing resolution providing stopgap funding for USDA's operation of the food stamp program.

Nonetheless, food stamp recipients received their October benefits, pursuant to section 15(a) of the act, on time. Secretary Bergland ordered issuance knowing full well that it was the intent of Congress that the program continue pending the eventual appropriation.

He was correct to do so then in light of the massive injury to millions of poor people should the October benefits have been delayed; so it is incumbent upon him now to issue June food stamps. Clearly, no one in this Congress is in favor of a shutdown, albeit temporary, of the program.

Invoking the Secretary's authority under the act would avert further harm to local economies battered by the impending recession, and would avert disaster for the poor.

While the first, foremost, and most direct impact of the program shutdown would be felt by poor families who would lose their food buying power for part or all of a month this summer, it is important also to keep in mind that all Americans have a stake in the food stamp program. Food stamps help everybody; some are helped directly as recipients, some are helped indirectly as members of a local economy. The crisis in the food stamp program belongs to everyone.●

The CHAIRMAN. The question is on the committee amendment in the nature of a substitute, as amended.

The committee amendment in the nature of a substitute, as amended, was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. BOLLING) having assumed the chair, Mr. SIMON, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the Senate bill (S. 1309) to increase the fiscal year 1979 authorization for appropriations for the food stamp program, and for other purposes, pursuant to House Resolution 651, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment to the committee amendment in the nature of a substitute adopted by the Committee of the Whole? If not, the question is on the amendment.

The amendment was agreed to.

□ 1830

The SPEAKER pro tempore. The question is on the third reading of the Senate bill.

The Senate bill was ordered to be read a third time, and was read the third time.

MOTION TO RECOMMIT OFFERED BY MR. SYMMS

Mr. SYMMS. Mr. Speaker, I offer a motion to recommit.

The SPEAKER pro tempore. Is the gentleman opposed to the bill?

Mr. SYMMS. I am, Mr. Speaker.

The SPEAKER pro tempore. The Clerk will report the motion to recommit.

The Clerk read as follows:

> Mr. SYMMS moves to recommit the bill, S. 1309, to the Committee on Agriculture.

The SPEAKER pro tempore. Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER pro tempore. The question is on the motion to recommit.

The motion to recommit was rejected.

The SPEAKER pro tempore. The question is on the passage of the Senate bill.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. SYMMS. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 320, nays 56, not voting 56, as follows:

[Roll No. 228]

YEAS—320

Addabbo
Akaka
Albosta
Alexander
Ambro
Anderson, Calif.
Andrews, N. Dak.
Annunzio
Anthony
Applegate
Ashley
Atkinson
AuCoin
Bailey
Baldus
Barnes
Beard, R.I.
Bedell
Beilenson
Benjamin
Bennett
Bereuter
Bethune
Bevill
Biaggi
Bingham
Blanchard
Boggs
Boland
Bolling
Boner
Bonker
Bouquard
Bowen
Brademas
Breaux
Brinkley
Brodhead
Brooks
Brown, Ohio
Broyhill
Buchanan
Burlison
Burton, John
Burton, Phillip
Butler

Byron
Campbell
Carr
Carter
Cavanaugh
Chappell
Chisholm
Clausen
Clay
Cleveland
Clinger
Coelho
Coleman
Collins, Ill.
Conable
Conte
Conyers
Cotter
Coughlin
Courter
D'Amours
Davis, Mich.
Davis, S.C.
de la Garza
Deckard
Dellums
Derrick
Dicks
Diggs
Dingell
Dixon
Dodd
Donnelly
Dougherty
Downey
Drinan
Duncan, Oreg.
Duncan, Tenn.
Eckhardt
Edgar
Edwards, Calif.
Emery
Erdahl
Erlenborn
Ertel
Evans, Ga.
Evans, Ind.
Fary
Fascell
Fazio
Fenwick
Ferraro
Findley
Fish
Fisher
Fithian
Flippo
Florio
Foley
Ford, Mich.
Ford, Tenn.
Forsythe
Fountain
Fowler
Frost
Garcia
Gephardt
Gibbons
Gilman
Gingrich
Ginn
Glickman
Gonzalez
Goodling
Gore
Gradison
Gramm
Grassley
Gray
Green
Guarini
Gudger
Hall, Ohio
Hall, Tex.
Hamilton
Hammerschmidt
Hance
Hanley
Harkin
Harris
Harsha
Hawkins
Heckler
Heftel
Hollenbeck
Hopkins
Horton
Howard
Hubbard
Huckaby
Hughes
Hutto
Hyde
Ireland
Jacobs
Jeffords
Jeffries
Jenkins
Jenrette
Johnson, Calif.
Jones, N.C.
Jones, Tenn.
Kastenmeier
Kazen
Kildee
Kindness
Kostmayer
LaFalce
Leach, Iowa
Leach, La.
Leath, Tex.
Lederer
Lee
Leland
Livingston
Lloyd
Long, La.
Long, Md.
Lowry
Luken
Lundine
McClory
McCloskey
McDade
McHugh
McKay
Madigan
Maguire
Markey
Marks
Martin
Mathis
Matsui
Mattox
Mavroules
Mazzoli
Mica
Mikulski
Miller, Calif.
Mineta
Minish
Mitchell, Md.
Moakley
Moffett
Mollohan
Moore
Moorhead, Pa.
Mottl
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Musto
Myers, Pa.
Natcher
Nedzi
Nelson
Nichols
Nolan
Nowak
O'Brien
Oakar
Oberstar
Obey
Ottinger
Panetta
Patten
Patterson
Pease
Pepper
Perkins
Petri
Peyser
Pickle
Porter
Preyer
Price
Pritchard
Pursell
Rahall
Railsback
Rangel
Ratchford
Regula
Reuss
Rhodes
Richmond
Rinaldo
Ritter
Rodino
Roe
Rose
Rosenthal
Roybal
Royer
Russo
Sabo
Santini
Sawyer
Scheuer
Schroeder
Schulze
Sebelius
Seiberling
Shannon
Sharp
Shelby
Simon
Skelton
Smith, Iowa
Smith, Nebr.
Snowe
Solarz
Solomon
Spellman
Spence
St Germain
Stack
Staggers
Stangeland
Stanton
Stark
Steed
Stewart
Stokes
Stratton
Studds
Swift
Synar
Tauke
Thompson
Traxler
Trible
Van Deerlin
Vander Jagt
Vanik
Vento
Volkmer
Walgren
Wampler
Watkins
Waxman
Weaver
Weiss
White
Whitehurst
Whitley
Whittaker
Whitten
Williams, Mont.
Williams, Ohio
Wilson, Tex.
Wirth
Wolff
Wolpe
Wright
Wyatt
Wylie
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Mo.
Zablocki
Zeferetti

NAYS—56

Archer
Ashbrook
Bafalis
Bauman
Beard, Tenn.
Burgener
Carney
Cheney
Collins, Tex.
Corcoran
Crane, Philip
Daniel, Dan
Daniel, R. W.
Derwinski
Devine
Dickinson
Edwards, Okla.
English
Frenzel
Goldwater
Guyer
Hagedorn
Hansen
Hillis
Hinson
Holt
Kelly
Kramer
Lagomarsino
Loeffler
Lott
Lungren
McDonald
Miller, Ohio
Montgomery
Moorhead, Calif.
Myers, Ind.
Pashayan
Robinson
Roth
Rousselot
Rudd
Satterfield
Sensenbrenner
Shumway
Shuster
Snyder
Stenholm
Stockman
Stump
Symms
Taylor
Thomas
Walker
Winn
Wydler

NOT VOTING—56

Abdnor
Anderson, Ill.
Andrews, N.C.
Aspin
Badham
Barnard
Bonior
Broomfield
Brown, Calif.
Corman
Crane, Daniel
Danielson
Dannemeyer
Daschle
Dornan
Early
Edwards, Ala.
Evans, Del.
Fuqua
Gaydos
Giaimo
Grisham
Hefner
Hightower
Holland
Holtzman
Ichord
Johnson, Colo.
Jones, Okla.
Kemp
Kogovsek
Latta
Lehman
Lent
Levitas
Lewis
Lujan
McCormack
McEwen
McKinney
Marlenee
Marriott
Michel
Mitchell, N.Y.
Murtha
Neal
Paul
Quayle
Quillen
Roberts
Rostenkowski
Runnels
Udall
Ullman
Wilson, Bob
Wilson, C. H.

☐ 1840

The Clerk announced the following pairs:

On this vote:

Mr. Corman for, with Mr. Ichord against.

Mr. Quillen for, with Mr. Daniel B. Crane against.

Mr. McKinney for, with Mr. Dornan against.

Mr. Evans of Delaware for, with Mr. Latta against.

Mr. Broomfield for, with Mr. Lewis against.

Mr. Levitas for, with Mr. Paul against.

Until further notice:

Mr. Fuqua with Mr. Anderson of Illinois.

Mr. Aspin with Mr. Marriott.

Mr. Barnard with Mr. Michel.

Mr. Brown of California with Mr. Quayle.

Mr. Danielson with Mr. McEwen.

Mr. Early with Mr. Bob Wilson.

Mr. Gaydos with Mr. Abdnor.

Mr. McCormack with Mr. Badham.

Mr. Charles H. Wilson of California with Mr. Mitchell of New York.

Mr. Giaimo with Mr. Dannemeyer.

Mr. Ullman with Mr. Marlenee.

Mr. Rostenkowski with Mr. Lujan.

Mr. Roberts with Mr. Edwards of Alabama.

Mr. Murtha with Mr. Lent.

Mr. Neal with Mr. Kemp.

Mr. Bonior of Michigan with Mr. Grisham.

Mr. Andrews of North Carolina with Mr. Daschle.

Mr. Hefner with Mr. Hightower.

Mr. Lehman with Mr. Kogovsek.

Mr. Holland with Mr. Runnels.

Ms. Holtzman with Mr. Udall.

Mr. Jones of Oklahoma with Mr. Johnson of Colorado.

So the Senate bill was passed.

The result of the vote was announced as above recorded.

The title of the Senate bill was amended so as to read: "To amend the Food Stamp Act of 1977, as amended, to improve food stamp program fiscal accountability through reductions in inaccurate eligibility and benefit determinations; to improve the system of deductions; to remove specific dollar limitations on appropriations while continuing to limit expenditures to available funds; and for other purposes.".

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Mr. LUJAN. Mr. Speaker, on rollcall No. 228, I was out of reach of the beeper. I did not hear it and was not able to get to the floor on time. Had I been here, I would have voted in the affirmative on S. 1309, the Food Stamp Act Amendments of 1980.

GENERAL LEAVE

Mr. FOLEY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the Senate bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington?

There was no objection.

APPOINTMENT OF CONFEREES ON S. 1309, FOOD STAMP ACT AMENDMENTS OF 1980

Mr. FOLEY. Mr. Speaker, I ask unanimous consent that the House insist on its amendments to the Senate bill, S. 1309, and request a conference with the Senate thereon.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington?

Mr. ROUSSELOT. Mr. Speaker, reserving the right to object, does that include the recoupment amendment?

Mr. FOLEY. That includes the recoupment amendment.

Mr. ROUSSELOT. That passed so overwhelmingly in the House?

Mr. FOLEY. That passed by a slight majority in the House.

Mr. ROUSSELOT. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington? The Chair hears none and, without objection, appoints the following conferees: Messrs. FOLEY, DE LA GARZA, JONES of Tennessee, RICHMOND, PANETTA, NOLAN, GLICKMAN, AKAKA, HARKIN, WAMPLER, FINDLEY and SYMMS, Mrs. HECKLER, and Mr. JEFFORDS.

There was no objection.

☐ 1850

LEGISLATIVE PROGRAM

(Mr. DEVINE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DEVINE. Mr. Speaker, I take this time for the purpose of inquiring of the majority leader the schedule for the balance of the day, the balance of the week, and for next week. I will be very happy to yield to the majority leader, the gentleman from Texas (Mr. WRIGHT).

Mr. WRIGHT. I thank the gentleman for yielding. If the acting minority leader would indulge me, I will describe the program for next week. We have concluded the legislative business for this week, and when we adjourn today, it will be my purpose to ask unanimous consent that we shall adjourn over until 12 o'clock noon on Monday.

We will meet on Monday and take up six suspensions. All recorded votes on the suspensions and on our two conference reports that may be considered will be postponed until Tuesday, May 13. The six suspensions are:

S. 668, Cow Creek Indians claims;

H. Con. Res. 318, disapproval of regulations for Education Appeal Board;

H. Con. Res. 319, disapproval of regulations for arts and education programs;

H.R. 7281, FEC authorizations;

H.R. 6616, ocean dumping authorization, fiscal year 1981; and

H.R. 6842, Shippers Export Document Act.

Then we would hope to take conference reports on H.R. 10, civil rights for institutionalized persons; and H.R. 3434, Adoption Assistance and Child Welfare Act of 1980.

For the remainder of the week it will be our purpose for the House to meet at noon on Tuesday, at 3 o'clock on Wednesday, and at 10 a.m. on Thursday. There would be recorded votes the first thing Tuesday on any bills debated on Monday on which recorded votes have been demanded. Then we would hope to take up the following important bills:

H.J. Res. 545, supplemental appropriations for food stamps. It was this to which the gentleman from Massachusetts alluded earlier. The Committee on Appropriations has brought us a supplemental appropriation especially for food stamps. The Committee on Rules has approved the rule, and we hope to take that as our first legislative business on Tuesday. Following that we would go to:

H.R. 6974, defense authorizations, fiscal year 1981, which we will consider under an open rule, with 3 hours of general debate, and then we would go to—

H.R. 7325, Supplemental Appropriations and Rescission Act, fiscal year 1980, subject to the granting of a rule. That is the supplemental appropriation bill which would include black lung benefits, the disaster relief, and other things that we need to act upon, exclusive of the food stamps. Following that we hope that we can come next week to the consideration of—

H.R. 3904, Multiemployer Pension Plan Amendments Act of 1979 (ERISA amendments), subject to the granting of a rule. If we are able to complete all of that, we would come then to—

H.R. 4046, Antitrust Collateral Estoppel Act and—

H.R. 4048, awards of prejudgment interest in antitrust litigation, under open rules, with 1 hour of general debate in each instance.

The House would not be in session on next Friday. It would adjourn by 5:30 on all days except Wednesday, and this, of course, is subject to the general reservation that further conference reports may be brought up at any time, and any further report will be announced later.

Mr. DEVINE. I understand the gentleman to say the House will not be in session next Friday; is that correct?

Mr. WRIGHT. That is our plan, not to be in session next Friday.

Mr. DEVINE. If the gentleman would refer back to the unnumbered Supplemental Appropriations and Rescission Act to which he made reference, he mentioned, I believe, in his remarks that disaster relief is included in that.

Mr. WRIGHT. It is my understanding that it is. There are members of the Committee on Appropriations on the floor. The gentleman might address them as to exactly what it will contain. They would have more precise knowledge than I would have. I see the distinguished chairman of the Committee on Appropriations.

Mr. DEVINE. My understanding is, subject to correction by the chairman of the Committee on Appropriations, that this does include disaster relief funds in the amount of $100 million, and I am wondering if this is part of the same appropriation that the President apparently is planning to utilize to take care of thousands of Cuban refugees that have landed in Florida. I will yield to the gentleman from Mississippi (Mr. WHITTEN).

Mr. WHITTEN. May I say to my colleague this is the supplemental that has been pending many, many months because of the budgetary ceiling. It covers many, many things, just about everything that is pending for fiscal year 1980. However, it is subject to a rule waiving the budget ceiling, unless the Senate and House get together on the budget resolution. It will be under the figures in the budget resolution as it was passed by the House. As far as the immediate item and what the President plans to do, that I cannot answer at this time.

Mr. DEVINE. I am simply trying to clarify it.

Mr. WHITTEN. It does provide for Small Business Administration disaster loans. It also has funds for the FEMA program. These estimates have been pending for months, because of the delay in revising the budget ceilings.

Mr. DEVINE. I am simply trying to clarify the story that appeared in the paper that the President had declared Florida, I guess, as a disaster area, and that is that the persons coming in from Cuba and elsewhere would be considered political refugees and under the terms of the disaster area bill would be entitled to relief for funding for a period of 2 years. I am wondering if this is actually included.

Mr. WHITTEN. So far as I know, it has not had the consideration of the committee, and it is my judgment and my recollection that it is not included in this bill.

Mr. DEVINE. I thank the gentleman.

Mr. Speaker, I yield back the remainder of my time.

ADJOURNMENT TO MONDAY, MAY 12, 1980

Mr. WRIGHT. Mr. Speaker, I ask unanimous consent that when the House adjourns today, it adjourn to meet at noon on Monday next.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY NEXT

Mr. WRIGHT. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule be dispensed with on Wednesday next.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

AUTHORIZING THE CLERK TO MAKE CORRECTIONS IN THE ENGROSSMENT OF HOUSE AMENDMENTS TO S. 1309

Mr. FOLEY. Mr. Speaker, I ask unanimous consent that in the engrossment of the House amendments to S. 1309, the Clerk be allowed to make such changes in section numbers, cross-reference, and punctuation marks as appropriate to conform to the action of the House.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington?

Mr. ROUSSELOT. Reserving the right to object, how many technical problems are there with that bill?

Mr. FOLEY. There are not too many, I would advise the gentleman if he would yield, but it is in some cases, as a result of the amendments adopted, necessary to change some of the cross-references, section numbers, and punctuation marks.

Mr. ROUSSELOT. But the gentleman can assure us that there will be no substantive changes?

Mr. FOLEY. I can assure the gentleman absolutely.

Mr. ROUSSELOT. The gentleman is not planning on putting any Nicaraguan aid, or anything like that, in there?

Mr. FOLEY. No, sir.

Mr. ROUSSELOT. Mr. Speaker, I withdraw my reservation of objection.

Mr. FOLEY. I thank the gentleman.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington?

There was no objection.

REPORT ON RESOLUTION IN THE MATTER OF REPRESENTATIVE CHARLES H. WILSON

Mr. BENNETT. Mr. Speaker, by direction of the Committee on Standards of Official Conduct, I herewith submit a privileged report (Rept. No. 96–930) on the resolution (H. Res. 660) in the matter of Representative CHARLES H. WILSON, for printing under the rule.

I would like to advise my colleagues that it is my intention to call up the privileged resolution in the matter of Representative CHARLES H. WILSON after the committee's report has been available to the Members for no less than 5 legislative days.

The SPEAKER pro tempore. The report is referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 6974, DEPARTMENT OF DEFENSE AUTHORIZATION ACT, 1981

Mr. BOLLING, from the Committee on Rules, submitted a privileged report (Rept. No. 96-931) on the resolution (H. Res. 661) providing for the consideration of the bill (H.R. 6974) to authorize appropriations for fiscal year 1981 for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons and for research, development, test, and evaluation for the Armed Forces, to prescribe the authorized personnel strength for each active duty component and the Selected Reserve of each Reserve component of the Armed Forces and for civilian personnel of the Department of Defense, to authorize the military training student loads, to authorize appropriations for fiscal year 1981 for civil defense, and for other purposes, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 6942, INTERNATIONAL SECURITY AND DEVELOPMENT COOPERATION ACT OF 1980

Mr. BOLLING, from the Committee on Rules, submitted a privileged report (Rept. No. 96-932) on the resolution (H. Res. 662) providing for the consideration of the bill (H.R. 6942) to authorize appropriations for the fiscal year 1981 for international security and development assistance, the Peace Corps, and refugee assistance, and for other purposes, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF HOUSE JOINT RESOLUTION 545 MAKING AN URGENT APPROPRIATION FOR FOOD STAMP PROGRAM

Mr. BOLLING, from the Committee on Rules, submitted a privileged report (Rept. No. 96-933) on the resolution (H. Res. 663) providing for the consideration of the joint resolution (H.J. Res. 545) making an urgent appropriation for the food stamp program for the fiscal year ending September 30, 1980, for the Department of Agriculture, which was referred to the House Calendar and ordered to be printed.

☐ 1900

PERMISSION FOR COMMITTEE ON APPROPRIATIONS TO HAVE UNTIL MIDNIGHT TOMORROW TO FILE PRIVILEGED REPORT

Mr. WHITTEN. Mr. Speaker, I ask unanimous consent that the Committee on Appropriations may have until midnight Friday, May 9, to file a privileged report on a bill making supplemental appropriations for the fiscal year 1980 and rescinding certain budget authority.

The CHAIRMAN. Is there objection to the request of the gentleman from Mississippi?

Mr. RHODES. Mr. Speaker, the minority reserves all points of order.

Mr. ROUSSELOT. Mr. Speaker, reserving the right to object can the gentleman tell us why this is necessary?

Mr. WHITTEN. In January, certain supplementals were requested to be appropriated. Since then, additional budget supplementals have been requested by the administration. Because of the current budget resolution ceilings, the Appropriations Committee was unable to report out an appropriations measure before this time. All these accumulated budget requests have been included in this general supplemental bill. The committee has done an exceptional job in reporting this bill, even though we had some trouble getting recognition. We feel it is necessary to obtain this unanimous consent request in order to consider the bill next week.

Mr. ROUSSELOT. Mr. Speaker, further reserving the right to object, can the gentleman tell us are there many waivers in this.

Mr. WHITTEN. There are quite a few waivers. This bill deals with rescissions, supplementals, deferrals and transfer which try to preserve the prerogatives of Congress.

Mr. ROUSSELOT. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

APPOINTMENT OF CONFEREES ON S. 1144, QUIET COMMUNITIES ACT AUTHORIZATIONS, 1980 AND 1981

Mr. STAGGERS. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate bill (S. 1144) to authorize appropriations for the Quiet Communities Act for the fiscal years 1980 and 1981 with the Senate amendment to the House amendments thereto, disagree to the Senate amendment, and agree to the conference requested by the Senate.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from West Virginia? The Chair hears none and, without objection, appoints the following conferees: Messrs. STAGGERS, FLORIO, and SANTINI, Ms. MIKULSKI, Messrs. ANDERSON of California, LEVITAS, BROYHILL, MADIGAN, and SNYDER.

There was no objection.

PERSONAL EXPLANATION

Mr. McCLORY. Mr. Speaker, I was unavoidably absent during the vote on the first Symms amendment to the Senate bill, S. 1309. Had I been here, I would have voted "aye."

I ask unanimous consent that my statement appear in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

RESIGNATION AS MEMBER OF COMMITTEE ON RULES

The SPEAKER laid before the House the following resignation as a member of the Committee on Rules:

WASHINGTON, D.C.,
May 5, 1980.

Hon. THOMAS P. O'NEILL,
The Speaker, House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: This is to inform you of my resignation from the Committee on Rules, effective at the close of business on Friday, May 9, 1980.

Very truly yours,
JOHN B. ANDERSON,
Member of Congress.

The SPEAKER pro tempore. Without objection, the resignation is accepted.

There was no objection.

PERMISSION FOR THE COMMITTEE ON MERCHANT MARINE AND FISHERIES TO HAVE UNTIL MIDNIGHT TOMORROW TO FILE REPORT

Mr. OBERSTAR. Mr. Speaker. I ask unanimous consent that the Committee on Merchant Marine and Fisheries may have until midnight, Friday, May 9, 1980, to file a report.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER pro tempore laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, D.C.,
May 8, 1980.

Hon. THOMAS P. O'NEILL, Jr.,
The Speaker, House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: This is to notify you that I have received a subpoena, issued by a United States District Court, commanding my appearance as a witness at a judicial proceeding scheduled for May 8, 1980. The subpoena requires that I testify and bring with me certain records maintained by my office. I have been informed that if my appearance is inconvenient that a duly authorized representative may attend instead. The subpoena is available in my office for inspection.

Sincerely,
EDMUND L. HENSHAW, Jr.,
Clerk, House of Representatives.
By W. RAYMOND COLLEY,
Deputy Clerk.

COMMUNICATION FROM THE POSTMASTER OF THE HOUSE

The SPEAKER pro tempore laid before the House the following communication from the Postmaster of the House of Representatives:

OFFICE OF POSTMASTER, U.S. HOUSE
OF REPRESENTATIVES,
Washington, D.C., May 7, 1980.
Hon. THOMAS P. O'NEILL, Jr.,
The Speaker, House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: This is to notify you that I have received a subpoena, issued by a United States District Court, commanding my appearance as a witness at a judicial proceeding scheduled for May 8, 1980. The subpoena requires that I testify and bring with me certain records maintained by my office. I have been informed that if my appearance is inconvenient that a duly authorized representative may attend instead. The subpoena is available in my office for inspection.

Sincerely,

ROBERT V. ROTA.

LEGISLATION TO EXEMPT ROYALTY OWNER FROM WINDFALL PROFITS TAX

(Mr. WATKINS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WATKINS. Mr. Speaker, today I introduced legislation to exempt royalty owners and small, independent oil producers from the so-called windfall profits tax. This legislation preserves the definition contained in the Senate language that would have exempted the first 1,000 barrels per day of production from the tax. It also narrowly defines royalty interest to that attributable to the ownership of the property.

I am sure many of my colleagues voted for this tax with the impression they were striking a blow against the big major oil companies. Unfortunately, while pinching the "big boys," they slapped the little folks—the royalty owners and small, independent producers.

The royalty owners—and in this case I am referring to those who hold some small mineral rights and those who allowed a well to be drilled on their land in exchange for an interest in the production of the well—who cannot in any way be considered engaged in profiteering or plundering. In most cases they are small farmers, cattlemen, and in many cases retired people. How can this Congress justify taxing them at the same rate they tax the major oil companies?

Since this tax bill passed, I have received phone calls and letters from royalty owners who are outraged—and justifiably so. Probably less than one percent of the royalty owners knew the windfall profits tax included them when that legislation was being debated in Congress. Their first inkling that they were the victims of the largest tax ever levied, was when their royalty checks came last month with a note explaining why the check was smaller. Understandably, they are not going to be too excited about allowing another well to be drilled on their property in the future. To that extent, this tax is going to reduce future production.

After the Senate adopted the 1,000-barrel-per-day exemption and 180 Members of the House endorsed that provision, the independent producers, with good reason, expected the conference committee to include the exemption in the final version. When the conference committee dropped the exemption, the independents, led by a group from my congressional district, trooped to Washington to point out they were not profiteering, either—they reinvest 105 percent of their earnings into exploration for more oil. Unfortunately, their lobbying efforts were too little, too late.

I think it is very important to point out that these people are not oil barons, magnates, or tycoons. They are basically small businessmen, and like most small businessmen, they have been deluged with Federal paperwork and regulations, strapped for capital and stumped by complex rulings.

Now this Congress has slapped them with the most massive Federal tax ever levied, and has the nerve to expect them to drill even more wells and reverse the dangerous energy situation that we in Washington are mostly responsible for creating. It is such a paradox—we are greedily snatching the golden eggs at the same time we are punishing the goose for laying them.

Mr. Speaker, my legislation seeks to reverse this damage caused by the windfall profits tax. If every royalty owner and independent producer would let their elected representatives know how this tax has affected them, this legislation will be passed and signed into law.

NATIONAL ECONOMIC DISLOCATION PREVENTION ACT OF 1980

(Ms. OAKAR asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. OAKAR. Mr. Speaker, today I am introducing a bill entitled the "National Economic Dislocation Prevention Act of 1980." This bill would address the problems of job dislocation and economic distress caused by plant closings and relocations by requiring companies that wish to move their operations to give prior notification to the Federal Government, local officials, and affected union officials.

This notice would include a detailed economic impact statement which would spell out the employment effects of such a move. Businesses providing such notification may be benefited by loans, loan guarantees, interest subsidies, and help in placement and retraining of affected employees, if the Secretary of Labor determines that the company has made all reasonable attempts to prevent employment loss. The bill thus utilizes a balanced approach, in that it encourages advance economic planning on behalf of the business itself, workers, local officials, and the Federal Government, to the benefit of all.

This is a national problem not limited to the Midwest or New England.

I am sure you are aware of the severe economic and social consequences that follow the closings and relocations of large businesses. The effects on a community can be devastating. In my own State of Ohio, it has been conservatively estimated that over 80,000 jobs have been lost over the last 10 years as a result of plant closings. The situation is worsening daily. Only this week 10,000 Ohioans in the automobile industry were laid off, and more are expected. Already this means that one out of three auto workers in Ohio are currently laid off.

Although the Great Lakes and northeast regions have been most heavily impacted, the South and West can take little comfort. They, too, have been losing plants to foreign markets. For example, from 1970 to 1976 in the textile industry alone, 169 southern plants were closed, employing 50,000 workers. Many of these textile operations go to South America and the Far East, where wages are low and strikes are illegal. In the East, the State of New Jersey has lost an estimated 500 industrial plants since 1965, and over 115,000 factory jobs in the last 10 years. Pennsylvania's bureau of employment security published a partial list of former Philadelphia area employers who located out of the State between 1970 and 1977, causing the loss of some 13,000 local jobs.

Businesses are leaving many of the traditional industrial centers of our country for a variety of reasons including energy and transportation costs, availability of capital, suppliers, facilities, markets, and tax rates. Whatever the reasons, these dislocations result in loss of the local tax base, reduced public services and revenues for such public institutions as schools and hospitals.

In addition, retail businesses and professional services suffer, further reducing tax revenues. As younger and more mobile workers leave the community to seek work elsewhere, older, less educated workers remain behind on unemployment rolls. Research has shown that the suicide rate of workers who lose their jobs in a permanent plant closing is 30 times greater than the national average. The combination of lost tax revenues and lowered services hits the community at the very time that individuals in that community are most in need of those services.

For whatever reasons companies close or relocate, the increasing frequency of this phenomenon encourages Congress to consider legislation which would provide some kind of corporate accountability toward workers and communities when a company shuts a plant. My bill, requiring prenotification and advance planning, would reduce the number of dislocations, provide assistance to businesses seeking to reemploy their workers, and would provide individual employees who could not be retained advance notice of their status with the company. This legislation would apply to all businesses with annual sales above $1,000,000.

In sum, this bill would utilize a balanced approach in dealing with the problems of job dislocation caused by plant closings and relocations through the encouragement of advance economic planning on behalf of the business itself, workers, local officials, and the Federal Government.

TRIBUTE TO THE LATE PRESIDENT JOSIP BROZ TITO

(Mr. OBERSTAR asked and was given permission to address the House for 1 minute and to revise and extend his remarks and to include extraneous matter.)

Mr. OBERSTAR. Mr. Speaker, today in ceremonies at Belgrade, Yugoslavia, the world mourns the passing of one of the last of the World War II giants, President Josip Broz Tito.

Last evening it was my privilege to participate in a similar memorial ceremony at the Yugoslav Embassy here in Washington, along with Yugoslav Ambassador Budimir Loncar.

I would like to include at this point in the RECORD my remarks and those of Ambassador Loncar in memory of President Tito:

REMARKS OF HON. JAMES L. OBERSTAR AT CEREMONIES HONORING PRESIDENT TITO, EMBASSY OF YUGOSLAVIA, WASHINGTON, D.C., MAY 7, 1980.

"Men make history and play a part in it only if they understand the people's needs and wishes, and if they become a part of the people themselves."

That profound insight into the role of individuals in history, expressed in President Tito's own words, (as recorded in Vladimir Dedijer's book in 1952) best explains Tito and his success in Yugoslavia and on the world scene.

A descendant of generations of peasants, the son of a blacksmith, a mechanic by trade, a self-taught man, a linguist, military strategist, economic planner, and political leader, Tito was an extraordinary man in a land of extraordinary people.

The unique genius of Tito was his insistence on practical policies of both internal and external development. He brought about a cultural revolution among a people burdened with widespread illiteracy. Out of a war-torn economy, whose populace had literally been decimated, he brought forth an industrial revolution in scarcely three decades and a level of prosperity unparalleled in Yugoslav history—a success story few countries can equal.

Yet, it is in international affairs that Tito's legacy to his country, and the world, is greatest.

Yugoslavs understand through the harsh lessons of their history that foreign relations are vital to their survival as a nation. Throughout centuries, power over Belgrade, Zagreb, or Lijubljana had been held in Vienna, Budapest, or Istanbul. Decisions on roads, railways, ports, mineral or agricultural development, and financing of homes and factories had long been made in London, Paris, or Berlin.

Tito recognized instinctively that Yugoslavia's security and independence would be dependent upon Yugoslavia playing an important role in world affairs.

Not surprisingly, then, he was the first "internationalist" in his country's history, the first Yugoslav with a commanding international stature. He gave the world a new and refreshing view of his country.

Through his vision, his instinct for timing and maneuvering, he became a dominating figure among Third World nations, mediating between East and West in the dangerous Cold War, a European uniting African and Asian nations who were fearful of alignment with the superpowers.

His resolute dedication to peace was noted by President Carter during Tito's visit here in March 7, 1978, when our President said of Tito: "He is a father of the United Nations' Disarmament Conference. He is a man who believes in disarmament. He is a man who believes in human rights."

Tito reaffirmed Mr. Carter's tribute in his own remarks at the official White House ceremonies, where he said:

"We live in a world of such interdependence that its fate is ultimately common. The policy of power and interference into the internal affairs of others should be eliminated from international relations, and . . . the efforts of all countries should be aimed at the overcoming of bloc and other divisions in the world as well as the establishment of a new and more just international economic order."

Independence, nonalignment, self-management, open borders, market socialism, progress, stability and a resolute commitment to peace describe the posture of Yugoslavia today. All are the legacy of Tito's innovation, and the product of his charisma.

Yugoslavia is a positive, independent force in international affairs far beyond her economic or military might, because of Tito's diplomatic skill.

Yugoslavia is secure internally because the country has assimilated the progress of technology, and because of Tito's ability to motivate the people.

At the peak of World War II, Winston Churchill, addressing Parliament said: "In Marshal Tito the partisans have found an outstanding leader, glorious in the fight for freedom."

He was a towering figure, but I have the feeling he would rather we say of him that he understood "the people's needs and wishes" and that he was himself "a part of the people."

REMARKS OF BUDIMIR LONCAR, AMBASSADOR OF THE S.F.R. OF YUGOSLAVIA, HONORING PRESIDENT TITO, MAY 7, 1980

Today Yugoslavia is in deep sorrow, and her friends all over the world join her in mourning. Josip Broz Tito, a man who for over forty years built a new Yugoslavia and shaped a new history for the Yugoslav peoples, has passed away. Gone is one of the great soldiers and strategists of World War II, the leader and hero of the People's War of Liberation in Yugoslavia, a man who was of great influence in giving direction to events in the modern world.

In birth and death all people are equal. They distinguish themselves by the lives they live. Some remain with us even after their death. Some remain forever. These are the great ones of history. Josip Broz Tito is one of them.

Deeply committed to the freedom and independence of his people, he stood up among them, gained their freedom and led them along their path of progress.

Realizing that man can only be free in a free society, and that a free society can only exist in an independent country, Tito developed a socialist and self-managing democracy and established the non-aligned and independent state of Yugoslavia.

Firmly believing that independence, freedom and equality cannot be separated, Tito initiated the idea of a policy of non-alignment. This policy began a movement among nations which unites peoples and countries all over the world in their struggle for peace, coexistence and international cooperation based on equality and progress for all.

Tito was a tireless traveller in seeking international understanding. Three times he visited the United States and here he made an invaluable contribution to confidence and friendship between the peoples of Yugoslavia and the United States.

In his struggle and work he enjoyed the confidence of his people and respect through the world.

For his people and the generations to come, his great achievement remains: ours is a humane and democratic society of nations and peoples, all equal—a non-aligned Socialist Federal Republic of Yugoslavia. This will inspire the coming generations with energy and innovative genius, since Tito always strongly believed—and he has established in the program of his Party—that nothing is so perfect that it cannot be improved in the interest of the greater happiness and well-being of man.

Tito is gone, and his place will always remain unfilled. He is irreplaceable. For me, his comrade-in-arms, a part of my own being passes with his death.

THE UNITED STATES MUST BUILD UP ITS DEFENSES

(Mr. DORNAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DORNAN. Mr. Speaker, to Mr. OBERSTAR's remarks all I can say is "Long live the memory of Draha Mikhailovich."

Mr. Speaker, for reasons known only to our Supreme Creator, certain days on the calendar attract great historical events. Today, the 8th of May, is such a day.

Thirty-five years ago this day, some of the senior Members in this Chamber were young heroes in khaki or blue or olive drab celebrating on every continent of this delicate planet the glory of V-E Day. It seems hard to believe that it has been only three and a half decades since General Eisenhower's crusade in Europe brought the terror of nazism to an ignominious end.

Eight years ago today we started what could have been the end of the brutal Communist conquest of Indochina. Today is the eighth anniversary of the mining of Haiphong Harbor by the U.S. Navy. Too late we are coming to realize that our young men and women who served in Vietnam were as heroic as their World War II veteran fathers and brothers. They tried, God knows how they tried, to stop a genocide. But the politicians walked away from that crusade in ignominy.

But something horrible happened 78 years ago today that is just as frightening a warning as Vietnam about what the future may hold for the shrinking free world.

On May 2, 1902, a volcanic eruption destroyed an entire city in the Carribean.

On the tiny paradise island-like isle of Martinique the volcano Mount Pelée suddenly burst wide open with unbelievable explosive force and within minutes had killed 30,000 men, women, and children in the idyllic town of St. Pierre. Every single citizen perished, all of them except one former slave named Ludger Sylbaris, a prisoner in a tiny subterranean jail cell. Most people in hapless little St. Pierre did not die from the considerable lava flow or the many fires. They died in the super-heated air and poison gas which covered the city in seconds.

That thermonuclear type of an explosion and nightmarish cloud can engulf hundreds of free world cities, this time with man made mushrooms of radioactive poison gas searing to death millions, not thousands, of innocent people if we don't wake up. The heart-sickening defeat of the Gramm-Holt defense amendment last week was a stunning setback for world peace. Appeasement and unilateral disarmament has never worked in all of recorded history. Sometimes only a frightened Ludger Sylbaris is left to record the last hours.

Mr. HYDE was correct a few moments ago. We are leaving ourselves helpless before aggression. Read the awful events of May 2, 1902, in St. Pierre. There is no place to hide in a next war. Wake up, America. Where is the spirit of VE Day?

☐ 1910

THE LENINGRAD THREE

The SPEAKER pro tempore. Under a previous order of the House the gentleman from Maryland (Mr. BARNES) is recognized for 60 minutes.

● Mr. BARNES. Mr. Speaker, 10 years ago, 16 people of different backgrounds and faiths were united in their desire to escape the repression of the Soviet Government and society. Hence, one evening they tried to steal an Aeroflot at the airport in Leningrad and fly over the border to Finland. The attempt was foiled and their subsequent, infamous trial in Leningrad stunned the world.

The Soviet authorities used the aborted escape as reason for searching and harassing dissidents throughout the country.

The sentences handed down at the Leningrad trials included two death penalties and up to 15 years in labor camps for others who participated in the futile effort to gain freedom.

Yet the venture was not a complete loss. A year ago, seven of these men were unexpectedly set free; some of them in a well-publicized swap for two Soviet spies.

Mark Dymshits, one of those allowed to emigrate, said then:

> It was worth spending a difficult nine years in jail if the price for it is freedom from the claws of Soviet jails and the receiving of Israeli citizenship.

Three prisoners of conscience from the Leningrad trials, however, still remain in Soviet labor camps suffering from chronic bronchitis, tuberculosis, ulcers, kidney disease, and other maladies. Isolated from their families and friends, they are forbidden to practice their respective faiths. But their dream to live as free men binds them as brothers and permits them to endure their hardship and suffering.

We are here today to remind our colleagues, fellow Americans and people throughout the world that Josif Mendelevich, Yuri Federov, and Aleksei Murzhenko are still prisoners of conscience in the Soviet Union. We urge their immediate release so that they may live in liberty wherever they choose.

Mendelevich and his friends knew that their chance of escaping to freedom a decade ago was "nearly zero." But as another companion, Edward Kuznetsov, said:

> The real objective was to expose emigration policies regarding Jews who at the time were accused of anti-Soviet subversion for as much as voicing a desire to leave. A man must do what he ought to do.

If these brave people were willing to risk their lives to further expose the repression of the Soviet system, we as Americans—who so often take for granted our freedom—must continue to speak out on behalf of extending liberty to Mendelevich, Federov, Murzhenko and other prisoners of conscience.

I have personally discussed the fate of Mendelevich with his sister Rivka Drori of Israel. And last month, I met with Leib Khnokh, who was among those dissidents set free in 1979. He urged that we not relent in our efforts to secure the freedom of these three heroic men. The Soviets are aware of everything, he said, and an absence of action by the Congress concerning dissidents is as noteworthy as repeated efforts to gain their liberty.

Leib Khnokh and I agreed that only by continuing to speak out boldly and frequently can world opinion be mobilized to pressure the Soviets to release these ailing, though morally vigorous, prisoners of conscience.

Mr. Speaker, I thank you and my colleagues for supporting this special order today for Mendelevich, Murzhenko, and Federov. In recent days, many of us spoke on behalf of Ida Nudel, the lone Jewish woman prisoner of conscience exiled to Siberia, as well as on behalf of Raoul Wallenberg, the Swedish diplomat who liberated tens of thousands of Hungarian Jews during World War II only to mysteriously disappear as the Russians were entering Budapest.

We call on the Soviets to demonstrate compassion and to act in a humanitarian spirit toward all prisoners of conscience. We urge President Carter to expand his efforts to gain their freedom and to push for the continued flow of Soviet emigration, which unfortunately has decreased this year. We look to the President as well for renewed leadership in all human rights endeavors.

On a related matter, the former defense attorney for Mark Dymshits at the Leningrad trials, Lev Pevzner, will be visiting Washington for the first time this month. The National Conference on Soviet Jewry and myself invite my colleagues and their staffs to join in welcoming to the United States Mr. Lev Pevzner and his wife, Yelena, now of Indianapolis, Ind. They will be honored on Thursday, May 15, from 4:30 until 6:30 p.m. in room 1310 of the Longworth House Office Building. Our struggle to free Lev Pevzner was successful. We must now help the Pevzners bring to America their only son who remains against his will in the U.S.S.R. Alexander Pevzner and his young family.●

● Mr. SCHEUER. Mr. Speaker, I rise to join my colleagues in calling attention to the plights of Yosif Mendelevich, Alexi Murzhenko, and Yuri Federov, three brave and long suffering Soviet Jews.

A decade ago these three were among several convicted in the infamous "Leningrad trials" and sentenced to long years of hard labor. Soviet treatment of Mr. Mendelevich is demonstrative of the U.S.S.R. version of justice. Sentenced to a strict-regime labor camp, Mendelevich insisted on maintaining his religious identity by eating only ritually permitted food and abstaining for working on the Jewish Sabbath. Even though he offered to make up the lost work hours, he was accused of "maliciously violating the regime of confinement." His wearing a skull cap resulted in an accusation of "violation of the form of camp dress." Already eating as little as 300 grams of food, Mendelevich was transfered to the notorious Vladimir and Chistopol prisons of central Russia.

Mendelevich is a sick man and his already fragile health is rapidly deteriorating under the subhuman conditions in which he fights to exist. There are grave doubts as to this man's ability to survive his imprisonment.

Yosif Mendelevich, Alexi Murzhenko and Yuri Federov are waiting fair treatment and liberty in squalid conditions and poor health. Their stories are frighteningly similar. For the crime of yearning for freedom these men have suffered enough. We call upon the U.S.S.R. to uphold international law and simple human dignity and treat these men with humanity and the justice they are due.●

● Mr. STACK. Mr. Speaker, may I commend my distinguished colleague from Maryland, Representative BARNES, for reserving the time today so that we may speak out on a matter of great concern. With the tenth anniversary of the Leningrad trials approaching, it is most appropriate to voice our never relenting support for the three remaining prisoners, and urge their immediate release.

Having been repeatedly denied exit visas for Israel, Yosif Mendelevich, Alexei Murzhenko, and Yuri Federov, among others, planned to get aboard an empty plane, fly it to Sweden, leave it there, and proceed to Israel. However, neither the plan nor the plane ever got off the ground—they were arrested at Smolny Airport, near Leningrad, on June 15, 1970, without ever having set foot on the aircraft. On April 29 and 30, 1979, seven men from the Leningrad trials were allowed to leave the U.S.S.R., but Mendelevich, an Orthodox Jew, and two non-Jews, Murzhenko and Federov, remain for reasons only known to the Soviet Government.

Mendelevich suffers not only from the cruel treatment generally afforded Soviet prisoners, but he further suffers because of his strict adherence to a kosher diet, which substantially reduces his meager food intake. He also refuses to work on the Sabbath, which means he must work double shifts during the rest of the week. Mendelevich's health is also in question. He suffers from a variety of ailments, and is not able to receive proper medical attention. There is some doubt whether he will be able to survive his remaining 3 years in prison. There is some speculation that the reason why Mendelevich is the only remaining Jew still detained from this incident is because he is observant of Jewish laws.

This is Yuri Federov's second imprisonment. The first came in 1962 for "anti-Soviet" views. After his release he was hounded by the KGB and was unable to escape persecution. He joined his compatriots in their freedom dash only after exhausting his other avenues for freedom.

Yuri now suffers in prison, even more-so than his fellow inmates. Yuri is a practicing Christian-Orthodox, and insists on wearing a cross. Because of this expression of his religious beliefs, he has been punished severely. Yuri is also in ill health. He suffers from chronic bronchitis, severe kidney illness and other diseases. He has been hospitalized on numerous occasions in the past few years. His wife and daughter, Natasha and Masha, both now live in New Jersey, after being allowed to emigrate earlier this year.

Like Federov, Alexei Murzhenko has a history of anti-Soviet activities. He was arrested in 1962 for distributing leaflets and participating in a political seminar. After his release, he was not allowed to enroll in Kiev University, even though he had successfully passed the exam. Now Alexei is one of the three remaining in prison from the aborted escape. His health is also very bad, and he is not afforded adequate medical care. He suffers from tuberculosis, an ulcer, and various other ailments. His wife, Liuba, is allowed to visit him twice a year. She has also been arrested for pleading his case.

This callous Soviet disregard for basic human rights is intolerable. This is an obvious expression of persecution due to one's honoring his religious beliefs. We must continue to exert pressure on the Soviet Union until the terms of the Helsinki Final Act are honored.●

● Mr. GRADISON. Mr. Speaker, a decade ago, Yuri Federov, Josef Mendelevich, and Alexei Murzhenko were among several persons sentenced during the infamous "Leningrad Trials" to years of hard labor and, in two cases, death. These men were convicted for their participation in a plot to hijack an airplane from Riga, Latvia, and fly over the border to Sweden. While these three men languish in prison, subject to the grossest abuses of human rights, their compatriots from the Leningrad Trials have been allowed to leave the U.S.S.R. to emigrate to Israel or the United States.

I have discussed their plight with Mr. Mendelevich's sister, Mrs. Rivka Drori, on her recent visit from Israel. Yuri Federov has suffered from chronic nephritis and an ulcer and has not received any special diet for his condition. Joseph Mendelevich, because of his determination to remain a religious Jew, has been subjected to extreme persecution and punishment. His legal right to visitors has been denied; he has not seen his family in 6 years. He suffers from rheumatic heart disease and is generally in poor health. Alexei Murzhenko is also in a debilitated state of health with a persistent high temperature.

I am heartened, Mr. Speaker, by the concern demonstrated by citizens across the country in calling for an end to this persecution. In my district, the Interfaith Coalition Against the Repression of Emigration (I CARE), composed of members of the Indian Hill Church and Rockdale Temple, has been active on behalf of these three men. They have communicated with Federov, Mendelevich, and Murzhenko and their families, to encourage and sustain them in their ordeal. They had also appealed to Soviet leaders to end this unjust imprisonment.

The Soviet Union has seen fit to release others involved in this hijacking attempt. Fairness dictates that they release these gentlemen and reunite their families.●

● Ms. FERRARO. Mr. Speaker, as the 10th anniversary of the Leningrad trials draws near, I am pleased to have this opportunity to stop to reflect upon the strength and determination of men like Yosif Mendelevich, Alexei Murzhenko and Yuri Federov.

In the course of these 2 years, I have spoken of, and listened to my colleagues speak about the trials and tribulations of the Soviet prisoners of conscience. The living conditions, the backbreaking work, the meager diet, all have contributed to the decline of the health of these men. Their faith, however, has never been broken. These are men of great strength; an example for all men to follow. Perhaps it is their faith which keeps them alive.

The total disregard for human rights and freedom of thought shown by the Soviet authorities is an insult to the free world, and certainly to the United States where human rights are cherished and protected. In the U.S.S.R. as in countries throughout the world, Jews have consistently contributed to society. Propaganda perpetuated by Soviet officials denies these contributions, or worse, interprets the contributions of Jews as a threat to Soviet society. The imprisonment of men like Mendelevich, Murzhenko and Federov is an outgrowth of this propaganda. It is a credit to these men that they continue to uphold their ideals and dreams.

It is our responsibility to continue to speak out against the imprisonment of these men, and to demand that the Soviet Union free them and provide safe passage out of that country.●

● Mr. HOLLENBECK. As the 10th year of imprisonment approaches for Iosef Mendelevich, Alexei Murzhenko, and Yuri Federov, I join with my colleagues in protesting the squalid prison conditions under which each is forced to live. On several occasions I have appealed directly to Soviet authorities for the expeditious release of these individuals. I have also asked that each receive the medical care consistent with the most fundamental human principles. Yet, as each week passes I am informed that they are not only continuing to suffer the brutal effects of a prison environment but that they are also being denied adequate medical care.

Mr. Speaker, this is a travesty of justice which must not be allowed to continue. After closely monitoring all developments concerning Iosef Mendelevich over the last 3 years, it is my impression that he is being singled out for especially harsh treatment as a result of his strict adherence to orthodox religious beliefs. At his trial, he was accused of writing anti-Soviet articles which, in fact, dealt with Jewish holidays and the anniversary of the Warsaw ghetto uprising.

His two comrades Alexei Murzhenko and Yuri Federov are the only others still behind bars as a result of the Leningrad trials. All of these men risked the impossible in their desperate attempt to receive the freedom which so many of us take for granted. I am determined that one day Mendelevich, Murzhenko, and Federov will receive their long awaited freedom from Soviet repression. I, for one, will not relent in my efforts until this goal becomes a reality.

As a signatory of the United Nations Universal Declaration on Human Rights and as a party to the Helsinki Final Act, the Soviet Union has indicated its commitment to internationally recognized human rights. The world's regard for the Soviets' observance of human rights can only decline as a result of the treatment accorded these men. In the spirit of these international commitments, I call on the Soviet Union to honor basic human principles and to respect fundamental individual rights.●

● Mr. LEHMAN. Mr. Speaker, I am again participating in the vigil for Soviet Jewry and again regret that the continuing persecution of Soviet Jews who wish to emigrate from the Soviet Union to join their loved ones in Israel makes this vigil necessary.

For the third year in a row, I would like to bring to my colleagues' attention the plight of Lev Roitburd, his wife Liliya, and their son, Sasha, who first applied for permission in 1972 to be reunited with their family in Israel. To recount their experiences over the following 8 years is to describe the now familiar pattern of intense harassment and demoralization. First Lev and Liliya were dismissed from their jobs. After being constantly threatened with arrest and imprisonment, Lev was beaten, arrested, and sentenced to 2 years in prison. After serving 1 year in prison and 1 year in a labor camp, Lev was twice again refused permission to emigrate. Since his return to Odessa in the Ukraine, a historical hotbed of anti-Semitism, Lev began to encounter this brand of harassment. I refer to an article in the Odessa press, Znamia Kommunizma, entitled "The Fables and Fairy Tales of Lev Roitburd" which is clearly designed to impugn Lev's character and to bring further persecution to him, his wife, and his son.

My efforts and those of my constituents and the South Florida Conference on Soviet Jewry who have been working to help the Roitburds and so many other Soviet "refuseniks" seeking permission to emigrate from the Soviet Union to Israel will continue until they are permitted to exercise their right under the Helsinki agreements to be reunited with their families. We must not waver in our commitments to Soviet Jewry, especially at this most difficult time when the human rights violations by the Soviet Union are becoming more widespread.●

● Mr. PEPPER. Mr. Speaker, I would like to join my distinguished colleagues today in bringing to your attention the plight of three "Soviet Prisoners of Conscience," Yosif Mendelevich, Alexei Murzhenko and Yuri Federov, as well as all those who are oppressed in the Soviet Union for human dignity, rights, and freedom.

Messrs. Mendelevich, Murzhenko, and Federov were convicted by the Soviet authorities during the infamous "Leningrad trials" for having pursued their desire to emigrate. Not having committed any real crime against the Soviet Union, these brave dissidents have been serving severe sentences in Soviet labor camps.

This being the 10th anniversary of the Leningrad trials is a time when the world should once again join hands to urge the immediate release of these remaining victims of the outmoded and cruel system of Soviet justice. Like so many other prisoners of conscience, their condition is desperate.

Let me remind my colleagues that since 1979, there has been a 30- to 35-percent drop in emigration. This drop has been attributed to the decrease of invitations from close kin residing abroad. However, is this the real reason for the continued drop in emigration? I do not believe so. In Kiev, in the last week of January 1980, only 29 permissions to emigrate were granted by the Soviet authorities, while 400 were refused. This seems to indicate that the authorities are increasing their refusals compared to only a short while ago.

As my colleagues are aware, 11 administrations since 1869, when President Ulysses S. Grant first intervened on behalf of Soviet Jewry, have concerned themselves with this "problem." Therefore, it is imperative that this situation be given consistent attention and that all the people of the world are constantly reminded of the demoralizing dilemma which faces these dissidents living under the harsh and uncompromising Soviet Government.

Let us honor these brave dissidents and let it be known for all time that our aid and our compassion is with them.●

● Mr. MINETA. Mr. Speaker, my colleagues and I appreciate this opportunity to take time out from our deliberations on domestic spending to express our concern for the continued suffering of Yosif Mendelevich, Aleksei Murzhenko, and Yuri Federov. These three men are prisoners of conscience; the duration and conditions of their imprisonment are graphic evidence that the Soviet Government fears nothing more than those who insist on individual and religious rights.

It is easy for us to take for granted the freedom that these men dream of. But their determination, their quiet persistence in religious beliefs, and their refusal to give up hope are a reminder to all of us of its value. Mendelevich, Murzhenko, and Federov have paid, and continue to pay, a great price for their belief in freedom. They are an inspiration, and they deserve our support.

I join with my colleagues today in calling upon the Soviet Government to release these three men as it has done with the others who were convicted with them and to allow them to emigrate and join their friends and family outside of Russia.●

● Mr. BLANCHARD. Mr. Speaker, I would like to take this opportunity to join the special order of my distinguished colleague from Maryland, Congressman MICHAEL BARNES, in bringing to the attention of Congress the plight of three men languishing in prison as a result of their convictions during the notorious "Leningrad trials" of December 1970.

These young men, Yosif Mendelevich, Alexei Murzhenko, and Yuri Federov, were convicted of crimes stemming from a failed attempt to hijack a Soviet jetliner from Latvia to Sweden. They and several others planned this ill-fated flight to freedom after suffering for years under the oppression of the Soviet Government. Frequent confrontation with Soviet authorities for such so-called crimes as trying to emigrate to Israel, participating in disapproved political seminars, or spreading allegedly "anti-Soviet views" led Mendelevich, Murzhenko, Federov, and the others to seek their freedom.

In April of 1979 all those implicated in the hijack attempt except for these three men were released from prison. Meanwhile Mendelevich's prison term is not scheduled to end until 1982, Murzhenko's term not until 1984, and Federov is scheduled to remain within the squalid environs of a Soviet prison through 1985. I join Congressman BARNES in calling for their release.

These three prisoners of conscience represent different religions: For example, Mendelevich is a devout Jew and Federov is a devout practitioner of the Christian Orthdox faith. Murzhenko and Federov are both in ill health and need medical attention vastly superior to the minimal care they get in prison. The world community must join forces in condemning the plight of these men, especially in light of the release of the others who took part in the attempted hijacking. In these exceedingly troubled times, if the foreign policy of the United States remains, as it should, committed to the cause of human rights, it must also stand in firm opposition to the continued imprisonment of Messrs. Mendelevich, Murzhenko, and Federov.●

● Mr. SOLARZ. Mr. Speaker, I rise today to join with my colleagues in speaking out on behalf of three Soviet prisoners-of-conscience—Yosif Mendelevich, Alexei Murzhenko, and Yuri Federov.

These three brave men were among those convicted at the famous Leningrad trials. They are now the only three members of that group remaining in Soviet prisons—the others have all been released and allowed to leave the Soviet Union to emigrate to Israel and the United States.

One of their companions—Leib Khnokh—was my adopted prisoner-of-conscience during his period of confinement. I was both honored and pleased to meet with him on his recent visit to Washington. This meeting was a reminder of the pain and suffering he himself had experienced and which his three companions must still endure.

The greatest "crime" of which these men were accused was a desire for their freedom and the right to choose where and how to live, for which they have already paid a very heavy price.

Our Nation faces very serious and troubled times, which cannot be ignored. But we must not be allowed to forget about the plight of those less fortunate—such as Mendelevich, Murzhenko and Federov—who have been denied even their most basic rights. I sincerely hope that the day will soon come when we can all live in liberty.●

GENERAL LEAVE

Mr. OBERSTAR. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and to include therein extraneous material on the subject of the special order today by the gentleman from Maryland (Mr. BARNES).

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

LEGISLATION LIMITING HONORARIA CONGRESSIONAL STAFF MEMBERS MAY RECEIVE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Iowa, Mr. TAUKE is recognized for 5 minutes.

● Mr. TAUKE. Mr. Speaker, I am introducing legislation that sets new limits on the amount of honoraria a congressional staff member may earn. Today, the amount of honoraria a staff member may earn is regulated by statutory provision 2 U.S.C. 441i for Federal officers and employees. The statute limits its honorarium to an aggregate of $25,000 per year, and to $2,000 per appearance, speech, or article. The maximum salary a staff member may earn is approximately $50,000 per year, and in this case, a staff member could earn up to 50 percent of his yearly salary in honoraria. On the other hand, a House Member is limited to 15 percent of his yearly salary or an aggregate of $9,100, and, to $1,000 per appearance, speech, or article. This disparity is abhorrent.

The House has imposed these limits on outside income upon its Members for two reasons. First, as public servants, we should be subject to higher ethical standards than the public. Second, we wanted to remove the possibility for undue influence by lobby groups on House Members. Now, not only is there a possibility for abuse, but also an incentive for abuse by both lobby groups and staff members of the privilege to earn outside income. Therefore, I am introducing a bill which limits the aggregate amount of honoraria a staff member may earn in a year to 15 percent of his yearly salary, and the amount of honorarium he may earn per appearance, speech, or article to $1,000.●

THE SPIRIT OF HELSINKI, VIGIL 1980

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. KEMP) is recognized for 15 minutes.

● Mr. KEMP. Mr. Speaker, the spirit of Helsinki is nothing more than an unfulfilled dream for Col. Wulf Vilensky and his wife Sonya, who have been waiting for exit visas to join their family in Israel for 5 years. Each year it becomes more difficult to believe that the dream might come true as each new application for permission to leave the Soviet Union is denied. Each year they grow older without the pleasures of having their children and grandchildren with them, virtually imprisoned in Vilnius, Lithuania, itself a captive nation of the Soviet Union.

As the Soviets clamp down on Jewish emigration and step up the repression of Jewish and Christian dissidents alike, we prepare to meet them in Madrid in November for a review of the Helsinki agreement which they have so blatantly violated. At that meeting we must place a high priority on the discussion of individual human rights cases, forcing Soviet representatives to justify their claim of compliance with the agreement in the face of so many divided families and repressed individuals. Speaking in vague generalities about policy will leave us with just that—vague generalities about strides taken to reunite families and allow freer emigration, while the real story reads much more grim. Emigration figures for April 1980 are half of what they were 1 year ago, and according to a new rule, a Jew can only apply for emigration if he has parents, children, brothers or sisters in Israel, depriving the majority of Soviet Jews of the eligibility to emigrate.

This information was recently presented to the Commission on Security and Cooperation in Europe through the testimony of Lev Ulanovsky, a Soviet Jew who was fortunate enough to be given permission to emigrate to Israel less than a year ago. In his testimony, Lev eloquently describes the life of a Jew in the Soviet Union, how a Jew is demeaned by sanctioned anti-Semitism from his earliest days of childhood, considered the worst kind of traitor by virtue of his heritage and thus fair game for the basest insults and contemptible treatment. He cites examples of the anti-Semitic campaign being waged in the media by the Soviet Government, how Zionism is considered an especially evil sort of fascism, inculcating its followers with "hegemonic aspirations" to master the world.

At present, he points out, most universities have become virtually closed for Jews, and whereas in the past more than half of the best Soviet physicists and mathematicians were Jews, there are virtually none in the new generation of Soviet scientists. Although Hebrew has the official status of a legitimate foreign language, private teachers of Hebrew are refused registration as legal private teachers. Teaching without that registration can lead to charges of parasitism as it did in the case of Iosef Begun, a Moscow Hebrew teacher who was sentenced to Siberia for not being registered as a private teacher, even though it would not be granted anyway. This and other "Catch-22" situations have become a way of life for Jews in the Soviet Union.

Col. Wulf Vilensky is a hero of the highest order in the Soviet Union for courageous duty during World War II, yet in repayment he is deprived of his rights by the country for which he fought so valiantly. I ask my colleagues to remember him and his wife in your human rights endeavors and to strive for the resolution of these individual cases, which is, after all, the reason we negotiated so diligenly for the human rights provision of the Helsinki Agreement.

My sincere thanks go to ANDY MAGUIRE for coordinating this year's Vigil and for his leadership on this important issue. I join him and the other participants in the Vigil in urging all of our colleagues to speak out on behalf of those whose lives are ruined by Soviet repression.●

TERMINATE FORCED SCHOOL BUSING

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. COLLINS) is recognized for 30 minutes.

Mr. COLLINS of Texas. Mr. Speaker, America today needs comprehensive legislation to end forced school busing. The Federal Government has maintained court ordered busing of our Nation's schoolchildren to attend schools away from their neighborhood areas.

Since the 1954 Brown decision, court decrees have erroneously promoted school busing to achieve desegregation while quality education has suffered. Congress has not taken action. They have ignored the majority of American students, parents, and school boards in continuing this counterproductive forced school busing. Public opinion polls show the American people are 85 percent opposed to forced school busing.

What has busing done to America? Let's look at the results.

Quality education has suffered as the scholastic aptitude tests of graduating high school seniors from 1964 to 1978 declined in grades of 973 down to 894.

In my home city of Dallas, costs of transportation for Dallas County schools from 1970 to 1979 rose from $545,087 to $5,030,086. The bus routes have increased from 40 bus routes to 475 bus routes in the past 9 years. In Dayton, Ohio, during this same period, transportation costs rose from $361,479 to $2,330,000. Busing has now increased the Boston public school taxpayer costs to more than $4,500 a year per student.

Forced busing has caused disproportionate minority student enrollment. Compare 1968 to 1977 for the percentage of minority students in big city schools. In Boston it went from 31.5 to 56.1 percent. In Los Angeles it went from 46.3 to 63.5 percent. In Houston it went from 46.7 to 66 percent. In Dallas it went from 38.8 to 61.9 percent. I just reviewed Dallas and found that in the past 2 years it continued to climb from 62 to 67 percent.

Look at other adverse effects such as leaving school buildings empty. I took 25 typical schools in Dallas. Compare the capacity to the current enrollment of these schools and you see situations such as Nathan Adams from 800 down to 114, Cabell from 1,300 to 196, Hexter from 800 to 169, and Withers from 800 to 134. With taxpayers resisting increased school taxes, why does America leave neighborhood schools empty?

Busing is not improving the standards of students. In 1979 25 percent of all high school students dropped out before they graduated, while 20 percent was the dropout ratio before 1968.

Look at the FBI Uniform Crime Report from 1965 to 1976 that shows the number of city youths arrested increased 85 percent and the number of suburb youths arrested increased 215 percent. Drug abuse violations of people under 18 according to the FBI were 45,257 in 1969 and 87,168 in 1978. Problem drinking in youths shot up from 5 percent in 1974 to 19 percent in 1978.

The National Center for Educational Statistics reports the number of public schools has declined by nearly 7,000 in the last 10 years and there are 4 million fewer children in school today than there were 10 years ago.

America today has better schools and higher paid teachers while educating a fewer number of students. Busing is not responsible for all of the decline in education, but it is the only major factor that has entered into teenage development during the past 15 years. The lack of security and the tensions that are developed through forced school busing have disrupted the entire educational system. There is not a school system in America that can cite improved educational achievements that has the forced busing system. Forced school busing has adversely affected housing, youth crime, use of drugs and alcohol. Eighty-five percent of the American people say they are opposed to it.

It is time America stood on the basic court decision. Every child is entitled and should be educated in the neighborhood school nearest their home. Every child should be attending the school nearest their home and in cities they should be walking to school.

Twice I have submitted this matter on the floor and it has passed the House. Both times it was killed in conference with the Senate.

One amendment provided no funds for the Justice Department for enforcement.

The other provided civil penalties in the energy bill for any busdriver or gas station dealer who provided or used gasoline for busing students beyond their neighborhood school, as we were moving for energy conservation.

By terminating forced school busing we will speak for 85 percent of America, and give momentum for progressive education to move forward again in our schools.

Dr. James Coleman, commonly known as "the father of busing" has stated that "School desegregation in the form of mandatory busing for racial balance has been destructive to its own goals." Although busing has not achieved its desired goals, the courts continue to force children away from their neighborhood schools. The means do not justify the ends. Let us look at the facts.

One of the chief goals of busing is desegregating minority-dominated public schools. However, there is substantial evidence that busing is achieving just the opposite. Take, for example, Harvard trained David Armour's well-documented report on white flight published in 1978. White flight means losses in school enrollment in excess of what would have been observed without desegregation. In 15 out of the 23 districts Armour studied, court-ordered busing accounted for over 50 percent of all white losses over a 7-year period. Cities such as Boston, Denver, Pontiac, Pasadena, Dallas, Houston, Little Rock, Jackson, and Chattanooga would be close to 50-percent white, 50-percent black ratio without forced busing. Yet, as a result of forced busing Armour states that "all of these cities * * * are now predominately minority or fast approaching that status."

A comparison of 1968 and 1977 figures on minority enrollment illustrate that with court-ordered busing, students are increasingly attending segregated schools. The following table illustrates the growth in the percentage of minority students in public schools enrollment in cities that practice forced busing:

PERCENT OF MINORITY STUDENTS IN BIG CITY SCHOOLS

	1968	1977
Atlanta	61.8	88.8
Boston	31.5	56.1
Chicago	62.3	75.3
Cleveland	57.5	61.5
Dallas	38.8	61.9
Detroit	60.7	81.4
Houston	46.7	66.0
Los Angeles	46.3	63.5
Memphis	53.7	70.6
New Orleans	68.7	83.5
St. Louis	63.5	72.2
San Antonio	73.1	85.2
San Francisco	58.8	72.4
Washington, D.C	94.4	96.5

In all of these cities busing is used as a means of desegregation. From the statistics it is obvious that forced busing is promoting segregation in the schools. The percentages have increased dramatically since 1977. Coleman has denounced "the serious harm to long-term integration that racial balance plans" have caused, while Armour has noted that given documented white flight, "court intervention seeking to eliminate segregation may actually be exacerbating it."

As a result of white flight, forced busing leaves empty school buildings. This is a waste of taxpayer's money. The Dallas Elementary Schools have shown a sharp decline in enrollment, resulting in under utilized schools. This is illustrated below in the 25 typical schools in Dallas:

School name	Current enrollment	Capacity
Nathan Adams	114	800
Arlington Park	117	350
William L. Cabell	196	1,300
City Park	155	800
George B. Dealey	111	800
Tom W. Field	145	500
C. A. Gill	248	800
Tom C. Gooch	188	800
Fannie C. Harris	130	550
Thomas Hassell	156	750
Victor H. Hexter	169	800
J. S. Hogg	341	400
Stonewall Jackson	222	800
Edwin Kiest	271	1,300
Arthur Kramer	72	800
B. H. Macon	273	450
Ben Milam	178	800
J. W. Ray	236	400
Edward Titche	305	800
William B. Travis	272	800
Priscilla Tyler	279	750
Urban Park	243	800
Phyllis Wheatley	218	400
Harry C. Withers	134	800

Since 1954, one-third of all American children now attend schools in districts that have adopted desegregation plans. 1980 figures for Los Angeles show that some students are traveling up to 90 minutes at a distance of 20 miles and more each way to school. Students are tired and frustrated after the long bus ride to school. In Dallas alone, 20,000 children in grades 4–8 are bused to schools 35–40 minutes away. Across the country individuals are crying out for the neighborhood school, where children can become active and involved in extracurricular activities and parents can participate in their children's education. Parents of bused children are frustrated when their children get sick at a school across town.

We have also witnessed a tremendous increase in the crime rate of our school age children. The FBI Uniform Crime Reports for 1977 showed that from 1965–76, the number of city youth arrested increased 85 percent, while the number of suburb youths arrested increased 215 percent.

According to FBI statistics, total juvenile arrest trends have shown a huge increase in the 13-year period from 1965 to 1978:

A 54.4-percent increase in the U.S. total of all arrests;

A 59.9-percent increase in index crimes;

A 60.5-percent increase in larceny theft; and

A 32.5-percent increase in vandalism.

Forced busing has a tremendous negative impact. Children have to leave school at the end of classes on their bus and cannot participate in school athletics, plays, or activities. If a child is 2 minutes late and misses his schoolbus, he will be out of school and wander on the streets all day. A sick child cannot return home across town, but must wait until bus time. Parents realize that parents' interest is the most important element in a child's education. Yet, parents anxious to be active in the PTA are unable to go clear across town for meetings. Children who go to school together cannot play with these friends after school and on weekends because of the distance. Travel time of 45 minutes to 1 hour is a fatiguing way for a small child to start the school day. Fighting on schoolbuses creates insecurity among young children. Walking to school is great exercise and the bused children miss this.

As if increasingly segregated schools and vehement protest are not enough, busing continues, and with it continues the decline in students' performance and educational experience. A 1979 study conducted in the Dallas Independent School District showed that 1,115 students who were not bused away from their neighborood schools, were one-quarter year ahead of their 810 counterparts; the nonbused students showed higher achievement in both mathematics and language arts. The ongoing busing controversy has clouded the most important issue—quality education for our Nation's students. This Dallas Independent School District study plus the nationwide decline in scholastic aptitude tests from a grade of 973 down to 894 over a period of 1964–78 are indicative of a decline in quality education. Furthermore, Coleman's review of 100 desegregation studies in cities around the country showed "no overall gain" academically where busing was implemented.

What is more, busing is costly and wasteful. As energy consumption must now be closely scrutinized, it hardly makes sense that 20,000 students in Dallas, and well over 7 percent of students nationwide are bused away from neighborhood schools. In the Dallas Independent School District, for example, buses travel approximately 5 million miles to take children away from neighborhood schools, at a cost of $1.2 million in gasoline alone. With new schoolbuses getting only 4½ miles per gallon, with an approximate cost of 75 cents per mile, this extra distance is completely senseless. The total cost of transportation for Dallas County schools has risen sharply from $545,087 for the 1970 academic year, to $5,030,086 for the 1979 academic year. In 1970 the cost of purchasing a regular 72 passenger schoolbus was $8,039, but rose to $20,000 per bus in 1979. Furthermore, since 1970 the number of bus routes, with desegregation plans, in the Dallas Independent School District has increased from 40 bus routes in 1970 to an amazing 475 bus routes in 1979.

For the 1978–79 academic year in Dayton, Ohio, fleet miles traveled for desegregation were 1,573,000 miles per year, 8,838 miles per day, consuming 358,000 gallons of fuel per year, 2,009 gallons per day. Before desegregation in Dayton transportation costs were $361,479; in 1979 with desegregation costs were $2,330,000. Boston is another example. Today with widespread busing, Boston public schools cost the taxpayers more than $4,500 a year per student. Projections for the 1984–85 school year show costs with desegregation increasing by 61 percent, to attend schools which will be an average 71 percent minority. Furthermore, the Federal Highway Administration estimate in 1977 approximated that 401 million gallons of gas, averaging 26,200 barrels of oil daily were used for court-ordered busing of schoolchildren.

The statistics speak for themselves. Forced busing is not cost effective. Instead, ironically and unjustifiably, it has promoted segregation and a decline in quality education. We would do well to heed Justice Lewis Powell's recent warnings regarding court-ordered busing:

> It is increasingly evident that the use of the busing remedy to achieve racial balance can conflict with the goals of equal educational opportunity and quality schools. In all too many cities, well-intentioned court decrees have had the primary effect of stimulating resegregation.

I thought my amendment to the State, Justice, and Commerce appropriations bill, back in July, would stop forced busing. We passed it in the House by a vote of 209–190, but it was killed in Senate conference. My amendment would have prohibited the Justice Department from using appropriated funds to bring action to require involuntary busing of students, except for those requiring special education resulting from physical or mental handicaps. Back in 1975 my busing amendment for energy conservation was killed by Senate conference. Congress take steps forward to halt the decline in the educational experience, by passing an amendment to prohibit involuntary busing away from the neighborhood school. We must, more productively, utilize the energy of our country, the money of our taxpayers, and the resources of our students. We must return to the neighborhood school.

☐ 1910

STATEMENT BEFORE REPUBLICAN NATIONAL CONVENTION PLATFORM COMMITTEE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. CORCORAN) is recognized for 5 minutes.

● Mr. CORCORAN. Mr. Speaker, earlier today, I testified before the Republican National Convention Platform Committee on Capitol Hill. As a delegate to the National Convention in Detroit, I would like to insert my statement in the RECORD for my colleagues:

TESTIMONY BY HON. TOM CORCORAN BEFORE THE REPUBLICAN NATIONAL CONVENTION PLATFORM COMMITTEE, MAY 8, 1980

Mr. Chairman, Vice Chairman Lott, Members of the Platform Committee:

It is indeed a pleasure for me to have the opportunity to testify before the Republican National Convention's Platform Committee today. The subject of my testimony is energy, especially nuclear energy.

We are at a real crossroads in this country as far as our future energy policy is concerned. The self-defeating federal government regulations on our free enterprise economy are continuing, and in fact, they have been expanded under the Carter Administration. As an example, just the other day, the Department of Energy (DOE) ordered SOHIO to increase its gasoline prices at the pump by 20¢ in order to become more competitive with other suppliers. Not surprisingly, the end of the story is that the DOE order was subsequently rescinded due to political and other practical considerations. Why should this industry, which gambled tremendously in the discovery of new sources of oil in Alaska and was successful, be forced to raise the price to consumers 20¢ per gallon just to come under compliance with inane government regulations?

I believe the key to solving our energy problem is increasing American supplies of conventional and unconventional or renewable energies. One way to do this is to use the spent nuclear fuel we already have in storage basins at our nuclear power plants and in away-from reactor storage pools.

In April of 1977, President Carter ordered the indefinite suspension of advanced nuclear technology research and development on the reprocessing of this spent nuclear fuel and on the so-called breeder reactor project at Clinch River, Tennessee. Congress has challenged the latter part of that decision, and as you know, Mr. Chairman, we have had an annual tug-of-war with President Carter every year since then on the Clinch River project. However, Congress has not yet challenged the President on the reprocessing decision, although I intend to mount such a challenge this year.

The basis for the Carter position on reprocessing is nuclear non-proliferation, as well as a general anti-nuclear view which permeates his Administration. While I disagree with this anti-nuclear position, as do most people in this country, the attempt to limit the proliferation of nuclear weapons is justifiable. And as a means of setting a good example for the rest of the world, the position taken by the President and the Congress a few years back was that we would postpone the reprocessing development of nuclear spent fuel because of the plutonium byproduct involved, which could be used to make nuclear weapons.

However, nobody has followed our example. All the other countries in the world that use nuclear power commercially have opted for reprocessing in order to break their dependence on OPEC oil. For this and many other reasons, I think we should do likewise. Not only should we reassert our leadership in nuclear matters with these other countries so as to have some control on nuclear proliferation and preclude them from going into the Soviet orbit in this regard, but for two other basic reasons, the United States should move forward on reprocessing.

First, it provides a good way to get more energy. For every 1,000 pounds of spent fuel, we can reprocess out 951 pounds of unused uranium that can be used again in our existing nuclear power plants and in the new ones, which hopefully will be coming on line soon. There would also be nine pounds of plutonium produced from a 1,000-pound batch, and this could also be used in our existing power plants. Thus, we would get in this case 960 pounds more energy, which we vitally need in this country.

Second, reprocessing is the key to a sensible, safe nuclear waste management program for the United States. In the aforesaid case, after the removal of the 960 pounds of new energy, we would be left with 40 pounds of nuclear waste with no energy content whatsoever. Like every other country in the world in this business, we could then vitrify or glassify this waste for safe, permanent disposal in appropriate underground geological formations, such as salt mines.

Therefore, Mr. Chairman, I strongly urge you and your associates on the Platform Committee to write a strong, supply-oriented plank on energy for the Republican Platform, and include in it a call for reprocessing spent nuclear fuel.●

A FREE, INDEPENDENT ISRAEL IS IMPORTANT TO OUR NATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Iowa (Mr. GRASSLEY) is recognized for 10 minutes.

● Mr. GRASSLEY. Mr. Speaker, our Nation's foreign policy and actions toward Israel, and other countries as well, should be grounded in an enlightened pursuit of our own self-interest. In helping other peoples to achieve their legitimate goals of peace and well-being for their citizens, we will bring about a stable world where the rights and freedoms of individuals are maximized.

The partnership between the United States and Israel has in the past—and in the future should continue—to fulfill these objectives. This partnership for peace should continue. And it should be a working partnership where both partners work together to bring about a mutually desired end. That end is peace.

American foreign policy has, for over 200 years, aspired to conduct based on the principles of peace, justice, and individual liberty. This, rather than the narrow pursuit of monetary gain, has characterized our dealings with other nations and other peoples. Our relationship with Israel is in keeping with the best of this tradition. For we are two democracies who have instituted a government structure designed to promote the freedom and well-being of those people who call our Nation home. We are two pioneering states, shaped by a difficult struggle to tame a land and build a new nation. We are two nations of immigrants whose open door to the oppressed has instilled in our people, immigrants all, an original and unique national spirit. We are committed to the defense of our freedoms against encroaching totalitarianism and the Communist contagion.

The people and Government of Israel have offered us friendship. Israel is stable and we have every reason to believe that there will be a pro-Western, democratic government in Jerusalem 10 years from now. Israel has been reliable. It has stood by the United States in the councils of the world. We have reciprocated in kind.

We have had and will, no doubt, continue to have occasional differences of opinion from time to time. But they are disagreements among and between friends over how to go about implementing out mutual goals and aspirations.

The existence of a free and independent Israel is important to the defense of the West and, indeed, the free world. Israel has asked for our help and we have provided the tools for our mutual defense. Israel is strategically located and its importance as an integral component of our defensive line cannot be downplayed.

I, for one, believe that the United States should choose its friends on the basis of what they can do for us, and not out of fear of what they can do to us.

Israel has, in the past, mobilized her armies to blunt Soviet expansionism, such as the 1970 invasion of Jordan by Syria. Israel has repeatedly offered the United States the use of its modern air and naval bases. Israel is so located so that it can act as a supply station, a staging point, a maintenance area. They have provided us with intelligence information regarding Soviet weaponry and military movements.

A dispassionate observer, viewing the current world situation, would be forced to conclude that the Carter administration has lost sight of our basic interests in the Middle East and throughout the world. It is difficult to explain the current administration's policies except in terms of confused or misplaced priorities coupled with a tendency to seek out politically expedient solutions to our multitude of problems. America's primary interest in the Middle East is peace. A strong American-Israeli relationship, and an unambiguous commitment to the Camp David peace process will best serve our national interests.

No discussion of this entire matter would be complete without touching on, if only in passing, the Palestinian problem. It is vexing and complex and has, at least to this point in space and time, defied resolution. But that does not mean that we should give up hope. We must pursue each and every avenue of approach and not prematurely discard any option. We can legitimately ask all involved to continue searching for solutions with open minds and a willingness to go the extra mile. For the consequences of failure are simply unacceptable.

I think that a distinction should be drawn between the legitimate rights and interests of the Palestinian people and the terroristic activities and actions of the Palestine Liberation Organization (PLO). The PLO is a terrorist organization—nothing more and nothing less. They seek to influence the course of events by means of violence and force of arms. They are terrorists plain and simple. We should not talk with or deal with such a group unless and until they renounce the use of violence as a means of bringing about change. We know, from the events of the past 6 months, what happens when we negotiate with terrorists and common criminals.

We must be prepared to deal with the challenges presented by this troubled region. We must strengthen our military presence there in order to deflect Soviet adventurism. We must decrease our crippling and potentially fatal dependence on foreign oil.

What I have advocated will take vision, courage and a sense of purpose. We must reward our friends and make those who would be our adversaries understand that they cannot defy us without incurring risks.

We must, each and every one of us, recognize that a free, independent and friendly Israel is important to our Nation. We should continue to reach out in friendship and must strengthen our resolve. Let us renew and improve our partnership for peace.●

THE EXPORT TRADING COMPANY ACT OF 1980

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. LaFalce) is recognized for 20 minutes.

● Mr. LaFALCE. Mr. Speaker, the U.S. balance of trade has been in deficit consistently since 1975 with particularly large deficits in 1977 and 1978. Those deficits, which were $26.5 billion and $28.5 billion respectively, have understandably aroused considerable concern about this country's ability to compete abroad. Poor export performance by the U.S. has substantially contributed balance of trade deficits, and more can and should be done, in order to improve that performance.

Today, I am introducing the Export Trading Company Act of 1980. The purpose of this bill is to facilitate the formation and operation of export trading companies and the expansion of export trade services. Small businesses, medium-sized firms, and smaller agricultural cooperatives do not export U.S. goods and services which could be highly competitive abroad in terms of both price and quality; and part of that failure stems from the fact that they have inadequate access to export trading services.

Smaller concerns do not export, because exporting involves unfamiliar economic risks and requires highly specialized knowledge about foreign markets and skills for complicated negotiations. Although greater efforts to encourage and assist U.S. producers to export can often be of assistance, the marginal costs of fully developing their export opportunities abroad will be prohibitive for many, if not most, producers. Meaningful export success will largely depend on intermediaries which could do the actual exporting for U.S. companies. Export trading companies can diversify trade risks and can easily develop economies of scale in marketing, transportation, financing and other export trade services.

A few U.S. trading companies and trade associations do exist, but they specialize in raw materials and agricultural commodities and do virtually nothing to expand exports of U.S. manufactured goods. Some export management companies do provide a full range of export trade services, but these companies generally tend to be small and shallowly capitalized forms specialized along product lines.

Foreign trading companies exist in Japan, the Republic of Korea, and many Western European countries. These companies have made significant contributions to the growth in exports from all of those countries, although the Japanese experience has been by far the most notable. The best known Japanese trading company is Mitsubishi, but there are many other companies, which have helped make Japan one of the most export-oriented countries in the world.

It may seem surprising that the free market has not produced U.S. export trading companies to compete with foreign export trading companies, but a combination of factors have effectively hampered the operation of the free market in this area. Regulations prevent U.S. financial institutions from involvement in the provision of export trading services, which is a severe restriction on the financing ability of any U.S. export trading company. There is considerable confusion and uncertainty concerning the applicability of antitrust statutes to cooperation among export trading companies. Although some huge corporate conglomerates have developed considerable export expertise, that is of little value to other smaller firms which have no experience in this field.

Mr. Speaker, throughout U.S. history, American businesses have been spoiled, because the vast and growing nature of our domestic market has offered seemingly limitless opportunities for domestic businesses. However, as the world has become more and more interdependent, the need has grown for increased U.S. exports, in order to finance our imports and to provide employment opportunities for U.S. workers. Unfortunately, American businessmen generally lack any linguistic skills; and not everyone in Sri Lanka, Brazil, and Niger speak English. Although ths country is an ethnic potpourri, American businessmen know a great deal less than their foreign counterparts about foreign customs. Because of poltical or cultural factors, foreign markets can differ widely in nature; and American businessmen are often perplexed by those differences. Export trading companies can fill all of those gaps.

The bill I am introducing today would encourage the formation of these companies and the expansion of export trade services. The bill contains flexible and reasonable definitions of export trading companies and the types of services which they could offer. In order to increase the financial leverage of export trading companies, the Export-Import Bank would be authorized to provide financial assistance in the form of direct loans or loan guarantees to these companies. Even more importantly, this bill would permit financial institutions to participate directly in a broad range of export trade services by allowing limited investments by these institutions in export trading companies. This would not only help increase U.S. exports, but it would also allow U.S. financial institutions to compete on a more equal basis with their foreign counterparts, At the present time, foreign banks do own trading companies, as in the case of the Hong Kong & Shanghai Banking Corp. which has the controlling interest in the Hutchinson Whampoa Ltd.

In addition, the Department of Commerce would be directed to provide various forms of technical assistance for the formation of these companies; and the bill would clarify a number of tax code provisions for trading companies. Finally, the bill would make export trading companies eligible for the same treatment under the Webb-Pomerene Act, which export trade associations receive.

Mr. Speaker, I want to commend the Senator from Illinois, Mr. STEVENSON, for his extensive work in the field of ex-

port trading companies. His International Finance Subcommittee of the Committee on Banking, Housing and Urban Affairs has held numerous hearings on the whole subject of export trading companies and this bill in particular. I am happy to be able to say that this bill has received extensive support throughout all segments of the business community, and many features of the bill have received the endorsement of the Secretary of Commerce, who has indicated that the administration would welcome action on this front.

Experts have estimated that 15,000 to 20,000 small- and medium-sized businesses could participate in exporting, but they do not do so for lack of technical and financial assistance. This bill would help correct that lamentable situation by creating entities which could provide both types of assistance within the private sector.

Mr. Speaker, with a total trade deficit of approximately $90 billion for the past 3 years, this country must have a more effective and conscious export policy. Export trading companies would be a central component of that policy and would help restore this country's competitiveness with other Western countries, which already have dynamic export trading companies.

A section-by-section analysis of the Export Trading Company Act follows:

SECTION-BY-SECTION ANALYSIS

Section 1 provides that the legislation may be cited as the "Export Trading Company Act of 1980."

Section 2 contains the statement of findings and purpose. The findings point to the advantages export trading companies would have in assisting many U.S. producers to export. The purpose of the bill is to increase U.S. exports by encouraging more efficient provision of export trade services to U.S. producers.

Section 3 contains definitions of the following terms as used in the bill: "export trade," "goods produced in the United States," "services produced in the United States," "export trade services," "export trading company," "United States," "Secretary," and "company."

Section 4 would require the Secretary of Commerce to provide information and advice to assist interested persons to form and operate export trading companies.

Section 5 would allow banks, bank holding companies, and Edge Act Corporations to invest in export trading companies, including companies providing export trade services.

Subsec. 5(a). This subsection defines the various terms used throughout the section. The term "capital and surplus" is defined generally to mean paid-in and unimpaired capital and surplus, including undivided profits. The respective banking agencies, however, are given the discretion to include such other items e.g., the proceeds of debentures or caiptal notes, as they deem appropriate. The term "export trading company" is defined to include an export trading company, as defined in Section 3(5) of this Act, or any company organized and operated principally for the purpose of providing "export trade services," as defined in Section 3(4) of this Act. A somewhat broader definition is employed in this Section in order to permit banking organizations to expand the types of export services they provide U.S. firms, without necessarily having to invest in a firm that engages in trading activities. A banking organization would thus be able to invest in, or even combine the operations of, many different types of firms providing export services.

Subsec. (b). This subsection overrides any provision of Federal law that would prevent a banking organization from investing in an export trading company. For example, under authority of this section, a bank holding company or Edge Act Corportaion could acquire an export management firm, freight-forwarder or other firm meeting the definition of export trading company, notwithstanding any investment prohibitions contained in any provision of Title 12 of the United States Code. Any such investment would, however, be subject to the procedures, limitations and conditions of this section.

Subsec. (c). Subsection (c)(1) provides that a banking organization may invest up to five percent of its capital and surplus in no more than fifty percent of the voting stock or other evidences of ownership of an export trading company without obtaining the prior approval of the appropriate federal banking agency. This is similar to an existing procedure adopted by the Federal Reserve Board under its Regulation K for international investments by Edge and Agreement Corporation, banks, and bank holding companies (see 12 C.F.R. § 211.5(c)(1)(B). Subsection (c)(2) permits a banking organization to exceed the limitations of subsection (c)(1) if it files an application with the appropriate federal banking agency and the agency has not, within sixty days after receipt, issued an order under subsection (d) disapproving the investment. The banking agencies can specify the information required in any such application, but it must be reasonably necessary to consider the factors described in subsection (d). An application is deemed received, and the sixty-day period commenced, once the agency accepts the application for processing. Upon receipt, the agency is required to file a copy with the Department of Commerce which is to be given a reasonable time to file its views. The sixty-day waiting period may be shortened if the agency issues written notice of its intent not to disapprove. The agencies are encouraged to issue such notices, when appropriate, in order to shorten further the regulatory process. The method of giving an agency the right to disapprove has been chosen instead of imposing a requirement of agency approval, because this section already establishes that it is in the public interest for banking organizations to take an equity participation in an export trading company. A proposed investment should thus be blocked only if the agency can find specific reasons for disapproving the particular transaction. This approach also tends to minimize the regulatory burden involved on both applicants and the agencies. Subsection (c)(3) gives any banking organization whose investment application under subsection (c)(2) has been disapproved by an agency, the right to seek review in a federal court of appeals. The organization has the choice of filing a petition for review in either the circuit where its principal office is located or in the Court of Appeals for the District of Columbia Circuit. The agency must compile and certify the record for review and file it promptly with the reviewing court. "Promptly" was chosen in order to encourage filing within the sixty days provided under the Federal Rules of Appellate Procedure. The standards for judicial review of a disapproval order are similar to those provided in the Administrative Procedure Act.

Subsec. (d) A proposed investment under subsection (c)(2) may be disapproved by the appropriate Federal banking agency if it finds that the export-related benefits of the proposal are outweighed by adverse banking, competitive, or other factors associated with the particular acquisition. In weighing export benefits, the agency must give due consideration to the views of the Department of Commerce and give special weight to proposals that will reach new sectors of the U.S. export market. Essentially, a proposed investment should be able to be made unless the agency can meet the burden of establishing specific reasons for disapproval that outweigh the likely export benefits. Any order must contain a statement of the basis for the agency's action and must be issued within the sixty-day period provided in subsection (c)(2).

Subsec. (e) This subsection contains safeguards to insure that bank involvement in trading companies does not lead to conflicts of interest, unsound banking practices, or unfair methods of competition. First, subsection (e)(1) provides that no banking organization holding stock or other evidences of ownership of any export trading company may extend credit or cause any affiliate to extend credit to such company or its customers on a preferential basis. This meets a traditional concern of U.S. policy that banks not favor their affiliates in lending practices, because preferential lending threatens bank soundness and may provide unfair competitive advantages for affiliated customers. The language is similar to that employed in Section 8(e) of the International Banking Act of 1978. Lending limits, limits on loans to affiliates and to insiders otherwise ensure that a bank's credit involvement with an export trading company or its customers would be subject to prudential limitations. Subsection (e)(2) provides that, in the aggregate, no banking organization other than an Edge Act Corporation not engaged in banking could invest more than ten percent of its capital and surplus in the stock or other evidences of ownership of one or more export trading companies. This parallels a limitation on investments in Edge Act Corporations by national banks, and is intended to put an overall cap on any one banking organization's involvement in such commercial activities. This restriction thus protects against any exposure beyond traditional prudential limitations.

Subsec. (f) This subsection gives the appropriate federal banking agencies the authority to adopt such rules and regulations and to require such reports as are necessary to enable them to carry out the povisions of this section and prevent evasions thereof.

Section 6 would authorize the Export-Import Bank to provide loans or guarantees to help export trading companies meet operating expenses and make investments which would expand U.S. exports. The Bank could not extend loans or guarantees unless the Bank's Directors determined: (1) the loans or guarantees would facilitate exports which would not occur otherwise; (2) the company cannot locate sufficient financing on reasonable terms from commercial or other private sources; and (3) there is a reasonable assurance of repayment of the loans.

These standards are intended to insure that Eximbank support is provided only for promising export trading ventures which have not found adequate private financial support. Eximbank's role would be limited by additional provisions which specify that such loans and guarantees may not exceed $1 million per year or $2.5 million in total to any one company, nor exceed 50 percent of the total operating expenses of such company in any year. Total bank commitments under this section would be limited to $100 million and the authority to make new commitments would expire 5 years after enactment.

The purpose of this section is to encourage new ventures of significant expansion of existing firms by providing modest financial help with start-up costs for limited period of years. Support would be provided at prevailing commercial interest rates.

Section 7 would authorize and direct Eximbank to guarantee not more than 80 percent of commercial loans extended to export trading companies and secured by exports accounts receivable or inventories of exportable goods. Guarantees would only be provided when the Bank's Board of Directors judged such guarantees to be necessary to expand U.S. exports and enable the recipient of the partially guaranteed loan to conduct normal business operations. In short, the authority in this section is intended to stimulate additional private sector lending in support of exports—lending which is customary in other countries but not in the United States. As U.S. financial institutions acquire experience and confidence with loans secured by export receivables and inventory, Eximbank guarantees can be phased out.

Section 8 declares that the Act does not pre-empt State or local authorities from forming or participating in export trading companies, nor disqualify such companies for the Eximbank programs provided for in sections 6 and 7 of this Act.

Section 9 would afford to export trading companies, with respect to their export activities, the same antitrust exemption provided under the Webb-Pomerene Act to associations engaged exclusively in export trade. Export trading companies cannot be financially sound if they engage exclusively in export trade; furthermore, there seems no reason to force firms to form trade associations in order to enjoy whatever antitrust assurances the Webb-Pomerene Act provides.

Section 10(a) would provide that gross receipts of an export trading company from "export trade services" as well as the export of "services produced in the United States," as defined in the Act, are eligible DISC receipts. The purpose of the provision is to avoid forcing export trading companies to segregate artificially certain services in order to enjoy DISC status for the receipts from such services.

Section 10(b) would require the Assistant Secretary of Commerce, with the cooperation and assistance of the Director of the Internal Revenue Service to disseminate information to exporters and export trading companies on how to form and use DISCs.

Section 11 would amend Subchapter S of the Tax Code to permit an export trading company to use the provisions of that subchapter without limiting the foreign source income of such company to less than 20 percent per annum. Export trading companies could not comply with the existing statutory restriction. Section 11 would also permit shareholders in companies eligible to use subchapter S to be *companies* owned by up to 15 individuals. as well as individuals, as presently required by subchapter S.●

NCUA HOLDS THE LINE ON INTEREST RATES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. ANNUNZIO) is recognized for 5 minutes.

● Mr. ANNUNZIO. Mr. Speaker, I applaud today's action by the National Credit Union Administration in refusing to increase the interest rate that federal credit unions can charge members for loans.

Under present law, federal credit unions can charge 15 percent for loans, but can charge a higher rate when the NCUA determines that a higher rate is justified. Today's action, which came on a unanimous vote by a three-man Board, is another sign that our period of high interest rates is on its way out.

Some credit unions had been pressuring the Board to raise the maximum rate on interest rates to 18 percent, a figure which is clearly unjustified given the rapid drop in short term interest rates in recent weeks. I am pleased that the Board did not allow credit unions to increase their rates, and thus make it even more difficult for the credit union member to cope with inflation. I know it was a tough decision by the Board because of the pressure that some credit unions have been putting on the Board for higher rates.

I commend the Board for its toughness, the thoroughness in which it considered the decision and its dedication to keep the credit union rates as low as possible.

I especially applaud NCUA's Chairman Larry Connell for the leadership he showed today in protecting the hard-earned dollars of credit union members across America.●

ADDITIONAL SPONSORS OF ALCOHOL FARM FUEL USE TAX ACT OF 1980

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Arkansas (Mr. ALEXANDER) is recognized for 10 minutes.

● Mr. ALEXANDER. Mr. Speaker, today I am pleased to add the names of 28 more of my colleagues to H.R. 6906, Alcohol Farm Fuel Use Tax Act of 1980. This bill would allow farmers a refundable credit against income tax for amounts paid or incurred in converting farm equipment for alcohol fuel use.

Alcohol fuels derived from renewable resources represent the most immediately available alternative liquid energy source. The American farmer has the capability and capacity to be producer of energy—alongside that of food, feed, and fiber. H.R. 6906 will provide the economic incentives to help the farmer make full use of locally produced alcohol fuel in the production, harvesting, storage, and marketing of agricultural products. The farm community is substantially more dependent on petroleum fuels than the United States as a whole. It is imperative that we provide the means to free the American farmer from the vagaries of foreign oil supplies. I would remind my colleagues of the foreign oil shortfalls that occurred last year, and the havoc that was created within the farm community and on food production, distribution, and prices.

The growing support for H.R. 6906 is a clear indication that the Members of this House are determined to take the legislative action necessary to insure the strength and stability of America's agricultural sector. I commend all the cosponsors of H.R. 6906 for their support in breaking the foreign oil stranglehold on the country's economy.

The 28 cosponsors are: G. V. (SONNY) MONTGOMERY, ROBERT J. LAGOMARSINO, DOUG BARNARD, ARLAN STANGELAND, BERKLEY BEDELL, BILLY LEE EVANS, JERRY HUCKABY, WILLIAM J. HUGHES, MARK ANDREWS, DANIEL B. CRANE, VIRGINIA SMITH, ROBERT A. ROE, FLOYD SPENCE, TOBY ROTH, AUSTIN J. MURPHY, BILL NICHOLS, DANIEL K. AKAKA, HOWARD WOLPE, EDWIN R. BETHUNE, JR., MARTIN FROST, ED JONES, GUS YATRON, MARVIN LEACH, FLOYD FITHIAN, JIM LEACH, EARL HUTTO, TIM LEE CARTER, and BILL CHAPPELL, JR.●

HELP THE HAITIAN REFUGEES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Minnesota (Mr. OBERSTAR) is recognized for 10 minutes.

● Mr. OBERSTAR. Mr. Speaker, much attention has been given recently by the Carter administration to the plight of refugees from Cuba, and I commend the President for his humanitarian concern.

Unfortunately, the administration's concern for Cubans has overshadowed another, equally tragic, drama: the exodus from Haiti of thousands of persons seeking economic, and in some cases, political asylum in the United States. Their desperate condition, according to news reports, has largely been ignored by the administration, though their need is at least equal to that of the Cubans.

Ironically, the United States, in my judgment, has a far greater obligation to the Haitian refugees than it does (if any) to the Cubans. It is a moral obligation to a country and a people who have virtually been our satellite for 65 years, since the outset of the U.S. occupation of Haiti in 1915.

Haiti's currency, the gourde, is tied to the dollar; the U.S. is the principal market for their main exports, sugar and coffee; and U.S. investors have had a major influence on Haiti's domestic economy. Yet, our foreign aid program there has largely been a failure, principally because of the insufficiency of our commitment to solid, sustained economic growth in that neediest of all the countries in this hemisphere.

In view of our long history of relations with Haiti, especially our 30-year occupation of that country, the United States has failed dismally. Haiti should be a showcase of economic growth and stability—which it once was, as an 18th century French colony—and it could have been, if we had been willing to make an investment there on an order of magnitude of the investment we have made in other countries.

To be sure, a succession of repressive or inept governments in Haiti has been the main cause of that country's current economic disarray. Nonetheless, we Americans, by our military and financial intervention in their domestic affairs, have incurred an obligation which we have failed to carry out. These refugees are, in a very real sense, fleeing from the effects of our Haitian failure, and now, even in our own country, we have still not opened wide the doors of opportunity to them.

I call upon the President, in the name

of his own human rights policy, to order the same welcome and generous treatment for the Haitian refugee that he has ordered for the Cubans.

An old Haitian Creole proverb says: "It makes no sense to wash your hands and then dry them in the dirt." Paraphrased, it applies to the refugee case: "It makes no sense to crusade for human rights and ignore the need on your very doorstep."

Another Creole proverb says: "The pencil of God has no eraser." Our failure to help these needy persons will remain a blot on our national conscience.

I include in the RECORD an article on the Haitian refugee problem which appeared in the May 7, 1980, edition of the Washington Star.

[From the Washington Star, May 7, 1980]

HAITIAN REFUGEES FEEL FORGOTTEN BY THE UNITED STATES

(By Duncan Spencer)

MIAMI.—If President Carter has opened his arms to the more than 20,000 Haitian refugees who have been living in this city, the welcome news hasn't made it to the large ears of Charlie Bastian at the Grand Antilles Restaurant.

With its name boldly painted in swirling script and pure, bright colors, the Grand Antilles pours out island music. Silent Charlie Bastian concentrates on the cooking of dishes like AK-100, lambi or grillot—key elements in the cuisine of Little Haiti.

Inside, Charlie sits down to his afternoon mound of AK-100 (a dollar's worth of rice with spicy sauce).

"It's good for your brain," explained Jean Lubra, 22. Lubra, who has been here six years, has only a dim memory of his Haitian home and only a dim hope of getting a green card that would announce that he is a legal resident alien in the United States, he says.

"I go to my lawyer," said Lubra yesterday, and he tell me to get married."

Married, that is, to an American woman, one of the few successful ways for a Haitian to get resident alien status here.

The drama of the Cuban refugees, given a new impetus by Carter's "open arms" state-many say have come farther and suffered more, remain submerged and, in contrast to the Cubans, almost forgotten.

Yesterday, a delegation of Haitians led by the Rev. Girard Jean Juste, a refugee priest widely respected here for his work as director of the Haitian Refugee Center, was in Washington to protest and lobby for equal treatment—treatment equal to that given to the Cuban arrivals.

But even that effort was not widely known by Haitians here. Compared to the Cubans, Miami's Haitians are isolated, frustrated and self-absorbed. Many are twice exiled—first from Haiti then from the Bahamas. Many believe, too, that if they are deported back to Haiti they face death from the vengeful agents of Jean Claude "Baby Doc" Duvalier.

Speaking Creole, which is close to French, they live in a clearly defined community in Northeast Miami, a 50-block area of low concrete bungalows bounded by Interstate Route 95 and Biscayne Bay.

They live as they can, crammed into $150-a-month efficiencies or small apartments. They take jobs mostly temporary, as dishwashers, bus boys, construction helpers, or servants. Because they have no green card they find getting work difficult.

The U.S. Immigration and Naturalization Service up to now has granted only a tiny percentage of Haitian applications for asylum, though INS regional director Raymond Morris informed the Haitian community April 22 that they had a right to apply for asylum.

"I don't have a single friend who has a green card," said Lubra. "Anyway, you go and look for jobs, they always ask you for your work permit."

According to those who have taken up the Haitians' cause, the United States has mistreated them shamefully. "The Haitians are not in a camp: then they're not that fortunate," said Bettye Wiggs at the Haitian Refugee Center yesterday.

"It's 1972 to 1980," she said. "It's been a long time these people have been in limbo." Wiggs said television views of Cuban refugees being received, fed, clothed and housed by a welcoming U.S. federal government left her with feelings of despair. "There is no sponsoring mechanism set up for Haitians," she said.

One of the key problems for the Haitians is a lack of political support. Unlike the Cubans, they are truly new immigrants who started arriving here only 10 years ago. A few, like Charlie Bastian, have become successful enough to open businesses, but few are at the stage to start into politics. Anglo Miamians, who have learned to accept Cubans—and indeed admit the city would be a dull place without them—react with ugly vehemence and talk of property values when the Haitians are mentioned. They are often characterized on radio talk shows as diseased or squalid or described by the phrase "the way they live."

But there is little evidence of squalor in the streets and apartment buildings of Little Haiti, and the Haitians receive a visitor with European reserve and politeness.

Confusion is the only word to describe the attitude of local immigration officials, who maintain that their service is being even-handed with all refugees.

Charles St. James, a social worker for Dade County who enjoys great prestige among his Haitian friends for having both a green card and a government job, gave a bitter review of local and federal actions toward the Haitians. "At first I viewed it as local rascism," he said, "but now its federal racism: Carter's speech seems to say he's opening his arms freely but only to Cubans. It's too little and too late.

"If he (Carter) had such a situation before, many Haitians who perished would not have perished," he said. Several others interviewed yesterday said they thought the United States would have been willing to help if Haiti were a Communist country.

The difference, say the Haitians, is that those fleeting communism are termed political refugees by the immigration service, while the Haitians are merely "economic refugees."

To both Haitians and Cubans, the distinction made by the immigration service is academic. "Freedom" to both groups means more to eat, a place to live, jobs, medicine. "Oppression" simply means the opposite.

Immigration officials here say each case is "treated on an individual basis" and that there is no difference in treatment between Haitian and Cuban. This is simply not true, according Vera Weiz, a lawyer who is involved in three suits against the government over Haitian refugee rights.

"What is true is that there is a difference," she said, "a huge difference. The processing is different—the Haitians get no federal benefits and many have been thrown into jail."

Since the beginning of the year, 3,500 Haitians have come here, most sailing on small boats for an 800-mile voyage that takes 20 to 40 days and sometimes longer and involves stops in Cuba (where many Haitians report good treatment and gifts of food and clothes). Wiez says only 50 applications for asylum have been returned granted.

Louizeme Balot, 18, and his cousin, Robert Balot, sat on a crowded balcony of the house they share with five other Haitians on 59th Street yesterday. The four young men on the balcony were out of work; one older man, Francis Sylvester, 31, who supports four children and a wife, is a dishwasher.

"See, what we have to do," said Robert Balot, "we've got to put all of our heads together. We've got to get some good associations." ●

EXPORT-IMPORT BANK FINANCING NOTIFICATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from North Carolina (Mr. NEAL) is recognized for 10 minutes.

● Mr. NEAL. Mr. Speaker, I am submitting to the House today a notification from the U.S. Export-Import Bank on proposed financing to make possible the sale of $13.5 million of U.S. goods and services to Iberduero, S.A., Spain's largest electric utility company, for repairing and completing the Lemoniz I and II nuclear powerplants on the Bay of Biscay near Bilbao.

The Eximbank already has provided nearly $163 million in credits and loan guarantees for this project since 1972. The latest request from Iberduero is for a $10.7 million credit for removal, repair and replacement of the steam generator in the Lemoniz I plant and for other costs incurred because of delays in completing the project. The steam generator was bombed in March 1978 by a terrorist group, an incident that has contributed to delays in the project.

This financing notification was referred to me as chairman of the Banking Committee's Subcommittee on International Trade, Investment and Monetary Policy. Section 2(b)(3)(iii) of the Export-Import Bank Act of 1945, as amended, requires that the Bank notify Congress of proposed loans or financial guarantees involving the purchase of nuclear equipment or services. Unless the Congress determines otherwise, the Eximbank may give final approval to the transaction after 25 days of continuous session of the Congress following notification.

I am submitting for the RECORD copies of letters from the Eximbank giving the terms and details of the proposed transaction. I would welcome any comments or questions my colleagues might have on this financing proposal.

The Eximbank notification follows:

EXPORT-IMPORT BANK OF THE
UNITED STATES,
Washington, D.C., April 25, 1980.

Hon. STEPHEN L. NEAL,
Chairman, Subcommittee on International Trade, Investment and Monetary Policy, Committee on Banking, Finance and Urban Affairs, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: In accordance with Section 2(b)(3)(iii) of the Export-Import Bank Act of 1945, as amended, I have reported to the President of the Senate and the Speaker of the House of Representatives on an application currently pending consideration by the Bank. I am taking the liberty of providing you with a copy of this statement.

Sincerely,

JOHN L. MOORE, Jr.

EXPORT-IMPORT BANK OF THE
UNITED STATES,
Washington, D.C., April 25, 1980.
Hon. THOMAS P. O'NEILL, Jr.,
The Speaker of the House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: Pursuant to Section 2(b) (3) (iii) of the Export-Import Bank Act of 1945, as amended, Eximbank hereby submits a statement to the United States House of Representatives with respect to the following transaction involving U.S. exports to Spain:

A. DESCRIPTION OF TRANSACTION

1. Background and purpose

On January 20, 1972 Eximbank authorized a direct credit of $143.6 million to Iberduero, S.A. to facilitate the export of goods and services from the United States to Spain for the construction, operation and initial core fuel load of the Lemoniz I and II Nuclear Power Plants located on the Coast of the Bay of Biscay near Bilbao. On June 9, 1977 Eximbank also authorized a direct credit of $3.2 million to facilitate financing the U.S. costs of fabrication services of nuclear fuel reloads for both the Lemoniz I and Lemoniz II Plants, and on September 28, 1978 Eximbank authorized financial assistance of $17 million in the form of a credit of $8 million and a guarantee of private loans of $9 million for nuclear fuel enrichment services required for the Lemoniz I Plant. Iberduero has now requested and Eximbank is prepared to provide an additional direct credit of $10,766,250.

Iberduero requires additional financing principally for removal, repair and replacement of the steam generator in the Lemoniz I Plant and costs arising from delay in completion of the project. The steam generator was damaged in March 1978 when the Basque terrorist organization ETA detonated a bomb in the Lemoniz I steam generator. The Eximbank direct credit will also finance additional spare parts and design modifications.

2. Identity of the borrower

Iberduero, S.A. was created in 1944 as a result of a merger of two electric utility companies. Headquartered in Bilbao, it is the largest electric utility and one of the largest privately owned industrial enterprises in Spain. The utility accounts for more than 20 percent of Spain's electricity sales.

3. Nature and use of goods and services

The principal goods and services to be exported from the United States are parts and engineering supervisory services. Also included in the financing are costs for storage of the enriched fuel and cost escalation on fabrication of the nuclear fuel.

4. Safety and safeguard aspects

Exports of the nuclear equipment and services will be made within the framework of two agreements: (1) the bilateral "Agreement on Atomic Energy: Cooperation for Civil Uses" between the United States and Spain of August 16, 1957 as amended and (2) the trilateral agreement "Atomic Energy: Application of Safeguards by the IAEA to the United States-Spain Cooperation Agreement" among the United States, Spain and the International Atomic Energy Agency of December 9, 1966, as amended. Eximbank will require as a condition precedent to disbursement under this credit confirmation from the Department of State that exports to Spain for this transaction will be consistent with Section 128 of the Atomic Energy Act of 1954, as amended.

The nuclear equipment and services will be provided by Westinghouse Electric Corporation, Pittsburgh, Pennsylvania. Prior to export of the equipment and fuel, licenses must be obtained from the Nuclear Regulatory Commission.

5. Executive branch approval

In accordance with established procedures, Eximbank requested through the Department of State the views of the Executive Branch on the proposed transaction. State's Bureau of Oceans and International Environmental and Scientific Affairs advised that the Executive Branch has no objection to Eximbank's proceeding with this transaction.

B. EXPLANATION OF ADDITIONAL EXIMBANK FINANCING

1. Reasons

Significant United States-supplied parts, replacement and engineering services are required in connection with the removal, repair and replacement of the steam generator in the Lemoniz I Plant. Further, Iberduero has elected to incorporate certain design improvements in the Lemoniz Plant which enhance the safe operation of the plant. For these reasons, Eximbank feels it is appropriate to provide its support to finance these undertakings.

2. The financing plan

The total cost of the additional United States goods and services to be purchased by Iberduero is $13,500,000 which will be financed as follows:

	Amount	Percent of U.S. costs
Cash	$2, 733, 750	20. 25
Eximbank credit	10, 766, 250	79. 75
	13, 500, 000	100. 00

(a) Eximbank Charges

Disbursements under the additional Eximbank credit will bear interest at the rate of 8.75 percent per annum, payable semiannually. A commitment fee of 0.5 percent per annum also will be charged on the undisbursed portion of this Eximbank credit.

(b) Repayment Terms

Iberduero will repay the amounts disbursed under this additional Eximbank direct credit for equipment and technical services in thirteen semiannual installments and the amounts for storage of enriched uranium and escalation on fabrication of nuclear fuel in four semiannual installments, in each case commencing July 31, 1981.

Attached is certain additional information on Eximbank activity in and economic data on the country involved in the transaction.

Sincerely,
JOHN L. MOORE, Jr.●

A TRIBUTE TO THE LA PORTE, IND., HERALD-ARGUS ON ITS 100TH BIRTHDAY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Indiana (Mr. BRADEMAS) is recognized for 5 minutes.

● Mr. BRADEMAS. Mr. Speaker, I take this time to extend my warmest congratulations to the editor and publisher and all those associated with the publication of the La Porte, Ind., Herald-Argus on the occasion of the celebration of the centennial anniversary of this newspaper, which is published in the congressional district I have the honor to represent.

Last week, on May 2, 1980, I had the privilege of joining the Lieutenant Governor of Indiana, the Honorable Robert Orr, in saluting Mrs. Jean Alice Small, chief executive officer of the Small Newspapers Group, of which the La Porte Herald-Argus is one, as well as the Herald-Argus editor and publisher, Richard Morrish, on an achievement of great significance to the life of all of the people of the La Porte community.

In this connection, Mr. Speaker, I wish also to note with sorrow the death on March 10, 1980, of Len H. Small, chief executive officer of the Small Newspapers Group at that time and a man who was an active and dedicated American newspaperman.

The commitment of Len Small, Mr. Speaker, to journalism of high quality is obvious to anyone who reads the La Porte Herald-Argus today. Len Small's commitment, coupled with his love of and dedication to newspapering, had propelled him to the top of his profession and won him the recognition of his peers, who had selected him to be the president and chairman of the American Newspaper Publishers Association.

Len Small's legacy now rests with his wife and partner, Jean Alice Small, and their children—Len, Tom and Jennifer—all active journalists with one of the Small newspapers.

While few newspaper readers—and no politician—will always agree with what is printed, I for one can say that by and large, over the years, no newspaper in the district I represent has been more fair or more responsible than the La Porte Herald-Argus.

At a time when so many of its larger brethren are suffering circulation losses, the success of the Herald-Argus shows that the people of the La Porte area agree that it is an indispensable part of their community. This fact says a lot for the Small Newspapers and it says a lot for its editor and publisher Dick Morrish, and for all those who produce the Herald-Argus.

Mr. Speaker, community newspapers are as important today as they were 100 years ago, perhaps even more important in these complex times. As a community newspaper, the Herald-Argus represents the bedrock of American journalism.

A year ago the American Society of Newspaper Editors released a study it had commissioned titled "Changing Needs of Changing Readers." The burden of that study was that too many newspapers were failing to provide their readers with news and information, particularly local news—news of their communities and their neighborhoods.

Too many newspapers, according to the study, were losing touch with their readers. "* * * Strong local coverage," reported the ASNE study, "still produces the strongest ties between readers and editors. And, conversely, weak or indifferent local coverage is a major source of alienation."

Mr. Speaker, the continuing success of the Herald-Argus shows that the men and women who produce it have not lost touch with their readers.

In addition to the care with which local news is reported in the Herald-

Argus, there is something else it seems to me this newspaper has been doing right which is often not appreciated by many large metropolitan newspapers. The Herald-Argus is not forsaking information for junk news—the sex and scandal, games and sweepstakes, gossip and soap operas—that have taken over the columns of so many newspapers.

Mr. Speaker, in addition to paying tribute to the Small family and to Mr. Morrish, I should like also to express my own personal appreciation to another outstanding newsman, Donald Benn, for many years managing editor of the Herald-Argus and now associate editor, and a person whose contributions to the entire La Porte community are so many it would be impossible here to list them.

Leo R. Joint, the present managing editor of the Herald-Argus, I should here add, was the person responsible for producing an outstanding special 100th anniversary edition of the paper and looking at the special edition is a fascinating exercise in American local history.

Mr. Speaker, it is frankly not often that Members of Congress have an opportunity to speak about the role of the press in American life. Let me simply observe, therefore, that in our free and democratic society, where ultimate power lies with the electorate, it is essential that the people be informed and that the responsibility to provide that information rests with the press.

In this connection, Mr. Speaker, let me observe that many of my colleagues in the House have like me had the opportunity to visit the Soviet Union, and I believe no one would disagree with the proposition that although there may be areas in which our two countries must find agreements, there are fundamental differences between our two societies and two political systems that will continue to divide us.

Chief among these differences, it seems to me, is the secrecy that envelops the Soviet system as contrasted with the openness that characterizes the American system.

In our country, we believe in the public airing of debate between our two parties, within them and between the President and Congress a well as within Congress.

So long, it seems to me, as secrecy permeates the Soviet system, so long will it be difficult for relations between our two societies to improve.

But, Mr. Speaker, it must be obvious that central to the openness, the public airing of divergent views, in which we take such pride as Americans, is a free and unfettered press.

Mr. Speaker, on its 100th anniversary, I salute the contribution of the La Porte Herald-Argus to the maintenance of that freedom.●

SALE OF URANIUM TO INDIA OPPOSED

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. WOLFF) is recognized for 10 minutes

● Mr. WOLFF. Mr. Speaker, the State Department today announced its decision to recommend to the Nuclear Regulatory Commission the sale of 38 tons of enriched uranium to the Government of India.

Mr. Speaker, let me take this occasion to state my opposition to the State Department's decision and let me state my reasons why.

The Nuclear Non-Proliferation Act of 1978 established nonproliferation as one of the major objectives of United States foreign policy and mandated international acceptance of full scope safeguards as a condition for the future sale of nuclear material and technology by the United States. The law also provided the administration with a 24-month grace period in which to secure international acceptance of full scope safeguards.

Two years ago, the Subcommittee on Asian and Pacific Affairs, which I have the honor to chair, supported the President in his decision to overrule the NRC and continue the supply of enriched uranium to the Tarapur reactor pending the successful conclusion of full scope safeguard negotiations with the Government of India.

Mr. Speaker, the 24-month grace period has expired and the negotiations with India have failed to produce an agreement. And, given the history of the recent negotiations, I hold little hope that a continuation of the negotiations will lead to Indian acceptance of full scope safeguards. If India is to stand on principle, so too must the United States.

Last year the administration, acting in accordance with the nonproliferation objectives embodied in the Foreign Assistance Act, suspended all economic and military assistance to the Government of Pakistan. This year, shortly after the Soviet invasion of Afghanistan and during the subcommittee's foreign assistance hearings for fiscal year 1981, I made clear my opposition, on nonproliferation grounds, to the administration's proposed economic and security assistance program for Pakistan.

Mr. Speaker, I express the same opposition today with regard to India and for the same reasons. Either the Non-Proliferation Act and nonproliferation are primary instruments and objectives of this country's foreign policy or they are not. Either they apply equally to all or they apply not at all. And, I can conceive of no way in which we can continue to pursue our nonproliferation objectives toward Pakistan while we apparently violate the terms of our own law and continue to supply nuclear fuel to India.

This decision, rather than defusing potential proliferation in the subcontinent and Southwest Asia only opens the door to it by encouraging those elements in Pakistan who believe there is no alternative but to proceed with the development of a nuclear explosive device. Thus, rather than contributing to stability in the subcontinent, the State Department's decision may only serve to destabilize the region.

Moreover, I should observe that this decision falls into an all too familiar and unfortunate pattern—namely a decision made in the absence of adequate consultation with the Congress. While we were informed in advance of the decision, I do not consider being informed after the fact an adequate substitute for prior consultations. Decisions reached, as this one was—without prior consultation with the Congress, are inimical to the conduct of a democratic foreign policy.

Finally, the decision again raises questions concerning consistency in the conduct of this nation's foreign policy. Once again the question may legitimately ask whether this administration is able not only to articulate its foreign policy objectives but to implement policies aimed at securing those ends.

Mr. Speaker, I have repeatedly made clear my commitment to the cause of nuclear nonproliferation and I have repeatedly acted in accordance with my convictions. Thus, should the issue again come before the Congress, I wish to state that I will reserve my right to speak out and act to prevent the continued sale of enriched uranium to India pending its acceptance of full scope safeguards.

At the same time, I wish to reiterate my intense desire to maintain and enhance our friendships with the people of India and Pakistan. Likewise, I would repeat my commitment to enhance the ability of the world to live at peace without the threat of nuclear holocaust. Failure to arrive at full scope safeguards for the nuclear programs of both India and Pakistan would only signify a retreat from our commitment to nuclear nonproliferation and a peaceful world order. ●

A TRIBUTE TO JOHN I. CARR

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Mississippi (Mr. WHITTEN) is recognized for 15 minutes.

o Mr. WHITTEN. Mr. Speaker, I recently learned of the imminent retirement of one of our most highly regarded committee reporters, John I. Carr. Speaking as chairman of the Committee on Appropriations, John's retirement is a real loss.

John has been reporting congressional hearings for many years and has been a member of the staff of the official reporters to committees for the last 10 years.

This is an opportunity for us to recognize his competent and dedicated service to the House, particularly to the Committees on Appropriations and Ways and Means, where he has performed his task with a high degree of efficiency.

John is faithful to his profession; he is known for his great attention to detail, his countless hours spent on research, all of which is so evident in the final product of his labors, the transcript which is delivered to our committees.

I am informed that among his colleagues he is loved and respected.

I would like to personally take this opportunity to praise him because, as chairman of the Committee on Appropriations and its Subcommitee on Agriculture. I know the breadth of subject matter with which our committee deals, from A to Z; from agriculture and its many facets to zero-based budgeting with its technical jargon; from missiles to medical terminology, all of which are handled with great dexterity and patience by John and his colleagues.

I must add here that all of this is performed daily in great volume, while at the same time racing against deadlines for delivery to our committees so that we may fulfill our commitments with respect to the deadlines imposed by the leadership. This past session, for example, the Military Construction Subcommittee of the Appropriations Committee, alone, produced 4,086 pages of transcript, many of which were personally prepared by John. Multiply that figure by 12 other subcommittees and you can see the magnitude of the job handled by our committee reporters.

I never cease to be impressed by the dedication, perseverance and accuracy of our committee reporters. We must remember, too, that John has great support in his efforts from Mrs. Dorothy Tyndall, his most efficient notereader. John has spoken favorably of her work.

I would like also to mention the names of several of my colleagues who have contacted me asking to join in this tribute to John. They include the ranking member of the Appropriations Committee, the Honorable SILVIO CONTE; the chairman and ranking member of the Military Construction Appropriations Subcommittee, the Honorable GUNN McKAY, and the Honorable BOB McEWEN; also the chairman of the HEW Subcommittee on Appropriations, Hon. WILLIAM NATCHER, and his ranking member, the minority whip of the House, the Honorable BOB MICHEL; along with the chairman of the Interior Subcommittee, the Honorable SIDNEY YATES; chairman of the Defense Subcommittee, the Honorable JOSEPH P. ADDABBO, and others, all of whom John has worked with over the years.

I could go on at length with words of praise, but I will end with a sincere gesture of appreciation to John Carr and his wife Willette, who in her own right was a fine shorthand reporter. we wish them good health and a long life.

● Mr. ADDABBO. Mr. Speaker, today, I am privileged to join with my distinguished colleagues in paying tribute to John I. Carr's 10 years of service to Congress in serving as a member of the official reporters to committees. John has been a very diligent, efficient, and hardworking individual. He is to be commended for his efforts to strive for perfection in the tasks he performed. As a member of the Appropriations Committee and chairman of the Defense Subcommittee, I am keenly aware of his excellent work in reporting hearings. John is also a very adept individual in meeting many last minute deadlines so the work product of the committees could be finalized in time. He is certainly a credit to his profession.

John will definitely be missed but not forgotten. I know that his fellow staff members will feel his absence. At this time, I would like to thank John for his years of faithful service. Most of all we are grateful that he decided to share those working years of his life with us.

I would like to congratulate John on his 10 years of dedicated service to the House. It is my wish that John and his wife will have a healthy and long life all the while enjoying the fruits of his labor in his retirement.●

ADDRESS BY GEORGE F. STRINGFELLOW ON THOMAS ALVA EDISON

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida (Mr. PEPPER) is recognized for 10 minutes.

● Mr. PEPPER. Mr. Speaker, Mr. George E. Stringfellow, former business associate of Thomas Alva Edison and past president of Shriners Hospitals for Crippled Children, delivered an informative address on May 3, 1980, before the Scottish Rite Bodies and their ladies at the Washington Hotel in Washington, D.C., on Mr. Edison's remarkable devotion to his great work. The dedication this outstanding scientist exhibited serves as an example for all of us to emulate, not only for his unyielding zeal for discovery but also for the integrity upon which he based his company. Mr. Stringfellow had the rare privilege of knowing and working with Mr. Edison, which has been the dream of every scientific man, not only in America but the rest of the world.

I include the eloquent address of Mr. Stringfellow in the RECORD. Reading it will enlighten everyone who has marveled at the wonderful inventions that Mr. Edison and his company have given the world:

ADDRESS BY GEORGE E. STRINGFELLOW

Illustrious William E. Eccleston, 33, Sovereign Grand Inspector General in the District of Columbia, your officers and their ladies: Thank you for your gracious introduction and for the warmth of your reception. I am happy indeed to relate to you some of my experiences extending over the eight-year period I worked and had almost daily contact with Thomas Alva Edison.

I met Mr. Edison in June 1923 when he was 77 years of age and I was 31. I had been manager of the Washington, D.C. sales office of Edison Industries for more than four years when I received a telegram from the General Sales Manager directing me to report the following day to the company headquarters in West Orange, N.J.

Upon presenting myself to the General Sales Manager, he said that Mr. Edison wished to see me. I had never met the owner of the business and so to better prepare myself to meet "The Wizard of Menlo Park", I asked my superior if he would give me an inkling of why Mr. Edison wanted to see me. He replied, "He'll tell you".

I went to the library where Mr. Edison had his main office and was greeted by Mr. W. F. Meadowcroft, Mr. Edison's assistant for more than forty years. Mr. Meadowcroft presented me to Charles Edison who asked me to be seated, saying his father would be in in a few moments.

When Mr. Edison appeared he was wearing an acid-eaten duster and a lock of his white hair drooped over the left side of his forehead. Realizing I was in the presence of this great genius, I was struck with awe and a feeling of humbleness.

Although Charles had presented me to his father, Mr. Edison apparently did not hear my name, and asked: "Are you Stringfellow?" I answered in the affirmative.

After the exchange of a few pleasantries, Mr. Edison told me that predicated upon my performance as manager of the Washington sales office, he wished to appoint me Vice President and General Sales Manager. I told him I was highly complimented and, after a brief conference, I accepted this promotion.

Seven months later, that is, in January 1924, Mr. Edison appointed me Vice President and General Manager and my association with him in that capacity was almost daily until he passed on in October 1931.

Because of Mr. Edison's impaired hearing, many of our discussions were confirmed in writing. Those which had to do with basic policies, as well as technical matters, were often covered by memoranda. His comments in response to memoranda were always made in his own handwriting.

Mr. Edison's day at the laboratory began about 8:30 A.M. He usually ate his lunch at his desk. Occasionally he would take a short nap in mid-afternoon, cautioning his assistant not to let him sleep more than thirty minutes because he had no time to waste.

He usually left for home about 6:00 P.M. in a Model T Ford touring car, taking along what he called "a bag full of problems". After dinner he would work on those problems either at his desk or in the laboratory in the basement of his home.

Mr. Edison was interested in all phases of business and he and I frequently discussed economic and marketing problems.

In April of 1928 I prepared a manual for our sales force and sent the galley proof to Mr. Edison with the following request: "I would be very glad to have the benefit of your comments". His comments, written on the face of my memorandum read: "Nothing could be clearer or more informative; if we could only get them to read it. Edison"

Mr. Edison often quoted Sir Joshua Reynolds. His favorite quotation was this one: "There is no expedient to which a man will not resort to avoid the simple labor of thought". Mr. Edison used to say if you give a man a choice of adding a long list of figures or walking a dozen blocks to purchase a newspaper, he will stretch and yawn and likely say, "I need the exercise so I will go for the paper" . . . meaning he would rather have physical than mental exercise.

Mr. Edison was an inspiring person to work with. He was always available; all one had to do was determine in which laboratory he was working. He would drop whatever he was doing, readily give his advice and then resume his work. He possessed many admirable qualities, but to me, two of the most outstanding were: 1. Industry (which I have already covered) and 2. Integrity.

On one occasion Edison Industries placed a product on the market which had performed well in the laboratory, but its performance in the field was a disappointment. Mr. Edison closed the plant that manufactured that particular item while he worked on perfecting the product so that it could again be placed on the market. In the meantime he requested his customers to return their original purchases and be fully reimbursed. Many customers felt they should pay for the service already received, but Mr. Edison would not agree to this. When I asked him his reason, he replied: "My integrity is involved and that is not for sale."

About eighteen months before he passed on I entered into an understanding with Mr. Edison whereby each Saturday morning I would submit to him a list of questions having to do with technical phases of several products to which he alone had the answers. This plan continued for a period of months. He would take the questions home with him on Saturday afternoon, write down the answers over the week-end and return the completed paper to me on Monday morning. Those questions and answers were placed in the company safe for possible future use.

In 1937, six years after Mr. Edison's death, Edison's Industries received a shipment of iron from Sweden to be used in the negative plates of the Edison nickel-iron alkaline storage battery. The impurities in the iron (in this instance, traces of nickel), caused our inspection department to reject this shipment. Our inventory was low and it would have taken several months to replace the rejected iron. It was at this point I recalled the question-and-answer papers in our safe. Fortunately one of the questions asked what effect traces of nickel in the iron would have on the life of the battery. There in Mr. Edison's firm handwriting was the answer, "No harm". This meant we could use that shipment of iron and thus avoid the possibility of closing down one of the plants for a month or six weeks.

Mr. Edison's untiring efforts for the betterment of mankind produced more inventions than were produced by any other person in history—more than 1100. His favorite invention was the phonograph, his most difficult, the nickel-iron alkaline storage battery; and his most important was the incandescent lamp.

If it were possible for us to ask him today what is wrong with this weary and confused world, I am sure his answer would be, "Nothing that the application of the principles of Christianity and hard work would not correct."

Edison's memory commands devotion rooted deeply in human gratitude.●

THE ABORTED RESCUE MISSION OF OUR AMERICAN HOSTAGES IN IRAN

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Mississippi (Mr. MONTGOMERY) is recognized for 5 minutes.

● Mr. MONTGOMERY. Mr. Speaker, after 5 days of hearings and briefings before the House Armed Services Committee pertaining to the aborted rescue mission of our American hostages in Tehran and after asking many questions about the mission, it is my opinion that the operation had well over a 50-percent chance of being successful. The mission had bad luck with three helicopter failures and the so-called dust particle encounters.

I am of the opinion more helicopters were needed in the plan. I also believe it would have been better if one military service could have handled the commando action, the helicopters, and the helicopter maintenance instead of having several services involved. This would be more efficient in that it would reduce the possibility of both human and mechanical failures.

I am not sure whether the weather forecasting techniques used could have been improved on or not. I do know that the decision to abort was made by the commander of the operation and the President agreed.

I share part of the responsibility for the rescue attempt, as do most Americans, in that I was becoming impatient and wanted the President to take action. He did. Unfortunately, the mission was not successful.●

FOOD STAMP CUTOFF

(Mr. WRIGHT asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. WRIGHT. Mr. Speaker, I include at this point the Michael Berryhill article from the Fort Worth Star-Telegram of May 4, 1980, that I referred to earlier today, as follows:

MANY WILL FACE HUNGER IN JUNE IF THEIR FOOD STAMPS ARE CUT OFF

(By Michael Berryhill)

For many Americans, June is a time to think about vacations and college graduations. For food stamp recipients, it has threatened to be a month of hunger.

Like everything else, the food stamp budget has been eaten away by inflation. The limit to food stamp spending was set in 1977, and simply did not anticipate the current rate of inflation. If Congress does not pass a supplementary budget next week, there will be no food stamps for the month of June.

Such a cutoff would affect 41,000 people in Tarrant County and cost retailers $459,732 a month, according to Texas Department of Human Resource figures.

Local civil and religious groups have been planning a food distribution program if the budget fails to pass in time.

But recent action by the House Rules Committee cleared the way for the food stamp budget to be approved along with a final budget bill by a May 15 deadline.

The new legislation, if agreed upon by the Senate, would still have a spending limit, but would allow some flexibility on the part of the agriculture department to increase spending.

Most observers think Congress will continue the food stamp program, and it appears there is enough time to make the May 15 deadline and avoid the June cutoff.

But the prospect of a cutoff has frightened and concerned recipients and social service agencies.

The most a single person can receive in food stamps is $63 a month, but few people qualify.

Anna Marie Bean of River Oaks receives the full amount. She has no income other than what her grown children, who are struggling themselves, can provide.

Mrs. Bean's last work was as a sales clerk, but she was laid off because she couldn't do the job. A stroke has left her left arm paralyzed. She is epileptic and subject to blackouts from hyperglycemia. Her high school age son had to leave home, she said, so that she could be considered for Social Security disability benefits. She is 46.

Qualifying for social security may take from three to six months. Meanwhile, she is left totally dependent on food stamps to eat.

The prospect of a food stamp cutoff in June frightens her, she said.

"It would mean I wouldn't have any food at all."

"Give-away" programs stir the resentment of the public and politicians. Scandals involving millions of dollars in federal government purchasing procedures aroused little public emotion compared to the suspicion that someone might be getting something for not working.

A recent call for an investigation into the food stamp program by Gov. Bill Clements was based on "hearsay" of wrongdoings, he admitted.

But the facts reveal that no one can live high off the hog on food stamps and that most who receive them have no other choice. Those who try to deceive the government about their eligibilty for the stamps are eventually caught, a top investigator said.

Department of Agriculture officials note that each food stamp dollar generates $3.60 in the economy.

The food stamp money does not disappear into the stomachs of the poor, they say, but adds to the profits of American farmers and retailers, and frees the income of the poor to be spent on rent, clothing and other necessities.

For some elderly people, the threatened June cut-off could mean a choice between a medical prescription and food. Welfare workers predict an increase in hospital costs if the stamps are not continued. Some recipients have said they would have to steal in order to eat.

Rosie Billings receives a veteran's check and disability. She is having trouble proving to the Social Security Administration that she is 62 and old enough to qualify for retirement benefits. She receives $24 a month in food stamps. She has to pay medical transportation and medication and part of her medical bills.

"Just that little bit is big help. Without it how would people like me make it?" she asked.

The Texas Department of Human Resources says that 38 percent of the food stamp recipients are either elderly or disabled. These are people who will always be dependent upon society to look after them.

But food stamps are becoming essential for another category not often understood—the working poor.

Twenty percent of food stamps recipients work, but earn so little that they meet federal poverty standards. Some are the victims of seasonal unemployment and the ups and downs of the construction industry. Some are the victims of bad luck.

Betty Dean had been working at a nearly minimum wage job for two years when her husband had an off-the-job accident that made it impossible to be an iron worker.

Doctors implanted steel pins in David Dean's slowly healing wrist, but were unable to say when he could return to work.

Suddenly, the Deans were faced with the prospect of feeding themselves and three boys, aged 9, 11 and 16, on a job that pays $3.69 an hour.

They had to swallow their pride and ask for food stamps.

"I don't like it, but when it came to my children, I'll never be too proud to ask," Mrs. Dean said.

They receive $146 a month in stamps, Mrs. Dean said, with which she buys essentials—"beans, potatoes, chicken, whatever's cheap."

Like many of food stamp recipients, Mrs. Dean sees her situation as temporary. She knows that her husband is not permanently disabled and will eventually be able to work again.

The Texas Department of Human Resources says that 27 percent of food stamp recipients use the stamps for less than six months, that 9.5 percent use them for six months to a year, and 30 percent used them for one to three years. Thirty percent—the elderly and the disabled—use them for longer than three years.

Few people can entirely feed themselves on food stamps. The Gallup poll indicates that the average family of four requires $236 a month for food alone. Mrs. Dean's allotment for a family of five is $146. The average income of a food stamp household is $320 a month.

Food stamp authorizations are mailed at the beginning of the month. Recipients take the authorization to the post office, where they are given their food stamps.

Many of the recipients then try to buy for the month's needs, said Ed Anderson, manager of Courthouse Supermarket.

On one aisle are 25-pound sacks of sugar and flour, and 25-pound cans of lard preferred by Anderson's food stamp customers. Many of them come from the nearby low-income housing projects.

Anderson estimated that $40,000 a month worth of food stamps come through his store, with perhaps $25,000 to $30,000 in the first week of the month.

Few people try to buy illegal items, such as beer or tobacco, with the stamps, he said. They know the rules, he said, and the store sticks by them.

Other grocers and businessmen have not been so honest, according to recent reports. The biggest food stamp scandal this year has not involved welfare clients illegally claiming benefits, but businessmen who bought food stamps from FBI agents in a "sting" operation.

Fraudulent application for food stamps amounts to less than 1 percent of the program, said Royce Couch, district investigator.

Couch said his investigators prosecuted $111,247 worth of claims in Tarrant County last year involving 117 defendants. That averages about $1,000 a case. Dallas County had similar figures—$569,000 involving 534 defendants.

Few people can get away with fraud in the food stamp program, Couch said, because of the use of trained investigators and sophisticated cross reference computer system.

Just filing for food stamps is not an easy process. If a person has no food and no money, filling in the first page of the food stamp form can provide some immediate relief, said Ceci Mendez, a caseworker at the Texas Department of Human Resources on Fourth Street.

Filling in the seven other pages usually takes 45 minutes to an hour, she said, because the form requires information on every aspect of a person's financial life.

Most people come to her office only after they have exhausted their resources, she said. Usually their pride is hurt, she said. Often they have been laid off, or are the victims of disease or injury.

Only 10 percent of those who receive food stamps are able to work, according to TDHR statistics. They must continue to seek work in order to qualify for the stamps.

A COUNTRY POST OFFICE

(Mr. HANLEY asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. HANLEY. Mr. Speaker, a byproduct of the Postal Reorganization Act of 1970 is a continuing overture on the part of management of the U.S. Postal Service to substantively reduce the number of post offices serving American rural communities. This effort is based, understandably, only on the economic target of postal management, in accord with the self-sustaining concept required by the act of 1970.

Each closure effort has met with scorn by the good majority of the House of Representatives, as documented by several votes on the issue. My thinking, and indeed I am not alone, has it that the rural post office is far more than simply a facility used for the purpose of distributing mail, but rather in addition to that basic purpose, it serves a great traditional communal service for the population of that particular rural area—a town hall, if you will, or a rendezvous where one citizen will appoint to meet with another for their own purpose.

Essentially, from the beginning of our Nation, this has been tradition in our American society. Relatively speaking, the cost factor is really insignificant, and as I have pointed out many times, this particular set of taxpayers who by virtue of their tax money support all of our ongoing national programs, such as mass transportation, public housing, and a myriad of others, even though they have access to none of them, but really enjoy this one parochial accommodation, which they treasure. Is it then fair to deny it to them?

A classic portrayal of what I am attempting to say is contained in the May 7 issue of the Christian Science Monitor an article entitled, "A Country Post Office," authored by John Yemma. Mr. Yemma's article explains the issue so very well. I commend its reading to my colleagues:

A COUNTRY POST OFFICE

(By John Yemma)

RADIANT, VA.—In the clean chill of a country morning, Melvin Nicholson unlocks the door to the tiny white-frame building, gathers a few sticks of kindling, and fires up the TipTop wood-burning stove. Outside, thin black smoke rises against a bright sky.

Across the highway, cattle browse lazily through hay. Around mid-Virginia county of Madison, dairymen, farmers, laborers, housewives move through their morning chores. But when Mr. Nicholson has hauled the morning mailbag inside and hoisted the Stars and Stripes, the post office of Radiant, Va. 22732, is ready for business.

That little post office out there at the figurative crossroads of America is perhaps the humblest of government institutions—small, obscure, slow paced, and lacking in self-importance.

Yet these small post offices, formerly designated as "fourth class," have been sources of intense local pride when threatened with termination by a budget-conscious government. Together with the churches, schools, and general stores, post offices are the common ground for those who live far from each other—part of the fabric of back-country America. A government office, it is distinctly ungovernmental in its social function. On the wall is a little sign reading, "Bless this house and all who enter."

It is dear to the hearts of many rural citizens, prized for many reasons: essential service, community focus, ostensible demonstration of federal tax money at work. Through it each weekday trickle all the business notices, mail-order treasures, love letters, and journals of news that knit society together.

"In Michigan forests," wrote French statesman/author Alexis de Tocqueville early in the 19th century, "there is not a cabin so isolated, not a valley so wild, that it does not receive letters and newspapers at least once a week." And later he noted of young America: "The post, that great link between minds, now penetrates into the heart of the wilderness."

We recently watched a workday unfold at the tiny Radiant Post Office. The general delivery window opens at 7 a.m. and does business until 1 p.m. For whatever the reason—the cozy room, congenial atmosphere, the Christmas Eve feeling one can get waiting for the mail to come—the post office is a favorite drop-in spot for the farm folk of Madison County.

Take Effie Tucker. Out for her morning stroll on the day we were there, she arrived in due course at the front step of the post office. Miss Tucker wasn't expecting a letter. She didn't get one. But that didn't prevent her from spending a good portion of the morning in friendly conversation with a friend, Helen Brockman, beside the stove.

Postmaster Nicholson knows all his customers' names. He may even know the particulars of the mail they are expecting—though, naturally, he lets none of this detract from his chartered duty of "intelligence, diligence, and discretion" in sorting letters and periodicals for 43 general delivery and 55 star route families.

Little things make up the day's work. The latest issues of Progressive Farmer, Boy's Life, Ebony arrive on a Friday. Social-security checks come another day.

"Back on Valentine's Day," Mr. Nicholson says with a smile, "we got a letter from across the country with handwriting all over the envelope. It was the funniest-looking thing. And you should have seen the grin on the young man's face when he came to pick it up."

On this particular day, Alice Lohr perks up the small talk by arriving upon an auburn stallion. Her father-in-law, George Lohr, drives up on his John Deere tractor. A dozen customers trickle in and out. Still. Mr. Nicholson has a couple of hours of quiet time to himself.

The name Radiant was chosen by Joseph H. Tucker, grandfather of Effie Tucker, in 1885. Its significance is not recorded, but the US Post Office Department (precurser of the Postal Service) accepted the name because it did not duplicate any others in Virginia, an important consideration in the days before ZIP codes.

Over the years, post offices such as this have been the only "town" that many farming areas have had. Economy measures have reduced their numbers in recent years, but the Postal Service recognizes the fact that rural post offices serve purposes other than delivering the mail.

"It will probably come as no surprise," writes journalist Richard J. Margolis in a report prepared recently for the US Postal Rate Commission, "that during my investigations I found not a single rural citizen who seemed prepared to give up his local post office without a murmur. . . . The marriage between Americans and their post offices has endured much too long, and has been far too successful, to permit anything but a painful separation."

Mr. Margolis says the crossroads post office remains invisible to rural residents as they conduct their daily business. But when its survival is threatened, or when an outlander like himself begins asking questions, they come up with answers that explain the depth of their loyalties.

"I guess the post office is like drinking water," a woman in Milroy, Minn., told him. "You don't appreciate it till you don't have it."

"These are places where the flag flies," says Allen Lanierd, editor of Postmaster's Advocate magazine and himself the post master in Guyton, Ga. "These are places where the federal government gives the people some type of return on their tax money.

"No, it's not always self-supporting," he says. "But, funny as it may sound, delivering the mail can be secondary to flying the flag—to being a good neighbor."●

POSTAL RATE INCREASES

(Mr. HANLEY asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. HANLEY. Mr. Speaker, recently the Committee on Post Office and Civil Service held a hearing on the impact of the Budget Committee's proposed cut in postal appropriations, which is designed to wipe out all public service appropriations for our Nation's postal system for fiscal year 1981 and thereafter. We heard from the Governors of the U.S. Postal Service—four gentlemen appointed by the President and confirmed by the Senate to carry out the policies which the Congress has established to insure that the postal system is operated for the benefit of the people.

Nearly all of the members of our committee attended that hearing and I believe I can speak for all of them in saying that we were shocked by their attitude toward the need for a continuation of public support for the postal system. But, at the end of that hearing, Mr. M. A. Wright, Chairman of the Board of Governors, assured our committee that all of the Governors were very conscious of Congress concern on this matter and that they would give very careful consideration in their meeting last Sunday to the points of view which every member of our committee expressed.

Well, yesterday we got the answer. The Postmaster General, pursuant to the direction of the Governors, has proposed a postal rate increase larger than any other rate increase in American history. A 5-cent increase in the postage rate for first-class letters, which is the only class of mail which the average American ordinarily uses.

In addition, this postal rate increase is based on the presumption that Congress will not cut postal appropriations. So if the Budget Committees of either the House or Senate prevail in their effort to cut the Postal Service subsidy by either $600 million or $836 million, that loss of revenue would have to be taken into account. Either the Postmaster General would ask for another rate increase, on top of the proposed rate increase, or he would have to go further into debt at even greater expense to future mail users.

This huge increase is cleverly designed. It offers the public a "holiday" rate for Christmas cards, with the stipulation that the lower rate only applies to cards which you do not expect to get to the addressees anytime soon. For the big corporate mail users, the Postmaster General proposes that publishers of mass circulation magazines pay an extra 1.9 percent, and small newspaper publishers, whose opposition to postal rate increases might carry some weight pay 15 percent less. Parcel post, which has just about disappeared in the past few years, is increased 8 percent.

Fortunately, Mr. Speaker, the Governors' proposals are not final. The Postal Rate Commission makes the decision, and in a few months, after the Commission has had an opportunity to analyze the facts and figures, maybe that Commission can come up with a postage stamp that is in the interest of the American people. I hope that is the case because I am grieved by the callous indifference of the Carter administration to the public interest in the postal system. This indifference is reaching the breaking point. If it takes the outright repeal of the private express statutes which protect the postal monopoly to impress this administration that we mean business when we say we want the American people to have public postal services at reasonable prices, then that solution may not be far off.●

MR. HOGG'S CONTRIBUTION TO FIGHT ON INFLATION

(Mr. HANLEY asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. HANLEY. Mr. Speaker, it has been refreshing recently to turn on the television and find the president of one of our largest credit organizations urging his customers to be cautious in their use of credit.

The man on television is Russell E. Hogg, who is president of Interbank, the nonprofit association which licenses banks to issue and process the MasterCard credit card.

Mr. Hogg's message, in the paid commercials, is:

> We are all feeling the money squeeze these days, and Washington has asked us all to help fight inflation. Buy only what you need. Don't overextend. And starting today, use your MasterCard only for necessities and emergencies. In fact, handle all your credit cards and charge accounts with good sense and great care.

That is a message all of us can appreciate, and it is gratifying to know that the Government isn't alone in spreading it.

I was pleased to note that Fortune magazine, in its issue dated May 19, 1980, has acknowledged Mr. Hogg's contribution to the fight on inflation. I would like to have that short article, entitled "An Unexpected Pitchman for Cash," to appear in the RECORD.

AN UNEXPECTED PITCHMAN FOR CASH

After President Carter announced his program to restrain consumer credit, Russell E. Hogg went on television too. But the new president (since February) of Interbank, the nonprofit association that licenses banks to issue and process the MasterCard credit card, isn't pleading for business. Instead, Hogg urges TV viewers: "Use your Master Card only for necessities and emergencies." Holding up his own MasterCard, he concludes, "Remember, handle with care." Says Hogg, 52, of his debut as a TV pitchman: "I want people to think about today's economic situation, to think about their finances and their total ability to pay. This is an alert."

Hogg's main interest, of course, is in profits for the 12,000 banks that are Interbank members. For now, the less consumers use MasterCard, the better for bank earnings, because the banks are squeezed between low yields on money they lend cardholders and high interest rates on money they must borrow.

Member banks are taking a variety of steps on their own to protect profits. Crocker National Bank of San Francisco last month started charging a 12-cent fee on every MasterCard transaction. Bank of America is imposing a $12 annual membership fee. Hogg expects what he calls a whole new "pattern of fees" for bank cards to continue even after the economy recovers.

An accounting graduate of the University of Rhode Island, Hogg started his business career at Seagram, and later worked for American Airlines, American Express, and Macmillan. Along the way, he served seven years as an FBI agent ("I always had butterflies on an arrest"). He says his FBI training taught him to "think absolutely instantly."

In the fast-paced credit markets, quick thinking and an ability to overlook the butterflies should be handy attributes.●

REFUGEE IMMIGRATION: A GROWING PROBLEM

(Mr. BROOMFIELD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

● Mr. BROOMFIELD. Mr. Speaker, I am concerned about the lack of a coherent, realistic policy to deal with the growing problem of refugee migrations. This problem has been starkly highlighted recently by the burgeoning flood of people fleeing the tyranny of the stagnating Castro regime in Cuba. In the first 6 months of the current fiscal year, some 9,000 Cuban refugees have come to the United States.

Two weeks ago, Castro decided to callously manipulate the flow of those refugees for political and propaganda purposes in response to the embarassment his regime experienced when a crowd of 10,000 defiant Cubans trying to escape from that disastrous Socialist dictatorship took refuge at the Peruvian Embassy in Havana. The result of that decision, in short, has been the arrival of another 21,588 Cuban refugees in Florida between April 26 and May 6, inclusive, of this year.

Unfortunately, the administration's response to this crisis has been characterized by confusion, inconsistency, and delay, as usual. Initially, the administration took a hardline position to discourage the growing exodus. Abruptly a 180° turn occurred, and the President declared the refugees would be welcomed "with open arms." The administration's vacillation on whether certain types of Federal aid would be available for helping the refugees and the terms of its use succeeded in disrupting the work of private voluntary groups in the pressing resettlement effort. It is no surprise that the areas in Florida which have borne the brunt of this refugee influx have now been declared disaster areas.

Most troubling, however, is the fact that the administration has been so slow to realize that the plight of these destitute victims of the Castro regime is clearly a hemispheric, and quite possibly an international, problem. Americans are a generous people who respect the desire for freedom and human dignity which motivates so many of the refugees. Americans are willing to do their part to help alleviate the hardships facing the refugees and to help them make new lives for themselves. But the burden of this humanitarian relief effort must be shared equitably by other countries, too.

A number of informed observers believe that as many as several hundred thousand people may leave Cuba over the next few months, headed for the United States. The recession in the United States is deepening. Double-digit inflation is growing steadily worse. Unemployment nationally has reached 7 percent, and in some areas of the country the problem is staggering. In the Detroit area, it is projected that unemployment may reach 40 to 50 percent by this summer.

In light of these domestic conditions, Americans cannot fairly be expected to shoulder the refugee burden alone. The Carter administration sorely needs to redouble its belated and half-hearted efforts to reach an agreement with other countries and international organizations as soon as possible on a coordinated and effective multilateral refugee relief and resettlement program.●

NATIONAL SCHOOL LUNCH AND CHILD NUTRITION ACT AMENDMENTS

(Mr. PANETTA asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. PANETTA. Mr. Speaker, the administration has asked me to introduce its proposed amendments to the National School Lunch Act and Child Nutrition Act of 1966. I am doing this in order to place the recommendations of the administration before the appropriate committees for consideration. I am submitting for the RECORD a summary of the legislation prepared by the administration along with a copy of the bill itself and a section-by-section analysis. I am hopeful these materials will prove useful in facilitating discussion and debate on these important issues.

The material follows:

SUMMARY OF NATIONAL SCHOOL LUNCH AND CHILD NUTRITION ACT AMENDMENTS

The legislation provides for a three year extension of those authorities expiring on September 30, 1980 which include the Summer Food Service Program for Children, Nutrition Education and Training Program, State Administrative Expense Funds, and the reserve provision of Food Service Equipment Assistance. In addition, the bill extends the authorization for appropriation of funds for the Special Supplemental Food Program for Women, Infants and Children (WIC) and the Commodity Distribution Program for one year in order that future consideration of these authorizations will coincide with consideration of other Child Nutrition Program authorizations. It also contains provisions which will substantially strengthen the operation of the Child Nutrition Programs.

The bill reduces by five cents the federal subsidy for paid school lunches. Currently, these lunches are supported at a level of 33.5 cents. Under the proposal next school year the subsidy for students from upper and middle income families would drop a few cents to 31.4 instead of increasing to 36.4 cents. Students eligible for free or reduced price lunches would continue to receive the basic subsidy of 36.4 cents in cash and commodities.

The result of this proposal would likely be an increase of about a nickel in the price charged to paying students. This means that students from middle and upper income families would have to pay about $9 more per year for lunches at school. Federal school meal support for these non-needy students would still continue to be over $750 million per year in cash subsidies and commodities.

This proposal would have minimal impact on participation of middle and upper income students in the school lunch program. Studies indicate that 96 percent of all students now purchasing paid lunches would continue to do so, and only 4 percent would drop out of the program if the 5 cents were passed on to the students. It would have no impact on needy students who participate in the National School Lunch Program.

The legislation would provide, however, that the current national average payment for paid meals would be permanently restored to the same level as the section 4 payment for free and reduced price lunches following any school year in which paid meals represent 50 percent or less of all lunches served through the National School Lunch Program. Currently paid lunches represent 56 percent of the total lunches served. This provision demonstrates a commitment to maintaining the lunch program for all students and answers those critics who claim that the nickel reduction in support would turn the program into a "welfare program".

The bill provides for a modest reduction in the eligibility standards for free and reduced price meals. Currently, these income limits are 125 percent of the poverty line for free meals and 195 percent of the poverty line for reduced price meals.

The free meal income limit would be set at 100 percent of the poverty line plus a $75 monthly standard deduction (the same level standard deduction as in the food stamp program). The reduced-price income limit would be set at 175 percent of poverty plus the food stamp standard deduction. The cumbersome itemized deductions that are now part of the Child Nutrition programs would be eliminated, thus simplifying the program.

Additionally, the bill extends the authority for the appropriation of funds for the Summer Food Service Program for Children for three years. It also contains several provisions designed to strengthen the management of the Summer Food Program. Of all FNS programs, the Summer Program has had the most trouble from waste and fraud by local operators. Over the past three years we have substantially tightened administrative controls at all levels, which has also resulted in a significant reduction in annual program expenditures. However, significant problems still remain. The bill addresses these problems by further limiting vendor participation in the summer food service program.

These proposals would reduce the number of meals reimbursed under the program by nearly 35 percent and could save $45 million. They would not, however, reduce the number of children served by 35 percent. First, these changes are not expected to eliminate many sponsors; rather it is envisioned that sponsors would tailor their existing programs to meet the revised eligibility criteria. These changes will build upon past reforms to improve further the quality of the Summer Program, reduce unnecessary expenditures, and target benefits more directly to low income areas.

The legislation also makes modest changes in the Special Milk Program which supplies milk to school children in addition to what they receive from their regular lunch or breakfast program. The Special Milk Program is subsidized in a manner similar to the school lunch program.

The proposed legislation would set the Special Milk reimbursement at 5 cents per half-pint in schools that also offer milk as part of their school lunch or breakfast programs. This 5 cent rate would only apply to children who are not poor. Needy children would continue to be eligible for free milk, and schools would continue to be reimbursed at higher rates for free milk. Schools that do not have hot lunch programs would not be affected by this recommendation.

By reducing the reimbursement rate to 5 cents instead of allowing it to rise to 8.50 cents for the next school year, the proposal will simply require those children who do not buy the school lunch to pay a few pennies more for milk. This modest change in the Special Milk Program would achieve a savings of $55 million.

Prompt action on this bill will enable continuation of many valuable feeding programs that reach millions of persons. It will enable essential reductions in federal expenditures, by reducing waste and tightening program management without thwarting the purpose of these important nutrition programs.

H.R. —

A bill to amend the National School Lunch Act, and the Child Nutrition Act of 1966, to revise federal payments for paid lunches, income eligibility standards, and eligibility for the Special Milk Program; to reduce fraud and abuse by restricting the eligibility of certain service institutions to operate the Summer Food Service Program for Children; to extend the authorization for the Special Supplemental Food Program, State Administrative Expense Funds, the Nutrition Education and Training Program, and the reserve provision of Food Service Equipment Assistance; and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Child Nutrition Amendments of 1980."

NATIONAL SCHOOL LUNCH PROGRAM

SEC. 2. Section 3 of the National School Lunch Act is amended by changing the period at the end of the first sentence to a colon and adding the following: "*Provided,* That beginning October 1, 1981, unless the State legislature meets biennially, in which case this provision shall be effective at the beginning of the fiscal year following the first meeting of the Legislature after passage of this Act, to be eligible for cash assistance payments under sections 4 and 11, a State shall administer programs authorized under sections 13 and 17 of this Act.".

REIMBURSEMENT LEVELS FOR PAYING STUDENTS

SEC. 3(a). Section 4 of the National School Lunch Act is amended by striking the period at the end of the section and adding in lieu thereof: "*Provided further,* That the national average payment factor for lunches served to children ineligible for free or reduced price lunches shall be five cents less than the national average payment factor specified above for lunches served free or at a reduced price to children eligible to receive such lunches, except that if in any school year, lunches served to children ineligible for free or reduced price lunches represent 50 percent or less of all lunches served pursuant to the National School Lunch Program, then this proviso shall be rescinded for all subsequent school years. A determination as to whether lunches served to children ineligible for free or reduced-price lunches represent 50 percent or less of all lunches shall be made for each school year that this proviso is in effect, based on data as of June 1 of that school year.".

(b) The sixth sentence of section 11(a) of the National School Lunch Act is amended by:

(1) striking "and on January 1, of each fiscal year, semiannual adjustments" and inserting in lieu thereof "an annual adjustment";

(2) inserting "free or reduced price" before "lunches" the first time it appears; and

(3) striking "six-month" and inserting in lieu thereof "twelve-month" in the second proviso of the sentence.

ELIGIBILITY STANDARDS FOR FREE AND REDUCED PRICE MEALS

SEC. 4. Section 9(b)(1) of the National School Lunch Act is amended by:

(a) revising the sixth sentence to read as follows: "The income guidelines for free lunches shall be the income poverty guidelines prescribed by the Secretary.";

(b) revising the eighth sentence to read as follows: "Such income guidelines for reduced-price lunches shall be prescribed at 75 per centum above the income poverty guidelines prescribed by the Secretary.";

(c) amending the ninth sentence by striking out "95" and inserting in lieu thereof "75";

(d) adding to the end of the subsection (b)(1) the following: "Notwithstanding any other provision of law, the Secretary is authorized to conduct a pilot test to verify data submitted on a sample of applications for free or reduced price school meals. The Secretary is authorized to require persons whose applications are included in the sample to furnish social security numbers."; and

(e) redesignating subsection (b)(2) as (b)(3) and inserting a new subsection (b)(2) to read as follows:

"(2) In computing household income in all States except Alaska, Hawaii, and Guam, the Secretary shall allow a standard deduction of $60 a month for each household. Such standard deduction shall be adjusted every July 1 to the nearest $5 to reflect changes in the Consumer Price Index of the Bureau of Labor Statistics for items other than food for the twelve months ending the preceding March 31: *Provided*, That the first such adjustment shall be made starting on July 1, 1980, and shall reflect changes in the Consumer Price Index of the Bureau of Labor Statistics for items other than food for the period September 1977 through March 1980. The monthly standard deduction allowed in Alaska shall bear the same ratio to the standard deduction allowed in the contiguous States as the applicable income poverty guidelines for Alaska bear to the applicable income poverty guidelines for the contiguous States. The monthly standard deduction allowed in Hawaii and Guam shall bear the same ratio to the standard deduction allowed in the contiguous States as the applicable income poverty guidelines for Hawaii bear to the applicable income poverty guidelines for the contiguous States.".

SUMMER FOOD SERVICE PROGRAM

Sec. 5. Section 13 of the National School Lunch Act is amended by:

(a) revising subsection (a)(1)(B) to read as follows:

"(B) 'service institutions' means any of the following nonresidential institutions and residential summer camps which develop special summer or school vacation programs providing food service similar to that made available to children during the school year under the National School Lunch Program under this Act or the School Breakfast Program under the Child Nutrition Act of 1966: (i) public institutions; (ii) private nonprofit institutions, including residential camps, which use self-preparation facilities to prepare meals or which obtain meals from a public entity (such as a school district, public hospital, or State university); (iii) private nonprofit schools including colleges and universities; (iv) private nonprofit institutions which serve meals primarily to migrant children; and (v) private nonprofit institutions which purchase meals from a food service management company and which serve meals to not more than 1500 children daily at not more than 15 locations.";

(b) adding at the end of 13(a)(4) a new sentence to read as follows: States shall conduct active outreach efforts to identify eligible institutions to participate in the program in any area with a large concentration of low income families, unless such areas are already adequately served by eligible institutions.";

(c) revising subsection (b)(2) to read as follows:

"(2) Any service institution shall be permitted to serve lunch and either breakfast or a supplement each day of operation, and any service institution that is a camp or that serves meals primarily to migrant children shall be permitted to serve up to four meals per day of operation if the service institution has the administrative capability, and the food preparation and food holding capabilities (where applicable), to manage more than one meal service per day, and if the service period of different meals does not coincide or overlap. Such meals which camps and migrant programs may serve include a breakfast, a lunch, a supper, and meal supplements.";

(d) striking the existing subsection (b)(4) and inserting in lieu thereof a new subsection (b)(4) to read as follows:

"(4) The Secretary may allow States (A) to permit service institutions which prepare their own meals to use a preapproved portion of reimbursement that is otherwise available for operating costs under paragraph (b)(1) of this section to defray administrative costs, and (B) to permit service institutions which prepare their own meals to use a preapproved portion of available reimbursement that is otherwise available for administrative costs under paragraph (b)(3) of this section to defray operating costs.";

(e) inserting new paragraphs 13(e)(3) and 13(e)(4) to read as follows:

"(3) Each fiscal year the Secretary shall make available to States administering the Summer Food Service Program for Children, for purposes of conducting audits of all participating service institutions, an amount up to 2 percent of the funds expended by each State in the program under this section, during the preceding fiscal year.";

"(4) Private nonprofit institutions which are required to have an audit conducted of their program in accordance with standards developed by the Secretary shall receive final payment as soon as the results of the audits have been received, reviewed, and approved by the State.";

(f) revising subsection (i) to read as follows:

"(i) The Governor shall inform the Secretary by October 1 of each year if the State Agency administering the program is other than the State Education Agency.";

(g) revising subsection (k)(1) to read as follows:

"(1) The Secretary shall pay to each State for its administrative costs incurred under this section in any fiscal year the amount of $30,000 plus an amount based upon (A) 20 percent of the first $50,000 in funds distributed to that State for the program in the preceding fiscal year; (B) 10 percent of the next $100,000 distributed to that State for the program in the preceding fiscal year; (C) 5 percent of the next $250,000 in funds distributed to that State for the program in the preceding fiscal year, and (D) 2½ percent of any remaining funds distributed to that State for the program in the preceding fiscal year: *Provided*, That the amount paid to each State shall not exceed thirty-three and one-third percent of the program funds expended in the State during the preceding fiscal year: *Provided further*, That the Secretary may adjust the amount paid to any State to reflect changes in the size of its program.";

(h) redesignating paragraphs 13(k)(2) and 13(k)(3) as 13(k)(3) and 13(k)(4), and inserting a new paragraph 13(k)(2) to read as follows:

"(2) The Secretary is authorized to establish criteria under which additional funds may be provided to a State for its administrative costs when a State justifies that it would otherwise have insufficient resources to assure program integrity.";

(i) revising subsection (m) to read as follows: "(m) States and service institutions participating in the program under this section shall keep such accounts and records as may be necessary to enable the Secretary to determine whether there has been compliance with this section and the regulations issued hereunder. These accounts and records shall at all times be available for inspection and audit by representatives of the Secretary, the Comptroller General of the United States, and appropriate State representatives and shall be preserved for a period of time, not in excess of five years, determined by the Secretary to be necessary. The Secretary may establish special procedures for the conduct of audits of participating service institutions in order to ensure program integrity."; and

(j) striking "September 30, 1980" in subsection (p) and inserting in lieu thereof "September 30, 1983".

CHILD CARE FOOD PROGRAM

Sec. 6. Section 17 of the National School Lunch Act is amended by:

(a) amending subsection (c) by (1) adding the words "free and reduced price" before the word "lunches" the first time that word appears in paragraphs (1)(B)(ii), (2)(B)(ii), (4)(A)(ii)(II) and (4)(B)(ii)(II); (2) adding the words "other than free and reduced price lunches" after the word "lunches" in paragraphs (3)(B)(ii) and (4)(C)(ii)(II); (3) striking the word "adjustments" and inserting in lieu thereof "an adjustment" and striking "January 1" in the second sentence of the unnumbered paragraph which follows subsections (1)(C), (2)(C), and (3)(C); and (4) striking "six-month" and inserting in lieu thereof "twelve-month" in the third sentence of the unnumbered paragraph which follows subsections (1)(C), (2)(C), and (3)(C);

(b) revising subsection (m) to read as follows:

"(m) the Governor will inform the Secretary by October 1 of each year if the State agency administering the program is other than the State Education Agency.";

(c) striking "$6,000,000" where it appears in subsection (n) and inserting in lieu thereof "$4,000,000";

(d) adding at the end of subsection (q) the following: "The Secretary may establish special procedures for the conduct of audits of participating institutions in order to assure program integrity."; and

(e) renumbering subsection (r) as subsection (s), and inserting a new subsection (r) to read as follows:

"(r) Each State shall establish a standard form of contract for use by institutions in purchasing meals. The Secretary may prescribe requirements governing bid and contract procedures for the purchase of meals including, but not limited to, procedures for review and approval of contracts by States, provisions to insure maximum free and open competition, and safeguards to prevent collusion."

SELECTION OF COMMODITIES

Sec. 7. (a) The second sentence of section 6(a) of the National School Lunch Act is deleted.

(b) Section 14 of the National School Lunch Act is amended by adding at the end thereof a new subsection (f) as follows:

"(f) Each State agency that distributes agricultural commodities and other foods to schools participating in programs under this Act shall establish procedures to insure that any school may request and receive the desired amounts and types of commodity assistance available to the State during any school year. When offered commodities are not accepted by a school during any school year, alternate commodities shall be offered for delivery if available to the State during the same school year. For the purposes of this subsection, 'alternate commodities' shall not include any commodities available from stocks of the Commodity Credit Corporation and designated by the Secretary as a bonus over and above the level of assistance to be provided to the State under section 6(e) of this Act."

STATE ADMINISTRATION

Sec. 8. The National School Lunch Act is amended by adding at the end thereof a new Section 24 as follows:

"STATE RESPONSIBILITIES

"SEC. 24. (a) States shall be responsible for the proper, effective, and efficient administration of the programs under this Act and the Child Nutrition Act of 1966. If the Secretary determines, after consultation with the Chief State School Officer of any State, or other appropriate official of such State, that such State is not administering a program in accordance with this Act or the Child Nutrition Act of 1966 (other than under section 17), as evidenced by serious deficiencies in the administration of programs under this Act or the Child Nutrition Act of 1966 or regulations issued under either Act, the Secretary shall inform the State of the deficiencies and shall allow the State a specified period of time to correct the deficiencies. If the State does not take sufficient actions to correct the deficiencies within that period, the Secretary may withhold from the State all or any portion of the funds allocated to the State under section 7 of the Child Nutrition Act and under section 13(k) of the National School Lunch Act, as appropriate. Upon a later finding by the Secretary that the program is operated in an acceptable manner, some or all of the funds withheld may be allocated to the State.

"(b) If the Secretary determines that there is failure by a State to comply with this Act or the Child Nutrition Act or the regulations issued pursuant to these Acts the Secretary may request the Attorney General to seek injunctive relief to require compliance. The Attorney General may bring suit in any United States district court having competent jurisdiction. Such injunctive action shall be available in addition to all other actions the Secretary is authorized to take under this Act or the Child Nutrition Act."

SPECIAL MILK

SEC. 9. Section 3 of the Child Nutrition Act of 1966 is amended by changing the period at the end of the sixth sentence thereof to a colon and adding at the end thereof the following: "*Provided*, That the rate of reimbursement per half-pint for milk served in schools, child care institutions and summer camps participating in meal service programs authorized under the National School Lunch Act and this Act shall be 5 cents, except that this provision shall not apply to payments for milk served free to eligible children."

SCHOOL BREAKFAST PROGRAM

SEC. 10. Subsection 4(b)(2)(B)(ii) of the Child Nutrition Act of 1966 is amended by: (1) striking "on a semiannual basis each July 1 and January 1" and inserting in lieu thereof "on an annual basis each July 1"; and (2) striking "six-month" and inserting in lieu thereof "twelve-month".

FOOD SERVICE EQUIPMENT ASSISTANCE RESERVE

SEC. 11. Subsection (5)(e) of the Child Nutrition Act of 1966 is amended by striking "September 30, 1978, September 30, 1979, and September 30, 1980," and inserting in lieu thereof "September 30, 1981, September 30, 1982, and September 30, 1983".

STATE ADMINISTRATIVE EXPENSES

SEC. 12. Section 7(a) of the Child Nutrition Act of 1966 is amended by:

(a) striking the period at the end of the second sentence in subsection (a)(1) and the language thereafter and inserting in lieu thereof: "to the agency or agencies responsible for the administration of the programs authorized under the National School Lunch Act and Child Nutrition Act, except section 17 of the Child Nutrition Act. If the State Education Agency does not administer all of the programs, except section 17, the alternate State agency responsible for administration of each program will be allocated funds in accordance with the allocation formulas described in this section. These funds together with State funds specified in subsection (h) shall be used to assure the proper, effective, and efficient State administration of programs authorized under the National School Lunch Act and Child Nutrition Act, except section 17 of the Child Nutrition Act.";

(b) revising subsection (a)(5) to read as follows:

"(5) Funds available to States under this subsection and under section 13(k)(1) of the National School Lunch Act shall be available to the State for use as needed in meeting the costs of administration of programs authorized under this Act and the Child Nutrition Act, except section 17 of the Child Nutrition Act.";

(c) revising subsection (e) to read "(e) The Secretary shall establish a date by which each State shall submit to the Secretary a plan for the disbursement of funds provided this section for each year, and the Secretary shall reallocate any unused funds, as evidenced by such plans, to other States as the Secretary deems appropriate."

(d) amending subsection (i) by striking "September 30, 1980" and inserting in lieu thereof "September 30, 1983"; and

(e) revising subsection (g) to read as follows:

"(g) each year by not later than a date specified by the Secretary, each State agency shall submit to the Secretary for approval an annual plan for the use of State administrative expense funds, including a staffing pattern for State personnel.".

SPECIAL SUPPLEMENTAL FOOD PROGRAM

SEC. 13. Section 17 of the Child Nutrition Act is amended by:

(a) striking "and September 30, 1982" in subsection (C)(2), and inserting in lieu thereof "September 30, 1982, and September 30, 1983";

(b) revising the third and fourth sentences of paragraph (c)(3) to read as follows: The program authorized under this section shall not operate in the same geographic area as the Commodity Supplemental Food Program authorized under section 1304 of the Food and Agriculture Act of 1977, unless both programs operated in such area prior to enactment of the Child Nutrition Amendments of 1980. The Secretary shall issue such regulations as are necessary to prevent dual receipt of benefits under the Commodity Supplemental Food Program and the program authorized under this section, where both programs operate in the same geographic area.";

(c) placing a period after "commercially available" in subsection (f)(12) and striking all that follows; and

(d) revising the first sentence of subsection (g) to read as follows: "There are hereby autorized to be appropriated $900,000,000 for the fiscal year beginning October 1, 1980, and such sums as may be necessary for the fiscal years beginning October 1, 1981, and October 1, 1982, for the purpose of carrying out the program authorized by this section."; and

(e) striking "1982" in subsection (h)(2) and inserting in lieu thereof "1983".

NUTRITION EDUCATION AND TRAINING

SEC. 14. Section 19 of the Child Nutrition Act of 1966 is amended by:

(a) striking in paragraph (j)(2) "For the fiscal year beginning October 1, 1979" and inserting in lieu thereof "For the fiscal years beginning October 1, 1980, October 1, 1981, and October 1, 1982"; and

(b) revising paragraph (j)(3) to read as follows: "(3) Enrollment data used for purposes of this subsection shall be the latest available to the Secretary."

NATIONAL ADVISORY COUNCIL ON CHILD NUTRITION

SEC. 15. Section 15 of the National School Lunch Act is amended by:

(1) striking in the first sentence "nineteen" and inserting in lieu thereof "eighteen";

(2) striking in the second sentence "a person engaged in child welfare work" and inserting in lieu thereof: "a representative of a nonprofit organization that has experience with and knowledge of the Child Nutrition Programs";

(3) striking "a person engaged in vocational education work" and inserting in lieu thereof: "a person involved with the operation of the Child Care Food Program, a person involved with the operation of the Summer Food Service Program; and State coordinator of the Nutrition Education and Training Program";

(4) striking in the second sentence "four" and inserting in lieu thereof "one"; and

(5) striking in the second sentence of subsection (f) "annually" and inserting in lieu thereof "every other year."

MISCELLANEOUS PROVISIONS

SEC. 16. (a) Section 12 of the National School Lunch Act is amended by:

(1) inserting after "retarded)" in paragraph (d)(6) the following: "except Job Corps Centers funded by the Department of Labor)";

(2) revising subsection (f) to read as follows: "In providing assistance for program payments in Alaska, Hawaii, Guam, American Samoa, Puerto Rico, the Virgin Islands of the U.S., the Trust Territory of the Pacific Islands, and the Commonwealth of the Northern Mariana Islands, the Secretary may establish appropriate adjustments for each such State to the payment rates prescribed under sections 4, 11, 13, and 17 of this Act and section 4 of the Child Nutrition Act of 1966, to reflect the differences between the program costs in those States and the program costs in all other States."; and

(3) adding at the end thereof the following new subsection: "(i) Claims eligible for reimbursement for meals served during a fiscal year under this Act or the Child Nutrition Act of 1966 shall be limited to those claims that are submitted to the appropriate State agency within ninety days after the end of such fiscal year, with the exception of claims so filed but subsequently amended as a result of an audit or investigation.".

(b) Section 14(a) of the National School Lunch Act is amended by striking "September 30, 1982" and inserting in lieu thereof "September 30, 1983".

(c) Section 15(c) of the Child Nutrition Act of 1966 is amended by inserting after "retarded)" the following: "except Job Corps Centers funded by the Department of Labor)", and

(d) Section 16 of the Child Nutrition Act of 1966 is amended by adding at the end thereof the following: "The Secretary shall have the power to determine the amount of and settle and adjust any claim and to compromise or deny all or part of any such claim or claims arising under the provisions of this Act, the National School Lunch Act, or the regulations issued pursuant to these Acts.".

TECHNICAL AMENDMENTS TO THE NATIONAL SCHOOL LUNCH ACT

Sec. 17. The National School Lunch Act is amended by:

(a) adding "the Commonwealth of the Northern Mariana Islands," immediately after "American Samoa," in section 12(d)(1);

(b) redesignating "Section 22" as "Section 23" the second time it appears.

(c) revising Section 6(e) to read as follows: "(e) Among those commodities delivered under this section, the Secretary shall give special emphasis to high protein foods, meat, and meat alternates (which may include domestic seafood commodities and their products). For the fiscal year ending June 30, 1975, and subsequent school years, the national average value of donated foods, or cash payments in lieu thereof, shall not be less than 10 cents per lunch. That amount shall be adjusted on an annual basis through the school year ending June 30, 1979, to reflect changes in the series for food away from home of the Consumer Price Index published by the Bureau of Labor Statistics of the Department of Labor. For the school year ending June 30, 1980, and subsequent school years, the amount specified by the second sentence of this subsection, as adjusted for the school year ending June 30, 1979 in accordance with the third sentence of this subsection, shall be adjusted on an annual basis to reflect changes in the Price Index for Food Used in Schools and Institutions, which shall be computed using five major food components in the Bureau of Labor Statistics' Producer Price Index (cereal and bakery products; meats, poultry and fish; dairy products; processed fruits and vegetables; and fats and oils). Each component shall be weighted using the same relative weight as determined by the Bureau of Labor Statistics. The value of food assistance for each meal shall be adjusted each July 1 after school year ending June 30, 1979 by the annual percentage change in a three-month simple average value of the Price Index for Foods Used in Schools and Institutions for March, April, and May each year. The adjustments required by this subsection shall be computed to the nearest fourth cent. Notwithstanding any other provision of this section, not less than 75 percentum of the assistance provided under this subsection shall be in the form of donated foods for the school lunch programs.";

(d) revising the second sentence of section 12(h) to read as follows: "In no event, however, shall Federal reimbursement to school food authorities exceed the combined cost of operating both the lunch and breakfast programs."; and

(e) revising the fourth sentence of Section 11 to read as follows: "For the purposes of making special assistance payments in accordance with the preceding sentence, the numbers of lunches served by a school to children eligible for free lunches and reduced-price lunches, respectively, during each school year of the three-school-year period shall be deemed to be the numbers obtained by multiplying the number of lunches served during each such year by the per centa of lunches served during the first school year of such period that were served to children eligible for free and reduced price lunches, respectively, unless that school elects, for purposes of computing the amount of such payments, to determine on a more frequent basis the number of children eligible for free and reduced-price lunches who are served lunches during such period.".

TECHNICAL AMENDMENTS TO THE CHILD NUTRITION ACT OF 1966

SEC. 18. The Child Nutrition Act of 1966 is amended by adding "the Commonwealth of the Northern Mariana Islands," immediately after "American Samoa," in the second sentence of Section 3 and in Section 15(a).

IMPLEMENTATION

SEC. 19. The provisions of sections 3, 6, and 9 of this Act affecting rates of reimbursement shall be implemented as expeditiously as possible consistent with efficient and effective administration.

SECTION-BY-SECTION ANALYSIS

Section 2. This section would require that beginning October 1, 1981, unless the State Legislature meets biennially, the State must provide for the administration of the Summer and Child Care Food Programs before it can receive cash assistance payments for the operation of a school lunch program in the State. In the instance where the State Legislature meets biennially, the effective date for this provision would be the beginning date of the fiscal year following the first meeting of the Legislature after passage of the bill. Sections 5 and 6 provide for the Governor to notify the Secretary if an agency other than the State Educational Agency will administer the Summer Food Service and the Child Care Food Programs.

Section 3. This section would establish a national average payment factor for lunches served to children ineligible for free or reduced price meals at five cents less than the national average payment factor for section 4 payments for free and reduced price lunches. However, the section would also provide that if in any school year paid lunches represented 50 percent or less of all lunches served under the National School Lunch Program, as indicated by data available as of June 1 of that year, then the national average payment factor for paid lunches would be restored in all succeeding school years to the same level as the section 4 payment factor for free and reduced price lunches.

This section would provide for an annual adjustment of rates of reimbursement for meal service based upon changes in the Consumer Price Index for all Urban Consumers. Current law provides for semi-annual adjustments to these rates of reimbursement.

The section would also provide for the annual rate adjustment to be made on the basis of the national average payment factor for free and reduced price lunches. The payment factor for lunches served to children ineligible for free or reduced price lunches would remain at a constant differential of five cents (unless paid lunches fell to 50 percent or less of all lunches, in which case this provision would be rescinded permanently).

Section 4. This section revises the standards for determining eligibility for free and reduced price meals served in Child Nutrition Programs. The eligibility for free meals will be established at 100 percent and eligibility for reduced price meals will be established at 175 percent of the Secretary's Income Poverty Guidelines.

The section also establishes a standard monthly deduction for the computation of eligibility for free and reduced price meals. This standard monthly deduction replaces the current itemized income deductions allowed in hardship situations. The new monthly deduction will be the same as that used in the 48 contiguous States and the District of Columbia in the Food Stamp Program, and would be used across the board on all applications.

The effect of the change in the income eligibility standards on the numbers of children eligible for free and reduced price meals is moderated by use of the standard deduction that applies to all applicants, in contrast to the itemized hardship deduction presently used by relatively few applicants.

Subsection (d)(2) of section 17 of the Child Nutrition Act of 1966 ties eligibility for the Special Supplemental Food Program to the income standards prescribed for free and reduced price school meals under section 9 of the National School Lunch Act. Therefore, the changes in the school meal need standards will also affect eligibility for participation in the Special Supplemental Food Program. This change will not reduce the numbers of people receiving WIC benefits in relation to the current size of the program, but will result in the redirection of the benefits to those women, children and infants most in need of them.

This section also authorizes the Secretary to conduct a pilot project to verify data submitted on a sample of free and reduced price meal applications. The purpose of the pilot test would be to ascertain whether there is any significant error rate in reported incomes, and to determine whether verification of a sample of applications would or would not be cost effective. The pilot would take place during either the 1980–1981 or 1981–1982 school year, depending on the timing of enactment of legislation and on the length of time needed for project design and approval of survey instruments. The pilot will attempt to collect income information in school districts that are representative of districts throughout the Nation. The Secretary could require persons whose applications were selected in the sample to furnish social security numbers. The pilot should provide additional information in support of Senate Resolution 90.

Section 5. This section would make changes in the Summer Food Service Program, described as follows:

Service institution eligibility would be limited to public service institutions; private nonprofit service institutions, including residential camps, which use self-preparation facilities to prepare meals, or obtain meals from a public facility, such as a school district, public hospital or State university; private nonprofit schools including institutions of higher learning such as colleges or universities; private nonprofit institutions primarily serving migrant children (including institutions that purchase meals from a private vendor); and other private nonprofit sponsors which purchase meals from a provider other than a public facility and which serve not more than 1500 children daily at not more than 15 sites. This change limits program eligibility to the aforementioned institutions. These changes will strengthen program administration, and redirect the focus of the Summer Program to public sponsors and meal providers less prone to program abuses.

This definition of eligible service institution differs from the one prescribed by Public Law 96–108 and currently in effect for the program. The sixth category contained in Public Law 96–108 has been eliminated, while the fifth category in Public Law 96–108 has been modified to allow private sponsors who contract with private vendors to remain eligible for the program so long as they do not serve more than 1500 children at more than 15 sites.

Regulations to implement this provision would establish procedures to assure that each sponsor is separate and distinct from other sponsors, so that a large sponsor could not circumvent this provision by establishing separate organizational structures on paper that were actually run by the same individuals.

A new sentence would be added to subsection (a)(4) to require an outreach effort by the State to identify and extend the program to eligible institutions in areas with large concentrations of low-income families. This effort is in addition to other outreach required in the State plan.

Subsection 13(b)(2) would be revised to limit most institutions to two meal services per day—lunch plus either breakfast or a supplement. This is consistent with the two meal services provided in schools during the regular school year, and would avoid some waste and abuse that has resulted from excessive numbers of meal services. Residential camps, day camps, and programs serving primarily migrant children could continue to serve four meals a day.

Subsection 13(b)(4) is revised by striking obsolete language and replacing it with language allowing States to provide self-preparation sponsors with more flexibility in the use of funds earmarked for operating costs or administrative costs. This should enable more effective management by self-preparation sponsors, and provide an incentive for sponsors to prepare their own meals.

A new paragraph (3) would be added at the end of subsection (e) which provides the States, for the purpose of auditing program sponsors, with 2 percent of the program funds used during the preceding year. The intent of this subsection is to provide for necessary funds to States administering the Summer Food Service Program for Children to conduct program audits as required by the Secretary of both large and small sponsors. States are now required to provide audits of small service institutions and may not pass this cost on to the sponsor; however, present law does not provide funding for this purpose. In addition, large sponsors presently provide and pay for their own audits, and these audits sometimes do not properly identify deficiencies and overclaims. This provision will require States to conduct independent audits of large sponsors as well as small ones and provide funds to do so, thereby reducing waste and abuse.

Another new paragraph (4) would be added at the end of subsection (e) which would provide that private nonprofit service institutions which are required to have an audit conducted of their program in accordance with standards developed by the Secretary would receive final payment as soon as the results of the audit have been reviewed by the State. This provision does not apply to public program sponsors such as State or local governmental agencies. This provision will strengthen the integrity of the summer program by ensuring that sponsors required to have an audit conducted on their operations shall not receive final payment until the audit has been reviewed by the State. This will enable the State to withhold funds for any expenditures that the audit discloses were inappropriate or unallowable.

Subsection (i) would be changed to require the Governor to notify the Secretary by October 1 of each year, if an agency other than the State Educational Agency, will administer the program.

Subsection (k) would be revised to increase the amount of funds made available to States for administrative expenses incurred in the Summer Food Service Program by providing for a base amount of $30,000 plus an amount based on (A) 20 percent of the first $50,000 in funds distributed to the State for the program in the preceding fiscal year; (B) 10 percent of the next $100,000; (C) 5 percent of the next $250,000; and (D) 2½ percent of any remaining funds distributed for the program in the preceding fiscal year with a limitation that the amount paid to States under this section will not exceed 44⅓ percent of the program funds expended in the State during the preceding fiscal year. The Secretary is authorized to adjust amounts paid to a State to reflect changes in the size of its program.

Subsection (k) would be further amended to permit the Secretary to provide additional State administrative expense funds to selected States which sufficiently demonstrate that additional funds are needed to effectively administer the program. This provision has been recommended by the General Accounting Office. It is envisioned for additional funds to only a small number of States which have large and particularly difficult programs to manage. Such States would have to justify their need for additional funds, based on insufficient resources. States would have to demonstrate full and effective use of State Administrative Expense funds which would be utilized to administer the Summer Food Program in addition to providing other information. The Secretary would make decisions on whether to provide additional funds on a case-by-case basis, and would establish an upper limit on the percentage or amount of additional funds that a State could receive.

Subsection (m) would be revised to provide the Comptroller General and appropriate State representatives (such as auditors) access to accounts and records. This provision also gives the Secretary the authority to establish audit procedures to address individual regulatory requirements of the program. Due to the nature and history of this program, the Department is particularly concerned about the need for adequate audits and audit requirements.

The section would also extend the authorization for the program for three years.

Section 6. This section would provide for a number of conforming changes in section 17 of the National School Lunch Act to provide for basing the rate of payments for lunches or suppers in the Child Care Food Program on the national average payment factor prescribed in section 3 for the corresponding category of lunches. This section would provide for an annual adjustment of rates of reimbursement for meal service based upon changes in the Consumer Price Index for all Urban Consumers. Current law provides for semi-annual adjustments to these rates of reimbursement.

This section would revise subsection 17(m) to require the Governor to notify the Secretary by October 1 of each year, if an agency, in place of the State Educational Agency, will administer the program. Subsection 17(n) would be changed to provide for the use of $4,000,000 for providing Food Service Equipment Assistance (FSEA) to Child Care institutions. This change would reduce the amount available for this purpose from $6 million to $4 million.

The proposed reduction would more closely align budgetary authorization with projected expenditures. Many States have historically not fully expended their equipment allocations. In fiscal year 1978, $3,000,000 was available for use but only a little over $2,000,000 was expended. In fiscal year 1979 the FSEA allocation was increased to $6,000,000, but total expenditures amounted to only $3,600,000. The current yearly appropriation of $6,000,000 is excessive.

Subsection (q) would be revised to enable the Secretary to establish specific audit procedures to address individual regulatory requirements of the program.

This section would also add a new subsection (r) requiring States to develop standard contracts for sponsors which purchase meals from vendors. The provision also authorizes the Secretary to establish requirements for competitive bidding and procurement which will help to reduce fraud, waste, and abuse in the program.

Section 7. This section deletes the sentence added by Public Law 95–166 to section 6(a) of the National School Lunch Act providing that any school participating in the food service programs under the National School Lunch Act may refuse not more than 20 percent of the total value of commodities offered for lunches in any school year and receive in lieu thereof other commodities to the extent that other commodities are available to the State during that year. Instead, States would be required to establish procedures to ensure that schools may request and receive the desired amounts and types of commodity assistance available to the State. This change would allow schools to refuse more than 20 percent of their allocation of commodities. If commodities are available, schools would be allowed to request and receive substitute commodities in any amounts, where under the current law the percentage of substitution is limited to 20 percent. Substitute commodities offered to schools in place of commodities refused shall be in addition to any commodities available from stocks of the Commodity Credit Corporation and designated by the Secretary as a bonus. Bonus commodities are made available to the school as an incentive to increase their use and are not counted against the level of assistance prescribed by law.

Section 8. Subsection (a) provides that States have responsibility for proper, effective, and efficient administration of these programs. The Secretary must review the State's administration in regard to compliance with provisions of the Act and any regulations issued pursuant to the Act. The Secretary must inform the Chief State School Officer or other appropriate State officials of the State's failure to properly administer the programs, as evidenced by serious deficiencies in program administration, and specify a period of time for correcting the deficiencies. The subsection provides that if States fail to correct the deficiencies within the time period, the Secretary may withhold State administrative expense funds. The Secretary would be authorized to provide funds to States which correct deficiencies for which funds have been withheld.

This changes current authorizing legislation by providing a sanction that the Secretary may impose against a State which fails to properly administer the programs under this Act. This provision already appears in the fiscal year 1980 appropriations Act governing the Department of Agriculture.

Subsection (b) provides that if the State fails to comply with provisions of the Act or regulations after a specified period of time allowed for correction, the Secretary may refer that matter to the Attorney General with a request that injunctive relief be sought to require compliance. The subsection authorizes the Attorney General to institute legal proceedings against the State for injunctive relief. The subsection further provides that this action shall be in addition to other actions authorized in the Act.

Section 9. This section would establish a subsidy of five cents for milk served to children ineligible for free milk in schools, child care institutions and summer camps participating in other meal service programs authorized under the National School Lunch Act or the Child Nutrition Act of 1966. Milk served free to needy children would continue to be subsidized at the full cost of the milk to the schools. All schools would continue to be eligible for participation in the Special Milk Program and would be able to make special milk available to all students. The current rate of subsidy would continue to be provided to schools and institutions not participating in other federally supported child nutrition programs.

This provision reduces program expenditures without removing the Special Milk Program from any school and without effecting any significant reduction in milk purchases. It simply requires non-needy students to pay a few cents more each day for milk. The impact of this provision on the dairy industry will be negligible.

Section 10. This section would provide for an annual adjustment of the maximum rate of reimbursement for free breakfasts that were served in schools that are in severe need based upon changes in the Consumer Price Index for all Urban Consumers. Current law provides for semi-annual adjustments to this rate of reimbursement.

Section 11. This section would extend for three years the provision reserving 40 percent of the funds appropriated for food service equipment assistance for use in schools without a food service program and schools that do not serve breakfast or lunch but that plan to use food service equipment to initiate a breakfast or lunch program.

Section 12. This section would amend section 7 of the Child Nutrition Act to provide funds for State administrative expenses to be made available to the State agency or agencies responsible for administration of Child Nutrition Programs. If the Governor designates a State agency in place of the State Educational Agency for administration of one or more of the programs authorized under this Act and the National School Lunch Act, the amount of funds allocated by formula for administration of that program would be available to the agency designated by the Governor. The section also provides for the combination of these funds with State funds for use in effective and efficient administration of Child Nutrition Programs. The sentence providing for the funding authorization contained in this subsection is deleted since it conflicts with the authorization in subsection (i) and was inadvertently added during the proceedings leading to the enactment of Public Law 95-627.

This section also changes the current law to eliminate the requirement that funds be used to administer the program for which the allocations are made under section 7(a)(2) and 7(a)(3) of this Act and section 13(k)(1) of the National School Lunch Act, when a single State agency administers more than one program, and to eliminate the 10 percent limitation on the State's authority to transfer administrative funds among these programs under the same circumstances. State agencies that administer only one program under these Acts would receive administrative expense funds based upon the allocation formula for that program. This change will provide the States with increased flexibility in maximizing the use of available administrative expense fund resources in the programs where most needed. The statute would no longer be construed to require the maintenance of separate staffs within one agency for program administration. States would be encouraged to use staff across the board to manage programs, and to concentrate staff to meet peak workloads during Summer Food Service Program operations, free and reduced price statements reviews, and School Breakfast or Child Care Food Program approvals.

The Section would extend the authority providing for the appropriation of funds for this purpose for three years. The section would also revise subsection (g) requiring the annual submission of a State Plan regarding the use of State administrative expense funds. Current law requires the State Plan to describe use of State, school district level, and school personnel. Since State administrative expense funds are used only at the State level, requiring the State Plan to describe uses of school district level and local school personnel simply creates unnecessary paperwork. This section would revise current law to delete this requirement.

The Section would extend the provision requiring States to furnish information concerning the anticipated disbursement of SAE funds and allow the Secretary to reallocate unused funds to other States on the basis of the information received.

Section 13. This section makes four changes in section 17 of the Child Nutrition Act of 1966, which authorizes the Special Supplemental Food Program for Women, Infants and Children (WIC).

Changes would be made in subsections (c)(2) and (d) to authorize the program for fiscal year 1983. The current authorization expires in fiscal year 1982. The one-year extension will provide for all authorities in the National School Lunch Act and Child Nutrition Act of 1966 (other than permanent authorities) to expire at the same time.

Subsection (c) would be revised to delete a provision added by Public Law 95-627 that currently allows the WIC program and the Commodity Supplemental Food Program to operate in the same geographic area. Such dual operation would be allowed only if it already existed prior to enactment of the Child Nutrition Amendments of 1980.

Both WIC and CSFP serve the same target population and provide similar benefits. The Department believes that it is not cost effective to establish two administrative structures to accomplish the same goals in one area. If the State agency believes that an area is not being adequately served, it would be more efficient to provide more money to a single program to expand participation in that area. This would be a savings in administrative costs over starting a new program to serve the same area, as there are large costs involved in starting a new local agency. Also, having the two programs in the same area may encourage simultaneous participation in both programs, thus costing more money in both the food wasted and the efforts necessary to avoid dual participation. In order to prevent disrupting service to participants and local agencies which are already operating simultaneously (prior to enactment of the Child Nutrition Amendments of 1980), this change allows for continuation of existing dual operations.

Subsection 17(g) would be revised to delete the $950 million authorization for fiscal year 1982 and replace it with an authorization for such sums as may be necessary for carrying out the program in fiscal years 1982 and 1983. This change does not alter the discretionary nature of this program. It would not become an entitlement.

Subsection 17(f) would be revised to delete the authority of the Department to provide products such as infant formulas under the WIC Program which are not commercially available. It is difficult to ensure that the formula production always has adequate quality control to ensure that all the formulas produced meet the required specifications. The Department has had to recall shipments of non-commercially available formula for the commodity supplemental food program which has been approved on the basis of clinical tests, but which had problems once issued in bulk.

Subsection (h)(2) allows the Secretary to allocate administrative funds among the States on the basis of their varying needs through 1982. This provision would extend this authority in keeping with the extension of the authorization for appropriation of funds for the program through 1983.

Section 14. This section would make changes in section 19 of the Child Nutrition Act of 1966 authorizing the Nutrition Education and Training Program.

Subsection (j)(2) would be amended to provide authority for the program for three years. Currently authority for the program expires on September 30, 1980.

Subsection (j)(3) would be amended to allow the Secretary to use the most current data available on enrollment for the distribution of funds. This change would eliminate the requirement that the data be certified by the Office of Education of the Department of Health, Education and Welfare. The Office of Education, DHEW, can only provide certified enrollment data on public and private schools and nonresidential child care. Therefore, enrollment data on public and nonprofit private residential child care institutions must be taken from the "Annual Report of Meal Service in Schools" submitted by State agencies to FNS. This change would allow the Secretary to use the FNS data in addition to the certified HEW data.

Section 15. This section would restructure the makeup of the National Advisory Council on Child Nutrition to more closely reflect the Council's focus on Child Nutrition Program administration. The section would decrease the number of Department of Agriculture officials appointed to the Council by the Secretary and replace the persons engaged in child welfare work and vocational educational work. The section would provide for the appointment of a child nutrition advocate, a Child Care Food Program representative, a Summer Food Service Program representative, and a Nutrition Education and Training Program coodinator in their place.

The section would also provide for a biennial report of the Advisory Council to the President and the Congress in place of the current annual report.

Section 16. This section would provide a number of miscellaneous changes to the National School Lunch Act to clarify program intent and provide program conformity.

Subsection (a) would amend the definition of school to exclude Job Corps Centers funded by the Department of Labor from participation in the School Lunch Program. Funds previously provided to Job Corps Centers through the school food programs are being requested instead in the appropriation for Job Corps Centers, which is included in the appropriation for the Department of Labor's Employment and Training Administration. This change will simplify the accounting of these funds, and will preclude the possibility of duplicate funding for the same meals from two different federal funding sources.

This section would also establish a consistent approach to adjusting reimbursement levels for all Child Nutrition Programs in Alaska, Hawaii, and other outlying areas. The current statutory provision allows only for adjustment of the meal rates in the National School Lunch Program, the School Breakfast Program and the Child Care Food Program. This proposal will allow the Secretary to make rate adjustments in sections 13 and 17 of this Act consistent with those for other Child Nutrition Programs.

The subsection would also incorporate the provision of the Agricultural Appropriations Act of 1980 limiting the eligibility of claims for reimbursement for meals served during a fiscal year to those submitted to the appropriate State agency within ninety days after the end of such fiscal year. Adjustments to filed claims due to audit or investigation would continue to be allowed beyond the ninety days.

Subsection (b) would provide for a one-year extension of the commodity distribution authority provided for in Section 14(a) of the National School Lunch Act. This will allow all authorities in the National School Lunch Act and Child Nutrition Act of 1966 (other than permanent authorities) to expire at the same time.

Subsection (c) would amend the definition of school to exclude Job Corps Centers funded by the Department of Labor from participation in the School Breakfast Program.

Subsection (d) would provide the Secretary with authority to determine the amount of and settle and adjust claims or to compromise or deny all or part of any claim arising under the provisions of the National School Lunch Act and the Child Nutrition Act of 1966, as amended, or the regulations issued pursuant to these Acts. This authority parallels the authority provided the Secretary in the Food Stamp Act of 1977 for the administration of the Food Stamp Program.

Section 17. This section would make technical changes to the National School Lunch Act.

Under other provision of law, the Commonwealth of the Northern Mariana Islands is eligible for the programs authorized by the National School Lunch Act. Subsection (a) makes a conforming change in the National School Lunch Act to reflect this.

Subsection (b) would provide for the redesignation of section 22, "Study of Menu Choice" as section 23. This section was part of Public Law 95-627. This section number duplicates the use of section 22 which was added to the National School Lunch Act by Public Law 95-561, Education Amendments of 1978 enacted on November 1, 1978. Section 1408 of Public Law 95-561 added section 22 to the National School Lunch Act to extend the benefits of the National School Lunch Program to children in "Department of Defense Overseas Dependent's Schools." The error occurred since both amendments were under consideration at the same time.

Subsection (c) also rewrites the current law to correct an error in the data used for computing the adjustments to the rate of commodity assistance.

Subsection (d) would amend subsection 12(h) to clarify the provision allowing schools to combine the costs of operating both the lunch and breakfast programs.

Subsection (e) would amend subsection 11(e) to provide reimbursement in schools electing to serve all children free meals during any period of three successive school years based on the percentages of meals served to children eligible for free and reduced price meals during the first year, as applied to the total number of meals served in the second and third years. This changes the current law which provides reimbursement during the second and third years on the basis of the number of meals served during the first year. This change is needed because current law could lead to schools receiving payments for meals in excess of those served, or could lead to inadequate payments to schools, if enrollment increased or decreased significantly.

Section 18. This section would amend sections 3 and 15(a) of the Child Nutrition Act of 1966 to provide conformity to the other provisions of law under which the Commonwealth of the Northern Mariana Islands is eligible for the programs authorized under the Child Nutrition Act of 1966.

Section 19. This section provides for implementation of those provisions affecting rates of reimbursement in the school lunch, child care, and special milk programs to be as expeditious as possible consistent with efficient and effective administration.●

LAST OF THE GIANTS

(Mr. OBERSTAR asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● **Mr. OBERSTAR.** Mr. Speaker, the death of Marshal Tito has deprived the world of the last of the great World War II leaders.

Following the war in which he fought with American forces to defeat naziism, Josep Broz Tito rebuilt the war-torn country and unified people who for centuries had been devastated by ethnic wars. Tito fulfilled his life-long dream of leading an independent, united Yugoslavia.

The vision, intelligence, and courage he brought to our common struggle against the Nazis enabled Marshal Tito to unify Yugoslavia, stabilize the Balkans, and establish a peace rare in the history of this region.

His success in unifying the country enabled Tito to defy Stalin and Soviet domination in 1948 and to lead Yugoslavia into the second half of the 20th century as an independent socialist state.

Mr. Speaker, those of us of Yugoslav descent will remember Tito as a Yugoslav, not as a Communist. He fought the internal divisions as he fought the external threat of domination—be it Fascist or Soviet communism.

In the 1950's Tito assumed his role as leader of the nonalined world with India's Nehru.

With the same determination he had shown in fighting Hitler and Stalin, Tito fought superpower domination. He argued that the nonalined nations and the cause of world peace would not be served by confrontation of the superpowers and their client states.

In 1978, as host of the Conference of Non-Aligned Nations in Yugoslavia, Tito said forcefully:

> Sectarianism of any kind is alien to nonalignment. Divisions based on ideological, religious, and other criteria and motivations are unacceptable, no matter what slogans they hide behind.

Tito's death leaves an enormous void in Yugoslavia and throughout the nonalined world.

I was pleased to learn of President Carter's forceful statement expressing the great interest in the United States in the continued independence of great Yugoslavia. An independent Yugoslavia is in our national interest and is critical to peace in southern Europe. We cannot leave any uncertainty in the minds of the Soviet leadership as to our interest and intentions regarding Yugoslavia's independence and security.

Mr. Speaker, I would like to include for the RECORD excerpts from an article in the April 1980 issue of Plain Truth which offers an excellent analysis of the future of Yugoslavia. I should also like to include a column on Tito written by James Reston in 1977. It is a perceptive tribute to "the last of the giants":

THE LAST OF THE GIANTS

(By James Reston)

BEGRADE, June 21.—If you think you're confused about the politics of New York or Washington, you should come to Belgrade. It breaks every rule in the political book. It sounds like Moscow and works like Pittsburgh. Everything runs upstream in the bustling valley but the Sava and Danube Rivers.

It has a controlled press, but you can buy not only Moscow's Pravda and Izvestia here every day but the Paris Herald Tribune and other papers of the capitalist West. Officially, it is militantly atheistic, but it is full of bell-ringing churches. It has at least its share of political prisoners, but its planes fly nonstop every day to all other capitals East and West, and its citizens are more free to leave and return than in any other capital of the Communist world.

Accordingly, it is prudent to check your assumptions and prejudices at the airport when you come to Yugoslavia. This country is sort of a halfway house between the political East and West—defiantly independent, part Communist and part capitalist. The popular description is that of a country with seven frontiers, six republics, five nationalities, four languages, three religions and two alphabets—all held together by one boss, Marshal Tito, now in his 86th year, who is around here somewhere, but nobody knows quite where.

There is a theory that Tito is not immortal but little evidence to prove it. He is the last of the political giants of this century and has spent a good deal of time in recent years going to the funerals of former distinguished enemies who hoped to bury him.

It is interesting that, after all these years, we know very little about the parents, friends, women, wives, teachers, comrades or children who influenced his life and career. All we know is that somehow he survived, and is still one of the last of the phantoms of world politics.

His record is well known but still unbelievable. He was conscripted into the Austrian Army in his early 20's during the First World War, deserted and participated in the Russian Revolution 60 years ago. He led the partisan guerrillas against the Nazis in the Second World War, broke with Stalin in 1948, and has run this country for over 30 years.

He is an even-handed sort: He takes from everybody and is beholden to nobody, and outlives them all. Like Mao Tse-tung, his only competitor for the 20th-century political endurance medal, he moves here in mysterious ways from his mansions in Belgrade to his retreat on the island of Brioni; and like Mao in his latter days, nobody quite knows whether his power is based on myth or reality.

In the early days of the Nazi invasion of this beautiful and pugnaciously independent country, the question was: Who is Tito? Later, as he made his way against his internal and external enemies in savage battles and brutal massacres, the question was: Where is Tito? And now the 64-billion-dinar question is. What after Tito?

Everybody is guessing, nobody knows the answer, and it's a little ghoulish to press it too far, but it's easy to understand why so many people are asking. Geographically and strategically, Yugoslavia is either a highway or a barrier to the Soviet Union's ambitions to extend its European empire and growing naval power into the Adriatic and the Mediterranean. Tito has been the barrier to their southern thrust for more than a generation but after him, what? This is what the other European powers and the Pentagon would like to know, for Yugoslavia could be the hinge in this sweep of Soviet power toward Africa and the West.

Politically, it may be more important. For Yugoslavia or Yugo-Communism is regarded by many observers in Europe as proof that a Communist state can be independent of Moscow, and therefore a symbol and argument for Eurocommunism—for Communist influence and participation, if not domination, in the coming struggle for political power in France and Italy in next year's elections.

Tito is playing the middle game, listening to everybody and joining nobody, and getting what economic aid he can get from both sides. It is a remarkable political performance. He celebrates everything. His long life is now a succession of anniversaries: recently his 85th birthday, soon the anniversary of his break with Stalin, then the 60th anniversary of the Russian Revolution, and his coming visit to Moscow and Peking.

In short, he has mastered the politics of the middle. He is clearly not a man you would hand your hat to by mistake. In the coming struggle for power between left and right in Europe, and even in the larger world political battle, East and West, North and South, Tito will obviously have a major part to play even in the declining years of his long career.

YUGOSLAVIA WITHOUT TITO

(By Gene H. Hogberg)

Europe's last great national leader in World War II—Yugoslavia's President Josip Broz Tito—lies near death, as this article goes to press.

Tito's 22 million countrymen are deeply concerned, especially in the aftermath of the Soviet move into Afghanistan.

In the post-Tito period, will Moscow try to force communist—but independently communist—Yugoslavia back into its East European satellite empire from which it was expelled in 1948? If so, will Belgrade be forced to look elsewhere, especially to the West, for protection?

The world—and especially Western Europe—anxiously awaits the answer to these questions.

TITO WAS YUGOSLAVIA

President Tito was a world statesman, highly respected by both East and West. As such, he brought prestige and prominence to Yugoslavia beyond what it would have normally received, considering its size and geographical location. Above all, however, Tito was the "father" of the modern Yugoslav state. He was its prime architect as well as guarantor of its independence. More than any other individual, he was responsible for forging what there is of a common Yugoslav consciousness.

Through his energies, he brought stability to that part of the world—the Balkans—historically subject to great instability. Because of this fact, the whole of southern Europe has largely been at peace for 35 years.

A semiofficial biography of Tito's life, which this author obtained in Belgrade in 1975, sums up Tito's pivotal role as follows: "The centuries-old dream of many of our politicians, ideologists and reformers of the closely related peoples inhabiting the compact area between the Danube and the Adriatic has been realized . . . by Josip Broz Tito. Thus Tito is all of us; Tito is Yugoslavia."

STOOD UP TO HITLER, STALIN

Tito was a man of enormous leadership capacity, both militarily and politically. During World War II, he assembled Yugoslavia's antifascist resistance forces from scratch. Lacking food, equipment and armaments for his partisan bands, Tito resorted to guerrilla tactics against the German and Italian occupiers and their collaborators.

By the genius of Tito's strategy (he was named marshal of the Yugoslav army in 1943) the partisans effectively tied down 500,000 enemy soldiers, severely crippling Hitler's total war effort.

Afterward, in the early dark days of the postwar period, Tito stood up to Soviet Premier Josef Stalin's naked attempt to oust him as head the the Yugoslav Communist Party.

Josip Broz Tito had been "converted" to communism during the First World War while a prisoner of war in Russia (he was a sergeant in the Austro-Hungarian army). He was swept up in the emotional tide of the Bolshevik Revolution. Returning home, he later took the name *Tito* during his years in the Communist underground between the wars.

Both during and immediately after the Second World War, Tito remained totally loyal to Moscow. The men in the Kremlin, however, never quite trusted him and his hero-status within Yugoslavia.

The crunch came in 1948. Stalin wanted to replace Tito and his immediate subordinates with men more subservient to his wishes, like those in the rest of Eastern Europe.

Stalin's mistake was in thinking that it would be a relatively easy matter to get rid of Tito. "It will be enough for me," said Stalin, "to move my little finger and Tito will no longer exist. He will fall." (One British source said that Stalin made at least 30 attempts to have Tito assassinated!)

The Soviets put the Yugoslav leadership to the test. Stalin demanded that the Yugoslavs merge with neighboring pro-Soviet Bulgaria to form a new federation—with a Bulgarian becoming the prime minister. Tito flatly rejected the idea. His colleagues and countrymen rallied to his support.

The "unbreakable bonds" supposedly linking the Soviet Union with Yugoslavia were thus rent asunder. The Yugoslavian party was excommunicated from the international communist movement.

INDEPENDENT ROAD TO SOCIALISM

The Belgrade-Moscow rift was partially healed in the mid-1950s after Stalin's death. New Soviet Premier Nikita Krushchev, riding the crest of anti-Stalinism, went to Belgrade in 1955. He publicly apologized for Stalin's earlier actions. But things were never to be the same. The Yugoslavs were well on their way toward constructing their own independent road to socialism. Over the years the two approaches to communism have become radically different.

To the men of the Kremlin, the Yugoslavian way to socialism—which they denounce as "Titoism"—sets a bad example for the rest of Eastern Europe. Belgrade's decentralized, profit-motivated, "worker self-management" system is in the Kremlin's eyes, sheer heresy, closer to capitalism than communism (though the Yugoslav state still owns all enterprises).

Under self-management, in-plant worker's councils direct production every step of the way. The goal of every enterprise is to make a profit—not just to fulfill quantitative production goals. Various state enterprises even compete against each other. Advertising is liberally employed.

Politically, Yugoslavia's leaders insist that there are many ways to communism. Each communist party not only has the right to be independent, they claim, but to shape its society according to its own—not Moscow's—interpretation of Marxist-Leninist principles. The political disease of "Titoism" has spread to neighboring Romania, which also thumbs its nose at Moscow in many areas of policy.

In its foreign relations Yugoslavia has pursued a neutral course. President Tito, in fact, was a founding father of the nonaligned movement begun in 1961. Nonalignment consisted primarily of cultivating the friendship of the scores of Third World nations uncommitted to either Washington or Moscow.

Largely in the cause of nonalignment, Tito became one of the most traveled statesmen in the world, visiting more than 100 countries. One of his last trips, however, was an unpleasant one. Though ill, he flew to the nonaligned conference in Havana, Cuba, last year, where he pulled the plug on Fidel Castro's attempt to realign the nonaligned world with Moscow.

YUGOSLAVS WOULD FIGHT

Because of Yugoslavia's "bad example" the view prevails in many circles that someday the Soviet Union must attempt to put an end to the Yugoslav "experiment."

Most political analysts do not believe that the Kremlin would be so bold as to invade post-Tito Yugoslavia outright. Yugoslavia is certainly no pushover. Calling his country "an invincible bastion" Tito developed the concept of "total national defense." Standing in the first line of march is the well-trained 270,000-man Yugoslav People's Army, backed up by 500,000 reservists.

Behind the regular forces, a national militia of perhaps as many as four million men and women is prepared for backup defense. The militia—called the "all people's national defense"—is intended to take defensive advantage of Yugoslavia's mountainous terrain, utilizing the tactics of the World War II partisans.

Because of its geography, Yugoslavia remains militarily vulnerable. Belgrade is only 100 miles from the Hungarian border across which the Soviets have positioned a huge tank strike force. Nevertheless, Yugoslav defense experts are encouraged by two factors.

First, both they and the Soviets know an attack on Yugoslavia would mean World War III. That's the last thing Moscow wants now.

Secondly, the Soviet incursion into backward Afghanistan is causing Moscow much more difficulty than originally anticipated. An attack on Yugoslavia—an infinitely tougher foe—is out of the question.

YUGOSLAVIA'S GREATEST WEAKNESS

Moscow would likely choose another route to bring Yugoslavia to heel—that of subversion. Here there is fertile soil to work in, for Yugoslavia's greatest weakness is its susceptibility to internal division.

Yugoslavia (which means "south Slavic state") only dates to 1918. Within its complex and fragile federal framework are contained six republics, two autonomous regions, six official nationalities (plus several smaller ethnic groups), three major religions—and even two alphabets.

By official definition, there is no single Yugoslav nationality. What primarily unites the various Yugoslav peoples is their commonly shared one-party political and social system—plus fear of a common adversary. Ever-increasing prosperity under self-management also is a unifying factor, though much remains to bring the southern half of the country up to the standard of living of the developed north. There is little else Yugoslavs have in common. Their histories, on the other hand, divide them.

The republics of Serbia, Montenegro and Macedonia, for example, have traditionally been eastward-oriented. Their religious background is predominately Eastern Orthodox. Croatia and Slovenia, on the other hand, have traditionally looked westward. These two Yugoslav republics were once part of the old Austro-Hungarian Empire. Croats and Slovenes have their roots in the mainstream of Europe culture, including Roman Catholicism.

Interestingly, Serbs and Croats speak variants of the same language, Serbo-Croatian, one of the three official tongues of the country (the other two being Slovenian and Macedonian). However, Serbs employ the Cyrillic alphabet, common to the Russians, Bulgarians and some other Slavic peoples. Croats use the Latin alphabet common to the West.

Further compounding the ethnic equation is the fact that nearly half of the people of the republic of Bosnia-Hercegovina, though they are either Serb or Croat by bloodline, embrace Islam. They are descendants of those converted during the centuries of Turkish rule. The Bosnian Moslems are now classified as a separate nationality.

TODAY'S UNITY A MIRACLE

Without a doubt Tito was the "glue" that held modern Yugoslavia together. This is nothing short of a miracle considering what has happened in the Balkans in recent history.

The fuse which ignited World War I was lit in Sarajevo, capital of today's Bosnia-Hercegovina. A Serbian nationalist assassinated Archduke Franz Ferdinand, heir to the Hapsburg throne of Austria-Hungary, sovereign in the region at the time.

Between the wars, the new patchwork "south slav" state had one strike against it from the beginning—namely the antagonisms between Serbs and Croats. Croats especially resented a Serbian king and largely Serbian government, which, they felt, acted as if the new Yugoslavia was the fulfillment of the old vision of a Greater Serbia.

The onset of World War II unleashed extremist elements on both sides. When the Nazis invaded in 1941, for example, Croatian fascists—the *Ustashi*—got permission to establish their own puppet Nazi-style regime.

The Ustashis, under *Poglavnik* (leader) Ante Pavelic and Interior Minister Andrija Artukovci (who, oddly enough, still lives in exile in California) conducted an appalling extermination campaign against Serbs and Jews who were trapped inside the new "Independent State of Croatia." By one estimate 770,000 Serbs and Jews perished. And those who escaped the pogrom were, according to the *Encyclopedia Americana* "either forcibly evicted from Croatia, or forced to embrace the Roman Catholic faith."

One of the Ustashi slogans was "Bog I Hrvati"—God and Croatia. The Ustashi government's excesses were an embarrassment not only to the Vatican but even to the regime's Axis partners, Germany and Italy.

In 1971, long after earlier bitter memories had supposedly subsided ("That kind of thing may be forgiven but it is never forgotten," said one Yugoslav journalist recently), Tito had to put down an incipient revolt that threatened to split the country once again.

HOW TITO DEFUSED REVOLT

In the late 1960s Tito, responding to the demands of students, intellectuals and a new generation of party leaders, initiated a sweeping reform program. More power was given to the governments and parties of the individual republics.

Certain circles inside of Croatia, however, took advantage of the liberalization processes. One Croatian nationalist organization went so far as to propose that Croatia be given the "right to self-determination, including the right to secession" and that as a "sovereign national state" it be given an independent army and its own seat in the United Nations.

Tito—who always had a knack for knowing how much rope to give his adversaries—was forced to step in. Noting that Serbs inside Croatia were nervous and had begun to arm themselves, he declared: "Do we want to have 1941 again? . . . I'd sooner restore order with our own army than allow others [meaning the Soviets] to do it. . . . They are speculating that 'when Tito goes, the whole thing will collapse' and some are seriously waiting for that. The internal enemy has plenty of support from outside."

Tito then ordered a crackdown on the separatists who abused his reform program. Their movement collapsed rather ignominiously. Then he shrewdly turned his aim on pro-Soviet sympathizers who thought they could take advantage of the crackdown from the center. He thus used the occasion to weed out neo-Stalinists as well.

Tito's ability to stamp out dissensions was in evidence again last year. In the aftermath of the Iranian revolution, religious nationalism flared up among the nearly two million Moslems in Bosnia. The problem became so serious that Tito was forced to travel to the republic to tell certain Islamic clerics that their divisiveness would not be tolerated.

There is much truth to the often-used expression that Tito was the "only true Yugoslav." (Some cynics say he was the first and *last* Yugoslav.) Tito (whose father was a Croat, his mother a Slovene) without fail positioned himself above the often contentious nationalism and interests in the nation. His unique ability to firmly intervene at crucial junctures could be sorely missed in the future.

Tito has left no designated heir. As part of his reform package, he arranged for a collective system for both the presidency and the party leadership. Both agencies are carefully tuned to the country's "ethnic key."

The government is now run by an eight-man state presidency, with one representative from each republic plus the two autonomous regions. The head-of-state position resolves annually among the eight representatives.

Yugoslavs believe—or have to believe—that the somewhat awkward arrangement will work. If it doesn't succeed, one Yugoslav official admits, "the country wouldn't survive five minutes."

SHOCKWAVES FOR NATO

It is felt by most experts that instead of an outright attack, the Soviets would resort to a divide-and-conquer "Balkanization" strategy—to play upon rival nationalisms, perhaps to subvert one major group or republic. (The Soviets are known to have extended support to old Ustashi elements in exile.)

Then in the wake of Soviet-inspired chaos, some pro-Moscow "centralist" hardliner could rise from the midst and issue, as in the case of Czechoslovakia and Afghanistan, an urgent appeal for the Red Army to come in and restore order.

Either way, Moscow's ultimate ambition is to gain land access to the Adriatic/Mediterranean Sea region. Soviet occupation of even a part of Yugoslavia would be a calamity far exceeding the Afghanistan takeover. Soviet submarine bases on the Adriatic and the stationing of Warsaw Pact troops directly across the border from NATO Italy would send shockwaves throughout all Europe. The entire structure of postwar Europe would change overnight.

CLOSER TIES WITH WEST ESSENTIAL

Because of this latent danger, Yugoslav and Western officials alike say that a stronger economic relationship with the West is likely the best strategy for preserving the polyglot Balkan nation's independence.

Since the break with Stalin, Yugoslavia's leaders have tried hard to balance the country's trade between East and West. Generally they have succeeded. Presently, about 40 percent of Yugoslavia's trade is with the Soviet bloc whereas nearly one half is with the West (the remainder is with the Third World). West Germany is Yugoslavia's biggest non-communist trade partner.

Trade with the West has helped to liberalize Yugoslavia politically over the years. Unlike other East Europeans, Yugoslavs can travel freely. About 600,000 of them hold jobs outside the country, primarily in West Germany.

In the wake of the Soviet invasion of Afghanistan and Tito's illness the Common Market stepped up trade negotiations with the Yugoslavs that had dragged on for two years. A new preferential agreement tentatively agreed upon would give Yugoslavia a status equivalent to an associate membership in the Market.

A deepening economic tie-in to Western Europe, with new markets for her goods, might aid Yugoslavia in tackling its other severe economic problems, such as 720,000 unemployed, a 30 percent inflation rate and a growing debt burden to Western banks.

Because of his own ideological background, Tito could not push Yugoslavia further toward the capitalist west. For national security he relied upon Yugoslavia's own national defense, coupled with ties to the "nonaligned" bloc—increasingly a weak reed.

One of Tito's long time political foes, Milovan Djilas, calls reliance upon the nonaligned world "unrealistic." In the future, says Djilas, Yugoslavia has only two choices: internal chaos and isolation or "gradual . . . linkage of its independence to Western Europe . . . Hence, Yugoslavia will have to . . . open itself to the West . . . [to] assure its survival."

EUROPEAN POWER BLOC TO ARISE

Yugoslavia's future will be played out against the entire backdrop of world events unfolding today, specifically, the decline of American power and the need for U.S. allies to look after their own interests.

The Soviets have clearly misjudged the fierceness of Afghan opposition. Soon they may have to pour 400,000 men into what could be a sinkhole. Yet Moscow can't afford to let its puppet socialist government collapse. That would set a dangerous precedent.

What if Catholics throughout Eastern Europe, responding to the Soviet dilemma, rose up in a united revolt against Moscow? What could the Soviets, tied down in Afghanistan, do? The potential is there; witness Pope John Paul II's electrifying visit to Poland last year.

The Vatican's renewed desire to unite the Roman Catholic with the Orthodox churches—even extending overtures to the Moslem world—in a united front against atheistic communism could have a particularly interesting application in Yugoslavia, given its religious makeup.

Europe—both in its eastern and western halves—could be in for tumultuos change.

TRIBUTE TO HON. ROBERT DRINAN ON HIS RETIREMENT FROM THE HOUSE

(Mr. EDWARDS of California asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. EDWARDS of California. Mr. Speaker, I was deeply saddened to learn of Congressman Robert Drinan's announcement that he will not seek reelection to the House of Representatives. I will miss him greatly. During his 10 years as a Member of this body, Bob Drinan has always been an eloquent spokesperson for justice, human rights and dignity, and for those in need—whether here in the United States or anywhere that people were being persecuted or denied their freedoms.

I have been fortunate to be able to work closely with Bob in efforts to abolish the House Un-American Activities Committee, in speaking out against the war in Vietnam and in advancing the cause of equal rights for women and minorities in our society. I cannot think of anyone who has been a more committed and forceful leader in speaking out against the repression of Soviet dissidents. I am reminded especially of his unceasing efforts on behalf of Anatoly Scharansky, who has come to symbolize for many of us the plight of Soviet refusniks.

Whenever I have sought Bob Drinan's assistance or support, he has been there. In protesting the unjust imprisonment of the Wilmington 10, Congressman Drinan offered strong and unwavering assistance. When the Subcommittee on Civil and Constitutional Rights reported legislation to secure voting representation in Congress for the people of the District of Columbia, Bob was among our most effective advocates. Again, in efforts this Congress to improve the effectiveness of the Fair Housing Act of 1968, Bob has played a key role in the effort to insure that the concept of fair housing becomes a reality.

When I think back on all of the times Bob Drinan and I have worked together on issues involving civil rights and civil liberties, I wonder how the Congress will sustain the loss of this outstanding Representative.

In making his announcement earlier this week, Congressman Drinan said:

> Global hunger and the arms race have been the two interwoven agonies of mankind which have disturbed me more profoundly than any other problems confronting the human race. I hope that in God's Providence I may be given an opportunity to work to alleviate the world hunger and to stop the arms race.

Although Bob will not be fighting these battles as a Member of the House of Representatives, I feel certain that he will continue to be a leading advocate for these urgent causes.

Mr. Speaker, I would like to share with my colleagues two of the tributes to Congressman Drinan which have recently been published. The articles follow:

[From the Washington Post, May 8, 1980]

A Grade-A Priest With a Rare Quality

(By Richard Cohen)

When I was a kid, my mother worked for a long time for a Catholic hospital administered by a wonderful old nun. She had been at the hospital for years and years, a fine administrator—a sweet and loving woman. One day she was transferred to a teaching position. She left smiling.

This memory comes to me now because I have been thinking of Father Robert Drinan, the congressman-priest who has been ordered by the Vatican not to seek reelection. Like the old nun he had been told that what he has been doing—and doing well—he must no longer do. He will leave, maybe not smiling, but he will leave.

Drinan was not your basic soft-hearted, emotional, brogue-talking Grade B movie priest. He could get irate. He was irate, for instance, at the House Un-American Activities Committee—that obscenity that could have turned itself inside out before it could even define what an un-American activity is. Drinan got irate about the war in Vietnam and later he got irate at Richard Nixon. He was the first to call for the president's impeachment. It was not, with Drinan, a political act. Nixon, it seemed, simply offended him. He found the man and his actions repugnant—immoral. How refreshing!

So it is sad to see him go. It is also confusing. One treads cautiously when writing about someone else's religion, but I, for one, don't get it. I understand what Pope John Paul II has said about priests and politics—how they should be ministers and not politicians and I have to admit there is some logic to what he says. But I don't see how a law school dean, which is what Drinan was before he went to Congress, makes a "minister" out of him anymore than I understand why the order applies to elected officials, but not, apparently appointed ones.

In fact, I have the vague suspicion that Drinan would not have received the papal pink slip if he and the other priests engaged worldwide in politics had not come down on the liberal side of most issues. The pope is, to say the least, no liberal. He is, in fact, a conservative man and since becoming pope he has issued injunctions against priests getting involved in politics, choosing Central America (Mexico) for his first pronouncement, a place where priests have been on the cutting edge of social reform. When the liberal archbishop of El Salvador, Oscar Romero, was gunned down while saying mass, the pope's outrage was so muted that it was taken as a political statement of its own.

In fact, you could argue that politics is itself a ministry, that in Latin America, particularly, once you silence the church on human rights, you have nothing but silence. It is often the only voice for reform. As for Drinan, he looked upon the House of Representatives as his parish. You could see he had his work cut out for him.

But having said all that, I am still struck at what happened: Drinan has quit politics. Here is a man—a politician, for crying out loud—who has conceded by deed that he is not unique, that he can be replaced, that someone else can do the job. Here is a man who can put his own ego into perspective. It is stunning. You have to understand: I have been living in Washington for a long time.

But there is something else to be said about Drinan. He was just the sort of politician some people single out as some sort of brat—what used to be called a peacenik. Someone—Agnew, for sure—would lump him in with all the others and then throw the whole mix up into the air like pizza dough, shove it into the oven and what comes out could be called the Me Generation.

But here is the antithesis of "me." Here is a man who puts his ego and his ambition and even, I suspect, his personal sense of where he can do the most good, and subsumes it all into something bigger—the Catholic Church and all it means to him. Here is a man with the rarest of gifts—a sense of himself and where he fits into things. Like the old nun who had administered a hospital, he knows for himself what is important and less important and least important of all. He leaves Washington as he came, teaching his lessons by example, leaving me, for one, a bit sad but also envious.

Now I know why that old nun was smiling.

[From the New York Times, May 7, 1980]

THE PRIESTLY POLITICIAN

The Father Drinan affair is, in the deepest sense, none of our business. Americans are not required to hold public office. Citizens whose faith, or church, declares politics incompatible with the ministry are not obliged to explain their withdrawal. Whether to obey the Pope in the arrangement of their lives, even if, like Father Drinan, they think him wrong, is truly a personal matter. To yield to his authority with such obvious pain is to uphold a faith in a humbling way. And humility is purpose enough for any faith.

But our curiosity refuses to subside. If politics and the priesthood are really incompatible, would there be in this day and age a Polish Pope? Would he have reigned, as cardinal, in uneasy coalition with the Communist rulers of his native land? And would he, as John Paul II, have the power to pluck an American Jesuit from the House of Representatives? It would seem to be not politics that the Pope wants priests to abandon, but only elective office, and perhaps only at the national level, and maybe only in some countries. Why?

"His attitude has been shaped by those experiences he saw in Communist nations," speculates the Rev. John Beno, a Colorado state senator. "So he sees host governments as bad."

"I am certainly disturbed by the notion of authority here," says the Rev. James Murphy of the Board of Representatives in Schenectady County, N.Y.

"So the priests involved in Nicaragua, as I understand it, will continue [political] work," says Father Drinan.

What institutional or ideological aims dictate the policy now pressed upon Representative Drinan? Is no one to be told "the notion of authority here"?

Whatever the answers, American politics is losing a most effective and engaging actor. Many worried when Father Drinan first ran a decade ago that priests in politics posed a Church threat against the State. This priest's service did much to calm those concerns—at least from the State's point of view.

Father Drinan was reassuring not only by his quiet adjustment to the ways of Congress but also by his outspoken approach to the issues of foreign policy, crime, subversion, impeachment, even the rights of women seeking abortions. He helped display a Church that is multifaceted. And now his acceptance of its direction reveals still more of the complexity of man.

His withdrawal recalls the poetry of Gerard Manley Hopkins, also a Jesuit, torn by other conflicts:

> Glory be to God for dappled things. . . .
> All things counter, original, spare, strange;
> Whatever is fickle, freckled (who knows how?)
> With swift, slow; sweet, sour; adazzle, dim;
> He father's-forth whose beauty is past change.

GENERAL LEAVE

Mr. STANGELAND. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the subject of the 1-minute speech by the gentleman from Alabama (Mr. DICKINSON) today and to include therein extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

GENERAL LEAVE

Mr. OBERSTAR. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and to include therein extraneous material on the subject of the special order today by the gentleman from Mississippi (Mr. WHITTEN).

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. BROWN of California (at the request of Mr. WRIGHT), for today through Monday, May 12, on account of a death in the family.

Mr. CORMAN (at the request of Mr. WRIGHT), for after 4 p.m. today, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. STANGELAND) to revise and extend their remarks and include extraneous material:)

Mr. TAUKE, for 5 minutes, today.
Mr. ASHBROOK, for 20 minutes, today.
Mr. KEMP, for 15 minutes, today.
Mr. COLLINS of Texas, for 30 minutes, today.
Mr. CLEVELAND, for 15 minutes, today.
Mr. CORCORAN, for 5 minutes, today.
Mr. GRASSLEY, for 10 minutes, today.

(The following Members (at the request of Mr. OBERSTAR) to revise and extend their remarks and include extraneous material:)

Mr. LAFALCE, for 20 minutes, today.
Mr. GONZALEZ, for 15 minutes, today.
Mr. ANNUNZIO, for 5 minutes, today.
Mr. ALEXANDER, for 10 minutes today.
Mr. OBERSTAR, for 10 minutes, today.
Mr. NEAL, for 10 minutes, today.
Mr. BRADEMAS, for 5 minutes, today.
Mr. WOLFF, for 10 minutes, today.
Mr. WHITTEN, for 15 minutes, today.
Mr. PEPPER, for 10 minutes, today.
Mr. MONTGOMERY, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. OBERSTAR, and to include extraneous matter notwithstanding the fact that it exceeds two pages of the CONGRESSIONAL RECORD and is estimated by the Public Printer to cost $983.

Mr. PANETTA, to include extraneous matter notwithstanding the fact that it exceeds two pages of the CONGRESSIONAL RECORD and is estimated by the Public Printer to cost $2,947.50.

(The following Members (at the request of Mr. STANGELAND) and to include extraneous matter:)

Mr. Tauke.
Mr. Bereuter.
Mr. Badham.
Mr. Vander Jagt in two instances.
Mr. Ashbrook in four instances.
Mr. Gilman in two instances.
Mr. Michel.
Mr. Rudd.
Mr. Collins of Texas in three instances.
Mr. Whitehurst.
Mrs. Holt.
Mr. Daniel B. Crane.
Mr. Lee.
Mr. Derwinski in two instances.
Mr. Schulze.
Mr. Kemp.
Mr. Roth.
Mr. Hollenbeck.

(The following Members (at the request of Mr. Oberstar) and to include extraneous matter:)

Mr. Conyers.
Mr. Dodd.
Mr. Matsui in two instances.
Mr. Waxman in two instances.
Mr. McDonald in five instances.
Mr. Scheuer.
Mr. Stark.
Mr. Aspin.
Mr. Ford of Michigan.
Mr. Brinkley.
Mr. Richmond.
Mr. Stack.
Mr. Johnson of California.
Mr. Addabbo.
Mr. Fary.
Mr. Weaver.
Mr. Markey in five instances.
Mr. Daschle in five instances.
Mr. Pepper in two instances.
Mr. Nolan.
Mr. Rodino.
Mr. Ratchford.
Mr. Gramm.
Mr. Traxler.
Mr. Gephardt.
Mr. Coelho.
Mr. Nowak.
Mr. Nichols.
Mr. Dingell.
Mr. Clay.
Mr. Edwards of California.
Mr. Gray.
Mr. Giaimo.
Ms. Chisholm.
Mr. Long of Maryland.
Mr. Florio.
Mr. Eckhardt.
Mr. Duncan of Oregon.
Mr. Hubbard.

SENATE BILLS AND A JOINT RESOLUTION REFERRED

Bills and a joint resolution of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 1626. An act for the relief of H. F. Mulholland and the estate of John Oakason; to the Committee on Interior and Insular Affairs;

S. 2209. An act to amend section 303 of the Federal Land Policy and Management Act; to the Committee on Interior and Insular Affairs; and

S.J. Res. 173. Joint resolution to authorize and request the President to proclaim the week of May 11 through 17, 1980, as "National Historic Preservation Week"; to the Committee on Post Office and Civil Service.

A BILL PRESENTED TO THE PRESIDENT

Mr. THOMPSON, from the Committee on House Administration, reported that that committee did on May 8, 1980, present to the President, for his approval, a bill of the House of the following title:

H.R. 126. To permit the Secretary of the Interior to accept privately donated funds and to expend such funds on property on the National Register of Historic Places.

ADJOURNMENT

Mr. OBERSTAR. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 7 o'clock and 20 minutes p.m.), under its previous order, the House adjourned until Monday, May 12, 1980, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

4329. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of District of Columbia Act 3-179, to establish standards and eliminate unfair business practices by rental housing locator firms, pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

4330. A letter from the Chairman, National Commission on Libraries and Information Services, transmitting the summary report of the White House Conference on Libraries and Information Services, pursuant to section 1(d) of Public Law 93-568; to the Committee on Education and Labor.

4331. A letter from the Vice President for Government Affairs, National Railroad Passenger Corporation, transmitting a report covering the month of February 1980 on the average number of passengers per day on board each train operated, and the on-time performance at the final destination of each train operated, by route and by railroad, pursuant to section 308(a)(2) of the Rail Passenger Service Act of 1970, as amended; to the Committee on Interstate and Foreign Commerce.

4332. A letter from the executive director, U.S. Naval Sea Cadet Corps, transmitting the annual audit report of the organization for the fiscal year ended March 31, 1980, pursuant to section 3 of Public Law 88-504; to the Committee on the Judiciary.

4333. A letter from the Fiscal Assistant Secretary of the Treasury, transmitting the 24th annual report on the financial condition and results of the operations of the highway trust fund, pursuant to section 209(e)(1) of the Highway Revenue Act of 1956, as amended (H. Doc. No. 96-309); to the Committee on Ways and Means and ordered to be printed.

4334. A letter from the Secretary of Health and Human Services, transmitting a comprehensive health plan for American Indian and Alaska Native people for fiscal years 1981-84, pursuant to section 701 of Public Law 94-437; jointly, to the Committees on Interior and Insular Affairs, Interstate and Foreign Commerce, and Ways and Means.

4335. A letter from the Chairman, U.S. Nuclear Regulatory Commission, transmitting the 19th report on abnormal occurrences at licensed nuclear facilities, covering the fourth quarter of calendar year 1979, pursuant to section 208 of Public Law 93-438; jointly, to the Committees on Interstate and Foreign Commerce and Interior and Insular Affairs.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. WHITTEN: Committee on Appropriations. House Joint Resolution 545. Joint resolution making an urgent appropriation for the food stamp program for the fiscal year ending September 30, 1980, for the Department of Agriculture; with amendment (Rept. No. 96-927). Referred to the Committee of the Whole House on the State of the Union.

Mr. GARCIA: Committee on Post Office and Civil Service. H.R. 6842. A bill to protect the confidentiality of shippers' export declarations, and to standardize export data submission and disclosure requirements (Rept. No. 96-928, pt. 1). Ordered to be printed.

Mr. THOMPSON: Committee on House Administration. H.R. 7281. A bill to authorize appropriations for the Federal Election Commission for fiscal year 1981; with amendment (Rept. No. 96-929). Referred to the Committee of the Whole House on the State of the Union.

Mr. BENNETT: Committee on Standards of Official Conduct. House Resolution 660. Resolution in the Matter of Representative Charles H. Wilson (Rept. No. 96-930). Referred to the House Calendar.

Mr. FROST: Committee on Rules. House Resolution 661. Resolution providing for the consideration of H.R. 6974. A bill to authorize appropriations for fiscal year 1981 for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons and for research, development, test, and evaluation for the Armed Forces, to prescribe the authorized personnel strength for each active duty component and the Selected Reserve of each Reserve component of the Armed Forces and for civilian personnel of the Department of Defense, to authorize the military training student loads, to authorize appropriations for fiscal year 1981 for civil defense, and for other purposes (Rept. No. 96-931).

Mr. BEILENSON: Committee on Rules. House Resolution 662. Resolution providing for the consideration of H.R. 6942. A bill to authorize appropriations for the fiscal year 1981 for international security and development assistance, the Peace Corps, and refugee assistance, and for other purposes (Rept. No. 96-932). Referred to the House Calendar.

Mr. BOLLING: Committee on Rules. House Resolution 663. Resolution providing for the consideration of House Joint Resolution 545. Joint resolution making an urgent appropriation for the food stamp program for the fiscal year ending September 30, 1980, for the Department of Agriculture. (Rept. No. 96-933). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ZABLOCKI (for himself, Mr. Fascell, Mr. Wolff, Mr. Bingham, Mr. Solarz, Mr. Bonker, Mr. Pease, Mr. Mica, Mr. Bowen, Mr. Broomfield, Mr. Derwinski, Mr. Buchanan, and Mr. Pritchard):

H.R. 7305. A bill to authorize additional appropriations for fiscal years 1980 and 1981 for the Department of State and the Board for International Broadcasting, and for other purposes; to the Committee on Foreign Affairs.

By Mr. SANTINI (for himself and Mr. Phillip Burton):

H.R. 7306. A bill to provide for the orderly disposal of certain Federal lands in Nevada and for the acquisition of certain other lands in the Lake Tahoe Basin, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. ASHBROOK (for himself, Mr. Bauman, and Mr. Hyde):

H.R. 7307. A bill to limit the jurisdiction of the courts of the United States in matters relating to abortion; to the Committee on the Judiciary.

By Mr. BARNES:

H.R. 7308. A bill to require electric utilities to comply with certain minimum standards concerning retail rates for the sale of electric energy and concerning certain other utility practices, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. DUNCAN of Oregon:

H.R. 7309. A bill to designate the Federal building in Portland, Oreg., the "Edith Green Federal Building"; to the Committee on Public Works and Transportation.

By Mr. LaFALCE:

H.R. 7310. A bill to encourage exports by facilitating the formation and operation of export trading companies and the expansion of export trade services generally; jointly, to the Committees on Foreign Affairs, the Judiciary, Banking, Finance, and Urban Affairs, and Ways and Means.

By Mr. MAGUIRE (for himself, Mr. Courter, Mr. Florio, Mr. Hughes, Mr. Howard, Mr. Thompson, Mrs. Fenwick, Mr. Roe, Mr. Hollenbeck, Mr. Rodino, Mr. Minish, Mr. Rinaldo, Mr. Guarini, and Mr. Patten):

H.R. 7311. A bill to amend the Communications Act of 1934 to provide that not less than one very-high-frequency commercial television broadcasting station be located in each State; to the Committee on Interstate and Foreign Commerce.

By Mr. MATSUI (for himself and Mr. Shannon):

H.R. 7312. A bill to amend title XVI of the Social Security Act to provide for the payment of past-due SSI benefits to the ineligible spouse of a deceased beneficiary, or to a representative payee of a deceased beneficiary where such payee had furnished the beneficiary with the necessaries of life during the period for which such benefits were payable; to the Committee on Ways and Means.

By Mr. MOTTL:

H.R. 7313. A bill to extend from 5 to 10 years (until Nov. 30, 1987) the period during which certain individuals becoming eligible for public pensions may qualify for an exemption from the pension offset provisions in title II of the Social Security Act; to the Committee on Ways and Means.

By Mr. NOWAK:

H.R. 7314. A bill to amend the Internal Revenue Code of 1954 to provide that up to $100,000 of the investment tax credit shall be refundable; to the Committee on Ways and Means.

By Ms. OAKAR:

H.R. 7315. A bill to require business concerns which undertake changes of operations to give notice to the Secretary of Labor, and to affected labor organizations, employees, and local governments; to require business concerns to provide assistance to employees who suffer an employment loss caused by changes of operations; to authorize the Secretary of Labor to provide assistance to such business concerns, and to such affected employees and local governments; and for other purposes; jointly, to the Committees on Banking, Finance, and Urban Affairs, and Education and Labor.

By Mr. TAUKE:

H.R. 7316. A bill to amend the Federal Election Campaign Act of 1971 to impose certain limitations on the value of honorariums which may be accepted by a person employed by a Member, or by a committee, of the House of Representatives; to the Committee on House Administration.

By Mr. WEAVER:

H.R. 7317. A bill to supplement and clarify the Federal reclamation laws, to promote the settlement of family farmers in Federal irrigation projects, to provide for acreage equivalency between class 1 lands and lands of lesser productive capability, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. DINGELL (for himself and Mr. Jacobs):

H.R. 7318. A bill to amend section 170 of the Internal Revenue Code of 1954 to revise and make permanent the provisions for allowing a deduction for contributions for conservation purposes; to the Committee on Ways and Means.

By Mr. EVANS of Indiana:

H.R. 7319. A bill to amend the Internal Revenue Code of 1954 to clarify the tax exemption for interest on obligations of volunteer fire departments; to the Committee on Ways and Means.

By Mr. FLORIO:

H.R. 7320. A bill to authorize appropriations for the U.S. Railway Association for fiscal year 1981; to the Committee on Interstate and Foreign Commerce.

By Mr. FLORIO (for himself, Mr. Staggers, Mr. Madigan, Mr. Santini, Ms. Mikulski, Mr. Matsui, Mr. Murphy of New York, and Mr. Lee):

H.R. 7321. A bill to establish a national tourism policy, a Cabinet-level coordinating council, and a board to develop and formulate a marketing and implementing plan to carry out the national tourism policy and a promotional program to further enhance travel to the United States by foreign visitors; to the Committee on Interstate and Foreign Commerce.

By Mr. GILMAN (for himself and Mr. Derwinski):

H.R. 7322. A bill to authorize the construction of a memorial to Cardinal Aloysius Stepinac in the District of Columbia; to the Committee on House Administration.

By Mr. JENRETTE:

H.R. 7323. A bill to establish a minimum rate of duty of 45 cents per pound on imports of tobacco and tobacco products; to the Committee on Ways and Means.

By Mr. YATES:

H.J. Res. 545. Joint resolution making an urgent appropriation for the food stamp program for the fiscal year ending September 30, 1980, for the Department of Agriculture; to the Committee on Appropriations.

By Mr. GRAY:

H.J. Res. 546. Joint resolution designating May 10, 1980, as "Lucretia Mott Day"; to the Committee on Post Office and Civil Service.

By Mr. BIAGGI:

H. Con Res. 334. Concurrent resolution calling for an end to basic human rights violations in Sri Lanka; to the Committee on Foreign Affairs.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

453. By the SPEAKER: Memorial of the Legislature of the Commonwealth of Kentucky, relative to adequate compensation of the original property owners at Camp Breckinridge, Ky.; to the Committee on the Judiciary.

454. Also, memorial of the Legislature of the State of South Carolina, relative to disposal of nuclear waste; jointly, to the Committees on Interstate and Foreign Commerce and Interior and Insular Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII,

Mr. MOFFETT presented a bill (H.R. 7324) for the relief of Joseph Luca, which was referred to the Committee on Armed Services.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 3: Mr. Royer.

H.R. 466: Mr. Nichols.

H.R. 654. Mr. Daniel B. Crane.

H.R. 1785: Mr. Wolpe, Mr. Porter, Mr. Andrews of North Dakota, Mrs. Chisholm, Mr. Loeffler, Mr. Williams of Ohio, Ms. Ferraro, Mr. Yates, Mr. Kogovsek, Mr. Stangeland, Mr. Baldus, Mr. Solomon, Mr. Peyser, Mr. Matsui, Mr. Bonior of Michigan, Mr. Dicks, Mrs. Boggs, and Mr. Guarini.

H.R. 2846: Mr. Hamilton.

H.R. 5215: Mr. Davis of Michigan.

H.R. 5692: Mr. Moorhead of California, Mr. Lagomarsino, Mr. Hinson, Mr. Whitehurst, Mr. Devine, Mr. Gramm, Mr. Butler, Mr. Miller of Ohio, Mr. Winn, Mr. Solomon, Mr. Rudd, Mr. Cleveland, Mr. Lott, Mr. Hyde, Mr. Livingston, and Mr. Derwinski.

H.R. 5742: Mr. Stokes and Mr. Gudger.

H.R. 6422: Mr. Gore.

H.R. 6488: Mr. Edgar.

H.R. 6593: Mr. Abdnor, Mr. Anderson of Illinois, Mr. Baldus, Mr. Bedell, Mr. Carr, Mr. Carter, Mr. Cavanaugh, Mr. Corcoran, Mr. English, Mr. Evans of Indiana, Mr. Fauntroy, Mr. Fithian, Mr. Gray, Mr. Harkin, Mr. Harsha, Mr. Hyde, Mr. Johnson of Colorado, Mr. Kogovsek, Mr. Lagomarsino, Mr. Leach of Iowa, Mr. Marlenee, Mr. McClory, Mr. Michel, Ms. Mikulski, Mr. Murphy of Pennsylvania, Mr. Oberstar, Mr. Petri, Mr. Quayle, Mr. Railsback, Mr. Sharp, Mr. Simon, Mr. Skelton, Mr. Stangeland, Mr. Tauke, Mr. Vander Jagt, Mr. Wampler, and Mr. Wirth.

H.R. 6670: Mr. Gray.

H.R. 6721: Mr. Fowler.

H.R. 6825. Mr. Phillip Burton.

H.R. 6842: Mr. Albosta, Mr. Alexander, Mr. AuCoin, Mr. Barnes, Mr. Clay, Mr. Corcoran, Mr. Courter, Mr. Daniel B. Crane, Mr. Dannemeyer, Ms. Ferraro, Mr. Findley, Mr. Forsythe, Mr. Frenzel, Mr. Jones of Oklahoma, Mr. Lagomarsino, Mr. Leach of Iowa, Mr. Leland, Mr. Lott, Mr. Luken, Mr. Lungren, Mr. McDonald, Mr. Mattox, Mr. Mineta, Mr. Michel, Ms. Oakar, Mr. O'Brien, Mr. Pashayan, Mr. Preyer, Mr. Railsback, Mr. Taylor, Mr. Yatron, and Mr. Petri.

H.R. 6868: Mr. Wolpe, Mrs. Spellman, Mr. Fazio, Mr. Lloyd, Mr. Addabbo, Mr. Lagomarsino, Mr. Coelho, Mr. Bonior of Michigan, Mr. McCormack, Mr. Bingham, Mr. McClory, Mr. Downey, Mr. Edgar, Mr. LaFalce, Mr. Gray, Mr. Beilenson, Mr. Neal, Mr. Fithian, and Mr. Frost.

H.R. 6906: Mr. Montgomery, Mr. Lagomarsino, Mr. Barnard, Mr. Stangeland, Mr. Bedell, Mr. Evans of Georgia, Mr. Huckaby, Mr. Hughes, Mr. Andrews of North Dakota, Mr. Daniel B. Crane, Mrs. Smith of Nebraska, Mr. Roe, Mr. Spence, Mr. Roth, Mr. Murphy of Pennsylvania, Mr. Nichols, Mr. Akaka, Mr. Wolpe, Mr. Bethune, Mr. Frost, Mr. Jones of Tennessee, Mr. Yatron, Mr. Leath of Texas, Mr. Fithian, Mr. Leach of Iowa, Mr. Hutto, Mr. Carter, and Mr. Chappell.

H.R. 6914: Mr. Oberstar, Mr. Boland, Mr. Richmond, Mr. Murphy of Pennsylvania, Mrs. Heckler, Mr. Patten, Mr. Garcia, and Mr. Stokes.

H.R. 6940: Mr. Eckhardt, Mr. Scheuer, Mr. Ottinger, Mr. Wirth, Mr. Sharp, Mr. Santini, Mr. Markey, Mr. Luken, Mr. Madigan, Mr. Rinaldo, Mr. Marks, and Mr. Peyser.

H.R. 6968: Mr. Charles Wilson of Texas and Mr. Hance.

H.R. 7039: Mr. Pepper, Mr. Emery, Mr. Eckhardt, and Mr. Lent.

H.R. 7066: Mr. Anthony.

H.R. 7249: Mr. Rhodes.

H.J. Res. 460: Mr. Kostmayer, Mr. Nowak, Mr. Patterson, Mr. Santini, and Mr. Seiberling.

H.J. Res. 507: Mr. Albosta, Mr. Anderson of California, Mr. Badham, Mr. Bailey, Mr.

Bauman, Mr. Bedell, Mr. Bevill, Mr. Buchanan, Mr. Burgener, Mrs. Byron, Mr. Clausen, Mr. Coleman, Mr. Conte, Mr. Corcoran, Mr. Corman, Mr. Courter, Mr. Dannemeyer, Mr. Duncan of Tennessee, Mr. Edwards of Alabama, Mr. Erdahl, Mr. Forsythe, Mr. Gonzalez, Mr. Gramm, Mr. Hall of Texas, Mr. Hance, Mrs. Heckler, Mr. Hollenbeck, Mr. Kostmayer, Mr. Leath of Texas, Mr. Lehman, Mr. Loeffler, Mr. Long of Maryland, Mr. Lujan, Mr. Madigan, Mr. Mavroules, Mr. Miller of Ohio, Mr. Mineta, Mr. Moorhead of California, Mr. Panetta, Mr. Rousselot, Mr. Rudd, Mr. Thompson, Mr. Walker, Mr. Bob Wilson, Mr. Wolff, Mr. Zablocki, Mr. Hyde, Mr. Wyatt, Mr. Van Deerlin, Mrs. Snowe, Mr. Addabbo, Mr. Bonior of Michigan, Mr. AuCoin, Mr. Early, Mr. Hutto, and Mr. Collins of Texas.

H. Con. Res. 234: Mr. Rousselot, Mr. Goodling, Mr. Price, Mr. Campbell, and Mrs. Fenwick.

H. Con. Res. 323: Mr. Quayle, Mr. Burgener, Mr. Whittaker, Mr. Hutto, and Mr. Scheuer.

H. Con. Res. 331: Mr. Vander Jagt, Mr. Bennett, Mr. Guyer, Mr. Rousselot, Mr. Martin, Mr. Duncan of Tennessee, Mr. Solomon, Mr. Gilman, Mr. Goodling, Mr. Myers of Indiana, Mr. Young of Alaska, Mr. Taylor, and Mr. Hammerschmidt.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

343. By the SPEAKER: Petition of the Council of the City and County of Honolulu, Hawaii, relative to establishment of a U.S. Olympic college in Hawaii; to the Committee on Education and Labor.

344. Also, petition of the Massachusetts District 2 Assembly of the Knights of Columbus Fourth Degree, Brookfield, Mass., relative to Iran and Northern Ireland; to the Committee on Foreign Affairs.

345. Also, petition of the Texas State Historical Association, Austin, Tex., relative to the Archives of the United States; to the Committee on Government Operations.

346. Also, petition of the Massachusetts District 2 Assembly of the Knights of Columbus Fourth Degree, Brookfield, Mass., relative to the right to life; to the Committee on the Judiciary.

SENATE—*Thursday, May 8, 1980*

(Legislative day of Thursday, January 3, 1980)

The Senate met at 9 a.m., on the expiration of the recess, and was called to order by Hon. HOWARD M. METZENBAUM, a Senator from the State of Ohio.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Eternal Father, our need for a wisdom higher than our own drives us daily to Thee. Be with those who do pray, and hear our prayer for those who ought to pray but do not. In the work of this Chamber, give us grace and strength to say what needs to be said and to hear what we ought to hear. Teach us how to differ without being difficult, to disagree without being disagreeable, to contend without being contentious, and in all things to be conciliatory for the higher good. And when the evening comes, may we be wiser men, bound more firmly together in comradeship, and with a profounder faith in Thee. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. MAGNUSON).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., May 8, 1980.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable HOWARD M. METZENBAUM, a Senator from the State of Ohio, to perform the duties of the Chair.

WARREN G. MAGNUSON,
President pro tempore.

Mr. METZENBAUM thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE ACTING MAJORITY LEADER

The ACTING PRESIDENT pro tempore. Under the previous order, the acting majority leader is recognized.

THE JOURNAL

Mr. BURDICK. Mr. President, I ask unanimous consent that the Journal of the proceedings be approved to date.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

RECOGNITION OF THE MINORITY LEADER

The ACTING PRESIDENT pro tempore. Under the previous order, the minority leader is recognized.

Mr. BAKER. Mr. President, I have no need for my time under the order.

I notice that the distinguished Senator from Wisconsin is on the floor. Does he require time?

Mr. PROXMIRE. I would be grateful if I could have 1 minute.

Mr. BAKER. I yield to the Senator.

Mr. PROXMIRE. I thank the Senator.

GENOCIDE: A CRIME WE CANNOT NEGLECT OR FORGET

Mr. PROXMIRE. Mr. President, on October 26, 1979, President Carter issued an Executive order (No. 12169) which established the U.S. Holocaust Memorial Council. It was created, in part, to begin implementing the recommendations of the President's Commission on the Holocaust for the establishment of a Holocaust Memorial in this country.

Earlier this week, sections of this order were amended in order to provide for broader participation in the work of the U.S. Memorial Council and to give it more time to carry out its work.

Why remember? Why continue to keep alive the kind of memories that hurt and disturb so many people?

The holocaust of World War II, the genocide in which 6 million Jews and millions of others were systematically annihilated, was one of the most horrifying and soul-sickening events in human history. It is difficult to think that we should not learn anything from the holocaust; that such suffering, on a scale unprecedented, should fail to make us wise. It is intolerable that it should not.

It has now been over 30 years since the Nuremberg War Crimes Tribunal first estimated that nearly 6 million Jews, representing two-thirds of the prewar European Jewish population, had been victims of the Nazi genocide. The holocaust was unique: Not only in the sheer numbers killed, but in the concept of a planned and systematic annihilation of a whole group of people.

Since that time, the holocaust has largely been forgotten or regarded with apathy—perhaps because there are those who are emotionally unable to accept such an obvious expression of man's inhumanity to man.

But the holocaust cannot and must not be forgotten. It is imperative that we remember and understand this awesome and terrible event so that we can prevent it from ever again happening on this Earth. As Robert H. Jackson stated in his opening address before the Nuremberg Tribunal:

> The wrongs which we seek to condemn and punish have been so calculated, so malignant and so devastating that civilization cannot tolerate their being ignored because it cannot survive their being repeated.

We must be able to recognize such evil when it appears, and stop its spread.

Mr. President, the Genocide Convention is the only treaty which declares genocide a crime under international law and provides for its punishment. It is time that the Senate make a firm commitment against the atrocities of genocide like the holocaust. It is time to ratify the Genocide Convention.

DR. HENRY KISSINGER

Mr. BAKER. Mr. President, on Sunday, May 4, the CBS News program "60 Minutes" broadcast a story which, as I am informed, suggested a relationship between former Secretary of State Henry Kissinger and the now-deposed Shah of Iran which somehow led the U.S. Government to agree to substantial increases in the price of OPEC oil so that Iran might finance its purchase of large amounts of American military equipment.

Mr. President, I believe that Henry Kissinger was a historic Secretary of State—controversial though his tenure may have been—and that he was a successful architect of American foreign policy, a man for whom I have great admiration and respect.

I believe Dr. Kissinger should have a full and fair opportunity to have his response to the serious allegations raised on this broadcast made available to the American people.

I believe, furthermore, that the CONGRESSIONAL RECORD is an appropriate forum for these views, as an impartial journal available for the study of serious scholars, historians, journalists, and other interested parties.

I ask, then, that the full text of Dr. Kissinger's statement in response to the "60 Minutes" broadcast be inserted in the RECORD at this time, together with a letter sent by Dr. Kissinger to CBS News correspondent Dan Rather outlining his views on the program's contents and the points at issue, and a letter to the president of CBS News from Gerald L. Parsky, formerly Assistant Secretary for International Affairs of the U.S. Department of the Treasury, supporting Dr. Kissinger's position in this matter.

The material follows:

STATEMENT OF HENRY A. KISSINGER

On May 4, 1980, "60 Minutes" put on a program whose principal participant, the former United States Ambassador to Saudi Arabia, James Akins, said (1) that there was collusion between the Shah and the U.S. government to drive up the price of oil in 1973 in order to facilitate Iranian arms purchases; and (2) that I had ignored repeated warnings by Akins to prevent a price rise.

These statements are untrue and malicious. The facts—not disclosed on the program—are:

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

(1) The pressure on the oil price arose in October 1973 principally from the Arab oil embargo against the United States and some of its allies, coupled with a price increase sustained by a production cut of 2 million barrels a day by Saudi Arabia. Iran opposed the embargo; it joined neither the embargo nor the production cut, keeping its output at 6 million barrels a day.

(2) The main foreign policy objectives of the U.S. government in November and December 1973 were to consolidate the Mideast ceasefire; to begin negotiations on the disengagement of forces; and to end the embargo and production cutbacks. Iran supported all these efforts.

(3) The second OPEC price rise, with which the Shah is associated, occurred on December 23. The first and only warning which I received from Akins came on December 21. On December 22 we responded by protesting any significant price increase to all OPEC countries, including Iran. On that same day we urgently invited all industrial nations to join our protest.

(4) When OPEC nevertheless raised the price we protested strongly on December 28 to Saudi Arabia and even more strongly to the Shah on December 29.

(5) On December 29 I wrote to the British Foreign Secretary, Sir Alec Douglas-Home, proposing an organization of the energy-consuming industrial nations to combat price rises and to bring about a reduction. On February 11, 1974, Secretary of the Treasury George Shultz, Federal Energy Administrator William Simon, and I convened the Washington Energy Conference to achieve these purposes.

(6) Throughout this period I several times spoke on the public record attacking high oil prices as disastrous for the West and urging solidarity among the industrial democracies to bring pressure to reduce prices. A list of those speeches is attached.

(7) I chose not to go on the program because "60 Minutes" insisted on putting on four witnesses for its viewpoint and refused to put on any of nine senior officials and experts whom I had named and who could confirm the facts. The organized imbalance against me was of course flattering but for "60 Minutes" scarcely professional.

(8) I put the background and the facts before "60 Minutes" in the attached letter several days before the broadcast. The information in the letter was ignored in the program.

May 1, 1980.

Mr. Dan Rather,
"60 Minutes,"
New York, N.Y.

Dear Mr. Rather: Your secretary telephoned to say that you were called out of New York yesterday and therefore had to cancel the appointment we arranged at which I proposed to outline the facts about Ambassador Akins' allegations, as you had explained them. Today and tomorrow I must be away. I therefore am taking the liberty of writing to you.

If I understood your account of the program correctly Ambassador Akins will claim (1) that the Shah and I colluded to drive up the price of oil in order to give Iran the revenues to purchase arms; (2) that he warned me repeatedly of the Shah's intentions to force an oil price rise and that I ignored these warnings. The period involved is November–December, 1973.

These charges are untrue and malicious. Had you kept the appointment I would have been able to give you the following facts:

(1) During the November–December 1973 period, we were preoccupied with lifting the oil embargo against the United States and to restore the production reduction of 2 million barrels a day ordered by Saudi Arabia—which created the shortage which brought pressure on the oil price. In my numerous conversations with Middle Eastern leaders including one with the Shah on November 9 there was no mention by any of them of possible price increases. Moreover, Ambassador Akins met frequently with the leaders of Saudi Arabia to discuss the oil embargo, and the subject of prices apparently arose only once, two days before the actual December meeting in Teheran, where the decision was made to raise prices. In any case, a price rise was contrary to our policy and we strongly opposed it.

(2) Our first indication that the OPEC meeting of December 23 would discuss a price rise rather than lifting the embargo and the production restriction came not from Ambassador Akins but from Ambassador Helms in Teheran. In a cable to Washington received on December 21, Helms reported that the Shah was considering a new pricing arrangement that would peg oil prices to other energy sources and, therefore, lead to an increase in oil prices. Akins' only warning arrived on the same day; it was a result of a conversation that he had with the Saudi Minister of Petroleum who informed Akins that he had little hope of preventing a significant price increase at the OPEC meeting. Akins sent in this report with a recommendation that the U.S. protest the reported price rise, even though the meeting was convening within twenty-four hours.

(3) There were hundreds of reporting cables from Saudi Arabia in this period, but I am certain that Akins did not warn of a price increase in any of the cables that were normally brought to my attention until the single report of December 21; certainly he did not consider it significant enough to put it in a high priority message that I would have been sure to see.

(4) I was in Geneva on December 21 for the opening of the Middle East peace conference. Based on the cables from Helms and Akins my associates in the Department of State drafted a statement to all OPEC countries protesting any price increase; this was coupled with an appeal to all industrial countries asking them to join our protest.

(5) I approved these instructions within eight hours of their dispatch from Washington to Geneva. They were delivered in the relevant capitals—including Teheran—on December 22, in other words within 24 hours of receiving the warnings from Helms and Akins. Akins' alleged warning was thus not the first, it came on the very eve of the meeting, and I acted on it immediately.

(6) Immediately after the OPEC decision, on December 28, I wrote a strong letter of protest to the foreign minister of Saudi Arabia and to President Sadat. President Nixon, on the basis of my recommendation and draft, sent a strong letter of protest to the King of Saudi Arabia. On December 29 I sent an even stronger protest to the Shah. The cable to the Shah included the following sentences: "The President is greatly concerned over the destabilizing impact that the price increases agreed to at Teheran for Persian Gulf crudes will have on the world's economy and the catastrophic problems it could pose for the international monetary system . . . We believe this drastic price increase is particularly unreasonable coming as it does when supplies are being artificially restrained."

(7) On December 29 I wrote to British Foreign Secretary Alec Home expressing my grave concern and proposing urgent cooperative action by consuming nations to combat the price increase. That letter contained the following sentence: "The decisions were taken of course unilaterally without even the semblance of negotiation with the international companies or consumer nations."

(8) I spent the month of January organizing the Washington Energy Conference which met February 11. Out of it emerged the International Energy Agency—a grouping of consumer nations to deal with OPEC.

(9) In addition to private approaches I made the following public speeches proposing concerted action by consumer nations on energy matters including action to drive the price of oil down: Pilgrims Society, London, December 12, 1973; the Washington Energy Conference, February 11, 1974; University of Chicago, November 14, 1974; National Press Club, February 3, 1975; IEA Ministerial Meeting, Paris, May 27, 1975; OECD Meeting, Paris, May 28, 1975; UNGA Seventh Special Session, September 1, 1975; OECD Meeting, Paris, June 21, 1976.

In short, far from colluding in the price rise our government opposed it when it happened, we resisted it afterwards and sought to organize concerted action against it. There were of course occasional disagreements as to the tactics, and some were with my friend Bill Simon. But these were always amicably settled in a framework of common objectives.

The following individuals are prepared to support the fact that my policy aimed at reducing oil prices and/or rebut Akins' charges as untrue or malicious:

George Shultz, Secretary of the Treasury during the period in question.

Charles Robinson, former Deputy Secretary of State who handled negotiations with Iran looking to a price reduction in 1974–76.

Joseph Sisco, former Undersecretary of State for Political Affairs and my principal aide on Middle East policy.

Tom Enders, former Assistant Secretary of State for Economic Affairs.

Jules Katz, who succeeded Enders after serving as his deputy.

Richard Helms who served as Ambassador to Iran during the period.

Arthur Burns, then Chairman of the Federal Reserve Board and a close associate on energy policy.

Alan Greenspan, Chairman of the Council of Economic Advisers after 1974.

Walter Levy, an international oil authority who acted as consultant to me during this period.

It is unnecessary to emphasize that the price of oil is affected by many factors. The essential maliciousness of Akins' charge is shown by the fact that the price of oil was fourteen dollars a barrel when I left office, and is now over thirty dollars a barrel. I should add that I removed Akins as Ambassador to Saudi Arabia.

With best regards,
Henry A. Kissinger.

Gibson, Dunn & Crutcher,
Washington, D.C., May 7, 1980.

Mr. William Leonard,
President, CBS News,
New York, N.Y.

Dear Sir: The purpose of this letter is to record my strong objection to the portion of the "60 Minutes" program that appeared May 4, 1980 and that dealt with Henry A. Kissinger and the Shah. I feel that it was one of the most unprofessional pieces of reporting I have ever witnessed. The American public deserves more on this subject than the vindictive, self-serving views of James Akins about Mr. Kissinger and what Mr. Akins declares was Mr. Kissinger's policy and U.S. policy. To elevate Mr. Akins to center stage on this important subject suggests to me that "60 Minutes" was more concerned about sensationalism than factual reporting.

I feel that I am qualified to offer the views outlined in this letter because I served as Assistant Secretary for International Affairs of the U.S. Treasury Department as well as Executive Assistant to the Federal Energy Administrator during the period in question. Among other things, I had primary responsibility at the U.S. Treasury for our policy with respect to the oil producing countries and had extensive dealings with Mr. Kissinger as well as with Mr. Akins. Further, most people who served in the U.S. Government during the period in question know that I had many policy debates with Mr. Kissinger and the State Department. Finally, during the period 1974–1977, I visited Iran and Saudi Arabia extensively and met repeatedly with the highest policy officials. Based on the above, I believe that I am an unbiased commentator on this subject.

With this background in mind, I would like to provide the following comments on Mr. Kissinger's actions toward Iran's oil pricing policy and on U.S. policy toward OPEC.

(1) The statement, or even the suggestion, that Mr. Kissinger colluded with the Shah to drive up the price of oil in 1973 or thereafter is simply not true. Mr. Kissinger held regular meetings with me on U.S. policy toward OPEC and he consistently emphasized the need for a coordinated policy against OPEC on the price issue. It was his idea to hold the Washington Energy Conference in February 1974. Further, Mr. Kissinger led the subsequent development of the International Energy Agency as a cooperative effort by the oil consuming countries to reduce dependence on OPEC oil and bring down the price of oil.

(2) On numerous visits to Iran, I discussed oil policy with the Minister of Oil, the Minister of Finance and other officials, and they always confirmed that there was a basic disagreement between the U.S. and Iran over oil pricing. They cited communications to the Shah by Mr. Kissinger, several speeches of Mr. Kissinger as well as the creation of the International Energy Agency, as Mr. Kissinger's way of pressuring Iran to refrain from advocating higher oil prices.

(3) During many visits to Saudi Arabia at the time, officials there did stress to me that Iran and others were pushing for higher prices, but no one said or ever suggested that Mr. Kissinger was colluding with the Shah on this issue.

(4) The suggestion by Mr. Akins that he alone provided repeated warnings of an OPEC price rise and that Mr. Kissinger did not respond is also a falsehood.

Most of us dealing extensively with the Middle East during this period knew that Mr. Akins' first statements on the price issue came at the same time as those of other ambassadors residing in OPEC countries. Further, Mr. Kissinger and all of us in the U.S. Government responded to the 1973 increase in the strongest terms, not only through public statements in the United States but also directly to the oil producing countries, including Iran. No objective reporting of U.S. policy during this period could conclude that we colluded with the Shah or anyone else on a price rise.

(5) To my knowledge, most everyone dealing with U.S. policy with respect to Saudi Arabia and OPEC recognized that Mr. Akins was engaged in a personal attack against Mr. Kissinger, even while Mr. Akins was Ambassador. Since his removal, this attack has taken on the most vicious of overtones. Any objective investigation would have discovered this fact. Mr. Akins is certainly entitled to his opinions, but for "60 Minutes" to rely on views without offering even one witness with a different viewpoint is unjust and, in my opinion, blatantly biased reporting.

In closing, let me say that I have been a regular viewer of "60 Minutes" and have always felt that the program was providing an important public service. However, your treatment of the subject described in this letter has left me with such a negative feeling that I was compelled to write to you. I feel the only way to properly restore objectivity and truth regarding this issue is to allow another viewpoint to be expressed on a subsequent program, and I feel that "60 Minutes" owes it to the public it serves to do so.

Sincerely,

GERALD L. PARSKY.

Mr. BAKER. Mr. President, I yield back the remainder of my time under the standing order.

Mr. BURDICK. I yield back the remainder of my time.

FIRST CONCURRENT BUDGET RESOLUTION

The PRESIDING OFFICER (Mr. PRYOR). Under the previous order, the Senate will now resume consideration of the pending business, Senate Concurrent Resolution 86, which will be stated by title.

The legislative clerk read as follows:

> A concurrent resolution (S. Con. Res. 86) setting forth the recommended congressional budget for the U.S. Government for the fiscal years 1981, 1982, and 1983 and revising the second concurrent resolution on the budget for the fiscal year 1980.

The PRESIDING OFFICER. The pending question is the amendment by the distinguished Senator from Utah (Mr. HATCH), on which there is 1 hour of debate.

Mr. HATCH. Mr. President, I ask unanimous consent that the name of the Senator from California (Mr. HAYAKAWA) be added as a cosponsor of the pending amendment No. 1753.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 1753

Mr. HATCH. Mr. President, I was very disappointed that the Armstrong amendment failed yesterday, because it was a moderate proposal which would have provided significant tax cut opportunities. It was an approach geared to the supply side of the economy, which is being recommended by the best economic minds in the country. In light of that defeat, I have decided to offer an even more modest proposal. My amendment would cut $7.3 billion in fiscal year 1981 from both revenues and outlays. The outlays are cut across the board, except for defense and social security, by 2.2 percent in fiscal year 1981, 3.4 percent in fiscal year 1982, and 1.7 percent in fiscal year 1983. The surpluses in fiscal year 1982 and 1983 are eliminated. The revenue reduction is sufficient to pay for two productivity oriented tax cuts—the 10–5–3 accelerated depreciation bill, and a savings bill that would tax earned and unearned income separately, with the first dollars of each type of income starting in the lowest tax brackets.

The budget resolution presented by the committee does nothing to address the dual problems of declining productivity and high inflation that we are suffering. It is designed to precipitate a recession through the fiscal drag of tax increases totaling $95 billion in order to fight inflation. But the idea that inflation must be fought with unemployment is no longer accepted in the economics profession.

New evidence recently developed in the economics profession is showing that we can fight inflation and unemployment at the same time. Two weeks ago several of the Nation's most prominent economists gathered at Harvard University for a conference on American competitiveness. The overwhelming consensus was that American competitiveness can only be restored by focusing economic policies on the supply-side of the economy. They felt that a tax cut targeted on the supply side of the economy, effective in 1981 would not be inconsistent with a balanced budget, and recommended that a tax cut should take precedence over a balanced budget. Since it now appears, with new economic forecasts, that the policies presented in this budget resolution would not produce a balanced budget anyway, we should proceed with the tax cut and forget about balanced budget charades.

The new econometric models being built recently which take account of the effect of Government economic policies on the supply side of the economy show that properly structured tax cuts focused on the supply side of the economy can help to reduce inflation without creating massive unemployment for several years. Indeed, even Otto Eckstein of the Data Resources, Inc., one of the most widely used commercial models, has started to take supply-side effects into consideration in his model. In a recent report to the Joint Economic Committee, Eckstein says:

> If the United States does not change its approach to economic policy, there is every reason to believe that core inflation will continue to become worse. . . . To bring the core inflation rate down significantly through fiscal and monetary policies alone would require a prolonged period of deep recession, bordering on depression, with the average unemployment rate held above 10 percent. This is clearly not a feasible approach to the problem.
>
> To achieve a better progress on inflation, it is necessary to turn to the supply side of policy.

He then goes on to show the results of his analysis of two productivity oriented tax cuts which he developed by incorporating some supply side effects into his model. He analyzed a small increase in the investment tax credit and the 10–5–3 accelerated depreciation bill, and found that by offsetting the demand stimulus from this change by reducing spending or restraining money growth, the supply side aspects of the policy change would reduce the CPI by 4 percent, increase productivity by 3.3 percent, increase business fixed investment by 15.6 percent, and increase the capital stock by 7.2 percent by the end of the decade. In other words, the model showed that inflation could be reduced and productivity and real growth increased simultaneously.

Michael Evans, formerly chief economist of Chase Econometrics, has also built a full fledged supply side model for the Senate Finance Committee. In the executive summary of this model, Mike says:

> The results of the model indicate conclusively that real growth need not be sacrificed to reduce the rate of inflation.

Evans' model includes a link between savings and investment that is not found in the Keynesian models used by the CBO. Therefore, unlike the advice given by the CBO, savings is found to be good for the economy because it leads to more investment and therefore increases productivity and real growth. This model also shows that what we need to do to control inflation and stimulate productivity is to enact carefully structured tax cuts that improve the rates-of-return on savings and investment, such as the two tax cuts proposed in my amendment. An excellent, concise explanation of the findings of the Evans' model is contained in his article in the January/February issue of Challenge magazine. I ask unanimous consent that this article be printed in the RECORD at the end of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. HATCH. Mr. President, the two tax cuts proposed in my amendment have been analyzed on the new Evans' model. It shows that these two tax cuts would increase savings and investment by $26.3 billion in the first year, and by $70.5 billion in fiscal year 1985. Over a 5-year period, they would stimulate almost $235 billion additional savings and investment. This increased investment would cause real GNP to be 1.5 percent higher at the end of 5 years, and would create more than a million new jobs. It would also reduce inflation by 2.7 percentage points by the end of 1985. The economic consequences of these tax changes are presented in the following table. I ask unanimous consent that it be printed in the RECORD at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

ECONOMIC EFFECTS OF TAX CUTS IN HATCH AMENDMENT

	Increases in savings and investment	Percent change in real GNP	New jobs created (thousands)
Fiscal year:			
1981	26.3	0.17	108
1982	34.4	.45	312
1983	45.4	.93	664
1984	57.6	1.25	902
1985	70.5	1.49	1,090

Provided by Evans Economics, Inc.

Mr. HATCH. Mr. President, the level of outlays and revenues in my amendment is $605.6 for fiscal year 1981. This level of revenues is $5.6 billion higher than that recommended by the Senate Finance Committee. And my tax cut of $7.3 billion is close to the order of magnitude suggested by the Joint Economic Committee in their annual report. They suggested a $25 billion tax cut to take effect no later than the summer of 1981. And it is less than $1 billion more than the legislated tax increases assumed in the budget resolution.

If we are serious about doing something to correct our long-term productivity problem, we cannot afford to reject this amendment. While it does not reduce spending that much in fiscal year 1981, it signals a commitment to make the reforms necessary to control spending in the future so that we can afford to proceed with the structural changes in our tax code that are necessary to reverse the declining productivity trend.

In 1979, productivity fell by 0.9 percent. With the impending recession, we can probably expect productivity to fall even more than that in 1980. Economists are beginning to realize that the decline in productivity stems from inadequate capital investment in this country. Last year, net, productive investment was not sufficient to accommodate the number of new jobs that were created at the prevailing rate of productivity.

Consequently, there was no capital available to improve the productivity of previously employed workers. Without additional and better tools to work with, workers cannot improve their productivity and standards of living. The reason our capital investment is so inadequate is that the incentives in our system are structured in favor of present consumption and against savings and investment.

Everyone knows that there is almost no way you can save and invest your money today that will yield a positive, real after-tax reward. The consequences of inflation and its effect of pushing individuals into higher tax brackets has produced a situation where a large portion of our taxpayers are paying in brackets formerly confronted only by the very rich. These high tax rates, combined with our present rate of inflation, have destroyed any incentive to save. Likewise, depreciation allowances based on historical cost accounting understate the real cost of replacing capital, and consequently overstate the amount of real profits. Businesses end up paying taxes on fictitious profits, and their retained earnings that could be used for capital formation are eaten away. The higher effective tax rate on profits also makes it unprofitable to enter into many investment projects because it raises the rate of return each project must earn before tax to show a reasonable after-tax profit.

Dr. Martin Feldstein, president of the prestigious National Bureau of Economic Research, has done outstanding work on this problem, and this is what he has found:

> Investors in stocks and bonds now pay tax rates of nearly 100 percent—and in many cases more than 100 percent—on their real returns. This change has taken place without public debate and without legislative action. It has occurred almost by accident because our tax system was designed for an economy with little or no inflation.

About depreciation allowances, he says:

> We estimate that the historic cost method of tax depreciation caused corporate depreciation in 1977 to be understated by more than $25 billion. This understatement increased corporate tax liabilities by $12 billion, a 20-percent increase in corporate taxes. This extra inflation tax reduced net profits by 23 percent of the total 1973 net profits of $53 billion.

Dr. Feldstein calculates that for 1977, the total effective tax rate on corporate sector capital income was 66 percent. This takes into account the overstatement of profits due to undepreciation of assets based on historical cost accounting and the overvaluation of inventories. The following table shows how the effective corporate tax rate has risen with inflation over the years.

Mr. President, I ask unanimous consent that this table be printed in the RECORD at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

INFLATION AND CORPORATE TAXES

[In percent]

	Consumer Price Index increase	Effective rate of corporate taxes	Corporate profits as a percent of national income
1968	4.7	54	12.0
1969	6.1	60	10.6
1970	5.5	65	8.5
1971	3.4	62	9.0
1972	3.4	58	9.6
1973	8.8	64	9.0
1974	12.2	96	7.4
1975	7.0	73	8.2
1976	4.8	67	9.4
1977	6.8	66	9.2
1978	9.0	67	9.1
1979	13.3	70	8.6

Source: Bureau of Economic Analysis, U.S. Department of Commerce and the Wall Street Journal, Aug. 23, 1979, p. 20.

Mr. HATCH. Mr. President, these higher effective corporate tax rates both reduce the cash flow available to business for investment and lower the rate of return on investment projects. The combination of these two tax cuts—accelerated depreciation and savings incentives—will increase the rate of return on savings and investment, making people shift out of consumption into savings and investment, and will increase the supply of savings available for private investment.

International comparisons show that increases in productivity follow business investment as a percentage of GNP. For the period 1962 through 1978, the United States invested an annual average of 17.5 percent of GNP and productivity grew 1.8 percent. Germany invested 24.6 percent of GNP with productivity increases of 5.4 percent, and Japan invested 32 percent of GNP and had productivity increases of 8.2 percent.

The United States also lags behind in the percentage of personal, aftertax income that is saved. Over the last 10 or 15 years, the United States has saved only 5.2 percent of personal, aftertax income whereas Germany has saved 14 percent and Japan has saved 21.5 percent. U.S. personal savings has declined to an even lower level in recent months, hitting a low of 3.4 percent in the first quarter of 1980, with no prospect of improving.

Increasing productivity is the key to curing inflation.

Recent work in the economics profession shows that an increase in the rate of productivity leads to an even greater decrease in the rate of inflation. Most people assume that if we increased productivity 1 percentage point, that inflation would only be reduced by 1 percentage point. However, a recent study prepared for the Joint Economic Committee by the New York Stock Exchange shows that changes in productivity have multiplier effects on changes in inflation rates because of the dynamics of the wage-price spiral. The study concludes that:

> According to our estimates a sustained increase of one percentage point in the rate of productivity growth in 1980 and subsequent years would reduce the inflation rate by 2.1 to 2.4 percentage points in 1982, and by 2.8 to 3.3 percentage points in 1984.

Mr. President, I ask unanimous consent that this study be printed in the Record at the end of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 2.)

Mr. HATCH. Mr. President, we can wait no longer to make these tax changes to stimulate productivity. Increasing productivity is the answer to reducing inflation without destroying economic growth and without throwing people out of work by precipitating a recession. The only proposals we have heard for reducing inflation, including this budget resolution, require imposing pain and suffering on the American people through a recession. The best new thinking in the economics profession says we do not have to do this if we will pursue supply-side oriented economic policies, such as the tax cuts contained in my amendment. We owe it to our constituents to try this new approach. We have been following the old, conventional thinking for the past 30 years, and we can see where it has brought us. I say no thanks. I do not want any more conventional wisdom. I am ready for something new.

EXHIBIT 1

THE BANKRUPTCY OF KEYNESIAN ECONOMETRIC MODELS

The U.S. economy is in sad shape. The rate of inflation is at an all-time postwar high, and we are now in the beginning phases of a recession which promises to be more severe than the 1974–75 debacle. Unemployment and personal bankruptcies are up sharply. The value of the dollar sways precariously, dependent on the whims of Arab potentates. The personal "discomfort" index, defined as the sum of the rate of inflation and the rate of unemployment, reaches new peaks every month.

How did all this come about?

The complete answer goes all the way back to 1965, when we tried to have massive tax cuts, the Great Society, and the Vietnam War all at the same time. But much of the blame can be placed on the economic architects of the past three years.

During the latter half of 1976 the U.S. economy was neither well nor sick. The growth rate slowed to a puny 3.3 percent, and the unemployment rate seemed to be stagnating at 8 percent. On the other hand, the rate of inflation had diminished sharply from the 12.2 percent increase of 1974 to an average rate of about 5.4 percent.

When confronted with this set of statistics, the Carter administration decided that unemployment was the primary, if not the only, economic problem they faced. Implicit in this decision were the assumption that:

Federal budget deficits didn't count. State and local governments and foreign central banks were willing to buy any additional government securities, since they had surpluses.

A weaker U.S. dollar didn't count. Indeed, in a *bon mot* which ranks with Herbert Hoover's "prosperity is right around the corner," Treasury Secretary Blumenthal declared that "a weak dollar is good for America."

Money supply growth didn't count. Monetary policy should accommodate the growth in the economy which would be caused by fiscal policy stimulus, and should not work to restrain this growth.

Inflation didn't count, or at least not very much. Once the economy returned to full employment, we would begin worrying about a buildup of inflationary pressures.

Thus the Carter administration policymakers viewed the economic problems of the country as unidimensional. They would cure high unemployment and handle everything else later.

The purpose of this preamble is not so much to make fun of the Carter economists, although they clearly are not blameless for what has transpired, as to indicate that they—and a goodly part of the entire economics profession—were basing their actions on forecasts which were far from the mark. For 1978, the average forecast for inflation was 6.1 percent, but the actual figure was 7.7 percent. Similarly, the 1979 forecast called for 7.6 percent inflation; yet the actual figure is now sure to be in excess of 11 percent.

MODELS AND MODEL-BUILDERS

The models which generated these forecasts can, in general, be considered Keynesian models. The purpose of using this term is not to debate whether each and every model faithfully follows the exact language which Keynes may or may not have used on page 236 of The General Theory; it is to indicate the type of model which is in accordance with the general tenets developed by Keynes. The most important of these may be summarized as follows: spending stimulates aggregate demand whereas savings retards it; when private sector demand slackens, it should be supplemented by greater public sector spending; demand can be increased without any noticeable effect on inflation; and an increase in government spending will stimulate the economy more than an equivalent decline in taxes.

As it turns out, the subpar performance of economic forecasters over the past two years has sent model-builders frantically scurrying to deny that their models really do embody these concepts. The new buzzword these days is "supply-side" economics. Taken at its face value, this term simply means that economists must take into account the ability of the economy to produce goods and services as well as the ability of consumers and businesses to purchase them. If income increases and consumers spend more, the economy is eventually going to run into capacity shortages and bottlenecks unless productive capacity increases apace. However, as might be expected, supply-side economics is a good deal more complicated than just a simple balancing algorithm between demand and production, and the rest of this article is an attempt to discuss some of these relationships and contrast them with the state of existing econometric models.

Before doing this, however, a small biographical insertion may be in order. Readers are always entitled to know the biases of the author, so let me clear up any lingering curiosity at the outset. I built the original version of the Wharton model, and subsequently built the macroeconomic models at Chase Econometrics. Thus two of the so-called "big three" econometric models contain defects for which I was responsible. On the other hand, as it began to become clear that these models were not equal to the task of predicting the current pattern of economic activity, my model-building horizon began to expand, and I was eventually selected by the Senate Finance Committee to construct a supply-side model. Much of what follows draws on the work which has already been completed on that project.

The fundamental problem which has plagued the U.S. economy for the past decade has been the slowdown in the growth of productivity. This slowdown has been responsible both for the higher rate of inflation and the lower rate of growth in real GNP. Productivity, or the amount of output per unit of labor input, increased about 3 percent a year during the first 20 years of the postwar period. Since then it has diminished to 1 percent a year, and has actually declined since 1977. Concomitantly, the annual rate of inflation has zoomed from 2 percent to 8 percent and the rate of growth has slowed to under 3 percent from an average 4 percent a year in the 1950s and 1960s.

Yet all the major econometric models currently used for forecasting and policy analysis have played down, if not ignored, the critical role of productivity in determining the economic environment. The effects of changes in policy variables such as government spending and personal and corporate income tax rates are measured primarily through changes in demand. Yet it is clear that demand-oriented policies, far from being able to reverse the productivity slowdown, have exacerbated it. Supply-side economics, on the other hand, deals with the effects of changes in fiscal and monetary policy on productivity and incentives. For example, lower tax rates will not only increase spending by raising disposable income, but they will increase output by raising investment, productivity, and work effort.

SPENDING AND SAVING

We now return to the four basic tenets of Keynesian models listed above. First, in all existing models, spending stimulates demand whereas saving retards it. Under this hypothesis, a redistribution of income from upper-income to lower-income individuals through high tax rates for the rich and higher transfer payments for the poor would raise spending, output, and employment, since poor people spend a larger proportion of their income than rich ones do.

In terms of the initial impact—what happens right away—the above statement is correct. Such a move would increase consumer spending, which would raise output and result in the hiring of additional workers. In the Keynesian models, that is the end of the story. Everyone is better off, with the possible exception of the rich who are left grumbling about the inequity of the progressive income tax system.

If economists ever thought life was that simple, they certainly ought to be disabused of that notion by now. The decline in savings does not materialize out of thin air, but represents a reduction in assets which would be used for productive purposes. Maybe, during the days of the Great Depression when short-term interest rates were zero and occasionally even negative, the rich really did keep their money under the mattress; and when taxes were raised they paid them with some of that idle cash—although there is grave reason to doubt that even in the 1930s this occurred. However, with interest rates at 15 percent it is clear that no rational person keeps his money squirreled away at home. The decline in savings which would stem from higher taxes results in an increase in interest rates and a reduction in funds available for capital formation.

Hence, the increase in taxes results in a decline in assets of the rich, which reduces the flow of funds to the banking system, stock market, and corporations. As a result, firms bid for a smaller available supply of funds, and interest rates rise. Eventually this reduces capital formation and housing construction.

Even though this argument sounds logical, it is not accepted by large numbers of economists, including most econometric model-builders. First, it is argued that the rich will not reduce their savings because of higher taxes but will simply reduce consumption by the same proportion that the poor increase it, thereby leaving aggregate demand unchanged. Indeed, in existing models the rate of taxation has no independent effect on saving other than the changes it causes in disposable income. However, we have found that the personal saving rate is affected by the after-tax rate of return earned on savings, a result which may appear obvious but is not included in any of the existing macroeconomic models. In particular, a 10 percent reduction in tax rates would generate about a 2 percent increase in personal savings; this finding is in line with recent work done on the subject by Michael Boskin and others.

Even if personal savings are increased, these additional savings are not translated into a higher level of investment in many existing models. In these models either interest rates are determined by Federal Reserve policy rather than by fundamental demand and supply factors, or investment is unresponsive to changes in interest rates. But we have found that both these linkages are quite strong. An increase in savings will indeed lower interest rates, which in turn will raise investment.

In addition, the tax rate will affect work effort. If taxes are increased for upper-income individuals, they may decide to take more vacations or reduce the number of hours they work, particularly if they are independent professionals—doctors, lawyers, accountants, and so forth. Indeed, even at the lower end of the income scale, several studies have found a significant relationship between tax rates and work effort. In a number of income maintenance projects funded by the government, it was found that every 10 percent increase in tax rates resulted in about a 1 percent decline in the amount of labor offered. In some cases, employees chose to work fewer hours; in other cases, they simply dropped out of the labor force. Thus an increase in taxes may also lower the quality and quantity of labor supplied, which would reduce output even further.

Thus in existing econometric models, an increase in transfer payments (such as social security benefits or welfare payments) and an equal reduction in taxes generated by lower personal income tax rates would have the same effect on the economy. Since the amount of additional funds received by consumers is the same, the effect on consumption, output, and employment would also be identical.

The supply-side approach, however, claims that the results would be far different. An increase in transfer payments results in lower saving, once the increase in the federal budget deficit is taken into account, while a reduction in tax rates results in higher saving. Thus the combination of higher transfer payments and higher tax rates would result in lower investment and a slower growth in productivity. Finally, an increase in transfer payments would at best leave the amount of work effort unchanged and might diminish it, whereas a reduction in tax rates would actually improve it.

To look at the same phenomenon from a slightly different angle, an increase in transfer payments would raise total consumption without increasing total productive capacity. If excess slack existed in the economy, problems would not arise immediately, but as the economy approached full employment and capacity, it is clear that such a move would be inflationary. On the other hand, a tax cut would not only increase demand, but would at the same time provide additional stimulus to aggregate production. Thus the economy would exhibit balanced growth and inflationary pressures would not arise.

This logic has been vehemently attacked by many Keynesian economists, who argue that the increased demand will in and of itself generate an increase in labor supply and investment, since the demand for more goods will create the incentive for higher production. In this sense they are as intellectually deficient as the followers of Say's Law.

LAWS OF SAY AND KEYNES

Jean Baptiste Say was a nineteenth-century French economist who believed that supply created its own demand. According to Say and his disciples, we could never have recessions of any major duration, since if firms produced more goods, consumers would ultimately buy them and hence the economy would return to full employment. As might be expected, Say's Law sold at a heavy discount during the Great Depression and has never really recovered.

Before dismissing Say as a complete crank, it may be worth one brief paragraph to explain whatever logic lay behind his "law." Say's basic idea was that in order to produce goods it was necessary to purchase materials, hire labor, and invest in plant and equipment. The money spent for these inputs would be used by its recipients to purchase additional goods and services. If more workers were hired, labor income and hence consumption would rise. The fatal flaw in this argument occurs when individuals or businesses decide to shift their spending patterns, or when the value of their assets declines because of a stock market crash or bank closings.

In any case, Say's Law has, in many econometric models, been replaced by what has loosely become known as Keynes' Law, namely, that demand creates its own supply. Just as with Say's Law, the logical underpinnings can be defended to a point but it too contains a fatal flaw.

The logic behind Keynes' Law is that as demand rises, stimulated perhaps by government spending or an increase in handouts, the rate of return on invested capital will rise because firms will be producing more goods per unit of capital. As this happens, they will expand their productive facilities and thus increase total capacity. If more labor is needed, it can be attracted by offering higher wage rates. This productive capacity will increase space with rising demand, and Keynes' Law is fulfilled.

It is indeed the case that investment will rise if output increases and other factors involving the rate of return are unchanged. Keynesian economics assumes this. However, as we have already pointed out, a decline in savings will raise the interest rate which will reduce the equilibrium capital-output ratio, hence lowering rather than raising investment. In addition, if firms need to attract additional labor due to the combination of greater demand and lessened work effort, this will raise wages and unit labor costs, which leads to a higher rate of inflation.

LOW PRODUCTIVITY, HIGH INFLATION

The fatal flaw in Keynes' Law is that it ignores the effects of lower productivity and higher inflation. Inflation reduces the rate of growth for several reasons. First, it moves individuals into higher tax brackets, thereby reducing their real disposable income. Second, this reduction causes wage earners to bargain for larger raises, thus worsening the inflationary cycle. Third, it reduces investment through raising interest rates and lowering the real rate of return. Fourth, it worsens our net export position by making exports more expensive and imports relatively cheaper.

The first of these phenomena is well known to virtually all taxpayers and hence does not require an extended discussion. Consider a taxpayer with an income of, say, $30,000 who receives a 10 percent raise in a year in which the rate of inflation is also 10 percent. He has not kept abreast of inflation, for his marginal tax bracket has increased and the proportion of taxes to income has risen. Thus even if wage hikes keep up with price increases—as they have most assuredly not done in 1979, with wages lagging behind prices by some 5 percent—consumers are worse off with inflation and the present tax system.

Wage bargains are usually set so that workers keep even with rising prices; sometimes they also receive part of the increase in productivity, but since these increases have all but disappeared during the past decade, wage hikes are now designed primarily to keep workers abreast of inflation. However, since inflation pushes workers into higher tax brackets, they try to bargain for even larger increases, and the entire inflationary spiral is accelerated.

Conversely, if tax rates are cut, workers are better off if wages and prices rise by the same proportion. Consequently, they would not push quite as vigorously for further wage gains, hence slowing the inflationary spiral. Thus tax cuts also contribute to lower inflation by reducing the demands for wage increases. None of the existing econometric models contains this important link.

The argument that inflation causes lower investment hinges primarily on the fact that depreciation allowances are valued in terms of historical cost rather than replacement cost. As a result, when inflation rises, profits appear to increase in nominal terms—and firms must pay taxes on these increased profits. However, this phony accounting fools no one. Since the cost of replacing the capital good at the end of its useful life will far exceed the funds which have been accumulated for this purpose, firms must set aside additional funds from their profits in order to pay for replacement. But these funds must be set aside from aftertax dollars; the federal government first takes its 46 percent and state and local governments take about another 5 percent. Hence profits must rise about twice as fast as the rate of inflation in order for firms to generate sufficient reserves to buy replacement equipment at higher prices. If profits do not rise this rapidly, firms simply raise the required rate of return on any given investment project, which results in lower capital spending. This phenomenon has become particularly acute during the past five years, and as a result the ratio of productive capital spending to GNP has declined to its lowest level in the entire postwar period.

Finally, inflation reduces real growth by worsening our net foreign trade balance, since exports cost more and imports cost relatively less. Even demand-side models recognize this, but their answer—as echoed by former Secretary Blumenthal—is to redress the imbalance by lowering the value of the dollar. This turned out to be a colossal mistake. The dollar fell over 30 percent between mid-1977 and late 1978 relative to the Deutsche mark, the Japanese yen, and other strong foreign currencies. Yet the U.S. trade balance is still deeply in deficit and the inflationary impact of a lower dollar is now all too evident. For every 10 percent decline in the dollar relative to strong foreign currencies, wholesale prices increase about 1 percent and consumer prices rise about 0.5 percent. Thus the 30 percent decline which occurred added about 1.5 percent to inflation in 1978, with the effects continuing to spill over into 1979.

Thus we find that increasing aggregate demand without simultaneously providing adequate incentives for greater supply invariably leads to higher inflation, which retards real growth, output, and employment. Since Keynesian models assume that higher demand will be automatically translated into higher supply, they do not incorporate the linkages which we have just described.

ROLE OF GOVERNMENT SPENDING

We now come to the last of the four major tenets given above, namely that government spending will lead to a larger increase in demand and output than an equivalent reduction in taxes. All of the popular econometric models incorporate this assumption, a fact recently documented in a study by the Congressional Budget Office.

Their reasoning is straightforward, if inaccurate. If the government increases its spending, the entire dollar goes for additional demand. If taxes are cut, however, some of the dollar is used for saving, and hence demand does not rise as much. Since savings are a useless residual and do not contribute to increased investment or lower inflation, the economic effect of tax changes is smaller.

Furthermore, these models also state that a personal income tax cut has a larger effect than a corporate income tax cut, and for much the same reason. Individuals spend a larger proportion of the extra money they get from reduced taxes than do corporations, and once again, that left-over saving does not contribute to economic growth or prosperity.

The supply-side work which we have undertaken gives exactly the opposite result: a corporate income tax cut has a larger effect on the economy than does a personal income tax cut, which in turn has a larger effect than an increase in government spending. The reasoning stems entirely from the supply-side effects, which we can enumerate and summarize as follows:

1. A reduction in tax rates increases the incentives of individuals to save by raising the rate of return on assets held by individuals. This higher savings leads to lower interest rates and higher investment.

2. Corporate tax rate cuts or similar measures, such as increasing the investment tax credit or liberalizing depreciation allowances, improve investment directly by increasing the average after-tax rate of return.

3. Higher investment leads to an increase in productivity, which means that more goods and services can be produced per unit of input. As a result, unit costs do not rise as fast and inflation grows more slowly.

4. The transfer of resources from the public to the private sector increases the overall growth rate in productivity, since productivity gains in the public sector are small or nonexistent.

5. The faster growth in productivity provides the needed capacity to produce additional goods and services demanded because of the tax cut, thus leading to balanced growth without bottlenecks or shortages.

6. Lower tax rates result in more modest demands for wage increases, since real income has risen by virtue of the tax cut and workers do not suffer a loss of real income by moving into higher tax brackets.

7. Lower inflation leads to an increase in real disposable income, and hence a rise in consumption, output, and employment.

8. Lower tax rates improve work effort, resulting in an increase in the quality and quantity of work. This in turn raises productive capacity still further, thereby contributing to the slowdown in the rate of inflation.

9. The lower rate of inflation causes an increase in net exports, which strengthens the value of the dollar. This leads to further reductions in the rate of inflation because imported goods decline rather than advance in price.

10. The increase in capacity also permits the production of more goods for export as well as domestic consumption, thereby providing additional strength for the dollar and less imported inflation.

NO ONE-DIMENSIONAL SOLUTION

One must be careful not to expect too much from reducing the rate of taxation on personal and corporate income. We are not subscribers to the theory that all of the ills of the economy can be cured simply by cutting taxes without regard to any of the other dimensions of fiscal or monetary policy. Solutions to economic problems are seldom unidimensional. We can no more cut taxes without restraining government spending than we could single-mindedly reduce the rate of unemployment, as was tried in 1977. To the extent that the increase in private sector saving generated by tax cuts is offset by a decrease in public sector saving, additional funds will not be available for investment. Thus tax cuts need to be accompanied by a reduction or at least a slower growth rate in government spending for the next several years. This was the critical ingredient missing in the original Kemp-Roth bill, and probably one of the major reasons why it did not pass.

However, even this solution is not admissible under old-style Keynesian models. For these models state that the efficacy of government spending is greater than tax cuts, and hence a simultaneous reduction in spending and taxes would lead to a decline in economic activity, output, and employment. Our results suggest that just the opposite is true. Inflation is raised by higher government spending but diminished by lower tax rates, and the total productive capacity of the economy expands with tax cuts but remains stagnant or even contracts with higher government spending. Hence tax cuts will result in both faster growth and lower inflation than would be the case for an equivalent increase in government spending.

Our current policy-makers are so wedded to the past that a change in their behavior must be considered extremely unlikely in 1980. However, a fresh team of advisers in 1981, coupled with the availability of supply-side econometric models, suggests that we can at least look forward to more rational fiscal and monetary policies during the 1980s.

EXHIBIT 2

PRODUCTIVITY AND INFLATION

SUMMARY

The impact of inflation has been devastating so far in 1980. For the first three months the Consumer Price Index increased at an 18.1 percent annual rate; the Producer Price Index for finished goods rose at an annual rate of 20 percent, and the PPI for intermediate goods went up at a rate of 22 percent. Inflation combined with a fall in average weekly hours to reduce average real weekly take-home pay at an astounding 12 percent annual rate.

No productivity data has been released for 1980, but there is little reason to hope for much improvement over last year, when output per hour in nonfarm business fell by 2 percent, offsetting the meager gains of the previous two years. Indeed if the recession finally occurs and the usual cyclical pattern prevails, the performance of productivity in 1980 could be even worse than it was in 1979.

National awareness of the critical importance of productivity for real income growth is growing, but most economists still adhere to a rather primitive explanation of the inflation impact of changing productivity growth. The standard view today is that productivity growth is an offset to rising wage rates in a one-to-one relationship. In this conventional formulation the effect of productivity on inflation can be expressed simply:

Wage rate increase less productivity gain equals rise in unit labor cost.

For example, if wages increase by 10 percent per annum, and productivity gains 3 percent per annum, unit labor costs will rise 7 percent. Obviously, if productivity growth slows down to, say, 1 percent per annum, unit labor costs will rise by 9 percent. Since labor costs constitute more than two-thirds of total cost, prices rise (in the longer run) at the same rate as unit labor costs.

This conventional view ascribes a rather limited role to productivity growth. In the example above, a one percent improvement in productivity would bring about only a one percent reduction in the inflation rate. Our main conclusion is that the conventional view significantly understates the impact of productivity growth on inflation.

This paper, which extends an earlier analysis of the New York Stock Exchange, postulates that to a degree not widely recognized, changes in productivity have "multiplier" effects on changes in inflation rates.[1] These multiplier effects arise from the dynamics of inflation—the interrelationships of the wage-price spiral. An increase in wage rates pushes up unit labor costs and prices, as noted above. But that increase in prices pushes up wage rates which, in turn, push up prices again—thus the spiral continues. In this process sustained change in productivity growth will have a multiplied effect on the spiral.

Let us assume that the decrease in productivity growth occurs at a point where wages are pushing up prices. On the first round, the decrease in productivity growth will accelerate the wage-induced rise in prices. On the second round, by increasing the initial price increase, the earlier productivity slowdown will feed subsequent wage increases. Likewise, the resulting price increases will speed up through each round of the spiral. This can best be illustrated by an example.

Assume that in Period 1 workers anticipate no inflation because there was no inflation in the preceding year. Labor seeks a wage increase of 3 percent, solely to match the perceived long-run average increase in productivity. In other words, workers expect their real incomes to rise and their purchasing power and standard of living to improve. If productivity actually rises by 3 percent in Period 1, the year will be inflation free.

Period 1

	Percent
Assumed inflation	0
Expected growth in real income	3
Wage increase	3
Productivity gain	3
Actual inflation (unit labor costs)	0

Next, assume that productivity gains slacken in Period 2, from 3 percent per annum to 1½ percent—an assumption similar to the reality of recent years. The wage-price spiral is quickly activated:

Period 2

	Percent
Assumed inflation	0
Expected growth in real income	3
Wage increase	3
Productivity gain	1½
Actual inflation (unit labor costs)	1½

Workers anticipated that purchasing power would grow at the same 3 percent rate as in Period 1. But because productivity dropped off, both unit labor costs and prices increased at a rate of 1½ percent. Wages increased by 3 percent, half of which was consumed by inflation, leaving only a 1½ percent increase in real income. Labor is disappointed and readies new wage demands aimed at overcoming the real-income deficit.

Predictably, in Period 3, wage demands go up to 4½ percent. (The assumption is reinforced by the large number of labor contracts which have cost-of-living escalators built-in.)

Period 3

	Percent
Assumed inflation	1½
Expected growth in real income	3
Wage increase	4½
Productivity gain	1½
Actual inflation (unit labor costs)	3

Obviously, the windup of inflation is under way and will continue, as shown below, until something occurs to lower labor's wage demands or to raise productivity.

Footnotes at end of article.

[In percent]

	4	5	6	7
Assumed inflation	3	4½	6	7½
Expected growth in real income	3	3	3	3
Wage increase	6	7½	9	10½
Productivity gain	1½	1½	1½	1
Actual inflation (unit labor costs)	4½	6	7½	9

In fact, inflation could spiral upward more rapidly than these calculations suggest, since labor may begin to anticipate future inflation and try to build it into wage settlements, thereby further fueling the inflation momentum.

Winding down inflation

At some point labor will have to pare down its real wage demands, say to 1½ percent, in response to the lower rate of productivity gains. Then, the rate of price increase will level off and the upward spiral of price rises will be broken. If that occurs in Period 8, the arithmetic would be as follows:

Period 8

	Percent
Assumed inflation	9
Expected growth in real income	1½
Wage demand	10½
Productivity gain	1½
Actual inflation (unit labor costs)	9

Inflation will decline below 9 percent only if productivity gains accelerate. Assume that productivity growth increases to 3 percent and that, at least for a time, labor demands only a 1½ percent gain in real wages (to match the previous plateau in productivity gains). Inflation begins to unwind:

[In percent]

	Period		
	9	10	11
Assumed inflation	9	7½	6
Expected growth in real income	1½	1½	1½
Wage increase	10½	9	7½
Productivity gain	3	3	3
Actual inflation (unit labor costs)	7½	6	4½

Now the process has been reversed, with the rise in productivity causing inflation to decelerate from 7½ percent to 6 percent to 4½ percent. Inflation will continue to wind down so long as the rate of productivity gain exceeds labor's expected growth in real income. When those two factors come into balance—say, 3 percent productivity growth and 3 percent expected growth in real income, inflation will stabilize at a constant rate until one of the key variables changes again.

GENERALIZED INFLATION—PRODUCTIVITY MULTIPLIER MODEL

A generalization of this productivity multiplier model has been developed and estimated in our paper. This generalization allows for:

(1) A partial impact (measured by a parameter "a") of inflation in one period on wages in the next period.

(2) An impact (measured by a parameter "b") of productivity gains in one period on wages in the next period.

(3) The impact of the unemployment rate on average wage increases.

Multipliers for any period following the initial change in the productivity growth rate may be obtained. For example, M_2 and M_4, the multipliers two and four periods after the initial change, are shown to be:

$$M_2 = -1 + (b-a)(1+a)$$
$$M_4 = -1 + (b-a)(1+a+a^2+a^3)$$

As long as wages are more responsive to inflation in the previous period than to productivity growth in the previous period ($a>b$) the multipliers will exceed 1.00.

Casual empiricism suggests much greater worker awareness of inflation than of productivity gains. And in our econometric analysis, this conclusion is confirmed. For the four sectors analyzed, each increase of one percentage point in the rate of inflation raises the rate of increase in hourly compensation in the subsequent year by approximately 0.80 percentage point. Changes in productivity growth rates show only a minor (statistically insignificant) impact on the subsequent year's rate of increase in hourly compensation. The multiplier estimates are summarized in Table 1. According to our estimates a sustained increase of one percentage point in the rate of productivity growth in 1980 and subsequent years would reduce the inflation rate by 2.1 to 2.4 percentage points in 1982, and by 2.8 to 3.3 percentage points in 1984.

TABLE 1.—ESTIMATED REDUCTION IN THE RATE OF INFLATION FROM A SUSTAINED INCREASE OF 1 PERCENTAGE POINT IN THE RATE OF PRODUCTIVITY GROWTH IN 1980 AND SUBSEQUENT YEARS

[In percent]

	Estimated reduction in inflation in sector			
	Private business	Nonfarm business	Nonfinancial corporations	Manufacturing
1980	1.00	1.00	1.00	1.00
1981	1.64	1.61	1.73	1.78
1982	2.15	2.11	2.35	2.38
1983	2.57	2.51	2.87	2.85
1984	2.90	2.84	3.31	3.21
1985	3.17	3.11	3.68	3.50

IS PRODUCTIVITY GROWTH PRIMARILY REFLECTED IN PRICES, WAGES, OR PROFITS?

Gains from higher productivity, at the level of the individual firm or the economy as a whole, can have the following four effects:

(1) Lower prices, or a lower rate of price increase, directly benefitting consumers.

(2) Increased hourly compensation for the affected workers.

(3) Offsets to increases in nonlabor costs, thereby possibly allowing price increases to be foregone.

(4) Increased profits.

Whatever the case, productivity gains benefit individuals as consumers, wage and salary earners, or shareholders. But because this paper focuses on productivity and inflation, we explore these relationships in more detail.

We have analyzed the relations between changes in productivity and prices, hourly compensation, unit nonlabor cost, and unit profits for the nonfinancial corporate sector for 1958–79.[3] The correlations show that inflation was lower in years of higher productivity growth. We also found that higher percentage changes in unit profits occurred in years of high productivity gains; however, annual changes in hourly compensation and unit nonlabor cost were not significantly correlated with annual productivity growth.

These results were based on time series data for the nonfinancial corporate sector as a whole. In addition, cross section analyses have been carried out for 7 broad sectors and 35 specific industries in the private economy. Specifically, the average annual rates of increase in prices and compensation per hour were related to the rates of increase in output per hour.

The results of these cross section analyses are clear: Sectors and industries with above average rates of productivity growth show significantly below average rates of increase in prices, with the coefficient ranging from −0.73 for the 35 industries to −1.12 for the 7 sectors (i.e., each additional percentage point of productivity growth corresponds to a lower rate of inflation of 0.73 to 1.12 percentage points.) They also clearly show that high productivity growth industries and sectors do not show higher rates of increase in hourly compensation than low productivity growth industries sectors. These results demonstrate that the gains from productivity growth in specific industries and sectors are rapidly shared with all consumers in the form of lower rates of inflation.

IMPACT OF INFLATION ON PRODUCTIVITY GROWTH

In our dynamic model, we have described a one-way causation—that is the impact of changing productivity growth rates on inflation. But the causation also runs in the opposite direction. Rising inflation rates depress productivity growth. The economic literature increasingly recognizes the effect of inflation on raising the effective corporate tax rate; on creating business uncertainty and increasing the risk premium incorporated in capital budgeting decisions; and on increasing the effective tax imposed on corporations and investors. All of these factors in turn, influence capital investment and the rate of productivity growth.

Inflation and corporate tax rates

Part of the reason for the downtrend in the capital-labor ratio has been the adverse effect of inflation on corporate taxes.[4] A recent study by the National Bureau of Economic Research shows that taxes now take two-thirds of the total real income on corporate capital.[5] The distorting effects of inflation have returned corporate taxes to the level of the mid-1950's, before accelerated depreciation and the investment tax credit began to reduce the tax burden.

The effect of inflation on effective corporate tax rates discourages capital investment and the productivity growth it generates. Similarly, the effect of inflation in producing "phantom" corporate profits—that is, accounting inventory gains arising from inflation while the inventory is held (under the first-in first-out valuation method), and insufficient depreciation allowances to replace capital equipment—inhibits capital formation.

Inflation also inhibits capital investment in other ways. For example, it is widely believed that inflation has increased the element of uncertainty in investment decisions and thereby increased the risk premium incorporated in capital budget decisions. A similar discouragement occurs to research and development as inflation raises the uncertainty of returns and lifts the risk premium incorporated in risk-yield estimations.

In any catalog of the impact of inflation in discouraging investment and productivity growth, mention should be made of the effects of inflation on capital gains taxes. High taxes prompt investors to favor conservative portfolios and to lock themselves into long-term investments. A study of the National Bureau of Economic Research concludes that corporate stock sales are, in fact, very sensitive to capital gains tax rates and that capital gains taxes are imposed on both nominal as well as real returns.[6] Other research indicates that savings and investment are responsive to taxation so that the imposition of capital gains taxes on monetary but not real gains reduces the funds available for real private investment.

Earlier, we concluded that a slowing in productivity growth will produce multiplier effects on the rate of inflation over time. We can now extend that conclusion: accelerating inflation itself discourages capital investment. As this happens, productivity growth is slowed still further, and the multiplier effect on inflation is further aggravated. Inflation is not a benign force which can easily be contained—it feeds on itself.

Fortunately, the process can also be made

Footnotes at end of article.

to work in reverse. A rising rate of productivity growth can reduce inflation over time, and with it generate greater incentives for capital formation and productivity growth.

CONCLUSION

Much remains to be learned about the complex relationships between productivity growth and inflation. The analysis presented in our paper is a beginning. The evidence, however, points to a multiplier effect of changing productivity growth on inflation. Increased productivity can make a major contribution in unwinding our fifteen-year inflation. Whatever the specific causes—fiscal and monetary mismanagement, soaring commodity prices, the rise in oil prices, dollar devaluations, excess demands, rising unit labor costs—we are in a stage of the inflation process where both costs and wages have been leaping upward. Increased productivity in these circumstances is essential to cool inflation while maintaining the nation's commitment to high levels of employment. The time has come to end the long neglect of lagging productivity growth in the analysis of economic events—not only in the analysis of real growth over the longer run, but the dynamic process of accelerating inflation.

FOOTNOTES

[1] "Reaching a Higher Standard of Living," January, 1979.

[2] Inflation would also decline if labor agrees to accept something less than assumed inflation plus a realistic allowance for productivity growth.

[3] It should be stressed that this particular correlation analysis of productivity and prices cannot allow for the multiplier effects discussed earlier due to the absence of lags in the equations estimated.

[4] For discussion, *cf.* "Building a Better Future, Economic Choices for the 1980s," The New York Stock Exchange, December, 1979, Chapter 3.

[5] Martin Feldstein and Lawrence Summers, "Inflation and the Taxation of Capital Income in the Corporate Sector," NBER Working Paper No. 312, January, 1979.

[6] Martin Feldstein, Joel Slemrod and Shlomo Yitzhaki, "The Effects of Taxation on the Selling of Corporate Stock and the Realization of Capital Gains," National Bureau of Economic Research, Working Paper No. 250, June, 1978.

Mr. HATCH. Mr. President, I ask unanimous consent that quorum call time be charged equally to both sides.

The PRESIDING OFFICER. Is that on the resolution or on the amendment?

Mr. HATCH. On the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HATCH. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HATCH. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HATCH. Mr. President, I ask unanimous consent that the time be charged against the resolution rather than against the amendment.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. HATCH. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BELLMON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. Boren). Without objection, it is so ordered.

Mr. BELLMON. Mr. President, I yield myself 5 minutes.

The PRESIDING OFFICER. Off the resolution?

Mr. BELLMON. Off the resolution.

Is the time used up on the amendment?

The PRESIDING OFFICER. Those favoring the amendment have used 14½ minutes and the opposition to the amendment has not used any time.

Mr. BELLMON. So I wish to use time in opposition to the amendment.

The PRESIDING OFFICER. The Senator is recognized in opposition to the amendment.

Mr. BELLMON. Mr. President, let me say at the beginning that I am basically in accord with the position that Senator Hatch has so well stated here this morning. I agree with most of the economic analysis he has presented. I feel strongly that we do need to do more to strengthen the supply side of our economy and will work with the Senator to this objective when we can agree that it is timely.

High levels of spending and large Federal deficits are among the most important causes of the virulent inflation we face in this country today.

Moreover, I also agree that high tax rates are eroding private initiative and private investment and that fiscal responsibility gained only through the imposition of substantial new taxes is a shallow victory.

In fact, Senator Hatch and I both recently strongly opposed the windfall profit tax. This tax, in my view, is a textbook example of the type of misguided Government taxation that reduces investment, hurts employment, and lowers output.

Mr. President, in that case it would have been far better to have provided incentives for production and disincentives for consumption, but the windfall profit tax went in exactly the opposite direction.

Despite the fact that this resolution depends heavily upon increased taxes to balance the budget, I believe that this resolution achieves many of the objectives that Senator Hatch advocates.

Let me mention some of those objectives.

First of all, this budget resolution is balanced;

Second, it reduces overall spending $3.9 billion below current law, and this is a major objective in the face of the inflation we are facing;

Third, it reduces nondefense spending by $13.2 billion below current law;

Fourth, it contains the very same defense spending targets as Senator Hatch's amendment recommends; and

Fifth, it does provide room for tax cuts.

The resolution requires nine committees to report reconciliation legislation cutting fiscal year 1981 spending by $8.2 billion in budget authority and $9.6 billion in outlays. In addition, the Appropriations Committee is required to save $3.6 billion in order to live within its fiscal year 1981 allocation.

Mr. President, as a practical matter, the reconciliation requirement is already causing great concern in the appropriations and the authorizing committees and to try to go further seems to be totally impractical.

Senator Hatch proposes to change this resolution so that it requires over $19 billion in savings instead of approximately $12 billion savings which the resolution as reported will require, and in my judgment that is simply impracticable.

I hope the chairman and ranking minority members who are unhappy with the reconciliation instructions already in the resolution will take a close look at what the Hatch amendment will require of their committees.

The fact that Senator Hatch does not amend the reconciliation instructions raises considerable doubt that we would be able to get his additional savings even if we changed the numbers in the resolution.

Mr. President, the revenue-reducing part of the amendment is unnecessary. The budget resolution already contains a $10 billion cushion for tax reduction, more than enough to accommodate the phase in of 10–5–3 depreciation.

The spending cuts in the Hatch amendment are not likely to be achieved. The end effect of reducing taxes below the committee recommendation and providing for this tax reduction through unlikely spending cuts will be a fiscal year 1981 budget that is not in balance.

While I do not want to get into a lengthy discussion of the economic benefits of 10–5–3, I point out that it involves substantial tax reduction in the outyears, amounting to $40 billion in fiscal year 1985. In my opinion, it would be premature to say now that 10–5–3 will be our productivity-related tax cut. Other alternatives such as the first year capital recovery system must be explored by the Finance Committee and the full Senate before a tax cutting package can be assembled.

I also wish to provide the Senate with some information about the shape of tax cuts in recent years.

Let me go back first to the tax cut of 1971. It restored investment tax credits and increased personal income tax exemptions. It abolished the excise tax on cars and light trucks. The revenue loss in fiscal year 1972 was $4.4 billion; in fiscal year 1973 it was $6.9 billion; and in fiscal year 1974 it was $6.1 billion. So parts of those tax cuts were supply side oriented.

In 1974 we had the retirement plan amendments which did not have any particular supply side effect.

Then in 1975 the Tax Reduction Act included income tax reduction, but primarily it was oriented at business tax reductions, including a higher investment tax credit and a lower corporate tax credit. These totaled $4.8 billion. The total first year revenue effect was $22.8 billion.

The PRESIDING OFFICER. The Senator's 5 minutes have expired.

Mr. BELLMON. Mr. President, I will yield myself an additional 3 minutes.

In 1976, there were several corporate tax reforms. We also extended and enacted lower income taxpayer relief provision and various investment incentives. The total revenue loss that year was $15.7 billion.

Then in 1977, we passed a tax reduction and simplification act. It included individual income tax reductions of $14.2 billion, but it also included a new jobs tax credit and extension of corporate income tax reductions totaling $3.5 billion. The total tax reduction that year was $17.8 billion.

And in 1978, only less than 2 years ago, we had individual tax cuts amounting to $7.9 billion and a corporate tax cut that reduced taxes in 1979 by $2 billion and reduced corporate taxes in 1980 by $4.3 billion.

In addition to that there were capital gain reductions of $0.3 billion in 1979 and $2.2 billion in 1980.

The total tax reduction in the 1978 act was $10.4 billion for 1979, and $21 billion in 1980. Again calling attention to the fact that we have been looking at the supply side, $4.3 billion of the 1978 tax cut was corporate tax and $2.2 billion were capital gains tax cuts. So we have been alert to the problem the Senator from Utah raises so well, and I believe we will continue to place emphasis on the supply side in future tax cuts when we get the budget in balance and when we can provide the tax cuts without simply adding to our deficit.

Mr. President, I appreciate and support Senator HATCH in the objective he is trying to reach. But, in my opinion, he is attempting to move Congress faster and farther in the directions it has already been moving, but at a rate that is probably more rapid than Congress will be able to achieve.

I fully accept and support his intent to achieve spending restraint and to achieve tax reductions oriented toward the supply side.

The Hatch amendment cuts spending more deeply than we can achieve this year. The tax cut in fiscal year 1981 is similar to that which the resolution proposes. It is larger in 1982 and 1983, and I doubt that we should decide now on a tax cut that large.

So although I support the policy objective of the Hatch amendment, I must urge the Senate to stay with the pattern we have set in the resolution. I believe we will get where the Senator wants to go more rapidly this way than by setting for ourselves some goals impossible to achieve, and which would only make it less likely that we will be able to accomplish the objective we both want.

Mr. HOLLINGS. Mr. President, I thank the distinguished Senator from Utah for his indulgence this morning. We were trying to work with the leadership on both sides on some of these amendments, to expedite and try to complete our task here today.

I thank our distinguished ranking Member, Senator BELLMON, for his presentation.

The amendment before us this morning is presented in the spirit that tax reduction is so important that it is worth—and listen to these items now—$1.6 billion in outlays cuts from income security for the Nation's poor, a cut from an already tight budget; that it is worth $500 million in veterans' benefits cut from a part of the budget that 45 Senators yesterday voted to increase—we are still struggling with that one. It is supposedly worth $600 million of additional cuts in the employment and training function which Senators hoped to increase in amendments we have yet to consider, which are coming later this morning.

Now, let us look at the tax cut proposal. It is advanced with all the arguments for supply-side economics. The Budget Committee is favorable to supply-side tax cuts. In fact, it provides for $30.9 billion of productivity tax cuts in fiscal years 1981 through 1983.

The committee also provides $33.6 billion to offset rising social security taxes. But what does the Hatch amendment do to offset the already enacted increases in social security taxes and to relieve that bracket creep we hear so much about? Undoubtedly the proponents of this amendment would say the new split stream tax break they are proposing for recipients of unearned income—that is, interest, dividends, business profits, capital gains from speculation in land, stocks, gold, or whatever—constitutes an offset for bracket creep.

But is bracket creep OK for workers who get most of their income from wages and salaries and who will be paying higher social security taxes this year, next year?

This amendment leaves only $3.7 billion in fiscal 1981 for all tax reductions other than accelerated depreciation and the split stream proposal, assuming Senator HATCH is using CBO's basic revenue estimates for revenues under current law.

It is really not consistent with the Muskie substitute, Senate Resolution 380, which the Senate passed just 2 months ago. That substitute provided for half of the tax reduction made possible by budget restraint to go for productivity tax cuts, and half to offset social security tax increases. This amendment has 57 percent supply-side tax reduction and 43 percent for other purposes, on the basis of the CBO current law estimates. In the committee's resolution, the split is 48 to 52 percent.

Over the 3 years planned in the budget resolution, this amendment promises $111 billion of tax reductions compared to $64.4 billion in the Budget Committee's plan. But will we really have $111 billion to commit to tax reduction? Once we put these tax cuts into law, their revenue loss grows inevitably. Meanwhile, the room for tax reduction is dependent on three uncertainties. This gives you the tenuous nature of the budget process—how we are trying to do things in a timely way, to come in just at the right time.

First, the amendment requires $7.3 billion in outlay reductions below the committee's proposal in fiscal year 1981, $12.6 billion in fiscal year 1982, and $6.1 billion in fiscal year 1983. Those spending cuts are far from certain.

Second, the room for tax reduction depends on the economy being as strong as CBO projects, which we hope it will be. We have heard a lot, however, about the uncertainties of forecasts. Forecasts become less certain the longer the period over which we project. If the economy were to be weaker, we would be facing deficits under the plan in this amendment. There is no margin to spare in the outyears.

Let us suppose the economy is as strong or stronger than the CBO projections. This amendment would risk reigniting the inflation we are trying to cure. Let us look at what some analysts say on this subject. I wish I could get some economic authority and recommendation for a tax cut, because our committee would run out and provide one. We have said we are setting aside $10 billion for a tax cut, but if we could only get some real substantial economic advice which said "Now, go," we would be the first out to provide a larger one. We are trying to show our foresight and our sympathy for this particular approach, by including in the budget resolution a tax cut. But we also provide that we do not do it precipitately, that we do not go right back and reignite inflation.

The new models of Data Resources, Inc., and Evans Economics both suggest that tax cuts directed at investment incentives have their first effects on demand. There is no way around the proposition that you have to build a machine before you can use it. The beneficial effects on productivity and inflation occur after 3 years or so, according to these models. And these are new models that have not yet been extensively analyzed and tested. They show bigger effects on productivity and better effects on inflation than the older models. The older models would say that tax cuts of the size proposed could keep inflation, using the GNP measure, near the 9-percent rate we have been experiencing recently. I suggest that we should move cautiously.

Let us look at a recent newsletter from the Chase Manhattan Bank and what they have to say about the appropriate time perspective in which supply-side tax cuts should be viewed. We are accused from time to time of overkill or strong language, but actually look at the quotes from the economists themselves:

> To be sure, carefully targetted tax-rate reductions can improve labor productivity by inducing greater worker effort and higher rates of capital investment. But these are long-run effects. And while it is true that improved productivity has a contribution to make in the battle against inflation, the size of this contribution over a short period is likely to be small.

The Chase newsletter summarizes the supply-side issue using words like "simplistic evangelism." But, when we call it simplistic they can say that is being a little snide, and I would not be snide or demeaning to my distinguished colleague from Utah. I have the greatest respect for him, and he is a valued member of our Budget Committee and the entire process, and we have generally been on the same side trying to hold this balanced budget all year long. We have been walled up in these marathon sessions working together.

But the Chase newsletter states, and I quote:

> The simplistic evangelism that has shrouded supply-side economics in an aura of mysticism should not be allowed to discredit an otherwise promising approach. . . . Over-zealous supply devotees have invoked supply-side economics to advance some highly questionable claims for the supposed therapeutic effect of massive tax cuts, offering them as a cure for double-digit inflation and low rates of saving, investment, and productivity growth, among other ills. Such overstatement threatens to obscure the genuine merits of much of the supply-side argument.

We really get to the knitting, as you say, as former Governors, without the authority to print money. You were not even allowed the luxury of thinking along those lines, distinguished Presiding Officer from Oklahoma, who was a chief executive for many years.

We have a $37.5 billion deficit now and it could be more; I notice on the House side they are using the higher number of nearly $42 billion. We have got to pay this year's bills. You go to Oklahoma or South Carolina and say, "Well, the first way to pay the bill is to cut the revenues," and they would sack you right quick out of the statehouse for that kind of an approach. In the statehouse, you just could not do all this printing of money.

But here you can be ethereal and theoretical; the expression used by Chase Bank was the "aura of mysticism." Somehow in Washington commonsense ideas just disappear. In the luxury of theory around here we bust the budget more and more and more, to the tune over the last 10 years of $349 billion. That is the cumulative deficit over the last 10 years, and that is the ailment we are trying to overcome.

Mr. President, on the spending side, the Hatch amendment would cut $8.5 billion in budget authority and $7.3 billion in outlays below the Budget Committee's recommendation.

The largest cuts occur in the education and manpower area, $600 million in budget authority and outlays; health, $1.6 billion in budget authority and $1.4 billion in outlays; and income security, $2.4 billion in budget authority and $1.4 billion in outlays.

The Budget Committee's recommendation, Mr. President, already cuts these three functions below current law by $5 billion in budget authority and $6.6 billion in outlays.

Significant and controversial cuts are also proposed in this amendment in areas we debated yesterday, cuts in natural resource programs, transportation, and veterans programs.

So the Budget Committee has recommended a tight, responsible budget designed to bring the budget into balance at the lowest possible level. That budget took us many days of hard work to prepare. We should not come now and scuttle it with tax cuts that we cannot afford. We are really trying to balance the budget—not in this fiscal year 1980, but at least to limit the impending deficit, and balance it in 1981.

The proper and responsible action is to reject the amendment and please adhere with the committee's recommended budget.

I have to oppose this amendment. I hope my colleagues will do likewise.

I yield to the distinguished Senator from Utah.

The PRESIDING OFFICER. The Senator from Utah.

Mr. HATCH. Mr. President, I have enjoyed this debate. I also enjoyed both the ranking minority member's approach—and I appreciate his approach here today—and his suggestion that we may very well be right. He generally supports this type of a principle.

I have also enjoyed my colleague from South Carolina, for whom I have tremendous esteem and with whom I have worked very hard to try and hold the line on the budget to come up with a balanced budget.

I think this is a very simple amendment. My amendment will balance the fiscal year 1981 budget. We will still reach a balanced budget, but will do so with $605.6 billion, a total that is $7.3 billion less than the Budget Committee's recommendation.

Now, we have excepted defense and social security, which I think all of my colleagues would prefer to do, or at least the majority of my colleagues would prefer to do. All outlays are reduced from the committee's recommendation by 2.2 percent in fiscal year 1981, 3.4 percent in fiscal year 1982, and 1.7 percent in fiscal year 1983.

The two tax cuts we suggest are 10–5–3, the accelerated depreciation, for which I know of no one who disagrees that it would be very beneficial in accentuating productivity in this country, and a savings incentive which would tax earned and unearned income separately, with the first dollars of each type of income starting in the lowest brackets.

In other words, instead of adding the unearned income on top of the earned income to push people into higher brackets, we will treat them as separate incomes, each starting with the first dollars in the lowest tax brackets.

Now, basically, I think that is a pretty reasonable approach. Our contention is that if we will do this—according to the Evans model and, frankly, backed up, somewhat, by the Eckstein model—these two tax cuts would increase savings and investments by $26.3 billion in the first year and $70.5 billion in fiscal year 1985; something that is long overdue in our society that we must have. Over a 5-year period, these two tax cuts would stimulate almost $235 billion in additional savings and investments.

This would cause the gross national product to be 1.5 percent higher at the end of 5 years and it would create a million new jobs. That would be worthwhile. It is something we should all be trying to do.

Four years ago, when I became a Member of the Senate, or at least when I was elected in 1976, the budget was somewhere around $400 billion. Today, it is going to be well over $600 billion. Back in 1976, the interest against the national debt was $42 billion, or thereabouts. In fiscal year 1981, it will be somewhere near $80 billion; in just 4 years.

Over the last 3 years, under the budget process as it has occurred, we have increased the annual budget 41 percent. As a matter of fact, if you include the offbudget items, which should be included onbudget because they are actual deficits put in a special category over 4 years, I believe that we will have run deficits somewhere near $200 billion.

It was brought out that this budget resolution contemplates a $10 billion tax cut. But anybody who believes that, under today's circumstances, I think has to be misinformed. The $10 billion tax cut cushion claimed in the budget resolution simply will not materialize.

New economic forecasts show that this budget is actually out of balance. The $10 billion cushion will be used up in increased entitlement programs and lower revenues from a deeper recession than projected.

If you add it all up, supply side economics and this moderate, reasonable amendment are not simplistic evangelism. There are some supply siders who occasionally do propose simplistic evangelism. But this is not that.

I would prefer something like this that would add to productivity in this country, that will give us a chance to pull out of these difficulties, that will help us outproduce inflation, rather than live with this awful monster that is raking this country.

I would prefer this to the reeling drunk-in-the-gutter Keynesian economics we have had over the last 30 years. I think it is time we realized that, although some people think there is an aura of mysticism in supply side economics, think we have an aura of statistics that show that the drunk-in-the-gutter Keynesianism has put us where we are. I think it is time we start recognizing that changes have to occur.

We need to bring about those changes now. We need better productivity and we need better investment and savings. We have to solve these problems now and not later.

Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. The Chair will inform the Senator that the yeas and nays have previously been ordered.

Mr. HATCH. Mr. President, I am prepared to vote.

Mr. HOLLINGS. Mr. President, I am prepared to vote.

When we talk about tax cuts, I feel as if some of these amendments could be characterized, most respectfully, by the Alcoa commercial: "Alcoa can't wait." I cannot wait either.

But I have to emphasize for the body that we have had four personal income tax cuts in the U.S. Government in the last 5 years. Four in the last 5 years.

This year, we have to count $20.1 billion from lower taxes on capital gains tax and from tax relief for small corporations, small businesses, and other corporate taxes along that line as well as lower personal taxes.

We have put in various tax cuts that are going to cost the revenue side some $20.1 billion already. So we have not been callous to the supply side. We have been trying and we have been successful and have cut taxes 4 out of the last 5 years. We should just withhold, as the budget resolution calls for, any kind of real tax cuts that might unbalance the budget. That is why we even put in that rule to get us to the end of the summer, to the second concurrent resolution, and then let us have a further look.

Let us have the economists come in and all the others who have studied it and be a little bit more accurate at this particular time. Then I would be glad to perhaps join in the Senator's amendment. At this particular time I will have to move to table the amendment.

Mr. HATCH. May I make one further statement?

Mr. HOLLINGS. Surely.

Mr. HATCH. I appreciate the comments of my colleague from South Carolina. We do agree on many things. I will continue to support him in every way I can as he assumes the Budget Committee chairmanship.

I do not believe we can hide behind tax cuts. We have a $96 billion increase in revenues.

We have inflation induced income tax increases, social security tax increases, net increases in income taxes from decontrol, net windfall profit taxes, the import fee on gasoline taxes, and other increases assumed in the budget resolution. There will be real tax increases of $63.3 billion.

Over the next 5 years real tax increases will amount to $642.9 under this budget resolution. What we are saying is we would like to save $235 billion in additional savings and investment. That is all we are asking. Even though there have been some supply side tax cuts in the past we have always jumped the revenues like the man in the desert gulping for air and water. That is what we have done this year. All I am asking is that we consider as we jump these taxes, $63 billion plus, that we do something to offset that. This is a reasonable approach that will give industries like United States Steel, which is having difficulty right now, some of the smaller companies, the automobile companies that are having difficulties, a chance to recoup and be able to replace worn out equipment that they have.

Of course, it will give every American a chance to save more, and thus invest more, expand our economy, employ more, and ultimately outproduce inflation.

This one amendment will not do all of those things, but it will at least start us in that direction. I think it is worthy of support and I hope my colleagues will support it. I am prepared to yield back the remainder of my time.

Mr. HOLLINGS. Mr. President, I yield back the remainder of my time. I move to table the amendment and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from South Carolina to table the amendment of the Senator from Utah. The yeas and nays have been ordered and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Alaska (Mr. GRAVEL), the Senator from Massachusetts (Mr. KENNEDY), the Senator from Vermont (Mr. LEAHY), the Senator from Hawaii (Mr. MATSUNAGA), and the Senator from Maine (Mr. MUSKIE) are necessarily absent.

Mr. STEVENS. I announce that the Senator from Kansas (Mrs. KASSEBAUM), the Senator from Delaware (Mr. ROTH), and the Senator from Wyoming (Mr. SIMPSON) are necessarily absent.

I further announce that, if present and voting, the Senator from Wyoming (Mr. SIMPSON) would vote "nay."

The PRESIDING OFFICER (Mr. SARBANES). Are there any Members in the Chamber who have not voted who desire to vote?

The result was announced—yeas 53, nays 39, as follows:

[Rollcall Vote No. 107 Leg.]

YEAS—53

Baucus
Bayh
Bellmon
Biden
Bradley
Bumpers
Burdick
Byrd, Robert C.
Cannon
Chafee
Chiles
Church
Cohen
Cranston
Culver
DeConcini
Domenici
Durkin
Eagleton
Exon
Ford
Hart
Heinz
Hollings
Huddleston
Inouye
Jackson
Javits
Johnston
Levin
Magnuson
Mathias
McGovern
Melcher
Metzenbaum
Morgan
Moynihan
Packwood
Pell
Pressler
Pryor
Randolph
Ribicoff
Riegle
Sarbanes
Sasser
Stafford
Stennis
Stevenson
Talmadge
Tsongas
Weicker
Williams

NAYS—39

Armstrong
Baker
Bentsen
Boren
Boschwitz
Byrd, Harry F., Jr.
Cochran
Danforth
Dole
Durenberger
Garn
Glenn
Goldwater
Hatch
Hatfield
Hayakawa
Heflin
Helms
Humphrey
Jepsen
Laxalt
Long
Lugar
McClure
Nelson
Nunn
Percy
Proxmire
Schmitt
Schweiker
Stevens
Stewart
Stone
Thurmond
Tower
Wallop
Warner
Young
Zorinsky

NOT VOTING—7

Gravel
Kassebaum
Kennedy
Leahy
Matsunaga
Roth
Simpson

So the motion to lay on the table Mr. HATCH's amendment (No. 1753) was agreed to.

Mr. HOLLINGS. Mr. President, I move to reconsider the vote by which the motion to table was agreed to.

Mr. BELLMON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. NELSON subsequently said: Mr. President, I would like to comment for just one moment on the amendment that was just acted upon. I had hoped it would not be a motion to table, so I could make a comment on the merits of the amendment.

I voted not to table it because I believe the Senate should have the opportunity to discuss the principle involved in the depreciation aspect of the amendment offered by the distinguished Senator from Utah.

I originally introduced the proposal for a depreciation rate of 10–5–3, the Capital Cost Recovery Act, along with several other cosponsors. The measure, S. 1435, currently has 51 cosponsors.

I had hoped we might have discussed the importance of the Congress moving quickly toward a significant change in our depreciation rate, that is, a change that would increase the rate of depreciation very rapidly.

I am not sure whether we can or cannot improve upon the 10–5–3 proposal. But the issue should be fully debated on its own merits. That is why I voted against tabling the amendment.

I hope and expect that the first time the Congress considers a tax cut, one of the fundamental points we will attack is the question of depreciation rates because, on the average, the industrial productive machinery of America is now 20 years of age. The average age of machinery in West Germany is 12 years and in Japan it is 10 years.

Our Nation cannot compete for world markets with this kind of disparity between the productivity of its industrial plants and that of its major international trading partners. So the most important thing we can do to provide the necessary capital to improve the productivity of our plants is to accelerate the depreciation rate.

AMENDMENT NO. 1745

(Purpose: To increase the recommended levels of budget authority and outlays for income security for fiscal year 1981)

Mr. STEVENS. Mr. President, I have an amendment, No. 1745, at the desk which I call up.

The PRESIDING OFFICER. The clerk will state the amendment.

The legislative clerk read as follows:

The Senator from Alaska (Mr. STEVENS), for himself, Mr. MATHIAS, Mr. GOLDWATER, Mr. DECONCINI, Mr. PRYOR, Mr. SARBANES, and Mr. DURKIN, proposes an amendment numbered 1745.

Mr. STEVENS. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 2, line 17, strike out "$687,900,000,000" and insert "$688,300,000,000".

On page 2, line 22, strike out "$612,900,000,000" and insert "$613,300,000,000".

On page 3, line 4, strike out "$0" and insert "—$400,000,000".

On page 8, line 19, strike out "$245,300,000,000" and insert "$245,700,000,000".

On page 8, line 20, strike out "$218,300,000,000" and insert "$218,700,000,000".

On page 15, line 12, strike out "$500,000,000" and insert "$100,000,000".

Mr. STEVENS. Mr. President, the passage of the budget resolution with the existence of the reconciliation instructions will constitute a breach of faith with the retired Federal workers of this Nation. At the present time, the budget resolution requires the Governmental

Affairs Committee to achieve $500 million in savings by reporting out legislation which will reduce Government outlays for fiscal year 1981 by $500 million. The only sizeable Government program under the budgetary jurisdiction of the Governmental Affairs Committee is the civil service retirement system. Hence, the only program which feasibly could be reduced by $500 million is the civil service retirement program. And the only way to save $500 million in the first year is to renege on the agreement we forged with the retired Federal workers in 1976.

In 1976, the so-called 1-percent kicker on Federal annuities was repealed with the understanding that the annuities would be adjusted semiannually. I argued against the change because I saw the inevitable. I saw that the repeal of the kicker was just the beginning. And so it seems it was. For the second straight year, the Budget Committee is recommending we disavow our earlier understanding and revert to a once-a-year adjustment on Federal annuities.

Mr. President, last year at this same time, the same proposal was before us. During the debate, we received assurances from the distinguished chairman of the Budget Committee that the Budget Committee's policy recommendations are not binding upon the authorizing committees. However, the reconciliation instruction to the Governmental Affairs Committee this year leaves us no alternative. We are being forced to cut the twice-a-year adjustment and, consequently, follow the Budget Committee's recommendations. Since the civil service retirement system is the only program under the Governmental Affairs Committee's budgetary jurisdiction, $500 million of reductions must originate there. Although we are presently considering other retirement bills that will reduce Government outlays, such reductions do not even approximate a cut of the magnitude required by the reconciliation instruction. Therefore, the instruction ties our hands with respect to the Budget Committee's recommendation to eliminate the semiannual adjustments.

Mr. President, I support the Budget Committee in its efforts to reduce Government spending. But, I object to the Budget Committee, in essence, making policy decisions. Frankly, that is what has been done.

Last year, we held hearings to find out what the impact would be of a once-a-year adjustment. We learned then and since a number of things: One, the average Federal annuity is $709 per month. Two, over 100,000 retirees receive under $200 per month, or $2,400 per year. Three, changing the semiannual cost-of-living adjustment to an annual adjustment would cost the average retiree approximately $360 per year and the average survivor $150 per year in the first year. Four, the period of lag between price increases and annuity adjustments would increase from 6 months to as much as 15 months.

As you can see, elimination of the twice-a-year adjustment will have a substantial impact, especially when considering that retirees are the ones least able to cope with the ravages of inflation. The injustice of such a change is exacerbated when one considers that, for the most part, the retirees are individuals who worked for the Government for many years. In fact, most joined the Federal work force before pay comparability with the private sector became law. Consequently, many received inferior salaries as compared to pay for similar work in the private sector. In those days, the incentive to work for the Government other than public service was the retirement plan. Now, the Budget Committee proposes to strip away one of the underlying factors that begged these individuals into public service.

Mr. President, this proposal is blatantly unfair. The distinguished chairman of the Subcommittee on Civil Service and General Services, DAVID PRYOR, and I have recently introduced and held hearings on retirement bills that will save money in a responsible manner. In addition, the subcommittee under the inspired initiative of the chairman, is turning up costly abuses of the Government's use of consultants. Eventual savings to the Government by cracking down on these abuses could be well over a billion dollars. Furthermore, the Government Affairs Committee recently reported out its version of regulatory reform. The savings from such a measure to private business will be enormous. Yet, instead of observing and encouraging the actions that the Governmental Affairs Committee is taking, the Budget Committee has made a policy decision that will cause Governmental Affairs to take an action it does not feel is in the public interest.

Therefore, Mr. President, we are proposing an amendment to the budget resolution to restore the moneys necessary to retain the twice a year adjustment on Federal annuities. The amendment restores $400 million to function 600, the income security function, and reduces the amount the Governmental Affairs Committee is required to save by $400 million. The result will be reconciliation instruction to Governmental Affairs to achieve savings of $100 million. We believe we can achieve such savings in a responsible manner.

Mr. President, I ask unanimous consent to have printed in the RECORD excerpts from letters received from various parts of the country and also a fact sheet related to this matter.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

EXCERPTS OF LETTERS FROM DIFFERENT PARTS OF THE COUNTRY

My husband, a retired federal employee, had a gross income from Federal Pension, including two cost of living increases, of only $3,543.00 for the year 1979. Changing to once a year would cut our income and force us to apply for food stamps, O.A.A., maybe welfare, as we both are over 70. This would put us at poverty level!

Most of us retirees can barely scrape by now, what with increases in real estate taxes, auto licenses, insurance of all kinds, food, doctor and dentist charges, and last but not least, the continual increase in income taxes. One-tenth of my annuity goes to pay my income taxes. I do not have income left each month now to allow any travel, or even a short holiday. I have to continually deplete the small savings we have to make things go. I am one of the 90% government retirees who lives on less than $1,000.00 per month, and that includes my wife also.

I don't understand why people who are on pensions have to be the target of budget cuts. Retirees can least afford the major causes of inflation such as housing, food, transportation, etc. Also, don't forget the elderly have little chance for work to supplement their meager annuity. Since cost of living increases are always many months after spiraling inflation, we never catch up. I don't understand why anybody should consider our retirees as some sort of second rate citizens, to be reduced to poverty even though they gave the best years of their life working towards an honorable retirement.

While I agree with the President's objective of balancing the budget, this type of reduction for retirees would really amount to a double reduction because the one percent bonus was only recently removed. If this is allowed to happen, what will the next reduction be, and the next, etc? Retirees don't get promotions, and in-step raises, on top of yearly salary raises, so that even with the cost-of-living adjustment twice a year, they fall behind. It is most difficult for most retirees to make ends meet now, much less after further reduction.

I am 65 years old and I am a retired Civil Service worker. I worked for over 30 years. . . . There was at least an implied contractual agreement between myself and the government when I started my federal service—the government in effect indicated that if I worked faithfully for some 30 years, I would be afforded at least a comfortable living after retirement. Moon-lighting or any outside work was discouraged. I kept my part of the bargain. To continue this line of thought a little, I do not expect to live my last 15 years or so affluently—but by the same token, I object to having to live a beggardly existance.

Since Mr. Carter stated in a speech last week that there would be no cuts in Social Security, Supplemental Security Income, Medicare, federally-assisted housing and aid for the Council of Aging, I do not find it appropriate to "single out" the federal and military retirees.

Your budget cuts seem to be directed at the poor and the elderly. We are two of the elderly living on under $10,000 annually and, believe me, it isn't easy especially in DuPage County. Is it the policy of our government to trod on the poor and the elderly to the benefit of the wealthy in this country?

"The cost of living goes up every day. We cannot wait a whole year to 'catch up'. It is not fair."

"Trying to live on just a portion of ones former salary is not easy. It becomes impossible when the squeeze becomes tighter each day. Some years ago the lag in the adjustment was quarterly. Pensioners were squeezed when it was changed to twice a year. Now it is proposed to squeeze them still further by setting back the adjustment to once a year. Where will pensioners get the means to make ends meet with ever-increasing delays in inflation adjustments? I made my plans and retired on the basis of a law which I thought would guarantee me a certain real income and standard of living. Now, by what would virtually be an ex post facto expropriation, it is proposed to reduce my real income. It is as much an obligation of the government to live up to its pension contract with me, as it is to pay the national debt. The Congress would not propose to delay payment of bonds when they become due. Why does it propose to delay payment of pensions at a real money basis?"

"Retirement is traumatic at best, and to constantly read of this committee or that committee doing everything in its power to make it worse for us is not conducive to a feeling of respect for the workings of our government."

FACTS

1. Federal employees comprise 1% of population, yet are being asked to bear the brunt of 15% of the budget cuts as a result of pay caps and retirement cuts.

2. Average annuity: $709 per month; $8,500 per year.

3. Average survivor annuity: $296 per month; $3,552 per year.

4. Over 100,000 annuitants receive under $200 per month.

5. About 200,000 annuitants with an average of 20 years of service and an average age of 78 receive under $500 per month. They all retired before 1956. Earlier retirement was before pay comparability. Retirement was to offset low pay.

6. For the average annuitant, elimination of the twice a year adjustment will reduce FY 81 income by $350 and survivor by $152.

7. Federal retirement is taxed. Social Security is not. Example:

Two retired couples—A and B—are similarly situated with each having an annual income of $15,000. The only difference is that the entire $15,000 income received by Husband A is from his Federal annuity. The $15,000 received by Husband B is a combination of social security and a small private pension. Neither wife worked.

Assuming both couples are 65 or older, Couple A will pay $1,060 in Federal income taxes, while Couple B will pay nothing. The tax computation is as follows:

Couple A

Federal annuity	$15,000
Total taxable income	15,000
Federal taxes owed by couple A before tax credit for the elderly	1,247
Tax credit for the elderly	(187)
Federal taxes owed by couple A	1,060

Couple B

Private pension	$3,000
Primary OASDI	7,800
Secondary spouse OASDI benefit	3,900
Total taxable income	3,300
Federal taxes owed by couple B	0

8. Reneges on 1976 promise with repeal of 1% kicker.

9. Retirees are least able to cope with inflation. Unable to get jobs to supplement income.

10. a. According to 1973 statistics, Civil Service annuity accounts for over 70% of a retiree's total income.

b. 50% of survivor's total income.

Mr. STEVENS. Mr. President, I yield to the Senator from Maryland, a cosponsor of the amendment.

Mr. MATHIAS. Mr. President, I am pleased to join my distinguished colleagues from Alaska, and Arizona. Mr. STEVENS and Mr. GOLDWATER in strongly supporting this amendment. The Senate cannot condone holding the Federal retirees hostage in its push to balance the Federal budget.

I believe in a balanced budget. I want to eliminate deficit spending. But I would rather not balance the budget than do it at the expense of those who can least afford it. Cutting the cost-of-living adjustment for Federal retirees—a small group of citizens who cannot effectively fight back—is no way to fight inflation. If that is the best idea we can come up with—asking elderly retirees on fixed incomes to take it in the neck—then we are in sad shape intellectually and morally.

The administration's proposal, endorsed in this resolution, to eliminate the twice annual cost-of-living adjustment for the Federal retiree may be a saving for the Federal Government. But let no one misunderstand, this is a saving which comes right out of the pocket of pensioners, who have given their working lives to service of their country.

Federal employees and Federal retirees have always been the sacrificial lambs in any kind of budget cutting process. The argument goes, if there is something wrong with the Federal Government, it is the fault of the Federal employees. They take too much, and do not give nearly enough in return.

Mr. President, nothing could be farther from the truth. I have served the people of Maryland in Congress now for nearly 20 years, and during that time I have had ample exposure to the Federal Government and to Federal workers at all levels in virtually all Government agencies. What I have seen is a Government that functions and functions pretty well, despite an often critical lack of leadership.

I am sick and tired of people talking about fat cats in the Federal retirement system. Let us set the record straight once and for all. At hearings held by the Senate Subcommittee on Civil Service and General Services last July, testimony revealed that the average annuitant in the Civil Service Retirement System receives $8,500 per year and that the average survivor receives $3,600 per year.

Which one of us would like to try and live on that? What kind of recompence is that for serving your country? Should the proposal contained in this budget resolution stand, and the cost-of-living adjustment be rolled back to one per year, the cost to the average Federal annuitant could be as much as $318 per year, and to the average surviver, $132 per year. That may seem like a drop in the bucket when we are talking about billions. But to a retired person on a fixed income, it is a very substantial amount.

Those who advocate this adjustment stress that social security recipients are given only one cost-of-living adjustment a year. But they forget to point out that social security, and any cost-of-living addition, is tax free. The civil service retiree pays taxes on every penny of his annuity, including the cost-of-living adjustment. So there is really no comparison to be made between the two systems.

Aside from the unfairness inherent in the cost-of-living adjustment proposal included in this budget resolution, I think all would agree that it is just plain wrong for the Congress to renege on agreements it has made with Federal employees. We promised the Federal retiree a twice annual cost-of-living adjustment when he gave up the 1-percent kicker on the COLA payment back in 1976. Now to turn around and eliminate the twice annual cost-of-living adjustment is tantamount to breaking a contract.

Mr. President, once again, it is not in the best interests of the Nation for the Congress to be balancing the budget at the expense of the Federal retiree. We would set a very bad precedent if we allowed this to happen. It is more than clear that the Federal Government as an employer, like any other employer, gets only what it pays for. To whittle away at the incentives which bring some of the best minds of this country into the Federal service is not legislating for the future. It is a very short-sighted way to add a bit of extra cash to the coffers. It is no answer.

I urge all of my colleagues to consider carefully what this amendment means. It has significance that goes far beyond budget balancing. It could adversely affect the future of the Federal service.

Mr. President, I urge my colleagues in the Senate to approve this amendment and show the Federal employee and the Federal retiree that we appreciate the great service they have provided to the Nation. Let us show them that the Senate stands with them.

Mr. STEVENS. Mr. President, the problem I have with the budget resolution in regard to my amendment is that the budget resolution will constitute a breach of faith with retired Federal workers.

The Senate will recall that we once had a so-called 1-percent kicker that dealt with the annuities of Federal retired workers, and in 1976 we did away with that.

At the time we did away with it, I warned that the time would come when the compromise that was selected would also be subject to attack on the basis of cost.

Let me make sure everyone understands what happens.

In the past, when we used to have to have a 2-percent increase in the cost of living, if there was a 2-percent increase there was a 3-percent increase in the retired pay for civil service people.

That was considered to be too expensive, so the decision was made that the cost of living would be computed and added to the income of retired Federal workers semiannually.

At the time of the repeal of the kicker, I warned that that soon would be repealed and that we should keep the kicker because, really, it was a better system. It required a 2-percent increase; and in view of the way we compute the cost-of-living allowance, Federal workers got that 12 to 15 months after the effective date of the 2-percent increase It was a fair system, I thought.

Now we have the situation that the delay in the cost-of-living adjustment is running from 12 to 15 months, and what we really see is that the cost-of-living change from June to December, of 1 year, is reflected in the computation for the following April. If it is annualized, it will be 15 months before a retired worker will get any increased compensation to offset the increased cost of living.

As I have said, it is no longer possible to add the 1 percent which, in effect, would catch up with the delay.

The budget resolution, as I understand it, will present the Governmental Affairs Committee with a difficult proposition, and that is that even though this resolution, we are assured, is not binding on the committee, there really is no other place for the Governmental Affairs Committee to apply a cut of this size except to the civil service retirement system.

It is important for Members of the Senate to realize with whom we are dealing. The average Federal annuity is $709 a month. More than 100,000 retirees receive under $200 a month, or $2,400 a year.

I particularly call attention to the fact that survivors of Federal employees, under our system, receive an average of $296 a month.

With the time lag involved in the cost-of-living adjustment, what the budget resolution does is to place upon the income of those who are least able to adjust a substantial portion of the cost of trying to meet inflation. They are the people who are most affected by inflation. They are the people who have not had the pay increases of the past. They are people who retired on the basis of the computation which used the average income of the 3 highest years as the basis for computing the retirement income.

As I said, if you look at the survivor's income, which is substantially less than that of a retired worker, it is a very low amount we are talking about.

As I have pointed out, I am very privileged to serve with the chairman of our Subcommittee on Civil Service and General Services, Senator PRYOR. We have held a series of meetings on retirement bills that we think will save money in a reasonable manner. The eventual savings to the Government on the crackdowns that are being made by our subcommittee on the abuses of the Government's use of consultants will far exceed the money that will be saved by this budget resolution. We estimate that it will be well over a billion dollars.

The Budget Committee's resolution gives us no credit for this saving. It gives us no credit for the future savings that will come about through changes in other laws under the jurisdiction of Governmental Affairs.

This resolution will force us to impose upon those Federal workers who are retired, and their survivors, the cost of this concept of savings, which is about $400 million, by doing away with the semiannual adjustment of the cost of living.

The effect of my amendment would be to require the Governmental Affairs Committee to adjust the savings of $100 million in terms of the specific resolution. As I said, we anticipate that our subcommittee later on should be able to save the Government at least a billion dollars as a result of what we are doing in other areas, in trying to be watchdogs over Federal spending and trying to eliminate waste in programs, such as the use of consultants. So I plead with the Senate to listen to us with regard to what we are talking about here.

I should like to read one thing, and then I will yield to the chairman of our subcommittee. I already have inserted in the RECORD excerpts from letters from various parts of the country, but one in particular is very short. It says:

> My husband, a retired federal employee, had a gross income from Federal Pension, including two cost of living increases, of only $3,543.00 for the year 1979. Changing to once a year would cut our income and force us to apply for food stamps, O.A.A., maybe welfare, as we both are over 70. This would put us at poverty level!

I do not think anyone realizes what is being triggered by this reduction in the adjustment for inflation of income of retired people. In many ways, it may really cost the Federal Government more, because those people will be forced to go to other programs, such as food stamps or welfare programs, which will involve much greater costs, in the long run, to the Federal Government than the semiannual adjustment of their cost-of-living allowance.

Above all, I urge the Senate to remember this: Up my way—it may be trite in some other parts of the country—we still say, "A deal is a deal." Even though I opposed it at the time, Congress made a deal with retired Federal employees, took away the 1-percent kicker, and said, "We are going to compute your cost of living semiannually and add it to your retired pay." To come in 4 years later and say, "No, we have to save more money," and take that away means that not only have they lost the 1-percent kicker, but, also, they have lost the semiannual recomputation, and they are going to be asked to bear the burden of $400 million.

I do not think it is fair, Mr. President. It is not fair to ask these people, who retired under a system in which they put in their lifetime working for the Federal Government, to know that they will suffer a loss. Mind you, as I said, they do not have any possibility for increased income any more. They will not have any chance for salary increases. They are entirely dependent upon this form of retirement.

They are not eligible for social security. Somebody said, "What about social security?" Social security adjustments are made in a different way. The effect of the Budget Committee's resolution will be that the Federal retired worker will not receive a cost-of-living adjustment for 15 months after the fact. So if there were a cost-of-living change in June 1979, the Government employee would not receive the adjustment until September 1980. That is the saving involved here.

It is entirely a failure to recognize the obligation we assumed at the time we did away with the former system which worked so well. I hope the Senate will reject this.

Again, I point out that if one looks at the budget resolution, it means that it is a $400 million change. If one looks at what we are doing in our committee as the result of our committee's efforts alone, we will save more than a billion dollars. Nothing in this budget process gives the committee credit for that kind of watchdog activity, which I think should be taken into consideration when one considers a proposition such as this.

I am happy to yield to my good friend, the chairman of our subcommittee.

Mr. PRYOR. Mr. President, I thank the Senator from Alaska for yielding to me and applaud him for his efforts to retain the twice-a-year cost-of-living adjustment.

Mr. President, I also commend our colleague from South Carolina for the splendid job he has been doing throughout this entire budget process. He and the members of his committee have done yeoman work. They have been laboring in the vineyard for a long time.

All of us wish to balance this budget, but I think we are fooling ourselves if we think we can take these Federal retirees and try to balance the budget basically by taking away income that I feel is due them.

Mr. President, I rise in support of the Stevens amendment to the first concurrent budget resolution for fiscal year 1981. The purpose of the amendment offered by Senator STEVENS, the ranking member of the Civil Service and General Services Subcommittee, is to restore funds to the civil service retirement system, which have been targeted for reduction by the Budget Committee as a result of anticipated savings from reducing the current twice-a-year cost-of-living adjustment formula to once a year.

In the name of budgetary restraint and fiscal conservatism, the Senate Budget Committee for the second consecutive year has identified the statutory cost-of-living adjustment formula (5 U.S.C. 8340) as being overly generous and responsible for creating new inflation. Ironically, in my opinion, this 1976 law was adopted by the Congress to allow "a fair method for computing the cost-of-living" for Federal retirees and to replace the previous "1 percent kicker" formula which was at the time abolished also for being too generous. In place of the kicker formula, the twice-a-year adjustment was adopted by the Senate and subsequently enacted into law.

Now, after 4 years, it has been suggested that the 18-percent rate of inflation has been caused by an overly generous cost-of-living formula, which was adopted by the Congress to maintain the purchasing power of Federal retirees at a realistic level. The apparent trend of recommending a change in the cost-of-living formula every time the inflation rate reaches an unacceptable level is disturbing to me.

I would suggest to my colleagues that we are fooling ourselves if we believe that elimination of one of the twice-a-year cost-of-living adjustments which Federal retirees receive is going to have any real effect on the inflation rate. Moreover, we are ignoring the fact that we are doing a serious injustice to these elderly Americans by forcing upon them an unequal burden in balancing the Federal budget.

As the chairman of the Senate Governmental Affairs Subcommittee on Civil Service and General Services, I have consistently maintained my opposition to the Budget Committee's recommendation to change the cost-of-living method for current Federal retirees and their survivors. In 1979, when the Senate Budget Committee first recommended this change in retirement benefits, I joined with Senator STEVENS in a letter to the chairman and ranking minority member of the Budget Committee expressing our opposition to their proposal and expressing our concern for those individuals who are retired, living modestly on fixed incomes, and, literally, scraping to make ends meet. I ask unanimous consent that a copy of the April 5, 1979, letter be printed in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

Hon. EDMUND S. MUSKIE,
Chairman, Senate Budget Committee,
Washington, D.C.

DEAR SENATOR: It has come to our attention that the Senate Budget Committee is currently considering budget proposals requiring changes in the current method of computing cost-of-living increases for federal retirees, and their survivors.

We are as concerned with eliminating unnecessary inflationary costs as any Member of Congress. However, in our efforts to reduce budgetary levels we must be mindful of the effects on the individual citizens, especially those on fixed low incomes. According to the 56th Annual Report of the Board of Actuaries of the Civil Service Retirement System, which was submitted to the Congress on March 27th, 1979, annuities for retired employees averaged $590.00 per month and annuities for survivors of employees and annuitants averaged approximately $230.00 per month.

As the Chairman and Ranking Minority Member of the Governmental Affairs Subcommittee on Civil Service and General Services, which has jurisdiction over the civil service retirement system, we would like to express our concern over any action by the Senate Budget Committee which could possibly jeopardize the financial stability of certain federal retirees and their survivors, we believe it is necessary that Congress ascertain the extent of the hardship that changes in the cost-of-living adjustment for federal employees may cause, as well as, secure a complete picture of the cost savings involved before initiating such action.

As you may know, our Subcommittee recently held hearings on legislation to continue the work of the President's Commission on Pension Policy. The purpose of the Commission is to conduct a comprehensive review of the nation's federal, state, local and private retirement, survivor, and disability systems and to develop a coordinated national policy for future growth of retirement systems. The need for and implications of actions such as those being considered by the Senate Budget Committee will certainly be topics for the Commission's review. Additionally, other important and useful studies of federal employee retirement systems are now in progress. Any piecemeal changes could ultimately lead to serious problems in the future.

During the course of the Senate Budget Committee's deliberation, we hope that consideration will be given to the issues which we have raised. If we can be of any additional assistance in this regard, please let us know.

Sincerely,

DAVID PRYOR,
TED STEVENS.

Mr. PRYOR. Mr. President, on the floor of the Senate last year, during debate on the first budget resolution for fiscal year 1979, I reiterated my concern and restated my staunch opposition to efforts to single out Federal retirees in this regard. Nevertheless, mindful of the responsibilities that I have as chairman of the Subcommittee on Civil Service and General Services, which is intended to have primary jurisdiction over the operation of the civil service retirement system, and in an effort to conduct continuing oversight over the system, we initiated hearings on relevant major retirement issues in July 1979.

During the hearing we received at that time very strong testimony and very persuasive arguments in favor of retaining the current twice a year cost-of-living adjustment formula from members of the Budget Committee as well as from the National Association of Retired Federal Employees. These findings were reported to Senators Muskie and BELLMON in a letter dated July 27, 1979 signed by Senators RIBICOFF, PERCY, STEVENS, and me of the Governmental Affairs Committee. I also reported that at the hearing, the Office of Personnel Management which is charged by Congress with the operation and maintenance of the civil service retirement system, testified in opposition to making a change in the cost-of-living adjustment formula. I ask unanimous consent that a copy of the July 27, 1979 letter be printed in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. SENATE, COMMITTEE ON GOVERNMENTAL AFFAIRS, SUBCOMMITTEE ON CIVIL SERVICE AND GENERAL SERVICES,
Washington, D.C., July 27, 1979.

Hon. EDMUND S. MUSKIE,
Hon. HENRY BELLMON,
U.S. Senate Budget Committee, Washington, D.C.

DEAR SENATORS: Thank you for alerting the Governmental Affairs Committee to the Senate Budget Committee's plans to begin markup of the Second Budget Resolution. We also appreciate your reiterating the expectations and recommendations which were reached by the Budget Committee during its consideration of the First Concurrent Resolution on the Budget, S. Con. Res. 22.

In the report accompanying S. Con. Res. 22, the Senate Budget Committee assumed savings in the civil service retirement system by enactment of a change from twice-a-year cost of living adjustments. That assumption was the subject of debate on the Resolution on April 25, 1979 during which it was said that policy assumptions of the Budget Committee are not binding on the Congress, and, that if the authorizing committees do not act to achieve the savings assumed by the Budget Committee, other comparable savings would have to be achieved by that committee or other committees.

Pursuant to its legislative duties and mindful of the assumptions in the First Concurrent Resolution, the Subcommittee on Civil Service and General Services initiated hearings on the civil service retirement system. Despite the fact that the Governmental Affairs Committee did not make any major recommendations for change in the retirement area in its March 15, 1979 report to the Budget Committee, the committee has nevertheless undertaken a review of both the operation and potential cost savings within the system. The Subcommittee on Civil Service and General Services sought the comments of many organizations and individuals including Members of the Senate Budget Committee. Senators Hollings and Chiles made persuasive statements in favor of retaining the current twice-a-year cost of living adjustment formula, as did other witnesses. Moreover, a representative of the Office of Personnel Management stated that the Administration has no present plans to propose a change in the formula.

At the hearing, the subcommittee did, however, find evidence of costly practices in the areas of disability retirement and the use of optional early retirement authority. The committee has, therefore, initiated efforts on these matters by advising the Office of Personnel Management that the Administration recommendations on disability program improvements are expected by August 1979 and by requesting further assistance from the General Accounting Office. This work should not only result in cost savings but also an improved retirement system.

This committee takes seriously its obligations to reduce the cost of government. Due to the absence of complete information on alternatives, and the views of the agencies responsible for the program's operation, the committee is not prepared to report legislation adversely affecting the financial security of thousands of Americans, many of whom are on lower fixed incomes. Instead, this committee has undertaken an effort to achieve comparable, or even greater, savings in a more responsible and equitable manner. Every effort will be made to achieve the recommended levels of savings at the earliest possible date, and we are hopeful that savings will be realized during fiscal years 1980–1982.

In addition, we should point out that the committee begins hearings August 2 on the Administration's Federal Compensation Reform bill which proposes the development of a total pay and benefits comparability system for federal employees. Therefore, the Budget Committee can be assured that the Governmental Affairs Committee considers review of federal compensation, including retirement benefits, a priority in this Congress.

Sincerely,

ABE RIBICOFF,
DAVID PRYOR,
CHARLES H. PERCY,
TED STEVENS.

Mr. PRYOR. Mr. President, at another stage I again made my opposition known to changing this formula when the budget was debated last year. During the consideration of the second concurrent budget resolution in September, I stated that we intended to focus our attention on limiting wasteful Government spending in certain other areas, and we have since concentrated those efforts on wasteful and unnecessary use of consultants in the Federal Government, abuse of civil service disability retirement, and costly practices regarding early retirement authority.

In fact, we have introduced two pieces of legislation which make what I believe to be very appropriate and most necessary changes in the civil service retirement system. However, these changes were arrived at after very careful consideration and review of the impact on retirees.

I most certainly will continue to explore other alternatives to make needed modifications and corrections in the retirement system.

On April 16, 1980, we continued our oversight of the Federal retirement system by conducting a day of hearings on the two bills recently introduced. During the hearing we received the testimony of Mr. Michael Nave, who is president of the National Association of Retired Federal Employees, in opposition to the Budget Committee's continued recommendation to change the cost-of-living formula to only once a year.

Mr. President, at this time I ask unanimous consent that portions of Mr. Nave's testimony that are relevant to this debate today be printed in the RECORD immediately following my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. PRYOR. Mr. President, finally, I state that elimination of the twice-a-year adjustment is going to have a devastating impact on a certain group of older retired Federal employees, those who are in their seventies, those who are in their eighties, and those who are living on a fixed income, while it will have very little and perhaps no effect on balancing the budget or reducing inflation.

The proposed change in their anti-inflation formula will substantially decrease their purchasing power. Such a change will increase from 8 months to as much as 14 months, the lag time between increases in the Consumer Price Index and the actual granting of benefits. This change will, without question, hurt many of these retirees who are below realistic income levels already.

I would suggest that these older Americans cannot afford to further sacrifice their security while others continue to prosper. According to the National Association of Retired Federal Employees, enactment of these proposals will have a "sudden, devastating impact on thousands of elderly Americans who are unable to generate additional income to compensate for the loss of a semiannual cost-of-living adjustment. According to the latest official figures, the average annuitant receives $709 a month, and thus would lose nearly $360 by March 1981 if these proposals were adopted. The average survivor received $296 a month, and stands to lose $150 by the same date."

According to the Office of Personnel Management, as of September 30, 1978, there were approximately 780,000 survivors and annuitants receiving monthly annuities under $500. In addition, approximately 281,000 of these annuitants and survivors were receiving under $200 in monthly annuity payments. I suggest to the Budget Committee and my other colleagues that this group cannot afford further reductions in their meager retirement incomes, which have been eaten away by inflation, rising taxes, and lost purchasing power, each year since they retired. I encourage my colleagues to consider these points which I have raised and which I am sure have been raised by many Federal retirees across the country in letters to their Senators and Congressmen.

Mr. President, I urge my colleagues to support the Stevens amendment to this budget resolution.

I yield back the remainder of my time.

EXHIBIT 1

TESTIMONY OF MICHAEL C. NAVE

In discussing the Civil Service Retirement Program, and particularly the cost-of-living adjustment provision, let me assert NARFE's continued, unalterable opposition to proposals being advanced by the Carter Administration and the Congressional Budget Committees to reduce the frequency of retiree cost-of-living adjustments from a semi-annual basis.

Less than a year ago, I appeared before this Subcommittee and opposed an identical proposal, then set forth only as a recommendation of the Budget Committee. The fact that no legislation was introduced or considered last year to implement that budget recommendation through an amendment to the Civil Service Retirement Law was due in large part to you, Mr. Chairman, and the other ranking members of the Governmental Affairs Committee who advised your Senate colleagues that you were "not prepared to report legislation adversely affecting the financial security of thousands of Americans, many of whom are on lower fixed incomes.

I am fully aware of the pressures on you and every Member of Congress to cut Federal spending and produce a balanced budget as a sign to the public that Government is attempting to curb inflation.

Federal retirees agree that controlling inflation is a national priority. There is nothing we would like more than to have today's dollar be worth a dollar next year. We are ready and willing to tighten our belts like others in this effort. We will pay higher gasoline taxes, we will feel the impact of credit controls, and we will feel the results of other spending cuts. But we resent being singled out for cuts in income benefits in the name of balancing the budget when economists, and even the President, concede that a balanced budget will have little effect on the rate of inflation. Our resentment becomes anger when we are targeted for income reduction to help produce a $16.5 billion budget surplus.

The President has recommended cuts of $15.8 billion for fiscal year 1981, with $1.5 billion to be cut from income security programs affecting civilian and military retirees. This translates to a very small percentage of the population being called upon to account for 10 percent of the total budget cuts. It is no wonder that retirees are angry and question the real intent of this cut.

According to the latest published statistics the average annuitant receives $709 per month; the average survivor, $296 per month. Using an inflation rate of 15 percent for this year, the average retiree will lose $318 if our cost-of-living adjustment frequency is halved, and the average survivor will lose $132. This same inflation rate over a year, without any benefit adjustment, will force the retiree to meet an additional $106 in costs and the survivor to find an additional $44 to meet living expenses. Although these figures may not be staggering to many, the income to cushion these inflation costs is simply not available to the lower income person.

The Government, through law, has made a commitment to its employees to provide certain benefits in retirement. One of the most important of these commitments has been the cost-of-living adjustment as protection against inflation. But of what value is this feature if Congress and the President can tamper with it to reduce its effect in times of high inflation when it is most needed? How can retirees trust their elected officials to maintain legal commitments of the past when every time inflation reaches double digit figures, these elected leaders and legislators renege on retirement benefits previously enacted?

In 1976 Congress changed the cost-of-living formula, charging that it over-compensated retirees. They replaced it with a semi-annual adjustment termed "fair and equitable". Now we are told that an annual adjustment will be "fair and equitable", but for how long? After one year of continued high inflation, we can only imagine that headlines will blast a 15 percent cost-of-living adjustment for Federal retirees, and the move will be on to limit the adjustments to a percentage of the CPI increase. Already such a proposal is under "review" by the Carter Administration. Where does it stop? We cannot defend Government creditability to its own employees and retirees under these circumstances.

The President and certain Budget Committee members argue that Federal retirement income ought to be adjusted once a year as social security benefits are. We believe, as did the Social Security Advisory Council in its recent report, that social security benefits should be adjusted semi-annually. As in our case, the need for the twice-a-year frequency is intensified during high inflationary periods. But, in comparing our adjustments with social security, one major point is overlooked. Social security is a tax-free benefit while Civil Service annuity income is subject to taxation at all levels of Government.

The tax-free nature of social security creates, in effect, an additional benefit to assist social security recipients in fighting the ravages of inflation. The twice-a-year cost-of-living adjustment provides a comparable benefit for Federal workers and thus should be retained. In all the talk of reducing our benefit adjustment frequency, we have not heard any suggestions that our annuities, or even a portion of them, be protected from taxation.

Mr. Chairman, we believe the President and the Budget Committees are using the Federal employees and retirees as political symbols in their budget numbers game. We have always welcomed the opportunity of free and open discussion of the issues affecting our retirement program before committees such as this. We have attempted to reason in recognition of economic realities with these committees which have developed expertise in the intent of the retirement act and the needs of its beneficiaries.

We now fear, however, that this custom of debate and exchange may be jeopardized, and that the right of the legislative committees to consider and report may be threatened. We see this threat materializing if the President and the Budget Committees are successful in forcing the legislative committees to report out implementing legislation to comply with specific recommendations in the budget resolution. If budget recommendations become legislative mandates, the legislative committees of the House and Senate will be no longer functional or necessary, and the legislative process of open debate and reasoned consideration will be a thing of the past. It will simply become a matter of cutting the man to fit the suit, rather than the suit to fit the man.

I hope that this dangerous precedent will not occur as an election year concession to symbolism. I hope that the legislative committees will retain the right to design and recommend the changes needed in their jurisdictional areas to meet budget limits. I hope the voice of the Federal retirees will continue to be sought and heard.

Mr. SARBANES. Mr. President, will the Senator from Alaska yield to me?

Mr. STEVENS. Yes. I am happy to yield to the distinguished Senator from Maryland such time as he requires.

Mr. SARBANES. Mr. President, I thank the Senator from Alaska.

Mr. President, I rise in very strong support of the amendment which the Senator from Alaska (Mr. STEVENS) has offered to retain the twice-a-year cost-of-living adjustment for Federal retirees and in support of the comments made by him and by the chairman of the Subcommittee on Civil Service, the distinguished Senator from Arkansas.

Mr. President, there are a number of points here that I think bear emphasis. First, as the Senator from Alaska has outlined very clearly, in 1976 the 1 percent add-on, an existing and committed benefit, was removed from the cost-of-living adjustment received by Federal retirees. It was dropped by Congress at that time and as part of the arrangement in dropping it, the cost-of-living adjustment was shifted to a twice-a-year basis. Now that was an understanding that was made with the Federal retirees and I think it is one that Congress should honor here today.

Second, it is important to note that these retirement benefits received by the Federal employees are taxable, unlike social security payments which are adjusted annually and are not taxable; such payments are not included in taxable income. The benefits received under the retirement system by the Federal employees are taxable and that, of course, is a very important difference and an additional grounds justifying the semiannual cost-of-living adjustment.

Third, it is clear that the subcommittee has done some very careful work with respect to realizing savings in those areas in which savings are clearly appropriate. As the chairman and ranking minority member of the Senate Civil Service Subcommittee have stated that the committee has gone very carefully into the use of consultants and into questions involving abuse of the existing retirement system. The subcommittee project very significant savings which can be realized by eliminating the abuses and the excesses which are present in the system. That seems to me a far more preferable way to achieve savings than to take from the retired Federal employees the semiannual cost-of-living adjustment which they now receive, an adjustment which is particularly needed and necessary at this time when we face a constantly rising inflation level.

In fact, it is ironic—indeed tragic—that Federal retirees should be denied the twice-a-year adjustment at the very time when it is most needed in terms of the economic circumstances which they confront.

Mr. President, the implications of the Budget Committee's proposal are very far-reaching because they go to the fundamental question of what reliance can be placed upon the commitments made by Congress to Federal employees and indeed, carried to the next logical step, to anyone in the society generally.

To come now and remove this benefit, particularly when this adjustment was placed into law to accommodate the removal of a benefit which already existed, the 1 percent add-on, is in a sense to twice break faith with those who have been given promises with respect to their retirement situation.

We rely in this country on a committed, dedicated, and able Federal employee service. There are many examples of fine, loyal, and competent Federal employees working daily at their jobs to keep our very complex Government in operation. Theirs is no easy task.

One of the surest ways to undercut the chances of attracting and keeping committed and dedicated public servants is to engage in this practice of eroding retirement benefits already granted and relied upon. What kind of signal does this send not only to those now retired, but also to those currently employed, and others who may be considering Federal service.

It is a very bad signal indeed to deny this much-needed and justified adjustment and I therefore very much hope the Senate will support the amendment offered by the Senator from Alaska on this most important question.

I thank the Senator for yielding me time.

Mr. STEVENS. Mr. President, I am grateful to the Senator from Maryland for his support.

In closing my remarks, let me point out that the income of retired workers is subject to taxation. Many people wish us to compare this to the social security system. Social security income is not subject to taxation, and there is no change being made in that. I do not propose it.

But I do think it should be kept in mind that these people pay income tax on the income they receive in retirement and yet they are being told now that the arrangements that were worked out at the time we eliminated the 1-percent kicker on Federal annuities is too costly to the Federal Government.

I just think it is a mistake and I think the Governmental Affairs Committee should be given the opportunity to find other areas to assist in reducing Federal expenditures so that we, too, can carry our share of the burden in meeting the problems of eliminating our deficit.

Mr. HOLLINGS. Mr. President, let us clarify two or three things right at this point with respect to social security benefits.

The average civil service annuity is $849 a month, and the average social security benefit is $288. If you put social security benefits under the income tax laws, the beneficiaries still would not pay any income taxes. They just do not get high enough benefits under social security so that they would be subject to the income tax. So that is not a valid point.

They continue to argue as if there is a difference in benefits. There is such a great disparity in the average benefit that if you place social security benefits under the income tax laws, they still would not pay anything.

This amendment is the foot in the door. Our budget resolution achieves equity on all sides with respect to civilians and military retirees, food stamps, child nutrition, and U.S. Senators and U.S. Congressmen.

I will never forget when this was brought up in the Budget Committee; I got a kick under the table and a nudge in the back and they said, "Don't you know you are cutting your own benefits?" Why do we not just get this issue on top of the table and find out who this semiannual cost-of-living increase really benefits? The Congressmen and Senators are talking about the poor folks who are 70 and 80 years old, but I know one Congressman who has gotten up in years. His name was Peterson and he was a Congressman from Florida. He retired at around $18,000 a year. Before he passed on he said publicly, and there were stories written about it down in Florida, that he was getting more, if you please, with this twice a year increase, than a Congressman who was working on the job.

Let us bring this proposal into perspective. It will do a lot to balance this budget. It will save us $500 million from the civil service workers and Senators; $400 million from military retirees; $300 million from food stamps; $100 million from child nutrition, for a total of $1.3 billion in fiscal year 1981. That is not to be sneezed at, although my distinguished friend says it would have no effect on balancing the budget. It does help balance it. Plus it really balances the equities—let us be honest with each other.

Mr. President, you cannot recompute benefits for social security retirees once a year and continue to recompute your own twice a year. It is a matter of conscience, a matter of balancing off equities and being absolutely fair with everyone across the board.

This is a bust-the-budget amendment. If you look at the particular amendment, 1745, line 6, you will see that it has minus $400 million. So, instead of a balanced budget we now have an amendment that will unbalance it by $400 million. This is a bust-the-budget amendment. It is a bust-the-discipline amendment. I am proud of the fact that I have one parent 92 years of age, and I am very thoughtful and considerate of these folks.

But when we made the commitment for semiannual cost-of-living increases, we were trying to do away with a tremendous inequity, the 1-percent kicker, and we also had a commitment, that we have not been keeping, that we would pay our bills.

The best thing you can do for a retiree who is being eaten up by inflation is to beat inflation. The retirees know this better than anyone else. They will tell you categorically, "If you can balance that budget and cut back inflation and high interest rates, that is the greatest contribution you can make. I do not mind being put on the same level, getting the same treatment, in the balancing of equities. But if you can stop inflation, and this mammoth Government that has gotten totally out of hand, then I am for you."

Many, many of the retirees have told us just exactly that, and that is what we are trying to do—bring all these particular programs in line by providing annual increases only.

I have had to vote against myself in this amendment in the context of our action 4 years ago, because at that time we did lead the fight to remove the 1-percent kicker. We looked around and the staff director of our own Appropriations Committee, a distinguished public servant (who had been in the FBI and then had come over to us), one of the best directors we had ever seen, Mr. Scott, was leaving because he could not afford not to retire. He felt good, ready to go, but what we were doing was attracting everybody with talent in the Government to get in on that 1-percent kicker. So we were inviting the talent to leave the Government.

So we had a compromise measure at that time which was presented by the

Senator from Alaska and the Senator from Florida. But times have changed. We have to balance the budget this year. To do so means we must do away with expensive luxuries like the semiannual increases in Federal retirement benefits. Under the present system Federal employees have a unique advantage compared to other retirees—I wish my friend, the distinguished Senator from Arkansas, could hear this—because they get two cost-of-living increases a year. Social security benefits are adjusted only annually. If I go to work in the U.S. Government and I make $20,000 a year, then when I retire under civil service, I get that recomputation twice a year. But if I go to work for the Pryor Construction Co. or Pryor Manufacturing Co., I am only going to get it once a year.

Mr. SARBANES. Mr. President, will the Senator yield at that point?

Mr. HOLLINGS. Yes.

Mr. SARBANES. The Senator may or may not get it only once a year depending on the retirement system, if that company has one.

Mr. HOLLINGS. Let me complete the thought.

Mr. SARBANES. The Federal employees retirement system is their sole system. That is the only retirement they get. You want to make a direct comparison between that and social security, but for many workers the social security is in addition to an existing private retirement system with their company and, therefore, the nontaxable aspect of social security becomes very relevant to this conversation, contrary to what the Senator from South Carolina said at the outset of his statement.

Mr. HOLLINGS. Now, Mr. President, I enjoyed that question, but he ran a touchdown in the wrong direction.

Only 3 percent of private pension plans—I am back now to the point I was making—provide any automatic cost-of-living increase. So if you are in 97 percent of the pension plans and working and making $20,000 a year under, say, Hollings Manufacturing or any other private industry out there, you will not get any automatic cost of living increase on your pension when you retire. About 60 percent of private plans do provide ad hoc adjustments. But 37 percent provide no increases at all. We are still looking for that particular plan that computes increases twice a year.

Mr. STEVENS. Mr. President, will the Senator yield right there?

Mr. SARBANES. Mr. President, will the Senator yield for a question on that point?

Mr. HOLLINGS. Yes.

Mr. SARBANES. Is that 3 percent of the plans or 3 percent of the workers covered by the plans?

Mr. HOLLINGS. Three percent of the private pension plans.

Mr. SARBANES. Three percent of the plans, not 3 percent of the workers.

Mr. HOLLINGS. That is what I said.

Mr. SARBANES. There are a few large plans which cover a large part of the workers that do get it.

Mr. HOLLINGS. And many who do not get private pensions at all. They do not have any pension plans. We are just——

Mr. SARBANES. Is that what the Senator wants to do?

Mr. HOLLINGS. No, that is not what we want to do. We are giving comparisons. That is not what we want to do. We love to just keep throwing money, like we have for 10 years, around this national Congress. We have reached a $340 billion cumulative deficit in the last 10-year period, and I do not want to continue doing that, and the House does not want to continue doing that.

We voted for this proposal. The administration has endorsed this. The leadership on both sides has endorsed it, so do not act like we are being penurious for pinch-penny or unfair. We are trying to be fair across the board, and we are trying to be fair to civil service retirees and to cut out inflation.

I yield to the Senator from Alaska.

Mr. STEVENS. I have just two simple questions, my good friend.

Mr. HOLLINGS. Yes.

Mr. STEVENS. First, has he forgotten that the Federal workers buy an annuity? This is not a system of social security or pension plan provided by the employer. They have bought their annuity. They pay for it, and for 70 percent of the retired workers, this is their only source of income after retirement. Is he forgetting that, that they contribute to this plan?

Mr. HOLLINGS. Well, now, let us get into that question. That is a very, very interesting one because we will find out, Mr. Senator, that you and I pay 7½ percent for that annuity, but the taxpayers are picking up a large percentage for you and me. Let us look here right now—wait a minute, I am going to answer that question, you are going to get an answer. I do not yield.

Mr. STEVENS. Start talking about Federal employees.

Mr. HOLLINGS. I do not yield.

Mr. STEVENS. I will take the whole thing away from Senators, if you want to punish the Senators.

Mr. HOLLINGS. All right.

The PRESIDING OFFICER. The Senator from South Carolina has the floor.

Mr. HOLLINGS. Right. I thank the distinguished Presiding Officer.

The civil service retirement system depends on huge subsidies from the taxpayers. In 1979 the general fund contribution to the system totaled $8.8 billion, 43.5 percent of the civil service trust fund income.

Now, that is what you talk about getting control of yourself. That is when you begin to look and realize what is really going on when they talk about uncontrollables and talk about untouchables. Those things do not come through the Finance Committee. They go through the Government operations and automatically each year they bring those things in there.

The taxpayers, they are not getting that well paid for the annuity that you would have to pay for in the construction or manufacturing companies. There is no taxpayer coming in and contributing to that.

But to all of these we have to put in each year 43.5 percent into that trust fund; 1979 is the last figure I could find and it was 8.8 billion bucks that they were helped out with that annuity.

I want to point out also, as a group, retired Federal employees are better off than most retired people in the country. Specifically, as I referred to a minute ago, the average annuity, which was subsidized by the taxpayers in 1979 to the tune of $8.8 billion, is $849 a month, while the average recipient of social security is only $288.

Mr. STEVENS. Will the Senator yield on that point?

Mr. HOLLINGS. Let me complete my thoughts right here now.

Some Federal retirees get even higher benefits; higher benefits. These are things that come out on top of the table that are just sort of rude to even mention such facts. But some Federal retirees get even higher benefits.

For example, a Federal employee retiring in 1981 with a maximum annuity would start off his retirement receiving $38,700 a year—$38,700 a year.

Now, I tried to find some examples. I found the deputy assistant administrator for administration in AID. Can you imagine that? If he were to retire, the deputy assistant administrator for administration in AID—this is one typical example—he would start off at $38.700 a year. But, by 1989, with two cost-of-living increases a year, he would be getting $72,500. That is more than a Senator earns, more than the Senator from Arkansas earns.

Mr. STEVENS. Will the Senator yield on that point?

Mr. HOLLINGS. Mr. President, I yield to the Senator from Arkansas.

Mr. PRYOR. Mr. President, I appreciate the role and the responsibility of the Senator from South Carolina. Once again, I compliment him on the magnificent way in which he has conducted himself and articulated the issues relative to the budget.

The Senator has also, in the last few moments, stated what I would call some extreme retirement cases. These are in the great minority, as the Senator from South Carolina would know.

But what we must face today is the average situation to see what is being applied to the great portion of the Federal retirees.

I would remind the distinguished Senator from South Carolina that, according to the Office of Personnel Management, as of September 30, 1978, there were approximately 780,000 survivors and annuitants receiving monthly annuities under $500.

We are not talking about the situation if the Administrator for the Agency for International Development retired. We are not talking about the situation if a Senator or a Congressman retired. We are talking about 780,000 survivors and annuitants who are under the $500 mark.

In addition to this, I would remind my friend that approximately 281,000 of these annuitants and survivors were receiving less than $200 in monthly annuity payments.

We have talked about the social security recipient. We have talked about the possibility that there is a disparity between what the social security recipient might receive relative to what the Federal civil servant might receive. But the distinguished Senator from South Carolina, my colleague from Alaska, and my colleague from Maryland, who so eloquently has spoken on this issue, know that those social security benefits are not taxable. We also know that the benefits received by the Federal retirees are taxable. We also know that a great portion of those Federal retirees today under our system are drawing less than $500 a month.

I go back, I say to my friend from South Carolina, to my original statement in saying: This would have a devastating effect upon the thousands and thousands of Federal retirees today who are out there attempting to make ends meet.

Finally, if the Senator will allow me just another minute, as he has read a letter and other Members of the Senate this morning have read letters from their constituents, I would like to read a letter from an older couple. I will quote from that letter, if I might:

> Since I retired 11 years ago, I have had my retirement whittled away . . . We live in a small three room house. We heat with 90 percent wood—no heat at night at all. We grow our own vegetables. We cold shower when weather permits and spend little on clothes. But any day now the usual campaign against us will begin giving as examples those retirees receiving magnificent retirements not mentioning that most of us are barely above the poverty level.

I would just say to the Senator from South Carolina that I know that there is, in fact, unfairness. I know that inequities are finding a place in our retirement system. I would like to pledge to the Senator that I will do everything that I can to help to remove these inequities from our retirement system.

But I would also like to say that we must look at the entire picture and we must help those thousands and thousands of retirees who are begging us today to keep this twice-a-year cost-of-living adjustment so that they will not go even deeper below the poverty level.

I appreciate the Senator yielding to me and I appreciate the courtesy that he has extended to me.

Mr. HOLLINGS. Mr. President, with respect to those who are not typical, actually, we were using typical figures. We did give the average. I have given both. I have given the average and I have given some good examples.

I reiterate that of those over 65, roughly one-half of civil service retirees are receiving social security because they did not work only in a civil service job, but also worked under social security.

I would respectfully submit that the example being given by my colleague from Arkansas involves a group that just did not serve all the time in civil service. Many worked for the Government a little while and then were in private employment. We did not give extreme examples. We mentioned the average.

We will agree, as the Senator from Arkansas has pointed out, that some only worked a short time for civil service. But that is why they also get social security. It is not primarily because they had earnings, but rather that they have not been in the civil service system a long time.

In October 1979, we gave a 4.9-percent increase and in April 1980 another 6 percent increase. So in the fiscal year 1980 we are talking about the civil service retirees receiving a 13.3-percent increase. We are not cutting anybody off.

We know about the old folks who live in that small home and grow their garden. The greatest oppression on them—and this is what we have to make a consummate judgment about as a body, not the President, not the Republicans, not the Democrats—the greatest oppression on that group such as the couple that the Senator read about, is inflation. We have to pay this year's bill and next year's bill so that we are in the black. Then we can stop bellying up to the credit bar to the tune of 25 percent of all borrowing in this country and cutting out capital enterprise so that they can make a loan at a reasonable interest rate and the Government not run it up to 20 percent.

The Government is beginning to show an awareness. I dare say the vote on the House side which approved this last night was one of the most salutary votes we have ever had in the Congress.

Last year we had a very difficult time getting our colleagues to even pronounce the word "reconciliation." The distinguished leader, Mr. GIAIMO, of Connecticut, brought it home and they voted for reconciliation. They voted for fairness across the board. They put this proposal in. This is the one thing we all had to agree on, to get control of ourselves. Like an alcoholic, we will never cure the disease unless we finally decide that we want the cure.

This Congress is never going to cure itself of free spending unless we, ourselves, decide we want the cure, that we want to stop spending, that we want to be fair and not just balance the budget but also balance the equities. That includes us.

I yield to the distinguished Senator from Alaska.

Mr. STEVENS. Mr. President, it is unfortunate that my good friend from South Carolina decided to make this into an amendment dealing with retirement for Members of Congress. Just so he will know and the record is clear, out of the 1.2 million retirees under this system, 341 of them are former Members of Congress. So let us not confuse and punish the 1.2 million for the fact that 341 Members of Congress who have retired from this body and the other body decided to accept benefits under this system.

Let us get things back into perspective. He talks about the $8 billion annual subsidy. If these people had worked for the military, the cost to the Federal Government would be 100 percent. The civil service employee contributes to the cost of his retirement. Military people do not contribute at all. The subsidy he is talking about basically comes from the crediting to the civilian retirement system of the time that a civil service worker spent in the military during World War II. That is where that subsidy comes from.

This Senator, if he retires, gets 3 years credit against his retirement for the 3 years that he spent in the military. The taxpayers pay for that. That is where the $8 billion comes from, from the people that Congress has covered into this system.

The other thing is that Congress changed the computation of the system. It used to be the average of the high 3 out of the high 5. They have changed that now so it is a different rate of computation. That decision was made by Congress. As a net result, the taxpayers have to pay more to pay the total retirement income of retired people.

Well, let us look at it; 200,000 of those 1.2 million people who served at least 20 years in Federal Government and have an average age of 78 currently receive less than $500 a month. The net result of the Budget Committee's recommendation means that for the average annuitant, not just the 200,000, elimination of this twice-a-year adjustment will mean a reduction of $350 in their annual income, and a reduction in the survivor's income of $152.

My good friend tells us how much that $38,000 employee is going to receive by 1990, but he factors in 10 percent inflation. I thought we were working on the proposition to reduce inflation. But when he wants to knock down this concept, he assumes a constant rate of inflation of 10 percent.

I am going to close with just this comment, Mr. President: the Budget Committee wants 1 percent of the population of this country—that is what the Federal employees comprise, less than 1 percent of the population—to bear 15 percent of the cost of reductions in Federal spending. That is what the Senate better look at. Fifteen percent of the total recommended reductions in Federal spending coming out of this budget resolution are going to be based upon pay cuts for current employees and retired Federal civil service employees who contributed to their annuity.

They were told 4 years ago when we eliminated the most equitable system we had worked out, the 2 percent plus the 1 percent kicker, we were going to compute the cost-of-living adjustment semiannually so we could save the Federal Government $1 billion. Now we are going to come along and save $400 million by this adjustment and, again, it is on the very people who pay the worst price for inflation. I agree with the Senator from South Carolina on that; they pay the worst price.

Mr. MATHIAS. Will the Senator yield for 1 moment on that point?

Mr. STEVENS. Let me add one additional point and then I will yield.

When the head of the Office of Personnel Management appeared before our committee in July 1979, I asked a series of questions. I will ask unanimous consent that they be printed in the RECORD. I will read the one basic gut question and answer:

> *Question 1.* As you know the first budget resolution contained the recommendation that the semi-annual cost of living adjustment on federal annuities be changed to an annual adjustment. Does the administration have a position on the recommendation?

Answer. The annualization of the cost of living adjustment mechanism is not covered in our legislative program and we have no plans at the present time to add it to the legislative program. We are continuing to review the cost of living adjustment issue to determine the impact of changes in terms of retirement fund savings, operational workloads, administrative costs or savings, and the impact on governmental reorganization of incentives and/or disincentives to early retirement.

Again, I urge the Senate to think of that, too, the impact of the disincentive on early retirement from what is being done.

We may propose improvements (not necessarily annualization) early next year.

That was the position of the administration in July of last year. Incidentally, he also said that the average annuity as of September 30, 1978, was $709. I hope the Senator from South Carolina will know where the conflict comes between his figure of over $800 and mine of $709. They both come from the same office.

I yield to the Senator from Maryland.

Mr. MATHIAS. Mr. President, the points stated by the Senator were precisely stated in a letter I received from Michael C. Nave, president of the National Organization of Retired Federal Employees, dated May 6, 1980, as follows:

Our Association feels that retirees—especially those from the public sector—have had more than their share of sacrifices to make in the last few years. For example in 1976, Congress took away the Retirement Income Credit in the interest of increasing revenues. For many older retirees this meant a tax increase of as much as $560 a year. In that same year, Congress changed the Federal cost-of-living adjustment formula. Again in 1976, disability retirees were hurt when Congress eliminated the vast majority of them from eligibility for the Sick Pay Exclusion. In 1977, when Congress was looking for ways to bolster the sagging Social Security system, it again turned to public retirees—this time effectively denying them social security spouse/survivor benefits for which their spouses had worked and paid.

In 1978, Congress recognized the need for modest improvements in the Tax Credit for the Elderly and passed H.R. 9893 by lopsided margins in both Houses. However, in the name of the economy, the bill was killed by a House-Senate conference committee on the last day of the session.

We realize that in times like these, every member of our society must make sacrifices. However, there is no segment of our population which is being asked to bear a greater burden in this Budget Resolution than these retirees. It is sometimes forgotten that the older American is the person least able to generate new sources of income when faced with losses of this magnitude. Many will be forced to dip into precious savings to compensate for this substantial loss of retirement income that had been promised by their employer.

Mr. President, that is a poignant and, I think, eloquent argument which supports the statements made by the Senator from Alaska, who is the cosponsor on this amendment.

I ask unanimous consent, Mr. President, that the text of the entire letter be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

NATIONAL ASSOCIATION OF RETIRED
FEDERAL EMPLOYEES,
Washington, D.C., May 6, 1980.

DEAR SENATOR: This week Senator Stevens, along with Senators Pryor and Mathias, will offer an amendment to the Budget Resolution to restore funds for the present cost-of-living adjustment (COLA) for Federal annuities. The purpose of this letter is to provide you with an outline of the Stevens Amendment and a summary of the major legislative concerns raised by this issue.

The present COLA formula was instituted in 1976 as a replacement for a more generous mechanism known as the "one percent adjustment". The COLA currently provides that Federal annuities be adjusted twice-a-year to compensate for inflation. These adjustments take place each March and September, and are based on six-month increases in the CPI.

The Budget Resolution assumes savings of $400 million in fiscal year 1981 as a result of "skipping" the September increase beginning this year. According to the latest figures, the average annuitant receives $709 a month, and thus would lose nearly $360 in actual income by March 1981. The average survivor receives $296 per month, and stands to lose $150 by the same time should the proposal be adopted.

The Stevens Amendment would restore funding for the present semi-annual COLA formula. The amendment is actively supported by the American Association of Retired Persons, the National Retired Teachers Association, and the National Association of Retired Federal Employees—the combined membership of which represents approximately 70 percent of all older Americans.

While there are many issues raised by this amendment, there are three legislative considerations our Association feels are particularly significant:

(1) Critics of the twice-a-year COLA argue that Federal retirement income should be treated just like Social Security, and adjusted only once-a-year.

While Social Security adjustments are made on an annual basis, that income is tax-free, while Federal annuities are fully taxable. The tax-free nature of Social Security creates, in effect, an additional benefit which helps protect recipients against inflation. The impact of this special benefit was demonstrated recently in U.S. News & World Report which pointed out that the loss of real purchasing power by Federal retirees last year was three times greater than that of Social Security recipients. While there are many advocates of annual COLAs for both Social Security and Federal retirement, there are few who would argue that the two should be equal in tax treatment.

It is significant to note that the Advisory Council on Social Security this year found the present COLA formula for Social Security to be inadequate in protecting recipients against inflation, and recommended implementation of a semi-annual adjustment for Social Security income during periods of high inflation.

(2) Critics of the semi-annual COLA argue that a reduction is necessary to help control Federal spending, and break the momentum of inflation.

Our Association finds this logic hard to follow since most economists, and even the President, admit that a balanced budget will have little real impact on the rate of inflation. Economist Walter Heller points out that it would take a loss of three million jobs and $200 billion in the gross national product just to knock one point off of the underlying rate of inflation. According to Arthur Schlesinger in the Wall Street Journal, "History reveals no demonstrable relationship between Government deficits and inflation." He points out that in 1975 and 1976 inflation actually declined seven percent, while the Federal budget ran a deficit of $112 billion.

Our Association feels that retirees—especially those from the public sector—have had more than their share of sacrifices to make in the last few years. For example in 1976, Congress took away the Retirement Income Credit in the interest of increasing revenues. For many older retirees this meant a tax increase of as much as $560 a year. In that same year, Congress changed the Federal cost-of-living adjustment formula. Again in 1976, disability retirees were hurt when Congress eliminated the vast majority of them from eligibility for the Sick Pay Exclusion. In 1977, when Congress was looking for ways to bolster the sagging Social Security system, it again turned to public retirees—this time effectively denying them social security spouse/survivor benefits for which their spouses had worked and paid.

In 1978, Congress recognized the need for modest improvements in the Tax Credit for the Elderly and passed H.R. 9893 by lopsided margins in both Houses. However, in the name of the economy, the bill was killed by a House-Senate conference committee on the last day of the session.

We realize that in times like these, every member of our society must make sacrifices. However, there is no segment of our population which is being asked to bear a greater burden in this Budget Resolution than these retirees. It is sometimes forgotten that the older American is the person least able to generate new sources of income when faced with losses of this magnitude. Many will be forced to dip into precious savings to compensate for this substantial loss of retirement income that had been promised by their employer.

(3) Critics of the present COLA say that the once-a-year adjustment proposed in the Budget Resolution is a minor issue which does not suggest any fundamental change of policy, or raise significant political issues. We disagree.

The basic issue at stake here is the fundamental integrity of the United States Government as an employer of millions of hard-working Americans. Federal employees and retirees have only the commitment of elected officials to make good on the benefits it has promised us as a condition of our employment. In short, our only guarantee is the word of the United States Government.

The reduction of our current cost-of-living formula to an annual basis would raise serious doubts as to the trustworthiness of our Government. I do not see how the Federal Government can expect to maintain a high quality workforce over the years, if it establishes a record of cutting benefits in the face of adverse public opinion.

This has certainly been the attitude of the Senate Governmental Affairs Committee and the House Post Office and Civil Service Committee, which have consistently opposed all efforts to strip employees of benefits they earned and were promised.

Our Association recognizes the political appeal of a balanced budget and reduced Federal spending. We realize that the attainment of these goals requires that funding for many good, sound programs must be cut. However, there are few budget cuts which would affect so many people in as direct and devastating a manner as the COLA reduction. I just cannot believe that taking money away from retirees is going to do much more than increase the human suffering that inevitably comes with a recession and high inflation.

We believe there is a point at which humanitarian considerations must outweigh political appeal. We believe this is such a point. Our Association urges you to support the Stevens Amendment as a means of maintaining reasonable and sound judgment in the budget-making process, while keeping faith with commitments of the past.

With kindest regards,

Sincerely,

MICHAEL C. NAVE,
President.

Mr. STEVENS. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 44 seconds remaining.

Mr. STEVENS. I ask unanimous consent that items appearing in our hearings on pages 6 through 18 be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the CONGRESSIONAL RECORD—Senate, Sept. 8, 1976]

UP AMENDMENT NO. 428

Mr. HOLLINGS. Mr. President, I call up an amendment at the desk relative to the 1 percent pay kicker and ask the clerk to report.

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from South Carolina (Mr. Hollings), for himself, Mr. Bellmon, and Mr. Biden, proposes unprinted amendment No. 428:

On page 55, after line 20 insert the following:

COST OF LIVING ADJUSTMENTS

(a) Section 8340(b) of Title 5, United States Code, is amended by striking out "1 percent plus".

(b) The amendment made by subparagraph (a) above shall apply to any increase in annuities after the date of enactment of this Act.

Mr. HOLLINGS. Mr. President, I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. STEVENS. Mr. President, I am constrained to raise a point of order against the amendment as legislation in an appropriations bill.

We have agreed to hold hearings on this matter next year. It has been discussed with the Chairman of the House Civil Service Committee. I do not believe it is proper at this point to legislate in a general fashion on a matter such as this that has been on the books for some time. It is certainly not, in my opinion, a proper place to put this amendment, with due respect to my good friend from South Carolina. I would say it is legislation on an appropriations bill. It is permanent legislation, repealing permanent legislation, and it should not be here.

Mr. HOLLINGS. Mr. President, prior to the ruling can the Senator raise that point or can I be heard?

The PRESIDING OFFICER. Does the Senator raise a point of order?

Mr. STEVENS. I do.

Mr. HOLLINGS. Mr. President, I then raise the question of germaneness. It is really a limitation, and I would refer to page 127. But since the Senator is constrained to raise a point of order, this is something that has been in the budget, we have already acted on it on the military pay, and it refers to the civilian pay. I checked it out, and I checked with the leadership, and we put it in. So I would again raise a point of germaneness.

The PRESIDING OFFICER. The question of relevancy having been made, it is not debatable. Under the rules the Chair submits the question to the Senate: Is the amendment relevant?

Mr. HOLLINGS. Germane. I raise a question of germaneness.

The PRESIDING OFFICER. The rule uses the word "relevant" The question is, Is the amendment germane?

Mr. HOLLINGS. I want the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The yeas and nays having been ordered, the clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. Bayh), the Senator from Virginia (Mr. Harry F. Byrd, Jr.), the Senator from California (Mr. Cranston), the Senator from Missouri (Mr. Eagleton), the Senator from Ohio (Mr. Glenn), the Senator from Michigan (Mr. Philip A. Hart), the Senator from Indiana (Mr. Hartke), the Senator from Massachusetts (Mr. Kennedy), the Senator from Wyoming (Mr. McGee), the Senator from New Hampshire (Mr. McIntyre), the Senator from Montana (Mr. Metcalf), the Senator from Minnesota (Mr. Mondale), the Senator from New Mexico (Mr. Montoya), the Senator from Utah (Mr. Moss), the Senator from Rhode Island (Mr. Pastore), and the Senator from California (Mr. Tunney) are necessarily absent.

I further announce that, if present and voting, the Senator from Rhode Island (Mr. Pastore) would vote "yea."

Mr. GRIFFIN. I announce that the Senator from Maryland (Mr. Beall), the Senator from New York (Mr. Buckley), and the Senator from Illinois (Mr. Percy) are necessarily absent.

I also announce that the Senator from Arizona (Mr. Goldwater) is absent on official business.

The yeas and nays resulted—yeas 60, nays 20, as follows:

[Rollcall Vote No. 570 Leg.]

YEAS—60

Abourezk, Allen, Bartlett, Bellmon, Bentsen, Biden, Bumpers, Cannon, Case, Chiles, Church, Clark, Culver, Curtis, Dole, Domenici, Fannin, Ford, Garn, Gravel, Griffin.

Hansen, Haskell, Hathaway, Helms, Hollings, Hruska, Huddleston, Humphrey, Inouye, Javits, Johnston, Laxalt, Leahy, Long, Magnuson, Mansfield, McClellan, McClure, McGovern, Morgan, Muskie.

Nelson, Nunn, Packwood, Pell, Proxmire, Randolph, Ribicoff, Schweiker, Scott, William L., Sparkman, Stennis, Stevenson, Stone, Symington, Taft, Thurmond, Tower, Young.

NAYS—20

Baker, Brock, Brooke, Burdick, Byrd, Robert C., Durkin, Eastland.

Fong, Hart, Gary, Hatfield, Jackson, Mathias, Pearson, Roth.

Scott, Hugh, Stafford, Stevens, Talmadge, Weicker, Williams.

NOT VOTING—20

Bayh, Beall, Buckley, Byrd, Harry F., Jr., Cranston, Eagleton.

Glenn, Goldwater, Hart, Philip A., Hartke, Kennedy, McGee, McIntyre.

Metcalf, Mondale, Montoya, Moss, Pastore, Percy, Tunney.

The PRESIDING OFFICER. The amendment is held germane and the point of order is not well taken.

The question is on agreeing to the amendment of the Senator from South Carolina.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Florida.

UP AMENDMENT NO. 429

Mr. CHILES. Mr. President, I call up a perfecting amendment.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Florida (Mr. Chiles) for himself, Mr. Domenici and Mr. Stone, proposes an unprinted amendment No. 429.

Mr. CHILES. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

(c)(1) Section 8340(b) of title 5, United States Code, as amended by subparagraph (a) above, is amended to read as follows:

"(b)(1) The Commission shall—

"(A) on January 1 of each year, or within a reasonable time thereafter, determine the percent change in the price index published for December of the preceding year over the price index published for June of the preceding year, and

"(B) on July 1 of each year, or within a reasonable time thereafter, determine the percent change in the price index published for June of such year over the price index published for December of the preceding year.

"(2) If in any year the percent change determined under either paragraph (1)(A) or (1)(B) indicates a rise in the price index, then—

"(A) effective March 1 of such year, in the case of an increase under paragraph (1)(A), each annuity payable from the Fund having a commencing date not later than such March 1 shall be increased by the percent change computed under such paragraph, adjusted to the nearest ⅒ of 1 percent, or

"(B) effective October 1 of such year, in the case of an increase under paragraph (1)(B), each annuity payable from the Fund having a commencing date not later than such October 1 shall be increased by the percent change computed under such paragraph, adjusted to the nearest ⅒ of 1 percent.".

(2) The amendment made by subsection (1) shall apply to any increase in annuities after the date of enactment of this Act, except that with respect to the first date after the date of enactment of this Act on which the Commission is to determine a percent change, such percent change shall be determined by computing the change in the price index published for the month immediately preceding such first date over the price index for the last month prior to the date of enactment of this Act for which the price index showed a percent rise forming the basis for a cost-of-living annuity increase under section 8340(b) of title 5, United States Code, as in effect immediately prior to the date of the enactment of this Act.

(d)(1) Section 1401a(b) of title 10, United States Code, as amended by section 2 of this Act, is amended to read as follows:

"(b)(1) The Secretary of Defense shall—

"(A) on January 1 of each year, or within a reasonable time thereafter, determine the percent change in the index published for December of the preceding year over the index published for June of the preceding year; and

"(B) on July 1 of each year, or within a reasonable time thereafter, determine the percent change in the index published for June of such year over the index published for December of the previous year.

"(2) If in any year the percent change determined under either paragraph (1)(A) or (1)(B) indicates a rise in the index, then—

"(A) effective March 1 of such year, in the case of an increase under paragraph (1)(A), the retired pay and retainer pay of members and former members of the armed forces who become entitled to that pay before such March 1 shall be increased by the percent change computed under such paragraph, adjusted to the nearest 1/10 of 1 percent; and

"(B) effective October 1 of such year, in the case of an increase under paragraph (1)(B), the retired pay and retainer pay of members and former members of the armed forces who become entitled to that pay before such October 1 shall be increased by the percent change computed under such paragraph, adjusted to the nearest ⅒ of 1 percent.".

(2) The amendment made by subsection (1) shall apply to any increase in retired pay or retainer pay after the date of

enactment of this Act, except that with respect to the first date after the date of enactment of this Act on which the Secretary of Defense is to determine a percent change, such percent change shall be determined by computing the change in the index published for the month immediately preceding such first date over the index for the last month preceding the date of enactment of this Act used as the basis for the most recent adjustment of retired pay and retainer pay under section 1401a(b) of title 10, United States Code, as in effect immediately prior to the date of enactment of this Act.

(e)(1) Section 882(b) of the Foreign Service Act of 1946 (22 U.S.C. 1121(b)), as amended by section 3 of this Act, is amended to read as follows:

"(b)(1) The Secretary shall—

"(A) on January 1 of each year, or within a reasonable time thereafter, determine the percent change in the price index published for December of the preceding year over the price index published for June of the preceding year, and

"(B) on July 1 of each year, or within a reasonable time thereafter, determine the percent change in the price index published for June of such year over the price index published for December of the preceding year.

"(2) If in any year the percent change determined under either paragraph (1)(A) or (1)(B) indicates a rise in the price index, then

"(A) effective March 1 of such year, in the case of an increase under paragraph (1)(B) each annuity payable from the Fund having a commencing date not later than such March 1 shall be increased by the percent change computed under such paragraph, adjusted to the nearest one-tenth of 1 percent, or

"(B) effective October 1 of such year, in the case of an increase under paragraph (1)(B) each annuity payable from the Fund having a commencing date not later than such October 1 shall be increased by the percent change computed under such paragraph adjusted to the nearest ⅒ of 1 percent.".

(2) The amendment made by subsection (1) shall apply to any increase in annuities after the date of enactment of this Act, except that with respect to the first date after the date of enactment of this Act on which the Secretary is to determine a percent change, such percent change shall be determined by computing the change in the price index published for the month immediately preceding such first date over the price index for the last month prior to the date of enactment of this Act for which the price for a cost-of-living increase under section 882(b) of the Foreign Service Act of 1946 (22 U.S.C. 1121(b)), as in effect immediately prior to the date of the enactment of this Act.

Mr. CHILES. Mr. President, this would perfect the Hollings amendment and provide for a way in which we would recompute the cost-of-living raise. If we will think back to the history, the purpose for putting in the 1-percent kicker back in 1969 when it was done was because there would be a timelag in computing a cost-of-living increase. We required that the Consumer Price Index had to go up by more than three points and it would have to stay up for more than 3 months before it would trigger an increase.

If we do away with the kicker, and I think we should—that is the proposal of the Hollings amendment, to do away with it—then we ought to look back at the reason that we put the kicker in to start with.

My amendment would provide that we would not have to wait to have a 3-percent increase I remember at that time inflation was something we did not know was going to be a fact and a way of life, that it was going to be continuing. Because there might be a timelag, we put this into the legislation. The first adjustment took about 25 months.

Just to perfect the Hollings amendment, what we would do now is to look at the cost of living automatically every 6 months. If it has gone up, we would go ahead and compute that on a 6-month basis rather than require that it had to go up by three points and had to stay up for 3 months. Whatever the price increase was, that is how much it would go up.

This, I think, does two things: One, it gets to the big money that the kicker is now costing us because the kicker is an extra 1-percent add-on every year and it accumulates. That is why by the year 2000 it will cost us $6 billion a year.

My amendment would get to that in the same way, but it would allow a fair method for computing the cost of living. I really think this is the best kind of answer that we can give to the retired people, whether they be civil service, the military or foreign service, to say, "We had to get rid of the kicker because of the long-term cost and the fact that it was not fair because it was 1 percent every year. But recognizing that the purpose for which we put it in there was because we were afraid of the timelag, we have now taken care of that timelag. We are providing for a semi-annual adjustment. Every April and every October you will get a cost-of-living increase of exactly the change in prices.

So I think it is fair to the retirees and at the same time helps us to get rid of the expensive feature of the kicker.

Mr. HOLLINGS. Mr. President, I ask unanimous consent that Earl Armbrust, of the CBO, be granted the privilege of the floor during the consideration of the pending measure.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HOLLINGS. Mr. President, to bring this back into perspective, what we intended and still intend, Senator Bellmon and myself, is to keep faith under the budget process with the general representation made by the Senate when we adopted the first concurrent resolution. We said among the economies and we got on our good friend from Louisiana about tax reform, here is another item that we ought to get on ourselves about. That is, in computing and balancing, in figuring revenues and expenditures, we would have the repeal of the 1-percent kicker across the board.

The Armed Services have kept faith and they have provided under their bill the repeal of the 1-percent kicker, conditioned on the repeal of the 1-percent kicker as it applies to the Federal civil employees as well.

This amendment tells us where we are going to save $0.2 billion, or $200 million, this year and by the year 1980 it will be some $3.8 billion.

The amelioration of it and the adjustment made by the Senator from Florida, frankly I do not personally object to. I would be prepared, as one of the authors of the amendment, to accept it. I think perhaps Senator Bellmon would be. But if it would cause a great bit of confusion, I would say what it would cost in dollars and cents. Rather than $3.8 billion by 1980, I think it is $3 billion.

Mr. CHILES. It would cost a little money in the short run. Over the long run, we make up the big loss because we are getting rid of the cumulative 1 percent added each year.

Mr. HOLLINGS. I would like to yield to the Senator from Oklahoma, a co-sponsor.

Mr. BELLMON. Mr. President, I am in agreement with the Senator in taking the Chiles perfecting amendment.

Mr. HOLLINGS. Would the Senator from Alaska agree that we can accept this amendment and then we will hear his debate?

Mr. STEVENS. I would like to talk a little bit about it.

Mr. HOLLINGS. I think this has been fairly well debated. I yield to the Senator from Alaska.

Mr. STEVENS. You have not heard the debate. The chairman of the Post Office and Civil Service Committee is not here. He has his own problems this year, as about 33 of us do.

We talked about this matter, and agreed we would hold hearings at the beginning of next year. We closed our hearings this year, but agreed we would take it up next year. The fiscal year does not start until October; we can take this up before we are well into the fiscal year.

The question is the equities to the people involved. We have not held hearings on this matter. I cannot tell you the cost of the amendment of the Senator from Florida, and I do not know that the Senator from South Carolina or the Senator from Oklahoma can, either. We do not know what the equities are for the people involved.

This is legislation on an appropriation bill. I know the Senate has just voted that it is relevant, but notwithstanding that, it should go to the Post Office and Civil Service Committee. We have legislation before us; we are working on the matter, we have jurisdiction over it, and we have people downtown trying to figure out what is equitable to those people who have already elected to retire on the basis of the existing law with the 1-percent kicker.

You are going to repeal it altogether, or go into an entirely new system. With due deference to my friend from Florida, we have not looked at that system. I would be willing to bet the Civil Service Commission has not looked at the Senator from Florida's amendment, and I would be willing to bet that the people who work with the actuarial aspect of the system have not looked at it.

I do not think we ought to legislate here on the Senate floor dealing with something as serious as the retirement benefits for the rest of their lives, of people who spent their working lives serving the Federal Government.

I have just tried to contact the Post Office and Civil Service Committee staff to get the point of view of the committee involved in this. They have gone. This is not their bill on the floor. We cannot get anyone, to get the books out of the blasted committee, to find out the impact of this.

We are assigned to these committees. My friend is on the Post Office and Civil Service Committee. The reason this is here on the Senate floor is that there are 2 or 3 Members who are disturbed that we would not agree to hold hearings in the last 2 or 3 weeks of the session, when we were working on other matters. I have been running back and forth all day, like the rest of you have, to conference committees, here and on the House side, and there just is no time to hold a hearing on something this serious right now.

We have made a commitment that we will hold hearings at the beginning of next year. But there are equities of the people involved in the system right now that should be protected, and I object violently to the concept that when we have worked out an agreement, we have agreed with the House that there would be a compromise on it, that here, out of the clear blue sky, comes an amendment like this. I recognize the budget process and the Budget Committee did figure this in, but I thought we still had legislative committees. I thought we still had jurisdiction. Those of us who have worked on it in committee have staff working on it, who went home not thinking they would have a bill on the floor tonight. We have a right, I would think, to have some consultation on permanent legislation going into an appropriation bill.

I cannot object strongly enough to this kind of procedure. I think this is one reason why Government employees do not have any confidence in what goes on in Congress, because we willy-nilly get into things like this without thinking about it.

Mr. President, I am obviously exercised. I think we all ought to be exercised when something like this happens. I think if the chairman of the Post Office and Civil Service were here, he would be exercised also.

Mr. HOLLINGS. Mr. President, in all fairness, speaking of the right to be exercised, I do serve on the committee with the Senator from Alaska, and I happen to have a very exalted title on the committee: chairman of the Postal Operations Subcommittee. But we have been unable to get a hearing on this particular measure. Nevertheless, we believe in our legislative committees. We believe chairmen, and we believe in equity of procedures, and that is why we have to take this procedure.

We did it for the military. We did it for General Service employees. The President of the United States sent it up here in January.

You do not have to be here long to see the results of inflation. Over the period of time the kicker has been in effect, Federal annuities have increased 72 percent, while the cost of living, since 1969, has increased only 56 percent.

So they have gained exactly—you can have your little hearing right here—$1.6 billion more than the social security recipient, the food stamp recipient, or anyone else around here as a recipient.

They are all feeling this inflationary cost-of-living CPI, but when it comes to this little sweetheart deal, I found out, working on the Appropriations Committee with the distinguished Senator, that our former staff director said, "I can make more money quitting with this little 1 percent kicker than what you pay me on the Appropriations Committee." You have heard this, and I have heard it. I know; I can see you smile.

This issue was not supposed to come up. It is an election year issue. The President proposed the issue, and we debated it as to the military. We debated it with the first concurrent resolution. We have got government in the sunshine. There is Vice President Dole coming in. He is on the Budget Committee.

Mr. STEVENS. I cannot keep track of my good friends.

Mr. CHILES. Mr. President, will the Senator from South Carolina yield?

Mr. HOLLINGS. Yes.

Mr. CHILES. I just wanted to know if the Senator from South Carolina is a little bit confused, like the Senator from Florida. I am whipped, on the one hand, by the President, who says we have to repeal the kicker, and by the chairman of the committee on the Republican side, who is telling me we should not repeal the kicker. I feel like I am getting seesawed about this matter, and I am just a poor candidate running for re-election.

Mr. STEVENS. I am just pointing out that the Senator is not the only candidate for re-election. The Senator from Wyoming is a candidate, and he is not here. He would be speaking if he were here, and I am really speaking for him.

My friend tells me this is in the budget, and that is true. But I am sure my friend will agree with what I have said: We had a discussion on this just this past week, and we have made a commitment to have a hearing on this subject at the beginning of the next session.

Those on the legislative committees should take heed: What you need to do is be gone, if you are chairman, or the people who sit down and work out agreements on things like this, be gone, and along comes an amendment like this without notice and it will go through without a hearing and without any record.

I yield to the Senator from Mississippi.

Mr. STENNIS. I thank the Senator. I shall just take a moment.

I feel compelled to say just a word here and I shall not be long. This matter was raised by the President of the United States in the budget, and was approved, in effect, by our Budget Committee, and on the military side of the ledger this matter went through our authorization committee and we adopted it. We adopted it as to the 1 percent kicker and it came on the floor here and was not challenged in any way, and went to conference with the House, and came back. The conference report had it in it, and it was not challenged in any way.

So we have gone all the way through this, all the way on the military side. Now, in there was a provision that it would be effective only if the same medicine was distributed around to all. So I think this puts it up to us.

Ordinarily I stick with the legislative committees, and stick to their jurisdiction. This situation is a little peculiar, but it is the only way to get at it.

And with deference, it seems to me meritorious, although it is not something one would like to vote for. But we are down to the last roll, and we ought to meet this and vote for the amendment, as I see it.

I thank the Senator.

Mr. STEVENS. Mr. President, I understand what the Senator said, and I served on that subcommittee, too, in terms of the appropriations process and know what we have done in conference. But again I say there are differences here with regard to its effect on the civil service system. I think we are entitled to go ahead with the agreement we made, have the hearing next year, consider this matter, and make the adjustment.

I am sure my friend from South Carolina knows that the bill pending in the House of Representatives is not the bill that is pending before the Senate right now. That we called the "softening" bill, the bill to soften the 1 percent and to spread it out so that we would finally eliminate it. Remember, Congress put in effect the 1 percent. This is something that has been in the law and it has been used. Now we have the feeling that because of the budget process, and other things, it ought to be done away with.

But people who have elected to retire based on the fact that it is coming are now going to be committed to retire without it coming. I am sure that my friend understands that. I think that is unfair. I think we ought to provide for a staging out, a softening of this incentive, this cost-of-living adjustment so that there is no effect, really, on the rate of retirements in the Federal Government.

As far as I am concerned, it is one of the incentives that brings about a retirement now by some of the people who might wait 2 or 3 years to retire, and that, to me, is a good thing because people who elect to retire early get paid less and when they get this "kicker" there are other people who move in behind them in the system and we provide additional employment without, in fact, increasing the total amount of Federal employment. That aspect of this has not been examined yet. But again, I do not disagree that the 1-percent kicker is going to go in the civil service system. It is going to be eliminated. The question is how and over what period of time. And with due respect to the Senator, I believe that our committee ought to have the chance to look into that and make that recommendation to the Senate.

Mr. BELLMON. Mr. President, will the Senator yield?

Mr. STEVENS. I yield.

Mr. BELLMON. I am also a member of the Committee on Post Office and Civil Service as is the Senator from South Carolina and the Senator from Alaska. We had a year to work on this thing, and the committee has shown no inclination to do so. We know from what the Senator from Mississippi has just said what happened on the military side. If we do not act now, we are going to have to go back and do the whole job over again which may not be possible. I feel strongly that we ought to act and act now while we have the matter before us, a matter well understood, and hearings will serve no good purpose. I am not aware of any agreement to hold hearings.

Mr. STEVENS. We made an agreement, and I am sure the Senator from——

Mr. HOLLINGS. No. I wish to be fair to my friend from Alaska. The truth of it is everything was over there. I do not wish to pass the buck. I had no reason to attend because nothing was going to happen. Every time something was suggested they would say, "Wait until next year and we will have a hearing on it."

The Senator from New York (Mr. Buckley) in March put this in. We could not even get a hearing. We had on the Committee on Post Office and Civil Service an opportunity to work on this particular measure. We come here in September, and everyone knows what the issue is and everything, to say what we ought to do is subject it to hearings.

Mr. President, what would be more equitable, if we really feel that way, is immediately let us give the 1-percent kicker to the social security recipient rather than semiannually, review the food stamps, and give a 1-percent kicker on the food stamps.

I hate to look at the Senator from North Carolina when I say that. He would about run me out of the Chamber if we had to increase the food stamps around here. But that is exactly what it means.

We are not being unfair. We are treating these particular retirees the same as Congress has already treated the Foreign Service personnel, all conditioned on how we are going to act here.

Mr. STEVENS. That is right. This is to make sure everyone understands.

Mr. HOLLINGS. That is right.

Mr. STEVENS. The military 1-percent kicker does not go out until this happens.

Mr. HOLLINGS. That is right.

Mr. STEVENS. The reason it does not go out is we agreed that the Committee on Civil Service and Post Office ought to determine the manner in which it goes out, and the Senator knows that the way we do it the Committee on Post Office and Civil Service is going to be the way it applies throughout the military system and anyone eligible for the 1 percent. They did not have jurisdiction over that. They just said, "Do it the way the Committee on Post Office and Civil Service does it for the classified service."

My friend here from Hawaii is the ranking member on the Committee on Post Office and Civil Service. I have not been involved in all these negotiations, but I do think I have been to all the meetings of the Committee on Post Office and Civil Service, and I do not recall anyone's ever raising a question at our executive sessions, or otherwise, demanding a hearing on this bill.

All I can tell the Senator is the first time it was raised I was with the Senator from Wyoming, and we did agree at that time that there would be hearings next year.

But again what we are doing now is going to determine the percentage of what happens on the military bill, and the Committee on Armed Services and the Committee on Appropriations deferred to us in terms of how this was going to be eliminated. They agreed it was going to be eliminated but how it is going to be eliminated is determined by the bill coming out of the Committee on Post Office and Civil Service.

Mr. HOLLINGS. Mr. President, if the Senator will yield, he was referring to the Committee on Post Office and Civil Service. They were trying, as the Senator uses the words "equitable" and "equity," to be fair across the board.

Mr. STEVENS. I accept that.

Mr. STENNIS. It was the same medicine.

Mr. HOLLINGS. That is, as the distinguished Senator from Mississippi said, the same medicine. We do not like to take away benefits and what have you. But what is sauce for the goose is sauce for the gander. That is the whole point.

The Committee on Armed Services was not at a loss by procedures and how it was going to be applied. They already decided that. "If you are going to make it effective to us in the Pentagon and the military, how about yourself" is what they were saying.

Mr. President, can we move the adoption of the amendment of the Senator from Florida? I think we can get a voice vote on that. Will the Senator not agree with that?

Mr. STEVENS. As the Senator knows, if the Senator wants to do that I suggest that he take a look at it. I just tried to read the amendment as we were talking here. It is five pages long. If the Senator can understand it and what it means to the retirement system, be my guest.

I can only say that as far as I am concerned this is a very poor way to deal with something as serious as the retirement system that applies to the civilians and the military people of this country. We should not do it.

Mr. President, just to eliminate the matter, and I have said my last, I am going to move to table both amendments and urge that these amendments be tabled and not considered now.

The chairman will be back next week. If the Senator feels this exercised about it, let us take it up now.

Mr. WILLIAM L. SCOTT. Mr. President, will the Senator hold that momentarily?

Mr. STEVENS. Yes.

Mr. WILLIAM L. SCOTT. Mr. President, we are going to have a vote on this matter soon.

I recall the reason for the 1-percent kicker being adopted. It was because there was a lag between the time of the cost of living going up and the time that the Federal employee retiree received a cost-of-living increase.

I do not understand just what the amendment does. I believe we need to have some sort of a compromise to get rid of the kicker but at the same time be fair to the Federal employee. I wonder if we could not just take a minute and let the distinguished Senator from Florida tell us what is in his amendment.

The Senator from Alaska says it is a lengthy amendment. Will the Senator from Florida explain it?

Mr. CHILES. The purpose of the amendment of the Senator from Florida and the Senator from New Mexico is to do exactly what the Senator from Virginia is mentioning. It is to really get at the purpose of why we put the kicker in to start with. For the kicker to take effect or for the present cost of living adjustment to take effect under the present law we have to have a 3-percent increase and it has to continue for at least 3 months. Because of this feature they decided to put in the 1-percent add-on to take care of the long delays that could occur.

If we are getting rid of the 1 percent, and I think we should, then I think we have to have a fairer method. So what my amendment would say would be to replace that 3 percent for 3 months with just saying that every 6 months we will automatically figure the cost of living, and if it has increased, then we will make provision for that as we do in the social security system and as we do in some of these other programs.

Mr. WILLIAM L. SCOTT. If the Senator will yield, when would the cost-of-living increase be effective? Would it be effective immediately or would there be another lag in the time it would become effective?

Mr. CHILES. There is always a lag for the calculation of it. But as soon as we are able to calculate it, program the computers to compute individual benefits, and mail the checks, it would automatically be done. So once we got through the first adjustment period, there would be a regular increase every 6 months, every April and October.

Mr. WILLIAM L. SCOTT. Would it be retroactive in time?

Mr. CHILES. Yes, it would cover the full 6 months since the last change was calculated.

Mr. WILLIAM L. SCOTT. The Department of Labor will decide there had been an increase?

Mr. CHILES. That is correct.

Mr. WILLIAM L. SCOTT. I will support the Senator's amendment.

Mr. CHILES. I yield.

Mr. FONG. Mr. President, under the present law, there must be an increase of 3 percent, and that 3 percent must be sustained for 3 months before there is an increase.

Mr. CHILES. That is right.

Mr. FONG. What does the Senator's amendment do? Does his amendment give them an increase every time there is a cost-of-living increase of 1 percent or one-half-percent, or what does it do?

Mr. CHILES. Every 6 months you would automatically figure the cost-of-living index. If it has gone up, you give them in an increase at that time, the same way we do in social security.

Mr. FONG. Then, the Senator is not actually following what the distinguished manager of the bill is doing.

Mr. CHILES. Yes, we are.

Mr. FONG. Under the present system, the retiree must wait 3 months after the cost of living has increased by 3 percent. If it only increases by 2 percent, he does not get any increase at all, even though it stays there for a year or 2 years. It must be a 3-percent increase, and has to be sustained for 3 months. What the Senator is doing in this amendment, as I understand it, is that as long as there is an increase every 6 months he is going to give it to them.

Mr. CHILES. That is correct, but there is no kicker.

Mr. FONG. It may be more costly than at present.

Mr. CHILES. No.

Mr. FONG. Because at present, they have to wait 3 months after the cost of living has increased by 3 percent.

Mr. CHILES. It has not proved to be that way, and that is the calculation of our Congressional Budget Office. The Congressional Budget Office has shown that if you go to the year 2000, you get a $6 billion impact a year on either one, the removal of the Hollings kicker or the removal of the Chiles perfecting amendment, because it is a cumulative feature that adds up.

Mr. FONG. I am not talking about the 1-percent kicker. I am talking about the 3 percent.

Mr. CHILES. I am talking about the perfecting amendment.

Mr. FONG. Under the present law, it has to increase by 3 percent. If it increases by 1 percent and remains for 3 months, there is no increase. If it increases by 2 percent, there is no increase. It has to increase by 3 percent, and then that 3 percent has to be sustained for 3 months, and then you will have an increase.

Under present law, social security recipients also come under this kicker. Does this amendment apply to social security recipients?

Mr. CHILES. Social security recipients do not have the kicker.

Mr. FONG. They do have a kicker.

Mr. STEVENS. Not this one.

Mr. FONG. They do have a kicker.

Mr. MUSKIE. If the Senator will yield, social security recipients do not get the 1-percent kicker. Neither does SSR or the food stamp program, for example. This is only the Federal retirement system.

Mr. THURMOND. Mr. President, will the Senator yield?

Mr. CHILES. I yield.

Mr. THURMOND. Mr. President, I am not opposing this amendment; I do not think it is necessary. But if it should be adopted, I want to know whether the military is going to be on the same basis.

Mr. CHILES. Exactly the same.

Mr. THURMOND. I think it should be the same. If it is going to apply in 6 months, it should apply to the military in the same way.

Mr. CHILES. They are all to be treated the same way.

Mr. THURMOND. And the Senator's amendment provides that?

Mr. CHILES. Yes.

Mr. STEVENS. Mr. President, will the Senator yield?

Mr. CHILES. I yield.

Mr. STEVENS. I do not think that is true. The Senator is dealing with more than a kicker in his amendment, now that I have read it.

The Senator is dealing with how the cost-of-living increases are computed. We started with an amendment to eliminate the kicker, and now he is going to reform the whole retirement system, so far as cost-of-living increases are concerned, with a perfecting amendment. With due respect, I do not think it automatically goes to the military system.

I am constrained to say, here we go again. We have the Budget Committee writing legislation for the Commitee on Post Office and Civil Service.

Mr. MUSKIE. Mr. President, will the Senator yield on that point?

Mr. STEVENS. Yes, I am happy to yield.

Mr. MUSKIE. I have not had a word to say in this.

Mr. STEVENS. I hope the Senator will, I hope the Senator will denounce this.

Mr. MUSKIE. I do not denounce it.

Mr. STEVENS. I do not think the Senator's committee should be writing legislation.

Mr. MUSKIE. If the Senator will lower his voice, I will be glad to describe the Budget Committee's connection with this legislation.

Mr. STEVENS. It is not my voice. I do not need this microphone.

Mr. MUSKIE. I know the Senator does not.

This amendment is not a Budget Committee initiative.

Mr. STEVENS. The Senator from Florida just said it was.

Mr. MUSKIE. What the Budget Committee has done has been amply explained on the floor. What the Budget Committee has done is within its prerogative.

In this first concurrent budget resolution—and this decision was concurrent with the second concurrent budget resolution, which will be before the Senate tomorrow—we adopted the objective of eliminating the 1-percent kicker. This is the first time I have heard anybody on the Senator's committee object to that action by the Budget Committee. Indeed, a few moments ago the Senator from Alaska accepted that, and now he challenges us. The Senator should choose.

Mr. STEVENS. This is not dealing with just a kicker.

Mr. MUSKIE. All we have done is contained in the first concurrent resolution. That was confirmed by both Houses of Congress. Because it is there, there are Members of Congress in both Houses who are very restive because the appropriate committees have implemented it for the military but nothing has been done about it for the civilian personnel of the Government. So the members of the committee who worked to implement the military side of it are saying to me and to others, "Look, we stuck our necks out to implement the first concurrent resolution. When are we going to get the other half of it done?"

It is because of that frustration, not because of any attempt by the Budget Committee to legislate, that this amendment appears on the floor of the Senate today.

Mr. STEVENS. What is this I have in my hand?

Mr. MUSKIE. I do not know. I cannot see that far.

Mr. STEVENS. It is the perfecting amendment. I will apologize if I am wrong, but I understood the Senator from Florida to say that this was prepared by the Budget Committee.

Mr. CHILES. No. I think the Senator did misunderstand. The Senator said that nobody computed any figures on this, and I said that the Congressional Budget Office had computed figures.

Mr. STEVENS. Where did it come from? That is the question.

This is not the kicker. This refers to the total cost-of-living portion of the retirement system of the Civil Service.

What the Committee on Armed Services did was to elimate the kicker, depending upon our determining how it should be eliminated. Now we are going to go into the total computation of the cost-of-living increase due to people on retirement, if I understand this correctly. I have only read it once. It is a very complicated subject.

Mr. NUNN. This is compatible with what the Committee on Armed Services did with the military. It was left open, so that whatever was done with the civil service with respect to the repeal of the 1-percent kicker would apply to the military. This makes specific reference to the Secretary of Defense and what he will do. Whether one is for the Chiles amendment or the Buckley amendment, as I understand it, the civil service and the military will be treated alike.

The Senator from Maine is eminently correct in the fact that the Committee on Armed Services, under the budget resolution, felt some responsibility and some mandate to address this issue. We did have hearings. We addressed the issue. The full Senate voted on it. It went to conference. The House agreed to it in conference. It already has been accomplished as to the military, contingent upon what this body does with respect to civil service.

I do not know where the Civil Service Committee was all the time this was going on. That is something I do not understand. Nevertheless, there was due notice given to the Committee on Post Office and Civil Service by the first concurrent budget resolution, by the action of the full Senate on the Armed Services Committee bill, by the action of the conference committee on the bill, by the President's budget message, by Secretary of Defense Rumsfeld's speeches, and by other things. I do not know where the Committee on Post Office and Civil Service has been this year while all this was going on, but it seems to me that at least this committee had a duty to have hearings before 1 year expired.

Mr. STEVENS. Mr. President, I can understand the situation, but I do not understand why we cannot have the normal procedure apply to this. We have just heard that the committee did take it up. I have been to those meetings, and I have never heard anyone demand a hearing. No one has written to me, to my knowledge, and said "We would like to have a hearing on the bill introduced by Senator Buckley."

The Senator from Florida points out that I have a little extracurricular activity for the people on this side of the aisle. If he had asked me for a hearing on it, I would have gone to the chairman and said, "Can't we have a hearing on it?"

The point was made that the Armed Services Committee held their hearings and determined how to handle it.

Correct me if I am wrong: It is still based on how we deal with the civilian side. Is that right?

Mr. NUNN. The Senator is correct on that point.

Mr. STEVENS. Then, why cannot we have hearings?

Mr. NUNN. That is a very good question. That is the essential question of the hour. Why cannot the Committee on Post Office and Civil Service have hearings when a matter has been discussed as widely as this one for almost a year?

Mr. STEVENS. When the Senator from Wyoming discussed it with me, he mentioned the problem of trying to hold hearings now, the question of being in session and having hearings in this last part of this year and said, "Would you agree?" I will have, next year, the same role that the Senator from Hawaii has with regard to the committee. I said, "Yes, let us hold them the first of the year."

I do not see any problem with that. What is the problem with waiting, will anybody tell me? What is the great problem with waiting until the proper procedure is followed with regard to this bill?

Mr. BELLMON. Will the Senator yield?

Mr. STEVENS. Yes, I yield.

Mr. BELLMON. I will tell what the problem is with waiting. The Committee on Armed Services has already acted. If the Committee on Post Office and Civil Service does not follow, it is going to be very difficult to get them to go through this again. This is not a very pleasant activity for any of us to undertake. Once the Committee on Armed Services has bitten the bullet, so to speak, it is up to the Committee on Post Office and Civil Service to take the next action. If they refuse to act, the Senate has to act to assure the repeal of the kicker.

ADDITIONAL STATEMENTS

Mr. MUSKIE. Mr. President, I rise in support of the amendment offered by the distinguished chairman of the Legislative Appropriations Subcommittee to H.R. 14238, the Legislative Appropriations bill. This amendment would repeal the so-called 1-percent kicker as it applies to cost-of-living increases in civil service retirement annuities. Let me point out that the question addressed by this amendment is not whether Federal annuitants should receive cost-of-living increases to keep up with inflation; rather, the question is whether Federal annuities should rise faster than inflation.

Since 1969, when the 1-percent kicker was added to the cost-of-living adjustment mechanisms, Federal annuities have increased by 72 percent, while the cost of living has risen over the same period by only 56 percent As a result, Federal annuitants received $1.6 billion more by the end of fiscal 1975 than they would have, had their benefits merely kept even with inflation. Moreover, outlays for annuities over the next 5 years will be $3.8 billion higher than they would be if annuities rose at the same rate as inflation. All of these excessive increases in Federal annuities are not financed by employee contributions, but are ultimately a burden on the general taxpayer.

Mr. President, these inflated annuity increases are clearly unjustified. Even without the 1-percent kicker, the cost-of-living adjustment mechanism in the Federal retirement system is more liberal than that in almost any other pension system in the private or public sector. Moreover, no other Government program indexed to keep pace with inflation, such as social security, SSI, food stamps, or Federal pay, is adjusted as liberally as Federal retirement annuities. Social security, SSI, and Federal pay are adjusted annually; the food stamps bonus value is adjusted semiannually. If the 1-percent kicker is justified, with regard to Federal employees' retirement benefits, the argument could be made that it should be extended to these other Federal programs. The cost of such an extension clearly would be prohibitive.

This year, Mr. President, the Congress has acted definitively on three occasions in favor of repealing the 1-percent kicker. In adopting the first budget resolution, the Congress approved the policy of such a repeal. In enacting the military procurement and State Department authorization bills, the Congress approved the repeal of the kicker for the military and Foreign Service retirement programs, respectively, but only if a similar repeal is adopted with regard to the civil service retirement system. Thus, the amendment before us is the last piece needed to complete the policy for which Congress has clearly voiced approval three times. It is time for us to show the taxpayers that we meant it when we took these prior actions, and it is time to show that the Congress can act responsibly to eliminate unjustified spending of Federal tax dollars.

With repeal of the kicker, I think it is appropriate that we have removed the conditions that made enactment of this compensatory provision necessary in the first place. This amendment as perfected insures that civil service retirees experience no unwarranted delay in having cost-of-living increases appear in their annuity checks. This represents fairness for the annuitant and responsible fulfillment of the congressional obligation to former Federal workers.

Mr. BELLMON. Mr. President, I am very pleased to join the distinguished Senator from South Carolina, Senator Hollings, in cosponsoring this amendment to repeal the so-called 1-percent kicker. I do not believe it is necessary to elaborate at length on this issue because the issue itself is not very complex. The unfairness of this provision in the law has long been recognized. The facts are that Congress made a mistake in 1969 when the 1-percent kicker was added to the cost-of-living increase formula for the retirement programs. Because of the compounding effect, this mistake has caused Federal annuitants to receive increases totaling 71 percent over the last 7 years, while the Consumer Price Index during that same period only increased 56 percent. This overpayment of 15 percentage points cost $800 million and will get larger and larger if we procrastinate on this issue.

Congress has in effect expressed its desire on this issue on several occasions. First, the savings from repeal of this kicker is assumed in the fiscal year 1977 budget which Congress passed by 62 to 22 in the first concurrent resolution. The anticipated fiscal year 1977 savings is $200 million. Second, the Armed Services Committee has faced up to this issue and has recommended repeal of the 1-percent kicker in the military retirement program as part of the military procurement bill, assuming similar action is taken with regard to the civil service retirement system. Finally, Congress this year also eliminated the kicker in the Foreign Service retirement system. There is no excuse for a double standard in Federal retirement systems. We made a mistake in 1969.

While we may have originally intended for Federal retirees to keep up with inflation, it was never our intent to have these retirees have a windfall benefit by out-stripping inflation. As Senator Hollings has clearly shown, the Federal retirement system has many benefits in excess of social security retirement. With this amendment we merely seek to correct one major discrepancy. If we fail to act we will find more and more of our budget outside of our grasp—because it will be forced to fund this inequitable program. It is situations like this that make budget balancing so difficult. I trust the Senate will repeal this kicker today in the name of fiscal responsibility.

Mr. President, there is a growing outcry concerning abuses in the Federal retirement system. A recent article by former Congressman Hastings Keith in the Reader's Digest of September 1976, sets out these abuses with great clarity. Among the Congressman's recommendations is the abolishment of the 1-percent kicker.

The Federal retirement system is an essential element of Government service. The availability of a reasonable retirement after a career of Government service has been a major inducement to qualified candidates for public service. I believe the system needs to be preserved but I also feel that its preservation depends on the elimination of the flagrant abuses which currently exist. I strongly urge the leadership of both the House and the Senate to adjust the legislative program so that the vote on the elimination of the 1-percent kicker can be held before adjournment.

Mr. STEVENS. I yield to the Senator from Arkansas.

Mr. PRYOR. Mr. President, I should like to point out that when the kicker was removed in 1976 and Congress adopted the concept of going to a twice-a-year adjustment, according to the CPI increases and the benefit increases paid pursuant to that change in the law, this program has worked exactly as it was intended to work originally.

In fact, it has been keeping pace with the CPI increase. The benefit increase has been identical to the CPI increase. It has been an extremely efficient system and, more than that, it has been a fair and an equitable system.

I ask unanimous consent that I may have printed in the RECORD this table, Mr. President, as it relates to the CPI increase and the benefit increase.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Summary of experience under cost-of-living provision—1977–79

[In percent]

Month/year of increase	CPI increase	Benefit increase
March 1977	4.8	4.8
September 1977	4.3	4.3
March 1978	2.4	2.4
September 1978	4.9	4.9
March 1979	3.9	3.9
September 1979	6.9	6.9

● Mr. GOLDWATER. Mr. President, I rise in support of the Stevens amendment. To me, the amendment addresses two questions of fundamental fairness:

Will public retirees be made to bear the major burden of budget cuts?

Will the Federal Government renege on the contract it has made with public retirees?

While everyone must tighten his belt, I believe public retirees have had their share of sacrifices to make in recent years. For example, in 1976 Congress decided that the cost-of-living formula of Federal retirees was excessive. Congress abolished the extra 1 percent that had been given to retired Federal workers in compensation for the fact that increases lag far behind the advent of inflation.

To compensate for eliminating this 1-percent increase, the Government agreed to provide increases twice a year, so that Federal workers would only be 6 months behind inflation, rather than a full year.

Now, it is proposed to break that agreement.

We might also recall that in 1977, Congress decided the social security system needed some additional funds. It turned to public retirees to help carry the load by offsetting social security spouse benefits against public retirement income.

Also, we should remember that Federal retirement pay is not exempt of income tax, as social security benefits are. It is true Congress has provided a tax credit for the elderly, which is supposed to put public retirees in much the same situation as social security recipients, but inflation has robbed the worth of this credit. Congress has failed to update the tax credit so that Federal retirees have fallen behind their fellow citizens who receive social security checks.

Now, I am strongly opposed to taxing social security payments. But I do believe we owe the same degree of fairness to both groups of retirees.

By reducing the frequency of cost-of-living increases, Congress would cut Federal spending at the expense of those whose working days are over and who are least able to bear the burden of ever-climbing inflation.

Mr. President, I ask my fellow colleagues to keep the legal commitment we have made in the past and vote to retain cost-of-living adjustments every 6 months for public retirees.●

● Mr. DOLE. Mr. President, I rise in support of the amendment offered by the distinguished Senator from Alaska, Mr. STEVENS, that will restore funding for twice-a-year cost-of-living increases in civil service retirement benefits.

BUDGET COMMITTEE COLA CUTS

Mr. President, for the second consecutive year, the Budget Committee has recommended that the twice-a-year cost-of-living adjustments on Federal retirement income be changed to a once-a-year adjustment. For the second consecutive year, such a recommendation was made without consulting with the authorizing committee, the Governmental Affairs Committee. The only recourse for those who feel differently about this change is to attempt to restore the funds here on the Senate floor.

COLA HEARINGS

Mr. President, last July, the Subcommittee on Civil Service and General Services held an oversight hearing on the civil service retirement system. The goal was to ascertain the impact on retirees of a once-a-year adjustment and to determine whether any savings could be achieved in a responsible manner. Testimony, then and since, revealed that the average annuitant receives $8,500 per year, and the average survivor $3,600 per year.

SUBCOMMITTEE LEGISLATION

Mr. President, in hearings held last year, the Subcommittee on Civil Service and General Services received testimony on responsible ways to achieve savings. Consequently, the subcommittee has developed two bills incorporating the hearing's recommendations that are expected to result in substantial savings. Yet, rather than commending such reductions, it appears that the Budget Committee is determined to force the Congress to change the cost-of-living adjustment to once a year. Its intructions to the Governmental Affairs Committee to reduce outlays by $500 million, in essence, requires the committee to make such a change.

A STEP IN THE WRONG DIRECTION

Mr. President, it would be a mistake to move Government retirees back to an annual adjustment. It would be particularly harmful to do this at a time when the retiree needs this inflation compensation the most and when he or she is relying on the semiannual adjustment provision that exists under present law. For these reasons, Mr. President, I support my colleague's amendment to the budget resolution which would help secure the semiannual COLA which is a measure of inflation protection presently granted to Federal retirees.

A change to a once-a-year adjustment will reduce the average retiree's income by $132 per year. Such a reduction would have a substantial impact upon those individuals who are least able to cope with the ravages of inflation.

Mr. President, while we all want the Federal budget brought into balance and that that balance thereafter maintained over the business cycle because we believe this is one of the things that must be done to bring inflation under control, we do not want that budget balancing effected through a diminution of the inflation protection presently available to the elderly.

THE ELDERLY

Mr. President, reducing the frequency of the adjustment is justified by the call to combat inflation. Yet such a reduction dangerously lessens the protection from inflation's most vulnerable group, the elderly. Advocates of the reduction argue that social security benefits are only adjusted once a year and that the twice-a-year adjustment on Federal retirement is unnecessarily inflationary. What they choose to overlook, Mr. President, is that Federal retirement benefits, including cost-of-living adjustments, are taxed, while social security income is not. The monetary benefit of tax free social security is higher to social security recipients than the semiannual adjustment is to Federal retirement recipients.●

The PRESIDING OFFICER. The time of the Senator from Alaska has expired.

Mr. SARBANES. Mr. President, how much time remains to the Senator from South Carolina?

The PRESIDING OFFICER. The Senator from South Carolina has 6 minutes and 36 seconds.

Mr. SARBANES. I suggest the absence of a quorum.

The PRESIDING OFFICER. On whose time?

Mr. SARBANES. On the time of the Senator from South Carolina. That is the only time available.

The PRESIDING OFFICER. There is not enough time remaining.

Mr. SARBANES. We can take it from the balance of time on the bill, I understand. I ask unanimous consent to do that.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request?

Without objection, it is so ordered.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. STEVENS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STEVENS. Mr. President, I yield back the remainder of my time.

Mr. HOLLINGS. Mr. President, I want to first apologize to the distinguished Senator from Alaska. He knows the leadership problems because he is a leader.

We were only trying in the leadership to reconcile some differences and expedite things.

As we left, my distinguished friend was talking about the 3-year credit he had in the Army. But there, again, we are right back to the same situation. That is, that we can get semiannual retirement increases if we are under the civil service and work for the Government.

But I suggest that in the Army and in civilian work, there is no such benefit. So there is a benefit to civil service workers. Additionally, where the Senator says there are only 431 of Senators and Congressmen retired under civil service, so that pensioners should not be penalized, my concern, Mr. President, is that there not be an additional 535 this year and in the next few years; namely, the present membership.

Both sides have agreed on this proposal. The administration has recommended it. It is tough medicine, but it is fair to everyone across the board. We have it here for the military retirees, for food stamp recipients, all the rest—to put them all on that once-a-year computation.

Mr. President, if there is nothing further and the time is all yielded back, I move to table the amendment.

Mr. STEVENS. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. PERCY. Mr. President, before tabling, may I have 2 minutes?

Mr. METZENBAUM. Mr. President, I object.

The PRESIDING OFFICER. The motion has been made, debate is not in order and the yeas and nays have been requested.

The clerk will call the roll.

Several Senators addressed the Chair.

Mr. PERCY. I thank my distinguished colleague.

Mr. METZENBAUM. Mr. President, a rollcall is in order.

I ask for the regular order.

Mr. PERCY. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HOLLINGS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. HOLLINGS. Mr. President, I ask unanimous consent that, out of the time on the bill, the distinguished Senator from Illinois be allowed to address the Chamber for 2 minutes prior to the rollcall on the tabling motion.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. PERCY. I thank my distinguished colleague.

Mr. President, I ask unanimous consent to have printed in the RECORD a letter signed by Senators RIBICOFF, STEVENS, PRYOR, and myself.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

COMMITTEE ON GOVERNMENTAL AFFAIRS,
Washington, D.C., May 7, 1980.

Hon. ERNEST HOLLINGS,
Acting Chairman,
Hon. HENRY BELLMON,
Ranking Minority Member, Committee on the Budget, U.S. Senate, Washington, D.C.

DEAR FRITZ AND HENRY: The reconciliation instruction in the First Concurrent Resolution on the Budget Directs the Committee on Governmental Affairs to reduce spending for FY 81 by $500 million. The only sizeable program under the budgetary jurisdiction of the Governmental Affairs Committee is the Civil Service Retirement System. Consequently the reconciliation instruction, as now constructed, would have the effect of forcing an authorizing committee of the Senate to make specific policy changes in a statutory program. We realize that this was not the intent of the Budget Committee, but is a result of the unique nature of our Committee's crosswalk allocation.

The Governmental Affairs Committee has not yet made a determination on the question of altering the cost-of-living procedures for civil service retirees. However, we believe that it is important to enable the Committee to consider other areas within its legislative jurisdiction as well in achieving the required savings.

Last year during debate on the Second Concurrent Budget Resolution for FY 80, Senator Muskie offered a technical amendment authorizing the Governmental Affairs Committee to comply with its reconciliation instruction by finding cuts in any of the programs under its legislative jurisdiction. We request that you consider the adoption of a technical amendment to S. Con. Res. 86 similar to the amendment which was adopted last year.

We support the Budget Committee's attempt to balance the budget, and want to cooperate in taking whatever steps are necessary to achieve that end. Adoption of such a technical amendment would be of great assistance to our Committee in that effort.

Sincerely,

CHARLES H. PERCY.
TED STEVENS.
ABE RIBICOFF.
DAVID PRYOR.

Mr. PERCY. Mr. President, the letter indicates the Governmental Affairs Committee is quite willing to accept the $500 million cut. We feel the committee that created the Budget Reform Act and that made possible the Budget Committee should stand fully behind the principle of taking our fair share of cuts.

All we are saying is that, like many other committees, we would like the authority to take it out of the areas we feel are least cost effective. We might choose to cut parts of OMB, GSA, or the Postal Service and pursue pay reform, oversight changes, and consultant cuts.

Cuts can be made. We pledge that they will be made.

All we are asking is that we be given the same authority Senator Muskie saw fit to give the committee last year, to make our own cuts so it would not have to be taken out of this one retirement account.

Senator RIBICOFF and I would have to vote against the pending amendment, but do so with great reluctance because we know the hardship that would result to our senior citizens, who we feel should be protected to the greatest possible extent.

We think there are other areas less cost effective, less harsh, more humanitarian, where cuts can be made.

If the Budget Committee would accept a technical amendment that would give us this authority, then I think we could resolve the issue on a fairer basis.

I ask respectfully for a reaction from the floor manager of the bill.

Mr. STEVENS. I hope my good friend will not be misled. They have not given us that assurance at all.

The PRESIDING OFFICER. No time remains on the amendment. The question is on agreeing to the motion to table the amendment of the Senator from Alaska. The yeas and nays have been ordered and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Alaska (Mr. GRAVEL), the Senator from Massachusetts (Mr. KENNEDY), the Senator from Vermont (Mr. LEAHY), the Senator from Hawaii (Mr. MATSUNAGA). the Senator from Hawaii (Mr. INOUYE), and the Senator from Georgia (Mr. TALMADGE) are necessarily absent.

I further announce that, if present and voting, the Senator from Hawaii (Mr. MATSUNAGA) would vote "nay."

The PRESIDING OFFICER (Mr. FORD). Are there any other Senators in the Chamber who wish to vote?

The result was announced—yeas 50, nays 43, as follows:

[Rollcall Vote No. 108 Leg.]

YEAS—50

Baucus
Bellmon
Bentsen
Biden
Boren
Boschwitz
Byrd,
 Harry F., Jr.
Byrd, Robert C.
Cannon
Chafee
Church
Cohen
Cranston
Danforth
Durenberger
Eagleton
Exon
Garn
Glenn
Heflin
Helms
Hollings
Huddleston
Humphrey
Jepsen
Kassebaum
Laxalt
Levin
Lugar
McGovern
Metzenbaum
Morgan
Moynihan
Nunn
Packwood
Pell
Percy
Proxmire
Ribicoff
Roth
Schweiker
Simpson
Stafford
Stennis
Stevenson
Thurmond
Tower
Wallop
Weicker
Zorinsky

NAYS—43

Armstrong
Baker
Bayh
Bradley
Bumpers
Burdick
Chiles
Cochran
Culver
DeConcini
Dole
Domenici
Durkin
Ford
Goldwater
Hart
Hatch
Hatfield
Hayakawa
Heinz
Jackson
Javits
Johnston
Long
Magnuson
Mathias
McClure
Melcher
Nelson
Pressler
Pryor
Randolph
Riegle
Sarbanes
Sasser
Schmitt
Stevens
Stewart
Stone
Tsongas
Warner
Williams
Young

NOT VOTING—6

Gravel
Inouye
Kennedy
Leahy
Matsunaga
Talmadge

So the motion to lay on the table amendment No. 1745 was agreed to.

Mr. HOLLINGS. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. BELLMON. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

(Later the following occurred:)

Mr. DOMENICI. Mr. President, on rollcall vote 108 I intended to vote "no." I voted "aye." I ask unanimous consent that my vote be changed and it will not affect the outcome. I have cleared the same with both sides.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The above tally has been changed to reflect the foregoing order.)

UP AMENDMENT NO. 1072

(Purpose: To increase the levels of budget authority and outlays for General Purpose Fiscal Assistance)

Mr. BAKER. Mr. President, I have an amendment at the desk and I ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Tennessee (Mr. BAKER) for himself and Mr. MCCLURE, Mr. LUGAR, Mr. BOSCHWITZ, Mr. ARMSTRONG, Mr. HUMPHREY, Mr. COCHRAN, Mr. JEPSEN, Mr. PERCY, Mr. GARN, and Mr. ROTH propose an unprinted amendment numbered 1072.

Mr. BAKER. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 2, line 17, strike all through page 18, line 21, and insert in lieu thereof the following:

Fiscal year 1981: $687,400,000,000;
Fiscal year 1982: $758,500,000,000;
Fiscal year 1983: $831,000,000,000;

(3) the appropriate level of total budget outlays is as follows:

Fiscal year 1981: $612,900,000,000;
Fiscal year 1982: $687,100,000,000;
Fiscal year 1983: $753,300,000,000;

(4) the amount of the deficit or surplus in the budget which is appropriate in the light of economic conditions and all other relevant factors is as follows:

Fiscal year 1981: $0;
Fiscal year 1982: +$10,110,000,000;
Fiscal year 1983: +$27,300,000,000;

(5) the appropriate level of the public debt is as follows:

Fiscal year 1981: $927,800,000,000;
Fiscal year 1982: $953,700,000,000;
Fiscal year 1983: $968,400,000,000;

and the amount by which the temporary statutory limit on such debt should be accordingly increased is as follows:

Fiscal year 1981: $32,700,000,000;
Fiscal year 1982: $25,900,000,000.
Fiscal year 1983: $14,700,000,000;

(b) Based on allocations of the appropriate levels of total new budget authority and of total budget outlays as set forth in paragraphs (2) and (3) of the preceding subsection of this resolution, the Congress hereby determines and declares pursuant to section 301(a) of the Congressional Budget Act of 1974 that, for the fiscal years beginning on October 1, 1980, October 1, 1981, and October 1, 1982, the appropriate level of new budget authority and the estimated budget outlays for each major functional category are respectively as follows:

(1) National Defense (050):
Fiscal year 1981:
(A) New budget authority, $173,400,000,000;
(B) Outlays, $155,700,000,000.
Fiscal year 1982:
(A) New budget authority, $204,500,000,000;
(B) Outlays, $183,100,000,000.
Fiscal year 1983:
(A) New budget authority, $233,900,000,000;
(B) Outlays, $208,600,000,000.

(2) International Affairs (150):
Fiscal year 1981:
(A) New budget authority, $23,400,000,000;
(B) Outlays, $9,500,000,000.
Fiscal year 1982:
(A) New budget authority, $14,700,000,000;
(B) Outlays, $9,700,000,000.
Fiscal year 1983:
(A) New budget authority, $13,400,000,000;
(B) Outlays, $9,700,000,000.

(3) General Science, Space, and Technology (250):
Fiscal year 1981:
(A) New budget authority, $6,400,000,000;
(B) Outlays, $6,100,000,000.
Fiscal year 1982:
(A) New budget authority, $6,900,000,000;
(B) Outlays, $6,800,000,000.
Fiscal year 1983:
(A) New budget authority, $7,100,000,000;
(B) Outlays, $7,000,000,000.

(4) Energy (270):
Fiscal year 1981:
(A) New budget authority, $3,800,000,000;
(B) Outlays, $6,800,000,000.
Fiscal year 1982:
(A) New budget authority, $6,200,000,000;
(B) Outlays, $8,300,000,000.
Fiscal year 1983:
(A) New budget authority, $8,600,000,000;
(B) Outlays, $8,900,000,000.

(5) Natural Resources and Environment (300):
Fiscal year 1981:
(A) New budget authority, $11,500,000,000;
(B) Outlays, $11,900,000,000.
Fiscal year 1982:
(A) New budget authority, $11,700,000,000;
(B) Outlays, $12,500,000,000.
Fiscal year 1983:
(A) New budget authority, $11,800,000,000;
(B) Outlays, $12,700,000,000.

(6) Agriculture (350):
Fiscal year 1981:
(A) New budget authority, $5,600,000,000;
(B) Outlays, $2,300,000,000.
Fiscal year 1982:
(A) New budget authority, $6,600,000,000;
(B) Outlays, $4,500,000,000.
Fiscal year 1983:
(A) New budget authority, $4,500,000,000;
(B) Outlays, $5,200,000,000.

(7) Commerce and Housing Credit (370):
Fiscal year 1981:
(A) New budget authority, $5,100,000,000;
(B) Outlays, $200,000,000.
Fiscal year 1982:
(A) New budget authority, $5,900,000,000;
(B) Outlays, $2,700,000,000.
Fiscal year 1983:
(A) New budget authority, $6,300,000,000;
(B) Outlays, $2,900,000,000.

(8) Transportation (400):
Fiscal year 1981:
(A) New budget authority, $19,300,000,000;
(B) Outlays, $17,900,000,000.
Fiscal year 1982:
(A) New budget authority, $18,300,000,000;
(B) Outlays, $18,800,000,000.
Fiscal year 1983:
(A) New budget authority, $19,100,000,000;
(B) Outlays, $19,500,000,000.

(9) Community and Regional Development (450):
Fiscal year 1981:
(A) New budget authority, $200,000,000;
(B) Outlays, $9,100,000,000.
Fiscal year 1982:
(A) New budget authority, $7,900,000,000;
(B) Outlays, $8,600,000,000.
Fiscal year 1983:
(A) New budget authority, $8,100,000,000;
(B) Outlays, $8,500,000,000.

(10) Education, Training, Employment, and Social Services (500):
Fiscal year 1981:
(A) New budget authority, $20,200,000,000;
(B) Outlays, $27,400,000,000.
Fiscal year 1982:
(A) New budget authority, $29,300,000,000;
(B) Outlays, $27,800,000,000.
Fiscal year 1983:
(A) New budget authority, $30,100,000,000;
(B) Outlays, $29,500,000,000.

(11) Health (550):
Fiscal year 1981:
(A) New budget authority, $70,800,000,000;
(B) Outlays, $61,800,000,000.
Fiscal year 1982:
(A) New budget authority, $82,100,000,000;
(B) Outlays, $70,700,000,000.
Fiscal year 1983:
(A) New budget authority, $92,600,000,000;
(B) Outlays, $75,500,000,000.

(12) Income Security (600):
Fiscal year 1981:
(A) New budget authority, $245,300,000000;
(B) Outlays, $218,300,000,000.
Fiscal year 1982:
(A) New budget authority, $277,200,000,000;
(B) Outlays, $246,700,000,000.
Fiscal year 1983:
(A) New budget authority, $304,400,000,000;
(B) Outlays, $271,900,000,000.

(13) Veterans Benefits and Services (700):
Fiscal year 1981:
(A) New budget authority, $21,500,000,000;
(B) Outlays, $21,000,000,000.
Fiscal year 1982:
(A) New budget authority, $23,100,000,000;
(B) Outlays, $22,700,000,000.
Fiscal year 1983:
(A) New budget authority, $24,600,000,000;
(B) Outlays, $24,200,000,000.

(14) Administration of Justice (750):
Fiscal year 1981:
(A) New budget authority, $4,200,000,000;
(B) Outlays, $4,600,000,000.
Fiscal year 1982:
(A) New budget authority, $4,400,000,000;
(B) Outlays, $4,500,000,000.
Fiscal year 1983:
(A) New budget authority, $4,600,000,000;
(B) Outlays, $4,700,000,000.

(15) General Government (800):
Fiscal year 1981:
(A) New budget authority, $4,600,000,000;
(B) Outlays, $4,300,000,000.
Fiscal year 1982:
(A) New budget authority, $4,800,000,000
(B) Outlays, $4,700,000,000.
Fiscal year 1983:
(A) New budget authority, $5,100,000,000;
(B) Outlays, $4,900,000,000.

(16) General Purpose Fiscal Assistance (850):

Fiscal year 1981:

(A) New budget authority, $8,600,000,000;

(B) Outlays, $8,500,000,000.

Fiscal year 1982:

(A) New budget authority, $8,700,000,000;

(B) Outlays, $8,700,000,000.

Fiscal year 1983:

(A) New budget authority, $8,900,000,000;

(B) Outlays, $8,800,000,000.

(17) Interest (900):

Fiscal year 1981:

(A) New budget authority, $72,200,000,000;

(B) Outlays, $72,200,000,000.

Fiscal year 1982:

(A) New budget authority, $74,000,000,000;

(B) Outlays, $74,000,000,000.

Fiscal year 1983:

(A) New budget authority, $77,700,000,000;

(B) Outlays, $77,700,000,000.

(18) Undistributed Offsetting Receipts (950):

Fiscal year 1981:

(A) New budget authority, −$24,700,000,000;

(B) Outlays, −$24,700,000,000.

Fiscal year 1982:

(A) New budget authority, −$27,500,000,000;

(B) Outlays, −$27,500,000,000.

Fiscal year 1983:

(A) New budget authority, −$29,800,000,000;

(B) Outlays, −$29,800,000,000.

REVISIONS TO THE SECOND CONCURRENT RESOLUTION ON THE BUDGET FOR FISCAL YEAR 1980

SEC. 2. Pursuant to section 304 of the Congressional Budget Act of 1974:

(a) Section 1 of S. Con. Res. 53 is revised as follows:

(1) The recommended level of Federal revenues is $528,900,000,000 and the amount by which the aggregate level of Federal revenues should be decreased or increased is $0.

(2) The appropriate level of total new budget authority is $653,100,000,000.

(3) The appropriate level of total budget outlays is $566,400,000,000.

(4) The amount of the deficit in the budget which is appropriate in the light of economic conditions and all other relevant factors is $37,500,000,000.

(5) The appropriate level of the public debt is $895,100,000,000, and the amount by which the temporary statutory limit on such debt should accordingly be increased is $16,100,000,000.

(b) Section 2 of S. Con. Res. 53 is revised as follows:

(1) National Defense (050):

(A) New budget authority, $143,700,000,000;

(B) Outlays, $134,000,000,000.

(2) International Affairs (150):

(A) New budget authority, $15,200,000,000;

(B) Outlays, $9,900,000,000.

(3) General Science, Space, and Technology (250):

(A) New budget authority, $6,200,000,000;

(B) Outlays, $5,900,000,000.

(4) Energy (270):

(A) New budget authority, $37,900,000,000;

(B) Outlays, $6,500,000,000.

(5) Natural Resources and Environment (300):

(A) New budget authority, $12,200,000,000;

(B) Outlays, $12,900,000,000.

(6) Agriculture (350):

(A) New budget authority, $5,000,000,000;

(B) Outlays, $5,900,000,000.

(7) Commerce and Housing Credit (370):

(A) New budget authority, $11,700,000,000;

(B) Outlays, $5,500,000,000.

(8) Transportation (400):

(A) New budget authority, $19,100,000,000;

(B) Outlays, $19,500,000,000.

(9) Community and Regional Development (450):

(A) New budget authority, $8,600,000,000;

(B) Outlays, $9,100,000,000.

(10) Education, Training, Employment and Social Services (500):

(A) New budget authority, $29,300,000,000;

(B) Outlays, $29,900,000,000.

(11) Health (550):

(A) New budget authority, $59,800,000,000;

(B) Outlays, $56,500,000,000.

(12) Income Security (600):

(A) New budget authority, $223,000,000,000;

(B) Outlays, $190,000,000,000.

(13) Veterans Benefits and Services (700):

(A) New budget authority, $21,200,000,000;

(B) Outlays, $20,500,000,000.

(14) Administration of Justice (750):

(A) New budget authority, $4,200,000,000;

(B) Outlays, $4,400,000,000.

(15) General Government (800):

(A) New budget authority, $4,500,000,000;

(B) Outlays, $4,400,000,000.

(16) General Purpose Fiscal Assistance (850):

(A) New budget authority, $8,300,000,000;

(B) Outlays, $8,300,000,000.

(17) Interest (900):

(A) New budget authority, $65,500,000,000;

(B) Outlays, $65,500,000,000.

(18) Undistributed Offsetting Receipts (950):

(A) New budget authority, −$22,300,000,000;

(B) Outlays, −$22,300,000,000.

RECONCILIATION

SEC. 3. The Committees on Appropriations shall reduce spending in enacted laws by $4,800,000,000 in budget authority and $2,600,000,000 in outlays for fiscal year 1980 and are instructed to report no later than ten days after Congress completes action on this resolution their recommendations for changes in new budget authority for fiscal year 1980 and budget authority initially provided for prior fiscal years contained in enacted laws, within the jurisdictions of those committees, sufficient to accomplish the reductions required by this section.

SEC. 4. The Senate Committee on Governmental Affairs and the House Committee on Government Operations shall reduce spending for fiscal year 1981 in reported or enacted laws, bills, and resolutions by $500,000,000 in outlays and are instructed to report promptly their recommendations for changes in new budget authority for fiscal year 1981, budget authority initially provided for prior fiscal years, and new spending authority which is to become effective during fiscal year 1981 contained in reported or enacted laws, bills, and resolutions within the jurisdictions of those committees sufficient to accomplish the reduction required by this section.

SEC. 5. The Committees on Armed Services shall reduce spending for fiscal year 1981 in reported or enacted laws, bills, and resolutions by $400,000,000 in budget authority and $400,000,000 in outlays and are instructed to report promptly their recommendations for changes in new budget authority for fiscal year 1981, budget authority initially provided for prior fiscal years and new spending authority which is to become effective during fiscal year 1981 contained in reported or enacted laws, bills, and resolutions within the jurisdictions of those committees sufficient to accomplish the reductions required by this section.

SEC. 6. The Senate Committee on Environment and Public Works and the House Committee on Public Works and Transportation shall reduce spending for fiscal year 1981 in reported or enacted laws, bills, and resolutions by $300,000,000 in budget authority and are instructed to report promptly the recommendations for changes in new budget authority for fiscal year 1981, budget authority initially provided for prior fiscal years, and new spending authority which is to become effective during fiscal year 1981 contained in reported or enacted laws, bills, and resolutions within the jurisdictions of those committees sufficient to accomplish the reduction required by this section.

SEC. 7. The Senate Committee on Labor and Human Resources and the House Committee on Education and Labor shall reduce spending for fiscal year 1981 in reported or enacted laws, bills, and resolutions by $500,000,000 in budget authority and $600,000,000 in outlays and are instructed to report promptly their recommendations for changes in new budget authority for fiscal year 1981, budget authority initially provided for prior fiscal years, and new spending authority which is to become effective during fiscal year 1981 contained in reported or enacted laws, bills, and resolutions within the jurisdiction of those committees sufficient to accomplish the reductions required by this section.

SEC. 8. The Senate Committee on Commerce, Science, and Transportation and the House Committee on Interstate and Foreign Commerce shall reduce spending for fiscal year 1981 in reported or enacted laws, bills, and resolutions by $300,000,000 in budget authority and $200,000,000 in outlays and are instructed to report promptly their recommendations for changes in new budget authority for fiscal year 1981, budget authority initially provided for prior fiscal years, and new spending authority which is to become effective during fiscal year 1981 contained in reported or enacted laws, bills, and resolutions within the jurisdiction of those committees sufficient to accomplish the reductions required by this section.

SEC. 9. The Senate Committee on Agriculture, Nutrition, and Forestry and the House Committee on Agriculture shall reduce spending for fiscal year 1981 in reported or enacted laws, bills, and resolutions by $2,000,000,000 in budget authority and $2,000,000,000 in outlays and are instructed to report promptly their recommendations for changes in new budget authority for fiscal year 1981, budget authority initially provided for prior fiscal years, and new spending authority which is to become effective during fiscal year 1981 contained in reported or enacted laws, bills, and resolutions within the jurisdictions of those committees sufficient to accomplish the reductions required by this section.

SEC. 10. The Committees on Veterans' Affairs shall reduce spending for fiscal year 1981 in reported or enacted laws, bills, and resolutions by $200,000,000 in budget authority and $400,000,000 in outlays and are instructed to report promptly their recommendations for changes in new budget authority for fiscal year 1981, budget authority initially provided for prior fiscal years, and new spending authority which is to become effective during fiscal year 1981 contained in reported or enacted laws, bills, and resolutions within the jurisdictions of those committees sufficient to accomplish the reductions required by this section.

SEC. 11. The Senate Committee on Finance and the House Committee on Ways and Means shall reduce spending for fiscal year 1981 in reported or enacted laws, bills, and resolutions by $1,300,000,000 in budget authority and $3,100,000,000 in outlays and are instructed to report?

Mr. BAKER. Mr. President, before I begin my statement let me say that this amendment is the Baker amendment, with cosponsors, to restore to the budget the full State share of general revenue sharing and a corresponding reduction in an array of categorical grants in aid programs, so there is no net budgetary effect.

I yield myself such time as I may utilize.

Mr. President, a great many urgent matters press upon our country today—an economy in turmoil, terrorism in Iran, aggression in Afghanistan, a continuing crisis in energy, a struggle to balance the Federal budget. But no issue is more important to the long-term interests of the United States than strengthening the process of Government itself.

I have spent much of my political career in an effort to better define and improve the relations among governmental powers in this country. And so I speak with a certain passion, born of a certain belief that the relationship of the various levels of government in this country is not extraneous to this year's political agenda, but rather it is central to it.

The founders of our country were far less concerned with what decisions are made: At what level, by which branch.

It was the founders' overriding concern with an enduring process rather than with immediate results that made their deliberations so successful and made our Constitution so brilliantly adaptable from age to age.

Too often in our time—in our haste—government has sacrificed the integrity of the process for the immediacy of the result. We are in danger of doing that again now.

In recent years, as more and more power has been gathered in fewer and fewer hands—in the hands of bureaucrats only vaguely accountable to the American people—we have found ourselves increasingly at the mercy of a monster grown out of control.

Because we have taken shortcuts in the process to deal with problems on an ad hoc, emergency basis, we find it difficult now to make government function well at all.

As we begin this new decade of the 1980's as we deliberate on whom we should choose as our next President, we are faced with nothing less than a failure of statecraft. In that failure, we have experienced a loss of confidence unprecedented in American history and unhealthy for its future.

Restoring that confidence will require a sweeping reform of the decisionmaking process of Government, not simply a change in Government personnel.

Changing the membership of the Cabinet, as President Carter did to counteract the "malaise" he found in America last summer, makes very little difference in the grand scheme of things.

Changing Presidents might help a good deal more.

And changing the attitude of the last half-century that "Washington knows best" would do more than anything else, I believe, to restore confidence in Government.

The problem is the process. We simply are not putting the right power in the hands of the right people at the right level of government. There is little wonder that everything we do seems to go wrong.

The history of how things got this way is familiar to all of us. The extraordinary national crises of the Great Depression and the Second World War gave rise to a very large and very powerful central government in a very short span of time.

But when the crisis had passed, the government remained. The end of the process found the National Government bloated, State and local governments emasculated, and the American people monumentally ill-served.

I believe this process has reached its end. The American people have learned through disappointing experience that problems cannot be solved simply by passing a law, establishing an agency, appropriating money, and letting Washington spend it.

This reliance on Washington has given the National Government vast powers to dictate how each of us might live and work. It has resulted in the establishment of an extravagant and enormously expensive Federal bureaucracy. Its colossal cost has seriously inflated our national economy, reduced the investment capacity of private industry, and robbed the purchasing power of every American family.

The National Government has developed an insatiable appetite for paper and redtape, and it is choking the life out of free enterprise, personal initiative, and the Federal system so carefully constructed two centuries ago.

In 1972, our late, great colleague, Hubert Humphrey, and I sponsored the first major effort in 40 years to reverse the flow of power to Washington. We sponsored the Federal revenue-sharing program which has given the people of 50 States and thousands of communities some $54 billion over the last 8 years—with no strings attached and with the lowest administration cost of any program in the Federal Government.

Revenue sharing has become a lifeline to financially struggling cities and States. It has encouraged restraint in taxation at the State and local level while increasing needed services at those levels and reducing the authority of bureaucracy here in Washington at the same time.

Abolishing revenue sharing, even for the States, would concentrate even more power in the hands of the anonymous and unaccountable Federal bureaucracy. It would extinguish the spark of local initiative and the hope of local control which revenue sharing has revived. And it would force the people of every State in the Union to make an unacceptable choice between higher taxes and reduced services.

Surely the budget must be cut. But cutting the budget should mean cutting the size of the Federal Government, the bureaucracy itself. It should mean cutting through the maze of categorical aid programs that make sovereign States supplicants before the Federal Treasury. It does not mean cutting the revenue sharing program.

The amendment I am proposing would provide for reductions in highway construction assistance and mass transit grants, for holding the Economic Development Administration at its current level of funding, for eliminating the title V regional commissions and reducing the Appalachian Regional Commission, for reductions in the urban development assistance grant program, for reductions in the CETA job training program.

These are not easy or painless suggestions for me, Mr. President. Many of these programs benefit my State, and many of them I have championed for the 14 years it has been my privilege to serve in the Senate.

But revenue sharing—and the philosophy of government which is its foundation—is, in my judgment, as important to the future of this self-governing society as any single program funded by the Federal Government.

It is a proven success. It has effectively combined the reliability of the Central Government's tax collection system with the flexibility of State and local governments. The flexibility, Mr. President, is what we cannot afford to lose.

It is essential to the restoration of a truly federal system of Government, a true working partnership among the various levels and branches of governing power in this country.

We who serve in Washington, who echo the voice of the whole Nation and see things in a national perspective, must be the guardians of that federal system. We must become better attuned to the process. We must believe in it. We must value it. We should not fear but welcome the decentralization of power.

I do not believe that decentralization implies the abdication of responsibility. The Government of the United States need be no less interested in the welfare of its citizens, no less sensitive to the Nation's needs, no less compassionate or committed to social justice simply because we agree to restore to the States their just powers and share with them the revenues we take from their citizens.

I am convinced that if we restore the structural pluralism our Founding Fathers intended for America, we will be a more vital, more productive, more imaginative, more secure nation with a system of government far more accountable to the people it serves.

This is the challenge of statecraft in the last two decades of the 20th century. And this may well be the most enduring contribution which our generation of Americans can make to the future freedom and success of our Nation.

It is for these reasons, Mr. President, that I view the efforts being made to reduce or eliminate the States' share of revenue sharing as more than a simple exercise in budget-cutting. It is, to me, an undermining of the doctrine of separation of powers which has been seriously eroded in recent years and whose very existence is now endangered.

Half a loaf simply will not do in this case, Mr. President. We are committed to the federal system, or we are not. We believe in it, or we do not. And if we cannot find $1.7 billion in cuts in a $600 billion budget—cuts amounting to one-quarter of 1 percent of the budget—cuts that would allow us to hold revenue sharing and all it represents intact—I believe we are simply not looking hard enough.

So I urge my colleagues to think very seriously about how much power they truly want the Federal bureaucracy to wield. Think seriously about the consequences which the further concentration of power in Washington and the atrophy of authority at the State level will have on our system of government over time.

Think seriously about the process, and vote with me for this amendment to keep the revenue sharing program whole and intact.

Mr. President, I reserve the remainder of my time.

Mr. ROBERT C. BYRD addressed the Chair.

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that Mr. BRADLEY and Senator KASSEBAUM be recognized to call up their amendments upon the disposition of the amendment by Mr. BAKER.

The PRESIDING OFFICER. Without objection, it as so ordered.

Mr. HOLLINGS. Mr. President, I yield to the distinguished Senator from Oklahoma.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. BELLMON. Mr. President, as much as it pains me to take a position opposite that of our distinguished minority leader, I find here is a case where, for practical reasons, I must oppose the proposition he proposes, which I basically support.

Many times in this body I have spoken out strongly in favor of State revenue sharing. In our committee work I have tried hard to find a way that we could retain State revenue sharing, but get an offsetting reduction in categorical grants. In desperation we, in the Budget Committee, have almost done what we have proposed here, trying to accomplish that objective.

Not everyone, but I believe that a majority of the Senate is theoretically in favor of reducing categorical grants and holding onto State revenue sharing. The problem is, when you get to the specifics, nobody has a categorical grant they are willing to give up.

The Governors come to us and tell us they would take a 10-percent reduction in the total amount available for grants if we would give them greater flexibility. But when we ask them where do we make the reductions, they do not have any idea.

So what we are doing here is the only practical way I know to get reductions in the categorical grant program, and that is to go ahead and provide for the reductions in State revenue sharing and then if, in fact, the categorical grant programs are reduced, we can clearly restore the reduction we are requesting.

Therefore, I support the approach proposed by this amendment. In fact, I voted in favor of a motion substituting reductions in categorical grant programs for cuts in general revenue sharing in our Budget Committee work.

As I said before, Governors have long been telling us that they could live with less Federal money from these programs, but that general revenue sharing is a high priority and should receive the same or an increased share of total Federal aid.

Using the budget process to accomplish this trade-off presents some workability problems however.

We have to assure this trade-off is accomplished and the savings contemplated in this budget achieved, whether in the general revenue sharing program or in other categorical grant programs.

The problem is that this amendment substitutes reductions in programs under the control of the Appropriations Committee for a reduction in an entitlement program—general revenue sharing—under the control of the authorizing committee; it would give the Finance Committee more money to spend and require the Appropriate Committee to realize more savings. The result could be an increase in funding for general revenue sharing over the level assumed in the budget resolution without assuring that the offsetting reductions in categorical grant programs assumed by this amendment will actually be achieved.

And that is the problem, Mr. President. We assume savings. We cannot be certain we get the savings unless we go the route that the budget resolution has specified.

I believe we should reject this amendment and leave the savings in function 850 of the budget resolution for the time being.

I want to say to my friend from Tennessee that if, between now and the time we act on the second budget resolution for fiscal year 1981, the supporters of the Baker approach can actually achieve enactment of legislation to accomplish this trade-off, then we will be more than anxious and more than happy to make the adjustments in the second resolution.

The distinguished Senator from New Mexico (Mr. DOMENICI) and I have introduced legislation that would give States the option of consolidating various Federal grants in education and nutrition. I would support further recommendations to provide States the flexibility this amendment proposes.

Again, I say it is a good idea. The problem is finding a workable way to accomplish this objective.

If such legislation is enacted, I assure the Senate that, at the time we consider the second budget resolution, we will not hold the Finance Committee to the savings we have contemplated in function 850 on any kind of a budget technicality, but will move it to the appropriate committees on the basis of that legislation.

So, Mr. President, to sum up, despite the merits of this amendment, I propose that we not tamper with the budget resolution targets at this time. Between now and the time we consider the second budget resolution, I would encourage the enactment of legislation to replace the savings in general revenue sharing with savings in other Federal grant-in-aid programs. We can then shift the savings to the appropriate budget functions at the time of the second budget resolution.

But if we lose the discipline that the Budget Committee is attempting to achieve here, my feeling is that we will not get the action from the authorizing committees that the Baker amendment anticipates.

We have been trying for years to get the attention of the Senate. We seem now finally to have done it. If the savings are actually forthcoming, we can easily make the necessary adjustments in the second budget resolution.

Therefore, Mr. President, I am forced to oppose the Baker amendment.

The PRESIDING OFFICER (Mr. HARRY F. BYRD, JR.). The Senator from Tennessee.

Mr. BAKER. Mr. President, I ask unanimous consent that the distinguished Senator from Utah, Mr. GARN, be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, I would like to yield to my good friend and colleague from Illinois, my classmate who was the cosponsor of the revenue sharing bill when Senator Humphrey and I introduced it in 1972. I yield such time as the Senator from Illinois may require.

Mr. PERCY. Mr. President, I thank my distinguished colleague. I would like to say, Mr. President, first of all, that I remember, with great pleasure, long conversations that the distinguished author of revenue sharing, Mr. BAKER, and I had at the time he was developing this principle, working very closely with Dr. Putman, a man that we highly respected and highly regarded.

I was closely identified with that effort and fought so hard for it with tremendous resistance from the Johnson administration and acceptance by the Republican administration. Because of this and the fact that it was implemented by Republicans, I then turned around and have very, very carefully audited revenue sharing ever since its 1972 enactment, particularly in the State of Illinois, to be certain that it fulfilled all our hopes and promises for it. I wanted to look skeptically and see: Is this the best expenditure of these dollars? Does this strengthen the federal system or weaken it? Does it do what we best can do at the Federal level—raise revenues? Do municipal governments, county governments, and State governments, in fact, know best the problems of our own particular sovereign States, and are they spending the money wisely?

The Senator from Illinois has spent endless hours auditing the revenue-sharing programs. We found some soft spots. A few townships did not seem to be implementing it carefully enough. One of our Congressmen in Illinois has been concerned about this.

But, comparing it with any other program in the Federal Government, past or present, there has been less abuse, less fraud—I do not know of any—and less administrative expense, in revenue sharing.

The administrative expense for revenue sharing is still less than $8 million; and 200 employees a fraction of 1 percent of the total budget.

As some of our Senators have testified, 80 percent of the money in certain categorical programs goes to the overhead, bureaucracy, paperwork, regulations, and only 20 cents out of $1 trickles down to where it was really intended to go.

For the State of Illinois, it would be

an utter disaster to carry out this present cut by the Budget Committee.

I think the Budget Committee has been wise in preserving municipal and county revenue sharing. They have gone after the States only because, possibly in some areas, some States that do not have deficits on the books.

But, in the State of Illinois, though we have a so-called "balanced budget," this is based only on many ingenious kinds of funding and budget accounting. Certainly, by corporate standards, we do not have a surplus in the State of Illinois.

In the State of Illinois, 100 percent of all State revenue sharing goes directly, in the common school fund. It goes to the education for our next generation of citizens. I do not know of any better expenditure for that money in the State of Illinois, and possibly in other States, than that.

The administrative expense is almost zero. Reporting requirements, none. In the judgment of Illinois, education is the highest priority item. Consider the present problem we have in financing education with rising property taxes. Consider proposition 13, the revolt against increasing property taxes. the revolt against increasing sales taxes. If anything, there is pressure to bring sales taxes down, to omit food and drugs.

State property and sales taxes are the most regressive taxes you could have. Revenue sharing is the only money that goes into education through the progressive system of the Federal Government.

I urge my colleagues to look at all the money being spent in their States and consider how cutting revenue sharing will affect their budgets, taxes that will go up in their State, in light of proposition 13. Are they going to support those tax increases by not supporting the amendment of Senator BAKER? Are they going to support an increase in property taxes, an increase in sales taxes, substitute this regressive taxation—hardest on lower income people—for a progressive taxation that is easier on low income people?

That is the fundamental question they must ask themselves. The Governors Association would certify that, for the most part, revenue sharing moneys are being spent wisely and well and carefully. They are fully reported and accountable to the people. The people of the States have a chance to debate what those funds will be spent for.

The States must report their use of those funds and, obviously, they must obey the Federal law. That is all they have to do.

I commend the minority leader of the Senate (Mr. BAKER) for his original authorship of the revenue sharing concept which has been proven the best possible expenditure of Federal funds. I urge our colleagues not to break a treaty, a pact, that we have in a sense with all 50 States, that revenue sharing would not be tampered with, that they could count on it, that it would not change year to year as budgets go up and down. So far as I am concerned, this ought to be sacrosanct. We are duty bound to carry out our commitment to the States and not betray them, pulling the plug from under 50 Governors and 50 State legislatures, as we would be doing in this particular case.

I commend my distinguished colleague on his amendment. I fully support it and appreciate his raising the issue today.

Mr. BAKER. Mr. President, I thank my colleague from Illinois. I recall with great pleasure the first time the distinguished Senator from Illinois and I talked about revenue sharing. It was on the telephone and before either of us had been sworn in as a Member of this body after the election in 1966. I recall as well his immediate enthusiasm for the concept. I am sure he will recall my enthusiasm for our opportunity to serve together and my support for so many new and innovative programs, particularly in the field of social concern and housing, which became the hallmark of Senator PERCY's career.

Mr. President, the Senator from Illinois touches two or three points which I believe to be extremely well taken. I would like to relate them, if I may, to one or two points which were made in opposition by my friend and colleague, the Senator from Oklahoma.

The distinguished Senator from Oklahoma (Mr. BELLMON) points out that he supports revenue sharing in principle, but he felt this cut necessary because of the exigencies of the budgetary situation at this time.

I do not doubt that for one moment. I appreciate that expression of support in principle.

But I suggest, as the Senator from Illinois has suggested, that we are not dealing with dollars, but we are dealing with a principle; we are dealing with a contract, a compact, with the States of the Union.

I am suggesting, as was implicit in the remarks of the Senator from Illinois, that if we change the funding or the formula for revenue sharing, in this case with respect to the States share of revenue sharing, we have done irreparable injury to the concept, the system, because we have removed the element of certainty and dependability upon which the States and indeed lesser units of government have come to depend. We have obliterated the principal value of revenue sharing; that is, a dependable partnership relationship between the Federal Government and the Central Government of States and lesser units throughout the country.

Mr. PERCY. Will my distinguished colleague yield?

Mr. BAKER. I am happy to yield.

Mr. PERCY. It is with deep regret that I have observed in recent months growing concern by foreign governments that our foreign policy is not a dependable foreign policy. You cannot count on it.

This is the most destabilizing thing about Iran. We do not know how to cope with a situation where there is no predictable course of action. What we like about the British, the Canadians, and many stable peoples around the world, the Germans, is that you know where they stand.

That is a very good thing about some of our colleagues right here in the Senate. I may not agree with them, but you can predict where they stand and you know the depth of their feelings.

We were committed in this country to a domestic policy of revenue sharing. We said time after time after time, many Presidents, that we would stay with this program, that the States could count on it.

Now, why would we pull the plug on this program? It is not as if the Senator from Illinois is backing off a bit from balancing the budget. As the distinguished floor manager of this bill knows, the Senator from Illinois wrote to Senator Muskie and Senator BELLMON supporting $23 billion of cuts and specifically gave them $6.5 billion of new cuts, and will offer amendments for another couple of billion dollars of cuts later today. I want to stick with the principle, but let us not violate the contract. Let us not add further to the undependability of the Federal Government.

This is why I deeply regret President Carter's decision in this regard. I think it is just another indication that we do not stick with a policy. No one can count on us. That is what is unsettling to the economy. It is unsettling to foreign countries. It is going to be unsettling to the 50 sovereign States if something they thought they could count on is pulled out right from under them.

Mr. BAKER. I again express my appreciation to and admiration of the Senator from Illinois for his contribution to this debate. I agree with every single word of the presentation he has made. I think the analogy between the foreign policy of this administration and this recommendation by the administration to delete the State's share of revenue sharing is exact and precise. I think both are characterized by lack of dependability and the absence of justifiable reliance that can be placed either in foreign policy or domestic policy in this administration.

I thank the Senator for that contribution.

Mr. President, there is one other point that was made by the Senator from Oklahoma that I found particularly important and relevant to this debate. He suggested, very properly and very accurately, that, in the course of the deliberations of the Budget Committee, time after time an effort was made to gain an expression from the Governors of the 50 States on how they would cut categorical grant programs to compensate for States' share of revenue sharing so there would be no budgetary impact. I am told that that is true, that those contracts and solicitations were made in the Budget Committee more than once and that the Governors did not produce a synthesis of opinion on it.

Mr. President, I do not believe that is an argument in favor of eliminating the States' share of revenue sharing. We are the Federal Government; they are not. They are 50 Governors. They are the recipients of the categorical grants programs of this Government. It is our responsibility, not their responsibility, to point out where those changes in savings will be made.

As I said in my opening remarks, it gives me no pleasure to point to the

Appalachian Regional Commission, the title V commissions, EDA, CETA, the highway program, and the like, and say, "All right, cut it here." That is not a pleasant chore for me, but it is our responsibility.

I feel so strongly about the sanctity, the inviolability of revenue sharing as a concept that there are virtually no programs outside the defense realm that I would not consider adjusting in order to preserve the reliability of revenue sharing according to the original formula including the States' share of revenue sharing.

That section of the amendment, that section which deals with reductions in categorical grants-in-aid programs in the States in my amendment, is certainly not sacrosanct. If any Member in this Chamber wishes to amend my amendment by changing and rebalancing those cuts so that it more suits their purposes and preferences, but still saves the amount of money that is necessary to fund the States' share of revenue sharing without an adverse budgetary impact, they will find me the most willing and receptive amendment sponsor on this floor. There is almost nothing, I say again, on the nondefense side of this budget that I would not consider adjusting in order to gain the savings necessary to preserve the sanctity and reliability of the revenue sharing formula, including the States' share of revenue sharing.

Mr. President, I would call on the Governors even now to make their suggestions on where changes could be made in the categrical grant-in-aid programs, because if this amendment does not pass, I can assure my colleagues, and I do now assure the Governors of the States, that I will not stop in my effort to see that we maintain the security of the concept that Senator Humphrey and I first proposed in this Chamber in 1972.

Let me say, Mr. President, that if ever I participated in a bipartisan effort in the course of my career in public service, it is in revenue sharing. Revenue sharing was not originally a Republican concept. Revenue sharing was first proposed by a distinguished economic adviser to a Democratic President, President Kennedy. It was cosponsored by many people in this room, I suspect many who have been involved in the deliberations of the Budget Committee.

One interesting historical sidelight, or at least political sidelight, that I find significant in this respect: As far as I know—and I may be mistaken, but I do not believe I am—general revenue sharing in the Humphrey-Baker concept is the only major Federal program that ever enjoyed support by virtually identical language in both the Republican and Democratic national party platforms in 1968 and 1972.

That was not a coincidence. That is because we worked hard to see both parties did embrace this fundamental concept. Revenue sharing was thought of, in the original concept, as little short of revolutionary in terms of intergovernmental relations. Indeed, it was celebrated throughout this land, particularly among those groups concerned with governmental affairs, as a major step in the redress of the imbalance of power between the State and Federal Governments that has grown up essentially since the Great Depression and World War II.

Mr. President, it is not likely, then, that I can take lightly my responsibility to preserve that step forward and to protect it against encroachment and against the debilitating effects of a change in the formula, which would render the whole concept unreliable.

Mr. President, I have done a thing that is politically dangerous: I have proposed specific cuts in specific programs. Every one of those programs has a constituency, not only in my State but throughout the country. Every one of them will cause me pain and grief. But I use that, Mr. President, to point out the depth of my dedication to the concept of revenue sharing.

I do not believe there is any categorical grant-in-aid program that is more important to the intergovernmental relationship, the health and the vitality of the federal system than revenue sharing. I reiterate, now for the third time in this presentation, that I cannot think of a categorical grant-in-aid program to the States that I would not consider adjusting as a price to pay for the preservation of revenue sharing.

Mr. President, I reserve any time I may have remaining.

The PRESIDING OFFICER. Who yields time?

Mr. HOLLINGS. Mr. President, I rise with mixed feelings with respect to the principle of revenue sharing on the one hand and the principle of a balanced budget on the other. With respect to both of them, I have had a slight experience and it is not my intent to vie with the distinguished Senator from Tennessee. He and I and the Senator from Illinois are three remaining of the class of 1966. Since I had an interim term, I edged in there a little ahead of them and perhaps I edged in on the introduction of revenue sharing—not in 1972, because I am confident that what the Senator says is accurate—and it was the Baker-Humphrey bill that was finally enacted, but I introduced a revenue-sharing bill myself in February of 1967.

Actually, I recommended it at a congressional hearing to our own delegation back in 1955, 25 years ago, before I had the opportunity even to meet the distinguished economist, Walter Heller. Former Governor Ribicoff and I were talking about it before an intergovernmental relations advisory committee in 1960. That is 20 years ago. We reasoned together at that time, and in my State I was under an extreme burden of trying, not zero-based budgeting, but rather, if you please, starting from a minus-zero-base. That is a luxury, to come and just assume that everything is a tie, even, zero-based, and then have the overview to see what is necessary. If you come from a State that is economically deprived, as mine has been over many, many years, you do not have that luxury. Back in 1959, and given a budget in the red, I first had to raise taxes to get up to zero base.

So those who talk with great pride about zero-based budgeting should face the task with us now, as a national or Federal Government, with the minus-zero-base position we find ourselves in, with a deficit this present fiscal year approximating $42 billion in accordance with the House vote on yesterday. We are trying to pay off that bill and to make sure that we do not cause another one for the next year, fiscal year 1981 that we are now voting upon with the Baker amendment.

We reasoned at that time, 20 years ago, that sending money to Washington and having it administered and sent back to the States for expenditure was just like getting a blood transfusion from your right arm to your left arm with a leaky valve. It took $3, actually, to spend $1—$1 up, $1 to administer, the $1 to spend—3-for-1. We lost money and we realized the Federal Government had preempted the tax base.

I met at that time with Charley Condon of the Federation of Tax Administrators of the University of Chicago. We went at length over every tax coming in, trying to balance the budget. I said, "I want you to get me up a list of every tax conceived by the mind of man. If you can find one in any State that we do not have, we want to look at that one real good, because we are going to have to put it in, try to balance our budget, and keep this deficit from going forward."

By sacrifice, we did it. But we realized that every time we tried to turn around, the Federal Government was moving in and taking over and preempting the real base of revenue in our land, the income tax dollar.

So, to get right to the point, I do not speak lightly about revenue sharing and I do not speak unappreciatively about revenue sharing or without experience. I introduced my bill and that was solely and totally revenue sharing for the States.

The cities, at that particular time, had had no idea of really coming to Washington and asking for money to be sent back, but I shall have to give credit to the former, distinguished Senator from New York, Robert Kennedy, because he said he could not send it to Albany; it had to go back to the cities. That is where the need was, as he saw it. That was some 20 years ago.

But commitment? The commitment for this balanced budget and the discipline that is needed at this hour is not one to continue revenue sharing. We need to stop this deficit sharing. Because what has really occurred, and the Governors realize it, is that, rather than revenue sharing, we keep running up the spending, printing the money, putting on the deficits for them and us, but mostly for them.

As we looked down the list of States, the last figures we have, for the fiscal year 1979, I said where is that State that has a deficit? I cannot find a State.

The Senator from Illinois says the Governors will be uneasy, it will be unsettling to the States. I do not want to intimate that the Governors do not like the money and did not write letters for the program.

We had the retirees who all met out

there in the anteroom just before the vote, crowding over each other to an audience of listening Senators. You would not find a Governor out there crowding around at this particular moment. He would not have the brass to come to Washington. He would not have the brass. He knows he has been put to the test. Let us not ignore it lightly.

We work with these Governors. They do have a federation. They do have a responsibility. They said, "All right, give us the revenue sharing and do away with the categorical grants." And they could not come together on the programs to be cut.

If you think they can come together, let us see the Senator from Washington, chairman of the Appropriations Committee come together now, where he is already pressed with some $2.6 billion in reconciliation this fiscal year, and take from categorical grants in such areas as transporation, education, and go down the Baker amendment list, and say, "We are going to take $1,700,000,000 and send it over to your distinguished friend, the chairman of the Finance Committee, and let him have that and you will just have to squeeze even more."

No, we cannot give them one without taking from the other. It has to be reconciled.

Let us look, really, where the States are, what their fiscal condition is. I could not find one with a deficit. They all have a surplus, and I wish the President of the United States and the Budget Committee had one, but we do not.

Look at the States, I think we should go down the list. There is quite a group of States with budget surpluses. I think there is one group of 35 States with about 5 percent more in revenues than in expenditures.

Mr. President, I ask unanimous consent to have printed in the RECORD a schedule of all the States so that we will not be giving undue emphasis to any one, a table of the State general operating fund resources, expenditures and balances, fiscal year 1979, from the Fiscal Survey of the States, the National Governors' Association and the National Association of State Budget Officers, dated March 1980, just about 5 weeks ago. It is the most recent we could find.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

STATE GENERAL OPERATING FUND RESOURCES, EXPENDITURES AND BALANCES, FISCAL YEAR 1979

[Dollar amounts in millions]

	1979 resources (including 1978 balances forward)	1979 actual expenditures	1979 actual balances	1979 actual operating balance as percentage of 1979 expenditures (percent)
Alabama	$1,468.5	$1,447.9	$20.5	1.4
Alaska	1,767.3	1,098.9	668.4	60.8
Arizona	1,185.2	1,068.0	117.1	11.0
Arkansas	777.1	777.1	0	0
California	18,880.0	16,199.9	2,680.1	16.5
Colorado	1,279.0	1,111.0	168.0	15.1
Connecticut	2,223.2	2,222.2	1.0	.04
Delaware	594.2	545.8	48.4	8.9
Florida	3,355.3	3,122.8	232.5	7.9
Georgia	2,867.1	2,759.2	107.9	3.9
Hawaii	957.1	890.2	66.9	7.5
Idaho	326.4	316.3	10.1	3.2
Illinois	7,142.0	6,752.0	390.0	5.8
Indiana	2,109.3	1,776.6	332.7	18.7
Iowa	1,655.5	1,564.8	90.7	5.8
Kansas	1,162.7	966.7	196.0	20.3
Kentucky	1,805.0	1,725.0	80.0	4.6
Louisiana	3,099.1	2,692.1	407.0	15.1
Maine	511.3	484.9	26.4	5.5
Maryland	2,628.0	2,309.0	319.0	13.8
Massachusetts	3,736.7	3,540.1	196.6	5.6
Michigan	4,377.8	4,347.7	30.1	.7
Minnesota	3,583.8	3,325.1	258.7	7.8
Mississippi	959.2	887.5	71.6	8.1
Missouri	1,858.9	1,542.4	316.5	20.5
Montana	267.6	239.0	28.6	12.0
Nebraska	$586.4	$524.0	$62.4	11.9
Nevada	420.3	332.1	88.2	26.6
New Hampshire	245.3	216.7	28.6	13.2
New Jersey	4,653.0	4,435.0	218.0	4.9
New Mexico	754.6	709.2	45.4	6.4
New York	11,941.6	11,931.4	10.2	.1
North Carolina	2,671.9	2,484.3	187.6	7.6
North Dakota	447.1	298.5	148.6	49.8
Ohio	4,237.0	3,879.7	357.3	9.2
Oklahoma	834.4	736.0	98.4	13.4
Oregon	1,214.3	1,075.7	138.6	12.9
Pennsylvania	5,891.6	5,861.1	30.5	.5
Rhode Island	647.7	605.8	41.9	6.9
South Carolina	1,415.3	1,401.9	13.4	1.0
South Dakota	205.1	194.2	10.9	5.6
Tennessee	2,338.0	2,330.0	8.0	.3
Texas	4,092.4	3,471.6	620.8	17.9
Utah	643.2	627.7	15.5	2.5
Vermont	228.4	228.4	0	0
Virginia	2,545.5	2,407.7	137.9	5.7
Washington	3,248.7	2,829.1	419.6	14.8
West Virginia	1,000.0	953.0	47.0	4.9
Wisconsin	3,410.9	3,130.3	280.6	9.0
Wyoming	275.3	162.0	113.3	69.9
Total	124,525.3	114,537.6	9,987.7	8.7

Note: Totals reflect rounding.

Source: Fiscal Survey of the States 1979–1980, National Governors' Association and National Association of State Budget Officers, March 1980.

Mr. HOLLINGS. Mr. President, we find that no State had a deficit in 1979. Forty-eight States had a budget surplus. Thirty-five States had surpluses exceeding 5 percent of their expenditures.

We look at the various States on this table, and it is very interesting that California has a surplus of $2,680,000,000, or 16 percent of their budget, 16.5 percent.

We find that Kansas has a $196 million budget surplus. We find even a small State like Nevada with a surplus of $88.2 million.

Go on down the list, the State of Oklahoma, $357.3 million, and South Carolina, $13.4 million.

Mr. BELLMON. Will the Senator yield?

Mr. HOLLINGS. Yes.

Mr. BELLMON. To keep the record straight, I believe the Senator got the State of Oklahoma in the wrong category.

Mr. HOLLINGS. Is that actually $98 million?

Mr. BELLMON. Ninety-eight point four million dollars.

Mr. HOLLINGS. I apologize. The State of Oklahoma, $98.4 million a 13 percent override in their fiscal affairs.

South Carolina, $13.4 million, and Tennessee is in a tight squeeze like South Carolina, $8 million.

I asked what was projected for 1980, and they projected a $9 million surplus for 1980. I wondered whether they were going under the line. So now we come to the Texas surplus for 1979. It is $620.8 million, or 17.9 percent of their expenditures.

To the credit of the distinguished Senator from Texas (Mr. BENTSEN), I think he was one of the first, as chairman of our Joint Economic Committee last year, to say that we just could not afford it. This recommended cut is not unsettling to the States, they have been on notice for the past couple of years. They have argued visibly and violently for this program. But why should we include funds for this program in our taxes, and then have to go up again into the credit market and borrow?

In other words, the States have an aggregate surplus of $9,987,000,000—almost 1 billion.

In order to meet that $2.3 billion, the State's share, we would have to borrow, because we do not have it to give. This is deficit sharing, not revenue sharing. Borrow at the rate of 16 percent. So we are going to have to pay additional interest charges of $368 million just of carry through this so-called commitment.

That is not good economic sense.

Mr. BELLMON. Will the Senator yield?

Mr. HOLLINGS. Yes.

Mr. BELLMON. To complete the picture, it would be helpful to know how many States have cut taxes during this time.

I know the State of Oklahoma had considerable tax reduction, in addition to the surplus which we show.

I doubt the Senator has the information at his fingertips, but perhaps we can get it and supply it for the RECORD.

Mr. HOLLINGS. We will do our best. We do not have it at our fingertips now, but we will try.

But we do know that the Federal Government, in debate on the previous amendment, was cited as passing four individual income tax cuts in the last 5 years. The one we passed in 1978 would reflect $21 billion loss of revenue, so we had to figure that in.

Everyone talks tax increase, and says that the Budget Committee raised a bunch of taxes.

There is no new individual income tax that the Budget Committee considered. We only considered taking the excise tax on foreign oil and trying to give an income tax reduction later on. We set it aside for tax cuts in this budget resolution.

But, Mr. President, the main thing about our responsibility, for making the savings and everything else, rather, is that I think the Governors do have better information on which programs to cut.

I know I could tell first hand which programs are really fattened up the way of greater bureaucracy, and I am just responding to a lot of Federal requirements, rules and regulations, file this report, file that report. Just to carry on a simple program at the local level, the Feds are requiring a whole bureaucracy.

I will never forget, we had nine people in the Governor's office and 34 on law enforcement, for a total of 43. Now we go to the Governor's office in my home State and there are at least 400 people. That is what the Governor's staff has become. In large measure, the bureaucracy grows because of all this filling out, traveling, coming to and fro, administering, answering questions, and everything else.

I sympathize with the distinguished Senator from Tennessee. But I would prefer to have revenue sharing, but we are not allowed that luxury. We have to, really, maintain the discipline here and start balancing the budget. In all conscience, it is not breaking a commitment by adjusting to the needs, more than anything else, that we give a different commitment to those States, and those taxpayers, and those Governors, that we pay our bills in Washington.

Every Governor that has come here and testified, and I hear many of them because we follow every one, we are on the stand together at inaugural proceedings, and everything else. I went to several Governors, and they all stood up and said that we have to get the Federal Government to balance the budget, that we want to get South Carolina government in Washington with a balanced budget and less Washington government down in South Carolina.

We hear that. Now, when we begin to respond to it, others talk of breaching the commitment we made and whose responsibility it is.

They would know it, and they asked for it and said they would rather have it.

All I can say is to give us the grocery list, and they just do not come up with that list at all.

Mr. President, I oppose the Baker amendment for three compelling reasons. First, the increased funding for general-purpose Federal grants is not consistent with overall budget restraint. Second, the reductions assumed as part of the transfer amendment, when taken together with the committee recommendation, are not likely to be realized. Third, failure to achieve the proposed reductions will threaten the plan for a balanced budget.

The Baker amendment will provide "no-strings" money to States, whose own surplus revenues exceed the grants they are likely to receive under this amendment. For example, the State of Kansas had a surplus of $196 million in fiscal year 1979, while its revenue sharing grant was $20 million. The amendment would continue Federal grants to Kansas.

The State of Alaska's surplus was over $600 million; it received $10 million in revenue sharing. Oregon had a surplus of $139 million, but received $30 million. Mississippi received $34 million, but had a surplus of over $70 million. This amendment would continue to transfer Federal revenues to States which clearly are not in need.

Aggregate State surpluses are at a high level, in fiscal year 1979 these surpluses exceeded 8 percent of State operating expenditures. No States had a deficit in 1979. Forty-eight States had a budget surplus. Thirty-five States had surpluses exceeding 5 percent of expenditures. I ask unanimous consent that a list of those States be printed in the RECORD.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

Alaska
Arizona
California
Colorado
Delaware
Florida
Hawaii
Illinois
Indiana
Iowa
Kansas
Louisiana
Maine
Maryland
Massachusetts
Minnesota
Mississippi
Missouri
Montana
Nebraska
Nevada
New Hampshire
New Mexico
North Carolina
North Dakota
Ohio
Oklahoma
Oregon
Rhode Island
South Dakota
Texas
Virginia
Washington
Wisconsin
Wyoming

Mr. HOLLINGS. Mr. President, of these 35 States, 19 States' surpluses exceeded 10 percent. The impact of reducing general revenue sharing may be uneven, but revenue sharing is only 2 percent of State expenditures. Therefore, States should be able to live without general revenue sharing funds.

Mr. President, general revenue sharing is an area where savings can be achieved. The President recommends elimination of the States' share of general revenue sharing. The House Budget Committee recommends elimination of the States' share. The potential budget savings here are real. The savings will help us balance the Federal budget. While the States enjoy surpluses we have had Federal deficits every year since 1969.

Unfortunately, the same broad support cannot be found for reducing categorical grants.

No legislation has been proposed to implement the savings assumed in this amendment.

Even if such legislation were proposed, it is not likely to be reported, since it would require joint referral to as many as nine committees of the Senate.

Even if such legislation were reported, enactment is questionable because of the diverse interests affected.

If such legislation were enacted, there is plenty of time to recognize the savings in the second resolution and transfer a funding allowance to revenue sharing.

The likely effect of this amendment is to increase outlays and the deficit by $1.7 billion in fiscal year 1981 because the assumed savings will not be enacted. Senator BAKER is proposing higher spending for revenue sharing before we have any indication that offsetting savings can be realized.

Mr. President, I want to make a few points about the specific cuts that are implied by the Baker amendment. I think they will show why I am dubious about realizing these assumed savings.

The SBC recommendation for function 270 for grants to State and local governments already is $200 million in budget authority below the President's request since the SBC maintained the current law level of funding.

The proposed $0.1 billion reduction would probably affect the low income weatherization and schools-hospitals grant programs which are one-time expenditures that can reduce energy consumption substantially and reduce the U.S. dependency on imported oil.

Approximately 14 million dwellings in the United States are occupied by low-income families and typically these dwellings are not energy efficient. To curtail the low-income weatherization program by 25 percent would cause undue hardships on persons whose energy bills already consume a disproportionate share of their earnings and would contribute to the continued U.S. dependency on imported oil.

The schools and hospitals program is designed to reduce the growth rate of energy consumption in the Nation's schools and hospitals, both public and private nonprofit. To reduce the level of support for this matching grant program would further increase the cost of hospital care and education in the United States and would act as a disincentive for implementation of conservation measures that would lessen the U.S. dependency on imported oil.

The SBC recommendation for function 300 is already about $0.3 billion in BA and $0.1 billion in outlays below the President's January budget (Kassebaum base) because it assumed elimination of the land and water conservation fund, urban parks, and Youth Conservation Corps and reductions in several other grant programs.

State programs to prevent and abate pollution could be cut with subsequent loss of trained personnel and decreased enforcement of pollution control and hazardous waste laws.

The proposed amendment would further reduce funding in function 400, which is already $1.5 billion in budget authority and outlays below current law.

TRANSPORTATION

The amendment proposes spending levels of $19.3 billion in budget authority and $17.9 billion in outlays for function 400, transportation. These levels represent a decrease of $0.6 billion in budget authority and $0.3 billion in outlays below levels in the resolution. The amendment apparently intends that all or most of the reductions occur in mass transit funding.

The proposed savings in mass transit are unreasonable and can only be achieved by severe reductions in the program.

The resolution already assumes major reductions in both mass transit capital and operating assistance of $0.6 billion in budget authority and $0.2 billion in outlays below current law levels.

The levels for mass transit funding in the resolution are almost $2 billion in budget authority below the President's request.

The additional savings proposed would represent a drastic 32 percent reduction in the current level of funding for mass transit.

The Baker amendment would reduce fiscal year 1981 function 450 budget authority by $0.7 billion and outlays by $0.2 billion. Senator Baker's assumption is that these would come through cuts in the Economic Development Administration, urban development action grants, and title V regional commissions. Because EDA and UDAG involve capital intensive activities, outlays from a given amount of budget authority spend out slowly. First year outlay rates are about 5 percent for UDAG, 10 percent for EDA, and 70 percent for title V commissions. The SBC recommendation assumes funding of $675 million for UDAG, $831 million for EDA, and $59 million for the title V commissions.

Therefore, in order to accomplish Senator Baker's assumption of a $0.2 billion outlay reduction in these three programs, all funding would have to be eliminated—an outlay reduction of $1.6 billion rather than the $0.7 billion assumed by Senator Baker. The result would be the complete elimination of programs vital to the redevelopment of lagging urban and rural areas.

The Budget Committee's recommendation for function 500 is already 9 percent below 1980 appropriated levels. In times of high inflation, this represents a very deep cut in our education, training, and social service programs.

The amendment reduces funds for the function 500 CETA programs for our most disadvantaged citizens—those who have the most trouble finding and keeping jobs. These reductions will sharply reduce employment opportunities for these citizens during a recession, when they will be hurt the most.

The amendment would phase out the CETA title VI countercyclical public service employment program by the end of fiscal year 1980. The United States is in a recession. Some countercyclical jobs are needed to soften the impact of the recession for our cities and our most disadvantaged citizens.

The amendment would necessitate laying off approximately 197,000 CETA workers by October 1980, when the country will probably be in the depths of a recession. The Budget Committee recommendation would eliminate this program gradually by the end of fiscal year 1981 through attrition.

The unemployment rate for poor minority teenagers is over 40 percent. The amendment would reduce the CETA summer youth employment program by 50 percent—a loss of 500,000 summer jobs for low-income youth, who suffer the highest rates of unemployment.

States will use general revenue sharing for education aid to all school systems, regardless of income level of residents—well-off systems like Montgomery County will get education aid. But the education programs that would be cut by Baker go to low-income school systems in need of assistance to provide equal education opportunities.

In health this amendment would reduce funding for fluoridation programs, which have been successful in reducing dental cavities in children by 65 percent and cutting costs of dental treatment in children by 50 percent.

Disease prevention and immunization programs, designed to eliminate such disease as polio, rubella, mumps, and measles, would be cut.

Grants to State health planning agencies would be cut. These are the only existing planning organizations at the State level concerned with restraining health care costs.

To sum up, Mr. President, this amendment is not really a transfer. The Congress is not likely to reduce further the spending areas identified by this amendment. I have had plenty of complaints about the reductions the committee did recommend.

The amendment jeopardizes the balanced budget which we are working toward. It does not preserve "revenue sharing," rather it preserves "deficit sharing." The Federal Government has no surplus revenues to share. I urge my colleagues to reject the amendment.

Mr. President, simply put, we will have to again go where we had 16-percent cuts in general government. I am sorry that diagram is not there. It is just as pertinent today. I ask the staff to put up those two charts, at least the one that was over there, where we, the Budget Committee, went in, and cut in general government. We could not get into the veterans, we increased, nor social security, we increased. We did not want to get in.

Now, we have supported and certified by an over 2 to 1 vote, 83 to 13, not to cut that defense. We did not want to get in there.

I think the U.S. Senate, not the Budget Committee, but the U.S. Senate, has spoken very clearly and loudly.

We did cut 16 percent off general government.

The Senator from Connecticut, and on many other amendments backed up here in the pipeline, is calling for add-ons rather than further cuts, as the Baker amendment here is doing. I think it would be devastating and not quite able to be done.

We really tried—and that is the entire budget process—to bring a credible, supportable view of consensus. One need not go any further in the Senate than our distinguished chairman—who will be sworn in as Secretary of State—when he has acted as floor manager.

We had entirely different views on many items, particularly defense, and we can go down the list. But when we got down to the wire, we realized that, like Kansas City, we have gone about as far as we can go in the cut area and we have gone about as far as we can go in the add area. We have consulted all our colleagues. We have had numerous hearings and markups and have listened to all the views, and there is that mix of interests represented on the Budget Committee. I think it is going to be very difficult to try to cut these.

I do not know the disposition of the Senator from Tennessee, whether another amendment is to come now, or whether he wants to yield back time.

I yield to the Senator from Tennessee at this moment.

Mr. BAKER. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator from Tennessee has 27 minutes.

Mr. BAKER. Mr. President, I yield myself such time as I may utilize.

Deficit sharing: I have listened with keen interest to the remarks by the distinguished Senator from South Carolina about this program not being revenue sharing but deficit sharing. That is wide of the mark, because the concept never was that the Federal Government will spend all it wants and then divide the surplus with the States. That never was the concept underlying revenue sharing. The concept underlying revenue sharing was that the Federal Government does a pretty good job of raising and collecting taxes, but it does not do a very good job of spending the money; that State and local government use a good bit of discretion and ingenuity in how they spend their money and get the most for their money, but do not have a very good system for raising taxes—State income taxes, sales taxes, and property taxes. All but one are regressive taxes and have more impact on families with low incomes than on those with high incomes.

The concept never was that we will share a surplus, but that we will share revenue. The idea always was that we will share a percentage of the Federal tax dollar.

Indeed, when I first introduced this measure in January of 1967—by the way, it was the first bill I introduced when I came to the Senate; I made my maiden speech on this point—it was not called revenue sharing. It was called tax sharing. I often have regretted that we changed the name, because that is precisely what it is. It is not sharing a surplus. It is not sharing a deficit. It is sharing our money. It is all our money. Every single dollar belongs to the citizens of the United States, and it is just a question of who collects it and who spends it.

I think we would have been better served if we had kept the original title of Federal tax sharing—that is, the

States and local governments would share a part of the revenues collected through taxation. We are not sharing a deficit or sharing a surplus; we are sharing our dollars.

Mr. President, I believe it is wide of the mark to speak of the relative prosperity of State governments versus the relative impecuniosity of the Federal Government. We run at a deficit. Most States run at a surplus. What are you going to do? Are you going to reward those of us who cannot take care of our money and spend more, and penalize those who do a good job and have a surplus? That is what we will do if we cut out revenue sharing. We will say, "Look, boys, if you do a good job managing your fiscal accounts and end up with a budget in balance or a surplus, we will take that away from you. So don't you dare balance a State budget or run a surplus. Don't run a tight ship, because if you do, those boys in Washington will take it away from you."

That is such a disincentive for good stewardship of the public funds and the public trust that I believe it is even more detrimental to the intergovernmental relationship and the concepts of sound government in this country than the tinkering with a permanent formula for Federal tax sharing. There is in that argument a patent disincentive to run a good, sound, solid government.

The argument also was made—or at least implied—as I understood it, that we are running a big debt, so we should save money by cutting out the States from all revenue sharing.

Mr. President, I respectfully point out that the Baker amendment has a zero budget impact. The reason for it is that as I restored State share revenue sharing, I also specified functions within the budget which would be reduced by a corresponding amount.

The argument has been made by the distinguished chairman of the Budget Committee and the Senator from Oklahoma that the Governors found it difficult—I suppose impossible—to specify a synthesis of views on where categorical grant-in-aid programs should be cut.

I suggested in my earlier remarks that I do not blame them, because they are 50 governments. It is not their program. We are one government. It is our set of programs. It is our responsibility to designate those cuts, not the responsibility of the Governors, and I have done so.

I repeat, I have done so, at great political risk and personal distress, by suggesting that we should cut it from highway assistance, to no increased funding for EDA, to deeper cuts in UDAG back to the 1979 level, the elimination of regional commissions, the reduction in funding for the Appalachian Regional Commissions, deeper cuts in CETA.

Mr. President, I do not like to make any of those recommendations, but I repeat again: Reductions in those categorical grant-in-aid programs are infinitely preferable to the elimination of the concept of Federal tax sharing, a dependable system for sharing of the federally collected tax dollar that belongs to the American citizen.

It should have no bearing—they should not be concerned at all with it—whether we do a bad job in Congress, and we do a bad job, of taking care of the public treasury. It should have nothing to do with whether the States do a good job or a bad job; and, by and large, they do a good job. Why should we stand in this place, in Washington, and say that because 50 States are better off than we and do a better job than we, we are going to trade on their success?

Mr. President, what we have done is say, "We are going to trade on your money. We are going to live off you for a while. We are going to cut you out of this, and we are going to do the Federal programs we prefer, instead of what you prefer."

There is no budget impact and there is nothing in the amount of money that will flow into the States, because as the funds are cut from categorical programs, they are added to funds that will be received by the States themselves, but in this case without strings attached.

I do not believe there is a person in this Chamber, I do not believe there is a Member of the U.S. Senate, who will not agree with the proposition that the States are better judges of how to spend their dollars than we are. Every one of us can cite, ad infinitum, the horror stories of how States and local governments have had to spend money in categorical programs. I have seen audio-visual equipment in schools, fancy equipment, where they did not have the money to put in a new furnace or to replace broken windowpanes because those things did not happen to fit that Federal program.

I have absolute confidence that the States can spend those dollars better than we can. The dollars we put back in revenue sharing money to the States will certainly be spent more efficiently than the dollars we put into those States in categorical grant-in-aid programs, if for no other reason than the reason identified by the Senator from Illinois (Mr. PERCY), when he pointed out that the administrative cost of revenue sharing, historically, has been less than 1 percent of the total funds distributed.

This is not deficit sharing. This really is not revenue sharing. It is sharing the federally collected tax dollars which belong to the people of the United States. It is building a dependable system that will strengthen the relationship between the Central Government and the lesser units of Government. It is calculated to try to improve the quality of local government, and it has done so.

I believe that virtually everyone in this room will agree as well that State, county, and city governments, all of the local units of government, are more vital, effective, efficient, and responsive now than they were 10 years ago because they have money to spend.

I lived in a small town in the Appalachian region of Tennessee. I recall shortly after revenue sharing was begun that one of my townsmen came to me and said, "You really messed it up, BAKER." I said, "What have I done, this time?"

He said: "The city council is over there just quarreling like a bunch of banshees on how they are going to spend their revenue sharing money."

I said: "When is the last time you heard them quarrel about anything?"

They had not quarreled about anything because they had no money to spend, and now they do and they are an effective unit of government and they are meeting the needs of their constituents, not because there has been a sudden revolutionary change in the fabric and structure of their charter or the statute law of the United States or of the State of Tennessee, but because they have resources with which to govern, with which to serve.

Money is the lifeblood of public service, and we have supplied a drop of that blood for local government and for the States. They have prospered from it and they have grown and they have matured. They are rendering services now that they were not rendering before this program began. It has worked precisely as President John F. Kennedy thought it would, as President Richard Nixon thought it would, as Hubert Humphrey thought it would, as I thought it would, and as 55 cosponsors in this group thought it would in 1972 when we adopted this measure.

I think it will be little short of disastrous to reverse the trend now toward decentralization of Government and return instead to a concentration of power in Washington.

I believe, Mr. President, that the effects of this measure, that is, the elimination of the State share of revenue sharing will be far greater than just the dollars and cents effect in the upcoming fiscal year. I believe we are dealing with the principle, the system, the concept, and the reiteration of our belief that State and local government must be revitalized, that centralism, the centralization of power in Washington must be reversed, that power must be returned to the people, and that our tax dollars must be shared. I believe we will do incalculable injury to that trend which began with the passage of this measure in 1972, if we begin now to tinker with the formula on which the States and local governments have come to rely.

Mr. President, I reserve any time I have remaining.

Mr. HOLLINGS. Mr. President, I yield to the distinguished Senator from Nebraska.

The PRESIDING OFFICER. The Senator from Nebraska is recognized.

Mr. EXON. Mr. President, I thank the Chair and I thank my friend from South Carolina.

S. 2678—EXTENSION OF REVENUE SHARING

Mr. President, I have today introduced a bill that I have been working on for some time which will shift the focus of flexible funding and grant consolidation from Washington to the 50 State capitals. While this legislation is not directly on point on the matter now being considered, if it is eventually passed it will resolve the annual debate on State revenue sharing. Each State under the legislation that I propose will be able to package a certain number of categorical programs together and trade them in for an equal dollar amount of revenue sharing dollars.

Here is how the funding procedures would operate: A State would decide which categorical grants it wanted to consolidate, based on that State's own particular needs. The State would make a declaration to the funding agency that it will not make application for the funds set aside for it, at which time the funds would be transferred to the general revenue sharing trust fund for distribution back to that State. This procedure will have several advantages: Grants can be consolidated and tailored to meet State and local needs; no complicated grant consolidation legislation will have to be forced through the Congress; categorical programs will be funded as usual by the authorizing and appropriating committees in the House and in the Senate; and the revenue sharing trust fund for the States will be as large as moneys are transferred into it by voluntary consolidation at the State level.

Mr. President, this was one of the goals when revenue sharing was first instituted but has been brushed aside in the ever-increasing raid on the supposedly never-ending "pot of gold" on the banks of the Potomac.

Mr. President, I believe the time has come for us to deal with the problem of categorical grants versus revenue sharing. If we can trim and consolidate programs here in Washington, fine; but that has proved to be a difficult task in the past, and I believe it is time for us to consider the Exon alternative, and that is to permit consolidations and exchange of categorical grants for revenue sharing dollars at the State level, rather than at the national level. This approach will be in the best traditions of our Federal system of government.

Mr. President, I reserve the remainder of my time and yield it back to the manager of the bill.

Mr. McCLURE. Mr. President, will the Senator from Tennessee yield 5 minutes to the Senator from Idaho?

The PRESIDING OFFICER. Does the Senator from Tennessee yield 5 minutes to the Senator from Idaho?

Mr. BAKER. Mr. President, I yield 5 minutes to the Senator from Idaho.

The PRESIDING OFFICER. The Senator from Idaho is recognized.

Mr. McCLURE. Mr. President, I thank the Chair and I thank the Senator from Tennessee for yielding this time.

Mr. President, I commend the Senator from Nebraska for the statement just made.

There are a number of us who have been working in the direction of expanding the opportunities of State governments to decide how they would apportion and use not only their own moneys but the moneys that are flowing to them from the Federal Treasury.

Yesterday I introduced an amendment, together with the distinguished Senator from Kansas (Mr. DOLE), which amendment I think can be found on Senators' desks. It is amendment No. 1752, which would allow the States to make the election of where they would take the cuts that the Budget Committee has imposed in revenue sharing of the States' share of revenue sharing.

Mr. President, having said that, we all know that we are going to have the option now of voting on the Baker amendment and if the Baker amendment is not passed there is a compromise amendment that the Senator from Kansas (Mrs. KASSEBAUM) will be offering, and if in the event that is not adopted then perhaps my amendment No. 1752 might be adopted.

Each one of them in its own way is trying to say that the State governments are better equipped to make the choice of where the cuts should fall than is Congress.

Mr. President, in 1968 when I was a Member of the other body we started out on what became known as the traveling salesmen, a group of eight or nine of us, then Members of the House of Representatives, who went around the country trying to explain to the people in local and State governments the concept of revenue sharing.

As you might have guessed, at that time it was not to add new money to the Federal Treasury to be spent through the Federal Treasury by State government, but its primary focus was what some people call block grants, lumping together the categorical aid programs in large mission categories, and we had six special revenue sharing proposals that would put together some of the categorical aid programs and say to the States, the cities, the counties, the local units of government: "Here is the money that is available to you for transportation. How you spend it is your business, whether it is on roads or bridges or mass transit. It is your business, not ours in Congress to dictate to you how it should be done. Here is a block of money that is available for spending for education, and we will not tell you whether to buy audiovisual aids or remedial reading or hire this kind of a teacher or add that kind of a course of instruction. You know best what your needs are. Let us put all that money in categorical aid programs into one pot for education."

We added in that particular proposal a seventh one, general revenue sharing, and as you might have guessed Congress did not give up its prerogatives to control any of the categorical aid programs. It simply took the seventh one out of the proposal, the least defensible of the seven, and enacted it and let the other six languish.

So we do not have any block grants in the six areas that we suggested at that time, but we do have general revenue sharing.

Every one of us has had an experience, I am certain, similar to the one that I had in talking to a superintendent of schools in a school district in my State, talking about the impact aid funds. "The impact aid funds," he said, "are the most valuable ones we get. Although they are only 5 percent of my budget, they come with a very easy qualification. They go into the general funds of the school district. I do not have to have any kind of a loan officer to ask for the money. I do not have to have a special audit of how it was spent. All I have to do is certify that we are entitled to it. It comes in. We spend it. We account for it as we do all the rest of the revenues."

Mr. President, the categorical aid programs' primary beneficiaries are not the people for whom the programs are intended. It is the bureaucracy that administers them. The greatest growth industry in the United States today is government. The people who have benefited most from the growth of government are those who administer government. Those who have the greatest security in our society today are those who work for government.

The Baker amendment, of which I am proud to be a cosponsor, is a little step in the direction of saying that the Federal Government does not know all, cannot make all of the decisions.

I believe there are very few—there may be some but there are very few—in the Congress of the United States who really believe that the Congress of the United States today is effectively monitoring all of these dozens and hundreds of programs to determine whether or not they are done well. It seems to me it is time for us to reverse the trend and put some of the responsibility back with State government.

Mr. BAKER. Mr. President, I thank the distinguished Senator from Idaho. He has long been identified with what we are both seeking here, and that is an effort to revitalize local government, to retard the growth of central government, to improve the quality of governmental relationships, and I am grateful to him for this eloquent statement, his cosponsorship and dedication to this principle.

Mr. President, I see the distinguished Senator from Iowa on the floor and, at this time, I yield 6 minutes to the Senator from Iowa.

Mr. JEPSEN. Mr. President, I rise today to express my views on a subject and program which I believe to be of the highest national interest and priority.

The subject of which I speak is the preservation of a free self-government. The program which deserves priority status for the Nation is general revenue sharing.

The United States, in spite of the shortcomings and failures of the past week and months, is still the strongest and finest nation in the world.

We here in the United States represent the best of what freedom has to offer in a world which is constantly being threatened by hostile powers, terrorists, and governments unfriendly to free nations and free people.

Mr. President, without sounding trite or humorous, people are literally dying to get here. I repeat, people are literally dying to get here. They come from Southeast Asia, Eastern Europe, South America, Cuba, Haiti, and yes, even the Soviet Union. They all seek one thing, freedom.

The single most important factor which unites us as Americans, and which draws millions of people from all over the world to our shores, is that we are a nation of people who believe in free self-government.

What frightens me most is that I have talked with and listened to many Americans who express a deep sense of frustration that they have lost control of their lives, and more importantly, lost control of their Government.

Imagine, a nation of free people, who strongly believe in self-government, spending many hours, and large sums of money either fighting the Government, or attempting to communicate with it.

The culprit, the center of our Nation's frustration, is complexity. This debate on the budget is an excellent example of what I am talking about. There is so much confusion as to what is being cut, where it is being cut, and who is going to suffer the least, that intelligent choices are very difficult to make.

I receive letters from constituents every day telling me that politics and government are so complicated that they cannot understand what is going on, what is happening to them, and why is it happening to them.

That statement alone only tells half the story. The rest of the story is that unless we make government simple and easy to understand again, we run the risk of losing our privilege of being one of the last free self-governing nations in the world.

Elliot Richardson, in his book "The Creative Balance," outlines the points to which I speak with the utmost clarity. Mr. Richardson says:

> This reaction to complexity has a profound effect both on our trust in government and on our ability to make intelligent choices about the actions of government.
>
> For a free society, the ultimate challenge of the foreseeable future will consist not simply in managing complexity, but in keeping it within the bounds of understanding by the society's citizens and their representatives in government.
>
> Unless we in America can succeed in this, we shall lose our power to make intelligent—or at least deliberate choices. We shall no longer be self-governing. We shall instead be forced to surrender more and more of our constitutional birthright—the office of citizenship—to an expert elite. Rather than participating in the process of choice, we shall be accepting the choices made for us.

Mr. President, the program which in my opinion has done a great deal to simplify government and move toward bringing government back to the people is general revenue sharing.

General revenue sharing is a program that is worth preserving because it is one of the most recent legislative programs which returns power to the people. As I noted earlier, there is a sense of helplessness among our people that government has gone wrong. General revenue sharing reassures a suspecting, frustrated citizenry that there is at least one program that directs their tax dollars back to State and local governments.

Mr. President, if I had my choice, I would vote not to send those tax dollars to Washington at all. Why make the round trip? I would much rather see revenues collected at the local level remain in federally chartered banks within the States. If we cannot do that, let us do the next best thing: Support general revenue sharing.

Mr. President, general revenue sharing, as a program designed to direct revenues back to the States, is the lifeblood of the "new federalism concept" which is sweeping the land. The trend toward centralization of government in Washington, D.C., must be checked if we are to preserve to the States their constitutional prerogatives.

Mr. President, I am less than satisfied with the administration's position regarding general revenue sharing. The President has recommended that the entire State share be cut due to our economic problems.

What the President and the administration have failed to do is to clarify whether their decision to cut the entire State share of general revenue sharing is a temporary decision to help balance the budget, or whether it is a policy decision of a more permanent nature.

Mr. President, I strongly believe that the Congress and the respective State and local governments deserve a more definitive response.

I do not oppose reducing general revenue sharing under the present economic crisis, but I do oppose the total elimination of general revenue sharing. If general revenue sharing is eliminated, what we will be left with is a long list of interventionist categorical grant programs, which are both cumbersome and costly to administrate.

Mr. President, it is imperative that we support the preservation and integrity of the general revenue sharing program to the States. To that extent, I will give strong consideration to amendments which seek to preserve the integrity of the program, and which also stay within the limits of the budget process.

There must be a fresh commitment to make government simple. Simplicity has many virtues, complexity many potential vices. The people want simplicity in government. Mr. President, we live in challenging times. We cannot afford to further alienate our citizens from the Government which they are supposed to run.

Therefore, we have an opportunity here today to support the continuation of general revenue sharing to the States. The approaches which are being offered by Senator KASSEBAUM and Senator BAKER are very imaginative, but equally fair.

Redirecting the categorical grant, which is earmarked to the general revenue sharing formula, offers those of us who oppose the costly, narrowly defined, inefficient, categorical grants, an opportunity to record a vote against them, while at the same time recording a vote to preserve the integrity of general revenue sharing.

I have a great deal of faith in the ability of the States to administer and redistribute general revenue sharing dollars at the local level in an efficient and fair manner. I know that they will live up to my trust.

A vote for this amendment reflects our faith in and belief that the people who pay the taxes should have a direct voice in how their tax dollars are spent. Vote for this amendment—it is a vote for better Government and a better America.

Mr. BELLMON. Mr. President, how much time remains?

The PRESIDING OFFICER (Mr. BRADLEY). The proponents have 2 minutes and 3 seconds. The opponents have 33 minutes.

Mr. BAKER. You have 33 minutes and I have 2 minutes.

Mr. President, my final and concluding remark on this subject is very simple. Many of the people who are opposing this measure at this time have supported the concept in the past. We have labored together to accomplish the purposes we have sought together. I thank them for that.

Throughout the debate so far, I have heard the recurring remark that we cannot afford to continue with the State share of revenue sharing because the States are soft and the Federal Government is not. Or, if we proposed these cuts, we really would not do it; in the final analysis, we would not do what we say in this budget resolution.

That may be so, Mr. President. It is a risk that we always take, because we are an inconsistent body from time to time. But I do not believe that is an argument against this resolution, Mr. President.

This is the only, last, and best opportunity we have under the Budget Act to express our strong heartfelt desire to see the concept of revenue sharing preserved at this time.

Later there will be a reauthorization bill for revenue sharing. As the Senator from Nebraska said earlier in this debate, he will propose a bill which deals with this subject at that reauthorization time, and so will I. I have not yet had an opportunity to confer with the Senator from Nebraska to see if there is a great similarity between our approaches. But I can assure my colleagues that, at the time of the reauthorization debate, I will have a measure to restore full share revenue sharing.

But this is not that time. This is the time of the first test. This is our first opportunity.

The best effort we can make is to cut categorical grant-in-aid programs so we can preserve room within the budget for general revenue sharing. I devoutly wish for a successful result in this respect. I hope that our colleagues and the Senate will give revenue sharing a further chance. I trust we will not penalize the States for good government and reward the Federal Government for bad management of the public trust.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. BELLMON. Mr. President, I yield myself 2 minutes and then I will be prepared to yield back the remaining time and go to the vote.

Mr. President, to sum up quickly, the Senator from Nebraska spoke of the concept of revenue sharing, which I think the body generally supports, at least the Senator from Oklahoma supported the concept that we provide States general revenue sharing with no strings attached and that they, then, could use the money more effectively to meet their needs.

That part of the concept I believe is sound; I believe it has proven to be sound. But there is another part of the concept; that is, when we provided general revenue sharing, we were going to reduce the number of categorical grants. That is the part that has not proven out.

The problem is that the States have been very happy. They dearly love to get the new revenues, but have refused to give up the old categorical grants. What we are trying to do in the budget resolution is to force them to choose. If they are going to insist on keeping the categorical grants, then they are going to have to give up general revenue sharing.

If the States would have done what they said they wanted to do and come forth with the programs they would be willing to give up, then we would not be faced with the predicament we are in now. The fact is that 30 State legislatures have passed reoslutions admonishing Congress to amend the Constitution to require us to balance our budget every year. So they are telling us, on the one hand, to balance the budget and, on the other, they are refusing to help out.

I believe that the language in the resolution will get to the problem that we face, which is that the States should bear part of this responsibility.

There is another side to it. In the past 2 years—and I hope the Senator from Tennessee will be aware of this—48 States have actually cut taxes. Forty-eight States seem to be using the revenues we give them to reduce their own taxes, while we, in Congress, are borrowing the money to provide the revenues that the States are getting.

In addition to those problems, in the period between fiscal years 1975 and 1978, at a time when we were providing revenue sharing, we increased the number of categorical grants by a net of 50. Of those, there were 17 new categorical programs in the Department of Health, Education, and Welfare alone. So, while we are providing general revenue sharing, we are going right on inventing new categorical programs. So we are defeating the concept of general revenue sharing right here in this body.

Mr. President, I think we have to face the fact that this is a good idea that simply did not work. If the States will come here and help us get rid of the categorical grant programs and quit demanding new ones, then I will be very happy to join in retaining State general revenue sharing. But I reluctantly reached the conclusion that this is a program we are going to have to reduce in order to help us balance our budget. I urge the Senate to oppose the amendment by the Senator from Tennessee.

● Mr. HUMPHREY. Mr. President, I want to take this opportunity to commend the minority leader, Senator BAKER, for offering his amendment to restore the State share of general revenue sharing funds. I am very proud to be a cosponsor of this effort.

State revenue sharing money returns money to the States where it can be more wisely spent. I think Senator BAKER's approach of making corresponding cuts in categorical grants is a wise and necessary one. I would certainly agree with the minority leader that revenue sharing is preferable to any categorical grant program.

For many years, there has been a tremendous increase in the power of the central Government in Washington. These Federal bureaucrats seem only vaguely capable of answering the needs of the American people. I believe the revenue sharing approach of returning Federal funds to the States returns the power to spend to where it belongs—to the State and local level. Hopefully, in the future we can return more revenue through tax cuts.

The State share of general revenue sharing provides State governments with the ability to solve problems in a cost-efficient and responsible manner.

Revenue sharing gives State officials flexibility. As Senator BAKER has pointed out, if the State officials so choose, they can use the revenue sharing moneys to fund local programs whose categorical grants have been cut to some degree by this amendment. If the particular categorical program is needed and desired by the State, then the State will fund this program with the revenue sharing funds.

New Hampshire State officials have told me that revenue sharing is the most efficient form of assistance they receive from the Federal Government and that the New Hampshire government uses this money to finance federally mandated State programs.

New Hampshire uses its State revenue sharing money strictly to comply with Federal requirements. Part of the money goes to mandated water pollution programs to construct sewage plants, and clean up streams. The bulk of the money goes to local school districts to pay for the special educational needs of handicapped children. The programs thus funded are also required by Federal law and regulations. The fact is that the Federal Government promised to pay the cost of these programs directly, but the money has never been appropriated. Without the revenue sharing funds it would be virtually impossible for the towns and cities of New Hampshire to comply with Federal regulations concerning the education of handicapped children.●

Mr. BELLMON. Mr. President, I believe the proponents' time is used up. The opponents yield back the remainder of their time. I move to table and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to table the amendment of the Senator from Tennessee. The yeas and nays have been ordered and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Alaska (Mr. GRAVEL), the Senator from Massachusetts (Mr. KENNEDY), the Senator from Vermont (Mr. LEAHY), the Senator from Hawaii (Mr. MATSUNAGA), the Senator from Georgia (Mr. TALMADGE), and the Senator from Hawaii (Mr. INOUYE) are necessarily absent.

The PRESIDING OFFICER (Mr. PROXMIRE). Are there any other Senators in the Chamber wishing to vote?

The result was announced—yeas 49, nays 44, as follows:

[Rollcall Vote No. 109 Leg.]

YEAS—49

Baucus
Bayh
Bellmon
Bentsen
Biden
Boren
Bradley
Bumpers
Burdick
Byrd, Robert C.
Cannon
Chiles
Cranston
Culver
DeConcini
Eagleton
Exon
Ford
Glenn
Goldwater
Hart
Hatfield
Hollings
Huddleston
Jackson
Johnston
Levin
Long
Magnuson
McGovern
Melcher
Metzenbaum
Morgan
Moynihan
Nelson
Pell
Proxmire
Randolph
Ribicoff
Riegle
Sarbanes
Simpson
Stennis
Stevenson
Stone
Tsongas
Weicker
Williams
Young

NAYS—44

Armstrong
Baker
Boschwitz
Byrd, Harry F., Jr.
Chafee
Church
Cochran
Cohen
Danforth
Dole
Domenici
Durenberger
Durkin
Garn
Hatch
Hayakawa
Heflin
Heinz
Helms
Humphrey
Javits
Jepsen
Kassebaum
Laxalt
Lugar
Mathias
McClure
Nunn
Packwood
Percy
Pressler
Pryor
Roth
Sasser
Schmitt
Schweiker
Stafford
Stevens
Stewart
Thurmond
Tower
Wallop
Warner
Zorinsky

NOT VOTING—6

Gravel
Inouye
Kennedy
Leahy
Matsunaga
Talmadge

So the motion to lay on the table Mr. BAKER's amendment (UP amendment No. 1072) was agreed to.

Mr. HOLLINGS. I move to reconsider the vote by which the motion was agreed to.

Mr. BELLMON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ORDER OF PROCEDURE

The PRESIDING OFFICER. Under the previous order, the Senator from Kansas is recognized.

Senators will clear the well and retire to their seats.

Mr. McCLURE. Mr. President, will the Senator yield for a parliamentary inquiry?

Mrs. KASSEBAUM. I am glad to yield.

Mr. McCLURE. Mr. President, is there any unanimous consent or any order for the next amendment to be considered following the amendment of the Senator from Kansas?

The PRESIDING OFFICER. There is no such order.

Mr. McCLURE. Mr. President, I wonder if it would be in order if the managers of the bill would agree that it might be in order that amendment of the Senator from Idaho, be the next pending business following the disposition of the amendment of the Senator from Kansas.

The PRESIDING OFFICER. The Senator from Idaho is inquiring of the Senator from South Carolina if his amendment may be in order after the Kassebaum-Bradley amendment.

Mr. HOLLINGS. Mr. President, we have not talked to the Senator from Connecticut and represented it to him. If the Senator from Idaho wants to reconcile it with Senator WEICKER, that will be his prerogative.

Mr. BRADLEY. Mr. President, may we have order?

The PRESIDING OFFICER. The Senate will be in order.

Mrs. KASSEBAUM. Mr. President, I am glad to yield to the Senator from Idaho.

Mr. McCLURE. Mr. President, I make the request only because it is on the same general subject matter and will be the last of the pending amendments on that subject matter. It might be easier to dispose of in that context.

The Senator from Connecticut indicates that it will be satisfactory to him and he can follow with his amendment.

Mr. HOLLINGS. That is perfectly satisfactory to me, Mr. President.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that, following disposition of Mr. McCLURE's amendment, the Senator from Connecticut (Mr. WEICKER) be recognized for his amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Kansas has the floor.

Mr. ROBERT C. BYRD. Mr. President, will the distinguished Senator yield for a request?

Mrs. KASSEBAUM. I am happy to yield, Mr. President.

Mr. ROBERT C. BYRD. Will the distinguished Senator from South Carolina yield me 2 minutes on the bill?

Mr. HOLLINGS. Yes.

Mr. ROBERT C. BYRD. Mr. President, I call the attention of Senators to the fact that next Thursday is the deadline under the law for the completion of action on this resolution. Mr. BELLMON and Mr. HOLLINGS feel that it is imperative that we attempt to finish this resolution today because the conference will have to meet. There is the May 15 deadline. Then, backed up behind this resolution are the 1980 supplementals, black lung benefits, food stamp payment—all that is behind this resolution. So I hope that Senators will be willing to reduce the time on their amendments as much as possible so that the Senate can complete action on this resolution tonight, if at all possible.

Now let me ask the managers, in the event it is impossible to finish this resolution today, do they consider the matter to be of an emergency nature to the extent that the Senate should have rollcalls on tomorrow? Tomorrow is Friday and we had stated earlier to our colleagues on both sides of the aisle that the Senate would not be in for rollcall votes on Fridays through May, except in the case of an emergency.

Now, if this is considered to be of an emergent nature to the extent we ought to have rollcall votes tomorrow, I think now would be the time to let our colleagues know.

Mr. BELLMON. Mr. President, if I may respond first, it is my opinion that it is going to take a minimum of 3 days, probably longer, to reach agreement with the House when we get to conference.

We had some difficulty in the past trying to adjust our high defense number and their high social number. I do not see there will be any less difficulty this time. So I say that we need to start the conference Monday, if possible, to finish in time to complete action on Thursday.

So, it is my opinion, if we cannot finish tonight, we should work tomorrow.

Mr. BAKER. Will the majority leader yield to me?

Mr. ROBERT C. BYRD. Yes.

Mr. BAKER. Mr. President, I suppose I agree that it is of that urgency and importance, and I recognize the exigencies of the situation.

But there are also extremely crucial personal commitments that have been made in reliance on the longstanding proposition that there would not be votes on Fridays, and a number of parties have had no information on the likelihood of votes on this Friday.

I know of one Member on this side who is especially obligated to be in his State tomorrow to file his petition to qualify to run for reelection.

I also happen to know that Member canceled an appearance at his own announcement today in order to be present in anticipation of the completion of this measure, but that he simply must leave in order to be in his State tomorrow to file and qualify to run for reelection.

So I suppose I agree, it does fall within that reservation the majority leader described, from time to time, but it will create enormous hardship with a number of Members on this side.

I genuinely wish for reconciliation of some sort, but I urge the majority leader to consider working as long as possible tonight, even late into the night, in preference to having votes on tomorrow.

Mr. ROBERT C. BYRD. I am in favor of that, may I say to the distinguished minority leader, and I know a good many Members on my side of the aisle who would also be discommoded. It would be with great regret that I would see us come in tomorrow for rollcall votes.

But I think those people who would be discommoded with respect to food stamps, black lung payments, would also have to be considered.

I hope we can finish it tonight. Let us try to finish it tonight, with the understanding that, if we do not, then we have to be in tomorrow and continue action on it.

How is that?

Mr. DURKIN. Will the Senator yield?

Mr. ROBERT C. BYRD. Yes.

Mr. DURKIN. I have an amendment. I will be glad to reduce the time to 15 minutes on a side, if that will help move things along.

Mr. ROBERT C. BYRD. Mr. President, while the managers are considering that, may I say that I thank the distinguished Senator from Kansas for her indulgence.

There have been questions with regard to this evening. This will mean we will have to be in session without any recess, without any break, have to be in session until we finish, if it is 12 o'clock midnight or 1 o'clock in the morning, unless we are willing to come back tomorrow and finish this resolution so the conferees can begin their work.

So with that having been said, I hope the Senators will consider reducing the time as much as possible.

I thank the Senator.

UP AMENDMENT NO. 1073

(Purpose: Add funding for general revenue sharing and delete funding for categorical grant programs to State and local governments)

Mrs. KASSEBAUM. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Kansas (Mrs. KASSEBAUM) proposes an unprinted amendment numbered 1073.

Mrs. KASSEBAUM. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

From page 2, line 17, through page 18, line 21, delete in its entirety and insert the following:

Fiscal year 1981: $687,900,000,000;

Fiscal year 1982: $759,300,000,000;

Fiscal year 1983: $831,500,000,000;

(3) the appropriate level of total budget outlays is as follows:

Fiscal year 1981: $612,900,000,000;

Fiscal year 1982: $687,200,000,000;

Fiscal year 1983: $753,500,000,000;

(4) the amount of the deficit or surplus in the budget which is appropriate in the light of economic conditions and all other relevant factors is as follows:

Fiscal year 1981: $0;

Fiscal year 1982: +$10,000,000,000;

Fiscal year 1983: +$27,100,000,000;

(5) the appropriate level of the public debt is as follows:

Fiscal year 1981: $927,800,000,000;

Fiscal year 1982: $953,800,000,000;

Fiscal year 1983: $968,700,000,000;

and the amount by which the temporary statutory limit on such debt should be accordingly increased is as follows:

Fiscal year 1981: $32,700,000,000;

Fiscal year 1982: $26,000,000,000;

Fiscal year 1983: $14,900,000,000.

(b) Based on allocations of the appropriate levels of total new budget authority and of total budget outlays as set forth in paragraphs (2) and (3) of the preceding subsection of this resolution, the Congress hereby determines and declares pursuant to section 301(a) of the Congressional Budget Act of 1974 that, for the fiscal years beginning on October 1, 1980, October 1, 1981, and October 1, 1982, the appropriate level of new budget authority and the estimated budget outlays for each major functional category are respectively as follows:

(1) National Defense (050):

Fiscal year 1981:

(A) New budget authority, $173,400,000,000;

(B) Outlays, $155,700,000,000.

Fiscal year 1982:

(A) New budget authority, $204,500,000,000;

(B) Outlays, $183,100,000,000.

Fiscal year 1983:

(A) New budget authority, $233,900,000,000;

(B) Outlays, $208,600,000,000.

(2) International Affairs (150):

Fiscal year 1981:

(A) New budget authority, $23,400,000,000;

(B) Outlays, $9,500,000,000.

Fiscal year 1982:

(A) New budget authority, $14,700,000,000;

(B) Outlays, $9,700,000,000.

Fiscal year 1983:

(A) New budget authority, $13,400,000,000;

(B) Outlays, $9,700,000,000.

(3) General Science, Space, and Technology (250):

Fiscal year 1981:

(A) New budget authority, $6,400,000,000;

(B) Outlays, $6,100,000,000.

Fiscal year 1982:

(A) New budget authority, $6,900,000,000;

(B) Outlays, $6,800,000,000.

Fiscal year 1983:

(A) New budget authority, $7,100,000,000;

(B) Outlays, $7,000,000,000.

(4) Energy (270):

Fiscal year 1981:

(A) New budget authority, $3,800,000,000;

(B) Outlays, $6,800,000,000.

Fiscal year 1982:

(A) New budget authority $6,200,000,000;

(B) Outlays, $8,300,000,000.

Fiscal year 1983:

(A) New budget authority, $8,600,000,000;

(B) Outlays, $8,900,000,000.

(5) Natural Resources and Environment (300):

Fiscal year 1981:

(A) New budget authority, $11,500,000,000;

(B) Outlays, $11,900,000,000.

Fiscal year 1982:

(A) New budget authority, $11,700,000,000;

(B) Outlays, $12,500,000,000.

Fiscal year 1983:

(A) New budget authority, $11,800,000,000;

(B) Outlays, $12,700,000,000.

(6) Agriculture (350):

Fiscal year 1981:

(A) New budget authority, $5,600,000,000;

(B) Outlays, $2,300,000,000.

Fiscal year 1982:

(A) New budget authority $6,600,000,000;

(B) Outlays, $4,500,000,000.

Fiscal year 1983:

(A) New budget authority, $4,500,000,000;

(B) Outlays, $5,200,000,000.

(7) Commerce and Housing Credit (370):

Fiscal year 1981:

(A) New budget authority $5,100,000,000;

(B) Outlays, $200,000,000.

Fiscal year 1982:

(A) New budget authority, $5,900,000,000;

(B) Outlays, $2,700,000,000.

Fiscal year 1983:

(A) New budget authority $6,300,000,000;

(B) Outlays, $2,900,000,000.

(8) Transportation (400):

Fiscal year 1981:

(A) New budget authority, $19,800,000,000;

(B) Outlays, $18,100,000,000.

Fiscal year 1982:

(A) New budget authority, $18,800,000,000;

(B) Outlays, $19,300,000,000.

Fiscal year 1983:

(A) New budget authority, $19,600,000,000;

(B) Outlays, $20,000,100,000.

(9) Community and Regional Development (450):

Fiscal year 1981:

(A) New budget authority, $8,800,000,000;

(B) Outlays, $9,200,000,000.

Fiscal year 1982:

(A) New budget authority, $8,500,000,000;

(B) Outlays, $8,800,000,000.

Fiscal year 1983:

(A) New budget authority, $8,700,000,000;

(B) Outlays, $8,800,000,000.

(10) Education, Training, Employment, and Social Services (500):

Fiscal year 1981:

(A) New budget authority, $29,000,000,000;

(B) Outlays, $28,100,000,000.

Fiscal year 1982:

(A) New budget authority, $30,100,000,000;

(B) Outlays, $28,600,000,000.

Fiscal year 1983:

(A) New budget authority, $30,900,000,000;

(B) Outlays, $30,300,000,000.

(11) Health (550):

Fiscal year 1981:

(A) New budget authority, $70,800,000,000;

(B) Outlays, $61,800,000,000.

Fiscal year 1982:

(A) New budget authority, $82,100,000,000;

(B) Outlays, $70,700,000,000.

Fiscal year 1983:

(A) New budget authority, $92,600,000,000;

(B) Outlays, $70,700,000,000.

(12) Income Security (600):

Fiscal year 1981:

(A) New budget authority, $245,300,000,000;

(B) Outlays, $218,300,000,000.

Fiscal year 1982:

(A) New budget authority, $277,200,000,000;

(B) Outlays, $246,700,000,000.

Fiscal year 1983:

(A) New budget authority, $304,400,000,000;

(B) Outlays, $271,900,000,000.

(13) Veterans Benefits and Services (700):

Fiscal year 1981:

(A) New budget authority, $21,500,000,000;

(B) Outlays, $21,000,000,000.

Fiscal year 1982:

(A) New budget authority, $23,100,000,000;

(B) Outlays, $22,700,000,000.

Fiscal year 1983:

(A) New budget authority, $24,600,000,000;

(B) Outlays, $24,200,000,000.

(14) Administration of Justice (750):

Fiscal year 1981:

(A) New budget authority, $4,200,000,000;

(B) Outlays, $4,600,000,000.

Fiscal year 1982:

(A) New budget authority, $4,400,000,000;

(B) Outlays, $4,500,000,000.

Fiscal year 1983:

(A) New budget authority, $4,600,000,000;

(B) Outlays, $4,700,000,000.

(15) General Government (800):

Fiscal year 1981:

(A) New budget authority, $4,600,000,000;

(B) Outlays, $4,300,000,000.

Fiscal year 1982:

(A) New budget authority, $4,800,000,000;

(B) Outlays, $4,700,000,000.

Fiscal year 1983:

(A) New budget authority, $5,100,000,000;

(B) Outlays, $4,900,000,000.

(16) General Purpose Fiscal Assistance (850):

Fiscal year 1981:

(A) New budget authority, $7,200,000,000;

(B) Outlays, $7,500,000,000.

Fiscal year 1982:

(A) New budget authority, $7,300,000,000;

(B) Outlays, $7,300,000,000.

Fiscal year 1983:

(A) New budget authority, $7,500,000,000;

(B) Outlays, $7,400,000,000.

(17) Interest (900):

Fiscal year 1981:

(A) New budget authority, $72,200,000,000;

(B) Outlays, $72,200,000,000.

Fiscal year 1982:

(A) New budget authority, $74,000,000,000;

(B) Outlays, $74,000,000,000.

Fiscal year 1983:

(A) New budget authority, $77,700,000,000;

(B) Outlays, $77,700,000,000.

(18) Undistributed Offsetting Receipts (950):

Fiscal year 1981:

(A) New budget authority, —$24,700,000,000;

(B) Outlays, —$24,700,000,000.

Fiscal year 1982:

(A) New budget authority, —$27,500,000,000;

(B) Outlays, —$27,500,000,000.

Fiscal year 1983:

(A) New budget authority, —$29,800,000,000;

(B) Outlays, —$29,800,000,000.

REVISIONS TO THE SECOND CONCURRENT RESOLUTION ON THE BUDGET FOR FISCAL YEAR 1980

SEC. 2. Pursuant to section 304 of the Congressional Budget Act of 1974:

(a) Section 1 of S. Con. Res. 53 is revised as follows:

(1) The recommended level of Federal revenues is $528,900,000,000 and the amount by which the aggregate level of Federal revenues should be decreased or increased is $0.

(2) The appropriate level of total new budget authority is $653,700,000.000.

(3) The appropriate level of total budget outlays is $566,400,000,000.

(4) The amount of the deficit in the budget which is appropriate in the light of economic conditions and all other relevant factors is $37,500,000,000.

(5) The appropriate level of the public debt is $895,100,000,000, and the amount by which the temporary statutory llimt on such debt should accordingly be increased is $16,100,000,000.

(b) Section 2 of S. Con. Res. 53 is revised as follows:

(1) National Defense (050):

(A) New budget authority, $143,700,000,000;

(B) Outlays, $134,000,000,000.

(2) International Affairs (150):

(A) New budget authority, $15,200,000,000;

(B) Outlays, $9,900,000,000.

(3) General Science, Space, and Technology (250):

(A) New budget authority, $6,200,000,000;

(B) Outlays, $5,900,000,000.

(4) Energy (270):

(A) New budget authority, $37,900,000,000;

(B) Outlays, $6,500,000,000.

(5) Natural Resources and Environment (300):

(A) New budget authority, $12,200,000,000;

(B) Outlays, $12,900,000,000.

(6) Agriculture (350):

(A) New Budget authority, $5,000,000,000;

(B) Outlays, $5,900,000,000.

(7) Commerce and Housing Credit (370):

(A) New budget authority, $11,700,000,000;

(B) Outlays, $5,900,000,000.

(8) Transportation (400):

(A) New budget authority, $19,700,000,000;

(B) Outlays, $19,500,000,000.

(9) Community and Regional Development (450):

(A) New budget authority, $8,600,000,000;

(B) Outlays, $9,100,000,000.

(10) Education, Training, Employment and Social Services (500):

(A) New budget authority, $29,300,000,000;

(B) Outlays, $29,900,000,000.

(11) Health (550):

(A) New budget authority, $59,800,000,000;

(B) Outlays, $56,500,000,000.

(12) Income Security (600):

(A) New budget authority, $223,000,000,000;

(B) Outlays, $190,000,000,000.

(13) Veterans Benefits and Services (700):

(A) New budget authority, $21,200,000,000;

(B) Outlays, $20,500,000,000.

(14) Administration of Justice (750):

(A) New budget authority, $4,200,000,000;

(B) Outlays, $4,400,000,000.

(15) General Government (800):

(A) New budget authority, $4,500,000,000;

(B) Outlays, $4,400,000,000.

(16) General Purpose Fiscal Assistance (850):

(A) New budget authority, $8,300,000,000;

(B) Outlays, $8,300,000,000.

(17) Interest (900):

(A) New budget authority, $65,500,000,000;

(B) Outlays, $65,500,000,000.

(18) Undistributed Offsetting Receipts (950):

(A) New budget authority, —$22,300,000,000;

(B) Outlays, —$22,300,000,000.

RECONCILIATION

SEC. 3. The Committees on Appropriations shall reduce spending in enacted laws by $4,800,000,000 in budget authority and $2,600,000,000 in outlays for fiscal year 1980 and are instructed to report no later than ten days after Congress completes action on this resolution their recommendations for changes in new budget authority for fiscal year 1980 and budget authority initially provided for prior fiscal years contained in enacted laws, within the jurisdictions of those committees, sufficient to accomplish the reductions required by this section.

SEC. 4. The Senate Committee on Governmental Affairs and the House Committee on Government Operations shall reduce spending for fiscal year 1981 in reported or enacted laws, bills, and resolutions by $500,000,000 in outlays and are instructed to report promptly their recommendations for changes in new budget authority for fiscal year 1981, budget authority initially provided for prior fiscal years, and new spending authority which is to become effective during fiscal year 1981 contained in reported or enacted laws, bills, and resolutions within the jurisdictions of those committees sufficient to accomplish the reduction required by this section.

SEC. 5. The Committees on Armed Services shall reduce spending for fiscal year 1981 in reported or enacted laws, bills, and resolutions by $400,000,000 in budget authority and $400,000,000 in outlays and are instructed to report promptly their recommendations for changes in new budget authority for fiscal year 1981, budget authority initially provided for prior fiscal years and new spending authority which is to become effective during fiscal year 1981 contained in reported or enacted laws, bills, and resolutions within the jurisdictions of those committees sufficient to accomplish the reductions required by this section.

SEC. 6. The Senate Committee on Environment and Public Works and the House Committee on Public Works and Transportation shall reduce spending for fiscal year 1981 in reported or enacted laws, bills, and resolutions by $300,000,000 in budget authority and are instructed to report promptly the recommendations for changes in new budget authority for fiscal year 1981, budget authority initially provided for prior fiscal years, and new spending authority which is to become effective during fiscal year 1981 contained in reported or enacted laws, bills, and resolutions within the jurisdictions of those committees sufficient to accomplish the reduction required by this section.

SEC. 7. The Senate Committee on Labor and Human Resources and the House Committee on Education and Labor shall reduce spending for fiscal year 1981 in reported or enacted laws, bills, and resolutions by $500,000,000 in budget authority and $600,000,000 in outlays and are instructed to report promptly their recommendations for changes in new budget authority for fiscal year 1981, budget authority initially provided for prior fiscal years, and new spending authority which is to become effective during fiscal year 1981 contained in reported or enacted laws, bills, and resolutions within the jurisdictions of those committees sufficient to accomplish the reductions required by this section.

SEC. 8. The Senate Committee on Commerce, Science, and Transportation and the House Committee on Interstate and Foreign Commerce shall reduce spending for fiscal year 1981 in reported or enacted laws, bills, and resolutions by $300,000,000 in budget authority and $200,000,000 in outlays and are instructed to report promptly their recommendations for changes in new budget authority for fiscal year 1981, budget authority initially provided for prior fiscal years, and new spending authority which is to become effective during fiscal year 1981 contained in reported or enacted laws, bills, and resolutions within the jurisdictions of those committees sufficient to accomplish the reductions required by this section.

SEC. 9. The Senate Committee on Agriculture, Nutrition, and Forestry and the House Committee on Agriculture shall reduce spending for fiscal year 1981 in reported or enacted laws, bills, and resolutions by $2,000,000,000 in budget authority and $2,000,000,000 in outlays and are instructed to report promptly their recommendations for changes in new budget authority for fiscal year 1981, budget authority initially provided for prior fiscal years, and new spending authority which is to become effective during fiscal year 1981 contained in reported or enacted laws, bills, and resolutions within the jurisdictions of those committees sufficient to accomplish the reductions required by this section.

SEC. 10. The Committees on Veterans' Affairs shall reduce spending for fiscal year 1981 in reported or enacted laws, bills, and resolutions by $200,000,000 in budget authority and $400,000,000 in outlays and are instructed to report promptly their recommendations for changes in new budget authority for fiscal year 1981, budget authority initially provided for prior fiscal years, and new spending authority which is to become effective during fiscal year 1981 contained in reported or enacted laws, bills, and resolutions within the jurisdictions of those committees sufficient to accomplish the reductions required by this section.

SEC. 11. The Senate Committee on Finance and the House Committee on Ways and Means shall reduce spending for fiscal year 1981 in reported or enacted laws, bills, and resolutions by $2,700,000,000 in budget authority and $4,100,000,000 in outlays and are instructed to report

Mr. ROBERT C. BYRD. Mr. President, if the Senator will yield again, I discussed this request with her and Senator BRADLEY, I ask unanimous consent that there be 30 minutes reduced from the time on the amendment, which would bring it to 1½ hours and, hopefully, it can be reduced more later.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mrs. KASSEBAUM. Mr. President, on behalf of myself and the cosponsors, we wish to expedite this amendment. I think we can, because it is an amendment that speaks very clearly on its own merits.

First, as a member of the Budget Committee, I express my appreciation to the distinguished Senator from South Carolina who has led this budget process so successfully on the floor. In fact, I think he deserves an Oscar for his budget performance.

Mr. President, as a member of the Budget Committee committed to the revenue and spending totals in this resolution, I offer an amendment with several of my colleagues that will not unbalance the budget proposed by the committee.

The amendment, which I am offering for Senators BRADLEY, DURENBERGER and 16 cosponsors, add $.9 billion in budget authority and $.7 billion in outlays for general revenue sharing. To keep the budget in balance and offset this increase, categorical grants to State and local governments will be reduced by a like amount.

The resolution as reported by the Senate Budget Committee includes $4.6 billion in budget authority and $5.2 billion in outlays for general revenue sharing. The committee's recommendation assumes a reduction of the funding level for general revenue sharing by one-third, an amount equivalent to the States' share. This amendment would restore 40 percent of that cut. Thus, the level of funding for general revenue sharing assumed in this amendment is $5.5 billion in budget authority and $5.8 billion in outlays, a level consistent with the second budget resolution for fiscal year 1980 adopted by the Congress in November of last year.

Specifically, this amendment makes a 10-percent reduction in several of the nearly 500 categorical grant programs to State and local governments.

There has been a great deal of talk on the floor about what, specifically, would be cut in these various amendments that have been offered on the floor. I think we can speak specifically to what this amendment would do.

This amendment would not affect three classes of grant programs. First, grants for payments to individuals, which account for 44 percent of the grants, are exempted. These grants include such programs as medicaid, student financial assistance, food stamps, subsidized housing, health services, unemployment trust fund, SSI, AFDC, child nutrition, and refugee assistance.

Second, the more flexible block grants and general purpose fiscal assistance programs, such as community development block grants and title XX social services, would not be cut. Third, categorical grant programs about which the Budget Committee made specific funding assumptions are exempted from the 10 percent cut proposed by this amendment. These programs include elementary and secondary education, EPA construction grants, CETA, federal-aid highways, mass transit, EDA, Head Start, education for the handicapped, vocational and adult education, WIN and human development services (Administration on Aging). These are all programs which already have had cuts assumed under the budget resolution.

What is left? In an effort to make Senators aware of the vast number of grant programs and which programs we have exempted, a chart from the President's Special Analysis of the Budget has been placed at each Senator's desk. This chart portrays the various categorical grant programs and identifies those exempted under this amendment.

The amendment we propose today is not specific in regard to the exact programs that would be reduced, with the exception that reductions are identified in 6 of the 14 budget functions that contain Federal grants-in-aid to State and local governments. In some cases, the level of savings which a 10-percent reduction would yield was too small to affect the budget resolution and so have been omitted from the amendment.

The Budget Committee is not a line item committee; therefore, the purpose of this amendment should be understood as reordering priorities, to express the congressional intent that $5.5 billion be allocated for general revenue sharing with a reduction in categorical grant programs of $.9 billion. As is true of the total resolution, it will eventually be the responsibility of the Appropriations Committee and the various authorizing committees to carry out the intent of the amendment.

For those who may be concerned that function 500—education, training, employment, and social services—appears to bear the brunt of the reduction, a note of explanation is important. First, function 500 has the largest amount of money of all functions for grants to State and local governments (24 percent of the total). The next largest function is income security which is comprised solely of payments to individuals which are exempted in the amendment. That function contains 21 percent of the total amount of grants. Function 550—health—is similarly weighted by medicaid, which is a payment to individuals. In the transportation function, highways and mass transit, which make up 92 percent of that function, have already been affected by specific committee action and so are exempted from this amendment.

These are the only functions with over $10 billion in Federal aid to State and local governments. Second, there are several grant programs in function 500 which this amendment exempts because the committee made an assumption for higher funding. These include elementary and secondary education, education of the handicapped, Head Start, and aging programs. Third, $730 million, or 32 percent of all GRS payments to States, goes to education, with $588, or 26 percent going to social services. In this context, it should be clear that the education function is not being cut disproportionately.

Mr. President, the trade off represented by this amendment is not a new concept. In congressional testimony, representatives of the National Governors Association, the National Conference of State Legislatures, the National League of Cities, and the National Association of Counties have expressed a preference for cuts in categorical grant programs over cuts in general revenue sharing. Representatives SNOWE, CONABLE, and WYDLER have made similar proposals.

I believe that the States have a role to play in the 1980's with respect to providing new and innovative solutions to the problems of their citizens. It seems to me in a time of tight budgets the Federal Government should be trying to get the most for its dollar. General revenue sharing costs only one-tenth of 1 percent to administer at the Federal level.

Mr. President, I yield to a cosponsor of this amendment, the distinguished Senator from New Jersey.

Mr. BRADLEY. Mr. President, I am pleased to speak on behalf of the Kassebaum-Bradley amendment to restore $900 million in budget authority and $700 million in outlays to function 850, general revenue sharing. The amendment would offset this increase, as the distingiushed Senator from Kansas has stated, by reducing certain categorical grants to State and local governments. As Senators know, function 850 is synonymous with general revenue sharing. There are other components, but we are talking about general revenue sharing.

The outcome of our effort will be of great significance to the reauthorization of this valuable program of assistance to State and local governments. As we consider the funding level that will be available for the continuation of general revenue sharing, it is instructive to recall the principal features of the GRS program; decentralized decisionmaking and flexibility.

I believe that a large role should be preserved for State and local governments in making funding decisions and setting program priorities. There are currently over 300 Federal categorical grant programs, each directed at specific kinds of problems. There is no doubt in my mind that these programs are of considerable value and address real needs in the many States and communities of our country. However, at a time when substantial cuts are proposed for aid to State and local government, maximum flexibility must be given these governments to address local priorities. Even if categorical moneys are available to fund State and local priorities, Federal matching requirements may limit a government's possibilities for participation. Although State and local governments may want to make use of community health and mental health center grants, Federal highway moneys, title XX social services funds and a variety of other Federal programs, they may lack the local revenues needed to match Federal funds.

The general revenue sharing program serves as a balance and complement to the Federal decisionmaking role in categorical programs. Its moneys have few conditions and it places the primary responsibility for decisionmaking with the State and local governments which receive GRS funds. It recognizes that governments have different needs and priorities and that the flexible GRS moneys allow them to meet these local-defined needs and priorities, be they water systems in the Southwest or the repair of 100-year-old sewer systems in our older cities of the Northeast.

I believe that the evidence on how general revenue sharing moneys have been spent by the recipient governments supports the GRS premise that decentralized decisionmaking is a worthy objective. A recent survey of State governments presents the following picture of how States have allocated their revenue sharing funds:

Thirty-two percent went to education;

Twenty-six percent went to social services, such as care for the aged and mentally ill, emergency medical services and environmental services;

Fifteen percent went to capital improvements, such as libraries, hospitals, vocational-technical schools and corrections facilities;

Fifteen percent went to cover the cost of retirement benefits for State and local government employees; and

Three percent went for tax rebates and reductions.

As the Senator from Kansas has stated, more than 58 percent went to education and social services.

At the local level, this spending profile would be even more heavily weighted toward human services and capital improvements. It is evident from this accounting that the spending decisions made by State and local officials are focused on the basic services the American people expect of State and local governments: schools, hospitals, day care for the very young, and hot meals and senior centers for the elderly.

Beyond the question of how general revenue sharing moneys are spent by State and local governments, critics have focused on the question of need, the "need" for State revenue sharing funds. Proponents of this argument cite, as we heard Senator BELLMON just a few minutes ago, the fact that some States have budget surpluses while other States have used general revenue sharing payments to fund State tax reductions.

As the Advisory Council on Intergovernmental Relations has pointed out, however, many States do not have budget deficits because their State constitutions prohibit such financing. Due to these restrictions, States are required to keep some cushion against cyclically declining revenues so that mandated expenditures do not force their treasuries into illegal deficit spending.

Financial analysts, such as bond rating services, judge a State's soundness at least in part by the size of its surplus. For a State to have solid surplus, according to Standard and Poor, the surplus must be better than 5 percent of State expenditures.

Most States cannot currently claim such a surplus. In fact, if you eliminate the three States that have almost half of the total surplus that we have heard so much about, the average surplus for the entire rest of the Nation is 3.8 percent of State expenditures.

In others words, the aggregate State surplus is not evenly distributed among States. While the loss of GRS funds could be tolerated by a few surplus States, such as Texas, California, or Alaska, the loss would strain many State budgets beyond their constitutional limits.

However, States would not be the only governments affected by the loss of State general revenue sharing funds. As Treasury Secretary Miller recently testified, State governments pass through an estimated 60 percent of State general revenue sharing funds to local governments. Some States, such as Michigan, are constitutionally unable to reduce local support. In others, as the Treasury-commissioned Peat, Marwick, & Mitchell study indicates, a loss of general revenue-sharing funding could reduce State aid to local governments significantly, not only those general revenue sharing funds now being passed through, but also other State moneys now devoted to local purposes which could be diverted to pay for State operations funded by the State share of general revenue sharing.

The recession now upon us will only increase the pressure on State finances and, consequently on local finances as well. For in times of economic downturn, State governments tend to experience greater revenue loss and greater increases in expenditures than do local governments. As economic conditions worsen, workers are laid off and the States lose revenues from the decline in income taxes and sales taxes paid. State expenditures for unemployment compensation, welfare, and medicaid also increase. Local governments, more dependent on property taxes and having fewer responsibilities for providing services to the unemployed and their families, tend to be less vulnerable to recession than are the States. In light of recent unemployment statistics and other downward turning economic indicators, to eliminate the States from general revenue sharing at this moment would only aggravate the economic problems faced by both State and local governments.

Another criticism which also finds the State share of general revenue sharing as its target is the 1980's demand for fiscal responsibility. I agree with that concern and, in this spirit, our amendment would still represent a very substantial reduction of $1.4 billion, or 20 percent of function 850. We will share the burden around the Federal budget. We will accept some cut in general revenue sharing, but it must be a fair cut.

Furthermore, such a cut represents the projected cuts which State and local governments were put on notice to expect when we adopted the fiscal year 1980 budget last year. The abrupt and massive cuts offered by the Budget Committee this year, if adopted, will throw our State and local governments into disarray.

I believe that the Budget Committee is going after the wrong budget target when it seeks such massive cuts in general revenue sharing, for general revenue sharing is one of the very few Federal programs that has not created a massive Washington bureaucracy, as we have heard time and time again. It is an efficient and cost-effective intergovernmental program which helps State and local governments provide essential services. Indeed, in light of the sizable reductions voted by the Budget Committee in a wide array of programs vital to the health and welfare of our citizens and their communities, retaining flexible general revenue sharing funds has become even more important.

By that I mean if we returned $900 million to the States, and the States find cuts in certain programs, CETA, housing, whatever, too much to at that time take, they can take some of these flexible moneys and spend them on those issues which are perceived locally as being the most important. If they find the 10 percent cut in the categorical programs that our amendment is directed toward too much to take, they can use those flexible dollars to make up that 10 percent cut.

Mr. President, I argue that it is not a coincidence that the National Governors' Association, the National Conference of State Legislatures, the Natonal Association of Counties, and the National Association of Towns and Townships have specifically endorsed this amendment. They believe that the substitution of relatively flexible general revenue-sharing funds for more rigid categorical moneys will allow them to cope better with the dislocations brought by the new realities of reduced Federal funding, compounded by recession.

They have all supported this amendment as being reasonable.

In summary, I remind the Senate that 58 percent of general revenue sharing moneys are used primarily for social services and education. Sixty percent of general revenue sharing moneys are passed through to the local community. The argument of the surplus is really an illusory argument, particularly in a time prior to entering a recession. This amendment is fiscally responsible because we do take a cut in the general revenue sharing budget. The broad support expressed in letters from various governmental entities again recognizes that this amendment is a prudent amendment in a time of depressed Federal expenditure and reflects a greater recognition on the part of all levels of government that public moneys must be spent more efficiently.

I am pleased to join the Senator from Kansas as a cosponsor on this, an original cosponsor, and I urge the Senate to adopt this fiscally responsible and very much needed amendment.

Mr. PERCY. Mr. President, will the Senator yield for a question?

Mr. BRADLEY. I yield.

Mr. PERCY. The Senator from Illinois would like very much to support this amendment and he would like 2 or 3 minutes at some point. I have stepped out of a markup, and I am breaking a quorum, and I may not be able to return. Would it be possible for me to make my remarks, provided it did not interrupt the continuity of the discussion of the distinguished cosponsor of this amendment?

Mr. BRADLEY. Mr. President, I am pleased to yield 3 minutes to the distinguished Senator from Illinois, with the understanding that it will not interrupt my prepared remarks and that I retain my right to the floor upon the conclusion of his remarks.

The PRESIDING OFFICER. The Senator from New Jersey yields 3 minutes to the Senator from Illinois, with the understanding that the remarks of the Senator from Illinois will follow the full remarks of the Senator from New Jersey.

Mr. PERCY. Mr. President, I commend the distinguished Senator from Kansas for this amendment, which she is sponsoring jointly with Senator BRADLEY.

I spoke at length this morning on the subject of revenue sharing, in a colloquy with Senator BAKER. At that time, we went through the whole history of revenue sharing and the record that has been achieved by it.

It would be absolutely devastating to many of the States of this country, on a program in which we have assured them of a longer term authorization, with a fixed part of our program, which was revenue they could count on, when we realized their abiilty to finance many programs through regressive taxation at the local level, such as the property taxes, subject to proposition 13; the ceiling in effect placed on sales taxes; and the tendency now to take sales taxes off food and drugs, and the inability to go above a certain level. This leaves the progressive taxation of the Federal Government as the source of revenue that is desperately needed for the financing of many projects. There is literally no other Federal program that can be pointed to that has the efficiency of Federal sharing. Its administrative costs are low: 300 employees, $300 million. Virtually all the money goes directly to the projects for which it is needed. It strengthens the system of Government.

The Budget Committee has indicated its support for the concept of keeping and preserving local, municipal, and county, but by cutting out State, we have abrogated, in a sense, a commitment we made to our States.

Mr. BELLMON. Mr. President, will the Senator yield?

Mr. PERCY. I am happy to yield.

Mr. BELLMON. Mr. President, I am not sure the Senator was here earlier when we put the figures in the RECORD showing that States in total in fiscal year 1979 had surpluses aggregating $9,987,000,000 and 48 States have cut taxes in the last few years.

What we are doing here apparently is giving Federal revenues to States that, first, do not need it and, second, the States are cutting their own taxes continually.

As the Senator indicated, we wish to reduce the amount of categorical aid programs, but the States have been unwilling to give up the categorical aid programs and the only avenue open to us is to cut the States' share of revenue until those categorical programs are reduced. That is what we are trying to accomplish.

Mr. PERCY. Mr. President, two points in response to that.

It is the understanding of the Senator from Illinois that in the accounting procedure of some of the States, unlike the Federal Government, they can build their structures and buildings outside their operating expenses and budgets; whereas, in the Federal Government all expenditures, capital and otherwise, must go through the budget.

Second, the Senator from Illinois has proposed——

The PRESIDING OFFICER. The time of the Senator from Illinois has expired.

Mr. PERCY. Mr. President, will the Senator yield me 1 additional minute?

Mr. BRADLEY. I yield the Senator 1 additional minute.

The PRESIDING OFFICER. The Senator from Illinois is recognized for 1 additional minute.

Mr. PERCY. Mr. President, the Senator from Illinois has proposed to the Budget Committee that he supports the $24 billion in expenditure reductions and specifically added some $6.5 billion of additional expense cuts and will offer an amendment later this afternoon totaling at least $2 billion of those.

I just simply say this is one of the most fundamentally sound and prudent programs that we have. It would come 100 percent, if this is cut out of State revenue sharing, out of common school funding in the State of Illinois and force the State to raise taxes in other areas.

So, I simply urge support for the pending amendment as very much in not only the interest of the projects that it finances but also the strengthening that it does at the federal system of government and also the contract I thought we had with the 50 States to give them a set level, not increase it materially, but give them something they can really count on.

The PRESIDING OFFICER. The additional time of the Senator has expired.

Mr. PERCY. I thank the distinguished Senator very much for the courtesy in yielding.

Mr. BRADLEY. Mr. President, I thank the distinguished Senator for his contribution to this debate and I appreciate it very much.

Mr. DURENBERGER. Mr. President, will the Senator yield?

Mr. BRADLEY. I would be pleased to yield to the Senator from Minnesota.

The PRESIDING OFFICER (Mr. BAUCUS). The Senator from Minnesota is recognized.

Mr. DURENBERGER. Mr. President, during the past several months I have made clear my firm commitment to general revenue sharing. My advocacy of this program, though, goes back more than a decade. I have been promoting general revenue sharing since its birth in the late 1960's; now that I am in a position to affect its future I have no intention of administering final rites in 1980.

Let me make it clear to my colleagues that general revenue sharing is not just another program of Federal aid to State and local governments. It was created in an era called "new federalism." It was designed by those in this Government who believed in the constitutional guarantees of federalism. It was built on a recognition of the erosion of that system caused by a mounting flow of our citizen's financial resources being drained into the national treasury by a taxing system tied to inflation. The Federal Government has created and perpetuated a tax system that makes general revenue sharing with State, county, and local governments mandatory. General revenue sharing is the price the Federal Government must pay to other jurisdictions as long as it insists on collecting the windfall inflation tax that results from an unindexed tax system.

In March I introduced S. 2414, a bill to reauthorize general revenue sharing for 4 years at its current level of $6.9 billion per year. During the life of this bill, the Federal Government would be called on to share a total of $27.6 billion with other governments.

Mr. President, during the same 4-year span the Federal Government, by conservative estimates, will collect more than $245 billion from individual taxpayers as a result of an unindexed tax system. In other words, S. 2414 asks the Federal Government to share about $1 out of every $10 it will collect from its windfall inflation tax.

That is hardly Federal largess. It is avarice that some would disguise as beneficence. Those who argue against general revenue sharing are playing both ends against the middle. They want to reduce general revenue sharing, while insisting that the Federal Government persist in its collection of the windfall inflation tax.

The Federal Government does not earn the windfall inflation tax and must not be permitted to benefit from it. The Federal Government has created a tax system that makes itself the prime beneficiary of inflation. For each 1-percent rise in the Consumer Price Index, Federal tax receipts rise by approximately 1.5 percent. This process permits the Federal Government to profit from annual increases without the necessity of congressional actions—a paradox in this era of increasing demand for Government accountability. It is, in effect, a 1980 version of taxation without representation.

The inflation windfall makes it increasingly difficult for State and local governments to impose additional taxes to meet their needs. Federal tax collections have more than doubled in the past 4 years, despite the imposition of no new taxes and, in fact, a tax cut in 1978. While many State and local governments have acted responsibly and reduced the tax burden through tax cuts or indexing, the Federal Government has allowed inflation to pour an additional $300 billion into its coffers since 1976.

Now, those responsible actions are coming back to haunt State and local governments. Most States are operating in the black and some have been fortunate enough to run a surplus. A few States have even been able to cut taxes.

We in the Federal Government should be praising these efforts. We should be following the example of fiscal responsibility. We should be heeding the message that is coming from our constituents through their representatives in State and local governments.

Instead, the mood of some of my distinguished colleagues toward State and local governments is to acknowledge this responsiveness by slashing general revenue sharing. In 1979 the opposition to GRS took the form of congressional reaction to resolutions passed by 30 States calling for a constitutional convention to balance the Federal budget. This year, the message that came from those resolutions got through to every Member of Congress as clearly as proposition 13 made misers out of Jerry Brown anl the California Legislature.

Now, some in Congress want to cut general revenue sharing, killing the messenger that brings the bad news that we must balance the Federal budget, instead of rewarding him.

Mr. President, the State surplus issue is a strawman. Only 15 States have a surplus and all but two are major energy- or food-producing States. And, surpluses of the future will be concentrated in a handful of energy-producing States. Cuts in general revenue sharing on the basis of State surpluses is asking the vast majority of States to pay for nature's kindness to a few States fortunate enough to have energy resources who in this and coming years will benefit from the failures of past national energy policies.

In March, I addressed the National League of Cities. In that speech, I laid out my arguments for general revenue sharing, including my rebuttal of the State surplus issue. I ask unanimous consent that my speech be printed in today's RECORD.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

SPEECH BY SENATOR DAVE DURENBERGER

Thank you.

I want to make it clear from the beginning of my speech that I support a full reauthorization of general revenue sharing and I am committed to a balanced federal budget. I know the people here today will understand that those goals are not contradictory; in fact, they compliment one another.

General revenue sharing is one of the most effective and efficient federal programs. It returns a fair share of the taxpayers' dollars to the people who can use it most wisely—those of you in local government. Compared to categorical grant programs which return 69 cents a dollar in services, GRS returns 99 cents.

I've been around revenue sharing since its birth in the late 60s and early 70s in the National Governors Association. I have no intention of administering final rites in 1980.

I will not stand idly by while the Administration dismantles this program in the name of fiscal prudence. The President was right Friday when he called for discipline. But, that discipline must start in the White House. It must start with belt-tightening that is productive; not belt-tightening that will choke state and local government.

In the past few weeks, Jessie Rattley, your president, has delivered the same message to two Senate subcommittees that I am delivering to you today: Reenactment of general revenue sharing must be among our top legislative priorities.

In January, it seemed that we had a powerful ally in President Carter. After nearly four years of complaining about the program, especially the inclusion of the States, President Carter sent to Congress a budget that called for re-enactment of the program at the current level of funding. But like he's done for 3½ years, the President immediately shifted gears. Days passed, then weeks, and none of us in the Congress saw the Administration's proposal in bill form.

From the beginning, this Administration has vacillated on its position regarding the future of the program. For well over a year, specialists have been at work in the Treasury Department conaucting research on the impact of the revenue sharing program and developing options for its future. So far, we have seen studies on the fiscal impact of revenue sharing, on the distributional impact of revenue participation requirements. We have seen studies dealing with formula allocation issues. But we have seen no bill. So, last Wednesday I introduced my own bill, S. 2414, to re-authorize general Revenue sharing for four years.

Finally, after months of waiting, we know where the President stands. His proposal is to eliminate general revenue sharing to the states.

I know the argument he will use, because I've heard it so many times before: Why should the federal government share its money with the states when so many states are running surpluses and cutting taxes?

According to the National Governors' Association, this year only 15 states have a surplus, and all but two are major energy or food producing states. The surpluses of the future will be concentrated in a few energy-producing states.

Four states—Texas, Alaska, California and Louisiana—will collect $104 billion in the next decade from increased income taxes, severance taxes and royalty payments as a result of oil price decontrol. With a 12 percent severance tax, Louisiana finances 20 percent of its budget from oil payments. As we switch from oil to coal, Montana with a 30 percent severance tax will finance a large share of its government at our expense. To point to another, better, example, the State of Alaska, which right now has a budget surplus of $1 billion, expects a surplus of $28.5 billion by the end of the decade. A recent Associated Press story reported that contests are being conducted in Alaska to determine how that surplus should be spent. And, because of the "tax effect" formula in the present GRS program, the 42 non-oil producing states will receive proportionately less of whatever revenue sharing there is.

Most energy poor states are hard pressed to meet their obligations, and are confronted with the difficult task of stemming an out-migration of people, businesses, and with them, the tax base. These states need relief from federal income tax and state energy tax-induced fiscal disparaties in the form of General Revenue Sharing.

The state surplus issue is a strawman. It is being used by members of the Administration and Congress as an excuse to cut revenue sharing. Even those who have only superficial knowledge of state government are aware that all but two states, Connecticut and Vermont, are prohibited by their constitutions from having budget deficits. Most states limit borrowing authority, so if there is a revenue shortfall, or over-expenditure, the options for making up the difference are limited. To be prudent and constitutional, states must budget a surplus. The significant issue, as I just mentioned, is the size of that surplus relative to the total operating budget.

With a few exceptions, and again I mean the energy-rich states, the so-called "wealthy" states cannot be expected to retain their surpluses. The National Association of State Budget Officers reported that the total state revenues grew by 8.8 percent between fiscal 1978 and fiscal 1979, but expenditures increased by 14 percent. As a result, state unobligated balances declined from $8.9 billion at the end of fiscal 1978, to $4.3 billion at the end of fiscal 1979. State balances now are at their lowest level of recent years.

The state revenue decline is directly attributable to two factors: tax relief and the expectation of a recession. States have been forced to give tax relief in the face of citizen pressures. People are angry, and rightfully so, that the federal government takes such a large portion of their income; then the state takes another chunk, and finally, the city raises the taxes on their houses, and the county takes another portion of the little bit of income that is left. Citizens began to apply pressure where they knew they could get results—at the city, county, and state levels.

Thus, we have Proposition 13 proposals and their equivalents in a number of states and local governments throughout the country. This induces some good examples of tax reform, but all at the state and local level. Twenty-nine states now partially shield home owners from property tax overloads through state-financed circuit breakers. More than half of the state sales taxes now exempt food and drug sales, or grant income tax credits equivalent to the amount spent for these items.

Another healthy result of the Proposition 13 mood is the indexing of inflation out of state income taxes. Colorado, Arizona and California adopted indexing proposals last year. My own state of Minnesota now indexes inflation and politics out of our state income taxes, depsite the fact that over 80% of state revenues are returned to the local government. Some people in Congress and in the Administration call these actions irresponsible tax cuts. They are especially irritated when the governors of the states that have enacted reforms and the mayors, continue to come to Washington for financial help.

The Administration and some of my congressional colleagues often seem to forget one important point—the federal taxpayer is the same guy who digs into his or her pocket to keep the states, counties and cities running. There is only one pocket, and to the person who keeps digging into it, it doesn't much matter where the money is going.

Cutbacks in revenue sharing, without a corresponding federal tax cut, means simply that local government is forced to turn to that same taxpayer and ask him to put his hand in his pocket one more time . . . and today that pocket contains at best borrowed money. So you are being made inflations culprit by a president and a congress which refuses to balance the budget, refuses to index inflation out of its tax system, refuses to reduce its own spending while cutting all discretionary funds to you.

Opponents also refuse to recognize that we are entitled to revenue sharing funds. The $6.9 billion allocated for revenue sharing is part of the unearned windfall the federal government is taking through the inflationary income tax. The federal government needs to do exactly what some of you have done—it needs to index inflation out of the income tax structure.

Despite no new taxes and a 1978 tax cut, the federal tax take has risen from the last year of the Ford Administration to Carter's fiscal 1981 projection by 105%—from $300 billion to $613 billion.

In fiscal 1981, the federal government will collect at least $33 billion in undeserved tax revenues from individuals because of inflation's impact. As long as the federal government continues to collect its inflation windfall, and thus makes it difficult for state and local governments to impose additional taxes to meet state and local needs, the federal government has an obligation to give some of these funds back, with no strings attached. The federal government does not earn the inflation windfall and should not be permitted to benefit from it at the expense of state and local governments. I have introduced S. 1974, a bill that would remove inflation from the federal income tax, capital gains tax and depreciation. This legislation would correct the 67-year-old windfall profit tax which the federal government has imposed on the people of this country. It would follow the example set by the states that have already indexed their income taxes.

Another fundamental tenet of our system of government which Administration policy makers fail to recognize is the relationship between States and their localities. I'm not sure these people have read the constitution lately, or have reviewed the history of our governmental system. If they had, they would realize that the cities, counties and other local governments are creatures of the State—created by the state, responsible to the state, and funded by the state.

The fiscal interdependence of the states and their local governments is well documented. In Minnesota more than 80 percent of state taxes are returned to local government. At least 40 percent of the States' share of GRS funds are passed directly through by the states. Where the money is not given to cities, counties and townships, it still has a direct impact—it funds services that local governments need—schools, teacher retirement funds, medical assistance, community mental health. . . . What will happen if the state loses its GRS funds? The effect on local governments and local taxpayers could be devastating. As the National League of Cities research shows, services would be cut; taxes would be increased.

So those who would cut the state share simply close their eyes to the reality of state-local fiscal relationships. Eliminating the states' share would directly affect local governments:

In Tennessee, it would mean that the state would not have the ability to fund local schools at the current rate of 25 percent.

In Oregon, it would mean a reduction in the $1.6 billion of state aid to local governments to support mental health, drug abuse prevention and other programs.

In Connecticut, it would mean a reduction in the $570 million of state aid for local programs of tax abatement, aid to the elderly, and aid to cities.

I could continue this enumeration for each state.

Inflation has eroded 40 percent of the purchasing power of the GRS dollar over the last eight years. To have maintained the purchasing of the $6.1 billion outlay for revenue sharing in FY 1974, the program would have to provide a little more than $10 billion this fiscal year. If the program is reauthorized at the constant dollar level of $6.9 billion, the value of revenue sharing would drop sometime in FY 1981 to half the real value of the program in FY 1974. And the decline of the real value will continue.

I expect the President's new lower spending figures to be well-received by the Congress. Congress is in a budget-cutting mood. But we must trim the budget in a rational manner. We must make wise decisions about spending, not panic decisions based on the mood of the moment. And we must take steps toward long-range fiscal responsibility at the federal level.

And, we must recognize where taxpayer and citizen confidence in government decision-making is the highest and where it is the lowest. In a recent "Minnesota Poll" published in the Minneapolis Tribune 31 percent of the respondents said they had most faith in state government, 28 percent in local government and only 19 percent in the federal government.

When the question was reversed, 49 percent—almost half—of the people said they had the least faith in the federal government. Only 21 percent and 10 percent said they had the least faith in local and state government respectively.

The reason that local government ranks ahead of state is the property tax, and the reason the property tax hurts is the drain on the taxpayers of federal income tax.

The intergovernental system was severely damaged in the 1960's and 1970's. During those two decades, federal grant programs expanded, finally reaching nearly 500 in number. The amount of federal money going to states and cities and other local governments reached a high of $89 billion last year. Federal funds now represent 38 percent of local government revenues.

The fact of federal funding is not bad, but with the money came the obligations, and the centralization of power in Washington. With every dollar came directions. Your priorities took the back seat to programs that could be financed by federal grants. No one designed this scheme—it just happened as the inflated federal income tax crowded local government out of the taxpayers' pocketbook.

Your board on Saturday made some good recommendations on what features of block and categorical grant programs should be eliminated or delayed.

Ironically, the 1970's ushered in reforms under the heading of the New Federalism. The GRS was the cornerstone of the new order. But the New Federalism didn't breed block grants and expanded GRS. Instead Congress bred 150 new categorical programs—with new requirements, new administrative costs to you and the nation's taxpayers, and a new set of priorities. The activities of the 70's and the expansion of federal allocations for grant programs make LBJ look like a skinflint. When he left office, the total federal aid to states and cities was a mere $20 billion. The Carter budget submitted in January calls for outlays of $96.3 billion. In all fairness, the President did limit the real growth of federal aid. But limiting expenditures does not address the problem. The problem is an archaic mosaic of 492 grant programs that have taken on a life of their own. The system must be changed.

Let's get off the kick of stopping spending and get on the theme of spending wisely. Let's get off the kick of having the federal government make all our decisions, and let's let private and corporate citizens and local government join the decision-making process.

I want to close with just a few more comments on the president's revised budget. A balanced budget is absolutely vital this year, not because it will be a quick fix or an immediate cure to inflation, but because it sends a signal that the Administration and the Congress are serious about licking inflation.

The President has given us a starting point, just as he has done three or four times in the past. It's important to remember that his budget is only a starting point. His job isn't to say, "I'm right, you're wrong." His job is to forge a consensus and to keep Congress' feet to the fire on the economy.

His job is to make sure the job gets done. Working together, we can insure that he gets it done the responsible way!

Thank you.

Mr. DURENBERGER. General revenue sharing is not a bonanza for State and local governments. It is not money used to make local politicians look good, it is money necessary for vital programs. Without general revenue sharing, State and local governments would be forced to look elsewhere for funds.

There is only one place to look: The taxpayer. And let me remind my colleagues that the Federal taxpayer is the same guy who digs into his or her pocket to keep the States, counties, and cities running. There is only one pocket to the person who keeps digging in it.

Cutting the State's share of general revenue sharing and claiming it will not hurt the overall program is like removing two wheels from a car and saying it can still run because it has two more. At least 40 percent of the States' share of GRS funds is passed directly through by the States to counties and cities.

Columnist William Raspberry provided a striking example of the disastrous effects of eliminating the States' share of GRS. He quotes Grey Humphrey, director of legislation for the American Federation of Teachers, who says:

> Wisconsin and Montana use all their revenue sharing funds for State equalization—to boost the poorer school districts. Ohio uses 75 percent of its revenue sharing for education. Pennsylvania uses half its revenue sharing for education of the handicapped.

Mr. President, that is only the tip of the iceberg. I ask unanimous consent that Mr. Raspberry's column be printed in today's Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Now Who Shouts for Education?

When President-elect Jimmy Carter was touting his proposed Department of Education, he said its purpose was to provide "a stronger voice for education at the federal level."

Well, after a tough fight, President Carter and the National Education Association (the chief supporter of the idea) have their new department. But instead of the promised "stronger voice," we've got an epidemic of laryngitis.

The new budget proposals will reduce federal outlays on education by an estimated $1.6 billion. And who is crying bloody murder?

Not Jimmy Carter, who proposed some of the cuts himself. Not Education Secretary Shirley Hufstedler, who can't quite bring herself to admit that the damage has been done. Not the NEA, which takes the attitude that Carter and his new cabinet agency have done about the best they could "in the present environment."

Most of the shrieks, the demands for restoration, are coming from people who doubted the usefulness of the department's "stronger voice" in the first place, including NEA's rival American Federation of Teachers.

There is some question over the amount of damage the new budget proposal does to education. Hufstedler, for instance, looks at the dollars specifically earmarked for her department and claims that, far from a slashing, she has a modest increase. Not so much as to leave the department whole in the face of double-digit inflation, of course, but not so bad, either.

The AFT figures in other budget cuts, outside the new department, that directly affect education outlays and pronounces disaster.

Carter's first fiscal year 1980 budget called for a cut of some $390 million in education funds. But a March revision took into account the fact that some $268 million would be needed to pay the rising interest cost of the Guaranteed Student Loan Program, in effect reducing education funding by that amount. The Carter budget also includes $900 million for the new Youth Initiative Program—but that money cannot be appropriated until the program is enacted.

What those who see only a modest cut fail to note is that the Carter budget also takes a huge hunk out of general revenue-sharing money, well over a third of which was being used by the states for education. Indeed, 13 states use all their revenue-sharing money for education.

"Take into account the direct and indirect cuts to education and add the effects of inflation, and it looks like short rations," observes Charles Lee, executive director of the Washington-based Committee for Full Funding of Education Programs.

Grey Humphrey, director of legislation for the AFT, echoes the view.

"The direct cuts to education programs are bad enough," he says, "but it's worse than that. Wisconsin and Montana use all their revenue-sharing funds for state equalization—to boost the poorer school districts. Ohio uses 75 percent of its revenue-sharing for education. Pennsylvania uses half its revenue-sharing for education of the handicapped."

Humphrey points to the District of Columbia as an illustration of what the new budget cuts mean.

The city will lose $275,000 in vocational education money in each of the next two years; $97,000 in guidance and testing money; $91,000 in school lunches; $4.3 million in impact and (mostly for youngsters from public housing); and $930,000 in Basic Education Opportunity Grants (BEOGs).

Nationally, says Humphrey, the budget calls for $3 billion in cuts that affect educational programs and $1.4 billion in new outlays for a net cut of $1.6 billion.

Terry Herndon, executive director of the NEA, says his organization "would have preferred a more liberal proposal" from the President but accepts the "pragmatic recognition that this is the best that is possible given the environment Carter faces on Capitol Hill."

But then Herndon is in a rather awkward situation. The new Education Department was Carter's fulfillment of a promise he made to the NEA, and it won him NEA endorsement for re-election.

Having cut the deal, the NEA can't bring itself to criticize Carter for the present budget disaster. Nor, of course, can Hufstedler, who, after all, is the newest member of the Carter team.

As a result, that "stronger voice for education" has been muted to a whisper just when a few well-placed screams might do the most good.

Mr. DURENBERGER. If we eliminate general revenue sharing with the States, we are marking the end of programs for the elderly, health care and health education programs, programs for the mentally and physically handicapped and other programs that I, for one, do not want to see ended because they are uniquely local—not Federal.

Time and again, we have heard that the fiscal 1981 budget will be a contest between guns and butter—defense spending versus social spending. Mr. President, if that is the case then I offer general revenue sharing as the first test. Those who say we cannot turn our backs on social programs cannot turn their backs on general revenue sharing with the States.

Mr. President, I support full reauthorization of general revenue sharing. I have made that clear in my introduction of S. 2414. I am supporting the amendment now before us because I recognize the absolute need for a balanced Federal budget. I agree with Tennessee Gov. Lamar Alexander who told the Senate Subcommittee on Revenue Sharing in March he would prefer a $73 million cut in categorical grants over a $43 million cut in general revenue sharing for his State.

It has been estimated that categorical grants return only 69 cents out of every dollar in the form of services to the public. General revenue sharing returns 99 cents out of each dollar. If our goal is to spend tax dollars wisely, there is little question over the prudent course.

Most budget reductions are painful. However, the Kassebaum amendment will not affect payments to individuals. Block grants and general purpose fiscal assistance grants, such as the community development block grants, are not affected. Programs which the Budget Committee has already recommended be trimmed will not be further cut by this amendment.

The Kassebaum amendment merely reduces spending for the remaining categorical programs in all functional areas by 10 percent. The cuts may sting, but they will not kill. This approach will allow States to maintain their flexibility. And, it will assure the continuation of those programs that are most important to the public that is served by all governments.

And I am grateful to the Senator from Kansas and the Senator from New Jersey for this leadership on this issue.

Mrs. KASSEBAUM. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator from Kansas has 10 minutes and 16 seconds remaining.

Mr. DANFORTH. Mr. President, will the Senator yield?

Mr. SASSER. Mr. President, will the Senator yield?

Mrs. KASSEBAUM. Mr. President, first, I yield to the Senator from Missouri and then I will yield to the Senator from Tennessee.

Mr. DANFORTH. Mr. President, first, I would like to commend the Senator from Kansas and the Senator from New Jersey for their fine leadership on this very important issue. I know it has been a very time-consuming endeavor on their part and I think it is an endeavor that is about ready to yield fruit in saving the States' share of revenue sharing.

There basically are two arguments for this amendment: One is an argument of philosophy and the other is an argument of necessity.

The argument of philosophy is a question of where decisions should be made in Government. It is common knowledge that with Federal grants strings usually are attached. And that has been the case with categorical grants since the dawn of categorical grant programs. All kinds of conditions are placed on the spending of categorical grant funds.

Revenue sharing was designed to be a different form of Federal grant. Revenue sharing was designated to be a method by which Federal funds could be transferred to State and local governments without all the decisions being made as to the expenditure of those funds in Washington and, therefore, for those who believe that all decisions should not be made in Washington but there should be a role for State governments and for local governments in determining their own affairs, revenue sharing has really been the answer. And that is the philosophical basis for this amendment.

The argument of necessity is that the amounts by which revenue sharing would be reduced, should the Budget Committee's recommendations be carried out into the budget resolution, is the amount of the States' share of revenue sharing.

Indeed, it is the recommendation of the Budget Committee that the States' share of revenue sharing be deleted. If that is the case, then the very fragile coalition that has maintained support for revenue sharing as a concept would be destroyed. Revenue sharing has depended for its survival on a coalition of support made up of both State government and local governments. Therefore, to jeopardize the future of the States' share jeopardizes also the future of the local share.

Finally, Mr. President, in very short order, it appears to the Senator from Missouri that the question of surplus in State government is beside the point. Most of this surplus is located in a handful of States, particularly those that have rich mineral deposits.

I think one of the growing concerns in this country and one of the great coming issues is the plight of local governments and State governments that are not so blessed with rich deposits of minerals. For that reason, I think the time is coming where the States' share of revenue sharing is going to be even more important than it has been in the past.

Mrs. KASSEBAUM. Mr. President, I yield 2 minutes to my colleague from Tennessee.

Mr. SASSER. I thank the Senator from Kansas.

Mr. President, I rise today to support the Bradley-Kassebaum-Durenberger amendment to the fiscal year 1981 first concurrent budget resolution. This amendment restores $900 million in budget authority and $700 million in outlays to function 850.

This amendment has wide bipartisan cosponsorship and retains the involvement of the States in the general revenue sharing program.

I might emphasize that this amendment is not a budget buster. It does not require a levy of new taxes. Instead, it makes prudent cuts in other functions which contain categorical grants to State and local governments which are equal to the amount of the funds restored to function 850.

This amendment reflects the policy which the Senate adopted in the second concurrent budget resolution last year.

A great deal has been said over the last several months about the continued need to provide general revenue sharing funds to the States. Some contend that the States on the whole are in much better fiscal shape than the Federal Government. This is true. The 50 States showed an unobligated general fund balance of $9.9 billion at the end of fiscal year 1979. But this national figure is somewhat misleading, since 68 percent of the unobligated balance was located in the coffers of only 11 States, some of which are the mineral rich States to which the distinguished Senator from Missouri alluded a moment ago.

Many of the remaining States showed minimal unobligated balances. In 1980, State governments are projected to run an aggregate surplus of about $7.5 billion. However, many States will be in deficit if their general revenue sharing payments are totally eliminated. Eighteen States, including Tennessee, Michigan, New York, Utah, and South Dakota are projected to run a deficit in 1980 if they lose all of their State revenue sharing payments.

Mr. President, I ask unanimous consent that a table relating to these 18 States be printed in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

States whose budgets (fiscal year 1980) would be thrown into deficit in the absence of State general revenue sharing payments

[In millions]

	1980 projected balance[1]	Entitlement period 11 GRS payment[2]
Alabama	0	$35.6
Arkansas	0	22.9
Connecticut	$0.3	28.5
Kentucky	23.5	36.6
Massachusetts	19.7	71.3
Michigan	0	98.0
Mississippi	13.7	31.6
Montana	20.1	9.0
New Mexico	9.9	13.3
New York	10.3	248.3
North Carolina	28.7	56.0
Oregon	1.8	14.0
South Carolina	5.4	30.0
South Dakota	5.6	7.6
Tennessee	9.0	44.0
Utah	0	14.0
Vermont	1.7	20.0
West Virginia	13.0	7.0

[1] National Governors' Association Center for Policy Research and National Association of State Budget Offices, *Fiscal Survey of the States* 1979–1980, Table A–1, p. 12.

[2] Department of the Treasury, Office of Revenue Sharing, *General Revenue Sharing Eleventh Period Entitlements*.

Mr. SASSER. Furthermore, the Department of Commerce estimates that State and local governments combined will run a deficit of $10 billion in calendar 1980 after having run modest surpluses in 1976, 1977, and 1978. Clearly, State and local revenues are on the verge of a downturn, and they will be hurt by total elimination of the State share of revenue sharing.

Now I do not argue that the general revenue sharing program should be immune from budgetary scrutiny as we strive to balance the budget. Even if this amendment should pass, the overall general revenue sharing will sustain a 20 percent cut of current funding levels in 1980.

But this amendment provides that the general revenue sharing funding will be partially restored by making cuts in other narrow, categorical grants.

The Budget Committee's recommendations already include cuts in other areas—like highway assistance and aid to education—that hit hard at State treasuries. Why not let the States retain a portion of the Federal funds which provide them with the greatest flexibility, that is, general revenue sharing. In this way, they can replenish, according to their own priorities, the fiscal cuts in other program areas.

Over the course of the last year, as the renewal of general revenue sharing approached, State and local public interest groups testified before my Intergovernmental Relations Subcommittee and elsewhere that they would prefer to have categorical grant funding trimmed rather than lose general revenue sharing. Yet, most were hard pressed to develop a list of programs upon which their various constituencies could agree. This amendment specifies just such a list. It spreads the fiscal sacrifice to virtually all parts of our Federal aid system in order to prevent total elimination of State revenue sharing. This is a balanced compromise worthy of strong bipartisan support.

Finally, many in the Congress who advocate outright elimination of the State share of general revenue sharing believe that local governments will not be hurt by such a cut. Nothing could be further from the truth. Consider these facts.

While the President is advocating elimination of the State share of general revenue sharing, he is also advocating a $500 million program to aid local governments hurt by the loss of revenue sharing.

In testimony before my subcommittee, the Department of Treasury estimated that at least 40 percent and perhaps as much as 60 percent of all State general revenue sharing payments actually "flow through" to local governments. A Peat, Marwick, & Mitchell study done for the Office of Revenue Sharing indicates that many States might reduce their aid budgets to local governments once State general revenue sharing was eliminated.

According to the Office of Revenue Sharing, many States pledge all of their revenue sharing for local government aid programs. Ten States use the money for their local school aid systems including Florida, Illinois, Utah, and South Dakota. Eight other States use all their funds to fund teacher and State employee retirement systems including Delaware, Tennessee, and South Carolina.

Mr. President, I ask unanimous consent that a table relating to these States be printed in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

States which allocate all their general revenue sharing share to either local school aid or teacher and employee retirement systems.[1]

LOCAL SCHOOL AID	RETIREMENT SYSTEMS
Florida	Delaware
Illinois	Georgia
Montana	Indiana
Nevada	Maine
Oklahoma	Maryland
Oregon	South Carolina
South Dakota	Tennessee
Utah	Washington
Virginia	
Wisconsin	

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[1] U.S. Bureau of the Census, *Survey of Federal General Revenue Sharing and Anti-Recession Fiscal Assistance Expenditures* (State Governments) (For State fiscal year 1978).

National Governors' Association, "How the States Use General Revenue Sharing Funds," April 27, 1979.

Mr. SASSER. General revenue sharing has an impact on local government. Complete elimination of the States in revenue sharing would dramatically affect local government finances.

In conclusion, Mr. President, I would strongly urge the Senate to adopt the Bradley-Kassebaum-Durenburger amendment to restore funds into function 850—general purpose fiscal assistance. In this way, we can provide the States with the flexibility, through the general revenue sharing program, to cushion the loss of funds in other areas, according to their own priorities. This restoration will also moderate the impact on local governments of the loss of State pass through funds. This amendment is a balanced one. It will help us to aid States like my own State of Tennessee, which recently cut its budget by some $60 million. Finally, it will keep us from making State governments the whipping boys for our efforts here in Washington to balance the Federal budget.

Thank you, Mr. President.

The PRESIDING OFFICER. Who yields time?

Mr. PROXMIRE. Mr. President, will the Senator from South Carolina yield?

Mr. HOLLINGS. Mr. President, I yield to my friend, the Senator from Wisconsin.

Mr. PROXMIRE. Mr. President, I rise in opposition to this amendment. It is an amendment which I know is very attractive to Governors; that is, their No. 1 priority is revenue sharing. Of course, who can blame them? Anybody would like to get millions of dollars from the Federal Treasury without accountability.

Mr. President, let me give the example of my own State, which is about as typical as you can get with close to the national average per capita income, 2 percent of the population, 2 percent of the Nation's area—one-fiftieth of America. In the last year, the Wisconsin State Legisature adopted a tax reduction of $900 million—$900 million over a 3-year period. That is 17 years of revenue sharing, 17 years of State revenue sharing. As Wisconsin taxpayers, we loved it.

Mr. President, obviously, the State of Wisconsin and many other States need revenue less than the Federal Government does. Here in the Federal Government we have been running deficits year after year after year, 17 out of the last 18 years.

Mr. President, not long ago the League of Women Voters made a study of revenue sharing, a 2-year study. What they found was a real eye opener to me. That study indicated that a large proportion, about 40 percent, of the State legislators, the press that covers the State legislatures, and the Governors did not know where revenue-sharing money went. They could not account for it. It was unaccountable. They could not explain. They did not know. It was put-the-money on-the-stump-and-run money.

Mr. President, the worst kind of public spending is spending that is not accountable. Of course, a Governor or a mayor would love to get that revenue sharing. It is marvelous. It means you can tell your taxpayers: "Sure, we may have spent it on a golf course near my house, but don't worry about it. It is not your money. It is Uncle Sam's money."

I am sure that, in many cases, the least justifiable expenditures by States and within States is revenue-sharing money, simply because State legislators and Governors do not have to account to their taxpayers for that kind of spending.

Mr. President, the advocates of this amendment have said revenue sharing is the best kind of a program because the administrative costs are so low. Of course, the administrative costs are small. The administration is done within the State.

Now, the naive argument that, because the Federal Government's administrative costs are not great, there are not great administrative costs is ridiculous.

If there is any accounting in this expenditure, of course it will require administration by the State government and by the local governments. You do not abolish administration by simply having someone else spend it. Clearly, that argument just does not stand up.

Mr. President, finally, I might point out that all the arguments here that I have heard—and I have listened patiently—have been arguments that we do not cut this, we do not cut that, we exempt this, and we exempt that. But we do not say what is reduced.

I hope that the advocates of this amendment would specify precisely what programs are cut. It is my understanding that the Budget Committee did a very vigorous job of reducing spending, a job that was protested vehemently by many members of the committee and by other Senators who were not on the committee.

Now we are told that they are going to make a further cut of several hundred million dollars in these categorical programs. I think that we should be told what programs are going to be reduced. We know what are not going to be reduced. We should be told what are going to be cut. That has not been explained to us. I challenge those who support this amendment to specify by dollars and cents where those cuts are going to be.

Mr. HOLLINGS. I thank my colleague from Wisconsin for his comments.

One more time, I ask unanimous consent that a table from the Fiscal Survey of the States, dated March 1980, entitled "State General Operating Fund Expenditures and Balances," be printed in the RECORD at this point. This was prepared by the National Governors' Association and National Association of State Budget Officers.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

STATE GENERAL OPERATING FUND RESOURCES, EXPENDITURES AND BALANCES, FISCAL YEAR 1979

[Dollar amounts in millions]

	1979 resources (including 1978 balances forward)	1979 actual expenditures	1979 actual balances	1979 actual operating balance as percentage of 1979 expenditures (percent)
Alabama	$1,468.5	$1,447.9	$20.5	1.4
Alaska	1,767.3	1,098.9	668.4	60.8
Arizona	1,185.2	1,068.0	117.1	11.0
Arkansas	777.1	777.1	0	0
California	18,880.0	16,199.9	2,680.1	16.5
Colorado	1,279.0	1,111.0	168.0	15.1
Connecticut	2,223.2	2,222.2	1.0	.04
Delaware	594.2	545.8	48.4	8.9
Florida	3,355.3	3,122.8	232.5	7.9
Georgia	2,867.1	2,759.2	107.9	3.9
Hawaii	957.1	890.2	66.9	7.5
Idaho	326.4	316.3	10.1	3.2
Illinois	7,142.0	6,752.0	390.0	5.8
Indiana	2,109.3	1,776.6	332.7	18.7
Iowa	1,655.5	1,564.8	90.7	5.8
Kansas	1,162.7	966.7	196.0	20.3
Kentucky	1,805.0	1,725.0	80.0	4.6
Louisiana	3,099.1	2,692.1	407.0	15.1
Maine	511.3	484.9	26.4	5.5
Maryland	2,628.0	2,309.0	319.0	13.8
Massachusetts	3,736.7	3,540.1	196.6	5.6
Michigan	4,377.8	4,347.7	30.1	.7
Minnesota	3,583.8	3,325.1	258.7	7.8
Mississippi	959.2	887.5	71.6	8.1
Missouri	1,858.9	1,542.4	316.5	20.5
Montana	267.6	239.0	28.6	12.0
Nebraska	586.4	524.0	62.4	11.9
Nevada	420.3	332.1	88.2	26.6
New Hampshire	245.3	216.7	28.6	13.2
New Jersey	4,653.0	4,435.0	218.0	4.9
New Mexico	754.6	709.2	45.4	6.4
New York	11,941.6	11,931.4	10.2	.1
North Carolina	2,671.9	2,484.3	187.6	7.6
North Dakota	447.1	298.5	148.6	49.8
Ohio	4,237.0	3,879.7	357.3	9.2
Oklahoma	834.4	736.0	98.4	13.4
Oregon	1,214.3	1,075.7	138.6	12.9
Pennsylvania	5,891.6	5,861.1	30.5	.5
Rhode Island	647.7	605.8	41.9	6.9
South Carolina	1,415.3	1,401.9	13.4	1.0
South Dakota	205.1	194.2	10.9	5.6
Tennessee	2,338.0	2,330.0	8.0	0.3
Texas	4,092.4	3,471.6	620.8	17.9
Utah	643.2	627.7	15.5	2.5
Vermont	228.4	228.4	0	0
Virginia	2,545.5	2,407.7	137.9	5.7
Washington	3,248.7	2,829.1	419.6	14.8
West Virginia	1,000.0	953.0	47.0	4.9
Wisconsin	3,410.9	3,130.3	280.6	9.0
Wyoming	275.3	162.0	113.3	69.9
Total	124,525.3	114,537.6	9 987.7	8.7

Note: Totals reflect rounding.

Source: Fiscal Survey of the States 1979–1980, National Governors' Association and National Association of State Budget Officers, March 1980.

Mr. HOLLINGS. I emphasize balances, because all of these States show one thing, one thing we desire in the National Government, a surplus. We had one 10 years ago. We worked on it and we produced it. But the administrations and the Congresses since that time have both been guilty over the past 10 years in their spending. Now, to the credit of the administration recommending a balanced budget, to the credit of the House of Representatives voting one last night, they have, as a body, effectuated the discipline, held the line, and produced a balanced budget.

This discipline has been very apparent to me and I am heartened by the fact that the U.S. Senate has stuck to its guns in trying to maintain the balanced budget.

But this one, the salami technique of slicing off a little bit more, does not really help when you look at the surplus balances that the States now have. It does not really help any particular State, particularly when cumulatively they have some $9 billion, actually a $10 billion surplus. And the amendment says to send them another $700 million to distribute among the 50 States.

What would Kansas do, given this surplus of $196 million, with a little more in revenue sharing, or New Jersey which has a surplus of $218 million with a little bit more in revenue sharing? Really, not much. But what would it do to the Federal budget in the process, in the attempt to balance today? It would break it.

This is not so much a budget-busting amendment as a discipline-busting one. That is the only intent here. They say, "Well, if we can just stop it, edge in and say it is just a little bit," that would begin to break down the discipline that the Senate has worked so admirably on in the past 3 days. I think the Senate has done an admirable job.

Here we have an approach whereby we have already cut. We can make a list of them. In function 270, energy, we have already cut below the President $200 million, and this amendment says to cut another $100 million.

We can go to some of the actual votes when they talk about prudent cutting. These adjectives help you a lot. They make you feel good. But you look at the actual vote about the prudent cutting, and those who would say prudent cutting today really opposed the Senator from Nebraska when he asked for 5 percent across the board in all the administrative costs.

As the Senator from Tennessee pointed out, the travel costs, consultant costs, and all these other added costs coming in are in the bureaucracy.

We could not get all the votes we wanted. We just did get enough to do that and hold the line here. The discipline is holding up.

In function 300, natural resources, we cut $300 million there below the President. But the amendment by the Senators from Kansas and New Jersey would say to take another $100 million. They do not tell you how to do it. There is no legislation. They assume that it can be done in the face of the tough votes we have already had.

In community and regional development, EDA, UDAG, we cut $1.3 billion from outlays in current law. They want another $100 million.

In education, $500 million. We cut $2.8 billion below current law there.

On the motions made in the Budget Committee, we could not cut it further than that, that $100 million. We will not get another $100 million cut from UDAG.

Here are the programs. We would have to go into low-income weatherization, highway safety, watershed prevention, flood prevention, the EDA, elderly nutrition, senior citizen community employment, vocational rehabilitation.

Where is the prudent vote on vocational rehabilitation?

And then the mentally handicapped.

It is very difficult to measure. We have done our dead level best to be equitable and to try to balance this budget.

Then disease prevention and immunization, the health figure in function 550. One hundred million dollars is cut by this amendment, and this resolution already cuts $2 billion from the outlays. That is how we got the 16 percent. It amounts to more than 16 percent in general Government.

Now they come acting like the States have need. That is what gets you. It is so easy, they say. They do not provide any legislation for it. They just delegate it and run down each area a minimal amount, as they see it, looking at it from a macroeconomic standpoint. But the ultimate result they come up with is that rather than breaking the budget it breaks the discipline. They know their proposal is not in balance. They know they will transfer this amount over to the Finance Committee and say, "Now you have $900 million in budget authority, almost $1 billion more for you fellows to play with, and we will send the Appropriations Committee back into the room and tell them to find another $1 billion."

We are struggling there now to take care of the rescissions. We do not know if we can get the votes.

What occurs by the transfer is, yes, this extra money goes to the States to further enlarge and burst their surplus budget positions. But here in the Federal Government itself, you do not get the categorical grants so you do not pay off. It busts the budget and it busts, more than anything else, the discipline. It cannot mean that much.

I would plead with the Senators in making their commitments on these particular amendments to stick with the principle involved here. This is one that the leadership on both sides agreed to, the administration agreed to, the House adhered to and, up until now, the Senate has already voted a majority vote to stick with this particular principle.

In the matter of equity, we believe in State revenue sharing. All States know that. But they cannot in conscience come up here now when we are trying to balance the budget, and, as a group of 50 States with $10 billion in their pockets, say, "We need $700 million more."

How much time remains on either side?

The PRESIDING OFFICER. The Senator from Kansas has 4 minutes remaining and the Senator from South Carolina 28 minutes remaining.

Mr. BELLMON. Mr. President, I would like to echo much of what our chairman has said. This amendment presents the same workability problems the previous amendment offered by the Senator from Tennessee did. There is no way this amendment can assure that the categorical grant program reductions that it calls for will actually occur. That is the hangup. We have been more or less asked over the last 3 years to cut categorical programs but every time we move to do that States and special interest groups resist and the cuts do not occur.

It is possible that general revenue sharing funding could go forward and the Appropriations Committee make cuts in the nongrant rather than the grant programs.

Again, I support the approach this amendment offers us in principle but, as a practical matter, this is not the way to get the job done. I propose we undertake to try to enact legislation between now and the time we act on the second budget resolution to actually accomplish the goal of the distinguished Senator from Kansas. We can then adjust the functional totals in the second budget resolution to reflect a higher funding level for general revenue sharing and reduced funding in the other programs.

If we do not hold ourselves to the saving now contemplated in the general revenue sharing, we risk losing that saving altogether and putting our budget that much in the red.

I have a suspicion that a number of supporters of this amendment know this approach is not workable; they support this amendment only with the goal of restoring general revenue sharing funds. They probably realize how difficult, how impossible, it is to get the categorical grant program reductions to materialize.

Mr. President, here, I think, we are faced with a practical matter: We can either hold to the numbers in the budget resolution and, in this way, probably get some cuts in categorical programs, or we can yield on those numbers, knowing full well that those cuts will never occur and that we are going to go on running the Federal Government into debt in order to share revenues that we have to borrow with States that are cutting taxes and running surpluses.

Mrs. KASSEBAUM. Is the Senator prepared to yield back his time?

Mr. BELLMON. Is the Senator prepared to yield back hers?

Mrs. KASSEBAUM. No.

Mr. HOLLINGS. I follow the Senator's lead.

Mrs. KASSEBAUM. Mr. President, I should like to agree with my distinguished colleague on the Budget Committee, the Senator from Oklahoma, because there is no one I admire more on the Budget Committee, or whose advice I have sought to follow in many budget hearings. But I do feel that this is a different matter.

I share his concern that it could, perhaps, be difficult for the Committee on Appropriations to follow through on recommendations and the assumptions we make in the categorical grants but this is true of every vote that we are making here on the budget and the assumptions that we are drawing on. We are not discussing at this point whether this is reauthorization of funds for general revenue sharing. What we are doing is trying to structure a different approach.

We are not adding money, we are structuring it so that it falls in an area that I feel it should fall in rather than the one it has.

It will not be easy to accomplish this on the part of any of the various functions of this budget, but it is going to require the best efforts on the part of all of us to make some tough decisions.

I feel that this is by far the most beneficial way to direct the revenue sharing programs. The categoricals have grown like Topsy over the years. What has happened is that the Federal Government is far more involved in States' business than was ever intended. These are responsibilities that should be picked up and guided by the States.

I also remind my colleagues that, as a matter of fact, there are eight members on the Budget Committee from both sides of the aisle who are cosponsors of this amendment.

Mr. BELLMON. Will the Senator yield for a question?

Mrs. KASSEBAUM. I am glad to yield.

Mr. BELLMON. Can the Senator assure the Senate that if this amendment passes, the funds will actually be used for State revenue sharing? Is there not a real danger that we are setting up money that may be used for transitional fiscal assistance programs?

What guarantees do we have that these funds will be used to continue State revenue sharing?

Mrs. KASSEBAUM. Mr. President, I guess I would say that I do not know that there are any more guarantees on this than on anything else we have done on assumptions we have made in the budget. These are particular assumptions that we have set out that we feel are important and we certainly assume that they will be followed in the Appropriations Committee. We have, certainly, a responsibility to direct our attention in that direction on the floor.

Mr. BELLMON. If the Senator will yield further, these funds would not go to the Appropriations Committee, they go to the Finance Committee. They are free then to use them any way they choose. That is one of the dangers.

Mrs. KASSEBAUM. Mr. President, I stand corrected. That is true. I think we would have to make the same assumption with the Committee on Finance as with the Appropriations Committee.

Mr. BELLMON. On my own time, let me comment that that is a very dangerous assumption to make. We have found that out around here in prior years.

Mr. HOLLINGS. Mr. President, before yielding back our time, I do not want to cut anyone off. When we talked earlier, and we are not being personal and will not be, but when we referred to prudent votes, we looked and one only has to look in the back of the book, the Budget Committee report, and see the vote records. One will see the record of those who are talking about the prudent votes—they voted against the cuts in the highway program and this amendment would call for a cut in the highway program. It is the practical problem of getting the votes.

The folks who are sponsoring and talking in behalf of this amendment know that when we try to make a cut in education with the amendment, we should remember that the votes that we made were for more in education. The same with training and employment, the same with mortgage credit, right on down the line.

We are right back to a dialog that started some 10 years ago that got us into this dilemma. This is not a novel approach. On the contrary. If you went to a political science class, they would ask you, how did the Congress and the National Government get into this particular dilemma; how, in a 10-year period, could they run up deficits accumulating $342 billion? I used to use the figure 334, but they now correct me; it is $342 billion.

How, for example, in 1 year, 1976, did they run up a deficit of $66 billion, which was more than the entire previous 10 years of the New Frontier, the "Great Society, and the war in Vietnam? That entire 10-year program produced deficits totaling only $60.2 billion.

The answer is, at the heart of it is this very same dispute and argument and dichotomy with respect to categorical grants and revenue sharing.

The distinguished President Nixon came in and he was given a $3.2 billion surplus. But he said, no, what we should do is send more back in revenue sharing and less in categorical grants. And with other devices, of course, like the full employment budget, he went along, thinking all the time that what he would do is go farther with revenue sharing and by rescission and deferral, cut out the categorical grants.

Over that 10-year period, as a result, we got a double dose: We got the revenue sharing and we got the categorical grants.

That started to snowball and then, of course, the recession coming in kept those deficits running high. But that is how we got from a surplus position to this particular position. We have had a 10-year experience and lesson to the point that we are not going to cut down on those categorical grants save right on the Senate floor through the bills brought forward by the authorizing committees.

It is very difficult to hold the line. I think, interestingly, by way of merit, the cuts in this amendment are targeted to low-income assistance programs in housing, training, and health, whereas revenue sharing is targeted to a $10 billion surplus of the States.

So what the supporters of the Kassebaum amendment are asking now is not only to avoid the principle of taking care of the low-income folks, and to avoid the principle of a balanced budget, but, more than anything, to avoid the principle of a discipline that has to be adopted, has to be a consensus, if we are going to have any success in really meeting the obligation and the pledge that we are all making publicly as we travel the countryside today.

● Mr. COCHRAN. Mr. President, I support the amendment offered by Senator KASSEBAUM to restore $0.9 billion in budget authority and $0.7 billion in outlays for general revenue sharing.

The workings of this amendment have been sufficiently explained. It is not a budget buster. It is a reasonable amendment that is sensitive to the needs of all Americans. It recognizes the important role that general revenue sharing plays, not only for the States, but for the cities as well. The appeal of this amendment is reflected by testimony by the National Governors' Association, the National League of Cities, the National Conference of State Legislatures and the National Association of Counties who have expressed their preference for reductions in categorical grants in order to retain the flexibility of general revenue sharing.

One point that I would like to stress is that the elimination of general revenue sharing is very likely to hurt the cities more than it will hurt the States. The cities have fewer taxing powers. They will not be able to adjust to the loss of revenue as easily as the States, which pass approximately 44 percent of revenue sharing to the cities. At a time when it appears that we are heading into a serious recession, the reduction in these funds will hit the cities especially hard.

By retaining these funds and retaining the flexibility that general revenue sharing provides, the States will be better able to respond to their individual needs and to the needs of their urban areas. For these reasons, I urge passage of the Kassebaum amendment.●

● Mr. BAUCUS. Mr. President, I stand to oppose the amendment offered by Senators KASSEBAUM and BRADLEY to reduce funding for various education, social service, and transportation programs to provide funding for the State portion of the general revenue sharing program.

I recognize the importance of the general revenue sharing program for State governments, including the State of Montana. But I think it is important for Senators to recognize that under this amendment, funding for direct payments to States would be provided by reducing a wide variety of programs which directly benefit local government units.

The sponsors of this amendment would add $0.7 billion in funding for the States' share of the general revenue sharing program. They propose to offset this increase by reductions in programs for education, social services, health, transportation, energy and natural resources.

I am particularly concerned that the Senators would cut funding in function 500 by $400 million. Many important education programs have already been reduced to unreasonably low levels.

I appreciate the efforts by the authors to exempt elementary and secondary education and the impact aid program from the effects of their amendment. But in the end, it is their cut, and not their intentions that will apply. I fear that impact aid, an education program of critical importance to Montana, might suffer additional cuts.

Impact aid provides an essential source of funds to local school agencies as compensation for the loss of property tax revenues resulting from a large Federal presence. Yet, the administration has already drastically cut impact aid.

I am also concerned about cuts in other vital education programs, such as title IV–C of the Elementary and Secondary Education Act and vocational education. It would be a grave mistake to shortchange education in our efforts to balance the budget.

In addition, the Kassebaum-Bradley amendment will cut transportation funds which provide for highway construction, railroad rehabilitation, and local bus systems. Forest management and flood prevention funds would also be threatened.

Thus, while I will continue to strongly support an adequately funded revenue sharing program for municipal and county governments, I cannot support this amendment. It is essentially a transfer of funds from programs which affect local government units to the States, many of which presently enjoy budget surpluses.●

● Mr. RIEGLE. Mr. President, I strongly support this amendment to partially shift resources back to general revenue sharing. Given the pressures to balance the budget, this is perhaps the most realistic way to redirect resources to States that are plunging into desperate fiscal problems.

I have long supported general revenue sharing. Even when the economy is strong, revenue sharing makes better use of some Federal dollars by helping State and local governments respond to needs they have defined in their diverse jurisdictions.

Revenue sharing is even more vital when the economy is shaken by soaring inflation and deepening recession. State governments are very vulnerable to falling income tax revenuues and rising demands for services. Constitutional prohibitions against deficit spending force States to slash spending—and therefore take action that in turn damages distressed families and actually deepens the recession.

I am most aware of the gathering storm in my own State of Michigan. The State unemployment rate hit 12.4 percent in April and is rising. Welfare and general assistance caseloads in Michigan are rising faster than at any time since the Great Depression. The State government is projecting a budget shortfall totaling $200–$300 million by next year.

That budgetary pressure is likely to reduce the State's ability to aid local governments. Detroit, for example, now is forced to make sharp cuts in its work force including the police and other vital service departments. The city projects a budget deficit of $60–$80 million.

Michigan may be hardest hit, Mr. President, but it is not alone. Unfortunately, Michigan probably is once again likely to serve as a vanguard, leading other States into severe fiscal distress.

Mr. President, I believe it is especially inappropriate to cut the State share of revenue sharing at this stage of a recession. But since Congress now seems determined to make cuts, the Kassebaum-Bradley amendment is a valuable means to limit the damage by shifting resources from more rigid categorical programs into a program that gives the States the flexibility to respond to their most pressing fiscal crises.

Mr. President, some have attacked general revenue sharing because it requires the Federal Government, which has a budget deficit, to transfer resources to State governments that in the aggregate are running a surplus.

States have an aggregate surplus of $7.5 billion, it is true. However, it is false and misleading to imply that that aggregate surplus is evidence that States are fiscally strong.

First, 50 percent of this surplus is accounted for by only three States: Alaska, California, and Texas. A surplus in one State is of no benefit to another State that has high tax rates, falling personal income and rising costs.

Second, if those three States are excluded, the aggregate surplus of the States is only 3.8 percent. This is significantly below the 5-percent surplus that leading bond rating houses consider to be a prudent cushion against seasonal fluctuations, unforeseen revenue shortfalls, and unexpected spending needs.

Third, the surpluses mask the fact that State and local pension funds have unfunded liabilities totaling $150–$175 billion, a large portion of which is the responsibility of States.

Fourth, the State operating budgets do not reflect the growing deficit in the Federal Unemployment Compensation Fund. The States' current share of the deficit is about $4.3 billion. Pennsylvania, Illinois, Connecticut, and Michigan all have large deficits resulting from unemployment levels.

Finally, a comparison of the Federal deficit and the States' surpluses is like comparing apples and oranges because the accounting systems are different. Unlike the Federal Government, States do not show their capital spending in their operating budget. If they did, most States would also be running large deficits.

Mr. President, the loss of the States' share of general revenue sharing will also hurt localities. Treasury Secretary Miller testified in April that about 60 percent of the States' share is passed through to localities. Many States simply will not be able to make up the gap caused by the cut in funding.

Mr. President, I note that the amendment asumes that there would be no cuts in grants for payments to individuals, such as medicaid, food stamps, and subsidized housing; no cuts in block grant programs such as community development block grants and title XX social services; no cuts in categorical grant programs about which the Budget Committee made specific funding assumptions, such as elementary and secondary education, EPA construction grants, CETA, Federal-aid highways, and mass transit. The amendment assumes a 10-percent reduction in some Federal categorical grant programs to State and local governments.

Mr. President, adoption of this amendment would make it possible for Congress to respond to the cascade of fiscal problems that is falling upon a growing number of States. It would not increase the Federal deficit. It would only give State governments more flexibility to respond to their most pressing needs.

For those reasons, Mr. President, I urge my colleagues to support this amendment.●

THE STATES CAN HAVE THEIR SHARE

● Mr. DOLE. Mr. President, I support the initiative lead by Senator KASSEBAUM to make room in the budget for partial funding of the States' portion of general revenue sharing by reducing certain categorical grant programs by the same amount. The Kassebaum amendment would provide $700 million in outlays and $900 million in budget authority.

Mr. President, I share with Senator KASSEBAUM and the cosponsors of her amendment a concern that the revenue sharing program and the principles it exemplifies not be sacrificed because of the need for budgetary restraint. At the same time we do not want to cause an increase in the deficit or in taxes. The Kassebaum amendment meets this concern by providing offsetting reductions in Federal aid to the States in order to facilitate partial funding of States' revenue sharing. The Kassebaum amendment makes reductions in a range of categorical grant programs that were not reduced during the Budget Committee deliberations on the resolution. The range of programs covered by the amendment is broad enough that no program should be seriously undermined by this amendment.

Mr. President, the original goal of Federal revenue sharing was to give State and local governments more direct authority over revenues collected by the Federal Government but spent at the State and local level. The program was not designed to supplement Federal spending but to decentralize spending decisions. The premise behind revenue sharing—that State and local governments are most closely attuned to the day-to-day needs of our citizens—is no less true today than in 1972, when the program was first enacted. Revenue sharing, including the States' portion, is vital to maintaining our Federal system of Government.

This amendment is not just in the interest of the States, it is in the interest of every municipality and local government in the country. This is because much of the funding the States receive under the revenue sharing program is in practice passed through for local projects by local governments. While the Kassebaum amendment accepts a significant reduction in the States' share of revenue sharing, it would at least facilitate maintaining the most important programs that have been run by local governments under the existing revenue sharing program.

Mr. President, I favor the block grant or "no strings" type of Federal funding to State and local governments. This amendment permits us to work toward further decentralization of particular spending decisions. It will also enhance the flexibility with which State and local governments plan their own spending. Furthermore, it does so in a manner consistent with maintaining tight control over the Federal budget this year. We should not let this very serious effort to achieve budget restraint this year serve as an excuse to devastate a program that has been a resounding success in the view of State and local governments across the country. Most of those political jurisdictions prefer the basically "no strings" approach of Federal revenue sharing to other forms of Federal grants and aid. There is no reason not to allow those jurisdictions to continue to benefit from this form of funding inasmuch as we can do so without injuring any other categorical programs of aid to the States.

Mr. President, many of us would prefer to see full funding of the States' share of revenue sharing. There are a number of proposals in progress that would allow the full State share to be continued without raising total spending in the fiscal year 1981 budget, but the least we can do in consideration of the first budget resolution is to support the Kassebaum initiative and leave room to fund that portion of the States' share of revenue sharing that is most crucial for the ongoing operation of State and local governments. I urge my colleagues to support this amendment.●

Mr. HOLLINGS. Mr. President, I yield back my time and move to lay the amendment on the table. I ask for the yeas and nays.

The PRESIDING OFFICER. The Senator from Kansas has 20 seconds remaining.

Mrs. KASSEBAUM. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The "yeas" and "nays" were ordered.

● Mr. PACKWOOD. Mr. President, I am pleased to join the Senator from Kansas (Mrs. KASSEBAUM) and our other distinguished colleagues, as a cosponsor of this amendment. Restoring a role for States in the general revenue-sharing program, within the context of budget assumptions, is a good idea, I think, for many reasons.

Long ago we reached the point where too many good ideas were competing for too few Federal dollars. Thus, it is important that this amendment does not increase the budget total. I support the aim of this amendment to offset the restoration of the States' share of revenue sharing by cutting some categorical grants to State and local governments.

We are posed with a dilemma: How to meet constituent needs at a time when we must exercise enormous fiscal discipline. Hard decisions cannot be avoided. Many important programs will not be cut by this amendment: First, grants for payments to individuals, including medicaid, food stamps and subsidized housing; second, bloc grant programs; and third, categorical grants which were already cut in the budget resolution assumptions.

In my experience, general revenue sharing has proven to be one of the most effective Federal programs. Funds have been distributed to about 39,000 units of Government since its inception, in greater amounts to areas of greatest need, and at very low administrative costs. As important, I think, is the fact that it has allowed the people we represent to attack problems through the governments closest to them instead of being forced to search for a solution in the bureaucratic maze of Washington.

There is an added advantage to this. Because the revenue-sharing program is run so efficiently, less dollars are wasted on the administrative expenses associated with the Federal bureaucracy. Thus, there are more dollars to use to meet actual human needs. This greater degree of cost effectiveness is a clear advantage that revenue sharing enjoys over the narrow, federally administered categorical aid programs.

Spending cut decisions assumed in the budget resolution impact directly on State and local governments. Revenue sharing should not be singled out in a disproportionate way as a primary economy target. In putting together a balanced "retrenchment policy" we should consider the valuable role it plays as part of the tripartite system of revenue sharing, block grants and categorical aid programs. We might begin by taking account of the fact that inflation alone has eroded the value of revenue sharing dollars by about one-half over the past 8 years.

We ask State and local governments to accept cuts in all forms of Federal assistance. And yet we must be sure that spending is trimmed in a way that maximizes the ability of State and local officials to meet both national priorities and local needs. Cuts in intergovernmental programs must be linked with greater legislative and administrative flexibility for State and local governments. Categorical grants do further national interests, but in many cases they are too narrow to meet the particular needs of the States and localities. Revenue sharing, on the other hand, permits government's complete flexibility in responding to their constituents' priorities and filling the needs of the areas within their jurisdiction.

The need to reduce spending at the Federal level is widely recognized. The question is where the cuts are going to come. In the recent past, the National Governor's Association, the National League of Cities, the National Conference of State Legislatures, and the National Association of Counties have repeatedly expressed a preference for reduction in categorical grants as opposed to cuts in general revenue sharing.

All in all, Mr. President, I believe that it is important for the Senate to modify the first budget resolution to restore the States role in the general revenue-sharing program. It is important that this be accomplished without "busting" the budget, I therefore support the aim of this amendment to cut categorical grant funds by an equal amount.●

● Mr. LEVIN. Mr. President, I support the Kassebaum amendment. This amendment increases general revenue funds by $700 million or 40 percent of the State share of general revenue sharing which the Senate Budget Committee has eliminated. Offsetting this increase the amendment proposes to reduce selected categorical grants by a like amount for 1981.

In a small way, this amendment can redress a serious inadequacy of this budget. This budget does not recognize or even attempt to address the severe regional impact of the current recession. We are balancing the budget but in the process we are asking more of some regions than we are of others in terms of sacrifice. In effect, this budget is not in balance; some States and many individuals will be forced to sacrifice more than others so we can balance on paper the Federal budget.

Reducing categorical grant programs as this amendment contemplates will mean that many worthwhile programs will be affected. But with additional funds allocated for general revenue funds, I intend to work in the very near future to shape an appropriate revenue-sharing formula which more accurately considers the fiscal needs of States. Too many States as a result of improving economic climates and a resurging demand for certain natural resources are now blessed with sufficient State revenues. But while many of these States benefit, other States see dwindling tax bases erode their ability to raise the appropriate funds for needed social, economic, and environmental needs. Given these circumstances, it is time we reevaluated the distribution of general revenue-sharing funds to effectuate a fairer estimate of fiscal needs.

I am reluctant to support a cut in categorical programs. I generally oppose cuts of this nature because they are so arbitrary and are an abdication of our budget-making responsibility. It is only because my State is so desperately in a recession and because on balance I believe Michigan will be at least $10 million ahead if this amendment passes that I am constrained to vote for it. I am hopeful that we can return the funds allocated for general revenue sharing to States with the greatest fiscal needs. I pledge to work for that, and also to see if some of the revenue-sharing funds sent to Michigan can be used to replace cuts in Federal categorical programs.●

The PRESIDING OFFICER. All time has been yielded back. The question is on agreeing to the motion to lay the amendment on the table. The "yeas" and "nays" have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Alaska (Mr. GRAVEL), the Senator from Hawaii (Mr. INOUYE), the Senator from Washington (Mr. JACKSON), the Senator from Massachusetts (Mr. KENNEDY), the Senator from Vermont (Mr. LEAHY), the Senator from Hawaii (Mr. MATSUNAGA), and the Senator from Georgia (Mr. TALMADGE) are necessarily absent.

I also announce that the Senator from New Jersey (Mr. WILLIAMS) is absent on official business.

I further announce that, if present and voting, the Senator from Washington (Mr. JACKSON) would vote "nay."

Mr. STEVENS. I announce that the Senator from Maryland (Mr. MATHIAS) and the Senator from North Dakota (Mr. YOUNG) are necessarily absent.

I further announce that, if present and voting, the Senator from Maryland (Mr. MATHIAS) would vote "nay."

The PRESIDING OFFICER (Mr. EXON). Are there any other Senators in the Chamber wishing to vote?

The result was announced—yeas 30, nays 59, as follows:

[Rollcall Vote No. 110 Leg.]

YEAS—30

Baucus
Bayh
Bellmon
Bentsen
Biden
Bumpers
Burdick
Byrd, Robert C.
Cannon
Chiles
Cranston
DeConcini
Eagleton
Glenn
Hart
Hollings
Johnston
Magnuson
Melcher
Metzenbaum
Nelson
Pell
Proxmire
Randolph
Ribicoff
Stafford
Stennis
Stevenson
Stone
Tsongas

NAYS—59

Armstrong
Baker
Boren
Boschwitz
Bradley
Byrd, Harry F., Jr.
Chafee
Church
Cochran
Cohen
Culver
Danforth
Dole
Domenici
Durenberger
Durkin
Exon
Ford
Garn
Goldwater
Hatch
Hatfield
Hayakawa
Heflin
Heinz
Helms
Huddleston
Humphrey
Javits
Jepsen
Kassebaum
Laxalt
Levin
Long
Lugar
McClure
McGovern
Morgan
Moynihan
Nunn
Packwood
Percy
Pressler
Pryor
Riegle
Roth
Sarbanes
Sasser
Schmitt
Schweiker
Simpson
Stevens
Stewart
Thurmond
Tower
Wallop
Warner
Weicker
Zorinsky

NOT VOTING—10

Gravel
Inouye
Jackson
Kennedy
Leahy
Mathias
Matsunaga
Talmadge
Williams
Young

So the motion to lay on the table UP amendment No. 1073 was rejected.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Kansas.

The amendment was agreed to.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. BRADLEY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senate will please be in order.

The Senator from Idaho is recognized, pursuant to the previous order.

The Senate will be in order. Senators will clear the well, so that we can proceed with the business of the Senate.

The Chair extends an apology to the Senator from Idaho because he cannot proceed until the Senate is in order.

Will Senators who are carrying on conversations on the floor of the Senate please retire to the cloakroom? The Chair asks that the well be cleared.

The Chair recognizes the Senator from Idaho again.

AMENDMENT NO. 1752

(Purpose: To allow the States to elect to receive either general revenue-sharing payments or categorical grants)

Mr. McCLURE. I thank the Chair for obtaining order.

Mr. President, I call up my amendment No. 1752.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Idaho (Mr. McCLURE), for himself, Mr. DOLE, and Mr. HATCH proposes an amendment numbered 1752.

Mr. McCLURE. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 22, after line 6, add the following new section:

SEC. 20. *Provided, however,* That a State shall receive general revenue-sharing payments in an amount equal to that which the State elects to reduce its allocation of Federal funds under the provisions of other laws: *And provided further,* That the budgetary level set forth in section 1(b)(16) of this resolution shall not be deemed to prohibit enactment of further legislation implementing such election by the States as hereinabove described.

Mr. McCLURE. Mr. President, I yield 1 minute to the Senator from Oklahoma.

Mr. BELLMON. I thank the Senator from Idaho.

Mr. President, I simply call the attention of the Senate to the fact that 59 Members voted for a long list of cuts in various bills, and I want Members to realize that they will have the opportunity to cast votes to make those cuts when the appropriations bills come to the floor.

If we do not do that, the effect of what was just done is $700 million increase in our deficit.

So we wish the Members to realize they voted now not just for State revenue sharing but also for some very specific cuts. If no one else makes the amendments for the cuts, the Senator from Oklahoma will do that.

So let us be ready to go through with what we just committed ourselves to do.

Mr. McCLURE. Mr. President, I might just say to the Senator, after some discussion of this amendment, it is my present intention at least to withdraw the amendment. My understanding, from talking with the managers of the bill, is they do not have any strong objections to the theory expressed in the amendment.

Mr. President, I wish to explain for just a moment what that theory is, and it will not take long.

The Senator from Nebraska, now occupant of the chair, somewhat earlier today was making reference to legislation that he is introducing or has introduced to accomplish what this amendment would make possible, and that is to allow the States to determine whether they want to receive the general revenue sharing or full payments of the various categorical aid grants under various statutes providing for such programs.

My amendment simply would make it in order, in effect, to offer such legislation without it being subject to a point of order on the grounds that it would breach some of the targets established in various sections of this bill.

Mr. President, I will not reiterate all the targets that have been made and many of them have been made under the amendment offered, first, by the Senator from Tennessee (Mr. BAKER) in regard to his amendment which was defeated and then by the distinguished Senator from Kansas (Mrs. KASSEBAUM) on the amendment just now adopted. Both of those had sought to restore all or a part of general revenue sharing to the States for the States' share but had offsetting categorical grants, and each of these amendments carried within it specific listing of which ones of the functions within the budget resolution would have dollar amount reductions to offset for the amount of increase in general revenue sharing.

It has appeared to me, Mr. President, that we perhaps do not know what the States want. I know the Governors' Conference, the Conference of State Legislatures and others have been asked to comment on this kind of legislation, and they have not adopted an official position with respect to it. But it appears to this Senator that perhaps if we give them the authority to determine, do they want this amount of money under this program or a different amount of money under another program, that they will make the election. They will have the authority to make that decision as to whether they want it under general revenue sharing or under categorical aid programs. That makes eminent good sense to this Senator.

I could not help but hear earlier the Senator from Wisconsin who was speaking in opposition to revenue sharing, and some of the points that he makes I share. But at least one of the points that he makes in opposition to the general idea of general revenue sharing is, at least, removed by this amendment because the States would have to make an election. They would have to say to their constituents, "No, we decided we would rather have this money in this program than an equivalent amount of money in these other programs."

They would be on record as having made a decision which programs they favored and they would have to take a look at them.

I favor that kind of a responsibility.

Mr. President, I wonder if I could have the attention of the Senator from South Carolina, the floor manager of the bill, because we have discussed this amendment before and in private conversation. I will not try to characterize what it was what he said. But I invite him to make a comment with respect to the theory of the pending amendment.

Mr. HOLLINGS. Mr. President, the theory of the pending amendment, of course, is to replace categorical grants with revenue sharing. As we discussed in the debates on both the Kassebaum amendment and the Baker amendment, adhered to that theory some 25 years ago. In trying to develop it over the many, many years, we got right down to the point in a very concentrated dialog over the past 10 years with President Nixon and others trying to use that approach, with Secretary Weinberger and others coming in, that we are trying to pick out certain selected programs. Finally, when we came up, particularly with the recommendation by the Senator from Texas, we just could not afford the State portion, at least, of revenue sharing, regardless of the principal theory, because we are mailing back money to feed State budget surpluses. In other words, we were borrowing money, running up further deficits, further interest costs, to send back to those who were sitting there with a surplus.

So that salved the conscience of most of us here in this body.

However, how do you really replace the categorical grants with revenue sharing? The McClure amendment addresses just that problem.

As I see it, he says a State shall receive general revenue-sharing payments in an amount equal to that which a State elects to reduce its allocation of Federal funds under the provisions of other laws.

We have had a pretty good track record—no, not a good record—but a try, let us say a good college try, at having the States outline exactly which one of these categorical grants they wish to discontinue and in place thereof receive more revenue sharing.

We had a correlation of not only the Joint Economic Committee but also the Budget Committee, and we just zipped back letters and said, "Please, outline." And we have yet to have any of these Governors, who know it is a small fish, and we have yet to have them bite on the bait, and just be honest and aboveboard with us.

Maybe if we could have seen from numerous States a consensus, then we would look again at trying to replace the categorical programs regardless of whose responsibility, whether it is the State or ours.

But the Senator here says now that the States are going to do it. The States have given no indication that they could.

Obviously, these laws would have to be passed, and I think what the distinguished Senator from Idaho and myself are both concerned with is we do not want the budget process to inhibit that particular process during the summer.

We were talking together in relation to the second concurrent budget resolution. There is a feel in the leadership that perhaps we should accelerate that resolution, looking at the schedules, trying to get it out this year by October 1. This is a Presidential election year. We ran over last year. So we could move it up into August. When we considered that, we looked at the record of the Budget Committee. The Budget Committee really completes its preparation for the second concurrent resolution by the first part of August.

So looking then and there, we would be ready to take any kind of laws that would replace or reduce the categorical grants, we could account for them in our budget markup and then judiciously allocate further Federal revenue sharing.

But at this particular point, we are not given any idea where these savings should come from. We know that many areas have been suggested as in the Kassebaum amendment. It is like next to pulling eyeteeth.

We have been in that committee ourselves and tried further amendments and, on the contrary, we find that the distinguished Senator from Connecticut and many others in the Chamber are vitally interested in add-ons to those very same categorical grants.

So, we wish to go along, but as a practical matter it would not be within good budgeteering at this particular moment, if the Senator sees what I mean. Because, what he says is that the States would elect and we would have no idea how they would elect, even if they elected and said, "Now what I like is instead of $100 million in UDAG grants, I would like to have my $100 million in revenue sharing."

If the particular Governor of my State, Governor Riley, were to call Congress or call the Congressional Budget Office or the President and the Office of Management and Budget, then how would we effectuate that particular priority in his mind? How do we do that? Again we come back to us, namely, Congress, the authorizing committee and having it go through that Appropriations Committee.

Mr. McCLURE. Mr. President, I say to the Senator from South Carolina I think that is the purpose of the legislation introduced by the distinguished Senator from Nebraska, the occupant of the chair, and also legislation the distinguished Senator from Kansas (Mr. DOLE) is developing and some that I have been working on in my own office.

It is a means by which they could, without affecting the overall Federal budget, elect between the authorized levels of categorical aid programs, and the allocations to the States for the States' share, and say, "We will accept less from those categorical aid programs in order that we can qualify for and receive our allocation under general revenue sharing."

I think such legislation can be drafted. It can be handled in a way and it can be done in a way that does not destroy the theory of the budget process nor the balances that are sought under a balanced budget.

It seems to me that that puts the decisionmaking exactly where it ought to be. Perhaps one of the reasons we have not been able to develop a national consensus with respect to the reduction of specific categorical aid programs is we have 50 States with 50 different sets of priorities, 50 different kinds of problems to confront, and they may not be in agreement among themselves as to which programs they would like to see reduced.

But they could very well, and very easily, among the 50 States come up with 50 different varieties of balances between categorical aid programs and general revenue sharing.

The purpose of my amendment, of course, was to simply make it possible during the course of this summer, and before the second concurrent resolution, to consider such legislation on the floor of the Senate without having a point of order raised against it because it changed the dollar amounts in functional categories as contained in this resolution.

I want to be able to support the committee on its sections 17 and 18, and I know there will be some discussion about the enforcement provisions. The enforcement provisions are intended to have teeth in them, kind of an experimental pride to see whether or not this body can tolerate real discipline.

Mr. HOLLINGS. Exactly.

Mr. McCLURE. I hope we can get an affirmative answer but, at the same time, those teeth that are embodied not only in the Budget Act but also in sections 17 and 18 of this resolution will tell us that any effort made to give the States even the option to elect between one form of Federal assistance and another form of Federal assistance might be subject to a point of order as a violation of the budget process.

I might confess two things at the outset: First, there is a provision under section 904 of the Budget Act for a waiver of the provisions of the Budget Act. Second, I think the provisions of sections 17 and 18, even if adopted and written into the law that controls our actions here and in the other body, that those provisions would be subject to override by a majority vote of the Members of the Congress. I am not so sure whether that would be true of each individual House but, at least, a majority vote in both Houses certainly would be sufficient to override the provisions of sections 17 and 18.

But I thought just to make clear it might be well to offer this amendment now to make certain that we do not run into that additional inhibition at the time somebody might offer such legislation for consideration on the floor of the Senate.

Mr. HOLLINGS. Well, until it is considered, obviously in that second concurrent resolution it would, as the Senator says, be responsive to section 904 and responsive to those particular provisions if we can include sections 17 and 18, the discipline provisions regulation, and I can assure the Senator—I am a fill-in now, but the Senator from Oklahoma is our ranking member—that the members of the Budget Committee will be working with the Senator from Idaho to facilitate it; I am confident within the next 2 months we have, June and July, and I do not think any of that new legislation will be coming down the pike, but we will have that second concurrent resolution out before any really new legislation that would inhibit it, and then we can be informed by the Senator specifically of those categories, and maybe if we just get one or two or three we might bring the trend to where you and I would desire it, namely, more of the sharing and less of the categorical grants. But it has got to be done in a responsible fashion.

Mr. McCLURE. I certainly agree with the Senator from South Carolina. I would be happy to yield to the Senator from Nebraska.

(Mr. PROXMIRE assumed the chair.)

Mr. EXON. I thank my friend for yielding. I wish to make a few brief comments, and I wish to thank my friend from Wisconsin for relieving me in the chair while I do so.

I would just like to advise my colleagues that as a former Governor who has worked with revenue sharing and categorical grants, and since I have been in the Senate, I have talked with many Governors about the problems we have here with balancing the Federal budget, that there is no way we were going to be able to continue with all of the good programs, however worthy they might be.

Therefore, I have, as an individual Member of the Senate and as a member of the Budget Committee, asked the Governors to come forth with specific cuts in the categorical grants that could be shifted over to general revenue sharing.

I certainly agree with the statements that have been made by my friend from Oklahoma and my friend from South Carolina with regard to the fact that traditionally Governors do not want to cut out programs. They just want to have more money to continue to flow into their States for their use.

I think most will remember and recognize that when, I believe it was in 1972, the concept, the basic concept of revenue sharing, was instituted, we were supposed to go to the transitory period of providing money up front.

But then the continued funding in the outyears was to come from a reduction in the categorical programs. That never occurred. Therefore, we had a double layer of spending from Washington, D.C.

The reason that I, after studying this for a long period of time, did not choose to make any move on the budgetary process was because I did not think it was binding and, therefore, the bill I introduced this morning addresses itself to that, and I assume it will be referred to the appropriate committee to be acted upon in this body when we take up the funding of the revenue act itself in a relatively short period of time.

I certainly also agree with the statements that have been made by the Senator from Oklahoma that historically this body finds itself in a position of quite easily passing broad categories of cuts, but when it comes up to specifically voting for those cuts on the floor of the Senate we have some faint hearts at that time because the pressure starts coming from some of the special interest groups back home—and most of those special interest groups are good special interest groups—but, nevertheless, they object to the fact of 1 penny of any kind of a program that they have being cut.

Therefore, it seems to me that whatever we do with the amendment that is being offered by the Senator from Idaho, he has contributed greatly to the understanding of the fact that I think we must do something in this body with regard to restructuring our Federal revenue-sharing program by the reduction in categorical grants.

It seems to me, as has been pointed out also by the Senator from Idaho, that with the cooperation of the Governors who know the needs of their States best, and by asking their cooperation by saying, "If you want to continue Federal revenue sharing then you are going to have to join with us in recognizing that we cannot have a full continuation of categorical grants and State revenue sharing as we have known it in the past," we will achieve our desired goal.

I am for the continuation of State revenue sharing on this basis because I think most of us will agree that State revenue sharing has been one that eliminates the redtape of the Federal bureaucracy as much as possible and, for the most part, Federal revenue sharing has been used for worthwhile projects in the States.

Mr. McCLURE. I thank the Senator from Nebraska for those comments. Without trying to characterize the statements made by the Senator from South Carolina, it would be my feeling from the statements made both on the RECORD and in our individual conversations that when the time arrives that such legislation as the Senator from Nebraska has described arrives at the floor and there is a necessity to ask for a waiver of the budget provisions or the provisions of the budget resolution, that if it does not add to the totals, it only provides a mechanism by which the amounts can be shifted from one category or one function to another, there will be at least no move on the part of the Senator from South Carolina on behalf of the Budget Committee to try to resist that on the basis of the immutable totals written into this resolution.

Mr. DOMENICI. Will the Senator yield?

Mr. McCLURE. I am happy to yield to the Senator from New Mexico.

The PRESIDING OFFICER (Mr. EXON). The Senator from New Mexico.

Mr. DOMENICI. Mr. President, I do want to commend Senator McCLURE for the amendment he has offered. Whether or not we vote on it, I think the discussion is a significant contributor to the outyears in terms of how we handle categorical grants.

Last year, I offered, as part of the budget process, a swap-out amendment, as I called it then, where you would swap general revenue sharing in exchange for the categorical grant, equal dollar for dollar.

Today, Senator KASSEBAUM offered that amendment, the same amendment that had been offered in the committee. As the distinguished Presiding Officer remembers, I offered it there. I hope those that voted for it do not leave the floor and go home and think that, well, they have voted for a principle, because if that is all the vote meant, we are making no headway at all. I mean, as far as the principle that the categorical grants at this stage in our history, because they are so numerous, so duplicative, so rifled, so inflexible, that they have become counterproductive.

If we just want to pass a resolution saying: "Do you all agree with that?" we would get 90 votes saying, "Yes; yes."

But today, by a rather compelling margin, it seems to me that what the Senate said was that we want to place a little more trust in local government. For about 25 years, the Federal Government versus the State and local governments, it has been the position that we do not trust them. We do not think they will carry out a job with the same goals in mind that we have.

So what we did is tie the goals into a categorical grant package and delivered them with all the rigidity and lack of flexibility that the distinguished Presiding Officer knows exists in those grants that make them wasteful, it makes them used, many times, when something else is more needed at the local level.

So I perceive what we did today as a drastic philosophical change. We are saying that maybe we ought to trust State governments to make an election to take some of the general revenue sharing in lieu of the categorical grant programs. That puts them as the intermediary with the people. They have to make that hard decision and the people can respond at the ballot box at the local level if they are making those choices improperly.

So I hope it was not merely the vote for a principle. I hope, as we go through the categorical grant funding program, that we do not think they can be funded at the same level—business as usual—and yet have revenue sharing in a swap-out and take revenue tax dollars in lieu of. I hope we do not think we can have both. Because what we are trying to prove is that local government has grown more responsive in the last 20 years; that they can take some of the responsibility to decide where moneys ought to be used as between a number of categorical programs, their goals and objectives, and goals that the State sees as being needed or accomplished in a different way. That is what I see the trend being.

I want to commend the Senator from Idaho and the Presiding Officer. I know of his genuine interest. I look forward to reviewing the bill he discussed here on the floor. If it is going to be a way to get around the absolute rigidity of our authorizing committees, in that they will not loosen the strings on categorical grant programs as has been their history—there are numerous bills that have tried to even pool categorical grant programs within a function and saying let us let the States try to use a block. I can assure you that in education it has been tried and you cannot get it out of committee. In agriculture, on the nutritional programs, it has been tried and you cannot get it out of committee. The theory being that we cannot trust State governments to do what we set out to do, so we will tie it all up in little pieces.

I think today the Senate said that we ought to experiment a little with letting the States have more flexibility, more selection between priorities. But I hope we have also said that that does not mean we are going to fund the categorical programs at the same level and revenue sharing also. Because I believe we have today basically added $700 million to our job of trying to balance a budget. Because you cannot add and cut and end up cutting nothing.

I thank my good friend from Idaho.

Mr. McCLURE. I thank my friend from New Mexico.

As a matter of fact, the Senator said it far better and I appreciate that addition to the dialog.

I think there is another reason, in addition to the lack of trust of States. I think there is a built-in constituency in every categorical aid program—those people who receive it, those people who push it as being a necessary part of government in a modern society. Each one of the programs has its own constituency.

But I do not think anyone who has been here more than 5 minutes would deny that the most vociferous constituency of any categorical aid programs are the bureaucrats who administer it. You can depend on them to come in every time there is any effort made to reduce the amount of a categorical aid program. It is going to be the administrators of the programs that we hear from first.

As I said earlier, in connection with the debate on the Baker amendment, the largest, most secure growth in Government is Government employees. The people within our society who have done the best in recent years in terms of their pay, their benefits, their job security, have been the people who are employed by the Federal Government.

The people who resist most manfully, be they man or woman, any reduction are the people who administer Federal programs. And they are the ones who, among many other reasons, are the reasons we have not been able to reduce categorical aid programs.

So, Mr. President, for both reasons and for many other reasons as well, it seems to me to be time, past time, that we begin to really address the idea that the entire amount of money that the Federal Government flows back to the States need not be controlled in detail by the Federal Government.

We do not have all of the wisdom here on the banks of the Potomac. We cannot possibly perceive all of the infinite variations and local circumstances in 50 different States and thousands of local communities across this great continent of ours where we send these moneys through very rigid programs.

We ought to be freeing up, rather than restraining, the State and local governments to spend their own tax revenues in the ways they see fit, rather than hamstringing them by the grant-in-aid of categorical aid programs. Because I think it is unlikely that we will get to that point before we get to the second concurrent resolution this year. And because the Kassebaum amendment has been adopted which restored a great deal of the States' share of the revenue sharing, I think it is unnecessary to pursue this amendment any further at this particular time.

If, by any chance, we get to the point of voting for a Exon bill or a Dole bill or a McClure bill, or a combination of how we get to the point of giving the States the option before we get to the second concurrent resolution, I look forward, with some confidence, to help from the manager of the bill on the floor today, the ranking minority member on that committee, the Senator from New Mexico, and others in at least bringing up the budget process enough to allow us to take that initiative and to take that new experiment in State-Federal relationship, which I think would be very constructive.

Mr. BAKER. Will the Senator yield?

Mr. McCLURE. I am happy to yield to the Senator from Tennessee.

Mr. BAKER. Mr. President, I will not take but just a moment. I wish to compliment the Senator from Idaho and the Senator from New Mexico for their remarks in this respect.

I am aware that we will not have a vote on this measure at this time. In anticipation of that, I would say that I would have supported this measure and I understand the reasoning. I agree with the Senator from Idaho and I agree that it is in the better part of discretion in the wake of the last vote on the Kassebaum amendment. I pledge to him that I will do my best to pursue this with him and do the best we can to go forward.

Mr. McCLURE. Mr. President, I thank the Senator from Tennessee. In light of the last two amendments, I would rather have had the help of the Senator from Kansas.

Mr. BAKER. Mr. President, I agree with the Senator from Idaho.

Mr. McCLURE. Mr. President, I thank the Senator. I ask unanimous consent to withdraw my amendment.

The PRESIDING OFFICER. Without objection, the amendment is withdrawn.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senator from New Hampshire (Mr. HUMPHREY) may proceed now with his amendment. This is agreeable with the minority leader and the two managers of the bill. Time on the amendment will be limited to 20 minutes, equally divided.

Then I ask that Mr. WEICKER be recognized to call up his amendments. He has been patiently waiting to be recognized.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR 10-MINUTE ROLLCALL VOTES

Mr. BAKER. Mr. President, I would take a moment to advise the majority leader that he had requested me to consider the possibility of reducing rollcall votes to 10 minutes. I am prepared now, absent any other objection from Members on the floor, to say that after the next vote, which will be 15 minutes, I will have no objection to a reduction in time.

Mr. ROBERT C. BYRD. Mr. President, I make the request with the additional proviso that the warning bell sound after the first 2½ minutes on the 10-minute rollcall votes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HOLLINGS. Mr. President, I will ask if the distinguished Senator from New Hampshire would delay for a moment. His colleague from Kansas is on the floor and wanted to comment on the last proposition. I will yield 1 minute on the bill to the Senator from Kansas, with the permission of the Senator from New Hampshire.

Mr. HUMPHREY. Yes.

Mr. DOLE. I appreciate the Senator yielding. I will only take a moment to comment on the discussion between Senators McClure, Kassebaum, Baker, and others.

S. 2681—PRESERVE REVENUE SHARING

Mr. President, today I am introducing legislation to renew general revenue sharing at full funding for another 5 years. I am pleased that the distinguished minority leader, Senator Baker, has agreed to cosponsor this legislation. It is also cosponsored by Senator Percy, Senator McClure, Senator Armstrong, and Senator Danforth. I believe we share a common concern that the revenue-sharing program, and the principles it exemplifies, not be sacrificed because of the need for budgetary restraint. At the same time, we do not want to cause an increase in the deficit, or in taxes. This proposal is designed to meet both concerns.

A RESPONSIBLE AND CREATIVE RESTRUCTURING

Mr. President, the legislation we are introducing today provides that States will retain their portion of revenue sharing if they elect to take an equivalent reduction in Federal funds allocated to categorical grant programs. Aside from this innovative feature, this bill will renew the existing revenue-sharing program at full funding for both State and local governments. Thus the bill differs in two ways from the administration proposal for revenue sharing, introduced by Senator Long and Senator Moynihan on April 16. First, the bill provides for the continuation of the States' share; second, the bill retains the basic "no strings" approach of the existing program, without incorporating the changes in the allocation formula and the additional "strings" proposed by the administration.

There are vital reasons why this alternative proposal is being introduced, and why it is superior to the administration's recommendation. The original goal of Federal revenue sharing was to give State and local government more direct authority over revenues collected by the Federal Government but spent at the State and local level. The program was not designed to supplement Federal spending, but to decentralize spending decisions. The premise behind revenue sharing—that State and local governments are most closely attuned to the day-to-day needs of our citizens—is no less true today than in 1972, when the program was first enacted. Revenue sharing is vital to maintaining our federal system of government.

PROMOTE AN EFFICIENT FEDERAL STRUCTURE

Federalism means that governmental authority is divided among the national government, the States, and municipalities within the States. Federal, State, and local governments share the exercise of power, and they share responsibilities to our citizens. Ideally, each level of Government should exercise those powers for which it is best suited. For example, only the Federal Government can provide for the national defense; local governments should make decisions on the provision of basic public services; and State governments are well-equipped to regulate day-to-day commercial affairs and take legislative initiatives that might be difficult to implement at the Federal level but which can provide helpful guidance to the national legislature.

Mr. President, over the years the role of the National Government in our federal system has grown at the expense of State and local governments. The result in too many cases has been inefficiency, too much dictate from Washington, and an undermining of the authority of State and local governments. With less authority, those governments are in danger of becoming less responsive and less accountable to their citizens. Revenue sharing as originally proposed recognized this problem and sought to begin a process that would bring a better distribution of power and responsibility among the three levels of Government. The legislation I am now introducing will continue and build upon this process.

LET THE STATES DECIDE

Mr. President, under this bill each State's revenue-sharing account will be credited with an amount equal to the total amount of categorical grant funding reduction elected by that State. The amount to be credited cannot exceed the State's allocation of revenue-sharing funds under existing law. However, the funds credited are treated as revenue-sharing funds. They are available for general use by the States, subject only to the limited restrictions of the revenue-sharing program, such as the anti-discrimination rules and Davis-Bacon requirements. Thus each State will decide whether a particular categorical grant funding is really suited to its needs, or whether it would better serve its citizens by taking an equivalent amount of revenue-sharing funds.

A TEST OF FEDERAL PROGRAMS, NOT A THREAT

Mr. President, under this proposal the States' share will be preserved without cutting into any Federal program or upsetting the Federal budget. A wide range of programs is eligible for the State's election to take a funding reduction, and there is every reason to believe that the actual reductions will cut across that range, rather than be concentrated in a few areas. This is because the States do have differing needs. At the same time, if this program or that is unanimously chosen for reduction, we should question whether that program is offering a meaningful service to our citizens. In that sense this bill may provide us a very useful experiment in evaluating categorical grant programs.

And yet it is a limited exercise: The total amount of Federal spending eligible for the election in fiscal year 1981 would be $1.7 billion, as compared to the total of more than $96 billion allocated to Federal grants to State and local governments. The range of programs eligible for the election should total between $10 and $20 billion in projected outlays in fiscal year 1981. Thus it is apparent that categorical funding is in no sense put at risk by this proposal. If anything, this legislation will provide a stimulating new look at the structure of Federal support to State and local governments. I believe we will find that, in many areas, there are better ways to implement local and national goals than by concentrating power—including the power to mandate needless paperwork and bureaucratic interference—at the Federal level.

A SENSIBLE CHOICE

Mr. President, the range of programs that would be eligible for reduction is wide but it is also limited. For various reasons, some budget functions and some individual programs were deemed unsuited to this procedure. This is because they are either fundamental to a vital goal that is appropriately within the jurisdiction of the national Government, or because they provide payments that may be regarded as entitlements to eligible citizens. Accordingly, these budget functions are excluded from the election by the States. They are: National defense; commerce and housing credit; the highway trust fund; the unemployment trust fund; medicaid, under the health function; income security; and veterans benefits.

In addition, the general Government function is excluded except for intergovernmental personnel assistance, and general purpose fiscal assistance—which includes the revenue-sharing program—is not included. Finally, programs which contain discretionary grant authority may be excluded by the Secretary of the Treasury. Such programs may be appropriate to exclude, because they may involve competitive applications for funds rather than a straightforward allocation.

FLEXIBILITY IS THE KEY

Mr. President, this Senator is committed to the principle of allowing the States maximum flexibility in spending to meet the needs of their people. However, I am not unwilling to listen to suggestions for modifying the list of programs that would be eligible for the State election. I know this Senator, and each cosponsor of this bill, would choose different categorical programs to protect.

We all have our favorites, and many of these programs were particular projects of particular Senators, including the Senator from Kansas. The point is to have a broad selection of programs, rather than a "hit list" for reduction. We do not advocate reductions in any of these programs; we do advocate giving State governments a choice. I believe in the merits of the programs I supported—I feel confident that they are valuable to the States, and to the people. I hope that my colleagues are also confident that the programs they favor will be retained at full funding by the States. But I recognize that different States have different needs, and they should be allowed to make a choice here. Because of the small budget figure we are talking about—$1.7 billion in outlays in fiscal year 1981—the reductions can be chosen without having a significant impact on any particular program.

A PROPOSAL THAT WILL WORK

Mr. President, this legislation will work, and work well. It will preserve States' revenue sharing and the principles of federalism. It will give States flexibility and provide a valuable experiment in Federal-State relations. It will not work against the budget process, because it involves no new spending. Furthermore, the bill is structured to accommodate the budget process. The States must elect their cuts for fiscal year 1981 before the Congress takes up its second budget resolution.

In future years, a preliminary election will be made by the end of January for the fiscal year beginning the following October. Necessary reconciliations in light of appropriation decisions can be made in September. In this way the States can plan, the Federal Government can plan, and the budget process can reflect the decisions that are made.

In recent years we have seen more thought given to the structure of Federal-State relations. Revenue sharing is part of that; so is the block grant approach to Federal funding, an approach I very much favor. The trend is, and must be, toward decentralization of particular spending, of flexibility in the implementation of national goals that affect the States. That trend should not be brought to an abrupt halt by an unimaginative approach to budget restraint. Let us nurture the new federalism by creative thinking, and be willing to take a few risks that will give us a better understanding of where we ought to go. Imagination, creativity, and industry are what made this Nation great. I urge my colleagues now to join in a new creative effort, rooted in commonsense and in the success of the revenue-sharing program. I believe this legislation deserves the unanimous support of the Congress.

Mr. President, I ask unanimous consent that a copy of the bill be printed in the Record at this point.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 2681

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

Section 1. Extension of Program; Establishment of Separate Accounts.

(a) In General.—Subsection (c) of section 105 of the State and Local Fiscal Assistance Act of 1972 (31 U.S.C. 1224) is amended—

(1) by striking out "and" at the end of subparagraph (c) of paragraph (3),

(2) by striking out the period at the end of subparagraph (D) of paragraph (3) and inserting in lieu thereof "; and", and

(3) by adding at the end of paragraph (3) the following new subparagraphs:

"(E) The entitlement period beginning October 1, 1980, and ending September 30, 1981;

"(F) The entitlement period beginning October 1, 1981, and ending September 30, 1982;

"(G) The entitlement period beginning October 1, 1982, and ending September 30, 1983;

"(H) The entitlement period beginning October 1, 1983 and ending September 30, 1984; and

"(G) The entitlement period beginning October 1, 1984.".

(b) Establishment of Separate Accounts for State Governments and Local Governments.—

(1) In general.—Subsection (a) of such section (31 U.S.C. 1224(a)) is amended by adding at the end thereof the following new paragraph:

"(3) Establishment of separate accounts.—

"(A) In general.—For entitlement periods beginning after September 30, 1980, the Secretary shall establish within the Trust Fund a State government account and a local government account.

"(B) State government account.—

"(i) Amounts credited to account.—The State government account shall be credited only with amounts transferred to that account under section 107A(d).

"(ii) Amounts to be paid to states.—Amounts in the account may be used only for the payments to State governments provided by this subtitle.

"(iii) Maximum amount.—The amount credited to the State government for any entitlement period with respect to a State shall not exceed one-half of the sum of the amounts credited to the local government account for that period with respect to all local governments located in that State.

"(C) Local government account.—The local government account shall be credited only with amounts appropriated to the Trust Fund for entitlement periods beginning after September 30, 1980. Amounts in the account may be used only for the payments to local governments provided by this subtitle."

(2) Reduction in authorization of appropriations.—Subsection (c) of such section (31 U.S.C. 1224(c)) is amended by adding at the end thereof the following new paragraph:

"(5) Reduction of authorization for fiscal years 1981 through 1985.—For the purpose of applying this subsection in the case of an entitlement period described in subparagraph (E), (F), (G), (H), or (I) of paragraph (3), the amounts authorized under paragraphs (1) and (2) shall be reduced by one-third.".

(c) Conforming Amendments.—

(1) Subparagraph (C) of section 108(c) (1) of such Act is amended by striking out "September 30, 1980" and inserting in lieu thereof "September 30, 1985".

(2) Paragraph (7) of section 141 (b) of such Act is amended by striking out "and 1979" and inserting in lieu thereof "1979, 1980, 1981, 1982, 1983, and 1984".

Sec. 2. State Government May Elect Entitlement in Lieu of Categorical Grant Funding.

Subtitle A of title I of the State and Local Fiscal Assistance Act of 1972 (31 U.S.C. 1221–1228) is amended by inserting immediately after section 107 the following new section:

"Sec. 107A. State Government May Elect Entitlement in Lieu of Categorical Grant Funding

"(a) General Rule.—Notwithstanding the provisions of section 107, the amount a State government shall be entitled to receive under this subtitle for any entitlement period beginning after September 30, 1980, shall not exceed the amount of the categorical grant funding reduction elected by that State for that entitlement period.

"(b) Categorical Grant Funding Reduction Election.—For purposes of this section, the amount of the categorical grant funding reduction elected by a State for any entitlement period is the sum of that State's allotments under categorical grant programs for the fiscal year which coincides with the entitlement period—

"(1) which have been designated by the chief executive officer of that State, after consultation with the State legislature, as categorical grant programs under which the State's allotment is to be transferred to the State government account established under section 105(a) (3), and

"(2) under which the amount allotted to the State for the fiscal year is transferred to that account.

"(c) Definitions; Special Rules.—For purposes of this section—

"(1) Categorical grant program.—The term 'categorical grant program' means any eligible program for which the budget authority is included in Appendix H of the Special Analyses, Budget of the United States Government, 1981 (or in the corresponding part of the Special Analyses, Budget of the United States, for any subsequent fiscal year) other than—

"(A) any such program designated by the President for the fiscal year as a program of grants for payments to individuals, or

"(B) any such program which contains discretionary grant authority (as determined by the Secretary after consultation with the head of the administering department or agency charged with the administration of the program).

"(2) Eligible program.—The term 'eligible program' means any program related to any of the following functions:

"(A) Agriculture.

"(B) Energy.

"(C) Natural resources and environment.

"(D) Transportation, other than the Highway Trust Fund.

"(E) Community and regional development.

"(F) Education, training and social services other than Unemployment Trust Fund: Social Service.

"(G) Health, other than Medicaid.

"(H) Administration of justice.

"(I) General government: intergovernmental personnel assistance only.

"(3) Allotment.—The term 'allotment' means any allotment, apportionment, or other division of funding under a categorical grant program for State governments for a fiscal year, determined before any reallotment, reapportionment, or redivision of funding.

"(4) Designation by chief executive officer.—In order for the allotment of a State under a categorical grant program to be transferred to the State government account, the designation shall be—

"(A) irrevocable,

"(B) made in writing, in such form and manner as the Secretary may prescribe, by the chief executive officer of that State, and

"(C) received by the Secretary, and by the head of the department or agency charged with administration of the program—

"(i) before September 1, 1980, for the entitlement period beginning on October 1, 1980, and

"(ii) before May 15 of each year thereafter for any entitlement period beginning in such year.

For entitlement periods beginning after September 30, 1981, the chief executive officer of a State shall submit a tentative designation under paragraph (3) before February 1 of the year in which the entitlement period begins. If the amount of any allotment designated by the chief executive officer of a State for an entitlement period is different from the amount of the allotment contemplated at the time of the designation because of differences in amounts later appropriated or otherwise, appropriate adjustments in designations shall be made, in accordance with procedures prescribed by the Secretary, before September 15 of the year in which the entitlement period begins.

"(5) MULTISTATE PROJECTS.—Whenever the Secretary determines that a single project under a categorical grant program is being carried out in more than 1 State, then—

"(A) in order for a designation of that program to be given effect, it must be made by the chief executive officers of a majority of the States in which the project is being carried out, and

"(B) the designation shall be treated as having been made by the chief executive of each such State if it is made by the chief executive officers of a majority of the States in which the project is being carried out.

For purposes of the preceding sentence, closely related and coordinated projects which are being carried out in more than one State shall be treated as a single project.

"(d) TRANSFER OF ALLOTMENTS TO STATE GOVERNMENT ACCOUNT.—Whenever the chief executive officer of a State designates a categorical grant program under subsection (c) (4), the Secretary shall transfer the amount of that State's allotment for the fiscal year under that program from the appropriation for that program for the fiscal year to the State government account established under section 105(a)(3). The amounts required to be transferred to the Trust Fund under this subsection shall be transferred at least quarterly from the account to which the appropriation is credited to the State government account on the basis of estimates made by the Secretary. Proper adjustment shall be made in the amounts subsequently transferred to the extent prior estimates were in excess of or less than the amounts required to be transferred.

"(e) APPLICATION WITH CERTAIN REALLOTMENT PROVISIONS.—Notwithstanding any other provision of law to the contrary now or hereafter enacted (except to the extent that such provision explicitly overrides this subsection), if the chief executive officer of a State designates a categorical grant program under this section as a program from which that State's allotment for the fiscal year is to be transferred to the State government account established under section 105 (a)(3), then such transfer shall be treated, for purposes of any provisions of law providing for the reallotment of amounts not paid under the program to a State government, as if it constituted a payment to that State under the program.".

UP AMENDMENT NO. 1074

(Purpose: To reduce budget authority and outlays for Legal Services Corporation)

Mr. HUMPHREY. Mr. President, I thank the distinguished Senator from Connecticut for permitting me to precede him. I understand that will save me a considerable wait.

Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from New Hampshire (Mr. HUMPHREY) proposes an unprinted amendment numbered 1074.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 2, line 17, strike out "$687,900,000,000" and insert "$687,600,000,000".

On page 2, line 22, strike out "$612,900,000,000" and insert "$612,600,000,000".

On page 3, line 4, strike out "$0" and insert "+$300,000,000".

On page 3, line 9, strike out "$927,800,000,000" and insert "$927,500,000,000".

On page 3, line 10, strike out "$953,800,000,000" and insert "$953,500,000,000".

On page 3, line 11, strike out "$968,700,000,000" and insert "$968,400,000,000".

On page 3, line 15, strike out "$32,700,000,000" and insert "$32,400,000,000".

On page 9, line 16, strike out "$4,200,000,000" and insert "$3,900,000,000".

On page 9, line 17, strike out "$4,600,000,000" and insert "$4,300,000,000".

Mr. HUMPHREY. Mr. President, my amendment would eliminate both budget authority and outlays for the Legal Services Corporation, some $300 million. Our ongoing consideration of the budget has been an arduous process. It is not easy to rein in spending, and balance this budget. Many worthy programs must be curtailed. Therefore, in this light, this is certainly no time to spare controversial programs of questionable propriety.

Every program, however negligible its value to the country, is important to someone, even if it is only to the office workers who process the paperwork. We in the Congress are understandably loath to hurt anyone, any interest. But, this is a critical time for our country, and we do not have the luxury of tolerating a program such as the Legal Services Corporation.

Ostensibly, the Legal Services Corporation was established to provide legal services to indigent persons. One wonders why it takes a federally sponsored corporation to accomplish this task. Why could not a voucher system be established? Where are the local bar associations?

The Legal Services Corporation does provide legal services, but it does much more, and herein lies the problem. The 5,000 full-time attorneys and 2,500 paralegals, paid by the taxpayers, have a mission to promote a peculiar vision of America. They would be social activists in the name of the poor, but defined in their own terms.

No one elects these legal service lawyers. No local funding is required. There need be no ties to the community they are alleged to serve. These people are Federal missionaries whose too frequent intention is to skewer recalcitrant locals in the courtrooms of America to effect social change through judicial legislation. Is this a proper use of tax funds? Is this a proper role for an agency of the Federal Government? What has happened to federalism and democracy? Is not legislation the business of legislators?

Too often, the Legal Services Corporation has forsaken its role of providing private legal services to private citizens who happen to be poor. Instead, it has undertaken crusades. Was it proper for legal services lawyers to file a brief in behalf of the university in the Bakke case? Was the university indigent? Is it proper for legal services lawyers to encourage teenagers to ignore their parents in deciding on abortion? Is it proper for these federally funded lawyers to wheedle payment for abortion from reluctant local governments? Is it proper for them to lobby State legislatures, using the client as a ruse? Is it proper for legal services lawyers to condemn the FBI's counterintelligence operation as a "repression campaign"?

These are just a few of many outrageous activities engaged in by grantees of the Legal Services Corporation.

We all applaud social activism, as it is the essence of public spiritedness. A few may even applaud the radical activism that is espoused by the Legal Services Corporation. But the issue here is not public spiritedness, nor some general conception of "the good." The issue is propriety in terms of our democratic institutions. It is improper for the Federal Government to fund proselytizers—elitist partisans whose sometimes radical intentions are masked by professional pretensions.

Mr. President, it is going to be a long day. I know Members have many obligations they wish to attend to. I will not prolong the discourse on my amendment. I think the issue is clear. All Members are aware of the abuses and the outrages that have been committed using taxpayer dollars granted by the Legal Services Corporation.

I would say also that more and more members of the public are becoming aware of it, as well.

In closing, I would only say that here is one program that has been abused outrageously, a program that deserves to be terminated, a program which, for the most part, is a waste of the taxpayer dollars, and one which further works, in many cases, against the traditional and fundamental values of our society.

I think the issue is clear. Is it time to terminate the taxpayer funding of this Legal Services Corporation? Let the Members who wish to support it explain their vote to their constituents.

Mr. President, I reserve the remainder of my time.

Mr. HOLLINGS. Mr. President, I yield to the Senator from California.

Mr. CRANSTON. Mr. President, I am strongly opposed to this amendment. The Legal Services Corporation has been one of the most efficient, effective programs we have created and it is a cornerstone of our national commitment to equal justice for all of our citizens.

The money that is spent on this program goes to the local projects which are providing necessary and important legal assistance to low-income individuals who otherwise would not receive legal help. This is a program which has one of the lowest administrative overheads of any Federal program. It is remarkably effective in that respect.

I can think of no activity supported by the Federal Government which has had more profound and long-lasting effects upon the lives of needy individuals than the provision of legal assistance, and, through that assistance, access to our judicial system. This Nation is founded upon the rule of law, and without the legal assistance provided under the legal services program, millions of low-income Americans would be denied access to our judicial system and denied the fair and equal protection of our Constitution and body of laws. I think this is a very American program.

Mr. President, the legal services program was begun in 1964 as part of the war on poverty because of the recognition that low-income individuals did not have access to legal assistance—the private bar, then and now, has contributed pro bono efforts to help fill the need for legal assistance for low-income individuals.

But those pro bono activities, however beneficial and appreciated, cannot and do not fill the need for legal assistance for low-income individuals, and particularly for specialized assistance in certain types of problems.

The legal services program does fill that need. Five thousand legal services attorneys, serving in local programs throughout this country, are dedicated to providing legal help, with dignity, to the estimated 30 million eligible needy individuals.

Mr. President, in the budget that is before us, we are taking substantial support away from programs that serve the needs of needy Americans. Now to suggest denying them judicial redress and access to our system of justice would be adding, I think, deep insult to heavy injury. This is a highly cost-effective, highly meritorious program that has truly proven its worth. In fact, it ought to be expanded.

If the budget difficulties that now confront us would permit that, I hope that it could be expanded, because it is a marvelous program. I strongly oppose the amendment and I urge its rejection.

Mr. HOLLINGS. Mr. President, I understand Senator HUMPHREY's concern in proposing an amendment to reduce the fiscal year 1981 function 750 administration of justice budget authority and outlay allowance for the Legal Services Corporation. I recognize his allegation that it could be unproductive to fund litigation against the Federal Government, and his concern that Federal legal assistance be provided to women seeking to procure abortions. However, I do not feel that the budget resolution is the appropriate vehicle for expressing that concern.

The resolution assumes $0.3 billion in fiscal year 1981 through fiscal year 1983 budget authority and outlays in function 750 for the Legal Services Corporation. The recommendation is equivalent to current law and represents a restraint to the fiscal year 1980 appropriation levels. The FCR already assumes a reduction of $50 million below the Corporation's, and $20 million below the President's fiscal year 1981 request. I think this is appropriate in a year in which funding for all programs must be carefully scrutinized.

I should remind my colleagues that almost no legal services funds are used to finance abortion-related suits.

We would get into a legal hassle with respect to this service provision between States and, the Legal Services Corporation, and the local entities, but that is restricted by section 10, subsection 8—10(B)8: of Public Law 95-222. The Legal Services Corporation Act Amendments of 1977. The section reads:

> No funds made available by the Corporation under this title, either by grant or contract, may be used to provide legal assistance with respect to any proceeding or litigation which seeks to procure a non-therapeutic abortion or to compel any individual or institution to perform an abortion or assist in the performance of an abortion or provide facilities for the performance of an abortion, contrary to the religious beliefs or moral convictions of such individual or institution.

Perhaps a legislative provision such as this could provide a more specific response to the Senator's concern on this issue.

The Legal Services Corporation was created in 1974 because access by the poor to civil legal assistance was demonstrably inadequate. The need will not disappear if the Corporation is eliminated. In 1979 the Legal Services Corporation provided civil legal assistance to more than 1.6 million clients and made their services available to more than 30 million low-income persons. It has been estimated that the Corporation is involved in less than 25 abortion suits nationwide. Over 35 percent of their caseload is related to family legal problems and 20 percent to housing problems.

Mr. President, I can say firsthand, as chairman of the appropriations committee for oversight, that we have been holding the line pretty stringently on this group and actually giving far less money than, the request over several years. We work very closely now with the new Director, Dan Bradley, to make certain that the services go to the poor rather than to scholars and various consultive groups to work out these fine solutions.

At one time, it appeared to me that they were going forward with the financing of all kinds of studies and we wanted them to get it out to the poor. We have corrected that.

Mr. President, termination of the Legal Services Corporation will mean that, over the next 5 years, more than 8 million legal problems experienced by low-income persons will go unresolved. CBO has estimated that, on average, every lawyer in the United States would have to give an hour of pro bono work a week to provide a level of service equivalent to the current Federal program. I doubt that pro bono work would increase to accommodate the loss of legal services.

In addition, I must note that the costs for the administration of the Legal Services Corporation has been limited to less than 2 percent of the funds appropriated by Congress.

That is one very positive aspect of the Corporation; it is a Federal program which distributes money nationwide, not just in Washington.

Mr. President, I think it is an excellent program. We have to continue to support it.

I yield at this time 3 minutes to the distinguished Senator from New Hampshire.

The PRESIDING OFFICER. The Senator from South Carolina has 2 minutes remaining.

Mr. HOLLINGS. Let me yield 2 minutes to the Senator from New Hampshire.

Mr. DURKIN. I thank the distinguished Senator from South Carolina.

Mr. President, I firmly oppose Senator HUMPHREY's amendment to delete funding for the Legal Services Corporation. There has been some confusion created by this amendment and I want to set the record straight. I have consistently supported funding for legal services because it is a vitally needed program for people in New Hampshire and across the Nation who deserve but cannot afford high quality legal representation.

The Legal Services Corporation upholds the foundation of the American justice system: A person is innocent until proven guilty. That precept must be maintained and it must ring as true for poor people as it does for the wealthy. The legal services system in this country is essential in our commitment to eliminate a two-tiered system of justice, with one standard for the rich and another for lower-income individuals.

The Budget Committee has already made its recommendation not to increase funding for the Legal Services Corporation. This, of course, was a tough decision made in an attempt to balance the Federal budget. There is no question that those involved and served by legal assistance programs will be adversely affected.

This ill-advised recommendation to summarily eliminate such a valuable program is callous and unwise. I want to go on record today as strongly opposing further cuts in the funding for the Legal Services Corporation.

Mr. President, I am strongly opposed to this amendment because I think the message of this amendment is that the victims of the amendment are the cause of the inflation. We have in New Hampshire a town called Berlin. The Legal Services Corporation up there has been fighting to get trade readjustment benefits. A factory there closed not too long ago, telling 950 people that there are no jobs, and to make cuts in legal services, cuts such as proposed by my colleague, is thumbing our nose at those unemployed people in the city of Berlin. I, for one, cannot stand idle and silent when the very hard-working people of Berlin in the north country of New Hampshire are watching a program be decimated which is their only hope—their only hope for proper representation, their only hope for their fair share of an ever-dwindling pie.

I urge my colleagues to reject this ill-conceived, misguided, and extremely cruel measure.

Mr. BELLMON. Mr. President, the legal services program was started 15 years ago as part of President Johnson's "War on Poverty."

In its early years, it was very controversial. It had some narrow squeaks here on the Hill.

In recent years—especially since it was turned over to the Legal Services Corporation in 1974—it has been a relatively, noncontroversial program.

The American Bar Association and many State and local bar associations have been strong supporters of legal services. The bar associations are not radical organizations.

The availability of legal representation in civil matters is an important need of low-income people.

The legal service program meets a lot of that need.

The controversial cases legal services lawyers have handled in the past have caused some legitimate concerns, but totally eliminating funding, as this amendment proposes, would be unwise.

Mr. HUMPHREY. Mr. President, how much time remains to my side?

The PRESIDING OFFICER. The Senator has 5 minutes remaining.

Mr. HUMPHREY. Mr. President, I would not like to be outdone in my concern for the poor. I point out to my distinguished senior colleague that it is the plethora of Federal programs that has improverished a great many of our citizens. It is deficits which cause inflation and it is useless or dispensable programs like this which run up the national deficit, which directly drives inflation.

Those of us who are concerned about the impoverishment of the American people through heavy taxation and through searing inflation can easily support my amendment on these grounds.

Mr. DURKIN. Will the Senator yield for a question?

Mr. HUMPHREY. On the Senator's time.

Mr. DURKIN. I do not have any time.

Mr. HUMPHREY. I do not wish to yield on my own time, since I have less than 5 minutes remaining.

The PRESIDING OFFICER. The Chair recognizes the junior Senator from New Hampshire.

Mr. HUMPHREY. Mr. President, my distinguished colleague from California has expressed a wish that this program not only not be terminated but that its funding level be increased. I point out, in all due respect to him, that his wish flies in the face of a suggestion by our own servant, the Congressional Budget Office, which has stated this is one program it suggests terminating and which could well stand to be ended if we are ever to find our way out of this fiscal morass.

Mr. CRANSTON. Will the Senator tell me what the recommendations of the CBO are that he is referring to?

Mr. HUMPHREY. I do not wish to use my time on this, Mr. President.

Mr. CRANSTON. If I may have time to ask the question. There is no such statement from the CBO.

Mr. HUMPHREY. I will document that later, I believe to the satisfaction of my colleague from California. I do not have it directly in front of me.

Mr. President, I ask unanimous consent to have printed in the RECORD an article in the November 1978 Clearinghouse Review entitled "Reproductive Freedom Issues In Legal Services Practice"; an article dated May 14, 1977, in the Phoenix Gazette by Allan C. Brownfeld; a November 16, 1977, Christian Science Monitor article; and Barron's article of January 24, 1977.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

Reproductive Freedom Issues in Legal Services Practice

(By Sylvia Law)

I. INTRODUCTION

The ability to choose to have a child, or to choose not to, is at the very core of people's ability to control their own lives. This is particularly true for women, both because of biological reality and the constriction of the options for women imposed and internalized in a sexist society. While reproductive choice is surely as important for the poor as for anyone else, in this, as in every other area, society and the law have made it especially difficult for the poor to control their own lives.

The purpose of this article is to describe some of the most common problems which poor people face in controlling their own reproductive lives, and the legal standards governing these situations. The first section considers Medicaid funding for contraception and abortion services for adults. The second examines restrictions which hospitals place on the availability of abortion. The third section considers the special problems of teenagers in relation to contraception and abortion. The final section examines access to sterilization services and sterilization abuse.

Particularly in the last few years, the amount of legal services activity in this area has been small in light of the critical importance of reproductive choice and the fact that legal services clients are routinely denied the rights to which they are clearly or arguably entitled. One factor which may account for this lack of activity is confusion about congressional restrictions in this area.

The Legal Services Corporation Act provides:

"No funds made available by the Corporation under this subchapter, either by grant or contract, may be used to provide legal assistance with respect to any proceeding or litigation which seeks to procure a nontherapeutic abortion or to compel any individual or institution to perform an abortion, or assist in the performance of an abortion, . . . contrary to the religious beliefs or moral convictions of such individual or institution."[1]

No lawyer, legal services or other, working for reproductive choice has ever attempted to "compel" an individual to perform an abortion contrary to his or her religious or moral convictions. As we shall show, at the present time, there are few situations in which even a colorable argument can be made for a legal entitlement to a purely "nontherapeutic" abortion. The primary issues involve the right to therapeutic abortions; the Legal Services Corporation Act does not prohibit legal services lawyers from engaging in such work. One of the purposes of this article is to encourage legal services attorneys to engage in work involving issues of reproductive freedom. The article will provide history and background information on the issues, highlight some areas where litigation may be successful, and convey a sense of the importance of poor peoples' control over this fundamental area of privacy.

II. FEDERAL FUNDING FOR ABORTION AND CONTRACEPTION

The first explicit mention of family planning services in the Social Security Act was contained in the 1967 amendments requiring that states participating in AFDC must: "provide for the development of a program, for each appropriate relative and dependent child receiving aid under the plan and for each appropriate individual (living in the same home as a relative and child receiving such aid) whose needs are taken into account in making the determination under clause (7), for preventing or reducing the incidence of births out of wedlock and otherwise strengthening family life, and for implementing such program by assuring that in all appropriate cases (including minors who can be considered to be sexually active) family planning services are offered to them and are provided promptly (directly or under arrangements with others) to all individuals voluntarily requesting such services, but acceptance of family planning services provided under the plan shall be voluntary on the part of such members and individuals and shall not be a prerequisite to eligibility for or the receipt of any other service under the plan."[2]

In 1970, evidence presented to Congress showed that between 5 and 6.6 million women were unable to afford the contraceptive services they wanted, and that federal subsidies were reaching less than one-fourth of this population.[3] Hence, in 1970, Congress established Title X of the Public Health Service Act for the purpose of "making comprehensive voluntary family planning services readily available to all persons desiring such services."[4] In 1972, Congress again reaffirmed its commitment to voluntary family planning by making such services mandatory in state Medicaid plans and by increasing the federal matching share to ninety percent for family planning services required in both Medicaid and AFDC.[5]

In 1974, when Congress created Title XX and consolidated the social services provisions that had existed in various titles of the Act, the emphasis on voluntary family planning services was continued. While all other social services are optional with the states, family planning is a mandatory service for all states participating in Medicaid or AFDC. All other social services are matched at a rate of 75 percent federal funds, while family planning services are matched at a ninety percent federal rate.[6] The 1974 amendments also provided that states which fail to comply with federal family planning requirements will be penalized by a one-percent reduction in the general federal AFDC matching rate.[7]

The federal AFDC regulations state:

"Family planning services must be offered and *provided* to those individuals wishing such services, specifically including medical contraceptive services (diagnosis, treatment, supplies, followup), social services and *educational services*. Such services must be available without regard to marital status, age, or parenthood. Individuals must be assured choice of method and there must be arrangements with varied medical resources so that individuals can be assured choice of source of service. Acceptance of any services must be voluntary on the part of the individual and may not be a prerequiste or impediment to eligibility for the receipt of any other service or aid under the plan." (Emphasis added.)[8]

The federal family planning requirements are similar to the Early and Periodic Screening Diagnosis and Treatment (EPSDT) provisions in that the federal law mandates that the states ensure that services are *actually provided* to people that want them. As with EPSDT, it is not sufficient for the state to offer inadequate reimbursement and leave the poor to search for non-existent providers of services. Unfortunately, the evidence is that, as with EPSDT,[9] the states have failed to implement programs to ensure that voluntary family planning services will, in fact, be available to the poor.

Footnotes at end of article.

Both HEW and legal services lawyers have done even less to make the promise of the federal law a reality in the case of voluntary family planning services than in the case of EPSDT. EPSDT class actions brought by legal services lawyers in several states have succeeded in nudging state authorities to improve their early childhood screening programs.[10] Despite massive non-compliance with the federal requirements, there have been *no* cases enforcing the federal rights of poor women in the area of family planning services.

The analogy between the federal requirements for family planning services and EPSDT should be pursued one step further. In both programs, even where the requirements of the federal law and the facts demonstrating noncompliance therewith are relatively plain, there are substantial obstacles to judicial enforcement of these expansive federal promises to the poor. The bureaucratic ineptitude of state Medicaid and welfare agencies and the disinterest of the private providers are not easily cured by judicial order. Knowing this, judges are understandably reluctant to order a state agency which has theretofore demonstrated organizational problems to establish yet another large scale program. The federal family planning programs require agencies to reach out both to the poor and to medical providers and to set up a mechanism to match services with needs. Few agencies have demonstrated an ability to establish such programs in an effective way.

Operation Life in Las Vegas offers an alternative model for action by legal services lawyers that may be useful in relation to family planning service requirements, as well as to EPSDT.[11] Operation Life is a program controlled by poor people that provides comprehensive health, nutrition and community services. With the help of legal services lawyers, Operation Life was organized by the Las Vegas Welfare Rights Organization when the organization saw that Nevada was not providing the EPSDT services required by federal law and that the welfare authorities and private hospitals were not interested in, or capable of, organizing a service to meet the needs of the poor community. Where a state has failed to comply with the mandatory federal requirements for either EPSDT or family planning, a group which seeks to provide these services has a strong legal argument to buttress a claim for state financial support to enable it to do the job required by federal law.

The Operation Life model of enforcing federal service requirements by creating a community-controlled organization to provide the service and then insisting on state financial support for that organization may be even more productive in relation to family planning than in relation to EPSDT. In many areas of the country, feminist groups and poor people's organizations could work together at an organizational level to establish such a community-controlled service. An effective family planning service does not require involvement of a large number of physicians. The most important work is simply educating people about the advantages and disadvantages of various contraceptive choices. This work can be done by trained community workers and, indeed, probably can be done better by people who can communicate without the barriers of race, sex or class differences which many doctors have. In most areas, nurse practitioners, operating under standing orders from a cooperating physician, can do testing and diagnosis, prescribe all forms of contraception, and make referrals where appropriate.[12]

Among the consequences of the massive failure to provide the comprehensive family planning services mandated by federal law are unwanted pregnancies for which poor women seek abortions. In 1973, the Supreme Court held that the Constitution protects the fundamental right of a woman to choose, with her physician, whether or not to have an abortion.[13] Law suits were brought by legal services attorneys and others to establish the right to Medicaid payments for abortion services. These suits argued that the Social Security Act and the Constitution required states to respect the rights of women to choose to have abortions and required the states to make abortion payments available on the same basis as payments for childbirth. The suits were successful—on either statutory or constitutional grounds—in every court, except the only one that matters. In June 1977, the Supreme Court held that neither the Social Security Act nor the Constitution requires states to provide funding for nontherapeutic abortions.[14]

Prior to those decisions, Medicaid funding for abortion was provided in most states; in fiscal 1976, between 261,000 and 274,000 poor women obtained abortions financed by Medicaid.[15] However, as with other medical services, abortions were not, in fact, available for many poor women. In 1976, eight out of ten counties in the United States did not have a doctor willing to do an abortion, and forty percent of the women who obtained them left their home counties to do so.[16] It is conservatively estimated that an additional 164,000 abortions would have been financed by Medicaid in 1976 if physician services were more widely available.[17]

The scope of the Supreme Court's decisions in the Medicaid abortion cases is not crystal clear. Because the federal circuit and district courts had been so consistent in holding that states were not legally free to deny Medicaid payments for abortions, the attorneys for Pennsylvania and Connecticut bent over backwards to frame the issue before the Court as one where Medicaid payments were denied only where the abortion was "elective," "nontherapeutic," not "medically necessary," or performed solely for reasons of convenience. Both states assured the Court that they would provide Medicaid payments for any abortion certified by a physician as medically necessary, and that they would not second-guess the doctor's judgment.[18]

In the Connecticut case, *Maher v. Roe*, the Court held that equal protection requires that "the distinction drawn between childbirth and nontherapeutic abortion . . . be 'rationally related' to a 'constitutionally permissile' purpose." [19] Using this relaxed standard of equal protection, the Court found that the denial of funds for nontherapeutic abortions was rationally related to the presumed state purpose of encouraging normal childbirth.

In the Pennsylvania case, *Beal v. Doe*, the Court held that the exclusion of payments for nontherapeutic abortions did not violate the requirements of the Social Security Act. The Court relied on the fact that Medicaid was enacted for the purpose of helping states to meet the costs of "necessary medical services." [20] The Court specifically noted that:

"Although serious statutory questions might be presented if a state Medicaid plan excluded necessary medical treatment from its coverage, it is hardly inconsistent with the objectives of the Act for a State to refuse to fund *unnecessary*—though perhaps desirable—medical services." [21] (Emphasis in the original.)

Before exploring the issue of Medicaid entitlement to abortion post *Beal* and *Maher*, it is necessary to note another blow to poor women's right of reproductive choice, the Hyde Amendment.[22] The Amendment provides that for the fiscal year ending October 1978:

"[N]one of the funds provided for in [the HEW-Labor Appropriations for fiscal 1978] shall be used to perform abortions except where the life of the mother would be endangered if the fetus were carried to term; or except for such medical procedures necessary for the victims of rape or incest, when such rape or incest has been reported promptly to a law enforcement agency or public health service; or except in those instances where severe and long-lasting physical health damage to the mother would result if the pregnancy were carried to term when so determined by two physicians."

A prior version of the Hyde Amendment for the fiscal year ending September 30, 1977, had been enjoined in *McRae* v. *Mathews*.[23] After the Supreme Court's decisions in June 1977, *McRae*, which was then on appeal to the Court, was remanded for reconsideration in light of *Maher* and *Beal*. On August 4, 1977, the injunction was lifted and the Hyde Amendment went into effect.

Some states responded to the Court's 1977 decisions and to the Hyde Amendment by continuing to fund medically necessary abortions at state expense.[24] Other states instituted policies limiting Medicaid payments to those situations allowed by the Hyde Amendment.[25] Yet others have adopted standards more restrictive than those allowed by the Hyde Amendment.[26] The impact upon poor women has been devasting.

Data for the period February 14, 1978 to June 7, 1978 show that in the 32 states that adopted the Hyde Amendment standard or some variation on it, there was a virtual elimination of Medicaid-funded abortions. In fiscal 1976, thirty of these states had provided Medicaid funds for abortions for approximately 61,000 poor women, constituting 24 percent of the abortions financed by Medicaid. During the 1978 period, the nine states that had adopted the language of the Hyde Amendment paid for a total of 31 abortions compared with 2,366 abortions in a comparable period in 1977, a 99.2 percent reduction in the number of abortions financed. In states allowing payment for abortion only where the physician certifies that the woman's life is endangered, the number of abortions declined by 96.8 percent. In states providing payment where the physician certifies that abortion is necessary to preserve the life or prevent the death of a woman, the number of Medicaid-funded abortions declined by 98.8 percent. In light of the small numbers involved, there is no significant difference in these statistics.[27]

In debate on abortion restrictions, both in Congress and the states, it is apparent that legislators believe that there are real differences between standards that limit payment to cases where abortion is "necessary to save the life" of the woman, those that prohibit payment unless the woman's life is "endangered," or those that require certification that severe and long-lasting health damage may result if an abortion is not provided. The evidence now available indicates that there is no real difference between these standards. The record in *McRae*, the challenge to the Hyde Amendment, shows the reasons for this. The subtleties of the variations in standards are lost on doctors, who are extremely cautious in relation to perceived risk of fraud prosecutions. The realities of medical practice in relation to abortion make the predictive certainty required by these standards impossible. In fact, most of the conditions that kill or seriously injure pregnant women do not develop until late in pregnancy whereas the judgments required by legal restrictions must be made early in pregnancy. While it is possible to know on group or statistical basis when a pregnancy presents high risk, it is not possible to predict that a particular woman will die or suffer severe and long lasting physical damage with the degree of certainty that doctors believe is required by the legal restrictions. By contrast, the standard of "medical necessity" is comprehensible to doctors and to those who are familiar with Medicaid or Medicare. It gives the physician the latitude

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Footnotes at end of article.

necessary to consider the patient's whole situation.[28]

Since June 1977, several suits have been brought arguing that state Medicaid plans must include payment for all medically necessary abortions. Two main arguments have been made. First, despite, the Hyde Amendment, the Social Security Act continues to require that the states include all medically necessary abortions within their state Medicaid plans. Second, the equal protection clause prohibits the states from denying payments for medically necessary abortions. To date, court orders have prevented five states from denying Medicaid for medically necessary abortions.[29] Two other courts have implicitly accepted plaintiffs arguments that Medicaid must be provided for all abortions certified by a physician as medically necessary,[30] and one court has rejected the claims.[31] We will discuss the arguments in summary form.

The statutory argument is based on the general federal Medicaid requirement that medical and remedial care and services provided through Medicaid: "must be sufficient in amount, duration and scope to reasonably achieve their purpose. With respect to the required services . . . the state may not arbitrarily deny or reduce the amount, duration or scope of such services to an otherwise eligible individual *solely because of the diagnosis, type of illness or condition*. Appropriate limits may be placed on services based on such criteria as *medical necessity* or those contained in utilization or medical review procedures." (Emphasis added.) [32]

Many federal courts, in actions by legal services attorneys, have enforced this requirement and prevented state Medicaid cutbacks which had the effect of excluding a particular diagnosis, illness or condition from Medicaid coverage *White* v. *Beal* [33] held that Pennsylvania could not limit eyeglasses to those with eye diseases and exclude those with refractive errors. *Dodson* v. *Parham* [34] invalidated a Georgia attempt to eliminate many drugs from Medicaid. Most recently, two courts have held that states cannot refuse payment for transsexual surgery where the physician certifies that it is medically necessary.[35]

If a court finds that the Social Security Act prohibits states from excluding medically necessary services from Medicaid on the basis of condition or diagnosis, it must then consider the Hyde Amendment's prohibition on the use of federal funds for abortion. Challengers have argued, and the courts have found,[36] that the Hyde Amendment must be limited to its literal terms.[37] This means that, while no federal funds are available to reimburse the states for abortions, the states are nevertheless required by the Act to continue including medically necessary abortions within their Medicaid programs. General principles of statutory construction demand that, if it is possible, appropriations riders should be construed to leave intact the underlying statutory structure.[38] Further, the HEW regulations on the Hyde Amendment are limited to issues of federal reimbursement and do not modify the mandatory scope of state Medicaid programs.[39]

The equal protection challenge to restrictions on Medicaid payments for medically necessary abortions is distinguishable from *Maher, supra* on two grounds. First, the policy upheld in *Maher* simply refused Medicaid for "elective" abortions that had not been certified as medically necessary or indicated. Plaintiffs in *Maher* were arguing, in effect, that abortion services should be treated more favorably than any other service provided under Medicaid. Now poor women argue that abortion should be treated like everything else: Medicaid should be provided whenever a physician certifies that the services are medically necesary.[40] Where Congress or the state acts affirmatively to single out abortion and to destroy the Medicaid entitlement for medically necessary services, the classification thus created must serve some reasonable state interest.

Second, *Maher* found that denying Medicaid payments for elective abortions reasonably furthered the state's assumed interest in "encouraging normal childbirth." [41] Obviously a very strong factual case can be made to show that denying Medicaid payments for *medically necessary* abortions is not a reasonable means of "encouraging normal childbirth." Many of the women who would be drafted into this child production program have serious physical and psychological problems, are teenagers, or have reason to believe that their child will suffer from genetic defects.[42]

III. ACCESS TO FACILITIES

Abortion is the most frequently performed, nondiagnostic adult surgical procedure.[43] A first trimester abortion is relatively simple and can, in most cases, be performed safely in a clinic or a physician's office. Second trimester abortions are normally performed in hospitals.[44] Poor women depend more heavily on hospitals for all medical services, including abortions.[45]

Most American hospitals have not performed abortions. In 1975–76, only 30 percent of non-Catholic United States hospitals—38 percent of the private and eighteen percent of the public hospitals—reported performing even one abortion.[46] In non-metropolitan areas, the situation facing poor, pregnant women is even more desperate.[47] In ten states, no public hospital has ever done an abortion.[48] Since 1973, the class bias in the actual availability of legal abortions has paralleled the class bias in the availability of abortion that existed prior to 1973.[49]

The fact that a hospital does not provide abortions may result from two causes: no doctors, either staff or affiliates, may be willing to perform abortions; or hospital policy may not allow, or provide for, abortion services. Because of the restrictions of the Legal Services Corporation Act and the reality of the substantive law, there is little point in seeking legal redress where there are, in fact, no doctors in an area willing to perform abortions.[50] Also, for obvious reasons, there is little point in seeking to force a Catholic hospital to perform abortions. Hence, the discussion here focuses on the institutional obligations of non-Catholic hospitals to make abortion services available to the poor.

Public hospitals are subject to the constraints of the fourteenth amendment.[51] In *Poelker* v. *Doe*,[52] the Supreme Court held, *per curium*, that a public hospital does not violate equal protection when it elects, "as a policy choice, to provide publicly financed hospital services for childbirth without providing corresponding services for nontherapeutic abortions." The Court relied upon *Maher, supra*, which required that a classification denying Medicaid payments for nontherapeutic abortions must be "rationally related" to a "constitutionally permissible" purpose.[53] While the government is not required to provide health care services once it "decides to alleviate some of the hardships of poverty by providing medical care, the manner in which it dispenses benefits is subject to constitutional limitation." [54]

It is not at all clear what "constitutionally permissible" purpose was reasonably furthered by the policy of the public hospitals in *Poelker* that refused to provide abortion services.[55] However, there are at least two reasons for believing that this decision does not entirely foreclose the possibility of using equal protection concepts to challenge public hospital policies restricting access to abortion. First, the Supreme Court was careful to limit its holdings in both *Poelker* and *Maher* to restrictions on access to "unnecessary," "nontherapeutic," and "elective" abortions. The opinions almost ask to be distinguished where the abortion sought is medically necessary or indicated.[56] Second, both *Maher* and *Poelker* were argued at the trial level and on appeal solely as cases of legal principle. It is possible that a court confronted with concrete facts about the destructive effects of denying poor women medically necessary abortions would reach a different conclusion. Since *Poelker*, no cases have been filed challenging a discriminatory policy of a public hospital that refuses to provide or allow abortions.[57]

State law—statutes, constitutions and common law—may also support a claim against a hospital, public or private, that discriminates against women who seek abortions.[58] The New Jersey Supreme Court has held that private, nonsectarian hospitals may not refuse to allow physicians with staff privileges to perform elective abortions.[59] The court found:

"The . . . hospitals are non-profit corporations organized to serve the public by operating medical facilities. Each receives substantial financial support from federal and local governments and the public. Each is the beneficiary of tax exemptions. Each is an institution whose medical facilities are available to the public, particularly those who live in their primary service areas. The properties of these hospitals are devoted to a use in which the public has an interest and are subject to control for the common good. . . . As quasi-public institutions, their actions must not contravene the public interest. They must serve the public without discrimination. Their boards of directors or trustees are managing quasi-public trusts and each has a fiduciary relationship with the public. Like other businesses affected with a public interest, hospitals have been subjected to legislative control. . . .

"Judicial review and legislative control are predicated on recognition of the quasi-public status of the hospital and its obligation to serve the public." [60]

The New Jersey court also rested on common law concepts that hospitals are bound by the law applicable to public accommodations and common carriers, and that the common law requires that hospital rules and regulations:

"Be related to the hospital's purposes and operational needs. . . . Moral concepts cannot be the basis of a non-sectarian, nonprofit, eleemosynary hospital's regulations where that hospital is holding out the use of its facilities to the general public. The board of trustees or directors, although vested with managerial discretion within the framework of the hospital's functions and purposes, may not promulgate unrelated policies. When it does so, its determinations are unsupportable and arbitrary." [61]

While there are few states that have courts as innovative as New Jersey's, most states have laws that could provide the basis for challenging the policy of a public or private hospital that discriminates against women seeking abortions.[62] All states provide statutory licensing and inspection requirements for both public and private hospitals. In most states, there are laws providing for centralized planning of hospital facilities. In many, there are anti-discrimination laws applicable to hospitals, and laws that declare in general terms that it is the policy of the state to provide adequate medical services for all citizens. In some states, the obligation to provide health services is imposed upon state or local governments; and in some, hospitals are required to provide emergency services. The need for abortion may be accurately characterized in many situations as an emergency.[63]

Because of the restrictions which hospitals have placed on access to abortion services, since 1974 most abortions have been performed in free-standing outpatient clinics.[64]

Footnotes at end of article.

The best estimate is that about twenty percent of the clinic abortions were financed by Medicaid.[65] Some individual clinics as well as the trade association of the abortion clinics encourage provision of free and below-cost services to women who cannot pay.[66] Many clinics are not certified to receive Medicaid reimbursement; those that are, often have serious problems actually obtaining adequate reimbursement. Lawyers representing clinics are generally not well informed about the intricacies of Medicaid law and do not know the people who staff the Medicaid bureaucracies. Legal services lawyers, who know the Medicaid law and agencies, could provide a vital service for poor women by working with clinic administrators and attorneys to ensure that clinics obtain Medicaid certification and adequate reimbursement.[67]

IV. TEENAGERS

There are eleven million sexually active teenagers in the United States. Every year more than one million women between the ages of fifteen and nineteen—one out of ten—become pregnant. In addition, some 30,000 girls below the age of fifteen become pregnant each year.[68] While the overall fertility rate has been declining, fertility among girls aged fourteen to seventeen has remained stable, and fertility among girls fourteen and younger has been increasing since 1960.[69] Two out of every ten babies born in the United States have mothers still in their teens.[70]

In the last two years, several HEW studies have documented the grave physical, emotional, psychological and social problems which unwanted pregnancy creates for teenagers.[71] HEW's Office of Child Health Affairs concludes that "teenage pregnancy . . . is one of the most, if not the most, pressing health problem of individuals nineteen years of age and under."[72]

Most teenagers do not have access to contraceptives; most teenage pregnancies are unintended.[73] In 1976, about one-third of all abortions in the United States were performed for teenagers,[74] and many more teenage women were unable to obtain the abortions they sought. In many parts of the country, the need to travel to obtain abortion services has its harshest impact on women who are young and poor.[75]

In 1977, the Supreme Court held that minors have a constitutional right to purchase non-prescription contraceptives.[76] Further, under the Social Security Act, poor teenagers have a right to be provided with comprehensive family planning information and services, and the states have the concomitant duty to provide minors with such information and services.[77] The Act prohibits a state from violating the rights to privacy and confidentiality of minors by notifying parents that their children are obtaining family planning services.[78] The state must also provide family planning information and services to sexually active poor children in foster care, and cannot condition the children's right to receive such information and services upon the consent of the foster parents.[79]

With respect to abortion, the Supreme Court has made plain that the state not impose a blanket parental consent requirement and may not give parents the right to veto their child's decision whether or not to have an abortion.[80] The Court has suggested that it might approve a state requirement that parents be *consulted* prior to an abortion if such a consultation program met certain requirements. Also, the state may not require that the parents be notified of the abortion or consulted if the minor is "mature" or "capable of giving informed consent."[81]

If the state requires young girls who are not capable of giving informed consent to consult with their parents prior to an abortion, the state must provide an opportunity for prompt judicial review to determine whether the parents are acting in the child's best interest in refusing to consent to an abortion. A parental consultation requirement may not "unduly burden" the child's constitutional right to obtain an abortion.

Any delay in obtaining abortion services increases risks,[82] and most teenagers do not seek medical help for pregnancy until the second trimester.[83] As a practical matter, most courts are not capable of providing a "prompt" determination whether a minor is sufficiently mature to consent to her own abortion without parental consultation, and, if she is not, of a "prompt" judicial determination whether her parents have acted in her best interests.[84] Obviously, it is not easy for a poor pregnant minor to invoke the judicial process.[85] Many teenagers, if forced to confront their parents with the fact of sexual activity or an unwanted pregnancy, will simply forego contraception or an abortion until it is too late to hide.[86] For all these reasons, no state has as yet devised a program for parental consultation prior to an abortion that can withstand constitutional scrutiny.[87]

Given the above, many doctors believe that whenever a teenager seeks an abortion, an abortion is medically necessary.[88] Hence it is arguable that any work by legal services attorneys to make abortions available to teenagers is exempt from the restriction of the Legal Services Corporation Act. While explicit legal restrictions on access to abortion and contraception raise significant legal and practical issues, with teenagers, as with adults, the most significant problems do not result from explicit restrictions but from the lack of available information and services.

The Social Security Act requires that states "assure" that "family planning services are offered to [sexually active minors on AFDC] and are provided promptly . . ." to people who want such services.[89] At the very minimum, this requires that family planning information, including information on where services can actually be obtained, be provided to teenagers. It is not sufficient that the information be provided to parents, or be included in "check-stuffers" sent to the head of the AFDC household. AFDC children in foster care are also legally entitled to receive this information, and assistance in obtaining services.[90]

V. STERILIZATION

While there are some problems in obtaining access to sterilization services, more often this irreversible method of fertility control is not only accessible to the poor, but is urged upon them.[91] At the federal level, funds for abortions are denied while sterilization is financed with a ninety percent federal match.[92] Ensuring that consent to sterilization is informed and voluntary is difficult. We consider first, the facts; second, some particular aspects of recent regulations designed to ensure informed and voluntary consent; and third, legal redress for clients who have been subjected to involuntary sterilization.

In recent years there has been a widespread increase in the acceptance and incidence of voluntary sterilization in the United States. It has been estimated that there are nearly one million sterilizations performed in the United States every year, indicating that the ratio of sterilization to live births is approaching one to three.[93] From 1970 through 1974, there was almost a three-fold increase in sterilizations, from 192,000 in 1970 to 548,000 in 1974.[94] In 1974, federal district court Judge Gerhard Gessell specifically noted the growing number of sterilization operations and the concurrent lack of public awareness, stating:

"Few realize that over 16 percent of the married couples in this country between the ages of 20 and 39 have had a sterilization operation. Over the last few years, an estimated 100,000 to 150,000 low income persons have been sterilized annually under federally funded programs."[95]

A large part of the reason for this lack of public awareness is that sterilization operations are most commonly performed on the uneducated, the poor, blacks and Spanish-speaking persons. A comprehensive government study in 1970 found that the proportion of women who had been sterilized increased from white to black and educated to uneducated.[96] Only 5.6 percent of college-educated white women had been sterilized compared with 9.7 percent of college-educated black women.[97] Among women without a high school diploma, 14.5 percent of white women and 31.6 percent of black women had been surgically sterilized.[98] Spanish-speaking women are twice as likely to be sterilized as English-speaking women.[99] Moreover, there is evidence that a majority of Spanish-speaking women who are sterilized do not understand that the operation is irreversible.[100] Poor and young women are also commonly subject to sterilization operations. One study found that welfare recipients under the age of 21 were sterilized almost three times as often as non-recipients under 21; black women under 21 years of age were sterilized with greater frequency than white women in the same age group.[101]

One important factor accounting for the disproportionately large numbers of sterilizations of poor, black, uneducated, and Spanish-speaking women is the attitude of physicians. While doctors rarely suggest sterilization for private patients, they do so routinely for public patients.[102] In one study, 95 percent of the gynecologists polled favored the compulsory sterilization of unmarried women who have had three children and are receiving public aid.[103]

This professional attitude toward the poor is also reflected in the training of new surgeons. Physicians must assist or perform a certain number of hysterectomies and tubal ligations in order to complete training as obstetricians-gynecologists and obtain certification from the American Board of Surgery. The teaching imperative causes "considerable 'pushing' and 'hard selling' of elective sterilization procedures for women."[104] At Los Angeles County Hospital, affiliated with the University of Southern California Medical School, a resident told new interns:

"I want you to ask every one of the girls if they want their tubes tied, regardless of how old they are. Remember, everyone you get to get her tubes tied means two tubes (i.e., an operation) for some resident or intern. . . ."[105]

At Baltimore City Hospital, affiliated with Johns Hopkins Medical School, seven women under 21, each with only one living child, were sterilized after a caesarean section by a tubal ligation without previously having expressed any interest in sterilization.[106]

The training imperative also leads to a "hard selling" of hysterectomies instead of tubal ligations. While both procedures pose significant potential complications, a hysterectomy is major surgery and involves substantially greater physical and psychological risks. Unfortunately, this information is rarely disclosed, adequately to patients. A student at Boston City Hospital, a teaching hospital for Harvard, Tufts and Boston University Medical Schools, summed up his experience on the gynecology service saying, "on many occasions, patients requesting sterilization . . . usually by tubal ligation, were talked to for several days until they agreed to hysterectomies."[107] Dr. Donald Sloan of Metropolitan Hospital in New York states:

"We practice on the poor so we can operate on the rich. Hysterectomies and simple tubal ligations are performed all the time just for the practice."[108]

Footnotes at end of article.

Thus, all the available evidence indicates that eighteen to twenty-year-old poor, black, and Spanish-speaking women are particularly hard-hit victims of sterilization abuse.

Relf v. *Weinberger*,[109] a lawsuit instituted in 1974, first focused national attention on the growing problem of sterilization abuse. The action arose when two young black women, ages twelve and fourteen, were sterilized; neither the girls nor their parents were informed of the nature of the operation. The parents challenged HEW regulations providing federal funds for voluntary family planning, alleging that HEW had failed in its responsibility to ensure that federal funds were used only for voluntary sterilizations. The district court found that:

> "An indefinite number of poor people have been improperly coerced into accepting a sterilization operation under the threat that various federally supported welfare benefits would be withdrawn unless they submitted to irreversible sterilization. Patients receiving Medicaid assistance at childbirth are evidently the most frequent targets of this pressure. . . ." [110]

The court ordered HEW to promulgate regulations ensuring that competent adults would be sterilized only after they had given their informed and voluntary consent, and preventing altogether the use of federal funds for sterilization of minors or those persons who are mentally incompetent.[111]

In December 1977, HEW issued proposed regulations, which will be discussed here.[112] It is important to note several essential differences between abortion and sterilization which justify and require different legal treatment of these medical procedures. First, sterilization is irreversible; a woman who chooses to have an abortion may, and normally does, subsequently choose to bear a child. Second, any delay significantly increases medical risks of abortion, while delay produces no increase in the risks of sterilization. Third, while there is a significant history of coercion in relation to sterilization, both in the medical profession and in law, the problem in relation to abortion has been solely one of access, not coercion. Even if this were not the case, as a practical matter, a woman who believes herself to be pregnant and wants to remain pregnant can simply avoid situations in which abortion might be forced on her; by contrast, a woman who seeks medical services is in danger of being subject to a coerced sterilization.

The proposed HEW regulations mandate a thirty-day waiting period between the signing of the consent form and the performance of the operation. There are two purposes for this waiting period: first, to ensure that a decision to undergo sterilization is made carefully and voluntarily by providing the time for reflection and discussion with friends and family; and second, to ensure that decisions to undergo irreversible sterilization are not made during periods of stress which are often associated with pregnancy, childbirth, illness or hospitalization.

It has been stated: "The psychological effects of sterilization constitute the most serious risks of harmful or nonbeneficial outcome." [113] The likelihood that a woman will subsequently regret being sterilized is directly correlated with whether or not her decision was fully informed, voluntary and made in a stress-free environment. It has been a common practice at some hospitals to elicit consent to perform a sterilization after a woman has gone into labor or as she is just about to receive an abortion. Not surprisingly, women in this situation are strongly influenced and intimidated by their physicians and surroundings. Consequently, a high percentage of these women sterilized under such circumstances regret their decision.[114] This situation is especially common among poor women. A study of patients sterilized at Massachusetts General Hospital shows that of those patients who regretted the operation, significantly more were clinic patients, and more clinic patients believed that they did not receive adequate information prior to the operation.[115]

The imposition of a "cooling off" period substantially reduces the incidence of regret. One gynecologist noted that where a thirty-day waiting period was imposed, the rule was disregarded in 36 percent of the dissatisfied cases as compared to 16 percent of the entire group.[116] When allowed to ponder their decision in a non-coercive environment, many women change their minds and cancel the operation. Testimony on California's regulations showed that at one family planning clinic more than ten percent of the women who completed the consent form did not go forward with the sterilization; twelve out of seventy people scheduled for sterilization at San Francisco General Hospital cancelled during the waiting period.[117] The evidence indicates that a thirty-day waiting period should be encouraged because it helps to ensure an informed, thoroughly considered and completely voluntary decision without imposing any undue hardship.[118]

The federal regulations bar sterilizations of women under age 21 or those who are mentally incompetent. The age requirement raises difficult issues. On the one hand, there are individual cases in which denying sterilizations to women under 21 creates significant hardship.[119] On the other hand, there is substantial evidence that young women are most vulnerable to abuse;[120] young women are most likely to regret the decision to be sterilized.[121] Furthermore, age restrictions are inevitably outgrown. On balance, it seems that the need to protect large numbers of young women from abuse and coercion outweighs the occasional hardship which the restriction causes to an individual young woman.

Current HEW policy prohibits federal funding for the sterilization of any person who is mentally incompetent under state law, even where the law permits the sterilization of mental incompetents.[122] The underlying premise of this regulation is the fear that "any exception to a ban on federal financial participation in the sterilization of the profoundly retarded would prove extremely difficult to police" and could result in the "wholesale sterilization of mental incompetents for the convenience of their guardians and custodians." [123]

A review of case law and the testimony of experts in the field supports the continuation of current HEW policy. Nancy Shuger, testifying on behalf of the Developmental Disabilities Law Project of the University of Maryland Law School stated, "Convenience of the guardians and custodians is the primary reason sterilization is sought. . . Routinely, the feelings of the handicapped person are not considered." This statement is amply supported by case law. In one case, a retarded twelve-year old girl in an institution was sterilized, supposedly to facilitate her placement in a foster home. The physician performed a complete hysterectomy because the child had been "slovenly" in dealing with menstruation.[124] In another recent case, a deaf-mute woman was sterilized at the time of the birth of her second child on the consent of her sister-guardian, despite the fact that the patient, to the extent of her limited capacity to communicate. had repeatedly objected to being sterilized and had written to the doctor informing him that she was planning to be married soon and wanted to have additional children with her new husband.[125]

It seems clear that, to the extent that a mentally disabled person can express an opinion whether she wants to be sterilized or not, that opinion must be honored. Where a person is incapable of expressing an opinion on the subject, very difficult issues arise in determining whether sterilization may be in the individual's best interests. An Alabama federal court, applying constitutional standards, has approved a procedure under which sterilization for an institutionalized person incapable of consent may be approved by a committee consisting of at least one physician, one lawyer, two women, two minority group members and one fellow resident of the institution, none of whom may be an employee or agent of the institution.[126] The committee is required to review all medical and psychiatric records and to approve sterilization only if it is in the best interests of the resident, after resolving all doubts against sterilization. All persons concerned must be interviewed by the committee, including the patient, who must be represented by counsel throughout the proceeding.

The difficulty of bringing successful damage actions and the inadequacy of money damages in the context of sterilization abuse also argue for the continuation of current HEW policy. In *Stump* v. *Sparkman*,[127] a young girl was sterilized at the age of fifteen when her mother, alleging that she was "somewhat retarded," successfully petitioned a court of general jurisdiction to authorize the girl's sterilization. At the time, the girl was told that she had undergone an appendectomy. Years later, after her marriage and unsuccessful attempt to conceive, the girl learned the truth. She brought suit under 42 U.S.C. § 1983 against her mother, her mother's attorney, the circuit court judge, the doctors and the hospital for the alleged violation of her constitutional rights. The United States Supreme Court held that:

> "Because the court over which Judge Stump presides is one of general jurisdiction, neither the procedural errors he may have committed nor the lack of a specific statute authorizing his approval of the petition in question rendered him liable in damages for the consequences of his action." [128]

Thus, the plaintiff was left without any judicial remedy for the irreversible and indiscriminate termination of her ability to bear children.

Physicians' attitudes towards the poor are also upheld by the courts. In *Walker v. Pierce*,[129] a black woman unsuccessfully sued the attending physician at the Aiken County Hospital in South Carolina for sterilizing her solely because of her race, her number of children and her eligibility for Medicaid. If a patient had more than two children and her bill was to be paid by Medicaid, the physician refused to deliver her child unless she consented to be sterilized. The Fourth Circuit stated:

> "We perceive no reason why Dr. Pierce could not establish and pursue the policy he has publicly and freely announced. Nor are we cited to judicial precedent or statute inhibiting this personal economic philosophy. Particularly is this so when all persons coming to him as patients are reasonably made aware of his professional attitude toward the increase in offspring and his determination to see it prevail." [130]

Hence, it is apparent that courts have imposed substantial limitations on the ability of poor women who are subject to coerced sterilization to obtain legal redress. Despite these limitations, there remain many situations in which damage actions are possble and would be salutary in deterring coerced sterilizations. Because of the difficulties of proof, and the speculative nature of the damages, it is difficult for poor women to find lawyers to undertake these actions. Because it is impossible to obtain full redress after the fact of involuntary sterilization, it is essential to have strong regulations and vigorous enforcement. Furthermore, because this is an area in which private counsel is not likely to be available, legal services attorneys should consider providing assistance to individual clients.

Footnotes at end of article.

VI. CONCLUSION

The problems of ensuring poor women the right to reproductive choice are overwhelming. There are high and widespread obstacles to reproductive freedom which have a devastating effect on the lives of legal services clients. The legal issues are difficult. Partly because the problems are so great, the possibilities of constructive and satisfying work in this are correspondingly large. In several areas there are legal claims that, if properly litigated, have a good chance of success. Work in this area can also provide legal services lawyers opportunities to form alliances with others, help develop community organization, and strengthen the political base for dealing with issues that critically affect the lives of their clients.

FOOTNOTES

[1] 42 U.S.C. § 2996f(b) (8).

[2] Social Security Act § 402(a) (15) (B), 42 U.S.C. § 602(a) (15) (B). The 1967 Amendments also (1) required that the Maternal and Child Health programs, created by Title V of the Social Security Act, be expanded to include Family planning services; (2) increased the appropriations authorized for Title V programs; and (3) required that a percentage of these funds be used for family planning programs. Social Security Act § 502 (a) (3), 42 U.S.C. § 702(a) (3), S. Rep. No. 744 on Pub. L. No. 90–248 reported in 1967 U.S. Code, Cong. & Ad. News 3033. The Economic Opportunity Act of 1967 also included specific authorization for voluntary family planning programs, 42 U.S.C. § 2809.

[3] *See* H. Rep. No. 91–1472 on Pub. L. No. 91–572 as reported in 1970 U.S. Code, Cong. & Ad. News 5068, at 5070–71.

[4] Pub. L. No. 91–725, § 2(1), Declaration of Purpose.

[5] Family planning as a mandatory service under Medicaid, *see* Social Security Act, § 1905(a) (4) (C), 42 U.S.C. § 1396d (a) (4) (C). On federal sharing *see*, Social Security Act § 1903(a) (5), 42 U.S.C. § 1396b(a) (5) (Medicaid); and Social Security Act § 403(e), 42 U.S.C. § 603(e) (AFDC). The normal AFDC/Medicaid matching rate is 50–83 percent federal share depending on state per capita income.

[6] Social Security Act § 2002(1), 42 U.S.C. § 1397a(a) (1).

[7] Social Security Act 403(f), 42 U.S.C. 603 (f).

[8] 45 C.F.R. § 220.21. The federal regulations defining mandatory family planning services under Title XX are 45 C.F.R. § 228.55.

[9] *See* Comptroller General's Report to Congress, No. B–164031(3), Improvements Needed to Speed Implementation of Medicaid's Early and Periodic Screening, Diagnosis and Treatment Program, 1975.

[10] *See* Stanton v. Bond, 504 F.2d 1246 (7th Cir. 1974), Woodruff v. Lavine, 399 F.Supp. 1008 (S.D. N.Y. 1975), 417 F.Supp. 824 (S.D. N.Y. 1976), Wisconsin Welfare Rights Org'n v. Newgent, 433 F.Supp. 204 (E.D. Wis. 1977).

[11] Operation Life has been praised as the most effective EPSDT program in the nation. *See* Child Health Assurance Act of 1978, Report of the Commission on Interstate and Foreign Commerce to the Senate, 95th Cong., 2d Sess., at 30 (Aug. 1978). *See* Implementing the EPSDT Program: A Step-by-Step Guide for Community Organizations (1977), available from the National Economic Development Law Project, 2313 Warring St., Berkeley, CA 94704.

[12] *See, e.g.*, Kissam, *Physician's Assistant and Nurse Practitioner Laws: A Study of Health Law Reform*, 24 Kan. L. Rev. 1 (1975). States are constitutionally free to require that abortions be done by physicians, Connecticut v. Menillo, 423 U.S. 9 (1975), and all states prohibit abortions by people other than doctors.

The Rural Health Clinic Services Act of 1977 (Pub. L. No. 95–210) requires that Medicaid and Medicare reimbursement be provided for nurse practitioners, physician assistants, and nurse midwives working in rural health clinics. *See* 43 Fed. Reg. 30520 (July 14, 1978). In urban areas states have the option to provide Medicaid reimbursement for these services, without regard to geographic location. *See* 42 C.F.R. § § 449.10 (h) (6) and (9).

[13] Roe v. Wade, 410 U.S. 113; Doe v. Bolton, 410 U.S. 179 (1973).

[14] Beal v. Doe, 432 U.S. 438 (Social Security Act); and Maher v. Roe, 432 U.S. 464 (1977) (equal protection).

[15] Sullivan, Tietze and Dryfoos, *Legal Abortion in the United States, 1975-76.* 9 Fam. Planning Perspectives, 116–117, 121, 129 (1977).

[16] *Id.* at 121, 128.

[17] Lincoln, *et. al. The Court, the Congress and the President: Turning Back the Clock on the Pregnant Poor*, 9 Fam. Planning Perspectives, 207, 210 (1977).

[18] Connecticut stated in its brief in the Supreme Court:

"[Medicaid] is a program designed to provide medical services which are necessary for the recipient's health. Abortion, just as a tonsillectomy, a hysterectomy or other medical service, is paid for under the program if it is medically necessary for the patient's health. . . . A state regulation which attempted to *exclude* from coverage under Medicaid an abortion which *was* medically necessary for the patient's health might well run afoul of the equal protection clause as invidious discrimination." *Maher v. Roe*, Brief of the Appellant, p. 12 (emphasis in the original).

Pennsylvania's counsel stated at oral argument:

"[A] physician, in examining a patient, may take psychological, physical, emotional, familial considerations into mind and in the light of those considerations, may determine if those factors affect the health of the mother to such an extent as he would deem an abortion necessary.

"I think the key in the *Bolton* language, and the key in the *Vuitch* language [402 U.S. 62] is the fact that the physician, using all of these facts—and there are probably more than he should use—must determine if the woman's health—that is, her physical or psychological health—is jeopardized by the condition of pregnancy." Quoted in dissenting opinion of Mr. Justice Brennan, *Beal v. Doe*, 432 U.S. at 450–51.

The majority opinion in *Beal* states:

"In *Doe v. Bolton*, 410 U.S. 179, 192 (1973), this Court indicated that [w]hether 'an abortion is necessary' is a professional judgment that . . . may be exercised in light of all factors—physical, emotional, psychological, familial, and the woman's age—relevant to the well-being of the patient. All these factors may relate to health. This allows the attending physician the room he needs to make his medical judgment." We were informed during oral argument that the Pennsylvania definition of medical necessity is broad enough to encompass the factors specified in *Bolton*. 431 U.S. 442, n. 3.

The majority opinion subsequently states: "The decision whether to fund the costs of the abortion thus depends solely on the physician's determination of medical necessity." *Id.* at 445 n. 9.

[19] 432 U.S. at 478 (1977).

[20] 432 U.S. 444 (1977).

[21] *Id.* at 444–445.

[22] The official cite for the 1976–77 Hyde Amendment is Pub. L. No. 94–439 § 209. The cite for the 1977–78 version is Pub. L. No. 95–205 § 101. Debate on the 1979 version began in June 1978, and continues as this article goes to press. For regulations, *see* 43 Fed. Reg. 4570 (1978) and 43 Fed. Reg. 31868 (1978).

[23] 421 F.Supp. 533 (E.D. N.Y. 1976).

[24] States which are apparently providing funding for medically necessary abortions, either voluntarily or as a result of the court orders discussed below are: Alaska, California, Colorado, District of Columbia, Idaho, Illinois, Iowa, Massachusetts, Michigan, North Carolina, New York, New Jersey, Oregon, Pennsylvania, Washington, West Virginia, and Wisconsin. The situation in many of these states is extremely tenuous, and it is likely that some of these states may have left this list by the time this article is published.

[25] In some states such as Texas, Delaware and Georgia, state officials believed that they were not free under state law to provide payments for a service where federal matching funds were unavailable (materials on file with the author). Other states, such as Connecticut, Kansas and Arkansas, announced that they were cutting back because they were required to do so by federal law. This is a misconception of federal requirements, *see infra*, (state material on file with the author).

[26] *For example*, Missouri Code of State Regulations, 13 C.S.R. 40–81.100, defines a medically indicated abortion as one provided where "a full term pregnancy and childbirth *would* cause *cessation* of the mother's life."

[27] This data was developed by HEW in response to requests from Congress. It has been introduced in evidence, and is subject to cross examination in McRae v. Califano, 421 F.Supp. 533 (E.D. N.Y. 1976). This data, and plaintiffs' post-trial memo of fact are available from the Reproductive Freedom Project, ACLU, 22 E. 40th St., New York, NY 10016.

[28] *Supra*, note 18.

[29] Zbaraz v. Quern, Civ. No. 77 C 4522 (N.D. Ill., May 15, 1978), *stay denied, Mr. Justice Stevens* (June 28, 1978), *Mr. Justice Burger* (June 30, 1978) (unreported), struck down a statute limiting Medicaid payments unless "in the opinion of a physician, such procedures are necessary for the preservation of the life of the woman seeking such treatment." Illinois P.A. 80–1091. The court said:

"Since the medical assistance program is designed to provide *necessary* medical services for the needy, this Court holds that Illinois must provide funds for all therapeutic abortions. Plaintiffs have adequately shown that necessary medical services are *more* than services to save a life in peril. Defendant may not pick and choose among medically necessary treatments for medical assistance recipients, but must provide funds for treatment when, in the discretion of the attending physician, such treatment is medically indicated. The definition of medical necessity may not differ when the condition treated is pregnancy." *See Beal* v. *Doe*, Civ. No. 77 C 4522 (May 15, 1978). Slip Op. at 10–11.

Smith v. Ginsberg, Civ. No. 75–0380 CH, (S.D. W.Va., May 9, 1978), invalidated an informal policy of the state welfare department denying payment for abortion services saying:

"[T]he state may exclude coverage for *unnecessary* (i.e., nontherapeutic) abortions under its state Medicaid plan, while continuing to fund necessary (i.e. therapeutic) abortions until the further order of the court. As defined by the United States Supreme Court in *Doe* v. *Bolton*, 410 U.S. 179, 192 (1973), a necessary abortion is one which the attending physician, as the result of professional judgment, determines is necessary 'in light of all factors—physical, emotional, psychological, familial, and the woman's age—relevant to the well-being of the patient.'

"The Medicaid statute and implementing regulations require that state Medicaid plans cover all 'necessary medical services,' 42 U.S.C. §§ 1396, 1396a(a) (13), and 1396d(a), and that the state may not arbitrarily deny or reduce coverage for necessary Medicaid services on the basis of diagnosis, type of illness or condition . . ." Slip Op. at 3.

The most well reasoned abortion decision is Preterm v. Dukakis, Civ. No. 78-1653-C (D. Mass. July 28, 1978). The court held that the Social Security Act requires:

"That a medical service like abortion which a physician deems to be 'necessary' for a Medicaid recipient must be publicly funded. A contrary result would fundamentally misconceive the purpose of the Medicaid program. The intent of Congress in enacting Title XIX would not be furthered by a statutory construction that requires a state to meet anything less than 'medically necessary' services. On the other hand, that intent is furthered by an interpretation that the relevant statutory provisions require coverage of 'medically necessary abortions.'

"Another objective of the Medicaid program is to provide medical services in 'the best interests of the recipients.' § 1396a (a)(19). For a woman whose need for an abortion is termed 'medically necessary' by the medical profession, it is likely that an abortion during the first trimester of pregnancy would be safer than carrying the pregnancy to term. *See, e.g., Roe v. Wade,* 410 U.S. 113, 149 (1973). Furthermore, it has been stated that a woman and her physician are in the best position to decide what treatment is in her best interest. *E.g., Coe v. Hooker,* 406 F.Supp. 1072, 1081 (D. N.H. 1976). Thus, when a woman and her physician attest that an abortion is 'medically necessary,' M.G.L.A. ch. 367 would ignore the statutory mandate that medical services are to be offered in 'the best interests of the recipients.' Slip Op., pp. 9-10."

The Massachusetts district court was, however, unwilling to force the state to pay for abortions for which federal reimbursement was unavailable under the Hyde Amendment, reasoning that it would be "anomolous" to use federal law to force the states to pay for a service for which the federal government would not pay. The First Circuit quickly reversed this aspect of the decision, and forced Massachusetts to continue paying for all medically necessary abortions. Preterm v. Dukakis, No. 87-1324 (1st Cir., Aug. 7, 1978). *See also* Right to Choose v. Byrne, No. C-3817-77 (N.J. Super. Ct., July 7, 1978) (preliminary injunction requiring payment for medically necessary abortions), and Roe v. Casey, Civ. No. 78-2214 (E.D. Pa., June 30, 1978) (TRO in effect until further action).

[30] In Emma G. v. Edwards, 434 F.Supp. 1048 (E.D. La. 1977) the court approved a stipulation entered into by the parties providing that Louisiana would reimburse physicians for all medically necessary abortions. The court said "We believe that this stipulation is binding on the parties. However, even without such a stipulation, we think that considering the recent Supreme Court cases of *Maher,* . . . . *Beal* . . . and *Poelker* . . . this is presently the law." *Id.* at 1050.

In Doe v. Kenley, Civ. No. 78-218-A, (E.D. Va., April 21, 1978), the federal court initially issued a TRO restraining a Virginia policy of providing Medicaid coverage only where the physician has certified that the life of the mother would be endangered if the fetus were carried to term. After hearing testimony from the parties, the court determined that the term "endangered" as used in the Virginia policy means "to expose to danger or harm; imperil." Slip Op. of May 25, 1978 at 2. The court further found:

"This directive is very clear—it eliminates only reimbursement for abortions for which there were *no good medical reasons.*

"To further clarify the memo Virginia's Commissioner of Health testified he would accept the doctor's medical judgments, absent evidence of subterfuge on his part.

"[T]he State Board of Health Medicaid Memo is clear and unequivocal—it eliminates only reimbursement for abortions for which there are *no good medical* reasons. Slip Op. at 3 and 5." (Emphasis added.)

[31] D.R. v. Mitchell, Civ. No. 77-0156 (D. Utah, June 30, 1978), holds that the Social Security Act requires funding only for those services that were legal and available when it was passed in 1965.

[32] 45 C.F.R. § 249.10(a)(5), *recodified* at 42 C.F.R. § 449.10(a)(5).

[33] 413 F.Supp. 1141 (E.D. Pa. 1976), *aff'd* 555 F.2d 1146 (3rd Cir. 1977).

[34] 427 F.Supp. 97 (N.D. Ga. 1977).

[35] Rush v. Parham, 440 F.Supp. 383 (D. Ga. 1977); Doe v. State, 257 N.W. 2d 816 (Minn. Sup. Ct. 1977).

[36] *See supra* note 29.

[37] The Hyde Amendments provide, "None of the funds provided for in this paragraph shall be used to perform abortions except . . .". *Supra* note 22.

[38] See Tennessee Valley Authority v. Hill, 98 S.Ct. 2279 (1978) (The Snail Darter Case).

[39] 45 C.F.R. § 449.102, 43 Fed. Reg. 4570 (1978).

[40] The Supreme Court in Beal v. Doe, 432 U.S. 438 (1977), reiterates the broad definition of medical necessity originally articulated in Doe v. Bolton. *See Supra* note 18.

[41] Both Roe v. Wade and Maher v. Roe limit the state's power to act to protect fetal life or potential human life. Even in the later stages of pregnancy, when this state interest has become compelling, the state may not act to protect the fetus, "where the life or the health of the mother is threatened." Maher v. Roe, 432 U.S. at 472 (1977).

[42] This factual record has been developed in McRae v. Califano, 421 F.Supp. 533 (E.D. N.Y. 1976). This major challenge to the Hyde Amendment itself is pending in the Eastern District of New York. A nationwide class has been certified, and a trial was conducted from August 1977 through June 1978. In addition to the statutory and equal protection arguments, plaintiffs argue that the Hyde Amendment is unconstitutionally vague, it imposes a penalty on the pregnant poor, it discriminates on the basis of sex, it constitutes an establishment of religion, and interferes with the free exercise of religion of the women whose faith imposes obligations of responsible parenthood. The religious argument rests on an examination of the legislative process leading to the enactment of the Hyde Amendment, the lack of secular purpose served by it, and the notion that the question of when, prior to birth, human life begins is an issue upon which only religions provide answers so clear and certain that people are willing to impose their views on others.

[43] Lindheim and Cotteril, *Training in Induced Abortion by Obstetrics and Gynecology Residency Programs,* 10 Fam. Planning Perspectives 24 (1978).

[44] Alan Guttmacher Institute, Provisional Estimates of Abortion Needs and Services in the Years Following the 1973 Supreme Court Decisions, at 36 (1075).

[45] *Id.* at 17. Some of the reasons for this include the facts that private providers have traditionally discriminated against the poor, that poor people's patterns of seeking care developed in response to this discrimination, and that teenagers and poor people are more likely to be delayed in obtaining services and hence need second trimester abortions.

[46] Sullivan, *et al., Legal Abortion in the United States, 1975-76,* 9 Fam. Planning Perspectives 116, Table 3 (1977).

[47] Firpo and Lewis, *Family Planning Needs and Services in Non-Metropolitan Areas,* 8 Fam. Planning Perspectives 231 (1976).

[48] *Supra* note 46, and Weinstock, *et al. Abortion Need and Services in the United States, 1974-75,* 8 Fam. Planning Perspectives 58, 65 (1976).

[49] Prior to 1973, when state law allowed abortion only when "necessary to save the life of the woman," the rate of abortion for private patients was many times larger than the rate for ward and public hospital patients. This was true for both physical and psychiatric indications. These wide class disparities existed despite the fact that poor women are much more likely to suffer from serious physical and psychological problems. Erhardt, *et. al. United States: Therapeutic Abortions in N.Y. City,* Studies in Fam. Planning, No. 51, 8 (1970). Tietze *et. al. United States: Therapeutic Abortions, 1963 to 1968,* Studies in Fam. Planning, No. 59, 5 (1970).

[50] This does not mean that it is essential to have a doctor plaintiff, or even to identify doctors willing to do abortions. *For example,* Doe v. D.C General Hospital, 434 F.2d 427 (D.C. Cir. 1970) held that a municipal hospital must provide therapeutic abortions for poor women, and rejected the hospital's claim that it did not presently have the facilities or staff to provide the services. *See also* Doe v. Mundy, 441 F.Supp. 447 (E.D. Wis. 1977).

[51] Private hospitals must also meet constitutional requirements, to the extent that their actions constitute "state action." *See,* Health Law Project, *Legal Problems Inherent in Organizing Nursing Home Occupants,* 6 Clearinghouse Rev. 203 (1972); Note, *State Action: Theories for Applying Constitutional Restrictions to Private Activity,* 74 Colum. L. Rev. 656 (1974); Note, *State Action and the Burger Court,* 60 Va. L. Rev. 840 (1974); Sager, *Fair Measure: The Legal Status of Underenforced Constitutional Norms,* 91 Harv. L. Rev. 1212 (1978).

[52] 432 U.S. 519, 521 (1977).

[53] 432 U.S. at 478 (1977).

[54] *Id.* at 469-70.

[55] In upholding the Medicaid restriction denying elective abortions, the Court in *Maher* hypothesized that "a State may have legitimate demographic concerns about its rate of population growth." 432 U.S. 478, n. 11 (1977). As incredible as this asserted purpose is in the context of state Medicaid policy, it makes even less sense in relation to a hospital. At least where the rules are set by the hospital itself, it would seem beyond the ambit of hospital function to determine public demographic policy. Further, it is difficult to believe that demographic concerns can justify denying a poor woman an abortion where it is medically indicated.

[56] One difficulty with this argument is that the policy upheld in *Poelker* prohibited abortions in the city hospitals except where there was a threat of "grave physiological injury or death to the mother." 432 U.S. 519 (1977). Unlike *Maher* and *Beal,* the *Poelker* policy was not presented to the Supreme Court as one providing service for all medically necessary abortions. Despite these facts, the Supreme Court refers to the *Poelker* policy as one denying payment for "nontherapeutic" or "elective" abortions. Doe v. Mundy, 441 F.Supp 447 (E.D. Wisc. 1977), refused to require a public hospital to provide services for therapeutic abortions. This court relied upon the actual facts of *Poelker* and rejected an argument based on the apparently limiting language of the Supreme Court.

[57] State courts are free to interpret state constitutional guarantees of due process and equal protection, and are not required to follow the Supreme Court's interpretation of the federal constitution. At least in some states, this may be a situation in which it would be wise to urge state courts to provide relief on state constitutional grounds. *See, e.g.* Rasmussen v. Toia, 420 F. Supp. 757 (S.D. N.Y. 1976), rejecting a federal constitutional claim of people denied welfare, and Tucker v. Toia, 388 N.Y.S.2d 475 (Sup. Ct. 1977), holding that subsistence is a fundamental constitutional right under the New York state constitution. To avoid Supreme Court review it is important for state courts to rest squarely on state grounds. *See generally* Note, *Supreme Court Treatment of State*

Court Cases Exhibiting Ambiguous Grounds of Decision, 62 Column L. Rev. 822, 847 (1966).

[58] Doe v. Bridgeton Hospital Assn., Inc., 71 N.J. 478, 366 A.2d 641 (Sup. Ct. 1976), *cert. denied* 97 S. Ct. 2987 (1977), *petition for rehearing in light of Poelker v. Doe, supra, denied,* —— A.2d —— (1978).

[59] *Id.*

[60] 366 A.2d at 645–46 (N.J. Sup. Ct. 1976).

[61] *Id.* at 647. New Jersey, like 31 other states, has a "conscience law" which provides that hospitals are not required to provide abortion services, and that the refusal to perform, assist in the performance or provide abortion services does not constitute grounds for civil or criminal liability, disciplinary action or discriminatory treatment. The New Jersey Supreme Court, having recognized the rights of women and physicians seeking abortion services construed the statute as inapplicable to non-sectarian non-profit hospitals.

[62] Detailed memos on the legal theories available in many individual states are available from the ACLU's Reproductive Freedom Project, 22 E. 40th St., New York, N.Y. 10022.

[63] The mortality risk from abortion increases by one-third, for each week that the procedure is delayed. *See* Alan Guttmacher Institute, Induced Abortion: 1975 Factbook, at 57; Cates, *et al. The Effect of Delay and Method Choice on the Risk of Abortion Morbidity,* 9 Fam. Planning Perspectives 226 (1977). Nonetheless, for white women, the overall risk of death from childbirth is almost *twenty times* as great as the risk of death from legal abortion in the first trimester. Petitti, *et al., Restricting Medicaid Funds for Abortions: Projections of Excess Mortality for Women of Childbearing Age,* HEW, CDC, 1977, at 3–4. The risk of death from childbirth is much greater for women who are denied medically necessary abortions because, by definition, it has already been determined that these women suffer from some health-threatening situation, such as poor physical health, extreme youth, mental instability, or a variety of other problems.

[64] Institute of Medicine, Nat'l Academy of Science, Legalized Abortion and the Public Health, at 31 (1975). Since the beginning of 1974, most abortions have been performed in free-standing clinics. There have been several omnibus laws regulating free-standing abortion clinics. Courts have struck down these laws, relying upon the Roe v. Wade principles that there can be *no* regulation of abortion in the first trimester, beyond the requirement that it be performed by a licensed physician, and that regulation in the second trimester must be carefully designed to promote maternal health. Courts have refused to attempt to parse the omnibus statues to uphold the reasonable regulations and strike the offending portions. *See, e.g.,* Word v. Poelker, 495 F.2d 1349 (8th Cir. 1974); Friendship Medical Center Ltd. v. Chicago Board of Health, 505 F2d 1141 (7th Cir. 1974), *cert. denied* 420 U.S. 997 (1975); Arnold v. Sendak, 416 F.Supp. 22 (S.D. Ind. 1976); Fox Valley Reproductive Health Care v. Arft, 446 F.Supp. 1072 (D. Wis. 1978); Mohoming Women's Center v. Hunter, 444 F.Supp. 12 (N.D. Ohio 1977). *See also* Planned Parenthood of Minnesota, Inc. v. Citizens for community Action, 558 F.2d 861 (8th Cir. 1977). *But see* Abortion Coalition of Michigan v. Michigan Dep't of Health, 426 F.Supp. 471 (E.D. Mich. 1977), upholding regulations of "freestanding surgical outpatient facilities."

[65] The National Abortion Federation (NAF) is an organization of 100 clinics that performed 300,000 abortions in 1977, or about one third of the abortions performed nationally. About twenty percent of the abortions performed in NAF clinics were financed by Medicaid, Record, McRae v. Califano, 421 F.Supp. (E.D. N.Y. 1976), *supra note* 27.

[66] In 1977 the Clinic members of NAF provided 6,000 free abortions (or 2 percent of total) and 21,000 reduced fee abortions (or 7 percent of total), mostly to teenagers and working poor people. *Supra note* 27.

[67] Establishing a good working relationship between clinic personnel and legal services lawyers can produce other important benefits for legal services clients. Lawyers for clinics and poor women could work together to fight restrictive state laws, or to challenge them if enacted. Legal services lawyers might assist clinics in obtaining state Medicaid funds to do the family planning education and outreach required by federal law. *Supra* notes 1–11. Legal services lawyers could help to assure that clinics treat poor women with dignity and respect, that the special needs of poor clinics are met, and that representatives of the poor are included in clinic governing and advisory bodies.

[68] Alan Guttmacher Institute, 11 Million Teenagers: What Can Be Done About the Epidemic of Adolescent Pregnancies in the U.S.?, at 10 (1976) [hereinafter cited as 11 Million Teenagers]. Jaffe & Dryfoos, *Fertility Control Services for Adolescents: Access and Utilization,* 8 Fam. Planning Perspectives 167, 174 (1976).

[69] 11 Million Teenagers, at 12, *supra* note 68.

[70] *Id.* at 11.

[71] HEW, Office of Child Health Affairs, Teenage Pregnancy, 1976; HEW, Approaches to Adolescent Health Care, 1975; HEW, Report of Peter Schuck, Deputy Assistant Secretary for Planning and Evaluation, 1978 (this reports the work of a task force of fifty assistant secretaries and general counsel within HEW).

All of these HEW reports repeat the data cited above. *Approaches to Adolescent Health Care* states that the consensus of medical opinion is that teenagers are "biologically at risk in childbearing." *Id.* at 17. They face substantially greater risks of death, toxemia, caesarean sections, pelvic disproportion, anemia, and infection. In young girls, pregnancy prevents completion of the mother's own physical development. Babies of teenagers are more likely to be premature. 35.4 percent of children born to mothers ten to fifteen years of age, and 19.7 percent of those born to mothers sixteen to seventeen years of age have neurological defects, such as epilepsy, brain damage, cerebral palsy and mental retardation. These children are also significantly more likely to suffer from physical problems such as deafness and blindness. *See* NIH, The Women and Their Pregnancies, *The Collaborative Perinatal Study of the National Institute of Neurological Diseases and Stroke,* 6 PO 172, HEW No. (NIH) 73-379. In addition to these physiological problems, the emotional, psychological and social devastation that unwanted teenage pregnancy inflicts on young mothers and their babies is too massive to summarize in a footnote.

[72] Teenage Pregnancy, *supra* note 71 at I.

[73] Two thirds of all teenage pregnancies are unintended. 11 Million Teenagers, *supra* note 68 at 16. *See also* Zelnik & Kanter. *First Pregnancies to Women Aged 15–19: 1976 and 1971.* 10 Fam. Planning Perspectives 11 (1978).

[74] 11 Million Teenagers. *supra* note 68 at 48.

[75] Shelton, Braan & Schulz, *Abortion Utilization: Does Travel Distance Matter,* 8 Fam. Planning Perspectives 260 (1976).

[76] Carey v. Population Services International, 431 U.S. 678 (1977). The plurality of four held that: "the same test must be applied to state regulations that burden an individual's right to decide to prevent conception or terminate pregnancy by substantially limiting access to the means of effectuating that decision as is applied to state statutes that prohibit the decision entirely. Both types of regulation may be justified only by a compelling state interest . . . and . . . must be narrowly drawn to express only the legitimate state interests at stake. *Id.* at 678.

Mr. Justice Stevens concurred saying that it is unprecedented "for a State to require that an ill-advised act by a minor give rise to a greater risk of irreparable harm than similar act by an adult." *Id.* at 714. He recognized that the state may seek to discourage sexual activity by children, but viewed the New York prohibition on selling contraceptives to minors as an attempt to inflict an unwanted pregnancy as a form of punishment on the disobedient child. "If such punishment may not be administered deliberately, after trial and a finding of guilt, it manifestly cannot be imposed by a legislature, indiscriminately and at random. This kind of government-mandated harm, is, in my judgment, appropriately characterized as a deprivation of liberty without due process of law." *Id.* at 716.

[77] *Supra* notes 5–8.

[78] T. H. v. Jones, 425 F.Supp. 873 (D. Utah 1975), *aff'd on statutory grounds,* 425 U.S. 986 (1976).

[79] Lady Jane v. Maher, 429 F.Supp. 318 (D. Conn. 1976), *aff'd sub nom.* Maloney v. Lady Jane, 431 U.S. 926 (1977).

[80] Planned Parenthood v. Danforth, 428 U.S. 106 (1976).

[81] Bellotti v. Baird, 428 U.S. 132 (1976), a parental consent statute remanded for a state court interpretation. The Court said that it might be possible for the state court to interpret the statute as one that "prefers parental consultation and consent, but that permits a mature minor capable of giving informed consent to obtain, without undue burden, an order permitting the abortion without parental consultation, and, further, permits even a minor incapable of giving informed consent to obtain an order without parental consultation where there is a showing that the abortion would be in her best interests." *Id.* at 145.

On remand, the Massachusetts Supreme Court interpreted the statute, 360 N.E.2d 288 (1977). The district court found that the statute as interpreted still violated the constitutional rights of minors to obtain abortions. 428 F.Supp. 854 (D. Mass. 1977).

[82] *Supra* note 63.

[83] Shuck Report, *supra* note 71. Also *supra* note 27. Teenagers are often unaware of pregnancy until gestation is fairly advanced, in part because their menstrual cycle is irregular.

[84] As the court in Wynn v. Carey, Civ. No. 78-1262 (7th Cir. 1978), *affirming* 448 F.Supp. 997 (N. D. Ill. 1978), said, in striking down a parental consultation statute:

"A decision to obtain a court order presupposes an awareness of the existence of the remedy, an awareness simply not possessed by many minors. . . . Even if aware, the minor is faced with the enormous burden of going to court, without legal assistance and in opposition to her parents' wishes. Many minors may simply not go to court and instead resort to an illegal or self-procured abortion. . . . For those minors sufficiently determined to initiate court proceedings over parental opposition, the Act still places an undue burden upon them. Such proceedings, with parents present as opposing parties, will certainly destroy what was left of the family relationship. . . . Furthermore, the delay involved in first trying to obtain parental consent followed by the delay inherent in any judicial proceeding is unreasonable." Slip Op. at 21–22.

[85] *Id. See also* M.S. v. Wermers, 557 F.2d 170 (8th Cir. 1977), a legal services case establishing that where a minor challenges a parental consultation or consent requirement, it is not appropriate to appoint the child's parents as guardians *ad litem,* or to notify them that the action is pending.

[86] *For example*, the court in Poe v. Gerstein, 517 F.2d 787, 793, n. 11, found:

"The record before us, in fact, indicates that merely facing one's parents with the problem of unwanted pregnancy would present a considerable deterrent to abortion among teenage girls and, in fact, may adversely affect their mental and physical health and thereby arguably infringe upon the minor's constitutional rights."

[87] *See* Baird v. Bellotti, 428 U.S. 136 (1976); Wynn v. Carey, Civ. No. 78–1262 (7th Cir. 1978), *affirming* 448 F.Supp. 997 (N.D. Ill. 1978). *But see* Doe v. Irwin, 428 F.Supp 1198 (D. Mich. 1977) *vacated and remanded* 559 F.2d 1219 (6th Cir. 1977), 441 F.Supp. 1247 (W.D. Mich. 1977), a curious case holding that parents have a constitutional right to be notified when their children are receiving contraceptive services. This case is presently on appeal.

[88] *Supra* notes 27 and 71.

[89] 42 U.S.C. §602(a)(15), and *supra* note 78.

[90] Even in New York, a state that is relatively liberal on these issues, foster children are not now provided with the family planning information and services to which they are legally entitled under the Social Security Act. During 1977 there were 7,100 females eleven years or older in foster care in New York City; the State Department of Social Services acknowledges that 2,527 of these teenagers had received family planning information and services. About half of the children in foster care in New York are under the auspices of Catholic Charities. Information on file with the author.

[91] In many parts of the country, sterilization services are inaccessible. Some hospitals flatly refuse to perform sterilizations; others insist upon spousal consent. Arbitrary restrictions denying sterilizations are subject to constitutional challange, at least where state action can be established. *See supra* note 41. Hathaway v. Worcester City Hospital 475 F.2d 910 (1st Cir. 1973); McCabe v. Nassau County Medical Center, 453 F.2d 698 (2d Cir. 1971).

[92] *Supra* notes 5–8 on sterilization as a family planning service, subject to 90 percent federal match.

[93] Sherlock and Sherlock, *Voluntary Contraceptive Sterilization: The Case for Regulation*, 1976 Utah L. Rev. 115, *citing* L. Lader, Foolproof Birth Control 1 (1972).

[94] Ass'n for Voluntary Sterilization, Inc., Estimate of Numbers of Voluntary Sterilizations Performed, Nov. 1974.

[95] Relf v. Weinberg, 372 F.Supp. 1196, 1199 (D. D.C. 1974).

[96] C. F. Westoff, *The Modernization of U.S. Contraceptive Practice*, 4 Fam. Planning Perspectives, No. 3, at 9 (July 1972).

[97] *Id.*

[98] *Id.*

[99] Daily and Nicolas, *Tubal Ligation on General Service Patients Seen by Peer Level Family Planning Counselors in Thirty N.Y.C. Voluntary and Municipal Hospitals*, 123 Am. J. of Obstetrics and Gynecology, 656, 657 (1975). The proportion of Spanish speaking women sterilized was almost three times as great as the proportion of black women and almost six times as great as the proportion of white patients.

[100] Testimony of Dr. Jody Carlson, Ph.D. at HEW Hearings on proposed sterilization regulations, Wash., D.C. (Jan. 17, 1978).

[101] HEW, Center For Disease Control, Dec. 28, 1973.

[102] One survey found that for private patients, 73 percent of the physicians surveyed recommended the pill as their first contraceptive choice, while fifteen percent recommended the IUD, and six percent recommended sterilization. For their public patients, 53 percent of the same physicians indicated that the IUD was their recommended method of contraception, 24 percent recommended the pill, and fourteen percent recommended sterilization. 1 Fam. Planning Digest 3 (Jan. 1972).

[103] *Physician Attitudes: M.D.'s Assume Poor Can't Remember to Take Pill*, 1 Fam. Planning Digest 3 (Jan. 1972).

[104] R. E. McGarrah, Jr., *Voluntary Female Sterilization: Abuses, Risk and Guidelines*, 4 Hastings Center Rpt. 5 (1974).

[105] B. Rosenfeld, M.D., S. Wolfe, M.D. and R. McGarrah Jr., Health Research Group Study on Surgical Sterilization: Present Abuses and Proposed Regulations, Wash., D.C. Oct. 1973, p. 7. (HRG Study).

[106] *Id.* at 5.

[107] *Id.* at 3. At Boston City Hospital, poor patients were routinely given hysterectomies for training purposes, not because they were medically indicated.

[108] Medical Tribune, Sept. 21, 1977, *reprinted* in the Congressional Record, Dec. 15, 1977, at S. 19813. *See also* McRae v. Califano, 421 F.Supp. 533 (E.D. N.Y. 1976).

[109] 372 F.Supp. 1196 (D. D.C. 1974).

[110] *Id.* at 1196, 1199.

[111] On HEW efforts to enact regulations to assure that consent is knowing and voluntary. *See* Relf v. Mathews, 403 F.Supp. 1235 (D. D.C. 1795); Relf v. United States, 433 F.Supp. 423 (D. D.C. 1977).

[112] 45 C.F.R. §§ 205.35 *et seq.*, 42 Fed. Reg. 62718 (Dec. 13, 1977).

[113] Sherlock & Sherlock, *supra* note 93 at 117.

[114] A. C. Barres and F. P. Zusman, *Patient Reaction to Puerperal Surgical Sterilization*, 75 Am. J. of Ob.-Gyn. 65, 70 (1958).

[115] Kopit and Barnes, *Patients Response to Tubal Division*, 236 JAMA 2761 (1976).

[116] T. Adams, *Female Sterilization*, 89 AM. J. of Ob.-Gyn. 395, 401 (1964).

[117] *Cal. Dep't of Health Hearings. Feb. 12, 1977*. Hearing transcript at 145 and 68.

[118] Previous regulations required only a 72-hour waiting period. The medical profession favors this shorter period because, as a practical matter, it is then possible to obtain consent during childbirth and sterilize a woman before she leaves the hospital. While there are some medical advantages to performing a sterilization at the time of childbirth, these advantages may be realized under a thirty-day requirement by simply obtaining consent thirty days prior to the expected delivery. Certainly there is nothing magical about thirty days—probably 25 days would do as well. But 72 hours is too short precisely because it allows consent to be obtained during the stress of childbirth, illness, or hospitalization, and the irreversible operation is performed while the woman remains in the inherently coercive hospital environment.

[119] *See* Voe v. Califano, 434 F.Supp. 1058 (D. Conn. 1977), upholding the federal restriction on funds for sterilization of women under 21, in the case of a 20-year-old woman, who had been pregnant ten times, had two living children, one miscarriage and six abortions. She could not use oral contraceptives or other forms of birth control. The evidence established that she understood the nature, consequences and risks of sterilization and was capable of giving an informed and voluntary consent to the procedure.

[120] *Supra* notes 93–105, especially note 101.

[121] Schwyhart and Kutner, *A Reanalysis of Female Reactions to Contraceptive Sterilization*, 156 J. of Nervous and Mental Disease 354 (1973).

[122] *Supra* note 112.

[123] *Supra* note 112; 42 Fed. Reg. at 62726 (Dec. 13, 1977).

[124] Gooley v. Moss, No. S178–0357 (Ind. Super. Ct., Marion County, 1977).

[125] Downs v. Sawtelle, 574 F.2d 1 (1st Cir. 1978).

[126] Wyatt v. Aderhold, 368 F.Supp. 1383, 1385 (M.D. Ala. 1974), *cert. denied* 98 S.Ct. 1266 (1978).

[127] 98 S.Ct. 1099 (1978).

[128] *Id.* at 1106.

[129] 560 F.2d 609 (4th Cir. 1977).

[130] *Id.* at 620.

[From the Phoenix Gazette, May 14, 1977]

LEGAL SERVICES PROGRAM ABUSES AVOWED MISSION OF HELPING POOR

(By Allan C. Brownfeld)

When it was first created as part of the "War On Poverty," the Legal Services Program appeared to have a simple purpose: to assist the poor to achieve equal access to the courts.

Before long, however, "poverty" lawyers ceased simply to assist the poor with their own legal troubles, such as divorce or accident cases or defending against lawsuits. Instead, these lawyers began to encourage boycotts, rent strikes and a host of other politically inspired activities.

Because of congressional concern over the politicization of the Legal Services Program, Congress in 1974 created what it called the Legal Services Corporation (LSC). A number of key restraints were written carefully into the law. The most important of these was an amendment proposed by Rep. Edith Green, D-Ore., which intended to prevent LSC back-up centers from devoting their resources to litigation designed to change social policy rather than to responses to specialized needs of individual poor clients.

When she introduced her amendment, Rep. Green declared that "I think it is dishonest to say that we are providing legal aid to the poor when in fact we are financing lobbying for social reform that certain groups want. These offices have become the cutting edge for social change in this country." Mrs. Green cited cases of legal service attorneys working to loosen anti-abortion laws, promote national health insurance, encourage rent strikes, etc.

Despite this legislative ban, LSC has in the past two years proceeded very much along its traditional radical political way. The LSC-funded Massachusetts Law Reform Institute, for example, openly engages in proscribed political lobbying activities. This group spearheaded a lobbying campaign for a graduated income tax in Massachusetts—which voters rejected in a referendum. LSC-funded attorneys have even brought cases on behalf of entire Indian tribes. Attorneys for Pine Tree Legal Assistance, Inc. of Portland, Maine, and the Native American Rights Fund of Boulder, Colorado, both subsidized by the taxpayers through LSC, have argued that two thirds of the state of Maine belongs to the Passamaquoddy and Penobscot Indian tribes.

As bad as the present situation is, there is now legislation before the Congress which would make it worse. Rep. Robert Kastenmeier, D-Wis., has proposed a bill which would not only increase the funding for the Legal Services Corporation but would make it even easier for LSC grantees to take up cases on the basis of their own ideological bias rather than on the basis of the client's need. In Rep. Kastenmeier's words, it would give LSC "exclusive jurisdiction in determining clients' eligibility and would prevent opposing parties from making, and courts from considering, challenges to a client's eligibility for free legal services, or other challenges." Under this legislation, no one outside LSC could challenge the use of LSC resources in any court case.

Another section of the proposed legislation would allow LSC backup centers and other recipients of LSC funds to use those funds to draft model legislation, as long as such drafting activity was in response to a request by an elected legislator. Some have referred to this as the "auxiliary congressional staff" section. Also—this bill would repeal the prohibition of LSC recipients' involvement in school desegregation cases and would weaken the language restricting Legal Services attorneys from helping to organize such radical activist groups as the National Welfare Rights Organization and the National Tenants Union.

The most far-reaching aspect of the Kastenmeier bill would repeal the Green Amendment—and would give LSC attorneys carte blanche to engage in political lobbying activities and to stir up politically motivated litigation.

The entire notion of a federally funded legal services program has many serious problems. Prof. Geodfrey Mazard of the Yale Law School notes that. The question in test-case ligation, as in legislative law reform boils down to the propriety of constituting a publicly funded agency to lobby for the special benefit of a limited sector of the general community . . ."

How many in the Congress would be willing to vote the taxpayers' money to subsidize the lobbying activities of Ralph Nader, or Common Cause, or the AFL–CIO, or the U.S. Chamber of Commerce, or the oil companies? While some might, the majority would certainly not wish to face its consitents after casting such a vote. How then can the Congress justify public subsidies, through the LSC, to prvately managed legal servces backup centers?

The goal of the Legal Services Corporation was made clear by LSC President Thomas Ehrlich when he spoke before a meeting of the National Legal Aid and Defender Association last October. He said that the LSC was working hard to insulate itself from control by the executive branch of government. The Kastenmeier bill would give the LSC a blank check to pursue the radical political activities it has been forced to engage in with a certain degree of restraint in the past. Why any society would want in effect, to finance an attack upon its own legal structure is difficult to understand. Instead of extending the LSC, Congress would do well to abolish it.

[From the Christian Science Monitor, Nov. 16, 1977]

MAINE GOVERNOR: INDIAN CLAIMS ARE "TIP OF THE ICEBERG"

(By Jonathan Harsch)

AUGUSTA, MAINE.—The Indian land claim cases pending in New England—for 12 million acres in Maine, 13,000 acres in Massachusetts, and 3,200 acres in Rhode Island—are the "tip of the iceberg," according to Maine Gov. James B. Longley in an interview with the Monitor.

To prove the Governor's point, Maine Attorney General Joseph E. Brennan has a team of researchers plowing through archives in East Coast states seeking documentation of how vulnerable every state is to claims for the return of territory once held by Indians under "aboriginal title."

In one of a series of letters sent to attorneys general in all the states that might be affected, Mr. Brennan brought attention to the latest land claims under the 1790 federal Non-Intercourse Act. The Catawba tribe in South Carolina, the Oneida nation in New York state, and the Oglala Sioux in North and South Dakota all seek land under this act.

Mr. Brennan told the Monitor that future suits, affecting every part of the country, could dwarf the $25 billion Indian claim in Maine. Such actions, he said—for water, mineral, or fishing rights—could be far larger in money terms than the Maine suit.

One of Mr. Brennan's letters warns other states that, "On May 3, 1977, the solicitor of the Department of the Interior [Leo H. Krulitz] testified before the Senate Select Committee on Indian Affairs that there were 35 claims in the Phoenix, Ariz., office of the department; 167 claims in the Minneapolis-St. Paul office of the department; and well over 1,000 Indian claims as yet unprocessed with the Department of the Interior."

In an apparent attempt to head off the Indians before the Maine land claim triggers many others, President Carter's personal representative, former Georgia Supreme Court Justice William B. Gunter, recommended an out-of-court settlement in July. In return for dropping the 12 million-acre claim, Maine's 3,700 Penobscot and Passamaquoddy Indians would receive a lump sum of $25 million from the United States Government, 1,000 acres of state forest land from Maine, and an option to purchase an additional 400,000 acres, at perhaps $1,000 per acre.

The immediate answer to this offer came from U.S. Sen. James Abourezk (D) of South Dakota. "Recommending that the legal rights of the Indian tribes be arbitrarily taken away by Congress," he said, was "devoid of fairness and understanding."

The Maine Indians themselves are still considering Judge Gunter's offer, and talk of perhaps being content to settle for half-a-million acres.

The state of Maine, however, rejects any "political fix" which would turn over state land to the Indians without a court test of both the Indians' and the state's legal rights.

In his interview with the Monitor, Governor Longley explained that Maine must take a firm legal stand in the present case. He said: "I have gone to the President of the United States in asking him to make a condition of any settlement, of any tribal claim anyplace, that the federal government will not use millions of American taxpayer dollars—and American taxpayers are Indians and non-Indians alike—as a payoff for a settlement to right wrongs of a century or two centuries ago.

"Our argument is: Do we have courts of law, do we have three branches of government, do we have a judicial branch?" said the Governor. "If we have a judicial branch, then let's not circumvent it or abort it to simply have a political payoff or political compromise. I say that if the Indian claims are valid, the courts should make that determination. If they own one acre, that's what the courts should award them. If they own 100 acres, that's what the courts should award them.

"I don't think it should be a political payoff, because where do we stop?" the Governor said. "Next year is it going to be the blacks? The year after that, is it going to be even Vietnamese we brought to this country to resettle as part of a humanitarian debt?

"Where do you pay off past debts? Do we live in a system of justice that provides justice is determined in the courts if there are matters of dispute, or do we live in a system that says that political payoffs shall be the rule?"

Governor Longley continued: "If I were an Indian citizen, I wouldn't want to be paid off. I'd want the court to make the determination. Because then my children could grow up in a society in which non-Indian children could not accuse my children of holding up or putting a gun to the head of the United States Government.

"I do not want any government of this state to inherit the type of problem I have inherited," said the Governor. "I wouldn't want a future government to have a divided nation, a divided state in which we said that because of the political compromise, the economic pressure, the leverage, there was a payoff made with my father's or my grandfather's dollars."

THE LEGAL SERVICES CORPORATION STRETCHES ITS MANDATE

Originally funded by the Office of Economic Opportunity as part of the War on Poverty, the Legal Services Program started out with what seemed like a good idea—equal access to the courts for the poor.

But it fell into disrepute as poverty lawyers encouraged boycotts, rent strikes and picketing, sued U.S. agencies with federal money, and handled cases on behalf of those who could afford to retain their own counsel.

Poor people with ordinary legal problems often were ignored in the push for landmark cases and other issues to bring about social change.

Mounting controversy over such activities led Congress in 1974 to create an independent body, the Legal Services Corporation (LSC), to replace the program. With widespread support, the lawmakers also wrote into the law a number of restraints, notably a ban on encouragement of picketing, boycotts or strikes.

After slightly more than a year of operation, however, the new agency plainly is bound on pursuing many of the activities which discredited the old cne.

For example, the LSC argues that despite the ban cited above, poverty lawyers are obligated "to advise a client about lawful alternatives to litigation." Such advice is illegal, according to LSC, only if it intentionally—and probably—leads to the proscribed activities.

By the same token, poverty lawyers are still bringing class action suits, even when all the members of the class aren't poor, and are testifying to regulatory agencies on behalf of "consumers." Moreover, LSC argues that its own liberal determination of eligibility for its services is immune to challenge in court.

Poverty lawyers are still suing federal agencies with federal money. And the Corporation's interpretation of the ban on lobbying makes the prohibition virtually meaningless.

It's no surprise to learn that the No. 2 post at LSC—that of executive vice president—is held by E. Clinton Bamberger Jr., who was the first head of the Legal Services Program at OEO under Sargent Shriver. (A large picture of Shriver is prominently displayed in Bamberger's office.)

When, during that period, Robert Kirk Walker, president of the Tennessee Bar Association, charged that encouraging rent strikes was tantamount to inciting social revolution, Bamberger replied: "There's going to be a change in this country. If the lawyers want to watch it and not participate in it, that's your decision."

While the old legal services program managed with an appropriation of $70 million, the new one operates on a much grander scale. It boasts 3,300 federally subsidized lawyers and over 1,000 para-legal aides. All together, they handle around one million cases a year under 300 programs with 700 offices.

LSC's budget this fiscal year is $125 million. Although the Ford Administration budget called for $90 million for the next fiscal year, LSC officials plan to request $216.8 million when they testify before Congressional committees.

Within a few years, LSC is aiming at half a billion dollars. But according to its arithmetic, even that sum won't suffice to take care of all those who need its help. Thomas Ehrlich, LSC president, says that out of 29 million eligible, seven million need legal aid each year.

With two exceptions, Congress specifically banned LSC-funded legislative activities. One is when it is necessary to the provision of legal advice and representation with respect to an eligible client's rights. The other is in the event that "a governmental agency, a legislative body, a committee or a member thereof requests personnel of any recipient (of LSC money) to make representations thereto."

Nevertheless, the LSC-funded Massachusetts Law Reform Institute openly lobbies. According to John J. McGlynn, supervisor of Public Records for the Commonwealth of Massachusetts, seven people are "registered as legislative agents for the Voluntary Defenders Committee Inc. d/b/a (doing business as) Massachusetts Law Reform Institute during the calendar year 1976."

The Boston *Herald American* reported that the Institute spearheaded a lobbying campaign for the graduated income tax in Massachusetts, a measure which voters rejected in a referendum. The newspaper added that such activity on behalf of poor people was questionable, since most of them pay no state taxes. The Institute, according to the story, also prepared the legal work for a case that barred corporations from contributing funds to oppose the referendum.

Nor is the Institute alone in its activities. The November issue of the *Clearinghouse Review*, published by LSC, discloses that the LSC-funded Legal Aid Society of Albuquerque Inc., which is seeking an executive director, will give prime consideration to applicants with, among other things, a commitment to legislative advocacy.

Advocates for Basic Legal Equality Inc., of Toledo, also subsidized by LSC, says in the *Review* that it wants a director of litigation whose duties will include "supervising the law reform litigation and legislative advocacy activities of seven staff attorneys. . . ."

Beyond the field of legislation, centers subsidized by LSC are particularly active in criticizing public utilities and promoting low rates for all low-volume users. Lawyers from the LSC-funded Legal Aid Bureau of Baltimore argued along these lines in September before the Commission of Electric Utility Rate Structures in Maryland.

Similarly, attorneys from several LSC-funded Centers represented "consumers" at a proceeding of the Public Service Commission of Indiana concerning new rules for gas utilities.

Yet there is nothing in the LSC Act authorizing such attorneys to represent "consumers." The mandate is to provide legal services for the poor.

Moreover, the LSC Act specifically prohibits use of LSC funds "directly or indirectly to influence the issuance, amendment, or revocation of any executive order or similar promulgation by any federal, state, or local agency."

In a speech before the annual meeting of the National Legal Aid & Defender Association last October, LSC President Ehrlich said that the agency is working hard to insulate itself from control by the executive branch of government. The Corporation, he pointed out, successfully fought President Ford's recision of $45 million of its appropriation for the coming year. Instead, it won an extra $35 million.

While stating that its purpose is to serve only the poor, the LSC Act permits class actions at the discretion of local LSC boards.

For example, California Rural Legal Assistance brought a case in which it argued that the California Secretary of State is impeding the registration of 1,360,000 potential voters by failing to provide bilingual oral registration assistance.

LSC-funded attorneys even bring cases on behalf of entire Indian tribes. One notable multifaceted endeavor involves giving part of the country back to the Indians. Attorneys from Pine Tree Legal Assistance Inc. of Portland, Maine, and the Native American Rights Fund of Boulder, Colo., both subsidized by LSC, have argued that two-thirds of the state of Maine belongs to the Passamaquoddy and Penobscot Indian tribes.

Does turning the country back to the Indians constitute a proper activity for federally funded poverty lawyers? Says LSC President Ehrlich, "Litigating poor people's claims is (proper) . . . What we've got to be sure of is that there are human beings who are eligible for help and need help. If that's the case, as I've every reason to believe it is, then it's perfectly proper."

Although legal centers are funded by the federal government, they often bring suits against it, a practice which results in Uncle Sam subsidizing legal challenges to his own actions. Last April, for example, lawyers for the Western Center on Law and Poverty of Los Angeles and the San Fernando Valley Neighborhood Legal Services of Pacoima, Calif., sued the Secretary of Health, Education & Welfare to force payment of supplemental Social Security benefits to indigent patients at an alcoholic rehabilitation center. The Legal Services lawyers lost.

Congress has been lavish in appropriating money for the LSC but thas failed to scrutinize its activities. Ultimately, the lawmakers will have to take a hard look.

CONTRACTS OUTSTANDING

The board also defeated a motion by members Rodolfo Montejano and Marshall J. Breger which would have allowed LSC to disapprove any receipt of funds from any source by back-up centers for activities inconsistent with the LSC Act. LSC now has contracts outstanding in the amount of $4,281,963 wih 13 back-up centers. On or before July 1, it is expected to renew these for $4,315,326 more.

That accounts for all but four of the original 17 back-up centers. One of these, the National Clearinghouse for Legal Services. Still publishes the Clearinghouse Review in Chicago with the same staff, but now it officially comes under LSC supervision.

LSC created the Office of Program Support, budgeted at $7.1 million to take over the activities of the other three. One is the Legal Services Training Program of Catholic University. According to the Polikoff study, the LSC grant for the Program was administered as part of the Law School budget. LSC's official biography of Executive Vice President E. Clinton Bamberger Jr. indicates that his last job before joining LSC was dean of the Law School at Catholic University.

Another is the Management Assistance Project of the National Legal Aid and Defender Association. Bamberger formerly headed the NLADA. So did Revius O. Ortique Jr., a member of LSC's board of directors.

DOING VERY WELL

The last of the quartet of back-up centers is doing very well indeed. William Fry, director of the National Paralegal Institute, told Barron's that it has obtained $388,000 in grants from the Department of Health, Education & Welfare. That's more than the $332,000 it enjoyed from LSC. Moreover, the Institute continues to work with LSC-funded law centers which have access to state money.

Now, according to Fry, the Institute is working with LSC in "a major presentation to the American Bar Association on paralegals." He says that a written report has been submitted to the ABA Committee on Legal Aid and Indigent Defendants and that in February the Institute and LSC will make a verbal presentation. Fry adds that the Institute is working closely with Catherine Day-Jermany, currently director of paralegal affairs at LSC and former director of training for the Institute.

Ehrlich already has established within LSC the Research Institute on Legal Assistance, with a budget of $250,000 for fiscal 1977. As its head, he named Alan Houseman, former director of the Michigan Legal Services Assistance Program, funded by OEO. In an article in Human Events, published on Dec. 8, 1973, Howard Phillips, former OEO director, called Houseman "a leader of the leftist National Lawyers Guild."

SOLICITING PROPOSALS

LSC is soliciting proposals from prospective fellows for LSC-funded studies in several areas which Houseman wants to explore. They include the effects on the poor of administrative and hearing processes, housing tribunals and small claims courts. What are the other 13 back-up centers doing? Schedule A of the contract for the Legal Action Support Project of the Bureau of Social Science Research Inc., which became effective last July 16, says that, among other things: "The Project will, on behalf of eligible clients, assist Legal Services Program personnel in their participation in administrative proceedings, including rule making, and in legislative proceedings."

In other words it plans to engage in lobbying. But it said it would do so only upon request of a government agency, legislative body, committee or a member thereof. Still, devoting approximately 20 percent of its total professional effort to "administrative and legislative representation," seems a far cry from the Congressional aim of obtaining legal services for poor people. The contract stipulated that only 5 percent of total professional effort would be devoted to "general client counseling and representation."

In its report to LSC for the quarter ended Oct. 15, the Project said it "prepared a report which demonstrated why many able-bodied persons remain unemployed for prolonged periods of time despite diligent efforts to find work." Despite a ban on LSC-funded research, the document was used to assist the Legal Aid Service Multonomah Bar Association of Portland, Ore., an LSC grantee, in a class action seeking welfare for the able-bodied.

The Project also apparently did research to aid an LSC-funded law center, the Appalachian Research and Defense Fund of Kentucky. The Fund went before the Kentucky Public Services Commission to oppose a pending electric utility rate increase. The Project said it "reviewed the Kentucky Power Company's testimony and suggested to the (Fund) attorney specific lines of inquiry appropriate for future interrogatories. With reference to selected counties in the eastern portion of the state, we obtained data on social and economic characteristics of residents, prepared tabulations on mobile home families below the poverty line and furnished reference articles and bibliographies on electric utility rate structures."

In addition, two spokesman for the Project participated last summer in the Consumer Advocate's Workshop on Electric Utility Rate Proceedings, sponsored by the National Consumer Information Center in Washington. The Center was founded by Howard University law students and is funded by Community Services Administration.

FOOD STAMP PROGRAM

As further evidence of social advocacy, rather than service to individual indigent clients, the Project said it is trying to document inadequate coverage for the food stamp program in order to help Alaska Legal Services (an LSC-funded law center), which "is contemplating a challenge to the Food Stamp Program's allegedly inadequate outreach effort in the state."

The Project argues that such activities are legal, provided they are "directly connected to requests from LSC-funded attorneys who seek our assistance in regard to their representations of specific eligible clients."

This stance squares with what Bamberger told Barron's: "Now back-up centers can only do work for clients; they have to have a client. . . . We can't provide high quality legal service without having specialists."

SCHOOL DESEGREGATION SUITS

The law says that no Corporation funds may be used for school desegregation suits. Yet in a recent report to LSC, the (back-up)

Center for Law and Education made clear that it is participating in such cases. For instance, it said that Eric E. Van Loon and Robert Pressman of the Center, along with other attorneys, filed an appeal on Oct. 18, 1976, in a Boston school desegregation case which earlier led to a District Court placing South Boston High School in receivership.

Observing that the unit dated back to 1972, we asked Ehrlich what happens to cases which were pending at the time of passage of the LSC Act. He replied that he has written all law centers that if an LSC-funded attorney is in the midst of a case involving an activity prohibited by the Act, he is obliged to try to transfer it to competent counsel. "If he is not able to do so, then, under the standards of professional responsibility, he has to continue the case but not take any more like it," Ehrlich declared. What about appealing prohibited cases? "Responsibility to the client is the most important consideration of all, and that includes responsibility to appeal."

In a report to LSC dated Oct. 31, 1976, the National Housing Law Project (a back-up center) said it has spent a significant amount of time coordinating more than 40 suits involving operating subsidies by the Department of Housing and Urban Development (HUD). It said it was co-counsel with the (LSC-funded) Western Center on Law and Poverty in the Underwood case, in which the U.S. Supreme Court stayed a District Court order for HUD to pay operating subsidies. (It lost.)

After noting its participation in several other lawsuits involving HUD, the Project reported that its director is vice president of the board of directors of the Housing Assistance Council, funded by HUD. It also said the Project prepared a background paper on redlining and disinvestment under contract to HUD's Office of Fair Housing and Equal Opportunity. We asked Robert Elliott, former HUD general counsel, if this constituted a conflict of interest. He said it might be poor judgment, but was not illegal.

The Native American Rights Fund/Indian Law Support Center is involved in the cases aimed at giving part of the country back to the Indians, discussed last week. In its latest quarterly report to LSC, it said it is helping South Dakota Legal Services (funded by LSC) to prosecute a case involving the rights of prisoners.

The Center also reported that it has helped four attorneys from the (LSC funded) Seattle Legal Services, which keeps them on two Indian reservations to serve as general counsel to the tribe. It didn't explain how a whole tribe qualified for such help.

Mr. HUMPHREY. Mr. President, each article details some of the abuses I have mentioned which have been entailed by the Legal Services Corporation.

Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 2 minutes remaining.

Mr. HUMPHREY. And the other side?

The PRESIDING OFFICER. The other side is out of time.

● Mr. NELSON. Mr. President, I am opposed to the amendment offered by the Senator from New Hampshire. This amendment proposes to eliminate $300 million from function 750 (administration of justice) for the Legal Services Corporation. The Humphrey amendment would effectively terminate the Federal Government's efforts to provide the disadvantaged in our society with access to our Nation's system of justice.

The Labor and Human Resources Committee just recently reported a bill (S. 2337) to extend the Legal Services Corporation for 2 additional years. This reauthorization bill was reported by the committee only after extensive oversight of the Corporation and its grantees had been conducted by the committee. These oversight activities revealed that the Corporation had effectively implemented the mandates of the Legal Services Corporation Act and that despite its limited resources, the Corporation is successfully helping to meet the largely unmet legal needs of the poor.

Any suggestion that pro bono contributions by the private bar can effectively respond to and represent the legal problems of the poor ignores the facts established over 15 years ago when the Federal Government first became involved in the provision of legal services—facts that have been reestablished time and time again.

The American Bar Association (ABA) has a long record of support for the Federal legal services program. Since 1965, the ABA has frequently expressed through resolutions, testimony, and other means, its vital concern that Federal legal services be sustained and expanded. In 1974, the ABA in a formal resolution recommended the establishment of the Legal Services Corporation to preserve the independence and professional integrity of legal services lawyers representing the poor and remove legal services from partisan political pressures. The ABA has continually deplored efforts to eliminate or cut back the legal services program.

Mr. President, I ask unanimous consent that a copy of the policy positions taken by the ABA concerning Federal legal services programs be included at this point in the Record.

Just over a month ago the ABA reaffirmed its support of the Legal Services Corporation and called for expansion of legal services when the association testified before the House Appropriations Committee. Let me read just a few excerpts from the ABA's testimony:

> The Corporation has greatly impressed us with the responsible and creative manner in which it has addrssed its congressional mandate of making civil legal services available to the nation's poor.
>
> The Corporation has also maintained throughout its existence a minimum of administrative overhead. The cost of the Corporation's home office and its regional offices has been consistently less than 3 percent. If its request for FY '81 is met, the administrative costs would fall to 2 percent.
>
> The Corporation, then, is a highly efficient operation which has used its past appropriations effectively and which deserves your confidence that it will administer further funding wisely and well.
>
> Pro bono contributions of time by lawyers are not a new phenomenon. Such contributions have been made for decades; in fact, virtually all of the civil legal aid programs in existence before 1965 were started and sustained by the contributions of time and money by the private bar. But relying upon voluntary contributions to meet all, or even a significant portion, of the civil legal needs of the poor is unrealistic. The federal government recognized this factor in establishing the OEO legal services effort in 1965. While great progress has been made since then in supplying legal services to the poor, there remain great unmet legal needs. The organized bar will do its part to help meet these needs, but the Corporation will continue to bear the greatest burden in this effort."
>
> The Corporation is making it possible for disputes in our society to be resolved through conventional legal means and for the nation's neediest citizens to obtain enforcement of their legal rights. The consequences of not providing this means of legal redress may be even more costly to society than the modest cost of this program. We urge you to appropriate $353 million for the Legal Services Corporation for Fiscal Year 1981.

Mr. President, the 30 million poor persons eligible for legal services will experience over 6 million legal problems next year alone. Although the capacity of the Corporation's grantees is not expected to exceed 2 million legal matters per year through 1981, the Corporation's efforts are essential to the Government's efforts to assure that low-income persons have access to the Nation's system of justice. Nevertheless, the total number of legal problems can be estimated to be at least three times the current capacity of the legal services program and perhaps much greater.

The Legal Services Corporation continues to provide essential high quality legal representation for the poor, at a level of cost-effectiveness few other programs can match. The legal services program has proven to be one of the most successful programs to emerge from the war on poverty and it has demonstrated that the Nation's judicial system can work to the benefit of all segments of our society—if there is equal access to the judicial system.

I urge the Senate to reject the misguided Humphrey amendment.●

Mr. HUMPHREY. Mr. President, unless someone else wishes time, I yield back the remainder of my time.

Mr. HOLLINGS. Mr. President, I move to table the amendment, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the motion to lay on the table the amendment of the Senator from New Hampshire. The yeas and nays have been ordered and the clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Alaska (Mr. Gravel), the Senator from Hawaii (Mr. Inouye), the Senator from Massachusettts (Mr. Kennedy), the Senator from Vermont (Mr. Leahy), the Senator from Hawaii (Mr. Matsunaga), the Senator from Georgia (Mr. Talmadge), and the Senator from New Jersey (Mr. Bradley) are necessarily absent.

Mr. STEVENS. I announce that the Senator from Maryland (Mr. Mathias) and the Senator from North Dakota (Mr. Young) are necessarily absent.

The PRESIDING OFFICER (Mr. Tsongas). Are there any other Senators in the Chamber who wish to vote?

The result was announced—yeas 71, nays 19, as follows:

[Rollcall Vote No. 111 Leg.]

YEAS—71

Baucus
Bayh
Bellmon
Bentsen
Biden
Boschwitz
Bumpers
Burdick
Byrd, Robert C.
Cannon
Chafee
Chiles
Church
Cochran
Cohen
Cranston
Culver
Danforth
DeConcini
Dole
Domenici
Durenberger
Durkin
Eagleton
Exon
Ford
Glenn
Hart
Hatfield
Heflin
Heinz
Hollings
Huddleston
Jackson
Javits
Johnston
Kassebaum
Levin
Long
Lugar
McGovern
Magnuson
Melcher
Metzenbaum
Moynihan
Nelson
Nunn
Packwood
Pell
Percy
Pressler
Pryor
Randolph
Ribicoff
Riegle
Sarbanes
Sasser
Schmitt
Schweiker
Simpson
Stafford
Stennis
Stevens
Stevenson
Stewart
Stone
Tsongas
Wallop
Warner
Weicker
Williams

NAYS—19

Armstrong
Baker
Boren
Byrd,
  Harry F., Jr.
Garn
Goldwater
Hatch
Hayakawa
Helms
Humphrey
Jepsen
Laxalt
McClure
Morgan
Proxmire
Roth
Thurmond
Tower
Zorinsky

NOT VOTING—9

Bradley
Gravel
Inouye
Kennedy
Leahy
Mathias
Matsunaga
Talmadge
Young

So the motion to lay on the table UP amendment No. 1074 was agreed to.

Mr. BELLMON. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. BUMPERS. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HELMS. Mr. President, I shall engage in a colloquy with the managers of this resolution regarding the so-called "reconciliation" provisions. I refer particularly to section 9 of the resolution, starting on page 17. That section requires the Agriculture Committees of both Houses to "reduce spending for fiscal year 1981 in reported or enacted laws, bills, and resolutions by $2,000,000,000 in budget authority and $2,000,000,000 in outlays." The section further instructs the Agriculture Committees to "report promptly their recommendations for changes * * * in laws, bills, and resolutions within the jurisdictions of those committees sufficient to accomplish the reductions."

On page 248 of the committee's report there is a table that shows the assumptions the Budget Committee made in arriving at the reconciliation requirements for the various committees. That table shows that $1.4 billion of the $2 billion savings required of the Agriculture Committee is assumed by the Budget Committee to come from the food stamp program.

Here is my problem: It has been established through legal opinions of the Comptroller General, and I believe it is now agreed without dispute here in Congress, that the food stamp program is not an entitlement program but is subject to control through appropriations. Moreover, I understand that funds for the food stamp program are allocated under the Budget Act to the Appropriations Committee and not to the Agriculture Committee. My first question to the managers, Mr. President, is this: Why is the Agriculture Committee being required to report legislation saving money in a program which is controllable by appropriations action and for which the money is allocated to the Appropriations Committee?

Mr. BELLMON. The distinguished Senator from North Carolina raises an important point. The Food Stamp Act of 1977 did convert food stamps from appropriated entitlement legislation to an authorization for appropriations. The Appropriations Committee does have the discretion to limit food stamp appropriations below the amount authorized. The Food Stamp Act contains procedures specifying how the Agriculture Department will reduce the cost of the program if necessary to live within the amounts appropriated.

Ordinarily it is not necessary or appropriate for programs that are subect to appropriations control to be targets of reconciliation instructions to the responsible authorizing committees. The Budget Committee made an exception this year in the case of the food stamp program and four other programs under the jurisdiction of other committees.[1]

The reason we made these exceptions is that, as a practical matter, Congress up to now has dealt with these four programs as though they were entitlements. In other words, it appeared to us that we were unlikely to get the savings if all of the burden of acheving them was left to the Appropriations Committee. Therefore, in these few cases, we have included in the reconciliation instructions a requirement that the authorizing committees report legislation which would assist in achieving the savings.

Also, I call to the attention of Senator HELMS the technical modifications to section 9 which the Budget Committee has made. These modifications make clear that the Agriculture Committee will comply with the reconciliation requirement if it reports legislation providing for the $2 billion in spending reductions in either entitlement programs under the direct spending jurisdiction of that committee, or in authorizing legislation for which the committee has responsibility, or in some combination of these two types of legislation.

Mr. HELMS. Nevertheless, this seems to be a troublesome precedent. There appears to be an assumption that the Appropriations Committee cannot be relied upon to live within budget resolutions. Will not lead to authorizing committees receiving more and more directions to change programs for which they do not have direct spending authority? Thus, the prerogatives of both the authorizing committees and the Appropriations Committee would be weakened.

Mr. BELLMON. I really do not think there should be any concern on this point. We do not see this as a precedent for the future. It is simply a practical way of dealing with programs where we believe it would be unfair to direct the Appropriations Committee to be solely responsible for the needed program cuts.

I might point out that if the authorizing legislation amendments were ultimately to be defeated, the Appropriations Committee would still have the problem of living within the amount of money allocated to it under the budget resolution.

Mr. HELMS. That seems critical. Since the Appropriations Committee's allocation is limited to a level commensurate with the food stamp spending level included in the resolution, there is no shift of responsibilities from the Appropriations Committee to the authorizing committees. Is that correct?

Mr. BELLMON. Absolutely. The Appropriations Committee will bear the same practical responsibility as if it received the reconciliations instructions which are being discussed because its allocation is limited. These instructions are directed to authorizing committees as a means of directly stating the intention that they share with the Appropriations Committee responsibility for these cuts. I am hopeful that the combination of efforts by the authorizing committees and the Appropriations Committee can achieve the savings that are called for in the resolution.

Mr. HELMS. I certainly agree with the objective of the Budget Committee as described by Senator BELLMON. It is urgent that we hold down Federal spending. And, I believe reform of the food stamp program is one of the best ways to accomplish that goal. I do not want to imply by any of my comments that I am against the restrictions on Federal spending that are assumed here. Indeed, I want to help achieve control over the budget. My only concern is the precedent of having the budget resolution direct authorizing committees to make cuts in programs for which spending authority lies under the control of the Appropriations Committee.

With the clarification that Senator BELLMON has provided that this is not intended to be a precedent for the future, I am going to accept the position that is being taken by the managers of the bill. I thank my colleague.

UP AMENDMENT NO. 1075

(Purpose: To provide room in the budget for funding of the Emergency Mortgage Purchase Assistance Act (Brooke-Cranston) program)

Mr. WEICKER. Mr. President, I send an amendment to the desk for myself and Senators HATFIELD, LEVIN, BRADLEY, and DURKIN, and I ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Connecticut (Mr. WEICKER) for himself and Mr. HATFIELD, Mr. LEVIN, Mr. BRADLEY, and Mr. DURKIN proposes an unprinted amendment numbered 1075.

Mr. WEICKER. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

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[1] Third Party Reimbursement (Veterans' Affairs Committee); Part of Amtrak Capital Grants and Airport/Airways programs (Commerce, Science, and Transportation Committee); and SBA Disaster Loan program (Small Business Committee).

On page 2, line 17, strike "$687,900,000,000" and insert in lieu thereof "$688,500,000,000".

On page 2, line 22, strike "$612,900,000,000" and insert in lieu thereof "$614,500,000,000".

On page 2, line 23, strike "$687,200,000,000" and insert in lieu thereof "686,600,000,000".

On page 2, line 24, strike "$753,500,000,000" and insert in lieu thereof "$754,700,000,000".

On page 6, line 18, strike "$5,100,000,000" and insert in lieu thereof "$5,700,000,000".

On page 6, line 19, strike "$200,000,000" and insert in lieu thereof "$1,800,000,000".

On page 6, line 22, strike "$2,700,000,000" and insert in lieu thereof "$2,100,000,000".

On page 6, line 25, strike "$2,900,000,000" and insert in lieu thereof "$4,100,000,000".

On page 12, line 2, strike "$653,700,000,000" and insert in lieu thereof "$658,600,000,000".

On page 12, line 4, strike "$566,400,000,000" and insert in lieu thereof "$566,300,000,000".

On page 13, line 9, strike "$11,700,000,000" and insert in lieu thereof "$16,600,000,000".

On page 13, line 10, strike "$5,500,000,000" and insert in lieu thereof "$5,400,000,000".

Mr. WEICKER. Mr. President, this amendment is the same as the printed amendment No. 1698 with certain minor technical adjustments.

Mr. President, I see the majority leader and the minority leader in the Chamber.

Several Senators made inquiry as to the matter of the swearing in of our colleague, Ed Muskie.

If it would accommodate the situation I would be more than delighted to go ahead and have one of my amendments come up and discuss it. In other words, I would hold the floor so that Senators could get to that swearing in without the majorty leader having to go ahead and recess or delay the proceedings, if that will be of help. And it is not going to waste any time because I am going to be talking anyway. I am more than delighted to help.

Mr. ROBERT C. BYRD. Mr. President, I will respond if the Senator will yield.

Mr. WEICKER. I yield.

Mr. ROBERT C. BYRD. Mr. President, it is not the intention of the leadership to recess, and I am sure Mr. Muskie will understand, but if the Senator wishes to proceed to talk on several of his amendments and then have back-to-back votes it would be perfectly agreeable. I would like for the managers to respond if I am not expressing their viewpoint.

Mr. WEICKER. What I am trying to say here to the distinguished majority leader is that I believe that my voice is of sufficient strength to assure my colleagues that between, let us say, the hours of 6:30 and 7:30 nothing is going to happen except for the fact I am going to talk which certainly would allow everyone time to get down to Ed Muskie's swearing in. I know that the majority leader does not want to delay anything.

But the fact is I have five amendments here and they are going to take certainly in total maybe 4 to 5 hours as the case may be with votes on each amendment. In other words, I am more than willing and delighted to go ahead and do my talking when it is less disruptive to those who care to go ahead and attend the swearing in.

Mr. ROBERT C. BYRD. Mr. President, the Senator is generous and considerate of his colleagues, but I do not think we should proceed on the basis that Senators might expect to be away for the swearing in and they would be protected against rollcall votes in the meantime.

I suggest that the distinguished Senator just proceed. He has made this offer. It is very courteous. But I am afraid that it might create some problems and I think we should just take the amendments as the Senator calls them up.

Mr. WEICKER. All right.

Then, lastly, I make the point that other Senators will come up, who have amendments. It is not my intention to hold the floor to the exclusion of any of my colleagues. I have five amendments. I intend to offer all five amendments and intend to have rollcall votes on those amendments. On the other hand, there is no reason why I have to sit here and inconvenience those who wish to present their amendments and after I conclude each amendment if someone wants to get up, that is fine.

Mr. President, the amendment I called up makes provision for the funds required by an activation of Brooke-Cranston. That, in essence, is the matter before the Senate.

Prior to getting into the specifics of this amendment, I shall present some views that are somewhat contrary to most of the discussion that has taken place in the Chamber heretofore.

First of all, let me state at the outset, contrary to the political wisdom of the times and the political wisdom that is espoused here in the Chamber, I am not—underline "not"—for a balanced budget accomplished in the time or in the manner of this one.

It does not take any particular ability to discover that what was put together here took an indecently short period of time compared to the usual procedures.

Mr. President, I wonder if we might have order. There is sort of a low dull roar against which I do not care to compete.

The PRESIDING OFFICER. The Senator is correct. The Senate will be in order.

Mr. WEICKER. The usual budget process engaged in by the executive branch of Government and by the legislative branch takes place over the course of a period of a year. What we have before us today in terms of this legislation, in terms of the requests from the White House, was slapped together in a matter of weeks as a response to certain political posturing on this side of the aisle relative to a balanced budget. I find it difficult to believe just on the matter of time that one can accomplish in 2 or 3 weeks what one should carefully have done in the course of a year.

Second, if indeed the budget is to be balanced, then it seems to me that the burden of spending cuts should fall across all shoulders and not principally across the shoulders of both those who are disadvantaged and those who need our special care if they are to achieve that quality of life associated with the American commitment.

What bothers me about these cuts is that their effect will not be felt in the year 1980 but rather in the years 1981, 1982, 1983. In other words, in a period of time past that of this election.

Mr. President, there is not one person, not one advocate of the legislation in this Chamber, nor one outside the Chamber, who will agree that a balanced budget is going to do anything about inflation in the year 1980.

Indeed, a statistical analysis leads you to the only conclusion that when it does have an effect it will be to the tune of three-tenths of 1 percent of the Consumer Price Index. But the price that is going to be paid by the disadvantaged elements of our society, by the young people, by the elderly, that price is going to be paid by them in the future, is going to be felt very significantly.

Since we are on the balanced budget kick and testing the matter of running America like one runs General Motors, it is important to maintain the principles essential for corporate success. The very essence of success in the corporate world lies in those budgets devoted to research and development and the training of personnel.

If corporations are to cut funds in tight times, it will be on matters relating to advertising or travel. These are cutbacks that will have minimal adverse impact, either on the corporate balance sheet in the future or in the matter of corporate profits in the future.

Should the money be taken out of the other categories I have mentioned, then you jeopardize the corporate profits picture for many years in the future. The difficulty that is going on right now with respect to the Federal budget is that the human investment, our investment for the future, is being set back. It is that there are not going to be as many young people who have that type of an education, be it the college or be it vocational, that guarantees to them the opportunity of a job in the future, and with the opportunity of the job, the income that that generates, the taxes which that generates on the income.

Now, none of that, you see, will be visible or tangible in the election year 1980. But once you have let 1 year slip by there is no way you can recapture it in the future. It is gone. So there will be a price to be paid for what it is that is done here today, and that price will come either in terms of future inflation or future lack of opportunity. It is to these matters that I address myself in the series of amendments I intend to present to my colleagues here this evening.

I suppose what especially bothers me is that it was 6 years ago that this Senator from Connecticut tried to point out the danger to the Nation of our failure to appropriately grapple with the energy crisis, and the fact that it was leaving this Nation in an unsatisfactory position when it came to energy and dangerous when it came to the economics.

For 6 years this body, the House, and the executive have failed to address energy to the point where it is today far and away the principal cause of inflation.

Setting aside the energy problem, I now talk about the economic problems. In 1979 the increase in the Consumer Price Index was 13 percent, and according to the January 1980 CBO report, OPEC oil increases added 2.5 percent to that Consumer Price Index. Housing added 1.5 percent, and the budget deficit added only 0.3 percent.

Here in a matter of weeks we addressed ourselves to the inflation problem through the medium of penalizing human beings, whereas for 6 years we did not do anything about the principal cause of inflation, namely our dependency on foreign sourced oil. That is why this exercise here on the floor of the Senate, as indeed the one that occurred on the floor of the House and, as indeed, the political actions of the White House causes anger and distress on my part. Very brave institutions which do not hesitate to come down on the heads of the elderly and the young and on the diseased and the uneducated. They do not hesitate to come down on their heads. But, no, do not touch that American automobile with its healthy middle American behind the wheel, with the majority, if you will, behind the wheel, do not touch that. It is that sort of thinking which shows how our priorities are so out of whack.

There is nothing I can do about energy insofar as this amendment is concerned, but at least I can make clear where I think the attack should take place. Not on the flesh and blood of this Nation but on the inanimate objects of oil and of steel.

One other point I want to make before I get to the specifics of Brooke-Cranston. Let there be no mistake about any balancing of the budget. It is not going to be balanced regardless of what happens here. Everybody knows it. How much time has been used to explain to the American people the matter of off-budget items, and what are the off-budget items for 1981? Eighteen billion dollars are off budget. What about the matter of any increases in energy costs? I have to pay gasoline bills just like everybody else. What do you do with those?

Now that the country is in a recession what do you do about unemployment? What are you going to do about unemployment compensation? Is it all taken into account or are we so committed to a slogan that regardless of whatever human tragedy comes to pass during the course of President Carter's economic policies we are going to keep the budget balanced?

The budget will not be balanced, although on paper, yes. But in reality it will not be balanced. There will be no balanced budget for the fiscal year 1981, and I would love to go ahead and have any one of the leaders of the committee dispute that statement. I am talking about in dollar and cents, not in their predictions or in their statements or in their audio-visual materials here. I am saying that at the conclusion of fiscal year 1981 there will not have been a balanced budget. So perhaps there is some worth in what it is that is being espoused if indeed the suffering brings us to a positive end.

But the only end this exercise is bringing the Nation to is the reelection or the election of those politicians who advocate this principle and see it as being a matter of political appeal or wisdom in this particular year regardless of the cost.

I do not believe in big spending. Indeed, I think in the 10 years I have been in the Senate and 2 years in the House of Representatives, I pretty much balanced my budgets. By anybody's scorecard, it is a voting record that has been pretty much down the middle and fiscally very responsible.

All I see in the tack that is being taken here is inflation in the future and a terrible cost in human terms. If politicians want to get reelected, let them do it on their own campaign funds and not in the carnage of human lives.

How can you balance a budget properly, in terms of what we desire for each other as human beings, when you exclude defense, not even include it, but you raise it, and you do not touch upon the uncontrollables?

Most of the fat has already been taken out of the budget during the past 2 to 3 years. This is not a sudden awakening here today. This process has been going on. The Budget Committee has been working and I think doing a good job.

What you are trying to zero in on, in terms of achieving this particular end, relates to the best programs existing in this Nation.

The main ingredient the United States of America has already run on—and do not kid yourselves—is hope. In effect, that is what has been eliminated with this exercise.

Now, there are those who say: "Well, Brother WEICKER is not up for reelection in 1982. It's all right for him to say that."

Well, Brother WEICKER was up for reelection in 1976 and he ran on a platform of gasoline rationing and decontrol; decontrol being anathema in New England and gasoline rationing anathema everywhere.

Because that was the problem then and that was the remedy then, and that is the problem still today and it is the problem from an economics point of view. So I was prepared to do what needed to be done no matter how bad the news when it was my neck that was on the line.

There is no question in my mind that it is still the job that has to be done if you want to reduce inflation. You could balance that budget, and, tell me, what would happen if OPEC met and raised its prices 15 percent tomorrow? What would happen to your balanced budget? You would not have one. Because that matter is out of your control and it is out of my control in the posture that we find ourselves in, vis-a-vis energy.

Now, Mr. President, let us get to the first item on the agenda, the matter of Brooke-Cranston.

This amendment would provide room in the budget for the funding and activation of the provisions of the Emergency Home Purchase Assistance Act, commonly referred to as the Brooke-Cranston program. Whenever I have spoken of the program before, I have urged my colleagues to act in anticipation of the inevitable crisis which has now befallen the housing industry. Today, I stand before you urging you to act decisively to ward off a worsening of the situation.

What do you think is going to be done for inflation vis-a-vis the housing industry if you cut back on those starts today and create a shortage? Just tell me what is going to happen to the housing market next year and the year after that? The old law of supply and demand will apply—if the supply of houses are not there to meet the demand, the prices will go up.

It is clear that it is going to be up to this Congress to act. The administration has shown that it is unable to anticipate—or adequately respond to—the economic crisis which its policies have created. Although the housing industry is undergoing the worst productive cycle in the last 30 years, there are those, both in the administration and elsewhere, who insist that the greatest priority is to balance 1 year's budget.

Now, mind you, the administration had the opportunity 6 months ago to act before the crisis that we see today. Indeed, the same day that I submitted my bill to update the Brooke-Cranston program and called for its activation there arrived a similar bill from the administration. So then they recognized a need for Brooke-Cranston, but only by sending the legislation up; never by pushing for its passage and activation.

It is, to be sure, a special year, it is an election year. Nevertheless, I hope the Congress will exhibit greater vision than has been exhibited in the recent debates on balancing the budget. The situation in the housing industry will not solve itself; it will continue to deteriorate if we don't act immediately. Not only must we insure that the emergency assistance contemplated by this program is readily available—but we must convey to HUD Secretary Landrieu that Congress recognizes the traumatic conditions confronting the housing industry and the need to act now to thwart a problem which will have severe long range inflationary implications.

Mr. President, in December I introduced S. 2178 to update Brooke-Cranston and I was pleased to see that the administration submitted a similar bill on the same day. In anticipation of the passage of one of these two bills, I wrote to the chairman of the HUD Appropriations Subcommittee about releasing funds for the program early this year. My concern, and that of some of my colleagues, was to prevent the inevitable crisis, rather than to try to manage it once it came.

Two weeks ago the Senate passed a bill revising the Brooke-Cranston program. But as we all know, passage of that legislation was only the first step. The administration still must decide to activate the program in order for the housing industry to receive assistance. Since introducing their bill last December the administration has shown no willingness to activate this program. Indeed, as recently as last week, Secretary Landrieu told me at a HUD Appropriations Subcommittee hearing that the administration felt it was not necessary to activate the program now, despite the fact that the housing industry is in as bad shape as it was during the 1974–75 recession and, as one of the assistants to the Secretary admitted, things only promise to get worse.

Well, this body enacted Brooke-Cranston in 1974 under circumstances which were far less trying than those which exist today or, than those that have been projected for coming months. And yet, apparently, a decent roof over each American's head, the possibility of purchasing a home, or the jobs that are involved, are of no matter in the year 1980. What now matters to the administration is a balanced budget.

When the Senate passed the revisions to the Brooke-Cranston program, it also passed changes to the section 235 homeownership program. The revision was offered, and I quote the author, "in recognition of the fact that it is unlikely that Brooke-Cranston would be used by the administration."

Well, it is about time that the administration and Congress recognizes the crisis in the home building industry. I support the concept of the revised section 235 program because it is truly needed. However, the remodeled 235 program does not adequately address the problems facing the housing industry. It does not address the difficulty facing prospective home buyers. And, it does nothing to attack the inflation which is, in a circular manner, both a cause and an effect of the housing crisis today.

Mr. President, the administration's housing proposal is not a solution; it is only a part of a solution. The number of housing units projected to be created by the revised 235 program I believe, is somewhere in the area of 100,000. It is a beginning, and nothing more.

Let me be frank to say that it may give a salutary appearance of action, which is especially desirable in an election year. But, I would again urge that we not avoid taking the right economic actions today merely because these may be construed to be the wrong political actions.

Last fall, the president of the National Association of Home Builders warned the members of the Senate Small Business Committee that housing starts would drop drastically by June of this year. His worse prediction has come true. The most recent start figures for March dropped 22 percent from February to 1.041 million units. This rate is 42 percent below the figure for March of 1979. The issuance of building permits, an indication of future activity, dropped also by 42 percent from March of 1979.

In view of the recent housing start figures, the National Association of Home Builders has revised its projections. They now project that housing starts for 1980 will fall below 1 million for the year—to a level of 965,000. Single family starts are expected to reach only 525,400 for the year. This would be the lowest level of annual housing starts since 1945.

But do not pay any attention to those figures. I am afraid what was conceived of when this budget balancing idea came to someone's mind was the fact that those who would suffer the most would not be in a position to fight back. It was conceived that it would be those persons who had been ripping off the United States for years, and who are still ripping off the United States would be cut out. Never mind, just average Americans, desirous of having their own home.

It is not just low income housing that we are talking about. These are also moderate income housing, and those that can even be considered higher cost housing. Everybody has been caught—everybody.

Behind these figures are increasing bankruptcies and rising unemployment in the housing industry. Behind these figures are thousands of people who need homes and cannot buy them. Behind these figures is a potentially horrendous housing shortage. This depression in the housing industry is even now causing untold human suffering, not just in terms of those who cannot buy a home, but in terms of unemployment, which is at sky-high levels.

I am very much concerned that budget cuts for the sake of budget cuts will obscure the long-term inflationary impact of this crippling of the housing industry and its suppliers. As Dr. Neil Freiden, former director of MIT-Harvard Joint Center for Urban Studies and professor of Urban Studies and Planning at MIT, stated before the Senate Select Committee on Small Business:

> What (current credit restrictions and credit) policies mean are higher costs now and a great likelihood of still more inflation later . . . (T)he shortage of mortgage credit that we have seen in the past (is), in fact, the main cause of the boom and bust cycle of home building which has been very costly to the industry and more so for housing consumers in the past . . . It is likely to raise costs even more in the future.

The Library of Congress projects that we need to have between 2.3 to 2.7 million new starts a year during the eighties to meet our national housing demands.

This is against the 525,000 single-family homes projected for this year to which I referred earlier. What is going to happen in the shortfall? Is one of the prices to be paid, the fact that a person cannot have a home in this Nation? Has anybody asked whether our citizens would like to choose between a few less gallons of gasoline for their automobiles to fight inflation, rather than the fact that they cannot have a home, or that they cannot rent a home, or that they cannot have a job building homes? Has anybody asked whether there was such a choice that should be offered? Does anybody doubt what the response would be?

If the low level of production that we have seen in the past few months continues over a long period of time, which all forecasts indicate will happen, there will be a pent-up demand and low supply of houses which will ultimately cause the price of housing to skyrocket. In other words, our present policies are not aimed at fighting inflation, they are aimed at worsening inflation.

The additional 200,000 units that the activation of Brooke-Cranston would provide, coupled with the 100,000 units that the remodeled 235 program could provide, would be an appropriate response to this crisis. During the recession in 1974, Congress provided for funding of an $8.8 billion Brooke-Cranston program and in addition approved an income tax credit for the purchase of housing. The Brooke-Cranston program sponsored 190,000 single-family housing units. The tax credit was utilized by 483,926 home purchasers. An assistance program of the same magnitude is needed now.

The amendment which we are proposing would provide room in the budget for activation and funding of a $10 billion Brooke-Cranston program. Under our proposal, $5 billion in mortgage purchase commitments would be issued by GNMA on August 1, 1980 and another $5 billion in commitments would be issued on October 1, 1980. To accomplish this, there would have to be additional new budget authority of $4.9 billion in the fiscal year 1980 budget and $600 million in the fiscal year 1981 budget. There would be a recapture of $100 million in outlays in the fiscal year 1980 budget and additional outlays of $1.6 billion in the fiscal year 1981 budget. Because of the cyclical nature of the program, there will be a recapture of $600 million in outlays in fiscal year 1982. The net cost to the Government, over 6 years, will be $1,795 million for the 200,000 units produced.

Opponents of this action would have us focus on the outlays for fiscal year 1981 alone. I say, let us look at the other side of that coin—the consequences of not stimulating the production of houses. The NAHB projects that the anticipated decline by the end of the year of over 1 million housing starts since 1978 will result in the loss of 1.6 million jobs and $27.5 billion in wages. There will be a loss of $7.5 billion in Federal, State, and local tax revenues and a total loss to the economy of $124 billion. These figures represent the housing industry alone. The ripple effect on suppliers and other related industries would result in the loss of 3 million additional jobs.

There is good reason to look at Brooke-Cranston as a "no cost" program if we are willing to focus on the larger picture. Even the HUD Secretary has said so in testimony. According to him the Federal income from jobs gained under the program at least equals the net cost of the program to the Federal Government.

We have some difficult choices to make. Most of my colleagues are committed to balancing the budget. That may still be possible if it is the will of the Senate to give meaningful assistance to this vital sector of our economy. It seems to me that not to give this assistance is short sighted and contradictory to the primary goal of curbing inflation. It also seems to me that it will be too costly in terms of jobs and the overall quality of life of our citizens not to make this program available.

Mr. President, I urge my colleagues to approve this amendment.

Mr. HATFIELD. Will the Senator yield me some time?

Mr. WEICKER. I yield 10 minutes to the Senator from Oregon.

Mr. HATFIELD. I thank the Senator for yielding. Also, I wish to commend my distinguished colleague for his leadership in offering this amendment. I welcome the opportunity to support him in his efforts.

Mr. President, I am happy to have the chance to support my distinguished colleague from Connecticut. Senator WEICKER's amendment to the budget resolution will revise the budget to include the $5 billion to reactivate the Emergency Home Purchase Assistance Act, better known in the housing industry as the Brooke-Cranston program.

The amendment could not be more timely. The Carter administration has mandated credit controls which have severely harmed the housing industry's ability to stay afloat. This is not rhetoric. According to Economic News Notes, the membership publication of the National Association of Home Builders, housing starts plummeted 22 percent between February and March—22 percent in 1 month. And this does not even state the true picture. For the month of March, single family housing starts were down nationally, 52.5 percent over March of the previous year. We are building fewer than half as many single family homes as we did last year.

I have a greater stake in this legislation than perhaps some of my colleagues, though no one in Congress can avoid seeing the misery this housing credit crunch is causing. But in Oregon, a major portion of our economy depends on housing. The impact of Federal credit policies, coupled with congressional inaction, is being felt quickly and forcefully.

It is tragic but it is true that the housing industry and, therefore, the timber economy of my State is usually the first to feel the crunch of any kind of economic recession and usually the last to recover.

According to the Western Wood Products Association figures, by the middle of April, about half the approximately 800 lumber mills in the West have been affected by this housing depression. Of those mills, 141 have shut down entirely. In Oregon alone, 39 mills were closed by the middle of April and another 70 mills had cut back on production.

In some of the communities in my State, there is as high as 18 or 19 percent unemployment due to this kind of mill closure.

The President has succeeded in what he set out to do. The price of Douglas fir lumber has dropped 15 to 20 percent since he began turning the screws. But what is the cost? Can the State of Oregon really afford to eliminate the jobs of 3,000 millworkers? We have done that, and to be sure our message gets across, we have allowed another 1,200 construction workers to join the unemployment lines in Oregon.

I do not want any of my colleagues to feel that this is only Oregon's problem. I refer your attention again to the Home Builders' figures. These figures show the national scope of the housing employment disaster. The decline of over 1 million starts since 1978 could cost 1.6 million jobs, $27.5 billion in wages, and a loss of up to $7.5 billion in Federal, State, and local tax revenues. Even those of us committed to balancing the Federal budget cannot ignore the stark realities presented by these figures.

The tremendous advantage to this amendment is the cost-effective, anti-inflationary effect it should produce. Brooke-Cranston is a low-cost program because the income realized from it should more than offset the net costs. As many as 400,000 additional jobs should be created, not to mention the ripple effect it will produce in housing related industries. It is anti-inflationary because it will help eliminate the building demand for reasonably priced housing, and ease the demand pressure which has caused housing prices to skyrocket.

According to a GAO study on the 1974–75 Brooke-Cranston program, 18,000 to 35,000 additional housing starts were generated by the program, accounting for between 33,000 and 65,000 full-time jobs. The GAO estimates the cost of each job ranged between $6,000 and $12,000, and for each housing start, $12,000 to $23,000. In addition, close to $1.1 billion in real wealth was added to the gross national product after adjustment for inflation. Other figures indicate that the $8.8 billion set-aside in 1974–75 housed 307,000 families. The concurrent tax credit, utilized at that time, helped 483,926 homeowners.

Recently, the Senate took action to help give a shot in the arm to the industry, through a modified 235 program. This concept, promulgated by the Carter administration, was a basic beginning, but more cosmetic than substantive. As I mentioned earlier, I am as committed to a balanced budget as any Member of this body. I am equally committed to the economic health of this Nation and this industry.

In his remarks of April 12 before the Senate, my colleague from Connecticut clearly stated:

> The administration's housing proposal is not a solution. It is a beginning and nothing more . . . it may give salutary appearance of action, which is especially desirable in an election year. I urge that we not avoid taking the right economic actions today merely because these may be construed to be wrong political actions.

The National Association of Home Builders agrees, stating:

> The President's plan to assist FHA builders by revising the section 235 program to assist moderate income home buyers, this initiative is welcomed and helpful, but it does not assist the vast majority of home buyers and builders who are served by the conventional housing market.

I believe that a program the magnitude of Brooke-Cranston is needed now. Together with the new HUD 235 program, it will start as many as 300,000 new homes. It is cost effective. In 1974–75, $8.8 billion in budget authority was appropriated after recapture. The net cost of the program was only $412 million. By 1977, GNMA had sold 184,000 of the 190,000 mortgages purchased under the program. Opponents who argue that this is a costly program fail to recognize or acknowledge the recapture provisions of the act. Brooke-Cranston costs only $300 million in outlays per year over a 6-year period. The cost to the economy will be much greater without it.

The Congressional Budget Office estimates $4,920 million in budget authority and a decrease in outlays for fiscal year 1980, and $550 million more in budget authority and $1,550 million in outlays for fiscal year 1981, if we pass this amendment and appropriate the full amount requested. The net cost will be considerably less than these figures after recapture.

If I have not yet convinced anyone that this is a low-cost, effective program, I refer them to the Budget Committee recommendations. The committee expects to reduce commerce and housing credit outlays over the next 6 years from $2.6 billion to $2.4 billion. If we appropriate $5 billion for the Brooke-Cranston program, we shall see less than a 4-percent increase in total outlays between fiscal year 1979 and fiscal year 1985. Contrast that increase with some of the other federally mandated "necessities of life."

Between fiscal years 1979 and 1985, secured income outlays should increase from $160 billion to $324 billion—100 percent increase. Health outlays will rise from $49.6 billion to $96 billion—almost 100 percent. Defense costs will skyrocket 133 percent—from $117 billion to $267 billion.

I do not know how many times I have stood on this Senate floor and said that national security is more than missiles and guns. Shelter and work are just as, if not more, important to maintaining a secure and worthwhile America. The Brooke-Cranston program is aimed directly at the grave problems of housing and unemployment. Without this budget waiver, we cannot revive that program.

That is why I urge the Senate to join with the Senator from Connecticut (Mr. WEICKER) and pass this budget waiver for the sake of the people of this Nation.

I thank the Senator for yielding.

The PRESIDING OFFICER (Mr. HARRY F. BYRD, JR.). Who yields time?

Mr. HOLLINGS. Mr. President, I yield to the Senator from California.

Mr. CRANSTON. Mr. President, it is with particular reluctance that I rise to oppose this amendment. My reluctance, first, is based on my very high esteem for the author of the amendment, the Senator from Connecticut, whose work in the Senate is so very fine. I am doubly regretful because, yesterday, he was one of the sturdy and wise souls in a very slim band that supported the substitute amendment that I offered. I think the appropriateness of that amendment will become more and more apparent as this year wears on.

Second, I regret being unable to support the amendment because it relates to the measure called Brooke-Cranston, though I prefer Cranston-Brooke, that did so much for housing back in the mid-seventies. I think the time may very well come in the course of this year, if the recession deepens to the degree that many fear and if housing gets into an even worse collapse than it presently finds itself in, that we will need to trigger Brooke-Cranston.

We may find that some of the priorities that were rejected in the budget amendment which I offered and the Senator from Connecticut supported will become necessary in the course of this year to alleviate a deep recession and to help those individuals in those programs that will be injured most by that recession.

Presently, however, I am convinced that we have to hold to a balanced budget. I hope very much that it will be possible to hold to that balanced budget throughout the fiscal year 1981. Whether that will be possible will depend upon matters beyond our control, namely, the performance of the economy.

In the event that the recession deepens and housing, the constructing trades and related aspects of our economy find themselves in deeper and deeper trouble, I believe we may have to turn to triggering Brooke-Cranston and providing exactly the sort of authority that the Senator in his wisdom envisages as necessary now.

Unfortunately, however, at this point, I think we should not take that step in a way that would unbalance the budget already before us by presumably very significant sums running, at least, beyond $1 billion and possibly up to $5 billion or $6 billion.

There is a measure working its way through the legislative process that would revise and bring up to date the Brooke-Cranston program so that it will be reauthorized in a more modern, effective fashion, that would provide the basis for using Brooke-Cranston—I correct myself, Cranston-Brooke—if the time comes when that is necessary.

I regret very much that I cannot support the present amendment for those reasons. I think we may find ourselves turning to Brooke-Cranston before the fiscal year that is now coming before us runs its course.

Mr. HOLLINGS. Mr. President, I will make one point, then I will yield to the Senator from Oklahoma and the Senator from Florida.

Mr. President, the Brooke-Cranston amendment that has been proposed has given me a great deal of concern. I think immediately of the leadership of the homebuilders from my own State, particularly Mr. Gordon Darby, the leader of our own homebuilders in Charleston, Joe Griffin, and others I have discussed this matter with.

When that group came to the National Congress, I met with them. I tried to outline various solutions. I mentioned that Brooke-Cranston would be one solution, together with the purchase by FNMA of various low interest mortgages held by savings and loan institutions, and otherwise try to get an alternative, such as the variable rate mortgage recommended by the chairman of the Finance Committee (Mr. LONG).

Thereupon, we wrote a letter to the President at the White House, and conferred at the White House. The White House informed us they had no plan to spend any Brooke-Cranston moneys for emergency home purchase assistance.

Thereafter, Senator RIEGLE in the Budget Committee submitted his particular amendment for fiscal year 1981, and I voted at that time. There was an understanding by Mr. Darby and others I have talked to that that would pertain to the fiscal year 1981.

In concern for some kind of emergency relief in this particular year, where the need is now, not next year, for our homebuilders in America and in my State, I worked with Senator WILLIAMS on the section 235 program to provide a stimulus to the housing industry.

We found at that time, when we could give it better attention, trying to understand the position of the White House, and with the budget process, that the problem was not a shortage of money. Rather, the problem for the homebuilders was high interest rates, and the best thing we could possibly do was try to arrest this inflation by paying our bills, getting out of the credit market as a Government entity, and eventually lowering those interest rates. Brooke-Cranston provides not only an interest subsidy, but it also provides mortgage money, and there is not a shortage of mortgage money.

So, approaching it with the sentiments of the action taken just 2 weeks ago by the Senate when it passed the section 235 amendments, which I supported, we provided for 100,000 units to cost $100 million. Brooke-Cranston, if funded at a level that would support 100,000 units, could raise fiscal year 1981 outlays by 30 times as much, or $3 billion.

We think the better approach now is, if we need 200,000 additional units, to take that up at the time of the second concurrent resolution.

But the best for the homebuilders is the best for all America, just pay our bills and try to lower the interest rates. We are beginning to see some results. Chase Manhattan has gone down to 17 percent and the largest savings and loan on the west coast is down 4.75 percentage points to 12.75 percent.

So I do not want to get up casually and act as if I do not have on my own conscience and mind the representations we made to our own homebuilders.

At this time, particularly, I feel that, as manager of the bill, we are not supporting any amendments, yet at the same time I believe I am supporting that which they would have me support; namely, trying to get assistance for 100,000 housing units at the present time, at a much more economical approach than Brooke-Cranston—and we have just heard from the distinguished author of Brooke-Cranston.

Mr. President, the Weicker amendment to provide an allowance for funding the function 370 Brooke-Cranston emergency home purchase assistance program is objectionable for a number of reasons:

Activation of Brooke-Cranston is unacceptably expensive. It could add $5.8 billion to the fiscal year 1981 deficit. Even under favorable assumptions, it would add $1.6 billion.

The budget provides ample funds to support housing. The Senate Budget Committee recommendation already includes $34.3 billion in budget authority to assist housing.

It is unnecessary to provide this allowance, since S. 2177 (which passed the Senate on April 22) would permit the use of unobligated balances from the section 235 program to provide a short-run stimulus to the housing industry. The modified section 235 program would add an additional $0.1 billion to fiscal year 1981 outlays, compared to the $1.6 to $5.8 billion of the Weicker amendment and would assist 100,000 housing units.

The outlay impact of the Brooke-Cranston program is unpredictable and poses a major threat to the outlay targets. In any year, outlays depend crucially upon the lag between the purchase and sale of mortgages. If interest rates remain high, HUD will purchase mortgages but not resell them until the rates come down, because HUD is required to minimize the cost of operating the program.

In today's economy there could easily be a 1-year lag between purchase and sale, and the fiscal year 1981 outlay increase from Brooke-Cranston would be an additional $5.8 billion instead of the $1.6 billion assumed by Senator WEICKER.

A GAO evaluation of the Brooke-Cranston program as previously operated concluded that 60 percent of the homebuyers would have purchased a home without a subsidized mortgage loan.

The contention that Brooke-Cranston is no-cost program is not accurate. The interest subsidies provided are a real cost to the Government, and are reflected in the discounted sales value of the mortgages. These subsidies are not offset through the taxes paid by construction workers. A Commerce Department analysis estimates the net cost to be $4,500 per job created.

I yield to the Senator from Oklahoma.

Mr. BELLMON. I thank my friend from South Carolina.

I yield to the Senator from Connecticut.

Mr. WEICKER. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. BELLMON. Mr. President, let me state at the beginning, I agreed with the alterations in the program requirements made in S. 2177 passed by the Senate on April 18 of this year.

In the case where emergency action in the nature of Brooke-Cranston is needed, the changes in sales price limits, mortgage limits, and subsidy level made in S. 2177 made the program more in tune with the times. But now is not the time, in my judgment, for Brooke-Cranston. I stated so on April 18 when the bill passed the Senate.

Interest rates are decreasing, as the chairman just said. Yesterday, Home Savings and Loan of Los Angeles decreased its mortgage rate from 17 percent to 12¾ percent, a dramatic drop for 1 day. In fact, I doubt it happened in history before.

It indicates that that largest savings and loan association in the United States believes interest rates are headed down sharply, and they have so lowered their rate to take that into account.

Interest cost is the primary ingredient in a slowing housing construction industry, at the present time.

Brooke-Cranston, as Members know, is designed to help the housing industry by providing liquidity to mortgage institutions—liquidity (disintermediation) was a problem in 1974–75 when Brooke-Cranston was first instituted—but not now.

For example, liquidity of savings and loans is presently 8.54 percent of savings—a very liquid position. What the housing construction industry needs are lower prices, lower down payments, lower energy costs, lower interest rates and generally reduced inflation. To add $5½ billion in budget authority—$10 billion of debt to the Nation's credit markets—and nearly $2 billion of outlays over the next 3 years to the Federal debt is hardly the way to correct the underlying problem—which is the problem of inflation, as I already said.

Brooke-Cranston addresses the symptoms at this time while worsening the basic illness of inflation.

Mr. President, housing has been a major contributor to recent inflation—though mortgage rates have contributed more than housing prices in recent months—and slowdown to existing level is in keeping with anti-inflation program as the Senator from Connecticut has already noted.

As the Senator from Connecticut has noted, the White House has, in May 2 and May 3 hearings before the HUD Appropriations Subcommittee with Secretary Landrieu, indicated that it has no intention of using Brooke-Cranston money.

The outlay estimate that was used by Senator WEICKER is optimistic, in that it assumes rapid commitment and sale of mortgages and thus offsets outlays. Continued high interest rates would forestall sale and drive outlays higher, as high as $6 billion.

CBO has indicated in February 1980 testimony that Brooke-Cranston is not a really effective program and was not that effective even in 1974–75. CBO estimates that in 1974–75, the $7.8 billion of commitments produced a net addition of only 18,000 housing starts. The other 82,000 commitments were to housing starts that CBO estimates would have occurred anyway.

GAO, in September 1976, reported that the 1974–75 Brooke-Cranston money went to persons of moderate income who used the money to buy larger, more expensive homes—not first-time, low-income homebuyers. The proposed changes incorporated in S. 2177 will exacerbate this effect.

In summary, Brooke-Cranston could be quite costly; it adds about $700 million of outlay for each 1 percent of subsidy, and does not really attack the problem of cost that faces the construction industry now. Bringing interest and housing costs down is most important and we should let the current downward trend, about 2 percentage points in mortgage rates in the last 3 weeks, continue. That will make Brooke-Cranston even less necessary, less appropriate than it is now.

Mr. President, much as I support the objective of strengthening the housing industry, I feel that Brooke-Cranston is the wrong way to go, and I strongly oppose the Weicker amendment.

Mr. CRANSTON. Mr. President, I associate myself with the remarks made by Senator HOLLINGS about the many efforts underway to be of help to housing.

I was associated with Senator WILLIAMS in the legislation we passed that would make the 235 program more effective in covering more homes or units as well as many other steps that the Senator from South Carolina mentioned which are in the works and which can provide some help to an industry that needs help.

The Senator from Connecticut (Mr. WEICKER) is acutely aware of the need for help for the housing industry. He is seeking to provide leadership to give it assistance, and I applaud him for that. We need to find ways within our stringent budget to do all we can to help that industry.

One of the major problems hindering the housing industry is the astounding mortgage rates and interest rates we have been confronted by recently. There has been a dramatic drop on that front, starting in California, where yesterday the Home Savings and Loan Association of Los Angeles, the Nation's largest savings and loan association, slashed its mortgage rate by 4¾ points down to 12¾ percent. That is a dramatic drop. I have never heard of such a significant drop in 1 day.

The Citizens Savings and Loan Association in San Francisco and several smaller savings associations in Arizona have recently announced decreases to 14½ percent. So a trend is at work that can be of some help.

Plainly, more help is needed along the lines of what Senator HOLLINGS has discussed, and help may be necessary for the Brooke-Cranston program in the course of time. I look forward to the day when I may be working arm in arm with the Senator from Connecticut to insure that that happens. Unfortunately, I cannot join arms with him at this particular moment.

Mr. HOLLINGS. Mr. President, I yield such time as necessary to the distinguished Senator from Florida.

Mr. CHILES. Mr. President, it is with great reluctance that I oppose the amendment of the Senator from Connecticut to add $10 billion to the budget resolution. The intent is to allow funding for the "Brooke-Cranston" emergency mortgage purchase program.

I am certainly sympathetic to helping out the housing industry. In my own State of Florida, housing construction has ground to a total halt. But we have to look at what has caused the problem, and see whether the proposed medicine will save the patient or kill him.

It is high interest rates which stopped housing construction. Those high interest rates came about from two causes. First and foremost, inflation reached a rate of close to 20 percent. No reasonable person or institution is going to lend money at less than the rate of inflation. Second, lenders had no expectation that Government was going to do anything to reduce inflation. At every other turn, the Government had always leaned to the side of stimulation and away from restraint. Back in March, when the Democratic leadership of Congress met with the administration to work out a balanced budget, the bottom had already dropped out of the long-term credit markets. Lenders were too uncertain to commit their money for long-term loans at any rate of interest.

The primary concern of the Democratic leadership was to develop a credible economic policy to attempt to restore stability to the financial markets. Fortunately, that approach seems to be succeeding. Over the last few weeks, the markets have stabilized and interest rates have decreased significantly. Six-month Treasury bill rates have come down from 15.7 percent on March 25 to 9.5 percent this Monday (May 5). Rates for prime commercial paper have also dropped by 2½ percent. These declines in short-term rates will improve the flow of funds into thrift institutions for mortgages. In addition to this decline in short-term rates, the market rates for home mortgages have also begun to come down. We have seen a drop of almost 2 percent in the latest Fannie Mae auction rates. In the month of April, FHA/VA insured mortgages dropped from 15.9 percent to 14 percent; conventional mortgages came down from 17.5 percent to 15.7 percent. These major declines in just 6 weeks are the most positive signs we have in the whole economy.

Adding $10 billion in spending would simply show that Congress is not serious about fiscal restraint. If that is the message that goes out to the country and the financial markets, interest rates are just going to shoot up again. Higher interest rates will cause more harm to the housing industry than could ever be corrected by Brooke-Cranston or any other Government program.

The Brooke-Cranston program was designed to deal with the problem of liquidity for mortgage lenders when high interest rates drive money into short-term securities. I support the reauthorization of the program so that we can have it in place when this occurs. But liquidity is not the major problem at this time. The problem is that most people cannot qualify for mortgages at high interest rates. The appropriate response, therefore, is not to make more money available for mortgages. What we have to do is get interest rates back down so that people can qualify. The only way to do that is to change peoples' expectations about inflation. I believe our new tough stance on fiscal policy is beginning to achieve that result.

Mr. President, I hate to see housing bearing the brunt of economic restraint. It costs jobs, and in the long run it is inflationary. We have the need and the demand for 2 million units of housing each year. If we only build 1 million units this year, then we are going to have an imbalance of demand and supply next year that will drive up housing prices.

My hope is that interest rates will come down enough by fall to let housing construction start to recover and get the supply back up in time for the prime selling season in the spring. I discussed this with the Secretary of the Treasury at a recent hearing, and he indicated that he expects to see this kind of significant decrease in interest rates by fall. If interest rates do not come down by fall, then we can reexamine economic conditions and provide any appropriate assistance in the second budget resolution.

If we put the Brooke-Cranston money in, it is liable to be spent on something else. The authorizing legislation requires a decision by the Secretary to release the funds.

Since he says he will not decide to release them, that leaves extra room in the budget resolution and simply frees up money for something else that someone in Congress decides to spend.

Mr. President, the proponents of this amendment claim that it will not really cost anything, since Ginny Mae will resell the mortgages in the same fiscal year. There are several problems with that assertion.

First, Ginny Mae is constrained by law to not resell the mortgages until the most favorable economic conditions. If they are resold immediately, at high interest rates, then that will create the greatest cost to Government. If interest rates do come down to the level where it is appropriate to resell the mortgages, then the assistance will not be necessary.

The second problem with the free-lunch argument is that if Ginny Mae pumps out the money in the beginning of the fiscal year, then pulls it back at the end of the year, you still get the inflationary effect through the year.

Finally, neither the public nor the credit markets are going to believe us if we say we are going to spend $10 billion but not have it cost anything. That is just the kind of head-in-the-sky attitude about Federal spending that has the public up in arms. The actual cost of the program could be as high as $5.8 billion in outlays for 1981. That would clearly throw the budget out of balance.

Mr. PROXMIRE. Mr. President, will the Senator from South Carolina yield me 2 minutes?

Mr. HOLLINGS. I yield 2 minutes to the Senator from Wisconsin.

Mr. PROXMIRE. Mr. President, I must oppose this amendment, although I think the Senator from Connecticut has raised a proper point, one we should consider.

There is no question that homebuilding is in a depression. It is not in a recession. It is in a depression. This is one of the sharpest dropoffs we have had in homebuilding in the last 25 years.

At the same time homebuilders themselves came in from Wisconsin as did those from Virginia, Connecticut, Florida, and every State. I talked to Wisconsin homebuilders about their dilemma. They said they favored Brooke-Cranston, but they agreed with me that we should pass Brooke-Cranston while at the same time paying for it by reducing Federal expenditures elsewhere. They did not want a Brooke-Cranston amendment that blows a hole in the budget.

They said, "Above all, what we have to have is a balanced budget, not only in 1981, but in 1982, and 1983, if we are going to hold down inflation and keep interest rates under control, get them down."

And that is what they are really interested in. We will not have a healthy homebuilding industry unless we follow a consistent, credible, comprehensive anti-inflation policy.

Mr. President, the fact is, as the Senator from California has told us, the biggest S. & L. in the country yesterday reduced their mortgage rates from 17.5 percent down to 12.5 percent, perhaps the sharpest drop in mortgage rates by a major mortgage lender in history.

This is exactly the kind of action that we need to get homebuilding back on its feet, and homebuilders recognizes that.

The Senator from California also told us about the other actions that have been taken by the administration, by the banking committee, and by Congress to assist housing.

It is not enough. I wish we could do more. But I am sure that the great majority of homebuilders, in spite of their plight, would not be in favor of an amendment which is going to blow a hole in the budget and guarantee that we are going to have an unbalanced budget. Maybe they are wrong in that kind of thinking. Maybe the Senator from Connecticut is right, and he is very frank about it. He says a balanced budget should not be given consideration. I say it should, for all kinds of reasons, but particularly because an anti-inflation program that has a big deficit has absolutely no credibility in this country, not only with most Americans, most taxpayers, but with the homebuilders themselves.

For this reason, Mr. President, I do hope that this amendment is not passed and is defeated.

Mr. HOLLINGS. Mr. President, I emphasize just one more time that the distinguished Senator from Connecticut estimates the fiscal year 1981 outlays at $1.6 billion, but the Senate Budget Committee staff estimates that the cost could run as high as $5.8 billion, and that is the surest way we know to really guarantee that we will never have the balanced budget.

We had it 10 years ago, and the mood is there. The need is there. The awareness is there. We have been moving toward that.

We never had any amendment that would just put it totally out of kilter, go right into the set-aside for a tax cut. There would be no tax cut. On the contrary, there would be no balanced budget and we would have business as usual.

So I am prepared to yield back the remainder of my time if the distinguished Senator from Connecticut is. He has some time remaining, and then we will move to a vote.

Mr. MORGAN. Mr. President, will the Senator yield?

Mr. WEICKER. Mr. President, I yield 3 minutes to the distinguished Senator from North Carolina.

Mr. MORGAN. Mr. President, I rise to support the amendment of Mr. Weicker.

Like him, I believe the present high interest rate policy of the Federal Reserve Board is resulting in a housing recession that is far worse than expected by Reserve Board officials. It appears to me that the downturn in production and in employment we are now experiencing is not only worse than expected, but is more concentrated in the housing industry than anyone anticipated. Last month's decline in housing starts and building permits startled even the industry's experts.

There is no question in my mind that inflation continues to be our most serious national problem. Nor do I question the need for strong measures to reduce excessive spending, particularly Federal spending. I intend to support a tight Federal budget for fiscal year 1981. And I have been telling my constituents, and all of the interest groups, that everyone is going to have to tighten his belt a little if we are going to curb those persisting inflationary pressures.

But, the simple fact is that the housing industry today is bearing far more than its fair share of the inflation burden. The homebuilders of North Carolina, like the homebuilders of Connecticut and every other State, have tightened their belts and have not any notches left to tighten. The heaviest impact is being felt by the smallest businesses: The recession is squeezing out many of the industry's younger and smaller builders, even while we know there will be a strong demand for their services in the years immediately ahead to house our growing population.

I know that the administration is supporting some action to help the industry. And I recognize that the Federal Reserve Board has taken some action to shield housing from its credit crunch policies. But these have not been, and are not likely to be effective. They presume that even a little more wringing-out over the next few months will not hurt.

I agree with Senator WEICKER, and many others in the Senate, that the housing industry has been wrung out enough. It has been squeezed far more than any other industry—far more than many industries which are much less important to us. I think the time has come to aid the housing industry with the emergency purchase assistance program that was originally enacted in 1974 and was overwhelmingly reauthorized and updated by the Senate just a few days ago.

In advocating this, I recognize there is a potential conflict with our budget objectives. I say potential because I think we can include emergency home purchase funds in Senate Concurrent Resolution 86 and in the second concurrent resolution on the budget for fiscal year 1980 without substantially changing the character of these budgets.

I agree with Senator WEICKER that there is a crisis in the housing industry today, and that emergency action is needed now.

I have listened to the arguments of the opponents of this amendment very carefully. It is all well and good to say interest rates are coming down and that one savings and loan association in California did come down rather dramatically yesterday. But that is one all over the Nation.

And they may very well be down by the fall of the year. But if it takes until the fall of the year before housing gets any relief, it will be too late for a good many homebuilders across America, as we all saw before.

I think homebuilding is the backbone or one of the parts of the backbone of our economy. It not only affects the building industry. It affects the lumber industry. It affects furniture. It affects almost everything that we can think of.

No one, I think, has been more fiscally responsible in this Senate through the years than I have, but I just do not believe that the home industry, those who are seeking opportunities to own their own homes, should have to carry this burden at this time.

For that reason I intend to support the amendment of the Senator from Connecticut and I urge my colleagues to do so.

The PRESIDING OFFICER. Who yields time?

Mr. PACKWOOD. Mr. President, will the Senator yield?

Mr. WEICKER. Mr. President, I yield 2 minutes to the distinguished Senator from Oregon.

Mr. PACKWOOD. Mr. President, I have long been an advocate of balancing the Federal budget. I realize the necessity to reduce the Federal deficit, bring Government spending under control and stop Government waste and abuse. Throughout Budget Committee preparation of this proposed balanced budget, I favored sharp reductions in many programs.

However, I am deeply concerned over the housing situation in this country. We are at the deepest and sharpest decline in housing starts since World War II. During the first 3 months of this year, housing starts were down 27 percent as compared with the same period in 1979. In March of this year alone, housing starts were down to 1.04 million, as compared to 1.8 million in March of 1979. This represents a 42-percent decline.

As a result of the depressed housing market, 176 lumber, plywood and veneer plants in my home State of Oregon have closed down, cut back their labor force, or laid off the entire work force. Production has plummeted by 44 percent. For many of these workers, other jobs in the wood products industry do not exist. Many must uproot their families to seek employment elsewhere.

Many of the smaller towns in Oregon rely on the timber industry for much of their employment. In Willamina, Oreg., for example, 300 workers were left unemployed as a result of a mill closing. The population of that town is only 1,440.

The secondary effects are already being felt by other businesses. There is an increasing number of business failures; construction projects and firms are closing down; and thrift institutions are also feeling the crunch. Automobile sales have plummeted and realtors report that resales of homes are down by 50 percent.

Economic experience tells us that the effect of this will be felt throughout the economy. This is because "busts" in housing normally precede a nationwide recession. A major recession would probably postpone our efforts to balance the budget for several years. I believe that boosting housing production can lessen the recession, and therefore aid our efforts to balance the budget.

The effects of the housing situation are widespread, not only for Oregon, but for the rest of the Nation as well. Every State will feel the effects of the depressed housing market. We need relief now, before it is too late to reverse the trend we are now experiencing.

That is why, Mr. President, I support the Weicker-Hatfield resolution to the first concurrent budget resolution. We must plan now to provide funding for the Brooke-Cranston program. Reactivation of the Brooke-Cranston program has been estimated to help produce additional sales of 200,000 housing units. The program would increase outlays 1.5 billion in fiscal year 1981. This is a fair price to pay for the rewards it will give the entire Nation.

Mr. WEICKER. Mr. President, I rise to respond to several points raised, and then I will be prepared to yield back the remainder of my time so we can have a vote on this issue.

First of all, I want everyone to hear the good news as announced by one savings and loan association in California and it is reiterated here in the Chamber. Apparently the recession is over, the depression is over, and there are no more problems. The interest rate is down to 12¾ percent at a savings and loan in California.

I suggest that we are a long way from the end of the tunnel on this particular economic crisis that faces the Nation.

I do not think anyone wants to put too much reliance on one occurrence and one savings and loan being the basis for action by this body to relieve what is a depression.

I admire Senator PROXMIRE more than I can say in so many matters. He is a great friend and also a great Senator. But to admit there is a depression and say we are going to all sit here and hang on—we are not hanging on; those people are out of work. I and many others, not just myself, predicted what would happen last December. No one would act then, and then we spoke up again in March. Finally, one day I am sure we will be out of this morass. But at what price and at what cost?

Inevitably, I have no doubt that the industry will come out from under, but I am not willing to see several million, 2 million people put out of work for any substantial period of time while we let the natural course of events take hold.

We have a situation in the United States where there are only 3 percent in this Nation homeowners, 3 percent able to purchase their own homes. What kind of an economic policy was enacted either by the White House or by the legislative branch of Government that has brought us to that pass—3 percent?

It has been stated mistakenly that this body has become a rich man's club. If indeed it is a reflection of the constituency, that might be true in terms of only 3 percent who can now afford, under the policies of this country, to buy a home. And that is wrong, dead wrong.

The person who is out of work is a person who has lost his business, and they are going out in droves day after day. We are already too late.

Yet the argument that is presented on the floor is, "All right, we are going to be too late. We do not want to get ahead of the problem. We might have to enact Brooke-Cranston sometime later this year. We might have to go ahead and take emergency medicine sometime later this year."

When are we going to go ahead and anticipate crises so that we can go ahead and avoid them, never mind react to them?

The uproar over a balanced budget, I can assure you, is nowhere near the uproar of not having a job or the uproar of not being able to rent a house or own a home. We will get to that later.

This is not a rich man's program, Brooke-Cranston. It does not alleviate all the problems in the industry. Indeed that will be my reason for taking the floor in section 8 housing later this evening.

No, if balancing the budget means no shelter, and if it means unemployment, I do not want a balanced budget.

As the distinguished Senator from Oregon (Mr. HATFIELD) so correctly stated before, the security and defense of this Nation rely very much on the quality of life afforded its people and their motivation. Without shelter and without jobs, very few are going to be singing the Star Spangled Banner at the top of their lungs.

I hope the Senate will enact this amendment. The figures cited by the managers of the bill are only correct insofar as they pertain to this year. But over the life of the program it does not cost any $5 or $6 billion. Instead we end up on the plus side, not the minus.

I hope we will do it both in terms of the emergency that exists, in terms of assuring that we will not have inflationary circumstances as to housing in the future, and as to making that type of investment in the human condition which is not inflationary but rather is an absolute necessity in terms of the American commitment to its people.

I am prepared at this juncture to yield back the remainder of my time. Mr. President, I do not know what the situation is with the floor manager.

Mr. HOLLINGS. I was prepared to do the same thing. I do not want to provoke the distinguished Senator further, but the Commerce Department did make an analysis of the net cost. Brooke-Cranston is not a no-cost program. The net cost is $4,500 per job created, for short-term jobs lasting only a few weeks.

Otherwise Congress did respond, as we have all been talking about. The author of Brooke-Cranston pointed out that the Senate, on April 22, passed a modified section 235 program that would assist 100,000 units. I think we are doing that right now for the 8 million people, rather than waiting until the fall or any other time.

We are trying to promote it, and I am confident that what the Congress is doing is reflected in this reaction, with the lowering of prime interest rates and the cutting of homebuilding mortgage rates out on the west coast.

So I think it is having an effect. I do not think it should be disregarded. I think we are on the right course. I think, to the contrary, if we start busting the budget by $5.8 billion, it might be paid for later, but it is going to be paid for in spades at that particular time.

Now is the time to hold the line, to continue the trend, rather than turning it back over again to the high interest rates and continuing to squeeze again the building industry further. That is the whole objective we have in mind. I do not know anything better we can do for the homebuilding industry than what we are trying to do on the floor here with this particular resolution.

Mr. BAYH. Mr. President, many people were shocked when the national unemployment rate leaped to 7 percent in April. There has been too much talk about this recession being short and shallow. In Indiana it has already been too long and too deep. In Indiana we have had a raw unemployment rate of over 9 percent every month this year. The impact on the automotive and housing industries has been quite severe.

Therefore I want to voice my strong support for this amendment to fund 190,000 housing starts under the Brooke-Cranston program. I believe we should release Brooke-Cranston funds now, not later. Now is the time they are needed. Interest rates may have hit their peak, and they have come down from their highs a little bit. However, the recession in housing starts has just begun, and the national unemployment rate has just begun to rise. This is the ideal time to institute an interest rate reduction program to help housing, not later. Later would not only be too late, but might come during the recovery when it might even be counterproductive.

If this amendment is adopted, I would urge that conference committee consider putting it into effect immediately. If that were done by May 15, GNMA might be able to get the commitments issued as early as July 1. If commitments were issued on July 1, the increase in outlays would occur primarily in fiscal year 1980 rather than fiscal year 1981. That is when they are needed, not later this fall or next year.

Housing starts for 1980 are now expected to drop to the lowest level since the early forties during the Second World War; $9 billion worth of homes are already sitting unsold and vacant. Action is needed now.

I want to point out what we did in 1974–75 which previously had been the lowest year on record. During that time, we not only activated Brooke-Cranston, but we also instituted a special tax credit of 5 percent up to $2,000 for the purchase of new homes. When combined with the Brooke-Cranston program, housing starts began to recover from the worst recession since the Great Depression.

I have only one concern about this amendment. There is nothing on the revenue side and I think there should be. I am convinced that a large portion of the cost of this program will be recovered through greater tax revenues from increased employment as a result of the program itself. CBO does not have an estimate in this regard. It is difficult to make accurate assumptions, but that does not mean there would not be an impact. It is estimated that in 1974–75, the additional revenues from these housing starts covered the loss from the program itself.

I feel that support for this particular amendment is fiscally responsible. Anything we do for housing at this point will be employing unemployed resources. That will mean less unemployment compensation and greater revenues. Anything we do for housing will be preventing an even deeper recession which would depress revenues. If we are not careful, this recession will start chasing its tail into a deeper and deeper downturn.

If the budget for fiscal year 1981 ends up not being balanced, it will be because economic conditions have caused revenues to fall off. We need to time our actions in anticipation of the economy, not in reaction to it. I think now is the ideal time to release Brooke-Cranston funds. The markets have all turned the corner. No one doubts that the recession is upon us anymore. If we wait until the recovery to release the funds, we will be stimulating the economy at the wrong time creating inflation rather than employment.

There is a simple way to calculate the potential impact of an additional 190,000 housing starts which this amendment will help facilitate. Each start will create between 1½ to 2 jobs in housing and related industries. The 335,000 new jobs would provide $5 to $6 billion in wages and result in some $1.3 to $1.5 billion in corporate and individual income tax revenues. Nor do these figures count the indirect impact of jobs which result from the additional employment outside the housing industry.

In fact, if we get in there now, GNMA might actually make money in the process. By buying mortgages cheap when interest rates are still high, and selling them dear when interest rates have hopefully fallen, this subsidy could turn out to be a wise investment instead. Finally, by smoothing the business cycle for housing, we are increasing efficiency and lowering housing costs. Labor costs can be reduced because lower unemployment premiums will be required, and material costs will be less because more efficient production methods can be used.

In any event, I think our priorities are wrong. Home construction should not bear such a disproportionate share of the burden of fighting inflation. Very few programs will experience a 50-percent cut in this budget, yet that is the cut which will be imposed on the entire housing industry by the high interest rate policy of the Federal Reserve. We need to spread that burden more equitably.

I would also be willing to make reductions elsewhere in the budget if that were necessary to fund this program or to close tax loopholes to raise additional revenues. I would be willing to close tax loopholes such as deferral and tax credits on foreign oil. I would be willing to do that because I think housing should have a priority at this time, but I think this program will largely finance itself through increased employment.

Mr. President, this is a top priority program. Homebuilders in Indiana keep calling my office telling me they are going broke. Funding Brooke-Cranston will not completely solve their problems. However, it is the least we can do when they are faced with disaster. I urge your adoption of this amendment.

● Mr. BIDEN. Mr. President, I reluctantly oppose Senator WEICKER's amendment to the budget resolution which provides up to $10 billion in budget authority and $1.5 billion in budget outlays during the fiscal years 1980 and 1981. These funds would have been used to fund the Brooke-Cranston housing program.

There is no denying that the housing industry is in bad shape. New starts have fallen to a seasonally adjusted level of 1 million units. Permits for new starts have also declined precipitously. Mortgage money, if it is available, is priced so high that few families can afford the monthly payments. I believe we should help the housing industry but we must be careful in fashioning a remedy so that we do not rekindle inflation in the money markets.

Mr. President, I supported S. 2177 when the Senate considered that bill last month. I believe we must keep the Brooke-Cranston program in ready reserve if we need it. But if the Senate busts the budget now by voting for an additional $5 or $10 billion increase in budget authority, we would be sending a signal to the economy that Congress is not serious about balancing the budget.

The credit markets are in a volatile period now. Interest rates on 3-month Treasury bills dropped from 16.5 percent on March 27 to 12.7 percent on April 24. Tonight's Washington Star reported that mortgage interest rates have actually begun to decline. However, if we send the Government off to the credit markets to borrow $10 billion we could refuel the inflationary psychology which drove interest rates up dramatically earlier this year.

We must keep in mind that the most significant impact that a balanced budget has on the economy is upon the inflationary psychology of the economy. If Congress blunts this impact by increasing Federal spending we will have negated most of the value of having a balanced budget.

An alternative way of helping the housing industry is to allow the continued use of mortgage revenue bonds at the local level. This program which has been so successful in so many areas around the country provides mortgage money for all types of housing, both new and existing. The mortgage revenue bond program has also had a positive impact on revitalizing urban areas.

An expansion of the section 235 homeownership program is another less costly way of helping homeowners purchase housing. An amendment expanding the section 235 program passed the Senate April 22 as part of S. 2177. This amendment creates a special homeownership assistance program by authorizing below-market interest rate mortgages for as many as 100,000 homeowners. Under the program a direct payment is made to the lender on behalf of the homebuyer based on the homebuyers income and the mortgage amount. The subsidy could be as low as 11 percent.

This subsidy could be further increased by adding a graduated payment feature to the program thus effectively reducing the interest rate to 8 percent. Outlays for this program would be only $100 million during fiscal year 1981 as opposed to over $1.5 billion for the Weicker amendment.

Mr. President, no one wants the housing industry to collapse. The consequences of such a collapse are too severe. We would incur a significant increase in unemployment among construction workers and among workers in the building materials, furniture and appliance industries. A decrease in the number of new units built in 1980 means we will have to build that many more new units in 1981 or 1982.

However, inflation is the major culprit behind the problems of the housing industry. Further deficit spending by the Federal Government at this time would add to financial instability and prolong this period of high interest rates. The credit markets are beginning to believe that we will have a balanced budget. Any move to pump up Federal spending could reverse this belief.

A continuation of the mortgage revenue bond program and an expanded section 235 program are a proper response to the housing problem until the volatility in the credit market ends. If we do not see further improvement by this summer then we ought to consider additional steps to aid the housing market.

Mr. President, I ask that article appearing in the May 8 Washington Star be reprinted in the Record.

The article follows:

Home Loan Rates Fall; Consumers Continue To Curtail Borrowing

(By Jonathan Fuerbringer)

The downward rush in open-market interest rates which began in the end of March is now beginning to pull mortgage interest rates along with it.

Home Savings and Loan Association of Los Angeles, the largest S&L in the nation, lowered its mortgage interest rate from 17.5 percent to 12.75 percent yesterday. Home is now several percentage points below other California lenders.

In the Washington area, First Federal Savings and Loan of Arlington will begin today to lower its interest on 80 percent mortgages to present customers from 16 percent to 14.75. First Federal is also using about $2 million in special funds to offer 20 mortgages at 13.75 percent.

Several California and Arizona S&Ls also have lowered their mortgage interest rates to 14.5 percent, down from highs over 17 percent.

The significance of the declines in mortgage interest rates is that they are nearing a level that may begin to attract homebuyers again. In addition, if the decline sticks, a renewed demand for mortgages could help the housing industry rebound from its slump.

The Carter administration argues that the decline in interest rates—combined with a drop in the inflation rate this summer—will stimulate consumer buying and keep the recession moderate and short.

"In order to get the money moving, the rate has to be under 14 percent," said Eugene F. Dunn, executive vice president of First Federal.

Home set the lower rate, said President Richard B. Diehl in a statement, recognizing that "in the absence of affordable mortgage financing . . . the housing industry will be further depressed and homebuyers further penalized."

One key to the decline in mortgage interest rates is the drop in the rate since the end of March on the six-month Treasury bill, which sets the rate for the popular six-month money-market certificates—a major source of funds for S&Ls and other mortgage lenders.

As of today, the interest on the $10,000 money-market certificate is 9.495 percent, the first time it has fallen under 10 percent since last August. Just seven weeks ago, the MMC hit a high of 15.7 percent. Six-months ago, the rate was 12.08 percent.

The other positive sign for S&Ls and homebuyers is that the sharp flow of deposits out of savings institutions—as savers sought higher interest rates in the open market or the money market funds—may be turning around.

Dunn said that in the last 10 days, First Federal's deposit level is up $750,000, compared to a $3 million decline in April. The drain in deposits in S&Ls across the country in the last year had left many institutions without enough cash to make mortgages.

Thomas Owen, president of Perpetual Federal Savings and Loan, the largest S&L in the District, also is optimistic. But he said yesterday he is still worried that the fall in interest rates could turn around.

Thus Perpetual's mortgage rate still is at 15 percent, he said, and will stay at that level for the time being.

Owen said that his deposits are up $1.7 million for the beginning of May, compared to declines at the beginning of February, March and April. But he noted that several months ago, deposits were rising at the beginning of the month, then beginning to taper off near the end.

The decline in the mortgage interest rates came as short-term interest rates continued to decline. The decline in these rates is enabling lenders to lower the interest they charge.

The prime rate continued to drop yesterday from its record high of 20, which was reached April 2. Chase Manhattan Bank of New York, the third largest bank in the nation, cut its prime to 17 percent. Other leading banks, including No. 1 Bank of America and No. 2 Citibank, lowered their prime rate to 17.5 percent. Some other banks remained at 18 percent.

Interest on some Treasury bills also fell under 9 percent in the open market, indicating that the rate on money market certificates could fall further next week.

But one analyst said yesterday's bond market showed some signs of stabilizing.●

Mr. HOLLINGS. Are we ready to yield back our time?

Mr. WEICKER. I yield back the remainder of my time.

Mr. HOLLINGS. I yield back the remainder of my time, Mr. President, and I move to table the amendment of the Senator from Connecticut and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the motion by the Senator from South Carolina to lay on the table the amendment of the Senator from Connecticut. The yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. BOSCHWITZ (when his name was called). Present.

Mr. CRANSTON. I announce that the Senator from Alaska (Mr. Gravel), the Senator from Hawaii (Mr. Inouye), the Senator from Massachusetts (Mr. Kennedy), the Senator from Vermont (Mr. Leahy), the Senator from Hawaii (Mr. Matsunaga), the Senator from Georgia (Mr. Talmadge), and the Senator from Nebraska (Mr. Zorinsky) are necessarily absent.

Mr. BAKER. I announce that the Senator from Maine (Mr. Cohen), the Senator from Kansas (Mrs. Kassebaum), the Senator from Maryland (Mr. Mathias), the Senator from South Dakota (Mr. Pressler), the Senator from Alaska (Mr. Stevens), and the Senator from North Dakota (Mr. Young) are necessarily absent.

The PRESIDING OFFICER (Mr. Glenn). Are there any other Senators in the Chamber who have not voted?

The result was announced—yeas 47, nays 38, as follows:

[Rollcall Vote No. 112 Leg.]

YEAS—47

Armstrong
Baucus
Bellmon
Bentsen
Biden
Bumpers
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Chafee
Chiles
Cranston
Danforth
Domenici
Eagleton
Exon
Garn
Glenn
Goldwater
Hart
Hayakawa
Heflin
Helms
Hollings
Humphrey
Johnston
McClure
McGovern
Metzenbaum
Moynihan
Nunn
Percy
Proxmire
Pryor
Randolph
Ribicoff
Roth
Schweiker
Simpson
Stafford
Stennis
Stevenson
Stone
Thurmond
Tower
Wallop
Warner

NAYS—38

Baker
Bayh
Boren
Bradley
Burdick
Church
Cochran
Culver
DeConcini
Dole
Durenberger
Durkin
Ford
Hatch
Hatfield
Heinz
Huddleston
Jackson
Javits
Jepsen
Laxalt
Levin
Long
Lugar
Magnuson
Melcher
Morgan
Nelson
Packwood
Pell
Riegle
Sarbanes
Sasser
Schmitt
Stewart
Tsongas
Weicker
Williams

ANSWERED "PRESENT"—1

Boschwitz

NOT VOTING—13

Cohen
Gravel
Inouye
Kassebaum
Kennedy
Leahy
Mathias
Matsunaga
Pressler
Stevens
Talmadge
Young
Zorinsky

So the motion to table Mr. Weicker's amendment (UP No. 1075) was agreed to.

(Later the following occurred:)

Mr. CULVER. Mr. President, on the tabling motion to the amendment offered by the Senator from Connecticut (Mr. Weicker) to function 370, I inadvertently voted "aye" when I intended to vote "No." Changing my vote will not affect the outcome. I ask unanimous consent that my vote be recorded as "No."

The PRESIDING OFFICER. Without objection, it is so ordered.

(The above tally has been changed to reflect the foregoing order.)

Mr. HOLLINGS. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. METZENBAUM. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 1703

(Purpose: To reduce new budget authority and outlays for national defense and to increase new budget authority and outlays for energy)

Mr. McGOVERN. Mr. President, I have an amendment which I send to the desk on behalf of myself, Senator Bradley, and Senator Dole, which relates to the strategic petroleum reserve. I ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from South Dakota (Mr. McGovern), for himself, Mr. Bradley, and Mr. Dole, proposed an amendment numbered numbered 1703.

Mr. McGOVERN. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 4, line 6, strike out "$173,400,000,000" and insert "$171,200,000,000".

On page 4, line 7, strike out "$155,700,000,000" and insert "$154,700,000,000".

On page 4, line 10, strike out "$204,500,000,000" and insert "$203,200,000,000".

On page 4, line 11, strike out "$183,100,000,000" and insert "$181,700,000,000".

On page 4, line 15, strike out "$208,600,000,000" and insert "$207,200,000,000".

On page 5, line 13, strike out "$3,900,000,000" and insert "$6,100,000,000".

On page 5, line 14, strike out "$6,800,000,000" and insert "$7,800,000,000".

On page 5, line 16, strike out "$6,300,000,000" and insert "$7,600,000,000".

On page 5, line 17, strike out "$8,400,000,000" and insert "$9,800,000,000".

On page 5, line 20, strike out "$9,000,000,000" and insert "$10,400,000,000".

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield?

Mr. McGOVERN. I yield.

ORDER OF PROCEDURE

Mr. ROBERT C. BYRD. Mr. President, I understand the Senator will be agreeable to a time limitation of 30 minutes, equally divided.

Mr. McGOVERN. That is correct.

Mr. ROBERT C. BYRD. Mr. President, I make that request.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the time has expired or has been yielded back on this amendment, that it be temporarily set aside; that Mr. Percy then be recognized to call up his amendment; that there be a 30-minute time limitation on it; that upon the disposition of that amendment Mr. Weicker be recognized to call up his amendment; that the votes on the McGovern amendment and the Percy amendment follow in that order upon the disposition of the vote on the Weicker amendment, back to back.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. That would mean, Mr. President, there will be three back-to-back votes after the time has expired or has been yielded back on the McGovern amendment, the Percy amendment, and the Weicker amendment.

Mr. FORD. How much time is there on the Weicker amendment?

Mr. ROBERT C. BYRD. There is 30 minutes on the McGovern amendment, 30 minutes on the Percy amendment, and 2 hours on the Weicker amendment, if all time is used.

Mr. McGOVERN. Mr. President, subject to those considerations which have been agreed to, I ask for the yeas and nays on my amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. MAGNUSON. Will the Senator yield for a moment?

Mr. McGOVERN. I yield.

FOREIGN ASSISTANCE APPROPRIATION

Mr. MAGNUSON. Mr. President, as chairman of the Appropriations Committee, I am very concerned that there be enough money in the revised second concurrent budget resolution for the conference report on the foreign assistance appropriations bill.

With that in mind, I was going to address a few comments to Senator Hollings, but in view of the time involved I would like to ask if he could submit a statement in reply to my statement. Both Senator Inouye and Senator Garn, members of the Foreign Operations Subcommittee, also have remarks which will appear in the Record following my statement.

As you know, foreign assistance programs are now operating under a continuing resolution at fiscal year 1979 levels. Passage of the regular fiscal year 1980 bill must await an increase in the budget ceiling. For some reason, the Budget Committee did not make allowance for the full amount contained in the conference agreement on the 1980 bill. The Budget Committee has assumed only $400 million over the continuing resolution in additional funding for foreign assistance programs. The House has assumed $1.1 billion above the continuing resolution funding level.

In order to pass the conference report, the House and Senate conferees have agreed, $1.1 billion would need to be included in the revised second concurrent budget resolution for this purpose. The House figure provides such room. With the Senate level, $700 million more would need to be added just to accommodate the conference report.

I do not understand the rationale for the extremely low figure the Budget Committee has assumed for these programs. I would hope that the conferees on the budget resolution will be mindful of the need to allow room for the Foreign Assistance Appropriations Conference and will act accordingly.

● Mr. INOUYE. Mr. President, I wish to join the distinguished chairman of the Appropriations Committee in expressing my concern with the extremely low ceilings recommended by the Budget Committee for fiscal years 1980 and 1981 budget authority and outlays for budget function 150 (international affairs).

On April 18 of this year I wrote to the chairman of the Budget Committee asking for an explanation of the committee's assumptions and intentions with regard to funding of the conference report on the fiscal year 1980 foreign assistance and related programs appropriations bill. Unfortunately, I have not received a response to my inquiry. Undoubtedly, the delay was due to Senator Muskie's nomination to be Secretary of State.

Mr. President, this letter points out my concerns and I, therefore, wish to make it part of my remarks.

The letter follows:

U.S. Senate,
Committee on Appropriations,
Washington, D.C., April 18, 1980.

Hon. Edmund S. Muskie,
Chairman, Committee on the Budget, U.S. Senate, Washington, D.C.

Dear Mr. Chairman: I have now completed my review of the Senate Budget Committee Report on the First Concurrent Resolution on the fiscal year 1981 Budget. While I have several concerns relating to proposed reconciliation and enforcement procedures, I will confine my present questions to the intent of the Budget Committee in respect to recommended levels of budget authority and outlays for Function 150 for fiscal years 1980 and 1981. I would appreciate your advice and counsel on the most appropriate way to address these questions.

With regard to revisions of the Second Concurrent Resolution on the Budget for fiscal year 1980, the Budget Committee recommends a level of $9.9 billion in outlays for Function 150. Because the Congressional Budget Office estimates that $9.639 billion in Function 150 outlays has been enacted to date, only $261 million in outlays remains available for pending international affairs legislation. However, the Committee report indicates that its recommendation "would accommodate several of the pending supplemental requests such as Public Law 480 food aid for Somali and Afghani refugees." This Public Law 480 supplemental alone would require $197 million in outlays. In other words, only $64 million in outlays would remain available for other pending international affairs legislation. If other pending supplemental requests are accommodated, only $13 million would remain available for the Conference Report on the Foreign Assistance Appropriations Bill for fiscal year 1980.

Nonetheless, the Budget Committee Report also indicates that the Budget Committee intends that its recommended increase over the original Second Concurrent Resolution "should be focused upon emergency assistance to Cambodian refugees and

Dominican Republic hurricane victims, economic assistance to Nicaragua, and a limited adjustment to the existing ceiling on direct lending by the Export-Import Bank." The CBO estimates that, apart from any adjustment in the Export-Import Bank ceiling, these programs would require $98 million in outlays. In other words, satisfying the stated intent of the Budget Committee would place us $85 million over the outlay ceiling. Any adjustment to the Export-Import Bank limitation would, of course, place us further over the ceiling.

I am at a loss to explain how the Budget Committee can recommend an outlay ceiling and also state its intention that outlays be allocated to programs which would, at a minimum, exceed that ceiling by $85 million. My staff, working with the Congressional Budget Office, estimates that the outlay ceiling for Function 150 for fiscal year 1980 would have to be raised by an additional $215 million to accommodate the intentions of the Budget Committee and provide for pending international affairs legislation. Can you offer some guidance as to what the Budget Committee actually intends with respect to this matter?

For fiscal year 1981, the Budget Committee recommends an outlay ceiling of $9.5 billion, a reduction of $700 million from the President's original fiscal year 1981 outlay request for Function 150. I am informed that when CBO re-estimates are accepted, this $700 million "outlay gap" could grow to nearly $1.4 billion. The budget authority reductions required to close this gap would, in all probability, be disproportionately registered in the Foreign Assistance Appropriations Bill. Since $2.8 billion in outlays is requested for that bill in fiscal year 1981, it is probable that, given the Budget Committee recommendations, broadly supported security assistance programs for Israel and other nations in the Middle East, as well as worldwide Migration and Refugee assistance programs, would be decimated.

I find it difficult to believe the Senate Budget Committee intends that such a disproportionate reduction be made in United States foreign assistance programs, I must ask, therefore, how the Budget Committee intends to treat CBO re-estimates of fiscal year 1981 outlays under the President's current request for Function 150. I must also ask whether, under the present circumstances, the Budget Committee will change its recommendations for Function 150. In my own view the outlay ceiling for Function 150 should be raised by $700 million. A lesser amount, in my judgment, would have a severe, negative impact on United States economic and security interests in the Middle East.

I know that you will fully consider these concerns and that I can rely on you to provide a forthright response to the questions I have raised. I thank you for your cooperation and assistance.

Sincerely,

DANIEL K. INOUYE,
Chairman, Subcommittee on Foreign Operations.

Mr. INOUYE. I would have appreciated a response to questions raised in this letter before we act on the measure before us, because I believe it is important for every Member to understand what the ceilings recommended by the Budget Committee will do to the foreign assistance and related programs appropriations bill, and I am deliberately stressing related programs.

Mr. President, the Budget Committee recommends a level of $9.9 billion in outlays for fiscal year 1980. The Congressional Budget Office estimates that $9.639 billion in function 150 outlays has been enacted to date. Therefore, only $261 million in outlays would remain available for pending foreign affairs legislation. Including the outlays which make up the difference between the continuing resolution and the conference report, pending legislation amounting to $476 million in outlays would "compete" for this $261 million availability.

Mr. President, I would like to have had a response from the managers of the budget resolution detailing what assumptions were made with regard to the allocation of this outlay availability. Did the Budget Committee intend to reduce the availability of funding for the Public Law 480 program supplemental so sorely needed by America's farmers and by the needy people of the world who depend on our food assistance? Did the Budget Committee intend to reduce funding for the direct credit programs of the Export-Import Bank, at a time when we are heading for a severe recession? Or, did the Budget Committee intend to reduce the availability of funds for hurricane disaster assistance in the Caribbean? Perhaps, they intended to reduce economic and military assistance to Turkey at a time when our ally is teetering on the brink of collapse.

Mr. President, I am not going to introduce an amendment at this time. I recognize the difficulties faced by the managers of the resolution and I do not want to add to their problems. I do want to underscore, however, my hopes that in the conference on this resolution, the managers on the part of the Senate will give favorable consideration to the higher ceilings proposed by the House for function 150.

Mr. President, I now wish to address the consequences of the proposed first concurrent resolution on the budget for fiscal year 1981. If the Budget Committee recommendations are accepted, they could well have a severe, negative impact on broadly supported economic and security assistance programs in the Middle East, as well as worldwide refugee assistance programs.

For fiscal year 1981, the Budget Committee recommends an outlay ceiling of $9.5 billion, a reduction of some $600 million from the President's original fiscal year 1981 outlay request for function 150. I am informed that when CBO reestimates are accepted, this $600 million "outlay gap" could grow to nearly $1.2 billion. The budget authority reductions required to close this gap would, in all probability, be disproportionately registered in the foreign assistance appropriations bill.

Therefore, it is important to recognize, Mr. President, that in considering fiscal year 1981 appropriations for foreign assistance and related programs the Senate will be acting on the President's request for new outlays and these amount to only $2.857 billion. If there is to be a $1.4 billion reduction in outlays in the foreign assistance and related programs appropriations bill, that reduction must come from the $2.857 billion request.

Now, it is also important to recognize that when the Congress appropriates budget authority, that action results in outlays which occur over a period of years. To reduce outlays in the first year, for example, to balance the fiscal year 1981 budget, the Congress must reduce budget authority in proportion to the percentage rate of outlays which occur in the first year. For programs having a small percentage rate of first year outlays, a significantly larger amount of budget authority must be cut in order to have the desired impact on outlays.

For example, if the Congress were to deny—to deny in its entirety—the President's request for $1,414,202,000 in budget authority for bilateral development assistance, only $117,755,000 in outlay savings would be achieved. This is because these programs have a first year outlay rate of only 8 percent.

So, to achieve the outlay reductions required by the Budget Committee, the Congress would have to make deep cuts in programs other than bilateral economic assistance.

Consequently, I believe that, if the outlay ceiling recommended by the Budget Committee is accepted, it will have a severe, negative impact on U.S. economic and security interests in the Middle East. This impact will be intensified when and if the Budget Committee accepts Congressional Budget Office reestimates of fiscal year 1981 outlays. At present, the Appropriations Committee has no influence or control over CBO reestimates—we have to aim at a target which the Budget Committee can move at any time.

I believe that we will not have a truly orderly budget process in the Senate until we establish specific times for recording reestimates of Government spending.●

Mr. GARN. Mr. President, I join the chairman of the Appropriations Committee, Senator MAGNUSON, and the chairman of the Foreign Operations Appropriations Subcommittee, Senator INOUYE, in expressing concern that this resolution contain enough funds to allow passage of the conference report on the foreign assistance appropriations bill.

While the Senator from Hawaii, especially, knows that I do not support all that is in that report, nonetheless it is the product of a hard fought series of conferences, with some compromises on all sides. One of those compromises was the acceptance by the conferees of an increased direct loan authorization for the Export-Import Bank. The conference amount of $5 billion for this purpose is less than the $6 billion contained in an amendment offered by me for myself and Senator INOUYE. The continuing resolution provides only $3.75 billion for this activity.

Mr. President, I could spend a great deal of time, and will if necessary, detailing the urgent need for increased Export-Import Bank authorization, but suffice it to say that the situation with respect to this need is even greater than when we finished our conference.

Mr. President, given the very difficult task facing the manager of this resolution I am not going to suggest any increase in the resolution at this time, but since the House resolution does contain enough room for the conference report, I would hope that the conference on this resolution would make the adjustments necessary to solve the problem discussed here today by myself, Senators MAGNUSON and INOUYE.

Mr. HOLLINGS. Mr. President, if the distinguished Senator will permit me, I might say that we have been working on a response to a letter which was sent to Senator Muskie. We are working out that response with the staff. I shall submit the response for the RECORD following the remarks of the Senator from Washington as soon as it is prepared.

(The response subsequently submitted for the RECORD follows:)

RESPONSE

The Budget Committee's fiscal year 1980 recommendation for Function 150, International Affairs, is $15.2 billion in budget authority and $9.9 billion in outlays. This is an increase of $0.7 billion in budget authority and $0.3 billion in outlays over the total for legislation enacted to date, including the Continuing Resolution for programs under the purview of the Foreign Operations Subcommittee. Even this increase was resisted, and it was only by a one vote margin that the Committee agreed to the Johnston motion setting the recommended totals. Many Members sought to retain the Second Budget Resolution totals of $13.1 billion in budget authority and $8.4 billion in outlays.

When the Committee agreed to totals for Function 150, it knew that it was providing less than the increase of $1.5 billion in budget authority and $0.6 billion in outlays needed to cover the Conference Report on the Foreign Assistance appropriation bill and the President's pending supplemental requests.

The recommendation does not make room for all of the pending supplementals. It can accommodate only one-third of the $197 million P.L. 480 request, the amount that is needed for Somali and Afghani refugees. If supplemental appropriations in this function are limited to food aid for these refugees and to the more urgent of the remaining requests such as funding for the October 1979 pay raise, the amount that would remain available for the programs funded by the Foreign Assistance Appropriation bill would be closer to $0.2 billion in outlays than the $13 million indicated by your analysis. Nevertheles, the recommendation does not make room for the pending Conference Report on the Foreign Assistance Appropriation bill for fiscal year 1980. The Budget Committee Report language reflects the Committee's intent that the increase over the Second Budget Resolution be focused upon certain programs in the Conference Report that, apart from any adjustment in the Export-Import Bank ceiling, would require $98 million in outlays. Funding of these programs specifically mentioned in the Budget Committee Report, would leave less than $0.1 billion in outlays available for other requirements, including any adjustment to the Export-Import Bank limitation.

In making its fiscal year 1981 recommendation, the Budget Committee made significant reductions from the President's request for Function 150. These reductions, and similar reductions in many other functions of the government, are necessary if we are to balance the budget this year and provide for a tax cut. The simple fact is that total outlays cannot rise above the level recommended by the Committee if we hope to balance the budget without using the revenues generated by the oil import fee. This was the agreement reached during the many days of discussions between the Administration and the Congressional leadership.

The "outlay gap" that Senator Inouye refers to in his letter is unlikely to materialize. Reductions from the President's request in the magnitude he suggests would occur only if Congress approves the FY 1980 Conference Report on the Foreign Assistance Appropriation bill, including the $5.0 billion ceiling on Eximbank direct lending, and makes no reductions from the President's FY 1981 request for Function 150, and preliminary CBO re-estimates of the President's March budget revision turn out to be correct. Such an outcome appears highly unlikely.

Regarding the Committee's intentions for fiscal year 1981, I offer two observations. First, the Committee's recommendation for Mission 2, international security programs, is the same as the President's request. It assumes no reductions in U.S. assistance to Israel and other nations in the Middle East. Second, the Committee recommendation does assume that substantial reductions from the President's request will be made in areas outside the jurisdiction of your Subcommittee. These include P.L. 480 food aid and State Department programs. Under the Committee's assumptions, the Foreign Operations Subcommittee would not be required to bear a disproportionate share of the reductions.

With regard to your concern about the timing of CBO reestimates, please refer to page S4777 of the CONGRESSIONAL RECORD dated May 7, 1980, for a discussion of this issue.

Mr. McGOVERN. Mr. President, I will yield myself 5 minutes to explain what this amendment attempts to do.

It builds on the assumption which I think all Senators share, that dealing with our energy needs is crucial to the national defense. It is crucial not only to our economy and society, but the survival of the country itself depends on an assured supply of energy. There is no way to operate tanks, trucks, airplanes, and ships, to say nothing about railroads and buses and other forms of transport that are essential to the national security, without an assured supply of energy.

The reason the Carter doctrine had the appeal that it did, at least initially to Senators and to the American people as a whole, is that it underscored our dependence on the Persian Gulf. But that area could be denied to us, not only because of military conflict but because of internal disruption of the kind that occurred a few months ago in Saudi Arabia, when an important mosque was seized by dissident elements.

We know that at any time there is the danger not only of foreign invasion of these crucial foreign oil countries but internal disruptions that might cut us off. We experienced that in 1973 with the OPEC oil embargo which was directed at putting pressure on the United States because of our support for the state of Israel.

So if we want to be free to assist our allies, if we want to be secure in our national defense supplies, we cannot gut the strategic petroleum reserve.

What this amendment does is to restore what I think were the ill-advised cuts made by the Budget Committee in the strategic oil reserve. I think the committee, in effect, jeopardized the defense and security of the country, to say nothing of the security of our economy, by, in effect, gutting the funds for the strategic oil reserve.

Senator BRADLEY, of New Jersey, has been a leader in this field. He has been pointing up for many months now the danger to the United States, to our economy and to our defense, of taking that course. He strove valiantly earlier this week to restore these funds.

This amendment, unlike others that have been proposed, does not increase the budget one dime. It does not jeopardize funds in the defense budget for military pay. It leaves the Defense Department an enormous increase in its existing budget that can be earmarked to improve the readiness of our forces, to improve the maintenance of our equipment, and to do other high priority items.

The budget resolution itself does not spell out and does not have the authority to spell out specifically how the Defense Department is going to spend its funds.

I want to make clear that this is not a guns versus butter choice that I am putting before the Senate here today along with Senator DOLE and Senator BRADLEY. It is called the alternative security amendment. It is based on the proposition that the strategic oil reserve is crucial to our security, just as crucial as new submarines that will not move without oil, just as crucial as new ships that cannot move without an assured oil supply.

I am very hopeful that this amendment will be adopted, Mr. President.

The most pressing national security threat we face in the next decade is the energy crisis. Our new dependence on foreign oil is transforming our military, diplomatic and domestic policies, much as the invention of nuclear weapons transformed international security relations. The energy problem seems to threaten catastrophe and unprecedented disruption more than any other possible international crisis short of a nuclear exchange.

But unlike the danger of a nuclear war, we have more opportunities to control our energy insecurity and to reduce the impact of an energy disruption. The United States can remain a powerful and secure nation for the rest of the century if we meet our national defense needs while making the transition to the post-petroleum era.

Unfortunately, the United States is now unprepared to make this transition. An emergency disruption will catch us almost as unprepared as we were in 1973, with the possible exception that now we are better able to ration the costs. And after 7 years of "Project Independence," "Project Interdependence" and the "moral equivalent of war," our long-term strategy for shifting to renewable energy sources and productive conservation remains unclear.

As a result, there is a growing feeling that things are out of control, that our destiny is slipping from our grasp, and that we are drifting toward an economic collapse we cannot afford or a nuclear exchange in the Persian Gulf which we cannot survive.

The first budget resolution presents a totally unacceptable agenda for securing our energy future in the next decade. By gutting the strategic petroleum reserve, cutting mass transit funds and holding back on new conservation programs, the resolution is a prescription for energy inefficiency. By relying almost exclusively on real growth increases in the military budget beyond the Defense Department's request, the resolution will perpetuate the national insecurity we all feel at the prospects of a new Iran, more gas lines or having our foreign policy dictated by the desires of Arab countries.

The amendment I am offering will move us closer to an effective national security strategy by restoring oil purchasing budget authority and outlays for the strategic petroleum reserve while providing the military budget with real growth increases of 8.4 percent in budget authority and 5 percent in outlays for fiscal year 1981.

This amendment will keep the budget balanced. But it will also make clear that we should not let our quest for a balanced budget lead to unbalanced energy security policies.

Unless a rational and effective program can be formulated, we will end up relying on a policy of dependency and bluff—like threatening the first use of nuclear weapons in the Persian Gulf. Programs such as the strategic petroleum reserve and mass transit may lack the glamour of war games in the Indian Ocean, but they have the prestige of reason and the prospect of success. We should not turn our back on them so quickly.

While the energy crisis can be examined as an economic or a social or a technical problem, it also has severe security implications. The biggest potential security problem is the possibility of an energy war—a military struggle involving the United States to control the oil fields. In 1973, an energy war was threatened against OPEC's Arab producers. In 1980, the Rapid Deployment Force is postured on the Soviet threat to oil. As recent revelations indicated, there is a real possibility that a military confrontation would escalate into a game of nuclear bluff to fulfill the mandate of the Carter doctrine.

But an energy war involving the Soviet Union is not the only or even the most likely security problem. A much more probable outcome is that the United States will be dragged into the vortex of Third World political upheaval. The oil producing regimes in the Middle East are often unable to balance the requirements of political stability and economic modernization. In Saudi Arabia, for example, a dissident group unexpectedly occupied the Grand Mosque in Mecca, exposing the vulnerability of the Saudi regime. Intense nationalisms and religious movements can erupt with the force of the new Mt. Helena and send tremors throughout the world. Pressure would increase for a preemptive use of the rapid development force if there were no alternatives.

Oil can be a destabilizing force in the less developed oil consuming countries. Underdeveloped countries which must import oil to meet their energy needs find themselves squeezed by a vicious cycle of rising energy costs and economic stagnation. As OPEC's petrodollar accounts bust the bank, these energy costs and their development consequences break the backs of impoverished local populations. The result is not only extended human misery, but also less stable governments, more local insurgencies and the clash of proxy military forces or great power confrontation.

Energy also affects our national security relations with our allies. The last OPEC boycott was a politically motivated attempt to pressure the United States to abandon Israel. An alliance of oil producers and oil corporations still seeks to undermine our support for Israel by proposing that we drop the Camp David peace process in exchange for military alliances with moderate Arab States. And now in Europe and Japan, we see how differing perceptions of vital interests can divide alliances in such disputes as the current ones over Iran and Afghanistan.

> These are the most important of the energy security problems, but the long-term problem will remain even if moderation returns to Iran or if the Soviet Union were to withdraw from Afghanistan. The fundamental challenge is that known supplies cannot keep pace with current rates of demand for more than 30 or 40 years.
>
> To meet these short-term and long-term issues, we need a balanced posture combining elements of national defense policy, diplomacy and a domestic energy program.
>
> A military balance in the Gulf region is important to contribute to political stability and to deter any aggressive moves by hostile external powers. The additional funds in this budget for maintaining a more visible and capable naval presence, for example, are worthwhile investments which should be made.
>
> But by cutting other essential elements of a balanced energy security program, this resolution appears to be based on the premise that a narrow military response will solve all our problems in the Gulf area and will guarantee us the energy security we seek. This will not succeed. A beefed-up "over the horizon" naval presence will play a useful role, but it will not abolish the political challenges faced by local authoritarion regimes nor will it make the oil installations, pipelines or pumping stations any less vulnerable to sabotage.
>
> In short, real growth in defense spending is not a sufficient condition for energy security.
>
> While raising the military budget to unequaled level, the Budget Committee systematically reduced our energy security safety nets. The strategic petroleum reserve was gutted entirely, apparently on the premise that we should not try to fill the reserve next year if we can wait until 1982 to fill it.

This logic is incomprehensible; it represents the moral equivalent of confusion and procrastination. After the administration had deferred its mass transit energy program, the committee reduced overall mass transit funds by 40 percent. We are now one of the few industrial countries which lacks a serious energy mass transit program. Basic automotive research for energy conservation was reduced and the committee report informs us that the energy commission subfunction for the next 5 years will not include any new programs or activities.

It appears from this resolution that providing rapid deployment for our tanks is more important than providing mass transit for our citizens.

I think it is important that we affirm today that there is a direct link between the lessening of international tensions and the establishment of a new energy security policy for the United States. We can reduce our security vulnerability even if we cannot eliminate our energy dependency on foreign oil by devising insurance policies against short-term disruption as we shift to renewable energy sources and productive conservation measures.

The empty caverns of the strategic petroleum reserve are a symbol of the fact that the Carter doctrine is in large measure a result of the failure of our domestic energy program.

Congress authorized a billion barrel reserve in 1975 after it was proposed by the Ford administration. President Ford set a goal of 500 million barrels in the ground by 1985. In May 1978, President Carter doubled the goal, calling for storage of the full billion barrels by 1985. The reserve has been fraught with problems ever since and to date has only accumulated a meager 91 million barrels—enough to assure a 15-day supply if we lost all Persion Gulf oil.

The program was scandalized by several mishaps including:

The little oil that has been stored in the reserve was, until recently, unaccessible because no one thought to place pumps in the storage caverns.

A needless fire at one storage site resulting in the loss of a significant quantity of the oil.

Several storage caverns that turned out to be smaller than expected. As a result, the Government paid an extra $8 million to the owners of oil tankers that had to wait in the Gulf of Mexico because not enough storage space was available to hold the oil.

Yet the concept of storing oil in the ground seems fairly straightforward and has, in fact, been done before, in West Germany. Furthermore, it makes sense to store the crude in the salt caverns along the Gulf Coast. These huge caverns can be leached at relatively low cost in injecting large quantities of water into the salt domes, and pumping out the brine. The Gulf Coast location makes sense because about 40 percent of all U.S. refining capacity is located there, and most refineries elsewhere can be easily supplied from a reserve in this region by either tanker or pipeline.

With strong congressional oversight the scandals that plagued the initial petroleum reserve effort could be overcome.

But despite the technical feasibility and practicality of such a project, President Carter has eliminated the modest appropriation for the strategic petroleum reserve. Instead, he has opted to spend a windfall fortune on new armaments over the next 5 years. None of these spent billions, however, will make us any more secure against another oil embargo.

Mr. President, this amendment does not raise a guns versus butter issue. Instead, it is a question of effective national security alternatives to our current confused and inadequate energy security posture. We need both a strong military defense and an effective and efficient energy program. Both are necessary and both can be accomplished without unbalancing the budget.

The strategic petroleum reserve is not by itself the solution; it is only part of the solution. It will take effective congressional oversight to make sure that the mismanagement problems which have plagued this program from the start are eliminated. Other measures must also be taken.

But this amendment will provide for a common sense first step: the purchase of 100,000 barrels of oil per day for fiscal year 1981 and 250,000 barrels per day in fiscal year 1982. By delaying the purchasing until October 1, 1980, the amendment provides the administration with the opportunity to undertake new negotiations with Saudi Arabia and other producer nations. We can avoid some of the dire worst-case scenarios about the Straights of Hormutz if we send our diplomats and economists now to reopen the reserve negotiations.

Of course, these negotiations may be unsuccessful. In that case, alternatives should be considered, such as use of Elk Hills oil or so-called royalty oil. But it is better to send a strong message now to the administration and make adjustments in the second resolution than it would be to find ourselves six months from now in a position to begin purchasing oil for the reserve but lack the funds to pay for it.

As we examine the military budget during this debate, the failure of the U.S. rescue mission in Iran will have some impact. It does appear that the mechanical difficulties of the helicopters are symptomatic of the readiness problems in the force structure. Due to a shortage of spare parts and qualified mechanics, roughly one-half of the Navy and Air Force first-line combat fighters are unready for combat. A decade of shortchanging military compensation has led to personnel problems as well, leading some observers to call into question the viability of the All-Volunteer Force.

However, the reason why we have weapons sitting in the repair shop instead of on the runway is not because the military budget is too small but rather because of a failure to spend wisely the huge military budget we already have.

Instead of stressing a lean and ready military force, expensive weapons have been procured at the expense of the readiness accounts. A good example is the Navy. Several years ago when the Navy shipyards were clogged, the Congress forced the administration to accept an aircraft carrier which it did not request and which it said would deny funds to other worthy programs.

In 1983, the Air Force will spend twice as much as it did in 1975 to procure combat aircraft but the operating account for repairing the planes will be the same as it was in 1975.

What is the cause of this problem? It certainly is not cuts in the military budget by Congress. In recent years, Congress has either increased the total budget or else reduced it by a minor and insignificant percentage.

The real reason, I believe, is that the military budget has become a symbol of our foreign policy frustrations in the world. Increasing real expenditures is perceived as a way to impress the rest of the world, and there is no better way to impress friend and foe than by buying more aircraft carriers or MX missiles regardless of the cost and regardless of their military utility. Almost no one here will say that we can send a signal of toughness to our adversaries by buying more spare parts for helicopters. Yet, spare parts may be the most efficient way to expand the military potential of the existing force structure.

By using the military budget to send signals instead of supporting substance, we end up with a top-heavy force-structure with serious readiness problems.

This is the context in which the strategic petroleum reserve must be considered. Stated simply, I believe that we will send a more important signal to the world—and we will take a more important substantive step toward security—by acting to fill the reserve than we will by beginning procurement this year of nuclear submarines and other items which cannot be on the scene—even if they were effective additions—for years to come.

So I am not proposing a guns versus butter amendment today. Instead, I am proposing an alternative national security amendment. I have voted to increase military pay. I supported both the Armstrong-Matsunaga and the Nunn-Warner amendments last year because I believe we need to increase our resources to improve readiness and to pay a dignified wage to our volunteers. But I am not convinced that these measures alone will protect our energy security unless we also begin to fill the petroleum reserve, which gives us the best immediate insurance against energy disruption as we make our long-term transition to more energy efficient conservation and renewable fuels.

It is clear that line-items cannot be specified during a budget resolution debate. It is not my intention to reduce any pay or readiness funding added by the Budget Committee. In fact, this amendment leaves national defense with a mammoth increase—far larger than any other controllable program. But I do believe that we can achieve greater security by using funds added for additional procurements and research and development to fill the petroleum reserve and by asking the Defense Department to make other efficiencies and adjustments as necessary to make up the difference.

The budget resolution is a debate about overall priorities, not about program details. The purpose of this amendment is to make clear that filling the reserve is a high priority.

Mr. DOLE. Mr. President, the McGovern-Bradley-Dole amendment proposes to take $2.2 billion in budget authority and $1 billion in budget outlays from function 050, the "defense" function, and transfer those amounts to function 270, the energy function for the purpose of funding mission 3 which contains the SPRO program. As my colleagues are well aware this is not the first attempt which has been made to provide funding for this very important national security program. I would also like to add that all attempts to secure funding for SPRO have been bipartisan efforts supported by the chairman of the Senate Energy Committee (Mr. JACKSON) and the ranking republican on the Energy Committee (Mr. HATFIELD). It is an issue which has not only cut across party lines but also across ideological lines.

COMMITMENT TO SPRO

Mr. President, the Senator from Kansas in cooperation with others namely Senators JACKSON, BRADLEY, and McGOVERN atempted on Tuesday, May 6, to provide a responsible and reasoned proposal to accomplish our desired goal. We felt at that time and continue to believe that all Americans would support a small "energy security surcharge" placed on refined petroleum products if it were for the limited purpose and I emphasize limited purpose of funding our strategic petroleum and reducing our over-dependency on foreign crude.

The Senator from Kansas as stated during the debate on the JACKSON-BRADLEY-DOLE amendment is unalterably opposed to the President's oil import fee and stands firm in his attempts to disapprove that action. The oil import fee would place an unnecessary burden on consumers of gasoline and do virtually nothing at all to reduce our demand on imported crude. It is through a very clever political gimmick to aid a failing administration keep its promise of 4 years ago to balance the budget. Unfortunately, the administration wants to balance the Federal budget on the backs of the American taxpayer. Taxation is certainly not the way in which to solve our energy crisis.

The Senator from Kansas fought hard during the debate on the so-called windfall profit tax bill against oppressive antiproduction, anticonsumer taxes, and he will continue to carry on with that fight.

However, the matter of our strategic petroleum reserve is an issue that can wait no longer. It is a matter of national security and I am afraid that time is running out to make good the commitment we entered into in 1975 when the Congress passed and President Ford signed into law the Emergency Petroleum Allocation Act. In that legislation we authorized the strategic petroleum reserve to be established and we set some very tough although much needed fill-rate goals.

CURRENT STATUS

Today, Mr. President, our strategic petroleum reserve is no more than a national disgrace and embarrassment. The vital program initiated under President Ford was halted under President Carter. Out of a 248-million-barrel storage capacity we have in the ground only 92 million barrels. The strongest most powerful Nation in the world could come to a virtual standstill in the event of a severe energy supply interruption yet we are unwilling to take the necessary steps to avert that from happening. It makes me shudder to think what our allies are thinking.

How can we be expected to defend our vital interests around the globe, honor our mutual defense treaties with our allies or even keep our own economy functioning in times of crisis if we do not possess that vital ingredient—oil? We are dependent on oil. We may hate to think about it and if we do think about it, we may hate to admit it but it is true. We are dependent and will continue to be dependent for at least the next 15 years or so on imported crude as a major part of our energy requirements. Despite synthetic fuels production, possible yet in view of current circumstances at best, tenuous, on-line nuclear power operation or as yet undiscovered and new energy technology we cannot escape the reality of the day. And it is precisely because of this reality that this Senator firmly believes we are leaving ourselves unprepared and very vulnerable by lacking a viable strategic petroleum reserve.

FUTURE CONSEQUENCES

Mr. President, what will we in this body say to the American people in 2 months, 2 years, 10 years, or whenever, if our oil supply is disrupted and we have no oil to run our planes, our Navy's ships, our industrial plants, our farm machinery and many many other vital components of our economy and defense system? Are we going to say we could not find room in the budget? Will we say we felt our reserve program did not warrant a high enough position on our list of national priorities?

NATIONAL DEFENSE

Mr. President, during my 12 years in the U.S. Senate and my 8 years in the House of Representatives, I have never been accused by anyone of being soft on defense. I have consistently supported increases in real growth in our defense spending and I am even stronger in my convictions in light of recent events in the region of the Persian Gulf and the continued escalation of Soviet defense posture that our Nation must embark on a new direction in defense policy which permits us never to be second to anyone.

The American people, having at first turned their backs on history, have finally begun to wake up to the deterioration of our national defense capabilities over the past decade since the Vietnam war. Blatant Soviet aggression culminated in the invasion of Afghanistan, where the Russian war machine, desperate to consolidate its conquest, has stooped to the use of chemical warfare and nerve gas.

Meanwhile, American abilities to project power to areas of legitimate national interest and strategic concern suffered new doubts in the Iranian crisis. The failure of our rescue mission to Tehran was twofold: Military equipment, asked to operate at the extreme limits of range, failed at the critical moment; and the technical maintenance of the aircraft may not have been up to par—the average age of the assigned sailors was only 19. Navy ships have been forced to tie up to the pier for lack of skilled petty officers to operate them. The issue of pay compatibility is the single most pressing issue facing the Defense Department today, and with it the ultimate readiness of the United States to meet the challenge of its national security.

THE NATIONAL SECURITY CHAIN

The Nation's defense does not, as my colleagues are well aware, rest on a single element alone, however. Just as the most sophisticated fighting machines are worthless without the skilled and trained personnel to operate and maintain them, so too the lack of a single, vital link in the national security chain will cause the whole defense system to break down. Energy is a vital part of this very national security chain.

Mr. President, if there is anything the American people should have learned since the Arab oil cartel started doubling prices 6 years ago, it is both the absolute scarcity and necessity of oil to a modern, technical society. A prolonged cutback or halt to our supplies in the Middle East would represent an immediate danger to the ability of our Armed Forces to safeguard American interests. Not only would our capability to intervene into the Persian Gulf region be questioned, but our ability to respond to opportunistic adventures by the Soviet Union as well. Without oil our tanks do not run, our planes do not fly, and our ships cannot steam. No other link in our defense chain is so vulnerable to outside action beyond our direct control or influence as the "oil link."

A 90-day oil embargo would bring the United States perilously close to its knees, making it susceptible to a Soviet threat entirely independent, perhaps, from the original cause of the embargo. Yet, we can be sure that Soviet agents and policies are directed toward maximizing unrest and uncertainty in the oil producing states.

SPRO VITAL TO DEFENSE

For this very reason it is an inescapable conclusion that a strategic oil reserve is the very basic link in our defense posture.

Mr. President, several months ago the Senator from Kansas and the Senator from New Jersey, Mr. BRADLEY, offered an amendment to S. 932, the synfuels bill mandating the President to immediately resume oil purchases to fill our strategic reserve. The Senate approved that amendment. However, it continues to be held up in the conference on that bill.

Today, the Senator from Kansas and others are reaffirming our commitment to filling the SPR by transferring $2.2 billion in BA and $1 billion in BO from the defense to the energy function. It is my belief that mission 3 on the energy function 270 really belongs in function 050 the defense function because it is, in my opinion, just as much a component of our defense posture and preparedness as all other areas. The Senator from Kansas may, in the future, when the appropriate vehicle is available, attempt to transfer SPRO to its rightful place in our defense structure. The defense fuel supply center (DFSC), which purchases SPRO oil, is already situated in the Defense Department and it only makes sense to transfer the entire program. Unfortunately, this transfer of SPRO from function 270 to function 050 cannot occur on the budget resolution—Senate Concurrent Resolution 86.

I, along with my colleagues, am being forced to make what appears to be an antidefense vote when in reality this is a strong and very pronational security position. Our strategic petroleum reserve is as important to national defense and national security as any single item which will appear in the Department of Defense authorization and appropriation bill, which will soon be before the Senate.

Mr. President, it is unfortunate that we are forced to operate in this manner. I have attempted to make my case for this transfer of funds, and feel very strongly that this transfer must occur if we are to maintain our geopolitical position in the world. For every Senator present on the floor today during this debate I am quite sure there will be an equivalent number of ways to deal with the question of budget cutting in the areas of defense.

I do feel that we must keep in mind the fact that the Budget Committee is not a line item committee. While it is legitimately the function of the Budget Committee, with the ultimate concurrence of both Houses of Congress, to set the total amount of spending and to decide that total amount amongst general spending categories it remains the responsibility of the authorizing and appropriating committees to set our priorities and decide as to how those funds are to be expended. This does not simply apply to the defense and energy functions but to all functions.

Mr. President, I will only say in conclusion that this amendment does not take money away from our overall defense spending. Rather, it enhances and completes our total defense posture and places U.S. national security interests above all others.

Mr. McGOVERN. I will reserve the remainder of my time and yield such time as he requires to the Senator from New Jersey, unless the chairman of the committee would like to respond.

Mr. HOLLINGS. Very briefly, Mr. President, the issues have been debated rather fully. We have only one guidepost as to what will be expended and how it will be expended, and that is the administration's budget itself.

The distinguished Senator from South Dakota is eminently correct. We give a general figure. We say what our priorities are and what was considered, but we cannot guarantee—the Senator cannot guarantee and, really, the Senate cannot guarantee. We do the best we can when we come through to the appropriations process. But we do know that we are now just $2 billion apart. We pointed it out very vividly last evening: Two billion dollars apart from what the administration has and has not included as differing between this budget resolution and the March 31 budget of the President of the United States. Of that $2 billion, let us say $1 billion goes out under this particular amendment. He says readiness, but that is not what is there. We had analyzed and looked very directly at the President's budget as he has submitted it.

The President did not include the pay increase of 11.7 percent. He did not include the absorption rate of only 20 percent rather than 40 percent. He did not include Nunn-Warner, which is really to get us to readiness, to hold technicians, to pay for the skills. He did not include the full gasoline costs.

We can cut each one of those in half and have a half skill, a half tank or half whatever it is, if you want to cut the two from the one. But it very, very definitely impacts. There are no submarine purchases in this difference between the President's budget and the Senate budget resolution now under consideration on the floor. It is readiness, those very items that the Senator says he will be interested in, this $1 billion amount, that will be cut.

Now we go to the transfer over. Let me get the exact figure from the Senator's letter—$2.2 billion in budget authority and $1 billion in outlay. So it is $2.2 billion going over. Those amounts go to a particular item that we cannot get moving. We have tried our dead-level best and the distinguished Senator has been participating in foreign affairs and knows that.

We have not made a purchase since March of last year. That came with the proposition with respect to our friends, the Saudis, our principal suppliers. They told us very positively, "We in Saudi Arabia are not going to increase our production rate in order to hold down the price and relieve the pressure on the world market while you continue to increase the pressure by buying up the oil to put it in reserve. You have a reserve, we have a reserve. Ours is just as valuable to our national security as yours is to your national security. So we are going to keep it there. We are not going to have ourselves cancelled out by your ability to build up that particular reserve."

It is not a question of the Saudis controlling us or us controlling the Saudis. On the contrary, we control each other. They happen to have the oil and we want it. And there we are.

Exacerbating that situation, obviously, was the Iranian crisis. That, again, has cut off a supply of a certain amount of oil in addition to what we also need. So we are carrying out our foreign policy. This cannot be satisfied in this budget resolution. If the distinguished Senator from South Dakota and the Senator from New Jersey can work it out, we are going to come up in August. We shall be marking up the second concurrent resolution right here in about 12 or 14 weeks. If they can show us something to put in here, we shall be the first to jump at building up this reserve. We supported that particular program. Then we shall have to consider, somewhere else, some other priorities.

Mr. McGOVERN. If the Senator will yield, it seems to me that is the crucial question: What are the priorities? I think the Senator can make a pretty good case that we need more ships, that we need certain other things in this budget.

As the Senator knows, I am not trying to cut the overall budget, but simply to recognize that there is a matter of priorities. It seems to me to put the cart before the horse to authorize new submarines that the Defense Department and administration have not requested unless we know we are going to have oil to operate them. What this amendment seeks to do is simply to give the fuel supply of the Nation a somewhat higher priority than the Budget Committee did when it took the funds out.

I realize what the Senator said has some truth to it, that it is going to be difficult to negotiate these purchase arrangements with the Saudis. As important as they are, they are not the only source of oil. Even our own suppliers are legitimate bargaining partners to deal with for oil for the strategic reserve. The same is true of other producing countries. But if we do not give the administration a message on the importance we attach to the strategic oil reserve and do not provide the funds with which to operate them, we deprive them of a strong position, even with our own countries or foreign countries.

I hope the Senator will not see this as in any way diminishing national security but as an effort to supply the fuels that will enable those defense systems to operate.

Mr. HOLLINGS. I think, if the distinguished Senator please, in 15 minutes, we shall have a new Secretary of State. Maybe he will give us a new message, but maybe he will also be administering the policy. The policy here is not a matter of getting an animal out on the track. It is getting a horse to run. We cannot get him out of the stall. This administration said he will stay in there until June of 1981. We cannot authorize those funds, in order to give additional priority to other needs. There is no question of money being available if we can get the program going. But we have priorities and we should get the priorities in defense readiness, and everything else into place. However, this program has not suffered as a priority, it has suffered as a policy, and that is my point.

Mr. McGOVERN. Mr. President, I want to get the horse out on the track, but I want him to have some oats so he can run. If we have one horse out on the track, why put another one out there if they are both going to starve to death?

What this amendment seeks to do is assure the oil supply of the Nation. That is what the strategic petroleum reserve is all about. I just do not understand a function of the budget that is referred to as defense that, at the same time, guts the oil supply to the country.

Mr. HOLLINGS. Mr. President, it does not gut the oil supply. We have followed the administration policy. We already have had a lot of votes on this. I feel the Senate has spoken on this program. We have had votes on SPRO already on this floor in the last 3 days. Actually, by a majority vote, we are sustaining this administration's policy at this particular time until those in the leadership position indicate that the current foreign policy limitations have been lifted. We cannot say we put in a billion dollars in a period of fiscal restraint when the administration, Congress, and foreign policy say it is not going to be spent.

Mr. BRADLEY. Will the Senator yield on that point?

Mr. HOLLINGS. Yes, I yield.

Mr. BRADLEY. Did I understand the distinguished chairman of the Budget Committee to say that, come August and the second budget resolution, if there were an expressed willingness on the part of the administration to purchase, he would lead the fight to increase the outlay function in the second budget resolution for the strategic reserve?

Mr. HOLLINGS. As a great cross examiner knows, I said we would consider it as a priority at that particular time. We have not been able to consider it as a priority because the current policy precludes oil acquisition.

However, I think the best argument, the logical argument, the conclusion we would reach, would be against a higher level of funding for the strategic reserve.

It was impossible in trying to pay for this year's bill plus next year's pending bill, to accommodate this program. We could not allow an additional $2 billion in budget authority to be hanging around loose. We grabbed that one up quick and said, when the policy changes, we shall definitely consider it a priority.

I have no idea, under those circumstances, what the vote of the committee would be.

Mr. BRADLEY. Will the Senator from South Dakota yield me 5 minutes?

Mr. McGOVERN. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 6 minutes and 44 seconds.

Mr. McGOVERN. I yield 5 minutes to the Senator from New Jersey.

Mr. BRADLEY. Mr. President, as the distinguished chairman of the Budget Committee knows, with leading advocates for defense spending in this body, the invasion of Afghanistan was an event to which they responded by increasing defense expenditures.

Mr. President, I argue that that is probably necessary. At the same time, that invasion of Afghanistan enhanced the likelihood of an oil supply interruption.

The essential component of defense policy today is protecting this country against the increased probability of an oil supply interruption.

If we can spend $155 billion on defense and cannot find $2 billion in the budget for one of the more pressing needs in the defense area, I think we need to reformulate our policy.

Mr. President, what is the danger?

I would like to quote from what Dr. Henry Rowen said before the Energy Committee at a hearing dealing specifically with the strategic reserve defense contingency planning. He said:

> At a time when we are trying to expand defense production and to mobilize the country we may find ourselves effectively hampered, perhaps even blocked and prevented by the loss of a good deal of our oil.
>
> During the Second World War, during the Korean War and a lesser extent during the Vietnam War, the needs of the military establishment were such as to create

> a general boom condition in the economy. This is necessary to get resources redeployed, to get weapons produced and to get boom conditions going. That requires input of more energy, and if at the same time we have seen, let's say, 3 million barrels a day of oil disappear, I don't know how we are going to get there from here.

Meaning, "I do not know how we are going to be able to mobilize our country if we are faced with an oil supply interruption of 3 million barrels a day and our cushion to make up that difference."

Mr. President, I suggest that maybe one of the reasons we are slow in reacting to this crisis is that we are a Nation of plenty. We have become accustomed to natural resources at our fingertips.

We have not had to operate on the margin and sacrifice time and time again. Our allies around the world have been through that, through two wars on their territory, through excessive sacrifices.

I think, Mr. President, it is not a coincidence that we have seen in the last 2 or 3 weeks Japan agree to forego the oil they are getting from Iran and agree to do without that oil, if necessary, because they have 87 days' supply in storage, 2 years' supply of oil they lost from Iran.

Mr. President, Japan today is not the only example. Japan in 1941 was threatened and was hit with an embargo of oil by the United States.

At that point, they had less than 18 million barrels in storage and, in my judgment, that is one of the events that precipitated the Japanese to move on Pearl Harbor.

All this says is that without a strategic reserve, the options to the United States in the event of an oil supply cutoff are far fewer.

We should have an option that is not military alone. We should have an option that would cushion our economy and give us some time to regroup in order to implement rationing programs at a very deep level.

Mr. President, I suggest that this is an adjustment that is required of our Military Establishment, as well. We not only have to think of an oil strategic reserve, but we have to start thinking of strategic industries that, in the event of a major battle, we would need to be operating in this country.

Mr. President, I know that this is my third bite at the apple, but the reason I am coming back is only because I think it is absolutely critical to our national security needs. It is beyond my belief why the U.S. Senate cannot take a leadership position on this issue and formulate policy to protect our national security.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. BELLMON. Mr. President, I think the argument here is not whether or not we should have SPRO, whether or not it is a good idea to have oil stored away in case of a supply interruption. We know how serious those conditions are following our experience after the Arab-Israeli war in the early 1970's and after the fall of the Shah of Iran.

We do not want to go through that again.

The problem is that we already have in the budget $800 million in budget authority which was not used in 1980, which the administration says will not be used. There is simply no point putting another $2 billion or $3 billion, to have it rattle around, perhaps used for something else, and not available when conditions in the world are ripe for us to begin buying oil.

The distinguished Senator from New Jersey referred to a statement by Professor Rowen before the Senate Energy Committee, where he and I are both members. We were both present for the hearing.

But one thing Professor Rowen said that the Senator from New Jersey did not read, which I think is very pertinent on this subject, is this quote from the Energy Daily:

> First, he urged, the Carter Administration should follow through on its goal of creating a 1 billion barrel stockpile of oil. However, nearly all of it should be held by private oil companies rather than in the problem-prone Strategic Petroleum Reserve which currently has only 91 million barrels in place. Counting the 960 million barrels now held by private oil companies, the U.S. has already achieved this one billion barrel target, the professor said.

Mr. President, the Government has 91 million barrels; the private companies, 960 million barrels. SPRO has been totally inactive for 1½ years. It will continue to be inactive and there is no point putting money into a program if it is not to be used.

I am glad to yield to the Senator.

The PRESIDING OFFICER. The Senator's 2 minutes have expired.

Who yields time?

Mr. ROBERT C. BYRD. Mr. President, on the vote with respect to the McGovern amendment, I inadvertently waived the right of any Senator to move to table. That was not intended.

I have discussed the amendment with Mr. McGovern. He, naturally, would prefer to have a vote up and down. He understands that the wording of the request was by inadvertence and he is willing to have me change that so that the matter will remain as was intended.

I am grateful for his courtesy in this regard.

I, therefore, ask unanimous consent that there be no waiver of the right to table with respect to the amendment by Mr. McGovern.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. I thank the Senator.

The PRESIDING OFFICER. Who yields time?

Mr. McGOVERN. Mr. President, I thank the Senator.

I yield myself such time as I may require.

Mr. President, the reductions could be made in the national defense function without reducing the pay funds or readiness funds. But one of the whole problems with debating a budget resolution is that it is impossible to line-item. The Budget Committee's report does not specify what the added-on funds will be used to purchase. There is only a typewritten sheet with some listed programs, but these do not carry the authority of law. For example, the unofficial sheet of the Hollings ad-ons in the committee assumes that there will be no MX basing mode funds but instead there will be a new manned bomber. Will the Senate be consenting to this change by adopting this resolution? The answer is no.

On the basis of this unofficial list of the Hollings add-ons, there is roughly $500 million in outlays for procurement items which were not sought by the administration. These are not readiness funds or pay funds. They are procurement of new nuclear attack submarines and other items. So let us drop the implication that this amendment cuts pay or readiness funds. This amendment permits vast increases in pay.

But the second point is this. The Budget Committee reduced the petroleum reserve funds in function 270 almost to zero for fiscal year 1981 and decided to use the money instead for new attack submarines when we already have a number of them authorized and unbuilt, when the submarine shipyards are experiencing construction delays, and when it will take years before these boats—and the other procurement items as well—will be in the force structure. In my view, these were bad security choices because the immediate problem is energy insecurity. So this debate is not about military spending versus no spending. It is a debate to broaden the concept of national security to involve the insurance policy of the petroleum reserve. The question is: Did the Budget Committee act wisely by gutting the petroleum reserve in order to shift funds into these procurement items?

My final point is that the administration has made it clear that it does not seek all of these added-on funds. The administration and the Defense Department lobbied very hard against the so-called Holt amendment in the House of Representatives. The Holt amendment was practically identical to the Senate Budget Committee's military spending levels. According to the President, the amendment would be:

> Providing for far more defense spending than is needed or advisable.

And Defense Secretary Brown also opposed the Holt amendment.

So here is the situation: We have the Senate Budget Committee buying new bombers and submarines which cannot be introduced into the force for years and years while it has done nothing against the immediate and probable threat of an oil cutoff. And meanwhile the administration is saying it does not need and cannot spend the extra money anyway. So it is time to support a truely balanced national security program which puts oil in the reserve instead of just throwing dollars at problems.

Mr. President, I underscore the point in response to what has been said about the uncertainties as to whether or not the administration would use this authority in this amendment to build up the strategic petroleum reserve, that the same argument could be made against any feature of this bill.

The President and the Secretary of Defense are on the public record saying that there is too much money in this bill for military systems.

The President wrote a letter to the Speaker of the House on a similar spending increase over there in which he said, on this particular amendment, it provides for far more defense spending than is needed or advisable.

Much the same thing is said in a letter dated April 26 by the Secretary of Defense.

Mr. President, I ask unanimous consent that the President's letter of April 22 and Secretary Brown's letter of April 26 be printed in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

THE WHITE HOUSE,
Washington, April 22, 1980.

Hon. THOMAS P. O'NEILL, Jr.,
Speaker of the U.S. House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: As the House of Representatives begins its consideration of the First Resolution for Fiscal Year 1981, I wanted to convey to you and your colleagues the Administration's position on several issues.

The Resolution as reported closely resembles my proposed budget. I am pleased that the House Budget Committee, under the leadership of Chairman Giaimo, moved so quickly and responsibly in reporting a Resolution. Except for the Obey amendment mentioned below, we will support the position of Chairman Giaimo in opposing all amendments for FY 1981. In addition, we will support the technical amendment for FY 1980 to be offered by Chairman Giaimo.

The Obey amendment will seek to increase funding for key domestic programs, while increasing receipts consistent with my budget, for a net addition to the FY 1981 surplus. This amendment includes $500 million in 1981 for the two-year Transitional Assistance Program I proposed to protect local governments against abrupt financial dislocation resulting from ending the state share of General Revenue Sharing. I strongly favor the adoption of this amendment.

I am extremely concerned about the amendment to be offered by Congresswoman Holt to increase spending in the defense function to a level well above my revised budget, while severely reducing other functions. The adoption of such an amendment would repudiate the careful consideration of the House Budget Committee. It would reduce social and other non-defense functions to an unacceptably low level while providing for far more defense spending than is needed or advisable. I am strongly opposed to this amendment and urge the House to defeat it.

House action on this Resolution will be the first key test of the commitment that all of us have made to disciplining Federal spending and balancing the budget. Failure to live up to that commitment would be a major setback in our fight against inflation. I urge the House to act promptly and responsibly.

Sincerely,

JIMMY CARTER.

THE SECRETARY OF DEFENSE,
Washington, D.C., April 26, 1980.

Hon. THOMAS P. O'NEILL, Jr.,
Speaker of the House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: This is in response to your request for my view on the Holt Amendment in connection with the FY 1981 First Concurrent Resolution.

It is my belief that the President's budget—which I strongly support—strikes a reasonable balance among urgent Defense needs, a balanced budget to help fight inflation, and the proper claims for domestic programs. I, therefore, oppose the Holt Amendment.

Sincerely,

HAROLD BROWN.

Mr. McGOVERN. Mr. President, not only do the President and the Secretary of Defense argue against the surplus funds that are in the budget resolution as it now stands for a military system, but I want to underscore that if this amendment carries, providing for additional funding for the strategic petroleum reserve, the defense functions of the budget will still receive real growth increases of 8.4 percent in budget authority and real growth increase of 5 percent in budget outlays above and beyond that requested by the administration.

Mr. President, I urgently hope the Senate will see fit to adopt this amendment.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. HOLLINGS. Mr. President, I thank the distinguished Senator from South Dakota for his usual graciousness and courtesy in allowing us to make the motion.

If no other Senators wish to speak, I yield back the remainder of my time.

I move to table the amendment, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. HOLLINGS. Mr. President, we will withhold, under the previous agreement, until after the Weicker amendment and the Percy amendment. The next amendment to be called up is that of the Senator from Illinois.

The PRESIDING OFFICER. The Senator from Illinois is scheduled.

Mr. HOLLINGS. Mr. President, we are waiting for the Senator from Illinois to return to the Chamber, and I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, under the order, was Mr. PERCY to call up his amendment now?

The PRESIDING OFFICER. That is correct.

Mr. ROBERT C. BYRD. Mr. President, I take this occasion to say to all Senators that it is the intention of the managers of the conference report and the leadership to finish this resolution tonight. So there will be no stops, and I do not know what time tonight it will be finished. It might be 1 o'clock in the morning; it might be 2 o'clock in the morning; it might be 3 o'clock in the morning; it might be sunrise. But the Senate will not recess until final action has been completed on the resolution.

The reason is that it is hoped that rollcall votes can be avoided on tomorrow, tomorrow being Friday. If the action on the resolution were not completed this week, the Senate would be back on the resolution on Monday. This would delay the conference between the House and the Senate.

May 15 is the deadline for completion of action on the resolution; and until the resolution is finally acted upon and all conference actions have been completed, the supplementals with reference to food stamps, black lung, and so forth, are being held up. So it is that important.

I regret the inconvenience to Members, and I apologize for the exigency that faces us, but we have no alternative.

I think all Senators might want to let their wives know that the Senate will be in for a long, long night, and there will be rollcall votes.

I yield the floor. Mr. PERCY is ready to call up his amendment.

The PRESIDING OFFICER. The Senator from Illinois is recognized.

Mr. PERCY. I thank the majority leader.

AMENDMENT NO. 1751

(Purpose: To reduce spending and lessen tax burdens by $1,144,000,000 in fiscal year 1981, $668,000,000 in fiscal year 1982, and $144,000,000 in fiscal year 1983 by improving the collection of delinquent debts owed the Federal Government)

Mr. PERCY. I thank the majority amendment No. 1751 and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Illinois (Mr. PERCY) for himself and Mr. SCHMITT, proposes an amendment numbered 1751.

Mr. PERCY. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 2, line 6, insert "$611,756,000,000" in lieu of "$612,900,000,000".

On page 2, line 7, insert "$696,532,000,000" in lieu of "$697,200,000,000".

On page 2, line 8, insert "$780,456,000,000" in lieu of "$780,600,000,000".

On page 2, line 12, insert "$4,844,000,000" in lieu of "$3,700,000,000".

On page 2, line 13, insert "$10,268,000,000" in lieu of "$9,600,000,000".

On page 2, line 14, insert "$33,644,000,000" in lieu of "$33,500,000,000".

On page 2, line 17, insert "$686,756,000,000" in lieu of "$687,900,000,000".

On page 2, line 18, insert "$758,632,000,000" in lieu of "$759,300,000,000".

On page 2, line 19, insert "$831,356,000,000" in lieu of "$831,500,000,000".

On page 2, line 22, insert "$611,756,000,000" in lieu of "$612,900,000,000".

On page 2, line 23, insert "$686,532,000,000" in lieu of "$687,200,000,000".

On page 2, line 24, insert "$753,356,000,000" in lieu of "$753,500,000,000".

On page 11, line 7, insert "$25,844,000,000" in lieu of "$24,700,000,000".

On page 11, line 8, insert "$25,844,000,000" in lieu of "$24,700,000,000".

On page 11, line 11, insert "$28,168,000,000" in lieu of "$27,500,000,000".

On page 11, line 12, insert "$28,168,000,000" in lieu of "$27,500,000,000".

On page 11, line 15, insert "$29,944,000,000" in lieu of "$29,800,000,000".

On page 11, line 16, insert "$29,944,000,000" in lieu of "$29,800,000,000".

Mr. PERCY. Mr. President, I submitted this amendment yesterday.

The amendment calls for a saving of $1.44 billion in fiscal year 1981, $668 million in fiscal year 1982 and $144 million in fiscal year 1983.

The inspiration for this came from a discovery we made in the Governmental Affairs Committee, that out of about $7 billion in student loans, more than $1 billion was in default. We analyzed what the Department was doing to collect these loans. If any business had adopted practices such as they had—and they are typical of Government practices—the business would be bankrupt. It simply could not stay in business. People began to feel that there was no real discipline in the collection of those loans.

So, on the appointment of an Inspector General for HEW, we directed that the Inspector General devote a certain amount of attention and time to the collection of a billion dollars in defaults. We discovered that there were a large number of employees of HEW receiving checks every 2 weeks from HEW, and for years they had owed their own department money and were defaulting on their student loans, when they were capable of paying it. All the Department had to do was to say, "Pay it."

Of course, there are recognized methods, with which we are very familiar in the business world, for the collection of debts.

Senator SASSER and Senator PRYOR are to be commended for their efforts to promote this issue. Last evening, they discussed achieving savings by improving Federal debt collections. They agreed to postpone consideration of an amendment in order to use more precise figures now being gathered until the second budget resolution later this year. I believe, however, that it is important to move now to provide the executive branch with the incentive to collect these debts.

Just as in the case of HEW, we could have studied that ad infinitum. But it does not take a 12-year-old child to realize that no one is going to pay back a debt if they do not think the debtor is serious about collecting it.

All that had to happen in that particular case was to have a serious intention evidenced to the person who owed the debt, that the lender intended to collect that debt, and that is all there was to it. We should not wait around for something as simple as that. We do not need any more time until a second budget resolution later this year, September 15. Time will be wasting.

These delinquent debts become more difficult to collect each day that we delay in collecting them. New debts are getting old and old debts are getting older. Yet we have nothing to gain by waiting to collect these debts at a later date. We must act now to direct the agencies to move ahead on the collection of these debts.

I agree that the Office of Management and Budget debt collection project will provide even better information by which to determine the specific distribution of these savings among the agencies. But we know now that the money is there to be collected and we should move now to collect it. By every indication OMB's study will provide the basis for even greater savings than my amendment assumes.

The amendment I am offering tonight is based on a conservative estimate. I am certain that ultimately OMB will come up with even a larger figure.

The amount of money owed the Federal Government is enormous and it is growing daily. Total accounts receivable, including loans due the Government had increased to $165 billion as of fiscal year 1979. Most of the total debt will be routinely collected; however, an increasing amount requires more effective collection action to minimize the amount that will be written off as uncollectible.

Overall figures are not available on the amount of claims written off by agencies. However, examples follow which provide insight into the magnitude of the problem:

Over $1.2 billion was actually written off in fiscal year 1979 alone; this is the first year agencies were required to submit figures. Some agencies have not reported.

According to information reported to the Treasury Department, the estimated cumulative allowance for bad debts was about $4 billion in fiscal year 1979. This figure is substantially understated; some agencies do not report uncollectibles at all and some under-report.

Federal agencies have not been aggressive in collecting their debts and place a very low priority on collecting loans. We must move now to achieve saving by improving debt collection.

The U.S. Government has never really been serious about collections, and it is about time they do.

With prime interest costs as high as they are almost every business in America today has turned to receivables as one of the quickest, cheapest, and best ways to get money. They have really put the heat on receivables, and we all know it. We can feel the pressure.

There is no pressure from the Federal Government. It is just business as usual, just go along as if the Government rate has not even gone up. And it has not only gone up; it has doubled, it has tripled, it has quadrupled, and it is at a scandalously high rate. Yet all that money sits out there being owed to the Government. And what is the Government doing to collect it? Not very much.

Senator HOLLINGS and Senator BELLMON are thoroughly conversant with the methods that are used in the private sector to collect debts.

But is the Federal Government using these methods? Not that we can really find out.

The first and most obvious method that should be implemented immediately is simply reporting to credit bureaus. In contrast to the Federal Government, commercial firms place primary reliance in collecting unsecured debts on aggressive collection action backed by the consequences of adversely affecting the debtor's credit rating. Private industry officials say that the single most powerful motivation for an individual to pay a debt is the stigma of having his credit rating reflect that he has not paid debts on time. When faced with the loss of credit, a majority of debtors agree to pay.

The second method that should be implemented is the debtor-locator service. Agencies use a variety of ways to locate debtors, but they have not made full use of the nationwide debtor-locator service. It has proven useful for commercial firms, and at least one agency uses it to locate people.

You cannot collect money from people unless you can locate them.

Senator LONG worked long and hard to develop a system to locate fathers who had left their children. The Government has collected a billion dollars from that program simply by exerting the effort put on them by law to go out and locate the father so the father begins to support the child.

A simple concept like that brought $1 billion into the Federal Government. And this simple concept can bring even more in.

We are all familiar with the third method if inadvertently we do not pay a bill. We get a demand letter, and those demand letters are automated. Now you know you are going to get one because you are listed on a computer and it comes but automatically. Someone does not have to wait around until you get it.

Government demand letters are not as specific as those in the private sector in describing actions that would be taken if the debtor fails to pay, resulting in a less forceful message to the debtor. The letters almost sound like they were written by politicians seeking reelection from the person they are trying to collect the money from, rather than from someone who is owed the money, who is due that money, and who is demanding that payment be made. And that is the kind of a demand that should be expressed forcefully in a letter.

Letters should advise that action will be taken if payment is not received or that the debtor must provide information to support assertions that he does not owe the debt. These letters can be processed with the same use of automation that the private sector uses.

Can you imagine the Internal Revenue Service sending out a very thoughtful nice letter, if someone is past due on their taxes, understanding all the problems a person faces, and so forth, and not really demanding the money? Would they get it? No. IRS is efficient. They send the letter out and they let you know exactly what is going to happen if you do not pay Uncle Sam, and you end up paying, and you pay on time, and you get accustomed to that fact and you pay it.

We have to be automated the same way and have a mental triggering that when the Federal Government is owed money, it means business and it is going to collect it right now. A debt to the Federal Government simply is not looked upon as serious, certainly not as serious as a debt owed to a private organization.

The New Jersey Office of Student Assistance has provided data on which this particular amendment estimate is based.

Let me go back into some of the other

assumptions we have, because I want to make clear how we arrived at the estimates that we did for the savings that can be attributed to this amendment.

The amendment calls for a savings of $1.144 billion in fiscal year 1981, a savings of $668 million for fiscal year 1982 and a savings of $144 million in fiscal year 1983.

This is a conservative estimate which is based on data collected by the General Accounting Office, the Treasury, Internal Revenue Service, and the State of New Jersey.

The GAO has concluded that of the amount which the agencies had written off as bad debts, 36 percent could have been collected, using only one of the various methods under consideration.

As reported to the Treasury, the allowance for uncollectibles was approximately $4 billion in fiscal year 1979. This figure is understated, however; some agencies do not report uncollectibles at all and others underreport. Because this figure is underestimated, the overall amendment estimate is, in turn, conservative.

Assuming that the allowance for uncollectibles increases at its present rate, the total allowance will be nearly $4.8 billion in fiscal year 1981.

According to the GAO test, 36 percent can be collected and of this amount two-thirds will be recovered in the first year, thus a total savings of $1.144 billion in fiscal year 1981.

The experience of the New Jersey Office of Student Assistance supports this amendment estimate. This office has implemented improved debt collection procedures and realized significant savings: A near doubling of the number of payments received on defaulted loans, a 100-percent increase in the dollar amount collected on defaulted loans, and a 79-percent increase in the number of defaulted loans paid in full.

Therefore, Mr. President, I urge that this amendment be supported by the respected floor managers of the present resolution. I think it is a sensible, sound approach. And it adds specificity to a dialog that we had last night. I felt in principle that the dialog established the fact that this is one sure way we can bring in revenue to the Government without raising taxes and simply raise at the same time the moral standing of the Federal Government and the integrity that the Government should have, should desire, and has earned. When it lends people money, giving them a chance, an opportunity for an education, advancements in their business, whatever it may be, the Government should hold them accountable for repaying that loan at cost to all taxpayers in the United States that are bearing the freight and paying the cost of that uncollected debt.

Mr. HOLLINGS. Mr. President, I yield to the Senator from North Dakota.

Mr. BURDICK. Mr. President, I wish to bring to the attention of my colleagues an item in chapter VI of the budget resolution dealing with a $3 billion increase in function 350, the agriculture category.

The Budget Committee is recommending in its revisions to the second budget resolution for fiscal years 1980 and 1981 that more than $3 billion be added to the Department of Agriculture's Commodity Credit Corporation. This increase, according to the Budget Committee, is "primarily due to the President's decision to offset the effects of the Soviet grain embargo on the American agricultural community." Mr. President, I maintain that this $3 billion has been improperly charged to the agriculture function when, in fact, the expenditure is a result of policies relating more closely to national defense and international affairs.

Farmers in my State of North Dakota are desperately in need of operating loans to plant this year's crop, and thousands of farmers across the country are seeking financing to begin careers in agriculture. Millions of dollars are needed to meet these needs, and although the agriculture function will show a $3 billion increase, there will be no additional money available for actual farm programs. Let us not pretend that we are doing more for the farmer when we are actually carrying out a foreign policy of our Government.

The Congressional Budget Act, under which we are working here today, establishes procedures for the determination by Congress of national budget policies and priorities. But the embargo itself is not the issue—the issue is the integrity of the budget process in which we are now involved. If American grain is now part of our international defense policy, let us be honest with ourselves and include the expense of such a mission in the proper budget function.

Mr. President, I had considered introducing an amendment to correct this inaccurate classification in the first budget resolution, but I am afraid it would serve no useful purpose this far into the budget process. I am, however, bringing this issue to the attention of the Budget Committee in anticipation of the second budget resolution and future budget resolutions, and I urge my colleagues to correctly include any embargo-related costs in either the defense or international affairs budget functions.

I thank the Senator.

Mr. HOLLINGS. Mr. President, the Senator from Illinois is so enthused, and I would be the last to blunt this enthusiasm, but we just cannot budget on enthusiasm and, as he says, be more imaginative in the collection of debts.

One thing we cannot do is imagine that they are collected. This is our difficulty. I wish we could. It is very much like the statement made by the former Secretary of Health, Education, and Welfare. At one hearing he had several studies in the course of getting a grasp on his Department, and he said he would estimate that there was $8 billion in false claims and fraud and everything else throughout the entire HEW budget.

Well, that set off all kinds of amendments in the budget for HEW appropriations, and everything else. Well, they said, "The Secretary said it. He said there is fraud down there, and we will just cut his budget by $8 billion and let him find it."

It is just not that easily done. What we have to do in making estimates is look for some good evidence that we were really increasing in our collections. That is what we have to look at, not imaginative ideas on how to. We would be glad to include perhaps some language, or, as we said yesterday in the colloquy with the Senator from Tennessee and the Senator from Arkansas, it certainly can be considered within the 120 days before we bring up our second concurrent resolution.

It is like a fellow, seeing a young lady he was very much in love with, saying, "All I have got to do is to take her by the justice of the peace and we will go through the ceremony and then I am sure she will love me." That might turn her off completely.

You might put this in there and assume it is there. If the administration is silly enough to assume that it is done, then we do not have to do anything more. They will say they have already found the $1 billion, and it would have exactly the opposite effect.

What we should do, and the distinguished Senator is a very active and leading member of the Governmental Affairs Committee, is to implement these things. If there is further computerization get the Department to purchase computers, and let us see the Department follow through with proper policies, and when we see these collections coming in, your Budget Committee is going to be the first to latch onto them, and we can guarantee you that.

If the collection letters look like political letters and solicitation of votes rather than actual demands, as the Senator indicates, then let us get those letters changed around and make the demands. Let us begin to see some real tangible evidence, and making up a very tight budget, that we can count on that money and count on those revenues, and we will—when we have that automation, and that we can use the credit bureaus.

I do not know that the Government is going to do that. I hope they will. I think the Senator has given very good thought to this and has given leadership, and we would ordinarily go along with him. But the Senator can see the position it is in from the point of view of the Senate. Someone can come along and say, "Well, he assumes $1.1 billion, they found a lot of student loan money," and there they were. That does not bring the money in. It is still in the Department of HEW.

As I said yesterday, I wake up at 6:15 and I hear that "Watch on Waste," and if we had "Watch on Waste" for 365 days or whatever number of days it is, we would have billions of dollars and we would be wallowing here in a surplus.

Wishing and imagining for it does not make it so, and we know as mature legislators that what we really have to do is to bring it in, as Senator Long indicated, set up a policy of locating the waste. Assuming $1 billion, they are not going to locate it because there is no pressure on anybody. They will say, "Congress has already found $1 billion." In fact, it is collected in their minds. They will say, "Let that crowd collect them." With their attitude, we are trying to balance the budget and they are trying to raise the budget.

So if you can raise it for them that

way by just finding money, the administration would willingly cooperate with you and say, "Maybe you did not put in enough when you said $1.1 billion. Maybe you ought to assume $3 billion or $4.1 billion, and that is what we need between now and November to spend." We would try to imagine them a good $500 million we would spend on cities, and they would love that kind of approach to budgeting. But we just cannot do that, and I am sure the Senator realizes that.

So I think what we ought to do is to try to cooperate in someway through the Governmental Affairs Committee and through the Budget Committee themselves. Here you know everybody wants to use the Budget Committee. Instant coffee and instant banking, and we are going to have instant Government. All we have to do is to assume the result. Let us put in the billion dollars. It is done with now, and then we look around and where is the money coming from? Who is really going to go out and search for a credit bureau once we assume that? Who is going to start locating one if we assume it is there? I believe we are going to defeat our very purpose, and I am trying to agree with the leadership of the Senator from Illinois on this point. Let us do some of those things in the committees. We cannot do it instantly here just by assuming. We have got to do it through the authorizing committees, and we have got to do it through the appropriations process.

When we see real evidence, you are going to find no happier Senator, and I am going to be up here commending you, and I am commending you for your leadership on that point.

Mr. PERCY. Mr. President, will the distinguished Senator yield for a comment and a question?

Mr. HOLLINGS. Yes.

Mr. PERCY. There are no statutory changes needed. The Governmental Affairs Committee would be happy to study this but, in a sense, there has been a great deal of study. We took one agency, HEW, and took one area to see what could be done, and the Inspector General reported to us a year later, and we know what that effect has been.

The GAO has been sent in to study this particular situation. The GAO has certified that 36 percent of the debt that has been written off was, in fact, collectable if the Government agencies would simply use proven, absolutely proven, techniques.

Then we have one State, the State of New Jersey, that has tried this out, and they certified that the figures, according to their methods, should be reasonable, in fact, very conservative.

The information we have from New Jersey—and they did exactly what the Senator from Illinois is proposing the Federal Government do—finds that they nearly doubled the number of payments received on defaulted loans. They found a 100-percent increase in the dollar amount collected on defaulted loans.

They found a 79-percent increase in the number of defaulted loans paid in full. So we have New Jersey's tests, we have GAO's solid evidence, and I would only ask the distinguished Senator when we say we know the source of revenue, we know what that source of revenue is going to be, what proof do we have that the estimates we have from corporate profits are going to be that high?

I feel absolutely certain that the estimates made for tax revenue from, say, the automobile industry did not take into account the evidence given to us at breakfast Monday morning by the heads of these four companies. They are in a disastrous situation with respect to profitability. We have no certainty that corporate profits are going to yield the kind of revenue estimate. But we do have really solid evidence, much more solid than those estimates, that this money is there if we would just start out there and go get it.

Mr. HOLLINGS. But what is going to start the process? That is the point.

I could go along with a General Accounting Office provision of a collection division. I will join the Senator in a bill. We will have GAO find that it is there and collectible and then tell them: "Go ahead and collect it, then." We do not want studies; we want money. We want results.

If the Senator finds it is collectible, I will pay the salaries and let them go out. Maybe those who are in the particular discipline in education grant programs are a little lethargic and do not want to get at the young students.

As a good businessman, you do not let the innovator and the R. & D. man collect that. You get a hard-nosed man in business. That is what we need in Government. Maybe we need a collection division in the General Accounting Office to control it.

But to go back to the same education people—they know about those things and they know it is right under their noses in HEW. But to just assume it is there, I do not think is responsible, and I do not think the Senator thinks so.

The Senator and I agree that it is there and collectible and everything else. But it is not collected—past tense. We do not have it. And we have no idea of getting it under the present situation.

The Senator and I could talk for hours here praising each other about our foresight and determination and how it should be paid, and everything else. That is not going to mean dollars and cents to this budget.

We are just not going to have that revenue and there is no way for us to calculate it. But if there is a way, then let us put in $3 billion and not have these rebates and give every Senator what he wants. Because there is plenty of money owed us. I know that. And there is plenty of fraud. This is big Government.

We ought to get the General Accounting Office to have a collection division in it like IRS and go after all debts, not just the student loans, but any other debt in the various departments. Maybe that is a good idea.

For example, how did our friend Senator LONG find out and get them started to go out and locate them? Did he just call them up and say they were not going to get this budget, or what did he do?

Mr. PERCY. We passed a law.

Mr. HOLLINGS. That is right. Let us pass a similar law. That is what I am saying. The Senator did not come up here to the Budget Committee and assume it was done. Now we are right on all fours with each other.

Mr. PERCY. What we really need now, though, is someone to send a message.

Mr. HOLLINGS. Send a law.

Mr. PERCY. Because the law says you have to pay your debts back. The problem is that it is simply not being enforced.

Mr. HOLLINGS. But we have to pass a law like they made them go out and locate them. We have to get a collection division and not send a message—send a law and institute the practice, and then you get the money in. And your Budget Committee, as I said, would jump at the chance to count it. But we cannot do it. You would run us out as budgeteers and say: "Where did you get the money from?" "We found out there was a student loan owed. We have been trying to collect it."

There is a bipartisan bill with respect to these loans of Senator KENNEDY'S, I believe, on how to tie them down and make them more accountable, and everything else. When they do that, we are going to be the first to respond to the leadership of the Senator from Illinois and we will count the money. But we cannot count it now.

It is the Kennedy-Bellmon bill. I am sorry. I knew it was a rather rare combination. The distinguished Senator from Oklahoma and the Senator from Massachusetts both were getting on those student loans and trying to make them accountable and a good government program.

Mr. BELLMON. We have got the laws.

Mr. HOLLINGS. Yes. And in the next several years it is going to make these good, well-conceived programs workable, make them accountable and, where there are debts, have them collected.

But let us see some evidence of it before we can really start counting just $1 billion more in this particular budget.

Mr. PERCY. Mr. President, what was needed in the case of the runaway fathers was a law. What was needed in the case of student loans was simply a directive from a committee to the Comptroller General. In this case, the Governmental Affairs Committee did write the law that appointed such an office and then we simply had to get the message across to an individual and he went about doing his job.

Now, we cannot call before us the head of every single agency and tell them to go do their duty. What we can do is send them a message here.

You do not need a law in this case—and, thank heavens, you do not need a law. There are too many things that should be done and that can be done without just passing another law.

What you need is administrative directive. That is what can come from the Budget Committee.

When Senator Ervin, Senator Muskie, myself, and others on the Governmental Affairs Committee worked over a period of 3 years to create the budget process, we had very, very high hopes for the budget process. I will later make comments on the whole process as we envisioned it and as it is now being implemented and carried out and the tremendous progress that has been made.

I do not think anyone could be more proud of the process and the way it has been carried out, the leadership the Budget Committee has had, than this Senator or those others who have worked on it.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. PERCY. May I have 1 additional minute?

Mr. ROBERT C. BYRD. Mr. President, I will not object to 1 minute.

The PRESIDING OFFICER. There is not 1 minute available.

Mr. HOLLINGS. Mr. President, I will yield 1 minute of my time.

The PRESIDING OFFICER. The Senator has 47 seconds left.

Mr. HOLLINGS. Mr. President, I yield the 47 seconds to the Senator from Illinois.

Mr. PERCY. In this case, I would hope that, to fulfill the total role that we think the Budget Committee can assume, where it is so evident that there is no law needed, it can be done administratively. All we need to do is get the message out. Now that the Budget Committee is respected and has earned the respect in a few years that we thought would take a decade to earn, why not send that message from the Budget Committee, with its voice of authority, that we expect money owed to the Federal Government to be paid back with procedures used that have been accepted in the private sector for years?

I thank my distinguished colleague.

DEBT COLLECTION AMENDMENT $4.3 BILLION IN DEBTS UNPAID

● Mr. SCHMITT. Mr. President, this is an excellent amendment that I am glad to support. The amendment is not a budget cut per se, rather it would simply require the departments and agencies of the Government to collect the funds that are due to them from grantees and contractors. A report issued by the General Accounting Office indicates that there were over $4.3 billion in unresolved audit reports outstanding in October 1978. Since that time, some of these audits have certainly been resolved; but in private conversation, GAO staff have indicated that a great number are still oustanding. GAO's examination disclosed that there were $4.3 billion in audit findings contained in nearly 14,000 audit reports of only 34 agencies. GAO estimates that about 80 percent of this amount involves potential recoveries from grantees and contractors. This includes amounts spent for purposes not authorized by Federal laws or which contractors and grantees could not support as charged to the Government.

The amendment by Senator PERCY would take a very moderate approach to recovering these funds due to the Government by specifying that only 36 percent of the total amount of unresolved audits be collected over a period of 3 years. This would mean that the agencies would focus their efforts on debts that are more easily collected.

In fiscal year 1981 this would amount to $1.144 billion; in fiscal year 1982 $668 million; in fiscal year 1983 $114 million. Again, I want to emphasize that this is not a budget cut. This amendment simply requires the Federal Government to recover funds owed to it more rapidly and more effectively. The Congress must do more to encourage the executive agencies to be more effective in this area. At present, it appears that agencies are more prone to come to the Congress for additional appropriations rather than to do a responsible job of collecting funds that audits have revealed to be owed to them.

We are not talking about a vague and general increase in efficiency here that will save the taxpayers a little money. Instead, this amendment is addressed to the recovery of funds that thorough audits, conducted by the staffs of the agencies, have shown to be due the Government. If these funds are not going to be collected, then what is the purpose of paying for audits?

At a time of severe budget restraints, when important programs of crucial value to the needs of our country are forced to experience funding reduction—when Americans must live with tax increases to balance the budget—how can this body, in good conscience, ignore this means of recovering public funds?

Now, it will be argued that this action is premature; that the General Accounting Office is conducting an additional study on this matter and we should wait for its publication. Perhaps the report will indicate that all unresolved audits have been closed and accounted for.

But on the contrary, the GAO expects that a substantial number of these audits have not been resolved and that many of those that have been resolved were resolved in inappropriate ways by simply writing them off. In addition, the GAO expects that many more unresolved audits will be uncovered by this study.

Mr. President, we cannot afford not to make these savings. This is a reasonable amendment. It inflicts no pain on any constituent group. It deserves the support of all Senators. I urge the adoption of the amendment.●

Mr. President, I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. Under the previous order, the Senator from Connecticut is recognized.

AMENDMENT NO. 1713

(Purpose: To provide for increases in Function 500, Education, Training, Employment, and Social Services)

Mr. WEICKER. Mr. President, I call up, for myself and Senator MOYNIHAN, amendment No. 1713 and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Connecticut (Mr. WEICKER), for himself and Mr. MOYNIHAN, proposes amendment No. 1713.

Mr. WEICKER. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 2, line 17, strike "$687,900,000,000" and insert in lieu thereof "$688,500,000,000".

On page 2, line 22, strike "$612,900,000,000" and insert in lieu thereof "$613,100,000,000".

On page 2, line 23, strike "$687,200,000,000" and insert in lieu thereof "$687,600,000,000".

On page 2, line 24, strike "$753,500,000,000" and insert in lieu thereof "$753,700,000,000".

On page 7, line 24, strike "$29,400,000,000" and insert in lieu thereof "$30,000,000,000".

On page 7, line 25, strike "$28,400,000,000" and insert in lieu thereof "$28,600,000,000".

On page 8, line 3, strike "$29,000,000,000" and insert in lieu thereof "$29,400,000,000".

On page 8, line 6, strike "$30,700,000,000" and insert in lieu thereof "$30,900,000,000".

On page 12, line 2, strike "$653,700,000,000" and insert in lieu thereof "$653,900,000,000".

On page 13, line 19, strike "$29,300,000,000" and insert in lieu thereof "$29,500,000,000".

Mr. WEICKER. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. WEICKER. Mr. President, this amendment would increase the budget authority in the education and training function (500) by $200 million in fiscal year 1980 and by $600 million in fiscal year 1981, to provide sufficient flexibility in the budget to sustain key educational programs threatened with cutbacks or possible extinction. This amendment would raise total budget authority in the health function to $30.0 billion in fiscal year 1981 compared to $29.4 billion recommended by the Senate Budget Committee in Senate Concurrent Resolution 86 and $33.0 billion requested by the President in his revised budget.

In an effort to minimize expenditures in fiscal year 1980, and to balance the fiscal year 1981 budget, the administration has proposed severe cuts in many education and training programs vital to the future needs of the American people. Many programs have been either level funded or funded below levels required to compensate for inflation. Clearly, cutbacks in these programs, which represent significant investments in the people and future of this Nation, will hurt the many Americans who directly depend on these benefits.

The education and training of Americans should warrant a high priority in the allocation of Federal funds. These programs provide the poor, the unskilled, the handicapped, and the academically disadvantaged with the knowledge and skills they need to find employment, and most important, to instill a sense of purpose in their lives. Equally important in this time of fiscal restraint, by endangering the effects of these programs now, we will be faced with greater problems and higher costs in the years to come.

Mr. President, I think we can all admit that a certain amount of "fat" exists in the Federal budget. However, the programs represented by this function give the greatest return for every dollar invested in terms of reduced unemployment, increased labor skills, and increased productivity growth.

Mr. President, my amendment assumes increases in several programs which I feel represent important Federal priorities. It is important to note, however, that my amendment does not include all of the important programs but allows for room in the budget for the determination of those program priorities.

Specifically, my amendment focuses on the need to maintain or increase educational services in, among others, the following areas:

(1) Concentration grants.—This program provides assistance to cities and counties with a high concentration of low income families. In order to qualify for these grants, cities or school districts must have at least 5,000 low income children or such children must constitute 20 percent of the total student population in the district. My amendment assumes the retention of the proposed $50.0 million FY 1980 rescission and also assumes an increase in budget authority in FY 1981 of $150.0 million. By restoring these funds, the proposal will bring this program back to President Carter's original January budget request thereby allowing 537,000 to 605,000 children in high priority areas to receive these services.

(2) State grants for the handicapped.—These grants provide partial federal support for the education of approximately 3,850,000 children between the ages of 3 and 21. My amendment assumes an increase in budget authority of $252.0 million over President Carter's revised budget for FY 1981. This proposal would increase to 15 percent the federal share of excess costs attributable to educating a handicapped child. However, this average per pupil expenditure was calculated by using a 7 percent rate of inflation. With inflation estimated at approximately 18 percent for 1980 the federal share of excess costs will increase only marginally.

To continue:

(3) Preschool incentive grants.—This program is designed to encourage states to expand educational programs to handicapped preschool children aged 3 to 5 and to encourage the creation and extension of early intervention programs. My amendment would provide for a total program support of $35.0 million.

(4) Basic grants for vocational education.—This program is designed to assist states and localities in supporting and improving vocational educational programs and in promoting the development of an adequately prepared work force. My amendment assumes the retention of the proposed $87.5 million FY 1980 rescission and also assumes an increase in budget authority of $150.0 million over the President's revised FY 1981 request.

Mr. President, the programs which have just been described and many other important education programs are being sacrificed for the symbol of a balanced Federal budget. I believe that it is clear to everyone, including the most prominent economists in our Nation, that this symbol will have minimal effect on our overall fight against inflation. However, it is also clear, that by turning the clock back on the many important Federal programs which educate and train Americans, we will be mortgaging our future to pay for our past.

It is beyond my belief that this body would rather sacrifice good programs, indeed investments, in order to achieve mere symbols of political success.

Mr. President, I urge the adoption of my amendment.

Now we get to the coinage, the real coinage, which is expected to pay for this political slogan in the year 1980.

It used to be that this Nation lived for its children. In this budget, they are the price that is being paid for our extravagances of today, be they political, economic, energy, whatever.

We recently got defeated on the matter of the housing industry. I suppose it could be argued that owning one's own home is a luxury, although I do not understand that.

I suppose it could be argued that that would not go to those in the greatest need. I do not understand that. I suppose it could be argued that unemployment is good to control the inflation. I do not understand that.

I certainly do not comprehend the sacrifice of our children in terms of their future, in terms of their ability to be productive and noninflationary members of society. This is no welfare program we are talking about. Vocational education? Believe me, if there was anything needed going into this recession-depression, if there was anything needed, it is vocational education programs. Maybe college could be considered some sort of a luxury, but I do not understand it to be. But say that it is. At least the ability to work productively with one's hands is important. Tell me about what a ripoff that is, what a welfare approach toward the economy that is. I do not understand it.

For those who are handicapped—do you realize what this Senate and the Congress have done by virtue of the public law which we passed several years ago? Because of the lack of moneys available to education, the school boards around this Nation are hard-pressed by their constituency to live up to the law which we passed. Because the majority of the voters have children who are not handicapped—they want facilities for their children and they do not want them cut into by what is admittedly the higher cost of education for the handicapped.

We agreed we would go ahead and pay part of that excess cost, but now we are saying no. Do you know what is going to happen, Mr. President? We will go right back to the situation of 20, 40, 50 years ago, as far as the education of those kids is concerned. There is a smaller pot to divide up and the voters are on the side of those who are not disadvantaged. Where do you think it will go, especially when the Federal Government does not live up to the financial commitment that it made with the enabling legislation and with the policy commitment that it enacted into law?

On the concentration of grants, everybody complains about look at these young people in our inner cities, worthless, they cannot accomplish anything, it is just money down the drain. Really? If they have a chance for education, are they a drain or do they become a source of revenue, do they become a source of ideas, do they become a source of strength for this Nation?

If you do not like to spend money on welfare, spend it on education. Then you do not have to worry about the welfare. But you cannot cut it all off.

If we are to go ahead and balance the budget, if we are to pay for our extravagances, then let us pay the price, our generation, not the young, not those 3 to 21.

This cut pretty much describes the mood of the Congress, but I hope not of the Nation, as to accountability, as to priorities, and as to sacrifice.

The last to be sacrificed should be our children—the last. They are in the forefront of this political exercise.

I would hope my colleagues will go ahead and support this amendment.

I think the Senator from Illinois had a request to make.

(Mr. BIDEN assumed the chair.)

Mr. PERCY. I thank my distinguished colleague.

I wanted to ask of the floor managers if it would be possible—because I think all Senators are going to want to know what the program is tonight—to see if we can get a sequence. I ask, consistent with the desires of the Senator from Connecticut, whether or not we could not line up now a series of amendments. The Senator from Illinois has two additional amendments, at least, that he would like to call up tonight. I would be prepared to go ahead with those at any time. If the Senator from Connecticut has amendments, maybe we can alternate on them or whatever way he wants to proceed.

Mr. WEICKER. Mr. President, I do not think this matter, I say to my friend from Illinois, is in my hands at all. As I understand it, the agreement called for the discussion of the McGovern amendment, then the Percy, Weicker, and so on, in order.

As I have indicated, I have no special hold on this floor. I am going to bring up my amendments whenever I am recognized. I really have no suggestion to make.

I still have three amendments to go. I do not expect I shall be taking the maximum amount of time on them. It depends on what the response is. I have no intention of prolonging matters unduly here.

I really think the answer is better gotten from the majority leader than it is from me.

Mr. PERCY. I should like to put the request, then, to the majority leader. The Senator from Illinois feels that half an hour would be adequate for each amendment, Nos. 1749 and 1750, and would be quite willing to enter into a time limitation agreement at this time if we could put them in sequence, then—probably following the pending amendments.

Mr. ROBERT C. BYRD. Will the Senator yield?

Mr. PERCY. I am happy to yield.

TIME-LIMITATION AGREEMENT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on each of the two amendments by Mr. PERCY, which he has indicated by number, there be a time limitation of 30 minutes, to be equally divided in accordance with the usual form; that following the pending amendment by Mr. WEICKER, Mr. PERCY be allowed to proceed with one of his amendments. I have an amendment, too, that I would like to call up.

Mr. PERCY. I should be happy to take up the first one after Senator WEICKER and if Senator BYRD would like to come in at that point, fine.

Mr. ROBERT C. BYRD. All right. I ask unanimous consent that following Mr. WEICKER, Mr. PERCY be recognized for one of his amendments; that I be recognized for my amendment; and that Mr. PERCY be recognized then for his second and last amendment; that Mr. WEICKER then be recognized for his third amendment.

Mr. WEICKER. Mr. President, as far as I am concerned, I shall be glad to squeeze in wherever I can.

I know Senator SCHWEIKER wanted to come into this act at some point. I am sure he would like to be on the list as soon as possible, so why not have him come in?

Mr. ROBERT C. BYRD. Have Mr. SCHWEIKER following the second Percy amendment preceding the third Weicker amendment?

Mr. PERCY. Yes.

The PRESIDING OFFICER. Is there objection?

Mr. PERCY. Reserving the right to object, I have just one question. I should like to ask the distinguished majority leader if he set a time limitation on his own amendment, or does he have any statement as to what it might be? I would like to know so I could plan my time.

Mr. ROBERT C. BYRD. I shall be glad to cut the time on my amendment.

Mr. PERCY. The Senator from Illinois has two other pending amendments on which I have not made a decision yet as to whether I shall call them up. I should not want to be precluded from calling those up. I think the majority leader said the remaining amendment. There are two others on which I have not yet made a decision. This agreement will enable us to dispose of these two amendments, then, and the others I have a reservation about.

Mr. ROBERT C. BYRD. After the amendment by Mr. WEICKER, Mr. PERCY will have an amendment; then I shall have an amendment, an amendment to my amendment; then Mr. PERCY will be recognized again for his second amendment. We can put Mr. SCHWEIKER in at that point, if there is no objection. I would put him in ahead of myself.

Mr. SCHWEIKER, then, following Mr. PERCY's second amendment; then mine.

Mr. PERCY. I think at the same time we vitiate the order, but there could be a possibility that I shall have one additional amendment, so I shall follow Mr. WEICKER with that.

Mr. ROBERT C. BYRD. Maybe we had better stop at this point.

Mr. BELLMON. Mr. President, I think the Senators should take a look at the clock. It is already 8:30. With what has been agreed to, it looks like we shall be here until daylight, but I am willing.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request? There being none, it is so ordered.

Mr. BELLMON. Mr. President, I yield myself 5 minutes.

Senator WEICKER, in explaining his amendment, made a statement which I may have misunderstood. I believe I heard him say that this amendment cuts funds for education of the handicapped. If that is, in fact, his impression, I suggest he look at the committee report, page 135. I shall read the paragraph, then I would like to explain in a moment what happened.

The paragraph says:

> The Committee recommendation assumes savings in impact aid and increases for Head Start, handicapped education, and elementary and secondary education.

What happened is that the committee assumed those savings in impact aid and also some savings in vocational education, plus some scattered programs. But we more than offset those savings by a $500 million increase for Head Start, handicapped, and education for the disadvantaged. So I think we have tried to do the very thing the Senator from Connecticut so eloquently described as a high priority.

I understand what we are doing here in the resolution is not line itemizing, but we have simply made room for the authorizing and appropriating committees to have funds available if they choose to use them in that fashion.

Mr. President, the programs the Budget Committee has recommended cutting in function 500 are programs which, after considerable debate, we felt could be cut and still meet the Nation's high-priority needs addressed in this important function.

We cut the "B" payments in impact aid. At least, we have assumed that cut. Every President since Eisenhower has supported cutting these payments.

We assumed cuts in the student loan programs for higher and continuing education. The cuts we assumed in these loan programs reflect the reforms proposed in S. 1600—introduced by Senator KENNEDY and myself, referred to earlier this evening—similar to reforms proposed by the administration, and very similar to the bill reported by the Senate Labor and Human Resources Committee. These reforms have in common the fact that they will make it possible to make more loans to more students at a lower cost. I take this opportunity to say that I am pleased that the Senate appears headed in the direction of adopting these important reforms, and I expect to support them on the floor when the legislation is brought here for consideration.

I must also say that, in over 2 years since we started work on student loan reforms, I have been surprised and delighted to find that we could actually save money and serve more students.

That is one of these remarkably interesting developments that sometimes occurs. Here is a case where we can do a better job for more students, yet save money for the taxpayers.

I hope my colleagues will support this bill when it reaches the floor and that should not be too many days from now.

The committee assumed elimination of basic education opportunity grants to students from families with incomes over about $20,000 per year. The grants these students receive are not large, and in these tight times we felt we must concentrate our resources on grants to students from needier families.

The committee assumes phasing out the CETA title VI public service jobs program by the end of fiscal year 1981. The Senate adopted this proposition twice last year—it was a specific assumption which underlay the first and second resolutions on the budget—and it was specifically spelled out in our reports.

The Budget Committee continues this assumption, in this resolution. It was our opinion that it is high time we got rid of this so-called temporary employment assistance program. Like most temporary programs, it has tended to become institutionalized. It is not a good countercyclical device. It sends money to every area of the country—no matter how low the unemployment rates.

That includes my own State, where unemployment has been down around 3 percent. Yet we continue to get CETA title VI money, which we really would be better off without.

The Senate may recall, we tried to fix that last year, on the Labor-HEW appropriations bill, and the House refused in conference to agree to our position. We were going to limit distribution of these funds to areas with unemployment above the so-called full employment goal in the Humphrey-Hawkins Act, and the House would not agree.

These jobs do not go to the hard core unemployed. The committee recommends increasing funds for the programs which serve unemployed youth and the hard core unemployed. The administration has already told CETA prime sponsors to stop hiring this year, in title VI. If we continue that policy, we can have an orderly phaseout of the program. Under the law, no one can stay in the program more than 18 months. So if we start now to phase out the program by the end of next year, the people who have to leave the program would have to leave anyway—and we would not needlessly cause additional layoffs.

Mr. President, the Budget Committee recommends increasing funds for education programs for the handicapped, the disadvantaged, and for Head Start.

The Budget Committee recommends increases above current law levels for social services. And I say again the committee recommends increases for the programs which serve unemployed youth and the hard core unemployed.

Mr. President, when we look at what we have done, we have tried to meet priorities described by the Senator from Connecticut. We feel we have not worked a hardship on those who are not able to take care of their own needs. But, rather, concentrated spending where needs are greatest and the recipients least able to solve their own problems.

Mr. President, I also point out that in this function 500, we have had some of the most rapid growth over the years that we have had in place in government.

For instance, in constant dollars, from 1965 to 1979, this program, and this is constant dollars, after inflation is taken out of it, the program, function 500, has increased by over 60 percent.

In the 15 years between 1965 and 1981, we have increased funding in this program over 60 percent in constant dollars.

So we have, certainly, not neglected the needs of our citizens in this area.

I urge defeat of the amendment by the Senator from Connecticut.

The PRESIDING OFFICER. Who yields time?

Mr. HOLLINGS. Mr. President, I would make one statement.

I think the distinguished Senator from Oklahoma has covered what would concern the Senator from Connecticut, the Senator from Oklahoma and myself, and that is, of course, handicapped children and the tremendous value of education, as we have been in the vanguard working in these programs.

The Senator referred to the page in the book, a particular report where we added on $0.5 billion. Here, we were cutting programs.

Let me go to the heart of that $200 million that we did assume in a rescission—the President, I do not want to confuse anyone—the President assumed $300 million from elementary and secondary education (including concentration grants) and an additional $200 million from higher education.

When he reduced it 5, we reduced it 4. The Weicker amendment puts back 0.2 of that 4 in 1980, and adds $0.6 billion in budget authority in 1981, which puts us out of balance by $200 million in outlays.

But I have been in the field of education slightly over a 30-year period. I know the economics of education is exactly the opposite of what is assumed in concentration grants. I knew we had a political approach as soon as they mentioned it.

I have been hearing education budgets for 30 years. I started a sales tax for public education in 1950. I was the author of the bill.

I found from being chairman of my own educational budgets, in the city where there was concentration, that money was there due to the concentration. We could get enough money to build a school, a lunchroom, playroom, gymnasium, science labs, and all the things needed. But in the sparse areas outside, we could put it out there and not get money enough for the lunchroom.

The poor little folks, where they were scattered, needed what we said was countrywide.

We put on three extra mills back in those dark days. To do what? Construct schools in the sparsely settled areas. That is where we were trying to get extra money.

Over the years, Hartford, Conn., Columbia, S.C., and others, we have got the business. If we look architecturally, they were sounder built a hundred years ago, easily almost 200, perhaps, up in Connecticut. Those old buildings, painted and fixed up, go way back, and these concrete blocks are temporary buildings that we have in the sparsely rural areas.

I inquired more closely as a member of the HEW Appropriation Subcommittee about the concentration grants. I found out the money was to go to about 12 different places in the United States. They came up and testified and tried to add it on and say, "Oh, no, it is nationwide." But then we looked, and it is fallacious. It is a political solution to a political problem, certainly not a financial approach to education. Concentration grants won't help us go in the rural areas of Connecticut, and areas like that, to bring them in and really build a first-rate building. So we had them that were built in the old inner cities and spruced up some of the best buildings we had, and they are more energy efficient, in fact, than these new glass-front things.

So much for concentration grants.

We mentioned the matter of B students on impacted aid.

Some of our staff in this particular debate, they have worked very diligently for the committee, live out in Maryland.

Now, out in Maryland, they are paying taxes on their homes in Maryland. The theory of the grant for B students is that since they work for the Government—and they are now working for this committee in this U.S. Senate—the Federal Government should help pay for their education. But they pay the taxes out in Maryland for that.

This is a sort of double-dip proposition. The theory of the impacted aid was to help pay for students who lived on the Federal reservation itself, and the schools could not get the tax money.

Yet we had to provide the public education for those particular students. That was the impacted aid, student aid program.

So we found out we could do some economizing at that particular level. I think those ought to be counted.

We do not want to put this budget out of balance $200 million, and, under no circumstances, I agree with Senator WEICKER, we do not want to cut funds for the handicapped children. We are increasing that, and other programs, by $500 million.

The PRESIDING OFFICER. The Senator from Connecticut.

Mr. WEICKER. Mr. President, I will respond to some points raised because I think they are important.

First, I state that, to me, a lack of education is no different in the city than in the rural areas. If, indeed, educational opportunity is lacking in the rural areas, let us add some money to the budget and make sure concentration grants are available for those areas of less than 5,000 children, low income children, those in the poverty level.

Fine by me. As far as I am concerned, it is not political.

I have very few rural areas in the State of Connecticut in that category. But that is neither here nor there.

I could not agree more. Who needs a child without an educational opportunity? That is just tragic, no matter where it occurs.

The fact remains that good education to these children in the urban areas—and you can speak for the rural areas—costs money. Yes, it does. You cannot get the teachers to go in there, No. 1. They do not have the physical plant, No. 2. You need special programs to bring them along and to the level of the opportunity enjoyed by children who have had a far better background and far better educational training. It costs money.

I am not saying that you can throw money at a problem and lick it. You need the programs and the personnel.

There is no point in kidding ourselves that we are going to be able to do this job with the disadvantaged with mirrors or by telling them they live in a far better country because we have balanced the budget and, therefore, they should be educated.

I do not wear the hair shirt, as many of my colleagues do, about the miserable job public education has done in this country. I think it has done a fantastic job. As I look around me and see those who have benefited from it and see the jobs they hold, I have no apologies.

I will admit money was wasted, but the bottom line is, take a look at who is educated and who has the opportunity in this country today, compared to just 30 years ago, 20 years ago. A handful of people went to some private schools, and the others had to live with public education. A lucky few went to Princeton or Harvard. That is not so any more. A good education is available to a great majority of our citizens.

The fact still remains that when it comes to education and the quality of it and the opportunities emanating therefrom, we still are seriously deficient in our urban areas. That is where the concentration of the poor is. Those are the ones for whom I speak this evening. Indeed, if there are further concentrations in the rural areas, let us get at that problem, also.

Now I come to the handicapped.

The Budget Committee has made certain assumptions. I make different assumptions. Do not forget that when we passed the law, we were going to take care of 40 percent of the excess costs—40 percent, Senator HOLLINGS and Senator BELLMON. Does your budget provide for 40 percent of the excess cost to educate a handicapped child? You believe it does not. The committee's figure might be a little higher than that of the administration's. They are somewhere around 9 or 10 percent or 12 percent, but that is far short of the 40 percent when we passed the law.

Now what are you going to do—pass the law but not pay for it? Even now, the disadvantaged and the handicapped are under a tremendous burden because they are looked upon as the cause for diminishing educational opportunity for normal children, since the pie is smaller and the boards of education do not want to respond. So we are going to put a further squeeze here by virtue of what you are doing.

You can say, "That was in our asumptions. Yes, it means that we were going after CETA; yes, we were going after impact aid;" or whatever it is. That is not the way it works out when the pot is divvied up.

We talk about inflation. Make no mistake about it: If you want to get productive money—I said earlier that productive money is housing, productive money is education. It is not inflation.

Whether Senators are for defense or against defense, there is not one economist in this Nation or anywhere in the world who is not going to tell you that defense spending is the most inflationary of all, and you are not even going to talk about it. We are going to talk about it, because I am going to talk about it later.

To say that education is inflationary, in light of what is being done on the defense side, regardless of systems or dollar amounts, nobody will argue that it is not the most inflationary of all.

So I will continue to argue for this investment. This is the investment that is going to make us productive. This is the investment that is going to get rid of welfare. This is the investment that is going to be able to take millions out of the Federal budget, which now goes in grants and all the rest, and will come back to us in terms of taxes and in terms of a quality of life we can be proud of.

I repeat what I said at the outset: What appalls me about this is the change in psychology from a Nation that used to live for its children to a Nation that, with this kind of spending, wants to live off them, in the sense of what it is not going to have. It is bad and should be changed.

I hope this amendment is agreed to. I am prepared to yield back the remainder of my time.

The PRESIDING OFFICER. Is all time yielded back?

Mr. BELLMON. Mr. President, I should like to make a couple of comments in response to what the Senator has said.

First, his last comment about how we are living off our children, troubles the Senator from Oklahoma. A moment ago, I put figures into the RECORD.

We decidedly are not living off our children. We have increased this function, as I said, by 62 percent, in real dollars, since 1965.

We certainly are doing everything that the Senator from Connecticut wants. We are not doing everything the Senator from Oklahoma would like to do in the educational function. But the fact is that when we have a tight budget situation, as we have this year, we simply cannot do everything for everyone; and we feel that we were very considerate and very fair with function 500.

So far as the handicapped poor are concerned, for the last 3 years, the program has not been able to spend the money we had allocated for it. It is true that we have not put up the full 40 percent, but we apparently are providing money even more rapidly than the program can absorb it. So there is no point in putting in other additional money that will not be spent.

Here, again, I think we have been responsible; and I hope that the Senator from Connecticut, when he looks into it, will agree. The program has now only begun to spend last year's money.

The committee assumption would accommodate as great an increase in the program as anyone reasonably expects it can spend. It is $100 million above the President's request.

In all candor, I feel that we have been responsible in looking after the needs of our handicapped children.

The PRESIDING OFFICER. Is all time yielded back?

Mr. HOLLINGS. I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the Weicker amendment, No. 1713, to be followed by the motion to table the McGovern amendment, 1703, to be followed by a vote on the Percy amendment, No. 1751.

Mr. ROBERT C. BYRD. Mr. President, the first vote, may I say respectfully to the Chair, is in relation to the amendment by Mr. MCGOVERN. That is to be followed by the vote with respect to the Percy amendment, to be followed by the vote with respect to the Weicker amendment.

The PRESIDING OFFICER. The Chair is informed that the Journal reflects a different order. The Journal reflects the order as a vote first on the Weicker amendment, No. 1713, to be followed by a vote on the tabling motion on the McGovern amendment, to be followed by an up and down vote on the Percy amendment. That is what the Journal states.

Mr. ROBERT C. BYRD. Mr. President, I have never been in this position before, of arguing with the Journal; but it certainly was my intent, and I think I have stated it in that fashion. I should like to know how other Senators heard it.

Mr. WEICKER. I thought that was it, too.

Mr. HOLLINGS. That is the way I heard it.

Mr. ROBERT C. BYRD. Mr. HOLLINGS and Mr. WEICKER think so.

The PRESIDING OFFICER. Without objection, we will proceed.

Mr. ROBERT C. BYRD. I thank the Chair.

The PRESIDING OFFICER. Without objection, the order will be as suggested by the distinguished majority leader, which is as follows: A vote on the motion to table the McGovern amendment, to be followed by a vote on the Percy amendment, to be followed by a vote on the Weicker amendment.

Mr. GOLDWATER. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Arizona will state it.

Mr. GOLDWATER. Would a motion to table all three be in order at one vote?

The PRESIDING OFFICER. Not other than by unanimous consent.

Mr. GOLDWATER. I did not hear the Chair.

The PRESIDING OFFICER. It would not be in order unless the Senator from Arizona was able to obtain unanimous consent.

Mr. GOLDWATER. I doubt that. [Laughter.]

The PRESIDING OFFICER. The question is on agreeing to the motion to table the McGovern amendment, No. 1703. On this question the yeas and nays have been ordered and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Alaska (Mr. GRAVEL), the Senator from Hawaii (Mr. INOUYE), the Senator from Massachusetts (Mr. KENNEDY), the Senator from Vermont (Mr. LEAHY), the Senator from Hawaii (Mr. MATSUNAGA), the Senator from Georgia (Mr. TALMADGE), the Senator from Ohio (Mr. METZENBAUM), the Senator from Georgia (Mr. NUNN), and the Senator from Mississippi (Mr. STENNIS) are necessarily absent.

I further announce that, if present and voting, the Senator from Georgia (Mr. NUNN) would vote "yea."

Mr. STEVENS. I announce that the Senator from Maryland (Mr. MATHIAS), the Senator from South Dakota (Mr. PRESSLER), and the Senator from North Dakota (Mr. YOUNG) are necessarily absent.

The PRESIDING OFFICER (Mr. HEFLIN). Are there any Senators in the Chamber who desire to vote?

The result was announced—yeas 70, nays 17, as follows:

[Rollcall Vote No. 113 Leg.]

YEAS—70

Armstrong
Baker
Baucus
Bellmon
Bentsen
Biden
Boren
Boschwitz
Burdick
Byrd,
  Harry F., Jr.
Byrd, Robert C.
Cannon
Chafee
Chiles
Church
Cochran
Cohen
Danforth
DeConcini
Domenici
Durkin
Eagleton
Exon
Ford
Garn
Glenn
Goldwater
Hart
Hatch
Hayakawa
Heflin
Heinz
Helms
Hollings
Huddleston
Humphrey
Jackson
Jepsen
Johnston
Laxalt
Long
Lugar
Magnuson
McClure
Melcher
Morgan
Moynihan
Nelson
Packwood
Percy
Proxmire
Pryor
Randolph
Ribicoff
Riegle
Roth
Sarbanes
Sasser
Schmitt
Schweiker
Simpson
Stafford
Stevens
Stewart
Stone
Thurmond
Tower
Wallop
Warner
Zorinsky

NAYS—17

Bayh
Bradley
Bumpers
Cranston
Culver
Dole
Durenberger
Hatfield
Javits
Kassebaum
Levin
McGovern
Pell
Stevenson
Tsongas
Weicker
Williams

NOT VOTING—12

Gravel
Inouye
Kennedy
Leahy
Mathias
Matsunaga
Metzenbaum
Nunn
Pressler
Stennis
Talmadge
Young

So the motion to lay on the table Mr. MCGOVERN's amendment (No. 1703) was agreed to.

Mr. HOLLINGS. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. BELLMON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 1751

The PRESIDING OFFICER. Under the previous order, the Senate will now proceed to vote on amendment No. 1751, the Percy amendment. The question is on agreeing to the amendment of the Senator from Illinois. The yeas and nays have been ordered, and the clerk will call the roll.

Mr. HOLLINGS. Up and down vote.

The PRESIDING OFFICER. Up and down vote. The clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Alaska (Mr. GRAVEL), the Senator from Hawaii (Mr. INOUYE), the Senator from Massachusetts (Mr. KENNEDY), the Senator from Vermont (Mr. LEAHY), the Senator from Hawaii (Mr. MATSUNAGA), and the Senator from Georgia (Mr. TALMADGE), are necessarily absent.

Mr. STEVENS. I announce that the Senator from Maryland (Mr. MATHIAS), the Senator from South Dakota (Mr. PRESSLER), and the Senator from North Dakota (Mr. YOUNG), are necessarily absent.

The PRESIDING OFFICER. Are there any Senators in the Chamber desiring to vote?

The result was announced—yeas 38, nays 52, as follows:

[Rollcall Vote No. 114 Leg.]

YEAS—38

Armstrong
Bayh
Bumpers
Church
Cochran
Cohen
DeConcini
Dole
Durenberger
Ford
Garn
Hart
Hatch
Hatfield
Hayakawa
Heinz
Helms
Humphrey
Laxalt
Levin
Lugar
McGovern
Melcher
Morgan
Packwood
Percy
Proxmire
Pryor
Ribicoff
Sasser
Schmitt
Schweiker
Simpson
Stone
Thurmond
Tower
Wallop
Zorinsky

NAYS—52

Baker
Baucus
Bellmon
Bentsen
Biden
Boren
Boschwitz
Bradley
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Chafee
Chiles
Cranston
Culver
Danforth
Domenici
Durkin
Eagleton
Exon
Glenn
Goldwater
Heflin
Hollings
Huddleston
Jackson
Javits
Jepsen
Johnston
Kassebaum
Long
Magnuson
McClure
Metzenbaum
Moynihan
Nelson
Nunn
Pell
Randolph
Riegle
Roth
Sarbanes
Stafford
Stennis
Stevens
Stevenson
Stewart
Tsongas
Warner
Weicker
Williams

NOT VOTING—9

Gravel
Inouye
Kennedy
Leahy
Mathias
Matsunaga
Pressler
Talmadge
Young

So Mr. PERCY's amendment (No. 1751) was rejected.

Mr. HOLLINGS. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. BELLMON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 1713

The PRESIDING OFFICER. Under a previous order, the Senate will now proceed to the consideration of a vote on amendment No. 1713 of the Senator from Connecticut (Mr. WEICKER). The yeas and nays have been ordered and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Alaska (Mr. GRAVEL), the Senator from Hawaii (Mr. INOUYE), the Senator from Massachusetts (Mr. KENNEDY), the Senator from Vermont (Mr. LEAHY), the Senator from Hawaii (Mr. MATSUNAGA), and the Senator from Georgia (Mr. TALMADGE) are necessarily absent.

Mr. STEVENS. I announce that the Senator from Maryland (Mr. MATHIAS), the Senator from South Dakota (Mr. PRESSLER), and the Senator from North Dakota (Mr. YOUNG) are necessarily absent.

The PRESIDING OFFICER. Are there any other Senators desiring to vote?

The result was announced—yeas 14, nays 76, as follows:

[Rollcall Vote No. 115 Leg.]

YEAS—14

Bradley
Cochran
Durkin
Hatfield
Levin
Moynihan
Nelson
Pell
Randolph
Riegle
Stevens
Tsongas
Weicker
Williams

NAYS—76

Armstrong
Baker
Baucus
Bayh
Bellmon
Bentsen
Biden
Boren
Boschwitz
Bumpers
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Chafee
Chiles
Church
Cohen
Cranston
Culver
Danforth
DeConcini
Dole
Domenici
Durenberger
Eagleton
Exon
Ford
Garn
Glenn
Goldwater
Hart
Hatch
Hayakawa
Heflin
Heinz
Helms
Hollings
Huddleston
Humphrey
Jackson
Javits
Jepsen
Johnston
Kassebaum
Laxalt
Long
Lugar
Magnuson
McClure
McGovern
Melcher
Metzenbaum
Morgan
Nunn
Packwood
Percy
Proxmire
Pryor
Ribicoff
Roth
Sarbanes
Sasser
Schmitt
Schweiker
Simpson
Stafford
Stennis
Stevenson
Stewart
Stone
Thurmond
Tower
Wallop
Warner
Zorinsky

NOT VOTING—9

Gravel
Inouye
Kennedy
Leahy
Mathias
Matsunaga
Pressler
Talmadge
Young

So Mr. WEICKER's amendment (No. 1713) was rejected.

Mr. HOLLINGS. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. ROBERT C. BYRD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. Under the previous order, the Senator from Illinois (Mr. PERCY) is recognized to call up his amendment numbered 1749.

AMENDMENT NO. 1749

(Purpose: To reduce spending, lessen tax burdens, and alleviate American dependence on foreign oil by improving energy conservation practices in Federal buildings and facilities, thereby saving $300,000,000 in fiscal year 1981, $350,000,000 in fiscal year 1982, and $400,000,000 in fiscal year 1983)

Mr. PERCY. Mr. President, I call up my amendment No. 1749 and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Illinois (Mr. PERCY) proposes amendment numbered 1749.

Mr. PERCY. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 2, line 6, insert "$612,600,000,000" in lieu of "$612,900,000,000".

On page 2, line 7, insert "$696,850,000,000" in lieu of "$697,200,000,000".

On page 2, line 8, insert "$780,200,000,000" in lieu of "$780,600,000,000".

On page 2, line 12, insert "$4,000,000,000" in lieu of "$3,700,000,000".

On page 2, line 13, insert "$9,950,000,000" in lieu of "$9,600,000,000".

On page 2, line 14, insert "$33,900,000,000" in lieu of "$33,500,000,000".

On page 2, line 17, insert "$687,600,000,000" in lieu of "$687,900,000,000".

On page 2, line 18, insert "$758,950,000,000" in lieu of "$759,300,000,000".

On page 2, line 19, insert "$831,100,000,000" in lieu of "$831,500,000,000".

On page 2, line 22, insert "$612,600,000,000" in lieu of "$612,900,000,000".

On page 2, line 23, insert "$686,850,000,000" in lieu of "$687,200,000,000".

On page 2, line 24, insert "$753,100,000,000" in lieu of "$753,500,000,000".

On page 4, line 6, insert "$173,300,000,000" in lieu of "$173,400,000,000".

On page 4, line 7, insert "$155,600,000,000" in lieu of "$155,700,000,000".

On page 4, line 10, insert "$204,400,000,000" in lieu of "$204,500,000,000".

On page 4, line 11, insert "$183,000,000,000" in lieu of "$183,100,000,000".

On page 4, line 14, insert "$233,800,000,000" in lieu of "$233,900,000,000".

On page 4, line 15, insert "$208,500,000,000" in lieu of "$208,600,000,000".

On page 5, line 23, insert "$11,550,000,000" in lieu of "$11,600,000,000".

On page 5, line 24, insert "$11,950,000,000" in lieu of "$12,000,000,000".

On page 6, line 1, insert "$11,750,000,000" in lieu of "$11,800,000,000".

On page 6, line 2, insert "$12,550,000,000" in lieu of "$12,600,000,000".

On page 6, line 4, insert "$11,850,000,000" in lieu of "$11,900,000,000".

On page 6, line 5, insert "$12,750,000,000" in lieu of "$12,800,000,000".

On page 7, line 3, insert "$19,850,000,000" in lieu of "$19,900,000,000".

On page 7, line 4, insert "$18,150,000,000" in lieu of "$18,200,000,000".

On page 7, line 6, insert "$18,850,000,000" in lieu of "$18,900,000,000".

On page 7, line 7, insert "$19,350,000,000" in lieu of "$19,400,000,000".

On page 7, line 9, insert "$19,650,000,000" in lieu of "$19,700,000,000".

On page 7, line 10, insert "$20,050,000,000" in lieu of "$20,100,000,000".

On page 9, line 2, insert "$304,350,000,000" in lieu of "$304,400,000,000".

On page 9, line 3, insert "$271,850,000,000" in lieu of "$271,900,000,000".

On page 9, line 6, insert "$21,450,000,000" in lieu of "$21,500,000,000".

On page 9, line 7, insert "$20,950,000,000" in lieu of "$21,000,000,000".

On page 9, line 9, insert "$23,050,000,000" in lieu of "$23,100,000,000".

On page 9, line 10, insert "$22,650,000,000" in lieu of "$22,700,000,000".

On page 9, line 12, insert "$24,550,000,000" in lieu of "$24,600,000,000".

On page 9, line 13, insert "$24,150,000,000" in lieu of "$24,200,000,000".

On page 9, line 19, insert "$4,350,000,000" in lieu of "$4,400,000,000".

On page 9, line 20, insert "$4,450,000,000" in lieu of "$4,500,000,000".

On page 9, line 22, insert "$4,550,000,000" in lieu of "$4,600,000,000".

On page 9, line 23, insert "$4,650,000,000" in lieu of "$4,700,000,000".

On page 10, line 1, insert "$4,550,000,000" in lieu of "$4,600,000,000".

On page 10, line 2, insert "$4,250,000,000" in lieu of "$4,300,000,000".

On page 10, line 4, insert "$4,750,000,000" in lieu of "$4,800,000,000".

On page 10, line 5, insert "$4,650,000,000" in lieu of "$4,700,000,000".

On page 10, line 7, insert "$5,050,000,000" in lieu of "$5,100,000,000".

On page 10, line 8, insert "$4,850,000,000" in lieu of "$4,900,000,000".

Mr. PERCY. Mr. President, though I have 30 minutes for this amendment, I think the need and the desirability of the amendment is such that I can yield back a good portion of my time.

The PRESIDING OFFICER. The Chair does not like to correct the Senator, but he only has 15 minutes and the opposing side has 15 minutes.

Mr. PERCY. Mr. President, the Congress of the United States and the administration have worked for many years to sell the concept of conservation as the cheapest and best form of energy available to the country. Through high prices, the public has become conscious of conservation. They are not conserving necessarily in the national interest, though it is; they are conserving because it is in their own self-interest. The best way to save money in a family budget today is to cut the consumption of energy. The best way to make money for a corporation, many of them are finding, is to cut their energy consumption.

The best way to help balance the budget of a hospital or an institution of any kind, including a university, is to cut energy consumption. Rising prices are serving as an incentive to save energy in every place except the Federal Government. We are simply not getting the message across to the Government of the United States that money must be saved through energy conservation. Far too much money is available for energy consumption by the Government.

There is an urgent need to conserve energy and reduce our imports of foreign oil. Our rising oil bill for oil imports is a major cause of inflation. While balancing the budget will help in the fight against inflation, the inflation problem will not be resolved until we reduce our consumption of foreign oil, which is rapidly escalating in price. And, as we well know, oil imports are a threat to our national security.

The Nation, at long last, is beginning to recognize that energy consumption must be reduced and, throughout the private sector, we are seeing reduced consumption of energy; this is heartening to all of us.

However, the Federal Government has a poor record in the area of energy conservation. Not only is this embarrassing, but it is damaging to our Nation's overall conservation effort. In fact, in many areas, the Federal Government's consumption of energy has been actually increasing.

Some agencies have taken significant steps to reduce energy consumption. The Department of Defense has taken significant steps to reduce energy consumption and the Postal Service and GSA also deserve credit in this regard. A recent report released by the Department of Energy, however, shows that overall energy consumption increased between 1975 and 1978 in 10 of the 18 largest Government agencies. While the rest of the country is reducing energy consumption, the Federal Government, in 10 out of 18 agencies, is actually increasing its consumption of energy.

Mr. President, I ask for order in the Chamber and I am happy to yield to my distinguished colleague from West Virginia.

Mr. RANDOLPH. Mr. President, the knowledgeable Senator from Illinois (Mr. PERCY) laments the overseas oil and also calls attention to certain agencies of the Federal Government failing in the conservation of energy. We are using many facilities of our Federal buildings over and over again, throughout America, with huge tanks filled with petroleum, rather than having those buildings energized, lighted, heated, through the use of coal.

Senators should realize what is happening today in our Federal Government. Over again and again, in our Federal structures, coal is being placed on a back burner; yet petroleum is being used in huge amounts.

I use the example of the General Services Administration as one of the agencies at fault. For example, with no valid reason the Federal building in Wheeling, W. Va., in a heavy coal production area, was switched to an oil fired boiler system.

Mr. PERCY. I thank my distinguished colleague. Obviously, we all know that if we could convert to coal, we could reduce our oil imports. But also, if we could conserve and insulate and improve the efficiency in our buildings, no matter what type of fuel or energy we use, we could save the Government money.

The potential for energy conservation in the Federal Government is great indeed. Last winter, GAO released a report stating that the Federal Government can reduce its energy consumption by 15 to 30 percent. This reduction would result in a significant savings in Federal expenditures; this is a goal certainly worth seeking. Moreover, these savings would not be difficult to achieve. Audits conducted by the Postal Service in eight of its buildings showed that energy consumption could be reduced by 26 percent merely by improving maintenance and operation.

In 1977, President Carter issued an Executive order calling for a 20-percent reduction in energy consumption in Federal buildings and facilities by the year 1985.

It does not appear that this goal will be met, however.

In 1979, the President set further goals which were not met. Somehow, in this budget, we must send a message to the Federal Government that the directive of the President must be adhered to and we intend to reduce allowances for energy consumption to insure that this directive is met. Exhortations have simply not been sufficient. In 1975, Congress directed the Department of Energy to develop a 10-year plan to conserve energy in Federal buildings and facilities. Ten years later, this plan has still not been developed. Further measures are needed.

The Percy amendment would require Federal agencies to undertake effective energy conservation measures in buildings and facilities by reducing the amount of money available for energy consumption.

The amendment sets a goal of a 20-percent reduction in energy use by 1985. Such a reduction is possible.

President Carter set a similar goal in 1977. GAO has stated that a 15- to 30-percent reduction is possible and these reductions are doable. As stated earlier, the Postal Service has found that a 26-percent reduction in energy use is possible through improved maintenance and operations of its facilities.

The Percy amendment would reduce energy consumption in Federal buildings and facilities by 12 percent in the first year and an additional 2 percent annually until 1985.

This results in a savings of $300 million in fiscal year 1981, $350 million in fiscal year 1982, and $400 million in fiscal year 1983.

These figures are derived from 1979 prices for energy, so greater monetary savings are possible as energy prices rise.

My amendment cuts energy consumption only in Federal buildings and facilities, but we hope that similar conservation efforts will be undertaken in the transportation sector.

This sector has not been cited in the amendment, however, because some cutbacks in the transportation area could be damaging to our national defense effort.

Evidence clearly shows that there is a need for energy conservation in both the public and private sectors.

Evidence also shows, however, that the Federal Government has been slow to undertake the needed conservation effort.

My amendment takes the steps necessary to reduce existing energy waste in Federal buildings and facilities.

We can change the Government's embarrassing energy conservation record into one that is an excellent example for the American public.

Mr. President, I think the average homeowner, the average manager of a business today, would be shocked at the energy waste that goes on in the Federal Government today. There are all kinds of ways to conserve energy in the Federal Government but the taxpayer is still paying the bill for excessive energy waste. Until such time as we send a message to every Federal agency, until we send a message to the Federal bureaucracy that energy conservation is a must, energy waste will continue. The budget passed by the Senate must take into account that a 12 percent reduction in energy consumption is an achievable goal. The Appropriations Committee must not provide the money for wasteful energy use that could be easily eliminated as has been stated in GAO's report and demonstrated by some Federal agencies.

Finally, for the benefit of my colleagues who are interested in tax reductions, the $300 million saved by this amendment could provide funds for a larger tax cut for individuals and businesses. Rather than financing wasteful government consumption of energy—and much of this energy is imported so that the money spent for it goes abroad—we can save $300 million and give it back to American citizens suffering from rising taxes and rapidly rising energy costs.

Mr. President, I reserve the remainder of my time.

Mr. HOLLINGS. Mr. President, after a very long and meaningful discourse, a Senator again wants to send a message. In the Committee on the Budget, we cannot balance the budget with messages. We have to have the money, the revenue. I am sure the distinguished Senator, as a businessman, would not have a comptroller around who said, "We have to have savings, so regardless, let us start counting savings whether or not we have achieved them." He would make that man go out and make the savings, and then he would count it.

But the Senator is asking us to count it before we get it. That is the problem. Particularly, in an energy area in which we are vitally interested in making savings.

For example, right now we have a request on behalf of the Defense Department, for a $5.4 billion supplemental just to meet increased energy costs.

We lost Navy planes, over 126 planes last year, and 74 magnificent pilots, mostly due to pilot error or flying hours. They have not been flying or steaming them because they are trying to reduce energy consumption.

I would like to know, the choppers on that deck that tried to go into Iran, how many flying hours did they have?

I know the teams exercise, but I do not believe the equipment exercises.

We are trying to provide more energy dollars for the Defense Department, but even then we are supplying less resources because of escalating costs.

If there were evidence that we could collect the $300 million, I would be glad to go along. But this is another one of these good wishes, good intents, assumptions.

We cannot send a message. The Senator said the way to do it is to send them a message. That is not true.

The way to do it is to actually save it, actually conserve, and once that is done the Budget Committee will not be laggard in quickly counting the savings. I can say that.

Mr. PERCY. Will the Senator yield for a comment?

Mr. HOLLINGS. Yes.

Mr. PERCY. That is exactly why the Senator commended the Defense Department in his comments for the energy savings they already have made.

Mr. HOLLINGS. This is the Percy sheet. It says $100 million for function 050: Defense. This is the Senator's sheet.

Mr. PERCY. I have excluded the transportation sector from my amendment, however, so additional cuts in necessary defense maneuvers such as these will not have to be cut.

Mr. HOLLINGS. Fifty million dollars for transportation is also included on the sheet. I do not mean to be discourteous but I am trying to read the Senator's sheet.

Let us assume that it is across the board. Again, these would be assumed savings before we really instituted the required conservation practices. When we get those practices on stream and can really predict them with any degree of reliability, the Senator will find the Budget Committee responding and cooperating in any way we can to reduce energy consumption in the Federal Government.

Mr. PERCY. The amendment, to clarify it again, only covers buildings and facilities for the Defense Department, the Department of Transportation and the other Government agencies. Many of these buildings leak like sieves. As I cited earlier, the Postal Service, when it took a look at eight of its buildings, found that just by changing operations and maintenance procedures it could save 26 percent of its energy consumption.

There just is not the incentive, the mandate, to do it.

What we have to do is say to the Appropriations Committee that agencies do not need this money. In the private sector, we can go down the line and there is improved efficiency in energy consumption. There has not been a comparable effort in Federal buildings and facilities, and that is all I am saying.

It is proven we can do it. GAO says we can do it. The Postal Service says we can do it. The Defense Department says we can do it.

Now, we just simply have to reflect it in the budget, otherwise I do not think we will get there.

Mr. HOLLINGS. Mr. President, I think I should remind my colleague that, of course, President Johnson—I started to say, "I love that Lyndon"—in the mid-1960's, started cutting out lights. In 1975, we had in place a Federal policy and directives directing implementation of low-cost energy conservation approaches including turning off lights in the Senate Office Buildings, turning them off in other public buildings, adjusting operating hours, turning down the thermostats. The low cost no-cost responses have been initiated.

To get the high savings we now need, it will not take minimal investment, but a maximum investment.

The message has been sent and everybody has plans, films, and all that. We just cannot count on additional savings until the policy is on stream. Until then, we cannot reflect those savings, nor can we count them in this budget.

We already have assumed a 5-percent reduction in this budget for administrative and operating costs. I would hope that this reduction would stimulate energy savings in every one of the particular departments you have specified. I should say we will have a difficult time holding this reduction with the House in conference.

Mr. PERCY. Mr. President, I commend the Senate Budget Committee for already taking steps to encourage energy conservation by cutting funds for administrative expenses by 5 percent. That has been done. I commend them for taking that step.

But there is no guarantee these reductions will take place at all in the field of energy.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. HOLLINGS. Mr. President, how much time do we have?

The PRESIDING OFFICER. The Senator from South Carolina has 6 minutes remaining. The Senator from Illinois' time has expired.

Mr. PERCY. I have not concluded.

Mr. HOLLINGS. Go ahead.

Mr. PERCY. Indeed, however, other low-cost measures can be taken. The Postal Service projected a 26-percent energy savings in the eight buildings it analyzed. These savings resulted from improved operations. It did not require significant investments, just better management.

After the Arab embargo on oil, the Federal Government reduced its energy consumption a startling 24 percent; but, unfortunately, consumption has started to rise now that the scare is over. The private sector continues to save because of pricing, but there is no pricing in the Federal Government as far as these agencies are concerned because Congress continues to appropriate the money. Unfortunately, energy usage in Federal buildings and facilities is now on the upswing. This is an absolutely disgraceful condition, and I think it should at least be brought to the attention of the American people. Whereas the American people have been listening to the President and to Congress and they are beginning to conserve energy, the Federal Government is not only refusing to conserve energy in many areas, but also, is beginning to increase its consumption of energy again.

Mr. HOLLINGS. I thank the Senator.

Unfortunately, many homeowners have found that whenever they do weatherize and hope to save, they look around and realize they are spending more. They might minimize their costs and the percentage increase but the cost is still higher, and they actually are spending more, because energy costs are escalating.

So what we must have is a track record, some kind of reliable statistical information, that the Federal agencies are actually saving as a result of implementing energy conservation measures. We cannot assume such savings unless they are real.

On that basis, I yield back the remainder of my time. I move to table the amendment, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to table the amendment of the Senator from Illinois. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Alaska (Mr. GRAVEL), the Senator from Hawaii (Mr. INOUYE), the Senator from Massachusetts (Mr. KENNEDY), the Senator from Vermont (Mr. LEAHY), the Senator from Hawaii (Mr. MATSUNAGA), the Senator from South Dakota (Mr. MCGOVERN), and the Senator from Georgia (Mr. TALMADGE) are necessarily absent.

Mr. STEVENS. I announce that the Senator from Maryland (Mr. MATHIAS), the Senator from South Dakota (Mr. PRESSLER), and the Senator from North Dakota (Mr. YOUNG) are necessarily absent.

The PRESIDING OFFICER (Mr. MELCHER). Have all Senators in the Chamber voted?

The result was announced—yeas 50, nays 39, as follows:

[Rollcall Vote No. 116 Leg.]

YEAS—50

Baucus
Bayh
Bellmon
Bentsen
Biden
Boren
Bradley
Burdick
Byrd, Robert C.
Cannon
Chafee
Chiles
Church
Cranston
Culver
Danforth
Domenici
Eagleton
Exon
Glenn
Goldwater
Hart
Hayakawa
Heflin
Hollings
Huddleston
Jackson
Johnston
Kassebaum
Long
Magnuson
McClure
Metzenbaum
Morgan
Moynihan
Nelson
Packwood
Pell
Pryor
Riegle
Roth
Sarbanes
Sasser
Stafford
Stennis
Stevens
Stevenson
Tower
Tsongas
Warner

NAYS—39

Armstrong
Baker
Boschwitz
Bumpers
Byrd, Harry F., Jr.
Cochran
Cohen
DeConcini
Dole
Durenberger
Durkin
Ford
Garn
Hatch
Hatfield
Heinz
Helms
Humphrey
Javits
Jepsen
Laxalt
Levin
Lugar
Melcher
Nunn
Percy
Proxmire
Randolph
Ribicoff
Schmitt
Schweiker
Simpson
Stewart
Stone
Thurmond
Wallop
Weicker
Williams
Zorinsky

NOT VOTING—10

Gravel
Inouye
Kennedy
Leahy
Mathias
Matsunaga
McGovern
Pressler
Talmadge
Young

So the motion to lay on the table Mr. PERCY's amendment (No. 1749) was agreed to.

Mr. HOLLINGS. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, under the order that has been previously entered I am authorized at this time to call up an amendment and after the time has run on that amendment in the first degree I am authorized to call up an amendment in the second degree.

I have discussed this with Senator LONG and others who are cosponsors of the two amendments, and I wish to yield to Mr. LONG to call up the amendment in the first degree which I am authorized to offer under the order. Under the built-in time agreement, there are 2 hours on the first degree amendment and 1 hour on an amendment in the second degree.

I wish not only to yield to Mr. LONG for his offering of the amendment in the second degree, but I wish also to get the consent of the Senate to waive the time on the first degree amendment so as to allow me immediately to offer the amendment in the second degree on which there would be an hour. That would require unanimous consent. And in return for that I wish to get unanimous consent that Mr. BAKER be allowed to divide the votes on the date in the amendment and the waiver provision. Mr. BAKER wishes to have a separate vote on the dates. I want to accord him that privilege of having a division vote.

What I am talking about when I refer to the dates is simply this: The present law provides for final action on the second concurrent resolution to occur no later than September 15. I propose to move that date forward to August 28. For reasons which he and others on his side of the aisle will state, Mr. BAKER and others oppose the moving forward of that date, but I want them to have the privilege of having a separate vote on the date—which they would not have except by unanimous consent, and I intend to propose that unanimous consent, but I also intend to propose that we yield back the time on Mr. LONG's amendment in the first degree and then we can make all our arguments during the 1 hour on my amendment. And the arguments can really be made in less time than 1 hour. But rather than utilize 2 hours on the first amendment and then have an hour remaining on the second amendment, this would save the time of the Senate, allow Senators to make their arguments in toto on the two amendments, and allow Mr. BAKER the division that he seeks.

Mr. BAKER. Mr. President, will the Senator yield to me?

Mr. ROBERT C. BYRD. Yes, I yield, and I am utilizing time on the resolution at this point.

Mr. HOLLINGS. Yes.

Mr. ROBERT C. BYRD. I yield.

Mr. BAKER. Mr. President, I thank the majority leader for yielding.

As our colleagues will divine, there has been a great deal of conversation on this subject spanning this day, and the arrangement suggested by the majority leader I think, in simplest terms, is a good trade for everybody.

I think it is clear that those who have problems with the date section of the resolution will have a fair opportunity by division to have their up-and-down vote on that section.

By the same token, the majority leader, I surmise, does not wish to spend 3 hours on this subject, 2 hours on a first degree amendment and 1 hour on a second degree amendment, and I think we are willing to give up, barring any objection, of which I am not aware of our side, our hour of the 2 hours on the first degree amendment.

So if, in fact, the majority leader does propose a unanimous-consent request to embrace these elements, that is to say, a first degree amendment by the distinguished Senator from Louisiana followed on immediately by a second degree amendment by the distinguished majority leader, followed on immediately by an opportunity for me to divide the second degree amendment into two parts, one dealing with all of the contents on page 1 through and including line 5 on page 2 of the amendment, the second part to encompass lines 6 through 8 of the amendment on page 2, I think it is a good arrangement and I would join with the majority leader in hoping there would be no objection.

Mr. ROBERT C. BYRD. Mr. President, I thank the distinguished minority leader.

I ask unanimous consent that the time on the first degree amendment which Mr. LONG will offer be considered as having been yielded back, and that I immediately offer the amendment in the second degree, and that for the purpose of voting on the amendments, a separate vote be had on the first three paragraphs of the amendment in the first degree and the amendment in the second degree en bloc, the first three paragraphs containing the date of August 28, 1980, and that the second vote then occur on the last paragraph which contains the waiver provision, and that there be 1 hour then in total on the second degree amendment.

Mr. BAKER. Mr. President, reserving the right to object, my attention was momentarily diverted, but I understand there would be 1 hour equally divided on the second degree amendment and that, in turn, would be divided as we might wish on the question of consideration of the first and second divisions of the second degree amendment.

Mr. ROBERT C. BYRD. The 1 hour on the second degree amendment would be equally divided among, if the Senator prefers, myself, Mr. LONG, Mr. BAKER, and anybody else on the other side of the question whom Mr. BAKER would want.

Mr. BAKER. Mr. President, I am not sure that would work. I hope we will have one-half of the 1 hour.

Mr. ROBERT C. BYRD. That is what I am saying. One-half hour for Mr. LONG and myself and one-half hour for Mr. BAKER and the opponents.

Mr. BAKER. Mr. President, I thank the majority leader.

Mr. GOLDWATER. Mr. President, reserving the right to object—and I do not intend to object—it is now after 10 o'clock in the evening, and we are faced with a number of amendments here which, I imagine, will keep us here until 3 o'clock in the next morning, and I am just wondering if there is not a point where frustration has to set in.

All day long, all day yesterday, we sat here on one amendment that was passed.

Now, Mr. President, I think the leadership of this Senate should give consideration to the fact that it is rather obvious we are not going to change this bill. It is rather obvious that most of the amendments that are going to be offered are going to be defeated or in some manner or in some other way handled in a negative way.

I realize the importance of the proposition being made by the majority leader. But, Mr. President, I do not believe that Friday has to be sacrosanct. I happen to be one of those—well, I will not say fortunate or less fortunate Senators—who takes a whole day to get home. So I could not care less about Friday, and I am getting a little sick and tired of this Tuesday to Friday club so that people who live close to Washington up for reelection can get home.

Now, this is one Senator who would just as soon quit right now or within an hour or so, go home and come back here and vote tomorrow. I do not know why it is we feel that we cannot vote on a Friday. I personally am getting a little tired of having to jam the work of this Senate into 3 days to take care of the Senators who are running for reelection, and I happen to be one of them. But my getting home is not as easy as going to New Hampshire or to Kentucky or to some other State that is literally next door.

I would like to urge my friend, the leader of this Senate, for whom I have the greatest respect and I respect the burden on his shoulders—but let us not be married permanently to the idea that we cannot be in session on Friday or cannot take votes on Friday.

I think the later we go the more foolish become our votes, and certainly it should be becoming more obvious that the amendments that are being offered, while I would not put them in the class of foolishness, are certainly useless, and I have reached that point in frustration, frankly, for I doubt that we are doing the country any good by sitting here all night listening to amendments that the offerors of which know they are not going any place, with the possible exception of the majority leader whose position more or less assures the fact that whatever he supposes and proposes will be done.

I would like to suggest to the majority leader that we get on with the business tonight. Let us go home, let us go to bed, and let us come back tomorrow morning at, say, 7 o'clock, totally refreshed, rejuvenated, with the ability to think.

I withdraw my objection.

[Laughter.]

Mr. ROBERT C. BYRD. Mr. President, I thank the Senator. I think his observations are well-taken in many respects, and I hope that Senators will consider them favorably.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

UP AMENDMENT NO. 1076

Mr. LONG. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from Louisiana (Mr. LONG), for himself and Mr. ROBERT C. BYRD, proposes an unprinted amendment numbered 1076.

Mr. LONG. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 21, strike lines 1–23, and insert the following:

"TAX REDUCTION

SEC. 17. (a) No bill or resolution which would reduce federal revenues in fiscal year 1981 by more than $101,000,000 shall be enrolled until after Congress has completed action on the second concurrent resolution on the budget required to be reported under section 310 of the Congressional Budget Act of 1974, such action to be completed not later than August 27, 1980, and on any required reconciliation legislation.

(b) After federal revenues for fiscal year 1981 have "been reduced by enacted bills and resolutions totalling $101,000,000 no other bill or resolution which would reduce revenues in such fiscal year shall be enrolled until after Congress has completed action on the second concurrent resolution on the budget, such action to be completed not later than August 27, 1980, and on any required reconciliation legislation.

MISCELLANEOUS PROVISIONS

SEC. 18. No bill or resolution providing new budget authority for fiscal year 1981 or providing new spending authority described in section 401(c)(2)(C) of the Congressional Budget Act of 1974 for such fiscal year in excess of the allocation made to or reported by a committee or subcommittee pursuant to section 302 of the Budget Act shall be enrolled until Congress has completed action on the second concurrent resolution on the budget for that fiscal year required to be reported under section 310 of the Budget Act, such action to be completed not later than August 27, 1980, and on any required reconciliation legislation.

SEC. 18A. Section 904(b) of the Congressional Budget Act of 1974 shall be deemed to apply to sections 16, 17, and 18 of this Resolution."

UP AMENDMENT NO. 1077

Mr. ROBERT C. BYRD. Mr. President, I send to the desk on behalf of myself, Mr. LONG, Mr. HOLLINGS, Mr. BELLMON, and Mr. CRANSTON an amendment and ask that it be stated by the clerk.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from West Virginia (Mr. ROBERT C. BYRD) for himself, Mr. LONG, Mr. HOLLINGS, Mr. BELLMON, and Mr. CRANSTON proposes an unprinted amendment numbered 1077.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

In lieu of the language proposed to be inserted, insert the following:

"TAX REDUCTION

SEC. 17. (a) No bill or resolution which would reduce federal revenues in fiscal year 1981 by more than $100,000,000 shall be enrolled until after Congress has completed action on the second concurrent resolution on the budget required to be reported under section 310 of the Congressional Budget Act of 1974, such action to be completed not later than August 28, 1980, and on any required reconciliation legislation.

(b) After federal revenues for fiscal year 1981 have "been reduced by enacted bills and resolutions totalling $100,000,000, no other bill or resolution which would reduce revenues in such fiscal year shall be enrolled until after Congress has completed action on the second concurrent resolution on the budget, such action to be completed not later than August 28, 1980, and on any required reconciliation legislation.

MISCELLANEOUS PROVISIONS

SEC. 18. No bill or resolution providing new budget authority for fiscal year 1981 or providing new spending authority described in section 401(c)(2)(C) of the Congressional Budget Act of 1974 for such fiscal year in excess of the allocation made to or reported by a committee or subcommittee pursuant to section 302 of the Budget Act shall be enrolled until Congress has completed action on the second concurrent resolution on the budget for that fiscal year required to be reported under section 310 of the Budget Act, such action to be completed not later than August 28, 1980, and on any required reconciliation legislation.

SEC. 18A. Section 904(b) of the Congressional Budget Act of 1974 shall be deemed to apply to sections 16, 17, and 18 of this Resolution."

Mr. ROBERT C. BYRD. Mr. President, Mr. LONG and I, Mr. HOLLINGS, Mr. BELLMON, and Mr. CRANSTON have offered this amendment after very long and careful consideration. I wish at this time to thank Mr. LONG and the other Senators for the consideration they have given to this proposal and for their cooperation in developing an amendment on which we could all agree and in connection with which we could join our support.

This amendment will accomplish two things: First, it will advance the date for completion of action by Congress on the second concurrent budget resolution from the date of September 15 to the date of August 28, 1980. It only pertains to this 1 year insofar as advancing the date is concerned.

Second, it will specify that sections 16, 17, and 18 of the budget resolution before us may be waived by a majority vote of the Senate. Many of us contend that those sections may be waived by a majority vote of the Senate without this provision. But there are some who do not think that is the case.

This provision that is in the amendment would make it indubitably clear that that is the case—that those three sections can be waived by a majority vote of the Senate.

The Congressional Budget Act sets forth a timetable for the budget process. Action on the first budget resolution is to be completed by May 15. Action on the second resolution is to be completed by September 15.

The amendment which Mr. LONG and I and the others have offered calls for the second resolution to be in place by August 28; that is, for the conference report to be agreed to in both Houses no later than August 28, rather than September 15, as in the present law.

I have discussed the August 28 deadline with the Speaker of the House. He is very much in support of advancing the deadline.

I have discussed it, as I said, with Senator HOLLINGS and Senator BELLMON, the ranking member of the Budget Committee, and they have assured me, and they believe—and I do not presume to speak for them—that this deadline is attainable. Their committee will be able to hold hearings, markup, report, debate, and conference on the resolution by that date.

August 28 is the last day that the Senate will be in session this year before the Labor Day recess.

I believe that it is advisable to move up the date of the second resolution for several reasons.

First. We have, in the budget resolution before us, two provisions (sections 17 and 18) which establish procedures for holding certain bills until after action on the second resolution is completed.

Section 17 states that any measure which would reduce revenues by more than $100 million in fiscal year 1980 will be held at the desk until the second resolution has been adopted.

Section 18 states that spending bills—which includes entitlements and appropriations—be held at the desk until the second resolution is adopted if such bills exceed the "crosswalk" allocations of section 302 of the Budget Act.

I support both of these provisions because I believe they will provide the Congress with the disciplinary procedures to help us stick to the course of action set forth in this budget resolution.

However, Senators have voiced their concern—and it is a legitimate concern—that these two sections could result in undue delay: delay in sending certain tax bills to the President, delay in sending appropriations bills to the President.

By moving up the date by which Congress must complete action on the second resolution, we will help to insure that such measures will not be delayed.

By moving up the date by which Congress completes the second resolution, we will maintain the strengthening procedures which the Budget Committee has recommended, without slowing down the legislative process.

This brings me to the second important reason for advancing the date for action on the second budget resolution:

It is the intention of the joint leadership in both Houses to adjourn by early October, if not before, hopefully. It will be difficult to achieve this goal if the second budget resolution is not adopted until September 15. There is every possibility that a reconciliation bill or resolution may be included as part of the second resolution. Thus, even if the September 15 deadline were met, and this is highly problematical, Congress would still have to act on the reconciliation measure.

A third reason for supporting this part of the amendment relates to the appropriations process. The distinguished chairman of the Appropriations Committee, Mr. MAGNUSON, has repeatedly expressed his willingness to expedite action on appropriations bills. But often appropriations bills do not come over from the House until late in the summer. Or an appropriations measure is held up for lack of an authorization.

If the timetable of the budget process is accelerated, then, with the agreement of the House, we can expect faster action on appropriations and authorizations so that the timetable can be met.

The second significant effect of this amendment is to make it clear that section 16 (dealing with the "credit budget"), section 17 (dealing with tax reduction), and section 18 (dealing with the crosswalk allocation) may be waived by majority vote.

This provision has been discussed with not only Mr. BELLMON and Mr. HOLLINGS, but also with others. And the conclusion of those discussions—which focused on the problems which could be caused by the new procedures contained in the resolution—was that an "escape valve" was necessary. Should an emergency situation arise, the Congress should be able to, in effect, "undo" what it directed itself to do in the first resolution.

Thus the Congress could decide, by majority vote, that a particular measure should be sent to the President for his signature, even though, according to section 17 or 18, it might otherwise be held until the second budget resolution is adopted. It could also decide to waive the requirements of the so-called credit budget provision contained in section 16.

I urge my colleagues to consider and support this amendment. We need to impose upon ourselves procedures which will help to maintain the integrity and discipline of the budget process. But, at the same time, we should not put the Congress into a straitjacket when it comes to responding to changed economic conditions or emergency situations.

I hope that the amendment in the second degree will be adopted.

I want to thank, in particular, Mr. LONG, Mr. BELLMON, Mr. HOLLINGS, and Mr. CRANSTON for their cosponsorship of the amendment.

I yield the floor.

The PRESIDING OFFICER. The Senator from Tennessee.

Mr. BAKER. Mr. President, I begin these remarks by saying that as far as the second division under the unanimous-consent order is concerned, I have no strong views one way or the other. It is clear that an accommodation has been reached between certain committees involved here who have responsibility across jurisdictional lines. I am speaking, of course, of the Finance Committee, the Budget Committee, the Governmental Operations Committee, and the Appropriations Committee. In a word, if those arrangements are satisfactory to them, they are all right with me.

As a matter of fact, I have no particular desire to have a rollcall vote on the second division; that is, the question of the application of the escape valve to sections 17 and 18, which will be the second division, as I understand the order which has been entered.

But, Mr. President, I have serious reservations about the first division under the second degree amendment, and that is the advancement of the time by which action on the second budget resolution must be completed from September 15 to August 28.

Mr. President, the date of September 15 was not arrived at in a casual and careless way. Spanning a period of months, indeed, years, the Governmental Affairs Committee and others considered the form and substance of the Budget Reform Act before it was adopted by the Senate.

There were many underlying reasons for choosing September 15. I will yield later on to the distinguished Senator from Illinois, if he is here and available, to explain some of the logic that was entailed in choosing that time.

Mr. President, I think that we are changing that date in a very undeliberate way, after having established it in a very precise and methodical way.

It occurs to me, for instance, that there is something reasonably curious about the fact that this change proposed in the first division, that is, from September 15 to August 28, is for 1 year only, and that is for this year, an election year.

It occurs to me that it may have something to do with all of us having a chance to get out early. We all wish for that. But, realistically, I do not think that will occur.

In any event, with the circumstances in this country and the world, particularly in terms of foreign policy, national defense, social concerns, inflation, crime rates, and unemployment, we have no business going home early. We ought to stay here and tend to the affairs of state. And if we are going to do that anyway, I do not know of any particular logic that dictates that we should abbreviate or truncate the time for the consideration of the second budget resolution.

It is now 10:28, approximately, in the evening. I have not made a recent count of the number of amendments that are still pending to this resolution, but the last count I made yielded up some 10 such amendments still pending or still available on this side of the aisle. Potentially, with 2 hours each, with a maximum limitation under the statute of, who knows, 15, 18, 20 hours remaining before we reach the time cap.

The fact remains that it is late in the evening, and that is a cogent and compelling reason why we should not force ourselves into adopting a change of timetable that will shorten and make less deliberate the Senate's consideration of its legislative agenda.

If we adopt this change, as surely as I am standing here, in the months of June and July and August, we will find, night after night, that we are here until the wee, small hours of the morning. The majority leader has the special responsibility to see that the Senate operates in a methodical and orderly way, and we will be pressed by him and others to accept a shortening of the time available for amendments, a limitation of the number of amendments, a time certain to vote.

In a word, it will be a sheer hectic legislative pace between now and August 28 because, surely, we will be concerned with trying to get this session over with as quickly as possible and get out of here and go home and campaign.

I would like to go home, too. In this case, I will not be campaigning for myself in any capacity. From a personal standpoint, there is a mild disappointment that still rings in my soul in that respect. But I will be campaigning for others, for Members of the Senate, and I will be on the hustings as well.

But that, Mr. President, is no reason for us to abbreviate the time available, for the consideration of the second and only meaningful budget resolution, into a time substantially shorter than that encompassed in the Budget Act.

Mr. President, I will ask in a moment for the yeas and nays on the first division on the question of the time, and I do now make that request.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. BAKER. Mr. President, I have a great deal more I could say, but at this point I yield to the distinguished Senator from Alaska such time as he may wish.

Mr. STEVENS. Mr. President, the item that the Senator from Tennessee has mentioned, our distinguished minority leader concerning the fact that this amendment deals with only 1 year is what bothers me.

At the time the Budget Act was considered originally, I raised the question of the difference between the sessions, the First Session being one in which we statutorily take off the month of August, and the second session being one which is an election year in each Congress. It is either an election year for one-third of the Members of the Senate and all the House, or it is an election year for the President and one-third of the Members of the Senate and all the House.

It seemed to me at the time that that September 15 date ought to take into account the fact that in the odd numbered years it is not possible to finish before Labor Day, but in the even numbered years we ought to finish by Labor Day.

My reservation on this amendment, as I have stated to the Members who have been discussing it through the day, has been the fact that we are changing our rules but we are changing those rules only for 1 year. I believe that if we are going to change the rules, we ought to make a permanent change, and that this August 28 date should read instead the last day of the second session of each Congress preceding the Labor Day recess.

I, myself, could support it on that basis. I realize the minority leader has stated a different position. But I see no reason to make a change in these rules which will force us to have the same battle every 2 years. That battle is, shall we complete this in an election year prior to the Labor Day recess?

Having argued that proposition at the time of the Budget Act, I still argue it. We ought to recognize we are not here in August in the odd numbered years, but we are totally under the concept of the election process in the even numbered years. Every even numbered year there is an election that affects Members of the Senate and it is going to come up.

I would urge the majority to change that. I realize the tactical situation here. I cannot offer an amendment to that first section now. It is not subject to amendment. But it should not be just for this year. It should be a permanent change in the rules if we are going to change the rules at all at this time.

Mr. BAKER. Mr. President, I yield now to the distinguished Senator from New Mexico.

Mr. DOMENICI. I thank the distinguished Senator from Tennessee.

I have just one question about this resolution, if I may, for the distinguished majority leader before I take a few moments to argue against the change.

I heard him read his explanation of the difference between the amendment and the recommendations of the Budget Committee. As I understood them, one change was to explicitly provide for the application of section 904, the so-called escape provision that any of the inhibitions herein contained can be waived by majority vote of this body. I understand that clearly.

The second change discussed was to move forward the time required for the second concurrent resolution.

Might I ask the distinguished leader, are those the only two changes that he contemplated when he offered this amendment to sections 16, 17, and 18?

Mr. ROBERT C. BYRD. Those are the only changes.

Mr. DOMENICI. So I take it that section 17 as contained in the budget resolution before us, although worded here and there differently, is intended to have the same application as section 17, except that the date of August 28 is placed therein and is not included in section 17 as reported by the Budget Committee. Is that correct?

Mr. ROBERT C. BYRD. The amendment will provide: First, that the provisions in respect to 16, 17, and 18, those sections, may be waived by majority vote. Second, that the date of September 15 be advanced to August 28, for this year only.

Mr. DOMENICI. I might say to my good friend, this is very important to me. For 2 years I have been arguing that we have to put some teeth into the budget. I want to make sure we are in accord. I have section 17 before me and I have section 17 of this amendment before me. They are different. The difference is not only the August 28 date. All I am asking the distinguished majority leader is, is it his intention that but for August 28 date and the escape clause which is made explicit, which was only implied in the budget resolution, that there is no intended difference in the language in section 17?

Mr. ROBERT C. BYRD. Section 17 has been changed by a technical amendment offered by the committee on the first day of the resolution was brought before the Senate.

Mr. DOMENICI. So it is precisely what the Budget Committee offered but for the August 28 change. Is that correct?

Mr. ROBERT C. BYRD. It is providing that sections 16, 17, and 18 may be waived by a majority vote.

Mr. DOMENICI. I thank the majority leader. I say to my leader I apologize for using 3 minutes for that, but I am very interested in this provision remaining in effect. I believe it has, but for the escape clause.

I want to present two quick reasons of mine for opposing moving the date for the second concurrent resolution forward.

First, I would remind the Senators that we can change all the dates we want, but we did not comply with September 15 last year. We did not get the second concurrent budget resolution until the middle of November.

So we can say to move it into August, move it into July, but the truth of the matter is that in normal years we cannot get it done by September 15. It seems to me an absolute folly to put an earlier date in when we cannot make the September 15 date. That is number one.

No. 2, I read the RECORD of why we used September 15 in the early one, and one big reason was that you want to wait until as close as possible to the actual second concurrent resolution coming to the floor before you adopt it, and that is so you can look at the economics of this country in making your economic assumptions. It is very difficult to make them now.

What the Senator is saying is we have been wrong every time. We have been wrong on inflation, we have been wrong on unemployment, and now the Senator is saying to move it earlier and we are more apt to be right.

I believe we are more apt to be wrong the more we move it back into the economic year. I think with economics the way they are, September 15 is fragile; August 28 is sheer folly.

We are not going to come anywhere close to a good estimate on the economic conditions of this country, and this whole budget resolution and the second concurrent resolution are dependent upon how well we can analyze unemployment, inflation, and the other things. We are asking for larger mistakes even than the ones we have made in the past.

I hope that the reason is not political. If it is, we should not go with it. But I think, on pure procedures for this institution, we are just asking for more trouble by moving it back in time rather than leaving it on September 15.

I thank my leader for yielding.

Mr. BAKER. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 15 minutes.

Mr. BAKER. I thank the Chair. I am looking around the Chamber to see if there are other Senators who may want to say something. I have about exhausted what I wanted to say. I am about ready to yield back my time.

Mr. LONG. Mr. President.

Mr. ROBERT C. BYRD. Mr. President, I yield to the Senator from Louisiana.

Mr. LONG. Mr. President, let me explain my interest in this matter.

Sections 16, 17, and 18 of this resolution present a lot of problems to those of us on the Finance Committee, to those on the Labor Committee, and to those on the Appropriations Committee.

We can see situations where the committee might, in good faith, bring a measure to the Senate with every intent that the overall amount of money available to that committee would not be breached or violated but where that particular bill, at that point, would not satisfy the budget process.

For example, it may well be that we have acted on bills in the Senate that are going to save money. But action on those bills has not been completed when another bill has been agreed upon by the Congress. If we look at the way the Budget Committee does its scorekeeping, that becomes very much of a problem in terms of holding up enrollment.

I guess we could highlight the problem very well by looking at a controversial matter, the President's fee on oil, which means the equivalent of a 10-cent tax on a gallon of gasoline.

Under this budget resolution as reported, it would mean that a resolution disapproving the oil import fee would have to be kept at the desk and it could not go down to the White House until at least September 15, assuming that the Budget Committee could keep up with the schedule that the budget act calls for, assuming it could make that date. If the budget resolution were not completed by that time—as happened last year when the conference report was not finally agreed upon until sometime in November—in that event, clearly, the President could pocket-veto a matter. Even though we might have a two-thirds vote in the Senate to override the veto, we would not get the chance to override, because it would be so late in the year that the vetoed bill would not get back here; the Senate would adjourn before the President sent it back.

I would hardly think that anyone would agree, and I certainly think the majority of Senators would not want to agree to a resolution which would place in the hands of the President the power to pocket-veto all sorts of legislation that the Senate might want to enact, or that the House might want to enact in conjunction with the Senate.

From our point of view, we are willing to live with these new procedures if the Senate wants us to live with them. But they should be subject to the same waiver provision that applies to all the other procedural matters in the budget law.

That waiver is basically my personal interest in the pending amendment. The matter of a date involves us to this extent—that if we hold a bill until September 15 or later, it is quite possible that by that time, the clock has run out, we might have adjourned and gone home. So in the event bills are vetoed, we would not have an opportunity to act on them—especially if the Budget Committee, as happened last year, did not succeed completing action on the budget resolution by the date of September 15.

Conceivably, as the Senator from New Mexico points out, they might not be able to make the new date, anyway. But I would think if they were on the verge of completing action in August, they would be more likely to complete action at that date than they would be if we left them until September 15 because, obviously, under the pressure of a mandate of law, they are going to try to get their business done by August.

I do appreciate the cooperation of those on the Budget Committee in seeing our problem. We do think the waiver is essential and I believe, Mr. President, in view of the fact that the Budget Committee itself made the enrollment holdup a 1-year proposition, there is nothing improper about saying that you amend a 1-year resolution for 1 year. I do not think there is anything sinister about the matter. It is just that those on the Budget Committee suggested that it would help our problem if they moved forward the date. Then, if we do have our bills held at the desk and they do not go down to the White House, that would hurry the date at which they would be cleared so they could be sent down for the President to work his will on them.

I hope, Mr. President, that the Byrd amendment is agreed to.

Mr. HOLLINGS. Will the majority leader yield me 2 minutes?

Mr. ROBERT C. BYRD. Yes.

Mr. HOLLINGS. Very briefly, I say to the Senators, what we did, if you look at the budget resolution, on page 6, there is one sentence there, "To prevent premature enactment of a tax cut which could unbalance the budget, section 7 of the budget resolution provides that action on the tax reduction is not to be completed by Congress until it acts upon the second budget resolution."

As Senator DOMENICI was trying to point out, to try to effectuate that kind of discipline—and he characterizes it as "by putting teeth" in, the agreement made by the distinguished chairman of the Finance Committee, Senator LONG, the majority leader, and myself—mainly by myself—was to state positively that what we are trying to do is not impose further duties on the Budget Committee. We have that duty now and it is a very distasteful task to run up on the floor every time something gets out of kilter and start raising a point every time and any time somebody gets a bill going.

But if we have a discipline within the resolution itself, if there is a consensus in the field and understanding, then with this section 17, we can have that kind of discipline and understanding and self-control.

What we are doing is not putting powers or duties within the Budget Committee. Our intent was to put it within the Senate and within the Congress if the other House agreed to it.

I wanted to show the Finance Committee chairman one of the big considerations. He would think, "You wait and you put it in on September 15, and I have a committee and I am ready to do business and I am ready to report out tax bills; now you are telling me, as the Budget Committee, that we cannot do that."

We looked at this for their track record and I do not think they had one out prior to September 15, except one thing. But to make it absolutely clear, the majority leader and I began to negotiate. I think it was his desire and mine to move it up until September. Now, therein was politics—the political conventions.

We are at a convention—the Senator from Tennessee is at his convention in July. We are in ours in the middle of August. We receive all the Congressional Budget Office reestimates in July, we complete our work by the first of August. We would be ready to go slightly earlier.

Last year's hangup of November 28 was just an impasse with respect to that reconciliation that almost terminated the entire budget process. Now our colleagues on the House side accepted rather strongly—and I really am encouraged by it—reconciliation last night by an overwhelming vote.

Our idea was not to impose upon the functions and responsibilities of finance, but to try to hold this particular chance for a tax cut after the second concurrent resolution. That is what it states very clearly there and I hope we have done that and not again put ourselves in a position to be so late as to then have a pocket veto where we could not get to it.

We had to sort of move it up and in actuality, if we take out the Labor Day recess from August 28 to September 15, we are talking really, in working days, of another week, 7 to 9 working days in there if we look at the calendar. That is not too traumatic, but it helps everybody out to make their point and helps it work smoothly so we can look at that opportunity for a tax cut in the objective and rational fashion, come the time of the second concurrent resolution.

Mr. ROBERT C. BYRD. Mr. President, moving the date forward from September 15 to August 28 means that we move it forward only 9 days—Mondays through Fridays. So that will not make a lot of difference, but it will be a meaningful change.

The reason, of course, that we provide only for this year is not, as some have alleged, because it is an election year, but rather, because, under the law, in the odd numbered years, Congress is out of session for about a month during August.

I think we ought to try this, give it a trial run, and if it works, then perhaps we could make the change permanent.

My good friend, the minority leader, says that Congress should not go home early. But I have heard him speak on television and in other forums, and I have read in the print media about his speaking, advocating that Congress, indeed, go home earlier than it does, that we be in session less than we are, that the Members of Congress go home, and talk to their citizen constituents.

Well, I am in favor of that, if it is possible to do so.

He says now that we should not go home early and that Congress ought to stay here. I am not saying we will not be here. We will be here, of course, if there is work to be done.

Does the minority leader realize that fiscal year 1981 authorizations are supposed to be reported by May 15 under the Budget Act? That means that about 50 such measures need yet to be reported by next Thursday, and it seems to me, with the tighter timetable, maybe we will get the work done sooner and work more efficiently earlier in the year.

Mr. STEVENS. Will the Senator yield at that point?

Mr. ROBERT C. BYRD. Yes.

Mr. STEVENS. Why should this be a temporary measure? It is a change in the permanent rules of the Senate. We anticipate, some of us, there will be a change of administrations, that 2 years from now we will face this problem again, and the chances are still great that the majority will still be the majority.

Why should we not make this change permanent and if it does not work, let us go back, but if it does work, why should we have to fight the same fight again 2 years from now, and 2 years from then, and 2 years from then?

Mr. ROBERT C. BYRD. Mr. President, I suppose if the change were permanent, we would have those who would be opposed to that kind of change.

I think we ought to try it. Let us see if it will work. I believe it will work because it would only push the date up for final resolution of the second concurrent resolution by 9 working weekdays.

I cannot understand the logic of the opposition to this.

Now, Mr. President, when I first came to the Congress, in the 83d Congress, Congress adjourned on August 3, the 1st session.

The 1st session of the 84th Congress adjourned on August 2. The 2d session of the 84th adjourned on July 27. The 1st session of the 85th Congress adjourned on August 30. The 2d session of the 85th adjourned August 24.

It has been done before and although the problems have increased, the workload of the Senate and the House has likewise increased, I think it can be done, if we are willing to make the effort, and I think that if we put the deadline in that I have suggested in the amendment, then we will have the incentive and the pressure that we may need to expedite the work of the Congress earlier than is allowed under the present law.

I would hope we would give it a chance and let us see if we cannot do it.

DeTocqueville, that great Frenchman, referred in 1840 to the "incredible American," who believed that if something had not yet been accomplished, "it is because he has not yet attempted it."

Mr. President, I think we ought to attempt it. Perhaps it can be accomplished.

I would say that the one service we can do for the American people, perhaps above all others, is to expedite our work here and get home, back to the American people, talk with them, hear what they have to say, and I say to you, my friends, let us do what the distinguished minority leader has said ought to be done. Let us be here less of the time, get home more of the time, and listen to our constituents.

I am in favor of what he has advocated and I hope that he and my colleagues will support this amendment.

Mr. BAKER addressed the Chair.

The PRESIDING OFFICER (Mr. Moynihan). The Senator from Tennessee.

Mr. BAKER. Mr. President, I am delighted beyond words to have the support of the majority leader and as soon as we get the mess straightened up that has been caused by the Congress, we will be able to do that.

But, right now, the question at hand is whether to get home and campaign in September, or whether to get home and campaign in October. That is what we are talking about.

It is not just 9 days. It is the difference between September and October.

Mr. President, we had a good reason for making it September 15. There is a good reason for doing this legislation on a permanent basis.

There is not a good reason for changing it on the eve of an election that poses a special threat to the Democrats in the Senate.

Mr. President, I think this is bad. I do not think we ought to change it. I am prepared to vote on it. I have no expectation we are going to win it tonight, but I expect we will do pretty well, and I expect one of these days we will get down to the position of regularizing the whole question of the Senate and the Congress.

This Congress has become an aggregation of professional legislators. We are elected bureaucrats. Indeed, we have to change that. But we will not change it by accommodating a majority of Senators who want to get home in September and campaign.

I want to campaign, too, but not by a one-shot, one-time change in the Budget Act so we can do it this year, and this year only.

Mr. ROBERT C. BYRD. Mr. President, with all good humor, may I say that I am astounded—astounded—that my friend from Tennessee, the very distinguished minority leader, who has been out campaigning many of the days of this year while this Senate has been working here doing its job for the people, now—now—would refuse, if he could, to give the same opportunity to those of us who have stood on the battlefield, who have withstood the dust and the smoke and the political cannonfire, who have stormed up the mountain, who have rammed the flag down the cannon barrel's mouth, while he, my distinguished minority leader friend, has been out working this country, the 48, 49, 50 States of this country, from North to South, East to West, expounding on the virtues of the Republican Party, and its program, and now—and now—he would deny to those others on his side of the aisle and on my side of the aisle who are up for reelection the opportunity to get out and do 9 days of additional campaigning.

Mr. President, I rest my case. [Laughter.]

Mr. BAKER addressed the Chair.

The PRESIDING OFFICER. The Senator from Tennessee.

Mr. BAKER. Mr. President, I will make one final concluding remark before I yield back my time.

All I can say is that I wish for the majority leader and his campaign, and those of Democratic Senators, the same level of success that I had. [Laughter.]

Mr. ROBERT C. BYRD. Mr. President, I yield back my time.

Mr. BAKER. I yield back my time.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to division 1 of the amendment by the Senator from West Virginia (Mr. Robert C. Byrd). On this question the yeas and nays have been ordered.

Mr. BAKER. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. BAKER. Is division 1 the section dealing with the date?

The PRESIDING OFFICER. The Senator is correct.

Mr. BAKER. I thank the Chair.

The PRESIDING OFFICER. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Alaska (Mr. Gravel), the Senator from Hawaii (Mr. Inouye), the Senator from Massachusetts (Mr. Kennedy), the Senator from Vermont (Mr. Leahy), the Senator from Hawaii (Mr. Matsunaga), the Senator from Georgia (Mr. Talmadge), and the Senator from Colorado (Mr. Hart) are necessarily absent.

Mr. STEVENS. I announce that the Senator from Maryland (Mr. Mathias), the Senator from South Dakota (Mr. Pressler), and the Senator from North Dakota (Mr. Young) are necessarily absent.

The PRESIDING OFFICER. Is there any Senator in the Chamber who has not voted?

The result was announced—yeas 52, nays 37, as follows:

[Rollcall Vote No. 117 Leg.]

YEAS—52

Baucus
Bayh
Bellmon
Bentsen
Biden
Boren
Bradley
Bumpers
Burdick
Byrd,
  Harry F., Jr.
Byrd, Robert C.
Cannon
Chiles
Church
Cranston
Culver
DeConcini
Durkin
Eagleton
Exon
Ford
Glenn
Heflin
Hollings
Huddleston
Jackson
Johnston
Levin
Long
Magnuson
McGovern
Melcher
Metzenbaum
Morgan
Moynihan
Nelson
Nunn
Pell
Proxmire
Pryor
Randolph
Ribicoff
Riegle
Sarbanes
Sasser
Stennis
Stevenson
Stewart
Stone
Tsongas
Williams
Zorinsky

NAYS—37

Armstrong
Baker
Boschwitz
Chafee
Cochran
Cohen
Danforth
Dole
Domenici
Durenberger
Garn
Goldwater
Hatch
Hatfield
Hayakawa
Heinz
Helms
Humphrey
Javits
Jepsen
Kassebaum
Laxalt
Lugar
McClure
Packwood
Percy
Roth
Schmitt
Schweiker
Simpson
Stafford
Stevens
Thurmond
Tower
Wallop
Warner
Weicker

NOT VOTING—10

Gravel
Hart
Inouye
Kennedy
Leahy
Mathias
Matsunaga
Pressler
Talmadge
Young

So division 1 of the amendment by Mr. Robert C. Byrd (UP No. 1077) was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which division 1 of the amendment was agreed to.

Mr. HOLLINGS. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The question now occurs on agreeing to division 2 of the amendment of the Senator from West Virginia.

Division 2 of the amendment was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which division 2 of the amendment was agreed to.

Mr. BAKER. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. Under the previous order——

Mr. ROBERT C. BYRD. Mr. President, how about the vote on the amendment as amended by the substitute?

Mr. GOLDWATER. Mr. President, we cannot hear.

The PRESIDING OFFICER. The majority leader inquired as to the amendment of the Senator from Illinois in the first degree.

Mr. GOLDWATER. Mr. President, we cannot hear back here. Is that unanimous-consent request?

The PRESIDING OFFICER. If the Senator from Arizona will be patient with the Chair, the Parliamentarian is stating the point made verbally to Senators in the well.

The Senator inquired why we were not voting on the amendment in the first degree as amended.

Under the unanimous-consent vote on the amendment, that vote was subsumed under the vote on the amendment in the second degree.

Mr. GOLDWATER. Mr. President, I do not question that. I thought I heard someone raise a point for unanimous consent. I merely wanted to reserve my right to object.

The PRESIDING OFFICER. The Senator is entirely within his rights and will always be recognized by this Chair.

Mr. GOLDWATER. There has been no request?

Mr. HOLLINGS. No request.

Mr. GOLDWATER. So I am probably out of order.

The PRESIDING OFFICER. The Senator is not out of order. The Senator is simply inquiring as he properly does as to his rights, and I hope he has been listening.

Mr. GOLDWATER. Mr. President, I have been certainly correctly informed by my friend in the Chair, as I always am. I only raise a point that it is 11:15 at night and, gentlemen, there comes a time when even the youngest brain does not work well, and my brain being a little older than the average still works pretty good, but I would like to have a good night's sleep.

The PRESIDING OFFICER. The Senator wishes to set a precedent.

Mr. GOLDWATER. As I think my good friend in the Chair would.

I repeat what I said earlier in the night: What is so damn sacrosanct about not voting tomorrow? Let us go home.

The PRESIDING OFFICER. Under the previous order, the Senator from Illinois is recognized.

Mr. PERCY. Mr. President, in this regard, I wish to second the sentiments of my distinguished colleague.

Mr. GOLDWATER. Then why does the Senator not sit down? [Laughter.]

Mr. PERCY. I am going to be taking a 7 o'clock plane.

The PRESIDING OFFICER. The Senate will be in order.

Mr. PERCY. Mr. President, I have notified the floor manager of the bill that I do not intend to call up an amendment on the foreign military sales program. I think if we take 5 or 10 minutes to discuss it, we can settle it without the necessity of a vote on it.

Mr. HOLLINGS. I am sure we can.

Mr. PERCY. Mr. President, I think most of us agree, particularly members of the Budget Committee, the Armed Services Committee, and the Appropriations Committee that the problems with the foreign military sales program are serious. We have talked earlier this evening about $1 billion we can recover from debt collections, and I think we are going to go after collection of debts owed to the Federal Government.

We talked about energy conservation that we can recover money from.

Here is a multibillion problem that we face.

The PRESIDING OFFICER. Will the Senator kindly withhold for a moment? The Senator from Illinois has the floor. Senators wishing to converse may retire from the Chamber. The Senator is entitled to be heard.

The Senate will be in order.

The Senator will kindly resume.

Mr. PERCY. I thank the Chair.

Since 1976 and after some 30 reports, GAO estimates that over $1 billion have been lost by Defense through undercharges, poor financial management and noncompliance with the law in administering the foreign military sales program (FMS). With sales mushrooming from $953 million in fiscal year 1970 to $13.5 billion in fiscal year 1978, DOD currently manages about 15,000 sales cases worth over $70 billion. GAO emphasizes that the cases it has reviewed are only the tip of the iceberg and are symptomatic of the enormous FMS problem which results in the loss of between $400 million to $1 billion in DOD procurement funds.

In amending the Arms Export Control Act, Congress has repeatedly reaffirmed that the military services should charge the full price, including direct and indirect costs, for military items sold under FMS. Underpricing therefore, results in subsidizing foreign government arms procurement with U.S. taxpayer dollars. Examples of unrecovered costs cited by GAO include:

Almost $600 million of inventory losses in fiscal year 1978 alone for which foreign governments were not assessed their fair share of the losses. Other inventory losses amounting to millions of dollars result from not charging current inventory replacement costs and maintaining excess or obsolete inventory items solely for FMS.

A sum of $370 million in unrecouped costs for quality assurance services performed by Federal employees on FMS items, plus $69 million for other administrative charges.

A sum of $83 million in cost waivers for which there is currently no requirement for DOD to justify its actions.

A sum of $60 million not charged for repair and replacement of equipment sold under FMS.

A sum of $61 million unrecovered for free use of Government defense assets.

GAO has found many instances of DOD and State Department officials intentionally undercharging foreign governments for arms, such as when the military services failed to charge $75 million in unrecovered costs identified by their own auditors.

In large part, the foreign military sales problems are due to the military services nonimplementation of DOD directives to clean up their accounting problems and rebill. The Appropriations Committees have worked diligently over the years to end deficiencies in FMS pricing and accounting policies and asked DOD to submit a plan to centralize FMS management beyond the Security Assistance Accounting Center created in 1976. Instead, DOD will study only 16 sales cases worth about $221 million. Full centralization, although it is expected to take a few years, would begin to result in immediate savings to DOD appropriations. Further, additional personnel to better manage the FMS program would result in no cost to American taxpayers since foreign countries must reimburse DOD for administrative expenses.

The loss of millions of dollars for unrecovered FMS costs results in a serious drain on DOD appropriated moneys for procurement and is a subsidy to foreign governments—a drain we can ill afford. While I am a strong advocate of increasing the defense budget, I am an equally strong advocate of cutting waste in DOD management, eliminating the flagrant disregard of the Arms Export Control Act, and using vitally needed procurement funds for America's defense needs. It is time to let DOD know how serious Congress is about cleaning up this deplorable situation.

Mr. President, in order to save time, I ask unanimous consent that a letter that I am sending to Comptroller General Staats asking for a final definitive report on the foreign military sales problem be printed in the Record.

There being no objection, the letter was ordered to be printed in the Record, as follows:

May 8, 1980.

Hon. Elmer B. Staats,
Comptroller General of the United States, General Accounting Office, Washington, D.C.

Dear Mr. Staats: During the past several years, the General Accounting Office has issued a number of reports on the accounting and financial management of the Foreign Military Sales Program by the Department of Defense. These reports have resulted in budget reductions in the past and indicate that a potential exists for further budget reductions in the future.

As several of the recommendations have not been implemented, the Defense appropriations are apparently being used to subsidize the Foreign Military Sales Program. This has been a continuing problem within Defense and it appears that Defense needs to devote additional attention to this area to bring about budget reductions.

In this regard, I would appreciate your staff reviewing recent actions by Defense to implement the recommendations in your reports and other actions taken by Defense to improve its management of the program. I would appreciate your office developing questions for use by the Committee during hearings on the fiscal 1982 Defense budget. In addition, I would appreciate a detailed report on this matter by June 30, 1981.

My staff has discussed this review with members of your Financial and General Management and Studies Division, Systems in Operation group.

Sincerely yours,
CHARLES H. PERCY,
U.S. Senate.

Mr. PERCY. Mr. President, we simply can no longer tolerate interminable foot-dragging by DOD on this issue. I am confident we now have the support of the appropriate committees to plug up this loophole, and I think that if DOD would get about its business and do as the private sector would do in this kind of situation, then we can recover close to $1 billion. We are talking as Everett Dirksen used to say, a billion here and a billion there and pretty soon it is real money. This $1 billion is coming right out of social programs. The $1 billion would do this country a tremendous amount of good in the 10–5–3 accelerated depreciation and amortization for business. But we are wasting it here. Foreign governments are getting our military goods and services at bargain prices because they are not paying the full costs.

I think it is an absolute outrage, and I hope, Senator HOLLINGS, you are outraged as well.

Mr. HOLLINGS. I feel just as strongly as the Senator from Illinois. The Senator from Illinois is right on target, Mr. President, and I share his belief that the time has come for concrete action to implement the GAO's numerous recommendations.

The Defense Department has recently taken some steps to alleviate these concerns, but I am confident that with the accounting and management systems of the foreign military sales, our staff tells us, that that program still requires additional reforms.

One of the crucial steps is to develop and implement a comprehensive plan to standardize and centralize the financial management of the program. So I am going to look forward to working with the distinguished Senator from Illinois.

I will join in that letter to Elmer Staats of the General Accounting Office, and let us follow through with it.

Mr. PERCY. I am very grateful for the support and will enjoy working with the Senator.

Mr. HOLLINGS. The Budget Committee will be in support, and I do not say that forensically each time we have one of these amendments. I am confident the Senator from Illinois' initiative will bring fruits and results, and we are going to be counting them in.

Mr. PERCY. I thank the Senator.

Mr. HOLLINGS. Mr. President, I had one exchange—before I yield back the time on this—with the distinguished Senator from Michigan relative to the trade adjustment assistance program and also with the distinguished Presiding Officer at the beginning of this debate on Monday.

Mr. RIEGLE. I thank the Senator for yielding, and I will be very brief.

TRADE ADJUSTMENT ASSISTANCE

Mr. President, I would like to address an issue that is of very great importance to tens of thousands of American working people.

The trade adjustment assistance program was created by Congress in 1962 and revised in the Trade Act of 1974. Trade adjustment is a vital component of the national effort to reduce the barriers to international trade.

The Trade Act of 1974 encouraged the development of international trade. It was enacted out of the belief that open trade would bring benefits to the American economy as a whole. However, Congress also recognized that a sudden increase in foreign competition can severely hurt many firms and workers.

Therefore, Congress made sure that, if a worker lost his job as a direct consequence of increased imports, he would be able to receive temporary financial assistance, retraining and relocation allowances. Over the years, that national commitment has been important to tens of thousands of workers and their families.

Since 1975, trade adjustment assistance has been provided to employees of numerous U.S. industries, including textiles, steel, clothing, shoes, electrical machinery, and trucking. Aid has been provided to workers in virtually every State.

In recent months, a combination of events has brought an unprecedented and unforeseen surge in automobile imports. In 1978, imports accounted for only 17 percent of U.S. sales. Inventories of unsold Japanese cars were large and growing.

Then suddenly a year ago, long gas lines brought a sharp change in consumer preference for small cars, and the Japanese have launched a massive effort to penetrate the U.S. car market. Imports now account for 27 percent of U.S. sales, 22 percent of total sales are from Japan.

Mr. President, Japanese car makers are rushing to exploit American open trade policies. The Japanese are adding new production lines and putting on extra shifts. The only market for that extra production is the United States. Japanese auto companies are also expanding their U.S. advertising and strengthening their dealership networks here. Current actions by one of our major trading partners could very well deal massive and permanent damage to the structure of this Nation's basic industries. No other government would permit foreign companies to inflict what is happening to our country today.

The impact on auto workers is already devastating. Analysis on a plant-by-plant basis indicates that these rising imports have caused or contributed substantially to unemployment of half a million auto workers.

The Labor Department estimates that in the next few months, more than 270,000 additional workers will become eligible for trade adjustment assistance benefits totaling $990 million in fiscal year 1980.

I want to emphasize that this is not a discretionary grant program. Qualified workers are entitled by law to these benefits.

Unfortunately, the administration's March budget reestimate overlooked this increased caseload. Thus, when the Budget Committee reviewed the fiscal year 1980 budget, the committee voted to assume full funding of trade adjustment assistance, but acted on information that has since proven inaccurate.

Funds for the program will run out on May 23 unless a supplemental appropriation is enacted by Congress. That would create great bitterness and confusion in hundreds of localities and severe hardship for tens of thousands of workers and their families.

I believe that Congress must not and will not walk away from this legal obligation. I understand that the Appropriations Committee intends to report out the required supplemental as soon as the third budget resolution is enacted.

But a problem is created because the Senate Budget Committee, out of its concern to cut Federal spending, has reported a third budget resolution that is very tight. There just is no room in the Senate ceilings to accommodate the $1 billion in unexpected spending for trade adjustment.

The House has adopted a floor amendment that would accommodate not only the extra funds for trade adjustment, but other items as well.

I believe that the only prudent and responsible course would be to increase the Senate ceilings for function 600, income security, by $1 billion in budget authority and $1.1 billion in outlays to accommodate the supplemental for trade adjustment assistance.

I have discussed this issue with Senators HOLLINGS, BELLMON, and DOMENICI, as well as with many other Senators who support trade adjustment assistance. I understand that it would be possible for the Senate conferees to accommodate this urgent need in conference with the House, so that an amendment today will not be necessary.

Mr. HOLLINGS. Mr. President, I am well aware of the situation referred to by the Senator from Michigan—that unanticipated increases in trade adjustment assistance benefits for about 450,000 auto workers will cause an exhaustion of funds this month.

CBO estimates that $1 billion in budget authority and $1.1 billion in outlays will be required for this program in addition to the funds included in the budget resolution for fiscal year 1980. This program is an entitlement program and so the benefits need to be paid.

I want to assure the Senator from Michigan that the Senate conferees have sufficient flexibility to accommodate the needed supplemental for trade adjustment assistance in the conference with the House.

Mr. RIEGLE. I appreciate the response of the chairman, and I think this will deal adequately with the situation. It is vital, and I appreciate the understanding of the chairman and the other members of the committee on both sides to whom I have spoken about it.

Mr. BELLMON. Mr. President, I agree with Senator RIEGLE and our chairman that some more money—above what we have assumed in this resolution—is going to be required for the trade adjustment program. The House has built into its budget estimates the full requirement now estimated—which is the increase Senator Riegle referred to.

It is clear that there will be a need for the Senate conferees to be flexible on this subject in the budget conference with the House. I will certainly do whatever I can to help us arrive at a responsible solution to this problem.

I do want to say, Mr. President, that the trade adjustment program raises some troubling issues:

First. It is experiencing a cost explosion—from $400 million a year to nearly 4 times that large—and this is occurring in a very short period.

Second. The program pays a very high level of benefits in comparison to regular unemployment benefits. These benefits continue for a year and then they end abruptly.

Third. The current benefit explosion is primarily for payment to workers in the auto industry—an industry that is going through a major transition. I do not think the trade adjustment program is the best we can do to help workers in an industry in which jobs are declining move into jobs in some other field where there are growing job opportunities.

So I hope the responsible committees will give early attention to the possibility of redesigning this program so that it better responds to the situation workers in the auto industry face.

Mr. LEVIN. I join my senior colleague from Michigan in seeking assurances from the distinguished chairman of the Budget Committee that this budget before us both in 1980 and 1981 will provide sufficient funds for the trade adjustment assistance program. The House has included the necessary funds in the budget and I understand that the chairman of our Budget Committee is able to assure us that the Senate conferees have sufficient flexibility to accommodate the needed supplemental for trade adjustment assistance in the conference with the House.

Over 200,000 autoworkers are unemployed and half of these workers reside in Michigan.

Without these funds tens of thousands of workers will be denied benefits they are entitled under law.

Mr. METZENBAUM. Mr. President, I join my distinguished colleagues from Michigan in supporting adequate funding for the trade adjustment assistance program. Congress must live up to its commitment to provide sufficient funding for this vital program.

At a time when imports have contributed to putting hundreds of thousands of Americans out of work, Congress must not tamper with funding for a program designed to assist those who are now feeling the consequences of trade liberalization.

Trade adjustment assistance is a program of vital importance to these working men and women. It provides them with temporary help in the form of cash payments, retraining, job search and relocation assistance. In my State of Ohio, this program has helped about 70,000 workers.

Trade adjustment assistance has been an important part of our Nation's trading policies since the early 1960's. The Government knew then that efforts to liberalize trade with foreign nations would translate into import-caused injury for some domestic industries. That is why Congress in 1962—and in 1974—promised American workers the opportunity to receive relief because of injury and not just limit them to seeking relief from injury.

But, Mr. President, the funding for this important program is about to run out. The Department of Labor estimates that $1.1 billion in additional money is needed to meet current obligations for fiscal year 1980, and that $400 million in additional funds will be required in fiscal year 1981.

As I understand it, the House budget resolution assumes this increase for trade adjustment assistance. The Senate must make certain that this increase remains.

We cannot pull the rug out from under thousands of workers in such mainstream U.S. industries as auto, steel, and textiles who are counting on trade adjustment assistance to help cushion the blows that they and their industries have sustained in recent years. Congress promised these workers this assistance back in 1974 when it set up the trade adjustment program. Now is certainly no time to renege on that commitment.

Mr. GLENN. Mr. President, when the administration and the Senate Budget Committee developed their budget estimates they did not take into account the need for additional trade adjustment assistance funding. The need for this additional funding arises from the tremendous increases in unemployment of autoworkers caused by unprecedented and unforeseen increases in auto imports. Auto imports are at an all-time high—accounting for 26 percent of the U.S. market. The Labor Department estimates that, as a result of these imports, over 270,000 autoworkers will become eligible for trade adjustment assistance benefits totaling $990 million in fiscal year 1980. Unfortunately, neither the administration nor the Budget Committee took account of this increased caseload in their budget estimates. As a result, a supplemental appropriation must be voted by Congress so that eligible workers can receive the benefits they are entitled to by law.

We must not forget that these trade adjustment assistance benefits are an essential part of our ongoing efforts to liberalize international trade. We have committed ourselves to those efforts to make possible the most productive use of the world's resources and to expand opportunities for economic development. In the Trade Expansion Act of 1962 and the Trade Act of 1974 Congress recognized that while this open trade policy benefits the American economy as a whole, it brings injury and unemployment to many firms and workers. To ease the impact of increased imports and to enable workers and firms to adjust to changes in international trade, Congress established the trade adjustment assistance program in 1962 and expanded it in 1974.

This program has never been more important than it is today nor has it ever been more critical for firms and workers in my home State of Ohio. Nationwide 439,000 workers have been certified as eligible for trade adjustment assistance. Of these 439,000, more than 83,000 are from Ohio. A breakdown of this number reveals that just as Ohio's economy embodies the great diversity of America's industrial base so does it reflect the growing problems we encounter in international trade. Of the more than 83,000 Ohioans certified for adjustment assistance, approximately 1,200 come from the textiles and apparel industry, 1,500 from the electronics industry, 4,000 from the footwear industry, 6,000 from the fabricated metal products industry, 15,000 from the steel industry, and 27,000 from the auto industry.

Mr. President, I am well aware of the benefits that accrue to Ohio from the liberalization and expansion of trade. One out of eight manufacturing jobs in Ohio depends on exports and $1 in every $3 in farm sales comes from exports. Yet, I am also aware of the fact that while Ohio is our Nation's fourth largest exporting State, it ranks second in the number of workers certified for adjustment assistance. Just as we cannot turn away from our commitment to free trade neither can we turn our backs on our legal obligations to workers, firms, and communities injured by imports.

The House budget resolution provides the additional funding needed to meet the requirements of the trade adjustment assistance program. On Monday of this week, Senator Hollings, chairman of the Budget Committee, announced that the Senate Budget Committee leadership would accept the House provision on this matter in conference. I want to thank Senator Hollings for his leadership on this matter of great importance to the trade-impacted workers and communities in my State. This additional funding will allow our domestic economy to adjust more readily to changing patterns of international trade and will strengthen the confidence of American workers, firms, and communities in U.S. foreign trade policy.

Mr. CRANSTON. Mr. President, I am very concerned that we must be certain that adequate funds will be available in both the 1980 and the 1981 budgets for the trade adjustment assistance program.

Therefore, I welcome this opportunity to participate in a colloquy clarifying this matter with the leaders of the Budget Committee.

The continued flooding of American markets with foreign auto imports is having a devastating effect on auto workers in my State and throughout the Nation.

It is estimated that over 250,000 auto workers are now unemployed nationwide. And of the approximately 22,000 auto workers in California, nearly 15,000—or more than 2 out of 3 workers—have been laid off. Three of the biggest plants in California have closed—at least one of these has closed permanently even as auto imports continue to flow freely.

The trade adjustment assistance program is designed to provide some relief for individuals laid off because of severe import competition. The steady increase in import sales—which now have captured almost 30 percent of the American market—has caused a large increase in the cost of the trade adjustment entitlement program. Because of the unabated flood of imports—especially those from Japan—the Labor Department now estimates that another $1 billion in outlays is necessary to provide compensation for laid-off auto workers in fiscal year 1980.

Mr. President, it is the clear obligation of the Federal Government to meet this expense. It is our obligation here in Congress to make sure there is room in the budget to provide this relief.

This end has already been accomplished by the House in adopting an amendment of Mr. Giaimo's to the third budget resolution for fiscal year 1980.

It had originally been my intention to work with the gentleman from Michigan (Mr. Riegle) and the gentleman from New York (Mr. Moynihan) to gain adoption of a similar amendment in the Senate. On the basis of the assurances provided by Mr. Bellmon and Mr. Hollings that the House provision for trade assistance can be accepted in conference, I now believe it is unnecessary to offer this amendment.

I do want to stress, however, the importance of continuing full funding for this program. A healthy auto industry is essential to our economy. We need to take action to reduce the burden auto imports are placing on this basic industry. Trade assistance for laid off workers is just the first step in this effort, but it is a crucial obligation. We need also to impress upon the Japanese Government the seriousness of the situation. They must restrain their exports, locate new auto plants in the United States, and reduce barriers on sales of U.S. autos and parts in Japan if imposition of a U.S. import quota on Japanese autos is to be averted.

In the meantime, we must make sure that our American automakers—who must pay the sacrifice of unrestricted trade—are provided trade assistance benefits until their plants can reopen and begin building the smaller cars which American consumers want and need. Therefore, I am pleased to be reassured that funds for the trade adjustment assistance program will be provided for in the House-Senate conference.

AMENDMENT NO. 1742 (AS MODIFIED)

(Purpose: To reduce the recommended level of Federal revenues for the fiscal years 1981, 1982, and 1983)

The **PRESIDING OFFICER**. The Chair recognizes the Senator from Pennsylvania for an amendment.

Mr. **SCHWEIKER**. Mr. President, I call up my amendment No. 1742 in modified form.

The **PRESIDING OFFICER**. The clerk will report.

Mr. **SCHWEIKER**. I send a modified amendment to the desk and ask for its immediate consideration.

The **PRESIDING OFFICER**. The clerk will report.

The legislative clerk read as follows:

The Senator from Pennsylvania (Mr. Schweiker) for himself and others proposes an amendment numbered 1742, as modified.

Mr. **SCHWEIKER**. Mr. President, I ask unanimous consent to dispense with further reading of the amendment.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

The amendment is as follows:

On page 2, line 6, strike out "$612,900,000,000" and insert "$612,700,000,000".

On page 2, line 7, strike out "$697,200,000,000" and insert "$696,700,000,000".

On page 2, line 8, strike out "$780,600,000,000" and insert "$779,600,000,000".

On page 2, line 12, strike out "—$3,700,000,000" and insert "—$3,900,000,000".

On page 2, line 13, strike out "—$9,600,000,000" and insert "—$10,100,000,000".

On page 2, line 14, strike out "—$33,500,000,000" and insert "—$34,500,000,000".

On page 2, line 22, strike out "$612,900,000,000" and insert "$612,700,000,000".

On page 3, line 5, strike out "$10,000,000,000" and insert "$9,500,000,000".

On page 3, line 6, strike out "$27,100,000000" and insert "$26,100,000,000".

On page 3, line 10, strike out "$953,800,000,000" and insert "$954,300,000,000".

On page 3, line 11, strike out "$968,700,000,000" and insert "$970,200,000,000".

On page 3, line 16, strike out "$26,000,000,000" and insert "$26,500,000,000".

On page 3, line 17, strike out "$14,900,000,000" and insert "$15,900,000,000".

On page 4, line 19, strike out "$9,500,000,000" and insert "$9,490,000,000".

On page 5, line 4, strike out "$6,100,000000" and insert "$6,094,000,000".

On page 5, line 14, strike out "$6,800,000,000" and insert "$6,793,000,000".

On page 5, line 24, strike out "$11,900,000,000" and insert "$11,887,000,000".

On page 6, line 9, strike out "$2,300,000,000" and insert "$2,298,000,000".

One page 7, line 4, strike out "$18,100,000,000" and insert "$18,081,000,000".

On page 7, line 14, strike out "$9,200,000,000" and insert "$9,190,000,000".

On page 7, line 25, strike out "$28,100,000,000" and insert "$28,070,000,000".

On page 8, line 10, strike out "$61,800,000,000" and insert "$61,735,000,000".

On page 9, line 7, strike out "$21,000,000,000" and insert "$20,978,000,000".

On page 9, line 17, strike out "$4,600,000,000" and insert "$4,595,000,000".

On page 10, line 2, strike out "$4,300,000000" and insert "$4,296,000,000".

On page 10, line 12, strike out "$7,500,000,000" and insert "$7,493,000,000".

Mr. **SCHWEIKER**. This amendment as modified is exactly the same as my printed amendment. It simply reflects the numerical changes that occurred in the budget resolution as a result of the Kassebaum amendment being accepted.

My amendment, I am pleased to announce, is cosponsored by Mr. Armstrong, Mr. Bayh, Mr. Boschwitz, Mr. Glenn, Mr. Heflin, Mr. Heinz, Mr. Levin, Mr. Lugar, Mr. Nelson, Mr. Percy, Mr. Randolph, and Mr. Riegle.

We call for a reduction in the fiscal year 1981 revenue floor of $200 million, to allow for "10-5-3" depreciation tax treatment for the auto and steel industries. These reductions are offset with an equal spending cut in general government administrative overhead in all functions except defense, income security, and interest.

We contend that the budget must be revised now to accommodate for "10-5-3" tax relief for the faltering auto and steel industries. I plan to introduce authorizing legislation to this effect in the near future.

Recent newsapers and periodicals are filled with alarming news about the crumbling auto industry.

First quarter earnings were down 95 percent from last year. The optimistic forecast for the second quarter is a loss of $700 million for the big three, and it may be as high as $1.2 billion. Domestic production dropped 31 percent in April compared to April 1979, and future production schedules are equally pessimistic. Layoffs are endemic. Out of a workforce of approximately 1 million, 210,000 are presently on indefinite layoff, and 47,000 more are on temporary layoff, a 25-percent industry unemployment rate which is probably headed higher.

Already, this represents a higher unemployment rate than the United States experienced during the bottom of the Great Depression. Detroit is falling apart as small, fuel-efficient imports are taking a larger and larger share of the domestic auto market—up to a record 27 percent in April. If American automakers do not make the enormous investments needed to retool for smaller, more fuel-efficient cars, then we will see more plant shutdowns and the continued loss of American jobs to overseas competitors.

The steel industry, like the auto industry, is facing the most difficult problems in its history. Production is way down—from a high of 111 million tons in 1973 to an average of 92 million tons over the last 5 years. Subsidized import competition keeps constant downward pressure on domestic profits, which have been below the passbook savings rate for 3 of the last 4 years.

The International Trade Commission recently ruled that strong evidence indicates foreign competitors are now injuring the domestic industry by "dumping" steel. The industry shrinkage has cost 90,000 steelworkers their jobs over the last 10 years, representing a 17-percent decline in industry employment. American steel facilities are badly in need of modernization to keep up with foreign competition and prevent further deterioration. Yet sufficient modernization and improvement of steel facilities will cost at least $50 billion over the next 10 years.

There are no two manufacturing industries as crucial to our economic well-being as the automobile industry and the steel industry. Autos and steel are the backbone of industrial America. When they falter, the whole economy feels it. Consider the employment effects of an auto production slump alone: The tire industry goes flat; copper, zinc, lead, iron and mining jobs disappear; and substantial employment in the glass and small electronic industries evaporates. Worker income used to purchase goods and services is lost, which creates a depression cycle of lost jobs and opportunities. A similar chain reaction is set off by a steel production slump.

These two key industries are at the center of the seamless web that is our economy. And the web is tearing at the center, as the auto and steel industries are weakened, shrinking, and badly in need of capital to retool and rebuild. We cannot sit by and watch them fail, and they cannot wait any longer for tax treatment which will enable them to make crucial capital improvements necessary to save jobs.

Our Government has played a significant role in bringing about the declining fortunes of these vital industries. In the automobile industry, Washington has mandated worthy but expensive safety, environmental, and fuel economy requirements which have cost the industry billions of dollars each year that otherwise would have gone for modernization and retooling.

Continued compliance with Washington's regulatory requirements will mean more billions diverted away from productivity-improving investments, and less industry flexilibity to deal with market demands. And the Federal Reserve Board's tight monetary policy has driven interest rates up to a point where financing a car is extremely difficult to afford, reducing customer demand. Because of such Government actions, the auto industry is caught in a squeeze which has driven one company to the edge of bankruptcy and threatens to do the same to the rest.

In the steel industry, the story is similar. Washington has looked the other way while foreign competition propped up by foreign government subsidy, has driven an ever larger wedge into the domestic steel market. Regulatory demands have intensified, hitting the steel industry much harder than most. In 1977, for example, the industry spent a sum equal to 74 percent of its after-tax profits on EPA and OSHA mandated expenditures. Such expenditures are expected to remain a very high proportion of industry profit for at least 10 years. And most important, outmoded Federal depreciation tax laws have penalized and prevented industry efforts to modernize to efficiently meet the demands of the marketplace.

I do not mean to suggest that the auto and steel industries should share none of the blame for their present plight. But the point is that Washington's regulatory requirements and punitive tax laws now loom large as a part of the problem. Washington therefore has a responsibility to act before it is too late to stimulate these vital industries. The tax reform we are proposing is the best place to start.

The primary purpose of our amendment is to make room in the fiscal year 1981 budget for "10–5–3" depreciation tax reform for the auto and steel industries. Because of the 5-year phase-in contained in this "10–5–3" proposal, such relief will cause a revenue reduction of only $200 million in fiscal year 1981.

Although this may not seem like adequate relief for two faltering giants badly in need of capital expenditures to retool and modernize, the amount of tax relief under "10–5–3" grows over the years—provided targeted industries do make necessary capital expenditures. If we act now, then the auto and steel industries, knowing of the significant depreciation tax relief they can expect in the future, can begin now to negotiate on firm ground in the bond market and with money center banks for capital required for urgently needed equipment replacement.

It makes good economic sense to stimulate investment and modernization through depreciation tax reform. This method of attacking the problems of the auto and steel industries is far preferable to Government subsidy, increased protection, or increased unemployment benefits because it helps to solve a fundamental structural problem—inadequate ability to raise investment capital—instead of simply providing costly but temporary, or postmortem relief.

I strongly believe accelerated depreciation tax treatment should be extended to all industries so that we can stop the alarming trend toward deterioration of America's industrial base. Yet, broad-based depreciation tax reform is costly, and its prospects for passage at this time are not certain, given the current climate of fiscal uncertainty. If we cannot guarantee passage of broad-based "10–5–3" reform this year, then we must at least make certain that urgently needed relief is provided for the industries and their workers with the greatest need. A little of an excellent thing is better than nothing. The steel and auto industries and their workers, in the grip of a depression, cannot afford to wait.

The basic problems within these two key industries can be solved if they make enormous capital investments in the near future. The steel industry must modernize to remain competitive and to save jobs. A study done by the McGraw-Hill Economics Department in 1979 called steel the most obsolete industry in America, with an estimated 26 percent of its plants and equipment technologically obsolete. The major reason steel mills have been closing so frequently is that outmoded facilities make them noncompetitive.

Yet perennially poor profits, intense foreign competition, and Government regulation make capital needed to modernize extremely hard to come by. Worse, because current depreciation tax laws are based on the useful life of long-lasting steelmaking equipment, it takes an average of 14 years for steelmakers to recover the cost of their original investment. With inflation soaring, this long capital cost recovery period permits steelmakers to recover only a fraction of the funds needed to replace useless equipment.

Current depreciation tax laws penalize the auto industry in a similar manner. Domestic automakers must retool and make large capital investments necessary to convert to small car production. With energy prices soaring, both market forces and Government regulations mandate such conversion—which is estimated to cost a staggering $50 billion over the next 5 years in addition to what has already been spent. Although automakers can currently deduct some special classes of equipment fairly rapidly, additional and badly needed capital would be made available more quickly if they could choose to deduct under the "10–5–3" method. The "10–5–3" bill I plan to introduce will be optional, preserving the option of automakers to deduct special tools in three years. Shorter depreciation schedules for all assets are essential to help automakers meet their enormous and urgent capital formation needs.

Accelerated depreciation, such as the "10–5–3" amendment I am proposing for the auto and steel industries, will ultimately cost the Treasury nothing in nominal terms. It will simply make dollars available for investment more quickly. But because of the ravaging effects of inflation, money made available now is worth much more than money made available later—and this difference in purchasing power is the difference between creating a climate favorable for modernization and continuing a climate which will lead to ruination.

Due to a phase-in provision, fair depreciation treatment for the auto and steelmaking industries will cost only $200 million in fiscal year 1981. In fact, inaction could contribute to a budget deficit, since further steel and auto layoffs will mean less tax revenue and more trade adjustment assistance payments and unemployment compensation. However, to insure budget balance, my amendment lowers outlays for general administrative overhead by $200 million in fiscal year 1981.

The Senate Budget Committee has suggested a 5-percent reduction in such expenses for fiscal year 1981; my amendment would mean a 5.5-percent reduction. This translates into a reduction of only one-tenth of 1 percent of total program funds for functions except income security, defense, and interest, which are exempted.

One final statistic: Economists estimate that for every job lost in the automobile industry, three jobs are lost elsewhere in the economy. Shutdowns in the steel industry have a similar rippling effect. The health of our economy rests in large part upon the health of these two industries. Since all economic indicators demonstrate we are now in a recession, it makes good economic sense to stimulate these two critical industries to prevent a further wave of job losses that is certain if they do not recover.

Mr. President, I appreciate very much the initial cosponsorship of Senators Armstrong, Bayh, Boschwitz, Glenn, Heflin, Heinz, Levin, Lugar, Nelson, Percy, Randolph, and Riegle.

The broad-based support for this amendment indicates the strength of our belief that the fiscal year 1981 budget, the Senate's statement of national priorities, should explicitly make allowance for realistic, job-saving depreciation tax treatment for the failing automobile and steel industries. I urge my colleagues to join in this urgent statement by supporting this amendment.

Mr. President, I know the hour is late. There are a couple of speakers who want to make a few remarks. I am prepared, subject to the other side, to yield back most of my time.

I do want to say that this is a beginning. We know that the cost of 10–5–3 across the board is very high. It would cost over $4 billion the first year alone. We believe that the goal of broad-based depreciation relief is good, and I am committed to this goal and so is Mr. Nelson, one of the cosponsors of the original 10–5–3 bill. We think this is a place to begin.

An American President once said: "A journey of a thousand miles begins with one small step." I think that this is true with 10–5–3. The auto and steel industries are signaling to us chaos, depression, unemployment, and capital formation crisis. Hopefully, we will begin to respond to their problem in some meaningful way, and in a way that will apply eventually to all the industries.

At this point, Mr. President, I reserve the remainder of my time.

Several Senators addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. NELSON. Mr. President, who controls the time?

The PRESIDING OFFICER. The time is controlled by the Senator from Pennsylvania (Mr. SCHWEIKER) and the Senator from South Carolina (Mr. HOLLINGS).

Mr. NELSON. Mr. President, I wish to speak in opposition to the amendment.

Mr. HOLLINGS. Mr. President, I yield to the distinguished Senator from Wisconsin.

Mr. NELSON. Mr. President, let me say to the Senator from Pennsylvania, in explanation, that I was the prime sponsor here in the Senate with a number of cosponsors to the depreciation reform entitled 10–5–3. I am still in favor of making a significant change in the depreciation schedule.

At the time I introduced that legislation, I put one caveat on that, saying that we had not had adequate hearings for me to make a judgment as to whether the depreciation schedule of 10 years on a building was really, in fact, the right length of time.

I am satisfied that we need to significantly accelerate the depreciation schedule for productive machinery and equipment.

The United States has an average productive machinery age now of 20 years; West Germany, 12 years; Japan, 10 years. Therefore, our productive machinery is twice as old as Japan's. We cannot compete in that circumstance. We do need to accelerate the depreciation schedule.

I did not have the opportunity—and I apologize to the Senator from Pennsylvania—to discuss this with him. My staff this afternoon, started checking with the auto industry representatives—and they are not here, unfortunately—but they advised me not long ago that the industry was opposed to the amendment as drafted, because there are certain depreciation benefits they get from their retooling aspects of the industry, which I am not certain about, that are 3-year depreciation; that it counts for a significant amount of the depreciation in their industry; that this would push them up to 5 years and would not benefit them; and that they needed the chance to point out in hearings what modifications were needed.

I did not have a chance to get to the Senator to express my reservations about that. So, though I am a prime sponsor of the bill that was introduced, I guess I am going to vote against the amendment because I am uneasy about this particular status of it.

Let me say one thing further. I think the first thing we need to do when we have a tax reduction, one of the prime things we have to do is to rapidly increase the depreciation for machinery and equipment in this country. Because the 8-, 10-, 12-, 14-, 16-year depreciation means that the businesses do not recover their capital; that when they have to replace their machinery it costs four times as much.

We have had, I believe, one hearing on one day on this depreciation in the Finance Committee, of which I am a member. I think that is inadequate to make a determination as to what the best schedule is.

I apologize to the Senator from Pennsylvania for not getting to him sooner.

Mr. HOLLINGS. Mr. President, I would just like to follow the thought of the Senator from Wisconsin. I think the uniqueness of what the Senator from Wisconsin is pointing out, and that all of my colleagues should understand, is that roughly one-half of the auto industry's assets are characterized as "special tools." So, under current law, these tools are depreciated over a 3-year period.

Now, if we apply 10–5–3, no asset under the 10–5–3 approach, other than cars and light heavy duty trucks, can be depreciated over a period less than 5 years.

So, as the Senator has indicated, you are going to put what they have been getting depreciated over a 3-year period up into a category of 5 years. Only later after the phase in of the act will benefits materialize. As the Senator from Wisconsin notes, they will get a benefit later but, in the short-term game, they will actually suffer a loss.

Mr. NELSON. Mr. President, may I say to the Senator that I was groping for the description of special tools. That is what my staff advised me.

May I say one more word to the Senator from Pennsylvania. I attended a meeting of the representative corporate officials of American Motors, Ford, Chrysler, and General Motors, along with the Senator from Pennsylvania and about 16 or 17 other Senators the other morning. I think the situation of the industry is desperate.

I agree with what the Senator from Pennsylvania is attempting. I would be prepared, and I think the appropriate committees ought to get at the question of depreciation.

I agree with the Senator that it may very well be, under the circumstances, too expensive on a short-term basis in the next 5 years to adopt 10–5–3 across the board, because the static analysis of that cost is some $49 billion 5 years out. The dynamic analysis is about $10 billion a year 5 years out.

But I think we need to address exactly the question the Senator from Pennsylvania is raising and we need to address it fast, specifically to steel and auto industries, because that circumstance is serious. We may very well, in the next 3 or 4 years, see the exportation of two major basic industries if we do not do something soon.

So I agree with everything the Senator from Pennsylvania is attempting to achieve. I think we must tackle that question for those two industries very shortly.

Mr. HOLLINGS. Mr. President, before I yield to the Senator from Pennsylvania, I want to note that the Senator from Pennsylvania's 10–5–3 can easily be accommodated in the recommended $10 billion tax cut to be acted upon at the time of the second concurrent resolution.

There is $3 billion to be used for productivity tax incentives and the $200 million is easily cared for.

I am sure that the Finance Committee will consider the plight of the auto and steel industries in their deliberations. Remember, please, that we have just had a dialog with our friend, the distinguished Senator from Michigan, the distinguished Senator from New York, the distinguished Presiding Officer, and all the others with respect to trade adjustment assistance. Congress is not unmindful of the plight of the auto worker found unemployed.

We have just made the commitment that there is room within this budget, and included on the House side, for the trade adjustment assistance.

Now, the Senator from Pennsylvania and your Budget Committee's resolution both say, beginning next year, January 1, there should be a tax cut. But, right now, what really goes against the grain and what we have to try to guard against it, as the distinguished Senator from Louisiana and the Finance Committee said is writing line item tax laws in the budget resolution.

I remember when our distinguished chairman, Senator Muskie, came on the floor and recommended different tax cuts. That is what started the cat and dog fight out here and the misunderstanding and the cleavage between our Finance and Budget Committees.

So we have been very careful in the tax cut recommendations to follow the policy of not assuming special line items in the revenue totals.

Now, this amendment would be immediately a departure from that policy and appear to limit the discretion of the Finance Committee. I am sure they are going to consider the plight of the automobile worker. But if every particular Senator, including me, had a particular tax law and was going to start putting it into the budget resolution, it is going to become just like the appropriation bills, with busing and abortion and gun control and everything else. We would never get through the real intent of the appropriation bill and we will never get through the intent of the budget resolution.

I would plead with my colleague from Pennsylvania. We are all in total sympathy. We have not disregarded the steel industry either. We have provided perhaps more with respect to the steel industry. I helped work out the trigger mechanism for steel. Now I think seven companies are joined in an antidumping suit, and once that occurred, the administration said they would not trigger the steel pricing mechanism.

So both matters have been tended to in this resolution.

I will yield to the distinguished Senator from Pennsylvania.

Mr. SCHWEIKER. I tried to shorten my speech in the interest of time, and now I have had a question raised about my amendment which would have been covered if my opening statement had been longer.

In a longer opening statement I would have more explicitly outlined my intent that automobile manufacturers should have the option of using the present system for the 3-year write off of special tools or the 10–5–3 method. That is the simple and easy answer to the Senator's objection. Let us not sabotage the whole program because of some technicality. Let us simply give the company the option of taking the faster system. It is true they now have a 3-year write off option, but it is only on 50 percent of their assets. So 10–5–3 is still a very viable thing. The auto companies need $50 billion worth of capital and they are not going to get in from special tool 3-year write-offs. Let us not shoot this proposal down because we misunderstood what it would do.

The issue is clear. It is whether we are going to move ahead on the issue of more rapid depreciation. I just talked to one of the Senators who came back from England. He just saw a new steel plant. The owners wrote it off in 1 year. In just 1 year they wrote it off. That is the kind of competition we are up against. It is no wonder we are getting creamed in the markets abroad, no wonder the automobiles are being made in Japan, no wonder steel is coming in from Western Europe and Canada, when you can write something off in 1 year.

We have dilly-dallied, delayed, put off, and now we are going to do it again. Now we have what used to be two of our best industries going down the tube because we procrastinate on depreciation reform.

Mr. GLENN. Will the Senator yield 4 minutes?

Mr. SCHWEIKER. I yield the time.

Mr. GLENN. Mr. President, I rise in support of Senator SCHWEIKER's amendment to provide more rapid capital recovery for the auto and steel industries. These two industries are the bedrocks of the American economy.

In fact, the automobile industry alone is estimated with all ancillary support around it encompasses some 20 percent of the American economy.

They are among our largest employers and largest consumers of supplies and services. U.S. auto manufacturers employ approximately 1 million workers and U.S. steel producers employ nearly 600,000 workers. The auto industry consumes 21 percent of America's steel, 25 percent of America's iron and machine tools, 22 percent of America's aluminum, 56 percent of America's rubber and large amounts of America's plastics, textiles, lead, electrical components, and glass. The steel industry purchases nearly $26 billion of materials, supplies and services, and finished steel products are critical materials for the manufacturing, construction, mining, energy and transportation industries. Clearly, no one can deny that the strength of our economy depends on the strength of these industries.

Nor can anyone deny that these are critical times for the auto and steel industries. Massive imports of autos and steel have caused serious injury to these industries in recent years—resulting in widespread unemployment and depressed earnings. And there is every indication that the problems of the auto and steel industries will continue to grow. The energy crisis, soaring interest rates and the general softening of our economy will make it very difficult for these industries to recapture investments they must undertake to meet the challenge of foreign competition.

Between now and 1985 the American auto industry will spend $38 billion to retool for the production of small cars. During that same time period the American steel industry needs to spend $35 billion to modernize and replace steel production capacity. Where will this money come from? The steel industry's earnings have lagged far below those of other manufacturing industries in the United States for the past decade and the combined deficit of the big three automakers for the first quarter of 1980 may exceed three-quarters of a billion dollars.

Clearly, if the auto and steel industries are to meet these commitments the U.S. Government must allow for more rapid capital recovery. The amendment before us addresses the financing needs of these industries at a time when their needs and, consequently, the needs of millions of workers and suppliers dependent on their well-being, are especially profound. I urge my colleagues to join me in support of this amendment.

I might say in reply to the Senator from South Carolina as regards the trigger price mechanism on steel, that was never intended to be more than a stopgap measure. It transferred some of the steel problems we are having from Japan to Europe. We could not set up a six-part trigger price mechanism that encompassed the five major markets in Europe as well as Japan.

So when the companies finally filed their own suit, the trigger price mechanism went out, but in my way of thinking, our Government should have been far more actively pursuing the buildup of steel industries abroad and monitoring this for us so that each steel company itself does not have to act as its own little State Department, going out digging up all the information individually. I think we should be doing this for our whole steel industry and auto industry in toto.

As the distinguished Senator from Wisconsin said a few moments ago, we have all participated in multiple meetings regarding this problem of autos in the last few days with the heads of the steel companies, including the head of the UAW, Doug Fraser, in the same meeting. I attended a meeting today with our Ohio people in town, Bill Stevens being one of the regional directors with them here. It is a dire plight we find our auto industry in. I would hope my colleagues would support the Senator from Pennsylvania in his efforts.

Mr. ROBERT C. BYRD. Mr. President, I discussed with the author of the amendment (Mr. SCHWEIKER) the situation with regard to time. He is agreeable to 10 minutes equally divided remaining on the amendment. I make that request.

The PRESIDING OFFICER. Is there objection?

Mr. WEICKER. I object.

The PRESIDING OFFICER. Objection is heard.

Mr. ROBERT C. BYRD. Mr. President, there are about 30 minutes remaining. I ask unanimous consent that the time remaining be limited to 20 minutes, to be equally divided.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. NELSON. Will the Senator from South Carolina yield to me?

Mr. HOLLINGS. I yield 5 minutes.

Mr. NELSON. Again, Mr. President, I am reluctant to be in opposition to the proposition before us since I introduced legislation and agree with the objective sought by the Senator from Pennsylvania and endorsed by the Senator from Ohio. It seems to me we have a serious problem here. It is correct, England has a 1-year depreciation on production machinery. Canada went to a 2-year depreciation about 7 years ago. The Senator from Pennsylvania is correct, they have made some dramatic improvements in the modernizing of their industry in Canada.

There are a number of proposals respecting depreciation that are pending now. Congressman ULLMAN has one. There are three or four proposals. His is different from the 10–5–3. I do not want to recite the dates.

We have introduced 10–5–3 on this side. I have a proposal I will be introducing for a 3-year straightline depreciation.

I do not think this will solve the problem for steel and auto, although it may help. I think that circumstances is so desperate that it needs special attention.

I would be prepared on the floor of the Senate to support a 2-year writeoff, a 1-year writeoff, on any machinery equipment designed for building the auto industry, for the construction of fuel efficient automobiles, to meet a certain standard, and give them any writeoff they want.

In the long pull, it will not cost the taxpayer anything, because it comes out of the business. If they are profitable, then they are going to pay taxes and do not have anything to deduct once they have written it off. But I am concerned that we are coming in with a very significant, very dramatic change in the depreciation schedule, which may not be targeted to do as much good for auto and steel as we ought to be doing. That is my concern.

I reluctantly say I shall have to vote against the amendment.

The PRESIDING OFFICER. Who yields time?

Mr. HARRY F. BYRD, JR. Will the Senator yield me 2 minutes?

Mr. HOLLINGS. Yes, Mr. President.

Mr. HARRY F. BYRD, JR. Mr. President, I am in sympathy with the objectives of the Senator from Pennsylvania (Mr. SCHWEIKER) in offering the amendment to the budget resolution. Like him, I am concerned with the present situation of the automobile and steel industries in the United States. At the same time, I do not believe we should at this time implement a major change in the tax laws governing depreciation for two segments of the American economy.

The problems imposed upon industry in this Nation are widespread, and the need for more rational and equitable tax policies toward our industrial firms is not confined to automobiles and steel.

As the Senator from Wisconsin just pointed out, in England, there is a 1-year writeoff for equipment. In addition to that, there is a 1-year writeoff for factories.

As a member of the Senate Finance Committee, and as chairman of its Subcommittee on Taxation, I think that the proper way to proceed in this matter is for the committee to study industry-wide tax revision which will improve the prospects for capital investment and productivity in all segments of the economy. This process has begun in our subcommittee.

The pending proposal applies to too narrow a sector of our industrial structure. It should be part of a broad-scale revision of taxes affecting the productivity of our manufacturing concerns of all kinds.

For that reason, I must oppose the amendment, although I favor the principle of it. I hope that, later on in the session, the Committee on Finance will be able to report to the Senate some legislation effecting a more liberalized depreciation rate, which I think this country needs.

Mr. RIEGLE. Will the Senator yield?

Mr. HARRY F. BYRD, JR. I do not have the time.

Mr. RIEGLE. Will the Senator from South Carolina yield me a minute so I may inquire of the Senator from Virginia.

Mr. HOLLINGS. Yes.

Mr. RIEGLE. Mr. President I welcome the Senator's comment and the fact that he is concerned about autos and steel and, beyond that, other parts of the economy. As chairman of that subcommittee on the Finance Committee, he indicates his intention to try to push ahead on some kind of provision that will allow capital recovery to take place faster and get us back more in a competitive position with other industrial nations.

Could one infer from what the Senator said that we might see some action this year? In other words, is there a plan at this time either to hold hearings or begin a serious effort to see what we can do? If so, I think that would be a very important signal to come out of here this evening. I, for one, would like to participate constructively with the Senator as chairman of that effort to see what we can determine here.

Mr. HARRY F. BYRD, JR. I could not conscientiously say that something will be done this year.

The PRESIDING OFFICER. The Senator's 1 minute has expired.

Mr. HARRY F. BYRD, JR. May I have 1 more minute?

Mr. HOLLINGS. Yes.

Mr. HARRY F. BYRD. JR. I would favor action if there is sufficient support for it. I do have some concern with the "10" part of the 10–5–3. I have not made up my mind that I could support a 10-year writeoff for plants. I am in favor of the 5-year and the 3-year.

Mr. RIEGLE. I wonder if the Senator would be willing to do this: the Senator was kind enough to sit in on a meeting the other morning with the four automakers and other industry leaders. As he knows, we have an enormous shortage of capital there. Fifty billion dollars has to be raised in the next 5 years. I wonder if it would be possible to have a hearing at an appropriate time, not too far down the track, with regard to that particular industry?

We know that one has enormous capital requirements and may be the Senator would take a look at the depreciation schedules to see what might be feasible. Would the Senator be willing to do that?

Mr. HARRY F. BYRD, JR. Yes, we have held hearings on some aspects of this. I would be willing to hold additional hearings if it would be helpful.

Mr. RIEGLE. I appreciate that. That would be helpful.

The PRESIDING OFFICER. Who yields time?

Mr. SCHWEIKER. I yield 5 minutes to the Senator from Connecticut.

Mr. WEICKER. Mr. President, I had asked for the additional time and objected to the unanimous-consent request only because I was going to withdraw my amendment to this amendment, which amendment would have called for a 10–5–3 right across the board, not just applying to steel and the automotive industries. I am going to withdraw that amendment and direct my remarks in support of the amendment of the Senator from Pennsylvania.

It is ironic to me—first of all, let me give the cost of the 10–5–3 across the board as I computed it. It is $1.9 billion, according to the Congressional Budget Office. We are going to spend $1.5 billion just on the Chrysler Corp., $100 million-some-odd for Wheeling-Pittsburgh Steel, $90 million for Wisconsin Steel, and we are not going to attend to the basic causes of the problem which produces the after-the-fact money.

If you want to know about money down the drain, it is the $1.5 billion to Chrysler and the other loans I described to the steel companies.

It is far better to spend our money on this type of proposition here, so we do not get to the bailout situations on the floor of the Senate. Because of the nature of the entire process, dealing with the Finance Committee, the Budget Committee, the Appropriations Committee, on something which is probably going to be the only matter of importance to pass through this Congress, we are restricted to discussing these important matters in a matter of hours, in the wee hours of the morning.

I hope, if consideration is given to the 10–5–3, consideration will be given to all businesses. Indeed, the business most in need of this kind of assistance is small business. The Nation's 13 million small businesses have not had the luxury of a history of profitable years. They are in their nascent stages, trying to eke out a living. Yet they account for 55 percent of all employment, 48 percent of the Nation's business output and 43 percent of the GNP.

In a recently concluded White House conference, this issue was named as No. 2 in importance by that conference. This is the issue that was No. 2 in importance.

So, yes, I hope the principle will be adopted right across the board. In the long run, it will save a great deal of money and put us in a competitive position vis-a-vis imports.

That, obviously, is not to be, so I very strongly support the amendment of the Senator from Pennsylvania. I admire him for bringing it forth on the floor at this time. I only wish it would be given the proper consideration that it deserves rather than the perfunctory glance that is obviously going to take place at midnight.

The PRESIDING OFFICER (Mr. HUDDLESTON). Who yields time?

Mr. MAGNUSON. Will the Senator from Pennsylvania yield to me for a question?

Mr. SCHWEIKER. Yes.

Mr. MAGNUSON. I wonder if the Senator from Pennsylvania would consider an amendment to include the timber industry and sawmills, which are plagued with more unemployment than the auto and steel industries?

Mr. SCHWEIKER. If the Senator had heard me speak earlier, he would know it is my clear intention to propose a bill that will include all industries including timber. This is just the beginning, I say to the Senator.

Mr. MAGNUSON. That is what I think, because the Senator from Virginia is correct: we cannot just single out two industries which are in bad shape.

Mr. SCHWEIKER. Great Britain does. They singled out steel with a 1-year writeoff.

Mr. MAGNUSON. We have almost shut down the timber industry because of the housing crisis and in three counties in western Washington, there is 19 percent unemployment right now. In proportion, that is greater than the automobile industry.

I could not support the amendment unless the Senator includes sawmills, lumber manufacturers, and the timber industry and the whole business—the pulp and paper and plywood industry. All the plywood mills are shut down in my State—completely, many of them.

So I think we have to look at this thing as a whole, as the Senator points out. We just cannot pick out two industries.

Mr. SCHWEIKER. I yield 2 minutes to the Senator.

Mr. DOLE. Mr. President, I support the concept of the Senator from Pennsylvania. I will not move to table, but I want to concur in what the Senator from Connecticut said, also the Senator from Virginia, the Senator from Pennsylvania, and the Senator from Washington, because this is a piecemeal operation.

As the ranking Republican on the Finance Committee, I will be happy to start hearings as soon as we can on the 10–5–3 across the board, or some other way, to accelerate depreciation.

I am not certain the auto industry is really helped much by that because I understand the bulk of the auto depreciation comes from special tools that already have a 3-year depreciation.

If we do not give this 10–5–3 to other companies, we will not help capital formation in the very companies that want to use steel products, and that may not be an answer.

It seems to me we have touched on a very important topic. I hope it is beyond that stage and we might have some agreement for hearings. We could open up the questions raised by the Senator from Washington, and others, and maybe other ideas than the 10–5–3 depreciation. But barring that, I will support the Senator from Pennsylvania.

But I hope there might be some consideration of letting us look at it in the Finance Committee, which we will be happy to do. It will have to go there, in any event.

Mr. DANFORTH. Will the Senator yield me about 1 minute?

Mr. SCHWEIKER. One minute.

Mr. DANFORTH. Mr. President, it has been clear to almost everyone who has been speaking about the economic condition of this country that 10–5–3, or something like it, is well overdue.

Almost every leading economist in America has proposed this idea.

When William Miller was chairman of the Federal Reserve Board, he proposed and supported 10–5–3 before congressional committees.

The majority of the Members of the U.S. Senate have joind as cosponsors of 10–5–3. Every Member on this side of the aisle has joined in cosponsoring 10–5–3.

The problem has not been the Congress. The problem has been the President. The fact of the matter is that it is a very difficult matter, I think probably impossible, to pass a tax law without Presidential approval and support.

I think the Senator from Pennsylvania is quite correct in what he is trying to do.

The PRESIDING OFFICER. The Senator's time is expired.

Mr. GOLDWATER. Will the Senator yield me a minute or two?

Mr. HOLLINGS. Yes.

Mr. GOLDWATER. Mr. President, what we are watching here tonight are the chickens coming home to roost. I guess that for the last 40 years, wise economists in this country have been warning this Congress that if we did not give the free enterprise system the money to rebuild, the money to invent, the money to promote, give them incentive money, we were going to be in trouble.

Here, tonight, we finally hear pleas made about the steel industry which years ago through their unions would not adopt the advanced production of steel we invented and the European countries adopted.

Here we hear pleas for the automobile industry. Mr. President, all the American people want is smaller, more economical cars. But we are still building 6- and 8-passenger cars.

I am a great free enterpriser. But I am not a free enterpriser to the point I am going to continue to protect stupidity, and that is what we have got in this free-market economy of ours today.

We have businessmen who, frankly, do not know what they are making, why they are making it. We have conglomerates that do not know why they are in business. And tonight we are being appealed to at a late hour to do something for them.

I do not care if we do pass this amendment. I happen to be in favor of it. It is not going to do any good.

Mr. President, the hour has struck. Twenty-five percent of our cars are coming from overseas and they are going to be increasing in the next year. Our steel production is down, not because of any reason that we do not produce good steel any more. We have to buy from Belgium and Germany.

I think until the time the American free market economy wants to wake up to the fact, along with their bosses, the union labor of this country, that we are going out of business unless they give in a little bit.

What we do here in this Congress is not going to do a tinker's damn bit of good.

I have been in business a lot in my life. I know what it is to meet a payroll. I know what it is to pay taxes. I am saying, Mr. President, what we have imposed on the American businessman in this country with organization after organization after organization, what we have imposed on the American businessman with prohibitive taxes and restrictive taxation, it is a wonder to me we are still in business.

I hope that this amendment would pass, not because it will do any good, because I do not think it will, but I would hope the American business community would wake up, wake up and realize that the free market is their only salvation, not the Federal Government.

Mr. LEVIN. Will the Senator yield for 2 minutes?

Mr. SCHWEIKER. I yield to the Senator from Michigan.

Mr. LEVIN. Mr. President, first, I want to commend the Senator from Pennsylvania for his approach. If we cannot take all the steps tonight, at least we can take two small steps. If we cannot do it all, at least we can do what we can.

The Senator from Pennsylvania's amendment is based on that approach, in two industries that need some help in depreciation so they can compete with the kind of depreciation schedule their competitors have abroad.

Two points have been made and I think they should be answered.

First, it has been said that 50 percent of the positions in the auto industry will not be helped, but the other 50 percent will be helped. To the extent 50 percent do not need this break, that is no burden on the Treasury.

Second, there may be a better way to target this. But, as I understand it, I want to ask the Senator from Pennsylvania this question; if the Finance Committee can find a better way to target this depreciation improvement, is it not the Senator's understanding that they have the power and the ability to do so under this amendment?

Mr. SCHWEIKER. That is correct.

This is just some money. It is up to the Finance Committee to work out the details. That is why some arguments are rather irrelevant.

Mr. LEVIN. I thank the Senator.

Mr. President, I commend the Senator from Pennsylvania for this amendment and I am pleased to join in offering it. This amendment reflects the urgent need for assistance to those sectors. It is within the jurisdiction of the Finance Committee to deliberate and recommend the proper features of the depreciation proposal. It is, however, within the domain of the budget process for the Senate to judge the merits of such a concept within the overall spending and revenue parameters of the Federal budget.

In the next 6 years, the auto industry will have to spend over $80 billion in capital expenditures. Part of this investment is mandated by law through environmental, safety, and fuel economy standards. Part of this cost is due to dramatic and sudden shifts in consumer demand. These significant changes occur at a time when sales are plummeting, profits are disappearing, and company resources necessary to fund these investments are tight. Unlike the oil industry, auto and steel industries do not enjoy a windfall of some 1 trillion dollars.

These cost burdens impose themselves at a time when the market response for American autos is weak and investment funds are scarce forcing companies to borrow at extremely high interest costs. If the auto industry as well as the steel industry becomes healthy and competitive again, significant investments will be necessary. This amendment recognizes this vital fact and the strained financial conditions both industries find themselves in at this moment.

The costs of this proposal will be minimized by targeting the incentives to two troubled industries. In large measure, their investments and their ability to finance will underwrite their survival. The importance of these industries to communities is dramatized by the impact of plant closings, both permanent and temporary, in many places in our land. In Michigan, there are towns like Hamtramck where 15,000 jobs were lost when the Dodge main plant closed. Other impacted towns and cities include Flint, River Rouge, Highland Park, and Detroit where the unemployment rate is estimated at 16 percent for April. Overall, the auto company's unemployment rate is 25 percent; in a work force of approximately 1 million, well over 200,000 are on indefinite layoff and 47,000 more are on temporary layoff. Over half of these unemployed workers live in Michigan. The litany of Michigan towns beseiged by unprecedented unemployment lines is. at once, the testimony of a troubled industry.

Let us make no mistake about what we are doing here. We are recognizing the tremendous needs of two troubled industries which in the past have provided thousands of jobs and now are suffering from a variety of ills. The massive investment needs in the next few years will be pivotal in the revival of these industries. This budget is a statement of priorities and this amendment places among those priorities the revival and strength of the steel and auto industries.

There are two parts to this amendment, Mr. President. The first, I have discussed and stated my support. The complementary section to this amendment reduces governmentwide operating expenses by $200 million. In the past, I have opposed singular attempts to reduce Federal spending across the board. Such attempts are untargeted and unwise. In the case before us, however, the cut is minimal resulting from slight reductions in operating expenses governmentwide. I only accept even this cut because of the actual needs this amendment addresses.

I hope the Senate will see fit to include this priority within the 1981 budget.

The PRESIDING OFFICER. Who yields time?

Mr. DOMENICI. Will the Senator yield me 2 minutes?

Mr. SCHWEIKER. Yes.

The PRESIDING OFFICER. The Senator from Pennsylvania only has 30 seconds remaining.

Mr. DOMENICI. Then a minute and a half together with his 30 seconds?

Mr. HOLLINGS. That puts me out, I need 2 or 3 minutes.

Go ahead on the bill.

Mr. DOMENICI. I did not intend to speak, but I have not heard or seen this many U.S. Senators in a room in the 7½ years I have been a Senator where the talk is directed to one of the major problems of this country.

I hear talk about everything like where we ought to spend more money, the poor people we ought to help.

I want to tell a story. If any of us had looked at Time magazine 2 weeks ago, we would note a quote about 2 pages into it by Winston Churchill. I assume it is about 30 years old.

He said that the problem with the free enterprise or capitalistic system is that it has difficulty spreading the blessings equally. He said that the problems with socialism is that it spreads the miseries equally.

What we have been busy at for 25 years in our country is trying to figure out how to spread the blessings equally. In the process, we forgot where the blessings came from.

What we are talking about now is how to build back the blessings in this system for the American working man, the family, our people.

We have been trying to spread out the eggs of blessings which were laid by the golden goose to which Churchill referred, with programs to give people things, and all of a sudden we find that the blessings are not there because no capital is invested. We have been ashamed to talk about profit, and it is a dirty word to talk about a big company needing to invest money. All of a sudden, the two big legs are weak.

I do not know if this is the right approach. I have not been for changing this budget resolution. I voted against changing it once before; but if my vote in support of this amendment will do anything to indicate that we have arrived, I hope it is not too late to make a commitment to the American working man and woman and investor and family that we are going to change our tax laws, so that the blessings will be around here for us to divvy up. But first let us make sure they are there.

I thank the Senator from Pennsylvania.

Mr. HOLLINGS. Mr. President, I yield 2 minutes on the bill to the Senator from Oklahoma.

Mr. BELLMON. Mr. President, I have sat here as enamored as anyone else with this debate, but it is irrelevant.

In this budget resolution we have a provision for not a $200 million tax cut but a $10 billion tax cut. We do not need this amendment by Senator SCHWEIKER. We have more than made provision for this and, actually, for multiples of a tax cut of this size, provided we keep the budget in balance, and the money will be available.

There is no point for this amendment, and we have wasted a lot of time talking about something that is not in this bill.

There will be time to talk about a tax cut when we complete this budget resolution, and at that time I will be glad to look at some of these ideas. We should get on with this resolution. It is now past midnight, and we still have a large number of amendments remaining.

Mr. HOLLINGS. I yield myself time on the bill, and I will yield an equal amount of time to the Senator from Pennsylvania.

Where is the Senator from New Mexico?

Mr. DOMENICI. Right here.

Mr. HOLLINGS. It is not we in the Budget Committee who determine particular tax benefits; it is the Finance Committee chairman. We are looking at the golden goose. [Laughter.]

Mr. DOMENICI. We can send him a little message.

Mr. HOLLINGS. He might give them $200 million or $5 billion.

But as to the principle involved, look at the amendment of the Senator from Pennsylvania and then look at the resolution. He says lower revenues by $200 million, and he takes it from administrative costs of all the departments of Government, after we already have cut 5 percent therefrom.

You may vote in May or you may vote after August 28. We just set that date for the second concurrent resolution. But we cannot vote intelligently until the Finance Committee has its hearings on productivity; and, as the golden goose lays his eggs, we will be glad to collect them.

We cannot come around here and start taking every tax bill—for timber, for automobiles, for steel—and start changing the budget resolution. That is the principle involved.

You can demonstrate all you want at 11 o'clock at night what "I have done." This (the amendment) does not mention the automobile industry, and neither does this (the resolution).

We just put the amount in there and recommend tax cuts, but what will be voted upon will be done deliberately, after due hearings, and then we can look at it when the Finance Committee is ready.

I yield a minute or two on the bill to the Senator from Pennsylvania, and then I will move to table the amendment.

Mr. SCHWEIKER. Mr. President, I think this is a very significant, symbolic vote.

I believe the Senator from Connecticut (Mr. WEICKER) said it very well. We spend weeks debating the bailing out of the Chrysler Corp. for a billion and a half dollars. We spend time talking about hundreds of millions for Wheeling-Pittsburgh. We have put the cart before the horse. We do it the wrong way. We send the water truck out after the fire has burned the house to the ground.

We always have a reason why we cannot to do this or that, for delaying, and I am just trying to create some movement on this important issue.

We have talked about 10–5–3 depreciation, about people laid off, companies going out of business, our industrial base eroding, and all I want to do is to begin—begin the difficult task of economic reconstruction.

It is fine to begin with a $50 billion program, but we know that will never pass this body. It will take a small step, a small beginning. I am all for getting all the other industries into it. That is what the next bill will be. Let us begin; let us start now; let us get the country turned around.

● Mr. BOSCHWITZ. Mr. President, I rise in support of the amendment sponsored by Senator SCHWEIKER to provide needed tax relief to the beleaguered auto and steel industries.

We all are aware of the devastating effect on our economy of the problems now facing these two industries. The unemployment rate last month jumped 0.8, bringing the jobless rate to 7 percent. This represents over 7 million Americans who have been forced out of the labor pool, mainly due to circumstances beyond their control. Layoffs in the auto and steel industry are at enormously high levels. Both of these industries cause so-called ripple effects throughout the rest of the economy and so induce further layoffs in other businesses.

Some economists estimate that for every job lost in the auto and steel industry, another three jobs in other parts of the economy are jeopardized. Numerous companies who supply the materials for production, and numerous companies who depend on sales of autos and steel are jeopardized.

I do not think we should sit by and watch this happening without responding in some fashion to the situation.

This amendment, of which I am a primary cosponsor, will give some much-needed tax relief to these two critical industries. A major part of the decline in auto and steel has been due to the enormous capital requirements to remain competitive worldwide. Yet our Government policies have discouraged such investment both by burdensome tax policy and by well-intentioned but costly regulation.

Our tax policy, in particular, by not recognizing the ravaging effects of inflation on profits and replacement of capital equipment, have squeezed out the money needed by the steel and auto industry to improve their productive capacity.

I believe this amendment will help turn this situation around. Although the 10-5-3 depreciation schedule in this amendment will be phased in, it will provide an incentive to the auto and steel industry to start building up their investment over the next few years.

Although this amendment only covers the steel and auto industries, I strongly believe that we should provide accelerated depreciation to all businesses. Small businesses have been particularly hurt by taxes and inflation. There are many legislative proposals introduced in this Congress which change the tax laws in some fashion to alleviate the pressures on all businesses.

I am usually disinclined to support "special interest" tax policy. I would much rather implement corrective tax policies that place all businesses on an equal footing so that competition is better served. However, the effects of production declines in the steel and auto industries are having a negative impact on all sectors of our economy, both businesses and individuals. And so I believe that the benefits of this amendment would lead to greater economic growth in our economy as a whole.

I also consider this amendment as only a first step toward comprehensive changes in our tax policy. Congress, by enacting this amendment, will put itself on record that we will enact policies that encourage and promote the free enterprise system that has made us the strongest economy in the past, and that will insure we remain so in the future for the benefit of all Americans.

I urge my colleagues to support this amendment.●

SEVERAL SENATORS. Vote! Vote!

Mr. HOLLINGS. Mr. President, I move to table the amendment, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to table the amendment of the Senator from Pennsylvania. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Alaska (Mr. GRAVEL), the Senator from Hawaii (Mr. INOUYE), the Senator from Massachusetts (Mr. KENNEDY), the Senator from Vermont (Mr. LEAHY), the Senator from Hawaii (Mr. MATSUNAGA), and the Senator from Georgia (Mr. TALMADGE) are necessarily absent.

Mr. STEVENS. I announce that the Senator from Maryland (Mr. MATHIAS) and the Senator from North Dakota (Mr. YOUNG) are necessarily absent.

The PRESIDING OFFICER. Are there other Senators desiring to vote?

The result was announced—yeas 44, nays 47, as follows:

[Rollcall Vote No. 118 Leg.]

YEAS—44

Baucus
Bellmon
Bentsen
Biden
Boren
Bradley
Bumpers
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Chiles
Church
Cranston
Culver
Durkin
Eagleton
Exon
Ford
Hart
Hollings
Huddleston
Jackson
Johnston
Long
McGovern
Magnuson
Melcher
Morgan
Moynihan
Nelson
Nunn
Packwood
Pell
Pressler
Proxmire
Pryor
Ribicoff
Sasser
Stennis
Stevenson
Stewart
Stone
Tsongas

NAYS—47

Armstrong
Baker
Bayh
Boschwitz
Chafee
Cochran
Cohen
Danforth
DeConcini
Dole
Domenici
Durenberger
Garn
Glenn
Goldwater
Hatch
Hatfield
Hayakawa
Heflin
Heinz
Helms
Humphrey
Javits
Jepsen
Kassebaum
Laxalt
Levin
Lugar
McClure
Metzenbaum
Percy
Randolph
Riegle
Roth
Sarbanes
Schmitt
Schweiker
Simpson
Stafford
Stevens
Thurmond
Tower
Wallop
Warner
Weicker
Williams
Zorinsky

NOT VOTING—8

Gravel
Inouye
Kennedy
Leahy
Mathias
Matsunaga
Talmadge
Young

So the motion to lay on the table Mr. SCHWEIKER's amendment (No. 1742) was rejected.

Mr. LONG. Mr. President, will the Senator yield to me?

The PRESIDING OFFICER. The question recurs on the amendment——

Mr. LONG addressed the Chair.

The PRESIDING OFFICER. The Senator from Louisiana.

Mr. LONG. Mr. President, I do not believe that someone can mandate any committee in the Senate, the Finance Committee, the Appropriations Committee, or any other committee, by just changing one number to another number in the budget resolution and standing here on this floor and saying, "Here is what I have in mind."

We went through some exercises along that line some years ago. The Budget Committee said that a certain amount of revenue was available to the Finance Committee, including an amount for tax reform. So the Finance Committee reported out what it thought it should recommend in the way of tax legislation within the overall total.

The Budget Committee chairman, Mr. Muskie at that time, proceeded to stand here and tell us, "No, you did not recommend the kind of tax reform we had in mind in the Budget Committee, so you broke your instructions."

So we had it out, up one side and down the other.

I stood here and said: "Tax reform is whatever can get 51 votes in the Senate."

And that is the way the Senate viewed tax reform. We were sustained. But after Senators got through debating the matter up one side and down the other, we concluded that a committee can recommend anything it wants to recommend within the budget total and you cannot mandate a committee by standing here on this floor and saying, "Here is what I have in mind, when I change the figure $1 billion to $2 billion."

The committee has to recommend what we think we should recommend after we hold our hearings, after we think about it, after we meditate. When we bring a bill out here on the floor, the Senate is going to do whatever the Senate wants to do. It may be right. It may be wrong. It may be silly. It may be wise. But that is what the Senate will want to do when the Senate votes.

For someone to start this sort of procedure to come out here and change this figure to that figure saying, "Because I change this number to that number a committee and the Senate is mandated to do thus and so," that is just not the case. No one can mandate me that way and I do not think you can mandate any other Senator to vote contrary to his conviction and contrary to what he thinks is good for his State and Nation.

They are going to vote for what they think they ought to vote for.

This is a bad procedure, Mr. President. We could be here from now until kingdom come. We could take the whole Internal Revenue Code, and say, let us change this number up a little bit, let us change it down a little bit, and by changing it up we mean this, and by changing it down we mean that. You can run the number up and down just like you work with an old-fashioned window shade, and then say somebody has mandated what you had in mind.

Anybody can do that, and that will not work. To come out here and start this thing at 12:30, 30 minutes after midnight, to start to say we will rewrite the whole Internal Revenue Code in the budget resolution the way this Senator or that Senator thinks it ought to be done, is really ridiculous, Mr. President.

We should not start that kind of foolishness. It will not work. It will not succeed. All we will do is to just waste a great deal of time.

If the Senator wants to testify for his proposal, he ought to come before the Finance Committee. There are a lot of people who like the idea of more rapid depreciation, and we will consider it, and we might very well vote for it.

There are three tax bills on the calendar we want to bring up, that we have asked the majority leader to authorize to be considered, and I am sure he will bring them up in due course when he can. Those will be real changes in the tax law. But to change a number here in this budget resolution and say that you have mandated the Senate, is something that is not a fact, and it cannot be done. The Senate is going to vote the way the Senate wants to vote on a tax measure when the time comes, and we ought to stop this approach of claiming to amend the tax law in the context of the budget resolution.

Saying we are amending the Internal Revenue Code by changing this number from $1 billion to $2 billion does not change the tax law. All you can do if the Senate votes with you is to give you some ammunition to say, "Senators, you voted for this when you voted for my amendment." But you did not really vote for any such thing. All you did was to change the number up a little bit or down a little bit and you did not bind anybody to do anything. They can change their minds tomorrow and do whatever they think they ought to do about the subject. So it is just a big waste of time, and we should not do it, Mr. President.

The budget resolution was not intended for that kind of thing. It was not intended to make the line-item specific decisions that are entrusted to the committees—and not just to the Finance Committee, but the Appropriations Committee, the Banking Committee, the Commerce Committee, all the rest of them. They all have their jobs, and they ought to do it after the matter has been considered and deliberated on, and it is not a matter of an individual Senator expressing his ideas and saying that by changing a number from one figure to another the Senate is mandated to do that. You cannot mandate the Senate that way. The Senate can do whatever it wants to do.

Mr. GOLDWATER. Mr. President, will the Senator yield? I do not see anything wrong with changing the Internal Revenue Code, even doing away with it. Maybe what we said tonight is merely an expression of the American people. It might come to that.

The PRESIDING OFFICER. Does the Senator yield?

Mr. RIEGLE. Mr. President, will the Senator yield?

Mr. LONG. Let me just say this: The Senate has the right to repeal everything on the statute books, but it cannot repeal it on the budget resolution because that does not become law.

Mr. RIEGLE. Mr. President, will the Senator yield?

Mr. LONG. I will yield for a question.

Mr. HAYAKAWA. Mr. President, will the Senator yield?

Mr. LONG. For a question.

Mr. HAYAKAWA. I would like to ask the distinguished Senator, please, if he would prefer to have this whole matter referred back to the Finance Committee where, it seems to me, it rightfully belongs.

Mr. LONG. Mr. President, I do not want the budget resolution in the Finance Committee. We have no jurisdiction over the budget resolution.

[Laughter.]

Mr. HAYAKAWA. You said very, very specifically, Senator Long——

Mr. LONG. As far as this legislative proposal is concerned, the 10–5–3, depreciation proposal, I have no objection at all in having that referred to the Finance Committee. The Finance Committee would be delighted to have it there.

Mr. HAYAKAWA. That is what I am asking.

Mr. LONG. I would be pleased to have it there and be pleased to consider it.

Mr. DOLE. Mr. President, will the Senator yield?

Mr. RIEGLE. Mr. President, will the Senator yield?

Mr. LONG. I yield to the Senator from Kansas.

Mr. DOLE. Just a few minutes.

I share the expression of my chairman not because he is my chairman but I also suggest we have all been on record now, every Member on this side, in support of the 10–5–3 principle. We have all been able to express that by not tabling the motion.

But I really believe, as Senator Long has suggested, that we would be making a mistake, that it does not mean anything. If we put in on a piecemeal basis, we select two industries all across the country for accelerated depreciation on a 10–5–3 basis, everybody else, the timber industry and every other industry, is going to want the same treatment, and maybe they ought to have the same treatment, but we have not had a single day of hearing.

I think what the Senator from Pennsylvania has accomplished is he has gotten our attention, along with other Senators, having a very direct interest in this. I told the Senator from Pennsylvania I would not vote to table his amendment, but I cannot vote for his amendment. That is only one vote.

But, as the ranking Republican on the Finance Committee, I say to the Republicans on this side, all of whom are for the 10–5–3 proposition, this is not the right way to proceed. We will have hearings in the Finance Committee at the appropriate time. There may be other things. Maybe we want to index depreciation rather than use this approach. This may not be the best approach for the auto industry or the steel industry, but at least the Senator from Pennsylvania has had a victory. He has demonstrated that something should be done to help the ailing auto and steel industries, and I applaud him for that. But I cannot support the amendment, and I hope the Republicans on this side, who believe in this principle, will give us a chance to operate as we should operate in the Finance Committee. Otherwise we are going to have, as the Senator from Louisiana stated, a line item committee called the Budget Committee, and the rest of us will not have anything to do.

Mr. RIEGLE. Mr. President, will the Senator from South Carolina yield so that I can comment on this side?

Mr. HOLLINGS. Just a minute so that we can go ahead and vote.

Mr. RIEGLE. I will be very brief. I agree with the Senator from Louisiana that what we have done here does not bind his committee. I mean we do this to all committees. This is not singling out the Finance Committee. There is an appeal for consideration, and I think what the vote reflects, I mean people have different reasons for voting or against the tabling motion, but I think there is a lot of support for the concept put forward here, so I think what you have here is an appeal for consideration.

You are not bound by this. If this vote carries it does not mean you are bound by it, and any other committe is not bound by any vote we have had here. But I think you are bound to give serious consideration to the appeal. The fact is that there are a lot of us here who hope we are not going to have hearings off at some time in the future, at a future date undefined, but that we should have it some time soon and is the reason for our bringing it up, because this is a pressing issue, and the fact that there seems to be a majority support for it here I hope will mean some action can take place. But that is all that is being requested. I do not think you are bound. I think the only degree to which you are bound is to take the matter up and deal with it.

Mr. LONG. One more minute.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

Mr. LONG. Mr. President, when we start this kind of thing we are just setting the stage for a huge amount of make-work. You can take a bill out of any committee, Public Works, a bill from Public Works, that has no jurisdiction over revenue at all, and just start offering amendments on a Public Works bill, saying it is the sense of the Senate that the Congress should pass the 10–5–3, and that it is the sense of the Senate that you ought to do more with my pet proposal to expand employee stock ownership provisions of the law; that it is the sense of the Senate that you ought to do that.

So you could take anything, just a resolution to commemorate Mother's Day and start putting amendments on it to say that it is the sense of the Senate that you ought to do this and that and so forth.

What I am saying, Mr. President, is that we should not use the budget resolution if you have any suggestion that you think ought to be in that tax code that you ought to speak now and offer your amendment and get to have it on the record or forever hold your peace, because that prejudices everyone who does not bring his pet proposal up here and asks the Senate to endorse it.

This is not the time to discuss in detail what the revenue bills are going to be, what the appropriate bills are going to be on a line item basis on that type of thing, and that is why I hope we are not going to do that kind of thing, because when we get into the trap we will have to find some way to get out of it, and the best way to get out of a trap is not to get into it in the first place.

Mr. HOLLINGS. I know we are all prepared to vote.

The PRESIDING OFFICER. Who yields time?

Mr. SCHWEIKER. Mr. President, will the Senator from Oklahoma yield me a few minutes?

Mr. HOLLINGS. How many minutes does the Senator wish?

Mr. SCHWEIKER. Three minutes.

Mr. President, I would like to respond very briefly. I know the hour is late. I appreciate the support I have had.

First, in terms of my voting at a quarter of 1, that was not my plan. I have been trying to get the floor all day, so it is a little hard to attribute to me the bringing of my amendment up at 11 or 12 o'clock tonight. I am willing to come here tomorrow or Saturday, so do not hang that on me.

Second, we are not mandating anything. I said in my speech that my intent was quite clear and anybody listening to the debate knows that we cannot mandate authorizing legislation on the budget resolution. I made it very clear that there has to be legislation coming out of the Finance Committee, I did not mandate, I did not usurp, I am not trying to take anybody's power away.

Third, what is the budget resolution for if it is not about planning, about looking ahead to where the country is going? We heard very eloquent testimony about how poorly we have done in creating jobs, with respect to automation and with respect to productivity. We have talked about how we have made mistakes, and how we have a very poor record. Should we not change our perspective, and should we not look ahead by changing the numbers in the budget to reflect our priorities? Is that not what this is all about? Budgeting is done in a company and it is done everywhere else; why not in the Senate? Setting priorities is what a budget is all about.

And, sure, I am changing the figures. That is all one can work with in preparing a budget anyway.

But there is meaning and purpose behind my figures. The figures are symbols of what I believe must be done to restore economic health to two key industries. We are setting priorities, we are planning. That is what a budget is for.

Mr. HOLLINGS. Mr. President, I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Pennsylvania (Mr. Schweiker), as modified. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Alaska (Mr. Gravel), the Senator from Hawaii (Mr. Inouye), the Senator from Massachusetts (Mr. Kennedy), the Senator from Vermont (Mr. Leahy), the Senator from Hawaii (Mr. Matsunaga), the Senator from Georgia (Mr. Talmadge), and the Senator from Alabama (Mr. Heflin) are necessarily absent.

Mr. STEVENS. I announce that the Senator from Maryland (Mr. Mathias) and the Senator from North Dakota (Mr. Young) are necessarily absent.

The PRESIDING OFFICER. Are there any other Senators wishing to vote?

The result was announced—yeas 41, nays 49, as follows:

[Rollcall Vote No. 119 Leg.]

YEAS—41

Armstrong
Baker
Bayh
Boschwitz
Cochran
Cohen
Danforth
DeConcini
Domenici
Durenberger
Garn
Glenn
Goldwater
Hatch
Hayakawa
Heinz
Helms
Humphrey
Javits
Jepsen
Kassebaum
Laxalt
Levin
Lugar
McClure
Metzenbaum
Percy
Pressler
Randolph
Riegle
Roth
Schmitt
Schweiker
Simpson
Stevens
Thurmond
Tower
Wallop
Warner
Weicker
Zorinsky

NAYS—49

Baucus
Bellmon
Bentsen
Biden
Boren
Bradley
Bumpers
Burdick
Byrd,
Harry F., Jr.
Byrd, Robert C.
Cannon
Chafee
Chiles
Church
Cranston
Culver
Dole
Durkin
Eagleton
Exon
Ford
Hart
Hatfield
Hollings
Huddleston
Jackson
Johnston
Long
Magnuson
McGovern
Melcher
Morgan
Moynihan
Nelson
Nunn
Packwood
Pell
Proxmire
Pryor
Ribicoff
Sarbanes
Sasser
Stafford
Stennis
Stevenson
Stewart
Stone
Tsongas
Williams

NOT VOTING—9

Gravel
Heflin
Inouye
Kennedy
Leahy
Mathias
Matsunaga
Talmadge
Young

So Mr. Schweiker's amendment (No. 1742), as modified, was rejected.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. HOLLINGS. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Will the Senator yield to me?

Mr. HOLLINGS. I yield.

Mr. ROBERT C. BYRD. Mr. President, may I have the attention of the Senate?

Mr. President, as I indicated earlier—some have already heard this and some may not have heard—the deadline under the law for final action on this resolution is next Thursday, May 15. Backed up behind the resolution are the supplementals on food stamps and on black lung payments, which cannot be acted upon until the action on this resolution has been completed.

I had indicated many months ago that there would be no rollcall votes on Fridays through May unless there is an emergency. There has been one rollcall vote on a Friday this year. That was in February.

The managers of the resolution want to get this measure to conference as early as possible. So they both felt that there was justification for proceeding until we finished action on this resolution tonight, or, if unable to do that, that the Senate resume action on it tomorrow, even though rollcall votes would be necessary.

I have had a discussion with the two managers. They are agreeable to my attempting to get a time agreement which would provide for ordering the remaining amendments in sequence with a time limitation on each amendment, if possible, which would be lower than the time provided in the law, which is 2 hours on any amendment in the first degree and 1 hour on any amendment in the second degree, with a final vote to occur at no later than 8 p.m. on Monday.

If the agreement can be entered, then the Senate would be in session tomorrow but there would be no rollcall votes tomorrow. On Monday, the Senate would resume its consideration of the remaining amendments under the time agreement, and the rollcall vote on final passage would occur no later than 8 p.m. Monday.

If the agreement is objected to, it is the opinion of both managers that we have no alternative but to continue tonight until we finish.

Mr. BAKER. Will the Senator yield?

Mr. ROBERT C. BYRD. I am glad to yield.

Mr. BAKER. I would like to clarify a couple of points, Mr. President. First, if the majority leader could consider the possibility of modifying his possible request to say that final passage will occur no earlier than 8 instead of no later than 8. There are some Members on this side who will be necessarily absent during the day but will be back for the final passage vote about 8 o'clock.

The other point is I have had a number of requests on this side since I began discussing this prospect about an estimate for time on Monday for the first vote. When will voting begin? Beyond that, then, I would like to sort of examine those remaining, and I can do this before the majority leader proceeds. I would like to examine the inventory of remaining amendments to see where we are, possibly in terms of time reductions and limitations of time.

Finally, Mr. President, would the majority leader favor me with some statement about his intentions in the event this order is granted for the session on tomorrow.

Mr. ROBERT C. BYRD. If the order was granted, the session on tomorrow would be in accordance with the plan that I have had for Fridays thus far. There would be no rollcall votes. Business could be transacted on other matters by voice vote. Statements could be made. Bills and resolutions could be introduced. But there would be no action on this measure.

Mr. BAKER. Could the majority leader give me some indication, then, as to the number of amendments that he knows of? I would be glad to compare notes with him.

Mr. ROBERT C. BYRD. Mr. President, I have the following amendments in my notes: Mr. Weicker, to my understanding, has two or three amendments remaining.

Mr. WEICKER. Three amendments remaining.

Mr. ROBERT C. BYRD. Mr. Weicker has three amendments remaining. Mr. Glenn has one amendment.

Mr. GLENN. I have two. One will be very short, but I have two.

Mr. ROBERT C. BYRD. The Senator from Ohio (Mr. Glenn) has two amendments. The other Senator from Ohio (Mr. Metzenbaum) has an amendment. Mr. Durkin has an amendment on which he would be willing to agree to 10 minutes equally divided, I believe. Mr. Thurmond and Mr. Cranston have an amendment on which they would be agreeable to a time limitation of 20 minutes on each side.

Mr. THURMOND. Will the majority leader yield?

Mr. ROBERT C. BYRD. Yes.

Mr. THURMOND. I will not take over

12 minutes. I think under the procedure, though, I could not agree to a time limit. I will tell the majority leader now I will not take over 12 minutes. I imagine Senator Cranston would require the same. I understand he plans to amend my amendment.

Mr. ROBERT C. BYRD. Mr. President, could I proceed with the enumeration of the amendments and then we can talk about time?

Mr. Heflin has an amendment. He has indicated that 30 minutes equally divided would be sufficient. Mr. Levin has an amendment. He has indicated that 30 minutes equally divided would be agreeable to him.

Those are the amendments.

Mr. HOLLINGS. And Mr. Helms.

Mr. ROBERT C. BYRD. Mr. Helms has an amendment. Does anyone else have an amendment?

Mr. DOLE. It may be that my amendment is the same as Senator Metzenbaum's amendment.

Mr. METZENBAUM. The Senator is correct. They are the same.

Mr. ROBERT C. BYRD. Will both join in the amendment?

Mr. METZENBAUM. We will join together.

Mr. ROBERT C. BYRD. Mr. Domenici has an amendment.

The PRESIDING OFFICER. If the majority leader will yield to the Chair, the Chair will inquire as to the nature of the amendment of the Senator from Ohio.

Mr. ROBERT C. BYRD. At the moment we are merely inventorying the amendments. I have not propounded the request. I will be glad to have the Senator from Ohio indicate the nature of the amendment if the Chair wishes at this time.

The PRESIDING OFFICER. The Chair does desire.

Mr. ROBERT C. BYRD. Would Mr. Metzenbaum respond to the Chair's inquiry as to the nature of his amendment?

Mr. METZENBAUM. The amendment has to do with the oil import fee.

The PRESIDING OFFICER. I thank the Senator from Ohio.

Mr. PRYOR. Mr. President, I have an amendment to Senator Glenn's amendment.

Mr. JAVITS. Mr. President, I just want to remind the leader to make provision for amendments to amendments.

Mr. ROBERT C. BYRD. Provision will be made for that.

If there are no other Senators who have amendments, I should like, if we might—Mr. Jepsen has an amendment.

Do any other Senators have amendments?

That seems to be a listing of the amendments.

May we go down the list and have Senators indicate what their time desires will be? Let us begin with Mr. Weicker. He has three amendments.

Mr. WEICKER. I would be willing to have one-half hour on each of those amendments.

Mr. ROBERT C. BYRD. One-half hour on each amendment. Equally divided?

Mr. WEICKER. That is correct.

Mr. ROBERT C. BYRD. Mr. President, Mr. Glenn has two amendments.

Mr. GLENN. One would be about 10 minutes, not over 10 minutes.

Mr. ROBERT C. BYRD. Equally divided?

Mr. GLENN. Yes, that will be fine, 5 each side. The other would be probably an hour and a half, 45 minutes on each side. Four people have indicated that they want to speak. It will be on the Post Office, 6-day delivery.

Mr. METZENBAUM. A half hour equally divided on mine.

Mr. ROBERT C. BYRD. Mr. Pryor?

Mr. PRYOR. I shall take only 15 or 20 minutes, Mr. President.

Mr. ROBERT C. BYRD. Equally divided?

Mr. PRYOR. Yes, Mr. President, 10 minutes on a side.

Mr. ROBERT C. BYRD. Mr. Durkin? Mr. Durkin has indicated 20 minutes equally divided.

Mr. Thurmond and Mr. Cranston.

Mr. THURMOND. I am willing to agree to 12 minutes.

Mr. CRANSTON. Twelve minutes equally divided?

Mr. THURMOND. I need 12 minutes myself on mine and the Senator may need——

Mr. CRANSTON. I have a substitute for his amendment and 10 minutes to a side is adequate.

Mr. THURMOND. I am talking about 12 minutes for me. That is 25 minutes.

Mr. CRANSTON. Twenty minutes equally divided on a substitute.

Mr. ROBERT C. BYRD. Mr. President, how much time does Mr. Heflin want?

Mr. HEFLIN. About 40 minutes equally divided.

Mr. ROBERT C. BYRD. The Senator told me earlier 30 minutes.

Mr. HEFLIN. Well, that was a little earlier. That is when I thought we might be here all night.

Mr. ROBERT C. BYRD. Mr. Jepsen wants 30 minutes equally divided.

Mr. LEVIN. Thirty minutes equally divided.

Mr. HELMS. Thirty minutes will be acceptable, provided I retain my right to modify the amendment.

Mr. ROBERT C. BYRD. That would have to be included in the unanimous-consent request.

Mr. HELMS. Yes.

Mr. ROBERT C. BYRD. Mr. Domenici?

Mr. DOMENICI. Fifteen minutes equally divided.

Mr. ROBERT C. BYRD. Mr. President, I wish we would not get into the business of asking consent to modify amendments after time agreements, which constitute action on the amendments, have been entered. That causes a lot of problems.

Mr. MAGNUSON. Will the Senator yield?

Mr. ROBERT C. BYRD. Yes.

Mr. MAGNUSON. Those of us who do not have amendments, may we go home now?

Mr. ROBERT C. BYRD. The problem, I say to the distinguished Senator from Washington, is that if we do not get the agreement, we shall need everybody here.

Mr. President, how much time shall we allow for amendments to amendments? Thirty minutes equally divided? Would that be agreeable? Mr. Stevens wants 10 minutes on a side.

Mr. President, I ask unanimous consent that the Senate be in order.

The PRESIDING OFFICER (Mr. McGovern). Without objection, it is so ordered.

UNANIMOUS CONSENT AGREEMENT

Mr. ROBERT C. BYRD. Mr. President, let me propound the request and see how it flies.

If I may have the attention of Senators, and if they will take their seats, they will be able to hear me.

Mr. President, how much time remains on the resolution itself?

Mr. MAGNUSON. Mr. President, may we have order? Will the staff members leave the floor?

The PRESIDING OFFICER. The Senate will be in order.

There are slightly less than 15 hours remaining on the resolution.

Mr. ROBERT C. BYRD. That is under the control of the two managers.

Mr. President, I ask unanimous consent that the Senate resume consideration of the pending measure on Monday at 9 o'clock a.m., provided that the following amendments be called up in sequence, as stated:

Mr. Weicker, three amendments on each of which there be a 30-minute time limitation to be equally divided.

Mr. Glenn, two amendments——

Mr. GLENN. Reserving the right to object——

Mr. ROBERT C. BYRD. Do not reserve it, I will put the Senator later in that list.

Mr. GLENN. All right.

Mr. ROBERT C. BYRD. Mr. Thurmond, Mr. Cranston——

Mr. CRANSTON. I would rather have it later.

Mr. ROBERT C. BYRD. Mr. Heflin, on which there be a time limitation of 40 minutes to be equally divided.

Mr. Levin, on which there be a time limitation of 30 minutes to be equally divided.

Mr. FORD. Reserving the right to object.

Mr. ROBERT C. BYRD. Would the Senator allow me to finish?

Mr. FORD. I will not object. I just want to get the list for Monday. Are we going in sequence?

Mr. ROBERT C. BYRD. Yes.

Mr. FORD. All I want to do is get the list. Mine at about 10 o'clock, start at 9?

Mr. ROBERT C. BYRD. Yes.

After Mr. Levin, Mr. Durkin be recognized for not to exceed 30 minutes equally divided on his amendment.

After which, Mr. Stevens be recognized on his amendment, and there be a time limitation of 20 minutes to be equally divided.

After which, Mr. Metzenbaum and Mr. Dole be recognized to call up their amendment jointly, and that there be a

30-minute limitation on their amendment.

Followed by Mr. DOMENICI on his amendment, on which there be a time limitation of 15 minutes to be equally divided.

Mr. DOMENICI. Thirty on it, just in case.

Mr. ROBERT C. BYRD. The Senator went up. He doubled me.

Thirty minutes, equally divided.

After which, Mr. JEPSEN be recognized and there be a 30-minute time limitation on his amendment.

After which, Mr. GLENN be recognized to call up his amendment, on which there be a 10-minute time limitation to be equally divided; to be followed by his amendment on which there be 1½ hours equally divided.

To be followed, if Mr. PRYOR has an amendment thereto, on which there be a 20-minute limitation on Mr. PRYOR's amendment equally divided.

Mr. CRANSTON. Now the Thurmond amendment, about this point.

Mr. ROBERT C. BYRD. Yes.

That Mr. THURMOND and Mr. CRANSTON then be recognized to call up their amendment jointly, on which there be a——

Mr. THURMOND. My amendment, but I agree to unanimous consent if I can reserve the right to modify the amendment, if an amendment is offered to it. Otherwise, not consent to the agreement.

Mr. ROBERT C. BYRD. Mr. President, I cannot go down that road because every Senator will want to modify his amendment in the event an amendment is offered to it.

Mr. THURMOND. If I modify the amendment, I will say this, it would not take over 15 seconds.

Mr. ROBERT C. BYRD. If the Senator would follow the suggestion by the distinguished minority leader and make allowance for two amendments——

Mr. THURMOND. That will not work. I have to protect the Senator from California and my own rights.

Mr. ROBERT C. BYRD. All right.

I will put the request then that Mr. THURMOND will have a 15-minute limitation on his amendment and that he be permitted to modify it in the event——

Mr. THURMOND. Twelve minutes is all I need.

Mr. ROBERT C. BYRD. In the event an amendment is offered to it, and that Mr. CRANSTON, may have 20 minutes, equally divided, on a substitute for the amendment by Mr. THURMOND.

I am down to Mr. HELMS, that there be a 30-minute time limitation on his amendment, equally divided.

That Mr. HELMS be recognized to call up two amendments, with a 30-minute time limitation on each to be equally divided.

Now, Mr. President, that is the list. That constitutes the list of amendments in the first degree. It includes some amendments in the second degree.

I ask unanimous consent that with respect to any other second degree amendments, there be a time limitation of 30 minutes to be equally divided on any other amendment in the second degree, there be a time limitation on any debatable motion, or appeal, or point of order, if such is submitted to the Senate by the Chair, of 20 minutes to be equally divided in accordance with the usual form, and that the rollcall votes on such amendments—such amendments—if ordered, not begin before 6 o'clock p.m., and that all such amendments on which rollcall votes are ordered then be voted on back to back in accordance with the sequence in which they are called up.

I believe that about winds it up.

Mr. HEINZ. Reserving the right to object——

Mr. ROBERT C. BYRD. With the right to table not waived on any amendment.

Mr. HEINZ. Reserving the right to object——

Mr. ROBERT C. BYRD. Or motion, or appeal, or point of order, if such is submitted to the Senate, and that each rollcall vote that is in the back-to-back configuration be limited to 10 minutes.

Mr. HEINZ. Reserving the right to object——

Several Senators addressed the Chair.

Mr. GLENN. I wonder if, on the sequence, we cannot make it, can we go later?

Mr. ROBERT C. BYRD. No, we should be here.

Mr. GLENN. I have a commitment at noon in Columbus. I will be back here about 4 o'clock in the afternoon.

Mr. ROBERT C. BYRD. I believe the Senator is way down on that list.

Mr. LEVIN. Mr. President, I think I can resolve that problem. Can my amendment be switched with Mr. GLENN's amendment?

Mr. ROBERT C. BYRD. Mr. President, the sequence could be shifted by unanimous consent, as in any other case.

Mr. President, may we have order in the Senate?

The PRESIDING OFFICER. The Senate will be in order.

Mr. HEINZ. Mr. President, reserving the right to object, I have some difficulty with the part of the unanimous-consent request that requires the stacking of the votes with reference to 6 o'clock.

The principal problem is that Senator SARBANES and I have a longstanding engagement to speak before a public affairs committee at 8 or 8:30. If we honored that commitment, it would mean that we would be missing Lord knows how many votes. So I cannot agree, in its present form, to the unanimous-consent request.

Mr. ROBERT C. BYRD. So far as I am concerned, I think we should be here. The authors of the amendments are going to be here when their amendments are called up, and I think we should utilize this coming Monday as any other day. That is one Senator's opinion.

I remove from my request the provision that rollcall votes begin at 6 p.m.

Mr. BOSCHWITZ. Then, rollcall votes will occur after each?

Mr. HEINZ. Will the majority leader restate that?

Mr. ROBERT C. BYRD. I stated that that part of the request was being withdrawn.

Mr. HEINZ. Mr. President, reserving the right to object, I understand that what the majority leader is asking is that votes occur as debate on each amendment takes place.

Mr. ROBERT C. BYRD. The Senator is correct. That really is the way it should be done, so that everybody knows what they are voting on when they vote.

Mr. RIEGLE. Mr. President, reserving the right to object, will the Senator yield?

Mr. ROBERT C. BYRD. I yield.

Mr. RIEGLE. Has there been any indication as to when we would begin on Monday, when votes might first commence?

Mr. ROBERT C. BYRD. The Senate would come in at 9 and begin on the amendments by Mr. WEICKER, with a 30-minute limitation on each. It would be all right with me if the votes did not occur that early—say, 12 o'clock.

Mr. WEICKER. I would be perfectly willing to speak on all three of my amendments at 9 o'clock and then have at least the votes on my three amendments run off back to back.

Mr. RIEGLE. Reserving the right to object, if we are going to back off from the 6 o'clock starting time, could we start the votes at 2 o'clock?

Mr. ROBERT C. BYRD. I cannot hear the distinguished Senator.

Mr. RIEGLE. There was an objection to starting the votes at 6. I wonder if there would be an objection to stacking them and having no votes, say, before 2 o'clock.

Mr. BOSCHWITZ. I object to that.

Mr. ROBERT C. BYRD. What does the Senator wish?

Mr. BOSCHWITZ. I would agree to Senator WEICKER's request for 10:30, but at that time we begin to vote. As the Senator from West Virginia said, it is properly done at the culmination of debate on each issue.

Mr. BAKER. The Senator from Minnesota is objecting to stacking them?

Mr. BOSCHWITZ. Yes.

Mr. ROBERT C. BYRD. I say to my colleagues that in a situation such as this, a Senator or some Senators will be inconvenienced no matter what we do.

Could we begin the back-to-back rollcall votes after Mr. WEICKER's at 4 o'clock in the afternoon, rather than 6 o'clock?

Mr. BAYH. Mr. President, reserving the right to object, I think the majority leader is right. Somebody is going to be inconvenienced. If that is the case, it seems to me that everybody should take their chance and follow this through the way the majority leader suggested. I do not want to start at high noon or 2 o'clock or something like that.

If some Senators are going to be making speeches and others are going to be doing other things, I would not want to wait until 4 o'clock before we started to vote.

Mr. ROBERT C. BYRD. Mr. President, I make the request that the rollcall votes begin, back to back, at 4 p.m. We have done that often here on Mondays to accommodate Senators who are coming in from the West.

Mr. BAYH. With all respect, I would have to object to that. Can we make it 2 p.m.?

Mr. MORGAN. Mr. President, reserving the right to object, I make the plea that it be 4 o'clock. I think we would be justified in doing that, because in the past we have been fairly well safe until noon on Monday. If someone had some urgent commitments, such as Monday being a graduation day at some of the universities in North Carolina, we generally could get by until 3 or 4 without missing more than one vote.

In other words, this situation does not arrive on Monday very often. My colleague, Senator HELMS, and I have an engagement at a university, and this comes about once a year. Frankly, it was set on a Monday because we thought we could take a chance and get by. But if we started this kind of voting early in the day, it would be murder. On some of these amendments, we cannot afford to be absent. I can be back at 4.

Mr. BAYH. Mr. President, reserving the right to object, I say to the Senator from North Carolina that the Senator from Indiana knows it has been a long time since we have had an all night session on Monday. I suggest that things go on in Indiana on Monday night that do not come along every year or every day. This a potluck situation that treats everyone fairly.

Mr. ROBERT C. BYRD. Here is our Hobson's choice. We either have this agreement or we keep going tonight or we come in tomorrow and have rollcall votes tomorrow.

SEVERAL SENATORS. Tomorrow.

Mr. ROBERT C. BYRD. Let us pursue the course we are on and see if we can get an agreement. I think we are doing very well thus far. Let us try to resolve this.

I have proposed 4 o'clock. Let us split the difference. How about 3?

Senator MORGAN says he is agreeable. He is going to lose some votes by that. He is agreeable.

How about Senator BAYH?

Mr. BAYH. I am not going to tie up the whole Senate; but I do not know why, if we make an exception, we cannot come in at 9 o'clock and take potluck—either that or go ahead tomorrow. I have planned things for tomorrow, but I am not going to be the only one objecting to this proposal.

Mr. ROBERT C. BYRD. Mr. President, I thank both Senators. I certainly can sympathize and empathize with them, because they are going to miss votes either way. We have not been having the number of rollcall votes that are going to occur this early on Monday.

It is with regret that I make the rollcall votes begin at 3 p.m., with the exception of the three votes——

Mr. WEICKER. I made my offer as a matter of accommodation to everyone else, but if they want it at 3 o'clock, that is all right.

Mr. BOSCHWITZ. May I ask a question? How long are all those amendments going to take?

Mr. ROBERT C. BYRD. I did not bring my slide rule with me. [Laughter.]

Mr. HOLLINGS. Eight hours, minus the rollcall.

Mr. BOSCHWITZ. Mr. President, is that 8 hours minus the rollcalls?

Mr. THURMOND. Eight hours.

Mr. ROBERT C. BYRD. I have not been able to compute it.

Mr. HOLLINGS. The time limitation adds up to 8 hours.

Mr. BOSCHWITZ. That will take it to 9 hours.

Mr. HOLLINGS. That is right and add the rollcalls on that. There is another hour.

Mr. ROBERT C. BYRD. With the proviso that there be no more amendments in order other than the ones enumerated, with the exception of the second degree one.

Mr. JAVITS. What is the time of the second degree amendments?

Mr. ROBERT C. BYRD. Thirty minutes each.

Mr. DOLE. Vote!

Mr. ROBERT C. BYRD. Mr. President, the final proviso is rollcall votes on amendments if ordered to begin at 3 o'clock. This does not include rollcall votes on motions or points of order or appeals which can come at any time. That would have to be the understanding. Otherwise the Senate could not operate.

Mr. BAKER. Mr. President, is the agreement stated?

Mr. ROBERT C. BYRD. Yes.

Mr. BAKER. Mr. President, reserving the right to object, and I hope I do not have to object, but I have two Members on this side who have a particular point of view in respect to time and in one case on stacking.

If the majority leader will give me just 2 or 3 minutes so I can locate these lost souls, I will be glad to see if we can work this out.

Mr. ROBERT C. BYRD. Yes.

Mr. STEVENS. Mr. President, while we are waiting on that, may I inquire from the majority leader if an amendment has not been called up prior to 3 o'clock what is going to happen in terms of the rollcall vote on the stacking process? We are going to vote on all amendments that have been debated prior to 3 o'clock and then continuing in the order until finished?

Mr. ROBERT C. BYRD. Yes. That would be agreeable unless changed by unanimous consent.

Mr. STEVENS. I thank the Senator.

Mr. ROBERT C. BYRD. Mr. President, while the matter is being discussed by Mr. Baker and others, may I say that there are 15 amendments here and without the argeement they are entitled to 2 hours each, so that is 30 hours of amendments, and we have been able, if we can enter the agreement, to cut down to something like 8 hours or 9 hours.

Mr. BAKER. Mr. President, I have conferred with Senators who had particular concerns and additional reasons to suggest another time, and there are so many different points of view on this side I must tell the majority leader I do not believe I can synthesize to him a proposal. The Senators I have in mind are here in the Chamber. I suggest the majority leader make a proposal and we will see what happens to it.

Mr. ROBERT C. BYRD. All right. I have made it and if anyone wishes me to repeat it or the Chair may ask.

The PRESIDING OFFICER. Is there objection to the request of the majority leader?

Mr. PERCY. Mr. President, I object.

The PRESIDING OFFICER. Objection is heard.

Mr. ROBERT C. BYRD. What does the Senator propose?

Mr. PERCY. Five o'clock. Stick with what we said all along for months.

Mr. ROBERT C. BYRD. May I say to the Senator we all along have not had a conference report that has a May 15 deadline on it and has food stamps backed up behind it and black lung benefits, and this is an exigency that comes not all along. I say that most respectfully to the Senator.

I will be willing to give a pair on any vote that comes up. I will vote any way that the Senator wants me to vote to accommodate him. I will vote the opposite way. So I will lose all those votes. Pairs do not count as votes. I hope that he will not object to this agreement.

The PRESIDING OFFICER. Is there objection to the request of the majority leader?

Mr. PERCY. I ask the majority leader what would be the reaction and how would we work out on those that have to leave on Monday night if we started at 4 o'clock?

Mr. STEVENS. We cannot hear the Senator from Illinois.

Mr. PERCY. Four o'clock. I am suggesting that we start the voting at 4 o'clock.

Mr. DECONCINI. How about 4:15? [Laughter.]

The PRESIDING OFFICER. Is there objection?

Mr. BAKER. Mr. President, reserving the right to object.

Mr. BOSCHWITZ. What is the agreement at this time?

Mr. BAKER. Mr. President, will the Chair state the request?

The PRESIDING OFFICER. I will ask the distinguished Senator from West Virginia to restate the request.

Mr. ROBERT C. BYRD. Mr. President, if Senators will indulge me, I will not go through the details of the request as to the names of authors of amendments and the time allotted to each.

In short, the Senate will come in at 9 o'clock on Monday. It will begin with a series of amendments, acting on a series of amendments circa 15 in the first degree, with amendments in the second degree in order. At no earlier than 3 p.m. the Senate will begin voting at seriatum on the amendments on which rollcall votes have been ordered. The sequence in which the amendments will be called up are laid out in the RECORD.

If by 3 p.m. there are amendments that have been enumerated that have not yet been called up, the Senate, unless otherwise ordered by unanimous consent, would begin back-to-back votes on which there would be 10 minutes for each rollcall vote, following which the Senate would then return to the sequential order of the amendments.

Rollcall votes could occur before 3 o'clock on motions, points of order, if submitted to the Senate, or if appealed. No other amendments than those which have been specified would be in order, with the exception of second degree amendments.

This would mean that final action on the concurrent resolution would occur at some time late in the evening on Monday.

That, in a general way, I think, covers the agreement.

The PRESIDING OFFICER. Is there objection to the request of the Senator from West Virginia?

Mr. BOSCHWITZ. Mr. President, reserving the right to object, Mr. President, I do not have any time difficulties on Monday at all or tomorrow or this weekend or the first weekend in 5 weekends, but I have heard the majority leader, whom I deeply respect, talk about imposing discipline upon ourselves and that the budget process has to go on.

I have also heard the majority leader change the date for the second concurrent budget resolution this evening, and yet I do want to point out that what is distressing, Mr. Leader, is the fact that consideration of this budget resolution is approximately 3 weeks late; that the Budget Committee started late because the President came up with a budget that he called prudent and reasonable or prudent and responsible in January, and then withdrew it, and the Budget Committee consideration started late as a result, and we ended our consideration on the 4th of April.

As I recall, the report came out on the 9th of April, and there were 3 days thereafter, and we could have started consideration of this budget on the 14th or 15th of April. We began instead this week. 3 weeks later. Now we put ourselves into a corner, and we must discipline ourselves, and it has been stated that time has run out.

So while I withdraw my objection with respect to the agreement on Monday, I really think it is appropriate that we note that the whole process has been delayed, and consideration of important amendments has been squeezed down, because it is late in that process.

I withdraw my objection.

Mr. LONG. Mr. President, reserving the right to object, it seems to me that on this matter of going over to Monday and starting to vote Monday afternoon, this is a crucial matter that should be acted on, a matter that has some priority to it, and going over until Monday just does not make sense.

I am willing to stay here tonight and vote tomorrow. I will have difficulty being here on Monday. Everybody has been taking care of their own interests, and I just feel constrained to object, and so I do.

The PRESIDING OFFICER. Objection is heard.

Mr. LONG. Mr. President, I withdraw my objection.

The PRESIDING OFFICER. The Senator can withdraw his objection.

Mr. ROBERT C. BYRD. I want to thank the distinguished Senator because he cannot be here on Monday, and he will miss every rollcall vote. He does not object.

Mr. BAKER. I do not intend to object and I will not be long, but do I understand the majority leader to say in his request that the stacked votes would begin no later than or no sooner than 3 o'clock?

Mr. ROBERT C. BYRD. I believe I said no earlier than—I thought I said at 3.

Mr. BAKER. It ought to be at 3.

Mr. ROBERT C. BYRD. At 3 o'clock.

The PRESIDING OFFICER. The Senator has so stated.

Mr. BAKER. So the request is for the sequence votes to begin at 3 o'clock?

The PRESIDING OFFICER. That is right.

Mr. BAKER. Mr. President, we have got a good representation on the floor at this hour. I have no objection. Other Members, of course, can speak for themselves. I judge we are about to recess, so if anybody has such objection he should speak now or forever hold his peace.

The PRESIDING OFFICER. Without objection, it is so ordered.

TOBACCO SUPPORT PROGRAM

Mr. MORGAN. Mr. President, during consideration of this resolution, one Senator attacked the tobacco price support program. As a Senator from the leading tobacco State, North Carolina, I feel I must set the record straight.

But, before I begin to defend our present program, I would like to review the origins of the program and explain why I support it.

Some of you remember personally the Depression that struck this country in 1929, and those of you who do not have personal memories have certainly heard stories from your relatives or read books and seen photographs of the suffering that occurred then. People who had worked all their lives suddenly discovered that hard and faithful work was no guarantee that they would keep their jobs. Millions were thrown out of work and roamed the country. They were desperate.

Tobacco farmers, like millions of others, found that the price that they got for their product dwindled far below production costs. A pound of tobacco in 1932 was bringing about 9 cents a pound, and some North Carolinians were burning tobacco and corn for fuel instead of giving it away on the market. The folklore and history of eastern North Carolina is full of grim stories of hardship and suffering.

In 1933, Congress passed the Agricultural Adjustment Act. Since tobacco farmers had already planted their crops when the bill passed, there seemed no way to give immediate help, and when the tobacco markets opened, sure enough, prices were low—too low. After a few weeks of low prices and frustration, the Governor of North Carolina, J. C. B. Ehringhaus, traveled to Washington and with Department of Agriculture people and other southern legislators worked out a plan to raise prices.

Out of that State action came the present support program. The Government brought the tobacco buyers and manufacturers together to talk about raising the price of tobacco that year, and buyers agreed to pay more for tobacco if farmers would reduce their acreage the next crop year. There was a large oversupply of tobacco, for farmers had planted as much tobacco as possible, hoping that volume could save them from low prices.

By the way, Mr. President, overproduction had been a problem with tobacco growers for hundreds of years. There had been cycles of prosperity and depression that were directly related to supply. During all those years, there never had been a cooperative program among farmers that proved successful, although in the late 1920's three States, North Carolina, South Carolina, and Virginia, tried to form a tri-state cooperative. It failed because farmers did not trust each other, so they could not get production low enough to raise prices. Instead of voluntarily cutting acreage, they felt that they had to continue to plant the usual amount.

When farmers were presented in the fall of 1933 with reduction contracts to cut production under a Government-supervised program, some 95 percent signed up. They realized that the only way to bring stability to their farms was by voluntarily planting less tobacco to balance supply and demand. When the tobacco markets reopened after a few weeks, the price of tobacco averaged over 17 cents per pound. Farmers salvaged their land and looked forward to planting less tobacco the next spring—less tobacco that they felt content would bring more income. They were correct.

Mr. President, let me allude to one aspect of the acreage reduction program that has generally been overlooked. I mentioned that some 95 percent of the tobacco farmers signed the agreements to reduce acreage. This figure included both black and white farmers, both owners and tenants. For the first time in many of the black farmers' lives, they were casting a ballot. Also, blacks and whites joined together to attend meetings where the program was explained to them.

This program not only loosened the segregationist policies of the era but also gave tenant farmers, black and white, more bargaining power with landloards. "Tenants can now go to the Government if they need something and the boss would not give it to them," one tenant said at the time. "Before, most of us did not know what was going on—only what the landlord said." The early tobacco program did not make radical changes, but it did ease race relations and give the sharecroppers and other tenants some breathing space.

The tobacco program has been one of the great success stories that emerged from the New Deal agricultural program. I say this not just from State pride but also because scholarly studies of this program support my position. A recent doctoral dissertation by Anthony Badger (completed at the University of Hull in 1974), "The New Deal and North Carolina: The Tobacco Programme, 1933–40," proves to my mind that this program was beneficial to tobacco farmers.

Badger noted that tobacco farmers had previously had no control over their fate in the marketplace. The New Deal changed that. Badger concluded:

> Production control and government aid gave the farmers, who had previously struggled as individuals in a hostile market, the chance for collective action to solve their economic difficulties. They could now organize as businessmen.

I agree completely with this conclusion. Why should tobacco farmers be singled out and deprived of a system that has served them for almost a half a century? Why fix a program that is not broken? The tobacco program has changed the structure of agriculture less than any other commodity program. For example, the cotton program led to the end of sharecropping as a way of life, and though I certainly am not defending sharecropping, the AAA program did not ease the transition from farming to urbanization for millions of southern cotton farmers.

Tobacco farms have remained small in an age of increasingly large farms because the return per acre is greater. An acre of tobacco will return some $2,376, while an acre of cotton yields $303, corn $183, soybeans $162, and wheat $71. I am using here 1978 figures from the Congressional Research Service. Though the figures may have changed somewhat since then, the point is the same—tobacco is a cash crop that can keep a small farm in business.

If the support program is tampered with, I expect that the number of farms will dwindle even further. The structure of the tobacco growing areas of the South will be changed, and larger farms will prevail. A way of life will have passed, one that has been dwindling away too fast to suit me. "Those who labor in the earth are the chosen people of God," Thomas Jefferson observed. I wholeheartedly agree.

Mr. President, tobacco is easy to pick on. Out of some 2.8 million farms in the United States, only 3 percent are classified as tobacco farms. Many of these are small family farmers; they have no great wealth or large holdings of land. They work extremely hard, for tobacco is a labor intensive crop. The Department of Agriculture data for 1976 show tobacco using 258.5 hours of labor input per harvested acre, compared to 21.3 hours for cotton, 3.3 hours for food grains, and 4.4 hours for feed grains. Over the years there have been advances in technology that have eased the labor burden on tobacco farmers, but still, it is backbreaking work that goes on from sunup to sunset during harvest time.

It is significant that most of this labor is done by the people who live on the tobacco farms. In some cases we still swap labor in barning our tobacco. Several neighboring families will pitch in and help each other get the crop in, saving the necessity of paying for additional labor. This is a tradition in the tobacco area, where the notion of good neighbors is still alive and flourishing. This is similar to the old corn shuckings and barn raisings that are part of our rural tradition.

Why do people still plant tobacco each year although it is such hard work? There is no simple explanation, but let me read to you a quote from Erskine Caldwell's novel "Tobacco Road." I am sure that my colleagues are familiar with the unsuccessful struggle that Jeter Lester, the main character of the novel, had trying to get credit to plant one more crop. He was an old man who had farmed all of his life, and for him it was a way of life.

Jeter Lester said:

> When the smell of that new earth turning over behind the plows strikes me, I get all weak and shaky. It's in my blood—burning broom-sedge and plowing in the ground this time of year. I did it for near about fifty years, and my Pa and his Pa before him was the same kind of men. Us Lesters sure like to stir the earth and make plants grow in it. I can't move off to the cotton mills like the rest of them do. The land has got a powerful hold on me.

Jeter Lester perished in a brush fire that burned his home at night. And millions of other poor farmers left the land during the 1930's because it could no longer support them. Since 1935 the farm count in this county has dropped from 6.8 million to 2.3 million in 1979. In the 11 Southern States, farms declined from 2.4 million in 1940 to 723,000 in 1974. And this trend continues.

Let me reiterate. Tobacco keeps small farmers on the land; it enables them to continue a way of life that originated in Jamestown, the first permanent English settlement in North America.

This may have bordered on the sentimental, Mr. President, and I plead guilty to wanting to see a great tradition survive. To those who would bury tobacco farmers by removing the support program, let me offer a scenario of what will happen in more realistic terms.

People will continue to smoke no matter who grows the tobacco. Already our product is faced with intense competition from other producers, including Zimbabwe-Rhodesia and Brazil. If we stop our tobacco programs, I expect that the small farms, having to face again the problem of no production quotas, will for several years overplant and glut the market. When the price falls so low that they cannot make a living, they will go broke. Their land will be bought up by large farming concerns following the trend in other commodities. Tobacco, because of the oversupply, will cost less, so the price of manufactured tobacco products will fall, making cigarettes less expensive and easier to purchase. There will be confusion in the industry, and ultimately I suspect that there will be additional demands that a tobacco support program be initiated. And we will be back where we started.

I would like to explain briefly how the tobacco support program works. In order to give stability to farmers, who are at the mercy of nature, the Government runs a program that assures a reasonable supply of tobacco. Each tobacco farmer has an allotment based on how much has been grown on the farm over the years. After assessing the world outlook for tobacco, the Department of Agriculture assigns a quota to each tobacco farmer, and he can only market that much tobacco. In exchange for complying with this quota, the tobacco farmer is guaranteed through the Commodity Credit Corporation a base support price. If the auction price falls below this target, then the farmer can secure a nonrecourse loan from the CCC through the tobacco stabilization corporation. When the market improves, the stabilization corporation sells the tobacco and recoups the money. This revolving fund has been extremely successful, costing the Government about 1 million per year.

In addition to the support program, the inspection and grading program in 1978 cost $6.2 million; $7.2 million went to research and extension and $2.1 million of this was for health-related research; some $0.4 million went for the market news service; and another $0.9 million went for miscellaneous tobacco activities. Besides the CCC program, other tobacco related activities added up to about $14.7 million in 1978, according to figures from the Congressional Research Service.

The revenue spent on this program is paid back in numerous ways. For one thing, the tobacco people pay tremendous taxes. In 1977, some $6 billion was collected from Federal, State, and local taxes on tobacco. Moreover, farmers pay income tax, they buy tools and implements, and they keep small communities alive. Once these small farmers leave, as numerous studies have shown, rural communities and small towns disappear for lack of business activity.

Tobacco also helps in our balance of payments. In 1979 the United States exported 257,387 tons of unmanufactured tobacco; in 1978 it was 317,527 tons. The value of U.S. manufactured tobacco products in 1979 came to $964 million. These exports are crucial in these days when the import of oil cuts into our balance of payments.

Despite these strong arguments, there are those who would like to destroy the support program, and most of these arguments in some way link tobacco farming with health. I no more want to tie my defense of tobacco farmers to health than a Detroit automobile manufacturer wants to tie his defense of automobiles to emission controls or accidents.

I do think that keeping small farmers in business by the support program seems more logical than allowing bureaucrats to leave work and attend stop-smoking classes funded by HEW. Any adult who wants to stop smoking ought either to supply the willpower or the money for whatever program that will suffice to discourage the unwanted habit.

If there are those who want to drive a knife into the heart of one of the last islands of traditional rural life and threaten numerous rural communities, then cut out this program. Watch chaos enter into an otherwise stable and tranquil area. Watch the number of family farms decline even more. Watch a segment of the economy dry up, and watch the unemployment lines grow.

Mr. President, I believe that the tobacco-support program is one of the best programs that the Government has set up. It has stood the test of time; it works. I would urge my colleagues to give their wholehearted support to preserving a way of life that is part of the great rural tradition of the United States.

ON THE COMMITTEE AMENDMENT TO THE BUDGET RESOLUTION

Mr. MORGAN. Mr. President, I rise in support of the Budget Committee"s amendment to the pending measure, the first budget resolution for fiscal 1981. I realize that the votes to pass the amendment do not exist at this time and that it will not be offered, but it does merit some discussion.

Mr. President, in my view, the committee amendment will do more, if adopted, to control Government spending over the long run than any other measure that has been discussed this week.

It is not a superficial amendment that promises a "quick-fix," like some of the proposals the Senate has debated in recent months. Nor is it a politically attrative amendment. As my colleagues all know, our constituents' eyes glaze over when we talk about procedural reforms, and it will limit the ability of the Congress to pass budget busting bills that help specific interest groups.

But, it certainly is an amendment which is badly needed.

Mr. President, the Budget Act became law 6 years ago. While this act has had a salutary effect on the Congress—I doubt that a balanced budget resolution would have been reported to the Senate otherwise—there are weaknesses in the existing procedure that make it difficult to control spending in a rational manner.

The two most serious problems with the budget process are as follows:

First, only the overall revenue floors and spending ceilings are enforceable at present, and there is no mechanism for enforcing committee (and subcommittee) or functional allocations. This creates a situation where the budget process cannot be brought into play against a fiscally irresponsible bill which comes to the floor early in the annual appropriations cycle, while a carefully drafted and responsible bill which comes before the Congress later in the year may automatically trigger the Budget Act.

That has happened this year. In January, the Senate passed two bills which violated their functional allocations. Meanwhile, the conference report for H.R. 3434, an important social services bill which was brought in under budget, cannot be given final approval because the overall budget ceilings have been triggered.

The second problem is that there are no teeth whatsoever in the first budget resolution. Before passage of the second budget resolution, any budget-busting bill can be approved. The tools of budget process cannot be used then, leaving the Congress with little option but to adjust the second budget resolution accordingly.

It is a sad fact of life that special interest groups which favor a certain bill can bring pressure to bear on the Congress more rapidly and intensely than the general public. It is this problem, and nothing else, that has led to chronic deficit spending and inappropriate special interest legislation. No attempt to control the budget can work unless some procedural obstacles are put in place to even things out, to help those Members of Congress who are truly interested in holding the line on Federal spending.

The committee amendment addresses these problems.

First, it would require a special procedural vote so the Senate could decide whether to proceed to vote on any measure which violates a committee or functional allocation under the most recently approved budget resolution. Second, it would prevent the Congress from sending any spending measure which violates the first budget resolution to the President until after passage of the second budget resolution and any relevant reconciliation instructions.

These provisions will not work unless Members of Congress continue to discipline themselves, as they have in recent months. But, they will make it easier to exert self-discipline by making the first budget resolution and committee and functional allocations meaningful.

I have heard the charge that the committee amendment amounts to a power grab on the part of the Budget Committee. Well, I am not and have never been a member of the Budget Committee, and have no vested interest here. But, let us not forget, that the budget resolutions must be approved by the full Senate and the full House before they can go into effect. Adoption of this amendment will allow the Congress to better enforce the will of the Congress, not the will of the Budget Committee.

It is true that this amendment, if adopted, will make it more difficult for some congressional committees to conduct business as usual. But, without these changes it will prove difficult, if not impossible, to bring the budget under control.

And if the budget is not brought under control, and quickly, those Members of Congress who object to adding carefully designed enforcement mechanisms to the budget process will find that the public is going to force us to adopt some drastic measures which those same Members will find even more objectionable.

WEICKER AMENDMENT TO PROVIDE BROOKE-CRANSTON FUNDING

● Mr. BAUCUS. Mr. President, I reluctantly must oppose this amendment. Montana's housing industry, like the housing industry in other States, is feeling the painful effects of the administration's high interest rate policy. Montana's timber industry is in a severe depression because of the slowdown in housing starts.

I recognize how important housing is to the economic vitality of this Nation. The Senate has already acted responsibly with respect to the housing problem. The section 235 program modification proposed by my colleague from New Jersey and passed by this body several weeks ago, as well as HUD's moves to help finance builder inventories through FHA are an appropriate response to the current crisis, particularly since interest rates appear to be coming down somewhat.

Should the situation worsen again, we can approve the necessary budget authority at a later date. We have updated the Brooke-Cranston program so it can be quickly activated.

I will continue to fully support necessary stimulus for the building industry But at this time, the Senate cannot weaken its resolve to approve a balanced budget.●

● Mr. DURKIN. Mr. President, the junior Senator from New Hampshire represented to this body that CBO had "recommended" the termination of the Legal Services Corporation.

That is both misleading and factually incorrect. The Congressional Budget Office included a discussion of the Legal Services Corporation on page 43 of its publication, "Reducing the Federal Budget, Strategies and Examples."

The item was contained as a hypothetical example in a suggested alternative budget, typical of the high and low options the CBO supplies to the Congress, so that Members may examine alternative policies and various budget levels.

I did not argue that the junior Senator from New Hampshire would not find elimination of legal services to the poor compatible with his personal philosophy.

But it is false and misleading to suggest that CBO "recommended" its termination.

Rather, CBO provided analysis of the arguments for and against termination of the program. In my view, those arguments, which are reproduced at the end of my remarks, weigh quite convincingly, on balance, for the conclusion. That the legal services program should continue to be supported by the Federal Government as a vital and necessary service to the poor and unemployed especially in our north country.

CBO made no recommendations. CBO does not make policy recommendations to the Congress, and it is regrettable that any Senator would seek to misuse CBO's analysis in this way.

I ask that page 43 of the CBO publication I have described be reproduced in the RECORD at this point.

I believe the page itself is the best evidence of what CBO said about the Legal Services Corporation.

The excerpt follows:

Termination of the Legal Services Corporation

Savings by fiscal year:	*Millions*
1981	$250
1982	341
1983	369
1984	399
1985	432
Cumulative 5-year savings	1,791

The Legal Services Corporation (LSC) is a private, nonprofit corporation established in 1974 legislation. Through about 360 local programs, employing 7,000 lawyers, it provides legal assistance to the poor in civil matters. Most of the poor now have access to LSC programs, although some persons are barred by reason of geography and although the effectiveness of the program is limited by large caseloads.

There is no reliable basis for estimating the costs that would be incurred if the federal role in the program were ended. Presumably, some of the existing local programs would be continued, with state or local funding replacing the federal funds. In other cases, the program would be discontinued altogether.

The American Bar Association takes the position that "every lawyer, regardless of professional prominence or workload, should find time to participate in serving the disadvantaged." If the practicing lawyers in the United States were to give an average of one hour a week in pro bono legal service to the poor, the effect would be a level of service equivalent to the current federal program.

Proponents of direct federal funding point out that the Legal Services Corporation was created because access by the poor to civil legal assistance was demonstrably inadequate, and that there is no reason to suppose that matters would be different if the Corporation were done away with. Opponents argue that the responsibility, if any, for correcting the situation does not lie with the federal government; and that a more universal program could be achieved by regulation at the state and local level—a change that is not likely to occur so long as federal funding is available for civil legal assistance to the poor.●

THE CHILES AMENDMENT TO THE FIRST CONCURRENT BUDGET RESOLUTION

● Mr. DOLE. Mr. President, in its consideration of the first concurrent budget resolution, this body has agreed to an amendment, proposed by the distinguished Senator from Florida (Mr. CHILES), expressing the sense of the Congress that the inflationary effects of Federal regulations should be monitored as part of our program of fiscal restraint. This amendment further urges the President to implement a policy of balancing the costs of new regulations against cost reductions in existing regulations so that new regulations will have a "zero net inflation impact."

Mr. President, this amendment passed the Senate by a vote of 53 to 34, and the Senator from Kansas was pleased to support it. However, we must not lose sight of the limits of this measure. The amendment merely exhorts the President to take action to deal with the inflationary impact of new regulations. Yet the Congress gives agencies the power to promulgate regulations in the first place, and we cannot afford to delay reform by pushing the ultimate responsibility for cleaning up the inflationary mess created by regulation off on the President.

The increasing costs of complying with Federal regulations aggravate our already unprecedented rate of inflation by raising prices without a corresponding rise in productivity. In 1979, for example, it is estimated that the cost to the consumer of complying with Federal regulations amounted to $102.7 billion, or about $400 for every man, woman, and child in the country. In light of such statistics, the Senator from Kansas believes that our Government can no longer blunder toward even worthwhile regulatory goals unconcerned by the costs our people must bear to attain them.

Legislation is needed which requires an agency to set out the trade-offs of a proposed rule, receive public input on the rule, and reach a reasonable conclusion that a new rule is worth its costs. Last fall the Senator from Kansas introduced such legislation, S. 1969, the "Rulemaking Improvements Act" with the cosponsorship of Senators THURMOND, STEVENS, LAXALT, HATCH, COCHRAN, SIMPSON, and HEINZ. Since then, both the Judiciary and Governmental Affairs Committees have reported omnibus regulatory reform bills which have some provisions requiring agencies to describe the effects of new regulations. None of these proposals, however, go beyond mere descriptions to impose a workable standard for rulemaking which will help reduce the inflationary aspects of regulation.

Therefore, the Senator from Kansas intends to propose an amendment to these bills, based on my earlier proposal, when this legislation comes to the Senate floor. This amendment will afford the Senate an opportunity to take truly effective action to deal with the inflationary aspects of regulation. It will require agencies to describe the anticipated benefits, costs and other adverse effects of new rules when they are proposed. It will give the public an opportunity to participate in the rulemaking and insert private expertise in the regulatory process. Finally, it will require an agency to reasonably conclude, before a new rule can become effective, that the benefits of the rule will outweigh its costs and that the proposed rule is the most cost-effective alternative for achieving the regulatory goals from among the various means identified during the rulemaking.

This amendment will not require benefits or costs to be quantified, recognizing that many indirect benefits or costs cannot be described numerically. Rather, the benefits and costs of a new rule would be precisely described in the best possible way, whether that is in numbers or in words.

Most importantly, this amendment will not impose any mathematical formula on the agency assessment of benefits and costs. The agency must "reasonably conclude" that a rule will be ultimately beneficial. This is a familiar standard in the law most commonly expressed as the "reasonable man" standard in tort law. It has proven to be a flexible, yet a very real standard in other areas of the law and should be so here.

At bottom, the proposal of the Senator from Kansas is not a startling departure from current practice. The vast majority of regulatory decisions involve an implicit weighing of benefits and costs. This proposal merely requires that the assessment of benefits and costs be a focus of public scrutiny.

Above all, this proposal gives real effect to the sense of the Congress as expressed in this amendment to the first concurrent budget resolution. The Senator from Kansas strongly recommends this proposal to the Senate and invites his colleagues to join what may well be the most substantial regulatory reform we can enact.●

SUPPORT FOR KASSEBAUM-BRADLEY AMENDMENT NO. 1073

● Mr. WEICKER. Mr. President, I support the amendment offered by Senators BRADLEY and KASSEBAUM as our economy sinks deeper into the recession, the fiscal condition of our State governments will worsen. Already many States which recently had surpluses are projecting sizeable deficits. Although it appeared that the States were on solid ground, the figures have been deceiving.

During 1978 the total of all State budget surpluses was roughly $27 billion. However, when the fiscal condition of each of the States was closely examined, most of this sum existed in three States: Alaska, California and Texas. All of these States are either major food or energy producers. Therefore, all of these States experienced rising revenues as a result of effect of inflation on these commodities. Clearly, these States are not typical of the rest of the country.

By and large most of the States have been operating on tight budgets. Generally, State constitutions prohibit deficits; therefore, they are forced to balance revenues with expenditures. Furthermore, many States are required to keep reserve funds as a buffer against cyclical declines in revenues without which mandated expenditures might force States into illegal deficit spending.

Although some States have passed tax cuts during the past few years, most cuts have been designed for specific purposes. For example, in the Northeast, tax cuts were aimed at stopping the flow of population and business to lower tax areas. It was thought that high taxes were preventing local economic growth and development. In other regions, property tax relief was targeted to special groups rather than general tax relief. Generally it was the poor, the near poor, the elderly, and the disabled who benefited.

A recent National Governors' Association survey disclosed that in 1978, 58 percent of State revenue sharing funds supported education and social services for the poor, elderly, and mentally ill; the remainder was used for capital improvement, retirement benefits for State and local government employees, and such miscellaneous purposes as tax rebates for homeowners, farmers, renters, and handicapped persons.

On the average, States have passed through 40 percent of their GRS funds to the localities. Slashing the States' share would severely disrupt and have an adverse affect on the quality of services provided by municipal governments nationwide.

As the Advisory Commission on Intergovernmental Relations and others have noted, the Federal Government often imposes mandates on State and local governments without determining the cost of these mandates or providing adequate Federal funding. "There are few who would question the desirability of such national goals as fair treatment of all races and sexes, pure air and water, preservation of historic sites, access to governmental information, or citizen participation," the Commission says. Yet requiring conformance with these and other goals as a condition of receiving Federal funds has placed a great administrative burden on recipients of Federal aid.

A recent University of California-Riverside study identified 1,260 Federal mandates, of which 80 percent have been imposed since the enactment of revenue sharing. In the view of State and local officials, revenue sharing helps to compensate for these mandates, the cost of which would otherwise be borne by State and local taxes.

As the recession deepens, local governments will be hard pressed to maintain adequate services. Because of ever increasing inflation localities will be forced to lay off workers in an effort to stay within budget constraints. This situation will be further aggravated. Ultimately it will be the individual taxpayer who will be asked to pay more and more. Higher sales and property taxes will be needed by State and local governments in order to make up this revenue gap.

Mr. President, it is very unclear how cutting the States' share of general revenue sharing will do any good in the fight against inflation. To the contrary, it is quite clear that this cut will do much to exacerbate the problem.

I urge that we restore the funds for the States' share of general revenue sharing.●

Mr. STENNIS. Mr. President, for 3 days we have been giving careful and detailed consideration to Senate Concurrent Resolution 86, first concurrent resolution on the budget for fiscal year 1981. This is a very important and significant resolution. It is particularly important since the congressional budget recommended for fiscal year 1981 contains the first balanced Federal budget in 12 years. This reflects the determination of the Congress to atack both the immediate and long-term causes of inflation.

There has been a considerable number of rollcall votes on amendments which have been offered to the resolution. The consideration of individual items in the budget resolution is not a procedure which is contemplated by the budget law but it is, of course, permitted by the rules. In the course of the consideration of this budget resolution we have had occasion to pass on many separate and individual programs.

I already have a voting record on many of these items and would not have supported a number of them had they arisen in a different situation. However, I have banded together with a number of other Senators to support the resolution and defend it against amendments. The primary objective in my mind is to achieve the balanced budget which the resolution promises, and this method of protecting and then passing the resolution is the only way to protect the budget.

Therefore, many of the votes which I cast on amendments during the consideration of the resolution were votes to sustain the integrity of the resolution itself and to bring about a balanced budget. As I have said, I would have voted differently on a number of these items had they arisen in a different context. An example of this is the amendment which proposed to eliminate the budget authority and outlays for the Legal Services Corporation. I have not supported this program in the past and would have voted to eliminate funding for it had it been presented as a separate issue. There are other amendments in the same category.

Mr. President, I have a very high admiration for the manner in which the distinguished chairman of the Committee on the Budget (Mr. Hollings) has handled and defended this resolution. My purpose has been to support him and the committee to the greatest extent possible. Of all the votes which have been taken, I believe there was only one in which I did not support the committee's position.

Mr. BENTSEN. Mr. President, I rise to ask the distinguished floor manager of the budget resolution a question relating to the fiscal year 1980 transportation outlay figure. In the second concurrent resolution on the budget for fiscal year 1980, a ceiling of $18.6 billion was established for transportation with a portion of this amount for Federal-aid highways. In the President's fiscal year 1981 budget and subsequent revision he requested an increase of $1.4 billion in outlays for liquidating cash from the highway trust fund for this program in fiscal year 1980.

The Senate Budget Committee has established a new ceiling of $19.5 billion in the resolution currently pending before the Senate for the transportation function. This is an increase of $900 million. The report accompanying the resolution states on page 240 that the $900 million is, and I quote, "necessary to pay for highway construction which has already been completed and for which payment is due."

I, therefore, ask the floor manager to indicate his understanding of the statement contained in the report with respect to increased transportation outlays for fiscal year 1980.

Mr. HOLLINGS. Mr. President, I am pleased to respond to the question of the Senator from Texas, the distinguished chairman of the Transportation Subcommittee of the Committee on Environment and Public Works. After careful consideration, the Budget Committee did recommend an increase in the fiscal year 1980 function 400 totals for transportation. The outlay total was increased by $900 million. By itself, this increase would not provide for the full amount of supplemental funding eventually requested by the Administration for Highway Construction.

Our figures for this part of the highway program, for outlays to liquidate prior highway obligations, are always based on estimates. Our current estimate from CBO is that $1.1 billion in additional liquidating cash will be required. The President's revised request is for an additional $1.4 billion in liquidating appropriations.

The committee recognizes that these highway bills represent prior obligations of the Federal Government and need to be paid. The increased spending does not reflect any new or unanticipated highway legislation. Because of the need to liquidate prior obligations in the highway area, the committee recommended that the function 400 ceilings be increased. However, while the Budget Committee recommends revision of the fiscal year 1980 budget ceilings to meet important funding requirements in a number of key areas, we did not provide the full amounts requested for many important programs within the function allocations. This is because the committee was not willing to abandon the commitment to budgetary discipline embodied in the second budget resolution for fiscal year 1980.

Notwithstanding this, the committee expects that a supplemental appropriation to meet the CBO estimate of $1.1 billion to pay for completed highway construction could be accommodated within the fiscal year 1980 increased outlay ceiling, and that, if necessary, the Appropriations Committee would find savings in other programs where the spending needs were less important.

Mr. BENTSEN. I say to my friend from South Carolina, the floor manager of the budget resolution, that his remarks with respect to the committee's intention and view of the liquidating cash problem is understandable. The House Appropriations Subcommittee on Transportation is currently marking up the fiscal year 1980 supplemental and intends to appropriate $1.4 billion for liquidating cash. I further understand that Representative Giaimo on behalf of the House Budget Committee offered an amendment to raise the transportation outlay ceiling by $700 million, and the increase was adopted.

With these actions set forth, can I ask the Senator from South Carolina for some indications of his view on this matter in the House-Senate conference on the budget resolution.

Mr. HOLLINGS. I assure my distinguished colleague that the fiscal year 1980 liquidating cash needed for the Federal-aid highway program will be very carefully examined by the conferees on the budget resolution. We understand the problem and its importance, but we cannot abandon overall budgetary restraint. It is my feeling that the Senate-reported resolution could accommodate necessary highway spending within the aggregate recommendation, and I am sure that the conferees will make every effort to provide an adequate spending allowance for this and other necessary requirements.

Mr. BENTSEN. Mr. President, I thank the floor manager for his understanding of the highway programs needs in this tight budget period.

● Mr. STAFFORD. Mr. President, as the ranking Republican member of the Senate Environment and Public Works Committee, and as a member of the Subcommittee on Transportation, the Senator from Vermont would like to comment on the administration's request for $1.4 billion in outlays for liquidation of contract authority in fiscal year 1980 for the Federal-aid highway program.

The Federal-aid highway program's source of funding is the highway trust fund. Trust fund revenues are derived from highway user fees including a 4-cent per gallon gas tax and excise taxes on such items as tires and lubricating oil. These revenues can be expended only for the Federal-aid highway program. The authorizing committees in the Congress provide contract authority out of the highway trust fund for the various Federal-aid highway categories. The Federal Highway Administration

(FHWA) then apportions to each State its share of the authorizations at the beginning of each fiscal year.

The States obligate their apportionment and enter into contracts for specific projects, agreeing to pay the entire cost of the project with State money. The States bill the Federal Government for the Federal matching share and FHWA reimburses the States. In order for FHWA to do this, funds must be appropriated from the highway trust fund for liquidation of contract authority. Originally FHWA requested a supplemental of $400 million in order to reimburse States for the remainder of fiscal 1980.

It has become apparent that $400 million will not be sufficient and an additional $1 billion of liquidating cash will be needed to reimburse States in fiscal year 1980.

This Senator fully understands the impact this will have on fiscal year 1980 outlays. The Senator from Vermont has supported efforts to reduce Federal spending and to balance the Federal budget, and believes the highway program must absorb its share of the reductions. However, in this particular case the Federal Government has already entered into obligations with the States in good faith that these bills will be paid.

I concur with the points the distinguished chairman of the Subcommittee on Transportation (Mr. BENTSEN) has made and urge my colleagues on the Budget and Appropriations Committees to provide sufficient funds to liquidate contract authority in fiscal 1980.●

Mr. BENTSEN. Mr. President, as one who has consistently supported the need for a balanced Federal budget in fiscal year 1981 and who has earlier acknowledged the role of the Budget Committee in moving the Senate toward this goal, I must say that I am perplexed in assessing the Budget Committee's recommendation with regard to the Federal-aid highway program. The first concurrent budget resolution for fiscal year 1981 proposes a reconciliation instruction to the Environment and Public Works Committee to rescind budget authority for the highway program. It is an instruction that seems unnecessary in view of other legislative constraints on the highway program and it does not seem to recognize how the highway program functions. Moreover, it is inconsistent with other assumptions of the budget resolution.

The Federal-aid highway program is of a unique nature. The spending rate in the program is not controlled by the appropriations process but rather by the authorizing committee which provides contract authority. The total authorizations is available to the States for obligation on the first day of each fiscal year. No appropriation is required for this apportionment. This program is funded from the highway trust fund specifically designed to receive revenue from the users of the system. Obligations are incurred when the projects of the States are approved by the Secretary of Transportation. Funds that are not obligated in a given fiscal year may be obligated in subsequent fiscal years until the apportionment lapses (2 years for interstate highways, 4 years for other Federal-aid highway categories). Funds are obligated on a first-come first-served basis.

A key element of the entire highway program is the annual obligations ceiling that controls yearly obligations. Since enactment of the Budget Act, this obligation ceiling has overlayed the budget authority of the Federal-aid highway program by setting the total amount of money that can be obligated in a given fiscal year.

Let me take fiscal year 1980 as an example. Highway program budget authority for fiscal year 1980 in the 1978 Surface Transportation Assistance Act is approximately $8.7 billion. If we add to this figure the unobligated apportionments from previous years, the total pool of apportionments available for obligation was about $16 billion. The obligations ceiling was set by Congress at $8.75 billion. Clearly, at this ceiling all States would not be able to obligate all of the funds that had been apportioned to them. Now, the administration is proposing that the obligations ceiling for fiscal year 1980 be reduced to $7.6 billion in order to effect a reduction of about $450 million in fiscal year 1981 outlays. If Congress adopts this recommendation, it will clearly mean that highway program spending will ultimately be reduced by $1.15 billion. In my view, it will mean fiscal year 1980 "budget authority" would be curtailed by $1.1 billion. I can assure you that there are many States that believe that an obligations ceiling reduction represents a real loss; at least 12 have filed suits contending that they will be harmed by these reductions. In fact, in forecasting fiscal year 1981 outlays the Budget Committee assumes a reduction of the highway outlays based on the lower obligations ceiling.

But then we come to the reconciliation instruction to the Environment and Public Works Committee to rescind highway budget authority by $300 million in fiscal year 1981. In the 1978 Surface Transportation Assistance Act, Congress authorized some $9.2 billion for the Federal-aid highway program.

In its March 15 report to the Budget Committee, the Environment and Public Works Committee recommended an obligations ceiling of $8.45 billion. Again, in my view this represents a reduction in fiscal year 1981 "budget authority" of $750 million. It is a figure roughly consistent with the administration's proposal of an $8.4 billion obligation ceiling and the Budget Committee's assumption of an $8.3 billion ceiling. If Congress enacts an obligations ceiling near this amount, it will reduce fiscal year 1981 "budget authority" by more than twice the amount proposed by the Budget Committee in its reconciliation instruction.

I believe we must face the realities of this situation. Either the obligations ceiling has an effect or it does not. Right now the budget report seems to play it both ways. It assumes a smaller fiscal year 1980 obligations ceiling will reduce fiscal year 1981 outlays. But, it assumes that a smaller fiscal year 1981 obligation ceiling has no effect on what can be authorized for expenditure in fiscal year 1981.

Mr. President, if Congress continues to move in the direction that it now appears to be on highway obligations, the program will be reduced by almost $1.8 billion during fiscal year 1980 and fiscal year 1981 from the contract authority passed by Congress in the 1978 Surface Transportation Assistance Act. I would say that this program is bearing at least its fair share of reductions in the effort to balance the Federal budget. I would hope that the Budget Committee will reconsider its proposed reconciliation instruction in view of this information.

● Mr. STEVENSON. Mr. President, the conventional wisdom demands a balanced budget to control inflation despite the quaintness of the suggestion that a $2.5 trillion economy is influenced by the paring of a $16 billion deficit. More likely the expediencies of this political season which suggest the Russians are controlled by increased expenditures and inflation by decreased expenditures will do neither—and in fact some damage to the economy and national security.

Other countries are not so concerned about the size of government deficits. In 1979, the Japanese Government ran a $62 billion deficit. West Germany's federal spending was proportionally higher than ours. Yet neither country has reaped the double digit inflation we are told is the inevitable consequence of such policies. On the contrary, inflation last year was 5 percent in Japan, 4 percent in West Germany, and 14 percent in the United States. The experience of those countries implies that how a government spends money is as important as how much it spends.

In the nations which experience growth and relatively stable prices have policies geared, not to last month's consumer price index, but to the economic challenges of the next decade. In a world where all nations depend upon others for supplies and markets, where the policies of governments and central banks alike are undone overnight by the movement of a trillion dollars worth of xenocurrencies and industries are made obsolete by actions of an oil cartel, economies require something more than narrow applications of economic theory based upon the behavior of markets and nations in the 18th century. Inflation, trade deficits, unstable currencies and business cycles—the economic quandaries of the 1980's—are global and structural. A nation which contents itself with illusory budget balancing will be left behind.

One lesson of postwar history—a lesson grasped by our competitors—is that successful global competition is beyond the resources of the private sector alone. Other nations are not so fastidious about distinctions between the private and public sectors. Governments go all out to support industry. Our Government supports industry, if at all, by accident. The most competitive U.S. industries—aerospace, computers, agriculture—have all benefited mightily from the visible hand of the Federal Government supporting R. & D., financing exports and procuring their products.

Today's investments in basic research and applied technology are the basis for tomorrow's industries and the Nation's trade, wealth and employment. Yet, when the budget is slashed the long-term activities, without strong constituencies and quantifiable benefits are hardest hit.

A balanced budget is a desirable means of taking pressure off the money supply and treating the psychology which causes inflation by anticipating it. But already that pressure is coming off—and this budget does not take effect until next October when the recession will be in full swing. This rush to balance the budget will produce unbalanced budgets. It will produce inflation and economic stagnation. This nominally balanced budget will damage activities which offer a basis for economic growth, price stability and Government revenue. By the time the fiscal year 1981 budget takes hold, the costs of unemployment will wipe out all hope of a balanced budget.

The macroeconomic effects of a "balanced budget" will be undone by events, and this exercise will have damaged price stabilizing, job and wealth generating activities of the Government. Because of the long-term nature of basic research, the space program, energy research, agricultural research, development of fuel-efficient transportation systems and export markets, the ultimate losses presented by budget cuts or project deferrals for everything except the military are difficult to calculate. But they will be substantial.

NASA's aeronautical research program would have supported fundamental work in aerodynamics, avionics, propulsion, aircraft operations and safety, continuing a governmental role in aviation which dates back to 1915. This research has produced significant contributions to the aviation industry—from the sweptwing concept to the transonic compressor. A 65-year tradition of Government support for basic research, which is beyond the resources of any company, has produced an aviation industry which dominates the world and consistently produces our strongest export surpluses. Some 78 percent of the commercial transports flying today in the world are of U.S. design and manufacture. The aircraft industry, excluding missiles and space activities, employed over 640,000 people in January 1980. Exports of civil aircraft, engines, parts, accessories, and equipment—including spares—during 1978 totaled $6 billion. NASA's aeronautical research gets cut 20 percent.

The European Airbus is already being flown by one airline in this country. Federal agencies have begun to procure European jets and helicopters. Brazil has begun to supply the growing market for commuter aircraft.

Even energy research is not exempt from the budgeteer's ax. The breeder reactor development program is being decimated. The Argonne National Laboratory faces a layoff of as many as 700 scientists, engineers, and technical support people who together represent a major part of U.S. technical capability for carrying out research and development on advanced nuclear reactors. Overall Federal outlays for energy will be held to the 1980 level, with no adjustment for inflation.

The irony of such action has seemingly been lost to the budgeteers. To cure inflation which is in no small measure the result of energy prices, the research which offers energy price stability will be slowed down or stopped altogether.

The Department of Transportation's cooperative program of automotive research was an easy target. It would attack another aspect of the energy crisis—including the 40 percent of U.S. energy consumed by automobiles. This program would also address the U.S. industry's flagging competitiveness in world auto markets, including our own market. As Detroit retools for 30-mile-per-gallon standards, Volkswagen is refining an 80-mile-per-gallon car.

To suggest that the Federal Government has a role to play in the economy does not sit well with traditional notions about the omnipotence of private enterprise and the irrelevance of government. A $12 million Government-industry R. & D. effort on automobile technology is unsettling. Yet a $1.5 billion handout to Chrysler—a massive diversion of credit to a firm unable to demonstrate any long-term viability—does not violate our convoluted sense of capitalism. Worker adjustment, retraining and relocation programs such as those developed in Sweden are "too much government." Yet, larger amounts of Government expenditure will be devoted to unemployment compensation and trade adjustment benefits—which do nothing but consign laborers to unproductive lives on and off the dole.

Our passion for confining Government involvement in the economy to tax concessions, bailouts and regulation is producing nonsolutions. Unemployment, declining competitiveness and severe structural adjustment problems are ignored as the Government subsidizes overcapacity in the steel industry and a geriatric auto company.

A decade of such actions in the face of sophisticated competition from abroad could transform the face of American industry. We do not have to look far for signs of the Chrysler syndrome. Ford, United States Steel, the tire industry, all are in for a wave of radical retooling if they are to remain competitive. For other industries—such as textiles, consumer electronics and footwear—it may be too late. Without adjustment mechanisms to assist displaced workers and to facilitate the transfer of labor and capital to productive sectors, political pressures will lock the country into the spiral of subsidies, inefficiency and declining productivity which have crippled the British economy. There, the Government spends $2 million a day to support the uncompetitive British steel corporation. The United States already has a $500 million loan guarantee program to keep steel firms here afloat.

Every year the pleas for special protection mount. And every year the critical problem of providing for the effective adjustment of workers and industries impacted by structural economic change is ignored. Trade adjustment assistance, as we know it, promotes no adjustment. It does nothing to help workers in textile, steel and auto industries adapt to new careers or provide incentives for labor mobility. It does nothing to reorganize the assets and personnel of Chrysler along competitive lines.

One of the most promising economic activities of the Government is a small effort by the National Science Foundation to support industry-university cooperation on generic technology research and assist entrepreneurs with high-technology products. With only $6 million, some 30 successful enterprises have been spawned, over 1,000 jobs created, and well over $6 million in Government revenues generated.

Largely on the basis of NSF's groundbreaking work, the President announced last November an "innovation package" to arrest declining industrial productivity, restore U.S. competitiveness and simultaneously combat inflation and stagnation. After an 18-month study involving a score of agencies and hundreds of advisers, he concluded that technology-related programs in the Commerce Department and NSF deserved $58 million. The total new initiatives announced in his message to Congress reduced the figure to $44.6 million. The innovation initiatives for industry have now been whittled down to $26.1 million.

Expanded support for the Export-Import Bank, announced with much fanfare less than 2 years ago, has been translated into budget cuts for the agency this year. Our competitors offer more official financing at better terms than Ex-Im can match. Japan and Great Britain support 35 percent of their exports with credits, insurance and guarantees. The French support 29 percent. The United States aids 6 percent. When zealots attack the Federal budget, little attention is given to the fact that Ex-Im requires no direct Government expenditures or to the 40,000 jobs and the Government revenues generated by each $1 billion in exports. In the name of fiscal restraint, a program which is laughably inadequate already, sustains a $500 million cut.

As the United States cuts back, the West Germans, French, and Japanese are poised to exploit the opportunities it foregoes. Budget cutting has forced NASA to schedule only nine experiments for the Space Shuttle lab. The Europeans plan 39. The French have pushed ahead in nuclear technology and have surpassed us in breeder reactor design. The Japanese have unveiled prototype semiconductors which exceed the state-of-the-art in U.S. industry. As the budget axe comes down on space sciences and applications, high energy physics, energy and agricultural research, the National Institutes of Health—foreign competitors redouble their efforts. Precisely those activities which offer the greatest long-term promise for noninflationary economic growth are expendable. Between recissions in the current fiscal year and reductions in the next, some $1.4 billion in Federal R. & D. spending will be lost. The conventional fiscal wisdom strikes hard at potentials for increased productivity in the public and private sectors.

We prefer the illusion that we are trimming flab from the budget, but what is going is much of its sinew. The flab gets augmented by billions of inflationary dollars for the military. The economic payoffs from research are sometimes more than a decade away, and its beneficiaries are not much help in a budget process which answers to the most vocal advocates of the conventional wisdom. The most promising and productive activities of Government tend to lose out under pressure to cut the budget for everything except the military. And so in the name of national security we buy more insecurity. This budget is balanced on paper only. It will cause inflation and recession. It will cause larger budget deficits than might be the case, and it will cause instability the world over which all the arms it buys are helpless to control. I would vote for a resolution which offered a balanced budget for fiscal 1981 and later years. I cannot vote for this monument to political timidity and economic backwardness.●

● Mr. ARMSTRONG. Mr. President, today the U.S. Senate is about to take a step that frankly is the essence of inflation. Here we have the third concurrent resolution on the budget, euphemistically called the second revised resolution on the budget, and we are about to add even more spending authority to it to make room for these supplemental appropriations.

That does not say much for our "resolve," does it?

Mr. President, sometimes I think we could ask any 100 human beings in the Gallery today to come down here and sit in these seats during this so-called budget process and the country would be better off.

The reason, Mr. President, is that these people here today and most other Americans in this country do not have unlimited supply of money. The Senate apparently believes that it does.

Any of these people who own a checkbook know that a budget is a limit on the amount of money you can spend. In most families, if Johnny needs braces, Susie is going to have to wear her shoes for an extra season, or if the price of gasoline goes to $1.50 a gallon, the family will either have to drive less or cut back somewhere else.

But in the Government, we simply raise taxes or print more money and come back later to adjust our numbers so we can continue to look good. That is what we are doing today, Mr. President, dressing up the books just in case the taxpayers want to take a look someday.

Now I realize that the Government makes mistakes in its calculations from time to time and more money must be spent in some areas than was previously thought. As soon as that happens, however, we run straight to the budget and cry to get the numbers increased upwards.

Instead, we should be cutting back on unnecessary programs, looking for waste, searching for the spot where we can get the extra money that we need to shift to a higher priority program or activity.

Perhaps that is the trouble. In our anxiousness to please every interest group, we have abandoned the notion that some Federal spending might be more important than other Federal spending.

We have lost the ability to fund one project over another project. Instead, we fund both projects fully and make up for it by bumping the budget numbers upward and allowing inflation to eat up enough dollars in taxes to make up the difference.

The real tragedy here is that some of the money in this supplemental request for appropriations is money that truly needs to be spent in places that taxpayers have long indicated were high priority.

Take for example the supplemental request for liquidating cash from the highway trust fund. This money has been obligated by the U.S. Government and the several States to highway contractors who for the most part have already done the work that we contracted with them to do.

We spend this money in 1979 and now is the time to pay the bill.

But instead of spending this user-originated and user-approved money on highways we "save" it, which allows us to deficit spend in other areas that have not generated funds paid by users.

This savings account approach penalized the taxpayers who have paid their own way in this Government service and rewards recipients of programs of questionable or no value.

All this at the price of the States, which are now trying to figure out how to run their highway programs with a billion dollars too little money.

But why do we not have enough money to pay off these highway contractors? Because the fundamental change in our highway system now requires that we maintain existing highways rather than build new ones. It is plain to see that the engineering time and environmental study time and the land acquisition time just is not present in these kind of operations and the money can just plain be spent faster now than it could be when we were taking years and years to build interstate highways.

This phenomenon finally caught up with us, but it took us by enough surprise that we in essence found ourselves with a $1.4 billion mistake.

I say the highway contractors should be paid for the work that they have done. But I say the Congress should be true to its budget ceilings. If the administration miscalculated on the amount of money needed, let the administration send in a $1.4 billion rescission somewhere.

That is what every American family has to do when it makes a budget error. That is what any 100 persons sitting in this Gallery today would do if they had a chance to come sit down here and do it.

And that is what Congress should do.●

THE BALANCED BUDGET THAT IS NOT

● Mr. HARRY F. BYRD, JR. Mr. President, I shall vote against the budget resolution. It is a blueprint for continued high inflation.

It provides for 1981 spending of $613 billion—an increase of $65 billion over the amount approved by the Congress last November for the current year.

The dominant problem facing the U.S. Government today is to get its own spending under control.

Yet, this new budget continues the same reckless spending policies which have done so much to heap double-digit inflation and double-digit interest rates on the American people.

Not only does this budget not control spending—but it envisions huge additional revenues coming out of the pockets of the working men and women of our Nation.

It is contended that this new budget is a balanced one. I predict that will be proved false.

The so-called balance in the budget has been produced by raising revenue estimates, not by cutting spending. I am convinced that spending will accelerate even beyond the already excessive totals projected in the resolution now before the Senate.

I predict a major deficit in 1981—perhaps as much as $30 billion.

Indeed, Dr. Alice Rivlin, Director of the Congressional Budget Office, testified before my Senate Subcommittee on Taxation that the off-budget items alone will produce an $18 or $19 billion deficit, even if on-budget spending does not increase.

To me it is tragic that the Congress will not come to grips with a major cause of inflation; namely, excessive Government spending.

The key to a sound economy is to reduce the huge annual increases in the cost of Government. Yet this budget provides one of the largest spending increases in recent years—and takes from the American working people a record-breaking share of their income in taxes.

I must say that the financial history of the Government over the last 5 years indicates that the hopes which many had for better spending control when the congressional budget process was instituted have not been fulfilled.

During the 5 fiscal years of the congressional budget process, the Congress has raised the ceiling on expenditures in its final resolution in every year except fiscal year 1978. In 3 of the 5 years, a substantial increase was made by means of a third concurrent resolution, approved 5 months after conclusion of the normal budget process.

In every fiscal year except fiscal year 1978, the last resolution enacted has represented an increase in allowable outlays. For the 4 completed years, the net increase in final resolutions has been $17 billion. For fiscal year 1980, the increase is almost $19 billion. Clearly, the ceilings are highly elastic.

In the critical area of budget authority, the record is similar to the record for outlays in that the last budget resolution raised the total in every year except 1978.

The year-to-year percentage increase in budget authority has been in double digits each year except 1979, so it would be difficult to establish a case that significant restraint has been exercised in this area.

One very interesting figure emerges when we compare Federal spending growth rates for the years of the congressional budget process—1976–80, inclusive—with the rates for the 5 preceding years—1971–75, inclusive. These rates are as follows:

	Percent
1971	7
1972	10
1973	6
1974	9
1975	21
1976	12
1977	10
1978	12
1979	9
1980 (est.)	15

The average spending growth rate for fiscal years 1971–75 was 10½ percent, which was actually lower than the 11½ percent rate which will obtain for fiscal years 1976–80, assuming the 1980 projection holds.

While we cannot conclude from this that the budget process has not reduced spending below what it would have been in its absence—this cannot be known—we can say that the process has not in itself reduced the growth in spending below what prevailed before it was instituted.

Indeed, the growth in spending has accelerated.

I find these results most discouraging. I believe they point to the critical need for firm controls on Federal spending—which, as I see it, is now completely out of control.

I ask unanimous consent to have printed in the RECORD at this point a table showing outlays, revenues, deficits and budget authority in each budget resolution since 1976, together with actual results for each completed year.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

	1st resolution	2d resolution	3d resolution[1]	Actual
1976:				
O	367	375	----------	366
R	298	301	----------	300
D	69	74	----------	66
BA	386	408	----------	415
1977:				
O	413	413	418	403
R	362	362	348	358
D	51	51	70	45
BA	454	452	473	465
1978:				
O	461	458	----------	451
R	396	397	----------	402
D	65	61	----------	49
BA	506	500	----------	501
1979:				
O	499	488	495	493
R	448	449	461	466
D	51	39	34	27
BA	569	556	559	560
1980:				
O	532	548	566	NA
R	509	518	529	----------
D	23	30	37	----------
BA	604	638	654	----------

[1] 1980—Senate version. ●

● Mr. BIDEN. Mr. President, the congressional budget for 1981 proposes the first balanced budget in over a decade. It is a milestone in the long struggle to overcome the deficit thrust upon the Budget Committees as they began their work in 1974. It is a significant achievement. I support it. I urge my colleagues to support it. It is the best hope for a return to fiscal sanity.

Today's balanced budget proposal does not mark the achievement of a final goal. Rather it is but an important step along the road to Federal fiscal stability. The proposed budget is balanced, but fiscal stability has not yet become a reality.

The economy is volatile, both inflation and unemployment threatening us. Significant shifts in either could threaten budget balance, which is at best tenuous in this uncertain economic climate. The recent 7-percent unemployment rate is ominous. It is good that we face the economic uncertainties of the next year with a budget proposal that is balanced. Whatever the future holds, that is a good starting point. But we will need several years of belt tightening and fiscal austerity before we can have fiscal policies that will surely weather economic circumstances. And while our surplus is sufficient to permit a $10 billion payroll tax reduction, it is not sufficient to permit an adequate lightening of tax burdens—to encourage savings and investment, to lighten the load of the individual taxpayer, and to provide tax equity.

All of this is to say that we must guard this new fiscal policy as we consider the budget resolution here on the floor over the next several days. We must support the decisions that have made the balance possible. To fail to support those often difficult decisions that brought the budget into balance may well mean fiscal chaos for the next several years as all budget discipline disappears.

Nor should we fall into the trap of assuming that if some budget reductions are good, more will be better. Further major reductions in spending like those in the Committee's alternative, could be destructive of support for the budget process both in this Chamber and around the country. Major reductions in revenues just when we are achieving some measure of fiscal discipline could destroy all restraint. With few exceptions, this budget represents a careful measuring of the sacrifices necessary on the part of all Americans which are required to restore our financial equilibrium.

THE ECONOMY

Surely the most menacing things as we begin consideration of the 1981 budget are the competing forces of inflation and recession in our economy and their potential impact on our fiscal policy. Equally disturbing is our inability to forecast the economic path of the next 18 months.

Inflation is now running around 18-percent rate, near the highest in our history. We are counting, perhaps too much, on restrained fiscal policy to help bring inflation down. But, inflation has been caused by many things beyond our control, such as energy prices. So if this policy of fiscal restraint does not work, then inflation will wreak havoc on our budget balancing plans, as it does on the budget of every American.

Unemployment leapt to 7 percent last month and many other indicators are signaling a recession. We can only hope that we have estimated its depth correctly. If the recession is worse than we anticipate—caused perhaps in part by the reductions in budget stimulus—then recession will unbalance the budget, in addition to its disastrous human toll.

I stress the deleterious effects that the economy can have on the budget to emphasize the importance of adopting the budget recommended by the Budget Committee. We are fortunate to have arrived at budget balance as we enter these difficult economic times. The budget that is presented is carefully considered for its impacts on our economy. To do significantly more cutting would be to bring on a very serious recession. To do less would signal defeat for our anti-inflation efforts.

So the budget we consider here today is acceptable when viewed from the point of view of fiscal and economic policy. But what about the defense of our country and the protection of the general welfare with which the Congress is charged? How has the budget dealt with these issues?

I suppose I am like everyone else when I say that I am not happy with many things in this budget. I believe that we could achieve the same defense policies with less money. And I regret the slowing of our too imperfect efforts to meet the social needs of our country. But on the whole I believe that this is a budget that can be lived with, that can achieve the economic goals that are as essential to our national defense and welfare as any weapon system or grant program in the whole budget.

Let me explore briefly the three main areas of my concern—tax reduction, defense spending, and domestic programs. First, tax reduction.

TAX REDUCTION

I have long recognized the equity of a general tax reduction. I supported such a reduction last year before there was general agreement on the need. This budget makes room for a tax reduction in fiscal year 1981 of about $10 billion. I believe that our first responsibility is to reduce, offset, or postpone the increase in social security taxes that will occur on January 1, 1981. I believe, as do many others, that social security taxes add to the cost of doing business and are inflationary. Thus it is good anti-inflation policy, as well as good tax equity, to reduce this tax. We must do this in a way to assure the solvency of the Social Security Trust Fund.

There must be further tax reductions in the years ahead to alleviate the inflation-induced burden on individual taxpayers. But this depends on our spending restraint now.

We must also examine our tax system to determine its impact on savings and capital investment. I am not one who believes, as many seem to today, that the future productivity of private enterprise is directly tied to tax breaks. I believe that productivity has and will result from the efficiency and inventiveness of our businesses.

It may be, however, that inflation has changed the effects of our tax system so that they tend to discourage the savings and investment that can result in increased productivity. So I favor looking at our business tax system to eliminate any provisions that unduly restrict private initiative in solving this important economic problem.

NATIONAL DEFENSE

In the area of defense spending it cannot be argued that this budget, in gross dollars, does not meet our defense needs. The turmoil in the Persian Gulf has driven our spending upward dramatically. As proposed by the committee there would be $173.4 billion in budget authority and $155.7 billion in outlays for defense. Thorough study of our defense needs and the recent threats to our national security have demonstrated a real need to improve our defense capabilities. This budget seeks to address that need.

In national defense, I believe that the Budget Committee has resorted to fiscal exaggeration in seeking to express its concern that we have adequate defense forces. It is my judgment that the President's budget would have achieved the maximum achievable in 1 year. His budget proposals were carefully scrutinized originally, and when they were transmitted to us again in March still represented the same program reestimated and adjusted for economic conditions.

The President's budget was a carefully molded program to meet specific defense needs. It did not throw money at a problem in recognition of our need to restrain all Federal spending to assure our future economic security—without which there cannot be military security. It was for these reasons that I proposed the adoption of the President's proposed defense figures in the Budget Committee markup. These figures met the President's commitment to a 3-percent increase in outlays, as well as 5-percent real growth in budget authority (the figure that really counts over time.) I believed then as I do now, that you achieve only a sloppy defense effort with too much money. To provide more than 3-percent real growth in spending in 1 year simply removes the force of fiscal discipline from our defense managers without any real increase in defense capability.

The amount I proposed is what we needed to assure our readiness to meet NATO commitments and deter hostile actions; to assure that we upgrade our strategic forces to deter Soviet actions and to modernize our tactical forces. It is the most we could have used effectively during the coming year.

The majority of the committee accepted significantly higher numbers than I proposed. This has placed almost unacceptable pressures on spending levels elsewhere in the budget.

DOMESTIC PROGRAMS

Let us now look at spending for those other programs. In contrast to the defense spending picture, the general level of spending for domestic programs is down. Specifically the level of budget outlays for these varied programs is $13.1 billion below the level of current law. This is a major reversal of budget policy which promises much tighter budgeting in years to come, but also some short-term hardship. There are several items that deserve highlighting. In addition to our current concerns about defense, the Federal Government still bears principal responsibility for addressing many specific national problems.

The Federal Government has a responsibility to provide for a minimal standard of living for our senior citizens and other persons living on a fixed income. There is no doubt in my mind that Federal spending for programs like social security and food stamps have alleviated a great deal of human suffering among our handicapped, the elderly, and the poor.

The Senate Budget Committee did not reduce cost-of-living increases for social security recipients in the 1981 budget. Instead it assumed $500 million of miscellaneous legislative savings in the social security system. Although I have misgivings about some of these legislative savings, I believe the Budget Committee proposal is a responsible figure. It recognizes that one quarter of our senior citizens still live below poverty level. Many of these persons rely solely on social security retirement benefits to pay their bills. It would have been most unfair to cut these benefits with inflation running at an 18-percent annual rate.

The food stamp program also plays an important role in alleviating poverty in this country. Although we must continue to act to eliminate fraud and abuse in the system, we should not cut benefits back so sharply that the 20 million Americans who receive food stamps are hurt.

The Federal Government must also address the educational and employment problems of our youth. As our economy becomes increasingly complex, the demands for a sophisticated, well-trained, and productive labor force become increasingly important. Education and skills training for our young people are of vital importance.

However, youth unemployment has stayed at alarmingly high levels. Approximately 17 percent of the youth in the labor force cannot find work. Minority youth unemployment rates are even higher. The budget must meet priority needs in the education, employment, and training of young people.

Vocational education, student aid for higher education and skills training are important to efforts to upgrade the skills of the newest members of our work force. The budget approved by the committee in those areas is more restrictive than is desirable.

This is not to say that all such programs are equally effective. For example, public service jobs program has not been as successful as we had hoped. Congress will want to refocus resources to the programs which have the greatest success on eliminating youth unemployment and underemployment.

ENFORCEMENT

Finally, Mr. President, let me say just a word about the enforcement mechanisms contained in the resolution. The budget process has been described as ineffective. It has been charged with not achieving the goal of budget discipline. These criticisms have failed to take into account that the process is still new and, more important, that it was not given adequate teeth. Now the budget process is old enough and tested enough to seek more teeth. That is what we have done in this resolution.

The resolution proposed the following enforcement mechanisms. First, enforcement would begin with the first budget resolution in May, not the second in September. Next, enforcement would be possible at the level of each committee allocation, not just at the level of the total budget. Third, bills that might threaten budget balance would be held at the desk until a determination of the condition of the total budget is made in the fall.

In addition the budget resolution proposes starting a reconciliation action this spring so that the necessary savings to balance the budget are put in place early, well before the budget wrapup in the fall. These are all prudent decisions necessary to maintain fiscal discipline. They have my full support.

SUMMARY

In summary, then, Mr. President, I support the Budget Committee's approach to the budget. I believe that, in spite of worsening employment, we must seek to enter this next difficult economic phase with a sound fiscal policy. With that as a base we can seek to meet the problems of the changing economy. I believe that to spend the amounts proposed for defense will lead to waste. And I believe that more could be spent on human needs without waste. Both of these could be achieved within the committee's framework of a balanced budget.●

ENERGY FUNDING

● Mr. **TALMADGE.** Mr. President, as you know, the energy crisis is one of the most important domestic issues the Nation faces. Congress is considering legislation, S. 932, the Energy Security Act, to stimulate the production of alternative fuels and reduce the amount of imported energy used. The Senate and House of Representatives have passed different versions of S. 932, and the differences between the bills are now being resolved by a committee of conference.

Specifically, title II of S. 932 amends the Food and Agriculture Act of 1977 to require the Secretary of Agriculture to implement an agricultural, forestry, and rural energy production, use, and conservation program. The goal of the program is to enable the United States to achieve net energy independence for agricultural and forestry production, processing, and marketing and a 50-percent reduction in petroleum and natural gas use by rural residents and communities by the year 2000.

It would establish research, extension, demonstration, loan, grant, and cost-share programs necessary for the effective implementation of the rural energy program.

Even though the Committee on Agriculture, Nutrition, and Forestry recommended full funding for title II in its March 15 budget report, it is my understanding that Senate Concurrent Resolution 86 does not include sufficient funding for the full implementation of title II, except for perhaps a small amount of money in function 350 for energy research and extension programs for rural America. This disturbs me greatly, for I am convinced that agriculture, forestry, and rural America can do much in making this Nation less dependent, in the near term, on imported petroleum and natural gas. What is needed is the establishment by the Federal Government of technical and financial incentives so that we can get started on this crucial mission. It is this need that title II of S. 932 is designed to serve. Aside from energy conservation measures, the production of alcohol and other fuels from agricultural and forestry biomass offers a major way we can reduce appreciably our dependence on imported energy within the next 15 years. Alcohol is the only liquid energy source that currently we have the technology and capability to produce from domestically available materials. Large-scale synthetic fuels plants are expensive and will take several years to construct and make operational. Most experts agree that solar energy will not contribute significantly in replacing liquid fuels for at least a decade or more.

If we proceed quickly with a comprehensive program to stimulate the production of alternative energy from agricultural and forestry biomass, we could produce up to 20 percent of our national energy needs by the next decade without increasing food prices appreciably or damaging the environment. Farmers would also have a new cash crop.

I am not going to move to add funding for title II at this time since the committee of conference has not completed its work on S. 932.

I am serving a warning, however, that if the Committee on the Budget does not include sufficient funding for title II in the second concurrent resolution on the budget for fiscal year 1981 after work on S. 932 is finished and the funding levels are known, I will be back on the Senate floor seeking the necessary funding to stimulate the production of alternative fuels from agricultural and forestry biomass.

To me, Mr. President, it makes no sense to speak of our energy crisis on the one hand—which has been the primary cause of our current budget crisis—and on the other hand not provide adequate funding to help this Nation out of this crisis. A strong national defense and a fully funded energy program are essential, and cuts in other program areas must be made so this can be accomplished.●

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HELMS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there be a period now for the transaction of routine morning business for not to extend beyond 30 minutes with Senators being able to speak therein for 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

TITO'S DEATH PRECEDED BY MANY VICTIMS

Mr. HELMS. Mr. President, on Friday, Marshal Tito was buried, his body escorted to the grave by dignitaries from east and west, north, and south. Commentaries from governments and from politicians generally will be encomiums, stressing such points as Tito's contributions to keeping Yugoslavia's integrity and independence.

This is the superficial, the apparent scene today. The reality is something different.

In the grave, Tito will be met by those who preceded him there, whose deaths were caused by Tito and his regime. There awaiting him are the hundreds of thousands of Albanians, Croatians, Hungarians, Macedonians, and Serbs whose tragedies and deaths resulted from the activities of this man and of his closest companions. Among those are the thousands of priests, nuns, mullahs, and other ministers of God who were massacred during the weeks after the end of World War II. There is also the Serbian patriot, Mihalovich, who was betrayed into the hands of Tito by British intelligence and murdered after a fabricated trial.

Time did not change Tito's methods, it did not mellow his actions. Ten years after the murder of Mihalovich, Tito had a role in the defeat of the heroic Hungarian Revolution of 1956. The Government of free Hungary naively believed that he was really an anti-Moscow leader really willing to protect human and civil rights by supporting the freeing of Hungary. The documents we have now available indicate that Tito assisted the Soviet reoccupation of Hungary in many ways and that he delivered up to the Soviet Union the members of the Nagy government who had taken refuge in the Yugoslav Embassy in Budapest on Tito's assurances of diplomatic asylum and immunity.

That Yugoslavia was kept "intact" and nominally independent is a fact, at least in appearance. But the reason for that fact does not lie in Tito's virtues, but in his vices, just as the Soviet Union was kept "intact" and "independent" by Stalin's vices. How can we, a Government proclaiming human rights, pretend that we do not know the appalling price of this so-called achievement, which we naively ascribe to Tito's credit?

Even more ominous, even more frightening, is the future which we and the rest of the West will face when the forces of history finally account for the terror and cruelty of the regime which Tito built. We all may have to face this sooner than we now know, should the accumulated grievances which are the legacy of Tito lead to the disintegration of Yugoslavia. I pray that the fury of that event, when it takes place, will not engulf us also in a European war.

For that reason, I ask that today we pray also for those whom Tito cruelly had murdered and whose human rights his regime had betrayed. They too, these victims, should be remembered on this day when Tito's mortal remains are buried.

"TAX FREEDOM DAY" IS SUNDAY MAY 11

Mr. HELMS. Mr. President, we are now more than 4 months into the year, but Americans will not start working for themselves for 1980 for another 2 days. All this year, the American taxpayers will have been working to pay their taxes. In other words, it will take the average American until May 11 to earn enough money to pay his share of the cost of government.

The Tax Foundation, a nonprofit research and public education organization which publishes some outstanding analyses of tax issues, has calculated that taxes on all levels will consume the output of the average working American for the first 4 months and 11 days of 1980. Thus, "Tax Freedom Day" will be Sunday, May 11.

The magnitude of the tax take is sufficient to make many citizens regard it as confiscatory and unconscionably high. Taxes are, indeed, too high. They discourage initiative. They encourage unemployment. They make savings and investment unattractive and they reward consumption and indebtedness.

Since the Federal Government began taxing income, the rates have grown bit by bit, but they have grown until the total bite is of massive proportions.

Mr. President, a million dollars is more than the average worker earns in a lifetime. It is almost twice the average income American wage earners will earn in their lifetimes. Yet, if the Senate debate on the proposed $612 billion budget for fiscal year 1981 had begun today, and continued 24 hours a day, 365 days a year, it would consume more than 69 years to debate next year's budget at the rate of $1 million per hour.

In 1979, total taxes collected by State, local, and Federal Government totaled $738 billion. That represents 34.7 percent of the average paycheck which was consumed by taxes.

The Tax Foundation calculated Tax Freedom Day by adding all Government tax receipts. The foundation did not include receipts as a result of sales of Government property or of Government services.

What the Tax Foundation also did not calculate is the portion of added income taken from people each year by the tax of inflation. Nevertheless, inflation is hitting workers, and it is also taxing the elderly, and all those who do not pay formal taxes because of limited incomes.

The Tax Foundation not only calculated that Tax Freedom Day would occur on May 11 this year, they also calculated the tax bite as a percentage of the work day. Their statistics show that the taxes we pay to Federal, State, and local government are equal to the first 2 hours and 52 minutes of everyone's 8-hour work day; 1 hour, 55 minutes goes to the Federal Government, 57 minutes for State and local governments.

It is shocking that taxes today take more from the family budget than some of the basic necessities of life. The average wage earner for an American household works 1 hour and 29 minutes for housing and household operations. Food and beverages for the household require 1 hour and 1 minute of labor."

If we add that the cost of clothing, the Tax Foundation estimates that the sum is just about equal to taxes. In other words, the average household wage earner works as hard and long to support his government as he does to provide the basic necessities of life for his family.

Mr. President, I ask unanimous consent that the Tax Foundation table detailing the tax bite in an 8-hour day be printed in the RECORD at the conclusion of my remarks.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Tax freedom day

Taxes, total, 2 hours 52 minutes.
Federal, 1 hour 55 minutes.
State and local, 57 minutes.
Housing and household operation, 1 hour 29 minutes.
Food and beverages, 1 hour 1 minute.
Transportation, 41 minutes.
Medical care, 29 minutes.
Clothing, 22 minutes.
Recreation, 19 minutes.
All other (private education, savings, etc.), 47 minutes.

JUST WHAT YOU WOULD EXPECT FROM THIS ADMINISTRATION

Mr. THURMOND. Mr. President, while Americans everywhere rally behind our President in times of international crisis, it is clear that this President, throughout his administration, has erred in judgment and deed to such an extent that crisis has been a natural result. He has, in my belief, blundered in his understanding of international commitment by this country, and the means to withstand political and military moves against our interests and those of other nations around the world.

Only in recent months when our diplomats in Iran were seized by terrorists, with the support of the new revolutionary regime, when the Soviet Union invaded Afghanistan, and when it became obvious that our power to meet and resolve external threats was in serious question, did the President give some support to badly needed increases in defense funding. Already, however, he has weakened his resolve in this matter as one pressure group after another has sought to offset some of their potential Federal budgetary cuts at the disgustingly familiar expense of defense.

Mr. President, a recent column which appeared in the Washington Post by the noted political analyst, George F. Will, cites a few of the glaring policy gaffes which have contributed to some of our current problems, and at the same time, relates them to some of the present posturing on defense policy.

In order for my colleagues to have the advantages of this enlightened review by Mr. Will, I ask unanimous consent that his column be printed in the RECORD at the conclusion of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

JUST WHAT YOU'D EXPECT FROM THIS ADMINISTRATION

Hours before the eight old helicopters lifted off the deck of the USS Nimitz, bound for disaster in the desert, Jimmy Carter sent a letter to House Speaker Tip O'Neill endorsing a move to slash his own defense budget by $3.8 billion. This would drive the "post-Afghanistan" defense budget below even the level called for in Carter's January budget, which even Carter quickly repudiated as inadequate.

The eight mine-sweeping helicopters were veterans. The Navy has procured none of this model since 1975. (They were used in 1973 to clear Haiphong, a duty imposed by the "peace" treaty.) They have been sitting on carriers since last year. The loss of seven of them cut by one-third our helicopter mine-sweeping capability. Carter has rejected Navy requests for more of them.

The Nimitz has not seen port—any port—since Jan. 4. We have too few carriers, and too few planes, to equip those we have. Carter used a veto to frustrate Congress' demand for another carrier. For four straight years he has requested fewer new planes for the Navy than the Navy loses in operational attrition. So tours at sea become longer, flying becomes more dangerous. (A pilot who spends 20 peacetime years flying tactical aircraft from a carrier has a one-in-four chance of being killed.) And Carter opposes pay even sufficient to get all Navy families off food stamps.

Zbigniew Brzezinski says the lesson of the rescue mission is: "Do not scoff at American power. Do not scoff at American reach." But the mission resembled the Bay of Pigs operation in its tentativeness, in shaving the margin of safety, thereby betraying lack of conviction.

You would not expect conviction from a president who has repeatedly and pettily disparaged the Mayaguez rescue, which rescued. You would hardly expect conviction from a president whose proudest and loudest campaign boast even after two soldiers died—defending our embassy in Pakistan—was that during his presidency no American had died in combat. You would hardly expect conviction in the use of military assets by a president who struggles to decrease those assets.

The failed mission will be another occasion for flogging the military. Already a Washington Post commentary is headlined: "Another President Ill-Served by the Military He Heads." Actually, the military has been ill-served by the president and his appointees, including some senior officers who are distinguished primarily by behavior convenient for their civilian benefactors.

Consider Harold Brown, the secretary of defense, and Gen. David Jones, chairman of the Joint Chiefs of Staff.

Brown was Lyndon Johnson's secretary of the Air Force when political and irresponsible decisions were made about the TFX fighter. He presided over the making of the C5 fiasco. He was an architect of "selective" bombing to send this, then that, "signal" to Hanoi. It sent signals, all right—signals of uncertainty. It was a slow, step-by-step policy similar to the administration's response to Iran. It dissipated U.S. power by allowing Hanoi to anticipate and adapt to each step. It was a policy that produced a tragically high ratio of force expended to objectives achieved.

As secretary of defense, Brown has deceptively packaged four straight budgets cutting real spending below that of the previous year. He has been a central actor in the advertising of first a fraudulent 5 percent, then a fraudulent 3 percent, defense increase, and has even tried to reduce this year's spending to produce the illusion of increases next year.

Jones is an Air Force general who was elevated to the chairmanship of the JCS after service selling the Panama Canal treaties and quelling Air Force protests about Carter's unilateral and unreciprocated killing of the B1 bomber. Fraudulent recruiting by sergeants reflects an atmosphere of abandoned integrity at the highest levels, by those who (to take just one example) say that the F15s at Langley Air Base, which are only 40 percent operationally ready, are ready to fight a war. Or who are careful not to be politically inconvenient by insisting, indecorously, on decent pay for defending America.

Nothing changes. Carter abandoned his stay-at-home policy six days before the Texas primary to fly to Texas to visit the casualties of the Iran mission. He thereby indicated his unchanged determination that Iran shall remain the sun around which his campaign, and American foreign policy, revolve, Harold Brown, asked about Iran's nauseating display of American bodies, said the display was "disappointing." Nothing changes: those disappointing Iranians still won't live up to administration expectations.

THE SENATE SERVICE OF EDMUND MUSKIE AND HIS APPOINTMENT AS U.S. SECRETARY OF STATE

Mr. THURMOND. Mr. President, as our distinguished colleague from Maine, Edmund Muskie, prepares to take the helm of the U.S. State Department, I am pleased to join in wishing him much success in that endeavor. He will have a difficult job of complex and intricate diplomacy at a time when our Nation faces irrationality and intransigence in a dangerous world. The outcome of his service as Secretary of State could have a lasting effect on the well-being of every American, and, in fact, all people of the world.

Ed Muskie has served long and faithfully in this body and, as a member of the Foreign Relations Committee, he has gathered a wealth of knowledge that should serve him well in his new role as the manager of our Nation's foreign policy. I know that Congress and, indeed, the Nation will give him full support in any moves designed to strengthen our security and interests among other countries.

It was a pleasure for me to vote for his confirmation as the next Secretary of State.

APPOINTMENT BY THE VICE PRESIDENT

The PRESIDING OFFICER. The Chair, on behalf of the Vice President, and upon the recommendation of the majority and minority leaders, pursuant to Public Law 86-42, appoints the Senator from New Hampshire (Mr. DURKIN) and the Senator from Idaho (Mr. MCCLURE) to attend the Canada-United States Interparliamentary Conference, to be held in San Diego, Calif., May 23-27, 1980.

THE SURVIVAL OF THE FOOD STAMP PROGRAM

Mr. BAUCUS. Mr. President, the food stamp program will run out of money on May 15 in the absence of congressional action. The food stamp program is vitally important to millions of Americans; 45,000 of my fellow Montanans depend on these benefits.

There are three steps that Congress must take to avert this impending disaster and to insure the continuation of the food stamp program. First, Congress must complete action on a third concurrent budget resolution for fiscal year 1980. Only yesterday the House of Representatives adopted its budget resolution for 1980 and we in the Senate are on the verge of passing our own budget resolution.

Second, the House of Representatives must pass legislation increasing the food stamp authorization. The Senate passed similar legislation last July.

Third, the House and Senate must approve a supplemental appropriations to fund the program through September. This supplemental is required to accommodate recent inflation in food prices, high unemployment, and increased participation in the program.

The Congress must complete these steps quickly to guarantee the continuation of the food stamp program. It is unconscionable to consider cutting benefits for the elderly, the disabled, and the truly needed. The food stamp program has succeeded in improving the health and nutritional well-being of millions of our fellow citizens. In a time of rising inflation and high unemployment, it would be a cruel trick indeed to cut out these benefits.

Mr. President, I strongly support a balanced budget to help reduce inflation which hurts all Americans, especially those on fixed incomes. There is no doubt that the food stamp program must be reformed to minimize abuse and improve its management. While I believe the food stamp program is not immune to these reforms, I will nevertheless, work to assure the survival of the program in the spirit with which it was originally enacted—to ease hunger and reduce malnutrition.

Today's Washington Post carried an editorial on the food stamp crisis. I was struck by the simplicity and compellingness of the need to act swiftly. I recommend the editorial to my colleagues.

I ask unanimous consent that the text of the editorial be printed in the RECORD at this point.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

FOOD STAMP MONEY—NOW

With each passing day it looks less likely that Congress will meet the May 15 deadline to keep the food stamp program in business for June. The effect of suspending the program even for a brief period will be terrible, and it will be terrible because the food stamp program is so precisely concentrated on the very poor. More than half the households receiving food stamps have a gross income—right now—of $3,600 a year or less. Fewer than 3 percent of the families are above the $9,000 line, and they are the ones with lots of mouths to feed. The average value of food stamps to these families is about 37 cents per person per meal. Not much by ordinary standards, perhaps, but on $3,600 a year, it is a tremendous difference.

People who get food stamps are not a permanent underclass of the wholly hopeless. For about two-thirds of the families, the program is a stopgap measure that helps them survive through a seasonal layoff, occasional financial disasters or the effects of recession. They move on and off the program as their circumstances change during the year. A lot more families of this type can be expected to need food stamps in the next few months as unemployment rises. So this is an especially cruel time to be fooling around with the notion of not having a program at all, as Congress seems to be.

Frantic contingency planning is now going on all over the country as state and local officials and voluntary groups try to figure out how to keep people in food if food stamps go. In the District alone, $3.5 million a month goes out for food stamps. There is no way an emergency food network can meet a need that size. What is most infuriating is that the anxiety and suspense are unnecessary: Congress has had months in which to get the required actions completed.

There is a chance they will make it. To do so means, of course, that a budget resolution, the authorizing legislation and appropriation must all be passed and settled in conference within the coming week. It will be hard to manage that, but it will be indecent not to.

MESSAGES FROM THE HOUSE

At 12:44 p.m., a message from the House of Representatives delivered by Mr. Berry, one of its reading clerks, announced that the House agrees to the amendments of the Senate to the bill (H.R. 3928) to amend the act of November 8, 1978 (92 Stat. 3095) to designate certain Cibola National Forest lands as additions to the Sandia Mountain Wilderness, New Mexico.

The message also announced that the House has agreed to House Concurrent Resolution 330, a concurrent resolution authorizing concerts by the National Symphony on Capitol Grounds, in which it requests the concurrence of the Senate.

At 5:26 p.m., a message from the House of Representatives delivered by Mr. Gregory, one of its reading clerks, announced that the House has agreed to the following concurrent resolution, in which it requests the concurrence of the Senate:

H. Con. Res. 330. A concurrent resolution setting forth the congressional budget for the U.S. Government for the fiscal years 1981, 1982, and 1983 and revising the congressional budget for the U.S. Government for the fiscal year 1980.

HOUSE CONCURRENT RESOLUTION REFERRED

The following concurrent resolution was read by title and referred as indicated:

H. Con. Res. 330. A concurrent resolution authorizing concerts by the National Symphony on Capitol Grounds; to the Committee on Rules and Administration.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-3743. A communication from the Director, Federal Emergency Management Agency, reporting, pursuant to law, on property acquisitions of emergency supplies and equipment; to the Committee on Armed Services.

EC-3744. A communication from the Executive Director (Contracts and Business Management), Headquarters Naval Material Command, Department of the Navy, transmitting, pursuant to law, the Navy's semiannual report of research and development procurement actions of $50,000 and over; to the Committee on Armed Services.

EC-3745. A communication from the Secretary of the Army, reporting, pursuant to law, relative to obsolete chemical agent identification sets at Rocky Mountain Arsenal, Colo.; to the Committee on Armed Services.

EC-3746. A communication from the Secretary of Commerce, transmitting a draft of proposed legislation to amend the International Travel Act of 1961 to authorize additional appropriations, and for other purposes; to the Committee on Commerce, Science, and Transportation.

EC-3747. A communication from the Chairman, Federal Energy Regulatory Commission, transmitting, pursuant to law, Phase II of the incremental pricing program, which would extend the incremental pricing program to all industrial users except those specifically exempted by statute and set a uniform price ceiling for natural gas sold to industrial users subject to Phase II at the price of No. 6 high-sulphur residual fuel oil, but would exempt from incremental pricing the first 300 thousand cubic feet used each day by each facility for uses subject to Phase II; to the Committee on Energy and Natural Resources.

EC-3748. A communication from the Assistant Secretary of the Army (Civil Works), transmitting, pursuant to law, a letter from the Chief of Engineers dated 5 June 1979. with a final environmental impact statement and supplemental information on the Lutsen and Beaver Bay Harbors of Refuse, Minnesota, project; to the Committee on Environmental and Public Works.

EC-3749. A communication from the Chairman, United States International Trade Commission, transmitting a draft of proposed legislation to provide authorization of appropriations for the United States International Trade Commission for fiscal year 1982; to the Committee on Finance.

EC-3750. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "U.S. Efforts to Educate and Train the Poor in Developing Countries," May 5, 1980; to the Committee on Foreign Relations.

EC-3751. A communication from the Acting Assistant Secretary for Health, Department of Health, Education, and Welfare; transmitting, pursuant to law, a report on a new system of records; to the Committee on Governmental Affairs.

EC-3752. A communication from the Chairman, National Credit Union Administration Board, transmitting, pursuant to law, a report on administration of the Government in the Sunshine Act; to the Committee on Governmental Affairs.

EC-3753. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Audit of the Bureau of Engraving and Printing Fund for the Year Ended September 30, 1979," May 5, 1980; to the Committee on Governmental Affairs.

EC-3754. A communication from the Acting Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, an order suspending deportation in the case of an alien; to the Committee on the Judiciary.

EC-3755. A communication from Director, Selective Service System, transmitting, pursuant to law, a report on administration of the Freedom of Information Act; to the Committee on the Judiciary.

EC-3756. A communication from the Chairman, Tennessee Valley Authority, transmitting, pursuant to law, a report on administration of the Freedom of Information Act; to the Committee on the Judiciary.

EC-3757. A communication from the Acting Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, orders entered in 740 cases in which the authority contained in section 212(d)(3) of the Immigration and Nationality Act was exercised in behalf of such aliens; to the Committee on the Judiciary.

EC-3758. A communication from the Acting Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, orders suspending deportation, as well as a list of the persons involved; to the Committee on the Judiciary.

EC-3759. A communication from the Secretary of Health, Education, and Welfare, reporting, pursuant to law, that additional time will be necessary for submitting a Comprehensive Plan to maximize coordination of child abuse and neglect prevention and treatment activities; to the Committee on Labor and Human Resources.

EC-3760. A communication from the U.S. Commissioner of Education, transmitting, pursuant to law, interpretation of Indian Preference in Federally Assisted School Construction Projects; to the Committee on Labor and Human Resources.

EC-3761. A communication from the Administrator, Veterans Administration, transmitting a draft of proposed legislation to amend title 38, United States Code, to authorize the Administrator to provide a memorial plaque or marker in appropriate situations to the next of kin of an individual who would otherwise be memorialized in a national, private, or local cemetery; to the Committee on Veterans' Affairs.

EC-3762. A communication from the Secretary of the Interior, reporting, for the information of the Senate, relative to S. 2163, to provide for the conservation and enhancement of the salmon and steelhead resources of Washington State, assistance to the Treaty and non-Treaty harvesters of those resources, and for other purposes; ordered to lie on the table.

PETITIONS AND MEMORIALS

The following petitions and memorials were laid before the Senate and referred as indicated:

POM-714. A resolution adopted by the Legislature of the State of Massachusetts; to the Committee on Commerce, Science, and Transportation:

"RESOLUTIONS MEMORIALIZING THE CONGRESS OF THE UNITED STATES TO ENACT APPROPRIATE LEGISLATION FOR THE UNIFORM AND COORDINATED OBSERVANCE BY THE SEVERAL STATES OF AN EXTENSION OF DAYLIGHT SAVING TIME

"Whereas, A uniform system of reckoning time throughout the several states is convenient and necessary for the proper and efficient carrying on of interstate commerce; and

"Whereas, By the Uniform Time Act of 1966, P.L. 89-387; U.S.C. Title 15, Section 260 et seq., Congress provided for such a uniform and coordinated system, including the observance of Daylight Saving Time, except in those states which by law omit such observance, during the summer months, from 2:00 A.M. on the last Sunday of April until 2:00 A.M. on the last Sunday of October of each year; and

"Whereas, The benefits of Daylight Saving Time, in providing an extension of natural light into the evening hours, have been almost universally acknowledged, not only in the United States, but also in many foreign nations; and

"Whereas, The return each fall to Standard Time, whereby winter sunset causes an undesirable encroachment of darkness upon the latter part of the active day, requiring an unnecessary and undesirable drain upon valuable and increasingly scarce power resources to supply artificial light, creating conditions hazardous to vehicular and pedestrian traffic during a peak travel period, and offering unduly propitious conditions for violent and predatory criminal acts upon the streets and thoroughfares of many urban areas; and

"Whereas, The value of Daylight Saving Time as a conservation measure, reducing the consumption of fuel for power generation and the concomitant effusion of pollutants, was recognized by Congress in providing for year-round observance of this time reckoning during the war emergency period from February, nineteen hundred and forty-two to October, nineteen hundred and forty-five; and in providing for extension of Daylight Saving Time during the energy shortage from 1974 to 1975; and

"Whereas, Urgent current needs for conservation of energy sources, control pollution, deterrence of street crime and reduction of the human suffering and property damage due to accidents combine to support the advisability of a permanent extension of Daylight Saving Time; therefore be it

"Resolved, That the Massachusetts General Court hereby calls upon the Congress of the United States to amend the said "Uniform Time Act of 1966" to provide for observance of Daylight Saving Time from 2:00 A.M. on the last Sunday of February until 2:00 A.M. on the second Sunday of November each year; and be it further

"Resolved, That copies of these resolutions be transmitted forthwith by the Clerk of the House of Representatives to the President of the United States, the presiding officer of each branch of the Congress, the presiding officers of the legislative bodies of the several States in the Eastern Time Zone, and to each member of the Congress from this Commonwealth."

POM-715. A concurrent resolution adopted by the House of Representatives of the State of South Carolina; to the Committee on Energy and Natural Resources:

"A CONCURRENT RESOLUTION

"Whereas, the federal government is considering Allied General Nuclear Services in Barnwell for an away from reactor (AFR) storage facility to be owned and operated by the federal government; and

"Whereas, such consideration is based solely on economic considerations; and

"Whereas, the question of site location for the storage of disposal of radioactive waste should be decided on technical considerations; and

"Whereas, interim water pool storage has not been demonstrated to be a reliable process for the storage of spent fuel for more than a few decades; and

"Whereas, no decisions have yet been made by the federal government regarding the permanent disposal of spent fuel or high-level radioactive waste; and

"Whereas, there is no permanent federal repository for safe disposal of high-level radioactive waste; and

"Whereas, there are many technical, legal, environmental and political issues that must be resolved before such a permanent repository can be established; and

"Whereas, neither the federal government nor the nuclear industry has prepared reliable cost estimates for the ultimate disposal and perpetual care of high-level radioactive waste and spent fuel; and

"Whereas, the establishment of a permanent federal nuclear waste repository raises vital questions of public policy of such importance to present and future generations as to preclude the establishment of such a repository well after the year two thousand; and

"Whereas, twenty-five million gallons or one-third of the nation's high-level defense waste is stored at the Savannah River Plant in Aiken, South Carolina; and

"Whereas, the State of South Carolina currently stores eighty-five percent of the nation's low-level radioactive waste; and

"Whereas, a lack of policy and action by the federal government to designate other low-level nuclear waste sites in the United States has placed an inequitable burden upon our citizens and future generations; and

"Whereas, experience has indicated that long-term guarantees from the federal government on radiological matters may not be possible because of the current and probably the future emotional environment surrounding nuclear power.

"Now, therefore, be it resolved by the House of Representatives, the Senate concurring:

"That the General Assembly by this resolution hereby memorializes the President of the United States and the United States Congress to abstain from considering the State of South Carolina as a site for the establishment of an interim storage facility for commercial spent nuclear fuel and other high-level radioactive waste produced outside the State until official consultation has taken place between the federal government and the State, such consultation to be conducted by an appropriate committee designated by the members of the General Assembly and the Governor and that the establishment of such an interim storage facility must obtain prior approval by Joint Resolution of the majority of the membership of the General Assembly and also approved by the Governor.

"Be it further resolved that copies of this resolution be forwarded to the President, Vice President, Speaker of the House of Representatives and each member of the South Carolina Congressional Delegation in Washington, D.C."

POM-716. A joint resolution adopted by the Legislature of the State of California; to the Committee on Finance:

"ASSEMBLY JOINT RESOLUTION NO. 53

"Whereas, The growth in the rate of inflation has resulted in a substantial increase in federal income taxes, which does not reflect increases in real income; and

"Whereas, The cost of living as reflected by the United States Consumer Price Index has increased significantly each year; and

"Whereas, Federal income taxes as a percent of personal income have risen from 9.7 percent in 1976 to an estimated 11.3 percent in 1980, reflecting the rapid growth in tax collections during this inflationary period; and

"Whereas, The Legislature of the State of California has enacted full indexing of the state personal income tax thereby preventing inflation from moving each taxpayer into a higher state income tax bracket; and

"Whereas, The impact of this adjustment of the state income tax will be partially reduced by the loss of this amount as a deduction from the federal tax, further increasing federal income tax liability; and

"Whereas, The federal income tax brackets have not been adjusted to eliminate the inequitable automatic tax increase resulting from inflation; now, therefore, be it

"*Resolved by the Assembly and Senate of the State of Califoria, jointly,* That the Legislature of the State of California respectfully memorialize the President and the Congress of the United States to provide for the annual recomputation of federal income taxes and adjustment of such taxes according to the rate of inflation; and be it further

"*Resolved,* That California shall receive a reduction in federal aid which is proportionate to the loss of federal income tax revenue derived from California; and be it further

"*Resolved,* That the Chief Clerk of the Assembly transmit copies of this resolution to the President and Vice Preisdent of the United States, to the Speaker of the House of Representatives, and to each Senator and Representative from California in the Congress of the United States."

POM-717. A joint resolution adopted by the Legislature of the State of Alabama; to the Committee on the Judiciary:

"SENATE JOINT RESOLUTION 9

"Whereas, millions of abortions have been performed in the United States since the decision on abortions by the United States Supreme Court on January 22, 1973, and

"Whereas, the Congress of the United States has not proposed to date a "human life amendment" to the Constitution of the United States.

"Now therefore:

"Be it resolved by the Legislature of Alabama, both Houses thereof concurring, that the Legislature of Alabama, 1980 Regular Session, applies to the Congress of the United States to call a convention for the sole and exclusive purpose of proposing an amendment to the Constitution that would protect the lives of all human being including unborn children at every stage of their biological development and providing that neither the United States nor any state shall deprive any human being, from the moment of fertilization, of the right to life without due process of law, nor shall any state deny any human being, from the moment of fertilization the equal protection of the laws, except where pregnancy results from rape or from incest; or where abortion is necessary to save the life of the mother or where testing revealed abnormality or deformity of the fetus.

"Be it further resolved, that this application shall constitute a continuing application for such a convention pursuant to Article V of the Constitution of the United States until such time as the Legislatures of two-thirds of the States shall have made like applications and such convention shall have been called by the Congress of the United States.

"Be it further resolved, that copies of this concurrent resolution be presented to the President of the Senate of the United States, the Secretary of the Senate of the United States, the Speaker of the House of Representatives of the United States, and to each member of the Congress from Alabama attesting the adoption of this concurrent resolution by the 1980 Regular Session of the Legislature of the State of Alabama."

POM-718. A resolution adopted by the City Council, City of Elizabeth, N.J., urging the Congress of the United States to give immediate attention to dealing with hazardous waste material; to the Committee on Environment and Public Works.

POM-719. A resolution adopted by the Board of County Commissioners of St. Louis County, Minn., in support of full funding for the payments in lieu of taxes for those lands owned by the Federal Government within St. Louis County; to the Committee on Governmental Affairs.

POM-720. A petition from a private citizen, in support of a strong national security and increased military funding; to the Committee on Armed Services.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. ROBERT C. BYRD (for Mr. KENNEDY), from the Committee on the Judiciary, without amendment:

H.R. 3807. A bill to amend subtitle IV of title 49, United States Code, to codify recent law and improve the Code without substantive change.

By Mr. CRANSTON, from the Committee on Labor and Human Resources, without amendment and without recommendation:

H.R. 2977. A bill to provide for Federal support and encouragement of State, local, and community activities to prevent domestic violence and assist victims of domestic violence, to provide for coordination of Federal programs and activities relating to domestic violence, and for other purposes.

By Mr. JACKSON, from the Committee on Energy and Natural Resources, with an amendment to the title:

S. 2332. A bill to authorize appropriations to the Department of Energy for civilian programs for fiscal year 1981 and fiscal year 1982, and for other purposse (Rept. No. 96-687).

By Mr. DECONCINI, from the Committee on the Judiciary, without amendment:

S. 2326. A bill to amend section 113 of title 28, United States Code, to place the Federal correctional institution at Butner, N.C., entirely within the Eastern District of North Carolina (Rept. No. 96-688).

S. 2432. A bill to amend title 28 of the United States Code to provide that the counties of Audrain and Montgomery shall be in the Northern Division of the Eastern Judicial District of Missouri (Rept. No. 96-689).

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. CANNON, from the Committee on Commerce, Science, and Transportation:

Thomas George Allison, of Washington, to be General Counsel of the Department of Transportation.

Frederick P. Schubert, for promotion to the grade of Rear Admiral in the U.S. Coast Guard.

(The above nominations from the Committee on Commerce, Science, and Transportation were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before and duly constituted committee of the Senate.)

Mr. WARNER. Mr. President, as in executive session, from the Committee on Armed Services, I report favorably the following nominations: In the Army, Maj. Gen. Paul Francis Gorman to be lieutenant general, 7 temporary appointments to the grades of major general and brigadier general (list beginning with Brig. Gen. Floyd Wilmer Baker) (3-MGEN) (4-BGEN), and, in the Army of the United States, the following-named officers to be placed on the retired list in the grades indicated: Gen. William Allen Knowlton (age 59) to be general; Lt. Gen. John Quint Henion (age 57) to be lieutenant general; Lt. Gen. Robert Carter McAlister (age 56) to be lieutenant general; Lt. Gen. John Woodland Morris (age 56) to be lieutenant general (1-GEN) (3-LGEN); in the Navy, Adm. Harold E. Shear (age 61) for appointment to the grade of admiral on the retired list, Rear Adm. James R. Sanderson for appointment to the grade of vice admiral as Deputy Commander in Chief and Chief of Staff Atlantic and U.S. Atlantic Fleet, and 39 permanent promotions to the grade of rear admiral (list beginning with John G. Wissler); in the Air Force, Lt. Gen. Richard L. Lawson to be general, Lt. Gen. Howard M. Lane (age 56) for appointment to the grade of lieutenant general on the retired list, Maj. Gen. Charles C. Blanton to be lieutenant general, Lt. Gen. Abbott C. Greenleaf (age 53) for appointment to the grade of lieutenant general on the retired list, and Maj. Gen. Howard W. Leaf to be lieutenant general. I ask that these names be placed on the Executive Calendar.

The PRESIDING OFFICER. The nominations will be placed on the Executive Calendar.

Mr. WARNER. In addition, Mr. President, at the U.S. Military Academy, James R. Golden to be professor and deputy head of the department of social sciences, in the Regular Army, there are 280 appointments to the grade of lieutenant colonel and below (list beginning with Patrick H. Brady), 914 U.S. Military Academy cadets for appointment to the grade of second lieutenant (list beginning with Brian J. Adams); in the Navy, there are 95 temporary and permanent promotions/appointments to the grade of lieutenant commander and below (list beginning with Dean S. Nakayama), 468 permanent promotions to the grade of lieutenant commander (list beginning with Timothy James Allega), 33 temporary and permanent promotions to the grade of commander and below (list beginning with William Broughton), 785 midshipmen (Naval Academy) to be permanent ensigns and 41 temporary/permanent appointments to the grade of captain and below (list beginning with Jeffrey R. Abel), in the Navy and Reserve of the Navy, there are 157 temporary and permanent appointments/reappointments to the grade of captain and below (list beginning with Josef W. Christ); in the Marine Corps, there are 155 chief warrant officers for temporary appointment to the grade of first lieutenant (list beginning with Terry L. Armstrong), 116 permanent appointments to the grade of colonel (list beginning with John B. Airola); in the Regular Air Force, there are 901 appointments from the U.S. Air Force Academy to the grade of second lieutenant (list beginning with Joseph A. Accardo, Jr.), 1,435 appointments to the grades of first and second lieutenant (list beginning with Robert F. Aaron, Jr.), in the Regular Air Force and Reserve of the Air Force, there are 124 appointments/reappointments/promotions to the grade of colonel and below (list beginning with

Kenneth A. Murdock), and, in the Reserve of the Air Force, there are 32 promotions to the grade of colonel (list beginning with Ralph E. Bradford, Jr.). Since these names have already appeared in the Congressional Record and to save the expense of printing again, I ask unanimous consent that they be ordered to lie on the Secretary's desk for the information of any Senator.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The nominations ordered to lie on the Secretary's desk appeared in the Record on March 26, March 28, April 2, April 15, and April 23, 1980, at the end of the Senate proceedings.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. STEWART (for himself and Mr. Baucus):

S. 2677. A bill to amend the Internal Revenue Code of 1954 to provide for the nonrecognition of gain of the proceeds from the sale of incentive stock to an ESOP if those proceeds are reinvested in such stock, and for an increase in basis for incentive stock held for certain period; to the Committee on Finance.

By Mr. EXON:

S. 2678. A bill to extend for 5 years the operation of the State and Local Fiscal Assistance Act of 1972 and to provide that each State will receive the State government allocation only if it elects an equivalent reduction in the amount it would otherwise receive in specific categorical grant programs; to the Committee on Finance.

By Mr. BAUCUS:

S. 2679. A bill to establish an Office of Transportation in the Department of Agriculture; to the Committee on Governmental Affairs.

By Mr. BUMPERS:

S. 2680. A bill to improve the administration of the Historic Sites Buildings and Antiquities Act of 1935 (49 Stat. 666); to the Committee on Energy and Natural Resources.

By Mr. DOLE (for himself, Mr. Baker, Mr. Percy, Mr. McClure, Mr. Domenici, Mr. Armstrong, and Mr. Danforth):

S. 2681. A bill to amend the State and Local Fiscal Assistance Act of 1972 to provide a 5-year extension of the general revenue sharing program and to provide that each State make an annual election to receive its State government allocation or the equivalent amount in specific categorical grant programs, but not both; to the Committee on Finance.

By Mr. MELCHER:

S. 2682. A bill to guarantee that producers have received their cost of production for wheat exported from the United States; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. JACKSON (by request):

S. 2683. A bill to amend title VI of the Federal Land Policy and Management Act of 1976, as amended (43 U.S.C. 1701 et seq.) to establish the Snake River Birds of Prey National Conservation Area, Idaho; to the Committee on Energy and Natural Resources.

S. 2684. A bill to authorize the Secretary of the Interior to construct, operate, and maintain improved facilities for accommodating visitors, improving traffic flow, alleviating safety hazards, and expediting access at Hoover Dam, Boulder Canyon Project, Nevada; to the Committee on Energy and Natural Resources.

By Mr. STEVENS:

S. 2685. A bill to provide an extension of the time frame for nomination of a selection pool under the Cook Inlet land exchange; to the Committee on Energy and Natural Resources.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. STEWART (for himself and Mr. Baucus):

S. 2677. A bill to amend the Internal Revenue Code of 1954 to provide for the nonrecognition of gain of the proceeds from the sale of incentive stock to an ESOP if those proceeds are reinvested in such stock, and for an increase in basis for incentive stock held for certain period; to the Committee on Finance.

Mr. STEWART. Mr. President, our current economic condition is very disturbing. Inflation is at record levels, productivity is declining, competition is being replaced by concentration, and the independent business, the heart of free enterprise, is increasingly relegated to a smaller and smaller corner of the economy.

I am introducing a bill today which, I believe, can make an important contribution to addressing all these problems, and yet will have only a nominal cost. While this bill will certainly be only one small part of the effort that must be made to revitalize our economy, I am convinced it is an important and urgent step to take.

What my bill would do is to provide that when an owner of a small business sells to his or her employees through an employee stock ownership plan (ESOP), and takes the proceeds and invests them in another small business within 18 months, the gain on the sale would not be taxed until the newly acquired stock is sold.

For the purposes of this bill, a small business is defined as one with a net worth of $25 million or less. This definition includes approximately three-quarters of all companies on the American Stock Exchange and virtually all companies on the regional exchanges.

Under current law, when a business is sold or liquidated, the owner must pay capital gains taxes, unless the sale is to an established firm for an exchange of stock. In that case, the exchange is tax free, and the owner pays only when the stock is later sold. This anomaly in the law provides considerable encouragement to independent businessmen to sell their firms to established companies.

The Federal Government hardly needs to encourage concentration in the economy, however. In the last 5 years, over $100 billion has been spent on mergers and acquisitions—at least $20 billion more than has been spent on research and development by private companies. Over three-quarters of the acquired firms had assets under $1 million, and half of the acquiring firms had assets over $100 million.

This increased concentration can only serve to decrease the level of competition in the economy, and thereby sap its vitality and creativity. At the same time, the demise of the independent business depletes the ranks of the most innovative and job creating sector of the economy. A recent National Science Foundation study, for instance, found that small firms are 24 times more innovative than large firms, while a 1979 MIT study found that firms with under 1,000 employees account for 94 percent of all employment growth.

While the incentive to sell to established firms is one cause for the decline of independent businesses, the lack of capital is another. In 1969, for instance, companies with a net worth of $5 million or less offered 698 public stock underwritings with a total value of $1.4 billion. In 1975, there were only four offerings with a value of $16 million. Less cumbersome regulation A offerings dropped from $256 million total value in 1972 to $46 million in 1977.

The effect of the bill I am offering today would be to provide a mechanism whereby a business owner could sell to his employees at no financial disadvantage when compared with a sale to an established company. By creating this option, the independence of many businesses will be preserved.

At the same time, the bill will provide for a new infusion of capital into smaller firms, since the proceeds from the sales covered by this bill must be reinvested in a firm with less than $25 million net worth.

The preservation on independent business is only one aspect of this bill, however. In the last several months, there has been considerable attention given to the concept of employee ownership. Congress is about to pass bills that would provide both the Economic Development Administration and the Small Business Administration with specific authority to make loans and/or loan guarantees to employee-owned companies. Congress mandated that the Chrysler Corp. establish a $162.5 million ESOP as a condition for receiving Federal loan guarantees. The Farmers Home Administration and the Housing and Urban Development Department have both formulated positive programs on employee ownership. Major articles on the subject have appeared, or are about to appear, in Business Week, Fortune, Parade, and Barrons, among others.

The attention is justified. Employee ownership is one of the most exciting new ideas around. Study after study has shown that when employees are given a significant ownership share, company productivity is increased and company profits rise substantially. The University of Michigan's Survey Research Center, for instance, found that employee-owned firms were 1.5 times as profitable as comparable conventional firms, and that the more stock the employees owned, the higher the ratio was. Studies of the plywood industry have shown that the 18 employee-owned companies had 25 to 30 percent higher productivity than other conventionally owned companies. A survey by the Senate Finance Committee on companies with employee ownership plans (with an average of 20 percent employee ownership) found that the 75 firms showed an average increase in profits of 157 percent, in sales of 72 percent, and in employment of 37 percent since their ESOP's were established.

Clearly, employee ownership provides a strong motivation for employees not just to work harder, but, more importantly, to work smarter. It is one of the cheapest, simplest ways to increase productivity and to allow employees to share in company growth.

Perhaps the best news about this bill is that its cost will be nominal—only a deferral of $25 million per year, according to Treasury. Remember, this is only a deferral—when the stock purchased pursuant to this act is sold, taxes will be paid.

Mr. President, I ask unanimous consent that the bill be printed in the Record. I urge my colleagues to give it their support.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 2677

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) part III of subchapter O of chapter 1 of the Internal Revenue Code of 1954 (relating to nontaxable exchanges) is amended by adding at the end thereof the following new section:

"Sec. 1041. Sales of Small Business Stock.

"(a) Nonrecognition of Gain.—If small business stock is sold to an ESOP (as defined in section 409A (a)) or to a leveraged employee stock ownership plan (as defined in section 4975(e) (7)), then gain (if any) from such sale shall, at the election of the taxpayer, be recognized only to the extent that the taxpayer's sale price exceeds the cost of small business stock purchased by the taxpayer within 18 months after the date of such sale.

"(b) Definitions; Special Rules.—For purposes of this section—

"(1) Small business stock.—The term 'small business stock' means common or preferred stock issued by a domestic corporation or small business investment company (other than an electing small business corporation as defined in section 1371(b))—

"(A) which does not, for the taxable year in which such stock is issued, have passive investment income (as defined in section 1372(e) (5) (C)) in excess of the limitation set forth in section 1372(e) (5) (A), and

"(B) the equity capital (within the meaning of the last sentence of section 1244(c) (2)) of which does not exceed $25,000,000.

"(2) Controlled corporations.—In the case of a corporation which is a member of a controlled group of corporations (as defined in section 1563(a) (1)), the equity capital of all members of the controlled group shall be treated, for purposes of paragraph (1) (A) of this subsection, as the equity capital of the issuing corporation.

"(3) Stock acquired by underwriter.—No acquisition of stock by an underwriter in the ordinary course of his trade or business as an underwriter, whether or not guaranteed, shall be treated as a purchase for purposes of subsection (a).

"(4) Definition of small business investment company.—The term 'small business investment company' has the same meaning as when such term is used in title III of the Small Business Investment Company Act of 1958 (15 U.S.C. 681 et seq.), except that such term shall not include an electing small business corporation (as defined in section 1371(b)).

"(c) 12-Month Holding Period Limitation.—Subsection (a) shall only apply to gain attributable to sale of small business stock with respect to which the taxpayer's holding period is more than 12 months.

"(d) Basis of Small Business Stock.—The basis of small business stock purchased by the taxpayer during the 18-month period shall be reduced by the amount of gain not recognized solely by reason of the application of subsection (a). If more than one share of small business stock is purchased, such reduction in basis shall be applied to each such share in chronological order of purchase. The amount of the reduction applicable to each share shall be determined by multiplying the maximum gain not to be recognized pursuant to subsection (a) by a fraction the numerator of which is the cost of such share and the denominator of which is the total cost of all such shares.

"(e) Statute of Limitations.—If during a taxable year a taxpayer sells small business stock at a gain, then—

"(1) the statutory period for the assessment of any deficiency attributable to any part of such gain shall not expire before the expiration of 3 years from the date the secretary is notified by the taxpayer (in such manner as the Secretary may by regulations prescribe) of—

"(A) the taxpayer's cost of purchasing small business stock which the taxpayer claims results in nonrecognition of any part of such gain,

"(B) the taxpayer's intention not to purchase property within the period specified in paragraph (2), or

"(C) a failure to make such purchase within such period; and

"(2) such deficiency may be assessed before the expiration of such 3-year period notwithstanding the provisions of any other law or rule of law which would otherwise prevent such assessment.".

(b) Section 1223 of such Code is amended by redesignating paragraph (12) as paragraph (13) and by inserting a new paragraph (12) as follows:

"(12) In determining the period for which the taxpayer has held small business stock the acquisition of which resulted under section 1041 in the nonrecognition of any part of the gain realized on the sale of small business stock, there shall be included the period for which small business stock with respect to which gain was not recognized had been held, and the period such replacement small business stock was held as of the date of such sale or exchange.".

(c) The table of sections for part III of subchapter O of chapter 1 of such Code is amended by adding at the end thereof the following new item:

"Sec. 1041. Sales of Small Business Stock.".

Sec. 2. The amendments made by this Act shall apply with respect to stock acquired after the date of enactment of this Act.

By Mr. EXON:

S. 2678. A bill to extend for 5 years the operation of the State and Local Fiscal Assistance Act of 1972, and to provide that each State will receive the State government allocation only if it elects an equivalent reduction in the amount it would otherwise receive in specific categorical grant programs; to the Committee on Finance.

(The remarks of Mr. Exon when he introduced the bill appear earlier in today's proceedings.)

By Mr. BAUCUS:

S. 2679. A bill to establish an Office of Transportation in the Department of Agriculture; to the Committee on Governmental Affairs.

● Mr. BAUCUS. Mr. President, today I am introducing a bill to establish an Office of Transportation in the Department of Agriculture. I am concerned that past efforts to formulate national transportation policy have failed to address adequately the unique dependency of rural America upon transportation. For too long, the special needs and problems of rural transportation have been exiled to the periphery of our national transportation planning activities. Simultaneously, national transportation planning activities have failed to recognize the importance of a sound and effective rural transportation system to our national economy.

My bill recognizes that any improvement of our national system must begin by integrating into our planning activities the essential element of rural transportation. We need to fashion a comprehensive, integrated plan that addresses the broadly fragmented issue of transportation. Enactment of my bill would bring rural transportation clearly into focus in the overall picture of setting national transportation policy.

This legislation would give the Office of Transportation in the Department of Agriculture formal responsibility for dealing with the rural component of national transportation policy and planning. My bill does not create any additional Federal employee positions or any additional bureaucratic structures. Nor does the bill authorize increased Federal expenditures. My bill formalizes, by statute, a structure the Secretary of Agriculture created during his reorganization nearly 2 years ago. At that time, he pulled together, under one roof, parts of some 14 agencies within the Department of Agriculture that had responsibility for one or another aspect of transportation. While I commend Secretary Bergland for his foresight, the fact remains—what he pulled together could unwittingly be pulled apart.

Presently, there is no Federal agency with the statutory authority to insure that the needs of rural transportation are addressed by national transportation policy. There is no Federal agency with the statutory responsibility for assessing the impact of air, rail, and truck regulatory reform on rural areas. There is no Federal agency with the statutory authority to be directly responsible for evaluating future transportation problems or the needs of agriculture and rural America. My bill would correct this anomaly in our national transportation policymaking planning efforts. The bill would implement several of the recommendations offered by the Rural Transportation Advisory Task Force. RTATF was established by Congress to examine rural transportation and to recommend ways to improve it.

RURAL AMERICA AND TRANSPORTATION

Rural America is uniquely dependent on transportation. Vast distances and sparse populations—twin characteristics of rural America—combine to produce a much more limited base from which to support the costs of transportation than do urban areas with their concentrated populations and business activity. The unique transportation dilemma of rural

America is one of matching greater than average transportation needs with less than average traffic density.

The problems of rural transportation extend beyond the very serious need to improve farm-to-market connections. Several examples illustrate existing problems and needs. According to recent studies, only 31 percent of the Nation's 20,000 towns with populations of 50,000 or less are served by a public transit system. Less than 1 percent of our rural people, working outside the home, have access to a public transit system. Additionally, intercity buslines serve only about half of the towns with populations of 50,000 or less. Nearly 2,000 small communities have lost intercity bus connections since 1972. In the last 20 years, air carriers have dropped nearly 200 service points in rural areas. This is 30 percent of the total served in 1960. Particularly hard pressed are the rural poor and elderly. Nearly half of these people do not own an automobile, the major vehicle upon which rural Americans depend for their mobility.

Increasingly, the transportation alternatives available to rural areas are being diminished. Tens of thousands of miles of rail branch lines have been abandoned in the last 50 years. More are scheduled to undergo bypass surgery. Estimates of future abandonments reached as high as 34,000 miles. Grain car shortages and discriminatory freight rates have plagued farmers every year since 1973. Meanwhile, the automobile, an essential vehicle for travel in rural areas, is becoming an anachronism in the face of inflationary fuel costs and the need to conserve energy resources. Simultaneously, major highways have deteriorated at a much faster rate than anyone would have anticipated 30 years ago, forcing more and more allocations of funds for maintenance instead of development.

Rural Americans face limited transportation alternatives—the lifelines of any economy—at the same time that the Nation's rural population is growing. In the past decade alone, the annual growth rate of rural areas exceeded that of urban areas by 40 percent. Nearly 85 million people—34 percent of the United States population—now live outside of metropolitan areas.

Rural transportation is not the exclusive problem of rural America. As the Nation's work force and the products it produces shift away from urban centers, urban areas become increasingly dependent upon the efficiency and cost of rural transport services. More than ever before, we are interdependent and our needs are interconnected. More than ever before, we must integrate our transportation planning efforts.

NATIONAL POLICIES AND RURAL TRANSPORTATION

National transportation policies often affect urban and rural areas differently. This is natural. It is, perhaps, even inevitable. We are a diverse Nation. Nevertheless, national transportation policies are often skewed to benefit urban areas at the expense of rural areas. Four years ago, for example, this Nation allocated $1.75 billion to the Northeast Corridor Improvement Project (NECIP), a project to improve Amtrak's routes along the Northeastern seaboard. Yet, no noticeable improvements have occurred. If anything, the quality and quantity of the service has deteriorated. At the same time, a major bulk-hauling railroad serving rural areas—the Milwaukee—was allowed to lapse, through neglect, into bankruptcy. A major Amtrak route running through the rural West—the Chicago-to-Seattle North Coast Hiawatha—was simply eliminated.

At best, national transportation planners and policymakers appear to ignore, if not merely discount, the potential impact of national transportation policies on rural areas. Deregulation of major sectors of the transportation industry is a clear example of this indifference.

Deregulation is a popular policy "buzz word" these days. I, for one, believe that we should reexamine and reform the intricate network of Government regulations that entangle private industry. Reform of many of these regulations is long overdue.

However, I am personally concerned about the potential effect upon rural areas of recent national efforts to substantially deregulate the transportation industry. Two years ago, Congress voted to end most regulation of airlines. Now, in another burst of deregulation fever, Congress appears ready to revamp rules for railroads and trucks.

Deregulation of transportation is based upon urban needs. According to an urban formula, reliable, cost-effective transportation will be insured by allowing market funds to operate unfettered by Government regulation. This assumes the existence of factors conducive to the operation of a free-market economy. In urban areas, marked as they are by high population density and business activity, a free-market transportation system well may produce quality service at competitive prices.

However, such is not, necessarily, the case in rural areas. The traditional way of looking at transportation as just another business governed by some theoretical market forces does not work for rural areas. This formula will not allow for competitive transportation services at nondiscriminatory prices. In rural areas, competitive alternatives often simply do not exist. Indeed, the needs of rural people are often ignored by transit providers in their efforts to capture high density markets. As many Montana farmers who pay the highest freight rates in the Nation can attest, in rural areas shippers are often captive to a single transportation provider. The captive rural consumer is subject to anticompetitive, discriminatory pricing. For some types of services in some regions of the country, competitive market forces simply do not insure reasonable service at a reasonable cost.

I, therefore, am deeply concerned about the multiple effect of simultaneous airline, rail, and trucking regulatory reform upon our rural areas. There is little doubt that Federal laws governing the transportation industry, many of which were enacted decades ago, need to be revised. These laws have resulted in some of the worst imaginable examples of regulatory overkill, and I have supported many efforts to revise them.

Yet, a serious concern lingers. How will this simultaneous regulatory reform affect services to rural areas? Although we have numerous studies on the impact of deregulating one or another of the transportation industries, no one has examined thoroughly the combined impact upon rural areas of deregulating nearly all segments of transportation.

The transportation network in many rural areas is already fragile. Sudden regulatory reform of protections imposed upon transportation is making our rural transportation system even more tenuous. We must create a truly national transportation policy.

RURAL TRANSPORTATION AND THE NATION

A sound rural transportation network is also important to the economic and social well-being of the entire Nation. In August 1979, a Congressional Research Service study reported that people and enterprises within urban areas are heavily dependent on the efficiency and cost of rural transport services, "if desired urban lifestyles are to remain feasible." A sound and effective rural transportation system, the study continued, is truly in the national economic and social interest. Rural transportation problems can no longer, if they ever could, be addressed solely as isolated sets of problems.

In transportation, as in few other areas, rural and urban areas are interdependent. Just as reliable and dependable transportation is vital to rural America, efficient and cost-effective rural transportation is vital to urban areas. For instance, the producers of minerals and fuels used to heat urban homes, use rural transportation. The cost of transporting those resources, more than any other single factor, determines the energy bills of urban consumers. In 1977, for example, transportation accounted for about 60 percent of the delivered cost of Montana coal; and in recent years, annual freight rate increases have significantly exceeded the total amount of the Montana coal severance tax.

Perhaps nothing better illustrates the dependence of urban areas upon rural transportation than agriculture. If agriculture is the heart of our Nation, then transportation is its circulatory system. Agricultural exports, which totaled $32 billion in 1978, comprise the single, most favorable element in our Nation's balance of trade payments. Where transportation policies fail, where the rural transportation system breaks down, the arteries of trade become congested and the health of the entire economy is weakened. We must talk about a national transportation system because we can no longer separate rural from urban needs. They are clearly part of the same body.

RURAL TRANSPORTATION ADVISORY TASK FORCE

A number of national initiatives have been undertaken in recent years in regard to the special needs and problems of rural transportation. Through the initiative of the present administration, for example, several Federal agencies have entered into agreements to coordinate and target Federal financial support.

This support has been for air commuter service to rural markets; to improve the coordination and delivery of social services and public transit; to provide coordinated assistance for the rehabilitation of some railroad branch lines; and to expand the program for renovating bridges in rural counties.

These initiatives are welcome. However, they do not go far enough. Nor do they address the need to integrate rural transportation into rational transportational policy and planning.

In November, 1978, the Congress, in recognition of the importance of rural transportation to the Nation, established the rural transportation advisory task force. Congress charged the task force with evaluating the needs and problems of rural transportation and developing recommendations for legislative consideration. The task force released its final report and recommendations this past January.

In its final report, the task force states that "there is an urgent need" for "major improvements in the transportation system"—nationwide. The task force noted that current transportation policy is severely fragmented. that this fragmentation produces inefficiencies and inequities, and that the entire economy could benefit significantly from a unified transportation policy. Time and again the task force. in its public hearings. listened to a chorus of complaints from users of the transportation network, strong complaints about the cooperation among modes of transportation. and about the quantity and quality of transportation services available.

The task force recognized that we cannot solve our transportation dilemmas overnight. There are, afterall, no technological quick fixes—no devices, no formulas, no gimmicks, no panaceas—to our transportation needs.

Most significantly, however, the work and recommendations of the task force clearly demonstrate the continuing importance of rural transportation to this Nation. The task force emphatically calls for the need to begin to look at rural transportation from a national perspective, for the need to fully integrate rural transportation into national transportation planning, for the need to have definite rural and agricultural input into our national transportational activities.

Mr. President, my bill would set us on the road to the integration of rural transportation into national transportation planning. My bill implements several specific recommendations of the task force, including the vital need to insure rural input into the formulation of national transportation policy. My bill represents a beginning, not a panacea, but a crucial beginning, nonetheless, if we are to undertake seriously our obligation to meet the transportation needs of this Nation.

Mr. President, I ask unanimous consent that the text of the bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 2679

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) there is established in the Department of Agriculture an Office of Transportation. The Office shall be headed by an Administrator who shall be appointed by the Secretary of Agriculture. The Administrator shall solicit views from rural and agricultural interests with respect to their concerns and shall express such views to the Secretary and other Federal officials.

(b) The Secretary of Agriculture shall delegate to the Administrator of the Office of Transportation established under subsection (a) all functions of the Secretary with respect to—

(1) the representation of rural and agricultural interests before transportation regulatory agencies and in the formulation and administration of Federal transportation policy;

(2) the development and implementation of alternative programs to provide transportation services to rural areas in the United States, including the development and implementation of a rural transportation cooperative in a manner which considers the need for transporting individuals as well as freight;

(3) the analysis of—

(A) the impact of the reform of laws relating to the regulation of airlines, motor carriers, and railroads, and water carriers involved in domestic and foreign trade of the United States;

(B) the impact of abandonments, bankruptcies, mergers, and restructuring of railroads;

(C) the degree and type of influence of transportation on rural development and farm policy:

(D) the degree and type of influence on agricultural product and food transportation of the supply and price of energy;

(E) the future transportation needs of the agricultural and rural areas of the United States; and

(4) the development and publication of the estimated short and long term transportation demand by agriculture, by mode, by region and by commodity;

(5) the provision of technical transportation assistance for agricultural shippers and receivers, especially small isolated shippers and receivers, including cooperatives;

(6) the provision of information to improve public and private investment decisions associated with the provision of transportation services to agricultural producers and international and domestic consumers;

(7) the provision of advice and assistance to shippers associated with international transportation services for the purpose of promoting United States agricultural exports;

(8) the development and implementation of national research programs to improve the productivity of systems for the transportation and packaging of agricultural products in order to reduce costs, energy consumption, and food spoilage in international and domestic markets; and

(9) the provision of advice and assistance to other Federal agencies which administer rural transportation loan and grant programs.

(c) The Administrator of the Office of Transportation shall prepare and transmit an annual report to the Congress which—

(1) describes the activities of the Office;

(2) assesses the adequacy of transportation services in the rural areas of the United States; and

(3) includes recommendations to improve the services assessed pursuant to paragraph (2).●

By Mr. BUMPERS:

S. 2680. A bill to improve the administration of the Historic Sites, Buildings and Antiquities Act of 1935 (49 Stat. 666); to the Committee on Energy and Natural Resources.

● Mr. BUMPERS. Mr. President, I am introducing a bill today to authorize the Secretary of the Interior to provide financial assistance to the Folger Library and the Corcoran Gallery in Washington, D.C.

The 1935 Historic Sites Act gives the Secretary the authority to enter into cooperative agreements, through the National Park Service, with individuals and associations to protect, preserve, maintain, or operate historic buildings or sites. Last Congress, the Interior Appropriations Act provided funds pursuant to this authority in the 1935 Act for the Corcoran Gallery, Folger Library, and the Arena Stage. Funding for the Arena Stage was contingent on the building being entered in the National Register of Historic Places. The Appropriations Act also included language making it clear that no additional funding would be made available for these institutions absent a specific legislative authorization. This bill would provide that specific authority for the Folger and the Corcoran. The Arena Stage has not yet been added to the National Register of Historic Places and the prognosis for such designation in the near future is not good. Therefore, the Arena Stage is not included in my proposal.

While both the Folger and the Corcoran perform for and on behalf of the American people cultural functions of national and international significance, they are privately rather than publicly funded. Along with their National responsibilities assumed before the Federal Government established its role in cultural matters, these institutions must also maintain costly buildings of historic and architectural prominence. Most importantly, these private institutions are placed at a severe competitive disadvantage by more recently established, federally supported institutions housed in federally owned buildings.

I am hopeful that the Congress can act expeditiously to approve this authorization.●

By Mr. DOLE (for himself, Mr. Baker, Mr. Percy, Mr. McClure, Mr. Domenici, Mr. Armstrong, and Mr. Danforth):

S. 2681. A bill to amend the State and Local Fiscal Assistance Act of 1972 to provide a 5-year extension of the general revenue sharing program and to provide that each State make an annual election to receive its State government allocation or the equivalent amount in specific categorical grant programs, but not both; to the Committee on Finance.

(The remarks of Mr. Dole when he introduced the bill appear earlier in today's proceedings.)

By Mr. JACKSON (by request):

S. 2683. A bill to amend title VI of the Federal Land Policy and Management Act of 1976, as amended (43 U.S.C. 1701 et seq.) to establish the Snake River Birds of Prey National Conservation Area, Idaho; to the Committee on Energy and Natural Resources.

● Mr. JACKSON. Mr. President, by request, I send to the desk for appropriate reference a bill to amend Title VI of the

Federal Land Policy and Management Act of 1976, as amended (43 U.S.C. 1701 et seq.) to establish the Snake River Birds of Prey National Conservation Area, Idaho.

Mr. President, this legislation was submitted and recommended by the Department of the Interior and I ask unanimous consent that the bill and the executive communication which accompanied the proposal from the Secretary be printed in the RECORD.

There being no objection, the bill and letter were ordered to be printed in the RECORD, as follows:

S. 2683

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That a new section 604 is added to the Federal Land Policy and Management Act of 1976, as amended (43 U.S.C. 1701 et seq.) to read as follows:

"SNAKE RIVER BIRDS OF PREY NATIONAL CONSERVATION AREA"

"SEC. 604(a) The Congress finds that—

"(1) The public lands in the State of Idaho known generally as the Snake River Birds of Prey Area contain the densest known nesting population of eagles, falcons, owls, kestrels, hawks and other birds of prey (raptors) in North America and one of the densest in the world;

"(2) These public lands constitute a valuable national resource which not only provides the public enjoyment and opportunity for study of the raptor population but also contains a variety of other resource values;

"(3) Protection of the Snake River Birds of Prey Area as a sanctuary for raptors, while also providing for development and use of the other resource values, pursuant to this Act and other law applicable to public lands, can best be accomplished under a multiple use and sustained yield management plan that emphasizes management and protection as habitat for these raptors, and also addresses the management of historical, scenic, archaeological, environmental, biological, cultural, scientific, educational, recreational and economic resources of the area so as to provide for appropriate management of the area and as a demonstration of management practices and techniques that may be useful to other areas of the public lands and elsewhere;

"(4) consistent with requirements of sections 202 and 302 of this Act, the Secretary has developed a comprehensive plan hereinafter called "the plan", and based on such plan has implemented a management program for the public lands in the Snake River Birds of Prey Area;

"(5) the value of the Snake River Birds of Prey Area as a sanctuary for nesting raptors would be threatened by conversion of large tracts of prey base habitat to intensive agricultural use;

"(6) additional authority and guidance must be provided to the Secretary to assure that essential raptor habitat remains in Federal ownership, to facilitate effective planning and management, to insure continued study of the relationship of man and these raptors, to preserve the unique and irreplaceable habitat of the Snake River birds of prey, and to conserve and use the other natural resources in concert with preservation of this habitat.

"(b)(1) For the purpose of this section, the terms "Snake River Birds of Prey National Conservation Area" and "Area" mean the area generally depicted on a map entitled "Snake River Birds of Prey National Conservation Area—Proposed", dated March 12, 1980, on file with the Committee on Interior and Insular Affairs of the United States House of Representatives and the Committee on Energy and Natural Resources of the United States Senate. Such map has the same force and effect as if included in this Act.

"(2) For purposes of this section the term 'raptor habitat' includes the habitat of the raptor prey base as well as the nesting and hunting habitat of the raptor.

"(c) In order to provide for the immediate and future protection of raptor habitat in the Snake River Birds of Prey Area and to the extent consistent with protection of such habitat, to provide for the management and use of the public lands and their resources in the Snake River Birds of Prey Area within the framework of multiple use and sustained yield, and maintenance of environmental quality, the Snake River Birds of Prey National Conservation Area is hereby designated and established. The public lands in the Area shall be administered by the Secretary of the Interior through the Bureau of Land Management in accordance with the provisions of this section and the plan implemented thereunder and in accordance with other applicable provisions of this Act and other laws.

"(d) The Secretary, in accordance with section 202 of this Act, shall continue implementation of the comprehensive plan for the management of the public lands and their resources within the Area. As soon as practicable after the effective date of this section, but in no event later than two years thereafter, the Secretary shall review the plan in effect on the effective date of this section to assure that it provides for protection and enhancement of the raptor population and raptor habitat within a framework of multiple use and sustained yield and provides for conservation, development, and use of other resources consistent with such protection and enhancement. The Secretary shall review and revise the plan as necessary, provided however that he shall review the plan no less than once every four years.

"(e) The plan and management program to implement the plan shall include, but need not be limited to, provisions for: (1) special management protection for the raptor habitat on public lands within the Area; (2) public use of such lands consistent with the protection, maintenance and enhancement of raptor habitat; (3) acquisition of lands comprising raptor habitat within the boundaries of the Area, to the extent the Secretary determines necessary to carry out the purposes of this section; (4) identification of withdrawals which, in the Secretary's view, are no longer needed and initiation of action to modify or revoke such withdrawals in accordance with procedures and limitations in this Area; (5) coordination of the plans, activities, programs and policies of Federal departments and agencies, State and local governments, and private parties affecting the Area in accordance with the provisions of section 202 of this Act; (6) education and research, including a public education program concerning appropriate public use of the Area and understanding and appreciation of its resources; and (7) a program for continued scientific investigation and study to provide information to support sound management in accordance with this section, to advance knowledge of the raptor species and other natural resources, systems and processes of the Area and to provide a process for transferring to other areas of the public lands and elsewhere this knowledge and management experience.

"(f)(1) In conjunction with and in addition to the authority in section 303(a) to issue regulations the maximum penalty for violation of which is a fine of $1,000 or imprisonment for twelve months, or both, and in section 310 of this Act, the Secretary is authorized to issue regulations necessary to implement the provisions in this section with regard to management, use and protection of the public lands including the property located thereon in the Area. Any person who violates any rule or regulation authorized by this section shall be fined no more than $500 or imprisoned for no more than six months or both. Any person charged with a violation of such regulation may be tried and sentenced by any United States magistrate designated for that purpose by the court by which he was appointed in the same manner and subject to the same conditions and limitations as provided for in section 3401 of Title 18 of the United States Code.

"(2) The powers enumerated in sections 303(c) and 303(d) of this Act are equally applicable to the enforcement of regulations promulgated under this section, except that for purposes of implementing this section and the plan and regulations thereunder the Secretary may, in his discretion, also delegate limited enforcement responsibilities to certain designated personnel and appropriate State or local officials without granting such personnel and officials the authority to carry firearms. The Secretary shall prescribe standards, equipment requirements and procedures to be followed by any such personnel.

"(3) Nothing in this section shall be construed to supersede or otherwise affect administration and enforcement of the Endangered Species Act of 1973, as amended (16 U.S.C. 1531 et seq.).

"(g) Special management provisions:

"(1) Subject to valid existing rights, the Area is withdrawn from operation of the Mining Law of 1872, as amended and supplemented (30 U.S.C. 22 et seq.), and mineral exploration and development under that Act and regulations thereunder are prohibited. Minerals that would otherwise be subject to disposal under the Mining Law of 1872 or any law applicable to such minerals in the future may be disposed of only by lease by the Secretary. Such leases, as well as leases issued under the Mineral Leasing Act of 1920 as amended and supplemented (30 U.S.C. 181 et seq.), the Acquired Land Mineral Leasing Act (30 U.S.C. 351 et seq.) or the Geothermal Steam Act of 1970 (30 U.S.C. 1001 et seq.) shall contain such stipulations and conditions as the Secretary deems necessary to comply with the provisions of the management plan for the Area.

"(2) Subject to valid existing rights, the Area is hereby withdrawn from entry application, or selection under the Desert Land Act (43 U.S.C. 321 et seq.), the Carey Act (43 U.S.C. 641), the State of Idaho Admissions Act (26 Stat. 215), Revised Statute section 2275, as amended (43 U.S.C. 851), and Revised Statute section 2276 as amended (43 U.S.C. 852), and the Secretary shall return to the applicants any such applications pending on the effective date of this Act, without further action. Agricultural use and development of public lands within the Area may be permitted only pursuant to section 302 of this Act in accordance with the plan required by section 604 of this Act.

"(3) Notwithstanding any other provision of law, with respect to any expenditure of funds or action to approve, undertake, or permit to be undertaken, any new project, program, or activity or any description within the Area (other than maintenance or operation of existing facilities), the head of any Federal department shall provide for such conditions and restrictions as the Secretary of the Interior determines in writing to be necessary to avoid direct and reasonably foreseeable and significantly adverse effects on raptor habitat within the Area: *Provided,* That the preceding sentence shall not apply to any project, program, or activity determined by the Secretary of Defense to be essential to the national defense mission. The Secretary of Defense shall cooperate with the Secretary of the Interior regarding precautions to be taken to avoid disturbance to raptor nesting areas.

"(4) In order to provide for continued use of portions of the Area by the Idaho National Guard for military maneuvers consistent with the purposes of this section and the plan for the Area, the Secretary shall review existing authorizations or agreements with the Idaho National Guard providing for such use, as soon as practicable after the effective date of this section, and periodically thereafter, and shall provide for continuation of such use subject to such modification as he deems necessary to assure that the continued use of the Area by the Idaho National Guard is compatible with the policies and purposes of this section.

"(h) The Secretary shall provide for visitor use of the public lands in the Area to such extent and in such manner as he considers consistent with protection of the raptors and the raptor habitat within the Area. He shall make available to the public, to the extent practicable, the map of the Area referred to in subsection (b) of this section.

"(i) In addition to the authority in section 318(d) of this Act and notwithstanding section 7(a) of the Land and Water Conservation Fund Act of 1964, as amended (16 U.S.C. 4601–9(a)), moneys appropriated from the Land and Water Conservation Fund may be used as authorized in section 5(b) of the Endangered Species Act of 1973, as amended (16 U.S.C. 1534(b)), for purposes of acquiring lands, waters, or interests therein within the Area for administration as public lands and as a part of the Area.

"(j) The Secretary is authorized to provide technical assistance to, and to enter into cooperative agreements and contracts with, the State and local governments providing for such governmental services by these entities as he deems necessary to carry out the purposes and policies of this section.

U.S. DEPARTMENT OF THE INTERIOR,
Washington, D.C., April 1, 1980.
Hon. WALTER F. MONDALE,
President of the U.S. Senate,
Washington, D.C.

DEAR MR. PRESIDENT: There is enclosed a draft bill "To amend Title VI of the Federal Land Policy and Management Act of 1976, as amended (43 U.S.C. 1701 *et seq.*), to establish the Snake River Birds of Prey National Conservation Area, Idaho." Also enclosed are the management plan and the Final Environmental Statement (FES) prepared on the draft bill and the management plan for the proposed Area. This Area is internationally significant because the unique combination of nesting habitat and food supply sustains the most concentrated nesting population of eagles, hawks, owls, and other birds of prey in North America and quite possibly the world.

We recommend that the enclosed bill be referred to the appropriate committee for consideration and that it be enacted.

The purpose of the bill is to provide for permanent protection of the habitat of eagles, hawks, owls and other birds of prey, or raptors, along the Snake River and further to provide for appropriate management of other important resources under a management plan. This would be accomplished by establishment of a National Conservation Area to be administered by the Secretary of the Interior through the Bureau of Land Management. Management guidelines in the Federal Land Policy and Management Act of 1976 (FLPMA) and other authorities applicable to public lands would continue to apply except as provided in the bill. The bill wou'd comprise a new section of FLPMA, section 604, under Title VI entitled "Designated Management Areas."

This bill is the "proposed action" on which the Department has prepared its Draft and Final Environmental Statements. Alternatives to "proposed action" considered in the Environmental Statements were legislation establishing a Birds of Prey National Conservation Area of a smaller size and two other alternatives which would have involved no legislation.

If the enclosed bill is enacted, the Area would continue to be managed in accordance with the existing management plan for the proposed Birds of Prey National Conservation Area until a thorough update is completed, as soon as practicable after enactment of this bill.

The area that would be included within the proposed boundaries of the Snake River Birds of Prey National Conservation Area consists of approximately 490,685 acres of public lands, approximately 40,428 acres of State lands and approximately 78,469 of private lands flanking a 75–80 mile stretch of the Snake River in Idaho.

The legislation would not impose any constraint by the Federal Government on use of State lands or private lands within the Area, nor would Federal activities be carried out on State or private lands.

Existing uses of the public lands, including extensive use for livestock grazing and seasonal use of a portion of the Area for National Guard training purposes, would be continued. These uses have been found through careful research to be consistent with the primary purpose of raptor population maintenance.

In sum, the Area is to be managed in accordance with the principles of multiple use and sustained yield with preservation of the extraordinary raptor population as a primary management objective.

A matter of particular concern to this Department is an area of approximately 40,000 acres of State land, the "Mountain Home" tract, within the boundaries of the Area, as proposed in the enclosed bill. This concentrated State holding is important to the State of Idaho as a State land resource.

It also includes key habitat for prey species extensively used by the raptors. The Department has held and will continue to hold discussions with State officials about ways to protect key habitat areas while respecting the responsibilities of the State of Idaho in the management of its own land resources. Particular attention has been paid to the possibility of an exchange covering all or a portion of this area.

The Bureau of Land Management has been involved in administration of the public lands in the proposed Area for protection and management of the raptor resources for many years. In 1971, the Snake River Birds of Prey Natural Area was established by Public Land Order.

This 26,000 acre sanctuary was set aside to protect the nesting and wintering habitat of the raptor population. Because it was clear that the raptor population was dependent upon a prey base that inhabited a much broader area, the Birds of Prey Study Area was established by the Bureau of Land Management in April of 1974 and a moratorium was placed on all potential conflicting land uses subject to further study.

Finally in 1977, the Study Area was expanded to include prairie falcon foraging areas. It was during 1977 and 1978 that now well-known efforts were undertaken to reintroduce peregrine falcons to the area under a BLM agreement with Cornell University.

For several years, this Department, through the Bureau of Land Management, has been conducting research to determine the necessary area to ensure the long-term stability of the raptor population, assess the effects of agriculture encroachment on this stability and to identify management needs. That research indicates that lands roughly coextensive with the lands we are proposing to establish as a National Conservation Area are required to provide necessary habitat.

The enclosed Final Environmental Statement (FES) and management plan contain many of the details regarding management of the proposed Area. The key components of the draft bill are as follows:

(1) Special management and protection of the raptor resource and habitat within a multiple use context. Section 604(c) would require management to provide for and protect the raptors and raptor habitat. To the extent consistent with management to protect the raptor resource, other resources of the public lands in the Area, including historical, scenic, archaeological, biological, cultural, recreational, and economic resources would be managed under multiple use principles. The public lands in the Area would be administered as public lands and would be generally subject to laws applicable to such lands.

To prevent harassment of birds nesting in the Area by low-flying airplanes, the Secretary of Transportation will cooperate with this Department in establishing restrictions and/or necessary air closures within the canyon and a suitable buffer strip.

(2) Development and implementation of a comprehensive management plan. Section 604 (c) and (d) would require management of the public lands in the Area and their resources pursuant to a plan developed for the Area. The plan would be regularly reviewed and revised to meet changing needs, but would have to include specific requirements set forth in section 604(e).

(3) Use of the Area for public education and enjoyment and for demonstration of research and management techniques for use elsewhere. Section 604(e) would require a program of education, research and continued scientific investigation to support sound management. It would also require a process for transferring the knowledge and management expertise developed to other areas.

(4) Protection of the federally owned lands of the Area from disposal and conversion to agricultural or other uses inconsistent with protection of the raptor resource. Subject to valid existing rights, the Area would be withdrawn from operation of agricultural land laws and State selection statutes by section 604(g)(2). Pending applications would be returned to the applicants without further action. Agricultural development of public lands within the Area could take place only by lease or permit under FLPMA and consistent with the plan developed for the Area. Other public lands outside the Area may be made available for agricultural development to the extent that energy and other resources needed for such development are available and the development is in the public interest.

(5) Mineral availability and development within the discretion of the Secretary. Subject to valid existing rights, the Area would be withdrawn from operation of the Mining Law of 1872, by section 605(g)(1). However, hardrock minerals could be developed under lease in the Secretary's discretion. The mineral leasing laws would continue to apply, and all leases would have to contain conditions and stipulations to protect the raptor values and other environmental values of the Area.

(6) Limited acquisition of State and privately owned lands in the Area. Section 604 (e) would require that the management plan and program to implement it contain provisions for acquisition of lands comprising raptor habitat to the extent necessary to carry out the purposes of the proposal. The general acquisition and exchange authorities in FLPMA would be applicable.

(7) Conditions on Federal activities. Section 604(g)(3) provides that with respect to any new project or activity within the Area, the head of any Federal department shall provide for such conditions and restrictions as the Secretary of the Interior determines in writing to be necessary to avoid significant adverse effects on raptor habitat within the

Area. An exception is provided for national defense activities.

(8) Cooperation with the State and affected local governments. Section 604(j) would authorize the Secretary to cooperate with the State and with affected local governments in the performance of their governmental functions. This provision is similar to the current authority in FLPMA to cooperate in law enforcement. This new provision, like the law enforcement cooperative agreement authority, carries with it the authority to reimburse the State and localities for performance of functions closely related to management of the Area.

(9) Continuation of use of a portion of the Area by the Idaho National Guard consistent with management of the raptor resource. A temporary use permit which expires in 1983 authorizes units of the National Guard to use a portion of the Area from March 1 through November 30 annually, and on weekends if a 30-day prior notice is given. Permits for National Guard use were first issued in the early 1950s. The bill would recognize this use and provide for continuation subject to any modification necessary to assure that such use is compatible with establishment of the Area and protection of the raptor resource.

Enactment of the enclosed proposal would provide a firm basis for continued management and protection of a public land area with unique values—both to the raptor population and to the Nation. Enactment would provide for such management and protection within an overall framework of multiple use management which provides for the continued use of other resource values of the area in ways that serve the local and national economy and national defense interests.

We believe that establishment of the Snake River Birds of Prey National Conservation Area will permit protection of particular environmental values within a multiple use management framework. We also expect to learn much in establishing and managing the Birds of Prey Area that may be applied elsewhere on the public lands. We urge enactment of the bill at the earliest possible date.

The Office of Management and Budget has advised that this legislative proposal is in accord with the program of the President.

Sincerely,

CECIL D. ANDRUS,
Secretary.●

By Mr. JACKSON (by request):

S. 2684. A bill to authorize the Secretary of the Interior to construct, operate, and maintain improved facilities for accommodating visitors, improving traffic flow, alleviating safety hazards, and expediting access at Hoover Dam, Boulder Canyon project, Nev.; to the Committee on Energy and Natural Resources.

● Mr. JACKSON. Mr. President, By request, I send to the desk for appropriate reference a bill to authorize the Secretary of the Interior to construct, operate, and maintain improved facilities for accommodating visitors, improving traffic flow, alleviating safety hazards, and expediting access at Hoover Dam, Boulder Canyon project, Nevada.

Mr. President, this legislation was submitted and recommended by the Department of the Interior, and I ask unanimous consent that the bill and the executive communication which accompanied the proposal from the Assistant Secretary be printed in the RECORD.

There being no objection, the bill and letter were ordered to be printed in the RECORD, as follows:

S. 2684

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the authorized facilities of Hoover Dam, Boulder Canyon Project, Nevada, be modified or expanded to eliminate dangerous parking, and for additional parking, improvement of visitor facilities, improved roadways, additional elevators, and other facilities which will contribute toward the relief of the existing traffic congestion and traffic-pedestrian hazards in the Hoover Dam area.

SEC. 2. Funds authorized to be appropriated for construction of the modified or expanded facilities shall be a repayment requirement from the Boulder Canyon Project revenues after 1987. The annual cost of operation and maintenance associated with the additional facilities shall be recovered on an annual basis from the fees associated with guided tours of Hoover Dam.

SEC. 3. There is hereby authorized to be appropriated for construction of the required facilities, the sum of $23,500,000 (January 1980 prices), plus or minus such amounts, if any, as may be justified by reason of ordinary fluctuations in construction costs as indicated by engineering cost indices applicable to the types of construction involved herein. There are also authorized to be appropriated such sums as may be required to operate and maintain said facilities.

U.S. DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., April 30, 1980.

Hon. WALTER F. MONDALE,
President of the U.S. Senate,
Washington, D.C.

DEAR MR. PRESIDENT: There is enclosed a draft of a bill "To authorize the Secretary of the Interior to construct, operate, and maintain improved facilities for accommodating visitors, improving traffic flow, alleviating safety hazards, and expediting access at Hoover Dam, Boulder Canyon Project, Nevada."

We recommend that the bill be introduced and enacted.

The bill would authorize the Secretary of the Interior to construct necessary new facilities to improve traffic conditions, reduce safety hazards, reduce tourist congestion, and improve access at the Hoover Dam, located on the Colorado River on the border of Arizona and Nevada. New facilities would include new elevators, new parking areas, improved roadways, and other facilities. The bill would authorize to be appropriated the sum of $23.5 million, based on 1980 prices, for the necessary work, with indexing provided. These funds would be reimbursable from Boulder Canyon Project revenues after 1987, however, the annual operation and maintenance costs of the new facilities are expected to be covered by fees charged for guided tours of the dam.

The Hoover Dam, completed in 1935, has been considered one of the great modern engineering wonders of the United States, if not the world. With a spillway height of 726 feet, it is still the highest dam in the Western Hemisphere and contains 3¼ million cubic yards of concrete. Lake Mead, which it impounds, contains nearly 30 million acre-feet of water and is still the Nation's largest man-made reservoir, backing up 110 miles behind the dam with a surface area of nearly 250 square miles. It is a natural tourist attraction, and has attracted an ever-increasing number of tourists since its construction. Moreover, it is crossed by Highway 93, a popular and well-traveled through highway.

The number of visitors at Hoover Dam has increased from 298,500 annually in 1937 to 726,300 in 1976, an average of about 2,000 per day. In 1976, more than 2 million vehicles traversed the roadway, with over 7,000 a day in peak months and nearly 600 an hour at peak hours, of which 16 percent are trucks. These figures exceed the calculated maximum safe vehicle capacity for the highway at the dam. The road over the dam is a narrow 2-lane road that is further congested by the parking of cars and buses on and around the dam. Elevators and other facilities at the dam are overcrowded as well.

The problem and the proposed corrective measures are more fully described in the 1977 Special Report of the Bureau of Reclamation (now Water and Power Resources Service), entitled "Facilitating Traffic Flow, Alleviating Safety Hazards, and Expediting Access, Hoover Dam." Copies of this report and the environmental assessment are provided herewith. A finding of no significant impact has been made according to the principles of the National Environmental Policy Act.

In addition to the proposed plan as presented in the enclosed supporting document, other alternative plans have been considered. One alternative would be a bridge across the canyon downstream from the dam to handle through traffic on Highway 93. This plan, although effectively reducing traffic flow across the dam and providing some safety enhancement, would not provide for the increased visitor handling. The combination of the bridge alternative and the proposed plan would be too costly.

The additional and improved facilities are much needed at this time and we strongly recommend that the bill be promptly enacted.

The Office of Management and Budget advises that there is no objection to the presentation of the enclosed draft bill from the standpoint of the Administrator's program.

Sincerely,

GUY R. MARTIN,
Assistant Secretary.●

By Mr. STEVENS:

S. 2685. A bill to provide an extension of the time frame for nomination of a selection pool under the Cook Inlet land exchange; to the Committee on Energy and Natural Resources.

● Mr. STEVENS. Mr. President, the legislation I am introducing today extends the time frame for nomination of a selection pool under the Cook Inlet Land Exchange for a period of 1 year.

Last year the Senate passed similar legislation except that the time extension provided for was for 2 years. The House, however, only provided for a 1-year extension and the Senate agreed to the House provision with the hope that the selection pool could be completed by that shorter time frame.

The reason for the extension of time is the same now as it was then. The Deparment of Interior has failed to complete the nomination of the selection pool in the time originally allotted. Even with the additional year they have been unable to meet the deadline and, therefore, I am again requesting a similar extension of 1 year.

Mr. President, I strongly urge the Department to finish its job so that the Cook Inlet Region, Inc., does not have to wait another 4 years in order to receive the land originally provided for them.●

ADDITIONAL COSPONSORS

S. 506

At the request of Mr. MATHIAS, the Senator from Delaware (Mr. BIDEN) was added as a cosponsor of S. 506, a bill to amend title VIII of the act commonly called the Civil Rights Act of 1968 to revise the procedures for the enforcement of fair housing, and for other purposes.

S. 882

At the request of Mr. Wallop, the Senator from Wyoming (Mr. Simpson), and the Senator from Utah (Mr. Garn) were added as cosponsors of S. 882, a bill to amend the Anadromous Fish Conservation Act in order to extend the authorization for appropriations to carry out the purposes of that act, and to initiate an emergency investigation on the striped bass in Atlantic Coastal waters.

S. 1945

At the request of Mr. Levin, the Senator from Arkansas (Mr. Pryor) was added as a cosponsor of S. 1945, a bill to increase the accountability of, policy coordination by, and management of priorities by agencies through an improved mechanism for congressional oversight of the rules of agencies.

S. 2064

At the request of Mr. Williams, the Senator from Indiana (Mr. Bayh) was added as a cosponsor of S. 2064, a bill to amend section 103 of the Internal Revenue Code of 1954 to provide that the interest on certain mortgage revenue bonds will not be exempt from Federal income tax.

S. 2392

At the request of Mr. Lugar, the Senator from Minnesota (Mr. Durenberger), and the Senator from Utah (Mr. Hatch) were added as cosponsors of S. 2392, a bill to repeal the Federal requirement of incremental pricing under the Natural Gas Policy Act of 1978.

S. 2521

At the request of Mr. Dole, the Senator from Arkansas (Mr. Bumpers) was added as a cosponsor of S. 2521, a bill to amend the Internal Revenue Code of 1954 to provide more equitable treatment of royalty owners under the crude oil windfall profit tax.

S. 2598

At the request of Mr. Dole, the Senator from New Hampshire (Mr. Humphrey) was added as a cosponsor of S. 2598, a bill to require petroleum produced from the naval petroleum reserves to be sold in exchange for crude oil to be deposited in the strategic petroleum reserve.

SENATE JOINT RESOLUTION 159

At the request of Mr. Dole, the Senator from Ohio (Mr. Metzenbaum) was added as a cosponsor of Senate Joint Resolution 159, a joint resolution disapproving the action taken by the President under the Trade Expansion Act of 1962 in imposing a fee on imports of petroleum or petroleum products.

SENATE JOINT RESOLUTION 161

At the request of Mr. Bentsen, the Senator from Montana (Mr. Baucus) was added as a cosponsor of Senate Joint Resolution 161, a joint resolution proposing an International Code of Business Conduct.

SENATE JOINT RESOLUTION 167

At the request of Mr. Pryor, the Senator from Mississippi (Mr. Cochran), and the Senator from Arizona (Mr. DeConcini) were added as cosponsors of Senate Joint Resolution 167, a joint resolution designating May 15, 1980 as "National Nursing Home Residents Day."

SENATE JOINT RESOLUTION 168

At the request of Mr. Dole, the Senator from Ohio (Mr. Glenn), the Senator from Mississippi (Mr. Cochran), the Senator from Arizona (Mr. Goldwater), and the Senator from Michigan (Mr. Levin) were added as cosponsors of Senate Joint Resolution 168, a joint resolution designating July 18, 1980, as "National POW-MIA Recognition Day."

SENATE RESOLUTION 423

At the request of Mr. Dole, the Senator from Utah (Mr. Garn) was added as a cosponsor of Senate Resolution 423, a resolution to disapprove incremental pricing action with regard to natural gas.

AMENDMENT NO. 1703

At the request of Mr. McGovern, the Senator from Kansas (Mr. Dole), and the Senator from New Jersey (Mr. Bradley) were added as cosponsors of amendment No. 1703 proposed to Senate Concurrent Resolution 86, a concurrent resolution setting forth the recommended congressional budget for the U.S. Government for the fiscal years 1981, 1982, and 1983 and revising the second concurrent resolution on the budget for fiscal year 1980.

AMENDMENT NO. 1745

At the request of Mr. Durkin, his name was added as a cosponsor of amendment No. 1745 proposed to Senate Concurrent Resolution 86, a concurrent resolution setting forth the recommended congressional budget for the U.S. Government for the fiscal years 1981, 1982, and 1983 and revising the second concurrent resolution on the budget for fiscal year 1980.

At the request of Mr. DeConcini, his name was added as a cosponsor of amendment No. 1745 proposed to Senate Concurrent Resolution 86, supra.

At the request of Mr. Sarbanes, his name was added as a cosponsor of amendment No. 1745 proposed to Senate Concurrent Resolution 86, supra.

At the request of Mr. Pryor, his name was added as a cosponsor of amendment No. 1745 proposed to Senate Concurrent Resolution 86, supra.

AMENDMENT NO. 1752

At the request of Mr. McClure, the Senator from Utah (Mr. Hatch) was added as a cosponsor of amendment No. 1752 proposed to Senate Concurrent Resolution 86, a concurrent resolution setting forth the recommended congressional budget for the U.S. Government for the fiscal years 1981, 1982, and 1983 and revising the second concurrent resolution on the budget for fiscal year 1980.

AMENDMENT NO. 1753

At the request of Mr. Hatch, the Senator from California (Mr. Hayakawa) was added as a cosponsor of amendment No. 1753 proposed to Senate Concurrent Resolution 86, a concurrent resolution setting forth the recommended congressional budget for the U.S. Government for the fiscal years 1981, 1982, and 1983 and revising the second concurrent resolution on the budget for fiscal year 1980.

NOTICES OF HEARINGS

SUBCOMMITTEE ON INTERNATIONAL TRADE

● Mr. RIBICOFF. Mr. President, I wish to announce that the Subcommittee on International Trade of the Committee on Finance will hold a hearing on May 12, 1980, to receive testimony regarding the nomination of Mr. Robert F. Herzstein to be Under Secretary of Commerce for International Trade.

The hearing will convene at 10 a.m., in room 2221, Dirksen Senate Office Building.●

SPECIAL COMMITTEE ON AGING

● Mr. CHILES. Mr. President, I would like to announce that on May 13, 1980, the Special Committee on Aging will hold its second hearing on the subject of "Work After 65: Options for the 80's." The hearing will feature testimony from top corporate executives from Xerox, Polaroid, Atlantic Richfield Co., and Bankers Life & Casualty of Chicago, and it will highlight how Congress and private industry can work closely together to expand employment opportunities for older workers.

The hearing will begin at 10 a.m., in room 6226, Dirksen Senate Office Building.●

SUBCOMMITTEE ON IMPROVEMENTS IN JUDICIAL MACHINERY

● Mr. DeCONCINI. Mr. President, I wish to announce that an open hearing will be held by the Subcommittee on Improvements in Judicial Machinery of the Committee on the Judiciary on H.R. 5563, a bill to provide that certain judicial pleadings in the Commonwealth of Puerto Rico may be conducted in the Spanish language.

The hearings will be held on May 19, 1980, commencing at 9 a.m. in room 1224, Dirksen Senate Office Building.

Persons who wish to testify or submit a statement for inclusion in the record should contact the subcommittee at 224-2618.●

SPECIAL COMMITTEE ON AGING

● Mr. BRADLEY. Mr. President, I wish to announce a hearing of the Special Committee on Aging on "Energy Assistance for the Elderly" on May 23 at 9:30 a.m. in the Municipal Court Building Auditorium, Pennsauken, N.J. I will preside.

The committee will be focusing on the expanded energy assistance programs and their impact on the elderly. Witnesses will represent State and local officials who have administered energy assistance programs, outreach workers and elderly consumers.●

ADDITIONAL STATEMENTS

MILITARY REPUTATION, POLITICAL NERVE AND DESERT 1

● Mr. HARRY F. BYRD, JR. Mr. President, Dr. Jeffrey Record, well and favorably known to many in the Senate, wrote a provocative piece for today's Wall Street Journal.

Dr. Record is a senior fellow at the Institute for Foreign Policy Analysis in Washington, D.C., and author of "Sizing up the Soviet Army."

I ask that his article captioned "Military Reputation, Political Nerve and Desert 1," be printed in the RECORD.

The article follows:

MILITARY REPUTATION, POLITICAL NERVE AND 'DESERT 1'

(By Jeffrey Record)

Among the twisted hulks of airplanes at "Desert 1" in eastern Iran may lie a profoundly more disturbing piece of wreckage: America's military reputation.

The demonstrated ability to use force competently is essential to any nation confronted by seemingly endless military and other violent challenges to its vital interests. It is especially important for a nation to whom others look for protection.

Yet for two decades the United States has fumbled every significant military venture it has undertaken. The American-sponsored invasion of Cuba in 1961 was defeated on the beaches at the Bay of Pigs because it was unsupported by U.S. air power. American arms were defeated in Indochina for a host of reasons, not the least of which were an unbounded confidence in technology to resolve what were non-technological problems and the application of a strategy of hesitant incrementalism that fooled no one except its authors.

The masterfully executed U.S. commando raid on North Vietnam's Son Tay prison camp in 1970 was denied success because the U.S. intelligence community failed to detect the prior evacuation of U.S. POWs from the camp. The 1975 descent of U.S. Marines on the island of Koh Tang in search of the hijacked crew of the Mayaguez was a grim comedy of errors entailing high casualties among the assault forces, ignorant of the fact that the vessel's crew was already being set free.

An now, the shambles of "Desert 1": an operation called off allegedly because of "equipment failure" in a third helicopter.

Interestingly, although the precise causes of failure differed in each instance, all were solidly rooted either in intelligence breakdowns (the Mayaguez and Son Tay raids) or in political decisions that in one fashion or another served to limit the amount of force and flexibility in its use available to military commanders in the field (the Bay of Pigs and Indochina). Evidence mounts that the latter was the case in the U.S. attempt to extract the American hostages in Tehran.

The administration's explanation to date of why that operation was abruptly called off is less than satisfactory. Here was a well-planned and thoroughly rehearsed venture which, at the time it was aborted, had achieved (according to Secretary of Defense Harold Brown) complete tactical surprise and had yet to make contact with the "enemy." But it was called off, so we are told, with the advice of the commander on the ground (Colonal Beckwith) because the assault force was short one helicopter.

Are we really to believe that a military operation of such enormous domestic and international political consequences was cancelled in mid-course because the hydraulic system of one of six remaining helicopters malfunctioned? If so, then one can only conclude that the operation was based on insufficient force, and not just in the number of helicopters.

One of the more striking features of the operation was the small size of the assault force: 90 men assigned to overwhelm an enclosed compound defended by 150 well-armed and disciplined terrorists. At Entebbe in 1976, an Israeli unit of over 100 picked troops was employed against only seven Palestinian terrorists and a scattered number of predictably later-reacting and confused Ugandan soldiers. The German recapture of a hijacked Lufthansa airliner in Mogadishu in 1977 involved a strike force of about 90 commandos against only four or five terrorists. In terms of both men and machines the U.S. attempt to free its hostages in Tehran appears to have been severely "underfunded," allowing little margin for error or for the unexpected event.

Why? It is difficult to believe that those military planners charged with devising the Tehran raid opted for a force of the size finally used. Military planners are inherently conservative when it comes to estimating needed resources; if anything, they are prone to ask for substantially more force than they think is required. In the case of the Tehran operation, a natural proclivity for redundancy of force was undoubtedly strengthened by the knowledge that Tehran constituted a greater challenge than Entebbe (where the hostages were conveniently held at an airfield) or Mogadishu (where the Germans had the benefit of a collaborative Somali government).

In contrast to the military planners is the political leadership of the administration, which for over three years has displayed a profound mistrust of military power in general and, as the first six months of the Iranian hostage crisis has proved, a no less profound hesitancy in using U.S. power on behalf of interests violently threatened. Is it illogical to assume that an administration with a record of demonstrable nervousness in contemplating the use of force would, when force is needed, be niggardly in supplying it as well as vulnerable to losing its nerve when force is actually in the process of being used?

And it is here that one is compelled to return to Colonel Beckwith, sitting on the ground at "Desert 1" with his force sans one helicopter. Faintheartedness is rarely characteristic of men like commando Beckwith, an individual who freely chose a career fraught with risk and danger, who is trained to adapt rapidly to the unanticipated event on the battlefield, and who does so with a confidence (misplaced or not) bred by immersion in a subculture that exalts "can do" and disdains "quitters." No, it is highly unlikely that Beckwith was prepared to throw in the towel simply because he had five rather than six working helicopters.

In sum, while there was "equipment failure" inside Iran, the impression that it was attended by a failure of nerve inside the White House cannot be dismissed.●

FOOD STAMPS WILL BE IN BUSINESS JUNE 1

● Mr. DOLE. Mr. President, the Senator from Kansas would like to comment on an editorial appearing in the Washington Post this morning regarding the likelihood of food stamp availability on June 1.

As many of my colleagues here know, S. 1309 passed the Senate in July of 1979 and is presently under debate on the floor of the House. This comprehensive legislation introduced by Senator TALMADGE and cosponsored by Senator MCGOVERN and myself, improves the food stamp program in fiscal accountability through reductions in inaccurate eligibility and benefit determinations and increases fraud detection and recovery procedures.

The Senator from Kansas holds a particular interest in the food stamp program in this Nation. Thousands of elderly, handicapped, and extremely poor depend on this program for daily nutrition, as well as those families under the program which depend on the food income through seasonal layoffs and unexpected financial burdens. The food stamp program is a significant component of preventative health care in the United States, as reported by several physicians during hearings before the Senate Agriculture Committee. A 33-percent decline in infant mortality in the United States can be traced to the food stamp program by increasing the feeding and health of pregnant women and enhancing the health of disadvantaged Americans.

The leadership in both the House and Senate have assured Members that S. 1309 will be passed before the May 15 deadline. It is expected that the House will finish its work tonight on the bill and as a member of the Conference Committee, the Senator from Kansas will call for immediate conference action on this vital legislation.

I would urge my colleagues to act favorably on the conference report and assure the continuation of the food stamp program as well as the improvements contained in S. 1309.

Mr. President, I ask that the text of the Washington Post article be printed in the RECORD.

The article follows:

FOOD STAMP MONEY—NOW

With each passing day it looks less likely that Congress will meet the May 15 deadline to keep the food stamp program in business for June. The effect of suspending the program even for a brief period will be terrible, and it will be terrible because the food stamp program is so precisely concentrated on the very poor. More than half the households receiving food stamps have a gross income—right now—of $3,600 a year or less. Fewer than 3 percent of the families are above the $9,000 line, and they are the ones with lots of mouths to feed. The average value of food stamps to these families is about 37 cents per person per meal. Not much by ordinary standards, perhaps, but on $3,600 a year, it is a tremendous difference.

People who get food stamps are not a permanent underclass of the wholly hopeless. For about two-thirds of the families, the program is a stopgap measure that helps them survive through seasonal layoffs, occasional financial disasters or the effects of recession. They move on and off the program as their circumstances change during the year. A lot more families of this type can be expected to need food stamps in the next few months as unemployment rises. So this is an especially cruel time to be fooling around with the notion of not having a program at all, as Congress seems to be.

Frantic contingency planning is now going on all over the country as state and local officials and voluntary groups try to figure out how to keep people in food if food stamps go. In the District alone, $3.5 million a month goes out for food stamps. There is no way an emergency food network can meet a need that size. What is most infuriating is that the anxiety and suspense are unnecessary: Congress has had months in which to get the required actions completed.

There is a chance they will make it. To do so means, of course, that a budget resolution, the authorizing legislation and appropriation must all be passed and settled in conference within the coming week. It will be hard to manage that, but it will be indecent not to.●

THE INFLUX OF REFUGEES

● Mr. JOHNSTON. Mr. President, the apparent open door policy which has permitted the immigration of more than 20,000 refugees from Cuba has very serious economic implications, both for those communities which are receiving the refugees and for the Nation as well.

A program of assistance for large-scale

immigration from Cuba could add as much as $1 billion a year to the cost of refugee assistance.

At the same time, we are being inundated with Mexican nationals numbering in the hundreds of thousands who cross our borders either to work illegally or to burden our welfare rolls and strain the capacity of our schools and other services. It has been predicted that Mexican Americans will soon become the largest ethnic group in the United States.

None of this has taken place intentionally or with the sanction of Congress.

Ours is the most wealthy and most free Nation in the world. It is, of course, the most desirable country in which to live. But we simply cannot open our doors to everyone who wants to immigrate to this country.

Previous refugees from Cuba have become some of our finest citizens and have made important contributions to our society. However, the current influx of refugees, which could number into the tens of thousands, should not be the responsibility of the United States alone.

We should seek the cooperation of our Latin American neighbors in shouldering some of this burden. And we should permit the citizens of other nations who wish to immigrate to our country to do so only in accordance with our laws.●

WILLIAM A. LUBBERS

● Mr. SASSER. Mr. President, for 6 days, this body fully debated the nomination of Mr. William A. Lubbers for General Counsel of the National Labor Relations Board. I have carefully followed this debate and I have studied the record on this nomination. On April 23, the Senate approved the nomination by a vote of 57 to 39. I supported this confirmation.

The National Labor Relations Act was enacted to define and protect the rights of employees and employers, to protect the public interest by encouraging collective bargaining, and to eliminate those activities which are harmful to the public welfare. It is the responsibility of the National Labor Relations Board and the General Counsel to enforce these laws and to maintain the delicate balance between the interests of the various parties.

As described under section 3(d) of the act, the duties of the General Counsel are to "exercise general supervision over all attorneys employed by the Board—and over the officers and employees in the regional offices. He shall have final authority, on behalf of the Board, in respect of the investigation of charges and issuance of complaints under section 10 (unfair labor practices), and in respect of the prosecution of such complaints before the Board, and shall have other duties as the Board may prescribe or as may be provided by law."

These duties, according to the legislative history of the act, require that the General Counsel be a fair and competent individual. The duties require that the General Counsel have extensive knowledge of the labor laws. The duties also require that the General Counsel exercise independence in judgment and action. The Board regulations emphasize this point by prohibiting any ex parte communications between the General Counsel and the Board members during consideration of a particular claim. In other words, the Board regulations prohibit any "off-the-record" communication, written or oral, between the General Counsel and the Board members or between their staffs, regarding the merit of any proceeding.

The focus of this debate has, therefore, rested upon the ability of the nominee, William Lubbers, to fill this position and to perform his duties in the spirit of this independence due to his lengthy service of employment under John Fanning, the present Board Chairman.

I carefully weighed the arguments presented during debate on this matter. The independence question is an important one. However, there is no evidence in the record to support the contention that Mr. Lubbers would compromise himself in this respect. In fact, former Board General Counsel Peter Nash, who served during the administration of President Nixon, stated during the hearing proceedings that Mr. Lubbers—

> is also, by reputation and by my knowledge, a superb lawyer. . . . I am confident in my own mind, knowing Bill Lubbers and John Fanning, that never would they breach either the letter or the spirit of section 3(d) of the Labor Act.

There also appears to be general agreement regarding Mr. Lubbers' competence and integrity. One representative of the U.S. Chamber of Commerce stated:

> I have known Mr. Lubbers for over 20 years, and I know him to be a good lawyer and a fine person.

A spokesman for the National Association of Manufacturers stated:

> We do not impugn Mr. Lubbers' competence as Executive Secretary of the NLRB, or his integrity.

There is simply no evidence in the record to indicate that Mr. Lubbers lacks those qualities necessary to take the oath of independence and to honor his commitment.

There is further concern over a bias which may be possessed by Mr. Lubbers, particularly in his association with the Board Chairman. However, again, the record shows that this particular Board Chairman was appointed to the Board by President Eisenhower and has been reappointed to the Board by every President since. The only exception in this instance would be President Ford, who while not having an opportunity to appoint Mr. Fanning to the Board, did choose him to serve as Acting Board Chairman. Therefore, based upon the record, it appears that Mr. Lubbers' employer has had the open endorsement of six Presidents—three Republican and three Democratic—during the past 25 years; hardly an indication of any strong bias on his part.

Again, the evidence would point away from any partnership or bias which may be possessed by the nominee. However, should it be presumed that the mere association of Mr. Lubbers with the members of the Board, particularly the Board Chairman, disqualifies him from assuming the position of General Counsel? If this rule were to be applied, would it not also prohibit former U.S. attorneys from assuming judgeships? Such presumptive logic would surely disqualify many individuals from serving in the public trust.

In the final analysis, under the National Labor Relations Act, the President is responsible for appointing an individual to the position of General Counsel of the Board. It is the President's prerogative to make his own appointments of those he wishes for service in his Cabinet and of those he chooses to fill the administrative posts in his government. It is the responsibility of the Congress, in finding that nominee to be a person with the necessary qualifications for the post and to be a person of integrity and competence, to approve that nomination.

Mr. President, based upon a careful evaluation of the record and debate on this matter, Mr. Lubbers appears to have those qualifications necessary for the post of General Counsel. He is characterized as being competent and objective even by those who would oppose his nomination. For these reasons, I supported the confirmation.●

AIRLINE COMPETITION

● Mr. CANNON. Mr. President, I submit for the Record the attached editorial which appeared in the Houston Post earlier this year. It describes how the airlines through competition have met the test of the marketplace.

The editorial follows:

Floating on Air

The Airline Deregulation Act of 1978 stirred mixed feelings both in Congress and the airline industry. Airlines, opponents predicted, would lose money and, in their need to drop unprofitable routes, would leave small towns stranded. But the Civil Aeronautics Board began to loosen red tape, and before the year was half over deregulation had contradicted the Cassandras.

As airlines began to cut fares, more people took up flying. In the first five months of 1978, passenger volume was up 20 percent over the same period of 1977. The industry, which had earned a record $754 million profit in 1977, the last regulated year, wound up with a startling profit of $1.3 billion at the end of 1978. The smaller towns suffered not so much from deregulation as from a scarcity of prop-driven planes suitable for small airports, but commuter airlines began to span the gaps left by the big transcontinental lines.

Alfred Kahn, appointed CAB chairman by President Carter, guided the early deregulation, always with an eye to the passengers' welfare. His successor, Marvin S. Cohen, has shown a similar interest. Cohen now considers deregulation a success and a benefit both to passengers and the industry. Because the cheaper rates sold more tickets, he points out, travelers saved $2.5 billion while the industry earned the highest profit of its 50-year history. The average cost of air travel had been rising annually at a rate of 6.2 percent between 1970 and 1977. In 1978, once the new, more liberal CAB policy had been felt, the cost of travel went down 1.8 percent in a year when the consumer price index had risen 7.7 percent.

Skyrocketing fuel prices in 1979 ended the halcyon period. Airlines had to raise their standard coach fares more than 27 percent. But most airlines offered special coach fares and discounts. With these averaged in, between 1977 and September, 1979, the fare per seat-mile rose only 7.8 percent against a consumer price index that went up 23 percent in the same months. Given flexibility, airlines have shifted service to meet the demand. Most planes are flying with more passengers. Under tight airline regulation, they averaged a 52.8 percent load factor between 1970 and 1976. In 1978, the first year of deregulation, the load factor climbed to 61.6 percent, and in the first nine months of 1979 to 65.1 percent.

Competition made possible by freedom went through some silly stages. Some airlines seemed to be trying to draw business by offering the frilliest frills. They have settled down now to strong, healthy competition. They have met the test of the marketplace.●

SMALL BUSINESS WEEK

● Mr. NELSON. Mr. President. Small Business Week, which begins Monday, May 12, is at once a time for celebration and resolve.

Perhaps more than at any time in recent history, there is cause for celebration of the fact that small business is finally getting the attention it deserves in Washington. Small business has always gotten token recognition in Washington and in the State capitals throughout the country. How easy it has been to describe the small businessman as the foundation of our economic system.

Yet, it came as a surprise to many to learn that small business is, in fact, the backbone of our economy. Research by the White House Conference on Small Business, the Senate Small Business Committee and the Small Business Administration resulted in an impressive list of statistics about the role of the small business community in our national economy. Small business employs more than half of the private sector labor force, and generates the great majority of all new jobs. Half of all invention and innovation stems from the small business sector. The small business community produces half of the gross national product.

From 1969 through 1977, total employment in the United States increased by 12.6 million. The Massachusetts Institute of Technology calculates that small business accounted for a stunning 97 percent of those jobs, while Fortune Magazine's top 1,000 firms accounted for only 3 percent. Further, two of every three of the jobs generated by small business came in firms of 20 or fewer employees.

Not only does half of all innovation come from the small business sector, but small business does it up to 24 times as effectively per research and development dollar spent.

When once small business was greeted in Washington with platitudes, it is now met with the genuine respect it warrants. In a similiar vein, the small business community, itself, has been stimulated to greater activity in its own behalf, to speak with a louder voice and, in many cases, with a unified voice once thought to be impossible to attain.

These are, indeed, good reasons for celebration. The Small Business Administration is taking the opportunity of Small Business Week being declared by President Carter as a time for both celebration and continuing work on the issues.

Monday, May 12, is "Innovation Day," celebrating the historic role of small business in invention and innovation and the "vital partnership" among inventors, entrepreneurs, and venture capitalists.

On Tuesday, May 13, the growing role of small business in government contracting and procurement will be celebrated. On Wednesday, May 14, State-level winners for "Small Business Person of the Year" will be honored for their achievements. On the morning of May 15, in a ceremony in the Rose Garden, the "Small Business Person of the Year" will be congratulated by President Carter. And that afternoon, the 1980 Advocacy Award winners will be honored for their roles in championing small business.

As we see before us this week the evidence of health and energy in the small business community, it is appropriate that we in the Congress join with those in the small business community in even greater resolve to assure a climate in which small business can thrive.

The vigorous voice of entrepreneurship, especially as it was evidenced in the White House Conference on Small Business, combined with our determination in Washington, heralds a small business decade for the 1980's when small business will be the key factor in regenerating the health and stability of our national economy.

Now, Mr. President, I would like to take this opportunity to recognize the winners of the State competition for "Small Business Person of the Year."

It is with special pride that I congratulate the winner from my home State of Wisconsin, a personal friend, Mr. Clifford H. Messinger, president of Oven Systems Inc., of New Berlin.

And congratulations are in order for these other State winners:

Thomas L. Falls, President, Falls Janitorial Service, Inc., Birmingham, Ala.

Alice Celeste Ebenal, President, A–C–E General Contractors, Inc., Fairbanks, Alaska.

Don E. Frye, President, Prestige Cleaners, Scottsdale, Ariz.

Jess B. Woods, President, Woody's Catering Service, Inc., Little Rock, Ark.

James J. Pinto, President, Action Instruments Company, Inc., San Diego, Cal.

Edward O. Romero, President, Latino Broadcasting Corporation, Denver, Colo.

John R. Cratty, President, NEISS, Inc., Rockville, Conn.

Rudolph & Sharon Ali, Ali Enterprises, Inc., Wilmington, Del.

Steven L. Sadle, President, National Striping Company, Beltsville, Md.

Elipidio Nunez, President, Northwestern Meat, Inc., Miami, Fla.

William Lawrence Crolley, Transart Industries, Inc., Kennesaw, Ga.

Robert R. Taira, President, Kings International Bakery, Inc., Honolulu, Hawaii.

David G. Johnson, President, Ace Supply Company, Inc., Caldwell, Ind.

Jack Magierek, President, Raguad Printing, Chicago, Ill.

Clyde H. McMillan, President, Task Force Tips, Valparaiso, Ind.

Arden Luvern Kiefer, President and Gen. Manager, Kiefer Built, Inc., Kanawha, Iowa.

Donald Leroy Collins, Collins Industries, Inc., Hutchinson, Kans.

Odell Merrick, President, Cumberland Wood & Chair Corporation, Somerset, Ky.

Richard E. Zuschlag, Secretary/Treasurer, Acadian Ambulance Service, Lafayette, La.

S. Douglas Sukeforth, President, Mid-State Machine Products, Winslow, Maine.

John R. Laughlin, President, Digital Systems Corporation, Walkersville, Md.

Charlotte A. Volinn, President, Estelle A. Sugarman, Vice President and Sylvia Schwartz, Treasurer, Quincrafts Corporation, Quincy, Mass.

Gerry K. Goodman, President, Wells Freight and Cargo, Royal Oak, Mich.

V. Scot Ankeny, President, TAFCO Equipment Company, Blue Earth, Minn.

John H. Collum, Sr., Collum Tool & Supply Company, Greenville, Miss.

George Thomas Spalding, President, Diemakers, Inc., Monroe City, Mo.

Dean Gary Knutson, President, Polson Stove Shop, Inc., Polson, Mont.

Bill P. Peterson, Chairman of the Board, Delicious Foods Company, Grand Island, Nebr.

Paul C. Fisher, President, Fisher Pen Company, Boulder City, Nev.

George E. Freese, Jr., President, Globe Manufacturing Company, Pittsfield, N.H.

Anthony F. Fabiano, President, Ferrulmatic, Inc., Paterson, N.J.

Ann Riley and Barbara Taylor, A R Fasteners, Inc., Albuquerque, N. Mex.

Garretson James Creighton, Jr., President, Chautauqua Hardware Corporation, Jamestown, N.Y.

Jack Columbus Lail, President, Mid-State Plastics, Inc., Seagrove, N.C.

Michael B. Pflugrath, President, Northern Water Works Supply, Inc., Fargo, N.Dak.

Charles Ashley, President, Shrimp Boat, Inc., Cleveland, Ohio.

Donald L. Martens, President, Waldon, Inc., Fairview, Okla.

C. D. "Dave" Fortmiller, Fortmiller's Quality Department Store, Ashland, Oreg.

Ralph W. Murray, President, IDL, Inc., Pittsburgh, Pa.

Arturo E. Validejuly, Caribe Candle Corporation, Ponce, P.R.

Arthur T. Clayton, President and Donald G. Olson, Vice President, Crown Optical Company, Inc., Greenville, R.I.

William H. Smoak, President, Farena Furniture Company, Inc., Walterboro, S.C.

Gordon F. Thomsen, Manager, Western Ag-Sales, Inc., and Trail King Industries Division, Mitchell, S.Dak.

Jack Dalton, President, Kolpak Industries, Inc., Parsons, Tenn.

Cletus P. Ernster, President, Gulf Coast Wood Products, Inc., Cuero, Tex.

Mitsura Koga, President, Kiesel Sales & Service, Inc., Ogden, Utah.

Steven F. Hochschild, President, International Coins & Currency, Inc., Montpelier, Vt.

Rodney I. Smith, President, Smith Cattleguard Company, Inc., Midland, Va.

Dale C. Swanson, President, Pyrotek, Inc., Spokane, Wash.

Ken Auvil, President, New Era Homes, Inc., Belington, W. Va.

Miles Junior Buell, President, Buell Equipment, Inc., Buffalo, Wyo.

While we have been working to strengthen the advocacy role of the Small Business Administration, individuals in the private sector have been making giant contributions as well. These individuals have been cited as the 1980 Advocacy Award winners:

INNOVATION ADVOCATE

George S. Lockwood, Carmel Valley, Calif.

MDIA ADVOCATES

William Wong, Business Editor, Oakland Tribune, Oakland, Calif.

Robert Maynard, Editor, Oakland Tribune, Oakland, Calif.

Patricia Bishop, Business Editor, Oakland Tribune, Oakland, Calif.

FAMILY-OWNED BUSINESS ADVOCATE

John A. Johnson, Bellevue, Nebr.

MINORITY OWNED BUSINESS ADVOCATE

Marilyn French Hubbard, Marilyn Hubbard Associates, Inc., Management Consultants & Trainers, Detroit, Mich.

WOMEN-IN-BUSINESS ADVOCATE

Virginia Littlejohn, Berkeley, Calif.

BANKER ADVOCATE

Margaret Goodacre Swezey, Bayside, N.Y.

LAWYER ADVOCATE

RESEARCH ADVOCATE

Lola Dickerman, Quincy, Mass.

Dr. David Birch, Program on Neighborhood & Regional Change, Massachusetts Institute of Technology, Cambridge, Mass.

SCORE ADVOCATE

Stuart L. Forsyth, Blair House, Silver Spring, Md.

NATIONAL ADVISORY COUNCIL ADVOCATE

Ernest Griffin, Chairman of the Board, Sav-a-Stop, Jacksonville, Fla.●

EMIL MAZEY TO RETIRE AS SECRETARY-TREASURER OF UNITED AUTO WORKERS

● Mr. LEVIN. Mr. President, the labor movement in this country is about to lose the services of one of its most valued leaders. Emil Mazey, an old and valued friend, has announced his intention to retire from his position as secretary-treasurer of the United Auto Workers. Emil has held this post, the second highest office in the UAW, since 1947. The union, the workers he has served, and the Nation he has fought to improve will sorely miss his day-to-day involvement in issues which affect us all.

But, while Emil Mazey may be retiring from his position, he is not retiring his social conscience. His voice will still be heard. His efforts will continue to be directed at improving the quality of life for all members of this society. And his concern for justice and equality will continue to be translated into ideas of value to all of us.

Mr. President, Emil Mazey has dedicated his life to the working men and women of this Nation. He has dedicated his life to improving the conditions of their lives—and in that effort he has improved the quality of this society.

Emil Mazey's departure from the UAW leaves a void which that organization will have a hard time filling. But fortunately it will not leave a void in our efforts to continue to make this a better land because he will continue to work, as he has in the past, to achieve that goal.●

TOURISM AND THE U.S. ECONOMY

● Mr. PACKWOOD. Mr. President, international travel is one of the largest single elements of world trade according to "Travel '78–'79 The Big Picture." In 1977, total international travel expenditures amounted to $134 billion. Many nations have recognized the importance of tourism to their economies and have vigorous foreign tourism promotion programs.

Recently our colleague, Senator JOHN WARNER, indicated his support for strengthening U.S. tourism promotion activities abroad.

I believe a letter he wrote to the Washington Star, an article regarding the importance of foreign tourists to the U.S. economy which appeared in that newspaper, will be of interest to all my colleagues.

I ask that Senator WARNER's letter and that article be printed in the RECORD.

The material follows:

ATTRACTING TOURISTS FROM OVER THERE

I read with interest your story, "Foreign Tourists Help Bail Out D.C." (April 19). As reporters Denise Barnes and Lynn Dunson pointed out, the shrinking value of the American dollar has directly benefited Washington. In fact, at a recent hearing on federal promotion of tourism, the Senate Merchant Marine and Tourism Subcommittee, of which I am the ranking Republican member, was informed that last year, for the first time in history, the United States hosted a greater number of foreign tourists (9,943,000) than the number of American citizens who traveled abroad (9,920,000).

What does that mean for the average American? Robert Juliano, representing the Hotel and Restaurant Employees and Bartenders International Union, has argued that tourism to his members means jobs employing more than 6 million men and women, 7 percent of our total workforce. Tourism contributes more than $115 billion to our economy and is among the top three industries in the majority of states.

For these reasons, I have joined with Sen. Daniel Inouye, chairman of the subcommittee, in proposing a more effective federal tourism promotion program. We believe a new approach is necessary. As your article indicated, the Washington Area Convention and Visitors Association would like to mount a strong promotional campaign but does not have the money or staff to do so.

Unfortunately, the Carter administration is trying to cut back on federal tourism promotion, but as one witness at our hearing said, "You don't fire your sales staff when things get tough."

Our subcommittee believes that S. 1097, which passed the Senate unanimously but has not been acted on by the House, is the best long-range solution to continuing funding problems. Passage of this bill would clearly enunciate a national tourism policy, establish a cabinet-level body to coordinate federal tourism activities, and create a government-sponsored corporation to promote tourism. I hope this bill will soon receive favorable action by the House.

FOREIGN TOURISTS HELP BAIL OUT D.C.

Many of the tourists clicking cameras from accordian-jointed tourmobiles or corraling the kids at the dinosaur on the Mall this summer will be foreign visitors catching on to a new travel bargain.

Once prohibitive in cost, travel in the United States is becoming increasingly attractive for vacationing Europeans and Asians as the dollar's value shrinks in comparison to that of foreign currencies.

About 6.9 million overseas visitors entered the United States in 1979 and 8.2 million are projected to come this year, according to a travel outlook compiled by U.S. Travel Data Services.

About half of last year's foreign visitors—3 million—were Europeans, the report says, and 3.65 million are expected this year.

Most of Washington's international vistors are Mexican, Canadian and European, but "in recent years an increasing number of South Korean, Japanese and Germany tourists have frequented Washington," said George Berklacy, spokesman for the National Park Service.

Though those who watch the local tourism business know the number of foreign vacationers here is increasing, they say it is hard to cite specific figures to document the influx.

It is difficult to tell how many foreign visitors are tourists and how many come to Washington because of business related to their embassies, said Austin Kenny, executive vice president of the Washington Area Convention and Visitors Association.

In addition, foreign travelers are not required to show their passports when they register at any of the 100 hotels and motels in the area, so counting them is not a simple matter.

However, the Immigration and Naturalization Service states in its annual report for fiscal year 1977 that 58,809 international travelers came to Washington on business and pleasure trips that year. That figure was up 14 percent—to 67,943—in fiscal 1978. The 1979 report is not yet completed said statistician Margaret Sullivan.

Free-spending tourists and conventioneers contributed more than a billion dollars to the Washington economy last year and, as closely as can be estimated, foreign visits accounted for 6 to 8 percent of that income, Kenny said.

Anne Coulter, coordinator of volunteers with the International Visitors Information Service, said that demands for IVIS escort and linguistic services have grown steadily since 1976 when the group opened a booth at Dulles Airport.

In 1977, foreign travelers landing at Dulles totaled 25,000, she said. Two years later, that figure had grown by another 5,000. Last September the group opened a similar operation at Baltimore-Washington International Airport.

IVIS responded to the growing international tourist market last summer by maintaining an information booth in the National Visitors Center and a kiosk on the Mall. The group hopes to be able to do the same thing this summer, Coulter said.

Kenny predicts the upsurge in foreign tourism here will continue as long as travel in the U.S. stays a bargain.

While Guam and Hawaii are popular stops for the Asian visitor, the nation's capital is high on the itinerary of European travelers, right along with New York City, the port of entry, Kenny said.

The association would like to mount a strong promotion campaign aimed at the international pleasure traveler, but it does not have the money or the staff to do that, Kenny added.

Even so, Washington has benefited from the Europeans' increased interest in travel abroad.

For example, the Association of German Travel Agents held its convention in Washington last year, and the number of German tourists coming to the District is growing, Kenny said.

The dollar's weakness abroad also is contributing to the rapidly growing international tourist market, he added. Europeans find that goods and services can cost as much as 40 or 50 percent less in the United States than comparable items or services abroad, he said. For instance, hotel rates in the traditional tourist spots in Europe run about $100 a night and it is not unusual to pay $150 to $200. A mixed drink in the evening may run $8.

The high influx of Koreans into the United States can be attributed partially to First Lady Rosalynn Carter's "Friendship Program" said Jim Heston, spokesman for Korean Airlines, which is located in New York.

Heston said the purpose of the program is to create friendly relations between the United States and Korea. Korean Airlines is working closely with domestic carriers to promote the United States on an unlimited mileage system.

The Japanese are also flocking into the United States, and many are visiting Washington.

In 1975, Washington received tremendous media coverage in Japan because of the historic state visit of Emperor Hirohito and Empress Nagako of Japan to the United States.

In addition, "The Japanese are a very travel-minded people," says Etsuko Penner, public relations manager for Japanese Tourism Corporation in New York City.

Banks, corporations and large industries give their employees bonuses twice a year, which enable many Japanese to travel, he said.●

THE 49TH BIRTHDAY OF IDA NUDEL

● Mr. SARBANES. Mr. President, Ida Nudel, the "Guardian Angel" of Soviet dissidents and prisoners of conscience, observed her 49th birthday on April 27. There could be no joyous birthday celebration, however, because Ida Nudel remained unjustly incarcerated in a Siberian prison camp. But we can, once again, remind the world of her plight, and restate our determination that Ida Nudel, and other political and religious prisoners in the Soviet Union, must be freed.

It is now almost 2 years since Ida Nudel was arrested in Moscow on ludicrous charges of "malicious hooliganism." Her crime, in Soviet eyes, was to display from her window a banner reading "KGB Give Me My Visa"—this after 7 years of unsuccessful attempts to emigrate to Israel to join her husband and her sister. Convicted after a mock trial from which defense witnesses were excluded, she was sentenced to 4 years of internal exile in Siberia. The harsh winters, poor living conditions and lack of adequate medical attention have taken their toll, and her health is reported to be fragile.

Mr. President, Ida Nudel's repeated efforts to obtain freedom and her valiant activities to bring aid and comfort to other dissidents and prisoners of conscience commands our respect. In refusing to bend before constant official harassment and intimidation, Ida Nudel has become a symbol of courage in the midst of the Soviet Union's callous disregard for basic human rights.

I urge the Soviet Union to honor its commitment to the Final Act of the Conference on Security and Cooperation in Europe, which it signed in Helsinki in 1975, and permit to Ida Nudel the guaranteed right to emigrate in search of political and religious liberty. Let us hope and pray that long before her 50th birthday, Ida Nudel will be granted the wish which she has so long desired and so fervently pursued—to live in a land of religious and political freedom.●

MEMORIAL RESOLUTION HONORS MICHAEL RADIN

● Mr. RIBICOFF. Mr. President, the Superior Court in Connecticut has paid tribute to the late jurist Michael Radin by issuing a memorial resolution in his honor.

Mike Radin, who retired as a superior court judge in 1973, died last August. He was 75.

Mike Radin was one of the most respected jurists in Connecticut. He was a brilliant lawyer, a judge known for his fairness and a man of decency and compassion. He was a close friend of mine for many years and his death caused great sorrow to all of us who knew him.

I want to join with Superior Court Judge Leo Parskey and others in Connecticut in this tribute to the late Mike Radin. He served his State and Nation with great distinction.●

SENIOR CITIZENS DAY

● Mr. WILLIAMS. Mr. President, this year on April 9 the President of the United States formally proclaimed the month of May as "Older Americans Month" and further designated today, May 8, as "Senior Citizens Day" for special recognition of older Americans everywhere.

This day is one that I anticipate with personal pleasure every year. It is an opportunity to focus national attention on the vast experience and resources that older Americans contribute to our lives and an opportunity to reaffirm the special status they deserve in our society.

Twenty-five million of our citizens are over the age of 65. They represent the fastest growing segment of the population in this country and have been increasing by nearly 500,000 individuals each year.

Older Americans have a vivid insight into the problems and challenges of our time. They have lived through the most dramatic technological and social changes this country has ever experienced, and they possess a broad and balanced perspective on their needs and those of society as a whole.

They provide an important continuity in our society at a time when families are often fragmented and the ties between generations need to be reinforced.

Mr. President, in the State of New Jersey I have seen a greater involvement of older people in their communities, helping to solve a broad range of problems and inspiring a sense of service to meet those needs.

During "Older Americans Month," we ought to carefully reexamine our communities to determine what opportunities are available to older people for involvement in civic life, for active social and cultural life, for further education to help them keep up with a changing world, for employment, and for significant volunteer service. We need to assure opportunities that would help older Americans live at their highest potential and make their maximum contribution to the community.

Such a reassessment is especially appropriate this year since communities across the Nation will begin to convene public forums on issues affecting individuals over 65 in preparation for the White House Conference on Aging scheduled for December 1981.

Hopefully, the community forums will provide an opportunity for hundreds of thousands of older Americans to begin participating in an event that will result in shaping future policy for all older Americans.

Dr. Sadie Alexander, chairperson of the White House Conference on Aging, has said that it will provide a "unique opportunity to focus national attention on the development of policies to deal with the increasing numbers of older Americans."

I anticipate that senior citizens will be very concerned about food and housing costs, the need for affordable health care, accessable public transportation, and the special problems of the minority aged.

The 1981 conference also will have to contend with the problem of energy, which the President has described as a permanent problem, and the overall effect of inflation which has been viewed both as an economic and a social threat to our future. Inflation is especially serious for a majority of senior citizens struggling to survive on fixed incomes.

As chairman of the Committee on Labor and Human Resources, the problems of older Americans have been of special concern to me. In 1978, upon the committee's recommendation, the Congress enacted the legislation which established the 1981 conference.

The legislation specified general areas of policy that needed further development at the conference which would: Improve the economic well-being of older Americans, increase the availability of quality health care for older persons, expand housing and supportive services for greater independence, increase the effectiveness of our social service delivery systems, and promote greater employment opportunities. It further specified the development of a more comprehensive long-term care policy, the development of a better retirement policy, and the establishment of a national policy that would support biomedical research on the aging process.

I am encouraged to learn also that a major thrust in planning for the conference will be to emphasize the untapped skills and creativity of older persons and the contributions that they could make to our society.

Mr. President, today approximately 5 million people age 65 and older do volunteer work of one sort or another in their communities. An additional 3 million persons are engaged in paid employment.

The Administration on Aging under the Department of Health and Human Services has reported that millions more would take jobs and volunteer opportunities if they were available. Currently, the Federal Government provides only about 350,000 volunteer and part-time jobs to senior citizens.

The Comprehensive Older Americans Act Amendments of 1978 was a landmark reform of Federal policies and programs for the elderly. The Congress consolidated and expanded a number of programs under a nationwide, coordinated system for the delivery of services.

The act consolidated all Federal policies affecting older persons under the purview of the Administration on Aging. The legislation mandated that this office serve as a visible and effective advocate for the elderly within the Federal Government.

The 1978 amendments also made numerous improvements in the delivery of services by providing greater cooperation and flexibility in the system of State Agencies on Aging and the hundreds of local area agencies. Emphasis was placed on the establishment of senior centers as a focal point for the delivery of services.

Under an important new provision, each State Agency on Aging was required to develop a nursing home ombudsman program to monitor and investigate complaints from residents or their families.

And, a separate and expanded authority was provided for home-delivered meals under the highly successful elderly nutrition programs.

Overall, the comprehensive nature of the amendments attempted to provide a continuum of support services, along with social and economic opportunities for older persons.

We also have made progress in meeting the basic housing needs of senior citizens, for whom independence at affordable cost is an important right.

In the Housing Amendments of 1974, and every 3 years since, I have sponsored the authorizations for the most popular program to develop housing for the elderly under section 202 of the Housing Act. It provides loans to nonprofit organizations and institutions to construct or rehabilitate housing for the elderly and handicapped.

Under this provision, the organizations or institutions must submit plans for approval that demonstrate how the needs of tenants would be served by accessable services related to health, continuing education, welfare, information, recreation, homemaking, counseling, and transportation where necessary to facilitate access to social services.

This program is used in conjunction with the section 8 housing assistance program which subsidizes rent so that the tenant pays no more than 25 percent of his or her income.

In 1978, I sponsored the congregate housing services program to develop an approach that would blend housing with supportive services to enable older citizens with functional disabilities to remain independent in their homes and to avoid institutionalization.

Although, at present, this program is limited in scope, I believe it has great potential as a course for future policy.

Last month, on April 2, the Congress enacted the home energy assistance program which I sponsored to assist elderly and low income households in meeting home energy costs. The rapid increase in energy costs over recent years is a critical problem for older Americans living on fixed incomes.

This program provides financial assistance so that older persons can maintain a safe and healthy home environment. Funds will be distributed to the States to assist elderly households with the costs of their energy bills through either direct payment to energy suppliers on their behalf, or as cash assistance to the eligible households.

The home energy assistance program goes into effect on October 1 of this year, and, in my view, is an important first step toward establishing a minimal standard of decency for the housing of senior citizens.

Although these programs, as enacted, demonstrate a commitment of the Congress to address the needs of senior citizens in our increasingly complex society, we must not fail to expand our vision beyond what exists today in Federal policy.

The Government's commitment to older Americans should be not only to provide specific programs, but also to provide a genuine response to basic human needs and to build support systems in local communities that will enable the elderly to maintain their independence, dignity, and quality of life.

Mr. President, I take this opportunity also to commend those thousands of dedicated persons who have committed their professions, their time, and their energy to serving our senior citizens. And, especially to the senior workers and volunteers whose talents and experience are so critical in the success of community services.

This new decade will provide us with a great challenge as a growing proportion of older people are assimilated into society. A challenge that must be met to provide our senior citizens with the best possible health and fitness, financial security, protection against crime, fraud, and abuse, full legal rights without suffering age discrimination, and opportunities for useful, active lives in their communities with continuing growth intellectually and culturally.

It is a challenge that I can willingly accept because I know that the valuable resources of our senior citizens, if developed and utilized, would enrich enormously the quality of life for us all and secure our pride as a nation.●

INCREMENTAL NATURAL GAS PRICING

● Mr. **DURENBERGER**. Mr. President, today I am joining 17 other Senators as a cosponsor of S. 2392, a bill that would repeal title II of the Natural Gas Policy Act. I am also cosponsoring a resolution to veto rule 2 implementing incremental pricing as it was submitted to the Congress by the Federal Energy Regulatory Commission 2 days ago.

Title II of the Natural Gas Policy Act authorized the FERC to promulgate regulations that would mitigate the impact of natural gas price decontrol on priority and exempt users of natural gas. Under the incremental pricing regulations envisioned by title II, the additional costs resulting from decontrol of new gas would be assigned to industrial users, only.

The FERC has written two rules to implement incremental pricing. Phase I applied to all industrial users who consumed more than 300 mcf per day for boiler fuel. Phase II, which was submitted to the Congress yesterday, applies to all industrial gas use above 300 mcf per day with the exception of agricultural and utility users who are exempt. The phase II rule is subject to a one-house veto within 30 days of the date it was submitted. Mr. President, I understand that the Energy and Power Subcommittee of the House of Representatives reported a veto resolution to the House Interstate and Foreign Commerce Committee on May 6.

The theory of incremental pricing is quite easy to understand. Because natural gas is a nonrenewable resource additional supplies—incremental supplies—are more costly to find and produce. In free markets commodities sell for the incremental price. However, in markets where prices are controlled, as they have been in the natural gas market for 30 years, commodities sell at the average price. Because natural gas is a nonrenewable resource, the price of uncontrolled new gas will certainly rise in the future. The theory argues that consumers should pay the cost of new gas—the incremental price—rather than the average price, because the incremental price signal will lead to the most efficient allocation of social resources.

The incremental price encourages the most appropriate level of investment in conservation, discourages waste of the resource and keeps the price of new gas from going even higher as a result of artificial demand.

Title II of the NGPA attempts to impose a modified version of the incremental price concept on a portion of the natural gas market. Natural gas pipeline companies are to keep two accounts of their costs for new uncontrolled gas supplies. One account will reflect a base price and will be passed on to all consumers. A second account will include all costs for certain categories of gas above a threshold level, initially set at $1.48 per mcf. To the extent possible costs in this second account will be recovered from industrial customers, only.

Without a ceiling on the amount that could be charged to industrial customers to clear this account, the price of natural gas to some industrial users could become excessive. These industrial uses would, if they could find a cheaper alternative, switch to another fuel resource. This loss of load would require the remaining customers on the pipeline to bear a larger portion of the fixed transportation charges included in the price of gas. Realizing this possibility, Congress put a cap on the price that could be charged to industrial users. To the extent that the full incremental cost of new gas cannot be recovered from industrial users as a result of the ceiling, the account is cleared through surcharges to priority and exempt users.

Congressional intent in creating title II is somewhat unclear, but the discussion has focused on two issues. It is certain that Congress intended to protect the residential and high priority users to the greatest extent possible from the impact of decontrol. Second, some believed that incremental pricing would provide order in a market that might otherwise be unstable during the decontrol period.

Mr. President, although I can understand the theory and appreciate the concerns that led to adoption of title II, I have come to the conclusion that incremental pricing in its practical, regulatory form does not contribute to an effective, efficient and equitable energy policy. Incremental pricing will not achieve market ordering and the small protection afforded to certain residential natural gas consumers comes at a high price in economic dislocation.

We must first realize that only 52 percent of all households in the United States use natural gas. The other 48 percent rely primarily on other fuel resources. The benefit of incremental pricing may accrue to a portion of the 52 percent, but the cost of this policy will be shared by all Americans. Industrial users who are forced to pay higher prices as a result of this policy will pass the cost along in higher prices for their products. Those products are purchased by all. The income transfer which results is from one consumer to another.

Others will pay a price more dear than simple inflation in the cost of consumer goods. Their contribution to this form of consumer protection will be unemployment. Major American industries which use large quantities of natural gas will become less competitive with foreign imports. Today, the price differential between American and Japanese steel is $13 per ton. If rule 2 were implemented the production costs of American steel would increase by $12 per ton. Incremental pricing would double the spread. The steel industry which is in need of new capital and investment would be seriously damaged by this cost increase. Investments would be canceled, expansions delayed and jobs lost.

Third, the residential consumers who are presumably benefited by incremental pricing might actually bear increased and unnecessary costs as a result of this policy. Although Congress intended to prevent significant load loss by putting a ceiling on the incremental price, actual practice with the phase I rule has shown substantial loss in some parts of the country. The ceiling prices posted by the energy information administration often exceed by substantial amounts spot selling prices for alternative fuel. In March, EIA was forced to drastically revise posted prices for April, because of the instability in the fuel oil market.

If load loss does occur, the residential consumer will be required to make a larger contribution to transportation costs and may well pay a portion of the incremental surcharge. As I understand the current rules, any passthrough to residential consumers would occur only after a substantial interest charge had been added to compensate the pipeline companies for the carrying cost of capital during regulatory delay.

A further economic dislocation will occur because only a portion of all high-priced natural gas is subject to the incremental rule. Gas sold in intrastate markets is exempt. In Minnesota, the current differential between exempt and nonexempt gas under phase I approaches 60 cents per mcf. Allowing 60 cents per mcf advantage to businesses locating in intrastate markets will most certainly affect location decisions. Incremental pricing will thus add to the distortions which already greatly advantage the energy-rich States.

Finally, Mr. President, I would like to comment on the market ordering theory advanced by some in favor of incremental pricing. It is true that if industries faced the true incremental price of new gas, discipline would be forced upon the market. Pure incremental pricing might even contribute to significantly lower prices for all consumers in the long run.

However, title II does not actually impose incremental pricing. What it does is force one portion of the market to bear the full cost increase for all gas consumers subject to a ceiling. The ceiling is designed to prevent cross-elasticities from playing any role in market discipline. Fuel switching and load loss are to be prevented. This combination of contradictory signals and the regulatory complication of implementation effectively prevent any market ordering direct. To the extent that the rules are unworkable in practice, instability rather than order results.

Mr. President, I have closely examined the market ordering claims made by the proponents of incremental pricing. If the market did in fact respond to decontrol with undisciplined bidding for new gas supplies, there might well be an argument for some form of the incremental price policy contemplated by title II. In a demand-push market without incremental pricing, natural gas prices to industrial users might reach the price of alternative fuels.

In that case, application of an incremental pricing rule would make little difference to the industrial user. However, demand-push market does not currently exist and the instability that was envisioned at the time title II was adopted now seems less likely. Because the conditions have changed since November of 1978 when NGPA was passed, it is appropriate to repeal title II or hold its implementation in abeyance at this time.

The economic dislocations caused by phase I and phase II rules have a greater cost than the benefit of incremental pricing in the current market. That is not to say that I would oppose every policy consistent with the intentions of title II in every market circumstance.

Mr. President, there are other problems related to implementation that I have not touched upon. However, I have a letter signed by every member of the Minnesota Public Service Commission and an accompanying document which do raise other issues. Mr. President, I ask that these items be printed in the RECORD along with my comments, today.

The documents are as follows:

MINNESOTA PUBLIC SERVICE COMMISSION,
St. Paul, Minn., April 16, 1980.

Re: Incremental Pricing of Natural Gas

Hon. DAVID DURENBERGER,
U.S. Senator,
Russell Senate Office Building,
Washington, D.C.

DEAR SENATOR DURENBERGER: Title II of the Natural Gas Policy Act of 1978 (NGPA) called for the establishment of a national program of incremental pricing. Enclosed is the Minnesota Public Service Commission's review of that program.

The Commission believes incremental pricing has proven to be detrimental to the interests of natural gas consumers and the nation. Despite the good intentions of the Federal Energy Regulatory Commission (FERC), many incrementally priced gas customers are shifting to the use of fuel oil. The Minnesota Gas Company and other Minnesota distributors have applied for exemption from the requirements of incremental pricing because of loss of load. Such load loss adversely affects residential and other high priority gas consumers, who must pay an increased share of pipeline and distributor costs.

Minnesota is not the only state to experience the adverse effects of incremental pricing. Chairman Stanley York of the Wisconsin Public Service Commission has sent the Minnesota Commission a copy of his letter to FERC Commissioner George Hall pointing out that the posted ceiling prices are considerably above current oil prices, and are causing fuel switching.

By May 9, 1980, the FERC is to publish final rules for "Phase II" of incremental pricing. Unlike the nonexempt consumers in Phase I, many of those affected by Phase II have no ability to burn alternate fuels, and thus will be unable to protect themselves economically by shifting from natural gas.

FERC's Phase II rules must be submitted to Congress, where either house may disapprove them within thirty days. The Minnesota Public Service Commission respectfully urges you to disapprove the Phase II rules. Expansion of incremental pricing, which is the goal of Phase II, will simply increase its adverse impacts. Therefore, Congress should "veto" the Phase II rules.

Legislation has been introduced in both Houses of Congress to repeal incremental pricing. This Commission respectfully urges you to support such legislation. Each month incremental pricing remains in effect is characterized by poor resource allocation, direct harm to natural gas consumers, and a general reduction in the national welfare.

Again in conclusion, the Minnesota Public Service Commission respectfully requests that you:

(1) Disapprove FERC's Phase II expansion of Incremental Pricing; and

(2) Do all in your power to ensure repeal of Title II of the NGPA.

Sincerely,
ROGER L. HANSON, *Chairman,*
RICHARD J. PARISH,
KATHERINE E. SASSEVILLE,
JUANITA R. SATTERLEE,
LILLIAN WARREN-LAZENBERRY,
Commissioners.

INCREMENTAL PRICING REVIEW, MINNESOTA PUBLIC SERVICE COMMISSION

Title II of the Natural Gas Policy Act of 1978 (NGPA) required the Federal Energy Regulatory Commission (FERC) to establish a program of incremental pricing of natural gas. The incremental pricing program is designed to pass certain increased costs of new gas supplies directly through to large industrial customers, until their rates for natural gas are equal, per Btu, to the cost of fuel oil.

OBJECTIVES OF INCREMENTAL PRICING

The FERC has identified two purposes which those who advocated incremental pricing hoped the program would accomplish. First, the program was supposed to shield residential, commercial, and other high priority natural gas consumers, in the short run, from the full impact of higher gas prices resulting from Title I of the NGPA, and from wellhead price deregulation. As incrementally priced consumers paid more than their proportional share of new gas costs, exempt consumers would pay proportionately less. Second, incremental pricing was supposed to perform a "market ordering" function. Incrementally priced consumers would apply pressure on their pipeline suppliers to bargain vigorously with gas producers to minimize new gas costs. In turn, the bargaining would prevent a rapid increase in gas prices, to levels above the long run equilibrium, when wellhead prices are deregulated.

EXPERIENCE WITH INCREMENTAL PRICING

When Congress passed Title II of the NGPA, incremental pricing was an untested concept. The FERC was given a year to promulgate rules applying incremental pricing to industrial customers using gas for boiler fuel. These rules, adopted in September of 1979, define the program for "Phase I." By May 9, 1980, new rules must be adopted, applying incremental pricing to such other industrial customers as the FERC may specify, except those exempt by statute. These "Phase II" rules must be submitted to the Congress, and are subject to veto by either House within thirty days of submission.

Nearly a year and a half has passed since enactment of the NGPA. During that time, hundreds of issues arising from incremental pricing have been thoroughly explored in numerous rulemaking proceedings of the FERC. Phase I has been in operation for several months. We now have a good idea of the probable content of the Phase II rules. This exploration, this experience, and this knowledge—none of which was available to the Congress in 1978—bring us to these conclusions:

1. Incremental pricing will not achieve the market ordering objective.

2. Residential, commercial, and other high priority natural gas consumers are at least as likely to be harmed as protected by incremental pricing.

3. Incremental pricing has caused very serious adverse side effects.

INCREMENTAL PRICING WILL NOT ORDER THE MARKET

There are both "active" and "passive" scenarios to the market ordering concept. In the "active" scenario, incrementally priced customers tell the pipelines to keep new gas costs down. The customers see that their incremental surcharge is caused by high new gas costs, and attempt to motivate the pipelines to hold a lid on those costs.

Of course the effectiveness of this mechanism depends completely on the degree of leverage the incrementally priced customers can bring to bear on the pipelines. The discussion of the "passive" mechanism will show the leverage to be miniscule. As it happens, though, the degree of leverage is irrelevant, as the proliferation of state plans for incremental pricing has effectively blocked the operation of the active mechanism. Under a state plan, the regulatory authority raises the rates of those customers to the price ceiling. The customer's rates are therefore determined independently, and the customer is indifferent to the level of new gas costs incurred by the pipeline. A more complete discussion of this phenomenon may be found in this Commission's Statement to the FERC on Statewide Exemptions from Incremental Pricing, a copy of which is attached.

In the "passive" scenario, the pipelines realize that too many gas costs applied to the industrial customers may cause them to shift to the use of alternate fuels. Because pipeline earnings depend upon the volume of gas delivered the loss of these customers' load would threaten pipeline profits. Therefore, pipelines will attempt to keep new gas costs down to the greatest possible extent.

While this sounds convincing, it ignores one feature of the NGPA incremental pricing program. Congress realized that revenues from sales to industrial consumers cover not only variable costs, but also contribute substantially to recovery of pipeline and distributor fixed costs. Were those sales to end, residential, commercial, and other high priority customers would have to pay increased rates to cover fixed costs. This would conflict with the objective of protecting high priority customers from price increases. The situation reduces to this: incrementally priced customers should not burn natural gas, as that contributes to the demand for gas, and new gas supplies are more expensive than old gas supplies. On the other hand, incrementally priced customers should increase their contributions to recovery of fixed costs of pipelines and distributors. Obviously, these two statements are incompatible. Both Congress and the FERC decided high priority customers would fare better with some industrial demand and fixed cost recovery than with no industrial demand. Therefore, the statute was written, and has been implemented, to place a ceiling on the incremental pricing surcharge, which attempts to prevent most industrial customers from switching to alternate fuels. Without the threat of fuel switching, there is no market ordering mechanism.

RESIDENTIAL AND OTHER HIGH PRIORITY CUSTOMERS ARE HARMED BY INCREMENTAL PRICING

Despite the earnest efforts of the FERC to design a workable program, we are now experiencing a great deal of fuel switching. Incrementally priced customers are switching from natural gas to fuel oil because the fuel oil is cheaper, often by $1 or more per million Btus. No one intended this to happen. It is going on because the incremental price ceiling for any month is calculated from fuel oil prices reported several months earlier, and residual fuel oil prices have fallen. High priority customers will have to pay increased rates to recover fixed costs previously paid by those who have switched. Furthermore, the loss of those customers has increased the proportion of new gas costs which must be paid by high priority customers.

Residential, commercial, and other high priority customers will also be hurt by the pipelines' inability to make a timely recovery of all new gas costs. Purchased Gas Adjustments (PGAs) were calculated on the assumption that surcharges would be collected from incrementally priced customers. Uncollected surcharges means uncollected purchased gas costs which will be carried forward into the next PGA period. High priority customers will then have to pay not only the uncollected purchased gas costs, but also the carrying costs. In effect, high priority customers are receiving a loan from the pipelines, which must be repaid with interest. At today's rates, that loan may be more costly than many consumers would freely agree to.

High priority consumers were building up these "loans" of uncollected purchased gas costs even before the fuel switching started. The earlier buildup started when state regulatory authorities began establishing state incremental pricing plans, and preventing the flow of surcharges back to the pipelines. As these surcharges stayed within the states, unrecovered purchased gas costs, and the interest on these costs, began to build. High priority customers will begin paying these costs during the next PGA period.

The existence of state plans also means that high priority customers are receiving unequal treatment under the incremental pricing program. States with a great deal of incrementally priced gas load raised their rates to those customers, and used the increased revenues to reduce rates to high priority consumers. Other states adopted incremental pricing plans to avoid a net flow of funds from their exempt ratepayers to ratepayers in other states. If there were no state plans, all consumers exempt from incremental pricing would receive equal benefits through the FERC's "reduced PGA" method. With state plans, high priority consumers in states with much incremental load find themselves much better off than similar consumers in states with little incremental load. Furthermore within any one state, high priority customers receive different treatment according to the incremental load served by their natural gas distributor. (These points are discussed more fully in the Statement on Statewide Exemptions from Incremental Pricing.) Thus state plans cause incremental pricing benefits to gravitate to certain customers. It is probable that as the program continues, many residential and commercial customers will receive none of the benefits flowing from the incremental surcharges. These consumers will not, however, be shielded from the increased rates which will come as incrementally priced customers shift to alternate fuels.

ADVERSE SIDE EFFECTS OF INCREMENTAL PRICING

There is no point in attempting to list all harmful effects of incremental pricing. Such a list would be long and controversial; it would be nearly impossible to make it truly comprehensive. Nevertheless, it is important to recognize at least some of these. The increased consumption of fuel oil as gas customers shift fuels is obvious, and requires no discussion. Two other effects are not so obvious.

First, incremental pricing leads to a subsidy of high priority gas consumers by consumers of other fuels. To the extent incrementally priced customers can pass higher costs on to their customers, those customers pay the subsidy. They may heat with oil, electricity, propane, wood, or something else; still they pay more so that high priority gas customers may enjoy lower rates. While this is certainly nice for high priority gas customers, it is questionable how appropriate this policy is when gas is, on the average, already the cheapest heating energy.

Second, incremental pricing has caused severe damage to relations among the states. As discussed in the Statement on Statewide Exemptions from Incremental Pricing, the incremental pricing program has encouraged states to engage in "beggar-my-neighbor" actions. In turn, those actions have caused other states to behave defensively. This behavior has been as damaging to the concept of a single United States as a tariff war between neighbors would be.

CONCLUSION

Incremental pricing has not and cannot achieve its stated goals. It has done damage both to those it sought to protect, and to the national interest. It has brought no compensating benefits. The incremental pricing program, Title II of the NGPA, should be repealed.●

SOUTH DAKOTAN WINS AWARD FOR DISTINGUISHED RURAL SERVICE

● Mr. McGOVERN. Mr. President, I am extremely proud to announce to my colleagues in the Senate the selection of Mr. Roman Kettler of Eden, S. Dak., as one of the two winners of the first annual Winthrop Rockefeller Award for Distinguished Rural Service. Working with the National Rural Center, the selection trustees for the award chose to honor Mr. Kettler and Minnie Miller Brown, from Raleigh, N.C., for their dedicated efforts on behalf of their local rural communities.

Roman Kettler has been instrumental in initiating economic development projects in a rural South Dakota area. His success has been inspiring to those of us who understand the barriers that can inhibit investment. Many Washingtonians are very familiar with one of his projects, the manufacturing of Dakotah quilts and accessories, which are available in area stores.

The following biography of Mr. Kettler and the explanation of the award program are a part of the invitation to the awards ceremony which will be held May 14, here in Washington.

Mr. President, I ask that the Distinguished Rural Service award information be printed in the Record, together with the biographical sketch of Roman Kettler.

The material follows:

Roman Kettler

Roman Kettler, Eden, South Dakota, agriculture supervisor for the Northeast South Dakota Community Action Program.

A former farmer and former bank president, Mr. Kettler developed an innovative approach to helping low-income farmers get access to capital and diversify their operations. The Northeast Livestock Cooperative began by loaning pigs directly to farmers. Pigs were loaned and pigs were paid back as principal and interest. Then, the pigs were sold and the revenue created the lending cooperative's continuing fund. The fund, now backed by other loans, buys certificates of deposit for loan guarantees at 30 area banks. Loan guarantees are available for livestock only.

Since the cooperative began in 1971 it has helped more than 250 low-equity farm operators leverage more than $2.5 million in loans and it has been the model for two other co-ops in South Dakota. The concept emphasizes technical assistance from experienced farmers.

In addition, Mr. Kettler is credited with an instrumental role in the development of Dakotah Incorporated, an indigenous employee-owned sewing corporation that began in 1972 with a sales volume of $30,000. In 1979, sales total $6.5 million for the 350 owner-workers and the payroll was $2 million.

Dakotah comforters, draperies, and pillows are sold through department stores, including the J. C. Penney Co., Macy's, Saks Fifth Avenue, and Bloomingdale's.

When the company began, employees volunteered for the first eight months until the corporation could afford to pay. Because they owned it, workers were determined to make it succeed. When suitable work sites were unaffordable, the Kettlers opened their home to the business. Workers took over the basement, attic, and second floor in both day and night shifts.

As an organizer for Dakotah Incorporated, Mr. Kettler helped locate and develop work sites, as well as identify individuals for the work force. He was also instrumental in securing adequate start-up financing through the First National Bank of Eden with a Small Business Administration loan guarantee.

Education: eighth grade, Day County (South Dakota) Schools.

The Award Program

The Winthrop Rockefeller Award for Distinguished Rural Service was launched in June 1979, by the National Rural Center. It highlights rural issues by recognizing individual accomplishments and leadership in local communities and the academic community.

Former Pennsylvania Governor Raymond Philip Shafer chaired the nine-person 1980 selection panel. Nominations were received from 44 states. The 172 nominations represented the full scope of rural development activities; job creation and economic development; agriculture; the delivery of community services including health care and education; finance; and business and manufacturing enterprises. They came from both the public and private sectors.

During the mid-seventies, more people in this country moved to rural areas than to urban areas. In contrast to national policies, which seemed to assume that people would leave rural America, people returned. Despite the national trends, out-migration continued in many rural areas. This suggests that the absence of opportunity in any area, rural or urban, will serve only to further block the national goal of productive lives in a productive economy. The award seeks to examine and highlight the potentials and problems resulting from the population change.

Named after the former Arkansas governor, the award developed through a grant to the National Rural Center from the Winthrop Rockefeller Charitable Trust when the center was founded in 1976. The center—a nonmembership, nonprofit, policy research corporation—was to consider ways to memorialize the late governor's interest in rural development. Its Board of Directors authorized the awards for distinguished rural service.●

TITO FUNERAL

● Mr. DURENBERGER. Mr. President, considerable attention has recently been paid in this Chamber and elsewhere to the death of President Tito of Yugoslavia. Such attention is altogether appropriate, for President Tito was an enormously significant figure in world politics. His discipline, will, and vision were the source of four great achievements.

First, he succeeded in creating a unified Yugoslavia against great odds. Second, he succeeded in preserving the independence of his country from German and Russian expansionism alike. Third, he steered Yugoslavia away from a Stalinist economic system and toward a prosperous and viable mixed economy, demonstrating thereby that others could stand up against monolithic communism. Finally, he cofounded the nonalined movement and succeeded in keeping this movement truly nonalined, most recently at the Havana conference.

His death therefore removes from the scene a truly remarkable leader. It is for this reason that so many international heads of state and heads of government have converged on Belgrade to pay tribute to a colleague. Among those attending President Tito's funeral are prime Minister Thatcher, Chancellor Schmidt, and Chairman Brezhnev. Among those not attending are the heads of state of Djibouti and of the United States of America.

Were this funeral merely an occasion for pomp and ceremony, President Carter's decision not to go to Yugoslavia might be understandable. Were the President confined to the White House by the press of business, his decision would be sensible. But neither circumstance prevails.

The United States has consistently supported the independence and nonalinement of Yugoslavia for more than 30 years. We should continue to do so. The President's attendance at a gathering which will be closely scrutinized by the citizens of Yugoslavia and of other countries would have both symbolized and lent substance to his recent announcement that we will help Yugoslavia preserve its autonomy. His absence, however, may readily be construed as still another ambiguity in our foreign policy.

Moreover, the presence of so many international figures in Belgrade would have provided the President an opportunity to consult with other leaders in a time of crisis. Instead, the White House has recently expressed its annoyance at the "constant carping" of our allies over the state of U.S. foreign policy.

It is no denigration of the talents of the Vice President or the importance of his office to suggest that this was a mission that should have been undertaken by Jimmy Carter rather than by his surrogate. The President has recently declared that our problems are sufficiently "manageable" to permit excursions on the campaign trail. If so, why did the President choose to pass up an opportunity to clarify our foreign policy?

Mr. President, I am forced to wonder whether, as an editorial in the Minneapolis Tribune puts it, "Inconsistency is the President's Hallmark, Etched Deeper by Dubious Judgment." I therefore ask that the editorial be printed in the Record.

The editorial follows:

Carter Fumbles on Tito's Funeral

Offered a long-expected opportunity to demonstrate American concern for Yugoslavia and respect for its fallen stateman while meeting informally with the likes of China's Hua Guofeng, the Soviet Union's Brezhnev, Britain's Thatcher and West Germany's Schmidt, President Carter gave a familiar response: "Send Fritz."

Sending Vice President Mondale to President Tito's funeral might be understandable if Carter were still insisting that he could not in good conscience leave the White House. But the president now says the crisis over hostages in Iran is somehow manageable enough to let him end his six-month isolation. The inescapable message is that campaigning at home takes precedence over an overseas event of worldwide significance.

This is not to slight Mondale's competence in diplomacy or domestic politicking. He has represented the country well on foreign trips, and his energetic campaigning the past few months must have made voters wonder whether his running mate was really on the renomination ticket. He is conducting himself with predictable aplomb in Belgrade, and the only question is why Carter decided not to join the other world leaders who are there.

Everything contradicts the notion that Tito's death was not important enough to justify a day or two of the presidential presence. Tito was the last of the great leaders from the World War II era, a founder of the nonaligned movement, a man who for a generation united an ethnically divided country and kept it out of the Soviet grasp. The remarkable assembly of heads of state in Belgrade testifies to both the solemnity and the diplomatic potential of the occasion. Carter's absence has overtones of petitiness, as though rubbing elbows with Brezhnev would bring an ideological taint.

The notion of overriding demands at home borders on the preposterous. If the hostage crisis requires continuing top-level attention, Carter could keep as well informed at a funeral in Yugoslavia as on the hustings in the United States. Besides. previous crisis failed to deter presidential travel. In a prelude to their November attack, Iranians on Feb. 14, 1979, took over the U.S. embassy in Teheran. At the same time in Kabul, Afghans abducted and killed the American ambassador. Hours later, Carter left for Mexico. His avoidance of Tito's funeral adds to the impression that inconsistency is the president's hallmark, etched deeper by dubious judgment.●

THE BUFFALO DAY CARE CENTER

● Mr. DURENBERGER. Mr. President, our Nation's economic problems have affected everyone. Each of us feels the effect of inflation and we respond in different ways. The Government's response, all too often, is to either raise taxes or cut services. In the private sector, however, competition makes either of those responses risky at best. Consequently, the private sector looks for innovative solutions. The result in many cases is better service and lower costs.

A brilliant example of such creativity is the Generations Day Care Center in Buffalo, Minn. This unique facility started out as a nursing home for 154 residents of Wright County. John Thompson, the administrator of the retirement center, knew that more could be done with the facility. So last year he invited Paulette Klatt to organize and develop a day care center at the nursing home. The combining of two generations turned out to be as natural as bringing grandparents together with their grandchildren.

While the center assures the privacy of the senior citizens more times than not you can find seniors and children mixing freely. The nursing home residents take part in a host of activities including field trips. The seniors are adding a new dimension to the education of the children and the children are adding new meaning to the lives of their adopted grandparents.

Combining a day care center with a nursing home has proven to be an efficient and cost-effective use of the facilities. Because of the in-kind contributions of the nursing home, tuition remains relatively low. The day care center is licensed for 23 children and is constantly full. Children from all economic levels are enjoying the unique quality of life in this creative arrangement.

Buffalo, Wright County, and Minnesota are extremely proud of this venture. The private sector has once again shown its strength by the development of this program.

Mr. President, this program received national attention in March on the CBS evening news. I ask that the entire text of that broadcast be entered in the Record.

The material follows:

CBS Evening News With Morton Dean

Dean. You won't find it on any map, but "Generation Gap" still exists, at least as a state of mind, for many people. At the Wright County Retirement Center near Minneapolis, there's an unusual project underway to bridge that gap. Chris Kelley reports.

Chris Kelley. For years, this nursing home looked like any other institution where old people stayed to finish out their years. But then something remarkable happened. The children arrived.

It's called the Generations Day Care Center, and the staff says this is the first day-care center anywhere to operate in a nursing home. Now old and young learn from each other and play together.

Esther Thomas. I think it's just wonderful. It keeps me young. It's good for me, and I think it's good for anybody to play with kids. They teach you plenty.

Kelley. Children romp through the rooms, make a lot of noise that doesn't bother anybody, and soak up plenty of attention.

Old Man (extending handshake to child). Come on! Give me a five! Oh, boy! (Laughter)

Kelley. Babies get wheeled through the hallways and can always find laps to bounce on.

Woman. That's tough, isn't it?

Voice of Edith Rudolph. It gives me something to do, instead of sitting looking at the four walls. I need—I need something to do.

Kelley. Does this add a little meaning to your life?

Rudolph. Yeah, and I like—I like these little kids. I really do.

Kelley. The children and the residents even take field trips together. Here, they helped each other enjoy the circus.

(Music—circus elephant act—children applauding)

Voice of Paulette Klatt (center director). For the children, it's like a dream come true, because they're daily surrounded by all the grandparents that they could ever dream of having, and for the residents it's like having their families brought much closer.

(Resident and children singing "Here We Go Round the Mulberry Bush")

Kelley. One of the biggest thrills for the children is riding in Edna Rotsolk's wheelchair. Edna used to teach first grade. Now, she's teaching again, and this time it means even more to her.

Edna Rotsolk. Well, it makes me feel that I'm not a vegetable; that I'm at least doing something to contribute, and I'm not just a vegetable sitting here and waiting to die, like some people say.

Kelley. The children hadn't seen a wheelchair before coming to the home. Now they learn about aging and how old people cope with disabilities. But mostly the kids have a good time with the residents.

Tracey Lemire. They're fun. (Laughter)

Kelley. Why are they—why are they so much fun?

Tracey. 'Cause they are.

Kelley. Do you like to play with them?

Tracey. Yeah.

(Residents and children playing)

Kelley. Chris Kelley, CBS News, Buffalo, Minnesota.

Dean. And that's the news. I'm Morton Dean, CBS News, New York. Have a good evening and a good week.

(Announcements).

Announcer. This has been the CBS Evening News with Morton Dean.●

THE CALENDAR

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar Orders Nos. 723, 726, 727, and 728.

Mr. BAKER. Mr. President, reserving the right to object, and I will not, I have one inquiry of the majority leader and one announcement.

I have a notation on Calendar Order No. 726 on my calendar that it is cleared, provided it is a clean bill and there are no amendments or modifications and no committee amendments.

Mr. ROBERT C. BYRD. Very well.

Mr. BAKER. Mr. President, with that understanding, I wish to announce that all four items identified by the majority leader are cleared on our calendar and we have no objection to their consideration and passage.

NORTHEAST CORRIDOR COMPLETION ACT

The Senate proceeded to consider the bill (S. 2156) to amend the Railroad Revitalization and Regulatory Reform Act of 1976 to authorize additional appropriations for the Northeast Corridor improvement project, and for other purposes, which had been reported from the Committee on Commerce, Science, and Transportation with an amendment to strike all after the enacting clause and insert the following:

That this Act may be cited as the "Northeast Corridor Completion Act".

FINDINGS AND PURPOSE

Sec. 2. The Congress hereby finds that—

(1) completion of the Northeast Corridor improvement project has taken far longer than originally expected and requires more funding than originally authorized;

(2) in a time of inflation and severe budget limitations, such an improvement program should have definite limits in both time and funding committed;

(3) the efficient and orderly management and funding of rail passenger service requires that the Northeast Corridor improvement project be eventually terminated as a separate program and that future improvements in the Northeast Corridor be integrated into the budget of the National Railroad Passenger Corporation so that any future improvements can be compared with and considered with other expenditures which might be undertaken elsewhere in the Nation; and

(4) within 5 years, the National Railroad Passenger Corporation should recover all costs of operation in the Northeast Corridor and, following completion of the Northeast Corridor improvement project, the Corporation should also recover the costs of any subsequent capital improvements.

RAIL PASSENGER CORRIDOR SERVICE

Sec. 3. Section 703 of the Railroad Revitalization and Regulatory Reform Act of 1976 (45 U.S.C. 853) is amended—

(1) in the first sentence, by striking "goals:" and inserting in lieu thereof "goals to the extent compatible with the amount of authorizations specified in section 704 of this title:";

(2) in paragraph (1)(A)(i) thereof, by striking "Within 5 years after the date of enactment of this Act," and inserting in lieu thereof "No later than September 30, 1985,";

(3) in paragraph (1)(E), by inserting "(i)" immediately after the paragraph designation (1)(E), and by striking "(i)" and "(ii)" in such paragraph and inserting in lieu thereof "(I)" and "(II)", respectively;

(4) in the fourth sentence of paragraph (1)(E)(i), as so redesignated, by striking "6" and inserting in lieu thereof "10"; and

(5) by adding at the end of paragraph (1)(E) the following new subparagraph:

"(ii) Within 12 months after the date of enactment of the Northeast Corridor Completion Act, the Comptroller General of the United States shall submit to the Congress a report on rail passenger corridor service. Such report shall include (I) an evaluation of the potential costs and benefits of improvements in the Northeast Corridor and of developing rail passenger service in other corridors, and (II) proposals on the manner in which costs should be shared or trackage rights fees established between rail freight and passenger service. In the preparation of such report, the Comptroller General shall consult with the Department of Transportation, the National Railroad Passenger Corporation, the Association, affected railroads, and other interested parties. The Comptroller General, in preparing such report, shall consider such factors as congestion, delays to both passengers and freight, fuel efficiency, safety, the control of train operations, and the impact of diversion on other modes. In carrying out this subparagraph (E) (ii), the Comptroller General may use unobligated funds, previously appropriated for fiscal year 1980 and available to the General Accounting Office for the purpose of carrying out studies, if there are such funds, or such sums as may be appropriated to the General Accounting Office to carry out such studies for the fiscal year 1981. Sums used in carrying out this subparagraph shall not exceed an aggregate of $5,000,000.

SEPARATE OF PASSENGER AND FREIGHT TRAFFIC

Sec. 4. Section 703 of the Railroad Revitalization and Regulatory Reform Act of 1976 (45 U.S.C. 853) is further amended—

(1) by inserting "(A)" immediately after the paragraph heading in paragraph (3) and by adding at the end of such paragraph the following:

"(B) Within 6 months after the date of enactment of the Northeast Corridor Completion Act, the Department of Transportation shall develop plans for alternate off-corridor routings of freight traffic over lines along the Northeast Corridor between Washington, District of Columbia, and the New York Metropolitan area including intermediate points.

"(i) The Secretary may enter into agreements with rail freight carriers and regional transportation agencies for a period of no less than 5 years to provide for the implementation by such rail carriers of the off-corridor routings on such terms and conditions as the parties may agree. Promptly upon reaching such agreement, the Secretary shall apply to the Commission for approval of the agreement and all related agreements accompanying such application.

"(ii) If the Commission finds that approval of such agreements is necessary to carry out the purposes of this Act, it shall within 90 days approve such application and related agreements including the provision of service and/or use of tracks and facilities as provided in said application.

"(iii) If the Secretary and any other involved rail freight carriers are unable to reach the agreement or agreements necessary as provided in clause (i) of this subparagraph, the Secretary may, with the consent of all involved rail freight carriers, make application to the Commission which shall, within 90 days after such application, if it finds that doing so is necessary to carry out the purposes of this Act, find the terms and conditions for the agreement necessary and such terms and conditions shall be binding upon all involved rail freight carriers.

"(iv) Within 12 months after the date of enactment of the Northeast Corridor Completion Act, the Secretary shall submit to the Congress a report on:

"(I) an evaluation of the extent to which passenger and freight operations should be separated in the Northeast Corridor; and

"(II) an evaluation of any operational, safety, maintenance, or other problems of mixing freight and passenger service on the same rail lines.

In the preparation of such report, the Secretary shall consult with the Comptroller General of the United States, the National Railroad Passenger Corporation, the Association, affected railroads, and other interested parties. The Secretary, in preparing such report, shall consider such factors as congestion, delays to both passengers and freight, fuel efficiency, safety, the control of train operations, and the impact of diversion to other modes and the impact of diversion on other modes."; and

(2) by adding at the end thereof the following new paragraph:

"(6) Elimination of Congestion.—The elimination, to the maximum extent practicable, of congestion in rail freight and rail passenger traffic at the Baltimore and Potomac Tunnel in Baltimore, Maryland, by the rehabilitation and improvement of such tunnel, for purposes of implementing the Northeast Corridor improvement project under this title.".

AUTHORIZATION OF APPROPRIATIONS

Sec. 5. (a) Section 704(a) of the Railroad Revitalization and Regulatory Reform Act of 1976 (45 U.S.C. 854(a)) is amended—

(1) in paragraph (1) thereof, by striking "$1,600,000,000 to remain available until expended" and inserting in lieu thereof "$2,313,000,000 to remain available until September 30, 1985";

(2) by striking the period at the end of paragraph (3) and inserting in lieu thereof "; and"; and

(3) by adding at the end thereof the following new paragraph:

(4) $37,000,000 to remain available until expended in order to effectuate the goals of section 703(3) and section 703(6) of this title.".

(b) The amendments made by subsection (a) of this section shall take effect on October 1, 1980.

(c) Section 704 of the Railroad Revitalization and Regulatory Reform Act of 1976 (45 U.S.C. 854) is further amended by adding at the end thereof the following new subsections:

"(h) Acquisition of Real Property.—The Secretary is authorized to acquire for the United States, by lease, purchase, condemnation, or otherwise, title to any interest in real property, including, without limitation, lands, easements, and rights-of-way, and any other property interests, including, without limitation, contract rights, which the Secretary deems necessary to effectuate the goals of section 703 of this title.

"(i) Reimbursable Agreements.—Where a portion of the costs of improvements authorized under section 703 of this title are to be borne by State or local governmental entities or other responsible parties, the Secretary is authorized to enter into agreements with such cost-sharing parties providing for the Secretary to carry out such improvements with funds appropriated pursuant to this section and requiring reimbursement to the Secretary by the cost-sharing parties of their portion of the costs of such improvements. Where the Secretary has entered into such reimbursable agreements, the Secretary is further authorized to incur obligations for contracts to carry out such improvements in anticipation of such reimbursement to such extent or in such amounts as may be contained in appropriation Acts Funds reimbursed to the Secretary shall be credited to the appropriation originally charged for the costs of such improvements to be available for further obligation.

"(j) Excess Equipment and Other Property.—Notwithstanding the provisions of section 202 of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 483) or of any other law, the Secretary may transfer to the National Railroad Passenger Corporation, in accordance with procedures which the Secretary shall establish, excess real or personal property from the Northeast Corridor improvement project. As consideration to the United States for such transfer, property so transferred shall be made subject to the mortgage entered into pursuant to subsection (e) of this section. For purposes of this subsection, the term 'excess real or personal property' means—

"(1) any interest in real property acquired under the authority of subsection (h) of this section which is determined by the Secretary to be (A) usable by the National Railroad Passenger Corporation; and (B) no longer required by the Federal Government in order to implement the Northeast Corridor improvement project; or

"(2) any item of personal property, such as equipment, which is acquired with funds authorized under this section.".

MANAGEMENT GOAL

Sec. 6. Section 701 of the Railroad Revitalization and Regulatory Reform Act of 1976 (45 U.S.C. 851) is amended by adding at the end thereof the following new subsection:

"(d) Management Goal.—(1) It shall be a goal of the National Railroad Passenger Corporation to manage its operating costs, pricing policies, and other factors so that annual revenues derived from the operation of intercity rail passenger service over the Northeast Corridor spine between Washington, District of Columbia, and Boston Massachusetts, shall equal or exceed:

"(A) 60 percent of the annual operating costs of providing such service in fiscal year 1981;

"(B) 75 percent of the annual operating costs of providing such service in fiscal years 1982 through 1985;

"(C) 100 percent of the annual operating costs of providing such service in fiscal years 1986 and 1987; and

"(D) in subsequent fiscal years, 100 percent of the annual operating costs of providing such service plus the annualized cost of any capital improvements undertaken after fiscal year 1985.

"(2) The National Railroad Passenger Corporation shall submit to the President for transmission to the Congress an annual report on the success of the National Railroad Passenger Corporation in meeting this goal.".

TRANSFER OF AUTHORITY

Sec. 7. (a) Title VII of the Railroad Revitalization and Regulatory Reform Act of 1976 (45 U.S.C. 851 et seq.) is amended by redesignating sections 705 and 706 as sections 706 and 707, respectively, and by inserting after section 704 the following new section:

"TRANSFER OF AUTHORITY

"Sec. 705. (a) Effective October 1, 1985, the Secretary shall transfer to the Corporation all authority and responsibility for carrying out the Northeast Corridor improvement project and implementing the goals of section 703 of this title.".

(b) Effective October 1, 1985, section 703 of the Railroad Revitalization and Regulatory Reform Act of 1976 (45 U.S.C. 853) is amended—

(1) by striking "Secretary" the first place it appears and inserting in lieu thereof "National Railroad Passenger Corporation";

(2) in paragraph (1) (D), by striking "the Secretary and";

(3) in the fifth sentence of paragraph (1) (E), by striking "Secretary" and inserting in lieu thereof "Corporation";

(4) in the first sentence of paragraph (5), by striking "Secretary" and inserting in lieu thereof "Corporation";

(5) by striking the second sentence of paragraph (5); and

(6) in the last sentence of paragraph (5), by striking ", together with the Secretary,".

(c) The table of contents of the Railroad Revitalization and Regulatory Reform Act of 1976 is amended by striking the items relating to sections 705 and 706 and inserting immediately after the item relating to section 704 the following:

"Sec. 705. Transfer of authority.
"Sec. 706. Conforming amendments.
"Sec. 707. Facilities with historical or architectural significance.".

WORKING CAPITAL FUND

Sec. 8. Section 9 of the Department of Transportation Act (49 U.S.C. 1657) is amended by adding at the end thereof the following new subsection:

"(r)(1) The Secretary is authorized to establish a working capital fund for financing the activities of the Transportation Systems Center. Such fund will be effective on October 1, 1980, and shall be available without fiscal year limitation. The Transportation Systems Center is authorized to perform research, development, test, evaluation, analysis, and other related activities as the Secretary may direct for the Department and other Government agencies and, when approved by the Secretary or his designee, for State and local governments, other public authorities, private sources, and foreign countries.

"(2) The capital of the fund shall consist of—

"(A) the net assets of the Transportation Systems Center as of October 1, 1980, including any unexpended advances made to the Center for which valid obligations are incurred as of September 30, 1980;

"(B) any appropriations to the fund, which are hereby authorized to be made; and

"(C) the fair and reasonable value of property or other assets transferred to the fund after September 30, 1980, by the Department and other agencies of the Government less the related liabilities and unpaid obligations, and the fair and reasonable value of property or other assets donated to the fund from other sources.

"(3) The fund shall be reimbursed or credited with advance payments from applicable funds or appropriations of the Department and other Federal agencies, and with advance payments from other sources, as authorized by the Secretary or his designee, for services provided at rates that will recover the expense of operation, including accrual of annual leave and overhead, and for acquisition of property and equipment in accordance with regulations to be issued by the Secretary. The fund shall also be credited with receipts from the sale or exchange of property or in payment for loss or damage of property held by the fund.

"(4) At the close of each fiscal year, there shall be transferred into the Treasury as miscellaneous receipts any funds accumulated which the Secretary determines to be surplus to the needs of the working capital fund.".

AMENDMENT TO RAIL PASSENGER SERVICE ACT

SEC. 9. Effective October 1, 1980, section 601(b)(3) of the Rail Passenger Service Act of 1970 (45 U.S.C. 601(b)(3)) is repealed.

PRIORITIES FOR IMPROVEMENTS

SEC. 10. Section 703 of the Railroad Revitalization and Regulatory Reform Act of 1976 is further amended by adding at the end thereof the following new paragraph:

"(7) PRIORITIES FOR IMPROVEMENTS.—The following considerations shall be applied to the selection and scheduling of specific projects, in the following order:

"(A) safety of the passengers and users of the Northeast Corridor must be paramount, and safety-related items should be completed prior to other items;

"(B) potential ridership should be considered, with those activities which benefit the greatest number of passengers completed before those involving fewer passengers;

"(C) reliability of intercity passenger service must be emphasized;

"(D) trip-time requirements of this Act must be achieved to the extent compatible with the priorities cited in subparagraphs (A) through (C) of this paragraph;

"(E) reducing maintenance cost levels is desirable, and improvements which will pay for the investment by achieving lower operating or maintenance cost should be implemented;

"(F) on-time performance of Corridor commuter and freight operations must be optimized, and construction operations should be scheduled in order that the fewest possible passengers are inconvenienced and service is maintained; and

"(G) planning should focus on completing activities which will provide immediate benefits to the users of the Northeast Corridor.".

Mr. TSONGAS. I am pleased to see the overwhelming support of my colleagues for the Northeast Corridor project. At a time when we seem to be paying little attention to long-range planning, the Senate's endorsement of the 5-year authorization is a welcome change. The 5-year authorization is crucial. It provides the project managers with a clear idea of the resources available to them. Without this allocation, the project managers would be forced to make major design alterations to accommodate the annual authorization process.

Speaking as the Senator from Massachusetts, the full $750 million authorization is particularly pleasing because any reductions would have dramatically affected Massachusetts. I refer specifically to electrification north of New Haven to Boston and to funding for the segment of the Corridor project which runs from Forest Hills, Mass., into Boston's South Station. Reductions in the funding levels would have endangered these and other projects dependent upon their completion, specifically the South Station project and the Southwest Corridor project. Major economic development projects have been based upon the electrification of the Corridor and will now go forward when this bill is signed by the White House.

The Northeast Corridor project will prove that rail transit in this country is not a thing of the past, not a love affair with an era gone by, as many would have us believe. Upon completion of the project, trip times along the Corridor should be competitive with air service and the goals as mandated by the Congress indicate that the Corridor should cover its operating expenses through operating revenues. If the project can meet its goals and the energy situation continues to result in increased ridership, as we have seen in the past 9 months, the Northeast Corridor project will act as the model for further expansion of rail service within other sections of the country. I am pleased to see that my colleagues realize the national importance of this project. I appreciate their support at a time when many projects are being cut back.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the bill, as amended, was passed.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

FEDERAL ELECTION COMMISSION AUTHORIZATIONS, 1981

The bill (S. 2648) to authorize funds to carry out the Federal Election Campaign Act of 1971 for the fiscal year ending September 30, 1981, was considered, ordered to be engrossed for a third reading, read the third time, and passed as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 314 of the Federal Election Campaign Act of 1971 (2 U.S.C. 439c) is amended, in the second sentence therof, by—

(1) striking out the word "and" where it appears immediately after "1977,", and

(2) by inserting immediately before the period at the end thereof the following: ", and $9,400,000 for the fiscal year ending September 30, 1981".

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 96–679), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

The bill would authorize appropriations for the Federal Election Commission for the fiscal year ending September 30, 1981, in the amount of $9,400,000. This figure represents an increase of $754,000 above the Commission's $8,646,000 appropriation for fiscal year 1980 and a 5.8 percent increase over the $8,881,000 provided in the Senate authorization bill for fiscal year 1980.

COMMITTEE ACTION

On March 26, 1980, the Committee on Rules and Administration received testimony from the Commission concerning the FEC budget authorization request for fiscal year 1981. Prior to the hearing, in response to several questions from the Chairman, the Commission had submitted information and materials in addition to its initial justification.

In testimony before the committee the Commission witnesses presented two budget figures. The first was a budget of $11,530,160 and a staff of 309 permanent personnel which represented the Commission's estimate of the resources necessary to fully implement and enforce the Federal Election Campaign Act of 1971, as amended. The other figure represented a "basic budget" of $9,864,644 and 273 permanent positions, that is, a continuation of the fiscal year 1980 enforcement level adjusted for Government-wide pay raises and inflation.

Commission witnesses were questioned concerning the policy of the FEC with regard to audits and its implementation of the auditor's recommendations to improve the Commission's audit procedures. The Committee was advised that although no discretionary audits had been done for the 1978 elections, the basic budget for 1981 did include sufficient funds for a few discretionary audits in fiscal year 1981. Also, the Commission advised that it had adopted policies to implement many of the auditor's recommendations and that it had adopted a schedule for consideration of further recommendations during 1980, but that a few of the recommendations were rejected due to changes in or conflicts with the Federal Election Campaign Act. The Committee was informed that the Commission had established a timetable for completion of the 1980 presidential audits by July 1, 1981.

The Committee took note of the fact that the Commission's estimate of the number of qualified presidential candidates in 1980 was in excess of the number that actually qualified; that of those qualifying, a number had dropped out from the contest early in the election year; that Congress had adopted many of the technical amendments requested by the FEC in order to reduce its costs by improving its operation and efficiency, and inquired as to whether the fiscal year 1981 budget reflected a reduction in costs as a result of these changes. The Commission witnesses argued that other changes in the new act required an increase in expenditures that offset any saving that may have been realized as a result of such changes, and therefore, no reduction was reflected in the fiscal year 1981 budget authorization request.

The Committee also questioned the Commission's request for a substantial increase of funds for the Office of General Counsel, a major portion of which would be for increased offensive litigation and questioned the policy of the Commission regarding its selection of cases for litigation. The Commission witnesses stated that the FEC will be reexamining its priorities for its selection of cases to encourage compliance with the act, and that it must have adequate funding to have the ability to bring suits in furtherance of its enforcement responsibilities. A witness observed that, due to its limited resources, the Commission has no policy and only a minimal enforcement program with regard to late filers, despite the importance of timely filing to an effective disclosure statute.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

PRINTING OF "OUR AMERICAN GOVERNMENT"

The concurrent resolution (H. Con. Res. 279) to authorize the printing of a revised edition of "Our American Government" as a House document, was considered, and agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 96–680), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

House Concurrent Resolution 279 would provide (1) that a revised edition of the House document entitled "Our American Government" be printed as a House document; and (2) that there be printed 556,000 additional copies of such document, of which 453,000 copies would be for the use of the House of Representatives and 103,000 copies would be for the use of the Senate. Such document would be revised under the direction of the Committee on House Administration.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the concurrent resolution was agreed to.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

PRINTING OF "HOW OUR LAWS ARE MADE"

The Senate proceeded to consider the concurrent resolution (H. Con. Res. 95) to provide for the printing of the brochure entitled "How Our Laws Are Made," which had been reported from the Committee on Rules and Administration with an amendment on page 2, beginning with line 6, insert the following:

SEC. 2. There shall be printed for the use of the Senate fifty-two thousand additional copies of the document specified in section 1 of this concurrent resolution.

The amendment was agreed to.

The concurrent resolution, as amended, was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 96–681), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

House Concurrent Resolution 95 as referred would provide (1) that the brochure entitled "How Our Laws Are Made," as set out in House Document 95–259 of the 95th Congress, be printed as a House document, with a suitable paperback cover of a style, design, and color, to be selected by the chairman of the House Committee on the Judiciary, with emendations, and with a foreword by the Hon. Peter W. Rodino, Jr.; and (2) that there be printed 246,000 additional copies of such document, of which 25,000 would be for the use of the House Committee on the Judiciary and the balance prorated to the Members of the House of Representatives.

The Committee on Rules and Administration has amended House Concurrent Resolution 95 to provide for the printing of 52,000 additional copies of such document for the use of the Senate.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the concurrent resolution as amended, was agreed to.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON ARMED SERVICES

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Committee on Armed Services be authorized to meet during the session of the Senate today to hold a hearing on the Iranian hostage rescue mission.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON NUCLEAR REGULATION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Nuclear Regulation Subcommittee of the Committee on Environment and Public Works be authorized to meet during the session of the Senate today beginning at 3 p.m. to hold a markup session on the fiscal year 1981 authorization for the Nuclear Regulatory Commission.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Committee on Commerce, Science and Transportation be authorized to meet during the session of the Senate today to hold a markup session on S. 2238 the NASA authorization bill, S. 2530, railroad labor protection extension bill, and other pending calendar business.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECESS UNTIL 1 P.M.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business this morning, it stand in recess until 1 o'clock this afternoon.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECESS FROM FRIDAY, MAY 9, 1980, TO MONDAY, MAY 12, 1980, AT 9 A.M.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until the hour of 9 o'clock on Monday next.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL 1 P.M.

Mr. ROBERT C. BYRD. Mr. President, under the previous order, I move that the Senate stand in recess until the hour of 1 o'clock p.m.

The motion was ageed to and, at 1:55 a.m., the Senate recessed until 1 p.m., Friday, May 9, 1980.

EXTENSIONS OF REMARKS

NATIONAL SECURITY LEAKS

HON. LES ASPIN

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 8, 1980

● Mr. ASPIN. Mr. Speaker, it is time that we in Congress complain just as loudly as those in the administration about national security leaks.

Administrations, be they Republican or Democrat, have a predilection for pointing at Congress and bewailing the fact that the legislative branch can't keep a secret.

But the big leaks—the ones with massive potential for damage to national security—seem always to come from the executive branch.

This week we have seen a major security leak, or rather a series of leaks, the likes of which occur no more than three or four times a decade. What I am talking about is a series of stories that appeared this past week in the New York Times revealing details of the plans for freeing the hostages in Tehran. These stories stated that a number of agents had been infiltrated into Iran under the guise of being European businessmen and that these agents had obtained a warehouse in Tehran that would serve as the final staging area for the penetration of the Embassy compound.

What makes these leaks so serious is that they deal with what the intelligence agencies guard the most—sources and methods. Armed with these stories, the Iranian Government would be able to go a long way toward fingering those in the country who have been helping us. It is a major breach of security comparable, I believe, to the leaking of the U.S. SALT I negotiating position.

Mr. Speaker, these leaks could not have originated in the Congress. Congress had been briefed about the details of the mission leading up to the decision to abort, but not of the plans for the takeover of the Embassy. Furthermore, I note that the New York Times itself credits these details to "American military officials," a turn of phrase that ordinarily means civilians in the Pentagon. The term "officers" rather than "officials" would normally be used if the sources were uniformed.

For months we have been lobbied by the administration to give the Central Intelligence Agency exemption from provisions of the Freedom of Information Act and from the requirement to notify eight committees of Congress about covert actions. Officials tell us that foreign intelligence services and potential sources of intelligence information abroad are reluctant to deal with our intelligence services for fear that their ties will be exposed on the front pages of American newspapers, either because of leaks from Congress or because sensitive material has been leveraged out of the administration by FOIA.

We are also being told that, because foreigners are fearful that secrets will be leaked, the intelligence agencies must have the power to blue pencil manuscripts written by present and former intelligence officers to make sure they don't reveal anything sensitive years after the events.

Finally, we have been told recently that it is unacceptable for us to enact legislation mandating that Congress be kept "fully and currently informed" of intelligence activities because a leaky Congress would then have to be told the most sensitive details of intelligence sources and methods which might then get into the press.

The common theme in all of this is that foreign intelligence agencies will not cooperate with us. The CIA has said repeatedly in hearings that it is perceived abroad that working with U.S. intelligence is too risky because too many people have access to the information.

Mr. Speaker, if foreign intelligence people are reluctant to cooperate with us, I can now understand why—and it has nothing to do with the FOIA, prepublication review, the *Snepp* decision, intelligence charters, or the right of Congress to information.

The headlines scream that agents entered Iran posing as European businessmen. That is certain to help us get more cooperation out of European intelligence services.

I also wonder how many legitimate European businessmen in Tehran are having the soles of their feet whipped right now as Iran's new secret police, Savama, tries to get to the bottom of the plans for the raid.

We also relied on help given by Iranians, as a host of stories leaked to the press indicate. The story in the New York Times specifies that the "European businessmen" obtained a warehouse. What do you think is the life expectancy of any Iranian who has had dealings with any "European businessmen" who recently departed from Iran and left an empty warehouse behind? Surely any Iranian with half a brain won't have to think twice before declining to help us in the future since he can now figure the U.S. Government will help hang him on the front page of the Times.

Some of the stories say this information is coming out after all of the people involved have fled to safety. Maybe and maybe not. But if we are worried about the cooperation of foreigners, leaks like these would make them extremely nervous about cooperation. How can the leaker or leakers know everyone is safe?

Mr. Speaker, if foreigners are reluctant to cooperate with us, it is the fault of our own agencies.

They should know that the fault is not in Congress or in the FOIA but in themselves. Recall that despite weeks of forewarning, our people rushed out of Saigon leaving filing cabinets filled with the names of our agents. We gave North Vietnam a veritable index to their future cemeteries. When our Embassy in Tehran was taken over, sensitive information is said to have fallen into the hands of militants. There is now a rumor going about that one of the helicopters left in the middle of Iran contained a list of the people in Tehran who were to be evacuated after the Embassy raid. Blunders of this order will make everyone gunshy about cooperating with the United States on clandestine missions. It is bad enough to read about your help on the front pages of the New York Times. It is even worse to have Savama or Hanoi's gestapo knock on your door and show you a U.S. Government document with your name inscribed on it.

Leaks seldom occur for no purpose. The details of the plans for the Embassy raid were clearly leaked to the press in an effort to save the administration from looking foolish. The administration has been attacked for sending in only 90 men to try to take over a 27-acre embassy compound. Descriptions of all the infiltrated agents ready to help in Tehran are designed to show that the plan was far more fully staffed than appeared at first glance. The administration is attacked for not continuing the mission with the five remaining helicopters. The leaks are designed to show that the helicopters had to carry out more people than just the 90-man-rescue team and the 53 hostages.

What we are seeing right now is the worst of all possible types of leaks—a leak intended to protect some people in the administration from criticism, a leak released without consideration for the effect it might have on human lives in Tehran, a leak that could put a complete halt to the cooperation we have been getting from many foreign intelligence services and sources of information, to say nothing of the one place where we need all the help we can get: Iran.

This is potentially the most damaging leak of the decade.

Mr. Speaker, we are hearing a lot about congressional investigations of the planning and execution of the raid itself. I believe we need a congressional investigation about the leaks. I am not looking for a neck to wring. But I am looking on with shock and dismay that anyone in any administration could deal so lightly with national security information.

In conclusion, I have two pieces of advice for the administration:

First, shut up. Do not reveal any more details through the back door. Any details that can safely be made public should be released through the front door.

Second, get off the back of Congress. I am not looking for scapegoats in the administration and I have wearied of administrations looking for scapegoats in Congress. None of the administration's finger pointing is doing one whit for national security.●

LEAGUE OF WOMEN VOTERS SUPPORT S. 1309

HON. FREDERICK W. RICHMOND

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 8, 1980

● Mr. RICHMOND. Mr. Speaker, I am including for the RECORD a letter from the League of Women Voters to Chairman FOLEY expressing the league's strong support for S. 1309, Food Stamp Act Amendments of 1980:

LEAGUE OF WOMEN VOTERS,
Washington, D.C., May 8, 1980.

Hon. THOMAS S. FOLEY,
Chairman, Committee on Agriculture, House of Representatives, Washington, D.C.

DEAR CHAIRMAN FOLEY: The League of Women Voters of the United States Delegate Assembly voted overwhelmingly this week to reaffirm our strong support for the provisions in the Food Stamp Amendments Act, S. 1309, as reported by the House Agriculture Committee.

Over 2000 League delegates representing 1400 state and local Leagues in 50 states, the District of Columbia, Puerto Rico and the Virgin Islands came to Washington to set League program and priorities for the coming two years.

The League believes that the food stamp program is one of our nation's chief weapons against hunger. We have had a longstanding commitment to expand and strengthen the program's effectiveness and ability to respond to those most in need. We firmly believe that the Food Stamp Amendments Act, S. 1309, is essential to meet the needs of our nation's poor. The League of Women Voters Delegate Assembly offers their support to you in your efforts to pass S. 1309.

Sincerely,

RUTH J. HINERFELD,
President.●

UNITED STATES MUST CONTINUE TO LEAD IN THE EXPLORATION OF OUR SPACE FRONTIERS

HON. DON FUQUA

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 8, 1980

● Mr. FUQUA. Mr. Speaker, I would like to share with the House the address of our able colleague from Florida, Mr. NELSON, before the 17th Space Congress held April 30, 1980, at Cocoa Beach, Fla.

The Space Congress is an annual meeting of the men and women, both civilian and military, from Government and private industry, who have made our efforts in space a success. Its purpose is to look forward to the new challenges posed in space.

I was honored to have been invited to deliver the keynote address to this year's Space Congress, but due to unavoidable conflicts, I could not. My colleague on the Science and Technology Committee and the Space Sciences Subcommittee, Mr. NELSON, graciously agreed to deliver the keynote address again. He had done so last year as the Congressman representing Cocoa Beach and Cape Canaveral.

I would enclose at this point in the RECORD, Mr. Speaker, the remarks of my colleague from Florida, and I would add that they capture the vision that is our space program as well as the direct benefits we all derive from this national effort:

KEYNOTE SPEECH BY CONGRESSMAN BILL NELSON TO 17TH SPACE CONGRESS

Ladies and gentlemen, it is a special honor indeed to be called to keynote this Congress for the second consecutive year.

Let us consider our accomplishments in space exploration since we last met here.

Last summer Voyager II, which was launched from the Cape in August of '77, swung through the Jupiter system, completing the reconnaissance of Jupiter and its satellites begun by Pioneers 10 and 11 and greatly expanded by Voyager I last March. As a result of the Voyager flights mankind has learned, in the period of only one year, more about the largest planet in the solar system and therefore about the whole system itself, than was learned in all the ages which went before. The discoveries were dramatic and exciting, and not just to scientists. They include:

1. The discovery of a previously unknown ring around Jupiter and a fourteenth moon,
2. The discovery of active volcanos in Io, the first confirmation of extraterrestrial volcanism we have had,
3. Observations and measurements of the dynamics of the turbulent Jovian atmosphere, and
4. High resolution imagery of all four Galilean moons, from which we can draw logical conclusions about composition, tectonics and crustal features.

Then last September, Pioneer 11, six years after launch, almost a billion miles from Earth and traveling at a speed of 72,000 miles per hour gave us our first closeup observation of Saturn. It swooped down on Saturn from above the plane of the famous rings, swept under the rings, and headed out-bound, passing close to the largest Saturn moon, Titan, considered by many scientists to be the most likely place in the solar system to find elemental forms of life.

The pioneer pictures of Saturn are twenty to thirty times better than the best that have been taken from Earth.

Pioneer:

1. Determined that Saturn has a magnetic field and trapped radiation belts,
2. Measured the mass of Saturn and several of its moons,
3. Confirmed the presence and measured the magnitude of an internal heat source for Saturn, and
4. Discovered two additional Saturn rings and an eleventh moon.

All during the year just passed, another Pioneer has been orbiting Venus and using its radar altimeter to map the surface of that perpetually cloud-covered planet. By the end of next month that job will have been completed and scientists will have their first real picture of the terrain of Venus from 75 degrees North to 63 degrees South.

And those explorations are far from over. Next November the first Voyager with its advanced instruments and more capable systems will arrive at Saturn followed by Voyager II about thirteen months from now.

The accomplishments of the Pioneers and Voyagers have been triumphs by any measurement. But it is important to remember that they were launched from three to eight years ago after a minimum of five years of pre-launch planning, design, development and testing. The questions we must ask ourselves are, "what accomplishments will we have to report a dozen years from now? Are we doing the planning, the development now that will be required to continue the exploration process? Or are we unwillingly creating an exploratory hiatus, a dam in the stream of knowledge from space which nourishes our earthly science and technology?"

The attempt to answer those questions leads to the matter of concerns for the future of a viable, constructive space program. That concern, in this spring of 1980 stems from two sources; the need to reduce federal spending across the board in order to help bring inflation under control, and repeated delays in the development of the Space Transportation System on which the whole space effort and important aspects of national defense for this decade depend.

Certainly few reasonable men can deny the necessity to put America's fiscal house in order, nor could they deny that to do so requires a controlled reduction of the present inflation rate, nor that a reduction of federal spending and a balanced federal budget is necessary, in part, to come to grips with inflation.

I fully agree with and support, especially as a member of the Budget Committee, efforts along those lines. I do, however, regret a suggested necessity of reducing the funding of programs which by their own nature are anti-inflationary.

The space program falls directly into that category. A most effective warrior against inflation is the increased productivity which produces more and better goods, brings down prices, creates jobs and improves our balance of payments in foreign trade. Increased productivity comes directly from the introduction of high technology into the production and management process, and the space program is the cutting edge of high technology.

I don't need to list for this audience the spin-offs to the private sector from the space program or the transfers of technology from space efforts to industry, but, in this special setting, let me cite just one outstanding example—the benefits deriving directly from the Apollo program.

The basic engineering challenge of Apollo was to provide maximum capability and maximum reliability with minimum weight in minimum space. Successful response to that basic challenge led directly to the current U.S. lead in computer technology, remote control systems, navigation systems, telecommunications, and aircraft control systems, and significantly accelerated progress in areas of medicine, manufacturing, transportation, construction, communications, energy systems, and even recreation, home appliances, and food products.

In coordinating the efforts of over 20,000 industrial prime, second and third tier contractors and the 5.6 million parts of the spacecraft and launch systems, along with some 200 universities and 90 foreign nations, NASA developed an advanced management system incorporating highly effective quality control and information interchange techniques. That system has now been adapted in varying degrees by many of the nation's leading corporations markedly increasing their efficiency.

In view of such beneficial effects on the national economy, I feel that funding reductions in high technology areas such as the space program should be held to an absolute minimum. And I believe that many of my colleagues in the Congress share that feeling.

As you know, late last month the President submitted to the Congress an amended and balanced budget which closely paralleled our House Budget Committee product and necessarily included reduced funding for almost every federal agency except, appropriately the Department of Defense. NASA's share of the overall funding reduction was some $220 million, not a crippling cut, but a serious one. Evidence of the vital national importance of the Space Shuttle is the fact that full funding for that program was retained.

It is important to realize that although most of us here are primarily concerned with the scientific and the peaceful, technological, and practical uses of space which will be expanded by the Shuttle, it's military uses are essential to our national security.

The military aspects of the Shuttle have been part of the Shuttle program from the beginning. The Secretary of Defense testified recently that the Shuttle program "is extremely important to the Department of Defense."

He said, "By the mid-1980s we will be nearly totally dependent on the Shuttle for supporting our national security space missions."

"Space systems," he said, "are increasingly more important for support of our military forces in areas such as communications, navigation, early warning, surveillance and weather forecasting. Over the next five years, our dependence on the Shuttle to support our space systems will become critical."

The missions the Defense Department has scheduled, beginning in 1982, are so important that hundreds of millions of dollars have been invested in building additional Titan III missiles as back-up launch vehicles, in case the Shuttles are not ready to go. Five Titan IIIs are being produced and the Defense Department has contracted for the long-lead items for two more Titans, which will be built if necessary.

Given, then, the "critical" importance of the Shuttle, both militarily and scientifically, and given the anti-inflationary productivity increases accruing from the space program in general, there is reason to hope that funding cuts in NASA programs can be held to even lower numbers than are proposed by the administration in the amended budget.

There appears to be a hopeful trend in that direction in the Congress. On the 16th of this month the full House Science and Technology Committee followed the recommendations of its subcommittees and voted unanimously to fund the NASA fiscal 1981 budget at a figure of $104.5 million above the Administration's amended budget. At the same time the committee voted thirty to one in favor of the fiscal 1980 $300 million supplemental for the Shuttle. The funding approved by the committee was exactly in line with a proposal made by the House Budget Committee. The Budget Committee had kept NASA's cuts to a minimum for the productivity reasons stated while extracting $22 billion in other government programs. Although the situation is not as favorable in the Senate, and although there are a lot of hurdles ahead, I find these trends encouraging.

However, even if the entire $220 million reduction is imposed, full funding will remain in effect for the Shuttle, including the production of follow-on orbiters, and the two new starts—Gamma Ray Observatory (GRO) and National Oceanic Satellite System (NOSS)—will be accomplished primarily by delays and deferrals of planned projects such as the International Solar Polar mission, the Earth Radiation Experiment and certain Spacelab experiments in the fields of physics, astronomy and the life sciences.

In short, as Dr. Lovelace has testified before the Congress, the reductions, although painful, will not be crippling. NASA will not reach all of its goals as soon as we all would like, but it will reach them all.

NASA's most immediate goal, here and now, is to complete development and testing of the Space Shuttle and begin operational flights. I have been disappointed at the delays and slippage in the development schedule, even though such problems can be anticipated in advanced research and development programs of this magnitude.

I now believe that there will be no further major delays. The main engine problems which were the pacing items have been solved and testing is ninety percent complete. The thermal protection system which has given so much trouble is now giving less. I think we can realistically anticipate completion of the tile installation in July and a first orbital test flight late this year or early in 1981. Depending on results from the test flights, we should see actual operations with significant payloads beginning in the spring of 1983.

I am personally looking forward with great anticipation to the day that regularly scheduled Shuttle operations begin in what I hope will be an atmosphere of fiscal order and good health, because on that day the doors to a new era of technology will truly be flung open.

Although I am certainly no prophet, it is possible to extrapolate from current state of the art to what can logically develop in the years ahead.

Here are some highlights I believe we can reasonably expect:

1. The Space Shuttle, with enhanced capability and with its inevitable follow-on, fully reuseable systems, will lead to the construction of increasingly large and complex facilities in space. It will become more efficient to leave people in space for longer periods to work.

2. One of the first really large facilities in space could well be a prototype satellite power station to prove the concept of beaming electrical power to distribution grids on Earth. If that concept is proven, an increasing share of our electrical power requirements could come from the inexhaustible and non-polluting energy of the sun.

3. The revolution in communications brought about by satellite technology will continue and accelerate, such as orbiting "switchboards in the sky" for personal communication.

4. Improved Earth sensing and meteorological satellites combined with ground-based sensors, computors, and communications systems could well be combined into a national and then a global information network to monitor and manage all the resources of our planet.

5. Initial experiments indicate very strongly that the processing of materials space in the absence of gravity with its attendant effects of convection and sedimentation, can lead to dramatic innovations in the fields of metallurgy, medicine, composite materials, glass for use in optics and lasers, crystal growth and others.

6. Continuing exploration of the deep universe with the Space Telescope and follow-up facilities observing in all wave-lengths of the electromagnetic spectrum will bring us ever closer to answers to the age-old questions of life, matter and energy. One such discovery could be the nature of the energy which powers quasars, the most energetic objects ever observed.

What can we conclude from these extrapolations?

We can conclude in a most positive way that an innovative, imaginatively planned, adequately funded, aggressively pursued program to exploit the unique environment of space will start to solve some of the technological and economic problems which plague our nation . . . and it will bring us back into the full sunlight of world leadership where we belong.

In these remarks I have projected the great future I think we have as the lead nation in space.

This morning, however, there are dark clouds over our country. There is a black mood of frustration and anger among our people over the hostages in Iran. And the long shadow of Soviet aggression has fallen over the Persian Gulf and Southwestern Asia.

And quite frankly, my friends, the future of our hostages in Iran looks grim.

When Bani Sadr received a 75% majority in the recent presidential election, the United States had hopes that it would at least have a stable and a rational government with which to deal. These hopes were dashed when the Ayatollah moved to undercut Bani Sadr's authority.

The United States has consistently sought to address this crisis in a reasonable and rational manner. The Ayatollah has just as consistently refused to do so.

And so today, the future looks grim.

The President reported last Friday morning on the dramatic rescue attempt, and all of the subsequent network news analyses overlooked a fleeting paragraph of his Friday morning speech. For in that paragraph he said that he ordered the rescue mission because his options were running out.

Because we in America value human life and want to save those 53 people in and around Tehran, we executed a brave and daring, although highly dangerous, rescue mission that, because of incredibly bad luck had to be canceled.

What are our options for the future?

I stated this past weekend in several news interviews that I felt that our allies would continue to support us and would proceed with economic sanctions. That is what occurred over the last few days.

But, in my judgement, economic sanctions are not going to produce the freedom of the 53 Americans being held illegally. Even in the irrational mind of the Ayatollah, he knows that he can command the attention of the world and stretch the patience of the United States as long as he holds innocent Americans hostage.

That, therefore, leaves the President with one remaining option of action—military action.

There are risks to any action. Economic sanctions will, and have already started to, bring the Soviet Union and the so-called government of Iran closer together. Military action in Iran could well accelerate that process as well as cause a confrontation between the super powers.

Yet military action may be required because of the interest of the United States and the industrialized world which remains so dependent on middle eastern oil.

So as we look to the future and talk about Iran, Afghanistan, and the Persian Gulf region, we will never have a reduction in the tensions there until we can reduce our dependence on that oil.

In 1942, the Bernard Baruch Commission reported to President Roosevelt on a crisis of that time. That crisis was the shortage of natural rubber, a significant war material that was desperately needed. American ingenuity went to work. Within three years this country had developed a synthetic rubber industry. When the allies rolled into Berlin, they rolled in on synthetic rubber. It was because America had the challenge and had the will to overcome.

The strength of Americans yesterday and today, indeed the strength of the entire nation, is the will to overcome, the will to prevail, that springs from the heart of every American.

That is the will that I ask of you individually and collectively—to overcome and to prevail in this crisis.●

THE FASHION CAPITAL

HON. JOSEPH P. ADDABBO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 8, 1980

● Mr. ADDABBO. Mr. Speaker, New York will be saluting the fashion industry during the week of May 12 through May 15. The week will be celebrated by a series of events sponsored by fashion industry organizations, educational institutions, and New York City's museums. Because of the vital role of the fashion industry, New York City has acquired another nickname, the Fashion Capital.

I would like to take this opportunity to personally praise the multimillion-dollar industry and the boon it has been to New York City. The industry has not only captured the recognition of New Yorkers but is respected by the whole Nation. Presently, many American men and women are monitoring the New York fashion trends for this summer and are anxiously awaiting to preview this fall's collection. It is only fitting that a week long celebration will be held to bring attention to the accomplishments of this great industry.

Besides national acclaim, the fashion industry represents profit to a large spectrum of New York businesses. New York City is very honored to have this industry in our city. I am sure that the week of commemorating the industry will be a success and a pleasure for all involved.●

MAY 18 IS SHRINERS HOSPITAL DAY IN NORTHERN CALIFORNIA

HON. HAROLD T. JOHNSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 8, 1980

● Mr. JOHNSON of California. Mr. Speaker, while we are all familiar with the wonderful work done by the Shriners Hospitals for Crippled Children, it is appropriate that time be set-aside occasionally to take special cognizance of the help the 21 Shriners hospitals have provided children throughout the country.

On Sunday, May 18, we will call public attention to the Shriners Hospital for Crippled Children in San Francisco, the unit which serves northern California. The San Francisco hospital was the fourth unit in the Shrine network, having been built in 1923.

I invite my colleagues in the Congress to take special note of May 18, Shriners Hospital Day in our region. The following resolution proclaiming that day summarizes the record of the Shriners hospitals in brief:

Whereas since 1922 the Shriners Hospitals for Crippled Children have provided medical and rehabilitative treatment to more than 250,000 youngsters; and

Whereas during their 58 years of operation the Shriners Hospitals for Crippled Children have not charged a single penny for the treatment given their youthful patients; and

Whereas the 18 orthopedic hospitals and three burn treatment institutes which comprise the Shrine network continue to be recognized internationally for the training of medical specialists in these sensitive fields; and

Whereas the innovative medical procedures of the Shrine Hospitals and their development of related equipment have proven invaluable to orthopedic hospitals and burn treatment centers throughout this nation and elsewhere; and

Whereas the Shriners Hospitals for Crippled Children enjoy the well-deserved reputation as the "World's Greatest Philanthropy," as well as that of the prime beneficiaries of the annual East-West Football Game, which has as its motto, "Strong men run so that the weak may walk"; now, therefore be it

Resolved, That Sunday, May 18, 1980, be proclaimed "Shriners Hospital Day," a time when all might reflect on the great worth of this outstanding medical program.●

THE CHALLENGE OF THE EIGHTIES

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 8, 1980

● Mr. STARK. Mr. Speaker, we are all becoming increasingly aware of the financial difficulties facing our cities. This problem is of even greater concern in my own State of California. Proposition 13 has reduced the revenues of many of our cities and towns, and now proposition 9 threatens to end any assistance they are receiving from the State government.

An advertisement addressing this situation was recently printed in the Hayward Daily Review. It outlines a program which hopefully provides a solution. It is called the small cities program, and was developed by United California Bank.

I applaud this joint private/public effort to revitalize our Nation's cities. It is an excellent way of meeting the major challenges we will face in the coming decade.

The advertisement follows:

TOUGH TIMES FOR MUNICIPAL GOVERNMENTS PRESENT AN OPPORTUNITY FOR BUSINESS

As we begin the new decade, the 1980s promise to be even more complex and frustrating than the 70s. And that's saying plenty.

We all remember the interminable headlines about the dire financial straits of New York and Cleveland. Four years ago, in an effort to head off "little New Yorks" from happening here in California, United California Bank started thinking about how we could help.

After nearly eight months of intensive study, we developed a concept called the "Small Cities Program." We put together teams of bankers, accountants, urban planners, political scientists, economists, system analysts, and personnel specialists. Then we made them available to small cities to help them with their long-range financial planning. As a member of the business community, it was in our best interest to help communities where our employees worked and lived, and where their children attended school. It was important that these cities remained financially sound. And this was before anyone had heard of Proposition 13.

THE UNION CITY PROGRAM

After being invited in by Union City, our team focused on three areas—effective planning practices, work productivity improvement, and financial management. Working with Union City officals, we set up a work productivity program for city employees which saved an estimated $45,000 the first year. And a financial study showed how to offset Proposition 13 revenue losses by increasing the commercial base.

Over all, the work took more than 8 months and 1,200 to 1,500 hours—all at no expense to Union City taxpayers. The public and private team members all finished this assignment with a new appreciation of the professionalism and dedication of their fellow planners. "Plan Ahead" now has real meaning in Union City.

Similar programs are underway in three cities in the Seattle area, and in six cities in New England. In addition, the California Roundtable, a statewide organization of important businesses and associations, has adopted this program so that it can be extended to all kinds of local government units. Under their auspices, the project is gathering momentum. We're proud that our Small Cities Program has served as a model for others to emulate. We hope it will serve as a continuing example of how business can effectively assist the public sector solve many of its problems.●

THE APPOINTMENT OF SENATOR ED MUSKIE

HON. JOSEPH L. FISHER

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 8, 1980

● Mr. FISHER. Mr. Speaker, upon learning of the President's recent decision to appoint Senator Ed Muskie as the new Secretary of State, I had mixed emotions. On the one hand, I was pleased for my esteemed colleague from Maine. However, at the same time I was saddened by the fact that the Congress will be losing a key environmentalist, referred to by some as "Mr. Environment." As chairman of the Environmental Study Conference, I know what a consistent friend Senator Muskie has been to the environmental movement. He not only played a major role in the enactment of such momentous laws as the Clean Air and Clear Water Acts, he also had a hand in virtually every other piece of environmental legislation that has come down the pike over the last decade.

Senator Muskie, as chairman of the Senate Budget Committee, has always recognized that sound environmental policies make good economic sense. He has also been acutely aware of the role that workable environmental controls play in protecting both human health and the environment.

Senator Muskie has been a friend of the environment and of the Environmental Study Conference. While wishing him the best in his important and sensitive new position, he should also know that he will be missed in the Congress.●

IT IS OUR BUSINESS

HON. GUY VANDER JAGT

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 8, 1980

● Mr. VANDER JAGT. Mr. Speaker, there can be no question today that we are faced with a groundswell of American public opinion that Government has gotten too big, too intrusive, too expensive. The pollsters tell us so, and Americans are becoming more inclined to do so at the polls.

If this is so, and I firmly believe that it is, we in the legislative branch of Government have a particular duty to hear and to act. The words of Jay Van-Andel, chairman of the Chamber of Commerce of the United States, and chairman of the board of Amway Corp., headquartered in Michigan, spoke forcefully to this point in his address to the national chamber during its recent meeting here in Washington.

While urging my colleagues to read his entire address carefully and reflectively, I do want to emphasize his challenge to act:

> Because finally, the Government is us. And if Government has run amok, then it is we, the people, who will have to put it back on course.

Mr. Van Andel's remarks follow:

The economic woes of America today are many. Interest rates have soared to levels unimaginable even a year ago. Productivity has stagnated to a zero rate of growth. Taxes spiral steeply upward as we witness this year the largest tax increase in our Nation's history. Inflation eats at the vitals of our free society with ever hotter fires. American industries become increasingly obsolescent and unable to contend with foreign competitors. Energy costs continue ever upward, and political manipulation makes supplies increasingly uncertain.

Real growth of American family income has slowed to a crawl. Government spending goes higher and higher with no limits and seems out of control. Huge Federal deficits persist year after year. Business staggers under a regulatory burden that has long ago failed cost-benefit tests. Prices rocket upwards, propelled by inflation and regulatory and energy costs. Savings and capital accumulation dip to historic lows under pressure of inflation and taxation.

The leaden weight of ever bigger government suppresses freedom and destroys incentive. Most American families now need 2 wage earners just to stay even. The great American dream—the promise of a better tomorrow, of opportunity for all—dims in the eyes of many as they are told we can have no further growth—as they are told that from now on we must pull back our expectations—that from now on we must busy ourselves dividing what's left rather than creating more.

Yet all of this need not be. There is one common culprit behind all the litany of economic horrors I just recited. It is government. Government that for many years now has lost its fiscal sanity—that has taxed and taxed and spent and spent—and regulated and regulated and inflated and inflated—until it is now sucking the very life out of our free society and our free enterprise system.

Free enterprise—capitalism if you wish—first came on the world scene only 200 years ago. Until that time, for all the years of recorded history, human per capita output had hovered around $200 per year. Free enterprise—coupled with its Siamese twin personal political freedom—changed all that. And it reached its zenith in America. The result has been the highest standard of living ever achieved in the history of the world, and the longest sustained and largest free society the world has ever seen.

The free enterprise system has helped us to be the best fed, best dressed, and best endowed people in the world. We have built tens of thousands of great schools, and provided our children with an education that even the most privileged few could not obtain 100 years ago. We have built thousands of great hospitals and conquered disease in a way beyond the wildest dreams of the medical practitioners of a century ago. We have built tens of thousands of churches and staffed them with dedicated people to minister to our spiritual needs. We have added fifty percent to our life expectancy; split the atom; planted our flag on the moon; created great literature, exciting architecture and enduring music.

We have built hundreds of thousands of miles of roads, and a fleet of a hundred million autos and trucks to transport us and our goods. We have crisscrossed the country with railroads, built fleets of jet airplanes and great airports to service them—invented the means of sending voices and music and pictures through the air to bring the world to our livingrooms.

A hundred million buildings have been constructed to house us and to house the great factories that produce our wealth. Millions of acres of land have been cleared and the greatest agricultural production the world has ever seen has been created. Mines and wells and dams have been built, to provide the energy and raw materials to operate our great industrial machine.

But above all, the most important product of free enterprise is personal liberty. Political freedom is impossible without economic freedom. They are Siamese twins. We have had the blessings of both.

The essence of free enterprise is the free market. It's the most democratic system in the world. People vote every day in the free market. When they buy your product, they vote for you. When they refuse to buy, they vote against you.

But free enterprise has enemies, despite its productivity. One of its worst enemies is overgrown government. When Government inflates the currency, goes overboard on income redistribution, tries to regulate the marketplace, and to manage business, it fails despite good intentions. The American Government has so failed. We must now restore freedom to the marketplace and fiscal responsibility to government.

We live in a time of great crises in our country and in the world. But unless we conquer the economic crisis in America, we will be unable to meet the other serious challenges of this world.

As your chairman, I have crisscrossed the country this past year with a message that has reached millions. I have been likened to an economic Paul Revere. My message has been one of alarm and hope. Like Paul Revere, I have called attention to the danger and called citizens to action. Because finally, the Government is us. And if Government has run amok, then it is we, the people, who will have to put it back on course.

I have warned that inflation will not only destroy the economic fabric of America, but will destroy our free society. Ultimately, inflation always results in economic collapse, political chaos, and a desperate turn to authoritarian Government. Democracy cannot survive inflation.

I have warned that the Federal Government causes inflation—specifically the Congress with deficit spending and monetized debt. A stable money supply is fundamental to a stable Government. We have had zero inflation in the past—as recently as 1955—and we must insist upon a return to zero inflation.

The road to that goal is sharply reduced Government spending, sharply reduced taxes, and balanced Government budgets—coupled with constitutional limits on spending and taxation.

I have warned against trying to cure inflation with the fool's gold of wage and price controls. Controls result in shortages, black markets, police state enforcement, and eventual explosion. They deal with the symptoms—not causes. Politicians have tried them throughout 4,000 years of recorded history, and they have always failed.

And I have warned that voluntary guidelines are window dressing—a diversion to create the impression that in some way business and labor are the causes of inflation, instead of the victims as they truly are.

I have warned that we have taken the wrong road to plentiful energy. Government intrusion in the energy business has caused lower supplies and higher costs. To make America independent of the rest of the world in energy is a necessary and realizable goal. But we won't get there by taxing oil companies, regulating nuclear power into oblivion, designing Detroit's automobiles in Washington, controlling energy prices at artificial levels, prohibiting the building of refineries, demanding unrealistic and unnecessary pollution controls, and spending $10 billion of the taxpayers money annually on an energy department that has yet to produce a barrel of oil. Let's get the government out of energy, and private enterprise back in.

I have warned that our senseless system of taxation has sapped our incentives, reduced productivity to a frightening zero growth rate, saddled our industry with obsolescent, noncompetitive plants and equipment and created an army of tax collectors who pry into our personal and business lives with increasing arrogance. Inflation creep drives American wage earners into higher and higher tax brackets without a real wage increase to offset it. Increasingly, taxation is used to attain social goals rather than to collect revenue.

Taxes need to be sharply reduced, and the system of taxation greatly simplified. The bias toward consumption must be removed. The power to tax is truly the power to destroy, and Americans must regain control of that power at all levels of government.

And so, you see, the problems I addressed in my remarks here last May are still with us. The leadership in Washington has failed to accept most of our recommendations. Yet, everywhere I traveled this past year, editors, reporters and audiences of every description listened intently to our message. They accepted our programs as more in keeping with the traditions and objectives of this Republic than the programs and promises offered by our political leaders in power.

News reports of my speeches were comprehensive and objective, and editorials in city after city endorsed the positions we advocate. Over 25 million people heard, saw, or read my message.

It is for these reasons that, as I conclude my year as your chairman—and despite all of the disappointments we have experienced as an organization and as a nation—I am convinced that there is a consensus among the people of this Nation . . . among working men and women, among business people, among opinion leaders . . . that the solutions to America's economic problems are those that we have been proposing. I believe that there is also a realization among Americans that representative government demands their involvement, that it requires intensive participation by all citizens.

Further, it is obvious to me that the people are ahead of their leaders. The people recognize the problems, but more important, they know the solutions, and they realize that present Government policy does not embody those solutions.

But even more important, a majority of Americans now realize that inflation, bloated big government, energy shortages, high taxes, low productivity, and high prices have been created by Government and specifically by the past actions or inactions of the Congress, aided and abetted by the executive branch from time to time. They now realize that if we are going to bring about change in programs and policies, we need some changes in Congress.

It is Congress that must reduce spending, stop inflating, reduce taxes, reduce regulation, free up energy, balance budgets and shrink the size of Government. Only Congress can do this. But there is not today a majority in Congress with either the conviction or courage to bite these bullets.

We must bring about the changes in Congress that will make the present dangerous majority a minority. The very future survival of our republic depends on it. And so the opportunity races which have been identified by the Chamber's political action committee point out to us the course of action we must take if we want free enterprise and freedom to survive in America.

So the message I bring you from across our land today is that the country is with us. People everywhere share our goal to perpetuate free government in America. They know it can be lost and they are searching for the leadership to prevent further erosion of that freedom. The Chamber of Commerce of the United States has the program and the means by which to achieve our common goal . . . to provide the leadership, to enlist public support, to move elected officials in the proper direction.

The U.S. Chamber, through its member companies and affiliated organizations, represents some five million Americans—a powerful force for change in the 1980's. We have the means to communicate our ideas . . . Nation's Business; our new weekly business newspaper, Washington Report; the nationally syndicated television program, "It's Your Business"; and Chamber broadcast and editorial materials which reach millions through radio and newspapers each week.

But our most important resource—and the most important resource this Nation possesses—is you . . . and millions like you in cities, towns and rural areas all over our country . . . symbols of the continuing promise of America . . . the manifestation of the dreams of generations past, to whom this land offered hope, opportunity and reward.

This country was founded by those who wanted more . . . they yearned for greater opportunity and more personal freedom. They left England with a determination to attain it here. Later, they rebelled against the Mother country because even after escaping the geographical confines of England, they had still not achieved the economic and personal freedom they sought.

And so the last 200 years have been years in which free Americans have enjoyed the opportunity to live and prosper in a free enterprise environment. The result has been the miracle of America—the one place that all the oppressed millions of the world still dream of entering one day.

Now some may be critical that production of material wealth should not be a major goal in life. But only when a nation produces surplus wealth is it possible to develop all the other aspects of the good life—better education—better health—more leisure—cultural activities—music—art—literature—churches—schools and hospitals. All these depend on surplus wealth. Without it, we fall back to a primitive existence.

The free enterprise system is the best wealth production system the world has ever known. Even the poor in a free economy have more than the rich in other systems. A rising tide does raise all boats, large and small. But—most important of all—free enterprise makes possible that priceless possession—personal freedom.

But what of the promise for today's young people and for future generations? Some say we cannot expect to continue to grow and to create a better tomorrow. They say we are running out of resources. They argue that we must turn back the clock, lower our sights, and reduce our standard of living. They say we have reached the limits to our growth. They are wrong—totally, dismally wrong.

To them I offer these words, attributed to Abraham Lincoln:

"You cannot bring about prosperity by discouraging thrift.

You cannot strengthen the weak by weakening the strong.

You cannot help the wage-earner by pulling down the wage payer.

You cannot further the brotherhood of man by encouraging class hatred.

You cannot help the poor by destroying the rich.

You cannot build character and courage by taking away initiative and independence.

You cannot help people by doing for them what they could and should do for themselves."

This Nation has deviated from its course before and we have always found the way to return to our proper heading. We can do so now. During the past ten to twenty years, we have overburdened our economic capacity through unwise, if well-intentioned actions. Having recognized the mistakes, it's time to rectify them.

Each step in our lives presents a new challenge. Today, the challenge is to restore that which has given us the ability to achieve greatness—personal and economic freedom . . . free enterprise and with it a rejuvenated production capacity.

If the people I have met during this year are representative of most Americans—and I believe they are—the time is right for a return to the principles upon which this country was founded. The Nation seeks leadership to move in that direction. We of the business community must respond.

I shall close with the same words I have used throughout the Nation this past year—because they are even more appropriate today.

It is a human characteristic that we take for granted resources as precious as freedom . . . until it is too late, Benjamin Franklin said: "When the well is dry, we know the wealth of water."

We must not wait until the well is dry of our personal and economic freedoms. We must continue to work as leaders of American business, to preserve our free enterprise system and its Siamese twin—personal liberty. There is no greater inspiration to do so than that contained in the words of Winston Churchill as he spoke of another compelling challenge at the onset of World War II: "Still if you will not fight when you can easily win without bloodshed, if you will not fight when your victory can be sure and not too costly, you may come to the moment when you will have to fight with all the odds against you and you have only a precarious chance of survival. There may even be a worse case; you may have to fight when there is no hope of victory because it is better to perish than to live as slaves."

During those long ago dark days when Washington's men were freezing at Valley Forge, Tom Payne told his fellow citizens "we have it in our power to begin the world over again." We today have that same power. We can begin our world over again or take the chance that perhaps one day if we don't we will have to face our children or our children's children when they ask us where we were and what we were doing on the day that freedom was lost in America.

I leave you this challenge:

One man awake,
Can awaken another,
The second can waken his next door brother.
The three awake can raise the town,
By turning the whole place upside down,
And the many awake, can make such a fuss,
They finally awaken the rest of us,
One man up with the dawn in his eyes—multiplies.

The resources are available. The promise remains. It's now up to us. The American Dream will not die, if we make the commitment to keep it alive. It is your business.●

TRIBUTE TO ASIAN/PACIFIC AMERICAN HERITAGE WEEK

HON. ROBERT T. MATSUI

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 8, 1980

● Mr. MATSUI. Mr. Speaker, earlier this year, Congress passed a resolution urging the President to establish a week honoring those Americans of Asian and Pacific heritage. Subsequently, President Carter issued a proclamation establishing this week, the week of May 7 to 14, as Asian/Pacific American Heritage Week.

It gives me great pleasure today to join my colleagues and people throughout the country as we recognize and celebrate this occasion. As a cosponsor of the resolution establishing this national tribute, I believe it is important this week to stress the meaning of this occasion not only for those of Asian and Pacific heritage, but for all Americans of all ethnic backgrounds.

During this week, in communities throughout this land, we pay tribute to Asian and Pacific Americans, as well as their ancestors who traveled thousands of miles across the Pacific Ocean seeking the unlimited opportunities and freedom America has to offer.

Despite seemingly insurmountable obstacles faced by these courageous pioneers, Asian and Pacific Americans have made tremendous strides forward in recent years to overcome the many hurdles that confronted them. In the process, these people and their American-born children have made significant contributions to every field of human endeavor, including science, the arts, industry, technology, literature, government, and commerce.

During these days of tribute and celebration, we will focus our attention on fostering an increased awareness and understanding of the history and contributions of Asian and Pacific Americans to this Nation. I am encouraged that in addition to proclaiming this week, the President has called upon all Federal agencies to develop appropriate programs to help celebrate this occasion.

Also important during Heritage Week, however, is the fact that this week affords all Americans the opportunity to reflect upon our history and to develop a keener sense of perception of our national ethnic heritage.

As we review the history and struggles of Asian and Pacific Americans this week, as they sought to make America their home, it is hoped that all Americans will gain a more meaningful understanding of the foundation and principles upon which our Nation has been built and is still building.

As we examine and celebrate our heritage, it is important to recognize that it is because of our diversity and because of the encouraged preservation of our diverse ethnic makeup that we have become the great nation we are today. We can all be proud that America is the only nation in the world able to accommodate socially, politically, and culturally, millions of people from all corners of the globe who wish to make America their home.

Mr. Speaker, as an American of Japanese descent, I take great pride in participating in this national tribute. I encourage all Americans to join in celebration of Asian/Pacific American Heritage Week.●

CONGRESS SHOULD SAY "NO" TO SANDINISTA BAIL-OUT BILL

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 8, 1980

● Mr. ASHBROOK. Mr. Speaker, I am constantly amazed at how adept this administration is at ignoring the mountain of evidence that has been accumulating regarding the slide of Nicaragua into being a major beachhead for communism in Latin America. A number of my colleagues and I consider this a very short slide. However, for those who initially had doubts about the Sandinista junta's allegiances, those doubts should be dispelled by now. For the last month and a half the news from Nicaragua, coming directly from Radio Sandino and the mouths of the junta members, shows a consistent and clear policy of implementing Marxism in that nation. It is tragic to watch a once peaceful nation torn asunder by a band of Communist guerrillas; it is a disaster when you realize the U.S. Government is taking a hand in bolstering these terrorists. If the Congress moves to send the Nicaragua aid bill to conference it will become a partner to this betrayal of freedom in Latin America.

It has come to my attention that the Carter administration is not even patient enough to wait for the Congress to authorize tax dollars for the Sandinistas. Just before the April recess the State Department reprogramed $15 million in general AID funds for rural recovery projects in Nicaragua. The announcement came just as the Congress recessed, resulting in all but 1 day of the 15-day waiting period to take place while Congress was out of town. This arrogance of power is astounding. What can be so pressing in Nicaragua that the Congress must be "end runned" in order to rush tax dollars to the Sandinistas?

The reprograming of State Department AID funds for the Sandinistas shows once again that the budget that was lean and bare bones is very flexible when Foggy Bottom has a pet project it wants to undertake. Just 2 weeks ago we found $12 million in the Voice of America for the Federal Trade Commission, now there is $15 million in AID. What is this? How can we stand by and let this administration make a mockery of the Federal budget?

I have recently received word of yet another reprograming for the Sandinistas. The Defense Security Assistance Agency has found $670,000 in loose change to send to Nicaragua for national reconstruction and defense. What is going on here? Since when is it the policy of this Nation to defend the Sandinistas? What are we defending the Sandinistas from? This money is supposed to go for roadbuilding equipment and transport aircraft. What are we doing down there? Why does the Sandinistas need U.S. tax dollars for military transports? Why is the Carter administration willing to reprogram yet another batch of money to fund the Sandinista military efforts?

It is amazing that so much time and effort would be spent circumventing procedure for the Nicaraguan regime. All evidence points to the fact that the Sandinistas have moved further into the Communist orbit since this House first addressed the aid issue. On March 18 Radio Sandino boasted of how a Cuban brigade was building roads in Nicaragua. Is this where the military funds from America are going to go? Also in March and April high level Sandinistas junta members, Tomas Borge, Henry Ruiz, and Moises Morales toured the Soviet Union and Eastern Europe and solidified a number of cooperative agreements between the Kremlin and Nicaragua. Does this sound like a neutral nation? Other junta members have revealed their close ties to Castro in Cuba and to the Marxist leaders of Grenada, Angola, and Eastern Europe. Can we now vote to send this bill to conference in violation of budget procedures in light of these developments? I hope not.

How far have events gone to draw Nicaragua into the Marxist sphere?

On April 3, 1980, Le Prensa Grafica of San Salvador stated that the influx of Soviet advisers and diplomats has turned Nicaragua into a Soviet regional base for operations throughout Central America. In a recent interview with Panama City television junta member Sergio Ramirez Mercado was asked about the presence of outside advisers and specifically about the influx of Cubans. He stated, "When we, the Nicaraguans, talk about the Cubans presence we do so gratefully." A day later Mercado remarked, "Some Latin American sectors are overly concerned regarding a Communist Cuban presence in Nicaragua. However, they will welcome Fidel like a god in a few days. You'll see." Is this the neutral government we are expected to anoint with American tax dollars?

Some of my colleagues may write off these statements as harmless rhetoric used more for posturing than for policy. This could be true if it were not for the policies being carried out in Nicaragua. Since this House barely passed the Nicaragua aid bill many policies have been implemented by the junta that leaves no doubt in my mind that we are dealing with committed Communists who have no intention of creating a democracy in Nicaragua. On March 21 Paris AFP announced that an official spokesman for the Sandinista government dismissed the possibility of holding any kind of elections in the "short or medium term." The spokesman said "the people elected us with their blood," and therefore there was no need for new elections. How long is America going to discount this type of evidence? We are dealing with a dictatorship and we should not commit American tax dollars for their existence.

Is the Government open in spite of its declaration against elections? I will let Radio Sandino answer this question. On March 14 it announced that in order to consolidate the revolution, "the popular Sandinist revolution will be thoroughly purged of harmful elements, opportunists, and enemies of the revolutionary process." Is not this exactly what happened in the U.S.S.R., Communist China, Cuba, Communist Vietnam, Communist Cambodia, and many other nations to cover up the violence and tragedy that comes when communism takes hold? The trappings of freedom were finally stripped away entirely early in April when the major newspaper of Nicaragua, Le Prensa, was seized by workers and taken over by the Government-controlled journalist union. How many instances like this are necessary for America to realize that we are dealing with a consolidation of power under communism?

Within the Government itself there has been a purging of non-Marxists. Earlier this year a number of my colleagues expressed support for the Sandinista junta because it comprised other elements of the political spectrum. In late April Alfonso Robelo, the most moderate member of the junta, tried to launch a new political party to open up the representation of views in Nicaragua. This new party, the Nicaraguan Democratic Movement (MDN), was immediately branded as a "danger to the revolution" by Carlos Nunez, commander of the Sandinista revolution. As the junta cracked down on free political expression, first Violeta de Chamorro and then Robelo resigned from the junta. Their departures were denounced by the Sandinistas, but the fact remained that the only group represented in the junta was now only the Communist elements of the FSLN.

What of the great education program that this aid will help? On April 15 the Government nationalized 11 private schools in the name of the revolution. Radio Sandino stated: "Other private schools, particularly religious schools, will come under state control at the request of their owners." I wonder how voluntary those requests will be now that new militias have been formed to protect the "Literacy Guerrillas" according to Managua Domestic Service on April 9.

What of the private sector in Nicaragua? Supposedly this aid money will go to preserve the private businesses in the country. On April 11 Paris AFP reported that Luis Carrion Montoya, a leading member of the private sector and head of the National Development Bank resigned. This was closely followed by initial steps to create one central national bank. Paris AFP reported, "Some sectors of the Nicaraguan private enterprise reacted to these reports by asserting that if such measures are implemented they will be a step toward totalitarianism in the country's economy." Is this the kind of free economy we are sending American tax dollars to?

Mr. Speaker, I could go on with incident after incident where the power of the state in the name of the revolution is consolidating power under the junta and beginning to destroy what freedoms the Nicaraguan people have left. I can state further evidence of Cuban presence in Nicaragua and of the close ties the junta have with Castro. This is all public knowledge to anyone who takes the time to follow Radio Sandino broadcasts or any paper in Latin America. Only the United States seems so blind to the facts of the matter. The American media finds these incidents not newsworthy and the Carter administration finds them irrelevant. When the future of the Caribbean and the future of $75 million in taxpayer dollars are at stake I find this evidence of vital importance. I hope my colleagues refuse to buy the official rhetoric and listen to the facts. I hope this Chamber can go on record against the reprograming of phantom funds, and the failing out of a marxist regime by voting down this rule.●

METALS EXPERT SAYS HUNT'S SILVER STOCKPILING MAKES HIM A HERO

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 8, 1980

● Mr. McDONALD. Mr. Speaker, in all the recent furor over the downturn in silver prices and the role of Mr. Bunker Hunt, one vital factor has been overlooked—the role of the Soviet Union. Mr. Paul Sarnoff, a commodities specialist, recently pointed this fact out in an article in the Houston Chronicle of April 23, 1980. He points out that it is better to have someone buy and hold this silver in the United States rather than have the Soviet Union scoop it up and the silver never to return to our shores.

The column follows:

METALS EXPERT SAYS HUNT'S SILVER STOCKPILING MAKES HIM A HERO

(By Linda Gillan)

Instead of making a villain out of Nelson Bunker Hunt, the United States should be patting him on the back as a hero, says a New York financial expert.

Paul Sarnoff, director of the New York Research Department for ContiCommodity Services Inc., said in an interview that Hunt was only doing what the U.S. government has failed to do—stockpile silver to keep it out of the hands of communist countries.

The silver market was plunged into turmoil when the billionaire Texas Hunt brothers were unable to meet a call from their broker, Bache, Halsey, Stuart, Shields, Inc., for more cash—as much as $200 million—to cover silver bought on margin.

The call came after silver prices fell from a high of $50 an ounce in January 1980 to just above $10 in March, after the Hunts had acquired some 12,000 silver contracts.

The United States now uses about 160 million ounces of silver per year, but mines only about 40 million ounces, said Sarnoff. The shortfall is made up by recycled silver, scrap and coin melts and by purchases from Canada, Mexico and Peru.

"But there's an invisible war on between the forces of communism and the forces of capitalism over silver," he said.

At present, the U.S. is able to buy from these countries and we'll probably remain pretty friendly with Canada, "but there is no guarantee that Mexico and Peru can't get together and form a cartel like OPEC for oil," Sarnoff said.

"Russia mines about 47 million ounces a year now, but nobody but me seems to know how much they use."

With a population of over 300 million and what he figures is a high per capita usage of silver, he said that country may have a shortfall of 85 million to 110 million ounces per year.

"As they become more westernized, the need for silver will become more intense. There's a possibility that in the last few years they have been concentrating on beefing up their military uses of silver," said Sarnoff.

He charges that the United States has mismanaged its silver stockpile and has only 139.5 million ounces remaining, less than a year's consumption.

Future competition with Russia in the silver market "all depends on how badly the Soviet Union will need silver in the next five years." That country is now competing in the spot silver market.

That's why Bunker Hunt was a patriot according to Sarnoff. "As long as someone in the U.S. had the silver, we controlled it. He was not a villain, as the papers and magazines made him out to be."

Sarnoff said most of the silver Nelson Bunker Hunt had was acquired at less than $10 an ounce, "and I'd be willing to wager he didn't lose any money and that his position in silver is just the same now as it was then.

"He's an admirable, smart man."

Sarnoff, in Houston to speak to the Financial Analysts Federation conference at the Hyatt Regency Hotel, said, "Right now today if I had extra money, I would go out and buy silver dollars at $15 or $16 in a coin store. I'd buy five or three or even two a week," and hang onto them.

"If I were a poor person, which I'm not I'd just save pennies," U.S. pennies are 95 percent copper and it costs the federal government 3½ cents to make each one.

"If someone gets in the White House who recognizes that, they'll stop making them," said Sarnoff, and the coins will become collectors' items, as well as being valuable for their copper.

Gold, he said, is still the best investment around. "It's portable, exportable and nonreportable, and on your death bed you can just say, 'Here, Sonny, it's all yours' and hand him your bag of gold."●

BILL TO HONOR EDITH GREEN

HON. ROBERT DUNCAN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 8, 1980

● Mr. DUNCAN of Oregon. Mr. Speaker, today I offer for this body's consideration and approval a bill honoring a former Member of the House, Edith Green. In honoring our distinguished and able former colleague, we also honor the city she served so ably, by naming the Federal building in downtown Portland, Oreg., the Edith Green Federal Building.

Edith Green served Oregon's Third District in nine consecutive Congresses from 1955 to 1974. In those two decades of service she devoted her time and indefatigable energy to a whole spectrum of issues. But from the beginning she focused her concerns on education. Serving on the Education and Labor Committee she rose to be second ranking and chaired the Special Subcommittee on Post-Secondary Education. From that position she became one of America's champions of education.

The daughter of schoolteachers, and herself a schoolteacher for 14 years before coming to the House, Mrs. Green can take credit for legislation profoundly affecting the educational structure of this country. Largely through her efforts, Congress enacted the Higher Education Acts of 1965 and 1967 and the Higher Education Facilities Act. She also had a hand in raising the collective consciousness of Congress, long before it became fashionable, on the problems of sex discrimination in education and the job market. A staunch defender of women's rights 20 years ago, Mrs. Green wrote a bill critically important in the fight for women's equality—the Equal Pay Act of 1963.

A lifelong Democrat and Oregonian, Mrs. Green retired from Congress in 1974 but has actively continued her affiliation with the education, business, and political communities in Oregon and across the country. Her accomplishment on behalf of education have been readily acknowledged by institutions of higher learning across the country in the form of 29 honorary doctoral and advanced degrees. Her political acumen enjoys as wide a reputation on the local and the national scene. She served as a delegate to the Democratic National Convention in 1956 when she seconded the nomination of Adlai Stevenson for the Presidency. In 1960 she spoke at the convention on behalf of John Kennedy's candidacy and served as a delegate to the 1964 and 1968 conventions.

When my friend, Mrs. Green, left Congress in 1974, she did not retire. She continues to play an important role in Oregon politics as well as serving on the board of directors for several major corporations. In naming the Portland Federal Building after my able predecessor from the third district, we create a reminder to all Oregonians and to all Americans of what energy, intelligence, and determination may accomplish.●

THE YEAR OF THE CAMELLIA

HON. JACK BRINKLEY

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 8, 1980

● Mr. BRINKLEY. Mr. Speaker, commemorative postage stamps offer us a unique opportunity to salute persons, events, or natural treasures which are of special significance to American life.

The camellia is particularly representative of America. With its origin in the Far East; its distribution throughout the temperate worlds; its unusual bloom season throughout fall, winter, and spring; and its multiplicity of forms, color, texture, and size, the camellia is a fitting parallel to the multiple origins, phyletic characteristics, and forms of the melting pot which is our America.

To honor this aristocrat of flowers, I have urged the U.S. Postal Service to issue a commemorative camellia stamp. What year could be more appropriate for approving this singular recognition than 1980—"The Year of the Camellia"?

Mr. Milton H. Brown, executive secretary of the American Camellia Society, which is headquartered in Fort Valley, Ga., is a true scholar, whose botanical expertise and dedicated leadership are of vital importance in the camellia commemorative stamp crusade. Equally invaluable have been the spendid contributions of the society's president, Dr. Dan Nathan, who has donated a yeoman's share of time and energy to our efforts.

Mr. Brown has prepared an excellent, absorbing account of the merits of this incomparably beautiful treasure of nature, and I commend this knowledgeable background analysis to the attention of my colleagues:

Camellias were known in the Orient for at least 2,000 years before Christ. Because of the lack of trade between the Orient and the Western World, the camellia is not known to have come to the Western World until the 1700's.

The first camellia species, the common tea plant which is known as Camellia sinensis, first came to this country and was planted in the Trust Gardens in Savannah, Georgia in 1772 according to the U.S. Patent Office report of 1857. For some reason or other, tea growing in our country was not effective. In 1813, more serious effort was made to grow tea in Charleston, S.C. Here too it did not flourish.

Contrary to "camellia mythology" the Camellia japonica—the flowering variety so well known—did not reach America first in the South. Believe it or not, it entered this country in 1797 when it was imported into Hoboken, N.J. by Mr. John Stevens. One of the first camellias was the 'Alba Plena', the beautiful white camellia that is grown in all camellia-growing areas of the world and which inspired the noted writer, Alexander Dumas, to write "La Dame aux Camelia" which was later portrayed in that famous movie "Camille" by Greta Garbo.

The camellia, then, spread to the South later, entering first into the major port cities of Norfolk, Wilmington, Charleston, Savannah and in 1850 found its way into California, the year that that state joined the Union.

1980 was named the Year of The Camellia to honor these many early camellia pioneers and to celebrate the Thirty-fifth Anniversary of the founding of the American Camellia Society. This Society which is now comprised of more than 5,000 members in 44 states of the Union and in 24 overseas countries, is engaged in research to spread the general growing area of the camellia both northward and southward and is working with scientists of the People's Republic of China and Japan with the yellow camellia in an effort to bring forth many new and startling flowers.

Camellias have played a role in White House decorations beginning with President Andrew Jackson. President Franklin Pierce, a Yankee from New Hampshire, also used camellias at his State Dinners; but he was probably encouraged by Mrs. Clement Clay of Alabama when she wrote "For an entire season, the japonica (as camellias were known by the Southerners) was the only flower seen at the houses of the fashionable or mixing in the toilettes of the belles." Camellias played a role at different times and on July 25, 1957 blooming camellia plants graced both sides of the reviewing stands for the inaugural parade of President Dwight D. Eisenhower and a beautiful plant of that variety was planted on the White House lawn in 1958. President and Mrs. Nixon also were fond lovers of camellias and had them from time to time. The American Camellia Society sent camellias for the Thanksgiving decorations of the White House in 1976—the Bicentennial Year.

Again, on Inauguration Day, January 20, 1977, camellias played a key role in the decorations of the White House. The most recent lavish display of camellias at the White House was at the historic State Dinner that President Carter had for Vice Premier Teng Hsiao-ping of the People's Republic of China.

It is fitting that we recognize not only the beauty of the camellia, not only the usefulness of the Camellia sinensis species which provides us tea, not only for the gracious decorations, but also as a plant growing in the lowliest of the gardens to the lavish estates. The camellia is not a wealthy man's plant as it is cheaper than many other specialized plant genus. The camellia is not a difficult plant to grow as many believe. Yes, it is fitting that we take this time to acknowledge 1980 as The Year of The Camellia.●

ULTIMATE OUTRAGE—TAXING SOCIAL SECURITY BENEFITS

HON. GUY VANDER JAGT

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 8, 1980

● Mr. VANDER JAGT. Mr. Speaker, ultimate outrage is perhaps the only way to describe the proposal that the Federal Government tax social security benefits. It is an outrage, all right, and I certainly hope that this body will not even dignify the matter by giving it serious consideration. We ought to pass without delay legislation such as House Concurrent Resolution 292, which I have introduced to put an end to any further talk of reducing by direct Government tax the meager income security of senior citizens which this Government already reduces indiscriminately through the hidden tax of inflation. I commend to my colleagues an editorial on the subject which recently appeared in the Muskegon (Mich.) Chronicle, and again urge that we take action to put an end to this nonsense:

[From the Sunday Chronicle, Muskegon, Mich., Apr. 27, 1980]

The Carter administration has come up over the last few years with some mind-boggling examples of lusting after the public purse to fuel one or another of the budget-busting, inflationary programs so dear to the liberal heart—and so devastatingly and directly responsible for the inflationary fires in which the nation writhes.

The Carterites wanted to tax your fringe benefits as income, kill your deduction for charitable contributions, cut your Social Security benefits, raise the minimum age for eligibility as high as 70—even, at one time, drive a stake through the struggling heart of your Social Security burial benefit.

Well, by dad, they didn't get away with it. Roars of public outrage drove them scuttling back across the drawbridges protecting their bureaucratic fortresses.

But today, pensioners, a new warning. Under the election-year gun to whittle down the mountain of government costs they are responsible for, the administration's dragoons have sallied forth again, planning this time—can you believe it?—to tax your Social Security benefits!

You heard it right.

The Congressional Budget Office has given its blessing to a proposal made last year by the Social Security Advisory Council to sock it to the millions of fixed-income elderly who depend on those small, and increasingly inadequate Social Security stipends to eke out a hang-on-by-the-nails existence.

A danged outrage? That's all too mild.

But the administration's shock troops say they're ready for the counterattack.

Relax, you'll be told. We're only after the "rich" Social Security recipients, those obscenely affluent poor souls—a man with an elderly spouse, say, just retired—whose benefit payments, plus "outside" income, add to $10,000 or more.

Beyond that, even those pensioners lolling about in relative luxury will be taxed on "only" half their benefits. Those who make less than $10,000—the "poor"—won't get their wallets slit. Only those $10,000 big spenders.

Of course, with the prospect of biannual cost-of-living adjustments, based on the Consumers Price Index, the single worker just retired earning the maximum, supplemented by any additional income he can lay his aging hands on, can figure to make the fed's tax "hit list" before many more years are out.

And that's the bureaucratic beauty of it. The tax revenues rise by the year as more and more retirees move within range of the federal tax grab.

Readers, that's rotten. The whole idea is as insulting and demeaning as it is unrealistic and asinine.

The notion that millions of senior citizens trying to cope with prices under the Carter inflation are so well-heeled they can afford to hand back a big handful of those bare subsistence dollars is, is . . we can't find a family newspaper word to do justice to so infuriating an assertion.

To be sure, the $10,000-plus pensioner couples—to be joined by hundreds of thousands more each year—are better off than those living literally hand-to-mouth on much-smaller checks.

But they're sure as heck just making it—and don't forget they worked long and hard—and productively—to be given back as little as they get in dollars that shrink as steadily as the Carter administration shrinks from making any *real* fight against the inflation that shrinks the wallets of every suffering taxpayer, pensioner or not.

The Carterites have another argument. Or more accurately, a defense—if it can be so dignified.

They say the plan doesn't amount to double taxation because only half the Social Security contribution—the amount deducted from wages—was taxed. The other half, paid by the employer, wasn't taxed.

Big deal! What then of that big part of the population that is self-employed?

As we have many times said, the Social Security system has faults. It should in some areas be reformed in the cause of equity and changes should be made to keep it solvent—particularly changes that would tie future benefits to prices rather than wages, and bring the 6.5 million federal, state and local government workers now excluded, into the system.

The government worker "outsiders"—including those dedicated inflation-fighters, the members of Congress—are left free to collect their pension funds and also moonlight or take another job to earn the minimum Social Security benefit—a neat "double-dip," particularly so because the minimum benefit is disproportionately high under Social Security, meaning that double-dipper's contributions to the system are ridiculously low in relation to benefits received.

It is possible for a retired government worker to pay as little as $111 into Social Security over a lifetime to collect benefits of as much as $114 a month.

If these workers were taken into the fold—44 per cent of whom double-dip right now—the government would take in a whopping additional $10 billion a year in revenue, lightening the tax load on the 108 million taxpayers already covered—and kill for all time any such gut-wrenching proposal as to tax Social Security payments.

There must be an end to taxing the productive segment of our society to bail out the unproductive. Low productivity is one of the major causes of the present economic crisis, and any effort to penalize individual initiative and effort—which this new proposal represents—is, to twist the phrase a bit, obscenely unprofitable.

We associate ourselves with The Detroit News' comment that "Surely the day should come in each worker's life when he is permitted to keep what is his, even if it is only a modest Social Security check.

"To try to deny him the whole of that little check is rather rotten, we think, and raises questions about what might be next on the agenda of the Congressional Budget Office.

"A tax on coffins, perhaps?"

Well said, News. The Carterites, after all, may yet be bent on digging a grave for that very modest burial fee, and nailing down a coffin tax would end it all appropriately—a society bound womb to tomb in tax-bill crepe.●

LEGISLATION TO PROVIDE PAST-DUE PAYMENTS OF BENEFITS OF DECEASED BENEFICIARIES

HON. ROBERT T. MATSUI

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 8, 1980

● Mr. MATSUI. Mr. Speaker, I am today introducing legislation which will provide for the payment of past-due supplemental security income benefits to the representative payee of a deceased beneficiary.

This legislation would prevent future inequities such as occurred to a constituent of mine, Ms. Jeanine Smith, in 1974. Ms. Smith applied for SSI benefits on behalf of her grandmother, Rosette Guidet, who had recently been placed in a board-and-care facility for the aged. While her application was being processed, Ms. Smith paid a monthly advance payment of $250. Two months later, and without ever having received any SSI checks, Ms. Guidet passed away. The Social Security Administration then denied payment of the SSI checks to the granddaughter, Ms. Smith, for reimbursement. This is because section 1631(b) of the Social Security Act provides that money due a recipient who dies can only be paid to the deceased individual's eligible spouse.

Mr. Speaker, this provision of law is inequitable and unreasonable. Since the courts have recently ruled that posthumous reimbursements to representative payees are not allowed by law, there is a real possibility that qualified potential SSI beneficiaries will be refused much-needed care or services until the administrative paperwork on their claims has been processed. This can take weeks or months, even when there is no doubt about eligibility. Similarly, recipients whose checks are late may find creditors reluctant to provide for their care if the creditors know that posthumous reimbursements to representative payees are not allowed by law.

This cannot be allowed to happen. It is unfair to our Nation's SSI beneficiaries, it is unfair to creditors, and it is not in keeping with the purposes of the SSI program. Accordingly, Mr. Speaker, I urge Congress to act expeditiously on this very important measure.●

CONYERS INTRODUCES LEGISLATION FOR PUBLIC OIL AND GAS DEVELOPMENT CORPORATION

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 8, 1980

● Mr. CONYERS. Mr. Speaker, few things today are as important as solving America's energy problems. The cost of energy, particularly foreign oil, is the major factor behind the runaway inflation and unemployment. In 1980 the United States will spend in excess of $80 billion on oil imports; nearly half of all the oil we consume comes from abroad. For consumers the price of gasoline and heating oil has doubled in most cases during the past year.

Creating a national energy program that is responsive to consumers and that is under public control is the key to solving the economic problems we face. Unfortunately, very little has been done so far to deal with the major obstacles: the need to lessen the dependence on foreign oil and to curb the inordinate control that the big oil companies exercise over the entire energy field; the need to control and roll back the prices consumers pay for energy; and the need to create new energy sources.

Today I am introducing the Federal Oil and Gas Development Act of 1980 (H.R. 7282), the purpose of which is:

To protect the rights of the American people to the oil and gas resources that exist on Federal public lands;

To accelerate the development and production of the enormous oil and gas resources that exist on Federal lands;

To assure that the public receives a fair return on the value of Federal oil and gas production; and

To provide full information to the public on oil and gas resources that exist on Federal lands.

The legislation I have introduced, along with an earlier bill to create a Federal oil import agency (H.R. 3604), goes a long way toward curbing dependence on foreign oil, bringing down the price of oil and gas, and lessening the control of the oil companies.

The existing system whereby private individuals and corporations obtain oil and gas leases on Federal lands has proven itself to be contrary to national interest and subject to widespread abuse. The legislation that I am introducing represents a clean break with the past. It provides for a completely new approach by creating a Federal corporation along the lines of TVA to handle all new oil and gas production on Federal lands. This alternative approach has operated successfully abroad and, for the past 40 years, in Long Beach, Calif., through the Long Beach oil properties department.

Under the leasing system, basic geophysical data required to make reliable estimates of reserves is treated as proprietary information by the lessees. The Departments of Energy and Interior obtain only the information that the lessees voluntarily furnish.

The Government also relies on generally unaudited information from the firms that are producing oil and gas on Federal lands and therefore lacks fully reliable information on the amounts of such production. There is evidence presented in a recent GAO report that the Government fails to collect millions of dollars of royalties that are due to it.

The Mineral Leasing Act of 1920 provides for the awarding of leases to private persons for the exploration, development, and production of oil and gas on Federal lands. Leases for land with known oil or gas deposits are awarded on a competitive basis. However, many leases are assigned through a noncompetitive lottery system. Recently, widespread fraud and abuse have been uncovered in regard to the awarding of noncompetitive leases through lotteries. Last February the Secretary of the Interior suspended the lotteries and urged Congress to reform the system. At that time Frank Gregg, Director of the Bureau of Land Management stated that—

> The evidence suggests that the noncompetitive leasing system has been subjected to such thorough manipulation that the possibility of lawful bona fide participants successfully obtaining a lease has in many cases been reduced to a very low level.

The Secretary indicated that as much as 80 percent of the applications may have involved fraudulent practices because of the ability of third parties to buy up individual leases for purely speculative gain. "What you want it to do," Guy Martin, an Assistant Secretary of the Interior, commented, "is to create greater oil and gas development, not just a market for speculation."

New legislation in dealing with the extraction of oil and gas on Federal lands is needed for the following reasons:

First, oil and gas production in the United States can be substantially increased and oil imports correspondingly reduced by a virgorous program of exploration, development, and production on Federal lands, onshore and offshore.

The present leasing system leaves the initiative for bringing in production of more oil and gas almost completely in the hands of the lessees, subject only to due diligence clauses in the leases which are generally only weakly enforced.

Under the leasing system, a national policy to insure oil and gas production on Federal lands can only be effectuated by increasing the economic incentives to the oil and gas producers, that is, by raising prices. Even then, there is no assurance that the volume of oil imports will be reduced because the level of oil imports relative to domestic production rests on the relative profitabilities of foreign and domestic oil rather than on price alone.

Second, the Federal Oil and Gas Development Corporation would exercise full initiative in deciding upon the times, geographical locations, and rates of drilling according to a rational plan of resource development. This would enable the establishment of a sequence of priorities for the exploration, development, and extraction of oil and gas on Federal lands, taking into account geological promise, regional needs, and transportation facilities. Under the present leasing system, the sole determinant of oil and gas exploration and development priorities in the outlook for maximum profitmaking.

Third, the existing system of the leasing of oil and gas mineral rights on Federal lands yields a poor financial return to the people of the United States.

The reasons for the poor rate of return are several.

One is that oil and gas mineral rights are leased without adequate knowledge by the Federal Government of the prospects for discovering oil and gas, the amounts of oil and gas likely to be discovered, and the likely costs of extraction, which results in leases that are undervalued at the time of leasing.

Another is that the royalty system under mineral rights leasing allows 80 percent or more of the sales prices of the oil and gas, less costs of exploration and development, to be retained by the lessee. Under the Federal Oil and Gas Development Corporation, the private contractors would receive a much smaller percentage of the net profits. In the case of the Long Beach Oil Properties in California, an existing public corporation of similar purpose, the private contractors receive 4 percent of net profits.

Finally, oil and gas production from each field controlled by the Corporation can be set at the maximum efficient recovery rate instead of the lesser rates as often the case at present because of lessee's interest elsewhere. As for example the holding back of domestic production in favor of more profitable oil imports.

Fourth, considerable oil and gas production is locked in, or at least indefinitely delayed, because of an inadequate mechanism to enforce due diligence clauses with respect to timely exploration and development. Under the proposed act, the Secretary of the Interior, the Secretary of Energy, and the President of the Corporation would be required to review annually the performance of all existing lessees on Federal lands. Those lessees not exercising due diligence would be subject to cancellation of their leases under the existing terms of the leases. The mineral rights for oil and gas would then be automatically transferred to the Corporation.

The bill provides a new framework for oil and gas development on Federal lands:

The Secretary of the Interior will continue to oversee the management of all Federal lands with respect to environmental protection and make the determination on which lands exploration and development will be opened.

For all unleased lands that are available for development, the new independent Federal Oil and Gas Development Corporation will assume control. In place of leases it will solicit contracts on a competitive basis that will specify the proposed percentage of profits that shall be paid to the contractor, the amount of any initial bonus, and the fees that the contractor incurs for the cost of exploration and development.

The Corporation shall be responsible for the sale of any oil and gas developed on Federal lands to qualified buyers so as to insure that supplies are allocated equitably and competition among refiners is maximized.

The rights to leases that expire or are canceled for reason of failure to exercise due diligence shall be transferred from Interior to the Corporation.

The Corporation consists of a five-member board, appointed by the President with Senate consent whose members can serve a maximum of two 17-year terms.

The Corporation will be operated as a quasi-private firm using established business procedures.●

THE BIG CARTER PAYOFF

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 8, 1980

● Mr. MICHEL. Mr. Speaker, President Carter will formally make the largest political payoff in history. In return for dedicated services to his campaign, he will present the National Education Association with its own Cabinet Department, the $15 billion Education Department.

Those are not my words, Mr. Speaker, but those of nationally syndicated columnist Richard Reeves. The column appeared only a few days after Secretary of Education Hufstedler delivered a bitter partisan political attack on the candidate Ronald Reagan. It is clear that the Department of Education is precisely what many of us warned it would be: a $15 billion political payoff to special interests.

At this point I insert in the RECORD, "Carter's Biggest Payoff," by Richard Reeves, from the Chicago Sun-Times, May 5, 1980:

CARTER'S BIGGEST PAYOFF

WASHINGTON.—On Wednesday, President Carter will formally make the largest political payoff in American history. In return for dedicated service to his campaigns, he will present the National Education Association with its own Cabinet department, the $15 billion Education Department.

The new department—separated from the Department of Health, Education and Welfare—is the tribute to the NEA's 10-year self-education in how the American political system really works. If the nation's teachers were doing as good a job in classrooms as they have done lobbying in Washington, little red schoolhouses would be turning out Jeffersons, Einsteins and Mozarts.

The inauguration of the department this week is the last act in a political drama that began in the early 1970s when the NEA, which now represents 1.8 million schoolteachers, was just another special-interest group with a couple of lobbyists hanging around Congress.

Then, beginning in 1972 state elections, some smart folks at headquarters in Washington figured out that the NEA had what politics demanded—the capacity to raise money and to train intelligent campaign volunteers.

The Association, which at the same time was transforming itself from a professional organization into a militant union, began extracting political dues from members and sponsoring campaign training schools. By 1976; the NEA was strong enough to elect 172 of its members as delegates and 93 as alternatives to the Democratic National Convention, along with 55 delegates to the Republican National Convention.

Their candidate, endorsed after the 1976 convention, was Carter. He did what was necessary: He promised to create a separate Education Department. The NEA was on its way to accomplishing nationally what it had done in many towns and cities: teachers selecting their own bosses.

Locally, teachers, who are, of course, public employees, have been choosing and financing candidates for boards of education and state legislatures, the officials who determine teacher salaries and working conditions. Now, with the early NEA endorsement of Carter's 1980 candidacy, they are close to having the same kind of national power.

The NEA plans to spend $3 million on campaigns this year—that includes the use of 1,160 paid staffers working in the Carter campaign. One of the many, many things they do is show a four-minute videotape to teachers' groups, in which Carter talks about the "vital partnership between the educators of this country and the president of the United States. We formed this partnership nearly four years ago. . . ."

Included in the partnership is Vice President Walter Mondale's brother, Mort, who is an NEA political staffer, and John Royor, the president of the NEA in 1976, who is now on the White House staff.

The working papers of the partnership includes an NEA memo listing 50 contacts between the association and the White House regarding the passage of House Bill 2444, the legislation creating the Education Department Items include:

"Feb. 1, 1979—The President agreed to NEA's request to hold all other bills concerning organizational structure until the Cabinet-level Department of Education had been moved to the floor, and communicated this priority to the appropriate House and Senate committees."

"July 11, 1979—The president acting on information delivered to the White House by NEA, called from Camp David a group of eight swing House members whose voters were urgently needed for passage of HR 2444."

"There would be no Department of Education without the NEA," said Ken Nelley, the association's political director. "We don't want to control them. . . ." Not right now. . . . But in a few years. . . .●

SENATOR MATSUNAGA ADVOCATES PEACE DEPARTMENT

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 8, 1980

● Mr. ASHBROOK. Mr. Speaker, the 1978 Education Amendments contained a provision which established the U.S. Commission on Proposals for a National Academy of Peace and Conflict Resolution. I was appointed by the Speaker of the House to serve on that Commission. While I do not support the concept of a peace academy, I have listened carefully to the dialog and I have been impressed with the dedication of the Commission members who do, particularly our chairman and my friend, Senator SPARK MATSUNAGA of Hawaii. While our views do not coincide on this issue, I believe the Senator states his case eloquently.

In an effort to show both sides of this debate, I am including in the RECORD a speech delivered by Senator MATSUNAGA on April 20 at the Lentz International Peace Research Awards dinner in St. Louis, Mo. I think my colleagues will enjoy reading it.

Senator MATSUNAGA'S remarks follow:

SPEECH BY HON. SPARK M. MATSUNAGA

Thank you very much, Jim (Laue), for your most generous introduction.

Dr. Leguey-Feilleux ("Le-gay Fay-you"), Mrs. Hall, members of the Lentz International Peace Research Awards Committee, members of the United Nations Association of St. Louis, and friends: ALOHA! As the chairman of the newly-established U.S. Commission on Proposals for a National Academy of Peace and Conflict Resolution, I am greatly pleased to join you this evening to honor Dr. Harold Guetskow ("gets-cow"), this year's winner of the coveted Lentz International Peace Research Award. The award is especially meaningful because the Lentz Peace Research Laboratory is one of only a very few organizations in the world which is devoted solely to peace research.

Personally, I am extremely gratified to see so many at this dinner who are genuinely interested in the pursuit of peace, for as the late President John F. Kennedy observed in his speech at the American University in 1963, "the pursuit of peace is not as dramatic as the pursuit of war. . . . But we have no more urgent task." He spoke of peace as "the necessary rational end of rational men."

The then Chief Executive made it clear that he was not referring to a vague concept of universal goodwill, but to a practical and attainable peace "based not on a sudden revolution in human nature, but on a gradual evolution in human institutions."

"Rational" is a word which accurately describes the work of the Lentz Peace Research Laboratory; its late founder, Dr. Theodore F. Lentz, who was the author of "Towards a Science of Peace;" and your LIPRA winner tonight, Dr. Guetskow. It is a word which describes the approach taken by the Commission on Proposals for a National Academy of Peace and Conflict Resolution.

The commitment of rational, pragmatic Americans to world peace is, in fact, as old as the Republic itself. At the end of the American Revolution, when the founders of our nation were drafting a new Constitution, a "Plan for a Peace Office" was published in a popular almanac. The proposed "Peace Office" was envisioned as an integral part of the new government, and it was to have as its objective the education of Americans in the art and science of peace. It is not clear who authored the proposal. The "Plan for a Peace Office" has been attributed both to Benjamin Rush, a signer of the Declaration of Independence, and to Benjamin Bannecker, a mathemetician who was the publisher of the almanac in which it first appeared.

In this century, the desire for an institution devoted to peace reappeared in 1935 when U.S. Senator Matthew M. Neely of West Virginia introduced legislation providing for the establishment of a federal Department of Peace. The proposed Department closely resembled the Rush/Bannecker Peace Office.

A "Bureau of Peace and Friendship," to be located in the U.S. Department of Labor, was also proposed in 1935 by U.S. Representative Fred Bierman of Iowa. The Bureau, to be headed by an "eminent sociologist," was to carry out sociological research on matters pertaining to peace and war. Research was also the focus of two Resolutions introduced in the House of Representatives in 1945 and 1947 by then-Representative Everett McKinley Dirksen (later a U.S. Senator from Illinois). The Dirksen Resolutions would have established a "Division of Peace" within the United States Department of State.

Research and education were the principal objectives of these earlier proposals, but, in later years, the concept of a federal institution devoted to peace was expanded. In 1945, Senator Alexander Wiley of Wisconsin introduced legislation to create a small, high-level Department of Peace with the Secretary serving, among other things, as the U.S. Representative on the United Nations Security Council. That same year, then-Representative Jennings Randolph introduced a Department of Peace bill which incorporated for the first time the idea that the international exchange of people and ideas is an effective means of promoting peace. The Randolph concept has remained an integral part of Peace Academy and Peace Department plans to this day.

Hearings were held on the Department of Peace bills in 1945 and 1947; however, no support was expressed by the Department of State. The real developments in the field of foreign affairs during that era were the successful creation of the Marshall Plan and the subsequent addition of a technical assistance program in 1949.

In 1955, President Dwight D. Eisenhower pointed with concern to "the unprecedented destructive power of (the) new weapons and the international tensions which powerful armaments aggravate." He appointed a Special Assistant to the President for Disarmament. That individual, Governor Harold Stassen, was given cabinet rank and was often referred to as the "Secretary of Peace."

Also in 1955, Senator Mike Mansfield of Montana and Representative Charles Bennett of Florida proposed the creation of a Joint Congressional Committee for a Just and Lasting Peace, and Representative Harold C. Ostertag of New York introduced a Peace Department bill which included the concept of a National Peace College which would carry out both education and training.

Between 1959 and 1961, the proposal which eventually became the Arms Control and Disarmament Agency took shape in Congress. The two most prominent sponsors of the 1960 bills where Senator Hubert H. Humphrey of Minnesota, who proposed a national peace agency, and Senator John F. Kennedy of Massachusetts, who proposed the establishment of an Arms Control Research Institute.

If anything, the War in Vietnam, our nation's longest and most divisive war, added impetus to these efforts in Congress. In 1973 Congress passed, over President Nixon's veto, the War Powers Act, a law designed to restore to the Congress constitutional powers which had been gradually taken over by the Chief Executive. As a principal co-sponsor of the measure, I saw the need to eliminate the ease with which the chief executive was committing American troops to combat on foreign soil.

Since 1963, I have myself been a principal sponsor in Congress of legislation to establish a U.S. Department of Peace. My proposal incorporates most of the concepts already mentioned, including the National Peace Academy, a research and training institution; a Peace by Investment Corporation first proposed by Senator Jacob Javits in 1968; and the previously proposed Congressional Committee. In addition, it would consolidate under one administrative roof the existing "peace-related" agencies established since the end of World War II, such as the Arms Control and Disarmament Agency and the Peace Corps.

Now, the creation of a new cabinet-level department is a big mouthful for Congress and the American people—even if the idea has been around since the Revolutionary War. Therefore, sponsors of the legislation in the 95th Congress decided to pursue a strategy calling for the establishment of a study commission to evaluate the various proposals for new institutions devoted to peace research, training, and operations. Our study commission bill was attached to the Education Amendments of 1978 and passed the Congress on October 15, 1978. The bill provided for the establishment of the new nine-member commission with three members appointed by the President of the United States, three members appointed by the President Pro Tempore of the U.S. Senate, and three members appointed by the Speaker of the U.S. House of Representatives. You will be especially interested to know that former LIPRA winner Dr. Elise Boulding was appointed to serve on the Commission by President Jimmy Carter. The other members are Dr. James H. Laue, of St. Louis, the Director of the Center for Metropolitan Studies at the University of Missouri; Arthur H. Barnes, President of the Urban Coalition of New York; John R. Dellenback, President of the Christian College Consortium; John P. Dunfey, President of the Dunfey Hotel Corporation; William F. Lincoln, Director of the Center for Collaborative Planning and Community Services in Boston; Representative John Ashbrook of Ohio; Representative Dan Glickman of Kansas; and myself.

The Commission's mandate requires it to study the question of whether or not a National Academy of Peace should be established. In addition, the Commission is charged with studying the possible size, cost and location of such an Academy; the impact of the Academy on existing institutions of higher education; the relationship which should exist between the Academy and the Federal Government; the feasibility of making Federal grants available to institutions of higher education or providing other types of Federal aid in lieu of the establishment of an Academy of Peace; and alternative proposals which would assist the Government in promoting world peace.

Congress further directed the study commission to review the theory and techniques of peaceful resolution of conflicts between nations and to study existing institutions which assist in resolving international conflicts.

In order to accomplish these objectives, the Commission is empowered to hold public hearings and to request information and assistance from other federal agencies. The law requires the Commission to report on its findings to the President and the Congress in one year.

An appropriation of $500,000 was provided by Congress in late 1979 and, in December, President Carter made his three appointments to the Commission. Less than one week later, the nine members of the Commission held their first meeting in Washington, D.C. At that time, I was elected to serve as Chairman of the Commission and Jim Laue was elected Vice Chairman. During a series of organizational meetings in January and February, we employed a staff headed by Commission Director William J. Spencer and Deputy Director David Jehnsen. In addition, we decided on a schedule of public hearings and identified individuals in the government and private sector who might be able to assist us in our work. Since the Commission's effective life is only one year, all nine of the Commissioners have been very much aware of the need to work as quickly as possible. I have been told, incidentally, that the Commission on Proposals for a National Academy of Peace and Conflict Resolution got underway faster than any other federal commission in recent memory. In March, the first of a series of public seminars was held in Boulder, Colorado, and a second seminar was held early this month in Portland, Oregon. We will be conducting our third public seminar tomorrow here in St. Louis.

I want you to know that I am deeply and personally committed to the legislative mandate of the Commission on Proposals for a National Academy of Peace and Conflict Resolution. As a rational American, I deplore the continuation of an arms race with weapons of unprecedented destructive power.

As a rational American, I believe that mankind can create institutional safeguards to prevent a nuclear holocaust and reject the idea that war is inevitable. As a rational American, who believes that peace is an achievable rational end, I crave for my government the distinction of becoming the first on the face of this earth to have a Department of Peace with a cabinet level Secretary of Peace, dedicated solely to the pursuit of peace. The creation of the U.S. Commission on Proposals for a National Peace Academy and Conflict Resolution is a major step toward involving our government directly in the pursuit of peace. Its study and report will determine to a large degree which direction our government will go.

As members of the Lentz International Peace Research Awards Committee and the St. Louis United Nations Association, you who are gathered here are in a unique position to help this important new commission. I call on you to participate actively in our seminar tomorrow and to continue to make your views known to the members of the Commission, its staff, and to your own Senators and Representatives in Congress. As rational Americans in pursuit of a rational end, we must bear in mind what the Chinese Philosopher Confucious once said:

"There will be no peace until the individual citizen wants it, seeks it, and works for it."

Thank you very much.●

EYEGLASSES DISPENSED TO NEEDY IN REMOTE JUNGLE VILLAGES

HON. DOUGLAS K. BEREUTER

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 8, 1980

● Mr. BEREUTER. Mr. Speaker, I would like to call to the attention of my colleagues the commendable project of a dedicated constituent of the First District of Nebraska. Dr. John Butler, State director of the Nebraska chapter of Volunteer Optometric Services to Humanity, has for 8 years led an effort to provide eyeglasses to our Latin American neighbors.

A recent newspaper article describes the work of Dr. Butler and his colleagues in Costa Rica, Honduras, and the Dominican Republic.

The article follows:

[From the Lincoln (Nebr.) Sunday Journal and Star, Apr. 13, 1980]

EYEGLASSES DISPENSED TO NEEDY IN REMOTE JUNGLE VILLAGES

(By Dean Terrill)

HEBRON.—Optometrist John Butler's patients can clearly see that he's between vacations again. Instead of working, he's back in the office.

Only kidding, of course. But the good doctor would be the first to admit that things do wind down a bit between "vacations." It's not all fun and games fitting eyeglasses in some remote jungle village.

He and a volunteer team, for example, just returned from dispensing 4,000 pairs of glasses during a two-week trek to Costa Rica. It was Butler's fourth venture since he started the Nebraska chapter of VOSH—Volunteer Optometric Services to Humanity—in 1972. He still is the state director.

"Once you take one of these trips, you're hooked," said Butler, 47 and in his 20th year of practice at Hebron. "But as corny as it sounds, you always come home with a really good feeling."

TO HONDURAS TWICE

The personable Thayer Countian's first mission was to Honduras a year after VOSH's 1971 founding by the late Dr. Franklin Harms of Hillsboro, Kans. He also made a return visit to Honduras, as well as a trip to the Dominican Republic.

About a dozen other Nebraska optometrists have been among the volunteers, including three this year. Dr. Charles Gray of Columbus and Dr. Larry Garrett of Gothenburg were repeaters, while Dr. Bruce Ackerman of Fairbury signed on for the first time.

About 25 optometric students from Tennessee and Indiana also were on the mission. It was work for all, Butler noted, even for the teen-agers who handled routine preliminaries to the eye examinations.

"The training for the students was super," said the Tilden native. "They saw more pathology in two weeks than they'll get in four years of schooling."

20,000 PAIRS

Utilizing assembly line techniques to handle the hundreds of waiting patients, the team had about 20,000 pairs of used glasses from which to choose. They had been carefully precategorized and bagged in plastic.

All the spectacles were collected through Lions Club sight conservation projects. While there is no direct connection between the Lions and VOSH, the entities mesh in Nebraska, primarily through Butler's efforts.

"It's a rare day when I don't receive a box of glasses mailed by some Lions Club somewhere," he said. He is a past president of Hebron Lions and a former district sight conservation chairman.

After the lens prescriptions are analyzed by instrument, the glasses are marked and stored in specially designed crates. They are matched on the spot to each patient's needs "as close as we can under the circumstances."

Despite the compromises, there are no complaints.

"Many of these people literally walk for days—the lucky ones ride donkeys—for our quickie examinations," said Butler. "With Latin America's terrible poverty, there is no way they would get glasses otherwise."

One case in point was an 83-year-old man, nearly blind, who was found to need "some rare and really strong lenses." Butler was both pleased and surprised to find an exact fit in one of the crates.

"The way the old fellow was jabbering in Spanish, I thought he was cussing me out," reflected the doctor. "But he was just excited about really seeing for the first time in years. One incident like that makes the whole project worthwhile."

Unlike the previous trips, the one to Costa Rica had the help of a Lions Club at the receiving end. Club members in the city of Quesada acted as host families for the visitors.

WENT ALONG

Also different was the trip's inclusion of a layman who was not directly associated with VOSH. Martin Dunklau of Omaha, long active in Lions' sight conservation, threw in as observer and photographer.

"After so many years of personally collecting glasses," explained Butler, "Martin finally had to go along to see what really happens to them. He was satisfied."

Butler, a graduate of Illinois College of Optometry, claims two recruits from his own family to the humanitarian effort. Daughter Shelly accompanied him to the Dominican Republic two years ago. Son Todd, a high school senior, assisted in Costa Rica.

With chapters now in most states, VOSH has expanded rapidly in its eight-year existence. Its great need is the recruiting of more optometrists and ophthalmologists. The concentration is on first-timers.

"There is no problem after a person has gone just one time," said the Nebraska director. "Every doctor who has ever participated says someday he will be going back."●

COSTA MESA MAN AND WOMAN OF THE YEAR

HON. ROBERT E. BADHAM

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 8, 1980

● Mr. BADHAM. Mr. Speaker, it is with extreme pleasure that I call the attention of this honorable body to the distinguished service which has been given to Costa Mesa over the years by Joan C. Finnegan and Arthur R. McKenzie, who will be honored May 15, 1980, as the man and woman of the year by the Costa Mesa Chamber of Commerce.

In the cities and communities across the land there are too few people who are willing to serve the public in a selfless manner. Mrs. Finnegan and Mr. McKenzie are two of the finest exceptions to this fact of life, and the honor they are to receive is one which they both richly deserve.

Joan Finnegan, a native Californian, has been a loyal and trusted employee of the Mesa Consolidated Water District for 18 years, where she has served as office manager and auditor.

But it has not only been her actual employment and service to the public which has distinguished her dedication to Costa Mesa. In addition, she has been active over the years as a member of the Costa Mesa Junior Women's Club and was its woman of the year in 1957. She has been a past board member of the Girls Club, a Zonta Club officer, YWCA officer, active in PTA, Girl Scouts, Brownies, and various water associations.

Indeed, Mrs. Finnegan has been active in her church and was a charter member of the American Business Womens Association's Newport Beach chapter and served that organization as president.

Art McKenzie's many years of service to Costa Mesa are equally as impressive. Art came to California from his native Colorado as a child and received his education in southern California, receiving a master's degree in public administration from USC.

His background consists of service in the U.S. Army during World War II, as a teacher at El Camino College and a member of the Los Angeles Police Department. In 1953, Art McKenzie was hired as the first police officer of the city of Costa Mesa and its police chief, developing the new department, which he served for 11 years.

In 1964, Art was appointed assistant city manager and director of public safety and a year later became city manager for the city, serving until his retirement in 1971.

Art McKenzie's community service and honors include life membership in the PTA, boss of the year by the Business and Professional Women's Club, headliner of the year by the Orange County Press Club, chairman of the March of Dimes and a director of the county March of Dimes program, Boys' Club president, Girls' Club advisory board member, chairman of the United Fund and Community Chest, just to name a few.

Among other activities, Art McKenzie was appointed by Governor Reagan to the Orange County Fair Board and has served in a great variety of clubs and organizations, many of them related to youth activities and the need to work with our young people to teach them the values of living a good life.

These two fine people also have set an excellent example for all of us to follow in their private lives. Mrs. Finnegan and her husband, Bob, have lived in Costa Mesa for the past 30 years and have two daughters, Sherrill and Brenda and a foster son, Rod Henches.

Art McKenzie has been married for more than 37 years to Laura Lorraine and they have a son, Mark Warren.

After reciting to my colleagues in this House the amazing list of accomplishments of these two fine citizens, I must pause to mention that it has long been my opinion that those who are willing to make personal sacrifices in time and energy to serve their fellow Americans are among those who form the backbone of our society.

It is with pride that I note that I am fortunate to be able to represent a fine city such as Costa Mesa and its citizens and to take this opportunity to give Joan Finnegan and Arthur McKenzie the public recognition that they so richly deserve.●

UNJUST IMPRISONMENT OF IGOR GUBERMAN

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 8, 1980

● Mr. WAXMAN. Mr. Speaker, in the past few months, I have written to Soviet President Brezhnev, as well as to other Soviet authorities, protesting the harsh and unfair treatment of Igor Guberman. This man has suffered a great injustice—he was arrested for a crime he did not commit—trafficking in stolen icons—and now faces a 5-year sentence in a labor camp.

The crime that Mr. Guberman is being punished for relates to his involvement with the underground journal, "Jews in the U.S.S.R.," and his refusal to help the KGB gather information on others with the journal. He has also aroused the anger of Soviet authorities by writing satiric political verses. The significance of these verses to the Soviets' harassment of Guberman has recently become more apparent, as the following New York Times article points out.

There is little doubt that the outcome of this case signals an intensification of the campaign of harassment against dissidents and refuseniks. We, as Members of Congress, must not let up in our protests against such flagrant human rights violations. Therefore, I attach, for the benefit of my colleagues, the New York Times article describing the details of Igor Guberman's case.

The article follows:

WIFE ATTRIBUTES JAILING OF SOVIET JEWISH ACTIVIST TO HIS SATIRIC VERSE

(By Anthony Austin)

Moscow, May 4.—Until nine months ago Igor Guberman was something of a figure in Moscow's intellectual circles—wit, raconteur, science buff, icon collector, social gadabout, a link between the salons of respectable freethinking and the outer darkness of dissent.

Now he is in prison, sentenced as a criminal, a target of particular animus on the part of the authorities and the latest cause célèbre in the Jewish activist movement.

The reason for his downfall, his wife and friends say, lies at least partly in the satirical political verses that he was suspected of writing. The verses were among the matters the KGB asked about when they searched Mr. Guberman's apartment shortly before his arrest Aug. 13, his wife, Tatyana, said in an interview this week.

VERSES WERE CONFISCATED

"He pretended he didn't know what they were talking about," she said. "But they found some verses and confiscated them. When they weren't looking he placed his newest verses on top of a pile of papers they had discarded. I read them for the first time only after he was in prison."

Until five years ago Mr. Guberman was an engineering specialist who wrote books and articles on the side, gaining a reputation as a science-fiction writer and producing books for children and adults on bionics, psychology and the human brain.

His career came to an end in the mid-1970's when he threw in with Anatoly B. Shcharansky, the Jewish activist now serving a 13-year sentence for espionage. He made things worse by applying to emigrate to Israel in 1978. He became an editor of the typewritten journal Jews in the U.S.S.R., and, according to his wife and the journal's chief editor, Viktor Brailovsky, he twice rejected requests by the K.G.B. to turn informer against his editorial associates.

Finally, Mr. Guberman was charged with trading in stolen icons. He denied knowing that the five icons he bought from two men in 1978 for 520 rubles had been stolen. Mr. Brailovsky mounted a campaign on his behalf with Western correspondents, arguing with a wealth of detail that his friend, as one of Moscow's best-known icon collectors, had been duped by the K.G.B. in an operation aimed ultimately at suppressing the unauthorized Jewish journal.

Mr. Guberman was tried in March in Dmitrov, a town 40 miles from Moscow near the site of the icon thefts, and was sentenced to five years in a labor camp. The court also ordered confiscation of his property, which meant that Mrs. Guberman and their two children, one aged 14 and the other 6, would be left with only the base essentials—three beds, the most necessary clothes and basic kitchen utensils.

"I am sure they had it in for my husband because he wouldn't turn informer," Mrs. Guberman said. "But I am positive the verses were a contributory cause."

The verses, circulating in Moscow for several years, have also been a choice item in Soviet émigré circles in the United States and Israel. In view of the authorities' extreme sensitivity to mockery—there are laws against discrediting the Soviet state—Mr. Guberman wrote under the pseudonym Igor Garik, admitting his authorship only to close friends.

After being held incommunicado for five months, mostly in a prison at Volokolamsk, near Moscow, Mr. Guberman was finally allowed a visit by his wife after his trial. He informed her, she reported, that the K.G.B. had told him that his sentence would be light if he agreed to testify against Mr. Brailovsky and harsh if he refused. He refused.

He also told her of being questioned again about the verses, and again remaining silent.

NEW VERSES SMUGGLED OUT

"But now he has changed his mind," she said. "He has decided to let his authorship be known. He has smuggled out his newest verses, written in prison. Here they are."

The verses, here translated, reflect different moods. Some fall into the calm irony that characterizes his previous writing:

What keeps my county tirelessly moving
 Is not the plan for more industrial gear
But a small office, ordinary, gloomy,
 Where they manipulate the threads of fear.

Some verses deal with the "physical measures" taken against prisoners and with his thoughts on how he would stand up to such a test.

A man is being beaten
 We hear his screams, and yet
We're still: we haven't eaten
 And we're low on cigarettes.

Other verses mock the paradoxes of a man in his current situation:

Russia is immune to plan—undefinable is she.
Where else must the common man
 Go to prison to be free?
This Jew is in a mess.
 I am at the end of my wits.
I have found the key to success
 But I can't find the door it fits.

On April 11 the newspaper Sovetskaya Rossiya pictured him as an unscrupulous criminal who had financed a ring of icon thieves. On April 23 Mrs. Guberman was permitted to attend a closed hearing at which her husband's appeal against the five-year sentence was heard. The lawyer retained by Mrs. Guberman spoke for an hour.

EVIDENCE IS CALLED FLIMSY

According to her account of the lawyer's speech, he made the following arguments:

The charge of theft rested on the flimsiest evidence—a few words allegedly spoken at a meeting in November 1978, when one of the confessed thieves, Nikolai Gridin, came to Mr. Guberman's apartment with five stolen icons. According to the the trial record, Mr. Gridin testified that Mr. Guberman told him he looked tired; that he, Mr. Gridin, replied that he was up all night, engaged in robbery, and that Mr. Guberman commented, "Be careful."

The prosecution maintained that this showed that Mr. Guberman knew the icons he bought from Mr. Gridin that day were stolen. One of Mr. Gridin's confessed accomplices, Boris Yegorov, testified to having been told of this conversation by Mr. Gridin and in almost exactly the same words—a most suspicious circumstance, the defense lawyer argued, since two years had passed and Mr. Yegorov's memory of other key events was dim.

More important, the lawyer said, Soviet law required corroborative evidence from at least one other person present during the conversation, and the only other one there, a young confederate of Mr. Gridin's named Sergei Drobyshev, had failed to provide such evidence.

"He might as well have been talking to the wall," Mrs. Guberman said of the defense lawyer. "The judges didn't even try to look as though they were listening. After he was through they didn't ask a single question. They went to another room, came back and confirmed the sentence."

The sentence, she pointed out, was stiffer than that given to thieves. Mr. Guberman is to be transferred to a labor camp, which one she did not yet know.

"After it was over," she said, "the lawyer went up to one of the judges, a woman, and said how distressing it was that lawyers like him did their best to defend people but that the outcome was always decided beforehand. And the judge calmly answered, 'Yes.'"●

RED MEAT POLICY

HON. THOMAS J. TAUKE

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 8, 1980

● Mr. TAUKE. Mr. Speaker, I recently received a letter from a constituent of mine who has two very important messages which all of my colleagues should carefully consider. The first deals with high meat prices at the supermarket. Mrs. Don Burlage of Worthington, Iowa, points out how interesting it is that the price of meat will continue to climb, while the price the farmer receives will continue to fall. In other words the price of beef may be high, but it certainly is not the farmer who is making the profit.

The second message addresses the propaganda campaign that the Federal Government is waging against the use of red meat. Our Government is telling people of this country that red meat contributes to heart disease and even cancer. The figures that Mrs. Burlage cites reveal the foolishness of the Government's position. I strongly urge all my colleagues to review carefully the following excerpts from Mrs. Burlage's letter.

The letter follows:

DEAR TOM: I would like to ask your help on something else. I go to the supermarket and see the prices of meat, especially beef, marked up, and it just doesn't come down—when the farmers' prices are dropping every day. Something is drastically wrong. The retailers' prices should also drop so the meat would move faster. Everyone says beef is too high, but it certainly isn't on the hoof.

Another problem for the Beef Producers and Pork Producers is the "Fats-Heart Disease" controversy. It seems like everyone that goes to the doctor for a check up on anything is told to cut out the red meat because it contributes to heart disease and even cancer. And with McGovern's suggested "Dietary Goals," people really think they should eat less red meat.

Figures from the Journal of the American Dietetic Association on the cholesterol content of various foods show how wrong this is. A 3-oz. serving of beef accounts for 77 mg. cholesterol, while a similar serving of chicken (half white meat, half dark) has 73 mg. cholesterol, turkey 76. Shrimp (3 oz.) has 128 mg. and herring and mackeral account for 82 and 86 respectively. Lobster contains 85.

All these anti-red meat ideas put out by the government are a terror to the American farmers. To eliminate a nutritious food like red meat is hardly the sort of thing one would expect from a responsible government. And in this age of consumer awareness, it is amazing that the government is getting away with it.

Please do something. The beef producers, and other farmers are getting sick of all this propaganda and many are getting rather discouraged. I'm afraid the American farmer is doomed if something isn't done soon.

I'm sure you Iowa Congressmen are doing all you can—so I'm writing to back you up and ask you to continue the good work.

Sincerely,

MRS. DON BURLAGE,
District 11 Director,
Iowa Cowbelles.●

TWO FACES OF AMERICAN POLICY IN GUATEMALA

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 8, 1980

● Mr. ASHBROOK. Mr. Speaker, at the end of April two incidents occurred in Guatemala that further underscore the grave America is digging for itself through the policies of the State Department. Guatemala is a critical area of Central America. It has the strongest economy and the stablest government. Recently, this nation has begun to export oil to the United States and is showing other signs of emerging as a major economic force in the region. Guatemala now faces the threat of having the violence of Nicaragua and El Salvador spill over its borders. Internal disputes are already being fueled by outside agitators. How should the United States respond to this situation?

Two different approaches to the growing problems in Guatemala were graphically illustrated in the last few weeks. In one instance the U.S.S. *Manley,* a small destroyer, wished to make a good will visit to Guatemala. The destroyer's captain, Comdr. John R. Brandon, asked permission to dock from the U.S. Ambassador, Frank V. Ortiz. Sensing the need for America to show some support for troubled Guatemala, Ortiz allowed the ship to dock. The result was predictable. Guatemala viewed the move very positively. Local papers praised the Ambassador and the U.S. Government. Closer to home, Mr. Frank I. Hamilton, national commander of the American Legion, sent letters of praise to the Ambassador, the commander, and the admiral in charge of the inter-American region. The action was "unquestionably in the best interest of the United States," according to Commander Hamilton. The reaction from the State Department and the usual assortment of liberal commentators were not as favorable. They consider the act an outrage. They say the ship should have been cleared by the State Department.

Another incident happened in Guatemala that had the State Department's blessing. The outcome of this bizarre happening proves the wisdom of Ambassador Ortiz in thinking he knew the situation better than those at Foggy Bottom. On April 24, James Cheek, Deputy Assistant Secretary of State for Inter-American Affairs, traveled to Guatemala to talk to leaders of the private sector. In his meeting with the Guatemala Civic Foundation, Mr. Cheek aggressively criticized the Guatemalan private sector for oppressing the country's people and not adopting reforms urged by the State Department. He went on to say: "The price of U.S. friendship is a series of reforms considered important by the U.S. State Department." He also added that the State Department "would do everything in its power to avoid the failure to nationalize much of the free enterprise sector in El Salvador." These statements were greeted with shock and hostility from the Guatemalans, many of whom had close friends and relatives who had been killed or kidnapped by Marxist terrorists over the last decade. Mr. Cheek was immediately asked to leave the meeting and a number of members of the civic foundation took out full page adds in the Guatemalan papers to denounce his remarks. The foundation issued an open letter highly critical of Mr. Cheek stating that he and his kind were delivering the world to communism. In closing they said, "May God save us from moderate Marxists like you who, in effect, should be known by another name."

These are the two faces of American diplomacy that Guatemala and the world are seeing under President Carter. On the one hand there are those who still believe America is the leader of the free world and who work hard to help our friends even though they labor under criticism from the State Department and the media. There are others, who have the blessings from the President and Foggy Bottom bureaucrats. These people are in the vanguard of eroding American credibility in the world and leaving the door open for the U.S.S.R. or Cuba to launch adventures at will.

For the benefit of my colleagues I am submitting into the RECORD the letters written by Commander Hamilton relating to the Manley visit, and the letter written by the Guatemalan Civic Foundation relating to Mr. Cheek's visit. I think the choice is clear as to which set of communications reflect the relative success of our two courses of policy. I hope this Congress and the American people begin to realize that we do have a choice and come November the Mr. Cheeks of Foggy Bottom are sent packing:

[Telegram]

Ambassador FRANK V. ORTIZ, Jr.,
7-01 Averida de la Reforma,
Zone 10, Guatemala.

Your approval of the recent visit to Guatemala of the U.S.S. *Manley* was in the national security interests of the United States. Guatemala, as well as all our friendly neighbors in Central and South America, needed, and continue to need, both the symbolic and substantive support of the United States.

The navy's ships, such as the *Manley,* have traditionally proved their worth as America's "gray diplomats" always welcomed by those nations who share our ideals and wish us well.

Congratulations on your vision.

FRANK I. HAMILTON,
National Commander,
the American Legion.

APRIL 23, 1980.

Comdr. JOHN R. BRANDON, USN,
Commanding Officer, U.S.S. Manley (DD 940), FPO New York, N.Y.

DEAR CAPTAIN BRANDON: The American Legion commends you and your ship's company for the outstanding manner in which you conducted your recent visit to Guatemala, our friendly neighbor in Central America.

The visits of U. S. Navy ships to port cities of other nations have traditionally and historically symbolized the United States itself, our belief in free enterprise, liberty and freedom with justice. Your visit to Guatemala typified this great Navy tradition.

You and your crew members deserve our thanks for a job well done.

Sincerely yours,

FRANK I. HAMILTON,
National Commander.

APRIL 23, 1980.

Rear Adm. GORDON J. SCHULLER, USN,
Director, Inter-American Region, OSD-ISA, the Pentagon, Washington, D.C.

DEAR ADMIRAL SCHULLER: The American Legion heartily supports such visits as the U.S.S. *Manley* recently conducted in Guatemala. This visit was unquestionably in the best interest of the United States.

Enclosed is a telegram which I sent today to Ambassador Ortiz commending his wisdom and vision for such diplomatic activity in Guatemala, and to the U.S.S. *Manley*'s commanding officer, Commander John R. Brandon, for the outstanding manner in which he conducted his ship's visit to Guatemala.

Sincerely yours,

FRANK I. HAMILTON,
National Commander.

OPEN LETTER TO JAMES CHEEK, DEPUTY ASSISTANT SECRETARY OF STATE FOR INTERAMERICAN AFFAIRS

DEAR MR. CHEEK: We welcome you to Guatemala, traditionally a friend of the United States and resolutely democratic in its philosophy and respectful of civil rights, including racial equality and property ownership.

In Guatemala, our native indians have, since the time of the Spanish conquest, been treated equally and never forced to sit in the rear of a bus nor prohibited from entering public places or churches frequented by persons of other origins. The Kings of Spain issued titles which recognized the rights of Indian communities over vast areas. These have never been cancelled as in the case of the Indian tribes in the United States, with the exception of the Shoshones of Wyoming. The laws of the Indies protecting the natives date from the beginning of the 16th century.

You have stated frankly, explicitly and emphatically that our countries need "moderate Marxist" governments. Mr. Cheek, it is impossible to be a slave and a free man at the same time. For twenty years, we have been fighting arduous battles against Communism. You drew in Korea and lost in Vietnam. We, Latin Americans, have lost in Cuba and Nicaragua (due to the fateful intervention of the U.S. State Department), but we have won in Argentina, Bolivia, Chile, Uruguay, Brazil, Colombia, Peru, and Guatemala.

The hour of a new Lepanto has arrived in which once again the survival of Christianity will be put to the test. If you and your "New Left" friends in the State Department still believe in the generosity, sincerity and honesty of our mutual enemies, the Soviets, and their system of repression and slavery, why not try it out in your own country first?

Before experimenting with your neighbor, Mr. Cheek, why not put it to the test in your own country? Why not divide up the land of the United States which is owned by barely three percent of the population so that 80 percent can take up farming? Why do you not nationalize the banking system, the railroads, the import and export of products? Why not dismantle the Armed Forces and give the weapons to the McGovernites and the Andy Youngs, the Jane Fondas and all those in your country who hope for a final Soviet victory, such as you wish for us?

The next cotton crop in Nicaragua is estimated at 15 percent of previous crops. Hunger pervades Nicaragua and El Salvador, countries where you have introduced your system of "moderate Marxism." The enemies of your country are many. With what allies will you count on if you destroy your friends and deliver them one by one to Communism?

After El Salvador, it will be Guatemala. Then Mexico will fall like a ripen plum and it is to be presumed that you will then dedicate yourself to the elimination of private property in Texas, the expropriation of the banking system and the nationalization of industries and services in your marvellous nation.

May God save us from "moderate Marxists" like who, in effect, should be known by another name.

FUNDACION CIVIC GUATEMALTECA,
CIVIC FOUNDATION OF GUATEMALA.●

A TRIBUTE TO ALOYSIUS CARDINAL STEPINAC

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 8, 1980

● Mr. DERWINSKI. Mr. Speaker, today, May 8, is the anniversary of the birth of Aloysius Cardinal Stepinac. Born in Krasic, Croatia, 1898, Cardinal Stepinac rose to lead his people against the Nazi terror of World War II.

At the age of 36, Aloysius Stepinac became the youngest Catholic archbishop in the world. Faced with the terrible holocaust sweeping across Western Europe, Archbishop Stepinac personally organized an underground movement to hide Austrian and German Jews and Christians from persecution, and to aid Polish and Slovenian refugees. Archbishop Stepinac organized a relief program for children and destitute people in the Croatian regions occupied by the Italian Army, and publicly protested the Fascist government's violation of the basic rights of people of all religious nationalities and political convictions.

After World War II, elevated to the office of cardinal, Stepinac led the other Croatian Catholic bishops in a pastoral letter strongly protesting against the limitations imposed on the activities of the Catholic Church and on freedom of religion for all Yugoslavians. For these activities, he was arrested and tried by Josip Tito's secret police, and sentenced to 16 years in prison as an enemy of the people in 1946.

Because of the protest of the Yugoslavian people, Tito's government released Cardinal Stepinac from prison and placed him under house arrest in 1952. At his death in October of 1960, thousands of peasants lined the roads from his home to his burial place in St. Stephen's Cathedral in Zagreb, paying their last respects, even though the news of the cardinal's death had been officially kept secret by the Yugoslavian Government.

To pay proper tribute to this dauntless religious leader of Croatia, I have joined today with Mr. Gilman in introducing a bill to erect a memorial in Washington, D.C., to Cardinal Aloysius Stepinac to commemorate the noble life of this courageous martyr.

Throughout his life, Cardinal Stepinac sacrificed his personal liberties for the freedom and dignity of his fellow man. Cardinal Stepinac set an example of courage that will live for ages not only in the hearts and minds of his fellow Croatians but for all individuals throughout the entire world. He was an outspoken opponent of totalitarianism, racism, and atheism, and will long be remembered as an outstanding advocate of religious and political freedom. As a victim of a sham trial, he never gave up the courage of his convictions or his zealous, outspoken pursuit of them for all mankind. More than believing these principles, he lived them and suffered for them.●

MAY IS OLDER AMERICANS MONTH

HON. MARJORIE S. HOLT

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 8, 1980

● Mrs. HOLT. Mr. Speaker, because May is Older Americans Month and today, May 8, has been officially designated Senior Citizens Day, I think it is appropriate to call attention to an article which appears in the May issue of the Outlook, an excellent and informative publication of the Maryland Office on Aging. As the American population ages, we face major challenges as outlined in the following article:

MAY IS OLDER AMERICANS MONTH

HEALTH AND AGING

"Better health through better care" is the theme of Older Americans Month this year. Health is the key to active, independent, productive lives for older people, who comprise the fastest growing age group within the American population, according to the Administration on Aging (AOA), the Federal agency which funds nutrition programs, community services and senior centers reaching millions of people. AOA is the principal advocate in the Federal government for America's 34 million persons 60 and over.

Health for older Americans covers broad areas and measures of which everyone should be aware. Medical care is only part of it. Major factors in the health of each individual are food, exercise, personal hygiene, housing, living conditions, avoidance of excess alcohol, drugs and tobacco, control of stress and tensions and accident prevention. The great increase in longevity now causing a dramatic aging of the American population is itself largely the result of general improvement in health and living conditions in the United States during this century.

More than twenty-five years have been added to the average American life since 1900; and this increase in life expectancy from 47 years in 1900 to 73.2 years in 1977, has added a whole new generation of people to the American society. This is one of the great human achievements of the century, but it poses a major challenge to make the added years a benefit to older people themselves and to American society.●

PRE-MOTHER'S DAY CEREMONY

HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 8, 1980

● Mr. RODINO. Mr. Speaker, this past Saturday I was honored to join with the members and leaders of one of Newark's finest organizations, the Central Ward Women's Improvement League. The event was the league's annual pre-Mother's Day dinner dance and awards ceremony.

For many years, the league has been one of the most impressively constructive community service organizations in our area. Its efforts—and successes—to improve the quality of life in the community are beyond measure, and I applaud every participant in the league's programs.

Saturday evening's ceremony was an occasion of joyful appreciation for those who were honored with awards or with roles in the ceremony. The invocation was offered by Jessie Porter, a greeting and poem were read by Sheba Chavis, and master of ceremony duties were handled by Charles Johnson. Music was provided by Ozell Robinson, and summary remarks were delivered by the league's president, Evelyn Johnson.

There were five awards bestowed to women the league named "Central Ward Heroines."

Lillian Gibson presented the Education Award to Earlene Davis, of the Newark Board of Education.

Pearl Beatty presented the Community Service Award to Mary Smith of Babyland Nurseries.

Rita West presented the Business Award to Renee Starks of the New York Hat Shoppe.

Mrs. B. F. Johnson III announced that the 1980 scholorship recipient is Wanda Durant.

The happy climax of the evening was the designation of the league's "Mother of the Year." Pansy Danzler, the 1979 winner of that title, presented the 1980 Mother of the Year Award to Wilnora Holman.●

THE ARABIAN ORYX COMES BACK TO ITS NATIVE DESERT

HON. G. WILLIAM WHITEHURST

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 8, 1980

● Mr. WHITEHURST. Mr. Speaker, last year I introduced H.R. 5591, a bill to establish a National Zoological Foundation. One of the provisions of that bill deals with assistance in establishing survival centers, areas in which zoos can carry out the captive breeding of endangered species.

In the May 1980 issue of Smithsonian magazine, a brief article by Bradley Smith outlined one successful captive breeding effort which has been going on for some time, so that now the once nearly extinct Arabian oryx is being returned to its native land. Anyone who would like to read further on this subject would be interested in:

"Flight of the Unicorns," by Anthony Shepard, Elek Books (London) 1965; "The Arabian oryx: its destruction, captive history and propagation" by James M. Dolan, "International Zoo Yearbook," volume 16, London Zoological Society, 1976.

Mr. Speaker, what has been achieved with the oryx can be accomplished with other species, and I would urge my colleagues to support H.R. 5591, to help this type of program go forward.

The article follows:

THE ARABIAN ORYX COMES BACK TO ITS NATIVE DESERT

No one has reported seeing one in the wild since 1972, but thanks to captive breeding this symbolic antelope now has a new chance.

The Arabian oryx, a creamy white antelope as important to the Bedouin as the lion is to Africans, is returning to its desert homeland in the Middle East. Five of the rare animals—believed to be extinct in the wild—arrived in March, the third shipment in as many years from captive breeding groups in U.S. zoos.

For the Arab people, the oryx is a symbol of strength and beauty; its ability to survive in the desert is legendary. The Bedouin believe that someone who has been shot can expel the bullet by eating oryx meat.

Bedouin once considered killing an oryx a sign of manhood. The hunting was done on foot or from the back of a camel or horse, using a spear, a bow and arrow or possibly an old-fashioned rifle. Against these odds the oryx continued to exist. But by 1920 modern rifles and automobiles were becoming available, and the oryx population began to dwindle. In the late 1930s, large-scale oil production meant suddenly wealthy princes, an invasion of foreign workers—and more pressure on the oryx. As many as 300 cars took part in a single hunt; automatic weapons were used. By the late 1950's the oryx was nearly extinct.

In 1962 members of the Fauna Preservation Society of Great Britain, with help from the International Union for Conservation of Nature and Natural Resources (IUCN), mounted an expedition into the Arabian desert. Equipment broke down in the heat and the expedition leader, Major Ian Grimwood, broke several ribs. But the group captured three oryx: two males and a female. Those animals became the nucleus of what is now the World Herd.

With the help of the World Wildlife Fund, the Shikar-Safari Club and the IUCN, the three antelope were flown to the Phoenix Zoo. Saudi Arabia sent two males and two females, and Kuwait contributed a female, as did the London Zoo. The herd began to build.

In November 1972, six were shipped to the San Diego Wild Animal Park and reproduced so well that 54 have been born there. The time had come to reseed the desert.

Groups of Arabian oryx were flown from San Diego to the Shaumari Wildlife Reserve in Jordan in 1978 and 1979. Then, last March, three males and two females were flown to Oman. They will live in a fenced area until December, then be released into the wild.

The animals in Jordan are soon to be released into the 5,500 acres of the reserve and their prospects look good. Bedouin leaders have sent word that they will not allow the animals to be hunted. The oryx will—finally—be fully protected in its ancestral land.●

CONGRESS ON SPENDING ORGY

HON. DANIEL B. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 8, 1980

● Mr. DANIEL B. CRANE. Mr. Speaker, the level of irresponsibility of this Congress is truly appalling.

. I am sure there is not a single Member of this body who does not know that the people are speaking with one voice for less spending. If there is someone here who does not know that, he or she does not deserve to be here.

Yet the spending orgy goes on as we toss out billions of hard-earned taxpayers' dollars like confetti. Does it take defeat at the polls to convince some big spending Members that we mean to have economy in Government? If so, then I say more power to the voters.

The Mattoon (Ill.) Journal Gazette has rightly excoriated this Congress for its profligate spending, and I commend the December 7, 1979, editorial to the particular attention of my more liberal colleagues, many of whom cannot seem to think of enough ways to throw away the taxpayers' money.

The editorial follows:

Congress on Spending Orgy

Congress is going on a wild spending orgy as the result of profits anticipated from the so-called "windfall profits" tax, even though the tax is still under debate in the Senate.

At all events the tax was supposed to become operative after the deregulation of oil produced in the United States. That is not scheduled to happen before 1981.

No matter, Congress has begun passing bills to spend the money and give handouts to coincide with the 1980 elections. John T. White, president of the Independent Petroleum Association, has been quoted by the Copley News Service as saying "Congress and President Carter are mortgaging the producing capacity of the energy industry for the next decade on a pork-barrel scheme for new social spending programs."

The Senate Finance Committee expects its version of the bill to bring in $138 billion in the next decade. President Carter is favoring the House version of the bill which would reap $277 billion during the same period.

Even though the bill is still being debated in the Senate, Congress has already passed bills totaling $100 billion.

Synthetic fuel development has been allotted $88 billion. Gasohol development is being given $5 billion. And the Home Energy Assistance Act will shell out $1.34 billion this year to help pay home heating bills. This will rise to $3 billion next year and $4 billion the year after.

Home heating assistance has been extended to many warm weather states because, as Sen. Russell Long put it, "if you leave out one state it's harder to sell."

Puerto Rico, American Samoa and Guam will also get heating assistance, even though they are tropical and more noted for their heat than cold. An aide to the non-voting representative in the Congress from Puerto Rico said, "we just wanted to get a piece of the action."

New Hampshire and other New England states will get heating assistance checks just about the time that they get ready to hold their presidential primaries. It is an example of the president using federal money to influence an election in his favor.

By passing these bills the Congress is in fact spending money which it does not have. If the oil companies do not increase production it could bring about a catastrophic federal deficit.

Is it any wonder that the people's confidence in government is shaken, when it sees this type of a spending orgy?●

THE PROSPECTS FOR DEMOCRACY IN YUGOSLAVIA

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 8, 1980

● Mr. ASHBROOK. Mr. Speaker, there has been much speculation about the future of Yugoslavia in the wake of Marshal Tito's death. This pivotal nation in Eastern Europe now tries to map its future course. It is inevitable that the U.S.S.R. will do all in its power to subvert the rotating presidency that has been established. Without Tito it may be only a matter of years before that nation is moved into the Warsaw Pact sphere.

Could there be a different path? Yesterday, in the New York Times, Alexander Karageorgevitch, the son of the last Yugoslavian monarch, wrote about the prospects for democracy in his nation. Now living in the United States, Karageorgevitch would like to return to his native country and assist in the transition to total freedom. He advocates a constitutional monarchy with a parliament similar to those of England, Holland, Belgium, and the Scandinavian countries.

The vision of a pro-West, democratic Yugoslavia would seem to be a positive and welcome development in a world where the Soviets are constantly on the march. Yet, you would have been surprised by the Tuesday morning "Good Morning America" show. David Hartman spent his entire interview with Mr. Karageorgevitch praising the regime of Tito and critizing the former monarchy of Yugoslavia. Mr. Karageorgevitch countered by stating that Tito was a dictator, who, while technically nonalined, did support Marxism and oppress his people. He went on to say that Yugoslavia should be free. "Let us be realistic," said Hartman, going on to state that Tito was a "strong leader" and that Yugoslavia was not ready or oriented to freedom and democracy. He advocated a hands off policy to let the government chart its own course.

Has it come to this? Is the media really that biased against the strivings of people for freedom under communism that they must be critical of an emigre's dream? How come similar comments were not made about Franco's passing or about other existing non-Communist governments in the world? Why is it that freedom is a virtuous word when used by groups seeking to overthrow governments who may be pro-West, yet is a word that is not realistic when associated with communism? Considering that many of the so-called profreedom insurgents against pro-West governments use the word "freedom" only as a rhetorical cover, this dichotomy is even more ludicrous.

At one time the United States was considered the leader of the free world. The failures in that leadership have brought this role into question. At a time when this Nation should be considering actions to counter any Soviet subversion of Yugoslavia we do not need the media chiding sincere spokesman for freedom in that country. Mr. Hartman's remarks were inconsiderate and ill timed. I hope others in the press and especially those at the State Department do not follow his lead in so easily discounting democracy as a viable alternative to Tito's rule.

I am inserting Mr. Karageorgevitch's article in the Record as one alternative to Tito's brand of Communist domination:

After Tito, a Role for Monarchy?

Chicago—The death of a head of state always creates a perilous situation. In a Communist country this is especially the case, since the process of succession in such a political system is always undefined and murky. Today, Yugoslavia finds itself at a crossroads and the route it takes is of far more than local significance.

Since President Tito's disappearance from the political scene unfortunately coincides with a clear manifestation of the Soviet Union's resolve to venture beyond the boundaries of its empire as defined at Yalta and Potsdam, the nature of the resolution of Yugoslavia's predicament is tremendously important both for continued peace in Europe and for the relationship, already strained, between the United States and Soviet Union.

Tito long survived successfully in the middle of the East-West seesaw, promising to the East his faith in Marxist-Leninist principles, to the West his independence from the Soviet bloc, and to the developing world his belief in nonalignment.

Much of the success of his regime's foreign policy came from the Great Powers' willingness to leave some issues undefined in their complex postwar relationship and from the fact that, although a lesser figure in the political vortex of World War II and its immediate aftermath, he outlived all the primary statesmen of that period.

While his East-West balancing act and his antics in the forum of the third-world nations kept him, until recently, in the globe's news-media limelight, his internal political and economic policies left much to be desired. In the long run, Yugoslavia's economic deterioration may yet remain the most damaging part of his legacy.

Whatever posterity may say about the Titoist period of Yugoslavia's history, from 1945 to 1980, this era is now ended, and the choices that the Yugoslav peoples—six republics and two autonomous regions—make at this point will determine the country's destiny for decades.

It is thus of paramount importance that these choices reflect the free will of the people untainted by the "unanimity" of an election controlled by a single party.

Politically and economically, Yugoslavia's gradual evolution toward a broad-based and democratic form of government is probably the most natural course for the country's development. Such an evolution clearly requires the concord of all the Yugoslav peoples since this is definitely in the best interests of all the numerous nationalities or regions.

It also calls for mature understanding on the part of those now in power that Yugoslavia's political future requires far wider participation than has been available through the League of Communists' control over all aspects of the nation's political, economic, social and cultural life.

This broadening of participation in decision-making should not exclude the constructive thinking of *any sphere* of the political spectrum. It is equally important that during this transitional process the country as a whole remain free of any external meddling whatever in own affairs.

Finally, for Yugoslavia, which has existed as a multinational entity only since the end of World War I, the democratic system of government alone may not provide a sufficiently strong bond of unity, and this is where the unifying role of constitutional monarchy may prove to be a fundamental political benefit for all the Yugoslav peoples.

From the time that my great grandfather, Peter I, who was King of the Serbs, Croats and Slovenes from 1903 to 1921, translated John Stuart Mill's essay "On Liberty" into Serbo-Croatian until the present, my dynasty's respect for the parliamentary system of government and its effort for the maintenance of the country's unity and concord have been proved time and again, even amid the harshest political ordeals.

My grandfather, Alexander I—he was King of Yugoslavia from 1921 to 1934—gave his life (he was assassinated in Marseilles) in the service of the unity of Yugoslavia.

My father, Peter II, who was King of Yugoslavia from 1934 to 1945 (and who died in 1970 in Denver, Colo.) was determined that Yugoslavia should again be a parliamentary democracy. His inability to continue in that direction was more the fault of the Great Powers' arrangements than of any lack of personal will or initiative.

Both now and in the future, I will be equally ready to accept the free will of the Yugoslav peoples concerning both the destiny of the country and the role of the Karageorgevitch dynasty in it. Even if that decision eventually did not favor a return to constitutional monarchy, I am certain that I and my descendants will continue to play an active and constructive role in the political and public life of the country whose history has so reflected the selfless state-building efforts of my family.●

NATIONAL HOSTEL SYSTEM ACT OF 1980

HON. RICHARD NOLAN

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 8, 1980

● Mr. NOLAN. Mr. Speaker, I rise in support of H.R. 7105, the National Hostel System Act of 1980. This legislation is offered today in the nature of a substitute to my original bill, the National Youth Hostel Act of 1979.

H.R. 7105 represents a culmination of 4 years of meetings and consultations with American Youth Hostels, Inc., and numerous similar organizations such as the League of American Wheelmen, Bikecentennial, and Boys Clubs of America all sharing the common goal of establishing a national system of hostels. H.R. 7105 is the culmination of well over a dozen drafts and redrafts; the purpose of each being the same but with the intention of addressing the diverse needs of each facet of an immensely broad hostel system constituency.

I would like to commend my distinguished colleague, Mr. BEREUTER, for his intense interest, enthusiasm and energies in the drafting of this legislation. I know he had devoted great deal of time and effort to this legislation for which I am thankful. I wish to also express my thanks to Chairman BURTON, my friend and colleague from Minnesota, Mr. VENTO, and the subcommittee staff for their participation in this legislation.

The National Hostel System Act of 1980 lays a solid foundation for a nationwide system of hostels. A hostel is a relatively inexpensive, dormitory-style supervised overnight lodging facility. Hostels are especially prevalent across Europe with some nations boasting well over 600 such facilities within their borders. Nearly 50 nations now have hostel systems.

It is the intent of this legislation to establish a National Hostel System Study Commission for the purposes of preparing a national hostel system plan. The Study Commission shall consider such factors as existing hostel facilities and their locations; an assessment of the demand for hostel facilities; the identification of locations conducive to hostel development such as national parks, historic sites, recreation sites, etc; minimum standards for management; and an assessment of the applicability and feasibility of incorporating existing State and Federal employment programs such as the Young Adult Conservation Corps, the Comprehensive Employment and Training Act program and summer youth programs. The Commission will also examine the role of the Federal Government in such a system.

Upon completion of the national hostel system plan, the Commission shall resolve itself into an advisory capacity to assist the Secretary of the Interior in implementing the plan. Implementation shall consist of the awarding of grants and loans to States, local units of local government and private, nonprofit organizations for the purposes of improving or renovating existing structures to be used as hostels. Sufficient safeguards have been incorporated into this legislation for the protection of the Federal investment.

I appreciate the consideration of the National Hostel System Act of 1980 by this distinguished body and sincerely hope national hostel development will proceed soundly and progressively.

Thank you, Mr. Speaker and Mr. Chairman.●

THE RETIREMENT OF MR. EDWARD C. FINN

HON. WILLIAM R. RATCHFORD

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 8, 1980

● Mr. RATCHFORD. Mr. Speaker, I rise today to ask my colleagues to join me in recognizing the distinguished service to the city of Shelton, Conn., by Superintendent of Schools Edward C. Finn, who will be retiring this June.

A graduate of the Yale University, Mr. Finn began his long career in the Shelton school system in 1937 as an instructor in science. Soon thereafter, Mr. Finn embarked on a football and track coaching career that would bring him and the entire city tremendous pride in the years to come. Under his tenure the golden years of Shelton Gael football began, culminating in an impressive record of 114 victories, 46 defeats, and 15 ties. Many of those fine victories and several narrow defeats came at the hands of higher classification teams. To achieve such greatness consistently in an area of the State where football excellence and heated rivalries are the order of the day is a truly remarkable achievement.

His last team won the title in 1961, which left no one unconvinced of his high standards and dedication to the development of his players as adults. That year he became principal of Shelton High School and later became assistant superintendent of schools. In 1975, Mr. Finn was named superintendent of schools in Shelton, a position which he has held with distinction ever since. Under his administration, the Shelton school system has flourished into one of the State's finest. As testimony of this, I speak each day with many families that have recently or are planning a move to Shelton due to its fine community living and superior school system. Edward C. Finn has long represented in my mind one of the prime architects of Shelton educational programs, both on the athletic fields and in the classroom.

It is with regret but with great pride that I point to the achievements of this outstanding citizen, Mr. Speaker, upon his retirement as superintendent of schools. His legacy and record of contribution to the development of the community and its youth will long be remembered and admired. Thank you.●

FOOD STAMP ACT OF 1980

HON. CHRISTOPHER J. DODD

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 8, 1980

● Mr. DODD. Mr. Speaker, on June 1, 21.4 million low-income Americans may find themselves without any food stamps unless Congress can pass three separate pieces of legislation by May 15: the Food Stamp Act of 1980, the fiscal year 1981 first budget resolution, and a supplemental appropriations bill.

Today the House is considering the first bill, S. 1309, the Food Stamp Act Amendments of 1980. Approval of S. 1309 would authorize a $2.5 billion increase in the food stamp spending cap for fiscal year 1980 and a $3.5 billion increase for fiscal year 1981 along with 5- and 10-percent cushions for fiscal year 1980 and 1981 respectively. Without these additional funds, the food stamp program will run out of money at the end of the month, and the Department of Agriculture could be forced to suspend the program for the entire month of June.

There is tremendous confusion and uncertainty about the future of the food stamp program. As a result, the Department of Agriculture has informed States to have their ATP—authorization to participate—cards ready for mailing even if the notification for shutdown of the program is issued on the 15th. In my own State, Connecticut, the cards are already completed so that if an appropriation is approved after the deadline, the food stamps can still reach recipients by June 1.

If it becomes clear that procedural requirements are delaying approval of the food stamps appropriation, as a member of the House Rules Committee, I will take all the steps necessary to remove impediments to passage of funding for the program. It is now up to Congress to act swiftly to meet the deadline set by the Department of Agriculture and preclude the need for extraordinary measures, and I would urge my colleagues to join together to facilitate approval of the Food Stamp Act and the food stamp appropriations bill.

The food stamp program has come under a great deal of criticism for distributing aid to people who do not need extra benefits. However, the percentage for abuse in the food stamp system is getting smaller due to recently legislated reforms. Over half of the households participating in the food stamp program have incomes of less than $3,600 per year and 75 percent of the recipients earn less than $4,800 annually. Only six-tenths of 1 percent of all food stamp recipients have incomes exceeding $12,000 and nearly all are listed as households of seven or more.

The majority of those receiving food stamp assistance are elderly, handicapped, or children under the age of 18: 3.6 million elderly people and 11.5 million children are now served by the food stamp program. In Connecticut, 170,800 residents use food stamps, including more than 80,000 children and nearly 25,000 elderly people. The average food stamp recipient in my State is struggling against escalating food and energy prices and the added economic pressures of a recession. Without food stamps, people who legitimately need Federal assistance would be unable to provide adequate nourishment for themselves or their families.

It is easy to understand why the food stamp ceiling needs to be raised. Inflation, increased unemployment, and recent changes in the purchase requirements for food stamps have increased the number of food stamp recipients way beyond the original projections for the program that were made in 1977. The spending limits developed in the 1977 Food Stamp Act were set in anticipation of 3 to 4 percent increases in food prices. In the past 2 years alone food prices have shot up 22 percent and are expected to rise another 24 percent by 1981. The newly arrived recession will undoubtedly exacerbate the situation since each additional point of unemployment adds another 700,000 people to the food stamp rolls. In the past month alone, the unemployment rate jumped from 6.2 to 7 percent.

S. 1309 includes a 5-percent cushion that will allow extra funds to be appropriated to the food stamp program for the remainder of this fiscal year and 10 percent for fiscal year 1981 in light of economic uncertainties. Passage of this cushion is imperative in order to avoid the threat of future cutoffs or reductions in food stamp benefits.

The House will also be considering an amendment to S. 1309 that would reduce food stamp benefits by the amount of school lunch money that a household receives. This is, in my opinion, an extremely counter-productive measure. Food stamp benefit levels presently take into account the use of the school lunch program by many families which is why the average food stamp user now receives 38 cents per meal from the Federal Government to help supplement their diet. The amendment also inequitably cuts back food stamps for families whether or not their children use the school lunch program.

Another expected amendment that I would oppose is a recoupment plan that would require households that have raised their incomes above 175 percent of the poverty level to pay back to the Government 50 to 100 percent of the food stamps they received during the current year. Implementation of this proposal would not only be an administrative nightmare according to the 46 States that oppose the amendment, but it would also penalize the marginally poor for improving their income status.

Passage of S. 1309 without these damaging amendments will move Congress one step closer to preventing needless suffering by millions of Americans who depend upon the food stamp program for adequate nutrition. Anything less than success would be untenable.●

SALUTE TO CITY ISLAND YACHT CLUB—75TH ANNIVERSARY

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 8, 1980

● Mr. BIAGGI. Mr. Speaker, Saturday, May 3, dawned sunny and beautiful in New York City. Yet last Saturday was an especially sunny and bright day for the residents of City Island, for it marked the 75th anniversary of the famous City Island Yacht Club.

The yacht club, founded in 1904, to this date remains the only such club founded on City Island. The more than 100 active members of the club joined with other residents of the island in a special ceremony to mark this historic event.

For those of my colleagues who might not be familiar with City Island let me describe it as a type of oasis from the regular rigors of New York City. It is located on the far eastern tip of the Bronx and beginning in the early spring through the late fall—the roads on City Island are usually jammed with cars and people using the many marina facilities on the island for their pleasure boats. I have also been privileged to represent City Island in Congress.

I salute past and present members of the City Island Yacht Club for achieving this notable milestone. I wish to especially pay tribute to Commodore Jerry Fand as well as Findlay Corsar who helped coordinate the various activities conducted on behalf of the 75th anniversary.●

CHICAGO HONORS RAY MEYER: COACH OF THE YEAR

HON. JOHN G. FARY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 8, 1980

● Mr. FARY. Mr. Speaker, May 12 has been proclaimed Ray Meyer Day in Chicago. DePaul University's famed basketball coach will be honored at a civic testimonial dinner sponsored by Chicago's "Back of the Yards Council" at the Martinique. More than 900 of his friends and associates from across the country will attend.

The following is a short biography of Coach Meyer:

BIOGRAPHY OF RAY MEYER

With 623 career victories, Ray Meyer has more wins than any active college coach. Long respected by his peers, Ray hasn't received the kind of national attention given some of his more flamboyant colleagues.

Despite three NCAA tournament appearances in the last four years, it wasn't until his Blue Demons made the NCAA's "Final Four" last season that he began to gain the national recognition that others have enjoyed.

Media hype isn't Meyer's style. Rather, he's the master of understatement, the grin and the shrug. One thing that cannot be understated is his record. In 958 games coached—all at DePaul beginning in 1942—his career percentage is a glittering more than 659. In 38 seasons as Blue Demon head coach he has led his teams to 17 post-season tournaments, ten times to the NCAA and seven times to the NIT. His 1945 club captured the NIT championship in his third season as DePaul's head coach.

In April 1979 Meyer was elected to the prestigious Naismith Memorial Basketball Hall of Fame, only the fourth active coach to be so honored. During the NCAA tournament, the National Association of Basketball Coaches voted him "Coach of the Year."

In 1978 he was named "Coach of the Year" by the U.S. Basketball Writers' Association, and he has been given the same honor four times by the Chicago writers.

A native of Chicago, Ray was a prep star at St. Patrick's Academy, where he was a member of the National Catholic High School champions in 1932. He then went on to earn All-American honors at Notre Dame. Meyer captained the Irish his junior and senior years, leading them to a combined 40-6 record.

Following his college career, Meyer spend a short time as a social worker before joining his former college coach, George Keogan, as an assistant at Notre Dame. He remained there for two years, accepting the top post at DePaul on Keogan's recommendation.

He's been at DePaul ever since, and Meyer and Blue Demon basketball have become synonymous. He's coached three of his own sons, and two have followed in their father's footsteps. Son Tom is head coach at the University of Illinois at Chicago Circle, and Joe is assistant at DePaul.

Ray's wife, Marge, is one of the Blue Demons most visible and vocal supporters. She and Ray are the parents of six children and the grandparents of 15.

Meyer isn't ready to become a full-time grandfather yet. Prior to last year's tournament, he had announced that his dream had always been to make the NCAA's "Final Four." After his Demons narrowly missed making the title game, he was asked if he would have retired had the Demons won the tourney.

"No, I never thought about that," he answered. "I just want to go on coaching as long as I think I can do the job. The day that I can't is the day I'll get out."●

OLDER AMERICANS MONTH

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 8, 1980

● Mr. WAXMAN. Mr. Speaker, since President Kennedy issued the first proclamation in 1963, May has been designated officially as Older Americans Month. Each year, this Government has called attention to the needs and to the contributions of our senior citizen population.

Now, more than ever we need to focus our attention on this valuable and growing population. Budget cuts are being proposed which threaten to weaken the barely adequate network of services and programs which have just begun to help the elderly remain well and independent for as long as possible, and to enjoy respectful and adequate institutional care when that is required. We are just beginning to understand and to plan for the changing needs of this age group and we dare not be diverted from continuing these efforts.

I believe that the most serious problem facing older people as we enter this new decade will be the lack of appropriate and available community-based services, for those citizens who can and wish to remain at home, but cannot do so without medical and social supports. There is a net increase of about 600,000 persons into the over-65 population each year; lifespan has increased by 23 percent in the last 50 years. As our population becomes increasingly older, and lives increasingly longer, its needs will be different. We can anticipate a group of older persons experiencing not only acute illness, but also needing care for chronic, disabling conditions. This group will be politically active and aware, demanding programs which will enable them to remain participating members in their communities for as long as possible.

We are aware that medicaid and medicare reimbursement policies often encourage institutionalization for financial rather than medical reasons. Reimbursement under those programs covers services within an institution, but only in limited instances pays for home and community services.

Yet we know that an estimated 25 percent of persons now in nursing homes could be cared for in noninstitutional settings, if those were available and reimbursed. Such settings might include boarding homes, foster homes, day centers, and even patients' own homes with needed support services. Significant dollar savings would accrue from this more rational pattern of caring. Compared with hospital care, community alternatives can save about 40 percent of the cost; compared with nursing home care, community care might save up to 50 percent of present costs. But we still do not have in place any nationwide system for providing and paying for such care, for persons needing and wanting help to remain at home, and unable to pay for all costs from their own pocket.

As chairman of the Subcommittee on Health and the Environment I recognize our special responsibility in this area of concern. I have introduced legislation which deals directly with correcting the institutional bias of our current reimbursement programs. My bill, H.R. 6194, has garnered support from over 100 of my House colleagues. It provides financial incentives for States to develop a variety of community care programs for those elderly and disabled at risk of institutionalization. States would receive a higher match for providing these services under this bill, and, to control costs, there would be a per capita ceiling on those expenditures, lower than that allowed for nursing home care.

I believe this bill provides a major incentive for States to shift their expenditures and their attention to the areas of home and community support programs for the elderly.

The Congress is also concerned with insuring that a resident of a nursing home be treated with dignity, and accorded all rights due him or her as a citizen. I do not believe he need suffer second-class status because of where he lives. To that end, I have introduced a bill of rights for patients in nursing homes, H.R. 5609; such rights include the right to be informed about medical decisions, the right to personal privacy, and the right not to be involuntarily discharged without cause. I am hopeful this legislation will receive early consideration, so that we can insure a high quality of life for persons who need to live in nursing homes.

These two bills provide an important underpinning to our twin goals of adequate services in the community, and dignified and appropriate treatment within an institution, for our elderly population. I pledge my efforts to see that legislation on long-term care gets the attention it deserves.●

LAKE TAHOE LAND TRANSFER BILL

HON. JIM SANTINI

OF NEVADA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 8, 1980

● Mr. SANTINI. Mr. Speaker, I am introducing today a bill designed to take a big step forward in slowing down the environmental degradation of Lake Tahoe. Congressman PHILLIP BURTON, chairman of the Subcommittee on National Parks and Insular Affairs, joins with me in this major endeavor which is the product of many months of discussion and hard work. As my colleagues may know, Lake Tahoe is located high in the Sierra Nevada Mountains and sits two-thirds in California and one-third in Nevada. This sparkling blue lake is one of the highest and deepest lakes in the United States of America.

At the present time, Lake Tahoe is exceptionally pure and clear. However, the time has come when the States and local governments in the area recognize that action must be taken to preserve the quality of the lake so that future generations can enjoy this precious natural and recreational resource.

The bill we are introducing today will resolve some of the problems associated with future development of the Lake Tahoe basin. The bill is unique in its approach in that it deals with two completely different problems with one shot—degradation of Lake Tahoe and public land management in urban Nevada. In concept, the Santini-Burton Lake Tahoe land transfer bill links purchase of private, environmentally sensitive lands at Lake Tahoe to the sale of urban public land scattered throughout Clark and Washoe Counties. The U.S. Forest Service will be authorized to acquire the Tahoe lands. Money from the sale of Bureau of Land Management lands in urban Nevada will be deemed a repayment of those funds authorized for land purchases at Lake Tahoe.

This is not a perfect bill. It probably does not do as much as some would have us do and more than others would prefer. It is a solid, pragmatic piece of legislation which takes a big step forward in protecting Lake Tahoe.

I strongly believe it will also contribute to a salutory climate for continued negotiations between Nevada and California in their efforts to design a new bi-State compact for the Lake Tahoe Basin. I believe the States and local governments in the basin are the appropriate entities to formulate the governing policies since they will ultimately have to implement them. I support and encourage those discussions which will finally determine the fate of Lake Tahoe.

It is my deep and sincere conviction that the Santini-Burton bill will assist in slowing down future degradation at Lake Tahoe while the States themselves work out a permanent solution.●

FOOD STAMPS

HON. WILLIAM D. FORD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 8, 1980

● Mr. FORD of Michigan. Mr. Speaker, unless we act promptly to approve the food stamp amendments, 330,000 families in Michigan will face disaster on June 1.

State officials estimate it would require $25 million a month to feed those now receiving Federal food stamps, but Michigan's entire emergency assistance money for the year has already been used. With a projected $300 million deficit for the current fiscal year, the State has no place to turn for help.

Mr. Speaker, it will be a tragedy of immeasurable proportions if we fail to act.

I include in the RECORD at this point a Detroit Free Press editorial and three letters which indicate the extent of the problem in Michigan:

FOOD STAMPS: THE POOR ARE ONCE AGAIN ON THEIR KNEES

It's shameful when people in one of the world's most affluent societies have to beg for food. Yet year after year, Congress makes the nation's food stamp recipients get down on their knees.

The headlines sound the same each time—Food Stamp Program Running Out of Money. Only the amount of shortfall in the estimated national food stamp program varies—along with the number of people dependent on it to fill their stomachs.

This time 800,000 people in Michigan and 27 million nationally are threatened with the loss of food stamps unless Congress appropriates more money by May 15. The suspended program would eventually restart, but it could take several months to get it back in place. No one knows how the people affected would eat in the meantime.

The program has a perennial case of the shorts because, when it expanded benefits in 1977, it presumed a low rate of inflation and small increases in the number of recipients. The spending limit it imposed on the program turned out to be woefully inadequate in a society facing nearly a 20 percent inflation rate and rising unemployment.

Michigan would be particularly hard-hit by any lapse in food stamp coverage. The number of persons on Michigan's welfare rolls has soared since the first of the year, throwing the state budget out of line by more than $140 million. Should the food stamp program be suspended, the Department of Social Services will seek supplemental funding from the Legislature, but DSS Director John Dempsey doubts there will be enough available state money to cover the losses.

Last year when the same sort of crisis arose, Congress acted in the nick of time to approve an additional $650 million for the program after increased participation by the poor and soaring food prices pushed it over its projected budget. This year, the poor may not be so lucky.

Congress has just a little over a month to eliminate the limit, pass a new budget resolution allowing enough money to be spent to maintain the program for the rest of the fiscal year, then appropriate the supplemental funding. Michigan must use all its political muscle to make sure the poor don't have to pay the ultimate price for congressional shortsightedness and inaction.

DEAR REPRESENTATIVE FORD: Unless Congress takes immediate action, more than 330,000 Michigan families, containing 800,000 people, will lose Food Stamp benefits with the shut-down of the Food Stamp program. An increase is necessary in federal funding to allow this program, which is vital to the poor of Michigan and the nation, to continue throughout this fiscal year.

As you know, Michigan is now in a serious recession. Our state's funding resources are being stretched to the limit by unprecedented increases in our welfare rolls. Our unemployment is near the highest in the nation. Loss of Food Stamp benefits for our needy citizens can only place added stress on our already overloaded social services programs.

The U.S. Department of Agriculture feels that an interruption in the Food Stamp program can be avoided only if Congress acts before May 15 to approve a Third Budget Resolution, to allow appropriation of the necessary funds, and to approve lifting the present Food Stamp cap to allow the program to continue. I urge you to support these actions and to support full funding for the Food Stamp program for the next fiscal year.

Sincerely,

BOBBY D. CRIM,
Speaker of the House.

DEAR REPRESENTATIVE FORD: In Wayne County, approximately 142,000 households, representing 345,300 children and adults, participate in the Food Stamp Program. Without appropriate congressional action, the program will be discontinued.

We urge your support of this essential program through the passage of the third Concurrent Budget Resolution, removal of the current $6.2 billion ceiling on Food Stamp expenditures, and timely approval of supplemental funds, sufficient to continue operation of the program.

Respectfully yours,

MRS. CHARLES F. WHITTEN,
Chairperson, Wayne County Board of Social Services.

DEAR BILL: On April 8, 1980, John T. Dempsey, Director of the Michigan Department of Social Services, wrote to you explaining the pending crisis in the Food Stamp Program. If Congress has not completed action on three fronts by May 15, 1980, Secretary of Agriculture Bob Bergland will order the Food Stamp Program suspended June 1, 1980. The three fronts are as follows:

(1) Increase or eliminate the ceiling on spending.

(2) Increase the total amount of federal spending in a revised Second Budget Resolution for FY 1981.

(3) Enact sufficient supplemental appropriations.

Suspension of the program would have a severe impact on our state's low-income population—an impact documented for you by Dr. Dempsey. Over 813,000 Michigan residents would lose nearly $25,000,000 in benefits in the month of June alone.

During the week of May 5, 1980, you will have an opportunity to help alleviate the pending crises. As early as Tuesday, May 6, S. 1309 may come up in the House floor. S. 1309 would authorize an increase in the food stamp ceiling for fiscal year 1980—as required prior to the introduction of a supplemental appropriations bill. In addition, the bill contains other provisions which Michigan has long supported; a separate dependent care deduction; an increase in the amount of health expenses that can be deducted in computing food stamp allotments for the elderly and disabled; benefits for battered women and children in temporary shelters; and fiscal incentives for states to improve administration and reduce error, fraud, waste, and abuse.

I urge you to vote for S. 1309, and to oppose any crippling amendments which may be offered. Expeditious passage of this legislation will represent a badly needed first step toward prevention of a genuine food crisis during the month of June.

WILLIAM G. MILLIKEN,
Governor.●

RECLAMATION LANDS OPPORTUNITY ACT

HON. JAMES WEAVER

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 8, 1980

● Mr. WEAVER. Mr. Speaker, I rise today to reintroduce the Reclamation Lands Opportunity Act, a bill to reform the Reclamation Act of 1902. Following my remarks, I have appended a section-by-section analysis of the bill. I urge my colleagues to familiarize themselves with the controversy surrounding this program because a little study will make the desperate need for reform quite clear.

The reform of the Federal reclamation program is a national issue of the most urgent kind.

We are talking about a 78-year-old program which administers billions of dollars of taxpayer subsidies in the 17 Western States. These subsidies have an enormous impact on the Nation's farm economy. Though reclamation lands represent only about 1 percent of America's farmlands, they produce 90 percent of our canning tomatoes, over 30 percent of all our vegetables, 20 percent of all our cotton, and half the world's supply of raisins. California, which has received the highest reclamation investment of any State, also ranks first in the annual value of farm crops. Yet California farmers harvest 2 million acres less per year than do farmers in Arkansas, which ranks 13th.

We are also talking about a program in which a minority of projects contain what Secretary of the Interior Andrus has called egregious abuses. In his November testimony before the House Subcommittee on Water and Power Resources, Secretary Andrus offered this partial list of the problem areas:

> On a few projects, there is clear evidence of abuses. These include situations where technically there may be compliance with the law but program objectives are not being achieved, where large landholdings are concentrated in the hands of a single person or entity owning or managing the land through leasing, trusts, or other arrangements. Other problems include absentee, investment-type ownerships, beneficiaries receiving project water deliveries long before commencement of repayment (of project costs), opportunities for speculation in the sale and re-sale of lands, landholding patterns and dispositions of lands in ways that diminish the opportunities for new and small farmers, and contract arrangements which fail to recapture a fair share of the substantial Federal subsidies to irrigators and which fail to keep pace with changing economic and farming conditions.

These abuses have caused the Interior Department to propose rules to strictly enforce the old 160-acre limit/residency requirements. It is to correct such abuses, while removing the threat of administrative action against the vast majority of farmers who have remained within the spirit of the law, that I originally introduced the Reclamation Lands Opportunity Act, formerly H.R. 3393.

I am now reintroducing this legislation with technical amendments, as well as two substantial changes which are meant to accommodate legitimate concerns which have been called to my attention in the year since the bill was first introduced.

As revised, the Reclamation Lands Opportunity Act will:

Set a basic acreage limitation of 640 acres of federally irrigated land in any one ownership;

Allow equivalency of up to 2,500 acres in areas where the growing season is less than 180 frost-free days;

Establish a flexible residency requirement, exempting retired family farmers and their lineal family descendants; "residency" is defined as living within 15 miles of the federally irrigated land, or within the distance to the nearest incorporated town, or within the distance to the farthest part of an integrated farm operation;

Institute a lottery for the distribution of excess lands; except for 640 acres to be sold to family members;

Prevent speculation on the sale and resale of reclamation lands; and

Require renegotiation of all subsequent water service and repayment contracts every 5 years.

These reforms are essential if the reclamation program is to survive to contribute to America's farm economy. They are not draconian measures—we have made every effort to accommodate the real needs of modern family farmers on reclamation lands, while remaining true to the goal of distributing the benefits of taxpayer-subsidized irrigation water among the widest practical number of citizens.

It was brought to my attention that the cap on acreage which H.R. 3393 set for lands subject to equivalency was unrealistically low. In relation to the productive value of some lands in California, lands in the Milk River project in Montana and other northern projects would be unfairly disadvantaged by an acreage cap of 960 acres. I have raised that cap to 2,500 acres, a figure which I think takes into account the real disparity in productive value among different irrigation projects.

It was brought to my attention that certain people, for instance some retired family farmers, might suffer under a simple residency requirement of 15 miles such as the one proposed in H.R. 3393. Because I believe an effective residency requirement is the single most effective way to prevent speculation and absentee ownership of reclamation lands, I have attempted to work out a flexible residency rule in the new bill. Retired family farmers should be able to move off the land and still live on its proceeds. Therefore I have exempted them, and their lineal descendants, from the requirements of residency. In addition, I have liberalized the residency requirement in the ways mentioned earlier, in order to account for the existing conditions in some areas of the West.

It has been brought to my attention that some farm families, while operating farms which fall well within the acreage limitation contemplated by this and other reform bills, own their land through corporate arrangements which do not fit the definition of "qualified recipient" in many of the bills. I refer specifically to situations in which an immediate family or its descendants own 50 percent or more of the ownership interests in a corporation which in turn owns the land. This form of ownership has been used by farm families as a way to recapitalize their investment for needed equipment purchases or expansion, while avoiding the pitfalls of heavy mortgage financing. I do not believe families who presently have reclamation farms organized this way should be forced to sell their lands, as long as they retain direct ownership of at least 50 percent of the corporate entity, as long as they remain within the acreage limitation of the program, and as long as they are bona fide day-to-day farmers. At the same time, I do not think we should encourage the proliferation of this form of ownership within the reclamation program, since it does pose the possibility of considerable future absentee investment in reclamation lands, which was clearly not the intent of reclamation law.

Therefore, I have prepared an amendment, which I plan to offer in committee, which would make such family owned farm corporations, where they already exist on reclamation lands at the date of enactment of the legislation, qualified recipients of Federal irrigation water.

It should be clear from this list of changes that I intend to make a good faith effort to reform the administration of the reclamation program, and to do so in a way that recognizes the needs and changes of modern family farming.

There are other proposed reform bills which do little more than legitimate the abuses of the past. Of course, there is a hidden danger in these false reforms. Once Congress has reneged on the family farm commitment which is the basis and justification of the reclamation subsidy, the whole program will be branded as a giveaway and will become increasingly vulnerable to political attack. We cannot afford such an outcome; nor should we tolerate it. The reclamation program is far too valuable to allow it to be taken over and gutted by the wealthiest 1 percent of its recipients.

My analysis follows:

SECTION BY SECTION ANALYSIS OF THE RECLAMATION LANDS OPPORTUNITY ACT (FORMERLY H.R. 3393)

TITLE 1: FINDINGS AND PURPOSES, DEFINITIONS

Finds that a populous, prosperous rural society is essential to the preservation of the national character; that the purpose of reclamation law is to encourage the settlement of family farmers on federally irrigated land; that the reclamation program provides substantial subsidies so that landowners will have an incentive to sell excess land; but that, because of lax administration, the program has in fact excluded the very family farmers who were intended to benefit.

Defines "family farmer" as an individual who owns and operates, or leases and operates, not more than 640 acres of land irrigated by federal water.

Defines "residency" as living on the land which receives federal water; or within 15 miles; or within the distance of the nearest incorporated town; or the distance of any non-irrigated land integrated into the farm operation.

Exempts from residency requirement: absentee owners at the date of enactment who own no more than 640 acres; retired family farmers and their lineal family descendants; divisions or projects which have been exempted by law at date of enactment.

TITLE 2: ACREAGE LIMITATIONS AND EQUIVALENCY

Sets basic acreage limitation for federally irrigated land owned by any individual owner or group of owners at 640 acres of Class 1 land.

Establishes equivalency provision for lands of less than 180-day frost-free growing season, or more than 3000 feet elevation, of up to 2500 acres.

Authorizes Secretary of Interior, upon request, to amend contracts to conform to new limitations.

TITLE 3: EXCESS LANDS AND IRRIGATION RIGHTS

Provides that, one year from date of enactment, no federal water will be provided to any lands unless: (a) the lands comprise a family farm; (b) the lands are under recordable contract; (c) the land is acquired by foreclosure or device; (d) the land is inherited; (e) the land is in a project or division which has previously been exempted by law; or (f) for specified technical reasons.

Requires the Secretary of Interior to give 60 days legal notice of termination, and to establish procedures for settling contested water rights.

Establishes a lottery for the disposition of excess lands. Allows seller to convey up to 640 acres to blood relatives (more where equivalency applies). Provides that lands sold through the lottery system shall be divided into various size parcels ranging from 20 to 640 acres. Requires appraisal of lands for sale through the lottery without reference to unattached improvements, and regulates the sale price in accordance with standard reclamation practice.

TITLE 4: REPAYMENT OF PROJECT COSTS

Requires all new water service contracts to be renegotiated every five years. Requires repayment capacity studies to be performed every five years. Requires all new contracts to commence payment upon delivery of water.

TITLE 5: LEASING OF CERTAIN LANDS

Authorizes Secretary of Interior to purchase excess lands for lease to family farmers. Authorizes the appropriation of $10 million per year for four years for the purpose. Specifies conditions under which lands may be leased to qualified leaseholders. Authorizes sale of federally leased lands to leaseholders under certain conditions. Authorizes financial assistance to qualified leaseholders.

Provides that after the termination of a lease, land not sold to the leaseholder shall be placed in the lottery. Prohibits foreign individuals and entities from holding any interest in reclamation lands.

TITLE 6: MISCELLANEOUS

Allows the Secretary of Interior, under specified conditions, to provide loan guarantees in order to assist qualified leaseholders.

Requires that all contract negotiations involving construction, operation, repayment, water rights, etc., on reclamation lands be conducted in public sessions and pursuant to public notice.

Requires publication of all rules and regulations regarding reclamation procedures.

Authorizes the appropriation of such sums as may be necessary to carry out the provisions of the Act.●

AMERICAN PRISONERS IN CUBA

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 8, 1980

● Mr. BIAGGI. Mr. Speaker, while current national attention is focused on the thousands of refugees fleeing Castro's Cuba, I would like to bring to the attention of my colleagues that approximately 50 Americans are languishing in Castro's prisons. I have been joined by 45 of my colleagues in sending the following letter to the Secretary of State asking that they do everything in their power to gain the release of our citizens who are being held in the Combinado Del Este.

While we have an "open arms" policy toward those fleeing Cuba, we should not forget our own citizens who are victims of Castro's regime.

The following letter was sent to former Secretary of State Vance on April 15, 1980:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C., April 15, 1980.

Hon. CYRUS VANCE,
Secretary of State,
U.S. Department of State, Washington, D.C.

DEAR MR. SECRETARY: I am writing to bring to your attention the plight of approximately fifty Americans who are being held in Cuba's Combinado Del Este. They are being held for various reasons: among them, violation of Cuban water or air space and possession of narcotics or marijuana. Two Americans are being held for dropping religious literature on Cuban grounds from an airplane. I am particularly alarmed about this situation as there has been a marked escalation of the confiscation of American boats by the Cuban Coast Guard over the last year.

I charge that the Cuban government has treated, and continues to treat, our citizens unjustly. For example, trials often last for about two hours and frequently consist of a monologue by the judge against "American imperialism." One man is being held for his activities as a fighter pilot during the Viet Nam war among other alleged violations. I am aware that some men, upon being arrested by the Cuban Coast Guard, have been held in solitary confinement for up to ninety days and some have been forced to sign confessions in Spanish. I am particularly appalled to learn of cases where the U.S. Interest Section did not have access to the prisoner until several months after the arrest.

After an individual is tried, convicted and sentenced, the Cuban government places harsh restrictions upon him. A convicted prisoner is allowed to send and receive only one letter every three months. This policy imposes a severe hardship on some of the men because their families cannot visit them in the Combinado Del Este for financial or personal reasons. The relatives are allowed to take only twenty-five pounds of food to the prisoners every three months. The Cubans supply the Americans with an inadequate diet and the men depend upon the food brought from home to survive. The relatives have attempted to take freeze-dried food. However, Cuban officials often confiscate it under the impression that it may contain hashish.

The relatives of these prisoners have made two trips to Washington and have met with several Members of the Senate and House of Representatives, representatives from the Office of Human Rights of the State Department, Assistant Secretary of State William Bowdler, and Ruth McLendon, Director of the Bureau of Consular Affairs. The most important result of these meetings at the State Department was that State Department officials have promised to deal with this intolerable situation more vigorously than they have in the past. Until this time, the only contact the relatives have had with the State Department has been with the Citizens Emergency Center. Ambassador Bowdler and others have promised their own time and expertise in the event that the relatives should call on them.

Among the increased efforts to be made on the prisoners' behalf, additional funds will be made available for a Cuban attorney to represent the Americans' interests with Cuban officials. In response to the relatives' concerns about the inadequate diet, Ambassador Bowdler has requested that the Bureau of Consular Affairs and the U.S. Interest Section in Cuba file a request with the Cuban Government asking that the relatives be permitted to take adequate food supplements to the prisoners.

The Cuban Government has provided for the expulsion of foreign prisoners through Section 46 of their penal code. This section of the law has been superficially investigated and discussed with Cuban officials. The U.S. Interest Section in Cuba will now vigorously approach the Cuban Government regarding the application of Section 46 in the case of the Americans being held.

The State Department, under the Carter Administration, has consistently protested the violation of human rights and injustice practiced in foreign nations. In this case, the rights of American citizens are being flagrantly violated. I am asking for your personal intervention in seeing that State Department officials do all they can to pursue improved living conditions for the prisoners and explore all avenues available for the release of the Americans.

In order that this matter be given the high level of attention which it merits, I ask that you meet with the prisoners' relatives in the near future. Denise McCarthy, of my staff, will be glad to make the necessary arrangements. I hope that you will focus your attention on the plight of these Americans and do all you can for them. I look forward to hearing from you soon.

Sincerely,

MARIO BIAGGI,
Member of Congress.

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C., April 28, 1980.

Hon. CYRUS VANCE,
Secretary of State,
U.S. Department of State, Washington, D.C.

DEAR MR. SECRETARY: The following Members of the House of Representatives join me in my concern for the American prisoners in Cuba and ask that the State Department do all it can to obtain their release and improve their living conditions while they are imprisoned.

Many thanks for your efforts on behalf of our citizens in Cuban jails.

Sincerely,

Mario Biaggi; Edward J. Stack; Dante B. Fascell; Claude Pepper; S. William Green; Benjamin S. Rosenthal; Joe Moakley; Carroll Campbell; Thomas B. Evans, Jr.; Donald J. Pease; Paul Trible; Carl D. Pursell; Don Bonker; Martin Sabo; Clement Zablocki; Bill Archer; Edward J. Derwinski; Benjamin A. Gilman; Peter H. Kostmayer; William Lehman; L. A. (Skip) Bafalis; Ted Weiss; Robert K. Dornan; Stewart B. McKinney; Samuel S. Stratton; Gerry E. Studds; Ken Kramer; Lester Wolff; L. H. Fountain; Jerome Ambro; Sam B. Hall, Jr.; Vic Fazio; G. William Whitehurst; Robert W. Daniel, Jr.; John W. Wydler; Thomas J. Downey; Tennyson Guyer; Lee H. Hamilton; Clair W. Burgener; Norman F. Lent; Larry McDonald; David R. Bowen; Gerald Solomon; Robert J. Lagomarsino; Richard L. Ottinger; Richardson Preyer; Carlos J. Moorhead.●

AMENDMENT TO H.R. 7235, THE RAIL ACT OF 1980

HON. BOB ECKHARDT

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 8, 1980

● Mr. ECKHARDT. Mr. Speaker, as you are aware, the full Commerce Committee will soon be taking up H.R. 7235, the Rail Act of 1980.

In general, the bill is one which will have salutary effects on an ailing industry, and we applaud it. However, there is a problem with respect to a single class of shippers—those who are captive to the railroads and therefore have no economically feasible alternative way to ship their products.

A little background information is in order before describing the amendment. As the Oversight and Investigations Subcommittee's recent coal rate report indicated, rates for hauling bulk commodities such as coal, steel, chemicals, and grain—those best shipped by rail—have increased at a very rapid rate over the past few years. The rate for all railroad shipments averages out at a revenue/variable cost ratio of about 127 percent. But captive coal shippers, in some celebrated cases, are now paying rates above 170 percent. These rates include a full recovery of all variable and fixed costs, a full and fair return on all investment involved, as well as a major increment to subsidize the movement of less profitable traffic. In other words, those without bargaining power are already being required to bear the burden of rehabilitating the railroads.

No one would argue that railroads as a class should not find ways to increase their revenues to become self-sustaining. The difficulty with this bill, however, is that, by applying industry averages, it prevents captive shippers from complaining about oppressively high rates charged by railroads that would be profitable without raising their rates to figures needed by poor or failing railroads. For instance, for southwestern utility ratepayers to furnish the money to pay excessively high coal rates to Burlington Northern, the biggest and one of the profitable railroads, will in no way help our Conrail or the Boston & Maine. Railroads that are profitable, or that can be made so by efficient management, should not be permitted to milk captive shippers to reap more profits in these inflationary times or to continue inefficient management at the expense of hard pressed ratepayers.

As if the ICC's generous treatment of rate increases were not enough, H.R. 7235 would go further in two ways. First, it would place the burden on the shippers to provide that a rate is unreasonable, a most difficult if not impossible burden when the pertinent information is in the carriers' hands. In addition, the threshold level for the exercise of any ICC review over a rate is set at least 30 percent higher than the present high ICC approved rate levels, at a range between 190 percent and 210 percent of variable costs.

The result of this set of provisions in H.R. 7235 is that these shippers who have no feasible alternative to rail transportation will be subjected to tremendous increases in rates, which are already very high and return extremely generous profits to the railroads. These increases will in turn be passed on to consumers.

Inasmuch as the bill does not provide any significant incentives to the carriers to become more efficient so long as they can indiscriminately raise their rates in noncompetitive markets, the effect of the bill will be to add to already high inflation levels.

In addition, the bill would have the effect of discouraging a shift in this country away from our dependence on foreign oil. Other energy sources are considerably less expensive than oil, even at delivered prices when rail transportation cost is calculated on the basis of the railroads' cost of service plus reasonable profit. But, if transportation prices were calculated at 190 percent to 210 percent of variable cost, this advantage could evaporate.

Our amendment is designed to provide needed revenues to the railroads, and it would permit carriers to raise or lower their rates where there is competition from motor, water, or other rail transportation, just as H.R. 7235 does. But it would also afford needed protection to those shippers who are captive, as the present bill does not. It would permit regulatory scrutiny of a proposed rate when the rate is high enough to indicate a lack of bargaining power between the shipper and the carrier, initially around 150 percent of variable costs. The Commission, of course, would not be required to take any action, but it would not be prohibited from granting relief as it would be under H.R. 7235.

The Senate provisions which the amendment embodies establishes a system to permit railroads to recover increases in their costs through inflation increases which cannot be challenged by shippers. In addition, carriers would be able to implement further increases within a rate flexibility zone of 5 percent per year—not to exceed 14 percent in any 5-year period—free from ICC suspension and investigation except where it could be shown that the carrier involved already enjoys adequate revenues as defined under the existing law.

It should be emphasized that the amendment does not set a ceiling on rates, but merely lowers the threshold at which rates are reviewable from about 200 percent to about 150 percent of variable cost. Under existing law there is no such threshold. The effect of this amendment is to open a wider range of cases in which the ICC may look at the particular railroad and its rate, and see if the rate is excessively profitable to the railroad in that particular instance—in a somewhat wider range of cases.

The language of this amendment is taken from the Senate bill, with several exceptions. The amendment contains, first, a provision relating further to the bill's abolition of capital incentive rates, section 206. Both the Senate and House bills abolish such rates, but our amendment would also direct the ICC to reconsider those few capital incentive rates now in existence. There are only three of them at issue here, and the problem is that in all three the rates were set very high. The Commission established rates in these individual cases before they settled upon the standards they have applied in all recent similar cases. We think this was in violation of the spirit, and probably the letter, of the 4R Act and that those three rates should be subject to another examination by the Commission under the prevailing standards of lawfulness.

Another provision in the amendment, section 207, clarifies language in the Senate bill relating to a shipper's ability to challenge a base rate. The Senate language says that challenges to base rates must be made within 9 months of enactment of the bill. Our amendment would make it clear that when a rate becomes challengeable under the zone structure of the bill, then the entire rate, and not just the increase, can be addressed by the challenging shipper and the Commission. Section 205 of the amendment would require the ICC and the Department of Transportation to conduct studies of the feasibility of the regulatory approach embodied in the rate regulation provision as reported out of the subcommittee.

We believe that our amendment establishes a good balance between the railroads' needs for rate flexibility and regulatory protection for shippers faced with rail monopoly situations. It would thus add to the very constructive contributions made by the Subcommittee on Transportation and Commerce in other parts of the bill.

We urge your support of the amendment.

Attached is a list of organizations which support the amendment as of this date:

Edison Electric Institute.
Committee of Railroad Shippers.
Western Coal Traffic League.
American Public Power Association.
National Rural Electric Cooperative Association.
National Coal Association.
Chemical Manufacturers Association.
American Farm Bureau.
National Council of Farmer Cooperatives.
National Council of State Legislators.
National Association of Regulatory Utility Commissioners.
United Auto Workers.
United Mine Workers.●

FREEDOM THROUGH STRENGTH

HON. BILL NICHOLS

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 8, 1980

● Mr. NICHOLS. Mr. Speaker, on Saturday night, May 3, it was my pleasure to be the guest of the Reserve Officers Association of Alabama State banquet. In observance of National Defense Week in Alabama, the ROA sponsored a statewide speech contest for high school students to express their thoughts on national defense and the American social responsibility to serve these United States.

The contestants in the contest were judged by a panel of respected Alabamians, including former Under Assistant Secretary of the Army for Manpower and Reserve Affairs, Mr. Will Hill Tankersley, Col. Sam Pearson III, USAF, Maxwell AFB, and the Director of Alabama regional Veterans' Administration, Mr. William D. Davis.

The contest winner is a resident of Prattville, Ala., a 17-year-old senior at Prattville High School, Ms. Susanna Peace. I include for the RECORD of this body a copy of her speech entitled "Freedom Through Strength." It is a stirring address of patriotism, pragmatism, and truth. It shows that the character of this young and thoughtful writer is far more mature than her years suggest.

As she calls on all Americans to devote their individual support for our Nation and she reminds us that "Freedom through strength (can) be achieved by individual strength, individual dedication, individual support."

I would hope that all young Americans would speak with the convictions of Ms. Susanna L. Peace.

The speech follows:

FREEDOM THROUGH STRENGTH

Ten score and four years ago our fathers brought forth upon this continent a new nation, conceived in liberty and dedicated! We are now engaged in a great war testing whether that nation, or any nation, so conceived and so dedicated can long endure. Just what is the situation in the United States today? Can we endure?

We have changed from a sincerely "United" States to solitary groups and private, very private individuals, with solitary, private, very private goals, with little or no apparent national unity. Our nation certainly does not have the cooperation and active support of the citizens of this nation, and as a result, the national security of this nation has been severely effected.

While other nation's defenses have steadily increased over the past decade, our nation's defenses have apparently gone in the opposite direction. We seem to ignore the possibility of another great war and we continue to lead our independent, dis-interested lives, refusing to be overly concerned with world events. Even today, with the dilemma in Iran and Afghanistan, we do not want to be personally involved. We read the newspapers, we hear the news on the television or the radio, we express our opinions to friends and relatives, we certainly do our fair share of criticizing the government and then we go our merry way. We, as American citizens, appear to want somebody else to handle the situation, and handle it as we would want it handled, but we don't want to be bothered "with the details". This is obviously impossible. A nation cannot exist as a "united" nation without the active support of the citizens of that nation.

It appears that our government does not have the power to preserve our nation's freedom because of the emphasis on the "individual's rights". Maybe there should be limits to the amount of freedom that an individual has when it infringes on national freedom. While we do have freedom of the press and freedom of speech, these freedoms are many times abused. There has been much controversy over the publication of defense information. In one instance, the Justice Department attempted, in a lengthy legal battle, to prevent use of information pertaining to the construction of the hydrogen bomb (H-bomb). The government argued that certain information provided could aid hostile nations or terrorist groups in their development of a similar bomb. The legal battle was dropped after another publication, the Madison Press Connection in Wisconsin, printed a 7,000 word letter from a California computer programmer which described the inner workings of the H-bomb. Currently, the strictest law dealing with official secrets is the Atomic Energy Act of 1954. The Justice Department tried to invoke this law to stop publication of the H-bomb information. Other laws state that it is illegal to obtain or give out any secret information; but only if the alleged violator thinks that the information will be used against the United States or will aid a foreign nation. England's Official Secrets Act permits prosecution of anyone, including newspapers, for disseminating information classified as secret. Our Congress, fearing that it would violate an individual's personal freedoms, has refused to consider such legislation for the United States. This attitude has caused a great setback in the national defense of our nation. Because we (the American public) have the freedom of speech and the freedom of the press, with no apparent limitations. We have taken advantage of these rights, at the expense of our nation's goals and security.

Life, liberty, and the pursuit of happiness are the basic characteristics of the American way of life. These are the qualities our nation was founded on. Have we abused these freedoms too?

Freedom of life, liberty, and pursuit of happiness means that we are free to pursue our lives, establish our goals, and live our life style in any manner that we should choose. We can be rich men, poor men, begger men, thieves, doctors, lawyers, or merchant chiefs. We can go to bed at night and wake up in the morning without fear for our lives. We can go to church, any church, or not go to church. We can establish our own criteria for happiness and we can pursue that goal in whichever manner we feel will make us happy. But these freedoms do not give us the right to do as we please at the expense of others, whether those "others" happen to be other individuals or our nation. We cannot have rights without responsibility, and we have a responsibility to each other and to our nation. Our nation must be free too; free from fear for our nation's security and well-being. If we lose our nation's freedoms, we lose our personal freedoms. As goes our nation, so goes the individual.

What is ahead for the "United" States in the 80s? Will we continue down our road of personal happiness, personal lives and personal liberties at the expense of our nation, or will we step forward for our nation's life, liberty and happiness? What has happened to national patriotism, is it dead?

There are two separate objects of a patriot's devotion; two distinct foundations. One is the American way of life and the freedoms and privileges we personally enjoy. The other is the American Republic. The Republic is that for which our forefathers fought and died while establishing our nation. National patriotism was founded when our nation was founded. It is the basis for the "American way of life". It is the Constitution of the United States, the Bill of Rights, the outline and scope of all American politics. The flag is its emblem. "Uncle Sam" is its nickname. We seem to have forgotten the ideals for which our forefathers sought and settled a new land. We seem to have forgotten the times they fought for right, just because it was right. We seem to have forgotten the times they lost (as all people lose in any war) and the times they won. We seem to have lost sight of the determination, the desire, and the pride, the intense, all consuming pride and patriotism of our forefathers in the establishing of this great nation. Have we let national patriotism slip away in the pursuit of personal achievement and personal happiness? Has our national patriotism become a faint thing, a hollow shell? Has the nation's very life blood ceased flowing? Has the nation's heart quit beating as one?

It is time for us to remember. Without the continuation of these ideals and principles we cannot again become the great nation that we once were. We cannot continue to enjoy the freedoms and privileges we now enjoy and that are slowly slipping away. It's time to wake up and stand up for our nation. We must stop thinking "self" and start thinking "United" States.

Patriotism can be reborn in each individual, young or old, if we are willing to bear the birth pains. The government cannot be patriotic for us. Patriotism is personal and concrete. It is the love of things familiar and formative. It is the love of our nation and what our nation stands for, and it is the zealous support of our nation's authority and interests.

We must be willing to support our nation financially. We must realize that a strong national defense is vital to our nation's life and that costs, and we must bear the cost. Taxation is necessary. It may be true that our current tax laws need to be reviewed and updated, but that does not relieve us of our responsibility. Taxation will still be necessary and we must be willing to pay the price for a strong national defense and our very existence.

We must be willing to serve our country. I would advocate a law requiring each and every person in the United States to serve his country, in some capacity, for at least one year. Those persons not qualified, or not required for military service, could serve in other areas of social service, such as hospital work, building housing for elderly persons, road construction or anything that serves our nation. Every person in the United States that is mentally capable and/or physically capable should be used in some area of service to our country.

We should enact a law requiring that only those persons having a valid need would be granted access to defense information, whether classified or unclassified, and that any person attempting to secure or disseminate any information regarding national defense, at any time, for any purpose, should be severely prosecuted.

We must enforce discipline in our lives. Our nation cannot effectively operate without discipline. We have become a nation with little respect for discipline and authority. "Laws are made to be broken" is the American way of life. Let's bring discipline and respect for authority back into proper perspective, and let's start at the basic level. Let's discipline our children and ourselves at home, at school and in all walks of life. Let's start enforcing our laws and gain a new respect for authority.

We must emphasize American History and United States government in our schools, both in intermediate and secondary schools. We need to salute the flag and say the Pledge of Allegiance again. We need a renewed emphasis on our heritage, our history, and hand-in-hand, our responsibilities to our nation.

We need a greater understanding of the American political scene and we need to become personally involved in politics. We need to become aware of who is running for office, what is his/her background, training and experience. We need to know how he/she voted on issues while holding other political offices. We need to know what the candidates really stand for and support. We need to actively campaign for competent candidates. Then we need to take a mature, educated look at our candidates for office, make a conscientious choice, and most important, support our elected officials.

We need to remember the basic characteristics of the American way of life—life, liberty and the pursuit of happiness. We need to remember the freedoms that we have, the freedoms that have made our way of life possible, yet, we must never forget that without these same freedoms, these same characteristics being applied to the life of our nation first, we'll not have a nation and we'll lose our freedoms. Let's have freedom in the 80s. Freedom through strength, achieved by individual strength, individual dedication, individual support, and we will have a reborn national patriotism.

"This nation, under God, shall have a new birth of freedom—and the government of the people, by the people, and for the people, shall not perish from the earth."●

TRIBUTE TO JACKIE WHITE

HON. TONY COELHO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 8, 1980

● Mr. COELHO. Mr. Speaker, I was pleased to learn recently that a constituent of mine, Jackie White, a senior at San Joaquin Memorial High School, has been selected by the Parade magazine Women's All-America First Team and the National High School Coaches All-America Team.

Jackie, an outstanding basketball player and all-around athlete, has helped her team achieve an incredible league record of 50 wins, no losses over the past 4 years. Their season record for the same period was 100 wins and only 7 losses.

This young woman has attained so many honors during her tenure in high school that it would be impossible to list them all, but I will say that she has been selected most valuable player on several teams and leagues each year, and she was named California Player of the Year as a junior.

Mr. Speaker, a luncheon will be held in Fresno on May 20, 1980, to honor this outstanding young American. I am privileged to represent her, and all she stands for, in Congress. America needs more outstanding young people of the caliber of Jackie White.●

SMALL BUSINESS REFUNDABLE INVESTMENT TAX CREDIT RELIEF ACT OF 1980

HON. HENRY J. NOWAK

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 8, 1980

● Mr. NOWAK. Mr. Speaker, I am introducing legislation to help small business in its critical need for capital formation and retention. H.R. 7314 would amend the Internal Revenue Code of 1954 to provide that up to $100,000 of the investment tax credit shall be refundable due to business investment in machinery and equipment.

BACKGROUND

H.R. 7314 is being introduced as a result of recommendations made by the Small Business Subcommittee on Access to Equity Capital and Business Opportunities, in its "Report on Capital Formation and Retention." The report's recommendations were an affirmation of the primary concern of the 1980 White House Conference on Small Business, the concern for promoting small business capital formation.

In the current discussion and promotion of accelerated depreciation reform, an often overlooked issue is the interrelationship of the investment tax credit and depreciation. The subcommittee report points out that to the extent the investment tax credit is used by small business, it tends to help cash flow to a greater degree than present accelerated depreciation methods, such as the sum-of-the-years digits method. As presented by the table below, companies in the lowest tax brackets particularly benefit to a greater degree from investment tax credit reform.

AFTER-TAX RETURNS ON AN ASSET YIELDING 10 PERCENT[1] BEFORE TAXES AND SUBJECT TO VARIOUS TAX PROVISIONS

[In percent]

Tax incentives	Tax rate bracket				
	46 percent	40 percent	30 percent	20 percent	17 percent
None[2]	4.9	5.6	6.6	7.7	8.0
Sum-of-years digits depreciation (SYD)	5.7	6.3	7.3	8.2	8.5
20-percent asset depreciation range (ADR)	5.4	6.0	7.0	8.0	8.3
10-percent investment credit (ITC)	7.0	7.7	8.9	10.2	10.6
SYD, ADR, and ITC	8.8	9.4	10.3	11.1	11.4
None, with 8-percent inflation	2.4	3.4	5.1	6.7	7.2
SYD, ADR, and ITC with 8-percent inflation	6.6	7.5	8.9	10.3	10.7

[1] The asset illustrated here is assumed to have a 15-yr useful life, equity financing, and a 10-percent annual rate of decline in productive capacity. Unless otherwise noted, a 0 percent inflation rate is assumed.

[2] Assumes straight-line depreciation, tax life equal to useful life, and no investment credit.

Source: CRS Investment Analysis Model.

H.R. 7314 would be extremely beneficial to a new small business, that is, one in the startup stage. In its early stages, the small business must make a heavy investment in machinery and equipment. This kind of investment is primarily made in the startup stage, and is only made infrequently thereafter by the business. In a recent survey of several members of the Machinery Dealers National Association, it was found that it could easily cost a new tool and die shop $500,000 just to purchase used machinery. New machinery could easily cost the same tool and die shop over $1 million.[1]

Since it often takes a startup business several years before it turns a profit, the current investment tax credit on machinery and equipment is of little benefit. A new tool and die shop that must spend $500,000 to $1 million on machinery needs an immediate solution to its cash flow problem. It is of little benefit to that business to wait several years to utilize the carry forward provisions of the investment tax credit under current law. H.R. 7314 would provide immediate relief to this new tool and die shop; it would provide immediate cash flow relief through the mechanism of a refundable investment tax credit. Thus, small business would be allowed the full benefit of the investment tax credit regardless of the amount of its taxable income, under H.R. 7314.

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[1] This survey was done in conjunction with my introduction of H.R. 6171, reform of the investment tax credit for used machinery.

Small businesses are, in addition, heavily affected by the current credit and monetary crunch facing the U.S. economy. Few businesses can borrow at a 21-percent interest rate and still retain a profit. The small business must obtain the necessary funds for business expansion from other sources. Tax relief such as H.R. 7314 provides the small business with an increase in its internal cash flow in a period when external sources have all but dried up.

OTHER RELATED MEASURES

1. Capital gains rollover

In the report mentioned above, the subcommittee also recommended a small business capital gains rollover provision to encourage retention of capital in the small business sector. I have already filed H.R. 5097, the Small Business Capital Formation and Reinvestment Act of 1979, which would defer tax liability on the profits from the sale or exchange of a qualified small business stock, as long as the proceeds are reinvested in another small business within 1 year.

2. Investment tax credit for used machinery

Recognizing the dependency of small business on the purchase of used equipment, the subcommittee noted that the current limitation on the amount of used equipment eligible for the investment tax credit should be raised. H.R. 6171, the Used Machinery Investment Credit Adjustment Act of 1979, which I recently introduced, would increase from $100,000 to $200,000 the amount of used equipment eligible for the credit. This bill currently has 45 cosponsors.

3. Pollution control expenditures

In addition, the subcommittee noted that pollution control expenditures have tended to supplant productive investment and recommended that federally mandated equipment be amortized in less than the current 5-year writeoff period. I have introduced H.R. 6694, the Pollution Control Capital Recovery Act of 1980, which allows such equipment to be amortized in 3 years.

4. Accelerated depreciation reform

Finally, the subcommittee recommended that favorable consideration be given to accelerated depreciation legislation which is simple, limited in scope, and which meets the needs of capital intensive small business. The Small Business Capital Incentive Act of 1980, H.R. 6617, which I also recently introduced, allows for the rapid recovery of investment in buildings and equipment.

H.R. 6617 allows businesses the election to depreciate buildings subject to a $3 million per year limitation over 15 years. Vehicles and equipment would be depreciated over 4 years and would be subject to a $1 million per year limitation. A full 10 percent investment tax credit would be permitted on vehicles and equipment.●

YOUTH OPINION SURVEY

HON. TOBY ROTH

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 8, 1980

● Mr. ROTH. Mr. Speaker, during a recent visit to the Eighth Congressional District I had the opportunity to review current events in foreign affairs with students from Sturgeon Bay Junior High School, Sturgeon Bay, Wis. I was very impressed with the maturity and insight these students demonstrated by their knowledge and wisdom of these important matters.

During that visit I also conducted a brief survey of students, and the following are the results:

RESULTS OF YOUTH OPINION SURVEY

	Percent	
	Yes	No
1. Do you support President Carter's boycott of the Summer Olympics in Moscow?	60	40
2. Do you agree with the manner in which the American hostage situation in Iran has been handled?	34	66
3. Do you believe that the United States must take a stronger stand against further Soviet aggression?	90	10
4. Do you favor a return to the selective service system beginning with the registration of all males 18 to 20 years of age?	58	42
5. Do you favor the registration of women?	55	45
6. Do you think that a person should have a choice between serving in the military or volunteering for an alternative such as the Peach Corps or community service?	75	25

●

LONG CALLS FOR COMPREHENSIVE SUNSET BILL

HON. RICHARD A. GEPHARDT

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 8, 1980

● Mr. GEPHARDT. Mr. Speaker, my colleague from Louisiana, GILLIS LONG, recently spoke before the U.S. Chamber of Commerce on the need for a comprehensive sunset bill. Our consideration of the first budget resolution underscored for me the need for this legislation. Most Members agree on the need to restrain Federal spending if we are to control inflation, but decisions on specific cuts has proven the most difficult and divisive task for the Congress.

I have cosponsored the sunset approach offered by my colleague from Louisiana in H.R. 5858, because I strongly believe that it can assist the Congress in its budget deliberations. I am convinced that to be effective, sunset legislation must cover all forms of Federal spending—whether it be by annual appropriation, entitlement, tax expenditure, or loan guarantee. I commend Representative LONG's remarks to all Members concerned about the need to develop a more equitable and efficient way to control budgetary growth.

The speech follows:

> The latest Government figures on consumer prices, and the reaction of highly respected members of the business community to these troubling figures, has returned inflation to the top of the list of national problems. It is a most disturbing problem. The leading economists are unable to agree on a diagnosis of this national ill. The old economic maxims of Government expansion to combat unemployment, and tight money to stem rising prices, no longer apply with the same force they once did. But I believe that most of us, Democrats and Republicans, can agree that there are a few important directions in which Government must begin to turn.
>
> No matter whom you blame for these economic ills, nearly everyone agrees that a top priority is curbing our dependence on foreign energy sources. President Carter has taken upon himself the tough, but in my opinion, essential decision of decontrolling oil. We have been too late in doing this. Coupled with the other major energy initiatives that Congress is now completing action on, this decision will help move us toward self-sufficiency in energy. The quadrupling of oil prices in the past decade has been a major contributor to our inflationary spiral, and the only way to insulate ourselves from future price shocks is to curtail our use of foreign oil.
>
> The second direction in which we must head is to restrain the rapid growth in Government expenditures and to increase the efficiency of Government operations. Sunset legislation is a congressional response to these concerns. As constitutional holder of the purse, Congress has to take upon itself this second tough, but essential decision. Because I believe Congress will act on sunset this year, it is vitally important that we carefully consider the form and scope that sunset legislation will take. A sunset bill riddled with exemptions may provide the illusion of budget control, but will fail to bring under scrutiny many of the fastest growing portions of the budget.
>
> A sunset bill that selects programs for review by a preset agenda, without regard for the committees of jurisdiction or the most current national priorities, will prove difficult if not impossible to implement meaningfully.
>
> A sunset bill laden with an overkill automatic termination provision may appear to be tough, but will bring with it a dangerously high level of economic uncertainty. This uncertainty could hamstring the operations of business, the financial community, and State and local governments. On the other hand, a carefully drafted sunset bill—one which is sensitive to the workings of the Congress and our economy—can provide a useful tool in controlling spending and curbing waste.

As the problems in the Persian Gulf are, to some extent, resolved, and as the November elections approach, I am convinced that inflation and Government economy will emerge preeminent on the voters' minds. Consequently, we are now hearing the sentiments of a growing number of Congressmen, liberal and conservative, that decisive action needs to be taken. In the months ahead we will be hearing more about a balanced budget, about constitutional amendments for that purpose; about proposals to link Government growth with the GNP; about regulatory reform; about legislative vetoes; and about the sunset legislation I spoke of earlier.

The newspaper headlines of the past few days indicate that the President intends to cut back a number of programs in order to achieve a balanced budget in fiscal year 1981. The mounting budget pressures will force Congress to make hard choices between programs. Sunset legislation can provide a guide to where cuts can be made.

Sunset and several other proposals aimed at Government economy are currently being considered within the Committee on Rules. As Chairman of the Committee's Subcommittee on the Legislative Process, I have presided over a lengthy and comprehensive study of sunset legislation. My colleagues on the committee, JOE MOAKLEY and TONY BEILENSON, are pursuing equally thorough studies of the legislative veto and spending limitations. The three of us bear a special responsibility on behalf of the House in conducting these studies. We must not judge these proposals only on the merits of their objectives, but on their long-range effects on the Congress as an institution as well.

The success of sunset legislation will depend upon its ability to mesh with congressional procedures. Neither I nor the Rules Committee is interested in merely shifting boxes on an agency's organization chart or in the congressional budget.

Sunset promises a lot. And that promise must be matched with performance. It must work in practice, not just on paper.

Sunset legislation is a procedural remedy to a substantive problem. Our predicament is that Federal programs have outpaced Congress effort to monitor them. Businessmen complain that agencies have issued regulations that go well beyond what is necessary to implement legislation. Members of Congress complain that the original intent of legislation has been prostituted, and that programs have mushroomed far beyond what anyone expected. The procedural remedy that sunset provides is for committees to take a second look—to see if programs are utilizing their Federal moneys well. If they are, fine. But if not, they should be ended. The sun should set on them. The concept is an appealing one, but we have found that its application to the Federal Government across-the-board is far from simple.

One begins to appreciate the complexity of the problem by understanding the nature of the Federal budget. The budget is not arranged in the fashion of a single checking account, with Congress writing out a check for each individual expenditure. If it were, sunset would be a simple matter. The budget instead resembles more a diverse portfolio of holdings. It is a portfolio representing numerous accounts, in which programs can be paid for in various ways.

The oldest and most common way is through annual appropriations. These programs present the most opportunities for review, as they must regularly proceed through both the authorizing and appropriating processes of the Congress. Just under one quarter of the Federal budget is funded in this manner. These programs comprise the larger part of what is considered the "controllable" portion of the budget. But even this terminology can be deceiving, as a very high percentage of these expenditures relate to the national defense, an area in which deep cuts would not be advisable at this time.

Another form of spending in our budget portfolio are entitlement programs. Entitlements are open-ended budget allocations. The amount of funds spent depend on the eligibility requirements of the program, rather than a fixed allocation. These programs include the major transfer payment programs of the Federal Government—social security, veteran's benefits, medicare. It also includes important agricultural programs.

Entitlements constitute the fastest growing segment of the budget, as illustrated on the chart I have provided. These funds of the budget can be said to have "liens" on them. Congress can't make cuts by simply rewriting the amount on the check. We have to change the criteria set forth in the original laws establishing the programs if we are going to change the amount spent.

A third form of spending is the provision of direct loans and loan guarantees. Whether they be for veterans buying homes, small businesses expanding, students attending universities, or assistance to giants such as New York City, Lockheed, and Chrysler; these programs represent potential claims on Federal dollars. The budget must allow for any defaults and the makeup of interest differentials.

Finally, there are tax expenditures or tax credits. This part of our budget portfolio is probably subject to the greatest misunderstanding and misinformation. It is a concept firmly established in both law and economics. It is part of the Congressional Budget Act. And despite definitional problems, the three economic units of our Government that catalog tax expenditures—the Department of the Treasury, the Congressional Budget Office, and the Joint Committee on Internal Revenue Taxation, have always agreed generally on the same listing of these tax expenditures. The chart I have provided you makes clear the growing use of tax expenditures by the Congress.

Let's take a very simple example. If Uncle Sam wants to help Americans insulate their homes, he can do it in any of these ways. He can send the taxpayer a check for the cost of insulation. He can subsidize or guarantee a loan to pay for the insulation. Or he can let the taxpayer deduct the cost of the insulation from what he would, under normal circumstances, pay the Government in the form of taxes.

All of these methods would have the same policy objective. All of these methods would represent claims on our budget portfolio. Understanding this is the key to understanding the underlying need for sunset to cover all items in our budget portfolio if it is to be effective.

Letting the sun set on only one form of Federal spending has an effect beyond just the failure to review those vast segments of the budget. The effect is what I have coined as "Long's First Law of Program Review": Being, new programs will rise where there is no sunset. If we exempt one form of spending from review, sure as the crocuses bloom in the spring, new programs will rise in those spending categories that escape the review. Clamping down on direct spending programs only, will lead to the instant growth in demand for new loan guarantees and tax expenditures. This isn't just my view. The distinguished former Chairman of the Committee on Ways and Means, Wilbur Mills, stated it back in 1967;

"The expenditures we turn away from the front door we must not allow to enter through the back door."

H.R. 5858, the Sunset Review Act which I have introduced with 160 cosponsors, is built on this premise. It differs from previous sunset proposals in two fundamental respects. First, it contains no exemptions or exceptions. All forms of spending are treated, and treated fairly. Second, it does not rely on the threat of automatic termination to force review.

The action-forcing mechanism of H.R. 5858 will encourage review without creating the instability that would result from automatic termination. Under H.R. 5858, no program or tax expenditure can be automatically terminated without a vote of the Congress. Let me outline the basic features of the bill.

The process works on a Congress-by-Congress basis. It begins with the adoption of sunset review agendas of their jurisdiction by legislative committees. These agendas, which must be prepared by March 1st of the first session of a Congress, will announce well in advance the programs and tax expenditures that each committee intends to review that Congress. This will provide all parties concerned with adequate notice that a program is scheduled for review. In addition, committees will be required to project their review schedules for the next three Congresses. Let me emphasize again that these agendas for review will be set by the committees that normally have jurisdiction over the programs. These are the committees that have built up a great deal of expertise over the years in dealing with these programs. They are familiar with the programs and their problems. They are in the best position to choose priorities for sunset review and to conduct a serious study.

The committee recommendations for a sunset review will be approved by the full Congress, which will then direct each committee to report their findings and recommendations to the Congress by May 15 of the second session. The directive specifies that the committees are to report legislation that would modify, continue, or terminate the programs that have been reviewed.

This directive is the action-forcing mechanism of H.R. 5858. It links the review conducted by committees with a "sunset vote" by the full Congress. The directive for a vote is a key difference between H.R. 5858 and previous sunset proposals, such as H.R. 2. This directive assures that no program or tax expenditure will end without Congress having the opportunity to vote. It also assures that Congress will be able to act affirmatively on committee recommendations. This is especially important with regard to entitlement programs, where legislative action is required in order to achieve budgetary savings. As I stated earlier, these directives will apply to any and all forms of spending—whether it be direct expenditures, loan guarantees, tax credits, or entitlements. If we are serious about review, we must be willing to make all areas of the budget eligible for a sunset review.

Most important, the assurance of a vote under H.R. 5858 alleviates the many problems associated with automatic termination. These problems came to light during the extensive hearings I chaired last year. At those hearings, representatives of the business community—some of you are here this morning—of independent regulatory agencies, of civil rights groups, and leading scholars of economics and government, all gave forebodings of what could occur under automatic termination. Let me provide a few examples.

State and local governments cannot plan their budgets if they don't know the status of Federal block grant assistance. Housing authorities and private homebuilders can't get construction started if the status of Fannie-Mae and Ginnie-Mae loan programs are in doubt. Manufacturers can't make necessary capital improvements if investment tax credits are in jeopardy.

Neither Government nor business can operate in an economic climate where key tax provisions or programs could abruptly disappear from the books because a committee missed a review or a minority of Members delay consideration of a sunset renewal. As a former financial lawyer, I know that investment flees uncertainty. And in these economic times, the last thing we want to do is to discourage investment.

This could very well happen under H.R. 2 and this is why I have pursued a different course with H.R. 5858.

I am not convinced that automatic termination, as proposed by H.R. 2, is the best or only way to encourage review. This is why H.R. 5858 assures a vote of the full Congress before any program or tax expenditure can be terminated.

I am not convinced that any individual program or form of spending should be exempted from review, as in H.R. 2. This is why H.R. 5858 contains no exemptions.

I am not convinced that an arbitrary schedule, such as that contained in H.R. 2, should determine any Congress' priorities for sunset review. This is why H.R. 5858 has the committee of jurisdiction, with the concurrence of the full Congress, set its own priorities for review.

I am not convinced that sunset review should only look at the amount of funds authorized for a program. This is why H.R. 5858 encourages review of the enacting legislation and all regulatory authority.

For these reasons, I am convinced that H.R. 5858 represent the most responsible and effective approach to sunset.

Our Nation has focused its attention on the issues of inflation and Government economy. Congress can and will respond to that concern with sunset legislation this year. My question to you, which I stated earlier, is: "What kind of sunset legislation will it be?"

Will it treat all forms of spending equally or will it be riddled with exemptions?

Will Congress have the final say or will key provisions of law end without so much as a vote due to automatic termination?

Will it address the need to review the programs most in need at the time, or will its review be dictated by an arbitrary schedule?

Think on these questions. I did, and that is why H.R. 5858 takes the form that it does. Sunset legislation is not a one-shot operation to streamline government. Our Federal bureaucracy has built up over the entire post-war period. It will take a sustained effort by the Congress to sort through the mass of Federal programs and activities. H.R. 5858 is designed for the long-haul—for that is the only hope we have for getting a handle on the problems that beset Government today.●

MARY LASKER AND THE NATIONAL HIGH BLOOD PRESSURE EDUCATION CAMPAIGN

HON. CLAUDE PEPPER

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 8, 1980

● Mr. PEPPER. Mr. Speaker, it is no longer a secret that high blood pressure is one of the most insidious enemies of the Nation's health. Heart disease, the leading cause of death, and stroke account for nearly half of all deaths in the United States each year. Diseases of the circulatory system are the single greatest economic health burden. They account for over one-fifth of the total national economic cost of illness, which has almost tripled since 1963. Diseases in this category rank first among the major classifications of disease in potential years of life lost because of illness and account for the largest number of social security disability cases.

High blood pressure is a critical factor in this area; it has been estimated to be present in 68 percent of all first heart attacks and 75 percent of all first strokes. It is directly related to heart attack, heart failure, stroke, kidney failure, and blindness.

Some 60 million Americans have been determined to be at risk of developing blood vessel disease and these related conditions as a result of high blood pressure. Almost 35 million persons are estimated to have definite hypertension with another 25 million thought to have borderline high blood pressure. Some 7 million of the 35 million Americans with definite high blood pressure are taking medication and achieving control of their disease.

While uncontrolled hypertension can have devastating consequences, it has no symptoms. Millions of Americans daily play Russian roulette with their lives, unaware of the unknown health dangers they may face. Detection, treatment, and prevention are crucial to control of this condition, which has been called the silent killer. Education, therefore, is the largest single need.

In the early 1970's, the National Heart, Lung, and Blood Institute initiated a program that has become the focal point for national education activities. This national high blood pressure education campaign has produced impressive, measurable results in reducing deaths from heart attack and stroke.

Mr. Speaker, the reason the dangers of hypertension are no longer a secret can be traced to the efforts of Mrs. Mary Lasker. It should come as no surprise to my colleagues that she was and is the inspiration and the momentum behind this successful program. It was she who first presented it to HEW officials; it was she who got the program off the ground; and it is she whose persistence has kept public interest in high blood pressure alive in a sea of health concerns where attention shifts almost daily.

As so often in the past, Mrs. Lasker came to me a few years ago and asked if the Select Committee on Aging, which I have the privilege to chair, could do something to make known the dangers to the elderly represented by hypertension. As a result, the Subcommittee on Health and Long-Term Care, which I also chair, conducted the first congressional hearing devoted exclusively to an examination of high blood pressure among the elderly on July 21, 1977. In the fall of 1978, I appointed a blue ribbon advisory panel on the treatment of high blood pressure in America to advise our committee on what might be done to further attack this national health problem. This panel, composed of Amercians distinguished in the fields of medicine, business, labor, government, and philanthropic endeavor, and including the very highly respected heart surgeon, Dr. Michael DeBakey, met with our committee on January 31, 1979, and issued a report recommending legislative and administrative initiatives at combating hypertension.

Shortly afterward, I introduced a package of bills which would, among other things, provide medicare coverage for preventive services furnished in the screening, testing, diagnosis, and treatment of individuals for hypertension. It is my hope that the legislative committees with jurisdiction over these bills will seek to bring them before the full House.

Association and friendship with Mary Lasker have been among the greatest joys of my public life. Time and again Mary Lasker has demonstrated abiding concern for the health of Americans—indeed all the people of the world. And she has done more to translate her concern into action and results than any person I have known in the more than 40 years that I have been associated with the Federal Government.

It was my pleasure to work with her and others in the Congress to establish the National Heart Institute, the National Cancer Institute, and others. She has initiated practically all of the great programs that deal with health problems that today are the subject of concern by our Government: cancer, heart disease, arthritis, rheumatism, blindness, and right on through the list of diseases which are studied by the National Institutes of Health and treated in various Federal, State, local, and private programs. She truly is one of the great ladies of the world, and the world owes her a debt of gratitude for the selfless devotion she continues to exhibit in the interest of mankind.

I bring these thoughts to the attention of my colleagues so that I may share with them a recent report on the status and results of the national high blood pressure education campaign.

Mr. Speaker, I insert this brief report in the Record at this point:

One of the most successful public disease control programs ever undertaken in this country is the National High Blood Pressure Education Campaign of the National Heart Institute, which began in late 1973. This program has been a major contributing factor to the decline in deaths in this country, resulting in the fact that for the last three years we have enjoyéd the lowest death rate in our history.

This has been accomplished by cutting the death rate from stroke by 23 percent between 1973 and 1978; and by cutting the death rate from diseases of the heart by 8 percent between 1973 and 1978, in each case with accompanying savings of thousands of lives.

The decline in the number of deaths from cerebrovascular diseases since 1973 has meant the saving of 127,026 lives of people who would not have been alive had the prior stroke death rate still prevailed.

In 1973 at the start of the National High Blood Pressure Education Campaign, the crude death rate from stroke was 102.1. In 1978, it was down to 79.1, a 23 percent decline.

Year by year this meant a saving of the following number of lives through the decline in the stroke death rate, since the National High Blood Pressure Campaign got under way:

1974, 6,889; 1975, 20,275; 1976, 25,690; 1977, 32,379; 1978, 41,793, for a total of 127,026 lives saved.

A similar successful result has been effected in connection with diseases of the heart. The death rate from diseases of the heart has been cut by 8 percent between 1973, when the National High Blood Pressure Education Campaign began, to 1978.

Thus, the decline in the number of deaths from diseases of the heart since that time has meant the saving of 160,086 lives, of people who would not be here had the prior heart disease death rate still prevailed.

In 1973 at the start of the program, the crude death rate from diseases of the heart was 360.8. In 1978, it was down to 333.0, an 8 percent decline.

On a year by year basis, this has meant a saving of the following number of lives, through the decline in the heart disease death rate since the National High Blood Pressure Education Campaign began:

1974, 18,909; 1975, 40,860; 1976, 33,197; 1977, 38,225; 1978, 28,885, for a total of 160,086.

The significance of the National High Blood Pressure Education Campaign, and the resultant saving of lives, demonstrates the fact that when doctors and the public are made aware of specific health matters, both the professional and the lay public respond, and lives are saved.

All the elements relevant to this situation were in existence prior to 1973—we had the drugs, we had the knowledge, we had the techniques. The only thing we did not have enough of was education and the incentive to act upon this medical knowledge.

The only new factor that was added was the National High Blood Pressure Education Campaign, and the aid of the Advertising Council, which obtained for it, between 1975 and 1978, $106,000,000 in free time and space from TV, radio, and other media. We may therefore consider that this was the new ingredient which made all the difference between life and death for thousands of people.

What we need now is to increase the number of people who have their blood pressures checked to prevent even thousands more deaths from heart attacks, strokes, and kidney failure. Get checked today by your doctor.

THE NEW ELI WHITNEY MUSEUM AND ARMORY

HON. ROBERT N. GIAIMO

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 8, 1980

● Mr. GIAIMO. Mr. Speaker, I would like to call the attention of my colleagues to a new museum entering its second season in my Third Congressional District in Connecticut.

Its uniqueness is that it is dedicated to displays depicting some of the early days of Yankee ingenuity. Through the inspiring efforts and leadership of Merrill K. Lindsay, a well known historian, and several other dedicated individuals, the remaining 10 acres of the once vast Whitney family holdings have been obtained for this historical showplace.

The historical significance of this museum is based on the inventor of the cotton gin, Eli Whitney. The cotton gin assured his place in the history books and almost into the debtors prison. But he is assured a place in any history book dealing with the technique of mass production. He nearly went into bankruptcy in his attempts to protect his cotton gin from being copied, but had the foresight to develop an arms industry utilizing some of the earliest techniques for producing quantities of interchangeable parts. His effort to fulfill a contract with the U.S. Government to manufacture 10,000 muskets in an unprecedented 2-year period was the real beginning of mass production. Skeptics of the 1798 period knew he could not find enough craftsmen to handcraft muskets using traditional gunsmith methods. While it took longer than the 2 years for Mr. Whitney to set up the plant and to obtain the necessary machinery, he knew that once in operation the factory could produce individual musket parts that could be interchanged. Replacing broken parts with new parts in the field was an added bonus the Army soon realized. It was not too long before foreign governments realized the advantages of this technique. It became known as the "American System."

During his lifetime, Eli Whitney's factory in Whitneyville produced about 38,000 firearms, thereby establishing the first truly recognized factory based on the mass production of uniform interchangeable parts.

The museum organizer, Merrill K. Lindsay, a renowned arms historian, has not confined the museum just to Whitney's cotton gin and samples of the arms his factory produced. Many other well-known New Haven and Connecticut inventive geniuses are represented by the products of their efforts. For example, one can see exhibits on the telegraph—Samuel Morse; vulcanized rubber tires—Charles Goodyear; the first combat submarine—David Bushnell; a stone crusher for macadam roads—Eli Whitney Blake; carriages—John Cook and James Brewster; covered bridges—Ithiel Town; and many more.

The Eli Whitney Museum, which is near New Haven, has a number of buildings dedicated to displaying New England artifacts, antique firearms, the original arms factory, a living museum, and an extensive library. An authoritative booklet has been published by Mr. Lindsay giving some of the interesting details of the armory along with an excellent bibliography and a listing of manufacturing companies of Connecticut that were founded between 1767 and 1862 and still in business as of 1973.

As an important part of our American heritage, I would recommend to one and all that they visit the Eli Whitney Museum in Whitneyville, Conn.●

SECRETARY OF STATE MUSKIE

HON. DON EDWARDS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 8, 1980

● Mr. EDWARDS of California. Mr. Speaker, I was pleased to see the overwhelming vote in the Senate to confirm Ed Muskie to be our new Secretary of State. I have always had a high regard for Mr. Muskie, and believe that he will bring a needed balance to our foreign policy planning.

An article in today's New York Times presents some interesting thoughts on Mr. Muskie's new position that I think my colleagues would be interested in reading. As a Senator, Ed Muskie has been a forceful advocate for arms control and for the SALT II agreement. In these troubled and uncertain times, I think we very much need a renewed commitment to achieving arms limitation. I share the hope of the author of this editorial that Secretary Muskie will use his new position to encourage the ratification of SALT II.

The article follows:

For Mr. Muskie's Opening Number

A rescue mission is overdue for another American hostage to fortune, the SALT treaty. If Senator Muskie wants to make good his vow to be a "political" Secretary of State, in the finest sense, he would defy conventional wisdom and lead a daring effort to save the arms control pact.

President Carter's preoccupations with Iran and Afghanistan, though justified, have obscured the even larger danger of the resumption of an uncontrolled nuclear arms race with the Soviet Union. This being an American election year, the chances for avoiding that danger now seem small. But the chances of repairing the damage after election, when Moscow will be moving toward a change of leaders, seem smaller still. One more urgent effort ought to be made, and the arrival of Secretary Muskie—soon to meet with Foreign Minister Gromyko—may offer a last opportunity.

Mr. Muskie has headed the arms control subcommittee of the Senate and probably knows that subject as well as any foreign issue. And he knows better than anyone in the Administration how to maneuver the Senate toward one more try at ratification. Ronald Reagan would oppose it, but that may make it all the more attractive to the Democrats and President Carter. Propelling them and the country should be the knowledge that failure to ratify SALT this year will destroy the pending treaty and perhaps even the arms control negotiating process.

Mr. Carter has wisely drawn back from linking SALT ratification to Soviet conduct in Afghanistan. The treaty is even more important in a period of Soviet-American tension. SALT II is not a favor the United States does for the Soviet Union; it is a mutually beneficial pact and, on balance, more beneficial to America.

The American and Soviet Governments are abiding voluntarily by the unratified limitations of SALT II and the expired limits of SALT I. But why obey treaties without also getting their benefits of certainty? Holding voluntarily to these ceilings will surely become difficult as the time approaches for dismantling older weapons to make room for replacements. A first test may come this month, when Moscow launches a new missile submarine that will push the Soviet arsenal above the SALT I ceiling. The United States faces a similar test in September, with the start of sea trials for a new Trident submarine.

Replacements aside, SALT II requires the Soviet Union to dismantle 104 missiles or bombers immediately and 150 more by the end of 1981, when the United States is committed to reduce by 33. All of this would have to be renegotiated if Congress defers ratification to at least the middle of next year.

Delay would also unravel other elements of security policy. NATO's approval of American mid-range missiles in Europe was conditioned on negotiations in the next treaty, SALT III, to limit them and comparable Soviet weapons. If those issues become entwined with SALT II, the pending treaty will be delayed for many years. And it is highly unlikely that either side would abide voluntarily by the SALT limitations until that time.

Moscow is even now adding 1,000 multiple warheads to its big missiles each year. SALT II limits those missiles to 10 warheads each, instead of the 30 they could carry, and to a total of about 10,000. But those ceilings won't be voluntarily observed forever. At about 14,000 such warheads, Moscow would have tripled the "threat" to America's contemplated mobile MX missile, which is supposed to make our land-based deterrent invulnerable again. America could always build more MX shelters, but the Soviet Union could add still more warheads, faster and cheaper.

A world without SALT may not be the worst of all worlds, but it could come close. The instabilities in an uncontrolled arms race would be even greater than the economic cost of losing the treaty—at least $30 billion over ten years. What better issue for an election year debate, and for a Secretary of State's debut?●

STAND UP AMERICA

HON. CARROLL HUBBARD, JR.

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 8, 1980

● Mr. HUBBARD. Mr. Speaker, I would like to call the attention of my colleagues to a commentary written by a high school student from Hopkinsville, Ky. This excellent statement by Hopkinsville High School senior, Frank Reynolds, exhibits a renewed patriotism at a time when pride and belief in our Nation has withered to an alarming low. We are all aware of the challenges and difficulties facing us both nationally and internationally. Let Mr. Reynolds' article be the sort of inspiration to spark the sense of hope and unity we so desperately need to stand up to these challenges. This commentary appeared in Hopkinsville High School's newspaper, the Tiger, on April 29, 1980. The text is as follows:

STAND UP AMERICA

Moving into this decade, America is plagued with many new problems as well as many of the old ones still dragging along. The most crucial problem that we, the American people, are faced with today is the starting of a war, possibly a Nuclear World War.

Being a concerned student and citizen of this community, I feel that it is my obligation to speak out on this issue of country and patriotism. By expressing my feelings on this grave issue, I hope and pray that other Americans will be persuaded to stand up and show their national pride for this glorious nation.

If a World War is to come in our near future, we cannot sit here and wait for it to slap us in the face. We must be ready by preparing ourselves now. The best way to do this is by draft registration. This is a proposal by President Carter that would allow young men and women to register for the draft. By using this draft registration now and supporting it we will be ready for any military aggression against us, our Allies, or any place American interests are threatened.

We must maintain a strong army and navy if we are to protect our national security. This will show the world that the "Sleeping Giant" has awakened once again, tired of being pushed around.

We have to be ready for any crisis today because the world is in a terribly unstable stage where one incident can turn this planet into a battlefield. So if we still want to keep our freedoms, then let's give our country what She deserves, a little of ourselves and our time.

If someone is living in the United States, and does not want to defend his constitutional rights, then why should someone else? Why should these people have the same rights as someone else who has fought for his rights and his country? Anyone who loves this country should stand up and support it.

I am not suggesting that we should go to war with the Soviet Union or any other country at this time, although diplomatic relations have been strained a great deal by the Soviet Union and other countries as well. I am only saying that if our national security or our rights to liberty are threatened that we should be prepared to fight for these principles.

In order to stop Soviet aggression and embassy takeovers we must unite to keep this country free. Let us not blind ourselves, but rather see that these are not just signs but implements of war. These hostile actions have to be dealt with immediately.

These incidents have occured mostly because of our foreign policy. We could not protect our citizens in Iran and probably cannot protect them in the United States if a World War were to come today. It is now time that the students of this community stand up together and support this great country because she has supported us for all our lives.

Freedom is a precious thing to humans all over the world. But if freedom is not worth protecting then it is not worth keeping.

Life is a beautiful miracle but it cannot be valued above principle. The world will not respect our rights unless we show that we will defend those rights. One man's life is not worth more than a whole country's existence.

As long as a nation is full of people without courage, it is not just a nation that is weak, but a nation that is doomed to die.●

LONGEVITY: CAN THE AGING PROCESS BE REVERSED?

HON. JAMES J. FLORIO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 8, 1980

● Mr. FLORIO. Mr. Speaker, the House will once again turn its attention to the important issue of Federal support for medical research when we consider the Health Research Act of 1980. This bill, which reauthorizes the National Institutes of Health, was ordered to be reported this week by the Committee on Interstate and Foreign Commerce.

I am very proud of the work being conducted at a research laboratory in my congressional district at the Institute for Medical Research (IMR), located at Camden, N.J. This internationally renowned facility has the world's largest collection of deep-frozen human cell samples. Upon request, these samples are immediately available to researchers investigating cancer, aging, and hereditary disease.

Presently, 80 percent of the Institute's funding comes from Federal and State grants. Twenty percent is supplemented by private foundation grants and individual contributions. IMR is New Jersey's only medical research facility that is not supported by a drug company, hospital, or university.

IMR also plays an important role in investigating environmental causes of cancer, an issue of great concern in my State. IMR is the only lab that tests New Jersey's air, soil, and water for unidentified cancer-causing chemicals.

Mr. Speaker, I think that my colleagues would find enlightening a recent article about the Institute of Medical Research's study on the relationship between cellular reproduction and human aging. We should all be aware that the continuation of such high-quality research depends upon our maintaining Federal aid for basic research.

It is a privilege to share with my colleagues the work being done at IMR in efforts to meet the tremendous challenges faced by medical science.

The article published in Camden's Courier-Post follows:

CITY CELL BANK MAY HOLD SECRET OF HUMAN AGING

(By Ron Avery)

CAMDEN.—To cheat death, to find a "fountain of youth" that retards the aging process, is perhaps mankind's most universal dream.

The ancient quest goes on more intensely than ever before, with much of the effort centered at the private Institute for Medical Research in Camden.

If there is a major discovery in the next decade on aging, there is a good chance it will either come out of Camden or the institute will have played a role in it.

The secret of defeating the aging process probably lies in understanding cells and why cells lose their ability to divide and reproduce.

Practically all researchers working on this basic question are in contact with the Camden facility for two reasons:

It has a team of scientists working on aging under a federal grant that now amounts to $1.25 million.

It contains the world's only cell bank for aging, which last month received a $3.5 million federal grant for its continued existence.

The cell bank contains thousands of tiny vials filled with living, frozen cells. They are shipped to scientists in every part of the world who are working on the question of aging.

The bank is funded by the National Institute for Aging (NIA) and it is tied in with all NIA research projects dealing with cells.

The living cells have been collected from people with rare illnesses that cause premature aging and from normal people of all ages. The samples are kept in a state of suspended animation in liquid nitrogen freezers at 316 degrees below zero.

Dr. Arthur E. Greene of Cherry Hill, head of the cell biology department, is as cautious as any scientist, yet he feels there may be a major breakthrough in 10 to 15 years.

"It's possible that life can be prolonged so that people will live to 150," he says. "But, what we are really looking for is the knowledge to keep people as healthy as possible as they age."

"Science has just started to study this in a systematic way," he says. "The NIA is only about three years old. Aging is getting more attention because by the turn of the century about 25 percent of the population will be over 65."

Much of the technology to study the process is new. The Institute for Medical Research has been a pioneer in developing techniques of preserving the purity of cell samples.

The institute developed sterile air-flow systems used in labs and hospitals and other sterilizing techniques.

One of the advantages of using the institute as the cell bank for all aging studies is that work can be duplicated using the same tissue from the same donor.

"If there is a major discovery and another scientist tries to duplicate the experiment and does not get the same result, he knows the reason for the difference is not because the tissue is different," explains Greene.

The institute has gone all over the world to obtain samples of some of the more unusual aging diseases. Included in the collection is progeria, which causes premature aging in children who take on the appearance of old people and usually die in their teens. Another rare disease in the cell bank is called Alzheimer Disease, a form of early senility.

The bank also includes cell samples taken from healthy persons from age 20 to 90. Samples from these volunteers are taken on a regular basis to be studied and stored.

Greene says he would like to expand the collection to obtain samples from ethnic groups that seem to have great longevity, such as the natives of the Caucasus Mountains in the Soviet Union.

Researcher Dr. Robert Miller suggests that cancer and aging may be two sides of the same coin.

He says all healthy cells sooner or later lose their ability to reproduce (as with the fetus experiment). However, cancer cells will reproduce indefinitely. So, if science ever learns to control the wild growth of cancer, it also will learn how to prolong growth in normal but aging cells.

Miller is one of six institute staff members involved in the basic research on aging.

Most of the group's work has involved the examination of chromosomes and genes.●

A TRIBUTE TO ARTHUR LEVITT

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 8, 1980

● Mr. KEMP. Mr. Speaker, this week, New York State, as well as the Nation, lost a great man and one of its most effective and influential public servants. Arthur Levitt for 24 years served the people of New York as the State's comptroller. As an elected official, he served in the administration of three Governors of both political parties. Without doubt, during the course of his distinguished service, he became the State's most widely admired public figure. As he approached the end of his unprecedented six terms of office, all four political parties in New York State were prepared to nominate Arthur Levitt as their candidate for comptroller.

Perhaps the most enduring part of Arthur Levitt's record will be to his ability to enlarge the concept of the position from what was originally little more than an auditing function to a comprehensive review of the quality of execution of government programs. Levitt virtually pioneered efforts to link the fiscal performance of State government with its substantive performance. No State government official could be content with simply showing a set of balanced books at the conclusion of a fiscal year; government was being held accountable for the quality of its performance as well.

The practice of auditing both fiscal and substantive performance has now become the model followed by Federal, State, and local governments. In doing so, Arthur Levitt has provided the basis for a much higher standard of accountability of the performance of public officials to the electorate—a property which greatly strengthens the viability of a democratic form of government as the bureaucratic complexity of government has grown beyond the ability of ordinary citizens to come to grips with it.

The pioneering innovation in the management of modern government which Arthur Levitt initiated derived directly from his universally recognized traits of unimpeachable personal integrity. The integrity which was such a central element of Arthur Levitt's personal life was transferred directly to his views of how modern government could and should be managed.

New York and the Nation have suffered a great loss in Arthur Levitt's passing. All concerned—his family, friends, and fellow citizens can take comfort in the fact that the contribution he made to public life will stand long after most of the public figures he influenced are long forgotten.

It has been my privilege to count Arthur Levitt and his family among my personal friends. It must have been a great source of satisfaction to Arthur Levitt to see his son, Arthur, Jr., follow so effectively in his father's footsteps as a distinguished leader of New York's financial community as president of the American Stock Exchange in New York City. Arthur Levitt, Jr., has brought to this office the same traits of professional dedication and personal integrity that won for his father the admiration of his fellow citizens throughout the State and the Nation.●

A. PHILIP RANDOLPH

HON. SHIRLEY CHISHOLM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 8, 1980

● Mrs. CHISHOLM. Mr. Speaker, there is probably no other American who has done more for the black laborer than did A. Philip Randolph who died last year.

Mr. Randolph organized the predominantly black pullman train porters at a time when blacks were barred from membership in existing labor unions. It was 12 years later that the Brotherhood of Sleeping Car Porters was recognized and granted an international charter by the American Federation of Labor-Congress of Industrial Organizations (AFL-CIO).

Mr. Randolph's work of nearly 60 years ago marked the beginning of much of the civil rights struggles that were to come in later years.

An article on Mr. Randolph follows:

[From Dollars & Sense, April-May 1980]

DISTINGUISHED AMERICAN: A. PHILIP RANDOLPH

When Asa Philip Randolph died in May, 1979, he closed his eyes on 60 years of fighting bias and discrimination against black Americans in all walks of life. So pervasive was Randolph's involvement in knocking the wind out of the United States' irrational, cruel and self-defeating racial and oppressive economic policies that at the time of his death, "it was almost impossible to separate his role" in the labor and civil rights movements.

It was in 1925 that Randolph came to the forefront in the labor movement when he organized the predominantly black Pullman train car porters into the Brotherhood of Sleeping Car Porters.

This was during the days when any organizing of American workers smacked of "communism" in the eyes of this country's powerful elite, when the mere mention of a union was enough to cost a sympathizer his job, and sometimes his life. And when a group of workers did unionize, black workers were excluded from its ranks.

Randolph's efforts to galvanize the poorly-paid and over-worked black Pullman porters was a Herculean task that would later earn him a top berth in labor activism, and the mantle of "elder statesman" among black labor leaders.

In 1937, after a 12-year battle, the Brotherhood was granted an international charter from the American Federation of Labor (AFL), and Randolph eventually became the first black vice president of the American Federation of Labor-Congress of Industrial Organizations (AFL-CIO).

Inside the AFL-CIO, Randolph continued to assail union leadership with charges of built-in devices that systematically excluded blacks from certain crafts and, as a result, he formed the Negro American Labor Council. However, it was from the base of the Brotherhood of Sleeping Car Porters that Randolph struck out to fight labor discrimination as well as inequities in the socio-economic arena.

"Freedom is valueless without economic power," he often said.

Born in Crescent City, Florida in 1889, the son of an African Methodist Episcopal minister, Asa Philip Randolph was a tall man with broad shoulders and a "rich, broad-toned voice." Early on, he became a champion of nonviolent direct action.

During the lynching and race riot era of the early 20th century, Randolph crossed the country, his speeches becoming telling documentaries of some of black America's darkest days. For his efforts, Randolph was arrested in 1919 by federal agents who had him jailed for a few days in Cleveland, Ohio.

After America's entry into World War II, when black Americans were "dying for democracy" in distant lands, and other blacks were excluded from war industry jobs at home, Asa Philip Randolph once again galvanized black American support, fusing it into a huge, 100,000 strong proposed March on Washington—to the consternation of President Franklin Delano Roosevelt and most white liberals of the day.

After a showdown with Roosevelt that resulted in the June 25, 1941 signing of Executive Order 8802, discrimination in war industries and labor apprenticeships was banned, and Randolph called off the march. Another Executive Order, this time from President Harry Truman, that provided for "equal treatment and equal opportunity" in the armed forces, came about after Randolph threatened to lead a civil disobedience campaign against the draft.

But in 1963, Randolph did more than threaten a mass march on the nation's Capitol: working with his long-time colleague and friend, Bayard Rustin, and representatives of labor and civil rights groups, the 73-year-old Randolph organized the historic March on Washington that is perhaps best known for Dr. Martin Luther King, Jr.'s dramatic "I Have a Dream" address.

"We are not a pressure group," Randolph saw fit to explain at the time, as hundreds of thousands of Americans of all persuasions converged at Washington, D.C.'s Lincoln Memorial. "We are the advance guard of a massive moral revolution for jobs and freedom . . . touching every village where black men are segregated, oppressed and exploited."

Bayard Rustin noted that "Mr. Randolph realized that the civil rights movement was entering a new era in the mid-1960s—an era that required intense black participation in the electoral process of America." In 1964, "as a means of strengthening the bonds between blacks and the labor movement," Randolph founded the A. Philip Randolph Institute, now headed by Rustin.

As in other areas of American life, through the years black Americans have made gains within organized labor, though many feel these gains have only begun to scratch the surface of the labor hierarchy and that the best is yet to come.

It was Asa Philip Randolph's conviction that these gains could be achieved through the system, and that a black/labor alliance is the key.●

VANDALISM OF MONUMENTS DEDICATED TO JEWISH WAR VETERANS

HON. HAROLD C. HOLLENBECK

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 8, 1980

● Mr. HOLLENBECK. Mr. Speaker, in the very near future I plan to introduce legislation which addresses a problem of distressing proportions. For the third time since Veteran's Day, a monument in New Milford, N.J., dedicated by the Cpl. Charles M. Wallach Post 773 to veterans of the Jewish faith was toppled by vandals. The individuals responsible for such abhorrent acts are deserving of punishment which will serve as a genuine deterrent to actions of a similar nature. This despicable desecration of a monument honoring our Nation's war dead must not go unanswered.

A copy of a recent communication I received from the Jewish War Veterans of U.S.A. in New Milford, N.J., appears as follows:

CPL. CHARLES M. WALLACH
POST 773,
JEWISH WAR VETERANS OF U.S.A.,
New Milford, N.J., April 30, 1980.

Hon. HAROLD "CAP" HOLLENBECK,
East Rutherford, N.J.

DEAR CAP: I was told by your campaign office to contact you.

The monument to men and women of the Jewish faith who fought and died in all of our nation's wars, that our Post dedicated on Veterans' Day, November 11, 1979 (at which time you honored us with your presence) has been toppled for the third time a few weeks ago.

We had considered this another act of vandalism until now as the V.F.W. monument had been vandalized, as were other buildings in New Milford. I might add that our flag, that you donated, was cut down and other flags in New Milford were likewise shamefully cut down from their poles as well.

Our flag pole, donated by one of our members in honor of his dead parents, was also desecrated.

Now our Post received an unsigned letter through the mails—proving the act was not only un-American, criminal, but anti-semitic as well. The letter threatened to throw the monument down each time we re-erect it.

Is there legislation providing severe penalties for desecrating the American flag, a monument to our nation's war dead and vandalizing religious edifices?

If not, can you please introduce such legislation, making it a Federal crime to vandalize and/or desecrate a patriotic monument, the American flag and a religious institution and edifice.

Sincerely,

SOL ABRAMS,
Past Commander.
SID ALPERS,
Commander.

Mr. Speaker, for this reason, I am presently preparing my proposals requesting severe Federal penalties for wanton desecration of a patriotic monument. I hope that once this proposal has been drafted and formally introduced that I can count on the support of the majority of my colleagues in this distinguished Chamber.●

PAUL STEVENS

HON. CLARENCE D. LONG

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 8, 1980

● Mr. LONG of Maryland. Mr. Speaker, I congratulate Paul Stevens, of Randallstown, Md., who will today become an Eagle Scout. Paul is a 14-year-old student at Arlington Baptist Upper School. He has been a Boy Scout for 2½ years, and tonight, at a court of honor at the Mount Olive United Methodist Church, Paul will be honored by his friends, neighbors, and fellow Scouts. It is a pleasure for me to personally extend my own best wishes at the award ceremony.●

RESOLUTION TO HONOR LUCRETIA MOTT

HON. WILLIAM H. GRAY III

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 8, 1980

● Mr. GRAY. Mr. Speaker, I am honored to introduce in the House a joint resolution paying tribute to one of the greatest women in our country's history, Lucretia Mott.

At the time of her death in 1880, Lucretia Mott was regarded as the leading figure in the fight for equal rights for women. At the same time, she was an important player in the battle to secure equal rights for blacks in those early days of our Nation.

Mr. Speaker, today in Philadelphia our former colleague and now mayor, William J. Green, will host a commemoration of the 100th anniversary of Lucretia Mott's death. I am pleased to join in the spirit of that commemoration by offering the following tribute to Lucretia Mott, prepared by Margaret M. Bacon, of Philadelphia, who has been active with the Lucretia Mott Centennial Coalition.

The tribute follows:

LUCRETIA COFFIN MOTT, 1793-1880

In 1880, at the time of her death, Lucretia Mott was known as the greatest woman America had ever produced. Every leading newspaper carried an obituary notice. On Broadway, in New York, her picture was prominently displayed in a shop window "so that all might have a last look at the beloved face."

The United States Congress knew her, as a fearless advocate of emancipation of the slaves, and a pioneer of the rights of women who had several times addressed groups of Congresspersons, and taken her concerns to the White House when she felt so led.

Today, one hundred years later, it is time for the nation to revive and honor the memory of her passionate devotion to human liberation and to peace. "There can be no true peace that is not founded on justice and right" she often said.

Lucretia Mott's contributions were primarily in the fields of education, social welfare, peacemaking, and the pursuit of equal rights. She was interested not only in the liberation of slaves and women, but the liberation of all people from the chains of narrow-mindedness and bigotry. She was as concerned about prejudice against the Irish immigrant worker as she was about that against Indians or Blacks. She believed that to know the truth was to set men and women free, and she fought for freedom of ideas for all people.

Born Lucretia Coffin on the island of Nantucket, she taught school both before and after her marriage to James Mott, a Philadelphia wool merchant. The two had six children, of whom five lived. Lucretia was a devoted mother and a talented housewife, known up and down the East Coast for her hospitality. Visiting reformers from the British islands as well as Boston and Washington, D.C. always stopped with the Motts.

Lucretia's public life began as a minister in the Society of Friends. After the Hicksite-Orthodox split of 1827 she became a famous Hicksite, and was often women's clerk of Philadelphia Yearly Meeting. From childhood on she had been concerned about slavery, and when William Lloyd Garrison organized the American Antislavery Society in Philadelphia in 1833, she attended and spoke at the meeting. A few days later she helped to organize the Philadelphia Female Antislavery Society which continued in existence until 1870.

In the Female Society the women demonstrated so much ability that they began to feel they ought to be allowed to participate in the Antislavery Society as a whole. This caused discord throughout the Antislavery movement. In 1838 an angry mob burned down Pennsylvania Hall in Philadelphia, partly in reaction to the fact that women were addressing mixed or "promiscuous" audiences on the issue of slavery. In 1840 the American Antislavery Society split on the "Women Question."

Following the split, Lucretia was named a delegate to the World Antislavery Convention in London. However, when she arrived in that city she was denied a seat at the convention because of her sex. Instead she sat on a balcony, where she could observe the proceedings but take no part in them.

Her poise in accepting this situation was so remarkable that she became the most important person at the conference. Sitting at her left hand was Anne Knight, a British Quaker, who was so influenced by Lucretia that she began the women's rights movement in Great Britian in 1851. Sitting on her right was a young American bride, Elizabeth Cady Stanton, who felt the whole course of her life was changed by the encounter. While still in London, Lucretia and Elizabeth agreed to have a convention on the rights of women on their return to the United States. Postponed several times, this resulted in the famous Seneca Falls Convention of 1848.

Meanwhile, Lucretia was busy with other reforms. First and foremost was anti-slavery. She helped escaping slaves through the underground railroad, and supported William Still and Harriet Tubman in their efforts to assist escape. She spoke out so persistently against slavery that she became a highly controversial figure in the Society of Friends. She took her campaign to the White House, and into the South on several occasions. An enemy of race prejudice, she befriended the Fortens and Purvises and others, as well as Sojourner Truth and Frederick Douglass.

But she had other concerns as well. During the Irish potato famine in 1845 she and James raised money for the victims. She also supported a group of Irish handloom weavers who struck in this city. In the midst of growing poverty she established a series of workshops where poor women could earn a meagre living by sewing.

Always a pacifist, she had been an early member of the New England Non Resistance Society which promoted civil disobedience eight years before Thoreau wrote his famous essay. In 1846 she led a group of women in Philadelphia in an exchange of letters with the women of Birmingham, England, both pledging themselves to keep their countries from going to war on the question of the Oregon territory, the famous "54-40-or Fight" issue.

In the summer of 1848 she went to northern New York State to visit her sister. While there, she preached to the prisoners in Auburn State Prison, visited the Seneca Indians on their reservation, crossed over into Ontario to see the colonies of escaped slaves, and was the inspiration and guiding force of the Seneca Falls Convention which made the first Declaration of the Rights of Women. I think this illustrates how broad and far reaching were her concerns.

Following Seneca Falls, Lucretia Mott was widely known as the moving spirit of the early women's rights movement. She counselled Elizabeth Cady Stanton, Lucy Stone and Susan B. Anthony, spoke at almost every national convention, and was attacked in the press as "a rampaging, unsexed woman." In 1849 she gave a talk in Philadelphia called "Discourse on Women" answering the attacks of critics.

"People ask, what do women want?" she told her audience. "I answer she asks nothing as a favor, but as a right, she wants to be acknowledged as a moral, responsible human being."

In 1886, when it was thought for a time that women and blacks would both gain the vote at the same time, the American Equal Rights Association was formed to work for this goal, and Lucretia was selected as its first president. This is one of the reasons that Alice Paul named the Equal Rights Amendment the Lucretia Mott Amendment.

But Lucretia Mott was never a one issue woman. During the Civil War she helped to support the freedmen schools, baked mince pies for the black soldiers being trained in Camp William Penn (now the site of the community of LaMott, named for her), struggled to integrate the horse drawn trolleys that brought visitors to the Camp, and continued to work for peace. Shortly after the War she cornered Ulysses S. Grant and asked him to intervene to save some Indians from execution. Outliving her husband by many years, she devoted her old age to the Free Religious Association, and the Pennsylvania Peace Society.

Behind all of Lucretia's crusades was her simple Quaker faith that there was that of God in everyone, and her belief that she must always be obedient to the Divine will. Her heart was almost too big for one small woman, scarcely five feet tall; and she ran so fast to keep up with her conscience that she was often plagued with an upset stomach. By the end of her life she was a tiny, birdlike, saintly woman, yet she possessed through it all a sharp tongue and a ready wit. Humor was her saving grace.

Born in 1793, Lucretia Mott's life story goes back to the beginnings of this nation. She was always proud of America's commitment to liberty and democracy; always urging her contemporaries to make the dream come true. "Let this be a nation, as it ought to be, where there is true equality," she often said. Today she would be disappointed by how little genuine progress we have made toward equal rights; and she would be dismayed by our preoccupation with guns instead of butter. But she would not be discouraged, for she believed in the potential of human beings to translate beliefs into action.

STATEMENT ON FOOD STAMPS

HON. EDWARD J. MARKEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 8, 1980

● Mr. MARKEY. Mr. Speaker, we are seeing one of the Federal Government's most successful programs—food stamps—suffer the consequences of our inflation-racked economy. Are we willing to let a program that makes a crucial nutritional difference to 20 million of the least fortunate members of our society slip away because we have failed to get a handle on inflation?

For 9 months, we have ignored the increasingly urgent messages from the Secretary of Agriculture that the program was in financial trouble and about to exceed its ceiling. In 1977, the cap that the Congress placed on the food stamp program may have seemed reasonable. At that time the Congressional Budget Office told us that food prices would rise 3 to 4 percent each year and that the unemployment rate would be at 6 percent in fiscal year 1980. Well, Mr. Speaker, since the spending cap was placed, food prices have risen 22 percent and the unemployment rate is up to 7.2 percent.

Basically, there are three reasons why the cap has been reached: High food prices, unemployment, and a change in the law in 1977 allowing more poverty level families to join the program. The Congress has already and will continue to face many tough choices as we deal with inflation and we must act responsibly.

Mr. Speaker, over half of the food stamp recipients are children, one-fifth are low income elderly people and one-third are disabled. We are talking about a program that impacts the very poorest segment of our society—over half of whose annual income is less than $6,000. I ask you if you can justify asking those least responsible for our economic condition to go without something that they truly cannot afford, financially or nutritionally. I find this a totally unacceptable solution.

I do not deny that there have been unfortunate abuses of the food stamp program, however, the legislation we are considering today contains 15 strong provisions to alleviate these problems and errors. I strongly urge approval of this measure. With today's unemployment figures it would be wholly indecent not to do so.●

ENGINEERING EXCELLENCE AWARDS

HON. BOB TRAXLER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 8, 1980

● Mr. TRAXLER. Mr. Speaker, the American Consulting Engineers Council (ACEC) recently presented its annual Engineering Excellence Awards. Firms entered engineering design projects from around the United States. These were highly diverse and went from wastewater treatment facilities to energy-related projects, with everything in between. Through this competition ACEC provides recognition annually to engineers whose accomplishments are truly outstanding.

The remarkable achievements in construction and developments for improving our society are attainable in large measure through the energy, dedication, and ability of this country's engineers. After preliminary competitions at the State level, a final competition took place at the old Pension Building here in Washington. Judges included several from the Hill, the executive branch, and the private sector.

Last Friday the firm Williams & Works, Inc., of Grand Rapids, Mich., received the Grand Conceptor Award for the finest engineering project of the past year. The winning project was an innovative sewage treatment facility for the city of Detroit. Fifteen other firms were also presented awards.

Mr. Speaker, I share with my colleagues these tremendous accomplishments of American ingenuity and our private enterprise system:

MICHIGAN FIRM WINS ENGINEERING EXCELLENCE AWARD

The modification of Detroit's wastewater treatment plant which will save the city $27 million was chosen as the leading example of engineering excellence for 1980.

The Grand Conceptor award, the top for Engineering Excellence given by the American Consulting Engineers Council, was presented to the consulting engineering firm of Williams and Works, Grand Rapids, Mich., at the May 2 ceremony in Washington, D.C.

The Detroit project was one of six emphasizing resource protection through wastewater treatment. Energy was a major thrust of six award-winning projects which innovatively treat coal gasification, offshore oil and gas development, production of electricity and conservation in new building design and renovation. The remaining projects concerned industrial expansion, historic preservation and safety. A total of 16 awards were given by a panel of 11 judges representing government, industry and other fields.

The Williams and Works project involved study and tests of modifications to increase the capacity of the huge final clarifiers of the treatment plant by a third. The increase was required by changes in federal Environmental Protection Agency and Michigan Department of Natural Resources regulations. Effluent from the plant, one of the largest in the world and serving three million people and thousands of industries, could not meet the new regulations. Construction of new facilities would have required extensive land acquisition and relocation of residents.

The firm designed changes in the inlet structures to the clarifiers, reducing the velocity of the flow of waste into the clarifiers, raising the level at which waste was introduced and adding a series of fiberglass baffles to further disperse the flow of phosphorous-removing liquid across the face of the clarifiers. A full scale test model was installed at a cost of $411,000. The estimated cost of installation in the remaining 24 clarifiers is $4 million, which represents a saving of $27 million over the cost of constructing additional clarifiers.

"This project provides untold benefit to the people of Detroit as taxpayers and as citizens needing to renew the natural resources of the region," said David Gardner, Topsham, Me., chairman of the Engineering Excellence Awards Committee. "It also benefits millions of residents of the Great Lakes region because the quality of effluent being discharged into the receiving waters will be improved."

Energy-related projects ranged from fuel conversion to production to energy conservation in new and renovated buildings. They include:

Coal gasification of the University of Minnesota's Duluth heating plant. Funded by the Department of Energy and the university, the project is the first two-stage low BTU coal gasification plant in the United States, expected to convert 94 percent of the coal to gas and 6 percent to oil, while meeting environmental restrictions. Engineering and design of the plant won for the firm of Orr-Schelen-Mayeron & Associates, Inc., Minneapolis, a division of Kidde Consultants, a grand award for design services on projects from $1 to $5 million. The plant cost $3.5 million.

Large-scale offshore soil investigation for evaluation of oil tracts, gas leases and offshore facility design in the Alaskan Beaufort Sea. The geotechnical consulting firm of Harding-Lawson Associates, San Francisco and Anchorage, won the grand award for research for its subsurface drilling program on Alaska's North Slope. In temperatures as low as 60 degrees fahrenheit, a 32-man camp made 20 test borings through ice to depths of 85 to 300 feet below mudline for a 90-mile stretch of the slope, to 15 miles offshore. Testing revealed the presence of ice-bonded permafrost which had environmental implications for facility design and construction. The investigation produced technical, economic and safety data for the U.S. Geological Survey.

Modification of the Chief Joseph Dam, Seattle, to permit installation of new generators to double the dam's generating capacity. The Seattle office of Howard, Needles, Tammen and Bergendoff designed a pair of floating cofferdams, barge-like concrete structures, which blocked off each section of the dam as it was being raised to permit modification without curtailing existing power construction. This first use of cofferdam technique in the U.S. saved the Corps of Engineers an estimated $2 million through value engineering analysis of the design, for which concrete was specified instead of initially proposed steel. The firm won the grand prize for design services on projects of construction costs greater than $5 million.

The City of Salina, Kan., Bicentennial Center, where temperature is controlled by one of the nation's largest heat pump systems and body warmth of spectators is an important heat source for the 60,000-square-foot arena. The $6.4 million complex, constructed below estimated cost, is divided into 16 independently controlled heating and cooling zones which make it unnecessary to heat or cool the entire building when only a small area is in use. The honor award winning firm was Bucher & Willis, Consulting Engineers, Planners & Architects, Salina, Kan.

Energy-conserving design of the Seattle-Doctors Pavilion of the Swedish Hospital Center and energy-system renovation of existing buildings. The new 150-bed acute-care pavilion, adjacent to a large medical facility which had developed in many phases since 1964, required extraction and re-use of all available waste heat. The design, using a direct heat exchange device and large central heat recovery heat pump, is expected to save energy costs of $160,000 annually. The honor award winning firm was Bouillon Christofferson & Schairer, Seattle.

Expansion of the Edwin J. Duszynski Resource Recovery Center, Madison, Wis. The City of Madison and the Madison Electric Company energy recovery program involves refuse-derived fuel for cofiring with pulverized coal to produce steam for electrical generation. The $2.5 million plant, which processes all of the city's solid waste, is reportedly the lowest capital cost system in the U.S. The project design won an honor award for Warzyn Engineering, Inc., Madison.

Five significant wastewater treatment plants were honored for innovative engineering. They were:

The Kings Grant Advanced Wastewater Treatment system for a planned community of 9,000 residences in the environmentally-sensitive pinewoods of Burlington County, N.Y. Even tertiary-level treated effluent of near drinking water quality could not be discharged into nearby streams and had to be held in recharge basins. A grand award for design services on projects under $1 million went to Gerald E. Speitel Associates, Mount Laurel, N.J.

The City of Shelton, Wash., Wastewater Facility Improvement. An existing plant's capacity was inadequate to handle heavy rains, high groundwater and timber mill wastewater or an expected doubling of the population in the next two decades. The $5.2 million project was under budget. Design of a new simple and easily-maintained system which the city calls "a model for other communities to follow" won an honor award for the Seattle-based firm of Kramer, Chin & Mayo, Inc.

The Upper Occoquan Sewage Authority Regional Water Reclamation Plant, Manassas Park, Va. The $62 million project, involving conventional primary-secondary treatment and five advanced waste treatment processes, includes three types of recycling—recovery of ammonia for fertilizer, methane for plant and digester heating and carbon dioxide for recarbonation needs and organic solids which are anaerobically digested and composted for use by local park authorities. The project won an honor award for CH2M Hill, Reston, Va.

Improvement to the water pollution control facility of Palmetto, Fla. Constructed under budget, the $1.98 million advanced treatment plant removes nitrogen and phosphorous biologically without use of chemicals, a national first. An honor award went to Glace & Radcliffe, Inc., Winter Park, Fla.

The industrial wastewater treatment facility for the meat processing plant of Hillshire Farm, Inc., New London, Wisc. The $950,000 under-budget facility, which includes a bio-oxidation tower to accelerate cooling, oxygen transfer and bio-chemical oxygen demand reduction, won an honor award for Foth & Van Dyke and Associates, Green Bay, Wis.

Four other projects concerned design and analysis for industrial facilities, reconstruction of a major coliseum, and historic preservation and modernization of significant buildings. They were:

Site investigation and foundation design of the North Pacific Paper Corporation newsprint mill at the Weyerhaeuser mill location, Longview, Wash. Studies by honor award winning firm Hart-Crowser & Associates, Seattle, revealed a highly compressible silt layer which required soil consolidation. The silt was precompressed section by section in advance of construction, reducing construction time and costs. The estimated $172 million project was built considerably under estimates.

Fast-track reconstruction of the Hartford, Conn., Civic Center Coliseum, Ellerbe Associates, Bloomington, Minn., won an honor award for design of an enlarged coliseum incorporating 80 major structural changes, following collapse under snow and ice in January, 1978. The $25 million project, which met the City of Hartford's budget, included a new roof and expansion of the coliseum by a third.

Historic preservation of the Upton Building, Minneapolis. The building, built in 1854 and used as a general store, law offices, the first post office, home of the first area newspaper, the Minnesota Republican, and a fire station, was in danger of collapse due to deteriorated basement walls. In a design which won an honor award, Bakke, Kopp, Ballou & McFarlin Engineers developed a method to strengthen the foundation by a unique steel-beam "teeter-totter" shoring system. The structure, whose restoration was accomplished under budget, is proposed as a home for the Minneapolis Opera Company.

Modernization and expansion of the oldest continously operating flour mill in Minnesota, the Peavy Company. The project included a new seven-story mill, an 80,000-square-foot warehouse, a bulk loading facility and preservation of the original mill buildings. For development of a five-phase construction plan which allowed uninterrupted operation of the mill and coordination with an adjacent flood control project, the firm of Conkey & Associates, Minneapolis, received an honor award.

Presenting the Grand Conceptor award at the Friday presentation was Henry Longest, deputy assistant administrator for EPA's Water Programs Operations. Grand and honor awards in the research and design categories were presented by ACEC President George Barnes and Gardner.●

CARDINAL STEPINAC MEMORIAL

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 8, 1980

● Mr. GILMAN. Mr. Speaker, today, May 8, marks the 82d anniversary of the birth of Cardinal Aloysius Stepinac.

Cardinal Stepinac stands as a symbol both of man's indominitable spirit and will against tyranny and of the Croation people as a whole.

On this the 82d anniversary of his birth, I am pleased along with the gentleman from Illinois, Mr. DERWINSKI, to introduce a bill that provides for the erection of a monument to him in the District of Columbia at the expense of a private organization, the American Friends of Croatia, Inc., provided that the memorial design and other details conform to the requirements of the Commission on Fine Arts and the National Capital Planning Commission.

Mr. Speaker, Cardinal Stepinac was imprisoned for his opposition to the Communist regime in Yugoslavia. I hope that the erection of a memorial to a man so identified with the cause of freedom will not only be a source of pride to the millions of Americans of Croatian descent but will also be a source of inspiration and rededication for the entire American people.●

INTRODUCTION OF REVISED LEGISLATION TO AMEND THE INTERNAL REVENUE CODE OF 1954 TO ALLOW A DEDUCTION FOR CERTAIN CONTRIBUTIONS OF REAL PROPERTY FOR CONSERVATION PURPOSES

HON. JOHN D. DINGELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 8, 1980

● Mr. DINGELL. Mr. Speaker, during the first session of the 96th Congress, I introduced, along with my colleague from Indiana (Mr. JACOBS), H.R. 4611, legislation that was designed to address certain issues in the Internal Revenue Code to encourage gifts of interests in real property for conservation purposes. As a result of the introduction of H.R. 4611 and hearings that were held on this matter by the Subcommittee on Select Revenue Measures of the Committee on Ways and Means, we are today introducing a revised version of this legislation. We believe the bill that we introduce today is an improved product which addresses some concerns which have been expressed with regard to the earlier bill and also clarifies many provisions of existing law in this area.

Mr. Speaker, under present law, a taxpayer is entitled to a deduction for the value of certain contributions made exclusively for conservation purposes. If no action is taken, the tax law that encourages these important charitable contributions will expire in June 1981. Under another provision of the tax law, a taxpayer may deduct the value of an open space easement in gross granted to certain organizations.

For the past 15 years, the donation of conservation easements has been used as an effective tool in regulating and protecting vital natural resources areas in cases where a landholder is unwilling or unable to sell or donate an entire or substantial interest in his property. Resource agencies, as well as private conservation organizations, are relying, to a greater extent, on acquiring conservation easements as one alternative to the rather costly process of full-fee title acquisition. Termination of the authority allowing property owners to receive a tax deduction for donating conservation easements to nonprofit conservation organizations would dull an effective conservation tool.

The bill introduced today would repeal these provisions of present law and substitute in their place one unified provision that would allow a deduction for a "qualified conservation contribution." If enacted, the bill would encourage the preservation of this country's limited natural resources and improve on present law in several significant ways.

Most importantly, the bill would allow a taxpayer to retain mineral rights in real property given to a qualified organization exclusively for conservation purposes. This provision would eliminate a serious impediment to many gifts which arises under present law. Deductions would also be allowed for the use which may be made of real property and remainder interests in real property given to qualified organizations exclusively for conservation purposes.

Provisions of the legislation would safeguard the natural and historic resources which are the subject of these important gifts. For example, minerals retained could not be removed by any surface mining methods. However, minerals could be extracted by drilling or underground mining methods. Generally, these types of extractions can be compatible with the long-term ecological value of the land surface.

Since most of the land acquired by private nonprofit conservation organizations are ultimately transferred to Federal or State natural resource agencies, specific restrictions on mineral access, and public access, would have to be observed. A case in point is that the U.S. Fish and Wildlife Service of the Department of the Interior currently allows environmentally sound mineral extraction on a number of its wildlife refuges. In fact, mineral extraction is currently being carried out on the Kenai National Moose Range in Alaska, where the moose and oil rigs coexist in harmony. Other examples of successful mineral extraction on wildlife refuges can be found at the Delta National Wildlife Refuge in Louisiana, the Aransas National Wildlife Refuge in Texas, the Sabine National Wildlife in Louisiana, and the Lacassine National Wildlife Refuge in Louisiana.

Mr. Speaker, the benefits of this legislation are straightforward. The bill would expedite overall efforts to protect our Nation's dwindling natural resources at a time when Federal funding for resource acquisition programs are being slashed. The legislation will receive widespread support from the conservation community and will institute needed changes in the tax code. We urge our colleagues to support this bill.

Mr. Speaker, it is our understanding that our colleague, DAN ROSTENKOWSKI, chairman of the House Ways and Means Select Revenue Subcommittee, intends to hold public hearings on this revised legislation in the near future. We would hope that all interested parties would take this opportunity to review this revised legislation carefully.●

AMERICAN ISSUES QUESTIONNAIRE

HON. GARY A. LEE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 8, 1980

● Mr. LEE. Mr. Speaker, America's next generation of leaders may be making tougher decisions about foreign policy, protection of the environment, and individual freedoms of choice.

I insert the following newsletter:

New York's 33d District News

Congressman Gary A. Lee said today that results of his spring 1980 "American Issues Questionnaire" submitted by students of Mynderse Academy in the heart of the Finger Lakes District are "not altogether surprising" in their disagreement with results from their elders.

More than 100 Seneca Falls area high school students were asked by Mynderse social studies instructor Walter Gable to complete copies of the questionnaire forms shortly after survey forms were mailed to households in central New York on March 1. Students disagreed with the household survey results in half of the first 10 yes or no questions, the Congressman said. "A look at the figures can tell us much about the priorities of these young people," Lee commented.

Question 1, asking whether constituents agree or disagree with the President's handling of the Iranian hostage situation, caused a precise split in districtwide results: 49 percent agreed, 49 percent disagreed. The students, however, were more decisive about their feelings: 62 percent disagreed with Mr. Carter's handling; 32 percent agreed.

While students and districtwide residents agree about the President's use of economic sanctions in response to the Soviet invasion of Afghanistan, they did not agree in the Olympic boycott question. Students opposed the boycott in 58 percent of their responses; districtwide returns showed a 71 percent approval rating of the boycott.

Students disagreed with their elders, as well, in the matters of gasoline rationing and in the relaxation of environmental standards to develop new sources of energy. The Mynderse students favor rationing and oppose the relaxation of environmental criteria.

Not surprisingly, students opposed the institution of a new draft registration by a 70- to 30-percent margin. That was nearly a mirror reversal of district results showing 73 percent approval of a new registration program. Students do, however, agree that women should be called as well as men in any new registration, and that defense spending should be increased.

Students were substantially easier on the three branches of Federal Government than their older neighbors in offering performance ratings for the President, Congress, and the Supreme Court. In some cases, "satisfactory" ratings doubled. And in the Congressman's straw poll of Presidential nominees, Jimmy Carter and Ronald Reagan also became the student's choices, but by greater margins than in the districtwide results.

Congressman Lee said, "These statistics should be of interest to each of us. They are a good indicator that our leaders of tomorrow are in marked disagreement with many of the policies of today's leaders and with the choices the rest of us are making.

"If anything, these results give us food for thought about the legacies of our natural resources and the world that we will pass to the next generation of Americans.

"At the same time, it places the rest of us on notification that we must stand prepared to justify the decisions of today to the citizens of tomorrow. I am greatly pleased to have that insight, and my sincere thanks go to Mr. Gable and his students for their assistance."

American Issues Questionnaire—1980

DISTRICTWIDE/MYNDERSE ACADEMY RESULTS

1. Do you agree with the President's handling of the U.S. hostage situation in Iran?

DW—yes, 49 percent; no, 49 percent.

MYN—yes, 38 percent; no, 62 percent.

2. Do you agree with the President's use of economic sanctions in response to the Soviet invasion of Afghanistan?

DW—yes, 81 percent; no, 18 percent.

MYN—yes, 70 percent; no, 30 percent.

3. Do you agree with the President's call to cancel, postpone or relocate America's participation in the summer Olympic games?

DW—yes, 71 percent; no, 27 percent.

MYN—yes, 42 percent; no, 58 percent.

4. Do you agree with the Supreme Court's decision that abortion is purely a matter of personal decision?

DW—yes, 65 percent; no, 33 percent.

MYN—yes, 65 percent; no, 35 percent.

5. Do you favor a system of gasoline rationing to conserve fuel?

DW—yes, 43 percent; no, 55 percent.

MYN—yes, 54 percent; no, 46 percent.

6. In developing additional or new energy, should America relax its environmental protection standards?

DW—yes, 52 percent; no, 46 percent.

MYN—yes, 26 percent; no, 74 percent.

7. Do you believe federal fiscal programs and policies are the principal causes of inflation?

DW—yes, 75 percent; no, 22 percent.

MYN—yes, 51 percent; no, 49 percent.

8. Should we resume registration of the 18–20 year old citizens for potential military service?

DW—yes, 73 percent; no, 23 percent.

MYN—yes, 30 percent; no, 70 percent.

9. Should any new draft program include women?

DW—yes, 57 percent; no, 40 percent.

MYN—yes, 68 percent; no, 32 percent.

10. Do you favor a substantial increase in defense spending? DW—yes, 73 percent; no, 28 percent. MYN—yes, 55 percent; no, 45 percent.

11. Please rate the performance of the following:

Excellent (DW/MYN): President 6 percent/5 percent; Congress, 1/2 percent; U.S. Supreme Court, 2/13 percent.

Satisfactory (DW/MYN): President 48/82 percent; Congress, 32/85 percent; U.S. Supreme Court, 47/77 percent.

Poor (DW/MYN): President, 44/13 percent; Congress, 64/13 percent; U.S. Supreme Court, 45/10 percent.

12. Which two of the following candidates for President would you like to see nominated by their party (select two)?

Districtwide/Mynderse:

Brown: 10 percent/15 percent.

Carter: 46 percent/55 percent.

Kennedy: 13 percent/30 percent.

Baker: 9 percent/7 percent.

Bush: 21 percent/17 percent.

Connally: 6 percent/10 percent.

Reagan: 29 percent/52 percent.

Ford:[1] 12 percent/3 percent.

Anderson:[1] 14 percent/10 percent.

NOTE.—Those results which do not total 100 percent reflect some respondents who failed to answer selected questions. No "undecided" category for answers was provided.●

THE ROAD TO PRODUCTIVITY AND ECONOMIC GROWTH, PART VIII—NEW YORK TIMES' EVALUATION OF INDIVIDUAL INVESTORS INCENTIVE ACT OF 1980

HON. RICHARD T. SCHULZE

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 8, 1980

● Mr. SCHULZE. Mr. Speaker, earlier this week, the New York Times published an article written by Mr. Robert Metz entitled "Equity Capital and Tax Law."

This article examined the extremely successful 1978 French tax incentive law known as the Monory law and my parallel legislation known as the Individual Investors Incentive Act of 1980.

I am particularly pleased with Mr. Metz' suggestion that in light of the French and Quebec experiences it seems likely that the Schulze bill would increase the corporate equity base.

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[1] Denotes write-in.

My colleagues may be interested to know that when the potential results of H.R. 6300 are projected to our economy, it appears that it would not be unreasonable to expect that at least 10 million people would take advantage of this incentive and that it would provide at least $40 billion to $50 billion of new equity capital a year. In addition, a study made by Dr. Norman B. Ture, a noted tax economist, suggests that the money allowed as tax credits under my legislation would soon generate enough new tax revenues from corporations and individuals to more than make up for the reductions given taxpayers.

At this time, I would like to enter into the Record Mr. Metz' very fine article and urge my colleagues to join the growing number of cosponsors of this important investment incentive legislation.

Mr. Metz' article follows:

[From the New York Times, May 5, 1980]

Equity Capital and Tax Law

(By Robert Metz)

Since 1978, when France began allowing tax deductions to individuals who buy stocks and bonds, new capital added to that nation's equity base has increased tenfold. Under similar legislation in Canada's province of Quebec, where the incentives are more generous, there also has been a spurt in new investment capital.

Does this mean the same thing could happen in the United States? Representative Richard T. Schulze, a Pennsylvania Republican, thinks so, as do 40 bipartisan cosponsors of the legislation he introduced on Jan. 24.

Representative Schulze notes that his bill is modeled after the French law. The American version, however, would provide tax credits instead of deductions. A credit is more powerful; it offers a direct offset against the tax otherwise owed; a deduction reduces the amount of income subject to tax.

The American legislation is designed to attract new and younger investors by providing credits of 10 percent, up to $1,000 to individuals or $2,000 to married couples, for new investments in United States corporations. A minimum holding period of 12 months would be necessary to qualify for the tax credit.

At public hearings at the end of January, several statements in favor of the legislation were made by individuals in investment circles, including Robert H. B. Baldwin of the Morgan Stanley Company. He said the bill would provide "a healthy direct stimulus to new investment."

For years, the inability of American companies to attract new investors has been a matter of concern. Even more alarming to analysts and economists is the shrinking of equity capital in relation to corporate debt. The new legislation in France and Quebec seems to help stocks more than bonds.

In a Chicago speech on May 1, Henry Haufman, a partner and member of the executive committee of Salomon Brothers, drew attention to America's shrinking equity base. The relative value of corporate shares to debt has fallen dramatically in recent years, he said.

For nearly the first half of the postwar period, there was a "reasonable consistency" in the way business corporations financed their growth, the economist said. For every dollar of new debt, corporations added a dollar of equity "through the combination of retained earnings and the issuance of new shares." But since the mid-1960's, he said, the pattern has been broken, with debt issuance rising sharply and equity growth lagging far behind.

Thus, from 1952 through 1964, nonfinancial corporations increased their debt by $123 billion and their equity by $150 billion. From 1965 through 1979, they increased their debt by $756 billion but their equity by only $522 billion. Mr. Kaufman added:

"Moreover, when the inflation factor in inventories is eliminated, equity growth totals only $322 billion for these 15 years. On this more conservative basis, equity capital increased by only $30 billion last year, while debt soared $110 billion."

Mr. Kaufman called revitalization of equity participation a "requisite for renewed economic growth." Mr. Kaufman was not commenting on the Schulze bill, but he spoke favorably of traditional recommendations for increasing shareholder incentives: reducing the capital gains tax and eliminating the double taxation of corporate dividends.

Whether the Schulze bill would actually increase the corporate equity base is unknown, although the French and Quebec experience suggests that it would. The French law allows citizens to deduct the equivalent of up to $1,200 from their taxable income each year for four consecutive years. The money must remain invested for at least three years, though not necessarily in the same securities. Not only has the overall equity base increased, but the country's Bourse stock index has increased more than 60 percent since 1978. One million French investors are reported to have taken advantage of the incentive, half of them first-time investors.

In Quebec, residents can avoid provincial income taxes on 20 percent of earned income up to $15,000 a year if they invest the funds in newly issued shares of Canadian companies that have their headquarters in Quebec or a majority of their employees in Quebec. In six months, more than 15,000 Quebec investors spent an average of $6,000 each on eligible shares. The total value of shares purchased through such "stock savings plans" is now over $90 million.

Perhaps it is fair to assume that the Schulze bill would stimulate some equity investment, but just how much is unclear. In the United States, the stockholder base is a much larger percentage of the population than it is in France. In Europe, capital has been generated to a larger degree through institutional investors.●

CONGRESSIONAL MEDAL OF HONOR FOR JOSEPH P. LUCA

HON. ANTHONY TOBEY MOFFETT

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 8, 1980

● Mr. MOFFETT. Mr. Speaker, Mr. Ratchford, Mr. Lloyd, Mr. Dodd, and myself are joining together today to support legislation that would award a Congressional Medal of Honor to Joseph Luca, a former marine.

Mr. Luca was recommended for the Congressional Medal of Honor by his commanding officer, then Capt. O. M. Whipple, for heroic services on March 5, 1967, in Vietnam. Mr. Luca risked his life by going to the aid of wounded marines when his platoon was attacked by well-concealed Viet Cong insurgents who were armed with automatic weapons. Mr. Luca unhesitantly exposed himself in an open field in order to provide covering fire for an enveloping squad that would assist the wounded. Mr. Luca remained in the open and brazenly drew fire until his comrades had carried all casualties to safety.

Unfortunately, the Awards Review Board decided to reduce the award to a Navy Cross. Lieutenant Colonel Whipple to this day feels so strongly about Mr. Luca deserving the Congressional Medal of Honor that he requested congressional support in this effort. We have since reviewed Mr. Luca's record and we wholeheartedly share Lieutenant Colonel Whipple's admiration of the marine's bravery. Although the Marine Corps has been asked to reopen the case, because there is no new supporting evidence in favor of Mr. Luca, the Marine Corps has refused to do so.

Given Mr. Luca's service to the United States and the position of the Marine Corps at this time, we feel that it is appropriate to introduce a private bill awarding a Congressional Medal of Honor to this deserving Veteran.●

HUMAN RIGHTS FOR TAMILS OF SRI LANKA

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 8, 1980

● Mr. BIAGGI. Mr. Speaker, today I have introduced a resolution calling for an end to human rights violations in Sri Lanka and urging the President to take several immediate actions to improve the situation there.

To understand the problems that exist in Sri Lanka—formerly known as Ceylon—it is essential that we review its history. Located in South Asia, the island of Sri Lanka has been composed of two distinct populations for centuries—the Tamils and the Sinhalese. They lived not as one, but as two nations, with separate languages, religions, cultures, and clearly demarcated geographic territories. Today, the Tamils number about 3 million Hindus, Christians, and Moslems. The Sinhalses are the clear majority with about 10 million, mostly of whom are Buddhists.

In 1832, British conquerors arrived and brought these two nations under one rule for purposes of more efficient colonial administration. The Tamil-speaking minority were treated in a fair manner, having equal access to educational opportunities and positions in the civil service.

In 1948, however, the British left Sri Lanka. Behind them remained two unwilling neighbors under one rule. Independence for Sri Lanka meant independence for the Sinhalese and oppression for the Tamil minority.

Immediately after independence, 1 million Tamils were disenfranchised and made stateless by the Sinhalese-controlled government, under Sri Lanka's new, so-called democratic process.

In 1956, the Sinhalese-controlled government made Sinhalese the only official language of the island. This action caused severe hardships for thousands of existing and potential Tamil public servants, who could no longer satisfy language requirements. Many Tamils were forced to migrate to foreign lands.

In 1960-61, the Sinhalese-controlled government nationalized the schools. In doing so, they established a discriminatory policy against non-Buddhist education. Many Tamil schools were closed and reopened as Sinhalese institutions.

In 1964, the Sinhalese-controlled government decided to require plantation Tamils to return to India. These Tamils were the descendants of Indians who were brought to Sri Lanka more than 100 years before by the British to work the plantations. Most of them were born in Sri Lanka and never had any relationship with India.

In 1971, the Sinhalese-controlled government established a system of standardization of grades, which offered preferential treatment to Sinhalese students and excluded many qualified Tamil students from seeking equal educational opportunities. Under the system of standardization, a minority student had to obtain higher grades than a Sinhalese student in order to enter the universities.

In 1972, the Sinhalese-controlled government adopted a new constitution without any cooperation or consultation with the majority of the Tamil representatives in parliament. This new constitution was a blatant affront to the rights of the minorities. It reiterated that the Buddhist religion and the Sinhalese language were the foremost in Sri Lanka.

A new constitution was adopted by the Sinhalese-controlled government in 1978, and again the Tamil people were not consulted.

The Eelam Tamils Association of America—Eelam is the traditional name of the Tamil nation that existed prior to British rule—reports that currently their people are living under press censorship; being imprisoned and tortured by a punitive army of occupation; and "on the pretext of searching political prisoners, the police and the army enter houses and business premises and loot the property of Tamils and molest our women."

Despite statements by the Sri Lankan Government of their commitment to insuring the minority rights of the Tamils, the problems still remain. According to a recent State Department report:

> Without doubt the accommodation of the rights and aspirations of minority and majority ethnic groups is one of the most serious problems confronting Sri Lanka today.

My colleagues and I have introduced the following resolution because we believe it is essential to express the concern of the Congress about the army occupation in the Tamil areas of Sri Lanka; the denial of basic rights, including freedom of expression, freedom of religion, equal citizenship and educational opportunities; and the freedom to exercise the right of political self-determination.

We strongly believe that the situation in Sri Lanka merits the special attention of the President. Under terms of this resolution, the Congress calls on the President to immediately:

Encourage the Government of Sri Lanka to declare its intentions to withdraw troops from the Tamil areas of Sri Lanka in a phased and orderly manner; and

Reaffirm U.S. Government support for full restoration of human rights as a means of promoting self-determination for the Tamils.

Mr. Speaker, this Congress has joined President Carter in establishing the promotion and protection of basic human rights for all people as a top priority. We must remain firm in this commitment. We must support the minority right of the Tamils in Sri Lanka.

H. Con. Res. —

Calling for an End to Basic Human Rights Violations in Sri Lanka

Whereas the cornerstone of United States foreign policy is respect for human rights; and

Whereas those rights include freedom of expression, freedom of religion, equal citizenship and educational opportunities; and

Whereas the Tamil people of Sri Lanka have often been denied many of these rights by the Sinhalese-controlled government of Sri Lanka; and

Whereas the Tamil people of Sri Lanka have not been permitted to freely exercise their right of political self-determination; and

Whereas the United States Congress is deeply concerned over the tragic situation in Sri Lanka; and

Whereas the United States has a role to play in correcting the injustices that have been inflicted on the Tamils of Sri Lanka: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That the United States Congress calls on the President to immediately—

(1) encourage the Government of Sri Lanka to declare its intentions to withdraw troops from the Tamil areas of Sri Lanka in a phased and orderly manner; and

(2) reaffirm United States Government support for full restoration of human rights as a means of promoting self-determination for the Tamils.●

WHISTLEBLOWERS BLOWING IN THE WIND

HON. WILLIAM (BILL) CLAY

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 8, 1980

● **Mr. CLAY.** Mr. Speaker, once again the bureaucracy has won a stunning victory over the taxpayers, President Carter, the Congress, and above all those Government employees known as whistleblowers.

This Congress, prodded by President Carter enacted the Civil Service Reform Act which included a provision to protect Federal employees against recrimination and retaliation if they reported acts of corruption, malfeasance, and mismanagement within the Federal Government.

That law has been so distorted, confused, and compounded that the whistleblowers now find themselves the victims instead of the crusaders. Their acts to expose waste in Government are viewed by bureaucrats as insubordination. Reprisals are condoned by the very agency, the Merit Systems Protection Board, established by law to protect the rights of whistleblowers.

Several whistleblowers who recently testified before the Subcommittee on Civil Service, chaired by my colleague, Congresswoman PAT SCHROEDER, spoke of the harassment, years of aggravation, and stress they had been put through in attempting to right apparent wrongs they had uncovered not to mention the financial burdens they suffered in having to secure attorneys to represent them in these proceedings. They forthrightly and unanimously stated that if they had it all to do over again they would have remained silent and not revealed waste and corruption. This is indeed a sad commentary.

Mr. Speaker, an excellent article was written on this subject by Louis Clark and Thomas Devine. It appeared in the Washington Star on May 6, 1980, and I commend this article to my colleagues.

The article follows:

TO PROTECT THE WHISTLEBLOWERS

The Merit Systems Protection Board has failed the first test of free speech under the Civil Service Reform Act. But government whistle-blowers will be the real losers.

The board was established last year as a quasi-judicial guardian of the merit system, replacing the scandal-ridden, thoroughly discredited Civil Service Commission.

Its long-awaited decision in the *Frazier* case, involving the transfers of four deputies in the Marshals Service after whistleblowing disclosures to members of Congress, sent a signal throughout the bureaucracy: The Reform Act will do little to counter traditional patterns of retaliation against those who fight government misconduct. Ironically *Frazier* may leave employees more vulnerable to reprisal than before passage of the act.

The decision is a masterpiece of buck-passing and narrow legalistic rationalizations that defeat the purposes of the new law. For example, the board claimed full authority to apply the law and develop the facts in the case through a full hearing.

The law requires the newly established Office of the Special Counsel to conduct impartial investigations and protect legitimate whistle-blowers through corrective recommendations. When an agency ignores special counsel recommendations, the act only permits written comments to the board before a final decision. Instead the MSPB subjected the whistle-blowers to the trauma of a full-scale administrative trial.

Rather than taking the initiative to assure justice after asserting this questionable authority, the board defaulted. It blamed the special counsel for an inadequate investigation and technically tardy legal arguments. None of this finger-pointing mattered to the whistle-blowing deputies. All four resigned after the decision.

Incredibly, the board's key factual conclusion was that the official who ordered the transfers was unaware of any whistle-blowing. The board accepted his assertion of ignorance over the employees' recollections of discussions on that very issue with management representatives.

The decision permits agency chiefs to hide behind hatchet men who single out dissidents for punishment. As a result, government workers may have to circulate their dissent in writing to all top agency officials, detailing what they disclosed and to whom, in order to prove that it is even an issue in later retaliation.

The MSPB is forcing whistle-blowers to put a spotlight on themselves to gain the increasingly questionable "protections" of the reform act.

Most ominous are the legal machinations. The board held that the special counsel and the employees must continue to shoulder the burden of proving retaliation by a preponderance of the evidence, even after establishing a prima facie case. Lost is any incentive for agencies to accept special counsel recommendations.

If the employee fights a reprisal without special counsel support, the law places the burden-of-proof squarely on the agency. By defying the special counsel, an agency ensures that the whistle-blower faces the maximum legal handicap when the board considers the case. In essence, the MSPB transformed special counsel support into a "kiss of death."

Frazier represents a direct challenge for President Carter. The new whistle-blower law authorizes the president to issue rules, regulations or directives when "necessary to ensure that personnel management is based on and embodies the merit system principles." Repeatedly President Carter has promised to protect government whistle-blowers against repression. Their "crime" is to insist on honesty, or worse—to challenge the party line of the bureaucracy. Whom does the government serve if that public service means professional suicide?

After *Frazier*, commentators have declared the whistle-blower protections dead. At a minimum, freedom of speech within the government is on the critical list. Rhetorical support cannot substitute for presidential surgery.●

CRIME AND FEAR: HOW INEVITABLE?

HON. PHIL GRAMM

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 8, 1980

● Mr. GRAMM. Mr. Speaker, my good friend and constituent, Dr. Jack K. Williams, executive vice president and director of the Texas Medical Center, has asked me to share a particularly poignant article on the problems of urban crime and the almost blase attitude taken by residents of many of this Nation's cities. Dr. Williams has brought to my attention an insight into a much forgotten contemporary urban problem which I strongly feel is worthy of further consideration. I hope that all Members of Congress take the opportunity to read this thoughtful and provocative piece:

CRIME AND FEAR: HOW INEVITABLE?

(By Msgr. Harry J. Byrne)

Sunday morning masses over, I bicycled west on New York's East 87th St. then north on Fifth and into Central Park at 90th St. The park drive, closed to cars on weekends, was alive with bikes, joggers, roller skaters, and further south with horse-drawn hansom cabs. A Cub Scout pack trooped behind its flag, all smiles. What a variety of people on the benches and along the walks—kids, families, lovers of various sexual persuasions, book readers, old and young conversationalists.

But New York, like most cities, is somewhat schizophrenic. A little distance away, shifty-eyed characters watch cautiously, nervously. The drug merchants. On the handsome Bethesda Fountain obscene graffiti expresses the anger and disorder of the spray-can and magic-marker wielders. They are contemporary editions of the barbarians of other ages who would decapitate a statue by Praxiteles or tumble the vestal virgins in their Roman temple.

But their target in my neighborhood and in my parish is flesh and blood—and ours is not a high crime area. What have these barbarians within the walls done recently? A young woman killed in her apartment at 89th St. and 2nd Ave., an elderly lady slain in the nearby Isaacs housing project, a nurse's aide murdered in her apartment on East 91st St. Our borough president, Andrew Stein, at knifepoint lost his wallet and overcoat to two muggers, one black, one white—an equal-opportunity team. In Central Park and in Carl Schurz Park at the east end of my street, homosexuals are attacked and beaten by young marauding drunks.

We parish priests bury the dead and talk to the survivors. Their religious faith and devotion help hold them together. The son of our church custodian is a Transit Authority police officer. Attacked in the subway, he's now in the hospital. Sandra, a Hispanic medical secretary, came in to discuss her acute depression. She had a bout with cancer (now, happily, in remission) and lost a parent. But a man with a gun robbed her in her apartment last month. It was her breaking point.

John D. stopped me after mass on a recent Sunday. "The doctors can't do any more, Monsignor. The sight in that eye is completely gone." He'd been mugged. The mugger took some small change—and John's left eye. Margaret M., aged 82, was in church too. She was raped a few months ago by a burglar she surprised in her apartment. Have you ever talked to an 82-year-old woman who has had this happen?

Maureen S., a 26-year-old blind girl who teaches blind children, was a lector in our church. She read the Scripture lessons at Sunday mass from her Braille bible. She's not with us now. She was beaten and robbed in the elevator of her housing project. We were able to get her into an institution with a security guard at the door.

What's going on in society? This violence is shrugged off the way pilfering is in a department store. It's just part of the cost of doing business! That's what's going on, and it has to stop. We have to start distinguishing between property and lives; between the criminals who threaten only property and those who menace life. Do we really understand what happens when an elderly person is mugged to death? A life brutally ended? Can we accept this or the threat of it with calmness?

We must listen to the experts who tell us that most crimes are committed by persistent offenders. And when a persistent violent offender is convicted, he must be contained like nuclear waste, so that his lethal influence will stop. Our society needs swift and certain justice for violent criminals and their prompt and perduring containment. Now the criminal gets a lottery ticket in the justice casino; and the odds, according to statistics, are all in his favor. Our society needs a terrifying sentence incumbent on the possession of a gun or a knife in the commission of a crime. For deterrence, yes; but more to contain the violent criminal and protect others against his repeated violence. Too strong? Too expensive to build the prisons? Talk to the man who lost an eye, the blind girl tearfully seeking a safe residence. See the bodies of the elderly who have been slain. Sense the fear of people on the streets and in the elevators.

As a priest and a citizen, I am totally opposed to capital punishment. I'm not that much concerned about punishment. But I am concerned that people who kill and maim, who destroy eyes and hearts, should be safely contained away from society.

What is the answer? Troops on the street? More police? No. The remedy is elsewhere. Our age has seen the Ten Commandments relativized and made subjective to the point of vanishing. At the same time, procedural rules and mechanisms of law have been made into absolutes. Some commandments should be absolutized, like "Thou shalt not kill." And some legal mechanisms should be less absolute.

Look at the exclusionary rule of evidence. A police officer does not have the necessary warrant, but his evidence points without any doubt whatever to the guilty party. The evidence is excluded and the criminal goes free to shoot again. Is there not some other way of discouraging abuse of police power? Must society surrender its duty to contain the violent persistent offender and so protect others from his assaults? If a police officer without the necessary warrant found radioactive waste, would the courts require that it be left to continue its deadly work?

Look at bail procedures: many crimes are committed by criminals out on bail. If caught and found guilty of both crimes, they generally receive two sentences to run concurrently. So if you're out on bail, commit another crime. There's no additional penalty. You have another free crack at a senior citizen. Mandatory consecutive sentences are needed for crimes committed on bail.

Look at the double jeopardy rule. In New York a judge declared a mistrial in the case of a man who pushed a woman in front of a subway train. He kicked her down again when she tried to climb back. A second trial resulted in a clear cut conviction. On appeal, the higher court censured the judge for declaring the mistrial to facilitate vacation plans and ordered the criminal freed because he had faced double jeopardy! Must the rule on double jeopardy always be an absolute? Are there no ways of protecting against judicial abuse other than freeing the convicted felon? Must society be put in double jeopardy?

The Bill of Rights needs protection for the accused and for the potential victims. The real meaning of the Bill of Rights is not only in the actions restricted but in the things protected: "The right of the people to be secure in their persons, houses, papers and effects"; "There shall be no prohibition of the free exercise (of religion) or the right of the people peaceably to assemble."

Our first civil liberty is the security of our persons and our lives. The elderly are triple locked in their apartments at night. Maureen, the blind girl is in another part of the city, away from her friends and her parish, with a security guard at the entrance to her building. The criminal justice system has the whole thing backwards. Maureen should be free to ride in the elevator and walk the street to St. Joseph's, to assemble peaceably with us here on Sundays, to be secure in her person, to be able to run her finger over the Braille page and read to our congregation the words of St. Paul: "For you have not received the spirit of bondage again to fear; but you have received the Spirit of adoption of sons. . . . Therefore let us follow after the things that are of peace. . . ."●